

2017 ENE ALLOCATION

PORTFOLIO COMMITTEE ON RURAL DEVELOPMENT AND LAND REFORM 3 MAY 2017



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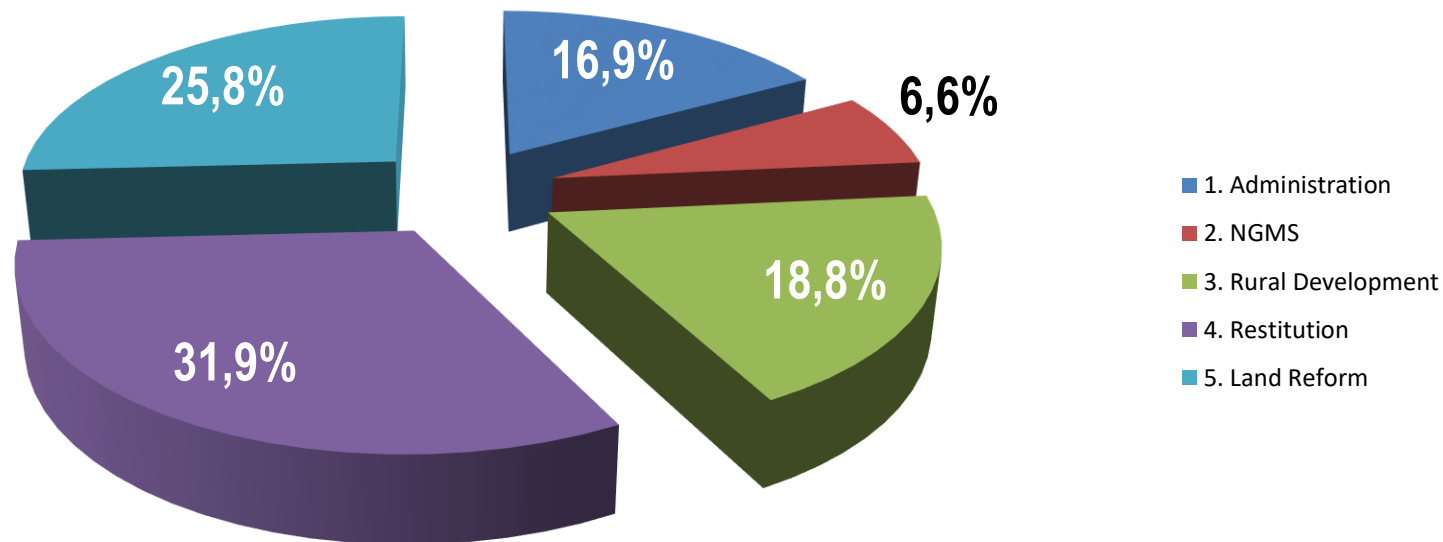
Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

Branches

Branches	Final ENE allocation	%
		allocation to Total baseline
	R'000	%
Administration	1,721,620	16.9%
Ministerial Services	37,829	2.2%
Management	163,918	9.5%
Internal Audit	39,207	2.3%
Financial Services	190,103	11.0%
Office Accommodation	531,990	30.9%
Corporate Services	420,917	24.4%
Provincial Coordination	337,656	19.6%
NGMS	672,117	6.6%
NGMS	500,536	74.5%
SPLUM	171,581	25.5%
Rural Development	1,914,896	18.8%
SOYD	437,520	22.8%
RID	924,325	48.3%
REID	553,051	28.9%
Restitution	3,247,384	31.9%
Land Reform	2,628,223	25.8%
Land Redistribution and Development	2,132,176	81.1%
Land Tenure and Administration	496,047	18.9%
TOTAL	10,184,240	100.0%

Programs

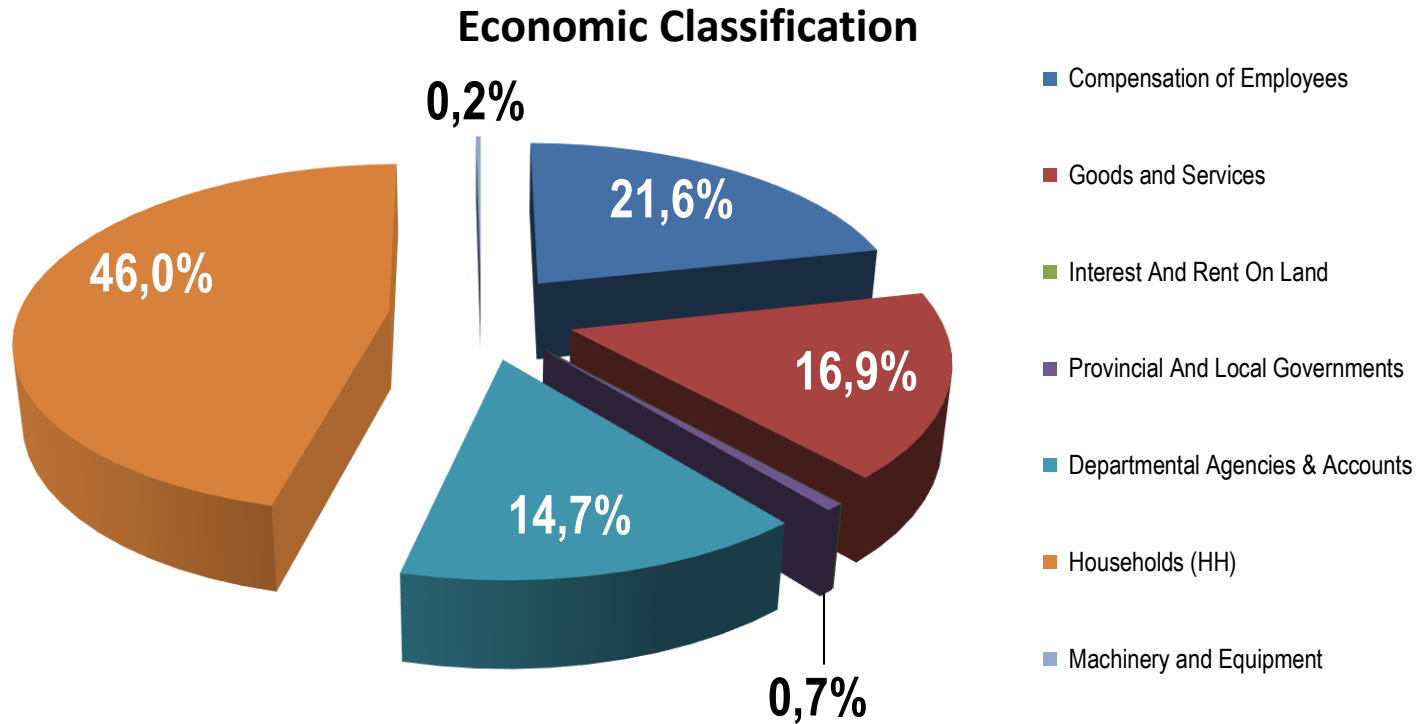
Final ENE allocation R'000



Economic Classification

Economic classification	Final ENE allocation	%
		allocation to Total baseline
	R'000	%
Compensation of Employees	2,194,584	21.5%
Goods and Services	1,715,466	16.8%
Provincial And Local Governments	67,542	0.7%
Departmental Agencies & Accounts	1,493,134	14.7%
Foreign Gov&International Organ	1,653	0.0%
Public Corporations & Priv Ent	1	0.0%
Non Profit Institutions (NPI)	3,492	0.0%
Households (HH)	4,683,435	46.0%
Machinery and Equipment	24,004	0.2%
Software & Other Intangible assets	929	0.0%
TOTAL	10,184,240	100.0%

