

# DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

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Public Hearing on the Expenditure and Budget  
Implementation for the First Quarter of the Financial  
Year 2009-2010

Presentation to the Standing Committee on  
Appropriations

16 October 2009

# MAIN COST DRIVERS

## 1. Land Reform

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- The goal of the Land Redistribution for Agricultural Development (LRAD) Sub-programme is to contribute more significantly to agricultural development and to extend the target group beyond the poor so as to also include emerging black farmers. LRAD is designed to provide grants to black South African citizens to access land specifically for agricultural purposes.
  
- The Pro-active Land Acquisition Strategy (PLAS) allows the Department of Rural Development and Land Reform (DRDLR) to acquire land in terms of the Provision of Land and Assistance Act, 1993 (Act No 126 of 1993) [Section 10(a)] based on the selling price, expropriation or auction price without initially attaching beneficiaries to such land. Once land has been identified, the State will either acquire or secure the land through financial guarantees. The approach is primarily pro-poor and is based on purchasing advantageous land. The strategy/approach moves from the premise that there is a need or demand for land that may be quantified (through Integrated Development Plans {IDPs}) or Area-Based Plans (ABPs) but that it is not beneficiary demand driven, but rather state driven.

# MAIN COST DRIVERS cont.

## 2. Restitution

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- The Commission on Restitution of Land Rights (CRLR) provides restitution of rights in land in terms of the Restitution of Land Rights Act, 1994 (Act No 22 of 1994) [section 42D, read with section 2], to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices. Restitution can take the form of land restoration, financial compensation, or a combination. In claims for restoration of land rights, restoration of the specific land that the community was dispossessed of is recommended where at all feasible, so as to ensure access to land and opportunity by rural communities.
- Land is acquired outright and based on the purchasing of the land. Where it is not feasible to acquire the specific land the community or household was dispossessed of, restoration of alternative land is considered. The CRLR investigates the claim to ensure that it is valid and in compliance with the criteria stipulated in the Restitution of Land Rights Act, 1994, and facilitates purchasing of the land with the land owner. The CRLR also engages with municipalities in terms of the IDPs or ABPs and any other relevant stakeholders such as Agriculture to ensure support to new land owners. In this regard financial aid can also be awarded in terms of section 42C of the Restitution of Land Rights Act, 1994.

## 2009/10 1<sup>st</sup> Quarter Spending per Economic Classification

	Budget R'000	Drawings to 30 June R'000	Spending to 30 June R'000	Available Budget R'000	Budget Spent %	Variance: Spending versus drawings R'000
Compensation	942,873	203,823	170,684	772,223	18%	33,139
Operational costs	608,896	123,938	128,223	480,667	21%	(4,285)
Current transfers and subsidies	16,196	5,311	3,198	12,976	20%	2,113
Capital transfers to households	3,510,371	1,708,859	1,788,747	1,721,624	51%	(79,888)
Departmental agencies and accounts	1,020,722	207,424	310,689	710,033	30%	(103,265)
<b>TOTAL</b>	<b>6,099,058</b>	<b>2,249,355</b>	<b>2,401,541</b>	<b>3,697,523</b>	<b>39%</b>	<b>(152,186)</b>

Linear target of 25% is exceeded by 14%, while drawings exceeded by 7%. Overspending under operational cost, Capital transfers and Departmental Agencies (PLAS) is due to accruals from previous financial year, and this is as a result of the R54 million that was transferred to Deeds Trading Account to augment its deficit as prescribed by the Treasury Regulation.



## 2009/10 1<sup>st</sup> Quarter Spending per Programme

	Budget R'000	Drawings to 30 June R'000	Spending to 30 June R'000	Available Budget R'000	Budget Spent %	Variance: Spending versus drawings R'000
Administration	500,457	98,880	100,837	399,601	20%	(1,957)
Surveys and Mapping	96,147	20,658	17,295	78,830	18%	3,363
Cadastral Surveys	131,824	25,561	29,715	82,100	22%	(4,154)
Restitution	1,889,284	1,389,528	1,421,438	467,906	75%	(31,910)
Land Reform	3,434,928	707,144	818,941	2,635,983	24%	(111,797)
Spatial Planning and Information	33,562	5,844	11,456	22,106	34%	(5,612)
Auxiliary and Associated Services	12,856	1,740	1,859	10,997	14%	(119)
<b>TOTAL</b>	<b>6,099,058</b>	<b>2,249,355</b>	<b>2,401,541</b>	<b>3,697,523</b>	<b>39%</b>	<b>(152,186)</b>