



## agriculture & rural development

Department:  
agriculture & rural development  
PROVINCE OF KWAZULU-NATAL

# ANNUAL REPORT 2016/17 FINANCIAL YEAR

LET'S MAKE AGRICULTURE OUR CULTURE







# ANNUAL REPORT 2016/17 FINANCIAL YEAR

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## **PART A: GENERAL INFORMATION**



## **DEPARTMENT GENERAL INFORMATION**

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## **LIST OF ABBREVIATIONS/ACRONYMS**

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
DARD	Department of Agriculture and Rural Development
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

## FOREWORD BY THE MEC

I am greatly honoured to table the Annual Report of the KwaZulu-Natal Department of Agriculture and Rural Development for the 2016/17 financial year as required by the Public Finance Management Act (PFMA) 1 of 1999, as amended.

As the ruling party it was unequivocally said in the Reconstruction and Development Programme (RDP) 1994 that *“no political democracy can survive and flourish if the masses of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government.”* These sentiments have been equally reiterated through the National Development Plan which seeks to eliminate poverty and reduce inequality by 2030.

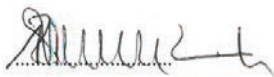
Furthermore, the Constitution of the Republic of South Africa, 1996 - Chapter 2: Bill of Rights, Section 27 clearly stipulates that “Everyone has the right to have access to sufficient food and water... and the State must take reasonable legislative and other measures, within its available resources to achieve the progressive realisation of these rights.”

However, 23 years after the dawn of democracy in 1994, one in four children in South Africa are malnourished and their growth is classified as stunted. The 2015 Statistics reveal that an estimated 14.3 million individuals in the country and 3.5 million (34%) individuals in the Province are faced with inadequate access to food. Furthermore, there is a concerning decline in agricultural households in the country and KwaZulu-Natal accounts for large numbers of this decline. The 2016 statistics from StatsSA indicate that there has been a 19% decline in households involved in agriculture, from 2.9 million in 2011 to 2.3 million households in 2016.

As a department that is tasked with the agriculture and rural development mandates, it became critical to realign our strategy within the existing realities as part of the provincial response. In November 2016 the department embarked on a strategy review process which resulted in the location of Food and Nutrition Security at the core of the departmental focus. Such a trajectory is aimed at driving an inclusive agricultural sector in the province with a particular bias towards women, youth and people living with disabilities.

This review was a product of an inclusive process of extensive stakeholder engagement from farmer organisations, commodity associations, Amakhosi, District Mayors and institutions of higher learning.

This 2016/17 Annual Report will detail progress made, challenges encountered and plans in place to revitalise and radically transform the Agricultural Sector for the improvement of the lives of the majority of our people, especially the poor.



Mr T. Mthembu (MPL)

MEC: Agriculture and Rural Development

Date: 31 May 2017

## REPORT OF THE ACCOUNTING OFFICER

### Overview of operations of the Department

The department is in the final stages of the restructuring process which concludes with the matching and placing of officials into the posts on the new organisational structure. Once this has been finalised, then the process of filling of critical posts will commence with priority given to the already approved posts.

The department undertook a strategic review which requires a shift in priority and focus areas towards interventions on nutritious food security; youth, women and the disabled. There will therefore be a bias towards support to communities at household and subsistence levels as well as review of the mechanisation support.

Through the Management Performance Assessment Tool, the Department continued to focus on the improved administrative process and establishment of effective and efficient management control systems. The tool is a functional administration system institutionalised and updated as and when required by good governance principles.

The rural development branch focused on the roll-out of the national agri-parks strategy at a district level. At least half of the districts finalised and approved strategies for their districts and commenced with detailed planning on either the agri-hub sites or the farmer production support unit sites. Following the intense planning process, funds now need to be secured to provide for the enabling infrastructure implementation to take place and such funds will need to be forthcoming from all spheres of government and the private sector.

Agriculture still remains one of the key economic drivers of the province and as such forms an important part for economic development, rural development and ultimately poverty alleviation. The sector has huge potential for job creation and ensuring food security. In the year under review the department has been able to create paid seasonal part-time jobs in communities where projects were rolled out. The ultimate outcome pursued is the agrarian transformation of the sector in the province of KZN to ensure unlocking the full agriculture potential.

The launch of the Radical Agrarian Socio-Economic Transformation (RASET) Programme provided the department with a catalyst and directed opportunity to support rural enterprises and co-operatives to participate in agriculture value chains.



## OVERVIEW OF FINANCIAL PERFORMANCE

### *Collection of Departmental Revenue*

The table below provides the summary of the departmental receipts for 2015/16 and 2016/17 financial years by type of receipt. The total actual revenue for 2016/17 reflects an under collection against the estimated revenue by R4.697 million or 19 per cent. Departmental revenue decreased from R23.712 million in 2015/16 to R20.023 million in 2016/17. This decrease is mainly due to the slow payments of academic fees, the laboratories receiving less samples for analysis as well as the department not holding the planned auction for the sale of redundant capital assets during 2016/17. The department undertakes an auction of redundant assets at least annually. In essence, this means that the 2016/17 revenue reflects an under collection of R3.550 million which was expected from the proceeds during the public auction.

**Departmental Own Receipts by main revenue category**

Departmental receipts	2015/2016			2016/17		
	Estimate	Actual amount collected	(Over)/Under Collection	Estimate	Actual amount collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	19 771	18 720	1 051	20 207	16 295	3 912
Fines, penalties and forfeits		-			1	(1)
Interest, dividends and rent on land	21	27	(6)	10	79	(69)
Sale of capital assets	3 000	3 323	(323)	3 976	426	3 550
Financial transactions in assets and liabilities	500	1 642	(1 142)	527	3222	(2 695)
<b>TOTAL</b>	<b>23 292</b>	<b>23 712</b>	<b>(420)</b>	<b>24 720</b>	<b>20 023</b>	<b>4 697</b>

The reasons for this under collection are provided by category as follows:

- *Sale of goods and services other than capital assets* under-collected by R3.912 million. This category comprises mainly of receipts relating to the laboratory samples, rendering of academic services such as registration, tuition fees and accommodation at the department's agricultural colleges. The under collection is largely attributable to farmers sending fewer samples to the department's laboratories for analysis as well as the slow payments of academic fees to the agricultural colleges of the department.

- *Interest, dividends and rent on land* collected R79 000 against the budget of R10 000 relating to debts of the department. The budget was based on previous years' trends.
- *Sale of capital assets* under collected by an amount of R3.550 million due to the anticipated departmental auction of redundant assets not taking place as planned as the department experienced unforeseen delays during the appointment of the auctioneer.
- *Transactions in financial assets and liabilities* exceeded projections substantially by R2.695 million. This relates mainly to the recovery of over payments made in previous financial years as well as refunds received for over payments of insurance for subsidized vehicles. It is difficult to project for this category due to its uncertain nature.

#### *Tariff policy*

The Department reviewed the fees charged for services rendered and where possible, aligned the fees with national and provincial norms. The review was done in consultation with all relevant role- players and submitted to the Provincial Treasury for approval. The approved fees for the 2016/17 financial year were circulated for implementation with effect from 1 April 2016. The tariffs will be reviewed on an annual basis as part of the budget process and the revised tariffs will be implemented on 1 April of every year.

#### *Free Services*

The Department received Provincial Treasury Approval to grant thirty (30) students at the college fees exemption. Twenty students would be from Agricultural schools and ten students would be from financially disadvantaged backgrounds. However, the selection of these students would be based on merit. Furthermore, the department does not provide free services, except for extension services.

### *Departmental expenditure*

The table below provides analysis of departmental expenditure against final appropriation at programme level for the 2015/16 and 2016/17 financial years. As is evident, the department's expenditure has improved considerably from the previous year where an under expenditure of R93.292 million was recorded compared to the current year of only R376, 000.

<b>R'000</b>	<b>2015/16</b>			<b>2016/17</b>		
<b>Programme</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>(Over)/Under Expenditure</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>(Over)/Under Expenditure R'000</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
1. Administration	372,124	341,761	30,363	457,795	457,419	376
2. Agriculture	1,918,360	1,855,535	62,825	1,744,190	1,744,190	-
3. Rural Development	1,995	1,891	104	14,757	14,757	-
<b>TOTAL</b>	<b>2,292,479</b>	<b>2,199,187</b>	<b>93,292</b>	<b>2,216,366</b>	<b>2,216,366</b>	<b>376</b>

The under expenditure of R376, 000 is recorded against Programme 1: Administration and relates to Compensation of Employees due to vacant budgeted posts. The prior year under expenditure against Programme 1 is mainly in respect of migration from Novell to Microsoft that was planned but not completed and motor vehicles ordered but not delivered. Programme 2 under expenditure in the previous year is mainly related to drought intervention projects that commenced but were not completed by 31 March 2016.

### *Virements/roll-overs*

An amount of R46.098 million was rolled over from 2015/16 to 2016/17. The department has not requested any roll-overs to the 2017/18 financial year as the



savings relate to compensation of employees which cannot be rolled over to the subsequent financial year.

With regard to virements, the department implemented the following movements to utilize savings under one area to offset excess in other areas after the adjustments estimate. These virements are permissible in terms of the PFMA and Treasury Regulations.

Programme 1: Administration had savings of R33.880 million that was moved to Programme 2: Agriculture. The savings were in respect of:

- Compensation of employees due to vacant posts amounting to R231,000;
- Goods and services recorded savings of R14.132 million due to over-provision for fleet management costs, operating payments and property payments under this programme during the allocation of resources in line with the new structure. The budget was allocated under Programme 1, whereas the expenditure for vehicles that are used to render agricultural services is correctly allocated under Programme 2. This has been corrected for the 2017/18 MTEF.
- Slow implementation of rehabilitation and renovations of departmental offices by the Department of Public Works resulted in under expenditure on infrastructure of R19.517 million which was moved to the same category under Programme 2.

Programme 2: Agriculture was increased by a net amount of R34.340 million which is made up of R33.880 million moved from Programme 1 and R460, 000 moved from Programme 3: Rural Development. This programme had spending pressures due to high demand for farming supplies such as seeds, fertilizer, chemicals as well as infrastructure development such as irrigation in the Makhathini area which was progressing at a faster rate than anticipated.

#### *Unauthorized, fruitless and wasteful expenditure*

The department did not record any unauthorized expenditure. However, an amount of R162, 000 is recorded as fruitless and wasteful expenditure which is made up of interest on overdue accounts of R154, 000 and R8, 000 for penalties due to non-payment. The major interest relates to the Eskom accounts which are sent to the respective departmental offices. The department is only granted about two weeks from

date of invoice to payment reflected in the Eskom account. Unfortunately, there are instances where the invoices do not reach finance in the three centers (Cedara, Hilton and Richards Bay) within the two-week period. The department has centralized the delivery point for these accounts which has expedited payment and there should thus be a reduction in interest payments in the next financial year.

### *Public Private Partnerships*

The department does not have any Public Private Partnerships.

### *Supply Chain Management*

The department was utilizing the Central Supplier Database to source quotations and to verify registration for bids during the 2016/17 financial year. The selection of the suppliers was done manually as there is no e-procurement system.

The department has a SCM Policy and delegations in place and that will prevent irregular expenditure. However, during the period there were a number of security contracts that have been extended on monthly basis and constitute irregular expenditure. The department has been facing challenges from interested parties during the bid process for security services and is in the process of engaging with all stakeholders before going out on tender again.

The major challenge is the number of vacancies and the absence of a Director for the entire period. The Director post has been advertised and the recruitment process is underway and the lower level vacancies to be addressed after the matching and placing exercise have been finalized.

### *Gifts and Donations received in kind from non-related parties*

The department has made donations of fifty-three cattle, six goats and four sheep on nine instances which are listed on Annexure 1J of the Annual Financial Statements with an estimated value of R192,000. Of this, twenty-nine cattle with an estimated value of R78, 000 were handed over to the Emthekwini Hluhluwe families to compensate them for the loss of their livestock through alleged poisoning of water by a certain farmer. Furthermore, thirty-one redundant computers and one data projector with a value of R245, 000 was donated to the Washbank JS School.

On the other hand, the department received thirty JoJo tanks valued at R348,000 and erection of fence and poles for renovations to stores at Qwake valued at R459,000 in kind from the Department of Agriculture, Forestry and Fisheries.

### *Exemptions and deviations received from the National/Provincial Treasury*

The Department received authority to purchase out of contract RT 16-2015: Supply, delivery and offloading of fertilizers to the State for the period ending 31 March 2018. This authority is an interim measure relating to Vulture Security Services due to their failure to comply with the terms and conditions of the contract.

### *Acknowledgement/s or Appreciation*

A heartfelt gratitude is expressed to all stakeholders in the form of other government departments, entities, oversight institutions, and Chapter 9 institutions for their contribution in improved operations and success in delivering on the mandates.

### *Conclusion*

It is with pleasure to present the 2016/17 Annual Report for the Department of Agriculture and Rural Development as required. The highlights of performance in 2016/17 of critical implementation programs, agriculture and rural development initiatives are herein expressed

*Approval and sign off*



Mr MJ Mfusi  
Acting Head of Department

31 May 2017



## **STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT**

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and is free of any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.


The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury. The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

External auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2017.

Yours faithfully



Accounting Officer  
Mr MJ Mfusi  
31 May 2017

## STRATEGIC OVERVIEW

### VISION

A united, sustainable and vibrant agricultural sector with thriving rural communities in balance with nature.

### MISSION

To promote, through partnerships, sound agricultural practices that promote economic growth, food security and advancement of rural communities in KwaZulu-Natal.

### VALUES

In order to fulfill its mission, the endeavors of the Department are underpinned by the following values:

- ***Batho Pele Principles and Service Orientation*** - Departmental officials will conduct themselves in a manner befitting a government that is caring, dedicated and pro-poor, influenced by the spirit of *ubuntu*.
- **Co-operative Governance and Strategic Partnerships** - the Department commits itself to the principles of cordial inter-governmental relations and strategic partnerships across all spheres of society, with particular focus on business and civil society organizations as delivery partners.
- **Self-sufficiency and independence** - the Department commits itself to the promotion of self-sufficiency in all its interventions and focuses on the empowerment of people to be more independent and entrepreneurial.
- **Transformation** – the Department is an agent of the State transformation agenda to change the historical uneven development of the South African and KwaZulu-Natal society and its policies must reflect this character at all times.

**Financial Prudence and Resource Limitations** – the Department is the custodian of public funds and its policies must promote economic use of such limited funds to achieve efficient and effective delivery of public services. Government will always be faced with a challenge of growing public demands and limited resources to fulfil every obligation.

- **Accountability and Transparency** – the Department is obligated to promote good governance by accounting and being transparent to the public, legislature and oversight institutions for its performance and use of public resources.
- **Development and recognition** – the Department's employees are recognized as its most valuable asset and therefore it aspires to ensure the on-going development and recognition of an effective, dedicated and professional team.

## **1 LEGISLATIVE AND OTHER MANDATES**

The core functions of the Department are governed by various Acts and regulations, falling under the following categories:

### **1.1 Transversal legislation**

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Companies Act (Act No. 61 of 1973)
- Public Service Act (Act No. 109 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993)
- Annual Division of Revenue Act (Act No. 3 of 2016) (DoRA).
- Employment Equity Act (Act No. 55 of 1998)
- Public Service Commission Act (Act No. 65 of 1984)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)

### **1.2 Agriculture Legislation**

- i. KwaZulu Animal Protection Act (Act No. 4 of 1987)



- ii. Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- iii. Marketing of Agricultural Products Act (Act No. 47 of 1996)
- iv. Control of Markets in Rural Areas Ordinance (No. 38 of 1965)
- v. Subdivision of Agricultural Land Act (Act No. 10 of 1970)
- vi. Plant Improvement Act (Act No. 53 of 1976)
- vii. Agricultural Pests Act (Act No. 36 of 1983)
- viii. Agriculture Law Extension Act (Act No. of 1996)
- ix. KwaZulu General Law Amendment Act (Act No. 3 of 1987)
- x. KwaZulu General Law Amendment Act (Act No. 21 of 1988)
- xi. National Veld and Forest Fires Act (Act No. 101 of 1998)
- xii. Veterinary and Para-Veterinary Professions Act (Act No. 19 of 1982)
- xiii. Livestock Brands Act (Act No. 87 of 1962)
- xiv. Livestock Improvement Act (Act No. 25 of 1977)
- xv. Meat Safety Act, 2000 (Act No. 40 of 2000) (Replacing Abattoir and Co-operation Act)
- xvi. South African Medicines and Medical Devices Regulatory Authority Act (Act No. 32 of 1998)
- xvii. International Animal Health Code of World Organisation for Animal Health
- xviii. Animal Diseases Act (Act No. 35 of 1984)
- xix. International Code for Laboratory Diagnostic Procedure for Animal Diseases of World Organisation for Animal Health
- xx. The Sanitary and Phyto-sanitary Agreement of the World Trade Organisation (WTO)
- xxi. Water Service Act (Act No. 108 of 1997)
- xxii. Marketing of Agricultural Products Act (Act No. 47 of 1996)
- xxiii. Agricultural Research Act (Act No. 86 1990)
- xxiv. Agricultural Products Standards Act (Act No. 119 of 1990)

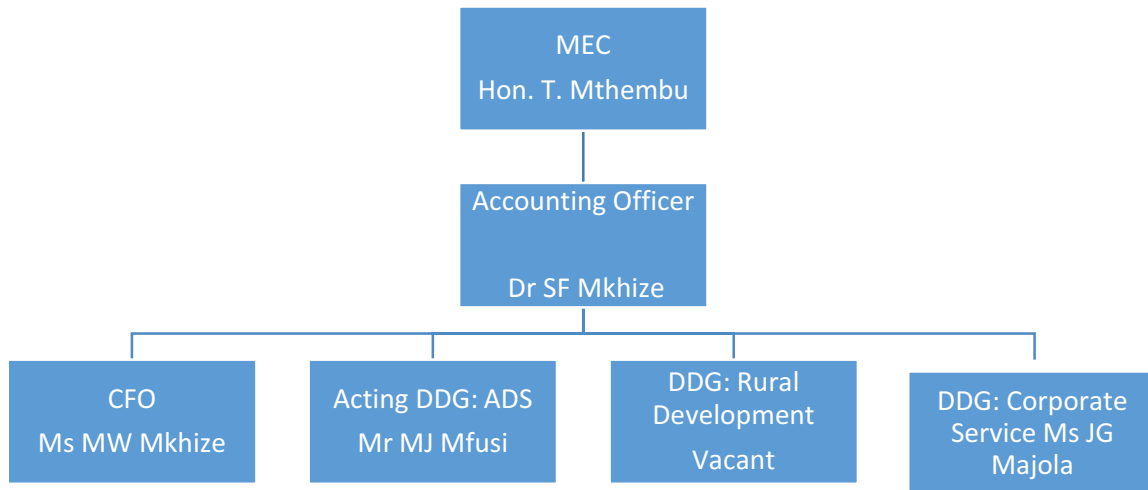
- xxv. Agricultural Produce Agents Act (Act No. 12 of 1992)
- xxvi. Agricultural Development Fund Act (Act No. 175 of 1993)
- xxvii. Perishable Product Export Control Act (Act No. 9 of 1983)
- xxviii. Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947)
- xxix. Agricultural Credit Act (Act No. 28 of 1966)
- xxx. Marketing Act (Act No. 59 of 1958)
- xxxi. Plant Breeder's Right Act (Act No. 15 of 1976)
- xxxii. Land Redistribution Policy for Agricultural Development (LRAD)
- xxxiii. Agricultural Debt Management Act (Act No. 45 of 2001)
- xxxiv. Soil User Planning Ordinance (Ordinance No. 15 of 1985)
- xxxv. Genetically Modified Organisms Act (Act No. 15 of 1997)
- xxxvi. Hazardous Substances Act (Act No. 63 of 1973)
- xxxvii. Environment Conservation Act (Act No. 73 of 1989)
- xxxviii. Agri-business Development Agency Bill.

### **1.3 Rural Development legislation**

- i Deeds Registries Act (Act No. 47 of 1937)
- ii State Land Disposal Act (Act No. 48 of 1961)
- iii Physical Planning Act (Act No. 88 of 1967)
- iv Sectional Titles Act (Act No. 95 of 1986)
- v Upgrading of Land Tenure Rights Act (Act No. 112 of 1991)

- vi Land Reform: Provision of Land and Assistance Act (Act No. 126 of 1993)
- vii Restitution of Land Rights Act (Act No. 22 of 1994)
- viii Land Reform (Labour Tenants) Act (Act No. 3 of 1996)
- ix Communal Property Associations Act (Act No. 28 of 1996)
- x Land Survey Act (Act No. 8 of 1997)
- xi Extension of Security of Tenure Act (Act No. 62 of 1997)
- xii Planning Profession Act (Act No. 36 of 2002)
- xiii Professional and Technical Surveyors Act (Act No. 40 of 1984)
- xiv Spatial Data Infrastructure Act (Act No. 54 of 2003)
- xv Spatial Planning and Land Use Management Act (Act No. 16 of 2013)
- xvi Data Infrastructure Act (Act No. 54 of 2003)
- xvii Restitution of Land Rights Amendment Act (Act No. 48 of 2003)
- xviii Removal of Restrictions Act (Act No. 84 of 1967)
- xix Physical Planning Act (Act No. 125 of 1991)
- xx Land Titles Adjustment Act (Act No. 111 of 1993)
- xxi Communal Land Rights Act (Act No. 11 of 2004)
- xxii Abolition of Certain Title Conditions Act (Act No. 43 of 1999)
- xxiii Transformation of Certain Rural Areas Act (Act No. 94 of 1998)
- xxiv Interim Protection of Informal Land Rights Act (Act No. 31 of 1996)

## 2 ORGANISATIONAL STRUCTURE



### 3 ENTITIES REPORTING TO THE MEC

The table below indicates the public entities that report to the MEC.

Table 1 List of Entities

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<b>Mjindi Farming (Pty) LTD</b>	Mjindi Farming (Pty) Ltd was established under the Companies Act 61 of 1973 (as amended), as a private company with share capital.	In terms of section 38 (1)(j) of the Public Finance Management Act 1 of 1999 (as amended), Mjindi must provide written assurance to the Department that the entity implements good financial management and an internal control system before the Department transfers funds to the Entity.	Mjindi is responsible for agricultural development in the northern estates of the province.
<b>Agribusiness Development Agency (ADA)</b>	ADA was established in terms of Cabinet Resolution No. 79 of 29 July 2009. The agency draws its operational mandate from: i) The national policy for Comprehensive Agricultural Support Programme (CASP). ii) Land Reform policy guidelines. iii) Amended Trust Deed for agribusiness Development Agency.	In terms of section 38 (1)(j) of the Public Finance Management Act 1 of 1999 (as amended), ADA must provide written assurance to the Department that the entity implements good financial management and an internal control system before the Department transfers funds to the Entity.	The agency provides holistic agricultural support services to entrant farmers, focusing mainly on previously disadvantaged farmers.



## **PART B: PERFORMANCE INFORMATION**





## **1. OVERVIEW OF DEPARTMENTAL PERFORMANCE**

### **1.1 Service Delivery Environment**

During the year under review, the KZN Province was faced with a serious drought season along with thirst, hunger and anguish as livestock as well as crops perished. This drought experienced undermined farm yields and including the entire Provincial harvest, reducing household food availability and agricultural income derived from crop sales. Poor harvest during 2016 has also undermined endeavors the Province had undertaken to ensure food security. Impact on production was also severe as evident during the decline in the yield of crops such as maize, potatoes, maize and others. Among other measures adopted to respond to the above, the Department allocated a specific budget tailor made for drought relief, including the distribution of animal feed, drilling of boreholes etc. However, management of these relief measures by the Department had its own challenges. Issues of cross district boarder dynamics where famers from one district moved to collect animal feeds from another district was identified as one of the challenges that the Department had to deal with.

At a different dimension, the drought phenomenon that has been experienced and poor climatic conditions pushed the prices of food sky high. As such, low income households especially in rural areas had to spend half of their income on food. Given the high unemployment and poverty levels, some households found it difficult to cope with extreme food price hikes.

To respond to the crisis, among other measures the Department tried to deal with the problem through:

- i. The establishment of irrigation schemes;
- ii. Switching to drought tolerant species;
- iii. Strengthening water harvesting strategies; and
- iv. Promoting conservation agriculture practices

The overall impact of the drought phenomenon had a huge negative impact and undermined the progress made by the Department to achieve its strategic objectives as it is evident since the Department could not achieve the targets of the number of hectares cultivated for food production in communal areas and land reform projects. Lastly, the drought had a huge impact on the Department's ability to achieve some targets set for the 2016/17 financial year especially those that were set with reasonable expectation of normal summer rainfall. However, through stakeholder engagements the Department will still continue to intensify its measures which seek to support famers in the province in order to unleash the province's agricultural potential.

## 1.2 Service Delivery Improvement Plan

The department had completed a Service Delivery Improvement Plan. The table below highlights the service delivery plan and the achievements to date.

Table 2 *Main Services and Standards*

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Agricultural Development Services	Farmers (emerging and commercial)	Monthly Project planning meetings with communities	Monthly Project planning meetings with communities	Project planning meetings at District level (121)
	Organised agriculture	2500 farmers to be trained in agricultural techniques	2500 farmers to be trained in agricultural techniques	3353 farmers trained on agricultural techniques between 1 April 2016 and 31 March 2017.
	Members of the public (vet services)	Establish 2 training agreements with - tertiary institutions – UKZN & UNIZULU	Maintain standards	A meeting was held with Mangosuthu University of Technology (MUT) on the 3rd November 2016. Awaiting proposal from MUT for collaboration.

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
				Durban University of Technology (DUT) do not offer agricultural studies
		70% of Agricultural Advisors to attend customer care and diversity training	100% of Agricultural Advisors to attend customer care and diversity training	104 out of 267 (39%) Agricultural Advisors were trained in the 3rd and 4th quarters 2016/2017
		Annual agricultural best practise conference	Annual agricultural best practise conference	Extension Advisory Summit was held in October 2016 at OSCA. Staff presented papers on extension work done
		Annual Monitoring report (MOU on the recapitalisation of agricultural schools)	Annual Monitoring report	Report to be resubmitted to the HOD in the last week of May 2017

Table 3 Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Monthly Project Planning meetings with communities (PPC)	Monthly Project planning meetings with communities	Project planning meetings at Districts level (121)
Quarterly Consultation with IDP, DLC	Quarterly Consultation with IDP, DLC	55 x Consultation meetings held
Quarterly Consultation meeting with DRDLR	Quarterly Consultation meeting with DRDLR	12 Agri-parks co-ordination meetings held. Draft Operating framework between DARD and DRDLR completed.
Annual Research coordination committees	Annual Research coordination committee	2 meetings took place in June & September 2016.
		Chief Directorate co-ordination forums now include the Scientific Managers from Crop, Livestock production, Natural Resources, Analytical Services and Farming Systems Research ensuring a more holistic and integrated approach to planning

Current/actual arrangements	Desired arrangements	Actual achievements
Monthly Livestock / (Annual) Wildlife Association Meetings	Livestock / (Annual) Wildlife Association Meetings	4 x Quarterly Animal Health Forum meetings hosted (including external stakeholders)
Annual Client Satisfactory Survey	Annual Client Satisfactory Survey	Annual Client Satisfactory Survey conducted and a report compiled.
Twice a year- Provincial Agriculture Education and Training forum	Twice a year- Provincial Agriculture Education and Training forum	A Steering Committee meeting was held on the 17 <sup>th</sup> of February 2017. On the 27 <sup>th</sup> of February 2017, 5x schools were requested to supply their cash flow templates for 2017/2018.
12 KITT- KZN Interdepartmental technical task team meetings	12 KITT- KZN Interdepartmental technical task team meetings	The monthly meetings were converted to quarterly and 4 x KITT meetings were held.
Establish 10 District Land Agricultural Committees	Establish 10 District Land Agricultural Committees	10 District Committees established and appointed by Minister of DRDLR.
Develop and publish annual citizen report	Develop and publish annual citizens report	2015/2016 Citizens report developed and approved and posted on departmental website.

Current/actual arrangements	Desired arrangements	Actual achievements
Increase KZN fleet by 40 vehicles & subsidized vehicles by 5% per annum	Increase KZN fleet by 40 vehicles & subsidized vehicles by 5% per annum	102 KZN vehicles delivered and distributed to the districts. Vehicles that were stolen and boarded were replaced with rollover funds (R8 million) from previous financial year .Subsidized vehicle transport committee meeting took place on October 27 <sup>th</sup> 2016, 89
Initiate 50% implementation of integrated technology systems	Initiate 100% implementation of integrated technology systems	The ADS Branch URS has been completed. URS was compiled by 13 February 2017. Dates of the URS presentation at a high level sent on the 13 <sup>th</sup> of February 2017.  The three remaining interviews will be dealt with in the new financial year.
22 offices be provided with internal & external signage	Nil	9 offices provided with signage. The remaining offices will be completed in 2017/2018.
2500 farmers to be trained on agricultural techniques	2500 farmers to be trained on agricultural techniques	3353 farmers trained on agricultural techniques between 1 April 2016 and 31 March 2017.



Current/actual arrangements	Desired arrangements	Actual achievements
<p>Establish 4 MOUs with commodity groups-</p> <p>CITRUS</p> <p>Banks</p> <p>Sugar Cane</p> <p>National Wool Growers Association (NWGA)</p>	<p>Establish 4 MOUs with commodity groups-</p> <p>Red meat</p> <p>Milk</p> <p>Poultry</p> <p>Grain SA</p>	<p>4 MOUs developed and approved:</p> <p>Milk SA approved on 5/04/16.</p> <p>Milk producers organisation of KZN approved on 29/07/16</p> <p>SA Pork Producers approved on 28/4/16.</p> <p>Subtropical fruit MOU approved on 10/01/17.</p> <p>Agreement with Old Mutual Masisizane with focus on Harry Gwala Communal Estates pillar developed.</p> <p>It was decided not to pursue MOUs with Banks during the financial year. Interaction with Development funding institutions during the 2017/2018 financial year</p>



Current/actual information tools	Desired information tools	Actual achievements
Annual Public Service Week	Annual Public Service Week	1 x Annual Public Service Week hosted in 3 Districts on 19-21 October 2016.
Participate in annual agricultural show (Royal show event)	Participate in annual agricultural show	Participated in the Royal Agricultural Show 27 May to 5 June 2016
Annual career Exhibition	Annual career Exhibition	<p>Career exhibitions were held as follows:</p> <ul style="list-style-type: none"> <li>i Eston Agricultural Show 27 - 28 August 2016</li> <li>ii Aldam Stockman School 12 – 14 October 2016</li> <li>iii NAMPO 17-20 May 2016</li> <li>iv The Royal Agricultural Show 27 May to 5 June 2016</li> </ul>
Departmental complaint boxes in all Departmental offices (70)	Maintain standard	40 boxes distributed to District and Local Offices.

Current/actual information tools	Desired information tools	Actual achievements
32 Radio slots  Produce 50 pamphlets  Produce 8 brochures per annum  Publish 12 publications	32 Radio slots  Produce 50 pamphlets  Produce 8 brochures per annum  Publish 12 publications	20 talk shows on mainstream radio  10 x pamphlets produced (5 x English, 5 x Zulu)    11 X Publications to be finalised and published.  6 x research information packs  4 internal newsletters  A Crop Production Symposium took place in February 2017

Table 5 Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Progress on  complaints within 10 working days	Maintain standard	Complaints Management Policy reviewed and submitted for analysis.

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Appointment of 11 District Batho Pele Champions  Establish 11 District Batho	Maintain standard	Submission for the establishment and appointment of District Batho Pele Forum members drafted and pending approval.
Departmental complaint boxes in all Departmental offices (70)	Maintain standard	40 boxes distributed to District and Local Offices.  A service provider will be appointed to supply the remaining 30 boxes. A request memo has been prepared to be sent to SCM.
Provision of a Departmental Ombudsperson	Maintain standard	An interim Ombudsperson is appointed.

### 1.3 Organisational Environment

The Department has undergone a major restructuring process during the previous reporting period in an effort to further improve service delivery. During the sixth monthly review to determine the effectiveness and possible gaps within the structure, as well as during the annual strategic planning process, certain imperatives were highlighted which have impacted on the

organizational structure. Although the Service Delivery Model that was adopted during the restructuring process has remained unchanged (providing for specialist competent authority for all services). Regions to be abolished and Head Office to provide the planning, policy, control and reporting services while districts render all implementation of agricultural services, thereby ensuring shorter decision making processes, it was considered that more emphasis be placed on providing services to the most vulnerable and food insecure, thereby reducing poverty.

In this regard, a dedicated Unit for Youth, Women and People with Disabilities in the context of agricultural services has been created. The main focus of this component is to ensure the development and implementation of empowerment programmes and initiatives. Emphasis is particularly given to training and development but in particular the co-ordination of the implementation of the Unemployed Agricultural Graduates Programme and the awareness programmes of agriculture within schools.

In addition, strong emphasis is placed on Food and Nutrition Security, while the Livestock Production and Mechanization Programmes have been resuscitated.

## **1.4 Key policy development and legislative changes**

During the year under review, the Department undertook a robust and comprehensive strategy review as a self-reflection mechanism with a view to improving efficiency and effectiveness in delivering on its mandate. Amongst other factors, the above-mentioned review was triggered by the fact that, against all measures undertaken by the Department, poverty continues to be prevalent, the inequality gap is persistently being widened and people are still unemployed in the Province of Kwa Zulu-Natal.

To this end, the above prevailing circumstances culminated in an extensive stakeholder consultation to engage on the mandate of the Department as well as to obtain feedback on service delivery programmes of the Department. While the Department had made strides towards improved service delivery, it appeared that it needed to do more to meet the expectations of the stakeholders particularly subsistence and small-holder farmers. Key issues resulting from stakeholder engagements suggested that there is a need to review some of the existing programmes and strategies.

The focus is to develop innovative means to stimulate the agricultural economy amidst the prevailing economic and environmental changes and most importantly, strengthening partnerships between the Department and various stakeholders. These challenges provided the Department with an opportunity to redefine its role within the context of the above difficulties, review priorities and then set a tone with a view to addressing the mentioned setbacks. Addressing the triple challenge as espoused in the National Development Plan assisted the political leadership to pronounce on the new approach.

Based on the above, a reviewed direction and a tone were set with focus on the Food Security Policy as a fundamental mechanism to deal with food insecurity which is a priority concern in terms of the mandate of the Department. The policy directive also set a tone for engagement as well as presented clear priorities for the remainder of the MTSF ending 2019. It also took into account the stakeholder feedback and policy imperatives i.e. National Development Plan (NDP), Provincial Development Plan (PGDS) and the recent national and provincial initiatives i.e. Agri-parks, Agrarian Transformation Strategy, Poverty Eradication Master Programme.

Food and Nutrition Security was seen as one of the main programmes towards addressing the triple challenges. Furthermore, the paradigm shift put more emphasis on the role of the Department to advise farmers on relevant commodities in order to produce desired volumes of food with the targeted nutrient content.

The ICT unit continued with its improvement in ICT Governance through policy reviews, ICT strategy review and positive reporting on the BCP at CARC level. Connectivity improvements were continued to support service delivery. The migration to the new platform will bring with it better ways of communication and Information Management. The Agtrack system implementation commenced in support of project information management. The food security model was also introduced in the system. More other operational policies were then subsequently developed to support the newly redefined focus.



## 2. STRATEGIC OUTCOME ORIENTED GOALS

Table 6 Strategic Outcomes

Strategic Outcome Oriented Goal	Goal Statement
Corporate governance and integrated service delivery	Provision of sound and transparent corporate financial management system
Unleashing the agricultural potential in the Province	Maximising agricultural development and output in the Province
Sustainable natural environmental management	Promotion of environmentally sustainable agricultural development
Promote sustainable rural livelihoods	Improve access to services in rural areas through coordination

In the current MTSF (2014-19) priority areas were identified with agriculture contributing directly to the outcomes associated with job creation and comprehensive rural development. Furthermore, the KZN Provincial Growth and Development Strategy ranks agriculture high on its economic transformation agenda. On the above strategy, one strategic goal relates to job creation as unemployment is identified as one of the major structural constraints within the Province and contributes to high levels of poverty and income inequality. Therefore, agriculture as a sector is viewed as paramount given the competitive advantage of KZN based on its vast arable land and natural resources.

