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VOTE 31
Human Settlements

ESTIMATES
OF NATIONAL
EXPENDITURE 2011



national treasury

Department:
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Estimates of National Expenditure

2011





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The *Estimates of National Expenditure 2011* e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. More comprehensive coverage of goods and services, donor funding, transfers and subsidies, public entities and lower level institutional information, is provided in this publication where applicable.

The *Estimates of National Expenditure 2011* e-publications are available on www.treasury.gov.za

Foreword

When this publication was introduced in 2001, we stated that “The Estimates of National Expenditure represents a significant step forward in national budget transparency.” Since then, the national budget process has undergone continued reform. The Budget preparation for 2011 saw a shift from budgeting by department to budgeting by function of government, thus enabling a more strategic focus on a smaller number of key outcomes. Using the functional approach, there is better transparency and coordination in budgeting due to participation by stakeholders responsible for delivery across all spheres of government, including the various agencies. Ongoing efforts to reform non-financial performance information have led to a systematic improvement in the veracity of this information. These reforms will lead to greater accountability and control.

Budgets are the link between the outcomes targeted by government and the services that are ultimately delivered. Government’s adoption of the outcomes approach in 2009 started the process of closer cooperation and improved coordination across government departments and agencies towards the attainment of 12 clearly stated outcomes that are of considerable importance to the country’s development. This approach started with the re-organisation of national government departments and was further re-enforced by signed agreements concluded between the president and ministers of national departments.

Budgets proposed for each of the votes in this publication give consideration to the initiatives focused on the 12 outcomes. One of the outcomes warranting a special mention is that of job creation. 2011 has been declared the year of job creation. A key aim of the new growth path is to achieve job creation on a significant scale through economic transformation and inclusive growth.

There is a focus on the reprioritisation of existing budgets, in addition to the allocation of new money made available by the main Budget framework. This publication indicates details per vote of savings amounting to R30.6 billion over the period ahead. This year, specific detail has been included on: the outcomes which institutions contribute towards and the output and other performance measures supporting them; personnel budgets, employee numbers and spending trends; and the purpose and key activities of each sub-programme within a vote. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, public entities, lower level expenditure information and information on donor funding.

The independent Open Budget Index assessment of budget transparency began in 2006. It is conducted every two years to measure the availability and comprehensiveness of key budget documents. In 2010, South Africa achieved first place among all the 94 countries surveyed across the world, scoring 92 per cent. South Africa’s score on the index rose from 86 per cent in 2006 (when 59 countries were surveyed), and 87 per cent in 2008 (when 85 countries surveyed).

The detailed expenditure estimates of departments set out in this publication are the result of an arduous executive and administrative process. Executive approval of additional spending allocations and savings takes place under the political guidance of the ministers’ committee on the Budget and follows a wide ranging intergovernmental consultative process led by a committee of senior officials in central government departments.

A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team, which worked tirelessly to produce a document of which we are rightly proud.



Lesetja Kganyago
Director-General: National Treasury



Introduction

South Africa has once again achieved international recognition for meeting budget transparency and accountability standards. The International Budget Partnership ranks South Africa first among 94 countries in the 2010 Open Budget Survey. The quality and usability of budget documents such as the Estimates of National Expenditure have made a significant contribution to this achievement. Moreover, the Money Bills Amendment Procedure and Related Matters Act (2009) has increased Parliament's oversight over the Budget proposal as it sets out the procedure in terms of which the proposal must be considered for possible amendment. The parliamentary procedure involves canvassing the opinion of civil society groups and lends itself to more participatory budgeting. The increased transparency of budgets and the increased scrutiny make it possible for South African public servants to be held more accountable for their management of resources and performance over the period ahead.

The 2011 Estimates of National Expenditure is a comprehensive publication that provides details of the spending plans of all national departments and agencies for the next three financial years (2011/12 to 2013/14), expenditure outcomes for the past three years (2007/08 to 2009/10), and revised estimates for the current year (2010/11). Information is also provided on legislation, policies, outcomes and performance targets over the seven-year period. Any changes in these areas are explained in relation to trends in planned expenditure. The Estimates of National Expenditure e-publications per vote give more extensive coverage of transfers and subsidies, public entities, goods and services, donor funding and lower level institutional information than does the abridged version of the Estimates of National Expenditure. This more detailed information for each vote is available at www.treasury.gov.za.

In keeping with the ongoing budget reform improvements to the way that public finances are managed and reported, changes have also been made in the 2011 Estimates of National Expenditure. Information on the outcomes that departments and government agencies contribute to and the related outputs included in delivery agreements is briefly discussed in the strategic overview section. Departments will also provide more information on the key functions of each subprogramme on a vote, particularly regarding its transfers and subsidies, personnel complement, volume of work carried out and the composition of spending. A new section on personnel information has been introduced under the expenditure trends section, including a table that provides information on posts funded on budget, vacancies and the number of posts in the department by salary level, as well as by programme and unit cost.

Budgeting for outcomes

Over the past decade, strong growth in public spending has not always been matched with a concomitant improvement in service delivery. If government's development and economic objectives stipulated in the new growth path are to be met, it is stated in the new growth path framework that public service delivery must improve significantly. Better public services require a culture of efficiency, effectiveness and stewardship of public resources, obliging government to become more responsive to the needs of citizens.

This objective is supported by various reform initiatives which have been and continue to be undertaken. At the outset, in 2009 the national macro organisation of the state project effected the reorganisation of national government departments to enhance their efficiency and improve on service delivery. Following on from this, the outcomes approach was adopted and 12 outcome targets were agreed upon for government, and signed ministerial performance agreements and interdepartmental and interagency delivery agreements followed. The outcomes approach provides a platform for achieving greater efficiency in the public service as it is aimed at addressing the weaknesses identified in coordination and cooperation across government. The five major budget priorities over the medium term expenditure framework period are expressed in terms of the 12 government outcomes. Budget decisions are informed by an agreed set of outputs and activities to the extent that they are organised around the 12 government outcomes and elaborated upon in delivery agreements.

Government has taken a different approach in reviewing its spending baseline to realign expenditure with the government outcomes and to make existing resources work with greater efficiency. Government's consumption expenditure (including wages as well as goods and services) has to be managed more efficiently to obtain greater value for money. Over recent years, there have been significant increases in overall personnel costs,

although expenditure on frontline personnel has not increased markedly. Government is targeting the reduction of large administrative budgets in favour of increasing frontline personnel and infrastructure investment, to channel more resources towards the actual delivery of key services.

In developing the 2011 medium term expenditure framework there was a shift towards budgeting by function rather than by department. The functional approach focuses on the purpose (the function) for which funds are to be used, and groups together national, provincial and local government, and government agencies, in terms of the function of government they perform. In this way a consolidated functional expenditure amount can be calculated, and monies transferred from one sphere of government to another can be more easily offset against each other. In support of the reprioritisation of funds in line with outcomes, more effective comparison of allocations with service delivery trends, and assessment of spending proposals, including the trade-offs between different options, are carried out in a given function. This approach provides more transparency and better coordination in the budgeting process. The table below shows the functional classification and, for each function, the national department(s) involved and the outcomes each function supports.

Functional classification of national departments and related outcomes

Functional Classification	Department(s)	Outcome(s)
Economic affairs	Government Communication and Information System [9], Public Enterprises [11], Agriculture, Forestry and Fisheries [26], Economic Development [28], Energy [29], Environmental Affairs [30], Mineral Resources [32], Rural Development and Land Reform [33], Science and Technology [34], Tourism [35], Trade and Industry [36], Transport [37]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p> <p>Outcome 6: An efficient, competitive and responsive economic infrastructure network</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced</p>
Housing and community amenities	Human Settlements [31], Water Affairs [38]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 8: Sustainable human settlements and improved quality of household life</p> <p>Outcome 9: A responsive, accountable, effective and efficient local government system</p>
Education	Basic Education [15], Higher Education and Training [17]	<p>Outcome 1: Improved quality of basic education</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p>
Health	Health [16]	Outcome 2: A long and healthy life for all South Africans
Social protection	Women, Children and People with Disabilities [8], Labour [18], Social Development [19]	
Recreation, culture and sport	Arts and Culture [14], Sport and Recreation South Africa [20]	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Public order and safety	Correctional Services [21], Independent Complaints Directorate [23], Justice and Constitutional Development [24], Police [25]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>
Defence	Defence and Military Veterans [22]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p>
General public service	Presidency [1], Parliament [2], Cooperative Governance and Traditional Affairs [3], Home Affairs [4], International Relations and Cooperation [5], Performance Monitoring and Evaluation [6], Public Works [7], National Treasury [10], Public Service and Administration [12], Statistics South Africa [13], Communications [27]	<p>Outcome 9: A responsive, accountable, effective and efficient local government system</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>

The functional groups that have been used are derived from the Classification of the Functions of Government published by the United Nations, but are modified for the South African budgeting context. All decisions on savings and spending in relation to each function were reached as part of a broad consultative process between different stakeholders in the sector, including the medium term expenditure committee of senior officials in central government departments which leads this process, the provincial technical and executive forums, the ministers' committee on the budget, Cabinet and Parliament. These decisions comprise the Budget proposal tabled on Budget day for Parliament's consideration.

Savings and reprioritisation of budgets

While the global economy has been showing signs of recovery, international opinion on the economy is still cautious, on the grounds of perceived uncertainties. In addition to the macroeconomic situation, in line with achieving government's outcomes targets the composition of government expenditure needs to change to ensure that there is value for money. To sustain public expenditure in South African in the long run, a moderation in spending growth over the period ahead is necessary. This necessitates a rigorous review of budget baseline expenditure and an assessment of the:

- capacity of departments and public entities to spend and manage resources appropriately
- strength of the link between expenditure and the outcomes approach as well as with government departmental mandates
- expenditure trade-offs between the different budget options proposed
- non-performing/ underperforming projects/ programmes and entities
- sourcing of funds through savings and reprioritisation initiatives
- alternative revenue raising capacity, cost recovery efforts and donor funding availability.

This year's budget preparation focused extensively on finding savings within the departmental and agency budget baselines linked to a given functional grouping. Departments were able to decrease spending on non-core goods and services, restrict expenditure on low priority programmes, reschedule expenditure, effect savings on foreign exchange rate projections, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Savings identified per function over the medium term in this exercise are presented in the table below.

Savings realised per function over the medium term

R thousand	2011/12	2012/13	2013/14	Total
Economic affairs	1 387 674	1 645 222	1 232 355	4 265 251
Housing and community amenities	1 970 233	2 618 510	2 314 474	6 903 217
Education	24 157	24 418	25 590	74 165
Health	44 000	44 000	544 000	632 000
Social protection	1 273 468	1 021 306	519 124	2 813 898
Recreation, culture and sport	28 222	25 571	56 858	110 652
Public order and safety	293 940	1 768 802	1 860 911	3 923 653
Defence	404 824	458 919	434 034	1 297 777
General public service	933 163	1 187 437	875 382	2 995 982
Total	6 359 682	8 794 185	7 862 728	23 016 595

Savings realised over the three years on national votes amounted to R23 billion, of which R6.4 billion is in 2011/12, R8.8 billion in 2012/13 and R7.9 billion in 2013/14. Of these savings, R21.6 billion is reprioritised within functional budget baselines towards meeting existing outcomes commitments. The remainder of R1.4 billion is added to the policy reserve for reallocation. The major savings and reprioritisation areas identified over the medium term are presented in the table below.

as available for appropriation over the medium term. Other major allocations in the policy reserve include R7.7 billion for further education and training colleges and the National Student Financial Aid Scheme, R4.5 billion for school infrastructure and R4 billion for public health services.

Additional allocations

Including policy reserve funding, a total addition of R94.1 billion is allocated to government institutions in terms of the revised national Budget framework to fund government's key priorities over the next three years. Of the R94.1 billion, national departments receive R48.8 billion (51.9 per cent): R9.9 billion in 2011/12, R14.7 billion in 2012/13 and R24.2 billion in 2012/13. Provinces and municipalities receive the remainder: R40.2 billion (42.7 percent) to provinces and R5.1 billion (5.4 percent) to municipalities over the medium term. Conditional grants to provinces and municipalities are reflected on both national budgets and the budgets of provinces or municipalities, and are included in the discussion below.

A summary of additional allocations in line with government's policy priorities is provided below by national vote. It is important to note that the discussion on increases in the budget excludes all direct charges against the National Revenue Fund and the amounts of the local and provincial equitable share. Details are only provided for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The amounts per vote in the discussion below correspond with those in table 2. They represent the gross additional allocations, before the baseline savings and reprioritisation have been effected. The total amounts may therefore be bigger than the overall net change in the budget of a specific vote. In the discussion below, these gross amounts will be referred to as the allocations received for the coming three year medium term expenditure framework period. In certain instances, the savings on a particular vote exceed the gross total allocation to that vote and the overall net change in the budget of that vote is actually negative.

Economic affairs

Taking into account the policy and practical budgeting considerations within this government function in the South African context, this function has been disaggregated broadly into four areas that are each discussed in turn.

Transport

For the **Department of Transport** for the medium term expenditure framework period, R2.7 billion is provided for the public transport infrastructure and systems conditional grant to municipalities to develop integrated public transport networks. The South African National Roads Agency is allocated R2.7 billion for the maintenance of roads and R1.4 billion is allocated to the Passenger Rail Agency South Africa to upgrade and replace Metrorail's signalling infrastructure.

Energy and environmental protection

Over the medium term, the **Department of Environmental Affairs** receives an additional R191 million to implement measures that will address wildlife trafficking, air quality, waste and coastline management, and oil spill disasters. For climate change mitigation and the establishment of a green fund for South Africa, R1 billion is provided. This will be announced in the 2011 Budget as an amount largely not appropriated to any specific vote, except for the R200 million in funding that is allocated to host the 2011 United Nations Conference on Climate Change in 2011/12.

Industrial development

An allocation to the **Economic Development Department** of R250 million is for the Competition Commission to group its work on anti-competitive practices in four priority sectors and to form a specialised cartel investigation unit.

Agriculture, forestry, fisheries and land affairs

An amount of R1.1 billion is the gross allocation to the **Department of Rural Development and Land Reform** for the comprehensive rural development programme.

The **Department of Agriculture, Forestry and Fisheries** receives R500 million for the comprehensive agriculture support programme grant and the land care programme grant.

Also, a gross allocation of R450 million is made available to the **Department of Communications** for broadband services information and communication technologies infrastructure, and universal access in underdeveloped or rural areas in the country.

Housing and community amenities

This function's budget is dominated by transfer payments. Over the MTEF period, an additional R2.1 billion is allocated to the **Department of Human Settlements** for informal settlements upgrading through the new urban settlements development grant. The Social Housing Regulatory Authority receives R972 million to increase the delivery of affordable rental housing.

The **Department of Water Affairs** is allocated a gross addition of R3.7 billion, of which R1 billion is for the completion of the De Hoop Dam and the provision of some bulk infrastructure pipelines, R952 million is for regional bulk infrastructure, R520 million for the completion of the Nandoni pipeline and R450 million for emergency drought relief in the Nelson Mandela Bay municipality.

Education

This function receives the biggest gross total allocation of R33.9 billion. The **Department of Basic Education** receives R8.2 billion, most of which is for transfers to provinces. The funds are mostly for school buildings for the eradication of inappropriate infrastructure structures and to ensure that more schools have water, sanitation and electricity. For bursaries for mathematics and science teachers, R596 million is allocated.

The **Department of Higher Education and Training** receives R3.6 billion for the National Student Financial Aid Scheme for funding higher education students, R300 million for establishing universities in Mpumalanga and Northern Cape, R3.9 billion for a state bursary scheme that will increase poor learners' access to further education and training colleges, and R1.4 billion to further education and training colleges to increase the number of students they enrol.

Health

The gross total allocation to the health function over the medium term is R18.5 billion. Most of this funding is allocated by means of the provincial equitable share. An amount of R1.4 billion is allocated to the national **Department of Health** towards increasing HIV counselling and circumcisions. To improve health facilities and medical equipment in preparation for national health insurance, the department receives a further R1.6 billion.

Social protection

The **Department of Social Development** is allocated R870 million for the South African Social Security Agency to implement a new grants application process that will reduce beneficiary waiting times and fraud.

Recreation, culture and sport

The **Department of Sport and Recreation South Africa** receives a gross allocation of R136 million to provide increased support to national sporting federations to enhance sports development and transformation, particularly in the participation of previously disadvantaged communities.

For the development of the local film industry R135 million is allocated to the National Film and Video Foundation under the **Department of Arts and Culture's** vote and R37 million is also allocated to capacitate the National Library of South Africa.

Public order and safety

Additional funding of R2.1 billion is made available to this function for the **Department of Police's** vote for the recruitment of additional policing personnel in the areas of visible policing, detective services and crime intelligence services. The number of police personnel will increase to 202 260 in 2013/14.

The **Department of Justice and Constitutional Development** receives additional funding of R490 million for the construction of two new high courts in Nelspruit and Polokwane, which will bring the total number of high courts to 16.

The **Department of Correctional Services** is allocated R460 million over the medium term for the upgrading of information technology that will enhance the functioning of the criminal justice system.

Defence

In this function, an amount of R600 million is allocated to the **Department of Defence** to deploy soldiers to the country's borders and upgrade and improve border facilities and equipment.

General public service

An amount of R500 million is added to the budget of **Statistics South Africa** for the 2011 Census, towards the costs of 120 000 field workers and to ensure greater coverage of the population than in the 2001 Census.

The **Department of Public Works** receives an additional R2.2 billion for municipal and accommodation charges payable.

To deal with the post recovery and reconstruction effects of the flooding disaster, R600 million has been allocated under the **National Treasury** vote. The National Treasury also receives R1.5 billion to fund increases in amounts payable to the Political Office Bearers' Pension Fund, as well as increases in costs related to post-retirement benefits and injury-on-duty benefits.

For the new conditional grants to deal with immediate disaster effects, R1.8 billion is allocated over the medium term under the **Cooperative Governance and Traditional Affairs**' vote. Of this, R675 million is for the provinces and R1.2 billion is allocated to municipalities.

Overview of expenditure

The main Budget, including state debt costs, provides for total expenditure of R888.9 billion in 2011/12, R968.1 billion in 2012/13 and R1.1 trillion in 2013/14, reflecting a nominal growth rate of approximately 9.1 per cent on average over the medium term expenditure framework period. Non-interest expenditure comprises on average 89.3 per cent of total main Budget expenditure, growing at an average annual rate of 7.6 per cent over the period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R4.1 billion in 2011/12, R11.4 billion in 2012/13 and R23.4 billion in 2013/14.

The allocations in the main Budget are detailed in the pages of this publication, with a high level overview provided in the summary tables below.



