ANNUAL REPORT

1 April 2009 - 31 March 2010

Department of Rural Development and Land Reform

rural development
& land reform

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

Department of Rural Development and Land Reform

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Submission of Annual Report to the Executive Authority

I have the honour of submitting the 2009/2010 Annual Report of the Department of Rural Development and Land Reform in terms of the Public Finance Management Act, 1999.

Dr Nozizwe Makgalemele
Acting Director-General
9 September 2010

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PART 1: GENERAL INFORMATION

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PART 1: GENERAL INFORMATION

1.1 Accounting Officer's overview

Introduction

Rural development, land reform and job creation have been included among the key priorities of government. In 2009, the addition of the rural development mandate to the previous one of land affairs necessitated significant changes in the policy and institutional arrangement of the previous Department of Land Affairs. This included a re-conceptualisation of the development approach, vision, mission and the strategic objectives, as well as the implementation strategy for the new Department of Rural Development and Land Reform.

Prior to the introduction of the new mandate, the department was structured into seven programmes, namely, Administration; Surveys and Mapping; Cadastral Surveys Management; Restitution; Land and Tenure Reform; Spatial Planning and Information; and Deeds Registration. The department was divided into five Branches as listed below:

- Land and Tenure Reform (responsible for redistribution, tenure reform as well as State land administration),
- The Commission on Restitution of Land Rights (responsible for providing redress to victims of dispossessions of rights in land as a result of racially discriminatory laws and practices that took place after 19 June 1913),
- Land Planning and Information (responsible for surveying, mapping and registration of land as well as for spatial planning and information),
- Corporate Services (responsible for financial management, human capital and organisational development, business information management and communication services),
- The Office of the Director-General (responsible for policy and legislation, monitoring and evaluation, risk and compliance management as well as strategic planning).

The subsequent restructuring of the department, in line with the new mandate, led to the re-configuration of existing Branches and the addition of new ones. Currently, the department is configured, at Branch level, as follows:

- Restitution: Remains responsible for the settlement of land claims;
- Land Reform: In addition to its previous responsibilities, assumed responsibility for strategic land reform interventions;
- Geo-spatial Services, Technology Development and Disaster Management (GTD), a reconstituted Branch, responsible for spatial planning and information, rural disaster mitigation, technology research and development and national geo-spatial information;
- Social, Technical, Rural Livelihoods and Institutional Facilitation (STRIF) – a new Branch, responsible for social organisation and mobilisation, technical support, skills development and nurturing, rural livelihoods and food security as well as institution building and mentoring;
- Rural Infrastructure Development (RID) – also a new Branch, responsible for facilitation, coordination and initiation of the development of social, economic, ICT and public amenity infrastructure;
- Deeds Registration – previously reporting under the Land Planning and Information Branch, now a fully fledged Branch, to provide a high quality deeds registration system whereby secure titles are registered and speedy and accurate information is provided;
- Cadastral Surveys Management – also previously reporting under the Land Planning and Information Branch, now a fully fledged Branch responsible for the approval, maintenance and archiving of cadastral survey documents submitted by land surveyors, supplying cadastral information and facilitating the regulation of cadastral surveys in order to support development, with special emphasis on rural development;
- Support Services – which has been reconstituted and is now responsible for policy and legislation, planning, monitoring and evaluation, human resources, information and technology management and corporate services;
- Financial Services – previously reporting within the Corporate Services Branch, is now a stand alone Branch with full responsibility for financial management services as well as supply chain and facilities management services.

Land reform

Whilst the redistribution of 30% of white-owned agricultural land remains the core objective of the land reform programme, it has now been linked to a clear programme of support and capacity building that would ensure socio-economic development of all land reform beneficiaries. During this period, the land reform programme has delivered 239 990.5363 hectares, falling short of the original target. However, this can be attributed to the reprioritisation that had to take place within the department, which resulted in changes to the original budget allocation. This has included a new programme to revitalise farms that have been acquired since 1994 through land restitution and redistribution, and are in distress.

There are still challenges to the implementation of land reform. These have made a strong case for the urgent review of our land tenure system and have been considered in the drafting of a Green Paper on Rural Development and Land Reform.

With regard to tenure security, the department has continued to utilise the Land Rights Management Facility as a mechanism to protect the land rights of vulnerable farm dwellers, and during the period under review, significant progress has been made and access to legal services has been facilitated through the call centre (Evictions Toll-free No.: 0800 007 095).

Restitution

The Commission on Restitution of Land Rights established in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994), continued to provide redress to victims of land rights dispossessions as a result of discriminatory laws and practices since June 1913. During the 2009/10 financial year, the Commission faced severe budgetary constraints and has therefore been able to settle only 33 of the targeted 1 695 claims. Since 1995, the Commission succeeded in finalising 75 844 claims.

Given the significant budgetary implications, the Commission has had to follow a prioritisation process to determine which claims could be settled, and it has been working on alternative models that could be utilised aligned to the CRDP principles.

Geo-spatial services, technology development and disaster management (GTD)

The regulation of proper land use, spatial planning and spatial information management within the public and private sectors is a core responsibility of the department. As part of the new mandate, areas of technology, research and development and rural disaster management have been added to this component.

This component will facilitate research and adapt innovative and appropriate technologies for rural development; promote indigenous knowledge systems and sustainable utilisation of natural resources, thereby contributing towards reducing vulnerability and poverty eradication in rural communities.

Some of the highlights relating to the work done by this component include the status quo reports that have been prepared for all CRDP sites in the country. These reports assist in development planning initiatives.

Since 2007, the department has invested in tertiary education of prospective bursary holders to study in scarce skills fields such as BSc in Geomatics, Land Surveying, Cartography, and Town and Regional Planning. Fifty-three (53) new bursaries were awarded in the past financial year to bursary holders to study at various tertiary institutions during the 2010 academic year.

The department has also continued to promote the African Agenda. This was done through development projects such as the Mapping Africa for Africa and African Reference Frame (AFREF) projects. Assistance with the presentation of AFREF workshops in Nairobi was provided and a report on the Governing Council of the Regional Centre for Mapping of Resources for Development (RCMRD) was also submitted.

Rural development

The addition of the rural development mandate has resulted in the development of the Comprehensive Rural Development Programme (CRDP).

During 2009/10, the CRDP was rolled out to eight provinces and 23 wards in the country. Since the inception of the programme in June 2009, significant progress has been made in all sites which include the following initiatives: houses that have been built, schools renovated, clinics established and a number of community organisations formed and operational. In August 2009, the President launched the CRDP in Muyexe in Limpopo. The CRDP is premised on three phases:

- Phase one could be regarded as the incubator or nursery stage of the programme – meeting basic human needs
- Phase two could be regarded as the entrepreneurial development stage – relatively large-scale infrastructure development as the driver
- Phase three is the stage of the emergence of industrial and financial sectors – driven by small, micro and medium enterprises and village markets.

Implementation of the CRDP begins with a spatial analysis as well as community and household profiling of each identified area. To ensure proper coordination of the social and community profiling as well as the interventions, the War on Poverty programme that was previously located in the Presidency has also been moved to the Department of Rural Development and Land Reform.

Within the CRDP, the department has played the role of catalyst, coordinator, initiator and facilitator. The focus in each site has been on ensuring coordination between sector departments and tiers of government. In most areas, this has enabled us to achieve our objectives without necessarily spending the funds originally allocated.

Through the CRDP, a job creation model has also been implemented and several short-term job opportunities have been created. Over the next three years, the intention of the model is to employ 320 000 people for a minimum period of two years. The infrastructure created, as well as the enterprises developed, should also be able to sustain a percentage of these jobs over the long term, thus bringing sustainable economic development and wealth creation into these areas.

Agrarian transformation initiatives have been focused on expanding and supporting individual households to improve food security, and in the development of smallholder family farming initiatives. Over the past year, the department, in partnership with the University of Fort Hare, has been implementing Agri-Park projects in Alice and Idutwya in the Eastern Cape.

Phase I (Short-Term)

Job Creation		
900 Households	1 Person per household = 900	General employees initiated in basic technical skills

Targeted Training and Development		
45 Groups of 20 households each	Advanced training in social, technical and institutional facilitation & enterprise development	4 Para-development specialists per group = 180

Strategy
Contracting x 2 years

Terms			
Training and development • On & off the job • Certification & accredited at the end	**Mediated EPWP** Principles • Wage rate • Conditions of employment • Two years of unbroken engagement	**Contribution to household** • Each contractee to share 50% of income directly with his/her household	**Exit Strategy** • Strict observance of production discipline • Greater responsibility, linked to training and development • Business attachment, linked to training & development • Full responsibility during last six months, reinforced by professional mentoring • For absorption into phase II after two years

To Do		
Cost benefit analysis of model to establish feasibility - mainly economic	Identify success and failure factors	Opportunity cost analysis - mainly social

Social Impact			
Delay child pregnancy by at least two years	Reduce HIV infections	Reduce dependence on social grants	Reduce crime, especially petty crime & domestic violence

Phase II (Medium-Term)

Strategy (meeting basic human needs)	Implementation	Catalyst
• Rural livelihoods and food security	• Initially, anchored on fencing • A bi-focal project • Integrated cropping development (complete value-add) • Integrated livestock development (complete value-add)	• Entrepreneurial training, development and formation • Indigenous knowledge systems, integrated with appropriate modern technology (accessible, user friendly and labour intensive) • Co-operative system of production • Economic and financial services sectors • Social services sector

Phase III (Medium to Long-Term)

Strategy	Catalyst
• Village industries and enterprises (emergent industrial and financial sectors)	• Production discipline in feeder-sectors (supply side) • Trained workers and staff (entrepreneurial development critical) • Processing plants (crop and animal products) • Village markets (anchored by ICT infrastructure and skills) • Consumer co-operatives (demand side control) • Credit finance facilities • Public and social services hubs in villages around emergent industrial financial sectors

Vibrant and Sustainable Rural Communities				
Phase I could be regarded as an incubator or nursery stage of the programme - meeting basic human needs as drivers	▶	Phase II could be regarded as the entrepreneurial development stage - relatively large-scale infrastructure development as driver	▶	Phase III is the stage of the emergence of industrial and financial sectors - driven by small, micro and medium enterprises and village markets

New policy development

The department has been developing a draft Green Paper on Rural Development and Land Reform. Once approved by Cabinet, the department will embark on a public consultation process.

Financial resources

The department had a final allocation of R6,391 billion and was able to expend R5,854 billion in the year under review. The above spending translated to 92% of the final allocation, which is compared to 100% achieved in the preceding year. The 8% under spending in the year under review is largely attributed to the changes in the mandate of the department and the re-conceptualisation of the different programmes.

Support services

To ensure good governance and accountability within the department, the Annual Audit Plan was executed and several internal audit projects were undertaken. The monitoring and evaluation systems of the department have also been improved with a special focus on the performance monitoring of the department to achieve its outcomes. The Performance Information Management System (PIMS) has been completed and will be fully implemented in the new financial year.

The department has developed a new structure aligned to the key deliverables of the new strategy, and key posts are already in the process of being filled. In this regard, the Human Resources plan was developed to improve organisational performance. The department has also focused on the development of partnership agreements with sector departments and the private sector. This will assist in improving technical capacity required in the immediate future.

Conclusion

The year under review has seen a number of fundamental changes in the department. These include the development of a new vision, mission, strategy and the development and implementation of the Comprehensive Rural Development Programme (CRDP). As a new department, significant strides have been made in a number of areas as highlighted above.

The new rural development mandate has generated vibrancy within the department and we remain committed to striving towards creating a better life for all.

Dr Nozizwe Makgalemele
Acting Director-General
Date: 20 September 2010

1.2 The Ministry

This is the first annual report produced by the new Ministry for Rural Development and Land Reform. The re-configuration of government in 2009 led to, amongst others, the establishment, for the first time after 15 years of democratic government in South Africa, of a Ministry and a Department of Rural Development and Land Reform in May 2009. Thus the department now has an in-house Minister and Deputy Minister.

Whilst this annual report reflects on its delivery against the targets of the 2009 – 2012 Strategic Plan tabled in Parliament in June 2009, it also reflects on the substantive work with our partners in the rural areas to deliver on the vision of vibrant, equitable and sustainable rural communities.

1.3 Vision and Mission statement

The vision and mission of the previous Department of Land Affairs was:

Vision

"To create and maintain an equitable and sustainable land dispensation as a catalyst for rural development that ensures rural livelihoods, decent work and continued social and economic advancement for all South Africans."

Mission

"To provide enhanced land rights to all South Africans with particular emphasis on black people in rural human settlements that would result in increased food security and improved quality of life."

With the addition of the Rural Development mandate the vision and mission was reviewed and implemented as follows:

New Vision

"Vibrant, Equitable and Sustainable Rural Communities."

New Mission

"To facilitate integrated development and social cohesion through participatory approaches, in partnership with all sectors of society."

1.4 Legislation implemented by the department

- The Restitution of Land Rights Act, 1994 (Act No. 22 of 1994), which provides for the restitution of land or the award of equitable redress to persons or communities dispossessed of land as a result of past racially discriminatory laws or practices; and
- The Restitution of Land Rights Amendment Act, 2003 (Act No. 48 of 2003), which empowers the Minister of Rural Development and Land Reform to purchase, acquire in any other manner or expropriate land or rights in land for the purpose of restitution awards or for any related land reform purpose.
- The Distribution and Transfer of Certain State Land Act, 1993 (Act No. 119 of 1993) provides for the distribution and transfer of State land to persons or descendants of persons who were removed from such land and, prior to 27 April 1994, had submitted applications to the then Advisory Commission on Land Allocation who in turn had confirmed their possible entitlement to such land. It empowers the Minister of Rural Development and Land Reform to designate such land to be dealt with in terms of the Act and also appoint a Land Distribution Commissioner to investigate and make awards to such persons who are found to have legitimate claims to such land;
- The Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991) provides for the upgrading of various forms of tenure to ownership;
- The Interim Protection of Informal Land Rights Act, 1996 (Act No. 31 of 1996), which provides for the temporary protection of certain rights and interests in land which are not otherwise adequately protected by law, until comprehensive new legislation is in place;
- The Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997), which provides for security of tenure to

people living on land belonging to another person and regulates the conditions under which the eviction of such people may take place;

- The Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996), which provides for security of tenure to labour tenants and their associates and for the acquisition of land by labour tenants;
- The Communal Property Associations Act, 1996 (Act No. 28 of 1996), which provides for the establishment of legal entities enabling communities to acquire, hold and manage land on an agreed basis in terms of a constitution;
- The Transformation of Certain Rural Areas Act, 1998 (Act No. 94 of 1998), which provides for the repeal of the Coloured Rural Areas Act, 1987.
- The KwaZulu-Natal Ingonyama Trust Act, 1994 (KZN Act No. 3 of 1994 – G.N. 28 of 1994 dated 24 April 1994) was passed by the then KwaZulu Legislative Assembly and was amended by the (national) KwaZulu-Natal Ingonyama Trust Amendment Act, 1997 (Act No. 9 of 1997). It provides for the establishment of the Ingonyama Trust with His Majesty, the King as the sole trustee, the establishment of the board (KwaZulu-Natal Ingonyama Trust Board), which administers the affairs of the trust and its land and for the vesting of all the land that originally fell within the legislative jurisdiction of the former KwaZulu Legislative Assembly and land that may have been acquired for purposes of transfer to the then KwaZulu Government; and for the transfer of that land to the affected communities.
- The Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993), aims to redress the imbalanced land allocation of the past by providing land and financial assistance to historically disadvantaged persons and communities.
- The Deeds Registries Act, 1937 (Act No. 47 of 1937), which provides for the administration of the land registration system and the registration of rights in land;
- The Professional and Technical Surveyors Act, 1984 (Act No. 40 of 1984), which regulates the professional and technical surveyors' profession;
- The Sectional Titles Act, 1986 (Act No. 95 of 1986), which regulates sectional title schemes;
- The Development Facilitation Act, 1995 (Act No. 67 of 1995), which provides for extraordinary measures to facilitate and speed up the implementation of reconstruction and development programmes and projects in relation to land;
- The Land Survey Act, 1997 (Act No. 8 of 1997), which regulates the surveying of land in the Republic;
- The Planning Profession Act, 2002 (Act No. 36 of 2002), which provides for the establishment of the South African Council for Planners and regulates the planning profession; and
- The Spatial Data Infrastructure Act, 2003 (Act No. 54 of 2003), which provides the technical, institutional and policy framework for the capture, maintenance, distribution and use of publicly held spatial information.
- The Land Titles Adjustment Act, 1993 (Act No. 111 of 1993), regulates the allocation of private land in respect of which one or more persons claim ownership, but do not have registered title deeds. It empowers the Minister to designate such land to be dealt with in terms of the Act and to appoint a Titles Adjustment Commissioner to investigate and make findings on such claims.
- The Abolition of Racially Based Land Measures Act, 1991 (Act No. 108 of 1991) repealed or introduced mechanisms to repeal certain racially based land-related laws.
- The Abolition of Certain Title Conditions Act, 1999 (Act No. 43 of 1999) provides for the cancellation of title conditions requiring the consent of the holders of obsolete offices.
- The Removal of Restrictions Act, 1967 (Act No. 84 of 1967) provides for the alteration, suspension or removal of certain undesirable title conditions.
- The Black Authorities Act, 1951 (Act No. 68 of 1951) regulated the administration of certain categories of land, and is to be finally repealed.
- The Kimberley Leasehold Conversion to Freehold Act, 1961 (Act No. 40 of 1961) provides for the conversion of certain land in the Northern Cape to freehold title.
- The Land Administration Act, 1995 (Act No. 2 of 1995) empowers the Minister to delegate any power conferred by or under a law regarding land matters.
- The State Land Disposal Act, 1961 (Act No. 48 of 1961) empowers the Minister to dispose of State land for which s/he is responsible.
- The Physical Planning Act, 1967 (Act No. 88 of 1967), as well as,
- The Physical Planning Act, 1991 (Act No. 125 of 1991) regulated certain aspects of spatial planning and land development, and it is anticipated that it will be repealed as it no longer meet the needs of the developmental state.

PART 2:
PROGRAMME PERFORMANCE

PART 2:
PROGRAMME PERFORMANCE

Voted funds

Appropriation	Main appropriation	Adjusted appropriation	Actual amount spent	Under-expenditure
	R'000			
	6,099,058	6,391,091	5,854,721	536,370
Responsible Minister	Mr G Nkwinti			
Administrative Department	Department of Rural Development and Land Reform			
Accounting Officer	Director-General			

Programmes

The activities of the Department of Rural Development and Land Reform are organised in the following programmes:

Programme 1: Administration

Programme 2: Surveys and Mapping

Programme 3: Cadastral Surveys

Programme 4: Restitution

Programme 5: Land Reform

Programme 6: Spatial Planning and Information

Programme 7: Deeds Registration and Auxiliary Services

Programme 1: Administration

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

Measurable objective: Good governance of the department.

Service delivery objectives and indicators: The service delivery focus for the year under review was to create an enabling environment for improved service delivery through leadership alignment and appropriate organisational culture and architecture. The Programme is divided into three subprogrammes: ministry, management, and corporate support services.

- The **ministry** subprogramme provides parliamentary and ministerial related support services. This programme was created during adjustment estimates to cater for the new mandate of rural development and land reform.
- The **management** subprogramme incorporates the Office of the Director-General and related support services. It consists of the following units: Policy, Risk and Compliance, Gender, Internal Audit, and Monitoring and Evaluation, as well as Communication Services.
- The **support services** subprogramme is responsible for the support systems in the department. These systems include, amongst others, Human Resource Management, Management Advisory and Support Services, Business Information Management, Legal Services, and Financial Management.

Service delivery achievements: *Management Advisory and Support Services* embarked on a consultative process to develop a new organisational structure which supports the new mandate of rural development and land reform. The Minister of Public Service Administration concurred with the proposals for implementation on 21 February 2010. The proposed organisational structure and establishment could only be partly funded due to financial constraints. The funding available has been prioritised in those components of the department where service delivery is directly affected.

Human Resource Management developed a human resource plan that has contributed to a significant reduction in the vacancy rate. The department managed to fill 17 critical posts at senior management level. The vacancy rate was reduced from 16,70% to 10,24%. The Executive Management Committee, chaired by the Minister of Rural Development and Land Reform, monitors the monthly progress reports on the filling of posts. The employment equity plan was also developed, disability sensitisation road shows were conducted in all the provinces and 437 employees attended. The revised disability policy with reasonable accommodation guidelines was approved.

Since 2007, the department has invested in tertiary education of prospective bursary holders to study in scarce skills fields such as BSc in Geomatics, Land Surveying, Cartography, Town and Regional Planning. The department is starting to experience a return on investment as 45 students who completed their qualifications were employed in Cadastral Surveys Management, National Geo-Spatial Information, and Spatial Planning and Information during the past financial year.

Business Information Management renewed critical information and communication technology (ICT) equipment, including network switches, servers and other facilities. Video conferencing at four sites in Cape Town and Pretoria were successfully implemented, thereby reducing travelling costs and promoting quick decision-making. The unit also proposed and supported the initiation of the e-Rural Access Programme (e-RAP) in support of the Comprehensive Rural Development Programme (CRDP). The programme is aimed at providing free, facilitated access to ICTs by rural communities. The project involves the establishment of e-centres and the mobilisation

and capacity creation of e-community forums. These forums are trained and mentored to become ICT champions within their respective communities. E-community forums were established in Muyexe (Giyani), Sending and Vredesvallei (Riemvasmaak).

Legal Services support was rendered in respect of several labour disputes, disciplinary matters and litigation. As far as litigation is concerned, the department has been involved in several high profile cases. Most of these cases were commenced with under the name of the former Minister for Agriculture and Land Affairs and/or the erstwhile Department of Land Affairs, but were taken over by this department simply because this department took over most of the functions of the erstwhile Department of Land Affairs.

The *Financial Services* Branch was repositioned as a stand alone Branch during the year under review. Its aim is to promote good governance, effective financial management and supply chain management to ensure compliance with the Public Finance Management Act (Act No. 1 of 1999) (PFMA), Treasury regulations and other relevant legislation. The new budget structure which consists of five programmes was created and approved by National Treasury, in line with the new mandate of Rural Development and Land Reform. The Financial Management Unit continued to promote better financial management by reviewing policies, processes and procedures in order to improve control environment in the department. Appropriate actions are continually being taken to address weaknesses identified in audit reports. The Supply Chain Management unit has made considerable effort to improve service delivery by creating a database of strategic partners to source quotations for the Department of Rural Development and Land Reform. Service providers were accredited using the Preferential Procurement Framework.

Communication Services began the process of integrating and re-aligning the various communication services units within the department into one streamlined communication support machinery. Media has also been used as a leverage to a very large extent, mainly through unpaid channels such as electronic and print interviews on matters ranging from the CRDP, broadly covering the vision of rural development, to reporting on specific CRDP sites.

During the year under review, the main focus of *Monitoring and Evaluation* (M&E) was to strengthen and improve the institutionalisation of the M&E function within the DRDLR. In this endeavour, a Performance Information Management System (PIMS) was developed. The PIMS was completed by the end of the financial year, and will become operational early in the new financial year. The purpose of the PIMS is to capture and report performance information in a secure environment with built-in controls. The M&E information would in future be reported through a secure system that complies with the requirements of the Auditor-General and PFMA.

The *Gender Unit's* operations during this reporting year were characterised by strengthening the implementation wing of the departmental Gender Programme. The unit facilitate the development of implementation frameworks for departmental programme managers and implementers in the form of the consolidated women and gender training manual and children's rights mainstreaming framework.

The Policy Unit focused primarily on developing policies in line with the Medium Term Strategic Framework (MTSF, 2009–2014), government priorities and various policies and programmes on rural development adopted since 1994. The unit assisted in the development of the Comprehensive Rural Development Programme Framework document and the draft Green Paper on Rural Development and Land Reform. The Green Paper combines policy and legislative options in terms of the new rural development mandate and a revised land reform agenda (based on a review of the current White Paper on South African Land Reform and 15 years of implementation experience). The 'Willing Buyer, Willing Seller' review was also completed and different policy options were finalised and are being considered as part of the Green Paper process.

Summary of performance: Support Services and Financial Services

Strategic objective	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Creation of an enabling environment for improved service delivery through leadership alignment and appropriate organisation culture and architecture	Enabling environment (service delivery)	Optimised business architecture[1] that achieves department strategic objectives	90% achieved objectives	Target partially achieved The Human Resource Plan has been completed and the process of implementation is under way to address the current and future human resource needs of the department. There has been a significant reduction in the vacancy rate. The vacancy rate was reduced from 16,70% to 10,24%. Twenty-one (21) prioritised posts have been filled, of which 17 are senior management posts. The reviewed organisational structure was approved by the Minister of Rural Development and Land Reform on 16 October 2009 and forwarded to the Minister of Public Service and Administration for perusal and guidance. The Minister of Public Service and Administration concurred with the proposals for implementation on 21 February 2010. 89,76% of the posts on the current establishment are filled. The successful implementation of video conferencing at four sites in Cape Town and Pretoria, thus reducing travelling cost.

Strategic objective	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
		Degree of compliance to corporate services score card	100%	Target partially achieved Customer care workshops were held in Western Cape (WC) and National Office and 338 staff members were trained.
	Implementation of empowerment programmes facilitated	Comprehensive report indicating success, challenges and specific programmes in the implementation of youth programmes and disability empowerment programmes	One report	Target partially achieved The disability and youth policies were implemented as part of empowerment programmes.

[1] Business architecture includes organisational structure, establishment, processes, HR plan, information and technology as well as sound financial management

Programme 2: Surveys and Mapping

Purpose: Provide national mapping, earth imagery, integrated spatial reference framework and other geo-spatial information in support of the national infrastructure and sustainable development, as mandated by the Land Survey Act, 1997 (Act No. 8 of 1997). Provide professional and technical services in support of land reform and other public services.

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

Service delivery objectives and indicators: The Surveys and Mapping programme consists of a single subprogramme of the same name, namely Surveys and Mapping, which is responsible for the following:

- 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 such 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; and
- providing professional and technical support and client services.

Service delivery achievements: The unique national spatial reference framework of this programme provides South Africa's national control survey network. In the year under review, the target was partially achieved through the 1 019 reference stations that were maintained against a set target of 1 050. This is due to staff shortages as well as vehicle and weather delays.

The national aerial photography and imagery archive is of national importance and is seen as a major output of this Programme, providing coverage of the whole country or 1,22 million km^2. In 2009/2010, aerial photography covering 430 600 km^2 was acquired against the initial target of 208 000 km^2. The target was subsequently amended to 409 000 km^2 as a result of budget shifts. The latter was exceeded by 21 600 km^2 even when inclement weather conditions over Eastern Cape affected flying negatively.

In the year under review, 168 125 km^2 of fundamental geo-spatial data was updated against the set target of 194 000 km^2. The national mapping programme was on track and 1 900 maps were produced, which resulted in 250 more maps than the set target of 1 650 maps. In an effort to empower people with disabilities, the Chief Directorate is well on track to develop maps for visually impaired citizens.

Summary of performance: Surveys and Mapping/National Geo-spatial Information

Strategic objective	Output	Performance indicator/measure	Actual performance	
			Target	Actual achievement
Provide fundamental geo-spatial information service to the nation	Fundamental geo-spatial information as a national asset, consisting of an integrated spatial reference framework, national earth imagery and mapping covering the whole country in accordance with user needs	The National Integrated Spatial Reference Framework covering the whole country established and maintained in accordance with prescribed standards, in the reporting period	1 050 reference stations maintained by 31 March 2010	Target partially achieved 1 019 reference stations were maintained. One beacon builder out of three was on long sick leave.
		Acquisition of earth imagery at 0.5m ground sample distance (GSD) of 40% of South Africa every three years (488 000 km^2) and the remaining areas every five years (732 000 km^2), and at 20m GSD of the whole country (1,22 million km^2) annually, in accordance with user needs and prescribed standards, in the reporting period	290 000 km^2 at 0.5m GSD acquired by 31 March	Target exceeded 430 600 km^2 of earth imagery at 0.5m ground sample distance (GSD) acquired.
		Captured and revised topographical data in the integrated database of fundamental geo-spatial information for the whole country (1,22 million km^2), in accordance with prescribed standards, in the reporting period	194 000 km^2 of topographic data captured by 31 March	Target partially achieved 168 125 km^2 of topographic data was captured and revised in the integrated database of fundamental geo-spatial information for the whole country.
		Up-to-date maps produced/ revised in compliance with prescribed standards in the reporting period	1 650 maps by 31 March	Target exceeded 1 900 maps were produced and revised in compliance with prescribed standards by the end of the financial year.
		Coverage of national land use (km^2) and land cover mapping available in accordance with prescribed standards	—	No target for the current financial year.

Strategic objective	Output	Performance indicator/measure	Actual performance	
			Target	Actual achievement
Participation in related land and agrarian reform activities and programmes aimed at consolidation of the African Agenda	Participation in development projects in Africa, in particular Southern African Development Community (SADC), and regional and subregional structures as approved	Narrative on achievements of meetings and projects, or outcomes of particular meetings and projects, including achievements and actions specifically connected with component's contribution to the regional structures and projects	Report within six weeks of meeting or completion of project phase	Target achieved Assistance with the presentation of the Mapping Africa for Africa and African Reference Frame (AFREF) workshop in Nairobi was provided. Report on Governing Council of Regional Centre for Mapping of Resources for Development (RCMRD) submitted within four weeks.

Programme 3: Cadastral Surveys Management

Purpose: Provide efficient cadastral surveys management services.

Measurable objective: Approval, maintenance and archiving of cadastral survey documents submitted by land surveyors, facilitating the regulation of cadastral surveys and supply of cadastral information, in order to support and facilitate economic development, with special emphasis on land tenure reform and rural development.

Service delivery objectives and indicators: The programme is mandated to perform its function through the Land Survey Act, 1997 (Act No. 8. of 1997) which stipulates the following:

- promote and control all matters connected with cadastral surveys and information services directed by the Minister;
- conduct cadastral survey related research as may be required;
- take charge of and preserve the records of all surveys and operations which do not form part of the records of an office of a Surveyor-General and which were carried out before the commencement of the Land Survey Act;
- prepare, compile and amend such maps and other documents as may be required;
- supervise and control the survey and diagrammatic representation of land for purposes of registration in a deeds registry; and
- regulate the procedure in each Surveyor-General's office and determine the manner in which the Land Survey Act shall be carried out.

Service delivery achievements: During the period under review, the programme was successful in updating and archiving every land parcel in the country, in both paper and digital format within 13 days. This target was exceeded although the Surveyor-General offices were functioning under difficult conditions due to industrial action and a high staff turnover as result of competitive salary packages offered by other institutions in the surveying profession.

Another achievement concerns the development of programmes for empowerment of designated groups within the context of the department's mandate. In this area, the programme provides bursaries and technical training to selected individuals as part of an initiative to address scarce skills in the department. In the year under review, 37 land surveyors-in-training and cadastral technicians were offered training in the department after completing their studies at various institutions of higher learning accredited by the South African Council for Professional and Technical Surveyors in the country.

Bursaries were also offered to qualifying students to study BSc in Geomatics and BSc in Land Surveying, or National Diploma and BTech in various institutions of higher learning accredited by the South African Council for Professional and Technical Surveyors in the country. Sixty-four (64) Pupil Survey Officers have qualified as Survey Officers after a two-year training programme. This programme is essential as it contributes towards the government initiative of skills development and alleviating poverty in society. These officers have been transferred to Surveyor-General offices in order to enhance the capacity constraints and staff shortages that are caused by qualified surveyors who resign due to more competitive remunerative packages offered by other institutions of the surveying profession.

Challenges

Data for 339 966 land parcels were lodged and processed. Out of 339 966 land parcels, 181 047 land parcels were approved. This figure was lower than the estimated figure as a result of low morale that officials in the Surveyor-General offices were experiencing, due to low remunerative scales, which also contributed to the industrial action or go-slow that took place during the third and fourth quarters of the financial year under review.

The examination and approval of diagrams, general plans and sectional plans was also affected by this industrial action which led to an average of 18 days taken in examining and approving of diagrams, general plans and sectional plans instead of 15 days.

With regard to cadastral surveys management services supplied in all provinces, it was anticipated that until a Surveyor-General office was established in North West, an information centre would initially be established by March 2010. However, due to delays with the approval of a lease agreement by the Department of Public Works, projections were changed to finalise the process in the financial year 2010/2011. The operating structure of Surveyor-General: North West Province has already been approved and currently, land surveyors-in-training and pupil survey officers that will be employed in the information centre are being trained at the Surveyor-General: Pretoria.

The amendment of legislation is still work-in-progress; this entails amending the regulations of the Land Survey Act and also the Professional and Technical Surveyors (PLATO) Act (Act No. 40 of 1984). The Survey Regulation Board was revived after numerous years of dysfunction and regulations are being reviewed by the Board.

In order to review and address transformation issues and incorporate Geo-information practitioners (GIS) and other related technological progressions into the Survey Professional Body, Act No. 40 of 1984 (the PLATO Act) is in the process of being replaced by the Geomatics Profession Bill/Act.

Progress towards redress of the apartheid landscape regarding land redistribution

The component has managed to change the lives of the designated target groups within the context of the department's mandates by providing them with stable employment, bursaries and training. Therefore, with respect to the redress of the apartheid landscape regarding land distribution, this has been an achievement as skilled professionals are now prepared and equipped in order to transform the surveying field which is currently overcrowded with retired qualified land surveyors.

Recently the new scale of fees for processing of diagrams was approved by National Treasury. It has been gazetted, and will be implemented with effect from August 2010. This step was welcomed, as the scale of fees had not been reviewed since 2003. It will increase the revenue in the Surveyor-General offices and the proposed component substantially, thereby facilitating the retention of qualified land surveyors.

Summary of performance: Cadastral Surveys Management

Strategic objective	Output	Performance indicator/measure	Actual performance	
			Target	Actual achievement
Provision of tenure security that creates socio-economic opportunities	Registerable diagrams, general plans and sectional title plans approved in terms of the Land Survey Act, 1997 and Sectional Titles Act, 1986	Number of projects (cadastral documents) processed and total number of land parcels created	13 400 (220 000)*	Target partially achieved 11 662 (181 047) projects were processed and land parcels created.
		Number of days taken to examine and approve 95%[1] of diagrams, general plans and sectional title plans under a normal workload	15[2] days	Target not achieved 95% of the diagrams, general plans and sectional title plans were examined within 18 days under normal working days.
	Cadastral surveys management services supplied in all provinces	Office of the Surveyor-General established in terms of the Land Survey Act	North West	Target partially achieved Structure for North West was approved, posts to be filled through advertising, transfers and also through land surveyors-in-training. Posts for transfers were approved. Survey Officers trained in Pretoria waiting for relocation.
Provision of efficient land use and land administration services	Complete and current cadastral information pertaining to every land parcel in South Africa, in both paper and digital format	Number of days taken to update and archive hard copy records	15 days	Target not achieved 18 days were taken to update and archive hard copies records.

[1] 95% of all projects lodged will fall into this time period. However, the 15 days will not be achieved where General Plans are in excess of 300 erven and other larger or highly complicated projects have been lodged.

[2] The 15 days is the time taken to evaluate the majority of cadastral documents to ensure that they comply with all legislative requirements.

* 220 000 Refers to land parcels.

Strategic objective	Output	Performance indicator/measure	Actual performance	
			Target	Actual achievement
Provision of efficient land use and land administration services	Amend surveying legislation implemented to support government's aims and objectives on economic development and poverty reduction	Implement the Surveying/Geomatics Professional Act to transform the surveying profession	Submission of legislation to Minister (via Policy Unit)	Target partially achieved Awaiting the Bill to be tabled in parliament during the 2010 session. Consultations have taken place since the beginning of the financial year 2009/10. The Bill was changed from Surveying Profession to Geomatics Profession, which included the Geo-information practitioners (GIS).
		Amend regulations framed under Land Survey Act to improve the efficiency of cadastral surveys and to accommodate any other land related legislation	New regulations to accommodate Global Navigation Satellite System technology	Target partially achieved Proposed amendments are still being consolidated.
Development of programmes for empowerment of the designated groups within the context of the department's mandate	Trained professional Land Surveyors, Professional Surveyors, Survey technicians and Survey officers from target groups	Number of bursary beneficiaries (professional land surveyors-in-training, cadastral technicians, cadastral officers and interns) successfully completing the required training courses and experiential training	106	Target exceeded Training offered to 37 land surveyors-in-training and cadastral technicians. Training was offered to 87 beneficiaries.

Programme 4: Restitution

Purpose: To take responsibility for the settlement of land restitution claims in accordance with the provisions of the Restitution of Land Rights Act, 1994 (Act 22 of 1994) and provide settlement support to beneficiaries.

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

Service delivery achievements: The Commission processed 131 claims. Among these 98 were dismissed. The Commission managed to settle a total of 33 of the targeted 1 695 claims during the 2009/2010 financial year, affecting 9 294 households. This translates to a cumulative settlement of over 75 844 restitution claims since the commencement of the restitution process in 1995. Approximately 324 712 households have benefited from the restitution programme during the past 12 years. Cumulatively, the number of hectares of land approved for restoration to beneficiaries, represents 10% of the State's 30% target for transferring agricultural land to black farmers by 2014.

The statistics reveal a decline in the pace of settling the outstanding claims. This is mainly attributed to the severe budgetary constraints that the Commission had to grapple with during the year under review. Treasury and Cabinet had been approached in this regard.

The situation required the Commission to prioritise only a few claims that could be handled with the limited funding. Emphasis was placed on claims that had already been settled through the administrative process as well as through the Land Claims Court, where payments had to be made and land transferred to beneficiaries.

The Commission has used this period, amongst other things, to review its strategic focus with regard to the approach for dealing with the outstanding claims.

Summary of performance: Restitution

Strategic objectives	Output	Performance indicator/measure	Actual performance	
			Target	Actual achievement
Settlement of all outstanding land claims by 2011	All lodged claims settled	All the remaining 4 560 land claims validated, gazetted, verified and settlement by 2011 in terms of the Restitution of Land Rights Act[1]	1 695	Target not achieved 33 land claims settled and finalised. The programme experienced huge budget deficit during the year under review, as a result most of the claims that were in the pipeline could not be settled.
	Contribution of claimed/ alternative land to the department target to redistribute 30% white-owned agriculture land by 2014	Total number of hectares of land claimed restored which contributes to 30% departmental target 1 513 712 ha[1]	556 234 ha	Target not achieved 145 492 ha were restored. Same reasons as above.
	Settlement support process of land claims with development aspect facilitated to ensure sustainable development	Effective implementation of all settled projects	Action plan in place for roll-out of post-settlement framework	Target partially achieved The action plan has been partly implemented.

[1] Number of outstanding claims and hectares of land to be restored as reflected as at 31 December 2008.

Programme 5: Land Reform

Purpose: Provide a sustainable land reform programme in South Africa.

Measurable objective: Ensure that sustainable benefits of economic growth accrue to previously disadvantaged communities, groups and individuals.

Service delivery achievements: As reflected in the 2008 - 2011 Strategic Plan of the department, the Branch: Land Reform has a national redistribution target of 656,000 hectares and a budget of R1 393 331 000 (grants) and R1 041 116 000 (PLAS), for the financial year 2009/2010. However, the budget for land reform was reprioritised by an amount of R505 million to accommodate the new rural development programme which had no budget allocation. A further R208 million was set aside to provide security to the Land Bank for farmers who were facing repossession. Another R250 million was set aside during the budget adjustment process for the recapitalisation and development of the Proactive Land Acquisition Strategy (PLAS) farms in distress.

The reprioritisation of the budget negatively affected the targets set for land to be acquired as the budget is linked with price per hectare and provincial offices had to stop approving new projects for the 2009/2010 financial year. After the budget adjustment process was over, the R505 million set aside for rural development was again reallocated to the department, but the time remaining before the end of the financial year was not enough for the provincial offices to acquire more land. This in turn caused an under-expenditure on grant allocation. During the budget reprioritisation process, the target as set in the departmental Strategic Plan document was not aligned with the revised budget, and this had an impact on the achievement of the set target. In addition to the above-mentioned reasons for the target not having been achieved, is the fact that there has been an escalation of land prices above the expected inflation rate.

The Branch delivered 239,990.5363 hectares instead of the set target of 656,000.00. In the redistribution of the 239,990.5363 hectares, a total of 374 projects were transferred and 11 362 beneficiaries were reached through these projects.

All land acquired through the Proactive Land Acquisition Strategy (PLAS) during the 2009/10 financial year, has been registered in the name of the State. In certain instances, the State provides potential beneficiaries with access to land by means of lease or caretakership agreements until the land is transferred permanently to suitable beneficiaries. The acquired State land will be distributed to beneficiaries in line with the Comprehensive Rural Development Programme which advocates for new and innovative models for the land reform projects.

Another challenge the Branch faced related to the vesting of State land. The annual target was 19 735 and only 5 523 was achieved. Currently, the department has the sole authority to confirm ownership of land by provincial and national government departments. The Director-General (DG) has the delegated authority to sign and approve Certificates of Ownership. In setting the target for 2009/2010, the department relied on the number of recommendations made to the Provincial State Land Disposal Committees (PSLDC). Naturally, every custodian department has a responsibility to request the Director-General for confirmation of ownership of land vested in that particular province. Due to various reasons, custodian departments do not immediately forward their requests to the department after the recommendations of the PSLDC and this result in a lesser number of certificates being signed by the DG in relation to the number recommendations. There is generally inadequate capacity across government for the land administration function.

