



Report

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GENERAL INFORMATION

1.1 Submission of the annual report to the executive authority

I have the honour of submitting the 2005/06 Annual Report of the Western Cape: Department of Agriculture in terms of the Public Finance Management Act, 1999.



Ms JS Isaacs
Accounting Officer
Date: 1 August 2006

2.2 Introduction by the head of the institution

The Department of Agriculture showed its commitment to transformation by having a 100% increase in the appointments of employees from the designated group, namely African.

In several programmes, different initiatives were started and will continue to add momentum to the transformation agenda of the national and provincial governments, but also maintain support to the commercial sector to ensure job creation and security for farm workers as well as to realise the Agri-BEE objectives.

Below are highlights from different programmes to showcase our commitment to the agricultural sector in the Western Cape:

In Programme 2 (Sustainable Resource Management) Engineering Services was awarded an Impumelelo Award (Silver Class) for a project - the balancing dam at Ebenhaeser. The purpose of this dam is to stabilise the water supply to the farming community of Ebenhaeser near Vredendal.

The Kannemeyer Junior School won the second prize in the National Junior LandCare competition, with their outstanding school project which applied LandCare principles in their school vegetable garden.

The Sustainable Resource Management programme also completed a number of river erosion protection works in the Buffeljags, Kleinkruisrivier and Tierkloof areas to prevent further erosion of the river banks and the loss of valuable agricultural land. The Department is responsible for the designs of these works, and unemployed local people are used for the construction of the protection works.

Good progress was made with the development of a conservation farming system for the cultivation of Rooibos tea in the Cederberg Mountain area.

67 LandCare and infrastructure projects were completed to provide irrigation, training, jobs (29 000 person days), protection of the agricultural resources and other engineering related infrastructure to farming communities, small scale farmers and beneficiaries of the LRAD programme. A number of infrastructure projects could not be completed due to the delays experienced by community problems such as ownership of land and a lack of a common goal and vision, and the problems experienced to obtain water licenses from Department of Water Affairs and Forestry (DWAF).

An internship programme was initiated, where 15 interns were appointed and mentored in the scarce skills of natural resource management. This internship programme has great potential in addressing equity and scarce skills in the Department in the future.

4000 school children were exposed to sustainable natural resource management practices during several puppet shows and field camps.

The Farmer Support and Development (FSD) programme appointed 37 new staff members as part of the Premier's Easter targets, which meant that the programme could deliver services to a broader clientele. Linked to the appointment of more staff several offices in rural communities were established.

The FSD programme also initiated an agricultural land reform projects' evaluation and on completion will help the Department to support the struggling LRAD and other land reform projects to become more sustainable.

The acceptance and approval of the farm worker strategic development plan by cabinet also meant that the needs of farm workers can now be addressed in a more integrated and holistic manner, soliciting support from all provincial departments and specific national departments.

To add more prominence to land reform, the implementation and functioning of the district coordinating committees in five of the six districts was driven by the Department of Land Affairs with assistance from the programme.

Despite the appointment of staff not all the targets set out could be reached by the FSD programme, and some of the reasons are:

- Due to the enormous time spent on CASP and PIG projects for the emerging sector there was a substantial decrease in our service delivery to the commercial sector
- The appointment of staff is dependent on the MTEF allocation, and the ratio of MTEF allocation versus conditional grants does not allow the all required posts to be filled.

The additional State Veterinarian posts created previously to cope with the needs at export abattoirs made a significant difference in complying with international requirements regarding the export of ostrich meat in particular. After the lifting of the ban on ostrich meat in the third quarter of the report year the programme was able to give the phyto-sanitary guarantees for the products that have been exported since then.

The need for service delivery in the rural areas, and in particular to resource poor farmers, in association with experiences during the outbreak of African Swine Fever in the second quarter of the year exposed shortcomings in the organisational structure of Veterinary Services. It has become clear that the capacity of Animal Health and Laboratory Services in particular do not cope well with the very great increase in demand when outbreaks of trade sensitive diseases are encountered. A work study in this regard has been initiated and should be completed for implementation during the next report year.

The Programme: Veterinary Services was allocated an additional R12.9 million for a period of three years ending in 2006/2007 to implement the recommendations of the organisational analysis to expand its human resource capacity to meet the demands of its clientele in terms of food safety and export facilitation. The process already started in 2003/04 and will be finalised in 2007/08. The focus will be to firmly establish a well provided for and dedicated food safety unit to address the needs of consumers, the ostrich, red meat and dairy industry, to facilitate the delivery of sanitary guarantees both for the export trade and local consumers and to enable scientifically-based epidemiological analysis of animal diseases. The availability and access to food hygiene services and inspection services are included in the drive for expansion of capacity. This will include the appointment of at least one additional meat inspector within each of the 6 state veterinary regions within the province.

In Programme 5 (Research and Development Services) a total number of 172 research projects were executed within the Institutes of Animal Production, Plant Production and Resource Utilization. The planning for the latter institute started and will be completed during 2006/2007 with the compilation of strategic plan and finalisation of the organisational structure. Research was conducted on the 7 experiment farms of the Department, as well as within districts with the collaboration of specific farmers.

It is a well-known fact that the Western Cape will be affected most by climate change. The Department has therefore aligned itself, especially with regard to water management and resource utilization strategies, to keep abreast of the challenges of climate change. The climate change programme includes focus areas such as research on sustainable crop rotation and alternative farming systems, alternative crops, research on the effective use of irrigation water, alternative water resource management initiatives, remote sensing and disaster alleviation, development of non-explored water resources, the eradication of invader plants and the use of satellite information in climate forecasts and crop predictions, to name a few. The Department is furthermore presently compiling its own climate change response strategy as part of the total Climate Change Strategy of the Province. As an initial endeavour in this regard, the Department funded a baseline study with the title " A status quo, vulnerability and adaptation assessment of the physical and socio-economic effects of climate change in the Western Cape", which was completed in June 2005. The Department also actively participated in the Climate Change Symposium which was held during February 2006 in Cape Town under the auspices of the Department of Environmental Affairs and Development Planning. A concerted and well-orchestrated strategic plan on climate change and agriculture will have to be developed and implemented to its fullest extent to overcome this challenge.

vegetable research site in Philippi. The success of this initiative has led to the signing of a Memorandum of Understanding between the Muslim Judicial Council, the Department and a commercial farmer. The Department will be pivotal in ensuring the research capacity and technical training of emerging vegetable farmers in this area.

The Programme delivered the following during the 2005/06 financial year:

- Research output includes 83 scientific publications, 66 popular publications, 49 papers at congresses, 89 lectures at farmers' days and local events and 14 radio talks. A technical brochure on ostrich feeding was also completed. The Programme was also instrumental in establishing an agricultural supplement to the newspaper George Herald. Contributions from several programmes are published on a quarterly basis.
- A specialist scientist from the Institute for Animal Production received the Presidential Award from the South African Society for Animal Sciences for his outstanding contribution to animal science and mentoring of the research community.
- A specialist scientist from the Institute for Animal Production received the prestigious Protein Research Foundation award for the best scientific publication and for promoting the objectives of this foundation.
- A Young Professional Programme (YPP) student from the Institute for Animal Production obtained her M.Sc degree cum laude from the University of Kwazulu-Natal. She and a fellow YPP student, both from this Institute, were appointed as molecular researchers during February 2006.
- Two specialist researchers from the Institute for Animal Production received research funding from THRIP to the value of R1 151 000.
- Specialist researchers from the programme were study leaders/co-study leaders of 12 Ph.D and 19 M.Sc/M.Tech degrees, whilst 2 Ph.D and 5 M.Sc degrees were examined.

The Programme conducted the second ostrich auction at its Oudtshoorn Experiment Farm. This was a clear indication that the Department supported the ostrich industry, irrespective of the poor year the industry experienced during 2005/06, by making available birds with exceptional breeding values.

During this financial year Programme 6: Agricultural Economics made notable progress in extending its reach via partnerships. The need for partnerships arose as a result of the challenge of attracting and retaining sufficient numbers of skilled agricultural economists. Partnerships have proved to enhance the capacity within the Programme as a result of both synergy and complementarities in conducting research. At the beginning of this period the Programme was able to develop a synergy with the Departments of Agricultural Economics at the Universities of Stellenbosch and Pretoria. Initial collaboration comprised an investigation into the factors influencing the wheat industry of the Western Cape as requested by Grain South Africa. Subsequently researchers from the Macro-economics Division have collaborated with the mentioned universities with regard to research support for the fruit industry. The Marketing Division combined forces with the University of Pretoria, the Trade Law Centre at the University of Stellenbosch, CIRAD in France as well as Namibian partners in order to investigate the possibility of using the nexus between the environment, human activity and culture as a potential product differentiation mechanism. Also, the PROVIDE Project, a national project hosted by the Department of Agriculture Western Cape, has received in principal approval from the Intergovernmental Technical Committee on Agriculture (ITCA) to continue in a more permanent format. A Research Centre for this purpose implies funding for five additional permanent research positions. The main reason for not achieving specified outputs as set out in part 2 was high rates of vacancy and subsequent realignment of output schedules, which in certain cases was necessitated by collaboration with other institutions.

In Programme 6 the Statistics, Micro-economics and Macro-economics divisions continue to support departmental as well as non-departmental users of data and information by regular maintenance and updating of databases and associated software. Databases include a spatially linked database of land reform beneficiaries, a set of social accounting matrices, a database with general data relevant to agriculture in the Western Cape and a large set of budget enterprises and associated data. Software, used nationally and internationally, includes COMBUD, SeeResults and SAMgator.

Programme 6: Agricultural Economics released various research reports during the reporting period. Selected reports include:

- Bio-ethanol production in the Western Cape value adding on winter cereal through ethanol-, ddgs- and CO₂ production.
- PhD dissertation on multi-criteria decision-making for water resource management in the Berg Water Management Area.
- The market potential and economic viability of lavender.

- A Computable General Equilibrium (CGE) analysis of the impact of an oil price increase in South Africa.
- Costs and benefits of higher tariffs on wheat imports to South Africa – A general equilibrium analysis.
- Quantifying the economic divide in South African agriculture: An income-side analysis.
- The impact of a higher fuel levy on the Western Cape.
- The welfare impacts of national and international agricultural efficiency gains on the South African economy.
- The regional impacts of targeted welfare transfers.
- The impact of increasing excise duties on the economy.
- The phasing-in of rating agricultural property in the Western Cape: An overview of the past three years.

In Programme 7 (Structured Agricultural Training) decentralisation of training accelerated to increase the accessibility of these services to especially farm workers and resource-poor farmers was taken a step further with the establishment of training centres at Clanwilliam and Oudtshoorn. The establishment of a training centre in Bredasdorp is currently in process. The success of this initiative and its contribution to governments aim to make a real difference in the lives of the poor, was acknowledged when the Department was awarded the first prize (gold) in the Premiers` Excellence Award competition.

The accelerated implementation of the LRAD programme requires that the Department has to expand its service delivery capacity to support these new entrants to agriculture. To do this, knowledgeable, experienced and suitably qualified staff (on all levels) is required. The Department successfully acquired funding to the amount of €1,8m spread over three years, from the Dutch government (through NUFFIC) to expand the extension capacity of the provincial Departments of Agriculture in the Western-, Eastern- and Northern Cape provinces.

2.2 Information on the Ministry

For the MEC of Agriculture in the Western Cape, Mr Cobus Dowry, Land reform and Black Economic Empowerment remains a critical issue for the social, political and economic stability of South Africa, and creative solutions, not only regarding land ownership, but also in the up in downstream activities, are being developed and implemented. . As a Department we have committed ourselves to ensure that 30% of Agricultural land is in hands of the previously disadvantaged by 2014. We have readjusted ourselves to ensure that this process is managed in an orderly and responsible manner in order to establish new Farmers to become sustainable commercial farmers. In line with the above a Western Cape Provincial Land Summit was hosted by the MEC for Agriculture, Mr Cobus Dowry, in partnership with the Departments of Agriculture, Land Affairs, the Regional Land Claims Commission and the Provincial Development Council. The summit took place on 18 July 2005 at Goudini Spa, Rawsonville, and was attended by 404 delegates drawn from 4 sectors, namely business, labour, government and civil society. A report on this summit was handed to the national Land Summit.

The ministry, since it took office, started a programme to improve the plight of farm workers. A provincial farm worker summit followed by 5 regional summits were held. A report on the outcome of the summits was submitted to the provincial Cabinet and was approved on 7 December 2005. The acceptance by Cabinet, of the farm worker development strategy, based on the needs identified by the farm workers during the past two years, has paved the way for implementation and a departmental task team was convened to address the issues for implementation.

In December 2005 a hail storm caused severe damage to fruit producers in the Bonnievale, Robertson, Ashton areas. Minister Dowry visited the area shortly afterwards to ascertain the extent of the damage and to see what assistance could be rendered to farmers and farm workers. This was followed by a meeting with commercial banks, Landbank and the Deciduous Fruit Producers Trust to do everything possible to assist farmers, some whom have a reported loss of 100% of their crops. Following this the Western Cape farmers and fruit processing plants have come to the aid and rescue of affected farmers.

One of the consequences of devastating fires that raged from 1-4 February 2006 in the Overberg over approximately 46 000 hectares is the total destruction of mainly veld and fynbos in the conservation areas. This led to extensive damage to the wild flower industry and especially the export market which rendered approximately 4 000 people unemployed. The Minister has been mandated by the Provincial Cabinet to call on commercial banks to assist the wild flower industry in this region as the industry indicated that there is no insurance coverage for the harvesting of wild flowers and the direct losses could amount to R391 million. This meeting with the commercial banks took place on 21 February 2006.

MEC Dowry also took a personal interest in animal diseases affecting the Western Cape. As a result of intensive testing for Avian Influenza and Classical Swine Fever the province can claim freedom of these diseases. The Ministry issued regular statements on animal health matters to keep the public informed.

Institutions reporting to the Executive Authority

Casidra (Pty) Ltd.

Bills submitted to the legislature during the financial year

None were submitted.

Ministerial visits abroad

Date: 09-18 April 2005

Countries: Netherlands and Germany

Purpose: Minister Dowry lead a WESGRO agricultural trade mission to the Netherlands to give effect to the implementation of an Agri-Match agreement, signed between the Western Cape Department of Agriculture, South African Netherlands Chamber of Commerce (SANEC) and the SA Agri Academy during December 2003. To Munich in Germany for a fact finding visit to meet with and to obtain knowledge of the implementation and practical day to day working of farming co-ops in Germany.

Date: 22 – 27 May 2005

Country: France, Belgium

Purpose: To accompany, on invitation of Mrs Thoko Didiza, former Minister of Agriculture, her to the 73rd General Session of the World Animal Health Organisation (OIE) in Paris, France, and to accompany Minister Didiza to Brussels for a meeting with Commissioner Fischer-Boel of the European Union on issues notably some which directly or indirectly affects the Western Cape.

Date: 1-10 March 2006

Countries: Cuba and Spain

Purpose: To Cuba on invitation of Ambassador Esther Armenteros to visit the Cuban model of food security in urban areas and to visit Castilla-La Mancha in Spain following a invitation from Minister Mercedes Gomez Rodriguez, Minister of Agriculture in the regional Government of Castilla-La Mancha to visit their wine region and to discuss possible cooperation between these two regions.

2.3 Vision and Mission statement

Vision:

Global success, competitive, inclusive, socially responsible and in balance with nature

Mission:

To enhance the economic, ecological and social wealth of the people of the Western Cape through:

- Promoting the production of affordable, nutritious, safe and accessible food
- Caring for natural resources
- Supporting sustainable development of rural communities
- Providing economic opportunities for farming and rural communities
- Promoting export opportunities for agricultural products and services
- Reducing hunger in the Western Cape
- The creation of favourable working conditions for our staff
- Exceptional service delivery.

2.4 Legislative mandate

The core functions and mandates of the Department of Agriculture are governed by the following:

General Constitutional matters	National Constitution of South Africa (Act 108 of 1996) The Constitution of the Western Cape (Act 1 of 1998)
Staff matters	Labour Relations Act (Act 66 of 1995) Basic Conditions of Employment Act (Act 75 of 1997)

Skills Development Act (Act 97 of 1998)
 Skills Development Levies Act (Act 9 of 1999)
 Occupational Health and Safety Act (Act 85 of 1993)
 Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993)
 Public Holidays Act (Act 6 of 1994)
 Government Employees Pension Law (1996)
 Employment Equity Act (Act 55 of 1998)
 Public Service Act (Act 103 of 1994)

Financial matters

Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999)
 Division of Revenue Act (Annually)
 Western Cape Direct Charges Act (Act 6 of 2000)
 Western Cape Appropriation Act (Annually)
 Western Cape Finance Act (Annually)
 Preferential Procurement Policy Framework Act (Act 5 of 2000)
 Companies Act (Act 61 of 1973)
 Income Tax Act, 1962 – 4th standard

Administrative matters

Extension of Security of Tenure Act (Act 62 of 1997)
 National Archives Act (Act 43 of 1996)
 Promotion of Access to Information Act (Act 2 of 2000)
 Administrative Justice Act (Act 3 of 2000)

Agricultural and training matters

Adult Basic Education and Training Act (Act 52 of 2000)
 South African Qualifications Act (Act 58 of 1995)
 National Education Policy Act (Act 27 of 1996)
 Further Education and Training Act (Act 98 of 1998)
 General and Further Education and Training Quality Assurance Act (Act 58 of 2001)
 Employment of Education and Training Act (Act 76 of 1998)
 Conservation of Agricultural Resources Act (Act 43 of 1983)
 Subdivision of Agricultural Land Act (Act 70 of 1970)
 Meat Safety Act (Act 40 of 2000)
 Animal Diseases Act (Act 35 of 1984)
 Higher Education Act (Act 101 of 1997)
 Land Redistribution Policy for Agricultural Development
 Soil user planning ordinance (Ordinance 15 of 1985)
 Act on the division of Agricultural Land, 1970 (Act 70 of 1970)
 National Water Act, 1998 (Act 36 of 1998)
 Water Services Act, 1997 (Act 108 of 1997)
 Act on Marketing of Agricultural Products, 19996 (Act 47 of 1996)
 Land Reform Act, 1997 (Act 3 of 1997)
 Act on Agricultural Products Standards
 Veterinary and Para-Veterinary Professions Act, 1982 (Act 19 of 1982).
 Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act 36 of 1947)
 The International Code for the Control of Animal Diseases of the World Organisation for Animal Health (OIE – Office International des Epizooties)
 The International Code for Laboratory Diagnostic Procedure for Animal Diseases of the World Organisation for Animal Health.
 The International Sanitary and Phyto Sanitary Code of the World Trading Organisation.
 Codex Alimentarius of the World Trade Organisation (International Code of Food Safety).

Public Entities

Casidra (Pty) Ltd

The total shareholding in Casidra (Pty) Ltd is with the Provincial Government of the Western Cape under the oversight of the Provincial Minister of Agriculture.

Casidra (Pty) Ltd is structured as a private company under the Companies' Act, 1973, (Act 63 of 1973) with a unitary Board of Directors. The organisational structure comprises of a General Manager, responsible for operational activities, and a Chief Financial Officer responsible for finance and administration, both reporting directly to the Managing Director as Chief Executive.

Casidra (Pty) Ltd is a schedule 3D company (Provincial Government Business Enterprise) under the Public Finance Management Act (Act 1 of 1999). This status has been assessed together with their current structure and financial viability.

The political mandate of this institution is currently being investigated to determine its future role in the Province.

It is the mission of Casidra (Pty) Ltd to improve the quality of life of particularly the low-income section of the population, mainly in rural areas of the Western Cape through integrated, people-orient-

tated development, thereby aiding the establishment of self-sufficient communities.

In alignment with the policy priorities of the Western Cape Provincial Government, their four main objectives are the following:

- Poverty alleviation through economic growth
- Development of human resources through training and empowerment
- Financial independence through restructuring, and
- Effective business management

2. PROGRAMME PERFORMANCE

2.1 Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
	R238 185 000	R269 226 000	R258 515 000	R10 711 000
Responsible Minister	Minister of Agriculture			
Administering Department	Department of Agriculture			
Accounting Officer	Deputy Director-General			

2.2 Aim of the Vote

To provide a professional, reliable and impartial service through a motivated and skilled personnel corps that enjoys provincial, national and international recognition.

To promote the more efficient use of water in the agricultural sector by both commercial and emerging farmers.

To promote conservation and sustainable use of the environment, especially agricultural natural resources by integrated community based natural resource management.

To protect our scarce agricultural resources from urbanisation and recreational land uses.

To promote agricultural development through supporting institutional capacity building, land reform projects and initiatives, infrastructure development and implementing the Comprehensive Agricultural Support Programme (CASPP) for increased economic participation.

To deliver a relevant and appropriate farmer support service (including extension) to a broad spectrum of clients, with emphasis on the emerging farming sector on a geographically responsible basis.

To recognise food security as a priority and create sustainable interventions to prevent food insecurity through agricultural solutions as a contribution to a sustainable safety net.

To support rural development through the provincial entity, Casidra (Pty) Ltd, which is under the oversight of the Department and falls within the Department's mandate of agricultural development.

To create an environment for black economic empowerment and social upliftment opportunities within the agricultural sector with special emphasis on farm workers.

To monitor and minimise animal disease risks, facilitate access to services and enhance the hygiene management at animal product establishments in accordance with national and international standards for veterinary service delivery.

To facilitate the production, availability and export of healthy and high quality foods and products, creating a platform for sustained economic growth.

To seek and establish national and international partnerships for enhanced service delivery.

To develop economically accountable cutting-edge technology in animal production, plant production and resource utilisation, considering the current and future needs of commercial producers, resource limited farmers and consumers nationally and internationally, to enhance competitiveness and defend agricultural jobs.

To promote novel agricultural products by means of cutting-edge technology and introduction of new crops and value-adding through processing, expanding agriculture production for increased growth.

To develop appropriate qualitative and quantitative models in order to identify trends and trend-breaks that may impact on the agricultural and agribusiness sector. In this way better decisions at all levels can be made, and sustainable economic growth can follow.

To render agricultural economic services, ranging from farm management support to marketing facilitation, to the whole spectrum of farmers and the associated value chain.

To develop an agricultural economics database in order to monitor and evaluate change and progress in the Agricultural and Agribusiness Sector, and to enable monitoring and evaluation of economic indicators.

To train prospective and current employers and employees (including farm workers) in the agricultural industry, through South African Qualifications Authority (SAQA) approved training programmes at the General Education and Training (GET), Further Education and Training (FET) as well as Higher Education (HE) levels of the National Qualifications Framework (NQF).

To strengthen the department's links with other provinces and African countries and enhance and support South Africa's role as a modern African State.

2.3 Summary of programmes

Programme	Sub-programme
1. Administration	1.1 Office of the MEC 1.2 Senior Management 1.3 Corporate Services 1.4 Financial Management
2. Sustainable Resource Management	2.1 Engineering Services 2.2 Land Care
3. Farmer Support and Development	3.1 Farmer Settlement 3.2 Farmer Support Services 3.3 Food Security 3.4 Casidra (Pty) Ltd 3.5 Farm Worker Development
4. Veterinary Services	4.1 Animal Health 4.2 Export Control 4.3 Veterinary Public Health 4.4 Veterinary Laboratory Services
5. Technology Research and Development Services	5.1 Research Services 5.2 Information Services 5.3 Infrastructure Support Services
6. Agricultural Economics	6.1 Marketing Services 6.2 Macro-economics and Statistics
7. Structured Agricultural Training	7.1 Tertiary Education 7.2 Further Education and Training (FET)

2.4 Overview of the service delivery environment for 2005/06

CASP projects for the 2006/07 financial year were prioritised in 2005/06 and problems were experienced with the completion of business plans at the expected deadline as the format changed. A new national format for projects was adopted and all business plans had to be re-written in this new CASP format.

Veterinary Services has been under pressure in respect of both funding and human resources to deal with the challenges of the disease outbreaks of recent years. While the financing of the programme has increased this has not kept up with the demands because no provision has been made for outbreaks of economically significant diseases and because the costs of imported reagents increase beyond the local inflation rate. It would now be advisable to make provision for the needs during disease outbreaks as a routine. Such increased capacity could be fruitfully utilised to render additional services or perform extensive disease surveillance actions when no disease outbreaks are encountered.

The Service Delivery Environment in which the Programme: Technology, Research and Development Services operates remained stable. The renewed focus on climate change has urged the Programme to structure its efforts in this regard. The increasing inability of the Agricultural Research Council to deliver research services in the Province has resulted in an increased pressure on the Programmes' services and expertise for undertaking additional research projects.

During this financial year the Agricultural Economics Programme achieved certain important results and milestones. The Macro Economics Division, hosting the Provide Project, succeeded in balancing more refined versions of the National and Regional Social Accounting Matrices (SAMs) for South Africa and its nine Provinces and completed a Computable General Equilibrium (CGE) model. This modelling framework was then used to analyse a number of case studies, and more specifically:

- A Computable General Equilibrium (CGE) Analysis of the Impact of an Oil Price Increase in South Africa.
- Costs and Benefits of Higher Tariffs on Wheat Imports to South Africa – A General Equilibrium Analysis.
- Quantifying the economic divide in South African agriculture: An income-side analysis.
- The impact of a higher fuel levy on the Western Cape.
- General Equilibrium Effects in the South African Maize Market: International Trade Simulations.
- The Welfare Impacts of National and International Agricultural Efficiency Gains on the South African Economy.
- The regional impacts of targeted welfare transfers.
- The impact of increasing excise duties on the economy.
- The impact of property rates on agriculture in the Free State.

The Agricultural Economics Programme was also in the fortunate situation to be able to develop a synergy with the Departments of Agricultural Economics at the Universities of Stellenbosch and Pretoria. After a request by Grains South Africa a detailed investigation into the factors influencing the Wheat Industry of the Western Cape was launched. The contribution from the Programme was primarily focussed on farm level data, analysis of the geographical dispersion of various impacts as well as the analysis of macro-economics impacts. The outputs from this project may lead to more formal co-operation.

The Statistics Division in the Programme: Agricultural Economics embarked on an intensive in-job training schedule for newly appointed personnel and aggressively sourced new information sources for its various databases. One of the highlights is the successful development of timely information systems run on a plasma screen at the visitors' counter in the Elsenburg Main Building. This allows for the marketing of programmes, projects and agriculture in general and shows the visitor(s) that the Department is up to date regarding daily data and information such as temperatures, rainfall, exchange rates, and various other economic, financial, environmental and social indicators. A spatially linked database of land reform beneficiaries.

The Marketing Division only managed to appoint one agricultural economist out of the four vacancies that were repeatedly advertised. Nevertheless, under such circumstances the division utilised the existing capacity and embarked on a preliminary study investigating Bio-Ethanol Production in the Western Cape. During the following financial year this information will be used to investigate other technologies and potential business ventures. Furthermore, this Division combined forces with the University of Pretoria, the Trade Law Centre at the University of Stellenbosch, CIRAD in France as well as Namibian partners in order to investigate the possibility of using the nexus between the environment, human activity and culture as a potential product differentiation mechanism.

The Micro-Economics Division succeeded in completing version three of the Micro-Combud stand alone computerised programme for the development of enterprise budgets. As the Western Cape is coordinating the use of this software on a national basis, training of users inside and outside the Province has commenced. At the same time the number of enterprise budgets for resource-poor farmers has been increased to 125. Simultaneously an investigation regarding the desalinisation of seawater has been completed. As it is recognised that the use of seawater for agricultural purposes is probably not financially viable, multi criteria analysis was used to determine the willingness of urban users to pay in the Berg River Catchment Area (which include the Cape Metropole).

