

# Vote 38

## Water Affairs

### Adjusted budget summary

2011/12				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>9 936 225</b>	<b>9 028 319</b>	(907 906)	–
<i>of which:</i>				
Current payments	4 005 157	2 919 301	(1 085 856)	–
Transfers and subsidies	3 767 153	3 512 408	(254 745)	–
Payments for capital assets	2 163 915	2 596 610	–	432 695
Executive authority	Minister of Water and Environmental Affairs			
Accounting officer	Director-General of Water Affairs			
Website address	www.dwa.gov.za			

### Aim

*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.*

### Mid-year performance status

Indicator	Programme	Annual performance		
		Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six months of 2011/12 (April to September) <sup>1</sup>	Change of estimate for 2011/12
As published in the 2011 ENE	Programme linked to the indicator			
Number of new reconciliation strategies developed to ensure water security per year	Water Sector Management	2	0	
Total number of water monitoring stations and number of priority catchment optimally monitored	Water Sector Management	5	0	
Number of additional people provided with access to water per year	Regional Implementation and Support	1 million	379 003	
Number of bulk Infrastructure schemes implemented per year	Regional Implementation and Support	55	7	
Number of additional rainwater harvesting tanks distributed for food production per year	Regional Implementation and Support	6 000	1 000	
Number of additional resource poor farmers supported with subsidies per year	Regional Implementation and Support	1 000	0	
Number of new water management areas in which compulsory licensing process have been completed per year	Water Sector Regulation	2	0	
Number of water licences issued per year	Water Sector Management	300	154	
Number of water supply systems assessed to meet effluent standards per year	Water Sector Management	797	5	
Number of existing bilateral instrument realigned or expanded per year	International Water Cooperation	1	0	
Number of country strategies established per year	International Water Cooperation	2	0	
Percentage completion on construction of Inyaka Water Treatment works	Regional Implementation and Support	98%	70%	

Indicator	Programme	Annual performance		
		Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six months of 2011/12 (April to September) <sup>1</sup>	Change of estimate for 2011/12
As published in the 2011 ENE	Programme linked to the indicator			
Percentage completion on Nandoni water distribution network and water treatment works	Regional Implementation and Support	79%	70%	
Percentage completion on construction of Nandoni pipeline	Regional Implementation and Support	27%	0%	
Percentage completion on construction of Groot Letaba water augmentation project water distribution network and water treatment works	Regional Implementation and Support	20%	0%	
Percentage completion on construction of Hluhluwe regional water scheme	Regional Implementation and Support	92%	40%	
Percentage of construction of the pipeline from Middle Letaba Dam	Regional Implementation and Support	94%	98%	100%
Hectares of land cleared of alien plants and vegetation per year	Regional Implementation and Support	889 915ha		Function transferred to the Department of Environmental Affairs
Hectares of land converted to woodlots per year	Regional Implementation and Support	2050ha		Function transferred to the Department of Environmental Affairs
Number of jobs created by Working for Water per year	Regional Implementation and Support	28 400		Function transferred to the Department of Environmental Affairs
Number of jobs created by Working on Fire per year	Regional Implementation and Support	2 890		Function transferred to the Department of Environmental Affairs

1. Progress is reported for the first quarter of 2011/12 (1 April 2011 – 30 June 2011).

#### Changes to indicators and targets published in the 2011 ENE

A report has been compiled on the construction programme of the Middle Letaba Dam, where the baseline is 94 per cent of the construction of the dam is completed. As 98 per cent of the construction is already completed in the first quarter of 2011/12, the estimate for the end of the year has been adjusted to 100 per cent.

#### Mid-year progress

In terms of new water management areas in which the compulsory licensing process need to be completed, a draft proposed allocation schedule has been done for Mhlathuze Water, with the proposed allocation schedule expected to be gazetted in the second quarter of 2011/12. A preliminary allocation schedule has been gazetted for the Tosca Molopo catchment. The draft proposed allocation schedule for the Jan Dissels catchment will be developed in the second quarter of the year. Regarding existing bilateral instruments, draft agreements have been prepared in relation to the renewal of the South Africa-China agreement, the water sharing agreement with Namibia, and the state law advisors agreement with Cuba. Regarding completion on the construction of the Nandoni pipeline, it was recommended that selected bidders be approached to bid for the work. However, the departmental bid adjudication committee did not approve this request.

