The 2014 budget is the second budget in which the SAVC’s 2012 strategic plan is taking shape. The January 2012 strategic plan listed matters in the order of importance as follows:

- Administration;
- Budgetary Constraints [addressed annually];
- Communication and Marketing of the Image;
- Modernisation and Optimisation of Technology;
- The Lack of a well functioning Inspectorate; and
- Inadequate Office Facilities

The latter, inadequate office facilities were regarded as the least important of the changes that had to take place to improve the quality of service and improve the image of the Council and its Administration. Although the inadequate office facilities was seen as less important it became an overriding consideration after the Administration was restructured and the staff complement increased by 33% making the current premises inadequate for optimal functioning.

The SAVC, as a non-profit service provider invests a large component of its budget in its people [staff members]. Depending on the allocation of funds for professional fees; the inspectorate; capital invested into the acquisition of the property; and IT transformation the percentage of the budget vote for staff members varies from 34%-39%. A total amount of R 4 214 492 is budgeted for salaries, skills development, UIF and skills levies. A 6% annual increase is provided for salaries with an overall 10.67 % growth from 2013 which percentage growth includes comparative bracket adjustments in salaries and once-off salary adjustments for relocation [travel expense] to the new premises. Comparisons were conducted and it was confirmed that the salaries based on Cost To Company [CTC] are market related and fair from both the Council’s- and the employee’s perspective.

A total of R 709 334 per annum is budgeted to repay the R6 824m total cost of the new building at Victoria Link, Route 21 Office Park over a period of five years, excluding funds allocated from capital reserves derived from proceeds of the sale of the existing premises. The 2014 budget includes an explanation on a proposed repayment schedule over a period of five years which includes the use of capital.
In line with the 2012 strategic plan Council increased the veterinary member fees in 2012 by 87% as the annual revenue [budget constraints] was seen to be prohibitive for change in the functioning of the Council and its Administration. The increase in the fees caused an outcry from the veterinary profession however a concise explanation was given to the veterinary profession and published on the website. The large increase was necessary to catch up on the lack of regular increases in the past and the new strategic direction. It is expected that the fees for veterinarians will, in the current difficult economic conditions, keep up with inflation for the next two or three years or until such time that there is a change in the economic climate. The registration fees for veterinarians are adjusted to align with the registration fees for specialists and close corporations. A 10% increase in maintenance fees for veterinarians is recommended. No adjustment was made to the maintenance fees of the para-veterinary professions in 2012 and an adjustment of 36% is recommended for 2014 to ensure that there is a proportionate contribution to the budget. The expected income for the financial year 2014 at a general increase of 13% is R 10 727 513 includes income generated from facility accreditation fees [routine inspections] and CPD accreditation. Provision is to be made for default debtors [approximately three hundred members fail to maintain their registration annually]. The figure could amount to approximately R 500 000, however re-registrations are to be taken into consideration.

The University of Pretoria was requested to provide the SAVC with a plan for a Communication and Marketing strategy to promote the image of the veterinary professions against the background of the reputational damage caused by implied involvement of veterinary professionals in rhino poaching activities. The cost associated with such a strategy was however beyond the limits of the budget and the other veterinary industry stakeholders did not see their way open to contribute to such an exercise. The Council then resolved to apportion R 130 000 to an achieved goal [Rule 10]. The achievement was the implementation of control of highly scheduled and dangerous medicine and the use thereof for purposes of anaesthesia by trained registered persons only. Pending the outcome of the Wildlife Ranching SA [WRSA] case against the SAVC no funds are allocated in the 2014 budget to the marketing efforts of the SAVC. Changes to telephonic communication and increased short message services [SMS] were implemented by the Administration to improve communication.
The Council has since 2006 improved its public relations efforts and implemented activities such as displaying at stands at congresses, visits, attendance of meetings and congresses of branches of the associations and holding talks; grass roots liaison with students and involvement jointly with other stakeholders in numerous public relation activities. The 2012 strategic plan provided for allocation of funds towards student performance in veterinary jurisprudence [veterinary professional life]. A total amount of R 77 750, including travel costs, is budgeted for public relations.