In line with the outcomes approach adopted by Cabinet in 2009, the Department had made strides to align itself towards the achievement of Outcome 7: “Vibrant, Equitable, Sustainable Rural Communities and Food Security for all”. Among other important deliverables this year alone, the Department managed to report the total number of 11 102 households benefiting from agriculture food security initiatives with about 3 350 farmers trained in agriculture related skills and knowledge.

### **3. PERFORMANCE INFORMATION BY PROGRAMME**

#### **3.1 PROGRAMME 1: ADMINISTRATION**

##### **3.1.1 PURPOSE OF PROGRAMME 1**

The Programme provides support to the line function of the Department in achieving the Departmental goals. The focus thereof is provision of Finance and Corporate Support Services. These include, among others, Financial Management, Human Resources Management, Integrated Planning, Policy, Monitoring and Evaluation, Information Technology, Communication, Legal Services, Management Advisory Services, Employee Relations and Security Services.

##### **3.1.2 STRATEGIC OBJECTIVES**

The strategic objectives for this programme are to:

- i Provide effective and efficient corporate and strategic support services to MEC, HOD and the Department at large.
- ii To ensure that the Department operates within the legal framework.
- iii Provide effective and efficient risk management systems.
- iv To provide effective management and advisory services to the Department

## **OVERVIEW OF PROGRAMME PERFORMANCE**

### **OFFICE OF THE MEC**

The Office of the MEC provides ministerial support functions to the MEC for Agriculture and Rural Development. The Department continues to forge good strategic relations with Amakhosi, farming communities, organized agricultural structures and various other institutions in the sector. The aim of the function is to maintain good working relations with our stakeholders which is critical for service delivery.

### **OFFICE OF THE HEAD OF DEPARTMENT (HOD)**

The Office of the Head of Department provides strategic leadership, policy direction, and legislative compliance and ensures that the Department complies with the principles of good governance. This office also ensures that the Department delivers according to its policy mandate.

### **CORPORATE SERVICES**

#### **Organizational Structure**

To align operations, the Department has embarked on a comprehensive process of reviewing the organogram with a view to improving service delivery. The process was subsequently followed by the matching and placing of employees against the approved organogram, which is still work in progress. After the above process has been finalized, vacant posts will be advertised in line with the agreed criteria under the custodianship and guidelines of the Office of the Premier and MEC for Finance.

## **Legal Services**

Among other achievements, Legal Services ensured that all the essential prescribed requirements of the Promotion of Access to Information Act (PAIA) were complied with, which included *inter alia*, the publication of an updated manual, the submission of the manual to the South African Human Rights Commission in terms of section 32 of the PAIA and the submission of the section 15 report to the Department of Justice.

Because of the Department's compliance in respect of the above-mentioned significant aspects of PAIA, the department received a maximum score of 4 in terms of the Management Performance Assessment tool (MPAT).

## **Information Communications Technology (ICT)**

The ICT unit continued with its improvement in ICT Governance through policy reviews, ICT strategy review and positive reporting on the BCP at CARC level. Connectivity improvements were continued to ensure support of service delivery. The migration to the new platform will bring with it better ways of communication and Information Management. The Agtrack system implementation commenced in support of project information management. The food security model was also introduced in the system.

## **Human Resource Management and Administration**

The new organizational structure was successfully implemented. Placement models which guided the placement for employees at all salary levels were developed and approved during and the matching and placing process subsequently commenced.

All staff members were successfully migrated from the old structure to the new structure as at 31 March 2016 and to date 2103 staff members have been appropriately placed.

The purpose of this directorate is to manage relationship with the Department's business units on HR matters. This involves, amongst other duties i.e. recruitment, selection, service benefits, management of conditions of services, leave management and HR related policies

### **Human Resources Development**

The main role of this Directorate is to address skills development challenges in the Department through training and development interventions

### **Integrated Planning, Policy, Monitoring and Evaluation (IPPM&E)**

The role of the Directorate is to ensure that the Department's planning and reporting is in line with the relevant prescribed policy guidelines and the legislative framework. Amongst the highlight of notable achievements, four statutory performance quarterly reports were presented before the Agriculture & Rural Development Portfolio Committee and Audit and Risk Committee which falls under the KZN Provincial Department of Treasury. Notwithstanding the prevailing personnel challenges within the Directorate during the year under review, the Directorate continues to provide professional guidance and support on policy development, reviews and coordination regarding the status of all the policies in the Department.

The Sub-Directorate: Batho Pele complied with DPSA directives on the monitoring of the Departmental Service Delivery Improvement Plan (SDIP) in line with the provisions of the Management Performance Information Tool (MPAT). It also ensured the implementation of various initiatives in the Department to promote a *Batho Pele* ethos and culture. Such included a Departmental Public Service Week which was held in three Districts, namely, eThekwini, Umgungundlovu and Umkhanyakhude during the month of October 2016. Further initiatives included the development of District Service Delivery Improvement Plans, workshops aimed at participation in the 2016/17 Departmental Service Excellence Awards at both team and individual levels and hosting the Departmental *Batho Pele* Forum meetings.

These initiatives have culminated in improved compliance on SDIP and hence improved MPAT scores for 2016. The scope and extent of *Batho Pele* awareness has resulted in improved understanding and integration of *Batho Pele*, which is evident in the gold and silver awards received at the 2016/2017 Premier and National Service Excellence Awards.

## FINANCIAL MANAGEMENT

The Finance sub-programme consists of the Office of the Chief Financial Officer, Management Accounting Services, Financial Accounting and Administration Services, Assets Management and Supply Chain Management. The responsibilities are as follows.

- i. **The Office of the Chief Financial Officer:** responsible for ensuring compliance with all finance related matters and to provide leadership on all matters related to finance in the Department.
- ii. **The Directorate Management Accounting Services:** management of budget and revenue planning, control and reporting.
- iii. **The Directorate Financial Accounting and Administration Services:** provides expenditure and creditor management, bookkeeping, loss control, banking, financial systems development services as well as salary administration, financial administration and reporting services.
- iv. **The Directorate Asset Management:** responsible for fleet management, infrastructure management and moveable asset management services.
- v. **The Directorate Supply Chain Management:** provides contract development, bids administration, demand, supply and logistics services to the department.

Table 7 **Status of audit opinion**

<b>Programme Name</b>					
<b>Strategic objective indicator</b>	<b>Actual Achievement 2015/16</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
Clean audit opinion for the Department.	Unqualified	Unqualified	Qualified	Did not achieve unqualified	Qualification as per Auditor-General under Part E

## Programme Performance Measures

### Programme Performance Measures and Annual Targets for 2016/17: Administration

Table 8 Programme 1 Programme 1: Administration

Output	Strategic Objective	Performance Measures	Audited performance			2016/17 Target	2016/17 Output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
<b>Legal Services</b>	Provide effective, efficient corporate and strategic support services to MEC, HOD and Department	Number of decisions that are compliant with the Promotion of Administrative Justice Act.	N/A	N/A	150	95	9	-86	Failure by relevant administrators to revert to Legal services with compliant decisions
<b>ICT</b>	Effective and reliable ITC Support Services	Departmental data Warehouse Developed	N/A	N/A	N/A	1	1	0	Target met
		Migration from Novell to Microsoft.	N/A	N/A	N/A	1	1	0	Target achieved



Output	Strategic Objective	Performance Measures	Audited performance			2016/17 Target	2016/17 Output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
HRM	Improved human resource management & Development	% of vacant posts filled	N/A	N/A	N/A	10%	3.2%	-6.8%	Due to the departmental restructuring process which is still in progress, all vacant posts could not be filled as unplaced staff had to be first appropriately placed on the establishment. Unfunded vacancies have been removed which has resulted in a vacancy rate of 4% due to attrition.
		Number of reports on SMS	N/A	N/A	N/A	4	4	0	Target met

Output	Strategic Objective	Performance Measures	Audited performance			2016/17 Target	2016/17 Output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
		Performance Review							
		Number of reports on business processes mapped and analysed	N/A	N/A	N/A	4	4	0	Target met

### Performance indicators

## Programme Performance Measures and Annual Targets for 2016/17: FINANCIAL MANAGEMENT

Table 9 Programme 1: Financial Management

Output	Strategic Objective	Performance Measures	Audited performance			2016/17 Target	2016/17 Output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
<b>Acquisition, Demand and Logistics</b>	Provide effective, efficient and transparent financial and risk	<b>Approved procurement plan</b>	1	1	1	1	1	0	Target met
<b>Asset Management</b>		<b>Approved Infrastructure Project</b>	1	1	1	1	1	0	Target met

Output	Strategic Objective	Performance Measures	Audited performance			2016/17 Target	2016/17 Output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
	management systems	Management Plan (IPMP)							
Financial Accounting		Number of valid invoices paid within 30 days	81%	83%	85%	90%	90%	0	Target met
Management Accounting		Number of In year Monitoring reports submitted	12	12	12	12	12	0	Target met
Internal Control and Risk		Approved Risk Register	1	1	1	1	1	0	Target met
Corporate Governance		Number of performance reviews conducted for ADA and Mjindi.	4	4	4	4	4	0	Target met

**Linking performance with budgets**

**Programme 1: Administration expenditure by sub-programme**

Table 10 Administration expenditure

	2015/16			2016/17		
Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Office of MEC	14,144	14,129	15	16,001	16,001	-
Senior Management	31,238	31,238	-	26,144	26,144	-
Corporate Services	225,495	201,514	23,981	244,961	244,961	-
Financial Management	75,454	69,089	6,365	142,493	142,117	376
Communications	25,793	25,791	2	28,196	28,196	-
<b>TOTAL</b>	<b>372,124</b>	<b>341,761</b>	<b>30,363</b>	<b>457,795</b>	<b>457,419</b>	<b>376</b>

The under expenditure of R376, 000 is in respect of vacant budgeted posts.

## **PART B: PERFORMANCE INFORMATION**



## **1. PROGRAMME 2: AGRICULTURAL DEVELOPMENT SERVICES**

Programme 2 is made up of the following sub-programmes:

Sub-programme 2.1 : Sustainable Resource Management

Sub-programme 2.2 : Farmer Support and Development

Sub-programme 2.3 : Veterinary Services

Sub-programme 2.4 : Technical Research and Development Services

Sub-programme 2.5 : Agricultural Economics

Sub-programme 2.6 : Structured Agricultural Training

## **2. PURPOSE AND OVERVIEW**

The main purpose of the Agricultural Development Services branch is to engage, empower and transform farmers at all levels to participate in sustainable agricultural and environmental practices in order to realize economic development and food security in the Province.

The branch also played a pivotal role on the implementation, monitoring and evaluation of departmental programmes/ projects in line with departmental policies and strategic objectives.

The year 2015/16 exposed the province to severe drought that continued to the following financial years 2016/17, with most areas having less than 700mm of rainfall per year. Maize and bean production in the province was severely affected by drought. Fewer hectares were planted than anticipated.

This report articulates progress and achievements of the programme. Challenges and lessons learned are also highlighted. Most importantly, this report presents a way forward for this programme in line with the new agricultural development approach recently adopted by the Department.

### **3. PROGRAMME PRIORITIES**

KwaZulu-Natal has high potential agricultural land which can sustain a varied range of agricultural enterprises. However, large numbers of hectares of agricultural land remain barren and significantly under-utilized due to inadequate operational farming resources. In order to unlock this potential, the Department will focus on the following key interventions in the long term:

- i. Land Reform
- ii. River Valley model
- iii. Agri-Villages/Agri-Parks
- iv. Communal Estates
- v. Livestock Production
- vi. Crop Production

#### **3.1 OVERVIEW OF PROGRAMME PERFORMANCE**

##### **Communal Estates**

Communal Estates development is one of the core pillars which aim at unlocking the economic and agricultural potential in communal areas. It also creates an economic viable business for the farmers to participate in the market environment and also promote integrated, optimal development and use of natural resources, economic development, food security, job creation and skills development.

Through the Communal Estates programme, about 9 000 hectares of maize was planted and about 5 000 ha of beans were planted and other crops were also planted including vegetables.





Figure 1: **Communal Estate**

## River Valley Programme

River Valley is the one of the important pillars in the DARD Agrarian Transformation Strategy. This pillar aims at developing irrigation schemes in the Province of KwaZulu-Natal. This is in line with the PGDP which indicates that a total of about 1 million hectares should be put under irrigation by 2030.



## *Mechanisation Programme*



Figure 2 **Mechanisation Programme**

The programme seeks to assist farmers in ploughing and planting and provision of agricultural inputs to farmers in order to promote crop production as a catalyst for economic development, job creation and poverty alleviation in the district. The programme aims at increasing the level of crop production in the Province of KwaZulu-Natal.

Through this programme about 5 000 hectares of maize and beans were planted under special projects for Amakhosi in the Zululand District.

## Livestock Development Programme

This Programme aims at improving and promoting livestock production in the Province of KwaZulu-Natal. To improve the economic returns from communal livestock production, the DARD assisted the communal livestock farmers with improved animal nutrition and health programmes.

To improve genetic material where required, DARD will assist farmers to acquire improved bulls and rams. The Department will promote the economic use of the communal herd to achieve, over time, the 25% off-take and promotion of stock sales.

In 2016/17, DARD has supported several beef production projects in different districts across the Province. DARD has supported the production of indigenous goats in different districts including Umzinyathi and ILembe Districts.



Figure 3 **Goats Project**

### Infrastructure Development Programme

This programme focuses on the development of infrastructure for livestock in the Province of KwaZulu-Natal. In 2016/17 a number of dams were constructed. The Department also constructed and completed a number of dip tanks and rehabilitation thereof; boreholes have been drilled as part of drought intervention programme.

## Food Security and Nutrition Programme

Food Security is the over-arching focus of the Department. The Department is striving to ensure that no household member goes to bed hungry and nutritious food is affordable and available.

The department pursued the One Home One Garden, One home One Fruit Tree, One Home One Hectare, mushroom projects, indigenous chickens, indigenous goats etc.

The purpose of the Programme is to mitigate against food insecurity, hunger and malnutrition through the provision of agricultural support in order to promote sufficient and nutritious food production in KwaZulu-Natal.

Through the Food Security and Nutrition Programme, an estimated of 7 000 households were supported with agricultural inputs. Household gardens as well as community gardens were established. An estimated 250 of food security livestock projects were developed.

### **3.2 FLAGSHIP PROJECTS**

The Department supported various flagship projects which include the following:

- i Bululwane River Valley
- ii Maphophoma Grain Production
- iii Emadlangeni Agri-Village
- iv Umzimkhulu Soya production
- v Amarula Processing Plant
- vi Bhambanani abattoirs
- vii Nsuze Irrigation Project
- viii Nqanawe Tunnels

### **3.3 BRIEF SUMMARY OF THE ABOVE FLAGSHIP PROJECTS**

#### **Bululwane River Valley**

The Bululwane Irrigation Scheme is situated in the Zululand District under Usutu area. The scheme itself was registered as Bululwane. The total size of the scheme is 520 ha and was irrigated through a gravity fed flood irrigation system. The average plot size is 0.9 ha. The Department of Agriculture has supported this scheme since its inception. It has provided production inputs and mechanization services to the members of the scheme. During 2015/16 financial year the Department has transferred three tractors to the scheme.

In 2016/17 the Department supported the scheme with 50 tons of 2:3:2 (22) fertilizer, 10 tons of LAN (28) and inputs. Forty (40) ha of cabbages were produced for the local market and some were retailed to uThungulu Fresh Produce Market. The other vegetables that were produced were 5 ha of chillies, 10 ha of dry beans and 25 ha of potatoes. The Department has also planted 35 ha of the rye grass on His Majesty's plot.

#### **Maphophoma grain production and milling project**

The Maphophoma Project is situated in the Zululand District. The Department is promoting the production of maize and dry beans at a commercial scale for smallholder farmers.

The Department has invested in the establishment of a micro maize milling project in the area. During the 2016/17 financial year the Department allocated funds for the purchasing of production inputs for Maphophoma Ward 11 primary cooperative for the production of ±200 hectares of maize and beans.

## Emadlangeni Agri-Village

The Emadlangeni Agri-Village is situated at Emadlangeni area under Amajuba District. This project was established as part of the Agri-village Pillar under the Agrarian Transformation Strategy. The project size is about 1 500 hectares. Nine (9) Communal Estates were established in Emadlangeni.

In 2016/17 the department supported the project with mechanisation and agricultural inputs. The project has managed to plant vegetables, beans and maize of about 700 hectares.

## Umzimkhulu Soya Production

This Project is situated in the Umzimkhulu Local Municipality under Harry Gwala District. This soya bean project was initiated in partnership with the Masisizane Fund.

In the 2016/17 financial year, the department supported the project with 2 250 bags of soya bean seed, 3 750 bags of 2:3:2 (22) fertilizer, 280 kg of soya inoculants and chemicals to service an area of about 840 ha. The Department remunerated 15 tractor drivers and paid for diesel that was used in land preparation.

## Sheep Shearing Sheds

The Department of Agriculture and Rural Development has established 4 sheep shearing sheds in Umzimkhulu Local Municipality under Harry Gwala District.

During 2016/17, the DARD finalised the construction of 4 sheep shearing sheds in Umzimkhulu area. These projects are expected to create about 100 job opportunities when they are fully operational.

#### Nsuze Irrigation Scheme

The Nsuze irrigation project is a communal land project under Inkosi Magwaza and Inkosi Nxamalala located in ward 13 and 14 respectively under Nkandla local municipality. The total size of the project is 316 ha fenced with irrigation reservoirs.

This Project is being implemented in partnership with the DRDLR. The DRDLR installed infrastructure and the DARD provided 3 tractors and agricultural inputs.

During the 2016/17 financial year, the DARD supported this project with production inputs for vegetables and other crops. Nsuze irrigation scheme is operational and supplied Uthungulu Fresh Produce Market.

#### Nqanawe Tunnels

Inqanawe Co-Operative is located at uMfolozi Local Municipality under King Cetshwayo District. Inqanawe farm area is 254.1970 ha of which 170 ha consists of sugarcane under dry land and 50 ha under irrigation. The project is funded on 50/50 commercialisation package.

In 2016/17, 85 X 100m multi-span tunnels were being constructed. Once the construction of tunnels is complete, the project will employ a total of thirty (30) permanent workers, and forty (40) casual/seasonal labourers for the tunnels only.

The DARD also constructed offices, the farm warehouse with a pack house, guard house, offices, car ports and electrified fencing.



#### **4. DETAILS OF SUB- PROGRAMMES UNDER PROGRAMME 2**

##### **Sub-programme 2.1: Sustainable Resource Management**

###### **Purpose**

To provide technical resources for the support of planning, procurement, implementation and commissioning of agricultural infrastructure such as irrigation, agricultural roads, farm buildings, resource conservation services, and to address the problem of degradation of natural/agricultural resources in order to improve the socio-economic status and food security of rural communities. In terms of the DARD's new Agrarian Transformation Strategy, this sub-programme is critical to enhancing and protecting the natural resources of Communal Estates and River Valley initiatives.

##### **Sub-programme 2.2: Farmer Support and Development**

###### **Purpose**

The purpose is to provide extension, input support and training to farmers, with a special emphasis on developing emerging farmers in communal areas and supporting those benefiting from the Land Reform Programme. In addition, the co-ordination and implementation of various cropping and livestock projects in partnership with sister Departments, municipalities and development agencies, including facilitation, mentorship, institution building and creation of micro-enterprises, prioritizing vulnerable groups, especially youth, women and disabled persons.

In terms of the DARD's new Agrarian Transformation Strategy, this sub-programme is critical to providing hands- on specialized agricultural technical support to the implementation of Land Reform, Agri-Village, Communal Estates and River Valley initiatives.

### Sub-programme 2.3: Veterinary Services

#### Purpose

To promote the development of animal health, production and welfare to ensure human health by controlling zoonotic diseases in order to provide quality and safe animal products for the local and international markets. In terms of the DARD's new Agrarian Transformation Strategy, this sub-programme is critical to providing animal health and meat safety to support to the implementation of Agro-processing and Communal Estates initiatives.

### Sub-programme 2.4: Research and Technology Development

#### Purpose

To develop new and adapt existing technologies in order to promote sustainable agricultural practices in the Province, and then to document and communicate research findings to all clients. In terms of the DARD's new Agrarian Transformation Strategy, this sub-programme is critical to providing scientific research and technology support to the implementation of all of the four pillars of the Agrarian Transformation Strategy.

### Sub-programme 2.5: Agribusiness and Agro-processing

#### Purpose

To provide market information, facilitate marketing, and to facilitate the implementation of agribusiness and agro-processing initiatives. In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to providing market intelligence, agribusiness and agro-processing support to the implementation of all of four pillars.



## Sub-programme 2.6: Structured Agricultural Training

### Purpose

The component's main mandate is to provide Tertiary and Further Education and Training. In doing so, under the new Agrarian Transformation Strategy, the sub-programme has committed itself to also supporting Agricultural High Schools in the Province as they are a critical conduit for the youth to enter the farming sector.

## Strategic objective indicators

Table 11 Sustainable resources

Sub-programme	Strategic Objective	Strategic Objective Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
Sustainable resource management	To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources	Number of hectares protected	169	280	200	6500	11 558.63	+5058.30	Additional projects approved by the Department resulted in more areas being protected
Farmer support and Development	To provide support to all farmers through agricultural development programmes.	Number of farmers supported	New	New	New	300	14271	+13971	Over achievement was caused by the new focus of the department to reintroduce mechanisation and food security programmes. As such many small holder farmers have been supported with production inputs under these programmes including communal estates

Sub-programme	Strategic Objective	Strategic Objective Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
Veterinary Services	To provide veterinary services to clients in order to ensure healthy animals, safe animal products and welfare of the people of South Africa.	Number of animals subjected to veterinary interventions	48 963	76 328	53 982	175 000	1490582	1 315582	There was more demand from the public for animals subjected to veterinary interventions
Research and Development Projects	To provide expert and needs based research, development and technology transfer services impacting on development objectives	Number of research projects undertaken	100	68	70	96	97	1	There was a need for one additional research project to be undertaken
Agricultural Economics	To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to	Number of Agribusinesses supported	14	40	36	40	28	-12	The archived output depends on the demand from the public

Sub-programme	Strategic Objective	Strategic Objective Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
	increase economic growth.								
<b>STRUCTURED AGRICULTURAL TRAINING</b>	<b>To facilitate and provide structured agricultural education and training in line with the Agriculture Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector</b>	<b>Number of farmers trained</b>	<b>2500</b>	<b>3121</b>	<b>2400</b>	<b>2000</b>	3350	+1350	There were more farmers which needed to be trained than anticipated and the indicator is by nature demand driven.

Performance indicators: Sub-programme 2.1: Sustainable Resource Management

Table 12 Sustainable resource management

Sub-programme	Strategic Objective	Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
<b>Engineering Services</b>	To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources	Number of agricultural engineering advisory reports prepared.	12	12	12	12	222	+210	Target was originally set at one consolidated report per month. However, this was reviewed and the department decided to report in all reports prepared
		Number of designs with specification for agricultural engineering solutions provided.	76	75	75	250	445	+195	Target is exceeded due to higher than expected demand from districts and external clients.

Sub-programme	Strategic Objective	Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
		Number of agricultural infrastructure established	82	133	100	337	261	-76	The department could not finalise all projects during the financial year, some projects are work in progress that will be reported in the next financial year
Infrastructure	To provide agricultural support services to farmers in order to ensure sustainable development and management of	No. of dip tanks constructed	15	6	4	30	28	-2	The Department managed to complete 28 dip tanks since funds could not be sufficient to cover the target planned
		No. of dip tanks rehabilitated	24	33	40	78	20	-58	Some rehabilitations could not be completed as planned due to delays in procurement processes
		Number of boreholes established.	88	48	50	80	58	-22	Although the APP target is 80, the funds were only sufficient to do 58 whilst others remained as work in progress

Sub-programme	Strategic Objective	Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
	agricultural resources	No. of Irrigation schemes rehabilitated	17	48	50	2	0	-2	Most irrigation schemes for which funding was approved currently do not have water use licences or EIA approval which is currently in process
		No. of Irrigation schemes developed.	66	23	30	34	12	-22	Some irrigation schemes completions were hindered by EIA processes which is out of the control of the Department
		No. km of fencing erected.	268	430	85	450	341.32	-108.68	More kilometers were in a process of being procured during the end of the financial year.
		No. of dams established	New indicator	New indicator	New indicator	77	37	-40	Although the annual APP target is 77, the funds were only sufficient to do 37.

Sub-programme	Strategic Objective	Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
		No. of projects of animal houses implemented (Piggery, Poultry, etc.)	New indicator	New indicator	New indicator	26	8	-18	The department builds these houses from requests received from the public. These requests are followed by proper feasibility studies by engineers before they get approved
		No. of Agro-Processing facilities established (pack house, dairy parlour sheep shearing sheds, etc.)	New indicator	New indicator	New indicator	12	26	+14	The department builds these houses from requests received from the public. These requests are followed by proper feasibility studies by engineers before they get approved



Sub-programme	Strategic Objective	Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
Land Use	To provide agricultural support services to farmers in	Number of hectares of agricultural land protected	169	280	200	4000	5457	+1457	The department received an overwhelming demand to do more subdivisions than initially planned
	order to ensure sustainable development and management of agricultural natural resources.	through guiding subdivision / rezoning / change of agricultural land use.							
		No of natural resource assessments complete	New indicator	New indicator	New indicator	16	17	+1	More output was a result of research that was undertaken which required natural assessments to be undertaken

Sub-programme	Strategic Objective	Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
		No of soil profiles described (NRS)	New indicator	New indicator	New indicator	400	758	+358	Exceeded target due to data required for publications
		Number of vegetation sites surveyed e.g. veld condition assessment	New indicator	New indicator	New indicator	61	124	+63	This was due to more vegetation sites that were made available for survey
Disaster Risk Management		Number of disaster relief schemes managed.	2	3	n/a	1	1	0	Target met

Sub-programme	Strategic Objective	Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
		Number of disaster risk reduction programmes managed.	New indicator	New indicator	New indicator	1	3	+2	SANBI-UMDM & UKZN Umgeni Resilience Project: Early Warning Systems (EWS) 2 day Workshop Attended as a result the target was overachieved
<b>Land Care</b>	To provide agricultural support services to farmers in order to ensure sustainable development and managem	No of green jobs created through Land Care.	1556	2000	2293	970	1936	+966	More jobs were approved but not implemented during the previous financial year and were carried over.
		Number of hectares protected / rehabilitated to improve agricultural production.	New indicator	8604	6500	8000	11 558.63	+3558	More projects were approved by the department and that required more rehabilitations to be conducted

Sub-programme	Strategic Objective	Performance Measures	Audited/actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
	ent of agricultural natural resources	Number of awareness campaigns conducted at schools on Land Care.	9	8	9	10	8	-2	Output was affected by inadequate funding but that has been rectified for the subsequent year

**Performance indicators: Sub-programme 2.2: Farmer Support and Development**

Table 13 Farmer Development Support

Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
<b>Farmer Settlement</b>	To provide support to all farmers through agricultural development programmes	Number of smallholder producers receiving support.	29063	8500	100	3150	14232	+11082	Due to the department's new approach of reintroducing the mechanisation programme and food security programme, many small holder farmers have been supported with production inputs under these programmes including Communal Estates
		Number of commercial farmers supported.	n/a	500	22	275	69	-206	Transfer of funds was finalised during the third quarter and other projects were affected. This will be addressed in the new financial year

Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
<b>Scientific and advisory services</b>	To provide support to all farmers through agricultural development programmes	Number of scientific evaluation reports on commodity based projects.	n/a	88	90	90	144	+54	Most projects required evaluations to be conducted during the fourth quarter because of conducive rains received in some districts.
		Number of scientific value adding reports on diversified agricultural products.	n/a	60	60	22	36	+14	Most projects required value adding for their produce because of conducive rains in some districts
		Number of agricultural business plans assessed	136	110	110	330	181	-149	The actual output was determined by requests from clients for business plans to be assessed.

Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
<b>Mentorship</b>		Number of projects mentored	75	30	55	50	16	-34	The department experienced some challenges in the signing of some MOUs and that affected the output
<b>Extension and Advisory Services</b>	To provide support to all farmers through agricultural development programmes	Number of smallholder producers supported with agricultural advice.	42000	8500	N/A	15000	23871	+8871	Due to the department's new approach of reintroducing the mechanisation programme and food security programme, many small holder farmers have been supported with production inputs under these programmes including Communal Estates
		Number of hectares under irrigation used by smallholder farmers.	N/A	N/A	N/A	2500	199	-2301	Most projects were not put under irrigation because of water rights issues which is under the ambit of Water Affairs. However, the

Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
									Department is trying to address the situation
		Number of jobs created.	N/A	N/A	N/A	1000	895	-105	Some projects completions took longer than expected because of a paradigm shift to the new agrarian strategy that was introduced by the department
		Number of Communal Estates established	N/A	N/A	122	74	3	-71	Based on the reviewed focus, the Department focused more on food security initiatives as opposed to Communal Estates
<b>Crop Production</b>	To provide support to all farmers through	Number of hectares of maize established	12600	10000	14375	15500	5 974.5	-9525.5	Drought had a huge contribution on the non-achievement of the target



Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
	agricultural development programmes	Number of hectares of beans established	5700	4100	5850	5800	3 099	-2701	The output had a huge contribution on the non-achievement of the target
		Number of hectares of vegetables established	1650	New indicator	New indicator	700	92	-608	Drought had a huge contribution on the non-achievement of the target
		Number of hectares of soya bean established	New indicator	New indicator	New indicator	1600	861	-739	Drought had a huge contribution on the non-achievement of the target
		Number of hectares of cotton established	New indicator	New indicator	New indicator	1000	905	-95	The output was largely affected by drought

Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
		Number of hectares of sugarcane established	New indicator	New indicator	New indicator	1445	132	-1313	Drought had a huge contribution on the non-achievement of the target
		Number of hectares of groundnuts established.	New indicator	New indicator	New indicator	665	123.3	-541.7	Ground nuts production was not very successful in other districts
		Number of hectares of banana under production.	New indicator	New indicator	New indicator	13	0	-13	This indicator was largely affected by reprioritization for other essential food security projects
		Number of hectares of macadamia established.	New indicator	New indicator	New indicator	150	0	-150	Output was largely affected by reprioritization of other essential food security projects

Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
		Number of hectares of citrus fruits established.	New indicator	New indicator	New indicator	105	0	-105	This final output was largely affected by reprioritization of other essential food security projects
		Number of hectares of pineapple established.	New indicator	New indicator	New indicator	25	0	-25	This final was largely affected by reprioritization of other essential food security projects
<b>Food Security</b>	To provide support to all farmers through agricultural development programmes	Number of households benefiting from agricultural food security initiatives.	697003	9500000	300000	2130	11102	+8972	The renewed focus of the department was more on food security initiatives than any other projects
		Number of hectares cultivated for food	New indicator	New indicator	New indicator	25865	11 376.8 0	-14 488.20	Drought in the province had a huge impact on the non-achievement of the output

Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
		production in communal areas and land reform projects.							
		No. of community gardens established.	108	86	100	170	23	-147	Some delays were as a result of procurement processes that are in the processes of being tightened to ensure compliance
		No. of household gardens established.	56635	80000	80 000	1370	60	-1310	Some delays were as a result of procurement processes that are in the processes of being tightened to ensure compliance
		No. of institutional	204	210	212	190	30	-160	Some delays were as a result of procurement processes that are in the processes of

Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
		gardens supported.							being tightened to ensure compliance
		Number of food security livestock projects established (goats, layers and indigenous chickens)	New indicator	New indicator	New indicator	400	4	-396	Funds had to be diverted to other interventions as per the department's reprioritization
		Number of food security tunnels established.	350	350	0	198	8	-190	Funds had to be diverted to other interventions as per the department's reprioritization

Output	Strategic Objective	Performance Measures	Audited Actual Performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
		Number of food security mushroom projects resuscitated.	New indicator	New indicator	New indicator	60	0	-60	Funds had to be diverted to other interventions

## PERFORMANCE INDICATORS 2016/17: SUB-PROGRAMME VETERINARY SERVICES

Table 14 Veterinary Services

Outputs	Strategic Objectives	Performance Measures	Audited/ Actual performance			2016/17	2016/17	Variance	Reason For Variance
			2013/14	2014/15	2015/16	Target	Output		
<b>Animal Health</b>	To provide veterinary services to clients in order to ensure healthy animals, safe animal products and welfare of the people of South Africa.	Number of epidemiological units visited for veterinary interventions.	New indicator	New indicator	New indicator	20000	7729	-12271	Persisting drought in Zululand and UMkhanyakude districts had affected the output
		Animals Vaccinated for control of notifiable Diseases	48963	76328	53982	1 500 000	1 490 582	-9418	Persisting drought in Zululand and uMkhanyakude districts
		Number of animals surveyed for diseases (TB/CA/Rabies /AI/NCD/Nagana/BSE)	21369	4147	5337	68 000	84 874	+16 874	There was a massive rabies campaign led by the DAFF in all provinces

Outputs	Strategic Objectives	Performance Measures	Audited/ Actual performance			2016/17 Target	2016/17 Output	Variance	Reason For Variance
			2013/14	2014/15	2015/16				
<b>Export Control</b>	To provide veterinary services to clients in order to ensure healthy animals, safe animal products and welfare of the people of South Africa.	Number of clients serviced for animal and animal products export control.	New indicator	n/a	n/a	1500	924	-576	The indicator is driven by the demand from the public
<b>Veterinary Public health</b>		% level of abattoir compliance to meat safety legislation.	N/A	n/a	n/a	100%	100%	0	Target met
	To provide veterinary services to clients in order to	Number of inspections to facilities processing animal	225	522	450	705	968	+263	A number of facilities defaulted and had to be visited more often than planned



Outputs	Strategic Objectives	Performance Measures	Audited/ Actual performance			2016/17	2016/17	Variance	Reason For Variance
			2013/14	2014/15	2015/16	Target	Output		
	ensure healthy animals, safe animal products and welfare of the people of South Africa.	products and by products.							
		Number of inspections to further processing facilities.	N/A	522	500	600	75	-525	Few facilities that meet the standard for further processing
<b>Veterinary Laboratory services</b>	To provide veterinary services to clients in order to ensure healthy	Number of veterinary laboratory quality control tests which meets the ISO 17025 standard	N/A	N/A	N/A	65000	74988	+9988	The indicator is demand driven, more requests were received than planned

Outputs	Strategic Objectives	Performance Measures	Audited/ Actual performance			2016/17	2016/17	Variance	Reason For Variance
			2013/14	2014/15	2015/16	Target	Output		
	animals, safe animal products and welfare of the people of South Africa.	No of tests performed.	115000	157 928	170000	150 000	169 392	+19392	The indicator is demand driven, more requests were received than planned

## PERFORMANCE INDICATORS 2016/17: SUB-PROGRAMME RESEARCH AND TECHNOLOGY DEVELOPMENT

Table 15 Research and Technology

Outputs	Strategic Objectives	Performance Measures	Audited/Actual performance			2016/17 Target	2016-17 output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
<b>Research services and technology development</b>	To provide expert and needs based research, development and technology transfer services impacting on development objectives.	Number of research and technology development projects implemented to improve agricultural production.	100	68	70	96	97	1	One additional extra trial was registered to improve agricultural production
		Number of samples analyzed.	3218	37545	31698	35000	31514	-3486	The output was based on the samples received
<b>Infrastructure and support services</b>		Number of research infrastructure	139	15	22	11	5	-6	The indicator depends on repairs and maintenance requested and

Outputs	Strategic Objectives	Performance Measures	Audited/Actual performance			2016/17 Target	2016-17 output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
		projects managed.							done on the department's research stations.
Technology Transfer Services		Number of scientific papers published nationally or internationally .	9	9	11	11	3	-8	Research papers have been prepared and transcripts are submitted and awaiting publication companies to officially publish the papers.
		Number of research presentations made nationally or internationally	4	4	4	101	267	+166	The indicator demand driven

## PERFORMANCE INDICATORS 2016/17: SUB-PROGRAMME AGRICULTURAL ECONOMICS

Table 16 Agricultural Economics

Outputs	Strategic objectives	Performance Measures	Audited/actual performance			2016/17 Target	2016-17 output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
<b>Agri-business Support and Development</b>	To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth.	Number of Agri-Businesses supported with agricultural economics advice towards accessing markets.	49	12	20	30	28	-2	The output is demand driven Service
		Number of clients who have benefitted from agricultural economic advice provided.	1256	1338	2000	1000	913	-87	The output is demand based

<b>Macro-economic Support</b>		Number of agricultural economic information responses provided.	936	479	200	800	660	-140	The output is demand based
		Number of economic reports compiled.	4	n/a	n/a	4	4	0	Target met

## Performance Indicator 2016/17 Sub-Programme Structure Agricultural Training

Outputs	Strategic objectives	Performance Measures	Audited/actual performance			2016/17 Target	2016-17 output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
<b>HET</b>	To facilitate and provide structured agricultural education and training in line with the Agriculture Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.	Number of agricultural Higher Education and Training graduates.	New indicator	New indicator	New indicator	90	92	+2	Target was exceeded as 2 extra students were graduated for the 2016 academic year
<b>Further Education and Training</b>		Number of participants trained in agricultural skills development programmes.	New indicator	New indicator	New indicator	2500	3350	+850	At times it is not all the students who start the course get to completion phase
		Number of intervention in revitalization of agricultural schools.	New indicator	New indicator	New indicator	8	0	-8	Schools were not transferred their allocated funding in the fourth quarter as they did not meet the financial requirements (cash flows incorrectly completed / no business plan / no separate bank account for grant funds)

	Number of interventions in schools programmes.		New indicator	New indicator	New indicator	4	0	-4	Schools were not transferred their allocated funding in the fourth quarter as they did not meet the financial requirements (cash flows incorrectly completed / no business plan / no separate bank account for grant funds)

#### Programme 2 Expenditure by sub-programme

	2015/16			2016/17		
Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Sustainable Resource Management	75,492	75,492	-	74,397	74,396	1
Farmer Support and Development	1,382,000	1,326,626	55,374	1,211,626	1,233,265	(21,639)
Veterinary Services	169,450	163,086	6,364	176,333	176,333	-



	2015/16			2016/17		
Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Research & Technology Development	182,490	181,914	576	170,881	170,881	-
Agricultural Economic Services	6,070	5,699	371	5,047	5,047	-
Structured Agricultural Education and Training	102,859	102,718	141	105,906	84,268	21,638
<b>TOTAL</b>	<b>1,918,361</b>	<b>1,855,535</b>	<b>62,826</b>	<b>1,744,190</b>	<b>1,744,190</b>	<b>-</b>

The programme as a whole recorded 100 per cent expenditure. The over expenditure against sub-programme: Farmer Support and Development due to high demand for crop production inputs such as fertilizer, seeds and chemicals. On the other hand, the sub-programme: Structured Agricultural Education and Training recorded under expenditure of R21, 638 million in respect of the schools revitalisation programme. These programmes are providing funding to five agricultural schools in the province to improve the agricultural infrastructure at these schools and improved agricultural education and encourage youth to pursue a career in agriculture. The implementation of the approved business plans is not progressing at the pace anticipated and which has led to the department not transferring the fund.

