

Vote 29

Land Affairs

R thousand	2006/07 To be appropriated	2007/08	2008/09
MTEF allocations	4 852 196	5 677 519	5 994 335
<i>of which:</i>			
Current payments	990 648	1 026 415	1 037 701
Transfers and subsidies	3 806 189	4 613 278	4 913 871
Payments for capital assets	55 359	37 826	42 763
Statutory amounts	-	-	-
Executive authority	Minister of Agriculture and Land Affairs		
Accounting officer	Director-General of Land Affairs		

Aim

To create and maintain an equitable and sustainable land dispensation that results in social and economic development for all South Africans.

Programme purposes

Programme 1: Administration

Provide strategic and logistical support through executive and corporate services.

Programme 2: Surveys and Mapping

Provide national mapping, aerial photography and other imagery and national control survey systems, in support of national infrastructure and sustainable development. Provide professional and technical services in support of land reform and other public services.

Programme 3: Cadastral Surveys

Provide control of all cadastral survey and cadastral spatial information services.

Programme 4: Restitution

Take responsibility for settling land restitution claims in accordance with the provisions of the Restitution of Land Rights Act (1994), and provide settlement support to beneficiaries.

Programme 5: Land Reform

Take responsibility for providing sustainable land redistribution programmes, tenure security for all occupiers of land in South Africa, public land information, and the management of state land.

Programme 6: Spatial Planning and Information

Provide for national land use management, spatial planning and spatial information systems.

Programme 7: Auxiliary and Associated Services

Take responsibility for augmenting the registration of deeds trading account and for acquiring vehicles for departmental use and departmental capital works, and provide for a contribution to the Public Sector Education and Training Authority.

Strategic overview and key policy developments: 2002/03 – 2008/09

The recently conceived accelerated and shared growth initiative (ASGI-SA) has identified land and agrarian reform as one of the catalysts for economic growth over the next decade. In particular, supply-led land reform should underpin a strategy for commercial farming at a larger scale and irrigation schemes should be expanded and new schemes established.

Government's adoption of ASGI-SA follows soon after the national land summit hosted by the Ministry for Agriculture and Land Affairs in July 2005. The national summit was preceded by provincial summits, which dealt with the challenges faced by the land reform programme, particularly the slow pace of land reform, given that 30 per cent of agricultural land is set to be redistributed by 2014. Following the summit's recommendation, land policy will change to facilitate a more proactive and supply-led land acquisition programme and area-based development planning, and to foster closer collaboration with provincial and local government to accelerate delivery.

A recent quality of life survey reported that while land reform has been effectively targeting poorer households, the productive potential of land reform was not being realised. The department's recent independent analysis of land reform, which used published case studies, found that many beneficiaries are in the process of establishing new, sustainable livelihoods, which may not seem successful when judged by the standards of commercial agriculture, but which have contributed to reducing poverty in rural areas.

Restitution

Following the president's 2002 directive that all land restitution claims be finalised by the end of 2005, the rate of delivery increased substantially. By the end of December, 68 719 (86,2 per cent) of all land restitution claims lodged had been settled. In his 2005 state of the nation address, the president announced that the finalisation date for all restitution claims had been shifted to March 2008. However, the challenges for the Commission on Restitution of Land Rights remain.

Redistribution

Redistribution aims to provide the disadvantaged and the poor with access to land for residential and productive purposes. Its scope includes the urban and rural very poor, labour tenants, farm workers and new entrants to agriculture.

Initially the focus was on increasing the numbers of beneficiaries and hectares distributed with little attention paid to supporting productive use of the land. As a result, many beneficiaries were not able to develop viable farming practices. The redistribution programme was reviewed, resulting in the introduction of the land redistribution for agricultural development (LRAD) grant and its alignment with the comprehensive agricultural support programme (CASP) of the Department of Agriculture. The use of the LRAD grant as the predominant vehicle for land redistribution has contributed to accelerated delivery.

Policy challenges that require departmental attention include: the resolution of the willing buyer willing seller approach, which can impede the speedy implementation of the land reform programme; the possibility of introducing measures such as a land tax to discourage the holding of large tracts of unproductive land; setting land ceiling or maximum farm sizes to promote the subdivision of land; and a moratorium on the sale of state land.

Tenure reform

Following recommendations from the land summit, the department has reviewed its plans to gazette a bill consolidating the Land Reform (Labour Tenants) Act (1996) and the Extension of Security of Tenure Act (1997). The department's new strategy is to separate the management of evictions from tenure security issues.

National implementation of the Communal Land Rights Act (2004) will take place this year. A baseline study is being done in areas that will be affected by the act to gather data for pre- and post-implementation evaluation studies. Apart from the national census, it is the largest study of this type to be done by any government department and will provide valuable information on types of livelihood in communal areas. The department is busy compiling a rollout plan outlining the roles and responsibilities, and assessing the availability of internal capacity to implement the Communal Land Rights Act (2004).

Surveys and mapping

The national aerial photography and imagery archive is of national importance and is seen as a major output of this programme, as it provides coverage of the whole country. The imagery is also required for land reform support, land use, land cover mapping and spatial planning. Other state bodies, in particular the departments of agriculture, environment affairs and tourism, water affairs and forestry, minerals and energy, and Statistics SA and Eskom, use remotely sensed imagery from satellite-borne sensors.

Agreements were reached for distributing remote sensing data free of charge from two satellites to countries in the Southern African Development Community (SADC) region. This will lead to the development of accurate, up-to-date maps and other geo-spatial information and imagery nationally and regionally. The Department of Land Affairs funded the acquisition of satellite imagery to enable access to this valuable decision-making tool across a range of poverty alleviation applications in support of government policy and in line with the broader objectives of the New Partnership for Africa's Development (Nepad).

Expenditure estimates**Table 29.1 Land Affairs**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09
R thousand								
1. Administration	151 821	191 212	223 109	318 270	305 770	358 970	336 792	357 201
2. Surveys and Mapping	56 324	61 401	65 597	84 501	83 235	81 255	85 854	90 114
3. Cadastral Surveys	72 507	68 161	79 044	84 543	84 543	95 283	100 354	105 334
4. Restitution	394 265	839 116	1 182 780	2 705 678	1 905 678	3 369 132	3 837 607	2 500 000
5. Land Reform	415 983	453 734	453 656	704 699	554 699	907 289	1 273 563	2 896 169
6. Spatial Planning and Information	6 881	11 866	15 180	19 222	19 222	28 215	30 756	32 286
7. Auxiliary and Associated Services	4 537	10 390	2 624	10 219	10 219	12 052	12 593	13 231
Total	1 102 318	1 635 880	2 021 990	3 927 132	2 963 366	4 852 196	5 677 519	5 994 335
Change to 2005 Budget estimate				45 619	(918 147)	36 925	40 336	43 160

