



+27 (0) 12 335 6994

+27 (0) 83 611 0467

[www.wrsa.co.za](http://www.wrsa.co.za)

23073 GEZINA 0031

381 Booysen Street/Booyesenstraat 381, ELOFFSDAL 0084 Pretoria

Reg No: 2006/010722/08 VAT/BTW No.: 4200 228 098



# WILDLIFE RANCHING SOUTH AFRICA:

## SUBMISSION ON LAND EXPROPRIATION WITHOUT COMPENSATION

**15 June 2018**

**CEO/HUB:** A Kitshoff-Botha,

**President:** T Mogashoa, **Adjunkpresident/Deputy President:** W van der Linde  
**Direkteure/Directors:** NJ Adami, DJ Cunningham, ER Davey, AI Douglas, M Gcabo,  
G Heyneke, Dr T Lesoli, JD Malan, JL Pretorius, LLS van der Watt

**SUBMISSION ON LAND EXPROPRIATION WITHOUT COMPENSATION**

**CONTENTS**

<b>1</b>	<b>DESCRIPTION OF WRSA AND ITS INTEREST IN MAKING THIS SUBMISSION</b>	<b>pp. 2-8</b>
<b>2</b>	<b>INTRODUCTION TO THE SOUTH AFRICAN WILDLIFE INDUSTRY</b>	<b>p. 9</b>
<b>3</b>	<b>WRSA’S VIEW ON LAND REFORM</b>	<b>pp. 10-11</b>
<b>4</b>	<b>WRSA’S VIEW ON THE PROPOSED AMENDMENTS TO SECTION 25 OF THE CONSTITUTION TO ACHIEVE JUST AND EQUITABLE LAND REDISTRIBUTION</b>	<b>pp. 12-15</b>
<b>5</b>	<b>WRSA’S VIEW ON THE IMPACT OF EXPROPRIATION WITHOUT COMPENSATION</b>	<b>p. 16</b>
	<b>a. On the South African Wildlife Ranching Industry</b>	
	<b>b. On the South African Economy</b>	
	<b>c. Social Impact</b>	
<b>6</b>	<b>PROPOSALS</b>	<b>p. 17</b>
<b>7</b>	<b>CLOSING</b>	<b>p. 18</b>

**1. DESCRIPTION OF WRSA AND ITS INTEREST IN MAKING THIS SUBMISSION**

- a. **WRSA** is a registered, non-profit company with registration number 2006/010722/08.
- b. WRSA is acknowledged by government and stakeholders as an organisation representing the national and international interests of the wildlife ranching industry. This relates to the sustainable breeding, conservation, production and marketing of wildlife in South Africa.

WRSA constitutes the largest collective of more than 2,000 commercial wildlife ranchers (land owners), businesses and individuals with an interest in commercial wildlife ranching. Wildlife ranchers conduct their activities from millions of hectares of agricultural property dispersed throughout South Africa.

As an industry representative for commercial businesses, WRSA therefore has a real and direct interest regarding the proposed review of section 25 of the Constitution.

- c. WRSA's Vision:

*To create a new wave of growth and prosperity in the wildlife industry, by leveraging our unique natural strengths for the benefit of all South Africans*

- d. WRSA's objectives, as contained in its Constitution, are, *inter alia*, the following:

- i. To function as an integral part of the framework of the Green Economy as prescribed by the state and international agencies;
- ii. To advance sustainable game production and utilisation of same as a viable, economic activity. Utilisation includes hunting, breeding of game, meat production, ecotourism and wildlife for both local and international markets;
- iii. To act as the national representative organisation of the wildlife ranching industry in South Africa;
- iv. To support land redistribution and the establishment of emerging Black wildlife ranchers and to actively co-operate with economically sustainable initiatives;
- v. To promote research, knowledge and technological development with regard to natural flora and game as well as the management thereof, in order to promote the economic utilisation of game production; and
- vi. To address and advance Black Economic Empowerment and to actively campaign for the advancement of training and development of employers and employees in the industry.

- e. WRSA key strategic focus areas include amongst others, to stimulate growth and create demand, working together with all stakeholders and especially the South African government, to ensure future sustainability and success of the industry.

Another key strategic focus area is to influence legislation to eliminate blockages and/or barriers and to enable the economy of wildlife to succeed.

- f. WRSA serves on various government forums, including:
- Department of Environmental Affairs' national wildlife forums.
  - All existing provincial wildlife forums, including Eastern Cape, Gauteng, Limpopo, North West, and Western Cape.
  - The DAFF National Animal Health Forum.
- g. During 2016, WRSA participated in the 5-week Biodiversity Lab, an initiative from the office of the State President.

i. **The following images summarize the outcomes of the wildlife stream of the Biodiversity Lab:**

**Through the Wildlife Economy Lab, our vision is to better establish an economy that contributes to the well-being of all South Africans**