Summary tables

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Table 7: Training expenditure per vote 2007/08 to 2013/14

Table 8: Infrastructure expenditure per vote 2007/08 to 2013/14

Table 9: Personnel expenditure per vote 2007/08 to 2013/14

Table 10: Departmental receipts per vote 2007/08 to 2013/14



Table 1 Main budget framework 2007/08 to 2013/14

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue (National Revenue Fund)							
Tax revenue (gross)	572 814.6	625 100.2	598 705.4	672 200.0	741 620.0	827 310.0	927 960.0
Departmental and other receipts, and repayments	12 693.0	12 616.0	8 889.0	12 254.0	10 000.9	11 540.0	12 351.1
Less: Southern Africa Customs Union payments	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-21 763.2	-32 431.8	-35 997.4
Other adjustment ¹	-	-	-	-2 900.0	-	-	-
Total revenue	560 795.1	608 795.5	579 679.0	666 562.7	729 857.6	806 418.2	904 313.7
<i>Percentage of GDP</i>	<i>27.0%</i>	<i>26.3%</i>	<i>23.7%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.2%</i>	<i>25.6%</i>
Expenditure							
State debt cost	52 877.1	54 393.7	57 129.2	66 570.4	76 578.7	90 807.7	104 036.2
<i>Percentage of GDP</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Current payments ²	88 512.0	103 376.4	117 130.0	135 313.3	147 760.3	156 210.6	166 884.0
Transfers and subsidies	391 929.9	458 702.2	532 182.3	578 332.9	648 496.9	695 554.1	740 738.6
Payments for capital assets ²	7 018.5	8 508.4	9 202.2	8 817.0	11 206.9	13 823.7	17 464.5
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.7	750.1	0.1	0.1
Unallocated	-	-	-	-	40.0	330.0	530.0
Contingency reserve	-	-	-	-	4 090.4	11 405.4	23 375.2
Total expenditure	541 443.4	635 953.3	747 196.8	809 923.3	888 923.3	968 131.7	1 053 028.6
<i>Percentage of GDP</i>	<i>26.0%</i>	<i>27.5%</i>	<i>30.6%</i>	<i>30.4%</i>	<i>30.5%</i>	<i>30.2%</i>	<i>29.8%</i>
Budget deficit³	19 351.6	-27 157.8	-167 517.7	-143 360.6	-159 065.7	-161 713.5	-148 714.9
<i>Percentage of GDP</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-6.9%</i>	<i>-5.4%</i>	<i>-5.5%</i>	<i>-5.1%</i>	<i>-4.2%</i>
<i>GDP</i>	<i>2 078 822.0</i>	<i>2 312 965.0</i>	<i>2 442 593.0</i>	<i>2 666 893.9</i>	<i>2 914 861.7</i>	<i>3 201 299.3</i>	<i>3 536 001.5</i>

1. Payment to SACU partners in respect of a previous error in calculation of the 1969 agreement.

2. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

3. A positive number reflects a surplus and a negative number a deficit.

Table 2 Additional allocation to national votes 2011/12 to 2013/14¹

R million	Medium-term expenditure estimates			Total
	2011/12	2012/13	2013/14	
Central Government Administration	1 948.2	2 277.4	2 923.5	7 149.1
1 The Presidency	90.5	131.3	126.4	348.3
2 Parliament	30.4	31.3	32.4	94.1
3 Cooperative Governance and Traditional Affairs	964.1	873.0	1 250.8	3 087.9
4 Home Affairs	176.9	444.8	600.2	1 221.9
5 International Relations and Cooperation	145.2	162.2	170.1	477.4
6 Performance Monitoring and Evaluation	37.4	97.5	114.5	249.3
7 Public Works	493.7	522.3	609.1	1 625.1
8 Women, Children and People with Disabilities	10.0	15.0	20.0	45.0
Financial and Administrative Services	4 067.9	4 190.0	5 261.1	13 519.0
9 Government Communication and Information System	10.1	10.6	9.9	30.6
10 National Treasury	3 442.3	4 048.0	5 097.8	12 588.1
11 Public Enterprises	44.8	4.6	4.6	53.9
12 Public Service and Administration	34.9	44.2	55.0	134.0
13 Statistics South Africa	535.8	82.7	93.8	712.3
Social Services	4 043.4	7 691.7	14 993.2	26 728.2
14 Arts and Culture	66.9	83.1	105.7	255.8
15 Basic Education	826.4	2 574.4	5 649.7	9 050.4
16 Health	442.0	692.0	2 236.0	3 370.0
17 Higher Education and Training	2 215.3	3 560.3	4 403.6	10 179.2
18 Labour	131.7	170.3	187.3	489.3
19 Social Development	312.1	543.3	2 322.5	3 177.9
20 Sport and Recreation South Africa	49.0	68.3	88.4	205.7
Justice, Crime Prevention and Security	3 740.6	5 760.1	7 583.9	17 084.7
21 Correctional Services	579.9	1 046.7	1 147.8	2 774.3
22 Defence and Military Veterans	1 180.2	1 552.8	1 863.6	4 596.6
23 Independent Complaints Directorate	7.9	9.1	10.1	27.1
24 Justice and Constitutional Development	477.0	1 098.6	1 196.9	2 772.4
25 Police	1 495.7	2 052.9	3 365.5	6 914.2
Economic Services and Infrastructure	6 550.4	8 755.2	10 874.5	26 180.1
26 Agriculture, Forestry and Fisheries	194.1	405.7	512.4	1 112.2
27 Communications	105.7	155.9	206.1	467.7
28 Economic Development	101.6	156.0	166.1	423.7
29 Energy	307.9	29.2	32.6	369.7
30 Environmental Affairs	297.9	146.0	186.4	630.3
31 Human Settlements	657.5	1 215.8	1 757.2	3 630.6
32 Mineral Resources	43.2	53.6	34.1	130.9
33 Rural Development and Land Reform	610.4	838.5	1 113.9	2 562.8
34 Science and Technology	14.6	139.9	404.1	558.6
35 Tourism	52.5	42.4	44.9	139.8
36 Trade and Industry	527.6	621.7	646.3	1 795.6
37 Transport	2 180.8	3 689.9	4 786.2	10 656.9
38 Water Affairs	1 456.6	1 260.4	984.2	3 701.2
Total	20 350.6	28 674.3	41 636.1	90 661.1

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3 Expenditure by national vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted	
	2007/08	2008/09	2009/10	appropriation	
				2010/11	
Central Government Administration					
1	The Presidency	649.4	308.8	659.1	766.9
2	Parliament	849.8	1 071.5	1 009.0	1 201.6
3	Cooperative Governance and Traditional Affairs	28 359.9	33 386.0	33 661.6	41 748.5
4	Home Affairs	3 241.7	4 666.6	5 195.4	5 834.4
5	International Relations and Cooperation	4 069.7	5 472.3	5 417.4	4 715.8
6	Performance Monitoring and Evaluation	2.0	3.6	10.4	40.5
7	Public Works	3 402.3	4 197.0	5 533.6	7 364.8
8	Women, Children and People with Disabilities	52.5	61.9	77.5	106.2
Financial and Administrative Services					
9	Government Communication and Information System	380.9	427.5	495.4	550.2
10	National Treasury	12 569.3	23 762.8	53 240.6	38 704.9
11	Public Enterprises	4 604.0	3 265.1	3 983.3	555.5
12	Public Service and Administration	609.6	630.6	670.8	658.7
13	Statistics South Africa	1 054.3	1 323.1	1 555.8	2 101.4
Social Services					
14	Arts and Culture	1 585.8	2 114.5	2 224.9	2 441.2
15	Basic Education	4 799.5	6 384.0	7 854.3	10 924.3
16	Health	13 578.6	16 424.5	19 168.6	23 132.5
17	Higher Education and Training	15 999.1	18 767.8	20 684.4	23 776.2
18	Labour	1 431.5	1 507.2	1 698.7	1 835.8
19	Social Development	67 191.4	76 096.7	85 318.2	95 941.1
20	Sport and Recreation South Africa	5 048.0	4 871.4	2 866.4	1 255.5
Justice, Crime Prevention and Security					
21	Correctional Services	11 122.4	12 822.6	13 687.3	15 427.5
22	Defence and Military Veterans	25 180.1	27 801.3	31 324.2	30 442.6
23	Independent Complaints Directorate	80.9	99.3	106.2	131.4
24	Justice and Constitutional Development	7 194.0	8 244.4	9 653.5	10 787.3
25	Police	36 525.9	41 635.2	47 662.5	53 529.7
Economic Services and Infrastructure					
26	Agriculture, Forestry and Fisheries	3 957.2	3 564.9	3 961.8	4 003.9
27	Communications	1 911.8	2 328.6	2 301.9	2 138.0
28	Economic Development	245.1	220.4	314.6	449.8
29	Energy	2 229.8	2 961.7	3 690.9	5 648.7
30	Environmental Affairs	1 564.5	1 789.9	2 124.3	2 438.5
31	Human Settlements	10 503.0	13 269.5	16 407.4	19 305.9
32	Mineral Resources	717.5	768.3	853.8	995.8
33	Rural Development and Land Reform	5 896.6	6 669.8	5 863.8	7 293.4
34	Science and Technology	3 127.3	3 703.5	4 183.9	4 128.0
35	Tourism	1 056.0	1 202.2	1 145.6	1 183.8
36	Trade and Industry	5 050.2	4 836.7	5 923.3	6 194.2
37	Transport	19 155.9	28 161.7	28 664.0	30 380.8
38	Water Affairs	4 802.9	5 797.8	7 188.6	8 203.2
Total appropriation by vote		309 800.8	370 620.6	436 383.5	466 338.6
Plus:					
Direct charges against the National Revenue Fund					
	President and Deputy President salary (The Presidency)	2.3	4.0	3.8	4.6
	Members remuneration (Parliament)	240.7	304.2	398.8	392.7
	State debt costs (National Treasury)	52 877.1	54 393.7	57 129.2	67 606.9
	Provincial equitable share (National Treasury)	171 053.7	201 795.6	236 890.8	265 139.4
	General fuel levy sharing with metros (National Treasury)	-	-	6 800.1	7 542.4
	Skills levy and Setas (Higher Education and Training)	6 284.3	7 234.1	7 815.6	8 424.2
	Judges and magistrates salaries (Justice and Constitutional Development)	1 184.5	1 601.1	1 774.9	1 929.9
Total direct charges against the National Revenue Fund		231 642.6	265 332.8	310 813.2	351 040.0
	Unallocated	-	-	-	-
	Contingency reserve	-	-	-	-
	Projected underspending	-	-	-	-1 700.0
Total		541 443.4	635 953.3	747 196.8	815 678.6

Table 3 Expenditure by national vote 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
				Central Government Administration
766.9	815.0	887.5	924.2	The Presidency
1 201.6	1 265.3	1 315.9	1 387.6	Parliament
41 748.5	47 933.6	53 842.8	57 120.8	Cooperative Governance and Traditional Affairs
5 834.4	5 464.1	5 249.7	5 864.3	Home Affairs
4 715.8	4 796.8	5 154.9	5 569.3	International Relations and Cooperation
40.5	75.8	141.0	160.4	Performance Monitoring and Evaluation
7 138.7	7 819.3	8 061.2	8 900.1	Public Works
106.2	117.9	129.5	140.8	Women, Children and People with Disabilities
				Financial and Administrative Services
550.2	496.4	524.4	552.0	Government Communication and Information System
38 375.4	22 598.2	23 469.1	25 578.9	National Treasury
555.5	230.2	199.7	210.4	Public Enterprises
656.7	690.1	726.2	774.5	Public Service and Administration
1 741.7	3 240.9	1 698.3	1 717.7	Statistics South Africa
				Social Services
2 339.7	2 468.6	2 625.1	2 784.7	Arts and Culture
9 093.0	13 868.1	16 557.9	20 409.6	Basic Education
22 218.7	25 731.6	27 610.8	30 136.7	Health
23 757.2	28 228.6	31 318.5	33 688.2	Higher Education and Training
1 793.2	1 981.5	2 098.5	2 221.7	Labour
94 841.0	104 732.7	113 524.0	122 075.5	Social Development
1 249.6	802.7	852.3	915.5	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
15 232.5	16 559.2	17 805.0	18 827.8	Correctional Services
30 442.6	34 605.0	37 371.2	39 702.2	Defence and Military Veterans
131.4	151.6	161.0	170.4	Independent Complaints Directorate
10 742.3	11 413.5	12 674.3	13 409.3	Justice and Constitutional Development
53 529.7	58 061.5	62 077.6	66 696.7	Police
				Economic Services and Infrastructure
4 003.9	4 719.7	5 312.0	5 503.2	Agriculture, Forestry and Fisheries
2 138.0	1 889.1	1 721.7	1 851.7	Communications
384.5	594.5	674.7	713.3	Economic Development
5 648.7	6 089.9	5 575.3	4 304.8	Energy
2 359.8	2 846.1	2 399.3	2 643.0	Environmental Affairs
19 305.9	22 578.5	24 875.1	26 674.7	Human Settlements
995.8	1 036.2	1 107.5	1 178.7	Mineral Resources
7 293.4	8 124.2	8 674.1	9 381.1	Rural Development and Land Reform
4 128.0	4 404.6	4 887.4	5 510.1	Science and Technology
1 183.8	1 242.9	1 273.9	1 345.3	Tourism
6 075.5	6 786.9	7 366.9	7 572.4	Trade and Industry
29 989.4	35 084.0	38 204.4	41 198.9	Transport
7 609.7	9 936.2	10 231.5	10 883.5	Water Affairs
459 919.7	499 480.9	538 380.2	578 700.1	Total appropriation by vote
				Plus:
4.6	4.8	5.1	5.3	Direct charges against the National Revenue Fund
392.7	409.6	430.1	453.8	President and Deputy President salary (The Presidency)
66 570.4	76 578.7	90 807.7	104 036.2	Members remuneration (Parliament)
265 139.4	288 492.8	305 725.4	323 604.4	State debt costs (National Treasury)
7 542.4	8 573.1	9 039.7	9 613.4	Provincial equitable share (National Treasury)
8 424.2	9 148.7	9 606.1	10 134.5	General fuel levy sharing with metros (National Treasury)
1 929.9	2 104.2	2 401.9	2 575.7	Skills levy and Setas (Higher Education and Training)
				Judges and magistrates salaries (Justice and Constitutional Development)
350 003.5	385 312.0	418 016.1	450 423.3	Total direct charges against the National Revenue Fund
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 4 Expenditure by economic classification 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Current payments				
Compensation of employees	56 221.9	64 819.2	75 276.3	88 740.8
Salaries and wages	46 758.3	53 869.3	62 806.6	74 671.9
Social contributions	9 463.6	10 949.9	12 469.7	14 068.9
Goods and services	32 272.1	38 522.2	41 695.1	47 989.9
Interest and rent on land	52 895.1	54 428.7	57 287.8	67 615.5
Interest (Incl. interest on finance leases)	52 893.9	54 428.5	57 280.1	67 614.7
Rent on land	1.2	0.2	7.7	0.8
Total current payments	141 389.1	157 770.1	174 259.2	204 346.3
Transfers and subsidies to:				
Provinces and municipalities	243 233.6	289 395.9	344 774.7	387 557.9
Provinces	204 668.3	243 851.9	293 163.8	326 000.2
Provincial revenue funds	204 668.3	243 851.9	293 163.8	326 000.2
Municipalities	38 565.4	45 544.0	51 610.8	61 557.8
Municipal bank accounts	38 565.4	45 544.0	51 610.8	61 557.8
Departmental agencies and accounts	44 609.0	53 708.8	57 458.8	56 035.9
Social security funds	8.5	2 508.7	9.7	11.6
Departmental agencies (non-business entities)	44 600.5	51 200.1	57 449.1	56 024.3
Universities and technikons	12 004.1	13 897.7	15 443.5	17 576.1
Foreign governments and international organisations	935.6	1 010.6	1 366.4	1 357.1
Public corporations and private enterprises	19 485.7	20 188.1	21 704.6	20 492.5
Public corporations	14 887.2	14 723.0	19 325.2	18 180.6
Subsidies on products or production	6 293.0	8 060.3	8 477.2	9 836.7
Other transfers to public corporations	8 594.1	6 662.6	10 848.0	8 343.9
Private enterprises	4 598.5	5 465.1	2 379.4	2 311.9
Subsidies on products or production	4 111.4	5 193.5	2 009.5	1 848.5
Other transfers to private enterprises	487.1	271.7	369.9	463.4
Non-profit institutions	1 006.7	1 222.2	1 220.3	1 470.9
Households	70 655.2	79 279.0	90 214.0	98 316.7
Social benefits	65 169.0	73 588.0	84 842.8	92 538.4
Other transfers to households	5 486.3	5 690.9	5 371.2	5 778.3
Total transfers and subsidies	391 929.9	458 702.2	532 182.3	582 807.0
Payments for capital assets				
Buildings and other fixed structures	3 631.3	5 331.6	5 712.2	5 975.7
Buildings	3 356.9	4 860.4	4 598.8	4 757.1
Other fixed structures	274.4	471.2	1 113.4	1 218.5
Machinery and equipment	3 161.5	2 926.7	3 127.6	3 298.6
Transport equipment	1 538.2	1 510.2	1 524.2	1 769.1
Other machinery and equipment	1 623.4	1 416.5	1 603.4	1 529.5
Heritage assets	-	0.1	0.2	-
Specialised military assets	-	-	83.1	19.0
Biological assets	10.6	2.7	2.1	2.0
Land and subsoil assets	27.4	49.0	83.9	0.1
Software and other intangible assets	187.7	198.3	193.2	40.8
Total payments for capital assets	7 018.5	8 508.4	9 202.2	9 336.2
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.2
Total	541 443.4	635 953.3	747 196.8	817 378.6
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 4 Expenditure by economic classification 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
88 324.0	94 788.4	100 350.8	107 316.5	Current payments
74 278.1	79 661.6	84 435.8	90 409.3	Compensation of employees
14 046.0	15 126.9	15 914.9	16 907.2	Salaries and wages
46 980.3	52 944.2	55 829.0	59 536.1	Social contributions
66 579.3	76 606.4	90 838.6	104 067.6	Goods and services
66 578.5	76 605.4	90 837.4	104 066.4	Interest and rent on land
0.8	1.1	1.2	1.2	Interest (Incl. interest on finance leases)
				Rent on land
201 883.7	224 339.0	247 018.3	270 920.2	Total current payments
384 334.3	428 131.5	457 512.2	486 602.9	Transfers and subsidies to:
323 080.3	357 928.6	380 449.6	404 251.4	Provinces and municipalities
323 080.3	357 928.6	380 449.6	404 251.4	Provinces
61 254.0	70 202.9	77 062.5	82 351.5	Provincial revenue funds
61 254.0	70 202.9	77 062.5	82 351.5	Municipalities
55 866.1	68 241.9	73 170.5	78 537.2	Municipal bank accounts
11.6	12.4	13.0	13.7	Departmental agencies and accounts
55 854.6	68 229.5	73 157.5	78 523.5	Social security funds
17 571.1	19 365.4	20 766.7	21 953.2	Departmental agencies (non-business entities)
1 358.2	1 463.4	1 723.6	1 830.5	Universities and technikon
20 459.5	23 642.9	25 011.7	25 561.1	Foreign governments and international organisations
18 180.6	20 434.1	21 742.4	22 063.1	Public corporations and private enterprises
9 836.7	9 879.4	9 997.1	8 896.9	Public corporations
8 343.9	10 554.7	11 745.4	13 166.3	Subsidies on products or production
2 278.9	3 208.8	3 269.3	3 498.0	Other transfers to public corporations
1 813.5	2 718.2	2 663.9	2 856.4	Private enterprises
465.4	490.6	605.4	641.6	Subsidies on products or production
1 461.7	1 500.4	1 874.8	2 099.0	Other transfers to private enterprises
97 282.0	106 151.3	115 494.5	124 154.6	Non-profit institutions
91 514.5	101 279.1	110 239.7	118 596.5	Households
5 767.5	4 872.3	5 254.9	5 558.1	Social benefits
				Other transfers to households
578 332.9	648 496.9	695 554.1	740 738.6	Total transfers and subsidies
5 615.9	7 845.0	10 560.6	14 057.6	Payments for capital assets
4 479.1	5 486.6	7 813.1	11 078.5	Buildings and other fixed structures
1 136.8	2 358.3	2 747.6	2 979.1	Buildings
3 144.0	3 302.7	3 202.5	3 344.4	Other fixed structures
1 699.1	1 922.9	1 645.0	1 697.5	Machinery and equipment
1 444.9	1 379.8	1 557.5	1 646.9	Transport equipment
0.0	-	-	-	Other machinery and equipment
19.0	20.7	21.3	22.4	Heritage assets
2.0	0.2	0.3	0.3	Specialised military assets
0.1	-	-	-	Biological assets
35.9	38.3	39.1	39.9	Land and subsoil assets
				Software and other intangible assets
8 817.0	11 206.9	13 823.7	17 464.5	Total payments for capital assets
20 889.7	750.1	0.1	0.1	Payments for financial assets
809 923.3	884 792.9	956 396.3	1 029 123.4	Total
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 5 Amounts to be appropriated from the National Revenue Fund for 2011/12

