

Land Reform status update

John Purchase

Agbiz Congress

2 June 2016



Land Reform premise....

Section 25 (5) provides that “the state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis”.

Acknowledgement that Land Reform in South Africa is necessary, even though a complex and emotive subject.

The question is: **How do we do it?**



Introduction

In 2009 the Department of Rural Development and Land Reform (DRDLR) was created **with some** of its key priorities identified as follows:

- Compliance with Government Immovable Asset Management Act (verification of ownership of land)
- Improve land use and management
- Improve access to infrastructure
- Contribute towards poverty alleviation, unemployment reduction, skills development and job creation
- **Implement land redistribution and development**
- **Develop an enabling policy and legislative framework to support implementation**

Source: DRDLR, 2016



Key Programmes

Land Reform	<ul style="list-style-type: none">• Restitution• Land Acquisition• Recapitalisation & Development• Land Tenure
Land Administration and Management	<ul style="list-style-type: none">• Number of hectares State land in the former homelands surveyed• Establishment of the Office of the Valuer General
Rural Development	<ul style="list-style-type: none">• Improved access to infrastructure• Support to Rural Enterprises• Food Security
Poverty alleviation, unemployment reduction, skills development and job creation	<ul style="list-style-type: none">• Youth recruited through Narysec• Geomatics training• Job Creation
Policies and legislation	<ul style="list-style-type: none">• SPLUMA• Property Valuation Act

Source: DRDLR, 2016

For today.....

In effect three approaches/processes by government to Land Reform:

1. DRDLR Green Paper of 2011 and National Reference Group Process (NAREG)
2. National Development Plan (NDP) Model on Land Reform
3. Inter-Departmental Task Team on Outcome 7 (IDTT07)

IDTT07 in effect a combination and consequence of processes 1 and 2.



1. DRDLR Green Paper and National Reference Group (NAREG) Process.



GENERAL NOTICE

NOTICE 686 OF 2011

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

INVITATION FOR COMMENTS ON THE GREEN PAPER ON LAND REFORM, 2011

The Department of Rural Development and Land Reform hereby invites any interested person or body to provide comments on the Green Paper on Land Reform, 2011 (hereinafter referred to as Green Paper), as published hereunder.

The Green Paper seeks to provide new policy direction on Land Reform and it also proposes the establishment of institutions to support the implementation of the policy proposals contained in the Green Paper.

Copies of the Green Paper can be obtained from the offices listed below and it can also be downloaded from the Department's website.

The closing date for comments is 60 calendar days from the date of publication of this notice in the Gazette. Written comments must be submitted to The Director General, Rural Development and Land Reform at the contact details below:

E-mail Address: landreformgreenpaper@ruraldevelopment.gov.za

Fax Number: 086 241 3517

Postal Address: Private Bag X833, Pretoria, 0001



GP: Principles underlying Land Reform

- (a) De-racialising the rural economy;
- (b) Democratic and equitable land **allocation** and use across race, gender and class; and,
- (c) Sustained **production discipline** for food security



NAREG Process

- National Reference Group established, and Agbiz very much part of deliberations
- 6 NAREG Workstreams established for consultation:
 - Group 1: Land Management Commission (LMC)
 - Group 2: Land Rights Management Board (LRMB)
 - Group 3: Office of the Valuer General (OVG)
 - Group 4: 3-Tier Land Tenure System
 - Group 5: Communal Tenure
 - Group 6: Legislation
- Considerable interaction over 3-year period
- 14 policy positions developed by DRDLR



