



PROVINCE OF THE EASTERN CAPE  
**DEPARTMENT OF AGRICULTURE**



**ANNUAL  
REPORT**  
FOR THE YEAR ENDED  
31 MARCH 2005



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## 1. GENERAL INFORMATION

### 1.1 Submission by the Executing Authority to the Legislature



*Honourable MEC G. Nkwinti*

I hereby present to the Honourable Ms N. Kiviet, Speaker of the Legislature, Province of the Eastern Cape, the annual report of the Department of Agriculture for the financial year ended 31<sup>st</sup> March 2005.

This I do in my capacity as the Executing Authority of the said department, in terms of Section 65 (1) (a) of the Public Finance Management Act, Act No.1 of 1999 (as amended by Act No. 29 of 1999)

A handwritten signature in black ink, appearing to be 'G. Nkwinti', written over a horizontal line.

**G. NKWINTI (Mr)**  
**MEMBER OF THE EASTERN CAPE LEGISLATURE**  
**HONOURABLE MEC FOR AGRICULTURE**



## 1.2 Submission by the Accounting Officer to the Executive Authority



*Adv Amon M. Nyondo - Head of Department*

In my capacity as the Head of the Eastern Cape Province Department of Agriculture, as well as the Accounting Officer of the said department, I hereby present to the Honourable Member of the Executive Council (MEC) for Agriculture, Mr G. Nkwinti, the annual report of the Eastern Cape Province Department of Agriculture for the year ended 31<sup>st</sup> March 2005

I furthermore present this annual report to our Provincial Treasury and the Provincial office of the Auditor-General in terms of the reporting duties and responsibilities assigned to me as an Accounting Officer of this department.

I confirm that, to the best of my knowledge and belief, contained herein is a fair and true service delivery outcomes of the department of Agriculture for the 2004/05 financial year.

  
**Adv. A. NYONDO**  
**ACCOUNTING OFFICER**  
**EC - DEPARTMENT OF AGRICULTURE**

### 1.3 Introduction by the Head of the Department

May I report on the department's outcomes and highlights, the great strides it undertook during 2004/05 financial year towards meeting the objectives of the Provincial Growth and Development Plan (PGDP), as well as the achievements it has made in addressing the challenges of the Second Economy.

The year under review saw a full implementation of the new Standard Chart of Accounts (SCOA), a final product of many interactions between all Provincial Departments of Agriculture and the National Treasury, as well as the implementation of a nationally gazetted Agriculture Sector budget management structure that consists of the following seven (7) Programs, also a product of interactions between Provincial Departments of Agriculture and the National Treasury,

Programme	Sub-programme
1. Administration	1.1. Office of the MEC 1.2. Top Management 1.3. Corporate Services 1.4. Financial Services
2. Sustainable Resource Management	2.1. Engineering Services 2.2. Land Care
3. Farmer Support and Development	3.1. Resource Planning & Communal Land Management 3.2. Farmer Settlement Support 3.3. Farmer Support / Extension Services 3.4. Food Security 3.5. Community Fund Support Program
4. Veterinary Services	4.1 Animal Health 4.2 Export Control 4.3 Veterinary Public Health 4.4 Veterinary Lab Services
5. Technology Research and Development Services	5.1 Research 5.2 Information Services 5.3 Infrastructure Support Services
6 Agricultural Economics	6.1 Marketing Services 6.2 Macroeconomics and Statistics
7 Structured Agricultural Training	7.1 Tertiary Education 7.2 Further Education and Training (FET)

In terms of administering its personnel, the department implemented all relevant prescripts, more particularly Resolution 7 of 2002 that dealt with voluntary early exit from the public service. The implementation of this resolution brought about a number of challenges, the most significant one being payment of exit benefits.

In this regard, a total amount of R23m was paid during the year towards leave gratuities. The budgetary implications thereof were carried by Program 1 : Administration.

Through Program 3 : Farmer Support and Development, the department engaged in a vigorous implementation of the PGDP's flagship program, namely, Massive Food production. This program has been implemented through a symbiotic relationship with Program 2 : Sustainable Resource Management, thereby ensuring sustainable utilisation of natural resources in as far as arable land and grazing land is concerned. Program 2 also focused on control and management of soil erosion, donga reclamation and Land Care Projects.

Livestock protection and improvement has always been an emphasised by the department. In this regard, Program 4 : Veterinary Services played a key role in ensuring eradication of disease outbreaks such as Avian Flu in and around the Blue Crane District Municipality and Makana District Municipality, a disease that seriously threatened the Ostrich industry of the Eastern Cape. The department enjoyed support and co-operation of the National department in this regard where practices initiated and implemented by our department have since been used by the National Department to control and eradicate this Avian Flu in other Provinces. We have continued offering free dipping services to our communal farmers so as control disease outbreaks and ensure healthy animals.

Program 5 : Technology Research and Development is a program through which the latest agriculture know-how is accessed by our Extension Officers and passed on to farmers. This program, with the assistance of both ARC (Agriculture Research Council) and ARDRI, a Fort Hare University Agricultural and Rural Development Research Institute, continue to co-operate with each other in high value crops research.

The department is faced with a critical shortage of Agricultural Engineers and Veterinarians and in meeting this challenge has used its Program 7 : Structured Agricultural Training and offered study bursaries in these fields. A number of graduates were taken on board by the department through its internship program. This internship program has assisted in ensuring these graduates acquire the necessary skills to enable them to be more employable.

#### **1.4 Information on the Ministry**

The Department of Agriculture has four main objectives;

- promoting sustainable utilisation of natural resources;
- encouraging increased food and fibre production contributing to food security;
- stimulating increased economic activity from agriculture and
- providing an enabling legislation.

To achieve these main objectives the department has the following as its core functions;

- Farmer support which provides services and programmes enabling emerging farmers to improve their productivity.
- Livestock improvement scheme which is aimed at improving the genetic composition of our provincial livestock leading to increased productivity
- Resource conservation works are undertaken to prevent further deterioration of arable and grazing land.
- Landcare schemes provide grant funding to encourage optimal use of soil and land resources through the promotion of effective grazing, cropping, water management and conservation, environmental protection, particularly in communal areas.
- Revitalisation of the government sponsored irrigation schemes is aimed at increasing food production and the economic productivity of these assets.
- Through Crop and Food production schemes the department provides seasonal grants for production of both staple and high value cash crops. It is also through this scheme that the department stimulates homestead agricultural production.

- In order to maintain the competitiveness and economic viability of the agricultural sector, an adaptive research and technology development programme is maintained, providing information, demonstrations and evaluates opportunities for new enterprises suitable for the Province.
- The department funds projects aimed at eradicating noxious weeds that threaten grazing and crop land.
- Farmer leadership and development programmes are encouraged providing integration between experienced and emerging farmers.
- The department supports a rural finance institution, trading as Uvimba, which provides credit and financial services for developing farmers and other entrepreneurs in rural communities.

## **1.5 Vision**

The department strives to be a dynamic support service provider for sustainable growth and economic development.

### **1.5.1 Mission statement**

The department seeks to facilitate, to promote and to co-ordinate agricultural production and sustainable development through equitable access to resource and meaningful participation by all stakeholders, thus contributing to a better life for all.

## **1.6 Legislative mandate**

The department derives its core mandate from the provisions of Schedule 4 and 5 of the Constitution of the Republic of South Africa and in accordance with Section 104 (1) (b) of the Constitution. The Province has passed the following legislations with regard to the Department of Agriculture;

The Agricultural Development Act of 1999, facilitated the implementation of agricultural development in the Province by providing an enabling environment for the establishment and revitalisation of major agricultural projects and schemes.

The Eastern Cape Rural Finance Corporation Act of 1999, continued to be of assistance in enabling the department to reach out to farmers and provide them with financial assistance with the objective of reviving rural agricultural economy in a sustainable manner. Through this Act, the EC Rural Finance Corporation, commonly known as Uvimba, was established and has been utilised in the implementation of the department's Massive Food Program.

Animal Health Act of 2002, to provide for measures to promote animal health and to control animal diseases, to establish animal health schemes and to provide for matters connected therewith.

Animal Identification Act of 2002, to consolidate the law relating to the identification of animals in the Province and to provide for incidental matters.

Meat Safety Act of 2001, to provide for measure to promote meat safety and safety of animal products, to establish and maintain essential national standards in respect of abattoirs to establish meat safety schemes and to provide for matters connected therewith.



The following acts also formed the legislative mandate of the department;

Animal Disease Act of 1984, to provide for the control of animal diseases and parasites and to provide for measures to promote animal health.

Animal Improvement Act of 1998, to provide for the breeding, identification and utilisation of genetically superior animals in order to improve the production and performance of animals in the interest of the Republic, and to provide for matters connected therewith.

- South African Abattoir Corporation Act, 1992, Act 120 of 1992
- Animal Protection Act, 1962, Act no 71 of 1962
- Livestock Improvement Act, 1997, Act no 25 of 1997
- Limitation, Control and Improvement of Livestock and of Pastoral and Agricultural Resources in Black Areas, 1927, Act 38 of 1927
- Animal Protection Act (Ciskei), 1986, Act 20 of 1986
- Animal Slaughter Meat and Animal Products Hygiene Act (Transkei), 1981
- Livestock Brands Act, 1962, no 87 of 1962
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947, Act 36 of 1947
- Fencing Act, 1963, Act no 31 of 1963
- Designated Areas Development Act, 1979, Act 87 of 1979
- Agricultural pests Act, 1983, Act 36 of 1983
- Conservation of Agricultural Resources Act, 1983, Act 43 of 1983

#### **Memorandums of Agreements (MoA)**

A number of agreements were entered into during the year with the sole purpose of expediting implementation of major agricultural projects where the department's expertise and skills were found wanting.

## 2. PROGRAMME PERFORMANCE

### 2.1 Voted Funds

Main Appropriation	Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
R897,529,000	R882,143,000	R821,936,000	R60,207,000
Responsible Member of the Executive Council		Honourable G. Nkwinti	
Administering Department		Department of Agriculture	
Accounting Officer and Head of Department		Adv Amon M. Nyondo	

### 2.2 Aim of the Vote

*To promote and facilitate sustainable agricultural production that positively contributes to economic growth through the provision of efficient, effective and accessible agricultural support mechanisms in the Eastern Cape.*

*The department's four year strategic policy framework is based on the following pillars;*

- *Sustainable utilization of natural resources*
- *Strengthen food security*
- *Increase economic activity from agriculture*
- *Provide enabling legislation*
- *Facilitate equitable access and participation by previously disadvantaged farmers*
- *Improve competitiveness and profitability*
- *Ensure change management and good corporate governance*

The department continued to focus on the following;

#### Massive Food Production

Crop improvement through the massive food production scheme has been approved by the Executive council of the Eastern Cape and has as its primary aim the improvement of crop production through grants for production inputs and the entrepreneur development through the mechanization programme. The scheme focuses on promoting conservation cropping practices to ensure long term sustainability of finite arable land resources. The scheme is being implemented over a period of five years, starting from financial 2003/04. Also in line with the National as well as the Provincial policy on Food Security, the department is engaged in revitalising irrigation schemes in partnership with the private sector with the objective of increasing availability of food.

### **Rural finance scheme**

Through its Public entity, the department provides revolving credit facility schemes for rural farmers in an accessible and affordable manner for assisting with the provisioning of the necessary agricultural inputs and implements for increased participation in agricultural production.

### **Farmer Settlement support program**

Through Comprehensive Agricultural Support Program (CASP), the department has augmented the ELRAD program currently implemented by the National Department of Land Affairs, by providing “on and off” farm infrastructure support to qualifying farmers. Furthermore, the department has put more emphasis on provisioning and facilitation of training as well as technology transfer to both commercial and emerging farmers using appropriately trained Extension Officers.

### **Livestock protection**

Emphasis is placed on protecting the Provincial livestock through setting up of community based dipping structures and provisioning of dipping material to curb ticks and diseases associated with their infestation. The department further engages in inoculation campaigns using appropriate strains of vaccines.

### **Livestock improvement schemes**

The department operated a livestock improvement scheme using its Memorandums of Agreements with the main objectives of;

- Improving the genetic quality of livestock resources in the Province;
- Safeguarding the national livestock resources from controlled diseases, pests and harmful residues;
- Promoting proper forage and pastoral risk management; and
- Promoting efficient and effective flock / herd management practices.

### **Natural Resource utilisation and Land Care Projects**

Conservation works embarked upon by the department are aimed at preventing further deterioration of arable and grazing land, through providing strategic fencing, stock watering and handling facilities, water catchments management and contour banks. Through Land Care projects, the department provides grant funding to encourage the optimal use of soil and land resources through the promotion of effective grazing, cropping, water management and conservation, environmental protection, particularly within communal areas.

### **Research on high value crops**

The department has continued its research on high value crops such as olives, hemp, cashmere production and has conducted experimentation on various protein rich crops in an effort to stimulate economic activity.

### **Noxious / alien weed control scheme**

Fertile and rich grazing areas within the Province are currently under attack and invaded by unproductive and destructive weeds. Noxious weed reduce the productivity and value of livestock and crop products in the province. This scheme is an incentive based scheme that subsidises the control of noxious weeds. Rural communities were utilised in labour creation schemes in a manner similar to Expanded Public Works Programs, in the eradication of these alien weeds.

### 2.3 Overview of the service delivery environment for 2004/05



*General Manager: Rural Development - Mr. Z Pityi*

The Department of Agriculture promotes and facilitates agriculture development across the province through the district agricultural offices in partnership with Local Government, other Provincial and National departments and private sector.

Effective agriculture development demands an intergrated development approach which needs committed partnership with all related stakeholders as mentioned above. Our service delivery during the year under review was hampered and constrained by lack of co-operative governance between National, Provincial and Local Government. All our planned irrigation projects could not be fully implemented due to long delays and non co-operation by Eskom to connect electricity for pumping engines and granting of water rights by the National Department of Water Affairs and Forestry. The factors have seriously hampered our service delivery. However for the next financial year the Department will engage these stakeholders to form partnerships to improve co-operative governance and better working relationships.

### 2.4 Overview of the organisational environment for 2004/05



*General Manager Corporate Services – Ms N. Baart*

The Department continued to subscribe to highest standards of corporate governance in that it has strived for excellence in its operations through adherence to core values embodied in the Batho Pele principles and ensured that they become a way of life for each employee. Good governance and providing of an effective regulatory environment for the agricultural sector, which is conducive to growth and prosperity was ensured.

Advancement of the employment equity principles with special emphasis on a non-racial and non-sexist staff compliment poses a challenge as agriculture is largely a male dominated environment and it becomes difficult to attract females to the agricultural sector particularly in management level. However, significant improvement on the restructuring of the Department has taken place particularly with the appointment of females such that 20% compared to 16% in the previous year occupy senior management positions.



Reviewal of the Organogram six months after its approval in April 2004 was one way of ensuring alignment thereof with the Departmental Strategic Plan and Provincial PGDP thereby promoting attainment for service delivery. Such diagnosis which is still in progress will ensure that a suitable structure exists in order to ensure that the right number of and suitable personnel are employed by the Department notwithstanding the fact that its results will be implemented in the next financial year.

Reduction of excess staff from 2 934 to 1 104 by the end of the financial year was one of the significant achievements in line with the implementation of PSCBC Resolution 7 of 2000.

Although motivating staff to strive for excellence in their day-to-day activities is the primary challenge, there has been a significant improvement in the implementation of the Performance Management and Development System (PMDS). In recognition of service excellence Certificates were awarded to those staff members who contributed to the eradication of the Avian Influenza and the control of the Foot & Mouth Disease in the Province and Limpopo.

Skills development and training is focused on key service delivery areas such that emphasis and resources have been placed in in-service training of staff involved in Extension Services with specific regard to enhance the technical, business and facilitation skills. On the other hand, an attempt to address the challenge of attracting and retaining of professionals relative to the agricultural field has led the Department in collaboration with NDoA to formulate a framework for the determination and compensation for scarce skills. The Department has embarked on a drive to recruit external bursary holders on condition upon qualification they render services to the Department – this is in order to address scarce skills thus enhancing the succession plan for the scarce skills.

The Department has ensured attainment of its vision in striving to be a dynamic support and service provider for sustainable agricultural growth for food security and economic development thereby achieving one of the PGDP core objectives of agrarian transformation and strengthening food security.

## 2.5 Strategic overview and key policy developments for the 2004/05 financial year

During 2004/05 financial year, departmental budget allocation of R882.1m is as follows;

-	<b>Personnel Budget</b>	:	<b>R467.9m</b>
-	<b>Non Personnel Budget</b>	:	<b>R414.2m (incl. Administrative budget)</b>

Specific allocations under non-personnel budget are as follows;

-	Massive Food Production	R150.0m
-	Conditional Grant	
➤	National Land Care Grant	R8.8m
➤	Comp Agric Support Prog	R38.0m
-	Dip and Vaccines	R20.0m
-	Soil Conservation	R15.0m
-	Irrigation Schemes	R10.0m
-	Transfers to Entities	R28.0m
	<i>(Uvimba Rural Finance &amp; Agricultural College)</i>	
-	Skills Development	R2.8m

Apart from the normal administrative support issues under Administrative Budget, the department operated under the following key strategic focal areas that needed to be financed from the remaining non-personnel budget after specific allocations;

- Management of sustainable natural resources through Engineering Services  
This relates to provisioning of appropriate technology to revitalise irrigation schemes,
- construction of animal housing facilities,
- provisioning of shearing sheds & packing sheds,

- water catchments management, and
- contour banks to prevent further deterioration of arable and grazing land.
- Genetic livestock improvement, more particularly in the rural areas.
- Control of noxious or alien weed
- Agricultural technology development
- Homestead food generation
- Development and involvement of women, youth as well as physically challenged individuals in agricultural activities
- Funding for research sourced from reputable institutions
- Implementing vibrant HIV/AIDS programme

## 2.6 Departmental receipts

<b>Departmental Revenue</b>	<b>Actual Collection 2003/04</b>	<b>Budgeted Collection 2004/05</b>	<b>Actual Collection 2004/05</b>	<b>% Deviation from target</b>
Current Revenue				
Tax Revenue				
Non-Tax Revenue	4 432	4 774	2 855	60%
Capital revenue	-	-	-	-
Departmental revenue	4 432	4 774	2 855	60%

<b>Departmental Own Revenue</b>	<b>Actual Collections 2003/04</b>	<b>Budgeted Collection 2004/05</b>	<b>Actual Collection 2004/05</b>	<b>% Deviation from target</b>
Sale of farm produce & other livestock	1,205	4,774	2,148	45%
Recovery of past year's expenditure	320			
Rental : Official housing property	294		10	
Other	2,613		697	
<b>TOTAL</b>	<b>4,432</b>	<b>4,774</b>	<b>2 855</b>	<b>60%</b>

## 2.7 Departmental payments

Programmes	Voted for 2004/05	Roll-overs and Adjustments	Virement	Actual Expenditure	Variance
Administration	324,537			315,102	9,435
Sustainable Resource Management	41,287			32,734	8,553
Farmer Support and Development	351,895			319,552	32,343
Veterinary Services	91,485			88,114	3,371
Technology Research and Development Services	36,801			33,737	3,064
Agricultural Economics	4,213			3,217	996
Structured Agricultural Training	31,925			29,480	2,445
<b>TOTAL</b>	<b>882,143</b>			<b>821,936</b>	<b>60,207</b>

## 2.8 Service Delivery Achievements

### Programme 2: SUSTAINABLE RESOURCE MANAGEMENT



Senior Manager: Engineering Services - Mr. K Joubert

#### Voted Funds

Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
<b>R41,287,000</b>	<b>R32,734,000</b>	<b>R8,553,000</b>

**Strategic goal 1:** Sustainable utilisation of natural resources

**Strategic objective:** Provide a support service to research units, to enhance the sustainable utilization of natural agricultural resources, to conserve the environment, to plan and develop agricultural engineering products and to render advice to farmers and other institutions.

**Sub Programme 2.1: Engineering services**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Units	%
Facilitate the provision of Infrastructure Storage facilities Marketing Facilities Processing equipment	<b>Camp fences:</b>					
	Amatole	66	25	21	4	16
	OR Tambo	0	20	17	3	15
	Alfred Nzo	2	0	0	0	0
	Ukwahlamba	47	123	58	65	53
	Chris hani	60	101	65	36	36
	Cacadu	7	0	0	0	0
	<b>Fencing of arable land:</b>					
	Amatole	189	0	0	0	0
	OR Tambo	0	15	10	5	33
	Alfred Nzo	13	13	11	2	15
	Ukwahlamba	10	20	20	0	0
	Chris hani	103	153	99	54	35
	Cacadu	4	0	0	0	0
	<b>Irrigation systems:</b>					
	Amatole	12	20	18	2	10
	OR Tambo	0	15	12	3	20
	Alfred Nzo	2	11	8	3	27
	Ukwahlamba	6	1	0	1	100
	Chris hani	3	11	5	6	54
	Cacadu	6	15	15	0	0
	<b>Shearing sheds &amp; dairy parlours:</b>					
	Amatole	3	4	4	0	0
	OR Tambo	0	3	3	0	0
	Alfred Nzo	0	10	10	0	0
	Ukwahlamba	4	7	1	6	85
	Chris hani	1	6	4	2	33
	Cacadu	0	20	16	4	20
	<b>Sale Pens:</b>					
	Amatole	0	0	0	0	0
	OR Tambo	0	1	1	0	0
	Alfred Nzo	2	0	0	0	0
	Ukwahlamba	0	2	0	2	100
	Chris hani	1	0	0	0	0
	Cacadu	0	0	0	0	0



Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
Facilitate the provision of Infrastructure Storage facilities Marketing Facilities Processing equipment	<b>Poultry Facilities:</b>					
	Amatole	0	0	0	0	0
	OR Tambo	0	5	5	0	0
	Alfred Nzo	4	0	0	0	0
	Ukwahlamba	1	1	1	0	0
	Chris hani	0	2	0	2	100
	Cacadu	17	15	13	2	13
	<b>Piggeries:</b>					
	Amatole	0	0	0	0	0
	OR Tambo	0	2	2	0	0
	Alfred Nzo	1	0	0	0	0
	Ukwahlamba	0	0	0	0	0
	Chris hani	0	0	0	0	0
	Cacadu	11	22	22	0	0
	<b>Dipping &amp; handling Facilities:</b>					
	Amatole	8	1	1	0	0
	OR Tambo	6	0	0	0	0
	Alfred Nzo	2	0	0	0	0
	Ukwahlamba	4	8	6	2	25
	Chris hani	1	11	10	1	9
	Cacadu	4	6	6	0	0
	<b>Processing facilities:</b>					
	Amatole					
	OR Tambo	0	0	0	0	0
	Alfred Nzo	0	0	0	0	0
	Ukwahlamba	0	0	0	0	0
	Chris hani	0	0	0	0	0
	Cacadu	1	2	2	0	0
		0	0	0	0	0
	<b>Nurseries and climate control structures:</b>					
	Amatole	0	0	0	0	0
	OR Tambo	0	0	0	0	0
	Alfred Nzo	1	2	0	2	100
	Ukwahlamba	0	0	0	0	0
	Chris hani	0	0	0	0	0
	Cacadu	2	0	0	0	0

	<b>Marketing &amp; storage facilities:</b>					
	Amatole	0	0	0	0	0
	OR Tambo	0	1	1	0	0
	Alfred Nzo	1	1	1	0	0
	Ukwahlamba	0	2	0	2	100
	Chris hani	0	0	0	0	0
	Cacadu	0	0	0	0	0
	<b>Stockwater systems:</b>					
	Amatole	3	4	4	0	0
	OR Tambo	0	0	0	0	0
	Alfred Nzo	0	0	0	0	0
	Ukwahlamba	14	7	7	0	0
	Chris hani	5	17	10	7	41
	Cacadu	4	40	36	4	10

#### **Sub Prog 2.1 : Specific challenges and responses**

##### **Challenge 1: Recruitment and retaining of engineering staff**

Differences in the salary levels between provinces and other departments and municipalities, where engineering staff in the same position are on different salary levels, has made it very difficult to recruit and retain appropriately qualified engineers and industrial technicians. Consequently, the department has experienced a number of resignations over the past few years.

A further challenge with respect to retaining engineering staff is that the present system to promote engineers and industrial technicians is causing difficulties. The present requirements for promotion are that a promotion position must exist on the structure and that an advertisement for such higher positions must be advertised, before an official could be promoted. The present structure was designed during the time when rank promotions were still possible. Presently the structure is being reviewed to accommodate the promotion of deserving candidates. In the mean time the salary levels of engineering staff in the Eastern Cape Province are far below some of the other provinces and the situation is not conducive to recruitment and retaining critical engineering staff to implement the Extended Public Works Programme and other programmes that are aimed at providing the required infrastructure to ensure growth in agriculture.

##### **Response to Challenge 1**

Presently there is a process under way through Human Resource Management and work study at a National level of re-aligning salary levels of all staff performing the same duties in government institutions. Although some progress has been made, this re-alignment is a cumbersome and time consuming task and it has not alleviated the present challenge of recruiting and retaining critical engineering staff to ensure service delivery.

### **Challenge 2: Planning and design of agriculture infrastructure for the CASP**

The allocation of funds and the guidelines for CASP funded infrastructure projects were finalised only at the beginning of the financial year. Farm plans, social facilitation and other integrated agricultural advisory services, which are pre-requisite first phase before engineering planning and design can proceed were not available before the second half of the financial year. These activities should have been completed prior to the financial year in which the infrastructure must be constructed. The process to prepare tender documents, advertising and adjudication of tenders is a time consuming process. However it is essential that the tender procedures are being followed to eliminate all possible corrupt activities. It is therefore essential that all community facilitation processes, planning and design and the preparation of tender documents should be finalised at the latest by February prior to the financial year in which construction should take place.

The problem is further exacerbated by the inability of contractors, mainly emerging, technically and financially resource-poor ones, to properly complete tender proposal documents to enable selection and contracting. The financial resources of these emerging contractors are also having a negative effect on the construction tempo.

Due to these challenges a number of identified CASP projects could not be implemented before the end of the financial year.

### **Response to Challenge 2**

Early planning, well in advance of the start of a financial year in which infrastructure must be constructed, is essential for the successful implementation of CASP and other infrastructure assistance programmes.

### ***Issues requiring ongoing attention***

1. The non-alignment of salary levels of all government institutions results in problems and challenges associated with recruitment and retaining of engineering staff.
2. Improved Project Management approach for CASP could yield better results. Planning could be done in the year prior to the financial year in which construction must take place.

### **Sub Programme 2.2 : Land Care**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Units	%
Implementation of Conservation of Agricultural Resources Act (Act 43 of 1983)	Approvals for Biological control, veld burning; Cutting; uprooting	45	0	0	0	0
	Area of virgin soil approved to be ploughed	15	0	0	0	0
	Approval for new land zoned for agricultural purposes	15	0	0	0	0

	Farm plans approved for farming purposes (number & type of farming)	93	50	50	0	0
	Eradication of noxious weeds (provide numbers percentages or hectares and type of weed)	0	0	0	0	0
Implementation of Land Care projects	Hectares under improved management systems		14876	10178	4698	31
	Number of beneficiaries from improved production systems		6317	4621	1696	27
	Number of farmers benefiting from farming practices in reducing the depletion of soil fertility and acidity		2856	1901	955	33
	Number of beneficiaries benefiting from training facilitated		8017	5341	2676	33
	Number of awareness activities to show how inappropriate use could impact negatively on resource base		27	24	3	11
	Number of youth benefiting from sound management practices		1822	1034	788	43
Construction of soil conservation works	<b>No of donga reclamation, drainage, run-off control works :</b>					
	Amatole	34	0	0	0	0
	OR Tambo	0	0	0	0	0
	Alfred Nzo	0	0	0	0	0
	Ukwahlamba	5	6	6	0	0
	Chris hani	25	20	14	6	30
	Cacadu	4	30	21	9	30



## **Sub Prog 2.2 : Specific challenges and responses**

### **Challenge 1: Degradation of agricultural resources in especially communal areas.**

Unacceptable agricultural practices, such as overgrazing, cultivation of marginal lands on steep slopes, without proper run-off control measures are causing severe erosion and degradation of agricultural resources. Overgrazing to the extent that the vegetation cover is depleted is making large areas vulnerable to severe soil erosion. The visible dongas all over the province is the sad result of farmers using agricultural practices which are detrimental to the land. The construction of soil conservation works could protect some of the vulnerable areas, but without addressing the root causes of degradation the rate of degradation will increase and the agricultural production potential of the province will be reduced to such an extent that it could not sustain the livelihoods of those dependent on these resources.

### **Response to Challenge 1**

An extensive awareness campaign, education and empowerment of land-users are essential to address the root causes of degradation. Such awareness campaigns have been introduced in Sterkspruit and in the Umthatha dam catchment area. Depending on the availability of fund such campaigns should be extended to all areas in the province.

The establishment, training and empowerment of community-based structures to address overstocking, veld management, cultivation practices of arable land is a proactive step which could reduce the rate of degradation of agricultural resources.

### **Challenge 2: Lack of budget for resource conservation**

Due to the high employment rate and severe poverty in the province there is a justified tendency to direct funds towards development projects. This leaves insufficient funds to promote sustainable resource management. Limited funds are available for the construction of soil conservation works to protect and to rehabilitate agricultural resources.

### **Response to Challenge 2**

Within the existing budget allocation it was not possible to allocate sufficient funds to address the ever increasing degradation. Commitments towards other programmes such as the Massive Food Production Programme and Food Security made it impossible to allocate more funds to resource conservation. If the departmental budget allocation could be increased this issue could be addressed.

### ***Issues requiring ongoing attention***

Sustainable resource conservation is of utmost importance for the future of agricultural production in the province. The increase of budget allocation to promote agricultural practices, which will not have a detrimental effect on resources, will have to be done as soon as the budget allocation to the department is increased. Sustainable resource utilisation should get a higher priority in the budget allocation process.

### **Programme 3: FARMER SUPPORT AND DEVELOPMENT**



*Senior Manager: Mr Felix Hobson*

To provide extension and training to farmers with special emphasis on developing emerging farmers and beneficiaries of the implementation of land reform programme as well as Agricultural Rural development projects.

#### **Voted Funds**

<b>Adjusted Appropriation</b>	<b>Actual Amount Spent</b>	<b>(Over)/Under Expenditure</b>
<b>R351,895,000</b>	<b>R319,552,000</b>	<b>R32,343,000</b>

#### **Sub programme 3.1 : Resource Planning and Communal Land Management**

To provide agricultural Land Use planning and Management training for both communal and commercial farming areas. Provide the co-ordination of these for the implementation of the Land Reform Beneficiary programme including the administration, management and disposal of Agricultural State Land.

#### **Sub programme 3.2 : Farmer settlement Support**

To provide all the necessary post farmer-settlement technical support to the beneficiaries of the land reform and Development Programme (LRAD) and provide finance within budget constraint for rural development entrepreneurial initiatives.

The department also uses this sub-program to fund its public entity, namely, Uvimba.

#### **Sub programme 3.3 : Farmer Support / Extension Services**

To provide and facilitate training of both established and emerging farmers (provision of extension services)

A national set of norms and standards for the Extension Services was initiated during the year under review. Extension Services in the country is taking another dimension as reflected in the Unit Standards Developed through PAETA within the NQF framework. Recruitment of Extension Managers and Assistant managers in the Regions still continues.



ARDRI, Tsolo College and Mpofu training Centre conducted a number of different training programs for both farmers and Extension officers under different commodities.

ARDRI continues with market research` for Small Farmers.

- **Information transmission.**

Information parks held during information / farmers days and career exhibitions during the year under review were relevant and effective in promoting participation in agriculture. This information dissemination campaign is to be strengthened throughout the province and the plan is in place to open farmer resource centres in the districts.

- **Training**

Refresher courses were held for Extension Officers during the year with the aim of sharpening their technical, business and managerial skills. These refresher courses were also geared towards enhancing Extension Officer's capacity in grooming farmers towards improved competitiveness and profitability in farming operations.

### **Sub programme 3.3: Food Security**

To meet the objectives of the Provincial Growth and Development Plan (PGDP) by promoting and coordinating large-scale and small-scale food production through the department's "Massive food program", "homestead Food production program", "Mechanisation scheme" and "livestock improvement program".



