

Vote 27

Rural Development and Land Reform

Adjusted Budget Summary

2009/10				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	6 099 058	6 391 091	–	292 033
<i>of which:</i>				
Current payments	1 529 065	2 035 791	–	506 726
Transfers and subsidies	4 547 273	4 323 698	(223 575)	–
Payments for capital assets	22 720	31 602	–	8 882
Executive authority	Minister of Rural Development and Land Reform			
Accounting officer	Director-General of Rural Development and Land Reform			
Website address	www.dla.gov.za			

Aim

The aim of the Department of Rural Development and Land Reform is to create and maintain an equitable and sustainable land dispensation as a catalyst for rural development that ensures rural livelihoods, decent work and continued social and economic advancement for all South Africans.

Reorganisation of department

The Department of Land Affairs has changed its name to the Department of Rural Development and Land Reform. A new minister and deputy minister have been appointed. The department's new rural development mandate drives the adjustments to the 2009 Estimates of National Expenditure. The comprehensive rural development programme was launched in August 2009 as a pilot project. The project is expected to run for two years, after which it will be launched country wide. The programme will be based on coordinated and integrated broad-based agrarian transformation and strategic investment in economic and social infrastructure.

Mid-year performance status

Indicator	Programme	Annual performance		
As published in the 2009 ENE	Programme linked to the indicator	Projected for 2009/10 as published in the 2009 ENE	Achieved in the first six months of 2009/10 (April to September)	Change of estimate for 2009/10
Number of additional square kilometres of earth imagery at 0.5m ground sample distance acquired	Surveys and Mapping	280 000 km ²	240 000km ²	409 000km ²
Number of additional square kilometres of updated topographical data captured for the integrated database of fundamental geospatial information	Surveys and Mapping	194 000 km ²	88 125 km ²	150 000km ²
Number of new maps of the national map series of South Africa produced	Surveys and Mapping	1 650	976	–
Percentage of approved cadastral documents able to be registered	Cadastral Surveys	98%	100%	–
Number of days for processing all requests for information	Cadastral Surveys	5	3	–
Total number of provinces in which a surveyor general's office is operational	Cadastral Surveys	8	7	–
Number of land claims settled each year	Restitution	1 695	382	–

Indicator	Programme	Annual performance		
As published in the 2009 ENE	Programme linked to the indicator	Projected for 2009/10 as published in the 2009 ENE	Achieved in the first six months of 2009/10 (April to September)	Change of estimate for 2009/10
Number of hectares of land redistributed to land reform beneficiaries	Land Reform	656 000	148 768	479 229
Number of Land Use Management Bill pilot projects implemented	Spatial Planning and Information	–	1	5

The estimated number of additional square kilometres of earth imagery at 0.5m ground sample distance acquired in 2009/10 has been increased, due to the new rural development mandate. Imagery for 9 pilot areas was identified as part of the comprehensive rural development programme.

The estimated number of additional square kilometres of updated topographical data captured for the integrated database of fundamental geospatial information for 2009/10 has been decreased, because funds have been reallocated for aerial photography contracts rolled over from 2008/09.

The estimated number of hectares of land redistributed to land reform beneficiaries in 2009/10 has been decreased, because some of the funding was reprioritised to various programmes for foreseeable deficits.

The estimated number of Land Use Management Bill pilot projects implemented in 2009/10 has been increased, due to the new rural development mandate.