DEPARTMENT % PER ECONOMIC CLASSIFICATION



DEPARTMENTAL ORGANISATIONAL NEEDS

Item	Branch	Final ENE allocation	% shared
		R'000	%
Bank charges	Financial Services	1 001	0.1%
Audit Fees	Financial Services	17 580	1.8%
Audit Committee	Management	1 066	0.1%
Bursaries - Employees	CSS	4 492	0.4%
Bursaries - Non Employees	NGMS/ SPLUM	25 354	2.5%
Employee Wellness	CSS	1 032	0.1%
Legal services	CSS/ CLCC/LRD/LTA	101 250	10.1%
Recruitment Adverts	CSS	1 249	0.1%
Advert: Tenders	Financial Services / PSSC	1 511	0.2%
Qualification Verification	All	2 137	0.2%
Computer Services	CSS	148 235	14.8%
Training	CSS	22 058	2.2%
G/Fleet	Financial Services	4 321	0.4%
Office Accommodation	Financial Services	141 696	14.2%
Security Services	Management	56 392	5.6%
Municipal Services	Financial Services	39 811	4.0%
Rates and Taxes	Land Reform	61 877	6.2%
Communication	Financial Services	6 035	0.6%
Finance Leases	All	10 703	1.1%
PPP New Office Accommodation	Financial Services	350 483	35.1%
TOTAL		998 283	100.0%

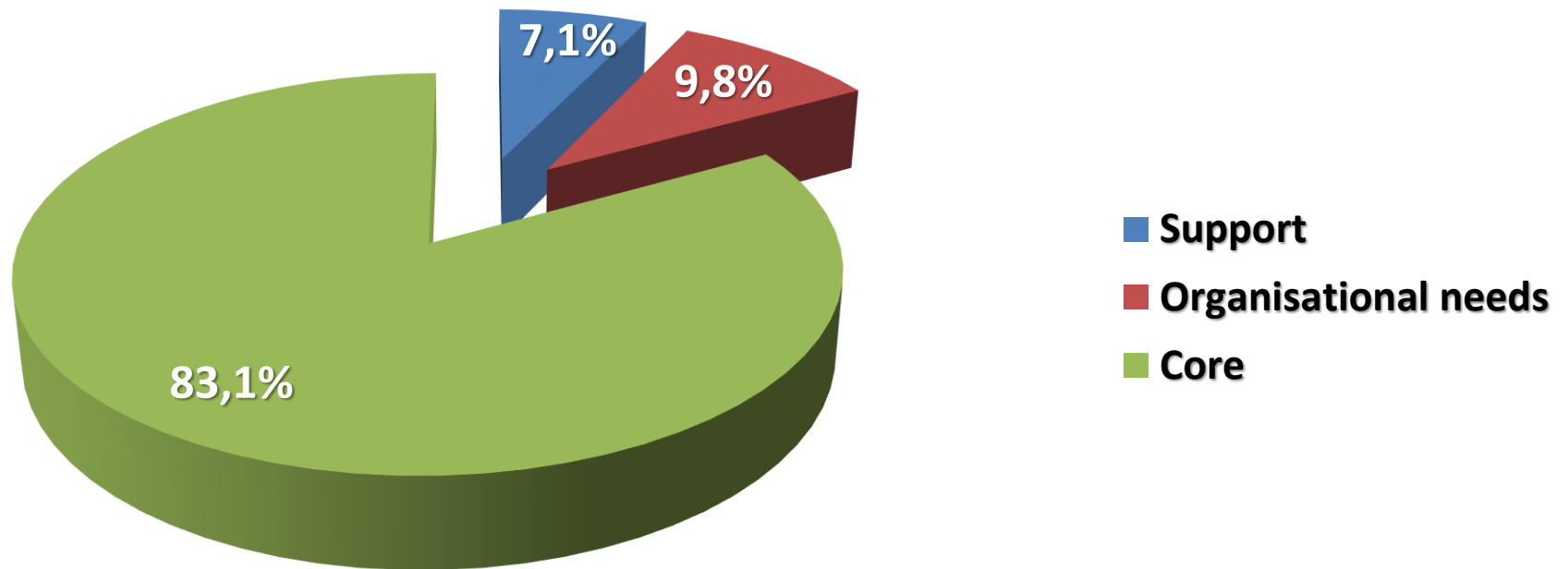


CORE VERSUS SUPPORT

Classification	Final ENE allocation	%
		allocation to Total baseline
	R'000	%
Support	723,337	7.1%
Organisational needs	998,283	9.8%
Core	8,462,620	83.1%
TOTAL	10,184,240	100.0%



