Vote 33
Rural Development and Land Reform

Adjusted budget summary

	2011/12			
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	**8 124 246**	**8 136 697**	–	12 451
of which:				
Current payments	2 524 131	3 137 551	–	613 420
Transfers and subsidies	5 564 744	4 955 785	(608 959)	–
Payments for capital assets	35 371	43 361	–	7 990
Executive authority	Minister of Rural Development and Land Reform			
Accounting officer	Director-General of Rural Development and Land Reform			
Website address	www.ruraldevelopment.gov.za			

Aim

Create and maintain an equitable and sustainable land dispensation as a catalyst in rural development that ensures rural livelihoods, decent work and continued social and economic advancement for all South Africans.

Mid-year performance status

Indicator	Programme	Annual performance		
As published in the 2011 ENE	Programme linked to the indicator	Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six monthsof 2011/12 (April to September)	Changed estimate for 2011/12
Number of additional square kilometres of earth imagery at 0.5m ground sample distance acquired per year	Geospatial and Cadastral Services	310 000 km2	109 267 km2	
Number of days taken to approve cadastral documents	Geospatial and Cadastral Services	14	19	
Number of land claims settled per year	Restitution	60	35	
Number of farms recapitalised per year	Land Reform	403	242	
Number of household gardens established per year	Rural Development	22 200	900	1 800
Number of electronic rural access centres provided per year	Rural Development	20		
Number of new participants in the national rural youth service corps per year	Rural Development	5 000	580	

Changes to indicators and targets published in the 2011 ENE

The department projected that it would establish 22 200 foods gardens in the current financial year. However, due to resource constraints such as funding and human capacity, the target was revised downwards to 1 800 household gardens, to be in line with available resources. As at the end of September 2011, a total of 900 household gardens had been established.

Mid-year progress

In the first half of 2011/12, the department acquired an additional 109 267km^2 of earth imagery at 0.5m ground sample distance. The target of 310 000km^2 is on track to be reached despite delays in appointing a service provider to assist with this function.

With regards to the restitution programme, a total of 35 claims were settled against an annual target of 60, which is a satisfactory mid-year result.

The department’s recapitalisation and development programme recapitalised 242 projects between April and September 2011; 68 of the 242 projects were new projects.

The recruitment of the national rural youth services corps participants is continuing. In this financial year, the department aims to recruit 5 000 participants. Already 580 participants have been recruited and it is envisaged that the remaining 4 420 participants will be recruited by the end of the financial year.

No electronic rural access centres have been provided to dateas the department is in the process of contracting a service provider.

Adjusted Estimates of National Expenditure 2011

Programme	2011/12						
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Administration	606 104	–	–	305 379	–	305 379	911 483
Geospatial and Cadastral Services	388 104	–	–	155 347	12 451	167 798	555 902
Rural Development	441 276	–	–	460 592	–	460 592	901 868
Restitution	2 497 293	–	–	–	–	–	2 497 293
Land Reform	4 191 469	–	–	(921 318)	–	(921 318)	3 270 151
Total	**8 124 246**	**–**	**–**	**–**	**12 451**	**12 451**	**8 136 697**
Economic classification							
Current payments	**2 524 131**	**–**	**–**	**600 969**	**12 451**	**613 420**	**3 137 551**
Compensation of employees	1 395 670	–	–	(100 895)	12 451	(88 444)	1 307 226
Goods and services	1 128 461	–	–	701 864	–	701 864	1 830 325
Transfers and subsidies	**5 564 744**	**–**	**–**	**(608 959)**	**–**	**(608 959)**	**4 955 785**
Provinces and municipalities	46	–	–	76	–	76	122
Departmental agencies and accounts	2 767 806	–	–	(609 034)	–	(609 034)	2 158 772
Foreign governments and international organisations	1 320	–	–	(40)	–	(40)	1 280
Non-profit institutions	2 571	–	–	–	–	–	2 571
Households	2 793 001	–	–	39	–	39	2 793 040
Payments for capital assets	**35 371**	**–**	**–**	**7 990**	**–**	**7 990**	**43 361**
Machinery and equipment	34 624	–	–	7 718	–	7 718	42 342
Software and other intangible assets	747	–	–	272	–	272	1 019
Total	**8 124 246**	**–**	**–**	**–**	**12 451**	**12 451**	**8 136 697**