PROVINCE	HECTARES			NUMBER OF PROJECTS			NO OF BENEFICIARIES					
	LRAD/COM/ SLAG/SPLAG	PLAS	TOTAL	LRAD/COM/ SLAG/SPLAG	PLAS	TOTAL	INDIVIDUALS	FEMALES	FARM WORKERS	HOUSE HOLD	YOUTH	DISABLED
EC	15,144.1338	24,533.8293	39,677.9631	31	33	64	844	193	116	188	117	0
FS	17,821.2578	12,390.3208	30,211.5786	44	11	55	382	189	30	10	89	0
GP	378.1468	1,366.8641	1,745.0109	7	13	20	74	26	0	30	18	0
KZN	41,742.8082	1,679.5779	43,422.3861	62	4	66	4,158	2,250	38	1,690	1,990	1
LP	8,960.5685	5,743.4159	14,703.9844	71	6	77	563	286	113	132	275	14
MP	11,657.4360	17,423.8675	29,081.3035	16	19	35	1,053	411	0	77	593	1
NC	29,441.1814	27,386.1602	56,827.3416	9	5	14	98	39	14	0	41	2
NW	7,857.9938	5,183.2199	13,041.2137	20	5	25	3,117	1,872	0	814	549	0
WC	7,553.9534	3,725.8010	11,279.7544	16	2	18	1,073	529	901	3	466	14
Total	**140,557.4797**	**99,433.0566**	**239,990.5363**	**276**	**98**	**374**	**11,362**	**5,795**	**1,212**	**2,944**	**4,138**	**32**

Summary of performance: Land Reform

Strategic objective	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Redistribution 30% of white-owned agricultural land by 2014 for sustainable agricultural development	Productive white-owned agricultural land provided to black South Africans for sustainable agricultural development	24,9 million hectares of productive white-owned land provided to 60 000 individual black South Africans by 2014 (including PLAS and labour tenants)	656 000 ha	Target not achieved 239,990.5363 ha The budget for land reform (households) was reprioritised through the adjustment estimates by an amount of R505 million to accommodate the new rural development programme which had no allocation. A further R208 million from the Agricultural Land Holding Account (PLAS) was set aside to provide security to the Land Bank for farmers who were facing repossession. R254,5 million was set aside during the budget adjustment process to recapitalise PLAS farms in distress. The R505 million set aside for rural development was reallocated within the department after the budget adjustment process. There was under-expenditure under grants (households) to the amount of R186 million.
		Individuals/ beneficiaries	12 890 beneficiaries	Target partially achieved 11 362

Strategic objective	Output	Performance indicator/ measure	Actual performance	
			Target	Actual achievement
Provision of tenure security that creates socio-economic opportunities for people living and working on farms and in communal areas	Land rights confirmed	Number of people whose rights have been confirmed	11 587 people's land rights confirmed	Target not achieved 438 people's rights were confirmed. The target was not achieved due to issues relating to delays in resolving cases. A large number of cases are pending finalisation in relation to cases resolved. It must however be pointed out that the reduction in numbers of people who seek departmental intervention could also mean that the current intervention could be proving to be a deterrent against farmers who are inclined to violate the rights of farm dwellers.
Provision of efficient State land management that supports development	State land proactively vested	Number of parcels vested	19 735 parcels vested	Target not achieved 5 523 land parcels were pro-actively vested. The target was not achieved largely due to custodian departments not submitting PSLDC recommendations to the department for the DG's approval and general lack of capacity in custodian departments for the land administration function.

Programme 6: Spatial Planning and Information

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

Measurable objective: Provision of legislative, institutional and technical skills support to regulate and guide settlement development, land use management and spatial information management.

Service delivery achievements: In the year under review, the programme was responsible for the following outputs:

- Development and formulation of Comprehensive Rural Development Status Quo Reports to inform planned interventions in rural areas;
- Development and formulation of the Spatial Plan component of Rural Development Plans;
- Monitoring and implementation support to CRDP;
- Development of Guidelines on the Revitalisation of Rural Towns;
- Support for the development and formulation of Municipal Land Use Management Systems (LUMSs), Municipal Spatial Development Frameworks (SDFs), Municipal Integrated Development Plans (IDPs), GIS and related spatial planning, spatial information and land use management capacity support;
- Support to statutory bodies in terms of the departmental mandate; and
- Ensuring departmental compliance to environmental legislation.

The key achievements include evaluations and review of the status of the land use management system, spatial development frameworks, and GIS capacity of municipalities across the country. This review has led to the department's current efforts and its involvement in the development of credible spatial development frameworks for 25 rural municipalities.

The critical non-achievement relates to the continued non-finalisation of the Land Use Management Bill (LUMB). Discussions are advanced on the re-introduction of the Bill in parliament.

A key challenge experienced was the non-integration of the current Comprehensive Rural Development Programme into the municipal governance and planning system.

In terms of impact, the component contributed to reorganising the inefficiency and inequalities of apartheid settlement patterns to achieve spatial equity and integration.

Summary of performance: Spatial Planning and Information

Strategic objective	Output	Performance indicator/measure	Actual performance	
			Target	Actual achievement
Provision of efficient land use and land administration service	Policy interventions development to halt undesirable settlement growth patterns	Legislation, regulations and/ or guidelines developed and implemented	Draft Land Use Management Bill (LUMB) finalised by March 2010	Target partially achieved A meeting was held with the Presidency with regard to the Regulatory Impact Assesment (RIA) being undertaken on the LUMB. The department formed part of the redraft of the LUMB after the study by the Presidency on the LUMB was completed. The department also participated in the Presidency RIA process.
			Draft Planning Profession Act Regulations developed by March 2010	Target partially achieved Service provider appointed. Draft regulations are available.
	Municipal Land Use Management Systems (LUMSs), Spatial Development Frameworks and GIS capacity programmes developed and implemented	Number of nodal areas identified for land use support	Five nodal areas by March 2010	Target achieved Seven municipalities were supported. Rural municipalities were identified and draft terms of reference for SDFs for 25 rural municipalities developed and service provider appointed. Support for the formulation of SDFs and LUMS provided in Limpopo and other provinces assisted with preparation of terms of reference. The evaluation of SDF is still being undertaken in various provinces.
	South African spatial data infrastructure established and implemented	Spatial Metadata Discovery (SMD) portal established	SMD established by June 2010	Target achieved System up and running with two district municipalities connected.

Programme 7: Deeds Registration and Auxiliary Services

Purpose: To provide efficient land use and land administration services.

Measurable objective: To provide a high-quality deeds registration system whereby secure titles are registered and speedy and accurate information is provided.

Service delivery achievements: The day-to-day scanning was implemented in Kimberley, Vryburg and Mthatha which previously retained their paper archive. The scanning software was developed in-house and provides for a secure archive against corruption of data.

Progressive introduction of e-cadastre which is aimed at reducing deeds registration turn-around was partially implemented during the year under review. A phased approach is followed which includes implementation of an enterprise architecture which will ultimately result in consolidation of cadastral and deeds data stores, back-scanning of all the paper and microfilm records, for purposes of digitising the archives. The server storage will also be upgraded to accommodate the increase in records as a result of back-scanning. This project will facilitate the rationalisation of the areas of jurisdiction for Pretoria, Limpopo, Cape Town, Mthatha, Vryburg and Kimberley.

Total number of registered land parcels on the Deeds Registration System database:

Deeds Registry Office	Township erven	Sectional title units	Agricultural holdings	Farms	Total
Pretoria	1 633 745	270 906	42 560	169 233	2 116 444
Cape Town	1 803 528	218 148	0	140 292	2 161 968
Johannesburg	990 680	153 332	0	10	1 144 022
Pietermaritzburg	931 143	158 245	0	93 873	1 183 261
Bloemfontein	578 406	30 052	7 086	60 622	676 166
Kimberley	88 294	915	1 157	5 136	95 502
King William's Town	192 178	7 248	0	11 795	211 221
Vryburg	88 934	699	4 101	10 819	104 553
Mthatha #	68 708	24	0	1 523	70 255
Mpumalanga	460 256	14 125	3 769	45 264	523 414
As at 31 March 2010$	**6 375 616**	**839 569**	**54 904**	**493 303**	**8 286 806**
As at 31 March 2009	**6 727 793**	**827 933**	**58 610**	**535 363**	**8 149 699**

Database not complete – still under construction

$ The increase in land parcels varies due to subdivisions, consolidations (and new buildings) registered in different Deeds Registries.

Provision of registration information

Section 7 of the Deeds Registries Act obliges a Registrar of Deeds to permit any person, upon payment of the prescribed fees, to inspect the public registers in a Deeds Registry and to make copies of the records of such Registry.

The electronic information system of Deeds Registries, DeedsWeb, provides electronic access to registration information from anywhere in the world via the internet.

The demand for registration information continues to increase. During the 2009/10 financial year, a total of 14 840 488 electronic information requests were processed by the Chief Directorate's information systems. This amounted to a 14,6% decrease in the number of requests over the previous financial year.

DeedsWeb information searches

	Apr	May	Jun	Jul	Aug	Sep
2008/2009	1 417 205	1 388 697	1 521 577	1 482 184	1 390 761	1 428 267
2009/2010	1 071 791	1 244 135	1 304 330	2 102 157	1 248 221	1 249 104
	Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**
2008/2009	1 551 975	1 344 895	862 585	1 182 907	1 382 676	2 430 376
2009/2010	1 224 905	1 159 513	807 211	996 296	1 150 113	1 282 712

Document Copy System (DCS) and Image Copy System (ICS) documents processed

		Apr	May	Jun	Jul	Aug	Sep
DCS	2008/2009	7 401	6 741	7 303	9 242	9 050	8 608
ICS	2008/2009	6 045	6 300	7 856	9 581	9 555	10 336
TOTAL	2008/2009	13 446	13 041	15 159	18 823	18 605	18 944
		Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**
DCS	2008/2009	9 285	7 402	4 844	5 098	8 148	8 697
ICS	2008/2009	11 644	10 146	6 715	9 374	11 090	11 542
TOTAL	2008/2009	20 929	17 548	11 559	14 472	19 238	20 239
		Apr	**May**	**Jun**	**Jul**	**Aug**	**Sep**
DCS	2009/2010	6 264	6 946	6 986	8 784	7 029	7 563
ICS	2009/2010	9 252	11 228	10 962	12 849	11 029	11 819
TOTAL	2009/2010	15 516	18 174	17 948	21 633	18 058	19 382
		Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**
DCS	2009/2010	7 852	8 816	5 545	7 157	8 265	8 204
ICS	2009/2010	13 136	13 118	8 513	11 486	13 140	16 068
TOTAL	2009/2010	20 988	21 934	14 058	18 643	21 405	24 272

Summary of performance: Deeds and Auxiliary Services

Strategic objective	Output	Performance indicator/measure	Actual performance	
			Target	Actual achievement
Provision of efficient land use and administration services	Registered title deeds	Number of days from lodgement until examination is completed (in accordance with legislation, practice and procedure)	Not more than seven days	Target exceeded Six days were taken from lodgement until examination is completed to register title deeds.
		Number of days after registration until registered deeds/documents are delivered (in accordance with legislation, practice and procedure)	Not more than eight days	Target not achieved Averages of 25 days were taken after registration until deeds/ documents were delivered in accordance with legislation, practice and procedure.
		Number of deeds registered	320 000	Target not achieved 155 042 deeds were registered.
		Monetary value of transfers (effect on the economy)	R432,3 billion	Target not achieved The total value of transfers was R257,8 billion
		Monetary value of bonds (effect on bond economy)	R3 037 trillion	Target partially achieved The total value for bonds was R2 559 trillion.
	A transformed cadastre	A functional e-cadastre by 2015 reducing turn-around times	Draft electronic Deeds Registration Bill	Target partially achieved The draft Bill was completed and revised in line with comments received from the legal fraternity and Registrars.
			Enterprise Architectural Design implementation plan	Target not achieved Initial phase completed.

New Branches:

New components of the department

As indicated in the Accounting Officer's overview, the addition of the rural development mandate has resulted in the development of the Comprehensive Rural Development Programme. The Programme was rolled out to eight provinces and 23 Wards and the new Branches listed below were primarily responsible for the implementation of this programme.

Province	Community	Ward
Limpopo	Muyexe, Thomo, Gon'ono, Dingamanzi	Wards 18, 17, 3, and 4
Northern Cape	Riemvasmaak	Siyanda District Municipality area (2 sites)
Mpumalanga	Mkhondo	Wards 1 and 2 (Emahashini, Jabulani Bafazi, KwaNgema, Donkerhoek)
North West	Mokgalwaneng, Disake and Matlametlong	Ward 29
Free State	Diyatalawa/Makgolokwe Jacobsdal	Wards 1 and 4 Diyatalawa/ Makgolokwe, Ward 1 Jacobsdal
KwaZulu-Natal	Msinga and Vryheid	Wards 6, 7, 8, 9 of Msinga / Ward 5, 6, 7 Vryheid
Western Cape	Dysselsdorp and Mamre	Wards 10 and 12 Dysselsdorp and Mamre (Ward 29 Cape Town)
Eastern Cape	Mhlontlo	Tsolo (Mqobiso and Nombodlelana) Ward 2 and Qumbu (Ngxakolo and Gqunu) Ward 13
Total		**23**

The following components were not included in the tabled Strategic Plan 2009-2012:

Branch: Geo-spatial Services, Technology Development and Disaster Management (GTD)

Sub-programme: Rural Disaster Mitigation Services

Purpose: To offer a continuous and integrated system of disaster management with special emphasis on disaster prevention, preparedness and mitigation in rural areas.

Measurable objective: The provision of up to date and accessible disaster risk assessments, disaster mitigation and management, as well as capacity building of the rural communities in disaster management.

Service delivery achievements: This newly formed unit focused on putting administrative systems in place and building relationships with crucial stakeholders. The main achievements are in the completion of a structure and administrative plans for the sub-programme.

In building the relationships with key stakeholders, the National Disaster Management Centre and the South African Weather Services were the first stakeholders to be approached for entering into memorandum of understanding. Areas of collaboration or support have been identified during discussions and drafts are currently with both organisations. The process is now awaiting approval and signing by Executive Management of these organisations.

Sub-programme: Technology Research & Development (TRD)

Purpose: To promote the implementation of appropriate technology in rural areas.

Measurable objective: Reduction of vulnerability and poverty among rural communities via innovative technological advancement.

Service delivery achievements: Our achievements include completion of core management areas, demand management plan, risk register, job profiling and advertisements. The component engaged a range of stakeholders ranging from academics and professionals within the research field.

TRD coordinated research on solar energy for rural areas i.e. Diyatalawa, Muyexe and Riemvasmaak and a research document was developed that proposed alternative energy sources that are applicable to rural areas. A range was suggested for deployment in rural areas. Plans are at an advanced stage for a roll out of solar alternatives solutions in the three pilot sites. The project is to be managed and implemented in conjunction with the other Branches in the department, such as Rural Infrastructure Development.

The Unit is engaged in advising on appropriate technology for road construction in the Northern Cape. A few solutions were presented for deployment in the Riemvasmaak pilot site. Options were to construct the roads with conventional methods, however it was felt a technological solution should be explored. The feasibility study was embarked upon to establish which technology would be appropriate for the construction of the road.

Exploration of dry sanitation for rural areas was the basis of a research paper being developed by the unit.

Sub-programme: Spatial Planning and Information

Purpose: In addition to its original strategic objective, this sub-programme seeks to contribute to the Comprehensive Rural Development Programme and its implementation, via:

- Development and formulation of Comprehensive Rural Development Status Quo Reports to inform planned interventions in rural areas;
- Development and formulation of the Spatial Plan component of Rural Development Plans;
- Supporting the monitoring and implementation support to the CRDP Programme; and
- Development of Guidelines on the Revitalisation of rural towns;

Branch: Social, Technical, Rural Livelihoods and Institutional Facilitation (STRIF)

Purpose: To create an enabling institutional environment for sustainable rural development

Measurable objective: Social and economic development of rural communities and sustainable livelihoods.

Service delivery achievements:

Sub-programme: Social Organisation and Mobilisation

The core function of this Branch is to facilitate social cohesion and sustainable rural development through a participatory community based planning approach to enable rural people to take control of their own development. In the period under review the component organised communities in three of the CRDP sites into social cooperatives and village sector committees. These were finalised in Muyexe (Limpopo), Riemvasmaak (Northern Cape) and Diyatalawa and Makgolokoeng (Free State). These groups serve as a critical mass for social cohesion and also participate in the Council of Stakeholders, a decision making body in the communities.

Sub-programme: Social mobilisation of rural communities

During the year under review, the Branch successfully conducted needs assessments of the households in five CRDP sites (Muyexe, Riemvasmaak, Diyatalawa and Makgolokoeng, and Wards 2 and 13 in Mhlontlo). The household profiling was preceded by social mobilisation to prepare the communities for the process. Unemployed youth were mobilised for training in social survey methods and was trained in fielding the War on Poverty questionnaire and data capturing in the state-of-the-art system, the National Integrated Social Information System

(NISIS). The skills acquired in training were applied in the field by engaging the unemployed youth and community development workers (CDWs) in household profiling. Unemployed youth in Muyexe were trained in the Participatory Rural Appraisal methods with a view to employing them in community profiling of the CRDP sites in Limpopo.

Sub-programme: Technical Support, Skills Development and Nurturing

The focus has been the implementation of the job creation model together with a skills development programme. The identification of jobs created through infrastructure interventions and other interventions by sector departments has been the main activity with regard to the job creation model. With regard to skills development during the year under review, training activities mainly took place in Muyexe, ranging from the training of 27 women belonging to the Macena Vegetable Cooperative in bookkeeping, and 18 women in sewing, to the training of 30 unemployed youth in project management and 37 unemployed youth trained in computer skills, catering and construction.

Sub-programme: Rural Livelihoods and Food Security

- **Enterprise development and economic livelihoods**

The component established an ethanol gel cooperative through a partnership with ChemCity (Sasol) which sells ethanol gel and stoves to the community of Muyexe. It supported five cooperatives that are operational in Muyexe, ranging from brick making, to catering in bakery and agricultural cooperatives. Three of the catering cooperatives are registered on the database of the department.

- **Food security interventions**

During the year under review, the establishment of 158 household gardens was facilitated in Mhlontlo, Eastern Cape and households in Ward 13 were provided with livestock.

Sub-Programme: Institution Building and Mentoring

- **Building of community structures**

The Branch established a Council of Stakeholders in four CDRP sites: Muyexe, Riemvasmaak, Diyatalawa and Makgolokoeng and Mhlontlo. It also established a number of cooperatives in Muyexe and Mhlontlo and facilitated their registration. It also facilitated the formation and registration of a primary cooperative in Muyexe.

Challenges

The Branch partially achieved its targets during the financial year due to capacity constraints. The posts of three Chief Directors were advertised but have not been filled. The only post that has been filled is that of Chief Director: Social Organisation and Mobilisation. The micro-structure at provincial level was approved only in 2010 and,although the posts of Directors were advertised, the process of recruitment has not been finalised.

Branch: Rural Infrastructure Development

Purpose: To facilitate, initiate and coordinate the development of social, economic, ICT and Public Amenity Infrastructure.

Measurable objective: Improved access to rural services, social and economic infrastructure.

Service delivery achievements: The scope of work under the Branch RID covers all areas of rural infrastructure needs and would be delivered through collaboration with sector departments and municipalities.

However, in the year under review, only certain priority areas within the eight CRDP sites could be implemented.

The list below therefore represents the targeted areas covered and is not an exhaustive list of areas that would be covered by this Branch.

- **Economic Infrastructure**

1. Fencing for agriculture
2. Rural electrification

3. Water harvesting.
4. Community gardens
5. Dipping tanks and Milking parlours

- **Social Infrastructure**

1. Sanitation
2. Access to resourced clinics
3. Rehabilitation of schools
4. Police stations
5. Housing

- **Public Amenity Infrastructure**

1. Community Halls
2. Libraries

- **ICT infrastructure**

1. E-rap centres

The infrastructure delivery in the seven of the eight CRDP sites is at varying levels of completion and in all cases the department has worked together with the Provincial departments. In the first pilot site in Muyexe, Limpopo, various infrastructure projects are underway and as at the end of the financial year a community hall had been completed; three model houses had been completed by this department and the construction of a further 283 houses had been facilitated through the Department of Human Settlements. In addition various homesteads were fenced and boreholes drilled and equipped to support food security projects.

In Riemvasmaak, Northern Cape, which was the second pilot, planning had already commenced for the renovations of the community halls, ECD centres and the sports fields. In addition a joint tender had been advertised for a 37km water pipeline.

In Mkhondo in Mpumalanga, the department has facilitated, through the provincial department, the grading of roads, renovation of service centres and construction of houses.

In North West Province, various projects have been finalised in collaboration with the Provincial departments. Three hundred (300) houses have been completed; planning for high mast lighting, bulk water storage, livestock handling facilities, fencing and sanitation.

In the Free State, construction of houses has begun and other projects like the remaining houses, road upgrade, centre pivots and milking parlours are in the planning and tender process.

KwaZulu-Natal had various Wards that had been identified and the department then initiated, with municipalities and sector departments, a range of projects from housing to sanitation, electricity, fencing, agricultural infrastructure, bulk water services, school upgrades and others.

In the Eastern Cape areas many of the projects initiated related to food security viz fencing and agricultural facilities. The major project that has been initiated in this area has been the Agripark development.

In addition to the above, planning and design work have been undertaken in preparation for the roll out of e-rap centres throughout the country in the next financial year.

A detailed progress report with the budgets committed by the various stakeholders has been attached as an annexure to this annual report.

PART 3:
REPORT OF THE AUDIT COMMITTEE

03

PART 3:
REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2010.

Audit Committee Members and Attendance

The Audit Committee for the year under review ("the Committee") was constituted in terms of Section 38 of the PFMA and Treasury Regulation 3.1.2, and consisted of four external members. The Committee consisted of the members listed hereunder and should meet at least four times per annum in accordance to its approved charter. During the current year seven meetings were held, of which two were special meetings.

Name of member	Number of meetings attended
Mr K Buthelezi (Chairperson)	7
Ms B Kunene	4
Mr L Mangquku	7
Ms R Mlonzi	5

Audit Committee Responsibility

The Committee reports that it has adopted appropriate formal terms of reference as contained in its Audit Committee Charter in line with the requirements of Section 38(1)(a) of the Public Finance Management Act, No.1 of 1999 and Treasury Regulations 3.1. The Committee has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein.

The effectiveness of internal control

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, comprehensive internal audits, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The system of internal control was not entirely effective for the year under review. Deficiencies in the system of internal control and/or deviations were reported by the internal auditors and the Auditor-General of South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

The Committee has noted the issues raised in the reports of the Auditor-General on the financial statements of the Department of Rural Development and Land Reform, Deeds Registration Trading Account and Agricultural Land Holdings Account. The Committee has tasked management to prepare a comprehensive plan to indicate how the department will address the issues and report progress regularly to the Committee.

Matters for specific focus by the Committee (2010/2011):

It is of crucial importance that the following most significant issues within the financial domain of the department should receive ongoing attentive focus in order to effect qualitative administration and financial management within the department:

- risk management;
- reported predetermined objectives; and
- potential fraud and corruption.

The Committee was not always satisfied with the content and quality of quarterly reports prepared and issued by the department in terms of the Public Finance Management Act and presented to the Committee during the

year under review. Improvement on the quarterly performance reporting, especially the availability of supporting evidence to validate the integrity of performance reported, still remains essential.

Evaluation of financial statements

The Committee has:

- reviewed and discussed the audited annual financial statements of the Department of Rural Development and Land Reform, Deeds Registration Trading Account and Agricultural Land Holdings Account to be included in the annual report, with the Auditor-General of South Africa, the Accounting Officer and management;
- reviewed the Auditor-General's management letters and management's responses thereto;
- reviewed changes in accounting policies and practices;
- reviewed the department's compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

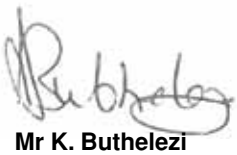
The Committee concurs with and accepts the Auditor-General of South Africa's reports on the annual financial statements of the Department of Rural Development and Land Reform, Deeds Registration Trading Account and Agricultural Land Holdings Account, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General of South Africa.

Internal Audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the department in its audits.

Auditor-General of South Africa

We have met with the Auditor-General South Africa to ensure that there are no unresolved issues.



Mr K. Buthelezi
Chairperson of the Audit Committee
Date: 31 July 2010

PART 4:
ANNUAL FINANCIAL STATEMENTS

4

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

1. General Review of the State of Financial Affairs

1.1 Important policy decisions and strategic issues facing the department

The department developed the Comprehensive Rural Development Programme (CRDP) Framework as a guide to implement its new mandate of rural development and agrarian transformation. The President launched a pilot project in Muyexe village, Greater Giyani Local Municipality. Since then over the last financial year the department has also begun work in 21 other Wards. The lessons learned from the pilot areas have been incorporated into the development of the Green Paper on Rural Development, Agrarian Transformation and Land Reform. The department within the CRDP Programme is expected to be a catalyst, coordinator, facilitator and initiator. Institutional mechanisms have been set up to ensure coordination between all levels of government, private sector and community in the form of the Council of Stakeholders. At national level the Minister is the champion of the CRDP and at provincial level the programme is driven by the Premier and the delegated MEC. Technical committees made up of the municipality and sector departments supports the Council of Stakeholders.

In addition to the CRDP the department has been working on additional programmes and policies relating to an improved land reform programme. These include, the recapitalisation and development programme as well as the categorisation models for land acquisition. A draft Green Paper outlining the details of all the proposed policy directives will be tabled to Cabinet soon.

1.2 Significant events that have taken place during the year

The department is committed to ensure that critical vacant posts are filled within the limited resources available; during March 2010 the post of Chief Financial Officer and other critical Executive and Senior Management posts in the Financial Services Branch were filled. These put me in a better position to discharge my responsibilities in consistence with the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA).

1.3 Major projects undertaken or completed during the year

Provision of Land and Assistance Amendment Act, 2008 (Act No. 58 of 2008) which came into operation on the 9 January 2009 provided for the creation of a trading account to ensure proper financial records for the expenditure incurred. The Agricultural Land Holdings Trading Account was established, details of the account are reported under entity and separate financial statements are included in the departmental Annual Report.

Since the amendments only came into effect in January, in order to ensure audit trial of the transaction of the entity, the department continued to maintain financial accounts and accounting records once creating capacity and financial systems in the Trading Account.

1.4 Spending trends

The department's approved budget allocation for the 2009/10 financial year amounted to R6,391 billion, made up of a baseline allocation of R6,099 billion and Adjustment Estimates allocation of R292 million. The Adjustment Estimates (AE) included an additional allocation of R252 million for rural development and management which was only received in November 2009. The spending for the 2009/2010 financial year amounted to 91.6% (R5,855 billion) of the allocated budget. The under spending of 8.4% (R536 million) of the allocated budget is made up as follows:

1.4.1 Administration

The under spending of R79 million represents 12.1% of the programme's total budget and 14.7% of the department's total under spending. This was mainly due to the delay in the approval of the new departmental structure due to change in the mandate. Spending on goods and services, as well as payments for capital assets were lower than expected due to the influences of not filling the advertised posts. A further contributing factor was a decrease in recruitment costs as a result of doing certain services internally as opposed to using recruitment agencies. Although funds were allocated during the AE process, thus has resulted in an under spending of R7 million on this project.

1.4.2 Surveys and Mappings

The minimal under spending of R3,9 million represents 4.4% of the programme's total budget and 0.7% of the department's total under spending was mainly under compensation of employees that was due to the inability to recruit and retain employees due to poor salaries, as well as the delay in the implementation of the job evaluations and Occupational Specific Dispensation (OSD).

1.4.3 Cadastral Surveys Management

This programme's under spending of R13,1 million represents 9.3% of the programme's total budget and 2.4% of the department's total under spending. This was mainly due to several delays experienced with office accommodation at the Eastern Cape and North West offices, which further contributed to the delay of several projects, such as IT Infrastructure and office furniture. Additional contributing factors were that of the billing system from SITA being faulty and resulting in unprocessed and unpaid invoices. The delays in implementation of job evaluations and OSD for land surveyors and survey technicians also added to the under spending.

1.4.4 Restitution

This programme's under spending of R6,7 million represents 0.3% of the programme's total budget and 1.26% of the department's total under spending. This was mainly at goods and services as a result of the capital transfers to households funding being depleted by July 2009 and the corresponding current expenditure consequently not being able to take place.

1.4.5 Land Reform

Land Reform's total under spending amounted to R407,2 million, which comprises 13.4% of the programme's total appropriation and 75.9% of the department's total unspent funds. Land Reform's sub-programme: Rural Development contributed 46.5% to the programme's under spending and 35.3% to the department's under spending with unspent funds of R189,3 million. This under spending at sub-programme: Rural Development was mainly due to the late appropriation of funds during the 2009 AE process, which resulted in it not being possible for the sub-programme to expend their committed funds as planned.

The remainder of the under spending was mainly at committed capital transfers to households projects not realising due to unsatisfactory progress reports, late submission of invoices, projects at the conveyance stage being referred back by Deeds due to outstanding documentation and projects being delayed at conveyances due to circumstances out of the provincial offices' control. Another contributing factor to the total under spending was officials that were appointed and projected for in the 2009/10 only assuming duty in the new financial year.

1.4.6 Spatial Planning and Information

The under spending here of R22,2 million (34.6% of the programme's total budget and 4.1% of department's total under spending) was mainly at goods and services where R24,3 million was reprioritised during the

Adjustment Estimates process, but which could not be expended as planned due the unanticipated lack of capacity in the newly created sub-programmes of Disaster Management and Technology Research and Development to support the Rural Development programme.

1.4.7 Auxiliary and Associated Services

The under spending here of R4 million (6% of the programme's total budget and 0.75% of the department's total under spending) was at goods and services where the Department of Public Works had not finalised the Capital Works projects pertaining to this department by the end of the financial year as anticipated.

1.5 Virement

In order to settle critical claims and contracts that the department was legally bound to honour, funds needed to be reprioritised to Programme 4: (Restitution) to augment the programme's appropriated budget, which was depleted during July 2009.

Details of the shifting of funds amongst programmes in accordance with the delegated authority in terms of Treasury Regulations and the Public Finance Management Act, are as follows:

From	To	Amount R'000
1: Administration	4: Restitution	37,036
2: Surveys and Mapping	4: Restitution	7,692
5: Land Reform	4: Restitution	183,545
6: Spatial Planning and Information	4: Restitution	2,685
Total		**230,958**

1.6 Other Material Matters

1.6.1 Irregular expenditure

Irregular expenditure is disclosed under disclosure note 26 of the annual financial statement. Any other irregular expenditure under investigation which was finalised after the balance sheet date has been disclosed accordingly.

1.6.2 Fruitless and wasteful expenditure

The period under review saw a reduction of the restitution budget by 50%. As a result, restitution depleted their budget in the first quarter of the financial year. Consequently, commitments that were made could not be honoured timeously. This resulted in interest being levied on the delayed transactions by the Courts. The amount is reflected in disclosure note no 27.

Commitments made through approval of claims are now aligned to the available restitution budget to ensure that payments in terms of sale agreements are made timeously. The targets for restitution are now subjected to available resources, which was not the case in the past.

2. Services Rendered by the department

The department commits to maintain a high standard of professionalism when delivering services as outlined in the strategic objectives of the department. A service delivery charter which outlines the service delivery standards in the new Department of Rural Development and Land Reform is being reviewed and will be finalised during the 2011 financial year.

2.1 Tariff policy

The Deeds Trading Account Schedule of Fees of Office is prescribed by regulation 84 of the Deeds Registries Act, 1937 (Act 47 of 1937), (the Schedule), and is published in the Government Notice after approval by the Minister of Rural Development and Land Reform.

The Fees of Office for the Surveyor General is prescribed by regulation 27 of the Land Survey Act, 1997 (Act 8 of 1997), (the Schedule), and is published in the Government Notice after approval by the Minister of Rural Development and Land Reform and Treasury.

2.2 Free services

The department provides Map Tricks kits, map work teaching aids and map packs to the Department of Education for distribution to disadvantaged schools that teach geography.

2.3 Inventory

Included in the inventory disclosed in the annual financial statement of Deeds and the annexure on inventory for the department are the consumables used for providing the service.

3. Capacity Constraints

There has been a significant reduction in the vacancy rate. The department filled 17 critical senior management posts during the year under review. The department further plans to form partnerships with the Further Education Training, Universities of Technology and other spheres of government in order to deliver on the department's mandate of creating vibrant, equitable and sustainable rural communities. The procurement process has started and the memorandum of understanding will be signed during the next financial year.

4. Utilisation of Donor Funds

The balance of R1,522 million was received from Belgium Technical Assistance for post settlement and development support in the 2009/10 financial year. Under the Aid Assistance Fund, R1,2 million was spent during 2008/09 leaving a credit balance of R0,260 which has been paid back to National Treasury as the project has been finalised.

5. Trading Entities and Public Entities

5.1 Trading entities

Deeds Registration Trading Account

The deeds registries are established in terms of the Deeds Registries Act, 1937 (Act 47 of 1937). The main source of funding is from fees charged on the registration of deeds and on the sale of deeds information. The entity keeps full records of the financial affairs separately from that of the department. Shortfalls in the account, if any, are appropriated from the budget of the department under Programme 7. The outcomes of the strategic activity of the account is detailed under a section which deals with programme performance in the Annual Report.

Agricutural Land Holding Trading Account

During 2006/2007 financial year, the department introduced the Proactive Land Acquisition Strategy (PLAS) using the Provision of Land and Assistance Act, 1993 (Act No 126 of 1993). The PLAS provides for the acquisition of strategic land, in terms of location and quality, which is held by the State whilst the prospective beneficiaries are either being screened or still being identified.

Provision of Land and Assistance Amendment Act, 2008 (Act No. 58 of 2008) which came into operation on 9 January 2009 empowers the Minister to acquire property, maintain and improve such property. This makes it possible for the Minister to transfer economically viable enterprises to land reform beneficiaries in order to afford them a reasonable chance to succeed. The amendment also resulted in the establishment of a Land Holding Trading Account which maintains separate and itemised financial accounts and accounting records of agricultural enterprises or separately administered portions of immovable property which it acquires, manages, disposes of or leases.

The budget is allocated through the Medium Term Expenditure Framework of the department under Programme 5. The outcomes of the strategic activity of the programme are detailed in the same programme under a section which deals with programme performance included in the Annual Report.

5.2 Public entities

Inala Farm (Pty) Ltd

The property holding company (PROPCO - Inala Farms (PTY) Ltd), was founded by the department to provide financial assistance in the form of a loan to certain land reform beneficiaries. An operating company (OPCO - Inala Farms (PTY) Ltd) was also created, Government owned no shares in OPCO, but the workers Trust owned 25% of the shares. The Government (Department of Land Affairs) held 75% of PROPCO which was liquidated, and the major creditor was Land Bank.

The Regional Land Claims Commission: Mpumalanga purchased certain claimed properties, on two of the properties namely the remaining extent of the farm Lomati 466, and remaining extent of portion 3 of the farm Lomati 466, transfer has been made to the State pending the resolution of overlapping claims by two communities.

Three portions, that is the remaining extent of the farm Jacobus 481, Portion 5 of the farm Weltevrede 454, and farm Overzicht 482, have been transferred to Matsamo community. Lease agreements are being finalised for all properties.

Ingonyama Trust Board

The Ingonyama Trust is established in terms of the provisions of the KwaZulu-Natal Ingonyama Trust Act (Act 3 of 1994). Its core business is to manage land for the material benefit and social wellbeing of the individual members of the tribes.

6. Transfer Payments

The following transfers were made to departmental accounts and agencies. The mandate of the entity is detailed on paragraphs 5.1 and 5. 2. Below.

Name of Entity	Amount R'000	Reasons
Ingonyama Trust Board	R3,056	Annual allocation to Ingonyama Trust Board.
Registration of Deeds Trading account.	R57 592	Augmentation of Deficit.
Agricultural Land Holding Account	R1 041 116	Establishment of PLAS Trading Account.

Transfer to household

Name of Entity	Amount R'000	Reasons
Restitution Grants (Claimants)	1,967,596	Payments of outstanding Restitution claimants.
Land Reform Grants (Beneficiaries)	1,206,570	Payments to Land Reform beneficiaries.
Social Benefits Bursaries (Non employees)	953	Bursaries paid by the department for scarce skills.
Household	13,146	Payment to employees for leave discounting.

7. Public Private Partnerships (PPP)

The department has undertaken a Public Private Partnership (PPP) to relocate all of its Tshwane staff into one office campus, located on the old Berea sports ground. After approval from National Treasury, the Request for Proposal (RFP) was issued in July and closed in December 2009. The RFP had a formal process of interaction between the three bidders and the department to ensure as many uncertainties and questions as possible were clarified, thus improving the quality of the bids to the department.

The next steps will be the announcement of the preferred bidder (expected in May) and negotiations to sign the contracts (October). It is estimated that the department will move into the new campus in January 2013.

8. Corporate Governance Arrangements

The department has complied with the corporate governance requirements as stipulated in the Public Finance Management Act, (Act No. 1 of 1999) and the Treasury Regulations. The initiatives taken by the department to this effect, during the financial year has been the following:

8.1 Risk Management Approach

The department is fully committed to maintaining an effective risk management unit and ensuring that strategic and operational objectives are met. The process for the identification of risks is an objective driven process which assesses the impact that risks would have on the achievability of the objectives of the department.

The department has a Risk and Compliance Committee that is responsible for providing an oversight role in the implementation of Risk Management in the department. The department is implementing Enterprise Wide Risk Management approach which will cover all aspect of risk management within the department. The risk maturity of the department is improving considering that the risk management concept is still new in the Government departments and the challenges that the component is facing in implementing Risk Management in all the Branches of the department.

The Risk and Compliance Committee operates in accordance with an approved Risk and Compliance Charter and had two meetings during the year under review. The committee is supposed to have four meetings but two meetings had to be cancelled due to other departmental commitments that took priority.

8.2 Fraud Prevention policies

The department engaged in the review process of all Risk Management policies and Fraud Prevention policy was one of them. The review process is complete; however the department will only sign off the policy after taking into account inputs from the fraud risk assessments and awareness workshops. The fraud assessment workshop have been completed which was phase one of the project. The second phase which is fraud risk training will start in August and is envisaged to be completed in September 2010.

8.3 Effectiveness of Internal Audit and Audit Committee

The Audit Committee operates in accordance with an approved audit committee charter and had seven meetings during the year under review.

The Senior Manager of Internal Audit reports administratively to the Accounting Officer and functionally to the Audit Committee. The Internal Audit Unit experienced challenges with capacity issues resulting in usage of consultants. All critical positions were advertised and the interviews for the position of the Chief Audit Executive have reached advanced stages.

8.4 Other Governance Structures

Bid Adjudication Committees are appointed in writing in line with the delegation of authority. There were fully functional Bid Specification and Adjudication Committees during the year under review.

The safety, health and environment risk assessment was conducted. The department is in the process of implementing recommendations. Critical positions in the Occupational Health and Safety Sub-directorate were advertised and are in the process of being filled.

9. Discontinued Activities/ Activities to be discontinued

None.

10. New Proposed Activities

None.

11. Asset Management

The department's Asset Register fully complies with the minimum requirements as set out by the National Treasury.

12. Events after the Reporting Date

Annual financial statements were adjusted for the following that occurred between the end of the reporting period and the date that the financial statements are authorised for issue:

- Payment after year end for restitution commitments.
- Fraudulent activities identified through a special investigation conducted in April.

13. Performance Information

Performance in the department is monitored against Strategic and Operational plan targets that are set in the beginning of a financial year. The department has a Programme Performance Monitoring (PPM) system that is in place to monitor organisational performance. The system is implemented through a series of tools which includes the policy guideline that outlines how organisational performance is conducted in the department.

Performance information is collected from all Branches on a quarterly basis and compared against the quarterly milestones using a pre-designed template designed to measure the operational plans which are aligned to the strategic objectives. These quarterly performance reports are verified and consolidated by Chief Directorate: Planning, Monitoring and Evaluation, into a departmental Quarterly PPM Report after which it is submitted to QRAM before it is approved by the Accounting Officer. Performance Information Management System (electronic) has also just been completed through which performance information will be captured and reported.

14. SCOPA Resolutions

The department appeared before SCOPA on 17 March 2010 for public hearings on the Annual Report 2008-2009 of the "Department of Land Affairs". There were no resolutions taken. Progress on issues raised will be reported under prior modifications to audit reports.

15. Prior Modifications to Audit Reports

The department made additional efforts to resolve the matters reported by the Auditor-General in the previous financial year. However due to challenges affecting immovable capital assets, not all the issues raised were cleared in the current financial year.

