

20 YEARS OF FREEDOM



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

VOTE 33 RURAL DEVELOPMENT
AND LAND REFORM



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.



“We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves.”

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Rural Development and Land Reform

**National Treasury
Republic of South Africa**



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Vote 33

Rural Development and Land Reform

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 169.7	1 134.8	25.4	9.5	1 241.2	1 317.6
National Geomatics Management Services	774.9	649.0	117.8	8.1	826.5	877.8
Rural Development	2 011.6	956.1	1 051.6	3.9	2 006.1	2 226.2
Restitution	2 680.7	364.0	2 314.7	2.1	2 661.4	3 258.5
Land Reform	2 818.4	445.7	2 372.2	0.5	2 839.3	2 993.1
Total expenditure estimates	9 455.3	3 549.6	5 881.7	24.0	9 574.5	10 673.3

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

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

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

Mandate

The Department of Rural Development and Land Reform executes its legislative mandate around the following acts:

- The Restitution of Land Rights Act (1994) provides for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913. The act makes provision for the establishment the Commission on Restitution of Land Rights and the Land Claims Court. The minister is authorised to purchase, acquire and expropriate land or rights in land for the purpose of restitution awards.
- The Provision of Land and Assistance Act (1993) provides for the designation of certain land, the regulation of the subdivision of such land and the settlement of persons thereon. It also provides for the acquisition, maintenance, planning, development, improvement and disposal of property and the provision of financial assistance for land reform purposes.
- The Communal Property Associations Act (1996) enables communities to form juristic persons, to be known as communal property associations, in order to acquire, hold and manage property on a basis agreed to by members of a community in terms of a written constitution.
- The Transformation of Certain Rural Areas Act (1998) provides for the transfer of certain land to municipalities and certain other legal entities, as well as for the removal of restrictions on the alienation of land.
- The Physical Planning Act (1991) promotes the orderly physical development of South Africa, and for that purpose, makes provisions for the division of the country into regions, and for the preparation of national development plans, regional development plans, regional structure plans and urban structure plans.
- The Deeds Registries Act (1937) provides for the administration of the land registration system and the registration of land rights.

In addition to overseeing land restitution, the department is also mandated to initiate, facilitate, coordinate, catalyse and implement an integrated rural development programme, which is linked to the need to create vibrant, equitable and sustainable rural communities (outcome 7).

Strategic goals

The department's strategic goals over the medium term are to:

- foster effective land reform and land restitution programmes
- implement sustainable agrarian reform through increased access to and productive use of land
- ensure spatial equity through effective land planning and administration
- reform the policy, legislative and institutional environment
- improve food production and access to affordable and diverse food
- improve rural services to support sustainable rural livelihoods
- improve access to sustainable employment and skills development
- improve institutional arrangements for effective cooperative governance, stakeholder participation and service excellence.

Programme purposes

Programme 1: Administration

Purpose: Provide corporate management services. Oversee departmental capital works. Provide bursaries to non-employees.

Programme 2: National Geomatics Management Services

Purpose: Provide geospatial information, cadastral surveys, deeds registration, spatial planning, and other technical services in support of sustainable land development.

Programme 3: Rural Development

Purpose: Catalyse, initiate, facilitate, and coordinate the implementation of a comprehensive rural development programme leading to sustainable and vibrant rural communities.

Programme 4: Restitution

Purpose: Settle land restitution claims under the Restitution of Land Rights Act (1994) and provide settlement support to beneficiaries.

Programme 5: Land Reform

Purpose: Provide sustainable land reform programmes in South Africa.

Selected performance indicators

Table 33.1 Rural Development and Land Reform

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of hectares acquired per year ¹	Land Reform	Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all	322 844 ha	392 850 ha	157 556 ha	311 917 ha	390 000 ha	370 000 ha	380 000 ha
Number of new farms recapitalised per year ²	Land Reform		411	257	200	344	719	831	867
Number of state domestic facilities surveyed per year ^{3, 4}	National Geomatics Management Services		-	-	-	-	1 500	1 500	1 500
Number of land claims finalised per year ⁴	Restitution		-	-	-	-	239	373	371
Number of enterprise opportunities facilitated and coordinated in rural development initiatives (agriculture and other sectors) by government stakeholders per year ⁴	Rural Development		-	-	-	90	210	222	235
Number of new participants in the national rural youth services corps per year			7 401	5 300	5 881	4 600	5 000	5 000	5 000
Number of socioeconomic infrastructure projects coordinated and facilitated per year ⁴			-	-	-	-	31	29	30

1. The decline in the number of hectares acquired per year in 2012/13 is due to reprioritisation of funds from the land reform programme.

2. More funds have been allocated for the recapitalisation and development programme to speed up the land reform process, hence the projections are higher.

3. State domestic facilities refer to hospitals, clinics and schools.

4. This indicator will be measured from 2013/14 or 2014/15.

The national development plan

The national development plan proposes that an additional 1 million jobs be created in agriculture and related industries by 2030. The department contributes to the proposed rural development strategy in the national development plan by facilitating the provision of basic services infrastructure and delivery to rural households and assisting them with livelihood projects to promote community economic development.

Agriculture is the primary economic activity in rural areas. The department's land reform and rural development programmes are committed to acquiring and allocating land for agricultural projects. To ensure that these projects are productive, agricultural support is being provided through recapitalisation, mentoring and development programmes as well as the animal and veld management programme. The department is committed to supporting rural enterprises and employment in various ways including the training of rural entrepreneurs. It also ensures that, where infrastructural projects take place, labour from local communities is contracted. The department, over the medium term, plans to work with the private sector as an enabling partner in support of the government build programme.

The national development plan identifies spatial disparities and slow economic growth as the main causes of underdevelopment in rural areas. To give effect to the plan, the department will continue to reprioritise funds over the medium term towards rural development, and to geospatial and cadastral service land survey programmes used to identify and survey agriculturally-viable land which can be allocated to smallholder farmers to contribute towards rural development.

In contributing to the implementation of the national development plan over the past five years, the department has assisted over 2 296 households in producing their own food, provided basic infrastructure to more than 2 502 households, trained 13 000 rural youth in a range of skills and settled 77 334 restitution claims. Over the medium term, the department will survey 4 800 state domestic facilities, employ an additional 15 000 rural youth and recapitalise 2 417 farms.

Expenditure estimates

Table 33.2 Rural Development and Land Reform

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R million												
Administration	686.6	934.4	1 103.4	1 189.8	1 189.8	20.1%	11.7%	1 169.7	1 241.2	1 317.6	3.5%	12.6%
National Geomatics Management Services	371.7	583.0	548.4	794.7	794.7	28.8%	6.9%	774.9	826.5	877.8	3.4%	8.4%
Rural Development	360.5	786.3	1 075.6	1 792.4	1 792.4	70.7%	12.0%	2 011.6	2 006.1	2 226.2	7.5%	20.5%
Restitution	3 766.8	2 376.3	2 865.7	2 916.8	2 916.8	-8.2%	35.6%	2 680.7	2 661.4	3 258.5	3.8%	29.4%
Land Reform	1 937.2	3 317.8	3 326.5	2 766.0	2 766.0	12.6%	33.9%	2 818.4	2 839.3	2 993.1	2.7%	29.2%
Total	7 122.9	7 997.7	8 919.6	9 459.7	9 459.7	9.9%	100.0%	9 455.3	9 574.5	10 673.3	4.1%	100.0%
Change to 2013 Budget estimate				-	-			(450.0)	(700.0)	(170.0)		
Economic classification												
Current payments	2 136.8	2 714.8	3 180.1	4 599.2	4 599.2	29.1%	37.7%	3 549.6	3 437.3	3 755.4	-6.5%	39.2%
Compensation of employees	946.7	1 373.3	1 727.8	1 965.4	1 965.4	27.6%	17.9%	2 195.8	2 024.7	2 270.6	4.9%	21.6%
Goods and services	1 122.9	1 334.8	1 416.6	2 633.8	2 633.8	32.9%	19.4%	1 353.8	1 412.7	1 484.7	-17.4%	17.6%
of which:												
Administration fees	13.3	19.1	27.9	56.9	56.9	62.3%	0.3%	42.8	44.7	47.0	-6.1%	0.5%
Advertising	46.1	40.5	39.2	44.8	44.8	-1.0%	0.5%	38.4	40.8	42.8	-1.5%	0.4%
Assets less than the capitalisation threshold	17.5	10.0	9.8	42.3	42.3	34.3%	0.2%	41.1	41.8	43.9	1.3%	0.4%
Audit costs: External	12.4	13.6	15.1	36.1	36.1	42.7%	0.2%	16.4	17.1	18.0	-20.7%	0.2%
Bursaries: Employees	2.4	2.5	3.5	3.9	3.9	16.9%	0.0%	4.1	4.3	4.5	5.2%	0.0%
Catering: Departmental activities	8.0	12.8	11.5	11.5	11.5	12.7%	0.1%	7.0	7.5	8.0	-11.4%	0.1%
Communication	41.1	40.3	47.4	49.4	49.4	6.3%	0.5%	44.0	48.6	51.0	1.1%	0.5%
Computer services	96.0	103.5	98.9	217.2	217.2	31.3%	1.5%	112.9	114.5	120.4	-17.8%	1.4%
Consultants and professional services: Business and advisory services	158.4	152.0	233.5	953.3	953.3	81.9%	4.5%	252.3	269.1	281.4	-33.4%	4.5%
Consultants and professional services: Infrastructure and planning	37.1	70.8	15.7	20.7	20.7	-17.6%	0.4%	10.4	12.1	12.7	-15.1%	0.1%
Consultants and professional services: Legal costs	57.6	58.4	81.1	45.0	45.0	-7.9%	0.7%	39.6	37.7	39.7	-4.1%	0.4%
Contractors	81.0	161.5	23.9	28.3	28.3	-29.6%	0.9%	28.9	30.9	32.5	4.7%	0.3%
Agency and support / outsourced services	41.6	56.8	87.1	41.7	41.7	0.1%	0.7%	33.1	30.8	33.2	-7.3%	0.4%
Fleet services (including government motor transport)	0.0	-	0.0	11.9	11.9	2182.7%	0.0%	8.2	8.6	9.0	-8.9%	0.1%
Inventory: Clothing material and accessories	-	-	-	11.5	11.5	-	0.0%	6.2	5.0	5.2	-23.0%	0.1%
Inventory: Farming supplies	-	-	-	1.0	1.0	-	0.0%	-	-	-	-100.0%	0.0%
Inventory: Food and food supplies	0.6	0.9	0.9	0.1	0.1	-54.1%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Fuel, oil and gas	0.1	0.0	0.1	-	-	-100.0%	0.0%	-	-	-	-	-
Inventory: Learner and teacher support material	0.2	0.2	0.5	0.0	0.0	-61.4%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Materials and supplies	1.5	1.1	2.4	2.5	2.5	16.9%	0.0%	1.9	2.0	2.1	-4.9%	0.0%
Inventory: Medical supplies	0.0	0.0	0.0	0.1	0.1	88.7%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Other supplies	25.5	4.3	5.8	-	-	-100.0%	0.1%	-	-	-	-	-
Consumable supplies	-	-	-	11.7	11.7	-	0.0%	10.2	10.6	11.2	-1.3%	0.1%
Consumable: Stationery, printing and office supplies	17.5	19.0	22.4	30.6	30.6	20.4%	0.3%	27.0	28.3	29.6	-1.1%	0.3%
Operating leases	108.5	132.3	142.4	97.6	97.6	-3.4%	1.4%	67.6	71.4	75.0	-8.4%	0.8%
Property payments	51.3	109.2	84.5	129.1	129.1	36.0%	1.1%	83.2	88.9	93.8	-10.1%	1.0%
Transport provided: Departmental activity	1.0	1.6	9.3	6.4	6.4	88.4%	0.1%	5.5	5.7	6.0	-2.6%	0.1%
Travel and subsistence	149.7	229.2	321.2	491.4	491.4	48.6%	3.6%	282.8	293.6	308.8	-14.3%	3.5%
Training and development	14.5	25.4	21.0	232.1	232.1	152.1%	0.9%	131.2	135.7	142.7	-15.0%	1.6%
Operating payments	114.0	22.7	44.5	18.0	18.0	-46.0%	0.6%	32.4	33.6	35.0	24.9%	0.3%
Venues and facilities	26.0	44.6	62.9	35.4	35.4	10.8%	0.5%	24.7	27.3	28.7	-6.7%	0.3%
Rental and hiring	-	2.4	3.8	3.5	3.5	-	0.0%	1.9	2.3	2.4	-11.4%	0.0%
Interest and rent on land	67.2	6.7	35.7	-	-	-100.0%	0.3%	-	-	-	-	-
Transfers and subsidies	4 167.5	5 104.4	5 604.9	4 819.8	4 819.8	5.0%	58.8%	5 881.7	6 113.3	6 893.0	12.7%	60.5%
Provinces and municipalities	0.1	23.4	0.6	0.2	0.2	25.0%	0.1%	0.2	0.2	0.2	-2.8%	0.0%
Departmental agencies and accounts	1 065.5	2 629.8	2 328.3	1 934.3	1 934.3	22.0%	23.8%	2 068.5	1 951.2	2 054.3	2.0%	20.4%
Foreign governments and international organisations	1.1	1.2	1.5	1.8	1.8	15.6%	0.0%	1.5	1.5	1.6	-3.9%	0.0%

Table 33.2 Rural Development and Land Reform

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2010/11	2011/12	2012/13					2013/14	2010/11 - 2013/14	2014/15			2015/16	2016/17	2013/14 - 2016/17
	R million														
Public corporations and private enterprises	–	51.4	193.4	58.5	58.5		0.9%	0.0	0.0	0.0	-97.4%	0.1%			
Non-profit institutions	2.4	15.5	5.1	2.8	2.8	5.5%	0.1%	3.0	3.2	3.3	5.3%	0.0%			
Households	3 098.3	2 383.1	3 076.2	2 822.2	2 822.2	-3.1%	34.0%	3 808.5	4 157.3	4 833.6	19.6%	39.9%			
Payments for capital assets	815.7	175.3	124.2	40.8	40.8	-63.2%	3.5%	24.0	23.8	24.9	-15.2%	0.3%			
Buildings and other fixed structures	–	–	61.1	1.0	1.0		0.2%	–	–	–	-100.0%	0.0%			
Machinery and equipment	43.3	43.3	41.5	38.1	38.1	-4.2%	0.5%	22.6	22.5	23.5	-14.9%	0.3%			
Land and sub-soil assets	772.4	132.0	21.6	–	–	-100.0%	2.8%	–	–	–	–	–			
Software and other intangible assets	–	–	–	1.7	1.7		0.0%	1.5	1.4	1.4	-5.2%	0.0%			
Payments for financial assets	2.8	3.2	10.4	–	–	-100.0%	0.0%	–	–	–	–	–			
Total	7 122.9	7 997.7	8 919.6	9 459.7	9 459.7	9.9%	100.0%	9 455.3	9 574.5	10 673.3	4.1%	100.0%			