## **5. PROGRAMME 3: RURAL DEVELOPMENT**

This programme was officially established as a new branch in the department on the 1<sup>st</sup> of April 2016 under the revised new structure. At this point the Branch had two Chief Directorates namely:

- i Integrated Rural Development
- ii Rural Enterprise and Industry Development

The purpose of the branches is understood to be as follows:

To ensure the continuous improvement of sustainable rural livelihoods through the co-ordination of integrated rural development services and facilitation of rural enterprise and industry development.

The operations of the branches are guided by the National Development Plan, Rural Development and the associated 5-year plan in the MTSF 2014-2019 where 6 rural development priorities were outlined as:

- i. Improved land administration and spatial planning for integrated development in rural areas.
- ii. Sustainable land reform (agrarian transformation).
- iii. Improved food security.
- iv. Smallholder farmer development and support (technical, financial, infrastructure) for agrarian transformation.
- v. Increased access to quality basic infrastructure and services, particularly in education, healthcare and public transport in rural areas.
- vi. Growth of sustainable rural enterprises and industries characterised by strong rural-urban linkages, increased investment in agro-processing, trade development and access to markets and financial services resulting in rural job creation.

The branches work towards these national priorities by aligning them within the KZN province's PGDP goals through processes of co-ordination and integration of comprehensive government interventions.

## **PROGRAMME PRIORITIES**

Currently the mandate remains unfunded despite the Constitutional, Schedule 4, obligation that establishes “Urban and Rural Development” as a concurrent National and Provincial mandate. At this stage no specific funding is received for this mandate from either the provincial Treasury or through conditional grants from nationally funded departments. It is critical that the department develops a clear provincial Rural Development strategy and programmes to enable it to be allocated funds from Provincial Treasury in future.

The focus of the department in 2016/17, as a new branch with limited capacity (24%), was on building up the capacity of the branch and developing a vision and purpose around its rural development mandate. The priorities for the year were:

- i. Development of a provincial interdepartmental MTSF Outcome 7 plan and regular reporting system to national Rural Development MINMEC on implementation;
- ii. Supporting the finalization and integration of District Rural Development plans and MTSF Outcome 7 priorities into IDPs;
- iii. Supporting the co-ordination, monitoring and reporting on the roll-out of the National Rural Development Strategy of Agriparks across all districts;
- iv. Co-ordinating the roll-out of the Agri-village pilot initiative for the province to address the socio-economic development needs of farm dwellers;

- v. Providing relevant and up to date agricultural economic and business advice, training and mentorship to agribusiness and other rural enterprises across the province;
- vi. Co-ordination of the development of a departmental Unemployed Agricultural Unemployed Youth Programme;
- vii. Co-ordination and management of Department partnerships; and
- viii. Co-ordination of the implementation of the Female Entrepreneur support programme including the DAFF Female Entrepreneur Awards programme.

The APP was already in place by the time the new branch and Directorates were established and so the full Operational plan was only really developed after the APP and it remained slightly reactive. During the course of the year the branch has managed to refine its key strategic objectives and its programmes and this will be further developed in 2018/19 when a provincial Rural Development Strategy is undertaken and adopted.

New initiatives that were being tested and were under development during 2016/17 included:

- i Farmer support management guidelines;
- ii Annual Statistical review of KZN agriculture reports;
- iii Agro processing provincial co-coordinating forum;
- iv Farmer friendly guideline to using the Commercial Budgets;
- v Rural Agribusiness One stop shop model/ Farmer Production Support Units;
- vi Co-operative Development support system;
- vii Revised mentorship programme;
- viii Review of land reform farms for purpose of guiding human settlement and agricultural development planning in municipalities; and
- ix Funding / Financing model for rural enterprises.

## Programme performance indicators: Rural Development

Table 17 Rural Development Indicators

Strategic objective	Strategic objective indicator	Audited/actual performance			2016/17 target	2016/17 output	Variance	Reason for variance
		2013/14	2014/15	2015/16				
Rural coordination	District Land and Agriculture Committees established.	N/A	N/A	N/A	10			
Rural Development	Number of enterprises and industries supported in rural development initiatives (Agriculture and other sectors) by government stakeholders.	N/A	N/A	N/A	20			

## Programme Performance Measures 2016/17: Rural Development

Table 18 Rural Development Performance

Strategic Objective	Strategic Outputs	Performance Measures	Audited Outputs			2016/17 Target	2016/17 output	Variance	Reason for variance
			2013/14	2014/15	2015/16				
<b>Effective Rural Development monitoring and evaluation.</b>	To coordinate integrated rural development for sustainable development in KwaZulu-Natal.	Develop a Provincial policy on Rural Development.	new indicator	new indicator	new indicator	1	0	-1	Policy is in draft stage which is supposed to be consulted and signed off by relevant authority
		Develop a KZN programme of action aligned to Outcome 7.	new indicator	new indicator	new indicator	1	1	0	Target met
		Establish a rural infrastructure development database.	new indicator	new indicator	new indicator	1	0	-1	Database is being finalised with other stakeholders.
		Number of KZN Inter-	new indicator	new indicator	2	4	3	-1	Achievement of the target is also dependant

		Departmental task team meetings convened to track rural development implementation .							on cooperation from other stakeholders outside the department.
		District rural development plans integrated into IDPs.	new indicator	new indicator	10	11	0	-11	Achievement of the target is also dependant on cooperation from other stakeholders outside the department.
<b>Rural coordination</b>		Number of youth, women and people with disabilities who participate in rural development projects.	new indicator	new indicator	new indicator	1550	0	-1550	Achievement of the target is also dependant on cooperation from other stakeholders outside the department.

		Develop Outcome 7 performance reports for the province.	new indicator	new indicator	new indicator	4	4	0	To be submitted at National Office 13.04.2017
		Number of reported sub-outcomes verified.	new indicator	new indicator	new indicator	2	0	-2	Achievement of the target is also dependant on cooperation from other stakeholders outside the department.
		Number of impact assessments completed.	new indicator	new indicator	new indicator	2	1	-1	Service level agreements with the service provider to be concluded during the 1 <sup>st</sup> quarter
		Number of statistical review reports produced.	new indicator	new indicator	new indicator	2	2	0	
Sustainable enterprises & industries promoted in areas with	<b>To coordinate integrated rural developmen</b>	Develop a Provincial Rural Enterprise and Industrial Development	n/a	0	0	1	1	0	



economic potential.	t for sustainable development in KwaZulu-Natal.	Strategy for increased participation in the value chain of prioritised commodities.							
		Develop Rural development plans for each of the 4 pillars – River Valley, Agri-villages, Communal Estates and Land Reform.	n/a	n/a	n/a	4	2	-2	Strategy was changed from the pillar focus. Review required of the usefulness of a pillar approach. Rural settlement models still required to complement agricultural strategy
		Number of Agribusinesses supported with agricultural economics advice towards accessing markets and sustainable	14	40	36	40	28	-12	The market access activity is multi-pronged (linkages, certification and advice).

		participation in value chains.							
		Number of functional agro-processing businesses supported.	n/a	5	0	5	44	+39	The target is based on requests received
		Number of agricultural economic information responses provided.	936	479	200	800	660	-140	The target is based on requests received
		Number of economic reports compiled.	4	n/a	n/a	4	4	0	Target met

		Number of Agribusinesses supported with business entity advice.	49	12	20	30	28	-2	The target is based on requests received
		Develop a youth in agribusiness empowerment model.	n/a	n/a	n/a	1	1	0	Target met
		Number of business entities (including co-ops) equipped with rural enterprise development skills	n/a	n/a	n/a	50	22	-28	The target is based on requests received
		Number of projects mentored.	55	50	4	50	16	-34	13 co-ops are receiving mentorship support under the MOU signed with CRI.

		Number of agricultural graduates deployed in rural projects	n/a	n/a	n/a	50	22	-38	<p>20 graduates who registered on the portal were linked to internship opportunities within the DARD.</p> <p>The rest of the target remains due to the Unemployed Agricultural Graduate Youth Programme Implementation plan and budget only being approved in February 2017.</p>
		Number of reports on implementation of the Agri-park strategy for each district.	n/a	n/a	n/a	4	4	0	Target met

		Develop the credit and finance model for rural enterprises.	n/a	n/a	n/a	1	0	-1	<p>Research to best practice modalities finalised and incorporated into draft model/ framework.</p> <p>DAFF commenced development of such model and looking at alternative financing models.</p>
		Number of partnerships brokered promoting rural development.	n/a	n/a	n/a	5	2	-3	<p>Lack of DARD Policy and criteria for partnerships affecting effective decisions &amp; finalisation of potential partnerships.</p> <p>2 MOUs approved, namely:</p>

									DARD/SUPTROP  DARD/CRI  2 proposed MOUs not approved
		Number of women owned enterprises supported to participate in agricultural value chains.	n/a	n/a	n/a	11	119	+108	Forwarded three (3) business entities to DAFF for finance and marketing training, as part of business entity advice. women empowerment, particularly FEA programme.

### Programme 3 expenditure by sub-programme

Table 19 Programme 3 Expenditure

	2015/16			2016/17		
Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Rural Development Co- ordination	1,173	1,089	84	7,999	7,999	-
Social Facilitation	822	802	20	6,758	6,758	-
<b>TOTAL</b>	<b>1,995</b>	<b>1,891</b>	<b>104</b>	<b>14,757</b>	<b>14,757</b>	<b>-</b>

The programme recorded actual expenditure amounting to R14.757 million, resulting in 100 per cent of the allocation being spent by 31 March 2017.

## 6 TRANSFER PAYMENTS

### 6.1 Transfer payments to public entities

The Department had one public entity and one government business entity reporting to the Department during the 2016/17 financial year. The entities produce their own separate annual reports that provide details of their mandates, outputs and achievements. The purpose of the entities is as follows:

*Agri-business Development Agency (ADA)* is a public entity providing the vehicle to grow the agricultural sector and improving access for black commercial farmers and agribusiness entrepreneurs through partnership and knowledge. During the year, the mandate of the entity was defined as to focus on secondary agricultural interventions whilst the department will focus on primary agriculture, thereby ensuring that there is no duplication of functions between the department and agency.

*Mjindi Farming (Pty) Ltd* (Mjindi), is a government business entity assisting in the management and implementation of the Makhathini Integrated Master Development Plan which includes:

- Repair and upgrading of the existing 3 500 ha currently under irrigation;
- To sustain the Makhathini Irrigation Scheme as a viable and sustainable Farmer Settlement Project;
- To transform Mjindi Farming (Pty) Ltd into a land user / landowner / farmer driven entity;
- To assist with the planned and approved expansion of the Irrigation Scheme to the settlement of additional farmers;
- To assist and support the Shareholder with the planning and implementation of the Makhathini Integrated Master Development Plan; and
- Explore and facilitate new agri-business opportunities on the irrigation scheme.



The Department monitors the progress and performance of these entities through quarterly reviews of financial and non-financial performance through the Steering Committee established and chaired by the Head of Department. The Department also has representation at board meetings.

### 6.1.2 Transfers to Public and Government Business Entities

Table 20 Transfers

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	(Over)/Under Expenditure R'000
Agri-Business Development Agency (ADA)	Project implementation	94,581	77,589	16,992
Mjindi Farming (Pty) Ltd	Agricultural development and management of irrigation scheme	53,183	53,180	3
<b>TOTAL</b>		<b>147,764</b>	<b>130,769</b>	<b>16,995</b>

The under expenditure by ADA is in respect of outstanding commitments where the goods/services had not been rendered and paid for by 31 March 2017. The under expenditure of R3, 000 000 is due to this amount only being received by the entity after 31 March 2017. A request for the roll-over of unspent funds is submitted to Provincial Treasury

### 6.1.3 Transfer payments to all organizations other than public entities

The Department made transfers to various organizations and private enterprises as listed in the table below. The Department enters into Service Level Agreements (SLAs) with all entities that receive funds with the exception of farmers that received the soil conservation subsidy. The subsidy is only given if the specific criteria have been met and it is therefore not necessary to enter into any form of agreement.

The requirements of S38 (1) (j) of the Public Finance Management Act is included in these SLAs. The reporting requirements and monitoring mechanism as well as payment schedule is also included in the SLA.

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017, excluding transfers for motor vehicle licenses, radio license and payments to SETA.

Table 21T transfers

Name of transferee	Type of organisation	Purpose for which the funds were used	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Independent Development Trust	Public Corporation	Clearing of invasive alien species	20,326	18,137	The total project cost was lower than estimated. The reconciliation done after 31 March 2017 and the surplus to be reimbursed during 2017/18.
SA Sugar Research Institute	Private	Agricultural Research	2,242	2,242	

Name of transferee	Type of organisation	Purpose for which the funds were used	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Aquason Construction	Private	Soil conservation subsidy	644	644	
Mvuthshini Estate (Pty) Ltd	Private	Soil conservation subsidy	378	378	
Radley JH	Private	Soil conservation subsidy	582	582	
Communal Estates	Private	Operational costs for tractors used for crop production	12,426	6,606	Remaining funds to be utilised for harvesting costs
SA Sugar Association	Private	Project implementation	15,117	15,116	
Inqanawe Tunnel Project	Private	Infrastructure	3,054	3,054	
Rapid Dawn 1064 CC	Private	Infrastructure	1,474	1,244	Project implementation to continue into 2017/18
River Valley Project	Private	Infrastructure	1,200	1,200	
Siyathuthuka Farms	Private	Infrastructure	3,429	3,249	
Nyezenhle Holdings – Roadside Abattoir	Private	Acquisition of livestock	7,000	6,997	

Name of transferee	Type of organisation	Purpose for which the funds were used	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Uthukhela Local House of Traditional Leaders Development Trust	Private	Crop production	13,026	13,026	
Copperfield Dairy	Private	Acquisition of Dairy	6,500	1,835	Project implementation to continue into 2017/18
Izobuya Nini Trading Enterprise CC	Private	Infrastructure	1,500	1,454	
Indlovu Family CC	Private	Infrastructure	3,221	3,221	
Ekhuphileni Poultry and Agricultural Farming Primary Co-operative	Private	Infrastructure	5,500	3,698	Project implementation to continue into 2017/18
Agricultural Schools	Public schools	Infrastructure	3,569	2,726	

The table below provides details of transfers that were budgeted for in the period 1 April 2016 to 31 March 2017 but the transfer payments were not made in full.

Table 22 Transfers

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why the funds were not transferred
Agribusiness Development Agency	Project implementation	128,397	94,5815	Slower than anticipated progress in implementation
Communal Estates	Operational costs for mechanisation	26,662	12,426	The budget includes harvesting costs that will only be transferred in 2017/18.
SA Sugar Association	Project implementation	28,115	15,117	Drought conditions affected project implementation and a new agreement was reached to extend implementation into 2017/18
Siyathuthuka Farms	Infrastructure	4,099	3,429	Slow implementation by beneficiary
Uthukhela House of Traditional Leaders Development Trust	Crop production	18,245	13,026	Non-compliance by entity and slower progress than anticipated
Indlovu Family CC	Infrastructure	7,521	3,221	Slow implementation by beneficiary
Agricultural Show Society	Financial assistance	100	-	No request for financial assistance received by the department.

## 7. CONDITIONAL GRANTS

Conditional grants and earmarked funds received

The table below provide details of the four conditional grants received for the period 1 April 2016 to 31 March 2017.

### Land Care Programme Grant

Purpose of the grant	To enhance the sustainable conservation of natural agriculture resources through a community-based participatory approach; create job opportunities through the Expanded Public Works Programme; and to create an enabling environment for improved food security and poverty relief.
Expected outputs of the grant	<ul style="list-style-type: none"><li>i. Number of jobs to be created: 245</li><li>ii. Number of Junior Land Care participants that will be involved in the programme: 1600</li><li>iii. Number and hectares of water resources that will be protected and rehabilitated: 539 ha</li><li>iv. Number of awareness campaigns that will be conducted: 10 events</li><li>v. Hectares of land where weeds and invader plants will be under control: 2 481 ha</li><li>vi. Kilometres of fence to be erected: 17.2 km</li><li>vii. Hectares of land that will be under the system of Conservation Agriculture: 90ha</li></ul>

Actual outputs achieved	<ul style="list-style-type: none"> <li>i Number of jobs created: 245</li> <li>ii Number of Junior Land Care participants involved in the programme: 2 504 (<i>increased variation from target is due to increased participation from learners</i>)</li> <li>iii Number and hectares of water resources protected and rehabilitated: 539 ha</li> <li>iv Number of awareness campaigns conducted: 10 events</li> <li>v Hectares of land where weeds and invader plants are under control: 2 444 (<i>decrease in target is due to a project not meeting the target, problems with demarcation of boundary as a result of new traditional leader</i>)</li> <li>vi Kilometres of fence erected: 17.2 km</li> <li>vii Hectares of land under the system of Conservation Agriculture: 90 ha</li> </ul>
Amount per amended DoRA	R10,632,000
Amount transferred	R10,632,000
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department	R10,632,000
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Monthly and quarterly monitoring

## Comprehensive Agriculture Support Programme

Purpose of the grant	<ul style="list-style-type: none"> <li>i To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of Land Reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value adding enterprises domestically or involved in exports.</li> <li>ii To revitalise and develop extension and advisory services in order to provide the necessary technical support for the development of farmers.</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>i 100 ha irrigation system for Citrus production.</li> <li>ii Land preparation for 8 197 ha grain production.</li> <li>iii 616.3 ha irrigation development.</li> <li>iv 105 km fencing to be completed.</li> <li>v 7 layer units to be completed.</li> <li>vi Establishment of 45 ha of pastures.</li> <li>vii 3 dairy infrastructure facilities developed.</li> <li>viii 1 sterilizing equipment and agro-processing infrastructure.</li> <li>ix 55 ha of bush clearance/land preparation for fruit production.</li> <li>x 3 broiler structures to be completed.</li> <li>xi Rehabilitation of 3 dip tanks.</li> <li>xii 147 breeding stock purchased.</li> <li>xiii 700 farmers trained through credit and non-credit bearing training.</li> <li>xiv 50 farmers mentored.</li> <li>xv To procure uniforms and protective clothing for Extension and Advisory Services.</li> </ul>



	<p>xvi To procure vehicles for extension staff.</p> <p>xvii To procure ICT equipment i.e. laptops, cell phones and digital pens.</p> <p>xviii To fund the professional development activities of the Extension Practitioners i.e. conferences, symposiums and workshops.</p> <p>xix Hosting of Extension Summits and Awarding of Extension Awards.</p> <p>xx Facilitate registration of extension officers with SACNASP.</p> <p>xxi Reskilling of the Extension Practitioners in soft, technical and ICT skills.</p>
Actual outputs achieved	<p>i 100 ha irrigation system for Citrus production installed.</p> <p>ii Land preparation for 8 197 ha grain production completed.</p> <p>iii 616.3 ha irrigation development</p> <p>iv 105km fencing for Vegetable, Beef and fruit production completed.</p> <p>v 2 layer units completed and 5 layer units in progress (continuation).</p> <p>vi Establishment of 45 ha of pastures completed.</p> <p>vii Development of 3 dairy infrastructure facilities in progress (continuation).</p> <p>viii 1 sterilizing equipment and agro-processing infrastructure erected.</p> <p>ix 55 ha of bush clearance/land preparation for fruit production completed.</p> <p>x 2 broiler structures completed and 1 in progress.</p> <p>xi Rehabilitation of 1 dip tank completed and 2 dip tanks in progress.</p> <p>xii 147 breeding stock purchased.</p> <p>xiii 620 farmers trained through credit and non-credit bearing training.</p> <p>xiv 30 farmers mentored.</p>

	<p>xv To procure uniforms and protective clothing for Extension and Advisory Services.</p> <p>xvi To procure vehicles for extension staff.</p> <p>xvii To procure ICT equipment i.e. laptops, cell phones and digital pens.</p> <p>xviii To fund the professional development activities of the Extension Practitioners i.e. conferences, symposiums and workshops.</p> <p>xix Hosting of Extension Summits and Awarding of Extension Awards.</p> <p>xx Facilitate registration of extension officers with SACNASP.</p> <p>xxi Reskilling of the Extension Practitioners in soft, technical and ICT skills.</p>
Amount per amended DoRA	R222 155 000
Amount transferred	R222 155 000
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department	R222 155 000
Reasons for the funds unspent	n/a
Monitoring mechanism by the transfering Department the transferring department	<p>Monthly Reports</p> <p>Quarterly Reports</p> <p>Quarterly Reviews</p>

ILima/Letsema Project grant

Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production. i.e. revitalization of irrigation schemes and procurement of production inputs.
Expected outputs of the grant	<ul style="list-style-type: none"> <li>i 15 000 ha to be cultivated.</li> <li>ii 12 000 farmers to be supported through ILima/Letsema.</li> <li>iii 44 food gardens established and/or maintained in all 11 Districts.</li> <li>iv 3 050 permanent and seasonal jobs to be created.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>i 13 252 ha of land cultivated.</li> <li>ii 11 648 farmers supported through ILima/Letsema.</li> <li>iii 37 food gardens established and/or maintained in all 11 Districts.</li> <li>iv 2 724 permanent and seasonal jobs to be created.</li> </ul>
Amount per amended DoRA	R 63 876 000
Amount transferred	R 63 876 000
Reasons if amount as per DoRA not transferred	None
Amount spent by the department	R 63 876 000
Reasons for the funds unspent	N/A

Monitoring mechanism by the transferring department	Monthly Reports Quarterly Reports Quarterly Reviews Quarterly Project Monitoring Visits Annual Reports
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#### EPWP incentive grant for Provinces

Department who transferred the grant	Public Works
Purpose of the grant	To incentivize provincial departments to expand work creation efforts through the use of labour intensive delivery methods.
Expected outputs of the grant	6 projects funded 135.82 FTEs 175 Job opportunities 54 km of fencing constructed 985 ha rehabilitated
Actual outputs achieved	6 projects funded 135.82 FTEs 175 Job opportunities 54 km of fencing constructed 1 041 ha rehabilitated – increase due to the need of follow-up control on alien plants.
Amount per amended DoRA (R'000)	R3,840,000
Amount received (R'000)	R3,840,000

Reasons if amount as per DoRA was not received	n/a
Amount spent by the Department (R'000)	R3,840,000
Reasons for the funds unspent by the Department	n/a
Reasons for deviation on performance	n/a
Measures taken to improve performance	None
Monitoring mechanism by the receiving Department	Monthly and quarterly monitoring and annual evaluation

## **8. DONOR FUNDS**

### **8.1 Donor Funds Received**

The Department did not receive any foreign aid during the 2016/17 financial year.

## 9. CAPITAL INVESTMENTS

### Capital investment, maintenance and asset management plan

The table below provides an analysis on infrastructure spending for the 2015/16 and 2016/17 financial years. The slow rate at which the Department of Public Works is implementing the planned rehabilitation and renovations of office accommodation is a concern and has resulted in significant under expenditure in this area. On the other hand, the implementation of agricultural infrastructure such as irrigations schemes, drainage of Block B at Makhathini, abattoirs and packer houses is progressing ahead of schedule. The under expenditure on administrative buildings has been utilized to augment the over expenditure on agricultural infrastructure.

Sub-programme	2015/16			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	162,661	141,063	65,749	97,607	125,124	(27,517)
Existing infrastructure assets						
- Upgrade and additions	6,321	6,321	-	1,089	1,089	-
-Rehabilitation, renovations and refurbishments	31,439	25,304	6,135	37,069	37,069	-

-Maintenance and repairs	25,312	25,312	-	6,085	6,085	-
Infrastructure transfer						
-Current	-		-			
-Capital	-	-	-	35,576	30,607	4,969
<b>TOTAL</b>	<b>225,733</b>	<b>198,000</b>	<b>41,046</b>	<b>177,399</b>	<b>199,947</b>	<b>(22,548)</b>

The expenditure against transfer capital is in respect of projects that are jointly funded by the farmers and the department. The department transfers its contribution in tranches and based on progress made in implementation of the business plan. In instances where such progress is behind schedule the department does not transfer the next tranche, hence the under expenditure of R4.969 million against this category.

The office accommodation at local office level has deteriorated over time and the department is establishing new procedures and processes to deal with the daily maintenance that will fast track implementation thereof. Also, Public Works is consulted on an ongoing basis to monitor the progress.







## **PART C: GOVERNANCE**



## INTRODUCTION

The Department has an obligation to maintain the highest standards of good governance in the management of public finances and resources. The Department applies a number of measures to ensure that the taxpayers and communities at large receive efficient services, with reduced incidence of fraud and corruption, and best value for money.

### 1. RISK MANAGEMENT

The Department has a risk management policy and conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks. There is a Risk Management Committee that monitors risk management and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The Cluster Audit and Risk Committee (Provincial Treasury) advises the Department on risk management and independently monitors the effectiveness of the system of risk management. There has been significant progress in the management of risk, particularly in the area of Information Technology.

### 2. FRAUD AND CORRUPTION

The Department has a fraud prevention policy and a whistle blowing policy. Awareness of the policies is created through workshops conducted throughout the Department and posters regarding whistle blowing are displayed at all entrance halls of the Departmental offices.

### **3. MINIMISING CONFLICT OF INTEREST**

The Department endeavours to comply with the requirements of the DSA to ensure that employees declare financial interests on an annual basis. Over and above this, members serving in different decision making committees are required to declare their interests, this creates an awareness to be honest in their dealing with matters that have a potential to create conflicts of interest.

### **4. CODE OF CONDUCT**

The code of conduct /ethics document is distributed to all staff on an annual basis. Posters are also displayed at all entrance halls of Departmental offices. This ensures that all employees are aware of the expected conduct while on duty, as well as the channels of recourse that may be followed in the event of a violation.

### **5. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

The Department prioritizes issues of Health, Safety and the Environment and has a fully functional committee which convenes on a quarterly basis to review health, safety and environmental matters. As such, there are serious health, safety and environmental concerns in the Department.

## 6. PORTFOLIO COMMITTEES

The Department has regular engagements with the Agriculture and Rural Development Portfolio Committee. Most matters and concerns raised by the Portfolio Committee have been addressed by the Department during the year under review.

## 7. SCOPA RESOLUTIONS

The Public Accounts Standing Committee met with the Department on 12 October 2016 to deliberate on the Auditor-General's report for the 2015/16 financial year. The table below are resolutions that emanated from the hearings that pertain specifically to the Department. The responses as submitted to the Committee, are also provided.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
56/2016	Material underspending of the budget	<p>Department underspent by R93.29 million with the capital budget under-spent by 18% and transfer and subsidies underspent by 8%. Under-spending mostly attributed to non-filling of vacant posts, procurement challenges for buildings and other fixed structures, late rains and slower than anticipated implementation of drought relief interventions. Provincial Treasury roll-over of R46 million. Accounting Officer to provide details of under-spending, explanation of procurement challenges and reprioritisation in view of limited amount approved as a roll-over.</p>	<p>1. Details of the under-expenditure is as follows:</p> <p>Programme 1: Administration Under-expenditure of R30.363 million is mainly due to: -</p> <ul style="list-style-type: none"> <li>➤ R1.646 million as a result of the moratorium on filling posts until the matching and placing of existing staff into the new organisational structure is finalised.</li> <li>➤ R12.179 million in respect of the migration from Novell to Microsoft not being finalised as anticipated.</li> <li>➤ R955 000 relates to the fact that the payment to Public Service SETA did not</li> </ul>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>materialise as this payment is now managed at a national level.</p> <p>➤ R15.583 million relates to machinery and equipment, as a result of vehicles ordered but not delivered of R5.023 million and the delay in the migration from Novell to Microsoft resulting in the server not being acquired as planned, amounting to R10.560 million.</p> <p>Programme 2 – Agriculture</p> <p>Under-expenditure of R62.825 million is attributed to the following:</p> <p>➤ R1.877 million as a result of the moratorium on filling posts until the matching</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>and placing of existing staff into the new organisational structure is finalised.</p> <p>➤ R10.276 million in respect of animal feed and medicines ordered but not delivered and paid for by 31 March 2016. The department had developed a drought relief plan amounting to R115 million which included animal feed through various agricultural outlets which commenced in December 2015. The department continuously monitored its expenditure and reprioritised towards providing further</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>assistance to affected farmers during the fourth quarter.</p> <p>➤ R19.865 million in respect of lower than planned transfers to Communal Estates that were established by the consolidation of adjacent parcels of land into viable farming units and the establishment of commercial farming operations by the land owners in partnership with government due to limited farming activities, as a result of the drought as well as slower than anticipated</p>	



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>progress on a hatchery project supported by the department.</p> <p>➤ R30.799 million under Payment for capital assets as a result of slower than anticipated implementation of drought relief interventions such as boreholes, stock watering dams and dip tanks which, despite fast tracking the procurement process could not be completed by 31 March 2016, amounting to R27.733 million as well as vehicles ordered but not delivered amounting to R3.066 million.</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Programme 3: Rural Development</p> <p>➤ The under-expenditure of R104 000 is in respect of Compensation of employees and related costs in respect of vacant posts.</p> <p>2. The procurement challenge was in respect of the use of the database for agricultural infrastructure and the functionality of the bid committees. The department resolved to discontinue utilising the approved database and will source quotations using the Central</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Supplier Database for services below R500,000 and tender process above R500,000. The Accounting Officer reviewed and appointed new members to the bid committed in December 2015.</p> <p>3. The main area where roll-overs were not approved relate to the implementation of the migration from Novell to Microsoft and transfers to Communal Estates. With regard to the Communal Estates, the department did not establish any new Communal</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Estates in the current year. The migration to Microsoft is partly funded through savings from posts that became vacant during the year and machinery and equipment as well as the roll out has had challenges with full implementation likely to only be finalised in the 2017/18 financial year.</p>	
57/2016	Irregular expenditure	Irregular expenditure of R34.167 million of which the bulk is for month-to-month security contracts amounting to R28.8 million and that prior year is still awaiting condonation.	<p>1. The reasons for the irregular expenditure are as per the Notes to the financial statements.</p> <p>2. The department's risk register reflects an "Ineffective</p>	Yes, filling of posts is an ongoing process

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>SCM” as a major risk and within the top 20 risks of the department. The intervention required is for the Director: SCM to be appointed, SCM Delegations reviewed and work shopped with all relevant offices. The filling of the Director post is work-in-progress.</p> <p>3. The department is waiting for guidance from Provincial Treasury on how to proceed with concluding irregular expenditure cases for 2014/15 onwards. The Auditor-General</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			requested that the review process which Provincial Treasury had been engaged in with departments be ratified by National Treasury. This is the reason why the Annual Financial Statements did not reflect any amounts condoned. All irregular expenditure cases which were under review by Provincial Treasury have been concluded	
58/2016	Investigations	Three forensic investigations relating to supply of goods and services for period 2011 to 2012 and that the	The department provided a detailed report on the disciplinary action taken against officials implicated	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>department has the received the reports and is in process of analysing the recommendations.</p> <p>Provincial Treasury performed nine investigations, of which five completed, covering period April 2009 to March 2015 on possible SCM irregularities.</p> <p>One internal investigation.</p> <p>Accounting Officer and Treasury to provide reports on above matter.</p>	<p>in the forensic reports. Progress is also reported to the Portfolio Committee of Agriculture and Rural Development as well as the Cluster Audit and Risk Committee.</p>	
59/2016	Performance audits	<p>1. Noting the A-G finding that the Action Work Group 1 of the PGDS is not functional to achieve the goals of the PGDS</p> <p>2. Lack of corrective action for under performance by ADA and Nyonende Hatchery that are receiving grant funding.</p>	<p>1. The Office of the Premier provided training to members of the AWG1 on 15 August 2016 and Planning Commission and Convenor of AWG1 made presentations to the departmental strategic planning session in</p>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>November 2016 and highlighted the need to set realistic targets and performance measures.</p> <p>Furthermore, the performance agreement for the HOD now includes the AWG1 activity to be reported on. The AWG1 has since been more active and progress reporting to Planning Commission has improved.</p> <p>2. ADA transfers are managed through the funding agreement.</p> <p>3. The steering committee has been sensitized to ensure that corrective measures are</p>	



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			developed, documented and monitored. To this ends the engineering unit is assisting in monitoring the project implementation.	
60/2016	Fruitless and wasteful expenditure	Fruitless expenditure of R166,000 of which R127,000 being interest on overdue accounts for GEPF (R76,000) and Eskom (R51,000). Further amount of R1.264 of prior year still under investigation.	The committee was provided with details of the fruitless and wasteful expenditure as well as action taken by the department. The interest for the GEPF was due to an incorrect termination on PERSAL and the arrear contributions accumulated interest.	Yes
61/2016	Vacant posts	Underspending was partly due to vacant posts. 137 posts have been approved to be filled by Treasury and Office of the Premier.	The number of posts approved was 133 of which 99 posts are salary level 1 to 12 that had to be subjected	Yes, filling of posts is ongoing and the department is reporting

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Accounting Officer to provide update on the filling of posts and whether the position of the CFO has been resolved.	to the matching and placing process after which the residual posts would be filled.  Out of 13 critical SMS posts approved, the recruitment for 8 posts is at various stages. 2 posts were filled through internal matching and placing. 3 SMS posts will be re-advertised as no suitable candidates were found during the recruitment process.	progress to the Portfolio Committee on Agriculture and Rural Development..
62/1016	Loss Control Committee	Noting the progress made with regard to the appointment and functioning of the Loss Control Committee.  This matter be referred to the Portfolio Committee on Agriculture and Rural Development for further follow up and that the Accounting	The department provided a detailed progress report on the outstanding matters as well as the details of the losses. The process is ongoing and the department aiming to have the prior year incidents	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Officer report on progress made.	resolved before financial year end.	