Table 29.1 Land Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09
Economic classification								
Current payments	445 305	524 782	634 137	859 474	844 916	990 648	1 026 415	1 037 701
Compensation of employees	250 284	284 692	322 056	442 308	442 308	524 543	585 164	577 944
Goods and services	194 421	239 324	311 493	415 966	401 408	466 105	441 251	459 757
<i>of which:</i>								
<i>Communication</i>	<i>13 941</i>	<i>16 752</i>	<i>21 943</i>	<i>21 389</i>	<i>21 389</i>	<i>31 272</i>	<i>33 800</i>	<i>23 563</i>
<i>Computer Services</i>	<i>4 481</i>	<i>14 411</i>	<i>32 408</i>	<i>23 802</i>	<i>23 802</i>	<i>29 061</i>	<i>21 758</i>	<i>24 029</i>
<i>Consultants, contractors and special services</i>	<i>82 505</i>	<i>93 726</i>	<i>67 219</i>	<i>137 447</i>	<i>122 889</i>	<i>125 472</i>	<i>136 822</i>	<i>139 413</i>
<i>Operating leases</i>	<i>17 654</i>	<i>21 882</i>	<i>27 501</i>	<i>34 851</i>	<i>34 851</i>	<i>34 015</i>	<i>36 973</i>	<i>39 553</i>
<i>Travel and subsistence</i>	<i>38 053</i>	<i>43 217</i>	<i>58 826</i>	<i>49 548</i>	<i>49 548</i>	<i>55 524</i>	<i>61 872</i>	<i>66 503</i>
Financial transactions in assets and liabilities	600	766	588	1 200	1 200	–	–	–
Transfers and subsidies	624 937	1 076 832	1 349 109	2 991 888	2 042 680	3 806 189	4 613 278	4 913 871
Provinces and municipalities	733	830	7 215	9 182	9 182	8 449	–	–
Departmental agencies and accounts	282	219	285	956	956	2 244	2 353	2 494
Universities and technikons	–	–	100	–	–	–	–	–
Public corporations and private enterprises	–	17	44	36	36	40	44	48
Non-profit institutions	–	–	–	1 000	1 000	1 000	2 000	2 080
Households	623 922	1 075 766	1 341 465	2 980 714	2 031 506	3 794 456	4 608 881	4 909 249
Payments for capital assets	32 076	34 266	38 744	75 770	75 770	55 359	37 826	42 763
Buildings and other fixed structures	–	–	–	–	–	75	79	82
Machinery and equipment	32 076	29 257	32 518	68 287	68 287	50 257	30 891	34 170
Software and other intangible assets	–	5 009	6 226	7 483	7 483	5 027	6 856	8 511
Total	1 102 318	1 635 880	2 021 990	3 927 132	2 963 366	4 852 196	5 677 519	5 994 335

Expenditure trends

Between 2002/03 and 2005/06, overall expenditure grew significantly, from R1,1 billion to R3,9 billion, at an average annual rate of 52,7 per cent, with the largest increase (R1,9 billion) between 2004/05 and 2005/06. Accelerated delivery in both the restitution and land reform programmes accounts for the growth. In particular, a substantial part of the growth during the 2002/03 and 2005/06 is in the *Restitution* programme, with expenditure increasing from R394,3 million in 2002/3 to R2,7 billion in 2005/06, at an average rate of 90 per cent. This spending is expected to decrease from R3,4 billion in 2006/07 to R2,5 billion in 2008/09, due to the phasing out of the programme from 2009/10. Over the MTEF, overall expenditure is expected to increase more slowly, at a rate of 15,1 per cent, reaching R6 billion in 2008/09. But significant increases in the *Land Reform* programme are expected: from R704,7 million in 2005/06 to R2,9 billion in 2008/09, at an average rate of 60,2 per cent. This increase, leveraged by the phasing out of the *Restitution* programme, is to accelerate the pace of land reform.

Compensation of employees is anticipated to rise steadily from R322,1 million in 2004/05 to R585,2 million in 2007/08, at an average rate of 22 per cent. The growth is attributable to more staff in the *Restitution* programme to increase capacity to settle all outstanding claims by 2007/08, and to annual salary adjustments.

Expenditure on goods and services is anticipated to increase steadily from R311,5 million in 2004/05 to an anticipated R466,1 million in 2006/07, at an average rate of 22,3 per cent. This increase will improve the department's capacity to support the acceleration of the land restitution and land reform programmes.

Departmental receipts

A significant portion of receipts comes from the sale of maps, and from survey examination fees, whose tariffs are aimed at cost recovery rather than making profit. Total receipts increased from R28,9 million in 2002/03 to R29,3 million in 2005/06, an average annual increase of 0,4 per cent. Concerted efforts to improve the administration of state land resulted in the collection of more leased land rental: from R1,4 million in 2002/03 to R2,8 million in 2004/05, an average increase of 41,4 per cent.

Table 29.2 Departmental receipts

R thousand	Audited outcome			Adjusted appropriation	Medium-term receipts estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Departmental receipts	28 912	26 651	46 528	29 300	32 231	33 841	35 726
Sales of goods and services produced by department	22 954	18 186	20 160	20 252	22 278	23 391	24 694
Interest, dividends and rent on land	2 818	4 963	19 419	7 550	8 305	8 720	9 206
Financial transactions in assets and liabilities	3 140	3 502	6 949	1 498	1 648	1 730	1 826
Total	28 912	26 651	46 528	29 300	32 231	33 841	35 726

Programme 1: Administration

The *Administration* programme conducts the overall management of the department and provides centralised support services.

Expenditure estimates

Table 29.3 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Minister ¹	3 321	3 221	3 259	3 478	3 697	3 881	3 990
Management	9 140	16 088	20 387	59 247	64 473	61 411	64 588
Corporate Services	117 559	147 682	171 631	225 530	257 572	235 045	249 453
Property Management	21 801	24 221	27 832	30 015	33 228	36 455	39 170
Total	151 821	191 212	223 109	318 270	358 970	336 792	357 201
Change to 2005 Budget estimate				103 747	133 779	104 998	112 496

¹ The subprogramme includes the salary and car allowance of the Deputy Minister as from 1 April 2005. Salary: R544 123. Car allowance: R 136 030.

Table 29.3 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	136 734	169 349	201 494	272 240	321 569	318 210	334 404
Compensation of employees	51 666	69 015	75 581	105 303	145 498	153 675	161 856
Goods and services	84 468	99 568	125 325	165 737	176 071	164 535	172 548
<i>of which:</i>							
<i>Communication</i>	3 119	4 230	4 789	4 810	6 586	7 411	7 682
<i>Computer Services</i>	4 477	12 415	25 229	16 838	21 629	13 110	14 811
<i>Consultants, contractors and special services</i>	34 573	42 217	15 924	50 632	21 085	21 787	21 653
<i>Inventory</i>	5 233	5 932	2 996	4 881	5 327	6 745	5 799
<i>Operating leases</i>	17 613	20 431	24 511	27 576	28 967	31 727	34 070
<i>Travel and subsistence</i>	8 234	8 510	12 743	11 233	12 685	13 067	13 264
Financial transactions in assets and liabilities	600	766	588	1 200	–	–	–
Transfers and subsidies	151	445	1 284	591	307	199	220
Provinces and municipalities	151	208	226	292	135	–	–
Public corporations and private enterprises	–	–	37	35	39	43	47
Households	–	237	1 021	264	133	156	173
Payments for capital assets	14 936	21 418	20 331	45 439	37 094	18 383	22 577
Machinery and equipment	14 936	16 409	15 404	39 338	33 559	13 099	15 707
Software and other intangible assets	–	5 009	4 927	6 101	3 535	5 284	6 870
Total	151 821	191 212	223 109	318 270	358 970	336 792	357 201

Expenditure trends

Expenditure increased rapidly from R151,8 million in 2002/03 to R318,3 million in 2005/06, at an average annual rate of 28 per cent. It increases further between 2005/06 and 2006/07, at an average rate of 3,9 per cent, reaching R357,2 million in 2008/09. These increases were mainly due to shifts to fund one-off projects to improve governance and administration and to facilitate the transfer of the function of deputy minister from the Department of Agriculture with effect from 1 April 2005. Expenditure was reprioritised to fund new mandates which were not previously provided for, including the implementation of supply chain management, IT developments, and monitoring and evaluation. Funds were shifted in the Adjusted Estimates Budget to improve governance and administration.

From 1 April 2006, costs for leases and accommodation charges will be devolved from the Department of Public Works to individual departments. The Department of Land Affairs received the following amounts: R33,2 million in 2006/07, R36,5 million in 2007/08 and R39,2 million in 2008/09. Expenditure has been adjusted for 2002/03 to 2005/06.