CORE VERSUS SUPPORT



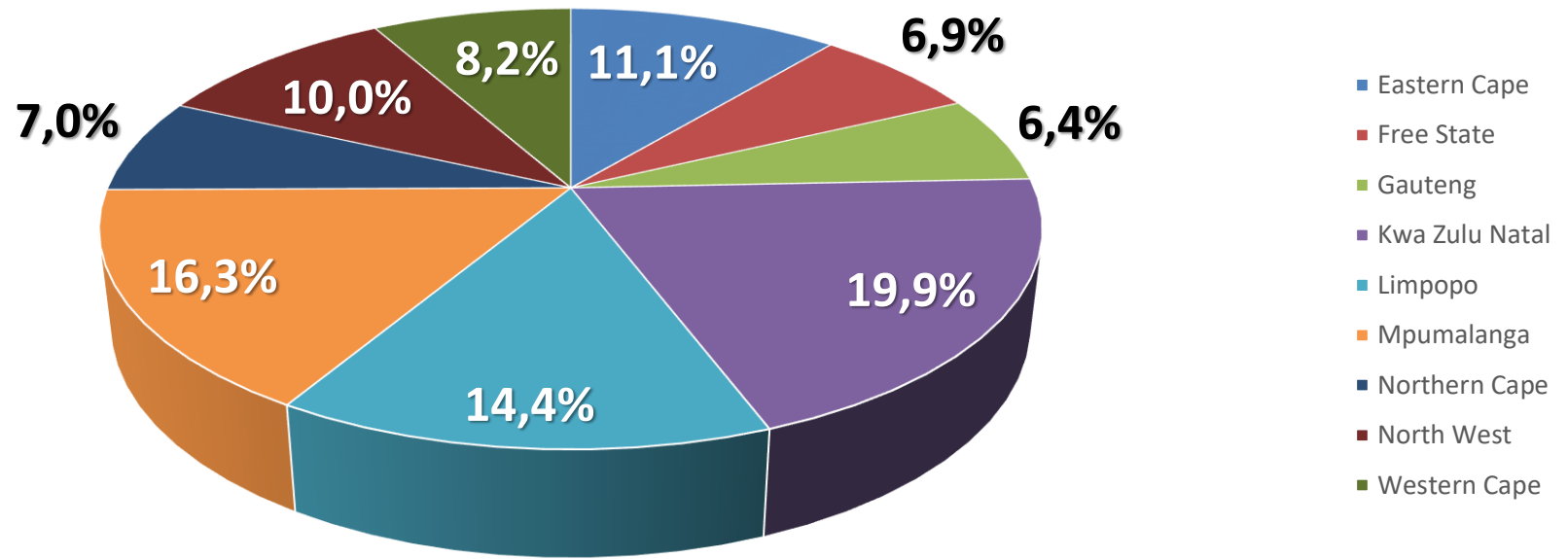
PROVINCIAL OFFICE ALLOCATION

PROVINCIAL OFFICE	Final ENE allocation	%
		allocation to provincial budget
	R'000	%
Eastern Cape	712,716	11.1%
Free State	441,955	6.9%
Gauteng	412,278	6.4%
Kwa Zulu Natal	1,282,698	19.9%
Limpopo	925,414	14.4%
Mpumalanga	1,047,484	16.3%
Northern Cape	448,736	7.0%
North West	644,362	10.0%
Western Cape	525,757	8.2%
TOTAL	6,441,400	100.0%



% SHARED IN PROVINCIAL TOTAL BUDGET

Provincial Allocation

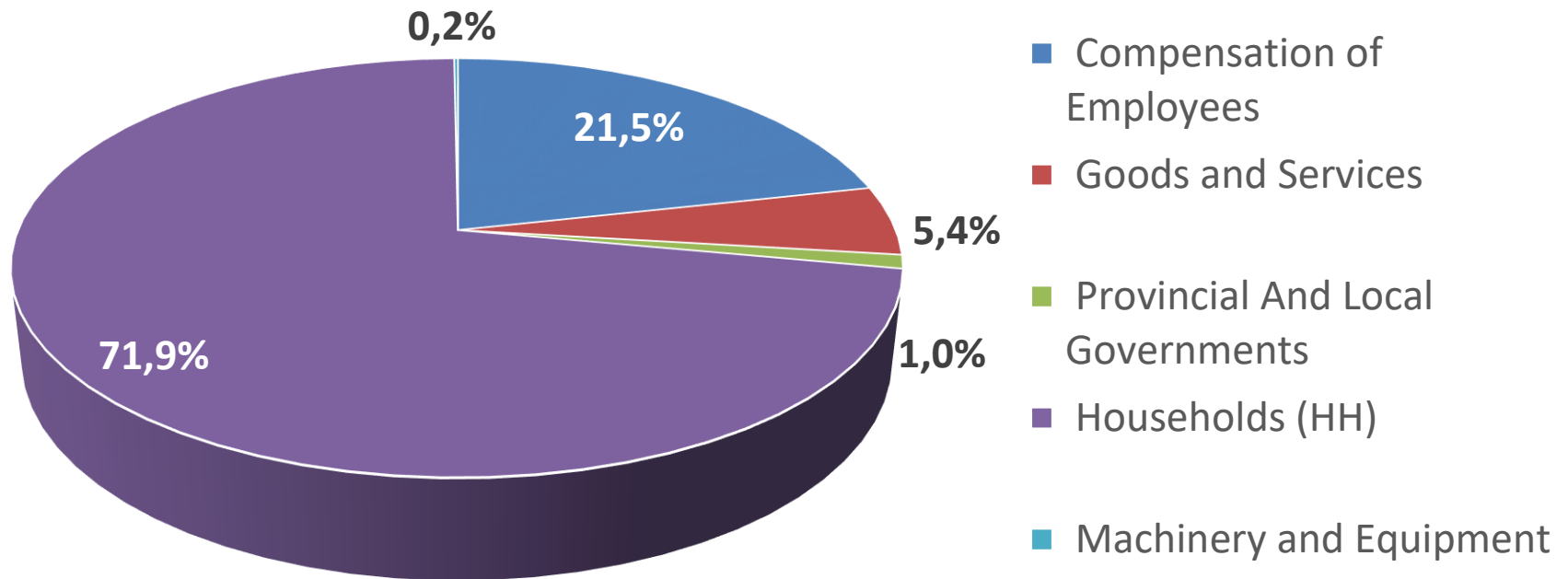


PROVINCIAL ECONOMIC CLASSIFICATION ALLOCATION

Economic classification	Final ENE allocation	%
		allocation to Total baseline
	R'000	%
Compensation of Employees	1,386,974	21.53%
Goods and Services	345,804	5.37%
Provincial And Local Governments	67,518	1.05%
Households (HH)	4,630,835	71.89%
Machinery and Equipment	10,269	0.16%
TOTAL	6,441,400	100.00%