<b>Aspiration</b>	An <b>inclusive, sustainable and responsive</b> wildlife economy that <b>grows at 10% p.a until at least 2030</b> , while providing a foundation for <b>social well-being</b> and maintaining the <b>ecological resource base</b>
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1 Economic growth <ul style="list-style-type: none"> <li>▪ Average yearly sector GDP increase of ~10%</li> <li>▪ Create <b>100,000</b> new jobs</li> </ul> </li> <li>2 Transformation <ul style="list-style-type: none"> <li>▪ <b>30%</b> of wildlife businesses <b>PDI owned</b></li> <li>▪ PDI ownership of <b>&gt;5 million Ha</b>, and access to another <b>&gt;5 million Ha</b></li> <li>▪ <b>4,000 PDI owned SMMEs</b> supported to engage in the wildlife economy<sup>1</sup></li> </ul> </li> <li>3 Sustainability <ul style="list-style-type: none"> <li>▪ <b>5 million ha</b> of non-protected areas contributing towards conservation target (AICHI)</li> <li>▪ <b>3.5% animal population</b> net growth p.a.</li> </ul> </li> </ol>

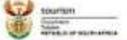

1 Trained or directly linked to the wildlife supply chain


4

ii) The Biodiversity Lab kicked off with identifying challenges as listed in the slide below:

### The Wildlife Economy faces several challenges preventing growth and transformation happen at full potential

I Barriers to transformation	II Risk of future growth stagnation	III Unsupportive enabling environment
<ul style="list-style-type: none"> <li>Insufficient access, ownership and inefficient utilization of land</li> <li>Lack of infrastructure development support for entrepreneurs</li> <li>Lack of access to 'startup' game</li> <li>Lack of organized governance amongst community and emerging entrepreneurs</li> <li>Lack of technical skills, oversight, business support and effective business and partnership models</li> <li>Lack of access to finance and incentives for transformation</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient government endorsement for hunting as a tourism activity</li> <li>Untapped black consumer potential</li> <li>Insufficient societal value given to wildlife resources and understanding of the sustainable use concept</li> <li>Insufficient awareness and capitalisation of the value of mixed wildlife/livestock interfaces</li> <li>Insufficient mechanism addressing and containing risks and threats to the ecological resource base in further growing the biodiversity economy</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient interdepartmental coordination and understanding of the benefits of the bio-economy</li> <li>Insufficient knowledgebase (research and access)</li> <li>Gaps in industry standards (and compliance)</li> <li>Excessive and inefficient permitting</li> <li>Unsupportive legislative regime                             <ul style="list-style-type: none"> <li>Misalignment of SPLUMA and PDALFB (Land use)</li> <li>NEMBA lacking in enabling provisions</li> <li>Misalignment of provincial and/or national hunting legislation</li> </ul> </li> <li>Lack of sufficient collaboration platform for the industry</li> <li>Lack of capacity (human and financial) to effectively manage and harness the potential of wildlife resources</li> <li>Lack of a formal game meat industry</li> </ul>

iii) After five weeks' deliberations, detailed plans were developed for the following initiatives and recommendations:

### The Wildlife Economy Lab developed detailed plans for 15 initiatives and a further 6 recommendations

Facilitating transformation	Driving growth through promoting 'value' and products	Creating an enabling environment for the wildlife sector
<ol style="list-style-type: none"> <li>Identify and prioritize 10m Ha for transformation of wildlife economy</li> <li>Establish, develop and support new wildlife ranching entrants including business set up support, infrastructure and game ownership programmes</li> <li>Increase capacity and support for (at least) 300 CPA's, trusts and traditional authorities</li> <li>Create supply chain linkages and capacitate 4,000 SMMEs (new and existing) to locally capture the value of ancillary goods and services to the wildlife economy</li> <li>Operationalise 11 biodiversity economy nodes, that enhance the economic potential of Protected and non Protected Areas</li> <li>Empower 4,000 emerging entrepreneurs and farmers through focused capacity building programmes</li> </ol>	<ol style="list-style-type: none"> <li>Formalize SA game meat market and create a network of game meat processing facilities</li> <li>Implement a campaign that drives participative transformation and consumer growth for wildlife related activities and products</li> <li>Promote sustainable use as a foundation for conservation and growth of biodiversity economy</li> <li>Develop a strategic marketing campaign and value proposition for mixed game and livestock systems</li> <li>Establish mechanisms to allow for holistic and integrated management of animal health and conflict issues at the livestock-wildlife interface</li> <li>Develop an appropriate mechanism to manage and mitigate risk</li> </ol>	<ol style="list-style-type: none"> <li>Create an enabling legislative environment through the amendment of NEMBA</li> <li>Develop and implement wildlife industry standards</li> <li>Develop and implement a national wildlife economy certification scheme</li> <li>Develop and implement an electronic wildlife permitting system and centralised database</li> <li>"Re-position" the Wildlife Forum as an efficient interdepartmental/ industry collaboration and co-ordination platform to promote the benefits of the Wildlife Economy</li> <li>Develop an integrated knowledge/ evidence generating and sharing platform to support the wildlife economy</li> <li>Leverage protected areas to unlock economic potential</li> <li>Develop, upskill and resource extension services to facilitate the growth of the wildlife economy</li> </ol>