Programme 2: Surveys and Mapping

The *Surveys and Mapping* programme maintains an integrated national control survey system, a national mapping programme, a national aerial photography and remotely sensed imagery programme, and associated geo-spatial products in support of orderly, sustainable land reform and development. It consists of a single subprogramme of the same name.

Expenditure estimates

Table 29.4 Surveys and Mapping

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Surveys and Mapping	56 324	61 401	65 597	84 501	81 255	85 854	90 114
Total	56 324	61 401	65 597	84 501	81 255	85 854	90 114
Change to 2005 Budget estimate				9 245	–	–	(522)
Economic classification							
Current payments	48 554	58 213	58 095	69 538	74 706	79 710	84 020
Compensation of employees	29 727	28 238	29 235	35 275	37 447	39 648	41 617
Goods and services	18 827	29 975	28 860	34 263	37 259	40 062	42 403
<i>Of which:</i>							
<i>Communication</i>	1 139	1 190	664	718	861	925	980
<i>Computer Services</i>	–	1 197	1 735	3 361	2 775	2 980	3 155
<i>Consultants, contractors and special services</i>	6 430	15 815	15 390	17 365	20 104	21 600	22 900
<i>Maintenance repair and running cost</i>	1 437	2 321	1 822	2 727	3 051	3 278	3 470
<i>Operating leases</i>	41	71	30	119	–	–	–
<i>Travel and subsistence</i>	3 763	4 285	5 023	5 150	5 921	6 360	6 730
Transfers and subsidies	71	342	2 892	2 222	2 049	1 413	1 128
Provinces and municipalities	71	68	71	86	30	–	–
Households	–	274	2 821	2 136	2 019	1 413	1 128
Payments for capital assets	7 699	2 846	4 610	12 741	4 500	4 731	4 966
Machinery and equipment	7 699	2 846	4 335	12 076	3 882	4 082	4 285
Software and other intangible assets	–	–	275	665	618	649	681
Total	56 324	61 401	65 597	84 501	81 255	85 854	90 114

Expenditure trends

Total expenditure in this programme grows at an average annual rate of 8,1 per cent, from R56,3 million in 2002/03 to R90,1 million in 2008/09.

Thirty five per cent (R28,4 million) of the total programme budget of R81,3 million in 2006/07 is for science and technology activities.

During 2003/04, 45 posts were transferred to the *Administration* programme in line with the department's decentralisation programme, and functions were reprioritised to support land reform. This resulted in a decrease of expenditure on compensation of employees to R28,2 million. The increase of R8,1 million or 176,4 per cent in payments for capital assets, from R4,6 million in 2004/05 to R12,7 million in 2005/06, was mainly for replacing old equipment and modernising the TrigNet system. Funds for goods and services were reduced by R4 million in 2004/05 due to a reprioritisation exercise to fund the internal audit function.

A three-year project will be introduced in 2006/07 to fast-track the capture of digital topographic information for total coverage of South Africa. Funding of R3,3 million will come from reprioritising expenditure on medium-scale aerial photography, and key outputs will be adjusted accordingly.

Service delivery objectives and indicators

Recent outputs

Integrated spatial reference framework

A key achievement of this programme has been the establishment of the integrated national control survey system, which will facilitate a uniform geodetic network for the continent. This played a leading role in the African reference framework project aimed at harmonising and linking spatial reference systems across Africa in support of Nepad. The system has been available to clients 95 per cent of the time. The network of continuously operating global positioning system stations, TrigNet, has been improved to be more reliable, and will be available 98 per cent of the time.

Acquiring aerial photography and satellite imagery

The target of 600 000km² coverage of aerial photography and satellite imagery for the whole of South Africa for 2004/05 was exceeded, and imagery covering a total of 29,6 million km² was distributed over the SADC region. Updated satellite imagery covering the whole country will be available for 2005/06.

Producing and revising maps

In an effort to improve service delivery, targets for the national mapping programme have been revised. The revised target for the Adjusted Estimates for 2004/05 was exceeded by 213 maps (1 713 in total), because of a spin-off from a joint project with Statistics South Africa. All the national mapping standards have been met.

Geo-spatial information products and services

There has been a marked increase in the demand for updated maps and other spatial information due to more reasonable pricing and the increased accessibility of information. To meet the demand, new map outlets have been established in 30 of 54 districts since 2003/04.

Medium-term output targets

Surveys and mapping

Measurable objective: Improve planning and monitoring of land reform, infrastructure and sustainable development by providing: accurate, up-to-date and accessible maps and other geo-spatial information and imagery; and an integrated spatial reference framework, nationally and regionally.

Subprogramme	Output	Measure/Indicator	Target
Surveys and Mapping	Integrated spatial reference framework	Percentage availability of reference points	95%
		Percentage availability of post-process TrigNet service	98%
		Percentage availability of real-time TrigNet service	98%
	Aerial photography/satellite imagery covering the whole country (1,22 million km ²)	Acquisition of periodic repeat coverage (in km ²), informed by user needs prioritised within developmental nodes.	190 000 km ² : aerial photography updated by 31 March 2007r
	Maps and other geo-spatial information	Number of km ² updated for integrated database for fundamental geo-spatial information	231 250 km ²
	Accessible fundamental geo-spatial information	Number of up-to-date maps and ortho-images produced/ revised that meet user needs, prioritised within development nodes	1 562 maps
		Number of districts and metropolitan areas with geo-spatial information outlet (out of all 54 districts)	40 districts and metros by March 2007
Professional and technical support and client services		Percentage compliance with service delivery standards for turnaround times for supply of geo-spatial information	100%
		Number of map awareness and literacy workshops conducted	18 workshops by March 2007
		Number of days to respond to request	5 days

Programme 3: Cadastral Surveys

The *Cadastral Surveys* programme aims to ensure that accurate cadastral surveys are carried out, and to provide cadastral information services in support of land delivery and orderly development. Through its single subprogramme of the same name, *Cadastral Surveys* is responsible for: examining and approving all surveys for the registration of land and real rights; maintaining records; compiling, maintaining and revising maps of property boundaries; and providing cadastral advisory and spatial information services to other government institutions.

Expenditure estimates

Table 29.5 Cadastral Surveys

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Cadastral Surveys	72 507	68 161	79 044	84 543	95 283	100 354	105 334
Total	72 507	68 161	79 044	84 543	95 283	100 354	105 334
Change to 2005 Budget estimate				(1 500)	4 468	3 139	2 704
Economic classification							
Current payments	67 497	65 236	72 131	79 198	87 053	91 774	96 407
Compensation of employees	54 552	56 873	58 822	66 423	72 474	75 526	78 571
Goods and services	12 945	8 363	13 309	12 775	14 579	16 248	17 836
<i>of which:</i>							
Communication	961	1 234	1 402	1 323	1 739	1 633	1 699
Computer Services	–	370	2 555	1 200	2 286	2 846	3 078
Consultants, contractors and special services	7 518	2 701	360	1 364	2 395	2 185	2 359
Inventory	1 282	1 174	1 331	1 542	2 387	3 259	739
Operating leases	–	342	652	969	1 533	1 626	1 758
Travel and subsistence	1 857	1 848	2 947	2 216	533	626	758
Transfers and subsidies	154	884	189	183	64	–	–
Provinces and municipalities	154	162	166	183	64	–	–
Households	–	722	23	–	–	–	–
Payments for capital assets	4 856	2 041	6 724	5 162	8 166	8 580	8 927
Buildings and other fixed structures	–	–	–	–	75	79	82
Machinery and equipment	4 856	2 041	5 746	5 152	7 217	7 578	7 885
Software and other intangible assets	–	–	978	10	874	923	960
Total	72 507	68 161	79 044	84 543	95 283	100 354	105 334

Expenditure trends

Expenditure is expected to increase steadily over the seven-year period, from R72,5 million in 2002/03 to an expected R105,3 million in 2008/09, an average annual increase of 6,4 per cent. The bulk of the expenditure is on compensation of employees, which accounts for an average of 76,8 per cent of total expenditure and reflects the labour-intensive nature of the work. The average rate of expenditure on compensation of employees over the seven year period reflects that of total expenditure, at 6,3 per cent.