Potential Problem Areas	Comments and statistics
Due to the enormous time spent on CASP and PIG projects there is a substantial decrease in our service delivery to the commercial sector.	New appointments (37) were made - most of them were from other provinces. Due to different circumstances and farming environment it took longer for the staff to adapt to the local situation.
Alignment of all programmes of the department.	Five district co-ordinating committees are already in place.
Effective service delivery to new clients of the Department of Agriculture.	<p>Currently the estimated clients of the Department are 17 500 emerging farmers and 8 000 commercial farmers.</p> <p>The appointment of staff is dependent on the MTEF allocation, and the ratio of MTEF allocation versus conditional grants does not allow the required posts to be filled.</p> <p>The appointment of staff was done in March 2005, but the prospective employees with experience and skills were difficult to attract based on current salary levels.</p> <p>Outsourcing was done via the public enterprise entity, Casidra (Pty) Ltd, for the implementation of 12 projects.</p>
Implementing drought relief to farm workers and emerging farmers	<p>Based on the request from the Province, the recurring drought necessitated a request for a declaration of disaster by the President. The new sub-programme: Farm Worker Development was tasked to roll out the field implementation of the affected parties by completing and verifying application forms and ensuring that those affected are included for financial relief.</p> <p>The implementation process had a major impact on the 2005/06 financial budget and people resources.</p>
Implementation of Agri-BEE targets.	The proposed targets of the Agri-BEE document will have implications for the budget allocations of the Department as well as specific programmes' and Sub-programmes' activities.
Available funding versus the demand for support by emerging farmers.	To ensure sustainable agricultural projects, the Farmer Support and Development Programme realised that a development approach to agricultural projects must be followed. In addition, the needs of emerging farmers and the criteria of conditional grants, given the difficulty of emerging farmers to access alternative finance, makes the implementation of projects extremely challenging.
Political issues - Districts started operating with municipalities that were led by certain political organisations and they of course made promises on different issues. With the new set-up after the elections, these had to be started from scratch with the new leadership.	Discussions on DAC level in the 6 district municipalities with the new leaders are taking place.
Marketing of agricultural products. The small scale farmer sector is struggling with access to suitable markets.	About 90% of the farmers are selling their produce in the local markets and these are not reliable most of the time. Small scale farmers require marketing infrastructure that is closer to their projects so as to cut down transport costs, so that they can be able to get a little bit of more income for their produce.
The international spread of the H5N1 Avian Influenza (AI) virus has prompted the Provincial Department of Health to form a steering committee that had to draw up a provincial contingency plan for the possible outbreak of the disease in humans. Veterinary Services staff served on the steering committee and the routine monitoring for the disease in poultry, ostriches and wild birds forms an integral part of the contingency plan and early warning system.	Monitoring and surveillance testing for all H5 and H7 AI virus exposure has been done throughout the province on a six-monthly basis. As a result of the negative results obtained during the first half of 2005 the ban on the export of ostrich meat was lifted in the third quarter of the year. The workload and expenses associated with this surveillance is considerable. The additional expenses have largely been covered by the National Department of Agriculture (DoA) during 2005/06. The DoA has however indicated that less funding will be available during 2006/07 to supplement the allocation to the Programme 4, mainly due to the financial implications of dealing with the persistent Classical Swine Fever outbreak in the Eastern Cape Province (see below).
At the end of the first quarter of the report year Classical Swine Fever was detected in the Worcester area. This has been the first outbreak of the disease in South Africa for more than 80 years. The outbreak was rapidly and effectively brought under control and eliminated from the province. With surveillance for the disease it was also detected in the Eastern Cape and fairly widespread in pigs of informal farmers roaming freely within localised areas.	The outbreak in the Western Cape was restricted to part of one magisterial district and was eliminated within weeks. The cost of roadblocks and culling of pigs on infected properties exceeded at a cost more than R3,5 million. It has not been possible to eliminate the disease in the Eastern Cape where it has been causing mortalities for more than eight months of the report year. To assist the authorities in the Eastern Cape the roadblocks on the border with this province have been taken over by Western Cape Veterinary Services programme from the last part of the financial year. It is anticipated that these roadblocks may have to be manned for at least the rest of 2006.

Potential Problem Areas	Comments and statistics
The effect of climate change on agriculture in the Western Cape.	According to statistics, the Western Cape will be the most affected province in relation to climate change. In this respect, the Department will have to develop and implement a strategy to circumvent the effects, i.e. alternative crops and agricultural practices.
Inability to attract and retain skilled and experienced staff resulting in high vacancy rates.	For instance, of the 6 funded positions in the Marketing Division, only two remained filled throughout the financial year. Of the five contract positions on the PROVIDE Project only one was filled.
Negative view of youth towards career in agriculture and lack of bursaries available to needy students.	Learners at school currently have a very limited exposure to agriculture and related fields, with the result that they lack information about agriculture and its potential to provide career opportunities. This also leads to students (especially students from previously disadvantaged communities) having subjects favourable for studying in agricultural sciences, to rather embark on studying in the natural and medical sciences as opposed to study agriculture.
Inability of land reform beneficiaries to attend training courses during normal working hours and to pay for services provided.	Most of the land reform beneficiaries are farming on a part time basis. This results in them being not available to attend training courses during normal working hours. This leads to lecturers increasingly presenting training courses after hours and on weekends. Business plans for land reform projects usually does not include a budget for human resource development, with the result that land reform beneficiaries are not being able to pay the highly subsidised tariff charged for the training provided.

2.5 Overview of the organisational environment for 2005/06

Due to the lack of scarce skills in target groups an internship programme was approved for 2006/07 to attract more people of the designated groups to agriculture and thereby improve our equity status and service delivery to clients. A work study was conducted and the internships were included in the outcome thereof, emphasising the importance of recruitment of the designated target groups with scarce skills. Further to this the work study suggested that new posts were critically important in the Central Karoo, Overberg and the Metropole to enhance service delivery on the frontline.

The organisation was characterised by a number of changes that both talks to the transformation and changes within the Farmer Support and Development environment. Increase of budget meant increase of human resources. This really meant more service delivery to the people. FSD did not only restructure but decentralised offices into the districts and to the regions even to where the department was never represented before. At national level the department had to work with other stakeholders for interdepartmental coordination.

The additional State Veterinarian posts created previously to cope with the needs at export abattoirs made a significant difference in complying with international requirements regarding the export of ostrich meat in particular. After the lifting of the ban on ostrich meat in the third quarter of the report year the programme was able to give the phyto-sanitary guarantees for the products that have been exported since.

The need for service delivery in the rural areas, and in particular to resource poor farmers, in association with experiences during the out break of African Swine Fever in the second quarter of the year exposed shortcomings in the organisational structure of Veterinary Services. It has become clear that the capacity of Animal Health and Laboratory Services in particular do not cope well with the very great increase in demand when outbreaks of trade sensitive diseases are encountered. A work study in this regard has been initiated and should be completed for implementation during the next report year.

The Programme: Veterinary Services was allocated an additional R12.9 million for a period of three years ending in 2006/07 to implement the recommendations of the organisational analysis to expand its human resource capacity to meet the demands of its clientele in terms of food safety and export facilitation. The process already started in 2003/04 and will be finalised in 2007/08. The focus will be to firmly establish a well provided for and dedicated food safety unit to address the needs of consumers, the ostrich, red meat and dairy industry, to facilitate the delivery of sanitary guarantees both for the export trade and local consumers and to enable scientifically-based epidemiological analysis of animal diseases. The availability and access to food hygiene services and inspection services are included in the drive for expansion of capacity. This will include the appointment of at least one additional meat inspector within each of the 6 state veterinary regions within the province.

Vacant posts were filled, with a concerted effort to appoint candidates from previously disadvantaged groups. Two YPP candidates, both Indian females, were appointed as molecular researchers. A strategic plan for the Institute for Resource Utilisation has been formulated and will be implemented during 2006/07. Upgrading of research infrastructure received specific attention to keep abreast with the research challenges. As far as service delivery is concerned, certain initiatives as described in the Annual Performance Plan had to be suspended due to the fact that funding either through external or internal sources could not be obtained. This was in particular the scenario with the Three Cape Provinces Project where funding from the European Union is still under consideration.

The Programme: Agricultural Economic Services is still being hamstrung by the high rate of vacancies of agricultural economists. This situation is further exacerbated by the fact that the position of Director: Agricultural Economics remains vacant. This problem is probably partly due to low salaries in the public sector as compared to the private sector as well as a perceived lack of career opportunities. Furthermore, there seems to be a decrease in the number of applicants applying for advertised vacancies, which could also be associated with the above reason as well. As a result, it is difficult to get suitable candidates to be able to perform duties specified in vacant positions and hence the programme had to find ways on how to handle these challenges. A proposal on the skills requirements, training needs and differentiation between different levels of agricultural economists was developed as a first attempt to address the challenges. This document was submitted to the Agricultural Economics Standing Committee (AESC) of the Intergovernmental Technical Committee on Agriculture (ITCA) and will be used in the development of an appropriate national strategy.

Despite these limitations the Programme: Agricultural Economic Services is currently in the process of starting the course of action that will result in the Provide Project changing from a temporary arrangement between the nine Provincial Departments of Agriculture into a permanently funded situation. A submission was made to the Interdepartmental Technical Committee on Agriculture (ITCA) on the establishment of a research centre to continue the policy analysis research initiated as part of the Provide Project. In-principal approval was obtained to continue with this process. The National Department of Agriculture and all nine provincial departments of agriculture should commit to become stakeholders in this endeavour. The relations between the government departments will be governed by a memorandum of agreement.

With the settlement of new and emergent farmers increasing at a steady rate, the need for post-settlement support (training, extension, etc.) to this client group increased exponentially. This again resulted in increased workload to a very limited staff establishment.

Transformation of the education and training sector towards a single unified education system is causing uncertainty amongst training staff.

2.6 Strategic overview and key policy developments for the 2005/06 financial year

Key policy developments that the Programme: Sustainable Resource Management is working with are the following:

- The provincial spatial development framework in proactively shaping the future developments in the province.
- The reality that water must be saved and used efficiently by the agricultural sector.
- The protection of our biodiversity and conservation of our agricultural resources.
- The awareness of our youth in the importance of sustainable practices and development.
- The building of capacity of target groups to enhance our service delivery, especially in the poverty nodes of the Province.

The implementation of CASP created a number of procedural and system problems, but most (project selection, clear criteria, changes in criteria, business plan format, reporting requirements) were overcome and the remainder of these problems will be addressed in the next cycle.

The appointment of new staff members was done in April 2005, which delayed the implementation of several projects and proposed internal processes. Several lessons were learnt, i.e. the availability of suitable agriculturally trained staff is limited, the prospective employees wanted to use the appointment offer to negotiate for an increase in salary and the localities where personnel is required, makes filling of positions even more difficult (urban bias).

A decision to follow a development approach to agricultural projects was taken but a specific training programme designed must be implemented as the current and new officials have technical training, but not necessarily development training or experience.

To streamline procedures and reporting the Department embarked on the design and implementation of a Project Management Information System to assist field staff to capture relevant information and

to start with an organisational memory process. This process inevitably took considerable time, as each programme had different requirements based on the mandates and also conditional grants.

Two major studies were undertaken to assess the current backlogs of support to emerging farmers (a profile of all emerging groups) and the level of success of agricultural land reform projects (an evaluation) so as to ensure better service delivery. A third study is in progress to determine the feasibility of Financially Assisted Land Administrated (FALA) state land for settling new farmers.

Following on the outbreak of highly pathogenic avian influenza amongst ostriches in the Eastern Cape Province, all the ostrich farms in the Western Cape had to be tested on a six-monthly basis. During August to December 2005 more than 700 ostrich farms were sampled. As a result of this survey the National Department of Agriculture could submit a motivation to the OIE and EU for lifting the ban on the export of ostrich meat. Exports resumed in the last quarter of 2005.

Classical swine fever (CSF) was diagnosed in the Worcester district in July 2005 – the first time since 1918 that the disease was diagnosed in South Africa. The area was immediately quarantined and affected pigs were destroyed with compensation to the affected owners. A total of 1 591 pigs on 5 properties were destroyed and compensation of R1 333 728 was paid. Total costs of the eradication campaign amounted to R3 131 358.

The Contingency Plans for dealing with outbreaks of trade-sensitive and zoonotic animal diseases ensured that appropriate measures were taken to deal with this outbreak. The epidemiology unit assisted greatly in evaluating surveillance data and reporting on CSF and the ongoing monitoring of Avian Influenza.

The newly established veterinary epidemiology unit is now fully staffed and functioning well. Officials of this unit proved their worth in designing various databases to handle surveillance and movement control data and statistical sampling grids for the PRRS, Avian Influenza and CSF surveys.

The client base of the Programme: Veterinary Services has also extended substantially in respect of service delivery to emerging farmers. While services may have been curbed during the CSF outbreak other specific projects will be continued to address this urgent need and to enhance service delivery and technology transfer to these communities and to establish centres of expertise for primary animal health care interventions.

The Programme: Technology Research and Development embarked upon a strategy in order to gear agriculture in the Province for the challenges of global warming and climate change. In this regard a redesign of and a new strategy for service delivery of the Institute for Resource Utilization was embarked upon and completed during the last quarter of 2005/06. Upgrading of the soil, water and plant analytical laboratories was also completed during this quarter. A concerted effort was also made to implement research findings on grass roots level, with an improvement of the information flow chain from research to extension.

The average real gross domestic growth for the Western Cape was 4.8% for 2005. Agriculture, forestry and fishery contributed 4.5%. The contribution of primary industries in the Western Cape has declined steadily since 1996 from 6.3% to below 5% in 2005. This trend is indicative of a developing economy and has implications for how we view the role of agriculture in the economy. Agriculture is perceived as an appropriate vehicle to the economic and social benefit of the rural poor. Strategies and policies such as Land Reform, AgriBEE and labour legislation emphasise this. The Department of Agriculture: Western Cape faces the challenge to ensure successful implementation and compliance of these policies by all its clients amidst the challenging economic and political environment faced by the Agricultural sector.

One of the commitments undertaken at the Western Cape's Provincial Growth and Development Summit, held on 14 November 2003 in Cape Town, was that strategies should be developed for certain key sectors of the Western Cape economy. One of the key sectors thus identified was the Agricultural Sector, including its forward and backward linkages. Background work between the four social partners (Government, Business, Labour and Civil Society) for the process started soon after the elections of April 2004.

As part of the subsequent process the main issues were refined into the following eight themes:

- Land reform, food security at household level and Black Economic Empowerment.
- Human Resource Development, Social environment and farm worker issues.
- Infrastructure.
- Competitiveness in Agriculture, Marketing, Market development and Market access.

- Technical and Economic Research and Development.
- Extension Services and Farmer Support.
- The Natural Environment, Food safety and Security.
- Institutional Development and Infrastructure.

Within each of these themes a number of specific concerns were identified and the context (in terms of threats, opportunities and desired outcome) of each concern was defined. Furthermore, for each of these concerns specific action plans, responsible parties and means of verification were developed. The subsequent plan was released for comments on 23 June 2003. It is expected that these action plans will be signed into a final agreement between the four social partners early in the new financial year.

Such a formal endorsement of the Agricultural and Agribusiness Strategy will then move the focus of the interaction between the four social partners into the terrain of implementation. However, almost more important will be the need to monitor and evaluate progress towards achievement of the set goals. This implementation and monitoring will create new challenges and opportunities for the Department.

However, it must be remembered that the Provincial agricultural sector is not working in isolation, but in the spirit of seamless government it is also addressing priorities identified as important for the whole of South Africa. These core priorities, as encompassed in the Strategic Plan for South African Agriculture, are:

- Equitable access and participation.
- Global competitiveness and profitability.
- Sustainable resource management.

In this regard, Programme Agricultural Economics is already working towards addressing some of the challenges mentioned above. The Programme is utilising the existing capacity and also through partnerships with other organisations and/or institutions in addressing issues on competitiveness of agriculture, marketing, market development and market access. Nevertheless, it can be foreseen that in the new financial year challenges will arise from the implementation of the rural credit scheme (Mafisa) as well as the AgriBEE framework as soon as the latter is agreed upon at a national level.

With regards to the Programme: Structured Agricultural Training the following key areas were addressed:

- The expansion and upgrading of practical and training facilities to answer to the increased demand for agricultural training (Elsenburg and Oudtshoorn).
- Launching of a National Strategy for Agricultural Education and Training.
- Expansion and decentralisation of training in the Further Education and Training (FET)-band to historically disadvantaged communities, farmers, farm workers and land reform beneficiaries.
- The establishment of a decentralised training facility at the Klein Karoo experimental farm in Oudtshoorn further enhanced the access to skills development and training opportunities provided by the Department.
- The offering of a revised learnership training programme now also creates the opportunity to students to obtain a full qualification in the FET-band.
- Implementation of an internationally funded extension and training development programme as part of the 3-Cape Provinces (Western-, Eastern- and Northern Cape) project.

2.7 Departmental receipts

Departmental Revenue	Actual Collection 2004/05 R'000	Budgeted Collection 2005/06 R'000	Actual Collection 2005/06 R'000	% Deviation from target
Current Revenue	233 501	269 226	272 239	1.1
Tax Revenue	220 116	256 056	256 056	0
Non-Tax Revenue	13 385	13 170	16 183	22.9
Capital revenue	0	0	0	0
Foreign Aid Assistance	0	0	392	100.0
Departmental revenue	233 501	269 226	272 631	1.3

Departmental Own Revenue	Actual Collections 2004/05 R'000	Budgeted Collection 2005/06 R'000	Actual Collection 2005/06 R'000	% Deviation from target
Parking	24	20	25	25.0
Interest received	29	13	57	338.5
House rent	441	430	449	4.4
Water, electricity, sanitation	385	321	352	9.7
Boarding and lodging	2 086	2 246	1 560	(30.5)
Sales of agricultural products	3 990	4 764	5 078	6.6
Registration, class and examination fees	3 310	2 653	4 653	75.4
Services rendered	2 319	2 105	3 513	66.9
Other	801	618	496	(19.7)
Total	13 385	13 170	16 183	22.9

Specific challenges and responses

Challenge 1:

Delayed final payments by two of the stakeholder departments of the PROVIDE project.

Response to Challenge 1:

The two stakeholder departments were contacted regularly and the payments were monitored. In this way the final payments were secured.

Challenge 2:

House rent remains a challenge with difficulty in remedial steps regarding non-payers.

Response to Challenge 2:

To, with the help of the office of the State Attorney and within the boundaries of the Esta Act, use whatever remedial steps are available to be taken.

Issues requiring ongoing attention

1. The issues above require ongoing attention.
2. Conditional grants reporting.

2.8 Departmental payments

Programmes	Voted for 2005/06 R'000	Roll-overs and Adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	Variance R'000
Administration	32 367	3 388	(729)	35 026	34 514	512
Sustainable Resource Management	32 501	26 316	(322)	58 495	48 302	10 193
Farmer Support and Development	74 721	(5 527)	3 202	72 396	72 396	0
Veterinary Services	25 649	(57)	64	25 656	25 656	0
Technology Research and Development Services	49 876	2 532	(1 889)	50 519	50 513	6
Agricultural Economics	8 404	(1 280)	447	7 571	7 571	0
Structured Agricultural Training	14 667	5 669	(773)	19 563	19 563	0
Total	238 185	31 041	0	269 226	258 515	10 711

Specific challenges and responses

Challenge 1:

Conforming to the audit and risk management reports.

Response to Challenge 1:

Reconciliation of LOGIS and BAS regarding assets – asset register to reconcile with general ledger.

Challenge 2:

Delays experienced in obtaining water licenses for emerging farmer projects from the Department of Water Affairs and Forestry (DWAF) has serious impact on spending of Provincial Infrastructure Grants.

Response to Challenge 2:

Close collaboration and regular meeting with staff of DWAF attending to these licenses to expedite the issuing of licenses.

Issues requiring ongoing attention

Synchronisation of LOGIS and BAS users' definition of Assets – coordinating the different code groups to reflect the same on both systems.

2.9 Programme Performance/ Service Delivery Achievements

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT

The purpose of this programme is to pro-actively provide sustainable resource management projects and communicate methodologies to our clients and partners by providing agricultural engineering and LandCare services. In many cases it includes the facilitation and implementation of projects, which range from farm planning, optimal water use, irrigation, mechanisation, value adding, animal housing, soil conservation works, infrastructure (CASP, PIG, LandCare), optimal resource use, capacity building through technology transfer, rezoning of agricultural land, drought and flood assistance to spatial area wide plans.

Strategic goal 1: Sustainable utilisation of the agricultural/natural resources of the Western Cape.

Strategic objective: Implementation of sustainable resource management projects and methodologies.

Sub-programme 2.1: Engineering services

Provide engineering services to our clients to ensure optimum and sustainable utilisation of our scarce natural resources and optimum production.

Sub-programme 2.2: LandCare

Optimise productivity and sustainability of natural resources resulting in greater productivity, food security, job creation, and a better quality life for all.

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Sub-programme 2.1: Engineering Services						
Agricultural Water Support	Services rendered and implementation of projects	Technology transfers: 188 requests	Technology transfers: 200 requests	251	51	26%
		Irrigation designs and evaluation 34 projects	Irrigation designs and evaluation 40 projects	66	26	65%
		Field evaluations and prelim dam designs: 18 projects	Field evaluations and prelim dam designs: 20 projects	55	35	75%
		Water management tasks: 136 projects	Water management tasks: 140 projects	130	10	-7%
Reduce input costs through mechanisation planning and minimum tillage	Services rendered and implementation of projects	0	50 projects	35	15	-30%
Improve profitability of farming enterprises	Services rendered and implementation of projects	4 projects	4 projects	3 projects	1	-25%
Improve profitability and quality of animal products	Services rendered and implementation of projects	35 projects	40 projects	48	8	20%
Protection of natural resources	Services rendered and implementation of projects	4 projects	5 projects	6 projects	1	20%
Provision of water related, animal housing and handling and storage infrastructure	Number of projects implemented	4 projects	4 projects	4 projects	0	0

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Sub-programme 2.2: LandCare						
Implementation of Conservation projects based on the Agricultural Resources Act (Act 43 of 1983)	No of farm plans approved	0	200	130	70	-35%
	No of projects implemented	0	Contours: 55 Projects	Contours: 22 Projects	33	-60%
		0	Weirs: 5	Weirs: 0	5	-100%
		0	Fences: 100 Projects	Fences: 108 Projects	8	8%
		0	Drainage: 5 Projects	Drainage: 45 Projects	40	800%
		0	Water Course: 30 projects	Water Course: 1 project	29	-97%
		0	Animal Watering: 23 Projects	Animal Watering: 27 Projects	4	17%
LandCare including infrastructure	Number of projects implemented	0	33 LandCare projects	60 Projects	27	82%
Area Wide Planning New Methodology	Number of projects implemented.	0	16 Training Phase	16 projects	0	0%
Land Use Management	Number of applicants processed on time.	0	800 applications.	800 applications.	0	0%
		0	900 pro-active Communications	900 pro-active Communications	0	0%

Specific challenges and responses

Challenge 1:

Water resources are becoming a survival challenge.

Response to Challenge 1:

Research into efficiency & effectivity of agricultural water use, as well as alternative sources.

Challenge 2:

Save water.

Response to Challenge 2:

Implement projects that promote water saving, create jobs, enhance biodiversity and lever financial and social partnerships.

Challenge 3:

Implement the planned 23 LandCare projects and an additional 37 projects.

Response to Challenge 3:

All projects have been implemented and completed for the year.

Issues requiring ongoing attention

- To appoint suitably qualified and trained technical personnel in the field of civil and mechanical engineering.
- To promote the protection of our biodiversity.
- To create integrated centres to facilitate co-operative governance in natural resource management.
- To create jobs that will alleviate poverty and the work done will enhance and protect our natural resources.
- To pro-actively shape the future use of our resources within the Provincial spatial development planning framework.
- To protect our scarce agricultural resources from urbanisation and recreational land uses.
- To promote the more efficient use of water in the agricultural sector by both commercial and small-scale farmers.
- To promote conservation and sustainable use of the environment, especially agricultural natural resources by integrated community based natural resource management.

Programme 3: FARMER SUPPORT AND DEVELOPMENT

The programme decentralised services to communities based on the district municipality boundaries. The appointment of new staff members were only completed in April 2005, with several positions still vacant, as there is limited experienced and suitably qualified staff.

The CASP programme was rolled out with several adjustments made but with the limited roll-overs. The business plan for the 2006/07 CASP projects was completed within specifications and a basic selection model has been adapted to assist with the management of the demand (R150 million) versus the availability of funds (R17.206 million plus roll-overs).

The challenge for the programme is to maintain a balance between the MTEF-allocation (appointment of staff) versus the conditional grants as the MTEF allocation does not grow at the same rate making the implementation of projects problematic as there is not enough staff to support the emerging client groupings and projects.

A decision to follow a development approach to agricultural projects was taken but a specific training programme designed has been implemented as the current and new officials have technical training, but not necessarily development training or experience. The Cape Project for Rural Innovation (CAPRI) programme for training of staff has been started.

To streamline procedures and reporting the Department embarked on the design and implementation of a Project Management Information System to assist field staff to capture relevant information and to start with an organisational memory. This process inevitable took considerable time, as each programme had different requirements based on the mandates and also conditional grants.

Three studies were undertaken to assess the current backlogs of support to emerging farmers (a profile of all emerging groups) and the level of success of agricultural land reform projects (an evaluation) so as to ensure better service delivery.

Sub-programme 3.1: Farmer Settlement

The target of 2000 beneficiaries was not reached due to budgetary constraints by our partner, Department of Land Affairs, however it created the opportunity for the two departments to address an alternative system of implementation, namely a project team approach.

The land reform projects' evaluation study is completed and the outcomes will shape the future roll of this sub-programme and Farmer Support Service. Another study will address the transfer and/or access of FALA land (state land) to PDIs in that the land parcels are in the process to be assessed in terms of feasibility of different agricultural production options.

The delay in the completion of the construction of the Philippi market under the oversight of City of Cape Town prevented the achievement of the output.

Sub-programme 3.2: Farmer Support Services

The decision to follow a development approach to agricultural projects also necessitated the initiation of a training programme for existing and new staff members to capacitate staff with skills to roll out required services. The CAPRI programme has been started during this year.

The DoA has also initiated a policy process, whereby the norms and standards for an advisory service was detailed. This process will further enhance the delivery of services.

The mentoring programme is on hold till the Department of Agriculture (DoA) completes the framework for implementation. The draft framework was only received at the end of this financial year.

The use and implementation of participation and involvement of client communities had and should be further extended and intensified as a means towards improvement of extension delivery.

The sub-programme manager: Farmer support Services resigned in the first half of the year, which meant that the activities had to be re-prioritised and some discontinued because of the capacity constraints.

Sub-programme 3.3: Food Security

More regular attendance of the National Integrated Food Security bi-monthly meetings had helped us to start making changes to the proposed strategies in the 2005/06 strategic plan.

Given the shortage of staff a decision was made not to service individual homestead gardens, as a bigger impact can be made through the communal gardens, in urban and rural areas.

The funding for food security gardens increased substantially to address the demands.

Sub-programme 3.4: Casidra (Pty) Ltd

The transfer payment based on the shareholder's compact agreement between the Provincial government and Casidra (Pty) Ltd is paid from this sub-programme. The main objective of the payment is to maintain the core capacity of Casidra (Pty) Ltd.

Sub-programme 3.5: Farm Worker Development

An Indaba and five regional conferences have been organized to consult with farm workers and role players. In December 2005 a Cabinet Memorandum based on the strategic plan for Farm Worker Development was presented to Cabinet which was accepted. The organisational structure was completed and positions will be filled.

In order for the referral system to function optimally, it is necessary to work closely with all government departments and role players. The provincial departments of Education, Social Services, Health, Housing and Local Government, the national Department of Labour as well as Municipalities are amongst the most important organisations with whom the department is already working closely. Other role players in the agricultural sector with whom the department liaise closely are Agri Wes-Cape, AGRIWASA, NGO's, Farmer's Associations, unions and National African Farmer's Union (NAFU).

An Interdepartmental committee has been established to coordinate the implementation of the strategic plan for Farm Worker development in the Western Cape. A follow-up farm worker indaba is planned for 2006 to officially announce the strategic plan and structures to farm workers and the public.