Strategic Correlation amongst the various Policy Instruments and Institutions

Policy Type	Actual Policies
Foundation	<ol style="list-style-type: none"> 1. Spatial Planning and Land Use Management (SPLUM Act finalized) 2. Rural Development Policy Framework – CRDP approach 3. Agricultural Land Holdings Framework Policy – Private land with limited extent + Regulation of Foreign Ownership of Land (Regulation of Landholdings Bill pending) 4. Land Management Commission (Draft Land Commission Bill to go to Parliament soon) 5. Property valuations - Just and equitable compensation - Property Valuation Act assented
Redistributive	<ol style="list-style-type: none"> 6. Pro-active land acquisition policy (PLAS) 7. Re-opening Restitution - Restitution of Land Rights Amendment Act implemented 8. Land tenure reform in commercial farming areas (Strengthening the relative rights of those people that work the land). Implementation after amendment. Also Extension of Security of Tenure Amendment Bill currently in Parliament. 9. Communal land tenure policy and redistributive arm to decongest communal areas – Communal Land Tenure Bill pending.
Development and Support	<ol style="list-style-type: none"> 10. Rural Development Framework (RVCP, RRTV, AVMP, REID, etc.) 11. Communal Property Associations Policy - Communal Property Associations Amendment Bill pending 12. Recapitalisation and Development Policy 13. State Land Lease and Disposal Policy 14. MTSF developed between DRDLR and DAFF



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FTSE-JSE indices	Close	% ch
All Share	53295.64	▲ 1.08
Top 40	47809.88	▲ 1.09
Findi 30	74795.97	▲ 0.69
Resources 20	37439.51	▲ 4.37
Goldex	1088.86	▲ 3.77



Bonds/forwards	INET BFA	% ch	Currencies	INET BFA	% ch
R186	817	▲ 0.1	R/\$	13.344	▲ 0.00
R207	762	▲ 0.1	R/£	20.315	▲ 0.00
3-mth NCD spot	6.43	▲ 1.15	R/€	15.160	▲ 0.00
R/\$ (6-mth)	13.774	▼ 0.32	\$/€	1.136	▲ 0.00
R/\$ (12-mth)	14.223	▼ 0.26	¥/\$	120.250	▲ 0.00

Commodities	Latest	% ch
Gold PM Fix	1151.55	▲ 0.00
Gold NY	1156.06	▲ 0.04
Brent Future	52.65	▼ 0.75
Platinum PM Fix	934.00	0.00
Palladium Spot	710.50	▲ 0.64

Foreign Markets	Latest	% ch
Dow Jones	17084.49	▲ 0.20
S&P 500	2014.89	▲ 0.07
FTSE 100	6416.16	▲ 0.65
Nikkei 225	18438.67	▲ 0.90
Xetra Dax	10096.60	▲ 1.04



GREAT READS

SONGEZO ZIBI ANC ties itself up in knots over rural land Page 10

DAVE MARRS Living in SA akin to being in a parallel universe Page 11

DIANNA GAMES Nigeria's African aspirations good for SA Page 11

Inside

Forecasts of tax hikes and cuts in state spending

FINANCE Minister Nhlanelhla Nene is going to have to cut his suit according to his cloth when he tables his medium-term budget policy statement in Parliament next week. In the face of serial growth disappointments and the uncertain global outlook, economists are expecting Mr Nene to table an austerity budget that raises taxes and cuts government expenditure. **Page 2**

End to coal strike could be in sight

ANC wants farmers to give equity to workers

■ Conference focuses on economy ■ Policy on farmers endorsed

CAROL PATON
Writer at Large

THE African National Congress (ANC) national general council meeting ended yesterday with a mixed bag of policy offerings on the economy; while the party wants a closer working relationship with the private sector to fashion better job creation measures, it also made it official policy that farm owners give half their equity to farm workers.

Contradictory policies have been a problem for the ANC government, with messages crafted to attract growth and investment frequently contradicted by messages with social equity or national security concerns.



Party resolves to lead continent in mass pullout from the ICC

SAM MKOKELI

THE African National Congress (ANC) wants to lead an African-wide walkout from the International Criminal Court (ICC), agreeing on a resolution yesterday that was contested by the party's old guard and labelled as another step away from its human-rights-centred approach to foreign policy.

The ANC's decision, at its national general council meeting, comes after the government came under fire in June for ignoring a court order to arrest Sudanese President Omar al Bashir, when he visited SA on African Union (AU) business in June.

The ICC has issued two warrants of arrest for Mr Bashir for crimes against humanity relating to the

Among those who warned at the weekend of the potential fallout of such a step was former minister in the Presidency Aziz Pahad. Mr Bapela told Business Day yesterday that Mr Pahad warned the party to tread carefully as the decision to pull out needed to be mitigated by a strong emphasis on human rights.

