
LIVING CONDITIONS AND COMMUNICATIONS

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- By March 2007, some 74 417 (93.4%) of 79 696 valid land restitution claims had been settled. Of the settled restitution claims, 61% were in urban areas while 37% were in rural areas. The bulk of the outstanding restitution claims were in KwaZulu-Natal, at around 35%, followed by Mpumalanga at 18%.
- Between 1996 and 2007, the number of South African households increased from 9.1 million to 12.5 million, or by 38%. During the same period, households residing in formal dwellings increased by 51% while those living in informal dwellings rose by 24%.
- Between 1994 and 2007, the Department of Housing constructed, or was in the process of constructing, 2.4 million low-cost houses under the government subsidy scheme.
- Between 1996 and 2007, the number of South African households with access to piped water in the dwelling increased from 4 million to 5.9 million, an increase of 49%. In January 2008, some 79% of South African households had access to free basic water.
- The proportion of households with an electricity connection grew from 58% in 1996 to 80% in 2007. The proportion of households using electricity for cooking and heating rose from 47% to 67% and 45% to 59%, respectively, during the same period.
- Between 1996 and 2007, the proportion of households with access to flush or chemical lavatories rose from 50% to 58%. Between 2002 and 2006, the proportion of households using the bucket system or without a sanitation facility dropped from 13% to under 9%.
- Between 2004 and the fourth quarter of 2007, the average nominal price of affordable housing increased from R151 000 to R274 000, or by 81%.
- Between 2003 and 2007, the number of townhouses and flats built increased by 127%, outstripping the growth of all types of dwellings constructed by the private sector during that period.
- Between 1996 and 2007, the number of all backyard dwellings grew from 887 000 to 954 000, or by almost 8%. Informal backyard dwellings grew by 46% while formal backyard structures decreased by 25%.
- In 2007, almost 40% of South African households had postal services. The Indian population had the greatest proportion of households with postal facilities, at 79%, while the African population had the least at 31%.
- In 2007, some 7% of South African households had access to the internet. Some 39% of white households, 18% of Indian households, 6% of coloured households, and 2% of African households had access to the internet.

LIVING CONDITIONS AND COMMUNICATIONS

THE LIVING CONDITIONS PICTURE	483
South African living conditions at a glance, 2007	483
OVERVIEW OF CHANGES	484
Changes by household (actual numbers), 1996 and 2007	484
Household and housing changes, 1996 and 2007 (actual numbers)	485
Household types and facilities by proportion, and changes in proportions, 1996 and 2007	485
Household and housing changes, 1996 and 2007 (proportions)	486
Household trends	486
Formal and informal dwellings	486
Backyard dwellings	486
Electricity, water, and sanitation	487
LAND REFORM	487
Land restitution	487
Land restitution claims and settlements by province, 1995–2007	488
Estimated outstanding rural claims and area (in hectares) by province, 2007	488
Breakdown of total restitution by type of settlement, 1995–2007	489
Breakdown of financial compensation settlements by area, 1995–2007	489
Restitution claims settled/to be settled, 2007	489
Outstanding restitution claims as at March 2007	490
Land redistribution	490
Land redistribution for agricultural development	490
Estimated redistribution [Land Redistribution for Agricultural Development (LRAD) and commonage projects] delivery and backlog figures by province, September 2007 (all figures in hectares)	491
Land redistribution progress as at March 2007	492
Land redistribution progress by province as at March 2007	492
Land tenure reform	493
WATER AND SANITATION	493
Water	493
Free basic water	493
Delivery of free basic water by province by 31st January 2008	493
All water	494
Household water sources by race, 1996 (proportions)	494
Household water sources by race, 2007 (proportions)	494

Household water sources by race, 2007	495
Proportion of households with piped water in dwelling, off site, or on site by province, 2002–07	495
International comparisons	496
Urban and rural populations with access to improved water source, selected countries, 2004	496
Breakdown by use of annual fresh water withdrawals selected countries, 1987–2003	497
Sanitation	498
Household sanitation facility by race, 1996 (proportions)	498
Household sanitation facility by race, 2007 (proportions)	498
Proportion of households using bucket system and without sanitation facility by province, 2002–07	498
Population with access to improved sanitation facilities selected countries, 2004	499
HOUSING	500
National housing profile	500
Households by type of dwelling and race, 1996 and 2007 (actual numbers)	500
Households by type of dwelling and race, 1996 and 2007 (proportions)	501
Types of housing occupied, 1996 and 2007	502
Types of housing owned, 2002 and 2007	502
Types of housing occupied, 1996 and 2007	502
Types of housing owned, 2002 and 2007	503
Types of housing by province, 1996 and 2007 (actual numbers)	503
Types of housing by province, 1996 and 2007 (proportions)	504
Quality of housing	504
Changes in housing types, 1996–2007	504
Terms of occupation	505
Households by terms of occupation and race, 2007 (actual numbers)	505
Households by terms of occupation and race, 2007 (proportions)	505
Housing provision	505
Housing and households by cost structure	505
Average nominal house prices (in rands) by size of house, 2004–2007	505
Government subsidy housing	506
Total number of houses completed or under construction, April 1994–March 2007	506
Government and private sector housing	506

Private sector and government housing construction, 1997–2006/07	506
Private sector housing	507
Residential buildings completed by the private sector by size, 2003–2007	507
Private sector housing by size, 2003–2007	508
New houses less than 80m ²	508
New houses less than 80m ² , 2003–2007	508
New houses over 80m ²	509
New houses over 80m ² , 2003–2007	509
New flats and townhouses	509
New flats and townhouses, 2003–2007	510
Mixed housing developments	510
Low-cost housing projections	511
Trends and projections for household numbers and sizes and for the low-cost housing sector, 1996–2015	511
Affordability of housing	512
National affordable housing needs, 2003–2010	513
Backyard structures	513
Total number of backyard structures by province, 2007	513
Changes in the number of all backyard structures, 1996 and 2007	513
Small-scale landlords	514
Informal settlements	514
Households residing in informal settlements by province, 1996 and 2007 (actual numbers)	514
Households residing in informal settlements by province, and 2007 (proportions)	515
DOMESTIC ENERGY	516
Sources of energy	516
Household sources of energy by race, 2007 (actual numbers)	516
Household sources of energy by race, 2007 (proportions)	517
ELECTRIFICATION	518
Households with and without electricity by province, 2007	518
Proportion of households without electricity by province, 2007	518
REFUSE DISPOSAL	519
Household refuse disposal by race, 2007 (actual numbers)	519
Household refuse disposal by race, 2007 (proportions)	519
BACKLOGS AND BASIC SERVICES	519
Living conditions backlogs broken down by province, 2007	519

Provincial breakdown of consumer units receiving free basic services from municipalities, June 2006	520
COMMUNICATIONS	520
Postal services	520
Households with and without postal facilities by province, 2007 (actual numbers)	520
Households with and without postal facilities by province, 2007 (proportions)	521
Postal services by race, 2007 (actual numbers)	521
Postal services by race, 2007 (proportions)	521
Broadcasting	522
Households with television sets and radios, 2002–06	522
Proportion of adult listeners to the most popular radio stations, 2004–2006	522
Telecommunications	523
TELEPHONES	523
Breakdown of households by telephone access and race, 2007 (actual numbers)	523
Breakdown of households by telephone access and race, 2007 (proportions)	523
Proportion of urban adults with access to telephones by race, 2004 and 2007 (proportions)	523
Proportions of households with telephone access by race, 2007	524
Changes in access to landline and mobile telephones, 2004–2007	524
Access to mainline and cellular telephones, selected countries, 2005	525
INTERNET	526
Household internet access by race, 2007 (actual numbers)	526
Household internet access by race, 2007 (proportions)	526
Proportion of households with internet access, 2007	526
Internet users and people with access to a personal computer (PC), selected countries, 2005	527
Transportation	528
VEHICLE STATISTICS	528
Registered vehicles and proportion of population with vehicles by province, 2006	528
Proportion of urban people who personally own a vehicle by race, 2004 and 2007	528
Trends in vehicle ownership	529

Type of motorised vehicles registered by year-end, December 1999–December 2006	529
Proportion of urban people who personally own a vehicle by race, 2004 and 2007	529
ROAD ACCIDENTS	530
Number of fatal crashes and fatalities by province, 2004–2006	530
Percentage change in number of crashes and fatalities, 2004–2006	530
PUBLIC TRANSPORT	531
Buses	531
Taxis	531
Trains	531
Aeroplanes	531
BEYOND THE TABLES	533
Land and Agriculture	533
The Expropriation Bill of 2008	533
Land reform	536
Living conditions and service delivery	537
Awards for Gauteng	537
Provision of water and sanitation at clinics and schools.	538
Hostel Eradication Programme	538
Housing allocation policy and foreign nationals	538
State-provided housing	539
Regional Electricity Distributors	540
Electricity price increase	540
Transport and Communication	541
City of Johannesburg's rapid transit system	541
Petrol price	542

THE LIVING CONDITIONS PICTURE

South African living conditions at a glance, 2007^a	
Number of households	12.5m
Proportion of households living in formal dwellings	70.6%
Proportion of households living in informal dwellings	14.4%
Proportion of households living in traditional dwellings	11.7%
Number of houses completed/being built by the State	438 995
Number of residential buildings completed by the private sector	75 137
Proportion of households with access to piped water	88.7%
Proportion of households with access to piped water in dwelling	47.2%
Proportion of households with electricity for lighting	80.1%
Proportion of households with electricity for cooking	66.4%
Proportion of households using wood or paraffin for cooking	30.0%
Proportion of households with electricity for heating	58.8%
Proportion of households with access to flush/chemical lavatories	58.1%
Proportion of households whose refuse is removed by local authority	61.6%
Proportion of households with telephone in dwelling/access to a cellular phone	91.3%
Proportion of households with access to a cellular phone only	72.9%
Proportion of households with access to postal services	39.8%
Proportion of households with radios (2006)	88.8%
Proportion of households with television sets (2006)	74.7%
Proportion of households with access to the internet	7.2%
Vehicle owners per 100 000 people	156
Total number of registered vehicles (2006)	7.4m
<p><i>Sources:</i> Statistics South Africa (Stats SA), <i>Community Survey 2007</i>, October 2007; Department of Housing, Housing Subsidy Scheme & Provincial Governments; South African Advertising Research Foundation (SAARF); South African Post Office; Arrive Alive; Department of Transport.</p> <p>a All information on this page is for the year 2007 or the financial year 2006/07, unless otherwise indicated next to the relevant indicator.</p>	

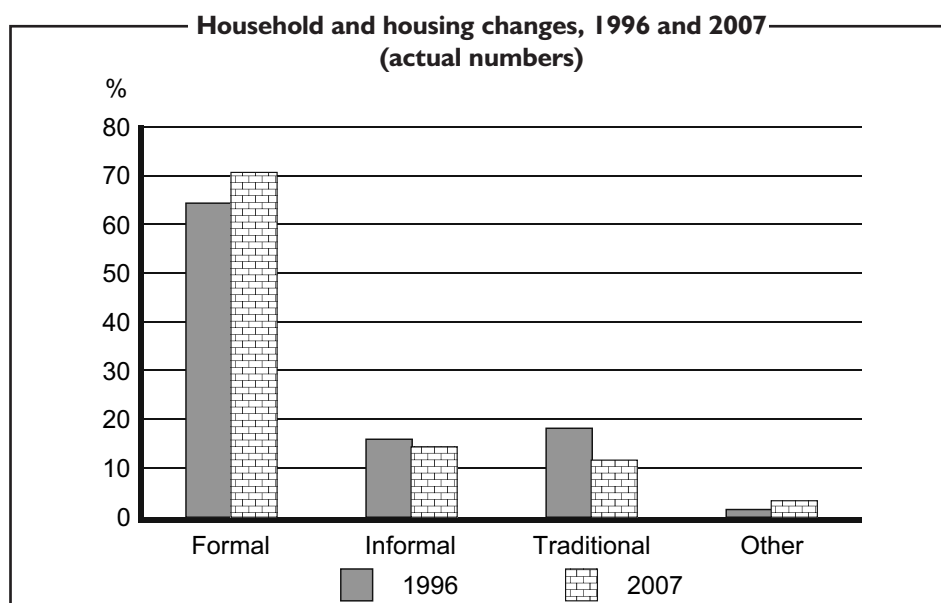
OVERVIEW OF CHANGES

Changes by household (actual numbers), 1996 and 2007

	1996	2007	Increase/decrease 1996–2007 (actual numbers)	Increase/ decrease 1996–2007 (proportion)
Formal ^a	5 834 819	8 819 521	2 984 702	51.2%
Informal ^b	1 453 015	1 804 432	351 417	24.2%
Traditional	1 644 388	1 459 380	-185 008	-11.3%
Other ^c	127 349	417 291	289 942	227.7%
Total number of dwellings/ households	9 059 571	12 500 624	3 441 053	38.0%
Population	40 583 573	48 502 863	7 919 290	19.5%
Average household size	4.6	3.9	-1	-15.2%
Use of electricity for lighting	5 218 313	10 010 271	4 791 958	91.8%
Use of electricity for cooking	4 267 058	8 298 984	4 031 926	94.5%
Use of electricity for heating	4 031 509	7 336 707	3 305 198	82.0%
Access to piped water^d	7 234 028	11 082 223	3 848 195	53.2%
Access to piped water in dwelling	3 976 855	5 894 170	1 917 315	48.2%
Access to piped water on site/in yard	1 491 228	2 785 630	1 294 402	86.8%
Access to flush or chemical lavatories only ^e	4 552 854	7 265 208	2 712 354	59.6%
Refuse removal by local authority	4 837 811	7 696 137	2 858 326	59.1%
Communal refuse removal/ dumps	289 906	269 486	-20 420	-7.0%
Own refuse dumps	2 908 122	3 602 715	694 593	23.9%
Telephone in dwelling/use of cellular phone	2 591 249	11 408 690	8 817 441	340.3%

Source: Stats SA, *Community Survey 2007*, 24 October 2007; *Census 1996*, 1998

- a Formal refers to house/brick structure on separate stand or yard, flat in block of flats, town/cluster/semi-detached house, unit in retirement village, and a room/house/dwelling in backyard.
- b Informal refers to dwelling/shack in backyard and not in backyard.
- c This includes caravan/tent, hostel compounds, and unspecified dwellings.
- d This includes piped water in dwelling, on-site/yard, or on a communal tap/access point outside yard.
- e This includes in dwelling, on-site, and off-site access also includes flush lavatories connected to sewerage system and those with septic tank.



Household types and facilities by proportion, and changes in proportions, 1996 and 2007

	1996	2007	Increase/decrease
Formal ^a	64.4%	70.6%	9.5%
Informal^b	16.0%	14.4%	-10.0%
Traditional	18.2%	11.7%	-35.7%
Other^c	1.4%	3.3%	137.5%
Use of electricity for lighting	57.6%	80.1%	39.0%
Use of electricity for cooking	47.1%	66.4%	41.0%
Use of electricity for heating	44.5%	58.7%	31.9%
Access to piped water^d	79.8%	88.7%	11.0%
Access to piped water in dwelling	43.9%	47.2%	7.4%
Access to piped water on site/in yard	16.5%	22.3%	35.4%
Access to flush or chemical lavatories ^e only	50.3%	58.1%	15.6%
Refuse removal by local authority	53.4%	61.6%	15.3%
Communal refuse removal/dumps	3.2%	2.2%	-32.6%
Own refuse dumps	32.1%	28.8%	-10.2%
Telephone in dwelling/use of cellular phone	28.6%	91.3%	219.1%

Source: Stats SA, *Community Survey 2007*, 24 October 2007; *Census 1996*, 1998

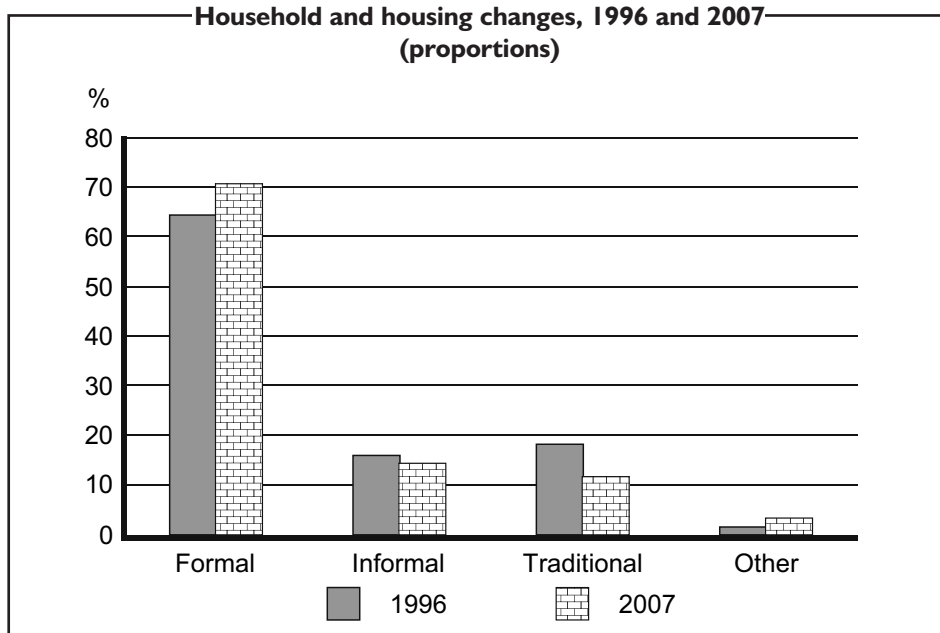
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c This includes caravan/tent, hostels and compounds, and unspecified dwellings.

d This includes piped water in dwelling, on-site/yard, or on a communal tap/access point outside yard.

e This includes in dwelling, on-site, and off-site access; also includes flush lavatories connected to sewerage system and those with septic tank.



Household trends

Formal and informal dwellings

Between 1996 and 2007, the number of households residing in formal dwellings rose by almost 3m, an increase of just over 50%. During the same period, the population grew by 7.9m while the average size of households shrunk from 4.6 to 3.9. As a result of the faster growth in the demand for housing, the Government struggled to eliminate the housing backlog (see details of demand and supply in the housing section).

The number of households staying in informal dwellings increased from around 1.4m to approximately 1.8m over the same period, a growth of 25%. The proportions for the same indicator declined by over 10% in the period under review.

This is the first time that Stats SA trends have showed faster growth in the number of formal dwellings over informal ones; and the first time that trends have recorded a decline in the proportion of households residing in informal dwellings.

Backyard dwellings

Between 1996 and 2007, the number of all backyard structures rose from 886 789 to 954 236, or by 7.6% (see table in the housing section of this chapter). Not surprisingly, the number of informal backyard structures grew by 46% while that of formal ones declined by 25%. Informal dwellings are cheaper and quicker to build than formal ones and are thus ideal to meet accelerated demand.

Electricity, water, and sanitation

In the period under review, the number of households with access to piped water, flush or chemical sanitation facilities, and electricity for lighting rose by 53%, 60%, and 92% respectively. The corresponding figures in proportions showed increases of 11%, 16%, and 39%. The relatively modest increases in proportions are yet another indication of the significant demand for housing and services.

LAND REFORM

In 1994, the South African Government adopted a land reform target, proposed by the World Bank, to redistribute 30% of agricultural land to black people within the first five years under the Reconstruction and Development Programme [Human Sciences Research Council (HSRC), *The Land Question in South Africa: the challenge of transformation and redistribution*, p88, L Ntsebeza & R Hall (eds), 2007]. The Government has three land reform programmes with which to redistribute the 30% of agricultural land, to provide for security of tenure for farm dwellers, to alleviate rural poverty, and to provide housing for poor households. They are land restitution, land redistribution, and land tenure reform.