The summary on progress made, is included in the table below as follows:

Opinion	Financial Year in which it arose	Progress made in resolving matter
Qualification on Lease Receivable	2008, 2009	Significant progress was made. Lease debtors contracts were renewed and entered into the lease debtors system. There was a slight delay in utilising the financial module fully; however an alternative procedure was performed in order to report on the completeness and accuracy of lease receivable.
Qualification on Immovable Capital Assets.	2009	The department has completed the first phase towards achieving accuracy of its immovable asset register. The previously separate databases have been combined into a single immovable assets database. The second and final phase of verifying each record has begun and will be accelerated during the current financial year. All unsurveyed State land belonging to the department has been identified and the actual surveying has commenced, however this will take about two financial years to be completed, provided the funding situation improves. The National Vesting Master Plan has been developed in conjunction with the Department of Public Works and Provincial Departments of Public Works. It seeks to achieve the following: • Surveying of all departmental un-surveyed land by 2012 and • Confirmation of Vesting of all departmental land. The department will be able to provide an asset register that seeks to comply with the minimum requirements in line with the Asset Management Framework.
Non-compliance with payment in 30 days	2009	The issue was resolved; the Deeds Trading account was augmented timely without compromising the payment of current commitments.
Non compliance with Treasury Regulations on payment of money due to State.	2009	The issue is resolved and follow-ups are done regularly.

I would like to state that except for the challenges addressed above, the department has made significant progress; the asset register seeks to comply with the minimum requirements in line with the Asset Management Framework and can therefore be audited.

16. Exemptions and deviations received from the National Treasury

The Land Holding Trading Account obtained Approval from National Treasury to apply the transitional provisions available for first-time adopters of GRAP.

17. Other

17.1 Investigations

Twenty one investigations were completed during the financial year as a result of allegations of corruption and irregularities in the department. The types of transgressions that were investigated include: allegations of irregularities that related to verification of, and payments to, beneficiaries in land claim projects; allegations of irregularities that related to land reform projects; allegations of irregularities that related to procurement fraud; and allegations of irregularities that related to asset management.

The proceedings instituted against those implicated were based on the findings of the investigation reports. The actions taken against the implicated transgressors include: criminal proceedings that were recommended against them; civil proceedings that were recommended against them; and disciplinary proceedings that were recommended against them.

Material losses through criminal conduct that were confirmed by the outcome of the completed investigations are disclosed under note 7.1 in line with the requirement of section 40(3)(b)(i) of the PFMA. Cases that are still in progress as at the reporting date of this report would be dealt with in terms of the applicable legislations based on the outcome of the investigations. The department will monitor the completed fraud risk registers closely in order to prevent losses resulting from criminal conduct. The department has also appointed the Special Investigation Unit to investigate similar projects in the area.

17.2 World Cup expenditure

There were no tickets and travelling expenditure incurred for the 2010 World Cup.

18. Approval

The Annual Financial Statements set out on pages 69 to 115 have been approved by the Accounting Officer.

MR THOZI GWANYA
DIRECTOR-GENERAL
DATE: 31 May 2010

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE NO. 27: DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Department of Rural Development and Land Reform, which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 69 to 115.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Tangible capital assets

The Department of Rural Development and Land Reform is required to record:

- all unsurveyed or surveyed but unregistered State land in the former TBVC States and Self-Governing Territories which is not vested in the name of a province or where custodial powers have not been assigned to another national department in terms of section 4 of the Government-wide Immovable Asset Management Act (GIAMA);
- all land vested with the national government and situated in the former TBVC States, including tribal land located in such a State;
- all land vested with the national government and situated in the former Self-Governing Territories, including tribal land located in such territory, but excluding land referred to in, and governed by, the KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3 of 1994);
- all former South African Development Trust land unless title clearly resides with another party in terms of specific legislation; and
- all land held for land reform purposes.

The National Treasury approved the National Vesting Master Plan which includes milestones that the department, together with other custodians, is required to achieve in order to ensure that all unsurveyed State land is surveyed by March 2012 and all State land is vested by March 2014.
The milestones set for 31 March 2010 and 30 April 2010 have not been achieved.
The department still did not have a complete asset register of all immovable properties belonging to the national government under the custodianship of the Department of Rural Development and Land Reform. This resulted in the following:

- Immovable property registered in the name of other entities and departments was recorded in the immovable asset register of the department.
- Immovable property that should have been registered in the name of the national government was still not registered and was therefore not included in the asset register of the department.

I was not able to perform alternative procedures to confirm the completeness and valuation of, and rights and obligations regarding tangible capital assets disclosed in the financial statements.

Qualified opinion

In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Rural Development and Land Reform as at 31 March 2010 and its financial performance and its cash flows for the year then ended, in accordance with the basis of accounting described in note 1.1 to the financial statements and in the manner required by the PFMA.

Emphasis of matters

I draw attention to the matters below. My opinion is not modified in respect of these matters:
Basis of accounting

The department's policy is to prepare financial statements on the modified cash basis of accounting, described in accounting policy note 1.1 to the financial statements.

Material losses through criminal conduct

As disclosed in note 7.1 to the financial statements, material losses of R53.301 million were incurred as a result of fraudulent activities identified through forensic investigations conducted in three land reform projects in KwaZulu-Natal.

Significant uncertainties

With reference to disclosure note 20 to the financial statements, claims instituted against the department amounted to R566.176 million. These claims are subject to the outcome of legal proceedings. The ultimate outcome of the matter cannot be determined at present and no provision for any liability (interest and legal costs) that may result has been made in the financial statements.

Irregular expenditure

As disclosed in note 26 to the financial statements, irregular expenditure of R4.177 million was incurred, as a result of non-compliance with supply chain management procedures and overpayments of restitution commitments.

Fruitless and wasteful expenditure

As disclosed in note 27 to the financial statements, fruitless and wasteful expenditure of R3.324 million was incurred, as a result of interest paid to suppliers and instances where the normal procurement processes were not adhered to.

Commitments

As disclosed in note 21 to the financial statements, an amount of R420 million is included as part of commitments of R8.364 billion, as a result of projects older than three years on which no payments were made due to changes in restitution settlement options, community disputes, tribal disputes, family disputes and/or untraceable claimants.

Additional matters

I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

The supplementary information set out on pages 116 to 124, which are annexures to the financial statements, does not form part of the financial statements and is presented as additional information. I have not audited these annexures and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA Notice 1570 of 2009, issued in Government Gazette 32758 of 27 November 2009, I include below my findings on the report on predetermined objectives, compliance with the PFMA and applicable enabling legislation and financial management (internal control).

Findings
Predetermined objectives
Non-compliance with regulatory requirements

Lack of effective, efficient and transparent systems and internal controls regarding performance management

The accounting officer did not ensure that the Department of Rural Development and Land Reform has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the entity's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 38(1)(a)(i) and (b) of the PFMA.

Usefulness of information

The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the department reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

Planned and reported performance targets not specific and measurable

For the selected programmes (programmes 4: restitution and 5: land reform), the planned and reported targets were not:

- specific in clearly identifying the nature and the required level of performance and
- measurable in identifying the required performance.

Reliability of information

The following criteria were used to assess the usefulness of the planned and reported performance:

- Validity: Has the actual reported performance occurred and does it pertain to the entity i.e. can the reported performance information be traced back to the source data or documentation?
- Accuracy: Amounts, numbers and other data relating to reported actual performance have been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have been included in the reported performance information.

The following audit findings relate to the above criteria:

Reported indicators not reliable as no or inadequate supporting source information was provided

For the selected programme (programme 5: land reform), the validity, accuracy and completeness of the reported indicators could not be established, as sufficient appropriate audit evidence and relevant source documentation could not be provided for audit purposes.

Compliance with laws and regulations

Public Finance Management Act, Act No. 1 of 1999 (as amended by Act 29 of 1999) and Treasury Regulations of 2005
Non-adherence

Contrary to the requirements of Treasury Regulation 3.2.1, although the accounting officer conducted a risk assessment, not all emerging risks related to the institution were identified, including the updating of a fraud risk register and fraud prevention plan.

Contrary to the requirements of section 38(1)(a)(i) of the PFMA, the accounting officer did not ensure that the department has and maintains effective, efficient and transparent systems of financial and risk management and internal control in the land reform programme. We identified the following deficiencies during our audit:

- Departmental policies and procedures and contracts between the department and beneficiaries eligible for grant funding in terms of the Land Redistribution for Agricultural Development (LRAD) programme did not address the terms and conditions for subsequent changes in beneficiaries and the maintenance of conditions of projects.
- The department did not have a database of all previous and current beneficiaries who benefited through different programmes and projects to ensure compliance with the criteria to qualify for land reform subsidies and restitution subsidies and prevent mismanagement of grant funding.

- Adequate monitoring controls did not exist to detect fictitious beneficiaries receiving grant funding, both in terms of initial contracting and ongoing contract management for the LRAD programme.

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

- **Leadership**
  The accounting officer and management did not exercise oversight responsibility over reporting and compliance with laws and regulations and internal controls in relation to tangible capital assets, predetermined objectives and the management of grant funding.

  Control weaknesses reported were not in all cases analysed by management and appropriate follow-up actions were not taken to address the root causes impacting on the financial and performance reporting.

- **Financial and performance management**
  Performance management requirements were not adhered to, as related processes and adequate reviews were not performed to ensure that information reported was complete and accurate. The department's reporting processes were not appropriate to facilitate reliable and accurate performance reporting.

  Management and staff did not fulfil their duties and responsibilities which resulted in the mismanagement of land reform subsidies.

  Manual and automated controls were not designed to ensure that the transactions were authorised and completely and accurately processed.

- **Governance**
  The risk assessment conducted did not include all emerging risks related to the department and the fraud risk register and fraud prevention plan were not updated.

  Ongoing monitoring and supervision were not undertaken to enable an assessment of the effectiveness of internal control over performance reporting.

  The entity did not respond to the assessed risks by determining a risk action plan to manage identified risks.

OTHER REPORTS

Investigations in progress

The Department of Rural Development and Land Reform engaged both internal staff and independent consulting firms to conduct investigations on its behalf. The investigations were initiated based on allegations of corruption and irregularities in the department. Thirty-two investigations were still ongoing at the reporting date.

Investigations completed

Twenty-nine investigations were completed during the financial year relating to allegations of corruption and irregularities in the department. The types of transgressions investigated included: allegations of irregularities related to the verification of and payments to beneficiaries in land claim projects; allegations of irregularities related to land reform projects; allegations of irregularities related to procurement fraud; and allegations of irregularities

related to asset management issues. The proceedings instituted, based on the investigations and the actions taken against the transgressors, included: seven investigations where criminal proceedings were recommended against the implicated employees; seven investigations where civil proceedings were recommended against the implicated employees; and eleven investigations where disciplinary proceedings were recommended against the implicated employees.

Auditor-General.

Pretoria
31 July 2010

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2010

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. REVENUE

2.1 Appropriated funds

Appropriated funds comprise of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

The total appropriated funds received during the year are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund. Any amounts owing to the National Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Any amount owing to the National Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer receipts / payments

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and subsequently paid into the National Revenue Fund, unless otherwise stated.

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

Any amount owing to the National Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Aid assistance

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

3. EXPENDITURE

3.1 Compensation of employees

3.2.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance. All other payments are classified as current expense.

Short-tem employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts must not be recognised in the statement of financial performance or position.

3.1.2 Post retirement benefits

Employer contribution (i.e. social contributions) are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Funds and not in the financial statements of the employer department.

Social contribution (such as medical benefits) made by the department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the statement of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

Unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written-off as irrecoverable in the Statement of Financial Performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. ASSETS

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and where the goods and services have not been received by year end.
Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the asset register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

5. LIABILITIES

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements.

5.3 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.6 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.7 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. RECEIVABLES FOR DEPARTMENTAL REVENUE

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. NET ASSETS

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. RELATED PARTY TRANSACTIONS

Specific information with regards to related party transactions is included in the disclosure notes.

9. KEY MANAGEMENT PERSONNEL

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. PUBLIC PRIVATE PARTNERSHIPS

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

Appropriation per programme									
	2009/10							2008/09	
APPROPRIATION STATEMENT	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	666,394	(45,938)	-	620,456	546,439	74,017	88.1%	421,766	421,656
Transfers and subsidies	13,714	5	-	13,719	12,632	1,087	92.1%	12,987	12,983
Payment for capital assets	9,172	8,897	-	18,069	14,154	3,915	78.3%	18,689	18,677
2. Surveys and Mapping									
Current payment	90,303	(11,309)	-	78,994	75,074	3,920	95.0%	63,150	62,985
Transfers and subsidies	2,194	184	-	2,378	2,372	6	99.7%	2,582	2,580
Payment for capital assets	3,650	3,433	-	7,083	7,083	-	100.0%	6,312	6,310
3. Cadastral Services									
Current payment	137,922	(4,152)	-	133,770	123,384	10,386	92.2%	112,835	112,763
Transfers and subsidies	93	219	-	312	310	2	99.4%	106	104
Payment for capital assets	2,809	3,933	-	6,742	3,968	2,774	58.9%	3,443	3,439
4. Restitution									
Current payment	395,033	(28,490)	-	366,543	362,428	4,115	98.9%	318,089	318,066
Transfers and subsidies	1,710,748	258,624	-	1,969,372	1,967,611	1,761	99.9%	2,786,163	2,783,672
Payment for capital assets	1,654	824	-	2,478	1,595	883	64.4%	20,529	20,410

Appropriation per programme									
	2009/10							2008/09	
APPROPRIATION STATEMENT	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropria-tion**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropria-tion**	**Actual Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
5. Land Reform									
Current payment	674,085	(79,147)	-	594,938	430,903	217,336	63.5%	295,242	294,743
Transfers and subsidies	2,537,067	(99,480)	-	2,437,587	2,197,524	186,762	92.3%	1,038,298	1,037,634
Payment for capital assets	12,269	(4,918)	-	7,351	4,165	3,186	56.7%	1,467,173	1,473,271
6. Spatial Planning and information									
Current payment	62,451	(7,847)	-	54,604	35,008	19,596	64.1%	32,249	32,208
Transfers and subsidies	2,288	-	-	2,288	2,288	-	100%	2,080	1,544
Payment for capital assets	2,048	5,162	-	7,210	4,612	2,598	64%	505	504
7. Auxiliary and Associated Services									
Current payment	9,603	-	-	9,603	5,579	4,024	58.1%	2,382	2,382
Transfers and subsidies	57,594	-	-	57,594	57,592	2	100%	54,816	54,814
Payment for capital assets	-	-	-	-	-	-	-	-	-
SUBTOTAL	**6,391,091**	**-**	**-**	**6,391,091**	**5,854,721**	**536,370**	**91.6%**	**6,659,396**	**6,660,745**

	2009/10		2008/09	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of Financial Performance				
ADD				
Departmental receipts	44,047		64,170	
Aid assistance	1,522		-	
Actual amounts per statement of financial performance (total revenue)	**6,436,660**		**6,723,566**	
ADD				
Aid assistance				3,112
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		**5,854,721**		**6,663,857**

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM VOTE 27

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

Appropriation per economic classification									
	2009/10							2008/09	
	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expenditure as % of final appropria-tion	Final Appropria-tion	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	952,603	(131,499)	-	821,104	759,693	61,411	92.5%	612,728	610,553
Goods and services	1,083,188	(45,384)	-	1,037,804	764,200	273,604	73.6%	632,978	631,882
Interest and rent on land	-	-	-	-	-	-	-	7	6
Financial transactions in assets and liabilities	-	-	-	-	1,621	(1,621)	-	-	2,361
Transfers and subsidies									
Provinces and municipalities	200	(88)	-	112	87	25	77.7%	48	26
Departmental agencies and accounts	1,101,316	450	-	1,101,766	1,101,764	2	100%	57,308	57,306
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1,230	-	-	1,230	1,226	4	99.7%	1,125	1,124
Public corporations and private enterprises	1	-	-	1	-	1	-	1	-
Non-profit institutions	2,288	-	-	2,288	2,288	-	100%	2,082	1,546
Households	3,218,663	159,190	-	3,377,853	3,188,265	189,588	94.4%	3,836,468	3,833,330
Payments for capital assets									
Buildings and other fixed structures	-	8	-	8	-	8	-	-	-
Machinery and equipment	30,322	18,264	-	48,586	35,283	13,303	72.6%	41,757	41,624
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1,280	(941)	-	339	294	45	86.7%	-	-
Land and subsoil assets	-	-	-	-	-	-	-	1,474,894	1,480,987
Total	**6,391,091**	**-**	**-**	**6,391,091**	**5,854,721**	**536,370**	**91.6%**	**6,659,396**	**6,660,745**

PROGRAMME 1: ADMINISTRATION

	2009/10							2008/09	
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	1,700	65	-	1,765	1,762	3	99.8%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
1.2 Deputy Minister									
Current payment	1,400	982	-	2,382	2,379	3	99.9%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
1.3 Management									
Current payment	117,015	(11,521)	-	105,494	83,243	22,251	78.9%	68,977	68,941
Transfers and subsidies	4	-	-	4	-	4	-	348	348
Payment for capital assets	8,277	165	-	8,442	7,058	1,384	83.6%	6,306	6,302
1.4 Corporate Services									
Current payment	416,150	(43,964)	-	372,186	320,706	51,480	86.2%	308,225	308,151
Transfers and subsidies	13,710	5	-	13,715	12,632	1,083	92.1%	12,639	12,635
Payment for capital assets	895	8,732	-	9,627	7,096	2,531	73.7%	12,383	12,375
1.5 Property Management									
Current payment	130,129	8,500	-	138,629	138,349	280	99.8%	44,564	44,564
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	**689,280**	**(37,036)**	**-**	**652,244**	**573,225**	**79,019**	**87.9%**	**453,442**	**453,316**

	200910							2008/09	
Programme 1 per Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payment									
Compensation of employees	260,706	(43,619)	-	217,087	178,872	38,215	82.4%	134,426	134,281
Goods and services	405,688	(2,319)	-	403,369	367,329	36,040	91.1%	287,340	287,325
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	238	(238)	-	-	49
Transfers and subsidies to:									
Provinces and municipalities	181	(170)	-	11	4	7	36.4%	10	8
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	2	2
Households	13,533	175	-	13,708	12,628	1,080	92.1%	12,975	12,974
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9,113	8,620	-	17,733	13,860	3,873	78.2%	18,689	18,677
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	59	277	-	336	294	42	87.5%	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	**689,280**	**(37,036)**	**-**	**652,244**	**573,225**	**79,019**	**87.9%**	**453,442**	**453,316**

PROGRAMME 2: SURVEYS AND MAPPING

	2009/10							2008/09	
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Surveys and Mapping									
Current payment	90,303	(11,309)	-	78,994	75,074	3,920	95%	63,150	62,985
Transfers and subsidies	2,194	184	-	2,378	2,372	6	99.7%	2,582	2,580
Payment for capital assets	3,650	3,433	-	7,083	7,083	-	100%	6,312	6,310
Total	**96,147**	**(7,692)**	**-**	**88,455**	**84,529**	**3,926**	**95.6%**	**72,044**	**71,875**

	2009/10							2008/09	
Programme 2 per Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payment									
Compensation of employees	48,791	(7,692)	-	41,099	39,027	2,072	95%	34,846	34,698
Goods and services	41,512	(3,617)	-	37,895	36,044	1,851	95.1%	28,297	28,280
Interest and rent on land	-	-	-	-	-	-	-	7	6
Financial transactions in assets and liabilities	-	-	-	-	3	(3)	-	-	2
Transfers and subsidies to:									
Provinces and municipalities	4	-	-	4	2	2	50%	4	2
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1,230	-	-	1,230	1,226	4	99.7%	1,125	1,124
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	960	184	-	1,144	1,144	-	100%	1,453	1,453
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,479	4,604	-	7,083	7,083	-	100%	6,312	6,310
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1,171	(1,171)	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	**96,147**	**(7,692)**	**-**	**88,455**	**84,529**	**3,926**	**95.6%**	**72,044**	**71,875**

PROGRAMME 3: CADASTRAL SURVEYS

	2009/10							2008/09	
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Cadastral Surveys									
Current payment	137,922	(4,152)	-	133,770	123,384	10,386	92.2%	112,835	112,763
Transfers and subsidies	93	219	-	312	310	2	99.4%	106	104
Payment for capital assets	2,809	3,933	-	6,742	3,968	2,774	58.9%	3,443	3,439
Total	**140,824**	**-**	**-**	**140,824**	**127,662**	**13,162**	**90.7%**	**116,384**	**116,306**

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM VOTE 27

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	2009/10							2008/09	
Programme 3 per Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payment									
Compensation of employees	107,754	-	-	107,754	104,876	2,878	97.3%	88,643	88,427
Goods and services	30,168	(4,152)	-	26,016	18,403	7,613	70.7%	24,192	24,187
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	105	(105)	-	-	149
Transfers and subsidies									
Provinces and municipalities	-	3	-	3	1	2	33.3%	1	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	93	216	-	309	309	-	100%	105	104
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,759	3,980	-	6,739	3,968	2,771	58.9%	3,443	3,439
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	50	(47)	-	3	-	3	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	**140,824**	**-**	**-**	**140,824**	**127,662**	**13,162**	**90.7%**	**116,384**	**116,306**

PROGRAMME 4: RESTITUTION

	2009/10							2008/09	
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Restitution National Office									
Current payment	44,013	(7,315)	-	36,698	35,501	1,197	96.7%	30,125	30,107
Transfers and subsidies	-	6	-	6	6	-	100%	-	-
Payment for capital assets	556	79	-	635	566	69	89.1%	1,084	1,077
4.2 Restitution Regional Offices									
Current payment	351,020	(21,175)	-	329,845	326,927	2,918	99.1%	287,964	287,959
Transfers and subsidies	2	9	-	11	9	2	81.8%	8	7
Payment for capital assets	1,098	745	-	1,843	1,029	814	55.8%	5,455	5,359
4.3 Restitution Grants									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,710,746	258,609	-	1,969,355	1,967,596	1,759	99.9%	2,786,155	2,783,665
Payment for capital assets	-	-	-	-	-	-	-	13,990	13,974
Total	**2,107,435**	**230,958**	**-**	**2,338,393**	**2,331,634**	**6,759**	**99.7%**	**3,124,781**	**3,122,148**

	2009/10							2008/09	
Programme 4 per Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payment									
Compensation of employees	226,666	(8,510)	-	218,156	218,065	91	100%	185,665	185,532
Goods and services	168,367	(19,980)	-	148,387	143,227	5,160	96.5%	132,424	131,676
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	1,136	(1,136)	-	-	858
Transfers and subsidies									
Provinces and municipalities	2	9	-	11	9	2	81.8%	8	7
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,710,746	258,615	-	1,969,361	1,967,602	1,759	99.9%	2,786,155	2,783,665
Payment for capital assets									
Buildings and other fixed structures	-	8	-	8	-	8	-	-	-
Machinery and equipment	1,654	816	-	2,470	1,595	875	64.6%	6,539	6,435
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	13,990	13,975
Total	**2,107,435**	**230,958**	**-**	**2,338,393**	**2,331,634**	**6,759**	**99.7%**	**3,124,781**	**3,122,148**

PROGRAMME 5: LAND REFORM

	2009/10							2008/09	
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Land Reform National Office									
Current payment	82,486	(5,488)	-	76,998	72,783	4,215	94.5%	51,044	50,589
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	7,235	(6,855)	-	380	194	186	51.1%	750	740
5.2 Land Reform Provincial Offices									
Current payment	326,151	(61,040)	-	265,111	241,075	24,036	90.9%	224,761	224,718
Transfers and subsidies	13	70	-	83	82	1	98.8%	25	8
Payment for capital assets	4,934	1,077	-	6,011	3,935	2,076	65.5%	1,466,423	1,472,531
5.3 Land Reform Grants									
Current payment	-	-	-	-	53,301	-	-	-	-
Transfers and subsidies	1,493,331	(100,000)	-	1,393,331	1,153,270	186,760	86.6%	1,035,780	1,035,134
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.4 KwaZulu–Natal Ingonyama Trust Board									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2,606	450	-	3,056	3,056	-	100%	2,492	2,492
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.5 Land Reform Empowerment Facility									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1	-	-	1	-	1	-	1	-
Payment for capital assets	-	-	-	-	-	-	-	-	-

	2009/10							2008/09	
Details per Sub-Programme	**Adjusted App-ropriation**	**Shifting of Funds**	**Virement**	**Final App-ropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
5.6 Communal Land Rights Programme									
Current payment	13,108	(11,759)	-	1,349	761	588	56.4%	19,437	19,436
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	100	-	-	100	28	72	28%	-	-
5.7 Agricultural Land Holding Account									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,041,116	-	-	1,041,116	1,041,116	-	100%	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.8 Rural Development									
Current payment	252,340	(860)	-	251,480	62,983	188,497	25%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	860	-	860	8	852	0.9%	-	-
Total	**3,223,421**	**(183,545)**	**-**	**3,039,876**	**2,632,592**	**407,284**	**86.6%**	**2,800,713**	**2,805,648**

	2009/10							2008/09	
Programme 5 per Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payment									
Compensation of employees	279,104	(68,993)	-	210,111	196,257	13,854	93.4%	151,780	150,323
Goods and services	394,981	(10,154)	-	384,827	181,211	203,616	47.1%	143,462	143,165
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	134	(134)	-	-	1,254
Transfers and subsidies to:									
Provinces and municipalities	13	70	-	83	71	12	85.5%	25	9
Departmental agencies and accounts	1,043,722	450	-	1,044,172	1,044,172	-	100%	2,492	2,492
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1	-	-	1	-	1	-	1	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,493,331	(100,000)	-	1,393,331	1,206,582	186,749	86.6%	1,035,780	1,035,134
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	12,269	(4,918)	-	7,351	4,165	3,186	56.7%	6,269	6,259
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	1,460,904	1,460,903
Total	**3,223,421**	**(183,545)**	**-**	**3,039,876**	**2,632,592**	**407,284**	**86.6%**	**2,800,713**	**2,805,648**

PROGRAMME 6: SPATIAL PLANNING AND INFORMATION

	2009/10							2008/09	
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 SPI Management and Support Services									
Current payment	45,789	(11,077)	-	34,712	17,385	17,327	50.1%	15,432	15,427
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	1,986	5,092	-	7,078	4,545	2,533	64.2%	200	200
6.2 Spatial Planning and Information									
Current payment	16,662	3,230	-	19,892	17,623	2,269	88.6%	16,817	16,781
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	62	70	-	132	67	65	50.8%	305	304
6.3 South African Council For Planners									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2,288	-	-	2,288	2,288	-	100%	2,080	1,544
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	**66,787**	**(2,685)**	**-**	**64,102**	**41,908**	**22,194**	**65.4%**	**34,834**	**34,256**

	2009/10							2008/09	
Programme 6 per Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payment									
Compensation of employees	29,582	(2,685)	-	26,897	22,596	4,301	84%	17,368	17,292
Goods and services	32,869	(5,162)	-	27,707	12,407	15,300	44,8%	14,881	14,867
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	5	(5)	-	-	49
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	2,288	-	-	2,288	2,288	-	100%	2,080	1,544
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,048	5,162	-	7,210	4,612	2,598	64%	505	504
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	**66,787**	**(2,685)**	**-**	**64,102**	**41,908**	**22,194**	**65.4%**	**34,834**	**34,256**

PROGRAMME 7: AUXILIARY AND ASSOCIATED SERVICES

	2009/10							2008/09	
Details per Sub-Programme	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Government Motor Transport									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
7.2 Registration of Deeds Trading Account									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	57,593	-	-	57,593	57,592	1	100%	54,815	54,814
Payment for capital assets	-	-	-	-	-	-	-	-	-
7.3 Sector Education and Training Authority									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1	-	-	1	-	1	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
7.4 Capital Works									
Current payment	9,603	-	-	9,603	5,579	4,024	58.1%	2,383	2,382
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	**67,197**	**-**	**-**	**67,197**	**63,171**	**4,026**	**94%**	**57,198**	**57,196**

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	2009/10							2008/09	
Programme 7 per Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payment									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	9,603	-	-	9,603	5,579	4,024	58.1%	2,382	2,382
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	57,594	-	-	57,594	57,592	2	100%	54,816	54,814
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	**67,197**	**-**	**-**	**67,197**	**63,171**	**4,026**	**94%**	**57,198**	**57,196**

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities:

Detail of these transactions per programme can be viewed in the note on financial transactions in assets and liabilities to the Annual Financial Statements.

4. Explanations of material variances from amounts voted (after Virement):

4.1 Per Programme

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1: Administration	652,244	573,225	79,019	12.1%

Mainly due to the new departmental structure not being approved as anticipated. Goods and Services, as well as Payments of Capital Assets expenditure were lower than expected, due to the influences of not filling posts. The recruitment tender was also cancelled, although funds were allocated during Adjustment Estimates process and an under spending of R7 million was indicated on this project.

Programme 2: Surveys and Mapping	88,455	84,529	3,926	4.4%

Approximately R8.6 million was declared as saving under Compensation of Employees and was due to the inability to recruit and retain employees due to poor salaries and also the lack of implementation of the job evaluations and Occupation Specific Dispensation.

Programme 3: Cadastral Surveys	140,824	127,662	13,162	9.3%

Mainly due to the delay with office accommodation in Eastern Cape and North West offices, this led to the pending of several projects such as IT infrastructure and office furniture. The billing system from SITA was faulty and led to unprocessed invoices. The implementation of job evaluations and Occupation Specific Dispensation took longer than anticipated and remained not implemented.

Programme 4: Restitution	2,338,393	2,331,634	6,759	0.3%

Actual expenditure was more than the approved projections because of the additional funding received during November 2009 and February 2010. Therefore Restitution's expenditure trend changed accordingly to finalise critical claims and be in line with the adjusted budget.

4.1 Per Programme

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 5: Land Reform	3,039,876	2,632,592	407,284	13.4%

Final payments to service providers as committed on BAS did not realise due to unsatisfactory progress reports and late submission of invoices by service providers. Officials appointed and projected for, but only assumed duty in new financial year. Grants projects at conveyancing stage were referred back by Deeds due to outstanding documentation. Registration on grants projects delayed at conveyancers due to circumstances out of provincial offices' control.

Programme 6: Spatial Planning and Information	64,102	41,908	22,194	34.6%

Mainly due to the unanticipated lack of capacity in the newly created sub-programme of Disaster and Technology Management to support the Rural Development programme.

Programme 7: Auxiliary and Associated Services	67,197	63,171	4,026	6.0%

4.2 Per Economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments:				
Compensation of employees	821,104	759,693	61,411	7.5%
Goods and services	1,037,804	764,200	273,604	26.4%
Financial transactions in assets and liabilities	-	1,621	(1,621)	0.0%
Transfers and subsidies:				
Provinces and municipalities	112	87	25	22.3%
Departmental agencies and accounts	1,101,766	1.101,764	2	0.0%
Public corporations and private enterprises	1	-	1	100%
Foreign governments and international organisations	1,230	1,226	4	0.3%
Non-profit institutions	2,288	2,288	-	0.0%
Households	3,377,853	3,188,265	189,588	5.6%
Payments for capital assets:				
Buildings and other fixed structures	8	-	8	100%
Machinery and equipment	48,586	35,283	13,303	27.4%
Software and other intangible assets	339	294	45	13.3%

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2010

PERFORMANCE	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Annual appropriation	1	6,391,091	6,659,396
Departmental revenue	2	44,047	64,170
Aid assistance	3	1,522	-
TOTAL REVENUE		**6,436,660**	**6,723,566**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	759,693	610,553
Goods and services	5	764,200	631,883
Interest and rent on land	6	-	6
Financial transactions in assets and liabilities	7	54,922	8,470
Aid assistance	3	-	2,635
Total current expenditure		**1,578,815**	**1,253,547**
Transfers and subsidies		**4,240,329**	**3,938,704**
Transfers and subsidies	8	4,240,329	3,938,704
Expenditure for capital assets			
Tangible capital assets	9	35,283	1,471,606
Software and other intangible assets	9	294	-
Total expenditure for capital assets		**35,577**	**1,471,606**
TOTAL EXPENDITURE		**5,854,721**	**6,663,857**
SURPLUS/(DEFICIT) FOR THE YEAR		**581,939**	**59,709**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		536,370	(1,349)
Departmental revenue	16	44,047	64,170
Aid assistance	3	1,522	(3,112)
SURPLUS/(DEFICIT) FOR THE YEAR		**581,939**	**59,709**

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009/10 R'000	2008/09 R'000
ASSETS			
Current assets		**600,835**	**86,589**
Fruitless and wasteful expenditure	10	596	596
Cash and cash equivalents	11	483,880	59,890
Prepayments and advances	12	5,742	5,298
Receivables	13	110,617	19,543
Aid assistance receivable	3	-	1,262
Non-current assets		**16,112**	**16,112**
Investments	14	16,112	16,112
TOTAL ASSETS		**616,947**	**102,701**
LIABILITIES			
Current liabilities		**591,465**	**77,098**
Voted funds to be surrendered to the Revenue Fund	15	536,370	(1,349)
Departmental revenue to be surrendered to the Revenue Fund	16	(6,957)	2,623
Payables	17	62,052	75,824
TOTAL LIABILITIES		**591,465**	**77,098**
NET ASSETS		**25,482**	**25,603**
Represented by:			
Capitalisation reserve		16,112	16,112
Recoverable revenue		9,370	9,491
TOTAL		**25,482**	**25,603**

STATEMENT OF NET CHANGES FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009/10 R'000	2008/09 R'000
Capitalisation Reserves			
Opening balance		16,112	16,112
Other Movements		-	-
Closing balance		**16,112**	**16,112**
Recoverable revenue			
Opening balance		9,491	1,592
Transfers:		**(121)**	**7,899**
Irrecoverable amounts written off		(79)	(23)
Debts revised		-	(515)
Debts recovered (included in departmental receipts)		(1,792)	(1,461)
Debts raised		1,750	9,898
Closing balance		**9,370**	**9,491**
TOTAL		**25,482**	**25,603**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

CASH FLOW	Note	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**6,436,162**	**6,722,603**
Annual appropriated funds received	1	6,391,091	6,659,396
Departmental revenue received	2	43,549	63,207
Aid assistance received	3	1,522	-
Net (increase)/decrease in working capital		(105,290)	(818)
Surrendered to Revenue Fund		(52,278)	(94,268)
Surrendered to RDP Fund/Donor		(260)	-
Current payments		(1,578,815)	(1,247,438)
Transfers and subsidies paid		(4,240,329)	(3,938,704)
Net cash flow available from operating activities	**18**	**459,190**	**1,441,375**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(35,577)	(1,471,606)
Proceeds from sale of capital assets	2	498	963
Net cash flows from investing activities		**(35,079)**	**(1,470,643)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(121)	1,790
Net cash flows from financing activities		**(121)**	**1,790**
Net increase/(decrease) in cash and cash equivalents		423,990	(27,478)
Cash and cash equivalents at beginning of period		59,890	87,368
Cash and cash equivalents at end of period	**19**	**483,880**	**59,890**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. ANNUAL APPROPRIATION

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2008/09 R'000
Administration	652,244	689,280	(37,036)	455,899
Surveys and Mappings	88,455	96,147	(7,692)	82,344
Cadastral Surveys	140,824	140,824	-	118,643
Restitution	2,338,393	2,107,435	230,958	3,071,705
Land Reform	3,039,876	3,223,421	(183,545)	2,884,055
Spatial Planning & Information	64,102	66,787	(2,685)	36,586
Auxiliary &Associated Services	67,197	67,197	-	10,164
Total	**6,391,091**	**6,391,091**	**-**	**6,659,396**

2. DEPARTMENTAL REVENUE

	Note	2009/10 R'000	2008/09 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	16,974	20,970
Interest, dividends and rent on land	2.2	21,830	33,438
Sales of capital assets	2.3	498	963
Financial transactions in assets and liabilities	2.4	4,745	8,750
Transfer received	2.5	-	49
Total revenue collected		44,047	64,170
Departmental revenue collected		**44,047**	**64,170**

2.1 Sales of goods and services other than capital assets

	Note 2	2009/10 R'000	2008/09 R'000
Sales of goods and services produced by the department		16,884	20,941
Sales by market establishment		1,160	1,211
Administrative fees		13,281	17,115
Other sales		2,443	2,615
Sales of scrap, waste and other used current goods		90	29
Total		**16,974**	**20,970**

2.2 Interest, dividends and rent on land

	Note 2	2009/10 R'000	2008/09 R'000
Interest		12,434	20,407
Rent on land		9,396	13,031
Total		**21,830**	**33,438**

2.3 Sale of capital assets

	Note 2	2009/10 R'000	2008/09 R'000
Tangible capital assets		498	963
Land and subsoil assets		498	963
Total		**498**	**963**

2.4 Financial transactions in assets and liabilities

	Note 2	2009/10 R'000	2008/09 R'000
Receivables		978	577
Stale cheques written back		-	5
Other Receipts including Recoverable Revenue		3,767	8,168
Total		**4,745**	**8,750**

2.5 Transfers received

	Note	2009/10	2008/09
Foreign governments	2	-	49
Total		**-**	**49**

3. AID ASSISTANCE

3.1 Aid assistance received in cash from RDP

	Note 3	2009/10 R'000	2008/09 R'000
Local			
Opening Balance		(1,262)	1,850
Revenue		1,522	-
Expenditure		-	(3,112)
Current		-	(2,635)
Capital		-	(477)
Surrendered to the RDP		(260)	-
Closing Balance		**-**	**(1,262)**

3.2 Total Aid Assistance

		2009/10 R'000	2008/09 R'000
Opening Balance		(1,262)	1,850
Revenue		1,522	-
Expenditure		-	(3,112)
Current		-	(2,635)
Capital		-	(477)
Surrendered / Transferred to retained funds		(260)	-
Closing Balance		-	(1,262)
Analysis of balance	Note		
Aid assistance receivable	**3**	**-**	**1,262**
Closing balance		-	1,262

4. COMPENSATION OF EMPLOYEES

4.1 Salaries and Wages

	Note 4	2009/10 R'000	2008/09 R'000
Basic salary		537,785	426,288
Performance award		3,766	4,770
Service Based		1,812	2,325
Compensative/circumstantial		12,691	13,747
Periodic payments		1,724	2,280
Other non-pensionable allowances		98,582	81,207
Total		**656,360**	**530,617**

4.2 Social contributions

	Note 4	2009/10 R'000	2008/09 R'000
Employer contributions			
Pension		69,005	53,884
Medical		34,233	25,963
Bargaining council		95	89
Total		**103,333**	**79,936**
Total compensation of employees		**759,693**	**610,553**
Average number of employees		**3,427**	**3,253**

5. GOODS AND SERVICES

	Note 5	2009/10 R'000	2008/09 R'000
Administrative fees		16,823	38,024
Advertising		25,543	15,304
Assets less then R5,000	5.1	7,032	8,321
Bursaries (employees)		1,775	1,466
Catering		3,962	4,519
Communication		30,493	35,877
Computer services	5.2	88,979	65,960
Consultants, contractors and agency/outsourced services	5.3	253,319	172,312
Entertainment		14	27
Audit cost – external	5.4	12,319	7,736
Inventory	5.5	22,770	21,819
Operating leases		122,723	46,984
Owned and leasehold property expenditure	5.6	53,647	31,189
Transport provided as part of the departmental activities		651	2,034
Travel and subsistence	5.7	107,109	133,685
Venues and facilities		7,459	28,066
Training and staff development		3,716	10,183
Other operating expenditure	5.8	5,866	8,377
Total		**764,200**	**631,883**

5.1 Assets less than R5,000

	Note 5	2009/10 R'000	2008/09 R'000
Tangible assets		**7,032**	**8,321**
Buildings and other fixed structures		10	-
Biological assets		4	543
Machinery and equipment		7,018	7,778
Intangible assets		**-**	**-**
Total		**7,032**	**8,321**

5.2 Computer services

	Note 5	2009/10 R'000	2008/09 R'000
SITA computer services		23,651	22,706
External computer service providers		65,328	43,254
Total		**88,979**	**65,960**

5.3 Consultants, contractors and agency/outsourced services

	Note 5	2009/10 R'000	2008/09 R'000
Business and advisory services		134,882	74,763
Infrastructure and planning		11,066	15,927
Legal costs		34,104	20,211
Contractors		24,081	13,253
Agency and support/outsourced services		49,186	48,158
Total		**253,319**	**172,312**

5.4 Audit cost – External

	Note 5	2009/10 R'000	2008/09 R'000
Regularity audits		12,319	7,736
Total		**12,319**	**7,736**

5.5 Inventory

	Note 5	2009/10 R'000	2008/09 R'000
Learning and teaching support material		213	353
Food and food supplies		664	498
Fuel, oil and gas		15	30
Other consumable materials		4,167	1,340
Maintenance material		464	416
Stationery and printing		17,232	18,910
Medical supplies		15	272
Total		**22,770**	**21,819**

5.6 Owned and leasehold property expenditure

	Note 5	2009/10 R'000	2008/09 R'000
Municipal services		23,986	7,376
Property maintenance and repairs		6,742	-
Other		22,919	23,813
Total		**53,647**	**31,189**

5.7 Travel and subsistence

	Note 5	2009/10 R'000	2008/09 R'000
Local		105,773	132,178
Foreign		1,336	1,507
Total		**107,109**	**133,685**

5.8 Other operating expenditure

	Note 5	2009/10 R'000	2008/09 R'000
Professional bodies, membership and subscription fees		204	199
Resettlement costs		2,276	5,068
Other		3,386	3,110
Total		**5,866**	**8,377**

6. INTEREST AND RENT ON LAND

	2009/10 R'000	2008/09 R'000
Interest paid	-	6
Total	**-**	**6**

7. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

	Note	2009/10 R'000	2008/09 R'000
Material losses through criminal conduct		53,301	6,109
Other material losses	7.1	53,301	6,109
Other material losses written off	7.2	1,542	2,338
Debts written off	7.3	79	23
Total		**54,922**	**8,470**

After consultation with National Treasury and Auditor-General prior years adjustments amounting to R6,109 million had to be adjusted to Other Material losses which was initially disclosed as fruitless and wasteful expenditure. Increase in material losses is due to forensic investigation that took place in the year under review, other losses relate to prior years but were only discovered in the year under review.

