

# VOTE 8

## DEPARTMENT OF HUMAN SETTLEMENTS

To be appropriated by vote in 2018/19	R 5 888 425 000
Responsible MEC	MEC for Human Settlements
Administering Department	Department of Human Settlements
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

To create integrated and sustainable human settlements within a smart Gauteng City Region.

#### Mission

To facilitate the delivery of sustainable integrated human settlements, new towns and smart cities, in partnership with relevant role players from all sectors of society through:

- Development of suitably located and affordable housing (shelter) and decent human settlements;
- Creating new post-apartheid towns, and transforming current cities and towns in Gauteng, moving towards efficiency, inclusion and sustainability; and
- Building cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreation facilities, with community development and optimal access/inclusion.

#### Values

The Department's values are based on the *Batho Pele* (People First) principles of the South African Public Service. Its specific focus is on:

- Integrity;
- Honesty;
- Loyalty;
- Professionalism;
- Human dignity;
- Service delivery;
- Excellence;
- Discouraging bad and rewarding good behaviour;
- Sound ethical standards; and
- Accountability.

#### Strategic goals

The Department's Strategic Plan gives effect to the ten pillars that drive the Gauteng Provincial Government's (GPG) five-year programme. The Department aims to achieve the following four strategic outcome-oriented goals:

- Good governance and strategic management of the Gauteng Department of Human Settlements (GDHS);
- Development of legislative frameworks, policies and plans that enable spatial transformation in the delivery of human settlements;
- Well-located, sustainable, integrated human settlements that provide security of tenure; and
- GDHS immovable assets maintained, devolved and transferred.

#### Core functions and responsibilities

The mandate of the Department is derived from the Constitution of South Africa. Its primary roles are to:

- Promote and facilitate the provision of adequate housing in the province;
- Develop provincial human settlements housing policies that will strengthen the ability to provide housing opportunities to qualifying beneficiaries to build sustainable communities;
- Develop and implement programmes and projects that give effect to the province's short, medium and long-term housing plans; and

- Manage the housing delivery process and transform informal settlements, especially in priority townships, into sustainable and vibrant communities, and provide services in respect of subsidies and rental housing.

### **Main services**

The Department delivers quality-housing opportunities to the people of Gauteng, and develops integrated infrastructure to create cohesive communities. The Department is responsible for managing provincial housing assets through the property management programme, and for redistributing or transferring properties to beneficiaries. In addition, it aims to build cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. Through the Human Settlement Development Grant (HSDG), the Department delivers mega human settlements and post-apartheid cities. Developing human settlements along other nodal developments is important to achieve maximum impact, as well as economies of scale, whilst supporting the programme of Radical Economic Transformation (RET). The Department is mandated with upgrading existing townships and inner cities through urban renewal programmes, inner city revitalisation, ensuring that the Gauteng Rental Housing Strategy is realised, mining towns' revitalisation, integration of hostel residents into the broader social fabric, and ensuring that every Gauteng resident has access to housing opportunities through various departmental programmes like the Finance Linked Individual Subsidy Programme (FLISP).

### **Ten pillar programme of Transformation, Modernisation and Re-industrialisation**

#### **Modernisation of public service and transformation of the state and governance**

The Department will support the above pillar by strengthening and aligning the Department's organisational capacity and capability to deliver on its mandate. The Department will ensure that its business units perform efficiently by providing effective and efficient corporate support through technology to the Department's core functions. The Programme ensures effective leadership, management and administrative support to the core business divisions through continuous refinement of organisational strategy and structure, in compliance with appropriate legislation and best practice.

#### **Decisive spatial transformation and modernisation of human settlements and urban development**

As part of achieving decisive spatial transformation and modernising human settlements and urban development, the Department will undertake research and develop policies and plans that give support to the achievement of the ideals expressed by the pillars. Examples of such policies include the Inclusionary Housing Bill; the Densification Policy; the Gauteng Rental Housing Strategy, and the Land Invasion Framework. Through the Housing Development Programme, the Department aims to build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. A total allocation of R5 billion, in the form of the HSDG, is allocated to support the realisation of these pillars. The emphasis is on providing individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy. The Department plans to implement mega-projects to provide various housing types, developed along nodes with economic and employment opportunities, and transport.

The Department further supports these pillars by providing for the sale and transfer of rental stock, devolution of housing assets, implementation of the Enhanced Extended Discount Benefit Scheme (EEDBS) and housing property maintenance. The Department also provides cleaning services to its stock of flats and the transfer of ownership to beneficiaries. An allocation of R106 million is set aside in the form of a title deeds restoration grant, to fast-track issuing title deeds to beneficiaries to support the realisation of the above pillars through these programmes. The Department facilitates affordable rental accommodation and delivers housing units in targeted presidential projects to promote home ownership. It is combating fraud and corruption by allocating houses to beneficiaries and ensuring RET. In April 2014, the Department approved the Strategic Framework on Anti-Fraud, Corruption and Ethics and the Fraud Prevention Plan. The Department is engaged on combating issues of fraud and corruption, oversight, transparency and accountability, fraud detection, reporting and monitoring, as they are critical components to dealing with fraud and corruption, as part of its mandate to deliver housing opportunities to the people of Gauteng. The Department has established the Project Management Office (PMO), to deliver on the collaboration, cooperation and coordination protocols, thereby addressing service delivery protest, reducing waiting times for beneficiaries, and ensuring coordination of departmental plans with other GPG departments.

The main objectives of the PMO include the following:

- Developing processes to support the efficient and effective delivery of services in partnership and collaboration with various stakeholders in the public and private sector;
- Facilitating and coordinating the implementation of allocated projects from initiation through execution to closure; and
- Overseeing and ensuring attainment of quality project deliverables in line with project plan.

Lastly, the Department intends to support the modernisation of human settlements by utilising modern technology through the installation of the centralised biometric system for beneficiary administration. The validation of qualifying housing beneficiaries will be implemented without exception, and the waiting list will be reformed through the monitored and up-to-date demand database.

### **National Development Plan (NDP) and the departmental strategy for 2014–19**

The NDP is the overarching plan with which all departments and state agencies are aligned. In terms of NDP Vision 2030, and Chapter 8 in particular, the Department needs to ensure that the people of Gauteng have a decent standard of living, eliminating poverty and reducing inequality, through the following key areas of focus:

- Shaping the spatial form of Gauteng by focusing on infrastructure investment and urban regeneration in terms of infill developments between major urban centres and aggressive densification in good locations;
- Devising alternative innovative financial instruments to increase housing opportunities by increasing the supply of FLISP housing products; harnessing private sector funding and investment in housing, infrastructure development and affordable rental accommodation, and servicing stands by the capital subsidy scheme;
- Playing a central coordinating and facilitative role between Global City Region (GCR) cities and capitalising on the growing integrated urban network to implement the housing chapters of the Human Settlement Master Plan, supported by transport and infrastructure plans, and well located human settlements in areas of employment and economic activity;
- Prioritising the development of urban infrastructure, the environment and the affordability of living in urban centres, to implement the provincial Bulk Infrastructure Plan, and align funding streams to support the plan (MIG/USDG/MISA);
- Promoting social and spatial integration to achieve social cohesion through identifying and providing new human settlements;
- Developing efficient and effective human settlements, as opposed to marginalised and dysfunctional settlements or “pockets of poverty”, through a joint effort with stakeholders; and
- Encouraging optimal use of land through densification in strategic locations.

#### **External activities and events relevant to budget decisions**

The total number of households in Gauteng has grown by 139 per cent, between 1996 and 2016, with an average increase of 10 per cent between 2014 and 2016. Household sizes have reduced to fewer than three people per household, adding to the demand for suitable housing. While the percentage of formal households has increased by 168.8 per cent, between 1996 and 2016, the number of informal households increased at a slightly lower rate of 77.9 per cent as compared to formal household for the same period. In total, the proportion of informal to formal dwellings has reduced from 23.9 per cent (in 2001) to 17.7 per cent (in 2016). While the number of households in informal settlements has stagnated, there is a growing trend in informal dwellings in backyards, which comprised 55 per cent of informal dwellings in 2015 (up from 37.4 per cent in 2004). Although Gauteng has done well in providing low cost housing to the poor, with 31 per cent (1.23 million) of the country’s low cost houses are located in Gauteng, spatial inequality has largely persisted, with the poor continuing to live on the urban fringe. While Gauteng has realised large advances in access to public services, such as water, electricity, sanitation, health, education, social welfare and transport, it has struggled to keep up with demand influenced by the high levels of in-migration into the province.

#### **Acts, rules and regulations (most recent first)**

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- 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);
- Construction Industry Development Board Act (Act no. 38 of 2000);
- 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).

#### **Legislative and other mandates**

The core mandate of the Department is to ensure the provision of housing and sustainable human settlements.

#### **Policy mandate**

The Department is guided by the following policies and strategies:

- Provincial Growth and Development Strategy (PGDS);
- Breaking New Ground (BNG) Strategy;
- Gauteng City Region (GCR) Strategy;
- Gauteng Human Settlements Mega Projects Strategy;
- National Housing Policy; and
- National Housing Code.

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

### **Decisive spatial transformation and modernisation of human settlements and urban development**

The location of housing is critical. Whilst significantly altering existing spatial patterns, the Department has the responsibility to “modernise urban development and human settlements” through the greening of these developments and densifying them to counteract the shortage and cost of land in the province.

The Department is phasing out “legacy” projects, which are micro projects found across the development corridors. The Department is consolidating all legacy projects into mega human settlements projects in all development corridors of the GCR. This endeavours to have such developments taking place in areas closer to employment, economic opportunities and transport facilities, so that residents save money and time commuting between their workplaces and homes, and gain access to basic services and other amenities. The Department’s performance against the housing programmes (implemented until the third quarter of 2017/18) is summarised below.

**Housing Development:** Against the annual targets of 19 799 serviced stands, and 35 112 housing units, actual delivery at the end of the third quarter of 2017/18 stood at 3 402 (or 17 per cent) of the planned number of serviced stands, and 13 651 (or 39 per cent) of housing units respectively.

The programmes that have performed adequately during the first three quarters of the financial year are the Rural Intervention Programme and the Provincial Specific Programme. The Rural Intervention Programme yielded 241 housing units, surpassing the annual target of 200 houses. The Provincial Specific Programme achieved 796 units, which is a 96 per cent achievement of the planned annual output of 825 units. It is important, however, to note that this record includes work that was almost complete at the close of the previous financial year, and reached full completion in the current financial year.

Within the first three quarters of the 2017/18 financial year, the Department planned to deliver 7 545 serviced stands and 23 473 housing units. 3 402 serviced stands and 13 651 housing units were realised. Slow delivery is generally attributed to the delays in the appointment of PRTs and contractors. Some projects were affected by the unavailability of bulk infrastructure. PRTs and contractors have been appointed, and project reprioritisation was undertaken to shift resources to projects ready for implementation.

Weekly monitoring of implementation of projects, including expenditure and unlocking of blockages, through the War Room, is undertaken to fast-track service delivery as part of the remedial actions.