## 1. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department received an unqualified audit opinion for 2015/16 financial year but for the 2016/17, there were areas that led to the department receiving Qualified Opinion.

## 1. INTERNAL CONTROL UNIT

The Internal Control unit monitored the implementation of action plans emanating from all audits, such as Auditor General, Provincial Treasury Internal Audit and audits conducted internally. The Department continues to strengthen the internal control environment on regular basis.

## **2. AUDIT COMMITTEE REPORT**

### **REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 3 – AGRICULTURE AND RURAL DEVELOPMENT**

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts, and is pleased to present its report for the financial year ended 31 March 2017.

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees

(CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Agriculture and Rural Development is served by the Economic Cluster Audit & Risk Committee.

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

## Audit Committee Members and Attendance

The PARC and Economic CARC consists of the members listed hereunder who have met as reflected below, in line with the its approved terms of reference.

Table 23 Audit

#	Name of Member	PARC Meetings Attended	Economic
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	4 of 4	4 of 4
2	Mr V Ramphal	4 of 4	4 of 4
3.	Mr P Christianson	4 of 4	4 of 4
4.	Ms T Njozela	4 of 4	N/A*
5.	Mr D O'Connor	4 of 4	N/A*

\* refers to PARC members who do not serve on the Economic CARC

## The Effectiveness of Internal Control

The Committee reviewed the reports of the Provincial Internal Audit Service (PIAS), and the Auditor General's Audit Report on the Annual Financial Statements and Management Report. A number of significant weaknesses in controls in the following areas were noted with concern:

- i Transfer Payment
- ii Veterinary Services (Public Health)
- iii Food Security
- iv Asset Management - Moveable Assets
- v Subsistence & Travel Expenditure
- vi Performance Information
- vii Supply Chain Management □ Contract Management

The Committee considered the appropriateness of management's planned interventions to improve the overall control environment and advised management to implement these timeously, to avoid the recurrence of audit findings.

## **Effectiveness of Internal Audit**

PIAS activities were reviewed by the Committee during the PARC and CARC monitoring processes. The Committee evaluated PIAS reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to conduct ten (10) audit assignments for the period under review, of which nine (9) were finalised, and one (1) was carried over to the 2017/18 financial year with the approval of the Audit Committee.

Although the Committee noted with concern, the financial and other limitations imposed upon the PIAS, the Unit performed effectively during the period under review. During the forthcoming financial year, the Committee will monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the department.

## **Risk Management**

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the department's risk register and monitoring progress against the Risk Management Operational Plan.

As at 31 March 2017, the Department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	5	13	25	7	0	50
Number of Identified Action Plans	14	47	88	11	0	160
Number of Completed Action Plans.	2	7	27	9	0	45

Although the department is commended on having revised its risk register during the period under review, the Committee is concerned about the slow progress it has made in resolving outstanding risk mitigation plans, particularly with respect to the risks ranked as critical and major. The department is urged to expedite the implementation of the outstanding risk mitigation plans, and to regard the risk register as a dynamic document which should be reviewed and updated regularly on a quarterly basis.

The Committee is also concerned about the slow progress the Department has made in implementing the agreed action plans in respect of Risk Maturity, Fraud Prevention and Occupational Health and Safety. The department is urged to improve its performance in these areas during the 2017/18 financial year, and to ensure that the Risk Management function is properly capacitated and coordinated through the Internal Risk Management Committee which should convene regularly (quarterly) to ensure thorough monitoring and resolution of emerging risk management issues.

#### Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review, in terms of the PFMA and the Division of Revenue Act.

Based on the reports of the PIAS and the Auditor General, the Committee notes with concern the deficiencies identified in the usefulness and reliability of reported performance

information due to the failure of the Department to implement adequate systems to collect, collate, verify and retain performance related data. The management of the Department has been requested to urgently implement the appropriate improvement strategies in order to address the identified shortcomings.

The Committee also notes the concerns raised by the Auditor General with respect to the utilization of conditional grants.

## Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements including the audit report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, and noted concerns around material misstatements in the annual financial statements, procurement and contract management, failure to recognize and properly account for commitments and the failure to prevent irregular expenditure as a result of non-compliance with supply chain management prescripts.
- Reviewed the conclusions regarding the reliability and usefulness of performance information and determined that record keeping has to be improved to enable accurate performance information to be produced.

## Forensics Investigations

The Committee noted that there were nineteen (19) forensic investigations from 2009 to date, all relating to alleged procurement irregularities and mismanagement of funds in relation to transfer payments and diversion of fraudulent payments from the BAS system to fraudulent service providers, which the department referred to the PIAS for investigation. Fifteen (15) of these investigations were completed and four (4) were in-progress.



The committee noted with concern the issues affecting the n finalization of investigation reports which impacted negatively upon the implementation of the recommendations. The Department and the PIAS are urged to promptly finalize the outstanding investigations, and work together to implement the recommendations made in the finalised investigations.

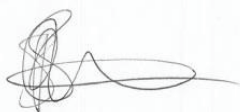
#### Auditor General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the major issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee agrees with and accepts the Auditor General's qualified opinion 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.

#### Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.



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**Mr S Simelane**

**Acting Chairman**

**Provincial Audit and Risk Committee**

**07 August 2017**

## **PART D: HUMAN RESOURCE MANAGEMENT**



## **1. OVERVIEW OF HUMAN RESOURCES**

The Department had challenges in filling critical, vacant posts during 2016/17. This was related to the finalization of the organizational structure.

## **2. HUMAN RESOURCES OVERSIGHT STATISTICS**

### **2.1 Personnel related expenditure**

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- I. amount spent on personnel
- II. amount spent on salaries, overtime, homeowner's allowances and medical aid.

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2016  
and 31 March 2017**

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
ADMINISTRATION	370 466	161 191	0.00	0.00	44	58	2 765
AGRICULTURE	1 495 982	628 495	0.00	0.00	42	227	2 765
ENVIRONMENTAL MANAGEMENT			0.00	0.00	1		2 765
RURAL DEVELOPMENT	8 944	5 658	0.00	0.00	63	2	2 765
<b>Total as on Financial Systems (BAS)</b>	<b>1 875 391</b>	<b>795 343</b>	<b>0.00</b>	<b>0.00</b>	<b>42</b>	<b>288</b>	<b>2 765</b>

Table 3.1.2 Personnel costs by salary band for the period 1 April  
2016 and 31 March 2017

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)	Number of Employees
Contract (Levels 1-2)	576	0.06	41 173	1 012 448	14
Contract (Levels 13-16)	4 767	0.47		1 012 448	
Contract (Levels 3-5)	5 122	0.51	182 917	1 012 448	28
Contract (Levels 6-8)	5 032	0.50	335 491	1 012 448	15
Contract (Levels 9-12)	12 710	1.26	552 622	1 012 448	23
Contract Other	3 286	0.32	50 560	1 012 448	65
Highly skilled production (Levels 6-8)	303 964	30.02	385 253	1 012 448	789
Highly skilled supervision (Levels 9-12)	349 701	34.54	576 113	1 012 448	607
Lower skilled (Levels 1-2)	11 714	1.16	134 643	1 012 448	87
Senior management (Levels 13-16)	45 760	4.52	1 040 002	1 012 448	44
Skilled (Levels 3-5)	224 481	22.17	206 135	1 012 448	1 089
<b>TOTAL</b>	<b>967 114</b>	<b>95.52</b>	<b>349 770</b>	<b>1 012 448</b>	<b>2 765</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance  
and Medical Aid by programme for the period 1 April 2016  
and 31 March 2017**

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
ADMINISTRATION	143 280	71.3	1 796	.9	5 677	2.8	9 906	4.9	200 941
AGRICULTURE DEVELOPMENT SERVICES	548 999	68.3	4 781	.6	26 574	3.3	40 671	5.1	804 119
RURAL DEVELOPMENT	5 731	77.6	13	.2	108	1.5	62	.8	7 388
<b>TOTAL</b>	<b>698 010</b>	<b>68.9</b>	<b>6 590</b>	<b>.7</b>	<b>32 359</b>	<b>3.2</b>	<b>50 640</b>	<b>5</b>	<b>1 012 448</b>

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period **1 April 2016 and 31 March 2017**

Salary Bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Contract (Levels 1-2)	576	99.9							576
Contract (Levels 13-16)	3 984	77.1							5 167
Contract (Levels 3-5)	4 746	92.5	11	.2			23	.4	5 132
Contract (Levels 6-8)	4 699	93.2			14	.3	21	.4	5 044
Contract (Levels 9-12)	11 771	83.8	20	.1	1		2		14 045
Contract Other	3 286	98.8							3 325
Highly skilled production (Levels 6-8)	216 118	69.2	1 153	.4	10 548	3.4	17 306	5.5	312 201
Highly skilled supervision (Levels 9-12)	260 038	68.4	1 417	.4	5 982	1.6	11 664	3.1	380 413
Lower skilled (Levels 1-2)	7 944	67.5	416	3.5	664	5.6	966	8.2	11 767
Senior management (Levels 13-16)	38 497	77.5			317	.6	559	1.1	49 697
Skilled (Levels 3-5)	146 350	65	3 574	1.6	14 832	6.6	20 098	8.9	225 080
<b>TOTAL</b>	<b>698 010</b>	<b>68.9</b>	<b>6 590</b>	<b>.7</b>	<b>32 359</b>	<b>3.2</b>	<b>50 640</b>	<b>5</b>	<b>1 012 448</b>

### 2.3 EMPLOYMENT VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise 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:

- i programme
- ii salary band
- iii critical occupations (see definition in notes below).

The Department has identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.





Table 3.2.1 Employment and vacancies by programme as on 1 April 2016 and 31 March 2017

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
ADMINISTRATION, Permanent	558.00	542.00	2.87	0.00
AGRICULTURE DEVELOP SERVICES, Permanent	2,629.00	2,210.00	15.94	0.00
AGRICULTURE DEVELOP SERVICES, Temporary	1.00	1.00	0.00	0.00
PROG 1:ADMINISTRATION., Permanent	1.00	0.00	0.00	0.00
RURAL DEVELOPMENT, Permanent	12.00	12.00	0.00	0.00
<b>TOTAL</b>	<b>3,201.00</b>	<b>2,765.00</b>	<b>13.62</b>	<b>0.00</b>

*Table 3.2.2 Employment and vacancies by salary band as on 1 April 2016 and 31 March 2017*

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
01 Lower Skilled (Levels 1-2), Permanent	449.00	87.00	80.62	0.00
02 Skilled (Levels 3-5), Permanent	1,104.00	1,089.00	1.36	0.00
03 Highly Skilled Production (Levels 6-8), Permanent	803.00	789.00	1.74	0.00
04 Highly Skilled Supervision (Levels 9-12), Permanent	641.00	606.00	5.46	0.00
04 Highly Skilled Supervision (Levels 9-12), Temporary	1.00	1.00	0.00	0.00
05 Senior Management (Levels 13-16), Permanent	54.00	44.00	18.52	0.00
09 Other, Permanent	65.00	65.00	0.00	0.00
10 Contract (Levels 1-2), Permanent	14.00	14.00	0.00	0.00
11 Contract (Levels 3-5), Permanent	28.00	28.00	0.00	0.00
12 Contract (Levels 6-8), Permanent	15.00	15.00	0.00	0.00
13 Contract (Levels 9-12), Permanent	23.00	23.00	0.00	0.00
14 Contract (Levels 13-16), Permanent	4.00	4.00	0.00	0.00
<b>TOTAL</b>	<b>3,201.00</b>	<b>2,765.00</b>	<b>13.62</b>	<b>0.00</b>

*Table 3.2.3 Employment and vacancies by critical occupations as on 1 April 2016 and 31 March 2017*

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy (Includes Frozen Posts)	Rate	Number of Posts Filled Additional to the Establishment
ADMINISTRATIVE RELATED, Permanent	42.00	41.00	2.38	0.00	
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN, Permanent	50.00	50.00	0.00	0.00	
AGRICULTURE RELATED, Permanent	431.00	398.00	7.66	0.00	
AGRICULTURE RELATED, Temporary	1.00	1.00	0.00	0.00	
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC., Permanent	6.00	6.00	0.00	0.00	
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS, Permanent	1.00	1.00	0.00	0.00	
ARTISAN PROJECT AND RELATED SUPERINTENDENTS, Permanent	2.00	2.00	0.00	0.00	
AUXILIARY AND RELATED WORKERS, Permanent	34.00	34.00	0.00	0.00	

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy (Includes Posts)	Rate Frozen	Number of Posts Filled Additional to the Establishment
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE.TECHNI, Permanent	140.00	140.00		0.00	0.00
BIOLOGISTS BOTANISTS ZOOLOGISTS & REL PROFESSIONAL, Permanent	2.00	2.00		0.00	0.00
BOOKBINDING AND RELATED MACHINE OPERATORS, Permanent	2.00	2.00		0.00	0.00
BUILDING AND OTHER PROPERTY CARETAKERS, Permanent	33.00	33.00		0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS, Permanent	24.00	24.00		0.00	0.00
CIVIL ENGINEERING TECHNICIANS, Permanent	10.00	10.00		0.00	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	128.00	127.00		0.78	0.00
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS), Permanent	5.00	5.00		0.00	0.00



Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy (Includes Posts)	Rate Frozen	Number of Posts Filled Additional to the Establishment
COMMUNICATION AND INFORMATION RELATED, Permanent	8.00	8.00		0.00	0.00
COMMUNITY DEVELOPMENT WORKERS, Permanent	2.00	2.00		0.00	0.00
COMPUTER PROGRAMMERS., Permanent	1.00	1.00		0.00	0.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS., Permanent	1.00	1.00		0.00	0.00
CONSERVATION LABOURERS, Permanent	1.00	1.00		0.00	0.00
DIPLOMATS, Permanent	1.00	0.00		0.00	0.00
ECONOMISTS, Permanent	14.00	14.00		0.00	0.00
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS, Permanent	1.00	1.00		0.00	0.00
ENGINEERING SCIENCES RELATED, Permanent	10.00	9.00		10.00	0.00
ENGINEERS AND RELATED PROFESSIONALS, Permanent	11.00	11.00		0.00	0.00
FARM HANDS AND LABOURERS, Permanent	908.00	551.00		39.32	0.00

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy (Includes Posts)	Rate Frozen	Number of Posts Filled Additional to the Establishment
FARMING FORESTRY ADVISORS AND FARM MANAGERS, Permanent	5.00	4.00		20.00	0.00
FINANCE AND ECONOMICS RELATED, Permanent	13.00	13.00		0.00	0.00
FINANCIAL AND RELATED PROFESSIONALS, Permanent	20.00	20.00		0.00	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	56.00	55.00		1.79	0.00
FOOD SERVICES AIDS AND WAITERS, Permanent	1.00	1.00		0.00	0.00
FORESTRY LABOURERS, Permanent	4.00	4.00		0.00	0.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent	2.00	2.00		0.00	0.00
GEOLOGISTS GEOPHYSICISTS HYDROLOGISTS & RELAT PROF, Permanent	1.00	1.00		0.00	0.00
HEALTH SCIENCES RELATED, Permanent	1.00	1.00		0.00	0.00
HORTICULTURISTS FORESTERS AGRICUL.& FORESTRY TECHN, Permanent	326.00	326.00		0.00	0.00

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy (Includes Posts)	Rate Frozen	Number of Posts Filled Additional to the Establishment
HOUSEHOLD AND LAUNDRY WORKERS, Permanent	9.00	9.00		0.00	0.00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED, Permanent	4.00	4.00		0.00	0.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS, Permanent	9.00	9.00		0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	29.00	29.00		0.00	0.00
HUMAN RESOURCES CLERKS, Permanent	107.00	103.00		3.74	0.00
HUMAN RESOURCES RELATED, Permanent	30.00	28.00		6.67	0.00
INFORMATION TECHNOLOGY RELATED, Permanent	1.00	1.00		0.00	0.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN, Permanent	9.00	9.00		0.00	0.00
LEGAL RELATED, Permanent	1.00	1.00		0.00	0.00
LIBRARIANS AND RELATED PROFESSIONALS, Permanent	3.00	3.00		0.00	0.00



Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy (Includes Posts)	Rate Frozen	Number of Posts Filled Additional to the Establishment
LIBRARY MAIL AND RELATED CLERKS, Permanent	2.00	2.00		0.00	0.00
LIGHT VEHICLE DRIVERS, Permanent	20.00	20.00		0.00	0.00
LOGISTICAL SUPPORT PERSONNEL, Permanent	35.00	20.00		42.86	0.00
MECHANICAL ENGINEERING THECHNICIANS, Permanent	8.00	8.00		0.00	0.00
MESSENGERS PORTERS AND DELIVERERS, Permanent	12.00	12.00		0.00	0.00
MOTOR VEHICLE DRIVERS, Permanent	46.00	46.00		0.00	0.00
MOTORISED FARM AND FORESTRY PLANT OPERATORS, Permanent	7.00	7.00		0.00	0.00
NATURAL SCIENCES RELATED, Permanent	5.00	5.00		0.00	0.00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL.TECHNI, Permanent	1.00	1.00		0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	208.00	206.00		0.96	0.00

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy (Includes Posts)	Rate Frozen	Number of Posts Filled Additional to the Establishment
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	16.00	14.00		12.50	0.00
OTHER INFORMATION TECHNOLOGY PERSONNEL., Permanent	2.00	2.00		0.00	0.00
OTHER MACHINE OPERATORS, Permanent	5.00	5.00		0.00	0.00
OTHER OCCUPATIONS, Permanent	52.00	52.00		0.00	0.00
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	3.00	3.00		0.00	0.00
SAFETY HEALTH AND QUALITY INSPECTORS, Permanent	2.00	2.00		0.00	0.00
SAPS, Permanent	1.00	1.00		0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	40.00	36.00		10.00	0.00
SECURITY GUARDS, Permanent	133.00	133.00		0.00	0.00
SECURITY OFFICERS, Permanent	3.00	3.00		0.00	0.00
SENIOR MANAGERS, Permanent	45.00	34.00		24.44	0.00
STATISTICIANS AND RELATED PROFESSIONALS, Permanent	1.00	1.00		0.00	0.00
TRADE LABOURERS, Permanent	1.00	1.00		0.00	0.00

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
VETERINARIANS, Permanent	35.00	35.00	0.00	0.00
VETERINARY ASSISTANTS, Permanent	18.00	18.00	0.00	0.00
TOTAL	3,201.00	2,765.00	13.62	0.00

## 2.4 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

*Table 3.3.1 SMS post information as on 1 April 2016 and 31 March 2017*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	5	4	80%	1	20%
Salary Level 14	8	6	75%	2	25%
Salary Level 13	45	32	71.1%	13	28.9%
<b>Total</b>	60	44	73.3%	16	26.7%

*Table 3.3.2 SMS post information as on 30 September 2016*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	5	3	60%	2	40%
Salary Level 14	8	4	50%	4	50%
Salary Level 13	45	30	67%	15	33%
<b>Total</b>	60	39	65%	21	35%

*Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 and 31 March 2017*

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Salary Level 15	1	0	1
Salary Level 14	3	2	1
Salary Level 13	13	2	11
<b>Total</b>	<b>17</b>	<b>4</b>	<b>13</b>

*Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017*

Reasons for vacancies not advertised within six months
The Department initiated a restructuring process as at 1 April 2016 and as such SMS had to be placed in appropriate posts.
6 SMS posts were obsolete on the structure and some new posts have also been introduced. Prior to filling new posts the department resolved that as far as possible existing staff would initially be accommodated.

Reasons for vacancies not filled within twelve months
Moratorium on the filling of posts due to agreement with Organised Labour pending the finalisation of the appointed
Placement process. When the posts were then advertised and interviewed, no suitable candidates could be
and some posts were re-advertised.

## Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 and 31 March 2017**

Reasons for vacancies not advertised within six months
Restructuring and the placement processes had to supersede the filling of vacant SMS posts which has to go
through a lengthy critical identification process and approval must be sought from both the Premier of KwaZulu-Natal

Reasons for vacancies not being filled within 12 months
Delay in the approval of panel nominations and numerous changes of panels by the delegated authority

## Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

### 2.5 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table 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 3.4.1 Job Evaluation by Salary band for the period 1 April 2016 and 31 March 2017*

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
01 Lower Skilled (Levels 1-2)	449	436	97.10	0	0.00	381	87.39



Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
02 Skilled (Levels 3-5)	1104	1012	91.67	0	0.00	1	0.10
03 Highly Skilled Production (Levels 6-8)	803	719	89.54	0	0.00	1	0.14
04 Highly Skilled Supervision (Levels 9-12)	642	380	59.19	0	0.00	0	0.00
05 Senior Management Service Band A	44	1	2.27	0	0.00	7	700.00
06 Senior Management Service Band B	6	0	0.00	0	0.00	0	0.00
07 Senior Management Service Band C	3	2	66.67	0	0.00	0	0.00

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
08 Senior Management Service Band D	1	0	0.00	0	0.00	0	0.00
09 Other	65	0	0.00	0	0.00	0	0.00
10 Contract (Levels 1-2)	14	14	100.00	0	0.00	0	0.00
11 Contract (Levels 3-5)	28	28	100.00	0	0.00	0	0.00
12 Contract (Levels 6-8)	15	9	60.00	0	0.00	0	0.00
13 Contract (Levels 9-12)	23	6	26.09	0	0.00	0	0.00
14 Contract Band A	1	0	0.00	0	0.00	0	0.00
15 Contract Band B	2	0	0.00	0	0.00	0	0.00
17 Contract Band D	1	1	100.00	0	0.00	0	0.00
<b>TOTAL</b>	<b>3201</b>	<b>2608</b>	<b>81.47</b>	<b>0</b>	<b>0.00</b>	<b>390</b>	<b>14.95</b>

***Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 and 31 March 2017***

<b>Gender</b>	<b>African</b>	<b>Asian</b>	<b>Coloured</b>	<b>White</b>	<b>Total</b>
Female	0	0	0	0	0
Male	0	0	0	0	0
Employees with a disability	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 and 31 March 2017**

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 and 31 March 2017**

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

#### Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

## 2.5 Employment Equity

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 and critical occupations (see definition in notes below).

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 and 31 March 2017**

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
01 Lower Skilled (Levels 1-2) Permanent	90	0	1	1.11
02 Skilled (Levels 3-5) Permanent	1185	0	81	6.84
03 Highly Skilled Production (Levels 6-8) Permanent	953	0	32	3.36
04 Highly Skilled Supervision (Levels 9-12) Permanent	489	0	29	5.93

04 Highly Skilled Supervision (Levels 9-12) Temporary	1	0	0	0.00
05 Senior Management Service Band A Permanent	35	0	2	5.71
06 Senior Management Service Band B Permanent	4	0	0	0.00
07 Senior Management Service Band C Permanent	3	0	0	0.00
08 Senior Management Service Band D Permanent	1	1	1	100.00
09 Other Permanent	1	67	19	1,900.00
11 Contract (Levels 3-5) Permanent	24	7	6	25.00
12 Contract (Levels 6-8) Permanent	13	2	4	30.77
13 Contract (Levels 9-12) Permanent	21	3	7	33.33
14 Contract Band A Permanent	1	2	1	100.00
15 Contract Band B Permanent	1	0	1	100.00
17 Contract Band D Permanent	1	0	0	0.00
<b>TOTAL</b>	<b>2823</b>	<b>96</b>	<b>184</b>	<b>6.52</b>

*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 and 31 March 2017*

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
ADMINISTRATIVE RELATED Permanent	43	2	3	6.98
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN Permanent	61	0	2	3.28
AGRICULTURE RELATED Permanent	336	0	16	4.76
AGRICULTURE RELATED Temporary	1	0	0	0.00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC. Permanent	4	0	0	0.00
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS Permanent	1	0	0	0.00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS Permanent	2	0	0	0.00
AUXILIARY AND RELATED WORKERS Permanent	40	0	4	10.00
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE. TECHNI Permanent	136	0	5	3.68
BIOLOGISTS BOTANISTS ZOOLOGISTS & REL PROFESSIONAL Permanent	4	0	0	0.00

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
BOOKBINDING AND RELATED MACHINE OPERATORS Permanent	2	0	0	0.00
BUILDING AND OTHER PROPERTY CARETAKERS Permanent	39	0	4	10.26
BUS AND HEAVY VEHICLE DRIVERS Permanent	16	0	1	6.25
CIVIL ENGINEERING TECHNICIANS Permanent	10	0	0	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	103	0	5	4.85
CLIENT INFORM CLERKS(SWITCHBOARD RECEPT INFORM CLERKS) Permanent	4	0	0	0.00
COMMUNICATION AND INFORMATION RELATED Permanent	9	0	1	11.11
COMMUNITY DEVELOPMENT WORKERS Permanent	1	0	0	0.00
COMPUTER PROGRAMMERS. Permanent	1	0	0	0.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS. Permanent	2	0	1	50.00



Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
CONSERVATION LABOURERS Permanent	1	0	0	0.00
ECONOMISTS Permanent	14	0	0	0.00
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS Permanent	1	0	0	0.00
ENGINEERING SCIENCES RELATED Permanent	11	0	1	9.09
ENGINEERS AND RELATED PROFESSIONALS Permanent	12	0	0	0.00
FARM HANDS AND LABOURERS Permanent	536	40	49	9.14
FARMING FORESTRY ADVISORS AND FARM MANAGERS Permanent	5	0	0	0.00
FINANCE AND ECONOMICS RELATED Permanent	15	0	1	6.67
FINANCIAL AND RELATED PROFESSIONALS Permanent	24	0	1	4.17
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	55	1	3	5.45
FOOD SERVICES AIDS AND WAITERS Permanent	1	0	0	0.00

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
FORESTRY LABOURERS Permanent	6	0	1	16.67
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent	3	0	1	33.33
HEALTH SCIENCES RELATED Permanent	1	0	0	0.00
HORTICULTURISTS FORESTERS AGRICUL.& FORESTRY TECHN Permanent	421	0	14	3.33
HOUSEHOLD AND LAUNDRY WORKERS Permanent	9	0	0	0.00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED Permanent	5	0	1	20.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS Permanent	9	0	0	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	23	0	1	4.35
HUMAN RESOURCES CLERKS Permanent	85	29	3	3.53
HUMAN RESOURCES RELATED Permanent	28	0	1	3.57
INFORMATION TECHNOLOGY RELATED Permanent	1	0	0	0.00

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN Permanent	9	0	1	11.11
LEGAL RELATED Permanent	1	0	0	0.00
LIBRARIANS AND RELATED PROFESSIONALS Permanent	3	0	0	0.00
LIBRARY MAIL AND RELATED CLERKS Permanent	2	0	0	0.00
LIGHT VEHICLE DRIVERS Permanent	26	0	4	15.38
LOGISTICAL SUPPORT PERSONNEL Permanent	25	1	4	16.00
MATERIAL-RECORDING AND TRANSPORT CLERKS Permanent	1	0	0	0.00
MECHANICAL ENGINEERING THECHNICIANS Permanent	8	0	1	12.50
MESSENGERS PORTERS AND DELIVERERS Permanent	23	0	2	8.70
MOTOR VEHICLE DRIVERS Permanent	47	2	3	6.38
MOTORISED FARM AND FORESTRY PLANT OPERATORS Permanent	5	0	0	0.00

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
NATURAL SCIENCES RELATED Permanent	5	0	0	0.00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL.TECHNI Permanent	1	0	0	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	186	17	13	6.99
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	22	0	0	0.00
OTHER INFORMATION TECHNOLOGY PERSONNEL. Permanent	2	0	0	0.00
OTHER MACHINE OPERATORS Permanent	4	1	0	0.00
OTHER OCCUPATIONS Permanent	71	1	13	18.31
PRODUCTION ADVISERS : FACTORIES Permanent	2	0	0	0.00
RISK MANAGEMENT AND SECURITY SERVICES Permanent	3	0	0	0.00
SAFETY HEALTH AND QUALITY INSPECTORS Permanent	5	0	0	0.00
SAPS Permanent	1	0	1	100.00

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	43	1	6	13.95
SECURITY GUARDS Permanent	149	0	10	6.71
SECURITY OFFICERS Permanent	3	0	0	0.00
SENIOR MANAGERS Permanent	30	1	3	10.00
STATISTICIANS AND RELATED PROFESSIONALS Permanent	1	0	0	0.00
TRADE LABOURERS Permanent	2	0	1	50.00
VETERINARIANS Permanent	42	0	2	4.76
VETERINARY ASSISTANTS Permanent	19	0	1	5.26
WATER PLANT AND RELATED OPERATORS Permanent	1	0	0	0.00
<b>TOTAL</b>	<b>2823</b>	<b>96</b>	<b>184</b>	<b>6.52</b>

## Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - i. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - ii. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - iii. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - iv. in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the department.

*Table 3.5.3 Reasons why staff left the department for the period 1 April 2016 and 31 March 2017*

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
01 Death, Permanent	28	15.22	1.01	184	2765
02 Resignation, Permanent	52	28.26	1.88	184	2765

03 Expiry of contract, Permanent	33	17.93	1.19	184	2765
06 Discharged due to ill health, Permanent	1	0.54	0.04	184	2765
07 Dismissal-misconduct, Permanent	3	1.63	0.11	184	2765
09 Retirement, Permanent	67	36.41	2.42	184	2765
<b>TOTAL</b>	<b>184</b>	<b>100.00</b>	<b>6.65</b>	<b>184</b>	<b>2765</b>

***Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017***

<b>Occupation</b>	<b>Employment at Beginning of Period</b>	<b>Promotions to another Salary Level</b>	<b>Salary Level Promotions as a % of Employment</b>	<b>Progressions to another Notch within Salary Level</b>	<b>Notch progressions as a % of Employment</b>
ADMINISTRATIVE RELATED	43	0	0.00	27	62.79
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN	61	0	0.00	32	52.46
AGRICULTURE RELATED	337	1	0.30	217	64.39
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	4	0	0.00	5	125.00
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS	1	0	0.00	1	100.00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS	2	0	0.00	2	100.00



Occupation	Employment at Beginning Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch Salary Level	Notch progressions as a % of Employment
AUXILIARY AND RELATED WORKERS	40	0	0.00	22	55.00
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE.TECHNI	136	0	0.00	96	70.59
BIOLOGISTS BOTANISTS ZOOLOGISTS & REL PROFESSIONAL	4	0	0.00	1	25.00
BOOKBINDING AND RELATED MACHINE OPERATORS	2	0	0.00	0	0.00
BUILDING AND OTHER PROPERTY CARETAKERS	39	0	0.00	16	41.03
BUS AND HEAVY VEHICLE DRIVERS	16	0	0.00	9	56.25
CIVIL ENGINEERING TECHNICIANS	10	0	0.00	5	50.00

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch Salary Level	Notch progressions as a % of Employment
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	103	0	0.00	2	1.94
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS)	4	0	0.00	4	100.00
COMMUNICATION AND INFORMATION RELATED	9	0	0.00	4	44.44
COMMUNITY DEVELOPMENT WORKERS	1	0	0.00	1	100.00
COMPUTER PROGRAMMERS.	1	0	0.00	0	0.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS.	2	0	0.00	1	50.00
CONSERVATION LABOURERS	1	0	0.00	0	0.00
ECONOMISTS	14	0	0.00	10	71.43

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch Salary Level	Notch progressions as a % of Employment
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS	1	0	0.00	0	0.00
ENGINEERING SCIENCES RELATED	11	0	0.00	8	72.73
ENGINEERS AND RELATED PROFESSIONALS	12	0	0.00	8	66.67
FARM HANDS AND LABOURERS	536	0	0.00	244	45.52
FARMING FORESTRY ADVISORS AND FARM MANAGERS	5	0	0.00	3	60.00
FINANCE AND ECONOMICS RELATED	15	0	0.00	10	66.67
FINANCIAL AND RELATED PROFESSIONALS	24	0	0.00	16	66.67
FINANCIAL CLERKS AND CREDIT CONTROLLERS	55	0	0.00	46	83.64

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch Salary Level	Notch progressions as a % of Employment
FOOD SERVICES AIDS AND WAITERS	1	0	0.00	0	0.00
FORESTRY LABOURERS	6	0	0.00	2	33.33
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	3	0	0.00	2	66.67
HEALTH SCIENCES RELATED	1	0	0.00	0	0.00
HORTICULTURISTS FORESTERS AGRICUL.& FORESTRY TECHN	421	0	0.00	188	44.66
HOUSEHOLD AND LAUNDRY WORKERS	9	0	0.00	3	33.33
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	5	0	0.00	0	0.00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	9	0	0.00	3	33.33

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch Salary Level	Notch progressions as a % of Employment
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	23	0	0.00	26	113.04
HUMAN RESOURCES CLERKS	85	0	0.00	54	63.53
HUMAN RESOURCES RELATED	28	1	3.57	21	75.00
INFORMATION TECHNOLOGY RELATED	1	0	0.00	0	0.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	9	0	0.00	8	88.89
LEGAL RELATED	1	0	0.00	1	100.00
LIBRARIANS AND RELATED PROFESSIONALS	3	0	0.00	1	33.33
LIBRARY MAIL AND RELATED CLERKS	2	0	0.00	2	100.00
LIGHT VEHICLE DRIVERS	26	0	0.00	10	38.46

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch Salary Level	Notch progressions as a % of Employment
LOGISTICAL SUPPORT PERSONNEL	25	0	0.00	0	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS	1	0	0.00	0	0.00
MECHANICAL ENGINEERING THECNICIANS	8	0	0.00	3	37.50
MESSENGERS PORTERS AND DELIVERERS	23	0	0.00	0	0.00
MOTOR VEHICLE DRIVERS	47	0	0.00	33	70.21
MOTORISED FARM AND FORESTRY PLANT OPERATORS	5	0	0.00	2	40.00
NATURAL SCIENCES RELATED	5	0	0.00	1	20.00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL.TECHNI	1	0	0.00	1	100.00

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch Salary Level	Notch progressions as a % of Employment
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	186	0	0.00	130	69.89
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	22	0	0.00	9	40.91
OTHER INFORMATION TECHNOLOGY PERSONNEL.	2	0	0.00	2	100.00
OTHER MACHINE OPERATORS	4	0	0.00	4	100.00
OTHER OCCUPATIONS	71	0	0.00	8	11.27
PRODUCTION ADVISERS : FACTORIES	2	0	0.00	0	0.00
RISK MANAGEMENT AND SECURITY SERVICES	3	0	0.00	2	66.67
SAFETY HEALTH AND QUALITY INSPECTORS	5	0	0.00	2	40.00
SAPS	1	0	0.00	1	100.00

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch Salary Level	Notch progressions as a % of Employment
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	43	1	2.33	21	48.84
SECURITY GUARDS	149	0	0.00	1	0.67
SECURITY OFFICERS	3	0	0.00	2	66.67
SENIOR MANAGERS	30	4	13.33	22	73.33
STATISTICIANS AND RELATED PROFESSIONALS	1	0	0.00	1	100.00
TRADE LABOURERS	2	0	0.00	0	0.00
UNKNOWN		0	0.00	2	0.00
VETERINARIANS	42	0	0.00	21	50.00
VETERINARY ASSISTANTS	19	0	0.00	17	89.47
WATER PLANT AND RELATED OPERATORS	1	0	0.00	0	0.00
TOTAL	2823	7	0.25	1396	49.45