**Sub programme 3.1: Resource Planning & Communal Land Management**

Measurable Objectives	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Units	%
Provision of Land Use Plans	Number of Land use plans developed	52	120	65	55	56
	Provision of holistic farm plans	30	94	67	27	23
	Provision of resource information for the delineation of municipalities into agro-ecological zones	3	25	16	9	25
	Identification of land sites with agricultural potential for the development of agricultural enterprises	155	250	182	68	
Disposal of POA land	Number of POA units	10	9	8	1	
Disposal of FALA Land	Number of FALA Units	19	12	12	0	0
Site demarcation	Number of residential, business and reservation sites	511	468	421	47	





*Massive Food Project*



*Livestock farming in the Province*

**Sub programme 3.3 Farmer / Extension Services**

Measurable Objectives	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Units	%
Training	Number of commercial farmers	156	300	175	125	48
	Number of emerging farmers	4100	5000	4700	300	18
	Number of Km fenced					
Fencing of Farms						
Farm / Farmer contacts	Field demonstrations / in loco inspections	2200	2500	2250	250	
Wool development						
Noxious Weed Control	Sheds : Chris Hani	-	7	7	0	
	Sheds : Amatole		3	2	1	
Pineapple Prodn	Ngwushwa (ha)		900	600	300	
Peddie Project	MiddleDrift		900	700	200	
Citrus Promotion	Lady Frere		900	400	500	
	(ha)		100	70	30	
Deciduous Fruit	Alice /Kat ( farmers) Kangela/KKII3		21	21		
Dairy development	Misgund ( Pack shed)		1	1		
	Louter Water		1	1		
Sugar Beet	Dairy (Grasslands)		1	1		
	Amadlelo ( Ft Hare)		1	1		
	P s Johns ( fencing)		1	1		
	Feasibility Study		1	1		



*Conservation agriculture : Planting without ploughing*

<b>Sub programme 3.4 Food Security</b>						
<b>Measurable Objectives</b>	<b>Performance Measure</b>	<b>Actual Outputs 2003/04</b>	<b>Target Outputs 2004/05</b>	<b>Actual Outputs 2004/05</b>	<b>Deviation from Target</b>	
					<b>Units</b>	<b>%</b>
Homestead Food Production Siyazondla	Increased number of productive homestead gardens	345	800	680	120	5
	Number of participants in scheme	690	800	680	120	
	Nutritional status index					
Community Gardens in Urban Areas	Increased number of productive community gardens	395	500	430	70	54
	Number of participants in scheme	3,950	5,000	4,300	700	

Massive Food Production	Ha under production	Ha	Ha	Ha	Ha	
	A Nzo (24 projects)	2,165	2,690	1,255	1,435	53
	ORTambo(94projects)	3,034	6,939	4,358	2,581	37
	C Hani (43 projects)	2,028	2,673	2,148	525	19
	Ukahlamba(34projects)	675	1,900	1,214	686	36
	Amatole(54 projects)	1,800	3,719	2,885	834	22
	Contractors assisted in mechanisation scheme	5	10	10	-	0

Sub programme 3.5 Community Projects Fund Support CASP						
Measurable Objectives	Performance Measure	Actual Outputs 2003/04	Target outputs 2004/05	Actual outputs 2004/05	Deviation from Target	
Agriculture Infrastructure development (CASP)	Number of Projects		131	54	77	
	Fencing ( c. 6 km per project)		82	32	50	
	Establishment of livestock watering systems		18	8	10	
	erection of livestock handling facilities, housing and management facilities (kraals & handling crush, dips, loading ramps, sheds, poultry & pig facilities		15	5	10	
	Erection of micro irrigation infrastructure		12	9	3	
	Development and improvement of access roads for agricultural needs		1	-	1	
	Erection of processing and marketing facilities Mechanisation contractors established		3	-	3	



### Specific challenges and responses

#### **Challenge 1: computer capacity and connectivity**

The absence of the computer hardware and connectivity together with the human capacity to operate resource and land Management data and interpretation hinders service delivery for land use planning and farm planning. Although the needed data is available at two sites in the province this distribution is inadequate to meet the requirements spread across the province and greatly restricts service delivery.

#### **Response to Challenge 1**

A program of upgrading the computer capacity is receiving attention through the development of a computerised agricultural resource management system. This includes a project management and database component that has been completed. The roll out of this development requires the necessary hardware. Procurement within budget constraints is progressing. Implementation of project management database is focussing at district level.

#### **Challenge 2: insufficient capacity for farmers support**

The successful establishment of new farmers requires considerable human capacity with the experience in farm business management and operations. The capacity in the department is not adequate to meet the mushrooming demand for such service for the settlement of new farmers.

#### **Response to challenge 2**

A program that harnesses the skills and experience of established and successful commercial farmers and development operators is being implemented to address the human capacity shortfall as well as strengthening the training programs for developing farmers. This includes secondment of officers to commodity focussed service organisations.

#### **Challenge 3: Poor Communication and mobility of field staff**

Inadequate in depth understanding within components of the department and consequent transfer of ,at times, incomplete information to farmers/communities is exacerbated by limited transport ( mobility ) of field officers.

#### **Response to challenge3:**

Continuity and stability of the organogram and management structures is addressed through relining the number of “acting persons” and the enforcement of appropriate and reliable communication channels that are well understood by all officials.

Address limited number of vehicles through budgeting for additional “ km” and vehicles. More efficient use of current vehicles.

### **Challenge 3 : Scale of intervention with respect to Food Security and Rural Economic Development**

To reverse the demise of economically sustainable crop and livestock production and simultaneously impact the level of household food garden production a massive scale of investment is required. This is essential to bridge the high risks associated with establishing a sound economic and environmentally stable basis for these production components. An intervention below a threshold will significantly stimulate the input supply networks and the product marketing networks will not overcome the high risk profile for this production in underdeveloped rural areas.

### **Response to challenge 3**

The scale of investment of the Massive Food Program is at the threshold level referred to above and funding of this programme over the medium term at this level is critical. Funding at the same levels is critically needed for livestock and household food production. These programmes have been included as cornerstones in the agrarian transformation set out in the PGDP for the next ten years. The same argument applies to other development interventions such as livestock, deciduous fruit, high value crops etc

#### Programme 4: VETERINARY SERVICES



*Senior Manager: Veterinary Services - Dr. L Mrwebi*

The Directorate of Veterinary Services seeks to promote animal health so as to safeguard human health and animal welfare by controlling animal diseases of economic and zoonotic importance, thereby ensuring a vibrant livestock industry.

##### **Voted Funds**

<b>Adjusted Appropriation</b>	<b>Actual Amount Spent</b>	<b>(Over)/Under Expenditure</b>
<b>R91,485,000</b>	<b>R88,114,000</b>	<b>R3,271,000</b>

The year under review was dominated by the massive outbreak of Highly Pathogenic Avian Influenza in the Blue Crane Municipality district of the Eastern Cape Province. The strain was confirmed to be H5N2 by both National Reference Laboratory (OVI) and an international reference laboratory, Weybridge, United Kingdom. The outbreak resulted in the relocation of the Office of the Senior Manager: Veterinary Services to Somerset East from August 2004 to December 2004. Whilst it was costly and evoked profound emotions, many innovations that are now a source of reference for many were done during the campaign.



*Clinical signs of HPAI infection*

The control and eradication of this Avian Influenza enjoyed adequate support from the Department during the period under review. The following departments were also incorporated in this exercise mainly because of their specialised competencies;

- Health Department, for inoculating our officials and farm workers
- SANDF, for manning road blocks to control movement of birds from quarantined areas
- Traffic Unit of the Blue Crane Municipality, also for road blocks to control movement of birds from quarantined areas
- SPCA





*Check point of the Joint Operation Team in Somerset East*

Infected birds and chickens were culled with the help of the farm workers who were found to be experts in the handling of the birds, as well as the local SPCA.



*Burial site of culled ostriches in Somerset East.*

During the same period under review the Province grappled with a massive outbreak of TB in dairy herds, at huge cost to the farmer, in several farms in Tsitsikamma and around Cradock. This outbreak

necessitated a formation of a dedicated team of officials to deal with the outbreak. Significant progress was made, but a lot of work still has to be done.



*State Vets, Animal Health Technicians and farm workers.*



*Oedematous reaction that indicates TB infection to a cow.*

## Overview of the Service Delivery environment

Activities performed	Comments and statistics
1. Blanthrax Vaccinations	1,646,496 cattle vaccinated
2. Sheep scab treatment	3,252,418 sheep treated to promote wool production as well as lambing percentage.
3. Rabies	303,535 dogs and 29,490 cats vaccinated to control rabies which is a zoonosis disease (man-animal disease)
4. Tuberculosis	55 687 cattle tested for TB. A total of 2,053 cattle were diagnosed positive for TB , with 1,835 cases in Grasslands in Port Elizabeth, 215 in Inxuba Yethemba and 3 cases in Kou-Kamma.
5. Brucellosis	61 454 cattle tested for Brucellosis. 40 cattle were detected positive in Lukhanji.
7. Highly Pathogenic Avian Influenza	The disease was detected in the ostrich farms around Somerset East in the Blue Crane municipality and also in the ostrich farms around Grahamstown in the Makana municipality. The disease was well contained by the Joint Operation Centre of the State Departments and ostrich farmers.  More than 33 000 ostriches were put down at a cost of more than R33m to the State. The Eastern Cape Ostrich industry was decimated by the control measures to an extent that it is now proving very difficult to resuscitate it. This is further complicated by the outbreak of the same disease in the Western Cape, the major producer of ostriches. Our Province is now unable to source ostriches as freely as it would have liked

## Overview of the Organisational Environment

### a) Human Resource

The filling of State Veterinarian posts is a challenging factor in the province. There is a need for the filling of Manager (Technical Service) post at Head Office as well as the Assistant Manager post at the district municipalities as vacancies in these areas could paralyse the service delivery of the directorate.

### b) Infrastructure

The abysmal state of the dipping tanks, which are also used as restraining facilities for animals during disease control campaigns, makes it impossible to carry out some of the disease control campaigns in certain areas. It also leads to resistance from other communities as they feel neglected.



### c) Transport

The limited mileage that is allowed with a Fleet Africa vehicle has a hampering effect on service delivery.

#### *Issues requiring ongoing attention*

It is important that all vacant posts are funded and filled.

The organogram in place should be fully implemented before it is reviewed.

#### *Sub programme 4.1: Animal Health*

To facilitate and provide Animal Disease Control services in order to protect the animal population against highly infectious and economic diseases, through the implementation of the Animal Diseases Act (Act 35 of 1984) and Primary Animal Health Care programme/projects

Measurable Objective	Performance measure	Target outputs for year 04/05	Actual outputs	Deviation from target	
				Unit	%
Name of disease: Anthrax and Black Quarter					
Efficient Animal Health Services	No. of cattle vaccinations	1,500,000	1, 645,496	145,495	109 %
Name of disease: Rabies					
Efficient Animal Health Services	No. of vaccinations				
	dogs	225,000	303,535	78,535	134 %
	Cats	24,000	29,490	5,490	122%
Name of disease: Tuberculosis					
Efficient Animal Health Services	No. tested				
	cattle	99,000	55,687	- 43,313	61%
	positive				
Name of disease: Brucellosis					
Efficient Animal Health Services	No. tested				
	cattle	90,000	61,454	-28,547	68%
	positive				



Name of disease: Sheep Scab					
Efficient Animal Health Services	No. of sheep treated	3,600,000	3,252,418	-347,582	90%
Name of disease: African Horse Sickness					
Efficient Animal Health Services	No. of horses vaccinated	As necessary	1,183	1,183	100%
Name of disease: Pulpy Kidney					
Efficient Animal Health Services	No. vaccinated sheep and goats	As necessary	14,723	14,723	100%
Name of disease: Blue Tongue					
Efficient Animal Health Services	No. of sheep vaccinate	As necessary	27,088	27,088	100%

**Other activities carried out from April 2004 to March 2005:**

SPECIES	CASTRATED	OPERATED	TREATED	DEWORMED
Bovine	11,424	611	9,924	22,749
Ovine	27,600	3	130,027	631,324
Caprine	14,672	17	5,649	112,210
Equine	255	0	475	3,802
Canine	164	78	1,215	805
Feline	0	8	24	105
Avian	46	0	961	100
Porcine	9	0	60	531
<b>TOTALS</b>	<b>54,170</b>	<b>717</b>	<b>148,335</b>	<b>640,773</b>

#### ***Sub programme 4.2: Export Control***

To provide control measures including Health Certification, in order to facilitate the importation and exportation of animals and animal products.

To implement Risk Assessment measures in order to assess the impact of various Animal Disease outbreaks and the risk of importing or exporting animals or animal products from/to other countries.



*Sheep Scab Eradication Project in the communal/emerging farmers to promote wool export marketing.*

#### ***Sub programme 4.3: Veterinary Public Health***

To co-ordinate and implement various Food Safety projects including the implementation of Meat Safety Act (Act 40 of 200) and prevention of Zoonotic or food borne diseases.

With the publication of the new Red Meat Regulations (GN R1072 of 17 September 2004) in terms of the Meat Safety Act 2000 (Act 40 of 2000) during September 2004, a new era was introduced with regard to the abattoir grading system. Officials now have a mandate to start with a process to ensure that all red meat abattoirs must comply with the new regulations and to ensure compliance by the end of 2006. For this they have to encourage abattoir owners to participate and cooperate to achieve this goal. VPH has developed a Plan of Action to implement the new regulations and aims to complete this task by the end of 2006.

The newly appointed Meat Inspectors in Amatole, Chris Hani and Cacadu Districts have started to find their feet and are very enthusiastic about their work. Their endeavours to make a difference in the districts have already shown positive results and we are proud of their achievements. The lack of VPH staff in the Chris Hani, Ukhahlamba, OR Tambo and Alfred Nzo Districts are a matter of concern and must be

addressed during 2005 to ensure service delivery to the people in all areas of the Province. The approved organogram makes provision for VPH posts in all districts, but funding and filling these posts are hampering the service delivery

A number of new community poultry and red meat abattoir projects have been launched or were under construction during 2004. These projects need constant monitoring by officials to ensure compliance with requirements. Some of the projects have been completed and should be operational during 2005 for instance, Umzimvubu Goat abattoir and cutting plant in Mt Ayliff and Quakeni Poultry in Bizana. A new red meat abattoir in Cala is under construction and although they have completed the civil works the abattoir still needs to be fitted with equipment and a cold room. Other small projects are suffering due to lack of funds.

The major TB outbreak at Tsitsikamma in the Cacadu district and the slaughter of the positive cattle at EPLA abattoir has doubled the normal workload of the official state veterinarian, the abattoir and meat inspection personnel and has put them under tremendous pressure to ensure that the eradication program runs smoothly and that the spreading of the disease are successfully accomplished. The EPLA abattoir is the only abattoir in the district capable to slaughter large numbers of livestock and to ensure the safe disposal of condemned carcasses and infected organs and material. Their efforts of these officials and meat inspection personnel are therefore highly commended.

The Avian Influenza outbreak on farms in the Somerset East district and the quick and efficient response by officials to the outbreak is indeed worthy of a feather in the cap for Veterinary Services.

The Chief State Veterinarian Cacadu District as Acting Manager Veterinary Services spent some months as Coordinator for the team responsible for culling of ostriches and chickens on infected farms in the Middleton, Somerset East and Cookhouse areas during the eradication campaign.

Due to the embargo on the export of ostrich meat, export abattoirs and cutting plants in the Province were hit very hard and they have had to look at other ventures to avoid total closure of the facilities for e.g. sheep slaughter and biltong production for the local and export markets. Owners of these facilities were forced to reduce their labour force and numerous households are today without any source of income.

## I DISEASE REPORT

### Notifiable Diseases

Diseases	Number		Comments
	Commercial	Communal	
TB	302	15	TB positives – outbreaks at Tsitsikamma, Chalumna
CA	99	0	Outbreaks at Maclear
Erysipelas	22	0	Carcasses condemned

## II SURVEYS AND RESEARCH CONDUCTED

### 1 Porcine Cysticercosis Survey

Project title: An epidemiological study on porcine cysticercosis in an emerging farming area in SA.
Project co-ordinator: Dr Tammi Krecek BS, MS, DSc (PhD, MAP
Nil report

### 2 BSE ("Mad Cow Disease") survey

District	No of samples
Amatole District	144
Chris Hani\Ukhahlamba District	15
Cacadu District	419
O R Tambo\Alfred Nzo Districts	8
High Risk Cases	8
Total	594

## III MONITORING OF RESIDUES IN FOOD

National Residue Sampling Program	
District	No of Samples collected
Amatole	0
Cacadu	44
OR Tambo	0
Chris Hani / Ukhahlamba	10
Total	54



#### IV PATHOGEN REDUCTION PROGRAM

District	No of samples collected
Amatole	30
Cacadu	20
OR Tambo	0
Chris Hani\Ukhahlamba	10
Total	60

#### V HYGIENE ASSESSMENT SYSTEMS

Total HAS Assessments done and\or verified	
District	No of assessments done and\or verified
Amatole	26
Cacadu	14
OR Tambo	4
Chris Hani\Ukhahlamba	8
Total	52

1(a). Assessments Verified by Provincial Officer.

Red Meat Abattoirs.

Throughput.	No of Abattoirs	Average Score %	Corrective Action Taken.
High.	10	64.90	Corrective actions discussed with abattoir owners
Low.	4	65.64	Corrective actions discussed with abattoir owners

### Poultry Abattoirs

Throughput	No of Abattoirs	Average Score %	Corrective Action Taken.
High.	1	68.88	Corrective actions discussed with abattoir owners
Low.	1	57.05	Corrective actions discussed with abattoir owners

### (b). Assessments Carried Out by Provincial Officer.

#### Red Meat Abattoirs.

Throughput	No of Abattoirs	Average Score %	Corrective Action Taken.
High.	20	58.52	Corrective actions discussed with abattoir owners
Low.	8	56.08	Corrective actions discussed with abattoir owners

#### 1. Poultry Abattoirs.

Throughput	No of Abattoirs	Average Score %	Corrective Action Taken.
High.	7	62.88	Corrective actions discussed with abattoir owners
Low.	1	33.75	Corrective actions discussed with abattoir owners

#### 2. Microbiological Monitoring

Type of Sample	Abattoir.	Date.	Sample No.	Result Aerobic Plate Count
Bacterial Count	Nil			
Water Quality Test	Glen Roy	30\6\04	1	Satisfactory
	Holme Park	3\8\04	2	Satisfactory

## VI EVALUATION OF ABATTOIR DRAWINGS

### 1. Plans Received / Evaluated.

District	Owner	Comments.
Amatole	Middledrift Prisons Thompson Glen Roy J Day Holme Park D Lindhorst Game	Revised drawings for a new LT pig abattoir New cutting plant at abattoir New LT pig abattoir New game cutting plant for local use
Alfred Nzo	Nil	
Chris Hani/ Ukhahlamba	I Dell Hillmoor Sakisizwe Municipality Meat Traders Cala	New RT sheep abattoir New LT red meat abattoir New cutting plant and upgrading of existing facilities Equipment layout and schedules
OR Tambo	MIT Umtata	New LT red meat abattoir
Cacadu	Rocklands Poultry Karoo Wild Rache Export EPLA More Meat EPLA Cradock H Evans Austin Evans	Upgrading of facilities to comply with export requirements Upgrading of existing facilities to comply with game abattoir Upgrading of facilities to receive partially dressed game Meat wholesalers at abattoir New cutting plant at abattoir Upgrading of abattoir to comply with HT requirements

## 2. Monitoring of Building Projects.

District	No. of visits	Comments.
Amatole	13	Practical and technical advice given during visits
Alfred Nzo	6	Practical and technical advice given during visits
Chris Hani/ Ukhahlamba	7	Attended technical site meetings and to monitor new red meat abattoirs under construction.
OR Tambo	10	Visits to monitor construction of new red meat abattoirs and upgrading project of poultry abattoir
Cacadu	25	Visits to monitor construction of red meat abattoirs and community poultry projects under construction

## VII Infrastructure - Community Projects

Town	Project	Beneficiary	Comments
Somerset East	Poultry abattoir	Zama Ukupila Trust	Abattoir completed but not operational at present
Steytlerville	Poultry abattoir	Community	No progress, project halted due to lack of funds
Willowmore	Poultry abattoir	Community	No progress, waiting for funds
Pearston	Elangeni Poultry abattoir	Community	No progress. Lack of funds, Water source open ground dam, no purification system
Mt Ayliff	Goat abattoir and meat processing	Umzimvubu Goat Project	CoMI visited the abattoir with Project Manager to list outstanding items before we can issue a Registration Certificate
Bizana	OR Tambo poultry	Communities of Bizana, Lusikisiki and Mt Frere	ChMI OR Tambo visited the abattoir to discuss progress - Registration Certificate issued – slaughtering of chickens to start early in 2005
Alexandria	Alexandria Community Development Corporation	Community	No progress to report



Sakiziswe Cala	Sakisizwe Municipality	Sakiziswe Community	CoMI and MI of Chris Hani District attended the final Technical Committee meeting. Civil work is completed and tenders are out for the supply of abattoir equipment
Aberdeen	Jobs Family Trust	Community	CoMI visited Mr Job and Mr H Mintoor, project facilitator, to discuss progress with construction of the new LT poultry abattoir.
Uitenhage	Roode Family Trust	Roode Family Trust	CoMI. Meeting with Me E Roode re the proposed new poultry abattoir
Keiskammah oek	Siyakholwe Development Foundation	Community	ChMI consultation with Mr du Plessis regarding the construction of a new rabbit abattoir
Magwali	Phakamisa Mawethu Development Trust	Community	CoMI and MI Amatole visited Mr Richard Ntame and the site to discuss the upgrading of existing facilities to comply with poultry abattoir requirements - farm Renan
Kruisrivier Uitenhage	Metro Broiler Co-op	Community	CoMI visited the site with members of the project Ms Plaatjie and Councillor Klaas to discuss procedures and requirements to build a new poultry abattoir
St Albans	Mall Trust	Community	New poultry abattoir, waiting for approvals and funding.

## VIII TRAINING, EXTENSION AND LIAISON

### Training of officials

Course	No of officials/persons	Ranks	Comments
Game Meat Inspection	20	6 MI, 12 AHT, 2 SV	Contact session with mentor for the Certificate in Game Meat Inspection
Batho Pele	1	ChMI AD	Three day Batho Pele course
Export Certification NDA	5	MVS CD, CSV's, CoMI	Planning of Corrective Action following the EC report
Routine abattoir training	4	ChMI, MI's	Newly appointed VPH officials
National Pathogen Reduction Programme	9	CoMI, ChMI, MI, ME	Standardise sampling procedures

HACCP	1	MI AD	HACCP training course
Computer Skills	1	ChMI AD	Introduction to computers
Record keeping and Information Management	2	ChMI, MI AD	One Day Course
HACCP & GMP	4	ChMI's	Three day course presented by Red Meat Abattoir Association

#### Training by officials

Course	No of officials/persons	Comments
Poultry Meat Inspection	11	CoMI assisted Dr A van Zyl with the practical and oral examinations for Poultry Meat Inspection at Rocklands Poultry
Umzikantu Abattoir	18	Training of abattoir personnel in Good Manufacturing Practices
Practical Meat Inspection	4 EHP's	Officials from Amahlati, Senqu and Nkonkobe Municipalities to render meat inspection services at red meat abattoirs

## IX SERVICES RENDERED

### A. LEGAL ACTION MEAT SAFETY ACT, 2000

#### Investigation of Illegal Slaughter

Location	Comments
Lusikisiki and Flagstaff	ChMI (ORTD) investigated the selling of measly infested pork meat by street hawkers. Response from hawkers negative and aggressive. Customers buying the meat were also very aggressive towards officials. Officials introduced Meat Safety Act to hawkers and Municipal officials.
St Augustine Tsolo	ChMI (ORTD) investigated the illegal slaughter of chickens. Written report of defects submitted to owner.
Pearston	CoMI visited owner of illegal poultry abattoir. No slaughter during visits. Verbal and written warning to comply with requirements or to stop slaughter.
Joubertina	CoMI investigated the illegal slaughter of quails, peacocks, guinea fowl etc on a farm Kraaltjie of Dr J van Greunen. No slaughter during visit, owner warned verbally to stop or to comply.

Aberdeen	CoMI and ChMI's visited the farm Dowefontein with officials from SAMIC to investigate illegal slaughter of sheep. No slaughter during visit. CoMI issued written warning.
Uitenhage Kruisrivier	CoMI and ChMI visited three owners of illegal poultry abattoirs. No slaughter during visits. Verbal warnings to stop or comply with requirements.
Steytlerville	ChMI's visited farm to investigate illegal slaughter of poultry. Owner willing to cooperate and register abattoir.
Jansenville	ChMI's visited the owner at Olyvenfontein farm to discuss registration of abattoir
Umtata	Chicken slaughter for caravans, verbal warning
Steynsburg	MI (CHD) investigated the illegal use of an unregistered abattoir (Elandsfontein) – new registration certificate issued and meat inspection service delivery now secured.
Steynsburg	CoMI and ChMI's visited the farm Hillmoor to investigate illegal slaughter of sheep. Abattoir completed and registered with meat inspection services in place.
Uitenhage	CoMI and ChMI (CD) visited three owners of illegal poultry abattoirs. No slaughter during visits. Verbal warnings to comply with requirements or stop slaughter.
Krakeelrivier	CSV and CoMI investigate the illegal slaughter of pigs and selling of pork meat to the community at two locations. Owners warned verbally for the second time to stop their illegal actions. Contact local SAPS to monitor situation.
Nkonkobe	Re-inspection of Mr Lombaard's farm, no slaughter of animals detected.
Mount Frere	Five chicken carcasses found at butchery. Chickens slaughtered at home.
Lusikisiki	Hawkers are still selling pork meat at taxi ranks. VPH distributed tapeworm pamphlets to hawkers and the public.
Dodrecht	CoMI and MI CHD investigated the illegal slaughter of animals on the farm Boomplaas, Mr H van Niekerk. No slaughter during visit – owner willing cooperate – written warning issued.

#### Instructions served in terms of Section 10

Abattoir name	Comments
Wallop Poultry	ChMI AD stopped slaughter for poor hygiene conditions during slaughter of chickens – ordered manager to clean and sanitise abattoir before allowing slaughter again.
Amatola	ChMI AD stopped slaughter for poor hygiene conditions and the inhumane handling of animals prior to stunning.
Anca	ChMI AD stopped slaughter for unhygienic conditions during slaughter of chickens.
Glen Roy	ChMI AD issued an instruction for sterilizers not in working order, the inconsistency with the delivery of meat inspection services and the removal of uninspected offal removed prior to meat inspection and approval.
Indwe	During a routine inspection CoMI found the abattoir to be vandalized and the non-compliance with basic hygiene requirements during slaughter of sheep. CoMI instructed owner to stop slaughter immediately. Written letter issued that the Department intent to cancel the Registration Certificate in terms of Section 9 of Act 40\2000. Abattoir now closed and animals are slaughtered at Cornish abattoir, Indwe.
Tarka	CoMI stopped slaughter for poor hygiene conditions during slaughter of animals, non-compliance with basic hygiene requirements, the indiscriminate dumping of stomach content on the riverbank and pollution of the environment.
Wilderness Poultry	ChMI AD stopped slaughter of chickens due to the non-compliance with written requests and poor hygiene conditions.
Twee Riviere	CSV and CoMI visited the abattoir and stopped slaughter verbally for poor hygiene conditions, inhumane handling of animals before slaughter, safe keeping of the stamp of approval, poor maintenance and steriliser not in working order.
Hillcrest	Slaughter and removal of pigs from the abattoir without being examined and approved by a meat inspector. This is the second infringement of this kind and CoMI issued a final instruction to the owner.
Umkantou Umtata	ChMI ORTambo stopped slaughter because of the withdrawal of meat inspection services by IMQAS.
Amatole Stutterheim	ChMI AD stopped slaughter for poor hygiene conditions. This has improved basic hygiene drastically.
Steynsburg	MI CHD stopped slaughter for complete disregard for hygiene, meat safety and lack of meat inspection services.



Meat Traders	MI CHD stopped slaughter due to lack of hot water (boiler defective)
Karoo Ochse	CoMI stopped slaughter for poor hygiene conditions during slaughter of cattle – ordered manager to clean and sanitise abattoir before allowing slaughter again.
Phambile Poultry	CoMI stopped slaughter for poor hygiene conditions, filthy equipment, floors and walls – re-visited on Sunday to monitor cleaning and sanitation before allowing slaughter again.
Stormberg Burgersdorp	MI CHD stopped slaughter for complete disregard for hygiene and until conditions have improved to his satisfaction.
Meat Traders	MI CHD issued 2 instructions for poor hygiene conditions in the dispatch cold and freezer rooms. Ordered to remove unsafe meat and to clean and sanitise the areas.

#### Prosecutions

Location	Comments
Nil report	

#### Monitoring of Butcheries

District	No of butcheries visited	Comments
Amatole	17	No illegal trading was noted. Most butcheries obtained meat from legal sources. Health officials condemned imported meat of which the sell by date has expired. Officials found sheep lungs with pneumonia lesions at Butterworth Butchery. They traced the origin of the organs back to B&B Abattoir Burgersdorp. CoMI contacted the owner to report the incident and issued a written warning to ensure proper meat inspection of all edible products before leaving the abattoir.
Alfred Nzo	0	

Chris Hani/Ukhahlamba	2	CoMI found slimy, smelly and discoloured mutton portions on display at the Cradock Spar butchery and instructed the manager to remove the products from the shelves.  MI in conjunction with SnrEHP Lukhanji Municipality issued a notice on Maboluva Butchery Queenstown regarding the transportation of red offal from Karoo Natal abattoir.
OR Tambo	91	All butcheries obtained meat from legal sources e.g. Meadow Meats and Greenlands abattoirs, Kokstad, however at three butcheries in Umtata officials found 8 pig carcasses, two heads and two plucks not inspected by a Meat Inspector. At Qumbu they found 4 uninspected sheep carcasses and some spoilt meat at Elliotdale and Mqanduli. The meat was confiscated and destroyed through the incinerator at Umzikantu abattoir.
Western Region	0	

## B HYGIENE AUDITS

### 1 Red Meat Abattoirs

Through-put	District	No of abattoirs visited	Comments
High	Amatole	16	98 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	Alfred Nzo	Nil report	
	Chris Hani	10	43 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	Ukhahlamba	3	5 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	OR Tambo	1	31 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	Western	9	9 inspections were carried out at these abattoirs. Defects were pointed out to owners.

Low	Amatole	24	48 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	Alfred Nzo	Nil report	
	Chris Hani	17	29 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	Ukhahlamba	13	17 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	OR Tambo	6	13 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	Western	73	126 inspections were carried out at these abattoirs. Defects were pointed out to owners.

## 2 Poultry Abattoirs

Throughput	District	No of Abattoirs visited	Comments
High	Amatole	5	3 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	Chris Hani	Nil report	
	Western	6	15 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	OR Tambo	1	6 inspections were carried out at these abattoirs. Defects were pointed out to owners.
Low	Amatole	5	18 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	Chris Hani	Nil	
	OR Tambo	Nil	
	Western	11	21 inspections were carried out at these abattoirs. Defects were pointed out to owners.
	Ukhahlamba	Nil	

### 3 Local Cutting Plants

District	Name of plant	Comments
Amatole	East London	16 inspections – Some of the comments were: Need Certificate of Acceptability, stopped processing of meat due to lack of protective clothing and high ambient temperature during operations and in some cases there were a marked improvement in conditions.
	Claremont	
	Kei Livestock	
	P& D Farming	
Western	Blue Crane	Harvested 88 wild ostriches under official supervision at Paterson

### 4 Export Abattoirs.

Throughput.	Abattoir name.	Export no.	Comments.
High.	Grahamstown Ostrich	ZA 6	Routine audit. Renew annual registration. Upgrading of structure and equipment to slaughter lamb for the local market. Many of the ostrich carcasses processed at Klein Karoo Oudtshoorn.
	Camdeboo	ZA 8	Routine audits performed by CSV VPH CD. Renew annual registration
	EPLA	ZA 7	Routine audits performed by CSV VPH CD. Renew annual registration

### 5 Export Cutting Plants

Throughput.	Abattoir name.	Export no.	Comments.
High.	Rache Meats	ZA 13	Routine audits performed by CSV VPH CD. Plans submitted and approved for beef and game biltong production for export and local markets
	Camdeboo Meat Packers	ZA 11	Routine audits performed by CSV VPH CD.
	EPLA	ZA 7	Routine audits performed by CSV VPH CD.



