

**BRIEFING TO THE PORTFOLIO COMMITTEE OF
AGRICULTURE, FORESTRY AND FISHERIES, ON
NCERA CENTRE TRANSFER AND FINANCIAL
ASSISTANCE LAND (FALA) TRANSFER PROGRESS
UPDATE**

10 OCTOBER 2017



**agriculture,
forestry & fisheries**

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

CONTENTS

SLIDE

-
- Acronyms 3
 - Ncera Background Information- Part 1 5
 - Ncera Background Information- Part 2 6
 - Ncera visits by DAFF Minister and Deputy Minister 7
 - Ncera Centre Transfer Process 8
 - Ncera Pty (Ltd) Transfer Process 9
 - Progress on Ncera Transfer to ARC: Human Resource 10
 - Progress on Ncera Transfer to ARC: Finance 11
 - Progress on Ncera Transfer to ARC: Assets 12
 - Board Meeting at Ncera Centre 13
 - Consultation with Ncera Centre Employees 14
 - FALA Transfer Process 16
 - FALA Transfer: Status on Ncera Farms 17
 - FALA Transfer: Current working solutions by DAFF 18
 - Way forward 19



ACRONYMS

| | |
|-------|---|
| ARC | : Agricultural Research Council |
| CEO | : Chief Executive Officer |
| CFO | : Chief Financial Officer |
| DAFF | : Department Agriculture, Forestry and Fisheries |
| DPW | : Department of Public Works. |
| DRDLR | : Department of Rural Development and Land Reform |
| ER | : Employee Relations |
| HA | : Hectares |
| Ltd | : Limited |
| MoU | : Memorandum of Understanding |
| MoA | : Memorandum of Agreement |
| MP | : Member of Parliament |
| NT | : National Treasury |
| PFMA | : Public Finance Management Act |
| PLAS | : Proactive Land Acquisition Strategy |
| PTO | : Permission to Occupy |



ACRONYMS

Pty : Proprietary

SADTC : South African Development Trust Corporation



NCERA BACKGROUND INFORMATION- PART 1

- State purchased the farms in 1983/84 in order to implement the Ciskei Independence agreement.
- In 1991, the former Department of Development Aid through its Development Agent South African Development Trust Corporation (SADT / STK) undertook a planning investigation of Whittlesea Farms better known as Released Area 60 (RA 60) with 14 153.0952ha SADT land.
- **Area Breakdown:**
 - 9 599.2709ha transferred to Imidushane Tribe under Chief Jongilanga. 1 707.0811ha utilised by the Needs Camp Community no longer suitable for agricultural purposes; 136.4545ha settling Lillyvale farm dwellers; 856.9142ha additional for Imidushane Tribe;
 - **The total area administered by DAFF is 3 214.2805ha of which 1 000ha hosts the Ncera Centre and 2214.2805ha constitutes the farming portions around the centre.**



NCERA BACKGROUND INFORMATION- PART 2

- **Ncera comprises of two areas, the centre and the farms surrounding the centre.**
- **Area 1: The Training Centre.** The centre is registered as government business entity on 1 000ha used to provide the following services and training to the community : Agricultural Extension Services, Mechanization Services, Tractor Maintenance courses, Basic Agricultural Course, Breeding of Nguni type cattle and goats.
- **Area 2: The FALA Farms.** A total of thirteen (13) properties, consisting of ten (10) economic units when consolidated were advertised in the Daily Dispatch and the Eastern Province Herald on the 4th and 11th of March 2005 respectively. A total of 10 farmers (nine individuals and one Cooperative) were selected and settled on these portions through Permission to Occupy (PTO) letters that were renewed in August 2016.
- The normal procedure as per State Land Disposal Policy was followed in the allocations of the advertised Ncera properties to the land and agrarian reform beneficiaries.