7.1 Other material losses

		Note 7	2009/10 R'000	2008/09 R'000
Nature of losses				
Incident	Disciplinary Steps taken			
Forensic report	Elands Jagt Project DC23/L7232/321		34,516	-
Forensic report	Kuick Vlei farm		953	-
Forensic report	Elands Jagt farm		6,558	-
Forensic report	Arcadia farm		9,274	-
Forensic report	Invalid beneficiaries		2,000	-
Forensic report	Gorah and Cornocopia		-	6,109
Total			**53,301**	**6,109**

7.2 Other material losses written off

	Note 7	2009/10 R'000	2008/09 R'000
Nature of losses			
Other material losses written off		1,542	2,338
Total		**1,542**	**2,338**

7.3 Debts written off

	Note 7	2009/10 R'000	2008/09 R'000
Nature of debts written off			
Salary dept		21	21
Study debt		42	2
Subsidised Transport		2	-
Other		5	-
Telephone debts		3	-
Tax debts		3	-
SGO Debts		3	-
Total		**79**	**23**

8. TRANSFERS AND SUBSIDIES

	Note	2009/10 R'000	2008/09 R'000
Provinces and municipalities	Annex 1A	87	26
Departmental agencies and accounts	Annex 1C	1,101,764	57,306
Foreign governments and international organisations	Annex 1F	1,226	1,124
Non-profit institutions	Annex 1G	2,288	1,546
Households	Annex 1H	3,134,964	3,878,702
Total		**4,240,329**	**3,938,704**

9. EXPENDITURE FOR CAPITAL ASSETS

	Note	2009/10 R'000	2008/09 R'000
Tangible assets		**35,283**	**1,471,606**
Machinery and equipment		35,283	51,417
Land and subsoil assets		-	1,420,189
Software and other intangible assets		**294**	**-**
Other intangibles	32	294	-
Total		**35,577**	**1,471,606**

The variance is due to PLAS Assets transferred to PLAS Trading entity.

9.1 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**35,283**	**-**	**35,283**
Machinery and equipment	35,283	-	35,283
Software and other intangible assets	**294**	**-**	**294**
Other intangibles	294	-	294
Total	**35,577**	**-**	**35,577**

9.2 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**1,471,129**	**477**	**1,471,606**
Machinery and equipment	50,940	477	51,417
Land and subsoil assets	1,420,189	-	1,420,189
Total	**1,471,129**	**477**	**1,471,606**

10. FRUITLESS AND WASTEFUL EXPENDITURE

10.1 Reconciliation of fruitless and wasteful expenditure

	Note	2009/10 R'000	2008/09 R'000
Opening balance		596	596
Less: Amounts condoned		-	-
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery			
Fruitless and wasteful expenditure awaiting condonement		**596**	**596**
Analysis of awaiting condonement per economic classification			
Current		596	596
Capital		-	-
Transfers and subsidies		-	-
Total		**596**	**596**

11. CASH AND CASH EQUIVALENTS

	2009/10 R'000	2008/09 R'000
Consolidated Paymaster General Account	483,715	59,714
Disbursements	32	43
Cash on hand	133	133
Total	**483,880**	**59,890**

12. PREPAYMENTS AND ADVANCES

	2009/10 R'000	2008/09 R'000
Travel and subsistence	5	27
Advances paid to other entities	5,737	5,271
Total	**5,742**	**5,298**

13. RECEIVABLES

		2009/10				2008/09
		R'000	R'000	R'000	R'000	R'000
	Note	Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	13.1					
	Annex 4	81,304	-	-	81,304	993
Recoverable expenditure	13.2	4,657	4,528	6,467	15,652	11,910
Staff debt	13.3	950	7,515	2,432	10,897	975
Other debtors	13.4	132	2,615	17	2,764	5,665
Total		**87,043**	**14,658**	**8,916**	**110,617**	**19,543**

13.1 Claims recoverable

	Note 13	2009/10 R'000	2008/09 R'000
National departments		81,124	270
Provincial departments		180	723
Total		**81,304**	**993**

13.2 Recoverable expenditure (disallowance accounts)

	Note 13	2009/10 R'000	2008/09 R'000
Disallowances dishonoured cheque		2	21
Sal: Disallowances: account AC		81	185
Disallowance: Miscellaneous		11,105	7,745
Disallowances: Damage GG Vehicle		4,460	3,959
Sal: Tax		2	-
Sal: Medical Aid		2	-
Total		**15,652**	**11,910**

13.3 Staff debt

	Note 13	2009/10 R'000	2008/09 R'000
Salary Debt		1,221	41
Bursary Debt		2,396	288
Subsidised Motor Scheme		190	183
Medical Debts		-	-
Telephone Debt		85	187
Cell Phone Debt		57	-
Misconduct		206	171
GG Accident		173	103
Other debts		6,569	2
Total		**10,897**	**975**

13.4 Other debtors

	Note 13	2009/10 R'000	2008/09 R'000
Transport Payment Suspense: CL		2,764	-
Ex – Staff Salary debt		-	1,102
Ex – Staff Bursary		-	2,193
Other debtors		-	2,370
Total		**2,764**	**5,665**

14. INVESTMENTS

	2009/10 R'000	2008/09 R'000
Non-Current		
Shares and other equity		
(List investments at cost)		
Inala Farms (Pty)LTD	16,112	16,112
Total	**16,112**	**16,112**
Total non-current	**16,112**	**16,112**
Analysis of non current investments		
Opening balance	16,112	16,112
Disposals for cash	-	-
Closing balance	**16,112**	**16,112**

15. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	2009/10 R'000	2008/09 R'000
Opening balance	(1,349)	30,772
Transfer from statement of financial performance	536,370	(1,349)
Paid during the year	1,349	(30,772)
Closing balance	**536,370**	**(1,349)**

16. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

	2009/10 R'000	2008/09 R'000
Opening balance	2,623	1,949
Transfer from Statement of Financial Performance	44,047	64,170
Paid during the year	(53,627)	(63,496)
Closing balance	**(6,957)**	**2,623**

Departmental Revenue collected during the year and paid over to the National Revenue Fund included revenue which was due to the PLAS Trading entity and not the National Revenue Fund, the withdrawal resulted in a deficit.

17. PAYABLES – CURRENT

	Note	2009/10 Total	2008/09 Total
Clearing accounts	17.1	59,592	75,146
Other payables	17.2	2,460	678
Total		**62,052**	**75,824**

17.1 Clearing accounts

	Note 17	2009/10 R'000	2008/09 R'000
Payable: Adv:N/Dept: Adv Acc: CL Restitution Claims returned		59,592	75,146
Total		**59,592**	**75,146**

17.2 Other payables

	Note 17	2009/10 R'000	2008/09 R'000
Description			
Salaries: Pension Fund: CL		65	62
Salaries: Medical: CL		-	5
Salaries: Housing: CL		-	9
Salaries: Bargaining Council		1	-
Transport Suspense Account		2,151	602
Salaries: Tax Debt		243	-
Total		**2,460**	**678**

18. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	2009/10 R'000	2008/09 R'000
Net surplus/(deficit) as per Statement of Financial Performance	581,939	59,709
Add back non cash/cash movements not deemed operating activities	(122,749)	1,381,666
(Increase)/decrease in receivables – current	(91,074)	(2,327)
(Increase)/decrease in prepayments and advances	(444)	(3,164)
Increase/(decrease) in payables – current	(13,772)	6,128
Proceeds from sale of capital assets	(498)	(963)
Expenditure on capital assets	35,577	1,471,606
Surrenders to Revenue Fund	(52,278)	(94,268)
Surrenders to RDP Fund/Donor	(260)	-
Net cash flow generated by operating activities	**459,190**	**1,441,375**

19. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	2009/10 R'000	2008/09 R'000
Consolidated Paymaster General account	483,715	59,714
Disbursements	32	43
Cash on hand	133	133
Total	**483,880**	**59,890**

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

Liable to	Nature		2009/10 R'000	2008/09 R'000
Motor vehicle guarantees	Employees	Annex 3A	51	133
Housing loan guarantees	Employees	Annex 3A	180	291
Claims against the department		Annex 3B	566,176	394,481
Other departments (interdepartmental unconfirmed balances)		Annex 5	64,661	147
Total			**631,068**	**395,052**

Interest and legal costs that may arise from claims against the state is not disclosed as contingent liability as the occurrence of the obligation depends on the handing down of an order by a court that the Department is liable for payment, and only instances where the Department is not appealing or reviewing the order.

21. COMMITMENTS

	2009/10 R'000	2008/09 R'000
Current expenditure		
Approved and contracted	30,094	188,694
Approved but not yet contracted	1,022,035	663,941
Total	**1,052,129**	**852,635**
Capital expenditure		
Approved and contracted	2,501	1,167
Approved but not yet contracted	7,309,135	7,955,981
	7,311,636	**7,957,148**
Total commitments	**8,363,765**	**8,809,783**

Included in commitments are projects older than 3 years (R420 million) this is due to changes of Restitution settlement options, community, tribal and family disputes and untraceable claims. Interest might be charged on settlement of some of these claims in terms of Section 80 of PFMA as prescribed by the Minister of Finance.

22. ACCRUALS

			2009/10 R'000	2008/09 R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	8,997	8,081	17,078	29,424
Machinery and equipment	56	-	56	2,778
Other	-	29,448	29,448	-
Total	**9,053**	**37,529**	**46,582**	**32,202**

	2009/10 R'000	2008/09 R'000
Listed by programme level		
Administration	6,170	10,736
Surveys & Mapping	344	649
Cadastral Services	2,316	1,092
Restitution	33,177	4,289
Land Reform	3,979	12,228
Spatial Planning & information	596	3,208
Total	**46,582**	**32,202**

		2009/10 R'000	2008/09 R'000
Confirmed balances with other departments	Annex 5	-	16,166
Total		**-**	**16,166**

Other accruals represent interest paid after year end based on restitution court orders received at 31 March 2010.

23. EMPLOYEE BENEFITS

	2009/10 R'000	2008/09 R'000
Leave entitlement	24,852	20,697
Service bonus (Thirteenth cheque)	22,764	18,066
Performance awards	10,955	7,248
Capped leave commitments	26,411	24,200
Total	**84,982**	**70,211**

24. LEASE COMMITMENTS

24.1 Operating leases expenditure

2009/10	Land	Buildings and other fixed structure	Machinery and equipment	Total
Not later than 1 year	-	52,123	-	52,123
Later than 1 year and not later than 5 years	-	17,972	-	17,972
Later than five years	-	248	-	248
Total lease commitments	**-**	**70,343**	**-**	**70,343**

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	14,019	-	14,019
Later than 1 year and not later than 5 years	-	115,280	-	115,280
Later than five years	-	2,776	-	2,776
Total lease commitments	**-**	**132,075**	**-**	**132,075**

24.2 Finance leases expenditure

2009/10	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	7,207	7,207
Later than 1 year and not later than 5 years	-	-	1,206	1,206
Later than five years	-	-	-	-
Total lease commitments	**-**	**-**	**8,413**	**8,413**
LESS: finance costs			(306)	(306)
Total present value of lease liabilities	**-**	**-**	**8,107**	**8,107**

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	11,250	11,250
Later than 1 year and not later than 5 years	-	-	6,377	6,377
Later than five years	-	-	-	-
Total lease commitments	**-**	**-**	**17,627**	**17,627**
LESS: finance costs	-	-	(1,247)	(1,247)
Total present value of lease liabilities	**-**	**-**	**16,380**	**16,380**

25. RECEIVABLES FOR DEPARTMENTAL REVENUE

	2009/10 R'000	2008/09 R'000
Interest, dividends and rent on land	74,275	92,524
Total	**74,275**	**92,524**

25.1 Analysis of receivables for departmental revenue

	2009/10 R'000	2008/09 R'000
Opening balance	68,174	64,777
Adjusted opening balance relating to previous year	1,312	-
Less: Balance transferred to PLAS Trading Entity	(25,662)	-
Less: amounts received	(20,812)	(32,544)
Add: amounts recognised	34,957	60,291
Less: amounts written-off/reversed as irrecoverable	(8,044)	-
Closing balance	**74,275**	**92,524**

The difference in opening balance is due to amount transferred to PLAS Trading Entity amounting to R25,662 million and restated opening of R1,321 million.

26. IRREGULAR EXPENDITURE

26.1 Reconciliation of irregular expenditure

	2009/10 R'000	2008/09 R'000
Opening balance	74,957	10,048
Add: Irregular expenditure – relating to prior year	-	64,573
Add: Irregular expenditure – relating to current year	4,177	10,384
Less: Amounts condoned	(74,957)	(10,048)
Irregular expenditure awaiting condonation	**4,177**	**74,957**
Analysis of awaiting condonation per age classification		
Current year	4,177	10,384
Prior years	-	64,573
Total	**4,177**	**74,957**

Irregular expenditure incurred during the year an amount of R2,871 is due to non compliance on Restitution claims and R 1,306 to non compliance Supply Chain.

27. FRUITLESS AND WASTEFUL EXPENDITURE

27.1 Reconciliation of fruitless and wasteful expenditure

	2009/10 R'000	2008/09 R'000
Opening balance	596	596
Fruitless and wasteful expenditure – relating to prior year	-	-
Fruitless and wasteful expenditure – relating to current year	2,728	-
Fruitless and wasteful expenditure awaiting condonement	**3,324**	**596**
Analysis of awaiting condonation per economic Classification		
Current	606	473
Capital	2,595	-
Transfers and subsidies	123	123
Total	**3,324**	**596**

After consultation with National Treasury and Auditor-General prior years adjustments amounting to R6,109 million has to be adjusted to other material losses which was initially disclosed as fruitless and wasteful expenditure.

27.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2009/10 R'000
Various amounts where normal procurement process were not adhered to.		133
The interest paid during the year for conveyances due to non-compliance.		2,595
Total		**2,728**

28. RELATED PARTY TRANSACTIONS

Entity	Schedule
Ingonyama Trust Board	1C
Inala Farm Pty (Ltd)	2A
Agricultural Land Holding Account	1C
Deeds Trading Account	1C

29. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2009/10 R'000	2008/09 R'000
Political office bearers			
Officials:	3	3,696	-
Level 15 to 16	13	9,919	8,199
Level 14 (incl. CFO if at a lower level)	29	17,027	11,959
Family members of key management personnel			
Total		**30,642**	**20,158**

30. PROVISIONS

	2009/10 R'000	2008/09 R'000
Provisions		
Impairment of investments	16,112	16,112
Lease debtors	16,901	-
Conveyencers	14,224	-
Advances to Municipalities	1,119	1,119
Other irrecoverable other	5,906	42,367
Performance bonus and pay progression	180	-
Total	**54,442**	**59,598**

31. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals/ Transfers	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**280,822**	**194**	**35,658**	**(55,141)**	**261,533**
Transport assets	16,890	-	2,371	(4,776)	15,319
Computer equipment	172,681	194	25,367	(2,701)	195,541
Furniture and office equipment	29,082	-	6,309	(858)	34,533
Other machinery and equipment	62,169	-	1,611	(46,806)	16,140
BIOLOGICAL ASSETS	**18,211**	**-**	**-**	**(18,211)**	**-**
Biological assets	18,211	-	-	(18,211)	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**299,033**	**194**	**35,658**	**(73,352)**	**261,533**

The difference of R381 thousand on additions for Transport assets as per trial balance and Baud system is due to an amount which was paid to Department of Agriculture for a vehicle purchased for the previous Minister (both for former Department of Land Affairs and Department of Agriculture).

31.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**34,660**			**998**	**35,658**
Transport assets	2,371	-	-	-	2,371
Computer equipment	24,508	-	-	859	25,367
Furniture and office equipment	6,170	-	-	139	6,309
Other machinery and equipment	1,611	-	-	-	1,611
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**34,660**	**-**	**-**	**998**	**35,658**

31.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals/ Transfers	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**(1,197)**	**(53,944)**	**(55,141)**	**4**
Transport assets	-	(4,776)	(4,776)	-
Computer equipment	(1,197)	(1,504)	(2,701)	4
Furniture and office equipment	-	(858)	(858)	-
Other machinery and equipment	-	(46,806)	(46,806)	-
BIOLOGICAL ASSETS				
Biological assets	-	(18,211)	(18,211)	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**(1,197)**	**(72,155)**	**(73,352)**	**4**

31.3 Movement for 2008/09

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	**234,792**	**51,417**	**(5,387)**	**280,822**
Transport assets	16,654	838	(602)	16,890
Computer equipment	147,321	28,209	(2,849)	172,681
Furniture and office equipment	17,439	12,065	(422)	29,082
Other machinery and equipment	53,378	10,305	(1,514)	62,169
BIOLOGICAL ASSETS	**20,477**	**-**	**(2,266)**	**18,211**
Biological assets	20,477	-	(2,266)	18,211
TOTAL MOVABLE TANGIBLE ASSETS	**255,269**	**51,417**	**(7,653)**	**299,033**

31.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	-	-	6,321	-	6,321
TOTAL	**-**	**-**	**6,321**	**-**	**6,321**

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor Assets	6	-	27,842	-	27,848
TOTAL	**6**	**-**	**27,842**	**-**	**27,848**

32. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Curr year adjustments to prior year balances	Additions	Disposal/ Transfers	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	49,721	-	294	(1,975)	48,040
TOTAL INTANGIBLE CAPITAL ASSETS	**49,721**	**-**	**294**	**(1,975)**	**48,040**

32.1 Additions

	Cash	Non-cash (Development work-in-progress current costs)		Received current, not paid (Paid current year, received prior year	Total
MACHINERY AND EQUIPMENT	294				294
Computer Software	**294**	**-**	**-**	**-**	**294**

32.2 Disposals

DISPOSALS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals/ Transfers	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**-**	**1,975**	**1,975**	**-**
Computer software	-	1,975	1,975	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**-**	**1,975**	**1,975**	**-**

32.3 Movement for 2008/09

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Curr year adjust-ments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	49,721	-	-	-	49,721
TOTAL INTANGIBLE CAPITAL ASSETS	**49,721**	**-**	**-**	**-**	**49,721**

33. IMMOVABLE TANGIBLE CAPITAL ASSETS

33.1 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals/ Transfers	Closing Balance
	R'000	R'000	R'000	R'000	R'000
LAND AND SUBSOIL ASSETS	**2,615,693**	**8,531**	**-**	**(2,559,458)**	**64,766**
Land	2,615,693	8.531	-	(2,559,458)	64,766
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**2,615,693**	**8,531**	**-**	**(2,559,458)**	**64,766**

33.2 Movement for 2008/09

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
HERITAGE ASSETS				
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS				
Land	1,195,505	1,420,188	-	2,615,693
Mineral and similar non-regenerative resources				
INVESTMENT PROPERTY				
Investment property	-	-	-	-
TOTAL IMMOVABLE TANGIBLE ASSETS	**1,195,505**	**1,420,188**	**-**	**2,615,693**

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2009

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Investment property R'000	Total R'000
R1 Immovable assets	-	-	36	-	36
TOTAL	**-**	**-**	**36**	**-**	**36**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

	GRANT ALLOCATION				TRANSFER			SPENT			2008/09
NAME OF MUNICIPALITY	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
Municipal Rates & taxes	1	-	-	1	1	-	100%	-	-	-	-
Levies Vehicle Licences	-	-	200	200	86	-	43%	-	-	-	26
	1	**-**	**200**	**201**	**87**						**26**

ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2008/09
DEPARTMENT/ AGENCY/ ACCOUNT	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% ofAvailable funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Ingonyama Trust Board	2,606	-	450	3056	3,056	100%	2,492
Deeds Training Account	57,593	-	-	57,593	57,592	100%	54,814
Agricultural Land Holdings Account	1,041,116	-	-	1,041,116	1,041,116	100%	-
	1,101,315	**-**	**-**	**1,101,765**	**1,101,764**		**57,306**

ANNEXURE 1F

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2008/09
FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
UN: Membership fees	1,230	-	-	1,230	1,226	100%	1,124
Total	**1,230**	**-**	**-**	**1,230**	**1,226**		**1,124**

ANNEXURE 1G

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2008/09
NON-PROFIT INSTITUTIONS	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
NPI: Donations & Gifts	2,288	-	-	2,288	2,288	100%	
South African Council for Planners	-			-	-		1,544
Contribution for HIV and AIDS	-	-	-	-	-		2
Total	**2,288**	**-**	**-**	**2,288**	**2,288**		**1,546**

ANNEXURE 1H

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2008/09
NON-PROFIT INSTITUTIONS	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	Appropriation Act R'000
Transfers							
Restitution Grants (Beneficiaries)	1,710,746	-	258,609	1,969,355	1,967,596	100%	2,783,665
Land Reform Grants (Beneficiaries)	1,493,331	-	(100,000)	1,393,331	1,153,269	83%	1,080,507
Social Benefits Bursaries (Non Employees)	14,069	-	164	14,233	13,146	92%	12,973
Households	517	-	417	934	953	102%	1,557
Total	**3,218,663**	**-**	**159,190**	**3,377,853**	**3,134,964**		**3,878,702**

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 09/10	% Held 08/09	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Disposal for the year R'000		Losses guaranteed Yes/No
				2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	
National/Provincial Public Entity												
Inala Farm (Pty) Ltd		100%	100%	100	100	16,112	16,112	-	-	-	-	
Total		**100%**	**100%**	**100**	**100**	**16,112**	**16,112**	**-**	**-**	**-**	**-**	

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of Public Entity	Nature of business	Cost of investment R'000		Net Asset value of Investment R'000		Amounts owing to Entities R'000		Amounts owing by Entities R'000	
		2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Controlled entities									
Inala Farms (Pty) Ltd	Land Reform Project	16,112	16,112	-	-	-	-	-	-
Subtotal		16,112	16,112	-	-	-	-	-	-
Non-controlled entities									
TOTAL		**16,112**	**16,112**	**-**	**-**	**-**	**-**	**-**	**-**

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2009 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced/ released during the year R'000	Revaluations R'000	Closing balance 31 March 2010 R'000	Guaranteed interest for year ended 31 March 2010 R'000	Realised losses not recoverable i.e. claims paid out R'000
STANNIC	Motor vehicles	275	131	-	80	-	51	-	-
	Subtotal	**275**	**131**	**-**	**80**	**-**	**51**	**-**	**-**
ABSA	Housing	-	83	29	112	-	-	-	-
BOE (Ltd)	Housing	-	16	-	16	-	-	-	-
First Rand Bank	Housing	-	35	8	27	-	16	-	-
First Rand Bank FNBS	Housing	-	67	-	67	-	-	-	-
MEEG Bank	Housing	-	-	38	-	-	38	-	-
Nedbank	Housing	-	37	-	37	-	-	-	-
Old Mutual	Housing	-	7	-	7	-	-	-	-
Old Mutual Div Nedbank	Housing	-	13	60	-	-	73	-	-
Standard Bank	Housing	-	102	-	49	-	53	-	-
	Subtotal	**-**	**360**	**135**	**315**	**-**	**180**	**-**	**-**
	TOTAL	**275**	**491**	**135**	**395**	**-**	**231**	**-**	**-**

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010

Nature of Liability	Opening Balance 1 April 2009 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancel-led/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2010 R'000
Claims against the department					
Mulaudzi & Associates – Arbitration matter:	94	-	-	-	94
Mulaudzi & Associates – Arbitration matter:	44	-	-	-	44
Mulaudzi & Associates – Arbitration matter:	876	-	-	-	876
Evelyn Valley Fire Claim	4,000	-	-	-	4,000
Kubisie Fire Claim	6,886	-	-	-	6,886
CJ Rance Fire Claim 4113/04/Z12, 3472/02/Z33 and 3038/05/Z62	16,783	-	-	-	16,783
S Papane and another	-	5,000	-	-	5,000
Rhirhandzu Communications	-	363	-	-	363
S R Saki	-	100	-	-	100
Pitney Bowes	-	5	(5)	-	-
S Sono	-	97	-		97
N Mbolekwa	-	105	-	-	105
S Gwala	-	43	-	-	43
KD Mmela	-	4	-	-	4
K D Mmela	1,081	-	1081	-	-
Ms L Moqakane	-	75	(75)	-	-
Malerato Nkonyane and others: fraudulent transaction	-	14,000	-	-	14,000
Malerato Nkonyane and others: fraudulent transaction	64	-	-	-	64
Malerato Nkonyane:motor vehicle accident	-	64	-	-	64
Kapache Property Invest Holdings	-	15,000	(15,000)	-	-
Morning star network	-	22	-	-	22
Thabo Makapula and others	-	348	-	-	348
Ms A Mandolo	183	-	-	-	183
Mr T Mokono	653	-	-	-	653
Mr SH Mjwara	7	-	(7)	-	-
Crown Building Services	123	-	-	-	123
CW Flandorp & Others	54,000	-	-	-	54,000
Phela Ophidise	1,164	-	-	-	1,164
WA Vermaas	67,989	-	-	-	67,989
Evangelical Luthern Church of SA	46,987	-	(46,987)	-	-
Mncwabe	240	-	(240)	-	-
Makaye	198	-	-	-	198
Rondendaal (Pty) Ltd	18,500	-	-	-	18,500
De Erf Boedery	165	-	-	-	165
Tevrede Trust	253	-	-	-	253

Nature of Liability	Opening Balance 1 April 2009 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancel-led/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2010 R'000
Prinshoek Boerdery	147	-	-	-	147
Chloe Boedery CC	1,344	-	(1,344)	-	-
Clarke & Others	4,702	724	(5,426)	-	-
Onsgroeir Boedery v Minister of Land Affairs	3,114	-	-	-	3,114
Hefer-Ndwandwa Trust	10,689	-	-	-	10,689
Petrus Johannes Jachim Smith	-	15,000	(15,000)	-	-
Petrus Jocobus Willem Hendrick	-	4,928	(4,928)	-	-
Piet Gert Wessel luneburg	-	2,600	(2,600)	-	-
Piet Beniamin van der linde	-	715	(715)	-	-
Richard Dalbock t/a North West Distributors	-	1,624	-	-	1,624
Hentiq (Pty) Ltd & others	-	4,204	(4,204)	-	-
Henry Davel & others	-	1,696	-	-	1,696
Sarel Jakobus van Dyk	-	555	(555)	-	-
Randi plase (Pty) Ltd	-	14,590	(14,590)	-	-
Hendrik Wolmarans	-	1,400	-	-	1,400
Ontrak Investments 44 (Pty) Ltd	-	18,600	(18,600)	-	-
Douglasdale DAIRY (Pty) Ltd	-	8,500	(8,500)	-	-
Ramahutse	-	3,266	-	-	3,266
JS van der Merwe	-	3,200	-	-	3,200
Outstanding cases with the State Attorney:KZN	7,852	-	-	-	7,852
Crookes Brother (Pty) Ltd	-	200,000	(200,000)	-	-
Hendrik Johannes Stefanus	-	1,696	-	-	1,696
Lourens Family Trust	-	13,780	-	-	13,780
Martiens Landgoed (Pty) Ltd	-	71,500	-	-	71,500
Bongo Sfaris (Pty)Ltd	-	74,000	-	-	74,000
Quinella Trading (Pty) Ltd	-	16,229	-	-	16,229
Hugo Amos Schreuder/Hugo Schreuuder Trust	-	7,500	-	-	7,500
Biyala pro-Active Landowner Association	-	104,000	(104,000)	-	-
RH Pepworth (Mavundla)	-	1,250	(1,250)	-	-
RH Oepwort(Nyenyezi)	-	21,390	(21,390)	-	-
Berendina van der Peet NO	-	4,600	(4,600)	-	-
Piet Liindique Family Trust and another	-	11,800	-	-	11,800
BJ Nicholson CC	-	6,000	(6,000)	-	-
Makola Beleggings (Pty) Ltd	-	86	(86)	-	-
Universe Ranch V Regional Land Claims KZN	542	-	-	-	542
Macassar Land Claims Committee	900	-	-	-	900
Y Solomon	300	-	(300)	-	-
W Booth	600	-	-	-	600
District Six Cape Town	380	-	-	-	380

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM VOTE 27

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

Nature of Liability	Opening Balance 1 April 2009 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancel-led/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2010 R'000
A Florence	400	-	-	-	400
Adam Moosa Abraham	1,500	-	-	-	1,500
MM Meyer	48,000	-	-	-	48,000
Morapedi Howard Seoue	65	-	-	-	65
Shamile CPA	98	-	-	-	98
CNM Dlamini	109	-	-	-	109
RF Crowwter	5,000	-	-	-	5,000
JSS Ballot	1,000	-	-	-	1,000
Goronyane	3,500	-	-	-	3,500
Parsons	17	-	-	-	17
DD Jacobs	6,000	-	-	-	6,000
AG MacDonald	11,442	-	-	-	11,442
G Joubert	6,508	-	-	-	6,508
FJ van Niekerk	4,464	-	-	-	4,464
LV May	47,000	-	-	-	47,000
SS Freight	2,000	-	-	-	2,000
JJ Both	744	-	-	-	744
Wolfaardt	126	-	-	-	126
Silverline Investment	14	-	-	-	14
AJ Meintjies	346	-	-	-	346
JB Spaumer	423	-	(423)	-	-
J Meintjies	800	-	(800)	-	-
Horseshoe Sugar Estate	258	-	(258)	-	-
Farjas	2,782	-	-	-	2,782
Kwabhekithunga	53	-	-	-	53
M Serobe	160	-	-	-	160
M Lethoba	40	-	-	-	40
Dwaarsloop land Restitution Project	763	-	-	-	763
Mokhathi Projects	9	-	-	-	9
Subtotal	**394,481**	**650,659**	**(478,964)**	**-**	**566,176**
TOTAL	**394,481**	**650,659**	**(478,964)**	**-**	**566,176**

ANNEXURE 4
CLAIMES RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
Government Entity	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Department						
Agriculture			182	180	182	180
Agriculture: North West			-	7	-	7
Education			-	9	-	9
KZN: Agriculture and Environment			-	32	-	32
KwaZulu Natal: Housing			-	19	-	19
KwaZulu: Transport			22	19	22	19
Provincial and Local Government			79	74	79	74
North West: Provincial Administration			37	7	37	7
Eastern Cape: Transport			19	-	19	-
Eastern Cape: Health			18	-	18	-
Health Gauteng			1	-	1	-
LP: Agriculture			5	-	5	-
Public Works			14	-	14	-
South African Social Security Agency			12	-	12	-
The Presidency			195	-	195	-
Trade & Industry			1	8	1	8
Water Affairs			17	-	17	-
			602	**355**	**602**	**355**
Other Government Entities						
Deeds Trading Account	699	-	-	638	699	638
PLAS Trading Entity	80,003	-	-	-	80,003	-
	80,702	**-**	**-**	**638**	**80,702**	**638**
TOTAL	**80,702**	**-**	**602**	**993**	**81,304**	**993**

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
Government Entity	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Current						
Foreign Affairs	-	-	-	4	-	4
Justice	-	7,167	14,957	-	14,957	7,167
Public works	-	6,822	6,986	-	6,986	6,822
Agriculture	-	2,132	-	-	-	2,132
National Intelligence Agency	-	45	-	-	-	45
SAPS	-	-	-	143	-	143
Subtotal	-	16,166	21,943	147	21,943	16,313
Agricultural Land Holding Account	-	-	42,718	-	42,718	
Total	**-**	**16,166**	**64,661**	**147**	**64,661**	**16,313**

ANNEXURE 6
INVENTORY

Inventory	**Note**	**Quantity**	**2009/10 R'000**
Opening balance			
Add/(Less): Adjustments to prior year balance		127,506	3,302
Add: Additions/Purchases - Cash		194	977
Add: Additions - Non-cash		298,330	24,756
(Less): Disposals		108	4
(Less): Issues		-	-
Add/(Less): Adjustments		(301,886)	(20,523)
		1,587	208
Closing balance		**125,839**	**8,724**

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE DEEDS REGISTRATION TRADING ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Deeds Registration Trading Account, which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on pages 129 to 132.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Deeds Registration Trading Account as at 31 March 2010, and its financial performance and its cash flows for the year then ended, in accordance with the South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act of South Africa.

Emphasis of matter

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

With reference to note 18 to the financial statements, the entity is currently investigating incorrect processes followed regarding the registration of deeds. These investigations had not been finalised as at the date of sign-off of the annual financial statements. Although the amount cannot be quantified, the possibility of litigation against the entity exists. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

As disclosed in note 20 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of an error discovered during 2009-10 financial period in the financial statements of the Deeds Registration Trading Account at, and for the year ended, 31 March 2009.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 I include below my findings on the report on predetermined objectives, compliance with the PFMA, Deeds Registries Act and financial management (internal control).

Findings

Predetermined objectives

Non-compliance with regulatory and reporting requirements

Lack of effective, efficient and transparent systems and internal controls regarding performance management

The accounting officer did not ensure that the Deeds Registration Trading Account has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the entity's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 38(1)(a)(i) and (b) of the PFMA.

Usefulness of information

The following criteria were used to assess the usefulness of the planned and reported performance:

- **Consistency:** Has the entity reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- **Relevance:** is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- **Measurability:** Are objectives made measurable by means of indicators and targets; Are indicators well defined and verifiable, and are targets specific, measurable and time bound?

The following audit findings relate to the above criteria:

- 70% of the planned and reported targets were not specific, attainable and time bound.

Compliance with laws and regulations

Treasury Regulations of 2005

Non-adherence to legislation

Contrary to the requirements of Treasury Regulation 3.2.1, although the accounting officer conducted a risk assessment, all emerging risks related to the institution was not identified which includes the updated fraud risk register and fraud prevention plan.

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and Deeds Registries Act, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to deficiencies identified during the audit.

Leadership
The accounting officer did not exercise oversight responsibility over reporting and compliance with laws and regulations and internal controls relating to risk and performance management.

Financial and performance management
Performance management requirements are not adhered to as related processes and adequate reviews are not performed to ensure that information reported is complete and accurate. The entity's current reporting processes are not appropriate to facilitate reliable and accurate performance reporting.

Governance
The risk assessment conducted did not include all emerging risks related to the trading entity which included an updated fraud risk register and fraud prevention plan.
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over performance reporting.

OTHER REPORTS

Investigations completed

Three investigations were completed during the financial year. The types of transgressions that were investigated included: irregularities regarding pension fund contributions as well as penalties and interest incurred for the late payment of employee's tax to the revenue authorities; alleged misconduct of officials involved in theft of assets at the chief registrar's office and losses incurred by deeds involving a Bloemfontein deeds official. None of the investigations resulted in criminal proceedings against the implicated employees and only the investigation into the late payment of employee's tax resulted in disciplinary proceedings against the implicated employees.

Investigations in progress

Various investigations are being conducted to probe the manner in which title deeds registrations were processed. The investigations aim to establish whether the correct processes were followed with regard to title deeds registrations at the Johannesburg, Pretoria and Bloemfontein registries. The investigations were still ongoing at the reporting date.

Auditor - General

Pretoria
31 July 2010

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 R'000	2009 R'000 Restated
Non-current Assets			
Property, Plant and Equipment	2	130 846	137 802
Current Assets		**109 610**	**93 769**
Inventories	4	1 125	924
Trade and Other Receivables	5	43 575	60 201
Cash and cash equivalents	6	64 910	32 644
TOTAL ASSETS		**240 456**	**231 571**
Equity and Liabilities			
Equity			
Accumulated Surplus		**185 165**	**126 911**
Non-current Liabilites		**18 770**	**17 265**
Finance Lease Obligations	7	541	493
Provisions	8	18 229	16 772
Current Liabilities		**36 521**	**87 395**
Finance Lease Obligations	7	600	645
Trade and Other Payables	10	15 670	18 334
Provisions	8	7 294	5 557
Deferred Revenue		12 957	4 605
Amount payable to National Revenue fund	9	-	58 254
TOTAL EQUITY AND LIABILITIES		**240 456**	**231 571**

DEEDS REGISTRATION TRADING ACCOUNT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 R'000	2009 R'000 Restated
Registration of Deeds and Sale of Information		301 558	309 779
Other Income		261	459
Grant From Department of Land Affairs	22	49 240	51 408
Operating Expenses		(353 821)	(366 029)
Operating Surplus	12	(2 762)	(4 383)
Investment Revenue	13	2 887	4 567
Finance Costs	14	(125)	(184)
Surplus for the year		**-**	**-**

STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 R'000	2009 R'000 Restated
Balance at the beginning of the period		**126 911**	**126 911**
Depreciation adjustment		-	545
Grant Revenue adjustment		-	(545)
Restated Balance at the beginning of the year		**126 911**	**126 911**
Restated surplus for the year ended 2009 as a result of prior year errors:		-	
Depreciation adjustment	20	-	1 652
Grant Revenue adjustment	20		(1 652)
National Revenue Fund transfer		58 254	-
Surplus for the year ended 2010		-	-
Balance at the end of the year		**185 165**	**126 911**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 R'000	2009 R'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		**53 031**	**15 803**
Cash Generated from operations	17	50 269	11 420
Investment Revenue	13	2 887	4 567
Finance Costs	14	(125)	(184)
CASH FLOWS FROM INVESTING ACTIVITIES		**(19 914)**	**(35 866)**
Purchase of Property, Plant and Equipment		(19 914)	(35 866)
Proceeds on sale of Property, Plant and Equipment		-	-
CASH FLOWS FROM FINANCING ACTIVITIES		**(851)**	**(572)**
Finance Lease Payments		(851)	(572)
Amount Repaid to National Revenue Fund	9	-	-
TOTAL CASH MOVEMENT FOR THE YEAR		**32 266**	**(20 635)**
Cash at the beginning of the year		32 644	53 279
TOTAL CASH AT THE END OF THE YEAR	**6**	**64 910**	**32 644**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES

APPLICABLE LEGISLATION AND REGULATIONS

1.1 The treatment of significant account balances and transactions has been made in terms of the Statements of Generally Accepted Accounting Procedures and in a manner contemplated by the International Accounting Standards.

1.2 Deviations from the Accounting Standards, where applicable, have been disclosed explicitly on the Annual Financial Statements with detailed explanations for such deviations and the implications on the Annual Financial Statements.

SPECIFIC ACCOUNTING POLICIES

1.3 Basis of preparation of the annual financial statements

The Annual Financial Statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of public sector reporting requirements.

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated all financial figures have been rounded to the nearest One Thousand Rand (R'000).

In preparing the annual financial statements, management have made estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. The use of relevant and reliable available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

1.3.1 Standards amendments and interpretations to existing standards that are not yet effective and have not been early adopted

The following relevant standards and amendments to existing standards have been published and are mandatory for the Trading Account's accounting periods beginning on or after 1 January 2010 or later periods, but the Trading Account has not early adopted them:

- IFRS 9, 'Financial Instruments Recognition and measurement' (effective on or after 1 January 2013). The amendment is part of the IASB's annual improvements project published in April 2009. This new standard forms the first of a three part project to relace IAS 39 "Financial Instruments: Recognition and Measurement". The Trading Account will apply IFRS 9 from 1 April 2013. It is not expected to have a material impact on the Trading Account's financial statements.
- IAS 1, 'Presentation of Financial Statements: Current/non-current classification of convertible instruments' (effective on or after 1 January 2010). The interpretation is part of the IASB's annual improvements project published in April 2009. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or noncurrent. The Trading Account will apply IAS 1 from 1 April 2010. It is not expected to have a material impact on the Trading Account's financial statements.
- IAS 7, 'Statement of Cash Flows: Classification of expenditures on unrecognised assets' (effective on or after 1 January 2010). The interpretation is part of the IASB's annual improvements project published in April 2009. The amendment clarifies that only expenditures that result in the recognition of an asset in the statement of financial position can be classified as cash flows from investing activities. The Trading Account will apply IAS 7 from 1 April 2010. It is not expected to have a material impact on the Trading Account's financial statements.
- IAS 17, 'Leases: Classification of leases of land and buildings' (effective on or after 1 January 2010). The

interpretation is part of the IASB's annual improvements project published in April 2009. The amendment clarifies that leases of land and buildings need to be considered separately for all transactions. In establishing whether the land component is an operating or finance lease the entity should take into account that the land has an indefinite economic life. The Trading Account will apply IAS 17 from 1 April 2010. It is not expected to have a material impact on the Trading Account's financial statements.

- IAS 24, 'Related Party Disclosures' (effective on or after 1 January 2011). The interpretation is part of the IASB's annual improvements project published in April 2009. The amendment simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The Trading Account will apply IAS 24 from 1 April 2010. It is not expected to have a material impact on the Trading Account's financial statements.

