



**BUDGET VOTE 39:**

**DEPARTMENT OF RURAL DEVELOPMENT AND LAND  
REFORM  
2018/19 FINANCIAL YEAR**

**NCOP BUDGET POLICY SPEECH BY  
MINISTER  
MAITE NKOANA – MASHABANE (MP)**

**THE YEAR OF NELSON MANDELA  
06 June 2018**

Honourable Chairperson,  
Honourable Ministers  
Deputy Ministers  
Honourable Members of Parliament  
Officials of the Department  
Our partners and stakeholders in Rural  
Development and Land Reform  
Distinguished Guests  
Fellow South Africans  
Ladies and Gentlemen

I am honoured to present the NCOP budget vote speech of the Department of Rural Development and Land Reform in the year that we celebrate the centenary of the birth of the father of our nation, Nelson Rolihlahla Mandela. It is in the year when we commemorate the centenary of Madiba that we should remember that in 1994, the first law to be passed by the first democratically elected parliament was the Restitution of Land Rights Act (Act 22 of 1994). This was done with the conscious acknowledgement that land justice is important to

deal with the challenges of poverty, unemployment and inequality.

In 1995, barely a year into our democracy, Madiba recalled that and I quote: **“With freedom and democracy last year, came restoration of the right to land. And with it the opportunity to address the effects of centuries of dispossession and denial. At last we can as a people, look our ancestors in the face and say: Your sacrifices were not in vain.”**

Close Quote

Madiba understood the importance of ensuring that land be returned to the dispossessed masses of our people. He understood that land redistribution, restitution and security of tenure are important elements of the ‘covenant to build a society in which all South Africans, black and white, will be able to walk tall, assured of their inalienable right to human dignity’.

During the Handing-over of land to the Cremin community in 1998, Madiba reminded us that:

And I quote:

**“South Africans have fought wars with each other over land, bitter feuds have raged. People have died for it. In this regard, South Africa is no different from most countries in the world. But in our country, the dispossession of land was also part of the oppressive apartheid system that set us one against the other. By making most South Africans landless in the country of their birth that system produced inequality, division and poverty.”**

Unquote

The 54<sup>th</sup> African National Congress (ANC) conference resolution on land expropriation without compensation brings into sharp focus the challenges of land reform including the slow pace and high land prices that have distorted the land market impeding speedy redress of land imbalances.

In his first State of the Nation Address, President Cyril Ramaphosa committed the government to “accelerate the land redistribution programme not only to address a grave historical injustice, but also to bring more producers into the agricultural sector.

In this context he committed the government to “pursue a comprehensive strategy that makes effective use of all the mechanisms at our disposal” and that this strategy will include consideration of expropriation without compensation in light of the resolution of the 54<sup>th</sup> African National Congress conference.

During the State of the nation debate, the President further emphasized that the dispossession of land through the 1913 Natives Land Act was apartheid’s original sin. Its consequences are still felt in our society today and make no mistake it must be addressed.

In line with the Parliamentary process now underway to consider the possible amendment of the

constitution to provide for expropriation of land without compensation, my department will contribute to the debate including providing our position on the Constitutional modalities and policy implications.

In pursuit of radical socio-economic transformation, we are determined to ensure that land ownership becomes an economic asset for our people. Rural development remains key to economic transformation of the poor in rural areas.

When productive pieces of land are availed to people this constitutes attractive opportunity for investment. It doesn't end there; training in financial management and linkage to the markets for the uptake of the produce are the next crucial steps. These are some of the aspects which are lacking to transition the rural economy into the mainstream lucrative economy. My department needs to spare no effort in uplifting the rural economy with the necessary support that it needs with an intention to restore the dignity and self-sustenance of the communities. The active involvement of the communities will not only lead to

much needed rural development but could also in the long run lead to reduction of prices of goods in the market.

For 2018/2019, we will focus on bringing into operation 9 (nine) Rural Economic Zones originally anchored and pursued under the Agri-Park programme. The Agri-Park initiative will catalyze the development of the surrounding area including integrated human settlements, and making them a hive of economic activity thereby creating jobs, reducing inequality, poverty and unemployment.

The key aim of this initiative is to ensure that our people in the second economy fully participate in the economic value chain including market access. We will also provide infrastructure and enterprise support to rural economic enterprises and this we believe will serve as a catalyst for the economic development, revitalization and establishment of new rural towns.

In accelerating land redistribution , the department will be acquiring 91 950 hectares of land at a total budget of R1,1 billion.

To improve the livelihoods of rural communities in prioritized rural districts we shall rollout eighty (80) infrastructure projects to support production

For this programme to gain momentum, support will be required from various stakeholders in legislated structures such as National Departments, municipalities, entities etc. We shall refine our Inter-governmental strategy to advance this mission.

While the Parliamentary process unfolds, the department will continue to advance land reform through existing programmes of land restitution, land redistribution and land tenure reform using the existing constitutional provisions to argue for limited compensation including in cases such as the return of land to labour tenants and farm dwellers.

Honourable Chairperson, the current unlawful land occupation that we have observed across the country is a reflection of the frustration of our people with the pace of land reform.

Despite the progress registered to date, there is still a long way to go. The perpetuation of the dual economy continues unabated.

The fundamental question for us is what we will do differently to fully open the gates of economic development for our people.

To improve efficiencies in the land restitution program we commit to strengthen the capacity of the Commission on the Restitution of Land Rights. This will include consideration of a suitable operating model, a redesign of the claims process to reduce the unnecessary bureaucracy to fast track settlement of claims.

Honourable members, to date, we have settled 80 664 claims benefitting 2, 1 million beneficiaries at the cost of R40 billion inclusive of financial compensation to beneficiaries. 163 463 of these are female-headed households. To date we have restored 3,5 million hectares of land which can be used as a catalyst to change the lives of our people who are still stuck in the second economy. Land without the requisite support fails to unlock the full value chain.