Programme 1: Administration

Subprogramme	2011/12						
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Ministry	12 902	–	–	7 829	–	7 829	20 731
Management	79 193	–	–	46 137	–	46 137	125 330
Corporate Services	439 406	–	–	168 413	–	168 413	607 819
Office Accommodation	54 818	–	–	83 000	–	83 000	137 818
Government Motor Transport	3 653	–	–	–	–	–	3 653
Sector Education and Training Authority	1	–	–	–	–	–	1
Capital Works	16 131	–	–	–	–	–	16 131
Total	**606 104**	**–**	**–**	**305 379**	**–**	**305 379**	**911 483**
Economic classification							
Current payments	**583 180**	**–**	**–**	**301 970**	**–**	**301 970**	**885 150**
Compensation of employees	307 307	–	–	109 997	–	109 997	417 304
Goods and services	275 873	–	–	191 973	–	191 973	467 846
Transfers and subsidies	**12 925**	**–**	**–**	**5**	**–**	**5**	**12 930**
Provinces and municipalities	14	–	–	5	–	5	19
Departmental agencies and accounts	1	–	–	–	–	–	1
Households	12 910	–	–	–	–	–	12 910
Payments for capital assets	**9 999**	**–**	**–**	**3 404**	**–**	**3 404**	**13 403**
Machinery and equipment	9 939	–	–	3 455	–	3 455	13 394
Software and other intangible assets	60	–	–	(51)	–	(51)	9
Total	**606 104**	**–**	**–**	**305 379**	**–**	**305 379**	**911 483**

Programme 2: Geospatial and Cadastral Services

Subprogramme	2011/12						
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Cadastral Surveys	191 566	–	–	55 790	2 000	57 790	249 356
National Geospatial Information	136 928	–	–	–	–	–	136 928
Spatial Planning	46 633	–	–	32 748	10 451	43 199	89 832
Registration of Deeds Trading Account	10 406	–	–	66 809	–	66 809	77 215
South African Council for Planners	2 571	–	–	–	–	–	2 571
Total	**388 104**	**–**	**–**	**155 347**	**12 451**	**167 798**	**555 902**
Economic classification							
Current payments	**364 798**	**–**	**–**	**87 380**	**12 451**	**99 831**	**464 629**
Compensation of employees	270 580	–	–	20 719	12 451	33 170	303 750
Goods and services	94 218	–	–	66 661	–	66 661	160 879
Transfers and subsidies	**14 749**	**–**	**–**	**66 811**	**–**	**66 811**	**81 560**
Provinces and municipalities	4	–	–	1	–	1	5
Departmental agencies and accounts	10 406	–	–	66 809	–	66 809	77 215
Foreign governments and international organisations	1 320	–	–	(40)	–	(40)	1 280
Non-profit institutions	2 571	–	–	–	–	–	2 571
Households	448	–	–	41	–	41	489
Payments for capital assets	**8 557**	**–**	**–**	**1 156**	**–**	**1 156**	**9 713**
Machinery and equipment	7 870	–	–	833	–	833	8 703
Software and other intangible assets	687	–	–	323	–	323	1 010
Total	**388 104**	**–**	**–**	**155 347**	**12 451**	**167 798**	**555 902**

Programme 3: Rural Development

Subprogramme	2011/12						
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Rural Development National Office	180 655	–	–	52 217	–	52 217	232 872
Rural Development Provincial Offices	260 621	–	–	408 375	–	408 375	668 996
Total	**441 276**	**–**	**–**	**460 592**	**–**	**460 592**	**901 868**
Economic classification							
Current payments	**441 171**	**–**	**–**	**458 772**	**–**	**458 772**	**899 943**
Compensation of employees	71 605	–	–	28 864	–	28 864	100 469
Goods and services	369 566	–	–	429 908	–	429 908	799 474
Payments for capital assets	**105**	**–**	**–**	**1 820**	**–**	**1 820**	**1 925**
Machinery and equipment	105	–	–	1 820	–	1 820	1 925
Total	**441 276**	**–**	**–**	**460 592**	**–**	**460 592**	**901 868**