Personnel information

Table 33.3 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014	Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Rural Development and Land Reform	4 950	384	4 240	1 727.8	0.4	3 958	1 965.4	0.5	5 395	2 195.8	0.4	5 395	2 024.7	0.4	5 395	2 270.6	0.4	10.9%	100.0%
Salary level 1 – 6	1 159	218	1 206	186.2	0.2	1 179	248.5	0.2	1 330	278.1	0.2	1 330	292.9	0.2	1 330	309.1	0.2	4.1%	25.7%
7 – 10	2 646	96	2 078	552.2	0.3	1 964	724.9	0.4	2 507	867.1	0.3	2 507	912.4	0.4	2 507	964.7	0.4	8.5%	47.1%
11 – 12	869	65	641	320.7	0.5	606	373.8	0.6	793	477.7	0.6	793	503.0	0.6	793	530.9	0.7	9.4%	14.8%
13 – 16	276	5	315	244.0	0.8	209	190.8	0.9	265	253.0	1.0	265	275.1	1.0	265	297.9	1.1	8.2%	5.0%
Other	–	–	–	424.7	–	–	427.3	–	500	319.9	0.6	500	41.3	0.1	500	168.0	0.3	–	7.4%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on developing rural areas focusing on rural infrastructure and service delivery to ensure equitable and sustainable rural communities creating decent work and continued socioeconomic advancement for all South Africans in line with outcome 7 (vibrant, equitable and sustainable rural communities with food security for all). The comprehensive rural development programme; integrated spatial planning and land use management; land reform; and the finalisation of land restitution claims, are the department's core policy priorities in pursuit of these objectives and are implemented by the *Rural Development, Restitution and Land Reform* programmes, to which 79.1 per cent of the department's budget is allocated over the medium term.

The comprehensive rural development programme, approved by Cabinet in 2009, was set up to empower rural communities to be active participants in their own development and to provide strategic investments in rural socioeconomic infrastructure. The rural development programme accounts for the increased spending on consultants and travel and subsistence which grew significantly between 2010/11 and 2013/14 in the *Rural Development* programme. The increases in expenditure in the same period were as a result of a high number of participants in the national rural youth service corps who were trained and supported to provide services in their communities.

Over the medium term, R2.6 billion is shifted to the *Rural Development* programme, in part to provide funds for basic services infrastructure to households. In addition, R2.4 billion and R2.1 billion in the same period are reprioritised from the *Restitution* and *Land Reform* programmes to be used as transfers to households in the *Rural Development* programme. This shift decreases spending on consultants and travel and subsistence, and increases spending on transfers to households over the period.

Furthermore, of the funds shifted from the *Restitution* and *Land Reform* programmes, R870 million is allocated to drive electronic mapping, cadastre and spatial planning and land use management in the *Geospatial and Cadastral Services* programme and R1 billion is allocated to the *Administration* programme to allow the department to employ more staff in regional offices to improve service delivery.

As part of Cabinet approved reductions, expenditure in the *Rural Development* programme over the medium term will be reduced by R400 million from the economic competitiveness support package for the implementation of the national youth services corps while the land claims grant in the *Restitution* programme is reduced by R710 million. The department will reprioritise funds from non-core services to compensate for any shortfalls.

The department had a funded establishment of 4 950 posts and 384 posts are filled in addition to this establishment. 992 posts were vacant at the end of November 2013 due to natural attrition. Expenditure on compensation of employees increases significantly over the medium term due to the implementation of the occupation specific dispensation for technicians and professional surveyors, professional town and regional planners, and the increase in the number of personnel from 3 958 in 2013/14 to 5 395 in 2016/17 as the department reduces its use of consultants in favour of its own personnel.

Although a Cabinet approved budget reduction of R210 million over the medium term was implemented on spending on compensation of employees, the additional personnel will be provided for from funds reallocated from spending on consultants under goods and services, which explains the significant decrease projected in this item over the medium term.

Infrastructure spending

Expenditure on payments for capital assets increased in 2010/11 due to the office accommodation project, which the department, together with other renovations, upgrades and installations, is undertaking. Expenditure on payments for capital assets is expected to increase over the medium term, from R24 million in 2014/15 to R24.9 million in 2016/17, as more projects are implemented over this period.

Departmental receipts

Table 33.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R thousand												
Departmental receipts	48 802	46 150	79 624	78 175	78 175	17.0%	100.0%	42 058	40 175	41 383	-19.1%	100.0%
Sales of goods and services produced by department	18 420	19 058	20 140	20 584	20 584	3.8%	30.9%	20 753	21 272	21 913	2.1%	41.9%
Sales by market establishments	1 027	953	881	935	935	-3.1%	1.5%	1 042	950	981	1.6%	1.9%
of which:												
Market establishment: Non-residential building	977	904	877	935	935	-1.5%	1.5%	985	900	925	-0.4%	1.9%
Market establishment: Parking: Covered and open	50	49	4	-	-	-100.0%	-	57	50	56	-	0.1%
Administration fees	14 603	15 168	16 325	16 902	16 902	5.0%	24.9%	17 080	17 421	17 944	2.0%	34.4%
of which:												
Servitude rights	989	703	976	1 100	1 100	3.6%	1.5%	425	420	433	-26.7%	1.2%
Surveyor inspection fees	13 613	14 464	15 348	15 800	15 800	5.1%	23.4%	16 654	17 000	17 510	3.5%	33.2%
Request information: Promotion of Access to Information Act (2000)	1	1	1	2	2	26.0%	-	1	1	1	-20.6%	-
Other sales	2 790	2 937	2 934	2 747	2 747	-0.5%	4.5%	2 631	2 901	2 988	2.8%	5.6%
of which:												
Services rendered: Commission on insurance and garnishees	412	496	569	467	467	4.3%	0.8%	493	500	515	3.3%	1.0%
Services rendered: Management fees	2	22	1	34	34	157.1%	-	36	1	1	-69.1%	-
Sales: Tender documents	4	151	229	200	200	268.4%	0.2%	50	150	155	-8.1%	0.3%
Sales: Maps	2 118	1 883	1 949	1 888	1 888	-3.8%	3.1%	1 884	1 880	1 936	0.8%	3.8%
Plan sales: Charts/posters	254	385	186	158	158	-14.6%	0.4%	168	370	381	34.1%	0.5%
Sales of scrap, waste, arms and other used current goods	4	12	2	35	35	106.1%	-	14	3	3	-55.9%	-
of which:												
Sales: Scrap	4	8	2	34	34	104.1%	-	13	2	2	-61.1%	-
Sales: Waste paper	-	4	-	1	1	-	-	1	1	1	-	-

Table 33.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
Interest, dividends and rent on land	25 088	15 165	31 507	14 501	14 501	-16.7%	34.1%	15 287	13 000	13 390	-2.6%	27.8%
Interest	19 268	10 867	22 558	10 915	10 915	-17.3%	25.2%	11 507	8 000	8 240	-8.9%	19.2%
Rent on land	5 820	4 298	8 949	3 586	3 586	-14.9%	9.0%	3 780	5 000	5 150	12.8%	8.7%
Sales of capital assets	225	1 606	205	200	200	-3.9%	0.9%	-	-	-	-100.0%	0.1%
Transactions in financial assets and liabilities	5 065	10 309	27 770	42 855	42 855	103.8%	34.0%	6 004	5 900	6 077	-47.9%	30.1%
Total	48 802	46 150	79 624	78 175	78 175	17.0%	100.0%	42 058	40 175	41 383	-19.1%	100.0%

Programme 1: Administration

Expenditure estimates

Table 33.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Ministry	19 405	20 109	24 281	24 661	8.3%	2.3%	26 820	28 943	30 717	7.6%	2.3%
Management	35 690	62 693	80 126	136 891	56.5%	8.1%	161 038	171 977	182 058	10.0%	13.3%
Internal Audit	34 419	33 048	48 292	48 322	12.0%	4.2%	63 246	66 406	70 374	13.4%	5.0%
Corporate Services	299 018	337 286	367 523	380 176	8.3%	35.4%	398 725	415 718	440 057	5.0%	33.2%
Financial Services	103 383	163 100	127 556	165 110	16.9%	14.3%	173 307	182 048	192 989	5.3%	14.5%
Provincial Coordination	73 043	164 088	273 124	292 955	58.9%	20.5%	284 466	311 152	333 042	4.4%	24.8%
Office Accommodation	121 688	154 066	182 523	141 678	5.2%	15.3%	62 091	64 947	68 389	-21.6%	6.9%
Total	686 646	934 390	1 103 425	1 189 793	20.1%	100.0%	1 169 693	1 241 191	1 317 626	3.5%	100.0%
Change to 2013 Budget estimate				249 141			276 700	293 801	311 494		

Economic classification

	658 203	890 126	1 014 722	1 130 316	19.8%	94.4%	1 134 837	1 204 930	1 279 612	4.2%	96.6%
Current payments											
Compensation of employees	250 026	362 024	430 641	629 852	36.1%	42.7%	684 707	731 619	781 093	7.4%	57.5%
Goods and services	408 177	528 102	584 081	500 464	7.0%	51.6%	450 130	473 311	498 519	-0.1%	39.1%
of which:											
Administration fees	3 035	4 440	4 856	28 441	110.8%	1.0%	7 584	7 847	8 257	-33.8%	1.1%
Advertising	36 337	34 147	33 915	29 926	-6.3%	3.4%	31 121	32 613	34 040	4.4%	2.6%
Assets less than the capitalisation threshold	6 295	2 631	4 090	7 778	7.3%	0.5%	8 512	8 590	8 941	4.8%	0.7%
Audit costs: External	12 427	13 583	15 059	17 286	11.6%	1.5%	16 367	17 120	18 027	1.4%	1.4%
Bursaries: Employees	2 423	2 476	3 540	3 869	16.9%	0.3%	4 081	4 281	4 508	5.2%	0.3%
Catering: Departmental activities	1 123	1 560	3 020	2 209	25.3%	0.2%	1 800	1 859	1 948	-4.1%	0.2%
Communication	12 453	11 261	13 165	15 282	7.1%	1.3%	10 754	12 202	12 796	-5.7%	1.0%
Computer services	81 659	78 921	77 335	63 231	-8.2%	7.7%	95 858	97 791	102 877	17.6%	7.3%
Consultants and professional services: Business and advisory services	13 958	23 131	34 754	54 471	57.4%	3.2%	66 067	71 194	75 998	11.7%	5.4%
Consultants and professional services: Infrastructure and planning	-	39	52	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	7 048	11 606	8 750	3 818	-18.5%	0.8%	698	444	468	-50.3%	0.1%
Contractors	6 803	5 231	3 277	1 327	-42.0%	0.4%	2 494	2 392	2 531	24.0%	0.2%
Agency and support / outsourced services	30 949	25 833	40 257	11 829	-27.4%	2.8%	20 123	19 463	20 759	20.6%	1.5%
Entertainment	1	-	6	(5)	-271.0%	-	-	-	-	-100.0%	-
Fleet services (including government motor transport)	1	-	2	1 812	1119.1%	-	881	936	997	-18.1%	0.1%
Inventory: Clothing material and accessories	-	-	-	690	-	-	251	261	275	-26.4%	-
Inventory: Food and food supplies	185	249	211	48	-36.2%	-	-	-	-	-100.0%	-
Inventory: Fuel, oil and gas	13	15	38	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	43	72	218	11	-36.5%	-	-	-	-	-100.0%	-
Inventory: Materials and supplies	145	335	440	481	49.1%	-	575	505	549	4.5%	-
Inventory: Medical supplies	18	-	-	19	1.8%	-	-	-	-	-100.0%	-
Inventory: Other supplies	656	937	890	-	-100.0%	0.1%	-	-	-	-	-
Consumable supplies	-	-	-	2 232	-	0.1%	3 599	3 369	3 622	17.5%	0.3%
Consumable: Stationery, printing and office supplies	6 750	6 170	9 063	8 559	8.2%	0.8%	8 460	9 189	9 586	3.8%	0.7%
Operating leases	102 073	126 332	141 430	85 218	-5.8%	11.6%	54 573	57 201	60 112	-11.0%	5.2%

