

Vote 29

Land Affairs

	2005/06 To be appropriated			2006/07	2007/08
MTEF allocations of which:	R3 881 513 000			R4 815 271 000	R5 637 183 000
	<i>Current payments</i>	<i>Transfers</i>	<i>Capital payments</i>		
	R787 380 000	R3 058 267 000	R35 866 000		
Statutory amounts	–			–	–
Responsible minister	Minister of Agriculture and Land Affairs				
Administering department	Department of Land Affairs				
Accounting officer	Director-General of Land Affairs				

Aim

The aim of the Department of Land Affairs is to provide an equitable and sustainable land dispensation that promotes social and economic development.

Programme purpose and measurable objective

Programme 1: Administration

Purpose: Provide strategic and logistical support in the form of executive and corporate services.

Programme 2: Surveys and Mapping

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

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

Programme 3: Cadastral Surveys

Purpose: Provide control of all cadastral surveys and cadastral spatial information services.

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

Programme 4: Restitution

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

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

Programme 5: Land Reform

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

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

Programme 6: Spatial Planning and Information

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

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

Programme 7: Auxiliary and Associated Services

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

Strategic overview and key policy developments: 2001/02 – 2007/08

The land policy adopted in 1997 established a broad policy framework for the Department of Land Affairs and the Land Rights Commission's work on land reform. The land reform programme aims to ensure equitable access to land and to extend land rights, particularly to previously disadvantaged communities, through its three key subprogrammes: restitution, redistribution and tenure reform.

Restitution

The Restitution of Land Rights Act (1994) gives the Minister of Agriculture and Land Affairs powers to settle land restitution claims administratively without having to go through the lengthy judicial process. This has facilitated the speedy settlement of claims: from 2000 to March 2004, 48 825 claims were settled as opposed to a mere 41 in 1999.

The Land Rights Commission has done an analysis of all outstanding claims and confirmed that 27 889 are legitimate and will be settled by December 2005. Of these, 9 238 are rural claims and involve acquiring land, and 18 651 are urban claims and only involve financial compensation, settled through a standard settlement offer. Rural claims are more complicated because they involve large communities and the acquisition of land which may not be registered or surveyed. Also, in some cases, the land has established agricultural enterprises on it and lengthy negotiations with the owners are usually required. Nevertheless, in line with the presidential directive to settle all outstanding claims by December 2005, the 2005 Budget provides substantial allocations to complete the programme. (There may be a few residual claims that will not be settled on time: where claimants are untraceable, or when claims are highly disputed or in court.) While all claims should be settled in December 2005, actual cash expenditure will continue throughout the MTEF

period, because payments are staggered depending on cash flows and agreements reached with land owners.

The challenge that lies ahead in finalising restitution relates to cases where the current owners and the Land Claims Commission cannot reach a settlement. To deal with this, the department has amended the Restitution of Land Rights Act (1994) to give the minister powers to expropriate land. This will be exercised as a last resort and only after negotiations fail, and landowners will be given fair compensation based on acceptable land valuation methodology.

Redistribution

Launched in 2001, Land Redistribution for Agricultural Development (LRAD) provides financial support to emerging farmers through a match-funding arrangement in which the beneficiary has to make an own contribution in the form of money, labour (sweat equity) or capital equipment. Depending on the size of the own contribution, the beneficiary qualifies for a grant of between R20 000 and R100 000. LRAD's target is to redistribute 30 per cent of all agricultural land to previously disadvantaged farmers by 2015. To achieve, about 2 per cent has to be redistributed each year. Currently, about 13 per cent has been distributed.

The challenge for LRAD is ensuring that LRAD projects remain viable. It may be early to pass judgement on the success of LRAD, but some studies have shown that some LRAD projects are facing financial problems and need urgent attention. To deal with long-term sustainability, there should be a stronger link between LRAD and the Department of Agriculture's comprehensive agricultural support programme (CASP). CASP provides post-settlement support services to targeted beneficiaries of land reform.

Tenure

In 2001, the department began a process for consolidating two laws: the Labour Tenants Act (1996) and the Extension of Security of Tenure Act (1997) with a view to creating a more comprehensive approach for dealing with labour tenants and farm dwellers who usually do not have secure tenure. The consolidation has resulted in a draft bill (the Labour Tenants and Extension of Tenure Bill) that will be gazetted in early 2005. The bill makes it impossible to illegally evict any farm dweller and gives tenure security to eligible farm dwellers through a grant which allows them to buy the land they are living on. Significant allocations over the MTEF period have been made to step-up delivery.

Communities in communal land areas also suffer from inadequate tenure security. The Communal Land Rights Bill, gazetted in 2002, provides for tenure security through the transfer of communal land to communities. As soon as the required land administration boards and land administration committees have been set up in communal land areas, the transfers will begin. The process is scheduled for completion in 2007.

Spatial planning

Some of the cornerstones of apartheid were segregated and disjointed spatial patterns, particularly settlement patterns. Many people still have to travel long distances to work putting a financial burden on the subsidised transport system. The department seeks to reverse this through the White Paper on Spatial Planning and Land Use Management. Among other instruments contained in the White Paper is a strong focus on the densification of land-use and promoting the mixed use of land to reduce commuting distances for the working population. The long-term vision of this White Paper is to eliminate the 'apartheid city'.

Expenditure estimates

Table 29.1: Land Affairs

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	2001/02	2002/03	2003/04	2004/05		2005/06	2006/07	2007/08
1. Administration	112 293	126 699	163 770	213 548	204 048	214 523	225 191	231 794
2. Surveys and Mapping	47 637	56 324	61 401	73 617	68 993	75 256	81 255	85 854
3. Cadastral Surveys	68 842	72 507	68 161	80 886	82 786	86 043	90 815	97 215
4. Restitution	290 981	394 265	839 116	1 134 831	1 156 144	2 705 678	3 369 132	3 837 607
5. Land Reform	443 535	415 983	453 734	501 514	494 525	770 098	1 016 313	1 349 134
6. Spatial Planning and Information	6 036	6 881	11 866	19 262	17 762	19 222	20 039	22 502
7. Auxiliary and Associated Services	6 832	4 537	10 390	8 224	7 624	10 693	12 526	13 077
Total	976 156	1 077 196	1 608 438	2 031 882	2 031 882	3 881 513	4 815 271	5 637 183
Change to 2004 Budget estimate				243 730	243 730	1 701 983	2 216 982	2 908 980

