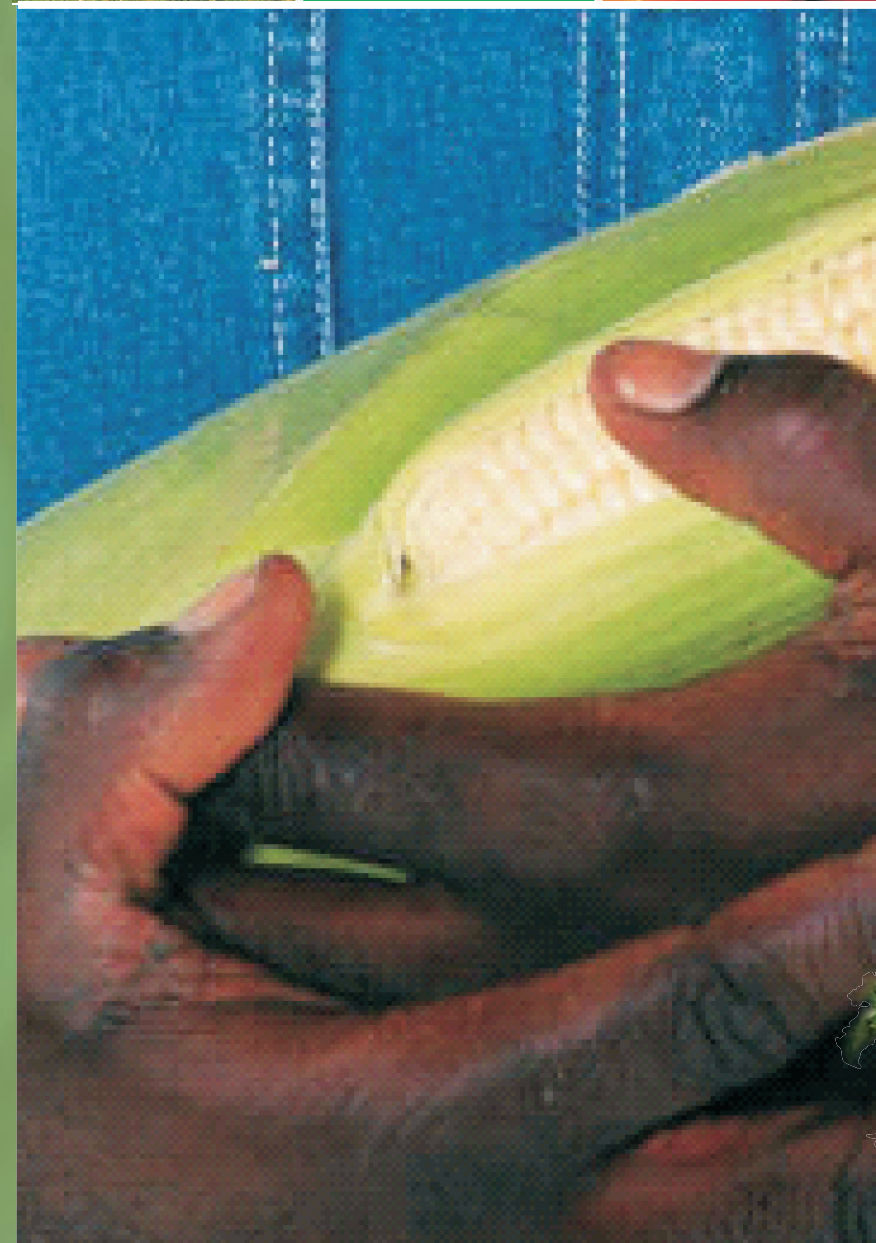


**PROVINCE OF THE EASTERN CAPE  
DEPARTMENT OF AGRICULTURE**



**ANNUAL REPORT  
for the year ended  
31 March 2006**

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# 1 GENERAL INFORMATION

## 1.1 SUBMISSION BY THE EXECUTING AUTHORITY TO THE LEGISLATURE

I am pleased to 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 2006.

I do this 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).



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



*Honourable MEC G. Nkwinti*

## 1.2 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY



*Adv Amon M Nyondo - Head of Department*

I hereby present to the Honourable member of the Executive council for Agriculture, Mr G. Nkwinti MPL, the annual report of the Eastern Cape Province Department of Agriculture for the year ended 31<sup>st</sup> March 2006.

Futhermore, I 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, prescribed by the PFMA, Act 1 of 1999, as amended.

I confirm, to the best of my knowledge and belief that the information contained herein is a fair and true account of the service delivery outcomes of the Department of Agriculture for the 2005/06 financial year.



ADVOCATE AMON NYONDO  
ACCOUNTING OFFICER  
EC - DEPARTMENT OF AGRICULTURE

### 1.3 INTRODUCTION BY THE HEAD OF DEPARTMENT

It is my pleasure to submit this report on the department's outcomes, highlights and the great strides taken during 2005/06 financial year towards meeting the objectives of the Provincial Growth and Development Plan (PGDP), including the achievements it has made through the Green Revolution in addressing the challenges of the Second Economy.

### 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 evaluating 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.
- The MEC was part of the entourage to the World Expo in Japan, Korea from 20-26 September 2005 showcasing products and opportunities from the Eastern Cape.

### 1.5 VISION

Sustainable Agricultural growth for food security and economical development.

#### 1.5.1 Mission statement

The department seeks to facilitate, promote and co-ordinate sustainable homestead food production and commercial agricultural development, through equitable access to resources and meaningful participation by all stakeholders; thus contributing to a better life for all in the Eastern Cape Province.

### 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 following legislation governs the existence of the Department and its operation:

**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**, provides agricultural credit and finance for developing farmers.

**The 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.

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

**The Meat Safety Act of 2001**, to provide for measures 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

### **1.6.1 Trading and / or public entities controlled by the Department**

Uvimba is a public entity in terms of Section (3 ) of the Public Finance Management Act 1 of 1999, (as amended) that falls under the control of the department. Accountability arrangements between the Department and the entity are regulated by the Public Finance Management Act 1 of 1999 (as amended) where *inter alia*, the department insists on obtaining written assurance from Uvimba that it implements effective, efficient and transparent financial management and internal control systems prior to transferring funds to the entities.

### **1.6.2 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 R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
821,819	821,853	787,327	34,526
<b>Responsible Member of the Executive Council</b>	Honourable Gugile Nkwinti		
<b>Administering Department</b>	Department of Agriculture		
<b>Accounting Officer of the Head of Department</b>	Adv Amon 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;

- Promotion of sustainable utilisation of natural resources.
- Encouragement of increased food and fibre production thus contributing to food security.
- Stimulation of increased economic activity from agriculture.
- Facilitating equitable access and participation by previously disadvantaged farmers to agricultural activities and resources.
- Improvement of profitability and competitiveness.
- Development of integrated and sustainable rural development.

The department continued to focus on the following;

#### 2.2.1 Siyazondla Homestead Food Production

Support of subsistence agriculture to develop homestead food security; through homestead gardens, community gardens, clinic gardens and 4H school gardens by providing starter packs, equipment and technical support.

#### 2.2.2 Siyakula Homestead Food Production

Siyakula step-up Commercial Food Production programme is a rural economic developed initiative that targets, development from small-scale operations, grain food production through subsidising input supplies, mechanisation, marketing and agro-processing by means of a conditional grant scheme.

#### 2.2.3 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 year 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.

#### 2.2.4 Farmer Settlement Support Program

Through Comprehensive Agricultural Support Program (CASP), the department supports the LRAD 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.

## 2.2.5 Primary Animal Health Care

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.

## 2.2.6 Livestock Improvement Schemes

The department operated livestock improvement schemes 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.

## 2.2.7 Agricultural 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.

## 2.2.8 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 SUMMARY OF PROGRAMMES

The agriculture sector for 2005/6 adopted uniform budget and programme structures that reflect the minimum number of programmes. The activities of the Department of Agriculture are organised in the following seven programmes:

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	LandCare
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 / Diseases
		4.3	Veterinary Public Health
		4.4	Veterinary Laboratory 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	Macro-economics and Statistics
7.	Structured Agricultural Training	7.1	Tertiary Education
		7.2	Further Education and Training (FET)

## 2.4 OVERVIEW OF SERVICE DELIVERY ENVIRONMENT FOR 2005 / 06

The overall trading environment for agriculture with rising input costs and lower product prices resulted in farmers experiencing cash flow difficulties. The maize price hit some of the lowest figures in the past four (4) years. The wool price was badly affected by the international rand / dollar exchange rate resulting in lower revenues for wool, a major export product of the Eastern Cape. The red meat price was also lower during the year. Export of ostrich meat and products was curtailed due to the Avian Flu.

The effects of exotic and other economically important disease outbreaks almost brought the provinces animal and animal products exports activities to its knees. These were:

- The highly pathogenic Avian Influenza
- Classical Swine Fever
- Newcastle disease

The entire ostrich industry was seriously disrupted and exports in this area only concerned. The outbreak of Newcastle Disease during the year under review resulted in the stopping of slaughter for export market.

The Classical Swine Fever outbreak in our province in July 2005 resulted in the culling of 260169 pigs as at 31<sup>st</sup> March 2006. The payment of beneficiaries was very slow, but the engagement of post offices in the payment will fast track the process

Late summer rains created a difficult season for summer crops, resulting in lower than expected yields due to late planting. Owing to the late rains disaster drought conditions prevailed in much of the extensive livestock producing areas of the province. This required significant disaster relief in terms of fodder and transport of fodder provided under the disaster relief programme.

## 2.5 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2005/06

As in the previous years, the Department has strived to perform in accordance with its legislative mandate and within the regulatory framework by ascribing to good corporate governance and service excellence. Significant emphasis has been placed in advancing the efforts of restructuring and performance re-engineering of the business of the Department. Attempts to establish a functional organizational development component has enhanced the capacity of the Department to conduct own organizational assessment on performance thereby ensuring compliance to corporate governance ethos. During the year under review the Department has adopted a Fraud Prevention Plan.

Women, youth and people with disabilities seized the development opportunities availed by the Department through its development programmes and projects such that there was a noticeable increase on the number of beneficiaries reached. The process of transformation continued to be in motion in order to address the issue of gender balance in all levels of management in the Department. A strategy for accelerating women advancement into senior management positions was accepted and preparations are underway to implement it in the forthcoming year. Pursuant to the advancement of principles of employment equity during the year under review, one female senior manager was appointed thereby increasing the composition of women at senior management positions to about 22% compared to 20% in the previous year.

With the appointment of the Senior Manager: Organizational Development, the Department has initiated the organizational performance analysis which resulted in designing a draft monitoring and evaluation framework during this period. However, the suspension and disciplinary hearing of the Chief Financial Officer had a negative impact to the rendering of financial management services. The matter has since been finalised.

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).

The Department is in a crisis due to the challenge of attracting and retaining critical competent staff with skills and experience. The competition in the employment market has resulted in the department being unable to recruit veterinarians, veterinary technologist, agricultural engineers and technicians, agricultural scientists and agricultural economists. The matter is receiving urgent departmental attention. As a long term strategy, the Department has attracted students in engineering, veterinary and agricultural sciences through its bursary allocation of R1m to deserving students.

In line with the implementation of PSCBC Resolution 7 of 2002, there has been significant achievements in the reduction of the excess staff from 1 104 to 721 by the end of the financial year as a result of the transfer of members to other provincial departments. Conscientious efforts are made to use these members in alternative positions.



It is with great pleasure to confirm that through the vigorous efforts of the Department, the country was declared free of Highly Pathogenic Avian Influenza in August 2005, 14 months after the outbreak that brought the Eastern Cape ostrich business to its knees. Sadly, the scourge of the outbreak of classical Swine Fever during the same period nearly compromised the rendering of animal disease surveillance in the Province and as a result stretched the resources of the Department to its limit.

The Department is highly proud of its staff who unconditionally supported the efforts together with fellow institutions such as SANDF, SAPS, other sister Provincial Departments and National Department of Agriculture.

Achievement of the PGDP core objectives emphasising on agrarian transformation and strengthening food security remained the hallmark of the Department in attainment of its vision in achieving sustainable agricultural growth for food security and economic development.

## 2.6 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2005/06 FINANCIAL YEAR

The policy development in the Department shifted towards placing emphasis on the following critical areas:

- Communal subsistence agriculture
- Social markets
- Focussing Uvimba to the poor for them to access critical resources and capacity development
- Peri-urban agriculture
- Focussing unemployed graduates and matriculants on agriculture, with special reference to high value crops
- Product beneficications and
- Use of agriculture as a springboard to creating economics surplus.

Support to subsistence agriculture is in terms of its potential for growth and increased economic value. More emphasis is therefore placed on this sector of the agricultural industry whilst maintaining vibrant commercial sector wherein new entrants are accommodated. The principle of social markets supports the institutional framework wherein the policy is applied. All the developments are guided by the PGDP pillars that forms the basis from which the second and first economy interact and provide a passageway for the previously disadvantaged people to move up to the first economy.

No new legislation was promulgated during the year under review. The above development was done within the existing legislative framework of the Department.

A well focussed strategic plan and a well informed, needs-based service delivery plan was drawn to during the year to direct all activities towards:

- the deep and wide spread poverty in the province;
- the agricultural infrastructure backlog;
- the degradation of natural resources.

The Department of Agriculture in its endeavours to address the above has put the following development strategies in place to ensure economic growth, job creation, poverty eradication, and prevention of resource degradation:

- Food Production Strategy
  - Siyazondla Homestead Food Production
  - Siyakhula Small Scale Food Production
  - Massive Commercial Food Production
- Economic Livestock Development Strategy
  - Beef Production
  - Wool and Fibre Improvement
  - Dairy Production
  - Land Degradation Control Strategy
  - LandCare
  - Soil Conservation
- Infrastructure Development Strategy
  - Comprehensive Agricultural Support Program (CASP)
  - Massive Food Programme
  - Comprehensive Agricultural Support Programme.
  - Fencing & borehole construction, Installation of Irrigation Systems
  - LandCare

- Farmer Support and Development Strategy
  - Farmer Training
  - Mentorship

All the above developments are underpinned in the Six Peg Policy viz. specific focus on:

- Fencing
- Stock Water Dams and boreholes
- Tractors
- Dipping Tanks
- Rehabilitation of Irrigation Schemes
- Human Resource Development

Having being developed during this financial year, the changed strategic focus will be more evident during the next financial year. The Provincial Department of Agriculture is striving for effective integrated development in its quest for eradication of food insecurity, promotion of sustainable use and management of agricultural resources. In 2005 / 06 Financial Year, the Department implemented its policy titled The Green Revolution which was piloted at Mbashe Municipality in Amathole District. The following lessons were learnt from the Green Revolution Pilot:-

- Integrated Development Approach is critical for effective agricultural development to eradicate hunger and poverty.
- Community and farmer institutional arrangements at village, ward, municipal and district levels are critical to promote effective communication, community involvement, participation and ownership.
- Focussed and integrated development by all public and private sectors is fundamental in poverty eradication and economic growth. The interim results of the Green Revolution pilot at Mbashe, have shown that it is a success, so much that the Department has decided that each of the other Districts must pilot it, in one identified area in 2006/7.

During the year under review, the department has successfully mobilized and assisted communities to participate in both homestead and commercial food production. The land area under production has increased from 12000 ha to 18000 ha in 2005 / 06. However, despite the commendable increase and improvement in the production of grain, there are still challenges in the marketing, storage and agro processing in the maize producing areas. The Department of Agriculture is strengthening its endeavours to establish marketing partnerships with the private sector that will promote grain storage, marketing and agro processing in strategic locations viz. Butterworth, Mthatha and Bizana.

## 2.7 DEPARTMENTAL RECEIPTS

Departmental Revenue	Actual Collection 2004/05 R'000	Budgeted Collection 2005/06 R'000	Actual Collection 2005/06 R'000	% Deviation from target
<b>Current Revenue</b>				
Tax Revenue				
Non-Tax Revenue	2 855	4 989	4 579	(8.2)%
<b>Capital Revenue</b>				
(Specify)				
Departmental revenue	<b>2 855</b>	<b>4 989</b>	<b>4 579</b>	<b>(8.2)%</b>

Departmental Own Revenue	Actual Collection 2004/05 (R'000)	Budgeted Collection 2005/06 (R'000)	Actual Collection 2005/06 (R'000)	% Deviation from target
Sale of farm produce & other livestock	2 148	1 885	2 965	56.7%
Recovery of past year's expenditure	-	-	-	-
Rental: Official housing property	10	-	17	-
Other	697	3 104	1 597	(48.5)%
<b>TOTAL</b>	<b>2 855</b>	<b>4 989</b>	<b>4 579</b>	<b>8.2%</b>

## 2.8 DEPARTMENTAL PAYMENTS

Programmes	Voted for 2005/06 R'000	Actual expenditure R'000	Variance
Administration	252,306	242,539	9,767
Sustainable Resource Management	35,686	33,576	2,110
Farmer Support and Development	354,190	344,132	10,058
Veterinary Services	98,889	88,563	10,326
Technology Research and Development Services	42,226	41,741	485
Agricultural Economics	7,496	6,312	1,184
Structured Agricultural Training	31,060	30,464	596
<b>TOTAL</b>	<b>821,853</b>	<b>787,327</b>	<b>34,526</b>

## 2.9 SERVICE DELIVERY ACHIEVEMENTS

- During the year under review, the department managed to implement 500 Agricultural Infrastructure projects amounting to R67 million compared to R12 million in 2004 / 05 financial year.
- In food security, the grain production area increased from 12000 ha to 18000 ha.
- 7000 tons of maize was sold in 2004 / 05 at an average price of R580 / ton and R630 / ton for yellow and white maize respectively.
- 50 000 tons is the target yield in 2005 / 06 at R900 / ton.

### 2.9.1 Programme 2: Sustainable Resource Management

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 infrastructure and to render engineering advice to farmers and other institutions.

Voted Funds

Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over / Under Expenditure) R'000
35,686	33,576	2,110

#### 2.9.1.1 Sub-programme 2.1: Engineering Services

To render engineering services by planning, designing and supervising the construction of agricultural infrastructure.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Facilitate the provision of: Infrastructure Storage facilities Marketing facilities Processing equipment	<b>Camp fences:</b>					
	Amatole	21	15	12	-3	20
	Alfred Nzo	0	6	4	-2	33
	Ukhahlamba	58	30	19	-11	35
	Chris Hani	65	57	57	0	0
	<b>Total</b>	<b>144</b>	<b>108</b>	<b>92</b>	<b>-16</b>	<b>15</b>

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
	<b>Fencing of arable land:</b>					
	Amatole	0	8	8	0	0
	OR Tambo	10	9	9	0	0
	Alfred Nzo	11	7	6	-1	17
	Ukhahlamba	20	24	24	0	0
	Chris Hani	99	80	80	0	0
	<b>Total</b>	<b>140</b>	<b>128</b>	<b>127</b>	<b>-1</b>	<b>1</b>
	<b>Irrigation systems:</b>					
	Amatole	18	10	6	-4	40
	OR Tambo	12	7	7	0	0
	Alfred Nzo	8	6	4	-2	33
	Ukhahlamba	0	8	4	-4	50
	Chris Hani	5	12	11	-1	8
	Cacadu	15	14	13	-1	7
	<b>Total</b>	<b>58</b>	<b>57</b>	<b>45</b>	<b>-12</b>	<b>21</b>
	<b>Shearing sheds &amp; dairy parlours:</b>					
	Amatole	4	4	4	0	0
	OR Tambo	3	6	6	0	0
	Alfred Nzo	10	8	8	0	0
	Ukhahlamba	1	7	7	0	0
	Chris Hani	4	9	4	-5	56
	Cacadu	16	4	2	-2	50
	<b>Total</b>	<b>38</b>	<b>38</b>	<b>31</b>	<b>-7</b>	<b>22</b>
	<b>Sale Pens:</b>					
	Ukhahlamba	0	3	3	0	0
	<b>Total</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>
	<b>Poultry (Rabbit) facilities:</b>					
	Amatole	0	4	4	0	0
	Alfred Nzo	0	1	1	0	0
	Ukhahlamba	1	1	1	0	0
	Cacadu	13	10	14	4	40
	<b>Total</b>	<b>14</b>	<b>16</b>	<b>20</b>	<b>4</b>	<b>25</b>
	<b>Piggeries:</b>					
	Amatole	0	1	1	0	0
	Cacadu	22	10	15	5	50
	<b>Total</b>	<b>22</b>	<b>11</b>	<b>16</b>	<b>5</b>	<b>45</b>
	<b>Dipping &amp; handling facilities:</b>					
	Amatole	1	12	12	0	0
	OR Tambo	0	64	64	0	0
	Alfred Nzo	0	1	1	0	0
	Ukhahlamba	6	16	6	-10	63
	Chris Hani	10	2	3	1	50
	Cacadu	6	7	7	0	0
	<b>Total</b>	<b>23</b>	<b>102</b>	<b>93</b>	<b>-9</b>	<b>9</b>
	<b>Processing facilities:</b>					
	Chris Hani	2	1	1	0	0
	Cacadu	0	1	1	0	0
	<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>
	<b>Nurseries &amp; climate control structures:</b>					
	Alfred Nzo	0	2	0	-2	100
	Cacadu	0	1	1	0	0
	<b>Total</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>-1</b>	<b>33</b>

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
	<b>Marketing &amp; storage facilities:</b>					
	Amatole	0	10	10	0	0
	Ukhahlamba	0	2	4	2	100
	Chris Hani	0	2	2	0	0
	<b>Total</b>	<b>0</b>	<b>14</b>	<b>16</b>	<b>2</b>	<b>15</b>
	<b>Stockwater systems:</b>					
	Alfred Nzo	0	1	1	0	0
	Ukhahlamba	7	21	14	-7	33
	Chris Hani	10	7	7	0	0
	Cacdu	36	26	26	0	0
	<b>Total</b>	<b>53</b>	<b>55</b>	<b>48</b>	<b>-7</b>	<b>13</b>



Completed shearing shed



Dipping facility

#### 2.9.1.1.1 Achievements

Engineering Services have been rendered with respect to the planning, designing and supervising of construction of 500 projects where farmers have been supported with infrastructure. Although a major challenge was posed due to the lack of capacity and experience of HDI contractors, 500 projects with infrastructure was successfully completed. This was achieved by active support and guidance which were given to the HDI contractors during the construction phase

#### 2.9.1.1.2 Specific challenges and responses

##### **Challenge 1: Maintenance of Infrastructure**

Farming communities have been assisted over the last number of years with significant numbers of various types of infrastructure. Although some of the infrastructure is well maintained, a large number are not maintained at all. The farmers are distributing all the profits and do not save some of the profits to maintain the infrastructure. In some cases the profits are too low and no funds are available for maintenance,

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

The establishment of a maintenance fund will have to become one of the conditions for the assistance to farming communities with infrastructure. The extension officers will also promote and motivate farmers to do the required maintenance of infrastructure.

##### **Challenge 2: Construction of infrastructure according to acceptable standards**

The appointment of HDI contractors is promoted. However a large number of these contractors do not have the capacity to construct infrastructure according to specifications and within the required timeframes. The lack of experience of departmental technicians and time available to monitor the quality of work of these contractors has resulted in infrastructure with inferior quality. Some of the projects have not been completed within the financial year,

because the appointed contractors did not have sufficient financial backing to obtain materials in time to stick to construction programmes.

### **Response to Challenge 2**

Training on contract administration will be provided in 2006 to all the departmental engineering staff to ensure that they can supervise and give guidance to inexperienced contractors. An approach whereby the risk analyses to appoint contractors will be done in much more detail will be followed. A successful track record of a contractor will become a prerequisite for the awarding of tenders.

#### 2.9.1.1.3 Issues requiring ongoing attention

The selection and training of contractors will have to receive much more attention to reduce the risk of contractors not being able to meet their contractual requirements. This will reduce the risk of projects not being completed within the required timeframes.

#### 2.9.1.2 *LandCare*

Strategic objective: To create LandCare awareness amongst farmers and communities to ensure that agricultural resources are utilised in a sustainable way to prevent degradation and soil erosion.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Implementation of Conservation of Agricultural Resources Act (Act 43 of 1983)	Approvals for Biological control, veld burning; cutting; uprooting	0	30	25	-5	17
	Area of virgin soil approved to be ploughed	0	100	365	265	265
	Approval for new land zoned for agricultural purposes	0	2	4	2	100
	Farm plans approved for farming purposes (number & type of farming)	50	72	53	-18	26
	Eradication of noxious weeds (provide numbers, percentages or hectares and type of weed)	0	0	0	0	0
Implementation of LandCare projects	Hectares under improved management systems	10 178	16 800	15 725	-1 075	6
	Number of beneficiaries from improved production systems	4 621	1 980	1 951	-29	1
	Number of farmers benefiting from farming practices in reducing the depletion of soil fertility and acidity	1 901	2 880	2 068	-812	28
	Number of beneficiaries benefiting from training facilitated	5 341	2 260	2 340	80	4
	Number of awareness activities to show how inappropriate use could impact negatively on resource base	24	42	37	-5	12
	Number of youth benefiting from sound management practices	1 034	12 420	8 933	-3 487	28
Construction of soil conservation works	No of donga reclamation, drainage, run-off control works:					
	Ukhahlamba	6	0	0	0	0
	Chris Hani	14	20	16	-4	20
	Cacadu	21	20	24	4	20
	<b>Total</b>	<b>41</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>



2.9.1.2.1 Achievements

The focus of the Landcare programme was to create awareness amongst communities in the Mhtatha catchment and Sterkspruit areas. The emphasis was to promote community based and community led activities to take charge of resource management in these areas. Management practices which are causing degradation were identified by community members. During consultative meetings alternative management practices were identified, which would ensure sustainable use of agricultural resources.

The erection of fencing along water courses, to prevent cattle from trampling the vulnerable areas close to water courses were an example of an activity identified at these consultative meetings. The construction of soil conservation works in active dongas to prevent further erosion was also introduced. The construction of these works was done in a labour intensive manner to create employment and to ensure the maximum involvement of the community members in the programme.

2.9.1.2.2 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**

The Landcare programme has been introduced in the Sterkspruit area and in Mhtatha Dam catchment. The Landcare programme did not only focus on the construction of soil conservation works, but was also directed towards creating community awareness and capacity building to ensure that the community take charge of the management of their agricultural resources.

**Challenge 2: Lack of community based resource management**

The management of agricultural resources in communal areas is a serious concern. Livestock numbers are not monitored and controlled by the communities. Cultivation of new lands with marginal potential on slopes, without any protection works cause serious erosion and the loss of top soil. Community based management structures to take charge of resource management and to control detrimental agricultural practices does not exist. Presently there is almost no community rules, which could regulate the agricultural practices in communal areas. Without a system whereby communities will take charge and ownership of agricultural practices and the conservation of agricultural resources the degradation of resources will continue to the detriment of the production potential of the Eastern Cape Province.

**Response to Challenge 2**

Landcare awareness and community based management of agricultural resources will be promoted. Provision has been made in the revised structure of the department to have a Landcare sub directorate in the province to ensure that the degradation of resources will be addressed in an effective manner.

2.9.1.2.3 Issues requiring ongoing attention

Sustainable resource conservation is of utmost importance for the future of agricultural production in the province. Emphasis will be given to Landcare awareness campaigns and the establishment of management structures to ensure that the sustainable management of agricultural resources will become community based. Education, training and capacity building of communities and farmers on sustainable resource management will be the main focus of the Landcare programme in future.

**2.9.2 Programme 3: Farmer Support and Development**

Voted Funds

Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over / Under Expenditure) R'000
354,190	344,132	10,058

2.9.2.1 Sub-programme 3.1: Resource Planning and Communal Land Management

To provide 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.

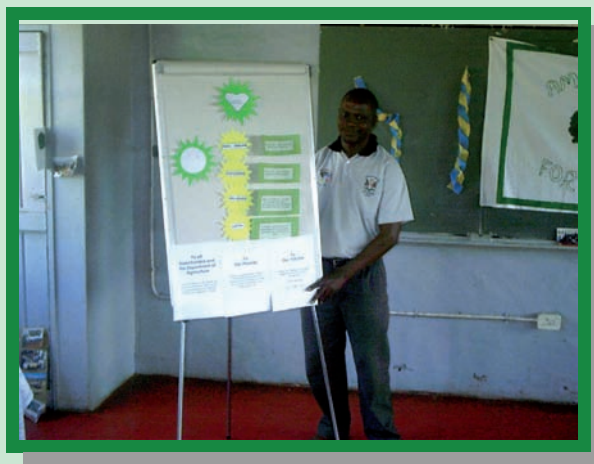
Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Provision of Land use plans	Number of landuse plans developed	65	375	542	167	44
	Provision of holistic farm plans	67	180	357	177	98
	Provision of resource information for the delineation of municipalities into agro-ecological zones	16	20	25	5	25
	Identification of land sites with agricultural potential for the development of agricultural enterprises	82	250	291	41	16
Settlement planning	Number of PTO's processed	421	1 600	3 777	2 177	136
	Demarcation of sites	223	1 400	1 060	340	-24
	Number of sites allocated	521	1 200	1 396	196	16
	Number of farm project co-ordinates plotted	645	1 600	3 557	1 957	122
Identification of agricultural infrastructure and projects	Number of boundary disputes solved	342	600	625	25	4
Delineation of boundaries	Number of boundary disputes solved	42	80	72	8	-10

2.9.2.2 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). To provide finance for rural development entrepreneurial initiatives.



Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Disposal of POA land Disposal of FALA land Site demarcation	Number of POA units	8	7	6	1	14
	Number of FALA units	12	8	8	0	0
	Number of residential, business and reservation sites	421	1 020	1 115	95	9
Facilitate the provision of infrastructure and other developmental programmes to various Land Reform beneficiaries	No of LRAD farms		45	48	3	6
	No of SLAG farms		8	5	3	37
	No of restitution farms		10	4	6	60
	No of state farms			4		
	No of private farms		15	18	3	20
	No of commonages		7	7		
	No of communal farms		50	64	14	28
	No of beneficiaries supported		3 835	8 161	4 326	112
No of ha of land involved		8 750	16 072	7 322	83	



### 2.9.2.3 Sub-programme 3.3: Farmer Support / Extension Services

Strategic goal: Support agricultural development through facilitating institutions, community, social structures, training and planning and implementation of local agricultural development interventions as well as providing and arranging appropriate field services.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Co-ordination of agricultural support services: facilitating institutions, community, social structures, training and planning, implementation of local agricultural development interventions as well as providing and arranging appropriate agricultural field services	No of emerging farmers trained	4 700	2 500	2 720	220	8
	No of mentorship programmes for emerging farmers	0	7	14	7	100
	No of emerging farmers supported with advice	2 250	7 095	14 868	7 773	109
	No of commercial farmers supported with advice	175	1 137	1 527	390	34
	No of contacts sharing research related information	0	201	277	76	37
Training	Number of commercial farmers	175	300	237	-63	21
	Number of emerging farmers	4 700	5 000	4 700	-300	6
Farm/Farmer contacts	Field demonstrations / in loco inspections	2 250	2 500	2 250	250	10
Wool development	Wool classing training	7	48	56	8	16
Livestock	Number of livestock units - genetic improvement	3 025	3 300	3 350	50	2
Dairy	Number of projects	1	6	6	0	0
Deciduous / citrus fruit	Number of projects	21	22	23	1	4
Flowers	Number of projects	2	4	5	1	25
Sugar Beet	Number of ha under trial	1	8	8	0	0
Cotton	Number of ha planted	0	3 000	1 200	1 800	-60
Pineapple	Number of ha	600	600	400	200	-33
Chicory	Number of ha planted	0	90	50	-40	44
Vegetables	Number of projects	0	90	90	0	0

#### 2.9.2.4 Sub-programme 3.4: Food security

To promote and co-ordinate large-scale and small-scale food production through “massive” and “homestead” food production programmes and livestock improvement.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Siyazondla Homestead Food Production	Increased number of gardens	800	6 000	6 582	582	9
	Clinic gardens		80	86	6	7
	Home gardens		6 500	6 323	177	-3
	School gardens		120	130	10	8
	Community gardens		60	43	17	-28
	No of participants in scheme (homesteads)	800	6 750	6 582	168	2
	Community mechanised hoes			145		
	Garden starter packs			800		

Measurable Objective	Performance Measure		Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
						Units	%
Massive Food Production	A Nzo:	Ha maize planted	1 255	3 040	2 690	350	11
		Maize yield tons	1 903	12 000	13 857	1 857	15
	OR Tambo:	Ha maize planted	4 358	7 706	6 939	767	10
		Maize yield tons	2 207	20 000	17 143	-2 857	-14
	C Hani:	Ha maize planted	2 148	2 984	2 673	311	-10
		Maize yield tons	3 316	12 000	8 230	3 770	-31
	Ukhahlamba:	Ha maize planted	1 214	2 120	1 900	220	-10
		Maize yield tons	1 588	8 000	2 792	-5 208	-65
	Amatole:	Ha maize planted	2 885	4 150	3 719	431	-10
		Maize yield tons	4 373	16 000	5 846	10 154	-63
	<b>TOTAL:</b>	<b>Ha maize planted</b>	<b>11 860</b>	<b>20 000</b>	<b>17 921</b>	<b>2 079</b>	<b>-10</b>
		<b>Maize yield tons</b>	<b>13 389</b>	<b>68 000</b>	<b>50 000</b>	<b>18 000</b>	
	Contractors assisted in mechanisation scheme		0	10	10	0	



*Mputi-Baziya Massive Food project, OR Tambo District - planting for a successful crop*



*Bolotwa Massive Food Project - Bolotwa, idutywa - Yield of 4 t/ha*



*Field audit of the Massive Food Programme was undertaken*

*Winter wheat at Nobanda*





*Siyazondla: Subsistence homestead food security through garden production*

Measurable Objective	Performance Measure	Actual Outputs 2004/05 R'000	Target Outputs 2005/06 R'000	Actual Outputs 2005/06 R'000	Deviation from Target	
					Units	%
Amounts of grants distributed per district	Amatole	0	2 000	2 888	888	44
	OR Tambo (3,9m from NDA for 2005/06)	0	3 000	7 083	4 083	136
	Alfred Nzo	0	2 000	1 913	-87	-4
	Ukhahlamba	0	2 000	2 000	0	0
	Chris Hani	0	2 000	2 031	31	1
	Cacadu	0	2 071	2 210	139	7
	<b>TOTAL</b>			<b>13 071</b>	<b>18 124</b>	<b>5 053</b>
Number of projects	Amatole		60	82	22	36
	OR Tambo		80	209	129	161
	Alfred Nzo		70	92	22	31
	Ukhahlamba		700	767	67	9
	Chris Hani		280	289	9	3
	Cacadu		650	673	23	3
	<b>TOTAL</b>			<b>1 840</b>	<b>1 905</b>	<b>65</b>
Number of districts / local teams (clusters - Health, education, Social Dev., Municipalities) established and functioning	Amatole		7	8	1	14
	OR Tambo		3	0	-3	
	Alfred Nzo		6	6	0	0
	Ukhahlamba		4	4	0	0
	Chris Hani		4	0	-4	
	Cacadu		6	10	4	66



*Tools delivery - Bathurst*



### 2.9.2.5 Sub-programme 3.5: Community Fund Support Programme

Development of agricultural infrastructure for economically and environmentally sustainable agricultural production

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Agriculture Infrastructure development (CASP)	Number of projects	57	255	246	9	3
	Erecting & improvement of poultry production facilities		8	7	1	1
	Erecting & improvement of dairy production facilities		9	9	0	0
	Development of stock water facilities (boreholes, reticulation, dams)	8	30	27	3	1
	Crop production & general farm shed		13	12	1	8
	Cattle & livestock handling facilities	9	25	23	2	8
	Sheep sheds	7	35	38	3	8
	New & upgrade of dipping facilities		10	6	4	40
	Number of fencing projects	32	60	50	10	16
	Number of irrigation projects supported with infrastructure		35	40	5	14
	Multi-purpose agric management and production structures		30	34	4	13
	Agricultural Mechanisation: Tractors & implements		0	37	37	100



#### **Challenge 1**

The demand cannot match the supply in terms of farmer support and development. Issues of high number of beneficiaries versus support hence the ratio of extension officer to farmer is too wide which is further exacerbated by the limited transport available to extension staff and programme 3 field officers.

### **Response to challenge 1**

Prioritise and focus resources on commodity and project implementation basis and allow this specialisation to service across ward boundaries. Increase transport budget and co-ordination and efficient use of available vehicles.

### **Challenge 2**

Statutory controls governing land use patterns do not adequately secure prime and unique agricultural land in state owned areas of communal land use principally for agricultural purposes. The Province slowly losing this prime land for production in these areas to settlement and degradation.

### **Response to Challenge 2**

Rapid passage and promulgation of the act on Sustainable use of Agricultural Resources, scheduled for 2006 will to some extent address the current gap in the legislative framework, but the full and mandatory participation in this land administration legislation by tribal and municipal authorities will be developed through communication, training and facilitation of co-operation between agricultural and land administration functions.

### **Challenge 3**

The paucity of agricultural experience and management skills in a commercial environment by both new farmers and government officers seriously compromises the success of settling economically sustainable new farmers and commercial ventures in previously underdeveloped areas. Without adequate capacity in this regard, no amount of grants, subsidised production credit, or infrastructure development will ensure "proper agricultural practice" and lead to successful ventures.

### **Response to Challenge 3**

The introduction of an appropriate mentorship programme is essential to optimise a responsible and socio-politically acceptable success rate with new entrants into an industry of high risk and small margins such as agriculture. Mentorship is to be introduced systematically.

### **Challenge 4**

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 4**

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 5**

The business, managerial and technical capacity of many emerging contractors are not compatible with the expected standards or time-scales expected for the appropriate completion of infrastructure development contracts.

### **Response to Challenge 5**

It is quite normal in the accelerated development of previously disadvantaged contractors for them not to achieve in all departments to the level expected of seasoned commercial contractors. It is submitted as a responsibility of Government to allow space and opportunity for the development of these contractors while ensuring the required level of professionalism in erection of infrastructure. The support provided to these contractors is being investigated as a factor in the awarding of contracts to those contractors that do not have a proven service record.

## **2.9.3 Programme 4: Veterinary Services**

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 R'000</b>	<b>Actual Amount Spent R'000</b>	<b>(Over / Under Expenditure) R'000</b>
98,889	88,563	10,326

## Achievements

### Avian Influenza surveillance

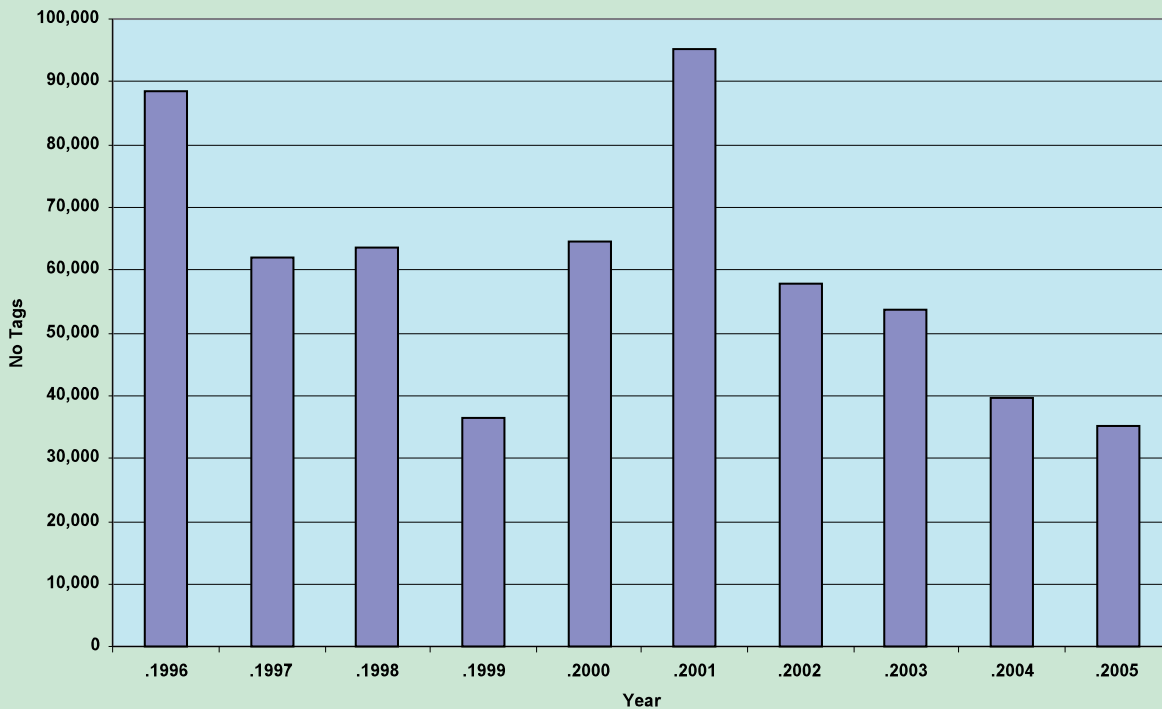


In the first quarter of the year, the 6-monthly testing for Highly Pathogenic Avian Influenza was completed. The country was declared free of Highly Pathogenic Avian Influenza in August 2005, 14 months after the outbreak that brought the Eastern Cape ostrich business to its knees. The self-imposed export ban was also lifted, but the European Union only reopened its doors to ostrich meat from South Africa in October 2005. Resumption of the 6-monthly HPAI survey was delayed in August/September because of the Swine Fever outbreak, but was successfully completed again in January 2006.

The entire ostrich industry was seriously disrupted by the 1994 Avian Influenza outbreak. Exports only opened again in October 2005. As a result of the export closure there were the least number of Newcastle Inoculation ID tags sold in 2005 since the tagging system began in 1996. Tag sales is an indication of the number of birds slaughtered for export in the Eastern Cape. There were even fewer tags sold than in 1999 when the exports of ostrich meat was stopped

as a result of the Congo Fever outbreak in ostrich abattoir workers. This illustrates the serious financial difficulties in which the industry finds itself.

Annual Ostrich Tag sales



Immediately after the EU reopened its doors to ostrich meat imports, an extensive outbreak of Newcastle Disease in Grahamstown precluded the resumption of export slaughter. The abattoir and municipality together with State Veterinarian at the export plant conducted an inoculation drive in the Grahamstown townships to curb the outbreak. 7874 chickens were inoculated and this helped for a few months, but in February and March, outbreaks occurred again and exports were stopped once more.

### Annual Anthrax Vaccination programme

There were **1 596 785** cattle vaccinated against Anthrax and black Quarter diseases.



*Tuberculosis Eradication Scheme: Testing of a TB positive herd in the Province*

### Tuberculosis and Brucellosis Testing

A total of **105 279** and **72 330** cattle were tested for TB and CA respectively

### Sheep scab disease eradication campaign

This year's annual sheep scab campaign, was disturbed by the outbreak of Classical Swine Fever in the Mquma local municipality in August 2005. Most State Veterinarians and Animal Health Technicians were withdrawn from their normal annual programmes and assisted with the eradication of the disease. Members of the NWGA were called upon to assist the remaining Technicians and they managed to treat 4, 529,687 sheep.

### Classical Swine Fever

There was an outbreak of classical Swine Fever in Mquma local municipality in August 2005 shortly following a similar occurrence in Western Cape. This caught the Province unawares since our neighbours (Western Cape) did not inform us that the owner of the affected commercial establishments in their area was the same person owned almost 70% of the commercial pig population in the Eastern Cape.

Our Back and forward tracing points towards this particular establishment as a possible source of the disease, though no concrete proof can be put forward, as yet. There is certainly a link between Qolora by Sea where the disease was first diagnosed in the Transkei and the commercial farms which were involved in the Queenstown area. The main link is the weekly BUS movement between these areas and the fact that a lot of farm labour for Queenstown is sourced from this area. Investigations are still going on.

A decision was taken to **cull** all affected pigs instead of vaccinating because this disease is "Exotic" to South Africa and therefore any attempts to vaccinate would mean that we are ready to live with the disease forever. Some 260,169 pigs had been culled as at 31<sup>st</sup> March 2006. The process was very fast in the commercial farms but extremely slow in the communal areas because of the way the pigs are kept, the terrain and the elements. This exercise has taken toll on the mental and physical status of all those involved in it.

*Inoculating a sheep during the annual sheep scab campaign*





The National department (SMAH) has been very generous in terms of supporting this campaign, by ensuring that all the logistics needed are financially well supported. Special payment arrangements have been made to ensure that the campaign service providers as well as the beneficiaries are quickly paid. Since the process through UVIMBA bank has not produced the desired results, the South African Post Office has agreed to expedite the process by paying most of the beneficiaries through its various branches in the Province. This system is yet to start.

The disease seems to be under control, because it has not spread beyond the borders of our Province and the numbers of hotspots have decreased dramatically but in the interim and as a preventative measure, Eastern Cape Province has been declared a “Classical Swine Fever Control Area”.

Status of manpower deployed since the campaign started:

STAKEHOLDERS	TOTAL
Veterinarians	22
Animal Health Technicians - E Cape	261
Animal Health Technicians - Other provinces	90
Agricultural Development Technicians	115
SAPS members	153
SANDF	57
Traffic Officers	9
NSPCA members	12
Casual workers	40
Volunteers	7
Support staff	5
<b>TOTAL STAFF DEPLOYED</b>	<b>771</b>



MEC G Nkwinti on his routine visit to the CSF JOC



Classical swine fever activities



## Rabies control

Rabies vaccination in dogs and cats was not as successful as expected, due to the outbreak of Classical Swine Fever which necessitated the call of most Veterinary officials to concentrate on the control of the Swine fever. A total of **80401** and **11017** dogs and cats were vaccinated respectively.

### 2.9.3.1 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 Disease Act (Act 35 of 1984) and Primary Animal health programmes / projects.

Measurable Objective	Performance Measure	Actual Outputs	Target Outputs	Actual Outputs	Deviation from Target	
		2004/05	2005/06	2005/06	Units	%
<b>Name of disease: Anthrax and Black Quarter</b> To control zoonotic diseases	Number of cattle vaccinated	1 645 496	1 600 000	1 596 785	-3 215	-0.3
<b>Name of disease: Sheep scab</b> To protect animals against diseases that have a negative impact on production and economy	Number of sheep treated	3 252 418	3 600 000	4 529 687	929 689	25
<b>Name of disease: Rabies</b> To control zoonotic diseases	No of dogs vaccinated	303 535	300 000	80 401	-219 599	-74
	No of cats vaccinated	29 490	29 000	11 017	-17 983	-63
<b>Name of disease: Tuberculosis</b> To control zoonotic diseases	Number of cattle tested	55 687	99 750	105 279	5 529	6
<b>Name of disease: Brucellosis</b> To control zoonotic diseases	Number of cattle tested	61 454	61 000	72 330	11 330	18
<b>Name of disease: African Horse Sickness</b> To control zoonotic diseases	Number of horses vaccinated	1 183	1 183	18 242	17 059	444
<b>Cattle dipping</b> To protect animals against diseases that have a negative impact on production and economy	Number of cattle dipped	1 520 000	1 900 000	1 646 500	-253 500	-14

Other activities carried out from April 2005 to March 2006:

SPECIES	CASTRATED	OPERATED	TREATED	DEWORMED
Bovine	36 600	27	9 818	222 665
Ovine	46 595	53	215	3 562 513
Caprine	16 542	0	362	289 457
Equine	452	0	158	356
Canine	412	0	231	253
Feline	0	0	0	0
Avian	0	0	0	0
Porcine	5	0	23	126
<b>TOTALS</b>	<b>100 606</b>	<b>80</b>	<b>1 087</b>	<b>4 075 370</b>

2.9.3.2 Sub programme 4.2: Export Control / Animal Disease Surveillance Unit

**Export Control**

The purpose of this sub-programme is to maintain acceptable export standards in the three export facilities in the Eastern Cape, located in Port Elizabeth (EPLA Abattoir), Graaff-Reinet (Camdeboo Abattoir and Meat Processors) and Grahamstown (Combined Grahamstown Ostrich Abattoir).



Harvesting of game in the Province

**Core Business**

1. To facilitate access to knowledge of export requirements for animals and animal products
2. To maintain international standards of export certification
3. Animal product exports
4. Registration and monitoring of export slaughter farms

Eastern Cape Meat Export Statistics April 2005 - March 2006  Total of meat exported from the following abattoirs: Camdeboo Abattoir - Graaff-Reinet EPLA Abattoir - Port Elizabeth Grahamstown Ostrich Abattoir - Grahamstown				
Country of destination	Ostrich meat kg	Game meat kg	Beef kg	Mutton kg
Angola	149 981.27	-	-	6 016.82
Belgium	16 078.52	275 387.12	-	-
France	42 096.80	3.62	-	-
Germany	-	27 823.50	-	-
Hong Kong	-	31.74	524.12	28.18
Mauritius	-	14 772.54	-	-
Netherlands	24 214.16	29 997.96	-	-
Spain	1 026.04	-	-	-
Switzerland	27 761.84	8 782.94	69 978.36	432.54
UAE (Dubai)	-	40.03	-	722.86
Uganda	-	260.00	-	-
<b>TOTAL</b>	<b>261 158.63</b>	<b>357 099.45</b>	<b>70 502.48</b>	<b>7 200.40</b>

## Achievements

The sub-unit has assisted overall in resuscitating the ostrich exports which are gaining ground after the devastating Avian influenza outbreak which almost wiped out the ostrich industry in the Province. The Camdeboo Abattoir in Graaff-Reinet did maintain its ability to export in spite of the absence of a full time veterinarian at the establishment for most of the year. A new full time veterinarian was appointed in the establishment at the beginning of 2006.

## Meat Export Establishments

Measurable Objective	Performance Measure	Actual Outputs	Target Outputs	Actual Outputs	Deviation from Target	
		2004/05	2005/06	2005/06	Units	%
<b>A - EXPORT ABATTOIRS</b>						
Updating lists of farms registered to export meat	No of updates for red meat	10	12	12	0	0
	No of updates for ostrich meat	14	12	16	4	33
	No of updates for game meat	13	12	16	4	33
Registration of ostrich transporters	No of trucks registered	30	A/R	35		
	No of trailers registered	30	A/R	40		
	No of certificates issued	30	A/R	35		
Monitoring field game meat inspection	No of game harvesting attended	10	A/R	6		
	No of carcasses inspected	230	A/R	298		
	No of game harvesting teams checked	10	A/R	12		
Monitoring receipt of game carcasses	No of consignments received	250	A/R	375		
	No of documents verified	1 000	A/R	1 116		
	No of carcasses inspected	23 000	A/R	25 244		
	No of carcasses condemned	100	A/R	188		
Post mortems	No of post mortems done	88	A/R	124		
	No of pathology samples taken	120	A/R	83		
Perform post mortems at Regional lab	No of PMs on large stock	15	A/R	22		
	No of PMs on small stock	20	A/R	26		
	No of PMs on ostriches	15	A/R	6		
	No of PMs on poultry	25	A/R	31		
Law enforcement	No of non compliance report cards issued	45		60		
<b>Ostriches, Red meat, Game &amp; Trophies</b>						
Compliance with animal welfare requirements	No of trucks inspected on arrival	264	264	264	0	0
Export certification for meat	No of movement certificates issued	300	150	360	210	140
	Registers verification	40	40	48	8	20
	No of export certificates issued	300	160	272	112	70
	No of consignments checked	300	300	293	-7	2.4
	Spot checks on game culling	40	50	60	10	20
Ante mortem inspection	No of documents verified	450	450	1 033	593	129
	No of ante mortem inspections	360	350	449	99	28
	No of emergency slaughters	3	A/R	5		
Monitoring slaughter process. All species	No of stunning monitored	360	450	565	115	25
	No of bleeding monitored	360	450	565	115	25
	No plucking, tick presence monitored	360	450	565	115	25
	No of flaying monitored	360	450	565	115	25
	No of eviscerations monitored	360	450	565	115	25
Post mortem meat inspection	No of primary meat inspections monitored	360	450	565	115	25
	No of secondary meat inspections done	40	45	56	15	25
	No of laboratory samples taken	400	400	603	203	50
	No of carcasses condemned	300	A/R	513		

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Monitor disposal of condemned and inedible material	No monitored	120	60	173	113	88
Monitoring marking of approved carcasses	No monitored	360	450	530	80	17
Monitoring HACCP programmes	<b>Carcasses quality</b>					
	Stunning and bleeding checks	400	450	543	93	20
	Flaying	400	450	543	93	20
	Evisceration	400	450	543	93	20
	No of microbiological samples	400	1 000	1 325	325	32
	No of contact surface plates	400	500	526	26	5
	No of consignments recalled	2				
	Carcass PH readings		350	490	140	40
	Carcass contamination checks	460	250	263	13	5
	Measles control		250	164	-86	65
	Trichinella testing	50	59	109	50	84
	<b>Water quality</b>					
	No of microbiological samples	200	220	292	72	32
	No of physic-chemical samples	10	A/R	14		
	Daily chlorine checks	550	A/R	732		
	Storage tank checks (monthly)	35	A/R	42		
	Storage tank cleaning (annually)	2	A/R	3		
	<b>Thermo control</b>					
	No of chillers and freezer rooms checked	200	250	263	13	5
	No of carcasses checked before dispatch	900	1 000	1 188	188	18
No of sterilizers checked	1 500	2 000	2 004	4	0.2	
No of transport vehicles checked	250	300	317	17	5	
<b>Pest control</b>						
No of own checks	75	80	96	16	20	
No of outsource checks		45	52	7	15	
	<b>Pre operative checks</b>					
	No of checks done	200	250	267	17	6
	<b>Vapour control</b>					
	No of checks done	250	300	319	19	6
	<b>Sanitation checks</b>					
	Paper towels	250	300	319	19	6
	Toilet paper	250	300	319	19	6
	Soap dispensers	250	300	319	19	6
	<b>Administration</b>					
	Registers verification	95	100	104	4	4
	Movement certificates	150	A/R	180		
	Slaughter statistics (monthly)	96	96	96	0	0
	Slaughter statistics (quarterly)	32	32	32	0	0
	Slaughter statistics (annually)	2	2	2	0	0
	Analysis of bacteriological results	85	90	96	6	6
	Traceability checks	28	25	31		24
<b>Health checks of personnel</b>						
Annual checks	230	268	268	0	0	
Daily checks	250	310	319	9	3	
Residue monitoring programme	No of residue samples taken	200		184		
Export certification	No of export certificates issued Movement certificates issued	150	A/R	177		
Maintain & update database of export farms	No ostrich farms	1 002	A/R	1 071		
	No game farms	700	A/R	778		
	No red meat farms	585	A/R	592		

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
<b>B: EXPORT CUTTING PLANT (GMP - RACHE) &amp; CAMEXO</b>						
Monitoring HACCP programmes	<b>Meat quality</b>					
	No of microbiological samples	120	100	118	18	18
	No of contact surface plates	300	350	400	50	14
	No of consignments recalled	15	20	24	4	20
	Meat contamination checks	299	370	430	60	16
	Measles control	85	100	117	17	17
	<b>Water quality</b>					
	No of microbiological samples	95	100	120	20	20
	No of physio-chemical samples	3	5	7	2	40
	Daily chlorine checks	450	550	678	128	23
	Storage tank checks (monthly)	15	18	23	5	27
	Storage tank cleaning (annually)	3	3	3	0	0
	<b>Thermo control</b>					
	No of chillers and freezer rooms checked	250	300	340	40	13
	No of sterilizers checked	120	150	170	20	13
	No of transport vehicles checked	126	A/R	327		
	<b>Pest control</b>					
No of own checks	65	75	86	11	14	
No of outsource checks	32	38	42	4	10	
	<b>Pre operative checks</b>					
	No of checks done	300	350	418	68	19
	<b>Vapour control</b>					
	No of checks done	300	350	446	46	6
	<b>Sanitation checks</b>					
	Paper towels	350	400	446	46	11
	Toilet paper	350	400	446	46	11
	Soap dispensers	350	400	446	46	11
	<b>Administration</b>					
	Registers verification	100	A/R	142		
	Movement certificates issued	130	A/R	162		
	Export certificates issued					
	Export statistics (monthly)	48	48	48	0	0
	Export statistics (quarterly)	12	12	12	0	0
	Export statistics (annually)	1	1	1	0	0
	Analysis of meat bacteriological results	35	45	48	3	14
	Analysis of water bacteriological results	40	42	48	3	7
Traceability checks	6	8	10	2	25	
Shelf life test	147	160	182	22	13	
<b>Health checks of personnel</b>						
Annual checks	4	3	3	0	0	
Daily checks	250	299	364	65	21	

### **Animal Diseases Surveillance Unit (ADSU)**

Voted funds R6,415,000 (For both Animal Diseases Surveillance and Exports Control)

#### **Aim of vote:**

- To provide the State Veterinary Services in the Eastern Cape with
- A functional, co-coordinated and integrated Animal Diseases Outbreak Early Warning Service
- An integrated and efficient Information Management Service and Library Service
- An appropriate Veterinary Extension Service
- A Veterinary Public Relations coordination service

#### **Key objectives (Core business)**

- Maintain an Early Diseases Warning System (Epidemiology)
- Maintain a Rapid Response (Animal Diseases Disaster Management)
- Develop and maintain a Veterinary Informatics & Library (Veterinary Information Management & Resource Centre)
- Maintain a Veterinary Extension (Farmer, staff other stakeholders {Public} information programmes)
- Quality Assurance Monitoring and Evaluation (Dormant due to lack of suitable staff)

The animal diseases surveillance has been in the forefront of the current CSF campaign by making sure that the Draft Contingency plans are in place and activated and that the necessary facilities, especially operational and visibility equipment, are available in the Province.

It has also continued to collate and distribute all available information on Avian Influenza, and actively participated in the relevant forums both Provincially and Nationally to ensure that it is in a position to contribute positively in cases of any Bird flu outbreaks.

