

# Vote 34

## Water Affairs and Forestry

<b>Amount to be appropriated</b>	<b>Main appropriation</b> R3 557 412 000	<b>Adjusted appropriation</b> R3 935 636 000	<b>Decrease</b>	<b>Increase</b> R378 224 000
<b>Responsible minister</b>	Minister of Water Affairs and Forestry			
<b>Administering department</b>	Department of Water Affairs and Forestry			
<b>Accounting officer</b>	Director-General of Water Affairs and Forestry			

### Aim

*The aim of the Department of Water Affairs and Forestry is to ensure the availability and supply of water on a national level, to ensure equitable and efficient provision of water services at local level, and to promote sustainable forest management*

### Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives

### Adjusted Estimates of National Expenditure 2005

Table 34.1: Water Affairs and Forestry

Programme	2005/06						
	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1.Administration	272 491	16 248	66 496	8 000	(3 161)	87 583	360 074
2.Water Resources Management	1 506 657	29 900	30 000	–	65 488	125 388	1 632 045
3.Water Services	1 405 075	–	–	(8 000)	130 899	122 899	1 527 974
4.Forestry	373 189	–	46 000	–	(3 646)	42 354	415 543
<b>Total</b>	<b>3 557 412</b>	<b>46 148</b>	<b>142 496</b>	<b>–</b>	<b>189 580</b>	<b>378 224</b>	<b>3 935 636</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>1 543 821</b>	<b>29 148</b>	<b>141 496</b>	<b>(6 648)</b>	<b>(4 361)</b>	<b>159 635</b>	<b>1 703 456</b>
Compensation of employees	686 514	16 248	90 496	–	(3 646)	103 098	789 612
Goods and services	855 712	12 900	51 000	(6 658)	(715)	56 527	912 239
Interest and rent on land	1 595	–	–	10	–	10	1 605
<b>Transfers and subsidies to:</b>	<b>1 664 343</b>	<b>13 000</b>	<b>100</b>	<b>(130 275)</b>	<b>193 941</b>	<b>76 766</b>	<b>1 741 109</b>
Provinces and municipalities	1 075 087	–	100	(136 101)	130 899	(5 102)	1 069 985
Departmental agencies and accounts	556 275	13 000	–	16 981	63 042	93 023	649 298
Households	32 981	–	–	(11 155)	–	(11 155)	21 826
<b>Payments for capital assets</b>	<b>349 248</b>	<b>4 000</b>	<b>900</b>	<b>136 923</b>	<b>–</b>	<b>141 823</b>	<b>491 071</b>
Buildings and other fixed structures	288 027	4 000	–	153 746	–	157 746	445 773
Machinery and equipment	32 900	–	900	(1 723)	–	(823)	32 077
Cultivated assets	–	–	–	25	–	25	25
Software and other intangible assets	28 321	–	–	(15 125)	–	(15 125)	13 196
<b>Total</b>	<b>3 557 412</b>	<b>46 148</b>	<b>142 496</b>	<b>–</b>	<b>189 580</b>	<b>378 224</b>	<b>3 935 636</b>

## Details of adjustments to Estimates of National Expenditure 2005

### Roll-overs – R46,148 million

#### Programme 1: Administration

R16,248 million has been rolled over for personnel-related costs linked to the transfer of some of the department's functions to the appropriate institutions.

#### Programme 2: Water Resource Management

R12,9 million has been rolled over for emergency water supplies.

R4 million has been rolled over to continue with the Olifants River project.

R13 million has been rolled over to improve water supply from DWAF-managed water sources to communities and municipalities.

### Unforeseeable and unavoidable expenditure – R142,496 million

R20 million has been allocated to national projects for drought relief.

R46 million has been allocated for the management of commercial forestry.

R66,496 million has been allocated for the transfer of forestry, water services and water resources to entities outside the public service.

R10 000 has been allocated to fund damages to water infrastructure.

### Virements

**Table 34.2: Water Affairs and Forestry (Net effect of all virements)**

From	R thousand	To	R thousand
<b>Programme</b>			
3 Water Services	8 000	1 Administration	8 000
<b>Economic classification item</b>			
Goods and services	6 658	Interest and rent on land	10
Transfers to provinces and municipalities	136 101	Transfers to departmental agencies and accounts	16 981
Transfers to households	11 155	Buildings and other fixed structures	153 746
Machinery and equipment	1 723	Cultivated assets	25
Software and other intangible assets	15 125		

### Details of savings

#### Programme 3: Water Services

Savings of R8 million are due to projects which started later than anticipated.

### Utilisation of savings

#### Programme 1: Administration

R8 million has been shifted to this programme for the operational costs of the newly established directorates within the finance branch.

### Virements within a programme

#### Programme 2: Water Resource Management

R8,577 million allocated for small-scale farmers and dam safety will be shifted from transfers and subsidies to goods and services, because of delays in developing the subsidy policy.