In the 2018/19 financial year, we intend to settle 1 151 land claims at a cost of R2 billion. We will also prioritize post settlement support on restituted farms, R700 million has been set aside for this purpose.

In this financial year, we will pursue aggressively the strengthening of integrated development to ensure that land access yields broader economic spin-offs. There are systemic challenges which form barriers to the progress of our land reform beneficiaries. To support black farmers, preferential allocation of

water rights, infrastructure provision and access to markets will be intensified. These gaps must be closed.

Governance issues in Communal Property Associations have been one of the key challenges affecting sustainability of the land reform programme. We have recently tabled the CPA amendment Bill and we hope progress in its enactment will be made in the current financial year. The Bill provides for the establishment of the Office of the Registrar which will improve the capacity to monitor, train and deal with conflicts that may arise. One of our post-settlements interventions is to ensure that CPAs acquire the necessary support to ensure that they are effective and efficient. The department is in the process of developing a CPA Strategy to address all CPA related matters.

The Land Redistribution program remains key to provide access to land to the previously disadvantaged persons.

Since 1994, through the land redistribution programme, we have acquired 4.8 million hectares of land at a cost of R17 billion. Of the 4.8 million hectares, 4 million is agricultural land and 779 000 hectares was land acquired and allocated to labour tenants and farm dwellers for tenure reform purposes. The department has recapitalized 1675 farms equating to 1,5 million hectares at a cost of R4.8 billion.

We intend to introduce in this financial year, the Regulation of Agricultural Land Bill which if implemented in conjunction with the Property Valuation Act of 2014 will give impetus to Section 25 on the principle of just and equitable compensation. The Regulation of Agricultural Land Bill seeks to provide a framework to introduce land ownership ceilings on agricultural land.

In the State of the Nation address, the President instructed that an assessment should be done of all farms acquired through the land reform programmes;

Honourable Chairperson, I am pleased to announce that we have already embarked on this exercise with regard to farms acquired through PLAS (Proactive land Acquisition strategy). To date, we have finalized the assessment of the Western Cape Province. Work in all other provinces is underway and is intended to be completed by November 2018.

The results of this assessment will assist government in accelerating development support for economic transformation through identification of training requirements, socio economic conditions and infrastructure support.

During this current financial year, the department plans to acquire 98100 hectares of land through the Pro-active Land Acquisition Strategy. Labour tenants and farm dwellers will be prioritized.

It is shocking that in 2018, 24 years after we achieved democracy, illegal evictions, and human rights abuses on farms still persists. It has recently

come to my attention that in some parts of the country, namely, in Mpumalanga Gert Sibande municipality, people continue to face the indignity of not being able to bury their loved ones on land they have resided on for most of their lives. These kinds of incidents undermine the land rights culture that we are trying to instill.

In this regard, we will focus on improving the security of farm dwellers through the amendments that are currently being proposed in the ESTA (Extension of Security Tenure Act).

The Department completed the land audit in 2012. According to Phase 1 of the Private land audit the data provided regarding race disaggregation, provides a stark picture of the inequality that still perpetuates in our land ownership patterns showing that black South Africans still lag far behind and own only 4% of land.

Since 1995 only 10,2% of the 82 million hectares of agricultural land has been redistributed.

This means that we have not yet managed to redress the landlessness caused by apartheid. It means that we have not brought to fruition the covenant that Madiba spoke of, the “covenant to build a society in which all South Africans, black and white, will be able to walk tall, and assured of their inalienable right to human dignity”.

The next phase of the audit of private land will commence in this current financial year and will focus on disaggregating information as regards ownership of land by companies, trusts, CBOs, etc.

To improve land administration and economic transformation, the department initiated, in 2014, the Alignment of Deeds Registries’ Areas of Jurisdiction to Provincial Boundaries programme. It is aimed at aligning the deeds registries’ areas of jurisdiction to provincial demarcations as articulated in Section 103 of the Constitution and to ensure that each Deeds

Registry services the province in which it is located, making it accessible to clients.

Under this programme, the Department has already achieved significant milestones, amongst these being the establishment of the Limpopo Deeds Office in Polokwane on 3<sup>rd</sup> April 2017, the separation and transfer of all physical and electronic Eastern Cape records from the Cape Town Deeds Registry.

Honourable Chairperson, as I conclude, let me reaffirm our commitment to improve our efficiencies in implementing all programs and the general state of governance in the department. In order to ensure maximum impact of the rural development and land reform programs the department is rolling out a program alignment and consolidation exercise.

In the past financial year, the Department received an unqualified audit opinion, while the Deeds Trading Account and Agricultural Land Holdings Trading Account received clean audits. We reiterate our commitment to continue to improve good

governance, rationalize our projects approval structures to improve our turn-around times in availing land to our people.

The path towards giving our people land is hard, perhaps it even appears impossible, but let us remember that our Icon, Umat' uMadiba taught us that things always seem impossible until they are done.

With these words, Honourable Chairperson, I present Department's 2018/2019 budget.

<b>PROVINCIAL OFFICE</b>	<b>Final ENE allocation R'000</b>	<b>Allocation to provincial budget %</b>
Eastern Cape	879 029	11.27%
Free State	692 342	7.15%
Gauteng	538 858	6.13%
Kwa Zulu Natal	1 456 999	19.73%
Limpopo	1 035 153	14.26%
Mpumalanga	1 277 199	16.50%
Northern Cape	522 584	6.86%
North West	868 610	10.02%

Western Cape	672 304	8.07%
<b>TOTAL</b>	<b>7 943 078</b>	<b>100.00%</b>

**I THANK YOU.**