% ALLOCATION PER ECONOMIC CLASSIFICATION

Provincial Econ Classification

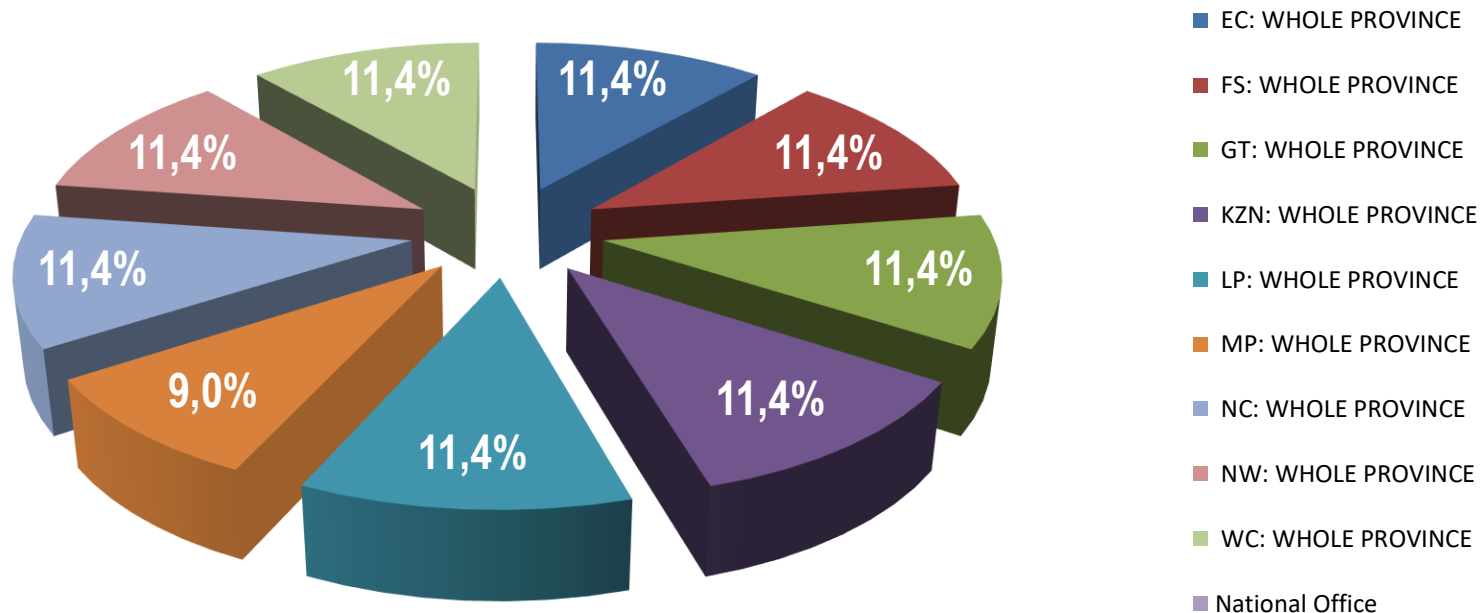


Household Projects: Per Branch & Province

PROVINCIAL OFFICE	Final ENE allocation	%
		allocation to provincial budget
NARYSEC	R'000	%
EC: WHOLE PROVINCE	40,482	11.4%
FS: WHOLE PROVINCE	40,482	11.4%
GT: WHOLE PROVINCE	40,482	11.4%
KZN: WHOLE PROVINCE	40,482	11.4%
LP: WHOLE PROVINCE	40,482	11.4%
MP: WHOLE PROVINCE	32,169	9.0%
NC: WHOLE PROVINCE	40,482	11.4%
NW: WHOLE PROVINCE	40,482	11.4%
WC: WHOLE PROVINCE	40,482	11.4%
TOTAL	356,025	100.0%

% ALLOCATION SHARED

NARYSEC - HH

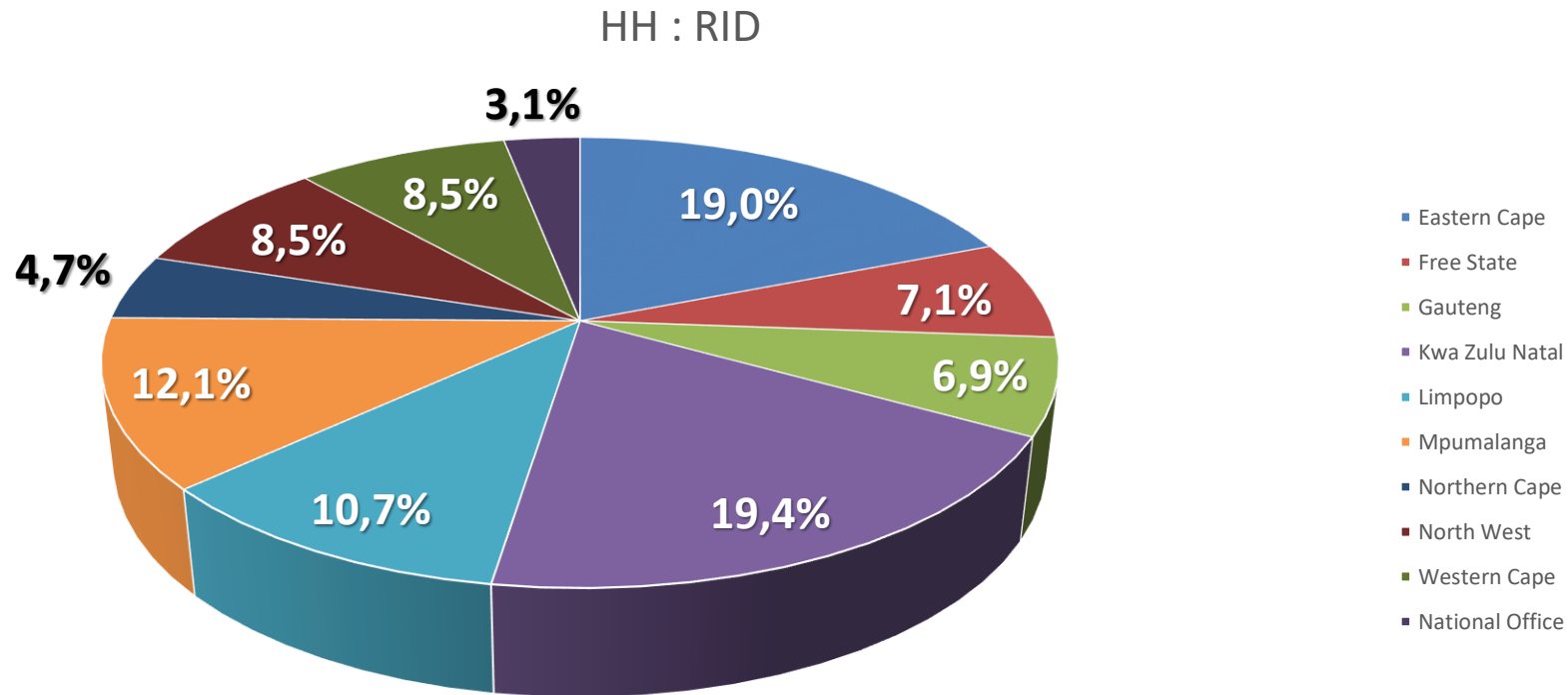


Household Projects: Per Branch & Province

PROVINCIAL OFFICE	Final ENE allocation	%
		allocation to provincial budget
RID	R'000	%
Eastern Cape	155,071	19.0%
Free State	58,115	7.1%
Gauteng	56,115	6.9%
Kwa Zulu Natal	158,000	19.4%
Limpopo	87,099	10.7%
Mpumalanga	98,267	12.1%
Northern Cape	38,348	4.7%
North West	69,000	8.5%
Western Cape	69,417	8.5%
<i>National Office (PMU – project)</i>	25,000	3.1%
TOTAL	814,432	100.0%