Adjusted Estimates of National Expenditure 2009

Programme		2009/10						Adjusted appropriation
		Additional appropriation					Total additional appropriation	
R thousand	Main appropriation	Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments		
1. Administration	485 457	–	22 101	181 722	–	–	203 823	689 280
2. Surveys and Mapping	96 147	–	–	–	–	–	–	96 147
3. Cadastral Surveys	111 824	–	2 000	27 000	–	–	29 000	140 824
4. Restitution	1 904 284	–	6 000	197 151	–	–	203 151	2 107 435
5. Land Reform	3 454 928	–	250 000	(483 847)	2 340	–	(231 507)	3 223 421
6. Spatial Planning and Information	33 562	–	2 000	31 225	–	–	33 225	66 787
7. Auxiliary and Associated Services	12 856	–	7 592	46 749	–	–	54 341	67 197
Total	6 099 058	–	289 693	–	2 340	–	292 033	6 391 091
Economic classification								
Current payments	1 529 065	–	282 101	222 285	2 340	–	506 726	2 035 791
Compensation of employees	942 873	–	29 101	(20 775)	1 404	–	9 730	952 603
Goods and services	586 192	–	253 000	243 060	936	–	496 996	1 083 188
Transfers and subsidies	4 547 273	–	7 592	(231 167)	–	–	(223 575)	4 323 698
Provinces and municipalities	4	–	–	196	–	–	196	200
Departmental agencies and accounts	1 020 724	–	7 592	73 000	–	–	80 592	1 101 316
Public corporations and private enterprises	1	–	–	–	–	–	–	1
Foreign governments and international organisations	1 230	–	–	–	–	–	–	1 230
Non-profit institutions	2 288	–	–	–	–	–	–	2 288
Households	3 523 026	–	–	(304 363)	–	–	(304 363)	3 218 663
Payments for capital assets	22 720	–	–	8 882	–	–	8 882	31 602
Machinery and equipment	21 415	–	–	8 907	–	–	8 907	30 322
Software and other intangible assets	1 305	–	–	(25)	–	–	(25)	1 280
Total	6 099 058	–	289 693	–	2 340	–	292 033	6 391 091

Details of adjustments to Estimates of National Expenditure 2009

Unforeseeable and unavoidable expenditure – R289.693 million

Of the total additional allocation for unforeseeable and unavoidable expenditure, R30.693 million is for higher salary increase than the main budget provided for.

Programme 1: Administration

An additional R9 million is allocated for the new offices of the minister and deputy minister.

An additional R13.101 million is allocated for higher salary increase than the main budget provided for.

Programme 3: Cadastral Surveys

An additional R2 million is allocated for higher salary increase than the main budget provided for.

Programme 4: Restitution

An additional R6 million is allocated for higher salary increase than the main budget provided for.

Programme 5: Land Reform

An additional R250 million is allocated for the new comprehensive rural development programme.

Programme 6: Spatial Planning and Information

An additional R2 million is allocated for higher salary increase than the main budget provided for.

Programme 7: Auxiliary & Associated Services

An additional R7.592 million is allocated for the registration of deeds trading account for higher salary increase than the main budget provided for.

Virements

Programmes					
1. Administration 2. Surveys and Mapping 3. Cadastral Surveys 4. Restitution 5. Land Reform 6. Spatial Planning and Information 7. Auxiliary and Associated Services					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(37 157)	Programme 1		37 157
Goods and services	Reduction in administrative fees	(6)	Provinces and municipalities (current)	For vehicle licences	6
	Reduction in consultants and professional services	(10 693)	Machinery and equipment	For computers and office furniture for the new minister and deputy minister	10 693
Compensation of employees	Reduction due to vacant posts	(10 293)	Goods and services	For computers and equipment for new staff	10 293
Software and other intangible assets	Reduction in software	(5)	Machinery and equipment	For establishing the minister's office	5
Machinery and equipment	Reduction in administrative fees	(16 160)	Goods and services	For computers and office furniture for the new minister and deputy minister	16 160