### **Financial Intervention Programme**

Under **FLISP**, the Department aimed to produce 1 663 housing units in the first three quarters of the financial year, of which 610 units were achieved. The Programme is implemented with the assistance of the National Housing Finance Corporation (NHFC) and the yield is dependent on approval of beneficiaries for bonds from the banks.

### **Incremental Housing Programme**

**Under the Low Cost Phase 1: Planning and Services:** The Department planned to service 3 213 stands for the period under review, and to date no stands have been serviced. The projects were not ready for implementation due to the unavailability of bulk infrastructure.

**For the Low Cost Phase 1: Planning and Services:** Under the planning and services of Informal Settlements, the Department planned to service 3 782 stands. To date the Department has serviced 2 937 stands. The slow delivery is attributed to one project being affected by community unrests (namely Slovo Park). The Department is working on resolving the community issues in order to unblock service delivery at the Slovo Park project.

**Phase 2: Top Structure Construction:** Under this Programme, the Department planned to deliver 5 976 units, and 1 899 units were achieved. Delivery was affected by delays in the appointment of contractors, lack of bulk infrastructure, as well as community unrest. Appointment of contractors and PRTs has since been finalised. Contractors are working on a catch-up programme to make up for the time lost during labour unrests. Implementation of projects without bulk infrastructure challenges has been prioritised.

**Phase 2: Integrated Residential Development Programme:** For the Top Structure Construction Informal Settlements, 11 673 units were planned to be delivered; only 7 173 unit were realised at the end of the third quarter of 2017/18. Implementation in most projects was affected by delays in the appointment of PRTs and contractors. Contractors are now on site.

**Under the Informal Settlement Upgrading Programme:** 107 units were planned for the first three quarters of the financial year; only 17 units were achieved. The Ivory Park 77/78/79 project is not ready for implementation this year, and funds have been moved to other projects, which demonstrated readiness to implement.

### **Social and Rental Intervention Programme**

No targets were set for the Institutional Subsidies; however, a delivery of 289 units was realised from the projects that were completed in the previous financial year, but only certified in the current year.

The Department planned to build 605 Social Housing Capital Grant units for rental housing and 791 were built. Some outputs achieved are carried over from the previous financial year.

**Under CRUs.** The Department aimed to complete 508 units; only 337 units have been complete to date. Delayed appointment of PRTs affected the performance of the Programme.

**The Farm Worker Housing Assistance Programme:** Targeted 365 housing units; however 465 stands and 0 houses were achieved. Stands were serviced in the previous financial year and final completion realised in the current year.

**The Rural Housing: Communal Land Rights Programme:** Planned 170 housing units and 241 achieved, with the additional units being delivered from the previous financial year.

**Priority Projects:** Targeted 1 571 housing units and 300 stands; 0 stands and 1 358 housing units were achieved. Installation of sewer and construction of storm water management systems have commenced in the Goudrand Ext. 4 project and the planned serviced stands are not likely to be completed in the current financial year. The construction of houses was affected by the slow appointment of contractors. Implementation is underway in different projects and is at different stages.

**The Provincial Specific Programme:** Had a target of 735; 825 were achieved towards the implementation of annual targets.

#### **Sales and Transfer of Housing Properties Programme**

In relation to residential properties transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme (EEDBS) (pre-1994), the Department planned to transfer 400 title deeds to beneficiaries; whilst under the post-1994 properties regularised programme, the target is 50 923 for 2017/18. A total of 2 146 pre-1994 and 12 883 post-1994 title deeds have been transferred. Continuous engagements are held with the stakeholders, including the municipalities and the Deeds Office, to improve the output for transfer of housing properties to beneficiaries.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

#### **Modernisation of human settlements and urban development**

In alignment with the Medium Term Strategic Framework (MTSF) targets, the Department will continue to undertake a rigorous exercise to ensure that targets set are a true reflection of the MTSF expectations, and to ensure variances that occurred during the previous financial years, are carried forward and spread across the remaining financial years and linked to the budget. This is to make up for the loss or under-planning encountered during the past three financial years, due to various reasons highlighted under challenges. The Department has therefore attempted to align the 2018/19 targets with those of both national and provincial MTSFs.

The following are some of the critical areas that the Department is currently focusing on with a view to fast-track sustainable human settlements delivery:

- Integrated sector planning;
- Strengthening delivery capacity through partnerships with the private sector;
- Commitment to eradicate backlog on title deeds back-log by;
  - Registration of townships
  - Registration of title deeds
- Use of alternative building technologies, and working closely with the National Home Builders Registration Council (NHBC), coupled with community education; and
- Intense community education on the Finance Linked Individual Subsidy Programme (FLISP) and development of an end-to-end suitable land acquisition process (fit for purpose) including a Land Invasion Strategy.

#### **Financial Intervention Programme**

Under **FLISP**, which is intended to assist people who do not earn enough to qualify for financial assistance (mortgage bonds) from the financial institutions, but who do not earn a sufficiently small amount to qualify for social housing (that is, people who earn between R3 500–R18 000 per month), the Department aims to produce 12 320 housing units for the coming financial year.

#### **Incremental Housing Programme**

Under the IRDP: Phase 1: Planning and Services, the Department plans to service 1 835 stands in 2018/19. For the IRDP Phase 1: Planning and Services under Informal Settlements, the Department plans to service 2 901 stands in the coming year. Under Phase 2: Top Structure Construction, the Department plans to deliver 14 615 units, and under IRDP: Phase 2: Top Structure: Informal Settlements, it plans to deliver 6 348 units.

Under the Informal Settlement Upgrading Programme, no sites will be serviced and 73 units will be built.

#### **Social and Rental Intervention Programme**



Under **CRUs**, the Department plans to upgrade/convert 1 112 units in 2018/19. It will implement the Farm Worker Housing Assistance Programme targeting 300 sites and 565 housing units. The Rural Housing: Communal Land Rights Programme has a target of 100 housing units for the year coming year.

The Department supports the important national goal of universal access to basic services. The servicing of stands provides access to basic services, such as access to basic water, sanitation and electricity.

### **Sales and Transfer of Housing Properties Programme**

In relation to residential properties transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme (EEDBS) (pre-1994), the Department is planning to transfer 3 452 title deeds to beneficiaries, whilst under the post-1994 properties regularised programme, the target is 27 712 for 2018/19. The planned target for the number of title deeds issued on new housing developments throughout the year is 25 897, and the targeted number of property units devolved to municipalities is 1 000.

### **Decisive spatial transformation**

Developing human settlements along other nodal developments is vitally important to achieve maximum impact, as well as economies of scale. The Department is targeting pockets of land that are located closer to socio-economic amenities across the province. To develop sustainable human settlements, the Department has to ensure that it affords the various segments of the housing market access to different housing typologies that suit their needs.

In line with the provincial priorities of an inclusive GCR, the Department will, during the 2018/19 financial year, embark on high-yield projects, which include Tsakane Ext. 22; Chief Luthuli Ext.; Mega and Germiston South (Eastern Development Corridor) (Ekurhuleni); Cosmo City; Goudrand Ext. 24 (DRD); 3D Diepsloot East (Central Development Corridor) (Johannesburg); Winterveldt Ext. 3 Phase 2 (Northern Development Corridor) (Tshwane); Wagterskop (Mega); (Western Development Corridor) (West Rand); Sebokeng Ext. 28 (Boiketlong Mega); Ratanda Ext. 1, 3, 5, 6, 7 and 8 (Ratanda Precinct Mega); Savannah City (Vaal Triangle Mega); Obed Mthombeni Nkosi Phase I (Mose) (Ratanda Precinct Mega); Westside Park (Golden Highway Mega), and the Southern Development Corridor (Sedibeng).

### **Job creation**

The Department plans to create 8 000 employment opportunities in 2018/19, through the Extended Public Works Programme (EPWP), GEYODI and the Tshepo 1 000 000 Programme. The Department will strengthen the implementation of its empowerment policies by prioritising GEYODI mainstreaming across all the programmes.

Through its empowerment and job creation initiatives, the Department will train 250 youth on technical skills namely, plumbing and bricklaying and place them equally with contractors through the National Youth Service Framework (NYSF).

The implementation of the Tshepo 1 000 000 Programme in the 2018/19 financial year will target five co-operatives, to be established and supported by the Department, through skills training and development on business and technical development training, linked to mentorship.

The Department has targeted 180 designated small, medium and micro-sized enterprise (SMME) contractors for empowerment through financial assistance and technical and management training. This is in housing construction-related activities in partnership with the NHBRC. Furthermore, the incubation programme will continue to train and mentor the new contractors under the construction-linked experiential learning based on allocated projects.

### **Challenges faced by the Department are:**

- Planning for project implementation;
- Supply-Chain Management;
- Contract Management;
- Payment of contractors;
- Project Management Capacity;
- Public participation, engagement and community relations; and
- Monitoring and Evaluation.

### **The following are some of the mitigating steps that will be taken to address these difficulties:**

- Ensure better planning for the 2018/19 and beyond;
- NHBRC projects enrolment;
- HSDG and USDG alignment, and spatial integration;
- Implementation of transformation objectives;
- Ensure that all contracts are concluded and enforced;
- Ensure monitoring of contractual obligations;
- Ensure an effective payment system that pays within acceptable stipulated days of approval of invoices;
- Beef-up in-house capital projects management capacity;
- Ensure effective project management;

- Ensure effective public participation during the planning phase of each project;
- Undertake project profiling to anticipate any community dynamics which may negatively affect projects;
- Ensure effective communication of delivery;
- Work to achieve community ownership of projects;
- Proper and effective projects monitoring and evaluation systems; and
- Regular reporting of performance of projects and contractors.

## 4. REPRIORITISATION

The Department continues to review its operations to identify potential cost savings and eliminate inefficiencies. This will translate into reprioritisation, essential in the present tight fiscal environment. The Department continues to explore less expensive building technologies and, taking into account the MTEF period as a whole, has examined how it can prioritise its budget to meet its primary objectives. An amount of R55.7 million from Programme 3: Housing Development is reprioritised from the item property payments, following the realignment of the departmental operational budget, and re-directed to Programme 1: Administration, where the expenditure is incurred.

When comparing the 2018/19 budget to the 2019/20 budget, Programme 1: Administration under Sub-Programme Corporate Services reprioritised funds within the Programme as part of the realignment of the departmental operational budget. Items, such as audit fees, fleet services and property payments (general renovations) were reduced to fund items that support the core, such as consultants, operating payments, agency and support/outsourced services and computer services. Programme 3: Housing Development, decreases by R55.7 million to fund Programme 1: Administration, where expenditure on property payments is incurred. Programme 3: Housing Development, further decreases by R14 million to fund Programme 4: Housing Assets Property Management, as a result of the reprioritised departmental business plan.

Funding reprioritised to Programme 4: Housing Assets Property Management will promote home ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands, and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The Department motivates, guides and manages the provision of tenure for occupants, and promotes home ownership through sectionalisation of flats.