Table 33.5 Administration

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Property payments	32 442	91 837	68 521	111 582	50.9%	7.8%	67 519	70 649	74 504	-12.6%	6.6%
Transport provided: Departmental activity	-	-	196	-	-	-	34	36	37	-	-
Travel and subsistence	33 736	48 483	67 561	31 899	-1.8%	4.6%	33 065	36 817	38 601	6.6%	2.9%
Training and development	8 539	11 360	15 264	8 809	1.0%	1.1%	5 417	7 647	7 852	-3.8%	0.6%
Operating payments	4 688	16 151	19 454	5 140	3.1%	1.2%	7 102	7 440	7 581	13.8%	0.6%
Venues and facilities	4 377	11 277	18 037	4 281	-0.7%	1.0%	3 068	3 333	3 514	-6.4%	0.3%
Rental and hiring	-	25	680	221	-	-	127	132	139	-14.3%	-
Transfers and subsidies	14 561	32 057	64 388	43 379	43.9%	3.9%	25 397	26 655	28 067	-13.5%	2.5%
Provinces and municipalities	10	8	17	109	121.7%	-	113	137	144	9.7%	-
Departmental agencies and accounts	-	-	5 000	3 171	-	0.2%	3 401	3 585	3 775	6.0%	0.3%
Public corporations and private enterprises	-	11 228	32 275	20 000	-	1.6%	-	-	-	-100.0%	0.4%
Households	14 551	20 821	27 096	20 099	11.4%	2.1%	21 883	22 933	24 148	6.3%	1.8%
Payments for capital assets	13 525	11 803	22 439	16 098	6.0%	1.6%	9 459	9 606	9 947	-14.8%	0.9%
Buildings and other fixed structures	-	-	7 842	-	-	0.2%	-	-	-	-	-
Machinery and equipment	13 525	11 803	14 597	16 098	6.0%	1.4%	9 459	9 606	9 947	-14.8%	0.9%
Payments for financial assets	357.0	404.0	1 876.0	-	-100.0%	0.1%	-	-	-	-	-
Total	686 646.0	934 390.0	1 103 425.0	1 189 793.0	20.1%	100.0%	1 169 693.0	1 241 191.0	1 317 626.0	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	9.6%	11.7%	12.4%	12.6%			12.4%	13.0%	12.3%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	10	8	17	109	121.7%	-	113	137	144	9.7%	-
Vehicle licences	10	8	17	109	121.7%	-	113	137	144	9.7%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	5 000	3 171	-	0.2%	3 401	3 585	3 775	6.0%	0.3%
Public Sector Education and Training Authority	-	-	-	3 171	-	0.1%	3 401	3 585	3 775	6.0%	0.3%
Human Sciences Resource Council	-	-	5 000	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	32 275	-	-	0.8%	-	-	-	-	-
Coega	-	-	32 275	-	-	0.8%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	11 228	-	20 000	-	0.8%	-	-	-	-100.0%	0.4%
Coega	-	11 228	-	20 000	-	0.8%	-	-	-	-100.0%	0.4%
Households											
Social benefits											
Current	104	511	353	-	-100.0%	-	-	-	-	-	-
Employee social benefits	104	511	344	-	-100.0%	-	-	-	-	-	-
Transfers to Households	-	-	9	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	14 447	20 310	26 743	20 099	11.6%	2.1%	21 883	22 933	24 148	6.3%	1.8%
Bursaries for non-employees	14 447	20 310	26 743	20 099	11.6%	2.1%	21 883	22 933	24 148	6.3%	1.8%

Personnel information

Table 33.6 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Administration	1 863	27	1 490	430.6	0.3	1 365	629.9	0.5	2 258	684.7	0.3	2 258	731.6	0.3	2 258	781.1	0.3	18.3%	100.0%
Salary level																			
1 – 6	576	14	555	83.1	0.1	493	98.9	0.2	574	121.2	0.2	574	127.7	0.2	574	134.5	0.2	5.2%	27.2%
7 – 10	921	11	643	182.2	0.3	623	208.8	0.3	843	297.5	0.4	843	313.6	0.4	843	330.2	0.4	10.6%	38.7%
11 – 12	262	1	201	99.4	0.5	175	103.6	0.6	242	150.2	0.6	242	158.3	0.7	242	166.7	0.7	11.4%	11.1%
13 – 16	104	1	91	65.9	0.7	74	64.7	0.9	99	91.7	0.9	99	96.6	1.0	99	101.7	1.0	10.2%	4.6%
Other	–	–	–	–	–	–	153.9	–	500	24.1	0.0	500	35.3	0.1	500	47.9	0.1	–	18.4%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on providing corporate services, financial services and provincial coordination within the department to ensure line functions are aligned with strategic and operational goals and adhere to good corporate governance practices. For this reason, the bulk of the programme's budget over the medium term is allocated to spending on personnel, IT services and consultants, who will provide audit services. Spending on these items is projected to grow over the medium term as the programme increases the number of posts from 1 365 in 2013/14 to 2 258 in 2016/17 to develop internal capacity in IT, governance and the enterprise programme management office, given an impending IT review and the implementation of an improved IT security system, to comply with recommendations from a previous audit.

Out of the department's total establishment of 1 863 funded posts and 27 posts additional to the establishment, there were 498 vacant posts at the end of November 2013. Most of these vacancies were in the *Provincial Coordination* subprogramme, which used provincial shared services centres that were established in 2009/10 to speed up service delivery.

Expenditure on compensation of employees increased significantly between 2010/11 and 2013/14, as the centres were brought up to full capacity. However, as part of the Cabinet approved budget reductions, the department is to reduce spending on compensation of employees in the *Provincial Coordination* subprogramme by R120 million over the medium term. The funds were reduced from the allocation for funded posts that are currently vacant in this subprogramme.

Programme 2: National Geomatics Management Services

Objectives

- Facilitate integrated spatial planning and land use management in all provinces by:
 - developing targeted policies and legislation to support efficient national spatial planning and land use management on an ongoing basis
 - developing and implementing the national spatial development framework to direct where government investment should go to yield results with maximum impact by 2016
 - supporting all municipalities to implement spatial planning and land use management by 2016
 - stimulating development in areas of poverty, and reducing spatial inequalities by 2016
 - supporting comprehensive rural development programme wards with spatial planning on an ongoing basis.
- Implement the South African spatial data infrastructure by:
 - developing and maintaining the technical infrastructure, standards and institutional frameworks by 2017
 - developing and monitoring the policy framework by 2017.

- Improve the efficiency of cadastral surveys management by:
 - reducing the turnaround time for the approval of cadastral documents from 20 days in 2012/13 to 14 days by 2016
 - reducing the time taken to process cadastral documents from 20 days in 2012 to 14 days in 2016 by implementing an electronic e-cadastre system by 2015
 - increasing the number of officials trained in geomatics from 57 in 2012 to 120 by 2016
 - automating the surveyor general and deeds registration processes by 2016.
- Ensure an integrated and comprehensive land administration system by:
 - increasing the surveying of state domestic facilities from 1 700 in 2013 to 4 500 by 2016
 - updating the land register annually
 - increasing the production and reviewing of maps for South Africa in the national map series from 1 637 in 2013 to 2 161 by 2016.

Subprogrammes

- *National Geomatics Management Services* is responsible for: examining and approving all surveys of land and real rights that are intended to be registered in the deeds office; maintaining records; compiling, maintaining and revising maps of property boundaries; providing cadastral advisory services to other government institutions; promoting and controlling all matters related to geodetic and topographical surveying; and providing geospatial information services, including South African spatial data infrastructure. In 2012/13, 57 people graduated from geomatics training and by the end of September 2013, a further 65 had been targeted for training. This subprogramme had a staff complement of 812 at the end of November 2013.
- *Spatial Planning and Land Use Management* provides for national land use management and spatial planning systems. In 2012/13, 14 spatial plans were formulated and by the end of September 2013, a further 39 plans had been formulated. Of those, 11 were draft spatial development frameworks, 25 draft precinct plans and 3 draft land use management schemes. This subprogramme had a staff complement of 205 at the end of November 2013.
- *Registration of Deeds Trading Account* provides a high quality deeds registration system whereby secure titles are registered and speedy and accurate information is provided. In 2013/14, R241 million was transferred to the account. In 2012, it took 21 days to register and process registrable diagrams and sectional plans. By the end of September 2013, it took 19 days to register and process diagrams and sectional plans. The trading account had a staff complement of 1 504 at the end of November 2013.
- *South African Council for Planners* transfers funds on an annual basis to the South African Council for Planners, a non-profit organisation dealing with the registration and other activities of the planning profession. In 2012/13, 2.4 million hectares of homeland was surveyed. The council had a staff complement of 34 at the end of November 2013.

Expenditure estimates

Table 33.7 National Geomatics Management Services

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
National Geomatics Management Services	273 328	361 469	445 487	537 016	25.2%	70.4%	460 509	489 332	519 973	-1.1%	61.3%	
Spatial Planning and Land Use Management	68 067	75 624	89 048	177 108	37.5%	17.8%	198 142	213 312	227 494	8.7%	24.9%	
Registration of Deeds Trading Account	27 861	143 323	11 129	77 741	40.8%	11.3%	113 194	120 661	127 056	17.8%	13.4%	
South African Council for Planners	2 425	2 571	2 700	2 849	5.5%	0.5%	3 020	3 159	3 326	5.3%	0.4%	
Total	371 681	582 987	548 364	794 714	28.8%	100.0%	774 865	826 464	877 849	3.4%	100.0%	
Change to 2013 Budget estimate				286 210			232 343	246 509	261 163			

Table 33.7 National Geomatics Management Services

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Current payments	328 536	419 250	517 027	703 536	28.9%	85.7%	648 970	692 462	736 746	1.5%	85.0%
Compensation of employees	241 181	292 440	321 167	376 809	16.0%	53.6%	480 805	515 453	550 356	13.5%	58.8%
Goods and services	87 355	126 808	195 852	326 727	55.2%	32.1%	168 165	177 009	186 390	-17.1%	26.2%
of which:											
Administration fees	1 216	1 538	3 813	2 341	24.4%	0.4%	2 406	2 471	2 602	3.6%	0.3%
Advertising	1 358	1 010	1 400	678	-20.7%	0.2%	1 144	1 028	1 083	16.9%	0.1%
Assets less than the capitalisation threshold	2 468	2 374	1 333	2 644	2.3%	0.4%	3 340	3 518	3 704	11.9%	0.4%
Catering: Departmental activities	290	701	640	469	17.4%	0.1%	259	363	381	-6.7%	-
Communication	4 267	4 886	6 493	4 802	4.0%	0.9%	3 576	3 697	3 892	-6.8%	0.5%
Computer services	11 121	20 149	17 144	150 334	138.2%	8.6%	11 886	11 436	12 042	-56.9%	5.7%
Consultants and professional services: Business and advisory services	16 601	14 633	31 615	82 356	70.6%	6.3%	84 015	89 095	93 872	4.5%	10.7%
Consultants and professional services: Infrastructure and planning	2 604	1 959	8 750	13 351	72.4%	1.2%	3 815	4 129	4 348	-31.2%	0.8%
Consultants and professional services: Legal costs	45	-	661	-	-100.0%	-	-	-	-	-	-
Contractors	13 130	15 183	16 798	17 922	10.9%	2.7%	19 049	21 082	22 200	7.4%	2.5%
Agency and support / outsourced services	1 349	5 616	18 157	10 443	97.8%	1.5%	370	77	81	-80.2%	0.3%
Entertainment	6	7	2	-	-100.0%	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	5	3 613	-	0.2%	3 185	3 286	3 460	-1.4%	0.4%
Inventory: Clothing material and accessories	-	-	-	131	-	-	275	66	69	-19.2%	-
Inventory: Food and food supplies	136	172	144	1	-80.6%	-	-	-	-	-100.0%	-
Inventory: Fuel, oil and gas	10	18	27	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	124	56	307	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	629	384	326	352	-17.6%	0.1%	550	671	707	26.2%	0.1%
Inventory: Medical supplies	-	8	-	19	-	-	-	-	-	-100.0%	-
Inventory: Other supplies	95	202	203	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	-	1 002	-	-	1 150	951	986	-0.5%	0.1%
Consumable: Stationery, printing and office supplies	5 140	6 157	5 094	4 282	-5.9%	0.9%	4 340	4 543	4 782	3.7%	0.5%
Operating leases	1 391	1 604	398	785	-17.4%	0.2%	663	989	1 042	9.9%	0.1%
Property payments	3 609	4 789	4 614	4 212	5.3%	0.7%	3 614	4 310	4 539	2.5%	0.5%
Travel and subsistence	16 232	37 455	70 731	22 594	11.7%	6.4%	17 900	18 635	19 623	-4.6%	2.4%
Training and development	955	1 544	1 447	994	1.3%	0.2%	1 429	1 319	1 389	11.8%	0.2%
Operating payments	891	878	1 120	1 342	14.6%	0.2%	1 453	1 463	1 540	4.7%	0.2%
Venues and facilities	3 688	5 478	4 630	2 060	-17.6%	0.7%	3 746	3 880	4 048	25.3%	0.4%
Rental and hiring	-	7	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	2	8	-	-	-	-	-	-	-	-
Transfers and subsidies	32 072	147 350	16 838	82 375	36.9%	12.1%	117 764	125 375	132 017	17.0%	14.0%
Provinces and municipalities	2	4	3	12	81.7%	-	20	20	21	20.5%	-
Departmental agencies and accounts	27 861	143 323	11 129	77 741	40.8%	11.3%	113 194	120 661	127 056	17.8%	13.4%
Foreign governments and international organisations	1 148	1 194	1 459	1 773	15.6%	0.2%	1 450	1 495	1 574	-3.9%	0.2%
Non-profit institutions	2 425	2 571	2 700	2 849	5.5%	0.5%	3 020	3 159	3 326	5.3%	0.4%
Households	636	258	1 547	-	-100.0%	0.1%	80	40	40	-	-
Payments for capital assets	10 772	15 632	13 642	8 803	-6.5%	2.1%	8 131	8 627	9 086	1.1%	1.1%
Machinery and equipment	10 772	15 632	13 642	7 136	-12.8%	2.1%	6 677	7 277	7 664	2.4%	0.9%
Software and other intangible assets	-	-	-	1 667.0	-	0.1%	1 454.0	1 350.0	1 422.0	-5.2%	0.2%
Payments for financial assets	301.0	755.0	857.0	-	-100.0%	0.1%	-	-	-	-	-
Total	371 681.0	582 987.0	548 364.0	794 714.0	28.8%	100.0%	774 865.0	826 464.0	877 849.0	3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	5.2%	7.3%	6.1%	8.4%			8.2%	8.6%	8.2%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2	4	3	12	81.7%	-	20	20	21	20.5%	-
Vehicle licences	2	4	3	12	81.7%	-	20	20	21	20.5%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	27 861	143 323	11 129	77 741	40.8%	11.3%	113 194	120 661	127 056	17.8%	13.4%
Registration of deeds trading account	27 861	143 323	11 129	77 741	40.8%	11.3%	113 194	120 661	127 056	17.8%	13.4%

Table 33.7 National Geomatics Management Services

Details of transfers and subsidies											Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
R thousand	2010/11	2011/12				2012/13	2013/14	2010/11 - 2013/14			2014/15	2015/16
Foreign governments and international organisations												
Current	1 148	1 194	1 459	1 773	15.6%	0.2%	1 450	1 495	1 574	-3.9%	0.2%	
Regional centre for mapping of resources for development	1 148	1 194	1 459	1 773	15.6%	0.2%	1 450	1 495	1 574	-3.9%	0.2%	
Non-profit institutions												
Current	2 425	2 571	2 700	2 849	5.5%	0.5%	3 020	3 159	3 326	5.3%	0.4%	
South African Council for Planners	2 425	2 571	2 700	2 849	5.5%	0.5%	3 020	3 159	3 326	5.3%	0.4%	
Households												
Social benefits												
Current	14	71	1 529	-	-100.0%	0.1%	80	40	40	-	-	
Employee social benefits	14	71	1 529	-	-100.0%	0.1%	80	40	40	-	-	
Households												
Other transfers to households												
Current	622	187	18	-	-100.0%	-	-	-	-	-	-	
Employee social benefits	622	187	18	-	-100.0%	-	-	-	-	-	-	

Personnel information

Table 33.8 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
National Geomatics Management Services		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	1 051	259	1 079	321.2	0.3	1 068	376.8	0.4	1 219	480.8	0.4	1 219	515.5	0.4	1 219	550.4	0.5	4.5%	100.0%
1 - 6	293	140	360	54.4	0.2	415	82.3	0.2	441	93.1	0.2	441	98.1	0.2	441	103.3	0.2	2.0%	36.8%
7 - 10	402	54	409	101.5	0.2	389	126.0	0.3	449	156.3	0.3	449	164.7	0.4	449	173.5	0.4	4.9%	36.7%
11 - 12	288	64	254	125.2	0.5	214	120.6	0.6	270	162.3	0.6	270	171.0	0.6	270	180.1	0.7	8.1%	21.7%
13 - 16	68	1	56	40.0	0.7	50	47.9	1.0	59	69.2	1.2	59	81.6	1.4	59	93.5	1.6	5.7%	4.8%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on ensuring that 80 per cent of municipalities are implementing the Spatial Planning and Land Use Management Act (2013) within the *National Geomatics Management Services* and *Spatial Planning and Land Use Management* subprogrammes. The programme will also focus its spending on enhancing effective land planning and administration by providing funding to the *Registration of Deeds Trading Account* subprogramme to finalise the land register.