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Sub-programme 3.1: Farmer Settlement						
Settle 2000 farmers through the land reform process per annum	Number of farmers (beneficiaries) settled through the LRAD programme, Transformation of Act 9 land, Financially Assisted Land Administration, Restitution claims and farming profitable	2 000 beneficiaries	2 000 beneficiaries	1 505	495	-25%
	Database of business plans evaluated.	1	1	1	0	0%
	Statistics of target groups: farm workers women and youth	1	1	1	0	0%
	Number of business plans	65 business plans	50 business plans	31	19	-38%
Support and strengthen existing LRAD projects that are struggling through CASP funding	LRAD projects, with a success rate of 50% receiving financial and technical assistance	20 projects	20 projects	57	37	185%
Philippi market open for emerging/ LRAD farmers	Amount of fresh produce	5 000 ton per year	10 000 ton per year	0	10 000t	-100%
Implement the projects using the CASP process (includes PIG projects as well)	Number of projects implemented in the 6 district municipalities and project proposals based on designed format	121 projects	50 projects	86	36	72%
*Note that the projects span across the sub-programmes						

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Improve linkages with national and provincial departments to facilitate land reform	Number of meetings with national Departments of Land Affairs, Water Affairs and Forestry and Agriculture, and provincial departments of Social Services, Transport and Public Works, Economic Development and Housing	4 scheduled meetings and ad hoc meetings based on projects	4 scheduled meetings and ad hoc meetings based on projects	25	21	525%
	Attendance of DAC, PGC and community meetings	72 DAC meetings	72 DAC meetings	54	18	-25%
		12 PGC meetings	12 PGC meetings	0	0	-100%
		100 community meetings	200 community meetings	295	95	48%
Finalise the FALA processes	All FALA land allocated or identified for future agricultural development	9 tracts of land identified and assessed for agricultural production	Complete the remaining tracts of land identified and assessed for agricultural production	9 in progress	9	-100%
All 60 agricultural land claims supported via the Regional Land Claims Commission	Project teams established for each project Business plans developed Land claims beneficiaries settled successfully	4 projects	56 claims	53 in progress	3	-5%
Sub-programme 3.2: Farmer Support Services						
Training of farmers through short & modular courses	Number of commercial farmers trained	400	600	51	549	-92%
	Number of emerging farmers trained	200	300	316	16	5%
Provision of techno-economic advice on request of clients	Number of commercial farmers advised	7 000	7 200	1 544	5 656	-79%
	Number of emerging farmers advised	4 000	4 500	3 896	604	-13%
Client contacts and farm visits to support production activities	Number of commercial farmers visited/ supported	2 000	2 200	857	1 343	-61%
	Number of emerging farmers visited/ supported	1 500	2 500	2 477	23	-1%
Publication of relevant articles regarding production techniques	Number of articles published	20	30	17	13	-43%
Publication and distribution of a district-based newsletter for clients	Number of newsletters published	8	12	0	12	-100%
	Number of issues distributed to commercial farmers	2 000	2 000	0	2 000	-100%
	Number of issues distributed to emerging farmers	500	1 000	0	1 000	-100%
Presentation of relevant farmers' days to transfer information to clients	Number of farmers' days presented	25	30	14	16	-53%
	Number of commercial farmers who attended	1 500	2 000	640	1 360	-68%
	Number of emerging farmers who attended	1 200	1 500	190	1 310	-87%

PART 2

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Execution of technology fitment projects	Number of projects completed	10	30	13	17	-57%
	Number of projects completed	0	2	3	1	50%
Execution of technology transfer (guidance and advisory) projects	Number of projects in progress	35	70	56	14	-20%
	Number of projects completed	0	10	5	5	-50%
Execution of capacity building and institutional strengthening projects	Number of projects in progress	2	12	22	10	83%
	Number of projects completed	0	2	0	2	-100%
Design and implement a mentorship scheme for LRAD projects	Scheme implemented	Finalise planning	Pilot scheme	0	1	-100%
	Number of mentors involved	0	10	8	2	-20%
	Number of mentees involved	0	10	449	439	4390%
Design a programme for the development of district client forums in all 6 municipal areas	Programme implemented	Client profile studies completed for remaining 4 districts	6 Forums	0	6	-100%
	Number of clients involved in forums	0	180 clients	0	180	-100%
Financial support to strengthen the client forums, including capacity building initiatives	Number of initiatives launched	0	6	0	6	-100%
	Budget spent in support of organizational capacity of forums	Client forums not yet established	R300 000	0	R300 000	-100%
Implement the interim support programme to existing staff	Number of training interventions	0	12	11	1	-8%
	Number of staff members who attended	Training interventions not yet designed	75 staff members trained	30	45	-60%
Implement the CAPRI training programme to all field staff	Number of training interventions	0	0	3	3	300%
	Number of staff members who attended	Training interventions not yet designed	Training interventions in the process of design	5	5	500%
Sub-programme 3.3: Food Security						
Community projects/gardens in urban areas	Number of gardens or projects established successfully	29	30	99	69	230%
	Number of participants	232	300	915	615	205%
	Number of training sessions	29	30	65	35	117%
	Number of external organisations involved	20	20	57	37	185%
Database of Social Services Clients	Database of Social Service beneficiaries	1	1	1	0	0%
	Database of all beneficiaries supported by Agriculture	0	1	4	3	300%
ISRDP projects	Number of gardens or projects established successfully	4	4	4	0	0%
	Number of participants	32	32	44	8	25%
	Number of training sessions	8	8	7	1	-13%
	Number of external organisations involved	8	8	5	3	-38%

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Agricultural Starter packs	Number of starter packs distributed to community gardens or projects	15	20	24	4	20%
Sub-programme 3.4: CASIDRA (Pty) Ltd						
Investigate the reorientation of the mandate, strategic objectives and organisational structure	Investigation completed and the organisation redesigned	0	1	1	0	0%
Sub-programme 3.5: Farm Worker Development						
Trained farm workers in different technical and life skills	Number of farm Workers	200	1 000	7 000	6 000	600%
	Different training courses	10	50	50	0	0%
More confident to participate in discussions and meetings	Number of invitations to farm workers	0	200	200	0	0%
	Farm workers from different districts participating in forums	0	4	4	0	0%
Participation of Farm workers and stakeholders in the design and adoption of the "agenda" of the Sub-programme	Meetings and minutes of the advisory group	0	4	4	0	0%
Farm workers and farmers are using the referral system	Number of Farm Workers	0	200	300	100	50%
	Number of farms	0	20	35	15	75%
	Number of groups	0	10	12	2	20%
	Department and other service providers responding to requests	0	10	11	1	10%
Project formats and proposals called, and groups apply for funding	1-2 projects per district	0	10	10	0	0%
Organisational structure approved by MEC	Staff appointed in the six districts	0	6	0	6	-100%
Communication plan accepted by advisory group and implemented	One communication plan	0	1	1	0	0%
	Media coverage in at least the local newspapers	0	5	5	0	0%
Part of the communication strategy to highlight farm worker initiatives	Publish in the media	0	1	1	0	0%
Support farm worker development and promote farm workers' achievements	Annual farm worker of the year competitions within the different districts	0	7	4	3	-43%

Specific challenges and responses

Challenge 1:

To improve our core service (extension) to our clients.

Response to Challenge 1:

FSD management has started discussions with our district staff and other departmental programmes to outsource the implementation CASP and PIG infrastructure projects.

Challenge 2:

Implementation of Agri-BEE targets.

Response to Challenge 2:

FSD and other departmental programmes are discussing the priority and key activities raised in the Agri-BEE plan.

Issues requiring ongoing attention

- **Conditional grants:**
 - ◊ Compliance with all regulations for auditing purposes is quite difficult and time consuming.
 - ◊ Total lack of engineering qualifications within corps that does infrastructure implementation.
 - ◊ Incompatibility of state financial systems with requirements of efficient whole farm infrastructure and business development.
 - ◊ Take most of the available time of agriculturists.
- **Database (PMIS):** To get effective implementation.
- **Extension:**
 - ◊ Projects are currently ad hoc, inadequately planned and lack goal orientated execution. Guidance and development of farmers in this respect is totally lacking. Mentorship program is not in place.
- **Achievements**
 - ◊ Planning through CASP has improved the understanding of the farming problem – farmers and officials.
 - ◊ LRAD teams – Land Affairs, Agriculture and Municipalities, have advanced to excellent levels of co-operation.

Programme 4: VETERINARY SERVICES

Monitor and minimise animal health risks with continuous surveillance for trade sensitive diseases in particular and to ensure safe and wholesome animal products for human consumption.

Sub-programme 4.1: Animal Health

To monitor animal disease risks, prevent the spread of diseases, control and eliminate outbreaks of animal diseases and do epidemiologically sound surveillance for animal diseases to enable producers to enter and compete on the global market.

Sub-programme 4.2: Export Control

To promote, regulate and facilitate the export of animals and animal products, to monitor and control measures related to animal health certification and to maintain the sanitary guarantees for the export of animals and animal products.

Sub-programme 4.3: Veterinary Public Health

To monitor veterinary public health risks and promote, regulate and monitor the implementation of hygiene management practices at abattoirs, food producing and export establishments.

Sub-programme 4.4: Veterinary Laboratory Services

To maintain a veterinary diagnostic laboratory service in accordance with national and international norms and standards to ensure effective disease monitoring and to enhance acceptance of health certification for trade in animals and animal products.

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Sub-programme 4.1: Animal Health						
To effectively monitor animal health risks through active surveillance	Design and implement targeted active surveillance projects– sampling completed within specified time limits – 95% samples correct and suitable	Avian Influenza survey – 100% ostrich farms, commercial poultry and backyard chickens surveyed	Sampling of all horses for AHS in Free and Surveillance zones & follow-up testing for PRRS	Complete follow-up testing for PRRS and perform CSF survey AHS surveillance 1961	0	0%
To effectively monitor animal health risks through passive surveillance	On-farm inspections and census – all farms completed in a 2-year cycle	50% farms (7 200)	50% farms (7 200)	60% farms visited	120	20%

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
To prevent the introduction and spread of animal diseases	Maintenance of AHS free zone through effective movement control. Containment of PRRS and AHS	Successful containment of PRRS outbreak by means of movement control and stamping out	Successful containment of Avian Influenza outbreak	Avian influenza outbreak contained and export of ostrich meat resumed	0	0%
To effectively control the spread of controlled animal diseases	Prevent the spread of dog rabies to the Western Cape by means of vaccinations	64 000 vaccination	90 000 vaccinations	50 520 (reprioritised due to CSF)	39 480	-44%
To adequately monitor disease risks on export farms (dairy, sheep, ostrich, poultry, game) to be able to certify exports	All farms intending to export to fully comply with the relevant export protocols Ostrich 448 Dairy 190 Game 10 Sheep 6	All registered farms inspected at least once every quarter 85% immediate compliance, rest complied at follow-up	>4 visits/ farm/ year – 90% compliance on initial inspection	Visited 1024 farms	1 592	-61%
Animal health care and primary care training Testing against certain diseases Vaccination of stock	Cost effective animal production as related to good animal health control and husbandry practises to ensure food security	45 projects	55 projects	64	9	16%
Sub-programme 4.2: Export Control						
Ensure compliance of all export establishments with standards set by importing countries and international standards	Pass annual internal audits and audits by outside bodies and importing countries	All export establishments	All export establishments	All export establishments found compliant	0	0%
			Fill Meat Inspector post	0	1	-100%
			Fill Food Technologist post	0	1	-100%
Certification of food of animal origin	Certify all export applications	100% exports certified	100% exports certified	All exports certified	0	0%
Create export database for food of animal origin	Accurate, uniform and complete export statistics for food of animal origin	Draft provincial database	All data in uniform format on provincial veterinary database	All data available, 50% in uniform format	50	-50%
Evaluate all applications for export of food derived from animal origin	Evaluation reports and export approval where applicable	100% of applications	100% of applications	All applications processed	0	0%
Collection of samples for the national chemical residue-monitoring programme	Collect all samples in the time periods specified by DoA.	100% of samples collected and submitted	100% of samples collected and submitted	All samples collected as specified by DoA	0	0%
Collection of samples for disease surveillance as prescribed by DOA or Sub-programme Animal Health.	BSE sample collection	100% of samples collected	100% of samples collected (768 required by DoA)	1520	752	98%
	AI sample collection			Collect AI samples	0	0%
	Other as required			No other required	0	0%

PART 2

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Obtain changes in relevant international requirements to ensure market access	Follow developments of the following international bodies: OIE, Codex Alimentarius, EC, New Zealand, Australia, USA		Link to all bodies and follow policy developments/ changes	Kept up to date with international requirements and implement where required	0	0%
Sub-programme 4.3: Veterinary Public Health						
Compliance of all abattoirs with the Meat Safety Act, 2000, and regulations	Regular abattoir visits for monitoring, inspection, audits and HAS evaluations	1.5 visits per abattoir per year	1.5 visits per abattoir per year	3.6	2.1	140%
Create objective baselines for measurement of hygiene at food plants in the province	Microbiological baseline	Baseline for beef at high throughput abattoirs	Baseline for beef at high throughput abattoirs & Baseline for mutton at high throughput abattoirs	Not done (key post became vacant)	0	0%
	HAS evaluation average	Initiation of project	HAS average for high throughput abattoirs	All done	0	0%
Structural status report	Number of abattoirs listed	New regulations for red meat promulgated	All high throughput abattoirs	Promulgated	0	0%
Implementation of Hygiene Management Systems at all abattoirs	Number of systems implemented in the province	Awareness programmes	Implementation of 2/16 systems	2 of 16 implemented	0	0%
Collect all samples in the time period specified by the programme.	Number of samples collected		20 Samples for each of - Beef - Mutton - Pork - Chicken	20 samples from each species collected	0	0%
Road Show	Number and effectivity of communication	Production of road show content and exhibits show (English)	Translation of Road Show material into Xhosa & Afrikaans and presentation of 9 exhibitions	Translations done. 4 exhibitions (key post became vacant)	0 5	0% -56%
Appointment of Meat Inspector dedicated to the Food Safety Awareness Programme			Appointment of Meat Inspector dedicated to the Food Safety	Meat Inspector appointed	0	0%
Visits to primary schools by Meat Inspectors and Animal Health Technicians			Awareness Programme. Visit 250 schools and appreciable change in perception	20 visits (due to CSF outbreak reprioritise activities of AHTs)	230	-92%

Measurable Objectives	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Information pamphlet on safe meat	Number of pamphlets distributed		Translate pamphlet into Xhosa & Afrikaans and distribution of > 1 000 copies in target areas	Translate pamphlet. Distribute 500 copies (due to CSF outbreak reprioritise activities)	0	0%
					500	-50%
Sub-programme 4.4: Veterinary Laboratory Services						
Put in place Standard Operating Procedures (SOP's) and manage a monitoring system	Percentage of the method and equipment SOPs completed	70	90	90	0	0%
	Internal audits of tests carried out	15	30	18 (increase serological workload)	12	-40%
	Inter-laboratory test batches	12	20	24	4	20%
Increased monitoring of export and local market abattoirs and imported products	Samples of imported products and from export abattoirs	1 300	1 800	1 635 Reduced imports	165	-9%
	Residue monitoring of abattoir products	30	80	344	264	330%
	Microbiology samples to monitor local market abattoirs	450	1 000	Not taken – reprioritise actions due to CSF	1000	-100%
Create the laboratory space and provide the resources to perform PCR procedures	Build laboratory to house PCR section	Plan layout of extension	R 1,5mil (Works program)	In progress – completion July 2006	Building not completed yet	-100%
	Acquire equipment	Prepare specifications	R200 000 Prepare tenders and acquire equipment	Acquired equipment to value of more than R300 000	0	0%
	Staff and operating		R100 000 Appoint technologist and perform first tests	Acquire chemicals – testing pending completion	Building not completed yet	-100%

Specific challenges and responses

Challenge 1:

For the last almost two years outbreaks of Newcastle disease have occurred in many places in most of the northern provinces of South Africa. Outbreaks of this disease in the areas where ostriches are slaughtered for the export markets will impact negatively on the ostrich industry in the Western Cape.

Response to Challenge 1:

Continuous vigilance and investigations of suspected cases of Newcastle disease. Limiting movement of well vaccinated birds should the disease break out in various poultry production units.

Challenge 2:

To provide services to all rural communities and in particular to resource-poor farmers.

Response to Challenge 2:

While Animal Health services are already readily available throughout the province the expansion of Veterinary Laboratory Services by establishing a satellite laboratory in Oudtshoorn and strengthening the facility in Beaufort West is already in the planning stage. Slaughter facilities for resource-poor farmers on the Cape Flats are also being planned.

Challenge 3:

Implementation of a Quality System at the Provincial Veterinary Laboratory not possible because dedicated staff required as a result of the scope of the duties.

Response to Challenge 3:

Work study in progress to determine the need for a Quality Controller post.

Issues requiring ongoing attention

All the above challenges are requiring ongoing attention.

Programme 5: TECHNOLOGY, RESEARCH AND DEVELOPMENT SERVICES

The mandate of this programme is to render an agricultural research service and develop information systems with regards to crop production technology, animal production technology and resource utilisation technology.

Sub-programme 5.1: Research

To facilitate, conduct and co-ordinate provincial specific and relevant research; identification of agricultural research needs; development/adapting or transferring appropriate technology to farmers and to participate in multi-disciplinary agricultural development projects.

Sub-programme 5.2: Information Services

To coordinate the development and dissemination of information to clients including the development and utilisation of various information systems (e.g. GIS).

Sub-programme 5.3: Infrastructure Support Service

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

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Sub-programme 5.1: Research						
Establish three research institutes for Plant, Animal production and Resource utilisation	Structure approved Structure funded	Structure approved Structure funded	Identify new programmes and posts	Identify new programmes and posts and execute/fill	On target	0%
Participate in: industry organisations -district coordinating committees	8 meetings	8 meetings	8 meetings	8 meetings	0	0%
	4 meetings	4 meetings	4 meetings	4 meetings	0	0%
Number of projects executed	Reaching of project goals	168 projects Evaluate projects against reaching of goals	175 projects	172	3	-2%
Number of projects evaluated and adapted	Reaching of project goals	168 projects Evaluate projects against reaching of goals	175 projects	172	3	-2%
Contacts made with industry (Farmers, international partners etc.)	Number of contacts made with industry	60 scientific publications	75 scientific publications	83 scientific publications	8	11%
		60 semi-scientific publications	100 semi-scientific papers	24 semi-scientific publications, 44 popular publications	32	-32%
		65 congress papers	50 congress papers	49 congress papers	1	-2%
		55 lectures at farmers' days	40 lectures at farmers' days	89 lectures at farmers' days	49	123%
Number of YPP's mentored	Completion of YPP's Master studies	Successfully mentor 5 YPP's	Successfully mentor 7 YPP's	Successfully mentor 4 YPP's	3	-43%
Establish international network Joint projects	Number of successful networks	3 network partners identified and working relation established	Roll out 3 joint projects	Roll-out suspended, pending approval from EU	3	-100%

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Functional biotech facility	Identify partners Establish working relations Plan unit	Complete planning phase	Fund & roll out	Roll-out suspended due to budget restrictions	1	-100%
Funding of research projects of new industries	Number of projects Industries funded	Funded: 4 projects honey bush tea	Funded: 4 projects honey bush tea	Only funded 2 honeybush projects due to limited funding	4	-67%
		2 projects Persimmons	2 projects Persimmons		0	-100%
Establish vegetable research unit	Number of research projects on vegetables and alternative crops	5 research projects on vegetables and alternative crops	5 research projects on vegetables and alternative crops	5 research projects on vegetables and alternative crops	0	0%
Establish demonstration trials	Number of successful demonstration trials		2 demonstration trials	2 demonstration trials	0	0%
Establish game research unit. Identify research partners	Number of projects on game farming	Plan game research unit	Identify, filling and funding of posts	Pilot studies underway	0	0%
Establish fund	Number of projects funded through fund	Motivate for funds	Establish fund	Suspended due to limited funds	1	100%
Sub-programme 5.2: Information Service						
Activate sub-programme	Upgrade, Website	Website upgraded	Upgrade, Website	Upgrade, Website	Upgrade, Website	0%
Compilation of information packages	Number of info packs	5 info packs per institute	10 info packs per institute	10 info packs per institute	5 info packs per institute	-50%
Sub-programme 5.3: Infrastructure Support Services						
Upgrade seven experiment farms	Upgrade two experiment farms per annum	Two farms successfully upgraded	Upgrade a further two experiment farms	Upgrade a further two experiment farms	Upgrade a further two experiment farms	0%

Specific challenges and responses

Challenge 1:

Recruitment of suitable researchers and technicians from previously disadvantaged communities.

Response to Challenge 1:

Support and expand upon involvement in the YPP programme, active involvement of recruitment agencies and tertiary institutions in head-hunting of students/candidates with potential. Active involvement in Internship Programme of the Department.

Challenge 2:

Budget constraints with regard to maintenance of research infrastructure and funding of research projects.

Response to Challenge 2:

Concerted effort to lobby external funding from province, private sector organisations, nationally and internationally.

Issues requiring ongoing attention

- Address the limited funding available for research, especially against the background of a growing farming community (LRAD beneficiaries) and their specific needs with regard to technology transfer and extension
- Address the recruitment of employees with scarce skills.
- Update the Project Management Information System (PIMS) on a continuous basis.
- Address the challenges of climate change in a focussed and multi-disciplinary way, thereby developing a climate change strategy for the department.
- Increase linkages with national and international collaborators with regard to agricultural research and technology transfer.

Programme 6: AGRICULTURAL ECONOMICS

The purpose of this Programme is to provide an effective agricultural economics support service to internal and external clients. The Department's clients expect of this Programme to provide advice and support, based on sound scientific principles and research, ranging from micro (farm) level to macro level.

The priorities of the programme are based on the priorities identified in the Strategic Plan for Agriculture and the Growth and Development Strategy of the Western Cape Province. In consultation with the client base, these priorities were analysed to derive the following strategic goals. It is important to note that these goals and objectives put equal emphasis on commercial and emerging farmers unless otherwise mentioned:

- a) To contribute towards the enhancement of the competitiveness of the Western Cape agricultural production base.
- b) To support the sustainable use of the Western Cape resource base.
- c) To support the marketing of the Western Cape's agricultural products with specific reference to resource-poor farmers.
- d) To support sound decision-making based on scientific quantitative information.
- e) To contribute towards a reliable agricultural statistical database.
- f) To contribute towards the broadening of the representivity of the Department.

Progress towards achieving these objectives has been discussed in Section 2.4 and details will be provided in the Table below.

Sub-programme 6.1: Marketing Services

Within this framework the function of the Sub-programme: Marketing Services is to support the Western Cape's agri-businesses in facing the challenge of doing business in a competitive international environment. The strategic objectives range from the identification and development of local and international markets, through enhancing economic and financial competitiveness at farm level to supporting sustainable economic resource use.

Sub-programme 6.2: Macro-economics and Statistics

The purpose of this Sub-programme is to enhance the reliability of the information to decision-makers in the agricultural sector. The strategic objectives range from the accumulation of reliable statistical information to the scientifically analysis of this information. An important priority of this Sub-programme is the Provide project, an analysis and modelling project funded in equal shares by its shareholders (the 9 Provincial as well as the National Departments of Agriculture) with the objective of providing quantitative information on South African agriculture through developing Social Accounting Matrices and General Equilibrium models and the use of these models in selected case studies.

Measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Sub-programme 6.1: Marketing Services						
Develop/update user friendly model (Combud) to do budgets for commercial farmers /new entrants to agriculture	Enhanced sound decision making abilities	Start compiling budgets with new model for emerging farmers	Appoint personnel Train Personnel	Trained 12 users/ personnel Update database Attend to faults in Programme	0	0%
Establish/ update existing channels	Enhanced sound decision making abilities	On request	On request	79 requests processed	N/A	0%

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Develop more detailed evaluation techniques to measure viability	Enhanced sound decision making abilities	Evaluate 35 business plans	Evaluate 40 business plans	Evaluate 38 business plans Compile 9 budgets for vegetables and 6 med/long term crop budgets for use in business plans	2	-5%
Establish study groups to ensure that, with record keeping as tool farming operates on a sound financial basis	Enhanced sound decision making abilities	Test new Finrec model and use it to keep records. Establish more (8) groups	Establish more (8) groups. Do monitoring Write reports	11 groups established Did monitoring Identification and solving some problems with Micro Finrec programme Data from 6 farmers captured to evaluate spreadsheet model	3	38%
Expansion is linked to a PhD study with Stellenbosch University	Enhance long-term strategic decision making water resource management	Multi-criteria Decision making in water resource management	On request	3 Scientific papers & 3 research reports published: 2 surveys completed Planning of draft dissertation completed. Finished all practical work for report. Complete external evaluation of report	NA	0%
Public dissemination of marketing, trade and agribusiness research with emphasis on resource poor farmers	Enhance informed decision making & hence competitiveness	Establish agribusiness component Addition of more personnel	Strengthen Marketing & Agribusiness Unit. Expand agribusiness component	Advertised 4 posts: due to lack of suitable candidates only two will be filled	2	-50%
Access to relevant and timely market information; Popular reports	Press release Report Paper Present	10 10 8 18	12 12 10 20	2 8 1 10	10 4 9 10	-83% -33% -90% -50%
Execution of scientific projects	Number of projects	8	12	12	0	0%
Scientific dissemination of marketing, trade & agribusiness research	Contribution to the knowledge pool					
	National papers	2 papers	4 papers	1 paper	3	-75%
	International papers	1 papers	2 papers	2 papers	0	0%
	Semi-scientific papers	3 papers	4 papers	2 papers	2	-50%

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Units	%
Sub-programme 6.2: Macro-economics and Statistics						
Dissemination of information to selected target groups	Dissemination of information to selected target groups	Develop additional channels	Invest in GIS capacity	Four officials trained in ARCVIEW 3.3 – resulted in delivered spatially linked LRAD Database	4	0%
	Access to timely information; Transparency	Investigate possibility employing regional personnel	Employ personnel	Three individuals appointed at Elsenburg; Admin personnel successfully trained	3	0%
	Access to timely information; transparency	Enhance electronic access to data & information	Introduce electronic access	Two new databases developed; LAN implemented; Intranet access initiated; developed and implemented information screen at information desk (Elsenburg)	N/A	0%
	Value-added information available for improved decision making	Employ statistician	Add value to agric. Research through econometrics	Unsuccessful recruitment leads to no appointment	1	-100%
	Seamless cooperation with external role-players	Source commitment	Source goodwill & collaboration from all farmers	Contact with Organized agriculture in attempt to initiate farmer database; presentations to farming communities (Genadendal, Bredasdorp megaweek, etc.)	N/A	0%
Development of a series of datasets (Social Accounting Matrices)	Availability of datasets	Four regional datasets	Revise datasets	Revised datasets	4	0%
	Macro-economic policy analysis	1 case studies	8 case studies	8 case studies	0	0%
	Research reports	2 reports	8 reports	15 reports	7	88%
	Peer review of outputs	2 journal papers	3 journal papers	0	3	-100%

Specific challenges and responses

Challenge 1:

It still remains a challenge to attract and retain appropriately qualified agricultural economists.

Response to Challenge 1:

In response to this challenge a multi-pronged approach are being followed. First, the development of appropriate candidates through the Young Professionals Programme is enhanced. Second, the possibility of an inter-Departmental Internship Programme is being investigated. Finally, it is endeavoured to create a pleasant working environment.

Challenge 2:

Attracting sufficiently skilled researchers to implement the agricultural strategy successfully.

Response to Challenge 2:

Outsourcing research on contract to supplement research conducted within the Programme.

Challenge 3:

The transition of the PROVIDE Project to a programme.

Response to Challenge 3:

Outsourcing research on contract to ensure continuation of research during the transition phase until positions can be filled.

Issues requiring ongoing attention

The filling of vacancies with appropriate candidates still remains a challenge. At the end of this year this Programme still had a vacancy rate of over 42% amongst agricultural economists. The Inter-Departmental Agricultural Economics Standing Committee is being used in order to develop guidelines on the skills requirements of agricultural economists at a Provincial level. This document can eventually be used to interact with University Departments in order to provide adequately skilled agricultural economists.

Programme 7: STRUCTURED AGRICULTURAL TRAINING

To facilitate and provide agricultural training to as well as create training opportunities for practising and prospective farmers (commercial, emerging and subsistence), advisors, technicians and farm workers and to enhance human resource development in agriculture and to establish a knowledgeable and competitive sector.

Sub-programme 7.1: Tertiary Education

To provide formal education on a post grade 12 level (NQF levels 5 to 8 – Higher Certificate, Diploma and Degree) in appropriate fields to anybody who qualifies and has the desire to obtain a formal qualification – primarily to prospective and practising farmers, farm managers, agriculturalists and advisors.

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

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

Measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from Target	
					Units	%
Sub-programme 7.1: Tertiary Education						
Training programmes on HE-level (Level 4-6)	Number of students registered in HE-programme	312	350	332	18	-5%
	Number of courses offered	Higher Certificate	Higher Certificate	Higher Certificate	0	0%
		Diploma	Diploma	Diploma		
		B.Agric.	B.Agric.	B.Agric.		
Quality assurance evaluation	Self-evaluation	Self-evaluation	Self-evaluation	0	0%	
Sub-programme 7.2: Further Education and Training (FET)						
Presentation of short courses and Learnerships on FET-level	Number of students enrolled in short courses	2 000	2 200	2 000	200	-9%
	Number of students enrolled in Learnership training	30	40	56	16	40%
	Number and type of short courses	50	52	52	0	0%

Specific challenges and responses

Challenge 1:

Making training accessible to all clients.

- Agricultural training, due to its practical nature, requires costly infrastructure. Shortage of staff, training facilities and operating capital limits the capacity of the Department to render more effective skills development programmes.
- Participation in the development of a national strategy for agricultural education and training.

Response to Challenge 1:

- The establishment of a decentralised training centre at Oudtshoorn (in addition to those at George and Clanwilliam) further enhanced the access to training services in the FET-band provided by the Department. The establishment of a similar training facility in Bredasdorp is in the initial stages of development.
- Inauguration of a new hostel facility for FET-students at Elsenburg.
- Additional funding from National Department of Agriculture, AgriSeta (Seta for Agriculture) and USAID were successfully negotiated to subsidise costs of skills development and capacity building programmes for especially LRAD beneficiaries and farm workers.
- Facilitation of and allocation of financial assistance to needy students from historically disadvantaged students.

Challenge 2:

Increase training delivery capacity to address gaps in provision of agricultural training and skills development of potential and practicing agriculturalists, farmers, farm workers and LRAD beneficiaries.

Response to Challenge 2:

- Expansion and upgrading of practical and lecturing facilities where appropriate.
- Continued implementation of the Farmer-to-Farmer Training Programme in co-operation with Florida Agricultural and Mechanical University (USA).
- Rollout of an extension training and capacity building programme with Wageningen University in the Netherlands.
- Participation in an international Global Seminar project.
- Re-development and implementation of a two-year Higher Certificate-programme in answer to industry needs.
- Appointment of suitably qualified lecturers.
- Employment of temporary staff/lecturers on consultancy basis to expand delivery capacity.

Issues requiring ongoing attention

The above challenges require ongoing attention.

2.10 Transfer payments

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000
Municipalities	355
Cape Agulhas Municipality	200
Matzikama Municipality	288
Agricultural Research Council	350
Casidra (Pty) Ltd	4 500
Casidra (Pty) Ltd	11 719
SARS	85
University of Stellenbosch	790
Other	27
Trade Fundi (Pty) Ltd	2 000
SA Agri Academy	500
De Heuvel Estate	151
Stellenbosch Aids Action	150
Agri Expo	75
Meerkat Community Development	95
Uniep Aalwyn Kwekery Projek	175
Starking Fruit Packers	145
MBB Consulting Engineering	855
Various	98
Uniondale Advice Office	20
Hexvallei Table Grape Association	20
Southern Cape Land Commission Trust	338
FASfacts	205
Women on Farms	742
F/W Arts and Media Group	173
BAWSI	120
Rural Development Network	219
Wine Industry Ethical Trade Association	131
Helder Valley Community	98
Mooigezicht Estate	24
Prominent Holdings	50
Emerging Farmers	425
Refund	25

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000
Goosen (Veterinary)	81
Employer Social benefits	490
Farmers	133
Farmers (Drought)	16 435

All transfers were made in compliance with section 38(1)(j) of the PFMA by entering into memoranda of agreement in all instances before effecting any payment. These MoA's were all done by the provincial legal services.

