

# VOTE 8

## DEPARTMENT OF HUMAN SETTLEMENTS

To be appropriated by vote in 2022/23	R 6 336 392 000
Responsible MEC	MEC for Human Settlements
Administering Department	Department of Human Settlements
Accounting Officer	Head of Department

### 6. OVERVIEW

#### Vision

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

#### Mission

To align national and provincial sector priorities of the sixth term of the administration and reflect the impact and outcomes the department will achieve through implementation of its Strategic Plan.

To lead and direct the delivery of human settlements across Gauteng and the restoration of human dignity through:

- Functional and integrated management and governance of the department
- Development and implementation of responsive research-based policies, legislation and strategic frameworks that enable speedy, effective and efficient delivery of human settlements
- Facilitation by developing spatially just, efficient, equitable, sustainable and transformed human settlements
- Implementation of an efficient and effective Beneficiary Administration and Title Deeds Programme that provides social justice through security of tenure and asset value for homeowners
- Effective, efficient and compliant management of the department's housing stock/property assets.

#### Values

The department's values are based on the *Batho Pele* (People First) principles of the South African public service. Its focus is on:

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

#### Strategic goals

The Vision, Mission and Values of the Gauteng Department of Human Settlements (GDHS) for the sixth term of the administration are informed by the following principles:

- Consistent mandate of the department regarding integrated and sustainable human settlements.
- Undertaking by government to improve on its successes over the past 25 years in general and the preceding fifth term of the administration.
- Strategic paradigm shifts away from sporadic and uncoordinated development to purposefully planned and developed Mega Projects that are self-sufficient in providing for the housing, social and economic needs of the community.
- Development of human settlements that mainstream economic development and social cohesion and consolidate inter-governmental and stakeholder collaboration and relationships.

- Achieving the outcome of a spatially just and transformed economic space that enables equal access to social services and economic opportunities in cities, regions and rural areas.

This emphasis is based on the fact that “spatial integration, human settlements and local government” is one of the seven national priorities and is aimed at identifying and release public land that is suitable for smart and urban settlements. This is in alignment with the five provincial priorities for the sixth term of the administration.

### **Core functions and responsibilities**

The mandate of the GDHS is to provide housing opportunities and facilitate the development of sustainable, integrated human settlements that:

- Respond to the social and economic needs of people
- Turn the tide against the legacy of apartheid spatial planning
- Provide safe and secure spaces where people can live, play, relax and work in the same place
- Modernise the province’s human settlements.

Consolidating and up-scaling the development of mega human settlements is the strategic paradigm within which the GDHS carries out its work.

### **Main services**

Collectively, the five outcomes of the department contribute to Priority 4 in the NDP 5-year Plan: Spatial Integration, Human Settlements and Local Government and their related outcomes. The outcome indicators align with the following provincial priority interventions:

- Up-scaling implementation of mega human settlements and fast-tracking the roll-out of mega infrastructure projects for new nodes and cities.
- Accelerating the Rapid Land Release Programme: fast-tracking the release of unutilised government buildings, abandoned factories, municipal shops and land for urban agriculture to entrepreneurs.
- Upgrading and re-development of hostels.
- Stopping land invasions through the counter land invasion strategy and its implementation.
- Developing innovative partnerships to provide affordable lending to owners of properties to upgrade their backyard rooms to enhance and expand the township rental economy.
- Student accommodation through the Gauteng Partnership Fund (GPF).
- The urban renewal programme: Alexander, Evaton, Winterveld, Kliptown and Bekkersdal.
- Security of tenure through the title deeds programme.
- The informal settlements upgrading programme.
- Completion of incomplete and abandoned housing projects.
- Bulk infrastructure support through the 2 per cent Human Settlements Development Grant (HSDG) allocation and Mining Towns grant.
- Township formalisation and proclamation.
- Transformational imperatives: job creation, incubation, youth skills programme(s).

### **The key enablers of achievements are as follows:**

- A revised organisational structure designed to deliver on the department’s strategy.
- The revised structure appropriately staffed with the requisite skills, capacity and knowledge within its human capital resources. The department plans to have its approved structure fully staffed by the end of the 2021/22 financial year.
- Successful implementation of the Integrated Service Delivery Model (IDMS), including its adaptation to suit the needs of the construction value chain of human settlements and training of departmental staff on the use of the system.
- A successful structured inter-governmental planning system and processes that ensure integrated spatial planning and budgeting in respect of human settlements. This includes planning and budgeting for, for example, bulk infrastructure and waste-water treatment solutions.
- Fast-tracking human settlement matters on the agendas of GPG EXCO and GPL committees and Legislature sittings of matters identified as requiring decision-making and/or adoption at these political levels.
- An adopted Gauteng Human Settlement Spatial Master Plan that is applicable to all related provincial and local government structures and in relation to which programmes, projects and budgets will be aligned and consolidated, with the project bank/pipeline being one of its significant components.

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

The GPF is a Schedule 3 C Public Entity founded in 2002 and 100 per cent owned by the GDHS. Its key mandate is focused on the social housing market. Over the years, this has evolved to include affordable housing. It seeks to attract public and private

sector capital into the low-income housing sector. Its focus areas are Social Housing, Student Housing, Affordable Housing and Mixed-Use Developments (Mega Projects).

### **Acts, rules and regulations**

The National Housing Code sets out the overall vision for housing in South Africa and the linkages between various policy programmes. The Code was revised to align it with the Breaking New Ground (BNG) strategy, to accommodate changes since 2000 and to convert the programmes into flexible and less prescriptive provisions and guidelines.

### **The National Spatial Development Framework (NSDF)**

The NSDF is a key mechanism of government to reconfigure apartheid spatial relations and implement spatial priorities in ways that meet the stated goal of providing basic services to all and alleviating poverty and inequality. The NSDF recognises the burden that unequal and inefficient spatial arrangements place on communities and especially the poor who, for example, must bear significant transport costs to commute long distances to and from work. Similarly, the Gauteng Employment, Growth and Development Strategy (GEGDS) and the municipal Integrated Development Plans (IDPs) are central programmes of government's response to its stated aim of growing the economy and addressing the needs of poor people.

#### **The four principles of the NSDF are:**

- Rapid economic growth that is sustained and inclusive to achieve poverty alleviation
- Fixed investment focused on localities of economic growth or economic potential
- Programmes and projects to address poverty and the provision of basic services in areas where low economic potential exists
- To channel future settlement and economic development opportunities into activity corridors and nodes adjacent to or linked with main centres.

### **The National Development Plan (NDP) 2030**

The introduction to the chapter on Human Settlements in the NDP is unambiguous. It states, "Where people live and work matters". The NDP also provides key principles that must underlie the transformation of human settlements. These principles are:

- Human settlements must systematically change the entrenched apartheid spatial patterns that resulted in social inequality and economic inefficiencies.
- Human settlements must be responsive to the unique needs and potentials of rural and urban areas.
- Human settlement policies and legislation must realise people's constitutional right to housing.
- The delivery of housing must restructure towns and cities, strengthen the livelihood prospects of households and support active citizenship and involvement in conceptual and planning processes.
- Human settlement spaces must be livable, equitable, sustainable, resilient and efficient and support economic opportunities and social cohesion.
- Human settlement developments must provide people with a greater choice of where to live.

### **The Medium-Term Strategic Framework (MTSF) 2019-2024**

One of the key concerns around human settlements is that the form and location of land developments, human settlement projects and informal settlement upgrades rarely respond directly to government's statements of spatial intent. Human settlement patterns remain inequitable and dysfunctional across the country, with densely settled former homeland areas and insecure tenure. Despite far-reaching efforts over the past 25 years, housing demand has increased dramatically as household size has reduced and urbanisation has accelerated. To address this, MTSF 2019-2024 focuses on three interrelated outcomes:

- Spatial transformation through multi-programme integration in priority development areas
- Adequate housing and improved quality living environments
- Security of tenure.

### **The Integrated Urban Development Framework (IUDF)**

The IUDF actualises the NDP's directive for an urban development policy that is mindful of increasing urbanisation across the country. According to the IUDF, more than 60 per cent of South Africa's population live in urban areas and it is projected that this number will increase to over 70 per cent by 2030 and to 80 per cent by 2050.

The aim of the IUDF is to reap the benefits of urbanisation and minimise the impacts of badly managed urbanisation through proper planning and provision of necessary infrastructure. Urban development requires integrated and coordinated interventions across government and other sectors of society to develop inclusive, resilient and livable urban settlements that serve as engines of growth. The IUDF is therefore responsive to Sustainable Development Goal (SDG) 11: "Making cities and

human settlements inclusive, safe resilient and sustainable.” The key intended outcome of the IUDF is spatial transformation and its objective is to ensure spatial integration, improve access to services and promote social and economic inclusion.

### **The Gauteng City Region (GCR) Perspective: Gauteng 2055**

The GCR seeks to promote Gauteng's development agenda by positioning the province as a globally competitive city region. It also seeks to address inequality and uneven development in the province. The long-term plan for achieving this is contained in the Gauteng 2055 document. Chapter 4 Section 4.3 states the following with regard to human settlements in a GCR, “Our people live in healthy, safe spaces - supported by the nutrients for human growth, prosperity and dignity: affordable, accessible and equitable green spaces; recreational facilities, schools; clinics; shops; places of celebration and worship; places to gather; opportunities for work; networks for transit, ICT and economic infrastructure; heritage sites; and spaces in which collective creativities and dreams can be harnessed”.