## 5. PROCUREMENT

The Department will procure goods and services in line with the budget allocation, and in terms of all prescribed policies and acts, will monitor and control spending as efficiently and as effectively as possible. Purchasing, receiving and using goods and services on time is essential to service delivery. All contracts are subject to market-related price analysis, and the terms and conditions are analysed to identify areas where the Department can negotiate for better value for money without compromising quality. The Department encourages the use of small and township-based businesses to promote sustainable job creation, using a range of such businesses to promote fairness and transparency.

In relation to procurement, in the 2018/19 financial year, the Department plans to:

- Fully implement the SAP operating system for processing of orders and contract management for operational contracts;
- Continue to train and develop its staff;
- Implement the use of pre-approved lists, as the basis of appointment of service providers for regular services. This will ensure timeous appointment of contractors within the first quarter of the financial year;
- Acquire goods and services in line with targets, as indicated in the procurement plan;
- Ensure that there is significant improvement in the contract administration to ensure that the commitments are valid, complete and accurate;
- Implement the new procurement regulations to ensure compliance throughout the procurement processes.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 8.1: SUMMARY OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	682 160	959 170	1 002 223	644 254	669 747	669 747	726 968	769 351	818 557
Conditional grants	4 432 595	4 126 734	5 046 443	5 542 105	5 585 810	5 585 810	5 161 457	5 348 304	5 716 361
Human Settlements Development Grant	4 430 595	4 124 734	5 022 669	5 528 050	5 571 755	5 571 755	5 046 583	5 236 578	5 598 471
Title Deeds Restoration Grant							105 811	111 726	117 890

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Housing Disaster Grant			21 569						
EPWP Intergrated Grant	2 000	2 000	2 205	14 055	14 055	14 055	9 063		
<b>Total receipts</b>	<b>5 114 755</b>	<b>5 085 904</b>	<b>6 048 666</b>	<b>6 186 359</b>	<b>6 255 557</b>	<b>6 255 557</b>	<b>5 888 425</b>	<b>6 117 655</b>	<b>6 534 918</b>

Over the MTEF period, total receipts will have increased steadily from R5.1 billion (in 2018/19) to R6.5 billion (in the 2020/21 financial year). The funding made available will enable the Department to embark on projects that will contribute decisively to spatial transformation and RET by ensuring that people are located closer to places of work and economic opportunities. It will also provide sustainable human settlements services and infrastructure, in line with national access and equity policy and objectives. The conditional grant decreases from R6.2 billion in 2017/18 to R5.8 billion in 2018/19 financial years. The decrease in the conditional grant funding amounts to R861 million (between the 2017/18 and 2018/19 financial years), and will total R1.7 billion over the MTEF period. The conditional grants increase from R5.1 billion in 2018/19, to R5.7 billion in the 2020/21 financial year, aligned to the estimated inflation projections. This grant will assist the Department in addressing the housing backlog in the province, mainly caused by the increasing number of people who migrate to the province in pursuit of a better life and employment opportunities.

Included in the HSDG is an amount of R151 million in 2018/19, earmarked for revamping mining towns, including Merafong City, Rand West City, and Mogale City. Funding earmarked for revamping mining towns amounts to R303 million for the two outer years of the MTEF. The equitable share and conditional grants are the main source of funding for the GDHS. The Human Settlements Development Grant, and the funding made available by the province, caters for the implementation of national and provincial housing programmes.

Funding amounting to R105.8 million, in the form of a conditional grant, is made available to the Department in 2018/19 for the Title Deeds Restoration Programme and will fund the EEDBS and the transfer of housing properties to beneficiaries. Continuous engagements are held with stakeholders, including the municipalities and the Deeds Office, to improve the output for transfer of housing properties to beneficiaries. This amount is increased to R111.7 million and R117.9 million for the two outer years of the MTEF respectively.

## 6.2 Departmental receipts

TABLE 8.2: DEPARTMENTAL RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	989	1 442	1 609	435	435	580	460	485	512
Interest, dividends and rent on land	2 007		9	380	380	380	402	425	448
Sales of capital assets		1 500	3 211						
Transactions in financial assets and liabilities	1 964	34 716	6 086	4 082	4 082	4 082	4 319	4 561	4 812
<b>Total departmental receipts</b>	<b>4 960</b>	<b>37 658</b>	<b>10 915</b>	<b>4 897</b>	<b>4 897</b>	<b>5 042</b>	<b>5 181</b>	<b>5 471</b>	<b>5 772</b>

The department generates its revenue from parking fees, sale of tender documents and collection of revenue from rental of departmental properties. For the period under review, revenue remains stable due to the nature of the department's business. The department receives a once off amount from the sale capital assets in the financial year 2015/16. The significant collection of R33 million resulted from revenue received from funds that were rolled over from Ekurhuleni Metropolitan Municipality. The department also received a once off amount in the form of servitudes rights in the financial year 2016/17. The budget will remain relatively stable after the Department transferred properties to DID and is not anticipating income to be derived from servitude rights. It is anticipated that tender document sales and more recoveries from previous year's expenditure could improve revenue collection over the MTEF. The department is no longer transferring funds to conveyancers upfront for individual subsidies hence there is no interest generated from such transactions.

## 6.2 Donor funding

N/A



## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The assumptions that underpin the department's 2018 expenditure are summarized below. A 7.2 per cent wage increase is anticipated over the MTEF. A 5.6 per cent increase in general goods and services is anticipated in 2018/19, 5.5 per cent in 2019/20 and 5.5 per cent in 2020/21, in line with the projected consumer price index (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2018 MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary costs including conditions of service adjustments from 1 April each year;
- Increased take-up of benefits such as medical aid and home owners' allowance based on bargaining council agreements;
- Inflation in the cost of goods and services, based on headline CPI projections;
- Provision for eradicating informal settlements;
- Provision for upgrading infrastructure services; and

### 7.2 Programme summary

TABLE 8.3: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	278 832	364 812	461 651	417 217	424 067	422 553	512 510	542 206	578 919
2. Housing Needs, Research And Planning	14 595	22 369	18 447	35 822	44 269	44 290	41 778	44 126	46 553
3. Housing Development	4 647 462	4 278 821	5 347 593	5 559 388	5 604 655	5 606 148	5 163 858	5 354 935	5 726 637
4. Housing Assets Management Property Management	85 408	76 707	129 992	173 932	182 566	182 566	170 279	176 388	182 809
<b>Total payments and estimates</b>	<b>5 026 297</b>	<b>4 742 709</b>	<b>5 957 683</b>	<b>6 186 359</b>	<b>6 255 557</b>	<b>6 255 557</b>	<b>5 888 425</b>	<b>6 117 655</b>	<b>534 918</b>

### 7.3 Programme summary

TABLE 8.4 SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>417 208</b>	<b>545 326</b>	<b>610 909</b>	<b>582 004</b>	<b>596 310</b>	<b>596 282</b>	<b>669 765</b>	<b>703 536</b>	<b>751 306</b>
Compensation of employees	341 232	355 623	382 000	418 510	418 511	418 511	448 432	472 830	503 564
Goods and services	75 976	189 703	228 909	163 494	177 799	177 771	221 333	230 706	247 742
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>4 574 792</b>	<b>4 196 305</b>	<b>5 302 025</b>	<b>5 557 078</b>	<b>277 685</b>	<b>277 685</b>	<b>261 747</b>	<b>261 699</b>	<b>262 219</b>
Households	4 574 792	4 196 305	5 302 025	5 557 078	277 685	277 685	261 747	261 699	262 219
<b>Payments for capital assets</b>	<b>9 111</b>	<b>1 059</b>	<b>15 756</b>	<b>47 276</b>	<b>5 381 561</b>	<b>5 381 561</b>	<b>4 956 913</b>	<b>5 152 420</b>	<b>5 521 393</b>
Buildings and other fixed structures					5 338 421	5 338 421	4 915 555	5 103 364	5 471 822
Machinery and equipment	9 073	1 052	15 721	42 262	31 366	31 366	29 305	31 010	32 716
Software and other intangible assets	38	7	35	5 014	11 774	11 774	12 053	18 046	16 855
<b>Payments for financial assets</b>	<b>25 186</b>	<b>19</b>	<b>28 993</b>		<b>1</b>	<b>29</b>			
<b>Total economic classification</b>	<b>5 026 297</b>	<b>4 742 709</b>	<b>5 957 683</b>	<b>6 186 359</b>	<b>6 255 557</b>	<b>6 255 557</b>	<b>5 888 425</b>	<b>6 117 655</b>	<b>6 534 918</b>

The table above indicates that the departmental expenditure was R5 billion in 2014/15. The expenditure in 2015/16 financial year however, decreased to R4.7 billion as the Human Settlement Development Grant (HSDG) allocation was reduced by R908 million by the National Department of Human Settlements to fund priority projects in other provinces. Between 2015/16 and 2016/17 the expenditure increased to R5.9 billion due to the reprioritisation within the housing sector which led to the upward adjustments on the Human Settlements Development Conditional Grant. For the period under review, the budget decreases from R6.2 billion in 2017/18 to R5.8 billion in the 2018/19 financial year due to the reduction in conditional grants. The budget over the MTEF is expected to increase from R5.8 billion in 2018/19 to R6.5 billion in 2020/21 in line with the estimated inflation projections. The largest share of the budget is allocated to the Housing Development Programme, which aims to establish sustainable human settlements where all citizens have access to housing and other social amenities.

**Programme 1:** Administration expenditure increased from R279 million in 2014/15 to R462 million in the 2016/17 financial year translating to a 66 percent increase mainly due to the realignment of the personnel budget from programme 3 Housing

development to this programme. In 2017/18 the budget for the programme was adjusted downwards to R424 million as a result of the realignment of the departmental operational budget where funds were reprioritised to other programmes where expenditure is actually incurred and functions performed. The expenditure over the MTEF is however, expected to increase from R512 million in 2018/19 to R578 million in 2020/21 mainly in line with the estimated inflation projections. The increase will assist the department to improve its professionalism by employing more scarce skills to support the administration and development of Mega Projects. The increase in this program allocation is also due to the additional funding received for the payment of municipality services for 5 provincial assets.

**Programme 2:** Housing Needs, Planning and Research expenditure increased from R14.6 million to R22.4 million between 2014/15 and 2015/16 an average growth of 53 per cent. The increased budget was mainly because the personnel budget from Programme 3: Housing Development was transferred to the correct cost centre. Between the 2015/16 and 2016/17 financial years, the budget decreased by 17.9 per cent from R22.4 million to R18.4 million due to reprioritisation of funds to where expenditure is incurred and functions are performed. In 2018/19 the allocated budget of R41.8 million within the programme provides for the regulatory framework for housing delivery, develops policy guidelines and provides provincial inputs on housing legislation. Over the MTEF the budget grows to R46.6 million or by 11.5 per cent year on year to enhance planning capacity and to absorb inflationary shocks.