## 6 Export Game Depots.

Throughput.	Depot. Farm no	Export no. ZA	Comments.
High.	Nil		
Low.	Nil		

## C ABATTOIR DOCUMENTATION

### 1 New Registration Certificates issued

Throughput	ID no.	Abattoir	Owner
High	6\4P	Anca Poultry	Increased daily throughput
	6\39	Karoo Natal	Increased daily throughput
	6\53	Austin Evans	Increased daily throughput
	6\67	Aalwynhoek	Increased daily throughput
	6\79	Kei Livestock	Increased daily throughput
Low	6\8P	Bokmakierie	Increased daily throughput M Strydom
	6\46	Elandsfontein	New registration JH van Wyk
	6\19P	Knights Poultry	New registration A de Beyer
	6\41P	Cove Woods Poultry	New registration Mrs C Dyonga
	6\105	Dowefontein	New registration H Marx
	6\49P	Charly Chicks	New registration C van der Merwe
	6\5	Aliwal	New registration Aliwal Abattoir CC
	6\19	Sandfontein	New registration J M Gerber
	6\40	Stormberg	Re-registration T van Straaten
	6\46	Elandsfontein	New registration J H van Wyk
	6\62	Hillmoor	New registration I E Dell
	6\68	Holme Park	New registration K B Day and Sons
	6\108	Cornish	Increased daily throughput W Stapelberg

## 2 Registration Certificates cancelled

Throughput	ID No	Abattoir	Owner
High	Nil		
Low	6\27	Indwe	A van Altena
	6\64	Willowmore abattoir	Willowmore Slagters Groep
	6\97	Prospectvale	D Scheepers
	6\21P	Fox Farm Poultry	D E Fox

## 3 Change of Ownership and name change

Throughput	ID No	Abattoir	New Owner
High	Nil		
Low	6\34	Lady Grey	PS 2053 Investment CC (current owner)
	6\34	Lady Grey	Mr M van der Merwe
	6\75	Andrews	Mr M Andrews

## D DESIGNATIONS IN TERMS OF MSA

Designated as	Name of person or assignee	Abattoir name and ID
Veterinarian	Dr J van Rooyen	Elandsfontein 6\46 Hillmoor 6\62
Meat Inspectors	Ms M van der Ross	Aliwal 6\5 B&B Burgersdorp 6\10
	WF Williams	Tayside 6\94
	N Mekana	Maclear 6\36
	M Baliso	Maclear 6\36
	S Nxazonke	Maclear 6\36
	M C Kibi	Holme Park 6\68
	D G Mokoena	Lady Grey 6\
	Ms B Jada	Meat Traders
Meat Examiners	Nil	

**E STERILIZING PLANTS (ACT 36 OF 47)**

Plant	Owner	Action
ELA Abattoir	ELA (Pty) Ltd	Annual inspection – recommended re-registration
EPLA Abattoir	G & J Moorcroft	Annual inspection – recommended re-registration
Rocklands Poultry	Crown Poultry	Annual inspection – recommended re-registration
Hunt Bonemeal	Mark Hunt	Annual inspection – recommended re-registration
Molteno Bonemeal	Me R Smit	Annual inspection – recommended re-registration
Osso Bonemeal	J Fletcher	Annual inspection – recommended re-registration

**X. DISTRIBUTION OF ABATTOIRS PER DISTRICT**

District	Red Meat				Poultry			
Grade	HT	LT	RT	Total	HT	LT	RT	Total
Amatole	4	13	0	17	1	12	0	13
Alfred Nzo	0	1	0	1	0	0	0	0
Chris Hani	2	14	0	16	0	0	0	0
Cacadu	8	26	1	35	3	13	0	16
OR Tambo	1	0	0	1	1	0	0	1
Ukahlamba	1	9	0	10	1	0	0	1
Total	16	63	1	80	6	25	0	31

#### **Sub programme 4.4: Veterinary Laboratory Services**

To render Veterinary Laboratory Services in the Eastern Cape Province. This service is rendered as a support for Animal disease control under legislative guidance contained in the following Acts:  
Animal Diseases Act (Act 35 of 1984) (Animal Health Act (Act 7 of 2002))  
Meat Safety Act (Act 40 of 2000)

In addition the laboratories also render services directly to farmers, other departments, institutions and private practitioners.

The core services of disease diagnosis, conducting disease surveys, hygiene monitoring for export purposes and reporting are rendered from 4 laboratories as follows.

##### **MTHATHA LABORATORY**

Provide veterinary laboratory diagnostic service to an area of predominantly communal farmers who keep mainly, cattle (beef and some dairy), sheep, goats and to some extent poultry and pigs (meat).

##### **QUEENSTOWN LABORATORY**

Provide veterinary laboratory diagnostic service to an area of both commercial and communal farmers who farm with cattle (beef and some dairy), sheep (wool and mutton), goats (meat), poultry, pigs (meat), Ostrich and other game.

##### **GRAHAMSTOWN LABORATORY**

Provide veterinary laboratory diagnostic service to an area of both commercial and communal farmers who farm with cattle (mainly dairy), sheep (wool and mutton), goats (hair), poultry and pigs (meat), Ostrich and other game for export.

##### **MIDDELBURG LABORATORY**

Provide veterinary laboratory diagnostic service to an area of mainly commercial but also to communal farmers who farm primarily with sheep (wool and mutton), goats (hair), some poultry and pigs, Ostrich and other game for export.

#### **Key Objectives**

This is a supportive service to the other sub-programmes. It provides diagnostic services; and coordinates, from time to time, animal disease surveys for the determination of trends in order to enable the Province to respond appropriately.

Perform laboratory analysis in Microbiology, Parasitology, Serology, Pathology, Veterinary Public Health, Reproduction and Mastitis Control.

Both the commercial and non commercial livestock producers benefit from laboratory diagnostic services. The determination of the causes of diseases and in relevant cases determination of the drug sensitivity of the causal agents leads to the implementation of appropriate and more focused control measures. This benefits the livestock producers by reducing costs and bringing the disease outbreaks under control rapidly, minimising damage as a result of further spread of animal diseases.

The Provincial Veterinary Laboratories play a major part in identifying and helping to curb the legislated controlled and notifiable animal diseases.



### **Challenges and responses**

The Veterinary Laboratories have performed exemplary despite the acute staff shortage. The targets set are based on previous statistics and any shortfall is attributable to fewer samples being received as laboratories have a substantial capacity to perform tests.

In some cases, the targets were exceeded. This was usually associated with larger or increased numbers of disease outbreaks or with surveys, often initiated by the laboratories.

The activities of the laboratory services programme as outlined in 4.4.5 below have been carried out to the extent to which current capacity in the various laboratories allows. The performance numbers were down as a result of fewer samples being submitted. As usual all samples submitted to the laboratory were analyzed promptly.

Middelburg and Grahamstown laboratories continue to function reasonably well. However, the shortage of qualified personnel continued to affect laboratory functions in the Province in general. The vacant posts of technologist in Mthatha, Queenstown and Grahamstown PVL as well as control posts in all the labs still remain un-filled. This continues to adversely affect the performance of these laboratories.

There are now four vacant posts of State Veterinarians, one for each PVL. The posts for Mthatha and Middelburg PVL have been vacant for over 6 years. The post in Grahamstown PVL fell vacant since the incumbent was boarded during December 2004 and the last post in Queenstown is newly created.

The effort being made to head hunt qualifying candidates is still to bear fruit. The exercise of head-hunting state vets and veterinary technologists is ongoing.

The results of staff assessments for the period 2003/04 in terms of the directive from HR were received by all the laboratories. There were a number of complaints from dissatisfied personnel which have been dealt with.

The costs for the purchase and installation of Emergency power supply and Bio-safety cabinets at the various PVL were carried over to the 2004/05 financial year and caused considerable expenditure of about 25% on the laboratory budget.

Connectivity in the PVLs is still not completed. There will therefore be no roll out of the Laboratory Information Management System (LIMS) to the Vet Laboratories in the Eastern Cape except for Middelburg PVL which was wired by NDA. The matter is still being attended to by the GITO.

### **Achievements**

The Provincial Veterinary Laboratories played a major part in identifying and helping to curb the legislated controlled animal diseases. During the year 26 farms positive for Bovine Brucellosis were detected in Aliwal North, Maclear, Barkly East and Queenstown SV areas. Ten Brucellosis positive herds were also detected in communal areas in Elliot, Queenstown, Cofimvaba, Idutywa, Port St Johns and Qumbu SV areas. Regular monitoring of these farms was carried out by the SV Queenstown PVL throughout the year. Brucellosis was also detected in Sable Antelope in a game farm in Graaff Reinet. All positive animals were slaughtered out.

The National Microbiological Surveillance Program aimed at establishing base levels of contamination during the slaughter process at major abattoirs in South Africa was carried out. The results for the Eastern Cape Province to-date were forwarded to the National Department of Agriculture (NDA) for the following abattoirs:

Kei Livestock Abattoir: ABA ID 6/79,

Claremont Farming ABA ID 6/88, EC/PE/K/01,

Perseverance Austin Evans Enterprise (ABA ID 6/53),

Meat Traders, Molteno, Steynsburg and

Karoo Natal Abattoir

A pilot run of the helminth survey in developing areas of the Eastern Cape Province was completed by Queenstown PVL.

The Provincial Veterinary Laboratory coordinated the sampling process and result collation and interpretation during the Avian Influenza outbreak surveillance in Somerset East. Samples were obtained mainly from ostriches but also from pigs, chickens, ducks and geese and some wild aquatic birds mainly geese and submitted to OVI and Allerton laboratories for the diagnosis of Avian Influenza. Some samples were also submitted to Grahamstown PVL for routine bacteriology.

The number of samples obtained during the survey were as follows:

Blood samples	15,687
Tracheal swabs	8,335
Cloacal swabs	8,335
Post mortems performed	224

The implementation of the Laboratory Information Management System (LIMS) is proceeding well. Further training will be given.

A second round of Proficiency testing among the Veterinary Laboratories in South Africa was with the Milk Ring Test (MRT) for screening of milk for Brucellosis was conducted. Eastern Cape laboratories – Queenstown and Grahamstown achieved 80% and 100% respectively.

The activities of the laboratory services programme as outlined in 4.4.5 below were carried out to the extent to which current capacity in the various laboratories permitted. The performance was varied in the various sections of the laboratories. Statistics for most sections were higher compared to the previous year and to the target. An overall increase of 6.4% in registration, 12.6% in the number of specimen and 11.9% in the number of tests was observed. All samples submitted to the laboratory however, were analyzed promptly. This performance has been achieved despite the challenges outlined above. The activities of the laboratory were coordinated from the Head Office.

### Summary of programmes

Measurable Objectives	Performance Measure	Actual Outputs 2003/04	Target outputs 2004/05	Actual outputs 2004/05	Deviation from Target	
					Unit	%
Diagnostic Services provided to provincial communities.	Type and Number of diagnostic services provided					
SEROLOGY						
Submissions	Number received	1,319	1,350	1,469	119	8.8
Specimen	Number of Specimen derived	88,450	88,500	103,331	14,831	16.8
RBT (Rose Bengal Test)	No. of tests done	74,653	75,000	86,629	11,629	15.5
CF (complement fixation) tests				16,577	3,617	27.9
Brucella abortus	No. of tests done	6,772	6,800	8,220	1,420	20.9

### Challenges and responses

#### Challenge 1:

Attraction and retention of veterinarians to our Province

The Department now allows for the advertisement of SV posts at Senior and Chief level. This will bring about positive outcomes

#### Challenge 2:

Filling of other critical posts

Veterinary Laboratories are still suffering from a very high vacancy rate. There is no contingency plan in place to deal with the matter

## Programme 5: TECHNOLOGY RESEARCH AND DEVELOPMENT SERVICES



*Senior Manager – Technology Research & Development – Mr.L.L Ngada*

To render Agricultural research service and development of information systems with regard to crop production technology, animal production technology and resource utilisation technology.

The directorate is conducting research that is on the use and manipulation of the natural resources. Due to this, sustainable use of the natural resources is the key focus in all the norms and standards, alternatively, technology that is developed in the research component.

The directorate guides the department by informing the other programs on a profitable combination of inputs that will make an economic sense in all the farming operations. These, in turn, will assist farmers make well informed choices with the aim of strengthening food security in the Province and the country. In order to achieve all these, a focused management team embarked in all the transformation issues needed to improve service delivery adhering though to all the rules and regulations governing the public sector.

Due to the bulk nature of the activities that took place in the directorate, a separate section has been created to reflect all what has been achieved against what was planned within the parameters set in the strategic plan of the department.

To achieve its mandate, the directorate is operating under the following sub-programs:

- Animal research and development
- Field Crops research and development
- Horticulture Research and development
- Information dissemination
- Pasture research and development
- Farm support services
- Support services [analytical services, library, media ]
- GIS and Network Management
- Training : Farmer and Extension Officers ( FET Band)
- Agriculture Colleges (HE Band)
- Auxiliary Services ( SCM, Finance, HR, Asset Management, office services)



## Voted Funds

Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
R36,801,000	R33,737,000	R3,064,000

### *Sub programme 5.1: Research*

To facilitate, conduct and co-ordinate the identification of Agricultural Research needs; development/adapting or transferring appropriate technology to farmers and, to participate in multi-disciplinary Agricultural Development projects.

Animal science Research :



*Excellent reproduction and production data have been achieved with the Dohne Merino flock during this report period*

Breeding programs showed an average 90.4% calving rate when the target was anticipated at 60%, 117% lambing rate and the mortality rates showed: cattle <sup>3</sup> 1.0% ; sheep <sup>3</sup> 3.9%. In some trials, zero mortality was recorded.



*Economic viability of beef production from pastures are evaluated at Bathurst Research Centre*



*Nguni Research at the Bathurst Research Farm strives to improve the functional efficiency of the breed whilst maintaining its unique characteristics*



*Preliminary data suggest an increase of  $\pm 20$  kg in weaning mass when the Nguni dam-line is crossbred with a medium frame size sire*

*Establishment of herd resistant to tick-borne diseases:* Reduction in dipping has increased from 50% recorded the previous year to 55% this financial year in the tick resistant trials.

*Animal fiber Production:* Angora crossed with Boer goats showed an improvement of 2.5% in mohair production in all the trials and less than 10% mortality rate. In Fine wool Merino, lambing was at 146% with less than 6% mortality. No wool decrease was recorded over the period.

*Dohne/ Nguni Stud:* 98% calving rate was maintained.

*Production system:* the recommendations that were made from trials showed positive response when tested under simulated farming conditions at Campagna..

*Dairy:* Organic mild production showed no mastitis. Conventional dairy trials continued producing norms and standards for the dairy industry/farming.





The section has produced computerized Information Articles of about 350 continue to be updated. On average, about 60 telephones, Lectures, demonstration, farmer's days, and visits were done.

#### **PASTURE RESEARCH:**

Trials were conducted on;

- communal rangeland's conservative use;
- the re-evaluation of the presently recommended veld management systems;
- grazing capacity of valley bushveld;
- bush control, legume used as standing hay;
- pasture planted at different fertility levels;
- Acacia karroo and grass interaction;
- pasture seed production;
- use of fire as the tool to manage veld and bush control encroachment;
- hay production for farmers

The following Pasture and Animal interactions were tested:

- Finishing Nguni weaners :.
- Finishing Bonsmara weaners:
- Herbarium: collect and preserve plant species found in the Province.
- Nursery: Demonstrate different pastures and medicinal plant species.
- Game Management strategies for emerging farmers:
- develop economic game management strategies for emerging farmers.

#### **FIELD CROPS RESEARCH:**

*High value crops:* The Directorate in collaboration with ARC-IIC continue breeding the hemp cultivar suitable for Sub-Tropical areas. The new cultivars are anticipated to stabilize by 2007. Other trials continued that included work on , sugar beet, out of season onion production, sunflower research, cut flower production, medicinal plants research, indigenous farming systems revival, soil fertility assessment both in the laboratories at Umtata and Dohne and field work [soil classification system].



*National Maize Cultivar Trials:* The Directorate is participating in testing maize and beans new cultivars for adaptability and other related agronomic husbandry. The Directorate is a member of many commodity research forums locally and Internationally.

#### **HORTICULTURE RESEARCH:**

Research in the following areas were conducted;

- Tomato production under the tunnel system.
- Presentation of the Chicory poster in the International Crop and Soil Congress in Cameroon in 2004.
- Out of season onion production
- Aquaponics
- Trench vegetable production
- Potential and fruit quality of prickly pear cultivars
- Family drip irrigation system
- Olive production in the Eastern Cape

A presentation of the Chicory poster was made at the International Crop and Soil Congress in Cameroon in 2004.

#### **AQUACULTURE ( Umthatha Dam & Tsolo ):**

The overall objective of this project is to develop the fish station into a partially self-sustainable center which provides expertise and infrastructure support to communities who wish to supplement their income and increase their food security through fish farming. The project is also there to serve as an integrated aquaculture/agricultural demonstration center.

#### **ANALYTICAL SERVICES :**

Soil Laboratory rendered soil analytical and fertilizer recommendation services to farmers to help them increase production through improved soil fertility management of the Agricultural land, thus contributing to the sustainable provincial growth and food security.

Plant analysis is also done to establish the nutrient uptake and distribution.

Water analysis is also conducted.

The services are provided both at Dohne and Umthatha Soil Laboratory

#### ***Sub programme 5.2: Information Services***

To co-ordinate the development and dissemination of information to clients including the development and utilisation of various Information Systems (e.g. GIS)

The GIS unit continues to serve the Agricultural community on a growing basis through the provision of digital data and maps to assist with planning, and the general development of the Province through the collection, storage and the processing of natural resource data.

The section was involved in identifying areas suitable for the production of maize, thereby assisting the Massive Food Production Program.

The production, reproduction and assistance to all levels of Departmental staff and the general public of maps and sets of data, highlights this section's contribution to the productivity of the Department. This figure, excludes data stored at the Media section where numerous copies of digital maps are frequently reproduced for clients.

Over 400 maps were reprinted from the GIS Unit. Plan reproduction via scanner, data manipulation and processing, GIS analysis, maintenance of LAN and WAN, and update of Dohne information system.

Furthermore, through this program, the following activities were undertaken;

- Co-ordination of training with Regions for course attendance;
- materials developed and distributed to all the six regions under different topics;
- impact analysis of the training offered to extension officers and farmers was conducted in all the regions;
- research reaching out to the communities preliminary survey conducted.;
- facilitation of Departmental Specific training.

#### **SCIENTIFIC PUBLICATIONS BY THE DIRECTORATE:**

The Directorate had the following publications:

- Conradie,P.W. (2004). Critical success factors for Landcare projects in the Ciskei and Transkei regions of the Easreb Cape. M.Phil. Thesis.
- Gangqa,N.M.; Scoringss , J.G. and Raats,J.(2005); Diet selection and forage quality factor affecting woody plant selection by black rhinoceros in the Great Fish River Reserve, South Africa. In: South African Journal of Wildlife Research.
- Gangqa, N.M. (Press): Forage quality in relation to twig diameter and growth habit of five woody species selected by black rhino (*Diceros bicornis*) in the Great Fish river reserve. South Africa . In : African Journal of Ecology.
- Gangqa,N.M.(2005): Diet selection and forage quality factor affecting woody plant selection by black rhinoceros in the Great Fish River Reserve, South Africa. M.Sc. Thesis.
- Goqwana,W.M. (2004). The development of a method of assessing veld condition in the communal grazing areas of the North Eastern Cape Province of South Africa. M.Sc. Thesis.
- Goqwana,W.M and Trollope, W.S.W. (2005). Simplified techniques for assessing the condition of grass sward in the Cmpopogon Themeda veld in the Southern Free State and North Eastern Cape Provinces of South Africa. Grassroots Newsletter of GSSA.
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#### ***Sub programme 5.3: Infrastructure Support Service***

To provide and maintain infrastructure facilities for the line function to perform their research and other functions, i.e. experiment farms.

Measurable Objectives	Performance Measure	Actual Outputs 2003/04	Planned Outputs 2004/05	Actual Outputs	Deviation From Target	
					Units	%
Maintenance of fencing infrastructure	Distance and Material Replaced. To maintain a serviceable fencing infrastructure/ no. of poles replaced, no of droppers replaced, no of gates replaced, no of anchors replaced or length of wire replaced.		Upgrading fences 5 000m	Upgrading 4 000m of boundary fence	4 000m	20%
			Replace gates 42	Replace 25 gates	25 Gates	0%
			Fences routine maintenance 10 000m	Fences routine maintenance of 12 000m	12 000m	0%
			Order new material to the value of R350 000	Ordered and took delivery of material worth R350 000	R350 000	0%
Erection of fencing Infrastructure	Distance and new material used. To control and manage animals/ no of different new material used (specify), distance or length of wire erected or distance strained.		Erect new fences 2 000m	1 500m of new fence was erected	1 500m	25%
Minor Maintenance of tractors, Implements and Equipment.	Number of tractors, implements equipment repaired or serviced. To maintain a serviceable fleet of tractors, equipment and implements/ no of tractors repaired, no tractors serviced, no of implements repaired, no of implements serviced, no equipment repaired, no of equipment repaired.		Service fleet of 25 tractors, 35 equipment types and 38 implements	Service 25 tractors, 35 equipment types and 38 implements	98	0%
			Major repairs to 9 tractors, equipment and implements	Overhaul engines of 4 tractors & 1 TLB, complete overhaul of 2 tractors and 1 power plant	8	11%
			Minor repairs to 98 tractors, equipment and implements	Minor repairs to 25 tractors, 35 equipment types and 38 implements	98	0%
			296 Welding & machining work jobs	210 jobs completed	210	29%

Measurable Objectives	Performance Measure	Actual Outputs 2003/04	Planned Outputs 2004/05	Actual Outputs	Deviation From Target	
					Units	%
Minor, Major maintenance and installation of domestic and live stock water networks.	To maintain a sufficient and steady supply of water. No of repairs done to infrastructure, no of blockages unblocked, distance of new infrastructure provided, no of bal valves serviced or replaced.		Upgrading of Skaapbult and Campagna livestock water network wrt 3 600m of furrow & piping	Dug 1 800m of furrow and lay 1 650m of piping	3 450m	4%
			Routine maintenance on domestic and livestock water networks; 240 jobs listed	210 jobs completed	210	12%
			Routine maintenance and upgrading of borehole pumpstations; 40 jobs listed & 4 pumps to be fitted	35 jobs completed	35	12
				4 New pump fitted to bore holes	4	0%
Minor, major maintenance of road networks.	To establish a proper and serviceable road network on the farm. No of repairs executed on roads, no trailer loads of gravel of loaded on roads, distance of road graded.		Upgrading and maintenance of all road networks of 25 km	Routine road maintenance and grading of 20km of road network	20km	20%
Minor and major maintenance to electricity infrastructure.	To ensure a constant supply of electricity to official houses, offices, stores and security lights.		Upgrading of street light network	Dug 1 000m of furrow for cabling & installation of 6 street lights	150m 6	0% 0%
			Upgrading of security light network	Dug 5 holes & planted 0 poles for new security lights. 2 security lights installed	7	42%
			Routine maintenance on electricity infrastructure; 120 jobs listed	115 Jobs completed	115	4%



Measurable Objectives	Performance Measure	Actual Outputs 2003/04	Planned Outputs 2004/05	Actual Outputs	Deviation From Target	
					Units	%
Minor and major maintenance to all buildings.	To keep all buildings in a well maintained condition.		Renovations to infrastructure	Paneling of foyer & passage in A-Block	1.5	25%
				4 Build-in cupboards completed	4	0%
				Blinds in 3 buildings fitted	3	0%
				Carpeting of 2 buildings	2	0%
				192 jobs completed	192	0%
				63 Offices, buildings, passages & roofs painted	63	0%
				Tiling of 4 rooms completed	4	0%
				Guttering & fascia boards of 300m completed	300m	0%
				62m <sup>3</sup> of walling completed	62m <sup>3</sup>	0%
				60m <sup>3</sup> of concrete	60m <sup>3</sup>	0%
			Minor maintenance to infrastructure; 192 jobs listed			
			Major maintenance to infrastructure			

Measurable Objectives	Performance Measure	Actual Outputs 2003/04	Planned Outputs 2004/05	Actual Outputs	Deviation From Target	
					Units	%
Building of new buildings and structures.	To fulfill the on going demand for infrastructure to comply with the different research needs.		Erection of infrastructure	Erected 41 tank stands with water tanks	41	0%
				Erected 29 carports & verandahs	29	0%
				Erected 8 shade cloth structures	8	20%
				Erected 1 new auction pen	0.75	25%

### Specific challenges and responses

#### ANIMAL RESEARCH

The Animal Science Section has accepted the challenge to structure its research programmes so that all research projects promote sustainable use of natural resources which also contribute to food security by promoting efficient food and fibre production and stimulate economic activity from agriculture. The Section's communal project indicate that management of communal livestock is key in profitable livestock production. The project still continues focusing on the evaluation of the reproduction and production potential of communal livestock. Another trial on communal participation involves the controlled mating of communal sheep. Improvement of the hardiness of the angora goat breeding program. Production strategies that reduce the mortality rates yet improving the calving / lambing percentages assist in development of norms. Development of a breed that requires minimum dipping continues with success.

**Lowlights:** most of the work done by the section fails to receive recognition within the department.

Flight of researchers to greener pastures in other Provinces is worrisome.

#### PASTURE RESEARCH:

A legume that has been found to "re-enforce" the Döhne Sourveld , which has a potential of increasing the herbage production of the sourveld slightly especially during the winter.

Five scientific papers including two theses were published over this financial; a remarkable record in the scientific community.

Focus on herbage production on communal areas, at the current high stocking rates, is another breakthrough.

**Lowlights:** Researchers are leaving due to poor incentive the Department offers compared to other Provincial/ National Departments in the country.

## **FIELD CROPS RESEARCH:**

- The hemp breeding still continues until the progeny that has been developed is stable.
- Crops Estimates: The section has fully participated in the National yield estimates, which will be beneficial in the production target setting from year to year in the farming community.
- Medicinal plants research has taken another turn where propagation has been done successfully.
- Indigenous farming systems revival continuing with success.
- Trials / demonstrations on minimum tillage were developed as a back up of knowledge and information to the participating areas

**Lowlights:** More experienced researchers are needed as the section is not operating according to expectations.

- The flight of scientists in the section is at the alarming abnormal rate hence a retention strategy is critical.
- Recruiting of certain expertise poses a big challenge has the Province is doing without them sacrificing quality service.

## **ANALYTICAL SERVICES: Dohne /Umthatha Dam**

The absence of needed infrastructure such as appropriate spectrometer is frustrating good soil / plant analysis work, however good quality volumes of soil / plant analysis results have been produced.

**Lowlights:** personnel in the two Provincial laboratories works under severe conditions due to unavailability of required number of personnel qualified to do the work.

## **GIS RESOURCE UNIT**

The section has been recognized by the department and other clients as the place where GIS data and maps are produced.

The agricultural resource management system (ARMS) proves to be a useful tool. The opportunity for suitably trained persons to make an exciting career in this growing environment will become a reality when suitable candidates have been identified/ recruited.

**Lowlights:** the section does not have the minimum personnel required to do the work due to failure in getting suitable candidates.

## **INFORMATION DISSEMINATION**

The Training of extension officers is progressing well as the second intake at University of Fort Hare is progressing well. The section continues providing multiple services such as : coordination of training programs both departmental specific and general needs driven.

The preliminary surveys that were conducted has revealed that the research/extension linkage needs to be strengthened. The courses that were conducted to the extension officers (9 Induction courses) revealed that these officials have little know how of how the organization operates. A very significant effort was made in the distribution of information to Regions. Information packs, scientific papers, books were acquired from various Resource Centres, copied and distributed to extension workers. This material is intended to assist officers build their capacity in technical and management fields.

**Lowlights:** Like other sections, staffing poses a serious challenge. This includes scientists and technicians to transform the knowledge from the highly technical level to that understandable by both farmers and extension officers.

The absence of translators so that the information documents are available in Xhosa, Sotho and Afrikaans poses a challenge in the dissemination strategy.

#### **Agriculture Training Centre:**

Training of farmers and extension officers has been remarkable. As soon as the animals are re-introduced, this will allow livestock farmers get capacitating in the management of their livestock. Home Industry has taken another turn where most communities are requesting more training in sewing, baking, catering training and other non agriculture activities that can generate income. Poultry and piggery training programs are provided at Tsolo.

Research on indigenous chicken and pigs (grass eating pigs) is continuing.

Collaboration with NWGA in wool production is producing credible results to the participating farmers. Facilitation in development initiatives allows the development of a focused farming community

**Lowlights:** The development of unit standards for extension officers is affecting the development of training curriculum so that it is within PAETA expectations and accredited. The introduction of training facilities remains outstanding, which impacts on the expected output/outcome.

**ARDRI :** The core business is to conduct research aimed at the social economic development of the predominantly African Rural Communities in the Province through sustainable rural livelihoods programs. This Institute is faced with failing to attract experts due to the lack of long term contracts it can offer.

**Transfer payment:** These are made to Fort Cox College of Agriculture and Forestry, with the sole purpose of training of students in agriculture and forestry towards achieving a Diploma.

The college decree has not yet been amended and poses a challenge.

The pronouncement that agriculture colleges should fall under the FET band will affect agriculture hence the decision needs to be revisited especially PAETA is coming up with the idea of having extension officers starting at NQF level 4 backed up by Recognition of Prior Learning. The college has once more received accreditation from Higher Education accreditation Board.

#### **Challenge:**

This college has failed to have stability for quite some time and good lecturers have left the place.



## Programme 6: AGRICULTURE ECONOMICS

To provide agricultural economic support to internal and external clients with regard to marketing, statistics services and financial and economic viability studies.

### Voted Funds

Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
R4,213,000	R3,217,000	R996,000

### Sub programme 6.1 Marketing Services

To identify and disseminate information on marketing opportunities for value- adding and, provide Farm Economics support to other programmes and clients (external clients, financial feasibility and viability studies).

### Sub programme 6.2 Macroeconomics and Statistics

To develop database on various economic statistics and trends, develop and analyse various economic models and evaluate International/National and local policies on Agricultural Sector.

#### *Measurable objectives, performance indicators and targets*

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Units	%
1. Micro – Economics						
Develop economic norms of commodity specific practices up to gross margin level to enable comparison with generic practices.	No. of applicable enterprise budgets	0	180	5	-175	97
Identify and quantify fixed cost structures to be used under specific circumstances	Number of Broad norms on fixed costs per hectare	0	6	5	-1	17
Evaluate research results in terms of economic performance prior to promotion of the new technology	Number of research results evaluated prior to promotion of new technology	0	4	1	-3	75

Evaluate competitiveness of alternative farming practices versus conventional farming	Number of competitive alternative farming practices evaluated	0	10	4	-6	60
Qualify resource base potentialities of land use	Number of resource based land use potentialities qualified	0	42	159	177	278
Develop and apply economic feasibility studies and analyse financial achievability	Number of economic feasibility and viability studies developed	0	100	98	-2	2
Disseminate information making recommendations and advise clients in pursuit of their objectives	Frequency of information dissemination made	0	240	267	27	111

<b>2. Agribusiness development</b>						
Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Units	%
Identify qualify and describe the available resources	Number of agribusiness feasibility studies undertaken		6	21	15	250
Identify in conjunction with retail sector, specific products on which to focus level of processing and assess employment opportunity value	Number of value chain analysis studies undertaken	0	12	8	-2	67
Initiate and facilitate cooperative marketing amongst target agribusiness	Number of cooperative marketing agribusinesses initiated	0	6	3	-3	50
Determine current and potential use of existing marketing infrastructure and identify requirements for enhancing value chain	Number of marketing infrastructure requirements determined	0	6	34	28	467
Promote and disseminate consumer preference based production with domestic markets as priority and thereafter potential penetration of export markets	Number of consumer based preference production information disseminate	0	6	6	0	100
Exploit unique and creative activities	Number of unique activities creative	0	6	1	-5	83

<b>SUB PROGRAMME : MACROECONOMICS AND STATISTICS</b>						
<b>Measurable Objective</b>	<b>Performance Measure</b>	<b>Actual Outputs 2003/04</b>	<b>Target Outputs 2004/05</b>	<b>Actual Outputs 2004/05</b>	<b>Deviation from Target</b>	
					<b>Units</b>	<b>%</b>
Analyze and interpret National and Provincial agricultural policies and developmental plans and advice provincial management on the implications thereof	Number of National and Provincial agricultural policies and development plans analyzed and interpreted	0	4	6	2	150
Communicate policy and development plans to those institutions which are responsible for the implementation of the policies	Number of policies and development plans communicated to other institutions	0	4	36	32	900
Interpret macro economic trends and qualify the influences of these factors on the agricultural industry in the province	Number of macroeconomic trends interpreted	0	4	1	-3	75
Conduct industry specific studies as the need arises	Number of industry specific case studies undertaken	0	6	3	-3	50
Initiate and review all new project initiatives in terms of the Agri BEE criteria and equity	Number of new Agri-BEE project initiatives initiated	0	48	4	-44	-92
Interpret and implement disaster relief policies in close collaboration with District managers	Number of disaster relief policies interpreted and implemented	0	6	1	-5	83

<b>B. STATISTICS</b>						
Continuously determine information requirements and develop means to obtain such information	Number of information requirements determined		3	2	-1	33
Conduct surveys in case suitable data is not available	Number of surveys conducted	0	6	0	6	100
Assess the extent to which assumption in the interpretation is practically applicable	Number of assumption assessments conducted	0	6	18	12	200
Establish strong working relations with provincial sources of statistics and present the information in a user friendly manner	Number of relationships established	0	2	4	2	100
Populate the available information apply effective dissemination methods.	Number of effective information dissemination methods populated	0	72	267	195	270
Compile progress reports on government initiatives according to provincial government requirements	Number of progress reports compiled	0	2	1	1	50
Continuously monitor the possibility of natural disaster	Frequency of monitoring the possibility of natural disasters	0	1	0	-1	100

#### OTHER ACTIVITIES

<b>ACTIVITY</b>	<b>NUMBER</b>	<b>COMMENT</b>
Information session/ farmers days attended by you	77	
Course/ workshop/ seminars attended by you	94	
Internal meetings	6	
External meetings	150	
Normal leave		
Sick leave		
Subsidized km (driven) previous month		
GG km actual for the period		
Value of S&T claims for the period		
Supervisor: days spent on staff management	9	
Days spent on general office administration	19	



## Programme 7 : STRUCTURED AGRICULTURAL TRAINING



*Senior Manager: Organisational Development – Mr B.B. Magwentshu*

To facilitate and provide education to all participants in the agricultural sector and to establish a knowledgeable and competitive sector

### Voted Funds

Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
R31,925,000	R29,480,000	R2,445,000

### Sub programme 7.1: Tertiary Education

To provide formal education on a post grade 12 level (NQF levels 5 to 8) to anybody who qualifies and has the desire to obtain a formal qualification

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% Deviation from Target	
					Units	%
7.1 Tertiary Education						
Higher Education	No of Students		60	74		
	Provision of formal training to students on Higher Education level		22	10		

## Sub programme 7.2: Further Education and Training (FET)

Table 6.7 – Skills Development for the period 1 April 2004 – 31 March 2005

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	132	6	1	22	154	1	1	7	324
Professionals	414	7	0	10	175	2	0	1	609
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	469	7	0	9	472	8	0	11	976
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Plant and machine operators	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,015</b>	<b>20</b>	<b>1</b>	<b>41</b>	<b>801</b>	<b>11</b>	<b>1</b>	<b>19</b>	<b>1,909</b>
<b>EMPLOYEES WITH DISABILITIES</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

### Tsolo Agriculture and Rural Development Institute:

Tsolo Agriculture and Rural Development Institute is mandated to offer farmer development, applied research and rural development programs. In addition to these programs it has to conduct mentorship programs to graduates/diplomats from various Institutions. The programs have to be carried out under sound and effective administration within the department's strategic direction and fulfilling PGDP mandate.

