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## **Analysis of the Gauteng Department of Human Settlement's (Vote 8)**

**Budget Report: 2023/2024 Financial Year (FY)**

**Prepared**

**by**

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**SUBMISSION TO THE PORTFOLIO COMMITTEE FOR**

**HUMAN SETTLEMENTS**

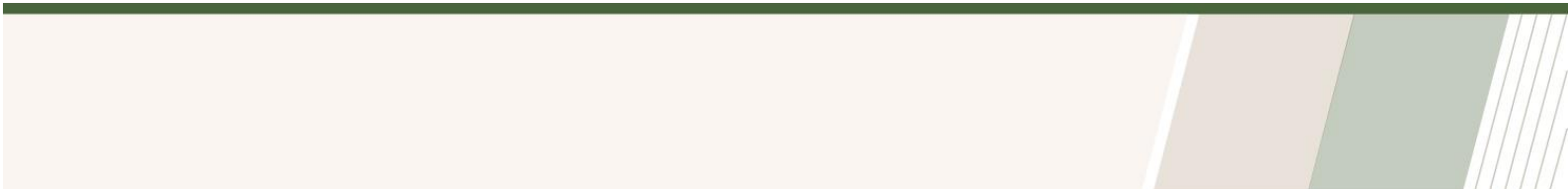
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## Table of Contents

LIST OF ACRONYMS .....	3
EXECUTIVE SUMMARY .....	5
1. INTRODUCTION .....	6
2. OVERVIEW OF POLICY PRIORITIES (NATIONAL, PROVINCIAL AND DEPARTMENTAL PRIORITIES).....	8
2.1 National Priorities (State of the Nation address).....	8
2.2 Provincial Priorities (State of the Province Address) .....	8
2.3 Provincial Budget Speech.....	9
2.4 Departmental goals .....	10
2.5 National Development Plans .....	12
4 OVERSIGHT ON TECHNICAL PERFORMANCE (MICRO-ANALYSIS).....	12
4.1 Programme 1: Administration .....	15
4.2 Programme 2: Housing needs, planning and research. ....	16
4.3 Programme 3: Housing development programme .....	18
4.4 Programme 4: Housing assets property management .....	19
6 OVERSIGHT ON BUDGET EXPENDITURE (MACRO-ANALYSIS).....	21
a. Receipts and financing .....	21
i. Summary of receipts for equitable share and conditional grants .....	21
ii. Summary of Departmental receipts .....	22
iii. Summary of Departmental transfers to public entities .....	23
iv. Departmental transfers to public entities .....	23
v. Departmental transfers to local government by category .....	24
4.5 Staff training.....	29
7 OVERSIGHT ON INDEPENDENT VERIFICATION .....	Error! Bookmark not defined.
8 CONCLUSION .....	29
9 PROPOSED QUESTIONS TO THE DEPARTMENT .....	29
10 REFERENCES.....	31

## LIST OF ACRONYMS

<b>ABT</b>	Alternative Building Technology
<b>ARA</b>	Affordable Rental Accommodation
<b>BCM</b>	Budget Cycle Model
	CBP Community Based Programme
<b>CG</b>	Conditional Grant
<b>CoE</b>	Compensation of Employees
<b>COGTA</b>	Cooperative Government and Traditional Affairs
<b>CRUs</b>	Communal Rental Units
<b>EEDBS</b>	Enhanced Extended Discount Benefits Scheme
<b>EPWP</b>	Expanded Public Works Programme
<b>FY</b>	Financial Year
<b>GCR</b>	Gauteng City Region
<b>GDHS</b>	Gauteng Department of Human Settlements
<b>GPG</b>	Gauteng Provincial Government
<b>GPL</b>	Gauteng Provincial Legislature
<b>GEYODI</b>	Gender Youth and Disabled
<b>HDA</b>	Housing Development Agency
<b>HSDCG</b>	Human Settlements Development Conditional Grant
<b>ICT</b>	Information Communication Technology
<b>IDPs</b>	Integrated Development Plans
<b>IRDP</b>	Integrated Residential Development Programme
<b>LED</b>	Local Economic Development
<b>LM</b>	Local Municipality
<b>MEC</b>	Member of the Executive Council
<b>MIG</b>	Municipal Infrastructure Grant
<b>MHD</b>	Mixed Housing Development
<b>MMC</b>	Member of Mayoral Committee



<b>MTEF</b>	Medium Term Expenditure Framework
<b>MYHDP</b>	Multi Year Housing Development Plan
<b>NHBRC</b>	National Home Builders Registration Council
<b>NYDA</b>	National Youth Development Agency
<b>PEBA</b>	Programme Evaluation and Budget Analysis
<b>PFMA</b>	Public Finance Management Act
<b>PSOM</b>	Public Service Oversight Model
<b>PWD</b>	People with Disabilities

## EXECUTIVE SUMMARY

The continuous non-reporting of budget allocation to Housing Development Agency (HDA) during budget report process is a concern. The Department will however, report about the budget expenditure of HDA during the annual report. The agency does not provide quarterly reports to the Portfolio Committee (PC) whereas the Gauteng Partnership Fund reports to the committee on a quarterly basis. The HDA has been receiving a disclaimer audit opinion since 2019/20 FY. During the 2021/22 FY the GDHS reported in the Annual report that an amount of R583 217 000.00 was transferred to HDA. The same year, the agency received a disclaimer audit opinion.

Category A municipalities are metropolitan municipalities and category B are district municipalities. The drastic decrease to municipalities is not clearly explained in the budget report. This comes after the department has been citing issues of insufficient bulk infrastructure which is the responsibility of municipalities. The PC has also noted through its engagements with municipalities that at times funds would be transferred from the province for a specific a project and the municipality would decide to undertake other projects with the funds. A perfect example being that of Mogale City municipality which was receiving funds from the province for the Implementation of Dr Sefularo and to date there is nothing to show for those funds.

During the financial year 2023/24, the Department plans to deliver a total of 9 267 housing units (4 472 Mega housing units and 4 795 Legacy housing units); 8 885 serviced stands (6 549 Mega serviced stands and 2 336 Legacy serviced stands).

The 6 inner city hostels in Johannesburg will also benefit from major repairs that will be affected therein, including their daily maintenance and environment upkeep, which would ensure that they are habitable.

All serviced erven under the Rapid Land Release Programme (RLRP) will be released to eligible beneficiaries. The Department plans to procure a total of 1 497 serviced erven from the

private sector in the 2023/24 financial year, and 5 000 in the two subsequent financial years, respectively.