**Programme 3:** The Housing Development Programme makes up the largest share of the budget. Its aim is to establish sustainable human settlements where all citizens have access to housing and other social amenities. Expenditure for the programme grew from R4.6 billion in the 2014/15 financial year to R5.3 billion in the 2016/17 financial years due to additional funding of R390 million being made available for provincial mega projects and provision of bulk infrastructure for Syferfontein Phase 1-2 and Savannah City. Although the programme received additional funding, the HSDG was reduced by R400 million over the 2016 MTEF to make provision for the Housing Development Agency (HDA). An amount of R124 million was earmarked for the mining towns of Merafong, Randfontein and Westonaria in the 2016/17 financial year. The budget for the programme increases slightly from R5.3 billion in 2016/17 to R5.6 billion in 2017/18. The expenditure however decreases from R5.6 billion in 2017/18 to R5.1 billion in 2018/19 due to the reduction of R439 million HSDG allocation by the National Department of Human Settlements following the sectorial mid-term reviews. The programme, however, still managed to deliver a total of 1 982 stands from a target of 1 506 and a total of 6 194 housing units from a target of 8 601 for the year under review

The MTEF expenditure is then expected to increase from R5.1 billion 2018/19 to R5.7 billion in 2020/21 and included in the HSDG allocation for 2018/19 is the amount of R105.8 million in 2018/19 for title deeds restoration grant and R151.4 million earmarked for the mining Towns. R302 million in the two outer years of the MTEF is earmarked for the revamping of mining towns that includes Merafong, Rand West and Mogale City. The budget for the programme will enable the department to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements and promote effective and efficient delivery of provincial and local housing programmes. This programme is also supported by the private sector with capacity to deliver more outputs. Included in the budget allocation for the programme for 2018/19 and over the MTEF are Gauteng Priority Projects (New Towns) and Provincial Specific Programmes such as Syferfontein and Savannah City.

**Programme 4:** Housing Assets Property Management expenditure was R85.4 million in 2014/15. The budget for the programme increased to R130 million in 2016/17 mainly to fund the EEDBS resulting from the reprioritisation of the departmental business plan. The budget decreases from R182.6 million in 2017/18 to R170.3 million in 2018/19 due to the reduction in the conditional grants amid tight fiscal constraints resulting from slow growth in the economy. Included in the allocation for this programme is a new conditional grant in the form of Title Deeds Restoration Grant amounting to R106 million for 2018/19 and R230 million for the outer years over the MTEF. This allocation is mainly for coordinating, managing and overseeing the maintenance of the department's immovable assets in the form of flats, hostels and vacant stands, and to provide the tools and personnel needed for these activities. The programme motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats, and disposes off the department's commercial properties.

Expenditure on **compensation of employees** increased from R341 million in 2014/15 to R382 million in 2016/17 which amounts to 12 per cent increase. The personnel budget grows from R448 million in the 2018/19 financial year to R504 million in the 2020/21 financial year which equates to a growth of 12.5 per cent. The increased allocation is mainly attributable to the yearly general increment related to improved conditions of employment as well as the filling of critical vacant posts in the department.

The total expenditure for **goods and services** increased considerably from R76 million in the 2014/15 financial year, to R229 million in the 2016/17 financial year after the restructuring of the departmental operational budget mainly to address the pressure due to increased costs of operations. The significant increase of 201 per cent can also be attributed to once off additional funding provided to the department to fund payment of rates & taxes and payment for security services. The budget for 2018/19 amounts to R221 million mainly to fund the operational requirements of the department and purchase tools of trade for departmental staff. Included in this budget is R43.7 million additional funding earmarked for the municipality

services of 5 provincial assets. The budget grows by 11.9 per cent over the MTEF period and the increases are aligned to the estimated inflation projections. For the outer year of the MTEF, the budget will amount to R248 million.

**Transfers and subsidies** expenditure increased from R4.6 billion in 2014/15 to R5.3 billion in 2016/17 financial year representing a growth of 15.2 per cent. The growth in transfers and subsidies was driven by the growth in the HSDG intended to build cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. Included in the 2016/17 budget for transfers and subsidies was funding made available for bulk infrastructure in Syferfontein Phase 2. The budget for transfers and subsidies will decrease from R5.6 billion in 2017/18 to R262 million in 2018/19 due to changes in SCOA items following migration from BAS V4 to BAS V5 which will see transfers and subsidies being re-classified as buildings and other fixed structures under payment capital assets. The budget remains R262 million for the outer year of the MTEF and the allocated budget will cater for the operational costs that are related to the HSDG spending.

**Expenditure on machinery and equipment:** increases from R9 million in the 2014/15 to R15.7 million in the 2016/17 financial year which is a growth of 74 per cent. The growth in expenditure is attributed to the purchase of new furniture and equipment for the office following the renovation on the building and the relocation of the Johannesburg regional offices. The budget for machinery and equipment will increase to R31 million and R33 million respectively for the two outer years of the MTEF and the increases are aligned to the estimated inflation projections. The budget allocated in the form of the conditional Grant and funding made available by the province will cater for the implementation of national and provincial housing programmes and will also be utilised for procuring the equipment for personnel to carry out their duties efficiently and effectively. This is due to the envisaged increase in human resource capacity to augment the professional capacity of the department.

**Buildings and fixed structures:** The adjusted budget for 2017/18 amounts to R5.4 billion due to changes in SCOA items following migration from BAS V4 to BAS V5 which saw the transfers and subsidies being re-classified as buildings and other fixed structures under capital assets. The budget decreases from R5.4 billion to R5 billion between 2017/18 and 2018/9 due to the HSDG being revised downwards.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the Estimates of Capital Expenditure (ECE) for details on infrastructure payments.

### 7.4.2 Departmental Public-Private-Partnership (PPP) projects

N/A

## 7.5 Transfers

### 7.5.1 Transfers to public entities

TABLE 8.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Gauteng Partnership Fund	100 170	200 000	212 400	224 719	224 719	224 719	237 753	251 067	264 876
<b>Total departmental transfers</b>	<b>100 170</b>	<b>200 000</b>	<b>212 400</b>	<b>224 719</b>	<b>224 719</b>	<b>224 719</b>	<b>237 753</b>	<b>251 067</b>	<b>264 876</b>

The Gauteng Partnership Fund facilitates investment capital flows into integrated developments, as per the Sustainable Human Settlements Policy Framework. Facilitate equitable risk sharing project financing. Participate in Social Housing Projects through innovative funding interventions with Social Housing institutions (as a mechanism to entice capital market investment into this market. The role of the GPF extends to a financing vehicle and implementation agent of the Gauteng Department of Human Settlements (GDHS) for mega human settlements projects, and as custodian of strategic provincial land transferred to the GPF for effective fixed-asset management.

The GPF receives contributions from the GDHS from time to time, but the entity funds itself mainly from the interest earned from the original capitalisation of the GDHS donation. The GPF receives interest from loans that were given out to borrowers. In 2014/15 the contribution amounted to R100 million and increase to R200 million in 2015/16, and R212 million in 2016/17. The GPF will receive a contribution of R225 million in 2017/18, which will assist to strengthen its strategic objective of increasing and leveraging private sector funding for affordable housing in Gauteng, with the ultimate aim of increasing the rate of delivery of sustainable human settlements in the province. The funding is expected to increase to R238 million in 2018/19, and to R265 million in the outer year of the MTEF.

## 7.5.2 Transfers to other entities

N/A.

## 7.5.3 Transfers to local government

TABLE 8.6 SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A	38 349	516 576	741 384	389 069	492 797	492 797	327 091	401 507	371 304
Category B	138 871	135 066	190 452		246 070	246 070	211 327	151 438	151 438
Category C	13 133								
<b>Total departmental transfers</b>	<b>190 353</b>	<b>651 642</b>	<b>931 836</b>	<b>389 069</b>	<b>738 867</b>	<b>738 867</b>	<b>538 418</b>	<b>552 945</b>	<b>522 742</b>

Transfers to local government increase from R190 million to R652 million, between 2014/15 and 2015/16. During the 2015/16 period the Department transferred a total of R517 million to Category A, and R135 million to Category B municipalities. All transfers made to Category A municipalities were for the delivery of housing stock/units, where the municipality is appointed as an implementing agent. R40.5 million was transferred to Randfontein Municipality for the construction of a water reservoir, which will unlock a number of developments in the West Rand area and parts of the southern region. The budget for the construction of the water reservoir was funded from the mining town's earmarked allocation. R82 million was transferred to Merafong Municipality and was earmarked for the construction of a bridge over a railway line to connect the old and new developments; R22 million was earmarked for servicing of 500 sites and R34 million was allocated for the construction of 265 housing units.

The budget for transfers increases to R932 million during the 2016/17 financial year. Category A municipalities received R741 million, whereas category B municipalities receive R190 million. The Department entered into subsidy funding agreements with all the municipalities receiving funds. The funding was primarily for the construction of top structures, and to a lesser degree, servicing of stands. Mining towns' funds are being used to a large degree for infrastructure upgrades. These areas do not receive funds from the USDG. Funding is provided for these targeted areas to unblock development bottlenecks. The budget for transfers to local government decreases to R739 million in 2017/18 as the Department planned to implement some of the projects previously implemented by municipalities. The budget will further decrease to R538 million in 2018/19 and R523 million for the outer year of the MTEF.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The main goal of this Programme is to strengthen and align the Department's ability to deliver on its mandate. It enables the Department's business units to perform efficiently by providing corporate support (human resources, financial management, supply chain, information and communication technology (ICT), risk management and facilities' management and support). The Programme ensures effective leadership, management and administrative support of the core business divisions through continuous refinement of organisational strategy and structure, in compliance with appropriate legislation and practice. The Programme's outputs are in line with government's Outcome 12, which seeks to achieve "An efficient, effective and developmental-oriented public service and an empowered, fair and inclusive citizenship".

#### Programme objectives

- To ensure that the Department's supply-chain processes are conducted in a manner that is fair, transparent, equitable, competitive and cost effective, and that the management and operation of the function is efficient and effective and adds value to the strategic objectives of the Department;
- To ensure that human resources 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, 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 effective, efficient and transparent risk management, financial systems and controls 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 in departmental operations.

