

# Vote 30

## Human Settlements

### Budget summary

R million	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	176.2	173.0	–	3.2	182.4	190.9
Housing Policy, Research and Monitoring	45.9	45.5	–	0.5	48.2	50.8
Housing Planning and Delivery Support	206.8	148.8	4.0	54.0	173.4	183.3
Housing Development Finance	15 598.1	59.6	15 437.8	100.8	17 898.9	18 991.6
Strategic Relations and Governance	174.4	172.7	1.0	0.8	180.1	187.2
<b>Total expenditure estimates</b>	<b>16 201.5</b>	<b>599.5</b>	<b>15 442.8</b>	<b>159.3</b>	<b>18 483.0</b>	<b>19 603.8</b>
Executive authority	Minister of Human Settlements					
Accounting officer	Director-General of Human Settlements					
Website address	www.housing.gov.za					

*The Estimates of National Expenditure booklets for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.*

### Aim

*The aim of the Department of Human Settlements is to determine, finance, promote, coordinate, communicate and monitor the implementation of housing and sanitation policies and programmes.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Strategic leadership and administrative and management support services to the department.

#### Programme 2: Housing Policy, Research and Monitoring

**Purpose:** Develop and promote human settlement and housing policies supported by a responsive research agenda. Monitor and assess the implementation, performance and impact of national housing policies and programmes.

#### Programme 3: Housing Planning and Delivery Support

**Purpose:** Support implementation and delivery, build capacity, and liaise and communicate with stakeholders for effective housing and human settlement programmes. Coordinate and monitor the implementation of priority projects and the sanitation programme.

#### Programme 4: Housing Development Finance

**Purpose:** Fund housing and human settlement development programmes. Provide financial and grant management services. Promote investment in housing finance. Mobilise and promote financial probity within housing institutions. Manage all matters provided for by the Home Loan and Mortgage Disclosure Act (2000).

## **Programme 5: Strategic Relations and Governance**

**Purpose:** Coordinate the department's mandate within the intergovernmental relations framework. Manage international relations and promote good governance practices within the department and its public entities. Provide timely and integrated business information to the department.

### **Strategic overview: 2006/07 – 2012/13**

The development of integrated and sustainable human settlements is the strategic anchor of the Department of Human Settlements in support of government's constitutional obligation to provide access to adequate housing. In addition to improving spatial integration and social cohesion, housing provides low income households with a key component of a sustainable livelihood.

#### **Strategic framework for developing sustainable human settlements**

The strategic framework for developing sustainable human settlements aims to ensure responsiveness to the objectives of government's medium term strategic framework to expand social and economic infrastructure and build cohesive, caring and sustainable communities. The five year framework (2009–2014) was developed in July 2009 to provide policy coordination, ensure accountability and improve planning across sector departments and the three spheres of government. After consultation, this framework will form the basis of a social contract for human settlements, which was drafted in January 2010. Significant progress has been made in ensuring the alignment of norms and standards across sectors to improve intergovernmental coordination. The department also leads the human settlements and basic services task team in support of the department's expanded mandate, and through consultation and interaction with provincial departments sets priorities and monitors performance on the delivery of human settlements.

#### *Key policy developments*

Cabinet has approved the Sectional Titles Amendment Bill and the Community Scheme Ombud Service Bill for public comment. The Sectional Titles Amendment Bill provides for the creation of the Sectional Titles Schemes Management Regulations Board and shifts the administrative provisions for sectional title scheme management from the Minister of Rural Development and Land Reform to the Minister of Human Settlements. The Community Scheme Ombud Service Bill provides for the creation of a national public entity, with the Minister of Human Settlements as its executive authority, which will provide dispute resolution services for community property development schemes.

The Housing Development Agency has been established in terms of the Housing Development Agency Act (2008) and aims to assist provinces and municipalities with land acquisition, project management and development. The agency will be fully operational in 2010/11 to regulate social housing institutions that receive funds from government for the construction of low and medium income rental housing.

A milestone in policy development was the finalisation of the new national housing code in 2009, which introduces the integrated residential development programme to provide secure, stable rental tenure for low income households. The code provides rental or tenure based subsidies for farm workers who reside on farms or who own land, as well as subsidies for military veterans. In addition, the code now provides for environmentally sustainable development.

#### **Focus over the medium term**

#### *Guidance and support for implementing policy*

Over the MTEF period, the Department of Human Settlements will emphasise providing guidance and support on policy implementation. This will include direct support to provinces and municipalities on the implementation of projects, supporting projects where there are blockages, and facilitating cooperation with the private sector. Further, the department will continue to refine the role of municipalities in the housing delivery chain as well as establish the necessary mechanisms for the rollout of accreditation, as provided for in the Housing Act (1997). By December 2009, 18 municipalities were granted level 1 accreditation, which allows

their councils to identify housing projects. Seven of these municipalities have been audited to assess their compliance with the requirements to perform housing functions in terms of the accreditation framework.

The department continues to provide assistance and monitoring support to provinces and municipalities in their planning of priority housing projects, including: Zanemvula (Eastern Cape), Khutsong (North West), Klarinet (Mpumalanga), Lerato Park (Northern Cape) N2 Gateway and Ouboks (Western Cape) and Cornubia (KwaZulu-Natal).

#### *Housing quality audit*

A preliminary housing quality audit is being conducted by the department and will focus on the persistent and chronic problems in the delivery of quality houses and in the allocation of subsidies to non-qualifying beneficiaries. The first phase of the audit has been completed and included visits to provinces to gain an understanding of their project management processes and systems, and an analysis of all the projects reflected on the housing subsidy system. The second phase of the audit starts in February 2010, and involves the analysis of documentation to identify contracts for further investigation. This phase is to be completed before December 2010. An audit task team has been established. The audit will have various implications for the rectification programme, which aims to improve pre-1994 state supported housing in line with the National Home Builders Registration Council's mandate to enrol subsidised housing to improve the quality of houses delivered.

#### *Addressing spatial planning challenges*

Having adopted a comprehensive approach to human settlements, the department will look at key challenges around spatial planning, such as urbanisation and migration patterns and the further mushrooming of informal settlements. It will also look at how best to coordinate investment between sector departments, critical public and private role players, and the three spheres of government.

#### *Coordinated sanitation programme*

The sanitation programme has been transferred to the Department of Human Settlements from the Department of Water Affairs. This shift will ensure that the provision of sanitation services countrywide is consolidated and coordinated. The sanitation programme is critical for the progressive eradication of inadequate sanitation conditions in informal settlements and rural areas, and contributes to government's rural development strategy.

## **Savings and cost effective service delivery**

The department's allocation has been reduced by R275.3 million in 2010/11, R335.7 million in 2011/12 and by R382.6 million in 2012/13. Efficiency savings have been realised mainly on reduced transfers to the Social Housing Regulatory Authority and reductions in the department's operational expenditure. Significant savings will be realised on the operational budget by reducing expenditure on compensation of employees by R90 million and on goods and services by R233.9 million over the MTEF period. The savings are across all programmes and focus on travel and subsistence and communication costs.

The impact of these savings has been partially mitigated by changes in the way the department operates, although they are resulting in some constraints on support implementation due to the reductions in travel and subsistence budgets.

Allocations for the Social Housing Regulatory Authority are reduced by 50 per cent in 2010/11, 62 per cent in 2011/12 and 74 per cent in 2012/13 in anticipation of a further delay in establishing the regulator. Enough funding is available for the institutional requirement to set up the regulator and to provide for capacity building grants. Capital grants will be limited and will have to be supported by the institutional subsidy programme for rental housing institutions. To accommodate continuous support to the social housing sector, the allocation for the Social Housing Foundation has been retained until the regulator has been established.

To ensure an increase in the supply of rental housing to accommodate increased urban in-migration, the allocation formula of the integrated human settlement grant has been adjusted. Further changes to the allocation mechanism are being pursued to take into account capacity challenges in certain provinces and related municipalities.