***Table 3.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017***

<b>Salary Band</b>	<b>Employment at Beginning of Period</b>	<b>Promotions to another Salary Level</b>	<b>Salary Level Promotions as a % of Employment</b>	<b>Progressions to another Notch within Salary Level</b>	<b>Notch progressions as a % of Employment</b>
01 Lower Skilled (Levels 1-2), Permanent	90	0	0.00	1	1.11
02 Skilled (Levels 3-5), Permanent	1185	0	0.00	439	37.05
03 Highly Skilled Production (Levels 6-8), Permanent	953	1	0.10	580	60.86
04 Highly Skilled Supervision (Levels 9-12), Permanent	489	0	0.00	311	63.60
04 Highly Skilled Supervision (Levels 9-12), Temporary	1	0	0.00	1	100.00
05 Senior Management (Levels 13-16), Permanent	43	4	9.30	31	72.09
09 Other, Permanent	1	0	0.00	1	100.00

Salary Band	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
11 Contract (Levels 3-5), Permanent	24	0	0.00	14	58.33
12 Contract (Levels 6-8), Permanent	13	1	7.69	9	69.23
13 Contract (Levels 9-12), Permanent	21	0	0.00	9	42.86
14 Contract (Levels 13-16), Permanent	3	1	33.33	0	0.00
<b>TOTAL</b>	<b>2823</b>	<b>7</b>	<b>0.25</b>	<b>1396</b>	<b>49.45</b>

## 2.7 Employment Equity

Occupational Categories	Male, African	Male Coloured	Male, Indian	Male, Total Blacks	Male, White	Female African	Female, Coloured	Female Indian	Female Total Blacks	Female White	Total
01 - SENIOR OFFICIALS AND MANAGERS	15	0	1	16	3	12	0	1	13	3	35
02 - PROFESSIONALS	262	3	15	280	42	266	2	27	295	27	644
03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS	314	2	7	323	23	254	2	12	268	10	624
04 - CLERKS	118	0	2	120	0	246	8	21	275	12	407

05 - SERVICE SHOP AND MARKET SALES WORKERS	133	0	0	133	0	20	0	0	20	0	153
07 - CRAFT AND RELATED TRADE WORKERS	7	0	1	8	0	0	0	0	0	0	8
08 - PLANT AND MACHINE OPERATORS AND ASSEMBLERS	99	0	0	99	0	5	0	0	5	0	104
09 - LABOURERS AND RELATED WORKERS	436	1	1	438	2	347	0	3	350	0	790
<b>TOTAL</b>	<b>1384</b>	<b>6</b>	<b>27</b>	<b>1417</b>	<b>70</b>	<b>1150</b>	<b>12</b>	<b>64</b>	<b>1226</b>	<b>52</b>	<b>2765</b>

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 1 April 2016 and 31 March 2017**

Occupational Bands	Male, African	Male, Coloured	Male Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female Indian	Female, Total Blacks	Female, White	Total
01 Top Management, Permanent	1	0	0	1	1	2	0	0	2	0	4
02 Senior Management, Permanent	16	0	1	17	7	12	1	1	14	2	40
03 Professionally qualified and experienced specialists and mid-management, Permanent	280	4	19	303	54	200	1	23	224	25	606
03 Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0	1	1
04 Skilled technical and academically qualified workers,	298	1	4	303	6	420	6	34	460	20	789

Occupational Bands	Male, African	Male, Coloured	Male Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female Indian	Female, Total Blacks	Female, White	Total
junior management, supervisors, foremen, Permanent											
05 Semi-skilled and discretionary decision making, Permanent	677	1	3	681	2	394	4	6	404	2	1089
06 Unskilled and defined decision making, Permanent	50	0	0	50	0	37	0	0	37	0	87
07 Not Available, Permanent	22	0	0	22	0	43	0	0	43	0	65
08 Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
09 Contract (Senior Management), Permanent	2	0	0	2	0	0	0	0	0	1	3
10 Contract (Professionally Qualified), Permanent	11	0	0	11	0	11	0	0	11	1	23

Occupational Bands	Male, African	Male, Coloured	Male Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female Indian	Female, Total Blacks	Female, White	Total
11 Contract (Skilled Technical), Permanent	6	0	0	6	0	9	0	0	9	0	15
12 Contract (Semi-Skilled), Permanent	10	0	0	10	0	18	0	0	18	0	28
13 Contract (Unskilled), Permanent	10	0	0	10	0	4	0	0	4	0	14
<b>TOTAL</b>	<b>1384</b>	<b>6</b>	<b>27</b>	<b>1417</b>	<b>70</b>	<b>1150</b>	<b>12</b>	<b>64</b>	<b>1226</b>	<b>52</b>	<b>2765</b>

**Table 3.6.3 Recruitment for the period 1 April 2016 and 31 March 2017**

<b>Occupational Bands</b>	<b>Male, African</b>	<b>Male, Coloured</b>	<b>Male, Indian</b>	<b>Male, Total Blacks</b>	<b>Male, White</b>	<b>Female, African</b>	<b>Female, Coloured</b>	<b>Female Indian</b>	<b>Female, Total Blacks</b>	<b>Female, White</b>	<b>Total</b>
01 Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
07 Not Available, Permanent	24	0	0	24	0	43	0	0	43	0	67
09 Contract (Senior Management), Permanent	2	0	0	2	0	0	0	0	0	0	2
10 Contract (Professionally qualified), Permanent	1	0	0	1	0	2	0	0	2	0	3



Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female Indian	Female, Total Blacks	Female, White	Total
11 Contract (Skilled technical), Permanent	1	0	0	1	0	1	0	0	1	0	2
12 Contract (Semi-skilled), Permanent	3	0	0	3	0	4	0	0	4	0	7
13 Contract (Unskilled), Permanent	10	0	0	10	0	4	0	0	4	0	14
Employees with disabilities	1	0	0	1	0	1	0	0	1	0	2
<b>TOTAL</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>0</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>54</b>	<b>0</b>	<b>96</b>

*Table 3.6.4 Promotions for the period 1 April 2016 and 31 March 2017*

Occupational Bands	Male, African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
01 Top Management, Permanent	0	0	0	0	1	1	0	0	1	0	2
02 Senior Management, Permanent	12	1	1	14	4	11	1	1	13	2	33
03 Professionally qualified and experienced specialists and mid-management, Permanent	135	3	13	151	31	100	1	14	115	14	311
03 Professionally qualified and experienced specialists and	0	0	0	0	0	0	0	0	0	1	1

Occupational Bands	Male, African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
mid-management, Temporary											
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	214	1	2	217	5	314	5	29	348	11	581
05 Semi-skilled and discretionary decision making, Permanent	221	0	2	223	0	206	3	5	214	2	439
06 Unskilled and defined decision	0	0	0	0	0	1	0	0	1	0	1

Occupational Bands	Male, African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
making, Permanent											
07 Not Available, Permanent	0	0	0	0	0	1	0	0	1	0	1
09 Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
10 Contract (Professionally qualified), Permanent	6	0	0	6	0	2	0	0	2	1	9
11 Contract (Skilled technical), Permanent	4	0	0	4	0	6	0	0	6	0	10
12 Contract (Semi-skilled), Permanent	5	0	0	5	0	9	0	0	9	0	14
<b>TOTAL</b>	<b>598</b>	<b>5</b>	<b>18</b>	<b>621</b>	<b>41</b>	<b>651</b>	<b>10</b>	<b>49</b>	<b>710</b>	<b>31</b>	<b>1403</b>

***Table 3.6.5 Terminations for the period 1 April 2016 and 31 March 2017***

<b>Occupational Bands</b>	<b>Male African</b>	<b>Male, Coloured</b>	<b>Male Indian</b>	<b>Male Total Blacks</b>	<b>Male White</b>	<b>Female, African</b>	<b>Female Coloured</b>	<b>Female Indian</b>	<b>Female Total Blacks</b>	<b>Female White</b>	<b>Total</b>
01 Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
02 Senior Management, Permanent	2	0	0	2	0	0	0	0	0	0	2
03 Professionally qualified and experienced specialists and mid-management, Permanent	18	1	0	19	2	4	0	2	6	2	29
04 Skilled technical and academically	10	1	0	11	0	20	0	0	20	1	32

Occupational Bands	Male African	Male, Coloured	Male Indian	Male Total Blacks	Male White	Female, African	Female Coloured	Female Indian	Female Total Blacks	Female White	Total
qualified workers, junior management, supervisors, foremen, Permanent											
05 Semi-skilled and discretionary decision making, Permanent	60	0	0	60	0	21	0	0	21	0	81
06 Unskilled and defined decision making, Permanent	0	0	0	0	0	1	0	0	1	0	1
07 Not Available, Permanent	5	0	0	5	0	14	0	0	14	0	19

Occupational Bands	Male African	Male, Coloured	Male Indian	Male Total Blacks	Male White	Female, African	Female Coloured	Female Indian	Female Total Blacks	Female White	Total
09 Contract (Senior Management), Permanent	1	0	0	1	0	1	0	0	1	0	2
10 Contract (Professionally qualified), Permanent	3	0	0	3	0	3	0	0	3	1	7
11 Contract (Skilled technical), Permanent	2	0	0	2	0	2	0	0	2	0	4
12 Contract (Semi-skilled), Permanent	2	0	0	2	0	4	0	0	4	0	6
<b>TOTAL</b>	<b>104</b>	<b>2</b>	<b>0</b>	<b>106</b>	<b>2</b>	<b>70</b>	<b>0</b>	<b>2</b>	<b>72</b>	<b>4</b>	<b>184</b>

***Table 3.6.6 Disciplinary action for the period 1 April 2016 and 31 March 2017***

Disciplinary action	Male African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female Total Blacks	Female White	Total
FINAL WRITTEN WARNING	0	0	0	0	1	0	0	0	0	0	1
WRITTEN WARNING	1	0	0	1	0	0	0	0	0	0	1
TOTAL	1	0	0	1	1	0	0	0	0	0	2

***Table 3.6.7 Skills development for the period 1 April 2016 and 31 March 2017***

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	158	7	8	16	110	6	7	8	320
Professionals	497	20	25	43	349	22	14	10	980
Technicians and associate professionals	224	10	5	29	191	11	2	1	473
Clerks	124	4	9	15	140	8	16	18	334
Service and sales workers	6	1	1	0	11	2	0	0	21



Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	00
Craft and related trades workers	0	0	0	0	0	0	0	0	00
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	00
Elementary occupations	92	3	0	0	85	5	0	0	185
<b>Total</b>	<b>1101</b>	<b>45</b>	<b>48</b>	<b>103</b>	<b>886</b>	<b>54</b>	<b>39</b>	<b>37</b>	<b>2313</b>
<b>Employees with disabilities</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>00</b>

## 2.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

***Table 3.7.1 Signing of Performance Agreements by SMS members as on 1 April 2016 and 31 March 2017***

<b>SMS Level</b>	<b>Total number of funded SMS posts</b>	<b>Total number of SMS members</b>	<b>Total number of signed performance agreements</b>	<b>Signed performance agreements as % of total number of SMS members</b>
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	N/A	N/A	N/A	N/A
Salary Level 15	3	2	2	67%
Salary Level 14	8	3	3	37%
Salary Level 13	35	29	29	83%
<b>Total</b>	<b>47</b>	<b>35</b>	<b>35</b>	<b>84%</b>

## Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2016.

***Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 1 April 2016 and 31 March 2017***

<b>Reasons</b>
<b>Structural problem, some of the SMS Members are not yet placed on the new approved structure</b>

## Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

***Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 1 April 2016 and 31 March 2017***

Reasons
The report was written on non-compliance and the HoD was advice to take disciplinary actions against those who did not comply. Furthermore, Table 3.7.2 should be taken into account in this regard.

## Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

## 2.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

**Table 3.8.1 Performance Rewards by race, gender and disability for the period to 1 April 2016 and 31 March 2017**

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	153.00	1,144.00	13.37	1,897.24	12,400.26
African, Male	215.00	1,372.00	15.67	2,808.91	13,064.69
Asian, Female	25.00	64.00	39.06	553.48	22,139.02
Asian, Male	10.00	27.00	37.04	246.77	24,677.03
Coloured, Female	4.00	12.00	33.33	98.90	24,724.06
Coloured, Male	4.00	6.00	66.67	82.20	20,549.78
Total Blacks, Female	182.00	1,220.00	14.92	2,549.61	14,008.86
Total Blacks, Male	229.00	1,405.00	16.30	3,137.88	13,702.52
White, Female	26.00	51.00	50.98	633.98	24,383.97
White, Male	25.00	69.00	36.23	788.18	31,527.28
Employees with a disability	4.00	20.00	20.00	54.63	13,656.30
<b>TOTAL</b>	<b>466.00</b>	<b>2,765.00</b>	<b>16.85</b>	<b>7,164.28</b>	<b>15,373.99</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 and 31 March 2017**

Salary Band	Number of Beneficiaries	Total Employees	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
01 Lower Skilled (Levels 1-2)	9.00	87.00	10.34	51.09	5,676.19
02 Skilled (Levels 3-5)	176.00	1,089.00	16.16	1,344.83	7,641.07
03 Highly Skilled Production (Levels 6-8)	154.00	789.00	19.52	2,399.39	15,580.44
04 Highly Skilled Supervision (Levels 9-12)	126.00	607.00	20.76	3,341.35	26,518.68
09 Other	0.00	65.00	0.00	0.00	0.00
10 Contract (Levels 1-2)	0.00	14.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	0.00	28.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	0.00	15.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	1.00	23.00	4.35	27.62	27,624.45
<b>TOTAL</b>	<b>466.00</b>	<b>2,717.00</b>	<b>17.15</b>	<b>7,164.28</b>	<b>15,373.99</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2016 and 31 March 2017**

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
ADMINISTRATIVE RELATED	9.00	41.00	21.95	189.24	21,026.72
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN	8.00	50.00	16.00	184.30	23,037.90
AGRICULTURE RELATED	58.00	399.00	14.54	1,288.79	22,220.51
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	2.00	6.00	33.33	20.24	10,120.73
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS	1.00	1.00	100.00	16.57	16,565.10
ARTISAN PROJECT AND RELATED SUPERINTENDENTS	1.00	2.00	50.00	12.16	12,156.48
AUXILIARY AND RELATED WORKERS	11.00	34.00	32.35	105.64	9,603.21

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE.TECHNI	28.00	140.00	20.00	576.57	20,591.75
BIOLOGISTS BOTANISTS ZOOLOGISTS & REL PROFESSIONAL	0.00	2.00	0.00	0.00	0.00
BOOKBINDING AND RELATED MACHINE OPERATORS	1.00	2.00	50.00	5.50	5,503.65
BUILDING AND OTHER PROPERTY CARETAKERS	2.00	33.00	6.06	13.21	6,604.38
BUS AND HEAVY VEHICLE DRIVERS	3.00	24.00	12.50	24.66	8,221.03
CIVIL ENGINEERING TECHNICIANS	5.00	10.00	50.00	105.95	21,189.77
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	22.00	127.00	17.32	157.96	7,179.81
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS)	1.00	5.00	20.00	5.62	5,620.05

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
COMMUNICATION AND INFORMATION RELATED	2.00	8.00	25.00	40.70	20,348.61
COMMUNITY DEVELOPMENT WORKERS	1.00	2.00	50.00	12.74	12,744.15
COMPUTER PROGRAMMERS.	0.00	1.00	0.00	0.00	0.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS.	1.00	1.00	100.00	28.95	28,945.56
CONSERVATION LABOURERS	0.00	1.00	0.00	0.00	0.00
ECONOMISTS	2.00	14.00	14.29	34.45	17,225.70
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS	1.00	1.00	100.00	33.54	33,544.50
ENGINEERING SCIENCES RELATED	0.00	9.00	0.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS	5.00	11.00	45.45	188.44	37,687.39



Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
FARM HANDS AND LABOURERS	67.00	551.00	12.16	488.47	7,290.63
FARMING FORESTRY ADVISORS AND FARM MANAGERS	2.00	4.00	50.00	26.12	13,061.25
FINANCE AND ECONOMICS RELATED	8.00	13.00	61.54	223.69	27,960.81
FINANCIAL AND RELATED PROFESSIONALS	9.00	20.00	45.00	184.46	20,495.43
FINANCIAL CLERKS AND CREDIT CONTROLLERS	21.00	55.00	38.18	282.82	13,467.49
FOOD SERVICES AIDS AND WAITERS	0.00	1.00	0.00	0.00	0.00
FORESTRY LABOURERS	2.00	4.00	50.00	12.11	6,054.02
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	1.00	2.00	50.00	40.52	40,519.65
GEOLOGISTS GEOPHYSICISTS HYDROLOGISTS & RELAT PROF	1.00	1.00	100.00	28.56	28,563.84

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
HEALTH SCIENCES RELATED	1.00	1.00	100.00	5.50	5,503.65
HORTICULTURISTS FORESTERS AGRICUL.& FORESTRY TECHN	35.00	326.00	10.74	658.27	18,807.75
HOUSEHOLD AND LAUNDRY WORKERS	3.00	9.00	33.33	22.76	7,585.74
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	1.00	4.00	25.00	8.82	8,816.40
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	6.00	9.00	66.67	39.63	6,604.38
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	11.00	29.00	37.93	181.73	16,520.51
HUMAN RESOURCES CLERKS	16.00	103.00	15.53	227.74	14,233.63
HUMAN RESOURCES RELATED	9.00	28.00	32.14	346.86	38,539.92
INFORMATION TECHNOLOGY RELATED	0.00	1.00	0.00	0.00	0.00

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	2.00	9.00	22.22	38.27	19,133.63
LEGAL RELATED	1.00	1.00	100.00	35.97	35,970.00
LIBRARIANS AND RELATED PROFESSIONALS	2.00	3.00	66.67	37.71	18,853.02
LIBRARY MAIL AND RELATED CLERKS	1.00	2.00	50.00	9.09	9,089.10
LIGHT VEHICLE DRIVERS	5.00	20.00	25.00	35.44	7,088.67
LOGISTICAL SUPPORT PERSONNEL	0.00	20.00	0.00	0.00	0.00
MECHANICAL ENGINEERING THECHNICIANS	1.00	8.00	12.50	17.58	17,578.44
MESSENGERS PORTERS AND DELIVERERS	5.00	12.00	41.67	59.22	11,843.32
MOTOR VEHICLE DRIVERS	12.00	46.00	26.09	90.35	7,529.07
MOTORISED FARM AND FORESTRY PLANT OPERATORS	0.00	7.00	0.00	0.00	0.00

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
NATURAL SCIENCES RELATED	1.00	5.00	20.00	20.51	20,514.00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL. TECHNI	0.00	1.00	0.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	42.00	206.00	20.39	512.43	12,200.81
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	3.00	14.00	21.43	48.97	16,322.41
OTHER INFORMATION TECHNOLOGY PERSONNEL.	0.00	2.00	0.00	0.00	0.00
OTHER MACHINE OPERATORS	0.00	5.00	0.00	0.00	0.00
OTHER OCCUPATIONS	7.00	52.00	13.46	46.23	6,603.73
RISK MANAGEMENT AND SECURITY SERVICES	0.00	3.00	0.00	0.00	0.00
SAFETY HEALTH AND QUALITY INSPECTORS	0.00	2.00	0.00	0.00	0.00
SAPS	0.00	1.00	0.00	0.00	0.00

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	9.00	36.00	25.00	109.24	12,137.70
SECURITY GUARDS	7.00	133.00	5.26	53.36	7,623.14
SECURITY OFFICERS	1.00	3.00	33.33	18.73	18,729.00
SENIOR MANAGERS	0.00	34.00	0.00	0.00	0.00
STATISTICIANS AND RELATED PROFESSIONALS	0.00	1.00	0.00	0.00	0.00
TRADE LABOURERS	0.00	1.00	0.00	0.00	0.00
VETERINARIANS	7.00	35.00	20.00	165.55	23,649.63
VETERINARY ASSISTANTS	3.00	18.00	16.67	42.38	14,125.02
<b>TOTAL</b>	<b>466.00</b>	<b>2,765.00</b>	<b>16.85</b>	<b>7,164.28</b>	<b>15,373.99</b>

## Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - i. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - ii. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - iii. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - iv. in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

SMS Band	Number of Beneficiaries	Total Employees	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	0.00	35.00	0.00	0.00	0.00	0.00	38,998.29
Band B	0.00	8.00	0.00	0.00	0.00	0.00	7,737.69
Band C	0.00	3.00	0.00	0.00	0.00	0.00	4,557.85
Band D	0.00	2.00	0.00	0.00	0.00	0.00	3,570.58

<b>TOTAL</b>	<b>0.00</b>	<b>48.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>54,864.41</b>
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*Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period **1 April 2016 and 31 March***

## 2.8 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

*Table 3.9.1 Foreign workers by salary band for the period 1 April 2016 and 31 March 2017*

Salary Band	Employment at Beginning of Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled supervision (Levels 9-12)	11	91.67	18	90.00	7	87.50	12	20	8
Skilled (Levels 3-5)	1	8.33	2	10.00	1	12.50	12	20	8
<b>TOTAL</b>	<b>12</b>	<b>100.00</b>	<b>20</b>	<b>100.00</b>	<b>8</b>	<b>100.00</b>	<b>12</b>	<b>20</b>	<b>8</b>



*Table 3.9.2 Foreign workers by major occupation for the period 1 April 2016 and 31 March 2017*

Major Occupation	Employment at Beginning of Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Administrative office workers	1	8.33	2	10.00	1	12.50	12	20	8
Professionals and managers	9	75.00	14	70.00	5	62.50	12	20	8
Technicians and associated professionals	2	16.67	4	20.00	2	25.00	12	20	8
TOTAL	12	100.00	20	100.00	8	100.00	12	20	8

## 2.9 Leave utilisation

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 and disability leave. In both cases, the estimated cost of the leave is also provided.

*Table 3.10.1 Sick leave for the period 1 January 2016 to 31 December 2016*

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Contract (Levels 3-5)	42	40.48	11	.75	3.82	29.00	1471	17
Contract (Levels 6-8)	21	57.14	7	.48	3	25.00	1471	12
Contract (Levels 9-12)	27	77.78	7	.48	3.86	51.00	1471	21
Contract Other	20	20	13	.88	1.54	7.00	1471	4
Highly skilled	3963	56.07	484	32.9	8.19	5174.00	1471	2222

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
production (Levels 6-8)								
Highly skilled supervision (Levels 9-12)	2137	61.77	300	20.39	7.12	4496.00	1471	1320
Lower skilled (Levels 1-2)	311	50.89	45	3.06	6.9	146.00	1471	158
Senior management (Levels 13-16)	240	62.92	29	1.97	8.28	902.00	1471	151
Skilled (Levels 3-5)	4542	59.18	575	39.09	7.9	2989.00	1471	2688
<b>TOTAL</b>	<b>11303</b>	<b>58.33</b>	<b>1471</b>	<b>100</b>	<b>7.68</b>	<b>13819.00</b>	<b>1471</b>	<b>6593</b>

*Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016*

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Highly skilled production (Levels 6-8)	502	100	11	52.38	45.64	671.00	502.00	21
Highly skilled supervision (Levels 9-12)	152	100	3	14.29	50.67	299.00	152.00	21
Senior management (Levels 13-16)	9	100	1	4.76	9	38.00	9.00	21
Skilled (Levels 3-5)	173	49.71	6	28.57	28.83	51.00	86.00	21
<b>TOTAL</b>	<b>836</b>	<b>89.59</b>	<b>21</b>	<b>100</b>	<b>39.81</b>	<b>1059.00</b>	<b>749.00</b>	<b>21</b>

The table below summarises the utilisation 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 3.10.3 Annual Leave for the period 1 January 2016 to 31 December 2016*

Salary Band	Total Days Taken	Average Days per Employee	Number of Employees who took leave
Contract (Levels 1-2)	1	1	1
Contract (Levels 13-16)	20	6.67	3
Contract (Levels 3-5)	29	3.63	8
Contract (Levels 6-8)	113	12.56	9
Contract (Levels 9-12)	253	14.88	17
Contract Other	121	4.03	30
Highly skilled production (Levels 6-8)	17525	20.21	867
Highly skilled supervision (Levels 9-12)	13304	21.39	622
Lower skilled (Levels 1-2)	1187	13.64	87
Senior management (Levels 13-16)	849	19.3	44
Skilled (Levels 3-5)	24396	21.86	1116
<b>TOTAL</b>	<b>57797</b>	<b>20.61</b>	<b>2804</b>

*Table 3.10.4 Capped leave for the period 1 January 2016 to 31 December 2016*

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period	Number of Employees as at end of period
Contract (Levels 13-16)			47.93		47.93	1
Highly skilled production (Levels 6-8)	50	3.85	77.62	13	24916.87	321
Highly skilled supervision (Levels 9-12)	37	3.7	134.77	10	45955.29	341
Senior management (Levels 13-16)	7	3.5	124.66	2	2243.79	18
Skilled (Levels 3-5)	92	5.75	98.47	16	74049.73	752
<b>TOTAL</b>	<b>186</b>	<b>4.54</b>	<b>102.73</b>	<b>41</b>	<b>147213.61</b>	<b>1433</b>

*Table 3.10.5 Leave payouts for the period 1 April 2016 and 31 March 2017*

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2016/17 due to non-utilisation of leave for the previous cycle	None	None	None
Capped leave pay-outs on termination of service for 2016/17	R9 790 652.83	103	R19 000
Current leave pay-out on termination of service for 2016/17	R1 742 936.87	177	R30 000
<b>Total</b>	<b>R11 503 589.70</b>	<b>270</b>	<b>R49 000</b>

## 2.8 HIV/AIDS & Health Promotion Programmes

*Table 3.11.1 Steps taken to reduce the risk of occupational exposure*

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Nil	N/A

*Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)*

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.			Ms. CGL Lembethe
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, 8 employees with a dedicated budget R8, 005,000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.			Behaviour modification on self-management (financial literacy, life skills, health and productivity management, promotion of physical fitness and HIV/ AIDS, STI & TB Management
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.			Ms. GJ Majola – Champion Ms. CGL Lembethe – Chairperson Mrs. GN Mavundla – Deputy Chairperson MS. L . Zwane – Member (left the Department)

Question	Yes	No	Details, if yes
			Dr. D. Ngobese – Member Pastor. CB Sibiya – Member Mrs. H. Nkosi – Member Ms. S. Reddy - Member Mr. M. Mbanjwa -PSA Member Ms. N. Mchunu – NUPSAW Member PSA & HORSPESA – nominations awaited Ms. GN Mtshali – Secretariat Ms. H. Makhanya - Secretariat
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.			No recent engagements with regards to mainstreaming of EH&WP into HR Policies
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.			The current Departmental policy makes provision for protection of human rights.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.			<b>10 HCT screenings are held quarterly across the Department</b>
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			Not yet



## 2.9 Labour Relations Programmes

**Table 3.12.1 Collective agreements for the period 1 April 2016 and 31 March 2017**

Collective agreement	Number	Total
Nil	Nil	Nil
Nil	Nil	Nil
<b>TOTAL:</b>	<b>xxx</b>	<b>xxx</b>

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 and 31 March 2017**

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
DISMISSAL	4	15	4
SUSPENSION WITHOUT PAY	2	7	2
DEMOTION	1	4	1
FINAL WRITTEN WARNING	5	18	5
WRITTEN WARNING	11	41	11
NOT GUILTY / NO SUBSTANCE	4	15	4
TOTAL	27	100	27

***Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 and 31 March 2017***

Type of misconduct	Number	Percentage of Total	Total
PROCUREMENT IRREGULARITIES	4	15	4
FINANCIAL MISCONDUCT	3	11	3
DISHONESTY	4	15	4
MISUSE OF STATE VEHICLES	4	15	4
NEGLIGENCE	1	3	1
ABSENTEEISM	4	15	4
REMUNERATIVE WORK	3	11	3
OTHER	4	15	4
TOTAL	27	100	27

***Table 3.12.4 Grievances logged for the period 1 April 2016 and 31 March 2017***

Number of grievances addressed	Number	Percentage of Total	Total
Not resolved	19	37	19
Resolved	32	63	32
<b>TOTAL</b>	<b>51</b>	<b>100</b>	<b>51</b>

*Table 3.12.5 Disputes logged with Councils for the period 1 April 2016 and 31 March 2017*

Disputes	Number	Percentage of Total
UNFAIR LABOUR PRACTICES	20	56
UNFAIT DISMISSAL	5	14
UNILATERAL CHANGES TO TERMS AND CONDITIONS OF EMPLOYMENT	2	5
INTERPRETATION AND APPLICATION OF COLLECTIVE AGREEMENTS	2	5
OTHER	7	20
<b>TOTAL:</b>	<b>36</b>	<b>100</b>

*Table 3.12.6 Strike actions for the period 1 April 2016 and 31 March 2017*

Generic Column Header	Generic Column Header	Generic Column Header
Nil	0	0
<b>TOTAL:</b>	<b>0</b>	<b>0</b>

*Table 3.12.7 Precautionary suspensions for the period 1 April 2016 and 31 March 2017*

Generic Column Header	Generic Column Header	Generic Column Header
PRECAUTIONARY SUSPENSIONS	5	4
<b>TOTAL:</b>	<b>5</b>	<b>4</b>

## 2.10 Skills Development Programme

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

***Table 3.13.1 Training needs identified for the period 1 April 2016 and 31 March 2017***

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learners hips	Skills Program mes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	140	0	131		131
	Male	171	0	190		190
Professionals	Female	161	0	389		389
	Male	140	0	553		553
Technicians and associate professionals	Female	358	0	190		190
	Male	338	0	244		244
Clerks	Female	269	0	190		190
	Male	125	0	153		153
Service and sales workers	Female	26	0	14		14
	Male	9	0	7		7
	Female	4	0	0		0

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learners hips	Skills Program mes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Male	41	0	0		0
Craft and related trades workers	Female		0	0		0
	Male	2	0	0		0
Plant and machine operators and assemblers	Female		0	0		0
	Male	104	0	0		0
Elementary occupations	Female	558	3	90		90
	Male	236	5	95		95
Sub Total	Female	1516	3	1004		1004
	Male	1166	5	1242		1242
<b>Total</b>		<b>2682</b>	<b>8</b>	<b>2246</b>		<b>2246</b>

Occupational category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learners hips	Skills Program mes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	79	0	79	0	79
	Male	68	0	68	0	68
Technicians and associate professionals	Female	25	10	25	0	25
	Male	22	10	22	0	22
Clerks	Female	16	0	16	0	16
	Male	8	0	8	0	8
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	120	10	120	0	120
	Male	98	10	98	0	98
<b>Total</b>		<b>218</b>	<b>20</b>	<b>218</b>	<b>0</b>	<b>218</b>

Table 3.13.2 Training provided for the period 1 April 2016 and 31 March 2017

## Injury on duty2.9 Labour Relations Programmes

### 2.11 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2016 and 31 March 2017

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	

### 2.12 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations “consultant’ means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 and 31 March 2017**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Verification of qualifications	One	n/a	R59,346.80
Competency assessments	Three	n/a	R53,242.00
Thandile Health Risk	One	n/a	R111,504.48
Due Diligence of Mjindi Farming (Pty) Ltd	One	160	R2,172,600

## 2 13 Severance Packages

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2016 and 31 March 2017**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by the Department
Lower skilled (Levels 1-2)	0.00	0.00	0.00	



Skilled Levels 3-5)	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
Highly skilled production (Levels 6-8)	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
Highly skilled supervision(Levels 9-12)	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
Senior management (Levels 13-16)	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

## **PART E: FINANCIAL INFORMATION**

### **1. REPORT OF THE AUDITOR GENERAL**

This is the Auditors Report as issued by AGSA

### **2. ANNUAL FINANCIAL STATEMENTS**

The Departmental audited set of financial statements

# **AUDITOR'S REPORT**

## **FOR THE YEAR ENDED 31 MARCH 2017**

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT  
KWAZULU-NATAL**



# **Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on Vote no. 3: Department of Agriculture and Rural Development**

## **Report on the audit of the financial statements**

### **Qualified opinion**

1. I have audited the financial statements of the KwaZulu-Natal Department of Agriculture and Rural Development set out on pages 244 to 334, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture and Rural Development as at 31 March 2017 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

### **Basis for qualified opinion**

#### **Irregular expenditure**

3. The department did not include particulars of all irregular expenditure in the notes to the financial statements, as required by section 40(3)(i) of the PFMA, due to the department not having adequate systems of internal control for the recording of all transactions and awards that did not comply with supply chain management prescripts. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure stated at R94,33 million in the financial statements.

### Moveable tangible capital assets

4. The department did not maintain accurate records of locations of movable tangible capital assets. As a result, property and equipment amounting to R50 million could not be located during the physical verification. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to moveable tangible capital assets stated at R677,39 million in the financial statements.

### Commitments

5. I was unable to obtain sufficient and appropriate audit evidence for commitments, as the department did not maintain accurate and complete records of the contractual information used to determine commitments. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to commitments stated at R148,14 million in the financial statements.
6. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
7. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Other matter

9. I draw attention to the matter below.

### Unaudited supplementary schedules

10. The supplementary information set out on pages 314 to 334 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## **Responsibilities of the accounting officer for the financial statements**

National Treasury and the requirements of the PFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

12. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as

part of the reported performance information. Accordingly, my findings do not extend to these matters.

- 17.I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for programme 2 – agricultural development presented in the annual performance report of the department for the year ended 31 March 2017.
- 18.I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 19.The material findings in respect of the reliability of the selected programme are as follows:

## **Programme 2 – agricultural development**

### **Various indicators**

- 20.I was unable to obtain sufficient appropriate audit evidence for the reported achievement of various targets. This was due to limitations placed on the scope of my work as detailed listings of reported achievements were not made available. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements for the following 24 indicators:

■ Number of agricultural infrastructure established ■ Number of boreholes established ■ Number of km of fencing erected ■ Number of farmers supported ■ Number of smallholder producers receiving support ■ Number of commercial farmers supported ■ Number of smallholder producers supported with agricultural advice ■ Number of hectares under irrigation used by smallholder farmers ■ Number of jobs created ■ Number of communal estates established ■ Number of hectares of maize established ■ Number of hectares of beans established ■ Number of hectares of vegetables established ■ Number of hectares of soya beans established ■ Number of hectares of groundnuts established ■ Number of hectares of cotton established ■ Number of households benefiting from agricultural food security initiatives ■ Number of hectares cultivated for food production in communal areas and land reform projects ■ Number of household gardens established ■ Number of animals subjected to veterinary interventions ■ Number of epidemiological units visited

projects ■ Number of household gardens established ■ Number of animals subjected to veterinary interventions ■ Number of epidemiological units visited for veterinary interventions ■ Animals vaccinated for control / notifiable diseases ■ Number of clients serviced for animal and animal products export control ■ Number of veterinary laboratory quality control tests which meets the ISO 17025 standard

21. The department did not have an adequate performance management system to maintain records to enable reliable reporting on achievement of targets. Sufficient appropriate audit evidence could not be provided in some instances while in other cases the evidence provided did not agree to the recorded achievements. This resulted in a misstatement of the target achievements reported. I was also unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements for the following eight indicators:

■ Number of dip tanks constructed ■ Number of dip tanks rehabilitated ■ Number of projects of animal houses implemented (Piggery, poultry, etc.) ■ Number of Agro-Processing facilities established (Pack houses, dairy parlour, sheep shearing, sheds etc.) ■ Number of disaster relief schemes managed ■ Number of community gardens established ■ Number of institutional gardens supported ■ Number of food security livestock projects established (Goats, layers and indigenous chickens).

## **Other matters**

22. I draw attention to the matters below.

### **Achievement of planned targets**

23. The annual performance report on pages 36 to 92 includes information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraph 20 and 21 of this report.