### Tsolo Agriculture and Rural Development Institute

SUBPROGRAMME	PERFORMANCE MEASURE	TARGETS	ACTUAL OUTPUTS
Farmer Development	Administered unit standard based courses		
	• Vegetable production	200	177
	• Livestock production	100	141
	• Home Industry	50	37
	• Maintenance of tractor equipment	50	13
	• Developed course material on farmer training & brochure	5	3
Establishment of demonstration and research trials	- poultry		9
	- piggery		4
	- vegetables and field crops		25

Farmer Development	Administered unit standard based courses	200	177
	<ul style="list-style-type: none"> <li>• Vegetable production</li> <li>• Livestock production</li> <li>• Home Industry</li> <li>• Maintenance of tractor equipment</li> <li>• Developed course material on farmer training &amp; brochure</li> </ul>	100 50 50 5	141 37 13 3
Rural development	<ul style="list-style-type: none"> <li>• No of visits &amp; advices rendered to projects ( pig poultry, vegetable, baking and sewing</li> </ul>	150	138
	<ul style="list-style-type: none"> <li>• Marketing of Piglets to projects</li> <li>• Marketing of broiler chickens</li> </ul>	70	65 733
	<ul style="list-style-type: none"> <li>• Developed business plans)</li> </ul>	20	12
	<ul style="list-style-type: none"> <li>• Showcasing of home industry &amp; marketing of programs</li> </ul>	4	1
	No of agreements signed (home economics neighbouring schools, Mhlontlo municipality and ADRI)	10	5
Refurbishment and establishment of demonstration units	Workshop unit		
	- maintenance of tractors		5
	- Repairs of pumps for irrigation		7
	- Landscaping of the institute's garden		
	Vegetable unit demonstration.		
	- Planted orange trees in orchard		1
	- Establishment of vegetable nursery & seedling heater		2
	- Production of seedlings from the nursery		5000
	- Field crops demonstration on cabbage production.		51
	Impounding of livestock		
	- Horses		11
	- Cattle		555
	- Goats		342
	- Sheep		174
	Cases on progress		
	- Cutting of fence		1
	- Forceful taking of impounded stock.		1
	Cases opened		
	- Removal of fence		1

**Mpofu Farmer Training Centre**

MEASURABLE OBJECTIVE	PERFORMANCE MEASURES	ACTUAL OUTPUT 2003/2004	TARGET OUTPUT 2004/2005	ACTUAL OUTPUT 2004/2005
Farmer training	No. of farmers trained on various disciplines listed below: Livestock: No. 18 Vegetables: No. 4 Home Industry No. 1 Mechanization No. 1 Farm business management No. 1	68 NIL NIL	260 150 10 30 10	325 87 6 15 15
Extension outreach programme for training and after care service	No. of information days No. of launches No. of workshop No. of agric. Shows No. of projects visited No. of farmers visited No. of tours No. of meeting	19 13 16 9 40 80 7	15 10 15 7 30 50 6 30	13 7 10 7 38 69 14 51
Animal husbandry section for demonstration purposes Mpofu T/C	No. of farmers demonstrations	2	10	22
Field husbandry section for demonstration purposes	No. of demonstration	2	10	20
Engineering section at Mpofu Training Centre for demonstration purposes	No. of farm demonstration	2	5	8
Livestock improvement by introducing good quality rams	Genetic & phenotic improvement in rural small stock	299 rams	600 rams	620 rams
Effective management of large and small stock	a) Improved calving, lambing & kidding percentages b) Improved condition scoring	20 calves 65 lambs 10 kids	27 calves 100 lambs 0 kids 3, 5-4	25 calves 95 lambs 12 kids 3,5
Effective control on mortalities	No of animals died	55 sheep 6 kids 3 calves	280 sheep 39 goats 4	268 sheep 47 goats 4
Effective control of animal pests and diseases	Implementation of heard health vaccination programmes	3 for l/stock 3 for s/stock	3 for l/stock 3 for s/stock	3 3
Effective vegetable, crops & fodder production	Develop & implement production plans		10 plans	10 plans



Animal husbandry for demonstration purposes and selling of surplus PDI's	Amount and quality of wool and mohair shorn and sold No of animals in excess	27 sheep 1 Angora 24 Nguni	600 kg wool  69 sheep 23 Angora 14 Nguni	599 kg wool  0 0 0
Field husbandry section for training	No of demonstrations during courses.		2 Demo's	0
Maintenance of farm structures and erection of new farm buildings	No of structures maintained or repaired. No of structures or building erected	4  4	4  4	0  2
<b>ENGINEERING SECTION</b>				
Tractor repairs	No of minor services	6	9	8
Maintenance of agric. Machinery for 3 tractors	No of major services	3	4	3

#### **Specific challenges and responses**

##### **Challenge 1: (Provision of market information)**

Marketing information is regarded as one of the major causes for low economic performance of the industry, especially to communal farmers who have to compete in an unfriendly market environment. The challenge is to provide all these farmers with relevant information.

##### **Response to Challenge 1**

Three sources of marketing information have been identified (SAMIC, SAGIS and FNB) and a system of weekly distribution to the six District offices and sixteen institutions is in place. The provision of information distribution systems to the municipal offices of the Department is currently being exploited with the possibility to support the distribution with radio broadcasts.

##### **Challenge 2: (Re-establishment of Agricultural Economics and Marketing unit)**

The Directorate used to be managed concurrently with Programme 3, Projects and Planning. Since October 2004 the specific functions of the economists have been focussed on whilst the personnel were still occupied with commitments undertaken in Programme 3, e.g. CASP, Siyazondla and Massive Food. An abrupt transfer of personnel would have resulted in huge backlogs in these programmes.

##### **Response to Challenge 2**

The approach is to continue with the support to these programmes and in fact to improve the service in terms of quantity and quality of business plans. To ensure this eight training courses were presented to District economists and other personnel such as engineers and extension offices that are dealing with the said programmes. This has already resulted in an improved delivery of business plans with quicker approval of the projects. Other personnel development and transfer activities are ongoing.

### **Challenge 3: (Revitalization of enterprise budgets in the Eastern Cape Province)**

Enterprise budgets form the basis of all agricultural economic advice and policy development. The Province signed a Memorandum of agreement with the Western Cape Department of agriculture to develop, and finance the software for a national programme of enterprise budgets commonly referred to as Micro Combud. This process has been ongoing with limited participation by the agricultural economists in the Province. This resulted in agricultural economist each using their own system of developing budgets out of desperate need. The challenge is therefore to introduce the software to all economists and to align their budgets with the national programme.

### **Response to Challenge 3**

Two Provincial agricultural economists were sent on a week long course on the programme. Several implementation problems such as computer capacity and internal problems with the functioning of the programme were identified and brought under the attention of the programme developers. These shortcomings were addressed and the programme is being implemented in a test phase in the Province, especially in the Cacadu district's agricultural development plan.

## **2.9 Transfer payments**

NAME OF INSTITUTION	AMOUNT TRANSFER RED
Eastern Cape Rural Finance Corporation (trading as Uvimba)	17,500,000
Fort Cox Agricultural College	10,500,000
Agricultural Research Council (ARC)	4,500,000

Regarding compliance with section 38(1)(j) of the PFMA, the following can be reported for each institution receiving a transfer from our department;

- Uvimba has a Board of Directors and is headed by a Chief Executive Officer. Within this institution, there is an outsourced Internal Audit unit that is performed by Price Waterhouse Coopers, something that gives enough assurance that the entity implements effective, efficient and transparent financial management and internal control systems. The books of this institution are subjected to external audit by Deloitte and Touche.
- Fort Cox Agricultural College is governed by a Board of , or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.”

## 2.10 Conditional grants

### Summary of Conditional Grants for 2004/05

Conditional Grant	Total Allocation	Total transfers
Land Care	8,766,000	8,766,000
Comprehensive Agric Support Prog (CASP)	38,043,000	38,043,000
Disaster Relief	8,000,000	8,000,000
<b>TOTAL</b>	<b>54,809,000</b>	<b>54,809,000</b>

## 2.11 Capital Investment

- There were no building projects undertaken by the Department of Agriculture as capital investment, during the year under review.
- There are no plans to close down or down grade facilities or any current facilities.
- During the financial year the Department has budgeted for any maintenance of buildings or any other assets due to the following reasons;
- In terms of computers, the Department has entered into a contract/agreement with SITA, which include maintenance of computers and related equipment.
- Buildings and officers are maintained by the Department of Public Works.
- The Department is faced with some office renovations which will have an impact on the expenditure of the Department. These are areas where the Department of Public Works is not responding positively and hence need for the Department to shoulder the responsibility.
- The above developments will have a significant impact on the Department's budget and expenditure since it will have to take the responsibility to maintain all the equipment with the exception of the I.T. equipment.

## Asset Management



Senior Manager: Supplier Chain Management - Mr. MM Msizi

- Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft.

DESCRIPTION OF LOSS	CASE NUMBER	VALUE R	COMMENTS
Lap top/Note book	C.R.25/08/04	R13 000	Pending investigation
Lap top/Note book	CR681/06/04	R13 000	Pending investigation
Desk Top	CR366/11/04	R10 000	Pending investigation
Projector Screens	CR32/05/2004	R15 400	Written Off due to Fire damage
Desk Top, monitor, keyboard & moust	CR32/05/2004	R7 000	Written Off due to Fire damage
Chairs	CR32/05/2004	R500	Written Off due to Fire damage
Computer stand	CR32/05/2004	R350	Written Off due to Fire damage
Printers	CR32/05/2004	R500	Written Off due to Fire damage
Curtaining	CR32/05/2004	R800	Written Off due to Fire damage

- Department is currently using BAMS (Basic Asset Management System) which is assisted by SITA at minimal cost. It is therefore used to ensure
  - Departmental asset are in a usable state to fair condition.
  - There were no major maintenance projects during the year under review.
  - No facilities were closed down under the financial year under review.
- Project which will be carried over next financial period are
  - Bar Coded Asset Register Project(BAMS)
  - The Department is using the prescribed Supply Chain Management processes as prescribed. It has committees namely Specification, Evaluation and Award Authority. Tenders adjudicated by the Department are only within the prescribed threshold value of R5m.

### Maintenance

The Department has been unable to meet the backlog requirements due to insufficient funding. It therefore has not met its projections.

ACTIVITY	COST R
Furniture	R932 871.82
Building	R476 642.71
Grant Total	R1 460 514.53



## Cost for Maintenance

REGION	EQUIPMENT R	FURNITURE R	BUILDINGS R	RENTAL/ PROPERTY R	TOTAL R
Head Office	-	273, 714.54	296, 131.77	-	569, 846.31
Alfred Nzo	1, 618.89	-	9, 422.62	-	11, 041.51
O.R. Tambo	13, 588.58	13, 307.80	79, 406.58	-	106, 302.96
Dohne	589, 613.44	-	3,124, 113.20	-	3, 713, 726.64
Ukhahlamba	905, 424.20	259, 731.54	90, 189.96	49, 160.00	1, 304, 505.70
Chris Hani	31, 318.86	-	362, 804.86		394, 123.72
Amatole	87, 984.88	332, 111.51	388, 546.81		808, 643.20
Western Region	636, 560.98	54, 006.43	11, 065.98		701, 633.39
<b>TOTAL</b>	<b>2, 266, 109.83</b>	<b>932, 871.82</b>	<b>4, 361, 681.80</b>	<b>49,160.00</b>	<b>7,609,822.65</b>

## Specific challenges and responses

Challenge 1: (Staff Shortage)
The Division is faced with the problem of critical staff shortage due to lack of budget to employ.
Response to Challenge 1
The matter has been reported to management and commitment has been given to avail funding to effect staff recruitment.
Challenge 2: (Absence of an official system for Asset Management which is integrated with the current financial systems.
Response to Challenge 2
Took up matter with National and Provincial Treasuries for a solution.
Challenge 3: Absence of Service Level Agreements for grants to communities.
Response to Challenge 3 Division currently designing a proposal for approval to ensure that such a problem is addressed.

## **AUDIT COMMITTEE COMMENTS ON THE 2004/5 ANNUAL REPORT FOR THE EASTERN CAPE DEPARTMENT OF AGRICULTURE**

### **VOTE 8**

#### **1. *Report of the Audit Committee***

We are pleased to present our report for the financial year ended 31 March 2005 as contained therein.

#### **2. *Audit Committee Members and Attendance:***

The audit committee consists of the members listed hereunder and meets 4 times per annum as per its approved terms of reference. During the current year 6 of meetings were held.

<b>Name of Member</b>	<b>Number of meetings attended</b>
Mr M Dondashe (Chairperson)	6
Mr G le Roux	5
Mr J Smith	1

#### **3. *Audit Committee Responsibility***

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13. Section 38 (1)(a)(ii) of the PFMA states that the Accounting Officer for a department must ensure that the department has “a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of section 76 and 77”.

The Audit Committee reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein

#### **4. *The effectiveness of internal control***

The system of internal control was not entirely effective for the year under review as compliance with prescribed policies and procedures were lacking in certain control areas. During the year under review, several instances of non compliance were reported by internal audit. Significant control weaknesses have been reported by the Auditor General under emphasis of matter and in the management letter. In certain instances, the weaknesses reported previously have not been fully and satisfactorily addressed by the Management. Areas of concern include:

- Asset management
- Fleet Management
- Procurement Process
- Supply Chain Management
- Leave and overtime management
- Personnel and payroll management
- Document /Records Management.
- Revenue collection processes
- Monitoring and management of Transfer payments
- Project management

#### **5. *Transfer Payments***

Non compliance with regard to monitoring and reporting requirements on transfer payments in terms of section 16 of the Division of Revenue Act (DoRA), section 38 of the PFMA and Chapter 5 part 2.41 of the PFMA, due to the absence of clear processes, inconsistencies on reports to be submitted by municipalities who are the recipients of transfer and capacity to monitor projects.

5.1 Non compliance with Treasury Regulations 8.4.1 and 8.4.2, which requires the Accounting Officer to ensure that transfer payments, are utilized for their intended purposes was also eminent. Inadequacies on control procedures may include, inter alia:

- regular monitoring procedures
- scheduled and unscheduled inspection visits or reviews of performance

5.2 Lack of sufficient implemented controls in terms of independent monitoring of projects.

5.3 The department is not obtaining confirmation from the recipients on the actual expenditure on transferred funds and that unused current year transfer payments are being held intact.

## **6. *The quality of in year management and monthly reports submitted in terms of the PFMA and the Division of Revenue Act.***

The department has complied with section 40(4) of the PFMA and the Division of Revenue Act in that monthly projections of budgeted expenditure and revenue have been submitted. As a measure to improve budget management and control, the department has established a budget committee.

The quality of these reports was acceptable where:

- Explanations were made to explain variances between budgeted and actual expenditure, but there is still a room for improvement.
- The reports were signed and submitted to Provincial Treasury on time.
- Financial and information is reliable and possess integrity.
- The department ensures that all information used for the preparation of the In Year Monitoring reports are properly filed and made easily accessible for audit purposes.

## **7. *Evaluation of Financial Statements***

The Department of Agriculture had complied with National/Provincial requirements for the submission of the annual financial statements. The Annual Financial Statements have been prepared in compliance with the applicable laws and regulations. Accounting policies have been suitably applied.

The audit committee has:

- Perused the Auditor General's management letter and management's responses accordingly.
- Noted the findings and responses by the management and made its own recommendations as required in terms of Treasury Regulation 3.1.12, through its annual report to the Accounting Officer.

7.1 The department is in compliant with the Guide for the preparation of Annual reports and



with the applicable laws and regulation on the preparation of Annual Financial Statements.

7.2 Except where weaknesses have been identified, we are satisfied that the Department's AFS display fair and reliable information related to the nature of the department's activities and comply with applicable regulations.

7.3 The Department received an unqualified audit opinion from the Auditor General. Improvement within a few control areas is just a miniature if compared to the previous financial years' reports as most of the matters currently reported are repeat findings.

The Audit Committee concurs and accepts the Auditor General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General.



**Mr. M. Dondazhe CA (SA)**  
**Provincial Audit Committee Chairperson**

Date : 08/08/2005



*Senior Manager: Financial Accounting Services*  
*Mr. S. Galahitiyawa*



*Senior Manager: Finance Planning & Control*  
*Mr. M. Njomba*

#### **4. ANNUAL FINANCIAL STATEMENTS**

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## 1. INTRODUCTION

During the year under review, the department focused its operations towards the implementation and realization of its key policy issues as contained in its 2004-07 strategic plan as well as the MEC's policy speech for the said period.

The department has a highly significant strategic role to play in the transformation of the agrarian economy, the strengthening of food production within our pre-dominantly rural Province as highlighted by the Provincial Growth and Development Plan (PGDP) and the revival of the Second Economy as pronounced upon many times by the National President. Indeed, the department has welcomed the challenges posed by these greater policy directives with great enthusiasm and throughout the year has operated towards their realization.

The following brief management report followed by the prescribed departmental annual financial data reporting attest to the above introduction.

## 2. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

Even though the department started the year under review with a total budget of R897.5m as shown in the table below, the final budget for the year was R882.1m due to the implementation of the Provincial budget cuts as well as the transfer of staff that was deemed additional to the resources required by our department and their budget to other provincial departments;

<b>Original Budget</b> , at the beginning of the year	<b>R897,529,000</b>
Adjustments	
- Additional Land Care Grant	R 5,266,000
- Drought Relief Grant	R 8,000,000
- Suspension to Treasury	-R 23,700,000
- Staff Budget transferred to other dept.	-R 4,952,000
<b>Final Budget</b> , for the year	<b>R882,143,000</b>
<b>Budget Percentage Reduction</b>	<b>1.7%</b>

The department observed and strictly adhered to the Provincial austerity measures that were introduced after 6months into the financial year resulting in a saving of R60.2m or 6.8% by the end of the financial year.

This saving is broken down as follows;

- Land Care conditional grant	R 6.1m
- CASP conditional grant	R25.8m
- Compensation of employees	R 9.2m
- Goods and Services	R19.1m
<b>TOTAL</b>	<b>R60.2m</b>

Application for a roll-over of unspent conditional grants has been submitted to the Provincial Treasury who, in principle, has given an indication to accede and roll these funds over into the 2005/06 financial year.

Through the 2<sup>nd</sup> adjustment appropriation that was tabled and voted by Parliament after ten (10) months into the financial year in February 2005, the department re-arranged its budget as per the effects of the austerity measures and the new Standard Chart of Accounts (SCOA) thereby closing its books with no over-expenditure in any of its Programs as shown here-below;

Program Description		Final Budget 2004/05 R'000	Expenditure For the year 2004/05 R'000	Under / (Over) R'000	%
1.	Administration	324,537	315,102	9,435	2.9
2.	Sustainable Resource Management	41,287	32,734	8,553	20.7
3.	Farmer Support & Development	351,895	319,552	32,343	9.2
4.	Veterinary Services	91,485	88,114	3,371	3.7
5.	Technical Research & Dev. Services	36,801	33,737	3,064	8.3
6.	Agricultural Economics	4,213	3,217	996	23.6
7.	Structured Agricultural Training	31,925	29,480	2,445	7.7
<b>TOTAL</b>		<b>882,143</b>	<b>821,936</b>	<b>60,207</b>	<b>6.8</b>

### 3. SERVICES RENDERED

3.1 During the year under review the department functioned under the Gazetted national agriculture sector structure that consists of seven (7) programs.

In its effort to attain its explicitly stated policy of assisting subsistence and emerging farmers to have a meaningful entrepreneurial participation in the agricultural economy, the department through its public entity, intervened in a number of agricultural ventures that have a high probability of being successful models around which the revival of the Second Economy can be based. These interventions were also in pursuit of the core business activities of the department as mandated by its legislations. To name but a few, intervention was carried out in the following;

- Sunday's river valley citrus development
  - Addo citrus corridor
  - Kirkwood / Enon Bersheba citrus corridor
- Alice / Kat river valley citrus development
- Cacadu Region / Joubertina deciduous fruit project for export.
- Lundini project in Ugie/Maclear area
- Magwa Tea turn-around intervention, etc



Through its veterinary section, whose main activities are directed towards Provincial livestock protection and improvement, the department rescued the whole Eastern Cape ostrich industry from total collapse by quickly annihilating the Avian flu strain that was threatening the industry and the population at large. We are proud to publicly declare that this intervention was carried out expertly in conjunction with the Provincial Health Department, SANDF, SAP and Local Government's disaster management unit.

Farmer Support & Development program made financial assistance available to a number of farmers through CASP (comprehensive agriculture support program), a service that is aimed at making farms farmable, more particularly those that were acquired from commercial farmers through LRAD (Land Reform for Agricultural Development).

### 3.1 Tariff Policy

The department maintains a list of annually revised tariffs for the following;

- Dohne Institute farm produce
- Soil Conservation schemes (Engineering Services)

### 3.2 Free Services

Services rendered at no charge relate to dipping services that is performed in terms of Schedule 4 of the Constitution whereby livestock protection in the Provinces is a of each Province.

### 3.3 Inventories

**Inventories on hand at year end**

REGIONAL OFFICERS & CENTRES	STOCK VALUE R								TOTAL R
	Agricultural Medi./Pham	Cleaning Clothing Domestic	Computer Film	Stores BLDG Maintenance	Stationery/ Other Mat.	Seeds/ Irrigation	Tools/ Equip.	Drugs	
Head Office	0	0	0	0	48,486	0	0	0	48,486
Dohne	0	0	69,062	1,277	47,364	0	0	0	117,703
Mpofu	28,844	12,978	0	0	16,750	58,615	96,476	0	213,663
Tsolo College	52,112	11,762	0	39,943	53,538	128,306	0	0	285,662
Amatole	0	425,689	0	10,086	2,393,476	0	495,891	122,857	3,447,998
OR Tambo	103,537	28,849	0	803	125,486	0	0	0	258,675
Alfred Nzo	1,457,183	58,261	1,750	17,300	469,349	28,799	9,084	0	2,041,725
Chris Hani	64,430	24,779	151,933	514,990	152,302	0	0	0	908,434
Ukhahlamba	0	6,349	0	75,000	24,360	0	0	0	105,709
Cacadu	1,563,937	4,098	0	0	1,270,343	0	0	0	2,838,379
<b>TOTALS</b>	<b>3,270,043</b>	<b>572,766</b>	<b>222,745</b>	<b>659,398</b>	<b>4,601,454</b>	<b>215,720</b>	<b>601,451</b>	<b>122,857</b>	<b>10,266,434</b>

#### **4. CAPACITY CONSTRAINTS**

Four areas have once-more continued to be faced with skills problems during the year under review. These are;

- Financial Management
- Supply Chain Management
- Agricultural Engineering Services, and
- Veterinary Services

Although the current Finance section continues to perform beyond expectation, certain functions that require full-time attention, such as Supplier Reconciliation, Pre-Audit functions, Revenue Management and Suspense Section were performed by, among other people, officials who were absorbed through Resolution 7 of 2002 and whose financial accounting background is non-existent. A similar scenario prevailed under Supply Chain Management where most posts are occupied by officials with no financial accounting back-ground, a legacy inherited from previous administration. Attempts have been made to re-skill these officials and, budgetary allocation permitting, recruitment process will be embarked upon.

The department is faced with a shortage of Engineers and Vets mainly due to scarcity of skills in the Province. Bursaries have been awarded to deserving students in an effort to plug these gaps.

#### **5. TRADING ENTITIES AND PUBLIC ENTITIES**

##### **5.1 STATUTORY CORPORATIONS**

The department extensively utilized its rural finance corporation, Uvimba, that was established in terms of the Eastern Cape Rural Finance Corporation Act of 1999 in its efforts to inculcate entrepreneurial practices and tendencies in subsistence and emerging farmers. This strategy ensured that the intervention undertaken by the department is not based on free grants to farmers but on a revolving fund basis to commit assisted farmers to income generating farming activities. Hence massive food projects, mechanization scheme, as well as assistance to big agricultural projects were undertaken through Uvimba.

##### **5.2 PUBLIC SPHERE INSTITUTIONS**

The department has a tertiary institution that receives voted annual grants from its budget, namely, Fort Cox Agricultural College. This College is not listed as a public entity in terms of the PFM Act, but the department has an interest in its curriculum in as far as the output quality is concerned. Fort Cox College produces animal health technicians, extension officers, soil specialists as well as crop production specialists. These are key service delivery related expertise required by the department to service its vast rural landscape. The College is still governed by a Board of Governors appointed in terms of a Fort Cox College decree of 1999.

#### **6. CORPORATE GOVERNANCE**

The department continued functioning under a shared Internal Audit service that is based at the Premier's Office. Attempts were made during the year to get approval to set-up own Internal Audit as is required by the PFM Act without success.

But, in an effort to satisfy sound and acceptable financial standards, the department introduced and populated an Internal Control Unit whose main function is to ensure compliance with all regulations and Government prescripts.

## **7. DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED**

No activities have been discontinued by the department during the year under review. There is also no future plan to discontinue any services.

## **8. NEW / PROPOSED ACTIVITIES**

No new activities are planned except to mention that the department is to request budget allocation from the Provincial Treasury to start set its Internal Audit to carry out operational/ system audits whilst remaining under centralized Shared service arrangement in as far as specialized audits, central co-ordination and appointment of and reporting to Audit Committee are concerned.

## **9. EVENTS AFTER REPORTING DATE**


No events have been recorded that took place after 31<sup>st</sup> March 2005.

## **10. SCOPA RESOLUTIONS**

No SCOPA resolutions were passed during the year under review.

## **11. CONCLUSION and APPROVAL**

The Annual Financial Statements for the year ended 31<sup>st</sup> March 2005 that are accompanying this management report have been prepared by the Acting Chief Financial Officer, Mr M. Njomba, in line with the latest National Treasury requirements and are as such approved by the Head of Department, in his capacity as Accounting Officer of the Eastern Cape Department of Agriculture.



for  
Adv. AMON NYONDO  
HEAD OF DEPARTMENT

Date : 26 July 2005

# **REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE OF THE EASTERN CAPE PROVINCE ON THE FINANCIAL STATEMENTS OF VOTE 8 – DEPARTMENT OF AGRICULTURE FOR THE YEAR ENDED 31 MARCH 2005**

## **1. AUDIT ASSIGNMENT**

The financial statements as set out on pages 99 to 143, for the year ended 31 March 2005, have been audited in terms of section 188(1)(a) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on the financial statements and compliance with relevant laws and regulations applicable to financial matters, based on the audit.

## **2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor- General Directive No.1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

## **3. AUDIT OPINION**

In my opinion, the financial statements fairly present, in all material respects, the financial position of the department at 31 March 2005 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act no.1 of 1999).

## **4. EMPHASIS OF MATTER**

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

### **4.1 Contingent Liability – Capped Leave**

The department is in the process of performing a comprehensive investigation on the correctness of the information disclosed on the PERSAL system relating to capped leave. The result of this investigation would be utilised to correct the information as the leave records and related balance on the Personnel and Salary System form the basis of the calculation of capped leave entitlement of R139 421 000 disclosed in note 18 of the annual financial statements.



There is therefore uncertainty regarding the value of the capped leave due to employees.

I am therefore not in the position to determine the effect of any adjustments that may be required to the annual financial statements and will be reported on once the investigation has been finalised.

#### **4.2 Fruitless and Wasteful expenditure**

Interest of R266 844 was paid by the department to a service provider due to the late settlement of accounts in terms of agreements entered into. This is in contravention of the Public Finance Management Act, section 38(1)(f) and any cost incurred due to the late payment should be reported in terms of section 38(1)(g) to treasury and disclosed in the notes to the financial statements.

#### **4.3 Internal audit**

In compliance with section 38(1)(a)(ii) of the PFMA, the Eastern Cape Provincial Administration has a shared Internal Audit unit and Audit Committee that are administered by the Office of the Premier. An Executive Committee decision was taken in April 2003 to outsource the internal audit and audit committee functions of the Departments of Education, Public Works, Social Development and Health. The shared Internal Audit unit continues to provide internal audit services to the remaining departments. The following issues relating to the shared service are highlighted:

- (a) A rolling three-year strategic internal audit plan for the various departments serviced by the shared service was approved by the Audit Committee, as required by Treasury Regulation 3.2.7, during February 2004. An annual plan for the 2004/2005 year, cascading from the three year rolling strategic plan, as further required by Treasury Regulation 3.2.7, was however only compiled and approved during November 2004. As a result internal audit functioned for 7 months of the year without an operational plan approved by the Audit Committee. This not only constitutes non-compliance with Treasury Regulation 3.2.7 and in effect with section 38(i)(a)(ii) of the PFMA, but also constitutes non-compliance with the South African Internal Auditing Standards.
- (b) Evidence was found that Internal Audit reports covering the period November to March 2005, only, were submitted to the Audit Committee for consideration. Although the Quarterly Report was submitted to the Audit Committee, no evidence could be found or provided that the Audit Committee reported and made recommendations, based on the reports, to the relevant accounting officers as prescribed by Treasury Regulation 3.1.9.
- (c) Cognisance is taken of the restructuring process within the Shared Service and the subsequent approval of the 2005/2006 risk assessments and operational audit plans as required by the Treasury Regulation. Cognisance is also taken of the submission of various Internal Audit reports, following from the said audit plans, pertaining to the 2005/2006 financial year.

#### **4.4 Internal controls**

The following remarks are indicative of serious deficiencies in the internal checking and control measures, which have also been reported on in previous financial years. In the absence of these control measures, the possibility of monetary loss cannot be excluded. Given the Accounting Officer's responsibility, in terms of section 38 of the Public Finance Management Act, to ensure that the department has and maintains, effective, efficient and transparent systems of financial and risk management and internal control, the lack of proper control measures will undoubtedly impact negatively on financial management within the department.