## Selected performance indicators

**Table 30.1 Human Settlements**

Indicator	Programme	Past			Current*	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of houses completed and in process of completion per year	Housing Development Finance	271 219	248 850	239 533	166 047*	220 000	220 000	230 000
Number of units completed in rental programme per year	Housing Planning and Delivery Support	–	–	3 000	2 000	3 000	5 000	7 000
Number of individual credit linked subsidies approved per year	Housing Development Finance	614	907	572	700	850	1 000	1 100
Number of beneficiaries approved in the People's Housing Process per year	Housing Planning and Delivery Support	37 090	32 426	11 117	12 500	13 000	13 500	14 000
Number of municipalities provided with capacity development to support accreditation per year	Strategic Relations and Governance	–	3	18	18	18	18	20

\*Up to 31 December 2009

## Expenditure estimates

**Table 30.2 Human Settlements**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Administration	72.9	102.5	128.6	167.8	167.8	176.2	182.4	190.9
2. Housing Policy, Research and Monitoring	23.3	22.0	26.2	72.2	72.2	45.9	48.2	50.8
3. Housing Planning and Delivery Support	39.3	52.4	94.6	250.9	250.9	206.8	173.4	183.3
4. Housing Development Finance	6 929.4	8 359.7	10 644.6	13 380.7	13 380.7	15 598.1	17 898.9	18 991.6
5. Strategic Relations and Governance	113.3	179.4	253.4	164.7	164.7	174.4	180.1	187.2
<b>Total</b>	<b>7 178.2</b>	<b>8 716.1</b>	<b>11 147.4</b>	<b>14 036.2</b>	<b>14 036.2</b>	<b>16 201.5</b>	<b>18 483.0</b>	<b>19 603.8</b>
Change to 2009 Budget estimate				447.6	447.6	64.0	72.5	1 429.2
<b>Economic classification</b>								
<b>Current payments</b>	<b>266.3</b>	<b>377.7</b>	<b>526.5</b>	<b>637.2</b>	<b>637.8</b>	<b>599.5</b>	<b>635.3</b>	<b>666.2</b>
Compensation of employees	81.4	107.3	136.9	217.4	217.4	290.2	313.4	328.9
Goods and services	184.9	270.4	389.3	419.8	420.4	309.3	321.9	337.4
<i>of which:</i>								
Advertising	20.8	46.5	100.4	33.9	33.9	32.9	35.7	37.1
Computer services	39.9	39.8	53.2	55.0	55.0	59.5	59.7	62.0
Consultants and professional services:	64.1	99.4	84.0	80.6	80.6	40.0	40.6	43.0
Business and advisory services								
Travel and subsistence	24.9	28.0	66.7	47.0	47.5	36.9	39.2	41.1
Interest and rent on land	–	–	0.3	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>6 907.7</b>	<b>8 228.3</b>	<b>10 409.1</b>	<b>12 984.9</b>	<b>12 984.3</b>	<b>15 442.8</b>	<b>17 493.5</b>	<b>18 183.1</b>
Provinces and municipalities	6 677.9	8 149.9	10 177.9	12 592.3	12 592.3	15 160.6	17 222.4	17 938.7
Departmental agencies and accounts	229.4	77.2	227.7	386.1	386.1	277.2	266.1	239.4
Foreign governments and international organisations	0.1	0.6	0.8	1.0	1.0	1.0	1.0	1.1
Non-profit institutions	0.1	–	–	–	–	–	–	–
Households	0.2	0.7	2.6	5.5	5.0	4.0	4.0	4.0
<b>Payments for capital assets</b>	<b>4.2</b>	<b>110.1</b>	<b>211.9</b>	<b>414.1</b>	<b>414.1</b>	<b>159.3</b>	<b>354.2</b>	<b>754.4</b>
Buildings and other fixed structures	–	104.6	199.9	400.2	400.2	153.1	350.0	750.0
Machinery and equipment	4.0	5.3	10.4	12.0	12.0	5.8	3.8	4.0
Software and other intangible assets	0.3	0.1	1.6	1.9	1.9	0.4	0.4	0.4
<b>Total</b>	<b>7 178.2</b>	<b>8 716.1</b>	<b>11 147.4</b>	<b>14 036.2</b>	<b>14 036.2</b>	<b>16 201.5</b>	<b>18 483.0</b>	<b>19 603.8</b>

## Expenditure trends

The Department of Human Settlement's budget is largely driven by transfer payments to provinces, which account for 94 per cent of the total budget over the MTEF period. Expenditure increased significantly from R7.2 billion in 2006/07 to R14 billion in 2009/10, at an average annual rate of 25 per cent.

Excluding the transfers, programme spending grew significantly in the period under review. Spending in the *Housing Planning and Delivery Support* programme grew from R39 million in 2006/07 to R250.9 million in 2009/10 at an average annual rate of 85.5 per cent. This was as a result of the capacitation and expansion of the department's delivery support capabilities through aligning and expanding the department's structure. Over the same period, spending in the *Housing Policy, Research and Monitoring* subprogramme increased at an average annual rate of 45.5 per cent to R72.2 million in 2009/10. This is mainly due to the impact of a change in the delivery approach and model following the adoption of the comprehensive plan for the delivery of sustainable human settlements in 2004/05.

Increases in non-transfer expenditure are mainly due to higher expenditure in goods and services and compensation of employees. Between 2006/07 and 2009/10, expenditure in compensation of employees rose significantly, at an average annual rate of 38.9 per cent. Spending in goods and services increased at an average annual rate of 31.4 per cent over the same period. The increases in goods and services spending are due to increased capacity for delivering on the comprehensive plan.

Over the medium term, expenditure is expected to increase strongly from R14 billion in 2009/10 to R19.6 billion in 2012/13, at an average annual rate of 11.8 per cent. This is driven by strong increases in the human settlement development grant, from R12.4 billion in 2009/10 to R17.9 billion in 2012/13 at an average annual rate of 11.9 per cent. Additional allocations over the medium term include R1 billion for the human settlement development grant in 2012/13 and R1.2 billion over the MTEF period for on site water and sanitation infrastructure for households in rural areas. A further allocation of R133.8 million in 2010/11 was for disaster relief in KwaZulu-Natal.

Spending in compensation of employees increased from R81.4 million in 2006/07 to R217 million in 2009/10, due to a rise in staff numbers from 314 to 427. As at September 2009, all funded positions were filled. The *Housing Planning and Delivery Support* programme accounted for 29.5 per cent of all staff.

Over the MTEF period, spending in compensation of employees is expected to increase to R328.9 million, at an average annual rate of 14.8 per cent. The strong growth is due to the expansion of capacity across the department, from 314 posts in 2006/07 to 730 funded posts in 2012/13, to facilitate increased support to both local and provincial government housing delivery and to provide for rural household infrastructure. The shift of the sanitation function from the Department of Water Affairs to the Department of Human Settlements also contributes substantially to expanding staff numbers.

## Departmental receipts

The department does not provide services for which levies are charged. Departmental receipts are mainly derived from the recovery of old debts from previous financial years and commission on insurance.

Receipts increased from R1.8 million in 2006/07 to R2.3 million in 2009/10 due to recoveries by the Special Investigating Unit from government officials who were issued subsidies fraudulently. Receipts are expected to decrease from R2.3 million in 2009/10 to R567 000 in 2012/13, due to a change in the accounting policy and treatment of monies recovered by the Special Investigating Unit. In future, these will be accounted for at the provincial level, where the fraud occurred.

**Table 30.3 Departmental receipts**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts	1 870	675	2 392	481	2 781	510	540	567
Sales of goods and services produced by department	111	137	74	145	145	154	163	171
Interest, dividends and rent on land	739	43	246	336	336	49	52	55
Sales of capital assets	–	213	–	–	–	–	–	–
Transactions in financial assets and liabilities	1 020	282	2 072	–	2 300	307	325	341
<b>Total</b>	<b>1 870</b>	<b>675</b>	<b>2 392</b>	<b>481</b>	<b>2 781</b>	<b>510</b>	<b>540</b>	<b>567</b>

## Programme 1: Administration

### Expenditure estimates

**Table 30.4 Administration**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Minister <sup>1</sup>	1.1	1.1	1.6	1.4	1.8	1.9	2.0
Deputy Minister	–	–	–	1.0	1.5	1.6	1.7
Management	36.0	45.2	67.2	69.7	80.8	83.9	87.6
Corporate Services	29.1	48.2	49.7	86.1	81.5	83.9	87.9
Office Accommodation	6.7	8.0	10.2	9.6	10.5	11.2	11.8
<b>Total</b>	<b>72.9</b>	<b>102.5</b>	<b>128.6</b>	<b>167.8</b>	<b>176.2</b>	<b>182.4</b>	<b>190.9</b>
Change to 2009 Budget estimate				(30.8)	(19.6)	(23.5)	(21.6)

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

#### Economic classification

<b>Current payments</b>	<b>69.9</b>	<b>99.3</b>	<b>121.6</b>	<b>162.5</b>	<b>173.0</b>	<b>180.5</b>	<b>188.9</b>
Compensation of employees	29.8	43.3	46.0	64.1	81.9	88.5	92.7
Goods and services	40.1	56.0	75.5	98.4	91.1	92.1	96.3
<i>of which:</i>							
Advertising	2.3	1.9	0.9	1.9	2.2	2.2	2.3
Computer services	1.6	1.3	6.0	8.1	4.9	4.9	5.1
Consultants and professional services: Business and advisory services	4.1	14.1	9.8	15.9	20.8	21.0	22.0
Travel and subsistence	13.1	13.8	26.8	17.8	14.6	14.7	15.4
Interest and rent on land	–	–	0.1	–	–	–	–
<b>Transfers and subsidies</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>
Households	0.2	0.2	0.2	0.0	–	–	–
<b>Payments for capital assets</b>	<b>2.7</b>	<b>3.0</b>	<b>6.9</b>	<b>5.2</b>	<b>3.2</b>	<b>1.9</b>	<b>2.0</b>
Buildings and other fixed structures	–	–	–	0.2	–	–	–
Machinery and equipment	2.5	3.0	6.8	4.6	3.1	1.8	1.9
Software and other intangible assets	0.1	0.0	0.1	0.5	0.1	0.1	0.1
<b>Total</b>	<b>72.9</b>	<b>102.5</b>	<b>128.6</b>	<b>167.8</b>	<b>176.2</b>	<b>182.4</b>	<b>190.9</b>

### Expenditure trends

Expenditure is expected to increase from R167.8 million in 2009/10 to R190.9 million in 2012/13, at an average annual rate of 4.4 per cent.

