

## State to determine value of land

The Department of Rural Development and Land Reform is getting closer to establishing the Office of the Valuer-General as an autonomous statutory body and final authority on land and property valuation.

A delegation of officials from the department, led by Minister Gugile Nkwinti, recently attended a National Reference Group (NAREG) meeting with representatives of organised agriculture, civil society members as well as academics and experts on land and agrarian issues.

They discussed several of the policy framework documents out of the Green Paper on Land Reform.

Lindie Stroebel, economic intelligence manager at the Agricultural Business Chamber (Agbiz), who attended the meeting, said one of the policy framework documents that was under discussion revolved around land acquisition and land valuation as well as the establishment of the Office of the Valuer-General.

She said the draft policy framework suggested that the Office of the Valuer-General would serve as a mechanism that would allow the state to actively intervene in the land market.

Stroebel said the policy framework on the Office of the Valuer-General determined that this would be a statutory office responsible for the provision of fair and consistent land values and for determining financial compensation in cases of land expropriation.

She said consultation on the policy framework for establishing the Office of the Valuer-General was close to being

completed and the policy document would soon be presented to Cabinet.

The Green Paper proposed a four-tier land tenure system which would entail that all state and public land must be under leasehold, there must be a limit to private land under freehold with limited extent, foreign ownership of land must be managed in association with South Africans and linked to productivity and communal land ownership should go hand in hand with certain institutional land use rights.

Deputy president of Agri SA, Dr Theo de Jager, who also attended the NAREG meeting, commented via social networks that Agri SA and Grain SA were denied an opportunity to comment on land ownership models.

He said that land caps were being driven very hard by the Department of Rural Development and Land Reform and its consultants, but said that this was not acceptable to the commercial agriculture sector.

"Economies of scale is at the very heart of profit and sustainability in agriculture; land caps will destroy the advantage of scale," said De Jager.

De Jager also said that at the NAREG meeting that there was a proposal that 30-year lease agreements should replace land under freehold by foreigners.

But, he said, there was no clear answer on how free title of foreigners would be turned into long-term lease agreements, and whether they should be compensated.

– Denese Erasmus