### **GPG's Transformation, Modernization and Re-industrialisation (TMR) Strategy**

The fifth term of the democratic administration of Gauteng Province is fortified by its TMR Strategy which is underscored by ten Pillars. Collectively, the Pillars advocate equitable socio-economic development, good governance and development across the continent. The main thrust of each Pillar is transformation and/or modernisation and/or reindustrialisation.

### **Growing Gauteng Together (GGT) 2030**

The Growing Gauteng Together 2030 Provincial Plan (GGT2030) is about building a sustainable future for all. For the human settlements in Gauteng, it is specifically about changing apartheid spatial settlement patterns by connecting housing to economic opportunities so that people can live closer to where they work in integrated, safer and more cohesive communities. The department is therefore committed to ensuring that implementation of its policies and programmes deliver the following results:

- The realisation of the constitutional right of people to have access to adequate housing
- The contribution to GGT as a smart Global City Region
- The provision of security of tenure and restoration of human dignity
- The reversal of the apartheid spatial planning with spatially just, efficient, equitable and sustainable human settlement
- Enabling people to live, work and play in the same area.

Integrated, sustainable human settlements within a Smart Gauteng City Region” remains the vision of the department for the sixth term of governance. The key focus areas over the 2022/23 MTEF continue to be on the implementation and effective functioning of an integrated and holistic human settlements value chain that begins with the planning stage and ends with the issuance of title deeds to homeowners.

### **Other relevant Acts, Rules and Regulations**

- 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)
- Public Finance Management Act (Act No. 1 of 1999)
- 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)
- Deeds Registries Act (Act No. 47 of 1937).

### **Legislative and other mandates**

The core mandate of the department is to provide housing opportunities and facilitate the development of sustainable, integrated human settlements.

### **Other policies and strategies**

The department is guided by the following policies and strategies:

- Provincial Growth and Development Strategy (PGDS)
- Gauteng Human Settlements Mega Projects Strategy
- National Housing Policy

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2021/22)

The location of housing is critical to ensuring that elements of the NSDF have been considered in an endeavour to transform old patterns of development. These are:

- Nodal development (high intensity land use)
- Promoting links between nodes
- Identifying areas where in-fills and densification could be planned and could best facilitate spatial integration
- Limiting inefficient low-density developments
- Protecting valuable natural heritage resources, economic wetlands, agricultural land and future growth areas.

While aiming to significantly alter existing spatial patterns, the department has the responsibility to modernise urban development and human settlements through greening these developments and densifying them to counteract the shortage and cost of land in the province. Partnerships with the Gauteng Department of Agriculture and Rural Development (GDARD) specific to Mega Projects have already been initiated but are not limited to such interventions. The strategy on densification is of great importance and is especially relevant in Gauteng, given the scarcity of well-located and suitable land for human settlement development. In its current form, the strategy requires consideration of the governance packages that address indigents who are unable to pay for, for example, sectional title deeds costs as they are not covered by the subsidy, insurance of Buildings Maintenance, water meter technology (it remains difficult to solicit this from municipalities) and body corporate implications, etc. These are conscious and deliberate efforts, commitments and developed solutions that government needs to consider.

The department's five-year targets aligned to national and provincial priorities are unlikely to be met because of a number of historical issues. These include but are not limited to:

- Title deeds restoration: this will continue not to perform given the non-formalisation of a number of townships that otherwise hold promise as they have a sizeable number of houses built by the department. The GGT 2030 priorities are being implemented through Programmes 3: Housing Development and Programme 4: Housing Assets Management. Performance against GGT 2030 priority projects directly respond to Priority 5: Spatial integration, human settlements and local government.

### RAPID LAND RELEASE PROGRAMME (RLRP)

Delivery on the five planned land parcels to be acquired in the 2021/22 financial year has not yet been realised. However, 1 392 RLRP opportunities were secured during the second quarter and the targets for land acquisition and the RLRP are set for the fourth quarter of the current financial year.

### MEGA PROJECTS

Achievement of provision of housing opportunities through Mega Projects housing units as at the end of the third quarter of 2021/22 was 3 467 (61%) against a planned target for the year of 5 652. With regard to the provision of serviced stands, the department delivered 5 728 (91%) against a target of 6 301 for the year. Under COVID-19 protocol Level 3, developers were not allowed to bring their entire work forces on site at once and this negatively impacted Quarter 1 performance for serviced stands and housing units. The department fast-tracked delivery in subsequent quarters in an effort to make up for the lost time in the first quarter.

### LEGACY PROJECTS

Provision of housing opportunities through Legacy Projects: in the 2021/22 financial year, 909 (22%) were achieved against a target for the year of 4 188 while 2 960 (170%) serviced stands against a target of 1 741 were provided.

### INFORMAL SETTLEMENTS UPGRADE

By the end of the third quarter of 2021/22, stands at 54 informal settlements were provided with interim sanitation services. Water services were still outstanding as at the end of the reporting period.

### TITLE DEEDS

The main objective for the programme is to register new title deeds and hand them over to the rightful homeowners. During the 2021/22 financial year, 2 190 (70%) title deeds were issued under the current title deeds programme against a target of 3 132. Delivery on post-1994 title deeds stood at 4 298 (55%) against the target of 7 777 whilst at the end of the third quarter of 2021/22 financial year 645 (30%) had been realised for pre-1994 title deeds against a target of 2 138.

### HOSTEL REDEVELOPMENT

Hostel redevelopment into family units and the Hostel Redevelopment Strategy: The Gauteng Hostel Redevelopment Strategy had been submitted to EXCO for consideration, with one hostel under construction into family units. Hostel redevelopment entails hostel detailed planning in the following areas: Kagiso, Diepkloof and Khutsong. Civil engineering and top structure designs for three (Kagiso, Diepkloof and Khutsong) are waiting for procurement processes to be finalised.

### **URBAN RENEWAL**

Three projects (Evaton, Bekkersdal and Winterveldt) in the Urban Renewal Programme (URP) were resuscitated. Contractors were appointed for reticulation and sewer upgrades. Work commenced and is ongoing. Interventions implemented are as follows:

- Evaton: upgrading of outfall sewer.
- Bekkersdal: occupational medical checks and issuing of personal protective clothing.
- Winterveld: cleaning of stormwater infrastructure
- Alexandra: implementation through the HDA. The department concluded the transfer of funds to the entity. Procurement and the appointment of the PRTs still need to be resolved.

### **DEVOLUTION OF HOUSING PROPERTIES**

No delivery was made against the planned target as the department received no requests for devolution from the municipalities regarding transfers of property.

### **Annual and Quarter 3 Delivery Per Region - 2021/22 FY**

Against the annual targets of 11 436 serviced stands and 9 930 housing units, actual delivery as at the end of the third quarter was 10 080 (88%) serviced stands and 4 376 (44%) housing units.

### **Factors that hampered projects' performance:**

- Delays in the appointment of contractors and professional resource teams
- Land invasions and incomplete units
- Poor performance by contractors
- Inadequate or lack of bulk infrastructure
- Under-performance by municipalities and implementing agencies
- Delays in township formalisation and proclamation.





### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2022/23)

#### STRATEGIC OVERVIEW OF THE INFRASTRUCTURE PROGRAMME

The department has adopted the approach of responsiveness to community needs and, in alignment with the District Development Model, will continue to deliver on its mandate of providing integrated and sustainable human settlements to the people of Gauteng as opposed to simply providing houses.

The department is implementing changes in relation to but not limited to ensuring:

- Improved planning and execution of housing projects: the IDMS will be catalytic in this regard
- Faster turn-around times in providing housing units without compromising quality
- Better administrative processes: allocation lists, consultation process, communication
- Multi-year projects: continuous tracking, improved quality control, dealing with variations, improved project management, use of automation systems, improved M&E
- Smarter planning involving stakeholders, partners and funders at an early stage
- Improving standards (ISOs) and adherence to law, regulations and principles of good governance.

The department will continue to deliver on its mandate through the various programmes guided by the following plans among others: the new five-year Strategic Plan (2020/21-2024/25), Annual Performance Plan, Human Settlements Development Grant Business Plan and the GGT 2030. The 2022/23 Medium Term Expenditure Framework provides the department with another opportunity to continue *inter alia* with implementation of its strategic priorities in the Human Settlements Medium Term Strategic Framework, 2019-2024,

In its quest to deliver sustainable integrated human settlements, the department plans to acquire about 2 000 hectares of land in 2022/23 and another 2 000 hectares of land in 2023/24 and 2024/25. This is due to scarcity of land availability in the province; hence the creation of compact human settlements developments. As a support mechanism to ensure that its housing programmes are not interrupted due to lack of bulk infrastructure in some parts of the province, the department plans to invest an estimated R 227 million in bulk infrastructure in the 2022/23 financial year. The same amount is estimated to be allocated throughout the MTEF period. The importance of the department's investment in bulk infrastructure cannot be over emphasised; it is pivotal to service delivery in the province as it cushions smaller municipalities that do not benefit from the Urban Settlement Development Grant (USDG) which is only accessible to the Metros.

Fast-tracking implementation of **hostel upgrading, and re-development** is one of the priorities of the department in the current political term of governance. To that end, during the 2022 MTEF period the department will be active in a number of hostels in the province. Upgrading and re-development of hostels includes doing away with the old dormitory-type of accommodation units and replacing them with family units. 5 615 (135 in 2022/23, 920 in 2023/24 and 4 560 in 2024/25) family units will be built in hostels in the fourth-coming MTEF period. Implementation of this programme is critical to the objective of social cohesion through integrating hostels into the broader social fabric of the province.