Spending in the *Corporate Services* subprogramme increased significantly from R29.1 million in 2006/07 to R86.1 million in 2009/10 at an average annual rate of 43.6 per cent due to an increase in expenditure in compensation of employees for fully fledged human resource services to the department. This subprogramme

includes the legal services unit that drafts various pieces of legislation. Spending is mainly in compensation of employees and goods and services.

Spending on goods and services is expected decrease over the MTEF period, from R98.4 million to R96.3 million, at an average annual rate of 0.7 per cent as a result of efficiency savings. The increase in consultants and professional services from R15.9 million in 2009/10 to R20.8 million in 2010/11 is due to an increase in funding for the Special Investigating Unit.

The devolution of funds from the Department of Public Works to individual departments for leases and accommodation charges amounts to R10.5 million, R11.2 million and R11.8 million over the medium term.

## Programme 2: Housing Policy, Research and Monitoring

- *Management.*
- *Policy Development* creates human settlements and housing policies and provides policy formulation and interpretation assistance. The subprogramme also maintains the national housing code, which contains all the current human settlements and housing policies, programmes and implementation guidelines.
- *Research* initiates, undertakes and manages responsive research on integrated human settlements.
- *Monitoring and Evaluation* monitors, evaluates and assesses the implementation, performance and impact of national housing policies and programmes.

Funding in all these subprogrammes is used for salaries and other personnel related costs.

### Objectives and measures

- Promote sustainable human settlements by developing and implementing housing policies and programmes that meet best practice benchmarks on an ongoing basis.
- Ensure that housing policies are effectively implemented by monitoring the number of subsidy instruments implemented by provinces and the impact of these instruments on housing beneficiaries. This is reported on annually by entities.
- Ensure that policies are responsive through continuous research, programme reviews, and evaluations, measured by the number of research reports and best practice determinations on an ongoing basis.

### Service delivery focus

The 2009 national housing code, which has been updated to provide for greater flexibility and alignment with the comprehensive plan for the development of sustainable human settlements, was approved by the Minister of Housing in February 2009. The updated code supports implementation and provides guidelines on national housing programmes and policies.

To strengthen rural housing development, the department, in collaboration with the Rural Housing Loan Fund, developed an individual rural subsidy instrument for people living in communal areas with no or limited security of tenure. The instrument will enable beneficiaries to access building materials for self building, assisted by the Rural Housing Loan Fund and the network of registered non-traditional lenders operating in these communities.

Draft proposals for the revision of the finance linked individual subsidy programme were developed in 2009 in conjunction with the Banking Association of South Africa after an evaluation report was completed in November 2007. This work will be integrated with the review of the housing finance policy being undertaken currently and over the MTEF period.

The integrated residential development programme will be implemented over the medium term. The policy on military veterans has been adjusted, and provinces are now mandated to provide houses in collaboration with veterans' associations. Discussions are underway with the Ministry of Defence and Military Veterans to assess how this policy can be aligned and integrated with existing initiatives.

Over the medium term, the department will conduct a beneficiary occupancy audit on a representative sample of all houses completed between 1994 and June 2008. Final reports on findings were received from 6 of the 7 provinces targeted.

## Expenditure estimates

**Table 30.5 Housing Policy, Research and Monitoring**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	1.1	2.0	2.0	2.7	2.5	2.7	2.9
Policy Development	10.4	7.5	6.4	10.2	9.8	10.5	11.1
Research	5.6	5.8	5.6	15.0	15.9	16.5	17.4
Monitoring and Evaluation	6.2	6.8	12.1	44.3	17.7	18.5	19.4
<b>Total</b>	<b>23.3</b>	<b>22.0</b>	<b>26.2</b>	<b>72.2</b>	<b>45.9</b>	<b>48.2</b>	<b>50.8</b>
Change to 2009 Budget estimate				14.2	(9.6)	(10.8)	(9.8)
<b>Economic classification</b>							
<b>Current payments</b>	<b>22.8</b>	<b>21.7</b>	<b>25.7</b>	<b>70.7</b>	<b>45.5</b>	<b>47.8</b>	<b>50.5</b>
Compensation of employees	12.1	12.6	13.6	23.0	27.4	29.5	31.0
Goods and services	10.7	9.1	12.0	47.7	18.1	18.3	19.4
<i>of which:</i>							
Advertising	0.6	0.0	0.4	1.0	1.4	1.4	1.5
Consultants and professional services:	4.7	3.4	5.7	29.0	0.6	0.6	0.6
Business and advisory services							
Travel and subsistence	1.9	2.4	2.8	3.2	4.5	4.6	4.8
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-profit institutions	0.1	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.4</b>	<b>0.3</b>	<b>0.5</b>	<b>1.5</b>	<b>0.5</b>	<b>0.3</b>	<b>0.4</b>
Machinery and equipment	0.3	0.2	0.5	1.2	0.4	0.3	0.3
Software and other intangible assets	0.1	0.1	0.1	0.3	0.1	0.1	0.1
<b>Total</b>	<b>23.3</b>	<b>22.0</b>	<b>26.2</b>	<b>72.2</b>	<b>45.9</b>	<b>48.2</b>	<b>50.8</b>

## Expenditure trends

Spending in this programme is mainly in compensation of employees, and on goods and services. Expenditure has increased from R23.3 million in 2006/07 to R72.2 million in 2009/10, at an average annual rate of 45.8 per cent. This is due to the department's restructuring process, which resulted in an increase in expenditure on goods and services, from R10.7 million in 2006/07 to R47.7 million in 2009/10, at an average annual rate of 64.6 per cent.

Over the medium term, the expenditure is expected to decrease from R72.2 million in 2009/10 to R50.8 million in 2012/13, at an average annual rate of 11.1 per cent. Over the medium term, spending on goods and services is projected to decrease at an average annual rate of 25.9 per cent to reach R19.4 million in 2012/13. In 2009/10, once-off additional funding was provided for the occupancy audit, hence the decrease after that. Travel and subsistence remains a large component of goods and services expenditure in support of the department's monitoring function across provinces and municipalities.

## Programme 3: Housing Planning and Delivery Support

- *Management.*
- *Programme Implementation Support* provides support to provinces and municipalities to implement housing and human settlement projects and upgrade informal settlements.
- *Rental Housing and People's Housing Process* manages the implementation of the social and rental housing programme and the People's Housing Process.
- *Stakeholder Mobilisation* manages relations, and mobilises and collaborates with stakeholders in the non-governmental sector.
- *Capacity Development* builds capacity for housing administration and delivery in municipalities and provinces and promotes sustainable housing delivery and community empowerment.



- *Priority Projects Facilitation* is responsible for managing priority housing and human settlements projects nationally.
- *Human Settlement Planning* is responsible for managing human settlements planning processes and supporting the implementation of human settlements and housing development frameworks.
- *Sanitation services* promotes universal access to sanitation services by managing and administering the sanitation programme.

Funding in these subprogrammes is mainly used for salaries and other personnel related costs.

### **Objectives and measures**

- Improve multi-year human settlements development planning by assisting provinces and municipalities to develop comprehensive business plans, by aligning municipal development plans and provincial annual performance plans and by reporting on an annual basis.
- Improve the delivery rate of housing projects, including blocked projects, by providing technical support to provinces and municipalities on a continuous basis.
- Provide on site rural sanitation and water harvesting and monitor programme delivery at local government level by developing an on site rural household infrastructure programme.
- Facilitate rental and social housing uptake and accelerate People's Housing Process programmes by providing regulatory and implementation support to increase the delivery of rental and social housing and People's Housing Process units on an ongoing basis.
- Improve private stakeholder participation and collaboration by increasing the number of joint partnerships with private stakeholders on an ongoing basis.
- Develop professional and institutional capacity at provincial and municipal levels by managing training and skills development, measured by the availability of capacity to undertake roles and responsibilities within applicable standards on an ongoing basis.
- Facilitate the development of integrated human settlements by providing implementation and oversight support for priority projects, measured by their timely completion and the speedy resolution of bottlenecks on an ongoing basis.

### **Service delivery focus**

In 2008/09, the department supported the majority of provinces to complete multi-year development plans. All provinces submitted their business plans for 2009/10.

The national informal settlement upgrading support programme, co-funded by the department and the Cities Alliance in 2009, provided targeted support for upgrading informal settlements in 45 municipalities. A capacity building programme for municipal and provincial officials is being developed for informal settlement upgrading practitioners and is intended to be finalised during 2010/11. Funding towards informal settlement upgrading has increased by 95 per cent between 2007/08 and 2009/10, with 654 430 units completed and in the process of completion.