#### 4.4.1 *Personnel*

- (i) Lack of control within the payroll system was noted as the paymasters did not always certify the payrolls to confirm that officials listed thereon were employed at the relevant pay points and were entitled to receive payment.
- (ii) There is inadequate controls over leave in that:
  - (a) leave is taken without completing leave forms
  - (b) leave taken is not always captured on the persal system

#### 4.4.2 *Payments*

According to Treasury Regulations 8.2.3 payments should be made within 30 days of the invoice date. However, numerous payments were made more than 30 days after invoice date, thus contravening the above legislation.

#### 4.4.3 *Journals*

Descriptions of the journals were in many cases too general and elusive to provide a proper understanding of the transactions that were recorded.

#### 4.4.4 *Control and suspense accounts*

Although the monthly certificates of compliance to the financial record keeping practices indicators, in accordance with the requirements of section 40 (4) (c) of the Public Finance Management Act (Act 1 of 1999), were submitted to Treasury as required by Treasury Circular No 18 of 2003, the matching fields on the matching reports relating to control and suspense accounts contained in the general ledger have not been cleared as required by National Treasury Regulation 17.1 resulting in debit balances being set-off against credit balances.

#### 4.4.5 *Debt Accounts*

The controls surrounding the collection of outstanding debt were found to be inadequate as the recovery of debt is not effected timeously, and where applicable interest is not calculated in terms of Government Gazette No.23727 dated 8 August 2002 and agreements on condition of repayment are not entered into.

### 4.5 **Voted funds to be surrendered**

The department should have surrendered all unexpended voted moneys after the books had been closed at the end of the previous financial year in terms of Treasury Regulation 15.8.1. As the department did not have sufficient cash available the Voted funds of R39 463 000 was not surrendered to the Revenue Fund.

### 4.6 **Contingent liabilities**

Information requested on all pending court cases against the Department at 31 March 2005 could not be submitted for audit purposes to confirm the completeness of the amounts disclosed as contingent liabilities in Note 18 of the Disclosure Notes to the Annual Financial Statements.

#### **4.7 Financial Statements**

In terms of section 40(1)(c) of the Public Finance Management Act the department is required to submit the financial statements for audit purposes two months after the financial year end. Material changes had to be made to the financial statements submitted 31 May 2005 and was subsequently resigned and dated on 26 July 2005.

#### **4.8 Investigation**

An independent investigation relating to the R15,6 million Kangela citrus farm project is currently being conducted. As this investigation have not reached finality, it is not known what impact, if any, the matters under investigation could have on the financial transactions or whether it could have resulted in the department suffering losses. This matter will, once the investigations have been finalised, be reported on.

#### **4.9 Suspension of Chief Financial Officer**

The Chief Financial Officer was suspended on 28 February 2005. At the date of finalising this report, the outcome of the case is still pending further investigation.

#### **5. APPRECIATION**

The assistance rendered by the staff of the department during the audit is sincerely appreciated.



*S M Ngqwala for Auditor-General*

*EAST LONDON*

**31 July 2005**



## ACCOUNTING POLICY

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

### 1. Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

### 2. Revenue

#### **Appropriated funds**

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund, unless otherwise stated.

#### **Departmental revenue**

##### ***Tax revenue***

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

##### ***Sale of goods and services other than capital assets***

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

##### ***Fines, penalties and forfeits***

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

##### ***Interest, dividends and rent on land***

Interest and dividends received are recognised upon receipt of the funds, and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the department and then transferred to the National/Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.



### ***Sale of capital assets***

The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.

### ***Financial transactions in assets and liabilities***

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

### ***Local and foreign aid assistance***

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

## **3. Expenditure**

### ***Compensation of employees***

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

### ***Short-term employee benefits***

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

### *Long-term employee benefits and other post employment benefits*

#### *Termination benefits*

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

#### *Medical benefits*

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

#### *Post employment retirement benefits*

The department provides retirement benefits for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

#### *Other employee benefits*

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

#### *Goods and services*

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services was used on a capital project.

#### *Interest and rent on land*

Interest and rental payments resulting from the use of land, are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

#### *Financial transactions in assets and liabilities*

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

### ***Unauthorised expenditure***

Unauthorised expenditure, is defined as:

- The overspending of a vote or a main division within a vote, or
- Expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

### ***Irregular expenditure***

Irregular expenditure, is defined as :

expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

### ***Fruitless and wasteful expenditure***

Fruitless and wasteful expenditure, is defined as:

expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

## **4. Transfers and subsidies**

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

## **5. Expenditure for capital assets**

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

## **6. Investments**

Investments include; Investments in Associates; Joint ventures; Investments in controlled entities and other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

## **7. Receivables**

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

## **8. Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **9. Payables**

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial/National Revenue Fund or another party.

## **10. Lease commitments**

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting. Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

## **11. Accruals**

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.



## **12. Contingent liability**

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

## **13. Commitments**

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

## **14. Capitalisation reserve**

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

## **15. Recoverable revenue**

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

## **16. Comparative figures**

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2005**

Appropriation per programme									
		2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payment	293,400			293,400	284,694	8,706	97%	268,774	281,836
Transfers and subsidies	24,106			24,106	24,104	2	100%	0	0
Payment for capital assets	6,313			6,313	5,586	727	88.5%	10,545	6,403
<b>2. Sustainable Resource Management</b>									
Current payment	33,400			33,400	24,940	8,460	74.7%	21,052	22,831
Transfers and subsidies	7,034			7,034	7,034	0	100%	31,901	36,972
Payment for capital assets	853			853	760	93	89.1%	0	0
<b>3. Farmer Support and Development</b>									
Current payment	215,065			215,065	183,108	31,957	85.1%	238,779	207,555
Transfers and subsidies	136,830			136,830	136,444	386	99.7%	15,500	15,500
Payment for capital assets	0			0	0	0	0.0%	8,046	43,854
<b>4. Veterinary Services</b>									
Current payment	89,297			89,297	86,006	3,291	96.3%	88,880	80,537
Transfers and subsidies	169			169	169	0	100%	0	0
Payment for capital assets	2,019			2,019	1,939	80	96%	3,172	1,178
<b>5. Technical Research and Dev. Services</b>									
Current payment	34,595			34,595	31,572	3,023	91.3%	23,193	30,911
Transfers and subsidies	2,050			2,050	2,050	0	100%	0	0
Payment for capital assets	156			156	115	41	73.7%	1,063	1,043
<b>6. Agricultural Economics</b>									
Current payment	3,987			3,987	2,991	996	75%	0	0
Transfers and subsidies	226			226	226	0	100%	0	0
<b>7. Structured Agric. Training</b>									
Current payment	21,381			21,381	18,936	2,445	88.6%	10,974	11,156
Transfers and subsidies	10,544			10,544	10,544	0	100%	11,500	11,500
<b>Subtotal</b>	<b>881,425</b>			<b>881,425</b>	821,218	60,207	93.2%	733,379	751,276
<b>Statutory Appropriation</b>									
Current payment	718			718	718	0	100%	685	685
Transfers and subsidies									
Payment for capital assets									
<b>TOTAL</b>	<b>882,143</b>			<b>882,143</b>	821,936	60,207	93.2%	734,064	751,961
<b>Reconciliation with Statement of Financial Performance</b>									
Prior year unauthorised expenditure approved with funding									
Departmental revenue received									
Local and foreign aid assistance received									
<b>Actual amounts per Statements of Financial Performance (Total revenue)</b>				882,143				734,064	
Investments acquired and capitalised during the current financial year, but expensed for appropriation purposes									
Other payments in Appropriation Statement, not accounted for in Statement of Financial Performance									
Prior year unauthorised expenditure approved									
Prior year fruitless and wasteful expenditure condoned									
<b>Actual amounts per Statements of Financial Performance (Total expenditure)</b>					821,936				751,961

# EASTERN CAPE – DEPARTMENT OF AGRICULTURE

## VOTE 8

### APPROPRIATION STATEMENT for the year ended 31 March 2005

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	467,238	0	0	467,238	457,995	9,243	98%	443,585	449,418
Goods and services	223,887	0	0	223,887	173,452	50,435	77.5%	179,917	177,786
Interest and rent on land	0	0	0	0	0	0	0%	0	0
Financial transactions in assets and liabilities	0	0	0	0	0	0	0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	1,389	0	0	1,389	1,387	2	100%	0	0
Departmental agencies and accounts	4,500	0	0	4,500	4,500		100%	15,500	15,500
Universities and technikons	10,500	0	0	10,500	10,500	0	0%	0	0
Foreign governments and international organisations	0	0	0	0	0	0	0%	0	0
Public corporations and private enterprises	17,500	0	0	17,500	17,500	0	100%	11,500	11,500
Non-profit institutions	0	0	0	0	0	0	0%	0	0
Households	147,070	0	0	147,070	147,485	-415	100.3%	0	0
<b>Gifts and donations</b>									
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0	0	0	0	0	0	0%	0	0
Machinery and equipment	9,341	0	0	9,341	8,399	942	89.9%	82,877	97,072
Biological or cultivated assets	0	0	0	0	0	0	0%	0	0
Software and other intangible assets	0	0	0	0	0	0	0%	0	0
Land and subsoil assets	0	0	0	0	0	0	0%	0	0
<b>Total</b>	<b>881,425</b>			<b>881,425</b>	<b>821,218</b>	<b>60,207</b>	<b>93.2%</b>	<b>733,379</b>	<b>751,276</b>

Statutory Appropriation									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Details of direct charges against the National/Provincial Revenue Fund</b>									
List all direct charges against the Revenue Fund									
President and Deputy President salaries									
Minister and Deputy Ministers salaries									
Member of executive committee / parliamentary officers	718			718	718		100%	685	685
Judges salaries									
Sector education and training authorities (SETA)									
National Skills Fund									
<b>Total</b>	<b>718</b>			<b>718</b>	<b>718</b>		<b>100%</b>	<b>685</b>	<b>685</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**DETAIL PER PROGRAMME 1 – Administration  
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Office of the MEC</b>									
Current payment	3121	0	0	3121	2637	484	84.6%	2922	2157
Transfers and subsidies	7	0	0	7	7	0	100%	0	0
Payment for capital assets	0	0	0	0	0	0	0%	0	0
<b>1.2 Senior Management</b>									
Current payment	15,082	0	0	15,082	14,272	810	94.6%	8,773	757
Transfers and subsidies	11	0	0	11	11	0	100%	0	0
Payment for capital assets	0	0	0	0	0	0	0%	7	0
<b>1.3 Corporate Services</b>									
Current payment	170,686	0	0	170,686	163,274	7,412	95.7%	193,964	209,414
Transfers and subsidies	23,916	0	0	23,916	23,914	2	100%	0	0
Payment for capital assets	4,494	0	0	4,494	3,775	719	84%	6,800	5,325
<b>1.4 Financial Management</b>									
Current payment	104,511	0	0	104,511	104,511	0	100%	63,115	69,508
Transfers and subsidies	172	0	0	172	172	0	100%	0	0
Payment for capital assets	1,819	0	0	1,819	1,811	8	99.6%	3,738	1,078
<b>TOTAL</b>	<b>323,819</b>	<b>0</b>	<b>0</b>	<b>323,819</b>	<b>314,384</b>	<b>9,435</b>	<b>97.1%</b>	<b>279,319</b>	<b>288,239</b>

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	226,430	0	0	226,430	219,613	6,817	97.0%	235,118	236,348
Goods and services	66,970	0	0	66,970	65,082	1,888	97.2%	33,656	45,488
Interest and rent on land	0	0	0	0	0	0	0%	0	0
Financial transactions in assets and liabilities	0	0	0	0	0	0	0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	675	0	0	675	672	3	99.6%	0	0
Departmental agencies and accounts	0	0	0	0	0	0	0%	0	0
Universities and technikons	0	0	0	0	0	0	0%	0	0
Foreign governments and international organisations	0	0	0	0	0	0	0%	0	0
Public corporations and private enterprises	0	0	0	0	0	0	0%	0	0
Non-profit institutions	0	0	0	0	0	0	0%	0	0
Households	23,431	0	0	23,431	23,431	0	100%	0	0
<b>Gifts and donations</b>									
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0	0	0	0	0	0	0%	0	0
Machinery and equipment	6,313	0	0	6,313	5,586	727	88.5%	10,545	6,403
Biological or cultivated assets	0	0	0	0	0	0	0%	0	0
Software and other intangible assets	0	0	0	0	0	0	0%	0	0
Land and subsoil assets	0	0	0	0	0	0	0%	0	0
<b>Total</b>	<b>323,819</b>	<b>0</b>	<b>0</b>	<b>323,819</b>	<b>314,384</b>	<b>9,435</b>	<b>97.1%</b>	<b>279,319</b>	<b>288,239</b>



**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**DETAIL PER PROGRAMME 2 – SUSTAINABLE RESOURCE MANAGEMENT  
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Engineering Service</b>									
Current payment	24,634	0	0	24,634	22,294	2,340	90.5%	13,052	15,209
Transfers and subsidies	7,034	0	0	7,034	7,034	0	100%	31,901	36,972
Payment for capital assets	853	0	0	853	760	93	89.1%	0	0
<b>2.2 Land Care</b>									
Current payment	8,766	0	0	8,766	2,646	6,120	30.2%	8,000	7,622
Transfers and subsidies	0	0	0	0	0	0	0%	0	0
Payment for capital assets	0	0	0	0	0	0	0%	0	0
<b>TOTAL</b>	<b>41,287</b>	<b>0</b>	<b>0</b>	<b>41,287</b>	<b>32,734</b>	<b>8,553</b>	<b>79.3%</b>	<b>52,953</b>	<b>59,803</b>

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	12,730	0	0	12,730	12,739	-9	100.1%	8,543	10,593
Goods and services	20,670	0	0	20,670	12,202	8,468	59%	4,509	4,616
Interest and rent on land	0	0	0	0	0	0	0%	0	0
Financial transactions in assets and liabilities	0	0	0	0	0	0	0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	34	0	0	34	34	0	100%	0	0
Departmental agencies and accounts	0	0	0	0	0	0	0%	0	0
Universities and technikons	0	0	0	0	0	0	0%	0	0
Foreign governments and international organisations	0	0	0	0	0	0	0%	0	0
Public corporations and private enterprises	0	0	0	0	0	0	0%	0	0
Non-profit institutions	0	0	0	0	0	0	0%	0	0
Households	7,000	0	0	7,000	7,000	0	100%	0	0
Gifts and donations	0	0	0	0	0	0	0%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0	0	0	0	0	0	0%	0	0
Machinery and equipment	853	0	0	853	759	94	89%	39,901	44,594
Biological or cultivated assets	0	0	0	0	0	0	0%	0	0
Software and other intangible assets	0	0	0	0	0	0	0%	0	0
Land and subsoil assets	0	0	0	0	0	0	0%	0	0
<b>Total</b>	<b>41,287</b>	<b>0</b>	<b>0</b>	<b>41,287</b>	<b>32,734</b>	<b>8,553</b>	<b>79.3%</b>	<b>52,953</b>	<b>59,803</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**DETAIL PER PROGRAMME 3 – FARMER SUPPORT AND DEVELOPMENT  
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Planning &amp; Communal Land Management</b>									
Current payment									
Transfers and subsidies	27,209	0	0	27,209	26,019	1,190	95.6%	24,460	22,890
Payment for capital assets	62	0	0	62	62	0	100%	0	0
Payment for capital assets	0	0	0	0	0	0	0.0%	659	336
<b>3.2 Extension Services</b>									
Current payment	123,562	0	0	123,562	121,945	1,617	98.7%	115,735	111,237
Transfers and subsidies	349	0	0	349	348	1	99.7%	0	0
Payment for capital assets	0	0	0	0	0	0	0.0%	627	315
<b>3.3 Farmer Settlement &amp; Support Services</b>									
Current payment	6,500	0	0	6,500	5,978	522	92.0%	26,844	7,054
Transfers and subsidies	38,800	0	0	38,800	38,650	150	99.6%	15,500	15,500
Payment for capital assets	0	0	0	0	0	0	0.0%	6,760	43,203
<b>3.4 Food Security</b>									
Current payment	19,751	0	0	19,751	16,916	2,835	85.6%	71,740	66,374
Transfers and subsidies	97,619	0	0	97,619	97,384	235	99.8%	0	0
Payments for capital assets	0	0	0	0	0	0	0.0%	0	0
<b>3.5 Community Projects Fund Support (CASP)</b>									
Current payment	38,043	0	0	38,043	12,250	25,793	32.2%	0	0
Transfers and subsidies	0	0	0	0	0	0	0.0%	0	0
Payments for capital assets	0	0	0	0	0	0	0.0%	0	0
<b>TOTAL</b>	<b>351,895</b>	<b>0</b>	<b>0</b>	<b>351,895</b>	<b>319,552</b>	<b>32,343</b>	<b>90.8%</b>	<b>262,325</b>	<b>266,909</b>

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	139,335	0	0	139,335	137,906	1,429	99.0%	125,639	131,239
Goods and services	75,730	0	0	75,730	44,401	31,329	58.6%	92,990	76,316
Interest and rent on land	0	0	0	0	0	0	0.0%	0	0
Financial transactions in assets and liabilities	0	0	0	0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	411	0	0	411	411	0	100.0%	0	0
Departmental agencies and accounts	4,500	0	0	4,500	4,500	0	100.0%	0	0
Universities and technikons	0	0	0	0	0	0	0.0%	0	0
Foreign governments and international organisations	0	0	0	0	0	0	0.0%	0	0
Public corporations and private enterprises	17,500	0	0	17,500	17,500	0	0.0%	15,500	15,500
Non-profit institutions	0	0	0	0	0	0	0.0%	0	0
Households	114,419	0	0	114,419	114,834	-415	100.4%	0	0
Gifts and donations	0	0	0	0	0	0	0.0%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	0	0
Machinery and equipment	0	0	0	0	0	0	0.0%	28,196	43,854
Biological or cultivated assets	0	0	0	0	0	0	0.0%	0	0
Software and other intangible assets	0	0	0	0	0	0	0.0%	0	0
Land and subsoil assets	0	0	0	0	0	0	0.0%	0	0
<b>Total</b>	<b>351,895</b>	<b>0</b>	<b>0</b>	<b>351,895</b>	<b>319,552</b>	<b>32,343</b>	<b>90.8%</b>	<b>262,325</b>	<b>266,909</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**DETAIL PER PROGRAMME 4 – VETERINARY SERVICES  
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Animal Health</b>									
Management									
Current payment	73,287	0	0	73,287	72,487	800	98.9%	73,672	71,329
Transfers and subsidies	145	0	0	145	145	0	100.0%	0	0
Payment for capital assets	296	0	0	296	296	0	100.0%	2,846	1,073
<b>4.2 Export Control</b>									
Current payment	3,796	0	0	3,796	2,500	1,296	65.9%	6,022	2,147
Transfers and subsidies	6	0	0	6	6	0	100.0%	0	0
Payment for capital assets	0	0	0	0	0	0	0.0%	0	0
<b>4.3 Veterinary Public Health</b>									
Current payment	6,033	0	0	6,033	5,003	1,030	82.9%	3,936	1,814
Transfers and subsidies	5	0	0	5	5	0	100.0%	0	0
Payment for capital assets	0	0	0	0	0	0	0.0%	93	70
<b>4.4 Veterinary Lab Services</b>									
Current payment	6,181	0	0	6,181	6,016	165	97.3%	5,250	5,247
Transfers and subsidies	13	0	0	13	13	0	100.0%	0	0
Payment for capital assets	1,723	0	0	1,723	1,643	80	95.4%	233	35
<b>TOTAL</b>	<b>91,485</b>	<b>0</b>	<b>0</b>	<b>91,485</b>	<b>88,114</b>	<b>3,371</b>	<b>96.3%</b>	<b>92,052</b>	<b>81,715</b>

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	56,551	0	0	56,551	56,025	526	99.1%	50,118	47,486
Goods and services	32,747	0	0	32,747	29,982	2,765	91.6%	38,762	33,051
Interest and rent on land	0	0	0	0	0	0	0.0%	0	0
Financial transactions in assets and liabilities	0	0	0	0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	168	0	0	168	168	0	100.0%	0	0
Departmental agencies and accounts	0	0	0	0	0	0	0.0%	0	0
Universities and technikons	0	0	0	0	0	0	0.0%	0	0
Foreign governments and international organisations	0	0	0	0	0	0	0.0%	0	0
Public corporations and private enterprises	0	0	0	0	0	0	0.0%	0	0
Non-profit institutions	0	0	0	0	0	0	0.0%	0	0
Households	0	0	0	0	0	0	0.0%	0	0
Gifts and donations	0	0	0	0	0	0	0.0%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	0	0
Machinery and equipment	2,019	0	0	2,019	1,939	80	96.0%	3,172	1,178
Biological or cultivated assets	0	0	0	0	0	0	0.0%	0	0
Software and other intangible assets	0	0	0	0	0	0	0.0%	0	0
Land and subsoil assets	0	0	0	0	0	0	0.0%	0	0
<b>Total</b>	<b>91,485</b>	<b>0</b>	<b>0</b>	<b>91,485</b>	<b>88,114</b>	<b>3,371</b>	<b>96.3%</b>	<b>92,052</b>	<b>81,715</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**DETAIL PER PROGRAMME 5 – TECHNICAL RESEARCH AND DEVELOPMENT SERVICES  
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>5.1 Research</b>									
Management									
Current payment	28,958	0	0	28,958	26,395	2,563	91.1%	22,020	29,589
Transfers and subsidies	2,043	0	0	2,043	2,043	0	100.0%	0	0
Payment for capital assets	0	0	0	0	0	0	0.0%	1,063	1,043
<b>5.2 Information Services</b>									
Current payment	2,630	0	0	2,630	2,321	309	88.3%	1,173	1,322
Transfers and subsidies	4	0	0	4	4	0	100.0%	0	0
Payment for capital assets	0	0	0	0	0	0	0.0%	0	0
<b>5.3 Infrastructure Support Services</b>									
Current payment	3,007	0	0	3,007	2,856	151	95.0%	0	0
Transfers and subsidies	3	0	0	3	3	0	100.0%	0	0
Payment for capital assets	156	0	0	156	115	41	73.7%	0	0
<b>TOTAL</b>	<b>36,801</b>	<b>0</b>	<b>0</b>	<b>36,801</b>	<b>33,737</b>	<b>3,064</b>	<b>91.7%</b>	<b>24,256</b>	<b>31,954</b>

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	16,058	0	0	16,058	15,923	135	99.2%	13,193	12,999
Goods and services	18,536	0	0	18,536	15,648	2,888	84.4%	10,000	17,912
Interest and rent on land	0	0	0	0	0	0	0.0%	0	0
Financial transactions in assets and liabilities									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	51	0	0	51	51	0	100.0%	0	0
Departmental agencies and accounts	0	0	0	0	0	0	0.0%	0	0
Universities and technikons	0	0	0	0	0	0	0.0%	0	0
Foreign governments and international organisations	0	0	0	0	0	0	0.0%	0	0
Public corporations and private enterprises	0	0	0	0	0	0	0.0%	0	0
Non-profit institutions	0	0	0	0	0	0	0.0%	0	0
Households	2,000	0	0	2,000	2,000	0	100.0%	0	0
Gifts and donations	0	0	0	0	0	0	0.0%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	0	0
Machinery and equipment	156	0	0	156	115	41	73.7%	1,063	1,043
Biological or cultivated assets	0	0	0	0	0	0	0.0%	0	0
Software and other intangible assets	0	0	0	0	0	0	0.0%	0	0
Land and subsoil assets	0	0	0	0	0	0	0.0%	0	0
<b>Total</b>	<b>36,801</b>	<b>0</b>	<b>0</b>	<b>36,801</b>	<b>33,737</b>	<b>3,064</b>	<b>91.7%</b>	<b>24,256</b>	<b>31,954</b>



**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**DETAIL PER PROGRAMME 6 – AGRICULTURAL ECONOMICS**  
*for the year ended 31 March 2005*

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>6.1 Marketing Services</b>									
Current payment	994	0	0	994	725	269	72.9%	0	0
Transfers and subsidies	1	0	0	1	1	0	100.0%	0	0
Payment for capital assets	0	0	0	0	0	0	0.0%	0	0
<b>6.2 Macro-Economic &amp; Statistics</b>									
Current payment	2,993	0	0	2,993	2,266	727	75.7%	0	0
Transfers and subsidies	225	0	0	225	225	0	100.0%	0	0
Payment for capital assets	0	0	0	0	0	0	0.0%	0	0
<b>TOTAL</b>	<b>4,213</b>	<b>0</b>	<b>0</b>	<b>4,213</b>	<b>3,217</b>	<b>996</b>	<b>76.4%</b>	<b>0</b>	<b>0</b>

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	2,052	0	0	2,052	1,879	173	91.6%	0	0
Goods and services	1,936	0	0	1,936	1,112	824	57.4%	0	0
Interest and rent on land	0	0	0	0	0	0	0.0%	0	0
Financial transactions in assets and liabilities	0	0	0	0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	5	0	0	5	6	-1	120.0%	0	0
Departmental agencies and accounts	0	0	0	0	0	0	0.0%	0	0
Universities and technikons	0	0	0	0	0	0	0.0%	0	0
Foreign governments and international organisations	0	0	0	0	0	0	0.0%	0	0
Public corporations and private enterprises	0	0	0	0	0	0	0.0%	0	0
Non-profit institutions	0	0	0	0	0	0	0.0%	0	0
Households	220	0	0	220	220	0	100.0%	0	0
Gifts and donations	0	0	0	0	0	0	0.0%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	0	0
Machinery and equipment	0	0	0	0	0	0	0.0%	0	0
Biological or cultivated assets	0	0	0	0	0	0	0.0%	0	0
Software and other intangible assets	0	0	0	0	0	0	0.0%	0	0
Land and subsoil assets	0	0	0	0	0	0	0.0%	0	0
<b>Total</b>	<b>4,213</b>	<b>0</b>	<b>0</b>	<b>4,213</b>	<b>3,217</b>	<b>996</b>	<b>76.4%</b>	<b>0</b>	<b>0</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**DETAIL PER PROGRAMME 7 – STRUCTURED AGRICULTURAL TRAINING**  
*for the year ended 31 March 2005*

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>7.1 Marketing Services</b>									
Current payment	1,043	0	0	1,043	428	615	41.0%	0	0
Transfers and subsidies	1	0	0	1	1	0	100.0%	0	0
Payment for capital assets	0	0	0	0	0	0	0.0%	0	0
<b>7.2 Macro-Economic &amp; Stats</b>									
Current payment	20,338	0	0	20,338	18,508	1,830	91.0%	10,974	11,156
Transfers and subsidies	10,543	0	0	10,543	10,543	0	100.0%	11,500	11,500
Payment for capital assets	0	0	0	0	0	0	0.0%	0	0
<b>TOTAL</b>	<b>31,925</b>	<b>0</b>	<b>0</b>	<b>31,925</b>	<b>29,480</b>	<b>2,445</b>	<b>92.3%</b>	<b>22,474</b>	<b>22,656</b>

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	14,082	0	0	14,082	13,910	172	98.8%	10,974	10,753
Goods and services	7,298	0	0	7,298	5,025	2,273	68.9%	0	403
Interest and rent on land	0	0	0	0	0	0	0.0%	0	0
Financial transactions in assets and liabilities	0	0	0	0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	45	0	0	45	45	0	100.0%	0	0
Departmental agencies and accounts	0	0	0	0	0	0	0.0%	0	0
Universities and technikons	10,500	0	0	10,500	10,500	0	100.0%	11,500	11,500
Foreign governments and international organisations	0	0	0	0	0	0	0.0%	0	0
Public corporations and private enterprises	0	0	0	0	0	0	0.0%	0	0
Non-profit institutions	0	0	0	0	0	0	0.0%	0	0
Households	0	0	0	0	0	0	0.0%	0	0
Gifts and donations	0	0	0	0	0	0	0.0%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	0	0
Machinery and equipment	0	0	0	0	0	0	0.0%	0	0
Biological or cultivated assets	0	0	0	0	0	0	0.0%	0	0
Software and other intangible assets	0	0	0	0	0	0	0.0%	0	0
Land and subsoil assets	0	0	0	0	0	0	0.0%	0	0
<b>Total</b>	<b>31,925</b>	<b>0</b>	<b>0</b>	<b>31,925</b>	<b>29,480</b>	<b>2,445</b>	<b>92.3%</b>	<b>22,474</b>	<b>22,656</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**NOTES TO THE APPROPRIATION STATEMENTS  
for the year ended 31 March 2005**

**1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**

<b>Programme</b>	<b>Entity/Beneficiary</b>	<b>Voted Funds</b>	<b>Released</b>
Administration	Municipalities – Reg. Serv. Council Levy	675	673
Administration	Households – Leave Gratuities	23,431	23,431
Sustainable Resource Management	Municipalities – Reg Serv Council Levy	34	34
Sustainable Resource Management	Uvimba – Irrigation Schemes	7,000	7000
Farmer Support & Development	Municipalities – Reg Serv Council Levy	411	411
Farmer Support & Development	Uvimba	17,500	17,500
Farmer Support & Development	Uvimba	114,419	114,034
Farmer Support & Development	Agric Research Council	4,500	4,500
Veterinary Services	Municipalities – Reg Serv Council Levy	168	168
Technological Research & Development	Municipalities – Reg Serv Council Levy	51	51
Technological Research & Development	Uvimba – High value crops	2,000	2,000
Agricultural Economics & Marketing	Municipalities – Reg Serv Council Levy	5	6
Agricultural Economics & Marketing	Uvimba – Alice/Kat Farmers	220	220
Structured Agricultural Training	Municipalities – Reg Serv Council Levy	44	44
Structured Agricultural Training	Fort Cox Agric College	10,500	10,500
<b>TOTAL</b>		<b>180,958</b>	<b>180,572</b>

**2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**

<b>Program</b>	<b>Voted</b>
Program 1: Administration	324,537
Program 2: Sustainable Resource Management	41,287
Program 3: Farmer Support and Development Services	351,895
Program 4: Veterinary Services	91,485
Program 5: Technical Research and Development Services	36,801
Program 6. Agricultural Economics	4,213
Program 7. Structured Agricultural Economics	31,925
<b>Total</b>	<b>882,143</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**NOTES TO THE APPROPRIATION STATEMENTS  
for the year ended 31 March 2005**

An additional amount of R13 266(R8.000m for drought relief and R5.266m) was received. R23.7m was suspended by Provincial Treasury for belt tightening exercise. R4.952m was transferred to other departments for additional staff absorbed by those departments.

Hence the reconciled budget position which is as follows:

Original budget	897,529
Additional budget – Drought relief	8,000
Additional budget – Land Care	5,266
Suspension – Belt tightening	-23,700
Suspension – Transferred staff	-4,952
<b>Total</b>	<b>882,143</b>

**3. Detail on financial transactions in assets and liabilities**

Detail of these transactions per programme can be viewed in note 8 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

**4. Explanations of material variances from Amounts Voted (after Virement):**

<b>4.1 Per Programme</b>	<b>Voted Funds after virement</b>	<b>Actual Expenditure</b>	<b>R'000</b>	<b>%</b>
<b>Administration</b>				
Current Payments	294,118	285,411	8,707	3.0%
Transfers and Subsidies	24,106	24,104	2	0.0%
Exp for capital assets	6,313	5,586	727	11.5%
<b>Sustainable Resource</b>				
Current Payments	33,400	24,940	8,460	25.3%
Transfers and Subsidies	7,034	7,034	-	0.0%
Exp for capital assets	853	760	93	10.9%
<b>Farmer Support and</b>				
Current Payments	215,065	183,108	31,957	14.9%
Transfers and Subsidies	136,830	136,444	386	0.3%
Exp for capital assets	-	-	-	-
<b>Veterinary Services</b>				
Current Payments	89,297	86,006	3,291	3.7%
Transfers and Subsidies	169	169	-	-
Exp for capital assets	2,019	1,939	80	4.0%
<b>Technical Research and</b>				
Current Payments	34,595	31,572	3,023	8.7%
Transfers and Subsidies	2,050	2,050	-	0.0%
Exp for capital assets	156	115	41	26.3%



**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**NOTES TO THE APPROPRIATION STATEMENTS  
for the year ended 31 March 2005**

**Agricultural Economics**

Current Payments	3,987	2,991	996	25.0%
Transfers and Subsidies	226	226	-	0.0%
Exp for capital assets	-	-	-	-

**Structured Agric.**

Current Payments	21,381	18,936	2,445	11.4%
Transfers and Subsidies	10,544	10,544	-	0.0%
Exp for capital assets	-	-	-	-

Program Description	Voted Funds after virement	Actual Expenditure	Variance
<b>Administration</b>	324,537	315,101	9,436
Of the R9.4m saving, R4,5m relates to compensation of additional staff transferred to other departments. The balance on this saving is as a result of adherence to the Province's austerity measures.			
<b>Sustainable Resource Management</b>	41,287	32,734	8,553
Of the R8.5m saving in this Program, R6.1m relates to Land Care conditional grant received from National Dept. of Agric. The process involved in approving business plans at National level and the need to involve benefiting communities resulted in this under-spending.			
<b>Farmer Support and Development</b>	351,895	319,552	32,343
Of the R32.3m saving, R25.8m relates to CASP conditional grant received from National. The balance on this saving is as a result of adherence to the Province's austerity measures.			
<b>Veterinary Services</b>	91,485	88,114	3,371
The under-spending incurred in this Program is as a result of adherence to austerity measures.			
<b>Technical Research and Development Services</b>	36,801	33,737	3,064
The under-spending incurred in this Program is as a result of adherence to austerity measures.			
<b>Agricultural Economics</b>	4,213	3,217	996
The under-spending incurred in this Program is as a result of adherence to austerity measures.			
<b>Structured Agric. Training</b>	31,925	29,480	2,445
The under-spending incurred in this Program is as a result of adherence to austerity measures.			