2.11 Conditional grants

Summary of Conditional Grants for 2005/06

Conditional Grant	Total Allocation R'000	Total Transfers R'000
Provincial Infrastructure Grant (PIG)	25 756	2 396
Comprehensive Agricultural Support Programme (CASP)	19 264	12 825
LandCare	3 174	391
Drought Relief	26 634	16 435
Total	74 828	32 047

All objectives were met with the grants being paid. However, in the case of the Drought Relief R10,199 million is to be rolled over to 2006/07. Payment is generated by purchases (from approved suppliers) from the beneficiaries in terms of the criteria of the Drought Relief Scheme. Three fundamental criteria of the scheme should be highlighted, i.e. beneficiaries must qualify for relief in terms of drought conditions, number of livestock units is predetermined, and no direct payments to beneficiaries are allowed. Therefore it is accepted that objectives were met (for the drought period within the financial year) as all received claims of R16,435 million were paid to 31 March 2006 within the framework of the scheme. The drought conditions are persisting in specific areas of the Province.

No grants were received from or paid to other Provincial Departments.

2.12 Capital investment, maintenance and asset management plan

Capital Investment

- Completed building projects will be reported on by the Department of Transport and Public Works (Vote 10) as the budget and all processes lies with them.
- There are no plans to close down or downgrade any current facilities.
- At the moment the calculated backlog is R18,1 million. Since this service is performed and budgeted for by the Department of Transport and Public Works there is not much that can be done to try and reduce the deficit. There is no own funding to supplement this.
- The developments in (c) above are expected to impact negatively on the department's current expenditures since the cost of overdue maintenance often increases exponentially.

Asset Management

- Movable assets have increased with R23,3 million of which the details are available in Annexure 4 of the financial statements.
- The Department still works with a LOGIS inventory list for asset control that is done at least once per annum.
- The condition of moveable assets varies. Firstly there are the vehicles (sedans and one-tonners) that are mostly in good maintainable condition, but the buses and bigger trucks are already beyond the normal replacement date. The tractors, as well as other implements on the experiment farms, are in a bad state. Tractors with an economical lifespan of eight years are on average more than double that.

On computer equipment the department tries to maintain a life cycle of no more than four years and is perhaps 90% successful in this regard. The other infrastructure (cabling and servers) have been upgraded, but will still cost in excess of R1 million to repair.

The telephone system has, as mentioned in the Annual Report of 2004/05 and before, reached the end of its technological and economical lifespan and should be replaced soonest as maintenance is skyrocketing and replacement of instruments that are irreparable is restricted or unavailable.

Furniture and research equipment are in a fair to bad condition.

- No major maintenance programmes were undertaken.

- (e) No facilities were closed down or down graded during the period under review.
- (f) Farm implements and research equipment remain high priorities for the immediate future.
- (g) Bid procedures for projects are done in line with the prescripts of the AO system with a fully operational bid committee sitting regularly to make recommendations to the accounting officer.

Maintenance

Ideally the department needs to complete one maintenance cycle of 7 years on non-movable infrastructure at a deflated cost of R3.7 million per year instead of R2 million now. Currently the department can only complete such a cycle in 14 years that increase the risk of replacing expensively instead of repairing affordably. At the moment the calculated backlog is R16,2 million. Since this service is performed and budgeted for by the Department of Transport and Public Works there is not much that can be done to try and reduce the deficit.

Specific challenges and responses

Challenge 1:

Maintenance backlog.

Response to Challenge 1:

Shortage of funds remains the single biggest constraint that results in consideration of using operational MTEF-funds for this purpose.

Challenge 2:

Renewal and upgrading of farm implements.

Response to Challenge 2:

Finding funds for relative expensive implements within current MTEF budget.

Challenge 3:

The modernising of some of the research equipment is reaching critical proportions.

Response to Challenge 3:

The most significant source remains the reprioritising of MTEF-funding. Soliciting overseas funding is also pursued.

Issues requiring ongoing attention

- Upgrading of expensive diverse and widely spread (throughout the Province) infrastructure of the department.
- Maintaining movable assets at an acceptable level for setting the example.
- Recruit and keep talented people.
- Finding funds for infrastructure to decentralise training with special emphasis of taking FET to the new entrant farmers and farm workers.
- Affordable accommodation to give impetus to the decentralisation of services within district municipality boundaries remains a challenge.

**PROVINCIAL GOVERNMENT WESTERN CAPE
DEPARTMENT OF AGRICULTURE (VOTE 11)**

**SHARED AUDIT COMMITTEE REPORT
FOR THE FINANCIAL YEAR ENDING 31 MARCH 2006**

We are pleased to present our report for the above-mentioned financial year.

Appointment of the Shared Audit Committee

The Department of Agriculture (Vote 11) is served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 of 23 June 2003 for the 2 year period to 31 March 2005, which was extended by Resolution 95/2005 for 2 more years to 31 March 2007.

Audit Committee Members and Attendance:

The Committee consists of the independent members listed hereunder, is required to meet at least 4 times per annum as per its approved Terms of Reference. During the current year 11 meetings were held:

Member	Number of Meetings Attended
Mr J.A. Jarvis (Chairperson)	11
Mr J. January	9
Mr P. Jones	11
Mr R. Warley	7
Mr V.W. Sikobi	(resigned May 2005)

Audit Committee Responsibility

The Committee has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13 and 27(1)(10). The Committee has also regulated its affairs and discharged its responsibilities in terms of the Audit Committee Charter.

Effectiveness of Internal Control

During the year under review the Risk Assessment and Control Mapping exercises and the 1-year Operational Internal Audit Plan, were completed.

The 1-year Operational Internal Audit Plan which was approved by the Committee in April 2005 identified 20 high risk areas. However, due to budgetary constraints, the Plan was amended in September 2005, to cover only 10 audit areas.

The Committee reviewed Internal Audit Reports which highlighted a number of critical and significant control weaknesses in respect of: Student Admissions, Disease Control, Export Certification, Procurement & Tendering, Land Reform, Statistical Analysis, Training and Development, BAS control & Asset Management.

The Auditor General drew attention to a number of anomalies regarding the implementation of Provincial Infrastructure Grants and the reporting thereof.

The Committee noted that management undertook to implement the recommended corrective actions.

Internal audits were conducted on the transversal IT systems of the Province.

The Committee acknowledges that e-Innovation provides the IT service to this department. The Committee wishes to emphasize the importance of the Department ensuring that a service level agreement is concluded with e-Innovation to address future technology and training requirements.

The Committee further acknowledges that the responsibility for addressing control weaknesses identified by the Internal audit vests with e-Innovation. The Committee will follow-up on the implementation of corrective action in the 2006/07 financial year.

The quality of in-year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.

The Committee has not reviewed the quality of in-year management and monthly/ quarterly reports submitted in terms of the PFMA and the Division of Revenue Act, but has relied on the feedback of

the Auditor General who has not reported adversely in this regard.

Evaluation of Financial Statements

The Committee has,

- Reviewed and discussed the audited annual financial statements included in the annual report with the Auditor General and the Accounting Officer
- Reviewed the Auditor General's management letter and management's response thereto;
- Reviewed the Auditor General's report.

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

Appreciation

The Committee wishes to express its appreciation to the Provincial Treasury, Officials of the Department, the Auditor General and the Sihluma Sonke Consortium for their assistance and co-operation in compiling this report.



J.A. JARVIS
Chairperson of the Shared Audit Committee
Date: 10 August 2006

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11****ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2006**

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Attachment: Annual Financial Statements: CASIDRA (Pty) Ltd

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11****REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

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

1. General review of the state of financial affairs

It has become very evident that this Department has outgrown its support (Administration) and that this will be treated as a top policy priority. The administration has been established for a department of 645 people of whom the most have been centralised at Elsenburg.

Subsequently the Department has been granted an approved establishment of 1 050 posts which are rapidly being filled with new initiatives that are forcing higher demands all the time. At 31 March 2006 the number of filled posts already stood at 852. New initiatives in Administration like the establishment of a properly populated Risk Management Unit, is overdue.

In the Programme: Sustainable Resource Management a total of 35 agricultural infrastructure projects to the value of R9,830 million were completed. These projects ranged from irrigation systems, replacing earth furrows with pipelines, fencing, stock watering points, drainage, gravel roads, storage facilities and repair work to irrigation dams.

Technical training was provided to field technicians in advanced designs and the control of designs to equip them for the evaluation of soil conservation works. Lectures were given on a national scale to share the expertise gained in the Province regarding riverbank erosion protection.

Irrigation design and evaluation, as well as technology transfer on irrigation related matters were handled for 200 requests (120 for commercial and 80 for emerging farmers) and 140 water management tasks (84 for commercial and 56 for emerging farmers) were executed.

Thirty three LandCare projects to the amount of R3,200 million were implemented in the Western Cape concentrating on the efficient use of water, poverty alleviation through job creation, food security gardens and sustainable resource conservation, while 8600 school children were trained in LandCare principles and practices and 21 682 person days worth of work were created (419 jobs) to remove alien vegetation and thereby protecting our water resources and alleviating poverty. Work has also been done on value-adding to vegetables, as well as the extraction and distillation of essential oils from different crops for emerging farmers.

Four spatial development areas were mapped according to baseline data, which forms the foundation for Western Cape Provincial Spatial Development Framework.

The results of the drought of the two previous years were still with us and drought relief to the amount of R16,435 million was paid out in this financial year with R10,199 million being rolled-over to 2006/07.

A study of the profiles of all emerging farmer groups and individuals has been completed, giving the programme a clearer picture of the current client base and their expectations and needs.

The evaluation study of all agricultural land reform projects, in conjunction with the Department of Land Affairs (DLA) has given an initial benchmark as to the success of land reform in the Province, and particularly LRAD.

The study on the Financially Assisted Land Administration (land appropriated by the national Department of Agriculture through the "old" Agricultural Credit Board) (FALA) land in the West Coast will allow the costing of making the state land farmable for release to Department of Land Affairs for disposal for land reform projects. The provincial land summit was organised by the Department, DLA and Provincial Development Council (PDC) at very short notice, but the follow-up process in the Province will continue into 2006/07, based on the resolutions of the national land summit.

The strategic plan for Farm Worker Development gave clear guidelines as to the role of the Department of Agriculture for the next few years, and the annual performance plan and objectives have

been adjusted accordingly. Early indications are that the main focus areas must be education for farm worker children, improved health and social services, housing, awareness-raising on Agri-BEE and labour laws. The latter focus areas are within the mandate of other provincial and national departments, and close-working relations will be developed in 2006/07 based on a Cabinet decision, where Agriculture received the mandate to coordinate all farm worker activities within the plan.

Projects completed during the year are: 35 food security projects, as well as 46 CASP and 111 PIG projects to the amounts of R19,385 million and R16,849 million respectively.

The declaration of the disaster relief for specific areas within the Province after the prolonged drought, the affected people been mainly farm workers and emerging farmers, meant that the sub-programme: Farm Worker Development, in collaboration with other provincial departments, had to first design and then implement the Drought Disaster Relief Plan.

The introduction of significant trade-sensitive foreign animal diseases necessitated intensive surveillance and control actions. Porcine Reproductive and Respiratory syndrome (PRRS) caused heavy losses especially amongst emerging pig farmers on the Cape Flats and in the Boland. 5 883 pigs on 581 properties were tested and 7 365 pigs belonging to 134 owners had to be slaughtered and payment to the amount of R6,466 million was made.

The outbreak of African Horse Sickness (AHS) in the Surveillance Zone in 2004 resulted in the suspension of exports of horses from the AHS Free Area for a period of two years. This period has ended in May 2006, when application will be made to the European Commission to reinstate the horse export status of the country.

Following on the outbreak of highly pathogenic avian influenza amongst ostriches in the Eastern Cape Province, all the ostrich farms in the Western Cape had to be tested. 777 ostrich farms were sampled (39 274 serum samples and 15 572 tracheal swab samples for antigen testing). On 124 farms antibodies against avian influenza were found, but no virus could be detected. The positive serological tests resulted in the Western Cape ostriches being placed under quarantine by the national Department of Agriculture. The embargo on the export of ostrich meat and products, instituted in August 2004, was finally lifted by the European Commission on 13 October 2005, following the submission of satisfactory sanitary guarantees to the European Commission on the absence of the disease. The embargo instituted in August 2004 on the export of ostrich meat and products was finally lifted by the European Commission on 13 October 2005 following the submission of satisfactory sanitary guarantees to the European Commission on the absence of the disease. The embargo resulted in the loss of more than 4 000 jobs and R400 million in exports for the ostrich industry.

Classical swine fever was diagnosed in the Worcester district in July 2005 – the first time since 1918 that the disease was diagnosed in South Africa. The area was immediately quarantined and affected pigs were destroyed with compensation being paid to the affected owners. A total of 1 591 pigs on 97 properties were destroyed and compensation of R1,333 million was paid. The total costs of the eradication campaign amounted to R3,131 million.

The compilation of contingency plans for dealing with outbreaks of trade-sensitive and zoonotic animal diseases which was started during the previous year have now been completed. These are not static documents and would require continual updating and revision. Various policy documents, especially focussing on export matters, have been drafted. These include policies on the registration of sheep farms for the export of bone-in mutton to the European Union, a revised African horse sickness policy, a policy for control of Johne's disease in sheep, a policy for the registration of export ostrich farms and various policies on export certification.

The coding for the integrated Cape Animal Disease Information System (CADIS) has been completed. This program is currently in the final testing phase. The system will be deployed to regional offices where the capture of data in the database will proceed.

The newly established veterinary epidemiology unit is now fully staffed and functioning well. Officials of this unit proved their worth in designing various databases to handle surveillance and movement control data and statistical sampling grids for the PRRS, Avian Influenza and classical swine fever surveys.

In meeting the technology needs of our clients, a total of 160 technology development (research) projects were executed. Information based on research was disseminated through 41 scientific publications, 62 semi-scientific and popular publications, 76 congress papers and 93 lectures at farmers' days.

The Project Information Management System (PIMS) has been tailor-made to suit the needs of our programme and is functional as an operational database of projects. This system will facilitate sound project management within the programme.

Sound agricultural practices are based on knowledge of crop and soil requirements. In order to enable producers to plan their fertiliser requirements accordingly, the soil, plant and water laboratory analysed approximately 23 000 samples and generated an income of more than R1 million. This output was facilitated by a new organisational structure in the laboratory. An external audit of methods and procedures has been conducted by experts from the soil laboratory at Cedara (Department of Agriculture KwaZulu-Natal) and valuable advice gained to improve and optimise the service of the laboratory.

New research fields were prioritised and embarked upon, either through the Department's own efforts or by outsourcing research-to-research partners i.e. the ARC. These study fields are:

- Expansion of the Geographical Information System (GIS) capacities in order to support the Spatial Development Framework of the Province.
- Support research of new agricultural industries, i.e. honeybush tea, with financial support or collaborating projects.

The research programme on vegetables and alternative crops was further expanded, especially for food security and poverty relief (where vegetables are a cash crop in high demand).

Another 12 students enrolled for post-graduate studies, funded through the Technology and Human Resources for Industry Programme (THRIP), resulting from a research partnership between the Animal Production Institute and an Industrial Partner. Of these students, 5 enrolled for masters degrees, 3 for M.Tech degrees and 4 for a Ph.D. Of the students nine are women (two from the designated groups) and two men from the designated groups.

During the 2005/06 financial year Programme 6: Agricultural Economics again reached a number of highlights despite the fact that its activities were hampered through an extremely high personnel turnover. The Statistics Division completed a spatially linked MS Access database of all the approved LRAD projects within the Western Cape. This includes information on the farms, beneficiary details, enterprises established or planned on the farms, as well as financial and training needs details. A comprehensive information database containing all the relevant LRAD agricultural information in the Western Cape, linked to the Elsenburg Geographic Information System (GIS), provide timely, spatial and accurate managerial information, thereby contributing towards sound decision-making in the Western Cape. This Division also released its first printed summary of agricultural statistics for the Western Cape. It is foreseen that this publication will become an annual event.

Turning to the Macro-Economics Division, the aims of the Provincial Decision-Making Enabling (PROVIDE) Project were to facilitate policy design by supplying policymakers with provincial and national level quantitative policy information. The National and Provincial Departments of Agriculture were the stakeholders and funders of the PROVIDE Project and the research team was located at Elsenburg in the Western Cape. One of the outputs of the PROVIDE Project was a series of regional Social Accounting Matrices. A series of working papers with a strong regional focus was conducted during the second half of 2005. The working papers included:

- The impact of changes in maize import tariffs.
- The impact of changes in excise duties on wine.
- The impact of levying property rates on agricultural land.
- The impact of increased welfare transfer payments to targeted households.
- The impact of fuel levies.

The expansion and upgrading of practical and training facilities to increase student enrollment continued this year. The expansion of lecturing facilities to facilitate the increased student numbers at the main campus of the Cape Institute for Agricultural Training: Elsenburg (CIAT) received a major boost when a new building project was started this year.

The Department played an active and significant role in the development of the National Agriculture Education and Training Strategy, which was launched at a national level towards the end of 2005. This national AET-Strategy also provides the framework for national and provincial AET-forums to be established. The Department will lead the process of establishing the provincial AET-Forum by mid-2006. This forum will offer all stakeholders (including training providers) the opportunity to participate in the coordination and facilitation of agricultural training.

In 2005, a total number of 332 students enrolled for training on the Higher Education level (Higher Certificate, Diploma and B.Agric.degree). The students enrolled for the new B.Agric.-degree programme in 2004, presented in co-operation with the University of Stellenbosch, completed their second year of training in this programme. The first degrees in this programme will be issued in 2006.

The bursary scheme to assist students from historically disadvantaged communities to study in agriculture was, with the assistance of the national Department of Agriculture, extended to assist 15 students to study in Viticulture, Oenology and Pomology.

A Global Seminar Project, in co-operation with mainly American universities, was launched in the first semester of 2005. In this project, students from different universities around the globe, debate different issues of global importance.

Skills training were provided to approximately 2 000 emerging farmers, farm workers and jobless people in mainly the rural areas of the province.

A total of 56 students (of which 38 registered at Elsenburg and 18 at George) were selected to enroll for the new Learnership programme (NQF 1) offered at the Cape Institute for Agricultural Training (CIAT).

The training of students in the FET-band gained further momentum with the inauguration of a new hostel to accommodate 52 students at Elsenburg and a decentralised training centre in Oudtshoorn.

The Farmer-to-Farmer Programme with Florida Agricultural and Mechanical University continued this year. This project, funded by USAID, aims to enhance the entrepreneurial and managerial skills of land reform beneficiaries.

With reference to spending trends the following need to be emphasised:

The amount of under spending, R10.711 million or 4% of the adjusted budget seems unacceptably high until further investigation reveals the following:

Equitable share unspent amounts to R512 000 or 0.2% of the adjusted budget that compares favourably with the accepted benchmark of 2% or less.

This Department's only spending problem amounted to R10.199 million of drought relief which has all been allocated at the time of this report.

2. Service rendered by the department

2.1 A list of services rendered by Agriculture can be divided amongst the following categories while a complete list is available on request:

- Agricultural engineering services, i.e. water availability investigations and designing of irrigation systems and other infrastructure for emerging farmers;
- Resource conservation and LandCare;
- Settlement services for emerging farmers;
- Support services for farmers, i.e. training, mentorship, advice, research transfer and infrastructure;
- Farm worker development (economic and social);
- Preventive measures for animal health, i.e. vaccination for rabies;
- Regulatory animal health services;
- Professional and technological support including laboratory services;
- Sale of agricultural products;
- Agricultural applied research;
- Comprehensive agricultural economic service;
- Registration, board and lodging, lecturing and examination of tertiary and FET students.

2.2 Tariff policy

The fees charged and recovered for services rendered and surplus products produced as a result of research by the department, have been calculated in accordance with either Provincial or National policy directives and paid into the Provincial Revenue Fund and accounted for as prescribed. These tariffs are reviewed annually and are based on sound economic and cost recovery principles in consultation with the Provincial Treasury. All tariffs have been listed in a tariff register that is kept in electronic format and is available on the Department's intranet.

2.3 Free Services

Free services that are rendered by the department are extension services that could lead to substantial income in consultation fees. However, by far the biggest users of these services are the emerging farmers who can ill afford to pay for these services and rely on the Department for advice, information and technology transfer.

The same holds for preventive animal health and veterinary clinical services. An example is a project centred on the Cape Flats entailing the vaccination of dogs and cats against rabies, with simultaneous deworming against internal parasites. This project will limit the transmission of rabies if introduced into the area and prevent the transmission of internal parasites from animals to humans where these animals had been treated.

A total of 43 711 dogs and cats were vaccinated against Rabies and 20 878 dewormed in the following areas: Nyanga, Gugulethu, Phillippi, Khayelitsha, Lwandle, Delft, Khayamandi, Mfuleni, Driftsand, Cross Roads/New Cross Roads, Sir Lowry's Pass village, Chris Nissen Park and Makhaza. At a total cost of only R8.30 per dog in consumables, this exercise, amounting to R214 386 in total, was money well spent on the improvement of the general health of the Province's poorest communities.

In addition, just more than 297 carhorses belonging to indigent vendors and scrap collectors based on the Cape Flats were microchipped (cost R60.00/horse = R17 820) to aid in the positive identification of individual animals. 330 of these carhorses were vaccinated against Equine Influenza at a vaccine cost of R14 999. The Department again carried the full cost of these actions.

2.4 Inventories

The inventory below is for all stores on hand at year-end at Elsenburg. The costing method used for stationery, cleaning material and provisions (food) are based on the average price of acquisition. With regard to the wine store the method of costing is based on the department's approved tariff register.

Domestic consumables (cleaning material)	R 26 023
Other consumables	R 4 859
Food and food supplies (provisions)	R 16 786
Stationery and printing	R 67 877
Wine store	R 241 516
Wine in Cellar	<u>R 312 250</u>
Total	<u>R 669 311</u>

3. Capacity constraints

As stated above the Programme: Administration is battling not to fall too far short of its service delivery target already as it must catch up with a rapidly increasing and decentralising line function. As earlier stated there are 852 filled posts on an approved establishment of 1 050 and the appointments are made at a rapid pace, funds permitting.

It has also become evident that the Department's services and achievements are well in excess of what it is being credited for. A re-look and re-design of the communication function can not be postponed any longer either.

4. Utilisation of donor funds

A three year co-operative agreement was entered into with the Wageningen University Consortium (Netherlands), to expand the training capacity of the Cape Institute for Agricultural Training: Elsenburg (CIAT) in Agricultural Extension Science and to train and re-train extension staff in the Western, Northern and Eastern Cape Provinces. This project is funded by Nuffic (Netherlands Organisation for International Cooperation in Higher Education – €1,8 million over three years).

The 2005/06 financial year was the first year of implementation and R392 000 was received of which R183 000 was spent at 31 March 2006.

5. Trading entities and public entities

CASIDRA (Pty) Ltd was established under the Companies' Act of 1973 (National Act 61 of 1973) – No 1973/006186/07. The Department has an oversight role of this provincial business enterprise. Accountability of this institution rests with its Board who is appointed by the Provincial Minister of Agriculture. The Provincial Government of the Western Cape holds all the shares in this institution.

Functions:

Delivery of services to improve the quality of life in rural areas through:

- a) Poverty alleviation through economic growth and rural development.
- b) Unlocking of human resources and capacity.

Accountability Arrangements:

- a) CASIDRA complies with the Companies' Act and the PFMA.
- b) A shareholder's compact is drafted with the Department and monitored through quarterly reports.
- c) It submits a monthly cash flow to the Department.
- d) A year-end audit of the financial statements is performed (attached).

Since 1998 to 31 March 2005 this institution has accrued a loss in excess of R12,4 million. This fact prompted the Department, as part of its oversight role, to effect an independent investigation into the structure and financial position of Casidra (Pty) Ltd. At the time of this report was submitted to Cabinet.

6. Organisations to whom transfer payments have been made

Beneficiary	Reason for Transfer	Accounting Arrangements	Amount Appropriated R'000	Amount paid R'000
Municipalities	RSC Levies and vehicle licences	Statutory	355	355
Cape Agulhas Municipality	Animal housing for Bredasdorp Communities	Contract	200	200
Matzikama Municipality	Infrastructure for Ebenhaezer Community	Contract	288	288
Agricultural Research Council	Support agricultural research	Contract	350	350
Casidra (Pty) Ltd	Maintain core capacity	Shareholder's Compact	4 500	4 500
Casidra (Pty) Ltd	Comprehensive Agricultural Support Programme	Contract	11 719	11 719
SARS	Excise duty	Statutory	0	85
University of Stellenbosch	Research: Agrifutura, Hose Centre, water research regarding fynbos and wheat	Contract	790	790
Other	Insurance for vehicles	Contract	27	27
Trade Fundi (Pty) Ltd	Empowerment project for LRAD beneficiaries	Contract	2 000	2 000
SA Agri Academy	Training for emerging farmers	Contract	500	500
De Heuvel Estate	Construction of store	Contract	151	151
Stellenbosch Aids Action	Aids awareness amongst farm workers	Contract	150	150
Agri Expo	Training of cheesemakers in France	Contract	75	75
Meerkat Community Development	San Training project	Contract	95	95
Uniep Aalwyn Kwekery Projek	Establishment of two aloe nurseries	Contract	175	175
Starking Fruit Packers	Promotion of deciduous fruit development	Contract	145	145
MBB Consulting Engineering	Supply base of emerging farmers at Philippi Market	Contract	855	855
Various	Cash donations	None	98	98
Uniondale Advice Office	Farm worker training	Contract	20	20
Hexvallei Table Grape Association	Farm worker training	Contract	20	20
Southern Cape Land Commission Trust	Farm worker training	Contract	338	338
FASfacts	Farm worker training	Contract	205	205
Women on Farms	Farm worker training	Contract	742	742
F/W Arts and Media Group	Awareness, health and safety	Contract	173	173
BAWSI	Farm worker training	Contract	120	120
Rural Development Network	Capacity Building	Contract	219	219
Wine Industry Ethical Trade Association	Farm worker training	Contract	131	131
Helder Valley Community	Farm worker training	Contract	98	98
Mooigezicht Estate	Farm worker training	Contract	24	24
Prominent Holdings	Farm worker training	Contract	50	50
Emerging Farmers	Capacity Improvements	Contract	425	425
Refund	Act of Grace	None	25	25
Goosen (Veterinary)	Bursaries to non-employees	Contract	81	81

Beneficiary	Reason for Transfer	Accounting Arrangements	Amount Appropriated R'000	Amount paid R'000
Employer Social benefits	Payment of benefits	Statutory	490	490
Farmers	Subsidies: Soil Conservation	None	133	133
Farmers	Subsidies: Drought relief	Statutory	26 634	16 435

7. Public private partnerships (PPP)

No public private partnerships were entered into in the year under review.

8. Corporate governance arrangements

The initial generic fraud prevention plan was customised through the 2003/04 financial year, but could only be partially implemented during the past two years due to restructuring, lack of capacity and the time lag waiting for a provincial approved risk management unit. The sheer magnitude of this endeavour caused for more than a year to pass while structures were adopted and posts were evaluated. Internal control systems for the Department will be further developed and implemented with the personnel appointments for the internal control component, funds permitting.

Currently the Department makes use of a centralised audit component and audit committee as approved by Provincial Parliament.

A complete risk assessment was done on the Department during the 2004/05 year which led to the mapping and 10 audit reports of the highest priority risk areas which are used by the Department as a starting point for the implementation of newer and better systems.

Conflict of interest is managed through annual formal written declarations by the members of the Senior Management Service, as well as that bid committee members are compelled to declare their interest at every meeting of this committee. Non-designated members of the staff are regularly reminded to declare interest where applicable.

The Department has an Occupational Health and Safety Officer who is responsible for safety, health and environment issues.

Financial delegations were done to conform to Treasury Regulations, DPSA prescripts and the Accounting Officer's System to direct Supply Chain Management processes, including the Bid Committee.

The comprehensive guide to the financial statement was very helpful although templates had some teething problems of which most were promptly addressed, but some were corrected rather late. Also the input of the Accounting Standards Board with their directive (Framework for the Preparation and Presentation of Financial Statements) was very appropriate and helpful, as was the Risk Management Framework.

With reference to King II and sections 38 to 40 of the Public Finance Management Act, Act 1 of 199, this Department puts extra endeavour into the responsibilities of the Accounting Officer through transparent systems, an Accounting Officer System for procurement and provisioning, collecting debts with proper policies in place, safeguarding of assets, complying with the prescripts of the Division of Revenue Act (Act 3 of 2005), transfer funds to other entities only when proper agreements are signed and proper assurances from them regarding effective, efficient and transparent financial systems and management, strict budgetary control, a value for money principle, keeping proper records and reporting timely and properly – monthly, quarterly and annually.

9. Discontinued activities/activities to be discontinued

No activities have been discontinued.

10. New/proposed activities

A new AgriBEE unit is foreseen, funds permitting.

11. Asset Management

It was the decision of this Province to proceed with LOGIS as the asset register of departments. All the assets of this Department are recorded on LOGIS and a reconciliation between LOGIS and BAS is performed monthly.