Nothing has been done in relation to the construction of the Groot Letaba water augmentation project, as the programme is awaiting environmental authorisation from the Department of Environmental Affairs.

## Adjusted Estimates of National Expenditure 2011

Programme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand							
Administration	862 122	-	-	(850)	7 793	6 943	869 065
Water Sector Management	718 726	-	208 000	(500)	(44 075)	163 425	882 151
Water Infrastructure Management	2 607 963	-	-	(223 000)	-	(223 000)	2 384 963
Regional Implementation and Support	5 608 933	145 828	-	224 350	(1 225 452)	(855 274)	4 753 659
Water Sector Regulation	112 370	-	-	-	-	-	112 370
International Water Cooperation	26 111	-	-	-	-	-	26 111
<b>Total</b>	<b>9 936 225</b>	<b>145 828</b>	<b>208 000</b>	<b>-</b>	<b>(1 261 734)</b>	<b>(907 906)</b>	<b>9 028 319</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>4 005 157</b>	<b>97 086</b>	<b>208 000</b>	<b>(152 936)</b>	<b>(1 238 006)</b>	<b>(1 085 856)</b>	<b>2 919 301</b>
Compensation of employees	1 195 422	-	-	(27 692)	(72 115)	(99 807)	1 095 615
Goods and services	2 809 735	97 086	208 000	(125 972)	(1 165 891)	(986 777)	1 822 958
Interest and rent on land	-	-	-	728	-	728	728
<b>Transfers and subsidies</b>	<b>3 767 153</b>	<b>10 150</b>	<b>-</b>	<b>(225 320)</b>	<b>(39 575)</b>	<b>(254 745)</b>	<b>3 512 408</b>
Provinces and municipalities	1 011 515	3 150	-	(21 599)	-	(18 449)	993 066
Departmental agencies and accounts	2 503 542	-	-	(223 000)	-	(223 000)	2 280 542
Foreign governments and international organisations	180 600	-	-	-	-	-	180 600
Households	71 496	7 000	-	19 279	(39 575)	(13 296)	58 200
<b>Payments for capital assets</b>	<b>2 163 915</b>	<b>38 592</b>	<b>-</b>	<b>378 256</b>	<b>15 847</b>	<b>432 695</b>	<b>2 596 610</b>
Buildings and other fixed structures	2 088 564	38 592	-	365 282	16 784	420 658	2 509 222
Machinery and equipment	60 646	-	-	12 974	(937)	12 037	72 683
Software and other intangible assets	14 705	-	-	-	-	-	14 705
<b>Total</b>	<b>9 936 225</b>	<b>145 828</b>	<b>208 000</b>	<b>-</b>	<b>(1 261 734)</b>	<b>(907 906)</b>	<b>9 028 319</b>

### Programme 1: Administration

Subprogramme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand							
Ministry	25 673	-	-	-	-	-	25 673
Departmental Management (DG's Office)	92 194	-	-	19 440	-	19 440	111 634
Internal Audit	17 080	-	-	-	-	-	17 080
Corporate Services	358 241	-	-	(290)	-	(290)	357 951
Financial Management	165 342	-	-	(20 000)	10 477	(9 523)	155 819
Office Accommodation	203 592	-	-	-	(2 684)	(2 684)	200 908
<b>Total</b>	<b>862 122</b>	<b>-</b>	<b>-</b>	<b>(850)</b>	<b>7 793</b>	<b>6 943</b>	<b>869 065</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>806 750</b>	<b>-</b>	<b>-</b>	<b>(1 867)</b>	<b>7 793</b>	<b>5 926</b>	<b>812 676</b>
Compensation of employees	263 387	-	-	(170)	10 477	10 307	273 694
Goods and services	543 363	-	-	(1 798)	(2 684)	(4 482)	538 881
Interest and rent on land	-	-	-	101	-	101	101
<b>Transfers and subsidies</b>	<b>18 192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18 192</b>
Departmental agencies and accounts	1 500	-	-	-	-	-	1 500
Households	16 692	-	-	-	-	-	16 692
<b>Payments for capital assets</b>	<b>37 180</b>	<b>-</b>	<b>-</b>	<b>1 017</b>	<b>-</b>	<b>1 017</b>	<b>38 197</b>
Buildings and other fixed structures	2 805	-	-	(2 805)	-	(2 805)	-
Machinery and equipment	22 912	-	-	3 822	-	3 822	26 734
Software and other intangible assets	11 463	-	-	-	-	-	11 463
<b>Total</b>	<b>862 122</b>	<b>-</b>	<b>-</b>	<b>(850)</b>	<b>7 793</b>	<b>6 943</b>	<b>869 065</b>