### **Adjustment of material misstatements**

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of agricultural development. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information.



## **Report on audit of compliance with legislation**

### **Introduction and scope**

25. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
26. The material findings in respect of the compliance criteria for the applicable subject matters is as follows:

#### **Procurement and contract management**

27. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1.
28. Contracts were awarded to bidders who did not submit a declaration of past supply chain practices such as fraud, abuse of SCM system and non-performance, which is prescribed in order to comply with treasury regulation 16A9.2.
29. Contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by treasury regulation 16A9.1 (d) and the Preferential Procurement Regulations.
30. Contracts were extended or modified without the approval of a properly delegated official as required by treasury regulation 8.1 and 8.2. and section 44 of the PFMA.

#### **Annual financial statements**

31. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements of transfer payments and commitments identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

#### **Expenditure management**

32. Effective steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph.

## Consequence management

33. Disciplinary steps were not taken against some of the officials who had incurred or permitted irregular expenditure amounting to R66,35 million, as required by section 38(1)(h)(iii) of the PFMA.

## Strategic planning and performance management

34. Specific and appropriate information systems to enable the department to monitor progress made towards achieving the goals, targets and core objectives, as indicated in the annual performance plan, were not implemented and operational as required by public service regulations 25(1), 25(3)(a) and 29.

## Utilisation of conditional grants

35. The comprehensive agricultural support programme grant was not spent in accordance with the applicable grant framework, in contravention of section 17(1) of DoRA.

## Other information

36. The accounting officer of the department is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
37. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
38. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Internal control deficiencies**

39. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

### **Leadership**

40. Leadership did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance with legislation. In this regard, the accounting officer did not appropriately monitor the implementation of asset management policies and procedures as well as capacitation of the monitoring and evaluation section. In addition, leadership did not effectively monitor action plans to address internal controls within procurement and contract management to ensure compliance with legislative requirements.

### **Financial and performance management**

41. Management did not prepare regular, accurate and complete financial and performance reports that were supported by reliable information as evidenced by the material misstatements identified in the annual financial statements and material findings on the annual performance report. This is due to inadequate controls over contract management and asset management as well as inadequate processes for the co-ordination of information from the regions to support reported achievements for performance information.

## **Other reports**

42. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

### **Investigations**

43. Three independent consulting firms performed an investigation at the request of the department, which covered the period 2011 to 2012. The investigation was initiated based on an allegation of possible misappropriation of the

department's assets. The investigation was concluded and disciplinary action is in progress.

44. The provincial treasury's internal audit unit performed 19 investigations on possible supply chain management irregularities covering the period from 2010 to 2015. Four investigations were completed and two are in progress. Furthermore, the IAU is conducting an investigation on the distribution of feed to farmers and the use of the department's assets.
45. An internal investigation on the delivery of fencing was finalised as well as the disciplinary process. There is an internal investigation on the procurement of security services that is in progress.
46. The Special Investigations Unit is conducting an investigation into supply chain management processes covering the period 2011 to February 2017. The investigation is currently in progress.

*Auditor-General*

Pietermaritzburg

31 July 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the KwaZulu-Natal Department of Agriculture and Rural Development’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

## ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

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VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

Appropriation per programme									
2016/17								2015/16	
	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>Programme</b>									
1. Administration	491 622	53	(33 880)	457 795	457 419	376	99.9%	372 124	341 761
2. Agriculture	1 711 598	(1 748)	34 340	1 744 190	1 744 190	-	100.0%	1 918 360	1 855 535
3. Rural Development	13 522	1 695	(460)	14 757	14 757	-	100.0%	1 995	1 891
Subtotal	2 216 742	-	-	2 216 742	2 216 366	376	100.0%	2 292 479	2 199 187
Statutory Appropriation	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>2 216 742</b>	<b>-</b>	<b>-</b>	<b>2 216 742</b>	<b>2 216 366</b>	<b>376</b>	<b>100.0%</b>	<b>2 292 479</b>	<b>2 199 187</b>
<b>ADD</b>									
Departmental receipts				20 023				23 712	
NRF Receipts								2 482	
Aid assistance									
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>2 236 765</b>				<b>2 318 673</b>	
<b>ADD</b>									
Aid assistance									2 894
Prior year unauthorised expenditure approved without funding									
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>2 216 366</b>				<b>2 202 081</b>



VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT  
For the year ended 31 March 2017

Appropriation per economic classification									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'00 0	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 576 383</b>	<b>445</b>	<b>(3 514)</b>	<b>1 573 314</b>	<b>1 638 403</b>	<b>(65 089)</b>	<b>104.1%</b>	<b>1 764 494</b>	<b>1 738 423</b>
<b>Compensation of employees</b>	<b>966 724</b>	<b>-</b>	<b>(15 860)</b>	<b>950 864</b>	<b>950 488</b>	<b>376</b>	<b>100.0%</b>	<b>914 999</b>	<b>911 392</b>
Salaries and wages	825 857	(218)	(10 625)	815 014	815 014	-	100.0%	784 174	781 300
Social contributions	140 867	218	(5 235)	135 850	135 474	376	99.7%	130 825	130 092
<b>Goods and services</b>	<b>609 588</b>	<b>445</b>	<b>12 158</b>	<b>622 191</b>	<b>694 322</b>	<b>(72 131)</b>	<b>110.5%</b>	<b>849 268</b>	<b>826 804</b>
Administrative fees	2 109	-	545	2 654	2 654	-	100.0%	2 070	2 070
Advertising	5 960	-	(1 579)	4 381	4 381	-	100.0%	5 844	5 844
Minor assets	4 865	-	(5)	4 860	4 860	-	100.0%	5 806	5 806
Audit costs: External	5 895	-	(1 744)	4 151	4 151	-	100.0%	5 765	5 765
Bursaries: Employees	1 267	445	(547)	1 165	1 165	-	100.0%	1 451	1 451
Catering: Departmental activities	2 363	-	1 144	3 507	3 507	-	100.0%	1 336	1 336
Communication	32 536	-	1 134	33 670	33 670	-	100.0%	34 995	34 983
Computer services	50 297	-	(4 283)	46 014	46 014	-	100.0%	70 530	58 362
Consultants: Business and advisory services	619	-	119	738	7 247	(6 509)	100.0%	1 522	1 522
Infrastructure and planning services	30 864	-	20 603	51 467	51 467	-	100.0%	75 473	75 473
Laboratory services	347	-	(315)	32	32	-	100.0%	53	53
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 260	-	(978)	1 282	1 282	-	100.0%	1 637	1 637
Contractors	29 521	-	235	29 756	29 756	-	100.0%	44 672	44 672

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT  
For the year ended 31 March 2017

	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
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	41 652	-	(6 238)	35 414	35 414	-	100.0%	34 715	34 715
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	6 547	-	(488)	6 059	6 059	-	100.0%	5 790	5 790
Inventory: Farming supplies	88 257	-	39 538	127 795	193 417	(65 622)	151.2%	256 901	251 256
Inventory: Food and food supplies	-	-	-	-	-	-	-	2	2
Inventory: Fuel, oil and gas	2 759	-	(783)	1 976	1 976	-	100.0%	2 733	2 733
Inventory: Learner and teacher support	1 353	-	297	1 650	1 650	-	100.0%	1 793	1 793
Inventory: Materials and supplies	8 884	-	(2 388)	6 496	6 496	-	100.0%	4 264	4 264
Inventory: Medical supplies	364	-	(110)	254	254	-	100.0%	595	595
Inventory: Medicine	34 034	-	(1 457)	32 577	32 577	-	100.0%	34 667	30 036
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	4 402	-	(933)	3 469	3 469	-	100.0%	3 883	3 883
Consumable supplies	30 278	-	(6 331)	23 947	23 947	-	100.0%	46 946	46 946
Consumable: Stationery, printing and office	7 320	-	(3 343)	3 977	3 977	-	100.0%	8 032	8 032
Operating leases	31 494	-	(891)	30 603	30 603	-	100.0%	29 284	29 284
Property payments	76 516	-	(5 470)	71 046	71 046	-	100.0%	64 253	64 253
Transport provided: Departmental activity	492	-	(152)	340	340	-	100.0%	281	281
Travel and subsistence	70 885	-	(5 386)	65 499	65 499	-	100.0%	71 782	71 774
Training and development	10 357	-	(4 632)	5 725	5 725	-	100.0%	7 161	7 161

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	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
Venues and facilities	1 941	-	254	2 195	2 195	-	100.0%	873	873
Rental and hiring	10	-	-	10	10	-	100.0%	60	60
<b>Interest and rent on land</b>	<b>71</b>	<b>-</b>	<b>(71)</b>	<b>-</b>	<b>102</b>	<b>-</b>	<b>100.0%</b>	<b>227</b>	<b>227</b>
Interest (Incl. interest on unitary payments (PPP))	-	-	102	102	102	-	100.0%	157	157
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>465 965</b>	<b>(445)</b>	<b>1 833</b>	<b>467 353</b>	<b>275 994</b>	<b>191 359</b>	<b>59.1%</b>	<b>267 796</b>	<b>246 960</b>
Provinces and municipalities	1 452	-	(174)	1 278	1 278	-	100.0%	1 313	1 313
Provinces	1 428	-	(150)	1 278	1 278	-	100.0%	1 300	1 300
<i>Provincial Revenue Funds</i>	-	-	-	-	-	-	-	-	-
<i>Provincial agencies and funds</i>	1 428	-	(150)	1 278	1 278	-	100.0%	1 300	1 300
Municipalities	24	-	(24)	-	-	-	-	13	13
<i>Municipal bank accounts</i>	-	-	-	-	-	-	-	-	-
<i>Municipal agencies and funds</i>	24	-	(24)	-	-	-	-	13	13
Departmental agencies and accounts	130 915	-	(99)	130 816	97 000	33 816	74.1%	102 269	101 306
<i>Social security funds</i>	-	-	-	-	-	-	-	-	-
<i>Departmental agencies (non-business entities)</i>	130 915	-	(99)	130 816	97 000	33 816	74.1%	102 269	101 306
Higher education institutions	3 000	-	-	3 000	3 000	-	100.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	291 431	-	-	291 431	155 526	135 905	53.3%	131 956	112 091
Public corporations	73 509	-	-	73 509	73 505	4	100.0%	64 199	64 199
<i>Subsidies on products and production (pc)</i>	73 509	-	-	73 509	73 509	4	100.0%	64 199	64 199

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Private enterprises	217 922	-	-	217 922	82 021	135 901	37.6%	67 757	47 892
<i>Subsidies on products and production (pe)</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers to private enterprises</i>	217 922	-	-	217 922	82 021	135 901	37.6%	67 757	47 892
Non-profit institutions	25 207	-	-	25 207	3 569	21 638	14.2%	13 770	13 770
Households	13 960	(445)	2 106	15 621	15 621	-	100.0%	18 488	18 488
<i>Social benefits</i>	9 695	-	1 910	11 605	11 605	-	100.0%	15 339	15 339
<i>Other transfers to households</i>	4 265	(445)	196	4 016	4 016	-	100.0%	3 149	3 149
<b>Payments for capital assets</b>	<b>174 394</b>	<b>-</b>	<b>-</b>	<b>174 394</b>	<b>293 622</b>	<b>(119 228)</b>	<b>168.4%</b>	<b>259 570</b>	<b>213 177</b>
Buildings and other fixed structures	128 347	-	7 575	135 922	163 282	(27 360)	120.1%	200 421	172 688
Buildings	26 775	-	(20 125)	6 650	6 650	-	100.0%	8 548	8 548
Other fixed structures	101 572	-	27 700	129 272	156 632	(27 360)	121.2%	191 873	164 140
Machinery and equipment	44 645	-	(6 393)	38 252	130 120	(91 868)	340.2%	58 799	40 139
Transport equipment	26 117	-	(8 087)	18 030	18 030	-	100.0%	25 985	17 896
Other machinery and equipment	18 528	-	1 694	20 222	112 090	(91 868)	554.3%	32 814	22 243
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	1 347	-	(1 178)	169	169	-	100.0%	350	350
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	55	-	(4)	51	51	-	100.0%	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>1 838</b>	<b>1 838</b>	<b>1 838</b>	<b>-</b>	<b>100.0%</b>	<b>619</b>	<b>619</b>
<b>Total</b>	<b>2 216 742</b>	<b>-</b>	<b>-</b>	<b>2 216 742</b>	<b>2 216 366</b>	<b>376</b>	<b>100.0%</b>	<b>2 292 479</b>	<b>2 199 187</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

Programme 1: ADMINISTRATION									
Sub programme	2016/17							2015/16	
	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
1.1 Office of the MEC	12 920	-	3 081	16 001	16 001	-	100.0%	14 144	14 129
1.2 Senior Management	38 472	-	(12 328)	26 144	26 144	-	100.0%	31 238	31 238
1.3 Corporate Support Services	227 734	-	17 227	244 961	244 961	-	100.0%	225 495	201 514
1.4 Financial Management	181 708	53	(39 268)	142 493	142 117	376	99.7%	75 454	69 089
1.5 Communication Services	30 788	-	(2 592)	28 196	28 196	-	100.0%	25 793	25 791
<b>Total for sub programmes</b>	<b>491 622</b>	<b>53</b>	<b>(33 880)</b>	<b>457 795</b>	<b>457 419</b>	<b>376</b>	<b>99.9%</b>	<b>372 124</b>	<b>341 761</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>428 880</b>	<b>445</b>	<b>(16 768)</b>	<b>412 557</b>	<b>412 181</b>	<b>376</b>	<b>99.9%</b>	<b>317 915</b>	<b>304 101</b>
<b>Compensation of employees</b>	<b>193 438</b>	<b>-</b>	<b>(817)</b>	<b>192 621</b>	<b>192 245</b>	<b>376</b>	<b>99.8%</b>	<b>141 240</b>	<b>139 594</b>
Salaries and wages	167 336	-	(1 564)	165 772	165 772	-	100.0%	122 432	121 335
Social contributions	26 102	-	747	26 849	26 473	376	98.6%	18 808	18 259
<b>Goods and services</b>	<b>235 442</b>	<b>445</b>	<b>(16 037)</b>	<b>219 850</b>	<b>219 850</b>	<b>-</b>	<b>100.0%</b>	<b>176 625</b>	<b>164 457</b>
Administrative fees	844	-	187	1 031	1 031	-	100.0%	902	902
Advertising	5 903	-	(1 594)	4 309	4 309	-	100.0%	5 792	5 792
Minor assets	1 673	-	249	1 922	1 922	-	100.0%	2 203	2 203
Audit costs: External	5 895	-	(1 876)	4 019	4 019	-	100.0%	5 765	5 765
Bursaries: Employees	829	445	(130)	1 144	1 144	-	100.0%	1 260	1 260
Catering: Departmental activities	1 187	-	(201)	986	986	-	100.0%	540	540
Communication (G&S)	20 549	-	1 954	22 503	22 503	-	100.0%	19 911	19 911
Computer services	40 920	-	1 332	42 252	42 252	-	100.0%	59 473	47 305
Consultants: Business and advisory services	537	-	(313)	224	224	-	100.0%	1 472	1 472

**VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT**

**APPROPRIATION STATEMENT**

*For the year ended 31 March 2017*

	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Infrastructure and planning services	764	-	(604)	160	160	-	100.0%	1 651	1 651
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 260	-	(978)	1 282	1 282	-	100.0%	1 637	1 637
Contractors	9 906	-	1 351	11 257	11 257	-	100.0%	11 729	11 729
Agency and support / outsourced services	451	-	(181)	270	270	-	100.0%	242	242
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	38 452	-	(6 110)	32 342	32 342	-	100.0%	5 310	5 310
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	3 456	-	(815)	2 641	2 641	-	100.0%	1 817	1 817
Inventory: Farming supplies	-	-	25	25	25	-	100.0%	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	18	-	(17)	1	1	-	100.0%	4	4
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	3 288	-	(232)	3 056	3 056	-	100.0%	591	591
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	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
Consumable supplies	2 054	-	(342)	1 712	1 712	-	100.0%	1 166	1 166
Property payments	41 296	-	(3 712)	37 584	37 584	-	100.0%	28 743	28 743
Transport provided:	-	-	-	-	-	-	-	-	-
Departmental activity									
Travel and subsistence	15 677	-	(7)	15 670	15 670	-	100.0%	14 287	14 287
Training and development	5 355	-	(1 631)	3 724	3 724	-	100.0%	3 893	3 893
Operating payments	2 314	-	(1 334)	980	980	-	100.0%	1 468	1 468
Venues and facilities	465	-	421	886	886	-	100.0%	802	802
Rental and hiring	10	-	-	10	10	-	100.0%	-	-
<b>Interest and rent on land</b>	-	-	<b>86</b>	<b>86</b>	<b>86</b>	-	<b>100.0%</b>	<b>50</b>	<b>50</b>
Interest (Incl. interest on unitary payments (PPP))	-	-	86	86	86	-	100.0%	50	50
Rent on land	-	-	-	-	-	-	-	-	-

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	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>Transfers and subsidies</b>	<b>8 777</b>	<b>(392)</b>	<b>586</b>	<b>8 971</b>	<b>8 971</b>	<b>-</b>	<b>100.0%</b>	<b>7 637</b>	<b>6 682</b>
Provinces and municipalities	1 225	53	-	1 278	1 278	-	100.0%	1 147	1 147
Provinces	1 225	53	-	1 278	1 278	-	100.0%	1 147	1 147
<i>Provincial Revenue Funds</i>	-	-	-	-	-	-	-	-	-
<i>Provincial agencies and funds</i>	1 225	53	-	1 278	1 278	-	100.0%	1 147	1 147
Municipalities	-	-	-	-	-	-	-	-	-
<i>Municipal bank accounts</i>	-	-	-	-	-	-	-	-	-
<i>Municipal agencies and funds</i>	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2 517	-	(99)	2 418	2 418	-	100.0%	2 760	1 805
<i>Social security funds</i>	-	-	-	-	-	-	-	-	-
<i>Departmental agencies (non- business entities)</i>	2 517	-	(99)	2 418	2 418	-	100.0%	2 760	1 805
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	5	5
Public corporations	-	-	-	-	-	-	-	-	-
<i>Subsidies on products and production (pc)</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers to public corporations</i>	-	-	-	-	-	-	-	5	5
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on products and production (pe)</i>	-	-	-	-	-	-	-	-	-



VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	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
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 035	(445)	685	5 275	5 275	-	100.0%	3 725	3 725
<i>Social benefits</i>	770	-	489	1 259	1 259	-	100.0%	615	615
<i>Other transfers to households</i>	4 265	(445)	196	4 016	4 016	-	100.0%	3 110	3 110
<b>Payments for capital assets</b>	<b>53 965</b>	<b>-</b>	<b>(19 517)</b>	<b>34 448</b>	<b>34 448</b>	<b>-</b>	<b>100.0%</b>	<b>45 953</b>	<b>30 359</b>
Buildings and other fixed structures	26 775	-	(20 125)	6 650	6 650	-	100.0%	8 548	8 548
Buildings	26 775	-	(20 125)	6 650	6 650	-	100.0%	8 548	8 548
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	27 190	-	557	27 747	27 747	-	100.0%	37 405	21 811
Transport equipment	20 641	-	(4 591)	16 050	16 050	-	100.0%	18 981	13 958
Other machinery and equipment	6 549	-	5 148	11 697	11 697	-	100.0%	18 424	7 853
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	51	51	51	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>1 819</b>	<b>1 819</b>	<b>1 819</b>	<b>-</b>	<b>100.0%</b>	<b>619</b>	<b>619</b>
<b>Total</b>	<b>491 622</b>	<b>53</b>	<b>(33 880)</b>	<b>457 795</b>	<b>457 419</b>	<b>376</b>	<b>99.9%</b>	<b>372 124</b>	<b>341 761</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

1.1 Office of the MEC									
2016/17								2015/16	
Economic classification	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 payments</b>	<b>12 820</b>	-	<b>3 046</b>	<b>15 866</b>	<b>15 866</b>	-	<b>100.0%</b>	<b>13 961</b>	<b>13 946</b>
Compensation of employees	6 352	-	4 029	10 381	10 381	-	100.0%	8 628	8 613
Goods and services	6 468	-	(983)	5 485	5 485	-	100.0%	5 333	5 333
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	<b>22</b>	<b>22</b>	<b>22</b>	-	<b>100.0%</b>	<b>121</b>	<b>121</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	22	22	22	-	100.0%	121	121
<b>Payments for capital assets</b>	<b>100</b>	-	<b>13</b>	<b>113</b>	<b>113</b>	-	<b>100.0%</b>	<b>62</b>	<b>62</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	100	-	13	113	113	-	100.0%	62	62
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software & other tangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>12 920</b>	-	<b>3 081</b>	<b>16 001</b>	<b>16 001</b>	-	<b>100.0%</b>	<b>14 144</b>	<b>14 129</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

1.2 Senior Management									
2016/17								2015/16	
Economic classification	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 payments</b>	38 077	-	(12 506)	25 571	25 571	-	100.0%	30 815	30 815
Compensation of employees	27 033	-	(10 877)	16 156	16 156	-	100.0%	18 112	18 112
Goods and services	11 044	-	(1 629)	9 415	9 415	-	100.0%	12 703	12 703
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>127</b>	<b>-</b>	<b>149</b>	<b>276</b>	<b>276</b>	<b>-</b>	<b>100.0%</b>	<b>92</b>	<b>92</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	127	-	149	276	276	-	100.0%	92	92
<b>Payments for capital assets</b>	<b>268</b>	<b>-</b>	<b>29</b>	<b>297</b>	<b>297</b>	<b>-</b>	<b>100.0%</b>	<b>326</b>	<b>326</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	268	-	29	297	297	-	100.0%	326	326
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>38 472</b>	<b>-</b>	<b>(12 328)</b>	<b>26 144</b>	<b>26 144</b>	<b>-</b>	<b>100.0%</b>	<b>31 238</b>	<b>31 238</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

1.3 Corporate Support Services									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>215 937</b>	<b>445</b>	<b>9 185</b>	<b>225 567</b>	<b>225 567</b>	-	<b>100.0%</b>	<b>201 173</b>	<b>188 718</b>
Compensation of employees	90 873	-	8 050	98 923	98 923	-	100.0%	64 022	63 735
Goods and services	125 064	445	1 113	126 622	126 622	-	100.0%	137 104	124 936
Interest and rent on land	-	-	22	22	22	-	100.0%	47	47
<b>Transfer and subsidies</b>	<b>6 983</b>	<b>(445)</b>	<b>280</b>	<b>6 818</b>	<b>6 818</b>	-	<b>100.0%</b>	<b>6 037</b>	<b>6 037</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2 517	-	(99)	2 418	2 418	-	100.0%	2 760	1 805
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 466	(445)	379	4 400	4 400	-	100.0%	3 277	3 277
<b>Payments for capital assets</b>	<b>4 814</b>	<b>-</b>	<b>6 433</b>	<b>11 247</b>	<b>11 247</b>	-	<b>100.0%</b>	<b>17 666</b>	<b>7 095</b>
Buildings and fixed structures	-	-	-	-	-	-	-	338	338
Machinery and equipment	4 814	-	6 382	11 196	11 196	-	100.0%	17 328	6 757
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	51	51	51	-	100.0%	-	-
<b>Payments for financial assets</b>			<b>1 329</b>	<b>1 329</b>	<b>1 329</b>	-	<b>100.0%</b>	<b>619</b>	<b>619</b>
<b>Total</b>	<b>227 734</b>	<b>-</b>	<b>17 227</b>	<b>244 961</b>	<b>244 961</b>	<b>-</b>	<b>100.0%</b>	<b>225 495</b>	<b>201 514</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

1.4 Financial Management									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>132 320</b>	-	<b>(14 933)</b>	<b>117 387</b>	<b>117 011</b>	<b>376</b>	<b>99.7%</b>	<b>46 347</b>	<b>45 005</b>
Compensation of employees	58 729	-	(1 179)	57 550	57 174	376	99.3%	38 919	37 577
Goods and services	73 591	-	(13 818)	59 773	59 773	-	100.0%	7 425	7 425
Interest and rent on land	-	-	64	64	64	-	100.0%	3	3
<b>Transfers and subsidies</b>	<b>1 645</b>	<b>53</b>	<b>127</b>	<b>1 825</b>	<b>1 825</b>	-	<b>100.0%</b>	<b>1 263</b>	<b>1 263</b>
Provinces and municipalities	1 225	53	-	1 278	1 278	-	100.0%	1 147	1 147
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	420	-	127	547	547	-	100.0%	116	116
<b>Payments for capital assets</b>	<b>47 743</b>	-	<b>(24 952)</b>	<b>22 791</b>	<b>22 791</b>	-	<b>100.0%</b>	<b>27 844</b>	<b>22 821</b>
Buildings and other fixed structures	26 775	-	(20 125)	6 650	6 650	-	100.0%	8 210	8 210
Machinery and equipment	20 968	-	(4 827)	16 141	16 141	-	100.0%	19 634	14 611
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>			490	490	490	-	100.0%		
<b>Total</b>	<b>181 708</b>	<b>53</b>	<b>(39 268)</b>	<b>142 493</b>	<b>142 117</b>	<b>376</b>	<b>99.7%</b>	<b>75 454</b>	<b>69 089</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

1.5 Communication Services									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>29 726</b>	-	(1 560)	<b>28 166</b>	<b>28 166</b>	-	<b>100.0%</b>	<b>25 619</b>	<b>25 617</b>
Compensation of employees	10 451	-	(840)	9 611	9 611	-	100.0%	11 559	11 557
Goods and services	19 275	-	(720)	18 555	18 555	-	100.0%	14 060	14 060
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>22</b>	-	<b>8</b>	<b>30</b>	<b>30</b>	-	<b>100.0%</b>	<b>119</b>	<b>119</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	22	-	8	30	30	-	100.0%	119	119
<b>Payments for capital assets</b>	<b>1 040</b>	-	<b>(1 040)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>55</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 040	-	(1 040)	-	-	-	-	55	55
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>30 788</b>	-	<b>(2 592)</b>	<b>28 196</b>	<b>28 196</b>	-	<b>100.0%</b>	<b>25 793</b>	<b>25 791</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

Programme 2: Agriculture									
2016/17								2015/16	
	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>Sub programme</b>									
2.1 Sustainable Resource Management	91 261	-	(16 864)	74 397	74 396	1	100.0%	75 492	75 492
2.2 Farmer Support and Development	1 167 447	(1 748)	45 927	1 211 626	1 233 265	(21 639)	101.8%	1 381 999	1 326 626
2.3 Veterinary Services	174 742	-	1 591	176 333	176 333	-	100.0%	169 450	163 086
2.4 Research Technology Development	153 295	-	17 586	170 881	170 881	-	100.0%	182 490	181 914
2.5 Agricultural Economic Services	7 524	-	(2 477)	5 047	5 047	-	100.0%	6 070	5 699
2.6 Structured Agricultural Education and Training	117 329	-	(11 423)	105 906	84 268	21 638	79.6%	102 859	102 718
<b>Total for sub programmes</b>	<b>1 711 598</b>	<b>(1 748)</b>	<b>34 340</b>	<b>1 744 190</b>	<b>1 744 190</b>	<b>-</b>	<b>100.0%</b>	<b>1 918 360</b>	<b>1 855 535</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>1 137 281</b>	<b>(1 695)</b>	<b>13 573</b>	<b>1 149 159</b>	<b>1 221 290</b>	<b>(72 131)</b>	<b>106.3%</b>	<b>1 444 584</b>	<b>1 432 431</b>
<b>Compensation of employees</b>	<b>767 519</b>	<b>(1 695)</b>	<b>(15 693)</b>	<b>750 131</b>	<b>750 131</b>	<b>-</b>	<b>100.0%</b>	<b>772 133</b>	<b>770 256</b>
Salaries and wages	653 228	(1 695)	(9 699)	641 834	641 834	-	100.0%	660 305	658 554
Social contributions	114 291	-	(5 994)	108 297	108 297	-	100.0%	111 828	111 702
<b>Goods and services</b>	<b>369 691</b>	<b>-</b>	<b>29 321</b>	<b>399 012</b>	<b>471 143</b>	<b>(72 131)</b>	<b>118.1%</b>	<b>672 274</b>	<b>661 998</b>
Administrative fees	1 218	-	383	1 601	1 601	-	100.0%	1 159	1 159
Advertising	57	-	15	72	72	-	100.0%	52	52
Minor assets	3 186	-	(287)	2 899	2 899	-	100.0%	3 603	3 603
Audit costs: External	-	-	132	132	132	-	100.0%	-	-
Bursaries: Employees	438	-	(417)	21	21	-	100.0%	191	191
Catering: Departmental activities	803	-	1 594	2 397	2 397	-	100.0%	796	796
Communication	11 771	-	(845)	10 926	10 926	-	100.0%	15 072	15 072
Computer services	9 377	-	(5 615)	3 762	3 762	-	100.0%	11 057	11 057

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

Appropriation per economic classification									
	2016/17							2015/16	
	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
Consultants: Business and advisory services	81	-	432	513	7 022	(6 509)	1368.8%	50	50
Infrastructure and planning services	30 100	-	21 207	51 307	51 307	-	100.0%	73 822	73 822
Laboratory services	347	-	(315)	32	32	-	100.0%	53	53
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	19 454	-	(1 109)	18 345	18 345	-	100.0%	32 943	32 943
Agency and support / outsourced services	11 769	-	(1 318)	10 451	10 451	-	100.0%	14 073	14 073
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	3 068	-	(4)	3 064	3 064	-	100.0%	29 405	29 405
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	3 091	-	327	3 418	3 418	-	100.0%	3 973	3 973
Inventory: Farming supplies	88 257	-	39 513	127 770	193 392	(65 622)	151.4%	256 901	251 256
Inventory: Food and food supplies	-	-	-	-	-	-	-	2	2
Inventory: Fuel, oil and gas	2 741	-	(766)	1 975	1 975	-	100.0%	2 729	2 729



VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	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
Inventory: Learner and teacher support material	1 353	-	297	1 650	1 650	-	100.0%	1 793	1 793
Inventory: Materials and supplies	5 595	-	(2 156)	3 439	3 439	-	100.0%	3 673	3 673
Inventory: Medical supplies	364	-	(110)	254	254	-	100.0%	595	595
Inventory: Medicine	34 034	-	(1 457)	32 577	32 577	-	100.0%	34 667	30 036
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	4 402	-	(933)	3 469	3 469	-	100.0%	3 883	3 883
Consumable supplies	27 040	-	(5 432)	21 608	21 608	-	100.0%	45 780	45 780
Consumable: Stationery, printing and office supplies	3 700	-	(1 904)	1 796	1 796	-	100.0%	3 883	3 883
Operating leases	3 625	-	(799)	2 826	2 826	-	100.0%	27 466	27 466
Property payments	35 220	-	(1 758)	33 462	33 462	-	100.0%	35 510	35 510
Transport provided: Departmental activity	152	-	(152)	-	-	-	-	281	281
Travel and subsistence	54 238	-	(5 320)	48 918	48 918	-	100.0%	57 147	57 147
Training and development	5 002	-	(3 001)	2 001	2 001	-	100.0%	3 268	3 268
Operating payments	8 225	-	(807)	7 418	7 418	-	100.0%	8 316	8 316
Venues and facilities	983	-	(74)	909	909	-	100.0%	71	71
Rental and hiring	-	-	-	-	-	-	-	60	60
<b>Interest and rent on land</b>	<b>71</b>	<b>-</b>	<b>(55)</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>100.0%</b>	<b>177</b>	<b>177</b>
Interest (Incl. interest on unitary payments (PPP))	-	-	16	16	16	-	100.0%	107	107
Rent on land	71	-	(71)	-	-	-	-	70	70

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	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	R'00
<b>Transfers and subsidies</b>	<b>454 188</b>	<b>(53)</b>	<b>1 219</b>	<b>455 354</b>	<b>263 995</b>	<b>191 359</b>	<b>58.0%</b>	<b>260 159</b>	<b>240 286</b>
Provinces and municipalities	227	(53)	(174)	-	-	-	-	166	166
Provinces	203	(53)	(150)	-	-	-	-	153	153
Municipalities	24	-	(24)	-	-	-	-	13	13
<i>Municipal bank accounts</i>	-	-	-	-	-	-	-	-	-
<i>Municipal agencies and funds</i>	24	-	(24)	-	-	-	-	13	13
Departmental agencies & accounts	128 398	-	-	128 398	94 582	33 816	73.7%	99 509	99 501
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non- business entities)	128 398	-	-	128 398	94 582	33 816	73.7%	99 509	99 501
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	291 431	-	-	291 431	155 526	135 905	53.4%	131 951	112 086
Public corporations	73 509	-	-	73 509	73 505	4	100.0%	64 199	64 199
<i>Subsidies on products and production (pc)</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers to public corporations</i>	73 509	-	-	73 509	73 505	4	100.0%	64 199	64 199
Private enterprises	217 922	-	-	217 922	82 021	135 901	37.6%	67 752	47 887
<i>Subsidies on products and production (pe)</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers to private enterprises</i>	217 922	-	-	217 922	82 021	135 901	37.6%	67 752	47 887
Non-profit institutions	25 207	-	-	25 207	3 569	21 638	14.2%	13 770	13 770
Households	8 925	-	1 393	10 318	10 318	-	100.0%	14 763	14 763
Social benefits	8 925	-	1 393	10 318	10 318	-	100.0%	14 724	14 724
Other transfers to households	-	-	-	-	-	-	-	39	39

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	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>Payments for capital assets</b>	<b>120 129</b>	-	<b>19 529</b>	<b>139 658</b>	<b>258 886</b>	<b>(119 228)</b>	<b>185.4%</b>	<b>213 617</b>	<b>182 818</b>
Buildings & other fixed structures	101 572	-	27 700	129 272	156 632	(27 360)	121.2%	191 873	164 140
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	101 572	-	27 700	129 272	156 632	(27 360)	121.2%	191 873	164 140
Machinery and equipment	17 155	-	(6 938)	10 217	102 085	(91 868)	999.2%	21 394	18 328
Transport equipment	5 476	-	(3 496)	1 980	1 980	-	100.0%	7 004	3 938
Other machinery & equipment	11 679	-	(3 442)	8 237	100 105	(91 868)	1215.3%	14 390	14 390
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	1 347	-	(1 178)	169	169	-	100.0%	350	350
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	55	-	(55)	-	-	-	-	-	-
<b>Payment for financial assets</b>	-	-	<b>19</b>	<b>19</b>	<b>19</b>	-	<b>100.0%</b>	-	-
<b>Total</b>	<b>1 711 598</b>	<b>(1 748)</b>	<b>34 340</b>	<b>1 744 190</b>	<b>1 744 190</b>	-	<b>100.0%</b>	<b>1 918 360</b>	<b>1 855 535</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

2.1 Sustainable Resource Management									
Economic classification	2016/17							2015/16	
	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 payments</b>	<b>89 279</b>	-	<b>(16 699)</b>	<b>72 580</b>	<b>72 580</b>	-	<b>100.0%</b>	<b>72 837</b>	<b>72 837</b>
Compensation of employees	43 200	-	(15 253)	27 947	27 947	-	100.0%	29 390	29 390
Goods and services	46 079	-	(1 446)	44 633	44 633	-	100.0%	43 447	43 447
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 632</b>	-	-	<b>1 632</b>	<b>1 631</b>	<b>1</b>	<b>99.9%</b>	<b>1 931</b>	<b>1 931</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 605	-	-	1 605	1 604	1	99.9%	1 500	1 500
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	27	-	-	27	27	-	100.0%	431	431
<b>Payments for capital assets</b>	<b>350</b>	-	<b>(165)</b>	<b>185</b>	<b>185</b>	-	<b>100.0%</b>	<b>724</b>	<b>724</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	350	-	(165)	185	185	-	100.0%	724	724
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>91 261</b>	-	<b>(16 864)</b>	<b>74 397</b>	<b>74 396</b>	<b>1</b>	<b>100.0%</b>	<b>75 492</b>	<b>75 492</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