Service delivery objectives and indicators

Recent outputs

In 2004/05, the average turnaround time for providing information on requests of less than 15 working days was made possible by the continued improvement of procedures, restructuring and the improved

cadastral information system operational in all the offices of the surveyors general. The provincial offices of the surveyor general maintained their two working day turnaround times.

Access to the cadastral information system has been improved by a public electronic facility for digital images of cadastral documents. The spatial database, an electronic map showing all surveyed land parcels, is now available to the public via the internet.

The department intended to open five new provincial surveyors general offices in 2005/06, but only the Mpumalanga office was set up. The Limpopo office will be set up in 2006. Limpopo's cadastral documents have been separated and the structure for the office developed.

Medium-term output targets

Cadastral surveys

Measurable objective: Develop and maintain a high quality cadastral survey system to support and facilitate all land developments, including land reform.

Subprogramme	Output	Measure/Indicator	Target
Cadastral Surveys	A secure system of cadastral surveys and efficient information system	Turnaround time (days) on request	14 days
		Outside figure diagrams approved	210
	Cadastral spatial information	Completeness of data	95%
		Turn around time within which approved land parcels are added to database (current/ up to date)	5 days
A decentralised delivery system	Number of new Surveyor- General offices established	1 (Polokwane) by April 2006	

Programme 4: Restitution

The *Restitution* programme aims to restore land and provide suitable compensation to victims of forced removals.

There are three subprogrammes:

- *National Office* provides administrative and professional support and secretarial services to the Commission on Restitution of Land Rights. The subprogramme also develops and co-ordinates restitution policy and oversees court cases.
- *Regional Offices* is responsible for negotiating restitution agreements and providing administrative and support services to regional land claims commissioners.
- *Restitution Grants* distributes grants to restore land to victims of forced removals and makes provision for alternative land for them. The subprogramme funds compensation payments and alternative relief, provides settlement planning and facilitation assistance, and contributes to incidental costs in resettling communities.

Expenditure estimates

Table 29.6 Restitution

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
National Office	12 120	12 937	14 562	21 004	18 985	19 975	20 974
Regional Offices	69 083	98 769	151 497	195 676	215 200	219 868	187 391
Restitution Grants	313 062	727 410	1 016 721	2 488 998	3 134 947	3 597 764	2 291 635
Total	394 265	839 116	1 182 780	2 705 678	3 369 132	3 837 607	2 500 000
Change to 2005 Budget estimate				-	-	-	(1 551 362)

Table 29.6 Restitution (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	79 523	108 453	162 379	227 900	232 669	237 965	206 393
Compensation of employees	48 960	58 770	79 579	116 772	100 779	138 385	107 714
Goods and services	30 563	49 683	82 800	111 128	131 890	99 580	98 679
<i>of which:</i>							
Communication	3 298	4 380	6 803	7 375	6 615	6 946	7 224
Computer Services	–	241	544	455	1 000	1 000	1 000
Consultants, contractors and special services	12 993	26 687	25 842	29 748	34 290	36 056	37 540
Inventory	2 169	1 272	3 642	4 453	5 400	5 800	6 032
Operating leases	–	363	959	3 131	3 215	3 270	3 325
Travel and subsistence	10 079	14 598	18 554	15 362	22 050	27 153	28 238
Transfers and subsidies	313 226	727 630	1 017 061	2 472 367	3 135 074	3 597 764	2 291 635
Provinces and municipalities	164	195	271	369	127	–	–
Public corporations and private enterprises	–	12	–	–	–	–	–
Households	313 062	727 423	1 016 790	2 471 998	3 134 947	3 597 764	2 291 635
Payments for capital assets	1 516	3 033	3 340	5 411	1 389	1 878	1 972
Machinery and equipment	1 516	3 033	3 340	5 411	1 389	1 878	1 972
Total	394 265	839 116	1 182 780	2 705 678	3 369 132	3 837 607	2 500 000
Details of major transfers and subsidies:							
Other transfers							
Capital	313 062	727 410	1 016 721	2 471 998	3 134 947	3 597 764	2 291 635
Restitution grants	313 062	727 410	1 016 721	2 471 998	3 134 947	3 597 764	2 291 635

Expenditure trends

Expenditure increased very rapidly from R394,3 million in 2002/03 to R2,7 billion in 2005/06, an average annual increase of 90 per cent. Expenditure increases to reach 3,8 billion in 2007/08, but then decreases to R2,5 billion in 2008/09 due to the phasing out of the programme from 2009/10. This equates to a negative growth rate of 13,9 per cent over the MTEF. The initial increases are due to the nature of the remaining claims, particularly rural claims, which have a significant business development element.

Expenditure under computer services increases rapidly, especially between 2003/04 and 2005/06, when it rises from R241 000 to R455 000, and is expected to reach R1 million in 2008/09, due to the appointment of contract employees.

Service delivery objectives and indicators

Recent outputs

By December 2005, 68 719 (86,2 per cent) of the total of 79 696 claims lodged were settled, of which 60 672 were urban (88,3 per cent) and 8 047 rural (11,7 per cent). There are a further 10 977 outstanding claims, the majority of which (8 055) are rural community claims. All 2 922 outstanding urban claims will be settled by the end of this financial year.

The total cost since the start of the restitution process for settling these claims was R5,5 billion: R2,8 million for urban claims and R2,7 million for rural claims. Most of the urban claimants have opted for financial compensation, but rural claimants usually choose land restoration, and over

1 million hectares of rural land have been bought for this purpose. Rural claims account for about 20 per cent of all claims. A typical rural claim involves 300 to 4 000 households to 15 000ha of land. The Commission on Restitution of Land Rights has to do detailed research to document and authenticate oral evidence, map out land parcels, link the rightful claimants to the claimed land, resolve boundary disputes and facilitate land acquisition.

Medium-term output targets

Restitution

Measurable objective: Resolve restitution claims within the target period through negotiated settlements that restore land rights or award alternative forms of equitable redress to claimants

Subprogramme	Output	Measure/Indicator	Target
Restitution Grants	All lodged claims settled according to the Restitution of Land Rights Act as amended	Number of urban claims settled	2 922 claims by March 2007
	Sustainable development facilitated (post settlement support)	Number of rural claims settled	5 729 claims by March 2007
		Post settlement plans for approved claims with development aspect	All plans in place within 6 months of approval of claim
		Agreements with Department of Agriculture for the support of restitution beneficiaries through CASP and MAFISA .	By March 2007

Programme 5: Land Reform

The *Land Reform* programme is responsible for land reform programmes and projects.

There are six subprogrammes:

- *National Office* is responsible for developing and co-ordinating land reform products and facilitating the implementation of land reform programmes and projects. It also provides support services to provincial offices.
- *Provincial Offices* provides support services for implementing land reform programmes and projects and for administering state land in each province.
- *Land Reform Grants* makes grants for project and programme planning, land acquisition and settlement.
- *KwaZulu-Natal Ingonyama Trust Board* makes grants for administering Ingonyama Trust land.
- *The Land Reform Empowerment Facility* makes transfers to the facility. It is a revolving credit loan facility established by the department to finance land acquisition and/or equity in commercial farming ventures and is located in Khula Enterprises. Khula Enterprise Finance Limited was contracted to administer the funds on behalf of the Department of Land Affairs.
- *Communal Land Rights Programme* provides management and support to facilitate legal security of tenure by transferring communal land, including Ingonyama Trust land, to communities, or by awarding comparable redress.