TABLE 8.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	278 832	364 812	461 651	417 217	424 067	422 553	512 510	542 206	578 919
<b>Total payments and estimates</b>	<b>278 832</b>	<b>364 812</b>	<b>461 651</b>	<b>417 217</b>	<b>424 067</b>	<b>422 553</b>	<b>512 510</b>	<b>542 206</b>	<b>578 919</b>

TABLE 8.8: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>244 354</b>	<b>362 731</b>	<b>416 282</b>	<b>369 609</b>	<b>380 094</b>	<b>378 565</b>	<b>470 797</b>	<b>492 780</b>	<b>528 958</b>
Compensation of employees	174 036	237 472	197 154	250 117	220 117	220 117	269 621	281 559	301 773
Goods and services	70 318	125 259	219 128	119 492	159 977	158 448	201 176	211 221	227 185
<b>Transfers and subsidies to:</b>	<b>181</b>	<b>1 003</b>	<b>625</b>	<b>332</b>	<b>832</b>	<b>832</b>	<b>355</b>	<b>370</b>	<b>390</b>
Households	181	1 003	625	332	832	832	355	370	390
<b>Payments for capital assets</b>	<b>9 111</b>	<b>1 059</b>	<b>15 751</b>	<b>47 276</b>	<b>43 140</b>	<b>43 127</b>	<b>41 358</b>	<b>49 056</b>	<b>49 571</b>
Machinery and equipment	9 073	1 052	15 716	42 262	31 366	31 353	29 305	31 010	32 716
Software and other intangible assets	38	7	35	5 014	11 774	11 774	12 053	18 046	16 855
<b>Payments for financial assets</b>	<b>25 186</b>	<b>19</b>	<b>28 993</b>		<b>1</b>	<b>29</b>			
<b>Total economic classification</b>	<b>278 832</b>	<b>364 812</b>	<b>461 651</b>	<b>417 217</b>	<b>424 067</b>	<b>422 553</b>	<b>512 510</b>	<b>542 206</b>	<b>578 919</b>

The table above shows that the Programme's expenditure increased from R279 million in the 2014/15 financial year, to R365 million in 2015/16, largely due to the personnel budget shifting from other programmes to this programme, in line with the approved organisational structure. The budget increased to R462 million in the 2016/17 financial year. The budget for the Programme is R424 million in 2017/18, after it was adjusted upwards by R7 million during the adjustment budget process, and will increase to R513 million in the 2018/19 financial year. The allocation is R579 million in the outer year of the MTEF. The increase results from the personnel budget being moved from other programmes to Programme 1: Administration, due to the centralisation of items such as training, property payments and fleet services, and the additional funding earmarked for municipality services for five provincial assets. The allocated funding will enable the Department to strengthen governance, combat fraud and corruption and enhance security and risk management by conducting internal audits and facilitating external audits. It will ensure the implementation of, and in compliance with, minimum information security standards and other security legislation. Improved service is aligned with the organisation's core objectives and is achieved through the provision of cost-effective and efficient ICT solutions and services, facilities, logistics and records management support services.

The Programme's expenditure on compensation of employees increased from R174 million in 2014/15, to R237 million in 2015/16, largely due to the personnel budget shifting from other programmes to this programme, in line with the approved structure. The allocation decreased to R220 million during the adjustment budget in 2017/18, due to the land use management function shifting to the Department of Infrastructure Development. The budget for the Programme increases by 4.4 per cent, from R270 million, to R282 million between 2018/19 and 2019/20. The increase is mainly attributable to the yearly general increment, related to improved conditions of employment, as well as the filling of critical vacant posts in the Department. The allocation will be R302 million for the outer year of the MTEF, aligned to the estimated inflation projections.

Goods and services expenditure increased from R70 million to R219 million, between the 2014/15 and 2016/17 financial years. The increase in expenditure relates mainly to payment of software licences, office refurbishment and the establishment of the project management office. In the 2015/16 financial year, the expenditure amounted to R125 million. The budget increases from R201 million in the 2018/19, to R227 million in the outer year of the MTEF. The increase results from additional funding received for the payment of municipality services for the five provincial assets and the budget made available under goods and services to provide for the payment of Departmental operational activities.

Expenditure on machinery and equipment increases from R9 million in the 2014/15 to R15.7 million in the 2016/17 financial year, which is a growth of 74 per cent. The growth in expenditure is attributed to the purchase of new furniture and equipment for the offices, following the renovations made on the building and the relocation of the Johannesburg regional offices. The budget increases to R42 million in 2017/18 and the increases are aligned to the estimated inflation projections. The budget decreases to R29 million in 2018/19. Funding made available will be utilised for procuring telecommunication equipment (Network LAN) and, tools of trade for the personnel to carry out their duties efficiently and effectively. This is due to the envisaged increase in human resource capacity to augment the professional capacity of the Department.



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

The purpose of this Programme is to facilitate and undertake housing delivery planning; identify housing needs; provide a regulatory framework for housing delivery; develop policy guidelines; provide provincial inputs on housing legislation and any amendments to these; develop provincial multi-year housing delivery plans; ensure alignment of housing plans with IDPs, and conduct research into the demand for housing. The Programme promotes effective and efficient delivery of provincial and local government housing programmes; integrated redevelopment of urban communities at scale, and sustainable local economies. It performs a number of transversal functions, including quality assurance, research and development and inputs into policy development, planning and housing support.

**Programme objectives**

- To develop and implement departmental policies and to initiate research to achieve strategic objectives;
- To facilitate the realignment of, and compliance with, the regulatory environment for sustainable human settlements;
- To develop annual performance plans and the Five Year Strategic Plan;
- To implement, revise and review the Department's Programme of Action (PoA); and
- To provide support to various directorates in the Department on the development of performance, and indicators for both the annual performance plans (APPs) and the PoA.

**TABLE 8.9: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING NEEDS, RESEARCH AND PLANNING**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	1 095	1 334	587	14 051	15 108	15 105	15 062	15 905	16 780
2. Policy	12 784	17 664	14 912	11 303	18 062	18 067	14 963	15 807	16 676
3. Planning	695	3 197	2 948	10 468	11 099	11 118	11 753	12 414	13 097
4. Research	21	174							
<b>Total payments and estimates</b>	<b>14 595</b>	<b>22 369</b>	<b>18 447</b>	<b>35 822</b>	<b>44 269</b>	<b>44 290</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>

**TABLE 8.10: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>14 595</b>	<b>22 369</b>	<b>18 442</b>	<b>35 822</b>	<b>44 269</b>	<b>44 277</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>
Compensation of employees	14 162	21 422	17 824	35 380	40 380	40 380	36 335	38 371	40 481
Goods and services	433	947	618	442	3 889	3 897	5 443	5 755	6 072
Interest and rent on land									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>			<b>5</b>			<b>13</b>			
Buildings and other fixed structures									
Machinery and equipment			5			13			
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>14 595</b>	<b>22 369</b>	<b>18 447</b>	<b>35 822</b>	<b>44 269</b>	<b>44 290</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>

The Programme's expenditure increased, from R14.6 million, to R18.4 million between the 2014/15 and 2016/17 financial years. The increase was to ensure that the Inclusionary Housing Incentives chapter was completed for insertion into the Inclusionary Housing Bill. Expenditure in 2015/16 increased significantly, by R7.4 million, to R22.4 million. The increase was a result of the personnel budget shift from Programme 3: Housing Development to this Programme, in line with the approved organisational structure. The budget increased from R41.8 million to R46.6 million between the 2018/19 and 2020/21 financial years, mainly to develop and implement departmental policies, initiate research to achieve strategic objectives, and to ensure alignment and compliance with the regulatory environment for sustainable human settlements and building new cities.

The expenditure for the Sub-Programme: Policy increased from R12.8 million to R14.9 million, between 2014/15 and 2016/17 financial years. For the 2018 MTEF, the budget increased from R15 million to R16.7 million. The budget of the Sub-Programme will assist the Department to develop and implement policies to achieve strategic objectives and ensure alignment and compliance with the regulatory environment.

The expenditure on Sub-programme: Planning increased from R695 000 for 2014/15 to R2.9 million in 2016/17. The budget increases from R11.8 million in 2018/19 to R13.1 million for the outer year of the MTEF period. The growth in the budget will support the development and alignment of the departmental planning frameworks, including the APPs, the Integrated Multi-Year Housing Development Plan, the Medium Term Budget Policy Statements, and the PoAs, in line with national and provincial requirements.

The Sub-Programme: Research recorded expenditure of R21 000 in 2014/15 and R174 000 in 2015/16, primarily to conduct research and develop innovative methods to address housing needs in the province. There is no budget allocated over the MTEF, as the function was moved to the Housing Development Agency (HAD) from the 2016/17 financial year.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of Acts passed and or policy guidelines approved	3	3	3	3
Number of municipalities capacitated and supported with regards to human settlements development planning	12	12	12	12
Number of research projects approved	2	2	2	2
Number of research papers completed	2	2	2	2

### PROGRAMME 3: Housing Development

#### Programme description

The core focus of the Housing Development Programme is to build integrated, cohesive and sustainable communities, by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The Programme's emphasis is on the provision of individual subsidies and housing opportunities to beneficiaries, in accordance with the National Housing Policy. This programme promotes effective and efficient delivery of provincial and local housing programmes. It concentrates on the integrated redevelopment of urban communities at scale, and cultivating sustainable local economies. 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

- To provide and develop integrated infrastructure for the creation of cohesive communities;
- To promote home ownership;
- To reduce levels of unemployment substantially;
- To create a healthy and clean living environment;
- To provide engineering services at an affordable and sustainable level;
- To reduce levels of crime and violence;
- To upgrade existing housing and create additional affordable housing;
- To alleviate poverty;
- To create sustainable livelihoods;
- To create a caring and responsive government;
- To create a better life for all; and
- To implement integrated, high-impact, time bound and targeted interventions.

TABLE 8.11: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
1. Administration	156 394	162 859	165 030	183 960	181 063	181 081	152 722	161 968	170 876
2. Financial Interventions	484 450	461 805	549 380	553 993	864 365	865 573	1 339 575	1 384 372	1 427 146
3. Incremental Interventions	3 460 983	3 095 163	3 733 464	4 244 326	4 146 773	4 146 773	3 288 072	3 567 488	3 796 443
4. Social And Rental Intervention	529 650	543 731	800 435	482 757	357 209	357 467	381 489	225 012	291 269
5. Rural Intervention	15 985	15 263	99 284	94 351	55 245	55 254	2 000	16 095	40 903
<b>Total payments and estimates</b>	<b>4 647 462</b>	<b>4 278 821</b>	<b>5 347 593</b>	<b>5 559 388</b>	<b>5 604 655</b>	<b>5 606 148</b>	<b>5 163 858</b>	<b>5 354 935</b>	<b>5 726 637</b>

TABLE 8.12: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>158 259</b>	<b>160 031</b>	<b>162 737</b>	<b>169 905</b>	<b>167 008</b>	<b>168 501</b>	<b>152 722</b>	<b>161 968</b>	<b>170 876</b>
Compensation of employees	153 034	96 729	154 577	129 487	154 487	154 487	139 069	149 360	157 575
Goods and services	5 225	63 302	8 160	40 419	12 521	14 014	13 653	12 608	13 301
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>4 489 203</b>	<b>4 118 790</b>	<b>5 184 856</b>	<b>5 389 482</b>	<b>276 853</b>	<b>276 853</b>	<b>261 392</b>	<b>261 329</b>	<b>261 829</b>
Provinces and municipalities									
Non-profit institutions									
Households	4 489 203	4 118 790	5 184 856	5 389 482	276 853	276 853	261 392	261 329	261 829
<b>Payments for capital assets</b>				<b>5 160 794</b>	<b>5 160 794</b>		<b>4 749 744</b>	<b>4 931 638</b>	<b>5 293 932</b>
Buildings and other fixed structures				5 160 794	5 160 794		4 749 744	4 931 638	5 293 932
Machinery and equipment									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>4 647 462</b>	<b>4 278 821</b>	<b>5 347 593</b>	<b>5 559 388</b>	<b>5 604 655</b>	<b>5 606 148</b>	<b>5 163 858</b>	<b>5 354 935</b>	<b>5 726 637</b>

The Programme's purpose is to establish sustainable human settlements where all citizens have access to housing and other social amenities, and to assist the Department to deliver on its mega projects and programmes – mixed housing development, eradication of informal settlements, alternative tenure, and the Urban Renewal Programme.