There is an asset management unit in the Supply Chain Management Section consisting of three people and each sub-section has an appointed asset controller or responsible person.

To the best of my knowledge this Department currently complies with the minimum requirements.

Due to capacity constraints this Department has only minimally embarked on the road to Asset Management Reform and are the milestones thereof mostly still beyond our reach.

12. Events after the reporting date

None to report.

13. Performance information

Refer to Part two, Programme performance, of the Annual Report in terms of reporting on the actual performance of the period under review by the different programmes.

For the year under review monthly and quarterly reports on conditional grants, as well as this annual report were used to deliver performance information. For the 2005/06 financial year total performance reporting was done on a quarterly basis.

The Department heavily relied on the assessment of the internal audit component for independent verification of its own performance whilst the internal monitoring and evaluation capacity was in a process of establishment.

14. Scopa resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Audit Report – Emphases of matter:		
1. Asset addition reconciliation.	LOGIS as asset register	Additions on BAS and LOGIS reconciled for 2005/06.
2. Internal audit.	Only risk assessments done in 2004/05, no audit.	Internal audits performed in 2005/06.

15. Other

With reference to section 27(3) of the Division of Revenue Act of 2005, Act 3 of 2005 it can be reported that of the R228 847 000 in schedule 4 of the Act that was allocated to the Western Cape for Provincial Infrastructure grant, R25 832 000 was allocated to the Department of Agriculture plus R13 274 000 of which R13 000 000 was returned to Treasury with the Adjustment Estimate in November 2005 for reallocation. Of this amount R350 000 was transferred to the provincial Department of Transport and Public Works (Vote 10) to complete certain infrastructure projects for the Department of Agriculture and will be reported on in the annual report of that department. The total remaining amount of R25 756 000 was spent on the creation of infrastructure for emerging farmers. With all the funds spent all objectives were achieved.

Regarding the Comprehensive Agricultural Support Programme R17 206 000 was received in schedule 4A. Added to this amount R2 058 000 that was rolled over from 2004/05 to bring the total for the year to R19 264 000. The total amount was spent on emerging farmers in empowerment projects as well as on their own, mostly on infrastructure needs. All objectives were met.

In terms of schedule 5 of the Act R2 500 000 was received in terms of the Land Care Grant Programme. Together with R674 000 that was rolled over from 2004/05 the total amount came to R3 174 000 that was spent in total at 31 March 2006. For the amount spent all objectives were met.

All the above transfers were paid into the primary provincial bank account as prescribed.

To the best of my knowledge all conditions of this Act were met as prescribed in section 27(4).

All rollovers of conditional grants from previous years were spent against the conditions of those grants.

Approval:

The Annual Financial Statements set out on pages 40 to 87 have been approved by the Accounting Officer.



Ms JS Isaacs
Accounting Officer
(31 May 2006)

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN
CAPE ON THE FINANCIAL STATEMENTS OF THE
DEPARTMENT OF AGRICULTURE (VOTE 11)
FOR THE YEAR ENDED 31 MARCH 2006**

1. Audit assignment

The financial statements as set out on pages 40 to 87, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. Scope

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

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

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

3. Basis of accounting

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

4. Audit opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, and in the manner required by Public Finance Management Act, 1999 (Act No. 1 of 1999).

5. Emphasis of matter

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

5.1 Performance information**5.1.1 Lack of information to support findings**

There was no reporting file/portfolio of evidence to substantiate the performance measurement results reported on in part 2 of the annual report of the department. Quantifiable information that was reported on, was not supported by working papers or calculations. Furthermore, where evidence was sought for verification purposes the information included multiple sources and/or included detailed calculations or tracing of information into different reporting categories. It was, therefore, not possible to confirm the validity of the information.

5.2 Value for money audit**5.2.1 Provincial infrastructure grants**

A value-added audit focusing on provincial infrastructure grants was performed concurrently and in conjunction with the audit of the financial statements for the year ended 31 March 2006. The following finding regarding the implementation of the infrastructure projects refer:

- (a) A budget establishes a framework for efficient and effective financial management and promotes transparency, participation and accountability. However, material changes were made to the original budget for the 2005-06 financial year when the adjusted budget was compiled and approved during September 2005. Furthermore, actual expenditure was not aligned with planned projects on the adjusted budget. The material changes to the original budget and material variances between actual expenditure and the adjusted budgeted expenditure hampered

the effectiveness of the budget as a financial management tool. Examples of the changes and expenditure variances are the following:

- a total of 81 projects to the value of R15 962 000 (62 % of the total of the original budget), which were not included in the original budget, were included in the adjusted budget;
 - no expenditure was incurred on a total of 13 projects to the value of R3 641 000 (14 % of the adjusted budget); and
 - expenditure to the amount of R7 918 000 was incurred on 60 projects that did not appear on the adjusted budget.
- (b) The following factors, inter alia, contributed to the material changes between the original planned projects and the planned projects on the adjusted budget as well as the variances between budgeted and actual expenditure:
- the surrendering of R13,35 million by the department. Slow implementation of projects during the first six months of the financial year and the department's history of under spending in the 2004-05 financial year contributed to the Provincial Treasury requesting that the department surrender provincial infrastructure grant funds that would not be utilised in the financial year. The request was made due to the Western Cape Education Department's accelerated infrastructure spending;
 - changing community dynamics and farming needs (for example drought relief) from the initial project identification for inclusion on the original budget and the actual implementation thereof; and
 - projects (amounting to R9,91 million) originally planned for completion in the 2004-05 financial year being rolled forward for implementation in the 2005-06 financial year and included in the adjusted budget.

6. Appreciation

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



JM Williams for Auditor-General
CAPE TOWN
31 July 2006



A U D I T O R - G E N E R A L

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11****ACCOUNTING POLICIES
for the year ended 31 March 2006**

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Annual Financial Statements**1.1 Basis of preparation**

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

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

2. Revenue**2.1 Appropriated funds**

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

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

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

2.2 Departmental revenue

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

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

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

2.2.3 Fines, penalties & forfeits

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

2.2.4 Interest, dividends and rent on land

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

2.2.5 Sale of capital assets

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

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed as part of the disclosure notes to the annual financial statements.

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

2.2.7 Gifts, donations and sponsorships

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed as part of the disclosure notes to the annual financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the annual financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects is recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance, unutilised amounts are recognised in the statement of financial position.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. Capitalised compensation forms part of one or all of the expenditure for capital assets categories in the statement of financial performance.

All other payments are classified as current expense.

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

3.1.1 Short term employee benefits

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

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

3.1.2 Long-term employee benefits**3.1.2.1 Termination benefits**

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

3.1.2.2 Post employment retirement benefits

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

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Irregular expenditure

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

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

3.6 Transfers and subsidies

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

3.7 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets**4.1 Cash and cash equivalents**

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

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

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the pay-

ments are made.

4.3 Receivables

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

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are disclosed as part of the disclosure notes to the annual financial statements.

4.4 Inventory

Inventories on hand at the reporting date are disclosed at cost in the Report of the Accounting Officer.

4.5 Asset Registers

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

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5 000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

5. Liabilities

5.1 Payables

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

5.2 Lease commitments

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

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed as part of the annexures to the annual financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but no invoice has been received from the supplier at the reporting date, or an invoice has been received but final authorisation for payment has not been effected on the system.

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

5.4 Contingent liabilities

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

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

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

Contingent liabilities are disclosed as part of the disclosure notes to the annual financial statements.

5.5 Commitments

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

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

6. Net Assets

6.1 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 transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

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

7. Key management personnel

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

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

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

Appropriation per programme									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Administration									
Current payment	34,338	(194)	(729)	33,415	33,390	25	99.9%	28,141	28,494
Transfers and subsidies	62	194	-	256	241	15	94.1%	108	108
Payment for capital assets	1,355	-	-	1,355	883	472	65.2%	2,421	726
Sustainable resource management									
Current payment	19,816	(1,050)	(322)	18,444	24,522	(6,078)	133.0%	15,546	15,546
Transfers and subsidies	27,238	1,513	-	28,751	18,302	10,449	63.7%	11,206	3,327
Payment for capital assets	11,763	(463)	-	11,300	5,478	5,822	48.5%	10,860	7,393
Farmer support and development									
Current payment	27,625	(2,024)	1,664	27,265	31,506	(4,241)	115.6%	20,470	20,916
Transfers and subsidies	13,902	9,354	-	23,256	22,135	1,121	95.2%	26,421	23,813
Payment for capital assets	27,667	(7,330)	1,538	21,875	18,755	3,120	85.7%	20,077	6,101
Veterinary services									
Current payment	23,614	(36)	1,071	24,649	24,426	223	99.1%	22,117	22,117
Transfers and subsidies	38	36	-	74	71	3	95.9%	188	188
Payment for capital assets	1,940	-	(1,007)	933	1,159	(226)	124.2%	749	749
Technology research and development									
Current payment	46,151	(146)	(1,764)	44,241	42,769	1,472	96.7%	35,955	36,156
Transfers and subsidies	1,084	146	-	1,230	1,230	-	100.0%	3,459	3,558
Payment for capital assets	5,173	-	(125)	5,048	6,514	(1,466)	129.0%	4,177	2,492
Agricultural economics									
Current payment	6,426	(16)	447	6,857	7,273	(416)	106.1%	5,503	6,146
Transfers and subsidies	186	16	-	202	197	5	97.5%	292	312
Payment for capital assets	512	-	-	512	101	411	19.7%	1,251	588
Structured agricultural training									
Current payment	18,702	(100)	(368)	18,234	18,320	(86)	100.5%	14,072	15,967
Transfers and subsidies	218	225	-	443	407	36	91.9%	35	118
Payment for capital assets	1,416	(125)	(405)	886	836	50	94.4%	7,596	2,078
Total	269,226	-	-	269,226	258,515	10,711	96.0%	230,644	196,893
Reconciliation with Statement of Financial Performance									
Add:	Departmental receipts			3,013				2,857	
	Foreign aid assistance			392				-	
Actual amounts per Statement of Financial Performance (Total revenue)				272,631				233,501	
Add:	Foreign aid assistance				183				-
Actual amounts per Statement of Financial Performance (Total expenditure)					258,698				196,893

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

Appropriation per economic classification									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Payment as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	115,777	(2,103)	(1,950)	111,724	106,954	4,770	95.7%	92,585	92,585
Goods and services	60,895	(1,633)	1,949	61,211	75,082	(13,871)	122.7%	49,215	52,748
Financial transactions in assets and liabilities	-	170	-	170	170	-	100.0%	4	9
Transfers and subsidies to:									
Provinces and municipalities	1,915	466	-	2,381	843	1,538	35.4%	272	272
Departmental agencies and accounts	351	85	-	436	435	1	99.8%	5,640	2,796
Universities and technicians	267	588	-	855	790	65	92.4%	270	270
Public corporations and private enterprises	9,511	9,470	-	18,981	18,897	84	99.6%	20,065	20,308
Non-profit institutions	500	1,045	-	1,545	3,685	(2,140)	238.5%	690	1,444
Households	30,184	(170)	-	30,014	17,933	12,081	59.7%	14,772	6,334
Payment for capital assets									
Buildings and other fixed structures	14,632	(463)	(679)	13,490	9,825	3,665	72.8%	17,966	7,106
Machinery and equipment	34,562	(7,316)	604	27,850	22,629	5,221	81.3%	28,734	12,590
Biological or cultivated assets	132	-	76	208	1,049	(841)	504.3%	112	112
Software and other intangible assets	500	(139)	-	361	223	138	61.8%	319	319
Total	269,226	-	-	269,226	258,515	10,711	96.0%	230,644	196,893

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

**DETAIL PER PROGRAMME 1 - ADMINISTRATION
for the year ended 31 March 2006**

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	3,426	107	-	3,533	3,650	(117)	103.3%	3,098	3,098
Transfers and subsidies	5	2	-	7	7	-	100.0%	6	6
Payment for capital assets	95	99	-	194	48	146	24.7%	260	260
1.2 Senior management									
Current payment	2,541	(255)	(606)	1,680	1,665	15	99.1%	1,653	1,653
Transfers and subsidies	9	146	-	155	154	1	99.4%	4	4
Payment for capital assets	300	(99)	-	201	106	95	52.7%	1,041	41
1.3 Corporate services									
Current payment	18,460	154	(123)	18,491	18,597	(106)	100.6%	15,232	15,585
Transfers and subsidies	30	46	-	76	63	13	82.9%	79	79
Payment for capital assets	601	-	-	601	485	116	80.7%	688	335
1.4 Financial management									
Current payment	9,911	(200)	-	9,711	9,478	233	97.6%	8,158	8,158
Transfers and subsidies	18	-	-	18	17	1	94.4%	19	19
Payment for capital assets	359	-	-	359	244	115	68.0%	432	90
Total	35,755	-	(729)	35,026	34,514	512	98.5%	30,670	29,328

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	18,481	(6)	(652)	17,823	17,250	573	96.8%	15,163	15,163
Goods and services	15,857	(207)	(77)	15,573	16,121	(548)	103.5%	12,974	13,327
Financial transactions in assets and liabilities	-	19	-	19	19	-	100.0%	4	4
Transfers and subsidies to:									
Provinces and municipalities	50	11	-	61	51	10	83.6%	44	44
Departmental agencies & accounts	1	-	-	1	-	1	0.0%	-	-
Public corporations & private enterprises	-	3	-	3	3	-	100.0%	4	4
Non-profit institutions	-	125	-	125	125	-	100.0%	59	59
Households	11	55	-	66	62	4	93.9%	1	1
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	1,000	-
Machinery and equipment	1,055	99	-	1,154	856	298	74.2%	1,421	726
Software & other intangible assets	300	(99)	-	201	27	174	13.4%	-	-
Total	35,755	-	(729)	35,026	34,514	512	98.5%	30,670	29,328

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**DETAIL PER PROGRAMME 2 - SUSTAINABLE RESOURCE MANAGEMENT
for the year ended 31 March 2006**

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Engineering services									
Current payment	11,018	(1,042)	(322)	9,654	8,768	886	90.8%	5,726	5,726
Transfers and subsidies	8	651	-	659	659	-	100.0%	1,692	2,327
Payment for capital assets	2,540	(1,800)	-	740	1,556	(816)	210.3%	4,417	3,012
2.2 Landcare									
Current payment	8,798	(8)	-	8,790	15,754	(6,964)	179.2%	9,820	9,820
Transfers and subsidies	27,230	862	-	28,092	17,643	10,449	62.8%	9,514	1,000
Payment for capital assets	9,223	1,337	-	10,560	3,922	6,638	37.1%	6,443	4,381
Total	58,817	-	(322)	58,495	48,302	10,193	82.6%	37,612	26,266

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	11,719	(14)	-	11,705	10,850	855	92.7%	9,849	9,849
Goods and services	8,097	(1,036)	(322)	6,739	13,672	(6,933)	202.9%	5,697	5,697
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	20	495	-	515	514	1	99.8%	23	23
Dept agencies & accounts	-	-	-	-	-	-	0.0%	46	46
Universities & Technikons	-	495	-	495	495	-	100.0%	-	-
Public corporations & private enterprises	-	7	-	7	8	(1)	114.3%	3	3
Non-profit institutions	-	420	-	420	420	-	100.0%	330	1,085
Households	27,218	96	-	27,314	16,865	10,449	61.7%	10,804	2,170
Payments for capital assets									
Buildings and other fixed structures	11,543	(463)	-	11,080	3,358	7,722	30.3%	8,016	4,549
Machinery and equipment	190	-	-	190	1,951	(1,761)	1026.8%	2,789	2,789
Biological or Cultivated assets	-	-	-	-	72	(72)	0.0%	-	-
Software & other intangible assets	30	-	-	30	97	(67)	323.3%	55	55
Total	58,817	-	(322)	58,495	48,302	10,193	82.6%	37,612	26,266

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**DETAIL PER PROGRAMME 3 - FARMER SUPPORT AND DEVELOPMENT
for the year ended 31 March 2006**

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Farmer settlement									
Current payment	8,478	(1,646)	-	6,832	7,552	(720)	110.5%	5,042	5,095
Transfers and subsidies	6	5,409	-	5,415	5,421	(6)	100.1%	9,362	8,769
Payment for capital assets	12,562	(6,245)	-	6,317	5,346	971	84.6%	8,799	1,543
3.2 Farmer support services									
Current payment	6,397	(245)	159	6,311	8,330	(2,019)	132.0%	6,030	6,030
Transfers and subsidies	3,561	4,662	-	8,223	7,122	1,101	86.6%	3,866	1,703
Payment for capital assets	10,520	(1,263)	250	9,507	8,589	918	90.3%	4,506	377
3.3 Food security									
Current payment	9,312	(127)	1,505	10,690	12,233	(1,543)	114.4%	8,635	9,028
Transfers and subsidies	2,952	127	-	3,079	2,875	204	93.4%	4,117	4,265
Payment for capital assets	4,387	178	1,288	5,853	4,759	1,094	81.3%	6,164	3,573
3.4 Casidra (Pty) Ltd									
Current payment	325	-	-	325	325	-	100.0%	-	-
Transfers and subsidies	4,500	-	-	4,500	4,500	-	100.0%	9,000	9,000
3.5 Farm worker development									
Current payment	3,113	(6)	-	3,107	3,066	41	98.7%	763	763
Transfers and subsidies	2,883	(844)	-	2,039	2,217	(178)	108.7%	76	76
Payment for capital assets	198	-	-	198	61	137	30.8%	608	608
Total	69,194	-	3,202	72,396	72,396	-	100%	66,968	50,830

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	19,769	(1,547)	-	18,222	17,349	873	95.2%	13,723	13,723
Goods and services	7,856	(501)	1,664	9,019	14,133	(5,114)	156.7%	6,747	7,193
Financial transactions in assets and liabilities	-	24	-	24	24	-	100.0%	-	-
Transfers and subsidies to:									
Provinces and municipalities	1,681	(105)	-	1,576	53	1,523	3.4%	41	41
Dept agencies & accounts	-	-	-	-	-	-	0.0%	2,844	-
Universities & Technikons	97	(32)	-	65	-	65	0.0%	-	-
Public corporations & private enterprises	9,511	8,943	-	18,454	18,373	81	99.6%	20,048	20,284
Non-profit institutions	-	1,000	-	1,000	3,140	(2,140)	314.0%	280	280
Households	2,613	(452)	-	2,161	569	1,592	26.3%	3,208	3,208
Payment for capital assets									
Buildings and other fixed structures	1,504	-	382	1,886	6,339	(4,453)	336.1%	2,992	1,858
Machinery and equipment	25,919	(7,290)	1,080	19,709	11,404	8,305	57.9%	17,002	4,160
Biological or Cultivated assets	104	-	76	180	962	(782)	534.4%	83	83
Software & other intangible assets	140	(40)	-	100	50	50	50.0%	-	-
Total	69,194	-	3,202	72,396	72,396	-	100.0%	66,968	50,830

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**DETAIL PER PROGRAMME 4 - VETERINARY SERVICES
for the year ended 31 March 2006**

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Animal health									
Current payment	13,295	(139)	1,503	14,659	14,686	(27)	100.2%	13,489	13,489
Transfers and subsidies	20	25	-	45	41	4	91.1%	167	167
Payment for capital assets	150	-	-	150	127	23	84.7%	122	122
4.2 Export control									
Current payment	1,238	(47)	-	1,191	1,192	(1)	100.1%	954	954
Transfers and subsidies	3	-	-	3	3	-	100.0%	2	2
Payment for capital assets	30	(30)	-	-	-	-	0.0%	47	47
4.3 Veterinary public health									
Current payment	2,739	(62)	(172)	2,505	2,485	20	99.2%	2,169	2,169
Transfers and subsidies	4	1	-	5	5	-	100.0%	4	4
Payment for capital assets	-	-	-	-	19	(19)	0.0%	10	10
4.4 Veterinary laboratory services									
Current payment	6,342	212	(260)	6,294	6,063	231	96.3%	5,505	5,505
Transfers and subsidies	11	10	-	21	22	(1)	104.8%	15	15
Payment for capital assets	1,760	30	(1,007)	783	1,013	(230)	129.4%	570	570
Total	25,592	-	64	25,656	25,656	-	100.0%	23,054	23,054

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	19,233	(86)	108	19,255	18,937	318	98.3%	15,450	15,450
Goods and services	4,381	25	963	5,369	5,464	(95)	101.8%	6,667	6,667
Financial transactions in assets and liabilities	-	25	-	25	25	-	100.0%	-	-
Transfers and subsidies to:									
Provinces and municipalities	38	11	-	49	50	(1)	102.0%	37	37
Public corporations & private enterprises	-	12	-	12	8	4	66.7%	8	8
Households	-	13	-	13	13	-	100.0%	143	143
Payment for capital assets									
Buildings & other fixed structures	1,007	-	(1,007)	-	-	-	0.0%	-	-
Machinery & equipment	911	-	-	911	1,158	(247)	127.1%	749	749
Biological or Cultivated assets	2	-	-	2	1	1	50.0%	-	-
Software & other intangible assets	20	-	-	20	-	20	0.0%	-	-
Total	25,592	-	64	25,656	25,656	-	100.0%	23,054	23,054

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**DETAIL PER PROGRAMME 5 - TECHNOLOGY RESEARCH AND DEVELOPMENT
for the year ended 31 March 2006**

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Research									
Current payment	25,726	(163)	(693)	24,870	24,591	279	98.9%	19,900	19,900
Transfers and subsidies	906	16	-	922	922	-	100.0%	3,284	3,309
Payment for capital assets	2,730	(25)	(5)	2,700	2,974	(274)	110.1%	710	561
5.2 Information services									
Current payment	1,990	(152)	(126)	1,712	1,129	583	65.9%	1,213	1,414
Transfers and subsidies	1	-	-	1	2	(1)	200.0%	1	1
Payment for capital assets	68	-	-	68	650	(582)	955.9%	631	430
5.3 Infrastructure support services									
Current payment	18,435	169	(945)	17,659	17,049	610	96.5%	14,842	14,842
Transfers and subsidies	177	130	-	307	306	1	99.7%	174	248
Payment for capital assets	2,375	25	(120)	2,280	2,890	(610)	126.8%	2,836	1,501
Total	52,408	-	(1,889)	50,519	50,513	6	100.0%	43,591	42,206

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	28,832	(146)	(916)	27,770	27,716	54	99.8%	25,103	25,103
Goods and services	17,319	(56)	(848)	16,415	14,997	1,418	91.4%	10,852	11,053
Financial transactions in assets and liabilities	-	56	-	56	56	-	100.0%	-	-
Transfers and subsidies to:									
Provinces and municipalities	84	48	-	132	132	-	100.0%	94	94
Dept agencies & accounts	350	-	-	350	350	-	100.0%	2,750	2,750
Public corporations & private enterprises	-	504	-	504	504	-	100.0%	2	2
Non-profit institutions	500	(500)	-	-	-	-	0.0%	20	20
Households	150	94	-	244	244	-	100.0%	593	692
Payment for capital assets									
Buildings and other fixed structures	578	-	(54)	524	66	458	12.6%	173	173
Machinery and equipment	4,559	-	(71)	4,488	6,421	(1,933)	143.1%	3,919	2,234
Biological or Cultivated assets	26	-	-	26	14	12	53.8%	29	29
Software & other intangible assets	10	-	-	10	13	(3)	130.0%	56	56
Total	52,408	-	(1,889)	50,519	50,513	6	100.0%	43,591	42,206

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**DETAIL PER PROGRAMME 6 - AGRICULTURAL ECONOMICS
for the year ended 31 March 2006**

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Marketing services									
Current payment	3,965	39	517	4,521	4,722	(201)	104.4%	3,894	4,537
Transfers and subsidies	181	-	-	181	177	4	97.8%	275	275
Payment for capital assets	236	-	-	236	39	197	16.5%	1,096	453
6.2 Macro-economics and statistics									
Current payment	2,461	(55)	(70)	2,336	2,551	(215)	109.2%	1,609	1,609
Transfers and subsidies	5	16	-	21	20	1	95.2%	17	37
Payment for capital assets	276	-	-	276	62	214	22.5%	155	135
Total	7,124	-	447	7,571	7,571	-	100.0%	7,046	7,046

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	4,841	(20)	(122)	4,699	4,370	329	93.0%	3,246	3,246
Goods and services	1,585	-	569	2,154	2,899	(745)	134.6%	2,257	2,900
Financial transactions in assets and liabilities	-	4	-	4	4	-	100.0%	-	-
Transfers and subsidies to									
Provinces and municipalities	16	-	-	16	11	5	68.8%	8	8
Universities & Technikons	170	-	-	170	170	-	100.0%	270	270
Households	-	16	-	16	16	-	100.0%	14	34
Payment for capital assets									
Machinery and equipment	512	-	-	512	65	447	12.7%	1,043	380
Software & other intangible assets	-	-	-	-	36	(36)	0.0%	208	208
Total	7,124	-	447	7,571	7,571	-	100.0%	7,046	7,046

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**DETAIL PER PROGRAMME 7 - STRUCTURED AGRICULTURAL TRAINING
for the year ended 31 March 2006**

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Tertiary education									
Current payment	15,648	(242)	(47)	15,359	15,093	266	98.3%	12,140	13,098
Transfers and subsidies	113	224	-	337	337	-	100.0%	30	108
Payment for capital assets	725	(125)	(250)	350	616	(266)	176.0%	4,674	98
7.2 Further education and training (FET)									
Current payment	3,054	142	(321)	2,875	3,227	(352)	112.2%	1,932	2,869
Transfers and subsidies	105	1	-	106	70	36	66.0%	5	10
Payment for capital assets	691	-	(155)	536	220	316	41.0%	2,922	1,980
Total	20,336	-	(773)	19,563	19,563	-	100.0%	21,703	18,163

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	12,902	(284)	(368)	12,250	10,482	1,768	85.6%	10,051	10,051
Goods and services	5,800	142	-	5,942	7,796	(1,854)	131.2%	4,021	5,911
Financial transactions in assets and liabilities	-	42	-	42	42	-	100.0%	-	5
Transfers and subsidies to:									
Provinces and municipalities	26	6	-	32	32	-	100.0%	25	25
Dept agencies & accounts	-	85	-	85	85	-	100.0%	-	-
Universities & Technikons	-	125	-	125	125	-	100.0%	-	-
Public corporations & private enterprises	-	1	-	1	1	-	100.0%	-	7
Non-profit institutions	-	-	-	-	-	-	-	1	-
Households	192	8	-	200	164	36	82.0%	9	86
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	62	(62)	0.0%	5,785	526
Machinery and equipment	1,416	(125)	(405)	886	774	112	87.4%	1,811	1,552
Total	20,336	-	(773)	19,563	19,563	-	100.0%	21,703	18,163

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2006**

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-G) to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities) 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	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Programme 1: Administration	35,026	34,514	512	1.46
Surplus of R0.512m can mainly be ascribed to an underspending on capital due to the office wing at Corporate services not yet completed. Application for roll over to the amount of R0.512m has been made for the purchasing of furniture and equipment for the new offices.				
Programme 2: Sustainable resource management	58,495	48,302	10,193	17.43
Surplus of R10.2m can mainly be ascribed to an underspending on the conditional grant for drought relief due to claims still outstanding at year-end. Application for roll over has been made.				

4.2 Per economic classification

	2005/06 R'000	2004/05 R'000
Current payment:	(9,101)	(3,533)
Compensation of employees	4,770	0
Goods and services	(13,871)	(3,533)
Transfers and subsidies:	11,629	10,285
Provinces and municipalities	1,538	0
Departmental agencies and accounts	1	2,844
Universities and technikons	65	0
Public corporations and private enterprises	84	(243)
Non-profit institutions	(2,140)	(754)
Households	12,081	8,438
Payments for capital assets:	8,183	27,004
Buildings and other fixed structures	3,665	10,860
Machinery and equipment	5,221	16,144
Biological assets	(841)	0
Software and other intangible assets	138	0

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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	269,226	230,644
Departmental revenue	2	3,013	2,857
Local and foreign aid assistance	3	392	-
TOTAL REVENUE		272,631	233,501
EXPENDITURE			
Current expenditure			
Compensation of employees	4	106,954	92,585
Goods and services	5	75,082	52,748
Financial transactions in assets and liabilities	6	170	9
Local and foreign aid assistance		175	-
Total current expenditure		182,381	145,342
Transfers and subsidies	7	42,583	31,424
Expenditure for capital assets			
Buildings and other fixed structures	8	9,825	7,106
Machinery and Equipment	8	22,629	12,590
Biological or cultivated assets	8	1,049	112
Software and other intangible assets	8	223	319
Local and foreign aid assistance		8	-
Total expenditure for capital assets		33,734	20,127
TOTAL EXPENDITURE		258,698	196,893
NET SURPLUS		13,933	36,608
NET SURPLUS FOR THE YEAR		13,933	36,608
Reconciliation of Net Surplus for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	12	10,711	33,751
Departmental receipts to be surrendered to the Revenue Fund	13	3,013	2,857
Local and foreign aid assistance		209	-
NET SURPLUS FOR THE YEAR		13,933	36,608

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

**STATEMENT OF FINANCIAL POSITION
at 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		20,517	41,434
Cash and cash equivalents	9	18,170	39,935
Prepayments and advances	10	165	253
Receivables	11	2,182	1,246
TOTAL ASSETS		20,517	41,434
LIABILITIES			
Current liabilities		20,517	41,434
Voted funds to be surrendered to the Revenue Fund	12	10,711	33,751
Departmental revenue to be surrendered to the Revenue Fund	13	934	451
Payables	14	8,663	7,232
Local and foreign aid assistance unutilised		209	-
TOTAL LIABILITIES		20,517	41,434
NET ASSETS		-	-

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

**CASH FLOW STATEMENT
for the year ended 31 March 2006**

	Note	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		285,801	244,029
Annual appropriated funds received	1.1	269,226	230,644
Departmental revenue received		16,183	13,385
Local and foreign aid assistance received	3	392	-
Net (increase)/decrease in working capital		583	(18,742)
Surrendered to Revenue Fund		(49,451)	(24,419)
Current payments		(182,381)	(145,342)
Transfers and subsidies paid		(42,583)	(31,424)
Net cash flow available from operating activities	15	11,969	24,102
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(33,734)	(20,127)
Net cash flows from investing activities		(33,734)	(20,127)
Net increase/(decrease) in cash and cash equivalents		(21,765)	3,975
Cash and cash equivalents at the beginning of the period		39,935	35,960
Cash and cash equivalents at end of period	16	18,170	39,935

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

1. Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Funds not request- ed/ not re- ceived	Appropriation Received 2004/05
	R'000	R'000	R'000	R'000
Administration	35,026	35,026	-	30,670
Sustainable resource management	58,495	58,495	-	37,612
Farmer support and development	72,396	72,396	-	66,968
Veterinary services	25,656	25,656	-	23,054
Technology research and development	50,519	50,519	-	43,591
Agricultural economics	7,571	7,571	-	7,046
Structured agricultural training	19,563	19,563	-	21,703
Total	<u>269,226</u>	<u>269,226</u>	<u>-</u>	<u>230,644</u>

	<i>Note</i>	2005/06 R'000	2004/05 R'000
1.2 Conditional grants			
Total grants received	Annex 1A	74,828	55,912
** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.			