Economic classification

Current payments	393 061	420 183	503 670	664 212	654 212	787 380	819 112	868 523
Compensation of employees	220 900	248 625	278 472	370 160	367 160	464 488	472 882	498 792
Goods and services	172 065	170 958	224 432	294 052	287 052	322 892	346 230	369 731
of which:								
Communication	13 060	13 941	16 823	19 629	19 629	22 651	24 576	25 840
Computer services	3 127	4 481	14 226	31 328	31 328	18 938	19 804	20 803
Consultants and contractors	97 178	82 505	110 842	76 834	76 834	105 037	120 922	130 099
Travel and subsistence	29 066	38 053	43 218	40 829	40 829	53 949	59 094	64 366
Inventory	10 322	12 980	13 122	17 671	17 671	20 199	21 932	23 534
Advertising	1 102	1 176	5 015	22 737	22 737	20 639	24 826	26 294
Financial transactions in assets and liabilities	96	600	766	—	—	—	—	—
Transfers and subsidies to:	559 105	624 937	1 075 511	1 329 980	1 339 980	3 058 267	3 959 920	4 730 956
Provinces and municipalities	662	733	823	7 179	7 179	9 163	9 080	1 138
Departmental agencies and accounts	745	282	219	909	909	956	1 013	1 064
Public corporations and private enterprises	60 000	—	—	14	14	36	40	44
Non-profit institutions	—	—	—	—	—	1 000	1 000	2 000
Households	497 698	623 922	1 074 469	1 321 878	1 331 878	3 047 112	3 948 787	4 726 710
Payments for capital assets	23 990	32 076	29 257	37 690	37 690	35 866	36 239	37 704
Machinery and equipment	23 990	32 076	29 257	27 644	27 644	29 539	29 446	30 588
Software and other intangible assets	—	—	—	10 046	10 046	6 327	6 793	7 116
Total	976 156	1 077 196	1 608 438	2 031 882	2 031 882	3 881 513	4 815 271	5 637 183

Expenditure trends

Between 2001/2 and 2004/05, overall expenditure increased rapidly, from R976,2 million to R2,0 billion, an annual average increase of 27,7 per cent. Over the next three years, expenditure is expected to more than double, rising to R5,6 billion in 2007/08. There is a particularly large increase in 2005/06, with expenditure expected to increase by R1,8 billion.

The majority of these increases have been directed to the *Restitution* programme, with expenditure increasing from R291 million in 2001/02 to an expected R3,8 billion in 2007/08, an annual

average increase of 53,7 per cent. The increases over the next three years will be used to accelerate the pace of restitution to meet the target of finalising all claims by December 2005.

The *Land Reform* programme has also seen significant growth and has been allocated additional amounts in the 2005 Budget of R152 million for 2005/06, R217 million for 2006/07 and R509 million for 2007/08. This is to accelerate the settlement of labour tenants' claims, improve the administration of state land, provide funding for the implementation of the Communal Land Rights Act, and help meet the target of redistributing 30 per cent of agricultural land by 2015.

In total the 2005 Budget set out additional allocations of R1,6 billion for 2005/06, R2,2 billion for 2006/07 and R2,4 billion in 2007/08. Most of this extra funding is for restitution claims, but additional funds will also go towards labour tenant claims, the redistribution of agricultural land, state land administration and the implementation of the Communal Land Rights Act.

Departmental receipts

A significant portion of receipts comes from the sale of maps and from survey examination fees. The systems being set up for the collection of lease rentals on land will only become functional in 2005/06. Lease rentals currently being collected by other state agencies in terms of ministerial powers of attorney will revert to the department.

Table 29.2: Departmental receipts

	Receipts outcome			Adjusted appropriation	Medium-term receipts estimate		
	Audited	Audited	Preliminary outcome				
	2001/02	2002/03	2003/04		2005/06	2006/07	2007/08
R thousand							
Sales of goods and services produced by department	20 554	19 519	16 738	18 411	20 252	22 278	23 391
Interest, dividends and rent on land	21 519	3 090	6 240	6 864	7 550	8 305	8 720
Financial transactions in assets and liabilities	8 041	8 721	1 238	1 362	1 498	1 648	1 730
Total	50 114	31 330	24 216	26 637	29 300	32 231	33 841

Programme 1: Administration

Administration is responsible for managing the department. The programme covers policy formulation by the minister and strategic leadership by the director-general. Other functions include: monitoring and evaluation; financial management; business information management; office support services; human capital management and development; organisational development and transformation; legal services; communication; and decentralised support services through the department's shared service centres.

Expenditure estimates

Table 29.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Minister ¹	–	–	–	–	–	–	–
Management	7 774	9 140	16 088	32 031	33 247	34 287	31 916
Corporate Services	104 519	117 559	147 682	181 517	181 276	190 904	199 878
Total	112 293	126 699	163 770	213 548	214 523	225 191	231 794
Change to 2004 Budget estimate				26 109	16 421	15 391	11 504

¹ Minister for Agriculture and Land Affairs. Salary provided on the Agriculture vote.

Economic classification

Current payments	97 247	111 612	147 160	194 340	196 803	206 636	212 451
Compensation of employees	43 968	50 007	66 932	84 530	100 885	106 880	113 065
Goods and services	53 183	61 005	79 462	109 810	95 918	99 756	99 386
of which:							
Communication	3 426	3 119	4 230	5 535	6 200	6 510	6 836
Computer services	3 122	4 477	12 415	21 685	12 000	12 600	13 230
Consultants and contractors	31 512	34 573	42 217	11 097	18 000	18 900	19 845
Travel and subsistence	6 016	8 234	8 510	10 168	8 728	9 145	9 618
Inventory	4 722	5 233	5 932	5 141	5 398	5 668	5 951
Advertising	606	695	903	4 960	5 208	5 468	5 741
Financial transactions in assets and liabilities	96	600	766	–	–	–	–
Transfers and subsidies to:	133	151	201	768	579	451	653
Provinces and municipalities	133	151	201	225	275	290	303
Public corporations and private enterprises	–	–	–	–	35	39	43
Households	–	–	–	543	269	122	307
Payments for capital assets	14 913	14 936	16 409	18 440	17 141	18 104	18 690
Machinery and equipment	14 913	14 936	16 409	8 991	11 039	11 547	11 806
Software and other intangible assets	–	–	–	9 449	6 102	6 557	6 884
Total	112 293	126 699	163 770	213 548	214 523	225 191	231 794

Expenditure trends

Expenditure increased rapidly over the last four years, rising from R112,3 million in 2001/02 to R213,5 million in 2004/05, an annual average increase of 23,9 per cent. Over the next three years, expenditure is expected to continue to grow, but at a much slower rate of 2,8 per cent per year, to reach R231,8 million in 2007/08.

The increases were mainly due to: the restructuring of support services, which created four shared service centres; the establishment of a policy unit in the director-general's office; and an increase in the internal audit capacity.

Programme 2: Surveys and Mapping

Surveys and Mapping maintains an integrated national control survey system, a national mapping programme, a national aerial photography and remotely sensed imagery programme, and associated geo-spatial products that support orderly and sustainable land reform and development.