The Department planned to service 860 Rapid Land Redistribution Programme (RLRP) and 548 were achieved by the end of January 2023. The continuous increase in target setting whereas the previous financial years performance should serve as lesson learned is worrisome.

## 1. INTRODUCTION

The Gauteng premier when he took office in October 2022 announced five elevated priorities related to the Gauteng Department of Human Settlements. One of those priorities speaks directly to the mandate of the department of human settlements that is “***Changing the living conditions in townships, informal settlements, and hostels (TISH)***”. The 2023/24 FY GDHS budget should illustrate an allocated funding to this priority and the implementation plan of this priority amongst other mandates of the department.

The analysis will reveal whether the budget allocation and the APP are aligned to the national and Provincial Priorities as outlined in the State of Nation Address (SONA) and State of the Province Address (SOPA) of 2023 and for the five (5) year political term of 2019-2024. The SONA, SOPA and 5-year political term made emphasis on the priorities focusing but not limited to the adopted ten (10)-pillar programme of radical TMR. This was adopted as a strategic roadmap to move the Gauteng City Region (GCR) forward and attainable through the continuation of the *three-(3) macro interventions, viz, Spatial Reconfiguration; Township Economy Revitalisation; and massive infrastructure investments.*

The analysis will furthermore seek to track progress in terms of the implementation of the six priorities that the MEC outlined when he came into office:

- Urban renewal projects,
- Hostel Redevelopment program,
- Upgrading of Informal Settlements,
- Mega Human settlements,
- Rapid Land Release Programme, and

- Incomplete projects.

## THE LEGISLATIVE AND LEGAL FRAMEWORK OF THE ANALYSIS

The analysis of budget vote 8 has been done in line with the following policy documents:

- The Constitution of the Republic of South Africa 1996,
- The Public Finance Management Act, 1999,
- The Appropriation Bill of South Africa [B3-2016] proposed Section 77; and the Division of Revenue Bill [B2-2016], proposed Section 76 as introduced in the National Assembly as provided for by Section 214(1) of the Constitution of the Republic of South Africa 1996,
- The Gauteng Provincial Government: Estimates of Provincial Expenditure (EPRE) and the Estimates of Capital Expenditure (ECE) for 2022/23 MTEF,
- The Human Settlements Conditional Grants' (HSDG) allocation transferred through the National Department of Human Settlements, being Vote 8,
- Departmental Annual Performance Plan 2023/24 FY,
- The President's state of the Nation address (SONA), 2023,
- The Premiers state of the Province Address (SOPA), 2023, and
- Gauteng MEC's budget speech; 2023.

In analysing the budget vote 8, the following the Sector Oversight Model (SOM) Toolkits were utilised:

- In terms of the **Information Level Test**, which guides the assessment of the quality of information presented by the Department to the Portfolio Committee.
- The **Budget Variance Study** was applied to determine the variance between Projected Expenditure and the Actual Expenditure of the past FY using the 2022/23 FY as the base year, the R6 336 392 000. 00 is examined, to determine the adequacy of the Budget allocation and whether the targets set are realistic.
- The **Interdependent priorities study** examines key programmes across Departments to establish whether there is interdependence between them. For instance, it helps to analyse the delivery of services such as new housing development, with appropriate roads construction; social sector services such as

schools, hospitals; and safety and liaison (Community Policing Forum (CPF) establishment.

## **2. OVERVIEW OF POLICY PRIORITIES (NATIONAL, PROVINCIAL AND DEPARTMENTAL PRIORITIES)**

The Portfolio Committee's consideration of this allocation towards ensuring integrated, sustainable Human Settlements in Gauteng, there must be a determination of whether budget Vote 8's planning would translate into the realisation of the following:

- The National and the Gauteng Provincial Strategic Priorities as per the Electoral Mandate of the 2019-2024.
- The New Growth Path (NGP) and the National Development Plan (NDP) imperatives; and
- Policy pronouncements as emphasised in both the State of the Nation Address (SONA) and the Gauteng Premiers SOPA of 2021 which reiterated the ten (10) Pillar Programme.

### **2.1 National Priorities (State of the Nation address)**

The President of the Republic of South Africa his Excellency Cyril Ramaphosa during his 2022 speech mentioned that "by January this year, projects worth R232 billion would be under construction and projects worth nearly R4 billion had been completed. The completed projects include new human settlements in Gauteng, road upgrades and the development of small harbors".

### **2.2 Provincial Priorities (State of the Province Address)**

The Gauteng Premier Hon. Panyaza Lesufi in his 2023 SOPA mentioned that "*We will endeavor to convert our townships, informal settlements and hostels to be better and respectable*" (SOPA, 2023).



**On the informal settlements,** the premier said *“we need to begin a process of managing, formalizing and ending informal settlements. As part of ensuring that informal settlements do not escalate in our province, we are concluding the establishment of a 24-hour anti-land invasion tactical unit. This unit will be fully equipped and backed by legal brains to stop the lawlessness of invading other people’s land easily”.*

*“Furthermore, Honourable Premier explained “we are intervening in 731 informal settlements in our Province. Of this, we have mapped and enumerated 639 and we are upgrading 179 informal settlements at a budget of R3.1 billion. Today, we have released 482 number of service stands. This is our new way of speeding the building of houses in our communities. This means instead of people waiting for a RDP house we will release fully serviced stands with roads, water and electricity”.*

**On the hostels,** Premier clarified that *“Already, all the 6 hostels under our care have been installed with free WiFi and data. We have appointed service providers who will clean these hostels frequently. We are repairing all broken windows, roofs, toilets, doors, etc., in these hostels”.* Moreover, Premier mentioned the following:

- *We will install showers, toilets, reconnect electricity, collect refuse frequently with cleaning services by personnel from the Gauteng Government.*
- *From the 1st of April all the 6 hostels will have weekly mobile health clinics with doctors and nurses.*
- *We will introduce new Early Childhood Development (ECD) centres in the hostels and provide women living in hostels with privacy and support.*
- *All the six hostels will have CCTV cameras to manage crime as well as a 24-hour patrol to ensure that our hostels are safe”.*

The PC will monitor and evaluate the budget and technical performances of the Department on the above plans outlined by the Premier on a quarterly basis.