2. Departmental revenue to be surrendered to revenue fund

Sales of goods and services other than capital assets		15,685	11,282
Interest, dividends and rent on land		57	554
Financial transactions in assets and liabilities	2.1	441	1,549
Total revenue collected		<u>16,183</u>	<u>13,385</u>
Less: Departmental Revenue Budgeted		13,170	10,528
Departmental revenue collected		<u>3,013</u>	<u>2,857</u>

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department		15,667	11,269
Sales by market establishment		200	192
Administrative fees	2.1	1	19
Other sales		15,466	11,058
Sales of scrap, waste and other used current goods		18	13
Total		<u>15,685</u>	<u>11,282</u>

2.2 Interest, dividends and rent on land

Interest		57	52
Rent on land		-	502
Total		<u>57</u>	<u>554</u>

2.3 Financial transactions in assets and liabilities

Nature of loss recovered

Receivables		79	1,415
Other receipts including recoverable revenue		362	134
Total		<u>441</u>	<u>1,549</u>

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

	Note	2005/06 R'000	2004/05 R'000
3. Foreign aid assistance			
Opening balance		-	-
Revenue		392	-
Expenditure		183	-
Current		175	-
Capital		8	-
Closing Balance	<i>Annex 11</i>	<u>209</u>	<u>-</u>
Analysis of balance			
Foreign aid receivable		-	-
Foreign aid unutilised		209	-
Closing Balance		<u>(209)</u>	<u>-</u>
4. Compensation of employees			
4.1 Salaries and Wages			
Basic salary		74,934	65,472
Performance award		1,877	1,651
Service Based		187	207
Compensative/circumstantial		3,699	2,088
Periodic payments		316	356
Other non-pensionable allowances		12,262	9,695
Total		<u>93,275</u>	<u>79,469</u>
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		9,233	9,148
Medical		4,421	3,942
Bargaining council		25	23
Insurance		-	3
Total		<u>13,679</u>	<u>13,116</u>
Total compensation of employees		<u>106,954</u>	<u>92,585</u>
Average number of employees		852	754
5. Goods and services			
Advertising		2,057	1,380
Attendance fees (including registration fees)		765	655
Bank charges and card fees		102	68
Bursaries (employees)		623	180
Communication		4,369	3,429
Computer services		681	253
Consultants, contractors and special services		14,711	9,384
Courier and delivery services		98	86
Drivers' licences and permits		28	33
Entertainment and Catering		572	606
External audit fees	5.1	818	499
Equipment less than R5000		7,103	2,342
Freight service		-	5
Inventory	5.2	16,284	12,960
Learnerships		9	-
Legal fees		2	37
Licence agency fees		5	-
Maintenance, repairs and running cost		1,253	1,374

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Medical services		191	73
Operating leases		631	563
Photographic services		8	28
Plant flowers and other decorations		64	6
Printing and publications		98	9
Professional bodies and membership fees		50	72
Resettlement cost		462	469
Subscriptions		228	195
System access fees		-	147
Owned leasehold property expenditure		6,919	5,662
Translations and transcriptions		218	202
Transport provided as part of the departmental activities		7	93
Travel and subsistence	5.3	15,459	10,858
Venues and facilities		351	283
Protective, special clothing & uniforms		345	299
Training & staff development		571	498
Total		<u>75,082</u>	<u>52,748</u>
5.1 External audit fees			
Regulatory audits		705	499
Performance audits		113	-
Total external audit fees		<u>818</u>	<u>499</u>
5.2 Inventory			
Construction work in progress		2	-
Other inventory		1	-
Strategic stock		44	322
Domestic consumables		230	202
Agricultural		6,423	2,972
Learning and teaching support material		12	1
Food and Food supplies		1,576	1,590
Fuel, oil and gas		923	739
Laboratory consumables		553	645
Other consumables		2,084	2,078
Parts and other maintenance material		1,756	914
Stationery and printing		1,871	2,572
Veterinary supplies		809	924
Medical supplies		-	1
Total Inventory		<u>16,284</u>	<u>12,960</u>
5.3 Travel and subsistence			
Local		13,632	9,710
Foreign		1,827	1,148
Total travel and subsistence		<u>15,459</u>	<u>10,858</u>
6. Financial transactions in assets and liabilities			
Other material losses written off	6.1	88	4
Debts written off	6.2	29	5
Theft	6.3	53	-
Total		<u>170</u>	<u>9</u>

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

	<i>Note</i>	2005/06 R'000	2004/05 R'000			
6.1 Other material losses						
Nature of losses						
Theft of equipment (1 case)		1	4			
Damages to government garage vehicles (14 cases)		87	-			
Total		88	4			
6.2 Debts written off						
Nature of debts written off						
Leave without pay		-	5			
Interest on debt written off (4 cases)		26	-			
Salary debt written off (20 cases)		2	-			
Student debt written off (1 case)		1	-			
Total		29	5			
6.3 Details of theft						
Theft of government motor vehicles (4 cases)		53	-			
Total		53	-			
7. Transfers and subsidies						
Provinces and municipalities	<i>Annex 1B</i>	843	272			
Departmental agencies and accounts	<i>Annex 1C</i>	435	2,796			
Universities and Technikons	<i>Annex 1D</i>	790	270			
Public corporations and private enterprises	<i>Annex 1E</i>	18,897	20,308			
Non-profit institutions	<i>Annex 1F</i>	3,685	1,444			
Households	<i>Annex 1G</i>	17,933	6,334			
Total		42,583	31,424			
8. Expenditure for capital assets						
Buildings and other fixed structures	<i>Annex 4</i>	9,825	7,106			
Machinery and equipment	<i>Annex 4</i>	22,629	12,590			
Biological or cultivated assets	<i>Annex 4</i>	1,049	112			
Software and other intangible assets	<i>Annex 5</i>	223	319			
Total		33,726	20,127			
9. Cash and cash equivalents						
Consolidated Paymaster General Account		58	55			
Disbursements		(2,556)	-			
Cash with commercial banks		20,668	39,880			
Total		18,170	39,935			
10. Prepayments and advances						
Travel and subsistence		165	253			
Total		165	253			
11. Receivables						
		Less than one year	One to three years	Older than three years		
Households and non-profit institutions	11.1	769	625	91	1,485	992
Staff debtors	11.2	61	43	-	104	138
Other debtors	11.3	57	-	-	57	21
Claims recoverable		517	19	-	536	95
Total		1,404	687	91	2,182	1,246

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

	<i>Note</i>	2005/06 R'000	2004/05 R'000
11.1 Households and non profit institutions			
Student debt		446	146
Analytical services		1,027	846
Ex-employees		12	-
Total		<u>1,485</u>	<u>992</u>
11.2 Staff debtors			
Sal: Deductions		84	2
Sal: Tax		1	48
Sal: Medical aid		-	2
Sal: Disallowance		-	1
Private telephone		15	1
Other staff debt		4	84
Total		<u>104</u>	<u>138</u>
11.3 Other debtors			
Theft and losses not yet approved for write off		55	21
Dishonoured cheques		2	-
Total		<u>57</u>	<u>21</u>
12. Voted funds to be surrendered to the Revenue Fund			
Opening balance		33,751	11,108
Transfer from Statement of Financial Performance		10,711	33,751
Paid during the year		(33,751)	(11,108)
Closing balance		<u>10,711</u>	<u>33,751</u>
13. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		451	377
Transfer from Statement of Financial Performance		3,013	2,857
Departmental revenue budgeted		13,170	10,528
Paid during the year		(15,700)	(13,311)
Closing balance		<u>934</u>	<u>451</u>
14. Payables – current			
Advances received	14.1	5	-
Clearing accounts	14.2	1,451	1,127
Other payables	14.3	7,207	6,105
Closing balance		<u>8,663</u>	<u>7,232</u>
All payables are older than 30 days			
14.1 Advances received			
Photocopy credit keys		5	-
Total		<u>5</u>	<u>-</u>
14.2 Clearing accounts			
Miscellaneous and Deductions disallowance		12	17
Income tax and Pension fund		28	99
Recoverable revenue		1,411	1,011
Total		<u>1,451</u>	<u>1,127</u>
14.3 Other payables			
Drainage course		-	52
Cultivar evaluation project		27	27
LRAD training		122	122
Prosopis project		216	(482)
Impumelelo project		62	52

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

	<i>Note</i>	2005/06 R'000	2004/05 R'000
South Cape College course		-	5
Provide project		3,867	4,168
Western cape water summit		-	14
SAND		-	109
PAETA		105	177
Flood funds from National		1,614	1,614
Protein research		-	89
SANP: ABI		577	39
Female farmer		27	16
SKOG		95	73
CIEA		-	30
Simba		43	-
Classical Swine Fever		435	-
DOW Evaluation		17	-
Total		<u>7,207</u>	<u>6,105</u>
15. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		13,933	36,608
(Increase)/decrease in receivables – current		(936)	(592)
(Increase)/decrease in prepayments and advances		88	(128)
Increase/(decrease) in payables – current		1,431	(18,022)
Surrenders to revenue fund		(49,451)	(24,419)
Expenditure on capital assets		33,734	20,127
Other non cash items		13,170	10,528
Net cash flow generated by operating activities		<u>11,969</u>	<u>24,102</u>
16. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General Account		58	55
Disbursements		(2,556)	-
Cash with commercial banks		20,668	39,880
Total		<u>18,170</u>	<u>39,935</u>

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

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

		<i>Note</i>	2005/06 R'000	2004/05 R'000
17. Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 3</i>	1,022	853 *
Other departments	Unconfirmed balances	<i>Annex 7</i>	23	370
Total			<u>1,045</u>	<u>1,223</u>
* The closing balance for 2004/05 was restated to exclude guarantees released in that year.				
18. Commitments				
Current expenditure				
Approved and contracted			1,454	1,485
Capital expenditure				
Approved and contracted			333	711
Total Commitments			<u>1,787</u>	<u>2,196</u>
19. Accruals				
By economic classification				
	30 Days	30+ Days		
Compensation of employees (overtime)	251	2	253	-
Goods and services	2,377	1,040	3,417	510
Transfer and subsidies	172	20	192	-
Machinery and Equipment	324	602	926	-
Biological or cultivated assets	25	25	50	-
			<u>4,838</u>	<u>510</u>
Listed by programme level				
Programme 1: Administration			1,467	-
Programme 2: Sustainable Resource Management			979	-
Programme 3: Farmer Support and Development			1,246	-
Programme 4: Veterinary Services			280	-
Programme 5: Technology Research and Development			513	-
Programme 6: Agricultural Economics			113	-
Programme 7: Structured Agricultural Training			240	-
Total			<u>4,838</u>	<u>510</u> *
*Detail at programme level for 2004/05 not available				
Confirmed balances with other departments		<i>Annex 7</i>	18	24
Total			<u>18</u>	<u>24</u>
20. Employee benefit provisions				
Leave entitlement			2,634	2,546
Thirteenth cheque			3,133	2,728
Performance awards			1,595	1,535
Capped leave commitments			10,393	10,307
Total			<u>17,755</u>	<u>17,116</u>
21. Lease Commitments				
21.1 Operating leases: Machinery and equipment				
Not later than 1 year			93	671
Later than 1 year and not later than 5 years			999	622
Total present value of lease liabilities			<u>1,092</u>	<u>1,293</u>

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

	<i>Note</i>	2005/06 R'000	2004/05 R'000
22. Receivables for departmental revenue			
Sales of goods and services other than capital assets (House-rent)		440	342
Other		-	961
		<u>440</u>	<u>1,303</u>
23. Irregular expenditure			
Reconciliation of irregular expenditure			
Opening balance		12	12
Transfers to receivable for recovery		(12)	-
Irregular expenditure awaiting condonement		<u>-</u>	<u>12</u>
24. Key management personnel	No of individuals		
Political Office Bearers	1	795	774
Officials:			
Level 15: Head of Department: Contract ended 30 November 2005.	1	457	716
Level 14: Chief Directors as from 1 November 2005.	3	672	-
CFO and Director Corporate Services	2	971	455
Total		<u>2,895</u>	<u>1,945</u>
25. Provisions			
Potential irrecoverable debts			
Households (House-rent)		18	14
Staff debtors		57	26
Total		<u>75</u>	<u>40</u>

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11**

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

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

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT				2004/05	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by departments		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Provincial Infrastructure Grant	25,832	13,274	-	(13,350)	25,756	25,756	28,959	112.4%	29,307	13,443		
Landcare	2,500	674	-	-	3,174	3,174	3,200	100.8%	3,840	3,166		
Comprehensive Agricultural Support programme	17,206	2,058	-	-	19,264	19,264	19,385	100.6%	13,765	11,705		
Drought relief	-	8,634	18,000	-	26,634	26,634	16,435	61.7%	9,000	366		
Total	45,538	24,640	18,000	(13,350)	74,828	74,828	67,979		55,912	28,680		

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2004/05	
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	R'000	R'000
Regional service council levies	232	-	-	232	312	134.5%	312	312	100.0%	230		
Vehicle Licences	34	-	-	34	43	126.5%	43	43	100.0%	39		
Cape Agulhas Municipality	-	-	-	-	200	N/A	200	200	100.0%	-		
Matzikama Municipality	-	-	-	-	288	N/A	288	288	100.0%	-		
Total	266	-	-	266	843		843	843		269		

WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11

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

ANNEXURE 1C

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTS/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/05 Final Appropriation Act
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Agricultural Research Council	542	-	(191)	351	350	99.7%	2,796
Fines and Penalties	-	-	-	-	10	N/A	-
SA Revenue Service	-	-	-	-	75	N/A	-
Total	542	-	(191)	351	435		2,796

ANNEXURE 1D

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				EXPENDITURE			2004/05 Appropriation Act
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available funds Transferred %	
University of Stellenbosch	267	-	-	267	790	(523)	295.9%	270
Total	267	-	-	267	790	(523)		270

**WESTERN CAPE: DEPARTMENT OF AGRICULTURE
VOTE 11
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

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

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER			2004/05 Total Available R'000	
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000		Current R'000
Public Corporations									
Casidra (Pty) Ltd	-	-	6,979	6,979	16,219	232.4%	9,062	7,157	17,954
Subtotal	-	-	6,979	6,979	16,219		9,062	7,157	17,954
Private Enterprises									
Non life ins. premiums	-	-	-	-	27	N/A	-	27	25
Trade Fundi (Pty) Ltd	33	-	2,000	2,033	2,000	98.4%	2,000	-	2,900
SA Agri Academy	49	-	191	240	500	208.3%	-	500	351
Donations & gifts	65	-	194	249	-	0%	-	-	-
De Heuwel Estate	-	-	-	-	151	N/A	151	-	-
Subtotal	147	-	2,385	2,532	2,678		2,151	527	3,276
Total	147	-	9,364	9,511	18,897		11,213	7,684	21,230

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

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION			TRANSFER		2004/05 Appropriation Act
	Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	%
Western Cape Bull Test Centre	-	-	-	-	-	20
Cape Women's Forum	-	-	-	-	-	25
Kalkberg Estate	-	-	-	-	-	150
KOO Irrigation Board	-	-	-	-	-	1,085
Stellenbosch Aids Action	-	-	-	-	150	34
Uniondale Integrated Empowerment Project	-	-	-	-	-	80
Agri Expo	-	-	-	-	75	N/A
Meerkat Community Development	-	-	-	-	95	N/A
Uniep	-	-	-	-	175	N/A
Starking Fruit Packers	-	-	-	-	145	N/A
MBB Consultant Eng	-	-	-	-	855	N/A
SA Agri Academy	500	-	-	-	-	0%
Donations & Gifts	50	-	(50)	-	50	N/A
Farmworker training	-	-	-	-	2,140	N/A
Total	550	-	(50)	500	3,685	1,394

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

ANNEXURE 1G
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE			2004/05 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Transfers							
Communities: Emerging farmers	-	-	-	-	-	-	2,216
Employer social benefit	150	-	92	242	490	202.5%	1,368
Bursaries to non employees	-	-	100	100	81	81.0%	121
Refund: Act of grace	-	-	-	-	25	N/A	4
KOO water scheme	-	-	-	-	-	-	790
Social Security Payments	1,494	-	-	1,494	-	0%	-
Donation & Gifts Households Cash	11	-	-	11	48	436.4%	-
Land Reform/Restitution (TRNSF)	6,590	-	(5,351)	1,239	425	34.3%	-
Southern Cape Land Community Trust	722	-	(842)	(120)	296	(246.7%)	-
Subsidies							
Farmers (Soil conservation)	500	-	84	584	133	22.9%	591
Drought relief	-	8,634	18,000	26,634	16,435	61.7%	366
Total	9,467	8,634	12,083	30,184	17,933		5,456

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31
MARCH 2006**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Received in kind			
Karatara settlement	Equipment	-	9
Peninsula poultry appliances	Appliances	-	75
Total		-	84

**ANNEXURE 1H (continued)
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31
MARCH 2005**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05	2003/04
		R'000	R'000
Received in cash			
Monkey films	Token of appreciation	-	8
SA Ostrich chamber of commerce	Evaluation of ostrich practices	-	14
Virbac	Research	-	7
Subtotal		-	29
Received in kind			
Western Cape Animal Production Research Trust	IT Equipment	-	40
Outeniqua tea club	Projector	-	2
Karatara settlement	Equipment	9	-
Peninsula poultry appliances	Appliances	75	-
Subtotal		84	42
Total		84	71

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1I
STATEMENT OF FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2006**

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
NUFFIC	The Netherlands programme for the institutional strengthening of post-secondary education and training capacity.	-	392	183	209
TOTAL		-	392	183	209

**ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2006**

NATURE OF GIFT, DONATION OR SPONSORSHIP	R'000
Paid in cash	
Gifts given during official overseas visits.	1
SANLAM: Sponsorship for the 2005 Farmworker Competition.	47
Mali project – Timbuktu	50
Total	98
Remissions, refunds, and payments made as an act of grace	
Farmer: Compensation for pig losses.	25
Total	25
Made in Kind	
Transfer of equipment and implements to sustain and support emerging farmers.	1,791
Department of Agriculture – Eastern Cape: Two Holstein bull-calves for breeding purposes.	2
Cheetah farm: 86 new-born calves.	1
Total	1,794

Totals do not form part of the totals as on the face of the Statement of Financial Performance

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

ANNEXURE 2
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES AS AT 31 MARCH 2006

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 04/05	% Held 05/06	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
				2005/06	2004/05	2005/06	2004/05	2005/06	2004/05		
Casidra (Pty) Ltd		100.0%	100.0%	25,000	25,000	-	-	15,500	15,300	-	No
Subtotal						-	-	15,500	15,300	-	-
Other											
Koehhof Wine-cellar	Private	0.0%	0.0%	90,572	90,572	-	-	19	19	-	No
Koelenhof Co-operation	Private	0.0%	0.0%	17,600	17,600	-	-	-	-	-	No
KWW Group	Private	0.0%	0.0%	80,435	80,435	-	-	166	105	4	No
Sameilko	Private	0.0%	0.0%	3,500	3,500	-	-	7	7	-	No
Subtotal						-	-	192	131	4	23
Total						-	-	15,692	15,431	4	23

ANNEXURE 3
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 01/04/2005 R'000	Guarantees issued during the year R'000	Guarantees released/paid/cancelled/reduced during the year R'000	Guaranteed interest outstanding as at 31 March 2006 R'000	Closing balance 31/03/2006 R'000	Realised losses not recoverable R'000
Standard Bank	Housing	71	-	-	16	-	55	-
Nedbank	Housing	97	-	-	-	-	97	-
ABSA	Housing	244	178	20	20	-	402	-
People's Bank	Housing	122	-	91	-	-	31	-
First Rand Bank	Housing	-	118	-	-	-	118	-
Old Mutual	Housing	92	14	-	-	-	106	-
Nedbank Ltd	Housing	-	104	-	-	-	104	-
First National Bank	Housing	227	-	118	-	-	109	-
Total		853	414	245	1,022	-	1,022	-

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

**ANNEXURE 4
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Opening Balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Buildings and other fixed structures	167	9,825	-	9,992
Dwellings	8	19	-	27
Non-residential buildings	97	-	-	97
Other fixed structures	62	9,806	-	9,868
Machinery and equipment	30,750	23,269	767	53,252
Transport assets	290	1,332	50	1,572
Computer equipment	7,627	1,468	-	9,095
Furniture and office equipment	196	563	-	759
Other machinery and equipment	22,637	19,906	717	41,826
Cultivated assets	5,883	1,090	1,032	5,941
Cultivated assets	5,883	1,090	1,032	5,941
Total capital assets	36,800	34,184	1,799	69,185

**ANNEXURE 4.1
ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash	In-kind	Total
	R'000	R'000	R'000
Buildings and other fixed structures	9,825	-	9,825
Dwellings	19	-	19
Other fixed structures	9,806	-	9,806
Machinery and equipment	22,629	640	23,269
Transport assets	1,281	51	1,332
Computer equipment	1,426	42	1,468
Furniture and office equipment	563	-	563
Other machinery and equipment	19,359	547	19,906
Cultivated assets	1,049	41	1,090
Cultivated assets	1,049	41	1,090
Total capital assets	33,503	681	34,184

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

ANNEXURE 4.2**DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDEND 31 MARCH 2006**

	Cost/Carrying Amount	Cash	Profit/(loss) on Disposal
	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	767	-	(767)
Transport assets	50	-	(50)
Other machinery and equipment	717	-	(717)
Cultivated assets	1,032	-	(1,032)
Cultivated assets	1,032	-	(1,032)
Total capital assets	1,799	-	(1,799)

ANNEXURE 4.3**CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
Buildings and other fixed structures	7,106	-	7,106
Non-residential buildings	33	-	33
Other fixed structures	7,073	-	7,073
Machinery and equipment	12,590	2,168	10,422
Transport assets	52	-	52
Computer equipment	2,574	-	2,574
Furniture and office equipment	748	-	748
Other machinery and equipment	9,216	2,168	7,048
Cultivated assets	112	182	(70)
Cultivated assets	112	182	(70)
Total capital assets	19,808	2,350	17,458

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 5
CAPITAL INTANGIBLE ASSET COST MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Opening Balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer Software	305	223	-	528
Total	305	223	-	528

**ANNEXURE 5.1
ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash	In-kind	Total
	R'000	R'000	R'000
Computer Software	223	-	223
Total	223	-	223

**ANNEXURE 5.2
CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
Computer Software	319	-	319
Total	319	-	319

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

**ANNEXURE 6
INTER-GOVERNMENTAL RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
Departments						
Department of Justice	-	3	-	-	-	3
Department of Transport and Public Works	19	19	-	-	19	19
National Department of Agriculture	-	-	374	34	374	34
Department of Education	-	-	1	-	1	-
Correctional Services	-	-	1	-	1	-
Provincial Parliament Western Cape	-	-	10	-	10	-
Department of Defence	-	-	-	19	-	19
Subtotal	19	22	386	53	405	75
Other government entities						
Agricultural Research Council	-	-	-	20	-	20
South African Revenue Service (SARS)	-	-	131	-	131	-
Subtotal	-	-	131	20	131	20
Total	19	22	517	73	536	95

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

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000	31/3/2006 R'000	31/3/2005 R'000
Provincial Administration Western Cape	-	4	-	-	-	4
Department of Transport and Public Works	16	10	10	367	26	377
Provincial Parliament	2	3	-	-	2	3
Department of Health	-	3	-	-	-	3
SAMDI	-	4	-	-	-	4
Department of Justice	-	-	2	3	2	3
Department of Local Government and Housing	-	-	11	-	11	-
Total	18	24	23	370	41	394

1. Human resource management

Public Service Regulations

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2002 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

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

- Are exercising the powers granted under Public Service and Public Finance legislation in a responsible manner,
- Are achieving national transformation priorities established by the Cabinet, for example, affirmative action.
- Annual reports are produced after the end of the financial year. This is aimed at strengthening the accountability of departments to key stakeholders.

The tables in this report are revised on a regular basis by the Department of Public Service and Administration (DPSA). If you wish to see additional information included in this report, please send suggestions (with a clear motivation) to:

The Director-General
 Department of Public Service and Administration
 ATTENTION: Public Service Information Unit
 P.O. Box 916, Pretoria, 0001
 psiu@dpsa.gov.za
 Fax: (012) 314-7020

To ensure that enough time is available to evaluate and incorporate your suggestions, please ensure that all submissions are submitted on or before 31 August.

For a detailed description and explanation of the terminology used in this section of the report, please consult the publication from the DPSA entitled 'A guide to understanding the oversight report of departmental annual reports'. A copy of the guide is available from all departments or can be accessed from the DPSA website (www.dpsa.gov.za).