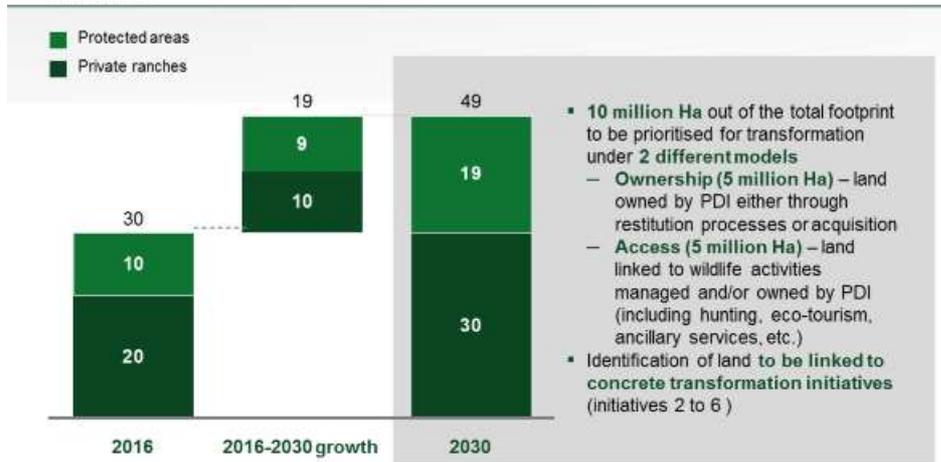
1 Recommendations will be included with high level activities, but these will not have 30 plans




iv) The following slides provide detailed information for initiatives 1, 2, 5 and 7:

**1 The transformation agenda starts with the identification and repurpose of suitable land**

Wildlife economy footprint  
Million Ha



SOURCE: National Biodiversity Economy Strategy & Stats SA

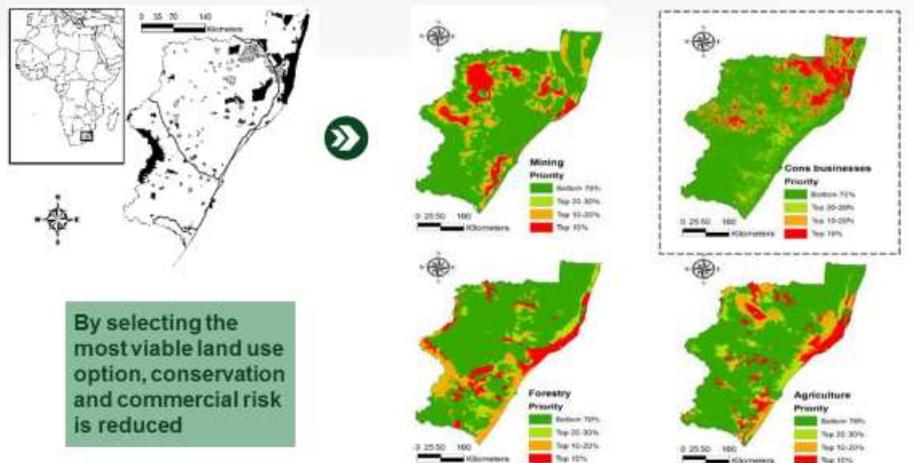


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**1 The audit will look at alternative land uses, and prioritise land for the Wildlife Economy where there are no conflicts**