Expenditure estimates

Table 29.7 Land Reform

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
National Office	29 544	26 338	31 052	52 720	73 791	85 633	89 989
Provincial Offices	75 060	80 008	95 264	124 577	140 129	148 342	158 025
Land Reform Grants	310 860	347 059	327 006	514 306	665 357	1 009 548	2 616 313
KwaZulu-Natal Ingonyama Trust Board	519	329	334	2 014	2 242	2 351	2 492
Land Reform Empowerment Facility	–	–	–	1	1	1	1
Communal Land Rights Programme	–	–	–	11 081	25 769	27 688	29 349
Total	415 983	453 734	453 656	704 699	907 289	1 273 563	2 896 169
Change to 2005 Budget estimate				(65 399)	(109 024)	(75 571)	1 471 888

Table 29.7 Land Reform (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	103 612	103 930	122 743	185 403	238 517	260 656	276 296
Compensation of employees	60 415	63 652	70 586	104 526	144 051	152 752	161 917
Goods and services	43 197	40 278	52 157	80 877	94 466	107 904	114 379
<i>of which:</i>							
Communication	5 393	5 637	8 082	7 038	15 458	16 871	5 963
Computer Services	4	188	2 157	1 937	1 106	1 322	1 385
Consultants, contractors and special services	20 556	4 307	8 085	31 645	40 588	51 844	52 348
Inventory	1 461	1 102	1 854	4 306	2 820	3 632	3 882
Operating leases	–	650	1 061	2 791	–	–	–
Travel and subsistence	13 365	13 358	18 390	14 970	13 921	14 221	17 131
Transfers and subsidies	311 320	347 506	327 657	515 495	667 683	1 011 900	2 618 806
Provinces and municipalities	178	172	6 455	8 224	8 083	–	–
Departmental agencies and accounts	282	219	285	954	2 242	2 351	2 492
Universities and technikons	–	–	100	–	–	–	–
Public corporations and private enterprises	–	5	7	1	1	1	1
Households	310 860	347 110	320 810	506 316	657 357	1 009 548	2 616 313
Payments for capital assets	1 051	2 298	3 256	3 801	1 089	1 007	1 067
Machinery and equipment	1 051	2 298	3 210	3 436	1 089	1 007	1 067
Software and other intangible assets	–	–	46	365	–	–	–
Total	415 983	453 734	453 656	704 699	907 289	1 273 563	2 896 169

Details of major transfers and subsidies:

Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	–	–	6 250	8 000	8 000	–	–
Land Distribution: Alexandra Urban Renewal Project Grant	–	–	6 250	8 000	8 000	–	–
Departmental agencies and accounts							
Public entities							
Current	282	219	285	954	2 242	2 351	2 492
KwaZulu-Natal Ingonyama Trust Board	282	219	285	954	2 242	2 351	2 492
Universities and technikons							
Current	–	–	100	–	–	–	–
- University of Ford Hare	–	–	100	–	–	–	–
Public corporations and private enterprises							
Public corporations							
Capital	–	–	–	1	1	1	1
Khula Land Reform Credit Facility	–	–	–	1	1	1	1
Households							
Other transfers							
Capital	310 860	347 059	320 810	506 306	657 357	1 009 548	2 616 313
Land Reform Grant	310 860	347 059	320 810	506 306	657 357	1 009 548	2 616 313

Expenditure trends

Between 2002/03 and 2005/06, overall expenditure increased from R416 million to R704,7 million, an average annual increase of 19,2 per cent.

Expenditure is anticipated to rise rapidly over the MTEF, reaching R2,9 billion in 2008/09. Most of the increases are in the *Land Reform Grants* subprogramme, in particular for the land redistribution for agricultural development programme (LRAD), and are classified as capital transfers to households. The major increase in total expenditure is from R1 billion to R2,6 billion over the two outer years of the 2006 MTEF. The growth of 159,2 per cent is also attributable to the sharp increase in the transfer to the *Land Reform Grant* subprogramme.

Expenditure on compensation of employees is expected to rise between 2005/06 and 2008/08, as new posts are filled to meet the demands of the programme. It increases from R104,5 million in 2005/06 to R161,9 million in 2008/09, at an average annual rate of 15,7 per cent. Expenditure on goods and services is also expected to increase rapidly, from R80,9 million in 2005/06 to R114 million in 2008/09, at an average rate of 12,2 per cent, mainly because some 26 000 claims under the Land Reform (Labour Tenants) Act (1996) have been finalised and the Communal Land Rights Act (2004) has been implemented.

Service delivery objectives and indicators

Recent outputs

By March 2005, 144 183ha of land were delivered through the land redistribution and land tenure reform programmes. The highest number of hectares was delivered through the land redistribution for agricultural development (LRAD) programme; 72 687 ha of land to 5 109 beneficiaries. A total of 76 801 ha were delivered through the land programme. Together this brings the cumulative number of hectares transferred to 3,1 million hectares, of which 1,466 ha have been delivered through the redistribution and tenure reform programmes.

While delivery is steadily increasing, particularly in 2004/05, the department did not meet all its annual delivery targets. Delivery in terms of the LRAD is 40 per cent below target in terms of the number of hectares transferred. Output was hindered by a number of factors; key among them is the limited success of the negotiation process, which results in an estimated 20 per cent of the cases not leading to the acquisition of the property.

In addition, rising prices in land and no concurrent substantial increase in budget, has led to a decrease in output. In the past financial year, 100 per cent of the transfers to households budget (land reform grants) was spent. Concurrently, this led to a 20 per cent increase in land market prices, from R1 262 per ha in 2002 to R1 517 per ha in 2003.

The target for 2004/05 to deliver 194 035ha of land to beneficiaries was 74 per cent met. The larger part of this achievement was in commonage projects where the target was exceeded by 49,5 per cent. The main reason for not achieving the targets is because activities were reprioritised in late 2004 to speed up the restitution process. The target for 2005/06 has so far been 29 per cent met, and the target for disposing of state land, 3,6 per cent met. The difficulties are to do with implementing the Labour Tenants Act (1996) and the Communal Land Rights Act (2004).

Selected medium-term output targets

Land reform

Measurable objective: Ensure that sustainable benefits of economic growth accrue to previously disadvantaged communities, groups and individuals through the provision of land rights to achieve increased income levels, productive land use and well-planned human settlements

Subprogramme	Output	Measure/Indicator	Target
Land Reform Grants	Land redistribution	Number of hectares transferred: LRAD	132 561ha by March 2007
		Number of hectares transferred: land for settlement	5 481ha by March 2007
		Number of hectares transferred: commonages	41 308ha by March 2007
		Number of hectares transferred: Urban Renewal Programme and Integrated Sustainable Rural Development Programme	45 427ha by March 2007
	Disposal and administration of state land	Number of hectares transferred: State land	41 143 by March 2007
		Number of leases signed	29 by March 2007
	Protection of informal land rights	Number of court referrals	27 by March 2007
		Number of agreements- Labour Tenants Act (LTA)	125 by March 2007
		Number of agreements- Extension of Security of Tenure Act (ESTA)	140 by March 2007
	Land reform legislation	Availability of consolidated ESTA and LTA legislation	July 2006
Availability of ESTA/ LTA consolidated regulations		July 2006	
Availability of Communal Land Rights Act regulations		July 2006	
KwaZulu-Natal Ingonyama Trust Board	Transfer of land to church land occupiers	Number of hectares transferred	2 247ha
		Number of title deeds issued	3 title deeds
Communal Land Rights Programme	Implementation plan	Plan published	By July 2006

Programme 6: Spatial Planning and Information

The programme aims to establish an effective and efficient system of spatial planning, land use management and spatial information to support development and land reform.