% ALLOCATION SHARED

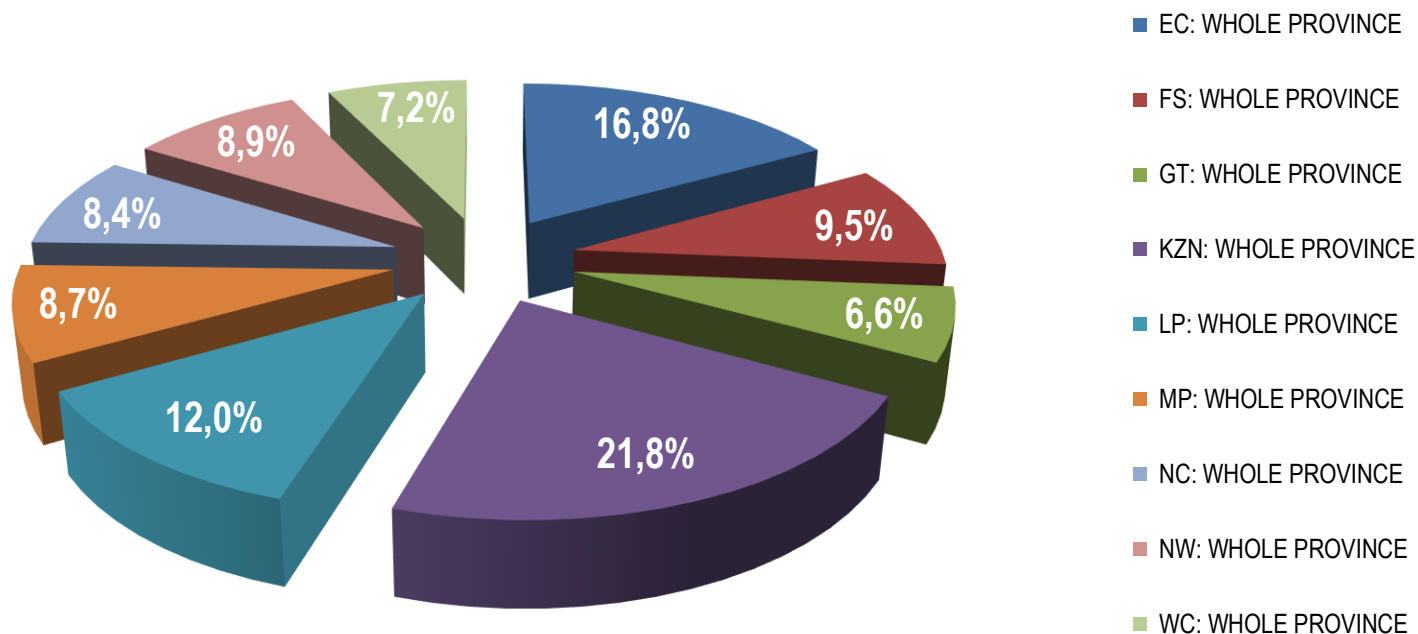


Household Projects: Per Branch & Province

PROVINCIAL OFFICE	Final ENE allocation	%
		allocation to provincial budget
REID	R'000	%
EC: WHOLE PROVINCE	64,628	16.8%
FS: WHOLE PROVINCE	36,477	9.5%
GT: WHOLE PROVINCE	25,534	6.6%
KZN: WHOLE PROVINCE	83,776	21.8%
LP: WHOLE PROVINCE	45,921	12.0%
MP: WHOLE PROVINCE	33,356	8.7%
NC: WHOLE PROVINCE	32,371	8.4%
NW: WHOLE PROVINCE	34,301	8.9%
WC: WHOLE PROVINCE	27,636	7.2%
TOTAL	384,000	100.0%

% ALLOCATION SHARED

REID - HH

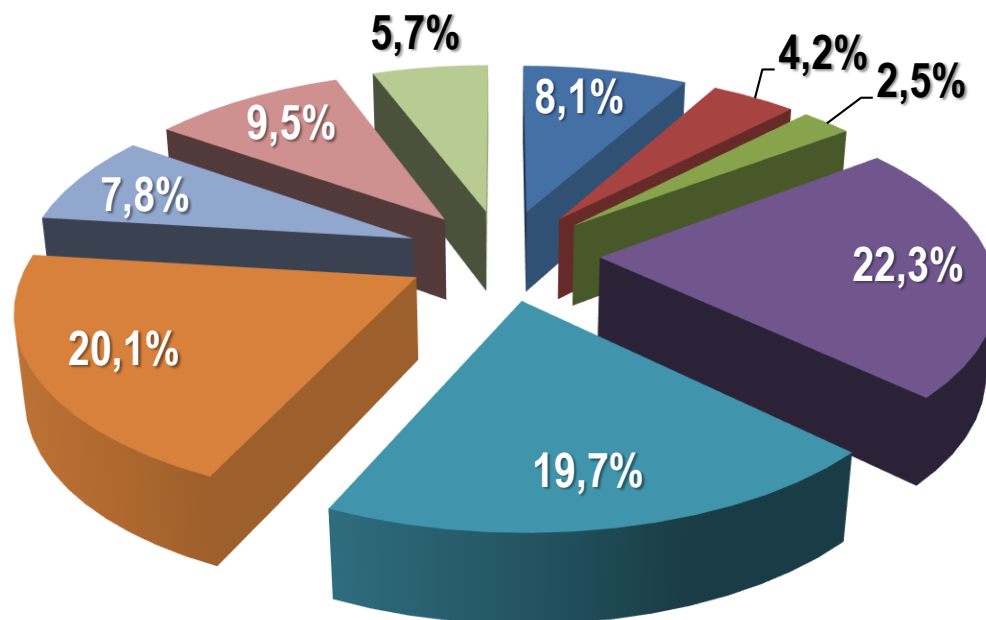


Household Projects: Per Branch & Province

PROVINCIAL OFFICE	Final ENE allocation	%
		allocation to provincial budget
Restitution	R'000	%
EC: WHOLE PROVINCE	211,593	8.1%
FS: WHOLE PROVINCE	109,635	4.2%
GT: WHOLE PROVINCE	65,193	2.5%
KZN: WHOLE PROVINCE	581,990	22.3%
LP: WHOLE PROVINCE	514,574	19.7%
MP: WHOLE PROVINCE	524,105	20.1%
NC: WHOLE PROVINCE	204,533	7.8%
NW: WHOLE PROVINCE	248,429	9.5%
WC: WHOLE PROVINCE	149,026	5.7%
TOTAL	2,609,078	100.0%