It consists of a single subprogramme of the same name, responsible for:

- promoting and controlling all matters connected with geodetic and topographical surveying and geo-spatial information services
- conducting geodetic, topographical and other relevant survey operations
- acquiring aerial photography or other remotely sensed imagery
- establishing and maintaining a national control survey system
- preparing, compiling and amending maps and other cartographic representations of geo-spatial information
- taking charge of and preserving the records of all geodetic and topographical surveys, maps and aerial photography or other remotely sensed imagery
- providing professional and technical support and client services.

Expenditure estimates

Table 29.4: Surveys and Mapping

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Surveys and Mapping	47 637	56 324	61 401	73 617	75 256	81 255	85 854
Total	47 637	56 324	61 401	73 617	75 256	81 255	85 854
Change to 2004 Budget estimate				831	(1 995)	(680)	(178)

Economic classification							
Current payments	44 598	48 554	58 487	67 490	68 857	74 646	78 915
Compensation of employees	27 248	29 727	28 512	32 881	35 329	37 447	39 654
Goods and services	17 350	18 827	29 975	34 609	33 528	37 199	39 261
of which:							
Communication	1 546	1 139	1 190	630	731	750	792
Computer services	–	–	1 197	3 492	3 708	3 824	4 036
Consultants and contractors	8 329	6 430	15 815	17 880	16 887	19 992	21 100
Travel and subsistence	2 147	3 763	4 285	4 618	5 069	5 328	5 623
Inventory	2 400	2 800	3 426	2 682	2 833	2 874	3 033
Transfers and subsidies to:	65	71	68	2 017	2 158	2 109	2 214
Provinces and municipalities	65	71	68	79	86	90	94
Households	–	–	–	1 938	2 072	2 019	2 120
Payments for capital assets	2 974	7 699	2 846	4 110	4 241	4 500	4 725
Machinery and equipment	2 974	7 699	2 846	3 559	4 016	4 264	4 493
Software and other intangible assets	–	–	–	551	225	236	232
Total	47 637	56 324	61 401	73 617	75 256	81 255	85 854

Expenditure trends

Expenditure has increased steadily, rising from R47,6 million in 2001/02 to an expected R85,9 million in 2007/08, an annual average increase of 10,3 per cent. The increase in expenditure in 2002/03 was mainly due to an increase in the acquisition of aerial photographs and the production of maps.

Service delivery objectives and indicators

Recent outputs

Integrated spatial reference framework

The integrated spatial reference framework (national control survey network) is a satellite navigational system. There have been no reports of unavailable reference points, and the system continues to run smoothly. The network of continuously operating global positioning system stations, Trig Net, has been improved to ensure a reliable service. The possibility of providing a real-time positioning service from Trig Net is being investigated.

Acquiring aerial photography

The target of acquiring 400 000km² aerial maps in 2004/05 has already been achieved. An agreement with the CSIR has led to the systematic coverage of medium resolution satellite imagery, bringing the total acquisition of imagery to more than the 600 000 km².

Producing and revising maps

The target of producing or revising 1 450 maps for 2003/04 was exceeded by 557 maps (2 007 in total), because of a spin-off from another project. The target of 1 500 maps for 2004/05 should be achieved. All the national mapping standards have been met.

Geo-spatial information products and services

Geo-spatial information and products have become more accessible and affordable. In line with the new pricing policy, cheaper prices, introduced in 2003, led to 500 per cent more requests. Because of the increased demand, there were some delays in supplying information. But for other products and services, the required turnaround times were maintained. The target number of districts and metropolitan areas with geo-spatial information outlets was not achieved in 2003/04, because there were delays in setting up departmental district offices. Renewed efforts should ensure that the target of 10 is met in 2004/05.

Selected medium-term output targets

Surveys and Mapping

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

Subprogramme	Output	Measure/Indicator	Target
Surveys and Mapping	Integrated spatial reference framework	Percentage availability of reference points	95%
		Percentage availability of post-process TrigNet service	98%
		Percentage availability of real-time TrigNet service	60%
		Network accuracies comply with approved standards	100%
	Aerial photography and satellite imagery covering the whole country (1,2 millionkm ²)	Acquisition of periodic repeat coverage (in km ²), informed by user needs prioritised within development nodes	400 000 km ² aerial photography, and 1,2 million km ² satellite imagery
		Percentage of imagery accepted in compliance with specifications and standards	100%

Subprogramme	Output	Measure/Indicator	Target
	Maps and other geo-spatial information	Number of km ² updated for integrated database for fundamental geo-spatial information	87 500 km ²
		Number of up-to-date maps and ortho-images produced or revised that meet user needs, prioritised within development nodes	1 452 maps
		Percentage compliance with approved standards and specifications	100%
		Percentage methodology for land use and land cover mapping completed	100%
	Accessible fundamental geo-spatial information	Number of districts and metropolitan areas with geo-spatial information outlets (out of all 54 districts)	30 districts and metros by 2005
		Percentage compliance with service delivery standards for turnaround times for supply of geo-spatial information	100%
		Number of map awareness and literacy workshops conducted	18 workshops
	Professional and technical support and client services	Number of days to respond to request	5 days
		Percentage compliance with service level agreement	100%

Programme 3: Cadastral Surveys

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

Expenditure estimates

Table 29.5: Cadastral Surveys

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Cadastral Surveys	68 842	72 507	68 161	80 886	86 043	90 815	97 215
Total	68 842	72 507	68 161	80 886	86 043	90 815	97 215
Change to 2004 Budget estimate				(1 672)	(1 425)	(1 917)	(154)

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Economic classification							
Current payments	64 072	67 497	65 958	71 948	79 200	82 858	88 856
Compensation of employees	51 765	54 552	57 594	59 922	66 848	69 849	72 980
Goods and services	12 307	12 945	8 364	12 026	12 352	13 009	15 876
of which:							
Communication	1 177	961	1 234	1 484	1 600	1 680	1 700
Computer services	–	–	370	3 220	1 200	1 180	1 037
Consultants and contractors	7 408	7 518	2 701	1 360	1 700	1 750	1 810
Travel and subsistence	1 216	1 857	1 848	2 132	2 071	2 149	2 175
Inventory	975	1 282	1 174	1 916	1 918	1 930	2 050
Transfers and subsidies to:	147	154	162	217	181	191	202
Provinces and municipalities	147	154	162	169	181	191	202
Households	–	–	–	48	–	–	–
Payments for capital assets	4 623	4 856	2 041	8 721	6 662	7 766	8 157
Machinery and equipment	4 623	4 856	2 041	8 721	6 662	7 766	8 157
Total	68 842	72 507	68 161	80 886	86 043	90 815	97 215

Expenditure trends

Expenditure is expected to continue to increase steadily, rising from R68,8 million in 2001/02 to an expected R97,2 million in 2007/08, an annual average increase of 5,9 per cent. The increases have been across all current payments, although the bulk is allocated to compensation of employees, reflecting the labour-intensive nature of the work.