1.3.2 Fair value estimates

The carrying value less impairment provision of trade receivables and payables have been assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes has been estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

1.3.3 Services in kind

Services received free of charge from other organs of state have not been recognised in the financial statements. The disclosure of their nature and type has however been disclosed by way of note to the financial statements in line with IAS 20. These services may include:

- Administration Services
- Accommodation
- Internal Audit Function
- Information Technology
- Staff Training

All other services that are provided on behalf of the entity and are charged to the entity have been classified normally as expenses in terms of the approved Standard Chart of Accounts (SCOA)

1.3.4 Property Plant and Equipment

Property Plant and Equipment has been stated at cost less accumulated depreciation and impairment losses. The Trading Account uses the Revaluation model to measure the value of Property plant and equipment and revaluations are performed every three years. The next revaluation will be performed in the 2011 financial year.
The effective date of depreciation is the date on which the asset was brought to use. The following estimates have been used in determining the useful life, residual values and the expected pattern of consumption of the future economic benefits embodied in the assets.

Item	Average Useful life
Furniture and Fixtures	15 years
Computer Equipment	5-13 years
Office equipment	5-13 years
Leasehold Fixtures	5-13 years
Photographic and Technical Equipment	13 years
State-owned capital works	25 years

- Work in Progress
  Work in progress relates to items purchased but not brought into use and therefore has not be depreciated.
- Leasehold Capital Works
  Expenditure on improvement on leasehold buildings has been depreciated over the remaining period of the underlying lease for such building.
- Finance Leases
  Assets under the finance lease agreements have been depreciated over the underlying period of the lease.

1.3.5 Trade and Other Receivables

Trade Receivables have been measured at fair value less provision for impairment. The impairment provision has been deemed to be all amounts that are outstanding beyond 90 days. Assessments for the impairment provision have been made on individual debtors based on specific probability of recovery. Consideration is also made with regards to payments received from long outstanding debtors after year end, as well as information obtained from any debt collector used by the Trading Account. The fair value includes the initial recognition of the debts plus interest levied at rates approved by the Chief Registrar of Deeds. Such interest has been levied on dates when the debt is due and payable but outstanding.

1.3.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible within 30 days to known amounts of cash with an insignificant risk of changes in value. These are recorded at fair value and are classified as "held for trading financial assets".

1.3.7 Inventories

Inventories have been measured at the lower of cost or net realisable value where the cost is assigned using the weighted average cost formula.

1.3.8 Impairment of assets

The entity has assessed all assets at balance sheet date for any indication that any asset may be impaired. Where such an indication exists, the estimate of the recoverable amount of the asset has been made and the carrying amount written down to the recoverable amount, thus recognising an impairment loss.

1.3.9 Employee Benefits

- Short-term employee Benefits
  The cost of short term employee benefits, (those payable within 12 months after the service is rendered, e.g. vacation leave, bonuses and medical care), has been recognised in the period in which the service is rendered and has not been discounted.
- Defined contribution plans
  Payments to defined contribution retirement benefit plans have been expensed as they fall due. Payments made to the state plan retirement benefit schemes have been dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.3.10 Revenue

Revenue consists of fees charged for property registration and for provision of registration data to customers in accordance with the tariffs provided for in the Schedule of Fees prescribed by Regulation 84 of the Deeds Registries Act, 1937 (Act 47 of 1937), and approved by the Minister of Agriculture and Land Affairs. Revenue is recognised on execution of the Deeds applications as well as provision of the data that has been requested.

1.3.11 Provisions

Provisions have been raised when management has determined estimates based on the best information available for the uncertain outcome of leave and bonus payouts.

1.3.12 Trade and other payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2. Property, Plant and Equipment

	2010			2009		
	Cost/ Valuation R'000	Accumulated Depreciation R'000	Carrying Value R'000	Cost/ Valuation R'000	Accumulated Depreciation R'000	Carrying Value R'000
Furniture and Fixtures	28 997	(10 263)	18 734	29 279	(8 593)	20 686
Office equipment (Finance Lease)	6 179	(5 142)	1 037	5 326	(4 286)	1 040
IT equipment	104 834	(36 667)	68 167	94 797	(28 921)	65 876
Leasehold improvements	89 726	(48 971)	40 755	83 983	(36 294)	47 689
Photographic equipment	6 010	(3 857)	2 153	6 579	(4 068)	2 511
	235 746	**(104 900)**	**130 846**	**219 964**	**(82 162)**	**137 802**

Reconciliation of Property, Plant and Equipment - 2010

	Opening Balance R'000 Restated	Additions R'000	Disposals / Transfers / Impairments R'000	Depreciation R'000	Accum Depr. Disposals R'000	Total R'000
Furniture and Fixtures	20 686	169	(451)	(1 890)	220	18 734
Office equipment (Finance Lease)	1 040	853	-	(856)	-	1 037
IT equipment	65 876	14 008	(3 971)	(11 380)	3 634	68 167
Leasehold improvements	47 689	5 743	-	(12 677)	-	40 755
Photographic equipment	2 511	-	(569)	(295)	506	2 153
	137 802	**20 773**	**(4 991)**	**(27 098)**	**4 360**	**130 846**

Reconciliation of Property, Plant and Equipment - 2010

	Opening Balance R'000 Restated	Additions R'000	Disposals / Transfers / Impairments R'000	Depreciation R'000	Accum Depr. Disposals R'000	Total R'000
Furniture and Fixtures	17 819	4 721	(271)	(1 729)	146	20 686
Office equipment (Finance Lease)	1 617	628	-	(1 205)	-	1 040
IT equipment	47 479	26 185	(657)	(7 131)	-	65 876
Leasehold improvements	52 798	17 205	(13 179)	(9 135)	-	47 689
Photographic equipment	2 519	305	(4)	(313)	4	2 511
	122 232	**49 044**	**(14 111)**	**(19 513)**	**150**	**137 802**

Note: Cash additions on the Cash Flow Statement are net of transfers from Work In Progress.

The Department of Public Works provides accommodation for all the Deeds Registries. The category of Leasehold Improvements represents costs incurred by the Deeds Registration Trading Account to improve the buildings that are owned / leased on behalf of Deeds Registries by the Department of Public Works. The lease improvements are amortised over the lease period.

3. Financial Assets by category - 2010

	Loans and receivables	Fair value through profit/ loss - held for trading	Fair value through profit/ loss - designated	Held to maturity	Available for sale
	R'000	R'000	R'000	R'000	R'000
Trade and other receivables	43 575	-	-	-	-
Cash and cash equivalents	-	64 910	-	-	-
	43 575	**64 910**	**-**	**-**	**-**

Financial Assets by category - 2009	Loans and receivables	Fair value through profit/ loss - held for trading	Fair value through profit/ loss - designated	Held to maturity	Available for sale
	R'000	R'000	R'000	R'000	R'000
Trade and other receivables	60 201	-	-	-	-
Cash and cash equivalents	-	32 644	-	-	-
	60 201	**32 644**	**-**	**-**	**-**

The accounting policies for financial instruments have been applied to the line items above.

4. Inventories

	2010 R'000	2009 R'000
Consumable material on hand	1 125	924
	1 125	**924**

5. Trade and Other Receivables

	2010 R'000	2009 R'000
Trade Receivables	40 647	37 058
Prepayments	1	48
Interest receivable	306	201
Other receivables	2 621	22 894
	43 575	**60 201**

The carrying value of Trade Receivables of R40 647 is stated after a provision for Impairment of Trade and Other Receivables of R6 986 (2009: R4 933) and gross trade receivables value of R47 633. The provision for impairment of Trade and Other Receivables is determined from the Age Analysis of Trade Receivables that are overdue for 90 days and more. The prospects of recovery are however assessed per individual account.

Reconciliation of Impairment of Trade and Other Receivables

	2010 R'000	2009 R'000
Opening balance	4 933	7 475
Provision for impairment	2 051	(2 542)
Closing balance	**6 984**	**4 933**

Trade Receivables Age Analysis	2010 R'000	2009 R'000
Current	10 104	31 478
30 days	24 634	4 374
60 days	4 349	503
90 days	754	39
Over 90 days	806	664
Total	**40 647**	**37 058**

The current provision for impairment of Trade and Other Receivables has been included in operating expenses in the income statement, under account "Depreciation, Amortisation and Impairments". Amounts charged to Impairment of Receivables are generally written off when there is no expectation of recovery. The maximum exposure to credit risk at reporting date is the fair value of each class of receivables recognised above. Deeds Registration does not hold any collateral as security.

6. Cash and cash equivalents

	2010 R'000	2009 R'000
Cash on Hand (Petty Cash)	15	15
Bank balances	64 895	32 629
	64 910	**32 644**

Cash and deposits are held with a registered banking institution which is subjected to insignificant credit risk. The maximum exposure to credit risk at balance sheet date is the fair value of each class of cash and cash equivalents mentioned above.

7. Finance lease obligations

	2010 R'000	2009 R'000
Minimum lease payments due		
- within one year	693	742
- In second to fifth year inclusive	591	550
	1 284	1 292
Less: future finance charges	(143)	(154)
Present value of minimum lease payments	1 141	1 138
Present value of minimum lease payments due		
- within one year	600	645
- In second to fifth year inclusive	541	493
	1 141	**1 138**
Non - Current liabilities	541	493
Current liabilities	600	645
	1 141	**1 138**

8. Provisions

Reconciliation of provisions - 2010	Opening balance R'000	Provision for the year R'000	Reversed/ Utilised during the year R'000	Carrying Value R'000
Leave pay provision	16 772	18 229	(16 772)	18 229
Bonus Provision	5 557	7 294	(5 557)	7 294
	22 329	**25 523**	**(22 329)**	**25 523**

Reconciliation of provisions - 2009	Opening balance R'000	Provision for the year R'000	Reversed/ Utilised during the year R'000	Carrying Value R'000
Leave pay provision	15 726	16 772	(15 726)	16 772
Bonus Provision	4 641	5 557	(4 641)	5 557
	20 367	**22 329**	**(20 367)**	**22 329**

	2010 R'000	2009 R'000
Non - Current liabilities	18 229	16 772
Current liabilities	7 294	5 557
	25 523	**22 329**

9. Amount payable to the National Revenue Fund

	2010 R'000	2009 R'000
Balance at the end of the year	-	58 254

The amount payable to the National Revenue Fund represented amounts outstanding and due to the fund as a result of accumulated surpluses by the Trading Account which are not committed for projects. During 2010 the Department: National Treasury confirmed that the Trading Account may offset the amount payable to the National Revenue Fund against equity. It has therefore been transferred to Accumulated Surplus and this transfer is reflected in the Statement of Net Assets.

10. Trade and Other Payables

	2010 R'000	2009 R'000
Trade payables	7 993	7 068
Unallocated Cash	399	540
Leave pay accrual	3 426	5 500
Sundry accruals	3 293	3 694
Other Payables	559	1 532
	15 670	**18 334**

Unallocated cash represents money deposited at the bank but not yet identified and allocated to Trade Receivables at the end of the financial year.
During the year the trading entity reclassified leave days due to employees from a provision to an accrual in terms of IAS 37.

11. Financial liabilities by category

The accounting policy for financial instruments have been applied to the line items below:

2010	**Financial liabilities at amortised costs**	**Fair value through profit or loss - held for trading**	**Fair value through profit or loss - designated**	**Total**
Trade and other payables	15 670	-	-	15 670

2009	**Financial liabilities at amortised costs**	**Fair value through profit or loss - held for trading**	**Fair value through profit or loss - designated**	**Total**
Trade and other payables	18 334	-	-	18 334

12. Operating surplus

Operating surplus for the year is stated after accounting for the following:

	2010 R'000	2009 R'000
Operating Lease charges:		
Equipment - contractual amount (GL Account 8050)	7 069	20 911
Parking - contractual amount (GL Account 8359)	967	1 000
	8 036	**21 911**
Loss on sale of property, plant and equipment	618	125
Impairment of trade and other receivables	2 052	(2 542)
Depreciation on property, plant and equipment	27 096	19 513
Employee costs	222 619	204 948

13. Investment Revenue

	2010 R'000	2009 R'000
Bank (Financial asset - held for trading)	2 342	4 120
Interest charged on trade and other receivables	545	353
Other interest	-	94
	2 887	**4 567**

14. Finance costs

	2010 R'000	2009 R'000
Finance Leases	125	181
Other interest paid	-	3
	125	**184**

15. Auditors' remuneration

	2010 R'000	2009 R'000
External audit fees	534	1 968
Internal audit fees	-	13
	534	**1 981**

16. Operating Leases

	2010 R'000	2009 R'000
The following amounts are due in future financial years due to contractual obligations:		
Minimum Lease payments due:		
Payable within 1 year	843	7 108
Payable within 2nd to fifth year	618	765
	1 461	**7 873**

17. Cash generated from operations

	2010 R'000	2009 R'000
Surplus for the year	-	-
Adjustment for:		
Depreciation and amortisation	27 096	19 513
Loss on sale of assets	618	125
Interest received	(2 887)	(4 567)
Finance costs	125	184
Impairment losses	2 051	(2 542)
Movements in provisions	3 198	2 225
Changes in working capital:		
Inventories	(201)	276
Deferred revenue	8 352	4 071
Trade and other receivables	14 578	4 403
Trade and other payables and provisions	(2 661)	(12 268)
	50 269	**11 420**

18. Contingent Liabilities

The Department of Rural Development and Land Reform provides housing guarantees at R388 as at 31 March 2010 (2009: R682) to financial institutions, in the likely event of employees unable to honour their commitments to these institutions for the purchase of housing.

The trading entity is currently investigating the incorrect registration of a deeds. The investigation was not finalised as at the date of sign off of the annual financial statements. Although the amount cannot be quantified, the possibility of a litigation against the Entity exists. As such financial statements have not been adjusted to reflect this.

19. Related Parties

Relationship	Department
National Departments:	Department of Rural Development and Land Reform
	Department of Agriculture, Forestry & Fisheries
	Department of Education
	Department of Health
	Department of Human Settlements
	Department of Justice and Constitutional Development
	Department of Minerals and Energy
	Department of Provincial and Local Government
	Department of Public Works
	Department of Trade and Industry
	Department of Transport
	Department of Social Development
	Department of Water Affairs
	National Intelligence Agency
	South African Police Services
	South African Secret Service
Major National Public Entities:	Statistics South Africa
	Eskom
	Industrial Development Corporation of South Africa
	Land and Agricultural Bank of South Africa
	South African Revenue Services
	Telkom SA
	Transnet
Other National Public Entities:	Special Investigating Unit
	State Information Technology Agency
	South African Post Office

Related Party Balances	2010 R'000	2009 R'000
Amounts included in Trade Receivables		
Department of Rural Development and Land Reform	1 069	7
Department of Provincial and Local Government	886	147
Department of Human Settlements	568	-
Department of Public Works	193	45
Land and Agricultural Bank of South Africa	61	74
Department of Agriculture, Forestry & Fisheries	23	56
Department of Water Affairs	16	-
South African Revenue Services	8	-
Department of Agriculture, Forestry & Fisheries	3	1 859
Department of Minerals and Energy	3	2
Transnet	2	18
Eskom	1	-
State Information Technology Agency	-	21 390
Department of Transport	-	16
Department of Water Affairs	-	3

Department of Education	-	1
South African Police Services	-	1
Special Investigating Unit	-	3
Amounts included in Trade Payables		
Department of Public Works	(3 886)	-
Department of Rural Development and Land Reform	(730)	(248)
State Information Technology Agency	(504)	-
Telkom SA	(159)	(123)
South African Bureau of Standards	-	(24)
Department of Public Works	-	(12)
Department of Water Affairs	-	(7)
South African Revenue Services	-	(5)
Rendering of Services to Related Parties		
Local Authority	(8 286)	-
Department of Rural Development and Land Reform	(3 438)	(5 942)
Department of Provincial and Local Government	(2 177)	(892)
Department of Human Settlements	(1 709)	(720)
Department of Public Works	(536)	(159)
Department of Justice and Constitutional Development	(390)	(180)
Department of Water Affairs	(371)	(82)
Department of Minerals and Energy	(186)	(16)
Department of Transport	(80)	(48)
National Departments	(73)	-
Transnet	(62)	(30)
Department of Agriculture, Forestry & Fisheries	(16)	(1 866)
Eskom	(8)	(7)
South African Police Services	(4)	-
SA National Parks	(2)	(3)
South African Secret Service	(1)	(18)
Department of Education	(1)	(2)
South African Revenue Services	(1)	(2)
Land and Agricultural Bank of South Africa	-	(365)
Special Investigating Unit	-	(12)
South African Reserve Bank	-	(1)
Purchases of goods from related parties		
State Information Technology Agency	23 542	40 849
Department of Justice and Constitutional Development	18 101	19 737
Telkom SA	1 908	2 371
South African Broadcasting Corporation	5	18
South African Post Office	5	10
South African Bureau of Standards	-	61
Department of Provincial and Local Government	-	-
Settlement of Liabilities on behalf of related parties		
Department of Rural Development and Land Reform	12 521	12 049
Department of Social Development	9	7
Department of Home Affairs	4	-
Department of Provincial and Local Government	-	1

Remuneration paid to key management

Remuneration paid to key managament during the year has been disclosed in the Annual Financial Statements of the Department of Rural Development and Land Reform.

20. Prior Period Errors

During the current financial year, the entity moved over to a new asset management system and during this process the entity identified assets that were not being depreciated in terms of the entity's Accounting Policy. The error is material and therefore resulted in a retrospective restatement of the following line items for the year ended 31 March 2009:

	2010 R'000	2009 R'000
Both Property Plant and Equipment and Deferred Revenue were increased by R1 729 to correct this error and was determined as follows:		
Accumulated Depreciation		1 729
Deferred Revenue		(1 729)
The error resulted in a decrease in Revenue and a (decrease) in the depreciation expense during 2009 in the Statement of Comprehensive Income as follows:		
Grant from Department of Rural Development and Land Reform		1 717
Depreciation expense		(1 717)

During the current financial year, the Trading Account identified assets that had been over-supplied to the Trading Account in 2003. These assets were never recognised as assets, however, the Trading Account utilised these assets from the date they were supplied. The Trading Account has decided to recognise these assets as at the date that they were purchased. This error has resulted in a retrospective restatement of the following line items:

	2010 R'000	2009 R'000
Both Property Plant and Equipment and Deferred Revenue were increased by R468 to correct this error and was determined as follows:		
Property Plant and Equipment - Cost		838
Accumulated Depreciation		(370)
Deferred Revenue		(468)
The error resulted in an increase in Revenue and the depreciation expense during 2009 in the Statement of Comprehensive Income as follows:		
Grant from Department of Rural Development and Land Reform		(65)
Depreciation expense		65

21. Risk Management

The Trading Account Activity exposes it to currency risk, fair value interest rate risk, cash flow interest rate risk, credit risk and liquidity risk.

Liquidity Risk

This risk is as a result of funds available to cover future commitments. The entity manages the liquidity risk through ongoing review of future commitments.

The table below analyses the Trading Account financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2010	**Less than 1 year R'000**	**1 to 2 years R'000**	**2 to 5 years R'000**	**Over 5 years R'000**
Trade and Other Payables	15 670			

At 31 March 2009	**Less than 1 year R'000**	**1 to 2 years R'000**	**2 to 5 years R'000**	**Over 5 years R'000**
Trade and Other Payables	18 334			

Interest Rate Risk

The Trading Account has no significant interest bearing assets and the income and operating cash flows are substantially independent of changes in the market interest rates.

Deposits attract interest at rates that vary with prime. The Trading Account policy is to manage interest rate risk such that fluctuations in rate do no have a material impact on surplus or deficit. At year end, the financial instruments exposed to interest rate risk were balances with banks.

Credit Risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The entity only deposits cash with a major bank with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Financial assets exposed to risk at year end included:	**2010 R'000**	**2009 R'000**
Deposits with Banks	64 895	32 629
Trade Receivables (gross)	40 647	37 058

22. Services in Kind

Administrative Services in kind

Deeds trading Account falls under the administration of the Department of Rural Development and Land Reform. The executive of the department spend some of their time on the affairs of the Trading Account. Furthermore, the department provides the services of internal audit function, information technology and staff training. There is no cost charged by the department in this regard.

Other Income on the Statement of Comprehensive Income includes a grant received from the Department of Rural Development and Land Reform of R57.6 million. This grant was given to compensate for lost revenue as a result of a reduction in deeds registrations. At the end of the year the Trading Account had an unutilised grant amount of R8.4 million, and this was transferred to and disclosed as deferred revenue in the Balance Sheet.

Other Services in kind

The Department of Public Works provides accommodation for some of the Deeds Registries.

23. Irregular, fruitless and wasteful expenditure

	2010 R'000	2009 R'000
Opening balance	972	972
Add: Fruitless and wasteful expenditure - current year	-	-
Less: Fruitless and wasteful expenditure condoned	(972)	-
Less: Transfers to receivables for recovery (amounts not condoned)	-	-
Less Amounts not recoverable (not condoned)	-	-
Fruitless and wasteful expenditure awaiting condonation	-	972
Analysis of expenditure awaiting condonation per age classification:		
Current year	-	-
Prior Years	972	972
Total	**972**	**972**

Details of Fruitless and Wasteful Expenditure:

The wasteful and fruitless expenditure accounted brought foward in 2009 was the interest paid to SARS for the late payment of PAYE. This was accounted for as an expense in 2008. This was condoned by the Accounting Officer during the current financial year.

DEEDS REGISTRATION TRADING ACCOUNT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 R'000	2009 R'000 Restated
Revenue		**353 946**	**366 213**
Registration of deeds and sale of information		301 558	309 779
Other Income		261	459
Grant from Department of Land Affairs	22	49 240	51 408
Investment Revenue	13	2 887	4 567
Operating expenses		**353 821**	**366 029**
Advertising		61	254
Auditors remuneration	15	534	1 981
Bad Debts		920	3 316
Bank Charges		146	187
Cleaning		3 611	2 755
Consumables		170	978
Depreciation, amortisation and impairments		29 149	16 971
Employee costs		222 619	204 948
Entertainment		374	2 082
IT Expenses		33 915	35 723
Lease rental on operating lease		8 036	21 911
Legal expenses		19 260	19 757
Loss on disposal of assets		618	125
Other consulting and professional fees		6 919	15 306
Other expenses		336	26
Printing and stationery		3 916	7 164
Repairs and maintenance		10 284	9 001
Security		3 312	3 027
Staff welfare		7	95
Subsciptions		708	777
Telephone and fax		3 306	3 803
Training		581	1 140
Transport and freight		2 606	6 272
Travel - local		2 433	8 430
Finance Costs	14	125	184
Surplus for the year		**-**	**-**

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE AGRICULTURAL LAND HOLDINGS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Agricultural Land Holdings Account, which comprise the statement of financial position as at 31 March 2010, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on pages 152 to 155.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation of these financial statements in accordance with the South African Statements of Generally Recognised Accounting Practice (SA Statements of GRAP) and in the manner required by the Public Finance Management Act of South Africa. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements of the Agricultural Land Holdings Account for the year ended 31 March 2010 are prepared, in all material respects, in accordance with the South African Statements of Generally Recognised Accounting Practice (SA Statements of GRAP) and in the manner required by the Public Finance Management Act of South Africa.

EMPHASIS OF MATTER

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Basis of accounting

As indicated in accounting policy note 1.13 to the financial statements, the National Treasury approved the application of Directive 4: Transitional provisions for medium- and low-capacity municipalities on 29 July 2010, which granted the trading entity exemption from the measurement requirements of inventory.

Significant uncertainties

As disclosed in note 20 to the financial statements, the trading entity has applied to the National Treasury to retain its cash on hand. The approval of this request was uncertain at 31 March 2010.

Fruitless and wasteful expenditure

As disclosed in note 18 to the financial statements, fruitless and wasteful expenditure to the amount of R770 858 was incurred due to interest paid on the late payment of land transferred.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009, I include below my findings on the report on predetermined objectives, compliance with the PFMA, the Provision of Land and Assistance Amendment Act and financial management (internal control).

Findings

Predetermined objectives

Presentation of reported predetermined objectives

The strategic objectives, programme outputs, indicators and targets of the Agricultural Land Holding Account are incorporated in the reported programme performance of the Department of Rural Development and Land Reform and are not separately identifiable from reported information under programme 5. As a result, findings relating to the audit of predetermined objectives are reported as part of the Department of Rural Development and Land Reform's audit report.

Compliance with laws and regulations

Provision of Land and Assistance Amendment Act, 2008

Contrary to the requirements of section 10A(2) of the Provision of Land and Assistance Amendment Act, the trading entity did not maintain separate and itemised financial accounts and accounting records once the trading entity was established on 1 April 2009.

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and the Provision of Land and Assistance Amendment Act, 2008 but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to deficiencies identified during the audit.

Leadership

The accounting officer did not exercise oversight responsibility over compliance with laws and regulations and reporting relating to performance management.

Auditor-General

Pretoria
31 July 2010

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

AGRICULTURAL LAND HOLDINGS ACCOUNT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2010

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 R
Revenue		
Revenue from exchange transactions	3	76 138 993
Grant Income - Non exchange	4	1 041 116 000
Total Revenue		**1 117 254 993**
Expenses		
Cost of farms disposed		(40 715 528)
Operating expenses		(10 174 067)
Impairment of lease receivables		(23 598 192)
Finance costs	5	(770 858)
Total expense		**(75 258 645)**
Surplus for the year		**1 041 996 348**

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 R
ASSETS		
Current Assets		
Inventories	6	3 216 911 622
Inter-departmental receivables	7	42 898 784
Operating lease asset		937 877
Trade and other receivables from exchange transactions	8	25 629 418
Cash and cash equivalents	9	511 370 318
		3 797 748 019
NET ASSETS		
Reserves		2 637 823 115
Accumulated surplus		1 041 996 348
Total Net Assets		**3 679 819 463**
LIABILITIES		
Current Liabilities		
Inter-departmental creditors	7	80 002 660
Trade and other payables from exchange transactions	10	37 925 896
		117 928 556

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2010

	Non Distributable Reserves R	Accumulated surplus R	Total equity R
Balance at 01 April 2009			
Transfer of assets from Department: Rural Development and Land Reform	2 637 823 115		2 637 823 115
Surplus for the year		1 041 996 348	1 041 996 348
Balance at 31 March 2010	**2 637 823 115**	**1041 996 348**	**3 679 819 463**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 R
Cash flows from operating activities		
Cash receipts		**1 053 763 995**
Grant Income from Department of Rural Development & Land Reform		1 041 116 000*
Other Income		12 647 955*
Cash paid to suppliers and employees		**(542 393 637)**
Suppliers and other		(542 058 372) *
Interest paid		(335 265) *
Net cash from operating activities	11	511 370 318
		-
Net increase in cash and cash equivalents		511 370 318
Cash at the beginning of the year		-
Total cash at end of the year	**9**	**511 370 318**

** These receipts and payment were done by the department on behalf of the entity, except for receipts of R202 230 received directly by the entity.*

ACCOUNTING POLICY NOTES FOR THE YEAR ENDED 31 MARCH 2010

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

Basis of Preparation:

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP), and the effective interpretations issued by the Accounting Standards Board ("ASB").

A summary of the significant accounting policies, which have been applied, are disclosed below.

In the absence of a GRAP standard, the GRAP hierarchy in GRAP 3 - Accounting policies, changes in accounting estimates and errors is used to develop an appropriate accounting policy. In terms of GRAP 3, judgment must be used when developing an accounting policy. In applying judgement, GRAP 3 requires that management refers to and considers the applicability of, the following sources in descending order:

(a) the requirements and guidance in Standards of GRAP dealing with similar and related issues; and
(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements.

Judgment has been applied when developing an accounting policy for government grants and for accounting for the transfer of assets since there are no GRAP standards that provide guidance on the accounting treatment relating to these items. The accounting policies in relation to these are summaries below.

1.1. Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables
The trading entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the trading entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation
The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Impairment testing
The trading entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. All non financial assets were assessed for impairment at the end of the financial year. An impairment provision was not required.

Biological Assets
The entity recognises expenditure on biological assets as an expense in the statement of financial performance where it is not probable that future economic benefits associated with Biological Assets will flow to the entity.

1.2. Revenue

Revenue from non-exchange transactions:
Revenue from non-exchange transactions refers to transactions where the trading entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions:
Revenue from non-exchange transactions refers to transactions where the trading entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Rental revenue arising from operating leases on is accounted for on a straight line basis over the lease terms.
Government grant revenue is accounted as per Accounting Policy Note 1.3

1.3. Government Grants

Government grants are recognised when there is reasonable assurance that:
- the entity will comply with the conditions attaching to them; and
- the grants will be received.

Government Grants related to expenses:
Grants that compensate entities for expenses incurred and for which there is no return on investment are recognised as expenses when incurred.

Grants related to Assets:
Government grants are classified as revenue from non exchange transactions. Such revenue arises when an entity receives value from another entity without directly giving approximately equal value in exchange. Management has applied judgement when developing the accounting policy for government grants since there is no standard in the GRAP Framework that provides guidance on the accounting treatment of such transactions.

An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

1.4. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessor

Operating lease income is recognised as income on a straight-line basis over the lease term.
Income for leases is disclosed under revenue in surplus or deficit.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.
Any contingent rents are expensed in the period they are incurred.

1.5 Inventories

Inventories shall be measured at the lower of cost and current replacement cost where they are held for:

(a) distribution at no charge or for a nominal charge, or
(b) consumption in the production process of goods to be distributed at no charge or for a nominal charge.

All other inventory is measured at the lower of cost and net realisable value. Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Agricultural land, farm infrastructure, intangible assets, farm equipment and other farming vehicles that meet the definition of Inventory as per GRAP 12 are classified as inventory.

1.6 Financial Instruments

Classification

The trading entity classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial recognition and measurement

Financial instruments are recognised initially when the trading entity becomes a party to the contractual provisions of the instruments.

The trading entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement
Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets
At each reporting date the trading entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the trading entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative deficit - measured as the difference between the acquisition cost and current fair value, less any impairment deficit on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in surplus or deficit. Impairment deficits are recognised in surplus or deficit.

Impairment deficits are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the deficit is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Inter-departmental receivables and payables
Inter-departmental receivables and payables are classified as loans and receivables.

Inter-departmental receivables and payables occur between the Department of Rural Development and Land Reform and the trading entity.

Inter-departmental receivables and payables are classified as financial liabilities measured at amortised cost.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is

impaired. The allowance recognised is measured at the sum of 25% of trade receivables outstanding for over 3-6 months, 50% of trade receivables outstanding for over 6-12 months and 75% of trade receivables outstanding for more than 12 months.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

1.7 Services in kind

The trading entity does not account for services in kind. Services in kind are disclosed under related parties. As there is no South African Statement of Generally Accepted Accounting Standards that gives guidance on the treatment of services in kind, reference has been made to the treatment under Generally Recognised Accounting Practice.

1.8 Public Sector Practices and Policies: Inter-relationship with national government

The Agricultural Land Holdings Account operates as a trading entity under the administration of the Department: Rural Development and Land Reform. Policies and procedures applicable to the Department: Rural Development and Land Reform are applicable except where accounting policies of the trading entity state otherwise.

1.9 Transfer of Assets from the Department

The transfer of the assets from the Department to the trading entity has been classified as a business combination under common control. Since there is no accounting guidance on how to account for such transactions, the entity has used judgment when determining the accounting policy of business combination under common control. In applying this judgment, the trading entity has considered the most recent pronouncements of other standard-setting body with a similar conceptual framework.

The trading entity has applied the pooling of interest method to account for the business combination under common control.

The pooling of interests method is generally considered to involve the following:
a) The assets and liabilities of the combining entities are transferred at their carrying amounts.
b) No 'new' goodwill is recognised as a result of the combination.
c) The income statement reflects the results of the combining entities for the full year, irrespective of when the combination took place.
d) Comparatives are presented as if the entities had always been combined.

An alternative to restating the comparative information is that the trading entity makes no restatement of financial information its financial statements for periods prior to the combination under common control. The trading entity commenced operations in the current financial year, therefore, the restatement of comparatives is not applicable.

The pooling of interests methodology assumes that, as no one entity can be identified as acquiring control over another, the results of both entities are merely 'pooled' together as if they had always been combined into one reporting entity.

1.10 Commitments

No provision is made for projects approved for recapitalisations at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as commitments in the notes to the financial statements.

1.11 Irregular, Fruitless and Wasteful Expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA, or
- Any national legislation providing for procurement in that National Government.

Fruitless and wasteful expenditure means expenditure that was made in vain and could have been avoided had reasonable care been exercised.

Any irregular, fruitless and wasteful expenditure is charged against surplus or deficit in the period in which it is incurred.

1.12 Unauthorised Expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, trading entity or organ of state and expenditure in the form of a grant that is not permitted in terms of the Public Finance Management Act (No.1 of 1999 as amended by Act 29 of 1999). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.13 Transitional Provisions

The Trading Entity obtained approval from the Office of the Accountant General, National Treasury, to apply Directive 4: Transitional Provisions for Medium and Low Capacity Municipalities as Issued by the Accounting Standards Board (ASB). The directive is applied to account for assets and liabilities acquired prior to adoption of the Standards of GRAP.
Classes of Assets Affected :

Inventory
According to Directive 4, inventories that were acquired prior to first-time adoption of the Standard of GRAP on Inventories are exempt from the measurement requirements of that Standard during the three year measurement period, starting from the date of first time adoption of the Standard. The entity is therefore not required to measure those inventories for a period of three years beginning on 1 April 2009. It is envisaged by the Trading entity that compliance with GRAP 12 will be achieved at the latest on 31 March 2012. Notwithstanding the transitional provisions, the entity will endeavor to comply with the Standard of GRAP on Inventories as soon as possible.

2. NEW STANDARDS AND INTERPRETATIONS

2.1. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the trading entity's financial statements are listed below. As at the date of this report, the Minister has not yet announced an effective date for these standards.

GRAP 18 - Segment Reporting
The objective of this Standard is to establish principles for reporting financial information by segments.
It is unlikely that the amendment will have a material impact on the trading entity's annual financial statements.
GRAP 21 - Impairment of non-cash-generating assets
The objective of this Standard is to prescribe the procedures that an entity applies to determine whether a non-cash-generating asset is impaired and to ensure that impairment losses are recognised. The Standard also specifies when an entity would reverse an impairment loss and prescribes disclosures.
The impact of this standard is not yet known.

GRAP 23 - Revenue from Non-exchange Transactions (Taxes and Transfers)
The objective of this Standard is to prescribe requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that give rise to an entity combination. The Standard deals with issues that need to be considered in recognising and measuring revenue from non-exchange transactions, including the identification of contributions from owners.

The impact of this standard is not yet known.

GRAP 24 - Presentation of Budget Information in Financial Statements
This Standard requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable. The Standard also requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts. Compliance with the requirements of this Standard will ensure that entities discharge their accountability obligations and enhance the transparency of their financial statements by demonstrating compliance with the approved budget(s) for which they are held publicly accountable and, where the budget(s) and the financial statements are prepared on the same basis, their financial performance in achieving the budgeted results.

This standard will result in additional disclosure being presented in the trading entity's annual financial statements.

GRAP 25 – Employee Benefits
The objective of this Standard is to prescribe the accounting and disclosure for employee benefits. The Standard requires an entity to recognise:
(a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
(b) an expense when the entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

The impact of this standard is not yet known.

GRAP 26 – Impairment of Cash-Generating Assets
The objective of this Standard is to prescribe the procedures that an entity applies to determine whether a cash-generating asset is impaired and to ensure that impairment losses are recognised. The Standard also specifies when an entity should reverse an impairment loss and prescribes disclosures.

The impact of this standard is not yet known.

GRAP 103 – Heritage Assets
The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

This standard is unlikely to have an impact on the entity.

GRAP 104 – Financial Instruments
The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.

This revised standard will have an impact on the trading entity but this impact is not yet known.
The following interpretations have also been issued and are expected to have an insignificant impact on the financial statements.

GRAP 2 Changes in Existing Decommissioning, Restoration and Similar Liabilities.
GRAP 3 Determining whether an Arrangement contains a lease.
GRAP 4 Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds.
GRAP 7 The limit on a defined benefit asset, minimum funding requirements and their interaction.
GRAP 10 Assets received from customers.
GRAP 13 Operating leases- Incentives.
GRAP 15 Revenue – Barter transactions involving advertising services.

The above standards are effective for year ends beginning on or after 1 April 2011 except for GRAP 7, which has no pronounced date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

3. REVENUE: EXCHANGE

Rental Income - Exchange	32 263 015
Sale of farms: Exchange	40 715 528
Interest charged on trade and other receivables	3 160 450
	76 138 993

4. REVENUE: NON-EXCHANGE

Grant Revenue - Non exchange	**1 041 116 000**

The grant was received from the Department: Rural Development and Land Reform for the purposes of executing the Proactive Land Acquisition Strategy.

5. FINANCE COSTS

Interest paid	**770 858**

6. INVENTORIES

Agricultural Land	3 134 640 781
Farm improvements: Infrastructure	21 765 508
Farm and agricultural equipment	52 208 517
Farm improvements: Buildings	2 660 807
Motor vehicles	3 661 016
Intangible assets	1 974 993
	3 216 911 622

7. INTER-DEPARTMENTAL BALANCES

Department: Rural Development and Land Reform: Receivables	42 898 784
Department: Rural Development and Land Reform: Payables	(80 002 660)

The Inter-departmental receivables relate to amounts collected on behalf of the Trading entity by the Department: Rural Development and Land Reform and not yet transferred at year end.
The Inter-departmental payables relates to payments made on behalf of the trading entity by the Department: Rural Development and Land Reform and not yet transferred at year end

8. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Operating lease receivables	25 629 418

Credit quality of trade and other receivables

The carrying value of operating lease receivables of R25 629 418 is stated after a provision for impairment of R23 598 192 and gross operating lease receivables value of R49 227 611. The provision for impairment of operating lease receivables is determined from the age analysis of operating lease receivables that are overdue for 90 days and more. The prospects of recovery are however assessed per individual account.

Trade and other receivables past due but not impaired
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2010, R16 191 878 were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 - 6 months	4 989 564
6 -12 months	5 836 375
Over 12 months	5 365 939

Trade and other receivables impaired
The amount of the provision was R 23,598,192 as of 31 March 2010.
The ageing of the provision is as follows:

3 to 6 months	1 664 000
3 to 6 months	21 934 192

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash at bank	511 370 318

Cash and deposits are held with a registered banking institution which is subjected to insignificant credit risk. The maximum exposure to credit risk at balance sheet date is the fair value of cash and cash equivalents mentioned above.

10. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Accrued expenses	34 576 504
Lease payments received in advance	3 349 392
	37 925 896

11. CASH GENERATED FROM OPERATIONS

Surplus for the period	1 041 996 348
Adjustments for:	
Movements in operating lease assets and accruals	(937 877)
Changes in working capital:	
Transfer of assets	2 637 823 115
Inventories	(3 216 911 622)
Trade and other receivables from exchange transactions	(68 528 202)
Trade and other payables from exchange transactions	117 928 556
	511 370 318

12. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

2010	**Loans and receivables**	**Total**
Inter-departmental receivable	42 898 784	42 898 784
Cash and cash equivalents	511 370 318	511 370 318
Trade & other receivables	25 629 418	25 629 418
	579 898 520	**579 898 520**

13. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

2010	**Financial liabilities at amortised cost**	**Total**
Inter-departmental payables	80 002 660	80 002 660
Trade and other payables	37 925896	37 925 896
	117 928 556	**117 928 556**

14. RELATED PARTIES

Relationships

Controlling state entity: Department: Rural Development and Land Reform

The trading entity is a related party to other state departments and other state owned entities. The trading entity does not separately disclose related parties unless there are transactions or balances between the trading entity and the related parties.

Related party balances

Inter-departmental receivables /(payables)	
Department : Rural Development and Land Reform: Receivables	42 898 784
Department : Rural Development and Land Reform: Payables	(80 002 660)

Related party transactions

Grant Received	
Department: Rural Development and Land Reform	1 041 116 000
Assets transferred for no consideration	
Inventory	2 630 371 000
Account Receivables	25 662 091
Biological assets impaired included in the above inventory	(18 209 867)

No executive emoluments are paid by the entity, as they are remunerated by the Department of Rural Development & Land Reform.

The Department: Rural Development and Land Reform also provides administrative services to the trading entity at no cost. These are not accounted for but disclosed as services in kind. Refer to note 17.

15. RISK MANAGEMENT

Financial risk management

The trading entity's activities expose it to a variety of financial risks: market risk (including, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The trading entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the trading entity's financial performance. Risk management is carried out by a management committee of the department under the risk management framework approved by the Audit Committee

Liquidity risk

The table below analyses the trading entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2010	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Inter-departmental payable	80 002 660			
Trade and other payables	37 925 896			

Interest rate risk

As the trading entity has no significant interest-bearing assets, the trading entity's income and operating cash flows are substantially independent of changes in market interest rates.