Between 2010/11 and 2013/14, expenditure in the *National Geomatics Management Services* subprogramme increased significantly due to the implementation of the occupation specific dispensation, particularly for technicians and professional surveyors, the survey of unsurveyed state land, and the state land audit projects.

Over the medium term, expenditure in the *Spatial Planning and Land Use Management* subprogramme is set to increase due to the implementation of the Spatial Planning and Land Use Act (2013), which was enacted into law in August 2013; and the development of spatial plans and geographic information systems. The increase in expenditure in these subprogrammes is mostly notable on goods and service items such as consultants and computer services, which grew significantly over this period. At the end of 2012, 99.5 per cent of the state land registered had been verified, against a target of 100 per cent. The department aims to achieve 100 per cent functional land use by 2016 and have 60 per cent of land use schemes implemented in municipalities by 2016.

Expenditure on goods and services is expected to increase from 2015/16 due to the implementation of state domestic surveys, and the development of guidelines, tools and systems to facilitate and coordinate the implementation of the Spatial Planning and Land Use Management Act (2013) by municipalities. In addition, the transfer to the *Registration of Deeds Trading Account* subprogramme is also expected to increase over the

medium term due to the implementation of the electronic register, which will speed up title deed registrations, turnaround times on verification and the capturing of registered deeds.

As part of Cabinet approved budget reductions, a reduction of R90 million on compensation of employees will be effected by the department in the *Spatial Planning and Land use Management* subprogramme over the medium term. This is not expected to have an impact on service delivery as the department will reprioritise R870 million from the *Land Reform* and *Restitution* programmes to this programme. This will drive an increase in the number of posts from 1 079 in 2012/13 to 1 219 in 2016/17. The additional personnel are needed to visit and orientate municipalities about the provisions of the Spatial Planning and Land Use Management Act (2013). As a result, spending on compensation of employees is projected to increase over the period.

The programme had a funded establishment of 1 051 posts, with 259 posts additional to the establishment and no vacancies at the end of November 2013. Expenditure on consultants is projected to increase from R82 million in 2013 to R94 million in 2016 and will be used to carry out cadastral research, which is aimed at supporting and promoting coordination, integrated spatial development and improved land use management. This will enable the programme to survey 1 500 state domestic facilities by 2016 and ensure that all nine provinces have integrated spatial plans.

Programme 3: Rural Development

Objectives

- Provide support to rural communities by improving the standard of living in all rural districts over the medium term by implementing the rural livelihoods strategy by 2016/17.
- Improve access to basic services such as water and sanitation by coordinating, facilitating and monitoring the provision of rural basic services infrastructure by 2017.
- Facilitate the development of 235 sustainable rural enterprises and industries in areas with economic development potential and opportunities by 2016 through the coordination of 90 socioeconomic infrastructure projects.
- Increase job opportunities created from 3 545 in 2013 to 4 800 in 2016 through rural development and land reform initiatives by 2017.
- Contribute to skills development in the farming sector by increasing the number of new participants in the national rural youth services corps training programme, which aims to equip young people to enter the workforce, from 4 600 in 2013/14 and 5 000 in each year of the MTEF period.

Subprogrammes

- *Rural Infrastructure Development* facilitates improved access to basic services, and provides economic and income generating opportunities through improved physical infrastructure in rural areas. In 2012/13, 63 rural communities were assisted with agricultural infrastructure and services. By the end of September 2013, an additional 58 rural communities had been assisted. This subprogramme had a staff complement of 163 at the end of November 2013.
- *Rural Enterprise and Industrial Development* facilitates poverty reduction, social organisation, youth development, the development of cooperatives, rural enterprise and industry, the creation of an enabling institutional environment for sustainable rural development, and the provision of social and economic development and sustainable livelihoods in rural communities. Its functions are based on the social mobilisation of communities to ensure that these communities take ownership of rural development projects and programmes to establish rural development forums and partnerships, increase food security, increase youth development and social organisation, and create jobs through the creation of cooperatives and the development of rural enterprises and industries. In 2012/13, 2 131 households accessed food security programmes and interventions, such as food gardens. By the end of September 2013, an additional 985 households had accessed food security programmes. This subprogramme had a staff complement of 354 at the end of November 2013.
- *National Rural Youth Services Corps* is responsible for training rural youth in a variety of skills such as building and farming, or in skills to match the needs of the 23 district wards or communities from which they

are recruited. Funding for this training is derived from the National Skills Fund. In 2012/13, 5 881 youth participants received training. In 2013, it was estimated that 4 600 youth would be trained. The subprogramme had a staff complement of 138 at the end of November 2013.

Expenditure estimates

Table 33.9 Rural Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Rural Infrastructure Development	145 499	270 064	252 498	504 571	51.4%	29.2%	783 103	927 806	978 052	24.7%	39.7%
Rural Enterprise and Industrial Development	211 969	227 639	287 323	478 935	31.2%	30.0%	600 311	735 244	775 571	17.4%	32.2%
National Rural Youth Services Corps	3 023	288 549	535 766	808 917	544.4%	40.8%	628 205	343 036	472 619	-16.4%	28.0%
Total	360 491	786 252	1 075 587	1 792 423	70.7%	100.0%	2 011 619	2 006 086	2 226 242	7.5%	100.0%
Change to 2013 Budget estimate				565 000			732 939	677 918	824 445		

Economic classification

	2010/11	2011/12	2012/13	2013/14	2010/11	2013/14	2014/15	2015/16	2016/17	2013/14	2016/17
Current payments	349 891	688 775	918 208	1 610 371	66.3%	88.9%	956 093	690 290	837 721	-19.6%	50.9%
Compensation of employees	25 454	360 711	610 149	445 311	159.6%	35.9%	553 194	277 198	405 747	-3.1%	20.9%
Goods and services	324 356	328 064	308 059	1 165 060	53.1%	52.9%	402 899	413 092	431 974	-28.2%	30.0%
of which:											
Administration fees	986	4 155	10 233	8 595	105.8%	0.6%	8 222	9 281	9 747	4.3%	0.4%
Advertising	1 897	1 711	1 194	7 915	61.0%	0.3%	1 615	1 739	1 791	-39.1%	0.2%
Assets less than the capitalisation threshold	4 835	1 708	1 267	12 621	37.7%	0.5%	8 491	7 954	8 286	-13.1%	0.5%
Catering: Departmental activities	3 158	4 829	3 783	3 151	-0.1%	0.4%	817	909	1 017	-31.4%	0.1%
Communication	275	796	1 793	4 515	154.2%	0.2%	3 092	3 274	3 440	-8.7%	0.2%
Computer services	17	1 532	1 273	305	161.8%	0.1%	—	—	—	-100.0%	—
Consultants and professional services: Business and advisory services	68 470	44 878	143 977	483 102	91.8%	18.4%	48 378	51 014	51 039	-52.7%	7.9%
Consultants and professional services: Infrastructure and planning	28 392	65 480	6 795	460	-74.7%	2.5%	520	1 617	1 703	54.7%	0.1%
Contractors	58 870	138 438	268	898	-75.2%	4.9%	418	511	538	-15.7%	—
Agency and support / outsourced services	316	282	1 233	1 722	76.0%	0.1%	963	1 107	1 165	-12.2%	0.1%
Entertainment	—	—	4	—	—	—	—	—	—	—	—
Fleet services (including government motor transport)	—	—	—	332	—	—	130	130	137	-25.6%	—
Inventory: Clothing material and accessories	—	—	—	10 340	—	0.3%	5 651	4 486	4 723	-23.0%	0.3%
Inventory: Farming supplies	—	—	—	1 000	—	—	—	—	—	-100.0%	—
Inventory: Food and food supplies	1	6	121	7	91.3%	—	—	—	—	-100.0%	—
Inventory: Fuel, oil and gas	55	—	6	—	-100.0%	—	—	—	—	—	—
Inventory: Learner and teacher support material	25	39	—	—	-100.0%	—	—	—	—	—	—
Inventory: Materials and supplies	530	56	1 552	795	14.5%	0.1%	81	89	94	-50.9%	—
Inventory: Medical supplies	—	—	1	52	—	—	—	—	—	-100.0%	—
Inventory: Other supplies	24 357	2 732	4 313	—	-100.0%	0.8%	—	—	—	—	—
Consumable supplies	—	—	—	5 103	—	0.1%	1 569	1 706	1 792	-29.4%	0.1%
Consumable: Stationery, printing and office supplies	389	929	1 834	5 677	144.4%	0.2%	5 086	5 356	5 585	-0.5%	0.3%
Operating leases	38	142	2	923	189.6%	—	604	661	697	-8.9%	—
Property payments	—	119	592	70	—	—	—	—	—	-100.0%	—
Transport provided: Departmental activity	—	13	6 909	4 309	—	0.3%	1 970	1 830	1 927	-23.5%	0.1%
Travel and subsistence	16 746	41 019	79 898	373 513	181.5%	12.7%	185 563	188 776	198 746	-19.0%	11.8%
Training and development	3 719	11 380	2 833	217 913	288.4%	5.9%	117 952	119 317	125 641	-16.8%	7.2%
Operating payments	105 814	1 066	20 169	3 392	-68.2%	3.2%	1 352	1 242	1 172	-29.8%	0.1%
Venues and facilities	5 466	5 774	16 912	17 850	48.4%	1.1%	10 425	12 093	12 734	-10.6%	0.7%
Rental and hiring	—	980	1 097	500	—	0.1%	—	—	—	-100.0%	—
Interest and rent on land	81	—	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	35	90 763	100 813	180 300	1627.1%	9.3%	1 051 608	1 312 342	1 384 832	97.3%	48.9%
Departmental agencies and accounts	—	37 652	90 838	141 761	—	6.7%	—	—	—	-100.0%	1.8%
Public corporations and private enterprises	—	40 176	7 528	38 539	—	2.1%	—	—	—	-100.0%	0.5%
Non-profit institutions	—	12 935	2 361	—	—	0.4%	—	—	—	—	—
Households	35	—	86	—	-100.0%	—	1 051 608	1 312 342	1 384 832	—	46.6%
Payments for capital assets	10 546	6 409	56 347	1 752	-45.0%	1.9%	3 918	3 454	3 689	28.2%	0.2%
Buildings and other fixed structures	—	—	52 839	1 000	—	1.3%	—	—	—	-100.0%	—
Machinery and equipment	10 546	6 409	3 508	752	-58.5%	0.5%	3 918	3 454	3 689	69.9%	0.1%
Payments for financial assets	19.0	305.0	219.0	—	-100.0%	—	—	—	—	—	—
Total	360 491.0	786 252.0	1 075 587.0	1 792 423.0	70.7%	100.0%	011 619.0	2 006 086.0	2 226 242.0	7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	5.1%	9.8%	12.1%	18.9%			21.3%	21.0%	20.9%		

Table 33.9 Rural Development

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
		-	37 652	90 838	141 761	-	6.7%	-	-	-	-100.0%	1.8%
Agricultural Research Council		-	15 174	72 248	141 761	-	5.7%	-	-	-	-100.0%	1.8%
KwaZulu-Natal Agricultural Development Trust trading as Agribusiness Development Agency		-	22 478	-	-	-	0.6%	-	-	-	-	-
Agricultural Business Development Agency		-	-	17 353	-	-	0.4%	-	-	-	-	-
Provincial agricultural development corporation		-	-	1 237	-	-	-	-	-	-	-	-
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current												
		-	40 176	7 528	38 539	-	2.1%	-	-	-	-100.0%	0.5%
Independent Development Trust		-	40 176	7 528	38 539	-	2.1%	-	-	-	-100.0%	0.5%
Non-profit institutions												
Current												
		-	12 935	2 361	-	-	0.4%	-	-	-	-	-
Free State Department of Agriculture and Rural Development		-	12 935	-	-	-	0.3%	-	-	-	-	-
Goedgedacht Trust		-	-	2 361	-	-	0.1%	-	-	-	-	-
Households												
Social benefits												
Current												
		35	-	86	-	-	-100.0%	-	-	-	-	-
Employee social benefits		35	-	86	-	-	-100.0%	-	-	-	-	-
Households												
Other transfers to households												
Current												
		-	-	-	-	-	-	1 051 608	1 312 342	1 384 832	-	46.6%
Rural Infrastructure Development		-	-	-	-	-	-	662 546	801 684	844 172	-	28.7%
Rural Enterprise and Industrial Development		-	-	-	-	-	-	389 062	510 658	540 660	-	17.9%

Personnel information

Table 33.10 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
Number of funded posts	Number of posts additional to the establishment	2012/13			2013/14			2014/15		2015/16		2016/17		2013/14 - 2016/17					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Rural Development																			
Salary level	655	2	407	610.1	1.5	395	445.3	1.1	561	553.2	1.0	561	277.2	0.5	561	405.7	0.7	12.4%	100.0%
1 – 6	54	-	31	5.6	0.2	29	5.9	0.2	43	9.4	0.2	43	9.9	0.2	43	10.4	0.2	14.0%	7.9%
7 – 10	389	2	218	58.4	0.3	229	76.6	0.3	339	124.2	0.4	339	131.0	0.4	339	137.9	0.4	14.0%	60.0%
11 – 12	161	-	42	22.2	0.5	96	54.9	0.6	126	76.4	0.6	126	80.5	0.6	126	84.7	0.7	9.5%	22.8%
13 – 16	51	-	116	99.3	0.9	41	34.5	0.8	53	47.4	0.9	53	50.0	0.9	53	52.6	1.0	8.9%	9.6%
Other	-	-	-	424.7	-	-	273.4	-	-	295.8	-	-	5.9	-	-	120.1	-	-	-

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on rural enterprise development, animal and veld management, and the coordination and facilitation of basic services infrastructure in rural areas. The programme will also focus its spending on additional agricultural support to farms, which will be carried out in the *Rural Infrastructure Development* and the *Rural Enterprise and Industrial Development* subprogrammes, and training more youth under the *National Rural Youth Services Corps* subprogramme.