Service delivery objectives and indicators

Recent outputs

Maintaining turnaround targets

The key achievement in this programme has been maintaining and even improving the 15-day turnaround time for approving documents in most of the offices of the surveyors-general. The only exception was the Pretoria office, where, due to a shortage of professional staff, the average turnaround time was 20 days. *Cadastral Surveys* also maintained its support to the *Land Reform and Restitution* programmes. All requests for help were responded to within two working days. Cadastral records were archived and maintained, and changes accurately recorded within five working days.

Surveyor-generals' offices in the provinces

A new surveyor-general's office was opened in Nelspruit, which will control cadastral surveys in Mpumalanga. This is part of the decentralising programme, which aims to make cadastral survey services more accessible to the public. It is the first of five new provincial offices to be established. Offices are still to open in Limpopo, the Eastern Cape, the Northern Cape and the North West. *Cadastral Surveys* also worked on developing training courses for land clerks and land

administrators, who will carry out surveys and adjudicate boundaries in rural settlements in terms of the Communal Land Rights Act (still to be promulgated).

Selected medium-term output targets

Cadastral Surveys

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

Subprogramme	Output	Measure/Indicator	Target
Cadastral Surveys	A secure system of cadastral surveys and efficient information system	Turnaround time (days)	15 days
		Percentage of survey documents ready for registration	100%
	Technical system designed for the survey of real rights in communal areas	System available	By July 2005
		Number of outside figure diagrams approved	200 diagrams
	Cadastral spatial information	Completeness of data	85%
		Turnaround time within which approved land parcels are added to database	16 days

Programme 4: Restitution

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

The programme consists of three subprogrammes:

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

Expenditure estimates

Table 29.6: Restitution

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
National Office	17 322	12 120	12 937	11 917	21 004	18 985	19 975
Regional Offices	57 151	69 083	98 769	142 678	195 676	169 900	178 468
Restitution Grants	216 508	313 062	727 410	980 236	2 488 998	3 180 247	3 639 164
Total	290 981	394 265	839 116	1 134 831	2 705 678	3 369 132	3 837 607
Change to 2004 Budget estimate				201 606	1 548 855	1 998 825	2 398 785

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Economic classification							
Current payments	73 521	79 523	108 478	152 013	211 350	186 865	196 322
Compensation of employees	38 003	48 960	56 176	80 565	116 772	97 615	102 585
Goods and services	35 518	30 563	52 302	71 448	94 578	89 250	93 737
of which:							
Communication	2 184	3 298	4 380	4 805	6 300	6 615	6 946
Consultants and contractors	22 106	12 993	26 687	22 582	33 600	35 280	37 044
Travel and subsistence	8 236	10 079	14 598	11 384	21 000	22 050	23 153
Inventory	1 298	2 169	1 272	4 276	5 000	5 400	5 800
Advertising	–	–	3 599	12 821	10 000	13 650	14 537
Transfers and subsidies to:	216 644	313 226	727 605	980 452	2 489 367	3 180 478	3 639 407
Provinces and municipalities	136	164	195	216	369	231	243
Households	216 508	313 062	727 410	980 236	2 488 998	3 180 247	3 639 164
Payments for capital assets	816	1 516	3 033	2 366	4 961	1 789	1 878
Machinery and equipment	816	1 516	3 033	2 366	4 961	1 789	1 878
Total	290 981	394 265	839 116	1 134 831	2 705 678	3 369 132	3 837 607

Details of transfers and subsidies:

Households							
Other transfers							
Capital	216 508	313 062	727 410	980 236	2 488 998	3 180 247	3 639 164
Restitution grants	216 508	313 062	727 410	980 236	2 488 998	3 180 247	3 639 164
Total households	216 508	313 062	727 410	980 236	2 488 998	3 180 247	3 639 164

Expenditure trends

Expenditure has increased very rapidly over the last four years, rising from R291,0 million in 2001/02 to R1,1 billion in 2004/05, an annual average increase of 57,4 per cent. Expenditure is then expected to more than double in 2006/07, reflecting the very large additional allocations in the 2005 Budget, and then to increase further, to reach R3,8 billion in 2007/08.

Over the next three years, the allocation for land restitution is R9,3 billion. Additional allocations of R1,6 billion for 2005/06, R2 billion for 2006/07 and R2,4 billion for 2007/08 were set out in the 2005 Budget, to allow the restitution programme to be finalised.

Service delivery objectives and indicators**Recent outputs***Claims settled*

By the end of 2003/04, approximately 48 825 claims had been settled: 60,2 per cent of the 79 696 claims lodged. The cumulative number of settled claims for 2003/04 was 56 719, (71,2 per cent of the total of 79 696 claims lodged). Urban claims accounted for 87 per cent (42 712) while rural claims accounted for 13 per cent (6 113). During 2004/05, up to the six

months ending 30 September 2004, 8 143 claims were settled, or 46,8 per cent of the targeted amount of 17 383. The total allocated budget of R727,4 million was fully utilised, with R464 million or 64 per cent settling urban claims and R262 million or 36 per cent going to acquiring land. These settlements benefited 33 097 households and 145 437 beneficiaries. The amount of land transferred was 148 643ha, with a total committed amount of R928 million.

Filling posts

An additional 280 contract posts have been approved and are getting filled. Because of the impending end of the restitution process in December 2005, staff are becoming anxious about job security. Despite steps taken to ensure job security for staff below level 13, many staff members are looking for jobs elsewhere.

Implementing the comprehensive agricultural support programme

The Commission on Restitution for Land Rights and the Department of Land Affairs, together with the Department of Agriculture, will use the comprehensive agricultural support programme (CASP) to ensure that restitution projects are sustainable. The commission will also make sure that key stakeholders participate. The buy-in of provincial MECs for agriculture and land affairs is critical, as their departments are key agents in restitution projects' long-term sustainability.

Selected medium-term output targets

Restitution

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

Subprogramme	Output	Measure/Indicator	Target
Restitution Grants	All lodged claims settled according to the Restitution of Land Rights Act (1994) as amended	All valid claims gazetted	27 889 claims by March 2006
		All valid claims verified	27 889 claims by March 2006
		Number of urban claims settled	18 651 claims by March 2006
		Number of rural claims settled	9 238 claims by March 2006
		Number of hectares allocated	100% by March 2006
		Number of households benefited	79 000 households by March 2006
	Sustainable development facilitated (post settlement support)	Implementation of post settlement plans finalised	March 2006
		Collaboration with Department of Agriculture and provincial departments of agriculture and land affairs for implementing comprehensive agricultural support programme (CASP) and the Micro Agricultural Finance Scheme of South Africa (MAFISA)	Collaboration agreements reached by December 2005

Programme 5: Land Reform

Land Reform aims to develop, implement, co-ordinate, facilitate and manage land reform programmes and projects.