% ALLOCATION SHARED

Restitution - HH

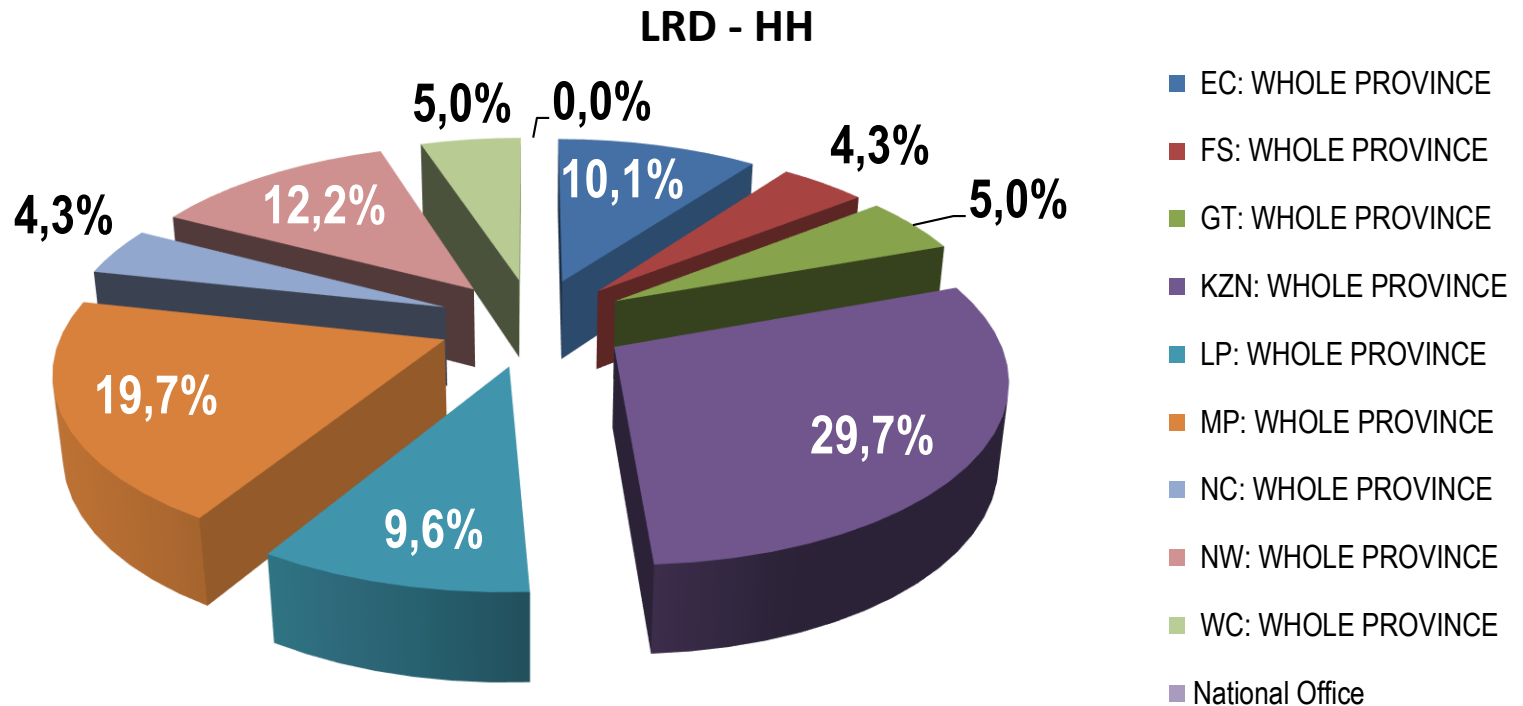


- EC: WHOLE PROVINCE
- FS: WHOLE PROVINCE
- GT: WHOLE PROVINCE
- KZN: WHOLE PROVINCE
- LP: WHOLE PROVINCE
- MP: WHOLE PROVINCE
- NC: WHOLE PROVINCE
- NW: WHOLE PROVINCE
- WC: WHOLE PROVINCE

Household Projects: Per Branch & Province

PROVINCIAL OFFICE	Final ENE allocation	%
		allocation to provincial budget
LRD	R'000	%
EC: WHOLE PROVINCE	40,000	10.1%
FS: WHOLE PROVINCE	17,200	4.3%
GT: WHOLE PROVINCE	20,000	5.0%
KZN: WHOLE PROVINCE	117,465	29.7%
LP: WHOLE PROVINCE	38,000	9.6%
MP: WHOLE PROVINCE	78,000	19.7%
NC: WHOLE PROVINCE	17,000	4.3%
NW: WHOLE PROVINCE	48,472	12.2%
WC: WHOLE PROVINCE	20,000	5.0%
TOTAL	396,137	100.0%

