

New bill to clarify the land issue

THE new expropriation bill, set to be tabled in Parliament in the next two months, will set out a clear procedure for land expropriation without compensation and ensure it is an “administratively just process”, according to deputy minister of Public Works, Jeremy Cronin.

Earlier this month a draft expropriation law was withdrawn from Parliament to make way for a new bill that will set out a system of expropriation based on the ANC’s decision to amend the Constitution to allow for more muscular land reform.

“It will be a process to prevent arbitrary deprivation,” says Cronin, who says the draft law will be light-touch legislation. The Department of Public Works is currently drafting the bill, which will soon be complete.

This will be the law that will give expression, procedure and form to any constitutional amendments to make more explicit the grounds under which expropriation without compensation can take place.

The procedure will:

- Ensure the expropriator has exercised his or her mind;
- Provide that a notice of intention be sent to the local municipality and all affected parties;
- Make provision for objections within 30 days;
- Issue a notice of expropriation plus an offer of compensation, which could be nil, thus making it an expropriation without compensation;
- Make provision for counter-proposals; and
- The draft expropriation law will also give an indication of the kinds of land that can be taken without compensation.

A task team on expropriation, previously led by Cronin, identified land and property that could be expropriated without compensation as abandoned buildings, unutilised land, commercial property held unproductively and purely for speculative purposes, underutilised property owned by the state, and land farmed by labour tenants with an absentee titleholder.

In July, President Cyril Ramaphosa said the ANC had decided to adopt a programme to make it easier to expropriate land without compensation through a change to the Constitution.

The move tanked business confidence, contributed to rand weakness and is said to be one of the factors behind a significant decline in property prices.

Moody’s Investors Services last week said it understood the need for land reform and said that certainty was required. It wasn’t a top risk factor for the ratings agency.

During a visit to South Africa last month, meanwhile, British Prime Minister Theresa May also said land reform is an imperative in South Africa.

At the end of August, Reuters reported that the International Monetary Fund gave its full backing to South Africa’s land reform plan, as long as the process is transparent and based on the Constitution.

— Fin24.