There are six subprogrammes:

- *National Office* is responsible for developing and co-ordinating land reform products, and for facilitating the development of systems, procedures and strategies for implementation. It also provides management and administrative and support services to provincial offices for implementing land reform programmes and projects.
- *Provincial Offices* provides management, administrative and support services for implementing land reform programmes and projects and for administering state land in each province.
- *Land Reform Grants* makes grants available for project and programme planning, land acquisition and settlement.
- *KwaZulu-Natal Ingonyama Trust Board* makes grants available for administering the Ingonyama Trust's land.
- *The Land Reform Empowerment Facility* (LREF), located within Khula Enterprises, was established as a revolving credit loan facility by the Department of Land Affairs in 1998, for financing land acquisition and equity in commercial farming ventures. Khula Enterprise Finance Limited was contracted to administer the funds on behalf of the Department of Land Affairs.
- *Communal Land Rights* provides management and support to facilitate legal security of tenure by transferring communal land to communities, including the Ingonyama Trust's land, or by awarding comparable redress.

Expenditure estimates

Table 29.7: Land Reform

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
National Office	30 783	29 544	26 338	46 038	62 055	74 757	86 710
Provincial Offices	70 910	75 060	80 008	108 122	131 072	139 145	147 265
Land Reform Grants	281 190	310 860	347 059	345 359	563 773	774 399	1 085 119
KwaZulu-Natal Ingonyama Trust Board	652	519	329	1 994	2 116	2 242	2 351
The Land Reform Empowerment Facility	60 000	–	–	1	1	1	1
Communal Land Rights Programme	–	–	–	–	11 081	25 769	27 688
Total	443 535	415 983	453 734	501 514	770 098	1 016 313	1 349 134
Change to 2004 Budget estimate				27 754	150 729	215 745	508 538

Economic classification

Current payments	101 383	103 612	103 986	151 548	204 241	239 695	261 681
Compensation of employees	55 909	60 415	61 160	97 744	129 448	144 973	153 584
Goods and services	45 474	43 197	42 826	53 804	74 793	94 722	108 097
of which:							
Communication	4 694	5 393	5 708	7 107	7 800	9 000	9 500
Consultants and contractors	26 822	20 556	21 423	21 915	33 000	43 000	48 000
Travel and subsistence	10 981	13 365	13 359	12 111	16 643	20 022	23 297
Inventory	756	1 461	1 115	3 559	5 000	6 000	6 500
Advertising	396	375	375	4 137	4 550	5 100	5 400

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Transfers and subsidies to:	341 727	311 320	347 450	346 498	564 952	775 659	1 086 446
Provinces and municipalities	169	178	172	6 468	8 224	8 248	264
Departmental agencies and accounts	368	282	219	907	954	1 011	1 062
Public corporations and private enterprises	60 000	–	–	14	1	1	1
Households	281 190	310 860	347 059	339 109	555 773	766 399	1 085 119
Payments for capital assets	425	1 051	2 298	3 468	905	959	1 007
Machinery and equipment	425	1 051	2 298	3 468	905	959	1 007
Total	443 535	415 983	453 734	501 514	770 098	1 016 313	1 349 134

Details of transfers and subsidies:

Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	–	–	–	6 250	8 000	8 000	–
Land Distribution: Alexandra Urban Renewal Project Grant	–	–	–	6 250	8 000	8 000	–
Municipalities							
Municipal bank accounts							
Current	169	178	172	218	224	248	264
Regional Services Council levies	169	178	172	218	224	248	264
Total provinces and municipalities	169	178	172	6 468	8 224	8 248	264
Departmental agencies and accounts							
Current	368	282	219	907	954	1 011	1 062
KwaZulu-Natal Ingonyama Trust Board	368	282	219	907	954	1 011	1 062
Total departmental agencies and accounts	368	282	219	907	954	1 011	1 062
Public corporations and private enterprises							
Other transfers							
Capital	60 000	–	–	1	1	1	1
Khula Land Reform Credit Facility	60 000	–	–	1	1	1	1
Households							
Other transfers							
Capital	281 190	310 860	347 059	339 109	555 773	766 399	1 085 119
Land Reform Grant	281 190	310 860	347 059	339 109	555 773	766 399	1 085 119
Total households	281 190	310 860	347 059	339 109	555 773	766 399	1 085 119

Expenditure trends

Expenditure is expected to rise rapidly over the next three years, from R501,5 million in 2004/05 to an expected R1,3 billion in 2007/08, an annual average increase of 39,1 per cent. Most of this increase goes towards the *Land Reform Grants* subprogramme, and in particular to the Land Redistribution for Agricultural Development (LRAD), and is classified as capital transfers to households.

Expenditure on compensation of employees is expected to continue to rise as additional posts are filled. Expenditure on goods and services is also expected to increase, mainly due to the finalisation of some 26 000 claims under the Labour Tenants Act (1996) and the implementation of the Communal Land Rights Act.

The 2005 Budget set out additional allocations of R120 million for 2005/06, R160 million for 2006/07 and R240 million for 2007/08, to support the finalisation of labour tenant claims. It also set out additional allocations of R12 million for 2005/06, R27 million for 2006/07 and R29 million for 2007/08 for the implementation of the Communal Land Rights Act. Furthermore an additional R200 million was allocated to support the LRAD programme in 2007/08.

Service delivery objectives and indicators

Recent outputs

Land Reform exceeded almost all targets set in the 2004 ENE.

The target of delivering 361 projects was exceeded, with 387 projects delivered. For land reform grants, the programme exceeded the target of distributing 132 873ha, distributing 641 995ha, mainly through LRAD. By September 2004, the programme had managed to transfer 61 302ha out of a total of 255 799ha, achieving 24 per cent of the target. Delivery will increase in the third and fourth quarters as the planning phase of most projects started six months earlier than expected.

The programme anticipates reaching the targets set for 2004/05. However, it did have to reprioritise its budget in October/November to make funds available to the *Restitution* programme.