The Programme takes up the largest share of the Department's budget and expenditure increased from R4.6 billion in 2014/15 to R5.3 billion in the 2016/17 financial year. Additional funding of R390 million was made available for provincial mega projects and provision of bulk infrastructure for Syferfontein Phases 1–2 and Savannah City. This is after the National Department of Human Settlements reprioritised R908 million from the provincial HSDG allocation to priority provinces. The HSDG budget was further reduced by R400 million, over a period of three years, from 2014/15 to 2016/17 financial years, to make provision for the HDA. The expenditure of R5.3 billion in 2016/17 included once-off additional funding of R100 million from the province to fund bulk infrastructure for the Syferfontein Phase 2 mega project. An amount of R124 million was made available for the revamping of mining towns that included Merafong, Randfontein and Westonaria in the 2016/17 financial year. For the 2017/18 financial year, the budget is adjusted to R5.6 billion and includes an allocation of R14 million from the EPWP-integrated grant made available for job creation initiatives in the province, as well as funding made available for provincial infrastructure. The budget for the Programme increases slightly from R5.2 billion in 2018/19 to R5.7 billion in the 2020/21 MTEF period, in line with inflationary rates. Included in the 2018/19 allocation of the HSDG is an amount of R151 million, earmarked for revamping mining towns. The budget for the Programme will enable the Department to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided, to create sustainable human settlements and by promoting effective and efficient delivery of provincial and local housing programmes.

Expenditure for the Sub-Programme Financial Interventions was R484 million for 2014/15, and R461.8 million for 2015/16, and enabled the Department to cater for credit-linked individual housing subsidies, housing-finance linked individual subsidies, The EEDBS, Rectified RDP stock (1994–2002), social and economic facilities, NHBRC enrolment and procurement of land parcels. The expenditure also facilitated immediate access to housing goods and services, created an enabling environment and providing implementation support. In 2016/17, the Sub-Programme expenditure amounted to R549 million, due to the reprioritisation of the departmental business plan, and the EEDBS funding moving to Programme 4: Housing Assets and Property Management. The Sub-Programme budget increased to R864 million in 2017/18, and caters for 1 725 houses to be built under the Finance Linked Individual Subsidy Programme. The increase in the budget is a result of the reprioritisation of the departmental business plan, due to of late approval by the National Department of Human Settlements. The Sub-Programme's budget is expected to increase from R1.3 billion 2018/19 to R1.4 billion in the 2020/21 financial period.

Sub-Programme: Incremental Intervention makes up the largest share of the departmental expenditure and budget. The aim of this Sub-Programme is to establish sustainable human settlements where all citizens have access to housing and other social amenities. Expenditure for the Sub-Programme grew from R3.5 billion in the 2014/15 financial year to R3.7 billion in the 2016/17, due to additional funding of R390 million made available for provincial mega projects and provision of bulk infrastructure for Syferfontein Phases 1–2 and Savannah City. HSDG funding was reduced by R400 million over the 2016 MTEF, to make provision for the Housing Development Agency (HDA) and the large share of the cut was absorbed by this Sub-Programme. Included in the expenditure for the Sub-Programme in 2016/17 was an amount of R124 million earmarked for the mining towns of Merafong, Randfontein and Westonaria. The budget for the Sub-Programme increases slightly, from R3.7 billion in 2016/17 to R4.2 billion in 2017/18, due to the HSDG being reduced by R439 million by the National Department of Human Settlements following the sectorial mid-term reviews. The budget decreases from R4.2 billion in 2017/18 to R3.2

billion in 2018/19, after the conditional grant was reduced by R861 million by the National Treasury. The budget increases to R3.8 billion for the outer year of the MTEF, mainly because of the reprioritisation of the departmental business plan. Included in the 2018/19 budget for the Sub-Programme is an amount of R151.4 million earmarked for the revamping of mining towns. The budget for the Sub-Programme will enable the Department to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements and promote effective and efficient delivery of provincial and local housing programmes.

Expenditure for the Sub-Programme: Social and Rental Intervention increases slightly from R529.7 million in 2014/15 to R543.7 million in 2015/16, mainly because of a portion of the personnel budget being moved from this Programme to Programme 1: Administration, in line with the organisational structure and where functions are performed. Between 2015/16 and 2016/17, expenditure increases significantly to R800 million, and the increase was driven by the growing demand for housing resulting from, among other factors, in-migration to the province. The budget will amount to R381.5 million in 2018/19, and will provide institutional subsidies and construction of housing units for CRUs over the MTEF period. The budget for the Sub-Programme will decrease to R225 million and R291.3 million respectively, for the two outer years of the MTEF.

Transfers and subsidies expenditure decreases from R4.5 billion in 2014/15 to R4.1 billion in 2015/16. The expenditure was driven by the growth in the HSDG to build cohesive and sustainable communities, by ensuring that services and infrastructure were provided. For the period 2016/17, the total expenditure for transfers and subsidies amounted to R5.2 billion, due to provincial funding made available for bulk infrastructure in Syferfontein Phase 2. The budget is adjusted downwards to R276.9 million, due to changes in SCoA items, following migration from BAS V4 to BAS V5, which saw transfers and subsidies being reclassified as buildings and other fixed structures under capital assets. The budget decreases to R261.8 million for the outer year of the MTEF after the conditional grant was reduced and the allocated budget will cater for the operational costs that are related to the HSDG spending.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: HOUSING DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of houses/units built for financial interventions	26	26	26	26
Number of land parcels acquired for human settlements development	20	20	20	20
Number of stands serviced for incremental interventions	28 635	28 635	28 635	28 635
Number of houses/units built for incremental interventions	47 910	47 910	47 910	47 910
Number of stands serviced for social and rental housing				
Number of units built for social and rental housing	3 325	3 325	3 325	3 325
Number of stands serviced for priority projects	1 050	1 050	1 050	1 050
Number of houses/units built for priority projects	1 000	1 000	1 000	1 000
Number of houses/units built for provincial specific programmes	215	215	215	215

### PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

#### Programme description

The purpose of the Programme is to promote home-ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands, and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The Department motivates, guides and manages the provision of tenure for occupants, and promotes home ownership through sectionalisation of flats. It disposes of the Department's commercial properties.

#### Programme objectives

- To capacitate social housing institutions to accelerate housing delivery;
- To facilitate the stabilisation of the sectional title environment;
- To facilitate an enabling environment that allows for the delivery of social housing including facilitating the involvement of financial institutions;
- To phase out special needs housing and facilitate interactions with provincial departments;
- To provide housing assistance to departmental staff;
- To facilitate medium-density housing (rental, instalment sale and cooperative housing);
- To facilitate affordable rental accommodation (including upgrade of backyard rentals and non-transferable stock);
- To promote home ownership;
- To dispose of commercial property and vacant land owned by the Department in the most economical way; and
- To deliver housing units in targeted presidential projects.

TABLE 8.13: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING ASSETS AND PROPERTY MAINTENANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration			13 448	6 668	4 939	4 931	4 468	4 662	4 919
2. Sales And Transfer Of Housing Properties	42 642	39 388	62 277	100 000	103 751	103 751	105 811	111 726	117 890
3. Devolution Of Housing Properties				2 384	2 384	2 384			
4. Housing Properties Maintenance	42 766	37 319	54 267	64 880	71 492	71 500	60 000	60 000	60 000
<b>Total payments and estimates</b>	<b>85 408</b>	<b>76 707</b>	<b>129 992</b>	<b>173 932</b>	<b>182 566</b>	<b>182 566</b>	<b>170 279</b>	<b>176 388</b>	<b>182 809</b>

TABLE 8.14: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>		195	13 448	6 668	4 939	4 939	4 468	4 662	4 919
Compensation of employees			12 445	3 527	3 527	3 527	3 407	3 540	3 735
Goods and services		195	1 003	3 142	1 412	1 412	1 061	1 122	1 184
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>85 408</b>	<b>76 512</b>	<b>116 544</b>	<b>167 264</b>					
Provinces and municipalities									
Non-profit institutions									
Households	85 408	76 512	116 544	167 264					
<b>Payments for capital assets</b>					177 627	177 627	165 811	171 726	177 890
Buildings and other fixed structures					177 627	177 627	165 811	171 726	177 890
Machinery and equipment									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>85 408</b>	<b>76 707</b>	<b>129 992</b>	<b>173 932</b>	<b>182 566</b>	<b>182 566</b>	<b>170 279</b>	<b>176 388</b>	<b>182 809</b>

Housing Assets Property Management expenditure was R85.4 million in 2014/15. The budget for the Programme increased to R130 million in 2016/17, mainly to fund the EEDBS resulting from the reprioritisation of the departmental business plan. Over the MTEF, the budget increases from R170.3 million in 2018/19 to R182.8 million in 2020/21. This allocation is mainly for coordinating, managing and overseeing the maintenance of the Department's immovable assets in the form of flats, hostels and vacant stands; to provide the tools and personnel needed for these activities. The Programme motivates, guides and manages the provision of tenure for occupants, and promotes home ownership through sectionalisation of flats, and disposes of the Department's commercial properties.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: HOUSING ASSETS AND PROPERTY MAINTENANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of residential properties transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme (EEDBS)	2 000	2 000	2 000	2 000
Number disputes between landlords and tenants resolved by the Rental Tribunal	1 800	1 800	1 800	1 800
Number of rental units devolved to municipalities in terms of Section 15 of the Housing Unit Act of 1997	2 500	2 500	2 500	2 500

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs



TABLE 8.15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBER AND COSTS: HUMAN SETTLEMENTS

R thousands	Actual			Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF		
	2014/15		Costs	2016/17		Costs	2017/18		Costs	Costs	2017/18 - 2020/21		% Costs of Total
	Personnel numbers <sup>1</sup>	Personnel numbers <sup>1</sup>		Personnel numbers <sup>1</sup>	Costs		Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Personnel numbers <sup>1</sup>	Personnel growth rate	Costs growth rate	
<b>Salary level</b>													
1 – 6	372	315	99 858	308	133 924	30	299	30	329	166 272	329	180 145	4.9%
7 – 10	350	350	103 315	346	110 835	4	342	4	346	134 695	346	142 103	5.1%
11 – 12	154	154	95 311	153	72 677	8	145	8	153	95 625	153	100 885	8.3%
13 – 16	43	43	37 298	42	42 144	2	40	2	43	52 828	42	55 733	6.5%
Other		21	19 841	21	22 420				21 797	23 410		24 698	18.8%
<b>Total</b>	<b>919</b>	<b>883</b>	<b>355 623</b>	<b>870</b>	<b>382 000</b>	<b>44</b>	<b>826</b>	<b>44</b>	<b>870</b>	<b>472 830</b>	<b>870</b>	<b>503 564</b>	<b>6.4%</b>
<b>Programme</b>													<b>100.0%</b>
1. Administration	519	483	237 472	483	197 154	35	448	35	483	281 559	483	301 773	6.5%
2. Housing Needs, Research And Planning	38	38	21 422	38	17 824	1	37	1	38	38 371	38	40 481	4.6%
3. Housing Development	304	304	96 729	304	154 577	7	297	7	304	139 069	304	157 575	6.8%
4. Housing Assets Management Property Management	58	58		45	12 445	1	44	1	45	3 407	45	3 735	1.9%
Direct charges													0.0%
<b>Total</b>	<b>919</b>	<b>883</b>	<b>355 623</b>	<b>870</b>	<b>382 000</b>	<b>44</b>	<b>826</b>	<b>44</b>	<b>870</b>	<b>472 830</b>	<b>870</b>	<b>503 564</b>	<b>6.4%</b>
													<b>100.0%</b>

For the period under review, the table above indicates personnel numbers and personnel cost estimates relating to the GDHS. The departmental structure was reviewed immediately after the splitting of the former Department of Local Government and Housing, in order to ensure that the new GDHS is able to meet its delivery objectives with the required personnel capacity. The filling of posts that resumed after the split was done in accordance with the new Department, taking into consideration the availability of funds in the compensation of employee's budget. The number of contract workers declined substantially from the previous financial years, with contract workers absorbed as permanent staff members. The table above indicates that the personnel numbers will remain stable at 870 over the MTEF, as the Department does not plan to create additional positions but rather to fill all the critical vacant positions in line with the approved structure. The slight decline from 883 to 870 is due to the land management function being moved to the Department of Infrastructure Development. The departmental personnel budget will grow from R448 million (in 2018/19) to R504 million in the outer year of the MTEF. The growth in personnel costs is in line with inflation rates and takes into consideration improved conditions of service.