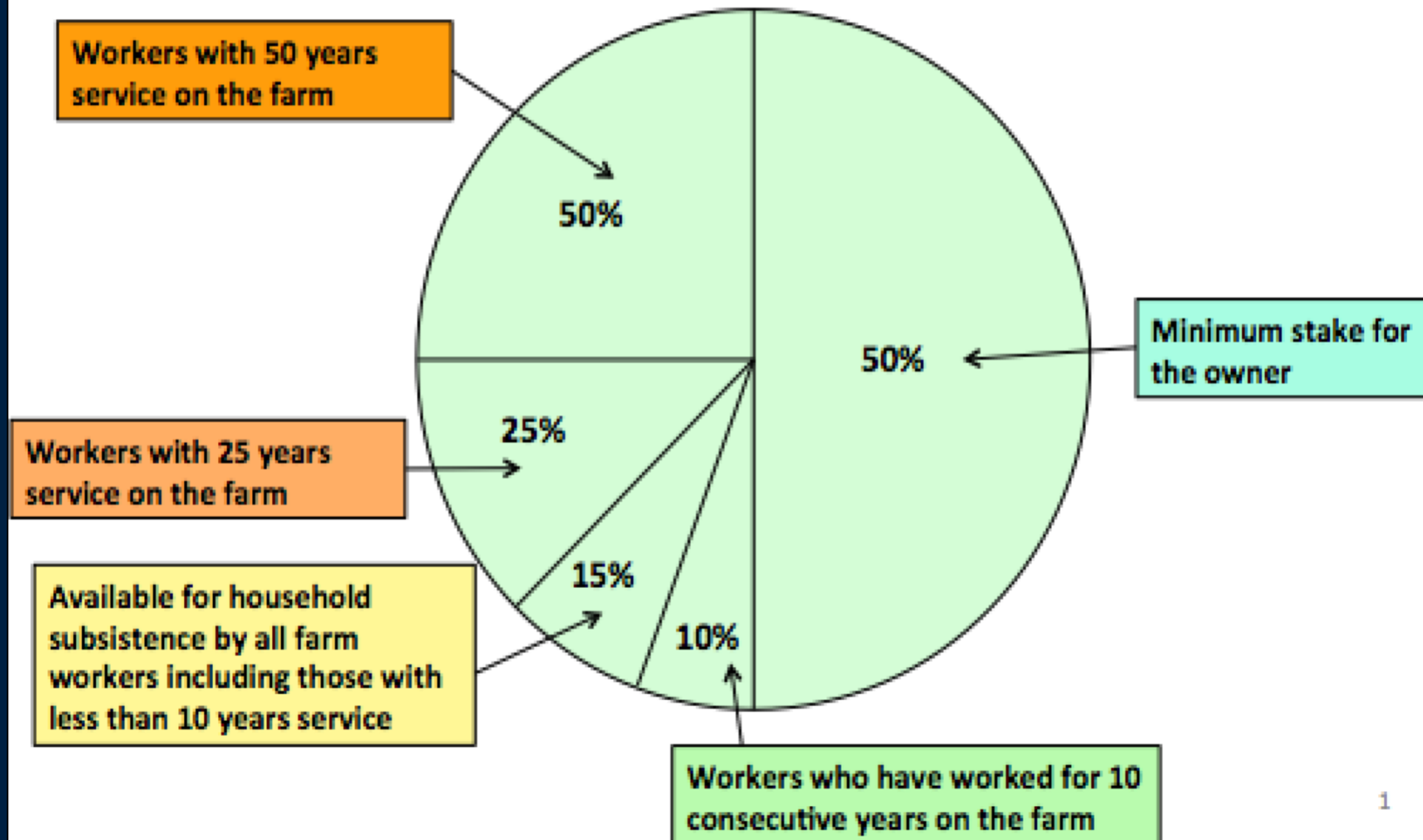
Mr Bapela said that a report from the commission on international relations had recommended that the ANC should persuade the ICC to change its "attitude and arrogance".

But the session, which was attended by more than 2,000 delegates, "came out saying withdraw", said Mr Bapela.