The Centre of Veterinary Excellence in Döhne, the headquarters of this Unit, is now the site of the current Classical Swine Fever as from the middle of February 2006. With its "first world" facilities, this has provided a more comfortable working environment for the JOC as compared to the previous months in Butterworth.

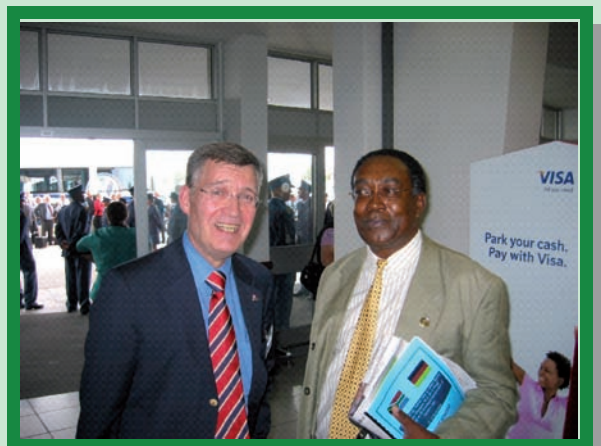


*The premises of the Animal Diseases Surveillance Unit in Döhne, Stutterheim*

The Manager of this Unit is also responsible for twinning in agriculture with the Province of Lower Saxony (Germany).



*On his arrival for a weeks visit in the Province earlier this year, Prime Minister Wulff of Lower Saxony was welcomed by Premier Nosimo Balindlela*



*The Manager of ADSU (right) with Mr Giessler, a former representative of Lower Saxony*

### **Twinning with Lower Saxony (Germany) in Agriculture**

The following projects are in progress in the State Veterinary Services:

- Further commitment to equip the Animal disease outbreak rapid response trailer with all the necessary materials as discussed between the technical teams
- Facilitation of an EU funded project between the Institute of Biometrics at TiHo Hannover and the Directorate of Veterinary Services in the Province. This Project will look at mitigation of emerging animal diseases outbreaks like Avian Influenza and Swine Fever amongst others.
- Further strengthening of the area of Animal disease information management and processing.
- Materials and staff support and - exchanges in the Animal Diseases Surveillance area.

The feasibility of **Training of Veterinarians**, both at undergraduate levels at the University of Hannover, to overcome the acute shortages of Veterinarians in the Province coupled with the inability of the University of Pretoria to cater for our needs, especially in the developing context is also underway.

Measurable Objective	Performance Measure	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
				Units	%
Monitor the inspection and registration of export farms	No of farms inspected No registered for exports	Monitored and verified as necessary	Reports perused monthly		
Monitor the inspection and registration of export establishments	No of inspections for exports No registered	Monitored and verified as necessary	All year		
Monitor the inspection and registration of game harvesting teams	No inspections No registered	Monitored and verified as necessary	All year		
Monitor the inspection of the quarantine stations for exports	No of inspections of quarantine stations No registered	Monitored and verified as necessary	None		
Monitor the export certification	No applications No of inspections done No of certificates / permits issued Accuracy of certificates issued No of samples processed for compliance	Monitored and verified as necessary	Done. Perused reports from regions		
Monitor actions taken regarding non-compliance for export	No of certificates refused No farms, teams or establishments deregistered	Monitored and verified as necessary	Taken in reports		
Import monitoring	No quarantine farms registered No inspections No samples taken No released from quarantine	Monitored and verified as necessary	Taken in report from the PE Harbour		
Monitor capturing outcome of: - to conduct and analyze stock census - To implement the standardized format of the province	No census capture Percentages: - Calving % - Lambing % - Kidding % - Mortality rate - Annual off take (%)	100%	No field data provided		



Measurable Objective	Performance Measure	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
				Units	%
Establish and maintain / operate an E-VET network in the Veterinary Directorate	A functional Intranet  A functional EC Vet Website	Connectivity Plans in place Hardware ordered	Basic Intranet in ADSU established A switch for WAN installed in ADSU One server set up (Waiting for GITO licensing) A limited Website access granted by GITO. Basic CSF Info posted. Butterworth Vet Clinic Intranet and connected to Govt LAN Queenstown Lab Internet done Somerset East also done PE SV area dial up connection established Programme discontinued from National		
Establish and administer databases in Veterinary Services	No and type of databases established: OIE reports TB reports CA reports	Revisit and revise current information Consult with relevant stakeholders	OIE completed TB/CA still to be done (Incomplete data. Waiting for data from the field / stakeholders)		
Capturing and monitoring of the databases in Veterinary Services	No co-ordinated No of units co-ordinated No of verifications No of inspections No of meetings No of reports	As necessary 792 1 Quarterly 12	264 OIE reports 20 792 3 Done 22		
Preparation of statistical reports	No of reports prepared	16	18 standard reports 15 queries	2	112.5
Analysis and verification of data	Amount of data info verified	100% of available for the year	Done		
Facilitation / Promotion of Animal Diseases disaster / outbreak mitigation models	No of consultations with the field and other units No of models distributed No of models facilitated	16  Implementation of plans	20  Consultations and plans done		
Analysis / Identification of risk areas / related practices	No of visits No of consultations No of corrective interventions No of reports	14 25 As needed  As required	24 35  8 in relation to Controlled Diseases	10 10	171 140
Identification and monitoring of zoonotic diseases in the Province	No of outbreaks monitored  No of SR1 screened No of meetings with other stakeholders	As necessary  100% As required	CSF, AHS, Rabies, CA, BSE 100% 22		100

Measurable Objective	Performance Measure	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
				Units	%
Monitor the mapping of dip tanks, farms, risk areas and outbreaks with GPS / GIS	No of mapped facilities verified	As required	All CSF areas captured		
Disease reporting and distribution of reports	No of bulletins / reports prepared No of bulletins circulated	Monthly As required	11 Interim reports about CSF 11		
Liaison with other stakeholders (Dept of Health, SAPS, SADF, Organised Agric, SPCA, International bodies AO, OIE)	No of liaisons held No of responses processed	12 As necessary	20 28	8	166
Monitor emergency preparedness and response	No of inspections done to evaluate norms No of responses attended to No of liaisons	Regularly monitored As necessary On-going	30 32 45		
Monitor the maintenance of disaster / disease outbreak key nodes / co-ordination centres	No of centres established  No of centres functional No of contacts / meetings	As required	2 main CSF centres. Initially in Butterworth and then in Stutterheim % mini JOCS 65		
Establishment and maintenance of emergency stores / equipment	No of stores established No of first aid kits monitored Quality of stores State of equipment	1 Requirements catalogued / orders done	Materials used as first reaction to the CSF outbreak in July 2005		
Monitor the establishment and mobilisation of resources network regarding personnel (qualification, experience, availability, etc), equipment (number, location, availability), transport facilities (location, condition, availability, drivers)	No personnel captured No of vehicles identified / captured No of equipment identified / captured No of inspections (qualitative and quantitative state of logistics)	Facilities for the implementation of this exercise to be sourced. Plans of implementation in place	All necessary resources mobilised and utilised in reaction to the CSF outbreak around Butterworth. Personnel clearly identified with ID's (photographed) and all captured in a database		
- The development and updating of standardized INFO packs - Utilization of info packs	No of Info Packs developed No of Info Packs updated No of Info Packs sourced No of Info Packs standardized No distributed	3 6 10 9 35 000	Yes 10 12 15 30 000	4 2 6 5 000	166 120 166 -14.2
Development, maintenance, updating, distribution and utilization of exhibition and show stands and materials	No of exhibit sets developed No distributed No of exhibitions done	As required	3 4 50		

Measurable Objective	Performance Measure	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
				Units	%
Oversee the sourcing of standard manuals and procedure / instruction catalogues	No of manuals, procedure books sourced No distributed No copied	As required	CSF manuals x 2  60 100		
Adoption and maintenance of national and provincial standards and norms	No of manuals prepared	150	Sets 200	50	133
	No of contacts with field personnel	45	65	20	144
	No of contacts with National No of contacts with other stakeholders	37	55	18	148
Facilitation and co-ordination of innovative quality assurance programmes	No of manuals distributed No of consultations No of regional consultations facilitated	Done  12 16	CSF diagnostic manuals prepared for field staff		
Designation of personnel	No of personnel designated No of designation cards issued	Waiting for national instructions	All personnel in service designated		
Oversee the sourcing, utilisation and storage of vaccines, remedies, test sera, and veterinary equipment and stocks	No of contacts with districts	200	250	50	125
	No of returns verified	4	6	2	150
Monitoring and evaluation of the Public Veterinary Services activities	No of field visits done No of reports prepared No campaigns monitored	As necessary One per visit 1	AHT, Anthrax / BQ activities monitored		
Assist to establish and maintain a uniform reporting system	OIE Monthly Quarterly Annual Addendums: TB CA SR 1's Transport Stores / Stock Finance updated / analyzed reports Extension services Primary animal health care / clinical Dipping tanks and co-ordinates Revenue collected	Facilitate functional reporting system	The Informatics section does this on a monthly basis. Produced data capturing forms to assist with collating the compensation forms in the CSF campaign. Reporting these are still to be perused by all stakeholders		

### 2.9.3.3 Sub-programme 4.3: Veterinary Public Health

The sub-programme co-ordinates various Food Safety projects including the implementation of Meat Safety Act (Act 40 of 2000) and prevention of Zoonotic diseases.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
<b>STRATEGIC GOAL 1: Sustainable utilization of natural resources</b>						
Participate in integrated development planning of local municipalities	No of district municipalities	6	6	6	0	0
	No of meat safety projects involved	14	13	9	-4	-30
	No implemented	6	5	6	1	20
	No running	5	4	6	2	50
	No successfully completed	5	1	4	3	300
	No of visits	37	30	26	-4	-13
<b>STRATEGIC GOAL 2: Strengthened food security</b>						
To conduct awareness campaigns on food safety	No awareness campaigns initiated / involved	12	10	8	-2	80
	No of extension activities	89	120	81	-39	68
	No of pamphlets / forms generated	100	500	500	0	100
	No of pamphlets distributed	50	500	400	-100	80
	No of talks presented	9	25	16	-9	64
	No of attendees	112	450	390	-60	87
To apply the Meat Safety Act (Act 40 of 2000) and regulations	No of investigations (illegal slaughter)	17	6	18	12	300
	No prosecutions	0	0	0	0	0
	No of instructions issued	17	16	5	-11	-69
	No of warning letters issued	17	16	24	8	50
	No of BSE samples taken	594	720	702	-18	-3
	No of residue samples taken	54	154	154	0	0
No of bacteriological samples taken	60	140	153	13	9	
<b>STRATEGIC GOAL 3: Increased economic activity from agriculture</b>						
Facilitate and encourage the establishment of new abattoirs in disadvantaged areas	No of meetings with communities	20	20	27	7	35
	No of site visits	42	20	27	7	35
	No of consultations	20	20	21	1	5
	No of reports / related letters	18	10	10	0	0
	No of upgraded abattoirs	4	10	2	-8	-80
	No of new abattoirs established	4	5	7	2	40
To register and renew abattoirs	No of inspections	115	15	36	21	140
	No registration certificates issued	21	15	18	3	20
	No of renewals	21	20	11	-9	-45
To monitor meat safety projects	No projects monitored	17	10	31	21	210
	No butcheries visited	110	40	116	76	190
Audit abattoir hygiene	No red meat abattoirs:	80	81	80	-1	-1
	High throughput	15	16	15	-1	-6
	Low throughput	51	61	51	-10	-16
	Rural throughput	14	4	14	10	250
	No of poultry abattoirs:	31	34	35	1	3
	High throughput	6	6	6	0	0
	Low throughput	25	24	25	1	4
	Rural throughput	0	4	4	0	0
	No of hygiene audits	482	460	710	250	54
	No of hygiene reports	96	100	121	21	21
	No of HAS (verified)	52	64	32	-32	-50
	No of HAS (done)	52	64	32	-32	-50
No of corrective actions for non-compliance	52	64	32	-32	-50	

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Establish and maintain a database for the abattoirs and cutting plants	No of red meat abattoirs registered	80	81	80	-1	-1
	No of local cutting plants	0	10	0	-10	-100
	No of poultry abattoirs registered	31	36	35	-1	-3
	No of export abattoirs	3	3	3	0	0
	No of export cutting plants	3	3	3	0	0
	No of game abattoirs	2	3	2	-1	-33
	No of game cutting plants	3	3	2	-1	-33
	No of Reg Cert cancelled	4	0	4	4	
	No of designations / authorizations	9	10	37	27	270
	No of Schedule 8 returns	247	960	570	-390	-41
	No of Schedule 9 returns	122	420	105	-315	-75
No of abattoirs mapped with GPS	22	25	16	-9	-36	
Monitoring of structural requirements and procedures at sterilization plants	No of sterilisation plants	5	5	5	0	0
	No of inspections	5	5	5	0	0
	No of reports / letters	5	5	5	0	0
	No of recommendations	5	5	5	0	0
Structural planning	No of consultations	56	40	44	4	10
	No of plans received	15	15	9	-6	-40
	No of plans evaluated	15	15	9	-6	-40
	No of plans approved	13	15	8	-7	-47
	No of reports / comments/ letters	15	15	9	-6	-40
	No of visits to sites	61	80	90	10	13
	No of visits to monitor projects under construction	61	50	90	40	80
Collection and collation of data	Monthly reports	12	12	12	0	0
	Quarterly reports	4	4	4	0	0
	Annual reports	1	1	1	0	0

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

This is a supportive service to the other sub-programmes. It provides a diagnostic service, co-ordinates animal disease surveys for the determination of trends in order to enable the Province to respond accordingly.

##### **Aim of vote**

To render Veterinary Laboratory Services in the Eastern Cape Province. This service is rendered as a support for Animal disease control under legislative guidance. 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 four laboratories as follows.

##### Mthatha

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

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

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

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 focussed control measures. This benefits the livestock producers by reducing costs and bringing the disease outbreaks under control rapidly, minimizing 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 well but the acute staff shortage is becoming a major hindrance.
- 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 beyond the target estimates.
- In some cases, the targets were exceeded. This was usually associated with larger or increased numbers of disease outbreaks or with on going surveys.
- Middleburg Provincial Veterinary Laboratories (PVL) in particular, Queenstown and Grahamstown laboratories as well 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 vet, one for each PVL. The posts for Mthatha and Middelburg PVL have been vacant for over 7 years, the post in Grahamstown PVL fell vacant since the incumbent was boarded during December 2004 and is not yet filled; the last post in Queenstown was created over a year ago.
- Connectivity in the PVLs is still not completed. Queenstown PVL has been cabled for LAN but is not connected yet. Cabling of Grahamstown PVL is not completed yet. The roll out of the Laboratory Information Management System (LIMS) to the Vet Laboratories in the Eastern Cape except for Middelburg PVL has therefore not happened yet. The matter of the LAN is still to be attended to by the GITO.

### **Achievements**

- The National Microbiological Surveillance program aimed at establishing base levels of contamination during the slaughter process at major abattoirs in South Africa was completed during the year.
- The faecal egg count reduction test and packed cell volume (Haematocrit) was carried out on natural infestations of Nematode parasites in goats on five farms at Ezibeleni and Mlungishi to determine the efficacy of *Prodose* by Queenstown PVL. Egg count reduction was achieved between 81 and 100%. This was a reasonably high effective rate of the anthelmintic.
- The Provincial Veterinary Laboratory continues to coordinate the sampling process and result collation and interpretation for Avian Influenza, Classical Swine Fever and Newcastle Disease surveillance in the province. Samples were obtained from ostriches, pigs, chickens, ducks and geese and some wild aquatic birds mainly geese for Avian Influenza; chickens and ostriches for Newcastle Disease and from pigs for Classical Swine Fever. Samples were tested at OVI and Allerton PVL. The number of samples processed during the surveys for the year 2005/06 were as follows:

<b>Disease</b>	<b>Blood</b>	<b>Tissue</b>	<b>Comments</b>
Avian Influenza	5 114		
Newcastle Disease	327		
Classical Swine Fever	32 252	593	
Other	10	130	BVD & BSE

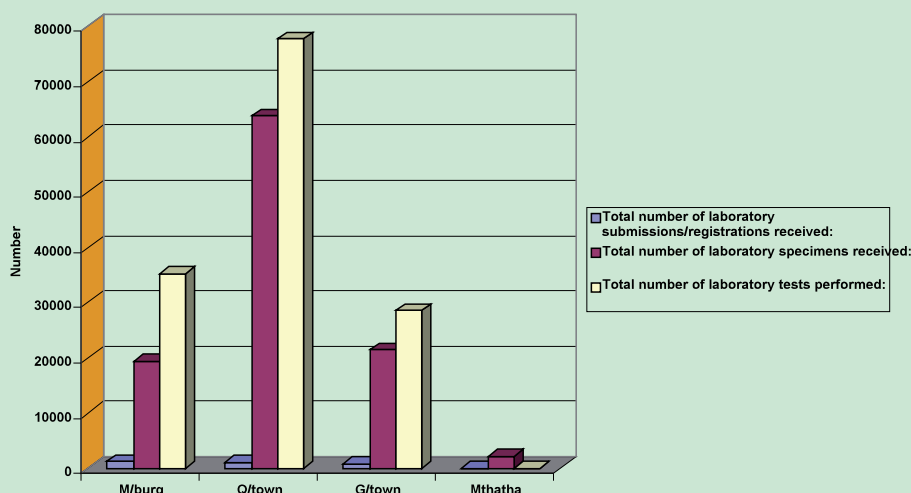
All samples were negative for Avian Influenza  
Positive Newcastle Disease outbreaks were diagnosed  
Positive Classical swine fever outbreaks were diagnosed  
Seven out of 10 samples were positive for BVD  
All samples were negative for BSE

- The fourth round of Proficiency testing among the Veterinary Laboratories in South Africa on the Milk Ring Test (MRT) for screening of milk for Brucellosis was conducted. Eastern Cape laboratories – Queenstown

PVL, Middelburg PVL and Grahamstown PVL achieved 90%, 100% and 100% respectively. Remedial action was taken regarding Queenstown PVL.

- The activities of the laboratory services programme as outlined in the following figure and table 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 lower compared to the previous year and to the target. An overall decrease of 6.4% in registration, 44.6% in the number of specimen and 29.6% in the number of tests was observed. All samples submitted to the laboratory however, were analyzed promptly. The low numbers achieved this year were due in principally to the involvement of nearly all field staff and some lab staff in the control of Classical Swine Fever. There was therefore limited capacity to investigate other diseases in the province. All samples obtained from CSF were tested at OVI.

Fig 1 Submissions, Specimens, Tests



Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
<b>VETERINARY LABORATORY SERVICES</b>						
<b>Serology</b>						
Submissions	No received	1 469	1 470	996	-474	-32.2
Specimen	No of specimen derived	103 331	103 300	49 949	-53 351	-51.6
RBT (Rose Bengal Test)	No of tests done	86 629	86 600	37 922	-48 678	-56.2
CF (complement fixation) tests	No of tests done	16 577	16 500	11 557	-4 943	-30.0
Brucella abortus	No of tests done	8 220	8 200	5 665	-2 535	-30.9
Brucella melitensis	No of tests done	0	0	115	115	100
Brucella ovis	No of tests done	7 899	7 800	5 265	-2 535	-32.5
Dourine	No of tests done	458	450	512	62	13.8
SPA (serum plate agglutination) tests	No of tests done	662	660	205	-455	-68.9
MRT (Milk ring test)	No of tests done	4 847	4 800	4 665	-135	-2.8
Brucella [Total]						
Other	No of tests done	730	730	2 180	1 450	198.6
<b>Total</b>		<b>109 445</b>	<b>109 240</b>	<b>56 529</b>	<b>-52 711</b>	<b>-48.3</b>
<b>Bacteriology</b>						
Submissions	No received	413	400	366	-34	-8.5
Specimens	No of specimen derived	3 053	3 000	3 066	66	2.2
Bacterial cultures	No of cultures	4 258	4 200	7 436	3 236	77.0
Total plate counts	No of counts	244	240	877	637	265.4
Confirmatory identification tests	No of tests	1 292	1 200	3 552	2 352	196.0
Antibiograms (Total number of discs)	No of tests	611	600	661	61	10.2
Water quality tests (1 test includes Coliforms, E coli, TPC)	No of tests	2	2	7	5	250
<b>Total</b>		<b>6 407</b>	<b>6 242</b>	<b>12 543</b>	<b>6 301</b>	<b>100.9</b>

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
<b>Smears examined</b>						
Bacterial culture smears	No of smears	873	870	1 058	188	21.6
Blood smears (RapiDiff / Giemsa / other)	No of smears	344	340	180	-160	-41.7
Brain smears (RapiDiff / Giemsa / other)	No of smears	101	100	97	-3	-3.0
Faecal smears (Crystal Violet)	No of smears		0	394	394	100
Semen smears (Gram / Stamps)	No of smears	1 501	1 500	4 164	2 664	177.6
Spleen smears (RapiDiff / Giemsa / other)	No of smears	18	15	2	-13	-86.7
Tissue impression smears (RapiDiff / Gram / Stamps / Giminez)	No of smears	202	200	353	153	76.5
Trichomonas smears	No of smears	1 570	1 500	2 275	975	75
Semen smears (Esosin / Negrosin)		2 714	2 700	0		
Semen morphology smears (Spermac / Karras)		12	10	0		
<b>Total</b>		<b>7 335</b>	<b>7 035</b>	<b>8 547</b>	<b>1 512</b>	<b>21.5</b>
<b>VETERINARY PUBLIC HEALTH MONITORING</b>						
Submissions	No received	47	45	61	16	35.6
Specimens	No of specimen derived	564	560	419	-141	-25.2
Abattoir by-products (carcass meal, bone meal, feather meal)	No of tests done	468	460	280	-180	-39.1
Export abattoir hygiene monitoring	No of tests done	150	150	125	-25	-16.7
Meat hygiene monitoring		346	340	460	120	35.3
Antibiotic residues	No of tests done	283	280	185	-95	-33.9
Water quality tests (Coliforms and E coli, TPC -22°C % 35°C)	No of tests done	405	400	348	-52	-13.0
Other pathogen monitoring detection (e.g. anthrax, clostridium, staph aureus)		240	240	140	-100	-41.7
Other	No of tests done	57	50	82	32	64
<b>Total</b>		<b>1 949</b>	<b>1 920</b>	<b>1 620</b>	<b>-300</b>	<b>-15.6</b>
<b>Mastitis control</b>						
Submissions	No received	33	30	30	0	0
Specimens	No of specimen derived	691	690	1 226	536	77.7
Bacterial cultures	No of cultures	911	900	1 582	682	75.8
Confirmatory ID tests	No of smears	1 019	1 000	1 000	0	0
Antibiograms	No of isolates	3 555	3 500	3 924	424	12.1
Milk quality tests (TPC coliforms & E coli)	No of tests	16	15	0	-15	-100
<b>Total</b>		<b>5 501</b>	<b>5 415</b>	<b>6 506</b>	<b>1 091</b>	<b>20.1</b>
<b>Reproduction</b>						
Submissions	No received	334	330	352	22	6.7
Specimens	No of specimen derived	5 503	5 500	5 710	210	3.8
Camylobacter	No examined	1 316	1 300	1 458	158	12.2
Trichomonas	No examined	1 316	1 300	1 479	179	13.8
Semen quality tests (volume, mass morility, density, semen pH)	No of tests	4 452	4 400	5 964	1 564	35.5
<b>Total</b>		<b>7 084</b>	<b>7 000</b>	<b>8 901</b>	<b>1 901</b>	<b>27.2</b>



Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
<b>Pathology</b>						
Submissions		297	290	356	66	22.8
Specimens		566	550	670	110	19.6
Avian post mortems - submissions	No of submissions	14	15	44	29	193.3
Avian post mortems - specimens	No of specimens	41	40	107	67	167.5
Mammalian post mortems - submissions	No of submissions	269	260	292	32	12.3
Mammalian post mortems - specimens	No of specimens	498	490	523	33	6.7
Foetal material (fetuses / placentas) - submissions	No of submissions	14	15	20	5	33.3
Foetal material (fetuses / placentas) - specimens	No of specimens	27	30	40	10	33.3
Submissions	No received	1	1	1	0	0
Specimens	No of specimen derived & processed	3	5	168	163	>1 000
Tissue sections prepared (haemotoxylin and eosin)	No of sections prepared	27	30	168	138	460
<b>Total</b>		<b>27</b>	<b>30</b>	<b>168</b>	<b>138</b>	<b>460</b>
<b>Toxicology</b>						
Submissions	No received		1	1	0	0
Specimen	No of specimen derived		1	2	1	50
Other (including arsenic, lead, nitrate and prussic acid)	No of tests		1	2	1	50
<b>Total</b>			<b>1</b>	<b>2</b>	<b>1</b>	<b>50</b>
<b>Biochemistry</b>						
Submissions	No received	15	10	0	-10	-100
Specimens	No of specimen derived	1 035	1 000	0	-1 000	-100
Other (MUN, occult blood)	No of tests	1 035	1 000	0	-1 000	-100
<b>Total</b>		<b>1 035</b>	<b>1 000</b>	<b>0</b>	<b>-1 000</b>	<b>-100</b>
<b>Haematology</b>						
Submissions	No received	1	1	15	14	>1 000
Specimen	No of specimen derived	10	10	272	262	>1 000
PCV (packed cell volume) / Haematocrit	No of tests	10	10	272	262	>1 000
Full blood count (red cell count, white cell count and differential count)	No of tests		1	0	-1	-100
<b>Total</b>		<b>10</b>	<b>10</b>	<b>272</b>	262	<b>&gt;1 000</b>
<b>Parasitology</b>						
Submissions	No received	580	580	648	68	11.7
Specimen	No of specimen derived	4 081	4 000	3 844	-156	-3.9
Faecal specimens (egg / oocyst count) examined	No examined	5 404	5 400	4 168	-1 232	-22.8
Composite faecal specimens egg / oocyst counts	No of counts	1 088	1 000	1 312	312	31.2
Faecal egg reduction tests	No of tests	0	1	15	14	>1 000
Fluke egg counts	No of tests	1 036	1 000	176	-824	-82.4
Identification of internal parasites (including larval cultures)	No identified	635	600	442	-158	-26.3
Identification of external parasites (including skin scrapings and wool samples)	No identified	90	90	56	-34	-37.8
Other		8	5	0	-5	-100
<b>Total</b>		<b>8 261</b>	<b>8 095</b>	<b>6 169</b>	<b>-1 926</b>	<b>-23.8</b>

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
<b>Laboratory by-products vaccines</b>						
Submissions		59	50	75	25	50
Specimens		61	60	81	21	35
Vaccines prepared (doses)	Doses prepared	11 930	11 900	12 709	809	6.8
Reagents and stains (litres)	Litres prepared	400.48	400	313.9	-86.1	-21.5
Media prepared (litres)	Litres prepared	348.6	340	361.6	21.6	6.4
<b>Specimens forwarded to other laboratories</b>						
Bacterial isolates for identification and typing	No of cultures	75	70	78	6	11.4
Blood/serum samples for mineral analysis	No of samples	4	5	2	-3	-60
Histopathological examination	No of specimen	444	400	149	-251	-62.8
Parasitological samples	No of specimen	7	5	1	-4	-80
Serology (including leptospirosis)	No of specimen	34 927	10 000	14 188	4 188	41.9
Samples for PCR (molecular biology) (RT-PCR for NCV)	No of specimen	16 000	100	0	-100	-100
Toxicological examination	No of specimen	8	5	6	1	20
Virus isolation, identification and typing	No of specimen	30 387	10 000	6 134	-3 866	-38.7
VPH (Residue monitoring program etc)	No of specimen	37	50	215	165	330
Other (specify) BSE	No of specimen	0	10	8	-2	-20
<b>Total</b>		<b>65 899</b>	<b>20 540</b>	<b>20 804</b>	<b>264</b>	<b>1.3</b>
<b>Summary</b>						
Total number of laboratory submissions / registrations received	No received	3 192	3 100	2 903	-197	-6.4
Total number of laboratory specimens received	No of specimen derived	118 278	118 000	65 425	-52 575	-44.6
Total number of laboratory test performed	No of tests	145 457	145 000	102 095	-42 905	-29.6
Total number of specimens forwarded to other laboratories	No of specimens	65 899	20 540	20 804	264	1.3
Total laboratory fees collected	Rands	R89 952.23	R89 000.00	R97 610.86	R8 610.86	9.7
<b>Kilometres travelled</b>						
GG vehicles	No	83 216	80 000	104 093	24 093	30.1
Subsidised vehicles	No	40 006	40 000	16 802	-23 198	-58.0
<b>Total</b>		<b>123 222</b>	<b>120 000</b>	<b>120 281</b>	<b>281</b>	<b>0.2</b>
<b>Clinical services</b>						
Fertility testing and sheath wash collection			1 480	1 988	508	34.3
Vaccinations: rabies			180	247	67	37.2
Specimens collected			100	90	-10	-10
Other (specify) Clinical exams			1 620	1 355	-265	-16.4

## 2.9.4 Programme 5: Technology Research and Development Services

To render agricultural research service and development of information systems with regard to crop production technology, animal production technology and resource utilization technology through GIS manipulation.