The department aims to equip 4 719 rural individuals with skills through rural development initiatives, create 4 800 jobs through infrastructure projects, and improve the skills of 5 000 youth per year through infrastructure programmes by 2016/17.

Between 2010/11 and 2013/14, expenditure in the *Rural Infrastructure Development* subprogramme increased significantly due to the increase in projects providing access to basic services, particularly sanitation, irrigation and roads. In the same period, as part of the rural socioeconomic development policy goal, expenditure in the *Rural Enterprise and Industrial Development* subprogramme also increased significantly, particularly in goods and service items such as administration fees, advertising and consultants, as part of the implementation of the comprehensive rural development programme. The rural development programme consists of rural households profiling, food security interventions, enterprise development, support for cooperatives and value chain projects. Consultants in this programme are used for business advisory services for the implementation of the comprehensive rural development programme.

Expenditure on goods and services increased significantly between 2010/11 and 2013/14, due to the employment of additional participants in the *National Rural Youth Services Corps* subprogramme. As a result, at the end of 2012/13, seven irrigation schemes out of a target of eight had been revitalised and 4 564 people out of a target of 3 200 had been assisted to access skills to improve their livelihoods. Over the medium term, spending on goods and services is set to decrease due to the reprioritisation of funds away from goods and services towards transfers to households, to drive the comprehensive rural development programme.

Spending in the *Rural Enterprise and Industrial Development* subprogramme is expected to increase over the medium term, mainly due to the implementation of the comprehensive rural development programme. The projected increase provides for the coordination and facilitation of rural enterprise development, industrial development and support to rural communities to produce their own food, as part of the policy goal to improve the rural economy. As a result, transfers to the *Rural Enterprise and Industrial Development* increase from R389.1 million in 2014/15 to R540.7 million in 2016/17, in order to increase the number of enterprise opportunities facilitated and coordinated from 90 in 2013 to 235 by 2016.

The bulk of expenditure over the medium term will be on facilitating and coordinating the provision of basic services infrastructure to households, rural community programmes and enterprise and industrial development. Accordingly, spending in the *Rural Infrastructure Development* subprogramme receives the largest allocation in this period. Expenditure in this subprogramme is also expected to increase over the medium term as a result of the implementation of animal and veld management programmes, the coordination and facilitation of infrastructure for the provision of basic services to rural communities, the registration of cooperatives and the provision of access to IT. The increased expenditure is expected to result in a 16 per cent increase in rural infrastructure development for households over the medium term.

As part of Cabinet approved budget reductions, a reduction of R400 million over the medium term will be effected on compensation of employees in the economic competitive support package for implementing the national rural youth service corps. These reductions will not impact negatively on service delivery. In the same period, the *Rural Development* programme receives R2.6 billion in reprioritised funds from the *Restitution* and *Land Reform* programmes to implement the comprehensive rural development programme; facilitate and coordinate enterprise development and socioeconomic infrastructure projects; and create job opportunities through infrastructure programmes to improve access to sustainable employment and skills development opportunities.

The *Rural Development* programme had a funded establishment of 655 posts, with 2 posts additional to the establishment and 260 vacancies as at 30 November 2013.

Programme 4: Restitution

Objectives

- Facilitate the restoration of land rights and alternative forms of equitable redress by:
 - increasing the number of land claims finalised from 602 in 2012 to 983 over the medium term
 - increasing the number of land claims settled from 602 in 2012 to 1 457 over the medium term
 - increasing the number of new recapitalised (phased) projects from 53 in 2014 to 76 in 2016.
- Facilitate the reopening and finalisation of the lodgement of restitution land claims for people who did not meet the 31 December 1998 deadline by implementing 23 functional lodgement offices and 9 mobile lodgement units over the medium term.

Subprogrammes

- *Restitution National Office* provides administrative and professional support to the Commission on the Restitution of Land Rights for processing and investigating restitution claims, develops and coordinates restitution policy, and oversees court cases. In 2012/13, 376 land rights and awards of alternative equitable redress were restored or finalised. By the end of September 2013, 28 additional land rights had been restored. This subprogramme had a staff complement of 95 by the end of November 2013.
- *Restitution Regional Offices* is responsible for researching, validating, verifying and negotiating settlements, and provides administrative support services for settling land claims. In 2012/13, 602 land claims were settled and by the end of September 2013, 28 additional land claims had been settled. This subprogramme had a staff complement of 627 at the end of November 2013.
- *Restitution Grants* is discussed in more detail below.

Expenditure estimates

Table 33.11 Restitution

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Restitution National Office	43 350	35 455	38 786	94 229	29.5%	1.8%	46 643	48 944	52 005	-18.0%	2.1%
Restitution Regional Offices	375 495	451 952	356 416	567 413	14.8%	14.7%	319 673	334 740	355 232	-14.5%	13.7%
Restitution Grants	3 347 988	1 888 882	2 470 532	2 255 196	-12.3%	83.5%	2 314 426	2 277 716	2 851 225	8.1%	84.2%
Total	3 766 833	2 376 289	2 865 734	2 916 838	-8.2%	100.0%	2 680 742	2 661 400	3 258 462	3.8%	100.0%
Change to 2013 Budget estimate				(471 210)			(1 036 602)	(1 227 459)	(839 724)		

Economic classification

	413 026	349 507	361 046	658 297	16.8%	14.9%	363 983	381 254	404 792	-15.0%	15.7%
Current payments											
Compensation of employees	204 714	179 382	177 806	222 265	2.8%	6.6%	235 977	247 560	263 899	5.9%	8.4%
Goods and services	141 384	163 668	147 570	436 032	45.6%	7.5%	128 006	133 694	140 893	-31.4%	7.3%
of which:											
Administration fees	4 896	4 369	5 587	4 760	-0.9%	0.2%	4 406	4 491	4 729	-0.2%	0.2%
Advertising	5 506	1 457	1 627	2 806	-20.1%	0.1%	2 734	3 448	3 630	9.0%	0.1%
Assets less than the capitalisation threshold	2 071	927	1 420	4 100	25.6%	0.1%	5 897	5 765	6 034	13.7%	0.2%
Catering: Departmental activities	818	1 281	1 409	2 274	40.6%	-	2 300	2 431	2 560	4.0%	0.1%
Communication	12 094	11 492	12 792	11 293	-2.3%	0.4%	12 916	13 780	14 490	8.7%	0.5%
Computer services	18	146	658	541	210.9%	-	831	767	807	14.3%	-
Consultants and professional services: Business and advisory services	6 751	29 307	12 187	322 381	262.8%	3.1%	18 793	21 583	22 427	-58.9%	3.3%
Consultants and professional services: Infrastructure and planning	115	4	-	64	-17.7%	-	90	107	113	20.9%	-
Consultants and professional services: Legal costs	44 635	42 490	29 054	12 928	-33.8%	1.1%	14 900	12 596	13 280	0.9%	0.5%
Contractors	493	1 309	2 981	3 386	90.1%	0.1%	2 348	2 099	2 169	-13.8%	0.1%
Agency and support / outsourced services	7 483	11 944	12 686	11 389	15.0%	0.4%	7 847	7 068	7 974	-11.2%	0.3%
Entertainment	-	-	1	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	2 121	-	-	1 979	2 294	2 350	3.5%	0.1%
Inventory: Food and food supplies	125	301	297	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	76	144	39	597	98.8%	-	270	307	297	-20.8%	-
Inventory: Medical supplies	-	-	5	-	-	-	-	-	-	-	-
Inventory: Other supplies	280	124	163	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	-	1 731	-	-	1 807	2 124	2 233	8.9%	0.1%
Consumable: Stationery, printing and office supplies	2 589	2 108	3 143	5 627	29.5%	0.1%	5 246	5 955	6 270	3.7%	0.2%
Operating leases	2 085	1 597	149	5 182	35.5%	0.1%	3 637	3 907	4 074	-7.7%	0.1%
Property payments	6 000	4 672	5 181	7 339	6.9%	0.2%	7 395	7 858	8 274	4.1%	0.3%
Transport provided: Departmental activity	772	410	779	1 047	10.7%	-	1 822	2 017	2 124	26.6%	0.1%
Travel and subsistence	37 430	41 389	44 592	22 237	-15.9%	1.2%	20 747	21 441	22 624	0.6%	0.8%
Training and development	606	431	783	2 367	57.5%	-	3 121	3 797	4 048	19.6%	0.1%
Operating payments	1 519	854	1 744	3 533	32.5%	0.1%	3 501	3 529	3 720	1.7%	0.1%
Venues and facilities	5 022	5 988	8 660	5 881	5.4%	0.2%	3 672	4 164	4 385	-9.3%	0.2%
Rental and hiring	-	924	1 633	2 448	-	-	1 747	2 166	2 281	-2.3%	0.1%
Interest and rent on land	66 928	6 457	35 670	-	-100.0%	0.9%	-	-	-	-	-

Table 33.11 Restitution

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Transfers and subsidies	2 576 321	1 889 217	2 470 568	2 255 447	-4.3%	77.1%	2 314 690	2 277 992	2 851 516	8.1%	84.2%
Provinces and municipalities	7	170	5	11	16.3%	-	11	11	12	2.9%	-
Households	2 576 314	1 889 047	2 470 563	2 255 436	-4.3%	77.1%	2 314 679	2 277 981	2 851 504	8.1%	84.2%
Payments for capital assets	776 120	136 201	27 183	3 094	-84.1%	7.9%	2 069	2 154	2 154	-11.4%	0.1%
Machinery and equipment	4 385	4 169	5 585	3 094	-11.0%	0.1%	2 069	2 154	2 154	-11.4%	0.1%
Land and sub-soil assets	771 735	132 032	21 598	-	-100.0%	7.8%	-	-	-	-	-
Payments for financial assets	1 366.0	1 364.0	6 937.0	-	-100.0%	0.1%	-	-	-	-	-
Total	3 766 833.0	2 376 289.0	2 865 734.0	2 916 838.0	-8.2%	100.0%	2 680 742.0	2 661 400.0	3 258 462.0	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	52.9%	29.7%	32.1%	30.8%			28.4%	27.8%	30.5%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	7	170	5	11	16.3%	-	11	11	12	2.9%	-
Vehicle licences	7	170	5	11	16.3%	-	11	11	12	2.9%	-
Households											
Social benefits											
Current	61	165	31	240	57.9%	-	253	265	279	5.1%	-
Employee social benefits	61	165	31	240	57.9%	-	253	265	279	5.1%	-
Households											
Other transfers to households											
Capital	2 576 253	1 888 882	2 470 532	2 255 196	-4.3%	77.1%	2 314 426	2 277 716	2 851 225	8.1%	84.2%
Restitution grants	2 576 253	1 888 882	2 470 532	2 255 196	-4.3%	77.1%	2 314 426	2 277 716	2 851 225	8.1%	84.2%

Personnel information

Table 33.12 Details of approved establishment and personnel numbers according to salary level¹

Salary level	Number of posts estimated for 31 March 2014	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
	722	10	589	177.8	0.3	546	222.3	0.4	650	236.0	0.4	650	247.6	0.4	650	263.9	0.4	6.0%	100.0%
1 - 6	174	5	135	23.6	0.2	124	28.7	0.2	148	31.2	0.2	148	32.8	0.2	148	34.9	0.2	6.1%	22.8%
7 - 10	459	3	371	101.3	0.3	353	139.2	0.4	413	143.2	0.3	413	150.3	0.4	413	160.2	0.4	5.4%	63.8%
11 - 12	63	-	55	30.3	0.6	44	32.1	0.7	62	37.4	0.6	62	39.2	0.6	62	41.8	0.7	12.1%	9.2%
13 - 16	26	2	28	22.6	0.8	25	22.2	0.9	27	24.2	0.9	27	25.4	0.9	27	27.0	1.0	2.6%	4.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on settling and finalising restitution claims to increase access to and promote the productive use of land; providing administrative support for settling restitution claims, including resolving restitution claims in court; and verifying and negotiating claims for settlement.

Over the medium term, expenditure in the *Restitution Provincial Office* subprogramme is expected to increase due to the proposed reopening of land claims as contained in the Restitution of Land Rights Amendment Bill. As a result, the department aims to finalise 371 land claims, 76 phased projects and settle 615 land claims by 2016/17.

Spending on compensation of employees is expected to increase over the medium term as internal capacity is built to deal with the proposed reopening of land claims. As a result, personnel numbers are set to increase from 589 in 2012/13 to 650 in 2014/15 and will remain at this level over the medium term. The programme has a funded establishment of 722 posts. At the end of November 2013, the programme had 10 posts additional to the

establishment and 176 vacant posts due to natural attrition. These posts are expected to be filled by the end of March 2014.

As part of the Cabinet approved budget reductions, the department reduced spending on land restitution grants by R710 million over the medium term due to slow spending. This reduction in expenditure is not expected to have an adverse effect on service delivery. Following a review of the implementation of the comprehensive rural development programme, R2.4 billion has been reprioritised over the medium term from the *Restitution* programme to the *Rural Development* and *National Geomatics Management Services* programmes.