R million	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease	
	2010/11	2011/12						
Central Government Administration								
1	The Presidency	706.8	417.5	387.8	14.5	-	819.8	113.0
2	Parliament	1 571.9	1 383.1	287.9	3.9	-	1 674.9	103.0
3	Cooperative Governance and Traditional Affairs	41 096.9	691.3	47 222.4	19.8	0.1	47 933.6	6 836.7
4	Home Affairs	5 719.6	4 437.4	1 000.1	26.7	-	5 464.1	-255.5
5	International Relations and Cooperation	4 824.4	3 703.1	809.9	283.7	-	4 796.8	-27.7
6	Performance Monitoring and Evaluation	20.4	72.8	-	3.0	-	75.8	55.4
7	Public Works	6 446.3	2 265.4	4 010.3	1 543.6	-	7 819.3	1 372.9
8	Women, Children and People with Disabilities	97.8	60.5	55.2	2.3	-	117.9	20.2
Financial and Administrative Services								
9	Government Communication and Information System	546.2	334.8	159.2	2.4	-	496.4	-49.8
10	National Treasury	378 589.1	78 015.4	317 463.8	13.7	750.0	396 242.8	17 653.7
11	Public Enterprises	350.6	188.1	40.8	1.4	-	230.2	-120.4
12	Public Service and Administration	651.5	396.5	290.9	2.7	-	690.1	38.6
13	Statistics South Africa	1 973.4	3 188.8	10.5	41.7	-	3 240.9	1 267.5
Social Services								
14	Arts and Culture	2 406.7	392.9	2 069.3	6.4	-	2 468.6	61.9
15	Basic Education	10 918.5	2 136.9	11 025.3	706.0	-	13 868.1	2 949.7
16	Health	22 967.9	1 209.3	24 489.3	32.9	-	25 731.6	2 763.6
17	Higher Education and Training	32 144.9	455.8	36 913.4	8.1	-	37 377.3	5 232.4
18	Labour	1 783.9	1 349.9	599.4	32.1	-	1 981.5	197.6
19	Social Development	95 929.1	543.7	104 177.1	11.9	-	104 732.7	8 803.6
20	Sport and Recreation South Africa	1 245.6	222.5	574.1	6.0	-	802.7	-442.9
Justice, Crime Prevention and Security								
21	Correctional Services	15 129.0	15 342.1	31.3	1 185.8	-	16 559.2	1 430.2
22	Defence and Military Veterans	30 715.3	27 278.4	6 978.0	348.6	-	34 605.0	3 889.6
23	Independent Complaints Directorate	129.3	147.6	0.1	4.0	-	151.6	22.3
24	Justice and Constitutional Development	12 180.4	10 933.7	1 791.1	792.9	-	13 517.7	1 337.3
25	Police	52 556.4	54 596.4	464.6	3 000.5	-	58 061.5	5 505.1
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	3 708.0	2 039.4	2 567.8	112.5	-	4 719.7	1 011.8
27	Communications	2 114.0	585.2	1 299.6	4.3	-	1 889.1	-224.9
28	Economic Development	418.6	123.2	464.8	6.5	-	594.5	175.9
29	Energy	5 535.4	297.2	5 784.9	7.8	-	6 089.9	554.5
30	Environmental Affairs	2 557.8	1 119.1	1 219.0	508.0	-	2 846.1	288.3
31	Human Settlements	19 215.6	642.2	21 700.6	235.7	-	22 578.5	3 362.9
32	Mineral Resources	1 030.0	587.6	438.4	10.1	-	1 036.2	6.2
33	Rural Development and Land Reform	6 769.6	2 524.1	5 564.7	35.4	-	8 124.2	1 354.7
34	Science and Technology	4 615.5	369.7	4 031.6	3.3	-	4 404.6	-210.9
35	Tourism	1 151.8	268.2	968.0	6.7	-	1 242.9	91.0
36	Trade and Industry	6 150.1	1 172.4	5 600.4	14.1	-	6 786.9	636.8
37	Transport	30 178.0	841.8	34 238.0	4.1	-	35 084.0	4 906.0
38	Water Affairs	7 996.6	4 005.2	3 767.2	2 163.9	-	9 936.2	1 939.6
Total	812 142.9	224 339.0	648 496.9	11 206.9	750.1	884 792.9	72 650.0	

1. A positive number reflects an increase and a negative number a decrease.

Table 6a Conditional grants to provinces 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3 Cooperative Governance and Traditional Affairs	-	29.7	-	214.4	214.4	305.0	180.0	190.0
7 Public Works	836.6	889.3	1 466.0	2 252.9	2 181.3	2 270.9	2 504.8	2 778.5
Financial and Administrative Services								
10 National Treasury	-	-	4 200.0	-	-	-	-	-
Social Services								
14 Arts and Culture	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15 Basic Education	4 012.9	5 215.6	6 460.1	8 683.6	7 107.4	10 546.4	11 330.6	11 953.7
16 Health	12 368.6	14 988.7	17 523.8	21 363.7	20 483.0	23 947.7	25 746.5	28 175.2
17 Higher Education and Training	2 435.3	3 005.8	3 155.3	3 804.0	3 804.0	4 326.0	4 705.1	5 262.4
20 Sport and Recreation South Africa	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
Economic Services and Infrastructure								
26 Agriculture, Forestry and Fisheries	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31 Human Settlements	6 988.5	8 727.6	10 819.3	13 032.1	13 032.1	14 941.5	15 599.4	16 457.4
37 Transport	5 853.7	7 663.3	10 832.1	9 404.1	9 012.8	10 615.9	11 928.5	12 860.0
Total	33 614.6	42 056.3	56 273.0	60 860.7	57 940.8	69 435.8	74 724.2	80 647.0

1. Detail provided in the Division of Revenue Act (2011).

Table 6b Conditional grants to municipalities 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3 Cooperative Governance and Traditional Affairs	7 167.2	7 186.4	8 988.3	9 726.7	9 726.7	12 132.9	14 474.2	15 272.1
7 Public Works	-	-	100.5	623.0	551.4	679.6	665.7	779.5
Financial and Administrative Services								
10 National Treasury	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
Social Services								
20 Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	512.6	-	-	-
Economic Services and Infrastructure								
29 Energy	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31 Human Settlements	2 948.3	3 572.4	4 418.2	5 157.6	5 157.6	6 267.0	7 409.5	8 126.8
37 Transport	1 174.0	2 928.7	2 431.0	3 709.9	3 709.9	4 838.8	5 037.2	5 602.9
38 Water Affairs	732.9	994.6	902.4	990.5	966.3	1 010.8	399.0	420.9
Total	17 806.4	19 927.6	20 891.8	23 354.9	23 051.2	27 490.3	30 416.4	32 743.1

1. Detail provided in the Division of Revenue Act (2011).

Table 7 Training expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Central Government Administration							
1 The Presidency	2.3	1.4	1.9	2.1	2.4	2.5	2.8
2 Parliament	10.6	11.9	10.1	10.4	14.2	15.0	16.8
3 Cooperative Governance and Traditional Affairs	2.3	1.7	1.8	2.4	5.0	5.2	5.5
4 Home Affairs	32.4	34.0	26.4	48.5	37.2	37.5	39.6
5 International Relations and Cooperation	13.1	8.1	12.4	19.6	16.6	17.8	20.0
7 Public Works	15.2	15.2	22.0	27.5	24.8	24.8	26.1
8 Women, Children and People with Disabilities	-	-	-	0.2	0.3	0.4	0.5
Financial and Administrative Services							
9 Government Communication and Information System	4.7	4.2	4.4	4.9	4.8	5.0	5.3
10 National Treasury	16.1	16.9	10.0	20.0	10.8	11.6	12.2
11 Public Enterprises	1.3	2.3	2.2	3.3	2.9	3.1	3.4
12 Public Service and Administration	2.2	3.7	2.6	3.4	3.2	3.4	3.7
13 Statistics South Africa	11.9	14.0	21.2	38.5	21.4	22.5	23.7
Social Services							
14 Arts and Culture	3.1	4.5	2.1	2.3	1.6	1.7	1.8
15 Basic Education	2.8	6.5	1.7	2.8	1.9	2.0	2.1
16 Health	9.5	1.8	4.5	5.5	4.0	4.5	4.9
17 Higher Education and Training	2.5	2.9	1.9	2.4	1.3	1.3	1.3
18 Labour	6.5	8.9	8.3	8.9	11.8	12.0	12.7
19 Social Development	1.7	1.8	2.3	2.5	2.7	2.9	3.0
20 Sport and Recreation South Africa	0.9	0.9	1.1	1.2	1.6	1.6	1.5
Justice, Crime Prevention and Security							
21 Correctional Services	125.6	76.0	89.5	64.0	100.5	105.6	111.0
22 Defence and Military Veterans	87.4	117.7	113.6	145.6	131.9	133.0	141.2
23 Independent Complaints Directorate	0.6	0.4	0.7	1.2	1.2	1.3	1.4
24 Justice and Constitutional Development	18.3	37.5	86.4	78.9	83.6	89.4	94.0
25 Police	966.0	1 124.0	1 253.4	1 386.6	1 449.0	1 514.2	1 590.0
Economic Services and Infrastructure							
26 Agriculture, Forestry and Fisheries	20.3	24.2	16.4	20.0	13.1	14.9	25.5
27 Communications	3.7	6.0	9.0	5.9	6.7	7.3	7.7
28 Economic Development	-	-	-	0.1	0.8	0.9	1.0
29 Energy	0.7	1.6	2.1	2.1	2.7	2.9	3.3
30 Environmental Affairs	2.1	2.2	2.3	2.5	4.1	4.2	4.3
31 Human Settlements	1.2	2.9	2.3	14.1	4.0	4.3	4.5
32 Mineral Resources	1.7	3.8	9.1	3.5	3.9	4.1	4.4
33 Rural Development and Land Reform	9.0	9.4	11.9	12.6	13.3	13.9	-
34 Science and Technology	1.7	2.0	3.2	5.1	5.4	5.6	5.9
35 Tourism	1.4	1.5	1.0	1.0	1.0	1.1	1.1
36 Trade and Industry	1.0	2.5	9.3	11.0	13.4	14.1	14.9
37 Transport	3.2	1.8	3.9	4.0	2.9	3.1	3.5
38 Water Affairs	38.9	40.8	50.6	56.7	62.4	68.6	75.5
Total	1 421.9	1 595.3	1 801.5	2 021.3	2 069.6	2 164.4	2 277.3

Table 8 Infrastructure expenditure per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Central Government Administration							
3	6 967.2	6 969.0	8 727.5	9 514.7	11 500.2	13 983.1	14 752.2
4	122.9	136.0	102.0	131.1	209.8	215.8	248.0
5	649.9	926.7	165.3	267.9	250.9	318.2	319.2
7	488.0	988.4	1 253.6	1 376.0	1 443.9	1 474.7	1 724.7
Financial and Administrative Services							
10	41.2	373.5	578.1	1 155.0	853.6	880.0	855.0
Social Services							
14	281.2	448.6	449.7	447.8	455.6	483.0	509.5
15	2 636.0	3 101.5	3 884.7	4 832.3	6 398.3	8 408.2	11 617.3
16	5 507.8	3 361.4	3 720.5	5 403.0	5 838.1	6 156.9	5 989.0
18	64.4	37.6	26.9	28.5	44.2	10.5	7.6
20	4 605.0	4 295.0	2 168.7	512.6	-	-	-
Justice, Crime Prevention and Security							
21	1 005.3	948.5	833.6	950.9	968.3	1 016.8	1 072.7
22	8.1	621.3	665.0	732.7	1 058.4	1 085.7	1 118.0
24	361.1	479.5	590.1	631.4	759.4	1 105.0	1 161.7
25	732.5	991.2	1 070.1	1 118.2	1 235.3	1 544.6	1 629.5
Economic Services and Infrastructure							
26	105.3	110.3	131.7	181.7	260.1	239.3	141.0
27	646.0	750.0	920.0	540.9	404.0	317.0	376.1
29	1 435.6	1 739.9	2 400.3	4 239.9	4 334.4	4 533.5	3 200.3
30	603.7	405.4	477.5	637.7	647.8	149.7	187.5
31	9 936.8	12 300.0	15 087.4	18 155.9	21 440.0	23 488.4	25 101.5
33	5.6	6.3	2.8	6.9	21.2	11.3	4.2
34	272.0	408.0	699.3	236.9	254.2	473.1	595.2
36	911.0	967.5	1 407.3	1 224.4	827.4	839.6	629.9
37	10 889.1	13 915.3	16 955.1	19 747.4	23 128.1	25 592.1	27 901.4
38	930.4	1 904.1	2 212.8	2 764.0	4 123.8	4 455.1	5 064.6
Total	49 206.1	56 185.0	64 530.2	74 837.7	86 457.1	96 781.5	104 206.1

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9 Personnel expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government and Administration									
1	The Presidency	117.1	141.7	181.9	209.5	209.5	237.4	251.4	275.6
2	Parliament	517.3	651.0	784.6	868.1	868.1	936.1	990.2	1 046.8
3	Cooperative Governance and Traditional Affairs	128.1	153.8	165.7	232.1	232.1	232.9	245.9	258.1
4	Home Affairs	1 087.0	1 296.0	1 637.1	1 971.1	1 971.1	2 206.6	2 317.5	2 443.5
5	International Relations and Cooperation	1 293.2	1 683.4	1 833.3	1 858.6	1 858.6	1 704.5	1 811.9	2 034.5
6	Performance Monitoring and Evaluation	1.6	2.6	3.4	22.5	22.5	50.9	84.0	102.7
7	Public Works	721.5	801.0	976.1	1 200.9	1 200.9	1 242.1	1 241.2	1 305.1
8	Women, Children and People with Disabilities	4.8	5.9	9.8	24.1	24.1	34.6	39.9	46.3
Financial and Administrative Services									
9	Government Communication and Information System	116.2	114.0	138.7	150.7	150.7	165.4	173.4	183.2
10	National Treasury	272.7	321.0	402.1	552.6	511.2	605.9	637.7	672.2
11	Public Enterprises	56.0	70.4	75.2	90.3	90.3	96.5	101.0	106.2
12	Public Service and Administration	115.8	129.1	156.8	183.6	183.6	208.8	229.5	250.5
13	Statistics South Africa	472.0	700.7	879.2	978.7	931.6	1 531.0	1 165.0	1 185.0
Social Services									
14	Arts and Culture	107.2	126.8	146.3	152.9	152.9	164.8	174.3	183.7
15	Basic Education	150.4	186.3	225.2	271.1	271.1	325.6	349.3	371.7
16	Health	258.6	292.5	333.0	385.0	385.0	424.0	465.0	492.0
17	Higher Education and Training	146.2	174.8	201.8	251.6	249.6	301.5	334.1	359.7
18	Labour	497.9	491.3	576.5	744.8	701.9	786.3	865.8	915.2
19	Social Development	133.6	184.1	220.1	254.9	254.9	267.8	285.1	300.4
20	Sport and Recreation South Africa	43.4	54.5	61.3	75.8	74.3	79.9	84.0	88.4
Justice, Crime Prevention and Security									
21	Correctional Services	6 799.2	8 077.8	9 065.5	10 247.5	10 247.5	10 964.9	11 522.8	12 191.7
22	Defence and Military Veterans	9 735.9	10 620.0	12 705.6	16 219.0	16 219.0	16 770.7	17 700.5	18 787.8
23	Independent Complaints Directorate	45.7	58.0	65.1	75.8	75.8	86.6	91.8	97.2
24	Justice and Constitutional Development	4 250.9	5 326.2	6 028.1	7 262.9	7 224.1	7 631.2	8 382.2	8 850.6
25	Police	25 610.6	29 147.4	33 771.5	38 416.1	38 416.1	41 070.3	43 643.2	47 181.7
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	811.1	931.3	1 082.2	1 199.6	1 199.6	1 273.0	1 395.3	1 474.5
27	Communications	97.7	108.0	129.6	164.6	164.6	171.7	179.3	188.0
28	Economic Development	-	-	7.9	57.7	33.7	79.2	91.8	96.5
29	Energy	85.5	103.0	133.3	147.9	147.9	181.7	192.4	218.3
30	Environmental Affairs	182.5	197.7	254.0	333.1	333.1	405.2	426.6	451.1
31	Human Settlements	103.5	134.2	166.9	289.0	289.0	319.0	331.9	346.8
32	Mineral Resources	210.1	231.0	275.1	343.7	343.7	377.6	401.0	421.8
33	Rural Development and Land Reform	476.4	614.2	760.9	1 196.8	1 196.8	1 395.7	1 523.3	1 608.9
34	Science and Technology	102.1	141.6	167.5	223.7	223.7	225.3	237.6	259.6
35	Tourism	130.8	106.4	89.6	101.1	101.1	141.9	158.4	169.4
36	Trade and Industry	327.5	383.1	437.7	569.8	533.3	602.2	644.2	676.4
37	Transport	131.3	182.6	228.1	266.2	266.2	294.4	309.9	326.5
38	Water Affairs	880.5	875.6	899.8	1 147.3	964.8	1 195.4	1 272.4	1 348.8
Total		56 221.9	64 819.2	75 276.3	88 740.8	88 324.0	94 788.4	100 350.8	107 316.5

Table 10 Departmental receipts per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government Administration									
1	The Presidency	0.3	0.2	0.6	0.5	0.5	0.3	0.3	0.3
2	Parliament	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
3	Cooperative Governance and Traditional Affairs	0.7	0.8	0.5	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	421.1	355.7	442.2	455.3	455.3	482.6	506.7	557.4
5	International Relations and Cooperation	65.1	43.6	23.2	22.0	31.2	22.9	24.0	25.3
6	Performance Monitoring and Evaluation	-	-	-	-	-	-	-	-
7	Public Works	95.8	28.5	39.6	30.9	30.9	38.7	40.6	42.6
8	Women, Children and People with Disabilities	-	-	-	-	-	-	-	-
Financial and Administrative Services									
9	Government Communication and Information System	3.1	3.3	2.9	3.0	2.7	2.5	2.6	2.6
10	National Treasury	5 095.8	5 270.4	2 543.6	3 204.2	2 842.2	1 233.2	2 391.4	2 746.0
11	Public Enterprises	0.1	0.8	1.2	1.2	1.2	0.1	0.1	0.1
12	Public Service and Administration	2.7	1.0	2.2	0.7	0.7	0.7	0.8	0.8
13	Statistics South Africa	17.7	2.8	8.5	2.2	2.2	2.4	2.5	2.7
Social Services									
14	Arts and Culture	0.4	3.6	1.1	0.8	0.8	0.8	0.9	1.1
15	Basic Education	1.9	1.5	0.7	1.2	1.5	1.0	1.1	1.2
16	Health	41.2	31.2	45.2	31.5	31.5	32.8	32.9	36.2
17	Higher Education and Training	6.9	6.7	6.7	7.9	7.9	7.9	8.0	8.0
18	Labour	8.4	28.9	12.9	16.1	16.1	22.4	24.3	25.5
19	Social Development	237.0	16.5	30.6	218.3	0.2	10.1	10.1	10.1
20	Sport and Recreation South Africa	0.0	0.3	0.2	0.3	0.3	0.4	0.4	0.4
Justice, Crime Prevention and Security									
21	Correctional Services	136.3	80.5	108.5	143.4	120.4	126.1	132.3	139.2
22	Defence and Military Veterans	551.9	629.4	699.9	902.5	902.5	803.5	843.7	885.9
23	Independent Complaints Directorate	0.4	0.1	0.2	0.2	0.1	0.1	0.2	0.2
24	Justice and Constitutional Development	317.0	356.8	382.9	377.6	377.6	399.8	422.5	443.7
25	Police	345.1	376.5	347.6	272.9	280.3	263.9	258.7	257.1
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	121.1	254.0	250.5	119.3	119.3	121.5	118.2	123.6
27	Communications	3 007.4	3 520.1	1 344.8	1 398.7	898.9	913.4	928.0	943.4
28	Economic Development	229.3	244.4	456.0	230.0	366.3	243.8	250.0	263.8
29	Energy	1.2	3.3	4.4	3.7	3.7	3.9	4.1	4.2
30	Environmental Affairs	4.7	8.5	2.1	4.1	4.1	2.8	2.8	2.8
31	Human Settlements	0.7	2.4	0.7	1.2	1.2	0.5	0.6	0.6
32	Mineral Resources	267.1	261.3	212.7	99.0	99.0	27.6	28.0	28.3
33	Rural Development and Land Reform	176.4	64.2	44.0	41.7	41.7	69.0	64.5	68.3
34	Science and Technology	0.2	0.3	1.6	0.4	0.7	0.1	0.1	0.1
35	Tourism	-	-	0.7	1.5	1.5	-	-	-
36	Trade and Industry	94.2	64.9	52.6	108.3	90.3	115.0	120.3	121.5
37	Transport	362.5	215.8	106.1	266.7	266.7	137.4	144.3	151.5
38	Water Affairs	0.1	26.6	76.3	42.1	42.1	22.9	24.3	25.9
Total departmental receipts as per Estimates of National Expenditure		11 657.1	11 950.7	7 291.9	8 025.3	7 057.5	5 122.8	6 401.5	6 932.4
Less: Parliament (retained departmental receipts)		43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
Plus: Direct receipts into the National Revenue Fund (National Treasury) ²		1 020.9	-	1 000.0	-	600.0	-	-	-
Plus: South African Revenue Service departmental receipts collection		58.0	711.4	635.1	4 255.0	4 612.0	4 890.0	5 150.0	5 430.0
Total departmental receipts as per Budget Review		12 692.6	12 616.2	8 888.5	12 264.8	12 254.0	10 000.9	11 540.0	12 351.1

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.
2. Direct receipts into the National Revenue Fund in this instance refer to Levy accounts/exchange control forfeits collected by the South African Reserve Bank.



Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the Appropriation Bill, which is tabled on the same day.

The main divisions of the Appropriation Bill are divided into votes. A vote generally specifies the total amount appropriated per department, but more than one department may be contained within a single vote. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the Appropriation Bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions. In the functional budgeting approach linked to the outcomes approach which has been adopted, these groupings are disaggregated further.

More detailed information for each vote is available on www.treasury.gov.za. More comprehensive coverage of vote specific information, particularly about goods and services, transfers, donor funding, public entities and lower level institutional information is provided.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2011/12				2012/13	2013/14
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total
MTEF allocation						
Programme name						
Programme name						
Programme name						
Subtotal						
Direct charge against the National Revenue Fund						
Item						
Item						
Total expenditure estimates						
Executive authority	Minister					
Accounting officer	Director-General / Chief Operating Officer					
Website address						

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2011/12 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2011/12 and corresponds with the information in the 2011 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets and payments for financial assets.**

Current payments are payments made by a department for its operational requirements.