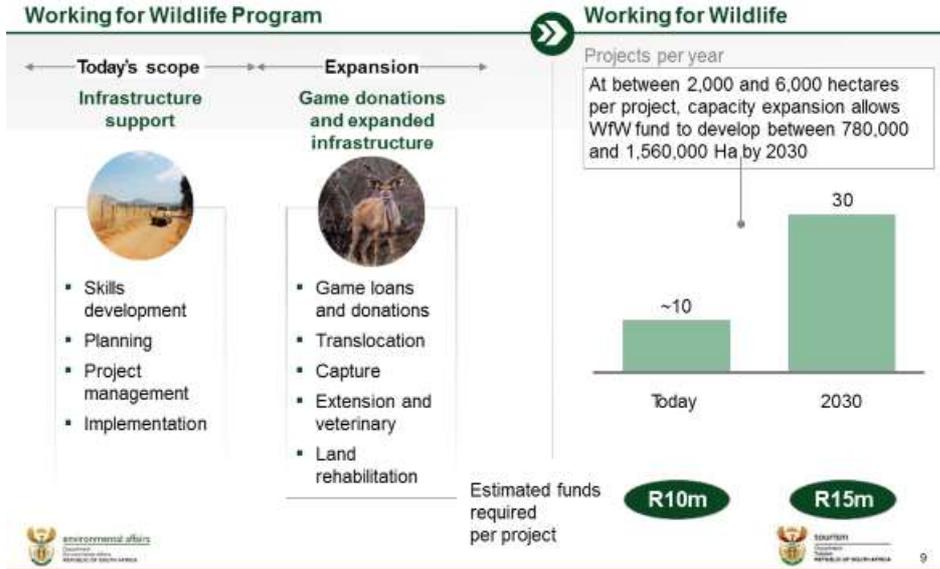
KZN Example

Classes of protected areas

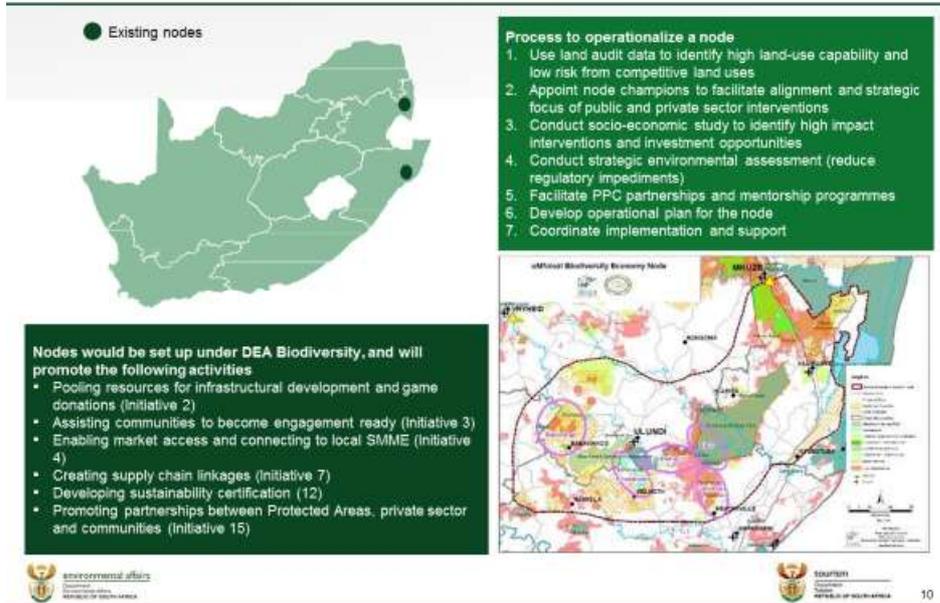


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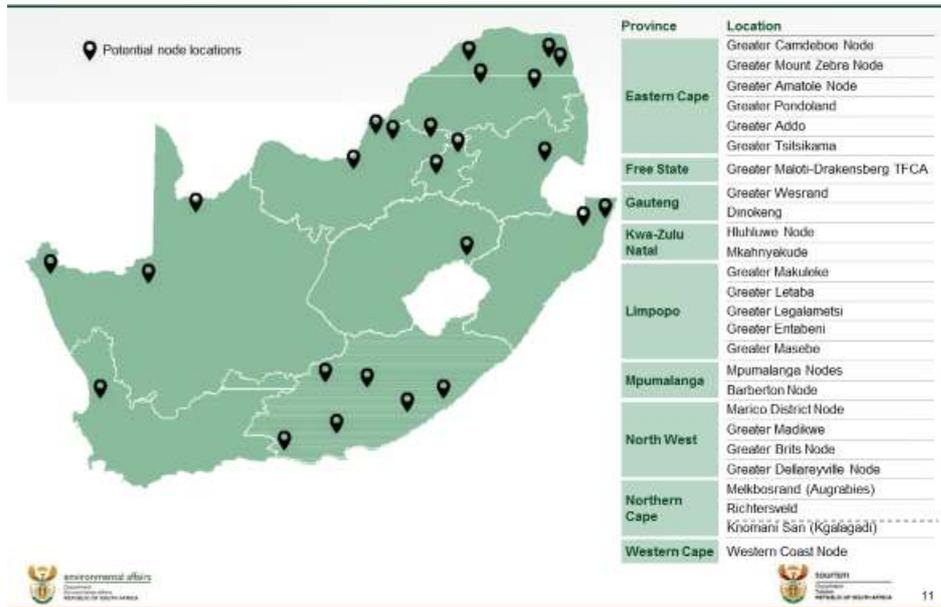
**2 This initiative proposes to triple the number of projects receiving support from the Working for Wildlife programme**



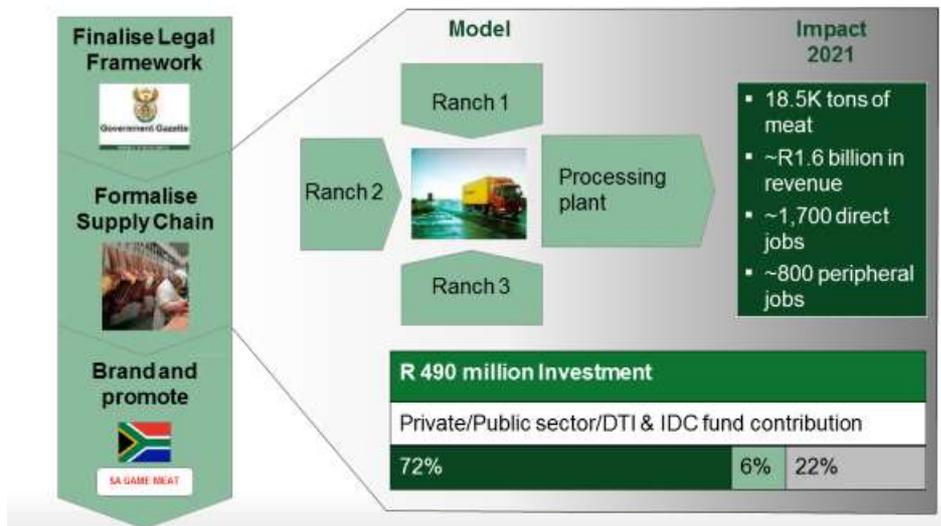
**5 The launch of 11 biodiversity economy nodes across the country will accelerate growth of the wildlife economy**



**5** 26 high potential node locations have been already identified across the country; these will require further consultation