The importance of accelerating the **Urban Renewal Programme (URP)** cannot be over-emphasised. Focusing on the old townships in the province is important for the Department and government at large. The aim of the programme is to upgrade the old townships. A number of stakeholders participate in the programme with the department playing a co-ordinating role. For the current term of governance, it is planned that the following five old townships will benefit from the URP: Bekkersdal, Evaton, Kliptown, Winterveldt and Alexandra.

Fast-tracking implementation of the **Mega Projects and winding down the Legacy Projects** remains key for the department. The plan for 2022/23 is to build 11 423 housing units and 11 646 and 12 302 in 2023/24 and 2024/25 respectively. 14 561 serviced stands will be provided over the MTEF period: 6 690 in 2022/23 and a projected 4 921 in 2023/24 and 2 950 in 2024/25.

Considerable resources will be invested in township formalisation to help address the title deeds backlog over the MTEF, with a focused approach being required. The Title Deeds Restoration Grant has been phased out and the title deeds backlog is a challenge to the department and the people of Gauteng. The department aims to formalise a total of 55 townships each financial year during the MTEF period. The 2022/23 Medium-Term Expenditure Framework (MTEF) period presents the department with an opportunity to build up on the gains achieved in the first two financial years of the current political term while moving ahead with implementing its strategic priorities.



**The Rapid Land Release Programme (RLRP)** is one of the strategic priorities that the department will be continuing to implement as part of its constitutional mandate to provide adequate shelter to the residents of Gauteng. In the 2022/23 financial year, the department plans to hand over 1 000 release opportunities to qualifying beneficiaries; in 2023/24 and 2024/25, 2 000 release opportunities will be handed over to qualifying beneficiaries.

**Spatial transformation** in the province continues to gain traction and the department is planning to develop nine integrated implementation programmes for Priority Development Areas (PDAs) in 2022/23. The department will invest about 80% of the Human Settlements Development Grant in the PDAs during the financial year; this will increase by 10% in 2023/24 and 2024/25. During the MTEF, the department will continue to support local municipalities that do not receive the Urban Settlements Development Grant to enable human settlements development and to ensure that bulk infrastructure is delivered in their areas. The lack of bulk infrastructure in some areas of the province continues to delay human settlements development.

**Challenges faced by the department:**

- Title deeds, and township formalisation and proclamation
- Business Forums which prevent departmental projects from being carried out
- Inadequate or lack of bulk infrastructure capacity to enable development
- COVID-19
- The need for human settlements development interventions to be informed/guided by the endorsed GP Spatial Human Settlements Masterplan which states that investment needs to be conducive to development to allow for settlements to be self-sufficient in relation to bulk availability, proximity to work, access to transport and social and other amenities. Resourcing and budgeting for projects needs to establish the same linkages.
- Limited development interventions linked to contractors identified as under-performing (no budget allocation/resourcing or linkages with state entities trained to develop and empower contractors)
- Land invasions: these remain a challenge due to lawlessness by invaders. The land invasion strategy has resumed implementation but is still at an early stage following its launch and adoption in partnership with the DCS.
- Integrated planning: this is picking up but can be further improved. Efforts to do so are in progress.

## 4. REPRIORITISATION

The department has an inclusive budget process in which all key stakeholders and budget controllers are responsible for crafting the budget in line with the approved Annual Performance Plan (APP) and operational plans. This promotes responsibility and forces budget owners to account for their allocated budgets. The department conducted a budget reprioritisation exercise to align budget with the GGT 2030 priorities. This reprioritisation will not have a negative impact on service delivery.

Funds were also reprioritised from non-essential items to items that support the core business of the department. R63 million and R50 million respectively are reprioritised within goods and services in the 2022/23 and 2023/24 financial years. The reprioritisation of funds under goods and services is necessitated by the estimated costs pressure including contractual obligations on items and leases of office buildings. The available budget will be utilised to ensure that planned outcomes are achieved. The department will continue to review its operations to identify potential cost savings and eliminate inefficiencies. The department has scaled down its legacy projects to upscale implementation of the Mega Projects.

## 5. PROCUREMENT

The department will procure goods and services in line with the budget allocation and in terms of all prescribed policies and legislation and 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 better value for money without compromising quality. The department encourages the use of small and designated township-based businesses to promote sustainable job creation, using a range of such businesses to promote fairness and transparency. The department will continue to prioritise allocation of business to local and township businesses as well as historically disadvantaged individuals: women, youth and people with disabilities.

In relation to procurement, in the 2022/23 financial year the department intends to:

- Fully implement the SAP operating system for processing 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.
- Significantly improve contract administration to ensure that 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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Equitable share	783 368	911 755	1 010 687	969 472	981 762	981 762	1 195 028	1 209 846	1 245 647
Conditional grants	5 278 674	5 134 787	4 467 220	4 942 660	5 004 364	5 004 364	5 141 364	5 352 784	5 593 177
Housing Disaster Grant									
<b>Total receipts</b>	<b>6 062 042</b>	<b>6 046 542</b>	<b>5 477 907</b>	<b>5 912 132</b>	<b>5 986 126</b>	<b>5 986 126</b>	<b>6 336 392</b>	<b>6 562 630</b>	<b>6 838 824</b>

The equitable share and conditional grants are the main source of funding for the department. The conditional grants and funding from the province caters for implementation of national and provincial housing programmes; the equitable share is primarily used for the department's operational activities. In the 2022/23 financial year, the department will receive a total allocation of R6.3 billion, made up of R5.1 billion in conditional grants and R1.2 billion from the equitable share.

The department receives funding from three conditional grants over the 2022 MTEF: the Human Settlements Development Grant (HSDG), the Upgrading Informal Settlements Partnership Grant (UISPG) and the EPWP Grant. The funding will enable the department to carry out projects that will contribute decisively to spatial transformation and radical economic transformation by ensuring that people are located closer to places of work and economic opportunities. It will also provide sustainable human settlement services and infrastructure in line with national access and equity policy and objectives. Through the conditional grants and earmarked allocations from the province, the department will embark on Mega Projects, wind down legacy projects, procure serviced sites for rapid land release, upgrade informal settlements, carry out urban renewal programmes, re-develop hostels, and implement title deeds acquisition and township formalisation.

The budget over the 2022 MTEF period is expected to increase from R6.3 billion in 2022/23 to R6.8 billion in 2024/25, aligned with inflation estimates. As part of the funding for the 2022/23 financial year, R1.1 billion is allocated for upgrading informal settlements through the UISPG. The purpose of the Conditional Grant is to assist the department to address the housing backlog mainly caused by the increasing number of people migrating to the province in pursuit of a better life and employment opportunities.

The equitable share increases from R 981 million in 2021/22 to R1.2 billion due to the inflationary adjustments made to the baseline and additional funding to fund provincial priority programmes over the 2022 medium-term. These funds will cater for the department's operations which include compensation of employees, goods and services and capital payments.

The department is allocated R197.6 million in 2022/23 and R206.3 million over the MTEF to accelerate rapid land release; fast-tracking delivery on urban renewal projects and incomplete housing projects; and to provide for security of tenure through issuing title deeds to beneficiaries of housing projects.

### 6.2 Departmental receipts

TABLE 8.2: DEPARTMENTAL RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Sales of goods and services other than capital assets	456	451	442	300	300	418	321	321	335
Interest, dividends and rent on land	367	5 959		473	473	474	378	378	395
Sales of capital assets		350							
Transactions in financial assets and liabilities	(14)	3 218	27 874	200	200	10 906	220	250	261
<b>Total departmental receipts</b>	<b>809</b>	<b>9 978</b>	<b>28 316</b>	<b>973</b>	<b>973</b>	<b>11 798</b>	<b>919</b>	<b>949</b>	<b>991</b>

The department has a mandate to collect revenue from department-owned properties and other sources of minor revenue. It is experiencing difficulties primarily due to the reluctance of occupants to pay for services provided and their inability to pay. The department carried out a cost benefit analysis to determine if it is economically viable to continue with collections.

It was apparent that there were no benefits from continuing with collections because of the amount paid to the collection company. The returns gained by the department by using a service provider to collect revenue were far below the costs incurred. The department has taken the decision to transfer ownership of these properties to qualifying and approved beneficiaries.

The revenue that it collects is derived from employee parking tariffs, sale of tender documents, replacement of security cards, interest on overdue debt accounts, recoveries from previous years' expenditure and servitude rights and commission. The department received a once-off amount from financial assets and liabilities which increased revenue collection to R28.3 million in 2020/21 as a result of a recovery from the previous financial year from the Department of Military Veterans and another R11.7 million in the 2021/22 financial year through a refund from a developer. The budget will remain relatively stable after the department transferred properties to the DID.

## 1. PAYMENT SUMMARY

### 1.1 Key assumptions

The assumptions that underpin the department's 2022 MTEF expenditure are summarised below. There are no anticipated increases in compensation of employees or for goods and services over the MTEF. The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2022 MTEF:

- Number of staff and possible changes over the MTEF
- Equalisation of pay progression across the public service
- Inflation in the cost of goods and services, based on headline Consumer Price Index (CPI) projections
- Provision for eradicating informal settlements
- Provision for upgrading infrastructure services.