Land restitution

Land restitution entails giving back land to those who were dispossessed through apartheid legislation. This component of land reform is intended to benefit victims of forced removals which took place after June 1913. The targeted beneficiaries were forcibly removed under various apartheid-era acts that included the Natives Land Act of 1913, the Natives Trust and Land Act of 1936, and the Group Areas Acts of 1950 and 1956. [*Land and Race: South Africa's Group Areas and Land Acts*, M Festenstein & C Pickard-Cambridge, SAIRR, 1987] By the end of March 2007, just over 1.6m hectares of land had been transferred to beneficiaries under the restitution programme [*The Commission on Restitution of Land Rights, Annual Report 2006/07*, p58, Department of Land Affairs, May 2007]

The table below illustrates that the amount of land went to over 250 000 households comprising around 1.3m beneficiaries. Of the 79 696 valid restitution claims lodged with the Land Claims Commission, only 5 279 remained outstanding as at the end of March 2007. The figure represented just under 7% of all valid claims. Of the outstanding claims, 39% were in rural areas and 61% in urban centres. As the graphics show, the largest proportion of outstanding restitution cases were situated in KwaZulu-Natal. While the largest proportion of outstanding rural claims were in Mpumalanga (at around 27%), the claims covering the biggest proportion in hectares were located in the Limpopo province at just under 50%.

Some of the problems besetting rural claims, as identified by the Institute in the *2006/07 Survey*, include disputes with current landowners, high land prices, disputes among claimants in 2008 prolonged negotiations, and bureaucratic delays.

The Department of Agriculture and Land Affairs had promised to settle the remaining rural claims by 2008.

In 2007, the Department of Land Affairs became concerned with the quality of data regarding land restitution settlements. It entrusted the Sustainable Development Consortium with the task of improving the accuracy of land restitution cases. This explains the substantial difference in the number of outstanding claims between the two tables below. The information in the first table was published in May 2007 while the revised estimates in the next table were published in September 2007.

Land restitution claims and settlements by province, 1995–2007

<i>Province</i>	<i>Amount of land restored (hectares)</i>	<i>Total number of households involved</i>	<i>Total number of beneficiaries</i>	<i>Outstanding claims</i>	<i>Total settlements as at 31 March 2007</i>
Eastern Cape	72 075	47 826	173 387	600	16 116
Free State	44 464	4 875	37 246	100	2 582
Gauteng	7 557	14 333	64 859	10	13 148
KwaZulu-Natal	435 190	51 417	314 299	1 822	14 576
Limpopo	356 042	34 777	196 434	700	2 789
Mpumalanga	213 360	36 821	166 550	971	2 429
North West	213 659	26 656	134 089	247	3 655
Northern Cape	305 389	14 817	81 709	229	3 623
Western Cape	3 115	20 340	104 470	600	15 499
South Africa	1 650 851	251 862	1 273 043	5 279	74 417^a

Source: Commission on Restitution of Land Rights, *Annual Report for the year ended 31 March 2007*, p60

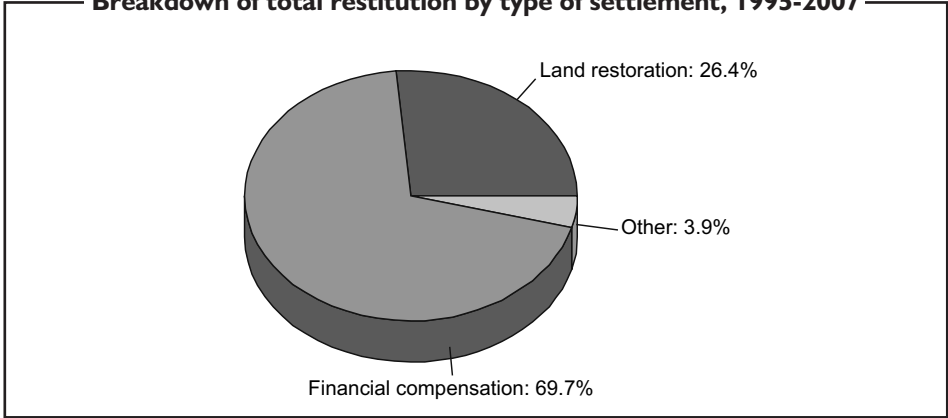
a Out of a total of 79 696 valid claims.

Estimated outstanding rural claims and area (in hectares) by province, 2007

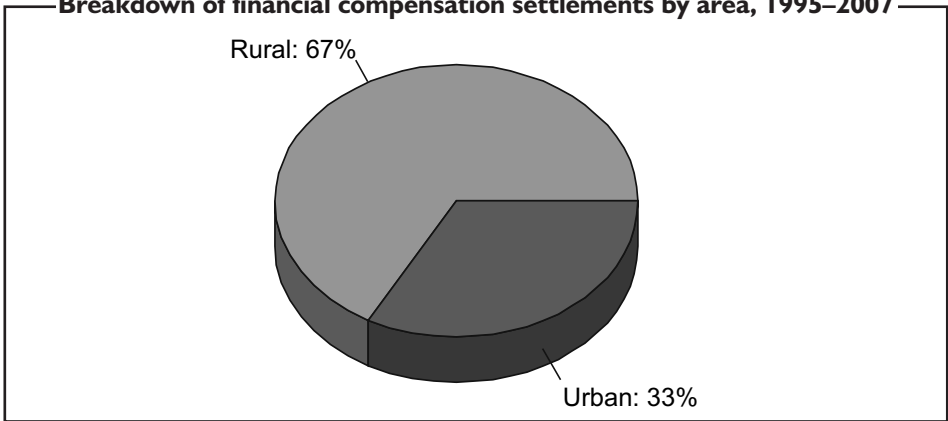
<i>Province</i>	<i>Total outstanding claims</i>	<i>Proportion of total</i>	<i>Total area</i>	<i>Proportion of total area</i>
Eastern Cape	1 128	14.1%	975 094	5.7%
Free State	122	1.5%	33 681	0.2%
Gauteng	761	9.5%	1 052 432	6.1%
KwaZulu-Natal	1 463	18.3%	2 363 175	13.7%
Limpopo	1 326	16.6%	8 347 461	48.5%
Mpumalanga	2 139	26.8%	3 619 938	21.0%
North West	375	4.7%	696 522	4.0%
Northern Cape	392	4.9%	120 568	0.7%
Western Cape	282	3.5%	N/A	N/A
South Africa	7 988	100.0%	17 208 871	100.0%

Source: Department of Land Affairs, *Settlement and Implementation Support Strategy for Land and Agrarian Reform in South Africa: Synthesis document*, September 2007, compiled by the Sustainable Development Consortium and published by the Commission on Restitution of Land Rights, p17
N/A — Not available.

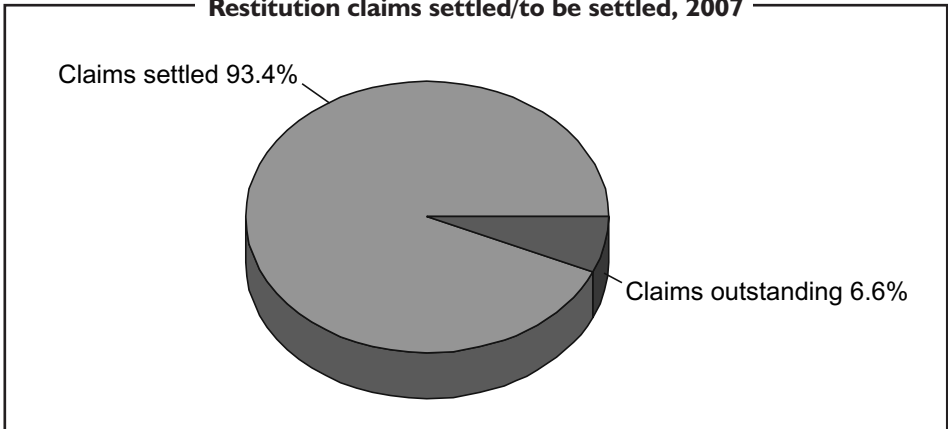
Breakdown of total restitution by type of settlement, 1995-2007

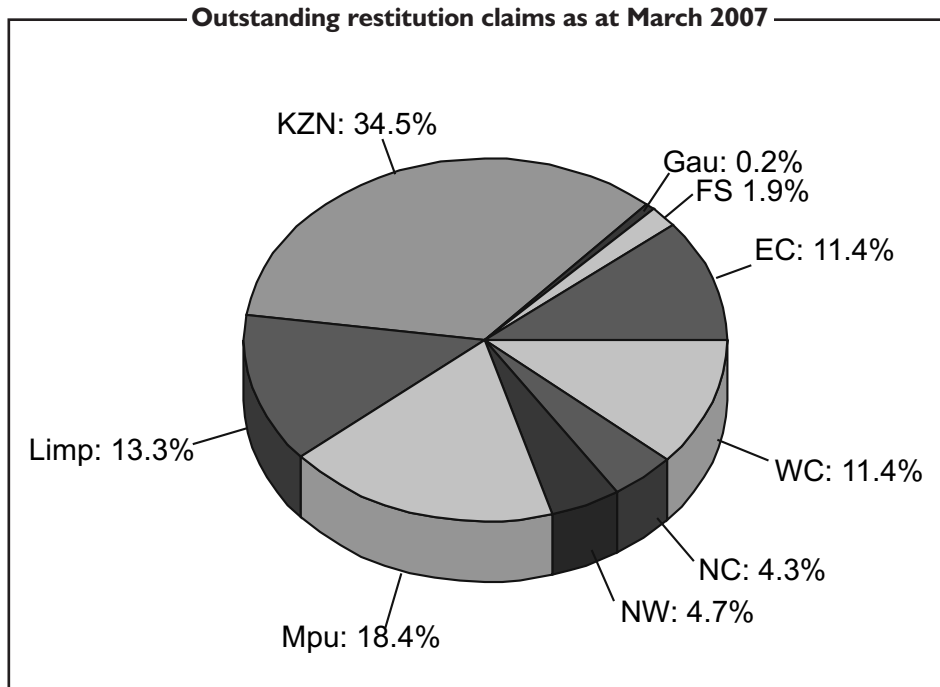


Breakdown of financial compensation settlements by area, 1995-2007



Restitution claims settled/to be settled, 2007





Land redistribution

Land redistribution for agricultural development

Land redistribution started in 1995 with the aim of addressing the 87/13, black/white land ownership pattern among other things. [Human Sciences Research Council, *The Land Question in South Africa: the challenge of transformation and redistribution*, 2007, p88] This tier of land reform was regulated by the Provision of Land and Assistance Act of 1993. Between 1995 and 1999, redistribution was meant to benefit poor households with an income not exceeding R1 500 a month under the Settlement/Land Acquisition Grant (SLAG). Each qualifying household was given a grant of R16 000 towards the purchase of land.

Owing to the price of land, the purchase of farms was out of reach for individual households so households ended up pooling their resources to buy farms offered on the market. The programme focused on land transfer and not on the support for productive use of land. As a result, SLAG failed.

In 2001, the Government introduced Land Redistribution for Agricultural Development (LRAD) thereby shifting the focus of redistribution from poverty-relief and settlement to

sustainable agriculture. [Human Sciences Research Council, *ibid*; The Centre for Development and Enterprise, *Land Reform in South Africa: a 21st century perspective*, June 2005, p11] By 31st March 2005, some 45 245 farmers plus 21 017 households had benefited from the programme. By the end of March 2007, the Government had delivered 4.2m hectares of land, through the redistribution programme alone, to beneficiaries since 1994. [Department of Land Affairs, *Annual Report 1 April 2006–31 March 2007*, p18, 2007]

In 2007, the Department of Land Affairs commissioned the Sustainable Development Consortium (SDC) to compile information on the amount of land transferred through the redistribution and restitution programmes as there was doubt expressed about the accuracy of the figures collected by the department. Hence, the figures in the table appearing below, and compiled by the SDC, differ significantly from those quoted in the department's 2006/07 annual report.

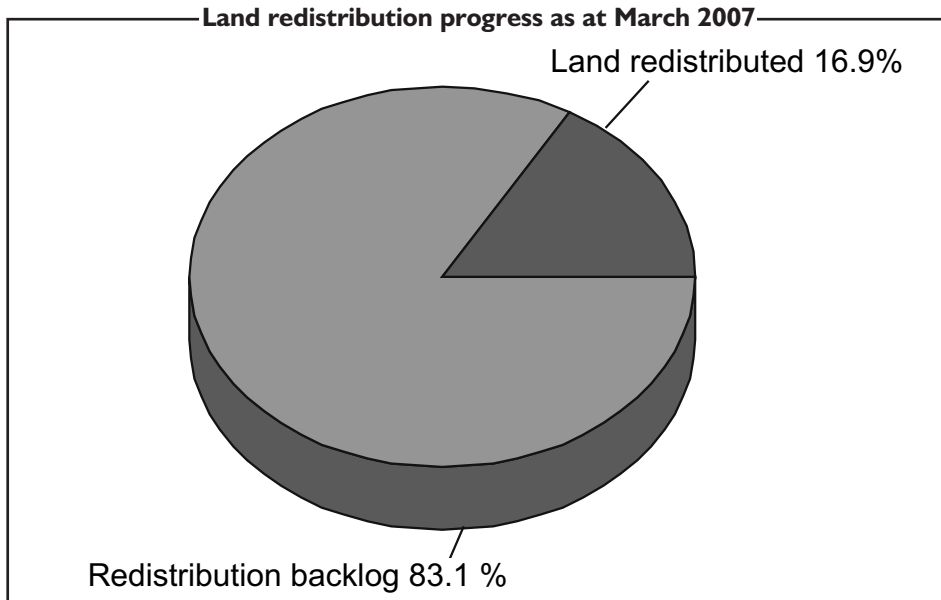
The Institute decided to draw a chart based on the department's figures until some clarity on the matter is provided.

Estimated redistribution [Land Redistribution for Agricultural Development (LRAD)^a and commonage projects] delivery and backlog figures by province, September 2007 (all figures in hectares)

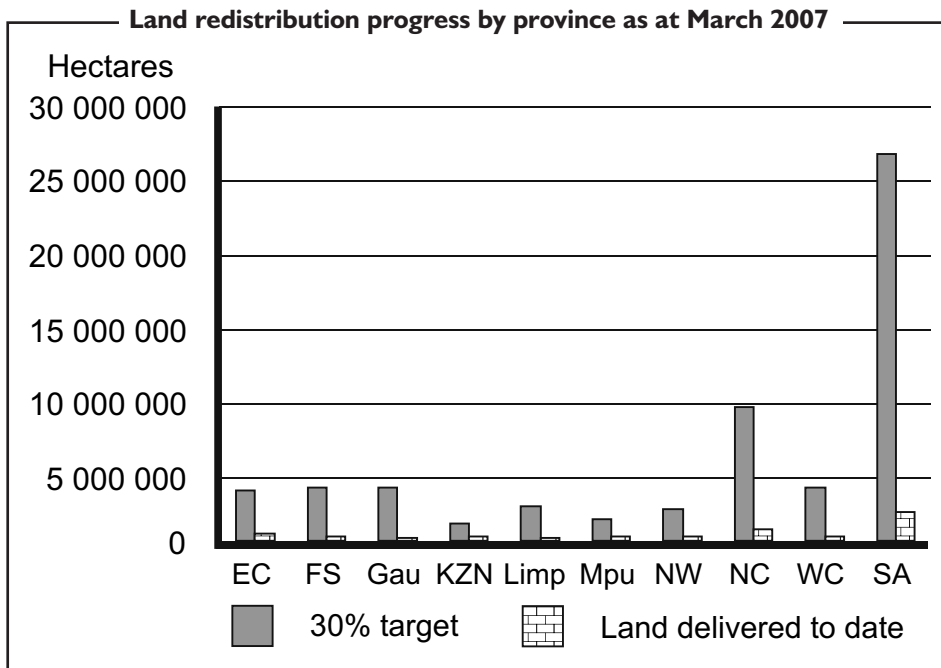
Province	Commercial farmland		Delivered to date		Total land delivered to beneficiaries	Land to be delivered via redistribution
	30% target	Redistribution	Restitution			
Eastern Cape	10 815 867	3 244 760	329 946	50 579	380 525	2 091 226
Free State	11 572 000	3 471 600	167 709	9 421	177 130	3 261 379
Gauteng	828 623	248 587	12 245	7 153	19 398	0
KwaZulu-Natal	3 439 403	1 031 821	182 817	239 254	422 071	0
Limpopo	7 153 772	2 146 132	50 174	139 475	189 649	0
Mpumalanga	4 486 320	1 345 896	132 038	114 337	246 375	0
North West	6 785 600	2 035 680	168 444	150 652	319 096	1 257 399
Northern Cape	29 543 832	8 863 150	594 077	123 926	718 003	8 001 239
Western Cape	11 560 609	3 468 183	116 018	5 246	121 264	3 468 183
South Africa	86 186 026	25 855 808	1 753 468	840 043	2 593 511	18 079 426

Source: Department of Land Affairs, *Settlement and Implementation Support Strategy for Land and Agrarian Reform in South Africa: Associated background documents*, September 2007, compiled by the Sustainable Development Consortium and published by the Commission on Restitution of Land Rights, Chapter 4: Overview of Evidence (Michael Aliber), September 2007, p10.

a Refers to Land Redistribution for Agricultural Development under which land is redistributed to commercially viable farmers hailing from previously disadvantaged communities under the Provision of Land and Assistance Act of 1993.



Source: Department of Land Affairs, *Annual Report, 1 April 2006 to 31 March 2007*, 2007, p18



Source: Department of Land Affairs, *Settlement and Implementation Support Strategy for Land and Agrarian Reform in South Africa: Associated background documents*, September 2007

Land tenure reform

This programme intends to protect the land rights of those living in traditional communities, and to provide security of residence to those living, occupying, and working on farms. It is regulated by the following statutes:

- The Land Reform (Labour Tenants) Act (LTA) of 1996, which provides for secure tenure to labour tenants on privately owned farms. Through the law, a means was created to grant full ownership of land to labour tenants.
- The Extension of Security of Tenure Act (ESTA) of 1997, which was designed to protect farm dwellers on privately owned land against arbitrary eviction.
- The Communal Land Rights Act (CLRA) of 1994, which is meant to address the complicated tenure conditions of the former 'homelands'. Through the act, the minister of land affairs is empowered to transfer ownership of communal land from the State to communities residing there. The land would then be held under 'new order rights' which were yet to be determined at the time of writing.

The Department of Land Affairs was in control of 13.3m hectares of land. Some 12.1m hectares represented communal land in the former homelands which was to be converted to freehold under the CLRA.