1. Service Delivery

Table 1.1 Main services provided and standards
Programme 1: ADMINISTRATION

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Ministry To render a comprehensive, effective and professional internal and external service at the office of the MEC as executive authority of the Western Cape.	General Public, Commercial Farmers, Emerging Farmers, State departments, Municipalities, Staff, Organised Agriculture, Organised labour, Academic Institutions NGO's Farming communities. Members of Parliament, (National and Provincial), Business, Other Ministries, (National and Provincial) Constituency members	Learners, Students, Potential emerging farmers	Render efficient, professional and optimal services to every client. A time limit for every enquiry either by letter or any other response	All telephonic enquiries answered or referred 1246 letters and correspondence matters referred or answered, Regular liaison meetings with stakeholders in agriculture Positive feedback from public

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
To provide political leadership and guidance to the management and Department of Agriculture	Senior management, staff		Open door policy by MEC to senior management Regular meetings to be updated on matters of budget expenditure and other Programme matters Feedback on matters arising from Cabinet, Parliament and Caucus meetings	Monthly management meetings Weekly meetings with HOD Yearly meetings with programme managers
Senior Management				
Give strategic direction with regard to departmental policy, priorities and objectives.	Senior management, staff General Public, Commercial Farmers, Emerging Farmers, State departments, Municipalities, Staff, Organised Agriculture, Organised labour, Academic Institutions NGO's Farming communities. Members of Parliament, (National and Provincial), Business, Other Ministries, (National and Provincial)		<ul style="list-style-type: none"> ◇ Achieves strategic objectives against specified performance measures; ◇ Translates strategies into action plans; ◇ Seeks mutual benefit/win-win outcomes for all concerned; ◇ Manages and calculates risks; ◇ Communicates strategic plan to the organisation 	Strategic sessions were held during the past year and the strategic plan is annually renewed. Scheduled and ad hoc management meetings and planning sessions are used to empower subordinates.
Promotion and marketing of the Department of Agriculture's services in the Western Cape on local, national and international platform	Constituency members General Public, Commercial Farmers, Emerging Farmers, State departments, Municipalities, Staff, Organised Agriculture, Organised labour, Academic Institutions NGO's		Extension of international collaboration Networking and the establishment of linkages with various stakeholders	10 wine makers and 5 cheese makers from industry, was trained during the past year as a result of our collaboration agreement with Burgundy, France. The agreement with Nuffic regarding training started during this year and will continue.
Ensure the provision of a professional, reliable and impartial Agricultural service in all fields of delivery.	Farming communities. Members of Parliament, (National and Provincial), Business, Other Ministries, (National and Provincial) Constituency members		<ul style="list-style-type: none"> ◇ Consults clients and stakeholders on ways to improve the delivery of services; ◇ Implements innovative service delivery options in own department/organisation. 	The Agricultural and Business Sector Strategy as part of the PGDS was finalised and launched during the past year. Organised business, Labour and other stakeholders were consulted with regard to the Agricultural sector plan.
Corporate Services				
Provide professional human management & administrative support services to line management.	Staff, Line Functions Organised labour Ministry Other state departments (Provincially and Nationally) Educational/ academic Institutions Directorates Schools Farmers Designated groups: women, NGO's General public youth, disabled External service providers. Farming communities. Interns, students in learnerships	Students Interns from neighbouring African countries	Provide Human Resources Management supports services to staff. Perform all Human Resources administrative processes timeously & within the relevant prescripts	HR support to line management re HR processes and policy application daily PERSAL transaction actions performed timeously and within relevant legislation and policies. HR Policies developed Training on new HR policies

PART 5

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
			Effective integrated EAP service (HIV & AIDS, special Programmes (gender, disability, women)in the workplace/ farming communities	<p>2 VCT campaigns conducted-25% of staff voluntarily tested. 73 Farms reaching 5000 (3100 tested)</p> <p>37 HIV & Aids education and awareness information sessions to conducted.</p> <p>An integrated Employee Wellness Assistance Programmes accessible</p> <p>Counselling service to 231 employees</p> <p>7 Health Promotion Programmes conducted</p>
			Workplace safety and employees free of occupational diseases	<p>Safety Reps appointed.</p> <p>Safety Committees functional</p>
			Transformation/and increase in workplace representivity	<p>EEA Report submitted</p> <p>Progress on EE numerical targets achieved Feedback to staff on EE progress made</p> <p>Diversity Management training provided</p>
			Capacity building and empowerment of all staff as per legislative requirements/ workplace skills plan and personal development plans of employees to deliver high quality of service.	<ul style="list-style-type: none"> ◇ 279 Training courses conducted as per identified training needs. ◇ 20 bursaries allocated. ◇ 65 Internships ◇ 7 ABET I ◇ 16 Grade 10&12 learners
			Sound Employee/ Employer relations through proactive management of all labour related matters within specified timeframes	<p>Stable labour environment in the workplace.</p> <p>Labour relations. Training conducted for staff</p> <p>22 informal disciplinary meetings.</p> <p>11 Grievances (7 internally resolved, 3 externally resolved)</p>
			Efficient and timeous provision of office support services to all Line functions	<p>Provided daily office support services. Accommodation obtained for various new service points</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Effective promotion of the services of the Department internally and externally through efficient and focused communication	Departmental staff Female farmers Media representatives Nat. Dept. of Agric International / local farmer & governmental groups General public Farm worker women Schools in Province Cape Women's Forum	All farm workers Other agricultural NGO's	Inform, motivate & involve personnel and stakeholders to achieve a greater understanding of the Department's contribution towards agriculture Promote a positive corporate image of the Department Promote the services of the Department to all client groupings Promote the central government and NDA's messages	<ul style="list-style-type: none"> ◇ 90 press releases /articles regarding new services or events ◇ 5 Imbizos with general public ◇ 7 visits by foreign delegations ◇ 10 exhibitions at various shows, conferences and events ◇ Distribution of quarterly magazine to 5 000 readers ◇ Distribution of monthly internal newsletters, memo's, upgraded intranet, etc. to inform staff ◇ Approximately 80 radio broadcasts on RSG (Radio Sonder Grense) & 12 on Radio Namaqualand ◇ Growing female farmer competition and successful Agri Femina week for farm worker women (4 regions) ◇ Open days for ±1300 learners
Financial Management				
Provide a professional financial management, budget management, financial administration and supply change management service, as well as a service to the Ministry.	Staff, Line functions Ministry, Other state departments (Provincial and National) General public Treasury (Provincial and National).		Clean audit report, Acceptable turnaround time on transactions, Problem solving financial control and management, asset management, Risk management fraud prevention Timeous and correct reporting Policy-making and financial advice.	No qualification on audit. More than 85% of transactions are within benchmark. Problem solving is done as occurred. Unit is still in infancy. Management and control on par. A complete risk assessment was done. Departmental plan completed. Done as per prescript, monthly and quarterly. Done continuously.

Table 1.2 Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Meetings, visits, written & electronic communication	Line functionaries, Other Departments		Accepted Support arrangements
Meetings, visits, written & electronic communication with NGO's, agricultural industry groups & media regarding co-operation / sponsorship / exposure / etc.	ABSA Cape Women's Forum Land Bank Agri Expo Agric industry groups Media representatives	Other Agric industry groups	<ul style="list-style-type: none"> ◇ Co-operation / sponsorship for Female Farmer Competition / Agri Femina ◇ Free supplement in George Herald (3/year) Favourable exposure in other agric. Media ◇ Various radio interviews & fixed year-long Programme with Radio Namakwaland

Table 1.3 Service delivery access strategy

Access Strategy	Actual achievements
Financial Management services available, i.e. finance, procurement, budgeting, internal control and transport pool services. Documentation available on website.	Timely financial services.
Effective promotion of the services of the Department internally and externally through efficient and focused communication	Departmental staff Female farmers Media representatives Nat. Dept. of Agric International/local farmer & governmental groups
HR Service available: Personal, written, electronic, HR web-page, HR staff allocated per Programme. Training on new policies	General public Farm worker women Schools in Province, Cape Women's Forum Support and assistance on HR matters. Staff input into policy development.

Table 1.4 Service information tool

Types of information tool	Actual achievements
Finance instructions, applicable documentation and training sessions.	Informed clients.
Constant direct & indirect communication utilising various communication methods (press releases, presentations, exhibitions, publications, promotional material, print & electronic media, website, etc.)	Equal access of information to all clients

Table 1.5 Complaints Mechanism

Complaints Mechanism	Actual achievements
Direct: Personal, relevant directors, managers Indirect: Electronic Mail, mailing services, facsimile, written, meetings,	Immediate attention given to complaints Meeting with other relevant roleplayers e.g. GEPF All complaints followed up with a written response Complaints attended to immediately.

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT

Table 1.1 Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Water Resource Development Studies	All water users in the Province		In accordance with national & international engineering standards	1 Study completed in compliance with all national and international engineering standards
Agricultural management tasks and technology transfers	All agricultural water users in the province		In accordance with national & international engineering standards	48 tasks/requests dealt with complying with national and international engineering standards
Animal housing and handling facilities and waste management facilities designed or technology transfers	All stock farmers in the province		In accordance with national & international engineering standards	251 tasks/requests dealt with complying with national and international engineering standards
Landcare and Infrastructure Projects	Beneficiaries of LRAD projects and small-scale farmers in rural communities	All emerging/ small-scale farmers on privately owned land by individuals and /or groups	In accordance with national & international engineering and conservation standards	69 projects completed complying with national and international engineering and conservation standards
Land use management	All agricultural land users in the province		In accordance with provincial guidelines and standards for the protection of agricultural resources	800 applications handled to ensure compliance with and adherence to all applicable legislation and policies

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Resource conservation projects	All agricultural land users in the province		In accordance with national & international engineering and conservation standards and legislation	136 projects completed in accordance with national & international engineering and conservation standards and legislation.
Value adding	All agricultural land users in the province	Emerging farmers	In accordance with national & international engineering and conservation standards and legislation	3 projects completed complying with national and international engineering and conservation standards and legislation

Table 1.2 Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Farm visits	LRAD beneficiaries Resource poor farmers Commercial Farmers Water User Associations Irrigation Boards Water forums Municipalities Government institutions NGO's	Agricultural Industry outside the Province including SADEC countries	1585
Telephone	LRAD beneficiaries Resource poor farmers Commercial Farmers Water User Associations Irrigation Boards Water forums Municipalities Government institutions NGO's	Agricultural Industry outside the Province including SADEC countries	All telephonic enquiries answered or referred
Letters	LRAD beneficiaries Resource poor farmers Commercial Farmers Water User Associations Irrigation Boards Water forums Municipalities Government institutions NGO's	Agricultural Industry outside the Province including SADEC countries	1360 letters answered on daily / weekly / monthly basis as required
E-mail	Commercial Farmers Water User Associations Irrigation Boards Water forums Municipalities Government institutions NGO's	LRAD beneficiaries Resource poor farmers	All e-mail enquiries were answered or referred
Active Participation with Organized Agriculture and Farmers – Farmers days and attending Farmers Union meetings	LRAD beneficiaries Commercial Farmers Resource poor farmers Water User Associations Irrigation Boards Water forums Informal -and rural communities	Farm worker groups	Knowledge and information transfer to keep farmers on track with new development -scientific and political Community development
Meetings - Interaction with roleplayers, organizations, associations and other government departments and local authorities	Roleplayers in agriculture		Provide inputs Exchange of information. Establishment of client needs
Strategic planning meetings	Other Departments on national and provincial level in the WC and other Provinces NGOs		Participate in as many opportunities available contribute to strategy development and formation

Table 1.3 Service delivery access strategy

Access Strategy	Actual achievements
Farm visits	LRAD beneficiaries Resource poor farmers Commercial Farmers Water User Associations Irrigation Boards Water forums Municipalities Government institutions NGO's
Personnel continuously available to customers	Availability of personnel to our all clients in the Province. Most officials also available on cell phone after hours
Attend and organize information meetings	Transfer of information and standards Provide extension services Make presentations during meetings
Attend agricultural shows and exhibitions	Market the services available to the prospective clients during 4 shows
Responding to enquiries MEC, Organized Agriculture, Academic institutions and individuals	All red numbers answered, as well as other enquiries, within required time frames
Update website	Ensure latest information available
Publish articles	Transfer of information and standards
Distribute information packs	Transfer of information and standards
Radio talks	45 Talks compiled

Table 1.4 Service information tool

Types of information tool	Actual achievements
E-mail	E-mail addresses of appropriate officials available on www. elsenburg.com
Letters	Technology transfer and technical advice provided on request
Presentations	26 presentations made to farmers organisations, institutions, Water User Associations, Irrigation Boards, Water forums and government departments
Meetings	Officials attend as many Agricultural and related meetings as possible
Publications / Articles	4 Publications. Contribution to broad scientific knowledge base as well as extension and liaison
Reports	Annual report compiled available to NDA and other Directorates in the Dept

Table 1.5 Complaints Mechanism

Complaints Mechanism	Actual achievements
Via telephone, electronic mail, Personal, Via the MEC to the Programme Manager	Satisfied customers

Programme 3: FARMER SUPPORT AND DEVELOPMENT

Table 1.1 Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
	Please note that the customer noted in the one block is relevant to all services of the FSD Programme	Also called stakeholders	A number of the standards pertain to all the main services as the customers requires a range of services within a given project, and or activity	
Extension services	Act 9 land farmers (12 communities)	Municipalities	Attend all LRAD (PMT) workshop meetings	Ensured compliancy with adherence to all applicable legislation
Farmer support	Church land farmers	Non-government organisations (NGOs)	If a customer phones, phone back within a week	Promoted LRAD Programme and settlement of secure and independent farmers from previously disadvantaged communities in the Western Cape , and work closely with Land Affairs
Agricultural support to land reform beneficiaries and farmers	Privately owned land by individuals and/or groups	Community-based organisations (CBOs)	If a customer needs information about processes, respond by sending information within a week	Provided a professional, reliable and impartial service, and can now roll out these services through more staff and offices

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Agricultural support information and technology transfer	Groups farming on commonage or municipal land	Schools	Visit customers on-farm and in their respective communities, but this can only be done within a month	Went out of our way to understand our clients' needs and to meet them
Land reform information	Garden projects' groups	Organised agricultural unions - NAFU, WEKUFU, Agri-Western Cape	If I promise, then I deliver – regular	Full and accurate information on services provided
Capacity building of farmer groups	LRAD beneficiaries	Private sector organisations	Support colleagues sometimes to better services	Established and maintain close links with Land Affairs and municipalities to streamline LRAD and other land reform processes
Agricultural infrastructure projects, including the Comprehensive Agricultural Support Programme (CASP) and Provincial infrastructure (PIG) projects	Individuals or groups on FALA land		Programme's staff is informed – most times. Regular training sessions	Roll out 168 agricultural projects, with 168 different farming groups
Food security projects	Commercial farmers		Programme's has staff operating in all regions of the Western Cape – but not sufficient numbers	Client profile study in 4 district municipalities nearly completed
Project management in terms of community development	Farm worker groups		The mandate of the FSD pro-gram learns more to services for the emerging sector, and thus the shift is moving rapidly	Completed an agricultural land reform project evaluation to streamline services to these projects
Socio-economic support of communities, projects, programmes and staff	Communities around towns		If FSD can't assist, find ways or approach other organisations to help	Strategic plan for the new sub-programme: Farm Worker Development has been approved by Cabinet.

Table 1.2 Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Meetings	Act 9 land farmers (12 communities)	Municipalities	At least 2 477 informal meetings and visits were held with different groups/individuals by staff members
Telephone discussions	Church land farmers	Non-government organisations (NGOs)	Each telephone call was answered, if the staff member could not give an answer, then the person was referred
Visits to communities	Privately owned land by individuals and / or groups	Community-based organisations (CBOs)	Linked to meetings, visits to communities were in the region of at least 857.
Letters	Groups farming on commonage or municipal land	Schools	All letters were answered, either through Ministerial enquiries (275) or direct from the staff members
E-mail	Garden projects' groups	Organised agricultural unions - NAFU, WEKUFU, Agri-Western Cape	All e-mail enquiries were answered, not always on the same day, but at least during that week
	LRAD beneficiaries	Private sector organisations	A provincial multi stakeholders forum was established.
	Individuals or groups on FALA land		Meetings were held with the three agricultural unions to assess specific problems and seek solutions
	Commercial farmers		
	Farm worker groups		
	Communities around towns		

Table 1.3 Service delivery access strategy

Access Strategy	Actual achievements
Information about land reform	All LRAD projects are implemented through a project management team approach with Land Affairs. Queries are answered as soon as possible, but it might take a week to respond
Extension and support to agricultural projects by the emerging group	Communities approach FSD staff for support, or a project application form is submitted. Increased visits to communities to support projects
Access to funding for projects	An application form and a business plan is submitted for funding. 168 projects were funded
General technical advice Agri-BEE	Mainly meetings, e-mails or letters answered regarding Agri-BEE and land reform
	Red number system (155 red numbers)
	Meetings at office increased sub-stantially, but turn around time still a month (300 meetings)
	Meetings in communities increased, but the time constraint makes this type of interaction difficult to manage (150 meetings)

Table 1.4 Service information tool

Types of information tool	Actual achievements
E-mail	Not applicable
Letters	Either direct or via the red number system. See 1.5
LRAD/CASP Information packs	Send to 233 groups and individuals
Presentations	23 presentations at different forums
Meetings	912 community meetings, 84 DAC and 9 PGC meetings as well as 60 scheduled meetings about land reform
Reports	At least 15 reports, mainly for the MEC, HOD and NDA
Articles	Twelve popular articles and one brochure

Table 1.5 Complaints Mechanism

Complaints Mechanism	Actual achievements
Via the telephone, e-mail, face-to-face, letter to MEC for attention to the director of the Programme	Most cases within a week
Depending on the method used, within matters of hours and days.	The red number system takes at least two weeks to complete, and 155 red numbers were answered translating into a 68 person days.

Programme 4: VETERINARY SERVICES

Table 1.1 Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Animal Health Service	National Dept of Agriculture, provincial Dept. of Health, Environmental Affairs, commercial farmers, resource poor farmers, private veterinarians, schools, pharmaceutical companies, exporters, importers, Stud Breeders Assoc. & District municipalities	District municipalities, Local authorities and SADC countries	Prescribed by animal Disease Act and international standards of the OIE (World Organisation for Animal Health)	Compliance with national and international standards.
Veterinary Laboratory Services	National Dept of Agriculture, provincial Dept of Agriculture, Provincial Dept of Health, Environmental Affairs, commercial farmers, resource poor farmers, private veterinarians, schools, pharmaceutical companies, exporters, importers, Stud Breeders Assoc SADC countries	SADC and other African countries District municipalities	Prescribed by Animal Disease Act and international standards of the OIE (World Organisation for Animal Health)	Compliance with national and international standards.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Veterinary Public Health Services	National Dept of Agriculture, abattoir owners, dairy processing establishments, animal food processing establishments, provincial Departments of Agriculture, provincial Dept. of Health, schools, pharmaceutical companies, exporters, importers District municipalities, consumers, consumer associations, previously disadvantaged communities.	Food processing retail outlets District municipalities	Prescribed by Meat Safety Act and international standards of the OIE (World Organisation for Animal Health), WHO (World Health Organisation), Codex Alimentarius of the FAO/WHO	Compliance with national and international standards.
Animal Health Service	National Dept of Agriculture, provincial Dept. of Health, Environmental Affairs, commercial farmers, resource poor farmers, private veterinarians, schools, pharmaceutical companies, exporters, importers, Stud Breeders Assoc. & District municipalities	District municipalities, Local authorities and SADC countries	Prescribed by animal Disease Act and international standards of the OIE (World Organisation for Animal Health)	Compliance with national and international standards.

Table 1.2 Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Consultation on one-on-one discussions	National Dept of Agriculture, abattoir owners, dairy processing establishments, animal food processing establishments, provincial Dept of Agriculture, provincial Dept of Health, schools, pharmaceutical companies, exporters, importers, Stud Breeders Assoc. consumers, consumer associations, previously disadvantaged communities.	SADC countries, food processing outlets	All commercial farmers visited at least once per year, group visits to resource poor farmers including individual visits and disease control advice. Abattoirs and food processing establishments visited at least 6 x / year, several school projects. Consultation with organised interest groups such as pig producers and Thoroughbred Breeders
Telephonic discussions	Do	Do	Done almost daily
Written communications, e-mail	Do	Do	Do
Attendance of seminars, meetings, congresses		Commodity organisations such as Agri Western Cape, RPO, MPO RMAA, SAVA, National Dept of Agriculture	Attendance as per annual schedule of meetings

Table 1.3 Service delivery access strategy

Access Strategy	Actual achievements
Personnel continuously available to customers	Equal access and availability of personnel across the WC Province. Most officials also available on cell phone after hours
Farmers days organised by state veterinarians and technicians in commercial and rural communities	Transfer of information and standards Extension services and training of farm labourers
Visiting abattoirs and food processing establishments	Personal contact and advise to improve food safety standards
Visiting of schools – information regarding Food Safety and Food security	8 schools visited during 2005
Quarterly and annual reports	Four quarterly and one annual report compiled available to NDA and other directorates in the Department. MEC and other provinces
Radio talks	More than 50 talks compiled during 2005/05
Radio interviews	Various radio stations during outbreak of Classical Swine Fever.

Table 1.4 Service information tool

Types of information tool	Actual achievements
E-mail	All e-mail addresses of state veterinarians / animal health technicians, veterinary technicians and meat inspectors available on www.elsenburg.com
Letters and Press releases	General information letters and press releases during disease control actions. Letters in response to written enquiries.
Information packs CD Rom presentations Information on veterinary services on departmental website	50 available in Afrikaans / English / Xhosa on www.elsenburg.com Annual and quarterly reports and policy documents available on departmental website
Publications and presentations	Four scientific publications and one presentation.
Meetings	Officials attend as many Agri-cultural and related meetings as possible. Attend National disease control workshops.
Reports	Four quarterly and one annual report compiled available to NDA and other directorates in the department. Deficiency reports to abattoir owners and food processing establishments. Situation reports during disease outbreaks.
Distribution of pamphlets	500 copies distributed
Road shows	4 Exhibitions

Table 1.5 Complaints Mechanism

Complaints Mechanism	Actual achievements
Via the telephone, e-mail, face to face, letters to Minister for attention the director of the directorate	Satisfied customers
Veterinary laboratory – QMS complaints procedure	Answering all complaints by personnel at laboratory management level.
Complaint and appeal procedures also provided for in animal diseases and meat safety Acts	Two complaints received and dealt with

Programme 5: TECHNOLOGY, RESEARCH AND DEVELOPMENT

Table 1.1 Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Research				
Facilitate, conduct and coordinate provincial specific and relevant research and research services through:	LRAD beneficiaries	4000	Research conducted according to needs, relevance and timeliness	172 research projects executed
	Small scale commercial farmers	2500		
Execution of research projects	Beneficiaries of food security projects	1800	Projects executed according to scientific methods and parameters in order to ensure the validity of experimental results	
	Commercial farmers	8500		
			The development of economically accountable technology considering the current needs of producers, small scale farmers and consumers	
			Outputs are based on internal capacity, but according to time schedules set out in project objectives	
			Compliance with all national and international standards	
			To provide a professional reliable and impartial service	
			Equal access of all stakeholders in the participation in agriculture	

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Participation in industry forums and technical task teams	LRAD beneficiaries	4000	Forums are in place where the stakeholders of the three main enterprises e.g. milk, wool & grain / oil-seeds, as well as smaller industries, discuss challenges and where research needs are determined	Representatives of the Sub-Programme attended and actively engaged in discussions and planning
	Small scale commercial farmers	2500		
	Beneficiaries of food security projects	1800		
	Commercial farmers	8500		
Providing an analytical laboratory service	As above, plus external clients	500	Supply a ser-vice according to best laboratory practice to 35% of the market for soil, water and leaf analysis	28 000 soil, water and plant samples analysed
	Scientists	50	Equal access to services to all our clients	
Providing advisory services	LRAD beneficiaries	4000	Advisory services conducted according to needs, relevance and timeliness	Information is disseminated through formal, informal and one-to-one engagements
	Small scale commercial farmers	2500		
	Beneficiaries of food security projects	1800		
	Commercial farmers			
	Extension officers of department	8500		
Dissemination of research project results	LRAD beneficiaries	4000	Outputs according to needs, relevance and timeliness Increased capacity and output	83 Scientific publications
	Small scale commercial farmers	2500		68 Popular publications
	Beneficiaries of food security projects	1800		49 Congress papers
	Commercial farmers			89 Lectures on farmers' days reaching approx 6000 farmers
	Extension officers of department	8500		6 reports on crop estimates and climatic forecasting 14 radio talks
Changing the complexion of agricultural research	4 participants on the Young Professionals Programme	Departments and research groups	Empowered individuals	4 participants in the Sub-Programme
Information services				
To coordinate the development and dissemination of information to clients including the development and utilization of various information systems (e.g. GIS)	LRAD beneficiaries	4000	Sub-Programme activated Outputs according to needs, relevance and timeliness Increased capacity and output	Upgrade of website
	Small scale commercial farmers	2500		5 info packs per institute compiled
	Beneficiaries of food security projects	1800		
	Commercial farmers			
	Extension officers of department	8500		
Infrastructure Support services				
To provide and maintain infrastructure facilities and experiment farms for the line function to perform their research and other functions	Researchers of the Plant and Animal Research Institutes of the Department	Other research groups, locally and internationally	Infrastructure support is developed timeously in terms of maintenance, land preparation, planting and harvesting activities	All research activities were supported in order to ensure that research projects goals were met
	Researchers of the Small Grain, Fynbos and Industrial Crops Institutes of the ARC			
	Programmes Training, Farmer Support and Development, and Sustainable Resource Utilization of the Department			

Table 1.2 Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Research			
Meetings	4 commodity groups Commercial farmers (11 000) Local municipalities (15)	4 commodity groups Commercial farmers (11 000) Local municipalities (15)	Staff attended quarterly meetings with client groups from the small grain, oilseeds, dairy and wool industries, where research and development priorities were set and progress with running projects monitored Various farmers study group meetings were attended by staff, aimed at group solving of economic / production problems in District Municipal areas
Telephone discussions	Large scale commercial farmers Small scale commercial farmers LRAD beneficiaries Beneficiaries of food security projects Small scale commercial farmers	Expanding the client base New farmers New groups New groups New farmers	All telephone and e-mail enquiries were promptly attended to
Dissemination of re-search project results through: Publications Congress papers Lectures Reports	Large scale commercial farmers Small scale commercial farmers LRAD beneficiaries Beneficiaries of food security projects Small scale commercial farmers	Expanding the client base New farmers New groups New groups New farmers	83 Scientific publications 68 Popular publications 49 Congress papers 89 Lectures on farmers' days reaching approx 6000 farmers 6 reports on crop estimates and climatic forecasting 14 radio talks
Meetings	4 commodity groups Commercial farmers (11 000) Local municipalities (15)	4 commodity groups Commercial farmers (11 000) Local municipalities (15)	Staff attended quarterly meetings with client groups from the small grain, oilseeds, dairy and wool industries, where research and development priorities were set and progress with running projects monitored Various farmers study group meetings were attended by staff, aimed at group solving of economic/production problems in District Municipal areas
Telephone discussions	Large scale commercial farmers Small scale commercial farmers LRAD beneficiaries Beneficiaries of food security projects Small scale commercial farmers	Expanding the client base New farmers New groups New groups New farmers	All telephone and e-mail enquiries were promptly attended to
Dissemination of re-search project results through: Publications Congress papers Lectures Reports	Large scale commercial farmers Small scale commercial farmers LRAD beneficiaries Beneficiaries of food security projects Small scale commercial farmers	Expanding the client base New farmers New groups New groups New farmers	83 Scientific publications 68 Popular publications 49 Congress papers 89 Lectures on farmers' days reaching approx 6000 farmers 6 reports on crop estimates and climatic forecasting 14 radio talks
Meetings	4 commodity groups Commercial farmers (11 000) Local municipalities (15)	4 commodity groups Commercial farmers (11 000) Local municipalities (15)	Staff attended quarterly meetings with client groups from the small grain, oilseeds, dairy and wool industries, where research and development priorities were set and progress with running projects monitored Various farmers study group meetings were attended by staff, aimed at group solving of economic / production problems in District Municipal areas

Table 1.3 Service delivery access strategy

Access Strategy	Actual achievements
Research	
Agricultural information as generated through 172 research projects were disseminated to all potential clients through: Publications Congress papers Lectures Reports	83 Scientific publications 68 Popular publications 49 Congress papers 89 Lectures on farmers' days reaching approx 6000 farmers 6 reports on crop estimates and climatic forecasting 14 radio talks
E-mail	Request per e-mail are stored in files
Telephone	Queries and enquiries are promptly answered and information promptly given
Policy advice to Ministry	Through Red number system.
Meetings	Attended promptly and contribute to agenda by delivery of information as requested, lectures, group discussions etc.
Producers and producers groups	Technical and economic information related to agricultural issues in the Province were widely publicised through scientific and semi-scientific publications.
Municipalities	Attendance of and active participation in district coordination committees of the Department See also above achievements

Table 1.4 Service information tool

Types of information tool	Actual achievements
E-mail	
Letters	
Meetings	See 1.3
Farm visits	
Presentations	

Table 1.5 Complaints Mechanism

Complaints Mechanism	Actual achievements
Via the telephone, electronic mail, personal, via the MEC to the Programme Manager	Satisfied customers Although various "red numbers" were received via the office of the Minister, no actual service delivery complaints were received

Programme 6: AGRICULTURAL ECONOMICS

Table 1.1 Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Agricultural economics research and advice that is relevant to all clients through:				
Enhancing the micro-level competitiveness of farmers	Small scale subsistence farmers Small scale emergent farmers Large scale commercial farmers Users of Combuds (Depts. Of Agriculture)	1 200 2 500 8 500 All farmers in RSA	Timely Needs driven Relevant International best practice	<ul style="list-style-type: none"> ◇ Eleven reference farm management study groups established amongst small scale emergent farmers. ◇ 15 New enterprise budgets developed. ◇ 96 Enterprise budgets updated for use in rotational systems. ◇ The development of new computerised model for enterprise budgets completed. ◇ 38 Business plans evaluated. ◇ 5 Popular reports & papers presented
Analysing the economics of resource use	Small scale subsistence farmers Small scale emergent farmers Large scale commercial farmers Water users in urban areas	1 200 2 500 8 500 2,5 million	Timely Needs driven Relevant International best practice	<ul style="list-style-type: none"> ◇ 3 Project on issues in resource economics completed. ◇ 3 Internationally refereed papers completed. ◇ 1 Nationally refereed document completed. ◇ 2 Provincial user surveys completed ◇ 3 Popular reports completed.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Provide marketing support services to farmers	Small scale subsistence farmers Small scale emergent farmers Large scale commercial farmers	1 200 2 500 8 500	Timely Needs driven Relevant International best practice	<ul style="list-style-type: none"> ◇ 1 Nationally refereed publications. ◇ 2 Internationally refereed publications ◇ 21 Popular publications & lectures to farmers – market opportunities & risk amelioration. ◇ Facilitation of market access for resource poor farmers.
Provision of statistical information to stakeholders.	Small scale subsistence farmers Small scale emergent farmers Large scale commercial farmers	1 200 2 500 8 500	Timely Needs driven Relevant International best practice	<ul style="list-style-type: none"> ◇ Development of a GIS-linked database on LRAD beneficiaries. ◇ Development of a agricultural economics database. ◇ 7 Popular reports & lectures
Support sound decision making based on scientific quantitative information.	Small scale subsistence farmers Small scale emergent farmers Large scale commercial farmers Other Provincial & National Departments of Agriculture	1 200 2 500 8 500 9 Departments	Timely Needs driven Relevant International best practice	<ul style="list-style-type: none"> ◇ 9 Individuals from stakeholder departments trained. ◇ Regular meetings with stakeholders conducted. ◇ 8 Nationally refereed publications. ◇ 2 New mathematical models developed to be used in the analysis of information. ◇ 15 Popular publications
Change the complexion of agriculture	8 Participants on the Young Professionals Programme	Departments and agribusinesses	Empowered individuals	<ul style="list-style-type: none"> ◇ 8 Participants on the Programme.