Transfers and subsidies are payments made by a department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in votes where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2012/13** and **2013/14**, are also shown. These estimates are not included in the 2011 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for under any programme on a particular vote and include, for example, state debt costs.

Total expenditure estimates are the sum of the expenditure on programmes and direct charges, classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

The last lines of the table provide accountability information: the vote's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or administrative functions, and corresponds with the aim stated in the Appropriation Bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the Appropriation Bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2007/08 – 2013/14

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments, legislative changes, a discussion on how the department will contribute towards the achievement of outcomes that are attributed to it and the related outputs listed in the service delivery agreements, as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effectiveness measures

In this section, departments discuss details of the reprioritisation of budgets and savings and cost reduction measures to be effected over the MTEF period.

These typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance. It should, however, contain key performance indicators that form part of the service delivery agreements.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the vote programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2010 Budget estimate								

Economic classification

Current payments			
Economic classification item			
Economic classification item			
Transfers and subsidies			
Economic classification item			
Economic classification item			
Payments for capital assets			
Economic classification item			
Economic classification item			
Payments for financial assets			
Total			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes any changes made to the appropriation voted in the main 2010 Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments were included in the Adjustments Appropriation Bill, which Parliament approved before expenditure could take place, and the details were published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2010/11 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2010/11 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **medium-term expenditure estimates** are shown for 2011/12, 2012/13 and 2013/14. The spending figures for 2011/12 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main Appropriation Bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2012/13 and 2013/14 are indicative allocations, and will form the basis for planning the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2007/08 to 2013/14 are described. Trends are generally represented over the MTEF period between 2010/11 and 2013/14, or over the entire period between 2007/08 and 2013/14.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates after consideration of savings, cost reduction and reprioritisation opportunities.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Personnel information

A brief summary of the personnel posts per programme by salary level is given.

Infrastructure spending

Expenditure on existing, new and mega infrastructure is discussed.

Departmental receipts

Departmental anticipated (non-tax) receipts for the MTEF period are described in relation to receipts for 2010/11.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes and activities of the subprogrammes that form that programme. Key functions, activities and transfers are highlighted by subprogramme. The work carried out by the subprogramme is explained in relation to the personnel responsible, the spending allocation of the funding, and outputs achieved.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services. The Ministry subprogramme includes spending on the ministerial and deputy ministerial offices.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve the provision of specified services and products to eligible citizens and residents (strategic intent/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2010/11 to 5 days in 2013/14 (progress measure).

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2010 Budget estimate							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates as well as the outcomes and related outputs as stated in service delivery agreements
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key achievements during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and, if applicable, an analysis of some of the more important items on the entity's balance sheet that relate to the key activities being carried out
- reprioritisation, savings and cost effectiveness measures implemented
- personnel expenditure by salary level
- a list of other entities for which more detail appears on www.treasury.gov.za appears at the end of each chapter together with a short description of what the entity does and its total budget.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure and the revised estimate for 2010/11 as well as the audited outcome for 2009/10.

Details of approved establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the **number of personnel posts filled/planned for on funded establishment** in the department at different salary levels **per programme** as at 30 September 2010.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided for within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training as a proportion of compensation of employees, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

A signed project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Unitary charge or fee refers to the total payment made to the private party for the provision of the various services.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Project monitoring cost is associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Departmental infrastructure refers to direct spending by a department on infrastructure assets which the department will own.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government institutions for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all expenditure and revenue tables a dash (-) indicates that information is unavailable or zero.



Human Settlements

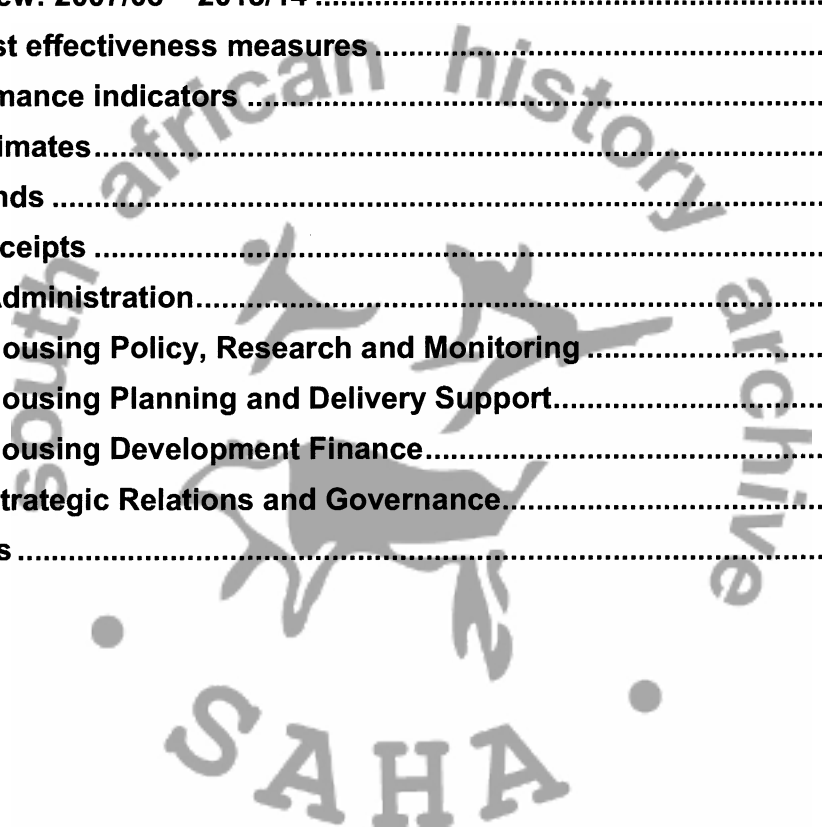


National Treasury
Republic of South Africa



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Vote 31

Human Settlements

Budget summary

R thousand	2011/12				2012/13	2013/14
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	232 435	230 556	–	1 879	238 380	252 392
Housing Policy, Research and Monitoring	39 215	38 960	–	255	46 633	44 035
Housing Planning and Delivery Support	156 163	151 507	4 000	656	178 520	223 773
Housing Development Finance	21 995 147	67 453	21 695 605	232 089	24 253 309	25 947 289
Strategic Relations and Governance	155 535	153 728	1 000	807	158 215	207 250
Total expenditure estimates	22 578 495	642 204	21 700 605	235 686	24 875 057	26 674 739
Executive authority	Minister of Human Settlements					
Accounting officer	Director General of Human Settlements					
Website address	www.dhs.gov.za					

Aim

Determine, finance, promote, coordinate, communicate and monitor the implementation of housing and sanitation policies and programmes.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic leadership and administrative and management support services to the department.

Programme 2: Housing Policy, Research and Monitoring

Purpose: Develop and promote human settlements and housing policies supported by a responsive research agenda. Monitor and assess the implementation, performance and impact of national housing and human settlements 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 settlements programmes. Coordinate and monitor the implementation of priority projects and the sanitation programme.

Programme 4: Housing Development Finance

Purpose: Fund housing and human settlements development programmes. Provide financial and grant management services. Promote investment in housing finance. Mobilise and promote financial integrity within housing institutions. Manage all matters provided for by the Home Loan 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: 2007/08 – 2013/14

The constitutional obligation to provide adequate shelter is the foundation of all the strategies and policies of the Department of Human Settlements. The adoption of the comprehensive plan for the development of sustainable human settlements in 2005 marked a conceptual shift away from the mandate of providing a house on poorly located land that is far from economic activity and social services, to the provision of amenities to support the creation of functional communities, through access to transport, social services and jobs.

From housing to human settlements

The principles of human settlement development are outlined by a policy that is responsive to housing demands and the needs of poor households and that provides choice and tenure options in an affordable and fiscally sustainable manner. Through integrated planning and good governance, the human settlements approach advocates optimal land utilisation and stimulates private investment in housing and community development.

Institutional changes in the housing sector

Recognising that the shift to the human settlements model requires an institutional reorganisation of the housing delivery model, including a review of the department and all relevant public entities, over the medium term, the Department of Human Settlements will focus on maximising cooperation and coordination between the built environment sector departments, where delivery is devolved to local government. This is supported by an accreditation framework in terms of section 10 of the Housing Act (1997). While progress on the devolution of the housing function to municipalities has been slow, the Department of Human Settlements anticipates that the six metropolitan municipalities will achieve level 2 accreditation by April 2011, with the new metropolitan municipalities, Buffalo City and Mangaung, accredited to level 1 in 2011/12.

Within the department, further institutional changes are anticipated over the medium term. The changes are underpinned by the department's turnaround strategy to support the government outcome related to human settlements. The strategy will be implemented in 2011/12. The rationalisation of the development finance institutions reporting to the department is under way to support the human settlements objective. The promulgation of the Social Housing Act (2008) and the Housing Development Agency Act (2008) establishes the Social Housing Regulatory Authority and the Housing Development Agency. The Social Housing Regulatory Authority is expected to be operational in 2011/12, and will regulate the social housing sector and administer the capital restructuring grant for social housing. The rationalisation of public entities reporting to the Department of Human Settlements is also under way. The closure of Thubelisha Homes, Servcon Housing Solutions and the Social Housing Foundation is expected to be finalised in 2010/11.

The outcomes approach

Despite the delivery of 2.8 million housing opportunities between 1994 and 2009/10, the housing subsidy programme has continued to entrench segregated spatial patterns, marginalising the poor from economic opportunity. As a result, the security of a house, as a potential wealth creating asset, has not alleviated poverty in poor households and communities. Through effective land use, choice of tenure and mixed income developments, the Department of Human Settlements anticipates improved outcomes from the housing subsidy programme.

In terms of government's 12 outcomes, the Department of Human Settlements contributes directly to sustainable human settlements and the improved quality of household life (outcome 8). To accelerate the delivery of basic services and housing opportunities, and improving access to the property market, the Department of Human Settlements, together with provinces and municipalities, will focus on the following outputs over the medium term: upgrading 400 000 units of accommodation within informal settlements (output 1); improving access to basic services by providing universal access to sanitation (output 2); facilitating the provision of 80 000 affordable social and rental housing units of accommodation in well located areas; facilitating the provision of improved housing finance opportunities for 600 000 households within the gap market for people earning between R3 500 and R12 800 (output 3); and releasing 6 250 hectares of public owned land for housing development.

Upgrading informal settlements

Given the trends in migration and urbanisation, the role of metropolitan municipalities in the upgrading of informal settlements will be strengthened over the medium term. The creation of the new urban settlements development grant to cities will allow for the eight metropolitan municipalities to improve efficiency, maximise the developmental outcomes and achieve a coordinated approach to built environment management. With greater flexibility to accelerate service delivery, the grant seeks to supplement the capital budgets of large cities to ensure integrated national, provincial and municipal planning to support the creation of sustainable human settlements and improve the quality of household life.

To provide support and assistance to implement the upgrading of informal settlements, a national upgrading support programme was established in 2009. In addition to assessing and refining the existing policy framework, the support programme will also include the preparation of manuals for implementing the projects and designing a national capacity building programme by providing technical support to municipalities.

Savings and cost effectiveness measures

The department has identified savings of R182.1 million in 2011/12, R347.5 million in 2012/13 and R414.8 million in 2013/14. These savings are mainly as a result of the slow implementation of the rural households infrastructure grant, the once-off recapitalisation of the Rural Housing Loan Fund and the closure of the Social Housing Foundation. It also includes savings that will be realised in administrative expenditure across all departmental programmes over the medium term by implementing measures that focus on reducing expenditure on communications, catering and operational activities. These savings have been partially mitigated by changes in the way the department administers housing programmes in a way that minimises the impact on service delivery.

Selected performance indicators

Table 31.1 Human Settlements

Indicator	Programme	Past		Current		Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of houses completed per year ¹	Housing Development Finance	146 465	160 403	161 854	88 989	120 000	130 000	140 000
Number of sites serviced per year ¹	Housing Development Finance	82 298	68 469	64 362	49 028	70 000	90 000	110 000
Number of municipalities provided with technical support to implement basic water and sanitation infrastructure per year	Housing Planning and Delivery Support	179	91	78	114	40	40	40
Number of rural households provided with basic infrastructure for water and sanitation per year	Housing Development Finance	-	-	-	11 000	31 000	64 000	69 000
Number of municipalities provided with technical support for informal settlement upgrading per year	Strategic Relations and Governance	-	22	30	13	16	16	17
Number of municipalities provided with capacity development to be accredited per year	Strategic Relations and Governance	3	17	18	18	27	27	8

1. Delivery numbers for 2010/11 up to December 2010.

Expenditure estimates

Table 31.2 Human Settlements

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10			2011/12	2012/13	2013/14
R thousand				0/11				
Administration	102 537	128 623	113 849	211 997	211 997	232 435	238 380	252 392
Housing Policy, Research and Monitoring	22 022	26 199	44 971	47 686	47 686	39 215	46 633	44 035
Housing Planning and Delivery Support	52 442	94 593	140 484	225 221	225 221	156 163	178 520	223 773
Housing Development Finance	10 146 632	12 766 655	15 981 463	18 663 357	18 663 357	21 995 147	24 253 309	25 947 289
Strategic Relations and Governance	179 355	253 391	126 654	157 660	157 660	155 535	158 215	207 250
Total	10 502 988	13 269 461	16 407 421	19 305 921	19 305 921	22 578 495	24 875 057	26 674 739
Change to 2010 Budget estimate				90 278	90 278	470 446	863 371	1 342 410
Economic classification								
Current payments	377 165	526 250	452 524	626 922	626 922	642 204	682 997	788 395
Compensation of employees	103 472	134 209	166 857	289 006	289 006	319 004	331 890	346 841
Goods and services	273 693	391 776	285 417	337 431	337 431	322 670	350 577	441 024
<i>of which:</i>								
Administrative fees	36	63	76	1 627	1 627	284	310	355
Advertising	46 526	100 445	24 335	24 404	24 404	19 337	23 524	26 755
Assets less than the capitalisation threshold	1 478	2 310	1 371	5 036	5 036	4 196	4 533	4 798
Audit cost: External	4 320	4 592	5 185	6 743	6 743	6 989	7 476	7 888
Bursaries: Employees	342	448	796	3 230	3 230	2 121	2 227	2 339
Catering: Departmental activities	321	2 682	3 884	3 070	3 070	2 715	2 842	3 000
Communication	5 466	6 018	6 713	10 683	10 683	10 315	10 966	11 421
Computer services	39 092	61 851	58 495	56 893	56 893	58 124	60 550	95 627
Consultants and professional services:	103 467	77 794	62 173	70 539	70 539	77 014	72 817	77 271
Business and advisory services	-	-	-	-	-	-	12 500	43 000
Consultants and professional services:	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	1 040	975	2 081	3 358	3 358	2 419	2 523	2 662
Contractors	7 258	3 995	1 712	3 704	3 704	10 826	12 450	15 585
Agency and support / outsourced services	10 274	30 744	33 439	10 753	10 753	10 134	9 522	10 110
Entertainment	210	307	222	872	872	1 229	1 284	1 344
Inventory: Food and food supplies	1 532	32	69	336	336	377	396	418
Inventory: Fuel, oil and gas	98	256	251	672	672	697	727	767
Inventory: Learner and teacher support material	-	33	22	263	263	269	280	295
Inventory: Materials and supplies	-	4	1	15	15	10	11	11
Inventory: Medical supplies	3	-	-	-	-	-	-	-
Inventory: Medicine	-	3	-	-	-	-	-	-
Inventory: Other consumables	16	253	758	2 868	2 868	2 181	2 266	2 385
Inventory: Stationery and printing	5 625	8 855	7 036	12 508	12 508	10 849	12 627	13 604
Lease payments	10 226	11 140	6 676	34 892	34 892	37 911	41 220	44 525
Property payments	-	52	714	7 261	7 261	1 843	2 038	4 672
Travel and subsistence	27 993	66 676	53 195	45 487	45 487	44 194	47 508	49 049
Training and development	1 229	2 870	2 300	10 754	10 754	4 049	4 255	4 473

Table 31.2 Human Settlements (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10			2011/12	2012/13	2013/14
Economic classification								
<i>Operating expenditure</i>	1 650	3 067	3 551	12 183	12 183	9 179	9 800	12 676
<i>Venues and facilities</i>	5 491	6 311	10 362	9 280	9 280	5 408	5 925	5 994
Interest and rent on land	-	265	250	485	485	530	530	530
Transfers and subsidies	10 119 873	12 730 985	15 948 014	18 506 924	18 506 924	21 700 605	23 707 976	25 364 438
Provinces and municipalities	9 936 763	12 299 959	15 237 441	18 189 725	18 189 725	21 208 514	23 008 949	24 584 213
Departmental agencies and accounts	77 166	227 739	352 613	312 193	312 193	487 091	694 027	774 955
Foreign governments and international organisations	606	845	745	1 000	1 000	1 000	1 000	1 050
Households	105 338	202 442	357 215	4 006	4 006	4 000	4 000	4 220
Payments for capital assets	5 950	12 226	6 661	172 075	172 075	235 686	484 084	521 906
Buildings and other fixed structures	380	198	-	153 060	153 060	231 500	479 500	517 250
Machinery and equipment	5 467	10 417	6 035	16 372	16 372	3 961	4 358	4 423
Software and other intangible assets	103	1 611	626	2 643	2 643	225	226	233
Payments for financial assets	-	-	222	-	-	-	-	-
Total	10 502 988	13 269 461	16 407 421	19 305 921	19 305 921	22 578 495	24 875 057	26 674 739

Expenditure trends

Expenditure increased significantly from R10.5 billion in 2007/08 to R19.3 billion in 2010/11, at an average annual rate of 22.5 per cent. This growth in the department's budget is mainly due to the increase in the human settlements development grant, which grew from R7.0 billion in 2007/08 to R12.9 billion in 2010/11 to support increased delivery in the housing programme.

Over the MTEF period, expenditure is expected to increase to R26.7 billion, at an average annual rate of 11.4 per cent. This is mainly due to the creation of the new urban settlements development grant, which is a combination of the municipal infrastructure grant for cities and a portion of the human settlements development grant to support the upgrading of informal settlements. As a result, spending in the *Housing Development Finance* programme is expected to increase from R18.7 billion in 2010/11 to R25.9 billion in 2013/14, at an average annual rate of 11.6 per cent.

Spending in the *Strategic Relations and Governance* programme is expected to increase at an average annual rate of 9.5 per cent from R157.7 million in 2010/11 to R207.3 million in 2013/14, as a result of additional funds to support municipal accreditation and the upgrading of the housing subsidy system.

Between 2007/08 and 2010/11, spending on compensation of employees increased from R103.5 million to R289.0 million, at an average annual rate of 40.8 per cent. Expenditure is expected to increase to R346.8 million over the medium term, at an average annual rate of 6.3 per cent. The growth in both periods is due to the expansion of the department's organisational structure and the above inflation growth in public sector salaries. Spending on goods and services is expected to increase from R337.4 million in 2010/11 to R441.0 million in 2013/14, as a result of increased spending in the National Upgrading Support programme and the special investigating unit, municipal accreditation, and upgrading the housing subsidy system.

Personnel information

As at 30 September 2010, the department had an establishment of 922 posts, of which 834 are funded and 59 are additional to the approved establishment due to the absorption of staff from Servcon Housing Solutions and Thubelisha Homes. Filled posts increased from 318 in 2007/08 to 609 in 2010/11, and are expected to grow to 834 over the medium term. This is so that the department's structure will be fully implemented to meet human settlement related development outcomes.

There are 225 vacancies within the department, of which 201 are in salary levels 1 to 12, and 24 are in salary levels 13 to 16. Most of these vacancies are in the Housing Planning and Delivery Support programme. These

posts remain vacant because the securing of additional office accommodation was delayed. Additional office accommodation has been secured toward the latter half of 2010/11.

The ratio of support staff to line function staff is 1:1.3. The ratio of consultants to department personnel is 1:4.

Departmental receipts

Revenue is mainly derived from the recovery of old debt from previous financial years and commission on insurance. Departmental receipts have increased from R675 000 in 2007/08 to R1.2 million in 2010/11, at an average annual rate of 20.6 per cent. Receipts are expected to decrease to R600 000 over the medium term, at an average annual rate of 20.4 per cent, due to a projected decrease in transactions in financial assets and liabilities.