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
VOTE 8**

**NOTES TO THE APPROPRIATION STATEMENTS  
*for the year ended 31 March 2005***

**4.2 Per Economic classification**

**R'000**

**Current payment:**

Compensation of employees	458,713
Goods and services	173,452
Interest and rent on land	-
Financial transactions in assets and liabilities	-
Unauthorised expenditure approved	-

**Transfers and subsidies:**

Provinces and municipalities	1,387
Departmental agencies and accounts	4,500
Universities and Technikons	10,500
Public corporations and private enterprises	17,500
Foreign governments and international organisations	
Non-profit institutions	146,685
Households	-

**Payments for capital assets:**

Buildings and other fixed structures	
Machinery and equipment	8,399
Heritage assets	
Biological or cultivated assets	
Software and other intangible assets	
Land and subsoil assets	

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE 8**

**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	881,425	733,379
Statutory appropriation	2	718	685
Appropriation for unauthorised expenditure approved		-	-
Departmental revenue	3	-	-
Local and foreign aid assistance		-	-
<b>TOTAL REVENUE</b>		<b>882,143</b>	<b>734,064</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	458,713	450,103
Goods and services	5	173,452	177,786
<b>Total current expenditure</b>		<b>632,165</b>	<b>627,889</b>
<b>Transfers and subsidies</b>	7	<b>181,372</b>	<b>27,000</b>
<b>Expenditure for capital assets</b>			
Machinery and Equipment	8	8,399	97,072
<b>Total expenditure for capital assets</b>		<b>8,399</b>	<b>97,072</b>
<b>TOTAL EXPENDITURE</b>		<b>821,936</b>	<b>751,961</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>60,207</b>	<b>-17,897</b>
Add back unauthorised expenditure		-	33,071
Add back fruitless and wasteful expenditure		-	-
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>60,207</b>	<b>15,174</b>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	12	60,207	15,174
Departmental receipts to be surrendered to the Revenue Fund	13	-	-
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>60,207</b>	<b>15,174</b>

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE 8**

**STATEMENT OF FINANCIAL POSITION  
at 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
<b>ASSETS</b>			
<b>Current assets</b>		83,957	86,154
Unauthorised expenditure	6	74,272	74,272
Cash and cash equivalents	9	3,212	
Prepayments and advances	10	554	
Receivables	11	5,919	11,882
<b>Non-current assets</b>		-	-
<b>TOTAL ASSETS</b>		83,957	86,154
<b>LIABILITIES</b>			
<b>Current liabilities</b>		83,957	86,154
Voted funds to be surrendered to the Revenue Fund	12	77,648	39,463
Departmental revenue to be surrendered to the Revenue Fund	13	45	3,988
Bank overdraft	14	-	39,008
Payables	15	6,264	3,695
<b>Non-current liabilities</b>			
Payables		-	-
<b>TOTAL LIABILITIES</b>		83,957	86,154
<b>NET ASSETS</b>		-	-
<b>Represented by:</b>			
Capitalisation reserve		-	-
Recoverable revenue		-	-
<b>TOTAL</b>		-	-



**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**CASH FLOW STATEMENT  
for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts		868,338
Annual appropriated funds received		859,402
Statutory appropriated funds received		718
Appropriation for unauthorised expenditure received		-
Departmental revenue received		2,809
Net (increase)/decrease in working capital		5,409
Surrendered to Revenue Fund		-6,798
Current payments		-629,596
Transfers and subsidies paid		-181,372
<b>Net cash flow available from operating activities</b>	16	50,572
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital assets		-8,399
Proceeds from sale of capital assets		47
Proceeds from sale of investments		-
Proceeds from sale of other financial assets		-
(Increase)/decrease in loans granted		-
<b>Net cash flows from investing activities</b>		-8,352
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution/dividend to government		-
Increase/(decrease) in loans received		-
<b>Net cash flows from financing activities</b>		-
Net increase/(decrease) in cash and cash equivalents		42,220
Cash and cash equivalents at the beginning of the period		-39,008
<b>Cash and cash equivalents at end of period</b>	9	3,212

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**1. Annual Appropriation**

- 1.1** Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments (Equitable Share):\*\*

	<b>Final Appropriation R'000</b>	<b>Actual Funds Received R'000</b>	<b>Variance over/(under) R'000</b>	<b>Total Appropriation 2003/04 R'000</b>
Administration	324,537	330,974	-6,437	279,319
Sustainable Resource Management	41,287	34,233	7,054	52,953
Farmer Supp. And Dev.	351,895	334,759	17,136	262,325
Veterinary Services	91,485	93,925	-2,440	92,052
Tech. Res. & Dev. Serv	36,801	35,265	1,536	24,256
Agric. Economics	4,213	172	4,041	0
Structured Agric. Training	31,925	30,792	1,133	22,474
<b>Total</b>	<b>882,143</b>	<b>860,120</b>	<b>22,023</b>	<b>733,379</b>

Provide explanation of material variances including whether or not application will be made for a rollover.

**1.2 Conditional grants**

	<i>Note</i>	<b>2004/05</b>	<b>2003/04</b>
Total grants received	<i>Annex 1A</i>	<u>54,809</u>	<u>8,000</u>

\*\* It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.

**2. Statutory Appropriation**

	<b>2004/05</b>	<b>2003/04</b>
President and Deputy President's salaries		
Minister and deputy ministers salaries		
Member of executive committee/parliamentary officers	718	685
Judges' salaries		
Sector education and training authorities (SETA)		
National Skills Fund		
	<u>718</u>	<u>685</u>

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**3. Departmental revenue to be surrendered to revenue fund**

	<i>Notes</i>	<b>2004/05</b>	<b>2003/04</b>
Sales of goods and services other than capital assets		2,148	0
Interest, dividends and rent on land		10	7
Sales of capital assets		46	191
Recoverable revenue received		<b>0</b>	<b>4,234</b>
Financial transactions in assets and liabilities	<i>3.1</i>	651	0
<b>Total revenue collected</b>		<b>2,855</b>	<b>4,432</b>
<b>Less: Departmental Revenue Budgeted</b>		<b>2,855</b>	<b>4,432</b>
<b>Departmental revenue collected</b>		<b>0</b>	<b>0</b>

**3.1 Financial transactions in assets and liabilities**  
**Nature of loss recovered**

	<b>2004/05</b>	<b>2003/04</b>
Cheques written back		
Other	651	
	<u>651</u>	

**4 Compensation of employees**

**4.1 Salaries and Wages**

	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
Basic salary	333,862	325,948
Performance award	7,016	0
Service Based	39,667	0
Compensative/circumstantial	928	50,984
Periodic payments	5	0
Other non-pensionable allowances	2,102	0
	<u>383,580</u>	<u>376,932</u>

**4.2 Social contributions**

**4.2.1 Short-term employee benefits**

Pension	49,925	48,811
Medical	25,066	24,360
Bargaining council	142	0
	<u>75,133</u>	<u>73,171</u>

**Total compensation of employees**

<u>458,713</u>	<u>450,103</u>
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**Average number of employees**

<u>3600</u>	<u>5916</u>
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**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE 8**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**5. Goods and services**

	<i>Note</i>	<b>2004/05</b>	<b>2003/04</b>
		<b>R'000</b>	<b>R'000</b>
Advertising		990	467
Attendance Fees		188	0
Bank charges and card fees		110	81
Bursaries (employees)		428	3,288
Communication		12,195	5,024
Computer services		4,852	
Consultants, contractors and special services		51,769	139,634
Courier and delivery services		63	0
Drivers' licences and permits		6	0
Entertainment		1,487	667
External audit fees	5.1	1,410	2,004
Equipment less than R5000		2,200	757
Inventory	5.2	39,658	6,527
Learnerships		428	0
Legal fees		9,196	5,745
Maintenance, repairs and running cost		2,814	1,816
Medical Services		179	
Operating leases		13,987	
Photographic services		2,941	
Printing and publications		-	141
Professional bodies and membership fees		1	50
Resettlement cost		824	498
Owned leasehold property expenditure		1,688	152
Transport provided as part of the departmental activities		-	5,345
Travel and subsistence	5.3	23,001	4,175
Venues and facilities		182	
Protective, special clothing & uniforms		37	
Training & staff development		2,818	
Previous years unallocated items (-800,000-00)			1,415
		<u>173,452</u>	<u>177,786</u>

**5.1 External audit fees**

Regularity audits	<u>1,410</u>	<u>2,004</u>
<b>Total external audit fees</b>	<u>1,410</u>	<u>2,004</u>

**5.2 Inventory (purchased during the year)**

Construction work in progress	26	0
Other inventory	145	0
Strategic stock	243	0
Agricultural	2,070	1,164
Domestic consumables	2,981	495
Learning and teaching support material	135	0
Food and Food supplies	153	0
Fuel, oil and gas	4,753	45
Laboratory consumables	436	0
Other consumables	70	0



**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
Parts and other maintenance material	2,705	2,900
Stationery and printing	3,315	45
Veterinary supplies	22,064	1,878
Restoration and fittings	558	0
Medical supplies	5	0
	<u>39,658</u>	<u>6,527</u>
<b>5.3 Travel and subsistence</b>		
Local	22,963	4,062
Foreign	38	113
<b>Total travel and subsistence</b>	<u>23,001</u>	<u>4,175</u>
<b>6 Unauthorised expenditure</b>		
<b>6.1. Reconciliation of unauthorised expenditure</b>		
Opening balance	74,272	41,201
Unauthorised expenditure – current year	-	33,071
Unauthorised expenditure approved by Parliament/Legislature – current expenditure	-	-
Unauthorised expenditure approved by Parliament/Legislature – expenditure for capital assets	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	<u>74,272</u>	<u>74,272</u>
<b>6.2 Unauthorised expenditure</b>		
<b>Incident</b>		
Administration		13,062
Agricultural Engineering		6,851
Projects & Planning		13,158
		<u>33,071</u>
<b>Disciplinary steps taken/criminal proceedings</b>		
<b>7. Transfers and subsidies</b>		
	<i>Notes</i>	
Provinces and municipalities	<i>Annex 1C</i>	1,387
Departmental agencies and accounts	<i>Annex 1D</i>	4,500
Universities and Technikons	<i>Annex 1E</i>	10,500
Public corporations and private enterprises	<i>Annex 1F</i>	11,500
Households	<i>Annex 1I</i>	17,500
		<u>147,485</u>
		<u>181,372</u>
		<u>27,000</u>

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

		2004/05 R'000	2003/04 R'000
<b>8. Expenditure for capital assets</b>			
Buildings and other fixed structures	<i>Annex 4</i>	-	-
Machinery and equipment	<i>Annex 4</i>	8,399	7,372
Heritage assets	<i>Annex 4</i>	-	-
Biological or cultivated assets	<i>Annex 4</i>	-	-
Land and subsoil assets	<i>Annex 4</i>	-	-
Software and other intangible assets	<i>Annex 5</i>	-	337
<b>Total</b>		<u>8,399</u>	<u>7,709</u>
The comparatives for Capital Expenditure are not included in the current financial period as per the directive from National Treasury guide lines			
The following amount for Compensation of employees has been included in Expenditure for capital assets			
		<u>                    </u>	<u>                    </u>
<b>9. Cash and cash equivalents</b>			
Consolidated Paymaster General Account		- 31,602	
Fund requisition account			
Cash receipts			
Disbursements			
Cash on hand		34,814	
Cash with commercial banks			
Cash in transit		<u>3,212</u>	<u>                    </u>
		<u>                    </u>	<u>                    </u>
<b>10 Prepayments and advances</b>			
<b>Description</b>			
Staff advances		-	-
Travel and subsistence		554	-
Prepayments		-	-
Advances paid to other entities		-	-
Claims recoverable		<u>-</u>	<u>-</u>
		<u>554</u>	<u>                    </u>

## 11. Receivables

		Less than one year	One to three years	Older than three years	Total	Total
Amounts owing by other entities	<i>Annex 7</i>					8,339
Staff debtors	<i>16.1</i>	2,161	3,302		5,463	3,302
Clearing accounts	<i>16.2</i>					
Other debtors	<i>16.3</i>	456			456	241
		<u>2,617</u>	<u>3,302</u>		<u>5,919</u>	<u>11,882</u>

### 11.1 Staff debtors

Debt Account	5,302	3,128
FMS Deductions disallowance	-	116
Salary related debts	161	58
	<u>5,463</u>	<u>3,302</u>

### 11.2 Other debtors

Tax Debt	453	134
Inter. Responsibility Clearance Account	0	35
FMS: Int/Ext Fraud	0	3
FMS: Cheque Discrepancies	0	6
Claims Recoverable	0	8
Other Debtors & Adjustment to agree AFS	0	4
Unpaid Re-Call BAS EBT	3	51
	<u>456</u>	<u>241</u>

## 12. Voted funds to be surrendered to the Revenue Fund

Opening balance	39,463	24,289
Transfer from Statement of Financial Performance	60,207	15,174
Voted funds not requested/not received	-22,022	
Paid during the year	-	
Closing balance	<u>77,648</u>	<u>39,463</u>

## 13. Departmental receipts to be surrendered to the Revenue Fund

Opening balance	3,988	3,203
Transfer from Statement of Financial Performance	0	0
Departmental Revenue Budgeted	2,855	4,432
Paid during the year	-6,798	-3,647
Closing balance	<u>45</u>	<u>3,988</u>

## 14. Bank overdraft

Paymaster General Account	0	39,008
	<u>0</u>	<u>39,008</u>

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE 8**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**15 Payables – current**  
**Description**

				2004/05	2003/04
	Notes	30 Days	30+ Days	Total	Total
Amounts owing to other departments	Anex 7				387
Advances received	21.1			0	1
Clearing accounts	21.2		3,074	3,074	968
Other payables	21.3		3,190	3,190	2,339
			<u>6,264</u>	<u>6,264</u>	<u>3,695</u>
<b>15.1 Advances received</b>					
Salary Advances				0	1
				<u>0</u>	<u>1</u>
<b>15.2 Clearing accounts</b>					
Deduction Disallowance					275
Cancel Chq/Re-issue				48	16
Persal ACB Recall				2,959	146
Garnishee Order Deduction				28	14
Medical Aid Deduction				39	77
Leave Gratuity Control Account				0	397
State Guarantee				0	43
				<u>3,074</u>	<u>968</u>
<b>15.3 Other payables</b>					
Claims Payables				420	1,090
Receivable Income				781	783
Pension Recoverable				1,700	0
Tax RSA				0	177
Pension Debt				281	242
Salary Reversal				0	47
Private Telephone				8	0
				<u>3,190</u>	<u>2,339</u>



**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

	2004/05 R'000	2003/04 R'000
<b>16. Reconciliation of net cash flow from operating activities to surplus/(deficit)</b>		
Net surplus/(deficit) as per Statement of Financial Performance	60,207	
Non-cash movements	-	
(Increase)/decrease in receivables – current	5,963	
(Increase)/decrease in prepayments and advances	-554	
(Increase)/decrease in other current assets	-	
(Increase)/decrease in other non-current assets	-	
Increase/(decrease) in payables – current	2,569	
Increase/(decrease) in current liabilities	-	
Increase/(decrease) in non-current liabilities	-	
Departmental revenue budgeted	2,856	
Proceeds from sale of equipment	-47	
Surrenders	-6,798	
Proceeds from sale of land and buildings	-	
Proceeds from sale of investments	-	
Capital expenditure	8,399	
Voted funds not requested/not received	-22,023	
Proceeds from sale of financial assets	-	
Other non-cash items	-	
<b>Net cash flow generated by operating activities</b>	<u>50,572</u>	
<b>17. Appropriated funds and departmental revenue surrendered</b>		
Appropriated funds surrendered		-
Departmental revenue surrendered	6,798	3,647
	<u>6,798</u>	<u>3,647</u>

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

		<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>18. Contingent liabilities</b>				
<b>Liable to</b>	<b>Nature</b>			
Motor vehicle guarantees	Employees	<i>Annex 3</i>		
Housing loan guarantees	Employees	<i>Annex 3</i>	8,088	6,620
Other guarantees		<i>Annex 3</i>		
Claims				
Other departments (interdepartmental unconfirmed balances)		<i>Annex 7</i>	1,943	100
Capped leave commitments			139,421	
Other				
			<u>149,452</u>	<u>6,720</u>

**Capped Leave Commitment**

The amount reflected in the note was determined by the PERSAL system and due to the uncertainty we are in the process of auditing the capped leave for the entire staff complement. Before capped leave paid out to the respective employees, the leave will be re audited. Therefore this will be an ongoing process.

**19. Accruals**

**Listed by economic classification**

	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Compensation of employees				
Goods and services		16,565	16,565	47,739
Transfers and subsidies				
Buildings and other fixed structures				105
		<u>16,565</u>	<u>16,565</u>	<u>47,844</u>

**Listed by programme level**

Administration	5,956	7,003
Sustainable Resource Management	1,404	14,407
Farmer Support & Development	5,686	14,793
Veterinary Services	1,358	8,456
Technical Research & Dev. Services	1,705	3,184
Agricultural Economics	68	0
Structured Agricultural Training	388	0
	<u>16,565</u>	<u>47,843</u>

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE 8**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

		2004/05 R'000	2003/04 R'000
<b>Confirmed balances with other departments</b>	<i>Annex 7</i>		387
			387
<b>21 Employee benefits</b>			
Leave entitlement		18,390	17,375
Thirteenth cheque		14,955	13,447
Performance bonus		33,390	30,822
<b>22. Lease Commitments</b>			
<b>29.1 Operating leases</b>			
	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
Not later than 1 year	2,233	2,233	5,475
Later than 1 year and not later than 3 years	7,141	7,141	8,849
Later than three years	175	175	3,547
Total present value of lease liabilities	9,549	9,549	17,871
<b>23 Irregular expenditure</b>			
<b>23.1 Reconciliation of irregular expenditure</b>			
Opening balance		108,049	
Irregular expenditure – current year		-	108,049
Transfer to Statement of Financial Performance – authorised losses (Condoned)		-	
Transfer to receivables for recovery (Not condoned)		-	
Irregular expenditure awaiting condonement		108,049	108,049

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE 8**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**24 Related Party Transactions**

The Department has the following institutions whose relations with our department allow us to exercise some influence in their operations and financial decisions;

- EC Rural Finance Corporation (Uvimba)
- Fort Cox Agricultural College

This ability to exercise some influence in these institution's operations and financial decisions is dictated to us by Section 38 (J) of the PFMA.

We also have a relationship with the following bodies;

- Agricultural Research Council (ARC) in as far as research on high value crops is concerned.
- National Wool Growers Association (NWGA) in as far as improvement of livestock in identified areas is concerned.
- Fort Hare University in as far as agricultural development is concerned.

**25 Senior management personnel**

The aggregate compensation of the senior management of the department and the number of individuals determined on a full time equivalent basis receiving compensation within this category, showing separately major classes of key management personnel and including a description of each class for the current period and the comparative period. Detail on each type of compensation should also be disclosed.

Member of the Executive Council	718	685
Head of Department	343	427
Chief Financial Officer	504	1,518
Chief Director	1,332	1,518
Directors	4,198	3,852
Regional Directors	1,729	2,197
	<u>8,824</u>	<u>10,197</u>

**26 Biological / Cultivated assets  
Biological / Cultivated assets on hand**

	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
Sheep	597	423
Cattle	3,002	2,093
Goats	468	237
Pigs	7	0
Poultry/Ostrich	1	1
Horses	2	0
	<u>4,077</u>	<u>2,754</u>



**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			200
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Land Care	8,766			8,766	8,766	2,646	30.2%	8,000
CASP	38,043			38,043	38,043	12,250	32.2%	0
Agri Dist.Mgt.	8,000			8,000	8,000	0	0%	0
	<b>54,809</b>	<b>-</b>	<b>-</b>	<b>54,809</b>	<b>54,809</b>	<b>14,896</b>		<b>8,000</b>

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1C  
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT	
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Reg. Serv. Council Levy					1,387		1,387	
					1,387		1,387	

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE 8**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1D**

**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRAN
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer
	R'000	R'000	R'000	R'000	R'000
Agric Research Council	4,500			4,500	4,500
	4,500	-	-	4,500	4,500

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1E**

**STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				EXPENDITURE	
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount n transferr
	R'000	R'000	R'000	R'000	R'000	R'000
Fort Cox College	10,500			10,500	10,500	
	10,500			10,500	10,500	



**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1F**

**STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRAN	
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% Availa fu Transfer
	R'000	R'000	R'000	R'000	R'000	
EC Rural Fin Corp (Uvimba)	17,500			17,500	17,500	100
<b>TOTAL</b>	<b>17,500</b>	<b>-</b>	<b>-</b>	<b>17,500</b>	<b>17,500</b>	<b>100</b>

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE 8**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 11  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer
	R'000	R'000	R'000	R'000	R'000
<b>HOUSEHOLDS</b>					
<b>Transfers</b>					
Claims Against the State	305			305	305
Leave Gratuity	23,126			23,126	23,126
Farmer Support	123,699			123,699	124,054
	147,130	-	-	147,130	147,485
<b>Subsidies</b>					
	-	-	-	-	-
<b>Total</b>	147,130	-	-	147,130	147,485

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE 8**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 3**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 – LOCAL**

<b>Guarantor institution</b>	<b>Guarantee in respect of</b>	<b>Original guaranteed capital amount</b>	<b>Opening balance 1 April 2004</b>	<b>Guarantees issued during the year</b>	<b>Guarantees released during the year</b>	<b>Guarantee in respect of year ended 31 March 2005</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
	Housing					
Absa Bank		1,632	1,503	647		
BOE Bank		614	47	-		
ECDC		5	5	-		
Firststrand Bank		631	744	-		
Meeg Bank		436	464	-		
Nedbank Ltd		161	180	-		
Peoples Bank		1,273	1,319	323		
Permanent Bank		1,249	1,135	242		
Saambou Bank		196	113	-		
Standard Bank		883	990	243		
The African Bank Ltd		97	74	13		
TNBS/Mutual Bank		75	46	-		
<b>Total</b>		<b>7,252</b>	<b>6,620</b>	<b>1,468</b>	<b>-</b>	

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 4**

**PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>						
Dwellings						
Non-residential buildings						
Investment properties						
Other structures (Infrastructure assets)						
Capital work in progress						
Heritage assets						
<b>MACHINERY AND EQUIPMENT</b>		8,399				
Computer equipment		3,973				
Furniture and office equipment		1,678				
Other machinery and equipment		2,748				
Specialised military assets						
Transport assets						
<b>BIOLOGICAL OR CULTIVATED ASSETS</b>						
<b>LAND AND SUBSOIL ASSETS</b>						
Land						
Mineral and similar non regenerative resources						
		8,399				



**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 4 (CONT.)**

**PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004**

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>						
Dwellings						
Non-residential buildings						
Investment properties						
Other structures (Infrastructure assets)						
Capital work in progress						
Heritage assets						
<b>MACHINERY AND EQUIPMENT</b>		7,372				
Computer equipment		2,204				
Furniture and office equipment		3,912				
Other machinery and equipment		1,256				
Specialised military assets						
Transport assets						
<b>BIOLOGICAL OR CULTIVATED ASSETS</b>						
<b>LAND AND SUBSOIL ASSETS</b>						
Land						
Mineral and similar non regenerative resources						
		7,372				

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 5**

**SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2005**

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Patents, Copyrights, brand names & trademarks						
Computer software						
Mastheads and publishing titles						
Recipes, formulas, prototypes, designs and models						
Service and operating rights						
Airport landing rights						
Import/export licences						
Fishing Quotas						
Utility rights						
Mineral extraction rights						
Capitalised development costs						

**SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2004**

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Patents, Copyrights, brand names & trademarks						
Computer software						
Mastheads and publishing titles						
Recipes, formulas, prototypes, designs and models						
Service and operating rights						
Airport landing rights						
Import/export licences						
Fishing Quotas						
Utility rights						
Mineral extraction rights						
Capitalised development costs						

**EASTERN CAPE - DEPARTMENT OF AGRICULTURE  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 6  
INTER-GOVERNMENT RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000

**Departments**

Treasury (Fund Releases)

8,158

National Dept. of Agric

120

Treasury

61

8,339

**Other government entities**

**TOTAL**

8,339

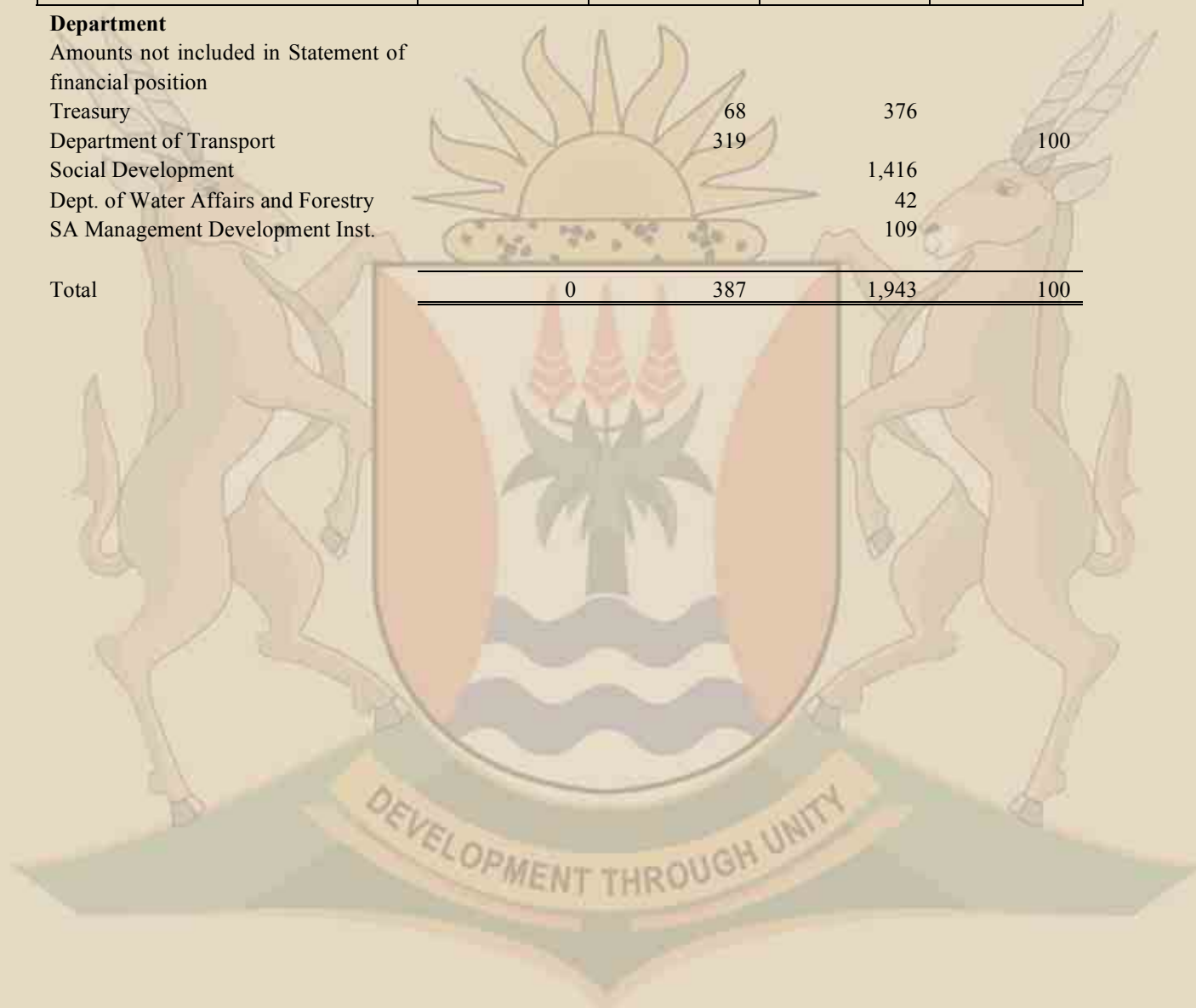
**ANNEXURE 7**  
**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000

**Department**

Amounts not included in Statement of financial position

Treasury		68	376	
Department of Transport		319		100
Social Development			1,416	
Dept. of Water Affairs and Forestry			42	
SA Management Development Inst.			109	
<b>Total</b>	<b>0</b>	<b>387</b>	<b>1,943</b>	<b>100</b>





## 5. HUMAN RESOURCE MANAGEMENT



*Senior Manager Human Resource – Mrs. L. Gower*

### Aim of the Vote

To provide dynamic support with regard to providing excellent Human Resource Management services to all customers in ensuring that the Department's strategic objectives are met.