WATER AND SANITATION

Water

Free basic water

Delivery of free basic water^a by province by 31st January 2008

<i>Province</i>	<i>Number of households</i>	<i>Number of households with access to free basic water</i>	<i>Proportion of households with access to free basic water</i>	<i>Number of poor^b households</i>	<i>Number of poor households with access to free basic water</i>	<i>Proportion of poor^b households with access to free basic water</i>
EC	1 559 386	918 924	58.9%	832 435	508 217	61.1%
FS	792 776	721 417	91.0%	431 109	424 547	98.5%
Gau	3 320 021	2 930 546	88.3%	1 164 835	888 340	76.3%
KZN	2 376 364	1 787 029	75.2%	1 254 388	892 540	71.2%
Limp	1 250 952	906 141	72.4%	748 403	613 684	82.0%
Mpu	891 847	615 796	69.0%	499 873	305 632	61.1%
NW	932 212	675 721	72.5%	438 289	284 710	65.0%
NC	262 038	240 288	91.7%	94 962	87 510	92.2%
WC	1 393 602	1 325 734	95.1%	210 345	204 932	97.4%
SA^c	12 779 198	10 121 596	79.2%	5 674 639	4 210 112	74.2%

Source: Department of Water Affairs and Forestry, Free basic water project, National Summary, 31st January 2008

a Free basic water comprises 6 000 litres per household per month and is funded using local Government revenue and internal cross-subsidies from appropriately structured water tariffs.

b Households with incomes of less than R1 000 per month.

c The Department of Water Affairs and Forestry has set itself a target to deliver free basic water to all households that have the necessary infrastructure to receive it by 2008. By the end of January 2008, 638 962 households had no infrastructure to receive free basic water. Of these 412 558, or 65% were poor households.

All water

Household water sources by race, 1996 (proportions)

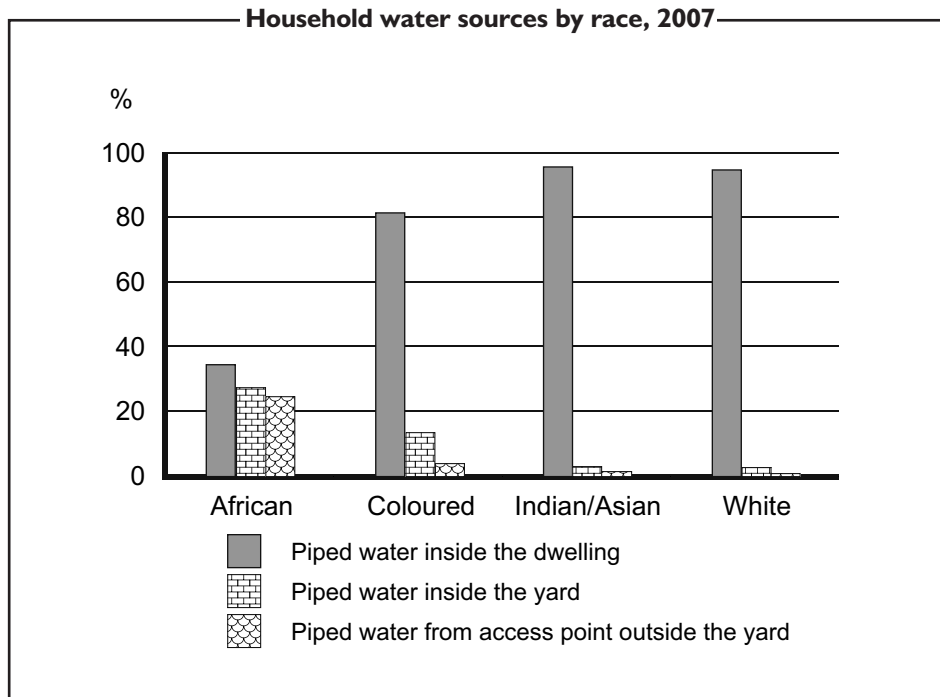
	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>
Piped water inside the dwelling	26.7%	71.9%	97.2%	96.0%
Piped water inside the yard	20.4%	18.5%	1.2%	0.6%
Piped water from access point outside the yard/public tap	26.4%	4.9%	0.4%	0.1%
Water carrier/tanker	1.6%	0.5%	0.1%	0.0%
Borehole/rainwater tank/well	5.9%	1.9%	0.6%	2.6%
Dam/river/stream/spring	16.8%	1.6%	0.2%	0.2%
Other	2.2%	0.7%	0.4%	0.4%
Total	100.0%	100.0%	100.0%	100.0%

Source: Stats SA, *Census 1996*, 1998

Household water sources by race, 2007 (proportions)

	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>
Piped water inside the dwelling	34.3%	81.1%	95.4%	94.6%
Piped water inside the yard	27.1%	13.3%	2.6%	2.4%
Piped water from access point outside the yard	24.4%	3.5%	1.2%	0.5%
Borehole	3.0%	0.6%	0.2%	1.9%
Spring	1.3%	0.1%	0.0%	0.1%
Dam/pool	0.6%	0.3%	0.0%	0.1%
River/stream	6.5%	0.4%	0.2%	0.1%
Water vendor	1.2%	0.1%	0.1%	0.0%
Rain water tank	0.8%	0.3%	0.1%	0.1%
Other	0.7%	0.4%	0.2%	0.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: Stats SA, *Community Survey 2007*, October 2007



Proportion of households with piped water in dwelling, off site, or on site by province, 2002–07

<i>Province</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>Increase/ decrease 2002-2007</i>
Eastern Cape	55.2%	58.4%	61.5%	66.9%	68.7%	72.8%	31.9%
Free State	95.3%	97.1%	94.9%	97.0%	97.8%	96.8%	1.6%
Gauteng	98.6%	99.0%	98.9%	98.1%	98.2%	98.0%	-0.6%
KwaZulu-Natal	75.1%	77.5%	78.1%	82.1%	81.7%	83.8%	11.6%
Limpopo	73.5%	78.7%	74.8%	78.0%	80.6%	83.4%	13.5%
Mpumalanga	90.4%	91.5%	89.7%	89.2%	88.8%	89.1%	-1.4%
North West	85.5%	90.4%	89.1%	88.0%	91.1%	89.6%	4.8%
Northern Cape	92.1%	95.5%	93.2%	95.8%	96.8%	96.0%	4.2%
Western Cape	98.8%	98.9%	99.2%	99.0%	99.4%	99.5%	0.7%
South Africa	83.1%	85.6%	85.5%	87.2%	88.0%	89.3%	7.5%

Source: Stats SA, *General Household Survey July 2007*, 2008, p39

International comparisons

Urban and rural populations with access to improved water source, selected countries,^a 2004

<i>Country</i>	<i>Urban</i>	<i>Rural</i>
Algeria	88%	80%
Argentina	98%	80%
Australia	100%	100%
Botswana	100%	90%
Chile	100%	58%
China	93%	67%
Denmark	100%	100%
Egypt	99%	97%
France	100%	100%
Ghana	88%	64%
Hungary	100%	98%
India	95%	83%
Indonesia	87%	69%
Ireland	100%	N/A
Israel	100%	100%
Italy	100%	N/A
Japan	100%	100%
Kazakhstan	97%	73%
Lithuania	N/A	N/A
Mexico	100%	87%
Mozambique	72%	26%
Nigeria	67%	31%
Pakistan	96%	89%
Philippines	87%	82%
Poland	100%	N/A
Russian Federation	100%	88%
Saudi Arabia	97%	N/A
South Africa	99%	73%
Spain	100%	100%
Switzerland	100%	100%
Thailand	98%	100%
Turkey	98%	93%
Uganda	87%	56%
United Kingdom	100%	100%
United States	100%	100%

Source: The World Bank, 2007 *World Development Indicators*, Table 3.5, pp143–145

a Improved water sources are the following types of water supply for drinking purposes: household connections, public standpipes, boreholes, protected dug wells, protected springs, and rainwater collection.

N/A — Not available.

**Breakdown by use of annual fresh water withdrawals
selected countries,^a 1987–2003^b**

<i>Country</i>	<i>Proportion for agriculture</i>	<i>Proportion for industry</i>	<i>Proportion for domestic use</i>
Algeria	52%	14%	34%
Argentina	75%	9%	16%
Australia	33%	2%	65%
Botswana	48%	20%	32%
Chile	84%	11%	5%
China	78%	18%	5%
Denmark	43%	27%	30%
Egypt	82%	11%	7%
France	10%	72%	18%
Ghana	52%	13%	35%
Hungary	36%	55%	9%
India	92%	3%	5%
Indonesia	93%	1%	6%
Ireland	10%	74%	16%
Israel	54%	7%	39%
Italy	48%	34%	19%
Japan	64%	17%	19%
Kazakhstan	81%	17%	2%
Lithuania	3%	16%	81%
Mexico	78%	5%	17%
Mozambique	89%	2%	9%
Nigeria	54%	15%	31%
Pakistan	97%	2%	2%
Philippines	88%	4%	8%
Poland	11%	76%	13%
Russian Federation	20%	62%	19%
Saudi Arabia	90%	1%	9%
South Africa	72%	11%	17%
Spain	68%	19%	13%
Switzerland	4%	73%	23%
Thailand	91%	4%	5%
Turkey	73%	12%	16%
Uganda	60%	8%	32%
United Kingdom	3%	77%	20%
United States	42%	45%	13%

Source: The World Bank, 2005 *World Development Indicators*, Table 3.5, pp146–149

a Annual fresh water withdrawals refer to total water withdrawal, not counting evaporation losses, from storage basins. Withdrawals also include water from desalination plants in countries where these are a significant source.

b The information on fresh water withdrawals is based on different sources and refers to different years, according to the World Bank.

Sanitation

Household sanitation facility by race, 1996 (proportions)

	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>
Flush toilet/chemical toilet	33.9%	79.7%	97.6%	99.2%
Pit latrine	43.5%	7.8%	1.8%	0.3%
Bucket toilet system	5.6%	7.1%	0.1%	0.0%
None of the above	16.4%	5.1%	0.2%	0.4%
Unspecified/other	0.6%	0.3%	0.3%	0.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: Stats SA, *Census 1996*, 1998

Household sanitation facility by race, 2007 (proportions)

	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>
Flush toilet (connected to sewerage system)	43.7%	87.9%	96.3%	95.7%
Flush toilet (with septic tank)	2.6%	2.6%	1.7%	3.8%
Dry toilet facility	5.2%	1.4%	0.2%	0.0%
Pit toilet with ventilation (VIP)	8.3%	1.6%	0.5%	0.1%
Pit toilet without ventilation	26.6%	1.8%	0.8%	0.2%
Chemical toilet	0.4%	0.1%	0.0%	0.0%
Bucket toilet system	2.6%	2.2%	0.2%	0.1%
None	10.4%	2.5%	0.3%	0.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: Stats SA, *Community Survey 2007*, October 2007

Proportion of households using bucket system and without sanitation facility by province, 2002–07

<i>Province</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>Increase/ decrease 2002–07</i>
Eastern Cape	37.1%	33.7%	34.1%	27.5%	25.2%	24.2%	-34.8%
Free State	17.2%	16.0%	13.2%	18.1%	17.2%	14.0%	-18.6%
Gauteng	1.8%	2.1%	1.7%	1.5%	0.8%	1.3%	-27.8%
KwaZulu-Natal	11.2%	9.1%	9.0%	7.9%	8.8%	6.3%	-43.8%
Limpopo	19.6%	16.4%	15.9%	13.7%	8.1%	10.5%	-46.4%
Mpumalanga	7.2%	6.4%	6.2%	7.0%	5.5%	5.7%	-20.8%
North West	7.0%	5.2%	6.8%	9.1%	8.6%	7.5%	7.1%
Northern Cape	17.6%	17.7%	13.3%	9.9%	11.3%	9.5%	-46.0%
Western Cape	5.7%	9.1%	4.3%	5.6%	4.2%	4.1%	-28.1%
South Africa	13.2%	11.8%	11.0%	10.2%	9.0%	8.3%	-37.1%

Source: Stats SA, *General Household Survey July 2007, 2008*, p36

**Population with access to improved sanitation facilities
selected countries^a, 2004**

<i>Country</i>	<i>Proportion of urban population</i>	<i>Proportion of rural population</i>
Algeria	99%	82%
Argentina	92%	83%
Australia	100%	100%
Botswana	57%	25%
Chile	95%	62%
China	69%	28%
Denmark	100%	100%
Egypt	86%	58%
France	N/A	N/A
Ghana	27%	11%
Hungary	100%	85%
India	59%	22%
Indonesia	73%	40%
Ireland	N/A	N/A
Israel	100%	N/A
Italy	N/A	N/A
Japan	100%	100%
Kazakhstan	87%	52%
Lithuania	N/A	N/A
Mexico	91%	41%
Mozambique	53%	19%
Nigeria	53%	36%
Pakistan	92%	41%
Philippines	80%	59%
Poland	N/A	N/A
Russian Federation	93%	70%
Saudi Arabia	100%	N/A
South Africa	79%	46%
Spain	100%	100%
Switzerland	100%	100%
Thailand	98%	99%
Turkey	96%	72%
Uganda	54%	41%
United Kingdom	N/A	N/A
United States	100%	100%

Source: The World Bank, 2007 *World Development Indicators*, Table 3.10, pp162-165

a Access to improved sanitation facilities refers to the proportion of the urban or rural population with access to at least adequate ablution facilities (private or shared but not public) that can effectively prevent human, animal, and insect contact with excreta. Improved facilities range from simple but protected pit latrines to flush toilets with a sewerage connection.

N/A — Not available.

HOUSING

National housing profile

Households by type of dwelling and race, 1996 and 2007 (actual numbers)

	African		Coloured	
	1996	2007	1996	2007
House or brick structure on a separate stand or yard	2 673 181	5 230 705	452 258	709 892
Traditional dwelling/hut/structure made of traditional materials	1 612 700	1 439 509	13 955	11 875
Flat in block of flats	153 096	309 638	58 042	61 747
Town/cluster/semi-detached house (simplex: duplex: triplex)	96 886	89 953	98 546	62 261
House/flat/room in backyard	401 251	308 543	37 787	15 259
Informal dwelling/shack in backyard	373 294	553 598	26 479	33 039
Informal dwelling/shack not in backyard e.g. in an informal/squatter settlement	1 013 343	1 179 006	31 103	29 326
Room/flatlet not in backyard but on a shared property	114 938	102 385	12 861	4 249
Caravan or tent	11 418	12 029	2 752	1 463
Private ship/boat	N/A	3 036	N/A	275
Workers hostel (bed/room)	N/A	352 590	N/A	5 919
Other	83 890	28 720	7 422	2 146
Total	6 533 997	9 609 712	741 205	937 451

Households by type of dwelling and race, 1996 and 2007 (actual numbers) (continued)

	Indian		White		Total	
	1996	2007	1996	2007	1996	2007
House or brick structure on a separate stand or yard	140 641	220 523	1 034 346	1 245 677	4 300 426	7 406 797
Traditional dwelling/hut/structure made of traditional materials	1 329	1 418	10 483	6 578	1 638 467	1 459 380
Flat in block of flats	34 279	47 484	208 120	177 073	453 537	595 942
Town/cluster/semi-detached house (simplex: duplex: triplex)	46 508	32 026	135 073	153 135	377 013	337 375
House/flat/room in backyard	13 575	8 693	28 124	31 546	480 737	364 041
Informal dwelling/shack in backyard	788	1 430	1 060	2 128	401 621	590 195
Informal dwelling/shack not in backyard but in an informal/squatter settlement	1 083	2 170	912	3 735	1 046 441	1 214 237
Room/flatlet not in backyard but on a shared property	3 608	1 476	46 955	7 256	178 362	115 366
Caravan or tent	75	82	2 727	1 543	16 972	15 117
Private ship/boat	N/A	26	N/A	918	N/A	4 255
Workers hostel (bed/room)	N/A	123	N/A	1 521	N/A	360 153
Other	1 754	455	14 690	6 445	107 756	37 766
Total	243 640	315 906	1 482 490	1 637 555	9 001 332	12 500 624

Source: Stats SA, Community Survey 2007, October 2007; Census 1996, 1998
N/A — Not available.

Households by type of dwelling and race, 1996 and 2007 (proportions)

	<i>African</i>		<i>Coloured</i>	
	1996	2007	1996	2007
House or brick structure on a separate stand or yard	40.9%	54.4%	61.0%	75.7%
Traditional dwelling/hut/structure made of traditional materials	24.7%	15.0%	1.9%	1.3%
Flat in block of flats	2.3%	3.2%	7.8%	6.6%
Town/cluster/semi-detached house (simplex: duplex: triplex)	1.5%	0.9%	13.3%	6.6%
House/flat/room in backyard	6.1%	3.2%	5.1%	1.6%
Informal dwelling/shack in backyard	5.7%	5.8%	3.6%	3.5%
Informal dwelling/shack not in backyard eg in an informal/squatter settlement	15.5%	12.3%	4.2%	3.1%
Room/flatlet not in backyard but on a shared property	1.8%	1.1%	1.7%	0.5%
Caravan or tent	0.2%	0.1%	0.4%	0.2%
Private ship/boat	N/A	0.0%	N/A	0.0%
Workers hostel (bed/room)	N/A	3.7%	N/A	0.6%
Other	1.3%	0.3%	1.0%	0.2%
Total	100.0%	100.0%	100.0%	100.0%

Households by type of dwelling and race, 1996 and 2007 (proportions) (continued)

	<i>Indian</i>		<i>White</i>		<i>Total</i>	
	1996	2007	1996	2007	1996	2007
House or brick structure on a separate stand or yard	57.7%	69.8%	69.8%	76.1%	47.8%	59.3%
Traditional dwelling/hut/structure made of traditional materials	0.5%	0.4%	0.7%	0.4%	18.2%	11.7%
Flat in block of flats	14.1%	15.0%	14.0%	10.8%	5.0%	4.8%
Town/cluster/semi-detached house (simplex: duplex: triplex)	19.1%	10.1%	9.1%	9.4%	4.2%	2.7%
House/flat/room in backyard	5.6%	2.8%	1.9%	1.9%	5.3%	2.9%
Informal dwelling/shack in backyard	0.3%	0.5%	0.1%	0.1%	4.5%	4.7%
Informal dwelling/shack not in backyard eg in an informal/squatter settlement	0.4%	0.7%	0.1%	0.2%	11.6%	9.7%
Room/flatlet not in backyard but on a shared property	1.5%	0.5%	3.2%	0.4%	2.0%	0.9%
Caravan or tent	0.0%	0.0%	0.2%	0.1%	0.2%	0.1%
Private ship/boat	N/A	0.0%	N/A	0.1%	N/A	N/A
Workers hostel (bed/room)	N/A	0.0%	N/A	0.1%	N/A	2.9%
Other	0.7%	0.1%	1.0%	0.4%	1.2%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Stats SA, *Community Survey 2007*, October 2007; *Census 1996*, 1998
N/A —Not available.