Voted Funds

Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over / Under Expenditure) R'000
42,226	41,741	485

Performance statistics summary as per strategic plan

2.9.4.1 Sub-programme 5.1: Research

To facilitate, conduct and co-ordinate the identification of agricultural research needs; developing, adapting or transferring appropriate technology to farming industry, and participating in multi-disciplinary agricultural development projects.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target %
Research on new & appropriate technologies for sustainable food production in livestock & plant sciences	No of research proposals	8	23	34	47
	No of trials conducted	35	30	60	100
	No of papers published in journals (national & international)	3	2	5	125
	No of papers presented	33	40	25	-37
Facilitate the establishment of high value crops	No of trials proposed	5	5	9	180
	No of trials implemented	3	5	5	0
	No of paper	2	2	0	-100
	No of seminars	4	2	2	0

2.9.4.2 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

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target %
Distribution and dissemination of appropriate technology	No of demonstration trials	41	12	55	458
	No of pamphlets - designed & distributed	3	4 diff types	8 diff types	100
Facilitate agreements with training and research institutions (National and international)	No of agreements with appropriate institutions				
	- National	4	2	7	350
	- International	0	1	2	100

2.9.4.3 Sub-programme 5.3: Infrastructure Support Services

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

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target %
Maintenance of experimental farms	Type of maintenance support provided	0	1	1 (listed) Maintenance of 15 km fence Erect 2 km fence Service & repair 25 tractors 160 ha planted for fodder production of 876 t silage & 2580 bales hay Control noxious weeds on 89 ha Maintenance of 12 km road Routine maintenance of sewage system, electricity and gardening Maintenance of housing infrastructure at Döhne	0

## Service Delivery Achievements

### Animal Research

- **Beef cattle:** For beef cattle the target reproduction rate (calving) is 60% and for both Nguni's and Bonsmara, we managed to get more than 90% which resulted in cow efficiencies of 43 %, target mortalities is 5 % and 0 to 0.5 % occurred. The Döhne Nguni stud was acknowledged as the stud (51 to 100 cows) with the lowest inter-calving performance (375 days) in the Nguni Breeders Association of SA. From these breeding projects 31 bulls were availed to communal farmers. Seven projects are conducted with beef cattle.
- **Woolled sheep:** The Dohne Merino stud has won international acclaim with visits by 3 overseas groups. The performance of this stud also substantially exceeds targets for example 106% vs. 80% reproduction rate, mortality 2% vs. 15% and a 2.3% higher wool production. A substantial data set is also compiled for genetic studies. Similar results are achieved for the Fine Wool Merino Stud at Cradock. From these breeding projects 50 rams were availed to communal farmers.
- **Production systems:** Three animal production system projects are conducted with high reproduction rates (cattle 98%, sheep 117 and goats 200%). These systems are visited by 63 farmers.
- **Dairy cattle:** A project to compare between conventional and organic milk production showed that organic milk production is not a simple process. In this innovative and comprehensive project a number of production processes are investigated by the Pasture Science and Crop production sections.
- **Tick distribution:** This project revealed a few interesting results on tick distribution in the former Transkei. In spite of an intensive dipping program a wide variety of ticks exists. A distribution map has been developed.
- **Evaluating communal livestock (Wartburg):** This project show that there is nothing wrong with the genetic potential of communal livestock in that vast improvement is possible by using existing livestock management and maintaining prescribed grazing capacities.

### Field Crops Research

- Tillage systems (conventional versus minimum tillage). During the first cropping season (2004/5) conventional tillage produced higher yields (25 % higher) than minimum tillage, whereas in the 2005/6 season the opposite was observed as minimum tillage gave a higher yield as compared to conventional tillage (30 %).
- Cropping system, where sole cropping of the high value crops (soybean, dry bean and pumpkin) is compared with the intercropping (high value crops with cereals) as intercropping is the prominent cropping system of the subsistence farmers in the Eastern Cape Province. Intercropping legumes and cereals gave higher productivity when the cereals were planted at 25 % sole and legumes were planted at 75 % whilst intercropping cereals and pumpkins gave a higher productivity when cereals were planted at 75 % sole and pumpkins were planted at 25 % sole. The effect of the planting pattern on these is still under investigation.
- Cultivar evaluation: Cultivar trials are conducted annually at different agro-ecological zones for high value crops (sunflower, soybean, cowpea, etc) and for cereals (maize, sorghum) and the 10 top performing cultivars are recommended to the farmers at the respective agro-ecological zones,
- Diagnostic surveys to identify the most problematic weeds and plant diseases in the Eastern Cape Province were conducted at various regions.
- The soil laboratory renders 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.

### Horticultural Research

- **Nutrient Film Technique (NTF) Aquaponics system:** In this research project, the possibility of combining the vegetable and fish production in one system is under investigation.
- **Cultivar evaluation trials:** Out of season onion production trial had been finalized and the scientific report had been submitted to the scientific journal for publication. Additionally the cultivar evaluation of paprika, chillies, prickly pear is underway and there are no results available for recommendations yet since the research is continuing.
- **Entomological research:** Olive pests and their parasitic character have been investigated in the province. The obtained information will pave the way for a biological control of olive pests.
- **Hydroponics:** Six tomato cultivars have been evaluated for the second season under the plastic tunnel; the full report is yet to be finalized. The cultivar FA1411 outperformed others by 62 % and 16 % yield increase for the past two seasons respectively in the Döhne environment.
- **Trench garden:** The investigations on determination of the value of the trench garden vegetable production had been conducted at Cradock Research Station. The system will be of great value to subsistence farmers in the province.

### Pasture Research

Research on 28 trials was conducted and is continuing to develop appropriate technology for optimum and sustainable use of veld and pasture resources. The major challenges facing livestock farmers such as bush encroachment, loss of veld vigour, over wintering of livestock and invasion of grazing by noxious weeds are addressed through trials

designed specifically to enable farmers to cope with these challenges threatening their livelihood. Production norms and grazing systems are being developed that will contribute to increased production from sheep and cattle on a sustainable basis.

Long term grazing trials are conducted in the major agro ecological zones of the province with a more structured trial at the Adelaide Research station. This trial has continued to yield interesting results pertaining to veld management guidelines. Three of these trials in communal areas are integrated with livestock production and are conducted on a cooperative basis as a means of demonstrating basic veld management approaches. Preliminary data from this work has shown that in the higher rainfall areas the vegetation composition in the communal areas may not have undergone serious changes suggesting that its condition and production can be improved with normal management approaches.

It has also been demonstrated that the size of fire block does not have a significant effect on fire behaviour patterns shedding further light on the role of fire in veld management while a ground breaking trial to evaluate and develop strategies for controlling bush encroachment along the coast has been initiated.

Planted pasture trials are conducted in most areas in the province that have the environmental potential for increased fodder production. These include fertilizer trials along the Eastern seaboard, determination of growth curves of popular pasture species and the evaluation of lucerne cultivars under different irrigation regimes.

A well adapted *Desmodium* pasture species have been developed for the high rainfall sourveld areas with a potential to improve fodder flow to the greater part of the province. The identification of adapted legume species to replace *Nassella* has been taken one step further with the isolation of a species that is not affected by the herbicide used to kill the invader. Major work has been completed which adds to the body of knowledge on the fertilizer, climatic and soil requirements of legumes and other grass species in the high producing areas of the Eastern Cape.

#### Information Dissemination

This function acts as a link between research and end users of technology developed. Two resource centres were established at O.R Tambo and Chris Hani District municipalities as sites to access appropriate and latest information. Eight packages of information in a form leaflets, posters, books and video cassettes were delivered into these centres.

Thirteen refresher courses were conducted for both scientists and technicians as a strategy to transfer technology and latest information. These include project planning and management, principles of crop and animal production, communication and facilitation skills. Two hundred and ninety one officers were engaged.

The unit participated in nine career exhibitions involving 47 schools across the province with the purpose of attracting new entrants (students) in agriculture through the departmental bursary scheme in order to address scarce skills.

Five information days, in collaboration with other sections, were facilitated and conducted at demonstration sites within Döhne premises and outside the station.

As part of information dissemination and to promote debate within the department and the scientific fraternity five seminar sessions were held with an output of more than 25 papers presented by various contributors from the department as well as invited speakers.

#### Geographic Information System

One of the main involvements of this function has been in the assistance given to Veterinary Services with detailed maps of infestations of Swine Fever and previously, Avian Flu outbreaks. This has been a most valuable service to enable Vet officers to erect road blocks etc. in strategic places and to monitor the spread of these outbreaks.

Over 750 maps, posters farm plans etc. were produced during the year by the GIS unit. An increase of approximately 315 over the previous year. In addition the section produced 139 hand-outs or pamphlets and 19 slide presentations for end users.

#### **Measure of Research Capacity of the Province (Publications)**

Author	Publication	Title
N Nyangiwe and IG Horak	Onderstepoort Journal of Veterinary Research	Ixodid ticks on dogs in the eastern regions of the Eastern Cape Province, South Africa.
N Nyangiwe and IG Horak	Onderstepoort Journal of Veterinary Research (In press)	Goats as hosts of cattle ticks.

Author	Publication	Title
MM Ganqa, PF Scogings and JG Raats	South African Journal of Wildlife Research	Diet selection and forage quality factors affecting woody plant selection by black rhinoceros in the Great Fish River Reserve, South Africa.

#### **International Agreements / Partnerships**

- ACIAR/Murdoch University, Australia – “Pasture development for community livestock production in the Eastern Cape Province of South Africa (acronym ECCAL –Eastern Cape Communal Arable Lands)”
- Wageningen University: Development of Extension and Research Capacity of the Province through Human Resource Development by Training Eastern Cape Officials acquire Senior Degrees: M. Sc and Ph D in Extension as well as researchers in the same degree programs. This is a partnership between the European Union and South Africa, through the Eastern Cape, the Northern Cape and the Western Cape Provinces cooperation agreement.

### **2.9.5 Programme 6: Agricultural 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 R'000	Actual Amount Spent R'000	(Over / Under Expenditure) R'000
7,496	6,312	1,184

#### **2.9.5.1 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).

#### **Service Delivery Achievements**

Agricultural economic business plans constituted a huge portion of the total activities of the division. This is necessary to ensure sound decisions regarding the allocation of CASP, related infrastructure and input supply programs. During this process the program managed to establish a working system to apply economic norms and comparable analysis of agricultural practise. Fixed costs are inevitable in any farming operation. Basic assumptions to enable a fair estimate of these costs have been established wherein the planning process can be improved to reflect reality more accurately. A total of 284 business plan were drawn.

Resource potentials were determined for new industries such as cassava, canola as well as macadamia nuts and these potential were proposed to potential developers for their further pursuit. Preliminary Gross Margins for these products were done to ensure economic sustainability. In a similar fashion 14 farms were evaluated and income potentials determined to support the FALA, POA (Power of Attorney Farms) and LRAD (Land Re-distribution for Agricultural Development) applications.

In the process of enhancing local value adding to products that are produced in the Province,

- a total of 46 new potential buyers mainly of maize have been identified and through this intervention 7 000 tons of surplus maize from the Massive Food Production Program were marketed and sold at an average price of R580 per ton for yellow maize and R630 per ton for white maize.
- Nine buyers for maize are ready to enter into forward contracts for the next season's maize.
- A strong emphasis is placed on identifying suitable existing grain storage and milling facilities in maize producing areas.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Develop economic norms of commodity specific practices up to gross margin level to enable comparison with generic practices	No of applicable enterprise budgets	5	180	438	258	143
Identify and quantify fixed cost structures to be used under specific circumstances	No of broad norms on fixed costs per hectare	5	120	284	164	137
Evaluate project feasibility results in terms of economic performance prior to promotion of the new technology	No of new initiatives evaluated prior to promotion of new technology	1	8	4	-4	-50
Evaluate competitiveness of alternative farming practices versus conventional farming	No of competitive alternative farming practices evaluated	4	5	3	-2	-40
Qualify resource base potentialities of land use	No of resource based land use potentialities qualified	159	45	47	2	4
Develop and apply economic feasibility studies and analyse financial achievability	No of economic feasibility and viability studies developed	98	120	72	-48	-40
Disseminate information making recommendations and advise clients in pursuit of their objectives	Frequency of information dissemination made	267	360	270	-90	-25
Identify and quantify the available resources	No of agribusiness feasibility studies evaluated	21	60	84	24	40
Identify in conjunction with retail sector, specific products on which to focus level of processing and assess employment opportunity value	No of value chain analysis studies undertaken	8	12	3	-9	-75
Initiate and facilitate co-operative marketing amongst target agribusiness	No of co-operative marketing agribusinesses initiated	3	24	29	5	21
Determine current and potential use of existing marketing infrastructure and identify requirements for enhancing value chain	No of marketing infrastructure requirements determined	34	36	46	10	28
Identification of suitable markets for viable agricultural enterprises / products.	No of suitable markets identified	0	8	27	19	238
Establishment of marketing outlets	No of marketing outlets established	0	10	9	-1	-10

### 2.9.5.2 Sub programme 6.2: Macro-economics and Statistics

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

#### **Service delivery achievements**

The most important policy and/or development that were interpreted were the National guidelines on MAFISA and the interpretation thereof for use by local farmers. Applications for MAFISA loans to produce cotton and vegetables are in the process of being approved. Other policies include the National Disaster Management Framework, AGRI BEE Scorecard and the Identification of Scarce Skills Plan was either participated in or commented on.

As part of the Department's efforts to support viable AGRI BEE initiatives, a total of 24 projects were assessed and assisted in terms of implementation. These include primary production partnerships in dairy, chicory and vegetable production as well as cooperative agreements between two commercialised mechanization contractors and 12 developing contractors. A total of six farm lease calculations were done of which two projects have been implemented through the Department's Farmer Support Service. The remainder were done by the parties in their private capacity.

Sources of statistics, production information and quantities are stable and disseminated as far as possible to farmers and other stakeholders in the Province. The importance of providing this information is becoming evident as farmers are more willing to forward contract their maize than in previous years. At the same time, increased interest in grains produced in the Province has been shown from outside the boundaries of the Province. The program contributed to the development of the PROVIDE project that enables national and international effects on local production to be analysed and policy informed.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Analyze and interpret National and Provincial agricultural policies and developmental plans and advise provincial management on the implications thereof	Number of national and provincial agricultural policies and development plans analysed and interpreted	6	4	4	0	0
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	36	4	3	-1	-25
Interpret macro economic trends and qualify the influences of these factors on the agricultural industry in the province	Number of macroeconomics trends interpreted	1	12	12	0	0
Conduct industry specific studies as the need arises	Number of industry specific cases studies undertaken	3	6	5	-1	-17
Initiate and review all new project initiatives in terms of the Agri BEE criteria and equity	Number of new Agri BEE project initiatives initiated	4	36	24	6	17
Continuously determine information requirements and develop means to obtain such information	Number of information requirements determined	2	2	2	0	0
Conduct surveys in case suitable data is not available	Number of surveys conducted	0	4	1	-3	-75
Establish strong working relations with provincial sources of statistics and present the information in a user friendly manner	Number of relationships established	4	4	2	-2	-50



Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Populate the available information and apply effective dissemination methods	Number of effective information dissemination methods populated	267	480	756	276	58
Compile progress reports on government initiatives according to provincial government requirements	Number of progress reports compiled	1	4	1	-3	-75

### **Disaster Management Services**

Attempts are underway to establish a competent disaster management component to handle disaster programmes and projects.

### **Service delivery achievements**

This responsibility was transferred during the course of the year to Program 6. This resulted in the only activity being to analyse policy and programs.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Interpret and implement disaster relief policies in close collaboration with District Managers	Number of disaster relief policies interpreted and implemented	1	0	0	0	0
Continuously monitor the possibility of natural disaster	Frequency of monitoring the possibility of natural disasters	0	0	0	0	0
Establish good rapport with DM officers	Disaster Management Advisory Forums attended	0	0	13	13	0
Identify disaster risks in areas, possible impacts	Number of applied assessment / valuation techniques	0	0	1	1	0
Develop and evaluate disaster profiles	Number of disaster profiles developed	0	0	5	5	0
Plan and contact mitigation and prevention	Number of mitigations	0	0	0	0	0
Develop disaster risk management strategy	Develop risk profiles for different locations	0	0	1	1	0

### **Pilot Project Management**

This function is responsible for the implementation and management of new agricultural project initiatives under typical natural, social and economic environments and the evaluation of the feasibility of expanding these initiatives.

### **Service delivery achievements**

This function is involved at varying extents in four pilot projects that include the establishment of agricultural co-operatives amongst the maize producers to enable them to enjoy collective advantages, commercial hemp production, soyabeans, essential oils and cotton.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Number of pilot projects undertaken	Identify potential new initiatives	0	4	4	0	0
	Obtain relevant application potential	0	4	3	-1	25
	Analyse potential to apply in Province	0	4	4	0	0
	Motivate and present application	0	4	4	0	0
	Manage social facilitation	0	4	4	0	0
	Identify potential stakeholders	0	4	4	0	0
	Manage pilot initiation	0	4	7	3	75
	Report on progress and experience	0	4	7	3	75
	Populate expansion basen on proven experience	0	4	4	0	0

### **Specific challenges and responses**

#### **Challenge 1: Uncertainty on Disaster management**

Uncertainty on the possible occurrences of disasters. Budgetary allocation is also a contributory factor in this uncertainty.

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

Current legislation and implementation frameworks are studied and linkages are established with National and Local Government Disaster management and early warning institutions.

#### **Challenge 2: Implementation of pilot projects**

Legal constraints on the cultivation of hemp for fibre production prevent expansion of the project beyond research level. Farmers are reluctant to co-operate in new project initiatives.

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

Negotiations prior to implementation are intensified to prevent project failure during the implementation phase.

### **2.9.6 Programme 7: Structured Agricultural Training**

To facilitate and provide Education to all participants in the Agricultural sector in order to establish a knowledgeable and competitive sector.

Voted Funds

Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over / Under Expenditure) R'000
31,060	30,464	596

#### **Key Objectives**

- To facilitate the rendering of Human Resource Development and Training for Departmental employees through Workplace Skills plan and bursaries
- To provide opportunities to gain experience and exposure within the department for interns and
- To provide bursaries to external students in relation to the Department's scarce skills.

#### **Programmes**

The Programme is composed of two sub-programmes namely:

- Tertiary Education and
- Further Education & Training

### 2.9.6.1 Sub Programme 7.1: Tertiary Education

To provide formal education and experience on post grade 12 level to anybody who qualifies and has the desire to obtain a formal qualification (interns and external bursary students).

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
To provide formal education and experience on post grade 12 level to anybody who qualifies and has the desire to obtain a formal qualification (interns and external bursary students)	No of interns trained	74	50	50	0	0
	No of external bursars	26	56	43	13	-23
	No of leadership learners (OTP - Transversal)	60	20	20	0	0

### 2.9.6.2 Sub-programme 7.2: Further Education & Training

- To provide formal and non-formal training and development to employees within the department
- To provide non-formal training within the proviso's of NQF level 1 to 4 and in the form of short courses to anybody who desires to participate, with special emphasis on emerging farmers and farm workers.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
To provide formal and non-formal training and development to employees within the department	No of training schedules developed	1	5	3	-2	-40
	No of ABET learners	73	42	140	98	233
	No of WPSP implemented	1	1	1	0	0
	No of training & impact assessment reports developed	4	8	1	-7	-88
	No of staff bursars	30	60	60	0	0
	No of bursary payments facilitated	49	30	90	60	200
	No of staff developed	1 297	2 000	1 323	-677	-34

#### **Achievements**

- Provision of 43 bursaries (26 in 2004/5 and 17 in 2005/ 6) for external students as a strategy to attracting scarce skills: 20 Engineering field, 2 Entomology, 2 Pest Management, 4 Agronomy, 2 Soil Science, 1 Biological Sciences, 8 Vet Sciences and 4 in GIS field.
- Continuation of Internship programme aimed at affording post Grade 12 students the opportunity to obtain experience in the agricultural technical related field.
- The Upgrading Programme at University of Fort Hare for 43 Extension officers is continuing.
- Continued implementation of Accelerated Management and Emerging Management Development programmes.
- Specific intervention implemented in respect of gender issues in partnership with SIPU targeting managers and supervisors.

#### **Challenges**

##### **Challenge 1:**

Capacitating of all extension service personnel

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

Department is exploring the possibility of a short-term high impact courses that caters for customer needs.

## Challenge 2

Implementation of the women development programme

### Response to Challenge 2

Department still in process of undergoing a paradigm shift in relation to this but programme has been developed.

#### Tsolo Agriculture & Rural Development Institute

The institute managed to train farmers under the auspices of AgriSITA engaging 106 farmers on vegetables, 73 on mechanisation, 16 on livestock and 33 on home industry.

Two hundred and forty (240) departmental officials received in-service training on various aspects of production chain including extension methodologies engaging service providers outside the department.

To facilitate service delivery, partnership programs with sister departments & other NGO's were established such as Potato SA and Pannar for establishment of suitable potatoes, maize, beans and sorghum cultivar adaptation trails.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Farmer development	<b>Administered unit standard based courses to farmers</b>					
	Livestock production	141	120	16	104	86
	Mechanization training	30	89	73	16	18
	Vegetable production	177	120	106	14	12
	Baking	25	24	11	13	54
	Sewing	12	24	12	12	50
Youth development	<b>Other courses for farmers &amp; youth</b>					
	Pothole farming		30	30	0	0
	On-site mechanisation training		100	105	+5	5
	Basic baking (Youth only)		10	10	0	0
Extension officer development	<b>In-service courses</b>					
	LandCare facilitation course		30	33	3	0
	Leadership, management & mentorship course		30	15	15	50
	Maize production		50	40	10	20
	Wheat production		30	20	10	33
	Vegetable production		30	40	10	3
	Poultry production		50	50	0	0
	Pig production		50	40	10	20
	Wool production		20	15	5	25
Conservation agriculture		20	20	0	0	

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Establishment of demonstration and research trials	<b>Poultry - Feed intake trials</b>					
	Broiler chicken	3	3	3	0	0
	Point of lay hens	1	2	1	1	50
	Day-old pullets	2	2	2	0	0
	Pig - feed intake	2	4	2	2	50
	<b>Vegetable demonstrations</b>					
	Lettuce	1	2	1	1	50
	Spinach	3	3	3	0	0
	Eggplant		1	1	0	0
	Broccoli		1	1	0	0
	Green pepper	1	2	2	0	0
	Cabbage	1	2	2	0	0
	Beetroot	1	2	2	0	0
	Cauliflower		2	1	1	50
	Tomatoes		2	1	1	50
	Carrots	3	3	3	0	0
<b>Field crops</b>						
Conventional & conservational tillage demo trials			1	1	0	0
Maize			1	1	0	0
Sunflower			1	1	0	0

### Mpofu Training Centre

Under farmer training 44 farmers under mechanization, 33 on machine shearing, 18 officers on wool sorting, 127 farmers on livestock (this includes piggery, poultry and beef course) as well as 28 farmers on crop production were trained. Several farmer visits that give technical advices or assistance were done such as the insemination of cows within the centre's locality.

One hundred and five demonstrations, training sessions and farmers days in and around Adelaide, Cathcart Valley and Black Wood farm were conducted. Local government projects in Mfiki (Middledrift) and Amathole (Keiskammahoek) got technical support. Fifteen departmental officers received training in wool sorting at Mpofu and were given practical exposure at BKB, Cape Mohair and Wool laboratory in P.E.

Six hundred rams were provided through the NWGA (National Wool Growers Association) partnership program with the Department for distribution to deserving local farmers for genetic improvement of their sheep.

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Farmer training	No of farmers trained on:					
	Livestock	325	300	127	-173	48
	Crops	0	75	28	-47	62
	Mechanization	15	75	44	-31	41
Extension outreach program and after care service	No of information days	13	15	13	2	13
	No of launches	7	5	3	2	40
	No of workshops	10	15	10	5	33.3
	No of agric shows	7	7	5	2	29
	No of projects visited	38	30	38	8	26
	No of farmers visited	69	30	35	5	17
			14	6	5	1
		51	30	55	25	83
Animal husbandry for demonstration purposes	No of excursions	22	10	20	10	200
Field husbandry section for demonstration purposes	No of excursions	20	10	35	25	71

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Engineering section at Mpofu Training Centre for demonstration purposes	No of implements demonstrations	8	30	50	20	41

## 2.10 TRANSFER PAYMENTS

Name of Institution	Amount Transferred R'000
Eastern Cape Rural Finance Corporation (trading as Uvimba)	17 500
Fort Cox Agricultural College	10 500
Agricultural Research Council (ARC)	600

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, which give sufficient 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."

## 2.11 CONDITIONAL GRANTS

Summary of Conditional Grants for 2005/06

Conditional Grant	Total Allocation R'000	Total Transfers R'000
LandCare	14 119	13 382
Comprehensive Agricultural Support Programme (CASP)	73 325	67 132
Disaster Relief	10 000	10 000
<b>TOTAL</b>	<b>97 444</b>	<b>90 514</b>

## 2.12 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

### 2.12.1 Capital Investment

- (a) There were no building projects undertaken by the Department of Agriculture as capital investment during the year under review.
- (b) There are no plans to close down or down grade facilities or any current facilities.
- (c)
  - (i) Currently the department is faced with the completion of the Döhne Research Station renovations besides, it is faced with a challenge of repairing inhabitable office buildings in Tsolo, Ngqeleni, Ntabankulu, Lusikisiki, Flagstaff and Bizana. The department has budgeted for the Research Station, and also will allocate funds for Ntabankulu, Tsolo and Ngqeleni to be renovated next financial year.
  - (ii) In terms of computers the department has entered into a contract with SITA which includes maintenance of computers and related equipment.
  - (iii) The department has also entered into other procurement agreements which also includes maintenance namely engineering survey equipment.

- (d) The above developments, namely building repairs, will impact negatively on the operational budget of the department since it indirectly reduces the service delivery budget.

## 2.12.2 Asset Management

- (a) Details of how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft?

### i) Losses

Description of loss	Case number	Value	Comments
Laptop Mecer DL 17	CR1143/11/05	R11 790.45	Pending investigations & proceedings
Laptop Mecer DL 17	CR1143/11/05	R11 790.45	Pending investigations & proceedings
Printer HL5050	CR173/01/06	R1 872.50	Pending investigations & proceedings
Microwave	CR869/09/05	R1 200.00	Pending investigations & proceedings
2 sheep ewes	CR149/11/05	R1 000.00	Pending investigations & proceedings
Heater electric x 2	CR46/01/06	R398.00	Pending investigations & proceedings
Camera Richo	CR153/05/05	R250.00	Pending investigations & proceedings
Memory key USB256Mb Mecer	CR1143/11/05	R244.12	Pending investigations & proceedings
Globe lamp	CR163/7/05	R191.84	Pending investigations & proceedings
Kettle Saton	CR163/7/05	R153.99	Pending investigations & proceedings
Doors & locks	CR869/09/05	R140.00	Pending investigations & proceedings
Duster Plus x 7	CR63/7/05	R111.93	Pending investigations & proceedings
Heater 2 bar	CR63/7/05	R99.99	Pending investigations & proceedings
Doom x 7	Pending investigations & proceedings	Pending investigations & proceedings	Pending investigations & proceedings
Furniture polish x 5	Pending investigations & proceedings	Pending investigations & proceedings	Pending investigations & proceedings
Soft broom x 2	CR163/7/05	R72.00	Pending investigations & proceedings
Bale of toilet paper x 1 (48's)	CR163/7/05	R70.00	Pending investigations & proceedings
Dish washer x 1 (5l)	CR63/7/05	R65.00	Pending investigations & proceedings
Air freshener x 5	CR63/7/05	R60.00	Pending investigations & proceedings
Heater 2 bar	CR63/04/05	R60.00	Pending investigations & proceedings
Hard broom x 1	CR/163/7/05	R49.99	Pending investigations & proceedings
Mop	CR163/7/05	R36.00	Pending investigations & proceedings
Cleaner toilet x 2	CR63/7/05	R36.00	Pending investigations & proceedings
Adaptor long x 1	CR63/7/05	R35.00	Pending investigations & proceedings
Extension cord x 1	CR63/7/05	R29.00	Pending investigations & proceedings
Windowlene x 5 (5l)	CR63/7/05	R23.40	Pending investigations & proceedings
Kettle cord x 1	CR63/7/05	R10.00	Pending investigations & proceedings
		<b>R29 923.77</b>	

- (b) The department is using BAMS (Basic Asset Management Systems) this was jointly designed with SITA and it also assists it at minimal costs to run and maintain the system.
- (c) Departmental assets are in a usable state to fair condition.
- (d) Major maintenance projects undertaken during the financial year were repairs on buildings.
- (e) No facilities were closed down or down graded during the financial year under review.
- (f) Projects which will be carried forwards are maintenance of buildings, LOGIS roll out and IQUAL implementation.
- (g) The Department is using the prescribed Supply Chain Management processes. It has structures in the form of committees namely; Specification, Evaluation, Adjudication and Award Authority. The Department is adjudicating tenders within the threshold value of R5m however it will be applying for increased delegations to increase the threshold in the next financial year.