Between 2010/11 and 2013/14, expenditure in the *Restitution National Office* and *Restitution Regional Offices* subprogrammes increased in order to speed up the restitution process. As a result, 602 land claims were settled in 2012 and 230 were expected to be settled by the end of 2013/14. Over the same period, expenditure on goods and services increased specifically on consultants, as a result of research that needed to be conducted to aid the speeding up of the restitution process. Consultants are used to perform this function because of the specialised and technical nature of the research.

Subprogramme: Restitution Grants

This subprogramme pays grants to redress restitution claims by restoring land or providing alternative land; provides financial compensation and alternative relief; offers settlement planning and facilitation assistance; and contributes funds for the resettlement of communities.

Expenditure estimates

Table 33.13 Restitution Grants

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Transfers and subsidies	2 576 253	1 888 882	2 470 532	2 255 196		-4.3%	92.3%	2 314 426	2 277 716	2 851 225	8.1%	100.0%
Households	2 576 253	1 888 882	2 470 532	2 255 196		-4.3%	92.3%	2 314 426	2 277 716	2 851 225	8.1%	100.0%
Payments for capital assets	771 735	-	-	-		-100.0%	7.7%	-	-	-	-	-
Land and sub-soil assets	771 735	-	-	-		-100.0%	7.7%	-	-	-	-	-
Total	3 347 988.0	1 888 882.0	2 470 532.0	2 255 196.0		-12.3%	100.0%	2 314 426.0	2 277 716.0	2 851 225.0	8.1%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	88.9%	79.5%	86.2%	77.3%				86.3%	85.6%	87.5%		

Expenditure trends

The spending focus over the medium term will be on research to improve the credibility of the claims system and on finalising claims submitted before the 31 December 1998, to address any backlogs in the claims register. The aim is to settle 1 457 new land claims and 238 phased projects, and to clear the commitments of or finalise 983 settled claims by 2016 to increase access to and promote the productive use of land.

In 2013/14, 38 land claims were settled, against the target for the year of 230, with a further 59 finalised as at 30 September 2013 against that year's target of 208. The rate of settlement was low because of the lengthy period involved in finalising claims. Spending increased significantly during this period due to the high cost of the partial settlement of the Mhlanganisweni community's claim in 2013. To date, 77 334 claims have been settled. Of these, 71 292 have been settled through financial compensation totalling R7 billion.

The subprogramme's total expenditure over the medium term will go towards transfers to households for finalising claims, which is the core business of the land restitution process. 353 restitution land claims are presently under litigation and the department has made a provision over the medium term for the possibility of the land claims court ruling in favour of the claimants. The department projects that 379 claims will be settled, 53 phased projects finalised and 239 claims finalised by 2014/15.

Programme 5: Land Reform

Objectives

- Promote equitable land redistribution and agricultural development by acquiring 1 140 000 hectares of strategically located land by 2016.
- Provide comprehensive farm development support by:
 - financially assisting 2 280 smallholder farmers on agrarian transformation to be fully productive by 2016
 - increasing the number of farms developed through the recapitalisation and development programme from 344 in 2013 to 2 415 by 2016
 - increasing the number of farmers trained through the recapitalisation and development programme from 628 in 2013 to 1 823 by 2016.

Subprogrammes

- *Land Reform National Office* develops and coordinates land reform products; facilitates the implementation of land reform programmes and projects; provides support services to provincial offices; provides state land administration services; provides information, risk and compliance management in the land reform branch; provides strategic land reform intervention support through recapitalisation and development services to align land reform strategic institutional partnerships; provides land acquisition and land warehouse services; and is responsible for the land reform empowerment facility, which provides for transfers to Khula Enterprise Finance, the revolving credit loan facility established to finance land acquisition and equity in commercial farming ventures. In 2012/13, 421 farmers were trained under the skills development programme. A further 361 had been trained by the end of September 2013. This subprogramme had a staff complement of 128 at the end of November 2013.
- *Land Reform Provincial Offices* implements land reform programmes and projects and administers state land in each province. Land needs will be categorised in 2014/15 to ensure the successful implementation of land reform, which is measured in terms of job creation, increased incomes and a critical mass of successful farmers contributing to the gross domestic product. In 2014/15, provincial offices will be recapitalised to develop distressed land reform projects and strengthen the security of tenure of farm dwellers and labour tenants by providing legal support. In 2012/13, 1 059 jobs were created in the land reform project. By the end of September 2013, 450 additional jobs had been created. This subprogramme had a staff complement of 531 at the end of November 2013.
- *Land Reform Grants* provides funding for project and programme planning, land acquisition and settlement, and allows the department to maintain, plan, develop or improve property. In 2013/14, this subprogramme had a budget of R546.6 million for the recapitalisation and development of distressed farms, and for animal and veld management. In 2012/13, 200 new farms were under recapitalisation. By the end of September 2013, 24 new farms had been recapitalised.
- *KwaZulu-Natal Ingonyama Trust Board* provides quarterly transfers for administering Ingonyama Trust land. By the end of September 2013, 12 labour tenant applications had been settled. This subprogramme had a staff complement of 57 at the end of November 2013.
- *Agricultural Land Holding Account* is responsible for buying and holding land until suitable beneficiaries are identified in terms of the Provisions of Land and Assistance Act (1993). This subprogramme's total budget is used for recapitalisation, development and land acquisition. By the end of September 2013, 54 land parcels had been confirmed as vested.

Expenditure estimates

Table 33.14 Land Reform

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Land Reform National Office	96 689	131 673	128 991	138 908	12.8%	4.4%	124 694	130 543	138 246	-0.2%	4.7%
Land Reform Provincial Offices	296 339	264 625	245 983	368 854	7.6%	10.4%	321 512	337 886	358 298	-1.0%	12.1%
Land Reform Grants	506 202	472 691	634 332	546 591	2.6%	19.0%	420 258	543 979	573 049	1.6%	18.3%
KwaZulu-Natal Ingonyama Trust Board	9 157	13 034	18 816	14 500	16.6%	0.5%	17 294	18 069	18 788	9.0%	0.6%
Communal Land Rights Programme	336	-	-	-	-100.0%	-	-	-	-	-	-
Agricultural Land Holding Account	1 028 482	2 435 784	2 298 335	1 697 119	18.2%	65.7%	1 934 628	1 808 856	1 904 727	3.9%	64.3%
Total	1 937 205	3 317 807	3 326 457	2 765 972	12.6%	100.0%	2 818 386	2 839 333	2 993 107	2.7%	100.0%
Change to 2013 Budget estimate				(629 141)			(655 380)	(690 769)	(727 378)		

Economic classification

Current payments	387 114	367 151	369 049	496 633	8.7%	14.3%	445 716	468 405	496 519	-	16.7%
Compensation of employees	225 303	178 709	188 060	291 126	8.9%	7.8%	241 156	252 859	269 550	-2.5%	9.2%
Goods and services	161 625	188 178	180 989	205 507	8.3%	6.5%	204 560	215 546	226 969	3.4%	7.5%
of which:											
Administration fees	3 159	4 588	3 375	12 716	59.1%	0.2%	20 170	20 582	21 672	19.4%	0.7%
Advertising	1 036	2 171	1 082	3 482	49.8%	0.1%	1 835	2 005	2 261	-13.4%	0.1%
Assets less than the capitalisation threshold	1 800	2 376	1 728	15 164	103.5%	0.2%	14 882	15 923	16 970	3.8%	0.6%
Audit costs: External	-	-	75	18 838	-	0.2%	-	-	-	-100.0%	0.2%
Catering: Departmental activities	2 634	4 471	2 623	3 384	8.7%	0.1%	1 784	1 987	2 092	-14.8%	0.1%
Communication	12 052	11 902	13 141	13 500	3.9%	0.4%	13 694	15 637	16 366	6.6%	0.5%
Computer services	3 149	2 737	2 539	2 765	-4.2%	0.1%	4 362	4 476	4 713	19.5%	0.1%
Consultants and professional services: Business and advisory services	52 637	40 016	10 965	10 956	-40.7%	1.0%	35 029	36 183	38 101	51.5%	1.1%
Consultants and professional services: Infrastructure and planning	5 973	3 364	150	6 867	4.8%	0.1%	6 003	6 215	6 544	-1.6%	0.2%
Consultants and professional services: Legal costs	5 893	4 271	42 665	28 226	68.6%	0.7%	24 033	24 645	25 951	-2.8%	0.9%
Contractors	1 743	1 374	574	4 763	39.8%	0.1%	4 567	4 792	5 046	1.9%	0.2%
Agency and support / outsourced services	1 467	13 120	14 720	6 331	62.8%	0.3%	3 759	3 050	3 212	-20.2%	0.1%
Entertainment	7	5	4	5	-10.6%	-	-	-	-	-100.0%	-
Fleet services (including government motor transport)	-	-	1	4 016	-	-	1 997	1 944	2 048	-20.1%	0.1%
Inventory: Clothing material and accessories	-	-	-	334	-	-	20	171	180	-18.6%	-
Inventory: Farming supplies	-	-	-	5	-	-	-	-	-	-100.0%	-
Inventory: Food and food supplies	132	160	131	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	2	-	1	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	159	163	65	235	13.9%	-	425	444	467	25.7%	-
Inventory: Medical supplies	-	4	12	31	-	-	-	-	-	-100.0%	-
Inventory: Other supplies	103	275	233	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	-	1 628	-	-	2 069	2 477	2 608	17.0%	0.1%
Consumable: Stationery, printing and office supplies	2 649	3 679	3 246	6 445	34.5%	0.1%	3 860	3 212	3 382	-19.3%	0.1%
Operating leases	2 884	2 640	411	5 529	24.2%	0.1%	8 122	8 599	9 055	17.9%	0.3%
Property payments	9 231	7 807	5 568	5 908	-13.8%	0.3%	4 670	6 126	6 451	3.0%	0.2%
Transport provided: Departmental activity	190	1 182	1 465	1 080	78.5%	-	1 691	1 768	1 862	19.9%	0.1%
Travel and subsistence	45 522	60 892	58 459	41 157	-3.3%	1.8%	25 517	27 937	29 164	-10.8%	1.1%
Training and development	665	681	665	1 977	43.8%	-	3 284	3 623	3 816	24.5%	0.1%
Operating payments	1 134	3 723	2 045	4 567	59.1%	0.1%	19 007	19 931	20 987	66.3%	0.6%
Venues and facilities	7 404	16 118	14 660	5 283	-10.6%	0.4%	3 780	3 819	4 021	-8.7%	0.1%
Rental and hiring	-	459	386	315	-	-	-	-	-	-100.0%	-
Interest and rent on land	186	264	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies	1 544 540	2 944 994	2 952 328	2 258 332	13.5%	85.5%	2 372 200	2 370 928	2 496 589	3.4%	83.2%
Provinces and municipalities	93	23 236	532	87	-2.2%	0.2%	19	23	24	-34.9%	-
Departmental agencies and accounts	1 037 639	2 448 818	2 221 313	1 711 619	18.2%	65.4%	1 951 922	1 826 925	1 923 515	4.0%	64.9%
Public corporations and private enterprises	-	-	153 558	1	-	1.4%	1	1	1	-	-
Households	506 808	472 940	576 925	546 625	2.6%	18.5%	420 258	543 979	573 049	1.6%	18.3%

Table 33.14 Land Reform

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Payments for capital assets	4 750	5 268	4 582	11 007	32.3%	0.2%	470	-	-	-100.0%	0.1%
Buildings and other fixed structures	-	-	386	-	-	-	-	-	-	-	-
Machinery and equipment	4 047	5 268	4 196	11 007	39.6%	0.2%	470	-	-	-100.0%	0.1%
Land and sub-soil assets	703	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	801.0	394.0	498.0	-	-100.0%	-	-	-	-	-	-
Total	1 937 205.0	3 317 807.0	3 326 457.0	2 765 972.0	12.6%	100.0%	2 818 386.0	839 333.0	2 993 108.0	2.7%	100.0%
Proportion of total programme expenditure to vote expenditure	27.2%	41.5%	37.3%	29.2%			29.8%	29.7%	28.0%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current											
	93	23 236	532	87	-2.2%	0.2%	19	23	24	-34.9%	-
Employee social benefits	-	22 949	-	-	-	0.2%	-	-	-	-	-
Vehicle licences	93	79	14	87	-2.2%	-	19	23	24	-34.9%	-
Rates and taxes	-	208	518	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current											
	1 037 639	2 448 818	2 221 313	1 711 619	18.2%	65.4%	1 951 922	1 826 925	1 923 515	4.0%	64.9%
KwaZulu-Natal Ingonyama Trust Board	9 157	13 034	18 816	14 500	16.6%	0.5%	17 294	18 069	18 788	9.0%	0.6%
Agricultural land holding account	1 028 482	2 435 784	2 202 497	1 697 119	18.2%	64.9%	1 934 628	1 808 856	1 904 727	3.9%	64.3%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current											
	-	-	-	1	-	-	1	1	1	-	-
Land reform empowerment facility	-	-	-	1	-	-	1	1	1	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current											
	-	-	95 838	-	-	0.8%	-	-	-	-	-
Agricultural land holding account	-	-	95 838	-	-	0.8%	-	-	-	-	-
Capital											
	-	-	57 720	-	-	0.5%	-	-	-	-	-
Independent Development Trust	-	-	57 720	-	-	0.5%	-	-	-	-	-
Households											
Social benefits											
Current											
	1 309	249	313	34	-70.4%	-	-	-	-	-100.0%	-
Employee social benefits	1 309	249	313	34	-70.4%	-	-	-	-	-100.0%	-
Households											
Other transfers to households											
Capital											
	505 499	472 691	576 612	546 591	2.6%	18.5%	420 258	543 979	573 049	1.6%	18.3%
Land reform grants	505 499	472 691	576 612	546 591	2.6%	18.5%	420 258	543 979	573 049	1.6%	18.3%

Personnel information

Table 33.15 Details of approved establishment and personnel numbers according to salary level¹

Land Reform Salary level	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
	659	86	675	188.1	0.3	584	291.1	0.5	707	241.2	0.3	707	252.9	0.4	707	269.6	0.4	6.6%	100.0%
1 - 6	62	59	125	19.4	0.2	118	32.6	0.3	124	23.3	0.2	124	24.4	0.2	124	26.0	0.2	1.7%	18.1%
7 - 10	475	26	437	108.8	0.2	370	174.4	0.5	463	145.8	0.3	463	152.9	0.3	463	163.0	0.4	7.8%	65.0%
11 - 12	95	-	89	43.6	0.5	77	62.6	0.8	93	51.5	0.6	93	54.0	0.6	93	57.5	0.6	6.5%	13.2%
13 - 16	27	1	24	16.2	0.7	19	21.5	1.1	27	20.6	0.8	27	21.6	0.8	27	23.0	0.9	12.4%	3.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on providing, through the *Agricultural Land Holding Account* subprogramme, comprehensive farm development support entailing technical, financial and management assistance to smallholder farmers and land reform beneficiaries, and acquiring strategically located land for productive use.