### **2.3 Provincial Budget Speech**

On financing the Human Settlements development projects, the MEC for Finance Honourable Jacob Mamabolo in his speech mentioned that:

- **informal Settlements:** To improve the basic infrastructure services within the informal settlements in the Province R3.8 billion has been allocated to upgrade the following informal settlements – Kwa Brown, Mamello, Piel’s Farm, Thabong, Pangoville (Munsieville), Bergsig Informal Settlement and Ratanda.
- **Hostels:** A total of R322 million will go towards the renovation and improvement of conditions of hostels. Some of the hostels planned for the upgrade includes George Goch; Denver; Jeppe; LTA Rethabile, Kwama-Siza, Dube, Orlando, Diepkloof and Orlando West

#### 2.4 Departmental goals

If plans are to be implemented in line with the targets set, these TMR Pillars would also contribute to the realisation of *Outcome 8 on Sustainable Human Settlements and Improved quality of household life*; and *Outcome 12 which relates to “An efficient, effective and developmental orientated public service and an empowered, fair and inclusive citizenship”*.

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

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

Collectively, the five outcomes of the Department contribute to Priority Four in the NDP 5-year Plan: i.e., **Spatial Integration, Human Settlements and Local Government and their related outcomes**. The outcome indicators are responsive to the following provincial priority interventions:

- Up-scaling implementation of Mega Human Settlements and fast-tracking the roll-out of mega infrastructure projects for new nodes and cities.
- Accelerating the Rapid Land Release Programme: fast-tracking the release of unutilised government buildings, abandoned factories, municipal shops or land for urban agriculture to entrepreneurs, as well as releasing land for places of worship.
- Upgrading and re-development of hostels.
- Stopping land invasions through the counter land invasion strategy and its implementation.
- Developing innovative partnerships to provide affordable lending to owners of properties to upgrade their backyard rooms towards enhancing and expanding the township rental economy.
- Student accommodation through GPF.
- The urban renewal programme: Alexander, Evaton, Winterveld, Kliptown and Bekkersdal.
- Security of tenure through the Title Deeds programme.
- The informal settlements upgrading programme.
- Completion of incomplete and abandoned housing projects.
- Bulk Infrastructure Support (through 2% HSDG allocation and Mining Towns grant).
- Township formalisation and proclamation.
- Transformational imperatives namely job creation, incubation, youth skills programme(s).
- 

The PC will continue to monitor and assess the technical performance and budget expenditure of the Department on the above-mentioned goals and targets on a quarterly basis.

## 2.5 National Development Plans

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

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

## 4 OVERSIGHT ON TECHNICAL PERFORMANCE (MICRO-ANALYSIS)

The 2023/24 FY budget allocation of R6 421 222 000. 00 to the Department is shared amongst the four programmes namely **Programme 1: Administration** which is mainly responsible for the realisation of Outcome 12 with the remaining 3 programmes mainly contributing to the realisation of Outcome 8 as they relate to the actual human settlement’s delivery. **Programme 2: Housing Needs, Planning and Research; Programme 3: Housing Development; and Programme 4: Housing Assets Management and Properties Management**, as illustrated below:

**Table 1: Departmental payments per Programme from 2023/24 MTEF allocation**

R'000	2020/21 FY	2021/22 FY	2022/23 FY	2023/24 FY	2024/25	2025/26	% share	%change
1. Administration	546 338	524 423	691 922	696 086	717 824	732 768	10,9%	0,6%
2. Housing Needs, Research and Planning	13 772	13 562	22 816	24 694	25 802	26 960	0,4%	8,2%
3. Housing Development	4 534 131	4 975 272	5 410 214	5 465 762	5 932 407	6 200 905	85,1%	1,0%
4. Housing Assets Management Property Mana	156 935	166 193	282 787	234 680	175 954	180 465	3,6%	-17,0%
<b>TOTAL</b>	<b>5 251 176</b>	<b>5 679 450</b>	<b>6 407 739</b>	<b>6 421 222</b>	<b>6 851 987</b>	<b>7 141 098</b>	<b>100,0%</b>	<b>0,2%</b>

The table above depicts a budget allocated to each programme for the 2023/24 FY. The allocation to **Programme 1** has slightly increased by 0,6 percent, compared to the previous FY's budget while on the other hand the budget for Programme 2 has increased by 8,2%. The budget increase to Programme 2 should be a concern as the programme has a history of under-performing technically and underspending albeit receiving the lowest share of the department's budget.

Programme 3 on the other hand, has slightly increased by 1 percent. It is worth noting that this is the main programme of the Department and is already receiving the highest share of the budget. Programme 4's budget has drastically decreased by 17 percent when compared to the previous FY's allocation.

The total allocation of the Department has slightly increased by 0,2 percent when comparing it to the previous FY's revised budget. In the previous FY, the Department received a revised budget of about R6 407 739 000.00 whereas during the FY under review, the Department received an allocation of R6 421 222 000.00.

**Has the Business Plan and the Annual Performance Plan of the department been approved by the National Department of Human Settlement.**

**Table 2: Departmental payments per economic classification for the 2023/24 FY**

R'000	2020/21 FY	2021/22 FY	2022/23 FY	2023/24 FY	2024/25	2025/26	% share	%change
<b>Current Payments</b>	795 631	818 004	1 049 933	1 093 948	978 728	1 017 615	17,00%	4,10%
Compensation of employees	436 801	447 567	492 693	528 126	554 712	579 166	8%	7,2%
Goods and Services	358 830	370 437	554 746	565 822	424 016	438 449	8,8%	2,0%
<b>Transfers and subsidies to:</b>	<b>3 795 603</b>	<b>3 593 415</b>	<b>4 846 894</b>	<b>5 070 481</b>	<b>4 677 666</b>	<b>5 203 064</b>	<b>79,0%</b>	<b>4,6%</b>
<b>Social Benefits</b>	<b>3 012</b>	<b>2 290</b>	<b>1 993</b>	<b>2 079</b>	<b>2 172</b>	<b>2 269</b>	<b>0,0%</b>	<b>4,3%</b>
Households	3 792 591	3 591 125	4 844 901	5 068 402	4 675 494	5 200 795	79,0%	4,6%
<b>Payments for capital assets</b>	<b>659 942</b>	<b>1 267 748</b>	<b>510 912</b>	<b>256 793</b>	<b>1 195 593</b>	<b>920 419</b>	<b>0,9%</b>	<b>-49,7%</b>
Machinery & Equipment	602	5 055	7 096	7 273	7 420	3 000	0,1%	2,5%
Land and sub-soil assets	655 978	1 262 623	503 786	249 031	1 185 713	916 349	3,9%	-50,6%
Software & other tangible assets	3 362	70	30	489	2 460	1 070	0,0%	153,0%
<b>Total Economic Classification</b>	<b>5 251 176</b>	<b>5 679 450</b>	<b>6 407 739</b>	<b>6 421 222</b>	<b>6 851 987</b>	<b>7 141 098</b>	<b>100%</b>	<b>0,2</b>