President Jacob Zuma echoed Mr Bapela's sentiments during his closing



STRENGTHENING RELATIVE RIGHTS OF PEOPLE WORKING THE LAND - PROPOSED MODEL



New Land Reform Legislation

- **Spatial Planning and Land Use Management Act (SPLUMA)**, assented 5 August 2013, not yet operationalized.
- **Property Valuation Act** assented 1 July 2014, not yet operationalized.
- **Restitution of Land Rights Amendment Act** assented 30 June 2014, claims opened 1 July 2014.
- **Expropriation Bill** (Signed off by Parliament – for assenting).
- **Extension of Security of Tenure Amendment Bill** (Parliament in 2015/16).



Agbiz alternatives in NAREG Process

- Conditional support for most policies/legislation
- Right of First Refusal (RoFR)
 - Namibia model
 - Variation thereof with term conditions, etc.
- Farm Equity Schemes (FES)
 - Implemented, then suspended by DRDLR
 - Being reviewed
 - Considerable potential and in line with AgriBEE Sector Code
 - Agbiz/BASA Proposal on NDP Land Reform Model



2. National Development Plan (NDP) model on Land Reform.



NDP Model on Land Reform

Chapter 6: An Integrated and Inclusive Rural Economy

NPC's proposed model for workable and pragmatic land reform based on following principles:

- Enable a more rapid transfer of agricultural land to black beneficiaries without distorting land markets or business confidence in the agribusiness sector.
- Ensure sustainable production on transferred land by making sure that human capabilities precede land transfer through incubators, learnerships, mentoring, apprenticeships and accelerated training in agricultural sciences.
- Establish monitoring institutions to protect land markets from opportunism, corruption and speculation.

NDP Model on Land Reform

Chapter 6: An Integrated and Inclusive Rural Economy

NPC's proposed model for workable and pragmatic land reform based on following principles:

- Bring land-transfer targets in line with fiscal and economic realities to ensure that land is successfully transferred.
- Offer white commercial farmers and organised industry bodies the opportunity to significantly contribute to the success of black farmers through mentorships, chain integration, preferential procurement and meaningful skills transfer.

NDP Model on Land Reform

Chapter 6: An Integrated and Inclusive Rural Economy

NPC's proposed model :

- Each district municipality with commercial farming land in South Africa should convene a committee (the district lands committee) with all agricultural landowners in the district, including key stakeholders such as the private sector (the commercial banks, agribusiness), government (Departments of Rural Development and Land Reform, the provincial departments of agriculture, water affairs and so on), and government agencies (Land Bank, the Agricultural Research Council and so on).
- This committee will be responsible for identifying 20 percent of the commercial agricultural land in the district, and giving the commercial farmers the option of assisting in its transfer to black farmers.

Inter-Departmental Task Team on Outcome 7 (IDTT7)

- MTSF Outcome 7: **Vibrant, equitable, sustainable rural communities contributing towards food security for all**
- Agbiz/BASA Proposal submitted and well received - MoU
- Five Working Groups established:
 - Land ceilings + Foreign landownership
 - '50/50 Model' – relative rights of those that work the land.
 - District Land Committees – ToR's NB
 - Agri-Parks: R2,0bn per annum to 44 districts
- Implementation focussed : Agbiz appointed to NAAC.



SONA – February 2016

- Land reform remains an important factor as we pursue transformation.
- I spoke about the fifty/fifty policy framework last year, which proposes relative rights for people who live and work on farms. Twenty seven proposals have been received from commercial farmers and four are being implemented in the Eastern Cape and the Free State.
- I also announced the Regulation of Land Holdings Bill which would place a ceiling on land ownership at a maximum of 12 000 hectares and would prohibit foreign nationals from owning land. They would be eligible for long term leases. The draft Bill will be presented to Cabinet in the first semester of the year.
- We also announced the re-opening of land claims for people who had missed the 1998 deadline. The number of new land claims that have been lodged stood at close to one hundred and twenty thousand as of December last year.



DRDLR Budget Vote – April 2016

Agri-Parks, as important mechanisms to execute the NDP's proposed rural development strategy, have been identified as one of the key drivers in revitalizing the agriculture and agro-processing value chain. During the course of last year, the DRDLR started planning and coordinating the implementation of this programme in all 44 rural districts of the country.