Building projects done were pertaining to repairs and none have been completed with Döhne Research Station still continuing. It is expected that the repairs on the Döhne Research Station will be completed during next financial year.

Regions/Centres must indicate building projects completed, those started this year(2005/6) that has not been completed and indicating when it is expected to be. (Döhne could be having some building projects and perhaps some of these centres; OR Tambo, Alfred Nzo & Chris Hani but these Centres need to confirm. Döhne (Housing maintenance lower residence still in progress).

### 2.12.3 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	532 495.04
Building	2 950 128.55
<b>Grand Total</b>	<b>3 482 623.59</b>

#### Cost for Maintenance

Region	Equipment R	Furniture R	Buildings R	Rental / Property R	Total R
Head Office	-	186 127.50	65 486.44	-	251 613.94
Döhne	1 440 446.17	-	1 639 190.14	-	3 079 636.31
Alfred Nzo	23 727.46	4 746.00	139 434.78	71 210.20	239 118.44
Amatole	50 761.00	324 582.54	195 152.84	12 042.24	582 538.62
Cacadu	1 445 089.00	17 039.00	76 424.00	247 818.00	1 786 370.00
OR Tambo	-	-	308 866.49	-	308 866.49
Chris Hani	-	-	289 498.82	4004.15	293 502.97
Ukhahlamba	-	-	236 075.04	147 200.00	383 275.04
<b>Total</b>	<b>2 960 023.63</b>	<b>532 495.04</b>	<b>2 950 128.55</b>	<b>482 274.59</b>	<b>6 924 921.81</b>

- (a) The department was unable to address the maintenance backlog during the period under review due to budget constraints. The backlog has thus grown. The rate of progress is not according to plan due to budget



constraints and the department will make budget for the shortfall in the MTEF period.

### **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**

This is now catered for in the new organogram

#### **Challenge 2: Synergetic systems**

Absence of an asset management system which is linked to current financial systems namely LOGIS & BAS.

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

Took up matter with Provincial and National Treasury for solution. However department has engaged SITA for provision of current tool namely BAMS.

#### **Challenge 3: Maintenance Budget**

Shortage of maintenance budget to repair buildings.

#### **Response to Challenge 3**

We have motivated our Provincial Treasury on our needs and this will also form part of our next years budget submission.

# REPORT OF THE AUDIT COMMITTEE

## 1. Overview

We are pleased to present our report for the financial year ended 31 March 2006.

## 2. Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and meets as often as it deems necessary as per the approved terms of reference.

During the period under review, there were two meetings held.

Name of the Member	Numbers of meetings attended
Mr. V.G. Magan (Chairperson) appointed 5-12-2005	2
Ms. L. Steele (Member) appointed 5-12-2005	2
Ms. H.N. Jaxa (Member) appointed 5-12-2005	2

## 3. Audit Committee Responsibility

The audit committee reports that it has completed with its responsibilities arising from Section 381(a) of the Public Finance Management Act and treasury regulations 3.1.13. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with its charter and has discharged its responsibilities as contained therein.

## 4. The effectiveness of internal control

Although there were some areas of improvement, the department remains challenged to ensure that a sound systems of internal control exists. Instances of non compliance were reported by shared internal audit unit during the period under review.

The qualification of opinion received from the Auditor General for the year under review emphasizes the need to maintain effective, efficient and transparent system of internal control.

#### **4.1 Internal Audit**

There is a Shared Internal Audit Services unit in compliance with section 38 (1) of the PFMA and it is administered by the Office of the Premier.

During the year under review internal audit performed certain assignments. Reports presented to management highlighted certain internal control weaknesses where management had failed to comply with certain prescripts and/or legislation. Management acknowledged the findings of internal audit. Management was appraised of the areas where internal audit found controls which were previously reported as weak, to have improved.

### **5. Governance**

#### *5.1 Risk Management*

A risk assessment was undertaken during the period under review. Management has acknowledged these risks and a plan is underway to implement the risk management strategy.

#### *5.2 Fraud Management*

The committee is advised that the department had no fraud prevention plan in place however a plan is in the pipeline to implement the said plan.

### **6. Submission of in year management and monthly/ quarterly reports in terms of the Public Finance Management Act and the Division of Revenue Act.**

We have been advised that the monthly/ quarterly in-year management reports were compiled and submitted timeously as required in terms of legislation.

#### **Evaluation of Financial Statements**

The department has complied with National Treasury 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 appropriately applied.

The Audit Committee has

- Perused the Auditor General's management letter and management responses thereto,
- Noted the responses by management and made its own recommendations as required in terms of treasury regulations 3.1.12 and
- Noted the qualification of opinion from the Auditor General and remains committed to assist management in discharging their duties in terms of legislation.

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.

#### **8. Appreciation**

The committee expresses its sincere appreciation to the Honorable MEC, Accounting Officer, senior management team and the Auditor General.

A handwritten signature in black ink, appearing to be 'V.G. Magan', written in a cursive style.

**Mr. V.G. Magan**  
**Chairperson of the Audit Committee**

Date: 16 August 2006

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE**

**VOTE 8**

**ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2006**

**4. ANNUAL FINANCIAL STATEMENTS**

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

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2006**

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

**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 2005-09 strategic plans as well as the MEC's policy speech for the said period.

Foremost rolling out the agrarian transformation of our Province is what we refer to as **GREEN REVOLUTION**. Formally unproductive areas and process have got to be revolutionized to achieve a staggering increase in crop and animal production

To bring green revolution to reality, Umbashe, has been identified as the starting point. It is envisaged that 50% of the wards in Umbashe will be fully involved as pilot areas in this initiative. Hunger must gradually be banished through this green revolution. Unemployment must have reduced significantly. This will be a pilot project for the 2005/06 financial year and this is informed by the Provincial Growth and Development Program. Broad Based Black Economic empowerment within the agricultural sector requires a rapid and escalating growth in the economy of this sector.

The core functions of the department is to facilitate optimal agricultural production in the Province

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 R836, 9m as shown in the table below, the final budget for the year was R821,9m due to the transfer of staff that was deemed additional to the resources required by our department and their budget to other provincial departments;

	R'000
<b>Original Budget</b> , at the beginning of the year	<b>836,894</b>
Adjustments	
- Drought Relief Grant	(8,000)
- Staff Budget transferred to other dept.	(7,041)
<b>Final Budget</b> , for the year	<b>821,853</b>
<b>Budget Percentage Reduction</b>	<b>1.79%</b>

Eastern Cape Province experienced a Classical Swine Fever outbreak in August 2005 and this had a major impact on the activities of the department and we were requested by National Department of Agriculture to fund the campaign, until such time they refund the actual costs. Under spending reflected in compensations is the portion of R14 million for overtime claims, which was refunded at the end of March 2006. Under spending in respect of CASP, indicate commitments to the same amount and work is almost 90% completed and the balance is in respect of retentions as per the agreement with the contractors.

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**Unauthorized Expenditure**

Provincial Government Gazette No. 248, dated 10 July 1997, proclaimed that the Transkei Agricultural Corporation (TRACOR) be liquidated.

Minute No.93, item 10.1 (iii), of the Cabinet Committee on Economic Growth and development held on the 18 June 2003, resolved that the liquidators should be requested to provide a breakdown of R2.1 million owed by North Pondoland Sugar (Pty) Ltd to creditors.

Correspondence subsequent to 31 March 2006 to Treasury for approval of a payment of R2.15 million was submitted. To date no Treasury approval for the payment was received. This payment was in respect of settling the loan account of North Pondoland Sugar (Pty) Ltd, in Tracor and Magwa Tea Corporation. This resulted in transferring shares of North Pondoland Sugar (Pty) Ltd.

Presently this company is insolvent and there is a possibility that some creditors may have a claim from the department as the sole shareholder.

Application for a roll-over of unspent conditional grants has been submitted to the Provincial Treasury.

Program Description		Final Budget 2005/06 R'000	Expenditure For the year 2005/06 R'000	Under / (Over) R'000	%
1.	Administration	251,588	242,539	9,049	3.60
2.	Sustainable Resource Management	35,686	33,576	2,110	5.91
3.	Farmer Support & Development	354,190	344,132	10,058	2.84
4.	Veterinary Services	98,889	88,563	10,326	10.44
5.	Technical Research & Dev. Services	42,226	41,741	485	1.15
6.	Agricultural Economics	7,496	6,312	1,184	15.80
7.	Structured Agricultural Training	31,060	30,464	596	1.92
<b>TOTAL</b>		<b>821,135</b>	<b>787,327</b>	<b>33,808</b>	<b>4.12</b>

**3. SERVICES RENDERED**

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 and they were;

1. Food security through its Massive Food program and Siyazondla homestead food production,
2. Cacadu Region / Joubertina deciduous fruit project for export,
3. Umbashe pilot project on Green Revolution,
4. Magwa Tea turn-around intervention,
5. Koukamma Municipality – Deciduous fruit,

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6. Enon-Bersheba, and
7. Roll out of some of “Six Peg Policy” mainly provision of equipment.

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

**3.1 TARIFF POLICY**

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

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

**3.2 FREE SERVICES**

Following services have been rendered at no charge relate to services rendered by Veterinary Services, which was performed in terms of Schedule 4 of the Constitution whereby livestock protection in the Provinces is a National priority.

SERVICES	QUANTITY OF SERVICE	COST PER UNIT 'R' C	COST OF SERVICE 'R'
DIPPING	1,800 DIP TANKS x 20 TIMES	450.00	16,200,000
ANTHRAX AND BLACK QUARTER VACCINATION	1,900,000 CATTLE	1.57	2,983,000
RABIES VACCINATION	379,000 DOGS AND CATS	1.56	591,240
SHEEPSCAB TREATMENT	4,500,000 SHEEP	0.70	3,150,000
TUBERCULOSIS TESTING	310,000 CATTLE	3.16	979,600
BRUCELLOSIS VACCINATION	63,000 CALVES	2.20	138,600
CLASSICAL SWINE FEVER SURVEY	33,600 SERUM & TISSUE TESTS	75.00	2,520,000
AVIAN INFLUENZA SURVEY	6,606 SERUM AND SWAB SAMPLES	17.00	112,302
<b>TOTAL</b>			<b>26,674,742</b>



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**3.3 INVENTORY**

**Inventories on hand at year end**

	<b>Strategic stock 'R'</b>	<b>Domestic Consumables 'R'</b>	<b>Agricultural 'R'</b>	<b>Laboratory consumables 'R'</b>	<b>Stationery and Printing 'R'</b>	<b>Total 'R'</b>
HEAD OFFICE	-	44,567	-	-	352,640	397,206
AMATOLE	177,575	211,087	8,652	233,089	396,769	1,027,172
DOHNE	25,125	1,075,623	149,309	86,461	552,082	1,888,601
ALFRED NZO	315,635	229,014	47,267	823	400,641	993,380
UKHAHLAMBA	5,040	58,912	846	437,247	227,887	729,933
CHRIS HANI	-	193,728	-	71,341	765,102	1,030,171
WESTERN	16,843	8,643	36,526	103,648	231,236	396,894
OR TAMBO	-	98,378	-	1,426,721	248,185	1,773,284
<b>TOTAL</b>	<b>540,218</b>	<b>1,919,952</b>	<b>242,600</b>	<b>2,359,330</b>	<b>3,174,542</b>	<b>8,236,641</b>

**4. CAPACITY CONSTRAINTS**

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

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

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. The other main challenge is to attract and retain suitably qualified and professional vets and engineers. To address these among other issues, the department has engaged with Department of Public Service and attempts have been made with private sector to train our engineers.

Finance section perform functions that require full-time attention, such as Supplier Reconciliation, Pre-Audit, 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.

**5. TRADING ENTITIES AND PUBLIC ENTITIES**

**5.1 STATUTORY CORPORATIONS**

The department extensively utilized its rural finance corporation; Uvimba Bank and this 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 farmers to income generating farming activities. Hence massive food projects, mechanization scheme, as well as assistance to large agricultural projects were undertaken through Uvimba.

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**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.

**5.3 ORGANISATION TO WHO TRANSFER PAYMENTS HAVE BEEN MADE**

Details of transfer payments are reported in Annexure 1G and 1H of Annual Financial Statements.

**6. CORPORATE GOVERNANCE**

The department continued functioning under a shared Internal Audit service that is based at the Premier's Office.

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. Due to the great demand the responsibilities, this section has given the priority in the new organogram and plans are in place to appoint a senior manager and a fully fledged team in the next financial year. Please refer to the Annual Report in Corporate Governance for more details.

A committee was established to coordinate activities which are aimed at fraud prevention. The committee has embarked on a fraud prevention awareness campaign. These activities are also linked to the broader Provincial programmes.

**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**

With the introduction and rollout of "Six Peg" Policy, which is in line with the Provincial Growth & Development Programme (PGDP) and the Strategic Plan of the department, the following has been identified as the Six Pegs of the Policy,

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1. Fencing
2. Construction of livestock dams and boreholes
3. Development of dipping tanks
4. Accessing tractors and implements
5. Revitalization of the irrigations schemes
6. Human Resource Development

**9. EVENTS AFTER REPORTING DATE**

Cross Border Agreement between our Department and Agriculture Kwa Zulu Natal have not yet finalised as at the reporting date.

**10. ASSET MANAGEMENT**

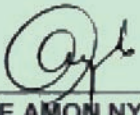
Please refer Accounting Policies (4.5 Asset Register) of the Annual Financial Statements on asset management

**11. SCOPA RESOLUTIONS**

Due to the fact that SCOPA was held only in March 2006, no formal resolutions were issued during the year under review.

**12 CONCLUSION and APPROVAL**

The Annual Financial Statements for the year ended 31<sup>st</sup> March 2006 that are accompanying this management report have been prepared by the Acting Chief Financial Officer S. Galahitiyawa, 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.

  
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**ADVOCATE AMON NYONDO  
HEAD OF DEPARTMENT**

Date: 10/08/2006

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE OF THE EASTERN CAPE PROVINCE ON THE ANNUAL FINANCIAL STATEMENTS OF VOTE 8 – THE DEPARTMENT OF AGRICULTURE FOR THE YEAR ENDED 31 MARCH 2006**

**1. AUDIT ASSIGNMENT**

The annual financial statements as set out on pages 74 to 120, for the year ended 31 March 2006, 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) (PFMA). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These annual 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 these annual financial statements, based on the audit.

**2. SCOPE**

The audit was conducted in accordance with the International Standards on Auditing read with *General Notice 544 of 2006*, issued in *Government Gazette* no. 28723 of 10 April 2006 and *General Notice 808 of 2006*, issued in *Government Gazette* no. 28954 of 23 June 2006. These 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.

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

**3. BASIS OF ACCOUNTING**

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in the accounting policy Note 1.1 of the annual financial statements.

## 4. QUALIFICATIONS

### 4.1 *Independent Reconciliation*

An adequate control framework to perform independent checks and reconciliations has not been documented and approved by management of the department. The lack of guidance in this regard has resulted in insufficient and/or ineffective reviewing, checking and reconciling of inter alia source documents, accounts, registers and other significant financial records of the department. The most significant consequences of inadequate reconciliations on the fair presentation of the annual financial statements are listed as follows:

#### 4.1.1 *Accruals*

Note 20 to the annual financial statements, discloses an Accruals balance of R11 961 000 in support of accounting policy Note 5.3, which reads “Accruals represent 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”.

Audit schedules presented for the verification of the disclosure noted a contradictory balance of R5 015 904 the difference of R6 945 096 could not be reconciled or explained by management. The concerned schedules were manually prepared as neither the BAS nor LOGIS systems are able to readily support management’s compliance with the accounting policy. Creditor reconciliations are only prepared for major suppliers and in all instances reconciliations supplied for audit were found to be inaccurate, incomplete or reconciled with invalid invoices. Further audits on the schedule noted that invoices in support of the policy were incompletely or inaccurately recorded and invoices raised as accruals on the schedule, in support of the policy, were invalid. Based on these findings I am unable to quantify the misstatement of the disclosure.

#### 4.1.2 *Commitments*

Note 19 to the annual financial statements, discloses Commitments of R13 194 000. The detailed BAS commitment report supporting the disclosure noted a balance of R8 867 383 the difference of R4 326 617 could not be reconciled or explained by management. Audits performed on the detailed commitment report revealed that tenders and orders, approved and contracted, with an accumulative value of R2 603 938 and R342 115 respectively were not accounted for. Furthermore the validity of the report is uncertain in light of, identified cancelled orders not being de-committed at year-end.

An audit schedule supporting only the commitments disclosed on the annual financial statements was not provided. Enquiries of management, noted that the schedule provided for the audit of accruals was inclusive of commitments and that the difference between the schedule total and the accruals total, amounts to commitments, approved and contracted for the financial year. Based on the findings reported under paragraph 4.1.1 (due to the inter-relationship of the schedule provided for audit) and the preceding paragraph I am unable to quantify the misstatement of the disclosure.

#### 4.1.3 *Fixed assets*

Note 7 to the annual financial statements disclose additions to machinery and equipment to the amount of R8 351 000. An audit of BAS generated reports noted misallocations and inappropriate accounting treatment in the classification of additions. R3 318 728 of capital assets was accounted for as current assets and R1 058 037 of current assets were accounted for as capital assets.

Additions to machinery and equipment per the fixed asset register amounted to R10 206 172 a difference of R1 855 172 to Note 7. Audits performed on the register noted capital assets to the amount of R1 095 345 were not recorded. Further doubt is cast over the integrity of the register as machinery and equipment to the amount of R739 040 was classified as intangibles.

#### 4.1.4 *Leases*

Note 22 to the annual financial statements, discloses a Lease Commitment balance of R21 688 000. Included therein is an amount of R2 535 124 for the lease of machinery and equipment. The accuracy of the lease amounts for the machinery and equipment could not be confirmed in some instances, as key details on lease contracts were insufficient or outdated.

### **5. AUDIT OPINION**

In my opinion except for the effect on the annual financial statements of the matters referred to in the preceding paragraphs the annual financial statements present fairly, in all material respects, the financial position of the department at 31 March 2006 and the result of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting.

### **6. EMPHASIS OF MATTER**

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

#### 6.1 *Authorisation*

The consequences of an inadequate policy framework for the authorisation of transactions are reported as follows:

##### 6.1.1 *Bank overdraft*

Section 3 of the Borrowing Powers of Provincial Government Act, 1996 (Act No. 48 of 1996), prescribes that "a provincial department may not take up bridging finance unless with the written approval of the Member of the Executive Council for Finance". Section 1 (definitions) of the said Act, reads "bridging finance includes overdrafts on a bank account that are operated by a provincial department".

As at 31 March 2006, the department operated a bank overdraft of R58 393 282. No evidence could be provided, supporting the written approval from the MEC for Finance and thus compliance with the prescripts of the Act.

Cognisance is noted of correspondence between the department and the MEC for Finance requesting the approval of the overdraft.

## 6.2 *Independent reconciliations*

Further consequences of inadequate reconciliations as reported in paragraph 4.1 are:

### 6.2.1 *Housing guarantees*

Note 18 to the annual financial statements, discloses Housing guarantees of R6 797 000. The detailed PERSAL hard copy schedule submitted for audit agreed to the amount disclosed in the Note but differed from the detailed PERSAL softcopy report, which reflected a balance of R7 202 238. The difference of R405 238 could not be reconciled or explained by management. Audits performed on PERSAL noted certain instances of expired and terminated guarantees being inappropriately accounted for, while other guarantees were not being supported by documentation in the employee's personnel file. Audits performed on the employee personnel files noted approved housing guarantees were in certain instances not recorded on PERSAL and in other instances recorded at contradictory amounts.

### 6.2.2 *Biological assets*

Annexure 4 to the annual financial statements notes Biological assets to the amount of R4 516 000. Additions arising from births or donations were valued at the same unit cost as used in the prior year. The valuation methodology is contrary to the "Guideline on the treatment of capital assets and the measurement and recognition of wild life in the financial statements of the public sector", which prescribes that additions to biological assets stemming from births or donations be accounted for at fair value. Additions for the year as recorded in the said annexure reads R1 339 396 and consisted of purchases, births and donations. Management was unable to provide a breakdown of additions arising from births and donations.

The total disposal of biological assets amount of R899 000. Documentation supporting the disposals could not be verified in all instances.

### 6.2.3 *Unauthorised expenditure*

An amount of R2 150 000 was paid by the department for the purchase of loan accounts in the books of the Transkei Agricultural Co-operation Limited (Tracor) and Magwa Tea Co-operation (Magwa). These loans were due by North Pondoland Sugar (Pty) Ltd to the aforementioned co-operations. No evidence could be provided supporting Provincial treasury approval to incur the expenditure.

## 6.3 *Monitoring*

Management did not adequately and effectively monitor the department's activities and financial processes that resulted in the preparation of the annual financial statements. The inadequate monitoring impacted on the extent to which the department was able to ensure that its financial administration and

service delivery operated effectively throughout the year under review. The most significant consequences of inadequate monitoring are listed as follows:

#### 6.3.1 *Leave*

Note 21 to the annual financial statements disclose Leave entitlements amounting to R 6 057 000. Chapter 1(v), Paragraph F(b) of the Public Service Regulation prescribes that “a Head of a department should record all leave taken in full”. Audit of the disclosure noted attendance registers, were in certain instances not presented and in others contradicted information, disclosed on authorised leave forms inspected. Further audit noted authorised leave forms included in employee personnel files were not captured or incompletely captured on PERSAL and leave captured on PERSAL could not, in all instances, be supported by authorised leave forms in personnel files.

#### 6.3.2 *Irregular expenditure*

##### (a) Performance awards

Paragraph 18 read in conjunction with paragraph 19 of the DPSA circular 1/7/1/4/1, dated 27 February 2003, prescribes that “Departments may not spend more than 1,5% of their annual remuneration budget on departmental financial performance incentive schemes contemplated in the Public Service Regulations and the maximum percentage may, in exceptional cases, be exceeded with the approval of the Executing Authority”.

Note 4.1 to the annual financial statements read Performance awards paid to the amount of R8 327 000. The maximum award payable in the absence of the approval from the Executing Authority amounts to R6 346 925, resulting in an overpayment of R1 980 075. Evidence of approval by the Executing Authority could not be provided in support of the excess payment.

##### (b) Prior year

Evidence that irregular expenditure to the value of R108 049 000 and R103 000 disclosed in Note 23 to annual financial statements was reported to Treasury, could not be provided for audit.

#### 6.3.3 Non compliance with the Asset Management Policy

The department’s Asset Management Policy authorised during the 2004-05 financial year was not fully implemented to date. No evidence could be provided supporting implementation of the following listed paragraphs of the policy:

- Life -cycle costing - net present values of asset from planning stage to disposal not calculated using weighted average cost of capital;
- No disposal, funding and risk management plan in place;
- Performance indicators of major assets not yet developed;
- No disposal register, but in the process of being developed; and
- All aspects of accounting not adhered to due the fact that the Department was using cash- basis of accounting, but incorporating accrual accounting gradually.



#### 6.3.4 Late payment of suppliers

Treasury regulation 8.2.3 prescribes that “all payments due to creditors must be settled within 30 days from the receipt of the invoice”. The audit noted instances of invoices being paid subsequent to 30 days from date of receipt.

#### 6.3.5 Strategic plan

Treasury regulation 5.2.2 prescribes the minimum information that the department should disclose on its Strategic Plan for the 2005-2009 financial years. Perusal of the plan noted omissions of the following listed disclosures.

Details of...

- Proposed acquisitions of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
- Proposed acquisitions of financial assets or capital transfers and plans for management of financial assets and liabilities;
- Multi-year projections of income and projected receipts from the sale of assets;
- The Service Delivery Improvement programme; and
- Proposed information technology acquisition or expansion with reference to an information technology plan.

#### 6.3.6 Material changes to the annual financial statements

Due to the lack of monitoring and independent checks by management the financial statements did not comply with the requirements of the preparation guide sent out by National Treasury and as a result material changes were made to the financial statements.

#### 6.3.7 Value Added Taxation (VAT) paid to suppliers with invalid VAT numbers.

A VAT vendor search performed on the South African Revenue Services (SARS) website noted that the department has paid VAT to five suppliers who's invoices had invalid VAT registration numbers.

#### 6.3.8 Internal controls

- Narrations and documentation supporting journals authorised were in many instances too general and elusive to provide a proper understanding of the transactions that were recorded.
- Segregation of duties in the Computer Information System environment is circumvented during staff absence through vacation, illness or vacancies.

#### 6.4 *Internal Audit*

The work of internal audit could not be relied upon as a result of non-compliance with laws and regulations. The most significant consequences are listed below. 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) The Audit Committee was evaluated as ineffective in the past. During the year under review, the Audit Committee was disbanded and a new Committee elected. The new committee however only came into effect during November 2005 and had its first effective meeting in January 2006. As a result Internal Audit functioned for most of the year without the effective oversight needed.
- b) Cognisance is taken of the improvements made by the shared services during the year under review. However, after consideration of various factors, no reliance was placed on the internal audit service.
- c) Although Quarterly Reports were 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.

## **6.5 Policy framework**

Detailed policy and procedure frameworks were not designed, approved or implemented. The most significant findings are detailed below.

### **6.5.1 Non compliance with laws and regulations**

- a) No evidence could be furnished supporting the accounting officer's establishment of systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management as required by Treasury regulation 15.10.1.1.
- b) Approved policies and procedures over accounts receivable in terms of Treasury regulation 10.1.1.1 and revenue management in terms of Treasury Regulations 7.2.1 have not been implemented.
- c) A Risk Management and Fraud Prevention Plan to eliminate existing risks and potential risk as required in terms of Treasury regulation 3.2.1 and the Supply Chain Management Framework 3(c) (v) have not been fully implemented.
- d) Section 38(1)(a)(i) of the PFMA prescribes that an accounting officer must ensure that effective, efficient and transparent systems of internal control are in place.

Documented and approved policies and procedures are not in place for payments regarding the following expenditure and expenditure related accounts:

- Vehicle leases and lease expenses;
- Subsistence and travel;
- Overtime;
- Appointments;

- Salary payments; and
- Service bonuses.

#### 6.5.2 Performance information

Our audit of performance information disclosed in the Annual report noted the following deficiencies and omissions:

- Reported objectives are aligned with strategic plan and annual performance plan but not aligned with the annual budget;
- The objectives reported in the annual report are not specific, measurable, linked to a specific time frame and do not indicate the desired level of performance; and
- Budgeted amounts for Sustainable resource management, Farmer support and development and Veterinary services stated in the annual financial statements differs from the budgeted amounts as per second estimates of the provincial expenditure for 2005-06 financial year.

#### 6.5.3 Late submission of the annual financial statements

Section 40(2) of the PFMA prescribes that “the Auditor-General must audit the financial statements and submit an audit report on those statements to the accounting officer within 2 months of receipt of the statement”. The department submitted the annual financial statements on 31 May 2006. Audit adjustments and amendments to the financial statements were presented to the department on 24 July 2006. These adjustments were eventually effected by the department on 30 July 2006 resulting in a delay to timeously report on these financial statements as required by the said Act.

### 7. APPRECIATION

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



*S.M Ngqwala for Auditor-General*

**East London**

**18 August 2006**



**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

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 issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

**1. Presentation of the Annual Financial Statements**

**1.1 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.

**1.2 Presentation currency**

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the department.

**1.3 Rounding**

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

**1.4 Comparative figures**

Prior period comparative information has been presented in the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

**2. Revenue**

**2.1 Appropriated funds**

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds received during the year are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

**2.2 Departmental revenue**

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

**2.2.1 Sales of goods and services other than capital assets**

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

**2.2.2 Fines, penalties & forfeits**

Fines, penalties & forfeits are compulsory unrequited amounts, which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

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

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

**2.2.4 Sale of capital assets**

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

**2.2.5 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. Amounts receivable at the reporting date are disclosed as part of the disclosure notes to the annual financial statements.

Cheques issued in previous accounting periods that expire before being banked is 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.

**3. Expenditure**

**3.1 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 (by no later than 31 March of each 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.

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**3.1.1 Short term employee benefits**

Short-term employee benefits comprise of leave entitlements, thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

**3.1.2 Long-term employee benefits**

**3.1.2.1 Termination benefits**

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

**3.1.2.2 Post employment retirement benefits**

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

**3.2 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 (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

**3.3 Interest and rent on land**

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental on the use of buildings or other fixed structures.

**3.4 Unauthorised expenditure**

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered or written off as irrecoverable.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

Where unauthorised expenditure is not approved it is recovered from the responsible person. The amount received is recorded as departmental revenue in the statement of financial position when received.

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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

**3.5 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

The amount recovered from the responsible person is recorded as departmental revenue in the statement of financial performance when the funds are received.

**3.6 Irregular expenditure**

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as a current asset until it is recovered or written off as irrecoverable.

The amount recovered from the responsible person is recorded as revenue in the statement of financial performance when the funds are received.

**3.7 Transfers and subsidies**

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

**3.8 Expenditure for capital assets**

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 (by no later than 31 March of each year).