The Portfolio Committee should note the following observations made on the 2023/24 FY:

- On **Current Payments**, the application of Budget variance study shows that the allocation for the 2023/24 FY increased to R1 093 948 000. 00 when compared to the previous FY's allocation that was R1 049 933 000. 00. The allocation will drastically decrease in 2024/25 FY and will pick up again the last financial year of the MTEF.
  - **Compensation of employees** receives an allocation of R528 126 000. 00 (8%) which is an increase when compared to the previous FY's allocation of R492 693 000. 00.
  - **Goods and services** received R565 822 000. 00 which is an increase from the previous financial year's allocation of R554 746 000. 00 (2%). The report shows that the allocation for this line item will start to decrease in the outer years of the MTEF of which in 2024/25 FY will receive an amount of R424 016 000. 00 and R438 449 000. 00 in 2025/2026 FY.
  - On **Transfers & Subsidies**, the amount allocated is R5 070 481 000. 00 and all this amount will be transferred to social benefits and households. With Social benefits receiving R2 079 000.00 and households receiving R5 068 402 000 00. The allocation will continue to increase in the last FY of the outer years.
  - **Payments for Capital Assets** received an allocation of R256 793 000. 00 which is a huge decrease of 49,7 percent from the previous FY's allocation of R510 912 000. 00. The allocation will continue to drastically increase in 2024/25 FY and again drastically decrease in 2025/26 FY.

- **Machinery and Equipment:** The budget has increased from R7 096 000.00 in 2022/23 FY to R7 273 000.00 in 2023/24 FY. The budget will start to increase in 2024/25 FY and will drastically decrease in the last year of the MTEF.
- **Land and sub-soil assets:** received an allocation of R249 031 000.00 which is a huge decrease of 50,6% when compared to the previous financial year's budget.
- **Software and other intangible Assets** receives an allocation of R489 000. 00 for the 2023/24 FY which is a huge increase from the previous FY's revised allocation which was R30 000. 00. The allocation will decrease in the 2024/25 FY to R2 460 000. 00 and R1 070 000.00 in the 2025/2026 FY.

#### 4.1 Programme 1: Administration

**Table 2: Allocation for programme 1 Administration**

O'000	2020/21 FY	2021/22 FY	2022/23 FY	2023/ 24 FY	2024/25	2025/26	% share	%change
Corporate Services	546 423	524 423	691 922	696 086	717 824	732 768	100,0%	0,6%
<b>Total Payments and estimates</b>	<b>546 338</b>	<b>524 423</b>	<b>691 922</b>	<b>696 086</b>	<b>717 824</b>	<b>732 768</b>	<b>100,00%</b>	<b>0,60%</b>

**Table 3: Economic classification: Administration**

R thousand	2020/21 FY	2021/22 FY	2022/23 FY	2023/24 FY	2024/25	2025/26	% share	%change
<b>Current Payments</b>	<b>540 164</b>	<b>517 476</b>	<b>682 803</b>	<b>686 245</b>	<b>705 772</b>	<b>729</b>	<b>98,6%</b>	<b>0,5%</b>
Compensation of employees	211 011	217 414	257 573	279 793	295 497	302 338	41,0%	8,6%
Goods and Services	329 153	300 062	425 230	406 452	410 275	424 091	58,4%	-4,4%
<b>Transfers &amp; Subsidies</b>	<b>2 210</b>	<b>1 539</b>	<b>1 993</b>	<b>2 079</b>	<b>2 172</b>	<b>2 269</b>	<b>0,3%</b>	<b>4,3%</b>
Households	2 210	1 539	1 993	2 079	2 172	2 269	0,3%	4,3%
<b>Payments for capital assets</b>	<b>3 964</b>	<b>5 125</b>	<b>7 126</b>	<b>7 762</b>	<b>9 880</b>	<b>4 070</b>	<b>1,1%</b>	<b>9,0%</b>
Machinery & Equipment	602	5 055	7 096	7 273	7 420	3 000	1,0%	2,5%
Software & other tangible assets	<b>3 362</b>	<b>70</b>	<b>30</b>	<b>489</b>	<b>2 460</b>	<b>1 070</b>	<b>0,0%</b>	<b>153,0%</b>
<b>Payment for Financial Assets</b>		<b>283</b>						
<b>Total Economic Classification</b>	<b>546 338</b>	<b>524 423</b>	<b>691 922</b>	<b>696 086</b>	<b>717 824</b>	<b>732 768</b>	<b>100</b>	<b>0,6</b>

As already indicated above, **Programme 1: Administration** receives an allocation of R696 086 000.00 for the year under review which shows a slight increase when compared to the

previous FY's allocation of R691 922 000.00. The allocation will increase in 2024/25 FY to R717 824 000.00 and in 2025/26 FY to R732 768 000.00.

The budget for the programme increases from R691.9 million in 2022/23 FY to R732.8 million in the outer year of the 2023 MTEF. The increase is mainly due to the additional funding relating to the ICT throughout the MTEF period. The programme budget over the Medium-Term Expenditure Framework (MTEF) will cater for compensation of employees; purchase of goods and services; and payment for capital assets to provide for tools of trade for employees. The budget for goods and services is mainly for payments to lease office buildings; software licenses such as Microsoft Office licenses; fleet services; accruals; property payments (municipal rates and electricity); audit fees; communication costs; and provision of managerial and support services to the Department. The budget under transfers and subsidies will provide for leave gratuity and injury on duty and it increases from R1.9 million in 2022/23 FY to R2.4 million in the outer year of the MTEF. Over the 2023 MTEF, R21.7 million is allocated under payment for capital assets for procuring office furniture and equipment.

*In terms of Economic classification*, the Budget variance study indicates that a total amount of R686 245 000. 00 (98.6%) is allocated to Current payments of which R279 793 000. 00 goes to Compensation of employees and R406 452 000. 00 is allocated to Goods and services. With regards to Transfers and Subsidies to households, this line item received an allocation of R2 079 000.00. Payments for capital assets received an allocation of R7 762 000. 00 of which R7 273 000. 00 goes to Machinery and equipment and the remaining R489 000. 00 is allocated to Software and other Tangible assets.