**Programme 2: Water Sector Management**

Subprogramme		2011/12					
R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Policy and Planning Management and Support	5 481	-	-	-	-	-	5 481
Integrated Planning	233 292	-	208 000	9 274	-	217 274	450 566
Policy and Strategy	45 649	-	-	11 510	-	11 510	57 159
Water Ecosystem	39 583	-	-	-	-	-	39 583
Water Information Management	198 221	-	-	(9 774)	-	(9 774)	188 447
Institutional Oversight	196 500	-	-	(11 510)	(44 075)	(55 585)	140 915
<b>Total</b>	<b>718 726</b>	<b>-</b>	<b>208 000</b>	<b>(500)</b>	<b>(44 075)</b>	<b>163 425</b>	<b>882 151</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>551 655</b>	<b>-</b>	<b>208 000</b>	<b>(500)</b>	<b>-</b>	<b>207 500</b>	<b>759 155</b>
Compensation of employees	205 059	-	-	-	-	-	205 059
Goods and services	346 596	-	208 000	(500)	-	207 500	554 096
<b>Transfers and subsidies</b>	<b>118 154</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44 075)</b>	<b>(44 075)</b>	<b>74 079</b>
Departmental agencies and accounts	74 079	-	-	-	-	-	74 079
Households	44 075	-	-	-	(44 075)	(44 075)	-
<b>Payments for capital assets</b>	<b>48 917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48 917</b>
Buildings and other fixed structures	33 920	-	-	(3 644)	-	(3 644)	30 276
Machinery and equipment	11 785	-	-	3 644	-	3 644	15 429
Software and other intangible assets	3 212	-	-	-	-	-	3 212
<b>Total</b>	<b>718 726</b>	<b>-</b>	<b>208 000</b>	<b>(500)</b>	<b>(44 075)</b>	<b>163 425</b>	<b>882 151</b>

**Programme 3: Water Infrastructure Management**

Subprogramme		2011/12					
R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Infrastructure Development and Rehabilitation	2 440 826	-	-	(223 000)	-	(223 000)	2 217 826
Operation of Water Resources	167 137	-	-	-	-	-	167 137
<b>Total</b>	<b>2 607 963</b>	<b>-</b>	<b>-</b>	<b>(223 000)</b>	<b>-</b>	<b>(223 000)</b>	<b>2 384 963</b>
<b>Economic classification</b>							
<b>Transfers and subsidies</b>	<b>2 607 963</b>	<b>-</b>	<b>-</b>	<b>(223 000)</b>	<b>-</b>	<b>(223 000)</b>	<b>2 384 963</b>
Departmental agencies and accounts	2 427 963	-	-	(223 000)	-	(223 000)	2 204 963
Foreign governments and international organisations	180 000	-	-	-	-	-	180 000
<b>Total</b>	<b>2 607 963</b>	<b>-</b>	<b>-</b>	<b>(223 000)</b>	<b>-</b>	<b>(223 000)</b>	<b>2 384 963</b>

