

Vote 43

Water Affairs

Adjusted budget summary

2009/10				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	–	7 774 002	–	7 774 002
<i>of which:</i>				
Current payments	–	3 235 184	–	3 235 184
Transfers and subsidies	–	4 106 341	–	4 106 341
Payments for capital assets	–	432 477	–	432 477
Executive authority	Minister of Water and Environmental Affairs			
Accounting officer	Director-General of Water Affairs			
Website address	www.dwa.gov.za			

Aim

The aim of the Department of Water Affairs is to ensure the availability and supply of water at national level, facilitate equitable and sustainable social and economic development, and ensure the universal and efficient supply of water services at local level.

Reorganisation of department

In terms of the revised government structure, the new Department of Water Affairs will undertake all the water functions from the previous Department of Water Affairs and Forestry.

Mid-year performance status

Indicator	Programme	Annual performance		
		Projected for 2009/10 as published in the 2009 ENE	Achieved in the first six months of 2009/10 (April to September)	Change of estimate for 2009/10
As published in the 2009 ENE	Programme linked to the indicator			
Number of additional people provided with basic water supply by water service authorities	Water Services	1.2 million	616 458	–
Number of additional people provided with basic sanitation by water service authorities	Water Services	1.3 million	177 426	–
Number of new water management areas in which compulsory licensing processes have been completed	Water Resource Management	5	0	1
Number of additional schools with no services provided with safe water supply and sanitation services	Water Services	1 200	390	–
Percentage of population with access to free basic water services	Water Services	89%	86%	–
Number of bulk infrastructure schemes implemented	Water Services	45	44	–
Number of new reconciliation strategies developed to ensure water security	Water Services	8	4	–
Number of additional water monitoring stations managed for date collection	Water Resource Management	2 050	900	–
Number of water licences issued each year	Water Resource Management	200	65	–

Indicator	Programme	Annual performance		
		Projected for 2009/10 as published in the 2009 ENE	Achieved in the first six months of 2009/10 (April to September)	Change of estimate for 2009/10
As published in the 2009 ENE	Programme linked to the indicator			
Number of additional rainwater harvesting tanks distributed	Water Resource Management	5 000	1 600	–
Number of additional resource poor farmers supported through subsidies	Water Resource Management	360	468	–
Total number of municipalities implementing water conservation and water demand management	Water Resource Management	80	4	–

The estimated number of additional schools with no services provided with safe water supply and sanitation services in 2009/10 has been decreased, due to an increase in costs.

The number of additional resource poor farmers supported through subsidies depends on the number of applications received.

Adjusted Estimates of National Expenditure 2009

Programme		2009/10						
R thousand	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments		
1. Administration	–	–	35 208	(14 086)	791 419	–	812 541	812 541
2. Water Resources Management	–	227 000	91 200	(65 386)	3 868 189	–	4 121 003	4 121 003
3. Water Services	–	5 253	40 700	79 472	2 715 033	–	2 840 458	2 840 458
Total	–	232 253	167 108	–	7 374 641	–	7 774 002	7 774 002
Economic classification								
Current payments	–	5 253	98 035	193 328	2 938 568	–	3 235 184	3 235 184
Compensation of employees	–	–	33 408	21 366	969 281	–	1 024 055	1 024 055
Goods and services	–	5 253	64 627	171 962	1 969 287	–	2 211 129	2 211 129
Transfers and subsidies	–	227 000	69 073	479 247	3 331 021	–	4 106 341	4 106 341
Provinces and municipalities	–	–	53 700	454 199	978 579	–	1 486 478	1 486 478
Departmental agencies and accounts	–	227 000	15 373	–	2 120 122	–	2 362 495	2 362 495
Universities and technikons	–	–	–	–	5 000	–	5 000	5 000
Foreign governments and international organisations	–	–	–	625	180 100	–	180 725	180 725
Non-profit institutions	–	–	–	–	440	–	440	440
Households	–	–	–	24 423	46 780	–	71 203	71 203
Payments for capital assets	–	–	–	(672 575)	1 105 052	–	432 477	432 477
Buildings and other fixed structures	–	–	–	(673 070)	1 016 732	–	343 662	343 662
Machinery and equipment	–	–	–	495	59 169	–	59 664	59 664
Software and other intangible assets	–	–	–	–	29 151	–	29 151	29 151
Total	–	232 253	167 108	–	7 374 641	–	7 774 002	7 774 002

Details of Adjustments to Estimates of National Expenditure 2009

Roll-overs – R232.253 million

Programme 2: Water Resource Management

R227 million has been rolled over for the construction of the De Hoop Dam.

