

 Communal Property Institutions Directorate

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**NARRATIVE REPORT ON COMMUNAL PROPERTY ASSOCIATIONS (CPAs) PERFORMANANCE FOR QUARTERS 1-3OF 2015-2016 FINANCIAL YEAR: BRIEFING TO THE PORTFOLIO COMMITTEE ON RURAL DEVELOPMENT AND LAND REFORM: 7 SEPTEMBER 2016**

1. **PURPOSE**
	1. To inform the Portfolio Committee on Rural Development and Land Reform on the performance of Communal Property Associations for quarters 1 to 3 of 2015-2016 financial year.
2. **BACKGROUND**

2.1 The Communal Property Associations Act, 1996 (Act No 28 of 1996) was passed to enable communities to establish Communal Property Associations (CPAs) whose primary objective is to acquire, hold and manage land on behalf of and for the benefit of its members. CPAs was intended to provide members with a simplified form of legal entity.

* 1. A total of 1483 CPAs have been registered since the passing of this Act, with 48 registered in 2015-2016 financial year. These entities were established for projects designated under various departmental programmes.
1. **TURN AROUND STRATEGY**

Since their establishment, these CPAs have been afflicted by a number of problems. The Department of Rural Development and Land Reform (DRDLR) has taken various steps to ensure that resources and systems are in place to address these challenges.

**3.1 CPA District Forums**

DRDLR has facilitated the establishment of Communal Property Associations District Forums in all the 44 District Municipalities in the country. These District fora assist in the provision of support to CPAs and serve as a platform for the CPAs to share experiences, approaches and lessons on how to handle CPA matters. Forums are fully operational in all provinces. A number of dispute resolution interventions in ailing CPAs have been done by these District Forums. Even though they are newly established they are proving their worth.

**3.2 Tenure Forum**

In light of many new officials that have been reassigned and appointed to deal with Tenure matters in provinces a forum of Tenure implementers has been established by DRDLR. The purpose of this forum is to capacitate newly appointed officials who lack experience on the various Tenure programmes and legislations, which include the CPAs Act.

**3.3 Advisory Committee on Judicial Administrations**

DRDLR has established an advisory committee to screen all recommendations from provinces to put CPAs under administration. This committee will ensure that DRDLR does not rush to place CPAs under administration. This committee screens each request to see if there are alternative interventions before a CPA can be placed under administration. The Committee members are from the CPI Unit, Legal Services, Provincial Shared Services Centre and the Land Claims Commission.

**3.4. Training**

A total of 138 CPAs received training during this reporting period.

**3.5 Expanded scope of the Land Rights Management Facility (LRMF)**

The scope of the LRMF has been extended to include support and regularisation of the CPAs.

1. **CPAs UNDER JUDICIAL ADMINISTRATION**

**Barolong boo Seitshiro**

Barolong boo Seitshiro was placed under administration due to the failure of the previous committee to exercise its fiduciary duties. The CPA bank accounts have been frozen. An administrator was appointed to manage its affairs and rectify the deficiencies in that CPA.

**Khomani San**

This CPA was characterised by gross dysfunctionality. There were no proper records of membership, the committee had disappeared and General meetings were not held. A process of regularizing the affairs of this CPA was initiated with the appointment of a panellist to fix the identified deficiencies. DRDLR appointed an Administrator to manage the affairs of the CPA until a new committee is elected. A parallel process was initiated to kick-start the business operations under the supervision of a farm manager. The business enterprises will ensure that the CPA will be sustainable when the CPA takes over.

**Rama**

DRDLR instituted proceedings against the Rama CPA Executive Committee following lack of accountability and misuse of CPA finances. The DRDLR was granted an Order allowing it to call an AGM for purposes of electing a new committee in the event that committee does not call an AGM. A parallel process by Auditors is also under way to investigate the finances of the CPA. The Auditors have been given access to the three ABSA accounts held by the CPA. However there is another account into which the CPA transfers money but the bank says it is not held by Rama and they can therefore not give Auditor access to it because it is not listed in the Court Order. The Auditors are now focusing on interviewing the Rama Executive Committee to clarify the flow of money and the transactions that went through the Bank accounts.

1. **CPA PERFORMANCE IN THE FIRST THREE QUARTERS OF 2015-2016**

DRDLR’s Annual Performance Plan (APP) indicates that 200 CPAs will be supported towards compliance for the year 2015-2016. This translated into 50 CPAs to be supported per quarter .

* 1. **First Quarter**

No CPA was regularised in the first quarter, but many of them were supported and were at different stages of been compliant to the CPA Act.

* 1. **Second Quarter**

DRDLR achieved half its target in the second quarter. A total of 25 CPAs were supported towards compliance in this quarter.

**5.3 Third Quarter**

DRDLR exceeded its target and supported 100 CPAs instead of the planned 50. The reason for the over achievement was due to the fact that provinces used different strategies to improve performance.