Selected medium-term output targets

Land Reform

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

Subprogramme	Output	Measure/Indicator	Target
Land Reform Grants	Reach redistribution targets	Number of hectares transferred: LRAD	113 675ha by March 2006
		Number of hectares transferred: land for settlement	4 032ha by March 2006
		Number of hectares transferred: commonages	35 127ha by March 2006
		Number of hectares transferred: Urban Renewal Programme and Integrated Sustainable Rural Development Programme	41 717ha by March 2006
		Number of hectares transferred under Extension of Security of Tenure Act (1997) (ESTA) and Labour Tenants Act (1996) (LTA)	42 339ha by March 2006
		Land reform projects owned by women	30% by March 2005
		Number of hectares transferred: state land	66 679ha by March 2006
	Accelerate the disposal and improve administration of state land	Number of properties confirmed vested	1 120 by March 2006
		Number of leases signed	24 by March 2006

Subprogramme	Output	Measure/Indicator	Target
		Number of hectares approved: Provincial State Land Disposal Committees	55ha By March 2006
		Number of hectares approved: minister	5 517ha By March 2006
		Availability of debtor leasing system	By April 2005
		Availability of assets register	By April 2005
	Improved systems and procedures to improve land delivery	Number of improved and aligned systems and procedures for LRAD, settlement, commonages, ESTA, LTA and redistribution	2 per programme by March 2006
	Confirmation of security of tenure	Number of evictions and threats prevented	96 by March 2006
	Implementation of interim Protection of Informal Labour Rights Act	Number of rights holders resolutions facilitated	55 by March 2006
		Number of title deeds issued	5 220 by March 2006
		Number of agreements and disputes resolved: Transformation of Certain Rural Areas Act (1998)	5 by March 2006
		Number of court referrals	24 by March 2006
		Number of agreements: LTA	3 496 by March 2006
		Number of agreements: ESTA	245 by March 2006
KwaZulu-Natal Ingonyama Trust Board	Transfer of land belonging to the former authority	Number of hectares transferred to marginalised groups	10 000ha by March 2006
The Land Reform Empowerment Facility	Loans to land reform beneficiaries	Number of allocated loans disbursed per year	90 by end of each financial year
Communal Land Rights	Finalise communal land rights legislation to provide for tenure security for communities residing on communal areas as well as commercial and peri-urban land	Availability of consolidated ESTA and LTA legislation	By November 2005
		Availability of community land rights regulations	By August 2005
	Implementation of pilot projects	7 pilot projects	33% completed by March 2006

Programme 6: Spatial Planning and Information

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

It is divided into three subprogrammes:

- *Management and Support Services* co-ordinates overarching projects of national strategic significance and provides management and administrative support to all units of the programme.
- *Spatial Planning and Information* creates better land use systems that are supported by effective spatial planning and spatial information.
- *South African Council for Planners*.

Expenditure estimates

Table 29.8: Spatial Planning and Information

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Management and Support Services	508	1 014	2 164	6 340	3 956	4 859	5 213
National Spatial Information Framework	3 050	2 860	3 750	–	–	–	–
Land Development	2 478	3 007	5 952	–	–	–	–
Spatial Planning and Information	–	–	–	12 922	14 266	14 180	15 289
South African Council for Planners	–	–	–	–	1 000	1 000	2 000
Total	6 036	6 881	11 866	19 262	19 222	20 039	22 502
Change to 2004 Budget estimate				–	(1 026)	(1 423)	(33)

Economic classification

Current payments	5 961	6 640	11 210	18 651	17 994	18 809	20 290
Compensation of employees	4 007	4 964	8 098	14 518	15 206	16 118	16 924
Goods and services	1 954	1 676	3 112	4 133	2 788	2 691	3 366
of which:							
Consultants and contractors	1 001	435	1 999	2 000	1 850	2 000	2 300
Travel and subsistence	470	755	618	416	438	400	500
Transfers and subsidies to:	12	15	25	26	1 028	1 030	2 032
Provinces and municipalities	12	15	25	22	28	30	32
Non-profit institutions	–	–	–	–	1 000	1 000	2 000
Households	–	–	–	4	–	–	–
Payments for capital assets	63	226	631	585	200	200	180
Machinery and equipment	63	226	631	539	200	200	180
Software and other intangible assets	–	–	–	46	–	–	–
Total	6 036	6 881	11 866	19 262	19 222	20 039	22 502

Details of transfers and subsidies:

Non-profit institutions							
Current	–	–	–	–	1 000	1 000	2 000
South African Council for Planners	–	–	–	–	1 000	1 000	2 000
Total non-profit institutions	–	–	–	–	1 000	1 000	2 000

Expenditure trends

Expenditure increased significantly in 2004/05 to R19,3 million, mainly due to increases in personnel. Over the next three years it is expected to rise further, reaching R22,5 million in 2007/08.

Service delivery objectives and indicators

Recent outputs

Legislation

A key output has been the Planning Profession Act (PPA) (2002) becoming law. The Act covers representivity in the profession and professional and ethical standards. The Spatial Data Infrastructure Act (2003), which ensures greater access to spatial information by promoting effective development and good governance, has also become law.

Integrated planning

Following the legislative requirements of the National Environmental Management Act (1998) (NEMA), the annual report on implementing the departmental consolidated environmental implementation and management plan was completed and submitted to the Committee for Environmental Co-ordination. One of the legislative requirements of NEMA is that the plan (gazetted in 2000) is reviewed every four years. The process of reviewing the current plan started in 2003/04, and was completed in September 2004. The reviewing process will strengthen the department's compliance with the plan.

After major delays in implementing the policy and guidelines for integrating environmental planning into land reform, a donor agency has committed itself to funding certain project activities. The department has begun to manage the implementation of the policy and guidelines, and it is already rolling out in some provinces.

The mapping of restitution and redistribution projects has been completed in KwaZulu-Natal, and will be incorporated into integrated development plans. The process has also been initiated in Limpopo, the Eastern Cape and Mpumalanga, and will be rolled out in the other provinces.

Selected medium-term output targets

Spatial Planning and Information

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

Subprogramme	Output	Measure/Indicator	Target
Management and Support Services	Provision of spatial planning and information services in all provinces	Number of offices	4 offices
Spatial Planning and Information	Environmental policy and guidelines for land reform projects	Approved guidelines	June 2005
	Mapping and integration of land claims and land reform projects into integrated development plans (IDPs) in all nine provinces	Availability of digital and hard copy maps fully integrated with IDPs	100% by June 2005
	Providing maps customised to user needs	Number of days taken to provide maps	1 day
	Transformation of the planning profession	Establishing new criteria for professional registration	July 2004

Programme 7: Auxiliary and Associated Services

The programme provides auxiliary services and services associated with the department's aims, through its four subprogrammes:

- *Government Motor Transport* is responsible for buying vehicles for departmental use

- *The Registration of Deeds Trading Account* provides for the growth of trading capital and the procurement of capital equipment for the chief directorate for deeds registration
- *SETA* provides for a contribution to the Public Sector Education and Training Authority (PSETA)
- *Capital Works* provides for capital work projects undertaken by the Department of Public Works.