There are three subprogrammes:

- *Management and Support Services* co-ordinates overarching projects of national strategic significance and provides management and administrative support to all units of the programme.
- *Spatial Planning and Information* creates better land use systems that are supported by spatial planning and spatial information.
- *South African Council for Planners* (SACPLAN). The aim of this subprogramme is to provide for transfers to the council in terms of the Planning Professions Act (2002).

Expenditure estimates

Table 29.8 Spatial Planning and Information

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Management and Support Services	1 014	2 164	6 093	3 956	13 035	13 467	14 305
National Spatial Information Framework	2 860	3 750	–	–	–	–	–
Land Development	3 007	5 952	–	–	–	–	–
Spatial Planning and Information	–	–	9 087	14 266	14 180	15 289	15 901
South African Council for Planners	–	–	–	1 000	1 000	2 000	2 080
Total	6 881	11 866	15 180	19 222	28 215	30 756	32 286
Change to 2005 Budget estimate				–	8 176	8 254	8 531

Table 29.8 Spatial Planning and Information (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Economic classification							
Current payments	6 640	11 210	14 671	16 734	27 005	28 576	30 019
Compensation of employees	4 964	8 144	8 253	14 009	24 294	25 178	26 269
Goods and services	1 676	3 066	6 418	2 725	2 711	3 398	3 750
<i>of which:</i>							
<i>Communication</i>	31	81	203	125	13	14	15
<i>Computer Services</i>	–	–	188	11	265	500	600
<i>Consultants, contractors and special services</i>	435	1 999	1 618	367	1 227	1 550	1 813
<i>Inventory</i>	35	203	265	89	22	32	37
<i>Maintenance repair and running cost</i>	–	4	45	167	100	150	150
<i>Operating leases</i>	–	25	288	265	300	350	400
<i>Travel and subsistence</i>	755	618	1 169	617	414	445	382
Transfers and subsidies	15	25	26	1 028	1 010	2 000	2 080
Provinces and municipalities	15	25	26	28	10	–	–
Non-profit institutions	–	–	–	1 000	1 000	2 000	2 080
Payments for capital assets	226	631	483	1 460	200	180	187
Machinery and equipment	226	631	483	1 118	200	180	187
Software and other intangible assets	–	–	–	342	–	–	–
Total	6 881	11 866	15 180	19 222	28 215	30 756	32 286
Details of major transfers and subsidies:							
Non-profit institutions							
Current	–	–	–	1 000	1 000	2 000	2 080
South African Council for Planners	–	–	–	1 000	1 000	2 000	2 080

Expenditure trends

Expenditure increased substantially from 2002/03 to 2005/06, rising from R6,9 million to R19,2 million, at an average annual rate of 40,8 per cent. The increase was mainly for compensation of employees due to the labour-intensive nature of the programme.

Over the MTEF, expenditure is anticipated to grow at 7 per cent to reach R32,3 million in 2008/09. The bulk of the funds, R24,3 million for 2006/07, R25,2 million for 2007/08 and R26,3 million for 2008/09, will be under compensation of employees to create capacity for decentralising spatial planning and information services to all provinces.

Service delivery objectives and indicators

Recent outputs

A major output was the appointment of the representative Council for South African Planners (SACPLAN). A council office will be opened in Gauteng, and work has begun in registering and accrediting the planning profession and developing a curriculum.

The Spatial Data Infrastructure Act (2003) will lead to the committee for spatial information being set up. The act ensures greater access to spatial information by promoting effective development and good governance.

The final draft of the Land Use Management Bill is being workshopped by an interdepartmental task team.

The department has trained land reform and restitution practitioners in the approved environmental planning policy and guidelines. The first and second modules of a three-module training programme were completed nationally.

A national study was undertaken on post-1994 settlement growth patterns to evaluate the extent to which these have been in line with government policy and legislative goals, and to guide future decisions and proposals.

Initiatives have begun to integrate land redistribution projects into provincial integrated development plans in Free State, Northern Cape, KwaZulu-Natal and Eastern Cape. A key benefit is that in future all information about a project will be consolidated. The process has assisted in shifting the focus from simply building databases to creating management information. A database of attribute information for the state land administration grant (SLAG) and LRAD projects was mapped, and thematic maps for the implementation of the Communal Land Rights Act (2004) and a government information system (GIS) were developed for the restitution of land claims commissioner (RLCC) office in Mpumalanga.

Spatial planning and information units have been established in KwaZulu-Natal, Limpopo and Eastern Cape, improving support to clients across the country.

Medium-term output targets

Spatial planning and information

Measurable objective: Deliver legislative, institutional and technical tools to regulate and guide settlement development, land use management and spatial information management.

Subprogramme	Output	Measure/Indicator	Target
Management and Support Services	Spatial planning and information services in all provinces	Number of offices established	In 4 provinces by March 2007
Spatial Planning and Information	Environmental policy and guidelines for land reform projects Mapping and integration of land claims and land reform projects into integrated development plans Transformation of the planning profession	Policy and guidelines available Number of provinces able to provide digital and hard copy maps fully integrated with IDPs Establishing new criteria for professional registration	March 2007 9 provinces by March 2007. March 2007.
South African Council for Planners	South African Council for Planners and the appeals board	Percentage of internal operational systems and infrastructure requirements set up	95%

Programme 7: Auxiliary and Associated Services

The *Auxiliary and Associated Services* programme provides auxiliary services and services associated with the department's aims.

There are four subprogrammes:

- *Government Motor Transport* is responsible for buying vehicles for departmental use.
- *Registration of Deeds Trading Account* provides for the growth of trading capital and the procurement of capital equipment for the deeds registration chief directorate.
- *Sector Education and Training Authority* funds a contribution to the Public Sector Education and Training Authority (PSETA).
- *Capital Works* funds capital work projects undertaken by the Department of Public Works.

Expenditure estimates

Table 29.9 Auxiliary and Associated Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Government Motor Transport	1 792	1 999	–	1 756	2 921	3 067	3 067
Registration of Deeds Trading Account	–	–	–	1	1	1	1
Sector Education and Training Authority	–	–	–	1	1	1	1
Capital Works	2 745	8 391	2 624	8 461	9 129	9 524	10 162
Total	4 537	10 390	2 624	10 219	12 052	12 593	13 231
Change to 2005 Budget estimate				(474)	(474)	(484)	(574)
Economic classification							
Current payments	2 745	8 391	2 624	8 461	9 129	9 524	10 162
Goods and services	2 745	8 391	2 624	8 461	9 129	9 524	10 162
<i>Consultants, contractors and special services</i>	–	–	–	6 326	5 783	1 800	800
<i>Maintenance repair and running cost</i>	2 745	8 391	2 624	2 135	3 346	7 724	9 362
Transfers and subsidies	–	–	–	2	2	2	2
Departmental agencies and accounts	–	–	–	2	2	2	2
Payments for capital assets	1 792	1 999	–	1 756	2 921	3 067	3 067
Machinery and equipment	1 792	1 999	–	1 756	2 921	3 067	3 067
Total	4 537	10 390	2 624	10 219	12 052	12 593	13 231
Details of major transfers and subsidies:							
Departmental agencies and accounts							
Public entities							
Current	–	–	–	2	2	2	2
Public Sector Education and Training Authority	–	–	–	1	1	1	1
Registration of Deeds Trading Account	–	–	–	1	1	1	1

Expenditure trends

Between 2002/03 and 2005/06, expenditure rose at an average annual rate of 31,1 per cent, due mainly to building operations undertaken by the Department of Public Works on behalf of the Department of Land Affairs. Expenditure is expected to increase at a lower average annual rate of 9 per cent, rising from R10,2 million in 2005/06 to R13,2 million in 2008/09.