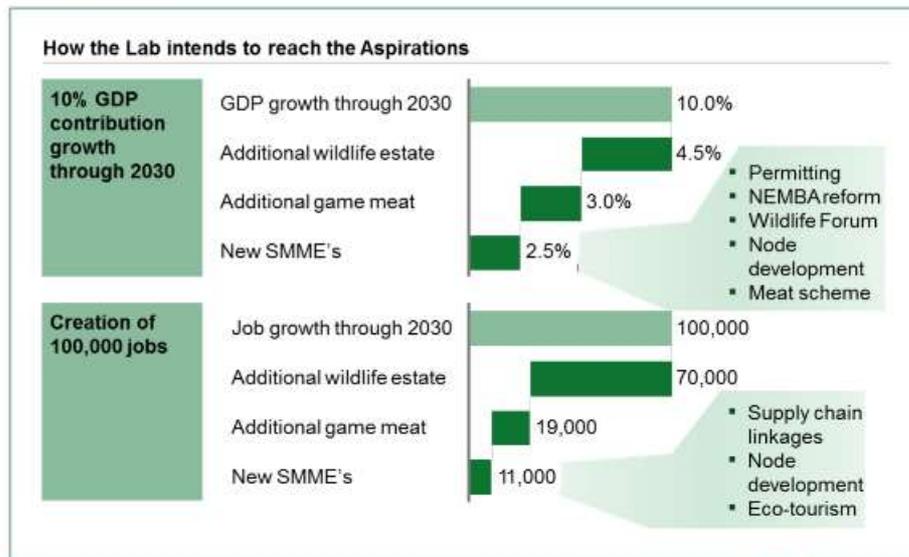
**7** By 2021, 110 processing facilities could create 2,500 jobs, and generate ~R1.6 billion in revenue



The lab has set the following short- to mid-term targets for these initiatives

Initiative:	Year	Target
 <p>1 Identify and prioritize 10m Ha for transformation of wildlife economy</p>	2018	<ul style="list-style-type: none"> <li>10m ha land mapped and prioritised</li> </ul>
 <p>2 Establish, develop and support new wildlife ranching entrants through infrastructure support and game donation programmes</p>	2020	<ul style="list-style-type: none"> <li>60 projects completed</li> </ul>
 <p>5 Operationalise 11 biodiversity economy nodes (BENs)</p>	2021	<ul style="list-style-type: none"> <li>11 BENs established</li> </ul>
 <p>7 Formalize SA game meat market and create a network of game meat processing facilities</p>	2021	<ul style="list-style-type: none"> <li>2,500 jobs created</li> <li>18,5K tons of game meat</li> </ul>

With the 15 detailed initiatives, the Lab intends to reach its Aspirations through 2030



h. Following the Biodiversity Lab, WRSA attended the five-week Agricultural PAKHISA initiative during 2016.

Initiative 5 of the Biodiversity Lab regarding game meat initiative as referred to above, was escalated to the PAKHISA initiative.

It is projected that South Africa will have about 69 million people by the year 2040. The contribution of marginal land will have a huge impact on food production (game meat) and job security.

## 2. INTRODUCTION TO THE SOUTH AFRICAN WILDLIFE INDUSTRY

- a. Wildlife ranching has already played an important role in rural development, having transformed more than 20.5 million hectares of marginal agricultural land into thriving game ranches while the full value chain is giving meaningful employment to more than 100 000 people.
- b. The Wildlife industry is based on four pillars, namely wildlife breeding, hunting, wildlife-related tourism and game products. For sustainability, these four pillars are interdependent with the one not functioning sustainably without the other.
  - i. The direct economic contribution of wildlife breeding varies between R3b-R5b per annum  
Wildlife breeding:
  - ii. The average spending of South African hunters for specie fees only, amounts to R7b per annum. International hunters' spending for specie fees and daily rates only during 2016, amounted to R1.785b. This excludes other expenses such as traveling and pre- and post-hunting expenses.
  - iii. Wildlife-based tourism has had exponential growth in South Africa and is a significant contributor to the tourism industry as a whole. It is estimated that wildlife tourism contributes approximately R20b to the South African economy annually.
  - iv. The economic value of game products contributes R4.5b p.a. to the South African economy. This includes game meat production, taxidermy and tannery, and products. This has a massive potential impact on the rural economy, with great opportunities for job creation for rural communities.
- c. Despite the success over the past 30 years and especially the last decade - given a number of current challenges - the industry finds itself at a significant crossroad. In many ways, depending on important decisions, there is the risk of "killing the golden goose" of the rural economy.
- d. The following is an abstract of the Executive Summary of a study done by the Endangered Wildlife Trust during 2014 on the role of the wildlife ranching industry in South Africa's green economy:

"Wildlife ranching is being conducted on a large scale in South Africa, with an estimated 9 000 wildlife properties covering an area approximately 17 million hectares, which is 2.2 times greater than the state protected area network of the country. The majority of such ranches have been converted from livestock farms after it became more economically viable to keep and use wildlife for commercial purposes. Wildlife ranching covers four main subsectors, often referred to as 'pillars', including live game sales, hunting, game meat production and ecotourism. Most ranchers conduct more than one land use practice in order to diversify and make their operations more profitable".