Types of housing occupied, 1996 and 2007

<i>Housing type</i>	<i>1996</i>	<i>2007</i>	<i>Change: 1996-2007</i>
Formal	64.4%	70.5%	9.5%
Informal	16.0%	14.5%	-9.4%
Traditional	18.2%	11.7%	-35.8%
Other	1.4%	3.3%	135.7%
Total	100%	100%	-

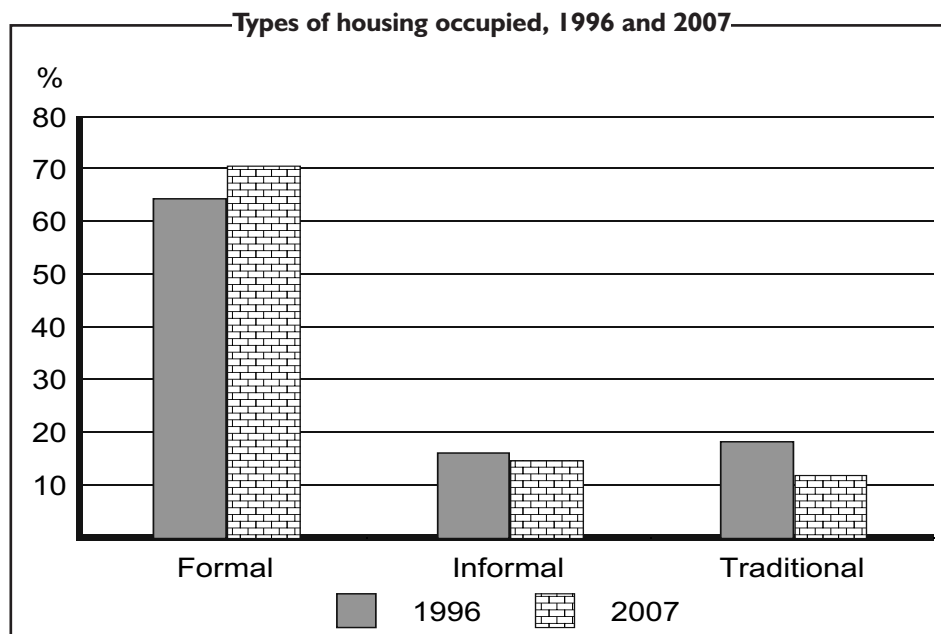
Source: Stats SA, *Community Survey 2007*, October 2007; *Census 1996*, 1998

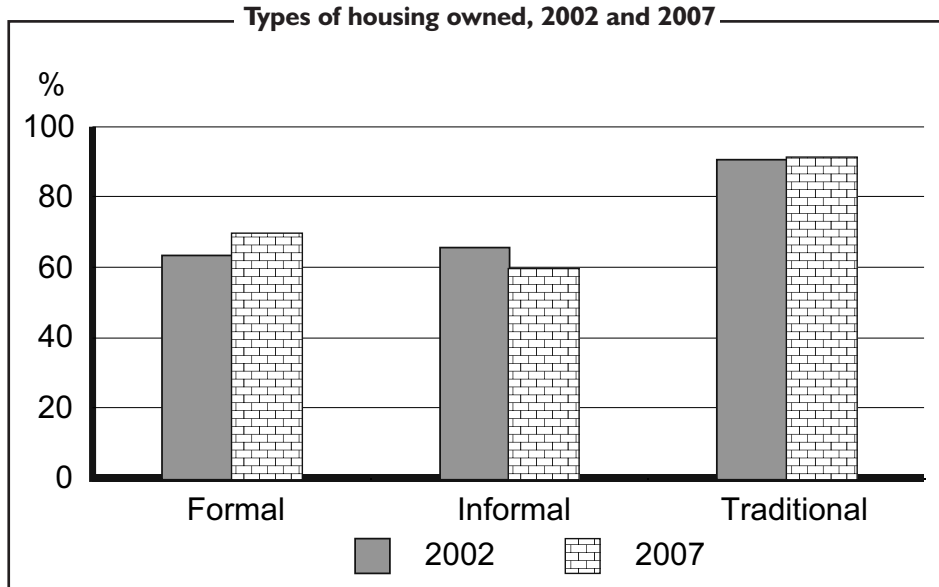
Types of housing owned,^a 2002 and 2007

<i>Housing type</i>	<i>2002</i>	<i>2007</i>	<i>Change: 1996-2007</i>
Formal	63.4%	69.8%	10.1%
Informal	65.8%	59.6%	-9.4%
Traditional	90.5%	91.4%	1.0%

Source: Stats SA, *General Household Survey, July 2006, 2007*, pxxxv

a The numbers in the columns denote the proportion of households residing in that housing type who owned it, as opposed to those who rented or stayed for nothing.





Types of housing by province, 1996 and 2007 (actual numbers)

Province	Formal ^a		Informal ^b		Traditional		Other ^c	
	1996	2007	1996	2007	1996	2007	1996	2007
EC	624 349	868 325	145 504	127 536	547 624	581 882	14 872	9 001
FS	390 340	569 705	162 771	148 060	63 964	36 531	7 936	48 578
Gau	1 450 582	2 333 878	468 364	719 873	13 999	11 603	31 223	110 225
KZN	918 793	1 351 836	185 586	192 253	532 046	611 062	24 508	78 981
Limp	609 010	1 012 098	47 862	67 691	312 278	108 954	13 308	27 192
Mpu	391 916	723 902	94 412	109 817	108 204	66 191	10 123	40 493
NW	500 710	605 806	159 389	217 036	50 422	20 837	9 478	67 442
NC	149 834	212 745	26 253	27 759	7 224	11 798	3 671	12 356
WC	799 284	1 141 226	162 873	194 407	8 627	10 522	12 231	23 023
SA	5 834 818	8 819 521	1 453 014	1 804 432	1 644 388	1 459 380	127 350	417 291

Source: Stats SA, *Community Survey 2007*, 24 October 2007; *Census 1996, 1998*

a Formal refers to house/brick structure on separate stand or yard, flat in block of flats, town/cluster/semi-detached house, unit in retirement village, and a room/house/dwelling in backyard.

b Informal refers to dwelling/shack in backyard and not in backyard.

c This includes caravan/tent, hostels and compounds, and unspecified dwellings.

Types of housing by province, 1996 and 2007 (proportions)^d

Province	Formal ^a		Informal ^b		Traditional		Other ^c	
	1996	2007	1996	2007	1996	2007	1996	2007
EC	46.8%	54.7%	10.9%	8.0%	41.1%	36.7%	1.1%	0.6%
FS	62.5%	71.0%	26.0%	18.4%	10.2%	4.6%	1.3%	6.1%
Gau	73.9%	73.5%	23.8%	22.7%	0.7%	0.4%	1.6%	3.5%
KZN	55.3%	60.5%	11.2%	8.6%	32.0%	27.4%	1.5%	3.5%
Limp	62.0%	83.2%	4.9%	5.6%	31.8%	9.0%	1.4%	2.2%
Mpu	64.9%	77.0%	15.6%	11.7%	17.9%	7.0%	1.7%	4.3%
NW	69.5%	66.5%	22.1%	23.8%	7.0%	2.3%	1.3%	7.4%
NC	80.1%	80.4%	14.0%	10.5%	3.9%	4.3%	2.0%	4.5%
WC	81.3%	83.4%	16.6%	14.2%	0.9%	0.8%	1.2%	1.7%
SA	64.4%	70.6%	16.0%	14.4%	18.2%	11.7%	1.4%	3.3%

Source: Stats SA, *Community Survey 2007*, 24 October 2007; *Census 1996*, 1998

a Formal refers to house/brick structure on separate stand or yard, flat in block of flats, town/cluster/semi-detached house, unit in retirement village, and a room/house/dwelling in backyard.

b Informal refers to dwelling/shack in backyard and not in backyard.

c This includes caravan/tent, hostels and compounds, and unspecified dwellings.

d The proportions for the provinces denote the percentage of that type of household out of all households in that province. The proportions for South Africa denote the percentage of that type of household out of the total number of households in the country. Thus in 2007 some 54.7% of all households in the Eastern Cape lived in formal dwellings. Similarly 70.6% of all South African households lived in formal dwellings.

Quality of housing**Changes in housing types, 1996–2007**

	Increase/decrease 1996–2007 (proportions)	Increase/decrease 1996–2007 (actual numbers)
Formal ^a	51.2%	2 984 703
Informal ^b	24.2%	351 417
Traditional	-11.3%	-185 008
Other ^c	227.7%	289 941
Total	38.0%	3 441 053

Source: Stats SA, *Community Survey 2007*, 24 October 2007; *Census 1996*, 1998

a Formal refers to house/brick structure on separate stand or yard, flat in block of flats, town/cluster/semi-detached house, unit in retirement village, and a room/house/dwelling in backyard.

b Informal refers to dwelling/shack in backyard and not in backyard.

c This includes caravan/tent, hostels and compounds, and unspecified dwellings.

Terms of occupation

Households by terms of occupation and race, 2007 (actual numbers)

	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Owned and fully paid off	5 007 361	405 210	126 720	671 711	6 211 002
Owned but not yet paid off	645 611	195 442	100 554	545 001	1 486 608
Rented	1 694 403	208 393	77 813	375 090	2 355 699
Occupied rent-free ^a	2 176 612	120 118	9 350	37 385	2 343 465
Other	85 719	8 286	1 464	8 362	103 831
Total	9 609 706	937 449	315 901	1 637 549	12 500 605

Source: Stats SA, *Community Survey 2007*, October 2007

a People who occupy dwellings rent-free include domestic workers who live for free on the premises of their employers by arrangement, and people who reside in most informal dwellings.

Households by terms of occupation and race, 2007 (proportions)

	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Owned and fully paid off	52.1%	43.2%	40.1%	41.0%	49.7%
Owned but not yet paid off	6.7%	20.8%	31.8%	33.3%	11.9%
Rented	17.6%	22.2%	24.6%	22.9%	18.8%
Occupied rent-free ^a	22.7%	12.8%	3.0%	2.3%	18.7%
Other	0.9%	0.9%	0.5%	0.5%	0.8%
Total	100%	100%	100%	100%	100%

Source: Stats SA, *Community Survey 2007*, October 2007

a People who occupy dwellings rent-free include domestic workers who live for free on the premises of their employers by arrangement, and people who reside in most informal dwellings.

Housing provision

Housing and households by cost structure

Average nominal house prices (in rands) by size of house, 2004-2007

	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007 (4th quarter)</i>	<i>Change in nominal house prices 2004-2007</i>
Affordable housing (40m ² -79m ²)	150 816	188 792	216 838	273 569	81.4%
Middle segment (80m ² -400m ²)	574 130	703 900	811 078	960 171	67.2%
Small (80m ² -140m ²)	418 691	501 753	580 125	671 707	60.4%
Medium (141m ² -220m ²)	536 001	664 652	772 241	949 298	77.1%
Large (221m ² -400m ²)	779 319	976 788	1 121 974	1 379 123	77.0%

Source: ABSA, *Housing Review First Quarter 2008*, 2008, p7

Government subsidy housing

Total number of houses completed or under construction, April 1994–March 2007

<i>Province</i>	<i>Apr 1994–</i>							<i>Total</i>
	<i>Mar 2001</i>	<i>2001/02</i>	<i>2002/03</i>	<i>2003/04</i>	<i>2004/05</i>	<i>2005/06</i>	<i>2006/07</i>	
Eastern Cape	117 759	10 816	58 662	27 119	37 524	16 203	20 148	288 231
Free State	71 699	7 005	9 155	16 746	16 447	9 277	30 921	161 250
Gauteng	269 264	46 723	24 344	49 034	66 738	14 125	122 229	592 457
KwaZulu-Natal	206 670	14 379	24 485	33 668	36 734	14 116	60 046	390 098
Limpopo	83 147	16 667	14 953	15 810	16 514	6 522	63 900	217 513
Mpumalanga	68 860	14 584	21 649	21 232	18 000	10 107	15 530	169 962
North West	87 684	13 885	23 784	10 484	10 037	12 199	70 288	228 361
Northern Cape	20 569	2 588	6 056	3 787	3 598	999	11 548	49 145
Western Cape	148 376	16 634	20 500	15 735	11 756	1 510	44 385	258 896
South Africa	1 074 028	143 281	203 588	193 615	217 348	85 058	438 995	2 355 913

Source: Department of Housing website, 12 March 2008

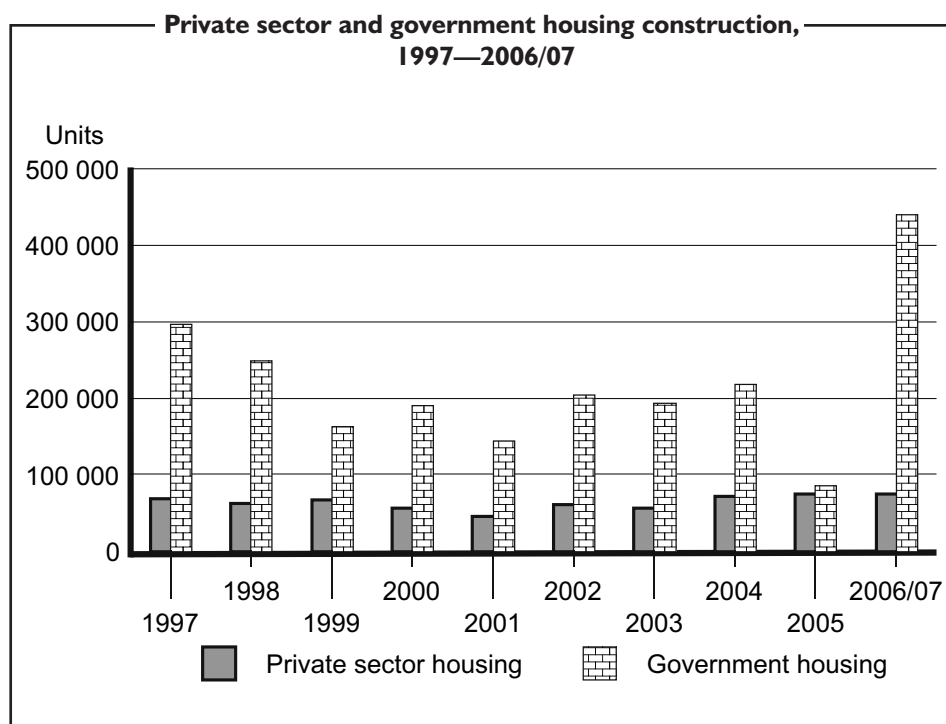
Government and private sector housing

Private sector and government housing construction, 1997–2006/07

<i>Year</i>	<i>Private sector housing</i>	<i>Government housing</i>
1997	67 945	295 811
1998	61 929	248 391
1999	66 715	161 572
2000	56 121	190 643
2001	46 033	143 281
2002	61 285	203 588
2003	56 713	193 615
2004	70 682	217 348
2005	74 549	85 058
2006/07 ^a	75 137	438 995
Change: 1997–2006/07	10.6%	48.4%

Source: Department of Housing, *Housing Subsidy System and Provincial governments* (information provided by the Department of Housing); ABSA, *Residential Building Statistics*, 26 February 2008; Residential Property Perspective Second Quarter 2006, 2006, p7 (taken from the 2006/07 South Africa Survey, p402).

a The figure for private sector housing in this row was taken from a different source.

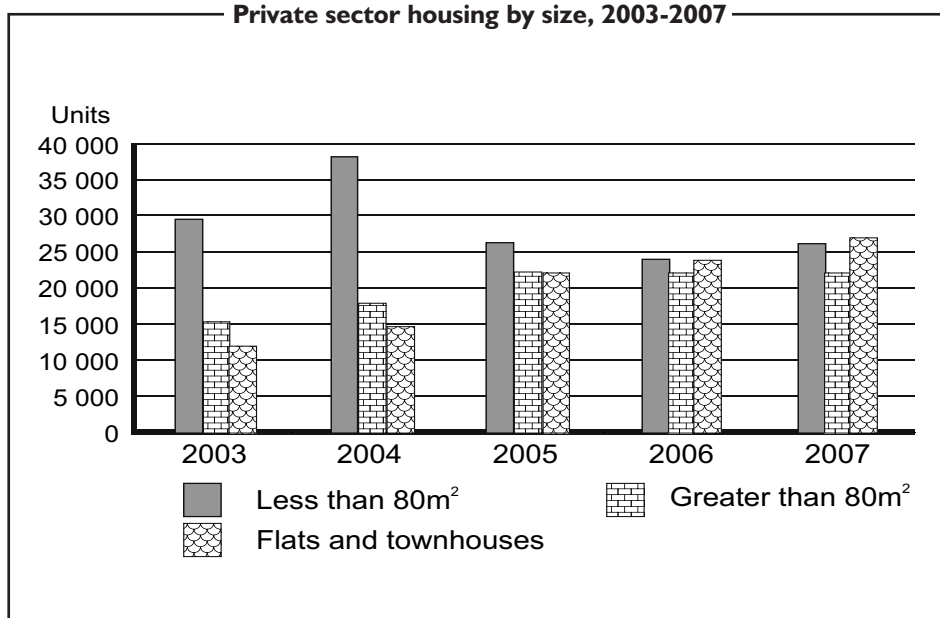


Private sector housing

Residential buildings completed by the private sector by size, 2003–2007

	<80m ²	>80m ²	Flats and townhouses	Total	<80m ² as a % of all residential buildings	>80m ² as a % of all residential buildings	Flats and townhouses as a % of all residential buildings
2003	29 555	15 296	11 862	56 713	52.1%	27.0%	20.9%
2004	38 200	17 864	14 618	70 682	54.0%	25.3%	20.7%
2005	26 307	22 251	22 066	70 624	37.2%	31.5%	31.2%
2006	24 029	22 118	23 858	70 005	34.3%	31.6%	34.1%
2007	26 195	22 025	26 917	75 137	34.9%	29.3%	35.8%
Total	144 286	99 554	99 321	343 161	42.0%	29.0%	28.9%
Change: 2003–2007	-11.4%	44.0%	126.9%	32.5%	-33.1%	8.7%	71.3%

Source: ABSA, Residential Building Statistics, 26 February 2008



New houses less than 80m²

Between 2003 and 2007, the construction of affordable houses showed a decline in both absolute numbers and as a proportion of all residential buildings. As the Institute noted in the previous edition of the *South Africa Survey*, a host of factors served to put profit margins under pressure in this segment of the property market. These included expensive development land; and delays and costs involved in rezoning for high-density middle-class residential developments.

New houses less than 80m², 2003-2007

Year	Building plans approved	Buildings completed	% of buildings completed
2003	42 424	29 555	69.7%
2004	36 559	38 200	104.5%
2005	37 658	26 307	69.9%
2006	37 147	24 029	64.7%
2007	36 631	26 195	71.5%
Total	190 419	144 286	75.8%
Change: 2003-2007	-13.7%	-11.4%	2.6%

Source: ABSA, *Residential Building Statistics*, 26 February 2008

New houses over 80m²

Between 2003 and 2007, houses constructed in this sector showed a significant increase of 44%. As a proportion of all residential buildings completed, this segment of the property market notched up a modest gain of almost 9%.

Between 2003 and 2005, the number of houses built for this market increased by 46%. This ABSA attributes to the boom in the property market that began in 2000. Between 2005 and 2007, however, the number of units constructed declined by 1% as increasing interest rates applied the brakes to economic activity in the real estate sector. The latest inflation figures and new credit extension regulations point to a continued slowing down of market activity in this sector.

New houses over 80m², 2003-2007

<i>Year</i>	<i>Building plans approved</i>	<i>Buildings completed</i>	<i>% of buildings completed</i>
2003	24 645	15 296	62.1%
2004	32 152	17 864	55.6%
2005	34 121	22 251	65.2%
2006	34 846	22 118	63.5%
2007	31 791	22 025	69.3%
Total	157 555	99 554	63.2%
Change: 2003-2007	29.0%	44.0%	11.6%

Source: ABSA, *Residential Building Statistics*, 26 February 2008

New flats and townhouses

In 2003, the least number of residential buildings constructed were in this sector. In 2007, new flats and townhouses outstripped all kinds of residential buildings completed. Over the entire period the construction of flats and townhouses rose by a significant 127%.

The growth in the construction of high density complexes is not only driven by the security concerns of tenants, as has been acknowledged. It is also driven by the scarcity of prime building land. This has led developers to put the land that becomes available to optimal use. According to ABSA, land scarcity and rocketing land prices may lead to high density apartments being built in metropolitan areas and along the coast for years to come.