Programme 4: Restitution

Subprogramme	2011/12						
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Restitution National Office	51 050	–	–	–	–	–	51 050
Restitution Regional Offices	363 120	–	–	–	–	–	363 120
Restitution Grants	2 083 123	–	–	–	–	–	2 083 123
Total	**2 497 293**	**–**	**–**	**–**	**–**	**–**	**2 497 293**
Economic classification							
Current payments	**413 842**	**–**	**–**	**(1 411)**	**–**	**(1 411)**	**412 431**
Compensation of employees	250 606	–	–	–	–	–	250 606
Goods and services	163 236	–	–	(1 411)	–	(1 411)	161 825
Transfers and subsidies	**2 083 351**	**–**	**–**	**–**	**–**	**–**	**2 083 351**
Provinces and municipalities	8	–	–	2	–	2	10
Households	2 083 343	–	–	(2)	–	(2)	2 083 341
Payments for capital assets	**100**	**–**	**–**	**1 411**	**–**	**1 411**	**1 511**
Machinery and equipment	100	–	–	1 411	–	1 411	1 511
Total	**2 497 293**	**–**	**–**	**–**	**–**	**–**	**2 497 293**

Programme 5: Land Reform

Subprogramme	2011/12						
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Land Reform National Office	156 813	–	–	(5 050)	–	(5 050)	151 763
Land Reform Provincial Offices	580 957	–	–	(240 425)	–	(240 425)	340 532
Land Reform Grants	696 300	–	–	–	–	–	696 300
KwaZulu-Natal Ingonyama Trust Board	6 834	–	–	–	–	–	6 834
Land Reform Empowerment Facility	1	–	–	–	–	–	1
Agricultural Land Holding Account	2 750 564	–	–	(675 843)	–	(675 843)	2 074 721
Total	**4 191 469**	**–**	**–**	**(921 318)**	**–**	**(921 318)**	**3 270 151**
Economic classification							
Current payments	**721 140**	**–**	**–**	**(245 742)**	**–**	**(245 742)**	**475 398**
Compensation of employees	495 572	–	–	(260 475)	–	(260 475)	235 097
Goods and services	225 568	–	–	14 733	–	14 733	240 301
Transfers and subsidies	**3 453 719**	**–**	**–**	**(675 775)**	**–**	**(675 775)**	**2 777 944**
Provinces and municipalities	20	–	–	68	–	68	88
Departmental agencies and accounts	2 757 399	–	–	(675 843)	–	(675 843)	2 081 556
Households	696 300	–	–	–	–	–	696 300
Payments for capital assets	**16 610**	**–**	**–**	**199**	**–**	**199**	**16 809**
Machinery and equipment	16 610	–	–	199	–	199	16 809
Total	**4 191 469**	**–**	**–**	**(921 318)**	**–**	**(921 318)**	**3 270 151**

Virements and shifts

Programmes

1. Administration
2. Geospatial and Cadastral Services
3. Rural Development
4. Restitution
5. Land Reform

FROM:			TO:		
Programme by economic classification	**Motivation**	**R thousand**	**Programme by economic classification**	**Motivation**	**R thousand**
Programme 1		**(3 460)**	**Programme 1**		**3 460**
Goods and services	Reprioritisation of funds	(3 404)	Machinery and equipment	For shortfall in machinery and equipment, and computer hardware and systems	3 404
	Reprioritisation of funds	(5)	Provinces and municipalities	For shortfall in machinery and equipment in provinces and municipalities	5
Software and other intangible assets	Reprioritisation of funds	(51)	Machinery and equipment	For shortfall in computer hardware and systems	51
Percentage of programme budget		0.6%			
Programme 2		**(1 481)**	**Programme 2**		**1 481**
Goods and services	Reprioritisation of funds	(1 156)	Machinery and equipment	For shortfall in computer hardware and systems	1 156
	Reprioritisation of funds	(2)	Provinces and municipalities	For shortfall in computer hardware and systems in provinces and municipalities	2
Machinery and equipment	Reprioritisation of funds	(323)	Software and other intangible assets	For shortfall in software	323
Percentage of programme budget		0.4%			
Programme 3		**(1 820)**	**Programme 3**		**1 820**
Goods and services	Reprioritisation of funds	(1 820)	Machinery and equipment	For shortfall in computer hardware and systems	1 820
Percentage of programme budget		0.4%			
Programme 4		**(1 411)**	**Programme 4**		**1 411**
Goods and services	Reprioritisation of funds	(1 411)	Machinery and equipment	For shortfall in computer hardware and systems	1 411
Percentage of programme budget		0.1%			
Programme 5		**(936 585)**	**Programme 1**		**195 892**
Compensation of employees	Reprioritisation of funds	(109 997)	Compensation of employees	To augment insufficient 2011 ENE allocation	109 997
	Reprioritisation of funds	(85 895)	Goods and services	For shortfall in new components, security and IT services	85 895
			Programme 2		**20 719**
	Reprioritisation of funds	(20 719)	Compensation of employees	To augment insufficient 2011 ENE allocation	20 719
			Programme 5		**15 000**
	Reprioritisation of funds	(15 000)	Goods and services	To cover shortfall in computer hardware and systems	15 000
			Programme 3		**28 864**
	Reprioritisation of funds	(28 864)	Compensation of employees	To align budget with new organisational structure	28 864
			Programme 5		**267**
Goods and services	Reprioritisation of funds	(199)	Machinery and equipment	For shortfall in computer hardware and systems	199
	Reprioritisation of funds	(68)	Provinces and municipalities	For shortfall in computer hardware and systems in provinces and municipalities	68
			Programme 1		**109 487**
Departmental agencies and accounts	Reprioritisation of funds	(109 487)	Goods and services	For shortfall in new components, security and IT services	109 487
			Programme 2		**134 628**
	Reprioritisation of funds	(67 819)	Goods and services	To augment insufficient 2011 ENE allocation for the electronic cadastre	67 819
	Reprioritisation of funds	(66 809)	Departmental agencies and accounts	For shortfall in the Deeds Office	66 809