### 1.2 Programme summary

TABLE 8.3: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Administration	474 752	589 132	546 338	533 702	549 871	549 871	692 312	685 151	649 034
2. Housing Needs, Research And Planning	17 029	15 028	13 772	21 619	19 890	19 890	23 651	24 694	25 802
3. Housing Development	4 990 996	4 982 581	4 534 131	5 148 814	5 207 392	5 207 392	5 348 142	5 563 480	5 808 651
4. Housing Assets Management Property Management	313 596	176 007	156 935	207 997	208 973	208 973	272 287	289 305	355 337
<b>Total payments and estimates</b>	<b>5 796 373</b>	<b>5 762 748</b>	<b>5 251 176</b>	<b>5 912 132</b>	<b>5 986 126</b>	<b>5 986 126</b>	<b>6 336 392</b>	<b>6 562 630</b>	<b>6 838 824</b>

### 1.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>714 351</b>	<b>815 206</b>	<b>795 631</b>	<b>873 115</b>	<b>874 965</b>	<b>874 965</b>	<b>1 036 759</b>	<b>1 046 343</b>	<b>1 019 657</b>
Compensation of employees	439 799	451 003	436 801	468 560	468 560	468 560	492 693	515 190	541 548
Goods and services	274 552	364 203	358 830	404 555	406 405	406 405	544 066	531 153	478 109
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>5 081 379</b>	<b>4 931 105</b>	<b>3 795 603</b>	<b>4 965 120</b>	<b>4 601 224</b>	<b>4 601 224</b>	<b>4 704 657</b>	<b>4 242 532</b>	<b>4 818 793</b>
Households	5 081 379	4 931 105	3 795 603	4 965 120	4 601 224	4 601 224	4 704 657	4 242 532	4 818 793
<b>Payments for capital assets</b>	<b>431</b>	<b>16 247</b>	<b>659 942</b>	<b>73 897</b>	<b>509 937</b>	<b>509 937</b>	<b>594 976</b>	<b>1 273 755</b>	<b>1 000 374</b>
Buildings and other fixed structures									
Machinery and equipment	431	16 247	602	2 708	12 708	12 708	2 177	3 273	3 420
Software and other intangible assets			3 362	3 069	3 069	3 069	7 623	10 489	12 460
<b>Payments for financial assets</b>	<b>212</b>	<b>190</b>							
<b>Total economic classification</b>	<b>5 796 373</b>	<b>5 762 748</b>	<b>5 251 176</b>	<b>5 912 132</b>	<b>5 986 126</b>	<b>5 986 126</b>	<b>6 336 392</b>	<b>6 562 630</b>	<b>6 838 824</b>

The table above shows the department's expenditure and budget per programme and by economic classification over the seven-year MTEF period. Total expenditure was relatively stable from 2018/19 to 2019/20. It decreased to R5.3 billion in 2020/21. The spending fluctuations were caused by different stages and costs of the infrastructure portfolio during those financial years. The department continues with implementation of GGT 2030 priorities to ensure that all the allocations are geared to building a sustainable future for all residents of Gauteng.

The department received R5.9 billion during the 2021/22 main appropriation to fund provision of sustainable human settlements where all citizens have access to housing and other social amenities. The budget was adjusted upwards by R73 million in the form of a rollover from the national and provincial treasuries. Over the 2022 MTEF, the department's overall budget increases from R6.3 billion to R6.8 billion in line with 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.

The departmental budget will fund servicing of stands; provision of housing units; the Finance Linked Individual Programme (FLISP) programme; eradication of informal settlements; urban renewal projects; hostel redevelopment; acceleration of Mega Projects and the winding down of the Legacy Projects; the Rapid Land Release Programme and relief from accruals amongst other activities. Included in the departmental budget for the MTEF is the provincial earmarked budget for issuing title deeds and the national allocation for the Informal Settlements Upgrading Partnership Grant.

**Programme 1: Administration:** there was a significant increase in expenditure from R474 million in 2018/19 to R546 million in the 2020/21 financial year mainly due to inflationary increases and once-off allocations under goods and services. The increase is also attributed to related expenditure that was previously incurred under the operational budget for capital expenditure. The programme received a total equitable share rollover of R12.2 million during the 2021/22 financial year from the Provincial Treasury to be utilised for payment of leases of office buildings. Expenditure within this programme is managed strictly through cost-containment measures.

The budget over the 2022 MTEF is expected to decrease from R692 million in 2022/23 to R649 million in the outer year. The department will continue to manage expenditure within the programme to align with national and provincial priorities, ensuring that cost-containment measures are put in place while supporting the core programmes.

**Programme 2: Housing Needs, Planning and Research:** expenditure under this programme decreased from R17 million to R13 million between 2018/19 and 2019/20 due to the budget reprioritisation to other programmes to align the personnel budget with the staff establishment. The budget increases from R23.6 million to R25.8 million over the MTEF. The increase relates to the correction of compensation of employees in terms of which officials within the programme are correctly allocated linked to the programmes and PERSAL.

**Programme 3: Housing Development:** expenditure remained constant in 2018/19 and 2019/201 financial years at R4.9 billion. The provision of social housing and the provision of housing subsidies remain critical and are budgeted for in this programme. Over the MTEF, the budget for the programme will increase to R5.8 billion in the outer year. These budgets will enable the department to deliver on Outcomes 3 and 4: "Integrated, sustainable, spatially transformed human settlements and liveable neighbourhoods" and "Social justice through security of tenure and asset value for beneficiaries" respectively. The programme's budget for 2022/23 and over the MTEF is made up of the HSDG of R4.1 billion, the Informal Settlements Upgrading Partnership Grant of R1.2 billion and the EPWP Grant of R10.9 million to fund provision of sustainable human settlements where all citizens have access to housing and other social amenities. The programme receives earmarked provincial budget of R206.3 million in the 2022/23 financial year and over the MTEF to fund servicing of stands; provision of housing units; eradication of informal settlements and the Urban Renewal projects; accelerating Mega Projects and winding down the Legacy Projects; the Rapid Land Release programme; and fast tracking issuing title deeds.

**Programme 4: Housing Assets Management and Property Management:** under this programme, expenditure was R313.5 million in 2018/19. It decreased to R156.9 million in the 2020/21 financial year mainly to fund the Extended Enhanced Discount Benefit Scheme (EEDBS) resulting from the reprioritisation of the departmental business plan. The budget increases from R272 million in the 2022/23 financial year to R355 million in the outer year of the MTEF.

The budget for **compensation of employees** increases from R439.7 million in 2018/19 to R541.5 million over the MTEF. The increases over the period are mainly to fill critical vacant positions in the department. The personnel budget will over the MTEF keep costs, including overtime, within affordable levels; seek to align the budget with the headcount; be aligned with HR plans; and minimise growth to ensure that compensation of employees does not crowd out critical posts, amongst other things.

**Goods and services** significantly increase over the MTEF due to restructuring of the department's operational budget. This was done mainly to address the increased costs of operations. The main cost drivers of expenditure included payment of rates and taxes, security services, operating leases and legal services. The budget increases from R274.5 million in 2018/19 to R478.1 million in the outer year of the MTEF due to budget reclassification as per the human settlements sector guide.

Over the MTEF, **transfers and subsidies** both increase slightly, primarily due to the national Department of Human Settlements reprioritising the grants between the years. Apart from the HSDG funding, there is an allocation for title deeds that will assist the department to fast track issuing title deeds to beneficiaries; and the Informal Settlements Upgrading Partnership Grant for provinces, aimed at eradicating informal settlements across the province.

Resources are allocated to machinery and equipment **under payment for capital assets** to fund tools of trade such as desktops/laptops and installation of IT infrastructure. In 2019/20, expenditure increased to R16.2 million due to procurement

of the telecommunications system (network LAN). The budget for procurement of assets is centralised under this item as a control measure. Over the 2022/23 MTEF, R30.5 million is allocated under the economic classification for procurement of office furniture and equipment and installation of ICT (network points) for staff.

#### 1.4 Infrastructure payments

#### 1.5 Departmental infrastructure payments:

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

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

N/A

#### 1.7 Transfers

##### 1.7.1 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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Gauteng Partnership Fund	609 000	251 067	1 119 342	350 824	350 824	350 824	350 824	366 260	382 705
<b>Total departmental transfers</b>	<b>609 000</b>	<b>251 067</b>	<b>1 119 342</b>	<b>350 824</b>	<b>350 824</b>	<b>350 824</b>	<b>350 824</b>	<b>366 260</b>	<b>382 705</b>

The GPF facilitates investment capital flow to integrated developments as per the Sustainable Human Settlements Policy Framework to facilitate equitable risk sharing project financing and participate in social housing projects through innovative funding interventions with social housing institutions as a mechanism to entice capital investment into this market. The GPF functions as a financing vehicle and implementation agent of the department for mega human settlements projects and as a 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 interest earned from the original capitalisation of the GDHS donation. The GPF also receives interest from loans extended to borrowers. In the 2018/19 financial year, the contribution increased from R609 million to R780 million in 2019/20. Expenditure increases to R1.1 billion in the 2020/21 financial year mainly to facilitate the delivery of Mega Projects across all corridors of the GCR. The GPF received a contribution of R662 million in 2021/22 for its strategic objective of increasing and leveraging private sector funding for affordable housing to increase the rate of delivery of sustainable human settlements in the province. The funding is expected to increase to R382.7 million in the 2024/25 financial year to accelerate delivery over the MTEF.

##### 1.7.2 Transfers to other entities

N/A.