In 2009, the department and Intersite Property Management Services (a subsidiary of the Passenger Rail Agency of South Africa) developed a framework for implementing the Anglo Platinum memorandum of understanding. Since signing the memorandum of understanding, the first project is underway in Seraleng, North West. 4 community villages have been piloted, in collaboration with provinces in terms of subsidies. They will use alternative technology systems, such as recycling grey water and the using waste to produce methane gas.

The following priority projects were identified: 4 300 sites in the Zanemvula housing project and 800 units in Duncan Village in Eastern Cape; 4 000 units in the N2 Gateway project in Western Cape; the initiation of the Lerato Park housing project in Northern Cape; 5 500 units in the Khutsong resettlement project in Gauteng; infrastructure and housing in the Klarinet housing project in Mpumalanga; rectification in the Emnambithi urban renewal project in KwaZulu-Natal; and 6 776 units in Grassland in the Free State.

The department conducted an occupancy audit of the Serelang housing project in North West to determine the extent to which houses are occupied by unauthorised beneficiaries. Certain informal settlements where service delivery has been especially slow have been targeted to receive rapid responses.

In March 2009, a staff member was seconded to the African Ministerial Conference on Housing and Urban Development Secretariat to assist in establishing the secretariat, supporting the bureau, and hosting the conference, which was in Nigeria.

## Expenditure estimates

**Table 30.6 Housing Planning and Delivery Support**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	0.0	2.0	12.2	19.6	3.1	3.4	3.6
Programme Implementation Support	2.8	4.6	4.3	9.2	14.7	16.4	17.4
Rental Housing and People's Housing Process	3.6	3.3	8.4	19.4	21.0	23.6	25.0
Stakeholder Mobilisation	–	2.1	8.1	16.2	17.2	20.7	21.8
Capacity Development	20.6	8.7	23.4	34.0	28.4	32.7	34.8
Priority Projects Facilitation	–	4.4	4.4	59.3	12.6	14.1	14.8
Human Settlement Planning	–	2.1	6.4	11.8	12.1	13.2	13.9
Sanitation Services	12.2	25.2	27.3	81.4	97.7	49.2	52.0
<b>Total</b>	<b>39.3</b>	<b>52.4</b>	<b>94.6</b>	<b>250.9</b>	<b>206.8</b>	<b>173.4</b>	<b>183.3</b>
Change to 2009 Budget estimate				112.4	67.2	17.2	21.9
<b>Economic classification</b>							
<b>Current payments</b>	<b>39.1</b>	<b>51.6</b>	<b>90.9</b>	<b>193.0</b>	<b>148.8</b>	<b>168.8</b>	<b>178.7</b>
Compensation of employees	12.4	21.5	32.9	57.5	83.6	90.2	94.8
Goods and services	26.7	30.1	58.0	135.5	65.2	78.6	83.9
of which:							
Advertising	10.7	0.1	2.5	7.9	8.8	10.3	10.9
Computer services	–	1.0	0.1	0.2	0.2	0.2	0.3
Consultants and professional services:	10.3	12.2	15.1	23.6	8.2	11.4	12.5
Business and advisory services							
Travel and subsistence	5.0	4.5	22.0	17.7	11.8	13.9	14.6
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>0.5</b>	<b>2.4</b>	<b>5.1</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
Households	0.0	0.5	2.4	5.1	4.0	4.0	4.0
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.3</b>	<b>1.3</b>	<b>52.8</b>	<b>54.0</b>	<b>0.6</b>	<b>0.6</b>
Buildings and other fixed structures	–	–	–	50.0	53.1	–	–
Machinery and equipment	0.1	0.3	1.2	2.4	1.0	0.6	0.6
Software and other intangible assets	0.0	–	0.0	0.4	0.0	0.0	0.0
<b>Total</b>	<b>39.3</b>	<b>52.4</b>	<b>94.6</b>	<b>250.9</b>	<b>206.8</b>	<b>173.4</b>	<b>183.3</b>

## Expenditure trends

Expenditure increased from R39.3 million in 2006/07 to R250.9 million in 2009/10, at an average annual rate of 85.5 per cent. This increase is mainly a result of the drive to build capacity in this programme, which deals with service delivery support activities. The Eastern Cape intervention, which was aimed at addressing delivery problems, also increased expenditure in 2008/09 and 2009/10.

Expenditure is projected to decrease substantially from R250.9 million in 2009/10 to R183.3 million in 2012/13, at an average annual rate of 9.9 per cent. This is mainly due to expenditure on goods and services, which is expected to decline from R135.5 million in 2009/10 to R83.9 million in 2012/13, at an average annual rate of 14.8 per cent due to funds provided for once-off special project support in 2009/10. Expenditure in the *Sanitation Services* subprogramme, which was moved from the Department of Water Affairs, is also expected to decline from R97.7 million in 2010/11 to R52 million in 2012/13 mainly due to the once-off allocation of R53 million for finalising the access acceleration project in 2010/11. A further marginal decrease is expected in expenditure on consultants and professional services, from R23.6 million to R12.5 million, due to cost saving measures and increasing in-house capacity. These decreases are expected to be marginally offset by an increase in activities to manage and support provinces in planning, blocked projects, informal settlement upgrading projects, and priority projects.

The focus over the MTEF period will be on implementing the sanitation function.

## Programme 4: Housing Development Finance

- *Management.*
- *Financial and Funds Management* provides overall financial and grant management services, including financial support, internal control, supply chain and budget management, and grant management services and systems support. Funding is mainly used for salaries and other personnel related costs.
- *Housing Equity* manages activities related to the Office of Disclosure, the housing aspects of the Financial Sector Charter, and mobilising and promoting investment for housing development. Funding is mainly used for salaries and other personnel related costs.
- *Integrated Housing and Human Settlement Development Grant* reflects the conditional grant allocation that is transferred to the provinces. Funding is provided on the basis of housing needs, the number of households earning less than R3 500 per month, and the population per province.
- *Contribution* makes contributions to housing institutions. Funds are transferred on the basis of a public entity meeting the governance and financial management requirements stipulated in the Public Finance Management Act (1999).
- *Rural Households Infrastructure Grant* reflects the conditional grant allocation that is transferred to municipalities for household infrastructure in rural areas for on site water and sanitation solutions.

### Objectives and measures

- Improve access to end user finance by collaborating with the financial sector to develop mechanisms to increase market penetration, measured by the number, value and terms of loans to low and medium income households.
- Improve the expenditure efficiency of provinces on housing delivery and sanitation services by providing ongoing financial and grant management support for the human settlement development grant and the rural households infrastructure grant as well as ongoing business planning and reporting support, in line with the Division of Revenue Act, so that provinces are able to use all transferred funds .
- Ensure financial management by maintaining adequate controls and systems, measured by compliance with regulations and established practices, on an ongoing basis.

### Service delivery focus

In 2008/09, the department finalised an internal policy document for procurement and asset management and a manual for asset management. The Eastern Cape housing department was assisted in implementing financial control systems and reviewing expenditure and delivery trends to identify the causes of the problems in that province. The department continued to support the Eastern Cape department with project planning and implementation to accelerate housing delivery in 2009/10.

**Table 30.7 Housing Development Finance**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	1.8	2.4	2.3	2.4	3.2	3.4	3.6
Financial and Funds Management	16.6	19.5	26.1	36.5	43.8	43.4	45.6
Housing Equity	3.8	6.2	10.7	13.4	13.3	13.7	14.3
Integrated Housing and Human Settlement Development grant	6 677.8	8 149.9	10 177.9	12 442.3	15 026.8	17 222.4	17 938.7
Contribution	229.4	77.2	227.7	386.1	277.2	266.1	239.4
Rural Households Infrastructure	–	–	–	–	100.0	350.0	750.0
Sanitation Grant	–	104.6	199.9	350.0	–	–	–
Housing Disaster Relief Grant	–	–	–	150.0	133.8	–	–
<b>Total</b>	<b>6 929.4</b>	<b>8 359.7</b>	<b>10 644.6</b>	<b>13 380.7</b>	<b>15 598.1</b>	<b>17 898.9</b>	<b>18 991.6</b>
Change to 2009 Budget estimate				369.4	53.9	119.3	1 469.4

Table 30.7 Housing Development Finance (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>	<b>22.0</b>	<b>27.8</b>	<b>38.5</b>	<b>51.4</b>	<b>59.6</b>	<b>59.8</b>	<b>62.9</b>
Compensation of employees	11.7	11.9	16.7	28.3	33.1	35.7	37.5
Goods and services	10.3	15.9	21.8	23.1	26.5	24.1	25.4
<i>of which:</i>							
Advertising	0.3	0.2	1.2	0.5	0.5	0.5	0.5
Computer services	0.8	2.5	2.5	3.4	2.7	2.8	2.9
Consultants and professional services:	2.2	4.8	0.5	0.4	4.1	1.3	1.4
Business and advisory services							
Travel and subsistence	1.3	2.2	3.0	1.9	3.2	3.1	3.3
<b>Transfers and subsidies</b>	<b>6 907.3</b>	<b>8 227.0</b>	<b>10 405.7</b>	<b>12 978.4</b>	<b>15 437.8</b>	<b>17 488.5</b>	<b>18 178.1</b>
Provinces and municipalities	6 677.8	8 149.9	10 177.9	12 592.3	15 160.6	17 222.4	17 938.7
Departmental agencies and accounts	229.4	77.2	227.7	386.1	277.2	266.1	239.4
<b>Payments for capital assets</b>	<b>0.2</b>	<b>104.9</b>	<b>200.4</b>	<b>351.0</b>	<b>100.8</b>	<b>350.6</b>	<b>750.6</b>
Buildings and other fixed structures	–	104.6	199.9	350.0	100.0	350.0	750.0
Machinery and equipment	0.2	0.3	0.6	1.0	0.7	0.5	0.5
Software and other intangible assets	–	–	–	–	0.1	0.1	0.1
<b>Total</b>	<b>6 929.4</b>	<b>8 359.7</b>	<b>10 644.6</b>	<b>13 380.7</b>	<b>15 598.1</b>	<b>17 898.9</b>	<b>18 991.6</b>