**4. Assets**

**4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

**4.2 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

**4.3 Receivables**

Receivables included in the statement of financial position arise from cash payments that are recoverable from another party, when the payments are made.

**4.4 Loans**

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are disclosed as part of the disclosure notes to the annual financial statements.

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**ACCOUNTING POLICIES  
for the year ended 31 March 2006**

**4.5 Asset Register**

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not at the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance as reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of capital assets on hand.

**5. Liabilities**

**5.1 Payables**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at their nominal amounts in the statement of financial position.

**5.2 Lease commitments**

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are however disclosed as part of the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made.

**5.3 Accruals**

Accruals represent 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.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are however disclosed as part of the disclosure notes.

**5.4 Contingent liabilities**

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



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for the year ended 31 March 2006**

- 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 disclosed as part of the disclosure notes to the annual financial statements.

**5.5 Commitments**

Commitments represent goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are however disclosed as part of the disclosure notes.

**6. Net Assets**

**6.1 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

**7. Related Party transactions**

Related parties are parties that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is disclosed as part of the disclosure notes to the annual financial statements.

**8. Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. Senior management includes the Minister and Deputy Ministers responsible for the department, the Director-General, the Deputy Director-General(s), the Chief Financial Officer and any key advisors.

Compensation paid to key management personnel including their family members where relevant, are disclosed as part of the disclosure notes to the annual financial statements.

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2006**

Appropriation per programme									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payment	234,855	-	(1,740)	233,115	224,991	8,124	96.5%	293,400	284,694
Transfers and subsidies	16,068	-	(2,587)	13,481	13,579	(98)	100.7%	24,106	24,104
Payment for capital assets	3,928	-	1,064	4,992	3,969	1,023	79.5%	6,313	5,586
<b>2. Sustainable Resource Management</b>									
Current payment	35,572	-	(1,843)	33,729	31,872	1,857	94.5%	33,400	24,940
Transfers and subsidies	48	-	(4)	44	43	1	97.7%	7,034	7,034
Payment for capital assets	1,778	-	135	1,913	1,661	252	86.8%	853	760
<b>3. Farmer Support and Development</b>									
Current payment	256,012	-	(1,421)	254,591	244,560	10,031	96.1%	215,065	183,108
Transfers and subsidies	94,495	-	4,999	99,494	99,477	17	100.0%	136,830	136,444
Payment for capital assets	107	-	(2)	105	95	10	90.5%	-	-
<b>4. Veterinary Services</b>									
Current payment	95,869	-	2,292	98,161	87,881	10,280	89.5%	89,297	86,006
Transfers and subsidies	218	-	59	277	236	41	85.2%	169	169
Payment for capital assets	424	-	27	451	446	5	98.9%	2,019	1,939
<b>5. Technical Research and Dev Services</b>									
Current payment	39,363	-	(140)	39,223	38,813	410	99.0%	34,595	31,572
Transfers and subsidies	664	-	9	673	673	-	100.0%	2,050	2,050
Payment for capital assets	2,197	-	133	2,330	2,255	75	96.8%	156	115
<b>6. Agricultural Economics</b>									
Current payment	7,798	-	(327)	7,471	6,297	1,174	84.3%	3,987	2,991
Transfers and subsidies	12	-	4	16	15	1	93.8%	226	226
Payment for capital assets	9	-	-	9	-	9	0.0%	-	-
<b>7. Structured Agric. Training</b>									
Current payment	20,092	-	-	20,092	19,518	574	97.1%	21,381	18,936
Transfers and subsidies	11,552	-	(658)	10,894	10,887	7	99.9%	10,544	10,544
Payment for capital assets	74	-	-	74	59	15	79.7%	-	-
<b>Subtotal</b>	<b>821,135</b>	<b>-</b>	<b>-</b>	<b>821,135</b>	<b>787,327</b>	<b>33,808</b>	<b>95.9%</b>	<b>881,425</b>	<b>821,218</b>
<b>Statutory Appropriation</b>									
Current payment	718			718		718	0.0%	718	718
Transfers and subsidies							0.0%		
Payment for capital assets							0.0%		
<b>TOTAL</b>	<b>821,853</b>	<b>-</b>	<b>-</b>	<b>821,853</b>	<b>787,327</b>	<b>34,526</b>	<b>95.8%</b>	<b>882,143</b>	<b>821,936</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Prior year unauthorised expenditure approved with funding									
Departmental revenue received									
<b>Actual amounts per Statements of Financial Performance (Total revenue)</b>				<b>821,853</b>				<b>882,143</b>	
<b>Add:</b>									
Prior year unauthorised expenditure approved									
Prior year fruitless and wasteful expenditure authorised									
<b>Actual amounts per Statements of Financial Performance (Total expenditure)</b>					<b>787,327</b>				<b>821,936</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2006**

Appropriation per economic classification									
	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	427,806	-	-	427,806	407,817	19,989	95.3%	467,238	457,995
Goods and services	261,579	-	(3,003)	258,576	246,115	12,461	95.2%	223,887	173,452
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	-	-
<b>Transfers and subsidies</b>									
Provinces and municipalities	1,509	-	54	1,562	1,445	117	92.5%	1,389	1,387
Departmental agencies and accounts	18,100	-	-	18,100	18,100	-	100.0%	4,500	4,500
Universities and technikons	10,500	-	(10,500)	-	-	-	0.0%	10,500	10,500
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	-	-	10,500	10,500	10,500	-	100.0%	17,500	17,500
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-
Households	92,948	-	1,769	94,717	94,865	(148)	100.2%	147,070	147,485
Gifts and donations	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>									
Buildings and other fixed structures	260	-	(260)	-	-	-	0.0%	-	-
Machinery and equipment	8,225	-	1,477	9,702	8,351	1,351	86.1%	9,341	8,399
Biological or cultivated assets	209	-	(37)	172	134	38	77.9%	-	-
Software and other intangible assets	-	-	-	-	-	-	0.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-
<b>Total</b>	<b>821,135</b>	<b>-</b>	<b>-</b>	<b>821,135</b>	<b>787,327</b>	<b>33,808</b>	<b>95.9%</b>	<b>881,425</b>	<b>821,218</b>

Statutory Appropriation									
	2005/06						2004/05		
Details of direct charges against the National/Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
List all direct charges against the Member of executive committee / parliamentary officers/legislature	718	-	-	718	718	-	100.0%	718	718
Sector education and training authorities (SETA)	-	-	-	-	-	-	-	-	-
National Skills Fund	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>718</b>	<b>-</b>	<b>-</b>	<b>718</b>	<b>718</b>	<b>-</b>	<b>100.0%</b>	<b>718</b>	<b>718</b>

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**PROGRAMME 1  
for the year ended 31 March 2006**

Programme per subprogramme	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	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	2,678		(240)	2,438	2,902	(464)	119.0%	3,121	2,637
Transfers and subsidies	7		9	16	7	9	43.8%	7	7
Payment for capital assets	15		2	17		17	0.0%		
<b>1.2 Senior Management</b>									
Current payment	10,957		(1,199)	9,758	9,402	356	96.4%	15,082	14,272
Transfers and subsidies	12		28	40	12	28	30.0%	11	11
Payment for capital assets	63		(35)	28		28	0.0%		
<b>1.3 Corporate Services</b>									
Current payment	97,165		(5,437)	91,728	86,132	5,596	93.9%	170,686	163,274
Transfers and subsidies	15,825		(2,624)	13,201	13,343	(142)	101.1%	23,916	23,914
Payment for capital assets	2,748		544	3,292	2,664	628	80.9%	4,494	3,775
<b>1.4 Financial Management</b>									
Current payment	124,055		5,136	129,191	126,555	2,636	98.0%	104,511	104,511
Transfers and subsidies	224		-	224	217	7	96.9%	172	172
Payment for capital assets	1,102		553	1,655	1,305	350	78.9%	1,819	1,811
<b>TOTAL</b>	<b>254,851</b>	<b>-</b>	<b>(3,263)</b>	<b>251,588</b>	<b>242,539</b>	<b>9,049</b>	<b>96.4%</b>	<b>323,819</b>	<b>314,384</b>

Economic Classification	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	159,959			159,959	153,125	6,834	95.7%	226,430	219,613
Goods and services	74,720		(1,564)	73,156	71,866	1,290	98.2%	66,970	65,082
Interest and rent on land				-			0.0%		
Financial transactions in assets and liabilities				-			0.0%		
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	652		(104)	547	497	50	90.9%	675	672
Departmental agencies and accounts				-			0.0%		
Universities and technikons				-			0.0%		
Foreign governments and international organisations				-			0.0%		
Public corporations and private enterprises				-			0.0%		
Non-profit institutions				-			0.0%		
Households	15,416		(2,482)	12,934	13,082	(148)	101.1%	23,431	23,431
<b>Gifts and donations</b>									
<b>Payment for capital assets</b>									
Buildings and other fixed structures							0.0%		
Machinery and equipment	4,105		887	4,992	3,969	1,023	79.5%	6,313	5,586
Biological or cultivated assets				-			0.0%		
Software and other intangible assets				-			0.0%		
Land and subsoil assets				-			0.0%		
<b>Total</b>	<b>254,851</b>	<b>-</b>	<b>(3,263)</b>	<b>251,588</b>	<b>242,539</b>	<b>9,049</b>	<b>96.4%</b>	<b>323,819</b>	<b>314,384</b>

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**PROGRAMME 2 – Sustainable Resource Management  
for the year ended 31 March 2006**

Programme per subprogramme	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Engineering Services</b>									
Current payment	21,453		(1,843)	19,610	18,192	1,418	92.8%	24,634	22,294
Transfers and subsidies	48		(4)	44	43	1	97.7%	7,034	7,034
Payment for capital assets	1,778		135	1,913	1,661	252	86.8%	853	760
<b>2.2 Land Care</b>									
Current payment	14,119			14,119	13,680	439	96.9%	8,766	2,646
Transfers and subsidies				-		-	0.0%		
Payment for capital assets				-		-	0.0%		
<b>2.3 Communal Land Planning &amp; Management</b>									
Current payment				-			0.0%		
Transfers and subsidies				-			0.0%		
Payment for capital assets				-			0.0%		
<b>TOTAL</b>	<b>37,398</b>	<b>-</b>	<b>(1,712)</b>	<b>35,686</b>	<b>33,576</b>	<b>2,110</b>	<b>94.1%</b>	<b>41,287</b>	<b>32,734</b>

Economic Classification	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	13,980		-	13,980	13,523	457	96.7%	12,730	12,739
Goods and services	21,592		(1,843)	19,749	18,349	1,400	92.9%	20,670	12,202
Interest and rent on land				-		-	0.0%		
Financial transactions in assets and liabilities									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Departmental agencies and accounts	48		(4)	44	43	1	97.7%	34	34
Universities and technikons				-		-	0.0%		
Foreign governments and international organisations				-		-	0.0%		
Public corporations and private enterprises				-		-	0.0%		
Non-profit institutions				-		-	0.0%		
Households				-		-	0.0%	7,000	7,000
<b>Gifts and donations</b>									
<b>Payment for capital assets</b>									
Buildings and other fixed structures	260		(260)	-		-	0.0%		
Machinery and equipment	1,518		395	1,913	1,661	252	86.8%	853	759
Biological or cultivated assets				-		-	0.0%		
Software and other intangible assets				-		-	0.0%		
Land and subsoil assets				-		-	0.0%		
<b>Total</b>	<b>37,398</b>	<b>-</b>	<b>(1,712)</b>	<b>35,686</b>	<b>33,576</b>	<b>2,110</b>	<b>94.1%</b>	<b>41,287</b>	<b>32,734</b>

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**PROGRAMME 3 – Farmer Support and Development  
for the year ended 31 March 2006**

Programme per subprogramme	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Planning &amp; Communal</b>									
<b>Land Management</b>									
Current payment	25,263		(2,098)	23,165	20,961	2,204	90.5%	27,209	26,019
Transfers and subsidies	92		(24)	68	52	16	76.5%	62	62
Payment for capital assets				-	-	-	0.0%		
<b>3.2 Extension Services</b>	124,528		2,780	127,308	126,450	858	99.3%	123,562	121,945
Current payment	371		114	485	484	1	99.8%	349	348
Transfers and subsidies	107		(2)	105	95	10	90.5%		
Payment for capital assets				-	-	-	0.0%		
<b>3.3 Farmer Settlement &amp; Support Services</b>									
Current payment	11,127		832	11,959	11,943	16	99.9%	6,500	5,978
Transfers and subsidies	25,533		(1)	25,532	25,532	-	100.0%	38,800	38,650
Payment for capital assets				-	-	-	0.0%		
<b>3.4 Food Security</b>									
Current payment	28,269		(2,935)	25,334	24,574	760	97.0%	19,751	16,916
Transfers and subsidies	61,999		4,910	66,909	66,909	-	100.0%	97,619	97,384
Payment for capital assets				-	-	-	0.0%		
<b>3.5 Community Projects Fund Support (CASP)</b>									
Current payment	66,825			66,825	60,632	6,193	90.7%	38,043	12,250
Transfers and subsidies	6,500			6,500	6,500	-	100.0%		
Payment for capital assets				-	-	-	0.0%		
<b>TOTAL</b>	<b>350,614</b>	<b>-</b>	<b>3,576</b>	<b>354,190</b>	<b>344,132</b>	<b>10,058</b>	<b>97.2%</b>	<b>351,895</b>	<b>319,552</b>

Economic Classification	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	141,676		-	141,676	139,135	2,541	98.2%	139,335	137,906
Goods and services	114,336		(1,421)	112,915	105,425	7,490	93.4%	75,730	44,401
Interest and rent on land				-	-	-	0.0%		
Financial transactions in assets and liabilities				-	-	-	0.0%		
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	463		90	553	536	17	96.9%	411	411
Departmental agencies and accounts	17,500		-	17,500	17,500	-	100.0%	4,500	4,500
Universities and technikons				-	-	-	0.0%		
Foreign governments and international organisations				-	-	-	0.0%		
Public corporations and private enterprises				-	-	-	0.0%	17,500	17,500
Non-profit institutions				-	-	-	0.0%		
Households	76,532		4,909	81,441	81,441	-	100.0%	114,419	114,834
<b>Gifts and donations</b>									
<b>Payment for capital assets</b>									
Buildings and other fixed structures				-	-	-	0.0%		
Machinery and equipment	107		(2)	105	95	10	90.5%		
Biological or cultivated assets				-	-	-	0.0%		
Software and other intangible assets				-	-	-	0.0%		
Land and subsoil assets				-	-	-	0.0%		
<b>Total</b>	<b>350,614</b>	<b>-</b>	<b>3,576</b>	<b>354,190</b>	<b>344,132</b>	<b>10,058</b>	<b>97.2%</b>	<b>351,895</b>	<b>319,552</b>

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**PROGRAMME 4 – Veterinary Services  
for the year ended 31 March 2006**

Programme per subprogramme	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Animal Health</b>	79,013		2,111	81,124	75,382	5,742	92.9%	73,287	72,487
Current payment	186		29	215	203	12	94.4%	145	145
Transfers and subsidies	17		104	121	120	1	99.2%	296	296
Payment for capital assets									
<b>4.2 Export Control</b>									
Current payment	5,223		(82)	5,141	3,663	1,478	71.3%	3,796	2,500
Transfers and subsidies	7		9	16	7	9	43.8%	6	6
Payment for capital assets	26		19	45	45	-	100.0%		
<b>4.3 Veterinary Public Health</b>									
Current payment	5,480		80	5,560	3,304	2,256	59.4%	6,033	5,003
Transfers and subsidies	9		9	18	10	8	55.6%	5	5
Payment for capital assets			15	15	14	1	93.3%		
<b>1.4 Food Security</b>									
Current payment	6,153		183	6,336	5,532	804	87.3%	6,181	6,016
Transfers and subsidies	16		12	28	16	12	57.1%	13	13
Payment for capital assets	381		(111)	270	267	3	98.9%	1,723	1,643
<b>TOTAL</b>	<b>96,511</b>	<b>-</b>	<b>2,378</b>	<b>98,889</b>	<b>88,563</b>	<b>10,326</b>	<b>89.6%</b>	<b>91,485</b>	<b>88,114</b>

Economic Classification	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	70,158		-	70,158	60,343	9,815	86.0%	56,551	56,025
Goods and services	25,711		2,292	28,003	27,538	465	98.3%	32,747	29,982
Interest and rent on land				-	-	-	0.0%		
Financial transactions in assets and liabilities				-	-	-	0.0%		
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	218		59	277	236	41	85.2%	168	168
Departmental agencies and accounts				-	-	-	0.0%		
Universities and technikons				-	-	-	0.0%		
Foreign governments and international organisations				-	-	-	0.0%		
Public corporations and private enterprises				-	-	-	0.0%		
Non-profit institutions				-	-	-	0.0%		
Households				-	-	-	0.0%		
<b>Gifts and donations</b>									
<b>Payment for capital assets</b>									
Buildings and other fixed structures				-	-	-	0.0%		
Machinery and equipment	424		27	451	446	5	98.9%	2,019	1,939
Biological or cultivated assets				-	-	-	0.0%		
Software and other intangible assets				-	-	-	0.0%		
Land and subsoil assets				-	-	-	0.0%		
<b>Total</b>	<b>96,511</b>	<b>-</b>	<b>2,378</b>	<b>98,889</b>	<b>88,563</b>	<b>10,326</b>	<b>89.6%</b>	<b>91,485</b>	<b>88,114</b>

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**PROGRAMME 5 – Technical Research and Development  
for the year ended 31 March 2006**

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>5.1 Research</b>	32,629		537	33,166	33,701	(535)	101.6%	28,958	26,395
Current payment	658		10	668	668	-	100.0%	2,043	2,043
Transfers and subsidies	1,776		133	1,909	1,841	68	96.4%		
Payment for capital assets									
<b>5.2 Information Services</b>	4,181		(677)	3,504	3,321	183	94.8%	2,630	2,321
Current payment	6		(1)	5	5	-	100.0%	4	4
Transfers and subsidies	348		-	348	341	7	98.0%		
Payment for capital assets									
<b>5.3 Infrastructure Support Services</b>	2,553		-	2,553	1,791	762	70.2%	3,007	2,856
Current payment	-		-	-	-	-	0.0%	3	3
Transfers and subsidies	73		-	73	73	-	100.0%	156	115
Payment for capital assets									
<b>TOTAL</b>	<b>42,224</b>	<b>-</b>	<b>2</b>	<b>42,226</b>	<b>41,741</b>	<b>485</b>	<b>98.9%</b>	<b>36,801</b>	<b>33,737</b>

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	22,460		-	22,460	23,033	(573)	102.6%	16,058	15,923
Goods and services	16,903		(140)	16,763	15,780	983	94.1%	18,536	15,648
Interest and rent on land				-	-	-	0.0%		
Financial transactions in assets and liabilities				-	-	-	0.0%		
<b>Transfers and subsidies to:</b>	64		9	73	73	-	100.0%	51	51
Provinces and municipalities	600		-	600	600	-	100.0%		
Departmental agencies and accounts				-	-	-	0.0%		
Universities and technikons				-	-	-	0.0%		
Foreign governments and international organisations				-	-	-	0.0%		
Public corporations and private enterprises				-	-	-	0.0%		
Non-profit institutions				-	-	-	0.0%		
Households				-	-	-	0.0%	2,000	2,000
<b>Gifts and donations</b>									
<b>Payment for capital assets</b>									
Buildings and other fixed structures				-	-	-	0.0%		
Machinery and equipment	1,998		170	2,168	2,126	42	98.1%	156	115
Biological or cultivated assets	199		(37)	162	129	33	79.6%		
Software and other intangible assets				-	-	-	0.0%		
Land and subsoil assets				-	-	-	0.0%		
<b>Total</b>	<b>42,224</b>	<b>-</b>	<b>2</b>	<b>42,226</b>	<b>41,741</b>	<b>485</b>	<b>98.9%</b>	<b>36,801</b>	<b>33,737</b>



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**PROGRAMME 6 – Agricultural Economics  
for the year ended 31 March 2006**

Programme per subprogramme	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>6.1 Marketing Services</b>	2,847		(743)	2,104	1,316	788	62.5%	994	725
Current payment			2	2	3	(1)	150.0%	1	1
Transfers and subsidies	9			9		9	0.0%		
Payment for capital assets									
<b>6.2 Macroeconomics and Statistics</b>									
Current payment	4,951		416	5,367	4,981	386	92.8%	2,993	2,266
Transfers and subsidies	12		2	14	12	2	85.7%	225	225
Payment for capital assets							0.0%		
<b>TOTAL</b>	<b>7,819</b>	<b>-</b>	<b>(323)</b>	<b>7,496</b>	<b>6,312</b>	<b>1,184</b>	<b>84.2%</b>	<b>4,213</b>	<b>3,217</b>

Economic Classification	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	5,465		-	5,435	4,520	945	82.7%	2,052	1,879
Goods and services	2,333		(327)	2,006	1,777	229	88.6%	1,936	1,112
Interest and rent on land				-		-	0.0%		
Financial transactions in assets and liabilities				-		-	0.0%		
<b>Transfers and subsidies to:</b>	12		4	16	15	1	93.8%	5	6
Provinces and municipalities			-	-	-	-	0.0%		
Departmental agencies and accounts				-		-	0.0%		
Universities and technikons				-		-	0.0%		
Foreign governments and international organisations				-		-	0.0%		
Public corporations and private enterprises				-		-	0.0%		
Non-profit institutions				-		-	0.0%		
Households				-		-	0.0%	220	220
<b>Gifts and donations</b>									
<b>Payment for capital assets</b>									
Buildings and other fixed structures				-		-	0.0%		
Machinery and equipment	9			9		9	0.0%		
Biological or cultivated assets				-		-	0.0%		
Software and other intangible assets				-		-	0.0%		
Land and subsoil assets				-		-	0.0%		
<b>Total</b>	<b>7,819</b>	<b>-</b>	<b>(323)</b>	<b>7,496</b>	<b>6,312</b>	<b>1,184</b>	<b>84.2%</b>	<b>4,213</b>	<b>3,217</b>

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**PROGRAMME 7 – Structured Agricultural Training  
for the year ended 31 March 2006**

Programme per subprogramme	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>7.1 Tertiary Education</b>									
Current payment	500		53	553	553	-	100.0%	1,043	428
Transfers and subsidies	1,000		(656)	344	344	-	100.0%	1	1
Payment for capital assets				-	-	-	0.0%		
<b>7.2 Further Education and Training</b>									
Current payment	19,592		(53)	19,539	18,965	574	97.1%	20,338	18,508
Transfers and subsidies	10,552		(2)	10,550	10,543	7	99.9%	10,543	10,543
Payment for capital assets	74		-	74	59	15	79.7%		
<b>TOTAL</b>	<b>31,718</b>	<b>-</b>	<b>(658)</b>	<b>31,060</b>	<b>30,464</b>	<b>596</b>	<b>98.1%</b>	<b>31,925</b>	<b>29,480</b>

Economic Classification	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	14,108		-	14,108	14,138	(30)	100.0%	14,082	13,910
Goods and services	5,984		-	5,984	5,380	604	89.9%	7,298	5,025
Interest and rent on land				-	-	-	0.0%		
Financial transactions in assets and liabilities				-	-	-	0.0%		
<b>Transfers and subsidies to:</b>	52			52	45	7	86.5%	45	45
Provinces and municipalities				-	-	-	0.0%		
Departmental agencies and accounts				-	-	-	0.0%		
Universities and technikons	10,500		(10,500)	-	-	-	0.0%	10,500	10,500
Foreign governments and international organisations				-	-	-	0.0%		
Public corporations and private enterprises			10,500	10,500	10,500	-	100.0%		
Non-profit institutions				-	-	-	0.0%		
Households	1,000		(658)	342	342	-	100.0%		
<b>Gifts and donations</b>									
<b>Payment for capital assets</b>									
Buildings and other fixed structures				-	-	-	0.0%		
Machinery and equipment	64			64	54	10	84.4%		
Biological or cultivated assets	10			10	5	5	50.0%		
Software and other intangible assets				-	-	-	0.0%		
Land and subsoil assets				-	-	-	0.0%		
<b>Total</b>	<b>31,718</b>	<b>-</b>	<b>(658)</b>	<b>31,060</b>	<b>30,464</b>	<b>596</b>	<b>98.1%</b>	<b>31,925</b>	<b>29,480</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**Notes to the Appropriation Statement  
for the year ended 31 March 2006**

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (G, H and I) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

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

Detail of these transactions per programme can be viewed in note 3.4 to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
1. Administration	251,588	242,539	9,049	3.59%
<p><b>Explanation of variance:</b> R 6.834m is under expenditure on Compensation of employees as budgeted posts could not all be filled because the Overtime and S&amp;T claims for Swine Fever crowded the personnel budget. National Department of Agriculture did not guarantee reimbursement of this expenditure upfront. The balance of R 2.215m in the operational budget is inherent to those posts.</p>				
2. Sustainable Resource Management	35,686	33,576	2,110	5,91%
<p><b>Explanation of variance:</b> R 1.400m under expenditure is for Goods and Services as most Engineering Projects have to go via tender processes which slow down the procurement processes.</p>				
3. Farmer Support Services	354,190	344,132	10,058	2,84%
<p><b>Explanation of variance:</b> Of the R 7.49m savings on Goods &amp; Services R 6.193m relates to CASP projects. Of this amount R 6m allocated to Tyefu Irrigation Scheme could not be spent due to social conflicts in the Irrigation Scheme. Another portion of the CASP savings is a result of heavy rains in the districts as the projects could not be completed. R 2.541m savings on Compensation of Employees is a result of Swine Fever overtime and S&amp;T expenditure which resulted in the departmental projecting over expenditure. It was only when this expenditure was honoured via the ledger that the budget was freed, by then it was already late to make any appointments.</p>				

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**Notes to the Appropriation Statement  
for the year ended 31 March 2006**

4.1	Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
	4. Veterinary Services	98,889	88,563	10,326	10,44%
<p><b>Explanation of variance:</b> The under expenditure of R 9.815m on Compensation of employees only surfaced after the National Department of Agriculture honoured the expenditure for Swine Fever. By then it was already late to make the intended appointments as majority of overtime is in this programme.</p>					
	5. Technical Research Development	42,226	41,741	485	1,15%
<p><b>Explanation of variance:</b> The savings of R 0.485m relates to Goods and Services. This is a result of delays in completion of maintenance of buildings and this was only completed after the year end.</p>					
	6. Agricultural Economics	7,496	6,312	1,184	15,80%
<p><b>Explanation of variance:</b> R 0.945m under expenditure on Compensation of Employees is a result of the crowning out of department's personnel budget by the Swine Fever claims. R0.229m is savings on operational budget resulting from non-appointed of planned personnel as explained.</p>					
	7. Structured Agricultural Training	31,060	30,464	596	1,92%
<p><b>Explanation of variance:</b> R 0.596m on Goods and Services is savings on short courses that were planned for new appointees. This savings on training is inherent with under expenditure on Compensation of employees already explained above.</p>					

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**Notes to the Appropriation Statement  
for the year ended 31 March 2006**

<b>4.2 Per Economic classification</b>			<b>Variance</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
<b>Current payment:</b>	<b>686,382</b>	<b>653,932</b>	<b>32,450</b>	<b>4.83</b>
Compensation of employees	427,806	407,817	19,989	4.66
Goods and services	258,576	246,115	12,461	4.82
<b>Transfers and subsidies:</b>	<b>124,879</b>	<b>124,910</b>	<b>(31)</b>	<b>(0.02)</b>
Provinces and municipalities	1,562	1,445	117	7.49
Departmental agencies and accounts	18,100	18,100	-	-
Universities and Technikons	10,500	10,500	-	-
Households	94,717	94,865	(148)	(0.16)
<b>Payments for capital assets:</b>	<b>9,874</b>	<b>8,485</b>	<b>1,389</b>	<b>14.07</b>
Machinery and equipment	9,702	8,351	1,351	13.92
Biological or cultivated assets	172	134	38	22.09

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2006**

	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	821,135	881,425
Statutory appropriation	2	718	718
Departmental revenue	3	-	-
<b>TOTAL REVENUE</b>		<b>821,853</b>	<b>882,143</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	407,817	458,713
Goods and services	5	246,115	173,452
<b>Total current expenditure</b>		<b>653,932</b>	<b>632,165</b>
<b>Transfers and subsidies</b>	6	124,910	181,372
<b>Expenditure for capital assets</b>			
Machinery and Equipment	7	8,351	8,399
Biological or cultivated assets	7	134	-
<b>Total expenditure for capital assets</b>		<b>8,485</b>	<b>8,399</b>
<b>TOTAL EXPENDITURE</b>		<b>787,327</b>	<b>821,936</b>
<b>SURPLUS</b>			
Add back unauthorised expenditure	8	2,150	-
<b>SURPLUS FOR THE YEAR</b>		<b>36,676</b>	<b>60,207</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds	12	36,676	60,207
<b>SURPLUS FOR THE YEAR</b>		<b>36,676</b>	<b>60,207</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**STATEMENT OF FINANCIAL POSITION  
at 31 March 2006**