Table 31.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts	675	2 392	749	1 184	1 184	540	567	597
Sales of goods and services produced by department	137	72	90	154	154	163	171	180
Sales of scrap, waste, arms and other used current goods	-	2	1	-	-	-	-	-
Interest, dividends and rent on land	43	246	46	49	49	52	55	58
Sales of capital assets	213	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	282	2 072	612	981	981	325	341	359
Total	675	2 392	749	1 184	1 184	540	567	597

Programme 1: Administration

Expenditure estimates

Table 31.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Ministry ¹	28 225	39 408	32 760	34 885	27 880	29 104	30 750
Management	18 118	29 327	27 326	54 249	89 728	87 380	90 959
Corporate Services	48 161	49 676	49 687	98 342	85 059	89 140	96 280
Office Accommodation	8 033	10 212	4 076	24 521	29 768	32 756	34 403
Total	102 537	128 623	113 849	211 997	232 435	238 380	252 392
Change to 2010 Budget estimate				35 822	50 017	47 465	50 977

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

	99 314	121 595	109 536	198 017	230 556	236 407	250 311
Current payments							
Compensation of employees	43 293	46 046	55 146	93 119	88 162	91 911	96 566
Goods and services	56 021	75 479	54 274	104 713	142 224	144 326	153 575
<i>of which:</i>							
Administrative fees	-	-	18	585	144	152	166
Advertising	1 871	928	727	1 979	4 983	5 225	5 655
Assets less than the capitalisation threshold	832	1 426	459	1 450	1 232	1 284	1 354
Bursaries: Employees	72	108	217	994	2 121	2 227	2 339
Catering: Departmental activities	-	253	220	1 068	1 186	1 237	1 306
Communication	3 111	3 883	4 676	3 937	3 991	4 165	4 393

Table 31.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
<i>Computer services</i>	1 319	14 583	4 066	4 845	5 078	5 397	5 694
<i>Consultants and professional services: Business and advisory services</i>	14 062	1 164	15 223	24 210	56 004	52 213	53 645
<i>Consultants and professional services: Legal costs</i>	1 040	975	2 081	3 318	2 379	2 482	2 618
<i>Contractors</i>	7 136	2 206	1 118	1 876	695	725	765
<i>Agency and support / outsourced services</i>	91	8 162	1 506	2 071	1 078	1 124	1 454
<i>Entertainment</i>	194	236	142	395	612	638	673
<i>Inventory: Food and food supplies</i>	941	20	61	133	114	119	126
<i>Inventory: Fuel, oil and gas</i>	97	252	214	532	602	627	662
<i>Inventory: Learner and teacher support material</i>	-	33	18	118	119	125	132
<i>Inventory: Materials and supplies</i>	-	-	-	10	-	-	-
<i>Inventory: Medical supplies</i>	3	-	-	-	-	-	-
<i>Inventory: Other consumables</i>	3	215	388	874	704	734	775
<i>Inventory: Stationery and printing</i>	924	1 039	1 193	2 216	2 124	2 217	2 338
<i>Lease payments</i>	8 778	10 534	5 991	28 947	34 077	37 158	39 058
<i>Property payments</i>	-	-	711	2 230	1 791	1 983	4 614
<i>Travel and subsistence</i>	13 814	26 761	12 701	14 192	13 984	14 589	15 392
<i>Training and development</i>	707	1 303	1 150	4 455	4 049	4 255	4 473
<i>Operating expenditure</i>	635	996	1 026	2 959	4 053	4 249	4 467
<i>Venues and facilities</i>	391	402	368	1 319	1 104	1 401	1 476
<i>Interest and rent on land</i>	-	70	116	185	170	170	170
Transfers and subsidies	179	160	27	-	-	-	-
Households	179	160	27	-	-	-	-
Payments for capital assets	3 044	6 868	4 136	13 980	1 879	1 973	2 081
Machinery and equipment	3 030	6 782	3 800	11 690	1 779	1 873	1 975
Software and other intangible assets	14	86	336	2 290	100	100	106
Payments for financial assets	-	-	150	-	-	-	-
Total	102 537	128 623	113 849	211 997	232 435	238 380	252 392
Details of transfers and subsidies							
Households							
Households other transfers							
Current	179	160	27	-	-	-	-
Other transfers to households	179	160	27	-	-	-	-

Expenditure trends

Expenditure increased from R102.5 million in 2007/08 to R212.0 million in 2010/11, at an average annual rate of 27.4 per cent. The increase was as a result of increased capacity to strengthen the department's internal audit function and the appointment of the special investigating unit to investigate fraudulent activity in the allocation of housing subsidies.

Over the medium term, expenditure is expected to increase to R252.4 million in 2013/14, at an average annual rate of 6 per cent. The increase is mainly due to growth in spending on goods and services in the *Management* and *Office Accommodations* subprogrammes for additional office space to accommodate more staff and the expansion of the scope of investigations undertaken by the special investigating unit.

Administrative expenditure such as employee bursaries and training and development for the department is centralised in this programme.

Programme 2: Housing Policy, Research and Monitoring

- *Management* provides leadership and strategic support to the programme.
- *Policy Development* develops human settlements and housing policies and provides policy formulation and interpretation assistance to stakeholders in the human settlements sector. This subprogramme has a staff complement of 18 and a total budget of R10.2 million for 2011/12, of which 83.9 per cent will be used for compensation of employees. The subprogramme's focus over the medium term will be to align policy with the broader human settlements mandate and adjust the norms and standards for residential buildings.
- *Research* initiates, undertakes and manages responsive research on integrated human settlements. This subprogramme has staff complement of 15 and a total budget of R11.2 million in 2011/12, of which 65 per cent will be used for compensation of employees. The subprogramme's focus over the medium term will be on strengthening partnerships with the National Research Foundation and the Council for Scientific and Industrial Research in setting up a centre for excellence for human settlements research.
- *Monitoring and Evaluation* monitors, evaluates and assesses the implementation, performance and impact of national human settlements policies and programmes. This subprogramme has a staff complement of 26 and a total budget of R15.5 million in 2011/12, of which 76 per cent will be used for compensation of employees. In 2010/11, a new monitoring and evaluation framework was developed and will be implemented in 2011/12.

Objectives and measures

- Promote sustainable human settlements by developing and maintaining human settlements and housing policies and guidelines that meet best practice benchmarks and that direct the various housing subsidy programmes.
- Ensure that policies are responsive to subsidy beneficiaries through periodic impact assessments that measure household welfare.
- Ensure that policies are responsive by producing research reports and programme determinations per year over the medium term through continuous research, programme reviews and evaluations, measured by the number of research reports and best practice determinations on an ongoing basis.

Expenditure estimates

Table 31.5 Housing Policy, Research and Monitoring

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management	1 953	1 978	1 678	2 619	2 309	2 483	2 670
Policy Development	7 493	6 442	7 331	10 241	10 191	10 652	11 198
Research	5 754	5 636	5 164	15 422	11 232	11 769	12 773
Monitoring and Evaluation	6 822	12 143	30 798	19 404	15 483	21 729	17 394
Total	22 022	26 199	44 971	47 686	39 215	46 633	44 035
Change to 2010 Budget estimate				1 779	(8 953)	(4 177)	(9 570)
Economic classification							
Current payments	21 689	25 662	44 649	47 259	38 960	46 218	43 745
Compensation of employees	12 577	13 573	16 810	27 163	29 852	31 124	32 700
Goods and services	9 112	12 047	27 805	20 046	9 048	15 034	10 985
<i>of which:</i>							
Administrative fees	-	-	6	138	21	28	35
Advertising	1	359	461	619	460	487	505
Assets less than the capitalisation threshold	146	150	52	659	209	221	234
Bursaries: Employees	114	41	75	455	-	-	-
Catering: Departmental activities	255	56	75	256	222	234	248
Communication	785	330	304	669	672	710	749

Table 31.5 Housing Policy, Research and Monitoring (continued)

R thousand	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Economic classification							
Computer services	22	12	37	-	-	-	-
Consultants and professional services: Business and advisory services	3 419	5 722	15 444	8 332	446	5 356	495
Contractors	1	14	14	149	323	342	361
Agency and support / outsourced services	-	1 440	7 145	2 388	1 122	1 189	1 131
Entertainment	7	9	21	43	144	152	162
Inventory: Food and food supplies	3	1	-	25	86	90	96
Inventory: Fuel, oil and gas	-	1	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	10	10	11	11
Inventory: Materials and supplies	-	1	-	-	10	11	11
Inventory: Other consumables	1	12	2	19	25	27	28
Inventory: Stationery and printing	341	326	235	592	1 043	1 105	1 558
Lease payments	481	42	174	330	182	195	208
Property payments	-	-	-	10	10	11	11
Travel and subsistence	2 401	2 754	2 656	2 959	2 929	3 649	3 801
Training and development	107	140	106	343	-	-	-
Operating expenditure	135	78	503	931	554	601	691
Venues and facilities	893	559	495	1 119	580	615	650
Interest and rent on land	-	42	34	50	60	60	60
Transfers and subsidies	-	2	-	6	-	-	-
Households	-	2	-	6	-	-	-
Payments for capital assets	333	535	320	421	255	415	290
Machinery and equipment	245	464	320	386	255	415	290
Software and other intangible assets	88	71	-	35	-	-	-
Payments for financial assets	-	-	2	-	-	-	-
Total	22 022	26 199	44 971	47 686	39 215	46 633	44 035
Details of transfers and subsidies							
Households							
Households other transfers							
Current	-	2	-	6	-	-	-
Transfers to households	-	2	-	6	-	-	-

Expenditure trends

Spending over the medium term will focus on compensation of employees, and goods and services to strengthen the department's performance monitoring and evaluation capacity.

Between 2007/08 and 2010/11, expenditure increased from R22.0 million to R47.7 million, at an average annual rate of 29.4 per cent. This growth is mainly due to the strengthening of the monitoring and evaluation capacity, and the increased scope of research undertaken by the department.

Over the medium term, expenditure is expected to decrease to R44.0 million in 2013/14, at an average annual rate of 2.7 per cent. This decrease is mainly driven by the projected reduction in expenditure on consultants and professional services from R8.3 million in 2010/11 to R495 000 in 2013/14, due to the completion of the housing occupancy audit.

The travel and subsistence budget increases from R2.4 million in 2007/08 to R3.8 million in 2013/14, at an average annual rate of 8 per cent, due to the projected higher number of visits to housing projects and programmes across the country.

Programme 3: Housing Planning and Delivery Support

- *Management* provides leadership and strategic support to the programme
- *Programme Implementation Support* provides support to provinces and municipalities to implement housing and human settlements projects and programmes. This subprogramme has a staff complement of 20 and a total budget of R12.6 million in 2011/12, of which 10 per cent will be used for personnel and related administrative expenditure. In 2009/10, the following outputs were achieved: technical support was provided to 50 informal settlement upgrading projects; 12 stalled projects were unblocked; 3 stalled projects were closed; and an additional 12 housing projects were technically supported.
- *Rental Housing and People's Housing Process* manages the implementation of the social and rental housing programme and the people's housing process. This subprogramme has a staff complement of 19 and a total budget of R13.2 million in 2011/12, of which 67 per cent will be used for compensation of employees. This subprogramme provides advisory services to support the implementation of rental housing projects.
- *Stakeholder Mobilisation* manages relations, and mobilises and collaborates with stakeholders in the non-governmental sector. This subprogramme has a staff complement of 21 and a total budget of R13.7 million in 2011/12, of which 67 per cent will be used for compensation of employees. Over the medium term, the focus will be on designing and implementing a consumer education programme and a councillor induction programme.
- *Capacity Development* builds capacity for housing administration and delivery in municipalities and provinces, and promotes sustainable housing delivery and community empowerment. This subprogramme has a staff complement of 35 employees and a total budget of R24.5 million in 2011/12, of which 48.9 per cent will be used for compensation of employees. The subprogramme maintains the institutional capabilities development programme, implements the scholarship programme, manages the intake of 20 human settlements officials in the certificate programme on human settlements, and conducts capacity audits of provincial departments of human settlements.
- *Priority Projects Facilitation* is responsible for managing priority housing and human settlement projects nationally. This subprogramme has a staff complement of 10 and a total budget of R9.9 million in 2011/12, of which 100 per cent will be used for compensation of employees and other personnel related costs.
- *Human Settlement Planning* is responsible for managing human settlements planning processes and supporting the implementation of human settlements and housing development frameworks. This subprogramme has a staff complement of 25 and a total budget of R12.4 million in 2011/12, of which 68.2 per cent will be used for compensation of employees. Over the medium term, the focus will be on reviewing the guidelines for human settlements planning and design, and amending the framework for provincial human settlements planning.
- *Sanitation Services* promotes universal access to sanitation services by facilitating, coordinating and managing the sanitation programme. This function shifted from the Department of Water Affairs in 2010/11 and implements the rural household sanitation programme. This subprogramme has a staff complement of 97 and a budget of R65.9 million in 2011/12, of which 53.7 per cent will be used for compensation of employees. Over the medium term and beyond, the focus will be on revising the 2001 White Paper on Basic Household Sanitation, determining sanitation norms and standards, and implementing the free basic sanitation strategy.

Objectives and measures

- Improve multi-year human settlements development planning by:
 - assisting all provinces and, based on their accreditation status, municipalities to develop comprehensive business plans
 - aligning municipal development plans and provincial annual performance plans
 - reporting on an annual basis. In terms of the Division of Revenue Act, provinces report to the department and the department, in turn, reports to National Treasury.
- Improve the delivery rate of housing projects, including blocked projects, by providing continuous technical support to provinces and municipalities.

- Improve access to sanitation by providing continuous planning and implementation support and capacity development.
- Facilitate rental and social housing uptake and accelerate People's Housing Process programmes by providing ongoing regulatory and implementation support to provinces and non-governmental organisations to increase the delivery of rental and social housing and People's Housing Process units.
- Improve private stakeholder participation and collaboration by continuously increasing the number of joint partnerships with private stakeholders.
- Develop professional and institutional capacity to undertake roles and responsibilities at provincial and municipal levels according to standards by managing ongoing training and skills development.
- Facilitate the development of integrated human settlements by providing ongoing implementation and oversight support for priority projects to ensure that they are completed on time and that bottlenecks are speedily resolved.

Expenditure estimates

Table 31.6 Housing Planning and Delivery Support

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management	2 010	12 222	28 504	3 234	3 208	3 373	3 551
Programme Implementation Support	4 573	4 321	5 362	9 771	12 617	25 716	57 009
Rental Housing and People's Housing Process	3 346	8 386	11 480	21 050	13 233	14 538	15 374
Stakeholder Mobilisation	2 122	8 081	11 029	17 258	13 757	14 581	16 272
Capacity Development	8 685	23 438	31 503	28 007	24 468	25 792	27 474
Priority Projects Facilitation	4 383	4 437	3 896	10 607	9 947	10 539	11 089
Human Settlement Planning	2 136	6 399	6 815	12 177	12 492	13 057	13 725
Sanitation Services	25 187	27 309	41 895	123 117	66 441	70 924	79 279
Total	52 442	94 593	140 484	225 221	156 163	178 520	223 773
Change to 2010 Budget estimate				18 390	(17 262)	(4 814)	30 356
Economic classification							
Current payments	51 100	90 701	132 344	166 286	151 507	173 811	218 806
Compensation of employees	17 695	30 225	39 370	78 833	93 801	97 767	102 718
Goods and services	33 405	60 462	92 934	87 453	57 556	75 894	115 938
<i>of which:</i>							
<i>Administrative fees</i>	-	-	-	289	28	35	39
<i>Advertising</i>	130	2 464	6 466	7 690	2 120	2 564	2 892
<i>Assets less than the capitalisation threshold</i>	142	205	325	1 159	1 219	1 431	1 580
<i>Audit cost: External</i>	-	-	-	100	116	123	130
<i>Bursaries: Employees</i>	49	78	307	756	-	-	-
<i>Catering: Departmental activities</i>	66	177	508	983	657	697	735
<i>Communication</i>	420	533	729	3 446	3 572	3 939	4 144
<i>Computer services</i>	208	133	73	5 663	238	253	266
<i>Consultants and professional services: Business and advisory services</i>	16 299	17 543	23 889	16 248	8 548	9 086	10 530
<i>Consultants and professional services: Infrastructure and planning</i>	-	-	-	-	-	12 500	43 000
<i>Contractors</i>	3	42	379	881	9 551	11 114	14 176
<i>Agency and support / outsourced services</i>	10 182	13 843	22 169	3 740	1 375	1 461	1 543
<i>Entertainment</i>	4	20	20	214	250	264	278
<i>Inventory: Food and food supplies</i>	3	2	1	75	75	81	84
<i>Inventory: Fuel, oil and gas</i>	-	3	36	61	59	63	66

Table 31.6 Housing Planning and Delivery Support (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
<i>Inventory: Materials and supplies</i>	-	1	-	-	-	-	-
<i>Inventory: Other consumables</i>	1	16	300	905	240	254	315
<i>Inventory: Stationery and printing</i>	128	746	1 133	3 356	2 790	2 954	3 111
<i>Lease payments</i>	21	272	217	2 610	1 511	1 612	1 813
<i>Property payments</i>	-	29	1	5 000	-	-	-
<i>Travel and subsistence</i>	4 526	22 018	29 595	20 922	20 020	21 826	23 133
<i>Training and development</i>	177	398	639	2 827	-	-	-
<i>Operating expenditure</i>	59	323	582	6 057	2 918	3 229	5 561
<i>Venues and facilities</i>	987	1 616	5 565	4 471	2 269	2 408	2 542
Interest and rent on land	-	14	40	-	150	150	150
Transfers and subsidies	523	2 411	7 017	4 000	4 000	4 000	4 220
Households	523	2 411	7 017	4 000	4 000	4 000	4 220
Payments for capital assets	819	1 481	1 103	54 935	656	709	747
Buildings and other fixed structures	380	198	-	53 060	-	-	-
Machinery and equipment	438	1 235	1 103	1 850	631	683	720
Software and other intangible assets	1	48	-	25	25	26	27
Payments for financial assets	-	-	20	-	-	-	-
Total	52 442	94 593	140 484	225 221	156 163	178 520	223 773
Details of transfers and subsidies							
Households							
Households social benefits							
Current	3	5	5	-	-	-	-
Households: Social benefits	3	5	5	-	-	-	-
Households other transfers							
Current	520	2 406	7 012	4 000	4 000	4 000	4 220
Transfer to households	-	57	24	-	-	-	-
Scholarship programme non employees	520	2 349	6 988	4 000	4 000	4 000	4 220

Expenditure trends

Programme spending over the medium term will focus on the support for implementing informal settlement upgrading through the national upgrading support programme.

Spending between 2007/08 and 2010/11 increased significantly from R52.4 million to R225.2 million, at an average annual rate of 62.6 per cent. The growth was due to the direct implementation support the department provided to provinces and municipalities on priority projects, which resulted in spending in the *Priority Projects Facilitation* subprogramme increasing from R4.4 million in 2007/08 to R10.6 million in 2010/11, at an average annual rate of 34.1 per cent. Expenditure in the *Sanitation Services* subprogramme increased from R25.2 million in 2007/08 to R123.1 million in 2010/11, at an average annual rate of 69.7 per cent, due to the implementation of the rural household sanitation programme, which started in 2010/11.

Over the medium term, expenditure is expected to decrease marginally to R223.8 million, at an average annual rate of 0.2 per cent. In addition to efficiency savings measures implemented in the programme, the reduction in expenditure relates primarily to the once-off special project support in the *Sanitation Services* subprogramme for the access acceleration project. As a result, expenditure in this subprogramme is expected to decrease from R123.1 million in 2010/11 to R79.3 million in 2013/14, at an average annual rate of 13.6 per cent.

Programme 4: Housing Development Finance

- *Management* provides leadership and strategic support to the programme.
- *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. This subprogramme has a staff complement of 121 and a total budget of R55.1 million in 2011/12, of which 71.3 per cent will be used for compensation of employees.
- *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. This subprogramme has a staff complement of 17 and a total budget of 10.1 million in 2011/12, of which 73.5 per cent will be used for compensation of employees. In 2010/11, the unit produced a report on lending practices of banks in terms of the Home Loan Mortgage and Disclosure Act (2000).
- *Human Settlements 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.
- *Rural Households Infrastructure Grant* reflects the indirect conditional grant allocation for household infrastructure in rural areas for on-site water and sanitation solutions.
- *Urban Settlements Development Grant* reflects the conditional grant to municipalities for infrastructure to support the upgrading of informal settlements in metropolitan municipalities.

Objectives and measures

- Improve access to end user finance by collaborating with the financial sector to develop mechanisms to increase market penetration by providing loans to households, 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 settlements 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 sound financial management by maintaining ongoing controls and systems, measured by compliance with regulations and established practices.