##### 1.7.3 Transfers to local government

TABLE 8.6 SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Category A	386 649	55 103	19 500	122 562	64 562	64 562	161 035	208 512	217 875
Category B	226 283	151 438	138 500	36 000	160 352	160 352	30 000	31 320	32 726
<b>Total departmental transfers</b>	<b>612 932</b>	<b>206 541</b>	<b>158 000</b>	<b>158 562</b>	<b>224 914</b>	<b>224 914</b>	<b>191 035</b>	<b>239 832</b>	<b>250 601</b>

Transfers to local government decreased from R612.9 million to R158 million between 2018/19 and 2020/21. During the 2018/19 period, the department transferred R387 million to Category A and R226 million to Category B municipalities. All transfers to Category A municipalities were for delivery of housing stock/units where the municipality was appointed as the implementing agent. R40.5 million was transferred to Randfontein Municipality for construction of a water reservoir which unlocked a number of developments in the West Rand area and parts of the southern region. The budget for constructing the water reservoir was funded from the mining town's earmarked allocation. R82 million was transferred to Merafong



municipality and was earmarked for construction of a bridge over a railway line to connect the old and new developments; R22 million was earmarked for servicing 500 sites; and R34 million was allocated for the construction of 265 housing units.

In the 2019/20 financial year, Category A municipalities received R55.1 million and Category B municipalities received R151.4 million. The department entered into subsidy funding agreements with all of the municipalities receiving funds. The funding was primarily for construction of top structures and to a lesser degree for servicing 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 decreased from R206.5 million in 2019/20 to R158 million in 2020/21 as the department planned to implement some of the projects previously implemented by municipalities. The budget for the 2021/22 financial year amounts to R158.5 million and increases to R191 million in the 2022/23 financial year. For the outer years of the MTEF, the budget for transfers is R250.6 million.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The programme is responsible for strengthening and aligning 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, 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 relevant legislation and practice. The programme's outputs are in line with government's Outcome 12: "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 are efficient and effective and add 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 and efficient and effective procurement systems and to ensure that financial planning and budgeting are aligned with 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
- To ensure good corporate governance and improved productivity by promoting 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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Corporate Services	474 752	589 132	546 338	533 702	549 871	549 871	692 312	685 151	649 034
<b>Total payments and estimates</b>	<b>474 752</b>	<b>589 132</b>	<b>546 338</b>	<b>533 702</b>	<b>549 871</b>	<b>549 871</b>	<b>692 312</b>	<b>685 151</b>	<b>649 034</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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>473 076</b>	<b>570 731</b>	<b>540 164</b>	<b>526 037</b>	<b>532 206</b>	<b>532 206</b>	<b>680 519</b>	<b>669 310</b>	<b>630 982</b>
Compensation of employees	207 246	216 908	211 011	236 291	236 291	236 291	260 573	272 857	288 333
Goods and services	265 830	353 823	329 153	289 746	295 915	295 915	419 946	396 453	342 649
<b>Transfers and subsidies to:</b>	<b>1 033</b>	<b>1 964</b>	<b>2 210</b>	<b>1 888</b>	<b>1 888</b>	<b>1 888</b>	<b>1 993</b>	<b>2 079</b>	<b>2 172</b>
Households	1 033	1 964	2 210	1 888	1 888	1 888	1 993	2 079	2 172
<b>Payments for capital assets</b>	<b>431</b>	<b>16 247</b>	<b>3 964</b>	<b>5 777</b>	<b>15 777</b>	<b>15 777</b>	<b>9 800</b>	<b>13 762</b>	<b>15 880</b>
Machinery and equipment	431	16 247	602	2 708	12 708	12 708	2 177	3 273	3 420
Software and other intangible assets			3 362	3 069	3 069	3 069	7 623	10 489	12 460
<b>Payments for financial assets</b>	<b>212</b>	<b>190</b>							
<b>Total economic classification</b>	<b>474 752</b>	<b>589 132</b>	<b>546 338</b>	<b>533 702</b>	<b>549 871</b>	<b>549 871</b>	<b>692 312</b>	<b>685 151</b>	<b>649 034</b>

The Administration programme budget is used for items that are centralised to Corporate Services such as lease payments for office buildings, security services, cleaning services, bursaries, telephone payments, LAN upgrades, payment for software licences, fleet services, legal costs and internal audit costs allocated within the sub-programme.

Actual expenditure for the programme increases from R474.7 million in the 2018/19 financial year to R546.3 million in the 2020/21 financial year. The increases are attributed to the annual salary adjustment. During the 2021/22 financial year the budget decreases to R533.7 million because the compensation of employee's budget was reduced as part of government initiative to contain the growth of the public sector wage bill within affordable levels.

The budget for the programme increases from R533.7 million in 2021/22 to R649 million in the outer year of the 2022 MTEF. The increase caters for inflation and thereby sustains provision of administrative support to the department. The department received a once-off allocation of R65 million during the 2021 MTEF to fund departmental historical accruals.

The programme budget of R692 million in the 2022/23 financial year mainly caters for compensation of employees and goods and services. The budget for goods and services is mainly for payments to lease office buildings, software licences such as Microsoft Office licenses, fleet services, accruals, property payments (municipal rates and electricity), audit fees, communications and provision of managerial and support services to the department.

Transfers and subsidies: the payment of leave gratuity and injury on duty increases from R1.9 million in 2022/23 to R2.1 million over the MTEF. This makes provision for injury on duty claims and leave gratuity payments as part of exit packages of employees when they resign or retire.

Over the 2022 MTEF, R30.5 million is allocated under payment for capital assets for procuring office furniture and equipment and installing ICT (network points) for staff.

## 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 several transversal functions including quality assurance, research and development and inputs into policy development and into 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 (APPs) and the Five-Year Strategic Plan
- To implement, revise and review the department's Programme of Action (PoA)
- To provide support to various directorates in the department on the development of performance indicators for the APP 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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Administration	9 966	8 960	8 330	10 949	10 949	10 987	11 693	12 208	12 756
2. Policy	5 199	2 465	3 910	6 228	4 499	4 461	6 652	6 946	7 258
3. Planning	1 864	3 603	1 532	4 442	4 442	4 442	5 306	5 540	5 788
4. Research									
<b>Total payments and estimates</b>	<b>17 029</b>	<b>15 028</b>	<b>13 772</b>	<b>21 619</b>	<b>19 890</b>	<b>19 890</b>	<b>23 651</b>	<b>24 694</b>	<b>25 802</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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>17 024</b>	<b>15 028</b>	<b>13 772</b>	<b>21 619</b>	<b>19 820</b>	<b>19 820</b>	<b>23 651</b>	<b>24 694</b>	<b>25 802</b>
Compensation of employees	12 674	12 938	12 538	15 213	15 213	15 213	16 215	16 928	17 689
Goods and services	4 350	2 090	1 234	6 406	4 607	4 607	7 436	7 766	8 113
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>5</b>				<b>70</b>	<b>70</b>			
Provinces and municipalities									
Households	5				70	70			
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>17 029</b>	<b>15 028</b>	<b>13 772</b>	<b>21 619</b>	<b>19 890</b>	<b>19 890</b>	<b>23 651</b>	<b>24 694</b>	<b>25 802</b>

Expenditure under this programme decreased from R17 million to R13 million between 2018/19 and 2019/20 due to budget reprioritisation to other programmes to align personnel budget with concurred staff establishment. The decrease in the budget for compensation of employees was to curb over-expenditure on other programmes. From the 2020/21 financial year, the budget increases from R21.6 million to R25.8 million over the MTEF.

The department successfully worked on the draft policy to guide the development of serviced sites and the research proposal on land acquisition and release. During the 2021/22 financial year, the department started developing the Gauteng Human Settlements Spatial Master Plan to ensure an uninterrupted programme of providing government-assisted housing.

In the 2021/22 financial year, the department managed to formalise only nine townships: Kudube Unit 1, Drieziek Proper and Drieziek Ext 4, Kudube Unit 3, Kudube Unit D, Badirile, Mayfield Ext 11, Daveyton Ext 12, Etwatwa Ext 35, Drieziek Proper and Drieziek Ext 4. 185 against a target of 220 (84%) learners were trained under the National Youth Service. This is one of the initiatives that the department embarked on to ensure that the youth benefit from the government's skills development and training programmes which may assist them to become skilled workers or self-employed individuals.

The budget available under the Policy sub-programme will cater for the development and implementation of policies to achieve strategic objectives and ensure alignment and compliance with the regulatory environment whilst funding made available in respect of the Planning sub-programme is to support the development and alignment of the departmental planning frameworks including the APPs, the integrated multi-year housing development plan, the mid-term budget policy statement and the Programmes of Action in line with national and provincial requirements.

