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MONITORING THE RIGHT OF ACCESS TO ADEQUATE HOUSING IN SOUTH AFRICA

WORKING PAPER 16 - September 2017

An update of the policy effort, resource allocation & enjoyment of the right to housing

Monitoring the Progressive Realisation of Socio-Economic Rights Project
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FOUNDATION FOR
HUMAN RIGHTS

PREFACE

The **Studies in Poverty and Inequality Institute** (SPII) is an independent research think tank that focuses on generating new knowledge, information and analysis in the field of poverty and inequality studies.

The working paper has been undertaken as part of the 'Monitoring the progressive realisation of socio-economic rights' project conducted by SPII with the support of Foundation for Human Rights and endorsement from the South African Human Rights Commission (SAHRC). The objective of this project through the combination of policy and budget analysis and statistical indicators is to provide a comprehensive framework and set of tools to monitor the progressive realisation of socio-economic rights. It is hoped that this project will be a useful tool for policy makers, for those that exercise oversight over the executive, including Parliament and Chapter Nine institutions (notably the SAHRC), and civil society.

The authors would like to acknowledge and thank **Isobel** Frye, **Daniel** McLaren, **Thokozile** Madonko, **James** Archer, **Adelaide** Steedley and colleagues at Statistics South Africa (StatsSA), for their comments and contributions on earlier drafts of this report.

This work is funded by the Foundation for Human Rights whose funding contribution to this research is gratefully acknowledged.

Contents

ACRONYMS

CPS	Continuous Population Survey (StatsSA)
CRU	Community Residential Units
DHS	Department of Human Settlements
DPME	Department of Performance, Monitoring and Evaluation
FCC	Financial and Fiscal Commission
GHS	General Household Survey (StatsSA)
HDA	Housing Development Agency
HSDG	Human Settlements Development Grant
ICESCR	the International Covenant on Economic, Social and Cultural Rights
IES	Income and Expenditure Survey (StatsSA)
LCS	Living Conditions Survey (StatsSA)
NDP	National Development Plan
NUSP	National Upgrading Support Programme
RDP	Reconstruction and Development Programme
SAHRC	South African Human Rights Commission
SER	Socio-Economic Right
SERI	Socio-Economic Rights Institute of South Africa
SPII	Studies in Poverty and Inequality Institute
UISP	Upgrading of Informal Settlements Programme
USDG	Urban Settlements Development Grant

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CHAPTER ONE:

THE STATUS OF THE RIGHT OF ACCESS TO HOUSING IN SOUTH AFRICA: *Progressive realisation between 2002 and 2016*

1. INTRODUCTION

Section 26(1) of South Africa's Constitution states that everyone has the right of access to adequate housing. The Constitution further states that the State must take reasonable legislative and other measures within its available resources, to achieve the progressive realisation of this right. The South African Human Rights Commission (SAHRC) elaborates that accessibility means, "...the State must create conducive conditions for all its citizens, irrespective of their economic status, to access affordable housing.[1]"

Despite significant gains over the years- a 2015 SAHRC report asserts that since 1994, the government had provided an estimated 3.7 million housing opportunities[2]- there have been major challenges in housing delivery and the provision of services that expand adequate housing beyond bricks and mortar.

South Africa's submission of an Initial Report on measures adopted and progress made in achieving the rights recognised in the International Covenant on Economic, Social and Cultural Rights (ICESCR), is notably thin regarding the advancement of the right to adequate housing.

In 2014, Studies in Poverty and Inequality Institute (SPII) published the first review of the state of the right of access to housing in South Africa using a unique methodology that combines a human rights analyses of the content of the right and the development and implementation of government policies related to the right; funds allocated and spent by government to see those policies realised, and an assessment of their outcomes on the ground through the development and population of performance and impact indicators.[3] The review traced the progressive delivery of the right between 2002 and 2012. The report found that while South Africa's State-subsidised housing programmes are almost unparalleled internationally, and have expanded access to adequate housing to many poor households, major challenges regarding broadening access to adequate housing remained, and that the implementation of progressive policy shifts had suffered from poor planning, coordination, capacity, and monitoring, as well as in many instances, political will.

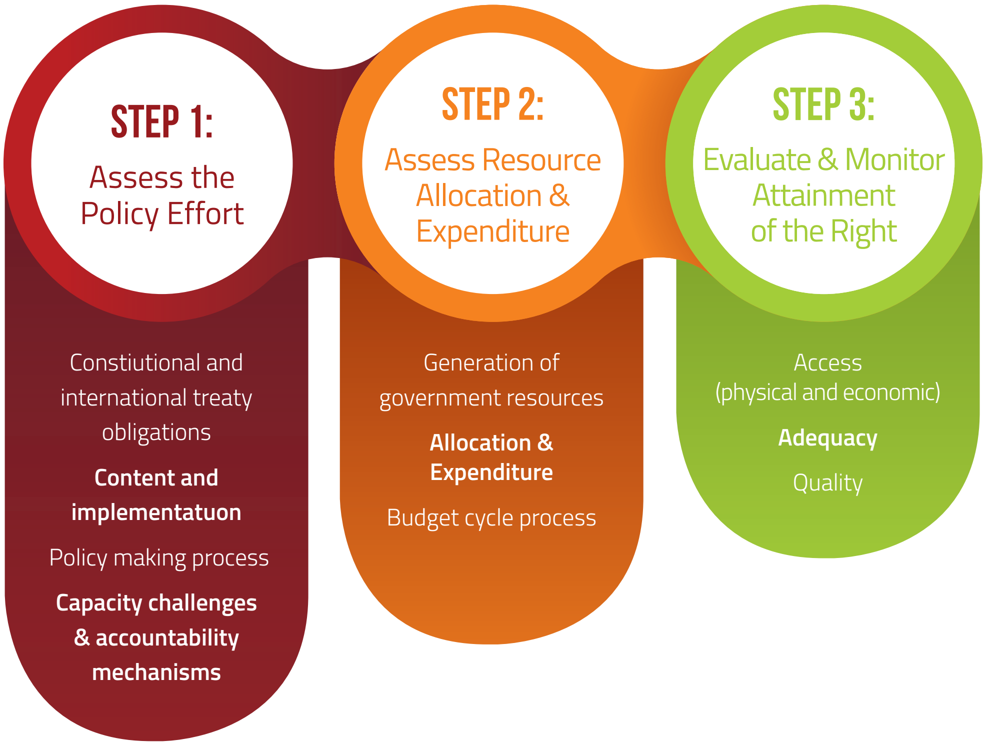
FOOTNOTES:

1. South African Human Rights Commission, 2002. The Right of Access to Adequate Housing, p. 21. Available at:http://www.sahrc.org.za/home/21/files/Reports/4th_esr_chap_2.pdf
2. South African Human Rights Commission: Investigative Hearing Report, 2015. Access to Housing, Local Governance and Service Delivery, p 9. Available at: http://www.sahrc.org.za/home/21/files/Access%20to%20Housing%202015.pdf
3. Dawson, H. & McLaren, D. 2014. Monitoring the right of access to adequate housing in South Africa: An analysis of the policy effort, resource allocation and expenditure and enjoyment of the right to housing. SPII Working Paper 8.

1.1 The Socio-Economic Rights Monitoring Tool

SPII has developed a three step methodology to offer clarity on the progressive realisation of socio-economic rights and bolster advocacy efforts in this regard. These steps include an analysis of the policy effort (Step 1) and the allocation and expenditure of resources for specific rights (Step 2). These two steps assist in monitoring and evaluating the attainment of rights (Step 3) on the ground through specific outcome indicators.

A summary of the three steps is provided below.



STEP 1: ANALYSE THE POLICY EFFORT

The first step of the analysis takes a closer look at the underlying policies and legislation guiding the realisation of socio-economic rights (SERs). This step firstly assesses whether the actual content of social and economic policies adequately reflects the **Constitution and international treaty obligations** and international standards that the State has ratified.

Secondly, this step evaluates both the **content and implementation** of existing legislation, policy frameworks and government programmes to assess what gaps (in principle and in practice) exist. This assessment is based upon a fundamental human rights framework that includes non-discrimination, gender sensitivity, dignity, participation, transparency and progressive realisation.

An important component of evaluating the policy effort is an assessment of the **policy making process** in terms of transparency and public participation in decision-making by the relevant civil society organisations and communities specifically affected by the policy under review. Another important dimension is to analyse the departmental responsibilities and institutional arrangements to assess the **capacity challenges and accountability mechanisms** currently in place..

STEP 2: ASSESS RESOURCE ALLOCATION & EXPENDITURE

The second step assesses the reasonableness of the budgetary priorities in light of the obligations on the State and human right principles and standards. This requires an analysis of firstly, the **generation of government revenue.**

Secondly, an analysis of the allocation and expenditure of such resources to reduce disparities, prioritise the most vulnerable and disadvantaged groups, and progressively realise SERs, must take place. This step uses various budget analysis techniques to monitor planned (i.e. budget allocations) and actual resource expenditures at both national and provincial levels and therefore assesses the delivery and implementation of government policy and programmes as they relate to the realisation of rights.

Thirdly, an analysis of the **budget cycle process** from the perspective of human rights principles of participation, non-discrimination, transparency and accountability. An assessment of resource availability cannot be separated from an analysis of institutional arrangements, human resources and local capacity which are necessary for the efficient and effective spending of budgets.

STEP 3: EVALUATE & MONITOR ATTAINMENT OF SERS

The third step measures the enjoyment of rights by rights holders and therefore monitors and evaluates the State's obligation to fulfil the realisation of SERs. This step evaluates the State's performance via the development of statistical indicators which provide a clearer and more specific illustration of SERs enjoyment on the ground over time. The outcome indicators make reference to the three dimensions of access (physical and economic), quality and adequacy over time. This requires that quantifiable and replicable indicators (proxies for the different dimensions of SERs) be developed along with agreed benchmarks and targets.

The indicators need to be aligned to data that is freely and easily available in annual surveys and data sets, and must be capable of being decomposed (disaggregated) by region, race, gender and age – wherever possible and useful. This allows disparities between e.g. different population groups or geographical region to be identified, and an assessment of the extent to which progress has been made over time.

The 3-step methodology provides a comprehensive framework from which to monitor and assess progress made to date.

The purpose of the tool, however, goes beyond constitutional compliance and aims to achieve specific objectives:

- Clarify and unpack the **content of the SERs** and the **obligations on the State** to ensure access to and enjoyment of SERs is continuously broadened.

- Determine the extent to which organs of the State have respected, protected, promoted and fulfilled their obligations. This involves identifying achievements, deprivations, disparities, and regression to illuminate both **causation and accountability** in terms of policies, resources spent, implementation and institutional capacity.

- Provide **evidence** for **advocacy initiatives** and **legal interventions**, and make **recommendations** that will ensure the protection, development and universal enjoyment of SERs.

In this report, SPII's 2014 review of the right to adequate housing in South Africa will be updated. Regular updates of this kind are crucial to monitoring the progressive realisation of the right, as well as to assisting advocacy efforts in this regard. This report seeks to provide an overview of the state of the right to adequate housing in South Africa by scrutinising the evolution of the country's housing jurisprudence in recent judgments in the Constitutional Court, the Supreme Court of Appeal and the High Court, assessing real resource allocations and expenditures on the programmes designed to implement South Africa's housing policies,[4] and presenting outcome and performance indicators covering key components of access to adequate housing. We trust that this report will enable all social actors to understand what the critical areas are for intervention and improved support and alignment of both State and private interventions to aid on the progressive realisation of the right of access to adequate housing.

FOOTNOTES:

4. There have been no major shifts in South Africa's housing policy since 2014. For a comprehensive overview of these policies, see SPII's last review of the right to adequate housing.

CHAPTER TWO:
DEVELOPING CONTENT OF THE RIGHT OF ACCESS TO HOUSING: *South Africa's evolving housing jurisprudence*

The right of access to adequate housing in South Africa – the most adjudicated socio-economic right before the Constitutional court – continues to find its way to the courts at all levels on a regular basis. While our 2014 housing report explores the legal interpretation of the right in some detail, and the Socio-Economic Rights Institute of South Africa (SERI) has published an updated analysis of South Africa's robust evictions jurisprudence and its implications,[5] some notable judgments warrant brief discussion here.

In July 2017, the UN Committee on Economic, Social and Cultural Rights made its second decision concerning the right to adequate housing in M.B.D. et al. v. Spain. The Committee confirmed principles already well established in the South African jurisprudence, such as that evictions should not render individuals or families homeless, that the onus rests on the State to provide suitable alternative accommodation in cases where it will, and that the State should pro-actively plan to guarantee the right to housing, especially for low-income households. The Committee also encouragingly emphasised that States should address the structural causes of homelessness and housing vulnerability.[6]

In Pitje v. Shibambo and Others, the South African Constitutional Court again confirmed the progressive principles developed in its prior evictions jurisprudence, with Nkabinde J emphasising that,

> *"courts cannot necessarily restrict themselves to the passive application of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE)... courts are obliged to probe and investigate the surrounding circumstances when an eviction from a home is sought. This is particularly true when the prospective evictee is vulnerable."*

The Court went further in Occupiers of erven 87 & 88 Berea v. Christiaan Frederick De Wet (Kiribilly), to entrench the principles, that evictions that lead to homelessness are unlawful and courts have a positive obligation to consider all relevant circumstances in eviction hearings. The Constitutional Court ordered that, evictions that result in homelessness are unlawful even if they are agreed to by residents who stand to be evicted. The Court emphasised that judges must ensure that people under threat of eviction are adequately informed of their rights to contest eviction proceedings and claim alternative accommodation.

When considering the question of what constitutes suitable alternative accommodation in eviction cases in Baron and Others v. Claytile (Pty) Limited and Another, however, the Constitutional Court handed down a worrying unanimous judgment in which it "accept[ed] that the housing units at Wolwerivier qualify as suitable alternative accommodation which is provided by the City [of Cape Town] within "its available resources". Considering the desperate living conditions at Wolwerivier – a relocation area lined up on an expanse of gravel without the respite of shade and isolated from jobs, schools and hospitals 30km outside of Cape Town's inner city which has been described as a "human dumping ground"[7] – the judgment potentially sets a dangerous precedent.

The Court has been criticised for abandoning its decision-making function and precedent when it declined to use "a method of legal reasoning that includes the use of legal fictions and hypotheticals and the practice of drawing inferences."[8] The suitability of the homes provided by the State, whether in cases of evictions or otherwise, was further jeopardised in Khaya Projects. In that judgment, the Supreme Court of Appeal held that the constitutional obligations on the State with regard to adequate housing do not extend to the private contractors it enters into contracts with to build and develop houses.

FOOTNOTES:

5. SERI. 2016. Evictions and Alternative Accommodation in South Africa 2000-2016: An analysis of the jurisprudence and implications for local government
6. Benito Sanchez, JC. July 2017. 'The CESCR Decision in M.B.D. et al. v. Spain: Evictions without suitable alternative accommodation'. Available at: https://medium.com/@jcbensan/the-cescr-decision-in-m-b-d-et-al-v-spain-evictions-without-suitable-alternative-accommodation-98cb39ad049e
7. Ramji, B. and Webster, D. 2017. 'Top court failed to consider farm evictees' right to dignified housing'. Available at: https://www.businesslive.co.za/bd/opinion/2017-07-27-top-court-failed-to-consider-farm-evictees-right-to-dignified-housing/
8. Ibid.

Some critical informal settlement judgments have also been handed down at the High Court level. In Melani and Others v. City of Johannesburg and Others, the South Gauteng High Court found that the Upgrading of Informal Settlements Programme (UISP) is binding on the City of Johannesburg, confirming the move away from eviction and relocation and towards in situ upgrading in informal settlements. In Fischer, the Western Cape High Court sought to balance the rights of property owners of the Marikana informal settlement and the housing rights of the unlawful occupiers who had built their homes there.

The court directed the City of Cape Town to initiate the process provided for in terms of the Housing Act to purchase the land, and to expropriate the land in the event that negotiations to purchase fail. The judgment represents an unprecedented victory for the victims of South Africa's housing crisis against one of the most exclusive property regimes in the world, and signals a "shift in poor people's struggle for access to well-located, serviced urban land and its attendant social and economic benefits."[9]

FOOTNOTES:

9. Webster, D. and Molopi, E. 2017. 'Giving land to Philippi residents a first step to redress'. Available at: https://www.businesslive.co.za/bd/opinion/2017-02-06-giving-land-to-philippi-residents-a-first-step-to-redress/

CHAPTER THREE:

HOUSING ALLOCATIONS AND EXPENDITURE:

A human rights analysis of housing budgets in South Africa

3.1 INTRODUCTION

Sufficient budget allocations are imperative in fulfilling government's obligation to ensure the realisation of socio-economic rights. It is equally important for government departments to utilise these resources efficiently and for their intended purpose. This requires planning and institutional capacity in order to deliver on mandates and targets. Therefore, spending needs to be effective and through budgetary allocations, tangible outcomes or improvements must be achieved. Finally, resource allocation should be linked to equity, with the needs of the most vulnerable prioritised in order to reduce disparities.

This section of the paper will examine the allocation and expenditure trends of the Department of Human Settlements over a five-year period, therefore 2012 to 2017, at all three levels of government in order to interrogate the reasonableness of government's budgeting for the right to adequate housing. In South Africa, each year a Division of Revenue Act (DoRA) is passed by Parliament setting out the division of nationally raised revenue among the three spheres of government- national, provincial and local. The portion of the budget allocated to human settlements is split into national housing programmes that are implemented at all three levels of government,[10] which makes budget analysis even more critical due to the more complex nature of the State's allocations on these three levels.

3.2 OVERVIEW OF BUDGET ANALYSIS

As in the previous publication, this section will begin by examining the allocation and expenditure trends of the national Department of Human Settlements (DHS), which is tasked with housing delivery. Since 2013/14, the DHS has four programmes that it finances from its budget (in previous years there were five). The fourth programme- Housing Development Finance (HDF) - receives approximately 97% of the total budget. The budget performance of this programme will therefore be looked at in more detail, before two of its sub-programmes- the Human Settlements Development Grant (HSDG) and Urban Settlements Development Grant (USDG) - which make up over 95% of the HDF budget, will be examined rigorously.

3.3 NOMINAL VS. REAL FIGURES

Inflation is the term used to describe general increases in the prices of goods and services in the economy over time. Inflation erodes the value of money because rising prices mean that R1 today buys you slightly more than R1 tomorrow. Departmental annual reports and Treasury documents tend to only provide the nominal amounts allocated in the budget each year, unadjusted for the effect of inflation. This makes comparing spending patterns over time difficult as the value of the amounts allocated in previous years (i.e. what they can buy) has changed. Therefore, when conducting an analysis of government budgets over time, it is important to take the effects of inflation into account. Converting nominal amounts to real amounts equalizes the value of money for each year under review, and therefore allows us to compare much more accurately the amounts allocated in the budget for different years.

In South Africa, the most widely used measurement of general inflation is the Consumer Price Index (CPI), which is tracked by Statistics South Africa (StatsSA). Adjusting the nominal amounts provided in the Estimates of National Expenditure and DHS annual reports to real amounts requires us to make a calculation using 'inflators' which are based on the annual CPI inflation rate provided by StatsSA. The CPI inflation rate and inflators used in this budget analysis to convert nominal amounts to real amounts are shown below. 2017 was used as the base year, hence all amounts in this chapter have been adjusted to 2017 prices.[11]

FOOTNOTES:

10. Dawson, H. & McLaren, D. 2014. Monitoring the right of access to adequate housing in South Africa: An analysis of the policy effort, resource allocation and expenditure and enjoyment of the right to housing. SPII Working Paper 8.
11. Inflators were calculated using 2017/18 as the base year and official CPI headline financial year rates published by National Treasury in the Budget Review. Available at; http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf. All amounts in this paper are therefore equivalent to 2017/18 Rands.

Table 1: CPI inflation annualised percentage change, and inflators used to convert nominal amounts to real amounts, 2012/13 – 2017/18

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
CPI Inflation	5.6%	5.8%	5.6%	5.2%	6.4%	
Inflator	0.76	0.80	0.85	0.89	0.94	1

In order to highlight real allocation and expenditure trends, the following key has been used in all tables and figures:

- Indicates an annual allocation % change equal to or above CPI inflation OR perfect spending performance (zero under or over-expenditure).
- Indicates an annual allocation % change below CPI inflation.
- Indicates under-expenditure.
- Indicates under-expenditure of less than 2% of total budget.
- Indicates over-expenditure.

The nominal figures (which have been converted into real figures for the purposes of this paper) are drawn from National Treasury's 2015, 2016, and 2017 Estimates of National Expenditure (ENE). The 'adjusted appropriation' figures provided in the ENE are used as a proxy for national programme allocation figures in this report, while the 'audited outcome' figures represent national programme expenditure figures. It must be noted that there are currently no expenditure figures for the 2016/17 financial year. The ENE publications provide comprehensive information on how budget resources are generated, how institutions have spent their budgets in previous years and how institutions plan to spend resources allocated to them over the Medium-Term Expenditure Framework (MTEF) period.[12]

However, the DHS' annual reports (2012/13 – 2015/16) are used as sources for allocation and expenditure trends with regard to the sub-programmes under Programme 4 (Housing Development Finance). Neither the ENE publications nor annual reports provided data for the 2016/17 financial year in this regard.