New flats and townhouses, 2003-2007

<i>Year</i>	<i>Building plans approved</i>	<i>Buildings completed</i>	<i>% of buildings completed</i>
2003	16 896	11 862	70.2%
2004	24 038	14 618	60.8%
2005	30 479	22 066	72.4%
2006	31 932	23 858	74.7%
2007	32 361	26 917	83.2%
Total	135 706	99 321	73.2%
Change: 2003-2007	91.5%	126.9%	18.5%

Source: ABSA, *Residential Building Statistics*, 26 February 2008

Mixed housing developments

In 2004, the Cabinet adopted and approved the Breaking New Ground (BNG) policy on the Integrated Sustainable Human Settlement Plan. The plan was designed to deliver affordable housing in 'settlements that are both sustainable and habitable'. The primary focus of the policy was to eradicate settlement patterns, inherited from the apartheid era, that separated communities according to both race and class. The Government has proposed that new mixed housing developments include a 30% affordable housing component.

Prior to the adoption and approval of the policy, several commentators had decried the fact that a large number of houses built for the poor black majority followed a pattern similar to that of the apartheid era, where such communities were placed on the outskirts of urban areas away from their places of employment, schools, clinics, and essential community facilities. Besides the lack of facilities, another worrying factor was the significant proportion of monthly income that such individuals had to spend on transport costs, which impacted negatively on their ability to pay for municipal services.

A significant part of the BNG policy, then, was geared towards building settlements where residents would be integrated across class and colour lines.

Following his 2008 state-of-the-nation address, President Thabo Mbeki said South Africa needed more integrated settlements so that people of different races could learn to live with each other.

Government officials also responded to property owners who raised concerns that building low-cost houses next to expensive ones would lead to their properties being devalued. In April 2008, Mr Ndivhuwo wa ha Mabaya, head of media services at the Department of Housing, said they had no intention of forcing an inclusionary housing policy on property owners or developers. In this regard, Mr Mabaya said the department had appointed Professor Dan Smit to liaise with all stakeholders on the best manner to integrate and provide affordable human settlements close to economic and social amenities. He also said studies of the most productive cities in the world indicated that their workforces resided close to industrial areas.

Inclusionary housing is a concept that surfaced in Maryland, in the USA, in 1974. The Maryland project, termed the Moderately Priced Dwelling Unit Program, delivered 10 000 dwelling units since its inception. Examples of completed inclusionary housing developments around the world include the Village at Techwood (Atlanta, Georgia), Harbour Point (Boston, Massachusetts), Greenwich Millenium Village (London, UK), Meander (Amsterdam, Netherlands), St Lawrence Neighbourhood (Toronto, Canada), Attwood Green (Birmingham, UK), Caterham Village (Surrey, UK), Grahame Park (North London, UK), Hulme (Manchester, UK), New Gorbals (Glasgow, UK), and the Ocean Estate (East London, UK). [City of Johannesburg, Johannesburg Property Company, 30 April 2008]

The first mixed development area in South Africa to be completed was situated in Fairlands (Johannesburg). It was a partnership between the Johannesburg Housing Company (Joshco) and private developers, Crowzen. The project delivered 187 dwelling units, 30% of which were offered as units for rental to families earning between R3 500 and R7 000 per month. The units, completed in February 2007, were to be rented out for between R1 500 and R2 000.

Other mixed housing developments that have been completed or are under way include Cosmo City in Johannesburg, the N2 Gateway project in the Western Cape, and most recently the Bendor Integrated and Sustainable Human Settlement project in the suburb of Bendor, Polokwane, in Limpopo.

Low-cost housing projections

Trends and projections for household numbers and sizes and for the low-cost housing sector, 1996–2015

<i>Year</i>	<i>Population (millions)</i>	<i>Household size (number of occupants)</i>	<i>Households (millions)</i>	<i>Households with income of less than R3 500pm (millions)</i>	<i>Housing backlog^a (millions)</i>
1996	40.6	4.5	9.1	6.4	2.2
1996–2000	44.2	4.4	10.0	7.1	2.5
2001–05	47.2	4.2	11.3	8.0	2.8
2006–10	49.1	3.9	12.5	8.9	3.1
2011–15	49.9	3.8	13.3	9.4	3.3
Increase/decrease 1996–2015	22.9%	-15.5%	46.2%	46.9%	50.0%

Source: Department of Housing, 2002 Annual Report, p47, citing the Demographic Information Bureau, Pretoria

a The projected housing backlog is different from that in the 'national affordable housing needs' table owing to the differing monthly incomes of the households analysed.

Affordability of housing

The Financial Sector Charter intended to make available R42bn to finance housing for the targeted households earning between R1 600 and R8 200 per month, and which are thus eligible for finance in the affordable housing market. Rising interest rates have meant that households will increasingly be forced to settle for houses that cost less as banks readjust their qualifying criteria. For instance, at an interest rate of 11%, a household with a monthly income of R8 200 would qualify for a home loan valued at around R197 000.

Despite an internationally unparalleled record in the delivery of housing to the poor, the South African Government identified an additional number of hurdles in its quest to supply more low-cost housing.

As the following table illustrates, the number of households identified as being in need of affordable housing — that is, those in the R2 500 to R7 500 income bracket — grew (and is projected to grow) much faster than houses could be delivered. The number of houses for households in this income bracket grew by 20 574 in the 2006/07 financial year while demand was estimated to be 693 696.

There have been sharp rises in the costs of land, property, and building material. The table of growth in average nominal house prices shows that average nominal house prices grew by 81% between 2004 and 2007. In 2004, the average affordable house price was R151 000. The price had risen to R274 000 by the fourth quarter of 2007, according to ABSA.

The Government identified problems of delivery by the low-income housing construction sector.

The speed at which land was released and zoned by municipalities had slowed down, leading to a reduced effect on the growing housing backlog. The process for registration alone took up to 59 months, while the average time it took for actual housing development grew from 5 to 19 months. Projects involving some 70 423 houses failed to get off the ground.

In November 2007, the minister of housing cited underspending by the provinces as being 'unacceptable'. She was addressing the portfolio committee on housing. Of the R8.2bn allocated to provinces at the beginning of the 2007/08 financial year for housing delivery, only 35.3% (R2.9bn) had been spent by September 2007. The highest proportion of budget spending was recorded by the Northern Cape, at 58% of its budget. After deliberations with provincial authorities, the national Department of Housing had reallocated R543m of unspent money from the Eastern Cape to provinces that had the capacity to speed up their housing projects in the 2007/08 financial year.

According to Statistics South Africa, there were 4.8m households who did not own their properties in 2007. Of these, 2.3m (49%) rented their properties while a further 49% occupied properties rent-free. The remaining two percent occupied their properties under undisclosed terms.

Of the 2.3m households that rented their properties, 954 000 did so in the backyards of other households.

Of the other 2.3m who occupied their structures rent-free, 1.2m (52%) resided in informal dwellings that were situated in informal settlements.

National affordable housing needs, 2003–2010

	2003/04	2004/05	2005/06	2006/07
Number of households earning R2 500 to R7 500 per month	2 465 873	2 525 050	2 580 605	2 632 210
Housing stock needed	2 509 946	2 572 494	2 629 723	2 683 237
Existing units	1 933 271	1 950 274	1 968 977	1 989 551
Shortfall	576 675	622 220	660 746	693 686

National affordable housing needs, 2003–2010 (continued)

	2007/08	2008/09	2009/10	Change
Number of households earning R2 500 to R7 500 per month	2 682 216	2 710 009	2 737 109	11.0%
Housing stock needed	2 734 629	2 763 681	2 791 318	11.2%
Existing units	2 012 183	2 037 077	2 064 461	6.8%
Shortfall ^a	722 446	726 604	726 857	26.0%

Source: Accelerated and Shared Growth Initiative for South Africa (Asgisa), *Annual Report 2007*, The Presidency, April 2008, p12

- a The financial sector charter intended deploying R42 billion to finance housing for the targeted 2.4 million households earning between R1 600 and R8 200 per month, and who were thus eligible for finance in the affordable housing market.

Backyard structures**Total number of backyard structures by province, 2007**

	House/flat/room in backyard	Informal dwelling/ shack in backyard	Total	% of informal dwellings
Eastern Cape	32 440	25 833	58 273	44.3%
Free State	17 008	39 154	56 162	69.7%
Gauteng	189 670	267 292	456 962	58.5%
KwaZulu-Natal	53 615	51 291	104 906	48.9%
Limpopo	16 132	23 591	39 723	59.4%
Mpumalanga	13 433	23 556	36 989	63.7%
North West	23 107	70 893	94 000	75.4%
Northern Cape	3 018	4 239	7 257	58.4%
Western Cape	15 618	84 346	99 964	84.4%
Total	364 041	590 195	954 236	61.9%

Source: Stats SA, *Community Survey 2007*, October 2007

Changes in the number of all backyard structures, 1996 and 2007

	1996	2007	Change: 1996-2007
Informal dwellings in backyard	403 329	590 195	46.3%
House/flat/room in backyard	483 460	364 041	-24.7%
Total backyard dwellings	886 789	954 236	7.6%

Source: *Community Survey 2007*, October 2007; *Census 1996*, 1998

Small-scale landlords

Between 1996 and 2007, the total number of all backyard structures grew from 887 000 to 954 000, or by 8%. However, the number of informal backyard dwellings rose by 46% while that of formal ones dropped by 25%.

The rising cost of property development seems to have affected even small-scale landlords. In 1996, the number of formal backyard dwellings was greater than that of informals at a ratio of 55% to 45%. By 2007, the situation had been reversed, with the number of informal backyard dwellings making up 62% of all backyard properties.

This trend repeats itself throughout all the provinces except in the Eastern Cape. The overwhelming majority of backyard dwellings, at 45%, were situated in Gauteng. This was three times higher than the province with the second highest number of backyard dwellings, the Western Cape.

Other small-scale landlords not represented in the table below include people who rent out rooms in their own houses in the townships, and those who sub-let flats in the inner city. According to Stats SA figures cited in previous pages, these landlords rent out properties to about an additional 1.3m households.

In 2005, the Department of Housing received a research report on the private backyard rental environment from the Finmark Trust. The department promised to consider its findings as part of a comprehensive rental market evaluation project to determine the current rental market, demand, supply, and possible interventions that could be considered. [Department of Housing, *2006/07 Annual Report*, September 2007, p41]

Informal settlements

Households residing in informal settlements by province, 1996 and 2007 (actual numbers)

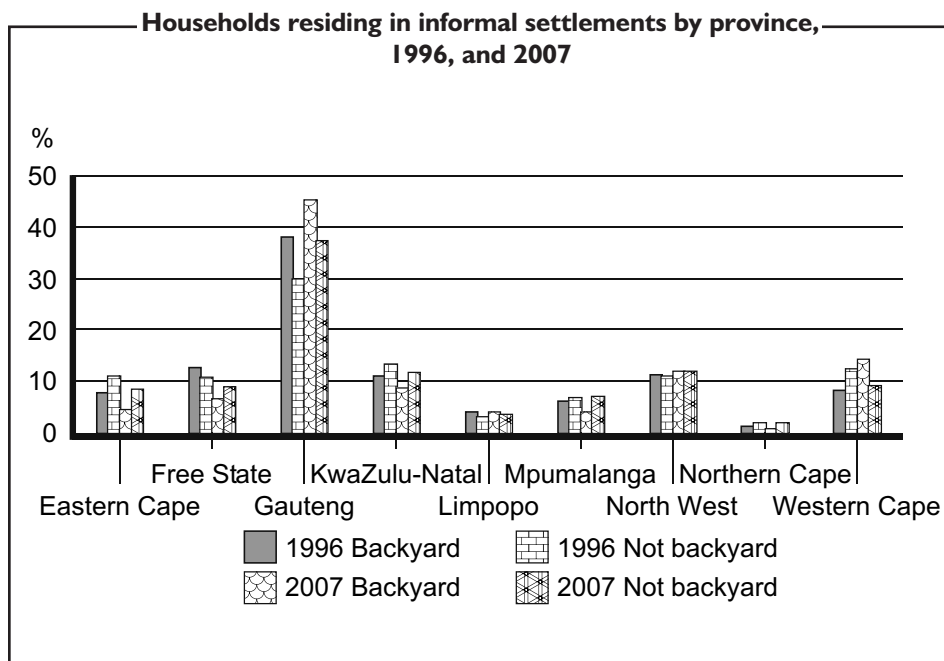
	1996			2007			Total change: 1996-2007
	Backyard	Not backyard	Total	Backyard	Not backyard	Total	
Eastern Cape	31 284	114 220	145 504	25 833	101 703	127 536	-12.3%
Free State	50 649	112 122	162 771	39 154	108 906	148 060	-9.0%
Gauteng	153 504	314 860	468 364	267 292	452 581	719 873	53.7%
KwaZulu-Natal	44 410	141 176	185 586	51 291	140 962	192 253	3.6%
Limpopo	15 644	32 218	47 862	23 591	44 100	67 691	41.4%
Mpumalanga	24 571	69 841	94 412	23 556	86 261	109 817	16.3%
North West	45 145	114 244	159 389	70 893	146 143	217 036	36.2%
Northern Cape	4 970	21 283	26 253	4 239	23 520	27 759	5.7%
Western Cape	33 153	129 720	162 873	84 346	110 061	194 407	19.4%
South Africa	403 330	1 049 684	1 453 014	590 195	1 214 237	1 804 432	24.2%

Source: Stats SA, *Community Survey 2007*, October 2007; *Census 1996*, 1998

**Households residing in informal settlements by province,
1996 and 2007 (proportions)**

	1996			2007			Total change: 1996-2007
	Backyard	Not backyard	Total	Backyard	Not backyard	Total	
Eastern Cape	7.8%	10.9%	10.0%	4.4%	8.4%	7.1%	-29.4%
Free State	12.6%	10.7%	11.2%	6.6%	9.0%	8.2%	-26.8%
Gauteng	38.1%	30.0%	32.2%	45.3%	37.3%	39.9%	23.8%
KwaZulu-Natal	11.0%	13.4%	12.8%	8.7%	11.6%	10.7%	-16.6%
Limpopo	3.9%	3.1%	3.3%	4.0%	3.6%	3.8%	13.9%
Mpumalanga	6.1%	6.7%	6.5%	4.0%	7.1%	6.1%	-6.3%
North West	11.2%	10.9%	11.0%	12.0%	12.0%	12.0%	9.6%
Northern Cape	1.2%	2.0%	1.8%	0.7%	1.9%	1.5%	-14.9%
Western Cape	8.2%	12.4%	11.2%	14.3%	9.1%	10.8%	-3.9%
South Africa	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: Stats SA, *ibid*



DOMESTIC ENERGY

Sources of energy

Household sources of energy by race, 2007 (actual numbers)

<i>Cooking</i>	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Electricity	5 549 170	852 423	307 511	1 589 880	8 298 984
Gas	184 722	20 605	4 755	41 534	251 616
Paraffin	1 810 758	33 113	3 060	3 174	1 850 105
Wood	1 875 124	28 427	395	1 457	1 905 403
Coal	147 506	1 496	56	612	149 670
Animal dung	31 105	59	0	77	31 241
Solar	3 376	443	0	367	4 186
None/other	7 949	881	124	445	9 399
<i>Heating</i>					
Electricity	4 690 685	792 935	304 712	1 548 375	7 336 707
Gas	80 081	6 413	2 735	38 254	127 483
Paraffin	1 589 249	34 380	2 069	4 922	1 630 620
Wood	2 431 894	74 986	1 990	16 902	2 525 772
Coal	478 680	5 664	711	5 119	490 174
Animal dung	26 425	80	0	84	26 589
Solar	6 099	408	133	1 542	8 182
None/other	306 594	22 580	3 553	22 349	355 076
<i>Lighting</i>					
Electricity	7 196 354	880 519	311 547	1 621 851	10 010 271
Gas	16 997	1 722	371	1 674	20 764
Paraffin	642 538	13 028	849	2 162	658 577
Candles	1 674 352	34 962	1 848	2 451	1 713 613
Solar	27 243	1 322	121	1 716	30 402
None/other	52 221	5 894	1 168	7 694	66 977
Households	9 609 222	937 804	315 949	1 637 633	12 500 608

Source: Stats SA, *Community Survey 2007*, October 2007

Household sources of energy by race, 2007 (proportions)

<i>Cooking</i>	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Electricity	57.7%	90.9%	97.3%	97.1%	66.4%
Gas	1.9%	2.2%	1.5%	2.5%	2.0%
Paraffin	18.8%	3.5%	1.0%	0.2%	14.8%
Wood	19.5%	3.0%	0.1%	0.1%	15.2%
Coal	1.5%	0.2%	0.0% ^a	0.0% ^a	1.2%
Animal dung	0.3%	0.0% ^a	0.0% ^a	0.0% ^a	0.2%
Solar	0.0% ^a	0.0% ^a	0.0% ^a	0.0% ^a	0.0% ^a
None/other	0.1%	0.1%	0.0% ^a	0.0% ^a	0.1%
Total	100%	100%	100%	100%	100%

<i>Heating</i>					
Electricity	48.8%	84.6%	96.4%	94.5%	58.7%
Gas	0.8%	0.7%	0.9%	2.3%	1.0%
Paraffin	16.5%	3.7%	0.7%	0.3%	13.0%
Wood	25.3%	8.0%	0.6%	1.0%	20.2%
Coal	5.0%	0.6%	0.2%	0.3%	3.9%
Animal dung	0.3%	0.0% ^a	0.0% ^a	0.0% ^a	0.2%
Solar	0.1%	0.0% ^a	0.0% ^a	0.1%	0.1%
None/other	3.2%	2.4%	1.1%	1.4%	2.8%
Total	100%	100%	100%	100%	100%

<i>Lighting</i>					
Electricity	74.9%	93.9%	98.6%	99.0%	80.1%
Gas	0.2%	0.2%	0.1%	0.1%	0.2%
Paraffin	6.7%	1.4%	0.3%	0.1%	5.3%
Candles	17.4%	3.7%	0.6%	0.1%	13.7%
Solar	0.3%	0.1%	0.0% ^a	0.1%	0.2%
None/other	0.5%	0.6%	0.4%	0.5%	0.5%
Total^b	100%	100%	100%	100%	100%

Source: Stats SA, *Community Survey 2007*, October 2007

a Proportion less than 0.5% or too small to record.

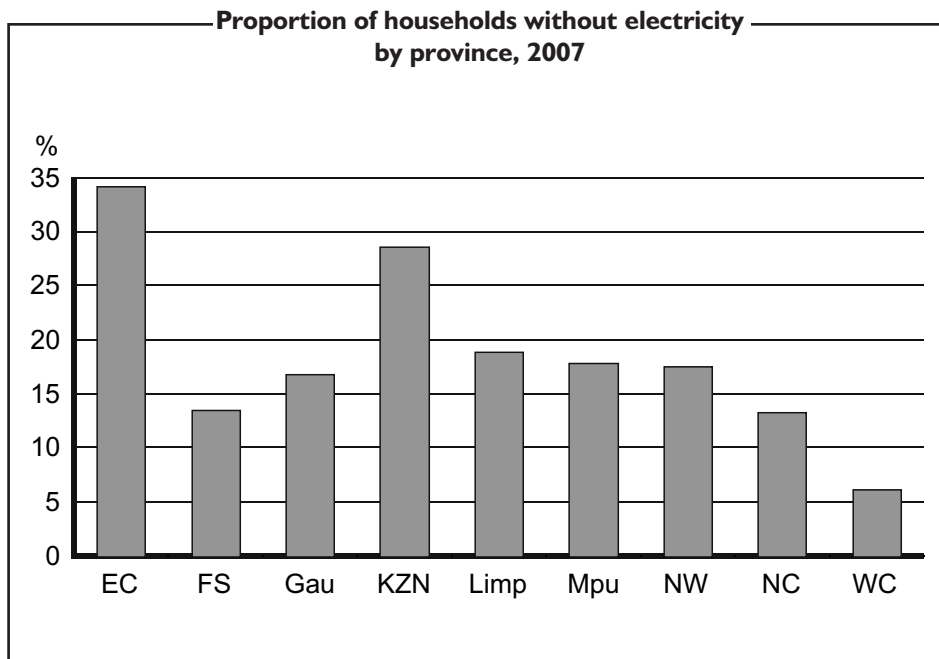
b Figures should add up vertically but may not owing to rounding. In some cases totals are below 100% as the sample size was too small for reliable estimates.