Programme 3: Water Services

R5.253 million has been rolled over for the regional bulk infrastructure grant.

Unforeseeable and unavoidable expenditure – R167.108 million**Programme 1: Administration**

An additional R3 million is allocated for the new deputy minister.

An additional R32.208 million is allocated for the higher salary increases than the main budget provided for.

Programme 2: Water Resource Management

An additional R15.373 million is allocated to the water trading entity for the higher salary increases than the main budget provided for.

An additional R22.127 million is allocated for Working for Water.

An additional R53.7 million is allocated for drought relief to the Western Cape.

Programme 3: Water Services

An additional R40.7 million is allocated for portable water treatment plants to prevent cholera.

Virements

Programmes					
1. Administration 2. Water Resources Management 3. Water Services					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(14 166)	Programme 2		775
Goods and services	Reductions in consultants and special services	(855)	Goods and services	For ministerial Women's Month in Eastern Cape	775
			Programme 1		80
			Machinery and equipment	For computers	80
			Programme 3		13 311
Compensation of employees	Redistribution of inflation adjustment allocated to Programme 1 in 2009 ENE	(13 311)	Compensation of employees	For newly established units	13 311
Programme 2		(94 551)	Programme 2		625
Goods and services	Reductions in consultants and special services	(625)	Foreign governments and international organisations (current)	For building water economic and governance capacity in the department, and for support to the Centre for Environmental Economics and Policy in Africa at University of Pretoria	625
			Programme 3		51 992
	Reduction to head office functions shifted to the regions	(38 581)	Goods and services	For water use conservation and water demand management function in the regions	38 581
	Incorrectly classified in the 2009 ENE	(11 576)	Buildings and other fixed structures	Incorrectly classified in the 2009 ENE	11 576
	Reduction in head office costs	(1 835)	Goods and services	For newly established regional office	1 835

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2			Programme 2		27 165
Compensation of employees	Reduction due to vacant posts	(37 334)	Goods and services	For Working for Water, and rainwater harvesting programmes	27 165
			Programme 3		10 169
			Compensation of employees	For shortfall due to structural changes	10 169
			Programme 3		4 000
Households (current)	Incorrectly classified in the 2009 ENE	(4 000)	Goods and services	Incorrectly classified in the 2009 ENE	4 000
			Programme 2		600
	Incorrectly classified in the 2009 ENE	(600)	Goods and services	Incorrectly classified in the 2009 ENE	600
Programme 3		(852 790)	Programme 3		26 854
Goods and services	Incorrectly classified in the 2009 ENE	(26 854)	Buildings and other fixed structures	Incorrectly classified in the 2009 ENE	26 854
			Programme 3		6 289
Compensation of employees	Reduction due to structural changes	(6 289)	Goods and services	For goods and services	6 289
			Programme 3		761
Households (current)	Reduction due to structural changes	(761)	Goods and services	For goods and services	761
			Programme 3		711 500
Buildings and other fixed structures	Incorrectly classified in 2009 ENE	(705 900)	Provinces and municipalities (capital)	Incorrectly classified in 2009 ENE	561 500
			Goods and services	Incorrectly classified in 2009 ENE	143 900
			Machinery and equipment	Incorrectly classified in 2009 ENE	500
Compensation of employees	Reduction due to vacant posts	(5 600)	Compensation of employees	For newly created monitoring and evaluation structures	5 600
			Programme 3		77 517
Provinces and municipalities (current)	Reduction due to delayed transfer of staff to municipalities	(107 301)	Compensation of employees	For salaries of staff retained due to delayed transfer	49 220
			Goods and services	For operational costs for staff not transferred to municipalities	28 297
			Programme 3		29 784
			Households (current)	For leave gratuities for staff already transferred to municipalities	29 784
			Programme 3		85
Machinery and equipment	Reduction due to structural changes	(85)	Goods and services	For goods and services	85
Total		(961 507)			961 507

Function shifts – R7.375 billion

R7.375 billion is shifted from the previous Department of Water Affairs and Forestry following the shift of that department's water functions.