To date, under the department's recapitalisation and development programme, 1 350 farms have been recapitalised and developed to the value of R2.6 billion, with the programme acquiring 4 246 895 hectares of land.

Over the medium term, expenditure in the *Land Reform Grants* subprogramme is expected to increase due to the recapitalisation and development programme. R2.1 billion is reprioritised from the *Land Reform* programme to support the department's drive of implementing the comprehensive rural development programme. In order to speed up land reform, 1 140 000 hectares of strategically located land will be acquired through the *Agricultural Land Holding Account* subprogramme and over 2 706 farmers will be trained through the recapitalisation and development programme. The agricultural land holding account receives R5.7 billion in transfers over the medium term for recapitalisation, development and land acquisition.

In order to develop internal capacity in line with the restructuring of the *Land Reform* programme, the number of personnel in this programme increased from 675 in 2012/13 to 707 in 2014/15. This explains the increase in compensation of employees in the same period. Spending on compensation of employees is expected to decrease over the medium term due to the reprioritisation of funds away from the *Land Reform National Offices* and *Land Reform Provincial Offices* subprogrammes. At the end of November 2013, the programme had a funded establishment of 659 posts, with 86 posts additional to this establishment. There are 75 vacant posts due to natural attrition and the length of time it takes to fill vacancies.

The land reform process resulted in a significant increase in expenditure in the *Land Reform National Office* and *Land Reform Regional Offices* subprogrammes between 2010/11 and 2013/14. Expenditure in the *Land Reform Grants* subprogramme decreased in 2011/12 as funds were reprioritised to speed up the restitution process, and to the *Agricultural Land Holding Account* subprogramme for the acquisition of strategically located land, as land was no longer being acquired through the *Land Reform Grants* subprogramme.

Expenditure on the *Agricultural Land Holding Account* subprogramme increased to recapitalise distressed farms. Over the same period, spending on consultants increased due to the specialist technical skills required, such as entrepreneurial and agricultural mentoring from established farmers. Over the period, 1 326 farmers were trained through the recapitalisation and development programme.

Over the same period, operational expenditure on the *KwaZulu-Natal Ingonyama Trust Board* subprogramme increased to institute its new structure and to enable more people to be employed so that the board could carry out its mandate effectively.

Public entities and other agencies

Registration of deeds trading account

Mandate and goals

The Deeds Registries Act (1937) makes provision for the administration of the land registration system and the registration of rights in land. It requires that deeds and documents are prepared and lodged in a deeds registry by a conveyancer or public notary, and are scrutinised for accuracy and compliance with common law, case law and statutory law. The main goal of the trading account is to contribute to effective land planning, administration and property registration.

Selected performance indicators

Table 33.16 Registration of Deeds Trading Account

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of properties registered per year	Registration of title deeds	Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all	50 390	180 547	498 210	569 120	648 942	724 864	801 546

Programmes/activities/objectives

Table 33.17 Registration of Deeds Trading Account

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	
Administration	119 163	135 520	145 491	170 622	12.7%	28.9%	245 006	257 115	268 920	16.4%	31.4%
Registration of title deeds	298 655	381 394	332 206	389 073	9.2%	71.1%	481 988	554 611	629 576	17.4%	68.6%
Total expense	417 818	516 914	477 697	559 695	10.2%	100.0%	726 994	811 726	898 496	17.1%	100.0%

Expenditure estimates

Table 33.18 Registration of Deeds Trading Account

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	354 614	389 303	428 613	481 954	10.8%	81.5%	613 800	691 065	771 440	17.0%	80.5%
Sale of goods and services other than capital assets	350 533	382 765	418 692	476 087	10.7%	80.1%	602 434	679 322	759 277	16.8%	79.2%
<i>of which:</i>											
Administrative fees	350 533	382 765	418 692	476 087	10.7%	80.1%	602 434	679 322	759 277	16.8%	79.2%
Other non-tax revenue	4 081	6 538	9 921	5 867	12.9%	1.3%	11 366	11 743	12 163	27.5%	1.3%
Transfers received	40 819	130 637	23 815	241 741	80.9%	18.5%	113 194	120 661	127 056	-19.3%	19.5%
Total revenue	395 433	519 940	452 428	723 695	22.3%	100.0%	726 994	811 726	898 496	7.5%	100.0%
Expenses											
Current expenses	417 818	516 914	477 697	559 695	10.2%	100.0%	726 994	811 726	898 496	17.1%	100.0%
Compensation of employees	257 984	286 211	309 624	353 969	11.1%	61.3%	463 970	489 025	514 943	13.3%	61.2%
Goods and services	131 283	203 079	141 015	177 668	10.6%	33.0%	233 808	292 494	352 429	25.6%	34.8%
Depreciation	28 412	27 351	26 888	27 752	-0.8%	5.7%	28 892	29 864	30 756	3.5%	4.0%
Interest, dividends and rent on land	139	273	170	306	30.1%	0.0%	324	343	368	6.3%	0.0%
Total expenses	417 818	516 914	477 697	559 695	10.2%	100.0%	726 994	811 726	898 496	17.1%	100.0%
Surplus/(Deficit)	(22 385)	3 026	(25 269)	164 000	-294.2%		-	-	-	-100.0%	
Statement of financial position											
Carrying value of assets	100 429	93 298	93 931	102 898	0.8%	42.5%	108 557	110 528	114 028	3.5%	44.0%
<i>of which:</i>											
Acquisition of assets	5 472	19 741	28 215	198 946	231.3%	26.9%	26 925	26 589	17 906	-55.2%	28.3%
Inventory	1 328	1 748	1 934	2 040	15.4%	0.8%	2 152	2 271	2 405	5.6%	0.9%
Receivables and prepayments	50 169	110 812	79 462	82 421	18.0%	34.4%	84 954	85 737	87 423	2.0%	34.4%
Cash and cash equivalents	56 526	52 384	48 084	47 873	-5.4%	22.3%	50 506	52 284	54 891	4.7%	20.7%
Total assets	208 452	258 242	223 411	235 232	4.1%	100.0%	246 169	250 820	258 747	3.2%	100.0%
Accumulated surplus/(deficit)	162 782	165 808	165 808	165 808	0.6%	71.8%	165 808	165 808	165 808	-	67.0%
Finance lease	1 854	2 280	768	1 489	-7.0%	0.7%	1 571	1 657	2 679	21.6%	0.7%
Deferred income	-	12 686	-	3 617	-	1.6%	3 816	4 026	5 897	17.7%	1.7%
Trade and other payables	30 272	63 736	45 700	51 726	19.6%	20.4%	61 689	65 314	68 459	9.8%	24.9%
Provisions	13 544	13 732	11 135	12 592	-2.4%	5.5%	13 285	14 015	15 904	8.1%	5.6%
Total equity and liabilities	208 452	258 242	223 411	235 232	4.1%	100.0%	246 169	250 820	258 747	3.2%	100.0%

Personnel information

Table 33.19 Registration of Deeds Trading Account

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
		1 410	1 997	1 504	309.6	0.2	1 168	354.0	0.3	1 168	464.0	0.4	1 410	489.0	0.3	1 410			
Salary level																			
1 – 6	526	805	611	83.0	0.1	457	84.9	0.2	457	108.2	0.2	526	121.1	0.2	526	118.3	0.2	11.7%	38.2%
7 – 10	653	912	695	150.2	0.2	523	165.4	0.3	523	207.4	0.4	653	231.5	0.4	653	239.3	0.4	13.1%	45.5%
11 – 12	187	231	163	52.3	0.3	155	70.4	0.5	155	110.5	0.7	187	93.6	0.5	187	112.8	0.6	17.0%	13.3%
13 – 16	44	49	35	24.1	0.7	33	33.2	1.0	33	37.9	1.1	44	42.8	1.0	44	44.5	1.0	10.3%	3.0%

¹. Rand million.

Expenditure trends

The registration of deeds trading account generates revenue mainly by selling deeds information and registering property.

Revenue increased due to the rise in the number of properties registered, which increased from 50 390 in 2010/11 to 569 120 in 2013/14. Over the medium term, revenue is expected to continue to increase in line with the projected increase in the number of properties registered over this period. There will also be an increase in expenditure on goods and services to speed up the registration and documentation of property so as to achieve 2 175 352 registered properties by 2016. It is because of this objective that between 2010/11 and 2013/14, expenditure on goods and services and on the registration of title deeds programme increased in line with the increase in the number of properties registered. This resulted in higher equipment costs related to the extra workload.

In 2013/14, the trading account received a transfer of R241.7 million from the department: R64 million was used for IT software, R164 million for the electronic cadastre project, and R13.7 million for cost of living adjustments.

The spending focus over the medium term will be on implementing an electronic register system, which will ensure effective land planning and administration, as well as the registration of property. The projected transfers of R113.2 million in 2014/15 and R127.1 million in 2015/16 are mainly for implementing the electronic register. The electronic system is expected to improve the quality of the property registration process and result in increased stakeholder confidence in the service.

Spending on compensation of employees is set to increase over the same period to assist with the implementation of the electronic register. Personnel numbers are expected to increase over the medium term from 1 168 in 2013/14 to 1 410 in 2016/17. The entity has a funded staff complement of 1 410, with 242 vacancies at the end of November 2013 due to natural attrition. These will be filled over the medium term as staff are recruited to implement the electronic register.

Agricultural land holding account

Mandate and goals

The account was established in 2009 under the Provision of Land and Assistance Act (1993). The act authorises the minister to: purchase land to advance the aims of land reform and thus enable the department to speed up the process of land redistribution, acquire land in identified agricultural sectors and in other areas of high agricultural potential, improve the identification and selection of beneficiaries, improve the planning of land for settlement, and ensure that land acquired is used as productively as possible.

The entity's main strategic goal over the medium term is to ensure that there is a greater access to and more productive use of land, as well as to acquire land for redistribution to land reform beneficiaries.

Selected performance indicators

Table 33.20 Agricultural land holding account

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of hectares acquired and redistributed per year	Strategically located land acquired and allocated by 2014	Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all	162 892ha	392 850ha	118 872ha	311 917ha	310 853ha	331 249ha	350 234ha
Number of farms newly placed under recapitalisation	Recapitalisation and development support provided to land reform beneficiaries and rural communities by 2014		23 011	257	172	344	368	341	410 –

Programmes/activities/objectives

Table 33.21 Agricultural land holding account

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Increase access to productive use of land	76 997	312 266	246 569	309 692	59.0%	100.0%	301 433	294 880	310 509	0.1%	100.0%
Total expense	76 997	312 266	246 569	309 692	59.0%	100.0%	301 433	294 880	310 509	0.1%	100.0%

Expenditure estimates

Table 33.22 Agricultural land holding account

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	69 107	98 277	127 728	86 849	7.9%	4.8%	120 419	127 644	135 303	15.9%	4.9%
Other non-tax revenue	69 107	98 277	127 728	86 849	7.9%	4.8%	120 419	127 644	135 303	15.9%	4.9%
Transfers received	1 028 480	2 435 784	2 298 335	2 218 287	29.2%	95.2%	2 269 508	2 230 263	2 352 927	2.0%	95.1%
Total revenue	1 097 587	2 534 061	2 426 063	2 305 136	28.1%	100.0%	2 389 927	2 357 907	2 488 230	2.6%	100.0%
Expenses											
Current expenses	76 997	312 266	246 569	309 692	59.0%	100.0%	301 433	294 880	310 509	0.1%	100.0%
Goods and services	76 952	311 495	246 548	309 692	59.1%	99.9%	301 433	294 880	310 509	0.1%	100.0%
Interest, dividends and rent on land	45	771	21	–	-100.0%	0.1%	–	–	–	–	–
Total expenses	76 997	312 266	246 569	309 692	59.0%	100.0%	301 433	294 880	310 509	0.1%	100.0%
Surplus/(Deficit)	1 020 590	2 221 795	2 179 494	1 995 444	25.0%		2 088 494	2 063 027	2 177 721	3.0%	
Statement of financial position											
Carrying value of assets	–	6 522 666	8 064 908	10 289 020	–	67.7%	12 377 514	14 440 541	16 618 262	17.3%	93.1%
<i>of which:</i>											
Acquisition of assets	1 313 113	2 291 525	1 940 703	1 995 444	15.0%	24.6%	1 753 614	1 641 620	1 729 521	-4.7%	12.8%
Investments	–	216 454	228 668	240 101	–	1.9%	252 106	264 711	277 947	5.0%	1.8%
Inventory	4 430 463	–	–	–	-100.0%	22.9%	–	–	–	–	–
Receivables and prepayments	141 930	248 207	640 622	423 711	44.0%	4.3%	405 253	385 688	408 829	-1.2%	2.9%
Cash and cash equivalents	259 377	86 490	318 802	297 936	4.7%	3.2%	305 496	313 630	278 498	-2.2%	2.1%
Total assets	4 831 770	7 073 817	9 253 000	11 250 768	32.5%	100.0%	13 340 369	15 404 570	17 583 536	16.0%	100.0%
Accumulated surplus/(deficit)	4 817 453	7 057 390	9 236 866	11 232 310	32.6%	99.8%	13 320 804	15 383 831	17 561 552	16.1%	99.9%
Trade and other payables	14 317	16 427	16 036	18 458	8.8%	0.2%	19 565	20 739	21 984	6.0%	0.1%
Derivatives financial instruments	–	–	98	–	–	0.0%	–	–	–	–	–
Total equity and liabilities	4 831 770	7 073 817	9 253 000	11 250 768	32.5%	100.0%	13 340 369	15 404 570	17 583 536	16.0%	100.0%

Expenditure trends

The main source of revenue of the agricultural land holding account is the annual transfer from the department. Between 2010/11 and 2013/14, revenue increased to provide for the implementation of the recapitalisation and development programme, which is a partnership with the private sector that seeks to resuscitate distressed farms.