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2		(205)	Programme 2		205
Goods and services	Reduction in consultants and professional services	(135)	Machinery and equipment	For capital assets for the new building and new vehicles for the minister	30
			Households (current)	For capital assets for the new building and new vehicles for the minister	105
Software and other intangible assets	Reduction in software	(70)	Machinery and equipment	For capital assets for the new building and new vehicles for the minister	70
Programme 3		(396)	Programme 3		396
Goods and services	Reduction due to vacant posts	(346)	Machinery and equipment	For capital assets for the new building and new vehicles for the minister	346
	Reduction in administrative fees	(50)	Software and other intangible assets	For software	50
Programme 4		(26 656)	Programme 4		1 656
Goods and services	Reduction in administrative fees	(1 656)	Provinces and municipalities (current)	For vehicle licences	2
			Machinery and equipment	For capital assets for the new building and new vehicles for the minister	1 654
	Reduction in materials and supplies	(5 000)	Programme 6		5 000
			Goods and services	For computer servers	5 000
Compensation of employees	Reduction due to vacant posts	(20 000)	Programme 1		20 000
			Compensation of employees	For internal auditing	20 000
Programme 5		(568 702)	Programme 5		9 776
Goods and services	Reduction in contractors	(2 667)	Machinery and equipment	For new computers	2 667
	Reduction in administrative fees	(13)	Provinces and municipalities (current)	For vehicle licences	13
	Reduction in materials and supplies	(7 096)	Machinery and equipment	For new computers	7 096
Compensation of employees	Reduction due to vacant posts	(30 482)	Programme 3		20 000
			Compensation of employees	For new employees in the surveyor-general's office	20 000
			Programme 5		10 482
			Goods and services	For new computers	9 096
			Machinery and equipment	For new vehicles and furniture	1 386
Households (capital)	Reduction in land reform grants	(528 444)	Programme 1		160 321
			Goods and services	For new computers	158 321
			Provinces and municipalities	For restitution grants payment	175
			Households (current)	For restitution grants payment	1 825
			Programme 3		7 000
			Goods and services	For new computers	7 000
			Programme 4		222 151
			Households (capital)	For settling restitution claims	222 151
			Programme 5		64 597
			Goods and services	For new computers	40 477
			Machinery and equipment	For new computers	1 120
			Departmental agencies and accounts (current)	For the deeds trading account to settle its deficit	23 000
			Programme 6		24 375
			Goods and services	For new computers	24 375
			Programme 7		50 000
			Departmental agencies and accounts (current)	For the deeds trading account to settle its deficit	50 000

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 7		(3 251)	Programme 1		1 401
Machinery and equipment	Reduction in transport equipment	(3 251)	Machinery and equipment	For new computers	1 401
			Programme 6		1 850
			Machinery and equipment	For new computers	1 850
Total		(636 367)			636 367

Function shift - R2.34 million

Programme 5: Land Reform

R2.34 million is shifted from the Department of Cooperative Governance and Traditional Affairs (previously the Department of Provincial and Local Government) following the transfer of the functions of the integrated sustainable rural development programme.

Expenditure for 2008/09 and preliminary expenditure for 2009/10

Programme	2008/09 Expenditure outcome					2009/10 Preliminary expenditure		
	Adjusted appropriation	Apr 08 - Sep 08	% of adjusted appropriation	Apr 08 - Mar 09	% of adjusted appropriation	Adjusted appropriation	Apr 09 - Sep 09	% of adjusted appropriation
R thousand								
1. Administration	423 882	192 060	45.3	453 316	106.9	689 280	233 712	33.9
2. Surveys and Mapping	91 415	30 761	33.6	71 875	78.6	96 147	37 908	39.4
3. Cadastral Surveys	114 875	55 300	48.1	116 306	101.2	140 824	59 536	42.3
4. Restitution	3 098 305	1 771 154	57.2	3 122 148	100.8	2 107 435	1 708 549	81.1
5. Land Reform	2 888 469	1 451 607	50.3	2 799 539	96.9	3 223 421	1 000 234	31.0
6. Spatial Planning and Information	32 286	16 548	51.3	34 256	106.1	66 787	19 449	29.1
7. Auxiliary and Associated Services	10 164	622	6.1	57 196	562.7	67 197	2 044	3.0
Total	6 659 396	3 518 052	52.8	6 654 636	99.9	6 391 091	3 061 432	47.9
Economic classification								
Current payments	1 245 713	572 889	46.0	1 244 803	99.9	2 035 791	654 848	32.2
Compensation of employees	612 728	288 417	47.1	610 552	99.6	952 603	348 467	36.6
Goods and services	632 978	284 047	44.9	631 884	99.8	1 083 188	306 122	28.3
Interest and rent on land	7	425	6 071	2 367	33 814	–	259	–
Transfers and subsidies	3 897 032	2 070 742	53.1	3 893 330	99.9	4 323 698	2 397 710	55.5
Provinces and municipalities	48	24	50.0	26	54.2	200	77	38.5
Departmental agencies and accounts	57 308	1 961	3.4	57 306	100.0	1 101 316	1 934	0.2
Public corporations and private enterprises	1	–	0.0	–	0.0	1	–	0.0
Foreign governments and international organisations	1 125	–	–	1 124	99.9	1 230	1 226	99.7
Non-profit institutions	2 082	851	40.9	1 546	74.3	2 288	572	25.0
Households	3 836 468	2 067 906	53.9	3 833 328	99.9	3 218 663	2 393 901	74.4
Payments for capital assets	1 516 651	874 421	57.7	1 516 503	100.0	31 602	8 874	28.1
Machinery and equipment	41 757	9 715	23.3	41 625	99.7	30 322	8 289	27.3
Biological and cultivated assets	–	1 193	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	1 280	583	45.5
Land and subsoil assets	1 474 894	863 513	58.5	1 474 878	100.0	–	2	–
Total	6 659 396	3 518 052	52.8	6 654 636	99.9	6 391 091	3 061 432	47.9