## 9.2 Training

TABLE 8.16: INFORMATION ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	919	883	870	870	870	870	870	870	914
Number of personnel trained	300	400	500	600	600	600	635	635	670
of which									
Male	140	160	240	240	240	240	254	254	268
Female	160	240	260	360	360	360	381	381	402
Number of training opportunities	20	20	25	25	25	25	26	26	27
of which									
Tertiary	10	8	10	12	12	12	13	13	14
Workshops	7	4	5	6	6	6	6	6	6
Seminars	3	3	3	2	2	2	2	2	2
Other		5	7	5	5	5	5	5	5
Number of bursaries offered	100	100	100	100	100	100	106	106	112
Number of interns appointed	30	30	30	30	30	30	32	32	34
Number of learnerships appointed	30	15	15	15	15	15	16	16	17
Number of days spent on training	80	100	120	126	126	126	133	133	140
<b>Payments on training by programme</b>									
1. Administration	1 325	3 686	3 547	3 980	5 818	5 818	5 868	6 273	6 617
2. Housing Needs, Research And Planning									
3. Housing Development									
4. Housing Assets Management Property Management									
<b>Total payments on training</b>	<b>1 325</b>	<b>3 686</b>	<b>3 547</b>	<b>3 980</b>	<b>5 818</b>	<b>5 818</b>	<b>5 868</b>	<b>6 273</b>	<b>6 617</b>

The GDHS recognises that its most important asset is its employees and that this asset will need to be managed to ensure its continued success. The transformation of the GDHS requires a continuous and uncompromising acquisition of the requisite skills. The table above gives the number of staff participating in the training programmes provided by the Department to improve efficiency and service delivery. It shows a gender breakdown in relation to various types of training, as well as details of the number of bursaries and training developments. The training offered relates to the core service delivery programmes, which are aimed at improving performance and efficiency, i.e. technical planning and project management, strategic management, governance and financial management. The other training cost relates to bursaries to various institutions for different courses. The Department budgeted one per cent of the departments' total compensation to training as prescribed by the Skills Development Act (SDA).

The Department will, over the 2018 MTEF, continue to offer bursaries (undergraduate and postgraduate) and support to staff members interested in pursuing their studies. In addition, the Department grants internal and external bursaries, based on the number of applications received per annum and the cost attached to them. However, the Department will be conducting a skills audit, focusing on the core occupations to inform a new human resource plan over the MTEF. This will result in different priorities that will be aligned to the departmental strategic plan and government priorities.

## 9.3 Reconciliation of structural changes

There are no structural changes.

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

TABLE 8.17: SPECIFICATION OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>989</b>	<b>1 442</b>	<b>1 609</b>	<b>435</b>	<b>435</b>	<b>580</b>	<b>460</b>	<b>485</b>	<b>512</b>
Sale of goods and services produced by department (excluding capital assets)	989	1 442	1 609	435	435	580	460	485	512
Sales by market establishments	989	1 442	1 609	435	435	580	460	485	512
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>2 007</b>		<b>9</b>	<b>380</b>	<b>380</b>	<b>380</b>	<b>402</b>	<b>425</b>	<b>448</b>
Interest	2 007		9	380	380	380	402	425	448
<b>Sales of capital assets</b>		<b>1 500</b>	<b>3 211</b>						
Other capital assets		1 500	3 211						
<b>Transactions in financial assets and liabilities</b>	<b>1 964</b>	<b>34 716</b>	<b>6 086</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 319</b>	<b>4 561</b>	<b>4 812</b>
<b>Total departmental receipts</b>	<b>4 960</b>	<b>37 658</b>	<b>10 915</b>	<b>4 897</b>	<b>4 897</b>	<b>5 042</b>	<b>5 181</b>	<b>5 471</b>	<b>5 772</b>

TABLE 8.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>417 208</b>	<b>545 326</b>	<b>610 909</b>	<b>582 004</b>	<b>596 310</b>	<b>596 282</b>	<b>669 765</b>	<b>703 536</b>	<b>751 306</b>
Compensation of employees	341 232	355 623	382 000	418 510	418 511	418 511	448 432	472 830	503 564
Salaries and wages	341 232	308 961	332 614	345 134	360 134	360 134	370 427	395 508	421 043
Social contributions		46 662	49 386	73 376	58 377	58 377	78 005	77 322	82 521
Goods and services	75 976	189 703	228 909	163 494	177 799	177 771	221 333	230 706	247 742
Administrative fees	71	56	60	174	166	166	178	188	198
Advertising	2 230	3 525	2 011	4 256	3 446	3 446	3 511	3 715	3 919
Minor assets	169	52	349	683	1 174	1 174	1 460	1 544	1 630
Audit cost: External	5 209	12 531	7 323	13 265	9 755	9 755	14 192	15 018	15 844
Bursaries: Employees	421	446	976	597	2 936	2 936	2 639	2 784	2 937
Catering: Departmental activities	361	611	986	802	2 781	2 781	1 523	1 607	1 695
Communication (G&S)	15 600	12 280	11 043	10 200	10 201	10 201	10 915	11 515	12 148
Computer services	3 891	3 488	13 719	3 852	5 737	5 737	8 257	8 711	9 190
Consultants and professional services: Business and advisory services	15 960	20 195	17 875	15 677	21 903	21 646	19 041	20 097	21 203
Legal services	13		36		4 170	4 170			
Contractors	196		765	938	1 279	1 279	14 619	9 680	10 212
Agency and support / outsourced services		5 402	26 295	6 690	5 431	5 431	5 881	6 223	6 565
Fleet services (including government motor transport)	14 745	10 149	5 768	10 154	10 154	10 154	7 865	8 463	8 928
Inventory: Clothing material and accessories	381		46						
Inventory: Food and food supplies	13		16	216					
Inventory: Fuel, oil and gas				17					
Inventory: Medical supplies		6							
Consumable supplies	1 397	2 751	5 555	2 880	2 544	2 543	2 562	2 758	2 910
Consumable: Stationery, printing and office supplies	2 350	1 577	1 455	2 096	2 005	2 235	1 488	1 570	1 656
Operating leases	1 948	14 760	15 158	15 779	18 852	18 852	14 705	15 624	16 483
Property payments	1 601	88 731	105 867	63 815	51 560	51 560	87 664	96 664	106 330
Transport provided: Departmental activity				625					

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Travel and subsistence	5 919	5 127	6 182	3 110	9 728	9 728	11 973	10 890	11 488
Training and development	904	3 240	2 571	3 383	2 882	2 882	3 229	3 489	3 681
Operating payments	850	1 080	832	776	2 368	2 368	2 813	2 971	3 134
Venues and facilities	1 747	3 696	4 021	3 510	8 727	8 727	6 818	7 195	7 591
<b>Transfers and subsidies</b>	<b>4 574 792</b>	<b>4 196 305</b>	<b>5 302 025</b>	<b>5 557 078</b>	<b>277 685</b>	<b>277 685</b>	<b>261 747</b>	<b>261 699</b>	<b>262 219</b>
Households	4 574 792	4 196 305	5 302 025	5 557 078	277 685	277 685	261 747	261 699	262 219
Social benefits	264	1 355	716	332	832	832	355	370	390
Other transfers to households	4 574 528	4 194 950	5 301 309	5 556 746	276 853	276 853	261 392	261 329	261 829
<b>Payments for capital assets</b>	<b>9 111</b>	<b>1 059</b>	<b>15 756</b>	<b>47 276</b>	<b>5 381 561</b>	<b>5 381 561</b>	<b>4 956 913</b>	<b>5 152 420</b>	<b>5 521 393</b>
Machinery and equipment	9 073	1 052	15 721	42 262	31 366	31 366	29 305	31 010	32 716
Transport equipment		837		16 605	5 709				
Other machinery and equipment	9 073	215	15 721	25 657	25 657	31 366	29 305	31 010	32 716
Software and other intangible assets	38	7	35	5 014	11 774	11 774	12 053	18 046	16 855
<b>Payments for financial assets</b>	<b>25 186</b>	<b>19</b>	<b>28 993</b>		<b>1</b>	<b>29</b>			
<b>Total economic classification</b>	<b>5 026 297</b>	<b>4 742 709</b>	<b>5 957 683</b>	<b>6 186 359</b>	<b>6 255 557</b>	<b>6 255 557</b>	<b>5 888 425</b>	<b>6 117 655</b>	<b>6 534 918</b>

TABLE 8.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>244 354</b>	<b>362 731</b>	<b>416 282</b>	<b>369 609</b>	<b>380 094</b>	<b>378 565</b>	<b>470 797</b>	<b>492 780</b>	<b>528 958</b>
Compensation of employees	174 036	237 472	197 154	250 117	220 117	220 117	269 621	281 559	301 773
Salaries and wages	174 036	205 100	170 696	199 350	189 350	189 350	215 508	229 467	245 870
Social contributions		32 372	26 458	50 767	30 767	30 767	54 113	52 092	55 903
Goods and services	70 318	125 259	219 128	119 492	159 977	158 448	201 176	211 221	227 185
Administrative fees	71	56	60	166	166	166	178	188	198
Advertising	2 230	3 525	1 956	2 099	3 146	3 146	3 511	3 715	3 919
Minor assets	169	42	344	522	473	473	669	708	747
Audit cost: External	5 209	12 531	7 323	13 265	9 755	8 330	14 192	15 018	15 844
Bursaries: Employees	421	446	976	597	2 936	2 918	2 639	2 784	2 937
Catering: Departmental activities	317	610	918	600	2 289	2 289	1 158	1 222	1 289
Communication (G&S)	15 600	12 280	11 043	10 201	10 201	10 201	10 915	11 515	12 148
Computer services	3 891	3 488	13 719	3 852	5 737	5 737	8 257	8 711	9 190
Consultants and professional services: Business and advisory services	15 686	17 204	16 998	12 177	18 725	18 468	15 037	15 864	16 737
Legal services	13		36		4 170	4 170			
Contractors	196		765	787	1 130	1 130	14 619	9 680	10 212
Agency and support / outsourced services			21 090	259					
Fleet services (including government motor transport)	14 745	10 149	5 768	10 154	10 154	10 154	7 865	8 463	8 928
Inventory: Clothing material and accessories	276		46						
Inventory: Food and food supplies	13		16	216					
Inventory: Fuel, oil and gas				17					
Inventory: Medical supplies		6							
Consumable supplies	1 397	2 314	5 544	2 518	2 184	2 181	2 172	2 346	2 475
Consumable: Stationery, printing and office supplies	2 332	1 572	1 449	1 889	2 000	2 224	1 398	1 475	1 556
Operating leases		14 760	15 158	15 612	18 852	18 852	14 705	15 624	16 483
Property payments	1 601	37 491	105 867	33 815	51 560	51 560	87 664	96 664	106 330
Transport provided: Departmental activity				625					