Expenditure for 2008/09 and preliminary expenditure for 2009/10

Programme	2008/09					2009/10		
	Expenditure outcome					Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted appropriation	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted appropriation	Adjusted appropriation	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted appropriation
1. Administration	591 686	299 908	50.7	681 758	115.2	812 541	329 321	40.5
2. Water Resources Management	3 528 112	1 480 891	42.0	3 001 347	85.1	4 121 003	1 586 808	38.5
3. Water Services	2 423 844	946 492	39.0	2 341 818	96.6	2 840 458	922 770	32.5
Total	6 543 642	2 727 291	41.7	6 024 923	92.1	7 774 002	2 838 899	36.5
Economic classification								
Current payments	3 240 009	1 390 131	42.9	3 124 421	96.4	3 235 184	1 476 157	45.6
Compensation of employees	1 332 383	580 747	43.6	1 183 922	88.9	1 024 055	601 837	58.8
Goods and services	1 906 884	808 877	42.4	1 936 987	101.6	2 211 129	871 995	39.4
Interest and rent on land	742	110	14.8	174	23.5	–	69	–
Financial transactions in assets and liabilities	–	397	–	3 338	–	–	2 256	–
Transfers and subsidies	3 267 998	1 450 525	44.4	3 355 561	102.7	4 106 341	1 550 833	37.8
Provinces and municipalities	994 716	484 067	48.7	1 636 387	164.5	1 486 478	593 527	39.9
Departmental agencies and accounts	2 196 898	948 634	43.2	1 657 787	75.5	2 362 495	919 252	38.9
Public corporations and private enterprises	2 700	75	2.8	1 422	52.7	–	459	–
Foreign governments and international organisations	572	–	–	533	93.2	180 725	1 128	0.6
Non-profit institutions	387	377	97.4	379	97.9	440	450	102.3
Households	72 725	17 372	23.9	59 053	81.2	71 203	36 017	50.6
Payments for capital assets	528 609	144 439	27.3	51 589	9.8	432 477	73 865	17.1
Buildings and other fixed structures	418 559	102 436	24.5	1 971	0.5	343 662	56 977	16.6
Machinery and equipment	59 041	35 561	60.2	48 038	81.4	59 664	17 589	29.5
Biological and cultivated assets	–	407	–	199	–	–	232	–
Software and other intangible assets	51 009	6 035	11.8	1 381	2.7	29 151	(933)	(3.2)
Total	7 036 616	2 985 095	42.4	6 531 571	92.8	7 774 002	3 100 855	39.9

Main expenditure trends for the first half of 2009/10

Total expenditure for 2008/09 was 92.8 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 was R3.101 billion, or 39.9 per cent of the adjusted appropriation of R7.774 billion for the year as a whole. In comparison, mid-year expenditure in 2008/09 was R2.985 billion, or 42.4 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 increased by R115.8 million or 3.9 per cent, compared to expenditure in the first six months of 2008/09.

The main expenditure increase compared to 2008/09 is due to the cholera outbreak in Limpopo and Mpumalanga, Phakisa invoices and augmentation of the water trading entity.

Departmental receipts

R thousand	2008/09					2009/10			
	Adjusted estimate	Audited outcome				Actual receipts			
		Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted estimate
Departmental receipts	67 631	33 272	49.2	56 697	83.8	91 567	72 567	29 023	40.0
Sales of goods and services produced by department	40 087	27 260	68.0	45 976	114.7	39 277	38 119	17 459	45.8
Fines, penalties and forfeits	–	–	–	–	–	–	12	12	100.0
Interest, dividends and rent on land	27 544	6 012	21.8	10 721	38.9	27 040	17 829	4 957	27.8
Transactions in financial assets and liabilities	–	–	–	–	–	25 250	16 607	6 595	39.7
Total	67 631	33 272	49.2	56 697	83.8	91 567	72 567	29 023	40.0

Main departmental revenue trends for the first half of 2009/10

Departmental revenue collection in the first six months of 2009/10 was R29.0 million, or 40.0 per cent of the adjusted revenue estimate of R72.6 million for the year as a whole. In comparison, mid-year revenue collection in 2008/09 was R33.3 million, or 49.2 per cent of the 2008/09 adjusted estimate. Departmental revenue collection in the first six months of 2009/10 decreased by R4.2 million or 12.8 per cent, compared to revenue collected in the first six months of 2008/09.