The implementation of the programme on **Strengthening of Relative Rights (SRR) of People Working the Land** (50/50 Policy Framework) will be expedited. R500 million has been set aside for this purpose in the new financial year.

The Department is rolling out the **"One Household, One Hectare"** programme with an aim to eradicate poverty and create a class of black smallholder farmers, producers and agro-manufacturers. It is targeting particularly state-owned and what could at best be described as traditional communal land.

The **Regulation of Agricultural Land Holdings Bill** limits the extent of hectares owned by individuals and entities; and, terminates ownership by foreign nationals:

- Bill has been taken through the Socio-economic Impact Assessments (SEIA) process.
- It is currently awaiting a pre-certification opinion from the Office of the Chief State Law Advisor.
- The Bill will be published for 30 days for public comment during May 2016, including the NEDLAC process.
- Should be submitted to Parliament during June, 2016.



Four Pillars of Land Reform

1. Land redistribution – (Proactive Land Acquisition Strategy - PLAS)
2. Restitution (Re-opening of the process in July 2015: >120 000 new claims)
3. Tenure reform (ESTA and CLTA/ILUR, Strengthening of Relative Rights, etc.)
4. Development (Recapitalization and Development, AgriParks, RVCP, AVMP, RRTV, REID, Graduates Programme, NARYSEC)