### Key Objectives

- To provide support services to other programmes with regard to facilitating and rendering of personnel management services.
- To ensure efficient and effective employment relations practises in the workplace.
- To provide an effective behaviour risk management strategy in the form of Employee Assistance Programmes
- To facilitate and render Human Resource Development Services (Prog. 7)

### Programmes

The Directorate is composed of four sub-directorates namely;

- Human Resource Management,
- Labour Relations ,
- Employee Assistance Programmes and
- Human Resource Development.(Prog.7)

MEASURABLE OBJECTIVES	PERFORMANCE INDICATORS	ACTUAL OUTPUTS 2003-4	TARGET OUTPUTS 2004-5	ACTUAL OUTPUTS 2004-5	DEVIATION FROM TARGET	
					UNITS	%
To provide support services to the other programmes with regard to facilitating and rendering of personnel management services	No. of Performance Agreements signed	5341	5119	3296	-1823	-36%
	No. of quarterly reviews undertaken	4651	5119	2905	-2214	-43%
	No. of assessments completed	5341	5119	3523	-1596	-31%
	No. of performance pay progression paid (1%)	5341	5119	3217	-2303	-45%
	No. of performance bonuses paid	1551	768	615	102	13%
	No. of posts advertised	357	100	136	36	36%
	No. of posts filled	299	100	76	-17	-17%
	No. of probations confirmed	25	180	185	5	3%
	No. of staff transfers attended	10	12	1331	1320	11000%
	No. of employee retirements incl. ill health	113	277	284	14	5%

No. of employee deaths	126	100	93	16	16%
No. of resignations	21	15	18	5	33%
No. of gratuity benefits processed (payment facilitated)	260	235	795	300	128%
No. of pensions submitted	113	181	468	287	158%
No. of housing subsidies approved	35	35	25	-10	-29%
No. of medical aids applications	30	30	49	19	63%
No. of staff files under control	5341	5119	3366	-1753	-34%
No. of files audited	5341	5119	4784	-335	-7%
No. of staff with system generated ID's	2	0	3	3	100%
No. of frozen salaries	76	0	13	13	100%
No. of terminations	272	270	386	168	62%
No. of monthly audit reports of registers	1	1	36	35	3500%
No. of IOD claims processed	7	10	14	8	80%
No. of HR policies drafted, implemented & reviewed	0	3	7	-1	-33%

MEASURABLE OBJECTIVES	PERFORMANCE INDICATORS	ACTUAL OUTPUTS 2003-4	TARGET OUTPUTS 2004-5	ACTUAL OUTPUTS 2004-5	DEVIATION FROM TARGET	
					UNITS	%
To ensure efficient and effective employment relations practices in the workplace	No. of disciplinary hearings handled	22	20	47	77	385%
	No. of disciplinary hearings finalised and sanctions delivered	22	20	46	59	295%
	No. of grievances handled	55	20	274	180	900%
	No. of grievances resolved	12	20	56	163	815%
	No. of conciliation/arbitrations	4	4	15	15	375%
	No. of awareness programs	0	8	5	-3	-38%
	No. of employees reached through awareness programs	0	500	964	464	93%
To provide and effective behaviour risk management strategy in the form of EAP	No. of EAP cases	10	75	76	1	1%
	No. of HIV/AIDS cases	2	10	4	-6	-60%
	No. of case consultations	32	100	293	193	193%
	No. of marketing sessions	5	8	22	14	175%
	No. of employees reached through EAP marketing programs	130	500	1082	582	116%
	No. of prevention sessions	0	8	36	28	350%
	No. of employees reached through prevention sessions	0	500	1409	909	182%
	No. of EAP training sessions	0	8	1	-7	-88%
	No. of supervisors/shop stewards trained	0	60	0	-60	-100%
Facilitate and rendering of Human Resource Development	No. of training schedules developed	2	2	1	-1	-50%
	No. of Learnership Learners trained	0	60	60	0	0%
	No. of Interns Trained	0	75	74	-1	-1%
	No. of ABET learners	19	42	73	31	74%
	No. of WPSP implemented	1	1	1	0	0%
	No. of training & impact assessment reports developed	2	8	4	-4	-50%
	No. of bursary payments facilitated	243	30	49	19	63%
	No. of staff developed	1719	2000	1297	-91	-5%

## Challenges

<b>Challenge 1:</b> PMDS implementation and the utilisation thereof as a performance management tool still poses a challenge.
<b>Response to Challenge 1:</b> Continuous re-enforcement of the process together with an annual awareness week and ongoing awareness sessions.
<b>Challenge 2:</b> Capacitation of HR Practitioners to move from administrative role to one of more advisory/consultancy services.
<b>Response to Challenge 2:</b> Current skills and competencies of HR Practitioners to be identified in relation to the consultancy skills required and customised training programmes created based on this.
<b>Challenge 3:</b> Lack of awareness surrounding disciplinary and grievance processes.
<b>Response to Challenge 3:</b> Conduct additional awareness sessions to re-enforce disciplinary and grievance processes for supervisors/managers and employees.
<b>Challenge 4:</b> EAP – inadequate staff to provide a proper one stop service i.r.o integrated employee wellness.
<b>Response to Challenge 4:</b> HR Practitioners to be identified to undertake EAP functions but not counselling unless qualified professionally to undertake this.
<b>Challenge 5:</b> Due to payment moratorium by Provincial Treasury in March 2005 a total of approx R400 000 had to be carried over to 2005_6 (Prog 7)
<b>Response to Challenge 5:</b> Departmental skills funds for 2005_6 reduced accordingly.(Prog 7)

## Achievements

- Redeployment of one thousand two hundred and forty one (1241) staff additional to the establishment to various other Departments within the Eastern Cape as well as one hundred and sixteen (116) absorbed within the Department.
- Payment of forty backlog cases i.r.o of performance awards.
- Despite challenges around PMDS implementation, the system was fully implemented and performance awards paid out.
- Facilitated payment of seven hundred and ninety five (795) leave gratuity cases of which four hundred and eighteen (418) cases were 2003 and prior.
- Labour relations awareness sessions conducted throughout Department with nine hundred and sixty four (964) staff in attendance.
- Fifty (50) supervisors and managers were trained on disciplinary processes.
- Even though capacitation of EAP component in terms of numbers and competencies poses a challenge, great strides have been made in the marketing of the programme together with the mainstreaming of HIV/Aids workplace programme. Twenty two (22) marketing sessions undertaken reaching one thousand and eight two (1082) employees.
- EAP case consultations increased from thirty two (32) in 2003\_4 to two hundred and ninety three (293) in 2004\_5
- Successful submission of HIV/Aids workplace bid to Provincial Treasury secured R500 000 for 2005\_6.
- Intake of twenty four (24) external bursary holders to address the scarce skills in Engineering, Vets, GIS and Research (Prog 7)
- Seventy four (74) interns undertaken on six month internship programme focussing on the technical skills of the Department.(Prog 7)
- Additional twenty (20) extension officers commenced the customised BSc.Agric programme with University of Fort Hare in 2005.(Prog 7)

## Sub –Directorate: Workstudy

### Aim of the Vote

To ensure efficiency promotion services

### Key Objectives

Undertaking of functional and post establishment to maintain a rationalized and restructured department
Job Evaluation
Development of Job Descriptions
Labour Saving Devices and office space accommodation Investigations
Form design and control Investigations

### Programmes

The Sub-Directorate is composed of one sub-directorate namely, Workstudy

#### Programmes: Workstudy Sub-Directorate

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target outputs 2004/05	Actual outputs 2004/05	Deviation from Target	
					Units	%
Undertaking of functional and post establishment to maintain a rationalized and restructured department	One organogram developed.	Nil	One organogram developed with a written report and a proposed structure	One organogram developed	Nil	N/A
Job Evaluation	All posts between levels 9 & 12 evaluated	82	All posts between levels 9 & 12 evaluated by 31 <sup>st</sup> April 2004	129 posts were evaluated (56%) by 31 <sup>st</sup> March 2005	377	44 %
	Evaluation of all posts at level 13 to 15	Nil	Evaluation of all posts at level 13 to 15 by 31 <sup>st</sup> August 2005	11 posts were evaluated (48%) by 31 <sup>st</sup> August 2005	23	52 %
	Evaluation of posts at level 1 to 8	813	Evaluation of 10% of the posts at level 1 to 8 by 31 <sup>st</sup> March 2005	103 posts were evaluated (23%) by 31 <sup>st</sup> March 2005	4006	77 %
Development of Job Descriptions	Development of Job Descriptions for posts on the organogram	Nil	Development of 10% of Job Descriptions for posts on the organogram	362 Job Descriptions were developed out of a total of 3887 posts	3525	91.3 %



Labour Saving Devices and office space accommodation Investigations	Finalisation of request within two weeks time of receipt	83	All requests finalized by 31 <sup>st</sup> March 2005	No requests were received.	Nil	N/A
Form design and control Investigations	Finalisation of request within two weeks time of receipt	Nil	All requests finalized by 31 <sup>st</sup> March 2005	No requests were received	Nil	N/A

### Challenges

<b>Challenge 1:</b> The organogram did not conform with the department's strategic goals
<b>Response to Challenge 1:</b> Consultation of the stakeholders were done through out the department (head office and six districts) with a view to make an informed decision
<b>Challenge 2:</b> The department is introducing a cluster system to ensure that the services for Agriculture and homogenous functions are all clustered together.
<b>Response to Challenge 2:</b> Consultation of the stakeholders were done through out the department (head office and six districts) with a view to make an informed decision
<b>Challenge 3:</b> The farming in the Province is mostly subsistence farming which depends entirely on the department. This means that there is a need for a calibre of a post structure that will ensure adequate and relevant personnel
<b>Response to Challenge 3:</b> Consultation of the stakeholders were done through out the department (head office and six districts) with a view to make an informed decision
<b>Challenge 4:</b> The projects in this component are usually affected by the progress in projects of other components e.g., the reviewal of the organogram is normally done six months after its implementation. It is critical to note that it is implemented by Human Resource Management through and with the co-ordination and cooperation of the various line managers. If this does not happen it is difficult to review the organogram.
<b>Response to Challenge 4:</b> Management was approached to implement the existing organogram by filling all the financed / funded posts.
<b>Challenge 5:</b> The implementation of the Job Evaluation System largely depends on the provision of adequate and correct post information from the relevant sources therefore it is critical that the information received is scanned to ensure the two aspects.
<b>Response to Challenge 5:</b> The Head of Department was approached through the General Manager: Human Resource Management and Organisation Development to sensitise the Line Managers about the importance and seriousness of evaluating posts before they can advertised for filling. A decision was taken and implemented i.r.o not filling any newly created posts without being job evaluated.

**Challenge 6:** The availability of the Job Evaluation Panel Members to sit in the meetings for the moderation of the posts under evaluation is also critical as more often than not it is difficult to have the necessary quorum for the Job Evaluation meetings to proceed

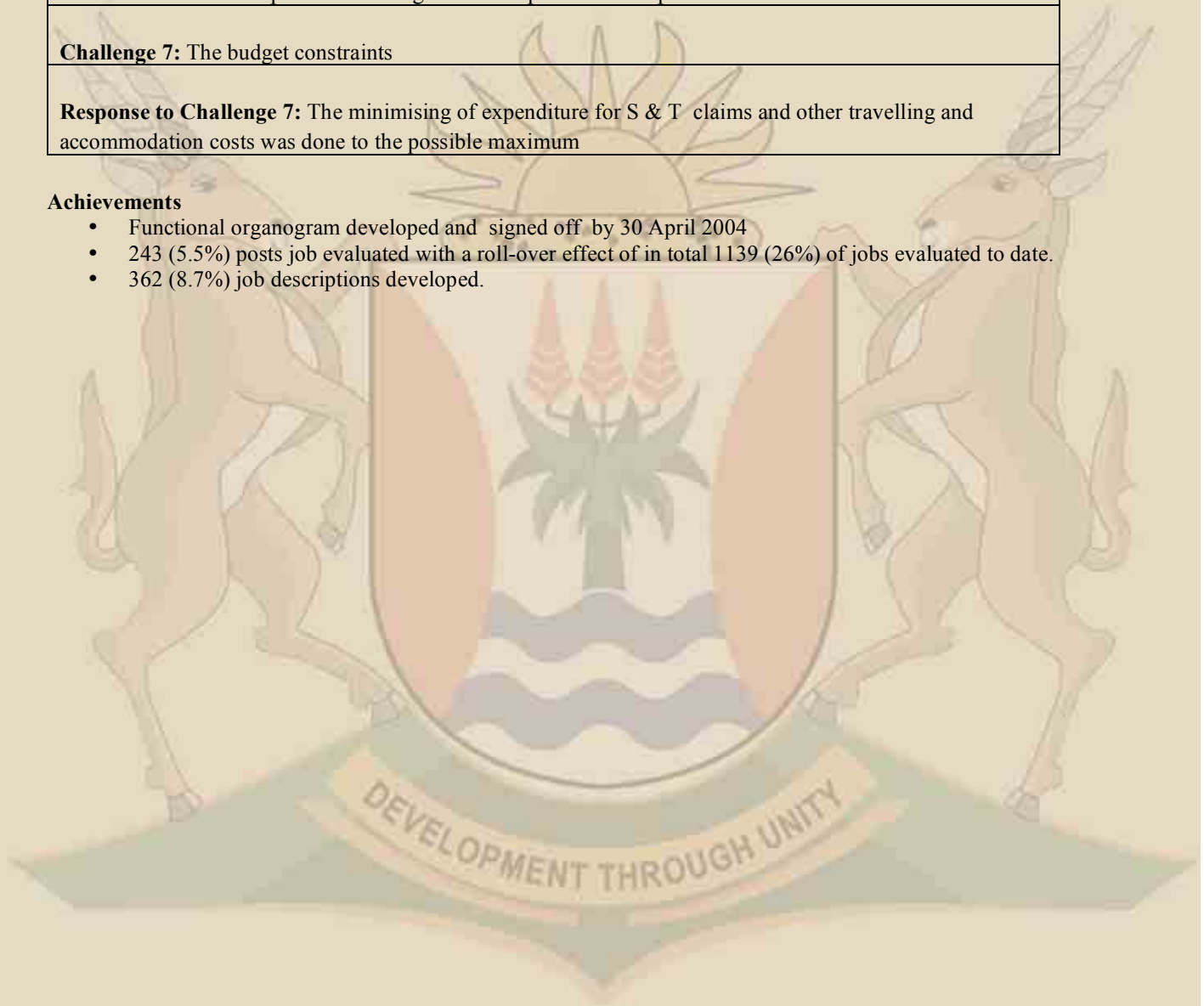
**Response to Challenge 6:** A memo was issued to all the members of the Departmental Job Evaluation Committee to sensitise them about the criticality of having the Job Evaluation meetings sittings in order to assist and facilitate the process of filling the vacant posts in the department

**Challenge 7:** The budget constraints

**Response to Challenge 7:** The minimising of expenditure for S & T claims and other travelling and accommodation costs was done to the possible maximum

**Achievements**

- Functional organogram developed and signed off by 30 April 2004
- 243 (5.5%) posts job evaluated with a roll-over effect of in total 1139 (26%) of jobs evaluated to date.
- 362 (8.7%) job descriptions developed.



## GITO (Information Technology)



Senior Manager GITO - Ms. M Mhatu

### Aim of Vote

To render administrative support to the Department through ICT services, support and equipment by utilizing internal resources and external services through the use of service providers to create an enabling environment to users of IT equipment and services.

### Key Objectives

- The management of the departmental business agreement and service level agreement with all stake holders especially SITA.
- The rendering of advice on all aspects relating to information systems and Technology to the Department.
- Ensuring security of all IT infrastructures.

### Programmes

Summary of programmes

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Performance	Deviation from Target	
					%	Units
Better service delivery and ease of use for the end-user. Legal Software deployed to all Terminals	Audit of all workstations. Continuous electronic reports from Server detecting illegal software	Corporate Business Agreement SLA	600 Workstations to be Audited	600 Workstations Audited	0%	0
Access to Transversal Applications	No. of new Users with this functionality	117	150 Network Points to be installed	178 Network Points installed	(19%)	(128)
Production of a Comprehensive policy document and guidelines for end-users	Reduction in malpractices by Users	SITA guidelines & policies	1 X ICT Policy Document to be formulated	1 X ICT Policy Document formulated	0%	0
Security and remote back-up of information and systems	Regular reports on Security and back up from SITA. Establishment of DRP and reduction in Security Risk	Unsigned SLA	1X Security Plan	0 X Security Plan	100%	1
			1 X DRP	0 X DRP	100%	1

Provisioning of electronic solutions to business needs	No. of Systems automated in accordance with best practices	3 SITA SLA's	4 X SITA SLA's to be signed	3 X SITA SLA's signed LAN & Desktop	25%	1
Keeping abreast with latest trends in technology, establish, maintain good team spirit within the GITO Component	Information Sharing Sessions	12 PGITO council & sub-committee & DITC meetings & ICT & Info sharing workshops	12 X Information Session to be conducted	8 X Information Session conducted	33%	4
Enhanced ICT communication in all offices	Number of offices with adequate connectivity	117 users connected	150 X User Configurations	140 X User Configurations	7%	10
Access to Internet, Intranet & e-mail	Number of Officials with access	3 X E-mail connectivity	150 X E-mail connectivity	132 X E-mail connectivity	12%	18
		16 X internet connectivity	50 X Internet connectivity	26 X Internet connectivity	48%	24
Creating an enabling environment for efficient and effective functioning in offices	Audit reports from all offices	294 X ICT Equipment deployed	200 X ICT Equipment to be deployed	156 X ICT Equipment deployed to Head Office & Regions	22%	44
Ensure the effective and efficient functioning of ICT equipment	Reduction in downtime of equipment of ICT	Average 170 faults per month	4 X hours Response time	5.35 X hours Response time	34%	1.35
Enhanced IT support & services to the department.	End user survey to measure client satisfaction.	Provision of services through LAN and Desktop SLA	4 X End-User Survey to be conducted	1 X End-User Survey conducted	75%	3
			75% satisfaction	30% satisfaction	60%	45%
Empowered staff	No. of Officials trained & PMS	2 IT personnel attend A+ & N+ courses	4 X IT Training Courses	2 X IT Training Courses	50%	2
			4 X PMS	0 X PMS	100%	0
Provision of quality ICT services & support to the Department through quality assurance checks	Number of SITA SLA meetings convened	PGITO SITA integration sub-committee meetings	12 X SLA meetings	8 X SLA meetings	33%	4
Establishment & production of a corporate video to enhance and create awareness of the functions & services rendered by the Department.	Number of copies of the corporate video distributed.	Corporate Video in advanced stage of development	150 copies of CD's or Video Cassettes or DVD's	138 copies	8%	12



<b>Challenge 1:</b> Availability of members, IT coordinators holding other portfolios.
<b>Response to challenge 1:</b> Scheduling meetings in advance and enabling alternate representations.
<b>Challenge 2:</b> Assessing performance of service providers and quality service.
<b>Response to challenge 2:</b> SLA meeting convened to address performance issues of service providers. Testing the market for alternative service providers.
<b>Challenge 3:</b> Filling of posts and declaring them critical.
<b>Response to challenge 3:</b> Revising organogram and proposed skilling existing staff for utilization.
<b>Challenge 4:</b> Poor infrastructure and Budgetary constraints
<b>Response to challenge 4:</b> Assistance from SITA, Seek funding from OTP, Request approval for allocation of additional funds.
<b>Challenge 5:</b> Insufficient skilled personnel
<b>Response to challenge 5:</b> Skills transfer.
<b>Challenge 6:</b> Procurement slow, and Budgetary constraints
<b>Response to challenge 6:</b> Utilizing SLA meetings to address problems with acquisition. Procurement fast tracked towards financial year end.
<b>Challenge 7:</b> Updating and maintaining website information.
<b>Response to challenge 7:</b> Direct communication with SITA for prompt updates. Communication with each unit for inputs to the website.
<b>Challenge 8:</b> Assessment of service providers, Procedures and policies shortcomings.
<b>Response to challenge 8:</b> Fault reporting procedure encouraged.
<b>Challenge 9:</b> Electronic auditing of workstations not extended to non-connected PC's.
<b>Response to challenge 9:</b> Staff deployment to regions, Special SLA

#### 1.3.2.4 Achievements

- a) Kokstad cabling of additional points being installed for which funding has been sought from PGITO - completed.
- b) Mpofu and Tsolo Colleges cabling installation in progress, application for data lines submitted for which funding has been sought from PGITO – Mpofu completed, Tsolo in progress.
- c) Aliwal North cabling completed of which funding was sought from PGITO.
- d) Dohne, Bathurst, Umtata Dam and Cradock cabling submission approved but not yet funded.
- e) Ifolder and shared folders pursued, and policies and procedures in place.

## SUB DIRECTORATE: SPECIAL PROGRAMS UNIT

### 1. Aim of the vote

To facilitate equitable access and participation by youth, women, disabled, children and the elderly in agricultural programs and projects

### 2. Key Objectives

- To monitor and evaluate the departmental programs in relation to National and Provincial Policy imperative.
- To ensure that these policy imperatives are implemented by the department in all operations
- To advise the department on developing sustainable programs to meet national and provincial policy imperatives.
- To conduct research on the impact of departmental programs pertaining to youth women and people with disabilities on communities
- To ensure that directorates **have programs to celebrate national days in honor of the target.**

### 3. Programs

- youth integration and development
- gender integration and development
- integration of disability
- integration of children and the elderly programs

### 4. Summary of programs

			ACTUAL PERFORMANCE AGAINST TARGET	
SUBPROGRAM	OUTPUTS	OUTPUT PERFORMANCE	TARGET	ACTUAL
1. Coordinate development and promotion of gender programs	Number of women programs by type and location by status	<ul style="list-style-type: none"> <li>• Increase in the number of women integrated in departmental programs and projects.</li> <li>• An increase in the number of women employed at middle management positions and senior positions.</li> <li>• An increase in the number of women (farmers) trained in Agricultural production principles.</li> <li>• A number of women projects were funded ( e.g. 1.R10 000.00 per project at Nelson Mandela Metropole for fencing and agric inputs; 2. R500 000.00 committed to Senqu Local Municipality for homestead garden project; 3. R10 000.00 for Rhodes and Rossouw women projects; 4. of the R4 million allocated</li> </ul>	<ul style="list-style-type: none"> <li>• All district Municipalities</li> <li>• At head office and all the districts</li> <li>• All districts.</li> </ul> <p>500 people participated in the female farmer from all the ditriacts</p>	<p>All the districts</p> <p>OR Tambo, Amathole and Alfred Nzo districts</p> <p>Nelson Mandela Metro, Ukhahlamba and Alfred Nzo</p> <p>500 female farmers</p>

		<p>to Ukhahlamba for massive food production 70% of beneficiaries are women;</p> <p>5. Rockliff women's project was allocated R100, 000.00 under CASP for wool production).</p> <ul style="list-style-type: none"> <li>• A number of women projects were established ( e.g. 7 elderly projects were established at Mt Frere, Mt Ayliff and Maluti</li> <li>• Groups participated in garden competitions (aim being to promote food security)</li> <li>• All district municipalities participated in the provincial female farmer competitions, in the following categories: Top producer for household, top producer for informal markets, top producer for National markets and top producer for the export market.</li> <li>• 04 Provincial winners from Fort Beaufort, Ngqamakwe, Mqanduli and Ngqeleni participated in the National female Farmer competition held in Pretoria in November 2004.</li> <li>• The GFP presented a paper at a Gender Equality and Health international conference held at Fort Hare University in June 2004.</li> </ul>		<p>participated in the female farmer from all the district</p>
2. Intergration of Disability into the departmental programs and projects	No. of Projects targeting disabled persons by type and location by status	<p>Negotiated with Bizana municipal manager for an agricultural land to be accessed to disabled persons.</p> <p>10 projects run by disabled persons in OR Thambo have received technical advise on how to sustain the projects.</p> <p>A number of other projects for disabled persons in all District Municipalities have been assisted technically and financially ( orchard- Shilo</p>	<p>All the districts</p> <p>All districts</p> <p>All ditricts</p>	<p>OR Tambo district</p> <p>OR T ambo disabled projects</p> <p>Cacadu, Chris Hani districts</p>

	No of disability awareness campaigns.	<p>Irrigation Scheme; Kareedow farm in Western Region, Crop production at Ncora Irrigation Scheme).</p> <p>EE plan is in place, HR officers and SPU have been attending EE workshops. Community awareness campaigns in Bizana , Centane and other municipalities were held.</p>	<p>Head office and all the districts</p> <p>All districts</p>	OR Tambo and Amathole districts
3. Coordinated Youth Development		<ul style="list-style-type: none"> <li>• 180 Young farmers' clubs were serviced</li> <li>• 15 Young farmers' clubs were newly established ( e.g. Bylets secondary school in Great Kei, Willy secondary school in Centane, Kwezi, Isilimela, Jokwana and Mthweni secondary schools at Qaukeni).</li> <li>• A number of "Out of school youth" projects were assisted financially and serviced ( e.g. Mbewuleni, Nywara, Sheshegu, Esinqumeni, Vukalutsha and Gugulethu received R17 000.00, R25 000.00, R34 000.00, R50 000.00and R34 355.74 respectively).</li> <li>• 28 Young farmers' clubs (4H) participated in garden competitions in November2004. Bags of fertilizers, vegetable seedlings, wheel barrow, rakes, spades and fork spades were given to winners.</li> <li>• Chris Hani DM, Alfred Ndzo DM, OR Thambo and Amathole held regional youth show championships.</li> <li>• Chris Hani, Alfred Ndzo, Amatole, Ukhahlamba and OR Tambo municipalities participated in the Provincial Youth Show Championships held at Umzimkulu Training College.</li> <li>• 66 Youth and Children from four District Municipalities participated in the following categories: Dairy Cattle; Beef Cattle; Wool sheep; Mutton Sheep, Boer goats;</li> </ul>	<p>All districts</p> <p>30 young farmers club</p> <p>All the out of school youth that need financial assistance in all the districts</p>	<p>All districts</p> <p>15 young farmers clubs</p> <p>5 Out of School youth funded at Amathole district.</p>



		<p>Angora goats; Poultry; rabbits and home industries at the National Agricultural Youth Show Championships held in September in North West Province</p> <ul style="list-style-type: none"> <li>Approximately 150 young graduates and diplomats were engaged in an internship program.</li> </ul>		
<b>4. Recognition of Constitutional Days</b>		<p>June 16 (Youth Day) was recognized by working with the Youth Commission. The department also held the Provincial Youth Show Championships.</p> <p>August 9<sup>th</sup> (women's Day) was celebrated by recognizing the best female farmer of the Province. The GFP also participated in events organized by OSW. The Department was asked to assist with R75 000.00 for the August 9 event.</p> <p>International Children's Day (2<sup>nd</sup> November) in Molteno. The department contributed thru a sponsor 26 bags of fertilizer, 2kg of carrot, beetroot, onion, butternut and lettuce seeds.</p> <p>World HIV/AIDS Day that is the 1<sup>st</sup> of December the department was part of the Provincial event, which was led by the Provincial Aids Council.</p> <ul style="list-style-type: none"> <li>International Day for the Disabled is the 3<sup>rd</sup> of December; the department was leading an economic cluster, which had build up events towards this day which was held at OR Tambo District Municipality</li> <li>16 Days of Activism (No violence against women; 25 Nov. to 10<sup>th</sup> Dec). The department was part of the provincial team which made door to door campaigns at KwaZakhele, Motherwell, Galvendale townships in Port Elizabeth.</li> </ul>		

5.

CHALLENGES	RESPONSES
1 A number of responsibilities get added to the unit without human and financial resources	When the organogram is reviewed there is a need for the addition of 2 assistant managers to look into youth development issues and into children and elderly issues
2 Lack of integration of youth, gender, disability, children and elderly into all the programmes of the department	All the directorates should submit their Operational plans to the SPU manager reflecting the integration of youth, gender, disability, children and the elderly in their programmes.
3. Apathy of senior management in attending SPU related programmes, trainings and events.	Awareness raising and presentations by SPU manager and programme managers at senior and top management meetings

## 6. Achievements

- Partnership with the Illinois University Canada has been made on youth development.
- A representative from Illinois University conducted a 4 H workshop for our Amathole District Municipality youth coordinators.
- Two higher primary schools at Bylletts and Willy have been piloted.
- As a partner in the women economic empowerment cluster the department contributed R 20 000.00 towards the buying of an office for SAWEN at Ukhahlamba.
- The department initiated a preschool program (vegetable garden) – See them grow, at Molteno-Inkwanca local municipality) and Umzimkulu local municipality. The department left a legacy on the children's day.
- A paper was presented by our GFP at an International Conference held in Alice at the University of Fort Hare, showcasing what the department has done, the impact on gender equality and health.
- Access a farm for disabled persons at Eeste Rivier in the CACADU District Municipality.
- Secured a piece of land for use by disabled people at Motherwell in the Nelson Mandela Metro.
- Integration of the disabled people in the Shilo Irrigation Scheme
- Integration of disabled people in the Ncora Irrigation Scheme
- Initiated discussions with the Chris Hani Municipality for a Toilet roll factory in Queenstown and that has been implemented.

## HUMAN RESOURCE MANAGEMENT

### Summary of personnel cost and related information

#### Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarises final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 2.1 – Personnel costs by program, 2004/05

Program	Total expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)	Employment
Prog 1	315,102	220,331	0	783	69.9	122	1,797
Prog 2	32,734	12,739	0	9,629	38.9	133	96
Prog 3	319,552	137,907	0	35,973	43.2	136	1,011
Prog 4	88,114	56,025	0	1,542	63.6	152	368
Prog 5	33,737	15,923	0	4,430	47.1	121	131
Prog 6	3,217	1,877	0	50	58.2	50	37
Prog 7	29,480	13,910	3,674	162	47.1	87	160
<b>TOTAL</b>	<b>821,936</b>	<b>458,713</b>	<b>3,674</b>	<b>52,569</b>	<b>55.8</b>	<b>127</b>	<b>3,600</b>

TABLE 2.2 – Personnel costs by salary bands, 2004/2005

Salary Bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per Employee (R)	Number of Employees
Lower skilled (Levels 1 – 2)	106,656	22.4	111,799	954
Skilled (levels 3 – 5)	71,648	15.1	90,123	795
Highly skilled production (Levels 6 – 8)	192,665	44	128,443	1,500
Highly skilled supervision (Levels 9 – 12)	77,601	16.3	235,155	331
Senior management (Levels 13 – 16)	10,143	2.2	507,150	20
<b>TOTAL</b>	<b>458,713</b>	<b>100</b>	<b>127,420</b>	<b>3,600</b>

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2004/05

Program	Salaries		Overtime		Homeowners allowance		Medical assistance		Total Personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost	
Prog 1	162,282	73.6	397	0.2	938	0.4	12,931	5.7	220,331
Prog 2	8,789	69	13	0.1	100	0.8	687	5.4	12,739
Prog 3	101,028	73.2	423	0.3	734	0.5	7,195	5.2	137,907
Prog 4	39,346	70.2	1,815	3.2	297	0.5	2,508	4.5	56,025
Prog 5	11,154	70	257	1.6	55	0.3	1,188	7.4	15,923
Prog 6	1,249	66.5	0	0	19	1.0	63	3.4	1,877
Prog 7	9,969	71.7	0	0	56	0.4	494	3.6	13,910
<b>TOTAL</b>	<b>333,817</b>	<b>72.7</b>	<b>2,905</b>	<b>0.6</b>	<b>1,902</b>	<b>0.4</b>	<b>25,066</b>	<b>5.5</b>	<b>458,713</b>

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by Salary Bands, 2004/05

Program	Salaries		Overtime		Home owner's allowance		Medical Assistance		Total Personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical assistance as a % of personnel cost	
Lower skilled (Levels 1 – 2)	76,851	72	263	0.2	66	0.1	7,144	6.7	106,656
Skilled (Levels 3 – 5)	52,637	73.4	291	0.4	106	0.1	4,304	6	71,648
Highly skilled production (Level 6 – 8)	148,133	76.9	1,617	0.8	1,180	0.6	10,704	5.6	192,665
Highly skilled supervision (Levels 9 – 12)	50,405	65	734	0.9	550	0.7	2,644	3.4	77,601
Senior Management (Levels 13 – 16)	5,791	57	0	0	0	0	270	2.6	10,143
<b>TOTAL</b>	<b>333,817</b>	<b>72.7</b>	<b>2,905</b>	<b>0.6</b>	<b>2,210</b>	<b>0.4</b>	<b>25,066</b>	<b>5.5</b>	<b>458,713</b>



## Employment and vacancies

*Table 3.1 – Employment and vacancies by Programme, 31 March 2005*

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Program 1	1,952	1,797	7.9	1074
Program 2	140	96	31.4	2
Program 3	1,280	1,011	21	0
Program 4	516	368	28.7	1
Program 5	266	131	50.7	27
Program 6	38	37	2.6	0
Program 7	214	160	25.2	0
<b>TOTAL</b>	<b>4,406</b>	<b>3,600</b>	<b>18.3</b>	<b>1,104</b>

*Table 3.2 – Employment and vacancies by salary bands, 31 March 2005*

Program	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1 – 2)	1,157	1,098	5.1	550
Skilled (Levels 3 – 5)	725	676	6.8	477
Permanent Skilled (Levels 3 – 5)	1	1	0	0
Temporary				
Highly skilled production (Levels 6 – 8)	2,120	1,543	27.2	77
Highly skilled supervision (Levels 9 – 12)	380	262	33	0
Senior management (Levels 13 – 16)	23	20	13	0
<b>TOTAL</b>	<b>4,406</b>	<b>3,600</b>	<b>18.3</b>	<b>1,104</b>

**Table 3.3 – Employment and vacancies by critical occupation 31 March 2005**

<b>Critical Occupations</b>	<b>Number of posts</b>	<b>Number of posts filled</b>	<b>Vacancy rate</b>	<b>Number of posts filled additional to the establishment</b>
Administrative related	75	62	17.3	4
Agriculture animal oceanography forestry and other scientists	169	93	45	0
Agriculture related, e.g. Agric Health Technician and other technicians	321	215	33	0
All artisans in the building metal machinery	70	70	0	64
Auxiliary and related	13	13	0	0
Biochemistry pharmacol. Zoology & life science techni	379	267	29.6	1
Building and other property caretakers	68	63	7.4	26
Bus and heavy vehicle drivers	7	7	0	3
Cartographic surveying and related technicians e.g. survey technicians, land use planners, data metrics and GIS	84	52	38.1	4
Cleaners in offices, workshops, hospitals etc	44	44	0	3
Client inform clerks (switchb recept inform clerks).	4	4	0	0
Conservation labourers,	8	8	0	8
Economists	74	32	56.8	0
Engineering sciences related,	8	7	12.5	0
Engineers and related professionals	4	1	75	0
Farm hands and labourers	986	9516	3.5	676
Farming forestry advisors and farm managers	10	10	0	0
Finance and economics related.	5	3	40	0
Financial and related professionals.	44	27	38.6	0
Financial clerks and credit controllers. Permanent	136	117	14	22
Food services aids and waiters.	111	99	10.8	0
Food services aids and waiters.	1	1	0	0
Head of department/chief executive officer	1	1	0	0
Health sciences related,	1	1	0	0
Horticulturists foresters agric& forestry tech.	684	509	25.6	0
Household and laundry workers,	5	5	0	0
Human Resources, OD & Relate Profs,	21	17	19	0
HR clerks,	83	68	18.1	0
HR related.	1	1	0	0
Information technology related.	1	0	100	0
Language practitioners interpreters & other communication,	6	3	50	0
Librarians and related professionals	2	1	50	0
Library mail and related clerks.	32	28	12.5	1
Light vehicle driver.	6	6	0	0
Logistical support personnel	40	27	32.5	0
Material recording and transport clerks	272	200	26	40
Messengers, porters and deliverers	25	25	0	14
Motor vehicle drivers,	150	142	5.3	95
Other admin& related clerks and organisers	120	94	21.7	13
Other admin policy and related officers,	31	26	16.1	3
Other information technology personnel.	3	1	66.7	0