Main expenditure trends for the first half of 2009/10

Total expenditure for 2008/09 was 99.9 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 was R3.061 billion, or 47.9 per cent of the adjusted appropriation of R6.391 billion for the year as a whole. In comparison, mid-year expenditure in 2008/09 was R3.518 billion, or 52.8 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 decreased by R456.6 million or 13.0 per cent, compared to expenditure in the first six months of 2008/09.

The main expenditure decrease compared to 2008/09 is because of the reduction in the budget.

Departmental receipts

R thousand	2008/09					2009/10			
	Adjusted estimate	Audited outcome				Actual receipts			
		Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted estimate
Departmental receipts	204 404	36 665	17.9	64 170	31.4	218 240	231 217	31 337	13.6
Sales of goods and services produced by department	18 402	10 296	56.0	20 970	114.0	23 042	23 042	8 886	38.6
Transfers received	–	–	–	49	–	–	–	–	–
Interest, dividends and rent on land	175 793	16 342	9.3	33 438	19.0	184 198	197 092	20 403	10.4
Sales of capital assets	209	209	100.0	963	460.8	–	83	83	100.0
Financial transactions in assets and liabilities	10 000	9 818	98.2	8 750	87.5	11 000	11 000	1 965	17.9
Total	204 404	36 665	17.9	64 170	31.4	218 240	231 217	31 337	13.6

Main departmental revenue trends for the first half of 2009/10

Departmental revenue collection in the first six months of 2009/10 was R31.3 million, or 13.6 per cent of the adjusted revenue estimate of R231.2 million for the year as a whole. In comparison, mid-year revenue collection in 2008/09 was R36.7 million, or 17.9 per cent of the 2008/09 adjusted estimate. Departmental revenue collection in the first six months of 2009/10 decreased by R5.3 million or 14.5 per cent, compared to revenue collected in the first six months of 2008/09.

The main revenue decrease compared to 2008/09 is due to a once-off payment in 2008/09 resulting from the Government Garage due to incorrect payments in previous years.

Changes to transfers and subsidies, and conditional grants

Summary of changes to transfers and subsidies

R thousand	2009/10						
	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	Total additional appropriation
1. Administration							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	–	–	–	181	–	–	181
Vehicle licences	–	–	–	181	–	–	181

Summary of changes to transfers and subsidies

		2009/10						
		Additional appropriation						
R thousand	Main appropriation	Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	Total additional appropriation	Adjusted appropriation
1. Administration								
Households								
Social benefits								
Current	11 704	–	–	1 825	–	–	1 825	13 529
Bursaries	11 704	–	–	1 825	–	–	1 825	13 529
2. Surveys and Mapping								
Households								
Social benefits								
Current	245	–	–	105	–	–	105	350
Leave gratuity	245	–	–	105	–	–	105	350
4. Restitution								
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	–	–	–	2	–	–	2	2
Vehicle licenses	–	–	–	2	–	–	2	2
Households								
Other transfers to households								
Capital	1 488 595	–	–	222 151	–	–	222 151	1 710 746
Restitution grants	1 488 595	–	–	222 151	–	–	222 151	1 710 746
5. Land Reform								
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	–	–	–	13	–	–	13	13
Vehicle licences	–	–	–	13	–	–	13	13
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	1 018 116	–	–	23 000	–	–	23 000	1 041 116
Agricultural Land Holding Account	1 018 116	–	–	23 000	–	–	23 000	1 041 116
Households								
Other transfers to households								
Capital	2 021 775	–	–	(528 444)	–	–	(528 444)	1 493 331
Land Reform grants	2 021 775	–	–	(528 444)	–	–	(528 444)	1 493 331
7. Auxiliary and Associated Services								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	1	–	7 592	50 000	–	–	57 592	57 593
Registration of Deeds Trading Account	1	–	7 592	50 000	–	–	57 592	57 593