**Details of selected transfers and subsidies**

<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
<b>Capital</b>	<b>6 677.8</b>	<b>8 149.9</b>	<b>10 177.9</b>	<b>12 592.3</b>	<b>15 160.6</b>	<b>17 222.4</b>	<b>17 938.7</b>
Human Settlement Development grant	6 677.8	8 149.9	10 177.9	12 442.3	15 026.8	17 222.4	17 938.7
Housing Disaster Relief Grant	–	–	–	150.0	133.8	–	–
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>229.4</b>	<b>77.2</b>	<b>227.7</b>	<b>386.1</b>	<b>277.2</b>	<b>266.1</b>	<b>239.4</b>
National Urban Reconstruction and Housing Agency	21.0	19.0	–	3.5	–	–	–
People's Housing Partnership Trust	1.0	–	–	–	–	–	–
SERVCON Housing Solutions	35.0	–	–	–	–	–	–
Social Housing Foundation	126.5	15.1	217.7	263.0	6.6	7.0	7.4
Thubelisha Homes	46.0	43.0	10.0	25.0	–	–	–
Social Housing Regulatory Authority	–	–	–	45.0	151.8	120.5	86.5
Rural Housing Loan Fund	–	–	–	–	49.5	49.5	52.0
Housing Development Agency	–	–	–	49.7	69.3	89.1	93.6

**Expenditure trends**

Expenditure in the *Human Settlement Development Grant* subprogramme increased from R6.9 billion in 2006/07 to R13.4 billion in 2009/10, at an average annual rate of 24.5 per cent. This is mainly due to the increase in the human settlement development grant, which channels funds to provinces for human settlements delivery and the rural households infrastructure grant which makes allocations for rural infrastructure.

Over the medium term, expenditure is expected to increase to R19 billion, at an average annual rate of 12.4 per cent. The human settlement development grant accounts for the largest proportion of the increase, and is expected to increase to R17.9 billion over the medium term at an average annual rate of 13 per cent. This growth is due to an additional allocation of R1 billion to accelerate upgrading informal settlements and implementing priority projects, and to cater for the increase in the cost of building materials.

Spending in goods and services is expected to increase from R23 million in 2009/10 to R25.4 million in 2012/13, at an average annual rate of 3.2 per cent. Expenditure is largely driven by audit costs and the operations of the grant management unit, which supports and oversees grant expenditure monitoring through regular visits to provinces to ensure compliance with the Division of Revenue Act.

Over the MTEF period, the department will also focus on administering the implementation of the rural households development grant, which is aimed at providing for on site solutions to rural sanitation and water backlogs.

## Programme 5: Strategic Relations and Governance

- *Management.*
- *Management Information Services* manages the development and implementation of integrated business solutions and data and information, and provides knowledge services.
- *Intergovernmental Relations and International Relations* facilitates the department's participation in and management of international and intergovernmental relations.
- *Communication* manages communication and public relations.
- *Housing Entities Governance Oversight* provides oversight management of housing institutions to monitor the overall performance of housing entities against their mandates, policy alignment, and legislative and regulatory compliance.
- *Strategic Management* manages overall organisational planning and supports the strategic management and operations of the department.
- *Transformation* develops and manages transformation programmes in compliance with the national policy framework and international human rights instruments and directives.
- *Contributions* makes contributions to the housing institutions and the Habitat Foundation to support the work of the United Nations human settlement programme.

### Objectives and measures

- Oversee the management of housing institutions through performance and corporate planning monitoring as well as through policy advocacy and governance oversight, measured by compliance with regulations and delivery on mandates.
- Provide integrated business solutions and support as well as business information and related products by maintaining the housing and human settlements databases, measured by the availability of accurate information, data and solutions.
- Ensure an integrated communication service through public information and marketing, corporate communications, and media relations, measured by sustainable awareness and knowledge and information dissemination that empower stakeholders within and outside the department.
- Provide strategic and governance management support by coordinating transversal programmes, measured by adequate comprehensive risk management, internal auditing, programme alignment, and monitoring

### Service delivery focus

A memorandum of understanding was signed with Angola in 2008/09 and a technical visit undertaken to determine mutually beneficial areas of cooperation.

The 2009 informal settlements atlas was distributed to all provinces and municipalities in 2008/09, and to key users in the department and other stakeholders. An updated version of the atlas was developed by the Council for Scientific and Industrial Research and will be distributed.

The enhanced national demand database, which is integrated in the housing subsidy system, was finalised in September 2009. Demand information, which is captured at provincial level, is now included.

A macro coordination framework to facilitate the convergence of different government mandates for developing sustainable human settlements was developed and approved by the human settlements ministers and members of executive council in August 2009. It will be submitted to Cabinet for approval.

Both Thubelisha Homes and Servcon Housing Solutions ceased operations in July 2009 and the closure process is set to be complete by the end of March 2010. A closure plan for the Social Housing Foundation is being finalised and submitted to the minister for approval. The establishment of the Social Housing Regulatory Authority is underway and the procurement of a project manager to manage the establishment activities is being concluded. The Social Housing Regulatory Authority will be established by the end of 2010/11.

The Housing Development Agency was established in the first quarter of 2009. A chief executive and board were appointed and key priority projects, such as the N2 Gateway and Zanemvula, are being facilitated by a project team. The agency has prepared draft implementation protocols for first right of refusal and state land acquisition and assembly for conclusion with the Department of Rural Development and Land Reform and the Department of Public Works. A draft is being prepared for discussion with the Department of Public Enterprises.

## Expenditure estimates

**Table 30.8 Strategic Relations and Governance**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	1.9	1.2	2.7	4.1	4.0	4.2	4.3
Management Information Services	44.0	48.1	55.6	56.5	67.4	68.2	70.9
Intergovernmental and International Relations	43.8	56.6	55.6	22.6	27.0	27.6	28.6
Communication	19.4	60.9	116.1	55.1	47.8	50.4	52.1
Housing Entities Governance Oversight	2.2	4.0	15.2	11.5	12.7	13.4	14.0
Strategic Management	1.9	2.1	2.9	6.6	8.2	8.7	9.1
Transformation	–	5.8	4.4	7.3	6.4	6.7	7.0
Contributions	0.1	0.6	0.8	1.0	1.0	1.0	1.1
<b>Total</b>	<b>113.3</b>	<b>179.4</b>	<b>253.4</b>	<b>164.7</b>	<b>174.4</b>	<b>180.1</b>	<b>187.2</b>
Change to 2009 Budget estimate				(17.5)	(28.0)	(29.6)	(30.7)
<b>Economic classification</b>							
<b>Current payments</b>	<b>112.4</b>	<b>177.3</b>	<b>249.8</b>	<b>159.7</b>	<b>172.7</b>	<b>178.3</b>	<b>185.3</b>
Compensation of employees	15.4	18.1	27.7	44.5	64.3	69.4	72.9
Goods and services	97.0	159.2	222.0	115.2	108.4	108.9	112.4
<i>of which:</i>							
Advertising	6.9	44.3	95.5	22.6	20.0	21.3	21.8
Computer services	37.5	35.1	44.6	43.2	51.7	51.7	53.7
Consultants and professional services:	42.8	64.9	52.9	11.8	6.3	6.3	6.5
Business and advisory services							
Travel and subsistence	3.6	5.0	12.2	6.4	2.9	2.9	3.0
Interest and rent on land	–	–	0.1	–	–	–	–
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>0.6</b>	<b>0.8</b>	<b>1.4</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>
Foreign governments and international organisations	0.1	0.6	0.8	1.0	1.0	1.0	1.1
Households	–	–	0.0	0.4	–	–	–
<b>Payments for capital assets</b>	<b>0.8</b>	<b>1.4</b>	<b>2.8</b>	<b>3.6</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
Machinery and equipment	0.8	1.4	1.4	2.9	0.7	0.7	0.7
Software and other intangible assets	–	–	1.4	0.7	0.1	0.1	0.1
<b>Total</b>	<b>113.3</b>	<b>179.4</b>	<b>253.4</b>	<b>164.7</b>	<b>174.4</b>	<b>180.1</b>	<b>187.2</b>
<b>Details of selected transfers and subsidies</b>							
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>0.1</b>	<b>0.6</b>	<b>0.8</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>
Habitat Foundation	0.1	0.6	0.8	1.0	1.0	1.0	1.1

## Expenditure trends

Expenditure increased from R113.3 million in 2006/07 to R164.7 million in 2009/10, at an average annual rate of 13.3 per cent. The growth is driven by the Breaking New Ground communications campaign in 2007/08 and 2008/09. The increase in expenditure on advertising in 2008/09 relates to intensified departmental media campaigns to promote the human settlements policy. Expenditure on goods and services increased from

R97 million in 2006/07 to R222 million in 2008/09, at an average annual rate of 51.3 per cent, and declined to R115.2 million in 2009/10 due to a decrease in spending on communication campaigns.