Over the medium term, revenue is set to increase as the implementation of the recapitalisation and development programme continues. This will enable the account to increase the number of hectares of land acquired from

311 917 in 2013 to 350 234 by 2016. It will also enable an increase in the number of newly placed farms under recapitalisation from 344 in 2013 to 410 by 2016.

The spending focus over the medium term will be on acquiring land for redistribution, recapitalising and developing newly acquired and distressed farms, and increasing access to and promoting the productive use of land, as part of the policy to proactively and flexibly enter the land market. To date, 1 350 farms have been recapitalised and developed, and over 4 million hectares of land acquired.

Over the medium term, projections are to allocate a further 570 000 hectares of productive land and train over 1 800 farmers through the recapitalisation and development programme, by providing technical, financial and management assistance by 2016. As a result, goods and services expenditure is expected to increase to achieve the target of supporting 2 500 farms and 3 000 smallholder farmers and acquire an additional 1 140 000 hectares of land by 2016. To improve the land management system's efficiency and its capacity to realise fair value in acquiring land for land reform, the department is establishing an office of the valuer general.

The entity has no staff complement.

KwaZulu-Natal Ingonyama Trust Board

Mandate and goals

The KwaZulu-Natal Ingonyama Trust Act (1994) makes provision for 2 790 000 hectares of land spread across KwaZulu-Natal to be held in trust and managed on behalf of communities. The affairs of the trust are administered by the Ingonyama Trust Board, which was established in terms of this act. The board's main goal over the medium term is optimal land management for the material benefit and social wellbeing of the communities, and optimal land use through effective land management plans. The board is also responsible for providing land tenure rights to the approximately 4.5 million people who live on this land and who fall under the jurisdiction of 241 traditional councils.

Selected performance indicators

Table 33.23 KwaZulu-Natal Ingonyama Trust Board

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Numbers of land tenure rights to be captured on the land tenure system per year	Asset register maintenance	Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all	226	700	859	1 601	2 003	2 371	2 400

Programmes/activities/objectives

Table 33.24 KwaZulu-Natal Ingonyama Trust Board

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand					2010/11 - 2013/14					2013/14 - 2016/17	
Administration	18 623	24 895	36 927	43 149	32.3%	54.0%	31 446	33 002	34 560	-7.1%	56.2%
Asset register management	159	256	382	525	48.9%	0.6%	200	210	221	-25.1%	0.4%
land identification for special projects	466	1 950	22	1 535	48.8%	1.8%	1 612	1 693	1 778	5.0%	2.7%
Community benefit projects	24 129	18 632	19 318	31 542	9.3%	42.5%	21 740	23 346	25 091	-7.3%	40.1%
Stakeholder relationships and community liaison	-	252	1 976	315	-	1.1%	331	347	365	5.0%	0.5%
Total expense	43 377	45 985	58 625	77 066	21.1%	100.0%	55 329	58 598	62 015	-7.0%	100.0%

Expenditure estimates

Table 33.25 KwaZulu-Natal Ingonyama Trust Board

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	40 810	34 973	51 250	62 566	15.3%	77.2%	47 379	50 282	53 242	-5.2%	84.6%
Other non-tax revenue	40 810	34 973	51 250	62 566	15.3%	77.2%	47 379	50 282	53 242	-5.2%	84.6%
Transfers received	9 157	13 034	18 816	14 500	16.6%	22.8%	7 950	8 316	8 773	-15.4%	15.4%
Total revenue	49 967	48 007	70 066	77 066	15.5%	100.0%	55 329	58 598	62 015	-7.0%	100.0%
Expenses											
Current expenses	43 377	45 985	58 625	77 066	21.1%	100.0%	55 329	58 598	62 015	-7.0%	100.0%
Compensation of employees	5 833	8 857	11 156	14 213	34.6%	17.5%	14 637	15 442	16 291	4.7%	24.4%
Goods and services	37 138	35 829	45 652	59 741	17.2%	79.7%	37 637	40 038	42 617	-10.6%	70.6%
Depreciation	406	1 299	1 817	3 112	97.2%	2.7%	3 055	3 118	3 107	-0.1%	5.0%
Total expenses	43 377	45 985	58 625	77 066	21.1%	100.0%	55 329	58 598	62 015	-7.0%	100.0%
Surplus/(Deficit)	6 590	2 022	11 441	-	-100.0%		-	-	-	-	
Statement of financial position											
Carrying value of assets	17 648	29 674	40 866	42 754	34.3%	11.8%	40 201	37 609	35 053	-6.4%	13.0%
of which:											
Acquisition of assets	-	13 340	13 118	-	-	2.4%	-	-	-	-	-
Receivables and prepayments	42 564	54 900	85 221	86 000	26.4%	24.3%	87 000	88 000	89 000	1.1%	29.0%
Cash and cash equivalents	185 674	175 193	172 086	157 348	-5.4%	63.9%	169 401	181 093	192 749	7.0%	58.0%
Total assets	245 886	259 767	298 173	286 102	5.2%	100.0%	296 602	306 702	316 802	3.5%	100.0%
Accumulated surplus/(deficit)	96 817	98 790	110 230	99 102	0.8%	37.3%	99 102	99 102	99 102	-	32.9%
Finance lease	54	23	-	-	-100.0%	0.0%	-	-	-	-	-
Trade and other payables	4 697	10 689	13 249	12 000	36.7%	3.7%	12 500	12 600	12 700	1.9%	4.1%
Provisions	144 318	150 266	174 694	175 000	6.6%	59.1%	185 000	195 000	205 000	5.4%	63.0%
Total equity and liabilities	245 886	259 768	298 173	286 102	5.2%	100.0%	296 602	306 702	316 802	3.5%	100.0%

Personnel information

Table 33.26 KwaZulu-Natal Ingonyama Trust Board

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
	42	42	42	11.2	0.3	57	14.2	0.2	57	14.6	0.3	57	15.4	0.3	57	16.3	0.3	4.7%	100.0%
7 - 10	6	6	4	0.2	0.1	31	4.1	0.1	31	4.2	0.1	31	4.5	0.1	31	4.7	0.2	5.1%	54.4%
11 - 12	25	25	27	5.9	0.2	22	7.1	0.3	22	7.5	0.3	22	7.9	0.4	22	8.4	0.4	5.5%	38.6%
13 - 16	11	11	11	5.0	0.5	4	3.0	0.8	4	2.9	0.7	4	3.0	0.8	4	3.2	0.8	2.0%	7.0%

1. Rand million.

Expenditure trends

The KwaZulu-Natal Ingonyama Trust Board's main sources of revenue are land lease payments and the transfer payment received from the department.

Between 2010/11 and 2013/14, revenue increased due to the higher number of lease payments received. The revenue generated over the medium term will be used to register more properties. However, revenue over the medium term is expected to decrease, mainly from that generated by lease payments due to an expected decline in the number of people paying lease payments who leave the land rental market to become property owners. Through cost effective spending, the entity aims to achieve 2 400 land tenure rights registered by 2016/17, compared with the 1 601 achieved in 2013/14.

The transfer of R14.5 million from the department in 2013/14 was mainly for compensation of employees. Expenditure on compensation of employees increased between 2010/11 and 2013/14 as vacant posts were filled. Over the medium term, spending on compensation of employees is expected to increase marginally to provide

for inflationary adjustments. By 2016/17, personnel numbers will stand at 57 compared to 42 in 2012. This increase in capacity will enable the board to increase the number of land tenure rights captured on the land tenure system annually to 2 400 in 2016/17. At the end of November 2013, the board had a funded establishment of 42 employees and had no vacancies.

Between 2010/11 and 2013/14, spending on goods and services grew to provide for office accommodation, the construction of an administration building and the restructuring of the trust to enable it to carry out its mandate effectively. Expenditure on the office accommodation component in goods and services is expected to decrease over the medium term due to the completion of the board's administration building in 2013/14.

The board's spending focus over the medium term will be on achieving optimal land management and use through effective land management plans, for the material benefit and social wellbeing of the local communities.

Additional tables

Table 33.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	1 096 658	1 091 274	1 103 425	940 652	249 141	1 189 793	1 189 793
National Geomatics Management Services	561 932	595 932	548 364	508 504	286 210	794 714	794 714
Rural Development	934 824	1 041 208	1 075 587	1 227 423	565 000	1 792 423	1 792 423
Restitution	3 000 000	2 961 519	2 865 734	3 388 048	(471 210)	2 916 838	2 916 838
Land Reform	3 284 152	3 284 152	3 326 457	3 395 113	(629 141)	2 765 972	2 765 972
Total	8 877 566	8 974 085	8 919 567	9 459 740	-	9 459 740	9 459 740
Economic classification							
Current payments	3 212 971	3 516 472	3 180 052	3 052 091	1 547 062	4 599 153	4 599 153
Compensation of employees	1 555 959	1 483 887	1 727 823	1 676 908	288 455	1 965 363	1 965 363
Goods and services	1 657 012	2 032 585	1 416 551	1 375 183	1 258 607	2 633 790	2 633 790
Interest and rent on land	-	-	35 678	-	-	-	-
Transfers and subsidies	5 649 849	5 420 519	5 604 935	6 391 374	(1 571 541)	4 819 833	4 819 833
Provinces and municipalities	45	125	557	141	78	219	219
Departmental agencies and accounts	2 189 233	2 067 347	2 328 280	2 481 290	(546 998)	1 934 292	1 934 292
Foreign governments and international organisations	1 340	1 540	1 459	1 400	373	1 773	1 773
Public corporations and private enterprises	130 930	10 930	193 361	118 540	(60 000)	58 540	58 540
Non-profit institutions	2 700	2 700	5 061	2 849	-	2 849	2 849
Households	3 325 601	3 337 877	3 076 217	3 787 154	(964 994)	2 822 160	2 822 160
Payments for capital assets	14 746	37 094	124 193	16 275	24 479	40 754	40 754
Buildings and other fixed structures	-	-	61 067	-	1 000	1 000	1 000
Machinery and equipment	13 083	36 152	41 528	14 827	23 260	38 087	38 087
Land and sub-soil assets	-	-	21 598	-	-	-	-
Software and other intangible assets	1 663	942	-	1 448	219	1 667	1 667
Payments for financial assets	-	-	10 387	-	-	-	-
Total	8 877 566	8 974 085	8 919 567	9 459 740	-	9 459 740	9 459 740

Table 33.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	946 678	1 373 266	1 727 823	1 965 363	2 195 839	2 024 689	2 270 645
Training expenditure (R thousand)	28 939	25 396	1 903	232 060	131 203	135 703	142 746
Training spend as percentage of compensation	3.1%	1.8%	0.1%	11.8%	6.0%	6.7%	6.3%
Total number trained (headcount)	2 587	4 263	3 320	4 352			
<i>of which:</i>							
Employees receiving bursaries (headcount)	222	152	130	198			
Internships (headcount)	164	372	573	500			
Households receiving bursaries (R thousand)	14 455	20 310	26 743	23 968	25 964	27 214	28 656
Households receiving bursaries (headcount)	53	82	349	102			

Table 33.C Summary of departmental public private partnership projects

Project description: Department of Rural Development and Land Reform main campus	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
		2013/14	2014/15	2015/16	2016/17
R thousand					
Projects signed in terms of Treasury Regulation 16	–	96 000	240 000	–	–
Public private partnership unitary charge	–	96 000	240 000	–	–
Total	–	96 000	240 000	–	–

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Kgolanyo project
Brief description	The project focus is on the construction, operation and maintenance of a facility to create an optimal working environment for the department to meet its clients' needs. Currently the department accommodates its staff in six buildings located around Pretoria
Date public private partnership agreement was signed	The final agreement is not signed yet. The expected date for the agreement to be signed will be during the first quarter of 2013/14. The delay in finalising the agreement was due to a court case that is still current.
Duration of public private partnership agreement	Once the agreement is signed the duration will be for a period of 25 years.
Escalation index for unitary fee	Is based on the consumer price index excluding interest rates on mortgage bonds
Net present value of all payment obligations discounted at appropriate duration government bond yield	No agreement in place
Variations and amendments to public private partnership agreement	No agreement in place
Cost implications of variations and amendments	No agreement in place
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	No agreement in place

Table 33.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand													
Foreign													
In cash													
Belgium	Post-settlement and development support to restitution beneficiaries	Restitution	2 years (extended)	65 855	Goods and services	Purchased 37 computers and related equipment	-	43	869	950	4 500	-	-
European Union	Establishment of three large blueberry out-growers at Keiskammahoek as the second phase of Eastern Cape berry corridor	Rural Development	2 years	21 182	Goods and services	Establishment of three large blueberry out-growers at Keiskammahoek	-	10 327	3 000	-	-	-	-
Total				87 037			-	10 370	3 869	950	4 500	-	-

Table 33.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand										
Departmental infrastructure										
Cape Town: Van Der Sterr building: Upgrading and installation of back-up generator	Upgrading	Various	16 954	1 769	12 071	613	-	-	-	-
Cape Town: surveyor general, Plein Street: Upgrading of kitchen and toilet	Upgrading	Construction	2 933	300	423	2 689	-	-	-	-
Pietermaritzburg: deeds office and surveyor general: Upgrading, repairs and renovations	Upgrading, repairs and renovations	Identification	70 057	-	3 898	-	2 245	-	-	-
Pretoria: Cooperation building: Refurbishment of national office boardrooms	Refurbishment	Identification	3 660	891	-	-	-	-	-	-
Pretoria: old Cooperation building: Upgrading of power supply and reticulation	Upgrading	Tender	9 527	3 542	4 372	1 441	-	-	-	-
Pretoria: old Cooperation building: Upgrading of network centre	Upgrading	Construction	277	277	-	-	-	-	-	-
Cape Town: deeds office: Clearance of construction site	Upgrading	Identification	448	100	18	-	-	-	-	-
Office accommodation: Maintenance and repairs	Maintenance and repairs	Various	6 252	-	-	-	-	-	-	-
Office accommodation: Maintenance and repairs	Maintenance and repairs	Various	2 382	-	-	-	-	-	-	-
Total			110 108	6 879	20 782	4 743	2 245	-	-	-



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

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