Table 1.2 Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Enhancing the participation of customers in the development of an agricultural strategy	All individuals of the Western Cape as represented through Government, labour, business and Civil Society	All individuals of the Western Cape as represented through Government, labour, business and Civil Society	<ul style="list-style-type: none"> ◇ Reaching agreement on 8 strategic thrusts of importance to be further developed. ◇ Reaching Agreement on 84 Actions to implement the 8 Strategic thrusts
Meetings	Commodity groups and other civil and government stakeholders	Commodity groups and other civil and government stakeholders	<ul style="list-style-type: none"> ◇ Staff regularly attended meetings with client groups. Research and development priorities developed. ◇ Actively participating in Provincial & National consultative forums. ◇ Various meetings with clients held and attended.
Telephone discussions	Large scale commercial farmers, Small scale commercial farmers, LRAD beneficiaries	Expanding the client base through more LRAD beneficiaries	All telephone and e-mail enquiries were promptly attended to.
Dissemination of research results and provision of advice through lectures and papers.	Large scale commercial farmers, Small scale commercial farmers, LRAD beneficiaries	Expanding the client base through more LRAD beneficiaries	<ul style="list-style-type: none"> ◇ 4 Internationally refereed papers ◇ 11 Nationally refereed papers ◇ 3 New models developed. ◇ 129 popular reports, publications & lectures.

Table 1.3 Service delivery access strategy

Access Strategy	Actual achievements
Agricultural economics information as generated through 21 research and advice projects was disseminated to all clients through:	
Programmed scientific lectures & papers	15 International and national papers & lectures
Popular reports, articles in the press and lectures at farmers days and meetings	129 popular reports, articles and presentations.
Answer of ad hoc queries received through:	7 Databases constructed
◇ E-mail	Prompt reaction & storage of files
◇ Telephone	Prompt reaction on telephonic queries
◇ Fax	Prompt reaction to fax enquiries
◇ Ministerial queries	Reaction by deadlines as set by Minister
Meetings	Regular meetings with client groups.

Table 1.4 Service information tool

Types of information tool	Actual achievements
Programmed scientific lectures & papers	15 International and national papers & lectures
Popular reports, articles in the press and lectures at farmers days and meetings	129 popular reports, articles and presentations.
Answer of ad hoc queries received through:	7 Databases constructed
◇ E-mail	Prompt reaction & storage of files
◇ Telephone	Prompt reaction on telephonic queries
◇ Fax	Prompt reaction to fax enquiries
◇ Ministerial queries	Reaction by deadlines as set by Minister
Meetings	Regular meetings with client groups.
Use research output as access strategy	Reference farm management study groups established in eleven communities & enterprise budgets interactively developed in 10 communities.

Table 1.5 Complaints Mechanism

Complaints Mechanism	Actual achievements
As part of the development of an Agricultural Strategy a platform was created where labour, business & civil society could air their grievances. Actual airing of grievances were encouraged.	Through a general meeting and various steering committee meetings the stakeholders could air their grievances.
Clients could use the telephone, e-mail, fax or the Website.	
Clients could use letters to the Minister	Although various "red numbers" were received via the office of the Minister, no actual service delivery complaints were received.

Programme 7: STRUCTURED AGRICULTURAL TRAINING

Table 1.1 Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Offering of Higher Certificate, Diploma and Degree training in appropriate fields.	Prospective and practising farmers, farm managers and advisors	Prospective and practising farmers, farm managers and advisors – with emphasis on the youth.	Qualifications registered with SAQA and accredited by the Commission for Higher Education (CHE)	<ul style="list-style-type: none"> ◇ Qualifications registered with SAQA ◇ Qualifications accredited by the Commission for Higher Education (CHE)
Offering of Further Education and Training (FET) in appropriate fields	Prospective and practising farmers and farm workers from previously disadvantaged communities	Prospective and practising farmers and farm workers from previously disadvantaged communities	Training courses based on prescripts according to relevant NQF levels and accrediting authorities	<ul style="list-style-type: none"> ◇ Training courses based on unit standards ◇ Learnership training accredited by AgriSeta

Table 1.2 Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Stakeholder representation on College Council	Commercial and Emerging farmers, Industry, Training Institutions, Parents, Students	Commercial and Emerging farmers, Industry, Training Institutions, Parents, Learners (Schools)	Two (2) meetings were held during the past year.
Parent representation on Parent Committee	Parents of full-time students.	Parents of full-time students and student representatives	Two (2) quarterly meetings were held during the past year
Association for Ex-students	Ex-students	Ex-students	Two (2) regional meetings were held during the past year.

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Meetings	Emerging farmers	Emerging farmers	Regular meetings are held with different groups of resource poor and emerging farmers.
Surveys and research	Commercial and Emerging farmers, Industry, Training Institutions, Parents, Students	Commercial and Emerging farmers, Industry, Training Institutions, Parents, Students	Continuous needs assessment in different farming communities are executed and training Programmes adapted accordingly.

Table 1.3 Service delivery access strategy

Access Strategy	Actual achievements
Information about training offerings - Telephone	<ul style="list-style-type: none"> ◇ Queries are answered as soon as possible - immediately in most cases. ◇ Recording of all messages are not done
Information about training offerings - E-mail	◇ Requests per e-mail are stored in files
Information about training offerings - Post	◇ Registered through the Department's system
Information about training offerings - Ministry	◇ Red number system
Information about training offerings - Physical	<ul style="list-style-type: none"> ◇ Meetings at office with prospective and current students and parents increased substantially ◇ Participation in Career Exhibitions throughout the Province ◇ Information sessions with learners at both Primary and secondary Schools. ◇ Information sessions at meetings of Farmers' Associations ◇ Visits of learner groups to campus
Information about training offerings - Website	◇ Information on Departmental Website is updated on regular basis - including examination results.
Publications / Articles	<ul style="list-style-type: none"> ◇ 4 Publications: Contribution to broad scientific knowledge base as well as extension and liaison ◇ Placing of advertisements and articles in popular magazines.

Table 1.4 Service information tool

Types of information tool	Actual achievements
E-mail	At least 2 500
Letters	1 200 with prospectuses
Information packs	At least 2 000
Presentations	At least 30 presentations to stakeholders and interested groups
Meetings	At least 40 meetings
Website	At least 1200
Reports	At least 8
Articles	3

Table 1.5 Complaints Mechanism

Complaints Mechanism	Actual achievements
Via the telephone, e-mail, face-to-face/ personal interviews, letter to MEC or Head of Department for attention of the Chief Director of Programme 7: Structured Agricultural Training	Most cases within a week
At College Council, parent and alumni meetings	Immediate response

2 EXPENDITURE

TABLE 2.1 Personnel costs by Programme, 2005/06

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Programme 1	34 514	17 250	147	49.98	151
Programme 2	48 296	10 850	46	22.47	205
Programme 3	72 396	17 349	74	23.96	118
Programme 4	25 656	18 937	44	73.81	173
Programme 5	50 519	27 716	182	54.86	96
Programme 6	7 571	4 370	6	57.72	162
Programme 7	19 563	10 482	72	53.58	92
Total	258 515	106 954	571	41.37	126

TABLE 2.2 Personnel costs by salary bands, 2005/06

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	12 551	12	50
Skilled (Levels 3-5)	15 571	15	73
Highly skilled production (Levels 6-8)	29 535	27	148
Highly skilled supervision (Levels 9-12)	45 797	43	277
Senior management (Levels 13-16)	3 837	3	595
Total	107 291	100	1 143

The discrepancy in personnel expenditure by programme (Table 2.1) and personnel expenditure by salary band (Table 2.2), amounting to R337, can be contributed to accumulated differences between the Basic Accounting System (BAS) and the Personnel Salary System (PERSAL). Please note that the (BAS) figures of Table 2.1 have been verified by the Provincial Auditor and is reflected in the Financial Statements in part four of this document. The latter is regarded as the correct amount.

TABLE 2.3 Salaries, Overtime, Home Owners Allowance and Medical Assistance by Programme, 2005/06

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme 1	11 860	68	302	2	250	1	777	4
Programme 2	7 178	62	0	0	102	1	543	5
Programme 3	12 278	68	500	3	138	1	643	4
Programme 4	12 711	64	777	4	158	1	974	5
Programme 5	20 132	70	542	2	440	2	935	3
Programme 6	3 380	72	7	0	30	1	152	3
Programme 7	7 667	70	454	4	155	2	350	3
Total	75 206	68	2583	2	1 273	1	4 374	4

TABLE 2.4 Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2005/06

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	9505	74	661	5	271	2	185	1
Skilled (Levels 3-5)	11 266	72	420	3	281	2	585	4
Highly skilled production (Levels 6-8)	21 422	71	822	3	426	2	1 554	5
Highly skilled supervision (Levels 9-12)	30 085	63	680	1	295	1	1850	4
Senior management (Levels 13-16)	2 928	55	0	0	0	0	200	4
Total	75 206	97.2	2 583	3.2	1 273	1.2	4 374	3.6

3 Employment and vacancies

TABLE 3.1 Employment and vacancies by programme, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1	116	109	7	5 Contract Workers
Programme 2	54	53	1	0
Programme 3	116	92	24	1 Contract Worker and 54 Excess Personnel
Programme 4	124	109	15	0
Programme 5	346	286	60	2 Contract Workers
Programme 6	30	24	6	3 Contract Workers
Programme 7	89	89	0	25 Contract Workers
Total	875	762	113	90

TABLE 3.2 Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	206	192	14	15 Contract Workers 47 Excess Personnel
Skilled (Levels 3-5)	235	200	35	8 Contract Workers 7 Excess Personnel
Highly skilled production (Levels 6-8)	232	192	40	11 Contract Workers
Highly skilled supervision (Levels 9-12)	193	169	24	2 Contract Workers
Senior management (Levels 13-16)	9	9	0	0
Total	875	762	113	90

74 of the vacant funded posts are in various stages of the recruitment process.

TABLE 3.3 Employment and vacancies by critical occupation, 31 March 2006

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
C1030200 Engineers	5	5	0	0
C3040100 Veterinarians	22	21	1	0
C6010301 Specialist Scientist	7	7	0	0
C5030100 Economist	23	16	7	0
D2010300 Agricultural Scientist	61	16	1	0
C1010300 Chemists	1	1	0	0
D2010200 Agricultural Development Technician	62	57	5	0
D2010100 Animal Health Technician	35	34	1	0
D1010500 Industrial Technician	32	30	2	0
D1040100 Meat Inspector	7	6	1	0
D2020100 Veterinary Technician	12	10	2	0
D2010200 Lecturers	30	22	8	0
Total	298	270	28	0

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

4 Job evaluation

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

The following table (Table 4.1) 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 4.1 Job Evaluation, 1 April 2005 to 31 March 2006

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	206	2	1%	0	0%	0	0%
Skilled (Levels 3-5)	235	5	2%	0	0%	0	0%
Highly skilled production (Levels 6-8)	232	19	8%	0	0%	2	11%
Highly skilled supervision (Levels 9-12)	193	14	7%	1	7%	0	0%
Senior Management Service Band A	9	8	89%	3	38%	0	0%
Senior Management Service Band D	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0
Total	875	48	5%	4	8%	2	4%

TABLE 4.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	1	0	1
Male	0	0	1	2	3
Total	0	0	2	2	4
Employees with a Disability	0	0	0	0	0

TABLE 4.3 Employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Ministerial Communication Officer: Office of the Minister	1	10	12	Specific knowledge and skills were indispensable.
Agricultural Economist	1	9	11	Scarce skills
Secretary/Personal Assistant	1	6	7	To ensure effective implementation of a range of services.
Total number of posts	875			
Percentage of Total Employment	0.3%			

TABLE 4.4 Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	1	0	2
Male	0	0	0	1	1
Total	1	0	1	1	3
Employees with a Disability	0	0	0	0	0

5 Employment changes

TABLE 5.1 Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	209	9	6	3
Skilled (Levels 3-5)	154	53	13	8
Highly skilled production (Levels 6-8)	175	31	17	10
Highly skilled supervision (Levels 9-12)	160	10	8	5
Senior Management Service Band A	8	0	0	0
Senior Management Service Band B	0	0	1	0

PART 5

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Senior Management Service Band C	1	0	0	0
Senior Management Service Band D	1	0	0	0
Total	708	103	45	6

One of the officers who got promotion to the post of Chief Director on 1 November 2005, resigned on 31 January 2006. Only permanent workers are taken in account.

TABLE 5.2 Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006

Occupation:	Number of employees per occupation as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
C1030200 Engineers	4	0	0	0 %
C3040100 Veterinarians	20	2	2	10%
C6010301 Specialist Scientist	7	0	0	0 %
C5030100 Economist	11	3	3	27%
D2010300 Agricultural Scientist	49	13	7	14%
C1010300 Chemist	1	0	0	0%
D2010200 Agricultural Development Technician	50	3	3	6%
D2010100 Animal Health Technician	31	4	1	3%
D1040100 Meat Inspector	5	1	0	0%
D2020100 Veterinary Technician	11	0	1	9%
D1010500 Industrial Technician	28	0	0	0%
Total	270	26	17	6 %

Table 5.3 Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	2	0.2%
Resignation	20	2%
Expiry of contract	90	11%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	4	0.5%
Retirement	8	1%
Transfers to other Public Service Departments	11	1%
Restructuring Packages Res 7/2002	0	0%
Suspension	0	0%
Total	135	16%

Total number of employees are 852 (Permanent: 762/Excess Personnel: 54/Contract workers: 36)

Table 5.4 Promotions by critical occupation

Occupation	Employees as at 1 April 2005	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
C3040100 Veterinarian	21	0	0	6	29%
C6010301 Specialist Scientist	7	0	0	2	29%
C5030100 Economist	16	0	0	0	0%
C1010300 Chemist	1	0	0	1	100%
D1040100 Meat Inspector	6	0	0	2	33%
D2010100 Animal Health Technician	34	1	3	17	50%
D2010200 Agricultural Development Technician	57	0	0	14	25%
D1010500 Industrial Technician	30	1	3	13	43%
C1030200 Engineers	5	0	0	5	100%
D2020100 Veterinary Technician	10	0	0	5	50%
D2010300 Agricultural Scientist	60	0	0	6	10%
D2010200 Lecturers	22	0	0	14	64%
Total	270	2	6	85	31%

Table 5.5 Promotions by salary band

Salary Band	Employees 1 April 2005	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	209	0	0	178	85%
Skilled (Levels 3-5)	154	8	5	99	64%
Highly skilled production (Levels 6-8)	175	5	3	105	60%
Highly skilled supervision (Levels 9-12)	160	1	0	85	53%
Senior management (Levels 13-16)	10	0	0	6	60%
Total	708	14	2	473	67%

Employment equity

TABLE 6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2006

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	4	0	33	1	4	0	5	49
Professionals	7	10	0	65	3	7	3	28	123
Technicians and associate professionals	14	12	0	76	7	4	0	24	137
Clerks	7	22	0	5	11	60	0	51	156
Service and sales workers	0	2	0	0	0	1	0	1	4
Skilled agriculture fishery workers	0	47	0	6	4	8	0	7	72
Craft and related trades workers	0	3	0	1	0	0	0	0	4
Plant and machine operators and assemblers	0	45	0	0	0	0	0	0	45
Elementary occupations	18	181	0	2	6	55	0	0	262
Total	48	326	0	188	32	139	3	116	852

TABLE 6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	1	0	0	0	0	1
Senior Management	0	1	0	5	0	2	0	0	8
Professionally qualified and experienced specialists and mid-management	8	9	0	120	4	3	3	24	171
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	17	19	0	52	7	16	0	43	154
Semi-skilled and discretionary decision making	6	117	0	8	15	66	0	49	261
Unskilled and defined decision making	17	177	0	2	7	54	0	0	257
Total	48	323	0	188	33	141	3	116	852

TABLE 6.3 Recruitment for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	4	0	0	2	2	0	2	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	11	4	0	2	3	5	0	8	33
Semi-skilled and discretionary decision making	3	12	0	1	12	23	0	1	52
Unskilled and defined decision making	2	3	0	0	2	1	0	0	8
TOTAL	20	19	0	5	19	29	2	9	103
Employees with disabilities	0	0	0	0	0	1	0	0	1

6.4 Promotions for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	2	0	1	0	2	0	0	5
Semi-skilled and discretionary decision making	0	2	0	0	0	5	0	1	8
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	4	0	1	0	7	0	2	14
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 6.5 Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	1	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	5	0	0	0	3	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	3	0	1	1	1	0	6	17

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	2	3	0	0	2	5	0	1	13
Unskilled and defined decision making	1	3	0	0	0	2	0	0	6
Total	8	9	0	7	3	8	0	10	45
Employees with disabilities	0	0	0	1	0	0	0	1	2

TABLE 6.6 Disciplinary action for the period 1 April 2005 to 31 March 2006

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	2	30	0	3	0	1	0	1	37

TABLE 6.7 Skills development for the period 1 April 2005 to 31 March 2006

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (9-15)	0	4	0	14	0	1	0	6	25
Professionals	0	0	0	5	1	0	0	2	8
Technicians and associate professionals (5-8)	0	0	0	0	0	0	0	0	0
Clerks (1-4)	16	40	0	21	4	42	3	36	162
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	80	0	0	0	4	0	0	84
Total	16	124	0	40	5	47	3	44	279
Employees with disabilities	0	0	0	0	0	0	0	0	0

7 Performance rewards

TABLE 7.1 Performance Rewards by race, gender, and disability, 1 April 2005 to 31 March 2006

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	15	80	18%	57	3 790
Male	12	48	25%	34	2 857
Female	3	32	9%	23	7 523
Asian	1	3	33%	7	7 382
Male	0	0	0%	0	0
Female	1	3	33%	39	7 382
Coloured	135	465	29%	39	2 915
Male	103	326	31%	28	2 689
Female	32	139	22%	12	3 644
White	163	304	53%	14	8 367
Male	96	188	51%	92	9 544
Female	67	116	58%	45	6 680
Total	314	852	37%	1 822	5 765
Employees with a disability	0	0	0	0	0

TABLE 7.2 Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	65	254	25%	116	1 777	0.9%
Skilled (Levels 3-5)	76	215	35%	194	2 582	1.2%
Highly skilled production (Levels 6-8)	80	203	39%	492	6 156	1.6%
Highly skilled supervision (Levels 9-12)	91	171	54%	852	8 879	1.7%
Total	312	843	37%	1 654	5 234	1.4%

TABLE 7.3 Performance Rewards by critical occupations, 1 April 2005 to 31 March 2006

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Engineers	3	5	60	44 441	14 813
Veterinarian	17	21	81	169 687	9 981
Specialist Scientist	4	7	57	100 857	25 214
Economist	7	16	44	75 587	10 798
Agricultural Scientist	4	16	25	28 486	7 121
Chemists	0	1	0	0	0
Agri Dev Tech	15	57	26	118 268	7 884
Ani Health Tech	20	34	59	142 659	7 132
Industrial Tech	7	30	23	49 434	7 062
Meat Inspector	4	6	67	28 792	7 062
Veterinarian Tech	4	10	40	15 358	3 839
Lecturers	12	22	55	96 367	8 031
Total	97	225	43	825 504	8 781

TABLE 7.4 Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	3	10	30	52 352	17 450	0.9%
Band B	0	0	0	0	0	0%
Band C	0	0	0	0	0	0%
Band D	0	0	0	0	0	0%
Total	3	10	30	52 352	17 450	0.9%

8 Foreign workers

None

9 Leave utilisation for the period 1 January 2005 to 31 December 2005

TABLE 9.1 Sick leave, 1 January 2005 to 31 December 2006

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)
Lower skilled (Levels 1-2)	571	70.23	115	59.90	4.97	62
Skilled (Levels 3-5)	635	80.63	112	56	5.67	94
Highly skilled production (Levels 6-8)	630	76.83	104	54.17	6.06	170
Highly skilled supervision (Levels 9-12)	221	87.70	58	34.32	3.81	231
Senior management (Levels 13-16)	12	100	2	22.22	6	15
Total	2 069	78.07	391	55.30	5.68	572

TABLE 9.2 Disability leave (temporary and permanent), 1 January 2005 to 31 December 2005

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	15	100	2	1.04	8	4
Highly skilled supervision (Levels 9-12)	12	100	1	0.59	12	9
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	27	100	3	1.26	20	13

TABLE 9.3 Annual Leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	4 993	21.16
Skilled (Levels 3-5)	3 564	18.18
Highly skilled production (Levels 6-8)	4 056	22.04
Highly skilled supervision (Levels 9-12)	3 656	21.51
Senior management (Levels 13-16)	194	19.40
Total	16463	20.68

TABLE 9.4 Capped leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005
Lower skilled (Levels 1-2)	530	23.04	21.96
Skilled (Levels 3-5)	184	9.68	21.49
Highly skilled production (Levels 6-8)	181	8.23	34.22
Highly skilled supervision (Levels 9-12)	452	21	43.94
Senior management (Levels 13-16)	1	1	52.40
Total	1 348	62.95	29.70

TABLE 9.5 Leave payouts for the period 1 April 2005 to 31 March 2006

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	63	5	12690.24
Capped leave payouts on termination of service for 2005/06	382	13	29352.28
Current leave payout on termination of service for 2005/06	119	26	4576.90
Total	564	44	46619.42

10. HIV and AIDS & health promotion Programmes

TABLE 10.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
TB testing for workers at the Dairy	TB Testing
Farm workers	Medical Surveillance (Lung capacity)

TABLE 10.2 Details of Health Promotion and HIV and 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 R Wentzel: Director: Corporate Services

PART 5

Question	Yes	No	Details, if yes
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.			The Department has a dedicated unit comprising of five officials with a budget of R1.6 million. The budget is spent on HIV, EAP, OHS, Special Programmes (Gender, Disability and Youth) to all employees of the Department.
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.			Both an internal and external EAP service is available at the Department. The key elements of the Programme are assessments, referrals, marketing, support, counselling and life skills (where necessary). The focus for the past year has been an Integrated Wellness Approach or Lifestyle Management e.g. Screening services (eye, blood pressure, cholesterol, diabetes, breast and prostate cancer, Voluntary Counselling and Testing, TB prevention Programmes).
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.			The committee meets bi-monthly and the members are: Ms. B. Claassen-Hoskins Ms. M. Kennedy Ms. R. Thavar Ms. Z. Huisamer Ms. D. Braaf Mr. A. Mtebele Ms. L. Adams Ms. G. Moses
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.			The recruitment and selection policy has been reviewed. The HIV & AIDS and EAP policies have been approved .
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.			Voluntary counselling and testing has been done twice per annum and those positive did not declare their status publicly. Measures to prevent discrimination are included in the Employment Equity Plan and all EAP practitioners are signatory to the "Confidentiality Code" of practise.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.			Internal: Voluntary Counselling and Testing campaigns have been conducted at least twice for this year in the Department. 104 Officials tested, 12 of the number tested were positive. External: VCT was conducted on 73 farms on the West Coast and positive clients were referred to Dept of Health for further follow-up.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion Programme?			A client satisfaction survey has been done evaluating the external EAP service. The outcome of the survey was a positive response to the service provided.

11 Labour relations

TABLE 11.1 Collective agreements, 1 April 2005 to 31 March 2006

None

TABLE 11.2 Misconduct and disciplinary hearings finalised, 1 April 2005 to 31 March 2006

None

TABLE 11.3 Types of misconduct addressed at disciplinary hearings

None

TABLE 11.4 Grievances lodged for the period 1 April 2005 to 31 March 2006

Number of grievances resolved	10	91%
Number of grievances not resolved	1	9%
Number of grievances lodged	11	100%

TABLE 11.5 Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006

Number of disputes upheld	0	0%
Number of disputes dismissed	1	33%
Number of disputes lodged	3	100%

(Two disputes deadlocked during conciliation. No referral for arbitration according to the Council. Matters may still be referred for arbitration.)

TABLE 11.6 Strike actions for the period 1 April 2005 to 31 March 2006

Total number of person working days lost	5½ hours
Total cost (R'000) of working days lost	R64,88
Amount (R'000) recovered as a result of no work no pay	R64,88

TABLE 11.7 Precautionary suspensions for the period 1 April 2005 to 31 March 2006

None

12 Skills development

TABLE 12.1 Training needs identified 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (9-15)	Female	10	0	7	0	7
	Male	39	0	18	0	18
Professionals	Female	41	0	3	0	3
	Male	82	0	5	0	5
Technicians and associate professionals (5-8)	Female	35	0	0	0	0
	Male	102	0	0	0	0
Clerks (1-4)	Female	122	0	85	0	85
	Male	34	0	77	0	77
Service and sales workers	Female	2	0	0	0	0
	Male	2	0	0	0	0
Skilled agriculture and fishery workers	Female	19	0	0	0	0
	Male	53	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	4	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	45	0	0	0	0
Elementary occupations	Female	61	0	4	0	4
	Male	201	0	80	0	80
SUB TOTAL	Female	290	0	99	0	99
	Male	562	0	180	0	180
TOTAL		852	0	279	0	279

The amount of 852 comprise 762 employees and 90 employees which comprise of 54 excess and 36 contract employees.

12.2 Training provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers (9-15)	Female	10	0	7	0	7
	Male	39	0	18	0	18
Professionals	Female	41	0	3	0	3
	Male	82	0	5	0	5
Technicians and associate professionals (5-8)	Female	35	0	0	0	0
	Male	102	0	0	0	0
Clerks (1-4)	Female	122	0	85	0	85
	Male	34	0	77	0	77
Service and sales workers	Female	2	0	0	0	0
	Male	2	0	0	0	0
Skilled agriculture and fishery workers	Female	19	0	0	0	0
	Male	53	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	4	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	45	0	0	0	0
Elementary occupations	Female	61	0	4	0	4
	Male	201	0	80	0	80
Sub Total	Female	290	0	99	0	99
	Male	562	0	180	0	180
Total		852	0	279	0	279

13 Injury duty

TABLE 13.1 Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	54	100%
Temporary/Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	54	100%

14 Utilisation of consultants

Table 14.1 Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Risks assessments	1	2	R8 550
Training on Legal implications. Occupational Health	1	1	R1 824
Assessment of Financial position. CASIDRA	2	24	R177 072
Ondersoek Kleifonteindam, Zoar en Toekomstdam Oudtshoorn	1	2	R7 638
Geohydrological evaluation of Palmiet-wetland	3	2	R6 853
Riverdale Wetland workshop	3	2	R6 384
Palmiet Wetland workshop	1	2	R6 763
Swartrivier Plaaswerkerstrust LRAD project	1	1	R4 275
CASIDRA an Organisational Study	1	17	R147 945
Strategic plan for farmworkers	7	5	R265 800
Drought assistance for farm workers	1	90	R48 000
Survey honeybush tee	1	4	R1 600
Provide Project	1	0	R275 439
Communication	1	3	R3 000
Conflict management	1	2	R3 200
Course Apply basic food safety	1	3	R5 600
Course in finance	1	3	R7 200
Drawing up an Excise account and financial statements	1	3	R1 411

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Facilitation on Meeting procedures	1	11	R17 200
Handle inputs & stock in Agri – business	1	2	R3 200.00
Agriculture Management	1	4	R3 762
Leadership skills	4	12	R19 200
Microbiology consultant	1	44	R38 750
Poultry Introduction Course	1	1	R2 400
African Horse sickness lectures	1	8	R2 750
Agricultural lectures	11	111	R136 500
Agronomy lectures	1	12	R3 000
Lectures in Agri Tourism	1	53	R42 500
Lectures in Communication	1	10	R5 000
Presentation of lectures in Soil Science	3	107	R58 000
Vegetable cultivation and Avcasa lectures	1	3	R4 800
Soil Scientist	1	31	R35 180
Training Computer course	1	5	R8 000
Training course Agri/Ecotourism	1	6	R9 600
Viticulture	1	3	R4 500
Total	61	589	R1 372 896

Table 14.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Risks assessments	0	0	0
Training on Legal implications. Occupational Health	0	0	0
Assessment of Financial position. CASIDRA	0	0	0
Ondersoek Kleinfonteinendam, Zoar en Toekomsrusdam Oudshoorn	0	0	0
Geohydrological evaluation of Palmiet-wetlands	0	0	0
Riversdale Wetland workshop	0	0	0
Palmiet Wetland workshop	0	0	0
Swartrivier Plaaswerkerstrust LRAD project	0	0	0
CASIDRA An Organisational Study	0	0	0
Strategic plan for farmworkers	100	100	1
Drought assistance for farm workers	0	0	0
Survey honeybush tee	0	0	0
Provide Project	0	0	0
Communication	0	0	0
Conflict management	100	100	1
Course Apply basic food safety	100	100	1
Course in finance	0	0	0
Drawing up an Excise account and financial statements	0	0	0
Facilitation on Meeting procedures	100	100	1
Handle inputs & stock in Agri-business	100	100	1
Agriculture Management	0	0	0
Leadership skills	75	75	3
Microbiology consultant	0	0	0
Poultry Introduction Course	0	0	0
African Horse sickness lectures	0	0	0
Agricultural lectures	50	50	6
Agronomy lectures	0	0	0
Lectures in Agri Tourism	0	0	0
Lectures in Communication	0	0	0
Presentation of lectures in Soil Science	0	0	0
Vegetable cultivation and Avcasa lectures	0	0	0
Soil Scientist	0	0	0
Training Computer course	100	100	1
Training course Agri/Ecotourism	100	100	1
Viticulture	0	0	0

Table 14.3 Report on consultant appointments using Donor funds
None

Table 14.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)
None