Over the medium term, expenditure is expected to increase at an average annual rate of 4.4 per cent to reach R187.2 million in 2012/13. This is due to an inflation related increase in compensation of employees and goods and services expenditure. Expenditure in compensation of employees is expected to increase from R44.5 million in 2009/10 to R72.9 million in 2012/13, at an average annual rate of 17.9 per cent. Over the MTEF period, expenditure on goods and services is expected to decrease from R115 million in 2010/11 to R112 million in 2012/13, at an average annual rate of 0.8 per cent.

The additional focus over the MTEF period will be on finalising a closure plan for the Social Housing Foundation and submitting it to the minister for approval.

## Public entities

### National Home Builders Registration Council

#### Strategic overview: 2006/07 – 2012/13

The National Home Builders Registration Council was established in terms of the Housing Consumers Protection Measures Act (1998), as amended, to represent the interests of housing consumers by providing warranty protection against defined defects in new homes and to regulate the homebuilding industry. The council provides training and capacity building to promote and ensure compliance with technical standards in the home building environment.

For the past three years, the council has experienced volatile growth rates in the home building industry. It recorded record breaking numbers of home enrolments and consequently home enrolment fees in 2006/07 and 2007/08, due to the favourable economic conditions. In 2008/09, the council's enrolment fee income declined to R478.7 million from R570.1 million in 2007/08. However, total revenue increased marginally from R774 million in 2007/08 to R780 million in 2008/09 due to increased interest earnings.

The council has begun with organisational restructuring, which adds costs to expenditure in compensation of employees in 2010/2011. Training home builders, including emerging builders, the unemployed, the youth, women and people with disabilities, remains a critical strategic and operational focus for the council. The inspection model and the cross-subsidisation of the subsidy and non-subsidy market will be reviewed. Over the MTEF period, the council will accelerate service delivery and continue to promote the quality of homes, especially in the subsidy market.

#### Savings and cost effective service delivery

The National Home Builders Registration Council will only fill critical positions in order to limit staff costs. A train-the-trainer initiative will minimise training and travelling expenses. Strategic breakaways will be conducted in-house rather than in hired venues. Research and development will be done in-house. The duration of staff meetings will be limited to cut catering costs. Video conferencing will reduce traveling and catering costs. In addition, the council will use shuttles instead of car rentals to minimise traveling costs.

#### Key performance Indicators

**Table 30.9 National Home Builders Registration Council**

Indicator	Programme/Activity	Past			Current	Projected		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of new registrations	Revenue	4 595	3 628	4 820	3 552	3 000	2 500	2 800
Number of renewals	Revenue	11 033	12 390	12 390	2 607	12 000	13 000	14 000
Number of non-subsidy enrolments	Revenue	78 568	80 239	78 568	26 920	37 000	40 000	44 000
Number of late enrolments	Revenue	4 538	4 132	4 583	2 064	1 850	4 000	4 400
Number of project subsidy enrolments	Revenue	120 480	77 560	124 190	22 000	140 500	90 000	120 000
Number of homes subsidy enrolment	Revenue	59 361	69 616	100 000	59 000	94 000	60 000	80 000
Number of inspections	Risk mitigation	645 731	738 001	435 336	242 944	270 693	300 000	320 000

**Table 30.9 National Home Builders Registration Council (continued)**

Indicator	Programme/Activity	Past			Current	Projected		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of conciliations	Risk mitigation	318	2 824	3 400	500	550	605	666
Number of suspensions	Risk mitigation	472	645	800	400	500	550	650
Number of deregistrations	Risk mitigation	154	–	155	–	–	–	–
Number of withdrawals	Risk mitigation	154	577	200	–	–	–	–

### Service delivery focus

The council has established 9 provincial offices since its inception, but accessibility is a challenge as a result of the distances from some of the offices. 10 service points, which complement the provincial offices, were established in 2008/09 to improve accessibility countrywide.

In terms of the Housing Consumers Protection Measures Act (1998), the council's advisory committee is required to assess the feasibility of introducing an insurer for home builders' obligations. In 2009/10, public hearings were held in Tshwane, Johannesburg, Durban and Cape Town to assist the committee to formulate recommendations, as envisaged by the act.

The council intends to increase the number of inspectors from 47 in 2009/10 to 50 over the MTEF period to ensure that each subsidy house is inspected. The council will also review various inspection models that can improve service delivery.

In addition, the council intends to empower the historically disadvantaged through home builder training programmes and consumer education programmes.

### Expenditure estimates

**Table 30.10 National Home Builders Registration Council: Programme information**

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Risk mitigation expenses (Non-subsidy)	44.7	60.2	111.9	75.7	77.6	83.0	88.8
Marketing Expenses	6.8	7.4	7.2	14.4	26.6	7.9	8.5
Training of emerging contractors	7.2	15.9	13.7	22.2	–	–	37.0
Risk mitigation expenses (Subsidy)	–	–	–	50.6	46.1	49.3	52.8
Forensic investigation and rectification	7.6	19.3	33.8	36.8	7.8	8.3	8.9
Other programmes	138.5	186.4	245.3	242.3	329.0	350.8	376.9
<b>Total expense</b>	<b>204.9</b>	<b>289.2</b>	<b>412.0</b>	<b>442.1</b>	<b>487.1</b>	<b>499.4</b>	<b>572.8</b>

**Table 30.11 National Home Builders Registration Council: Financial information**

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>530.3</b>	<b>773.6</b>	<b>779.9</b>	<b>792.1</b>	<b>602.9</b>	<b>645.1</b>	<b>690.3</b>
Sale of goods and services other than capital assets	399.6	591.5	538.0	531.2	363.3	388.7	415.9
of which:							
Sales by market establishments	399.6	591.5	538.0	531.2	363.3	388.7	415.9
Other non-tax revenue	130.7	182.1	241.9	260.9	239.6	256.4	274.4
<b>Total revenue</b>	<b>530.3</b>	<b>773.6</b>	<b>779.9</b>	<b>792.1</b>	<b>602.9</b>	<b>645.1</b>	<b>690.3</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>204.9</b>	<b>289.2</b>	<b>412.0</b>	<b>440.1</b>	<b>484.0</b>	<b>496.0</b>	<b>569.2</b>
Compensation of employees	90.4	127.9	134.0	150.4	183.3	201.0	220.5



**Table 30.11 National Home Builders Registration Council: Financial information (continued)**

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R million							
Goods and services	110.9	155.5	257.9	269.8	278.3	271.3	327.2
Depreciation	3.6	5.7	20.0	19.9	22.4	23.7	21.4
Interest, dividends and rent on land	0.0	0.2	0.0	–	–	–	–
<b>Transfers and subsidies</b>	–	–	–	2.0	3.1	3.4	3.7
<b>Total expenses</b>	<b>204.9</b>	<b>289.2</b>	<b>412.0</b>	<b>442.1</b>	<b>487.1</b>	<b>499.4</b>	<b>572.8</b>
<b>Surplus / (Deficit)</b>	<b>325.4</b>	<b>484.4</b>	<b>367.9</b>	<b>350.0</b>	<b>115.8</b>	<b>145.7</b>	<b>117.5</b>
<b>Statement of financial position</b>							
Carrying value of assets	35.9	83.4	80.9	78.4	74.5	58.8	45.4
<i>of which: Acquisition of assets</i>	32.4	53.3	17.5	17.4	18.5	8.0	8.0
Investments	1 943.4	2 437.1	2 778.7	3 096.9	3 162.9	3 321.2	3 459.7
Inventory	0.1	0.3	0.3	0.3	0.3	0.4	0.4
Receivables and prepayments	2.4	12.9	23.3	19.8	12.5	13.4	14.3
Cash and cash equivalents	60.4	72.8	27.1	3.1	3.1	3.1	3.1
<b>Total assets</b>	<b>2 042.1</b>	<b>2 606.6</b>	<b>2 910.3</b>	<b>3 198.4</b>	<b>3 253.3</b>	<b>3 396.8</b>	<b>3 522.9</b>
Accumulated surplus/deficit	954.9	1 402.3	1 766.6	2 146.3	2 242.2	2 387.9	2 505.3
Capital and reserves	47.3	37.2	107.7	122.1	102.1	99.1	99.1
Trade and other payables	107.2	184.3	187.0	76.0	55.0	55.8	64.4
Provisions	932.8	982.8	849.0	854.0	854.0	854.0	854.0
<b>Total equity and liabilities</b>	<b>2 042.1</b>	<b>2 606.6</b>	<b>2 910.3</b>	<b>3 198.4</b>	<b>3 253.3</b>	<b>3 396.8</b>	<b>3 522.9</b>

### Expenditure trends

The council generates its revenue from registration and renewal fees paid by home builders and from home enrolment fees from housing consumers. Revenue is expected to increase from R530.3 million in 2006/07 to R792.1 million in 2009/10, at an average annual rate of 14.3 per cent. Over the MTEF period, revenue is expected to decline from R792.1 million to R690.3 million in 2012/13, due to an anticipated decrease in home enrolment income.