	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		101,055	83,957
Unauthorised expenditure	8	76,422	74,272
Cash and cash equivalents	9	-	3,212
Prepayments and advances	10	-	554
Receivables	11	24,633	5,919
<b>TOTAL ASSETS</b>		<u>101,055</u>	<u>83,957</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		101,055	83,957
Voted funds to be surrendered to the Revenue Fund	12	36,676	77,648
Departmental revenue to be surrendered to the Revenue Fund	13	383	45
Bank overdraft	14	58,405	-
Payables	15	5,591	6,264
<b>TOTAL LIABILITIES</b>		<u>101,055</u>	<u>83,957</u>
<b>NET ASSETS</b>		<u>-</u>	<u>-</u>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**CASH FLOW STATEMENT  
for the year ended 31 March 2006**

	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		826,422	868,338
Annual appropriated funds received	1.1	821,138	859,402
Statutory appropriated funds received	2	718	718
Departmental revenue received		4,566	2,809
Net (increase)/decrease in working capital		(18,833)	5,409
Surrendered to Revenue Fund		(81,892)	(6,798)
Current payments		(653,932)	(629,596)
Transfers and subsidies paid		(124,910)	(181,372)
<b>Net cash flow available from operating activities</b>	16	<u>(53,145)</u>	<u>50,572</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(8,485)	(8,399)
Proceeds from sale of capital assets	3.3	13	47
		<u>(8,472)</u>	<u>(8,352)</u>
Net increase/(decrease) in cash and cash equivalents		(61,617)	42,220
Cash and cash equivalents at the beginning of the period		3,212	(39,008)
<b>Cash and cash equivalents at end of period</b>	17	<u><u>(58,405)</u></u>	<u><u>3,212</u></u>



**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**1. Annual Appropriation**

**1.1 Annual Appropriation**

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>Funds not requested/ not received R'000</b>	<b>Appropriation received 2004/05 R'000</b>
Administration	251,588	251,591	(3)	330,256
Sustainable Resource Management	35,686	35,686	-	34,233
Farmer Support and Development	354,190	354,190	-	334,759
Veterinary Services	98,889	98,889	-	93,925
Tech Res & Dev Services	42,226	42,226	-	35,265
Agric. Economics	7,496	7,496	-	172
Structured Agric Training	31,060	31,060	-	30,792
<b>Total</b>	<b>821,135</b>	<b>821,138</b>	<b>(3)</b>	<b>859,402</b>

	<i>Note</i>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
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**1.2 Conditional grants**

Total grants received	<i>Annex 1A</i>	<u>97,444</u>	<u>54,809</u>
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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>2005/06 R'000</b>	<b>2004/05 R'000</b>
Member of executive committee/parliamentary officers	<u>718</u>	<u>718</u>
	<u>718</u>	<u>718</u>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

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

	<i>Notes</i>	<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
Sales of goods and services other than capital assets	3.1	2,965	2,148
Interest, dividends and rent on land	3.2	17	10
Sales of capital assets	3.3	13	46
Financial transactions in assets and liabilities	3.4	1,584	651
<b>Total revenue collected</b>		<b>4,579</b>	<b>2,855</b>
Less: Departmental Revenue Budgeted	13	4,579	2,855
<b>Departmental revenue collected</b>		<b>-</b>	<b>-</b>

**3.1 Sales of goods and services other than capital assets**

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
Sales of goods and services produced by the department	2,964	2,148
Sales by market establishment	1,371	-
Administrative fees	6	-
Other sales	1,587	-
Sales of scrap, waste and other used current goods	1	-
<b>Total</b>	<b>2,965</b>	<b>2,148</b>

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

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
Interest	(3)	-
Rent on land	20	10
<b>Total</b>	<b>17</b>	<b>10</b>

**3.3 Sale of capital assets**

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
Other capital assets	13	46
<b>Total</b>	<b>13</b>	<b>46</b>

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

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
Loans	(1)	-
Receivables	264	-
Other Receipts	1,321	651
<b>Total</b>	<b>1,584</b>	<b>651</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**4. Compensation of employees**

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>4.1 Salaries and Wages</b>		
Basic salary	292,078	333,862
Performance award	8,327	7,016
Service Based	40,598	39,667
Compensative/circumstantial	2,017	928
Periodic payments	5	5
Other non-pensionable allowances	4,934	2,102
	<u>347,959</u>	<u>383,580</u>
<b>4.2 Social contributions</b>		
<b>4.2.1 Employer contributions</b>		
Pension	37,793	49,925
Medical	21,964	25,066
Bargaining council	101	142
	<u>59,858</u>	<u>75,133</u>
<b>Total compensation of employees</b>	<u>407,817</u>	<u>458,713</u>
Average number of employees	<u>3,373</u>	<u>3,600</u>

**5. Goods and services**

	<i>Note</i>	<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
Advertising		810	990
Attendance fees (including registration fees)		327	188
Bank charges and card fees		60	110
Bursaries (employees)		662	428
Communication		14,699	12,195
Computer services		5,777	4,852
Consultants, contractors and special services		118,364	51,769
Courier and delivery services		65	63
Drivers' licenses and permits		11	6
Entertainment		2,178	1,487
External audit fees	5.1	1,992	1,410
Equipment less than R5000		4,641	2,200
Inventory	5.2	41,044	39,658
Learnerships		-	428
Legal fees		3,422	9,196
Medical Services		-	179
Maintenance, repairs and running cost		3,406	2,814
Operating leases		18,903	13,987
Photographic services		-	2,941
Printing and publications		56	-
Professional bodies and membership fees		1	1

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
Resettlement cost	815	824
Owned leasehold property expenditure	1,895	1,688
Travel and subsistence	5.3 24,178	23,001
Venues and facilities	569	182
Protective, special clothing & uniforms	43	37
Training & staff development	2,197	2,818
	<b>246,115</b>	<b>173,452</b>

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>5.1 External audit fees</b>		
Regulatory audits	1,992	1,410
<b>Total external audit fees</b>	<b>1,992</b>	<b>1,410</b>

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>5.2 Inventory</b>		
Construction work in progress	9	26
Other inventory	-	145
Strategic stock	-	243
Domestic consumables	1,851	2,981
Agricultural	3,163	2,070
Learning and teaching support material	112	135
Food and Food supplies	259	153
Fuel, oil and gas	6,811	4,753
Laboratory consumables	321	436
Other consumables	287	70
Parts and other maintenance material	2,199	2,705
Stationery and printing	3,776	3,315
Veterinary supplies	21,743	22,064
Restoration and fittings	513	558
Medical supplies	-	5
	<b>41,044</b>	<b>39,658</b>

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>5.3 Travel and subsistence</b>		
Local	23,600	22,963
Foreign	578	38
<b>Total travel and subsistence</b>	<b>24,178</b>	<b>23,001</b>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**6. Transfers and subsidies**

		<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
	<i>Notes</i>		
Provinces and municipalities	<i>Annex 1B</i>	1,445	1,387
Departmental agencies and accounts	<i>Annex 1C</i>	18,100	4,500
Universities and Technikons	<i>Annex 1D</i>	-	10,500
Public corporations and private enterprises	<i>Annex 1E</i>	10,500	17,500
Households	<i>Annex 1F</i>	94,865	147,485
		<u><b>124,910</b></u>	<u><b>181,372</b></u>

**7. Expenditure for capital assets**

		<b>2005/06</b>	<b>2004/05</b>
		<b>R'000</b>	<b>R'000</b>
Machinery and equipment	<i>Annex 4</i>	8,351	8,399
Biological or cultivated assets	<i>Annex 4</i>	134	-
<b>Total</b>		<u><b>8,485</b></u>	<u><b>8,399</b></u>

**8. Unauthorised expenditure**

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>8.1. Reconciliation of unauthorised expenditure</b>		
Opening balance	74,272	74,272
Unauthorised expenditure – current year	2,150	-
Unauthorised expenditure awaiting authorisation	<u><b>76,422</b></u>	<u><b>74,272</b></u>

**9. Cash and cash equivalents**

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>Domestic</b>		
Consolidated Paymaster General Account	-	(31,602)
Cash on hand	-	34,814
	<u><b>-</b></u>	<u><b>3,212</b></u>

**10. Prepayments and advances**

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>Description</b>		
Travel and subsistence	-	554
	<u><b>-</b></u>	<u><b>554</b></u>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**11. Receivables**

					2005/06 R'000	2004/05 R'000
		Less than one year	One to three years	Older than three years	Total	Total
Staff debt	11.1	781	4,051	818	5,650	5,463
Other Debtors	11.2	42	-	-	42	456
Claims recoverable	Annex 6	18,941	-	-	18,941	-
		<b>19,764</b>	<b>4,051</b>	<b>818</b>	<b>24,633</b>	<b>5,919</b>

			2005/06 R'000	2004/05 R'000
<b>11.1 Staff Debt</b>				
Debt Account			5,510	5,302
Salary Related Debts			130	161
Private Telephone Calls			10	-
			<b>5,650</b>	<b>5,463</b>

<b>11.2 Other debtors</b>				
Tax debts			39	453
Sal: Pension Fund			3	-
Unpaid Re-call BAS EBT			-	3
			<b>42</b>	<b>456</b>

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

	2005/06 R'000	2004/05 R'000
Opening balance	77,648	39,463
Transfer from Statement of Financial Performance	36,676	60,207
Paid during the year	(77,648)	(22,022)
Closing balance	<b>36,676</b>	<b>77,648</b>

**13. Departmental revenue to be surrendered to the Revenue Fund**

	2005/06 R'000	2004/05 R'000
Opening balance	45	3,987
Departmental revenue budgeted	4,579	2,856
Paid during the year	(4,241)	(6,798)
Closing balance	<b>383</b>	<b>45</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>14. Bank overdraft</b>		
Paymaster General Account	58,405	-
	<u><b>58,405</b></u>	<u><b>-</b></u>

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

	<i>Notes</i>	<b>30 Days</b>	<b>30+ Days</b>	<b>2005/06 Total</b>	<b>2004/05 Total</b>
Clearing accounts	15.1	-	2,744	2,744	3,074
Other payables	15.2	-	2,847	2,847	3,190
		-	<b>5,591</b>	<b>5,591</b>	<b>6,264</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>15.1 Clearing accounts</b>		
Description		
Cancelled Cheque/Re-Issue	18	48
Persal ACB Recall	2,307	2,959
Medical Aid	2	39
Income Tax	368	-
Garnishee Order Deduction	49	28
	<u>2,744</u>	<u>3,074</u>
	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>15.2 Other payables</b>		
Description		
Claims Payables	190	420
Receivable Income	800	781
Pension Recoverable	1,646	1,700
Salary Reversal Control Account	120	-
Pension Debt	4	281
Telephone Control Account	87	8
	<u>2,847</u>	<u>3,190</u>
	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>16. Net cash flow available from operating activities</b>		
Net surplus/(deficit) as per Statement of Financial Performance	34,526	60,207
(Increase)/decrease in receivables – current	(18,714)	5,963
(Increase)/decrease in prepayments and advances	554	(554)
Increase/(decrease) in payables – current	(673)	2,569
Proceeds from sale of capital assets	(13)	(47)
Surrenders to Revenue Fund	(81,892)	(6,798)
Expenditure on capital assets	8,485	8,399
Voted funds not requested/not received	3	(22,023)
Other non-cash items	4,579	2,856
	<u>(53,145)</u>	<u>50,572</u>
<b>Net cash flow generated by operating activities</b>		
<b>17. Reconciliation of cash and cash equivalents for cash flow purposes</b>	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account	58,405	(31,602)
Cash on hand	-	34,814
	<u>58,405</u>	<u>3,212</u>



**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

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

			<i>Notes</i>	<b>2005/06</b>	<b>2004/05</b>
<b>18. Contingent liabilities</b>	<b>Liable to</b>	<b>Nature</b>		<b>R'000</b>	<b>R'000</b>
	Housing loan guarantees	Employees	<i>Annex 3A</i>	6,797	8,088
	Claims against the department		<i>Annex 3B</i>	455	-
	Other departments (interdepartmental unconfirmed balances)		<i>Annex 7</i>	258	1,943
				<u>7,510</u>	<u>10,031</u>
				<b>2005/06</b>	<b>2004/05</b>
				<b>R'000</b>	<b>R'000</b>
<b>19. Commitments</b>					
	<b>Current expenditure</b>				
	Approved and contracted			12,747	-
	<b>Capital expenditure</b>				
	Approved and contracted			447	-
	<b>Total Commitments</b>			<u>13,194</u>	<u>-</u>
<b>20. Accruals</b>				<b>2005/06</b>	<b>2004/05</b>
	<b>Listed by economic classification</b>			<b>R'000</b>	<b>R'000</b>
		<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
	Goods and services	11,737	-	11,737	16,565
	Transfers and subsidies	165	-	165	-
	Machinery and equipment	59	-	59	-
				<u>11,961</u>	<u>16,565</u>
				<b>2005/06</b>	<b>2004/05</b>
				<b>R'000</b>	<b>R'000</b>
	<b>Listed by programme level</b>				
	Administration			3,897	5,956
	Sustainable Resource Management			224	1,404
	Farmer Support & Development			6,405	5,686
	Veterinary Services			821	1,358
	Technical Research & Dev. Services			30	1,705
	Agricultural Economics			101	68
	Structured Agricultural Training			483	388
				<u>11,961</u>	<u>16,565</u>
				<b>2005/06</b>	<b>2004/05</b>
				<b>R'000</b>	<b>R'000</b>
<b>21. Employee benefits</b>					
	Leave entitlement			6,057	18,390
	Thirteenth cheque			13,142	14,955
	Performance bonus			6,417	-
	Capped leave commitments			127,952	139,421
				<u>153,568</u>	<u>172,766</u>

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

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**22. Lease Commitments**

**22.1 Operating leases**

	<b>Building and other fixed structures R'000</b>	<b>Machinery and equipment R'000</b>	<b>2005/06 Total R'000</b>	<b>2004/05 Total R'000</b>
Not later than 1 year	242	14,678	14,920	2,233
Later than 1 year and not later than 5 years	533	6,235	6,768	7,141
Later than five years		-	-	175
<b>Total present value of lease liabilities</b>	<b>775</b>	<b>20,913</b>	<b>21,688</b>	<b>9,549</b>

**23. Irregular expenditure**

**23.1 Reconciliation of irregular expenditure**

	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Opening balance	108,049	108,049
Irregular expenditure – current year	2,083	-
Irregular expenditure awaiting condonement	<b>110,132</b>	<b>108,049</b>

**Analysis**

	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Current	2,083	-
Prior years	108,049	108,049
	<b>110,132</b>	<b>108,049</b>

**23.2 Irregular expenditure**

**Incident**

Overseas trip – UK  
This is in respect of overseas trip where outside BEE delegates did not bring supporting documents for their expenditure

**Disciplinary steps taken/criminal proceedings**

This matter is in progress and this has been referred to Internal Audit for recommendations

**2005/06  
R'000**

103

Bonuses (exceeded 1.5%)  
In terms of DPSA, circular 1/7/01/04/01, dated 27/02/03 departments may not exceed 1.5% of the annual remuneration budget on bonuses. The department exceeded 1.5% for the current year an amount of R1,980

This matter is in progress and this has been referred to Internal Audit for recommendations

1,980

**Total**

**2,083**

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**24. Related party transactions**

During the year under review we have obtained financial disclosure for all senior managers. Based on the information from the financial disclosure there is no indication that any senior manager had any direct business dealing with the department

**25. Key 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 for the current period and the comparative period.

	<b>No. of Individuals</b>	<b>2005/06 R'000</b>	<b>2004/05 R'000</b>
Political office bearers	1	718	718
Level 15	1	709	343
Level 14	4	2,243	1,836
Level 13	17	8,247	5,927
		<b>11,917</b>	<b>8,824</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

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

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2004/05	
	Division of Revenue Act/ Provincial Grants R'000	Roll Overs R'000	DORA Adjustments R'000	Other Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department %	Division of Revenue Act R'000	Amount spent by department R'000	
Division of Revenue Act	8,000	-	6,119	-	14,119	14,119	13,382	0.0%	-	-	
Land Care	47,552	25,773	-	-	73,325	73,325	67,132	94.8%	8,766	2,646	
CASP	10,000	-	-	-	10,000	10,000	10,000	100.0%	38,043	12,250	
Agric Dist Mangt									8,000	-	
	65,552	25,773	6,119	-	97,444	97,444	90,514	92.9%	54,809	14,896	

EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2006

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

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2004/05 Division of Revenue Act R'000	
	Division of Revenue Act R'000	Roll Overs R'000	DORA Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality %
Regional Serv Council Levy	1,863		(217)	1,646	1,445	87.8%	1,453	1,453	100.0%	1,387
	1,863	-	(217)	1,646	1,445		1,453	1,453	100.0%	1,387

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**ANNEXURE 1C  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/05 Appropriation Act R'000
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Agric Research Council	-	-	-	-	600	0.0%	4,500
EC Rural Fin Corp (Uvimba)	17,500	-	-	17,500	17,500	100.0%	17,500
	17,500	-	-	17,500	18,100	100.0%	22,000

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1D  
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				EXPENDITURE			2004/05 Appropriation Act R'000
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available funds Transferred %	
Fort Cox College	10,500	-	(10,500)	-	-	-	(100.0%)	10,500
	10,500	-	(10,500)	-	-	-	(100.0%)	(10,500)

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**ANNEXURE 1E  
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER			2004/05 Appropriation Act R'000	
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000		Current R'000
<b>Public Corporations</b>									
Fort Cox College	-	-	10,500	10,500	10,500	100.0%	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,500</b>	<b>10,500</b>	<b>10,500</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	



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ANNEXURE 1F  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2004/05 Appropriation Act R'000
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
<b>Transfers</b>						
Claims Against the State	119	-	-	119	119	100.0%
Leave Gratuity	12,872	-	-	12,872	12,963	100.7%
Farmer Support	81,441	-	-	81,441	81,441	100.0%
Bursaries	342	-	-	342	342	100.0%
<b>Total</b>	<b>94,774</b>	<b>-</b>	<b>-</b>	<b>94,774</b>	<b>94,865</b>	<b>100.0%</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 3 A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/paid/cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing								
Absa Bank		1,632	2,150	-	380	-	1,770	-
BOE Bank		614	47	-	15	-	32	-
ECDC		5	5	-	-	-	5	-
Firststrand Bank		631	744	-	7	-	737	-
Meeg Bank		436	464	-	23	-	441	-
Nedbank Ltd		161	180	461	-	-	641	-
Peoples Bank		1,273	1,642	-	779	-	863	-
Permanent Bank		1,249	1,377	-	348	-	1,029	-
Saambou Bank		196	113	132	-	-	245	-
Standard Bank		883	1,233	-	384	-	849	-
The African Bank Ltd		97	87	-	87	-	-	-
TNBS/Mutual Bank		75	46	7	-	-	53	-
Green Strat H/Loans		-	-	12	-	-	12	-
SA Home Loans		-	-	51	-	-	51	-
Unique Finance		-	-	69	-	-	69	-
<b>Total</b>		<b>7,252</b>	<b>8,088</b>	<b>732</b>	<b>2,023</b>	<b>-</b>	<b>6,797</b>	<b>-</b>

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**ANNEXURE 3B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006**

Nature of liability	Opening balance 01/04/2005 R'000	Liabilities incurred during the year R'000	Liabilities cancelled / during the year R'000	paid / reduced during the year R'000	Liabilities recoverable R'000	Closing balance 31/03/2006 R'000
<b>Claims against the department</b>						
Maswana (MEC for Agriculture)	-	441		-		441
Telegenex Trading 249cc (MEC for Agriculture)	-	14		-		14
	-	455		-		455

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4**

**CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>28,092</b>	<b>8,351</b>	-	<b>36,443</b>
Transport assets	2,175	-	-	2,175
Computer equipment	8,909	3,993	-	12,902
Furniture and office equipment	8,591	1,185	-	9,776
Other machinery and equipment	8,417	3,173	-	11,590
<b>CULTIVATED ASSETS</b>				
Cultivated assets	4,076	1,339	899	4,516
<b>TOTAL CAPITAL ASSETS</b>	<b>32,168</b>	<b>9,690</b>	<b>899</b>	<b>40,959</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4.1**

**ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash	Capital WIP	In-Kind	Total
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>8,351</b>	-	-	<b>8,351</b>
Computer equipment	3,993	-	-	3,993
Furniture and office equipment	1,185	-	-	1,185
Other machinery and equipment	3,173	-	-	3,173
<b>CULTIVATED ASSETS</b>				
Cultivated assets	134	-	1,205	1,339
<b>TOTAL CAPITAL ASSETS</b>	<b>8,485</b>	-	<b>1,205</b>	<b>9,690</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4.2**

**DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Carrying Amount	Cash	Profit/loss on Disposal
	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	-	13	13
Other machinery and equipment	-	13	13
<b>CULTIVATED ASSETS</b>	899	-	(899)
Cultivated assets	899	-	(899)
<b>TOTAL CAPITAL ASSETS</b>	<b>899</b>	<b>13</b>	<b>(886)</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4.3**

**CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>8,399</b>	-	<b>8,399</b>
Other machinery and equipment	8,399	-	8,399
<b>TOTAL CAPITAL ASSETS</b>	<b>8,399</b>	-	<b>8,399</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 5**

**SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2006**

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software	524	-	-	-	-	524
	524	-	-	-	-	524



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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 6  
INTER-GOVERNMENT RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
<b>Departments</b>				
Provincial Treasury (Fund Releases)	1	-	-	-
National Dept of Agric (CSF)	18,940	-	-	-
Department of Economic Affairs	-	-	41	-
<b>TOTAL</b>	<b>18,941</b>	<b>-</b>	<b>41</b>	<b>-</b>

**EASTERN CAPE – DEPARTMENT OF AGRICULTURE  
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**ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 7  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
<b>Department</b>				
<b>Current</b>				
Treasury	-	-	40	376
Social Development	-	-	-	1,416
Dept of Water Affairs	-	-	-	42
SA Management Dev Inst	-	-	-	109
South African Police Services	-	-	7	-
Dept of Transport and Public Works	-	-	211	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>258</b>	<b>1,943</b>

## 5 HUMAN RESOURCE MANAGEMENT

### 5.1 PUBLIC SERVICE REGULATIONS

The statistics and information published in this part of the annual report are required in terms of Regulation III J.3 of the Public Service Regulations, 2001, and have been prescribed by the Minister of Public Service and Administration.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, the public and other key stakeholders to monitor whether our Department is

- Exercising the powers granted under Public Service and Public Finance legislation in a responsible manner, and
- Achieving national transformation priorities established by the Cabinet

### 5.2 SUMMARY OF PERSONNEL COST AND RELATED INFORMATION

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 1) and by salary bands (Table 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 1** Personnel costs by program, 2005/06

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
Program 1	242 539	153 125	0	78	63.1	172	890
Program 2	33 576	13 523	0	0	40.3	43	315
Program 3	344 132	139 135	0	0	40.4	127	1088
Program 4	88 563	60 343	0	0	68.1	108	558
Program 5	41 741	23 033	0	0	55.2	78	294
Program 6	6 312	4 520	0	0	71.6	452	10
Program 7	30 464	14 138	3 200	0	46.4	92	154
<b>Total</b>	<b>787 327</b>	<b>407 817</b>	<b>3 200</b>	<b>78</b>	<b>51.8</b>	<b>123</b>	<b>3 309</b>

**Table 2** Personnel costs by salary bands, 2005/2006

Salary bands	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R)	Number of employees
Lower skilled (Levels 1-2)	42 186	10.3	49 572	851
Skilled (Levels 3-5)	56 986	13.9	95 135	599
Highly skilled production (Levels 6-8)	206 157	50.6	133 693	1 542
Highly skilled supervision (Levels 9-12)	90 236	22.1	305 884	295
Senior management (Levels 13-16)	12 252	3.1	556 909	22
<b>Total</b>	<b>407 817</b>	<b>100</b>	<b>123 244</b>	<b>3 309</b>

The following tables provide a summary per programme (Table 3) and salary bands (Table 4) of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

**Table 3** Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2005/06

Program	Salaries		Overtime		Homeowners allowance		Medical assistance		Total personnel cost (R'000)
	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	
Program 1	104 072	67.9	811	0.5	2 287	1.5	8 536	5.6	153 125
Program 2	9 330	69.0	352	2.6	661	4.8	730	5.4	13 523
Program 3	74 953	53.8	2	0.0	1 358	0.9	5 107	3.7	139 135
Program 4	26 989	44.7	547	0.9	471	0.8	1 883	3.1	60 343
Program 5	16 513	71.7	465	2.0	573	2.5	1 351	5.9	23 032
Program 6	2 985	66.0	10	0.2	64	1.4	191	4.2	4 520
Program 7	9 140	64.6	166	1.1	229	1.6	1 154	8.1	14 138
<b>Total</b>	<b>285 993</b>	<b>70.0</b>	<b>2 353</b>	<b>0.6</b>	<b>5 643</b>	<b>1.4</b>	<b>21 964</b>	<b>5.4</b>	<b>407 816</b>

**Table 4** Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary, 2005/06

Salary bands	Salaries		Overtime		Homeowners allowance		Medical assistance		Total personnel cost (R'000)
	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	
Lower skilled (Levels 1-2)	30 009	71.1	695	1.6	975	2.3	3 285	7.8	42 186
Skilled (Levels 3-5)	41 762	73.2	431	0.75	973	1.7	3 764	6.6	56 986
Highly skilled production (Levels 6-8)	149 203	72.3	857	0.4	2 654	1.3	11 350	5.5	206 156
Highly skilled supervision (Levels 9-12)	58 574	64.9	370	0.4	867	1	3 243	3.4	90 236
Senior management (Levels 13-16)	6 445	52.6	0	0	174	1.4	322	2.6	12 252
<b>Total</b>	<b>285 993</b>	<b>70.0</b>	<b>2 353</b>	<b>0.6</b>	<b>5 643</b>	<b>1.4</b>	<b>21 964</b>	<b>5.4</b>	<b>407 816</b>

### 5.3 EMPLOYMENT AND VACANCIES

The following tables summarize the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables, viz per programme (Table 5), salary band (Table 6) and critical occupations (Table 7). Departments have identified critical occupations that need to be monitored. Table 7 provides establishment and vacancy information for the key critical occupations of the Department. The vacancy rate reflects the percentage of posts that are not filled.