The key motive that precipitated a deviation from the previous publication's data sources is related to SPII's chosen period of review (2012-2017). The ENE publications provided more recent data regarding national programme allocations and expenditure, whereas the Department of Human Settlement's latest published annual report is from 2015/16.

3.4 PROGRAMME DESCRIPTION

As highlighted earlier, the DHS has four core programmes which it finances from its budget. Prior to the 2013/14, during Minister Tokyo Sexwale's tenure, the Department had a fifth programme, which has since ceased to exist. The strategic objectives of the programmes as highlighted in the 2013/14 Annual Report are provided below:

Programme 1: Administration

Strategic objectives: Provide executive support to the Office of the Director-General on parliamentary, cabinet liaison, secretariat support and management of intra-departmental structures. Provide integrated assurance and advice on governance practices to assist the Department achieve its objectives. Provide advisory services to the Department and Portfolio Committee on matters relating to project quality assurance and integration. Oversee the enhancement of human settlements operations through effective enterprise architecture services in

FOOTNOTES:

12. National Treasury (2015) Estimates of National Expenditure, Vote 38, Human Settlements. Available at: http://www.treasury.gov.za/documents/national%20budget/2015/enebooklets/Vote%2038%20Human%20Settlements.pdf

order to ensure improved service delivery and compliance. Manage corporate support services to the Department. Ensure that the public is informed of the departmental programmes and policies. Manage the legal services to the Department. Manage human resource services to the Department. Manage information systems and information technology systems and infrastructure support services. Provide financial administration, supply chain and budget management services and provincial debtors support.

Programme 2: Human Settlements Policy, Strategy and Planning

Strategic objectives: Manage the development and maintenance of human settlements policy frameworks. Manage research and compliance with human settlements governance frameworks. Manage the research and development of the human settlements macro strategy for the sector. Manage human settlements planning frameworks and processes. Manage intergovernmental and sector relations and cooperation for the human settlements development.

Programme 3: Programme Delivery Support

Strategic objectives: Manage the conceptualisation and planning of human settlements strategic programmes and projects. Oversee and facilitate the implementation and facilitation of human settlements projects. Manage and monitor the implementation of the sanitation programmes, Manage the development of the technical capacity in the human settlements sector.

Programme 4: Housing Development Finance

Strategic objectives: Manage and mobilise sectoral resources and identify possible discriminating lending patterns by financial institutions. Manage regulatory compliance services within the human settlements sector and provide oversight management over the Department's entities. Manage the monitoring, evaluation and assessment of the impact of human settlements projects, policies and programmes. **This is a key programme in that it funds the delivery of all housing and human settlements projects**.

3.5 NATIONAL HUMAN SETTLEMENTS PROGRAMME ALLOCATIONS AND EXPENDITURE TRENDS

Figure 1: Total DHS budget: real allocations, annual % change and under-expenditure, 2012/13- 2016/17

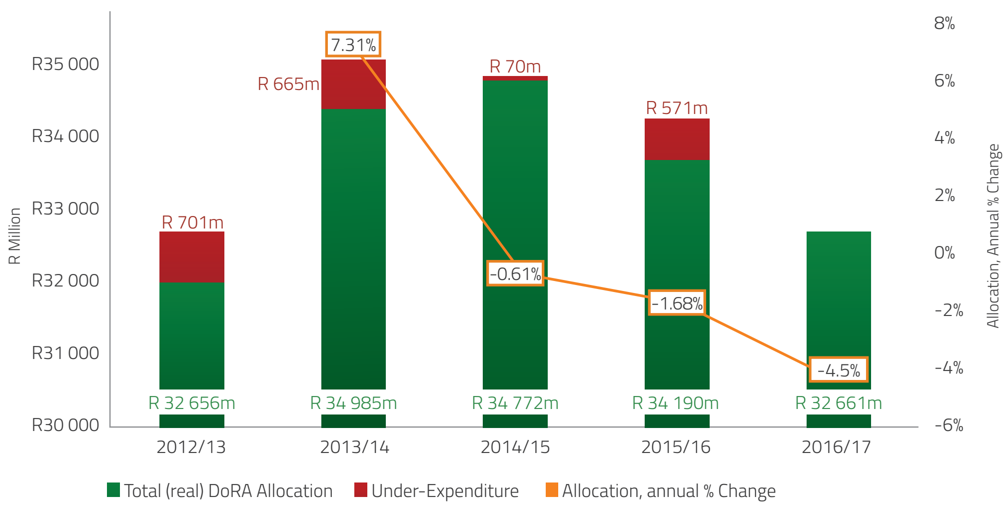


Figure 1 illustrates that between 2013/14 and 2016/17 there has been a real term decline in allocations towards the human settlements budget; although the nominal figures through the period of review show increases. This means that nominal budget allocations over these years fell below CPI inflation. However, as highlighted in table 2, under-expenditure over the five-year period of review has generally remained at less than 2% of the total real budget allocation, which is considered acceptable by normal accounting standards.

Table 2: DHS budget: real allocations and expenditures, annual % change, and under-expenditures as % of total budget, four programmes, 2012/13-2016/17

Nominal and real allocations and expenditures, annual % change and under-expenditure as % of total budget	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17
1.Administration					
Total real allocation	561	528	512	494	489
Real allocation, annual % change		-6%	-3%	-3.6%	-0.8%
Real amount spent	378	350	512	460	
Real under expenditure	184	178	0	31	
under-expenditure as % of total real allocation	32.7%	33.6%	0%	6.8%	
2. Human Settlements Policy, Strategy and Planning					
Total real allocation	112	105	103	83	94
Real allocation, annual % change		-6.4%	-2.1%	-19.5%	13%
Real amount spent	83	91	93	85	
Real under expenditure	29	14	9	-2	
under-expenditure as % of total real allocation	25.9%	13.1%	9.2%	-2.7%	
3. Programme Delivery Support					
Total real allocation	213	236	217	186	231
Real allocation, annual % change		11.2%	-8%	-14.6%	24.3%
Real amount spent	170	124	158	135	
Real under expenditure	42	113	59	50	
under-expenditure as % of total real allocation	19.9%	47.6%	27.2%	27.1%	
4. Housing Development Finance					
Total real allocation	31 770	34 115	33 940	33 428	31 847
Real allocation, annual % change		7.4%	-0.5%	-1.5%	-4.7%
Real amount spent	31 323	33 754	33 939	32 938	
Real under expenditure	446	361	1	489	
under-expenditure as % of total real allocation	1.4%	1.1%	0%	1.5%	
Total departmental under-expenditure					
Total real allocation	32 656	34 985	34 772	34 190	32 661
Real allocation, annual % change		7.1%	-0.6%	-1.7%	-4.5%
Real amount spent	31 995	34 319	34 703	33 619	
Real under expenditure	701	665	70	571	
under-expenditure as % of total real allocation	2.1%	1.9%	0.2%	1.7%	
CPI Inflation	5.6%	5.8%	5.6%	5.2%	6.4%

Indicates an annual allocation % change equal to or above CPI inflation OR perfect spending performance (zero under or over-expenditure).

Indicates an annual allocation % change below CPI inflation.

Indicates under-expenditure.

Indicates under-expenditure of less than 2% of total budget.

Indicates over-expenditure.

A glance at table 2 shows that between 2012/13 and 2013/14, the Housing Development Finance experienced a real term allocation increase of 7.4% before declining in subsequent years. Programme 3, which over the years has had quite significant under-expenditure as a percent of its total real allocation, experienced allocation increases above CPI inflation in 2012/13 and 2016/17 respectively, but decreased in real terms in 2014/15 and 2015/16.

Figure 2: Real programme allocation as % of total DHS budget- 2012/13- 2016/17

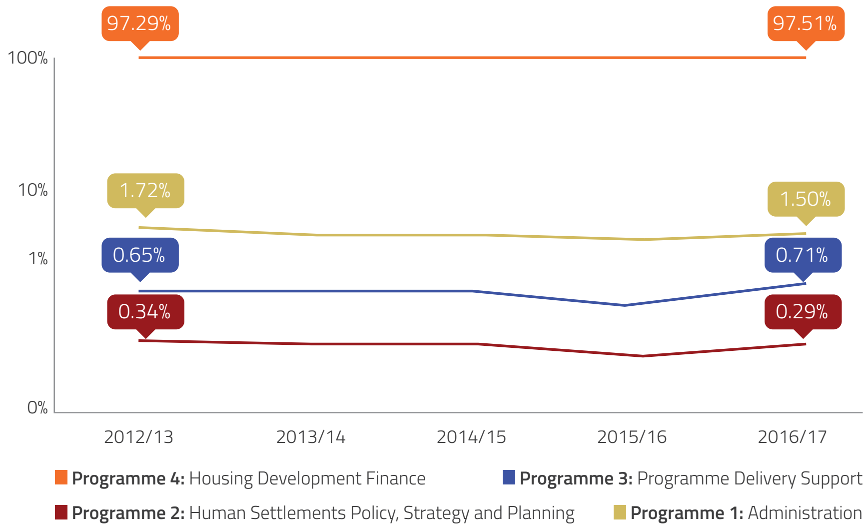
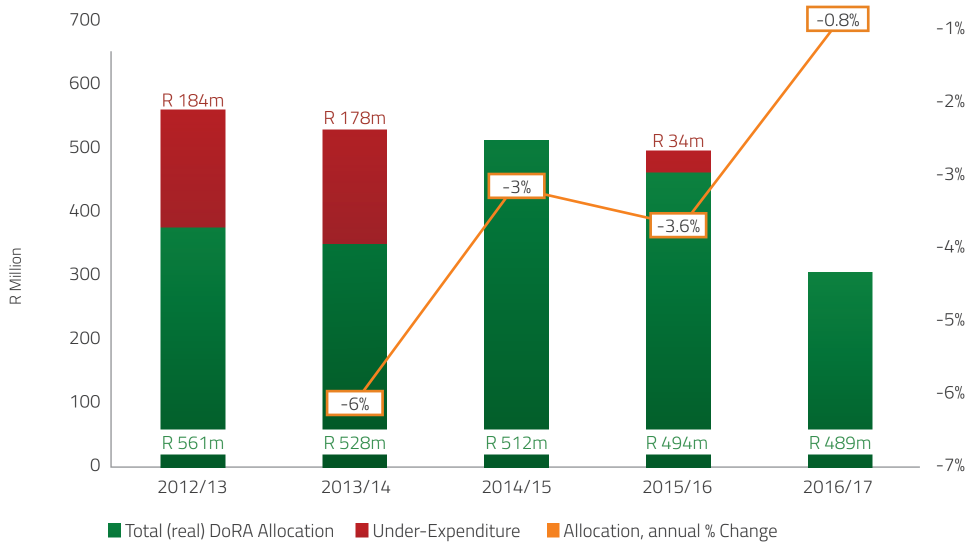


Figure 2 shows that programme 4 has consistently received by the far the largest proportion of the housing budget since 2012/13. This programme will be examined in greater detail in the following sections. The department's other three programmes share the remaining 2.5% of the budget. The smallest share of the budget (0.29% in 2016/17) was allocated to the Human Settlements Policy, Strategy and Planning programme, which, in real terms has received an average of R100 million per annum over the period of review.

The following section of the budget analysis will move away from the overall national DHS budget and examine the allocation and expenditure trends of each of the programmes specifically.

Figure 3: Programme 1: Administration- real allocations, annual % change and expenditure, 2012/13- 2016/17



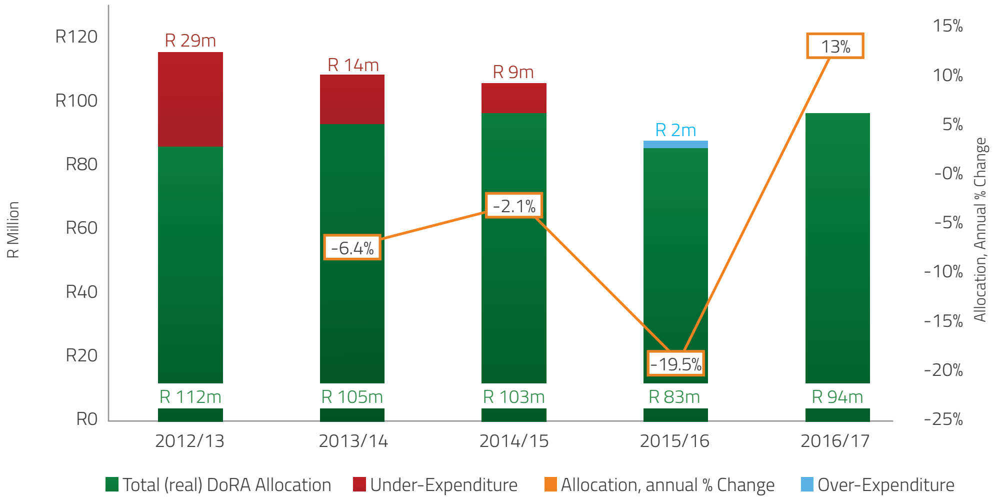
Within the five-year period of review, the administration budget has experienced slight real term decreases. These could be attributed to the under-spending which took place in the earlier years, 33% of the total budget in 2012/13 and 34% in 2013/14. According to the DHS' annual report the reasons for the under-expenditure in 2012/13 were a combination of the following factors: delayed invoicing by the Special Investigation Unit (SIU); funds allocated to increasing office space have consistently not been spent for a number of reasons; and large numbers of vacancies that have been budgeted for have not been filled due to continued lack of office space.[13]

In 2013/14, the department cited that one of the main reasons for not spending its full budget was due to capacity constraints.[14]

FOOTNOTES:

13. DHS Annual Report 2012/13
14. DHS Annul Report 2013/14 pg 56

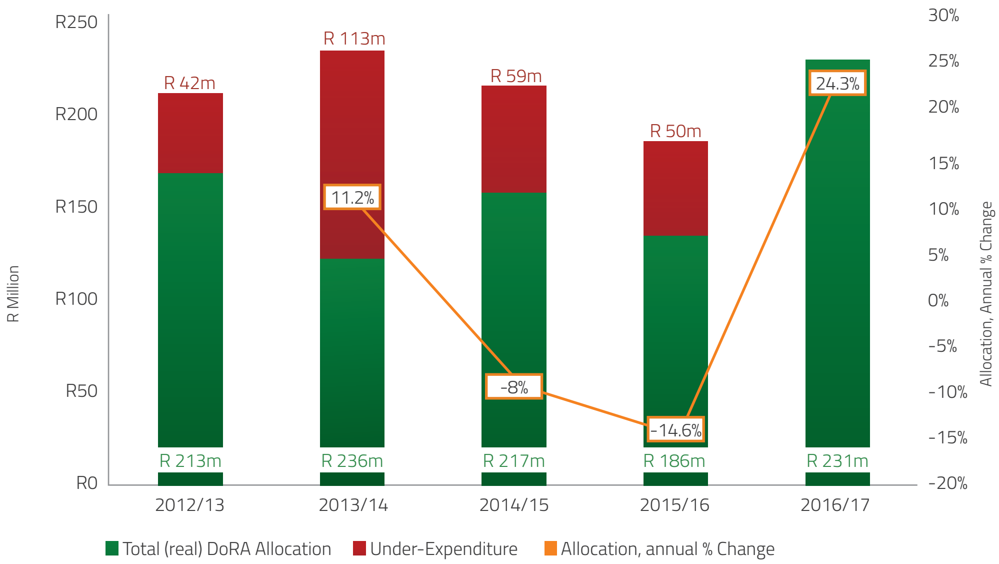
Figure 4: Programme 2: Human Settlements Policy, Strategy and Planning- real allocations, annual % change and expenditure, 2012/13 – 2016/17



The programme saw several years of under-spending and real terms allocation decline between 2012/13 and 2015/16. According to a Financial and Fiscal Commission (FFC) submission to the Portfolio Committee on Human Settlements in October 2014, the findings of the Auditor-General noted that in 2013/14 there was material underspending within the programme. This was similar to 2012/13 where the specified reasons included the non-filling of vacancies and delays in invoicing.[15]

Programme 2 saw an increase of 13% to its budget in 2016/17. This may be a result of the programme slightly overspending its funds, thereby demonstrating that further resource allocations could be justified.

Figure 5: Programme 3: Human Settlements Delivery Support- real allocations, annual % change and expenditure, 2012/13- 2016/17



Human Settlements Delivery Support's main functions are to support implementation and delivery, build capacity as well as coordinate and monitor the implementation of priority projects.

Figure 5 shows a real term allocation increase for this programme in 2013/14, which was also the same year that the budget was massively under-spent by 48%. The Department's annual report highlights the reasons for this underspending as being due to two main factors. Firstly, personnel related costs were unspent due to a failure to fill vacancies. Second, delays were experienced in the implementation of the National Upgrading Support Programme, which had a negative impact on spending patterns.[16] The same reasons were cited for underspending in the following year- 2014/15[17]- which stood at approximately 27% of the total allocation.

FOOTNOTES:

15. Parliamentary Monitoring Group (2014). Audit Outcomes of Department of Human Settlements: AGSA, Financial and Fiscal Commission and Public Service Commission briefing. Available at: https://pmg.org.za/committee-meeting/17608/
16. DHS 2013/14 Annual Report pg. 193
17. DHS 2014/15 Annual Report pg. 12

This resulted in a decline in allocations for the next financial year- however there was a significant real terms allocation increase of 24% in 2016/17.

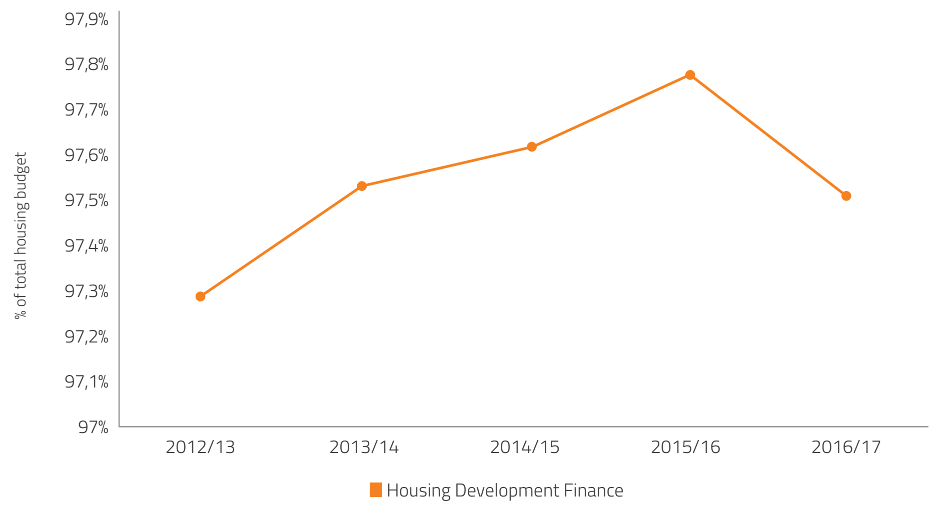
These trends point toward consistent poor planning and lack of capacity within the programme to carry out its mandate and spend the funds allocated to it. The continued failure to spend and implement the National Upgrading Support Programme (NUSP) - also cited as a reason for under-expenditure in the 2015/16 financial year- is a critical issue, as NUSP holds key responsibility for supporting and assisting municipalities with the in situ upgrading of informal settlements.

3.6 PROGRAMME 4: HOUSING DEVELOPMENT FINANCE (HDF) AND TWO SUB-PROGRAMMES (HSDG AND USDG)

The next section of the budget analysis will focus on one of the DHS' core programmes, Housing Development Finance. As stated earlier in this paper, this programme is allocated a significant portion of the total human settlements budget. This section will interrogate two of Programme 4's sub-programmes, namely the Human Settlements Development Grant (HSDG) and the Urban Settlements Development Grant (USDG).

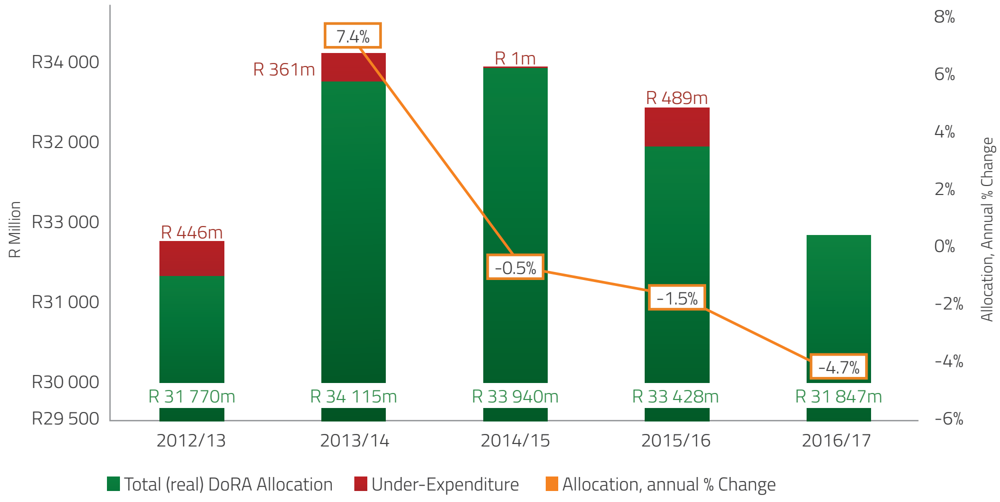
Programme 4 is responsible for facilitating and accelerating the department's key human settlements programmes and projects. A large part of this function involves managing and providing grant services to provinces and municipalities for the delivery of sustainable housing and human settlements.