#### **4.2 Programme 2: Housing needs, planning and research.**

##### **Table 4: Housing needs, Research and Planning**



R thousand	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/2024 FY	2024/25	2025/26	% share	%change
Administration	8 330	9 560	11 463	12 208	12 756	13 328	49,4%	6,5%
Policy	3 910	2 436	6 547	6 946	7 258	7 584	28,0%	6,0%
Planning	1 532	1 565	4 806	5 540	5 788	6 048	22,4%	15,3%
Research								
<b>Total</b>	<b>13 772</b>	<b>13 562</b>	<b>22 816</b>	<b>24 694</b>	<b>25 802</b>	<b>26 960</b>	<b>100,0%</b>	<b>8,2%</b>

The budget for this Programme increases from R24.5 million to R27 million over the MTEF. The increase relates to the alignment of the compensation of employees' budget with the approved organizational structure.

**Table 5: Economic classification: Housing needs, research, and planning**

R Thousand	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/2024 FY	2024/25	2025/26	% share	%change
<b>Current Payments</b>	<b>13 772</b>	<b>13 493</b>	<b>22 816</b>	<b>24 694</b>	<b>25 802</b>	<b>26 960</b>	100,0%	8,2%
Compensation of employees	12 538	13 333	16 215	16 928	17 689	18 482	68,5%	4,4%
Goods and Services	1 234	160	7 436	7 766	8 113	8 478	31,4%	4,4%
<b>Transfers &amp; Subsidies</b>		69						
Households		69						
<b>Payments for financial assets</b>	<b>13 772</b>	<b>13 562</b>	<b>23 651</b>	<b>24 694</b>	<b>25 802</b>	<b>26 960</b>	100%	4,4

**Programme 2: Housing Needs, Research and Planning** receives an allocation of R24 694 000.00 in 2023/24 FY, this is an increase of about 4,4 percent when compared to the previous year's allocation. This is regardless of the Programme having a history of poor expenditure. The allocation will continue to increase in the two outer years of the MTEF.

In terms of Economic classification, **Current payments** is allocated an amount of R24 694 000.00 of which **Compensation of employees** receives an allocation of R16 928 000.00 and R7 766 000.00 goes to the payment of Goods and services.

The budget available under the Policy sub-Programme will cater for the development and implementation of policies to achieve strategic objectives and ensure alignment and compliance with the regulatory environment. Whilst funding is made available in respect of the Planning sub-Programme to support the development and alignment of the departmental planning frameworks including the APPs; the integrated multi-year housing development

plan; the mid-term budget policy statement and the Programmes of Action in line with national and provincial requirements.

### 4.3 Programme 3: Housing development programme

**Table 6: Allocation for programme 3: Housing development**

R'000	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/2024 FY	2024/25	2025/26	% share	%change
Administration	186 032	191 068	189 417	198 329	207 145	222 425	3,6%	4,7%
Financial Intervention	195 745	190 348	233 997	491 689	25 000		9,0%	110,0%
Incremental Interventions	4 152 356	4 593 856	4 986 800	4 775 744	5 700 262	5 978 480	76,3%	-4,2%
Social and Rental Interventions								
Rural Intervention								
<b>Total</b>	<b>4 534 131</b>	<b>4 975 272</b>	<b>5 410 214</b>	<b>5 465 762</b>	<b>5 932 407</b>	<b>6 200 905</b>	<b>100%</b>	<b>1%</b>

Included in the programmes budget over the MTEF are the Human Settlements Development Grant; the Informal Settlements Upgrading Partnership Grant; the EPWP Grant for job creation initiatives; provincial earmarked allocation for the Rapid Land Release and Fast-tracking delivery on urban renewal projects; and incomplete projects (RDP houses).

**Table 7: Economic classification: Housing development**

R Thousand	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/2024 FY	2024/25	2025/26	% share	%change
<b>Current Payments</b>	185 493	190 483	189 417	198 329	207 145	222 425	0,0%	4,7%
Compensation of employees	180 050	184 162	183 010	193 931	202 370	217 436	3,5%	6,0%
Goods and Services	5 443	6 321	3 913	4 398	4 775	4 989	0,80%	12,40%
<b>Transfers &amp; Subsidies</b>	<b>3 692 660</b>	<b>3 522 166</b>	<b>4 717 011</b>	<b>5 018 402</b>	<b>4 539 549</b>	<b>5 062 131</b>	<b>91,80%</b>	<b>6,40%</b>
Social benefit	539	585						
Households	3 692 121	3 521 581	4 717 011	5 018 402	4 539 549	5 062 131	91,80%	6,40%
<b>payments for capital assets</b>	<b>655 978</b>	<b>1 262 623</b>	<b>503 786</b>	<b>249 031</b>	<b>1 185 713</b>	<b>916 349</b>	<b>4,50%</b>	<b>-50,60%</b>
<b>Total Economic Classification</b>	<b>4 534 131</b>	<b>4 975 272</b>	<b>5 410 214</b>	<b>5 465 762</b>	<b>5 932 407</b>	<b>6 200 905</b>	<b>100%</b>	<b>1%</b>

**Programme 3: Housing Development** receives an allocation of R5 465 762 000.00 for the year under review which is the biggest share of the budget allocated to the Department. The allocation has increased by 1 percent when compared to the allocation of the previous FY. The allocation will decrease in the two outer years of the MTEF. The financial intervention

sub-programme gets a budget increase of 110 percent from an allocation of R233 997 000.00 to R491 689 000.00 during the year under review.

In terms of **economic classification**, goods and services receives a budget increase of 12,4 percent from an allocation R3 913 000. 00 in the previous FY to R4 398 000. 00 during the year under review. **Payments for capital assets** received a budget cut of 50,6 percent from an allocation of R503 786 000. 00 in the previous financial year to R249 031 000.00 in the current financial year.

The budget for the Programme increases from R5.5 billion in 2023/24 FY to R6.2 billion in the outer year. According to the Department, the continuous increase of the conditional grant will assist in reducing the housing backlog; implementation of Mega Projects; and the acceleration of the land release Programme. The budget will thus enable the Department to deliver on Outcomes 3 and 4: *“Integrated, sustainable; spatially transformed human settlements; livable neighborhoods; and “Social justice through security of tenure and asset value for beneficiaries”*.