Expenditure increased from R204.9 million in 2006/07 to R442.1 million in 2009/10, at an average annual rate of 29.2 per cent. This attributable to an increase expenditure in compensation of employees due to inflation related adjustments to salaries and costs related to the appointment of additional staff. Spending in goods and services grew at an average annual rate of 21.4 per cent, driven largely by spending on consultants, training for emerging home builders and lease payments.

Over the MTEF period, expenditure is expected to increase from R442 million in 2009/10 to R572.8 million in 2012/13, at an average annual rate of 19 per cent.

## National Housing Finance Corporation

### Strategic overview: 2006/07 – 2012/13

The National Housing Finance Corporation was established in 1996 as a development finance institution to contribute to reducing South Africa's housing backlog. It is listed as a schedule 3A public entity. The corporation is mandated to make housing finance accessible and affordable to low to middle income households. The corporation is also responsible for mobilising and raising private sector funding for housing purposes.

The corporation disburses its funds through wholesale, commercial and retail business. The retail business, which was introduced in 2008/09, is currently under review. R4.1 billion in loan finance has been provided by the corporation since 1996, which has facilitated the delivery of more than 296 000 housing opportunities to date.

The implementation of the National Credit Act (2005) required a substantial review of policies, systems and operating procedures for both the corporation and its clients. The corporation entered into a number of long term

funding arrangements with social housing institutions in KwaZulu-Natal, Western Cape, Gauteng, Limpopo and Eastern Cape.

The corporation expects to significantly increase funding for rental and ownership initiatives, extensively leveraging off the resources of other partners in the target market. The corporation is working with local and provincial governments to accelerate the development of integrated sustainable human settlements. The corporation intends to enter into co-funding of projects with Old Mutual and ABSA Bank over the medium term.

#### Savings and cost effective service delivery

The corporation saved 21 per cent of anticipated expenditure in 2008/9 through a proactive management approach. The downscaling of the retail programme will also contribute to cost savings. The use of consultants will be reviewed and only considered if this will add value. Legal fees will be reduced, by using internal legal staff.

#### Selected performance indicators

**Table 30.12 National Housing Finance Corporation**

Indicator	Programme/ Activity	Past			Current	Projection		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of houses financed per year	Bridging finance, private rental, social housing, home ownership, loans through intermediaries	14 443	14 121	14 883	31 154	37 714	37 926	39 934
Amount spent on housing finance per year	Bridging finance, private rental, social housing, home ownership, loans through intermediaries	R920.5m	R1.5bn	R1.6bn	R1.7bn	R920.5m	R1.5bn	R1.6bn

#### Service delivery focus

In 2008/09, the National Housing Finance Corporation concluded a number of agreements with developers to address the shortage of affordable housing. A development loan of R128 million was provided to Seakay Engineering for the construction of fully subsidised and low cost housing units, and a memorandum of understanding was concluded with Basil Read for the development of low cost housing. On the demand side, more home seekers had difficulty obtaining home finance, because of the global financial downturn.

The corporation launched HomeFront Finance, a retail finance product, in 2008. Its future is currently under review given financial capacity constraints. A new product, based on a set percentage salary deduction with installments increasing only on the borrower's annual salary increase, is being developed by Housing Investment Partners. This means that the home owner will not be subject to interest rate fluctuations. The infrastructure, policies and procedures for this are currently being developed. It is expected to be implemented in 2010/11.

In 2009/10, the corporation acquired 30 per cent shareholding in the restructured Trust for Urban Housing Finance and will continue to provide wholesale finance through the trust for renovating and upgrading inner city housing stock. The corporation remains committed to delivering social housing stock through providing loan facilities to social housing institutions, and is engaged in discussions with 3 banks on opportunities to assist in scaling up the supply of affordable housing in low to middle income households.

## Expenditure estimates

**Table 30.13 National Housing Finance Corporation: Financial information**

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>187.9</b>	<b>231.6</b>	<b>278.7</b>	<b>238.8</b>	<b>229.9</b>	<b>268.4</b>	<b>306.7</b>
Sale of goods and services other than capital assets	–	–	7.0	–	29.0	39.0	30.0
of which:							
Interest on loans	–	–	7.0	–	29.0	39.0	30.0
Other non-tax revenue	187.9	231.6	271.7	238.8	200.9	229.4	276.7
<b>Total revenue</b>	<b>187.9</b>	<b>231.6</b>	<b>278.7</b>	<b>238.8</b>	<b>229.9</b>	<b>268.4</b>	<b>306.7</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>125.0</b>	<b>171.0</b>	<b>170.7</b>	<b>165.9</b>	<b>180.8</b>	<b>224.5</b>	<b>291.4</b>
Compensation of employees	38.9	45.2	55.4	68.2	75.0	72.9	77.8
Goods and services	59.6	79.7	69.9	62.9	77.5	82.3	85.3
Depreciation	0.8	0.6	0.8	5.9	4.8	5.0	4.8
Interest, dividends and rent on land	–	–	2.1	0.5	10.3	51.3	114.5
<b>Total expenses</b>	<b>125.0</b>	<b>171.0</b>	<b>170.7</b>	<b>165.9</b>	<b>180.8</b>	<b>224.5</b>	<b>291.4</b>
<b>Surplus / (Deficit)</b>	<b>62.9</b>	<b>60.6</b>	<b>108.0</b>	<b>72.9</b>	<b>49.1</b>	<b>43.8</b>	<b>15.3</b>
<b>Statement of financial position</b>							
Carrying value of assets	0.9	1.2	1.5	4.3	8.0	4.3	1.1
of which: Acquisition of assets	0.5	0.9	1.1	8.7	8.5	1.3	1.6
Investments	1 417.9	1 393.8	1 229.6	1 179.2	947.4	955.7	1 030.1
Inventory	–	–	57.9	32.9	15.0	15.0	15.0
Loans	846.6	929.5	1 108.6	1 611.5	2 059.8	2 772.3	3 408.2
Receivables and prepayments	27.2	16.9	27.7	14.8	42.9	31.7	46.5
Cash and cash equivalents	224.9	217.9	276.8	12.6	24.8	21.6	21.9
Assets not classified elsewhere	54.1	34.1	56.7	54.6	49.1	57.3	61.9
<b>Total assets</b>	<b>2 571.6</b>	<b>2 593.4</b>	<b>2 758.8</b>	<b>2 909.8</b>	<b>3 146.9</b>	<b>3 857.9</b>	<b>4 584.8</b>
Accumulated surplus/deficit	905.2	965.8	1 078.8	1 151.7	1 200.8	1 250.8	1 281.5
Capital and reserves	1 080.0	1 080.0	1 080.0	1 080.0	1 080.0	1 080.0	1 080.0
Borrowings	–	–	16.9	23.7	265.9	909.1	1 591.3
Trade and other payables	7.3	2.0	37.3	47.7	43.2	32.6	11.6
Provisions	8.0	10.5	14.5	14.0	14.8	15.5	16.3
Managed funds	547.2	496.3	521.2	592.8	542.3	569.9	604.1
Liabilities not classified elsewhere	23.9	38.8	10.1	–	–	–	–
<b>Total equity and liabilities</b>	<b>2 571.6</b>	<b>2 593.4</b>	<b>2 758.8</b>	<b>2 909.8</b>	<b>3 146.9</b>	<b>3 857.9</b>	<b>4 584.8</b>

## Expenditure trends

The National Housing Finance Corporation's revenue mainly consists of interest earned on loan disbursements and interest from investments. Revenue increased from R187.9 million in 2006/07 to R238.8 million in 2009/10, at an average annual rate of 8.3 per cent. Revenue is expected to increase to R306.7 million over the medium term, at an average annual rate of 8.7 per cent. This is as a result of an increased target for loan disbursements which is expected to result in an increase interest earned.

Expenditure increased from R125 million in 2006/07 to R165.9 million in 2009/10, at an average annual rate of 9.9 per cent. This is due to costs related to the restructuring of the institution and costs related to setting up the retail programme.

Over the MTEF period, expenditure is expected to increase from R165.9 million in 2009/10 to R291.4 million in 2012/13, at an average annual rate of 20.7 per cent. This attributable to the increase in interest costs as a result of borrowed funds. Impairments are also expected to increase by 63 per cent in 2010/11, mainly as a result of an

increase in the contingent liability related to the possible seizure of the retail programme, and an estimated increase in business volumes in the wholesale business.