**Programme 4: Regional Implementation and Support**

Subprogramme		2011/12					
R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Regional Management and Support	9 204	–	–	–	–	–	9 204
Sector Support and Intergovernmental Relations	1 182 293	112 164	–	1 526	5 000	118 690	1 300 983
Institutional Establishment	10	7 000	–	15 958	2 200	25 158	25 168
Regional Programme Coordination	955	–	–	(650)	–	(650)	305
Natural Resource Management Programmes	1 269 527	–	–	–	(1 269 527)	(1 269 527)	–
Regional Bulk	1 775 340	10 592	–	–	–	10 592	1 785 932
Transfer of Water Schemes	685 740	3 150	–	–	–	3 150	688 890
Support Services	341 255	12 922	–	(15 592)	36 875	34 205	375 460
Water Services Projects	344 519	–	–	203 000	–	203 000	547 519
Intergrated Catchment Management	90	–	–	20 108	–	20 108	20 198
<b>Total</b>	<b>5 608 933</b>	<b>145 828</b>	<b>–</b>	<b>224 350</b>	<b>(1 225 452)</b>	<b>(855 274)</b>	<b>4 753 659</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>2 511 015</b>	<b>97 086</b>	<b>–</b>	<b>(150 569)</b>	<b>(1 245 799)</b>	<b>(1 299 282)</b>	<b>1 211 733</b>
Compensation of employees	648 949	–	–	(27 522)	(82 592)	(110 114)	538 835
Goods and services	1 862 066	97 086	–	(123 674)	(1 163 207)	(1 189 795)	672 271
Interest and rent on land	–	–	–	627	–	627	627
<b>Transfers and subsidies</b>	<b>1 022 244</b>	<b>10 150</b>	<b>–</b>	<b>(2 320)</b>	<b>4 500</b>	<b>12 330</b>	<b>1 034 574</b>
Provinces and municipalities	1 011 515	3 150	–	(21 599)	–	(18 449)	993 066
Households	10 729	7 000	–	19 279	4 500	30 779	41 508
<b>Payments for capital assets</b>	<b>2 075 674</b>	<b>38 592</b>	<b>–</b>	<b>377 239</b>	<b>15 847</b>	<b>431 678</b>	<b>2 507 352</b>
Buildings and other fixed structures	2 051 839	38 592	–	371 731	16 784	427 107	2 478 946
Machinery and equipment	23 835	–	–	5 508	(937)	4 571	28 406
<b>Total</b>	<b>5 608 933</b>	<b>145 828</b>	<b>–</b>	<b>224 350</b>	<b>(1 225 452)</b>	<b>(855 274)</b>	<b>4 753 659</b>

**Details of adjustments to Estimates of National Expenditure 2011****Roll-overs – R145.828 million**

Programme 4: Regional Implementation and Support

Funds have been rolled over as follows:

- R26 million for the construction of new boreholes
- R2 million for the supply and installation of two sewerage effluent pumps
- R10.592 million for regional bulk infrastructure grant projects
- R7 million for the implementation of rain water harvesting tank projects through the Industrial Development Trust
- R3.150 million for the operation and maintenance of water schemes in Lephalale municipality
- R12.922 million to honour payments for fleet management services
- R9.933 million for drought relief in the Ndlambe municipality
- R74.231 million for the implementation of the Masibambane III project.

## Unforeseeable and unavoidable expenditure - R208 million

R208 million has been approved as unforeseeable and unavoidable expenditure for the management of acid mine drainage in the Witwatersrand basins.

### Virements and shifts

#### Programmes

1. Administration
2. Water Sector Management
3. Water Infrastructure Management
4. Regional Implementation and Support
5. Water Sector Regulation
6. International Water Cooperation