Agri-Parks



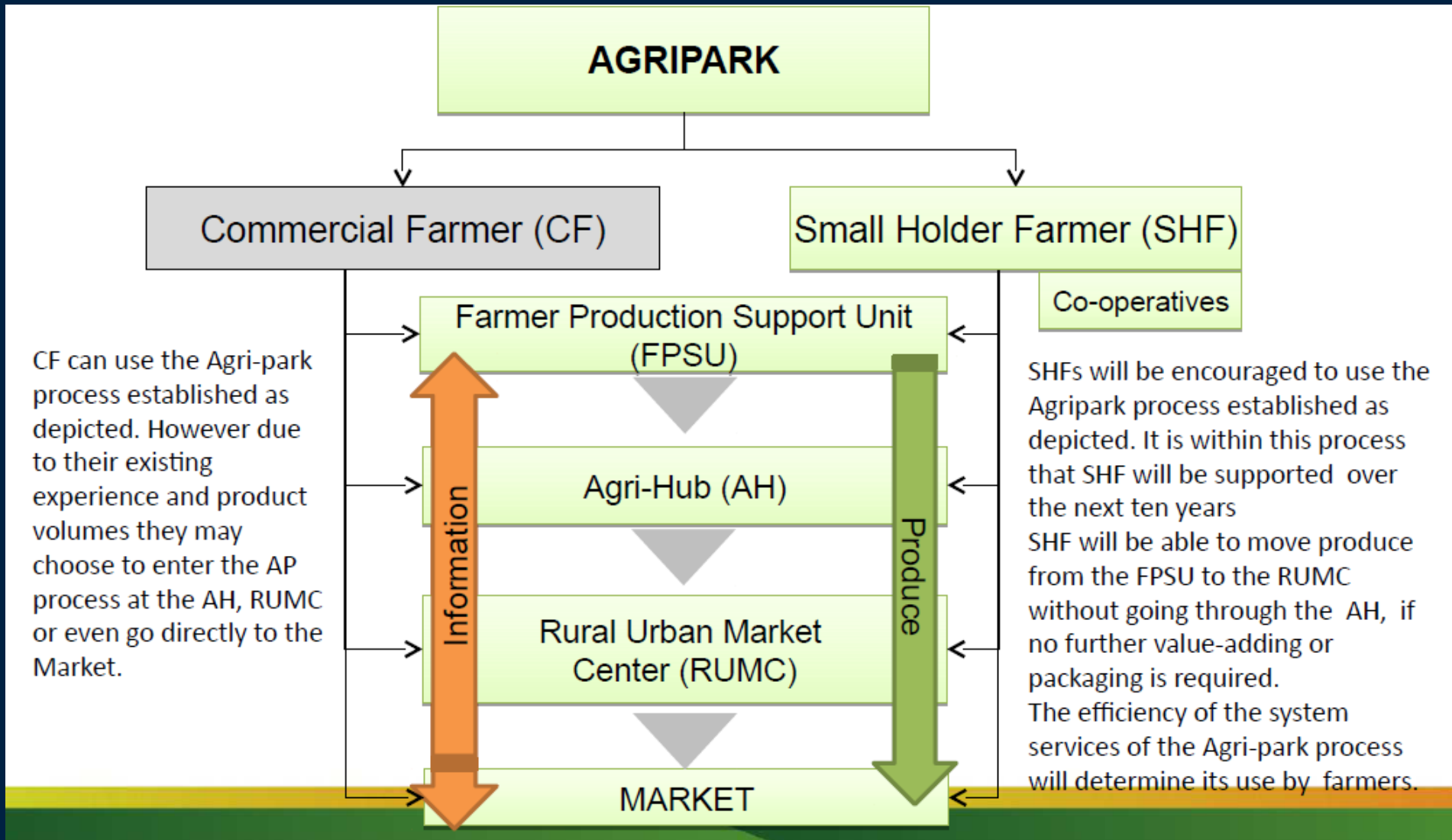
10 Agri-park Guiding Principles

1. One Agri-Park per District (44)
2. Agri-parks must be farmer controlled.
3. Agri-parks must be the catalyst around which rural industrialization will take place.
4. Agri-parks must be supported by government (10 years) to ensure economic sustainability.
5. Strengthen partnership between government and private sector stakeholders to ensure increased access to services (water, energy, transport) and production on the one hand, while developing existing and create new markets to strengthen and expand value-chains in-line with APAP.

10 Agripark Guiding Principles

6. Maximise benefit to existing state land with agricultural potential in the provinces, where possible.
7. Maximise access to markets to all farmers, with a bias to emerging farmers and rural communities.
8. Maximise the use of high value agricultural land (high production capability).
9. Maximise use of existing agro-processing, bulk and logistics infrastructure, including having availability of water, energy and roads.
10. Support growing-towns and revitalisation of rural towns, in terms of high economic growth, high population growth over past 10 years and promote rural urban linkages