Figure 6: Housing Development Finance budget as % of total real DHS budget



As figure 6 illustrates, HDF currently receives approximately 97% of the total DHS budget. The performance of this programme, and its sub-programmes, is thus critical to the progressive realisation of the right to housing in South Africa.

Figure 7: Programme 4: Housing Development Finance- allocations, annual % change and expenditure, 2012/13 -2016/17



From 2013/14, there has been a real terms decrease in allocations towards this programme, despite the fact the under-expenditure has remained at below 2% through the years. The most significant allocation cut took place in the 2016/17 financial year.

Table 3: Programme 4: Housing Development Finance- real allocations, annual % change and expenditure for the HSDG, USDG and Other*, 2012/13- 2015/16

*Other represents the sum of all HDF sub-programmes (excluding HSDG and USDG) in each financial year.

Total (real) allocations, annual % change, actual expenditure and under-expenditure as % of total budget	Allocations and Expenditures R millions			
	2012 /13	2013 /14	2014 /15	2015 /16
Human settlements Development Grant (HSDG)				
Nominal allocation	15 395	17 028	17 084	18 303
Nominal expenditure	15 276	16 499	16 971	18 180
Real allocation	20 331	21 295	20 193	20 487
Real allocation, annual % change	n/a	4.7%	-5.2%	1.5%
Actual expenditure	20 173	20 633	20 060	20 349
Real under/over expenditure	157	662	134	138
Under-expenditure as % of total budget	0.8%	3.1%	0.7%	0.7%
Urban Settlements Development Grant (USDG)				
Nominal allocation	7 392	9 077	10 284	10 554
Nominal expenditure	3 340	4 883	5 247	5 981
Real allocation	9 762	11 351	12 156	11 813
Real allocation, annual % change	n/a	16.3%	7.1%	-2.8%
Actual expenditure	4 411	6 107	6 202	6 695
Real under/over expenditure	5 351	5 245	5 954	5 119
Under-expenditure as % of total budget	54.8%	46.2%	49%	43.3%
Other (Consolidation of remaining sub-programmes)				
Nominal allocation	1 322	1 466	1 344	1 006
Nominal expenditure	1 171	1 134	1 343	569
Real allocation	1 746	1 833	1 589	1 126
Real allocation, annual % change	n/a	5%	-13.3%	-29.1%
Actual expenditure	1 546	1 418	1 587	637
Real under/over expenditure	199	415	1	489
Under-expenditure as % of total budget	11.4%	22.6%	0.1%	43.4%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Indicates an annual allocation % change equal to or above CPI inflation OR perfect spending performance (zero under or over-expenditure).

Indicates an annual allocation % change below CPI inflation.

Table 3 shows the allocation and expenditure patterns of the sub-programmes funded by Programme 4. For ease of reading, we have extracted the USDG and HSDG and consolidated the remainder of the sub-programmes into "other", for this analysis. Due to the urban focus of this paper, analysis will predominantly concentrate on these two conditional grants, rather than the Rural Settlements Development Grant. The USDG and HSDG are allocated to municipalities and provinces to fund the development and creation of sustainable human settlements.

The Human Settlements Development Grant (HSDG) is given to provinces and metropolitan municipalities and is primarily responsible for providing funding for the construction of housing and human settlements, in line with the constitutional right to adequate housing. This is the largest grant value allocated under Programme 4 in the review period. The Urban Settlements Development Grant (USDG) on the other hand is currently transferred to 8 accredited metropolitan municipalities to supplement their capital expenditure in support of national human settlements development programmes, in particular, the upgrading of informal settlements and the acquisition of land in urban areas for pro-poor housing development.

Figure 8: Programme 4: Housing Development Finance (HSDG, USDG and Other*) - real allocations as % of total HDF allocations, 2012/13- 2015/16

Other represents the sum of all HDF sub-programmes (excluding HSDG and USDG) in each financial year.

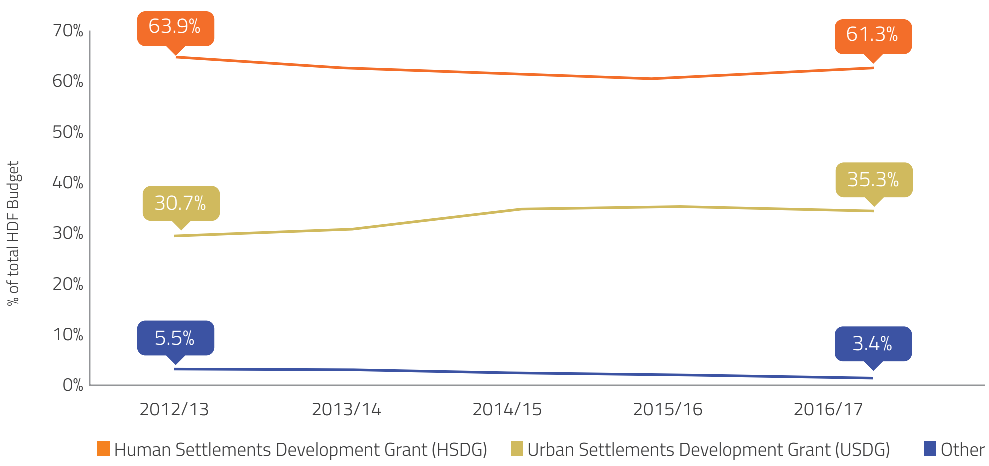


Figure 8 illustrates the HSDG, USDG and other sub-programmes allocation as a percent of the total HDF allocation. The HSDG clearly takes up a large share of the total allocation, followed by the USDG. However, this figure shows that between 2012/13 and 2015/16 funding for the HSDG was decreased relative to the USDG. These trends will be interrogated in more detail in the next section. Together the HSDG and USDG made up 96% of the HDF budget in 2015/16. Because funds for these programmes are transferred directly from the HDF allocation to provinces and municipalities tasked with their implementation, the performance of these two key sub-programmes must be given special attention.

3.7 SPENDING PERFORMANCE OF THE HUMAN SETTLEMENTS DEVELOPMENT GRANT (HSDG)

The HSDG is a conditional grant allocated to the DHS and then transferred to provinces according to a set formula that takes into account the housing needs and resources of the respective provinces.[18] This is by far the largest grant value allocated to Programme 4 during the period under review, receiving a real amount of R20 billion or 61% of the total HDF budget in 2015/16. The HSDG is also a vital source of revenue for municipalities not receiving the USDG, which continue to rely heavily on these funds for the delivery of sustainable human settlements.

Under-expenditure on the HSDG happens at a provincial and metropolitan level and can result either in funds being withdrawn from a province or allowed to roll-over. If funds are withdrawn, they must be re-allocated to better performing provinces. This allows for a degree of flexibility and accountability in the allocation of funds that should reward good and punish poor performance, both in relation to spending and targets.

FOOTNOTES:

18. Financial and Fiscal Commission submission to the Portfolio Committee on Human Settlements: Department of Human Settlements 2013 Budget Vote, pg 11

Figure 9: HSDG allocation received by provinces, annual % change and expenditure by provinces, 2012/13 - 2015/16

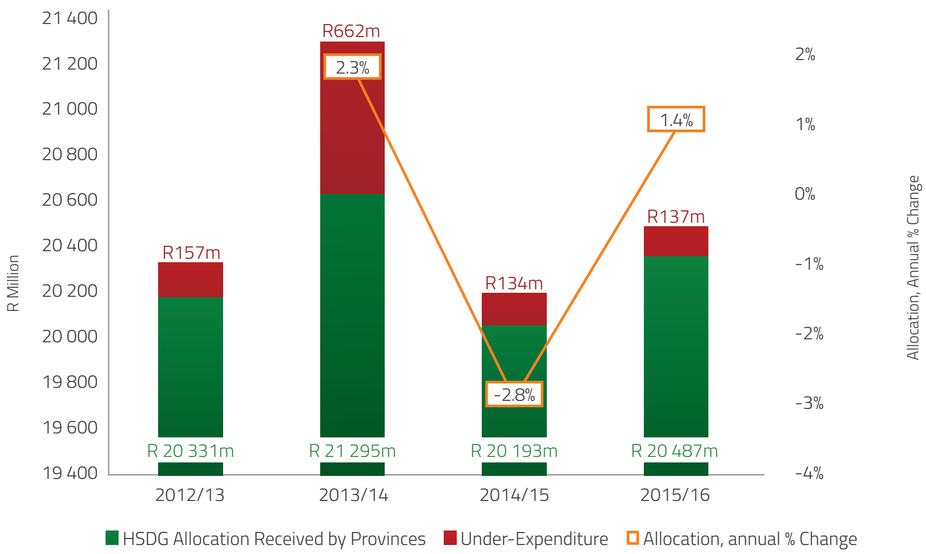
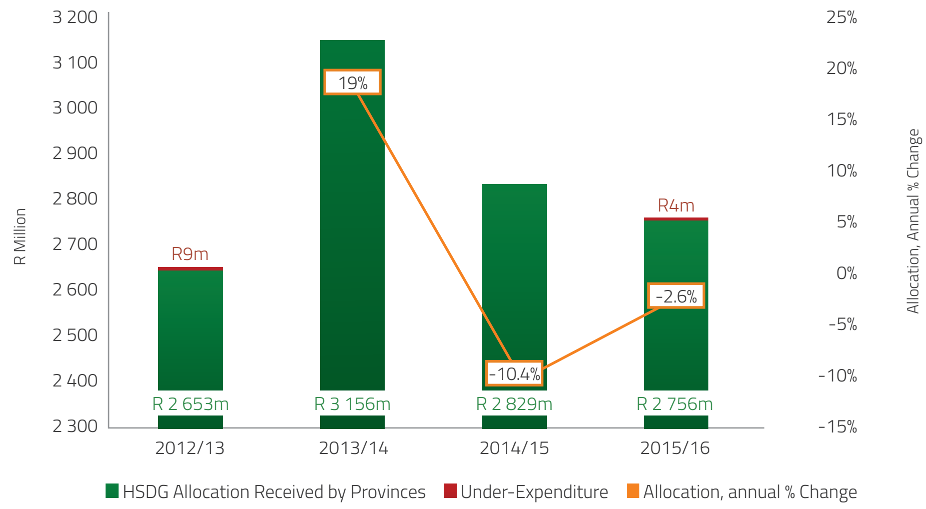


Figure 9 illustrates monies received by provinces through the HSDG and expenditure trends. There is quite a significant allocation of R 21, 2 billion in 2013/14, but also a noteworthy amount was underspent in this financial year, as compared to others. The 2.8% allocation decline between 2013/14 and 2014/15 may be due to the fact that the sanitation function was transferred to the Department of Water and Sanitation in terms of a presidential proclamation which took place in July 2014. The function carried with it two grants, namely the Rural Households Infrastructure Grant and the Human Settlements Development Grant (Indirect Grant for Bucket Eradication). Approximately R900 million was transferred from the HSDG to the Department of Water and Sanitation.[19]

The following figures look at the real amounts received by provinces from 2012/13 to 2015/16, and show whether they have under or over-spent on the amounts allocated to them for the implementation of the HSDG.

Figure 10: Eastern Cape HSDG allocations and expenditure, 2012/13 - 2015/16

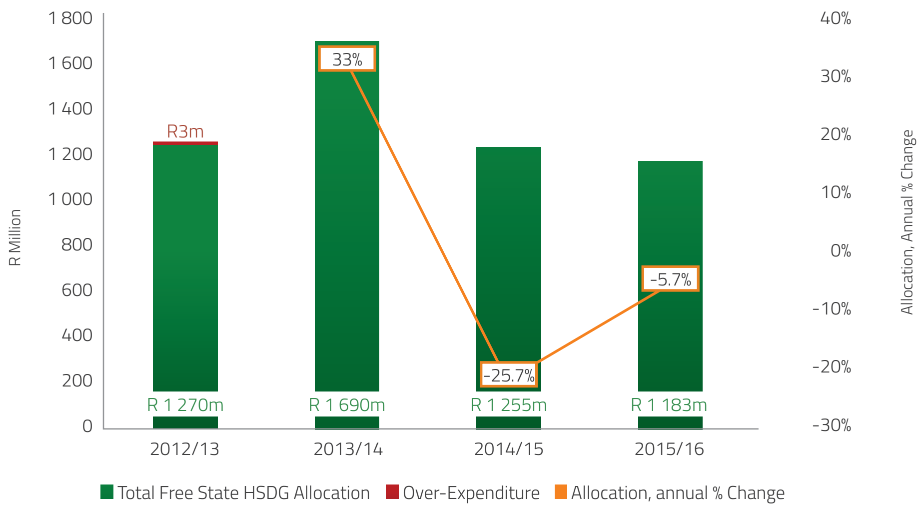


The Eastern Cape Department of Human Settlements has almost always spent its full allocation under the period of review. There was a significant increase in real allocation (19%) between 2012/13 and 2013/14, however the subsequent years have seen a decline in allocations. As highlighted above, the initial decline which took place in 2014/15 could be attributed to the presidential proclamation, but the reasons are unclear about the budget cut in 2015/16, particularly considering the province's good expenditure trends.

FOOTNOTES:

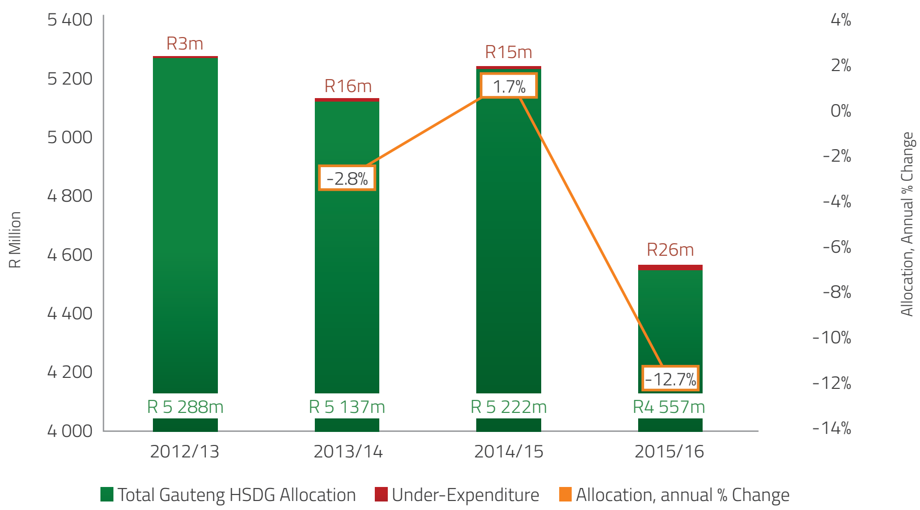
19. 2014/15 Annual Report, DHS, pg 14

Figure 11: Free State HSDG allocations and expenditure, 2012/13 - 2015/16



The Department of Human Settlements in the Free State consistently spent its entire budget in the period under review, except in 2012/13 where it overspent by R3 million. There was a 33% increase in allocation in 2013/14, with a real decline in the province's HSDG budget thereafter.

Figure 12: Gauteng HSDG allocations and expenditure, 2012/13 – 2015/16

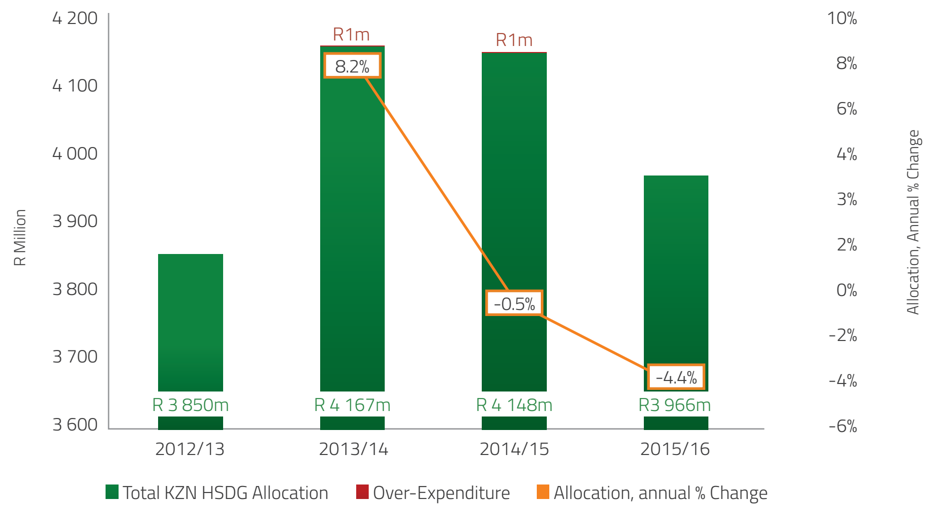


Gauteng has received the largest share of the total HSDG budget in all the years under review. However after a somewhat steady real terms allocations, there was a severe 12% decline in allocation in 2015/16. The DHS's annual report states that about R910 million was taken away from Gauteng and re-allocated to other provinces in 2015/16, and that this was due to persistent under-spending by the provincial department.[20] During a parliamentary briefing, the FFC raised concerns that targets for top structures had been missed by 41% in 2015/16 because of the re-allocation of these funds. In a province that experiences high volumes of household migration, this is particularly problematic.[21]

FOOTNOTES:

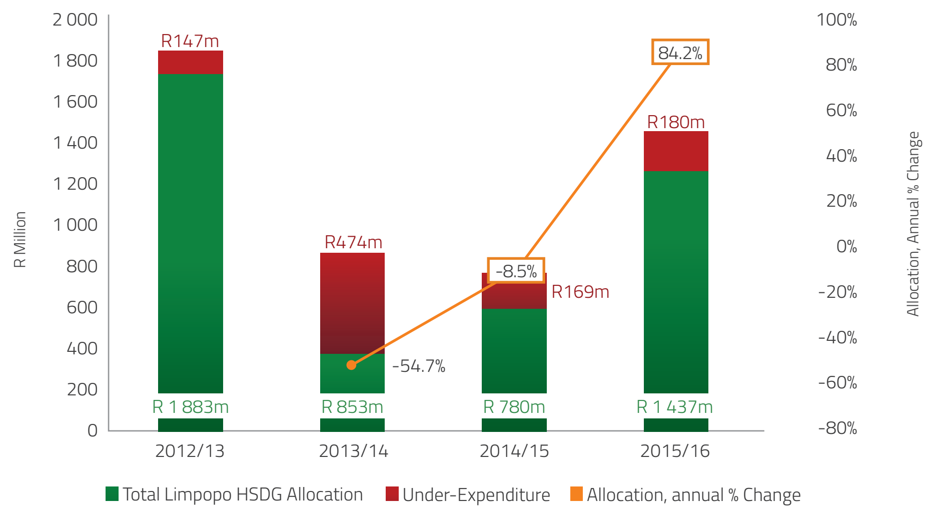
20. DHS 2015/16 Annual Report pg. 37
21. Parliamentary Monitoring Group (2016). Department of Human Settlements on its 2015/16 Annual Report with Auditor General, DPME & FFC inputs. Available at: https://pmg.org.za/committee-meeting/23364/

Figure 13: KwaZulu-Natal HSDG allocation and expenditure, 2012/13 – 2015/16



Continuing the same trend as the Eastern Cape and Free State Departments of Human Settlements, KZN saw a real terms increase in budget allocation between 2012/13 and 2013/14, only to experience a decline in the following years. This is despite the fact that the provincial department seems to spend its entire budget, and the assertion by the FFC that in 2015/16 the province had performed well in the delivery of housing units.[22]

Figure 14: Limpopo HSDG allocations and expenditure, 2012/13 – 2015/16



Limpopo's Department of Human Settlements seems to be quite an anomaly in various regards. The department saw a whopping 54% real terms decrease in budget allocation between 2012/13 and 2013/14, 55% of which was not spent. R 644 million was withheld from the province in 2013/14, and funds were re-allocated to other provincial human settlement departments.