2.2 Farmer Support and Development									
2016/17								2015/16	
Economic classification	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 payments</b>	<b>652 646</b>	<b>(1 695)</b>	<b>18 042</b>	<b>668 993</b>	<b>741 124</b>	<b>(72 131)</b>	<b>110.8%</b>	<b>959 051</b>	<b>948 207</b>
Compensation of employees	454 064	(1 695)	(25 606)	426 763	426 763	-	100.0%	446 473	445 905
Goods and services	198 582	-	43 636	242 218	314 349	(72 131)	129.8%	512 478	502 202
Interest and rent on land	-	-	12	12	12	-	100.0%	100	100
<b>Transfers and subsidies</b>	<b>424 908</b>	<b>(53)</b>	<b>113</b>	<b>424 968</b>	<b>255 248</b>	<b>169 720</b>	<b>60.1%</b>	<b>239 069</b>	<b>219 204</b>
Provinces and municipalities	203	(53)	(150)	-	-	-	-	153	153
Departmental agencies and accounts	128 397	-	-	128 397	94 581	33 816	73.7%	99 500	99 500
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	289 826	-	-	289 826	153 922	135 904	53.1%	130 451	110 586
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 482	-	263	6 745	6 745	-	100.0%	8 965	8 965
<b>Payments for capital assets</b>	<b>89 893</b>	<b>-</b>	<b>27 763</b>	<b>117 656</b>	<b>236 884</b>	<b>(119 228)</b>	<b>201.3%</b>	<b>183 879</b>	<b>159 215</b>
Buildings and other fixed structures	78 143	-	32 638	110 781	138 141	(27 360)	124.7%	165 729	144 131
Machinery and equipment	11 012	-	(4 188)	6 824	98 692	(91 868)	1446.2%	18 150	15 084
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 167 447</b>	<b>(1 748)</b>	<b>45 927</b>	<b>1 211 626</b>	<b>1 233 265</b>	<b>(21 639)</b>	<b>101.8%</b>	<b>1 381 999</b>	<b>1 326 626</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

2.3 Veterinary Services									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>167 317</b>	-	<b>(3 043)</b>	<b>164 274</b>	<b>164 274</b>	-	<b>100.0%</b>	<b>152 825</b>	<b>152 604</b>
Compensation of employees	117 773	-	(2 247)	115 526	115 526	-	100.0%	111 438	111 217
Goods and services	49 544	-	(796)	48 748	48 748	-	100.0%	41 387	41 387
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>240</b>	-	<b>1 175</b>	<b>1 415</b>	<b>1 415</b>	-	<b>100.0%</b>	<b>2 101</b>	<b>2 093</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	-	-	1	1	-	100.0%	9	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	239	-	1 175	1 414	1 414	-	100.0%	2 092	2 092
<b>Payments for capital assets</b>	<b>7 185</b>	-	<b>3 459</b>	<b>10 644</b>	<b>10 644</b>	-	<b>100.0%</b>	<b>14 524</b>	<b>8 389</b>
Buildings and other fixed structures	6 135	-	3 777	9 912	9 912	-	100.0%	13 588	7 453
Machinery and equipment	1 050	-	(318)	732	732	-	100.0%	936	936
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>174 742</b>	-	<b>1 591</b>	<b>176 333</b>	<b>176 333</b>	-	<b>100.0%</b>	<b>169 450</b>	<b>163 086</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

2.4 Research and Technology Development									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>140 896</b>	-	<b>25 768</b>	<b>166 664</b>	<b>166 664</b>	-	<b>100.0%</b>	<b>172 542</b>	<b>171 966</b>
Compensation of employees	101 719	-	31 477	133 196	133 196	-	100.0%	133 965	133 389
Goods and services	39 106	-	(5 641)	33 465	33 465	-	100.0%	38 506	38 506
Interest and rent on land	71	-	(68)	3	3	-	100.0%	71	71
<b>Transfers and subsidies</b>	<b>1 775</b>	-	<b>(114)</b>	<b>1 661</b>	<b>1 661</b>	-	<b>100.0%</b>	<b>2 398</b>	<b>2 398</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 775	-	(114)	1 661	1 661	-	100.0%	2 398	2 398
<b>Payments for capital assets</b>	<b>10 624</b>	-	<b>(8 074)</b>	<b>2 550</b>	<b>2 550</b>	-	<b>100.0%</b>	<b>7 550</b>	<b>7 550</b>
Buildings and other fixed structures	6 104	-	(5 922)	182	182	-	100.0%	5 627	5 627
Machinery and equipment	3 989	-	(1 739)	2 250	2 250	-	100.0%	1 573	1 573
Heritage assets									
Biological assets									
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>153 295</b>	<b>-</b>	<b>17 586</b>	<b>170 881</b>	<b>170 881</b>	<b>-</b>	<b>100.0%</b>	<b>182 490</b>	<b>181 914</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

2.5 Agricultural Economic Services									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7 454</b>	-	<b>(2 476)</b>	<b>4 978</b>	<b>4 978</b>	-	<b>100.0%</b>	<b>6 031</b>	<b>5 660</b>
Compensation of employees	6 582	-	(2 435)	4 147	4 147	-	100.0%	5 574	5 203
Goods and services	872	-	(41)	831	831	-	100.0%	457	457
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>32</b>	-	<b>37</b>	<b>69</b>	<b>69</b>	-	<b>100.0%</b>	<b>39</b>	<b>39</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	32	-	37	69	69	-	100.0%	39	39
<b>Payments for capital assets</b>	<b>38</b>	-	<b>(38)</b>	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	38	-	(38)	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7 524</b>	-	<b>(2 477)</b>	<b>5 047</b>	<b>5 047</b>	-	<b>100.0%</b>	<b>6 070</b>	<b>5 699</b>



VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

2.6 Structured Agricultural Education and Training									
2016/17								2015/16	
Economic classification	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 payments</b>	<b>79 689</b>	-	<b>(8 019)</b>	<b>71 670</b>	<b>71 670</b>	-	<b>100.0%</b>	<b>81 298</b>	<b>81 157</b>
Compensation of employees	44 181	-	(1 629)	42 552	42 552	-	100.0%	45 293	45 152
Goods and services	35 508	-	(6 391)	29 117	29 117	-	100.0%	35 999	35 999
Interest and rent on land	-	-	1	1	1	-	100.0%	6	6
<b>Transfers and subsidies</b>	<b>25 601</b>	-	<b>8</b>	<b>25 609</b>	<b>3 971</b>	<b>21 638</b>	<b>15.5%</b>	<b>14 621</b>	<b>14 621</b>
Provinces and municipalities	24	-	(24)	-	-	-	-	13	13
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	370	-	32	402	402	-	100.0%	838	838
<b>Payments for capital assets</b>	<b>12 039</b>	-	<b>(3 416)</b>	<b>8 623</b>	<b>8 623</b>	-	<b>100.0%</b>	<b>6 940</b>	<b>6 940</b>
Buildings and other fixed structures	11 190	-	(2 793)	8 397	8 397	-	100.0%	6 929	6 929
Machinery and equipment	716	-	(490)	226	226	-	100.0%	11	11
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>			4	4	4	-	100.0%		
<b>Total</b>	<b>117 329</b>	-	<b>(11 423)</b>	<b>105 906</b>	<b>84 268</b>	<b>21 638</b>	<b>79.6%</b>	<b>102 859</b>	<b>102 718</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

Programme 3: Rural Development									
2016/17								2015/16	
Sub programme	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
3.1 Rural Development Co-Ordination	6 341	1 695	(37)	7 999	7 999	-	100.0%	1 173	1 089
3.2 Social Facilitation	7 181	-	(423)	6 758	6 758	-	100.0%	822	802
<b>Total for sub programmes</b>	<b>13 522</b>	<b>1 695</b>	<b>(460)</b>	<b>14 757</b>	<b>14 757</b>	<b>-</b>	<b>100.0%</b>	<b>1 995</b>	<b>1 891</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>10 222</b>	<b>1 695</b>	<b>(476)</b>	<b>11 441</b>	<b>11 441</b>	<b>-</b>	<b>100.0%</b>	<b>1 995</b>	<b>1 891</b>
Compensation of employees	5 767	1 695	650	8 112	8 112	-	100.0%	1 626	1 542
Salaries and wages	5 293	1 477	638	7 408	7 408	-	100.0%	1 437	1 411
Social contributions	474	218	12	704	704	-	100.0%	189	131
<b>Goods and services</b>	<b>4 455</b>	<b>-</b>	<b>(1 126)</b>	<b>3 329</b>	<b>3 329</b>	<b>-</b>	<b>100.0%</b>	<b>369</b>	<b>349</b>
Administrative fees	47	-	(25)	22	22	-	100.0%	9	9
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	6	-	33	39	39	-	100.0%	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	373	-	(249)	124	124	-	100.0%	-	-
Communication (G&S)	216	-	25	241	241	-	100.0%	12	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	1	-	-	1	1	-	100.0%	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific & technological services	-	-	-	-	-	-	-	-	-

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	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
Legal services	-	-	-	-	-	-	-	-	-
Contractors	161	-	-	161	161	-	100.0%	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	132	-	(124)	8	8	-	100.0%	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	-	-	1	1	-	100.0%	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 184	-	(557)	627	627	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	69	-	(38)	31	31	-	100.0%	-	-
Operating leases	81	-	(14)	67	67	-	100.0%	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	340	-	-	340	340	-	100.0%	-	-
Travel and subsistence	970	-	(59)	911	911	-	100.0%	348	340

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

	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
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	381	-	(25)	356	356	-	100.0%	-	-
Venues and facilities	493	-	(93)	400	400	-	100.0%	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 000</b>	-	<b>28</b>	<b>3 028</b>	<b>3 028</b>	-	<b>100.0%</b>	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
<i>Provincial Revenue Funds</i>	-	-	-	-	-	-	-	-	-
<i>Provincial agencies and funds</i>	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
<i>Municipal bank accounts</i>	-	-	-	-	-	-	-	-	-
<i>Municipal agencies and funds</i>	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non- business entities)	-	-	-	-	-	-	-	-	-

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

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	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
Higher education institutions	3 000	-	-	3 000	3 000	-	100.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
<i>Subsidies on products and production (pc)</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers to public corporations</i>	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on products and production (pe)</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers to private enterprises</i>	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	28	28	28	-	100.0%	-	-
Social benefits	-	-	28	28	28	-	100.0%	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>300</b>	<b>-</b>	<b>(12)</b>	<b>288</b>	<b>288</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	300	-	(12)	288	288	-	100.0%	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	300	-	(12)	288	288	-	100.0%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

*For the year ended 31 March 2017*

	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
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	-	-	-	-	-	-	-	-	-
	<b>13 522</b>	<b>1 695</b>	<b>(460)</b>	<b>14 757</b>	<b>14 757</b>	-	<b>100.0%</b>	<b>1 995</b>	<b>1 891</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

3.1 Rural Development Co-Ordination									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>3 282</b>	<b>1 695</b>	<b>(19)</b>	<b>4 958</b>	<b>4 958</b>	-	<b>100.0%</b>	<b>1 173</b>	<b>1 089</b>
Compensation of employees	1 601	1 695	-	3 296	3 296	-	100.0%	916	832
Goods and services	1 681	-	(19)	1 662	1 662	-	100.0%	257	257
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 000</b>	<b>-</b>	<b>-</b>	<b>3 000</b>	<b>3 000</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>59</b>	<b>-</b>	<b>(18)</b>	<b>41</b>	<b>41</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6 341</b>	<b>1 695</b>	<b>(37)</b>	<b>7 999</b>	<b>7 999</b>	<b>-</b>	<b>100.0%</b>	<b>1 173</b>	<b>1 089</b>

VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION STATEMENT

For the year ended 31 March 2017

<b>3.2 Social Facilitation</b>									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 940</b>	-	<b>(457)</b>	<b>6 483</b>	<b>6 483</b>	-	<b>100.0%</b>	<b>822</b>	<b>802</b>
Compensation of employees	4 166	-	650	4 816	4 816	-	100.0%	710	710
Goods and services	2 774	-	(1 107)	1 667	1 667	-	100.0%	112	92
Interest and rent on land									
<b>Transfers and subsidies</b>	-	-	<b>28</b>	<b>28</b>	<b>28</b>	-	<b>100.0%</b>	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	28	28	28	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>241</b>	-	<b>6</b>	<b>247</b>	<b>247</b>	-	<b>100.0%</b>	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	241	-	6	247	247	-	100.0%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software & other Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7 181</b>	-	<b>(423)</b>	<b>6 758</b>	<b>6 758</b>	-	<b>100.0%</b>	<b>822</b>	<b>802</b>



NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2017

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**  
Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) 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 payments for financial assets**  
Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.
4. **Explanations of material variances from Amounts Voted (after Virement):**

4.1 Per programme

Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
1: Administration	457 795	457 419	376	0.08
2: Agriculture	1 744 190	1 744 190	-	
3: Rural Development	14 757	14 757	-	
Programme 1: The nominal under expenditure is in respect of savings on vacant budgeted posts.				
Programme 2: 100% spent				
Programme 3: 100% spent				

4.2 Per economic classification

Economic classification	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
<b>Current payments</b>				
Compensation of employees	950 864	950 488	376	0.04
Goods and services	622 191	694 322	(72 131)	(11.59)
Interest and rent on land	102	102	-	-
<b>Transfers and subsidies</b>				
Provinces and municipalities	1 278	1 278	-	-
Departmental agencies and accounts	130 816	97 000	33 816	25.85
Higher education institutions	3 000	3 000	-	-
Public corporations and private enterprises	291 431	155 526	135 905	46.63
Non-profit institutions	15 621	15 621	-	-
Households	-	-	-	-
<b>Payments for capital assets</b>				
Buildings and other fixed structures	135 922	163 282	(27 360)	(20.13)
Machinery and equipment	38 252	130 120	(91 868)	(240.17)
Heritage assets	-	-	-	-
Biological assets	-	-	-	-
Intangible assets	169	169	-	-
Software & other intangible assets	51	51	-	-
<b>Payments for financial assets</b>	1 838	1 838	-	-

NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2017

- Compensation of Employees – under expenditure due to savings from vacant budgeted posts.
- Goods and Services – Over expenditure is in respect of farming supplies, such as seeds, fertilizer, chemicals etc. as a result of the high demand for production inputs.
- Departmental Agencies and accounts – Savings of R33.816 million as a result of slow spending by the Agribusiness Development Agency in respect of project implementation as well as operational costs during the financial year.
- Public corporations and Private Enterprises – Savings of R135.905 million is in respect of transfer to Communal Estates amounting to R14 million due to the budget provision including the harvesting costs which will only be transferred in the 2017/18 financial year, slow project implementation due to drought by the SA Sugar Association amounting to R13 millions as well as slow progress in implementation of business plan by some beneficiaries receiving direct funding for project implementation amounting to R10 million. Furthermore, the expenditure of R98.377 million relating to Masisizane Fund as implementing agent has been reclassified to Goods and Services (R6.509 million) and Machinery and Equipment (R91, 868 million).
- Non Profit Institutions – The under expenditure is due to slow progress in implementing the revitalisation of agricultural schools programme by the five agricultural schools.
- Buildings and Other Fixed Structures – Over expenditure is due to the good progress in implementation of infrastructure related projects in Makhathini area such as the subsurface drainage.
- Machinery and equipment – Over expenditure is due to correction of expenditure classification for farming equipment procured through Implementing Agent that was provided for as a transfer payment.

4.3 Per conditional grant

Grant name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
Comp Agricultural Support Programme	222 155	222 155	-	-
Ilima/ Letsema Project	63 876	63 876	-	-
Land Care	10 632	10 632	-	-
EPWP Incentive grant for Provinces	3 840	3 840	-	-

STATEMENT OF FINANCIAL PERFORMANCE  
*for the year ended 31 March 2017*

	Note	2016/17 R'000	2015/16 R'000
<b>REVENUE</b>			
Annual appropriation	1	2 216 742	2 292 479
Departmental revenue	2	20 023	23 712
Aid assistance	3	-	2 482
<b>TOTAL REVENUE</b>		<b>2 236 765</b>	<b>2 318 673</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	950 488	911 393
Goods and services	5	694 322	826 800
Interest and rent on land	6	102	227
Aid assistance	3	-	2 768
<b>Total current expenditure</b>		<b>1 644 912</b>	<b>1 741 188</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	275 994	246 969
<b>Total transfers and subsidies</b>		<b>275 994</b>	<b>246 969</b>
<b>Expenditure for capital assets</b>			
Tangible assets	9	293 571	213 305
Intangible assets	9	51	-
<b>Total expenditure for capital assets</b>		<b>293 622</b>	<b>213 305</b>
<b>Payments for financial assets</b>	7	1 838	619
<b>TOTAL EXPENDITURE</b>		<b>2 216 366</b>	<b>2 202 081</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>20 399</b>	<b>116 592</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		376	93 292
Annual appropriation		376	<b>93 292</b>
Departmental revenue and NRF Receipts	14	20 023	23 712
Aid assistance	3		(412)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>20 399</b>	<b>116 592</b>

# STATEMENT OF FINANCIAL POSITION

*for the year ended 31 March 2017*

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>1 920</b>	<b>132 454</b>
Cash and cash equivalents	10	1 005	127 460
Receivables	12	915	4 994
<b>Non-current assets</b>		<b>1 961</b>	<b>2 101</b>
Receivables	12	1 961	2 101
<b>TOTAL ASSETS</b>		<b>3 881</b>	<b>134 555</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>2 935</b>	<b>133 509</b>
Voted funds to be surrendered to the Revenue Fund	13	376	132 192
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	1 871	1 092
Payables	15	687	225
<b>TOTAL LIABILITIES</b>		<b>2 935</b>	<b>133 509</b>
<b>NET ASSETS</b>		<b>946</b>	<b>1 046</b>
<b>Represented by:</b>			
Recoverable revenue		946	1 046
<b>TOTAL</b>		<b>946</b>	<b>1 046</b>

# STATEMENT OF CHANGES IN NET ASSETS

*for the year ended 31 March 2017*

## Recoverable revenue

Opening balance	1 046	514
Transfers:	(100)	532
Irrecoverable amounts written off	(61)	
Debts recovered (included in departmental receipts)	(958)	(696)
Debts raised	919	1 228
<b>Closing balance</b>	<b>946</b>	<b>1 046</b>
<b>TOTAL</b>	<b>946</b>	<b>1 046</b>

CASHFLOW STATEMENT  
for the year ended 31 March 2017

	<i>Note</i>	2016/17 R'000	2015/16 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>2 236 339</b>	<b>2 354 250</b>
Annual appropriated funds received	1.1	2 216 742	2 331 379
Departmental revenue received	2	19 518	20 362
Interest received	2	79	27
Aid assistance received	3	-	2 482
Net (increase)/decrease in working capital		4 681	14 296
Surrendered to Revenue Fund		(151 435)	(114 114)
Current payments		(1 644 810)	(1 741 031)
Interest paid	6	(102)	(157)
Payments for financial assets		(1 838)	(619)
Transfers and subsidies paid		(275 994)	(246 969)
<b>Net cash flow available from operating activities</b>	<b>16</b>	<b>166 841</b>	<b>265 656</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(293 622)	(213 305)
Proceeds from sale of capital assets	2.4	426	3 323
<b>Net cash flows from investing activities</b>		<b>(293 196)</b>	<b>(209 982)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(100)	532
<b>Net cash flows from financing activities</b>		<b>(100)</b>	<b>532</b>
Net increase/(decrease) in cash and cash equivalents		(126 455)	56 206
Cash and cash equivalents at beginning of period		127 460	71 254
<b>Cash and cash equivalents at end of period</b>	<b>10</b>	<b>1 005</b>	<b>1 270</b>

ACCOUNTING POLICIES  
*for the year ended 31 March 2017*

**1. Basis of preparation**

The financial statements have been prepared in accordance with the Modified Cash Standard.

**2. Going concern**

The financial statements have been prepared on a going concern basis.

**3. Presentation currency**

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

**4. Rounding**

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

**5. Foreign currency translation**

Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.

**6. Comparative information**

**6.1 Prior period comparative information**

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

**6.2 Current year comparison with budget**

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

**7. Revenue**

**7.1 Appropriated funds**

Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

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

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

**7.2 Departmental revenue**

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

**7.3 Accrued departmental revenue**

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

ACCOUNTING POLICIES  
*for the year ended 31 March 2017*

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy.

**8. Expenditure**

**8.1 Compensation of employees**

**8.1.1 Salaries and wages**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

**8.1.2 Social contributions**

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

**8.2 Other expenditure**

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

**8.3 Accruals and payables not recognised**

Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.

Accruals and payables not recognised are measured at cost.

**8.4 Leases**

**8.4.1 Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

**8.4.2 Finance leases**

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

**9. Aid Assistance**

**9.1 Aid assistance received**

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.



ACCOUNTING POLICIES  
*for the year ended 31 March 2017*

**9.2 Aid assistance paid**

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

**10. Cash and cash equivalents**

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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.

**11. Prepayments and advances**

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments are expensed when expenditure has been incurred.

**12. Loans and receivables**

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

**13. Investments**

Investments are recognised in the statement of financial position at cost.

**14. Impairment of financial assets**

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

**15. Payables**

Loans and payables are recognised in the statement of financial position at cost.

**16. Capital Assets**

**16.1 Immovable capital asset**

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2004 (or a later date as approved by the OAG) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

**16.2 Movable capital assets**

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

ACCOUNTING POLICIES  
*for the year ended 31 March 2017*

All assets acquired prior to 1 April 2004 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

**16.3 Intangible assets**

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2004 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

**17. Provisions and Contingents**

**17.1 Provisions**

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

**17.2 Contingent liabilities**

Contingent liabilities are recorded in the notes to the financial statements when there 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 within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

**17.3 Contingent assets**

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

**17.4 Commitments**

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

**18. Unauthorised expenditure**

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or

ACCOUNTING POLICIES  
*for the year ended 31 March 2017*

- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

**19. Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

**20. Irregular expenditure**

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

**21. Changes in accounting policies, accounting estimates and errors**

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

**22. Events after the reporting date**

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

**23. Departures from the MCS requirements**

Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department has complied with the Standard.

**24. Capitalisation reserve**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received

**25. Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

ACCOUNTING POLICIES  
*for the year ended 31 March 2017*

**26. Related party transactions**

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

**27. Inventories (*Effective from date determined in a Treasury Instruction*)**

At the date of acquisition, inventories are recorded at cost price in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

Subsequent measurement of the cost of inventory is determined on the weighted average basis.

**28. Employee benefits**

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**1. Annual Appropriation**

**1.1 Annual Appropriation**

	2016/17			2015/16	
	Final Appropriation	Actual fund received	Funds not requested / not received	Final Appropriation	Appropriation received
Programmes	R'000	R'000	R'000	R'000	R'000
Administration	457 795	457 795	-	372 124	372 124
Agriculture	1 744 190	1 744 190	-	1 918 360	1 957 260
Rural Development	14 757	14 757	-	1 995	1 995
<b>Total</b>	<b>2 216 742</b>	<b>2 216 742</b>	<b>-</b>	<b>2 292 479</b>	<b>2 331 379</b>

All funds were received in the 2016/17 financial year.

**1.2 Conditional grants**

	Note	2016/17 R'000	2015/16 R'000
Total grants received	47	300 503	308 524

All conditional grants were received

**2. Departmental revenue**

	Note	2016/17 R'000	2015/16 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	16 295	18 720
Fines, penalties and forfeits	2.2	1	-
Interest, dividends and rent on land	2.3	79	27
Sales of capital assets	2.4	426	3 323
Transactions in financial assets and liabilities	2.5	3 222	1 642
Total revenue collected		<b>20 023</b>	<b>23 712</b>
Less: Own revenue included in appropriation		-	-
Departmental revenue collected	14	<b>20 023</b>	<b>23 712</b>

The decrease in departmental revenue is in respect of outstanding student fees as well as sales of capital assets due to the department not conducting an auction during the 2016/17 financial year.

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

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

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the department	2	16 291	18 717
Sales by market establishment		3 130	3 312
Administrative fees		7	26
Other sales		13 154	15 379
Sales of scrap, waste and other used current goods		4	3
<b>Total</b>		<b>16 295</b>	<b>18 720</b>

The decrease is mainly under "Other sales" and relates to the slow payment of academic fees at the departments agricultural colleges.

**2.2 Fines, penalties and forfeits**

	Note	2016/17 R'000	2015/16 R'000
Penalties	2	1	0
<b>Total</b>		<b>1</b>	<b>0</b>

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

	Note	2016/17 R'000	2015/16 R'000
Interest	2	79	27
<b>Total</b>		<b>79</b>	<b>27</b>

**2.4 Sale of capital assets**

	Note	2016/17 R'000	2015/16 R'000
<b>Tangible assets</b>			
Machinery and equipment	2	-	3 193
Biological assets	2	426	130
<b>Total</b>		<b>426</b>	<b>3 323</b>

Decrease in revenue is due to the department not conducting an auction of redundant assets in the 2016/17 financial year.

**2.5 Transactions in financial assets and liabilities**

	Note	2016/17 R'000	2015/16 R'000
Receivables	2	894	592
Other Receipts including Recoverable Revenue		2 328	1 050
<b>Total</b>		<b>3 222</b>	<b>1 642</b>

The increase in revenue is in respect of refund for overpaid subsidized motor vehicle insurance

NOTES TO FINANCIAL STATEMENTS  
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**3. Aid assistance**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Opening Balance		-	
Prior period error		-	412
As restated		-	412
Transferred from statement of financial performance		-	(412)
<b>Closing Balance</b>		<b>-</b>	<b>-</b>

The department received funding from the World Health Organisation for funding of the rabies elimination programme in the province.

**4. Compensation of employees**

**4.1 Salaries and wages**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Basic salary		665 945	635 094
Performance award		7 164	9 332
Service Based		2 236	1 571
Compensative/circumstantial		10 596	9 472
Periodic payments		-	795
Other non-pensionable allowances		129 074	125 036
<b>Total</b>		<b>815 015</b>	<b>781 300</b>

The increase in salaries and wages is in respect of annual cost of living wage adjustment.

**4.2 Social contributions**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Employer contributions			
Pension		84 556	80 917
Medical		50 712	48 975
UIF		-	-
Bargaining council		205	201
<b>Total</b>		<b>135 473</b>	<b>130 093</b>
<b>Total compensation of employees</b>		<b>950 488</b>	<b>911 393</b>
<b>Average number of employees</b>		<b>2 793</b>	<b>2 902</b>

The reduction in the average number of employees is as a result of natural attrition. The department has not finalized the matching and placing of all employees into the revised organisation structure and therefore was not able to fill low level vacant posts during the 2016/17 financial year.

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

5. Goods and services	Note	2016/17 R'000	2015/16 R'000
Administrative fees		2 654	2 070
Advertising		4 381	5 846
Minor assets	5.1	4 859	5 804
Bursaries (employees)		1 165	1 451
Catering		3 507	1 336
Communication		33 671	34 984
Computer services	5.2	46 014	58 362
Consultants: Business & adv. services		7 247	2 042
Infrastructure and planning services		51 468	75 474
Laboratory services		32	53
Legal services		1 282	1 668
Contractors		29 762	44 672
Agency & support/outsourced services		10 722	14 315
Audit cost – external	5.3	4 151	5 245
Fleet services		35 414	34 716
Inventory	5.4	245 898	296 467
Consumables	5.5	27 923	58 860
Operating leases		30 603	29 283
Property payments	5.6	71 047	64 253
Rental and hiring		10	60
Transport provided as part of dept. activities		340	281
Travel and subsistence	5.7	65 499	71 771
Venues and facilities		2 195	873
Training and development		5 725	7 162
Other operating expenditure	5.8	8 753	9 752
<b>Total</b>		<b>694 322</b>	<b>826 800</b>

The overall decrease is mainly under the inventory and consumable category where the expenditure in 2015/16 was very high due to the relief provided to mitigate the severe drought.

5.1 Minor assets	Note	2016/17 R'000	2015/16 R'000
<b>Tangible assets</b>	5		
Biological assets		1 642	2 043
Machinery and equipment		3 217	3 761
<b>Total</b>		<b>4 859</b>	<b>5 804</b>

The acquisition of biological assets are made on a needs basis and hence the year on year fluctuations. The stringent cost-cutting measures as well as the non-filling of vacant posts has resulted in a decrease on office machinery and equipment

5.2 Computer services	Note	2016/17 R'000	2015/16 R'000
SITA computer services	5	41 927	47 930
External computer service providers		4 087	10 432
<b>Total</b>		<b>46 014</b>	<b>58 362</b>

External computer services relate to provision of IT support for Extension Recovery Services



NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

<b>5.3 Audit cost – External</b>	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Regularity audits	5	4 151	5 245
<b>Total</b>		<b>4 151</b>	<b>5 245</b>

The audit costs are in line with the audit fees agreed to with the Auditor-General

<b>5.4 Inventory</b>	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Clothing material and accessories	5	6 059	5 790
Farming supplies		193 417	251 255
Food and food supplies		-	2
Fuel, oil and gas		1 976	2 733
Learning, teaching and support material		1 650	1 792
Materials and supplies		9 966	4 264
Medical supplies		254	595
Medicine		32 576	30 036
<b>Total</b>		<b>245 898</b>	<b>296 467</b>

The decrease against farming supplies is due to the department providing assistance to farmers affected by the severe drought during the 2015/16 financial year.

<b>5.5 Consumables</b>	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Consumable supplies	5	23 946	50 828
Uniform and clothing		25	14
Household supplies		2 185	3 150
Building material and supplies		19 813	38 027
IT consumables		79	
Other consumables		1 844	9 637
Stationery, printing and office supplies		3 977	8 032
<b>Total</b>		<b>27 923</b>	<b>58 860</b>

<b>5.6 Property payments</b>	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Municipal services	5	30 160	26 774
Property maintenance and repairs		40 032	36 839
Other		855	640
<b>Total</b>		<b>71 047</b>	<b>64 253</b>

The increase is in respect of the annual price increases for municipal services and security services as well as an effort by the department to improve the condition of its facilities.

<b>5.7 Travel and subsistence</b>	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Local	5	65 289	70 863
Foreign		210	908
<b>Total</b>		<b>65 499</b>	<b>71 771</b>

The stringent restriction on travelling as well as the savings from the online booking system.

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

<b>5.8 Other operating expenditure</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Professional bodies, membership & subscription fees		-	-
Resettlement costs		-	-
Other		8 753	9 752
<b>Total</b>		<b>8 753</b>	<b>9 752</b>

<b>6. Interest and rent on land</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Interest paid		102	157
Rent on land		-	70
<b>Total</b>		<b>102</b>	<b>227</b>

Department's efforts to improve on processing payments on time has resulted in significant reduction of interest paid.

<b>7. Payments for financial assets</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Other material losses written off	7.1	1 360	208
Debts written off	7.2	478	411
<b>Total</b>		<b>1 838</b>	<b>619</b>

<b>7.1 Other material losses written off</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>Nature of losses</b>			
Irrecoverable Fruitless and Wasteful Expenditure			
	7	1 360	208
<b>Total</b>		<b>1 360</b>	<b>208</b>

The department only writes off if losses were found to be beyond control of officials and were not found to be negligent.

<b>7.2 Debts written off</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>Nature of debts written off</b>			
Irrecoverable staff debts written off	7	478	411
<b>Total</b>		<b>478</b>	<b>411</b>

The impairment of receivables is based on debts on the system older than 3 years.

<b>8. Transfers and subsidies</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Provinces and municipalities	<i>Annex 32</i>	1 278	1 313
Departmental agencies and accounts	<i>Annex 1B</i>	97 000	101 306
Higher Education Institution	<i>Annex 1C</i>	3 000	-
Public corporations and private enterprises	<i>Annex 1D</i>	-	112 091
Non-profit institutions	<i>Annex 1F</i>	155 526	13 770
Households	<i>Annex 1G</i>	3 569	18 488
<b>Total</b>		<b>275 994</b>	<b>246 968</b>

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

9. Expenditure for capital assets	Note	2016/17 R'000	2015/16 R'000
<b>Tangible assets</b>		293 571	213 305
Buildings and other fixed structures	9.1	163 282	172 689
Machinery and equipment	9.1	130 120	40 266
Biological assets	9.1	169	350
<b>Intangible assets</b>		51	-
Software		51	-
<b>Total</b>		<b>293 622</b>	<b>213 305</b>

9.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>293 571</b>		<b>293 571</b>
Buildings and other fixed structures	163 282		163 282
Machinery and equipment	130 120		130 120
Biological assets	169		169
<b>Intangible assets</b>	<b>51</b>		<b>51</b>
Software	51		51
<b>Total</b>	<b>293 622</b>		<b>293 622</b>

9.2 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>213 179</b>	<b>126</b>	<b>213 305</b>
Buildings and other fixed structures	172 689	-	172 689
Machinery and equipment	40 140	126	40 266
Biological assets	350	-	350
<b>Intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
Software	-	-	-
<b>Total</b>	<b>213 179</b>	<b>126</b>	<b>213 305</b>

10. Cash and cash equivalents	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account		1 079	127 700
Cash receipts			1
Disbursements		(109)	(277)
Cash on hand		35	36
<b>Total</b>		<b>1 005</b>	<b>127 460</b>

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

<b>11. Prepayments (Expensed)</b>	<b>Note</b>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Goods and Services		3 888	-
<b>Total</b>		<b>3 888</b>	<b>-</b>

Payments for venue for International AFAAS/SASAE Extension Conference and Digi-pen Project Reporting System as per Service Level Agreement for 2017/18

<b>12. Receivables</b>	<b>Note</b>	<b>Current</b>	<b>Non-Current</b>	<b>Total</b>	<b>Current</b>	<b>Non-Current</b>	<b>Total</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Claims recoverable	12.1	189	118	307	4 043	118	4 161
Recoverable exp.	12.2	-	-	-	-	-	-
Staff debt	12.3	726	909	1635	445	1 112	1 557
Other debtors	12.4		934	934	506	871	1 377
<b>Total</b>		<b>915</b>	<b>1 961</b>	<b>2 876</b>	<b>4 994</b>	<b>2 101</b>	<b>7 095</b>

<b>12.1 Claims recoverable</b>	<b>Note</b>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
National departments	12		1 619
Provincial departments		307	2 542
<b>Total</b>		<b>307</b>	<b>4 161</b>

<b>12.2 Recoverable exp. (disallowance accounts)</b>	<b>Note</b>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Salary Tax Debt	12	-	-
<b>Total</b>		<b>-</b>	<b>-</b>

<b>12.3 Staff debt</b>	<b>Note</b>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Staff overpayments and Salary Tax Debts	12	983	1 282
T&S Debts		266	267
Loss/damages to state vehicle		271	-
Fruitless and wasteful expenditure		6	
Bursary Debts		109	8
<b>Total</b>		<b>1 635</b>	<b>1 557</b>

<b>12.4 Other debtors</b>	<b>Note</b>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Salary Income Tax	12	-	3
Salary Pension Fund		-	8
Supplier Debts		934	1 366
<b>Total</b>		<b>934</b>	<b>1 377</b>

<b>12.5 Impairment of receivables</b>	<b>Note</b>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Estimate of impairment of receivables		1 245	302
<b>Total</b>		<b>1 245</b>	<b>302</b>

The impairment of receivables is based on debts on the system older than 3 years.

NOTES TO FINANCIAL STATEMENTS  
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<b>13. Voted funds to be surrendered to Revenue Fund</b>	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
<b>Opening balance</b>		132 192	88 002
As restated		132 192	88 002
Transfer from statement of financial performance (as restated)		376	93 292
Voted funds not requested/not received	1.1	-	38 900
Paid during the year		(132 192)	(88 002)
<b>Closing balance</b>		<b>376</b>	<b>132 192</b>

The amount to be surrendered has increased due to the department receiving R38.9 million more than scheduled due to Provincial Treasury transferring the amount suspended in 2014/15 twice in 2015/16 as well as department not receiving all the conditional grant funds appropriated in 2014/15.