Expenditure estimates

Table 29.9: Auxiliary and Associated Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Government Motor Transport	176	1 792	1 999	–	1 756	2 921	3 067
The Registration of Deeds Trading Account	–	–	–	1	1	1	1
Sector Education and Training Authority	377	–	–	1	1	1	1
Capital Works	6 279	2 745	8 391	8 222	8 935	9 603	10 008
Total	6 832	4 537	10 390	8 224	10 693	12 526	13 077
Change to 2004 Budget estimate				(10 898)	(9 576)	(8 959)	(9 482)

Economic classification							
Current payments	6 279	2 745	8 391	8 222	8 935	9 603	10 008
Goods and services	6 279	2 745	8 391	8 222	8 935	9 603	10 008
Transfers and subsidies to:	377	–	–	2	2	2	2
Departmental agencies and accounts	377	–	–	2	2	2	2
Payments for capital assets	176	1 792	1 999	–	1 756	2 921	3 067
Machinery and equipment	176	1 792	1 999	–	1 756	2 921	3 067
Total	6 832	4 537	10 390	8 224	10 693	12 526	13 077

Expenditure trends

Expenditure has fluctuated over the last four years, because subprogrammes have changed. However, over the next three years, expenditure is expected to increase steadily, from R8,2 million in 2004/05 to R13,0 million in 2007/08, an annual average increase of 16,7 per cent.

Registration of deeds trading account

The registration of deeds trading account is self-funding in terms of its operating expenditure because it operates as a category 1 trading account. Funds are generated from user charges for services, including the registration of deeds and the supply of registration information. Fees are levied in accordance with the schedule of fees prescribed by regulation 84 of the Deeds Registries Act (1937).

The income of the trading account is dependent on the state of the national economy and the property market. As a result of the current favourable economic climate, the vitality of the property market and the relatively low prevailing bond rates, the trading account has not had the need to increase its tariffs for services in recent years. This situation has provided an opportunity to decrease the burden on clients who are relatively poor and fall in the lower end of the tariff scale. So, for example, the tariff of R55 for transfers now applies to properties valued at R80 000 with effect from November 2004, and not R60 000 as before. At the same time, four new categories

have been created for properties valued at between R1 million and R2 million, between R2 million and R3 million, between R3 million and R5 million, and above R5 million. In addition, an item has been added to the schedule to exempt the department from fees for information and related services for land reform purposes.

The trading account's budget is reviewed annually to provide for increases in salaries and related benefits. Its actual expenditure for the 2001/02 financial year was R173 million. This is anticipated to increase to R214 million for the 2004/05 financial year, and to R268 million in 2007/08. The trading account will be able to meet its costs should the current economic climate continue. It has also generated substantial surpluses since 1998. The audited surplus for 2002/03 was R93,6 million and for 2003/04 R101,5 million. It is conservatively estimated that the surplus for the 2004/05 financial year will be R96,0 million. The trading account is faced with major expenditure in the form of the scanning solution. Approval has already been obtained from National Treasury to apply surpluses for this.

The deeds registration database currently consists of 7,4 land parcels. During 2003/04, a total of 1 439 million transactions were registered in the nine deeds registries. The deeds registries' document tracking system has proved to be an extremely efficient management tool to help registrars of deeds monitor workflow through their registries. There are plans to make some of the information generated during the tracking process available to external clients through DeedsWeb, the trading account's internet-based information system, which continues to enjoy a growing client base.

The deeds registration system software and the DeedsWeb information system are constantly upgraded to meet the deeds registries' clients' needs and to provide for changing business demands such as the implementation of the Communal Land Rights Act (2004).

Public entities reporting to the Minister

KwaZulu-Natal Ingonyama Trust Board

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

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

The board has granted 130 leases covering 10 000ha, which generates revenue of about R600 000 a year. A further 12 leases are being processed, covering 1 684ha with an estimated revenue of R145 000 per year. The leases cover land for diverse uses, such as shopping centres, game parks, residential developments, lodges, petrol filling stations, telecommunication base stations, sugar cane farming, grazing and aquaculture projects.

The board has been able to collect R23 million from mining royalties on behalf of the communities on trust land. This income will be used to fund, among others: poultry sheds, block-making enterprises, irrigation systems, arts and craft centres, sewing machines, and education and training and skills transfer to community members, as well as 72 bursaries for tertiary education. The

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

A total income of R13,3 million is budgeted for 2005/06, of which R11,9 million will be redistributed to the communities. The trust receives an allocation from the department to cover the operating expenses of its secretariat, which is expected to be R2,1 million in 2005/06.

The following programmes will be implemented over the medium term:

- finalising the transfer of KwaZulu-Natal townships to local authorities, establishing township registers and upgrading tenure rights
- extending the security of tenure on trust land and providing rental income to communities living on trust land (expected expenditure: R8,7 million)
- concluding the registration of all vested assets in the name of the trust, which involves the consolidation and registration of titles for each traditional authority area (the trust currently holds 1 478 titles)
- finalising the transfer of land used for state purposes to relevant government departments and municipalities (administration costs budgeted at R100 000 in 2005/06, with all additional transfer costs being borne by the relevant departments and municipalities).

Bala Farms

Bala Farms (Pty) Ltd is a state-owned company created by the former Bophuthatswana administration to buy and administer farms outside the homeland territory. The company is being dismantled and deregistered in line with the department's land reform policy. A new deadline of 31 March 2005 has been set. Properties which have not been disposed of by that date will be transferred to the Department of Land Affairs for disposal.

The department does not provide any financial assistance to the company, which generates its own revenue from interest earned on investments and on the leasing of properties, and from the sale of land. Total income in 2003/04 was R1,3 million, with a net profit of R0,5 million.

Inala Farms

Inala Farms is a property-owning company in which the department owns 75 per cent of the shares, with the remaining 25 per cent being held by the De Wet Family Trust. The company owns three farms, Lomati, Ooshang and Doornkraal, in Mpumalanga, which are leased to Inala Farming Company (Pty) Ltd, a farming business jointly owned by the De Wet Family Trust (56 per cent) and the Inala Employees Trust (44 per cent) as part of a land distribution project.

During the course of 2004/05, the Inala Farming Company (Pty) Ltd went into voluntary liquidation, affecting the farms owned by Inala Farms: they were mortgaged to the Land Bank in return for a loan to Inala Farming Company (Pty), the repayments on which are currently in arrears. The Land Bank is considering selling off the property to recover the debt, which would result in 418 beneficiaries losing their livelihoods.

Going forward, the department is looking for a strategic equity partner and also conducting a management restructuring exercise to rehabilitate the project.