The main revenue increase compared to 2008/09 is due to sales of forestry products produced by the department.

Changes to transfers and subsidies, and conditional grants

Summary of changes to transfers and subsidies per programme

2009/10								
R thousand	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments		
1. Administration								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	–	–	–	–	1 027	–	1 027	1 027
Energy Sector Education Training Authority	–	–	–	–	1 027	–	1 027	1 027
Universities and technikons								
Current	–	–	–	–	5 000	–	5 000	5 000
Learning Academy: Burseries	–	–	–	–	5 000	–	5 000	5 000
Households								
Social benefits								
Current	–	–	–	–	2 000	–	2 000	2 000
Leave gratuities	–	–	–	–	2 000	–	2 000	2 000
Households								
Other transfers to households								
Current	–	–	–	–	1 500	–	1 500	1 500
Disbursements: Poverty Campaign	–	–	–	–	1 000	–	1 000	1 000
Disbursements: Youth Programmes	–	–	–	–	500	–	500	500

Summary of changes to transfers and subsidies per programme

2009/10								
R thousand	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments		
2. Water Resources Management								
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Capital	–	–	53 700	–	–	–	53 700	53 700
Municipal drought relief grant	–	–	53 700	–	–	–	53 700	53 700
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	–	–	15 373	–	129 894	–	145 267	145 267
Water Trading Account:	–	–	15 373	–	107 835	–	123 208	123 208
Augmentation	–	–	–	–	22 059	–	22 059	22 059
Catchment Management	–	–	–	–	22 059	–	22 059	22 059
Agencies: Seed Funding	–	–	–	–	22 059	–	22 059	22 059
Capital	–	227 000	–	–	1 989 201	–	2 216 201	2 216 201
Water Trading Account:	–	227 000	–	–	1 989 201	–	2 216 201	2 216 201
Infrastructure	–	–	–	–	–	–	–	–
Foreign governments and international organisations								
Current	–	–	–	625	180 100	–	180 725	180 725
Orange-Senqu River Basin Commission	–	–	–	–	100	–	100	100
Komati River Basin Water Authority	–	–	–	–	180 000	–	180 000	180 000
International Centre for Water Economics and Governance (IWEGA)	–	–	–	625	–	–	625	625
Non-profit institutions								
Current	–	–	–	–	440	–	440	440
Swimming South Africa: Public Benefit Organisation	–	–	–	–	440	–	440	440
Households								
Social benefits								
Current	–	–	–	–	4 000	–	4 000	4 000
Leave gratuities	–	–	–	–	4 000	–	4 000	4 000
Households								
Other transfers to households								
Current	–	–	–	(4 600)	35 280	–	30 680	30 680
Financial assistance to small scale farmers	–	–	–	(4 600)	30 972	–	26 372	26 372
Financial assistance for dam safety	–	–	–	–	578	–	578	578
Resource for poor farmers	–	–	–	–	3 730	–	3 730	3 730
3. Water Services								
Provinces and municipalities								
Provinces								
Provincial agencies and funds								
Capital	–	–	–	561 500	–	–	561 500	561 500
Regional Bulk Infrastructure	–	–	–	561 500	–	–	561 500	561 500
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	–	–	–	(107 301)	978 579	–	871 278	871 278
Water services operating subsidy grant	–	–	–	(107 301)	978 579	–	871 278	871 278
Households								
Social benefits								
Current	–	–	–	29 023	4 000	–	33 023	33 023
Leave gratuities	–	–	–	29 023	4 000	–	33 023	33 023

Summary of changes to conditional grants: Local Government

2009/10								
R thousand	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments	Total additional appropriation	
2. Water Resource Management								
Municipal drought relief grant	–	–	53 700	–	–	–	53 700	53 700
3. Water Services								
Water services operating subsidy grant	–	–	–	(107 301)	978 579	–	871 278	871 278