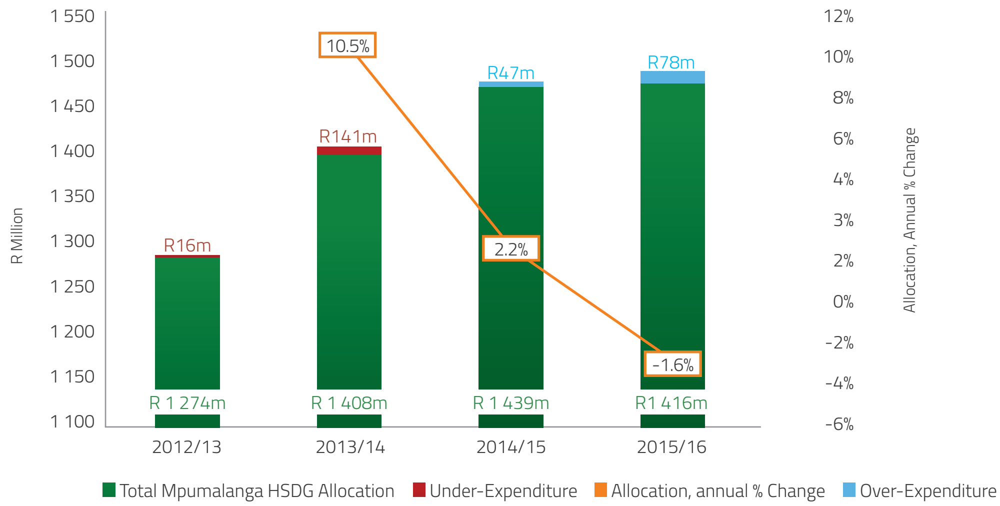
The FFC highlighted its concerns to the PC on Human Settlements in their review of the DHS's 2013/14 financial year. The Commission stated that the provincial department showed material underspending, with an almost 60% reduction in funding. It was emphasised that Limpopo's funds were withheld by the Department following a forensic investigation in relation to the awarding of a tender for the construction of low cost houses.[23] At a briefing the following year, the FFC recommended that if money was withheld due to underspending, then capacity would need to be improved, as withholding funds affects service delivery, and the lives of the vulnerable.

Unlike other provincial departments thus far, Limpopo saw a surge in real terms allocation from R780 million in 2014/15 to R 1.4 billion 2015/16.

FOOTNOTES:

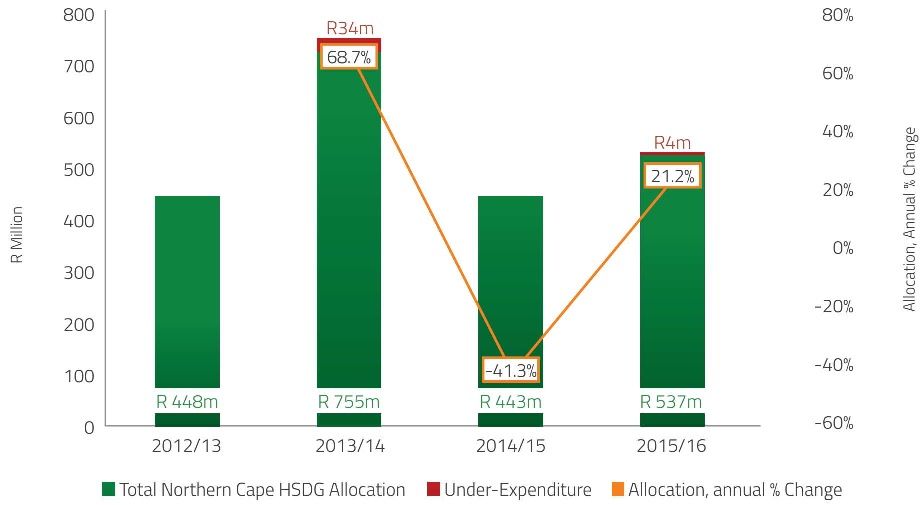
22. ibid
23. Parliamentary Monitoring Group (2014). Audit Outcomes of Department of Human Settlements: AGSA, Financial and Fiscal Commission and Public Service Commission briefing. Available at: https://pmg.org.za/committee-meeting/17608/

Figure 15: Mpumalanga HSDG allocations and expenditure, 2012/13 – 2015/16



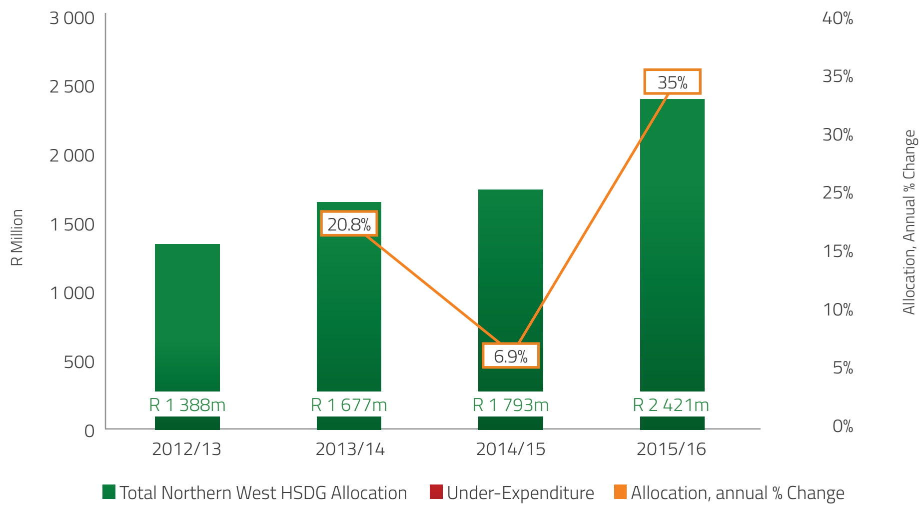
The Mpumalanga Department of Human Settlements has seen a real terms increase in allocations between 2012/13 and 2014/15, and a slight decline thereafter. The province overspent by R47 million and R78 million respectively in the 2014/15 and 2015/16 financial years.

Figure 16: Northern Cape HSDG allocations and expenditure, 2012/13 - 2015/16



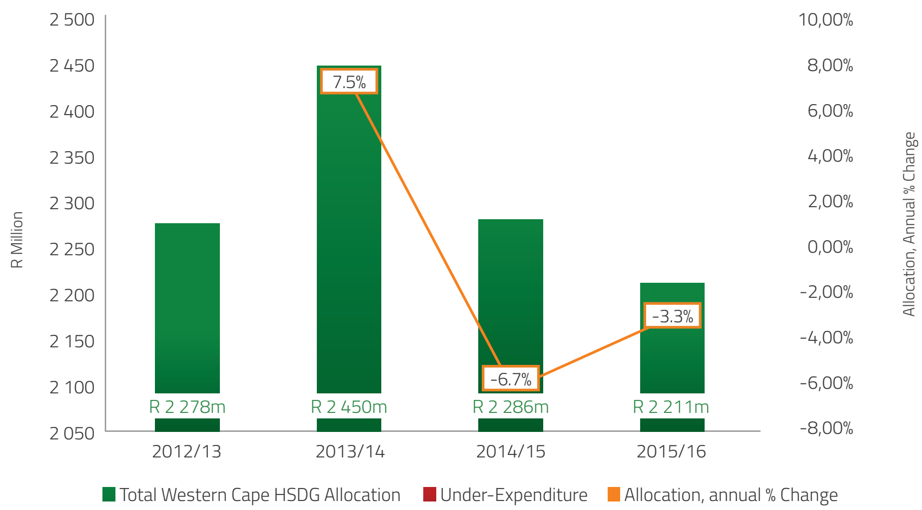
The Northern Cape has received the smallest share of the HSDG of any province, possibly due to the fact that it has the lowest proportion of the population. The general trend evident in figure 15 is that the provincial department spends a large portion (if not whole) of its allocated budget. An exception to this was in 2013/14, where there was 68% real terms allocation increase. This may have been because the department received a re-allocation of approximately R200 million in 2013/14- adding to its initial real allocation of about R400 million.

Figure 17: North West HSDG allocations and expenditure, 2012/13- 2015/16



North West Human Settlements is the only department to show real terms allocation increases through the period under review, and complete expenditure of its allocated funds. There was an allocation increase of approximately R744 million between 2013/14 and 2015/16.

Figure 18: Western Cape HSDG allocations and expenditure, 2012/13 – 2015/16



After Gauteng and KwaZulu-Natal, the Western Cape receives the third largest share of the HSDG funds. However, despite positive expenditure trends over the period of review, the provincial department has seen a real terms allocation decline between 2013/14 and 2015/16, from R2,4 million in the former year to R2,2 million in the latter.

3.8 HSDG ASSESSMENT

With the exception of Limpopo Human Settlements, the HSDG across the provinces has generally been well spent. However, in most cases there have been real term decreases in allocations over the period of review. In the 2014/15, the explanation for reduced funds across many of the provinces could be the shift of sanitation function (bucket eradication) from the DHS to the Department of Water and Sanitation. Western Cape and North West had perfect spending, while Mpumalanga, Kwazulu-Natal and Free State had instances of over-spending. Nevertheless, the question remains whether these positive spending patterns have translated into key housing delivery targets being met and thus people's material conditions improving. The indicator analysis of this paper will attempt to answer some of these questions.

3.9 SPENDING PERFORMANCE OF THE URBAN SETTLEMENTS DEVELOPMENT GRANT (USDG)

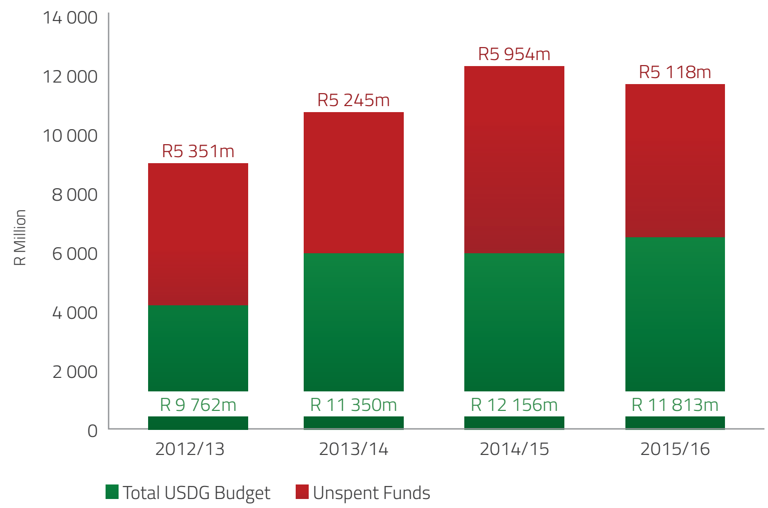
The Urban Settlements Development Grant (USDG) is transferred to 8 accredited metropolitan municipalities and cities to fund human settlement related infrastructure development, and is intended particularly for the upgrading of informal settlements and increased provision of housing opportunities for the poor in urban areas.

Specifically, the grant is intended to assist metropolitan municipalities to improve urban land usage and availability to the benefit of poor households. This is meant to be achieved by supplementing the capital revenue of metropolitan municipalities to:[24]

- Reduce the real average cost of urban land;
- Increase the supply of well-located land;
- Enhance tenure security and quality of life in informal settlements;
- Subsidise the capital costs of acquiring land; and
- Provide basic services for poor households.

Unfortunately, since its introduction in 2010/11, the USDG has been plagued by poor spending, despite the increase in allocations over the years.

Figure 19: USDG, real allocations and expenditure, 2012/13- 2015/16



FOOTNOTES:

24. DHS Annual Report, 2011/12, p29.

Table 4: USDG, nominal and real allocations and expenditure, 2012/13- 2015/16

Indicates an annual allocation % change equal to or above CPI inflation OR perfect spending performance (zero under or over-expenditure).

Indicates an annual allocation % change below CPI inflation.

Nominal and real allocations and expenditure, under-expenditure as % of total budget	2012 /13	2013 /14	2014 /15	2015 /16
Urban Settlements Development Grant (USDG)				
Nominal allocation (DoRA)	7 392	9 076	10 284	10 554
Actual expenditure	3 340	4 882	5 247	5 982
Real allocation (DoRA)	9 762	11 351	12 156	11 813
Real allocation, annual % change		16.3%	7.1%	-2.8%
Real expenditure	4 411	6 105	6 202	6 696
Real under expenditure	5 351	5 245	5 954	5 118
Real under-expenditure as % of total budget	54.8%	46.2%	49%	43.3%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Figure 20: USDG, real allocations and expenditure, by accredited municipality 2012/13 and 2015/16

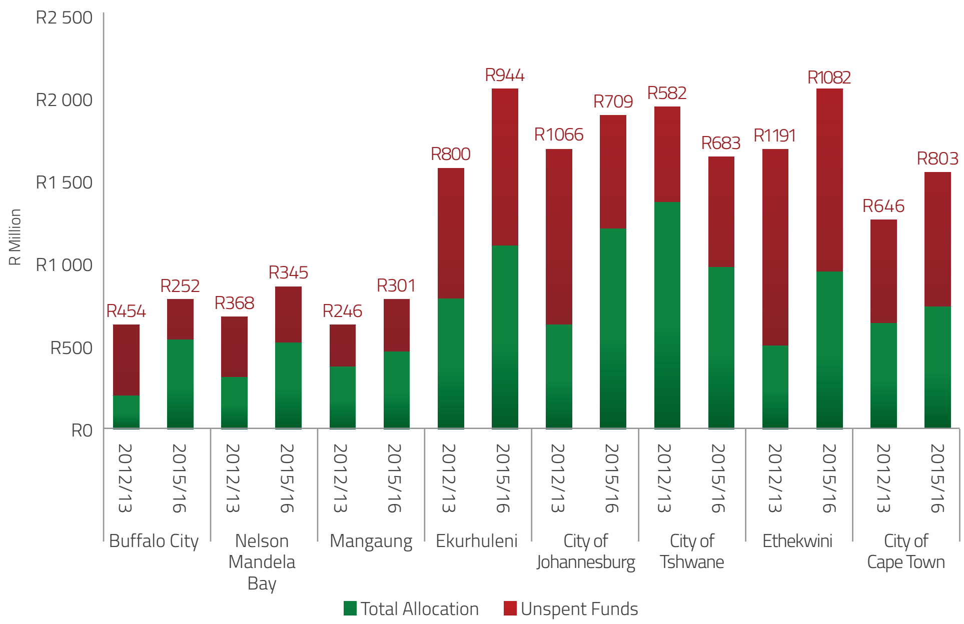


Table 4 shows that in 2012/13 R4,4 billion of the R9,7 billion USDG real allocation was spent by municipalities, in other words less than half of the allocated budget was spent in this financial year. The subsequent years- although displaying uneven expenditure trends-show slight improvements in expenditure. The best rate of spending – 57% of the allocated budget – was in 2015/6.

As figure 20 highlights, Buffalo City, City of Johannesburg and Ethekwini were the largest under-spenders in 2012/13, at roughly 69%, 63% and 70% of allocated funds underspent, respectively. In the same year both the City of Johannesburg and Ethekwini received the highest share of the USDG allocation at R1,7 billion each. In 2013, the Portfolio Committee on Human Settlements found that users of the USDG were confused about its purpose, resulting in funds being used for cemeteries, parks, and sports facilities, which fall outside of the scope of the USDG.[25] In the DHS 2015/16 annual report it is highlighted that the portfolio committee again raised the same issue, with the committee specifically citing Free State Human Settlements as the culprit. The report states that committee issues in 2015 included, 'Concern that the USDG was not being utilised for its intended purpose, which was installation of bulk services and infrastructure [in the Free State province]'[26]

It is encouraging to see that there has been a slight improvement in expenditure by municipalities in 2015/16. In this year, the City of Cape Town and Ethekwini were the worst spenders, each spending less than 50% of their allocated budget. Surprisingly Ethekwini continues to receive the largest share of the USDG at R2 billion in 2015/16. Ekhuruleni received approximately the same amount in the same year as well.

Unlike the HSDG, USDG real allocations continue to increase over time, despite massive underspending by all municipalities. Although these expenditure trends are disheartening, it is worth noting that in increasing allocations, the government recognises the important role the USDG can play in transforming the urban housing landscape- if used appropriately.

FOOTNOTES:

25. McLaren and Dawson, 2014
26. DHS 2015/16 Annual Report, pg 70

CHAPTER FOUR:
THE STATUS OF THE RIGHT TO HOUSING:
What the indicators tell us

The following indicators are the result of a comprehensive review of international and local perspectives and jurisprudence on the content of the right to adequate housing, including current efforts to monitor and define the right to adequate housing in South Africa through engagement with key stakeholders in this area. Reflecting the multi-dimensionality of progressive realisation of socio-economic rights, the indicators chosen represent aspects of the three key dimensions of the right to housing: access, adequacy and quality, reflecting SPII's methodology. The indicators also use data that is **freely available** from a **reliable source** which is **available at least annually and possible to decompose** by geographic area, income group, race and gender (wherever possible and useful); be of **interest** and **easy to understand** by the general public; and meet internationally recognised **SMART** criteria: Specific, Measurable, Attainable, Relevant and Time-Bound.

ACCESS

Monitoring the right to adequate housing requires an analysis of both physical and economic access to housing, and the accessibility and affordability of housing from the perspective of the lowest income deciles and the low to middle-income housing market.

ADEQUACY

Although vital, adequate housing requires more than simply bricks and mortar. Monitoring progress on the adequacy of housing includes looking at access to basic services including water, sanitation and electricity, tenure security, as well as the adequacy of the house itself in terms of meeting basic norms and standards.

QUALITY

Quality indicators measure the impact of housing on one's quality of life. Monitoring the quality of people's housing arrangements is very much linked to location. This is important given the spatial legacy of apartheid which has been maintained through apartheid era by-laws, failures in planning and housing delivery post-1994 and by the economic inequalities that prohibit people from moving out of townships and into more developed areas. Recent research shows, for instance, a direct relationship between where people live in South Africa's cities, and the likelihood that they will find a job.[27] Poorly located housing, as a result, contributes directly to the persistence of poverty, inequality and unemployment in South Africa.

We should reiterate here what was stressed in SPII's initial 2014 review. As far as possible, our analysis of indicators attempts to include the perspectives of different stakeholders and experts, and are presented in a way which invites comment and deliberation. Our analysis should therefore not be seen as prescriptive or the 'final word' on the status of housing. We present a range of rigorously sourced, complex data in an accessible format which we hope will be used to deepen understanding of the status of housing and lead to fresh thinking and deliberation about how to move access to housing forward.

The final set of indicators developed to track the progressive realisation of the right of access to adequate housing can be found in Table 5.

FOOTNOTES:

27. SERI. 2016. Edged Out: Spatial Mismatch and Spatial Justice in South Africa's Main Urban Areas

Table 5: Indicators for the right of access to adequate housing

ACCESS INDICATORS - Physical and Economic	
HOUSING GENERAL OVERVIEW	
1.	Percentage of households living in different dwelling types
GOVERNMENT PROGRAMMES AND SUBSIDIES	
2.	Number of houses/units completed per year
3.	Number of houses upgraded in well-located informal settlements with access to secure tenure and basic services
4.	Number of affordable social and rental accommodation units provided
5.	Number of municipalities assessed for accreditation
6.	Number of accredited municipalities supported with implementation of post-accreditation process
AFFORDABLE HOUSING MARKET, 9 METROS	
7.	Total residential property sales and registrations by affordability band
8.	Percent change in total residential property sales by affordability band
9.	Percent change in total number of residential properties by affordability band
10.	Percentage of properties valued less than R500 000
11.	South Africa Housing Price Gap
12.	Total number and annual percentage change in the number of bonded transactions for the affordable market
AFFORDABILITY, HOUSEHOLD COSTS	
13.	Rent/mortgage cost per month for different dwelling types
14.	Percentage of household consumption expenditure spent on housing, water, electricity, gas and other fuels for bottom three income deciles
15.	Percentage of household consumption expenditure spent on housing, water, electricity, gas and other fuels, across income deciles, by province

ADEQUACY INDICATORS - To meet basic needs, norms and standards	
TENURE STATUS	
16.	Percentage of households who own or rent the dwelling they live in for different dwelling types
ADEQUACY OF SHELTER	
17.	Percentage of households who describe the condition of the walls of their dwelling as weak or very weak for different dwelling types
18.	Percentage of households who describe the condition of the roof of their dwelling as weak or very weak for different dwelling types
ADEQUACY OF SERVICE AVAILABILITY	
19.	Percentage of households whose main source of drinking water is from a piped tap, by province
20.	Percentage of households who describe their main source of drinking water as not safe to drink, by province
21.	Percentage of households whose main sanitation facility is a flush toilet
22.	Percentage of households connected to a mains electricity supply

QUALITY INDICATORS - Location and impact on quality of life	
TRANSPORT	
23.	Percentage of annual household consumption expenditure spent on transport for bottom three income deciles
HEALTH OUTCOMES	
24.	Average time it takes to get to nearest health facility
EDUCATION OUTCOMES	
25.	Average time it takes child in household to get to school

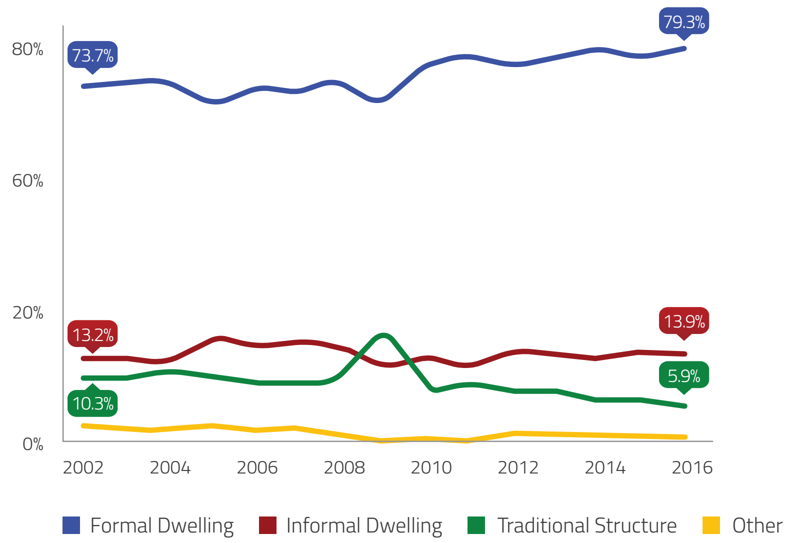
4.1 ACCESS INDICATORS

ACCESS - HOUSING GENERAL OVERVIEW

INDICATOR 1: Percentage of households living in different dwelling types, 2002 – 2016.