Agri-park network

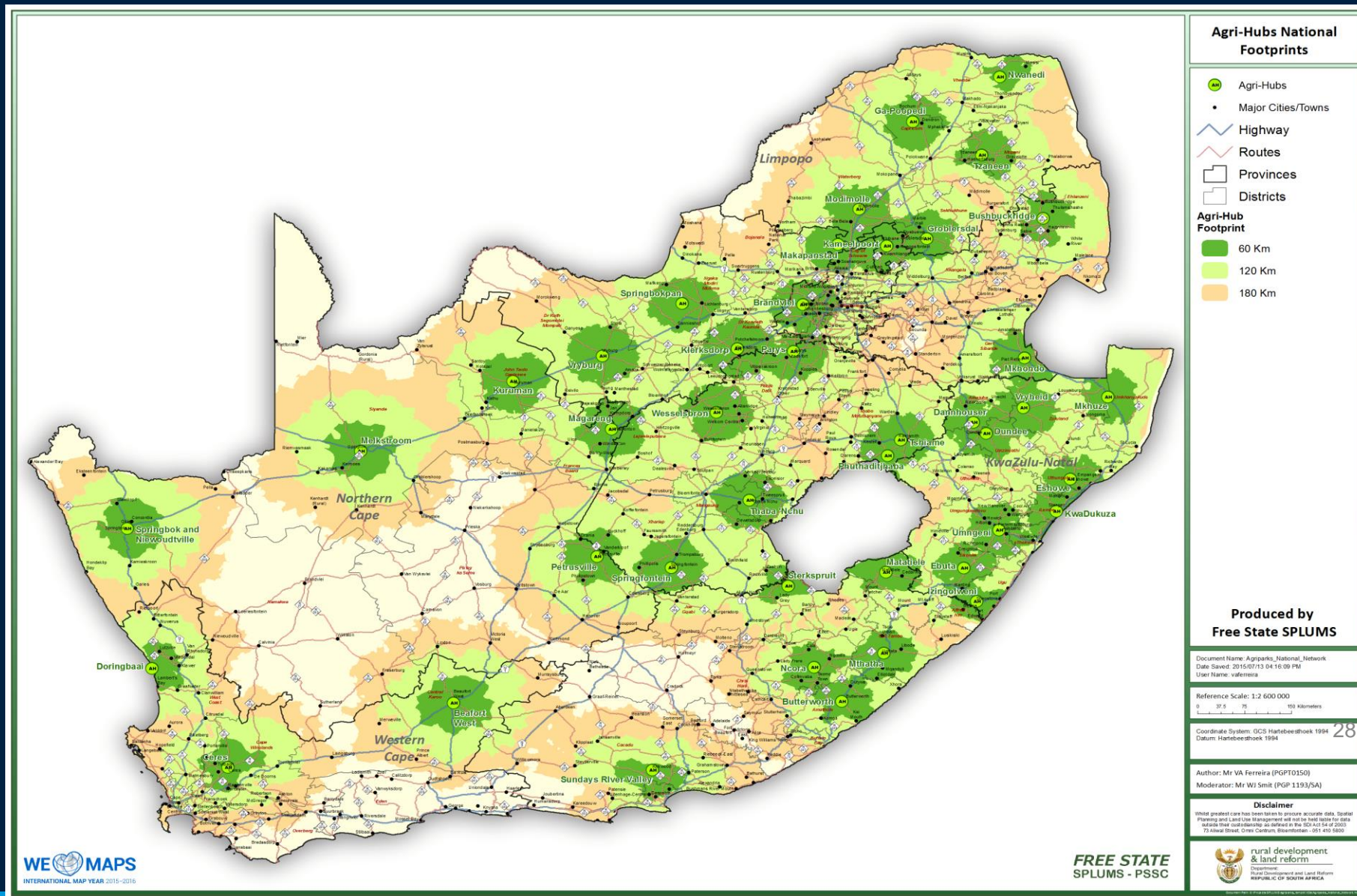


Sites

PROVINCE	DISTRICT MUNICIPALITY NAME	Provincial Selected Agri-hub Sites as 10 July	PROVINCE	DISTRICT MUNICIPALITY NAME	Provincial Selected Agri-hub Sites as 10 July	PROVINCE	DISTRICT MUNICIPALITY NAME	Provincial Selected Agri-hub Sites as 10 July
Eastern Cape	Alfred Nzo	Matatiele	KwaZulu Natal	Amajuba	Danhauser	North West	Bojanala	Makapanstad
	Amathole	Butterworth		iLembe	Kwadakuza		Dr Kenneth Kaunda	Klerksdorp
	Cacadu	Sundays River Valley		Harry Gwala	Umzimkulu LM(Ebutha Farm)		Dr Ruth Segomotsi Mompoti	Vryburg
	Chris Hani	Ncora		Ugu	Izinqoleni Area (Horse Shoe Farm)		Ngaka Modiri	Springbokpan
	Joe Gqabi	Lady Grey (Sterkspruit)		UMgungundlovu	Umgeni LM		Molema	
	O.R.Tambo	Mtata	Umkhanyakude	Mkhuze				
			Umzinyathi	Dundee		Northern Cape	Frances Baard	Magareng
			Uthukela	Okhalamba LM (Bergville etc)			John Taolo Gaetsewe	Kuruman
Free State	Fezile Dabi	Parys	Uthungulu	Eshowe			Namakwa	Springbok and Niewoudtville
	Lejweleputswa	Wesslesbron	Zululand	Vryheid			Pixley ka Seme	Petrusville
	Mangaung	Thabanchu					ZF Mgcawu	Melkstrom (Upington area)
	Thabo Mofutsanyane	Tshame (Harrismith)/Phuthadithaba	Limpopo	Capricorn	Ga-Poopedi			
	Xhariep	Springfontein		Greater Sekhukhune	Groblersdal			
				Mopani	Tzaneen	Western Cape	Cape Winelands	Ceres
				Vhembe	Nwanedi (40km From Musina proposed SEZ)		Central Karoo	Beaufort West
				Waterberg	Modimolle		Eden	TBC
							West Coast	Doringbaai
							Overberg	TBC
Gauteng	Sedibeng	TBC						
	West Rand	Brandvlei (Randfontein)	Mpumalanga	Ehlanzeni	Bushbuckridge			
				Gert Sibande	Mkhondo			
				Nkangala	Kameel Poort A (Dr JS Moroka)			