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 1</b>		<b>(5 649)</b>	<b>Programme 1</b>		<b>1 391</b>
Compensation of employees	Vacant posts	(170)	Goods and services	For travelling costs	170
Goods and services	Reductions on lease payments, bank charges and card fees	(1 120)	Machinery and equipment	For ministerial motor vehicle and computers	1 120
	Reduction on contractors for the maintenance and repair of machinery and equipment	(101)	Interest and rent on land	To correct the classification of finance lease interest as prescribed by the standard chart of accounts and recommended by National Treasury	101
			<b>Programme 4</b>		<b>1 350</b>
	Reduction on the head office function	(1 350)	Goods and services	For gender and disability projects in the regions	1 350
			<b>Programme 1</b>		<b>2 908</b>
Machinery and equipment	Reduction on audio-visual equipment	(103)	Goods and services	To compensate for the shortfall in training within the human resource management unit	103
Buildings and other fixed structures	Funds incorrectly classified in the 2011 ENE were correctly classified	(2 805)	Machinery and equipment	For an electrical generator in the event of power failure	2 805
Percentage of programme budget		<b>0.7%</b>			
<b>Programme 2</b>		<b>(4 144)</b>	<b>Programme 1</b>		<b>500</b>
Goods and services	Reduction on engineering and agricultural consultant and professional services	(500)	Goods and services	For an extensive water education and awareness campaign among the youth through projects such as 2020 Vision	500
			<b>Programme 2</b>		<b>3 644</b>
Buildings and other fixed structures	Funds incorrectly classified in the 2011 ENE were correctly classified	(3 644)	Machinery and equipment	To fund the procurement of laboratory equipment	3 644
Percentage of programme budget		<b>0.6%</b>			
<b>Programme 3</b>		<b>(223 000)</b>	<b>Programme 4</b>		<b>223 000</b>
Departmental agencies and accounts	Funds incorrectly classified in the 2011 ENE were correctly classified	(223 000)	Buildings and other fixed structures	For the construction of the Nandoni pipeline project in Mpumalanga to rehabilitate water and waste treatment plant in the Emalahleni municipality	223 000
Percentage of programme budget <sup>1</sup>		<b>8.6%</b>			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 4</b>		<b>(252 485)</b>	<b>Programme 4</b>		<b>252 485</b>
Compensation of employees	Vacant posts	(18 760)	Goods and services	For operational activities of catchment management agencies and to fund feasibility study costs in respect of regional bulk infrastructure	18 760
	Vacant posts	(361)	Machinery and equipment	To purchase hydro equipment	361
	Occupational specific dispensation vacant posts	(10 000)	Buildings and other fixed structures	For finalising the borehole projects	10 000
Goods and services	Reductions on consultant and professional services for business advisory, project management and civil engineering services	(4 497)	Machinery and equipment	To purchase hydro equipment. Funds required for the telephone systems and other machinery in the new building	4 497
	Reduction on civil engineering consultant and professional services for infrastructure planning	(556)	Interest and rent on land	To correct the classification of finance lease interest as prescribed by the standard chart of accounts and recommended by National Treasury	556
	Funds incorrectly classified in the 2011 ENE were correctly classified	(167 361)	Buildings and other fixed structures	To correct the classification of accelerated community infrastructure programme water supply and waste water refurbishment according to circular from National Treasury	167 361
Households	Reduction on vehicle licences	(650)	Machinery and equipment	To purchase computers and office equipment for the Northern Cape regional office	650
	Reduction on vehicle licences	(71)	Interest and rent on land	To correct the classification of finance lease interest as prescribed by the standard chart of accounts and recommended by National Treasury	71
Buildings and other fixed structures	Funds incorrectly classified in the 2011 ENE were correctly classified	(28 630)	Goods and services	To fund feasibility study costs in respect of regional bulk infrastructure	28 630
Provinces and municipalities	Staff could not be transferred to municipality in the previous financial year due to protracted negotiations	(21 599)	Compensation of employees	To reimburse the department with funds earmarked for operational activities in the current financial year	1 599
			Households	To reimburse the department with funds earmarked for leave gratuity in the current financial year	20 000
Percentage of programme budget		4.5%			
<b>Total</b>		<b>(485 278)</b>			<b>485 278</b>

1. In terms of the PFMA, only the legislature may approve this virement.

**Other adjustments – R1.262 billion****Adjustments due to significant and unforeseeable economic and financial events**

## Programme 1: Administration

An additional R10.477 million has been allocated for higher personnel remuneration increases than the main budget provided for.

**Function shifts between votes - R1.272 billion**

R2.684 million is shifted to the Department of Agriculture, Forestry and Fisheries to fund accommodation costs following the shift of the forestry function from the Department of Water Affairs in 2009/10.

R966.188 million is shifted to the Department of Environmental Affairs following the function shift of Working for Water.