Programme 3: Water Services

R138,679 million allocated for water services projects grants was incorrectly allocated to transfers and subsidies and has been shifted to payments for capital assets and goods and services.

Programme 4: Forestry

R16,981 million has been shifted from goods and services to transfers and subsidies to effect a payment to the South African Forestry Company Limited (SAFCOL).

**Other adjustments– R189,580 million**

***Shifting of funds between votes***

Programme 1: Administration

R123 000 has been shifted to the Department of Public Works for additional office accommodation.

Programme 2: Water Resource Management

R1,696 million has been shifted to the Department of Public Works for additional office accommodation.

R13 million has been shifted to the Department of Provincial and Local Government for the Working for Fire programme.

Programme 3: Water Services

R341 000 has been shifted to the Department of Public Works for additional office accommodation.

Programme 4: Forestry

R3,646 million has been shifted to the Department of Environmental Affairs and Tourism following the transfer of staff.

***Shifting of funds within a vote***

Programme1: Administration

R3,186 million will be shifted to *Programme 2: Water Resource Management* to fund functions shifted from the Corporate Services subprogramme in programme 1 to the Equitable Supply subprogramme in programme 2.

***Self-financing expenditure***

Programme1: Administration

R148 220 has been deposited into the National Revenue Fund for the river health programme (R76 700) and for travel and accommodation paid by the World Bank to departmental officials of for the Water Week programme (R71 520).

Programme 2: Water Resource Management

R208,238 million is an adjustment for VAT resulting from new tax legislation.

## Expenditure 2004/05 and preliminary expenditure 2005/06

Table 34.3: Water Affairs and Forestry

Programme	2004/05				2005/06		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2004 - Sep 2004	Apr 2004 - Mar 2005	Apr 04 - Mar 05 % of adjusted appropriation	Adjusted appropriation	Apr 2005 - Sep 2005	% change 04/05 - 05/06 Apr - Sep
1. Administration	318 160	136 318	301 909	94,9	360 074	135 558	(0,6)
2. Water Resources Management	1 476 962	608 480	1 447 049	98,0	1 762 944	706 505	16,1
3. Water Services	1 561 360	560 593	1 561 359	100,0	1 397 075	577 602	3,0
4. Forestry	466 630	230 604	466 629	100,0	415 543	192 903	(16,3)
<b>Total</b>	<b>3 823 112</b>	<b>1 535 995</b>	<b>3 776 946</b>	<b>98,8</b>	<b>3 935 636</b>	<b>1 612 568</b>	<b>5,0</b>
<b>Current payments</b>	<b>1 580 680</b>	<b>889 881</b>	<b>1 826 445</b>	<b>115,5</b>	<b>1 703 456</b>	<b>796 796</b>	<b>(10,5)</b>
Compensation of employees	662 005	308 886	602 656	91,0	789 612	389 725	26,2
Goods and services	887 955	579 892	1 193 707	134,4	912 239	405 304	(30,1)
Interest and rent on land	1 505	564	867	57,6	1 605	519	(8,0)
Financial transactions in assets and liabilities	29 215	539	29 215	100,0	-	1 248	131,5
<b>Transfers and subsidies to:</b>	<b>1 897 855</b>	<b>632 661</b>	<b>1 735 067</b>	<b>91,4</b>	<b>1 741 109</b>	<b>773 055</b>	<b>22,2</b>
Provinces and municipalities	1 192 750	5 491	5 491	0,5	939 086	470 932	8476,4
Departmental agencies and accounts	667 105	575 067	1 611 675	241,6	780 197	279 567	(51,4)
Public corporations and private enterprises	38 000	37 581	84 254	221,7	-	7 595	(79,8)
Non-profit institutions	-	-	-	-	-	21	-
Households	-	14 522	33 647	-	21 826	14 940	2,9
<b>Payments for capital assets</b>	<b>344 577</b>	<b>13 453</b>	<b>215 434</b>	<b>62,5</b>	<b>491 071</b>	<b>42 717</b>	<b>217,5</b>
Buildings and other fixed structures	285 742	761	172 786	60,5	445 773	26 940	3440,1
Machinery and equipment	46 143	8 877	31 218	67,7	32 077	11 183	26,0
Cultivated assets	48	17	90	187,5	25	16	(5,9)
Software and other intangible assets	11 401	3 798	11 340	99,5	13 196	4 578	20,5
Land and subsoil assets	1 243	-	-	-	-	-	-
<b>Total</b>	<b>3 823 112</b>	<b>1 535 995</b>	<b>3 776 946</b>	<b>98,8</b>	<b>3 935 636</b>	<b>1 612 568</b>	<b>5,0</b>

### Selected expenditure trends for first half of 2005/06 financial year

Expenditure in the first six months of 2005/06 was R1,612 billion, or 41 per cent of the adjusted appropriation of R3,935 billion for the whole year.