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
			Programme 3		**431 728**
	Reprioritisation of funds	(431 728)	Goods and services	To augment insufficient 2011 ENE allocation for rural development projects and the rural youth services programme	431 728
Percentage of programme budget[1]		**22.3%**			
Total		**(944 757)**			**944 757**

1. In terms of the PFMA, only the legislature may approve this virement.

Other adjustments – R12.451 million

Adjustments due to significant and unforeseeable economic and financial events

Programme 2: Geospatial and Cadastral Services

An additional R12.451 million has been allocated for higher personnel remuneration increases than the main budget provided for.

Expenditure for 2010/11 and preliminary expenditure for 2011/12

Programme	2010/11 Expenditure outcome					2011/12 Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted appropriation	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation
Administration	770 768	267 801	34.7	689 271	89.4	911 483	354 240	38.9
Geospatial and Cadastral Services	486 738	155 868	32.0	372 080	76.4	555 902	180 006	32.4
Rural Development	342 431	59 801	17.5	357 467	104.4	901 868	197 614	21.9
Restitution	3 574 221	1 429 916	40.0	3 766 833	105.4	2 497 293	652 600	26.1
Land Reform	2 119 224	859 764	40.6	1 937 205	91.4	3 270 151	1 990 790	60.9
Total	**7 293 382**	**2 773 150**	**38.0**	**7 122 856**	**97.7**	**8 136 697**	**3 375 250**	**41.5**
Economic classification								
Current payments	**2 384 967**	**781 320**	**32.8**	**2 136 770**	**89.6**	**3 137 551**	**1 081 989**	**34.5**
Compensation of employees	1 196 815	437 781	36.6	946 678	79.1	1 307 226	518 104	39.6
Goods and services	1 188 152	343 539	28.9	1 122 897	94.5	1 830 325	556 898	30.4
Interest and rent on land	–	–	0.0	67 195	0.0	–	6 987	0.0
Transfers and subsidies	**4 880 556**	**1 982 298**	**40.6**	**4 167 527**	**85.4**	**4 955 785**	**2 270 848**	**45.8**
Provinces and municipalities	45	91	202.2	112	248.9	122	460	377.0
Departmental agencies and accounts	1 046 455	521 222	49.8	1 065 498	101.8	2 158 772	1 649 074	76.4
Foreign governments and international organisations	1 306	1 148	87.9	1 148	87.9	1 280	1 194	93.3
Non-profit institutions	2 425	607	25.0	2 425	100.0	2 571	1 285	50.0
Households	3 830 325	1 459 230	38.1	3 098 344	80.9	2 793 040	618 835	22.2
Payments for capital assets	**27 859**	**9 159**	**32.9**	**815 713**	**2928.0**	**43 361**	**21 479**	**49.5**
Machinery and equipment	27 205	8 745	32.1	43 275	159.1	42 342	8 236	19.5
Land and subsoil assets	–	–	0.0	772 438	0.0	–	13 243	0.0
Software and other intangible assets	654	414	63.3	–	0.0	1 019	–	0.0
Payments for financial assets	**–**	**373**	**–**	**2 846**	**–**	**–**	**934**	**–**
Total	**7 293 382**	**2 773 150**	**38.0**	**7 122 856**	**97.7**	**8 136 697**	**3 375 250**	**41.5**