[<https://www.ewt.org.za/media/2016/THE%20ROLE%20OF%20THE%20WILDLIFE%20RANCHING%20INDUSTRY%20IN%20SOUTH%20AFRICA.pdf>]

### 3. WRSA'S VIEWS ON LAND REFORM

- a. As South Africa was preparing for its first democratic election in 1994, former Constitutional Court judge Albie Sachs, wrote a paper *Affirmative Action and the New Constitution*. In the paper he said, "The question is not whether or not to have affirmative action. Have it we must, and in a deep and meaningful way... If well handled, affirmative action will help bind the nation together and produce benefits for everyone. If badly managed, it will simply re-distribute resentment, damage the economy and destroy social peace. If not undertaken at all, the country will remain backward and divided at its heart."
- b. The WRSA leadership is committed to actively partake in the South African government's public participation processes. This submission is, therefore, in the interest of all wildlife ranchers.
- c. WRSA supports an orderly process of land reform and is dedicated to working with government to create an enabling and sustainable environment. This will include, amongst others, workable models for the formation of public/private partnerships as well as the coaching, mentorship and transfer of skills to new entrants.
- d. WRSA already proposed a land reform model to commercial game ranchers during 2014. Two land reform type projects complying with the criteria set at the time, were submitted to the Pilot Project Programme (PPP). Both projects passed towards the Strengthening of Relative Rights Project (SRRP) – Due Diligence Process that was undertaken by the National Empowerment Fund. The one project is still very successful. The second failed because of disagreements between participants.
- e. Various individual wildlife ranchers have entered into successful private partnerships. As an organisation, WRSA has been successfully involved with a mentoring program with the Khomani San on wildlife ranching and hunting. This has benefited the community enormously.
- f. We firmly believe that all sectors of society and government must work together towards ensuring that land reform is not only successful, but that it is also sustainable. It should also contribute meaningfully to our country's economic growth, job and food security, and biodiversity.
- g. WRSA has committed itself at the Minister of Environmental Affairs' Biodiversity Economy Indaba held during March 2018, to unlock the socio-economic opportunities in partnership with Government departments for the good of ALL South Africans. These include:
  - land reform;
  - sustainable livelihoods;
  - food security;
  - education through mentorship and transfer of skills;
  - creating of entrepreneurial opportunities; and
  - collaboration with other sectors and government.

- h. It is beyond dispute that past racial-discriminatory laws in South Africa, notably the Land Act No. 27 of 1913 and the Group Areas Act No. 36 of 1936 restricted ownership of land by Black people. These and other discriminatory practices resulted in the vast majority of the South African population owning a very small percentage of land. The moral and legal imperative to redress the history of land dispossession and skewed land ownership was the subject of a great deal of negotiation during South Africa's constitutional negotiations. This culminated in the incorporation of section 25 in the Bill of Rights in the South African Constitution. Before turning to deal with section 25, we consider a few recently published statistics relating to land ownership (paragraphs i. & j. below).
- i. During November 2017, the Department of Rural Development and Land Reform published its Land Audit Report. The Report reveals the following:
- i. Whites own 72% of farms and agricultural holdings;
  - ii. Coloureds own 15% of such land;
  - iii. Indians own 5% of such land;
  - iv. Africans own 4% of such land;
  - v. Race, gender and nationality classification could not be done on companies, trusts and community-based organisations because these entities cannot be racially classified; and
  - vi. A comprehensive agricultural land audit was still in the course of preparation.
- j. In 2017, AgriSA released its report dealing with a land audit it conducted. It revealed the following:
- i. The state, the former homelands and trusts own 25% of agricultural land;
  - ii. The Department's Land Audit Report does not reflect the *de facto* demographic spread of control over agricultural land;
  - iii. In terms of AgriSA's broad definition of ownership – which combines state, trust and private land – previously disadvantaged people own considerably more agricultural land than Whites in farming provinces that are high-yielding;
  - iv. More than half of all agricultural land in three of South Africa's most fertile provinces – the Eastern Cape, Limpopo and KwaZulu-Natal – is owned by previously disadvantaged people.
- k. Commentators have critiqued the aforesaid reports. This submission does not deal any further with such reports, in light of the view it takes on an analysis of section 25 of the Constitution. It does, however, admit that both reports contain useful information insofar as land demographics are concerned and are useful reference points. It is to be noted that none of the reports deal with the question of expropriation without compensation.

4. **WRSA'S VIEW ON THE PROPOSED AMENDMENTS TO SECTION 25 OF THE CONSTITUTION TO ACHIEVE JUST AND EQUITABLE LAND REDISTRIBUTION**