#### 4.4 Programme 4: Housing assets property management

**Table 13: Housing assets and property management**

R'000	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/2024 FY	2024/25	2025/26	% share	%change
Administration	33 485	32 755	36 677	38 290	40 009	41 801	16,3%	4,4%
Sales and Transfer of Housing Properties	100 470	69 544	127 890	50 000	135 945	138 664	21,3%	-60,9%
Devolution of Housing Properties								
Housing Properties Maintenance	22 980	63 894	118 220	146 390			62,4%	23,8%
<b>Total</b>	<b>156 935</b>	<b>166 193</b>	<b>282 787</b>	<b>234 680</b>	<b>175 954</b>	<b>180 465</b>	<b>100,0%</b>	<b>-17,0%</b>

**Table 14: Economic classification: housing assets and property management**

R thousand	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/2024 FY	2024/25	2025/26	% share	%change
<b>Current Payments</b>	56 202	96 552	154 897	184 680	40 009	41 801	78,7%	19,0%
Compensation of employees	33 202	32 658	35 895	37 474	39 156	40 910	16,0%	4,4%
Goods and Services	23 000	63 894	119 00	147 206	853	891	62,7%	
<b>Transfers &amp; Subsidies</b>	100 733	69 641	127 890	50 000	135 945	138 664	21,0%	-60,9%
Households	100 733	69 641	127 890	50 000	135 945	138 664	21,0%	-60,9%
<b>Total Economic Classification</b>	156 945	166 193	282 787	234 680	175 954	180 465	100%	17%

**Programme 4: Housing assets management and property management** receives an allocation of R234 680 000.00 for the year under review which is a decrease of 17 percent when compared to the previous FY's budget allocation. The allocation will decrease in 2024/25 FY and in 2025/26 FY to R180 465 000.00.

The sub-Programme property maintenance received the largest share of the budget of Programme 4. This is the right step in the direction to resolving issues of hostel maintenance and flats. However, it is worrisome to notice that there are no budget estimates for the two outer years of the MTEF for this line item.

**Current payment** receives R184 680 000.00 of which R37 474 000. 00 goes to **compensation of employees**, there is an increase of 4,4 percent when comparing it to the previous year's allocation and **goods and services** receives an amount of R147 206 000.00. **Transfers and subsidies** receive an allocation R50 000.00 which all goes to household, there is a noticeable decrease of 60,9 percent.

Programme received provincial allocation of R325 million over the 2023 MTEF for eradication of backlogs in registration of pre-1994 title deeds and post-1994 title deeds and for providing security of tenure through the issuance of title deeds.

## 6 OVERSIGHT ON BUDGET EXPENDITURE (MACRO-ANALYSIS)

In terms of the Sector Oversight Model (SOM) and the Budget Cycle Model (BCM), the consideration of the Departments' budget is the second key stage, which, ideally should have been preceded by Micro-prioritisation, and Contracting Stage.

In doing this analysis the researcher has utilised the revised budget estimate for the 2022/23 FY allocation to compare whether budget has increased or decreased. This is the latest budget that is tabled to the Portfolio Committee during the adjustment period, and it therefore makes sense to use the revised budget compared to the main appropriation.

The **Budget Variance Study tool** shows that the Department's 2023/2024 FY allocation amounts to R6 421 222 000.00 of which R5 363 822 000.00 (83,5%) is the Human Settlements Development Grant (HSDG) and R1 057 400 000.00 (16,5%) is the equitable share allocation.

### a. Receipts and financing

#### i. Summary of receipts for equitable share and conditional grants

**Table 15: SUMMARY OF RECEIPTS FOR EQUITABLE SHARE AND CONDITIONAL GRANTS IN 2023/24 FY**

R'000	2020/21 FY	2021/22 FY	2022/23	2023/24	2024/25	2025/26	% share	%change
Equitable share	1 010 687	981 761	1 295 028	1 057 400	1 258 810	1 297 346	16,5%	-18,3%
Conditional grants	4 467 220	5 004 364	5 112 711	5 363 822	5 593 177	5 843 752	83,5%	5,0%
<b>Total</b>	<b>5 477 907</b>	<b>5 986 126</b>	<b>6 407 739</b>	<b>6 421 222</b>	<b>6 851 987</b>	<b>7 141 098</b>	<b>100,0%</b>	<b>0,2%</b>

The equitable share and conditional grants are the main source of funding for the Department. The Human Settlements Development Grant (HSDG) and funding made available by the province cater for the implementation of national and provincial housing programmes.

The report shows that the budget for **conditional grant** increases from R5 112 711 000.00 in 2022/23 FY to R5 363 822 000.00 in the 2023/24 FY. The Department receives funding from three conditional grants namely: the Human Settlements Development Grant (HSDG); the

Informal Settlements Upgrading Partnership Grant (ISUPG) as well as the Expanded Public Works Programme Grant (EPWP) for job creation initiatives.

As part of the funding for the 2023/24 FY, R1 226 949 000.00 is allocated for upgrading informal settlements through the UISPG. Title deeds restoration grant (TDRG) did not receive any allocation, and this has been the case even in the previous FY. EPWP receive an amount of R11 038 000.00, it is estimated that this line item will not receive funding in the two outer years of the MTEF.

## ii. Summary of Departmental receipts

**Table 16: Summary of Departmental receipts**

R thousands	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/2024 FY	2024/25	2025/26	% share	%change
Sales of goods and services other	442	420	540	321	335	350	34%	-40,5
Interest, dividends and rent on land		2	159	378	395	413	40%	137,7
Transactions in financial assets and	27 874	11 699	2 459	250	261	273	26,0%	-89,8%
<b>Total Departmental receipts</b>	<b>28 316</b>	<b>12 121</b>	<b>3 158</b>	<b>949</b>	<b>991</b>	<b>1 036</b>	<b>100,0%</b>	<b>-69,9%</b>

In terms of its mandate, the Department is not revenue driven and consequently does not generate a large amount of revenue. The revenue that it collects is derived from the following: employee parking tariffs, sale of tender documents, replacement of security cards, interest on overdue debt accounts, recoveries from previous years' expenditure, servitude rights and commissions.

*On Sale of Goods and Services other than Capital Assets:* It is envisaged that an amount of R321 000. 00 would be generated during the 2023/24 FY, with R335 000. 00 to be generated during 2024/25 FY, and R350 000. 00 in the 2025/26 FY respectively.

- 1) *On Interest, Dividends and Rent on Land:* It is envisaged that R378 000. 00 would be generated during the 2023/24 FY, with R395 000. 00 to be generated during 2024/25 FY, and R413 000.00 in the 2025/26 FY.

- 2) *On Transactions in Financial Assets and Liabilities:* It is envisaged that R250 000. 00 would be generated during the 2023/24 FY, with R261 000. 00 to be generated during 2024/25 FY, and R271 000. 00 in the 2025/26 FY.

### iii. Summary of Departmental transfers to public entities

The report demonstrates that the GPF facilitates investment capital flow into integrated developments, as per the Sustainable Human Settlements Policy Framework, to facilitate equitable risk sharing project financing and participate in social housing projects through innovative funding interventions with social housing institutions as a mechanism to entice capital investment into this market. The GPF functions as a financing vehicle and implementation agent of the Department for mega human settlements projects and as a custodian of strategic provincial land transferred to the GPF for effective fixed-asset management.