Critical Occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Other occupations.	16	15	6.3	14
Psychologists and vocational counsellors.	0	0	0	0
Safety health and quality inspectors.	14	9	35.7	0
Secretaries & other keyboard operating clerks.	60	52	13.3	0
Security guards.	126	122	1.6	113
Security officers.	1	1	0	0
Senior Managers.	22	19	13	0
Social sciences related.	1	1	0	0
Statisticians and related professionals.	7	1	85.7	0
Trade labourers.	95	79	16.8	0
Veterinarians.	40	19	52.5	0
Veterinary assistants.	11	9	18.2	0
<b>TOTAL</b>	<b>4406</b>	<b>3600</b>	<b>18.3</b>	<b>1104</b>

### Job evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organization. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

Table 4.1 – Job evaluation, 1 April 2004 – 31 March 2005

Salary Band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number of posts upgraded	% of posts evaluated	Number of posts downgraded	% of posts evaluated
Lower skilled (Levels 1 – 2)	1157	0	0	0	0	0	0
Skilled (Levels 3 – 5)	726	21	2.9	0	0	0	0
Highly skilled production (Levels 6 – 8)	2123	82	3.8	0	0	0	0
Highly skilled supervision (Levels 9 – 12)	377	129	34	0	0	0	0
Senior Management Service Band A	18	8	44	0	0	0	0
Senior Management Service Band B	4	3	75	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>4406</b>	<b>243</b>	<b>5.5</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2004 – 31 March 2005

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

Table 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 To 31 March 2005 (In terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0	0	0	N/A
N/A	0	0	0	N/A
N/A	0	0	0	N/A
N/A	0	0	0	N/A
TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEEDED THE LEVEL DETERMINED BY JOB EVALUATION IN 2004/05				
PERCENTAGE OF TOTAL EMPLOYMENT				

Table 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
EMPLOYEES WITH A DISABILITY					0

## EMPLOYMENT CHANGES

Table 5.1 – Annual turnover rates by salary band for the period 1 Apr 2004 to 31 Mar 2005

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover Rate
Lower skilled (Levels 1 – 2) Permanent	2529	0	294	11.6
Lower skilled (Levels 1 – 2) Temporary	1	0	0	0
Skilled (Levels 3 – 5)	952	9	87	9.1
Highly skilled production (Levels 6 – 8)	1528	31	47	3
Highly skilled supervision (Levels 9 – 12)	312	15	9	2.9
Senior Management Service A	14	2	1	7.1
Senior Management Service B	4	1	0	0
Senior Management Service C	0	1	0	0
<b>Total</b>	<b>5341</b>	<b>59</b>	<b>438</b>	<b>7.9</b>



Table 5.2 – Annual turnover rates by critical occupation for the period 1 Apr 2004 – 31 Mar 2005

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative related	49	7	0	0
Agriculture animal oceanography forestry & other scientists	68	3	2	2.9
Agriculture related e.g. AHT	137	16	5	3.6
All artisans in the building metal machinery e.g. Industrial Technician	111	0	1	0.9
Auxiliary and related workers.	15	0	0	0
Biochemistry pharmacol. Zoology & life scie.techni	320	1	10	3.1
Building and other property caretakers.	216	0	17	7.9
Bus and heavy vehicle drivers.	47	0	3	6.4
Cartographic surveying and related technicians	62	0	6	9.7
Civil engineering technicians.	2	0	0	0
Cleaners in offices workshops hospitals etc.	25	0	0	0
Computer programmers.	1	0	0	0
Conservation labourers.	703	0	98	13.9
Economists	15	5	0	0
Electrical and electronics engineering technicians	1	0	0	0
Engineering sciences related.	6	1	0	0
Engineers and related professionals.	2	0	0	0
Farm hands and labourers.	1242	0	125	10
Farm hands and labourers.	1	0	0	0
Farming forestry advisors and farm managers	4	2	1	25
Finance and economics related.	20	3	0	0
Finance and related professionals.	35	1	0	0
Financial clerks and credit controllers.	62	6	1	1.6
Fire fighting and related workers.	2	0	0	0
Food services aids and waiters.	7	0	0	0
Forestry labourers.	1	0	0	0
Handcraft instructors.	1	0	0	0
Health sciences related.	1	0	0	0
Horticulturists foresters agricul & forestry.	515	2	15	2.9
Household and laundry workers.	2	0	1	50
Human resources & organisational development	14	0	0	0
Human resources clerks.	49	0	1	2
Human Resources related.	2	1	0	0
Information technology related.	0	2	1	0
Inspectors of apprentices works and vehicles.	1	0	0	0
Language practitioners interpreters & other communication	3	1	2	66.7
Librarians and related professionals	1	0	0	0
Libray mail and related clerks	11	0	0	0
Light vehicle drivers.	19	0	3	15.8
Logistical support personnel.	4	0	0	0
Material-recording and transport clerks	158	0	7	4.4
Messengers porters and deliverers	12	0	0	0
Meteorologists statistical & related technicians	3	0	0	0
Mining geology & geophysical & related technician	1	0	0	0

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Motor vehicle drivers.	227	1	39	17
Motorised farm and forestry plant operators	13	0	0	0
Other admin & related clerks and organisers	168	0	3	1.8
Other admin policy and related officers	86	0	2	2.3
Other occupations.	44	0	2	5
Photographic lithographic and related workers	2	0	0	0
Risk management and security services.	1	0	0	0
Road trade workers.	4	0	0	0
Road workers.	1	0	0	0
Safety health and quality inspectors.	6	0	1	16.7
Secretaries & other keyboard operating clerks.	51	3	4	7.8
Security guards & officers	616	0	77	12.7
Security Officers.	4	0	1	25
Senior managers.	18	4	2	5.9
Social Sciences related.	1	0	0	0
Statisticians and related professionals	1	0	1	100
Trade Labourers.	119	0	4	3.4
Veterinarians.	26	1	2	7.7
Veterinary assistants.	4	0	0	0
<b>TOTAL</b>	<b>5341</b>	<b>59</b>	<b>438</b>	<b>8.2</b>

Table 5.3 identifies the major reasons why staff left the Department

Termination type	Number	% of Total Terminations	% of Total Employment	Total	Total Employment
Death	116	26.5	2.1	438	5341
Resignation	20	4.5	0.4	438	5341
Expiry of contract	4	0.9	0.1	438	5341
Dismissal – discharge (abscondment)	6	1.4	0.1	438	5341
Dismissal – misconduct	1	0.2	0.02	438	5341
Discharge due to ill-health	10	2.3	0.2	438	5341
Retirement	281	64.2	5.3	438	5341
<b>TOTAL</b>	<b>438</b>	<b>100</b>	<b>8.2</b>	<b>438</b>	<b>5341</b>
<b>TOTAL NUMBER OF EMPLOYEES WHO LEFT AS A % OF THE TOTAL EMPLOYMENT 8.2%</b>					

Resignations as % of employment: 0.4

Table 5.4 – Appointments & Pay Progressions per Occupation

Occupation	Employment at Beginning of Period	Appointment to another salary Level	Appointments a % of Employment	Pay Progressions to another notch within salary level	Pay progression as a % of employment
Administrative related	49	6	12.2	30	61.2
Agriculture animal oceanography forestry & other scientists	68	2	2.9	33	48.5
Agriculture related e.g. AHT	136	2	1.5	319	22.8
All artisans in the building metal machinery e.g. Industrial Technician	111	0	1	70	63.1
Auxiliary and related workers.	15	0	0	12	

Occupation	Employment at Beginning of Period	Appointment to another salary Level	Appointments a % of Employment	Pay Progressions to another notch within salary level	Pay progression as a % of employment
					80
Biochemistry, Zoology & life science technology	321	1	10	133	41.6
Building and other property caretakers.	216	0	17	137	63.4
Bus and heavy vehicle drivers.	47	0	0	30	63.8
Cartographic surveying and related technicians	62	2	3.2	21	33.9
Civil engineering technicians.	2	0	0	1	50
Cleaners in offices workshops hospitals etc.	25	0	0	20	80
Computer programmers.	1	0	0	1	100
Conservation labourers.	703	0	01	360	51.2
Economists	15	0	0	3	20
Electrical and electronics engineering technicians	1	0	0	0	0
Engineering sciences related.	6	0	0	4	66.7
Engineers and related professionals.	2	0	0	1	50
Farm hands and labourers.	1243	0	0.1	641	51.6
Farming forestry advisors and farm managers	4	2	50	1	25
Finance and economics related.	20	2	0	10	50
Finance and related professionals.	35	2	5.7	22	62.9
Financial clerks and credit controllers.	62	0	0	43	69.4
Fire fighting and related workers.	2	0	0	2	100
Food services aids and waiters.	7	0	0	6	85.7
Forestry labourers.	1	0	0	0	0
Handcraft instructors.	1	0	0	0	100
Health sciences related.	1	0	0	1	100
Horticulturist's forester's agricul & forestry.	515	0	0	256	49.7
Household and laundry workers.	2	0	0	0	0
Human resources & organisat development	14	0	0	8	57.1
Human resources clerks.	49	2	4.1	40	81.6
Human Resources related.	2	0	0	1	

Occupation	Employment at Beginning of Period	Appointment to another salary Level	Appointments a % of Employment	Pay Progressions to another notch within salary level	Pay progression as a % of employment
					50
Inspectors of apprentices works and vehicles.	1	0	0	1	100
Language practitioners interpreters & other communication	3	0	0	1	33.3
Librarians and related professionals	1	0	0	1	100
Library mail and related clerks	11	0	0	5	45.5
Light vehicle drivers.	19	0	0	7	36.8
Logistical support personnel.	4	0	0	1	25
Material recording and transport clerks	158	0	0	98	62
Messengers porters and deliverers	12	0	0	10	83.3
Meteorologists statistical & related technicians	3	0	0	2	66.7
Mining geology & geophysical & related technician	1	0	0	1	100
Motor vehicle drivers.	227	0	0	105	46.3
Motorised farm and forestry plant operators	13	0	0	12	92.3
Other admin & related clerks and organisers	172	0	3	112	66.7
Other admin policy and related officers	86	1	1.2	48.8	55.8
Other occupations	40	0	0	44	110
Photographic lithographic and related workers	2	0	0	1	50
Risk management and security services.	1	0	0	1	100
Road trade workers.	4	0	0	4	100
Road workers.	1	0	0	0	0
Safety health and quality inspectors.	6	0	1	2	33.3
Secretaries & other keyboard operating clerks.	51	2	3.9	36	70.6
Security guards	616	0	78	302	49.1
Security Officers	4	0	1	3	75
Senior managers.	18	0	0	2	10
Social Sciences related.	1	0	0	0	0
Statisticians and related professionals	1	0	0	1	100
Trade Labourers.	119	0	0	86	72.3
Veterinarians.	26	0	2	9	34.6

Occupation	Employment at Beginning of Period	Appointment to another salary Level	Appointments a % of Employment	Pay Progressions to another notch within salary level	Pay progression as a % of employment
Veterinary assistants.	4	0	0	1	25
<b>TOTAL</b>	<b>5341</b>	<b>24</b>	<b>0.4</b>	<b>2816</b>	<b>52.7</b>

Table 5.5 – Appointments and Pay Progression per Salary Bands

Salary Band	Employment at beginning of period	Appointments to another salary level	Appointments as a % of employment	Pay Progressions to another notch within a salary level	Pay progressions as a % of employment
Lower skilled (Levels 1 – 2) Permanent	2529	0	0	1347	53.3
Lower skilled (Levels 1 – 2) Temporary	1	0	0	0	0
Skilled (Levels 3 – 5)	952	0	0.2	528	55.5
Highly skilled production (levels 6 – 8)	1528	10	0.8	826	54.1
Highly skilled supervision (levels 9 – 12)	311	14	2.34	113	36.3
Senior management (Levels 13 – 16)	20	0	0.6	2	10
<b>TOTAL</b>	<b>5341</b>	<b>24</b>	<b>0.4</b>	<b>2816</b>	<b>52.7</b>

## EMPLOYMENT EQUITY

Table 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2005

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	0	1	5	3	0	0	1	20
Professionals, technicians and associate professionals	925	11	3	84	347	1	1	24	1,396
Clerks	132	0	0	1	310	5	1	31	480
Service and sales workers	145	3	0	0	23	0	0	2	173
Craft and related trades workers	101	0	0	0	0	0	0	0	101
Plant and machine operators and assemblers	166	0	0	0	2	0	0	0	168
Elementary occupations	1,025	12	0	0	215	8	0	2	1,262
<b>TOTAL</b>	<b>2,504</b>	<b>26</b>	<b>4</b>	<b>90</b>	<b>900</b>	<b>14</b>	<b>2</b>	<b>60</b>	<b>3,600</b>
<b>EMPLOYEES WITH DISABILITIES</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>



Table 6.2 – Total number of employees (Including employees with disabilities) in each of the following occupational bands as on 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	9	0	1	5	3	0	0	1	19
Professionally qualified and experienced specialists and mid management	449	5	2	67	115	1	1	14	654
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	681	5	1	16	435	3	1	45	1,186
Semi-skilled and discretionary decision making	874	9	0	1	205	6	0	1	1,096
Unskilled and defined decision making.	490	7	0	0	142	4	0	0	643
<b>TOTAL</b>	<b>2,504</b>	<b>26</b>	<b>4</b>	<b>90</b>	<b>900</b>	<b>14</b>	<b>2</b>	<b>60</b>	<b>3,600</b>

Table 6.3: Recruitment for the period 1 April 2004 – 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	1	1	0	0	0	3
Professionally qualified and experienced specialists and mid management	6	2	0	3	0	0	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14	2	0	3	10	0	0	1	30
Semi-skilled and discretionary decision making	3	0	0	1	7	1	0	1	13
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>26</b>	<b>4</b>	<b>0</b>	<b>7</b>	<b>17</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>59</b>
EMPLOYEES WITH DISABILITIES	1	0	0	0	0	0	0	0	1

Table 6.4 – Appointments (Promotions) for the period 1 April 2004 – 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid management	10	0	0	1	2	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	1	0	3	4	0	0	0	11
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>

EMPLOYEES WITH DISABILITIES	0	0	0	0	0	0	0	0	0
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Table 6.5 – Terminations for the period 1 April 2004 – 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid management	5	0	0	3	0	0	0	1	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	38	2	0	1	10	0	0	0	51
Semi-skilled and discretionary decision making	16	0	0	0	1	0	0	0	17
Unskilled and defined decision making	325	0	0	0	36	0	0	0	361
<b>TOTAL</b>	<b>384</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>438</b>
EMPLOYEES WITH DISABILITIES	0	0	0	0	0	0	0	0	0

Table 6.6 – Disciplinary action for the period 1 April 2004 – 31 March 2005

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid management	3	0	1	0	1	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	19	0	0	0	3	0	0	0	22
Semi-skilled and discretionary decision making	12	0	0	0	0	0	0	0	12
Unskilled and defined decision making	35	1	0	0	3	0	0	0	39
TOTAL	70	1	1	0	7	0	0	0	79
EMPLOYEES WITH DISABILITIES	0	0	0	0	0	0	0	0	0

Table 6.7 – Skills Development for the period 1 April 2004 – 31 March 2005

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	132	6	1	22	154	1	1	7	324
Professionals	414	7	0	10	175	2	0	1	609
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	469	7	0	9	472	8	0	11	976
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Plant and machine operators	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL	1,015	20	1	41	801	11	1	19	1,909
EMPLOYEES WITH DISABILITIES	2	0	0	0	0	0	0	0	2

## PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review. This information is presented in terms of race, gender and disability (Table 7.1), salary bands (Table 7.2), and critical occupations (Table 7.3).

Table 7.1 – Performance rewards by race, gender and disability, 1 April 2004 – 31 Mar 2005

Beneficiary profile				Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per beneficiary(R)
African					
Male	483	2503	19.3	3,767	7,799
Female	279	899	31	2,034	7,289
Asian					
Male	3	3	100	60	19,926
Female	0	2	0	0	0
Coloured					
Male	5	26	19.2	29	5,872
Female	7	14	50	24	3,406
White					
Male	48	89	53.9	701	14,608
Female	45	61	73.8	381	8,471
Employees with a disability	0	3	0	0	0
<b>TOTAL</b>	<b>870</b>	<b>3600</b>	<b>24.2</b>	<b>6,996</b>	<b>8,041</b>

Table 7.2 – Performance reward by salary bands for personnel below senior management service, 1 April 2004 to 31 March 2005

Salary Bands	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee
Lower skilled (Levels 1 – 2)	141	954	14.8	391	2,773
Skilled (Levels 3 – 5)	106	795	13.3	453	4,274
Highly skilled production (Levels 6 – 8)	472	1500	31.5	3,841	8,138
Highly skilled supervision (Levels 9 – 12)	135	330	40.9	2,090	15,481
<b>Total</b>	<b>854</b>	<b>3579</b>	<b>23.9</b>	<b>6775</b>	<b>7933</b>

Table 7.3 – Performance Rewards by critical occupations, 1 April 2004 – 31 March 2005

Critical Occupations	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	20	66	30.3	263	13,150
Agriculture animal oceanography forestry & other science	29	65	44.6	315	10,862
Agriculture related eg AHT	46	148	31.1	793	17,239
All artisans in the building metal machinery etc	7	94	7.4	45	6,429
Auxiliary and related workers	8	18	44.4	44	5,500
Biochemistry pharmacol, zoology & life scie.techni	62	316	19.6	549	8,855
Building and other property caretakers	9	7	12.2	27	3,000

<b>Critical Occupations</b>	<b>Number of beneficiaries</b>	<b>Number of employees</b>	<b>% of total within occupation</b>	<b>Total Cost (R'000)</b>	<b>Average cost per employee</b>
Bus and heavy vehicle drivers	7	41	17.1	29	4,143
Cartographic surveying and related technicians	16	44	36.4	128	8,000
Civil engineering technicians	2	3	66.7	33	16,500
Cleaners in offices workshops hospitals etc	8	24	33.3	27	3,375
Computer programmers	1	1	100	8	8,000
Conservation labourers	29	234	12.4	82	2,828
Economists	2	17	11.8	15	7,500
Engineering sciences related	3	7	42.9	51	17,000
Engineers and related professionals	1	2	50	22	22,000
Farm hands and labourers	95	772	12.3	306	3,221
Framing forestry advisors and farm managers	2	9	22.2	10	5,000
Finance and economics related	9	19	47.4	214	23,778
Financial and related professionals	19	32	59.4	155	8,158
Financial clerks and credit controllers	25	66	37.9	164	6,560
Fire fighting and related workers	0	2	0	0	0
Food services aids and waiters	1	7	14.3	2	2,000
Forestry labourers	0	1	0	0	0
Handcraft instructors	0	1	0	0	0
HOD / CEO	0	1	0	0	0
Health sciences related	1	1	100	5	5,000
Horticulturists foresters agricul.& forestry techn	153	502	30.5	1,358	8,876
HR & OD & relate prof	6	12	50	53	8,833
HR Clerks	26	49	53.1	224	8,615
HR related	1	3	33.3	17	17,000
Inspectors of apprentices works and vehicles	0	1	0	0	0
Language practitioners interpreters & other commun	0	5	0	0	0
Librarians and related professionals	1	1	100	8	8,000
Library mail and related clerks	5	13	38.5	29	5,800
Light vehicle drivers	0	7	0	0	.
Logistical support personnel	1	3	33.3	12	12,000
Material recording and transport clerks	66	141	46.8	379	5,742
Messengers porters and deliverers	6	11	54.5	22	3,667
Mining geology & geophysical & related technicians	0	1	0	0	0
Motor vehicle drivers	9	108	8.3	47	5,222
Motorised farm and forestry plant operators	1	12	8.3	6	6,000
Other administrat & related clerks & organisers	61	155	39.4	432	7,082
Other admin policy and related officers	32	83	38.6	291	9,094
Other occupations	6	39	15.4	61	10,167
Photographic lithographic & related workers	0	1	0	0	0
Risk management and security services	0	1	0	0	0
Road trade workers	0	5	0	0	0
Road workers	1	0	0	3	3,000
Safety health and quality inspectors	1	6	16.7	15	15,000
Secretaries and other keyboard operating clerks	24	56	42.9	173	7,208



Critical Occupations	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Security guards	20	166	12.6	53	2,524
Senior Managers	15	19	78.9	189	13,500
Social sciences related	0	1	0	0	0
Statisticians and related prof	0	1	0	0	0
Trade labourers	17	100	17	46	2,706
Veterinarians	10	22	45.5	215	21,500
Vet assistants	4	5	80	47	11,750
<b>TOTAL</b>	<b>870</b>	<b>6300</b>	<b>24.2</b>	<b>6994</b>	<b>8039</b>

Table 7.4 – Performance related rewards (cash bonus) by salary band, for senior management services

SMS band	1 April 2004		31 March 2005		Change			Personnel Cost SMS (R'000)
	Number Of beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary	% of SMS Wage Bill		
A	11	15	73.3	142	1,291	2.0	6883	
B	4	4	100	61	1,525	2.0	2578	
C	0	1	0	0		0	682	
TOTAL	15	20	75	203	1356.4	2.0	10143	

Table 8.1 – Foreign worker, 1 April 2004 to 31 March 2005, by salary band

Salary Band	Employment at beginning Period	Percentage of total	Employment at end of period	Percentage of total	Change in employment	Percentage of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Highly skilled supervision /professional (Levels 9 – 12)	1	100	0	0	-1	100	1	0	-1
<b>TOTAL</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>100</b>	<b>1</b>	<b>0</b>	<b>-1</b>

Table 8.2 – Foreign worker, 1 April 2004 to 31 March 2005, by major occupation

Salary Band	Employment at beginning Period	Percentage of total	Employment at end of period	Percentage of total	Change in employment	Percentage of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Professionals and managers	1	100	0	0	-1	100	1	0	-1
<b>TOTAL</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>100</b>	<b>1</b>	<b>0</b>	<b>-1</b>

Table 9.1 – Sick Leave, 1 January 2004 to 31 December 2004

Salary Band	Total Days	% with medical certification	Days	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost	Total number of employees using sick leave	Total number of days with medical certification
Lower skilled (Levels 1 – 2)	4933	96.1		573	32.8	9	684	1749	4739
Skilled (Levels 3 – 5)	3433.5	93.5		390	22.3	9	731	1749	3212
Highly skilled production (Levels 6 – 8)	5420.5	88.4		658	37.6	8	2.054	1749	4794
Highly skilled supervision (levels 9 – 12)	696	91.1		121	6.9	6	466	1749	634
Senior Management levels 13 – 16	66	100		7	0.4	9	110	1749	66
<b>TOTAL</b>	<b>14549</b>	<b>92.4</b>		<b>1749</b>	<b>100</b>	<b>8</b>	<b>4045</b>	<b>1749</b>	<b>13445</b>

Table 9.2 – Disability Leave (Temporary and permanent, 1 January 2004 to 31 Dec 2004

Salary Band	Total Days	% with medical certification	Days	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost	Total number of days with medical certification	Total number of employees using disability leave
Lower skilled (Levels 1 – 2)	406	100		11	55	37	58	406	20
Skilled (Levels 3 – 5)	325	100		3	15	108	80	325	20
Highly skilled production (Levels 6 – 8)	147	100		5	25	29	48	147	20
Highly skilled production Levels 9 – 12	3	100		1	5	3	2	3	20
<b>TOTAL</b>	<b>881</b>	<b>100</b>		<b>20</b>	<b>100</b>	<b>44</b>	<b>188</b>	<b>881</b>	<b>20</b>

Table 9.3 – Annual leave, 1 January 2004 to 31 December 2004

Salary band	Total days taken	Average per employee	Employment
Lower skilled (Levels 1 – 2)	28767.16	17	1707
Skilled (levels 3 – 5)	16093.08	16	1000
Highly skilled production (Levels 6 – 8)	27977.64	18	1515
Highly skilled supervision (Levels 9 – 12)	5268	17	314
Senior Management (Levels 13 – 16)	300	14	21
<b>TOTAL</b>	<b>78405.88</b>	<b>17</b>	<b>4557</b>

Table 9.4 – Capped Leave, 1 January 2004 to 31 December 2004

Salary Band	Total Days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 Dec 2005	Number of employees	Total number of capped leave available at 31 Dec 2004	Number of employees as at 31 Dec 2004
Lower skilled (Levels 1 – 2)	621	7	95	84	74964	788
Skilled (Levels 3 – 5)	512	10	141	49	109106	776
Highly skilled production (Levels 6 – 8)	779	7	149	110	176615	1183
Highly skilled production (Levels 9 – 12)	267	9	165	29	48293	293
Senior management (levels 13 -16)	11	11	100	1	1302	13
<b>TOTAL</b>	<b>2190</b>	<b>8</b>	<b>134</b>	<b>273</b>	<b>410280</b>	<b>3053</b>

Table 9.5 – Leave payouts for the period 1 April 2004 to 31 March 2005

REASON	Total amount (R'000)	Number employees	Average payment per employee
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	133	15	8867
Capped leave payouts on termination of service for 2004/05	568	137	4146
Current leave payout on termination of service for 2004/05	1	3	333
<b>TOTAL</b>	<b>702</b>	<b>255</b>	<b>4529</b>

## HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 10.1 – Steps taken to reduce the risk of occupational exposure

Units / Categories of employees identified to be at high risk of contracting HIV & Related diseases (if any)	Key steps taken to reduce the risk
Nil	N/A

Table 10.1 – Details of health promotion and Aids programmes

Question	Yes	No	Details if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position	Yes		Ms. N.L. Baart, General Manager, HRM &OD
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Four designated employees with an annual budget of R1.4m (incl.salaries)
3. Has the department introduced an Employee Assistance or Health Promotion Programme for its employees? If, so, indicate the key elements/services of this Programme	Yes		Counseling, Awareness and prevention Campaigns, Education on Life Skills incl. substance abuse
4. Has the department established (a) committee (s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		No	To be finalized in 2005/2006
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		EE Policy and Employment policy in accordance with legislation
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		* Educate employees on HIV/Aids * Create a supportive and non-discriminatory environment for disclosure
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		No formalized process in place for this
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures / indicators	Yes		Measures effective from 2005_6

Table 11.2 – Misconduct and disciplinary hearings finalized, 1 April 2004 TO 31 March 2005

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	2.5
Verbal warning	23	29.1
Final written warning	9	11.4
Written Warning	25	31.6
Suspension without pay (incl. leave)	4	5.1
Demotion	3	3.8
Dismissal (incl. abscondments)	7	8.9
Not guilty	6	7.6
Case withdrawn	0	0
TOTAL	79	100%

Table 11.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Absence without authority	49	62
Misuse of government vehicles	11	14
Alleged Financial Mismanagement	3	3.8
Alleged Assault	1	1.3
Alleged sleeping whilst on duty	1	1.3
Failure to comply with a reasonable and lawful instruction		

	5	6.3
Alleged under influence of alcohol	7	8.7
Failure to arrive at work timeously	1	1.3
Alleged Rape	1	1.3
TOTAL	79	100%

Table 11.4 Grievances lodged for the period 1 Apr 2004 – 31 Mar 2005

	Number	% of total
Number of grievances resolved	183	91.5
Number of grievances not resolved	17	8.5
Total number of grievances lodged	200	100

Table 11.5 Disputes lodged with councils for the period 1 April 2004 – 31 March 2005

	Number	% of total
Number of disputes upheld (finalised)	7	36.8
Number of disputes dismissed (lack jurisdiction)	1	5.3
Number of disputes in progress	11	57.9
Total number of disputes lodged	19	100

Table 11.6 Strike actions for the period 1 April 2004 – 31 March 2005

<b>Total number of persons working days lost</b>	<b>343</b>
Total cost of working days lost	R71 234
Amount recovered as a result of no work, no pay	R71 234

Table 11.7 Precautionary suspensions for the period 1 April 2004 to 31 March 2005

<b>Number of people suspended</b>	
Number of people whose suspension exceeded 30 days	Nil
Average number of days suspended	Nil
Cost (R'000) of suspensions	Nil

## SKILLS DEVELOPMENT

Table 12.1 – Training needs identified 1 Apr 2004 – 31 Mar 2005

Occupational categories	Gender	Number of employees as at 31 March 2005	Training needs identified at start of reporting period				Total
			Learnership, Internship & Abet	Skills programmes & other short courses	Other forms of training		
Legislators, senior officials and managers	Female	3	0	68	0		68
	Male	15	0	93	0		93
Professionals, technicians and associate professionals	Female	372	0	25	4		29
	Male	1034	0	73	16		89
Clerks	Female	352	55	569	798		1422
	Male	147	34	480	0		514
Service and sale workers	Female	70	0	201	0		201
	Male	553	0	0	0		0
Skilled agriculture and fishery workers	Female	0	0	0	0		0
	Male	0	0	0	0		0
Craft and related trades workers	Female	0	0	0	0		0
	Male	119	0	0	0		0
Plant and machine operators and assemblers	Female	3	0	0	0		0
	Male	305	0	0	0		0
Elementary occupations	Female	368	101	0	0		101
	Male	2000	75	0	0		75
Sub total	Female	1168	156	863	802		1821
	Male	4173	109	646	16		771
TOTAL		5341	265	1509	818		2592



12.2 – Training provided 1 April 2004 – 31 March 2005

Occupational categories	Gender	Number of employees as at 31 March 2005	Training needs identified at start of reporting period			
			Learnership Internship & Abet	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	0	163	0	163
	Male	15	0	161	0	161
Professionals, technicians and associate professionals	Female	372	0	138	0	138
	Male	1034	0	371	0	371
Clerks	Female	352	0	455	30	485
	Male	147	0	464	19	483
Service and sale workers	Female	70	0	0	0	0
	Male	553	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	119	0	0	0	0
Plant and machine operators and assemblers	Female	3	0	0	0	0
	Male	305	0	0	0	0
Elementary occupations	Female	368	47	0	0	47
	Male	2000	61	0	0	61
Sub total	Female	1168	47	756	30	823
	Male	4173	61	996	19	1076
TOTAL		5341	108	1752	49	1909

## INJURY ON DUTY

Table 13.1 – Injury on duty, 1 April 2004 – 31 March 2005

Nature of injury on duty	Number	% of total
Required basic medical attention only	18	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
TOTAL	18	100

## UTILIZATION OF CONSULTANTS

*Table 14.1 Report on consultant Appointments using appropriate funds*

Table 14.1: Report of consultant appointments using appropriate jandis									
Project title				Total number of consultants that worked on the project		Duration : work days		Contract value in Rand	
NIL				NIL		NIL		NIL	
TOTAL PROJECTS		NUMBER OF	TOTAL INDIVIDUAL CONSULTANTS		TOTAL DURATION: WORK DAYS		RAND CONTRACT VALUE IN RAND		
NIL			NIL		NIL		NIL		

*Table 14.2 Analysis of consultant appointment using appropriated funds in terms of historically disadvantaged individuals (HDI's)*

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI Groups that work on the project
Nil			

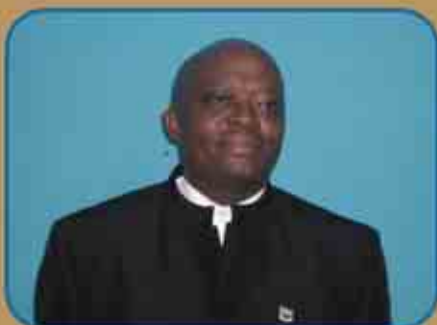
*Table 14.3 Report on consultant appointments using donor funds*

Table 14.5: Report of consultant appointments using donor funds				
Project title	Total number of consultants that worked on the project	Duration work days	Donor and contract value in rand	
Nil				
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION: WORK DAYS	TOTAL CONTRACT VALUE IN RAND	

*Table 14.4 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDI's)*

Project title	Percentage ownership by HDI groups	Percentage management by HDI Groups	Number of consultants from HDI Groups that work on the project
Nil			

## **TOP MANAGEMENT OF THE DEPARTMENT**



**Senior Regional Manager: Alfred Nzo  
Mr. SV Masabeni**



**Senior Manager - Amatole District  
Prof. D Sandi**



**Senior Manager - Ukahlamba  
Mr. L Swart**



**General Manager: Technical Services  
Mr. J Allwood**



**Chief Financial Officer  
Mr. V Menzelwa**