- a. WRSA holds the view that the property clause of the Constitution is not an impediment to land reform and redistribution in South Africa. Accordingly, there is no need for any amendment to such clause.
- b. As a commodity member of AgriSA, WRSA supports the submission made by AgriSA on behalf of its member organisations.
- c. Section 25(2) allows for the expropriation of property by the state, subject to two conditions:
  - i. It must either be for public purposes or in the public interest; and
  - ii. It must be subject to compensation being payable.
- d. A “public purpose” will generally refer to expropriations for the purpose of the state carrying out its public administrative obligations, such as the building of a road or a bridge or a necessary public amenity such as a hospital. The term “public interest” can usefully be defined by reference to section 25(4)(a), namely that it includes “the nation’s commitment to land reform, and to reforms to bring about equitable access to all South Africa’s natural resources” (though not limited thereto). It follows that any expropriation that deals with land reform and equitable access to land would be in the public interest and would therefore be allowed by section 25(2) of the Constitution, subject to the second condition, namely that compensation is paid for such expropriation.
- e. Insofar as compensation is concerned, section 25(3) provides that the amount, timing and manner of payment must be “just and equitable” and must reflect an equitable balance between the public interest and the interests of those affected, having regard to all relevant factors, including those listed in section 25(3)(a) to (e). Section 25(2)(b) provides that the amount, timing and manner of payment of compensation must be agreed upon between the State and the relevant land owners but, failing agreement, the quantum of compensation, as well as its timing and manner of payment can be decided by a court.
- f. It will be noted that the “willing buyer, willing seller” principle is not specifically referred to in section 25, although it is contained in the Expropriation Act No. 63 of 1975. This principle would be a method of considering the market value of the property sought to be expropriated. However, this would be only one of several factors that a court will take into account in determining compensation, including, but not limited to, those referred to in section 25(3).
- g. It must be noted that the factors relating to the determination, timing and manner of payment of compensation referred to above, apply both in instances where the expropriation is, for example, for the purpose of building a public road (a public purpose) and where it is for land redistribution (a public interest). However, section 25(8) specifically deals with “land, water and related reform, in order to redress the results of past racial discrimination”, by stating that no other provision of

section 25 may impede the State from taking legislative and other means to achieve such reform, provided that any departure from the other provisions of section 25 is in accordance with the provisions of section 36(1). In other words, although section 25 contains protection of property rights and indicates that expropriation has to occur on the basis of compensation, if it does become necessary for the State to depart from, for example, the payment of compensation, it may do so provided that such departure is justified by section 36(1). Section 36 is the limitations clause, which provides that the rights contained in the Bill of Rights may be limited if it is “reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom”.

- h. Accordingly, section 25(8) already provides for the State to depart from the payment of compensation provided that it is able to justify such departure (the onus being upon it) in terms of the limitations clause. In order to justify such departure, the state could rely on a host of factors, such as those referred to in section 25(3) but also the difficulties experienced by the State in land reform as a result, *inter alia*, of not having the financial resources to do so, the pace of land reform, and the risk of instability in the country if land reform is delayed as a result of the lack of funds etc.
- i. In *The Bill of Rights Handbook* (3<sup>rd</sup> edition), by De Waal, Currie and Erasmus, it is stated on page 393, that, “In cases where property which is not utilised by its owners or which is held simply for speculative purposes is expropriated, or where property was acquired from the outgoing government for less than market value, compensation calculated at less than market value or even at nil value may be just and equitable” (emphasis added). This is the opinion of the learned authors in relation to the application of section 25(3). If compensation calculated at nil value may be just and equitable in terms of section 25(3), it is submitted that the position would equally be the case, if not more so, if property is expropriated for purposes of land reform as contemplated in section 25(8). As the authors conclude on page 396 in relation to the application of section 25(8): “[Section 25(8)’s] inclusion seems to be an assurance that the power of the State to expropriate land and water for purposes of redistribution is not removed by the property clause”.
- j. It is submitted that the analysis above clearly demonstrates that section 25 is not an impediment to land reform and that, very important: it does not entrench the principle of compensation having to be determined on the basis of the “willing buyer, willing seller” principle, as is often mistakenly assumed. The current Expropriation Act would therefore be unconstitutional to the extent that it provides that compensation has to be determined on the basis of that principle.
- k. It is significant to note that the NDP does not suggest that expropriation of land without compensation is a cure for the ills of land reform in South Africa. The NDP proposes a vision for an integrated and inclusive rural economy and discusses agriculture, land reform, non-agricultural activities and human capital development (as summarised in a report titled “Diagnostic Report on Land Reform in South Africa” prepared by the Institute for Poverty, Land and Agrarian Studies of the University of the Western Cape), which was commissioned by the HLP.

- l. The recommendations of the HLP and the NDP contain salutary advice with regard to the approach to land reform, the agricultural economy and legislative reform, which are clear alternatives to an amendment of the Constitution and need further discussion.
- m. As a matter of first principle, amendments to any of the rights entrenched in the Bill of Rights, should only be undertaken as a matter of last resort, with all other options having been exhausted. In the absence of a proper legislative framework to deal with land reform and redistribution, and in view of the findings of the HLP, as summarised above, it cannot be said that a constitutional amendment is the only option available to the State. The ANC's recent Consultative Land Summit appears also to appreciate that the State's options have not been exhausted - it calls for the testing of section 25 in the courts, as well as the passing of the Expropriation Bill and the Land Redistribution Bill.
- n. Expropriation of land should occur within the guidelines set out in the property clause. If the State intends to use such clause to argue for nominal or nil compensation, it will be under an obligation to make out a good case for that and would have to seek the blessing of the judiciary. This allows for suitable checks and balances.
- o. WRSA values the following abstract from the submission made by the South African Institute of Race Relations on why expropriation of land without compensation will not address the reasons land reform has failed:

"The reasons for the failures of land reform since 1994 are many and complex, but five common factors can be discerned.

