

Financial Performance - April to September 2008

Economic Classification	Budget R'000	Expenditure R'000	% Spending
Compensation of Employees	624,656	288,413	46%
Operational Costs	523,074	302,321	58% <i>A concern -</i>
Transfers to Households	4,568,993	2,062,611	44%
Land & Subsoil (PLAS)	852,673	864,707	101% <i>started !!</i>
TOTAL	6,659,396	3,518,052	53%

Financial Performance per Programme - April to September 2008

PROGRAMME	BUDGET 2008/09	Spending to date	Expenditure versus Budget
	R'000	R'000	%
1 Administration	421,815	192,060	46%
2 Surveys & Mapping	91,415	30,760	34%
3 Cadastral Survey Management	114,875	55,300	48%
4 Restitution	3,097,305	1,771,154	57%
5 Land Reform	2,888,469	1,451,607	50%
6 Spatial Planning & Information	32,286	16,548	51%
7 Auxiliary & Ass.	13,231	622	5%
TOTAL	6,659,396	3,518,051	53%

shortfall.

Adjustment Estimates for 2008/09

- The Department submitted a Treasury Committee Memorandum requesting an amount of R2,5 billion comprised as follows:
 - R2,2 bil - to augment the funding needs under Programme 4 (Restitution) - *Committee of R2.5 billion*
↳ Budget in decline, there isn't enough money
 - R13 mil - for the implementation of the new Surveyor General Offices in the North West & Eastern Cape Provinces
 - R102 mil – Land reform for compensation & goods & services
 - R137 mil – for ICT, security, employee wellness and recruitment support
- ^{MTEC} Save to say the total amount was not agreed to by the Budget Committee.
- The implications of the declined amounts is huge on the finalization of the restitution claims and the necessary support services required in the Department.

Indicative Baseline Allocation

for the new MTEF

2009/10 – 2011/12

Indicative Medium Term Allocation 2009/10 - 2011/12

Economic Classification	2008/09	2009/10	% incl/ Dec	2010/11	2011/12
Compensation of Employees	640,656	672,720	5%	705,608	747,944
Goods & Services	658,351	487,747	-26%	510,559	542,272
Other current Transfers	6,212	4,933	-21%	5,228	5,542
Transfers to Household	4,655,275	3,750,706	-19%	3,807,973	4,036,451
Capital Assets - Land & Subsoil (PLAS)	852,673	990,715	16%	1,076,140	1,140,708
Capital Assets(Operations)	47,930	54,534	14%	82,063	86,987
TOTAL	6,659,396	5,961,355	-11%	6,187,571	6,559,904

*Effective new
Net does
Treaty
Meaning
Net one
the total*

2.

Activities not catered for in the current baseline

- Presidential priority in respect of land reform to redistribute **5 million hectares** of prime agricultural land in the next two years.
- The settlement of 3800 **potential remaining restitution claims** in the next three years.
- Capacity building through the phased-implementation of the new organisation structure by creating and filling **2131 posts**. *2 necessary for CAEP*
- Implementation of a systematic approach for land cover and land use mapping which will provide fundamental information about the physical cover of the Earth's surface such as the type of vegetation, agriculture water bodies, barren areas and human made structures.
- Establishment and implementation of Surveyor General Offices in the Eastern Cape and North West Provinces.

Financial implications of the proposed option

	Policy Options	2009/10 R	2010/11 R	2011/12 R	TOTAL R
1.	Redistribution of 5 million hectares	3,167 b	3,317 b	4,229 b	10,713 b
2.	Settlement of 5 279 restitution claims	4,305 b	3,964 b	4,040 b	12,309 b
3.	Filling of new posts and the concomitant operating costs	252 m	529 m	817 m	1,598 m
4.	Land cover and land use mapping and supporting satellite imagery		8 m	30 m	38 m
5.	Establishment and implementation of Surveyor General Offices in the Eastern Cape and North West Provinces	24m	23m	24m	71m
	TOTAL	7,748 b	7,841 b	9,140 b	24,729 b

Shortfall on the baseline for Restitution

Clearly, based on the costing of the remaining claims, the current baseline is not geared to have restitution finalized soon.