DATA SOURCE: General Household Survey (StatsSA), 2002 – 2016.[28]

DESCRIPTION: This indictor looks at the kind of dwelling types that people live in in South Africa.



The proportion of households living in formal dwellings – a key government policy goal – has increased by 5.6% since 2002, with almost 8 in every 10 South African households living in a formal dwelling in 2016. However, the percentage of households living in informal dwellings has also increased during this period. In 2016, around 1 in 7 households still lived in informal housing (this number was higher in metropolitan areas, where nearly 1 in 5 households lived in informal dwellings), a similar number to a decade and a half before.

The Housing Development Agency (HDA) has found evidence that these figures may under-represent the real growth in informal settlements, due to issues arising from outdated survey sampling frames.[29]

Social surveys are prone to under-estimating or under-capturing informal dwellings situated in backyards or adjoined to other formal structures, for a variety of reasons.

Despite South Africa's almost unparalleled housing construction and delivery since 1994, the growing number of households living in informal dwellings means the goal of ensuring universal access to adequate housing is not being met. The following indicator tracks the number of formal houses and residential units completed by government from 2002 to 2016.

FOOTNOTES:

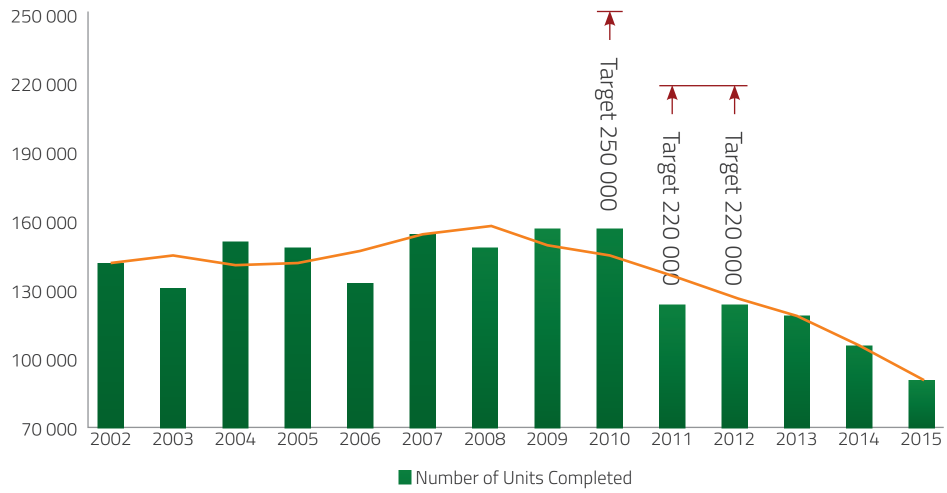
28. According to GHS, a formal dwelling includes any structure built according to approved plans, i.e. a house, flat or apartment, or a room within a formal dwelling. An informal dwelling is classified as any makeshift structure not erected according to approved architectural plans, such as shacks or shanties in informal settlements, serviced stands or proclaimed townships, as well as in the backyards of other dwelling types. Traditional structures include all dwellings made of clay, mud, reeds or other locally available materials, such as huts or rondavels. Constructions using blocks or stone walls are not considered traditional.
29. HDA. 2012. South Africa: Informal settlements status: 9.

ACCESS – GOVERNMENT PROGRAMMES AND SUBSIDIES

DESCRIPTION: This key indicator looks at the total number of separate houses and residential units developed across all of the governments housing programmes, including affordable rental and Community Residential Units (CRU). This excludes units re-built in the Rectification Programme, and unfinished or serviced sites.

INDICATOR 2: Number of houses/units completed per year, 2002 – 2015.

DATA SOURCE: Department for Performance, Monitoring and Evaluation (DPME), 2015.



This indicator is susceptible to a range of concerns. Many of these addressed in our 2014 review of the right to adequate housing.[30] We have, however, attempted to demonstrate definite additions by government to the supply of national housing stock.

Indicator 2 shows that 1.88 million houses/units were completed between 2002 and 2015.

Alarming trends are observable during the period, however, with the number of completed houses reaching a two decade low in 2015. In fact, almost 200 000 more houses were completed in the five years before 2011 than between 2011 and 2015. This dramatic drop in delivery must be viewed with concern given the context of South Africa's seemingly intractable and growing housing backlogs.

	2014/2015 actual delivery	2015/2016 planned target	2015/2016 actual delivery	Target achieved/ not achieved
INDICATOR 3: Number of households upgraded in well-located informal settlements with access to secure tenure and basic services	74 017	150 000	52 349	Not Achieved
INDICATOR 4: Number of affordable social and rental accommodation units provided	11 407	14 400	12 097	Not Achieved
INDICATOR 5: Number of municipalities assessed for accreditation	0	6	0	Not Achieved
INDICATOR 6: Number of accredited municipalities supported with implementation of post-accreditation process	Four monitoring and evaluation exercises were conducted and four reports were approved	Monitoring of the support programme for accredited municipalities implemented	Support on accredited municipalities was implemented, including the focused intervention in Nelson Mandela Bay Metropolitan Municipality (NMBMM).	Achieved

DATA SOURCE: DHS Annual Report, 2015/16.

FOOTNOTES:

30. See Dawson, H. & McLaren, D. 2014.

In our 2014 report on the right to adequate housing, government performed well in the measurement of these indicators, meeting or exceeding its targets in these areas between 2011 and 2013. More recently however, the government's performance in the measurement of these indicators has been worryingly poor. Only one in every three households which were planned to be upgraded in 2015 actually were. This is made more alarming when seen in the light of the total number of households living in these areas: estimated to be between 1.1 and 1.4 million in 2011, or between 2.9 and 3.6 million people.[31] Further, assessments of the programme through which informal settlements are meant to be upgraded, the Upgrading of Informal Settlements Programme (UISP), have found that the numbers reported by the DHS often include conventional housing projects 'repackaged' as upgrading projects, a persistent uncertainty as to what upgrading means, and the concealment of project-level issues caused by a lack of independent impact assessments.[32] Repackaging of housing projects as upgrading projects means that "the practice of planning housing projects in an exclusionary manner has not shifted towards more participatory planning"[33] and undermines the principle of in situ upgrading at the heart of the UISP.

The government has also fallen short of its targets with regard to the provision of affordable social and public rental units, and even the poor performance in this indicator should be further scrutinised. The Socio-Economic Rights Institute of South Africa (SERI) has recently suggested that "nearly all of the State's efforts to develop or facilitate affordable rental housing have served households with income between R3 500 and R15 000 per month."[34] SERI goes on to argue that for public rental housing, which has the potential to transform the highly insecure tenure arrangements of inner-city residents around South Africa, to be truly affordable, it should be reconfigured to meet the needs of those earning below R3 200 per month.

While the DHS has met its accreditation targets, these targets did not include the accreditation of any new municipalities. The slow process in accrediting municipalities is therefore still a major challenge. As a result, this welcome policy has yet to be implemented at anything close to the scale required for a significant country-wide impact.

ACCESS – AFFORDABLE HOUSING MARKET, 8 METROS[35]

The following five indicators track the performance of the housing market in the 8 major metropolitan municipalities in providing access to affordable housing for low to middle-income groups. Together these metros comprise around 22 million people, or around 40% of the South African population. This provides us with a good estimation of the performance of the urban housing market across the country, as well as providing particular insights into certain areas.

Residential properties valued under R600 000 are considered within the 'affordable market'. In the indicators, properties valued under R300 000 are considered the most-affordable range, or the 'subsidised market', properties valued between R300 000 and R600 000 the upper-affordable range or the 'gap market', properties over R600 000 but below R1.2 million the 'so-called affordable market' and properties above R1.2 million the least affordable or 'conventional market'. The designation 'affordable' is most relevant to lower to middle-income groups. However, indicator 10 will demonstrate that such a classification may actually be some way off the mark, particularly for poorer metros, the lowest income groups, especially when South Africa's massive income inequality is taken into account. Nevertheless, as this categorisation is widely used in the literature on the housing market, it does have some value as a point of analysis, especially for the 'gap market' – those who earn too much to qualify for State-subsidised housing, but too little to access a bond.

FOOTNOTES:

31. M, Napier, 'Government Policies and Programmes to Enhance Access to Housing: Experience from South Africa', Paper delivered at Bank of Namibia Annual Symposium, 29 September 2011, Windhoek. And own calculations based on the average household size for informal dwellings in 2011 of 2.59, GHS 2013.
32. Fieuw, W. 2015. 'Deep rooted knowledge? Assessing the lack of community participation in UISP projects' in State of Local Governance: In Pursuit of Responsible and Responsive Local Governance. GGLN.
33. Ibid: 61.
34. SERI. 2016. Policy Brief: Affordable Public Rental Housing
35. In SPII's 2014 report on the right to housing, we presented these indicators for 9 metropolitan municipalities. Msunduzi is, however, no longer considered a metro. As a result, our analysis here focuses on the 8 remaining metro municipalities.

ACCESS – AFFORDABLE HOUSING MARKET, 8 METROS

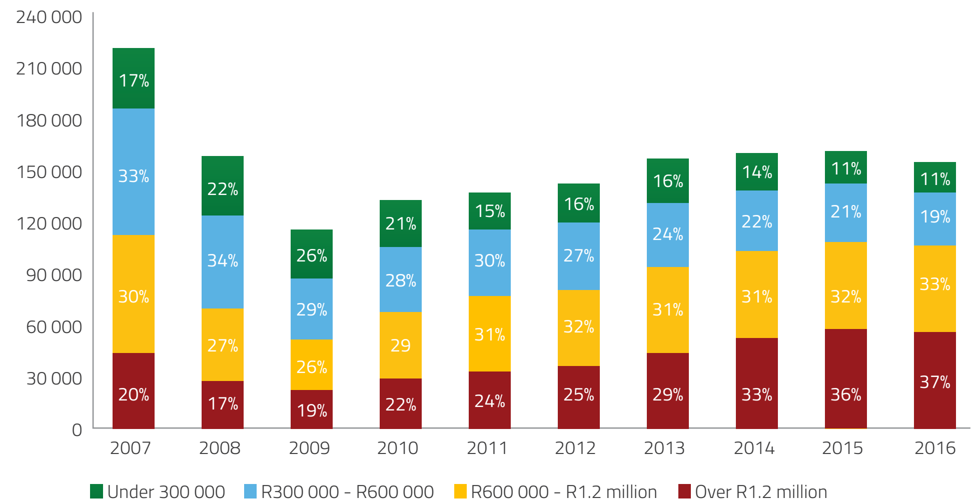
DESCRIPTION: This indicator uses property registration data from the deeds registry to track residential property sales and new registrations in the 8 metros, and shows the proportion of total sales and registrations within each affordability band. Total residential property sales and new registrations includes:

- sales of existing private properties (already registered on the deeds registry);
- sales of new, privately built properties (newly added to the deeds registry); and
- new registrations of government built properties by beneficiaries on the deeds registry.

If sales and new registrations of properties within the affordable market segment (comprising the subsidised market, **under R300 000**, and gap market, **R300 000 – R600 000**) are growing as a proportion of total sales, this would indicate that the housing market is increasingly serving lower-income groups. On the other hand, if a growing proportion of total sales and registrations are for properties over **R600 000**, this would indicate that the market is increasingly geared towards those on higher incomes.

INDICATOR 7: Total residential property sales and new registrations by affordability band,[36] 9 metros, 2007 – 2016

DATA SOURCE: City Mark, 2017



Indicator 7 shows that the housing markets in the 8 metros were heavily affected by the global recession of 2008, but have since been in steady recovery. Total residential property sales and new registrations almost halved from 225 761 in 2007 to 116 900 in 2009. While the market as a whole has begun to recover from this collapse, the proportion of total sales and new registrations in the subsidised market segment has decreased dramatically, from 17% in 2007 to 11% by 2016. The gap market has seen even more drastic decreases in the number of sales and registrations during this period, from 33% of all sales and registrations in 2007 to 19% in 2016. Indicator 8 shows the extent to which these two market segments have suffered since 2007.

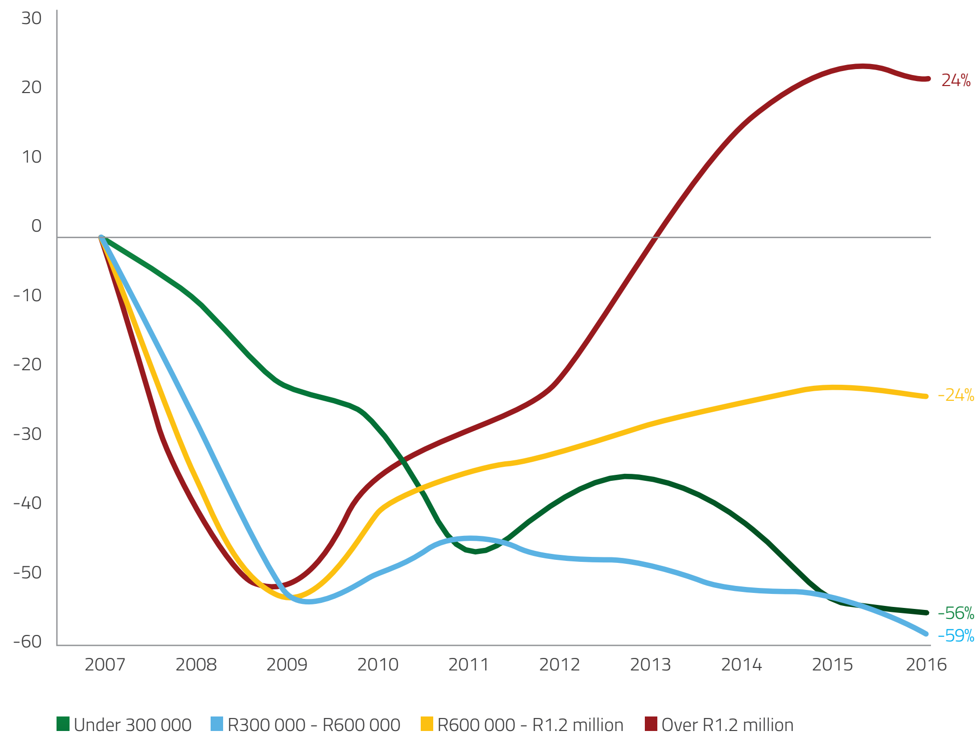
FOOTNOTES:

36. As values and prices continue to change, so too do commonly held conceptions of what constitutes affordability. We have changed the method by which we value property in this report compared to in SPII's 2014 report on the right to housing. We have applied these new market segments retroactively so as to give a more accurate reflection of market change over time. We use four market segments: the subsidized market (under R300 000), the gap market (between R300 and R600), the so-called affordable market (R600 – R1.2 million) and the conventional market (over R1.2 million).

INDICATOR 8: Percent change in total residential property sales by affordability band, 8 metros, 2007 – 2016

DATA SOURCE: City Mark, 2017

DESCRIPTION: This indicator shows growth in the number of sales and new registrations for each affordability band from 2007 to 2016. Positive percentages indicate that annual sales have increased, negative percentages indicate that annual sales have decreased.



Indicator 8 shows that the subsidised and gap markets have vastly under-performed both the so-called affordable market, and especially the conventional market, in terms of sales growth since 2007. While the two most affordable market segments have seen sales and new registrations drop by over 50% between 2007 and 2016, sales in the least affordable segment grew by over 20%. By the end of 2016, annual sales and registrations in the subsidised market were 56.4% lower compared with 2007. They were also 59.4% lower in the gap market. Annual sales and registrations in the so-called affordable market were 23.9% lower, while sales over R1.2 million were 23.8% higher.

These figures help to explain why sales in the most affordable market segment fell to 11% of total sales in 2016, compared with 17% in 2007, as shown in indicator 7. During the same period, sales in the gap market dropped from 33% of total sales in 2007 to 19% in 2016, and sales over R1.2 million increased from 20% of total sales in 2007 to 37% in 2016.

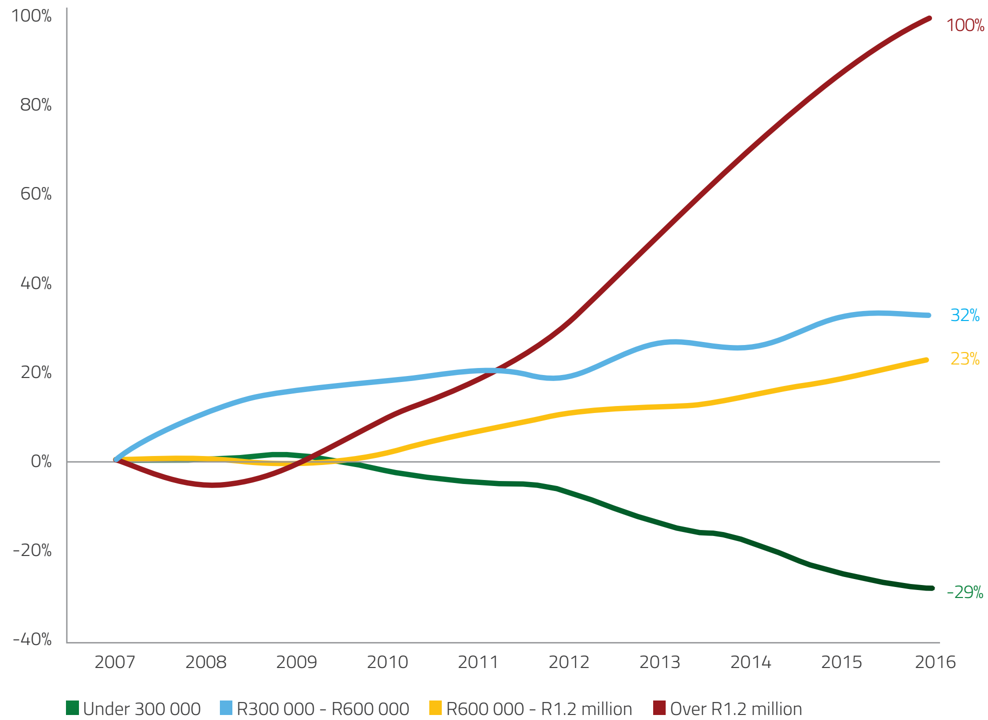
The remarkable decline at the affordable end of the housing market is worrying for people relying on lower incomes that aspire to own property, and suggests that the 'gap' in access to formal housing is widening. This further represents a significant decline in asset growth for those owners and a decreasing ability to buy property by people relying on lower-incomes. Indicator 9 looks at the growth in the number of properties for each market segment between 2007 and 2016.

ACCESS – AFFORDABLE HOUSING MARKET, 8 METROS

DESCRIPTION: This indicator tracks the growth of the housing market for each affordability band. It shows growth in the total number of residential properties in the 8 metros as a percentage change from 2007 to 2016. This allows us to compare growth in the supply of housing for each affordability band. New additions comprise both sales of new, privately built properties and registrations of government built properties by beneficiaries.

INDICATOR 9: Percentage change in total number of residential properties by affordability band, 8 metros, 2007 – 2016

DATA SOURCE: City Mark, 2017



As well as seeing dramatic declines in sales growth, the size of subsidised housing was the only market to shrink between 2007 and 2016, meaning there were fewer properties in the subsidised market in 2016 than in 2007. Considering that a large part of this market segment is made up of State subsidised housing units, this reflects the rapid decline in government unit delivery as seen in Indicator 2. Conversely, there has been a definite increases to the supply of housing stock in the other three market segments in the 8 metros.

In total, there were 410 970 fewer properties in the subsidised housing market in 2016 than in 2007. While there were 217 510 and 157 788 more properties in the gap and so-called affordable markets in 2016 than in 2007, what is most worrying is the growth in the conventional market of properties over R1.2 million, which includes luxury homes. The growth in this housing market, as shown clearly in Indicators 7, 8 and 9, is clearly unfettered. There were 396 472 more properties over 1.2 million in 2016 than in 2007.