Expenditure estimates

Table 31.7 Housing Development Finance

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand				2010/11			
Management	2 390	2 293	2 389	2 944	2 804	2 979	3 157
Financial and Funds Management	19 508	26 140	29 334	45 840	55 101	56 949	55 946
Housing Equity	6 170	10 665	9 686	12 655	10 137	10 905	11 768
Human Settlements Development Grant	6 988 513	8 727 582	10 669 252	12 898 312	14 941 516	15 599 437	16 457 408
Contributions	77 166	227 739	352 613	312 193	487 091	694 027	774 955
Rural Households Infrastructure Grant	–	–	–	100 000	231 500	479 500	517 250
Housing Disaster Relief Grant	–	–	150 000	133 800	–	–	–
Backlogs in Water and Sanitation at Schools and Clinics Grant	104 635	199 859	350 000	–	–	–	–
Urban Settlements Development Grant	2 948 250	3 572 377	4 418 189	5 157 613	6 266 998	7 409 512	8 126 805
Total	10 146 632	12 766 655	15 981 463	18 663 357	21 995 147	24 253 309	25 947 289
Change to 2010 Budget estimate				51 069	471 220	853 851	1 260 860

Table 31.7 Housing Development Finance (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
Current payments	27 762	38 534	41 024	60 132	67 453	70 182	70 216
Compensation of employees	11 853	16 695	23 263	34 996	48 371	49 763	50 426
Goods and services	15 909	21 792	17 736	25 086	19 042	20 379	19 750
<i>of which:</i>							
Administrative fees	36	55	31	274	54	59	69
Advertising	179	1 174	115	411	333	348	368
Assets less than the capitalisation threshold	126	169	207	866	836	872	867
Audit cost: External	4 320	4 592	5 185	6 643	6 873	7 353	7 758
Bursaries: Employees	37	44	100	241	-	-	-
Catering: Departmental activities	-	176	59	222	229	239	253
Communication	364	333	292	1 228	908	942	857
Computer services	2 453	2 519	3 330	4 977	2 314	2 421	2 554
Consultants and professional services: Business and advisory services	4 786	506	2 122	1 373	877	1 284	1 144
Contractors	51	89	10	235	241	253	266
Agency and support / outsourced services	1	3 290	448	364	271	284	299
Entertainment	1	22	16	47	59	61	53
Inventory: Food and food supplies	3	2	1	22	22	23	25
Inventory: Fuel, oil and gas	-	-	-	43	-	-	-
Inventory: Other consumables	1	4	5	26	76	78	30
Inventory: Stationery and printing	745	4 104	2 869	1 863	1 610	1 680	1 667
Lease payments	159	-	115	404	386	405	429
Property payments	-	-	2	7	7	8	8
Travel and subsistence	2 204	2 973	1 818	3 072	2 998	3 089	2 204
Training and development	42	488	163	1 455	-	-	-
Operating expenditure	125	1 097	824	725	380	394	536
Venues and facilities	276	155	24	588	568	586	363
Interest and rent on land	-	47	25	50	40	40	40
Transfers and subsidies	10 118 565	12 727 564	15 940 059	18 501 918	21 695 605	23 702 976	25 359 168
Provinces and municipalities	9 936 763	12 299 959	15 237 441	18 189 725	21 208 514	23 008 949	24 584 213
Departmental agencies and accounts	77 166	227 739	352 613	312 193	487 091	694 027	774 955
Households	104 636	199 866	350 005	-	-	-	-
Payments for capital assets	305	557	358	101 307	232 089	480 151	517 905
Buildings and other fixed structures	-	-	-	100 000	231 500	479 500	517 250
Machinery and equipment	305	557	322	1 167	589	651	655
Software and other intangible assets	-	-	36	140	-	-	-
Payments for financial assets	-	-	22	-	-	-	-
Total	10 146 632	12 766 655	15 981 463	18 663 357	21 995 147	24 253 309	25 947 289

Table 31.7 Housing Development Finance (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	77 166	227 739	352 613	179 876	260 923	266 626	220 852
Social Housing Regulatory Authority: Operational	-	-	-	54 454	19 305	21 096	22 151
Rural Housing Loan Fund	-	-	-	49 500	49 500	51 975	-
Housing Development Agency	-	-	62 650	69 300	89 100	93 555	98 701
National Housing Finance Corporation	1	-	-	-	-	-	-
National Urban Reconstruction and Housing Agency	18 993	-	3 500	1	100 000	100 000	100 000
Social Housing Foundation	15 124	217 739	262 960	6 621	3 018	-	-
Thubelisha Homes	43 048	10 000	23 503	-	-	-	-
Capital	-	-	-	132 317	226 168	427 401	554 103
Social Housing Regulatory Authority: Capital restructuring grant	-	-	-	132 317	226 168	427 401	554 103
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Capital	6 988 513	8 727 582	10 819 252	13 032 112	14 941 516	15 599 437	16 457 408
Human Settlements Development Grant	6 988 513	8 727 582	10 669 252	12 898 312	14 941 516	15 599 437	16 457 408
Housing Disaster Relief Grant	-	-	150 000	133 800	-	-	-
Households							
Households other transfers							
Current	1	7	5	-	-	-	-
Transfers to households	1	7	5	-	-	-	-
Capital	104 635	199 859	350 000	-	-	-	-
Backlogs in Water and Sanitation at Schools and Clinics Grant	104 635	199 859	350 000	-	-	-	-
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Capital	2 948 250	3 572 377	4 418 189	5 157 613	6 266 998	7 409 512	8 126 805
Urban Settlements Development Grant	2 948 250	3 572 377	4 418 189	5 157 613	6 266 998	7 409 512	8 126 805

Note: The urban settlements development grant is a new conditional grant. Historic expenditure on the grant is based on estimations of historic municipal infrastructure grant and human settlements development grant expenditure which contributes to the urban settlements development grant.

Expenditure trends

Spending over the medium term will focus on making transfers to provinces and municipalities to fund low income housing delivery and to upgrade informal settlements.

Between 2007/08 and 2010/11, expenditure increased from R10.1 billion to R18.7 billion, at an average annual rate of 22.5 per cent. The significant increase in spending relates to the *Human Settlements Development Grant* subprogramme, which increased from R7.0 billion in 2007/08 to R12.9 billion in 2010/11, at an average annual rate of 22.7 per cent, to expand the delivery of houses to poor households.

Expenditure is expected to increase from R18.7 billion in 2010/11 to R25.9 billion in 2013/14, at an average annual rate of 11.6 per cent. The increase is a result of the new urban settlements development grant to metropolitan municipalities to support infrastructure development for informal settlement upgrading. The *Rural Household Infrastructure Grant* subprogramme is expected to increase by R427.3 million over the medium term to expand the delivery of basic water and sanitation infrastructure to households in rural communities.

Programme 5: Strategic Relations and Governance

- *Management*, provides leadership and administrative support to the programme
- *Management Information Services* manages the development and implementation of integrated business solutions and data and information, and provides knowledge services. This subprogramme has a staff complement of 28 and a total budget of R66 million in 2011/12, of which 61 per cent will be used for compensation of employees.
- *Intergovernmental and International Relations* facilitates the department's participation in and management of international and intergovernmental relations. This subprogramme has a staff complement of 18 and a total budget of R19.5 million in 2011/12, of which 17 per cent will be used for compensation of employees.
- *Communications* manages communication and public relations. This subprogramme has a staff complement of 52 and a total budget of R36 million in 2011/12, of which 47 per cent will be used for compensation of employees.
- *Housing Institutions* provides oversight management of housing institutions to monitor the overall performance of housing entities, policy alignment, and legislative and regulatory compliance. This subprogramme has a staff complement of 20 and a total budget of R15 million in 2011/12, of which 60 per cent will be used for compensation of employees.
- *Strategic Management* manages and monitors the development and implementation of the departmental strategic and performance plans. This subprogramme has a staff complement of 15 and a total budget of R8 million in 2011/12, of which 86 per cent will be used for compensation of employees.
- *Transformation* develops and manages transformation programmes in compliance with the national policy framework and international human rights instruments and directives. This subprogramme has a staff complement of 12 and a total budget of R69 million in 2011/12, of which 83 per cent will be used for compensation of employees.
- *Contributions* makes contributions to the housing institutions and the Habitat Foundation to support the work of the United Nations Human Settlements Programme.

Objectives and measures

- Oversee the management of housing institutions by monitoring performance and corporate planning and by overseeing policy and governance, 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 housing and human settlements databases, measured by the availability of accurate information, data and solutions.
- Ensure an integrated communication service through the release of 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 organisational planning and performance monitoring support by managing the development of the departmental strategic and performance plans and by monitoring the implementation of these plans.

Expenditure estimates

Table 31.8 Strategic Relations and Governance

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Management	1 163	2 727	2 693	4 148	2 685	2 788	2 934
Management Information Services	48 087	55 594	58 805	56 757	65 963	68 884	104 169
Intergovernmental and International Relations	56 643	55 603	7 660	15 370	19 547	16 045	22 564
Communications	60 947	116 119	38 315	41 825	36 063	41 701	47 303
Housing Institutions	3 981	15 212	8 967	23 420	15 263	12 169	12 799

Table 31.8 Strategic Relations and Governance (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Strategic Management	2 098	2 879	3 880	8 472	8 112	8 446	8 880
Transformation	5 830	4 412	5 589	6 668	6 902	7 182	7 551
Contributions	606	845	745	1 000	1 000	1 000	1 050
Total	179 355	253 391	126 654	157 660	155 535	158 215	207 250
Change to 2010 Budget estimate				(16 782)	(24 576)	(28 954)	9 787
Economic classification							
Current payments	177 300	249 758	124 971	155 228	153 728	156 379	205 317
Compensation of employees	18 054	27 670	32 268	54 895	58 818	61 325	64 431
Goods and services	159 246	221 996	92 668	100 133	94 800	94 944	140 776
<i>of which:</i>							
<i>Administrative fees</i>	-	8	21	341	37	36	46
<i>Advertising</i>	44 345	95 520	16 566	13 705	11 441	14 900	17 335
<i>Assets less than the capitalisation threshold</i>	232	360	328	902	700	725	763
<i>Bursaries: Employees</i>	70	177	97	784	-	-	-
<i>Catering: Departmental activities</i>	-	2 020	3 022	541	421	435	458
<i>Communication</i>	786	939	712	1 403	1 172	1 210	1 278
<i>Computer services</i>	35 090	44 604	50 989	41 408	50 494	52 479	87 113
<i>Consultants and professional services: Business and advisory services</i>	64 901	52 859	5 495	20 376	11 139	4 878	11 457
<i>Consultants and professional services: Legal costs</i>	-	-	-	40	40	41	44
<i>Contractors</i>	67	1 644	191	563	16	16	17
<i>Agency and support / outsourced services</i>	-	4 009	2 171	2 190	6 288	5 464	5 683
<i>Entertainment</i>	4	20	23	173	164	169	178
<i>Inventory: Food and food supplies</i>	582	7	6	81	80	83	87
<i>Inventory: Fuel, oil and gas</i>	1	-	1	36	36	37	39
<i>Inventory: Learner and teacher support material</i>	-	-	4	135	140	144	152
<i>Inventory: Materials and supplies</i>	-	2	1	5	-	-	-
<i>Inventory: Medicine</i>	-	3	-	-	-	-	-
<i>Inventory: Other consumables</i>	10	6	63	1 044	1 136	1 173	1 237
<i>Inventory: Stationery and printing</i>	3 487	2 640	1 606	4 481	3 282	4 671	4 930
<i>Lease payments</i>	787	292	179	2 601	1 755	1 850	3 017
<i>Property payments</i>	-	23	-	14	35	36	39
<i>Travel and subsistence</i>	5 048	12 170	6 425	4 342	4 263	4 355	4 519
<i>Training and development</i>	196	541	242	1 674	-	-	-
<i>Operating expenditure</i>	696	573	616	1 511	1 274	1 327	1 421
<i>Venues and facilities</i>	2 944	3 579	3 910	1 783	887	915	963
<i>Interest and rent on land</i>	-	92	35	200	110	110	110
Transfers and subsidies	606	848	911	1 000	1 000	1 000	1 050
Foreign governments and international organisations	606	845	745	1 000	1 000	1 000	1 050
Households	-	3	166	-	-	-	-
Payments for capital assets	1 449	2 785	744	1 432	807	836	883
Machinery and equipment	1 449	1 379	490	1 279	707	736	783
Software and other intangible assets	-	1 406	254	153	100	100	100
Payments for financial assets	-	-	28	-	-	-	-
Total	179 355	253 391	126 654	157 660	155 535	158 215	207 250

Table 31.8 Strategic Relations and Governance (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Foreign governments and international organisations							
Current	606	845	745	1 000	1 000	1 000	1 050
Habitat Foundation	606	845	745	1 000	1 000	1 000	1 050
Households							
Households other transfers							
Current	-	3	166	-	-	-	-
Transfer to households	-	3	166	-	-	-	-

Expenditure trends

Spending over the medium term will focus on capacity development for accreditation and upgrading the housing subsidy system, which provides a programme and subsidy administration platform to provinces and municipalities.

Expenditure decreased from R179.4 million in 2007/08 to R157.7 million in 2010/11, at an average annual rate of 4.2 per cent. The decrease was due to reduced expenditure on advertising in the *Communications* subprogramme.

Expenditure is expected to increase to R207.3 million over the medium term, at an average annual rate of 9.5 per cent. This is mainly due to an increase in projected expenditure in the *Management Information Services* subprogramme to upgrade the housing subsidy system. As a result, expenditure on computer services is expected to increase from R41.4 million in 2010/11 to R87.1 million in 2013/14, at an average annual rate of 28.1 per cent.

Between 2010/11 and 2013/14, further expenditure growth is expected in the *Intergovernmental and International Relations* subprogramme to provide for capacity development to support the accreditation of municipalities.

Public entities and other agencies

National Home Builders Registration Council

Strategic overview 2007/08 – 2013/14

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 and to regulate the home building environment by promoting innovative home building technologies, setting home building standards and improving the capabilities of home builders.

The council provides training and capacity building to promote and ensure compliance with technical standards in the home building environment. The council is currently reviewing the Housing Consumers Protection Measures Act (1998) to address any misalignment with other legislative prescripts, such as the Public Finance Management Act (1999) and the Consumer Protection Act (2008), and their potential impact on the council's business.

Over the medium term, the training of home builders, specifically emerging builders, the unemployed, the youth, women and people with disabilities, remain 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.

Savings and cost effectiveness measure

The council has identified savings over the medium term by implementing cost effectiveness measures to reduce operational expenditure. The specific measures include: outsourcing the non-subsidy inspection process to link inspection costs to the number of inspections performed rather than being a fixed cost; increasing the number of

interdicts issued for section 10 and section 14 violations from 10 per cent to 100 per cent, which will result in the cost of legal settlements being reduced by an estimated R2.0 million per year; filling only critical positions over the medium term; and implementing a train-the-trainer initiative to minimise training and travelling expenses.

Selected performance indicators

Table 31.9 National Home Builders Registration Council

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of new builders registered per year	-	3 628	4 820	3 616	3 000	2 500	2 800	3 100
Number of builders membership renewed	-	12 390	12 390	10 366	10 366	13 000	14 000	15 400
Number of home enrolments in the non-subsidy market per year	-	80 239	78 568	26 848	26 043	40 000	44 000	32 000
Number of late enrolments per year	-	4 132	4 583	2 130	1 295	4 000	4 400	4 800
Number of project subsidy enrolments per year	-	77 560	124 190	24 564	56 200	90 000	120 000	90 000
Number of home enrolments in the subsidy markets per year	-	69 616	100 000	41 616	94 000	60 000	80 000	70 000
Number of inspections per year	-	738 001	435 336	237 400	270 693	300 000	320 000	320 000
Number of conciliations per year	-	2 824	3 400	500	550	605	666	720
Number of builders suspended per year	-	645	800	400	500	550	650	700
Number of builders deregistered per year	-	-	155	-	-	-	-	-

Details of programmes/activities/objectives

Table 31.10 National Home Builders Registration Council

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Risk mitigation expenses (Non-subsidy)	60 167	111 879	99 384	77 578	83 006	88 817	91 291
Marketing Expenses	7 408	7 213	11 258	26 640	7 920	8 474	9 068
Training of emerging contractors	15 897	13 736	32 831	12 000	-	37 000	37 000
Risk mitigation expenses (Subsidy)	-	-	-	46 085	49 310	52 763	56 456
Forensic investigation and rectification	19 284	33 781	30 650	7 765	8 309	8 890	9 512
Other Objectives	206 013	245 359	287 909	327 122	350 256	376 020	404 274
Total expense	308 769	411 968	462 032	497 190	498 801	571 964	607 601

The council focuses on: providing emerging home builders with management and financial training; providing construction project management training; skills training in homebuilding; and minimising risk exposure through training. In 2011/12, the rate of home building is anticipated to improve marginally due to the economic recovery from the global downturn. The number of home enrolments in the non-subsidy sector is expected to increase by 54 per cent, from 26 043 actual enrolments in 2010/11 to 40 000 in 2011/12. The number of home enrolments in the subsidy sector is expected to decline by 36.2 per cent, from 94 000 units in 2010/11 to 60 000 units in 2011/12. The number of inspections is expected to increase by 10.8 per cent per cent, from 270 693 in 2010/11 to 300 000 in 2011/12.

Expenditure estimates

Table 31.11 National Home Builders Registration Council

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	777 280	825 999	725 553	568 647	608 452	651 045	696 764
Sale of goods and services other than capital assets	591 371	583 471	458 770	329 004	352 034	376 677	403 190

Table 31.11 National Home Builders Registration Council (continued)

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Statement of financial performance							
<i>of which:</i>							
<i>Sales by market establishments</i>	591 371	583 471	458 770	329 004	352 034	376 677	403 190
<i>Other non-tax revenue</i>	185 909	242 528	266 783	239 643	256 418	274 368	293 573
Total revenue	777 280	825 999	725 553	568 647	608 452	651 045	696 764
Expenses							
Current expense	308 769	411 967	462 032	494 061	495 421	568 314	603 659
Compensation of employees	127 876	134 024	147 724	183 261	201 021	220 500	241 883
Goods and services	175 061	257 894	295 996	290 320	271 287	327 246	351 734
Depreciation	5 676	20 030	18 303	20 480	23 114	20 568	10 042
Interest, dividends and rent on land	156	20	9	-	-	-	-
Transfers and subsidies	-	-	-	3 129	3 380	3 650	3 942
Total expenses	308 769	411 967	462 032	497 190	498 801	571 964	607 601
Surplus / (Deficit)	468 511	414 032	263 521	71 458	109 651	79 081	89 162
Statement of financial position							
Carrying value of assets	83 426	80 926	72 313	61 524	46 661	34 843	34 051
<i>of which: Acquisition of assets</i>	53 284	17 543	10 887	9 691	8 250	8 750	9 250
Investments	2 437 072	2 778 683	2 934 899	3 162 675	3 321 196	3 459 743	3 701 925
Inventory	340	308	99	330	353	378	404
Receivables and prepayments	12 883	87 735	84 268	12 497	13 372	14 308	15 310
Cash and cash equivalents	72 843	27 085	30 665	3 054	3 057	3 061	3 275
Total assets	2 606 564	2 974 736	3 122 245	3 240 080	3 384 639	3 512 333	3 754 965
Accumulated surplus/deficit	1 402 308	1 831 009	2 091 410	2 228 930	2 375 747	2 494 809	2 666 214
Capital and reserves	37 206	107 718	109 793	102 147	99 147	99 147	106 087
Trade and other payables	184 253	187 031	97 983	55 025	55 767	64 399	68 907
Provisions	982 797	848 978	823 058	853 978	853 978	853 978	913 756
Total equity and liabilities	2 606 564	2 974 736	3 122 245	3 240 080	3 384 639	3 512 333	3 754 965

Expenditure trends

The council generates revenue from registration and renewal fees paid by home builders and from home enrolment fees from housing consumers. Total revenue decreased from R777.3 million in 2007/08 to R568.6 million in 2010/11, at an average annual rate of 9.9 per cent. This decrease relates to the decrease in the number of builders registered and homes enrolled as a result of adverse economic conditions in 2008 and 2009. Over the MTEF period, revenue is expected to increase to R696.8 million, at an average annual rate of 7 per cent, due to an anticipated recovery in the economy.

Expenditure increased from R308.8 million in 2007/08 to R497.2 million in 2010/11, at an average annual rate of 17.2 per cent. Expenditure is expected to increase to R607.6 million over the medium term, at an average annual rate of 6.9 per cent.

Outsourced inspection services are expected to increase at an average annual rate of 7 per cent between 2010/11 and 2013/14, as the number of homes enrolled increases. Spending on training and staff development is expected to increase from R4.0 million to R4.5 million over the medium term and reflects the continuation and conclusion of the restructuring process. Expenditure on emerging contractors is expected to increase from R12.0 million in 2010/11 to R37.0 million in 2013/14, as a result of increased support to builders in this segment of the housing construction market. Advertising expenditure is expected to decrease from R24.1 million in 2010/11 to R6.4 million in 2013/14, as an efficiency savings measure.