ELECTRIFICATION

Households with and without electricity by province, 2007

<i>Province</i>	<i>Total number of households</i>	<i>Number of households with electricity</i>	<i>Number of households without electricity</i>	<i>Proportion of households without electricity</i>
Eastern Cape	1 586 739	1 045 720	541 019	34.1%
Free State	802 872	695 219	107 653	13.4%
Gauteng	3 175 579	2 646 397	529 182	16.7%
KwaZulu-Natal	2 234 129	1 596 351	637 778	28.5%
Limpopo	1 215 935	987 417	228 518	18.8%
Mpumalanga	940 403	772 635	167 768	17.8%
North West	911 120	751 347	159 773	17.5%
Northern Cape	264 653	229 641	35 012	13.2%
Western Cape	1 369 180	1 285 544	83 636	6.1%
South Africa	12 500 610	10 010 271	2 490 339	19.9%

Source: Stats SA, *Community Survey 2007*, October 2007



REFUSE DISPOSAL

Household refuse disposal by race, 2007 (actual numbers)

	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Removal by local authority at least once a week	4 863 075	821 503	303 755	1 497 235	7 485 568
Removal by local authority less often than once a week	175 188	13 856	2 857	18 668	210 569
Communal refuse dump	216 580	28 880	2 717	21 309	269 486
Own refuse dump	3 453 196	56 997	5 465	87 057	3 602 715
No rubbish disposal	868 957	13 570	664	9 423	892 614
Other	32 715	2 642	446	3 861	39 664
Total	9 609 711	937 448	315 904	1 637 553	12 500 616

Household refuse disposal by race, 2007 (proportions)

	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Removal by local authority at least once a week	50.6%	87.6%	96.2%	91.4%	59.9%
Removal by local authority less often than once a week	1.8%	1.5%	0.9%	1.1%	1.7%
Communal refuse dump	2.3%	3.1%	0.9%	1.3%	2.2%
Own refuse dump	35.9%	6.1%	1.7%	5.3%	28.8%
No rubbish disposal	9.0%	1.4%	0.2%	0.6%	7.1%
Other	0.3%	0.3%	0.1%	0.2%	0.3%
Total	100%	100%	100%	100%	100%

Source: Stats SA, *Community Survey 2007*, October 2007

BACKLOGS AND BASIC SERVICES

Living conditions backlogs broken down by province, 2007

<i>Province</i>	<i>Number of households</i>	<i>Without water in dwelling</i>	<i>Using paraffin or wood for cooking</i>	<i>Using buckets or without toilets</i>	<i>Living in informal dwellings</i>	<i>Living in all backyard structures</i>
Eastern Cape	1 586 739	70.1%	50.5%	26.3%	8.0%	3.7%
Free State	802 872	53.8%	20.4%	15.9%	18.4%	7.0%
Gauteng	3 175 579	33.8%	17.0%	2.6%	22.7%	14.4%
KwaZulu-Natal	2 234 129	60.6%	35.5%	10.9%	8.6%	4.7%
Limpopo	1 215 935	82.0%	57.6%	12.4%	5.6%	3.3%
Mpumalanga	940 403	65.1%	34.4%	8.4%	11.7%	3.9%
North West	911 120	67.4%	31.6%	10.0%	23.8%	10.3%
Northern Cape	264 653	50.0%	18.0%	11.3%	10.5%	2.7%
Western Cape	1 369 180	20.5%	7.0%	6.1%	14.2%	7.3%
South Africa	12 500 610	52.8%	30.0%	10.4%	14.4%	7.6%

Source: Stats SA, *Community Survey 2007*, October 2007

Provincial breakdown of consumer units^a receiving free basic services from municipalities, June 2006

Province	Water		Electricity		Sewerage and sanitation services		Solid waste management	
	Number ^b	% ^c	Number ^b	% ^c	Number ^b	% ^c	Number ^b	% ^c
EC	620 664	50.4%	305 245	39.1%	411 691	44.8%	285 336	36.5%
FS	493 458	88.1%	396 086	70.8%	402 069	66.1%	385 109	64.5%
Gau	2 240 085	99.2%	1 398 011	83.5%	1 427 019	65.7%	1 705 508	74.1%
KZN	1 248 565	62.4%	137 371	11.9%	546 724	41.1%	369 442	27.0%
Limp	571 470	43.6%	155 853	22.1%	109 973	17.1%	63 220	19.8%
Mpu	512 385	74.8%	215 123	39.4%	161 561	39.6%	77 057	20.3%
NW	460 885	62.1%	112 733	21.8%	106 472	19.1%	180 637	36.7%
NC	109 856	51.8%	67 040	39.8%	77 848	38.5%	77 072	40.7%
WC	788 336	90.7%	569 973	51.2%	599 853	67.6%	473 274	38.4%
SA	7 045 704	71.4%	3 357 435	46.5%	3 843 210	49.7%	3 616 655	47.2%

Source: Stats SA, *Non-financial census of municipalities for the year ended 30 June 2006*, 4 September 2007, ppxi-xiv

- a Most municipalities do not have a system for identifying multiple households served by one billing point or delivery point. Thus, the source publication usually refers to consumer units instead of households. For this reason, the information presented in the above table is not comparable with other Stats SA surveys on households.
- b Number of households receiving that particular service free.
- c Number of households receiving that service free as a proportion of all households receiving that particular service.

COMMUNICATIONS

Postal services

Households with and without postal facilities by province, 2007 (actual numbers)

	<i>With postal facilities</i>	<i>Without postal facilities</i>	<i>Unspecified</i>	<i>Households</i>
Eastern Cape	243 986	1 332 172	10 582	1 586 740
Free State	492 476	308 100	2 295	802 871
Gauteng	1 713 972	1 437 083	24 525	3 175 580
KwaZulu-Natal	794 642	1 421 996	17 493	2 234 131
Limpopo	303 022	908 467	4 446	1 215 935
Mpumalanga	275 077	661 407	3 918	940 402
North West	270 838	635 678	4 604	911 120
Northern Cape	125 481	138 014	1 159	264 654
Western Cape	753 359	607 361	8 459	1 369 179
Total	4 972 853	7 450 278	77 481	12 500 612

Source: Stats SA, www.statsonline.gov.za/news_archive/ 12 March 2008

Households with and without postal facilities by province, 2007 (proportions)

	<i>Households with postal facilities</i>	<i>Households without postal facilities</i>	<i>Unspecified</i>	<i>Proportion of households with postal facilities within each province</i>
Eastern Cape	4.9%	17.9%	13.7%	15.4%
Free State	9.9%	4.1%	3.0%	61.3%
Gauteng	34.5%	19.3%	31.7%	54.0%
KwaZulu-Natal	16.0%	19.1%	22.6%	35.6%
Limpopo	6.1%	12.2%	5.7%	24.9%
Mpumalanga	5.5%	8.9%	5.1%	29.3%
North West	5.4%	8.5%	5.9%	29.7%
Northern Cape	2.5%	1.9%	1.5%	47.4%
Western Cape	15.1%	8.2%	10.9%	55.0%
Total	100.0%	100.0%	100.0%	39.8%

Source: Stats SA, www.statsonline.gov.za/news_archive/ 12 March 2008

Postal services by race, 2007 (actual numbers)

<i>Status</i>	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Households</i>
With postal facilities	2 961 905	498 287	250 424	1 262 237	4 972 853
Without postal facilities	6 588 950	432 938	62 263	366 127	7 450 278
Unspecified	58 855	6 224	3 217	9 185	77 481
Total	9 609 710	937 449	315 904	1 637 549	12 500 612

Source: Stats SA, www.statsonline.gov.za/news_archive/ 12 March 2008

Postal services by race, 2007 (proportions)

<i>Status</i>	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
With postal facilities	30.8%	53.2%	79.3%	77.1%	39.8%
Without postal facilities	68.6%	46.2%	19.7%	22.4%	59.6%
Unspecified	0.6%	0.7%	1.0%	0.6%	0.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Stats SA, www.statsonline.gov.za/news_archive/ 12 March 2008

Broadcasting

Households with television sets and radios, 2002–06

	<i>Households with radios^a</i>	<i>Households with television sets^b</i>
2002	86.6%	69.6%
2003	86.1%	69.2%
2004	86.2%	70.1%
2005 ^c	87.9%	72.1%
2006 ^c	88.8%	74.7%
Increase/decrease: 2002–06	2.5%	7.3%

Source: South African Advertising Research Foundation (SAARF), *SAARF TRENDS 2002-2006, 2007*, pp70–71

a Any radio except car radios.

b Television sets in working order only.

c For these years, the period is six-months rather than the entire year.

Proportion of adult^a listeners to the most popular^b radio stations, 2004-2006^c

<i>Radio station^d</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
5FM	5.1%	4.5%	5.1%
94.7 Highveld Stereo	4.4%	4.5%	4.3%
East Coast Radio	6.4%	6.5%	6.2%
Ikwekwezi FM (Ndebele)	4.2%	4.4%	4.6%
Jacaranda	8.0%	7.1%	7.8%
KAYA FM 95.9	3.4%	3.1%	2.7%
Kfm 94.5	4.2%	4.1%	3.8%
Lesedi (South Sotho)	11.8%	11.1%	11.9%
Ligwalagwala FM (Swazi)	4.3%	3.8%	4.5%
Metro FM	16.1%	16.0%	15.2%
Motsweding (Tswana)	9.4%	9.2%	9.4%
Munghana Lonene FM (Venda)	4.8%	4.2%	4.2%
Radiosondergrense (Afrikaans)	5.0%	5.3%	5.2%
Thobela (North Sotho)	8.8%	9.2%	9.1%
Ukhozi (Zulu)	21.2%	20.4%	20.3%
Umhlobo Wenene (Xhosa)	15.6%	15.2%	15.0%

Source: SAARF, *SAARF TRENDS 2002-2006, 2007*, pp48-49

a Refers to an adult population of 30.9m where adults are defined as people over the age of 16 years.

b The Institute disregarded radio stations with a representation of less than 3% in any given year. Respondents were asked which radio station they had listened to in the past 7 days.

c The listenership figures in the source publication were sourced from questions in the SAARF all media products (AMPS) survey. Only 2004, 2005, and 2006 six-month information was provided owing to methodological change from SAARF AMPS 2004.

d All listed radio stations broadcast in English unless otherwise stated in brackets.

Telecommunications

TELEPHONES

Breakdown of households by telephone access and race, 2007 (actual numbers)

	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Telephone access	688 637	343 126	211 289	1 075 409	2 318 461
Cellphone access	6 800 862	610 808	245 970	1 432 589	9 090 229

Source: Stats SA, *Community Survey 2007*, October 2007

a Households with neither type of access are excluded from the table.

Breakdown of households by telephone access and race, 2007 (proportions)

	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Telephone access	7.2%	36.6%	66.9%	65.7%	18.5%
Cellphone access	70.8%	65.1%	77.9%	87.5%	72.7%

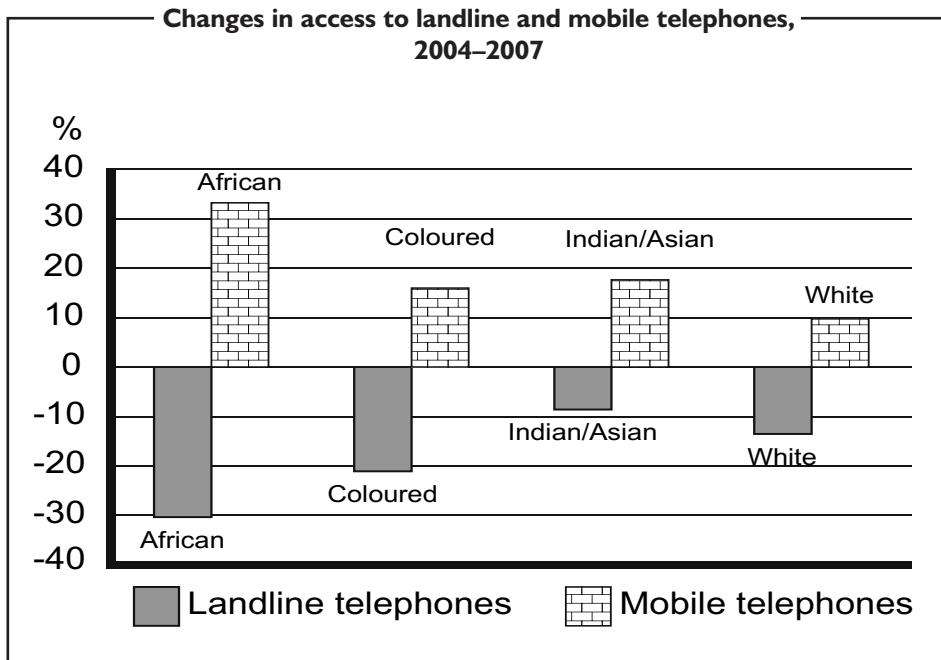
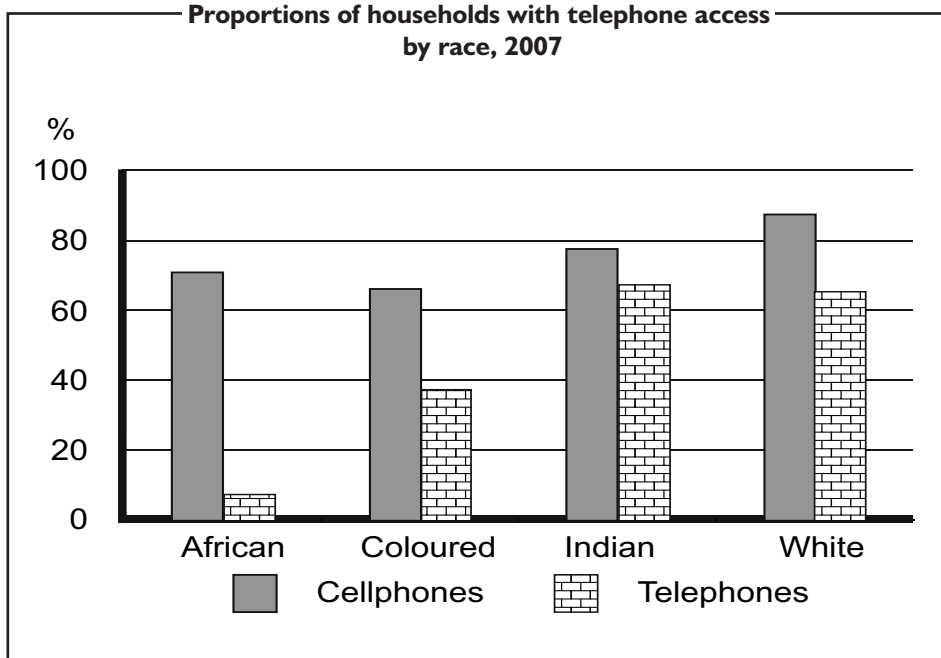
Source: Stats SA, *Community Survey 2007*, October 2007

Proportion of urban adults^a with access to telephones by race, 2004 and 2007 (proportions)

<i>Race</i>	<i>2004</i>		<i>2007</i>		<i>Change in access to a landline phone, 2004-2007</i>	<i>Change in access to a mobile telephone, 2004-2007</i>
	<i>Access to at least one landline in the home</i>	<i>Access to at least one mobile phone</i>	<i>Access to at least one landline in the home</i>	<i>Access to at least one mobile phone</i>		
African	28.0%	54.2%	19.5%	72.2%	-30.4%	33.2%
Coloured	41.7%	53.2%	32.9%	61.7%	-21.1%	16.0%
Indian/Asian	58.2%	64.6%	53.2%	76.0%	-8.6%	17.6%
White	48.8%	76.9%	42.2%	84.4%	-13.5%	9.8%
Total	34.5%	58.3%	26.3%	72.9%	-23.8%	25.0%

Source: Target Group Index (TGI), *TGI database combined Surveys for 2004 and 2007*

a All *TGI Surveys* are conducted by interviewing an average sample of 15 000 urban adults over the age of 16.



Access to mainline and cellular telephones, selected countries, 2005

<i>Country</i>	<i>Number of people per 1 000 with mainline telephones</i>	<i>Number of people per 1 000 with cellular mobile subscriptions</i>
Algeria	78	416
Argentina	227	570
Australia	564	906
Botswana	75	466
Chile	211	649
China	269	302
Denmark	619	1 010
Egypt	140	184
France	586	789
Ghana	15	129
Hungary	333	924
India	45	82
Indonesia	58	213
Ireland	489	1 012
Israel	424	1 120
Italy	427	1 232
Japan	460	742
Kazakhstan	167	327
Lithuania	235	1 275
Mexico	189	460
Mozambique	4	62
Nigeria	9	141
Pakistan	34	82
Philippines	41	419
Poland	309	764
Russian Federation	280	838
Saudi Arabia	164	575
South Africa	101	724
Spain	422	952
Switzerland	689	921
Thailand	110	430
Turkey	263	605
Uganda	3	53
United Kingdom	528	1 088
United States	606	680

Source: The World Bank, 2007 *World Development Indicators*, Table 5.10, pp300–303

INTERNET

Household internet access by race, 2007 (actual numbers)

<i>Internet access</i>	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Yes	157 963	54 776	55 543	632 330	900 612
No	9 401 781	875 776	257 828	994 837	11 530 222
Unspecified	49 967	6 898	2 531	10 380	69 776
Total	9 609 711	937 450	315 902	1 637 547	12 500 610

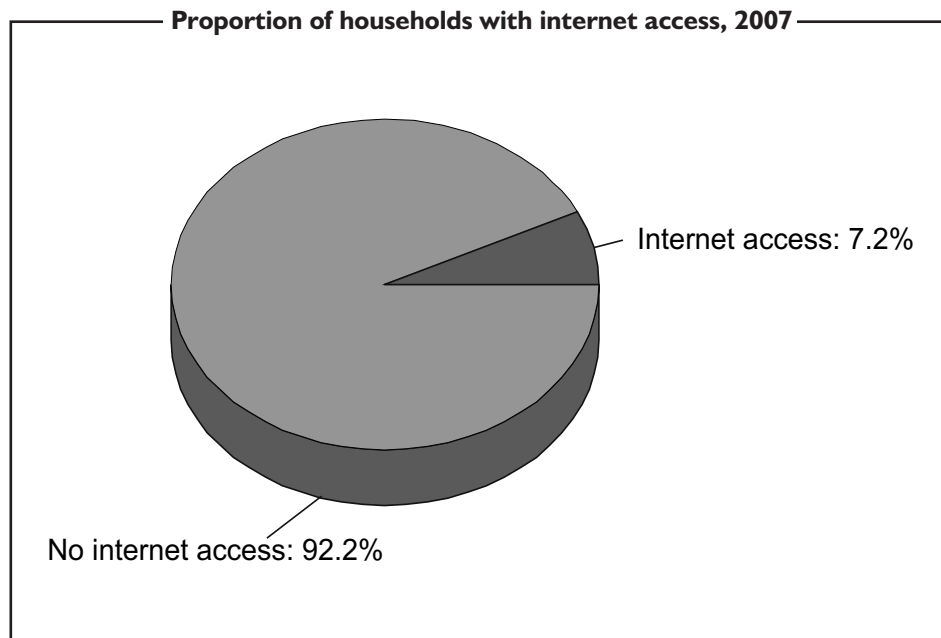
Source: Stats SA, *Community Survey 2007*, October 2007

Household internet access by race, 2007 (proportions)

<i>Internet access</i>	<i>African</i>	<i>Coloured</i>	<i>Indian</i>	<i>White</i>	<i>Total</i>
Yes	1.6%	5.8%	17.6%	38.6%	7.2%
No	97.8%	93.4%	81.6%	60.8%	92.2%
Unspecified	0.5%	0.7%	0.8%	0.6%	0.6%
Total^a	100.0%	100.0%	100.0%	100.0%	100.0%

Source: *ibid*

a Figures should add up vertically but may not, owing to rounding.