The use of computers and telecommunications [internet] to communicate information and store data is an inevitable consequence of developments in the modern society today. It was therefore the opinion of the Council in 2012 that the SAVC had to move faster to be on top of information technology developments. Subsequent developments, namely the analysis of quotations received; the opinion that further analysis of the requirements of a small organisation such as the SAVC had to be conducted; the acquisition of new premises; and the request of the Finance Committee that IT tenders had to be cautiously evaluated in the light of the cash flow position will now determine the way forward. A total amount of at least R 1040 500 [excluding procurement of a software programme which could amount to up to R 600 000] would have been expected to be allocated to this expenditure and an amount of at least R 347 000 would be required to annually fund the payment of a loan over a period of five years. The Registrar contacted Investec for funding and was advised that some form of surety needs to be put in place. It was resolved that should there not be funding then the project would have to be placed on hold.

The Council worked diligently over a number of years to amend sections of the Veterinary and Para Veterinary Professions Act with a view to inter alia provide for the implementation of an inspectorate. The SAVC does not currently have investigative powers and the Act is not yet [February 2014] in operation. The revenue to fund the inspectorate was factored into the fees of the veterinary profession and currently stands at R 323 400. Due to the current economic climate it was resolved to reduce the total amount budgeted in 2013 for expenditure on the inspectorate from R 800 000 to R 323 400. Moving away from the premise that corporate forensic companies should be appointed, and
funds made available from the total income, to appointment of sole proprietors [rather than appointment of corporate forensic companies]. The funding for the inspectorate will be allocated from only a portion of the income generated by the fees of veterinarians. However, it is recommended that the implementation of the inspectorate stands over until the next financial year [2015], which will also provide for an assessment of the policy framework for appointment of inspectors.

In addition to the allocation of funds for implementation of strategy Council has over the past two years increasingly been faced with litigation. The WRSA case as mentioned above; the Competitions Commission deliberations; and depending on developments regarding the permit requirements imposed by the National Biodiversity Management Act, NEMBA on veterinarians for treatment of Threatened and Protected Species [TOPS] in addition to registration with the SAVC, necessitates the provision for payment of legal costs. The total amount budgeted is R 805 000. Depending on negotiations between the SAVC and the Competition Commission based on a possible settlement agreement an amount of R 240 000 for the funding of a loan [10% of turn over] is budgeted although it is expected that that an amount of not higher than [2.5% of turn over] R 260 000 may be a realistic estimated fine. The SAVC is hopeful that Ministerial [or even Portfolio Committee] intervention will resolve the matter regarding the requirement of TOPS permits for veterinarians.

As the Council functions on a Committee system and members of Committees and Council have to be funded and remunerated a large component of expenditure is allocated to remuneration and travel costs. A total amount of R 853 351 is budgeted for remuneration of Councillors and committee members and an amount of R 543 464 budgeted for travel and accommodation.

Two of the core functions of the Council are to set, determine and monitor standards of training and standards of practice. A total amount of R 536 290 is budgeted for disciplinary inquiries and an amount of R 231 800 for travel and accommodation expenses associated with disciplinary inquiries. A total amount of R 340 653, including travel costs, but excluding registration examinations is budgeted for funding of monitoring standards of training.
The income generated from examination application fees funds the registration examinations and the facility accreditation fees will fund the routine inspections, the latter will only be implemented once the Act is in operation. The income derived from fines is not taken into consideration.

The remainder of the total budget on expenditure [R 10 482 751] relates to operational costs and procurement of assets and amounts to approximately R 13 117 131.

![Expenditure Budget Diagram](image)
OVERVIEW ON THE PROPOSED SAVC BUDGET 2014.2015

EXPENDITURE BUDGET [SCENARIO 2] 2014.2015 SAVC

- Council Committee remuneration: 43%
- Disciplinary inquiries: 9%
- Inspectorate Zero: 9%
- IT transformation Zero: 6%
- Operations: 5%
- Professional fees [excl CC Fine & WRSA]: 14%
- Property [Less bond reduction]: 1%
- Public relations: 1%
- Routine inspections: 7%
- Staff salaries & Skills dev.: 1%
- Standards of training: 1%
- Travel: 0%