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Travel and subsistence	3 180	2 171	3 229	2 946	4 236	4 236	5 239	5 602	5 910
Training and development	904	3 240	2 571	3 382	2 882	2 882	3 229	3 489	3 681
Operating payments	320	304	271	494	954	954	1 557	1 642	1 732
Venues and facilities	1 747	3 070	3 981	3 300	8 427	8 377	6 172	6 511	6 869
<b>Transfers and subsidies</b>	<b>181</b>	<b>1 003</b>	<b>625</b>	<b>332</b>	<b>832</b>	<b>832</b>	<b>355</b>	<b>370</b>	<b>390</b>
Households	181	1 003	625	332	832	832	355	370	390
Social benefits	181	1 003	625	332	832	832	355	370	390
<b>Payments for capital assets</b>	<b>9 111</b>	<b>1 059</b>	<b>15 751</b>	<b>47 276</b>	<b>43 140</b>	<b>43 127</b>	<b>41 358</b>	<b>49 056</b>	<b>49 571</b>
Machinery and equipment	9 073	1 052	15 716	42 262	31 366	31 353	29 305	31 010	32 716
Transport equipment		837		16 605	5 709				
Other machinery and equipment	9 073	215	15 716	25 657	25 657	31 353	29 305	31 010	32 716
Software and other intangible assets	38	7	35	5 014	11 774	11 774	12 053	18 046	16 855
<b>Payments for financial assets</b>	<b>25 186</b>	<b>19</b>	<b>28 993</b>		<b>1</b>	<b>29</b>			
<b>Total economic classification</b>	<b>278 832</b>	<b>364 812</b>	<b>461 651</b>	<b>417 217</b>	<b>424 067</b>	<b>422 553</b>	<b>512 510</b>	<b>542 206</b>	<b>578 919</b>

TABLE 8.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>14 595</b>	<b>22 369</b>	<b>18 442</b>	<b>35 822</b>	<b>44 269</b>	<b>44 277</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>
Compensation of employees	14 162	21 422	17 824	35 380	40 380	40 380	36 335	38 371	40 481
Salaries and wages	14 162	18 812	15 774	27 685	32 685	32 685	28 347	29 935	31 581
Social contributions		2 610	2 050	7 695	7 695	7 695	7 988	8 436	8 900
Goods and services	433	947	618	442	3 889	3 897	5 443	5 755	6 072
Administrative fees				8					
Advertising				8					
Minor assets		7	3	4	64	64	68	72	76
Catering: Departmental activities		1	68	45	154	154	68	71	75
Consultants and professional services: Business and advisory services	274	174			2 848	2 848	4 004	4 233	4 466
Agency and support / outsourced services			461						
Inventory: Clothing material and accessories	105								
Consumable supplies			10	9	6	8	10	11	12
Consumable: Stationery, printing and office supplies				73		6	54	57	60
Travel and subsistence	54	139	36	13	223	223	266	282	297
Operating payments				282	294	294	551	583	615
Venues and facilities		626	40		300	300	421	446	471
<b>Transfers and subsidies</b>							( )		
<b>Payments for capital assets</b>			<b>5</b>			<b>13</b>			
Buildings and other fixed structures									
Buildings									
Machinery and equipment			5			13			
Other machinery and equipment			5			13			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>14 595</b>	<b>22 369</b>	<b>18 447</b>	<b>35 822</b>	<b>44 269</b>	<b>44 290</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>

TABLE 8.21: PAYMENT AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>158 259</b>	<b>160 031</b>	<b>162 737</b>	<b>169 905</b>	<b>167 008</b>	<b>168 501</b>	<b>152 722</b>	<b>161 968</b>	<b>170 876</b>
Compensation of employees	153 034	96 729	154 577	129 487	154 487	154 487	139 069	149 360	157 575
Salaries and wages	153 034	85 049	135 174	115 571	135 571	135 571	124 123	133 577	140 924
Social contributions		11 680	19 403	13 916	18 916	18 916	14 946	15 783	16 651
Goods and services	5 225	63 302	8 160	40 419	12 521	14 014	13 653	12 608	13 301
Minor assets		3	2	()	480	480	556	588	621
Audit cost: External						1 425			
Catering: Departmental activities	44			()	180	180	128	135	142
Consultants and professional services: Business and advisory services		2 817		3 500					
Contractors				150	149	149			
Agency and support / outsourced services		5 402	4 744	6 431	5 431	5 431	5 881	6 223	6 565
Consumable supplies		242	1	39	39	39	42	44	46
Consumable: Stationery, printing and office supplies	18	5	6	133	5	5	36	38	40
Operating leases	1 948			167					
Property payments		51 240		30 000					
Travel and subsistence	2 685	2 817	2 846	()	5 117	5 117	6 305	4 834	5 100
Operating payments	530	776	561	()	1 120	1 120	705	746	787
Venues and facilities						50			
<b>Transfers and subsidies</b>	<b>4 489 203</b>	<b>4 118 790</b>	<b>5 184 856</b>	<b>5 389 482</b>	<b>276 853</b>	<b>276 853</b>	<b>261 392</b>	<b>261 329</b>	<b>261 829</b>
Households	4 489 203	4 118 790	5 184 856	5 389 482	276 853	276 853	261 392	261 329	261 829
Social benefits	83	352	91						
Other transfers to households	4 489 120	4 118 438	5 184 765	5 389 482	276 853	276 853	261 392	261 329	261 829
<b>Payments for capital assets</b>					<b>5 160 794</b>	<b>5 160 794</b>	<b>4 749 744</b>	<b>4 931 638</b>	<b>5 293 932</b>
Buildings and other fixed structures					5 160 794	5 160 794	4 749 744	4 931 638	5 293 932
Buildings					5 160 794	5 160 794	4 749 744	4 931 638	5 293 932
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>4 647 462</b>	<b>4 278 821</b>	<b>5 347 593</b>	<b>5 559 388</b>	<b>5 604 655</b>	<b>5 606 148</b>	<b>5 163 858</b>	<b>5 354 935</b>	<b>5 726 637</b>

TABLE 8.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>		<b>195</b>	<b>13 448</b>	<b>6 668</b>	<b>4 939</b>	<b>4 939</b>	<b>4 468</b>	<b>4 662</b>	<b>4 919</b>
Compensation of employees			12 445	3 527	3 527	3 527	3 407	3 540	3 735
Salaries and wages			10 970	2 528	2 528	2 528	2 449	2 529	2 668
Social contributions			1 475	999	999	999	958	1 011	1 067
Goods and services		195	1 003	3 142	1 412	1 412	1 061	1 122	1 184
Advertising			55	2 150	300	300			
Minor assets				158	157	157	167	176	186
Catering: Departmental activities				158	158	158	169	179	189
Consultants and professional services: Business and advisory services			877		330	330			
Consumable supplies		195		315	315	315	337	357	377
Travel and subsistence			71	152	152	152	163	172	181
Venues and facilities				210			225	238	251
<b>Transfers and subsidies</b>	<b>85 408</b>	<b>76 512</b>	<b>116 544</b>	<b>167 264</b>					
Households	85 408	76 512	116 544	167 264					
Other transfers to households	85 408	76 512	116 544	167 264					

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Payments for capital assets					177 627	177 627	165 811	171 726	177 890
Payments for financial assets									
<b>Total economic classification</b>	<b>85 408</b>	<b>76 707</b>	<b>129 992</b>	<b>173 932</b>	<b>182 566</b>	<b>182 566</b>	<b>170 279</b>	<b>176 388</b>	<b>182 809</b>

TABLE 8.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS DEVELOPMENT GRANT PROGRAMME 3

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments									
Transfers and subsidies									
Payments for capital assets	4 443 549	4 124 734	5 022 669	5 528 050	5 528 050	5 528 050	5 046 583	5 236 578	5 598 471
Buildings and other fixed structures	4 443 549	4 124 734	5 022 669	5 528 050	5 528 050	5 528 050	5 046 583	5 236 578	5 598 471
Other fixed structures	4 443 549	4 124 734	5 022 669	5 528 050	5 528 050	5 528 050	5 046 583	5 236 578	5 598 471
Payments for financial assets									
<b>Total economic classification</b>	<b>4 443 549</b>	<b>4 124 734</b>	<b>5 022 669</b>	<b>5 528 050</b>	<b>5 528 050</b>	<b>5 528 050</b>	<b>5 046 583</b>	<b>5 236 578</b>	<b>5 598 471</b>

TABLE 8.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EPWP INTEGRATED GRANT

TABLE 8.25: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Category A</b>	<b>38 349</b>	<b>516 576</b>	<b>741 384</b>	<b>389 069</b>	<b>492 797</b>	<b>492 797</b>	<b>327 091</b>	<b>401 507</b>	<b>371 304</b>
Ekurhuleni		127 759	126 738	41 203	51 203	51 203			
City of Johannesburg	38 349	302 161	411 613	257 202	292 315	292 315	249 091	245 507	254 304
City of Tshwane		86 656	203 033	90 664	149 279	149 279	78 000	156 000	117 000
<b>Category B</b>	<b>138 871</b>	<b>135 066</b>	<b>190 452</b>		<b>246 070</b>	<b>246 070</b>	<b>211 327</b>	<b>151 438</b>	<b>151 438</b>
Emfuleni									
Midvaal									
Lesedi	13 700								
Mogale City			86 752		35 269	35 269	91 000	31 111	31 111
Merafong City		52 500	32 700		139 701	139 701	46 944	46 944	46 944
Rand West City			44 700		71 100	71 100	73 383	73 383	73 383
<b>Category C</b>	<b>13 133</b>								
Sedibeng District Municipality	13 133								
West Rand District Municipality									
Unallocated									
<b>Total transfers to municipalities</b>	<b>190 353</b>	<b>651 642</b>	<b>931 836</b>	<b>389 069</b>	<b>738 867</b>	<b>738 867</b>	<b>538 418</b>	<b>552 945</b>	<b>522 742</b>