**14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
<b>Opening balance as restated</b>		1 092	3 492
Transfer from Statement of Financial Performance (as restated)		20 023	23 712
Paid during the year		(19 243)	(26 112)
<b>Closing balance</b>		<b>1 872</b>	<b>1 092</b>

**15. Payables – current**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Clearing accounts	15.1	670	225
Other payables	15.2	17	-
<b>Total</b>		<b>687</b>	<b>225</b>

**15.1 Clearing accounts**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Salary ACB Recalls	15	102	180
Salary Reversal Control		-	12
Disallowance Miscellaneous		-	1
Revenue payable to EDTEA		18	32
Pension Recoverable		10	-
Unallocated Receipts		539	-
Credit on debt account		1	-
<b>Total</b>		<b>670</b>	<b>225</b>

**15.2 Other payables**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Salary Income Tax	15	16	-
Salary Pension Fund		1	-
<b>Total</b>		<b>17</b>	<b>-</b>

NOTES TO FINANCIAL STATEMENTS  
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16. Net cash flow available from operating activities	Note	2016/17 R'000	2015/16 R'000
Net surplus/(deficit) as per Statement of Financial Performance		20 039	116 592
Add back non cash/cash movements not deemed operating activities		54 574	149 064
(Increase)/decrease in receivables		4 219	14 633
Increase/(decrease) in payables – current		462	(337)
Proceeds from sale of capital assets		(426)	(3 323)
Expenditure on capital assets		293 622	213 305
Surrenders to Revenue Fund		(151 435)	(114 114)
Voted funds not requested/not received		0	38 900
<b>Net cash flow generated by operating activities</b>		<b>166 841</b>	<b>265 656</b>

17. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General account		1 079	127 700
Cash receipts		-	1
Disbursements		(109)	(277)
Cash on hand		35	36
<b>Total</b>		<b>1 005</b>	<b>127 460</b>

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities	Note	2016/17 R'000	2015/16 R'000
<b>Liable to</b>			
<b>Nature</b>			
Housing loan guarantees	Annex 3A	34	34
Claims against the department	Annex 3B	75 883	45 246
Intergovernmental payables (unconfirmed balances)	Annex 5	3 958	441
<b>Total</b>		<b>78 528</b>	<b>45 721</b>

Housing loan guarantees are being phased out and no new guarantees are being issued.

Contingent Liabilities cases are open until pending issues such as awaiting further instruction/and or pleadings/or supporting documentation and/or trial dates are finalised.

19. Commitments	Note	2016/17 R'000	2015/16 R'000
<b>Current expenditure</b>		<b>57 229</b>	<b>181 798</b>
Approved and contracted		57 229	181 798
<b>Capital expenditure</b>		<b>90 831</b>	<b>99 311</b>
Approved and contracted		90 831	99 311
<b>Total Commitments</b>		<b>148 060</b>	<b>281 109</b>

Included in Current Commitments Approved and contracted are commitments longer than one year.

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**20. Accruals and payables not recognised**

<b>20.1 Accruals</b>			<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	54 958	12 981	67 939	32 601
Capital assets	5 420	1 488	6 908	760
<b>Total</b>	<b>60 378</b>	<b>14 469</b>	<b>74 847</b>	<b>33 361</b>
		<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
<b>Listed by programme level</b>				
Administration			37 731	8 277
Agricultural Development Service			36 975	25 016
Rural Development			141	68
<b>Total</b>			<b>74 847</b>	<b>33 361</b>

**20.2 Payables not recognised**

<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
			<b>Total</b>	<b>Total</b>
Goods and services	34	-	34	232
Interest and rent on land	-	-	-	-
Capital assets	10	-	10 745	-
	745			
Other	139	-	139	61
<b>Total</b>	<b>10 918</b>	<b>-</b>	<b>10 918</b>	<b>293</b>
<b>Listed by programme level</b>				
Agriculture			10 918	293
<b>Total</b>			<b>10 918</b>	<b>293</b>

**Included in the above totals are the following:**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Confirmed balances with departments	Annex 5	10 918	34
Confirmed balances with other government entities		-	-
<b>Total</b>		<b>10 918</b>	<b>34</b>

**22. Employee benefits**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Leave entitlement		69 494	65 207
Service bonus (Thirteenth cheque)		27 369	26 517
Performance awards		16 889	14 759
Capped leave commitments		135 369	135 859
Other		102	
<b>Total</b>		<b>249 223</b>	<b>242 342</b>

Included in leave entitlement is negative leave of R96,000. Other refers to Long Service Awards.

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**23. Lease commitments**

**23.1 Operating leases expenditure**

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	14 773	3 555	18 328
Later than 1 year and not later than 5 years	-	-	22 536	3 456	25 992
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>37 309</b>	<b>7 011</b>	<b>44 320</b>

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	13 272	2 734	16 006
Later than 1 year and not later than 5 years	-	-	28 824	2 027	30 851
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>42 096</b>	<b>4 761</b>	<b>46 857</b>

Buildings and other fixed structures relates to Office accommodation leased through Public Works.

**23.2 Finance leases expenditure\*\***

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	3 142	3 142
Later than 1 year and not later than 5 years	-	-	-	358	355
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 500</b>	<b>3 500</b>

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	3 285	3 285
Later than 1 year and not later than 5 years	-	-	-	2 004	2 004
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 289</b>	<b>5 289</b>

Machinery and equipment relates to Cell phone contracts entered into for 2 year periods

**24. Accrued departmental revenue**

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services other than capital assets		7 286	8 180
<b>Total</b>		<b>7 286</b>	<b>8 180</b>



NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**24.1 Analysis of accrued departmental revenue**

	Note	2016/17 R'000	2015/16 R'000
Opening balance		8 180	5 784
Less: amounts received		8 819	(10 037)
Add: amounts recognised		7 925	12 632
Less: amounts written-off/reversed as irrecoverable		-	199
<b>Closing balance</b>		<b>7 286</b>	<b>8 180</b>

**24.2 Accrued department revenue written off  
Nature of losses**

	Note	2016/17 R'000	2015/16 R'000
Outstanding Laboratories fees		-	199
<b>Total</b>		<b>-</b>	<b>199</b>

**25. Irregular expenditure**

**25.1 Reconciliation of irregular expenditure**

	Note	2016/17 R'000	2015/16 R'000
Opening balance		66 352	42 041
Prior period error		-	-
As restated		66 352	42 041
Add: Irregular expenditure – relating to current year		128 025	34 167
Less: Prior year amounts condoned			
Less: Amounts not condoned and recoverable			
Less: Amounts not condoned and not recoverable			(9 856)
<b>Closing balance</b>		<b>194 377</b>	<b>66 352</b>

**Analysis of awaiting condonation per age  
classification**

Current year	128 025	34 167
Prior years	66 352	32 185
<b>Total</b>	<b>194 377</b>	<b>66 352</b>

Provincial Treasury to issue guidelines to the department on how to proceed with reviewing of irregular expenditure matters, based on National Treasury directive.

**25.2 Details of irregular expenditure – current year  
Incident**

	Disciplinary steps taken/criminal proceedings	2016/17
Month to month contracts		22 435
Single source		346
Noncompliance with SCM processes		12 935
3 Quotes not received(3 or more requested)		163
Expired contract		1 440
SCM processes not followed by implementing agent		90 506
Conditional grant funding not utilised for intended purposes by recipient		200
<b>Total</b>		<b>128 025</b>

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**25.3 Details of irregular expenditure not recoverable (not condoned)**

Incident	Not condoned by (condoning authority)	2016/17
		-
<b>Total</b>		<b>-</b>

**25.4 Details of irregular expenditures under investigation (not included on main note)**

Incident	2016/17 R'000
Quotes not received (3 or more requested)	1 401
3 Quotes not requested	2 527
Month to Month Contracts	47 533
No Contracts	502
Single source	2 377
Use of prohibited suppliers	372
Competitive bidding process not followed	4 232
No order	15
Supplier restricted	1 654
No supporting docs	447
Splitting of orders	643
Delegations not adhered to	3 118
Fraudulent payment	500
Overpayment to supplier	296
Preferred supplier unable to deliver	183
Conflict of interest	13
Variations in terms of Reference	432
Sole service provider	23
Price variation	84
<b>Total</b>	<b>66 352</b>

**26. Fruitless and wasteful expenditure**

**26.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2016/17 R'000	2015/16 R'000
Opening balance		1 421	1 455
Prior period error		-	-
As restated		1 421	1 455
Fruitless and wasteful expenditure – relating to prior year		-	17
Fruitless and wasteful expenditure – relating to current year		162	157
Less: Amounts resolved		(1 360)	(208)
Less: Amounts transferred to receivables for recovery		(7)	-
<b>Closing balance</b>		<b>216</b>	<b>1 421</b>

**26.2 Analysis of awaiting resolution per economic classification**

	2016/17 R'000	2015/16 R'000
Current	216	1 421
<b>Total</b>	<b>216</b>	<b>1 421</b>

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**26.3 Analysis of Current year's fruitless and wasteful expenditure**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2016/17 R'000</b>
Interest on Overdue Accounts		154
Late Registration Fee		8
No show: Accommodation Fees		-
<b>Total</b>		<b>162</b>

Of the total fruitless and wasteful expenditure identified in 2016/17, R52,000 has been approved for write-off

**26.4 Prior year error**

	<b>2016/17 R'000</b>
Relating to 2015/16	(9)
Incorrectly classified	(9)
<b>Total</b>	<b>(9)</b>

**26.5 Details of fruitless and wasteful expenditure under investigation (not in the main note)**

<b>Incident</b>	<b>2016/17 R'000</b>
Interest on overdue account	77
Service fees no show	2
Late Registration fees	1
No show: accommodation fees	26
<b>Total</b>	<b>106</b>

These are cases still under investigation for 2015/16 and prior years

**27. Related Party Transactions**

**In kind goods and services provided/received**

The following are related parties to the Department:

Mjindi Farming (Pty) Ltd  
Agricultural Development Agency  
Ntingwe Tea (Pty)Ltd

Refer to Annexure 1B,1D, 2A and 2B for details of transactions with the above entities

**28. Key management personnel**

	<b>No. of Individuals</b>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Political office bearers (provide detail below)	2	1 936	1 902
Officials:			
Level 15 to 16	6	8 079	8 074
Level 14 (incl. CFO if at a lower level)	7	7 635	7 446
<b>Total</b>		<b>17 650</b>	<b>17 422</b>

During the financial year there were two MEC's appointed during the following periods: MEC Xaba 1 April - 7 June 2016; MEC Mthembu 8 June 2016 - 31 March 2017

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**29. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance R'000	Value and Adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	545 667	(124)	124 793	29 317	641 019
Transport assets	150 822	(344)	18 030	1 772	166 736
Computer equipment	110 188	(109)	11 506	15 432	106 153
Furniture and office equipment	19 838	(281)	786	1 461	18 882
Other machinery and equipment	264 819	(610)	94 471	652	349 248
<b>BIOLOGICAL ASSETS</b>	2 919	1 217	118	449	3 805
Biological assets	2 919	1 217	118	449	3 805
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>548 586</b>	<b>1 093</b>	<b>124 911</b>	<b>29 766</b>	<b>644 824</b>

**29.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Cash*	Non-cash*	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	124 793	-	-	-	124 793
Transport assets	18 030	-	-	-	18 030
Computer equipment	11 506	-	-	-	11 506
Furniture and office equipment	786	-	-	-	786
Other machinery and equipment	94 471	-	-	-	94 471
<b>BIOLOGICAL ASSETS</b>	118	-	-	-	118
Biological assets	118	-	-	-	118
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>124 911</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124 911</b>

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**29.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Sold for cash	Non Cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>		<b>29 317</b>	<b>29 317</b>	
Transport assets		1 772	1 772	
Computer equipment		15 432	15 432	
Furniture		1 461	1 461	
Other machinery & equipment		10 652	10 652	
<b>BIOLOGICAL ASSETS</b>	<b>449</b>	<b>-</b>	<b>449</b>	<b>426</b>
Biological assets	449		449	426
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>449</b>	<b>29 317</b>	<b>29 766</b>	<b>426</b>

**29.3 Movement for 2015/16**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>508 023</b>		<b>46 847</b>	<b>9 203</b>	<b>545 667</b>
Transport assets	140 320		19 492	8 990	150 822
Computer equipment	96 555		13 846	213	110 188
Furniture & office equipment	18 399		1 439		19 838
Other machinery & equipment	252 749		12 070		264 819
<b>BIOLOGICAL ASSETS</b>	<b>2 564</b>		<b>623</b>	<b>268</b>	<b>2 919</b>
Biological assets	2 564		623	268	2 919
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>510 587</b>		<b>47 470</b>	<b>9 471</b>	<b>548 586</b>

**29.3.1 Prior period error**

Nature of prior period  
error  
Machinery and  
Equipment adj.  
**TOTAL**

Note

2015/16  
R'000

-  
-

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**29.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening bal	-	56	-	26 354	6 060	32 470
Value adj.	-	-	-	(108)	1 488	1 380
Additions	-	-	-	833	-	833
Disposals	-	-	-	3 108	1 380	4 488
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>23 971</b>	<b>6 168</b>	<b>30 195</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	22 618	-	22 618
Number of minor assets at cost	-	-	-	17 334	-	17 334
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39 952</b>	<b>-</b>	<b>39 952</b>

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening Balance	-	56	-	25 110	8 388	33 554
Prior period error	-	-	-	-	-	-
Additions	-	-	-	1 265	49	1 314
Disposals	-	-	-	21	2 377	2 398
<b>Total Minor Assets</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>26 354</b>	<b>6 060</b>	<b>32 470</b>

	Specialised military assets	Intangible assets	Heritage assets	Machin ery and equipm ent	Biological assets	Total
Number of R1 minor assets	-	-	-	25 888	-	25 888
Number of minor assets at cost	-	-	-	18 758	3 617	22 375
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44 646</b>	<b>3 617</b>	<b>48 263</b>

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**29.5 S42 Movable Capital Assets**

**MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA – 31 MARCH 2017**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	169	-	169
Value of the Asset (R'000)	-	-	-	6 438	-	6 438

**MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA – 31 MARCH 2017**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	679	-	679
Value of the Asset (R'000)	-	-	-	555	-	555

**30 Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance R'000	Value Adjustment R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	2 803	(1)	51	480	2 373
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>2 803</b>	<b>(1)</b>	<b>51</b>	<b>480</b>	<b>2 373</b>

**30.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Cash	Non Cash	(Developm ent work- in-process current cost)	Received current, not paid(Paid current year, received prior year	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	51				51
<b>TOTAL ADDITIONS TO INTANGIBLE</b>	<b>51</b>				<b>51</b>

**30.2 Disposals**

**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Sold for Cash	Non Cash dispos al	Total disposal s	Cash received Actual
	R'000	R'000	R'000	R'000
SOFTWARE	-	480	480	-
<b>TOTAL DISPOSAL OF INTANGIBLE</b>	<b>-</b>	<b>480</b>	<b>480</b>	<b>-</b>

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**30.3 Movement for 2015/16**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	2 803	-	-	-	2 803
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>2 803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 803</b>

**30.4 Additions**

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Cash	Non- cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING &amp; OTHER FIXED STRUCTURES</b>	<b>163 282</b>	<b>-</b>	<b>(163 282)</b>	<b>-</b>	<b>-</b>
Dwellings	-	-	-	-	-
Non-residential buildings	163 282	-	(163 282)	-	-
Other fixed structures	-	-	-	-	-
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>163 282</b>	<b>-</b>	<b>(163 282)</b>	<b>-</b>	<b>-</b>

**31. Prior period errors**

**2015/16**

**31.1 Correction of prior period errors**

**R'000**

Other: Fruitless and wasteful  
Misclassification 2015/16

(9)

**Net effect**

(9)

Fruitless and wasteful expenditure (interest paid) was overstated by R9,000 and must be reversed.



NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**32. TRANSFER OF FUNCTIONS**

A proclamation by the President of the Republic of South Africa on the 15 August 2014, effected the transfer of a function, namely Environmental Affairs from the erstwhile Department of Agriculture and Environmental Affairs to the erstwhile Department of Economic Development and Tourism. The effective date of the transfer of function took place on the 1 April 2014.

The effective date of the transfer was 1 April 2014.

Statement of Financial Position	Note	Bal per dept. 2015/16 AFS before transfer 2015/16 R'000	Functions per dept (transferred) / received 2015/16 R'000	2015/16 Bal after transfer 2015/16 R'000
<b>ASSETS</b>				
<b>Current Assets</b>		<b>132 454</b>		<b>132 454</b>
Cash and cash equivalents		127 460		127 460
Receivables		4 994		4 994
<b>Non-Current Assets</b>		<b>2 101</b>		<b>2 101</b>
Receivables		2 101		2 101
<b>TOTAL ASSETS</b>		<b>134 555</b>		<b>134 555</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>		<b>133 509</b>		<b>133 509</b>
Voted funds to be surrendered to the Revenue		132 192		132 192
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund		1 092		1 092
Payables		225		225
<b>Non-Current Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
Payables		-	-	-
<b>TOTAL LIABILITIES</b>		<b>133 509</b>		
<b>NET ASSETS</b>		<b>1 046</b>		<b>1 046</b>

NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 March 2017

Disclosure Notes	Note	Bal per dept. 2015/16 AFS before transfer 2015/16 R'000	Functions per dept (transferred) / received 2015/16 R'000	2015/16 Bal after transfer 2015/16 R'000
Contingent liabilities		45 721		45 721
Commitments		281 109		281 109
Accruals		33 361		33 361
Payables not recognised		293		293
Employee benefits		242 342		242 342
Lease commitments - operating lease		44 320		44 320
Lease commitments - finance lease		3 500		3 500
Lease commitments - operating lease revenue		-		-
Accrued departmental revenue		8 180		8 180
Irregular expenditure		66 352		66 352
Fruitless and wasteful expenditure		1 429		1 429
Impairment		-		-
Provisions		-		-
Movable tangible capital assets		548 546	(6 993)	541 553
Immovable tangible capital assets		-		-
Intangible capital assets		2 803		2 803

Included in movable tangible assets in an amount of R555 that relates to minor assets. Proclamation No. 61 of 2014 was signed on the 15 August 2014, effecting the transfer of the function of Environmental Affairs to the Department of Economic Development, Tourism and Environmental Affairs.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**31. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF GRANT	GRANT ALLOCATION					SPENT				2015/16	
	Division of Revenue Act/Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (overspending)	% of available funds spent by dept	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Comp Agricultural Support Programme	222 155	-	-	-	222 155	222 155	222 155	-	100%	226 161	226 161
Lima/ Letsema Project	63 876	-	-	-	63 876	63 876	63 876	-	100%	69 401	69 401
Land Care	10 632	-	-	-	10 632	10 632	10 632	-	100%	10 666	10 666
EPWP Incentive grant for Provinces	3 840	-	-	-	3 840	3 840	3 840	-	100%	2 296	2 296
<b>Total: Conditional grants</b>	<b>300 503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300 503</b>	<b>300 503</b>	<b>300 503</b>	<b>-</b>	<b>100%</b>	<b>308 524</b>	<b>308 524</b>

**Note:** CASP expenditure includes Compensation of Employees of R19.296 million for Extension Recovery Plan which is allocated to equitable share due to Persal links.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**32. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustment s	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
PD: Vehicles Licences	1 428	-	(150)	1 278	1 278	-	
Mun B/Acc: Mun Rates & Taxes	24	-	(24)			-	
	<b>1 452</b>	<b>-</b>	<b>(174)</b>	<b>1 278</b>	<b>1 278</b>	<b>-</b>	

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

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

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Agri Business Development Agency	128 397	-		128 397	94 581	74%	99 500
Com: Licences (Radio & TV)	1	-		1	1	100%	1
Skills Development Levy	2 517	-	(99)	2 418	2 418	100%	1 805
<b>Total</b>	<b>130 915</b>	<b>-</b>	<b>(99)</b>	<b>130 816</b>	<b>97 000</b>		<b>101 306</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1C**  
**STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

INSTITUTION NAME	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
University of Zululand	3 000	-		3 000	3 000	%	-
<b>Total</b>	<b>3 000</b>	<b>-</b>		<b>3 000</b>	<b>3 000</b>		<b>-</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	TRANSFER ALLOCATION				EXPENDITURE				
NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public corporations</b>									
<b>Transfers</b>	<b>73 509</b>	-	-	<b>73 509</b>	<b>73 505</b>	<b>100.0%</b>	-	<b>73 505</b>	<b>62 699</b>
Mjindi Farming	53 183	-	-	53 183	53 183	100.0%	-	53 183	50 506
Independent Development Trust (IDT)	20 326	-	-	20 326	20 322	100.0%	-	20 322	-
Ithala Development Finance	-	-	-	-	-	-	-	-	12 193
<b>Sub total: Public corporations</b>	<b>73 509</b>	-	-	<b>73 509</b>	<b>73 505</b>	<b>100.0%</b>	-	<b>73 505</b>	<b>62 699</b>
<b>Private enterprises</b>									
<b>Transfers</b>	<b>217 922</b>	-	-	<b>217 922</b>	<b>82 021</b>	<b>37.6%</b>	<b>30 606</b>	<b>51 415</b>	<b>49 392</b>
SA Sugar Research Institute	2 242	-	-	2 242	2 242	100.0%	-	2 242	2 544
Soil Conservation Subsidy	1 605	-	-	1 605	1 604	100.0%	-	1 604	1 500
<i>Aquason Construction</i>	<i>644</i>	-	-	<i>644</i>	<i>644</i>	<i>100.0%</i>	-	<i>644</i>	<i>789</i>
<i>Mvuthshini Estate (Pty) Ltd</i>	<i>378</i>	-	-	<i>378</i>	<i>378</i>	<i>100.0%</i>	-	<i>378</i>	<i>402</i>
<i>Radley, JH</i>	<i>582</i>	-	-	<i>582</i>	<i>582</i>	<i>100.0%</i>	-	<i>582</i>	<i>309</i>
<i>Unallocated</i>	<i>1</i>	-	-	<i>1</i>	-	-	-	-	-
Donations & Gifts Private Ent	-	-	-	-	-	-	-	-	5
Nyonende Hatchery	-	-	-	-	-	-	-	-	4 200
Communal Estates	26 662	-	-	26 662	12 426	46.6%	-	12 426	9 640

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2017*

	TRANSFER ALLOCATION				EXPENDITURE				
NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Appropriation Act
SA Sugar Association	28 115	-	-	28 115	15 117	53.8%	-	15 117	27 053
Inqanawe Tunnel Project	3 054	-	-	3 054	3 054	100.0%	3 054	-	4 450
Rapid Dawn 1064 CC	1 474	-	-	1 474	1 474	100.0%	1 474	-	-
River Valley Project	1 200	-	-	1 200	1 200	100.0%	1 200	-	-
Siyathuthuka Farms	4 099	-	-	4 099	3 429	83.7%	3 429	-	-
Masisizane Fund	98 377	-	-	98 377	-	-	-	-	-
Nyezenhle Holdings - Roadside Abattoir	7 000	-	-	7 000	7 000	100.0%	-	7 000	-
Uthukela Local House of Traditional Leaders Development Trust	18 245	-	-	18 245	13 026	71.4%	-	13 026	-
Sizisizwe Trading Enterprise Primary Co-Operative	4 728	-	-	4 728	4 728	100.0%	4 728	-	-
Copperfield Dairy	6 500	-	-	6 500	6 500	100.0%	6 500	-	-
Izobuya Nini Trading Enterprise CC	1 500	-	-	1 500	1 500	100.0%	1 500	-	-
Indlovu Family CC	7 521	-	-	7 521	3 221	42.8%	3 221	-	-
Ekuphileni Poultry and Agricultural Farming Primary Cooperative	5 500	-	-	5 500	5 500	100.0%	5 500	-	-
Agricultural Show Societies	100	-	-	100	-	-	-	-	-
<b>Subsidies</b>	-	-	-	-	-	-	-	-	-
<b>Sub total: Private Enterprises</b>	<b>217 922</b>	-	-	<b>217 922</b>	<b>82 021</b>	<b>37.6%</b>	<b>30 606</b>	<b>51 415</b>	<b>49 392</b>
<b>TOTAL</b>	<b>291 431</b>	-	-	<b>291 431</b>	<b>155 526</b>	<b>53.4%</b>	<b>30 606</b>	<b>124 920</b>	<b>112 091</b>
Note: The expenditure for Masisizane Fund has been reclassified under Capital and Goods and Services									



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**ANNEXURE 1F**  
**STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Agricultural schools		-	-				
Weston College of Agriculture	4 472	-	-	4 472	3 569	80%	3 897
James Nxumalo Agricultural School	5 421	-	-	5 421	-	-	2 397
Vryheid Agricultural School	6 420	-	-	6 420	-	-	2 823
Shakaskraal Secondary School	5 448	-	-	5 448	-	-	1 564
Zakhe Agricultural College	3 446	-	-	3 446	-	-	3 089
<b>Total</b>	<b>25 207</b>	<b>-</b>	<b>-</b>	<b>25 207</b>	<b>3 569</b>	<b>14%</b>	<b>13 770</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**ANNEXURE 1G**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	%Available funds Transferred	Appropriation Act
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Injury on Duty	-	-	20	20	20	100%	126
Leave Gratuity	9 695	-	1 890	11 585	11 585	100%	15 252
Claims Against State	-	-	196	196	196	100%	11
Bursaries non-employees	4 265	-	(445)	3 820	3 820	100%	3 099
<b>Subsidies</b>	-	-	-	-	-	-	-
<b>Total</b>	<b>13 960</b>	<b>-</b>	<b>1 661</b>	<b>15 621</b>	<b>15 621</b>	<b>100%</b>	<b>18 488</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017

**ANNEXURE 1H**  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
<b>Received in kind</b>			
Department of Agriculture, Forestry & Fisheries	30 JoJo tanks	348	-
Department of Agriculture, Forestry & Fisheries	Erection of fence and poles - renovations to stores- Qwaka	459	-
Department of Agriculture, Forestry & Fisheries	Computers and other equipment, library books	-	3 407
Department of Agriculture, Forestry & Fisheries	Vehicles, tractors and Implements	-	1 937
Department of Agriculture, Forestry & Fisheries	Parkhome clinics, cottages	-	5 693
<b>Total</b>		<b>807</b>	<b>11 037</b>

**ANNEXURE 1I****STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash		-	-	-	-
<b>Total</b>		-	-	-	-

**ANNEXURE 1J**
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2016/17 R'000	2015/16 R'000
<b>Made in kind</b>		
Token of appreciation at Service Excellence Awards – Messrs Brian and Siphumelel	-	2
10 Cattle – Nxamalala Event in Impendle	-	50
2 Sheep – Israel Spiritual Church	-	1
3 Cattle – Maphumulo Traditional Council	-	9
2 Cattle – Willowfontein Rural horse Riding Club	-	8
1 Bull – Sakhubunye Livestock Co-Operative	-	5
10 Cattle – Isimahla Traditional Council	-	27
1 Cow – Departmental Sports Day	-	4
Goats – king at Expo Msinga	-	50
3 cows and 6 goats - Emadungeni Traditional Court	13	-
31 computers and 1 data projector - Washbank JS School	245	-
2 cattle and 4 sheep - Methodist Church of SA	12	-
2 cattle – CF St John Bosco	11	-
29 cattle - Emthekwini Hluhluwe families	78	-

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2016/17	2015/16
	R'000	R'000
10 cattle - Presidential Event Impendle	46	-
3 cattle - Bambangalo Maphumulo Traditional Council	12	-
1 cattle - Phakathi family(Mt Moriar)	5	-
1 cattle- College Cultural Day	7	-
2 cattle - Departmental Event	8	-
<b>Made in Cash</b>		
50 <sup>th</sup> Anniversary fundraising dinner – Edendale Lay Ecumenical centre	-	5
<b>TOTAL</b>	<b>437</b>	<b>161</b>

# ANNEXURE 1K

## STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

GRANT TYPE	APRIL 2016 R'000	MAY 2016 R'000	JUN 2016 R'000	JUL 2016 R'000	AUG 2016 R'000	SEPT 2016 R'000	OCT 2016 R'000	NOV 2016 R'000	DEC 2016 R'000	JAN 2017 R'000	FEB 2017 R'000	MAR 2017 R'000	TOTAL 2016/17 R'000
Other	3 161	8 168	12 393	5 453	14 917	12 732	8 944	78 464	73 419	26 301	19 354	37 197	300 503
<b>Total</b>	<b>3 161</b>	<b>8 168</b>	<b>12 393</b>	<b>5 453</b>	<b>14 917</b>	<b>12 732</b>	<b>8 944</b>	<b>78 464</b>	<b>73 419</b>	<b>26 301</b>	<b>19 354</b>	<b>37 197</b>	<b>300 503</b>
Included in above monthly expenditure: Comp Agricultural Support Programme ; Lima/ Letsema Project ; Land Care ; EPWP Incentive grant for Provinces													

**ANNEXURE 2A**
**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES**

Name of Public Entity	State Entity's PFMA Schedule type	% Held 2016/17	% Held 2015/16	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed
				2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	Yes/No
<b>National/Provincial Public Entity</b>												
Mjindi Farming (Pty) Limited	Schedule 3D	100	100	100	100	8 757	8 757	66 009	54 865	11 145	(9 068)	No
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>8 757</b>	<b>8 757</b>	<b>66 009</b>	<b>54 865</b>	<b>11 145</b>	<b>(9 068)</b>	



**ANNEXURE 2B: STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)**

Name of Public Entity	Nature of business	Cost of investment R'000		Net Asset value of Investment R'000		Amounts owing to Entities R'000		Amounts owing by Entities R'000	
		31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
<b>Controlled entities</b>									
Ntingwe Tea (Pty)Ltd	This is the joint venture between the Department of Agriculture and Ithala Development Finance Corporation Ltd, whose main purpose is to provide funding investing and establishing a viable commercial tea business in Northern KwaZulu Natal. The company is the holding company of Ntingwe Farming (Pty) Ltd - the operating company. Department of Agriculture owns 62% of the shares in Ntingwe Tea (Pty)Ltd and Ithala owns 38%	1	1	(92 613)	(85 026)	-	-	-	-
<b>Total</b>		<b>1</b>	<b>1</b>	<b>(92 613)</b>	<b>(85 026)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE 3A**  
**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – LOCAL**

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2016	Guarantees draw down during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA		34	34	-	-	-	34	-	-
<b>Total</b>		<b>34</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>

**ANNEXURE 3B**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017**

<b>Nature of Liability</b>	<b>Opening Balance  1 April 2016  R'000</b>	<b>Liabilities incurred during the year  R'000</b>	<b>Liabilities paid/cancelled/redu ced during the year  R'000</b>	<b>Liabilities recoverable (Provide details hereunder)  R'000</b>	<b>Closing Balance  31 March 2017  R'000</b>
<b>Claims against the department</b>					
Accidental Claims	1 517	654	303	-	1 868
Damage to property	8 427	-	-	-	8 427
Goods and Services	34 859	642	2 077	-	33 424
Lease Agreement Dispute	-	66	-	-	66
General Claims	443	31 655	-	-	32 098
<b>TOTAL</b>	<b>45 246</b>	<b>33 017</b>	<b>2 380</b>	<b>-</b>	<b>75 883</b>

**ANNEXURE 4**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
Dept Agriculture, Forestry and Fisheries		715		904		1 619	-	-
Economic Development		2 396				2 396	-	-
Dept of Arts and Culture			307	118	307	118	-	-
KZN: Human Settlement		22				22	-	-
KZN: Public Works		6				6	-	-
<b>TOTAL</b>		<b>3 139</b>	<b>307</b>	<b>1 022</b>	<b>307</b>	<b>4 161</b>	<b>-</b>	<b>-</b>

**ANNEXURE 5**  
**INTER-GOVERNMENT PAYABLE**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17*	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six(6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Dept. of Works	2 334	31	1 347	113	3 681	113	31/03/2017	5 292
Dept. of Transport	8 411	-	2 418	38	10 829	69	31/03/2017	1 781
Department of Planning Monitoring Eval	39	-	-	-	39	-	-	-
Department of Health	-	3	19	-	-	3	-	-
Government Printing Works	-	-	-	11	-	11	-	-
Department of Justice	34	-	-	-	53	-	-	-
<b>Subtotal: Current</b>	<b>10 818</b>	<b>34</b>	<b>3 784</b>	<b>162</b>	<b>14 602</b>	<b>196</b>	<b>-</b>	<b>7 073</b>

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17*	
GOVERNMENT ENTITY	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six(6) working days before year end	Amount
<b>Non-Current</b>								
Dept. of Arts and Culture	-	-	75	75	75	75	-	-
South African Police Services	100	-	-	-	100	-	-	-
Department of Education	-	-	99	-	99	-	-	-
National School of Government	-	-	-	143	-	143	-	-
National Agriculture , Land Reform & Rural	-	-	-	61	-	61	-	-
<b>Subtotal – Non-current</b>	<b>100</b>	<b>-</b>	<b>174</b>	<b>279</b>	<b>274</b>	<b>279</b>	<b>-</b>	<b>-</b>
<b>Total Departments</b>	<b>10 918</b>	<b>34</b>	<b>3 958</b>	<b>441</b>	<b>14 876</b>	<b>475</b>	<b>-</b>	<b>7 073</b>

## ANNEXURE 6

### INVENTORIES

Inventory	Note	Quantity	2016/17	Quantity	2015/16
			R'000		R'000
Opening balance		-	1 679	-	11 354
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/Purchases - Cash		-	19 079	-	1 679
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		-	(1 679)	-	(11 354)
Add/(Less): Adjustments		-	-	-	-
<b>Closing balance</b>		-	<b>19 079</b>	-	<b>1 679</b>

## ANNEXURE 7

### Movement in Capital Work-in-Progress

#### MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>487 838</b>	<b>163 282</b>	<b>(139 453)</b>	<b>511 667</b>
Dwellings	-	-	-	-
Non-residential buildings	487 838	163 282	(139 453)	511 667
Other fixed structures	-	-	-	-
<b>TOTAL</b>	<b>487 838</b>	<b>163 282</b>	<b>(139 453)</b>	<b>511 667</b>

#### Age analysis on ongoing projects

0 to 1 year

1 to 3 years

3 to 5 years

Longer than 5 years

**Total**

Number of projects		2016/17
Planned, construction not started	Planned, construction started	Total R'000
187	-	139 926
20	4	1 376
18	15	17 910
7	2	4 070
<b>232</b>	<b>21</b>	<b>163 282</b>

Construction of Edumbe local office: Delays experience in acquisition of site, site has been filled and approved to continue, project on design stage.

Construction of Utrecht Local Office - Delays experienced in acquisition of site, this is still not resolved

Construction of Mtubatuba Local Office - Delays experienced in acquisition of site, a state land site has been obtained we are now undertaking a rezoning of the site

Construction of Danhauser Local Office - Delays experienced in acquisition of site, this is still not resolved

KwaDweshula P68 Mushroom Base - Due to the cost of the project and funding challenges, this project was placed on hold

Msinga Mushroom Base - Due to the cost of the project and funding challenges, this project was placed on hold

Umzimkhulu District Office - Project was delayed as the municipality wanted to move the town due to the flood plain, this is resolved and the project is in design stage

OSCA College Abattoir - The EIA delayed the implementation of the project

OSCA College Phase 2 renovations - The Construction contractor failed to perform and has been dismissed, the project is still awaiting a construction contractor



# **Movement in Capital Work-in-Progress**

## **MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>315 150</b>	<b>172 688</b>	<b>-</b>	<b>487 838</b>
Dwellings	-	-	-	-
Non-residential buildings	315 150	172 688	-	487 838
Other fixed structures	-	-	-	-
<b>TOTAL</b>	<b>315 150</b>	<b>172 688</b>	<b>-</b>	<b>487 838</b>



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Department:  
Agriculture and Rural Development  
PROVINCE OF KWAZULU-NATAL

LET'S MAKE AGRICULTURE OUR CULTURE

## ANNUAL REPORT 2016/17 FINANCIAL YEAR

LET'S MAKE AGRICULTURE OUR CULTURE