VISITS TO NCERA BY DAFF MINISTER AND DEPUTY MINISTER

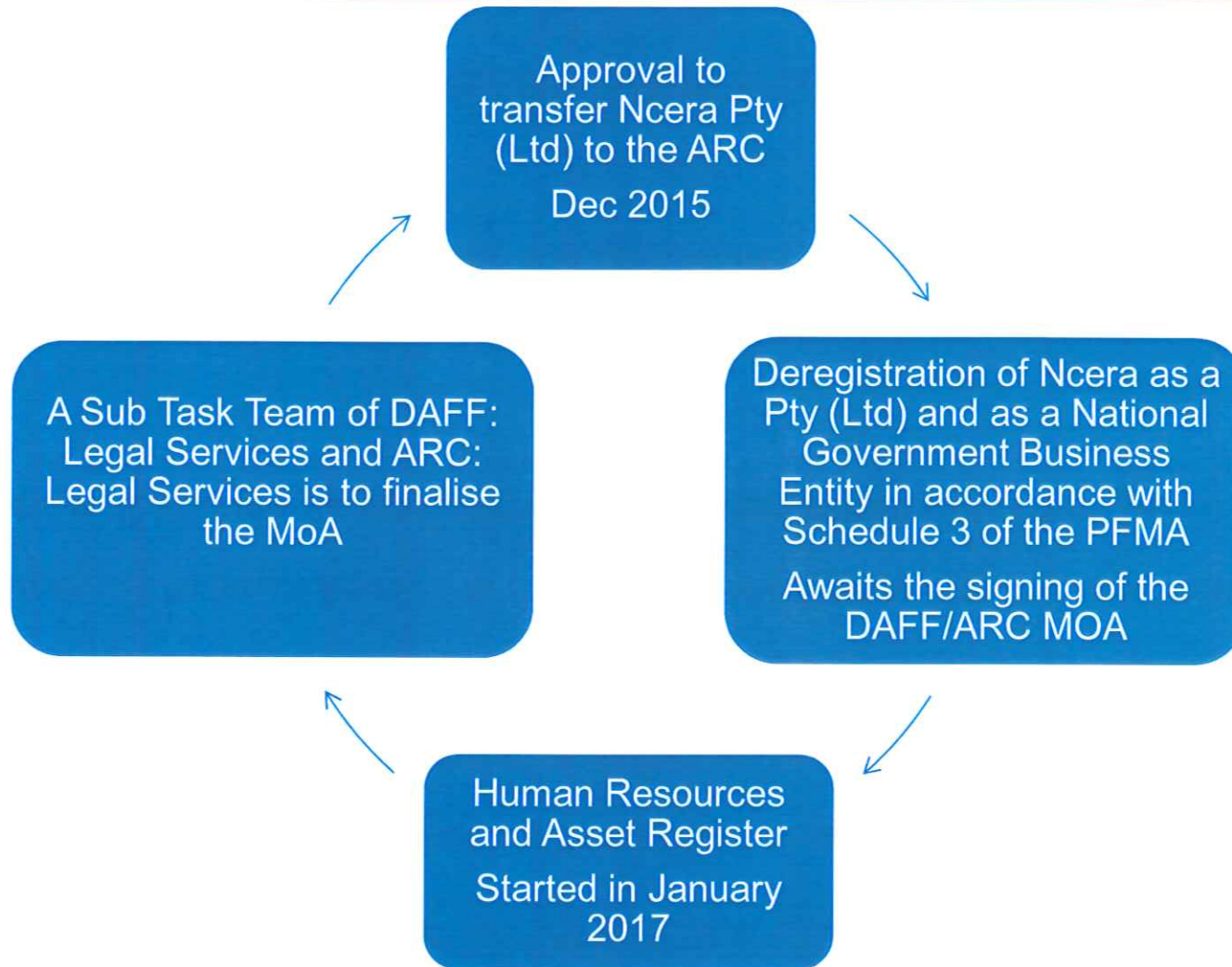
| Date of activity | Comment |
|-------------------|--|
| 20th January 2015 | The Honourable Minister of Agriculture, Forestry and Fisheries, Minister Zokwana (MP), visited the Ncera farms on 20 th January 2015 for a fact-finding exercise. |
| 12th March 2015. | The Minister's visit was followed by the Honourable Deputy Minister, General Bheki Cele (MP) on the 12 th March 2015. |
| 30th March 2015 | A joint visit was undertaken on the 30 th March 2015 by both the Honourable Deputy Minister, General Bheki Cele (MP) and Honourable Deputy Minister of Rural Development and Land Reform, Mr Mcebisi Skwatsha (MP). |
| 12th July 2016 | The Deputy Minister visited Ncera on the 12 th July 2016 where he expressed his concern regarding the one year PTO. In addition, the Deputy Minister emphasized that DAFF expedite the transfer of FALA to DRDLR. |



NCERA CENTRE TRANSFER PROCESS



NCERA PTY (LTD) TRANSFER PROCESS



PROGRESS ON NCERA TRANSFER TO ARC: HUMAN RESOURCES

- A study was conducted in terms of the conditions of service and it was discovered that the ARC's conditions of service are at a higher level compared to those of Ncera Farms.
- Another matter is Ncera Farm's Pty (Ltd) non compliance with the requirements by Department of Labour's Basic Conditions of Employment Act, 75 of 1997.
- ARC confirmed that all the other Ncera Centre employees will be placed at ARC but they do not have vacancies to place the CEO and CFO.
- It was agreed that, it is the responsibility of DAFF to place the Ncera CEO and CFO within the Department.