Expenditure in goods and services is expected to increase from R62.9 million in 2009/10 to R85.3 million in 2012/13, at an average annual rate of 10.7 per cent. The expected increase reflects the financial impact of the integration of the budget of the Cape Town Community Housing Company with the budget of the National Housing Finance Corporation, as the corporation acquired the remaining 50 per cent shareholding in the company, held by the City of Cape Town, in 2008.

## Additional tables

**Table 30.A Summary of expenditure trends and estimates per programme and economic classification**

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
	2008/09			2009/10			
R million			2008/09				2009/10
1. Administration	114.8	139.8	128.6	198.5	(30.8)	167.8	167.8
2. Housing Policy, Research and Monitoring	31.5	95.5	26.2	58.0	14.2	72.2	72.2
3. Housing Planning and Delivery Support	58.0	196.5	94.6	219.9	31.0	250.9	250.9
4. Housing Development Finance	10 131.4	10 496.6	10 644.6	13 361.3	19.4	13 380.7	13 380.7
5. Strategic Relations and Governance	250.8	–	253.4	182.2	(17.5)	164.7	164.7
<b>Total</b>	<b>10 586.5</b>	<b>10 928.5</b>	<b>11 147.4</b>	<b>14 020.0</b>	<b>16.2</b>	<b>14 036.2</b>	<b>14 036.2</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>497.4</b>	<b>507.5</b>	<b>526.5</b>	<b>651.4</b>	<b>(14.2)</b>	<b>637.2</b>	<b>637.8</b>
Compensation of employees	133.6	133.6	136.9	238.4	(21.0)	217.4	217.4
Goods and services	363.8	373.8	389.3	413.1	6.8	419.8	420.4
Interest and rent on land	–	–	0.3	–	–	–	–
<b>Transfers and subsidies</b>	<b>10 081.6</b>	<b>10 408.7</b>	<b>10 409.1</b>	<b>12 957.2</b>	<b>27.7</b>	<b>12 984.9</b>	<b>12 984.3</b>
Provinces and municipalities	9 852.8	10 177.9	10 177.9	12 592.3	–	12 592.3	12 592.3
Departmental agencies and accounts	227.7	227.7	227.7	363.9	22.2	386.1	386.1
Foreign governments and international organisations	1.0	1.0	0.8	1.0	–	1.0	1.0
Households	–	2.0	2.6	–	5.5	5.5	5.0
<b>Payments for capital assets</b>	<b>7.5</b>	<b>12.4</b>	<b>211.9</b>	<b>411.4</b>	<b>2.7</b>	<b>414.1</b>	<b>414.1</b>
Buildings and other fixed structures	–	–	199.9	400.2	–	400.2	400.2
Machinery and equipment	7.3	11.3	10.4	9.6	2.4	12.0	12.0
Software and other intangible assets	0.2	1.0	1.6	1.7	0.3	1.9	1.9
<b>Total</b>	<b>10 586.5</b>	<b>10 928.5</b>	<b>11 147.4</b>	<b>14 020.0</b>	<b>16.2</b>	<b>14 036.2</b>	<b>14 036.2</b>

**Table 30.B Detail of approved establishment and personnel numbers according to salary level <sup>1</sup>**

Department	Personnel post status as at 30 September 2009			Number of personnel posts / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year <sup>2</sup>	Medium-term estimate		
				2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
<b>Department</b>	<b>642</b>	<b>636</b>	<b>–</b>	<b>314</b>	<b>318</b>	<b>427</b>	<b>637</b>	<b>730</b>	<b>730</b>	<b>730</b>
Salary level 1 – 6	126	138	–	87	81	100	138	163	163	163
Salary level 7 – 10	296	270	–	124	115	172	270	314	314	314
Salary level 11 – 12	146	142	–	53	62	82	142	153	153	153
Salary level 13 – 16	74	86	–	50	60	73	87	100	100	100
<b>Administration</b>	<b>193</b>	<b>171</b>	<b>–</b>	<b>144</b>	<b>149</b>	<b>172</b>	<b>172</b>	<b>227</b>	<b>227</b>	<b>227</b>
Salary level 1 – 6	91	79	–	71	66	23	79	89	89	89
Salary level 7 – 10	55	47	–	37	39	68	47	73	73	73
Salary level 11 – 12	26	26	–	14	18	37	26	35	35	35
Salary level 13 – 16	21	19	–	22	26	44	20	30	30	30
<b>Housing Policy, Research and Monitoring</b>	<b>76</b>	<b>54</b>	<b>–</b>	<b>43</b>	<b>38</b>	<b>40</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>54</b>
Salary level 1 – 6	2	–	–	2	2	10	–	–	–	–
Salary level 7 – 10	41	25	–	26	17	16	25	25	25	25
Salary level 11 – 12	22	18	–	8	9	8	18	18	18	18
Salary level 13 – 16	11	11	–	7	10	6	11	11	11	11

**Table 30.B Detail of approved establishment and personnel numbers according to salary level <sup>1</sup> (continued)**

	Personnel post status as at 30 September 2009			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid year <sup>2</sup>	Medium-term estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Housing Planning and Delivery Support</b>	<b>138</b>	<b>188</b>	<b>-</b>	<b>30</b>	<b>32</b>	<b>63</b>	<b>188</b>	<b>188</b>	<b>188</b>	<b>188</b>
Salary level 1 – 6	3	13	-	1	1	26	13	13	13	13
Salary level 7 – 10	72	93	-	16	14	32	93	93	93	93
Salary level 11 – 12	38	54	-	8	11	5	54	54	54	54
Salary level 13 – 16	25	28	-	5	6	-	28	28	28	28
<b>Housing Development Finance</b>	<b>95</b>	<b>90</b>	<b>-</b>	<b>47</b>	<b>48</b>	<b>61</b>	<b>90</b>	<b>91</b>	<b>91</b>	<b>91</b>
Salary level 1 – 6	15	17	-	9	9	8	17	17	17	17
Salary level 7 – 10	55	50	-	22	22	21	50	49	49	49
Salary level 11 – 12	15	15	-	9	10	17	15	15	15	15
Salary level 13 – 16	10	8	-	7	7	15	8	10	10	10
<b>Strategic Relations and Governance</b>	<b>140</b>	<b>133</b>	<b>-</b>	<b>50</b>	<b>51</b>	<b>91</b>	<b>133</b>	<b>170</b>	<b>170</b>	<b>170</b>
Salary level 1 – 6	15	29	-	4	3	33	29	44	44	44
Salary level 7 – 10	73	55	-	23	23	35	55	74	74	74
Salary level 11 – 12	45	29	-	14	14	15	29	31	31	31
Salary level 13 – 16	7	20	-	9	11	8	20	21	21	21

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2009.

**Table 30.C Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R million)	76.5	97.2	125.9	204.8	290.2	313.4	328.9
Training expenditure (R million)	2.0	1.2	2.9	12.9	14.1	15.2	16.1
Training as percentage of compensation	2.6%	1.3%	2.3%	6.3%	4.9%	4.9%	4.9%
Total number trained in department (head count)	212	106	168	220			
<i>of which:</i>							
Employees receiving bursaries (head count)	33	34	35	176			
Leaverships trained (head count)	-	-	-	16			
Internships trained (head count)	24	24	16	1			
Households receiving bursaries (R million)	-	0.2	0.3	0.1	4.0	4.0	4.0
Households receiving bursaries (head count)	-	5	-	-			

Table 30.D Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
<b>Departmental infrastructure</b>										
R million										
Sanitation development in schools and clinics	Upgraded of schools and clinics	Various	-	-	-	50.0	53.1	-	-	-
<b>Fixed installation to households</b>										
Individual housing subsidies (R0 to R3 500)	Units completed	Various	-	117.1	161.5	135.2	163.2	187.1	194.9	194.9
Housing finance linked individual subsidies (R3 501 to R7 000)	Units completed	Various	-	117.7	145.8	114.9	138.8	159.0	165.6	165.6
Relocation assistance	Units completed	Various	-	14.6	66.2	107.5	129.8	148.8	155.0	155.0
Enhanced extended discount benefit scheme	Units completed	Various	-	61.2	123.7	106.2	128.3	147.0	153.1	153.1
State asset maintenance programme	Units completed	Various	-	147.0	136.9	131.4	158.7	181.8	189.4	189.4
Rectification of Reconstruction and Development Programme stock	Units completed	Various	-	120.3	333.4	186.6	225.3	258.2	269.0	269.0
Social and economic facilities	Units completed	Various	-	200.2	236.3	181.1	218.7	250.7	261.1	261.1
Unblocking of blocked projects	Community infrastructure	Various	-	2 954.8	525.6	413.5	499.3	572.3	596.2	596.2
Land parcels procured	Units completed	Various	-	97.0	155.6	248.1	299.6	343.4	357.7	357.7
<b>Total</b>			-	<b>3 829.9</b>	<b>1 885.1</b>	<b>1 674.3</b>	<b>2 014.8</b>	<b>2 248.4</b>	<b>2 341.9</b>	<b>2 341.9</b>