R303.339 million is shifted to the Department of Environmental Affairs following the function shift of Working on Fire in the current financial year.

**Funds shifted within a vote following function shifts within the same vote**

R44.075 million is shifted from programme 2 to programme 4 due to a change in organisational structure.

**Expenditure for 2010/11 and preliminary expenditure for 2011/12**

Programme	2010/11 Expenditure outcome					2011/12 Preliminary expenditure			
	Adjusted appropriation	Apr 10 - Sep 10	% of adjusted appropriation	Apr 10 - Mar 11	% of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	% of adjusted appropriation	
R thousand									
Administration	954 885	287 071	30.1	825 506	86.5	869 065	288 970	33.3	
Water Sector Management	402 939	143 906	35.7	340 829	84.6	882 151	216 553	24.5	
Water Infrastructure Management	2 238 232	1 080 297	48.3	2 132 422	95.3	2 384 963	803 194	33.7	
Regional Implementation and Support	4 363 842	1 523 180	34.9	4 388 860	100.6	4 753 659	1 373 732	28.9	
Water Sector Regulation	230 682	48 240	20.9	208 915	90.6	112 370	42 979	38.2	
International Water Cooperation	12 613	8 526	67.6	16 605	131.6	26 111	8 400	32.2	
<b>Total</b>	<b>8 203 193</b>	<b>3 091 220</b>	<b>37.7</b>	<b>7 913 137</b>	<b>96.5</b>	<b>9 028 319</b>	<b>2 733 828</b>	<b>30.3</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>3 730 823</b>	<b>1 233 553</b>	<b>33.1</b>	<b>3 147 593</b>	<b>84.4</b>	<b>2 919 301</b>	<b>856 079</b>	<b>29.3</b>	
Compensation of employees	1 166 181	458 000	39.3	974 949	83.6	1 095 615	452 055	41.3	
Goods and services	2 564 642	775 266	30.2	2 169 384	84.6	1 822 958	402 343	22.1	
Interest and rent on land	–	287	0.0	3 260	0.0	728	1 681	230.9	
<b>Transfers and subsidies</b>	<b>3 353 542</b>	<b>1 840 149</b>	<b>54.9</b>	<b>3 231 259</b>	<b>96.4</b>	<b>3 512 408</b>	<b>1 385 452</b>	<b>39.4</b>	
Provinces and municipalities	1 038 528	709 024	68.3	985 202	94.9	993 066	492 486	49.6	
Departmental agencies and accounts	2 059 328	992 229	48.2	1 992 802	96.8	2 280 542	737 845	32.4	
Universities and technikons	–	1 003	0.0	–	0.0	–	–	0.0	
Foreign governments and international organisations	180 306	116 722	64.7	180 275	100.0	180 600	118 830	65.8	
Public corporations and private enterprises	4 127	4 127	100.0	13 794	334.2	–	2 096	0.0	
Non-profit institutions	466	–	0.0	–	0.0	–	–	0.0	
Households	70 787	17 044	24.1	59 186	83.6	58 200	34 195	58.8	



R thousand	2010/11 Expenditure outcome					2011/12 Preliminary expenditure		
	Adjusted appropriation	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted appropriation	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation
		Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted appropriation	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted appropriation		Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation
<b>Payments for capital assets</b>	<b>1 118 828</b>	<b>17 518</b>	<b>1.6</b>	<b>1 528 664</b>	<b>136.6</b>	<b>2 596 610</b>	<b>492 297</b>	<b>19.0</b>
Buildings and other fixed structures	1 033 832	3 887	0.4	1 291 107	124.9	2 509 222	461 076	18.4
Machinery and equipment	72 420	7 964	11.0	230 167	317.8	72 683	19 909	27.4
Biological assets	285	-	0.0	1	0.4	-	-	0.0
Software and other intangible assets	12 291	5 667	46.1	7 389	60.1	14 705	11 312	76.9
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8 203 193</b>	<b>3 091 220</b>	<b>37.7</b>	<b>7 913 137</b>	<b>96.5</b>	<b>9 028 319</b>	<b>2 733 828</b>	<b>30.3</b>

### Main expenditure trends for the first half of 2011/12

Total expenditure for 2010/11 was 96.5 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 was R2.734 billion, or 30.3 per cent of the adjusted appropriation of R9.028 billion for the year as a whole. In comparison, mid-year expenditure in 2010/11 was R 3.091 billion, or 37.7 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 decreased by R357.392 million or 11.6 per cent, compared to expenditure in the first six months of 2010/11.