PROGRESS ON NCERA TRANSFER TO ARC: FINANCE

- Comparisons have been made on all the other employees and salaries are to be adjusted as per the Labour requirements. The Ncera employees had lower salaries than prescribed minimum wage and these were lower compared to those of the ARC employees.
- The budget for the salary adjustment for the Ncera employees will be derived from the current Ncera budget allocation which amounts to R6.2million and part of which paid the Ncera CEO and CFO salaries.
- There is still no clarity on the salary comparison for the Ncera CEO and CFO but DAFF is currently working on the matter.
- The Ncera budget to be transferred to the ARC includes operational costs.
- A total budget of R6.2million will be transferred to ARC and the Ncera CEO and CFO will be catered for within DAFF budget processes.



PROGRESS ON NCERA TRANSFER TO ARC: ASSETS

- Verification of movable and immovable assets was done at Ncera centre by members from ARC and DAFF.
- ARC has undertaken an evaluation of the property through Private Valuer for their purpose of accounting.
- ARC will undertake another verification before the final transfer targeted for December 2017, if all parties cooperate in terms of the documents that require signature such as the MOA.



BOARD MEETING AT NCERA CENTRE

- The Board meeting was held on the 29th March 2017 at the Ncera Centre and the following issues were discussed:
 - Internal audit report was presented by the Auditor.
 - 3rd quarter report on Performance, Expenditure & Revenue presented by the CFO.
 - Progress update on transfer of the Ncera Farms.



CONSULTATION WITH NCERA CENTRE EMPLOYEES

- Ncera Centre employees were consulted by DAFF on the 05th June 2017 and employees showed interest in moving to ARC.
- Employees were informed that ARC will also consult to inform them about salaries and benefits.
- The Ncera Centre CEO and CFO were also consulted on the same date.
- The CEO and CFO highlighted the fact that they do not wish to be moved to Pretoria and discussions have been held with the two officials. DAFF recommends that the CEO and the CFO be transferred to Pretoria for operational efficiencies.



CONSULTATION WITH NCERA CENTRE EMPLOYEES

- On the 04th September 2017, ARC consulted with Ncera Centre employees where several questions were raised especially regarding the salaries, medical aid and other benefits which they might receive.
- Most of the questions were responded to and they were promised another meeting where exact salaries for individuals will be explained to each of the employees.
- On the same date of the 04th September, the Board member Ms Nokuvela Ngubelanga was also consulted to inform her about the Ncera Centre transfer to ARC and the deregistration of the Entity. She acknowledged the information and said that she will await further update from DAFF regarding the progress.



FALA TRANSFER PROCESS



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FALA TRANSFER: STATUS ON NCERA FARMS

- **The current Permission to Occupy letters** have been renewed and the PTOs are for a three year period starting from August 2016 to July 2019.
- The DAFF is in the process of transferring FALA properties to DRDLR, which Ncera is a part of, as **land administration** is the DRDLR's Constitutional mandate.
- **Land invasions:** the number of informal shacks was counted to a total of 100 occupants. A follow up investigation discovered that two incomplete brick structures, two foundations as well as one complete structure was constructed on the invaded farm.
- **Theft:** The current farmers have experienced serious losses due to theft of their livestock and of the ten farmers allocated farms at Ncera only three continue to engage in agricultural activities due to theft.



FALA TRANSFER: CURRENT WORKING SOLUTIONS BY DAFF

- **Assistance by the Department of Rural Development and Land Reform (DRDLR):**
The farmer whose farm is being invaded, Mr Matinise, has been allocated a Proactive Land Acquisition Strategy (PLAS) farm by the DRDLR and awaits finalisation of the process before he can vacate the current farm.

- **DAFF is currently engaging partners on the invasion.**

- Partners include:
 - DRDLR

 - Portfolio Head Councilor for Health and Public Safety, Buffalo City Metropolitan Municipality

 - Law Enforcement Acting Head: Department of Public Works.



WAYFORWARD ON THE OUTSTANDING MATTERS

| ACTIVITY | TIMEFRAME |
|---|---|
| <ul style="list-style-type: none"> Final Ncera Centre consultation with the employees by DAFF and ARC. | 26 TH October 2017 |
| <ul style="list-style-type: none"> Placement of CEO and CFO. | January 2018 after the signing of the MOA |
| <ul style="list-style-type: none"> Signing of MoA by DAFF and ARC. | December 2017 |
| <ul style="list-style-type: none"> Finalize the transfer with National Treasury based on signed MoA. | February 2017 |



Cedric Mboya @ 2020.

THANK YOU



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