Current expenditure has decreased as a result of the under-utilisation of consultants and outstanding audit fees.

Transfers and subsidies expenditure has increased because the augmentation of the Water Trading Account for September 2004 was not processed on time.

## Summary of transfers and subsidies and conditional grants

Table 34.4 Summary of transfers and subsidies per programme

Table 34.5 Summary of conditional grants to local government (municipalities)

**Table 34.4: Summary of transfers and subsidies per programme**

R thousand	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>1.Administration</b>	<b>967</b>	-	-	-	-	-	<b>967</b>
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>453</b>	-	-	-	-	-	<b>453</b>
Regional Services Council levies	453	-	-	-	-	-	453
<b>Departmental agencies and accounts</b>							
<b>Social security funds</b>							
<b>Current</b>	<b>514</b>	-	-	-	-	-	<b>514</b>
Skills Development Levy	514	-	-	-	-	-	514
<b>2.Water Resources Management</b>	<b>586 620</b>	<b>13 000</b>	-	<b>(8 632)</b>	<b>193 941</b>	<b>198 309</b>	<b>784 929</b>
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>904</b>	-	-	<b>2 523</b>	-	<b>2 523</b>	<b>3 427</b>
Regional Services Council levies	904	-	-	2 523	-	2 523	3 427
<b>Departmental agencies and accounts</b>							
<b>Public entities</b>							
<b>Current</b>	<b>552 735</b>	<b>13 000</b>	-	-	<b>193 941</b>	<b>206 941</b>	<b>759 676</b>
Augmentation of the Water Trading Account	549 985	13 000	-	-	193 941	206 941	756 926
Augmentation of the Equipment Trading Account	2 750	-	-	-	-	-	2 750
<b>Households</b>							
<b>Other transfers</b>							
<b>Current</b>	<b>32 981</b>	-	-	<b>(11 155)</b>	-	<b>(11 155)</b>	<b>21 826</b>
Financial assistance to small scale farmers	31 731	-	-	(9 905)	-	(9 905)	21 826
Financial assistance iro dam safety	1 250	-	-	(1 250)	-	(1 250)	-
<b>3.Water Services</b>	<b>1 076 333</b>	-	-	<b>(138 624)</b>	-	<b>(138 624)</b>	<b>937 709</b>
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>934 628</b>	-	-	<b>55</b>	-	<b>55</b>	<b>934 683</b>
Regional Services Council levies	194	-	-	55	-	55	249
Water Services Operating Subsidy Grant	934 434	-	-	-	-	-	934 434
<b>Capital</b>	<b>138 679</b>	-	-	<b>(138 679)</b>	-	<b>(138 679)</b>	-
Implementation of Water Services Projects Grants	138 679	-	-	(138 679)	-	(138 679)	-

R thousand	2005/06							
	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments			
<b>Departmental agencies and accounts</b>								
<b>Public entities</b>								
<b>Current</b>	<b>3 026</b>	-	-	-	-	-	<b>3 026</b>	
Augmentation of the Water Trading Account	3 000	-	-	-	-	-	3 000	
Water research council levy	26	-	-	-	-	-	26	
<b>4. Forestry</b>	<b>423</b>	-	<b>100</b>	<b>16 981</b>	-	<b>17 081</b>	<b>17 504</b>	
<b>Provinces and municipalities</b>								
<b>Municipalities</b>								
<b>Municipal bank accounts</b>								
<b>Current</b>	<b>423</b>	-	<b>100</b>	-	-	<b>100</b>	<b>523</b>	
Regional Services Council levies	423	-	100	-	-	100	523	
<b>Departmental agencies and accounts</b>								
<b>Public entities</b>								
<b>Current</b>	-	-	-	<b>16 981</b>	-	<b>16 981</b>	<b>16 981</b>	
SAFCOL	-	-	-	16 981	-	16 981	16 981	
<b>Total</b>	<b>1 664 343</b>	<b>13 000</b>	<b>100</b>	<b>(130 275)</b>	<b>193 941</b>	<b>76 766</b>	<b>1 741 109</b>	

Table 34.5: Summary of conditional grants to local government (municipalities) <sup>1</sup>

R thousand	2005/06							
	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments			
<b>3. Water Services</b>								
Operation of Water Services								
Water Services Operating Subsidy	934 434	-	-	-	-	-	934 434	
Water and Sanitation Services								
Implementation of Water Services Projects	138 679	-	-	(138 679)	-	(138 679)	-	
<b>Total</b>	<b>1 073 113</b>	-	-	<b>(138 679)</b>	-	<b>(138 679)</b>	<b>934 434</b>	

<sup>1</sup> Main appropriation detail provided in the Division of Revenue Act, 2005