The GPF receives contributions from the GDHS from time to time, but the entity funds itself mainly from interest earned from the original capitalization of the GDHS donation. The GPF receives interest from loans extended to borrowers.

### iv. Departmental transfers to public entities

**Table 17: Departmental transfers to public entities**

R thousand	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/2024 FY	2024/25	2025/26	% share	%change
Gauteng Partnership Fund	1 119 342	662 444	968 005	467 285	880 278	1 082 964	100,0%	-52%
<b>Total</b>	<b>1 119 342</b>	<b>662 444</b>	<b>968 005</b>	<b>467 285</b>	<b>880 278</b>	<b>1 082 964</b>	<b>100%</b>	<b>-52%</b>

The Gauteng partnership fund receives an allocation of R467 285 000.00 for the year under review. The transfers to the agency for this financial year drastically decreases by 52% when compared to the previous year's allocation. This is regardless of the agency having been trusted with implementing some of the major programmes of the Department such as the

implementation of the Mega Projects, building of student accommodations and UISP to mention a few.

The continuous non-reporting of budget allocation to Housing Development Agency (HDA) in the budget report process but during the annual report the Department will report about funds allocated to HDA is a concern. The agency does not provide quarterly reports to the portfolio committee whereas the GPF reports to the committee. The HDA has been receiving a disclaimer audit opinion since 2019/20 FY. For the 2021/22 FY the GDHS reported in the Annual report that the R583 217 000.00 was transferred to HDA. The same year, the agency received a disclaimer audit opinion.

**How much is allocated to HDA for the current financial year.**

**v. Departmental transfers to local government by category**

**Table 18: Departmental transfers to local government by category:**

R thousand	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/2024 FY	2024/25	2025/26	% share	%change
Category A	19 500	64 562	196 088	12 045			5,4%	-93,9%
Category B	138 500	160 352	238 343	211 701	271 701	309 701	94,6%	-11,2%
<b>Total departmental transfers</b>	<b>158 000</b>	<b>224 914</b>	<b>434 431</b>	<b>223 746</b>	<b>271 701</b>	<b>309 701</b>	<b>100,0%</b>	<b>-48,5%</b>

In the 2023/24 FY, Category A municipalities received an amount R12 045 000.00. This shows a decrease of 93,9 percent when compared to the previous financial year’s allocation of R196 088 000.00. Whereas Category B municipalities receives R211 701 000.00, a decrease of 11,2 percent when compared to the previous financial year’s allocation of R238 343 000.00.

Category A municipalities are metropolitan municipalities and category B are district municipalities. The drastic decrease to municipalities is not clearly explained in the budget report. This comes after the Department has been citing issues of insufficient bulk infrastructure which is the responsibility of municipalities. The PC has also noted through its engagements with municipalities that at times funds would be transferred from the Province for a specific task and the municipality would decide to undertake other activities. A perfect



example being that of Mogale City municipality which was receiving funds from the province for the Implementation of Dr Sefularo and to date there is nothing to show in terms of the utilization of those funds.

**What is the agreement between the department and the municipalities that receive funding from the GDHS.**

- a) **Can municipalities use the funding for their own projects, or the province dictates which projects should benefit from the funding?**
- b) **What could be the reason behind decrease in funding for category A municipalities.**

## **7 DEPARTMENTAL PLANS FOR THE 2023/24 FINANCIAL YEAR**

### **a. Upgrading of Informal Settlements Programme (UISP) implementation**

The 2023/24 financial year will see the implementation of the ISUPG gaining momentum because of the considerable amount of work that has already started on this programme. For example, the Department plans to upgrade a total of 3 informal settlements by the end of the financial year, with this target significantly increasing during the Medium-Term Expenditure Framework period. Furthermore, the Department plans to provide interim support services (basic services such as water and sanitation) to a total of 69 informal settlements in the same financial year. The provision of these services to informal settlements is done on a need basis, which keeps fluctuating.

By the end of the third quarter of 2022/23 FY, 62 informal settlements were provided with interim support services in the form of sanitation services, resulting in 77 756 households having benefitted from these interim support services. Water services were still outstanding as at the end of the reporting period.

### **b. Title deeds**

The Department plans to deliver a total of 21 082 title deeds in 2023/24 FY, across the various categories.

During the 2022/23 financial year, 428 pre-1994 title deeds were registered against the annual target of 1 150; whereas 1 429 post 1994 title deeds were registered against the annual target of 11 828.

This target will remain unachievable for as long as there is slow pace of informal settlement upgrading. There need to be township proclamation before title deeds can be issued to beneficiaries. These two targets are inter-linked and require the GDHS and local government to work together.

### **c. Housing Units / Serviced Stands**

For the financial year 2023/24, the Department plans to deliver a total of 9 267 housing units (4 472 Mega housing units and 4 795 Legacy housing units); 8 885 serviced stands (6 549 Mega serviced stands and 2 336 Legacy serviced stands).

Provision of housing opportunities through Legacy Projects comprised 0 (0%) as at the end of the third quarter of 2022/23 FY against the annual target of 417 stands, and 589 (18%) housing units were achieved against a target of 3 319 for the year.

Achievement of the provision of housing opportunities through Mega Projects housing units as at the end of the third quarter of 2022/23 FY comprised of 5 142 serviced stands against a planned target of 6 761 (76%) and 2 917 (51%) units against the annual target of 5 760.

The Department continues to set high targets that are not realistic regardless of the previous year's performance that shows that targets were not met. The Department has well diagnosed its challenges. What is missing is for the Department to plan according to what is achievable. Without an integrated development planning between the province and municipalities these targets will remain unrealistic.

***What is different that the department is going to do this FY to achieve the planned targets?***

### **d. Hostel Re-Development.**

Whilst the GDHS is only directly responsible for 6 hostels (i.e., George Koch, LTA Rethabile, Denver, Jeppe, MBA, and Murray & Roberts) in the province, it has been made clear that 59 hostels in the province will benefit from the bulk infrastructure assessment exercise that the Department will be undertaking in the 2023/24 financial year. This is in line with the latest re-prioritization of hostel re-development, among other programmes, that seeks to upgrade hostels into habitable family units. To that end, detailed planning work (i.e., Environmental Impact Assessment, Revised Township Layout Plan, Geotech 1, and Preliminary Engineering Designs) will be undertaken as part of upgrading the 6 Johannesburg inner city hostels. The development of these hostels would be guided through the implementation of the inner-city hostel precinct development. The 6 inner city hostels in Johannesburg will also benefit from major repairs that will be affected therein, including their daily maintenance and environment upkeep, which would ensure that they are habitable.