## SERVICE DELIVERY MEASURES

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

Programme performance measures	Estimated performance	Medium-term estimates		
	2021/22	2022/23	2023/24	2024/25

## 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 provision of individual subsidies and housing opportunities for beneficiaries in accordance with the National Housing Policy. The 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 aims to achieve "Sustainable human settlements 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 cost
- To reduce levels of crime and violence
- To upgrade existing housing and create additional affordable housing
- To alleviate poverty
- To create sustainable livelihood
- To create a caring and responsive government
- To create a better life for all
- 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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Administration	189 613	194 794	186 032	185 582	183 882	183 882	188 192	196 329	205 145
2. Financial Interventions	800 046	235 711	195 745	262 195	241 525	241 525	219 039	173 134	163 134
3. Incremental Interventions	3 780 774	4 552 076	4 152 354	4 701 037	4 781 985	4 781 985	4 940 911	5 194 017	5 440 372
4. Social And Rental Intervention	210 264								
5. Rural Intervention	10 299								
<b>Total payments and estimates</b>	<b>4 990 996</b>	<b>4 982 581</b>	<b>4 534 131</b>	<b>5 148 814</b>	<b>5 207 392</b>	<b>5 207 392</b>	<b>5 348 142</b>	<b>5 563 480</b>	<b>5 808 651</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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>189 224</b>	<b>194 507</b>	<b>185 493</b>	<b>185 582</b>	<b>183 582</b>	<b>183 582</b>	<b>188 192</b>	<b>196 329</b>	<b>205 145</b>
Compensation of employees	185 043	186 265	180 050	177 870	177 870	177 870	180 010	187 931	196 370
Goods and services	4 181	8 242	5 443	7 712	5 712	5 712	8 182	8 398	8 775
<b>Transfers and subsidies to:</b>	<b>4 801 772</b>	<b>4 788 074</b>	<b>3 692 660</b>	<b>4 895 112</b>	<b>4 529 650</b>	<b>4 529 650</b>	<b>4 574 774</b>	<b>4 107 158</b>	<b>4 619 012</b>
Provinces and municipalities									
Households	4 801 772	4 788 074	3 692 660	4 895 112	4 529 650	4 529 650	4 574 774	4 107 158	4 619 012
<b>Payments for capital assets</b>			<b>655 978</b>	<b>68 120</b>	<b>494 160</b>	<b>494 160</b>	<b>585 176</b>	<b>1 259 993</b>	<b>984 494</b>
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>4 990 996</b>	<b>4 982 581</b>	<b>4 534 131</b>	<b>5 148 814</b>	<b>5 207 392</b>	<b>5 207 392</b>	<b>5 348 142</b>	<b>5 563 480</b>	<b>5 808 651</b>

The programme makes up the largest share of the department's budget and expenditure (about 85 per cent of the budget and expenditure is in this programme). The purpose of the programme is to establish sustainable human settlements where all citizens have access to housing and other social amenities. The programme performs the core functions of the department: planning, land acquisition, township establishment, delivery of housing opportunities across all housing programmes in the National Housing Code, beneficiary management and issuing of title deeds. The following strategic priorities are included in the 2022/23 financial year and over the MTEF of the budget allocation of this programme: up-scaling Mega Projects, accelerating implementation of the RLRP, supporting access to basic services, closing of Legacy Projects, completing all abandoned/incomplete/blocked projects, hostel redevelopment, upgrading of informal settlements, UISP implementation and resuscitating URPs.

Expenditure remained constant at R4.9 billion in the 2018/19 and 2019/20 financial years due to the cut of R150 million that was reprioritised by the national Department of Human Settlements to fund priority projects in other provinces. In the 2021/22 financial year, the budget was revised upwards by R60.2 million through a roll-over from National Treasury to assist the department in honouring commitments from the previous year.

Provision of social housing and of housing subsidies remains critical and is budgeted for in this programme. The programme's budget for 2022/23 and over the MTEF consists of the Human Settlements Development Grant (HSDG) of R4.1 billion and the Informal Settlements Upgrading Partnership Grant of R1.2 billion to fund provision of sustainable human settlements where all citizens have access to housing and other social amenities. The programme receives a provincial equitable share budget of R206.3 million in the 2022/23 and over the MTEF to fund servicing of stands; provision of housing units; the FLISP programme; eradication of informal settlements and the URPs; hostel redevelopment; accelerating of Mega Projects and winding down of the Legacy Projects; the Rapid Land Release programme; and fast tracking issuance of title deeds.

Over the MTEF, the budget for the programme will increase to R5.8 billion in the outer year. The continuous increase of the conditional grant will assist in reducing the housing backlog, implementation of Mega Projects and acceleration of the land release programme. The budget will thus enable the department to deliver on Outcomes 3 and 4: "Integrated, sustainable, spatially transformed human settlements and liveable neighbourhoods" and "Social justice through security of tenure and asset value for beneficiaries".

The budget for the sub-programme Financial Intervention decreases from R262 million in the 2021/22 financial year to R163 million over the MTEF. During the 2020/21 financial year, the department was unable to deliver the housing units as projected because of delays in issuing services certificates and beneficiaries occupying houses not approved on the Housing Subsidy System (HSS). This negatively impacted the registration of properties. The registration process was impeded by the COVID-19 restrictions as interfacing with communities was not allowed and therefore verifications could not take place to allow preparation of draft deeds. The budget will be used to ensure that 1 571 houses are built under the FLISP, 388 non-credit linked individual subsidies disbursed to qualifying beneficiaries and 171 credit-linked individual housing subsidies disbursed to qualifying beneficiaries.

The expenditure for the sub-programme Incremental Intervention increased from R3.7 billion in the 2018/19 financial year to R4.5 billion in the 2019/20 financial year. During the 2020/21 financial year, total housing opportunities were reduced by about 22 per cent (from 30 111 to 23 414); another priority programme that was markedly affected negatively by the budget cuts was hostel re-development. The programme's budget went down by about 25 per cent (from 122.5 million to R92.5 million). The budget for the sub-programme increases from R4.9 billion in the 2022/23 financial year to R5.4 billion over the MTEF.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: HOUSING DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2021/22	2022/23	2023/24	2024/25



## PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

The purpose of the programme is to promote homeownership 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 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
- To deliver housing units in targeted Presidential projects.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Administration	35 233	34 940	33 485	39 929	39 479	39 479	36 677	38 290	40 008
2. Sales And Transfer Of Housing Properties	66 304	76 210	100 470	68 120	69 546	69 546	127 890	133 295	197 609
3. Devolution Of Housing Properties									
4. Housing Properties Maintenance	212 059	64 857	22 980	99 948	99 948	99 948	107 720	117 720	117 720
<b>Total payments and estimates</b>	<b>313 596</b>	<b>176 007</b>	<b>156 935</b>	<b>207 997</b>	<b>208 973</b>	<b>208 973</b>	<b>272 287</b>	<b>289 305</b>	<b>355 337</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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	35 027	34 940	56 202	139 877	139 357	139 357	144 397	156 010	157 728
Compensation of employees	34 836	34 892	33 202	39 186	39 186	39 186	35 895	37 474	39 156
Goods and services	191	48	23 000	100 691	100 171	100 171	108 502	118 536	118 572
Interest and rent on land									
<b>Transfers and subsidies to:</b>	278 569	141 067	100 733	68 120	69 616	69 616	127 890	133 295	197 609
Provinces and municipalities									
Non-profit institutions									
Households	278 569	141 067	100 733	68 120	69 616	69 616	127 890	133 295	197 609
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	313 596	176 007	156 935	207 997	208 973	208 973	272 287	289 305	355 337

Programme expenditure was R313.5 million in 2018/19, decreasing to R207.9 million in the 2021/22 financial year. The decrease is attributed to discontinuation of the Title Deeds Restoration Grant. The decrease to R272 million in 2022/23 and over the MTEF is due to budget cuts.

Over the MTEF, the programme's personnel budget increases from R34.8 million in the 2018/19 financial year to R39.1 million in 2024/25 to align the expenditure with the approved staff establishment.

The programme received provincial allocation of R127.8 million for eradication of backlogs in registration of pre-1994 title deeds and post-1994 title deeds for providing security of tenure through the issuance of title deeds. The Title Deeds Restoration Grant deals with title deeds issuance from the Deeds Office and Title Deeds registration. The department plans to deliver 18 259 title deeds and 3 063 title deeds in 2021/22 and 2022/23 respectively across the various categories.

The department planned to formalise approximately 220 townships during the current term, including 37 in 2020/21 and 25 in 2021/22. For the post-1994 title deeds, the Department planned to register 4 185 in 2020/21; this was much lower than what was planned (5 513). However, in 2021/22 the department will register 7 777 title deeds. To fast-track registration and issuance of title deeds, the department will issue 10 201 title deeds in 2020/21 and 40 847 title deeds in 2021/22 across all three categories of title deeds. 11 274 new title deeds have been lost to the department because of unavoidable budget cuts in the HSDG. In the 2022/23 and 2024/25 financial years, title deeds are projected at pre-1994, 4 600 and 456 post-1994, 11 898 and 7 000.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2021/22	2022/23	2023/24	2024/25

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

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

[illegible]

Personnel costs decreased from R472 million in 2020/21 to R468 million in the 2021/2022 financial year. The decrease was due to positions that were abolished from the approved structure (2015/2020) Organisational Structure. The abolition of vacant positions was due to long-standing vacancy rates. Over the MTEF, the compensation of budget allocation will increase due to an increase in the number of positions in line with the proposed organisational structure which will be submitted to the DPSA in support of the Ten Pillar Programme. The increase in compensation of employees over the MTEF caters for pay progression and other benefits such as 13<sup>th</sup> cheques.