The main expenditure decrease compared to 2010/11 is due to the late submission of September 2011 invoices for the augmentation to the Water Trading Entity, delays in the finalisation of the memorandum of understanding agreement and the appointment of implementing agents and payments for the regional bulk infrastructure grant and the accelerated community infrastructure programme, and the late appointment of service providers for a range of projects.

### Departmental receipts

R thousand	2010/11 Audited outcome					2011/12 Actual receipts			
	Adjusted estimate	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted estimate
		Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted estimate			Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted estimate
<b>Departmental receipts</b>	<b>42 070</b>	<b>26 750</b>	<b>63.6</b>	<b>33 119</b>	<b>78.7</b>	<b>22 918</b>	<b>22 983</b>	<b>15 003</b>	<b>65.3</b>
Sales of goods and services produced by department	3 525	943	26.8	1 778	50.4	1 889	1 889	921	48.8
Sales of scrap, waste, arms and other used current goods	45	28	62.2	32	71.1	35	100	68	68.0
Interest, dividends and rent on land	10 240	1 474	14.4	3 420	33.4	2 014	2 014	8 311	412.7
Transactions in financial assets and liabilities	28 260	24 305	86.0	27 889	98.7	18 980	18 980	5 703	30.0
<b>Total</b>	<b>42 070</b>	<b>26 750</b>	<b>63.6</b>	<b>33 119</b>	<b>78.7</b>	<b>22 918</b>	<b>22 983</b>	<b>15 003</b>	<b>65.3</b>

### Main departmental revenue trends for the first half of 2011/12

Departmental revenue collection in the first six months of 2011/12 was R15.003 million, or 65.3 per cent of the adjusted revenue estimate of R22.983 million for the year as a whole. In comparison, mid-year revenue collection in 2010/11 was R26.750 million, or 63.6 per cent of the 2010/11 adjusted estimate. Departmental revenue collection in the first six months of 2011/12 decreased by R11.747 million or 43.9 per cent, compared to revenue in the first six months of 2010/11.

The main revenue decrease compared to 2010/11 is due to the high collection of revenue for September 2010, due to the sale of timber and wood product that was generated by the forestry function. However, as this was moved to the Department of Agriculture, Forestry and Fisheries, as of April 2011, revenue is no longer being collected from this source.

## Changes to transfers and subsidies, including conditional grants

### Summary of changes to transfers and subsidies per programme

R thousand	2011/12						Adjusted appropriation
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
<b>Water Sector Management</b>							
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Current</b>	<b>44 075</b>	-	-	-	<b>(44 075)</b>	<b>(44 075)</b>	-
Financial Assistance for Small Scale Farmers	44 075	-	-	-	(44 075)	(44 075)	-
<b>Water Infrastructure Management</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Capital</b>	<b>2 260 826</b>	-	-	<b>(223 000)</b>	-	<b>(223 000)</b>	<b>2 037 826</b>
Water Trading Entity	2 260 826	-	-	(223 000)	-	(223 000)	2 037 826
<b>Regional Implementation and Support</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>560 794</b>	<b>3 150</b>	-	<b>(21 599)</b>	-	<b>(18 449)</b>	<b>542 345</b>
Water Services Operating Subsidy Grant	560 794	3 150	-	(21 599)	-	(18 449)	542 345
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>6 908</b>	-	-	<b>20 000</b>	-	<b>20 000</b>	<b>26 908</b>
Leave gratuity	6 908	-	-	20 000	-	20 000	26 908
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Current</b>	<b>3 821</b>	<b>7 000</b>	-	<b>(721)</b>	<b>4 500</b>	<b>10 779</b>	<b>14 600</b>
Resources for Poor Farmers	3 821	7 000	-	(721)	4 500	10 779	14 600