**Table 5** Employment and vacancies by program, 31 March 2006

Program	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Program 1	1 096	890	18.8	29
Program 2	406	315	22.4	101
Program 3	1 333	1 088	18.4	419
Program 4	683	558	18.3	171
Program 5	367	294	19.9	1
Program 6	12	10	16.7	0
Program 7	213	154	27.7	0
<b>Total</b>	<b>4 110</b>	<b>3 309</b>	<b>19.5</b>	<b>721</b>

**Table 6** Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	952	851	10.6	260
Skilled (Levels 3-5)	670	599	10.4	393
Highly skilled production (Levels 6-8)	2 043	1 542	24.6	67
Highly skilled supervision (Levels 9-12)	422	295	30.2	1
Senior management (Levels 13-16)	23	22	12.5	0
<b>Total</b>	<b>4 110</b>	<b>3 309</b>	<b>19.5</b>	<b>721</b>

**Table 7** Employment and vacancies by critical occupation, 31 March 2006

The information in each case reflects the situation as at 31 March 2006. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Administrative related	69	52	24.6	0
Agriculture, animal, oceanography, forestry and other scientists	105	37	64.8	0
Agriculture related, e.g. agric health technicians and other technicians	296	194	34.5	0
All artisans in the building metal machinery	62	60	3.2	54
Auxiliary and related	13	10	23.1	0
Biochemistry, pharmacol., zoology and life science technicians	350	260	25.7	0
Building and other property caretakers	73	67	8.2	22
Bus and heavy vehicle drivers	7	7	0	3

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Cartographic surveying and related technicians e.g. survey technicians, land use planners, datametricians and GIS	74	54	27	4
Cleaners in offices, workshops, hospitals etc	83	69	16.9	0
Economists	68	32	52.9	0
Engineering sciences related	4	4	0	0
Engineers and related professionals	9	7	22	0
Farm hands and labourers	787	750	4.73	461
Farming forestry advisors and farm managers	10	10	0	0
Finance and economics related	15	11	26.7	0
Financial and related professionals	54	40	25.9	0
Financial clerks and credit controllers	127	110	13.4	14
Food services aids and waiters	100	82	18.4	0
Head of department / chief executive officer	1	1	0	0
Health sciences related	1	1	0	0
Horticulturists, foresters, agricultural & forestry technicians	733	583	20.4	0
Household and laundry workers	5	4	20	0
Human resources, OD and related professionals	25	24	4	0
HR clerks	82	68	17.1	0
HR related	14	9	35.7	0
Information technology related	5	3	0	0
Language practitioners, interpreters & other communication	6	6	0	0
Librarians and related professionals	2	1	50	0
Library mail and related clerks	43	35	20.5	0
Light vehicle driver	5	4	20	0
Logistical support personnel	30	28	6.7	0
Material recording and transport clerks	201	163	18.9	28
Messengers, porters and deliverers	25	23	8	7
Motor vehicle drivers and other operators	128	120	6.3	68
Other admin & related clerks and organisers	147	109	25	6
Other admin policy and related officers	30	23	23.3	3
Other occupations	7	6	14.3	4
Safety, health and quality inspectors	18	11	38.9	0
Secretaries and other keyboard operating clerks	57	50	12.3	1
Security guards	54	53	1.9	45
Security officers	1	1	0	0
Senior managers	22	21	4.5	0

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Social sciences related	3	3	0	0
Statisticians and related professionals	7	1	85.7	0
Trade labourers	100	64	36	0
Veterinarians	40	27	32.5	0
Veterinary assistants	12	11	8.3	0
<b>Total</b>	<b>4 110</b>	<b>3 309</b>	<b>19.5</b>	<b>721</b>

## 5.4 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.

The following table (Table 8) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 8** Job evaluation, 1 April 2005 - 31 March 2006

Salary band	Number of posts	No of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				No of posts upgraded	% of posts evaluated	No of posts downgraded	% of posts evaluated
Lower skilled (Levels 1-2)	952	0	0	0	0	0	0
Skilled (Levels 3-5)	670	1	0.15	0	0	0	0
Highly skilled production (Levels 6-8)	2 043	7	0.34	0	0	0	0
Highly skilled supervision (Levels 9-12)	422	22	5.2	0	0	0	0
Senior management service Band A	18	2	11.1	0	0	0	0
Senior management service Band B	4	1	25	0	0	0	0
Senior management service Band C	1	0	0	0	0	0	0
<b>Total</b>	<b>4 110</b>	<b>33</b>	<b>0.8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**Table 9** Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 – 31 March 2006

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

The following table summarizes the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 10** Employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 To 31 March 2006 (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 2005/06 0				
Percentage of total employment 0%				

**Table 11** Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (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	0	0	0	0

(If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as Table 10)

Total number of employees whose salaries exceeded the grades determined by job evaluation in 2005/06 - Nil
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## 5.5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 12) and by critical occupation (Table 13). (These "critical occupations" should be the same as those listed in Table 7)

**Table 12** Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary band	No of employees per band as on 1 April 2005	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	1 098	0	220	20%
Skilled (Levels 3-5)	677	8	86	13%
Highly skilled production (Levels 6-8)	1 543	100	101	6%
Highly skilled supervision (Levels 9-12)	262	9	0	0%
Senior management service Band A	15	0	0	0%
Senior management service Band B	4	0	1	25%



Salary band	No of employees per band as on 1 April 2005	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Senior management service Band C	1	0	0	0%
<b>Total</b>	<b>3 600</b>	<b>117</b>	<b>408</b>	<b>11%</b>

**Table 13** Annual turnover rates by critical occupation for the period 1 April 2005 – 31 March 2006

Critical occupations	Employment at beginning of period	Appointments	Terminations	Turnover rate
Administrative related	62	4	2	3%
Agriculture, animal, oceanography, forestry and other scientists	93	6	2	2%
Agriculture related, e.g. agric health technicians and other technicians	215	11	7	3%
All artisans in the building metal machinery	70	0	5	7%
Auxiliary and related	13	0	2	15%
Biochemistry, pharmacol., zoology and life science technicians	267	6	9	3%
Building and other property caretakers	63	0	9	14%
Bus and heavy vehicle drivers	7	0	6	85%
Cartographic surveying and related technicians e.g. survey technicians, land use planners, datametricians and GIS	52	11	8	15%
Cleaners in offices, workshops, hospitals etc	44	0	1	2%
Economists	32	6	0	0%
Engineering sciences related	7	0	1	14%
Engineers and related professionals	1	0	0	0%
Farm hands and labourers	931	0	221	24%
Farming forestry advisors and farm managers	10	0	0	0%
Finance and economics related	3	0	1	33%
Financial and related professionals	27	0	0	0%
Financial clerks and credit controllers	117	8	8	7%
Food services aids and waiters	100	0	0	0%
Head of department / chief executive officer	1	0	0	0%
Health sciences related	1	0	0	0%
Horticulturists, foresters, agricultural & forestry technicians	509	43	19	4%
Household and laundry workers	5	0	0	0%
Human resources, OD and related professionals	17	0	0	0%
Human resources clerks	68	0	1	1%
Human resources related	5	0	1	20%

Critical occupations	Employment at beginning of period	Appointments	Terminations	Turnover rate
Information technology related	1	1	0	0%
Language practitioners, interpreters & other communication	3	2	1	33%
Librarians and related professionals	1	0	0	0%
Library mail and related clerks	28	0	0	0%
Light vehicle driver	6	0	1	17%
Logistical support personnel	27	0	0	0%
Material recording and transport clerks	200	1	4	2%
Messengers, porters and deliverers	24	0	1	4%
Motor vehicle drivers	143	0	9	6%
Other admin & related clerks and organisers	94	0	4	4%
Other admin policy and related officers	26	0	4	15%
Other occupations	15	0	2	13%
Safety, health and quality inspectors	9	2	2	22%
Secretaries and other keyboard operating clerks	52	6	2	4%
Security guards	122	0	69	56%
Security officers	1	0	0	0%
Senior managers	19	0	1	5%
Social sciences related	1	0	0	0%
Statisticians and related professionals	1	0	0	0%
Trade labourers	79	0	4	5%
Veterinarians	19	8	1	5%
Veterinary assistants	9	2	0	0%
<b>Total</b>	<b>3 600</b>	<b>117</b>	<b>408</b>	<b>11%</b>

**Table 14** Identifies the major reasons why staff left the Department

Termination type	Number	% of total terminations	% of total employment	Total	Total employment
Death	64	16%	1.8%	408	3 600
Resignation	17	4%	0.5%	408	3 600
Expiry of contract	12	3%	0.3%	408	3 600
Dismissal / discharge (abscondment / misconduct)	10	2%	0.3%	408	3 600
Retirement	132	32%	3.7%	408	3 600
Discharge due to ill-health	9	2%	0.3%	408	3 600
Transfers to other Departments	164	41%	4.1%	408	3 600
<b>Total</b>	<b>408</b>	<b>100%</b>	<b>11%</b>	<b>408</b>	<b>3 600</b>

Termination type	Number	% of total terminations	% of total employment	Total	Total employment
Total number of employees who left as a % of the total employment: 11.3%					
Resignations as % of employment: 0.5%					

**Table 15** Appointments and pay progressions per occupation

Occupations	Employment at beginning of period	Appointment to another salary level	Appointments as a % of employment	Pay progressions to another notch within salary level	Pay progression as a % of employment
Administrative related	62	10	16%	38	61%
Agriculture, animal, oceanography, forestry and other scientists	93	2	2%	40	43%
Agriculture related, e.g. agric health technicians and other technicians	215	25	12%	102	47%
All artisans in the building metal machinery	70	0	0%	70	100%
Auxiliary and related	13	0	0.4%	13	100%
Biochemistry, pharmacol., zoology and life science technicians	267	1	0%	249	93%
Building and other property caretakers	63	0	0%	54	86%
Bus and heavy vehicle drivers	7	0	0%	7	100%
Cartographic surveying and related technicians e.g. survey technicians, land use planners, datametricians and GIS	52	4	8%	35	67%
Cleaners in offices, workshops, hospitals etc	44	0	0%	44	100%
Economists	32	2	6%	12	38%
Engineering sciences related	7	1	14%	5	71%
Engineers and related professionals	1	0	0%	1	100%
Farm hands and labourers	931	0	0%	673	72%
Farming forestry advisors and farm managers	10	0	0%	8	80%
Finance and economics related	3	0	0%	3	100%
Financial and related professionals	27	1	4%	27	100%
Financial clerks and credit controllers	117	1	0.8%	68	58%
Food services aids and waiters	100	0	0%	54	54%
Head of department / chief executive officer	1	0	0%	0	0%
Health sciences related	1	0	0%	1	100%
Horticulturists, foresters, agricultural & forestry technicians	509	1	0.2%	422	83%
Household and laundry workers	5	0	0%	0	0%

Occupations	Employment at beginning of period	Appointment to another salary level	Appointments as a % of employment	Pay progressions to another notch within salary level	Pay progression as a % of employment
Human resources, OD and related professionals	17	4	23%	8	47%
HR clerks	68	2	3%	52	76%
HR related	5	1	20%	3	60%
Information technology related	1	0	0%	0	0%
Language practitioners, interpreters & other communication	3	1	33%	1	33%
Librarians and related professionals	1	0	0%	0	0%
Library mail and related clerks	28	3	11%	8	29%
Light vehicle driver	6	0	0%	4	67%
Logistical support personnel	27	6	22%	3	11%
Material recording and transport clerks	200	1	0.5%	147	74%
Messengers, porters and deliverers	24	0	0%	11	46%
Motor vehicle drivers	143	0	0%	80	56%
Other admin & related clerks and organisers	94	0	0%	94	100%
Other admin policy and related officers	26	0	0%	26	100%
Other occupations	15	0	0%	15	100%
Safety, health and quality inspectors	9	0	0%	4	44%
Secretaries and other keyboard operating clerks	52	0	0%	42	81%
Security guards	122	0	0%	80	66%
Security officers	1	0	0%	1	100%
Senior managers	19	0	0%	12	63%
Social sciences related	1	0	0%	0	0%
Statisticians and related professionals	1	0	0%	1	100%
Trade labourers	79	0	0%	68	86%
Veterinarians	19	5	26%	19	100%
Veterinary assistants	9	0	0%	2	22%
<b>Total</b>	<b>3 600</b>	<b>71</b>	<b>2%</b>	<b>2 607</b>	<b>72%</b>

**Table 16** Appointments and pay progressions per salary band

Salary band	Employment at beginning of period	Appointment to another salary level	Appointments as a % of employment	Pay progressions to another notch within salary level	Pay progression as a % of employment
Lower skilled (Levels 1-2) Permanent	1 098	0	0%	640	58%
Skilled (Levels 3-5)	677	2	3%	595	88%
Highly skilled production (Levels 6-8)	1 543	21	1.4%	1 214	79%

Salary band	Employment at beginning of period	Appointment to another salary level	Appointments as a % of employment	Pay progressions to another notch within salary level	Pay progression as a % of employment
Highly skilled supervision (Levels 9-12)	262	45	17%	146	56%
Senior management (Levels 13-16)	20	3	15%	12	60%
<b>Total</b>	<b>3 600</b>	<b>71</b>	<b>2%</b>	<b>2 607</b>	<b>72%</b>

## 5.6 EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

**Table 17** Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2006

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	0	1	5	4	0	0	1	22
Professionals, technicians and associate professionals	922	10	3	80	385	2	1	28	1 431
Clerks	130	0	0	1	320	5	1	28	485
Service and sales workers	81	3	0	0	15	0	0	2	101
Craft and related trade workers	90	0	0	0	0	0	0	0	90
Plant and machine operators and assemblers	133	0	0	0	0	0	0	0	133
Elementary occupations	842	12	0	0	184	7	0	2	1 047
<b>Total</b>	<b>2 209</b>	<b>25</b>	<b>4</b>	<b>86</b>	<b>908</b>	<b>14</b>	<b>2</b>	<b>61</b>	<b>3 309</b>
Employees with disabilities	4	0	0	0	6	0	0	0	10

**Table 18** Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

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	10	0	1	5	4	0	0	1	21
Professionally qualified and experienced scientists and mid-management	364	4	3	63	112	1	1	16	564
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	736	5	0	17	484	4	1	43	1 290
Semi-skilled and discretionary decision making	730	8	0	1	181	5	0	1	926
Unskilled and defined decision making	368	8	0	0	127	4	0	0	507
<b>Total</b>	<b>2 209</b>	<b>25</b>	<b>4</b>	<b>86</b>	<b>908</b>	<b>14</b>	<b>2</b>	<b>61</b>	<b>3 309</b>

**Table 19** Recruitment for the period 1 April 2005 - 31 March 2006

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 scientists and mid-management	2	0	0	1	6	0	0	1	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	49	0	0	0	50	0	0	0	99
Semi-skilled and discretionary decision making	1	0	0	0	7	0	0	0	8
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>63</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>117</b>
Employees with disabilities	0	0	0	0	1	0	0	0	1

**Table 20** Appointments (promotions) for the period 1 April 2005 - 31 March 2006

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	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced scientists and mid-management	27	0	0	3	15	0	0	0	45
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	0	0	0	9	0	0	0	21
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 21** Terminations for the period 1 April 2005 - 31 March 2006

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	3	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	14	1	0	3	0	0	0	1	19

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	49	0	0	2	11	0	0	2	64
Semi-skilled and discretionary decision making	58	0	0	0	7	0	0	0	65
Unskilled and defined decision making	239	0	0	0	19	1	0	0	259
<b>Total</b>	<b>361</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>37</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>408</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 22** Disciplinary action for the period 1 April 2005 - 31 March 2006

Occupational categories (SASCO)	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 scientists and mid-management	2	0	1	0	1	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	14	0	0	0	3	0	0	0	17
Semi-skilled and discretionary decision making	12	0	0	0	0	0	0	0	12
Unskilled and defined decision making	28	1	0	0	1	0	0	0	30
<b>Total</b>	<b>57</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 23** Skills development for the period 1 April 2005 - 31 March 2006

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	110	5	0	14	66	2	1	4	203
Professionals	56	0	0	14	23	0	0	10	103
Technicians and associate professionals	290	3	2	11	263	0	0	0	569
Clerks	173	5	0	0	206	4	0	5	393
Service and sales workers	115	2	0	0	181	0	0	0	298
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Craft and related trade workers	3	0	0	0	0	0	0	0	3
Elementary occupations	79	0	0	0	61	0	0	0	140
<b>Total</b>	<b>826</b>	<b>15</b>	<b>3</b>	<b>39</b>	<b>800</b>	<b>6</b>	<b>1</b>	<b>19</b>	<b>1 709</b>

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Employees with disabilities	2	0	0	0	1	0	0	0	3

## 5.7 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 24), salary bands (Table 25), and critical occupations (Table 26).

**Table 24** Performance rewards by race, gender and disability, 1 April 2005 – 31 March 2006

Race	Gender	Beneficiary profile			Cost	
		Number of beneficiaries	Total number of employees in group	% of total within group	(R'000)	Average cost per beneficiary (R'000)
African	Male	425	2 205	19.3	4 344	10 197
	Female	324	902	35.9	2 838	8 829
Asian	Male	2	4	50	14	13 594
	Female	1	2	50	7	7 210
Coloured	Male	9	25	36	67	7 470
	Female	7	14	50	45	6 435
White	Male	41	86	47.7	655	15 970
	Female	37	61	60.7	338	9 130
Employees with a disability		2	10	20	19	9 592
<b>Total</b>		<b>848</b>	<b>3 309</b>	<b>25.6</b>	<b>8 327</b>	<b>9 848</b>

**Table 25** Performance reward by salary bands for personnel below senior management service, 1 April 2005 to 31 March 2006

Salary bands	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	(R'000)	Average cost per beneficiary (R'000)
Lower skilled (Levels 1-2)	130	851	15%	544	3 869
Skilled (Levels 3-5)	120	599	20%	700	5 000
Highly skilled production (Levels 6-8)	434	1 542	28%	4 435	7 055
Highly skilled supervision (Levels 9-12)	150	295	51%	2 335	14 993
<b>Total</b>	<b>834</b>	<b>3 287</b>	<b>25%</b>	<b>8 014</b>	<b>8 003</b>



**Table 26** Performance rewards by critical occupations, 1 April 2005 - 31 March 2006

Critical occupations	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	(R'000)	Average cost per beneficiary (R'000)
Administrative related	22	52	42%	302	13 727
Agriculture, animal, oceanography, forestry and other scientists	20	37	54%	270	13 500
Agriculture related, e.g. agric health technicians and other technicians	69	194	36%	1 194	16 087
All artisans in the building metal machinery	16	60	27%	141	8 813
Auxiliary and related	5	10	50%	30	6 000
Biochemistry, pharmacol., zoology and life science technicians	55	260	21%	549	9 982
Building and other property caretakers	11	67	16%	39	3 545
Bus and heavy vehicle drivers	7	7	100%	60	7 500
Cartographic surveying and related technicians e.g. survey technicians, land use planners, datametricians and GIS	17	54	31%	150	9 375
Cleaners in offices, workshops, hospitals etc	13	69	19%	55	4 231
Economists	8	32	25%	67	8 375
Engineering sciences related	4	4	100%	81	20 250
Engineers and related professionals	2	7	29%	35	17 500
Farm hands and labourers	103	774	13%	564	4 583
Farming forestry advisors and farm managers	4	10	40%	36	9 000
Finance and economics related	7	11	64%	147	21 000
Financial and related professionals	22	40	55%	387	13 045
Financial clerks and credit controllers. Permanent	39	110	35%	329	8 436
Food services aids and waiters	2	82	2%	2	2 000
Head of department / chief executive officer	0	1	0%	0	0
Health sciences related	0	1	0%	0	0
Horticulturists, foresters, agricultural & forestry technicians	142	583	24%	1 637	11 683
Household and laundry workers	0	4	0%	0	0
Human resources, OD and related professionals	6	24	25%	75	12 500
HR clerks	25	68	36%	244	9 760
HR related	2	9	22%	46	23 000

Critical occupations	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	(R'000)	Average cost per beneficiary (R'000)
Information technology related	0	3	0%	0	0
Language practitioners, interpreters & other communication	0	6	0%	0	0
Librarians and related professionals	0	1	0%	0	0
Library mail and related clerks	5	35	14%	39	7 800
Light vehicle driver	3	4	75%	13	4 333
Logistical support personnel	6	28	21%	61	10 167
Material recording and transport clerks	45	163	28%	222	7 156
Messengers, porters and deliverers	6	23	26%	25	4 167
Motor vehicle drivers	16	120	13%	82	5 467
Other admin & related clerks and organisers	64	109	59%	449	8 578
Other admin policy and related officers	21	23	91%	246	11 714
Other occupations	3	6	50%	24	8 000
Safety, health and quality inspectors	5	11	45%	36	9 000
Secretaries and other keyboard operating clerks	19	50	38%	109	8 368
Security guards	9	53	17%	34	3 778
Security officers	1	1	100%	4	4 000
Senior managers	14	21	67%	313	23 833
Social sciences related	0	3	0%	0	0
Statisticians and related professionals	1	1	100%	12	12 000
Trade labourers	21	64	33%	70	3 684
Veterinarians	7	27	26%	141	20 143
Veterinary assistants	1	11	9%	7	7 000
<b>Total</b>	<b>848</b>	<b>3 309</b>	<b>26%</b>	<b>8 327</b>	<b>9 850</b>

**Table 27** Performance related rewards (cash bonus) by salary band, for senior management services

SMS band	1 April 2005		31 March 2006		Average cost per beneficiary	% of SMS wage bill	Personnel cost SMS (R'000)
	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)			
A	12	15	80%	248	2 066	2.8	8 897
B	2	4	50%	65	3 250	2.4	2 718
C	0	1	0%	0	0	0	0.682
<b>Total</b>	<b>14</b>	<b>20</b>	<b>70%</b>	<b>313</b>	<b>22 357</b>	<b>2.5</b>	<b>12 297</b>

## 5.8 FOREIGN WORKERS

**Table 28** Foreign worker, 1 April 2005 to 31 March 2006, by salary band

Salary band	Employment at beginning of period	% of total	Employment at end of period	% of total	Change in employment	% of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 29** Foreign worker, 1 April 2005 to 31 March 2006, by major occupation

Occupation	Employment at beginning of period	% of total	Employment at end of period	% of total	Change in employment	% of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 5.9 LEAVE UTILIZATION FOR THE PERIOD 1 JANUARY 2005 TO 31 DECEMBER 2005

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 30) and disability leave (Table 31). In both cases, the estimated cost of the leave is also provided.

**Table 30** Sick Leave, 1 January 2005 to 31 December 2005

Salary band	Total days	% days with medical certificate	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost	Total no of employees using sick leave	Total no of days with medical certification
Lower skilled (Levels 1-2) Permanent	3 087	94.8	361	23.8	9	461	1 518	2 928
Skilled (Levels 3-5)	2 347	93.1	276	18.2	9	495	1 518	2 185
Highly skilled production (Levels 6-8)	5 666	91.7	690	45.4	8	2 177	1 518	5 197
Highly skilled supervision (Levels 9-12)	1 228	92.2	180	11.8	7	818	1 518	1 131
Senior management (Levels 13-16)	64	93.7	11	0.8	6	126	1 518	60
<b>Total</b>	<b>12 392</b>	<b>92.8</b>	<b>1 518</b>	<b>100</b>	<b>8</b>	<b>4 077</b>	<b>1 518</b>	<b>11 501</b>

**Table 31** Disability Leave (temporary and permanent), 1 January 2005 to 31 December 2005

Salary band	Total days	% days with medical certificate	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost	Total no of days with medical certification	Total no of employees using disability leave
Lower skilled (Levels 1-2) Permanent	351	100	10	22.2	35	52	351	45
Skilled (Levels 3-5)	259	100	7	15.6	37	55	259	45
Highly skilled production (Levels 6-8)	608	100	20	44.4	30	258	608	45

Salary band	Total days	% days with medical certificate	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost	Total no of days with medical certification	Total no of employees using disability leave
Highly skilled supervision (Levels 9-12)	457	100	8	17.8	57	309	457	45
<b>Total</b>	<b>1 675</b>	<b>100</b>	<b>45</b>	<b>100</b>	<b>37</b>	<b>674</b>	<b>1 675</b>	<b>45</b>

Table 32 summarizes the utilization of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service

**Table 32** Annual leave, 1 January 2005 to 31 December 2005

Salary band	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	17 213	20	851
Skilled (Levels 3-5)	14 113	24	599
Highly skilled production (Levels 6-8)	28 673	19	1 542
Highly skilled supervision (Levels 9-12)	7 800	26	295
Senior management (Levels 13-16)	471	21	22
<b>Total</b>	<b>68 270</b>	<b>21</b>	<b>3 309</b>

**Table 33** Capped leave, 1 January 2005 to 31 December 2005

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005	Number of employees	Total no of capped leave available at 31 December 2005	No of employees as at 31 December 2005
Lower skilled (Levels 1-2)	539	8	77	70	47 540	617
Skilled (Levels 3-5)	563	13	115	45	82 462	714
Highly skilled production (Levels 6-8)	584	7	141	85	155 360	1 104
Highly skilled supervision (Levels 9-12)	214	7	157	30	49 296	313
Senior management (Levels 13-16)	5	5	117	1	1 867	16
<b>Total</b>	<b>1 905</b>	<b>8</b>	<b>122</b>	<b>231</b>	<b>336 525</b>	<b>2 764</b>

**Table 34** Leave payouts for the period 1 April 2005 to 31 March 2006

The following table summarizes payments made to employees as a result of leave that was not taken.

Reason	Total amount (R'000)	No of employees	Average payment per employee
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	38	4	9 500
Capped leave payouts on termination of service for 2005/06	404	100	4 040
Current leave payout on termination of service for 2005/06	30	18	1 667
<b>Total</b>	<b>472</b>	<b>122</b>	<b>3 869</b>

## 5.10 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

**Table 35** Steps taken to reduce the risk of occupational exposure

Unit / 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 36** 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 NL Baart, General Manager, Corporate Services
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		Counselling, 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	EWP committees to be established in 2006/07
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		<ul style="list-style-type: none"> <li>- Educate employees on HIV / Aids</li> <li>- Create a supportive and non-discriminatory environment for disclosure</li> </ul>
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 but employees are encouraged to undergo voluntary counselling and testing
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 2005/06

## 5.11 LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the Department

**Table 37** Collective agreements, 1 April 2005 - 31 March 2006

Subject matter	Date
Nil	

If there were no agreements, then use the following table:

<b>Total collective agreements</b>	Nil
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The following table summarizes the outcome of disciplinary hearings conducted within the Department for the year under review.

**Table 38** Misconduct and disciplinary hearings finalized, 1 April 2005 to 31 March 2006

<b>Outcomes of disciplinary hearings</b>	<b>Number</b>	<b>% of total</b>
Correctional counselling	3	4.6
Verbal warning	10	15.6
Final written warning	9	14.1
Written warning	16	25
Suspension without pay (incl. leave)	4	6.3
Dismissal (incl. abscondments)	10	15.6
Not guilty	6	9.4
Case withdrawn	6	9.4
<b>Total</b>	<b>64</b>	<b>100</b>

**Table 39** Types of misconduct addressed at disciplinary hearings

<b>Type of misconduct</b>	<b>Number</b>	<b>% of total</b>
Alleged fraud	1	1.6
Absence without authority	19	29.7
Alleged poor work performance	1	1.6
Misuse of govt. vehicles	5	7.8
Wilful damage or negligence of government property	22	34.4
Alleged financial mismanagement	2	3.1
Alleged assault	2	3.1
Alleged theft	5	7.8
Failure to comply with a reasonable and lawful instruction	2	3.1
Alleged under influence of alcohol	2	3.1
Alleged bribery	1	1.6
Alleged insubordination	2	3.1
<b>Total</b>	<b>64</b>	<b>100</b>

**Table 40** Grievances lodged for the period 1 April 2005 to 31 March 2006

	Number	% of total
Number of grievances resolved	32	78
Number of grievances not resolved	9	22
<b>Total number of grievance lodged</b>	<b>41</b>	<b>100</b>

**Table 41** Disputes lodged with councils for the period 1 April 2005 to 31 March 2006

	Number	% of total
Number of disputes upheld (finalised)	7	54
Number of disputes dismissed (lack jurisdiction)	4	31
Number of disputes in progress	2	15
<b>Total number of disputes lodged</b>	<b>13</b>	<b>100</b>

**Table 42** Strike actions for the period 1 April 2005 to 31 March 2006

<b>Total number of persons working days lost</b>	16
<b>Total cost of working days lost</b>	R 3200
<b>Amount recovered as a result of no work, no pay</b>	R 3200

**Table 43** Precautionary suspensions for the period 1 April 2005 to 31 March 2006

<b>Number of people suspended</b>	1
<b>Number of people whose suspension exceeded 30 days</b>	1
<b>Average number of days suspended</b>	182
<b>Cost (R'000) of suspension</b>	417

## 5.12 SKILLS DEVELOPMENT

This section highlights the efforts of the department with regard to skills development.

**Table 44** Training needs identified 1 April 2005 to 31 March 2006

Occupational categories	Gender	Number of employees as at 31 December 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	5	0	55	0	55
	Male	17	0	105	0	105
Professionals, technicians and associate professionals	Female	416	60	285	30	375
	Male	1 015	60	392	30	482
Clerks	Female	354	0	608	0	623
	Male	131	0	406	0	421

Occupational categories	Gender	Number of employees as at 31 December 2005	Training needs identified at start of reporting period			
			Learnership, internship & abet	Skills programmes & other short courses	Other forms of training	Total
Service and sales workers	Female	17	0	251	0	251
	Male	84	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trade workers	Female	0	0	0	0	0
	Male	90	0	21	0	21
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	133	0	0	0	0
Elementary occupations	Female	193	21	0	0	6
	Male	854	21	0	0	6
Sub total	Female	985	81	1 199	30	1 310
	Male	2 324	81	924	30	1 035
<b>Total</b>		<b>3 309</b>	<b>162</b>	<b>2 123</b>	<b>60</b>	<b>2 345</b>

**Table 45** Training provided

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	5	0	73	0	73
	Male	17	0	130	0	130
Professionals, technicians and associate professionals	Female	416	57	212	27	296
	Male	1 015	56	271	49	376
Clerks	Female	354	20	184	11	215
	Male	131	10	155	13	178
Service and sales workers	Female	17	0	181	0	181
	Male	84	0	117	0	117
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trade workers	Female	0	0	0	0	0
	Male	90	0	0	3	3
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	133	0	0	0	0
Elementary occupations	Female	193	61	0	0	61
	Male	854	79	0	0	79
Sub total	Female	985	138	650	38	826
	Male	2 324	145	673	65	883



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
<b>Total</b>		<b>3 309</b>	<b>283</b>	<b>1 323</b>	<b>103</b>	<b>1 709</b>

NB: Table 45 reflects Skills Development demands that were actually satisfied during this financial year.

### 5.13 INJURY ON DUTY

The following tables provide basic information on injury on duty

**Table 46** Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	19	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>19</b>	<b>100</b>

### 5.14 UTILIZATION OF CONSULTANTS

**Table 47** Report on consultant appointments using appropriate funds

Project title	Total no of consultants that worked on project	Duration:work days	Contract value in Rand
Nil	Nil	Nil	Nil
<b>Total no of projects</b>	<b>Total individual consultants</b>	<b>Total duration:work days</b>	<b>Rand contract value in Rand</b>
Nil	Nil	Nil	Nil

**Table 48** Analysis of consultant appointments 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 49** Report on consultant appointments using donor funds

Project title	Total no of consultants that worked on project	Duration:work days	Donor and contract value in Rand
Nil			
<b>Total no of projects</b>	<b>Total individual consultants</b>	<b>Total duration:work days</b>	<b>Rand contract value in Rand</b>

**Table 50** 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			