Maintenance, repairs and running cost expenditure is anticipated to increase sharply, from R2,1 million in 2005/06 to R9,4 million in 2008/09, at 64,8 per cent. Fluctuation in the budgeted amounts between the years is due to the nature and size of the repair or maintenance work required

Registration of deeds trading account

The deeds registries are established in terms of the Deeds Registries Act (1937). Their primary purpose is to provide land security rights. The deeds registries register title deeds and other documents, preserve records, provide information, maintain a public register of land, among their other legislated functions.

The trading account is a self-funding category 1 trading entity and consequently receives no funding from government. Its non-tax revenue includes income from the registration of deeds and the supply of

deeds registration information. Fees are levied in accordance with the schedule of fees prescribed by regulation 84 of the Deeds Registries Act (1937).

Between 2002/03 and 2004/05, the trading account declared profits of R94,3 million, R101,6 million and R145,6 million, an average annual increase of 24,3 per cent. The increase in surpluses is attributable to the current economic boom and the strong property market. The trading account's revenue has increased at an average of 15 per cent per year over the past three financial years. Assuming that the property market remains stable, revenue is likely to increase by at least 6 per cent over the 2006 MTEF, to reach R396,8 million by 2008/2009, and the trading account to remain self-sustainable.

Compensation of employees increased from R124,1 million in 2002/03 to R131,2 million in 2003/04 and to R147,7 million in 2004/05, at an average annual rate of 9,1 per cent. It is anticipated that this expenditure will further escalate over the 2006 MTEF due to the expansion of deeds registries' staff to manage the increased demand for registration services.

The following challenges will be addressed in 2006/07: replacing old microfilm cameras, increasing bandwidth for the network, and finalising the scanning solution and the electronic lodging and processing system for diagrams and deeds (e-Cadastre). The scanning solution and e-Cadastre will be critical for dealing with the dramatic increase in the deeds registries' work flow due to the implementation of the Communal Land Rights Act (2004) and all the previously unregistered land rights.

Table 29.10 Financial summary for the Registration of Deeds Trading Account

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R Thousand	2002/03	2003/04	2004/05	2005/06			
INCOME STATEMENT SUMMARY							
Revenue							
Non-tax revenue	258 763	283 535	347 555	333 486	353 174	374 365	396 826
Sale of goods and services other than capital assets	246 556	272 494	332 553	320 986	340 245	360 660	382 299
<i>of which:</i>							
<i>Sales by market establishments</i>	246 556	272 494	332 553	320 986	340 245	360 660	382 299
<i>Other non-tax revenue</i>	12 207	11 041	15 002	12 500	12 929	13 705	14 527
Total revenue	258 763	283 535	347 555	333 486	353 174	374 365	396 826
Expenses							
Current expense	163 726	181 044	201 002	301 288	336 286	354 291	373 312
Compensation of employees	124 100	131 232	147 741	144 869	162 625	172 498	182 013
Goods and services	35 509	45 647	48 846	152 930	168 671	176 836	186 335
Depreciation	4 117	4 164	4 415	3 490	4 990	4 957	4 964
Transfers and subsidies	750	885	975	983	-	-	-
Total expenses	164 476	181 929	201 977	302 271	336 286	354 291	373 312
Surplus / (Deficit)	94 287	101 606	145 578	31 215	16 888	20 074	23 514
BALANCE SHEET SUMMARY							
Carrying value of assets	6 398	9 100	11 688	16 240	43 156	34 525	20 715
Inventory	597	809	794	1 188	1 322	1 393	1 467
Receivables and prepayments	43 481	49 552	62 248	44 197	46 407	48 727	51 164
Cash and cash equivalents	90 752	186 255	214 279	226 856	219 171	247 325	284 097
Total assets	141 228	245 716	289 009	288 481	310 056	331 970	357 443
Capital and reserves	25 176	25 176	25 176	201 969	218 856	238 930	262 444
Trade and other payables	98 166	201 856	243 676	64 542	67 769	68 050	68 345
Provisions	17 886	18 684	20 157	21 970	23 431	24 989	26 654
Total equity and liabilities	141 228	245 716	289 009	288 481	310 056	331 970	357 443

Data provided by the Registrar of Deeds

Public entities reporting to the minister

KwaZulu-Natal Ingonyama Trust Board

The Kwa-Zulu-Natal Ingonyama Trust Board (ITB) was established in terms of the KwaZulu-Natal Ingonyama Trust Act (1994) as amended. The board, chaired by His Majesty the King (or his nominee) and eight other members appointed by the Minister of Land Affairs, came into operation in October 1998 to administer the affairs of the Ingoyama Trust.

The core business of the trust is to manage its 2,7 million hectares of land, spread throughout Kwa-Zulu-Natal, for the material benefit and social well-being of individual members. Activities undertaken by the ITB include: transferring townships to local authorities, granting permissions to occupy (PTOs), granting servitudes, issuing leases, identifying and transferring land for state domestic purposes, registering assets, minerals administration, restructuring state forests, compiling asset registers, and developing a land tenure information system.

The board has granted leases for diverse uses such as shopping centres, game parks, residential developments, lodges, petrol filling stations, telecommunications base stations, sugar cane farming, grazing and aquaculture projects.

The board has been able to collect R25 million from mining royalties on behalf of the communities on the trust land. This income will be used to fund, among others: poultry sheds; block-making enterprises; irrigation systems; arts and craft centres; sewing machines; and education and training, which include skills transfer to community members.

The following communities have benefited from these royalties: Mandlakazi, Matheni, Ximba, and Zungu Traditional Authorities.

A total income of R14,1 million is budgeted for 2006/07, of which R12,7 million is to be redistributed to the communities. The trust receives an allocation from the department to cover the operating expenses, which is expected to be R2, 2 million for 2006/07.

The following programmes will be implemented over the medium term:

- finalising the transfer of Kwa-Zulu-Natal townships to local authorities, establishing township registers and upgrading tenure rights
- extending the security of tenure on Ingonyama Trust land and providing income to communities living on trust land
- concluding the registration of all vested assets in the name of the Ingonyama Trust, which involves the consolidation of titles for each traditional authority (the trust currently holds 1 478 titles)
- finalising the transfer of land used for state domestic purposes to relevant government departments and municipalities.

Bala Farms

Until 31 March 2005, Bala Farms (Pty) Ltd was a state-owned company created by the former Bophuthatswana administration to buy and administer farms outside the homeland territory. The company has since been dissolved and deregistered in line with the department's land reform policy. Properties which were not disposed of by the company have been transferred to the Department of Land Affairs for disposal. The department has begun the due processes to have this company de-listed as a public entity.

Inala Farms

Inala Farms (Pty) Ltd was founded through a land reform project initiated by the Department of Land Affairs during 1996. The department bought land measuring 1 483 ha, which was held in the company, with the department as the sole shareholder. However, the department's shareholding was

subsequently reduced to 75 per cent in 2004 because the former managing director exercised share options.

The operations are conducted through a separate company, Inala Farming Company (Pty) Ltd. The workers, who are beneficiaries, formed a trust and acquired 25 per cent of the shares in Inala Farming Company (Pty) Ltd, financed through land acquisition grants.

The entity's annual report has not been presented to the department for the period 2002/03 to 2004/05 because the company's external auditor raised concerns about whether Inala Farming Company (Pty) Ltd could operate as a going concern, as it did not have adequate operating capital.