All interest accrued is transferred to the National Revenue Fund.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade receivables. The trading entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	
Cash and cash equivalents	511 370 318
Lease receivables	25 629 418
Inter-departmental receivables	42 898 784

16.GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

17.SERVICES IN KIND

The Agricultural Land Holdings Account falls under the administration of the Department of Rural Development and Land Reform. The executives of the department spend some of their time on the affairs of the trading entity. Furthermore, the department provides the services of internal audit function, information technology and staff training. There is no cost charged by the department in this regard.

18.UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure	
Finance Costs	770 858

The deficits through criminal conduct, or irregular, fruitless or wasteful expenditure that were incurred during the year ended 31 March 2010 include:

Finance Costs:

The expenditure relates to interest paid on late payment of legal fees on land transferred. The reasons for the wasteful expenditure are still under investigation and should the expenditure be deemed recoverable, this amount will be recorded as an asset in the statement of financial position.

19. FUTURE MINIMUM LEASE PAYMENTS

Operating leases – as lessor (income)

Minimum lease payments due	
- within one year	23 157 559
- in second to fifth year inclusive	18 256 116
- later than five years	282 065
	41 695 740

The trading entity has entered into lease agreements with identified beneficiaries for the lease of farms. The duration of the lease agreements are for periods between one to twelve years. Lease agreements contain escalation clauses of between 5% and 16% per annum.

20.COMMITMENTS AND CONTINGENCIES

The trading entity has committed an amount of R193 959 371 for the recapitalization of farms. This amount represents approved procurement request for services not yet rendered at year end.

The trading entity and the Land Bank have agreed on a curatorship type model to address the emerging farmers that are under distress. The model seeks to protect the farmers that are on the verge of losing the farms from being repossessed by the Land Bank. In a case of property being on the verge of repossession, the trading entity will consider purchasing the property from the Land Bank.

The trading entity has generated a net surplus of R 1042 684 189 for the financial year 2009/10 representing the net assets values of the assets of the entity. The net cash on hand is R511 370 318. The trading entity prepares its financial statements on accrual basis of accounting therefore the surplus generated does not necessarily represents excess funds or unspent funds as were on cash basis of accounting .

National Treasury's approval has been sought to retain the cash on hand in order to complete projects in progress/ farm's capital development.

21. COMPARATIVE FIGURES

No comparative figures have been presented as these are the first annual financial statements of the trading entity.

	Notes	2010 R
REVENUE		
Farm rental income - Exchange	3	32 263 015
Sale of farms	3	40 715 528
Interest received	3	3 160 450
Grant Income - Non exchange	4	1 041 116 000
TOTAL INCOME		**1 117 254 993**
OPERATING EXPENSES		
Impairment of lease receivables		(23 598 192)
Cost of farms sold		(40 715 528)
Valuation expenses		(3 359 433)
Casual labour and transport expenses		(324 363)
Biological assets written off		(1 953 523)
Management fees		(1 201 489)
Skills development expenses		(295 600)
Fuel and diesel expenses		(45 033)
Fire ring expenses		(128 005)
Business planning expenses		(600 148)
Animal feeds		(464 732)
Repairs and maintenance		(1 109 404)
Security		(125 580)
Travel and accommodation expenses		(3 284)
Utilities - Rates and Water		(563 473)
TOTAL EXPENDITURE		**74 487 787**
Operating surplus		1 042 767 206
Finance costs	5	(770 858)
Surplus for the year		**1 041 996 348**

BUDGET RECONCILIATION

1. COMPARISSION OF RESULTS WITH APPROVED BUDGET

At 31 March 2010	Actual	Budget	Variance
Revenue			
Grant Income	1 041 116 000	1 041 116 000	
Lease Revenue	35 423 465	30 000 000	5 423 466
Expenditure		-	
Project expenses	(6 814 634)	(5 000 000)	(1 814 634
Bad debts	(23 598 192)	(25 000 000)	1 401 808
Valuation expenses	(3 359 433)	(7 808 370)	4 448 567
Finance charges	(770 858)	-	(770 858)
Surplus per statement of financial performance	**1 041 996 348**	**1 033 307 630**	**8 688 718**
Capital Expenditure	-	-	
Agricultural land	(615 651 051)	(773 028 630)	157 377 579
Recapitalisation of farms	(30 005 464)	260 279 000)	230 273 536
Surplus	**396 339 833**	**-**	**396 339 833**

PART 5:
HUMAN RESOURCE MANAGEMENT

5

Oversight Report

National Department of Rural Development and Land Reform 2009/2010

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1. Service delivery

The department developed a Service Delivery Improvement (SDI) Plan in conjunction with its Strategic, as well as Operational Plan. The following tables reflect the components of the SDI Plan as well as the progress made in the implementation of the plan.

Table 1.1 – Main services provided and standards

Main service	Actual customer	Potential customer	Standard of service	Actual achievement against standards
1. Provide grants to facilitate access to land	Land and tenure insecure individuals and communities. Persons/ communities disposed of land rights. All spheres of government. Users of spatial information. Users of deeds registries (land owners)	Land and tenure insecure individuals and communities. Persons/ communities disposed of land rights. Aspirant/ emerging black farmers. All spheres of government. Users of spatial information. Users of deeds registries (land owners)	656 000 ha Beneficiaries 12 890	239 990.5363 ha Target not achieved due to Provincial Grant Committee moratorium, high land prices, and budget constraints. Beneficiaries: 11 362
2. Provide tenure security for people working and living in commercial farms and communal areas	Land and tenure insecure individuals and communities. Persons/ communities disposed of land rights. Aspirant/ emerging black farmers. All spheres of government. Users of spatial information. Users of deeds registries (land owners)	Land and tenure insecure individuals and communities. Persons/ communities disposed of land rights. Aspirant/ emerging black farmers. All spheres of government. Users of spatial information. Users of deeds registries (land owners)	Provide legal and mediation assistance through Land Rights Management facility	Achieved All evictions and tenure related matters that were reported to DRDLR were provided either with mediation or legal services.
3. Settlement of land restitution claims	Restitution claimants	Land owners. Development agents	1695 claims settled by March 2010	131 claims were processed at a total value of R1,293,726,362.84, that is 33 settled in terms of Section 42d and 98 dismissed. EC - 7, FS - 7, KZN - 10, Limp - 3, MP -67, NC - 33, NW - 2 & WC - 2. 145 492 hectares approved benefiting households 9 294 and 48 233 beneficiaries. Target could not be reached due to financial constraints.

Main service	Actual customer	Potential customer	Standard of service	Actual achievement against standards
4. Provision of settlement support to restitution claimants	Restitution claimants	Development agents	Provide support to settled projects	Post settlement has been provided as a continuous process
5. Produce and supply maps (topographic, orthophotos and aeronautic charts) aerial photographs and digital topographic information	DRDLR, public sector, aeronautic industry, private sector, individual clients	NGOs, community leaders, educators	Produce 1650 hard copy maps (supply is demand driven).	Achieved A total of 1900 hard copy maps were produced. 64304 (hard copy) and 16872222 (digital) were supplied.
6. Maintaining the National Control Survey Network (trig-onometric station and town survey marks)	Survey industry	Anyone requiring accurate positioning in relation to the national reference framework	Maintain 1050 trig-onometrical stations and trigNet stations	A total of 1 019 trigonometrical beacons and trignet stations were maintained.
7. Register title in land	Land owners and potential land owners and holders of real rights in land. Conveyancers/notaries Municipalities Government departments Financial institutions	Landless and tenure insecure individuals and communities	320 000 registered titles. 100% legally compliant. All deeds available for registration in not more than 7 days	Target not achieved Transfer value: R257,8 billion Bond value: R2 559 trillion. All deeds registered 100% legally compliant Cape Town: 10 days, Kimberley: complies, PMB and Bloemfontein: 6 days, Jhb: 7 days, Pta: 8 days.

Main service	Actual customer	Potential customer	Standard of service	Actual achievement against standards
8. Supply of deeds registration information	Land owners	Landless and tenure insecure individuals and communities	• Not more than 7 days • Walk-in clients: = 10 000 • DeedsWeb = 5 000 • Court reports = 1 000 • 100% of accurate and correct information provided	Partially achieved. Cape Town: 10 days, Kimberley: complies, PMB and Bloemfontein: 6 days, Jhb: 7 days, Pta: 8 days, Target exceeded by all deeds registries
9. Examine and approve cadastral documents	Professional land surveyors, sectional title practitioners, land owners and developers	Professional land surveyors, sectional title practitioners, land owners and developers	15 days to examine and approve requests	Partially achieved. 18 days on average.
10. Supply cadastral-related information	Professional land surveyors, sectional title practitioners, conveyancers, other government departments, provincial departments, local authorities, organs of state, public	Professional land surveyors, sectional title practitioners, conveyancers, other government departments, provincial departments, local authorities, organs of state, public	95% of requests processed in 15 days	Partially achieved 83% in 2 days
11. Render land reform support services	Provincial Land Reform Offices (PLROs), Land Claim Commissioners (LCCs), Public Land Support Services (PLSS)	Provincial Land Reform Offices (PLROs), Land Claim Commissioners (LCCs), Public Land Support Services (PLSS)	Training provided to offices and stakeholders on all approved systems and procedures	22 information sessions for categories and amendments to delegations held.
12. Coordinate the development and maintenance of the Cadastral Information System (CIS)	All Surveyor-General offices	All Surveyor-General offices	95% of the requests processed in 15 days.	83% processed in 2 days
13. Provide cadastral-related training services	Professional land surveyors-in-training (PLSTs) and Interns	Professional land surveyors-in-training (PLSTs) and Interns	106 bursary beneficiaries	124 bursary beneficiaries

Main service	Actual customer	Potential customer	Standard of service	Actual achievement against standards
14. Render a cadastral-related advisory service	Professional land surveyors, conveyancers, developers, public	Professional land surveyors, conveyancers, developers, public	64 potential new clients per year	Achieved 74 clients serviced.
15. Equip staff, through training and development, with the necessary skills and comp-etencies	DRDLR staff	DRDLR staff	500 land reform beneficiaries trained and certificated 3 500 trained and certified Departmental employees 240 for the prospective bursary holders Appoint 260 Interns in 2009/10	Partially achieved 43 land reform beneficiaries trained in consultation with University of Fort Hare 1 882 departmental employees and managers trained 260 bursaries were provided for employees and 125 for the prospective bursary holders placed on the bursary programme. Interns appointed
16. Develop and maintain corporate information systems	DRDLR staff	DRDLR staff	Service Level Agreements developed with all components by March 2010	Achieved
17. Render Management Advisory Services	DRDLR staff	DRDLR staff	Aligned structure and establish-ment to support the strategic objectives of the Department	Achieved Senior Management Service (SMS) structure delivered to Public Service and Administration in February 2010.
18. Recruit, select and appoint staff	Job applicants	Job applicants	Vacancy rate at 16.70% by March 2010	Achieved Vacancy rate at 10.24% by March 2010

Main service	Actual customer	Potential customer	Standard of service	Actual achievement against standards
19. Provide comm-unication services that supports DRDLR core objectives	DRDLR staff and land reform beneficiaries	DRDLR staff and land reform beneficiaries	Provide internally and externally focused comm-unication services	Achieved Produced and distributed both the department's Strategic Plan (to communicate departmental plans) as well as Annual Report (to reflect on its performance). Implemented integrated marketing communication campaigns and projects to communicate and market the CRDP (internally and externally) focusing on (but not confined to) the CRDP launches and Ministerial walk abouts.
20. Coordinate corporate trans-formation projects	DRDLR staff	DRDLR staff	Coordinate trans-formation programmes within the department (employment equity, disability and youth programmes, Batho Pele)	Achieved

Main service	Actual customer	Potential customer	Standard of service	Actual achievement against standards
21. Creation of an enabling framework through policy and legislation development to support rural development, land reform and agrarian trans-formation	All DRDLR Branches	All DRDLR Branches	Provide policy and legislation development and analyses in relation to rural development and land reform	Achieved Draft Green Paper available. Draft policies on land tax, willing buyer willing seller and CRDP framework. Two other Bills were drafted and referred to the functionaries (Geomatics Professionals Bill and the General Laws Amendment Bill) document available. The Sectional Titles Amendment Bill and the Deeds Registries Amendment Bill were approved by Cabinet and referred to the State Law Advisers. The Black Authorities Repeal Bill was referred to the Portfolio Committee
22. Provide spatial information services	National and provincial government departments Local government authorities GIS community Spatial information users and producers	NGOs and civil society at large	Support to municipalities	Six municipalities were supported during the current financial year

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual customer	Potential customer	Actual achievement
Participate in 8 exhibitions and conduct 20 MapAware workshops	The public Aviation sector Commercial clients (vendors, agents, resellers, recreational, and professional users) Potential map users NGOs	The public Aviation sector Commercial clients (vendors, agents, resellers, recreational, and professional users) Potential map users NGOs	15 stakeholder encounters (including exhibitions and conferences) and 35 workshops were held
Conduct quarterly client satisfaction surveys	Land owners, potential land owners, holders of real rights in land Conveyancers/notaries Municipalities Government departments Financial institutions	Land owners, potential land owners, holders of real rights in land Conveyancers/ notaries Municipalities Government departments Financial institutions	Achieved Kimberley, Bloemfontein, Johannesburg and Cape Town Deeds Registry Offices participated.
Projects for beneficiaries developed in all provinces and research conducted on the latest trends by 2012	Land reform beneficiaries	Land reform beneficiaries	Partially achieved Consultations with provincial offices and land reform beneficiaries conducted Meetings were held with the provincial training committees
			Conducted visits to rural schools Participated in career exhibitions and held quarterly meetings with tertiary institutions and students

Table 1.3 – Service delivery access strategy

Access strategy	Actual achievement
Use of call centres, toll-free lines and websites	Department has a toll-free call centre aimed at addressing external customers on land rights violations, as well as the communication of land reform programmes CRM shared call centre aimed at internal as well as external service providers An existing website outlining services and offerings of the department
Establishment of more regional offices	The department has regional offices in all the provinces Spatial Planning and Information offices were established in Mpumalanga and East London
Use of indigenous languages	Clients are served in their preferred languages
Establishment of helpdesks in all Deeds Registries	Not achieved.
Address the needs of disabled customers in Deeds Registry offices by March 2010	All Deeds Registry offices compliant except for Vryburg office.
80% accessibility of surveys and mapping products and services available on the internet	Not achieved Website not fully developed

Table 1.4 – Service information tool

Type of information tool	Actual achievement
Information distributed through exhibitions	Exhibited during the Pretoria and Rand Shows, Public Service Week, etc.
Website	Information about the department's offerings, and contact details of all regional offices posted on the website
Surveys and mapping products and services displayed in public areas and government departments	Posters were developed and displayed
Conduct radio talk shows on deeds registry services by March 2010	Partially achieved Radio talk show conducted in King William's Town Deeds Registry

Table 1.5 – Complaints mechanism

Complaints mechanism	Actual achievement
Implementation of the departmental Complaints Handling Policy	Developed an electronic application of the Complaints and Customer Feedback Management System In the process of aligning the system with the Presidential Hotline
Training of staff on Complaints and Customer Feedback Management System	98 officials trained on the Complaints and Customer Feedback Management System

2. Expenditure

The department budgeted in terms of clearly defined programmes for the 2009/2010 financial year. The following tables summarise the final audited expenditure by programme (Table 2.1) and by salary band (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department. The tables thereafter provide a summary per programme (Table 2.3) and salary band (Table 2.4), and of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 2.1 – Personnel costs by programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as % of total expenditure	Average personnel cost per employee (R'000)
Administration	149,679	133,218	1,956	14,505	89%	178
Surveys and Mapping	31,288	31,094	194	0	99,06	155
Cadastral Surveys	85,703	85,558	145	0	9,98	161
Restitution	201,560	171,775	224	29,561	85,22	193
Land Reform	172,818	133,670	300	38,848	77,34	162
Spatial Planning	20,058	17,005	8	3,045	84,77	220
Deeds Registration	2,201,751	2,200,764	580	407	99,95	1,961
Total	**2,862,955**	**2,773,084**	**3,407**	**86,366**	**96,86**	**632**

Table 2.2 – Personnel costs by salary band

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (levels 1–2)	0	0,00	0
Skilled (levels 3–5)	377,228	13,60	825
Highly skilled production (levels 6–8)	1,082,445	39,02	402
Highly skilled supervision (levels 9–12)	1,098,281	39,60	968
Senior Management (levels 13–16)	215,130	7,78	1,973
Total	**2,773,084**	**100,00**	**632**

Table 2.3 – Salaries, overtime, housing allowance and medical assistance by programme

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost
Administration	125,067	4,51	2,938	0,11	3,498	0,13	7,715	0,28
Surveys and Mapping	39,206	1,41	0	0,00	768	0,03	2,120	0,08
Cadastral Surveys	92,338	3,33	136	0,00	2,323	0,08	7,711	0,28
Restitution	164,779	5,94	70	0,00	4,197	0,15	9,780	0,35
Land Reform	140,441	5,06	115	0,00	3,546	0,13	8,019	0,29
Spatial Planning	16,098	0,58	0	0,00	434	0,02	473	0,02
Deeds Registration	166,458	6,00	45	0,00	5,362	0,19	12,104	0,44
Total	**744,387**	**26,83**	**3,304**	**0,12**	**20128**	**0,73**	**47,922**	**1,73**

Table 2.4 – Salaries, overtime, housing allowance and medical assistance by salary band

Salary band	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	% of personnel cost	Amount (R '000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost
Lower skilled (levels 1–2)	0	0,00	0	0,00	0	0,00	0	0,00
Skilled (levels 3–5)	63,645	2,30	175	0,01	3,158	0,11	7,488	0,27
Highly skilled production (levels 6–8)	310,324	11,19	2,296	0,08	10,832	0,39	22,795	0,82
Highly skilled supervision (levels 9–12)	301,765	10,88	833	0,03	5,153	0,19	14,885	0,54
Senior management (levels 13–16)	68,998	2,49	0	0,00	985	0,04	2,754	0,10
Total	**744,732**	**26,86**	**3,304**	**0,12**	**20,128**	**0,73**	**47,922**	**1,73**

3. Employment and vacancies

The following tables summarise the number of posts in the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables, namely programme (Table 3.1), salary band (Table 3.2) and critical occupation (Table 3.3). The department has identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled.

Table 3.1 – Employment and vacancies by programme

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Administration	841	729	11.17	18
Surveys and Mapping	257	200	22.17	0
Cadastral Surveys	595	489	10.75	42
Restitution	1 018	883	12.86	4
Land Reform	937	657	11.95	168
Spatial Planning	97	69	20.61	8
Deeds Registration	1 145	1 110	2.00	12
Total	**4 890**	**4 137**	**10.24**	**252**

Table 3.2 – Employment and vacancies by salary band

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (levels 1–2)	0	0	0.00	0
Skilled (levels 3–5)	497	408	8.04	49
Highly skilled production (levels 6–8)	2 959	2 508	9.13	181
Highly skilled supervision (levels 9–12)	1 301	1 115	12.83	19
Senior Management (levels 13–16)	133	106	18.04	3
Total	**4 890**	**4 137**	**10.24**	**252**

Table 3.3 – Employment and vacancies by critical occupation

Critical occupation	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Architects	38	26	31.57	0
Cartographers and Surveyors	220	178	19.09	0
Cartographic Surveying and Related Technicians	374	283	13.36	41
Community Development Workers	991	709	13.11	152
General Legal Administration and Related Professionals	931	873	4.51	16
Legal Related	132	129	1.51	1
Other	2 075	1 831	10.16	33
Social Sciences Related	129	108	9.30	9
Total	**4 890**	**4 137**	**10.24**	**252**

4. Job evaluation

The Public Service Regulations, 2001 introduced job evaluation (JE) as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her department. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. Table 4.1 summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded. Table 4.2 provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant. Table 4.3 summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case. Table 4.4 summarises the beneficiaries of the aforementioned in terms of race, gender, and disability.

Table 4.1 – Job evaluation

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary band	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1–2)	0	0	0,00	0	0,00	0	0,00
Skilled (levels 3–5)	497	17	3,42	17	3,42	0	0,00
Highly skilled production (levels 6–8)	2 959	111	3,75	111	3,75	0	0,00
Highly skilled supervision (levels 9–12)	1 301	111	8,53	111	8,53	0	0,00
Senior Management Service Band A	89	23	25,84	23	25,84	0	0,00
Senior Management Service Band B	29	9	31,03	9	31,03	0	0,00
Senior Management Service Band C	13	2	15,38	2	15,38	0	0,00
Senior Management Service Band D	2	0	0,00	0	0,00	0	0,00
Total	**4 890**	**273**	**5,58**	**273**	**5,58**	**0**	**0,00**

Table 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	595	23	121	108	847
Male	579	9	66	31	685
Total	1 174	32	187	139	1 532
Employees with a disability					**39**

Table 4.3 – Employees whose salary level exceeds the grade determined by job evaluation (in terms of PSR 1. V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Architects	1	9	10	Retention strategy
Cartographers and Surveyors	2	11	12	Retention strategy
Cartographic Surveying and Related Technicians	7	3	5	Retention strategy
Community Development Workers	32	6	7	Retention strategy
Community Development Workers	5	8	9	Retention strategy
General Legal Administration and Related Professionals	4	7	10	Retention strategy
General Legal Administration and Related Professionals	28	7	8	Retention strategy
Other	**19**	**6**	**7**	**Retention strategy**
Other	**9**	**9**	**12**	**Retention strategy**
Other	**1**	**12**	**13**	**Retention strategy**
Total number of employees whose salaries exceeded the level determined by job evaluation				104
Percentage of total employment				**2,39**

Table 4.4 – Profile of employees whose salary level exceeds the grade determined by job evaluation (in terms of PSR 1. V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	35	0	0	3	38
Male	62	0	2	2	66
Total	97	0	2	5	104
Employees with a disability					**5**

5. Employment changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupation (Table 5.2). Table 5.3 identifies the major reasons why staff left the department.

Table 5.1 – Annual turnover rates by salary band

Salary band	Number of employees per band as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	0	0	0	0.00
Skilled (levels 3–5)	403	78	24	5.95
Highly skilled production (levels 6–8)	2 569	206	86	3.34
Highly skilled supervision (levels 9–12)	1 140	49	55	4.82
Senior Management Service Band A	83	0	2	2.40
Senior Management Service Band B	14	2	2	14.28
Senior Management Service Band C	9	3	0	0.00
Senior Management Service Band D	2	0	0	0.00
Total	**4 220**	**338**	**169**	**4.00**

Table 5.2 – Annual turnover rates by critical occupation

Occupation	Number of employees per occupation as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Architects	26	0	0	0.00
Cartographic, Surveying	180	15	17	9.44
Cartographic and Surveyors	296	39	11	3.71
Community Development Workers	838	53	30	3.57
General Legal Administration	861	53	25	2.90
Legal Related	132	0	2	1.51
Other	1 768	175	79	4.46
Social Sciences	119	3	5	4.20
Total	**4 220**	**338**	**169**	**4.00**

Table 5.3 – Reasons why staff are leaving the department

Termination type	Number	% of total
Death	**20**	**11,83**
Resignation	**88**	**52,07**
Expiry of contract	**24**	**14,20**
Dismissal – misconduct	**3**	**1,77**
Discharged due to ill health	**3**	**1,77**
Retirement	**25**	**14,79**
Transfers to other Public Service Departments	**6**	**3,55**
Total	**169**	**100,00**
Total number of employees who left as a % of the total employment		4,00

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2009	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Architects	26	5	19,23	0	0,00
Cartographic, Surveying	180	18	10,00	81	45,00
Cartographic and Surveyors	296	20	6,75	149	50,33
Community Development Workers	838	101	12,05	250	29,83
General Legal Administration	861	36	4,18	164	19,04
Legal Related	132	4	3,03	101	76,51
Other	1 768	163	9,21	481	27,20
Social Sciences	119	7	5,88	29	24,36
Total	**4 220**	**354**	**8,38**	**1255**	**29,73**

Table 5.5 – Promotions by salary band

Salary band	Employees as at 1 April 2009	Promotions to another salary level	Salary band promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (levels 1–2)	0	0	0,00	0	0,00
Skilled (levels 3–5)	403	13	3,22	55	13,64
Highly skilled production (levels 6–8)	2 569	184	7,16	674	26,23
Highly skilled supervision (levels 9–12)	1 140	146	12,80	461	40,43
Senior management (levels 13–16)	108	11	10,18	65	60,18
Total	**4 220**	**354**	**8,38**	**1255**	**29,73**

6. Employment equity

The achievement of representivity in the public service is a requirement in terms of Chapter 10, section 195(i) of the Constitution of the Republic of South Africa. The Department of Rural Development and Land Reform has developed an Employment Equity (EE) Plan, that is informed by Chapter 10 (section 195) and the provisions of the Employment Equity Act (Act No. 55 of 1998) (EEA) to support the creation of an enabling environment for improved service delivery as outlined in its strategic plan for the period 2009 to 2012. The tables in this section are based on the formats prescribed by the Employment Equity Act.

Table 6.1 – Total number of employees (including employees with a disability) per occupational category

Occupational category	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	44	4	3	14	30	2	3	5	105
Professionals	978	83	27	173	869	101	33	202	2 466
Technicians and associate professionals	270	22	1	14	247	34	13	95	696
Clerks	266	23	7	12	463	63	11	91	936
Service and sales workers	10	3	0	5	5	1	0	1	25
Craft and related trades workers	24	2	1	4	1	3	0	3	38
Elementary occupations	64	4	0	1	42	12	0	0	123
Total	**1 656**	**141**	**39**	**223**	**1 657**	**216**	**60**	**397**	**4 389**
Employees with a disability	24	5	2	20	21	4	1	19	96

Table 6.2 – Total number of employees (including employees with a disability) per occupational band

Occupational band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	8	1	0	0	4	1	0	0	14
Senior Management	41	4	4	22	30	1	4	7	113
Professionally qualified specialists and middle management	384	27	15	98	306	29	12	75	946
Skilled technical and academically qualified workers	979	79	18	95	1 136	159	42	312	2 820
Semi-skilled and discretionary decision-making	239	29	2	8	180	26	2	3	489
Unskilled and defined decision-making	5	1	0	0	1	0	0	0	7
Total	**1 656**	**141**	**39**	**223**	**1 657**	**216**	**60**	**397**	**4 389**

Table 6.3 – Recruitment

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	5	1	0	0	2	0	0	0	8
Professionally qualified and experienced specialists and middle management	16	1	0	7	20	1	1	3	49
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	80	1	1	0	112	5	4	1	204
Semi-skilled and discretionary decision-making	37	1	1	1	26	5	0	0	71
Unskilled and defined decision-making	2	0	0	0	5	0	0	0	7
Total	**142**	**4**	**2**	**8**	**165**	**11**	**5**	**4**	**341**

Table 6.4 – Promotions

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	2	1	0	0	4	0	0	0	7
Professionally qualified and experienced specialists and middle management	234	23	6	89	187	13	9	67	628
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	293	35	8	46	318	45	21	137	903
Semi-skilled and discretionary decision-making	21	3	0	1	36	4	1	3	69
Unskilled and defined decision-making	1	0	0	0	0	0	0	0	1
Total	**552**	**62**	**14**	**136**	**545**	**62**	**31**	**207**	**1 609**

Table 6.5 – Terminations

	Male				Female				
Occupational band	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Total**
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	1	1	0	0	0	3
Professionally qualified and experienced specialists and middle management	27	2	1	8	6	0	1	2	47
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	23	8	2	3	19	2	2	13	72
Semi-skilled and discretionary decision-making	6	2	0	1	6	1	1	0	17
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
Total	**58**	**12**	**3**	**13**	**32**	**3**	**4**	**15**	**139**
Employees with a disability	1	0	0	1	0	0	0	0	2

Table 6.6 – Disciplinary action

	Male				Female				
Disciplinary action	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Total**
Correctional counselling	1	0	0	0	0	0	0	0	1
Verbal warning	1	0	0	0	0	0	0	0	1
Written warning	2	0	0	0	1	0	0	0	3
Serious written warning	0	0	0	0	0	0	0	0	0
Final written warning	6	0	0	0	10	0	1	2	19
Suspended without pay	1	0	0	0	0	0	0	0	1
Fine	0	0	0	0	0	0	0	0	0
Demotion	0	0	0	0	0	0	0	0	0
Dismissal	2	0	0	0	1	0	0	0	3
Not guilty	1	0	0	0	0	0	0	0	1
Case withdrawn	4	0	0	1	5	0	0	0	10
Total	**18**	**0**	**0**	**1**	**17**	**0**	**1**	**2**	**39**
Employees with a disability	0	0	0	0	0	0	0	0	0

Table 6.7 – Skills development

Occupational category	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	5	0	0	0	0	0	0	0	5
Professionals	2	0	0	0	70	0	0	0	72
Technicians and associate professionals	190	12	0	73	0	0	0	0	275
Clerks	1 061	12	14	0	1 129	42	7	132	2 397
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**1 258**	**24**	**14**	**73**	**1 199**	**42**	**7**	**132**	**2 749**
Employees with a disability	7	1	1	15	10	1	1	11	47

7. Performance rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 6.1), salary bands (Table 6.2) and critical occupations (Table 6.3).

Table 7.1 – Performance rewards by race, gender, and disability

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African, female	218	1 636	13,32	1 362	6.247
African, male	225	1 632	13,78	1 474	6.551
Coloured, female	40	212	18,86	159	3.975
Coloured, male	35	136	25,73	106	3.028
Indian, female	16	59	27,11	277	17.312
Indian, male	9	37	24,32	285	13.666
White, female	204	378	53,96	1 519	7.446
White, male	105	203	51,72	1 326	12.628
Employees with a disability	27	96	28,12	322	11.925
Total	**879**	**4 389**	**20,02**	**6 830**	**7.770**

Table 7.2 – Performance rewards by salary band for personnel below Senior Management Service

Salary band	Beneficiary profile				Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R '000)	Average cost per employee	Total cost as a % of total personnel expenditure
Lower skilled (levels 1–2)	0	0	0,00	0	0	0,00
Skilled (levels 3–5)	27	457	5,90	77	2.851	0,00
Highly skilled production (levels 6–8)	518	2689	19,26	2 464	4.756	0,30
Highly skilled supervision (levels 9–12)	329	1134	29,01	4 137	12.574	0,52
Total	**874**	**4280**	**20,42**	**6 678**	**7.640**	**0,84**

Table 7.3 – Performance rewards by critical occupation

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Architects	4	26	15,38	60	15.000
Cartographic, Surveying	93	178	52,24	746	8.021
Cartographic and Surveyors	105	324	32,40	444	4.228
Community Development Workers	106	861	12,31	587	5.537
General Legal Administration	154	889	17,32	1 080	7.012
Legal Related	78	130	60,00	1 724	22.102
Other	312	1 864	16,73	1 897	6.080
Social Sciences	27	117	23,07	291	10.777
Total	**879**	**4 389**	**20,02**	**6 829**	**7.769**

Table 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary band	Beneficiary profile			Total cost (R'000)	Average cost per employee	Total cost as a % of total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	3	81	3,70	70	23.333	0,00
Band B	2	14	14,28	81	40.500	0,01
Band C	0	12	0,00	0	0.000	0,00
Band D	0	2	0,00	0	0.000	0,00
Total	**5**	**109**	**4,58**	**151**	**30.200**	**0,01**

8. Foreign workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 8.1 – Foreign workers

	1 April 2009		31 March 2010		Change	
Salary band	**Number**	**% of total**	**Number**	**% of total**	**Number**	**% change**
Lower skilled (levels 1–2)	0	0	0	0	0	0
Skilled (levels 3–5)	0	0	0	0	0	0
Highly skilled production (levels 6–8)	0	0	0	0	0	0
Highly skilled supervision (levels 9–12)	3	100	3	100	0	0
Senior management (levels 13–16)	0	0	0	0	0	0
Total	**3**	**100**	**3**	**100**	**0**	**0**

Table 8.2 – Foreign workers by major occupation

	1 April 2009		31 March 2010		Change	
Major occupation	**Number**	**% of total**	**Number**	**% of total**	**Number**	**% change**
Top Management	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Professionally qualified and experienced specialists and middle management	3	100	3	100	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0
Semi-skilled and discretionary decision-making	0	0	0	0	0	0
Unskilled and defined decision-making	0	0	0	0	0	0
Total	**3**	**100**	**3**	**100**	**0**	**0**

9. Leave

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided. Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 9.1 – Sick leave, 1 January 2009 to 31 December 2009

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1–2)	0	0	0	0,00	0	0
Skilled (levels 3–5)	2 923	68,26	387	84,68	8	739
Highly skilled production (levels 6–8)	11 024	72,60	2 053	76,34	5	6 510
Highly skilled supervision (levels 9–12)	6 288	78,80	846	74,60	7	6 735
Senior management (levels 13–16)	467	85,16	64	58,71	7	1 210
Total	**24 960**	**73,45**	**3 350**	**76,32**	**7**	**15 194**

Table 9.2 – Disability leave (temporary and permanent), 1 January 2009 to 31 December 2009

Salary band	Total days taken	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1–2)	0	0,00	0	0,0	0	0
Skilled (levels 3–5)	379	100	12	2,62	32	119
Highly skilled production (levels 6–8)	1,642	100	72	2,67	23	696
Highly skilled supervision (levels 9–12)	2,728	100	23	2,02	119	1,001
Senior management (levels 13–16)	94	100	4	3,66	24	222
Total	**3,201**	**100**	**111**	**2,52**	**29**	**2,038**

Table 9.3 – Annual leave, 1 January 2009 to 31 December 2009

Salary band	Total days taken	Average per employee
Lower skilled (levels 1–2)	0	0
Skilled (levels 3–5)	10 507	23
Highly skilled production (levels 6–8)	55 534.60	21
Highly skilled supervision(levels 9–12)	26 266.84	23
Senior management (levels 13–16)	2 205	20
Total	**94 513.44**	**22**

Table 9.4 – Capped leave, 1 January 2009 to 31 December 2009

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2009
Lower skilled (levels 1–2)	0	0	0
Skilled (levels 3–5)	88	7	36
Highly skilled production (levels 6–8)	587	6	26
Highly skilled supervision(levels 9–12)	400	6	41
Senior management (levels 13–16)	50	8	55
Total	**1 125**	**6**	**35**

Table 9.5 – Leave payouts for the period 1 April 2009 to 31 March 2010

The following table summarises payments made to employees as a result of leave that was not taken.

Reason	Total Amount (R'000)	Number of employees	Average payment per employee
Leave payout for 2009/10 due to non-utilisation of leave for the previous cycle	9	1	4.500
Capped leave payouts on termination of service for 2009/10	1 799	163	9.330
Current leave payout on termination of service for 2009/10	580	57	6.390
Total	**2 388**	**221**	**9.035**

10. HIV/AIDS and health promotion programmes

Table 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
None	None

Table 10.2 – Details of health promotion and HIV/AIDS programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr T M Mogashoa Senior Manager: Human Resource Management
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Employee Wellness Subdirectorate: Programme Manager, 2 Deputy Managers and 2 Admin Support Services
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Employees Wellness Programmes: Policy has been developed Psycho-social Services Health promotion activities Life skills programmes and HIV & AIDS management including VCT
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		9 provincial Employee Wellness Committees have been established
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV and AIDS & Employee Wellness Policies under review
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		HIV and AIDS policy is being implemented. Awareness of and education on HIV and AIDS management. Provision of care and support by in-house and service providers through Psycho-social Services
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved.	X		This is incorporated with health and wellness events and World AIDS Day every year. Out of 2 549 staff members who attended these events, 44% underwent VCT which amounts to 27% of the total establishment
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Analysis of health screening results and designing programmes to address identified problems

11. Labour relations

Table 11.1 – Collective agreements

Total collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 11.2 – Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0,00
Verbal warning	1	7,14
Written warning	2	14,28
Final written warning	6	42,85
Suspended without pay	1	7,14
Fine	0	0,00
Demotion	0	0,00
Dismissal	3	21,42
Not guilty	1	7,14
Case withdrawn	0	0,00
Total	**14**	**100**

Table 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Abuse of state vehicle	2	16,66
Assault/foul language	1	8,33
Irregularities/theft/fraud/bribery	7	58,33
Abuse of Internet	0	0,00
Unauthorised absenteeism/coming late	2	16,66
Drunk on duty	0	0,00
Total	**12**	**100**

Table 11.4 – Grievances lodged

	Number	% of total
Number of grievances resolved	48	85,71
Number of grievances not resolved	8	14,29
Total number of grievances lodged	**56**	**100**

Table 11.5 – Disputes lodged with councils

	Number	% of total
Number of disputes upheld	0	0,00
Number of disputes dismissed	3	100
Total number of disputes lodged	**3**	**100**

Table 11.6 – Strike actions

Total number of person working days lost	**65**
Total cost (R'000) of working days lost	128
Amount (R'000) recovered as a result of no work no pay	**128**

Table 11.7 – Precautionary suspensions

Number of people suspended	10
Number of people whose suspension exceeded 30 days	10
Average number of days suspended	41
Cost (R'000) of suspensions	**551**

12. Skills development

This section highlights the efforts of the department with regard to skills development.

12.1 – Training needs identified

Occupational category	Gender	Number of employees as at 1 April 2009	Training needs identified at start of reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	40	0	24	0	24
	Male	65	0	42	0	42
Professionals	Female	1 165	0	352	0	352
	Male	1 221	0	508	0	508
Technicians and associate professionals	Female	359	0	420	0	420
	Male	288	0	450	0	450
Clerks	Female	608	0	514	0	514
	Male	301	0	514	0	514
Service and sales workers	Female	7	0	0	0	0
	Male	18	0	0	0	0
Craft and related trades workers	Female	7	0	0	0	0
	Male	31	0	0	0	0
Elementary occupations	Female	49	0	70	0	70
	Male	61	0	89	0	89
Subtotal	Female	2 235	0	1 380	0	1 380
	Male	1 985	0	1 603	0	1 603
Total		**4 220**	**0**	**2 983**	**0**	**2 983**

12.2 Training provided

Occupational category	Gender	Number of employees as at 1 April 2009	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	40	0	24	0	24
	Male	65	0	42	0	42
Professionals	Female	1 165	0	352	0	352
	Male	1 221	0	508	0	508
Technicians and associate professionals	Female	359	0	420	0	420
	Male	288	0	450	0	450
Clerks	Female	608	0	514	0	514
	Male	301	0	514	0	514
Service and sales workers	Female	7	0	0	0	0
	Male	18	0	0	0	0
Craft and related trades workers	Female	7	0	0	0	0
	Male	31	0	0	0	0
Elementary occupations	Female	49	0	70	0	70
	Male	61	0	89	0	89
Subtotal	Female	2 235	0	1 380	0	1 380
	Male	1 985	0	1 603	0	1 603
Total		**4220**	**0**	**2 983**	**0**	**2 983**

13. Injury on duty

The following table provides basic information on injury on duty.

Table 13.1 – Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	18	100
Temporary total disablement	0	0,00
Permanent disablement	0	0,00
Fatal	0	0,00
Total	**18**	**100**

14. Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

The consulting services are obtained by the department to assist with implementation of certain projects, due to the numbers of projects; the detail per project is not disclosed on the table below. The appointment of these consultants is done through Supply Chain Management Processes taking into account the Preferential Procurement Framework. The contractual agreement is managed in line with the service level agreements.