**Internet users and people with access to a personal computer (PC),
selected countries, 2005**

<i>Country</i>	<i>Access to a PC per 1 000 people</i>	<i>Internet users per 1 000 people</i>
Algeria	11	58
Argentina	83	177
Australia	683	698
Botswana	45	34
Chile	141	172
China	41	85
Denmark	656	527
Egypt	38	68
France	575	430
Ghana	5	18
Hungary	146	297
India	16	55
Indonesia	14	73
Ireland	494	276
Israel	740	470
Italy	367	478
Japan	542	587
Kazakhstan^a	0	27
Lithuania	155	358
Mexico	136	181
Mozambique	6	7
Nigeria	7	38
Pakistan ^a	0	67
Philippines	45	54
Poland	193	262
Russian Federation	122	152
Saudi Arabia	354	66
South Africa	85	109
Spain	277	348
Switzerland	865	498
Thailand	58	110
Turkey	52	222
Uganda	9	17
United Kingdom	600	473
United States	762	630

Source: The World Bank, 2007 *World Development Indicators*, Table 5.11, pp304–307

a In Kazakhstan and Pakistan people had access to the internet even though they did not own any PCs. These people gained access to the internet at their places of work and internet cafes.

Transportation

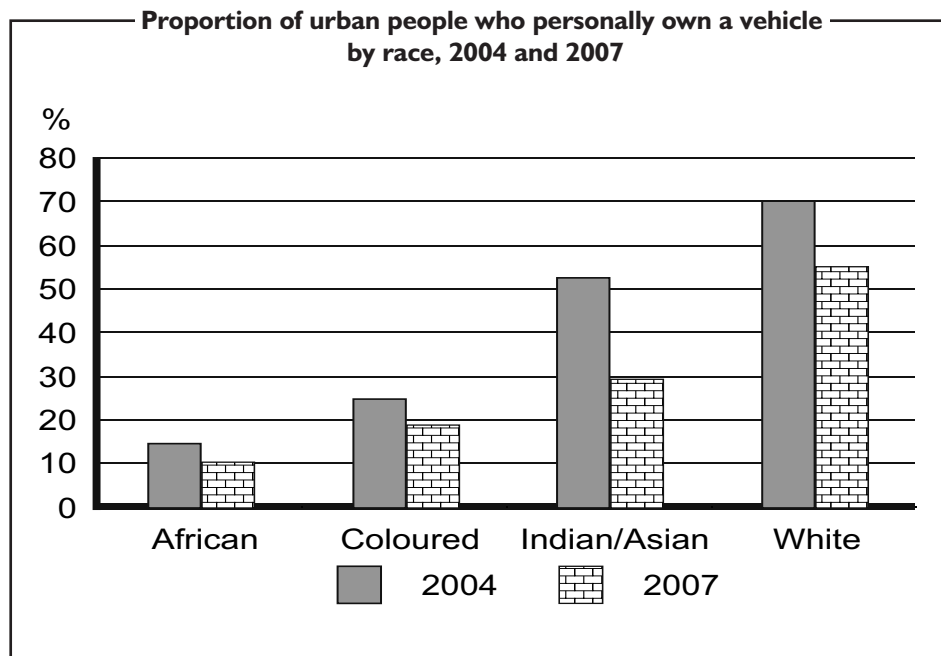
VEHICLE STATISTICS

Registered vehicles^a and proportion of population with vehicles by province, 2006

<i>Province</i>	<i>Total number of registered vehicles</i>	<i>Total population^b</i>	<i>Vehicles per 100 000 people</i>
Eastern Cape	513 831	7 051 500	7 300
Free State	408 676	2 958 800	13 800
Gauteng	2 837 754	9 211 200	30 800
KwaZulu-Natal	1 054 401	9 731 800	10 800
Limpopo	339 089	5 670 800	6 000
Mpumalanga	435 028	3 252 500	13 400
North West	406 467	3 858 200	10 500
Northern Cape	150 026	910 500	16 500
Western Cape	1 265 784	4 745 500	26 700
South Africa	7 411 056	47 390 800	15 600

Source: Arrive Alive, www.arrivealive.co.za, December 2007

- a Includes motorised vehicles such as motorcars, minibuses, buses, LDVs/bakkies, motorcycles, trucks, and other motorised vehicles. Excludes towed vehicles such as caravans, light and heavy trailers, and other towed vehicles.
- b Stats SA, *Mid-year population estimates* as recorded in p17 of 2006/07 *South Africa Survey*.



Trends in vehicle ownership

Type of motorised vehicles registered by year-end,
December 1999–December 2006

<i>Year</i>	<i>Motorcars</i>	<i>Minibuses</i>	<i>Buses</i>	<i>Motor cycles</i>	<i>Bakkies/ loading vans</i>	<i>Trucks</i>	<i>Other</i>	<i>Total</i>
1999	3 851 048	253 201	26 127	158 328	1 263 348	228 838	211 166	5 992 056
2000	3 913 470	248 837	25 943	158 606	1 297 383	226 937	203 025	6 074 201
2001	3 977 255	244 598	25 820	158 958	1 332 591	225 134	195 323	6 159 679
2002	4 041 828	240 427	26 526	158 924	1 358 157	226 311	193 219	6 245 392
2003	4 154 593	241 938	27 221	162 871	1 406 217	231 302	193 342	6 417 484
2004	4 307 943	245 753	28 834	188 320	1 464 171	242 436	199 782	6 677 239
2005	4 574 972	256 205	32 308	237 556	1 564 437	259 651	203 662	7 128 791
2006	4 890 206	266 175	36 772	280 693	1 688 418	279 780	211 000	7 653 044
Change: 1999-2006	27.0%	5.1%	40.7%	77.3%	33.6%	22.3%	-0.1%	27.7%

Source: National Road Agency, information supplied by the agency in November 2007.

Proportion of urban people who personally own a vehicle
by race, 2004 and 2007

	<i>2004</i>	<i>2007</i>	<i>Change: 2004-2007</i>
African	14.5%	10.3%	-29.0%
Coloured	24.9%	18.9%	-24.1%
Indian/Asian	52.4%	29.4%	-43.9%
White	70.2%	55.2%	-21.4%

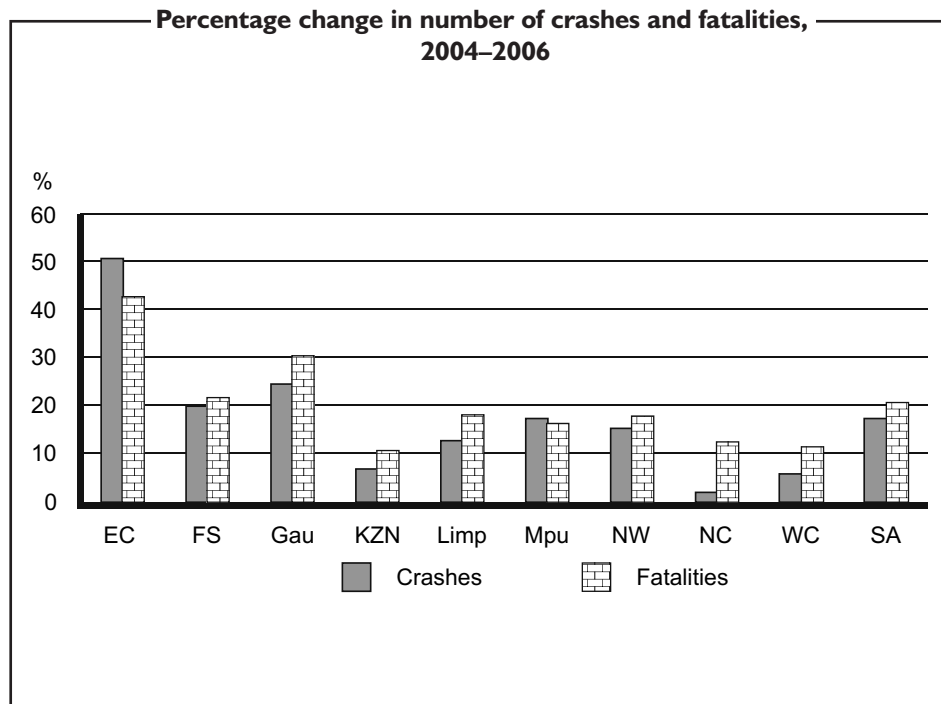
Source: Target Group Index (TGI), TGI database combined Surveys for 2004 and 2007

ROAD ACCIDENTS

Number of fatal crashes and fatalities by province, 2004–2006

Province	2004		2006		Increase: 2004–06	
	Fatal crashes	Fatalities	Fatal crashes	Fatalities	Crashes	Fatalities
Eastern Cape	940	1 247	1 415	1 779	50.5%	42.7%
Free State	744	966	890	1 175	19.6%	21.6%
Gauteng	2 340	2 621	2 910	3 412	24.4%	30.2%
KwaZulu-Natal	2 313	2 684	2 465	2 967	6.6%	10.5%
Limpopo	890	1 070	1 001	1 262	12.5%	17.9%
Mpumalanga	966	1 317	1 132	1 530	17.2%	16.2%
North West	866	1 055	996	1 241	15.0%	17.6%
Northern Cape	290	346	295	389	1.7%	12.4%
Western Cape	1 280	1 471	1 350	1 637	5.5%	11.3%
South Africa	10 629	12 777	12 454	15 392	17.2%	20.5%

Source: Road Traffic Management Corporation, *Interim Road Traffic and Fatal Crash Report for the Year 2006*, January 2007



PUBLIC TRANSPORT

Buses

As of February 2007, there were about 10 100 commuter buses in South Africa excluding municipal and long-distance fleets. Some 7 500 of these buses were allocated a transport subsidy while the remainder were not. Commuter buses were responsible for carrying 20% of daily commuters who depended on public transport. The mode of transport undertook 2.2m daily passenger trips which could reportedly be trebled by the improvement of facilities and the renewal of the bus fleet. [*Financial Mail* 9 February 2007]

Problems experienced in the commuter bus industry included a shortage of suitable termini and dedicated public transport lanes. Also, municipal and provincial bus services provided in the same areas were not co-ordinated.

The Western Cape already had a bus and minibus taxi lane which saved commuter bus passengers 15 minutes of travelling. On the other hand, the City of Johannesburg unveiled the Rea Vaya Bus Rapid Transport System in October 2007. The rapid transit system would consist of exclusive medium bus lanes and stations that were 0.5km apart, and would operate at a frequency of 3 to 5 minutes. [*The Star* 30 October 2007; *Business Day* 21 August 2007]

Taxis

Minibus taxis ferrying commuters were estimated to be around 130 000 in 2007. They transported the largest proportion of the estimated 4 million people who rely on public transport to get to work, at 65%. The industry is beset by numerous problems that include violence over lucrative routes, intimidation, harassment, and money-laundering. Despite its popularity — perhaps because it is the cheapest mode of transport — it is regarded as the unsafest and most uncomfortable way to travel. [*Financial Mail* 9 February 2007]

In March 2008, Mr Jeremy Cronin MP (ANC), the chairman of the portfolio committee on transport, said with its current funding, the Department of Transport would take 15 years to recapitalise 100 000 minibus taxis. The department said it had been granted R470m by the National Treasury for the 2007/08 financial year, instead of the R1bn that it had requested.

By March, no more than 20 000 old taxis had been scrapped. The Government's goal is to scrap at least 80% of the 120 000 ageing taxis on the country's roads by 2010. [*Saturday Star* 29 March 2008]

Trains

This mode of transport carried the remaining 15% of public transport users. The average rail fleet is said to be about 30 years old, and no significant capital expenditure has taken place since 1998.

Like the taxi industry, the rail transport sector is also unsafe and a haven for criminal activities. In addition, it is famously unreliable as far as timekeeping is concerned. Commuters using trains were the least happy about service, according to the 2003 *National Household Travel Survey*. [*Financial Mail* 9 February 2007]

Aeroplanes

South Africa has ten principal airports run by the Airports Company South Africa (Acsa).

These include the three major international airports — OR Tambo International (Johannesburg), Cape Town and Durban — and seven domestic airports in Bloemfontein, Port Elizabeth, East London, George, Kimberley, Upington, and Pilanesberg.

BEYOND THE TABLES

Land and Agriculture

The Expropriation Bill of 2008

In April 2008, the minister of public works, Ms Thoko Didiza, tabled the Expropriation Bill of 2008 (the bill) in Parliament. It was aimed at repealing and replacing the Expropriation Act of 1975 (the act) and rationalising all other laws on expropriation.

Under the 1975 act, the minister of public works may expropriate land for public purposes against payment of compensation based on market value, damages or losses suffered, and a further percentage as a solatium (solace). Ownership and possession pass to the State on the dates specified in the expropriation notice, but at least 80% of the compensation must be paid when the Government takes possession. Interest on the outstanding balance is payable, while disputes can be taken either to court or to arbitration.

The 2008 bill vests power to expropriate not only in the minister of public works but also all organs of State at all levels of Government. Under the act, ownership and possession pass to the State on the dates specified in the expropriation notice. However, compensation becomes payable only when it is determined, either by agreement or by the expropriation authority. The bill allows for expropriation not only for public purposes but also 'in the public interest'. It says that compensation must be 'just and equitable' in the light of various factors, including market value, but adds that market value must not be given 'undue weight'.

These provisions of the bill bear a similarity to provisions in the property clause (section 25) in the Constitution. However, some aspects of the bill undermine the requirements of section 25. In particular, the bill provides that the State's administrative actions in deciding on compensation 'must be regarded as final', subject to a limited form of court review.

According to the bill, either party may apply to a court for 'approval' of the State's decisions on compensation. The court must assess whether the compensation is just and equitable in the light of all relevant factors. However, if the court 'cannot approve' State decisions on compensation, it cannot substitute its own more equitable order. Instead, the decision on compensation must be referred back to the expropriating authority for reconsideration. Other than allowing the expropriating authority (but not the owner) to call a halt by appealing to a higher court, the bill envisages no alternative to this arduous process. [*South African Government Information, www.gov.info.za; Fast Facts No 5, May 2008*]

In February 2008, a meeting was held between the government, farmers, and commercial farmers' unions to discuss expropriation. The president of Agri SA, Mr Laurie Bosman, told the meeting that farmers wanted government to compensate them at 'fair market value' for each piece of land to be expropriated. Mr Bosman said farmers also wanted the courts to adjudicate in the event of a price dispute between the Department of Land Affairs and farm owners. The director general in the Department of Public Works, Mr Manye Moroka, and officials who drafted the new amendments to the Expropriation Act of 1975 argued that the minister should have the right to issue an interim order, which could be reviewed later

in the event of a complaint. Mr Bosman said the government wanted to punish farmers for the past and pay them less for their properties. 'Our farms are the only assets we have and we should be compensated accordingly,' he said.

The Transvaal Agricultural Union (TAU) said farmers needed not be overly concerned or intimidated by the proposed amendments to the law since they might be in contravention of sections 1, 2, and 3 of the Constitution.

The president of the National African Farmers' Union (NAFU), Mr Motsepe Matlala, welcomed the bill and expressed optimism that it would fulfil its main objective of expediting land reform. On the concerns expressed by white commercial farmers, mainly relating to fair compensation, Mr Matlala said, 'We do not believe that the government will deliberately undermine the constitutional rights and principles of compensation for the land expropriated.'

Most mainstream newspaper editors were critical of the bill. In April 2008, an editorial in *The Citizen* newspaper called the bill 'a step too far'. The editorial cited concerns from organised agriculture that the bill would dilute the role of the courts in deciding fair compensation and give too much power to bureaucrats. In an editorial titled 'A rotten land law', *Business Day* said the bill, if enacted, would be a dangerous piece of legislation to the equitable administration of land reform as well as to the 'sovereignty of property ownership that is every citizen's inalienable right'. *Business Day* further pointed out that the proposed legislation involved all property and not just land.

The Democratic Alliance (DA), which threatened legal action over the bill, said: 'Instead of trying to enact legislation which is already having a negative effect on local and international investor sentiment, the government would be much better advised to implement appropriate strategies to identify willing sellers, and to commit more funds to land redistribution and restitution.'

The South African Institute of Race Relations also made an input on the issue. The chief executive of the Institute, Mr John Kane-Berman, wrote an article criticising the effectiveness of the bill as a vehicle for successful land reform. 'For the government to reach its target of transferring 30% of white farmland to blacks by 2014 would mean doubling, tripling, or even quadrupling the annual rate of transfer so far. Given the incompetence that pervades so much of government, the greater expropriation powers (that would ensue from the enactment of the bill) may not achieve this. But if it is achieved, the result will probably be even more assets dying in the hands of the poor,' Mr Kane-Berman wrote. [*Sunday Times* 17 February 2008; *Business Day* 17 March, 2 April, and 17 April 2008; *The Citizen* 3 April 2008; *City Press* 23 March 2008]

The portfolio committee on public works arranged for public hearings on the Expropriation Bill to be held in all nine South African provinces. The chairwoman of the committee, Ms Thandi Tobias, described the hearings as successful as there had been a great response in all areas. Her committee appreciated the inputs made and would consider all submissions when it deliberated on the bill. One of the issues identified during the proceedings was the fear that the bill would pose an investor risk to the country and threaten food security. Concerns were also raised about whether compensation at below market price, as contemplated in the bill, would infringe individual rights to property as enshrined in the Constitution.

After the public hearings, the committee held a meeting at which Agri SA, Forestry South Africa, the TAU, and Anglo American made submissions.

In their submission, Agri SA expressed concern that the term 'public interest' was not properly defined; the definition of a 'juristic person', on whose behalf the State may expropriate, was too wide and could include any company, close corporation, trust, or non-profit organisation. The issue of the determination of compensation by the expropriating authority was also raised, as were the limitation placed on the right of the affected landowner to have a dispute determined by a court (Agri SA regarded mere review by the court to be unacceptable), and the devolution of power to expropriate down to municipal level. Mr Bosman stressed that his organisation and its members supported the Constitution and fully supported the government's land reform programme. He said there was broad acceptance in principle that expropriation was a necessary tool in the hands of the State and that it may also be used for land reform purposes. However, Mr Bosman said, it was felt within his organisation that it should be used as a measure of last resort and subject to fairness, transparency, and the rule of law. The farmers' union expressed further concern as to whether the bill would affect investment in the agricultural sector, and whether market-related prices would be tampered with. Mr Bosman also made the observation that sections of the bill might be in contravention of the Constitution. Agri SA deemed it important that the relevant sections be amended to bring them in line with the Constitution.