Personnel information

The council has a staff complement of 417, with 7 vacant positions as at 30 September 2010. The establishment is expected to grow to 421 positions in 2013/14, of which 84.2 per cent of posts are occupied by professional staff.

National Housing Finance Corporation

Strategic overview 2007/08 – 2013/14

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 mandated to facilitate interventions supporting bank lending in the housing target market. The corporation operates as a wholesale intermediary and acts as a fund and risk manager, managing proactive programmes aimed at building institutional and financial capacity at the retail level and mobilising funds into the housing process.

The corporation disburses its funds through wholesale and commercial business units. The retail business, which was introduced in 2008/09, has since been discontinued and the corporation will concentrate on fulfilling its existing obligations in 2011/12.

Going forward, the core business will be refocused to facilitate increased and sustained lending and contribution by the private sector. The refocusing will reprioritise its business initiatives as follows: 60 per cent towards facilitation activities aimed at optimally leveraging private sector contributions, and 40 per cent towards traditional wholesale lending and project finance activities.

Savings and cost effectiveness measure

The corporation has identified savings over the medium term in operating expenditure through a proactive management approach.

Selected performance indicators

Table 31.12 National Housing Finance Corporation

Indicator	Programme/ Activity	Past			Current 2010/11	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Number of ownership, private rental, social rental and affordable housing opportunities created per year	Projects	5 552	11 718	7 869	5 601	10 424	11 098	12 209
Number of mortgaged housing opportunities created per year	Retail Finance	-	20	675	704	67	-	-
Number of incremental housing opportunities created through the financial intermediaries per year	Commercial products	7 576	3 145	2 616	8 036	8 917	11 038	13 759
Provision for impairments on gross advances (percentage) per year	All	6	5	9	8	8	8	8
Total operating expenditure to total income (percentage) per year	All	48	37	41	55	63	49	43
Total operating expenditure to total lending income (percentage) per year	All	116	94	93	83	66	43	33

Details of programmes/activities/objectives

Projects establishes partnerships with provinces, municipalities, developers, and housing and financial institutions to develop sustainable funding programmes that address the shortage of affordable housing for low income earners.

Commercial provides funding through intermediaries for incremental housing and home ownership. A revised business model will be developed to increase the number of intermediaries with capacity.

Expenditure estimates

Table 31.13 National Housing Finance Corporation

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	231 641	278 683	312 558	276 458	320 273	690 388	723 333
Sale of goods and services other than capital assets	-	7 033	61 176	62 256	76 807	330 433	201 750
<i>of which:</i>							
<i>Sales by market establishments</i>	-	7 033	61 176	62 256	76 807	330 433	201 750
<i>Other non-tax revenue</i>	231 641	271 650	251 381	214 202	243 466	359 955	521 583
Transfers received	-	-	-	-	1	1	-
Total revenue	231 641	278 683	312 558	276 458	320 274	690 389	723 333
Expenses							
Current expense	125 544	128 186	239 397	221 337	260 204	594 876	591 071
Compensation of employees	34 926	41 290	47 608	70 861	84 997	87 340	92 614
Goods and services	90 004	83 996	189 842	144 524	139 794	396 054	292 644
Depreciation	614	841	932	3 201	3 717	4 726	4 541
Interest, dividends and rent on land	-	2 059	1 014	2 750	31 695	106 755	201 272
Total expenses	171 041	170 673	255 012	234 785	272 129	621 014	627 801
Surplus / (Deficit)	60 600	108 010	57 546	41 673	48 145	69 374	95 532
Statement of financial position							
Carrying value of assets	1 213	1 489	1 856	7 732	11 779	7 652	3 220
<i>of which: Acquisition of assets</i>	903	1 117	1 332	9 077	7 763	600	108
Investments	1 393 838	1 236 435	1 074 503	759 711	1 049 554	776 853	959 042
Inventory	-	57 851	54 334	71 202	64 702	34 416	29 416
Loans	935 182	1 053 790	1 333 359	1 924 161	2 289 600	3 000 494	3 926 412
Receivables and prepayments	11 220	85 713	93 808	70 800	87 611	121 263	156 739
Cash and cash equivalents	217 917	276 845	262 984	164 843	237 350	183 505	224 210
Assets not classified elsewhere	34 050	46 657	64 805	78 017	77 304	187 435	189 131
Total assets	2 593 420	2 758 780	2 885 649	3 076 466	3 817 899	4 311 618	5 488 170
Accumulated surplus/deficit	965 769	1 078 810	1 136 356	1 178 029	1 226 174	1 296 214	1 395 142
Capital and reserves	1 080 000	1 080 000	1 080 000	1 080 000	1 080 000	1 080 000	1 080 000
Borrowings	-	16 888	16 234	208 405	971 705	1 436 282	2 442 900
Trade and other payables	20 705	37 315	23 234	12 245	12 115	14 884	13 689
Provisions	10 465	14 506	14 047	6 129	6 166	6 889	7 965
Managed funds	496 338	521 192	615 778	591 659	521 738	477 350	548 474
Liabilities not classified elsewhere	20 143	10 069	-	-	-	-	-
Total equity and liabilities	2 593 420	2 758 780	2 885 649	3 076 466	3 817 899	4 311 618	5 488 170

Expenditure trends

Revenue mainly consists of interest earned on loan disbursements and interest from investments. Total revenue increased from R231.6 million in 2007/08 to R276.5 million in 2010/11, at an average annual rate of 6.1 per cent. Revenue is expected to increase to R723.3 million over the medium term, at an average annual rate of 37.8 per cent. The increase in both periods is as a result of an increased target for loan disbursements, which is expected to result in an increase in interest earned.

Expenditure increased from R171.0 million in 2007/08 to R234.8 million in 2010/11, at an average annual rate of 11.1 per cent and is expected to increase to R627.8 million over the medium term, at an average annual rate of 38.8 per cent. The significant growth over the medium term is mainly due to an increase in operating expenditure of 31 per cent in 2012/13 to provide for outsourced services necessitated by changes in business requirements.

The corporation is budgeting for a profit after tax of R48.1 million for 2011/12. This is 16 per cent higher than the forecast for 2010/11. The change in the budget and medium term forecast for 2012/13 and 2013/14 reflects the impact of an expected decrease in the interest rates, borrowing costs, increased level of disbursements and profits from the Cape Town Community Housing Company.

Personnel information

The corporation has a staff complement of 96 posts of which 9 are at board level. As at 30 September 2010, there are 8 vacancies, one of which is at board level and which is expected to be filled in 2010/11. The vacancies remain as the entity will only be filling key positions.

Housing Development Agency

Strategic overview 2007/08 – 2013/14

The Housing Development Agency was established in terms of the Housing Development Agency Act (2008) and began operations in 2009. The institution is mandated to identify, acquire, hold, develop and release state and privately owned land for residential and community purposes and for the creation of sustainable human settlements.

The agency is required to facilitate the acquisition of land in a way that supplements the capacities of government across all spheres. It also provides project management expertise in human settlements projects and facilitates the development of projects through accelerated and innovative project packaging.

The strategic priorities of the agency between 2010/11 and 2013/14 are to build and maintain intergovernmental relations, define and map priority housing development areas, identify and acquire suitable land, special project management, and develop a spatial and management information system.

Savings and cost effectiveness measures

The agency has identified savings over the medium term as a result of control measures. The measures include: requiring that all staff travel on economy class and limiting accommodation and rental car costs, holding workshops on company premises, using own staff as facilitators instead of hiring consultants, and using in-house legal staff where possible.

Selected performance indicators

Table 31.14 Housing Development Agency

Indicator	Programme/Activity	Past			Current 2010/11	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Hectares of public land and property identified for release for human settlements development per year	Land acquisition and management	-	-	-	-	3 000	3 000	3 000
Number of land and property portions acquired per year	Land acquisition and management	-	-	-	90	45	55	90
Number of intergovernmental relations protocols established and implemented per year	All programmes	-	-	4	15	15	15	15
Percentage of state housing subsidy investments (housing grant) directed towards Housing Development Agency projects	Land acquisition and management	-	-	5	10	-	-	-
Number of sustainable human settlements projects supported per year	Projects and programmes management	-	-	-	-	20	50	70
Number of provinces and municipalities supported with planning for human settlements per year	Projects and programmes management	-	-	12	20	-	-	-

Details of programmes/activities/objectives

Table 31.15 Housing Development Agency

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Finance management and administration	-	-	17 549	28 748	35 739	36 171	38 003
Intergovernmental Relations and Stakeholder Management	-	-	4 545	-	-	-	-
Land Acquisition and Management	-	-	3 898	21 215	34 029	34 448	35 964
Projects and Programmes Management	-	-	17 844	20 903	21 053	24 925	26 855
Total expense	-	-	43 836	70 866	90 821	95 545	100 822

Strategic Management, Finance and Administration provides overall organisational support services for efficiency, quality, effective delivery and professional service. This programme has a total budget of R35.7 million in 2011/12, which will be used for compensation of employees and other personnel related costs.

Land and Acquisitions Management coordinates the integrated national land and landed property inventory to facilitate the release of land for sustainable community development. The programme has a budget of R34 million in 2011/12, which is used for personnel and related administrative expenditure.

Projects and Programme Management promotes sustainable human settlements development through various capacity and project support services to sector stakeholders. This programme has a total budget of R21.1 million in 2011/12, which will primarily be used for compensation of employees and other personnel related costs. There are 4 projects that were identified as priority projects over the MTEF period for which the agency will facilitate land acquisition, assembly, planning, project structuring and funding: Cornubia in KwaZulu-Natal, Lephalale in Limpopo, Northern Cape informal settlements, and eradicating the housing backlog and redeveloping buildings in the Johannesburg inner city. The agency is currently finalising the business plans, to be implemented over the MTEF period, and has taken over the project management of N2 Gateway and Zanemvula from Thubelisha Homes.

Expenditure estimates

Table 31.16 Housing Development Agency

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	-	-	835	1 566	1 721	1 990	2 121
Other non-tax revenue	-	-	835	1 566	1 721	1 990	2 121
Transfers received	-	-	62 650	69 300	89 100	93 555	98 701
Total revenue	-	-	63 485	70 866	90 821	95 545	100 822
Expenses							
Current expense	-	-	43 836	70 866	90 821	95 545	100 822
Compensation of employees	-	-	19 813	27 204	49 110	56 099	60 789
Goods and services	-	-	23 501	43 071	41 081	38 775	39 319
Depreciation	-	-	522	591	630	671	714
Total expenses	-	-	43 836	70 866	90 821	95 545	100 822
Surplus / (Deficit)	-	-	19 649	-	-	-	-

Expenditure trends

The agency derives revenue from grant funding provided by the department and interest earned on cash balances. The agency's revenue is expected to increase from R70.9 million in 2010/11 to R100.8 million in 2013/14, at an average annual rate of 12.5 per cent.

Expenditure is expected to increase from R70.9 million in 2010/11 to R100.8 million in 2013/14, at an average annual rate of 12.5 per cent. This is due to increased spending on compensation of employees, which is expected

to increase from R27.2 million in 2010/11 to R60.8 million in 2013/14, at an average annual rate of 30.7 per cent, as the staff complement increases to allow the agency to deliver on its mandate. Expenditure on goods and services is expected to decrease from R43.1 million in 2010/11 to R39.3 million in 2013/14, at an average rate of 3 per cent. The decrease is mainly attributable to an expected decrease in expenditure related to project services, staff recruitment and welfare expenditure, as well as repairs and maintenance.

Personnel information

The agency employs 80 staff members. 10 posts remain vacant as a result of resignations during the year. The agency expects to be fully capacitated by March 2013.

National Urban Reconstruction and Housing Agency

Strategic overview 2007/08 – 2013/14

Established in partnership with the Open Society Institute in 1995, the National Urban Reconstruction and Housing Agency provides finance to construction projects for affordable housing, subsidy housing, community facilities and related infrastructure. As a schedule 3A public entity, the agency provides loan facilities to established and emerging contractors through intermediaries, who also provide support services to contractors.

The agency is specially geared to providing construction finance for contractors or developers who cannot easily access finance from the conventional financial institutions, by assessing the needs of each applicant, structuring the loan accordingly, and providing a comprehensive range of construction support services where necessary.

In 2009, the agency entered into a new working relationship with financial intermediaries Sebra and Tusk, to form a joint venture that draws on the strengths of all three companies and that offers better coordinated and more efficient operations. Tusk manages loans to contractors for infrastructure and community facilities, while Sebra manages loans for subsidy housing. The joint venture better positions the agency to offer clients a broad range of services that encompasses all these areas. It also gives the agency a national presence.

Over the medium term, the agency plans to develop proactive risk management tools and structures to strengthen its credit control capacity. It will develop mechanisms for the collection and analysis of market intelligence and competitor data and improve customer management. It expects to develop new programmes and products as part of its strategy to re-enter the rental market by financing contractors involved in social housing. Existing capacity will be exploited to test innovative financing schemes for projects and foster new partnerships for leveraging own funding, and managing or transferring risk.

The institution intends to borrow money at developmental rates to support emerging contractors. It aims to approach the donor community for grants and soft loans that can be blended with commercial funding to lower the lending rate to contractors. Over the MTEF period, the agency expects to develop an effective stakeholder programme to better understand its stakeholder base.

Savings and cost effectiveness measures

The agency has implemented savings measures to reduce operational expenditure. The measures include: managing bookings for accommodation and travel for business purposes in-house without the use of travel agents; booking less expensive bed and breakfast facilities for overnight accommodation rather than hotel rooms; requiring that staff members use a single vehicle when attending the same meeting; and using videoconferencing facilities for board meetings to save on travel, accommodation and related costs.

Selected performance indicators

Table 31.17 National Urban Reconstruction and Housing Agency

Indicator	Programme./Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Value of loans signed - subsidy housing and sites per year	Subsidised housing	159 476	209 444	149 485	151 177	163 271	179 599	201 150
Value of loans signed - affordable housing and sites per year	Affordable housing	12 431	53 535	240 922	160 546	115 069	126 576	141 765
Value of loans signed - infrastructure projects per year	Infrastructure and community facilities	90 162	149 881	164 407	102 250	110 430	121 473	136 050
Number of fully subsidised houses/sites completed	Subsidised housing	9 273	14 657	18 702	25 827	27 893	30 682	34 364
Number of affordable houses/sites completed per year	Affordable housing	782	182	3 652	2 684	2 899	3 189	3 571
Number of houses/sites and infrastructure completed per year	Infrastructure and community facilities	3 297	3 098	41	42	45	50	56

Details of programmes/activities/objectives

Table 31.18 National Urban Reconstruction and Housing Agency

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Subsidy housing - houses and sites completed	23 678	15 623	18 702	25 827	27 893	30 682	34 364
Affordable housing - houses and sites completed	1 749	4 535	3 652	2 684	2 899	3 189	3 571
Infrastructure and Community Facilities completed	2 014	2 743	41	42	45	50	56
Other Objectives	36 975	43 229	63 208	37 793	40 691	47 070	53 456
Total expense	64 416	66 129	85 603	66 346	71 528	80 991	91 447

The agency's operations are arranged in three programmes: the subsidised housing programme, the affordable housing programme, and the infrastructure and community facilities programme.

Expenditure estimates

Table 31.19 National Urban Reconstruction and Housing Agency

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	50 198	69 278	63 266	59 933	68 708	84 578	103 066
<i>Other non-tax revenue</i>	50 198	69 278	63 266	59 933	68 708	84 578	103 066
Transfers received	-	13 369	3 500	-	-	-	-
Total revenue	50 198	82 647	66 766	59 933	68 708	84 578	103 066
Expenses							
Current expense	64 416	66 129	85 603	66 346	71 528	80 991	91 447
Compensation of employees	19 053	23 169	25 968	23 906	26 205	27 455	28 766
Goods and services	30 103	25 158	39 134	21 245	21 001	24 962	29 576
Depreciation	424	445	528	1 053	1 559	1 657	784
Interest, dividends and rent on land	14 836	17 357	19 973	20 142	22 763	26 917	32 321
Total expenses	64 416	66 129	85 603	66 346	71 528	80 991	91 447
Surplus / (Deficit)	(14 218)	16 518	(18 837)	(6 413)	(2 820)	3 587	11 619

Table 31.19 National Urban Reconstruction and Housing Agency (continued)

Statement of financial position	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Carrying value of assets	1 046	1 371	2 603	3 683	2 893	1 605	1 191
<i>of which: Acquisition of assets</i>	532	776	1 763	1 325	770	370	370
Investments	226 280	365 302	356 575	413 452	429 718	503 292	607 525
Receivables and prepayments	265	1 254	1 109	687	386	390	395
Cash and cash equivalents	181 757	90 939	133 766	125 500	230 821	295 979	348 067
Total assets	409 348	458 866	494 053	543 322	663 818	801 266	957 178
Accumulated surplus/deficit	233 376	247 370	228 532	222 119	219 298	322 884	434 504
Capital and reserves	38 300	38 300	38 300	38 300	138 300	138 300	138 300
Borrowings	129 416	164 834	219 657	223 451	241 971	268 723	303 107
Trade and other payables	8 256	8 362	7 564	6 197	6 693	6 756	7 290
Provisions	-	-	-	53 255	57 556	64 603	73 977
Total equity and liabilities	409 348	458 866	494 053	543 322	663 818	801 266	957 178

Expenditure trends

Revenue consists mainly of interest earned on loans to construction projects as well as interest from investments. Total revenue grew from R50.2 million in 2007/08 to R59.9 million in 2010/11, at an average annual rate of 6.1 per cent. Over the medium term, revenue is expected to increase to R103.1 million in 2013/14, at an average annual rate of 19.8 per cent. The increase is mainly due to interest earned as a result of an increase in the value of loans disbursed. Investments increase from R226.3 million in 2007/08 to R413.5 million in 2010/11, due to an increase in the size of the entity's loan book.

Over the medium term, expenditure is expected to increase from R66.3 million to R91.4 million, at an average annual rate of 11.3 per cent. The increase is mainly as a result of increased expenditure on compensation of employees and interest paid.

To strengthen the entity's ability to increase its loan book, the agency will be recapitalised by R300.0 million over the MTEF period. This will allow for loan disbursements to contractors in the subsidised housing programme to increase to R201.2 million in 2013/14.

Personnel information

The staff complement for the institution is 56 posts, of which 16 are positions at board level. 20.4 per cent of the positions in the organisation are professionals.

Rural Housing Loan Fund

Strategic overview 2007/08 – 2013/14

The Rural Housing Loan Fund was established in terms of section 21 of the Companies Act (1973) as an entity incorporated not for gain, and is classified as a schedule 3A public entity in terms of the Public Finance Management Act (1999). The Rural Housing Loan Fund was incorporated in 1997 as a subsidiary to the National Housing Finance Corporation, but has existed as a separate entity since 2002.

As a wholesale lending institution, its main business is to raise money and lend it on to retail credit intermediaries to provide repeat access to housing credit to low income rural households, enabling them to improve their housing conditions and to meet their housing needs on an incremental basis.

Between 2007/08 and 2010/11, the strategic focus was to grow business volumes by expanding the number of intermediaries funded and by providing technical support to struggling clients.

Over the medium term, the fund will focus on broadening and deepening the reach of rural housing finance and credit affordability. The institution intends to continue to support and maintain its existing portfolio of intermediaries through structured disbursements and to expand its footprint into deep rural areas by providing wholesale loans to alternative community based organisations.

Savings and cost effectiveness measures

The fund has identified savings over the medium term by closely monitoring operational expenditure. The specific measures implemented to realise the cost savings include: making travel and accommodation bookings in-house without the use of travel agents, booking more affordable bed and breakfast accommodation for business travel, and making economy class bookings for air travel.

Details of programmes/activities/objectives

The fund intends to increase the number of its retail intermediaries from 12 in 2010/11 to 14 in 2013/14. Consequently, the number of end user loans disbursed is expected to increase from 44 933 in 2010/11 to 59 154 in 2013/14. The agency also intends to address credit affordability by using the recapitalisation grant received over the MTEF period to disburse conditional loans to intermediaries. The average interest rate charged on wholesale loans is therefore expected to decrease from 13 per cent in 2010/11 to 11 per cent by 2013/14.