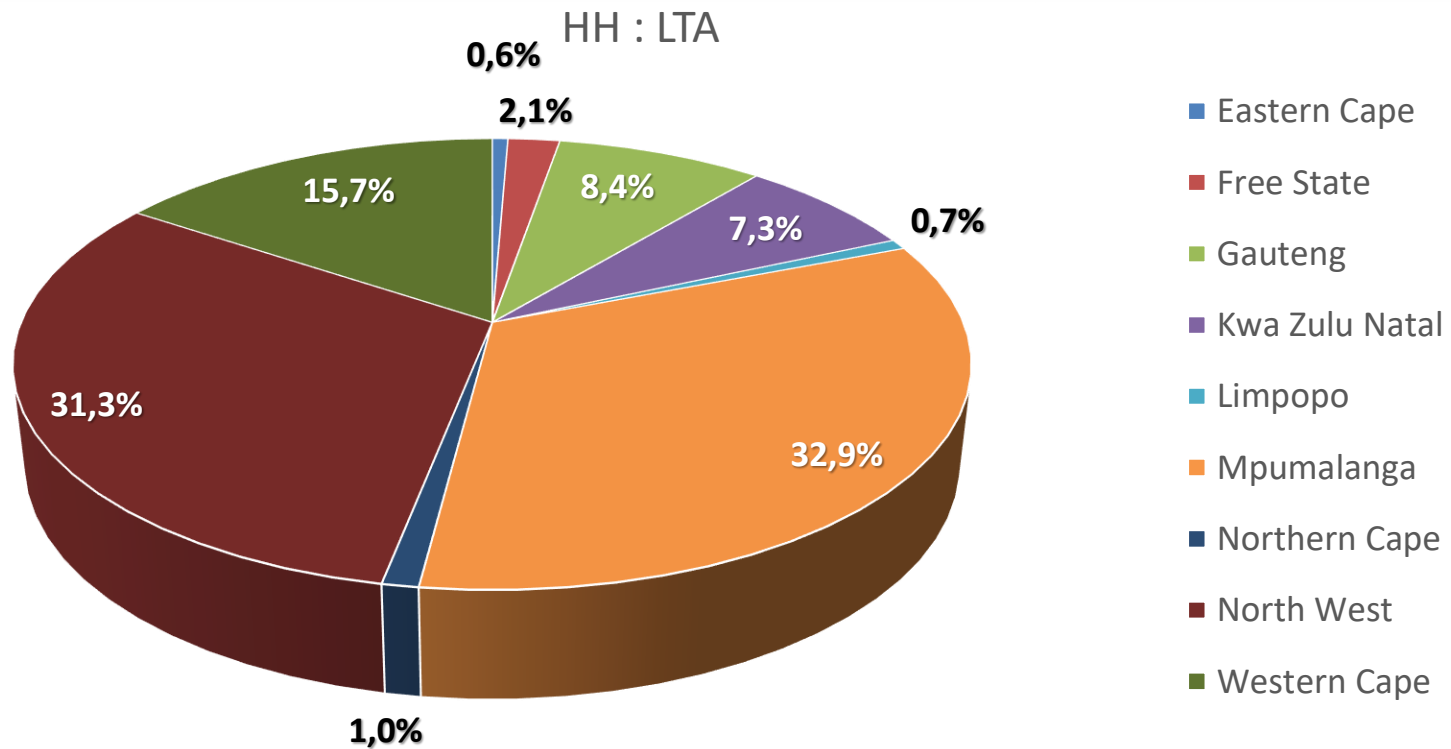
% ALLOCATION SHARED



Household Projects: Per Branch & Province

PROVINCIAL OFFICE	Final ENE allocation	%
		allocation to provincial budget
LTA	R'000	%
Eastern Cape	600	0.63%
Free State	2,000	2.09%
Gauteng	8,000	8.35%
Kwa Zulu Natal	7,000	7.31%
Limpopo	700	0.73%
Mpumalanga	31,550	32.93%
Northern Cape	1,000	1.04%
North West	29,955	31.27%
Western Cape	15,000	15.66%
TOTAL	95,805	100.00%

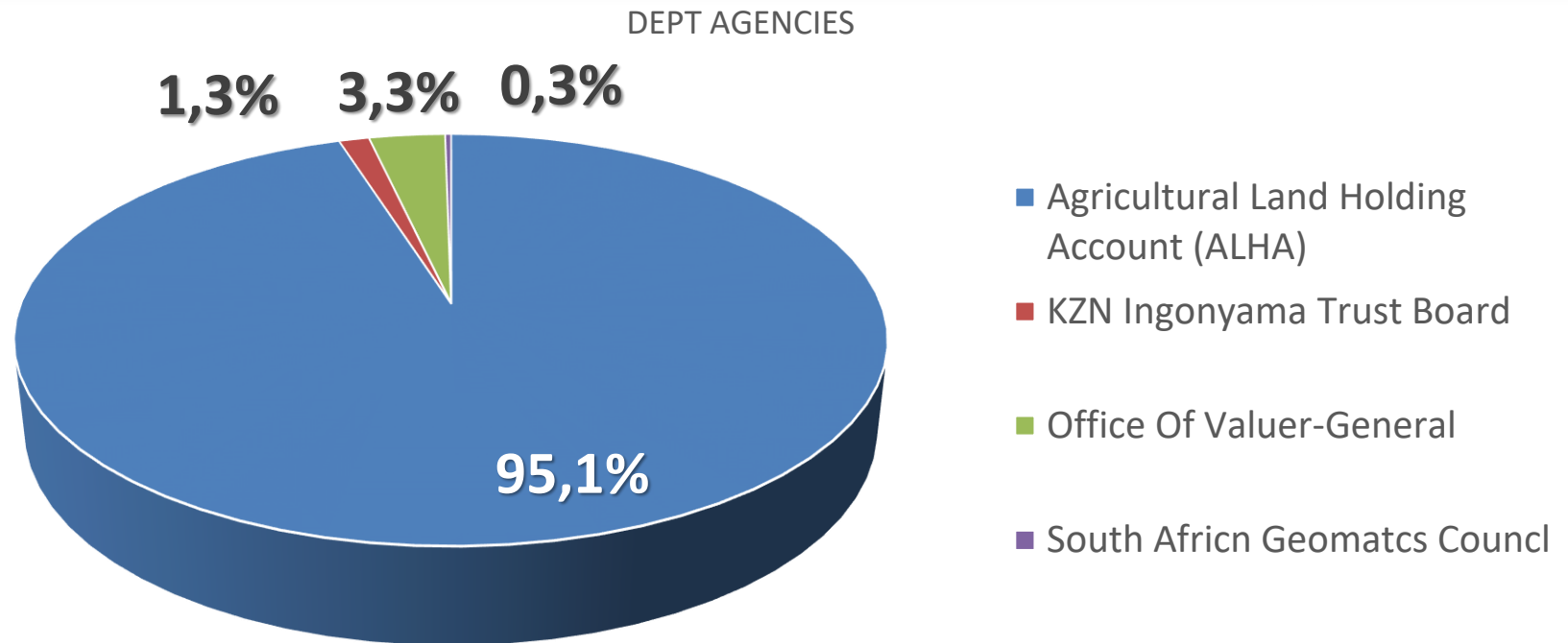
% ALLOCATION SHARED



Departmental Agencies : Per Sub Programme

DEPARTMENTAL AGENCIES	Final ENE allocation	%
		allocation to provincial budget
SUB PROG	R'000	%
Agricultural Land Holding Account (ALHA)	1,419,601	95.1%
KZN Ingonyama Trust Board	19,727	1.3%
Office Of Valuer-General	49,806	3.3%
South Africn Geomatcs Council	4,000	0.3%
TOTAL	1,493,134	100.0%

% ALLOCATION SHARED



Provincial & Local Gov : Per Branch & Province

PROVINCIAL OFFICE	Final ENE allocation	%
		allocation to provincial budget
Restitution	R'000	%
EC: WHOLE PROVINCE		0.0%
FS: WHOLE PROVINCE	419	7.5%
GT: WHOLE PROVINCE		0.0%
KZN: WHOLE PROVINCE	419	7.5%
LP: WHOLE PROVINCE	437	7.8%
MP: WHOLE PROVINCE	1,210	21.5%
NC: WHOLE PROVINCE	870	15.5%
NW: WHOLE PROVINCE	1,840	32.7%
WC: WHOLE PROVINCE	426	7.6%
TOTAL (Rates & Taxes / Vehicle Licenses)	5,621	100.0%