NATIONAL AGRI-PARK NETWORK

(2 Western Cape District Agri-parks to be identified as at 13 July 2015)



Agri-Hubs National Footprints

- Agri-Hubs
- Major Cities/Towns
- Highway
- Routes
- Provinces
- Districts

- #### Agri-Hub Footprint
- 60 Km
 - 120 Km
 - 180 Km

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Document Name: Agriparks_National_Network
Date Saved: 2015/07/13 04:16:09 PM
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Reference Scale: 1:2 600 000
0 37.5 75 150 Kilometers

Coordinate System: GCS Hartbeeshoek 1994
Datum: Hartbeeshoek 1994

Author: Mr VA Ferreira (PGPT0150)
Moderator: Mr WJ Smit (PGP 1193/5A)

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Planned Policy Priorities to 2019



PLANNED POLICY PRIORITIES TO 2019

The following are the planned policies for the upcoming MTEF period i.e. 2016-2019

- Communal Land Tenure
- Communal Property Association
- Regulations of Land Holdings Policy
- Electronic Deeds Registration Policy
- Policy Framework for the Strengthening of Relative Rights for persons working the land
- Policy of exceptions to pre-1913 Claims and on Access to Heritage Sites and Historic Land Marks

The following are bills being processed therefore, work in progress

1. Communal Land Bill, 2015	The Bill has been submitted to the Office of the Chief State Law Advisor for a pre-certification opinion.
2. Regulation of Land Holdings Bill, 2015	<p>The Bill has been submitted to the Office of the Chief State Law Advisor for a pre-certification opinion.</p> <p>The Bill will be submitted to Cabinet for approval for publication for public comments.</p>
3. Communal Property Associations Amendment Bill, 2015	Bill is being submitted to Cabinet for approval for public comments.
4. Extension of Security of Tenure Amendment Bill, 2015	Bill has been introduced to Parliament.
5. Deeds Registries Amendment Bill, 2015	The Bill will be submitted to Cabinet for approval for publication for public comments.

LEGISLATION PROGRAMME FOR 2016/2017

Nine Bills Targeted for the Year 2016/2017

Committed Dates

1. Communal Property Association Amendment Bill [to Cabinet for Gazetting for Public Comment February 2016]
2. Deeds Registries Amendment Bill (1) [to Cabinet for Gazetting for Public Comment February 2016]
3. Communal Land Tenure Bill [to Cabinet for Gazetting for Public Comment March 2016]
4. Regulation of Agricultural Land Holdings Bill [to Cabinet for Gazetting for Public Comment March 2016]

LEGISLATION PROGRAMME FOR 2016/2017 Continued

5. Sectional Titles Amendment Bill 1 [To Cabinet by May 2016]
6. Sectional Titles Amendment Bill 2 [To Cabinet by May 2016]
7. Deeds Registries Amendment Bill 1 [To Cabinet by April 2016]
8. Planning Professions Amendment Bill [To by April 2016]
9. Land Surveys Amendment Bill [To Cabinet by May 2016]

Other Legislation

1. Preservation and Development of Agricultural Land Framework Bill (PDALFA)
2. Expropriation Act:
 - Definitions of “public interest”, “Property” and “Expropriation” problematic
 - How Act will impact with other legislation, and specifically:
 - Private Security Industry Regulation Amendment Bill (Assenting delayed).
 - Protection of Investment Act, 2015 (Assented December 2015)
 - Regulation of Agricultural Landholdings Bill (Pending publication for public comment)
3. Spatial Planning and Land Use Management Act (SPLUMA)



Way forward.....

- Level of flexibility being accommodated – more certainty and some progress. However, Pres Zuma comments on opening Restitution before 1913 not helpful at all.
- Concern of increased land grab incidents – EFF factor
- Still major concern on policy uncertainty and specifically continuing erosion of individual property rights – investment impact and subsequent food security impact.