Nature of Consulting Services	Amount Paid
Accountants and auditors	6 547 982.75
Audit committee (non-officials)	178 268 .63
Communications	125 400.00
Financial management	58 604 365.00
Human resource	139 524.00
Occupational safety and health	487 800.00
Organisational	1 866 061.44
Project management	37 548 606.41
Research and advisory services	10 467 123.00
Valuer	18 898 017.22
Translations and transcriptions	18 496.90
Geoinformatic services	4 218 169.76
Land and quantity surveyors	2 005 341.31
Town planner	1 289 626.55
Agriculture	3 552 564.74
Private firm:advice	6 163 919.61
State attorney:advice	27 922 785.51
State attorney:conveyancing	16 244.00
State attorney:messenger of court	1 376.95
Total consultants and professional service	**180 051 673.78**

ABBREVIATIONS AND ACRONYMS

ABET - Adult Basic Education and Training
AE - Adjustment Estimates
AFREF - African Reference Frame
AIDS - Acquired Immune Deficiency Syndrome
ANC - African National Congress
BSc - Bachelor of Science
CFO - Chief Financial Officer
CoGTA -Cooperative Governance and Traditional Affairs
Comg - Commonage grant
CRDP - Comprehensive Rural Development Programme
CRM - Client Relations Management
CSI - Cadastral Information Systems
DBC - Departmental Bargaining Council
DCS - Document copy system
DG - Director-General
DRDLR - Department of Rural Development and Land Reform
EC - Eastern Cape
EEA - Employment Equity Act
EE - Employment Equity
e-RAP - e-Rural Access Programme
EWP - Employee Wellness Programme
FS - Free State
GIAMA - Government-wide Immovable Asset Management Act
GIS - Geo-information practitioners
GP - Gauteng Province
GSD - Ground sample distance
GRAP - Generally Recognised Accounting Practice
GTD - Geo-Spatial Services, Technology Development and Disaster Management
HIV - Human Immune Virus
IAS - International Accounting Standards
IASB - International Accounting Standards Board
ICS - Image copy system
IDPs - Integrated Development Plans
IFRS - International Financial Reporting Standards
IT - Information Technology
ITC - Information and communication technology
JE - Job evaluation
Km2 - Square Kilometre
KZN - KwaZulu-Natal
LCCs - Land Claim Commissioners
LP - Limpopo Province
LRAD - Land redistribution for agricultural development
LUMB - Land Use Management Bill
LUMSs - Land Use Management Systems
M&E - Monitoring and evaluation
MEC - Member of Executive Committee
MP - Mpumalanga
MPRA - Municipal Property Rates Act
MTSF - Medium Term Strategic Framework
NC - Northern Cape
NGOs - Non-governmental organisations
NISIS - National Integrated Social Information System
NW - North West
OSD - Occupational Specific Dispensation
PAA - Public Audit Act
PFMA - Public Finance Management Act
PIMS - Performance Information Management System

PLAS - Proactive Land Acquisition Strategy

PMB - Pietermaritzburg

PLATO - Professional and Technical Surveyors Act

PLROs -Provincial Land Reform Offices

PLSS - Public Land Support Services

PLSTs - Professional land surveyors-in-training

PPM - Programme Performance Monitoring

PPP - Public Private Partnership

PSCBS - Public Service Commission Bargaining Council

PSLDC - Provincial State Land Disposal Committees

PSR - Public Service Regulator

QRAM - Quarterly Review and Monitoring

RCMRD - Regional Centre for Mapping of Resources for Development

RFP - Request For Proposal

RIA - Regulatory Impact Assessment

RID - Rural Infrastructure Development

SADC - Southern African Development Community

SDFs - Spatial Development Frameworks

SCOA - Standard Chart of Accounts

SCOPA - Standing Committee on Public Accounts

SDI - Service delivery improvement plan

SITA - State Information Technology Agency

SLA - State Law Advisers

SLAG - Settlement Land Acquisition Grant

SMD - Spatial Metadata Discovery

SMS - Senior Management Service

SPLAG - Settlement and Production Land Acquisition Grant

STATS SA - Statistics South Africa

STRIF - Social, Technical, Rural Livelihoods and Institutional Facilitation

TBVC - Transkei, Bophuthatswana, Venda and Ciskei

VCT - Voluntary Counselling and Testing

WC - Western Cape

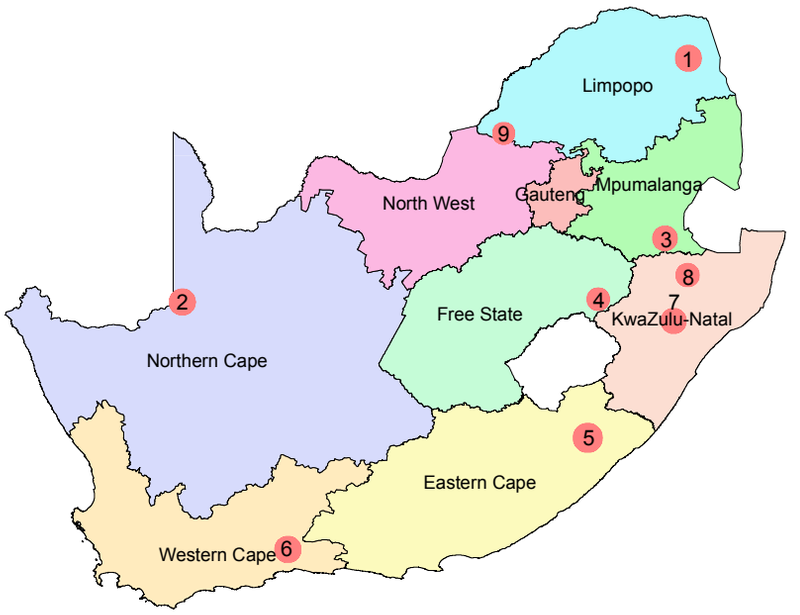
ANNEXURE A: COMPREHENSIVE RURAL DEVELOPMENT PROGRAMME

(Excerpt from the Consolidated CRDP report - April 2010)

CRDP Pilot Sites 2009/2010 FY

Republic of South Africa

Comprehensive Rural Development Programme (CRDP) sites



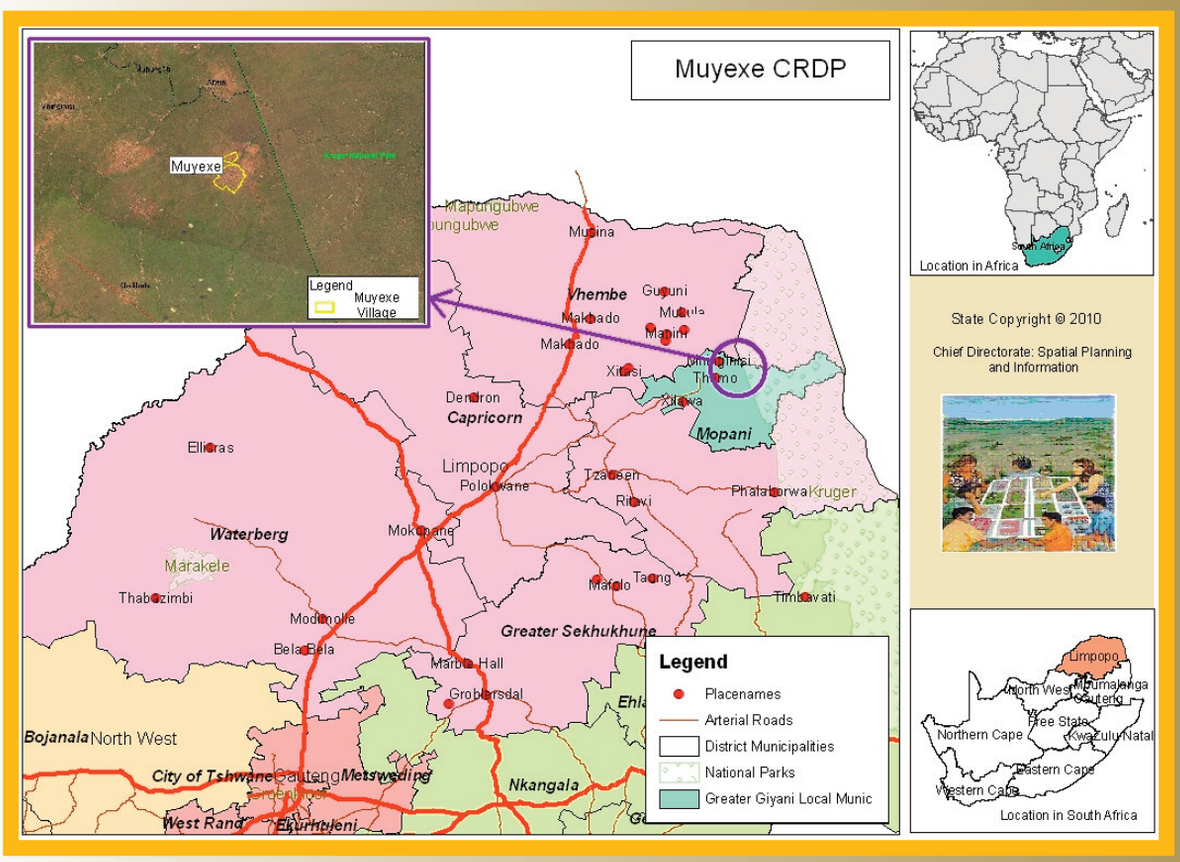
1. Muyexe
2. Riemvasmaak
3. Donkerhoek / Emhahashini / Mkhondo
4. Diyatalawa
5. Mhlonthlo
6. Dysselsdorp
7. Msinga
8. Vryheid
9. Disake / Matlametlong / Mokgalaneng

Muyexe (Limpopo Province)

MUYEXE VILLAGE		
PROVINCE	Limpopo Province	
MUNICIPALITY	Greater Giyani Local Municipality	
WARD NO	18	
POPULATION	Greater Giyani LM (+/- 239 289); Ward 18 (+/- 8 880)	
NATURAL SYSTEMS	Topography	Relatively flat.
	Geology	Lava, Gneiss, and Granite
	Soil Capability	80% of the Greater Giyani Municipality has high potential agricultural land.
	Climate	Dry hot temperatures.
	Hydrology	Mainly surface water from the Shingwedzi River. The river is dry due to lack of rain.
BUILT SYSTEMS	Land Uses	Dominated by residential land uses including, informal holdings (Traditional Houses and RDP), ● Four (4) Shops. ● Drop area for orphans, which are upgraded to a clinic. ● Four (4) sports grounds. ● Police station. ● Four identifiable/built up church structures. ● Mine structures ● Educational facilities (One Senior School, Primary and ECD)
	Water	The village has no water reticulation but the infrastructure is in place. The problem is compounded by high unemployment levels and the reliance on social grants to pay for water.
	Sanitation	● There is no sewage network in place; the village is using pit toilets. ● Sanitation infrastructure is not comprehensive. ● Pit latrine without ventilation
	Electricity	Electricity supply is available but not in all households.
	Roads	The access road needs to be upgraded to an all-weather gravel road.
SOCIO – ECONOMIC	Demographics	Dominated by Africans: ● Females: +/- 132 325 ● Males: +/- 10 960
	Employment	High levels of unemployment
	Income Levels	Income levels vary, 85% of households survive on an income of less than R2 000 a month
	Education	● Educational facilities (One Secondary School, Primary and Early Childhood Development Centres) ● Adult population mostly literate.
	Economic Activities	● Two brickworks activities, one functional. ● Household gardens. ● Cattle farming (restricted due to foot-and-mouth disease). ● Limited commercial activity.
	Health Facilities	Functional Day clinic
	Recreation	Multi purpose sports complex, but is under utilized, limited parks for children to utilize.
KEY FINDINGS	● The village has no water reticulation but the infrastructure is in place. High unemployment levels and the reliance on social grants and therefore there is a need to strengthen food security strategies. Few dilapidated houses have RDP houses. The close proximity to the Kruger National Park and the village being located within the fenced in zone of the foot and mouth disease buffer "red line area" corridor which constrains the community from selling their animals outside of their village. Unresolved land claims.	

The projects reflected in the table below are currently in either planning, tender or construction phase

Project Description	Responsible funding Department/Stakeholder	Estimated Expenditure
1. Fencing	DRDLR/Provincial Department of Agriculture	R 7,765,110
2. Construction of a: a) plunge dipping tank, b) drilling of borehole, c) animal handling facilities d) reservoir e) pump house f) poultry house (water and electricity supply)	DRDLR/ Provincial Department of Agriculture	R 2,580,000
3. Construction of a E-Rural Access Centre (E-RAP)	DRDLR	R 1,100,000
4. Construction of an Early Childhood Development Centre (ECD).	DRDLR	R 600,000
5. Construction of a Community Hall	Independent Development Trust	R 1,200,000
6. Construction of a Community Library	DRDLR	R 1,100,000
7. Construction of a multi-purpose (Thusong) centre at Thomo	DRDLR	R 5,500,000
8. Construction 3 houses	DRDLR	R 240,000
9. Construction 283 houses	Dept Human Settlements	R 17,000,000
10. Storeroom, Drip irrigation, Office, Equipping Borehole, at the Macena Women's Garden	Independent Development Trust	R 800,000
11. Solar Power 100 units	DRDLR	R 1,500,000
12. Water Tanks 260 units	DRDLR/Independent Development Trust/Department of Agriculture	R 3,300,000
13. Furnishing E-RAP centre, Library and ECD	DRDLR	R 800,000
14. Muyexe Roads Programme	DRDLR	R 7,000,000

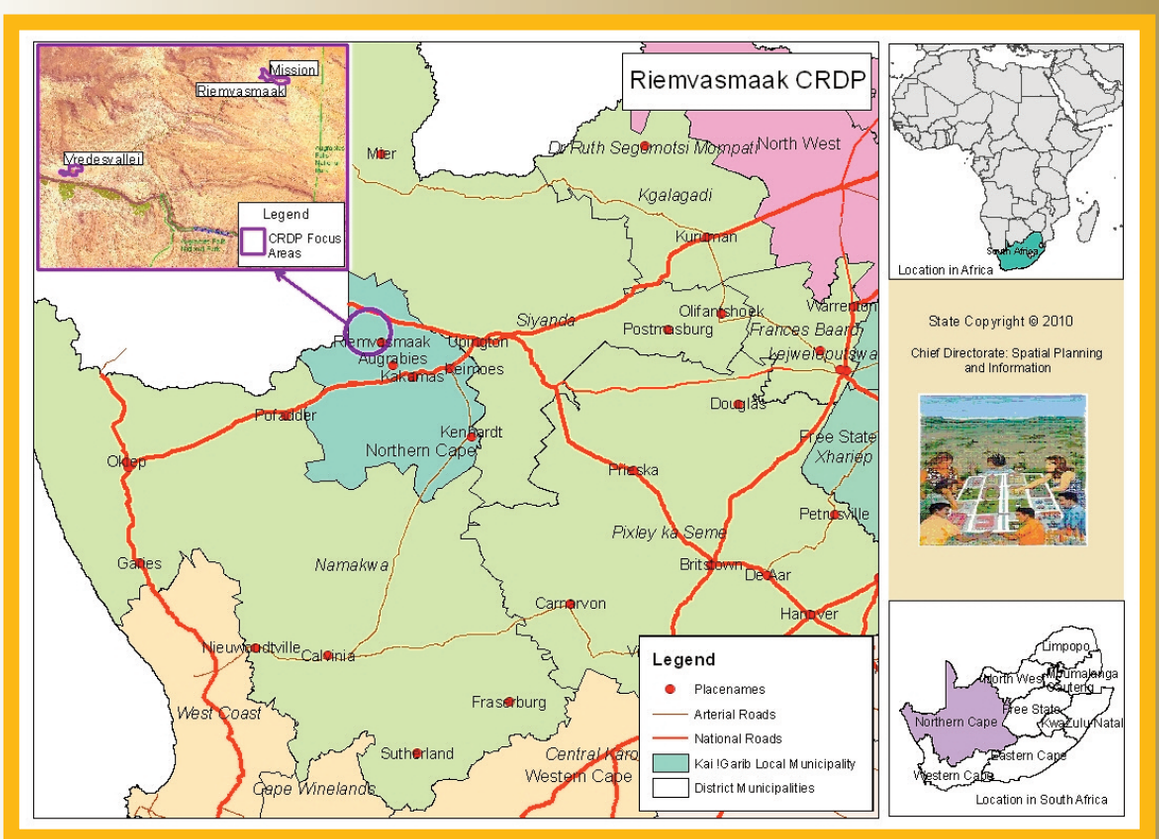


Riemvasmaak (Northern Cape Province)

RIEMVASMAAK		
PROVINCE	Northern Cape	
MUNICIPALITY	Siyanda District Municipality	
WARD NO	Located in District Management Areas	
POPULATION	1500	
NATURAL SYSTEMS	Topography	Area where settlements are located is generally flat with an estimated slope gradient of 1:10, but surrounded by mountains
	Geology	Dominated by alluvium with supporting gneiss with an inserted layered amfibolite.
	Soil Capability	Soils not suitable for arable agriculture but suitable for grazing where climate permits it
	Climate	Dry hot summers and mild winters
	Hydrology	Mainly surface water from the Orange River at Vredesvallei and groundwater at the Mission
BUILT SYSTEMS	Land Uses	There is informal and formal housing development at both villages. The formal housing in this instance refers to popularly known as RDP houses. The most pre-dominant land uses in the Vredesvallei are agricultural activities for both commercial farming, subsistence, and grazing in general. There are also a sport facility, a church, a library, a primary school and a municipal office as well as a cemetery. In the Mission there is a primary school, crèche, municipal building, church, cemetery, sport facility, tourism office, mobile clinic, few house shops.
	Water	Most of the population struggle with access to water, especially during summer months where water need to be transported to Mission
	Sanitation	Municipal buildings have flush toilets and households have access to VIP toilets
	Electricity	Most households have access to electricity
	Roads	Good access at Vredesvallei where most internal roads are gravel but are currently being upgraded to tar. Access to the Mission is poor as the gravel road is not in good condition. This village still serviced by gravel roads internally.
SOCIO – ECONOMIC	Demographics	52.2 % are female, and 47.8% male
	Employment	High levels of unemployment
	Income Levels	60% of the inhabitants have a monthly household income of between R0-R800.
	Education	Two primary schools as well as two crèches, one in each settlement. Learners attend secondary school in Kakamas.
	Economic Activities	Agriculture predominant economic activity in Vredesvallei and Vaaldrift (Grapes). Limited commercial activity.
	Health Facilities	Mobile clinic that visits both settlements once a month
	Recreation	Sport facilities in both settlements. No parks for children.
KEY FINDINGS	High unemployment levels, upgrading of gravel road needed between the Mission and Kakamas, scholar transport needed to Kakamas as there is no secondary school in both villages, problems are experienced with water supply in summer especially at the Mission, internal road networks needs to be upgraded to at least a basic level (gravel). Informal houses are in a poor condition. Sanitation infrastructure is at a basic level. Only a mobile clinic that visits both settlements once a month. Upgrading of Early Childhood Development centres, need for Internet Access at library, need to include other sport codes at the sport facilities, limited activities for youth.	

The projects reflected in the table below are currently in either planning, tender or construction phase

Project Description	Responsible funding Department / Stakeholder	Estimated Expenditure
1. 37km Water pipeline Riemvasmaak	DRDLR/DWAFF	R 16,000,000
2. Livestock water improvement project John Taolo	DRDLR/ Provincial Department of Agriculture	R 880,000
3. Kgomo Lemetsi Water Improvement	DRDLR/ Provincial Department of Agriculture	R 2,200,000
4. Permonkie (water)	DRDLR/ Provincial Department of Agriculture	R 1,200,000
5. Kgalagadi Sales Pen	DRDLR/ Provincial Department of Agriculture	R 200,000
6. Geisemap Fencing (78km) and boreholes	DRDLR/ Provincial Department of Agriculture	R 3,400,000
7. Riemvasmaak garden, fencing and handling facilities	DRDLR/ Provincial Department of Agriculture	R 12,000,000
8. House funding shortfall Riemvasmaak	DRDLR/ Provincial Department of Agriculture	R 1,055,000
9. Appointment of consultants to design & supervise services for sewer network and oxidation ponds	DRDLR/ Provincial Department of Agriculture	R 400,000
10. Construction of a E-Rural Access Centre (E-RAP) Sending	DRDLR	R 800,000
11. Revamping and furbishing of an Early Childhood Development Centre (ECD) Vredesvallei.	DRDLR/National Development Agency	R 1,000,000
12. Revamping of a Community Halls Mission and Vredesvallei	DRDLR	R 1,000,000
13. Construction of a Community Library Mission	DRDLR	R 1,100,000
14. Establishment and furbishing of Community E – Rural Access Centers in Vredesvallei and Mission	DRDLR	R 700,000
15. Construction 98 houses	Siyanda District Municipality	R 6,000,000
16. Solar Power 100 units and solar lighting for sports fields	DRDLR	R 2,500,000
17. Riemvasmaak Roads Upgrading Programme	DRDLR	R 5,000,000



Mkhondo/Donkerhoek (Mpumalanga Province)

EMMAHASHINI		
PROVINCE	Mpumalanga	
MUNICIPALITY	Pixley KaSeme Local Municipality	
WARD NO	10	
POPULATION	279 households	
NATURAL SYSTEMS	Topography	Emahasini area partly lies in the floodplains of the Heyshope dam, this is indicative of a relatively flat elevation of between 1331 and 1360.
	Geology	
	Soil Capability	The farm is currently owned by a commercial farmer that cultivates the bigger part of the farm leaving very little for the rest of the occupiers to utilize. The soils on the farm is of high potential that could give good returns of any type of crop planted
	Climate	The climate of the area is characterized by higher rainfall (approximately 766mm per annum) compared to the other two areas. The main rainfall starts from October and last until April. The rainfall during winter is sparse, the temperatures are moderately cold during winter months and moderately warm during summer months
	Hydrology	The potential to develop the land for irrigation is possible since the water table is high and a sizable dam is close to the farm.
BUILT SYSTEMS	Land Uses	The current land uses include typical labour tenancy occupation consisting of household and cultivation of maize, dry beans and livestock. Other produce that should be investigated includes soybeans and other types of livestock production. The area is categorised by its rural nature with limited basic services and most commodities and service need to be sourced.
	Water	There is an underground water source with self-made boreholes in the area. There is also a river running through the area.
	Sanitation	There are VIP toilets in the area. There are concerns with regards to the underground water pipes and location of VIP toilets and the possible contamination of water sources.
	Electricity	Electricity network in this area is available.
	Roads	Internal roads need upgrading and the rivers do not have any bridges to cross over during heavy rainfall
SOCIO – ECONOMIC	Demographics	279 households
	Employment	There are low levels of employment
	Income Levels	Not determined, however the community is employed at nearby commercial farms and as migrant workers.
	Education	The schools nearby are being used for children from this area. Edelsteen Primary School is being used, but there are concerns regarding access and alternative uses of the school building (i.e. as a shed at night)
	Economic Activities	There is no major economic activity but there is commercial farming for the owner of the farm and subsistence farming for labour tenants as well as livestock shedding
	Health Facilities	There is no health facility, the community has to travel to the nearest area where there is a clinic
	Recreation	There are no recreational facilities
KEY FINDINGS	Social cohesion in sparsely placed households within the area might be a challenge. There is a need for infrastructure (roads, electricity, telecommunication and amenities) and provision of basic services. The Emahasini community is a dispersed settlement and they utilize small holder properties in an agricultural environment. They are vulnerable to contaminated water due to sewer. The children of the area are sometimes denied access to the Edelsteen Primary School and there is a lack of facilities hence during the day the school building is used for schooling activities and at night it is used as a livestock shed. There is an unreliable scholar transport system due to the bad conditions of their roads. In the area there are 5 properties belonging to the Department of Public Works and could be explored for utilisation: Portion 1 of the Farm Deutschland 27 HT, Portion 1 of the Farm Grootspruit 23 HT, Portion 4 (a portion of portion 1) of the Farm Poortjie 32 HT, Portion 1 and 2 of the Farm 19 HT Roodekraal, Portions 1 and 2 of the Farm Maquasa 21 HT, Eerstegeluk, Hamburg. Some of these properties are under lease for commercial farming by a private farmer and some are being utilised illegally due to expiry of the leases.	

JABULANI BAFAZI		
PROVINCE	Mpumalanga Province	
MUNICIPALITY	Mkhondo Local Municipality	
WARD NO	4 and 11	
POPULATION	9932	
NATURAL SYSTEMS	Topography	The study area generally slopes in a south-easterly direction. Several valleys and hills occur throughout the area with fairly undulating terrain. The study area ranges from 600m above sea level to 1 600 and 1 700.
BUILT SYSTEMS	Land Uses	The current uses include residential, agricultural activities such as subsistence livestock farming, institutional such as primary school, forestry, water bodies, graveyard, sports field and business such as a tuck shop.
	Water	● Community relies on water from the dam. ● The water is pumped from the dam ● There is a water purification plant ● There is water reticulation in the area and stand pipes are installed but the community only has access to water in the evening.
	Sanitation	● The community has no ablution facilities. ● No sewerage bourn-system ● Not every household has pit-latrines
	Electricity	There is no electricity in the area.
	Roads	Bad access, most internal roads are gravel.
SOCIO – ECONOMIC	Demographics	Dominant race is Blacks, dominated by females,
	Employment	High levels of unemployment however the community relies on Mondi Packaging South Africa for employment.
	Income Levels	Income levels vary, 85% of households survive on an income of less than R2 000 a month and are dependent on social grant.
	Education	One primary school named Thathakusa which is closed down due to the low number of enrolled pupils in the community. No high schools in the area, learners are dependent on school buses to transport them to Esibusisweni Combined School which is located in Webber.
	Economic Activities	Agriculture and forestry is the largest economic sector in the community. The community practice subsistence agriculture and farming.
	Health Facilities	● No mobile clinic visits to the area. ● The nearest health facilities are in Iswepe and Piet Retief.
	Recreation	No recreational facilities
KEY FINDINGS	High unemployment levels, certain areas within town require infrastructure upgrading. High teenage pregnancy levels, need for additional Early Childhood Development centres, need for Internet Access at library, need to upgrade and maintain sports complex, limited activities for youth, no existing communal agricultural projects.	

KWANGEMA		
PROVINCE	Mpumalanga	
MUNICIPALITY	Mkhondo Local Municipality	
WARD NO	2	
POPULATION	21 622 (Stats SA, 2001)	
NATURAL SYSTEMS	Topography	Kwangema area lies around the Heyshope dam. This is indicative of a relatively flat elevation of between 1288 and 1380.
	Geology	
	Soil Capability	The soil depths can support planting of tree crops and grain crops as there is no restriction on root development. Due to the soil depth and content it is suitable for irrigation.
	Climate	The climate of the area is characterized by moderate high rainfall (approximately 754mm per annum). The main rainfall starts in October and last until April. Temperatures are moderately cold during winter months and slightly warm during summer months.
	Hydrology	The water sources on the farm include 7 boreholes that need to be repaired. Livestock receives drinking water from the dam that belongs to the Department of Water Affairs.
BUILT SYSTEMS	Land Uses	The current land uses include residential, cultivation of maize, dry beans, potatoes, soybeans, livestock production, subsistence farming, post box facility, cemetery, general dealer, the dam, clinic and several schools as well as mines in close proximity of the area
	Water	There is water reticulation in the area and standpipes that are currently installed are mostly done illegally. There are also a number of boreholes in the area but many of them are not operational.
	Sanitation	According to the 2001 census 85,8% of the average population had access to toilets. Currently most of the stands in Kwangema have VIP toilets on the stands
	Electricity	There is an electricity network in the area and the 2001 census data indicate that 43,7% of the average population have access to lighting.
	Roads	Internal roads are drivable but during rainy season is very muddy and not accessible
SOCIO – ECONOMIC	Demographics	Dominant race is blacks with 21587 people, 15 coloureds, 12 Asian and 8 whites (Stats SA, 2001),
	Employment	Economic active population is about 4 513 and only 24% is employed. The community is mostly employed in the mining sector, commercial farming, civil service, migrant workers and self employment (SMME).
	Income Levels	The average annual income for the area according to the 2001 census date is R9 698 per small area as divided in terms of the statistics.
	Education	There are two schools in the area namely a primary and combined school
	Economic Activities	There is informal trading, general dealer, taverns as well as subsistence farming and most of the formally employed people work outside the area.
	Health Facilities	There are three clinics: One in the southern area of Kwangema and the other two in Driefontein.
	Recreation	No recreational facilities e.g. play parks or sport facilities
KEY FINDINGS	The community has no telecommunication infrastructure that exists in the area to enhance efficient communication. Also, the social cohesion in sparsely placed households is a constraint and there is a great need for infrastructure (roads, electricity, telecommunication and amenities) to better the living standard of the community. The area has a low provision of basic services. The Ngema community is split by the Heyshope dam which posses a need for linkage through a bridge. The community uses small holder properties in agricultural environment. Their water is contaminated by sewer and mining activities.	

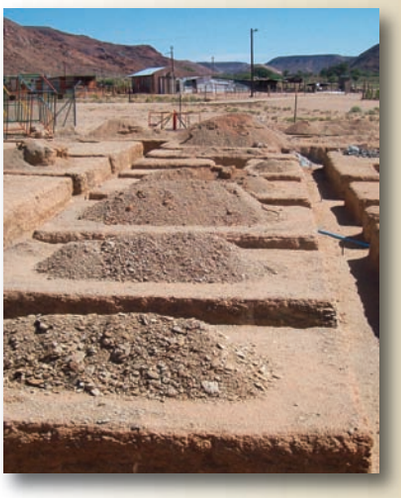
DONKERHOEK		
PROVINCE	Mpumalanga	
MUNICIPALITY	Mkhondo Local Municipality	
WARD NO	3 & 4	
POPULATION	The available statistics are not up to the local level i.e. Donkerhoek	
NATURAL SYSTEMS	Topography	The Donkerhoek area lies within a basin which indicates the mountainous sides that are very steep. This is indicative of the high elevation of between 1386 and 1766 becoming moderate slopes in the valleys.
	Geology	The geology or soil formation is dominated by these elements such as Hu, Av, Cv, Gc, Sd, Gs, Ar, My, Va, and Rg.
	Soil Capability	Suitable for dry land cropping which it is suggested. Should be supplemented by irrigation.
	Climate	Moderate cold winter months and slightly warm summer.
	Hydrology	The water table is relatively high and there are few boreholes in use in the community.
BUILT SYSTEMS	Land Uses	The current land uses of Donkerhoek include residential, agriculture and forestry. Community members also practice subsistence farming. Livestock farming, residential and timber plantation and crop farming (blue gum) is also prevalent in the area.
	Water	The Assegaai and Hlelo rivers flow parallel to the settlements of the CRDP. There is no bulk water infrastructure and the community relies on water from the river, boreholes/underground and natural springs. Most of the crops in the area are cultivated under dry land. Livestock receive drinking water from the river.
	Sanitation	The community has no ablution facilities. No flush toilets and 20 VIP toilets have been developed recently.
	Electricity	There is no electricity in the area however the electrification process has started. A recent site visit revealed that most households in Donkerhoek now have electricity.
	Roads	All the roads were requiring grading and maintenance and this has been observed from a recent site visit. Need for bridges as the area is inaccessible during rainy seasons Soil erosion next to internal roads prevalent The community has challenges with transport to interconnecting areas made worse by road conditions.
SOCIO – ECONOMIC	Demographics	The dominant race is the African people, dominated by females.
	Employment	The community relies on migrant labour and selling of timber at the processing mill. Some community members are dependent on Coal mine employment. Adjacent commercial farms leasing the land and a heavy reliance on government grants. Some community members derive their livelihood thatch grass cutting.
	Income Levels	Income levels vary and an overwhelming majority of the households survive on an income of less than R2 000 a month. This can be attributed to an extent to the fact that there is a relative high illiteracy rate in the area.
	Education	The Twyfelhoek Primary School in the area has been upgraded to cater for higher grades. There is no high school in the area. Scholar transport transports high school learners to Driefontein High School. Furthermore, Kangra mine has committed to build an additional 10 classroom for the local school.
	Economic Activities	Agriculture is by far the most predominant economic activity in the area, this include livestock farming (goats, cattle, sheep, horses, pigs and limited poultry) and crop farming. Therefore provides more jobs for the local people. Some community members in Donkerhoek are involved in the selling of timber at the processing mill while others are employed at the Coal mine(s). Yet another section of the community relies on thatch grass cutting as a source livelihood.
	Health Facilities	No mobile clinic visits the area and the nearest health facility is in Driefontein (which can be considered as a Rural Service Centre for the study area). Burial grounds are located in homesteads which have the potential for contaminating the perennial rivers and underground water.
	Recreation	There are no formal recreational facilities in the area nonetheless there is a soccer field that the community members use to play football.
KEY FINDINGS	The following are some of the challenges that were noted to be prevalent in the area: ● No telecommunication infrastructure exists in the area. ● Social cohesion in sparsely placed households within the area is a challenge. ● Infrastructure (roads, electricity, telecommunication and amenities) ● Provision of basic services in the area is also a huge challenge exacerbated by the sparse fabric of the settlement. ● The community is split by the municipal boundary therefore some community members are both in Mkhondo and Pixley ka Seme Local Municipalities. ● Burial sites are situated within the homesteads of the Donkerhoek Community and this poses a health hazard.	

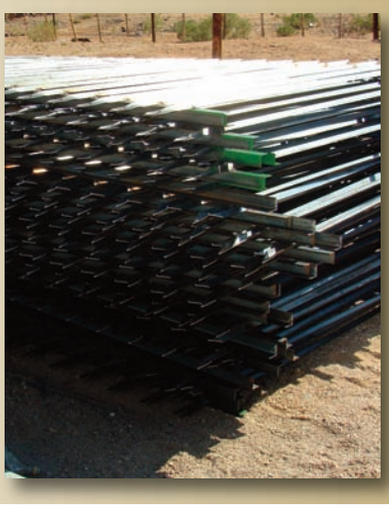
The projects reflected in the table below are currently in either planning, tender or construction phase

Project Description	Responsible funding Department / Stakeholder	Estimated Expenditure
1. Access roads	Dept Works Roads and Transport/Mkhondo Local Municipality	R 6,000,060
2. Masibuyele Emasimini	Dept of Agriculture Rural Development and Land Affairs	R 33,000,000
3. Integrated livestock development	Dept of Agriculture Rural Development and Land Affairs	R 500,000
4. Access to basic education	EDUCATION/MONDI/BUNENGI	R 500,000
5. Water reticulation - domestic	Gert Sibande District Municipality	R 15 000,000
6. Sanitation	Gert Sibande District Municipality	R 6,000,000
7. Provision of houses	HUMAN SETTLEMENT/MLM, DHS	R 11,400,000
8. Agro-tourism centre	DEDET, DARDLA	R 6,000,000
9. Water bottling industry	DEDET	R 500,000
10. Access to primary health	HEALTH	R 1,300,000
11. Early child development (ecd)	SOCIAL DEV/BUNGENI.	R 397,377
12. Solar system installation	DARDLA, HS, DRDLR	R 5,000,000

Mokgalwaneng, Disake & Matlametlong (North West Province)

DISAKE AND MATLAMETLONG		
PROVINCE	North West	
MUNICIPALITY	Moses Kotane Local Municipality	
WARD NO	29	
POPULATION	6800 est	
NATURAL SYSTEMS	Topography	Moderately sloped to the northeast and south between 1220 and 1120 meters above sea level
	Geology	The area is dolomite in nature.
	Soil Capability	Mostly medium potential soils and patches of high potential at the north.
	Climate	Moderately hot in summers and single digit in winters
	Hydrology	The community is highly dependent on scarce ground water
BUILT SYSTEMS	Land Uses	Dominated by residential land uses including, mining, and some few commercial activities
	Water	Though most households has stand pipes ground water is not sufficient
	Sanitation	1 323 latrines without ventilation, 3 bucket latrines, 8 with no toilets, 9 has waterborne sewerage
	Electricity	Most households have access to electricity
	Roads	Most internal roads are drivable but during rainy season is very muddy and not accessible. Road from Matlametlong to Disake is very bad. The part of the road from Kraalhoek turnoff from Disake to Northam is not tarred in Limpopo Province.
SOCIO – ECONOMIC	Demographics	Dominant race is African, with females being the majority.
	Employment	High levels of unemployment
	Income Levels	Income levels vary, 78% of households survive on an income of less than R1 500 a month.
	Education	Five primary schools, one middle school and a secondary school. Adult population mostly literate.
	Economic Activities	The community is mainly reliant on mining and subsistence farming
	Health Facilities	1 standard and 1 deteriorating clinic, shortage of nurses, no ambulance and shortage of equipment.
	Recreation	No formal sporting facilities or recreational parks.
KEY FINDINGS	No central economic hub in the area. All people travel to Northam and Mogwase for groceries. No incentives for investors to build infrastructure and invest in the CRDP study area (no tax rebates for developers). Poor infrastructure and basic service provision (roads, electricity, telecommunication and amenities). Contamination of groundwater due to poor sanitation. No central economic hub in the area. All people travel to Northam and Mogwase for groceries.	

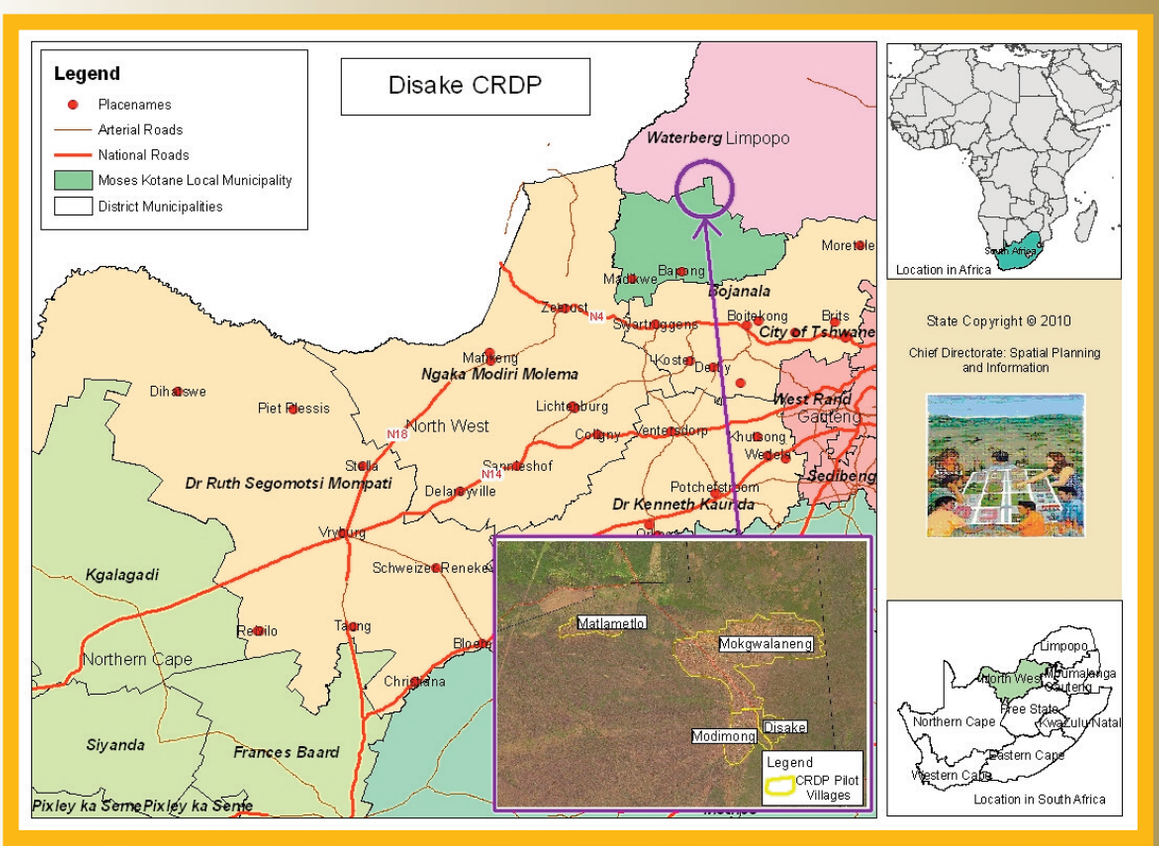




MOKGALWANENG		
PROVINCE	North West Province	
MUNICIPALITY	Moses Kotane Local Municipality	
WARD NO	29	
POPULATION	9,205	
NATURAL SYSTEMS	Topography	Mokgalwaneng village borders a moderate hill that rises to 1200 meters above mean sea level in the north eastern part of the village. This is indicative of the undulating terrain that varies between 1220 and 1120 meters becoming moderately sloped to the northeast and south.
	Geology	Predominantly dolomitic formations.
	Soil Capability	The whole of Disake falls within an area that is non-arable and low to moderate grazing land. This is due to dolomite outcrops. These outcrops contain water rich aquifers suitable for groundwater for potable water.
	Climate	Temperatures are moderately cold during winter months and hot during summer months.
	Hydrology	Mainly ground water
BUILT SYSTEMS	Land Uses	The current land uses include residential, agriculture and forestry. Community members also practice subsistence farming. There are nine schools and four clinics in the three villages. There is a community hall in Disake that is used on weekdays as a crèche and occasionally is a social grant pay point. There are a few shops.
	Water	Ground water is the only source of water. There are a few reservoirs in the villages and surrounding areas.
	Sanitation	Most households have ventilated pit latrines. Not all dwellings have toilets.
	Electricity	There is an Eskom electricity network. Most of the households have access to electricity.
	Roads	Poor condition of roads, especially between Matlametlong and Mokgalwaneng. Access road to the nearest town, Northam is of a poor condition in the Limpopo side. Some of the internal roads are tarred.
SOCIO – ECONOMIC	Demographics	Dominant race is Africans, dominated by females (52%), Economic active population of 24.7 %,
	Employment	High levels of unemployment. Mokgalwaneng (53%), Matlametlo (47%) and Disake (43%)
	Income Levels	Income levels vary. The average household income for the area is between R35 000 an R50 000 per annum.
	Education	There are 3 primary schools and 1 High school in Mokgalwaneng. There is one primary and 1 secondary school in Disake. Scholars from Matlametlong have to travel daily to access these schools. 49.9% of the population had no schooling or attained some primary education. Only 11.86% of population have completed High School or tertiary education.
	Economic Activities	Agriculture is a predominant economic activity (mainly livestock, goats and vegetable gardens). There is a PPC cement factory and mine, in Dwaalboom, 15 km north of the study area and a mine in Kraalhoek.
	Health Facilities	There is one clinic in Mokgalwaneng and a clinic and health centre in Disake. There are no health facilities in Matlametlong.
	Recreation	There is a community hall that doubles for a crèche in Disake.
KEY FINDINGS	High unemployment levels, certain areas within town require infrastructure upgrading. Poor infrastructure (roads, electricity, telecommunication and amenities). Lack of provision of basic service infrastructure. Contamination of groundwater due to poor sanitation. Very poor local economy. No central economic hub (the nearest is in Northam in Limpopo province). No incentives for investors to build infrastructure and to invest in CRDP study area.	