 **6. NATIONAL COMPLIANCE TRENDS**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Province** | **2009-10** | **2011-12** | **2012-13** | **2013-14** | **2014-15** | **2015-16** |
| Eastern Cape | 16 | 21 | 22 | 23 | 29 | 13 |
| Free State | 11 | 12 | 22 | 23 | 32 | 12 |
| Gauteng | 8 | 10 | 11 | 11 | 12 | 13 |
| Kwazulu-Natal | 27 | 30 | 30 | 30 | 33 | 19 |
| Limpopo | 10 | 24 | 34 | 35 | 53 | 31 |
| Mpumalanga | 8 | 16 | 26 | 27 | 42 | 75 |
| NorthernCape | 4 | 11 | 12 | 13 | 30 | 26 |
| North West | 10 | 21 | 39 | 40 | 33 | 14 |
| Western Cape | 6 | 13 | 13 | 13 | 20 | 05 |
| NationalSummary | 100 | 158 | 209 | 171 | 284 | 208 |

**7. CPAs THAT LOST LAND**

**7.1 Eastern Cape**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Registration no** | **Program** | **Extent** | **Members** | **Transaction**  |
| **Alpha** | 03/0634/A | Redistribution | 219.5097 | 15 | Sold Land |
| **Fuzani** | 06/0920/A | Redistribution | 193.3821 | 2 | Sold land |
| **Iliso Lomzi** | 02/0478/A | Redistribution | 102.3734 | 16 | Sold land |
| **Isidingo** | 00/0243/A |  Redistribution | 216.6084 | 44 | Sold land |
| **Lingelihle** | 00/0243/A | Redistribution | 216.6084 | 44 | Sold land |
| **New Life** | 01/0348/A | Redistribution | 85.9724 | 20 | Sold land |
| **Nqancula** | 00/0211/A | Redistribution | 305.0551 | 60 | Sold land |
| **Nyathi** | 04/0679/A | Redistribution | 870.1937 | 16 | Sold land |
| **Sinethemba** | 01/0344/A | Redistribution | 1735.0000 | 19 | Sold land |
| **Nangu Family** | 08/1137/A |  Redistribution | 115 | 12 | Land Never transferred |

**7.2 Free State**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name**  | **Reg no.**  | **Program** | **Extent** | **Members** | **Transaction** |
| **Iketsetseng** | 99/0148/A | Redistribution | 429 | 98 | Sold land |
| **Itireleng** | 98/0114/A | Restitution |  | 29 | Sold land |
| **Itshokolele** | 99/0150/A | Redistribution | 7.1578 | 18 | Sold land |
| **Kopano** | 97/0019/A | Redistribution | 55.9199 | 97 | Land sold in execution |
| **Mabaso** | 98/0090/A | Redistribution |  | 7 | Sold land |
| **Marematlou** | 98/0047/A |  | 446.8435 | 214 | Sold land |
| **Moleme** | 98/0119/A | Redistribution | 247 | 48 | Sold land |
| **Morakabi** | 02/0389/A | Redistribution | 248.9748 | 11 | Sold land |
| **Sekekete** | 02/0396/A | Redistribution | 198.7460 | 6 | Sold land |

**7.3 Northern Cape**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name**  | **Reg no.**  | **Program** | **Extent** | **Members** | **Transaction** |
| **Boichoko Small Farmers** | 98/0116/A | Redistribution | 127.7798 | 920 | Sold land |
| **Dingleton Small Farmers** | 02/0513/A | Redistribution | 84.4909 | 3 | Sold land |
| **Dirisanang Small Farmers** | 98/0095/A | Redistribution | 5345.0271 | 400 | Sold land |
| **Langverwacht Boerevereniging** | 98/0099/A | Redistribution | 5616 | 46 | Sold land |
| **Lawane Saamstaan** | 05/0820/A | Redistribution | 1.8452 | 5 | Sold land |

Some of the challenges that led to the loss of land are disputes amongst community members. Some sales are alleged to have been concluded without proper consultation and in some instances without the knowledge of some community members. Investigations are underway to verify these allegations. Where CPAs have validly sold land those CPAs must be deregistered. A process of deregistering of CPAs without land has already started in some provinces. The Land Rights Management Facility will review all the transactions where the CPAs sold the land to determine the legality of these transactions and will make recommendations to the Department.

**7.4 Reaoboka CPA: North West**

The farm was sold by few beneficiaries without the consent of the membership of Raoboka CPA. The member's lodged a complaint with DRDLR and an attorney in the name of Matshitse Incoporated has been appointed to assist on the matter.

**8 PROVISIONAL CPAs**

There are a total of 18 provisional CPAs in the country

* Rietdraai
* Rekgonne
* Goedehoop
* Ritchie Small Farmers
* Bakone Ba Phetta
* Jay Dee Rovon
* Shayizandla (PCPA)
* Goudina
* Ses`khona
* Enjabuleni
* Masakhane
* Mkhuzane
* Mgxobeleni
* Siphumelele
* Mahobe
* Diyatalawa
* Osizweni
* KwaXolo/ Dalumuzi

The provinces have been informed about the Provisional CPAs in their respective provinces and are in the process of converting all into permanent CPAs.

 **MR TJ SEBAPE**

 **DIRECTOR: COMMUNAL PROPERTY INSTITUTIONS**