Mr Bhekizizwe Radebe, of the African National Congress (ANC), said certain farms were forcibly taken from people without compensation and that the Constitution required, among other factors, that the history of acquisition of the property be looked at when determining compensation. He asked whether Agri SA supported this constitutional provision or sought to amend it. Ms Annelize Crosby, a parliamentary liaison officer of Agri SA, said her organisation agreed that the history of the acquisition and the use of the property should be taken into consideration when compensation was calculated. However, she submitted that market value should be the starting point because it was the only objective factor that could be verified and tested whereas all the other factors were subjective.

The chairwoman of the committee, Ms Tobias, stated that the true intention of the bill was to overcome the legacy of colonisation and apartheid that had left certain sectors of society landless and others with land.

The submission by Forestry South Africa (FSA) was made by Mr Christiaan van der Merwe, who said that there was a need to create a legislative framework for expropriation which was consistent with the Constitution. However, FSA contended that the bill was objectionable mainly because of its failure to provide for expropriation that was procedurally fair and its denial of proper access to the courts for the resolution of disputes, particularly those relating to compensation. In support of its claim, FSA listed its objections to specific provisions in several clauses. In respect of clause 10, FSA argued that no allowance was made for an owner or the holder of registered or unregistered rights to influence the outcome of an investigation. It was inferred that the right to privacy and the associated right to human dignity was infringed by the powers conferred on investigators in the bill. On clause 11, concerns were raised that once a notice of intention to expropriate had been published, no express provision was made for a right of objection. The right to be heard was further limited in that the provision was made for the lodging of written objections only. FSA also challenged the basis on which compensation was to be determined in terms of clause 15 of the bill. The organisation noted that the bill was

inconsistent with section 25 (2)(b) of the Constitution, which stipulated that the amount of compensation and the time and manner of payment thereof must either be agreed to by those affected or 'decided or approved by a court'.

The TAU, in their submission, acknowledged the right and/or duty of the State to expropriate property for public purposes or in the public interest under certain circumstances and did not therefore object to the bill. However, they too contended that some sections of the bill were in conflict with the Constitution (see FSA submission and committee responses).

Ms Lindiwe Zikhale-Ngobese, head of regulatory affairs at Anglo American, a mining giant, noted that the bill intended to bring about equitable access to all of South Africa's natural resources. While it supported the objective of the bill, Anglo argued that the bill did not take into account the significant legislative reforms that had already occurred in regard to mineral, petroleum, and water resources. In the current legislative framework, mineral and petroleum rights already fell within the custodianship of the State, through the minister of minerals and energy, but could be expropriated by other organs of state in terms of the bill. Concern was also raised that unregistered old and new rights would be deemed to be expropriated when the land was expropriated. This should not take place unless expressly referred to in the notice of expropriation and with the consent of the relevant ministers.

Land reform

In May 2008, the Centre for Development and Enterprise (CDE) published a report stating that the continuing failure of land reform projects posed a serious threat to South Africa's food security and political stability. The report said: 'The future of South African commercial agriculture is now on the table. The economic viability of many rural regions in the country is under threat, which could lead to serious negative consequences for the broader economy and society'. Entitled *Land Reform: Getting back on Track*, the report was supplied to members of government as well as the new ANC leadership.

The report said conditions in land reform had deteriorated since the CDE's 2005 land reform report and the challenge had become more urgent, but the Government had failed to introduce new ideas to get the programme back on track. In an interview, after the report was released, the executive director of the CDE, Ms Ann Bernstein, said at least half of the land reform projects completed had failed. 'Support for new black farmers is non-existent. The capacity of the state is weak and declining. Confidence is eroding the agricultural sector. We are seeing a retraction. New farmers are struggling and existing farmers are exiting,' Ms Bernstein said.

A former land claims commissioner and the new director general in the Department of Land Affairs, Mr Tozi Gwanya, expressed a similar view, citing insufficient post-settlement support for land reform beneficiaries as the main reason for the failure of projects. The Government's policy on land reform had been to establish communal agricultural collectives and the development of small family farms with help from post-settlement grants. Critics had pointed out that family farms were too small to compete in a globalised commodity market, and that communal farms were held back by infighting and poor market orientation.

The acting land claims commissioner, Mr Blessing Mphela, criticised the report for

having racial undertones. 'The trajectory of the report seems to be saying that black people should not have anything to do with land and agriculture and should instead leave it to the whites,' Mr Mphela said. Ms Bernstein expressed disappointment at Mr Mphela's reaction. 'In our report, we argued that one of the main obstacles to successful land reform is that many officials in the Department of Land Affairs and the Land Claims Commission appear not to understand the issues. Unfortunately, (Mr Mphela's) statement just reinforces our point,' Ms Bernstein responded.

The deputy minister of land affairs and agriculture, Mr Dirk du Toit, said a return to the consolidation of small family farms into bigger agricultural units was not part of the post-settlement support strategy. 'Communal farming co-operation is the more sophisticated way,' Mr Du Toit said. [*Sunday Times* 18 May 2007; *Sowetan* 7 May 2007; *Business Day* 19 February 2008]

The GaMawela community of Steelpoort (Limpopo) accused the Government of blocking it from taking full ownership of land restored to the community after a successful land claim. The community was awarded 2 000 hectares of land in a platinum-rich area in 2006. The new order rights for mining in the area were granted to Anglo Platinum.

In 2007, the minister of land affairs and agriculture, Ms Lulama Xingwana, had issued a ministerial decree that granted her powers to approve the alienation, encumbrance, or disposal of the land handed to the community. These conditions, which applied to all land handed over to land reform beneficiaries, meant that members of the community could not sell their land, or put it up as collateral to finance enterprises without the minister's approval. A representative of the community, Mr Tiny Mankge, said they wanted to proceed with lease agreements for servitude rights to allow the construction of ventilation shafts for a planned underground mine. Mr Mankge said the minister's imposition of conditions on the transfer of land limited the community's capacity to benefit from the land ownership.

In 2007, the community requested a copy of the policy in terms of which the minister issued her decree. The regional land claims commissioner in Limpopo, Mr Peter Mhangwani, said there was no policy available. *Business Day* said the decree went against the Department of Land Affairs and Agriculture's repeated undertakings to expedite land reform for rural poverty-relief. In April 2008, the community went to court in an attempt to compel the minister to reveal the reason for the decree. By June 2008, the minister had not yet replied. 'We are now going to ask the court to issue an instruction to the deeds office to transfer the property, with or without the minister's permission,' Mr Mankge said. [*Business Day* 12 June 2008]

Living conditions and service delivery

Awards for Gauteng

In June 2008, the Gauteng Department of Housing received two awards — the Golden Arrow award for service delivery and the Silver Arrow award for most effective goal achievement — from the Professional Management Review (PMR), a research and surveys-based organisation and business journal. The PMR regularly initiates and conducts surveys of South Africa's nine provinces and neighbouring countries to showcase

companies, government departments, and individuals regarded as contributors to specific areas of economic growth development. [*Sowetan* 25 June 2008]

Provision of water and sanitation at clinics and schools

In 2007, the National Treasury allocated R105.4 million to the departments of Health and Education. The amount was for delivery of water supply to schools and clinics. The deadline for completion of all work at clinics was March 2008. In addition, R560 million was set aside in the 2008/09 and 2009/10 financial years for the provision of water and sanitation at various schools.

By December 2007, some 110 clinics previously not served with sanitation had received these services and 144 of 272 clinics with inadequate sanitation had been upgraded. Furthermore, 91 clinics that had no water services previously were provided with these services and 195 of 245 clinics that had inadequate services were provided with full services. The bucket system was eradicated in all schools by December 2007. [*National Treasury, National Budget Review 2008*, 20 February 2008, p115]

Hostel Eradication Programme

The Hostel Eradication Programme was aimed at integrating hostel dwellers into the neighbouring communities. All the 54 hostels in Gauteng were involved in the programme, which aimed to convert hostels into affordable rental units.

Some 13 hostels would be converted to 9 500 affordable rental units by March 2009, at a cost of R1.4 billion, in the initial phase of the project. The hostels were Diepkloof, Orlando West, Dube, Kagiso, Mohlakeng Saulsville, Mamelodi, Refilwe, Sebokeng, Boipatong, Khayalitsha, Sethokga, and Buyafuthi.

‘As we demolish these old hostels, we are replacing them with new integrated human settlements that will now be called community residential units,’ said the member of the executive council (MEC) for housing in Gauteng, Ms Nomvula Mokonyane. She was speaking at the launch of the programme, held at Dube Hostel, in June 2008. Four Soweto hostels — Dube, Diepkloof, Meadowlands, and Orlando West, would be pilot projects to showcase the department’s eradication model, according to the MEC. [*Sowetan* 25 June 2008]

Housing allocation policy and foreign nationals

Ms Mokonyane, said the government would continue to allocate low-cost houses to foreign nationals with permanent residence permits as it was government policy. She further said South Africans had not objected to the policy. Ms Mokonyane was addressing the Gauteng legislature in June 2008. The allocation of government-subsidised houses to foreign nationals was identified as one of the causes of the xenophobic violence that engulfed the country in May 2008.

According to the national housing code, a person qualifies for a housing subsidy only if he or she is a citizen or a permanent resident. In order to qualify for permanent residency, foreign nationals had to have resided in the country legally for five years, or they had to be married to a South African and that marriage should not have lapsed within the three

years of being granted the permit.

In June 2008, Mr Rose Sonto MP (ANC), alleged that foreign nationals were buying state-subsidised houses in Du Noon township (Western Cape) and forcing South Africans to live in shacks. He was repeating the allegations for the second time in three months. Mr Sonto was also the leader of the South African National Civic Organisation (Sanco) in the Western Cape.

Following the allegations, the MEC for local government and housing in the Western Cape, Mr Richard Dyantyi, went to the township on a fact-finding mission. Of the 500 houses inspected by Mr Dyantyi and his entourage only one was found to be occupied by a foreigner. In February 2008, Mr Sonto told an audience at the Human Settlement Summit in Cape Town that 'three-quarters' of the 2 500 RDP houses in Du Noon were owned by foreigners.[*Business Day* 25 June 2008; *Mail & Guardian* 6-12 June 2008]

State-provided housing

The Department of Housing planned to conduct an 'occupancy audit' for the 2.6 million houses built between 1994 and 2007 so as to evict those who were illegally occupying them. In May 2008, the minister of housing, Ms Lindiwe Sisulu, said the government would lay charges against the owners of subsidised houses who had either sold them or were renting them out. 'The first thing we are going to do is to charge the owner of the house and the owner will have to make sure that he is able to reverse the sale. We are going to examine their circumstances. If they no longer deserve it, then we take back the house. But if they are living in informal settlements, not only are we going to charge them but we will force them to go into their house,' the minister said.

In combating the selling of Reconstruction and Development Programme (RDP) houses by beneficiaries, the Housing Act of 1997 was amended in 2001 to restrict the sale of the house by the beneficiaries within the period of eight years from the date of acquisition of the house. The act provided that a beneficiary who wished to sell his or her house within the period of eight years after acquisition of the said property, was bound by law to offer the house to the department. The department would distribute the house to needy beneficiaries.

An annual report by the Special Investigation Unit (SIU), compiled on syndicates that defrauded the Department of Housing, revealed that fraud, corruption, and unscrupulous developers had cost the department R2 billion, between 1998 and 2007, to refinance the completion of unfinished RDP houses that were either abandoned or not built at all. The SIU received a presidential decree to investigate corruption, fraud and mismanagement in the Government's low-cost housing provision programme. Their report showed that syndicates were fraudulently using the identity documents of unsuspecting victims to apply for housing subsidies. Between 1998 and 2007, the unit had managed to save R10 million for housing departments in four provinces. The SIU said the main challenges faced by the housing subsidy delivery project at local government level included the exploitation of the system by corrupt officials, service providers, and members of the public. About 3 800 civil servants faced fraud charges related to state-subsidised low-cost housing, and around 28 000 were being investigated in 2008. The number of civil servants being investigated was expected to rise to 57 000, pending negotiations with the South African Local Government Association (Salga) to charge municipal employees.

In 2008, the Government instituted lawsuits for R8.6 million against three law firms accused of defrauding the Department of Housing of millions of rands in housing subsidies meant for the poor. One attorney was convicted and imprisoned on 23 theft charges. The three law firms and the attorney were based in KwaZulu-Natal. The department would pay the approved housing subsidies to attorneys and conveyancers who would in turn pass the money to members of the syndicate. The SIU report said in many instances no houses were transferred to housing subsidy applicants. Ms Sisulu said the department's investigations had uncovered 31 000 housing subsidy cases of fraud and corruption that involved government employees.

On the eradication of informal settlements, Ms Sisulu said that legislation preventing individuals from establishing informal dwellings needed to be enforced. She said the government would not be able to wipe out the housing backlog but could eradicate informality. The minister said appropriate legislation would be introduced by the end of 2008 to improve the government's capability to control the growth of informal settlements. [*The Sunday Independent* 1 June 2008; *City Press* 29 June 2008]

Regional Electricity Distributors

In 2008, two years after the Cabinet approved the creation of six regional electricity distributors (REDs) for each of the metropolitan municipalities, not a single one had been created. In 2007, Parliament's minerals and energy committee suggested that the right of municipalities to distribute electricity might have to be taken away from them if the right was used to delay the transformation process.

Electricity Distribution Industry (EDI) Holdings, the company established in March 2003 to oversee the creation of the REDs and the transfer of distribution assets from municipalities and Eskom into the new structures, had existed over and above the five-year lifespan that it was initially granted. Its continued existence was owing to its unfulfilled mandate.

The Department of Minerals and Energy had proposed a seventh RED to cater for fringe municipalities that refused to join the metropolitan REDs. Most municipalities earned the bulk of their income from electricity reticulation. [*Business Day* 12 June 2008]

Electricity price increase

In June 2008, the National Energy Regulator of South Africa (Nersa) allowed Eskom to increase electricity by 13.3%. This came after Nersa's approval of a 14.2% increase for Eskom in December 2007. Initially, Eskom had requested a 53% increase in electricity prices over and above the 13.3% already approved. Electricity tariff increases are regarded as one way in which Eskom sought to raise funds for a planned R300 billion expansion programme. Among the plans Eskom announced in 2008 were the construction of three power base-load power stations: Medupi would produce 4 500MW and be completed by 2015; Project Bravo would provide 3 200MW and be completed at the same time as Medupi; and hydro-powered Project Lima, earmarked to supply 1 500MW by 2014.

The minister of finance, Mr Trevor Manuel, told MPs in March 2008 that the era of cheap electricity had come to an end. Mr Manuel said the cheap electricity that South Africans had enjoyed between 2003 and 2008 had to 'give way to more appropriately priced energy.'

Mr Manuel said electricity fee collection was an important way to raise investment levels and ensure that South Africans used electricity more efficiently. 'We are firm in our view that the shift to a more energy-efficient economy has long-term benefits for our country and has the potential to enhance the labour-absorption capacity of the economy,' Mr Manuel said.

While the Government welcomed the increase, business and civil society groups criticised it, saying it would be an extra burden to both consumers and the economy. In June 2006, Eskom guaranteed that between 2008 and 2011, there would be annual increases of up to 20% and 25%.

In May 2008, various interest groups made submissions to Nersa, stating that the Government should pay for Eskom's multi-billion rand expansion programme. While some of the speakers conceded that electricity prices had to go up, they maintained that ordinary citizens should not have to pay for capital projects and risk-management problems at Eskom.

Despite these misgivings, NUS Consulting said even if electricity prices in South Africa doubled between 2008 and 2012, they would still be the lowest in the world. NUS is an international firm that advises its clients on the management of expenses towards energy. In 2008, the firm published a report comparing electricity prices and price increases internationally. [*The Citizen* 19 June 2008; *The Star* 20 March, 20 June, 2008; *Business Report* 27 May 2008; *Business Times* 25 May 2008]

Transport and Communication

City of Johannesburg's rapid transit system

The first phase of the City of Johannesburg's Rea Vaya Bus Rapid Transport (BRT) system began in late 2007. It was estimated that 51 000 jobs would be created in this phase alone. On completion, the system would include exclusive median bus lanes, closed median stations about 0.5km apart, trunk routes using articulated buses, complementary and feeder routes using smaller buses, and a control centre. Buses would operate at high-peak frequencies of 3-5 minutes.

The initial phase would cover 126km and 150 stations. At the time of writing, construction was under way at Soccer City, on the Soweto Highway in Johannesburg, and in Edith Cavell Street in Hillbrow. A total of some 1 190 buses would be required for phase one of the project.

Fare income would be used to cover the operating costs while the city had provided R2.2 billion over the Medium Term Expenditure Framework through the public transport infrastructure and systems fund to cover the capital costs of the network. BRT operators would be compensated on the basis of vehicle kilometres run, rather than the number of passengers carried.

In July 2008, the Gauteng Taxi Industry Public Officers Forum said they would ensure that the proposed BRT system did not get off the ground.

Mr Philemon Tshabalala, of Wata-JTA Taxi Association, said, 'We want taxi drivers, owners, taxi spares dealers, commuters, people who cater for drivers, and garage owners, to be part of our struggle. All these people will be affected if the BRT is implemented.'

[*National Treasury, National Budget Review 2008*, 20 February 2008, p111; *Sowetan* 3 July 2008]

Petrol price

At the beginning of July 2008, for the first time in South Africa's history, the price of petrol went above R10 a litre. In June 2007 it cost R320 to fill up a 45-litre tank with 93 octane petrol. The price rose to R442 in June 2008, or by 38%.

Rising oil prices are cited as one of the leading factors pushing up petrol prices. Oil jumped by over \$4 to a new record high near \$146 a barrel in July 2008, spurred by growing worries of threats to supplies from Iran and Nigeria, and a planned strike of Brazilian oil workers in the same month.

On the 10th July 2008, US crude reached \$145.82 a barrel by 1056 GMT, while London Brent crude was up \$4.25 at \$146.28 a barrel. Later that day, the price reached a new high of over \$147 a barrel.

Oil prices spiked owing to fears of supply disruptions from potential hot-spots, Iran and Nigeria.

A spate of missile tests by Iran, the world's fourth-largest oil exporter in early July, against a backdrop of rising tensions with Israel and the United States, left the oil markets worried. Iran has threatened to strike back at Tel Aviv as well as US interests in and a key oil shipping route if it was attacked over its nuclear programme, which Israel and the West feared was aimed at making nuclear weapons.

The Movement for the Emancipation of the Niger Delta, the main militant group in Nigeria's oil-producing region, said it was abandoning a ceasefire to protest against a British offer to help tackle lawlessness in the region. Rebel attacks on oil infrastructure in Nigeria, the world's eighth biggest exporter, have also been partly responsible for the nearly 50 % rise in prices in 2008.

Workers at Brazil's Petrobras threatened to launch a five-day strike in July that would affect all 42 Campos basin offshore platforms, which account for more than 80 % of daily oil output of around 1.8 million barrels.

Oil has also risen due to persistent weakness in the US dollar. Investors have flocked to oil and other commodities this year as a hedge against rising inflation and the weak dollar.

Oil has continued rising despite efforts by top exporter Saudi Arabia to raise production to its highest rate in three decades in an effort to tame oil prices. Qatar Oil Minister, Mr Abdullah al-Attiyah, told the media in July 2008 that he saw no demand for the additional crude that Saudi Arabia pledged to pump. [*SABC*, www.sabcnews.com, 10 July 2008; *Sowetan* 2 July 2008; www.iafrica.com, 10 July 2008; *The Times* 2 June 2008]