- i. **The first is that** the budget for land reform has long been set at only some 1% of total budgeted expenditure. In the current financial year, for instance, R3.4bn has been allocated to land restitution, but this is only 10% of the R30bn budget set aside for both agriculture and land reform. It is also far less than the R12bn allocated to the salaries of officials in these departments. The amount set aside for land restitution is also only 0.2% of total budgeted expenditure of R1.67 trillion in the 2018/19 financial year.
- ii. **The second is that** the government does not allow individual ownership of land acquired for restitution or redistribution. Restitution land is generally owned by communal property associations (CPAs), which are commonly riven by dissent and driven by self-interest on the part of their trustees. Redistribution land is generally kept in state ownership and can only be leased, not bought, by emergent black farmers. These farmers generally lack title to the land they work, which means that they cannot use this land as collateral and battle to raise working capital.
- iii. **The third is that** the government seems to assume that access to land is sufficient in itself for success in farming. However, land is only the first on a long list of requirements. No less important are experience and entrepreneurship, along with working capital, know-how, machinery, labour, fuel, electricity, seed, chemicals, feed for livestock, security, and water.

- iv. **The fourth is that** many of the people to whom land has been transferred have little knowledge of agriculture, and have simply been dumped on farms with little effective support from the state. According to Salam Abram, an ANC MP who is himself a farmer and who served on the parliamentary committee for agriculture for twelve years, land reform has been a 'dismal failure' because no proper 'after-settlement' support has been provided to beneficiaries.
  
- v. **The fifth is that** the restitution process has been dogged by so much inefficiency and corruption that officials do not know how many claims they have received, how many they have gazetted, how many have been wrongly gazetted (and should thus be delisted), and how many have yet to be resolved. The land reform process has also often been abused to benefit ANC insiders who use their political connections to get the state to buy them farms and then sell off cattle and other assets and allow crop land to fall fallow."  
**[<https://irr.org.za/campaigns/defend-your-property-rights-before-d-day-15-june-2018/endorse-our-charter>]**

## **5. WRSA'S VIEW ON THE IMPACT OF LAND EXPROPRIATION WITHOUT COMPENSATION**

### **a. On the South African wildlife ranching industry**

The impact on the stakeholders of WRSA, and on the whole game ranching industry in South Africa would be gravely prejudicial.

Without security of tenure and the prospect of game ranches being expropriated without compensation, there would be great insecurity in a multi-billion Rand industry. Ranchers would be reluctant to make any further investments in the land they own or occupy, or in the businesses being conducted on such land. The ripple effect on the tourism industry would be swift and harmful to the economy.

Largescale land expropriation without compensation will also have a serious negative impact on the PAKHISA initiatives for producing game meat – a healthy and affordable protein for South Africans.

### **b. On the South African Economy**

- i. By all accounts, foreign investors are concerned about the threat to introduce land expropriation without compensation (as a principle) and this will affect foreign investment, impacting on the country's already low economic growth rate.
- ii. Land expropriation without compensation will also have a far-reaching negative impact on banks and other financial institutions, particularly where property has been mortgaged or where it has been used as collateral for loans and other financial transactions. It is likely that confidence in the financial services sector will wane and bank ratings would be downgraded.
- iii. The property sector will also be hard-hit, for obvious reasons.
- iv. Sovereign rating downgrades can also not be discounted.

### **c. Social Impact**

With the information available of land redistribution which has taken place over the past two decades, in many instances productive units have deteriorated which negatively affected sustainable livelihoods of previous employees, families and societies in those areas. Land which was previously productive, is no longer productive which also has a negative impact on food and job security.

## 6. PROPOSALS

- a. WRSA believes that the economy of wildlife ranching can unlock land reform, transformation, economic growth and empowerment for South Africa, if approached in a bold way and if handled correctly. It plays to the natural strengths of our country and presents an economic opportunity for our country where we enjoy comparative advantage.

We recommend that millions of hectares of unused land including former homelands and community owned uncultivated or underutilised land should be divided into economical units or residential properties with title deed ownership to black people.

In many instances, the land will lend itself to ecotourism activities with other supporting wildlife activities like hunting, breeding and game products. These initiatives should be supported by experienced people in the private sector where they can participate and benefit, as well as by government to drive demand.

- b. Private sector and government should expand, and the models that already achieved success in private partnerships, should be implemented. The correct support and funding models could result in many more successful projects.
- c. WRSA advocates/endorse that any property that is redistributed should fall under a mentorship of successful commercial mentors to ensure that it helps to create wealth and sustainability.
- d. WRSA strongly recommends that Government determines the best way to apply the 17% of land it owns in South Africa, for land reform and redistribution.
- e. Government should exploit the opportunity to create positivity by introducing specific incentives. One such an incentive could be that the private sector that donates property to black people out of free will as a private initiative, be exempted from any future type of redistribution of wealth and be indemnified of any future claims or practices of property and/or wealth redistribution. New investors in land from here onwards should have the guarantee that their land cannot be expropriated in future.
- f. Government should ensure consensus on land audits to guide the process further.
- g. Government should investigate the demand for ownership of agricultural land vs demand for ownership of urban property (land) and primarily address this imbalance.

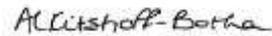
## 7. CLOSING

WRSA appreciates the opportunity to have commented on the proposed amendment of section 25 of the Constitution. We trust that these submissions will be useful to the Commission in its deliberations. WRSA would welcome an opportunity to present its submission to the Committee.

Yours faithfully,



**TEBOGO MOGASHOA**  
PRESIDENT: WRSA



**ADRI KITSHOFF-BOTHA**  
CHIEF EXECUTIVE OFFICER: WRSA