## 9.2 Training

TABLE 8.16: INFORMATION ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Number of staff	902	902	902	899	899	899	899	899	899
Number of personnel trained	635	200	260	300	300	300	200	250	300
of which									
Male	254	80	100	140	140	140	80	100	140
Female	381	120	160	160	160	160	120	150	160
Number of training opportunities	26	36	38	40	40	40	40	40	40
of which									
Tertiary	13	12	12	12	12	12	12	12	12
Workshops	6	12	18	20	20	20	20	20	20
Seminars	2	6	4	4	4	4	4	4	4
Other	5	6	4	4	4	4	4	4	4
Number of bursaries offered	106	107	121	125	125	125	125	130	130
Number of interns appointed	32	42	42	50	50	50	46	46	46
Number of learnerships appointed	16		10	10	10	10	10	10	10
Number of days spent on training	133	144	152	160	160	160	100	100	100
Payments on training by programme									
Total payments on training	5 868	3 448	4 365	5 413	5 413	5 413	5 819	9 080	9 488

The budget allocation for training and development is 1 per cent of the total compensation of employee's budget. Transformation of the GDHS requires 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 the various types of training as well as details of the number of bursaries and training developments. The training offered relates to the core and support service delivery programmes aimed at improving performance and efficiency: technical planning and project management, strategic management and governance and financial management. The other training cost relates to bursaries for employees studying with various institutions for different qualification.

The department will, over the 2022 MTEF, continue to offer bursaries (undergraduate and postgraduate) and support to staff members interested in pursuing their studies. The department grants internal and external bursaries based on the number of applications received each year and the costs attached to them. 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 priorities aligned with the department's strategic plan and government priorities.

## 9.3 Reconciliation of structural changes

No changes

# ANNEXURE TO THE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 8.17: SPECIFICATION OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>456</b>	<b>451</b>	<b>442</b>	<b>300</b>	<b>300</b>	<b>418</b>	<b>321</b>	<b>321</b>	<b>335</b>
Sale of goods and services produced by department (excluding capital assets)	456	451	442	300	300	418	321	321	335
Sales by market establishments	456	451	442	300	300	418	321	321	335
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>367</b>	<b>5 959</b>		<b>473</b>	<b>473</b>	<b>474</b>	<b>378</b>	<b>378</b>	<b>395</b>
Interest	367	5 959		473	473	474	378	378	395
<b>Sales of capital assets</b>		<b>350</b>							
Other capital assets		350							
<b>Transactions in financial assets and liabilities</b>	<b>(14)</b>	<b>3 218</b>	<b>27 874</b>	<b>200</b>	<b>200</b>	<b>10 906</b>	<b>220</b>	<b>250</b>	<b>261</b>
<b>Total departmental receipts</b>	<b>809</b>	<b>9 978</b>	<b>28 316</b>	<b>973</b>	<b>973</b>	<b>11 798</b>	<b>919</b>	<b>949</b>	<b>991</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>714 351</b>	<b>815 206</b>	<b>795 631</b>	<b>873 115</b>	<b>874 965</b>	<b>874 965</b>	<b>1 036 759</b>	<b>1 046 343</b>	<b>1 019 657</b>
Compensation of employees	439 799	451 003	436 801	468 560	468 560	468 560	492 693	515 190	541 548
Salaries and wages	384 224	393 187	379 517	411 690	411 690	411 690	434 602	454 543	478 177
Social contributions	55 575	57 816	57 284	56 870	56 870	56 870	58 091	60 647	63 371
<b>Goods and services</b>	<b>274 552</b>	<b>364 203</b>	<b>358 830</b>	<b>404 555</b>	<b>406 405</b>	<b>406 405</b>	<b>544 066</b>	<b>531 153</b>	<b>478 109</b>
Administrative fees	39	11	713	110	110	110	122	428	447
Advertising	714	1 575	1 957	1 410	2 510	2 510	1 067	1 262	1 319
Minor assets	59	13		787	187	187	1 830	1 366	1 427
Audit cost: External	8 724	9 329	12 018	9 741	11 470	12 683	12 156	12 456	13 015
Bursaries: Employees	1 422	2 795	1 624	3 695	3 695	3 695	4 007	4 183	4 371
Catering: Departmental activities	1 090	1 079	100	1 971	621	621	1 121	1 170	1 222
Communication (G&S)	6 543	6 816	9 976	5 816	14 266	14 266	15 521	13 764	14 382
Computer services	4 815	9 941	5 755	4 501	6 601	6 601	7 328	7 538	6 916
Consultants and professional services: Business and advisory services	26 968	20 352	15 864	9 596	15 747	18 050	18 779	17 210	17 982
Legal services	18 803	35 504	7 312	17 692	11 692	11 692	14 589	8 341	8 716
Contractors	40 450	23 693	94 207	77 215	77 215	77 215	69 195	47 732	48 477
Agency and support / outsourced services	4 547	5 655	5 075	4 894	4 894	4 959	5 099	5 180	5 413
Fleet services (including government motor transport)	3 379	11 122	2 574	5 565	4 565	4 565	6 161	4 302	4 495



R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Inventory: Clothing material and accessories									
Inventory: Food and food supplies	2								
Inventory: Fuel, oil and gas									
Inventory: Medical supplies									
Consumable supplies	315	278	2 279	3 035	2 965	2 965	2 777	2 399	2 506
Consumable: Stationery, printing and office supplies	1 676	878	706	1 142	442	475	1 232	1 286	1 344
Operating leases	48 203	52 171	52 300	32 542	51 359	51 359	184 500	197 634	145 704
Property payments	93 697	167 981	143 893	214 649	193 549	189 080	190 003	192 915	188 292
Transport provided: Departmental activity									
Travel and subsistence	3 958	4 128	468	3 296	1 146	1 711	3 380	3 230	3 374
Training and development	671	653	647	1 718	991	991	1 812	4 139	4 325
Operating payments	934	1 541	519	1 773	973	973	1 881	3 045	2 738
Venues and facilities	7 543	8 688	843	3 407	1 407	1 697	1 506	1 573	1 644
<b>Transfers and subsidies</b>	<b>5 081 379</b>	<b>4 931 105</b>	<b>3 795 603</b>	<b>4 965 120</b>	<b>4 601 224</b>	<b>4 601 224</b>	<b>4 704 657</b>	<b>4 242 532</b>	<b>4 818 793</b>
Households	5 081 379	4 931 105	3 795 603	4 965 120	4 601 224	4 601 224	4 704 657	4 242 532	4 818 793
Social benefits	1 515	78 461	3 012	1 888	2 328	2 328	1 993	2 079	2 172
Other transfers to households	5 079 864	4 852 644	3 792 591	4 963 232	4 598 896	4 598 896	4 702 664	4 240 453	4 816 621
<b>Payments for capital assets</b>	<b>431</b>	<b>16 247</b>	<b>659 942</b>	<b>73 897</b>	<b>509 937</b>	<b>509 937</b>	<b>594 976</b>	<b>1 273 755</b>	<b>1 000 374</b>
Machinery and equipment	431	16 247	602	2 708	12 708	12 708	2 177	3 273	3 420
Transport equipment									
Other machinery and equipment	431	16 247	602	2 708	12 708	12 708	2 177	3 273	3 420
Land and sub-soil assets			655 978	68 120	494 160	494 160	585 176	1 259 993	984 494
Software and other intangible assets			3 362	3 069	3 069	3 069	7 623	10 489	12 460
<b>Payments for financial assets</b>	<b>212</b>	<b>190</b>							
<b>Total economic classification</b>	<b>5 796 373</b>	<b>5 762 748</b>	<b>5 251 176</b>	<b>5 912 132</b>	<b>5 986 126</b>	<b>5 986 126</b>	<b>6 336 392</b>	<b>6 562 630</b>	<b>6 838 824</b>

TABLE 8.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>473 076</b>	<b>570 731</b>	<b>540 164</b>	<b>526 037</b>	<b>532 206</b>	<b>532 206</b>	<b>680 519</b>	<b>669 310</b>	<b>630 982</b>
Compensation of employees	207 246	216 908	211 011	236 291	236 291	236 291	260 573	272 857	288 333
Salaries and wages	179 829	187 624	181 902	206 191	206 191	206 191	228 473	239 345	253 316
Social contributions	27 417	29 284	29 109	30 100	30 100	30 100	32 100	33 512	35 017
Goods and services	265 830	353 823	329 153	289 746	295 915	295 915	419 946	396 453	342 649
Administrative fees	39	11	713	110	110	110	122	428	447
Advertising	714	1 575	1 957	1 410	2 510	2 510	1 067	1 262	1 319

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Minor assets	38	13		787	187	187	1 830	1 366	1 427
Audit cost:									
External	8 706	9 329	12 018	9 741	11 470	12 683	12 156	12 456	13 015
Bursaries:									
Employees	1 419	2 795	1 624	3 695	3 695	3 695	4 007	4 183	4 371
Catering:									
Departmental activities	1 035	915	94	1 360	160	160	435	454	474
Communication (G&S)	6 543	6 816	9 976	5 816	14 266	14 266	15 521	13 764	14 382
Computer services	4 815	9 941	5 755	4 501	6 601	6 601	7 328	7 538	6 916
Consultants and professional services:									
Business and advisory services	25 105	19 281	14 650	4 218	12 318	14 621	12 725	10 889	11 378
Legal services	18 803	35 504	7 312	17 692	11 692	11 692	14 589	8 341	8 716
Contractors	40 450	23 693	94 207	77 215	77 215	77 215	69 195	47 732	48 477
Agency and support / outsourced services	468					65			
Fleet services (including government motor transport)	3 379	11 122	2 574	5 565	4 565	4 565	6 161	4 302	4 495
Inventory: Clothing material and accessories									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Medical supplies									
Consumable supplies	306	278	2 279	2 947	2 947	2 947	2 687	2 305	2 408
Consumable: Stationery, printing and office supplies	1 676	878	706	1 142	442	475	1 232	1 286	1 344
Operating leases	48 203	52 171	52 300	32 542	51 359	51 359	184 500	197 634	145 704
Property payments	93 628	167 981	120 913	114 701	93 601	89 132	82 283	75 195	70 572
Transport provided: Departmental activity									
Travel and subsistence	1 591	1 662	66	1 082	282	847	935	676	706
Training and development	671	653	647	1 718	991	991	1 812	4 139	4 325
Operating payments	710	1 222	519	714	714	714	753	1 868	1 509
Venues and facilities	7 531	7 983	843	2 790	790	1 080	608	635	664
<b>Transfers and subsidies</b>	<b>1 033</b>	<b>1 964</b>	<b>2 210</b>	<b>1 888</b>	<b>1 888</b>	<b>1 888</b>	<b>1 993</b>	<b>2 079</b>	<b>2 172</b>
Households	1 033	1 964	2 210	1 888	1 888	1 888	1 993	2 079	2 172
Social benefits	873	1 964	2 210	1 888	1 888	1 888	1 993	2 079	2 172
<b>Payments for capital assets</b>	<b>431</b>	<b>16 247</b>	<b>3 964</b>	<b>5 777</b>	<b>15 777</b>	<b>15 777</b>	<b>9 800</b>	<b>13 762</b>	<b>15 880</b>
Machinery and equipment	431	16 247	602	2 708	12 708	12 708	2 177	3 273	3 420
Transport equipment									
Other machinery and equipment	431	16 247	602	2 708	12 708	12 708	2 177	3 273	3 420
Software and other intangible assets			3 362	3 069	3 069	3 069	7 623	10 489	12 460