During 2004/05, the Inala Farming Company (Pty) Ltd went into voluntary liquidation, due to the constraints caused by the inadequate operating capital. The department, together with the Land Bank, is currently trying to salvage the project by involving other strategic partners.

Annexures

Table 29.A: Summary of expenditure trends and estimates per programme and economic classification

Table 29.B: Summary of personnel numbers and compensation of employees

Table 29.C: Summary of expenditure on training

Table 29.D: Summary of conditional grants to provinces and local government (municipalities)¹

Table 29.E: Summary of official development assistance expenditure

Table 29.F: Summary of expenditure on infrastructure

Table 29.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2004/05		2004/05	2005/06			2005/06
1. Administration	187 439	244 639	223 109	214 523	103 747	318 270	305 770
2. Surveys and Mapping	72 786	73 617	65 597	75 256	9 245	84 501	83 235
3. Cadastral Surveys	82 558	80 886	79 044	86 043	(1 500)	84 543	84 543
4. Restitution	933 225	1 134 831	1 182 780	2 705 678	–	2 705 678	1 905 678
5. Land Reform	473 760	501 514	453 656	770 098	(65 399)	704 699	554 699
6. Spatial Planning and Information	19 262	19 262	15 180	19 222	–	19 222	19 222
7. Auxiliary and Associated Services	19 122	8 224	2 624	10 693	(474)	10 219	10 219
Total	1 788 152	2 062 973	2 021 990	3 881 513	45 619	3 927 132	2 963 366

Economic classification

	670 126	692 044	634 137	787 380	72 094	859 474	844 916
Current payments							
Compensation of employees	374 030	370 160	322 056	464 488	(22 180)	442 308	442 308
Goods and services	296 096	321 884	311 493	322 892	93 074	415 966	401 408
Financial transactions in assets and liabilities	–	–	588	–	1 200	1 200	1 200
Transfers and subsidies	1 086 327	1 329 980	1 349 109	3 058 267	(66 379)	2 991 888	2 042 680
Provinces and municipalities	862	7 179	7 215	9 163	19	9 182	9 182
Departmental agencies and accounts	2 200	909	285	956	–	956	956
Universities and technikons	–	–	100	–	–	–	–
Public corporations and private enterprises	1	14	44	36	–	36	36
Non-profit institutions	–	–	–	1 000	–	1 000	1 000
Households	1 083 264	1 321 878	1 341 465	3 047 112	(66 398)	2 980 714	2 031 506
Payments for capital assets	31 699	37 690	38 744	35 866	39 904	75 770	75 770
Machinery and equipment	31 699	27 644	32 518	29 539	38 748	68 287	68 287
Software and intangible assets	–	10 046	6 226	6 327	1 156	7 483	7 483
Total	1 788 152	2 059 714	2 021 990	3 881 513	45 619	3 927 132	2 963 366

Table 29.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
A. Permanent and full-time contract employees							
Compensation (R thousand)	250 284	283 252	318 168	437 953	519 716	579 309	570 725
Unit cost (R thousand)	112	113	111	154	178	198	195
Compensation as % of total	100.0%	99.5%	98.8%	99.0%	99.1%	99.0%	98.8%
Personnel numbers (head count)	2 238	2 517	2 868	2 848	2 924	2 924	2 924
B. Part-time and temporary contract employees							
Compensation (R thousand)	–	–	–	294	315	335	355
Unit cost (R thousand)	–	–	–	98	105	112	118
Compensation as % of total	–	–	–	0.1%	0.1%	0.1%	0.1%
Personnel numbers (head count)	–	–	–	3	3	3	3

Table 29.B Summary of personnel numbers and compensation of employees (continued)

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
C. Interns							
Compensation of interns (R thousand)	–	1 440	3 888	4 061	4 512	5 520	6 864
Unit cost (R thousand)		18	18	22	24	28	31
Number of interns	–	80	216	188	188	200	220
Total for department							
Compensation (R thousand)	250 284	284 692	322 056	442 308	524 543	585 164	577 944
Unit cost (R thousand)	112	110	104	146	168	187	184
Personnel numbers (head count)	2 238	2 597	3 084	3 039	3 115	3 127	3 147
D. Learnerships							
Payments for learnerships (R thousand) (G&S)	–	–	–	2 640	2 825	3 003	3 183
Number of learnerships (head count)	–	–	–	30	30	30	30

Table 29.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Training and staff development							
Expenditure (R thousand)	6 078	7 346	7 625	8 342	8 211	7 721	8 018
Number of employees trained (head count)	1 948	2 341	2 324	2 461	2 262	2 004	2 010
Bursaries (employees)							
Expenditure (R thousand)	1 050	1 110	1 280	1 200	1 500	1 500	1 600
Number of employees (head count)	450	460	480	500	520	520	530
Bursaries (non employees)							
Expenditure (R thousand)	–	–	426	500	500	500	500
Number of individuals (head count)	–	–	11	12	12	12	12
Total	7 128	8 456	9 331	10 042	10 211	9 721	10 118
Number of employees	2 398	2 801	2 815	2 973	2 794	2 536	2 552

Table 29.D Summary of conditional grants to provinces and local government (municipalities)¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Conditional grants to provinces							
5. Land Reform							
Land Distribution: Alexandra Urban Renewal Project Grant	–	–	6 250	8 000	8 000	–	–
Total	–	–	6 250	8 000	8 000	–	–

¹ Detail provided in the Division of Revenue Act (2006).

Table 29.E Summary of official development assistance expenditure

Donor	Project	Cash/ kind	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand									
Foreign									
Denmark	Land reform pilot programme	Cash	5 874	-	-	4 500	-	-	-
Denmark	Integration of enviro. Planning into land reform	Kind	-	4 200	-	-	-	-	-
European Union	Land reform pilot programme	Cash	9 374	-	-	-	-	-	-
The Netherlands	Land reform pilot programme & Sectoral Budget Programme	Cash	3 328	870	-	-	-	-	-
United Kingdom	Land reform pilot programme	Cash	1 105	-	16 000	10 000	-	-	-
United Kingdom	Support to Department of Land Affairs	Cash	-	-	22 609	-	-	-	-
United Kingdom	Communal land rights bill consultation process	Cash	-	1 400	-	-	-	-	-
Belgium	Restitution programme	Kind	-	14 000	-	21 000	21 000	-	-
USAID	National land tenure conference	Kind	-	-	-	-	-	-	-
Switzerland	Finalisation of the communal land rights bill	Kind	-	-	1 250	-	-	-	-
Total			19 681	20 470	39 859	35 500	21 000	-	-

Table 29.F Summary of expenditure on infrastructure

Description	Service delivery outputs	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
		2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand								
Maintenance on infrastructure (capital)								
Land Affairs National Office	Other Upgrading & Renovations - unplanned	2 745	8 391	2 624	-	-	3 500	3 850
Land Affairs National Office	Construct Security Fence at H/O	-	-	-	126	-	-	-
	Establishment of strong Room 12th floor H/O	-	-	-	6	-	-	-
	New Security System H/O	-	-	-	475	895	-	-
	Installation Aircon Room 1425 H/O	-	-	-	388	118	-	-
	Bay Parking H/O	-	-	-	200	1 000	-	-
	Beufort West establishment of new offices	-	-	-	466	299	-	-
	Consultant feasibility study PPP Project	-	-	-	6 800	539	1 750	750
	Consultant procure and contracting study PPP Project	-	-	-	-	5 194	-	-
	NRSC Aircon System PPP Project	-	-	-	-	1 084	-	-
	(Consultants fees)	-	-	-	-	-	4 274	5 562
Total		2 745	8 391	2 624	8 461	9 129	9 524	10 162