Annexure

Vote 29: Land Affairs

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

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

Table 29.C: Summary of expenditure on training per programme

Table 29.D: Summary of information and communications technology expenditure per programme

Table 29.E: Summary of conditional grants and indirect grants to provinces and local government

Table 29.F: Summary of official development assistance expenditure

Table 29.G: Summary of expenditure on infrastructure

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

Programme	Appropriation		Preliminary outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2003/04			2004/05			
1. Administration	164 759	178 049	163 770	187 439	26 109	213 548	204 048
2. Surveys and Mapping	71 578	58 067	61 401	72 786	831	73 617	68 993
3. Cadastral Surveys	81 539	79 601	68 161	82 558	(1 672)	80 886	82 786
4. Restitution	854 914	839 054	839 116	933 225	201 606	1 134 831	1 156 144
5. Land Reform	430 452	465 373	453 734	473 760	27 754	501 514	494 525
6. Spatial Planning and Information	17 841	18 051	11 866	19 262	–	19 262	17 762
7. Auxiliary and Associated Services	18 027	16 802	10 390	19 122	(10 898)	8 224	7 624
Total	1 639 110	1 654 997	1 608 438	1 788 152	243 730	2 031 882	2 031 882
Economic classification							
Current payments	633 493	605 737	503 670	670 126	(5 914)	664 212	654 212
Compensation of employees	317 155	325 262	278 472	374 030	(3 870)	370 160	367 160
Goods and services	316 338	280 475	224 432	296 096	(2 044)	294 052	287 052
Financial transactions in assets and liabilities	–	–	766	–	–	–	–
Transfers and subsidies	975 747	1 013 851	1 075 511	1 086 327	243 653	1 329 980	1 339 980
Provinces	–	–	–	–	6 250	6 250	6 250
Municipalities	962	962	823	862	67	929	929
Departmental agencies and accounts	2 075	850	219	2 200	(1 291)	909	909
Public corporations	–	–	–	1	13	14	14
Households	972 710	1 012 039	1 074 469	1 083 264	238 614	1 321 878	1 331 878
Payments for capital assets	29 870	35 409	29 257	31 699	5 991	37 690	37 690
Machinery and equipment	29 870	35 409	29 257	31 699	(4 055)	27 644	27 644
<i>Transport equipment</i>	2 000	2 000	1 999	2 600	(2 600)	–	–
<i>Other machinery and equipment</i>	27 870	33 409	27 258	29 099	(1 455)	27 644	27 644
Software and intangible assets	–	–	–	–	10 046	10 046	10 046
Total	1 639 110	1 654 997	1 608 438	1 788 152	243 730	2 031 882	2 031 882

Table 29.B: Summary of personnel numbers and compensation of employees per programme¹

Programme	2001/02	2002/03	2003/04	2004/05	2005/06
1. Administration	450	466	656	656	656
2. Surveys and Mapping	338	340	310	254	255
3. Cadastral Surveys	520	520	501	456	516
4. Restitution	331	350	371	792	792
5. Land Reform	512	512	583	614	729
6. Spatial Planning and Information	42	50	96	96	96
Total	2 193	2 238	2 517	2 868	3 044
Total personnel cost (R thousand)	220 900	248 625	278 472	370 160	464 488
Unit cost (R thousand)	101	111	111	129	153

¹ Budgeted full-time equivalent

Table 29.C: Summary of expenditure on training per programme

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	2001/02	2002/03	2003/04		2005/06	2006/07	2007/08
1. Administration	3 612	4 725	5 878	6 181	14 186	14 715	15 558
3. Cadastral Surveys	–	–	–	–	821	832	896
5. Land Reform	–	–	–	5 531	6 241	–	–
7. Auxiliary and Associated Services	1 106	1 117	1 225	1 299	1	1	1
Total	4 718	5 842	7 103	13 011	21 249	15 548	16 455

Table 29.D: Summary of information and communications technology expenditure per programme

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	2001/02	2002/03	2003/04		2005/06	2006/07	2007/08
1. Administration	45 303	33 532	40 314	39 022	64 154	58 260	71 716
Technology	19 209	14 331	13 953	14 525	27 812	29 662	31 163
IT services	26 094	19 201	26 361	24 497	36 342	28 598	40 553
2. Surveys and Mapping	–	–	–	–	6 166	5 526	4 068
Technology	–	–	–	–	2 535	3 630	2 489
IT services	–	–	–	–	3 631	1 896	1 579
3. Cadastral Surveys	–	–	–	–	7 637	8 066	8 516
Technology	–	–	–	–	4 435	4 678	4 944
IT services	–	–	–	–	3 202	3 388	3 572
4. Restitution	–	–	–	–	2 031	1 939	2 036
Technology	–	–	–	–	1 881	1 789	1 878
IT services	–	–	–	–	150	150	158
5. Land Reform	–	–	–	–	2 830	2 651	2 969
Technology	–	–	–	–	1 258	903	951
IT services	–	–	–	–	1 572	1 748	2 018
6. Spatial Planning and Information	–	–	–	–	1 205	1 340	1 340
Technology	–	–	–	–	140	150	140
IT services	–	–	–	–	1 065	1 190	1 200
Total	45 303	33 532	40 314	39 022	84 023	77 782	90 645

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

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Conditional grants to provinces							
5. Land Reform							
Land Reform Grants							
Land Distribution: Alexandra Urban Renewal Project Grant	–	–	–	6 250	8 000	8 000	–
Total	–	–	–	6 250	8 000	8 000	–

¹ Detail provided in the Division of Revenue Act (2005).**Table 29.F: Summary of official development assistance expenditure**

Donor	Project	Cash/ kind	Outcome				Medium-term expenditure estimate		
			2001/02	2002/03	2003/04		2005/06	2006/07	2007/08
R thousand									
Foreign									
Denmark	Land reform pilot programme	Cash	–	5 874	–	–	4 500	–	–
Denmark	Integration of environmental planning into land reform	Kind	–	–	4 200	–	–	–	–
European Union	Land reform pilot programme	Cash	24 887	9 374	–	–	–	–	–
The Netherlands	Land reform pilot programme & Sectoral Budget Programme	Cash	13 458	3 328	870	–	–	–	–
United Kingdom	Land reform pilot programme	Cash	7 562	1 105	–	16 000	10 000	–	–
United Kingdom	Support to Department of Land Affairs	Cash	–	–	–	22 609	–	–	–
United Kingdom	Communal land rights bill consultation process	Cash	–	–	1 400	–	–	–	–
Belgium	Restitution programme	Kind	–	–	14 000	–	21 000	21 000	–
USAID	National land tenure conference	Kind	1 250	–	–	–	–	–	–
Switzerland	Finalisation of the communal land rights bill	Kind	–	–	–	1 250	–	–	–
Total			47 157	19 681	20 470	39 859	35 500	21 000	–

Table 29.G: Summary of expenditure on infrastructure

Projects	Description	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
		Audited	Audited	Preliminary outcome				
R thousand		2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Infrastructure programmes or large infrastructure projects								
Bloemfontein deeds	Upgrading of office and additions	2 076	15 910	2 905	–	–	–	–
National office accommodation	Upgrading and renovations	–	–	7 581	8 222	8 935	9 603	10 008
Small project groups								
National office accommodation	Upgrading and renovations	405	821	4 315	1 682	–	–	–
Deeds offices	Upgrading and renovations	799	–	–	–	–	–	–
Total		3 280	16 731	14 801	9 904	8 935	9 603	10 008