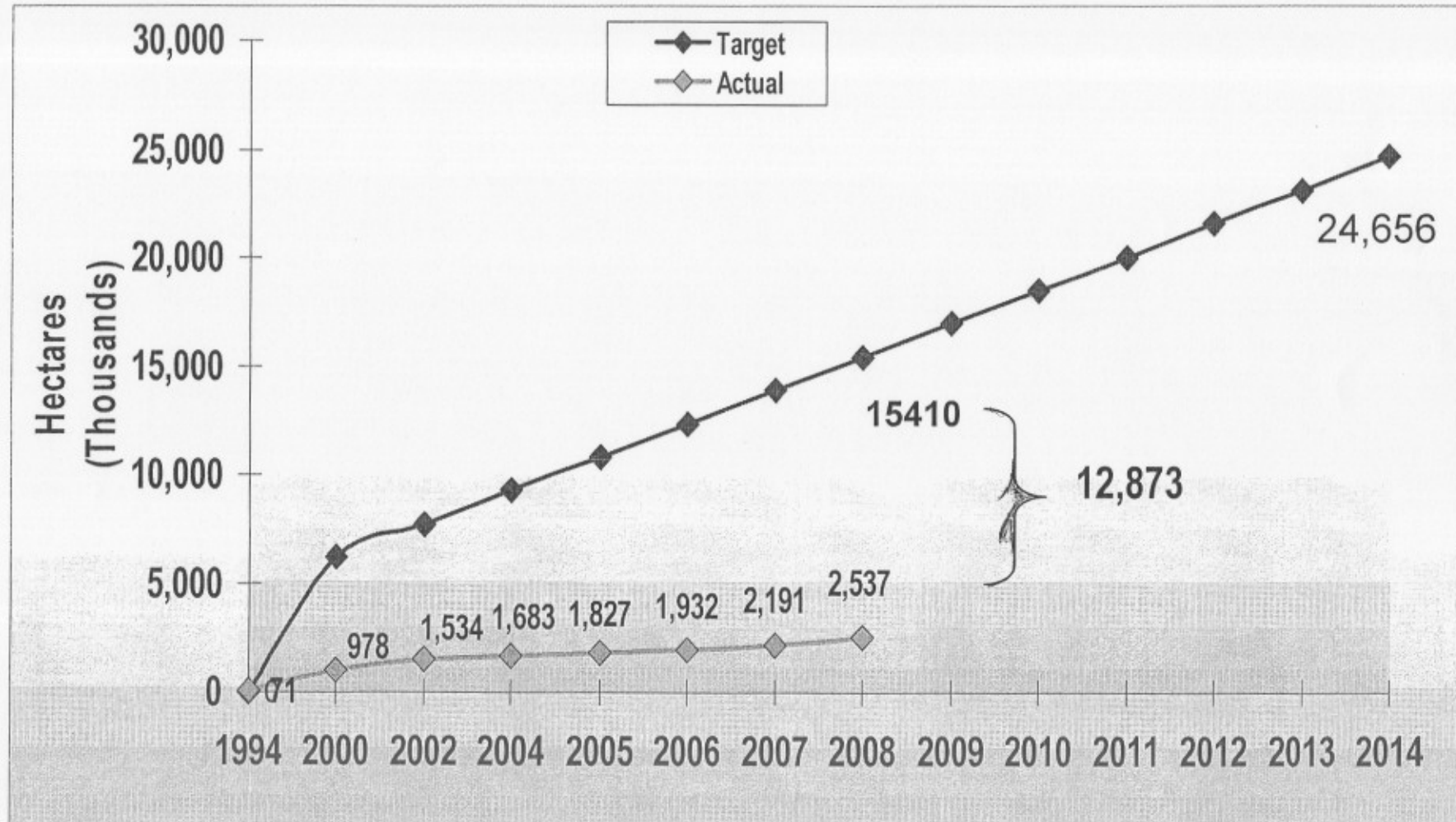
	2009/10 R'000	2010/11 R'000	2011/2012 R'000	TOTAL
Total budget required	6,010 bil	5,370 bil	4,040 bil	15,420b
Current baseline	1,706 bil	1,406 bil	1,508 bil	4,619 b
Deficit	4,303 bil	3,964 bil	2,532 bil	10,799 bil

Shortfall on the baseline for Land Reform

From the table below it is clear that the Department will not meet its mandate of delivering 30% of white owned agricultural land by 2014.