Table 31.20 Rural Housing Loan Fund

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total value of loans in disbursed	-	R176 038	R227 911	R230 415	R302 259	R355 929	R405 194	R425 200
Average percentage interest rate on loans granted	-	16%	16%	15%	13%	12%	11%	11%
Percentage impairment provision	-	16%	16%	21%	19%	20%	22%	26%
Cost to revenue ratio	-	0	30	39	28	33	33	33
Number of end user loans per year	-	37 643	40 537	33 112	44 933	43 561	53 112	59 154

Expenditure estimates

Table 31.21 Rural Housing Loan Fund

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	34 215	42 367	43 288	43 058	46 217	50 711	53 047
Other non-tax revenue	34 215	42 367	43 288	43 058	46 217	50 711	53 047
Total revenue	34 215	42 367	43 288	43 058	46 217	50 711	53 047
Expenses							
Current expense	26 210	31 579	29 560	32 393	39 774	46 125	50 480
Compensation of employees	4 865	5 668	5 287	7 154	8 870	9 815	10 825
Goods and services	14 938	16 988	14 303	14 581	20 137	25 518	28 900
Depreciation	268	139	128	107	101	126	89
Interest, dividends and rent on land	6 139	8 784	9 842	10 551	10 666	10 666	10 666
Total expenses	28 347	33 937	32 124	35 378	41 579	47 410	51 198
Surplus / (Deficit)	5 868	8 430	11 164	7 680	4 638	3 301	1 849
Statement of financial position							
Carrying value of assets	290	239	138	216	215	154	315
of which: Acquisition of assets	123	98	27	185	100	65	250
Investments	11 106	9 792	4 632	4 882	5 132	5 382	5 632
Loans	147 720	190 773	182 772	245 117	284 652	314 887	312 947
Receivables and prepayments	2 143	3 473	28 332	1 375	1 375	1 375	1 375
Cash and cash equivalents	104 565	68 092	103 292	121 792	133 074	153 812	152 252
Assets not classified elsewhere	6 561	7 691	10 178	12 174	15 142	19 138	23 747
Total assets	272 385	280 060	329 344	385 556	439 590	494 748	496 268

Table 31.21 Rural Housing Loan Fund (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Accumulated surplus/deficit	(9 498)	(1 068)	10 097	17 777	22 425	25 576	28 226
Capital and reserves	160 123	159 996	177 777	227 277	276 777	328 752	327 658
Borrowings	118 946	119 627	139 642	138 729	138 729	138 729	138 729
Trade and other payables	1 693	613	861	944	944	944	944
Provisions	1 121	892	921	702	702	702	702
Liabilities not classified elsewhere	-	-	46	127	13	45	9
Total equity and liabilities	272 385	280 060	329 344	385 556	439 590	494 748	496 268

Expenditure trends

Spending over the medium term will continue to focus on broadening and deepening housing microfinance to low income rural households.

Revenue is generated from interest charged on wholesale loans granted to retail intermediaries and interest income from investments. Revenue increased from R34.2 million in 2007/08 to R43.1 million in 2010/11, at an average annual rate of 8 per cent. This is attributable to loan disbursements to intermediaries, which increased from R106.3 million in 2007/08 to R130.1 million in 2010/11 and which are expected to increase to R199.5 million in 2013/14, at an average annual rate of 15.3 per cent. The strong growth expected in loan disbursements is expected to increase revenue from R43.1 million in 2010/11 to R53.0 million in 2013/14, at an average annual rate of 7.2 per cent.

Expenditure is expected to increase from R35.4 million in 2010/11 to R51.2 million in 2013/14, at an average annual rate of 13.1 per cent. The increased expenditure is mainly driven by an increase in impairments from R9.5 million in 2010/11 to R22.0 million in 2013/14. The increase in impairments results from an increase in the volume of disbursements over the MTEF period based on the capital injection of R49.5 million in 2010/11, R49.5 million in 2011/12 and R52.0 million in 2012/13.

In addition, expenditure on compensation of employees is expected to increase from R7.2 million in 2010/11 to R10.8 million by 2013/14, at an average annual rate of 14.8 per cent. The increase in expenditure is due to an increase in staff numbers to manage the anticipated increase in business volumes and also provides for inflation related adjustments to staff costs. Expenditure on goods and services, as a function of the number of staff, is also expected to increase from R14.6 million in 2010/11 to R28.9 million in 2013/14, at an average annual rate of 25.6 per cent.

Personnel information

The entity has a staff complement of 21, of which 11 are at board level. 25 per cent of the positions are taken up by professional staff. The establishment is expected to grow to 23 posts in 2013/14.

Social Housing Foundation

Strategic overview 2007/08 – 2013/14

The Social Housing Foundation is a schedule 3A public entity established in 1996 as a section 21 company with the mandate to promote and develop the social housing sector in South Africa through stakeholder engagement, research and policy development.

The strategic priority areas of the institution have been policy support, social housing research, technical support, coordination support, as well as monitoring and evaluation services to various public and private stakeholders in the social housing sector.

The policy support activities culminated in the development of the Social Housing Act (2008), which provides for the establishment of the Social Housing Regulatory Authority to regulate social housing institutions receiving public funds and to regulate the assessment, approval, administration and disbursement of institutional investment and capital grants to social housing institutions.

The Social Housing Foundation has served its purpose by providing a firm base for the next phase in the development of the social housing sector in South Africa. The entity began with the implementation of a closure plan in 2010/11 and is expected to be dissolved by 31 March 2011. Relevant functions and related resources of the institution will be absorbed by the department and the Social Housing Regulatory Authority.

Savings and cost effectiveness measures

Savings measures are in place on non-core expenditure such as outsourced computer maintenance, telephones and travel.

Selected performance indicators

Table 31.23 Social Housing Foundation

Indicator	Programme/Activity	Past			Current ¹	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Number of social housing institutions receiving funds per year	Interim Social Housing Programme	3	2	9	-	-	-	-
Number of projects funded per year	Interim Social Housing Programme	4	4	9	-	-	-	-
Number of social housing units financed per year	Interim Social Housing Programme	1 698	1 893	1 818	-	-	-	-
Number of social housing institutions receiving capacity support each year	Interim Social Housing Programme	7	12	16	-	-	-	-
Number of workshops held per year with social housing institutions	Interim Social Housing Programme	24	9	16	-	-	-	-
Number of technical assistance interventions per year for social housing institutions	Interim Social Housing Programme	8	18	16	-	-	-	-
Number of social housing institutions per year using Social Housing Foundation accredited tools	Interim Social Housing Programme	24	18	21	-	-	-	-

1. The Social Housing Foundation is expected to be dissolved in March 2011.

Details of programmes/activities/objectives

The interim social housing programme was implemented between 2007/08 and 2010/11 as a temporary measure, in the absence of a regulatory body, to disburse the restructuring capital grant for social housing institutions projects. In 2009/10, 9 projects from 4 social housing institutions were approved to receive funding with an expected yield of 1 818 units over two years. The programme had delivered 1 030 social housing units by December 2010. To maintain the momentum achieved while the regulatory body is being established, 5 projects from 4 social housing institutions have been selected to receive the restructuring capital grant in 2010/11. The policy, research and technical support activities of the foundation were scaled down during 2010/11 in light of the closure process. The closure plan focuses on the transfer of functions and related financial and human resources.

Expenditure estimates

Table 31.24 Social Housing Foundation

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Revenue							
Non-tax revenue	2 459	1 325	805	4 062	48	-	-
Other non-tax revenue	2 459	1 325	805	4 062	48	-	-
Transfers received	73 704	233 196	220 197	56 784	3 018	-	-
Total revenue	76 163	234 521	221 002	60 846	3 066	-	-
Expenses							
Current expense	77 783	237 020	224 625	60 846	3 066	-	-
Compensation of employees	5 557	5 855	6 743	2 807	1 199	-	-

Table 31.24 Social Housing Foundation (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand							
Goods and services	71 730	230 616	217 468	57 896	1 840	-	-
Depreciation	496	549	414	143	27	-	-
Total expenses	77 783	237 020	224 625	60 846	3 066	-	-
Surplus / (Deficit)	(1 620)	(2 499)	(3 623)	-	-	-	-

Expenditure trends

The revenue of the Social Housing Foundation consists mainly of grant funding from government and interest earned on local grants. Total revenue decreased from R76.2 million in 2007/08 to R60.8 million in 2009/10, at an average annual rate of 7.2 per cent, due to reduced grant funding for implementing the interim social housing programme. Revenue is expected to decrease to R3.1 million in 2011/12, as the entity is being wound down.

Expenditure decreased from R77.8 million in 2007/08 to R60.8 million in 2010/11, at an average annual rate of 7.9 per cent, mainly due to the decreased transfer payment from the department in 2010/11. Expenditure is expected to decrease to R3.1 million in 2011/12, due to the fact that the entity is being wound down. The remaining assets and obligations of the interim social housing programme will be transferred to the Social Housing Regulatory Authority by 31 March 2011.

Personnel information

The staff complement of the institution will decrease from 17 in 2007/08 to 2 in 2011/12 as it is in the process of being wound down. A temporary staff member is to be appointed to assist in concluding the remaining activities.

Social Housing Regulatory Authority

Strategic overview 2007/08 – 2013/14

The Social Housing Act (2008) provides for the establishment of the Social Housing Regulatory Authority to regulate the affairs of all social housing institutions and to stimulate the supply of social housing stock through the social housing investment programme.

The authority was formally established in 2010/11. The main objective of the regulator over the short term is to sufficiently capacitate the entity and to implement the necessary policies, systems and controls to be able to effectively discharge its functions in terms of the legislation.

The key strategic priorities of the entity over the medium term are to promote the development of the social housing sector through effective institutional regulation, and to contribute to urban restructuring through targeted investments in well located social housing projects.

Selected performance indicators

Table 31.25 Social Housing Regulatory Authority

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Number of social housing units invested in per year	Investment Management	-	-	-	1 685	1 594	2 837	3 379
Number of social housing institutions supported through capacity building grants per year	Investment Management	-	-	-	-	103	199	220

Details of programmes/activities/objectives

Regulation determines the qualifying criteria for organisations wishing to become social housing institutions, establishes and amends, as necessary, the principles of regulation, and devises an annual social housing regulation programme.

Investment devises the annual social housing investment programme and produces an annual investment review detailing the performance of the regulator.

Expenditure estimates

Table 31.26 Social Housing Regulatory Authority

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	-	-	-	934	5 535	9 649	11 430
Other non-tax revenue	-	-	-	934	5 535	9 649	11 430
Transfers received	-	-	-	236 955	245 474	448 497	576 254
Total revenue	-	-	-	237 889	251 009	458 146	587 684
Expenses							
Current expense	-	-	-	55 388	24 841	30 745	33 581
Compensation of employees	-	-	-	2 129	8 868	11 713	12 298
Goods and services	-	-	-	53 112	15 663	18 878	21 196
Depreciation	-	-	-	147	310	154	87
Transfers and subsidies	-	-	-	182 501	226 168	427 401	554 103
Total expenses	-	-	-	237 889	251 009	458 146	587 684
Surplus / (Deficit)	-	-	-	-	-	-	-

Expenditure trends

Revenue for the authority is expected to increase from R237.9 million in 2010/11 to R587.7 million in 2013/14, at an average annual rate of 35.2 per cent as a result of an increase in the capital restructuring grant transfer from the national department.

Over the medium term, expenditure is expected to increase from R237.9 million in 2010/11 to R587.7 million in 2013/14 to, at an average annual rate of 35.2 per cent. Expenditure on compensation of employees is expected to increase from R2.1 million in 2010/11 to R12.3 million in 2013/14, at an average annual rate of 79.4 per cent, mainly to provide for increased capacity over the medium term.

The grant disbursements through the investment programme are expected to increase from R229.8 million in 2010/11 to R566.3 million in 2013/14, at an average annual rate of 35.1 per cent. The authority will inherit the remaining restructuring capital grant commitments related to the interim social housing programme. The projected grant disbursements for the 2010/11 include the final grant disbursements of R50.2 million for the interim social housing programme.

Personnel information

The organisational structure provides for 13 staff members over the medium term, all of whom will be recruited in 2010/11.

Thubelisha Homes

Thubelisha Homes is classified as a schedule 3A public entity in terms of the Public Finance Management Act (1999) and was established as a non-profit, special purpose vehicle to create appropriate housing stock for rightsizing the Servcon Housing Solutions portfolio.

Thubelisha Homes began with the implementation of a closure plan in 2009/10. The institution ceased operations in July 2009. Arrangements are in place for the project management of the mega projects to be handed over to the Housing Development Agency. The remaining projects will revert to their owners. Voluntary severance packages were offered to the staff. All staff members to be redeployed have been accommodated. Final closure of the institution is expected by 31 March 2011.

Servcon Housing Solutions

Servcon Housing Solutions is a schedule 3A public entity established in 1995 as a result of an agreement between the former Department of Housing (representing government) and the Banking Council (representing participating banks). The aim of the agreement was to support the normalisation of the affordable housing finance market in the wake of significant levels of default during the transition to democracy. Servcon Housing Solutions was mandated to manage the disposal of a portfolio of 33 306 properties owned by banks as a result of non-performing loans in selected areas at the cut-off date of 31 August 1997.

In 2006, the shareholders represented by the Banking Council and then Department of Housing parted, in terms of the sale of shares and claims agreement. The normalisation and rectification programme gained momentum between 2006 and 2009. In 2009/10, Servcon Housing Solutions continued with the implementation of a closure plan, approved by the executive authority in February 2009. The institution ceased operations in September 2009. Voluntary severance packages were offered to the staff. All staff members to be redeployed have been accommodated. Final closure of the institution is expected by March 2011.



Additional tables

Table 31.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2009/10		2009/10	2010/11			2010/11
Administration	198 540	167 770	113 849	176 175	35 822	211 997	211 997
Housing Policy, Research and Monitoring	58 000	72 175	44 971	45 907	1 779	47 686	47 686
Housing Planning and Delivery Support	219 879	250 899	140 484	206 831	18 390	225 221	225 221
Housing Development Finance	16 006 506	16 025 860	15 981 463	18 612 288	51 069	18 663 357	18 663 357
Strategic Relations and Governance	182 206	164 659	126 654	174 442	(16 782)	157 660	157 660
Total	16 665 131	16 681 363	16 407 421	19 215 643	90 278	19 305 921	19 305 921
Economic classification							
Current payments	651 414	637 237	452 524	599 465	27 457	626 922	626 922
Compensation of employees	238 364	217 394	166 857	290 166	(1 160)	289 006	289 006
Goods and services	413 050	419 843	285 417	309 299	28 132	337 431	337 431
Interest and rent on land	-	-	250	-	485	485	485
Transfers and subsidies	15 602 316	15 630 019	15 948 014	18 456 919	50 005	18 506 924	18 506 924
Provinces and municipalities	15 237 441	15 237 441	15 237 441	18 174 725	15 000	18 189 725	18 189 725
Departmental agencies and accounts	363 875	386 075	352 613	277 194	34 999	312 193	312 193
Foreign governments and international organisations	1 000	1 000	745	1 000	-	1 000	1 000
Households	-	5 503	357 215	4 000	6	4 006	4 006
Payments for capital assets	411 401	414 094	6 661	159 259	12 816	172 075	172 075
Buildings and other fixed structures	400 152	400 152	-	153 060	-	153 060	153 060
Machinery and equipment	9 591	11 996	6 035	5 796	10 576	16 372	16 372
Software and other intangible assets	1 658	1 946	626	403	2 240	2 643	2 643
Payments for financial assets	-	13	222	-	-	-	-
Total	16 665 131	16 681 363	16 407 421	19 215 643	90 278	19 305 921	19 305 921

Table 31.B Detail of approved establishment and personnel numbers according to salary level ¹

Department	Personnel post status as at 30 September 2010			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 ²	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Department	922	834	59	318	427	560	609	834	834	834
Salary level 1 – 6	216	223	43	81	79	120	139	223	223	223
Salary level 7 – 10	435	356	13	115	161	254	282	356	356	356
Salary level 11 – 12	170	154	2	62	94	108	111	154	154	154
Salary level 13 – 16	101	101	1	60	93	78	77	101	101	101
Administration	293	257	14	149	172	189	251	257	257	257
Salary level 1 – 6	127	117	12	66	23	80	94	117	117	117
Salary level 7 – 10	96	77	1	39	68	59	98	77	77	77
Salary level 11 – 12	38	32	1	18	37	22	30	32	32	32
Salary level 13 – 16	32	31	-	26	44	28	29	31	31	31
Housing Policy, Research and Monitoring	77	61	2	38	40	40	39	61	61	61
Salary level 1 – 6	4	2	2	2	10	-	-	2	2	2
Salary level 7 – 10	41	28	-	17	16	19	19	28	28	28
Salary level 11 – 12	21	20	-	9	8	12	11	20	20	20
Salary level 13 – 16	11	11	-	10	6	9	9	11	11	11

Table 31.B Detail of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2010			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 ²	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Housing Planning and Delivery Support	265	229	20	32	63	142	134	229	229	229
Salary level 1 – 6	34	36	12	1	5	16	14	36	36	36
Salary level 7 – 10	138	106	6	14	21	66	70	106	106	106
Salary level 11 – 12	65	59	1	11	17	40	33	59	59	59
Salary level 13 – 16	28	28	1	6	20	20	17	28	28	28
Housing Development Finance	140	140	15	48	61	82	85	140	140	140
Salary level 1 – 6	31	31	12	9	8	18	21	31	31	31
Salary level 7 – 10	85	85	3	22	21	41	43	85	85	85
Salary level 11 – 12	14	14	–	10	17	13	12	14	14	14
Salary level 13 – 16	10	10	–	7	15	10	9	10	10	10
Strategic Relations and Governance	147	147	8	51	91	107	100	147	147	147
Salary level 1 – 6	20	37	5	3	33	6	10	37	37	37
Salary level 7 – 10	75	60	3	23	35	69	52	60	60	60
Salary level 11 – 12	32	29	–	14	15	21	25	29	29	29
Salary level 13 – 16	20	21	–	11	8	11	13	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 2010.

Table 31.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Compensation of employees (R thousand)	103 472	134 209	166 857	289 006	319 004	331 890	346 841
Training expenditure (R thousand)	1 229	2 870	2 301	14 128	4 049	4 255	4 473
Training as percentage of compensation	1.2%	2.1%	1.4%	4.9%	1.3%	1.3%	1.3%
Total number trained in department (head count)	106	168	236	–			
<i>of which:</i>							
Employees receiving bursaries (head count)	34	35	35	–			
Internships trained (head count)	24	16	–	–			
Households receiving bursaries (R thousand)	150	250	128	4 000	4 000	4 000	4 050
Households receiving bursaries (head count)	5	–	–	–			

Table 31.D Summary of conditional grants to provinces and municipalities ¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Conditional grants to provinces							
Housing Development Finance							
Human Settlements Development Grant	6 988 513	8 727 582	10 669 252	12 898 312	14 941 516	15 599 437	16 457 408
Housing Development Finance							
Housing Disaster Relief Grant	-	-	150 000	133 800	-	-	-
Total	6 988 513	8 727 582	10 819 252	13 032 112	14 941 516	15 599 437	16 457 408
Housing Development Finance							
Urban Settlements Development Grant	2 948 250	3 572 377	4 418 189	5 157 613	6 266 998	7 409 512	8 126 805
Total	2 948 250	3 572 377	4 418 189	5 157 613	6 266 998	7 409 512	8 126 805

1. Detail provided in the Division of Revenue Act (2011).



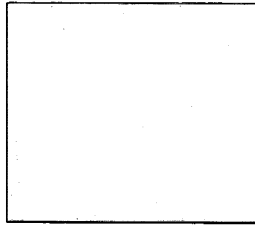
Table 31.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand												
Foreign In cash												
European Union	Social housing programme	Housing Development Finance	49 230	Departmental agencies and accounts	Provide technical support on the social housing programme via the Social Housing Foundation	5 462	-	-	-	-	-	-
United States Agency for International Development	Peoples housing process and housing strategy	Housing Development Finance	4 123	Departmental agencies and accounts	Provide technical support on the peoples housing process and housing strategy	2 721	-	-	-	-	-	-
Netherlands	Operationalisation of housing policy	Housing Development Finance	2 516	Departmental agencies and accounts	Provide technical support in the operationalisation of the housing policy	1 440	-	-	-	-	-	-
Denmark	Energy efficiency project by providing solar power to subsidised houses	Housing Development Finance	2 133	Departmental agencies and accounts	Provide technical and funding support on the energy efficiency programme in subsidised housing	670	1 463	1 463	-	-	-	-
Total			58 002			10 293	1 463	1 463	-	-	-	-

Table 31.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand										
Departmental infrastructure										
Rural household infrastructure grant	Basic water and sanitation infrastructure provided	Various	-	-	-	-	100 000	231 500	479 500	517 250
Infrastructure transfers to other spheres, agencies and departments										
Human settlements development grant	Houses completed and sites serviced	Various	-	6 988 513	8 727 582	10 669 252	12 898 312	14 941 516	15 599 437	16 457 408
Urban settlements development grant for cities	Bulk infrastructure installed	Identification	-	2 948 250	3 572 377	4 418 189	5 157 613	6 266 998	7 409 512	8 126 805
Total			-	9 936 763	12 299 959	15 087 441	18 155 925	21 440 014	23 488 449	25 101 463





ESTIMATES
OF NATIONAL
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