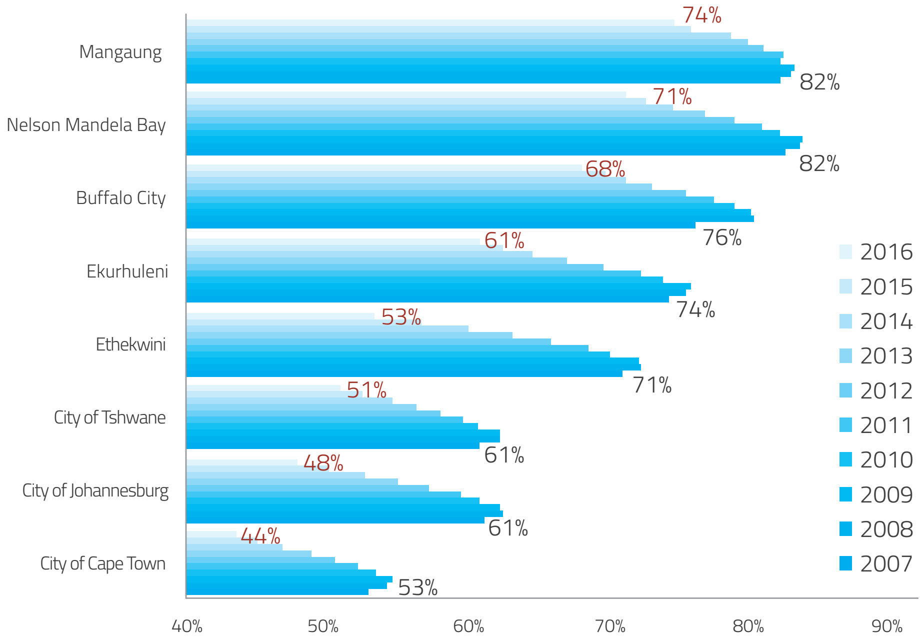
It is urgent that government intervenes to redress the shrinking availability of affordable options for low to middle income earners. This may include the need to more strictly discipline and regulate the development of properties in the conventional market by imposing obligations to provide affordable options. The private sector must play a much greater role in providing access to adequate and affordable housing if South Africa's vast unmet demand is to be addressed, bearing in mind the horizontal application of the Constitution on non-State/ private sector bodies.

INDICATOR 10: Percentage of properties valued less than R600 000, 8 metros, 2007 –2016

DATA SOURCE: City Mark, 2017

DESCRIPTION: This indicator looks at the number of affordable properties in the 8 metros as a proportion of total properties, and shows whether this percentage has changed between 2007 and 2016. Black figures indicate 2007 proportions and red figures indicate 2016 proportions.

ACCESS – AFFORDABLE HOUSING MARKET, 8 METROS



The proportion of affordable properties have decreased dramatically across all metros between 2007 and 2016. With less than half of all properties considered affordable, Cape Town and Johannesburg have the lowest proportion of affordable properties out of the 8 metros, with Tshwane and eThekwini having proportions only slightly over 50%.

As the two economic hubs of the country, it is perhaps unsurprising that the City of Cape Town and City of Johannesburg have the lowest proportion of affordable properties. However, even having a higher proportion of affordable properties would not necessarily mean that there is greater access to affordable housing in those metros. Levels of wealth and resources (and their distribution) also affect access. Thus the lower average incomes of Mangaung and Nelson Mandela Bay mean that, on average, people have less buying power, which explains why there is more affordable housing stock in these metros. The next indicator looks at average per capita incomes and the average sales price of properties to calculate an 'affordability ratio' for each metro in 2016.

ACCESS – AFFORDABLE HOUSING MARKET, 8 METROS

DESCRIPTION: This indicator looks at the affordability of housing for lower to middle income groups by way of an 'Affordability Ratio'. The average monthly income (which is similar to that of lower-middle income groups) for each metro is determined using census data on the number of members in income bands at the suburb level, divided by the midpoint value of the range, divided by 12. The Target Affordable House Price is the sales price affordable for those on the average monthly income, and is calculated using average underwriting terms (5% deposit, 11% interest and repayments spread over 20 years) using 25% of income. The Average Sales Price is determined by the total value of sales divided by the number of sales transactions in 2016. The Housing Gap is the difference between the average sales price and the target affordable house price. These amounts then feed into an Affordability Ratio which represents the bond value for the average sales price divided by the average monthly income.

INDICATOR 11: South Africa Housing Price Gap, 8 metros, 2016.

DATA SOURCE: City Mark, 2017.

Affordability

Municipality	Average Monthly Income	Target Affordable House Price	Average Sales Price	Housing Gap	Affordability Ratio
City of Tshwane	R17,351	R 457,907	R894,582	R436,675	1.95
Nelson Mandela Bay	R13,361	R 352,603	R695,847	R343,244	1.97
City of Johannesburg	R18,865	R 497,880	R1,211,607	R713,728	2.43
Ekurhuleni	R12,657	R 334,028	R897,761	R563,734	2.69
City of Cape Town	R20,346	R 536,951	R1,484,789	R947,838	2.77
Mangaung	R10,312	R 272,155	R938,018	R665,863	3.45
Buffalo City	R8,368	R 220,847	R856,031	R635,184	3.88
eThekwini	R10,140	R 267,597	R1,087,885	R820,287	4.07
Average	R15,260	R 402,720	R1,127,107	R724,387	2.80

Despite very different performances in the previous indicator, eThekwini and Mangaung both have the worst affordability ratios of the 8 metros. This is despite Mangaung having the highest proportion of affordable properties of any metro (74%), as indicator 8 showed. This can be explained by the much lower average incomes of eThekwini and Mangaung. City of Tshwane has the best affordability ratio despite having the third lowest proportion of affordable properties (51%). The City of Cape Town, despite having the highest average income, remains in the bottom four least affordable metros in the country.

Overall, the housing gap for those on average incomes is extremely large, ranging from R343 244 to an obscene R947 838 in Cape Town, highlighting once again the huge gaps in access to affordable housing. Moreover, it must be noted that averaging monthly income doesn't account for South Africa's vast inequality. With over 50% of South African households earning less than R3 100 per month in 2017[37], the affordability gap for these households would be even higher. This indicator demonstrates the extent to which access to housing on the formal market is beyond the reach of most South Africans. The final indicator on the housing market focuses on access to finance for the most affordable properties.

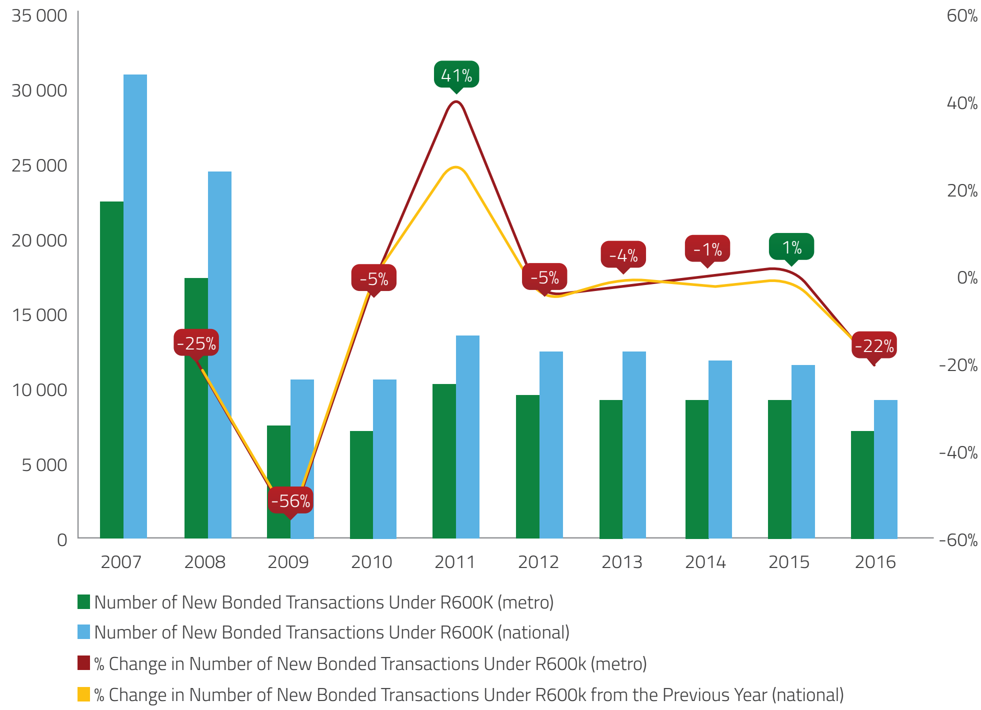
FOOTNOTES:

37. StatsSA, 'Labour Market Dynamics 2017'

DESCRIPTION: This indicator measures access to finance for low-middle income groups by displaying the total number and annual percentage change in bonds issued for affordable market transactions. Green percentages indicate an increase in the number of affordable market bonds transacted in metropolitan municipalities compared with the previous year, red figures indicate a decrease in the number of affordable market bonds transacted in metropolitan municipalities compared with the previous year.

INDICATOR 12: Total number and annual percentage change in the number of bonded transactions for the affordable market, 8 metros and nationally, 2007 –2016

DATA SOURCE: City Mark, 2017.



The number of new bonds transacted for the affordable market dropped dramatically in 2008 and 2009 due to the global economic recession and credit crunch among the banks. Strong growth during the following two years was not sustained, however. As a result, there were less than a third as many bonds issued for the affordable market in 2016 as there were in 2007. This indicates that banks have not been willing to progressively increase access to affordable market bonds, despite the huge demand for housing finance by low to lower-middle income groups. Indicator 4 shows that government provided access to 12 097 affordable social and rental accommodation units in 2015/16. In the same year, the banks issued only 9 071 bonds for affordable properties. This highlights once again the urgent need for the private sector to engage seriously with the need for transformation in the country.

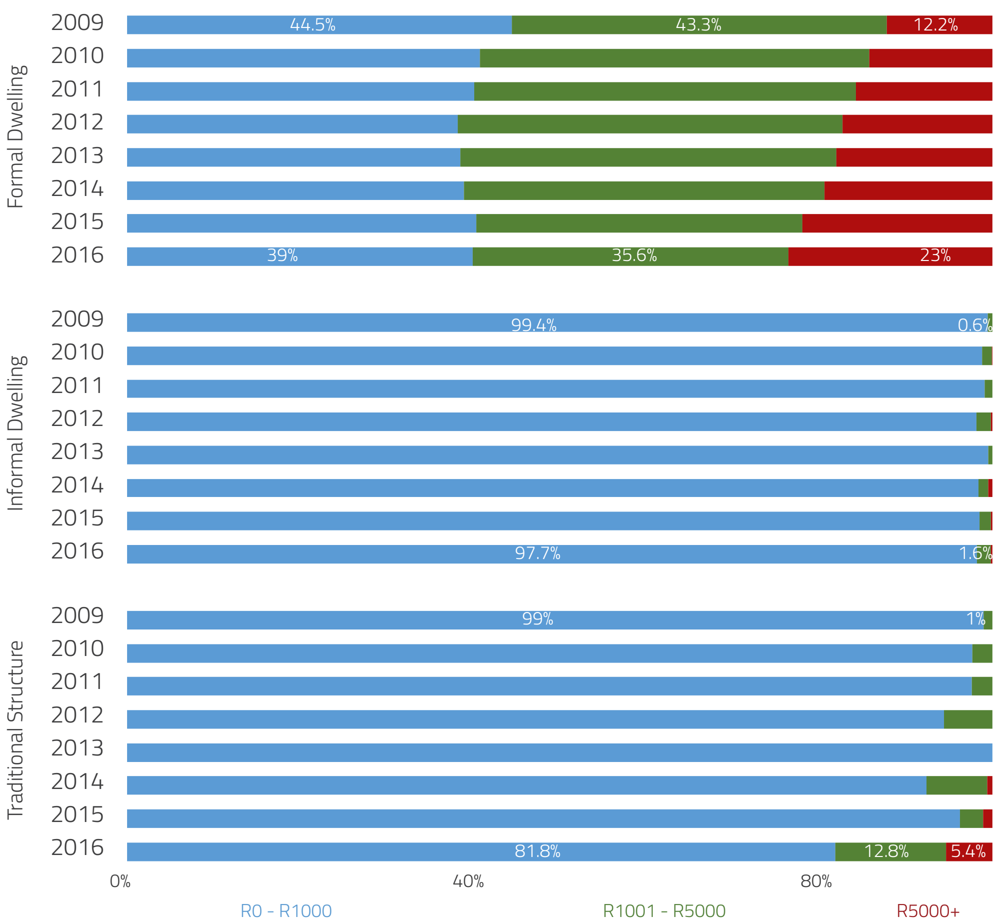
The indicators have thus far looked at the impact of government programmes and the housing market on access to affordable housing. A range of other affordability measures linked to the costs of running a household will now be considered.

ACCESS – AFFORDABILITY, HOUSEHOLD COSTS

DESCRIPTION: After considering trends around the size, affordability and growth of the housing market, the following four indicators look at affordability of household costs. This indicator looks at monthly rent/mortgage costs for households living in formal dwellings, informal dwellings and traditional structures, from 2009 to 2016. Green bands in the graphic illustrate the percentage of people whose mortgage/rent costs them R1000 or less, yellow bands illustrate the percentage of people whose mortgage/rent costs them between R1001 and R5000, and red bands illustrate the percentage of people whose mortgage/rent costs them more than R5000.

INDICATOR 13: Rent/mortgage cost per month for different dwelling types, 2009 - 2016

DATA SOURCE: General Household Survey (StatsSA), 2009 – 2016.



The percentage of South African's paying more than R1 000 per month in rent or mortgage costs has increased across dwelling types, with the greatest increase occurring for those living in formal dwellings and traditional structures, although the latter measurement displays outlier results for 2016, when the number of respondents who did not know the cost of their traditional structure's rent or mortgage decreased dramatically. In 2009, 44.5% of formal households were paying under R1 000 in rent/mortgage costs per month, while 12.2% were paying over R5 000. By 2016, the proportion paying more than R5 000 had increased to 23%, while only 39% of formal households were still paying R1 000 or less (although this had increased slightly from 38.2% in 2012). Rent/mortgage costs for informal and traditional dwellings have also increased, though the vast majority (over 90%) of these households still spend R1 000 or less in rent/mortgage costs per month, with the notable exception of traditional dwellings in 2016, when only 81.8% of household paid less than R1 000. This reflects South Africa's broader socio-economic context in which 50% of South Africa's work force were earning less than R3 100 per month in 2015,[38] and of the continued high demand for low-cost rental housing. While the costs of rent and mortgages have increased, expanded unemployment in 2017 stands at 36.5%, meaning more than one in three people in the total labour force are unable to find work.[39] Median monthly earnings increased by only 6.9% between 2010 and 2017 – well below inflation.[40]

FOOTNOTES:

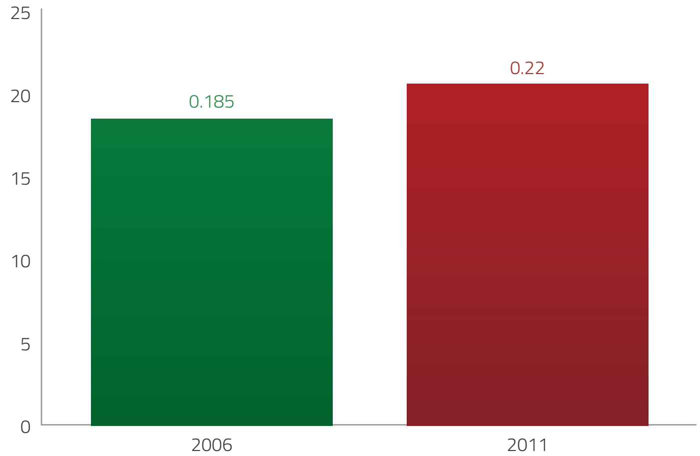
38. StatsSA, Labour Market Dynamics 2015.
39. StatsSA, Quarterly Labour Force Survey, 2008 Q1 – 2017 Q2.
40. StatsSA, Labour Market Dynamics 2015.

ACCESS – AFFORDABILITY, HOUSEHOLD COSTS

DESCRIPTION: Following the examination of rent/mortgage costs in indicator 13, this indicator looks at a broader range of household costs by combining the costs of water, electricity, gas and other fuels and looking at this as a percentage of total household consumption expenditure. We have decided to restrict this indicator to the bottom three income deciles (total income less than R22,007 per year) as these people are most vulnerable to rises in the cost of basic household goods and services.

INDICATOR 14: Percentage of household consumption expenditure spent on housing, water, electricity, gas and other fuels for bottom three income deciles, 2006 –2011.[41]

DATA SOURCE: Income and Expenditure Survey (StatsSA), 2006 – 2011.



Households earning less than R22 007 per year were spending a higher proportion of that income on essential household goods and services in 2011 than in 2006. This in fact reflects a general trend across income deciles. In broad terms, this change reflects rising costs of housing, water, electricity, gas and other fuels, but is also linked to the stagnant wage trends lower-income groups have seen during this period, while inflation has ranged from 4% - 11.5%.

A closer look at the commodities bundled in Indicator 14 shows that, between 2006 and 2011, the average price of wholesale paraffin – the household fuel most commonly used by poorer households – increased by over a third, from R4.78 to R6.56 per litre. Electricity prices have also risen during this period. In 2007 South Africans were paying on average 9.95 US$ cents per kWh but by 2010 this had increased by a quarter to 12.81 US$ cents/kWh.[42] South Africa also has amongst the costliest household gas prices in the world, which have also increased during this period.[43] Water prices have also been increasing in real terms[44] and it has been forecasted that trend is set to continue.[45]

FOOTNOTES:

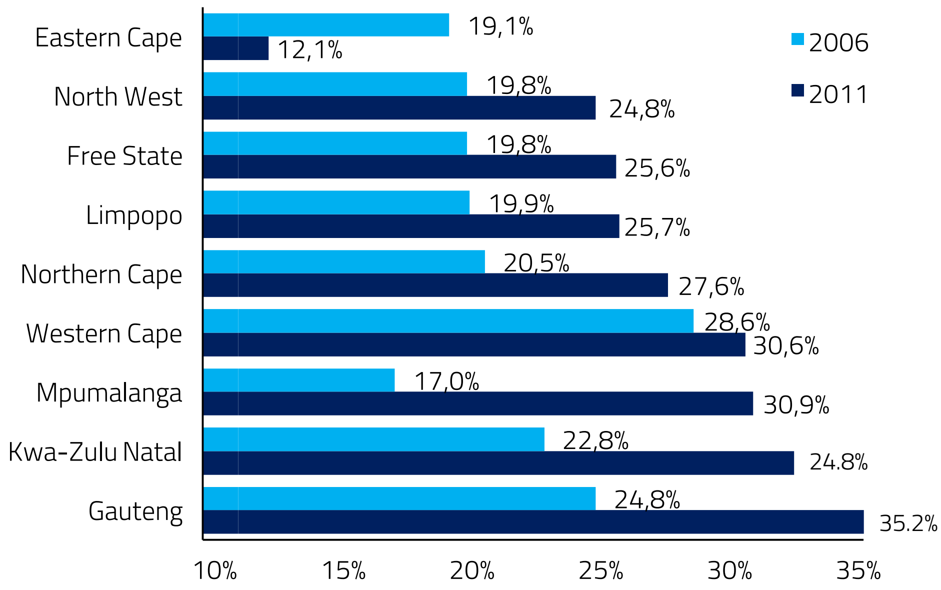
41. StatsSA's Income and Expenditure Survey, which is administered every 5 years, has not been published since SPII's 2014 report on the right to housing. As a result, this indicator, and the analysis thereof, remains unchanged from that report.
42. Thopil GA, Pouris A. International positioning of South African electricity prices and commodity differentiated pricing. S Afr J Sci. 2013;109(7/8), http://dx.doi.org/10.1590/sajs.2013/20120075 (prices adjusted for PP) See also: http://businesstech.co.za/news/general/41218/south-africas-electricity-price-shock/.
43. See www.moneyweb.co.za/moneyweb-industrials/sa-gas-the-most-uncompetitive-prices-globally.
44. See www.ib-net.org/production/?action=country and www.globalwaterintel.com/archive/10/8/general/price-free-water-south-africa.html.
45. See www.timeslive.co.za/local/2011/03/21/water-prices-set-to-soar.

ACCESS – AFFORDABILITY, HOUSEHOLD COSTS

INDICATOR 15: Percentage of household consumption expenditure spent on housing, water, electricity, gas and other fuels, across income deciles, by province, 2006 – 2011.[46]

DATA SOURCE: Income and Expenditure Survey (StatsSA), 2006 – 2011.

DESCRIPTION: This indicator broadens the previous indicator to all income deciles and breaks it down by province.



Eastern Cape is the only province where the proportion of household consumption expenditure spent on these essential living costs has decreased between 2006 and 2011. All other provinces have seen the proportion of household expenditure spent on housing, water, electricity, gas and other fuels increase substantially during this period, nearly doubling in Mpumalanga and near to 50% increases in Kwa-Zulu Natal. In Gauteng, which has replaced the Western Cape as the province with the highest proportion of household income spent on these goods, on average, one in every three Rands of household consumption expenditure is spent on housing, water, electricity, gas and other fuels.

FOOTNOTES:

46. StatsSA's Income and Expenditure Survey, which is administered every 5 years, has not been published since SPII's 2014 report on the right to housing. As a result, this indicator, and the analysis thereof, remains unchanged from that report.