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Payments for financial assets	212	190							
<b>Total economic classification</b>	<b>474 752</b>	<b>589 132</b>	<b>546 338</b>	<b>533 702</b>	<b>549 871</b>	<b>549 871</b>	<b>692 312</b>	<b>685 151</b>	<b>649 034</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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>17 024</b>	<b>15 028</b>	<b>13 772</b>	<b>21 619</b>	<b>19 820</b>	<b>19 820</b>	<b>23 651</b>	<b>24 694</b>	<b>25 802</b>
Compensation of employees	12 674	12 938	12 538	15 213	15 213	15 213	16 215	16 928	17 689
Salaries and wages	11 306	11 497	11 107	13 338	13 338	13 338	14 221	14 846	15 513
Social contributions	1 368	1 441	1 431	1 875	1 875	1 875	1 994	2 082	2 176
Goods and services	4 350	2 090	1 234	6 406	4 607	4 607	7 436	7 766	8 113
Administrative fees									
Advertising									
Minor assets	2								
Audit cost: External	18								
Catering: Departmental activities	15	143	6	262	262	262	318	332	347
Consultants and professional services: Business and advisory services	1 863	1 071	1 214	5 113	3 314	3 314	5 774	6 029	6 299
Agency and support / outsourced services	2 329								
Inventory: Clothing material and accessories									
Consumable supplies	2								
Consumable: Stationery, printing and office supplies									
Travel and subsistence	108	30	14	313	313	313	329	345	360
Operating payments	1	141		101	101	101	117	122	127
Venues and facilities	12	705		617	617	617	898	938	980
<b>Transfers and subsidies</b>	<b>5</b>				<b>70</b>	<b>70</b>			
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Buildings									
Machinery and equipment									
Other machinery and equipment									
<b>Payments for financial assets</b>									

Total economic classification	17 029	15 028	13 772	21 619	19 890	19 890	23 651	24 694	25 802
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TABLE 8.21: PAYMENT AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	189 224	194 507	185 493	185 582	183 582	183 582	188 192	196 329	205 145
Compensation of employees	185 043	186 265	180 050	177 870	177 870	177 870	180 010	187 931	196 370
Salaries and wages	162 692	163 517	157 571	157 975	157 975	157 975	160 565	167 630	175 157
Social contributions	22 351	22 748	22 479	19 895	19 895	19 895	19 445	20 301	21 213
Goods and services	4 181	8 242	5 443	7 712	5 712	5 712	8 182	8 398	8 775
Minor assets	14								
Audit cost: External									
Bursaries: Employees	3								
Catering: Departmental activities	9	21		150	150	150	158	165	172
Consultants and professional services: Business and advisory services									
Contractors									
Agency and support / outsourced services	1 750	5 655	5 075	4 894	4 894	4 894	5 099	5 180	5 413
Inventory: Food and food supplies	2								
Consumable supplies	5								
Travel and subsistence	2 190	2 388	368	1 710	510	510	1 914	1 998	2 088
Operating payments	208	178		958	158	158	1 011	1 055	1 102
Venues and facilities									
Transfers and subsidies	4 801 772	4 788 074	3 692 660	4 895 112	4 529 650	4 529 650	4 574 774	4 107 158	4 619 012
Households	4 801 772	4 788 074	3 692 660	4 895 112	4 529 650	4 529 650	4 574 774	4 107 158	4 619 012
Social benefits	392	287	539		300	300			
Other transfers to households	4 801 380	4 787 787	3 692 121	4 895 112	4 529 350	4 529 350	4 574 774	4 107 158	4 619 012
Payments for capital assets			655 978	68 120	494 160	494 160	585 176	1 259 993	984 494
Buildings and other fixed structures									
Buildings									
Land and sub-soil assets			655 978	68 120	494 160	494 160	585 176	1 259 993	984 494
Payments for financial assets									
Total economic classification	4 990 996	4 982 581	4 534 131	5 148 814	5 207 392	5 207 392	5 348 142	5 563 480	5 808 651

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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	35 027	34 940	56 202	139 877	139 357	139 357	144 397	156 010	157 728
Compensation of employees	34 836	34 892	33 202	39 186	39 186	39 186	35 895	37 474	39 156
Salaries and wages	30 397	30 549	28 937	34 186	34 186	34 186	31 343	32 722	34 191

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Social contributions	4 439	4 343	4 265	5 000	5 000	5 000	4 552	4 752	4 965
Goods and services	191	48	23 000	100 691	100 171	100 171	108 502	118 536	118 572
Advertising									
Minor assets	5								
Catering: Departmental activities	31			199	49	49	210	219	229
Consultants and professional services: Business and advisory services				265	115	115	280	292	305
Consumable supplies	2			88	18	18	90	94	98
Property payments	69		22 980	99 948	99 948	99 948	107 720	117 720	117 720
Travel and subsistence	69	48	20	191	41	41	202	211	220
Operating payments	15								
Venues and facilities									
Transfers and subsidies	278 569	141 067	100 733	68 120	69 616	69 616	127 890	133 295	197 609
Households	278 569	141 067	100 733	68 120	69 616	69 616	127 890	133 295	197 609
Social benefits	245	76 210	263		70	70			
Other transfers to households	278 324	64 857	100 470	68 120	69 546	69 546	127 890	133 295	197 609
Payments for capital assets									
Payments for financial assets									
Total economic classification	313 596	176 007	156 935	207 997	208 973	208 973	272 287	289 305	355 337

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Transfers and subsidies	5 163 800	4 968 125	4 244 413	3 824 974	3 885 252	3 885 252	3 955 283	4 125 835	4 311 126
Provinces									
Households	5 163 800	4 968 125	4 244 413	3 824 974	3 885 252	3 885 252	3 955 283	4 125 835	4 311 126
Social benefits									
Other transfers to households	5 163 800	4 968 125	4 244 413	3 824 974	3 885 252	3 885 252	3 955 283	4 125 835	4 311 126
Payments for capital assets									
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Total economic classification	5 163 800	4 968 125	4 244 413	3 824 974	3 885 252	3 885 252	3 955 283	4 125 835	4 311 126

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Current payments	161 353	189 224	194 507	164 203	164 203	164 203	185 582	188 192	196 472
Compensation of employees	152 112	185 043	186 265	158 102	158 102	158 102	177 870	180 010	187 930

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Salaries and wages	133 833	162 692	163 517	140 165	140 165	140 165	157 975	160 564	167 629
Social contributions	18 279	22 351	22 748	17 937	17 937	17 937	19 895	19 445	20 301
Goods and services	9 241	4 181	8 242	6 101	6 101	6 101	7 712	8 182	8 542
Minor assets	52	14						0	
Audit cost: External	1 424								
Catering: Departmental activities	81	9	21	142	142	142	150	158	165
Consultants and professional services: Business and advisory services									
Contractors									
Agency and support / outsourced services	4 585	1 750	5 655	3 534	3 534	3 534	4 894	5 099	5 324
Consumable supplies	47	5						0	
Consumable: Stationery, printing and office supplies									
Operating leases									
Property payments									
Travel and subsistence	2 475	2 190	2 388	1 517	1 517	1 517	1 710	1 914	1 998
Operating payments		208	178	908	908	908	958	1 011	1 055
Venues and facilities	577								
Transfers and subsidies	5 053 408	4 801 772	4 788 074	4 760 631	4 270 178	4 270 294	4 989 673	5 191 744	5 420 181
Households	5 053 408	4 801 772	4 788 074	4 760 631	4 270 178	4 270 294	4 989 673	5 191 744	5 420 181
Social benefits	864	392	287			116			
Other transfers to households	5 052 544	4 801 380	4 787 787	4 760 631	4 270 178	4 270 178	4 989 673	5 191 744	5 420 181
Payments for capital assets	118 491								
Buildings and other fixed structures	118 491								
Buildings	118 491								
Payments for financial assets									
Total economic classification	5 333 252	4 990 996	4 982 581	4 924 834	4 434 381	4 434 497	5 175 255	5 379 935	5 616 653