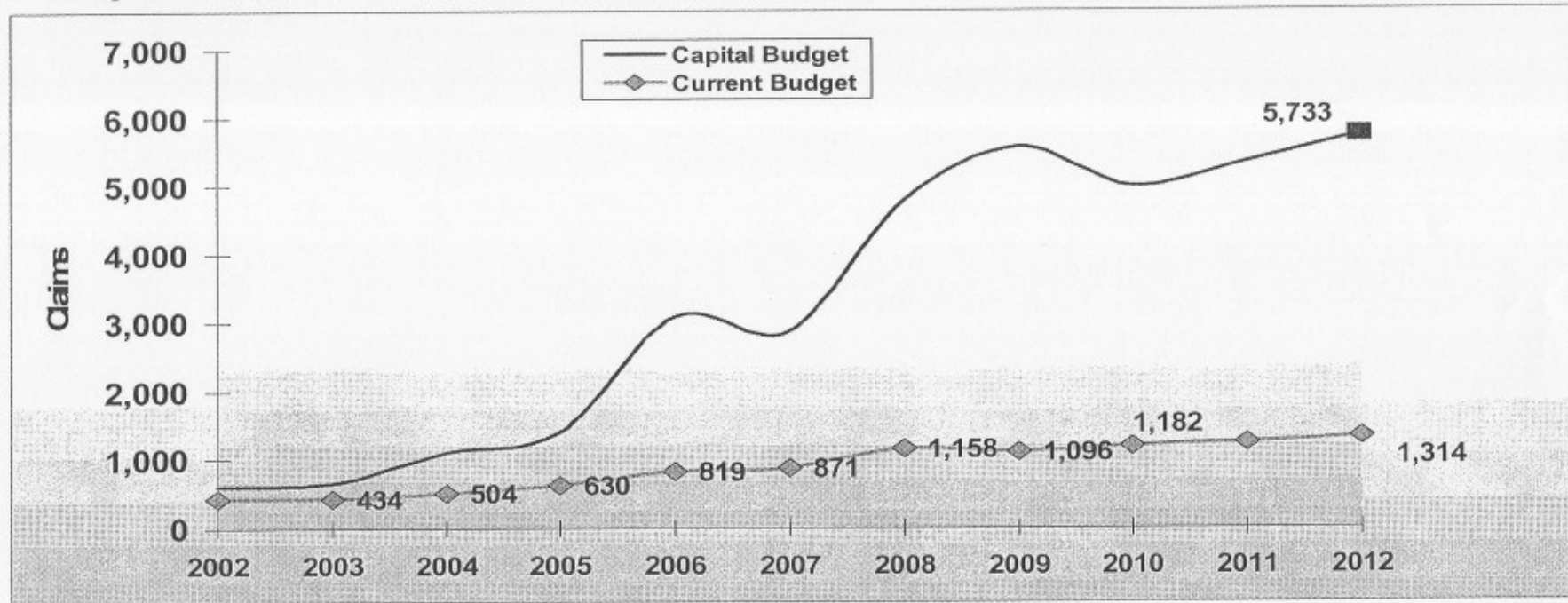
	2009/10 R'000	2010/11 R'000	2011/2012 R'000	TOTAL
Total budget required	6,771 bil	7,419 b	8,577b	10,713b
Current baseline	3,604 bil	4,102bil	4,348 bil	12,054 b
Deficit	3,167 bil	3,317 bil	4,229 bil	10,713 bil

The graph below is a clear demonstration of the disparity between the hectares delivered to date through the redistribution programme and what should have been delivered to date based on a linear target of 1,541 mil ha per annum to meet the 30% target of white owned agricultural land by 2014.



Shortfall on the Compensation line

The graph below demonstrates how the gap has widened between the capital budget and the compensation baseline budget of the Department .



	2008/09	2009/10	2010/11	2011/12
Baseline	6,659 b	5,961b	6,188b	6,559b
Compensation	636 mil	673mil	705mil	748mil
Comp %	9.55%	11.29%	11.39%	11.40%

BUSINESS UNUSUAL !!!!!!!