



Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

THIRD QUARTER PERFORMANCE REPORT FOR THE FINANCIAL YEAR 2011/12

Prepared for:

THE PORTFOLIO COMMITTEE ON RURAL DEVELOPMENT AND LAND REFORM

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1. PURPOSE

The purpose of this report is to provide the analysis of the expenditure trends as requested by the portfolio committee for noting.

2. EXECUTIVE SUMMARY

The Department of Rural Department (The Department) vote comprises of five programmes which is: Programme 1: Administration, Programme 2: Geospatial and Cadastral Services, Programme 3: Rural Development, Programme 4: Restitution and Programme 5: Land Reform.

The final adjusted appropriation for the Department amounted to R8 136 billion (Original budget: R8 124 billion). Expenditure for the third quarter has increased by 18.7% totalling R4 900 billion. (2nd Quarter: R 3 375 billion). The expenditure is comprised of: compensation of employees R805 million (2nd Quarter: R518 million), goods and services R993.1 million (2nd Quarter: R556,8 million), transfers R3 billion (2nd Quarter: R2.2 billion and capital assets R15 million (2nd Quarter: R8 million).

The **Administration programme's** expenditure as at the end of the third quarter amounted to R615.7 million or 67.5% of budget amounting to R911, 5 million. The biggest cost drivers in this regard were, particularly on goods and services (55.7% of total expenditure).

The **Geospatial and Cadastral Services** programme's expenditure for the third quarter amounted to R364.2 million or 65.5% of the annual budget amounting to R555.9 million. During the third quarter, the branch's expenditure grew by 100%. The growth was attributed to R77. 2 million that was paid over to Deeds to finance e-cadastre project amongst other.

Rural Development Programme's expenditure for the third quarter amounted to R392 million or 43.5% of the annual budget amounting to R901.7 million. In the third quarter, the branch's expenditure grew by 99.2%. The growth was attributed to goods and services which grew by 150.9%.from the second to third quarter respectively.

Restitution Programme's expenditure for the third quarter amounted to R889.5 million or 35.6% of the annual budget amounting to R2,497 billion. In the third quarter, the branch's expenditure grew by 9.4%. The substantial growth was attributed to household which its growth accounted for R168, 4 million due to the payment for land purchases, financial compensation and planning grant claims associated with post settlement support to beneficiaries. The expenditure was far below target mainly due to rigorous security of submissions; given experience of the past financial year i.e. court cases and commitments that exceeded budget allocation. The Chief Directors: Restitution Support have since been appointed.

Land Reform Programme's expenditure for the period ended 31 December 2011 amounted to R2, 639 billion or 80.7% of the annual budget amounting to R3,270 billion. In the third quarter, the branch expenditure grew by 19, 8%. This growth was attributed to the PLAS trading account which accounted for R1, 089 billion and R2, 084 billion for both second and third quarter respectively due to the payment for land purchase, development grant and planning.

3. CONCLUSION

It is recommended that the Committee notes the content of this report.

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