The projects reflected in the table below are currently in either planning, tender or construction phase

Project Description	Responsible funding Department / Stakeholder	Estimated Expenditure
1. Livestock handling facilities	DRDLR	R 1,400,000
2. Housing Programme (300 houses)	DRDLR/Dept Housing	R 21,300,000
3. High-mast lighting (30 units)	DRDLR/Local Municipality	R 5,400,000
4. Bulk water storage facilities	DRDLR and DWAFF	R 3,000,000
5. Sanitation 300 sites	DRDLR/Local Municipality	R 2,400,000
6. Upgrading link road Z554 between Mokgalwaneng and Matlametlong villages	DRDLR/Provincial Dept Public Works Roads and Transport	R 32,000,000
7. 4 Livestock handling facilities	Dept Agriculture, Conservation, Environment and Rural Development	R 316,621
8. Upgrading of roads D511 (Kraalhoek) and D96 (Mantserre)	Provincial Dept Public Works Roads and Transport	R 45,000,000
9. Construction of Modikela Service Point	Bakgatla Ba Kgafela Tribal Authority	R 1,000,000
10. Water reticulation	Local Municipality (Moses Kotane)	R 10,000,000
11. 30 Houses	Department of Human Settlements	R 1,272,950
12. Fencing	Dept Agriculture, Conservation, Environment and Rural Development	R 3,300,000

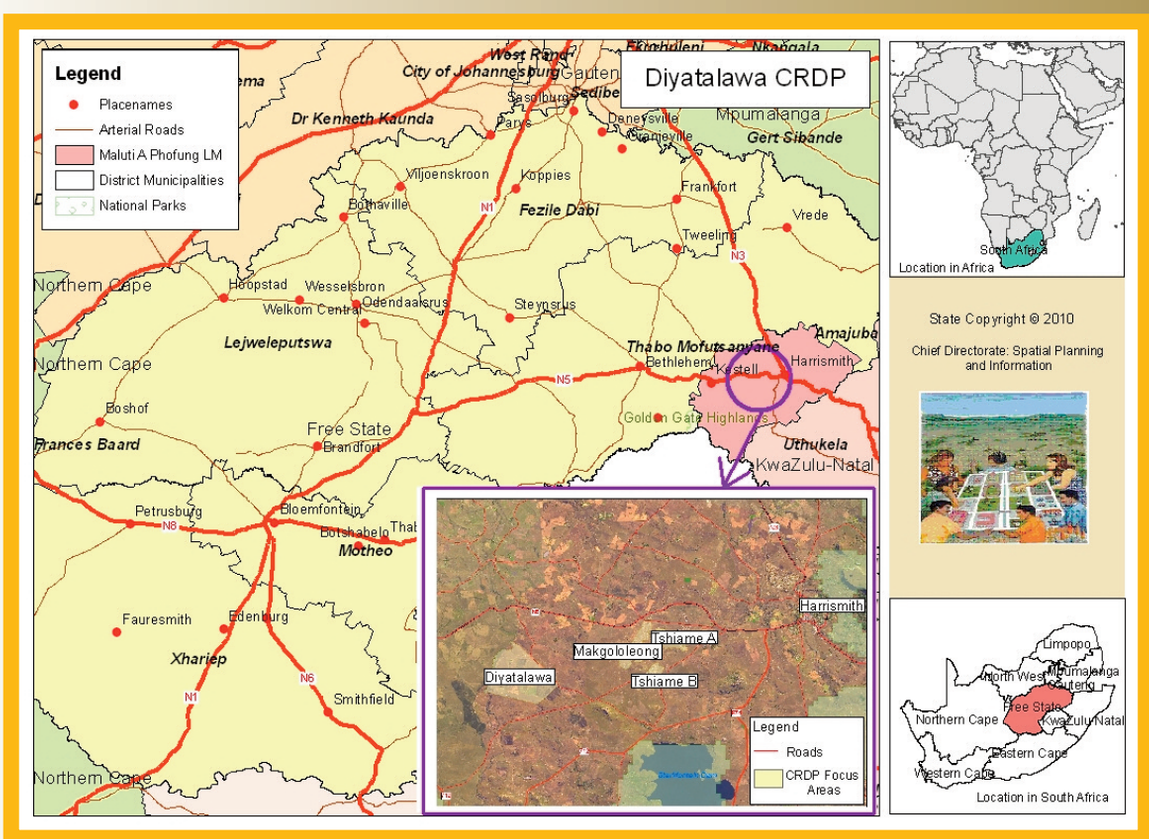


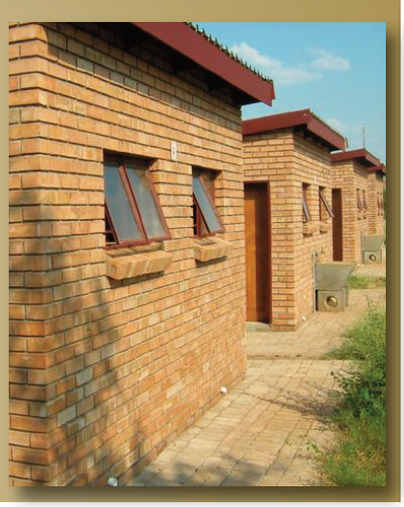
Diyatalawa, Mokgolokoeng & Tshiame (Free State Province)

DIYATALAWA, MOKGOLOKOENG AND TSHIAME		
PROVINCE	FREE STATE	
MUNICIPALITY	Maluti–a–Phofung Local Municipality	
WARD NO	DC 19, FS194, Thiame A & Makgolokoeng fall under Ward no.4, Tshiame B and Diyatalawa Ward No.1	
POPULATION	Approximately 360,797	
NATURAL SYSTEMS	Topography	Relatively flat/gentle slope and compliments well for engineering services
	Geology	The area is underlain by andesitic lava of the Drakensberg formation, dolerite, alluvium and talus, sandstone and shale.
	Soil Capability	Moderately well adapted cultivation land with high agricultural potential.
	Climate	Frequent snowfalls, particularly on the higher ranges whilst the west can be extremely hot in summer
	Hydrology	The community has good access to water supply as the area receives its water from Elands River which flows through the area.
BUILT SYSTEMS	Land Uses	Diyatalawa is dominated by agriculture whilst Mokgolokoeng and Tshiame are dominated by residential land uses including, industrial, and some commercial activities
	Water	No water supply to households and communal stand pipes are not functional, water trucked from Qwa Qwa.
	Sanitation	Dry pit latrines at Diyatalawa and Mokgolokoeng some in poor condition, water borne/VIP in Tshiame.
	Electricity	No household connection at Diyatalawa and Mokgolokoeng but the chief's residence, school and the farm house have got connections. Tshiame has got households connection.
	Roads	Diyatalawa and Mokgolokoeng have gravel access roads in poor conditions and no public transport, whilst Tshiame has got tarred roads and regular public transport.
SOCIO – ECONOMIC	Demographics	Dominant race is African, with females being the majority.
	Employment	High levels of unemployment
	Income Levels	Income levels vary, 67% of households survive on an income of less than R9 600 per annum
	Education	There is one primary school in Diyatalawa and no school at Mokgolokoeng. Tshiame has got one primary school and a secondary school. Low level of school attendance is one of the challenges facing the local municipality.
	Economic Activities	The community relies heavily on subsistence farming for survival. This involves farming activities such as apple and livestock farming as well as community gardens. But there are also existing commercial farming projects.
	Health Facilities	No health facilities, there is a mobile clinic that comes twice a month.
	Recreation	No formal sporting facilities or recreational parks.
KEY FINDINGS	Diyatalawa Findings: Electricity supply is a challenge as there are no house connections except for the original farm house. The access road to Diyatalawa is in a poor state. Farmers at Diyatalawa need an orchard tractor (small tractor); tree sprayer, grass cutter; nets and a pack house. Black emerging farmers do not have the technical skills to produce crops such as apples. Water for residential use is sometimes a problem as it needs to be trucked in from Qwa Qwa. There are no transport facilities. Residents have to hitch-hike if they need to travel to Harrismith or Kestell to buy groceries. There is a building available but farmers need financial assistance and technical assistance. There is a mobile clinic twice a month that attends to approximately 600 people including the surrounding areas. Grade 4 learners need to find accommodation in Harrismith, Kestell and Qwa Qwa as the school only caters for learners up to Grade 4. Solar panels are used for solar energy to operate the water pump. Mokgolokoeng Findings: Electricity supply is a challenge as there are no house connections. All internal roads are gravel with some of them in a poor condition. Water for residential use is a problem as water needs to be trucked in to fill up the water tanks that have been placed strategically around the village. Transport is a challenge in that taxis are only available at certain times during the day. There is a mobile clinic every two weeks that needs to attend to approximately 12 000 people. Housing mostly consists of traditional structures. Pit latrines with poorly constructed top structures are obvious everywhere. There are no schools in both Tsele and Mahaseng extensions. Learners need to attend school in Tshiame A and B by walking there or taking a taxi. In Tshiame A there is a primary school that accommodates 925 learners and in Tshiame B there is a secondary school that accommodates 410 people. There are challenges in terms of communication between Redistribution and Restitution and this is halting the processing of the land claim of Makgolokoeng residents. The area is too small for commercial livestock farming due to the carrying capacity of the land. Tshiame Findings: Tshiame is a formal area that needs little intervention except for formally demarcated grazing areas for their livestock.	

The projects reflected in the table below are currently in either planning, tender or construction phase

Project Description	Responsible funding Department / Stakeholder	Estimated Expenditure
1. Recreation/ indoor sports centre (Jacobs dal)	DRDLR	R 3,000,000.00
2. Centre Pivots	DRDLR	R 1,100,000.00
3. Human settlement	DRDLR	R 392,000.00
4. Milking parlor	DRDLR	R 2,000,000.00
5. Fencing	DRDLR	R 135,000.00
6. Recreation/ indoor sports centre (Jacobs dal)	DRDLR	R 3,000,000.00
7. Centre Pivots	DRDLR	R 1,100,000.00





Msinga & Vryheid (KwaZulu-Natal)

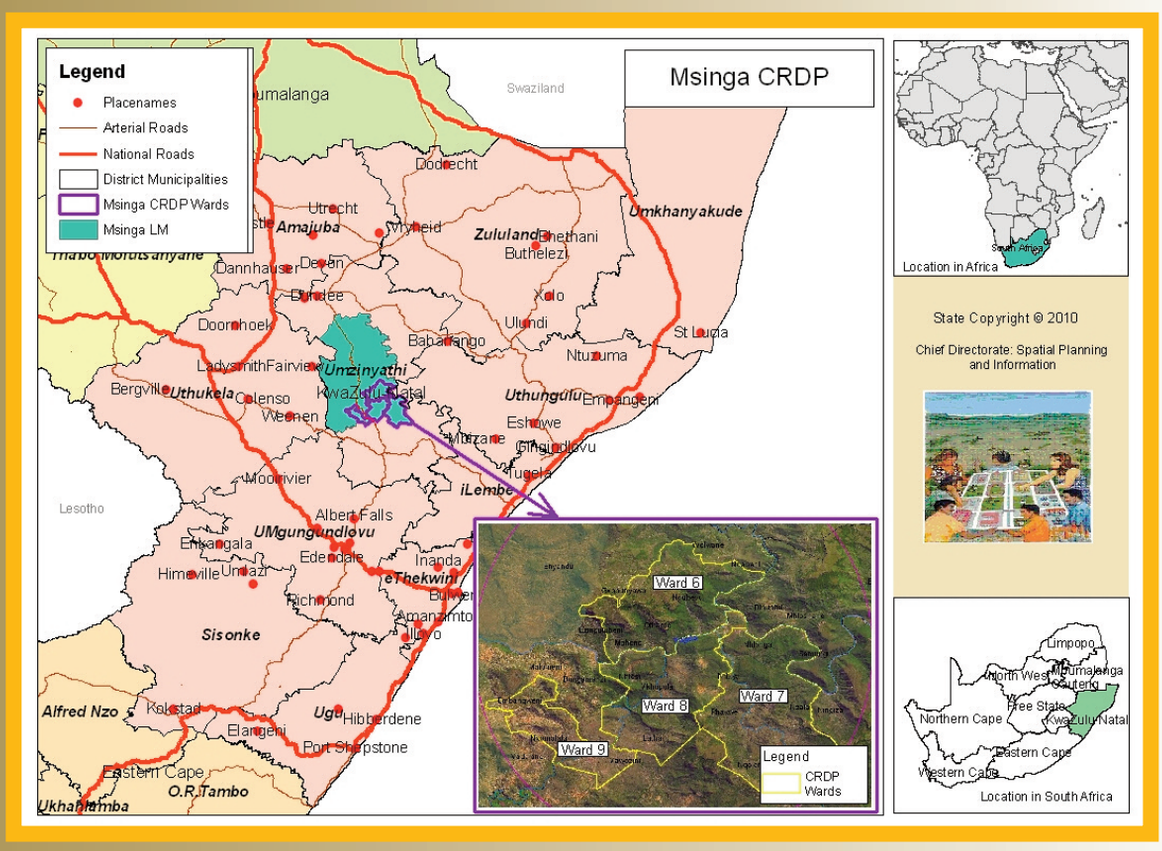
MSINGA CRDP SITE		
PROVINCE	KwaZulu-Natal	
MUNICIPALITY	Msinga Local Municipality	
WARD NO	6,7,8	
POPULATION	Estimate of 9 000 households	
NATURAL SYSTEMS	Topography	Very bad for any kind of development. Very mountainous
	Geology	Igneous and metamorphic rocks dominate, very rocky
	Soil Capability	Bad/poor soil, pervasive degradation, shallow, rocky/stony soils. Unpalatable (for livestock) shrubs dominate
	Climate	Mild-cold winters, hot summer with convectional thunderstorms & flash floods
	Hydrology	Mainly boreholes and two rivers traversing the area i.e. Tugela & Mooi River. The area is very dry.
BUILT SYSTEMS	Land Uses	Mainly traditional villages with two rural service centers, no shopping centers, no industries, goat and cattle farming takes place on mountains while vegetable farming is found along the rivers where there are patches of cultivable soils.
	Water	Most of the population relies on boreholes, rainwater and rivers.
	Sanitation	No waterborne sewerage, a few pit-latrines exist in some villages. Generally poor sanitation.
	Electricity	A few villages have access to electricity
	Roads	Bad access due to topography, gravel roads are under construction, one tarred road passing through the area.
SOCIO – ECONOMIC	Demographics	99% African/Black population, good mix of young and old generation. Young people moving to urban center outside the area.
	Employment	High levels of unemployment especially among the youth
	Income Levels	High dependence on grants and old age pension.
	Education	High illiteracy levels, schools are being built but learners still walk long distances. No tertiary institutions
	Economic Activities	Vegetable farming and some dry land agriculture dominate, no industries, farming is mainly for subsistence.
	Health Facilities	There are clinics within wards and one regional hospital.
	Recreation	No recreational facilities
KEY FINDINGS	Huge need for water, sanitation and sustainable energy, need to encourage/help youth to study further, need to fence & support small scale agricultural initiatives, extend grants/pension to those that qualify, intensify fight against HIV &TB, Attract non agricultural/ non land based industries, create employment.	

	VRYHEID CRDP SITE	
PROVINCE	KwaZulu-Natal	
MUNICIPALITY	Abaqulusi Local Municipality	
WARD NO	7 & 5	
POPULATION	34 058	
NATURAL SYSTEMS	Topography	Consists of a terrain that is largely rugged but hosts a varied topography, a combination of mountainous thornveld in the south east near Louwsburg to areas that lie 400m above sea level.
	Geology	High volumes of coal available in coal reserves around Vryheid
	Soil Capability	Bad/poor soil dominated by grasslands
	Climate	Dry, moderate winters. Mean annual rainfall between 640mm and 800mm. Mean annual temperatures between 17° – 19°C.
	Hydrology	Two main catchment areas in the area, Umfolozi catchment and Mkhuze catchment. Present good potential.

VRYHEID CRDP SITE (CONTINUED)		
BUILT SYSTEMS	Land Uses	Mixture of formal, traditional and informal dwellings. Dormitory towns but not maintained. Vryheid serves as economic and social hub for local municipality.
	Water	Most of the population relies on boreholes, rainwater and rivers. Most have access to piped water in towns.
	Sanitation	Some access to water borne sewerage, mostly pit-latrines exist in some villages. Generally poor sanitation.
	Electricity	Towns have access to electricity; a few villages have access to electricity.
	Roads	Roads in towns in fair condition; roads in villages of poor quality.
SOCIO – ECONOMIC	Demographics	Predominantly African/Black population. High percentage of population younger than 21 years old.
	Employment	High levels of unemployment especially among the youth
	Income Levels	High dependence on grants and old age pension.
	Education	Most people have primary and secondary education, limited access to tertiary education.
	Economic Activities	Timber, field crops and livestock are dominant agricultural activities. Some mining also takes place in area.
	Health Facilities	Two public hospitals in area, most people have access to clinics.
KEY FINDINGS	Need for water, sanitation and sustainable energy especially in rural areas. Infrastructure maintenance in towns; need to support small scale agric initiatives; create employment and further explore mining as a key economic activity in area.	

The projects reflected in the table below are currently in either planning, tender or construction phase

Project Description	Responsible funding Department/Stakeholder	Estimated Expenditure
1. Bulk Water Supply Scheme	DRDLR	R 8,000,000.00
2. Fencing Project (Asisukume)	DRDLR	R 1,860,000.00
3. Fencing Project (Nxamalala)	DRDLR	R 120,000.00
4. Pumps and Piping (Nxamalala)	DRDLR	R 500,000.00
5. Mkupula Irrigation Dam (repair)	DRDLR	R 850,000.00
6. Ngwalane Fencing	DRDLR	R 192,000.00
7. Ngcuba Diesel Engine Pipes and Equipment	DRDLR	R 120,000.00
8. Keatsdrift Pipes and pump	DRDLR	R 350,000.00
9. Nqoleni Stock Water Dam	DRDLR	R 120,000.00
10. Pomeroy Cluster Fencing (10km)	DRDLR	R 120,000.00
11. Electrification Kwadolo	DRDLR	R 8,000,000.00
12. Pack House	DRDLR	R 1,500,000.00
13. Fencing	DRDLR/Dept of Agriculture	R 9, 636,000.00
14. Creche	DRDLR	R 700,000.00
15. Sanitation Ward 5 (unblock sewer)	DRDLR	R 7,500.00
16. VIP Sanitation role out Ward 5	DRDLR	R 2,700,000.00
17. Housing Project Ext 16	DRDLR/Human Settlement	R 6,800,000.00
18. School Renovations: 1) Bogwe Primary 2) Umfoloos 3) Enyahi	DRDLR/Public Works	R 180,000.00
19. Mnyathi Trust Bloemdal	DRDLR	R 190,000.00
20. Boschhoek Mghobozi	DRDLR	R 186,000.00
21. Boschoek Igalelo	DRDLR	R 99,000.00
22. Bulk Infrastructure for Extension 16	DRDLR/Local Municipality	R 6,800,000.00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Legend
Placenames
Arterial Roads
National Roads
District Municipalities
Msinga CRDP Wards
Msinga LM
Swaziland
Lesotho
Umkhanyakude
Zululand
Umzinyathi
Uthungulu
iLembe
UMgungundlovu
eThekwini
Sisonke
Alfred Nzo
Ugu
O.R.Tambo
Ukhahlamba
Eastern Cape
Ward 6
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CRDP Wards
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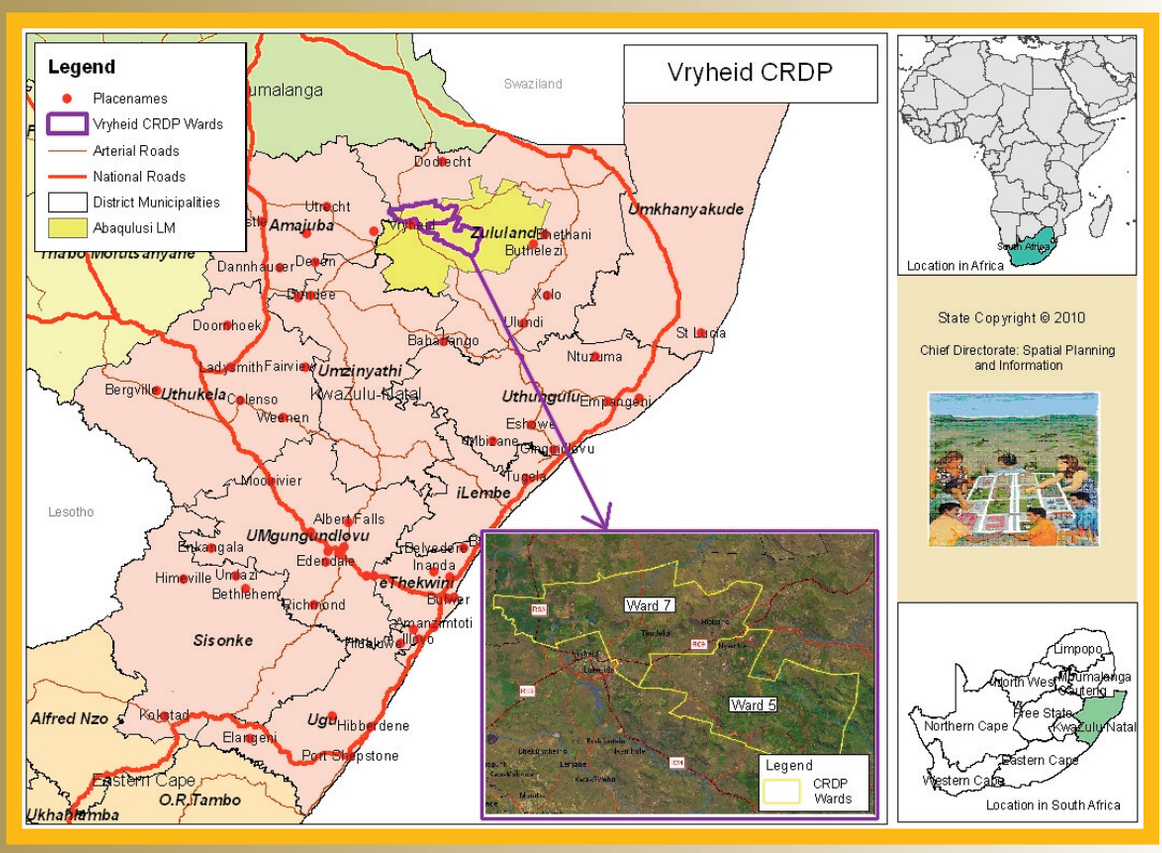
Vryheid CRDP
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Arterial Roads
National Roads
District Municipalities
Abaqulusi LM
Swaziland
Lesotho
Umkhanyakude
Zululand
Umzinyathi
Uthungulu
iLembe
UMgungundlovu
eThekwini
Sisonke
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Ugu
O.R.Tambo
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Ward 5
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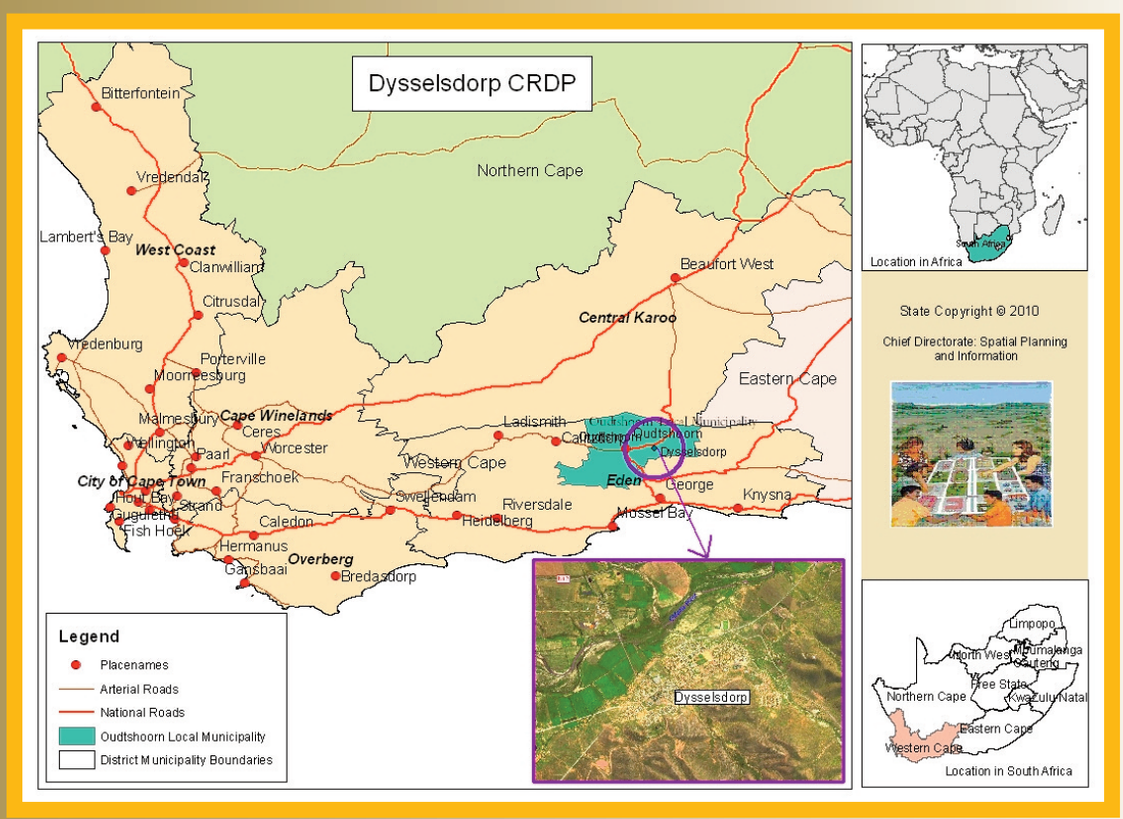
Dysselsdorp (Western Cape Province)

DYSSELSDORP		
PROVINCE	Western Cape	
MUNICIPALITY	Oudtshoorn Local Municipality	
WARD NO	10 & 12	
POPULATION	111 047	
NATURAL SYSTEMS	Topography	Relatively flat. Highest elevation 545m above sea level
	Geology	Dominated by silicisated bed rock.
	Soil Capability	Mixture of high and medium potential soils. Good soils found along the floodplains of Olifants River
	Climate	Dry hot summers and mild winters
	Hydrology	Mainly surface water from the Olifants River
BUILT SYSTEMS	Land Uses	Dominated by residential uses including, formal, informal and smallholdings. Limited commercial activities including a small shopping complex and house shops. Small industrial area including a liqourice factory. There is also a day clinic, sports complex, police station and community hall and 5 churches.
	Water	Most of the population have access to piped water
	Sanitation	Most households have access to waterborne sewerage
	Electricity	Most households have access to electricity
	Roads	Good access, most internal roads tarred, however certain areas within the town are still serviced by gravel roads
SOCIO – ECONOMIC	Demographics	Dominant race is coloureds, dominated by females (52%). Economically active population of 41.3%, and small aging population of 15.5%.
	Employment	High levels of unemployment
	Income Levels	Income levels vary, 85% of households survive on an income of less than R2 000 a month
	Education	Two pre-primary schools, three primary and a secondary school. Adult population mostly literate. Only 15% of population have completed their high schooling
	Economic Activities	Agriculture predominantly the economic activity (ostrich, vegetable and cattle farming). Industrial limited to a liquorice plant and small brickworks. Limited commercial activity.
	Health Facilities	Functional day clinic
	Recreation	Multi purpose sports complex, but is under utilized, limited parks for children to utilize
KEY FINDINGS	High unemployment levels, certain areas within town require infrastructure upgrading. High teenage pregnancy levels, need for additional Early Childhood Development centers, need for Internet access at library, need to upgrade and maintain sports complex, limited activities for youth, no existing communal agricultural projects.	

The projects reflected in the table below are currently in either planning, tender or construction phase

Project Description	Responsible funding Department / Stakeholder	Estimated Expenditure
1. Clinic Agricultural Project	DRDLR	R 250,000.00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Vredendal
Lambert's Bay
West Coast
Clanwilliam
Citrusdal
Vredenburg
Porterville
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Cape Winelands
Ceres
Wellington
Paarl
Worcester
City of Cape Town
Franschoek
Hout Bay
Strand
Caledon
Fish Hoek
Hermanus
Overberg
Gansbaai
Bredasdorp
Northern Cape
Beaufort West
Central Karoo
Eastern Cape
Ladismith
Oudtshoorn
Dysselsdorp
Western Cape
Eden
George
Knysna
Swellendam
Riversdale
Heidelberg
Mossel Bay
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Mhlontlo (Eastern Cape Province)

MQOBISO VILLAGE		
PROVINCE	Eastern Cape	
MUNICIPALITY	Mhlontlo Local Municipality	
WARD NO	2	
POPULATION	774	
NATURAL SYSTEMS	Topography	Moderate terrain. Elevations vary from 800m to 1000m above sea level.
	Geology	Dominated by siliciclastic rock.
	Soil Capability	High to medium potential arable land (Class II & III).
	Climate	Dry hot summers and mild winters
	Hydrology	Restricted to groundwater and surface water from the Mthatha Dam fed by Mthatha River. Lies adjacent to a large reservoir which constitutes a group water scheme servicing 3 villages including Mqobiso.
BUILT SYSTEMS	Land Uses	Mainly residential land uses including formal and informal smallholdings. The village also consists of a primary school and a church.
	Water	Drinking water is readily available in communal tank.
	Sanitation	Adequate sanitation for each household.
	Electricity	There is no electricity supply to the village.
	Roads	All access roads are gravel and are generally not in good condition. Damaged low-water bridge. Internal roads are non-existent in other parts of the village.
SOCIO – ECONOMIC	Demographics	Dominant race is Africans (Xhosa speaking), dominated by females (61%) and the youth consist of 47% of the population.
	Employment	71% unemployed while only 1% is formally employed, 3% casual employment and 25% did not specify.
	Income Levels	Income levels vary; greater number of households survives purely from Government remittances in the form of child grants and old age pension.
	Education	1 primary school exists in the village.
	Economic Activities	Agriculture predominant economic activity (sheep and food gardening production).
	Health Facilities	No health facilities. A mobile clinic visits the village once a week.
	Recreation	No recreational facilities. Restricted to informal/undeveloped playfields.
KEY FINDINGS	High unemployment levels, 6% of the population have reached matric level. Lack of access roads maintenance, no electricity supply to the village, no permanent health facility available, need for provision of a crèche, provision of sports fields and playing areas that can be shared with the village community	

NGXAKOLO VILLAGE		
PROVINCE	Eastern Cape	
MUNICIPALITY	Mhlontlo Local Municipality	
WARD NO	13	
POPULATION	499	
NATURAL SYSTEMS	Topography	Elevations vary from 200m to 400m above sea level
	Geology	Dominated by siliciclastic rock.
	Soil Capability	Ranges from arable soil (Class III & IV) to poor non-arable soil (Class VII)
	Climate	Dry hot summers and mild winters
	Hydrology	Restricted to groundwater. Receiving only 600-800mm mean annual rainfall

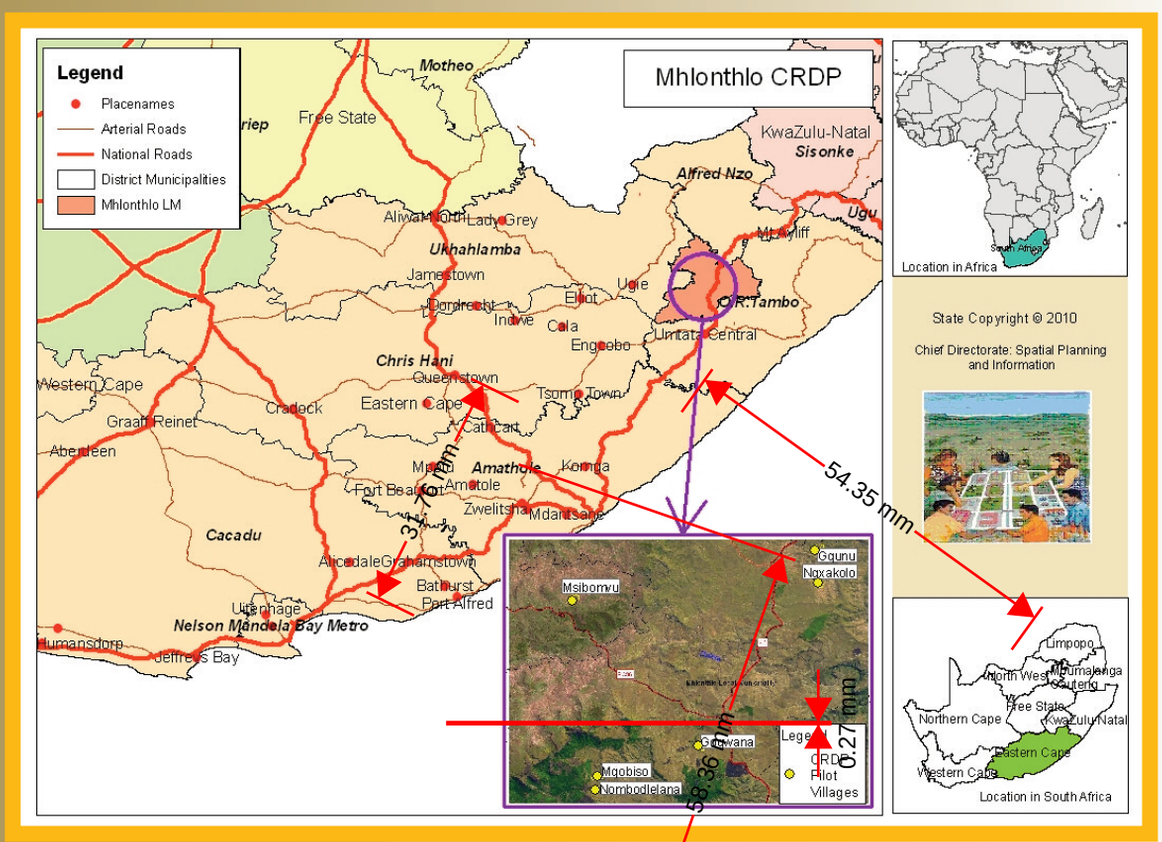
NGXAKOLO VILLAGE (CONTINUED)		
BUILT SYSTEMS	Land Uses	Mainly residential land use including formal, informal smallholdings, a primary school and a church.
	Water	No water provision. Depend on nearby non-perennial rivers.
	Sanitation	No sanitation provision
	Electricity	No electricity supply
	Roads	All access roads need maintenance
SOCIO – ECONOMIC	Demographics	No data
	Employment	No data
	Income Levels	No data
	Education	One school Ngxakolo Junior Secondary school
	Economic Activities	CSIR: Agriculture (goats & sheep, donkeys and food gardening production) and retail are main economic activities.
	Health Facilities	No health facility available
	Recreation	No recreation facilities.
KEY FINDINGS	High unemployment levels, average access roads requires maintenance, no electricity supply, no permanent health facility available, degraded grazing land and dongas, need for provision of a crèche, need for analysis of suitable crops to be grown and suitable forms of agriculture to be practiced in this dry area.	

GQUNU VILLAGE		
PROVINCE	Eastern Cape	
MUNICIPALITY	Mhlontlo Local Municipality	
WARD NO	13	
POPULATION	774	
NATURAL SYSTEMS	Topography	Moderate terrain. Elevations vary from 1000m to 1200m above sea level.
	Geology	Dominated by siliciclastic rock.
	Soil Capability	Poor non-arable land (Class VI)
	Climate	Dry hot summers and mild winters
	Hydrology	Restricted to groundwater and surface water (Tsitsa River on the boundary of the municipality). Receiving only 600-800mm mean annual rainfall
BUILT SYSTEMS	Land Uses	Mainly consists of residential land uses including, formal and informal smallholdings. It also consists of 1 house shop, a church and a primary school.
	Water	No water provision. Source of water is springs.
	Sanitation	No sanitation provision. Community uses bushes in the area.
	Electricity	There is no electricity supply to the village.
	Roads	Access roads exist but are not maintained and there is no adequate stream crossing. Internal roads are not maintained and in some parts are non-existent.
SOCIO – ECONOMIC	Demographics	No data
	Employment	No data
	Income Levels	No data
	Education	The village has a new primary school that needs to be upgraded.
	Economic Activities	CSIR: agriculture (goats & sheep, donkeys and food gardening production) and retail are main economic activities.
	Health Facilities	No health facilities. Mobile clinic has not visited that area because of the bad state of the roads.
	Recreation	There are no recreational facilities for the community.
KEY FINDINGS	Noticeable high poverty/unemployment levels, average access roads requires maintenance, no electricity supply, no permanent health facility available, degraded grazing land and dongas, need for provision of a crèche, need for analysis of suitable crops to be grown and suitable forms of agriculture to be practiced in this dry area.	

NOMBODLELANA VILLAGE		
PROVINCE	Eastern Cape	
MUNICIPALITY	Mhlontlo Local Municipality	
WARD NO	2	
POPULATION	740	
NATURAL SYSTEMS	Topography	Moderate terrain. Elevations vary from 800m to 1000m above sea level
	Geology	Dominated by siliciclastic rock.
	Soil Capability	High to medium potential arable land (Class II & III).
	Climate	Hot summers and mild winters
	Hydrology	Restricted to groundwater and surface water from the Mthatha Dam fed by Mthatha River.
BUILT SYSTEMS	Land Uses	Mainly residential (made of mud-blocks and cement plastered) land use including formal, informal smallholdings and a primary school.
	Water	No water provision. Source of water is springs
	Sanitation	Sanitation has been provided, mainly VIP
	Electricity	No electricity supply to the village
	Roads	All access roads are gravel and are generally not in good condition
SOCIO – ECONOMIC	Demographics	Dominant race are Africans (Xhosa speaking), dominated by females (55%) and the youth consist of 34 % of the population.
	Employment	71% currently unemployed while only 4% are formally employed
	Income Levels	Income levels vary; greater number of households survives purely from Government remittances in the form of child grants and old age pension.
	Education	One new primary school and it is worth noticing that majority did not complete matric (Grade 12). This could be attributed to the fact that there is no high/secondary school adjacent to the area.
	Economic Activities	Agriculture predominant economic activity (goats & sheep, chickens and food gardening production).
	Health Facilities	No permanent health facility available. A mobile clinic visits the village once a week.
	Recreation	No recreation facilities. Restricted to undeveloped/informal soccer field.
KEY FINDINGS	High unemployment levels. Lack of access roads maintenance, no water provision, no electricity supply to the village, no permanent health facility available, degraded grazing land and dongas, need for provision of a crèche, need for an upgrade of the primary school facilities, provision of sports fields and playing areas that can be shared with the village community.	

The projects reflected in the table below are currently in either planning, tender or construction phase

Project Description	Responsible funding Department / Stakeholder	Estimated Expenditure
1. Fencing (arable lands)	DRDLR	R 9,360,000
2. Fencing (grazing camps)	DRDLR	R 4,500,000
3. Agripark	DRDLR	R 15,180,000
4. Infrastructure for livestock management i.e. shearing shed, dipping tanks, stock water dams	DRDLR and DARD	R 2,500,000
5. Upgrading of roads	DRDLR & Mhlontlo LM	R 41,000,000
6. Electricity for 99 households in Ward 13 (Gqunu village)	ESKOM	R 600,000
7. Sanitation (Business Plan for Ward 13 villages – app 400 HH awaiting approval from OR Tambo)	OR Tambo DM & Mhlontlo LM	R 10,800,000
8. 3 Thusong Centers - ICT Connectivity for approximately 800 HH – Ward 2 sites can share 1 centre	Dept of Communication and DRDLR	R 10,000,000
9. 4 Temporary Clinic Structures	Dept of Health	R 4,000,000
10. 4 Temporary ECD Centre's	Dept of Social Development, Education and DRDLR	R 5,200,000
11. 4 Sport and Recreation Facilities	Department of Sport, Recreation, Arts and Culture and DRDLR	R 6,000,000


Mhlonthlo CRDP
Legend
Placenames
Arterial Roads
National Roads
District Municipalities
Mhlonthlo LM
Motheo
Free State
KwaZulu-Natal
Sisonke
Alfred Nzo
Ugu
Ukhahlamba
Lady Grey
Jamestown
Elliot
Ugie
O.R.Tambo
Indwe
Cala
Engcobo
Umtata Central
Chris Hani
Queenstown
Eastern Cape
Tsomo Town
Cradock
Graaff Reinet
Aberdeen
Western Cape
Amathole
Komga
Fort Beaufort
Amatole
Zwelitsha
Mdantsane
Cacadu
Alexandale
Grahamstown
Bathurst
Port Alfred
Uitenhage
Nelson Mandela Bay Metro
Humansdorp
Jeffreys Bay
37.70 mm
54.35 mm
58.36 mm
6.27 mm
Msibomvu
Gqunu
Noxakolo
Gqwana
Mgobiso
Nombodlelana
Legend
CRDP
Pilot
Villages
State Copyright © 2010
Chief Directorate: Spatial Planning and Information
Location in Africa
Limpopo
North West
Mpumalanga
Gauteng
Free State
Northern Cape
KwaZulu-Natal
Eastern Cape
Western Cape
Location in South Africa

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