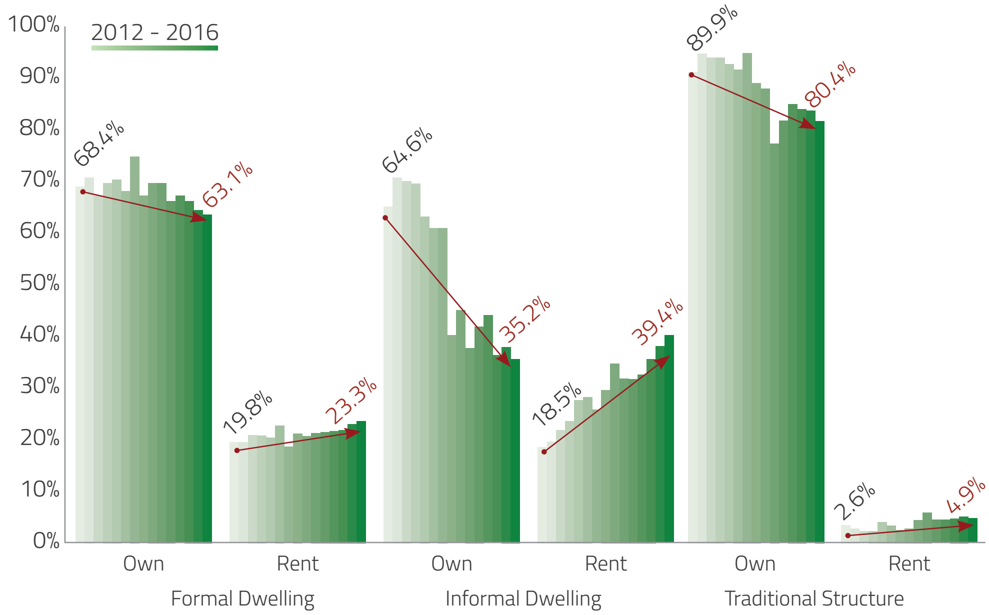
4.2 ADEQUACY INDICATORS

INDICATOR 16: Percentage of households who own or rent the dwelling they live in for different dwelling types, 2002 – 2016

DATA SOURCE: General Household Survey (StatsSA), 2002 – 2016.

DESCRIPTION: This indicator tracks the tenure status of users of different dwelling types over time by looking at the ratio of ownership to renting. Ownership includes houses which are fully owned and paid off and owned but not yet fully paid off.

ADEQUACY – TENURE STATUS



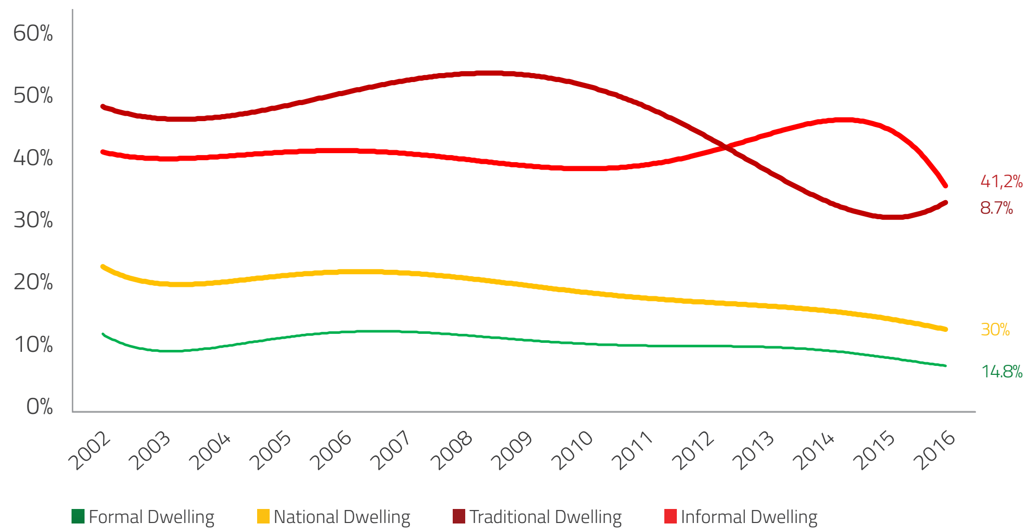
Rental tenure arrangements increased in all dwelling types between 2002 and 2016, most notably in informal dwellings. More than one in three people living in informal dwellings now rent their homes, compared to less than one fifth in 2002.

INDICATOR 17: Percentage of persons who describe the condition of the walls of their dwelling as weak or very weak for different dwelling types, 2002 – 2016.

DATA SOURCE: General Household Survey (StatsSA), 2002 – 2016.

DESCRIPTION: This indicator measures the adequacy of houses in South Africa, focusing on walls.

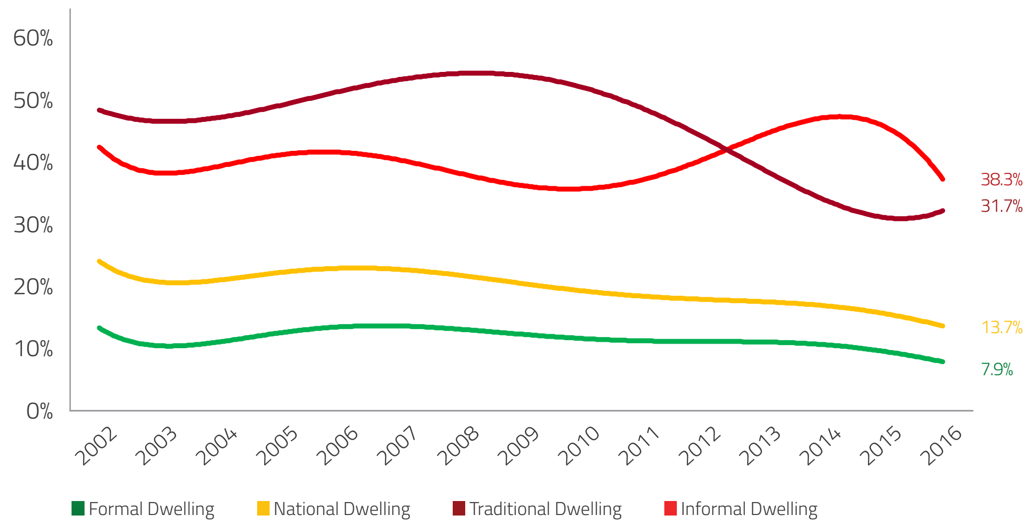
ADEQUACY – ADEQUACY OF SHELTER



INDICATOR 18: Percentage of persons who describe the condition of the roof of their dwelling as weak or very weak for different dwelling types, 2002 – 2016.

DATA SOURCE: General Household Survey (StatsSA), 2002 – 2016.

DESCRIPTION: This indicator measures the adequacy of houses in South Africa, focusing on roofs.



Indicator's 16 and 17 assess the adequacy of the structures of different dwelling types. Weak or very weak walls and roofs are clear signs of a structure that is dangerous and not fit for human habitation.

In 2016, people living in formal households were five times less likely to describe their walls and roofs as weak or very weak than those living in informal dwellings. Over a third of households in informal dwellings described the condition of their walls and roof as weak or very weak (36.9% and 38.3% respectively). While these represent slight decreases from 41.2% and 42.5% in 2002, they have risen since 2012 (represented in SPII's 2014 review) from 35.2% and 35%. These figures are concerning when considering that the Upgrading of Informal Settlements Programme (UISP), intended to secure the tenure of informal settlement residents and better their living conditions, has been in force for almost a decade.

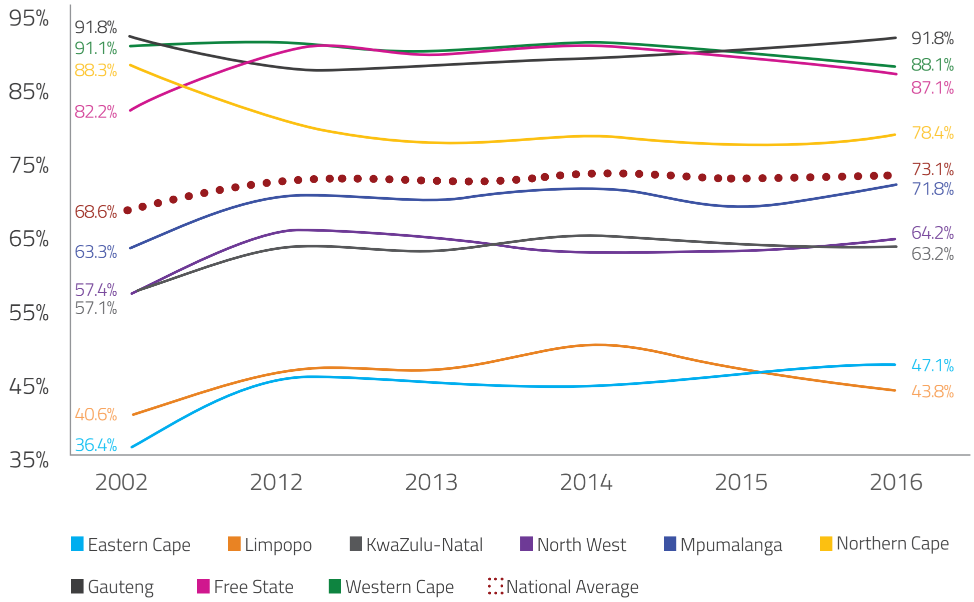
There have been dramatic decreases in the percentage of people living in traditional structures describing their roofs and walls as weak or very week, down from around a half of households in both measures in 2002 to just under a third of households in 2016.

ADEQUACY – ADEQUACY OF SERVICE AVAILABILITY: DRINKING WATER

INDICATOR 19: Percentage of households whose main source of drinking water is from a piped tap, by province, 2002 – 2016.

DATA SOURCE: General Household Survey (StatsSA).

DESCRIPTION: This indicator asks what proportion of households have access to piped tap water and use it as their main source for drinking water at a national and provincial level.



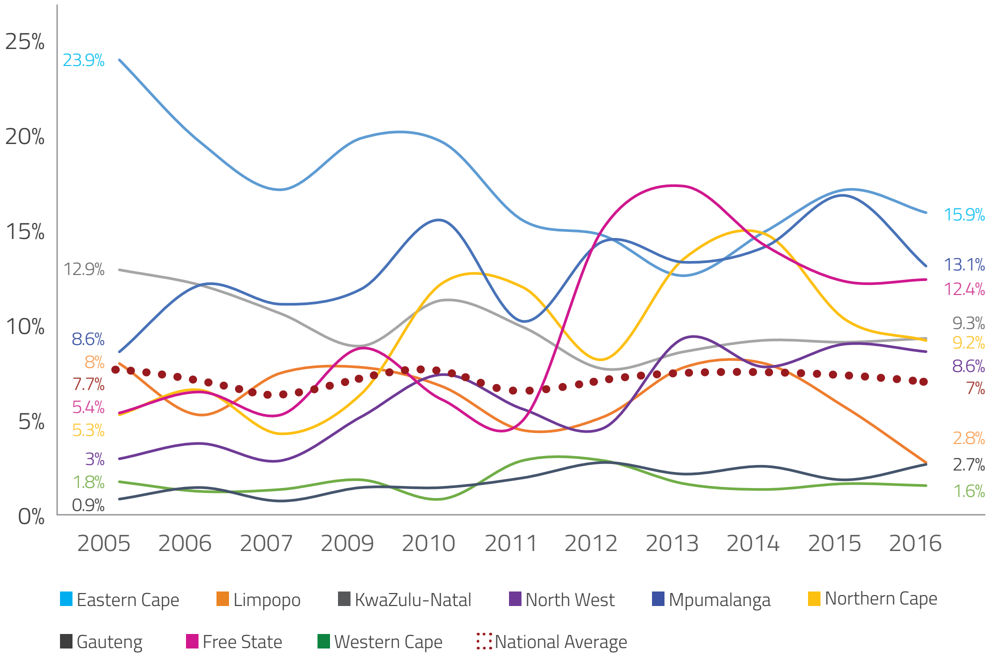
73.1% of households' main source of drinking water was from a piped tap in 2016, up from 67.6% in 2002. Despite this national success, however, the performances for this indicator at a provincial level highlight some worrying trends. Fewer people got their drinking water from a piped tap in Northern Cape (-9.9%) and the Western Cape (-3%) in 2016 than in 2002, while the percentage in Gauteng remains unchanged. Despite notable gains in the Eastern Cape, where 10.7% more people got their water from a piped tap in 2016 than in 2002, it is shocking that fewer than half of the people in the province use a piped tap as their main source for drinking water. The same is true in Limpopo, the worst performing province in 2016, where only 43.8% of people used a piped tap as their main source of drinking water. An obvious unevenness in provincial performance is also observable in this indicator. In 2016, three provinces (Western Cape, Gauteng and Free State) had higher than double the rate of use of piped taps than that of Limpopo, for instance. These provincial disparities largely reflect the apartheid era Bantustan policies, where white areas of the country received the lion's share of State spending at the expense of the black population, who were forced to live in so-called self-governing 'homelands'. It is an indictment that this legacy persists more than 23 years after 1994, and all efforts should be made to overcome it.

ADEQUACY – ADEQUACY OF SERVICE AVAILABILITY: DRINKING WATER

INDICATOR 20: Percentage of households who describe their main source of drinking water as not safe to drink, by province, 2005 – 2016.

DATA SOURCE: General Household Survey (StatsSA), 2005 – 2016.

DESCRIPTION: This indicator looks at the adequacy of the drinking water consumed by households, at a national and provincial level.

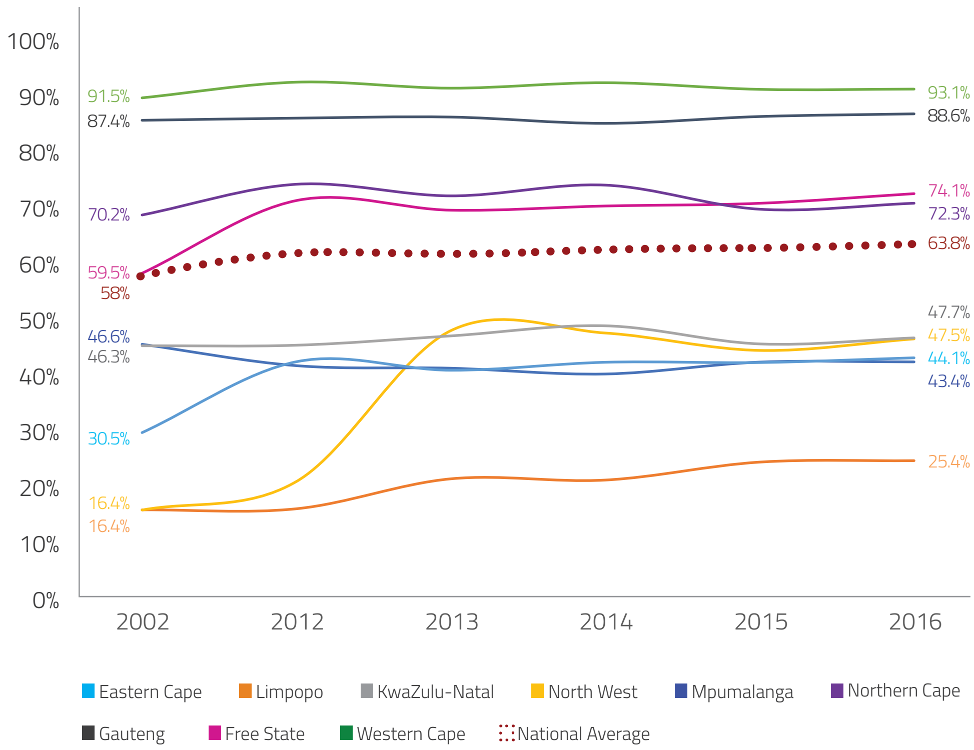


There has been a small national decrease (0.7%) in households who describe their main source of drinking water as not safe to drink, from 7.7% in 2005 to 7% in 2016. However this figure has not changed since 2012, meaning that the same percentage of households described their drinking water as unsafe in 2012 as in 2016. The great variance across provinces on this indicator observed in our 2014 report persists. The Eastern Cape has seen the most positive change in the percentage of households who describe their main source of drinking water as not safe to drink, which has decreased from 23.9% in 2005 to 15.9% in 2016. However it remains the worst performing province in this indicator, and its 2016 percentage is in fact higher than the percentage of households who described their main source of drinking water as not safe to drink in 2012 – 14.7%. KwaZulu-Natal, Western Cape and Limpopo are the only other provinces that have seen positive change on this indicator since 2005. More than twice as many Free State households made this description in 2016 than in 2005, while three times as many Gauteng and North West made this description in 2016 as in 2005. Around one in seven households in the Eastern Cape, Mpumalanga and Free State described their main source of drinking water as unsafe to drink in 2016.

INDICATOR 21: Percentage of households whose main sanitation facility used is a flush toilet, by province, 2002 – 2016.

DATA SOURCE: General Household Survey (StatsSA), 2002 – 2016.

DESCRIPTION: This indicator looks at the adequacy of the sanitation facilities used by households at a national and provincial level. 'Flush toilet' includes flush toilets connected to a public sewerage system, and flush toilets connected to a septic tank.



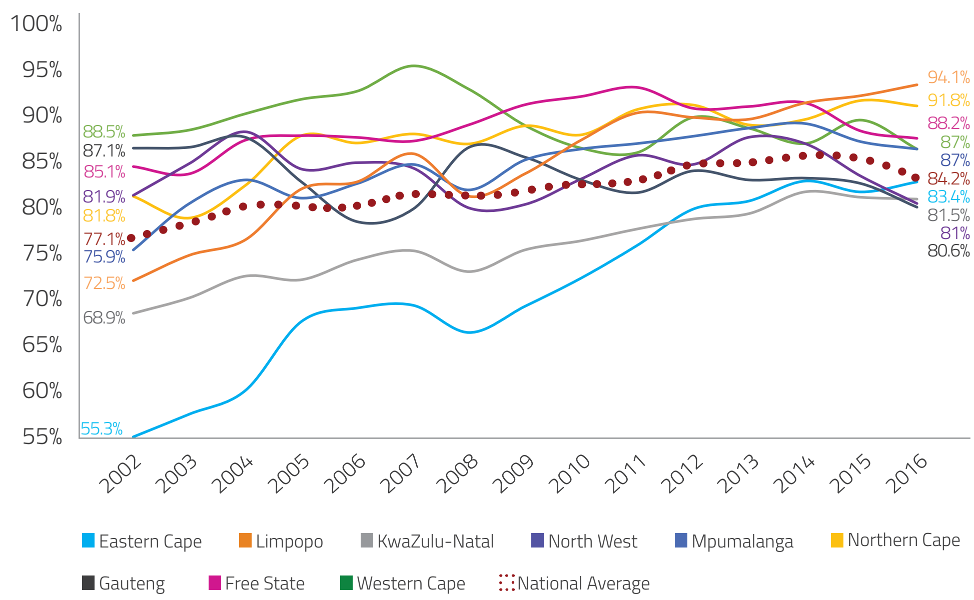
Dramatic unevenness in the adequacy of basic household services in South Africa is observable in this indicator. The percentage of households who use a flush toilet as their main sanitation facility increased slightly by 5.8% between 2002 and 2016. One in every three households still do not enjoy access to this basic sanitation. This inequality in access to sanitation is even more pronounced at the provincial level. There have been notable gains. The percentage of households using a flush toilet as their main sanitation facility increased by 31% in North West, 13.6% in the Eastern Cape and 14.6% in Free State. However, only 1 in every 4 Limpopo households used a flush toilet as their main sanitation facility in 2016. Less than 1 in every 2 households in more than half of the provinces used a flush toilet as their main sanitation facility in 2016. This can be compared with Gauteng and Western Cape, where around 9 out every 10 households use a flush toilet as their main sanitation facility. Mpumalanga has regressed in the measurement of this indicator since 2002. These discrepancies are again reflective of the spatial inequalities generated by apartheid era Bantustan policies, and warrant urgent attention.

INDICATOR 22: Percentage of households connected to a mains electricity supply, 2002 – 2016.

DATA SOURCE: General Household Survey (StatsSA), 2002 – 2016.

DESCRIPTION: This indicator looks at the adequacy of household energy sources.

ADEQUACY – ADEQUACY OF SERVICE AVAILABILITY: ENERGY



Notable progress has been made in expanding access to electricity. In 2016, 84.2% of households were connected to a mains electricity supply, up from 77.1% in 2002, but down from 86% in 2014. Severe inequality in provincial access in 2002 has been reduced thanks largely to a 28.1% increase in the Eastern Cape, a 12.6% increase in KwaZulu-Natal and a 21.6% increase in Limpopo 10%. Although there have been provincial regressions during this period in the Western Cape, North West and notably Gauteng (a 6.5% decrease). It should be noted that this indicator measures connection to mains electricity supply, but says nothing of the affordability of that electricity, or the frequency with which it may be cut off. These two features remain obstacles to the access to electricity, especially for poorer households.