During the third quarter of 2022/23 FY, there were no units that have been converted into family units under the Hostel Redevelopment Programme as the procurement processes were yet to be finalized. **Have the procurement processes now been finalized?**

The Gauteng Premier during his speech mentioned that *“Already, all the 6 hostels under our care have been installed with free WiFi and data. We’ve appointed service providers who will clean these hostels frequently. We are repairing all broken windows, roofs, toilets, doors etc in these hostels”*.

**Do all the six hostels under the care of the GDHS have WIFI and data installed? Or e-gov is responsible for the connectivity in the hostels?**

**How long has the appointed service provider been at the hostels? How much was the service provider been paid for the work done?**

The premier further proclaimed that they will install showers, toilets, reconnect electricity, collect refuse frequently with cleaning services by personnel from the Gauteng Government. And that from the 1st of April all the 6 hostels will have weekly mobile health clinics with doctors and nurses.

***Do the six hostels have the mobile clinics with doctors and nurses?***

**e. Rapid Land Release Programme**

According to the Department, all serviced erven under the Rapid Land Release Programme (RLRP) will be released to eligible beneficiaries. The Department plans to procure a total of 1 497 serviced erven from the private sector in the 2023/24 financial year, and 5 000 in the two subsequent financial years, respectively.

The Department planned to service 860 Rapid Land Redistribution Programme (RLRP) and 548 were achieved by the end of January 2023. The continuous increase in target setting whereas the previous financial years' performance should serve as lesson learned is worrisome.

**f. Urban Renewal Programme**

It is also worth mentioning that a significant amount of work will also be going towards the Urban Renewal Programme, whereby the following 4 URP Nodes will continue to receive attention, namely: Alexandra (Implementation of the Greater Alexandra Development Area Plan) , Winterveld (Winterveld: Rehabilitation of various internal infrastructure), Bekkersdal (Bekkersdal 1: Sewer network upgrade completion; Bekkersdal 2: Rehabilitation of various internal infrastructure) and Evaton (Evaton 1: Phase 3 Sewer network outflow; Evaton 2: Ablution and sanitation – completion of 30 outstanding facilities).

During the 2022/23 FY, out of the 4 projects that were targeted for implementation (Evaton, Bekkersdal, Winterveldt and Alexandra), implementation commenced in Alexandra. The Department is yet to conclude procurement processes for Evaton, Bekkersdal and Winterveldt. Delays were due to the initial procurement process having found no suitable service provider and recommissioning a new process. Evaton 1 & 2, Bekkersdal 1 & 2 including Winterveld were still at procurement stage.

## 8 OTHER PROGRAMME INFORMATION

### a. Staff training

**Table 24: Information on training of staff**

<b>R thousand</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Number of staff	829	899	899	899
Number of personnel trained	200	250	300	300
Male	80	100	140	140
Female	120	150	160	160
Number of training opportunities	25	25	25	25
Tertiary	12	12	12	12
Workshops	8	8	8	8
Seminars	3	3	3	3
Other	2	2	2	2
Number of bursaries offered	125	130	130	130
Number of interns appointed	46	46	46	46
Number of learnerships appointed	10	10	10	10
Number of days spent on training	100	100	100	100
<b>Payments on training by Programme</b>	<b>5 419</b>	<b>6 322</b>	<b>6 696</b>	<b>6 996</b>

## 9 CONCLUSION

In conclusion, the budget reports are merely plans of the Department for the financial year under review. For the benefit of this analysis, revised estimates were utilised to analyse how much the budget has increased or decreased compared to the previous FY and how much in terms of the percentage share did each programme receive. The PC will continue to monitor and assess the Department's technical performance and budget expenditure on a quarterly basis. The allocated budget to the budget will not enable the department to cover all its mandate. This is partly because some of the projects that the department undertakes are multi-year projects. The department on the other hand has in the past financial year lost R200 million in budget cuts and still spent 99% of its allocated budget at the end of the 4<sup>th</sup> quarter. So, the budget allocated to the department is more less the same as the budget that was allocated in the previous financial year.

## 10 PROPOSED QUESTIONS TO THE DEPARTMENT

### **Programme 1: Administration**

1. Has the Business Plan and the Annual Performance Plan of the department been approved by the National Department of Human Settlement

### **Programme 2: Housing needs, research, and planning**

2. Why does the research unit of the department does not receive funding? How do research projects get funded.

### **Programme 3: Housing development**

3. With regards to housing development, what is different that the department will during this financial year to ensure that targets are achieved, seeing that in the previous FY targets were not achieved.

### **Programme 4:**

During the third quarter of 2022/23 FY, there were no units that have been converted into family units under the Hostel Redevelopment Programme as the procurement processes were yet to be finalized.

4. Have the procurement processes now been finalized?

The Gauteng Premier during his speech mentioned that *“Already, all the 6 hostels under our care have been installed with free WiFi and data. We’ve appointed service providers who will clean these hostels frequently. We are repairing all broken windows, roofs, toilets, doors etc in these hostels”*.

5. Do all the six hostels under the care of the GDHS have WIFI and data installed? Or e-gov is responsible for the connectivity in the hostels?

6. How long has the appointed service provider been at the hostels? How much was the service provider been paid for the work done?

The premier further proclaimed that *“they will install showers, toilets, reconnect electricity, collect refuse frequently with cleaning services by personnel from the Gauteng Government. And that from the 1st of April all the 6 hostels will have weekly mobile health clinics with doctors and nurses”*.

7. Do the six hostels have the mobile clinics with doctors and nurses?

**Analysis of conditional grants allocation for 2023/24 FY**

8. How much is allocated to HDA for the current financial year.

**Departmental transfers to local government by category**

9. What is the agreement between the department and the municipalities that receive funding from the GDHS.

- c) Can municipalities use the funding for their own projects, or the province dictates which projects should benefit from the funding?
- d) What could be the reason behind decrease in funding for category A municipalities.

**11 REFERENCES**

The Constitution of the Republic of South Africa 1996.

The Public Finance Management Act, 1999.

The Gauteng Provincial Government: Estimates of Provincial Expenditure (EPRE); and the Estimates of Capital Expenditure (ECE) for 2023/24 MTEF.

The Human Settlements Conditional Grants' (HSDG) allocation transferred through the National Department of Human Settlements, being Vote 8.

Departmental Annual Performance Plan 2023/24 FY.

The President's state of the Nation address (SONA).

The Premier's state of the Province Address (SOPA).

Gauteng MEC's budget speech.