Provincial & Local Gov : Per Branch & Province

PROVINCIAL OFFICE	Final ENE allocation	%
		allocation to provincial budget
LTA	R'000	%
EC: WHOLE PROVINCE	5,219	8.4%
FS: WHOLE PROVINCE	522	0.8%
GT: WHOLE PROVINCE	522	0.8%
KZN: WHOLE PROVINCE	3,017	4.9%
LP: WHOLE PROVINCE	2,298	3.7%
MP: WHOLE PROVINCE	46,974	75.9%
NC: WHOLE PROVINCE	1,799	2.9%
NW: WHOLE PROVINCE	1,499	2.4%
WC: WHOLE PROVINCE	27	0.0%
TOTAL (Rates & Taxes / Vehicle Licenses)	61,877	100.0%

AGRICULTURAL LAND HOLDING ACCOUNT (ALHA) 2016/17 ESTIMATES OF NATIONAL EXPENDITURE (ENE) PRESENTATION

PRESENTED BY DIRECTOR:PLAS FMS



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Overview

- ❑ The overall budget allocation has decreased by 6% and 2% for the financial period 2017/18 and 2018/19 respectively, These decreases are clearly depicted from the initial baseline allocation to the revised allocation on year-to year basis, represented by a significant 9.43% for 2017/18 and 12% for both 2018/19 and 2019/20 financial year respectively.
- ❑ The implementation of the Strengthening of Relative Rights (50/50) Programme through National Empowerment Fund (NEF) continues in the outer years, budgeted at R525m, R551m and R579m for 2017/18, 2018/19, and 2019/20 respectively. This represent an average increase of 5% throughout the period. The entity is working with the Strategic Partner National Empowerment Fund to achieve the mandate of the Programme.
- ❑ One Hectare One Household (1H1H) programme/intervention is introduced in 2017/18-2019/20 with the following budgeted amounts R106.2m, R112.5m and R118.8m for the MTEF period.
- ❑ This represent an average increase of 6% throughout the period. The programme purpose is to provide comprehensive farm development support to Households in the farms participating in the One Household One Hectare initiative.
- ❑ Project Management Unit is budgeted at R71m, R71m and R35m for the 2017/18, 2018/19 and 2019/20 respectively representing a decrease of 0.25% over the period.



TRANSFERS

GRANT INCOME / TRANSFERS RECEIVED	2017/18 ESTIMATE
	R 000'
ORIGINAL ENE ALLOCATION – GRANT INCOME	1 567 442
BUDGET CUTS ORIGINAL	(144 880)
	1 422 562
FURTHER CUTS (11/11/2016)	(2 961)
REVISED ENE ALLOCATION - GRANT	1 419 601



ALLOCATION PER STANDARD ITEM

	2017/18
Strategic Land Acquisition	R 000
Land Acquisition	422 871
Strengthening of Relative Rights (50/50)	525 000
Planning	19 344
Total	967 215
Recapitalisation and Development	
Recap: (Commitments)	221 682
One Household One Hectare (1H1H)	106 200
Total Recap	327 882
Total ALHA Projects	1 295 097
Other Expenses	
Curator fees	5 861
Project Management Unit fees	71 149
Rates and Taxes	47 494
Total other expenses	124 504
Total Transfer Received	1 419 601



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STRATEGIC LAND ACQUISITION: (Land acquisition, SRR (50/50) and Planning)

STRATEGIC LAND ACQUISITION	2017/18
	R '000
Eastern Cape	121 500
Free State	101 700
Gauteng	91 500
KwaZulu-Natal	130 000
Limpopo	120 000
Mpumalanga	127 120
Northern Cape	88 114
North West	142 647
Western Cape	44 634
TOTAL	967 215



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RECAPITALISATION AND DEVELOPMENT

(Recapitalisation and One Hectare One Household 1H1H)

RECAPITALISATION AND DEVELOPMENT	2017/18
	R '000
Eastern Cape	41 000
Free State	32 800
Gauteng	27 500
KwaZulu-Natal	44 630
Limpopo	32 800
Mpumalanga	32 800
Northern Cape	44 142
North West	30 210
Western Cape	42 000
TOTAL	327 882

Note

Although the TOTAL Recap was split per province, no further break down is provided by the Branch for each category per province within Recap in terms of for example Recap and 1H1H has been provided. Analysis of the allocation per category shows that 68%, and 32% has been provided for 2017/18, whereas for the outer years a split of 65%, and 35% has been provided for 2018/19 and 69% and 31% in 2019/20..

RATES AND TAXES

Province	2017/18
Limpopo	1 274 400
Nothern Cape	2 230 200
Western Cape	2 655 000
Gauteng	5 522 400
Free State	6 372 000
North West	6 584 400
Kwazulu Natal	7 221 600
Eastern Cape	7 965 000
Mpumalanga	10 620 000
Totals	50 445 000

Note

Rates and taxes budget has been estimated to increase by 6% all around per financial year and per province. These estimates are based on the current (2016/17) approved allocation. This is despite the low spending in the line item as the expected spending for the current financial year will meet the target.



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ALLOCATION vs TARGETS

Per Province	2017/18	TARGETS 2017/18
Strategic Land Acquisition	R 000'	
Land Acquisition	422 871	95 000
Strengthening of Relative Rights (50/50)	525 000	18
Planning	19 344	-
Total	967 215	
Recapitalisation and Development		
Recap: (Commitments)	221 682	95
One Household One Hectare (1H1H)	106 200	5 500
Total	327 882	
Total ALHA Projects	1 295 097	

Note:

The National Target for 1H1H initiative is 11 000 HH calculated by multiplying 5 sites with 50 HH in the 44 districts $5 \times 50 \times 44 = 11\,000$. PLAS farms only account for 5 500 HH.

No breakdown has been provided by the Branch on the Recap due to the fact that Recap is moving to DAFF. The budget provided by the Branch relates to the commitments with respect to 2nd and 3rd tranches that are due.

2017 ENE – PERFORMANCE INFORMATION

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Number of hectares acquired	Promote equitable land redistribution and agricultural development	Access to land Vibrant sustainable, equitable rural communities and food security for all	153 586	354 802	242 556	83 074	86 098	90 000	95 000
Number of farms on Strengthening Relative Rights Policy Aquired	Promote equitable land redistribution and agricultural development	Access to land Vibrant sustainable, equitable rural communities and food security for all	New Indicator	New Indicator	New Indicator	New Indicator	18	18	18
Number of existing farms under recapitalisation and development programme	Provide comprehensive farm development support	Access to land Vibrant sustainable, equitable rural communities and food security for all	442	217	414	351	95	-	-
Number of Households participating in the One Household One Hectare initiative	Provide comprehensive farm development support	Access to land Vibrant sustainable, equitable rural communities and food security for all	New Indicator	New Indicator	New Indicator	New Indicator	5 500	5 500	5 500



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Thank You