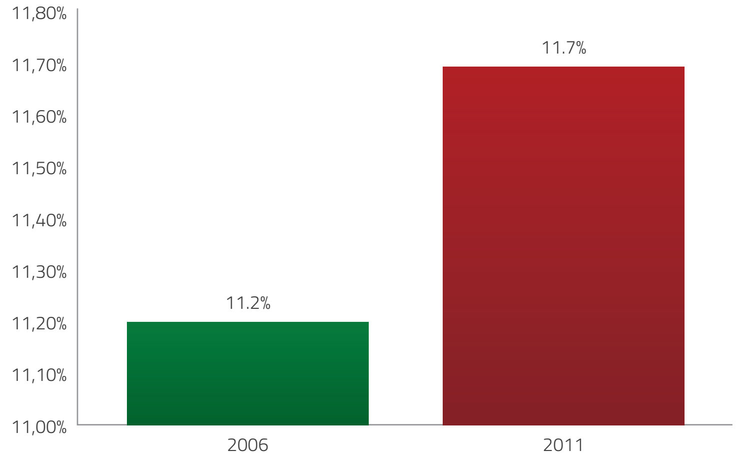
4.3 QUALITY INDICATORS

QUALITY - TRANSPORT COSTS

DESCRIPTION: The spatial legacy of apartheid left many poorer households having to spend a considerable portion of their income on transport costs simply to get to work in the towns and cities. This indicator looks at the transport costs of households in the bottom three income deciles (i.e. with household annual income less than R22,007) to look at whether household transport costs have been increasing or decreasing for the poor.

INDICATOR 23: Percentage of annual household consumption expenditure spent on transport for bottom three income deciles, 2006 – 2011.[47]

DATA SOURCE: Income and Expenditure Survey (StatsSA), 2006 – 2011.



As with other household costs, the cost of transport has increased as a percentage of household consumption expenditure, although not by a significant amount. There was a 0.5% increase for the bottom three income deciles from 11.2% in 2006 to 11.7% in 2011. This may be linked to rising petrol costs, which rose from an average price per litre R6.52 per litre in 2007, to R9.58 in 2011.[48] When added to the higher rent/mortgage costs seen in indicator 13, and the 4.5% higher household costs found in indicator 14, taken together, these affordability indicators point to a rising cost of living for the poor in relation to housing.

FOOTNOTES:

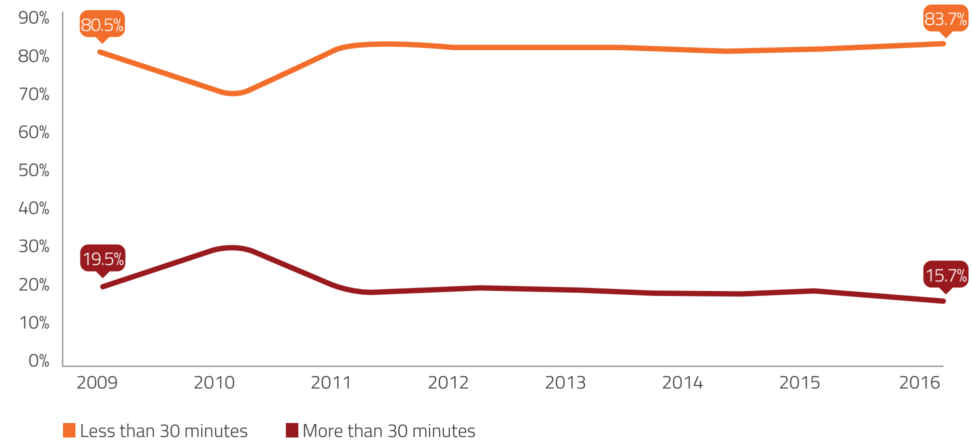
47. StatsSA's Income and Expenditure Survey, which is administered every 5 years, has not been published since SPII's 2014 report on the right to housing. As a result, this indicator, and the analysis thereof, remains unchanged from that report.
48. Own calculations based on the mean price of coast 95, coast 93, inland 95 and inland 93, Department of Energy, www.energy.gov.za/files/petroleum_frame.html.

QUALITY – QUALITY OF HEALTH OUTCOMES

INDICATOR 24: Average time it takes to get to nearest health facility, 2009 - 2016

DATA SOURCE: General Household Survey (StatsSA), 2009 – 2016.

DESCRIPTION: This indicator looks at the quality of health outcomes in relation to housing by looking at the length of time it takes people to reach their nearest health facility.



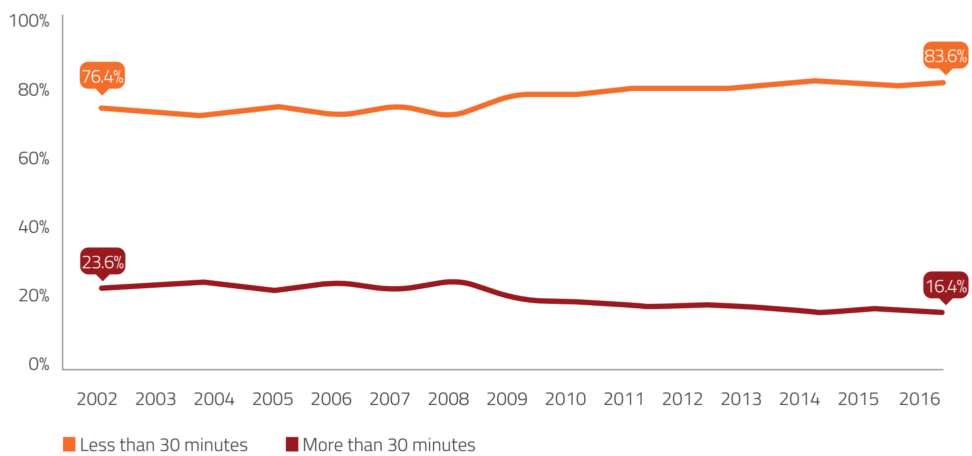
The percentage of South African's living within 30 minutes of a health facility increased only slightly by 4% between 2009 and 2016.

QUALITY – QUALITY OF EDUCATION OUTCOMES

INDICATOR 25: Average time it takes a child to get to school, 2002 – 2016.

DATA SOURCE: General Household Survey (StatsSA), 2002 – 2016.

DESCRIPTION: This indicator looks at the quality of education outcomes in relation to housing by looking at the length of time it takes children to get to school.



The percentage of children who take less than 30 minutes to get to school has increased gradually, from 76.4% in 2002 to 83.6% in 2012.

CHAPTER FIVE:
CONCLUSION

The right to housing is about more than bricks and mortar, and involves a far more holistic (in) security and experience of a home than the sum of that home's parts. In this regard, it is worrying that 23 years after 1994, the delivery of services (a crucial component of adequate housing) still largely reflects apartheid's Bantustan geography. Rural areas formerly exclusively for use by black people still fall drastically behind the formerly white urban areas in terms of the enjoyment of basic services, with the exception of electricity, where there are observable successes. While overcoming this legacy has long been a focus for government, it is not happening fast enough, and deserves more drastic attention.

Worrying trends are observable in the number of housing units delivered. Each of the last three years on record represent successive record lows in unit delivery since 2000. This persistent decrease, although partly explainable by the increased emphasis on the standard of housing delivery, is unsustainable in light of South Africa's intractable and growing housing backlogs. In recent court papers, for example, the City of Cape Town conceded that at the rate of current delivery means that its housing backlog will take more than 70 years to address (excluding the number by which that backlog would increase during those 70 years).[49]

This is exacerbated by the real terms decline in housing budget allocations that have taken place between 2014/15 and 2016/17. Although expenditure trends are generally positive, spending on the USDG faces serious problem. If government is serious about improving the living conditions of households residing in informal settlements, where the majority of South Africa's poor continue to live, a more concerted effort needs to be made and political will given to turning this grant around. The efficient use of the USDG could go about transforming South Africa's urban housing landscape.

However, in urban areas, government seems intent on addressing the housing challenge through catalytic projects, or mega projects, which would see large scale housing development on peripheral green field sites. We would caution against this approach, not least because of a growing consensus around the contribution to poverty and unemployment made by housing opportunities located far away from viable urban centres. There is an equally strong consensus around the difficulty of encouraging the growth of new markets in new green field developments, raising the spectre of jobless "ghost towns".

We would encourage government instead to commit energy and resources to the complex work of denser housing development in urban contexts, which demands a diverse approach to the kinds of housing opportunities delivered. These opportunities should be tailored to meet the needs and realities of people where they live (in situ development), and in this regard, more must be done to scale up the delivery of affordable public rental options in city centres, and the in situ upgrading of informal settlements. The City of Johannesburg has been given guidance by the High Court in this regard when it ordered that the Upgrading of Informal Settlements Programme (UISP) – a globally progressive policy intervention with regard to the governance of informal settlements – is binding on the City, confirming the move away from eviction and relocation and towards in situ upgrading in informal settlements. It is discouraging that the indicators suggest that government is falling well short of its own targets for informal settlement upgrading and the provision of affordable rental options. This would suggest that government's emphasis is moving away from crucial brown field development and towards mass green field delivery.

Private property often presents a challenge to developing housing opportunities on economically viable urban land, and especially with regard to the upgrading of informal settlements.

FOOTNOTES:

49. The City of Cape Town's submissions in this case are available for download at: https://seri-sa.org/index.php/litigation/securing-a-home?id=491:fischer-v-unlawful-occupiers-erf-149-philippi

Government has traditionally been hesitant to provide services that might further secure the tenure of unlawful informal settlement occupiers of private land. A recent High Court ruling has, however, strengthened government's hand with regard to changing the ownership patterns of economically viable land where it would protect people's constitutional rights to housing. In Fischer, and led by the demands of organised informal settlement residents, the Western Cape High Court ruled that the State should consider expropriation in instances where land owners' rights to their property is infringing on the rights to housing of people who have occupied that land. This judgment offers local governments the precedent to acquire more.

One of the more alarming trends observable in our statistical indicators shows that the affordable housing market in metro municipalities is under siege. Rapid growth in both the number of properties and number of transactions in the conventional market (properties over R1.2 million, including luxury properties) is offset by drastic decreases in number of properties in the subsidised market, and reductions in the amount of transactions in both the subsidised and gap markets. Furthermore, the percentage of properties which are considered affordable (at R600 000, this measure is still generous) has fallen across metros, and the housing gap continues to grow across metros. All of this means that the inaccessibility of formal housing for poor households is deepening. Without greater private sector participation in the provision of affordable and adequate accommodation, South African cities will remain exclusive places where the right to adequate housing remains unrealised for the most vulnerable people.

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ANNEXURE

Table 1: Sub-Programme: Human Settlements Development Grant (HSDG) - real allocations, adjustments, annual % change and expenditure as % of total budget, 2012/13 to 2015/16

Total real allocations and actual expenditure as % of total appropriation	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
Human settlements Development Grant (HSDG)				
HSDG allocation (DoRA)	20 768	21 240	20 193	20 375
HSDG allocation annual % change		2.3%	-4.9%	0.9%
Re-allocations/adjustments	0	860	661	1 128
Funds withheld	437	805	661	1 016
Amount transferred to HSDG received by provinces	20 331	21 295	20 193	20 487
Amount transferred to HSDG annual % change		4.7%	-5.2%	1.5%
Expenditure by provincial Human Settlements	20 173	20 633	20 060	20 351
Under/over-expenditure by provincial Human Settlements	157	662	134	137
Under/over-expenditure by provinces as % of total budget	0.8%	3.1%	0.7%	0.7%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 2: Eastern Cape HSDG allocation and expenditure, 2012/13 to 2015/16

Nominal and real allocations and actual expenditure as % of total budget	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
Eastern Cape (EC)				
Total nominal HSDG allocation (DoRA)	2 293	2 524	2 393	1 962
Re-allocation / adjustment	0	0	0	500
Funds withheld	284	0	0	
Actual amount transferred to HSDG received by EC Human Settlements	2 009	2 524	2 393	2 462
Actual expenditure by EC Human Settlements	2 002	2 524	2 393	2 458
Real amount received by EC Human Settlements	2 653	3 156	2 829	2 756
Real amount received annual % change		19%	-10.4%	-2.6%
Real expenditure by EC Human Settlements	2 644	3 156	2 829	2 751
Real under/over-expenditure by EC Human Settlements	9	0	0	4
Real under/over-expenditure as % of total budget	0.3%	0%	0%	0.2%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 3: Free State allocations and expenditure, 2012/13 to 2015/16

Nominal and real allocations and actual expenditure as % of total budget	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
Free State (FS)				
Total nominal HSDG allocation (DoRA)	962	1 121	1 062	1 057
Re-allocation / adjustment	0	230	0	0
Funds withheld	0	0	0	0
Actual amount transferred to HSDG received by FS Human Settlements	962	1 351	1 062	1 057
Actual expenditure by FS Human Settlements	964	1 351	1 062	1 057
Real amount received by FS Human Settlements	1 270	1 690	1 255	1 183
Real amount received annual % change		33%	-25.7%	-5.7%
Real expenditure by FS Human Settlements	1 273	1 690	1 255	1 183
Real under/over-expenditure by FS Human Settlements	-3	0	0	0
Real under/over-expenditure as % of total budget	-0.2%	0%	0%	0%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 4: Gauteng HSDG allocations and expenditure, 2012/13 to 2015/16

Nominal and real allocations, actual expenditure, and under-expenditure as % of total budget	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
Gauteng (GP)				
Total nominal HSDG allocation (DoRA)	4 004	4 108	4 418	4 979
Re-allocation / adjustment	0	0	0	0
Funds withheld	0	0	0	908
Actual amount transferred to HSDG received by GP Human Settlements	4 004	4 108	4 418	4 071
Actual expenditure by GP Human Settlements	4 002	4 095	4 405	4 048
Real amount received by GP Human Settlements	5 288	5 137	5 222	4 557
Real amount received annual % change		-2.8%	1.7%	-12.7%
Real expenditure by GP Human Settlements	5 285	5 121	5 207	4 531
Real under/over-expenditure by GP Human Settlements	3	16	15	26
Real under/over-expenditure as % of total budget	0%	0.3%	0.3%	0.6%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 5: Kwa-Zulu Natal HSDG allocations and expenditure, 2012/13 to 2015/16

Nominal and real allocations, actual expenditure, and under-expenditure as % of total budget	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
KwaZulu Natal (KZN)				
Total nominal HSDG allocation (DoRA)	2 915	3 235	3 509	3 235
Re-allocation / adjustment	0	97	0	308
Funds withheld	0	0	0	0
Actual amount transferred to HSDG received by KZN Human Settlements	2 915	3 332	3 509	3 543
Actual expenditure by KZN Human Settlements	2 915	3 333	3 510	3 543
Real amount received by KZN Human Settlements	3 850	4 167	4 148	3 966
Real amount received annual % change		8.2%	-0.5%	-4.4%
Real expenditure by KZN Human Settlements	3 850	4 168	4 149	3 966
Real under/over-expenditure by KZN Human Settlements	0	-1	-1	0
Real under/over-expenditure as % of total budget	0%	0%	0%	0%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 6: Limpopo HSDG allocations and expenditure, 2012/13 to 2015/16

Nominal and real allocations and actual expenditure as % of total budget	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
Limpopo(LP)				
Total nominal HSDG allocation (DoRA)	1 472	1 325	660	1 284
Re-allocation / adjustment / rollover	0	1	0	0
Funds withheld	46	644	0	0
Actual amount transferred to HSDG received by LP Human Settlements	1 426	682	660	1 284
Actual expenditure by LP Human Settlements	1 315	303	517	1 123
Real amount received by LP Human Settlements	1 883	853	780	1 437
Real amount received annual % change		-54.7%	-8.5%	84.2%
Real expenditure by LP Human Settlements	1 737	379	611	1 257
Real under/over-expenditure by LP Human Settlements	147	474	169	180
Real under/over-expenditure as % of total budget	7.8%	55.6%	21.7%	12.5%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 7: Mpumalanga HSDG allocations and expenditure, 2012/13 to 2015/16

Nominal and real allocations and actual expenditure as % of total budget	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
Mpumalanga (MP)				
Total nominal HSDG allocation (DoRA)	965	1 124	1 217	1 265
Re-allocation / adjustment	0	2	0	0
Funds withheld	0	0		0
Actual amount transferred to HSDG received by MP Human Settlements	965	1 126	1 217	1 265
Actual expenditure by MP Human Settlements	953	1 013	1 257	1 335
Real amount received by MP Human Settlements	1 274	1 408	1 439	1 416
Real amount received annual % change		10.5%	2.2%	-1.6%
Real expenditure by MP Human Settlements	1 259	1 267	1 486	1 494
Real under/over-expenditure by MP Human Settlements	16	141	-47	-78
Real under/over-expenditure as % of total budget	1.2%	10%	-3.3%	-5.5%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 8: Northern Cape HSDG allocations and expenditure, 2012/13 to 2015/16

Nominal and real allocations and actual expenditure as % of total budget	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
Northern Cape (NC)				
Total nominal HSDG allocation (DoRA)	339	396	375	380
Re-allocation / adjustment	0	208	0	100
Funds withheld	0	0	0	0
Actual amount transferred to HSDG received by NC Human Settlements	339	604	375	480
Actual expenditure by NC Human Settlements	339	577	375	476
Real amount received by NC Human Settlements	448	755	443	537
Real amount received annual % change		68.7%	-41.3%	21.2%
Real expenditure by NC Human Settlements	448	722	443	533
Real under/over-expenditure by NC Human Settlements	0	34	0	4
Real under/over-expenditure as % of total budget	0%	4.5%	0%	0.8%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 9: North West HSDG allocations and expenditure, 2012/13 to 2015/16

Nominal and real allocations and actual expenditure as % of total budget	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
North West (NW)				
Total nominal HSDG allocation (DoRA)	1 051	1 224	1 517	2 063
Re-allocation / adjustment	0	117	0	100
Funds withheld	0	0	0	0
Actual amount transferred to HSDG received by NC Human Settlements	1 051	1 341	1 517	2 163
Actual expenditure by NC Human Settlements	1 051	1 341	1 517	2 163
Real amount received by NC Human Settlements	1 388	1 677	1 793	2 421
Real amount received annual % change		20.8%	6.9%	35. %
Real expenditure by NC Human Settlements	1 388	1 677	1 793	2 421
Real under/over-expenditure by NC Human Settlements	0	0	0	0
Real under/over-expenditure as % of total budget	0%	0%	0%	0%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 10: Western Cape HSDG allocations and expenditure, 2012/13 to 2015/16

Nominal and real allocations, actual expenditure, and under-expenditure as % of total budget	Allocations and Expenditure R million			
	2012 /13	2013 /14	2014 /15	2015 /16
Western Cape (WC)				
Total nominal HSDG allocation (DoRA)	1 725	1 926	1 934	1 975
Re-allocation / adjustment	0	33	0	0
Funds withheld	0	0	0	0
Actual amount transferred to HSDG received by WC Human Settlements	1 725	1 959	1 934	1 975
Actual expenditure by WC Human Settlements	1 725	1 959	1 934	1 975
Real amount received by WC Human Settlements	2 278	2 450	2 286	2 211
Real amount received annual % change		7.5%	-6.7%	-3.3%
Real expenditure by WC Human Settlements	2 278	2 450	2 286	2 211
Real under/over-expenditure by WC Human Settlements	0	0	0	0
Real under/over-expenditure as % of total budget	0%	0%	0%	0%
CPI Inflation	5.6%	5.8%	5.6%	5.2%

Table 11: USDG real allocations and expenditure, by accredited municipality, 2012/13 and 2015/16

Real allocations and expenditure as % of total budget		2012/13	2013/14
Buffalo City	Total allocation (DoRA)	659	798
	Actual expenditure	205	546
	Under-expenditure	454	252
	Under-expenditure as % of total budget	68.9%	31.6%
Nelson Mandela Bay	Total allocation (DoRA)	783	947
	Actual expenditure	415	602
	Under-expenditure	368	345
	Under-expenditure as % of total budget	47%	36.4%
Mangaung	Total allocation (DoRA)	642	777
	Actual expenditure	396	476
	Under-expenditure	246	301
	Under-expenditure as % of total budget	38.3%	38.8%
Ekurhuleni	Total allocation (DoRA)	1 602	2 063
	Actual expenditure	802	1 119
	Under-expenditure	800	944
	Under-expenditure as % of total budget	50%	45.7%
City of Johannesburg	Total allocation (DoRA)	1 704	1 938
	Actual expenditure	638	1 229
	Under-expenditure	1 066	709
	Under-expenditure as % of total budget	62.6%	36.6%
City of Tshwane	Total allocation (DoRA)	1 388	1 679
	Actual expenditure	806	996
	Under-expenditure	582	683
	Under-expenditure as % of total budget	42%	40.7%
Ethekwini	Total allocation (DoRA)	1 701	2 057
	Actual expenditure	510	975
	Under-expenditure	1 191	1 082
	Under-expenditure as % of total budget	70%	52.6%
City of Cape Town	Total allocation (DoRA)	1 284	1 553
	Actual expenditure	638	750
	Under-expenditure	646	803
	Under-expenditure as % of total budget	50.3%	51.7%
USDG Totals	Total allocation (DoRA)	9 762	11 811
	Actual expenditure	4 408	6 694
	Under-expenditure	5 354	5 118
	Under-expenditure as % of total budget	54.8%	43.3%
	CPI Inflation	5.6%	5.2%

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