Main expenditure trends for the first half of 2011/12

Total expenditure for 2010/11 was 97.7 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 was R3.375 billion, or 41.5 per cent of the adjusted appropriation of R8.137 billion for the year as a whole. In comparison, mid-year expenditure in 2010/11 was R2.773 billion, or 38 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 increased by R602.100 million or 21.7 per cent, compared to expenditure in the first six months of 2010/11.

The main expenditure increase compared to 2010/11 is due to the second transfer to the agricultural land holding account being processed before the end of September and thus being included as expenditure in the first half of 2011/12.

Departmental receipts

	2010/11					2011/12			
		Audited outcome				Actual receipts			
R thousand	Adjusted estimate	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted estimate
Departmental receipts	**41 679**	**19 798**	**47.5**	**48 802**	**117.1**	**68 951**	**49 947**	**20 355**	**40.8**
Sales of goods and services produced by department	17 977	9 060	50.4	18 420	102.5	22 701	22 883	8 034	35.1
Sales of scrap, waste, arms and other used current goods	–	–	–	4	–	–	–	7	–
Interest, dividends and rent on land	19 427	8 523	43.9	25 088	129.1	41 840	21 840	7 443	34.1
Sales of capital assets	75	75	100.0	225	300.0	–	224	1 039	463.8
Transactions in financial assets and liabilities	4 200	2 140	51.0	5 065	120.6	4 410	5 000	3 832	76.6
Total	**41 679**	**19 798**	**47.5**	**48 802**	**117.1**	**68 951**	**49 947**	**20 355**	**40.8**

Main departmental revenue trends for the first half of 2011/12

Departmental revenue collection in the first six months of 2011/12 was R20.355 million, or 40.8 per cent of the adjusted revenue estimate of R49.947 million for the year as a whole. In comparison, mid-year revenue collection in 2010/11 was R19.798 million, or 47.5 per cent of the 2010/11 adjusted estimate. Departmental revenue collection in the first six months of 2011/12 increased by R557 000 or 2.8 per cent, compared to revenue in the first six months of 2010/11.

The main revenue increase compared to 2010/11 is due to the sale of capital assets.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

	2011/12						
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Administration							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	**8**	**–**	**–**	**5**	**–**	**5**	**13**
Vehicle licences	8	–	–	5	–	5	13
Geospatial and Cadastral Services							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	**4**	**–**	**–**	**1**	**–**	**1**	**5**
Vehicle licences	4	–	–	1	–	1	5
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	**10 406**	**–**	**–**	**66 809**	**–**	**66 809**	**77 215**
Registration of Deeds Trading Account	10 406	–	–	66 809	–	66 809	77 215
Foreign governments and international organisations							
Current	**1 320**	**–**	**–**	**(40)**	**–**	**(40)**	**1 280**
Regional Centre for Mapping of Resources for Development	1 320	–	–	(40)	–	(40)	1 280
Households							
Social benefits							
Current	**343**	**–**	**–**	**(313)**	**–**	**(313)**	**30**
Employee social benefits	343	–	–	(313)	–	(313)	30
Households							
Other transfers to households							
Current	**–**	**–**	**–**	**354**	**–**	**354**	**354**
Bursaries	–	–	–	354	–	354	354
Restitution							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	**6**	**–**	**–**	**2**	**–**	**2**	**8**
Vehicle licences	6	–	–	2	–	2	8
Households							
Social benefits							
Current	**220**	**–**	**–**	**(2)**	**–**	**(2)**	**218**
Employee social benefits	220	–	–	(2)	–	(2)	218
Land Reform							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	**20**	**–**	**–**	**68**	**–**	**68**	**88**
Vehicle licences	20	–	–	68	–	68	88
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	**2 750 564**	**–**	**–**	**(675 843)**	**–**	**(675 843)**	**2 074 721**
Agricultural Land Holding Account	2 750 564	–	–	(675 843)	–	(675 843)	2 074 721