

Vote 38

Water Affairs

Adjusted budget summary

| 2012/13 | | | | |
|----------------------------------|---|------------------------|-----------|----------|
| R thousand | Main appropriation | Adjusted appropriation | Decrease | Increase |
| Amount to be appropriated | 8 812 661 | 8 993 162 | – | 180 501 |
| of which: | | | | |
| Current payments | 2 636 027 | 2 471 209 | (164 818) | – |
| Transfers and subsidies | 2 913 420 | 2 909 431 | (3 989) | – |
| Payments for capital assets | 3 263 214 | 3 612 522 | – | 349 308 |
| Executive authority | Minister of Water and Environmental Affairs | | | |
| Accounting officer | Acting 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 As published in the 2012 ENE | Programme Programme linked to the indicator | Annual performance | | |
|--|--|--|--|-----------------------------------|
| | | Projected for 2012/13 as published in the 2012 ENE | Achieved in the first six months of 2012/13 (April to September) | Change of estimate for 2012/13 |
| Number of new reconciliation strategies developed to ensure water security per year | Water Sector Management | 4 | 4 | – |
| Total number of water monitoring stations and number of priority catchments optimally monitored | Water Sector Management | 5 | –1 | – |
| Number of additional people provided with access to water per year | Regional Implementation and Support | 746 004 | 346 000 | – |
| Number of bulk infrastructure schemes implemented per year | Regional Implementation and Support | 64 | 52 | – |
| Number of additional rainwater harvesting tanks distributed for access and food production per year | Regional Implementation and Support | 7 000 | 1 674 | – |
| Number of additional resource poor farmers supported with subsidies per year | Regional Implementation and Support | 750 | 180 | – |
| Number of new water management areas in which compulsory licencing process have been completed per year | Water Sector Regulation | 3 | 1 | – |
| Number of water use licence applications issued per year | Water Sector Regulation | 250 | 92 | – |
| Number of waste water treatment works assessed to meet effluent standards per year ² | Water Sector Regulation | 803 | 166 | – |
| Number of existing bilateral instruments realigned or expanded per year | International Water Cooperation | 1 | 1 | – |
| Number of country strategies established per year | International Water Cooperation | 2 | 2 | – |
| Number of municipalities supported in water conservation and water demand management per year | Regional Implementation and Support | 39 | 19 | – |
| Percentage completion on construction of Inyaka water treatment works as stated in the original and approved project implementation plan | Regional Implementation and Support | 99% | 94.5% | – |
| Percentage completion on the Nandoni water distribution network and water treatment works as stated in the original and approved project implementation plan | Regional Implementation and Support | 99% | 83% | – |

2012 Adjusted Estimates of National Expenditure

| Indicator As published in the 2012 ENE | Programme Programme linked to the indicator | Annual performance | | |
|--|---|--|--|-----------------------------------|
| | | Projected for 2012/13 as published in the 2012 ENE | Achieved in the first six months of 2012/13 (April to September) | Change of estimate for 2012/13 |
| Percentage completion on construction of Nandoni distribution replacement of glass-reinforced plastic pipeline as stated in the original and approved implementation plan | Regional Implementation and Support | 91% | 33% | - |
| Percentage completion on construction of Groot Letaba water augmentation project water distribution network and water treatment works as stated in the original and approved project implementation plan | Regional Implementation and Support | 10% | 9% | - |
| Percentage completion on construction of Hluhluwe regional water scheme as stated in the original and approved project implementation plan | Regional Implementation and Support | 100% | 99% | - |
| Percentage of construction of the pipeline from Middle Letaba dam as stated in the original and approved project implementation plan | Regional Implementation and Support | 100% | 100% | - |

1. This was completed during 2011; the total target of 5 was reached.

2. The wording of this indicator was incorrectly stated in the 2012 ENE.

Mid year progress

Three new water management areas, in which compulsory licences are required, were projected to be completed during 2012/13. One water management area has been finalised to date. Four All Towns' strategies were finalised and the development of three large system reconciliation strategies is underway. A total of 166 waste water treatment works have been evaluated to meet effluent standards and assessments will continue until December 2012.

The impact on performance of the rollover of funds will be the improvement of water drilling services in the Limpopo province by ensuring that the targeted deliverables are achieved. These include performance management systems such as the eight balanced scorecards that will be developed.

Importantly, the water services projects in the Lukalo, Luwani and Vuwani Water pipelines project in Limpopo will be finalised and funds will be allocated to training of staff.

With regard to rain water harvesting, there will be improved access to water for food production through the rain water tanks programmes. Additional funds have been made available to help validation of water use in the Langkloof catchment and Crocodile West/Marico area. The Crocodile Water Management area supplies water to the Lephhalale area where energy generating plants are being developed.

Adjusted Estimates of National Expenditure 2012

| Programme | 2012/13 | | | | | | | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | |
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| R thousand | | | | | | | | |
| Administration | 883 128 | 30 376 | – | (6 266) | (33 692) | (8 544) | (18 126) | 865 002 |
| Water Sector Management | 618 859 | 18 000 | – | – | (72 572) | (110 000) | (164 572) | 454 287 |
| Water Infrastructure Management | 2 273 496 | – | – | – | (22 000) | – | (22 000) | 2 251 496 |
| Regional Implementation and Support | 4 896 682 | 368 181 | – | 2 500 | (93 707) | 110 000 | 386 974 | 5 283 656 |
| Water Sector Regulation | 114 683 | – | – | – | (4 440) | – | (4 440) | 110 243 |
| International Water Cooperation | 25 813 | – | – | 3 766 | (1 101) | – | 2 665 | 28 478 |
| Total | 8 812 661 | 416 557 | – | – | (227 512) | (8 544) | 180 501 | 8 993 162 |
| Economic classification | | | | | | | | |
| Current payments | 2 636 027 | 31 962 | – | (18 572) | (169 664) | (8 544) | (164 818) | 2 471 209 |
| Compensation of employees | 1 084 183 | – | – | (10 073) | (15 846) | – | (25 919) | 1 058 264 |
| Goods and services | 1 549 939 | 31 962 | – | (9 035) | (153 818) | (8 544) | (139 435) | 1 410 504 |
| Interest and rent on land | 1 905 | – | – | 536 | – | – | 536 | 2 441 |
| Transfers and subsidies | 2 913 420 | 18 000 | – | 11 | (22 000) | – | (3 989) | 2 909 431 |
| Provinces and municipalities | 562 556 | – | – | – | – | – | – | 562 556 |
| Departmental agencies and accounts | 2 144 442 | 18 000 | – | – | (22 000) | – | (4 000) | 2 140 442 |
| Foreign governments and international organisations | 180 625 | – | – | – | – | – | – | 180 625 |
| Households | 25 797 | – | – | 11 | – | – | 11 | 25 808 |
| Payments for capital assets | 3 263 214 | 366 595 | – | 18 561 | (35 848) | – | 349 308 | 3 612 522 |
| Buildings and other fixed structures | 3 171 454 | 355 818 | – | 2 472 | (17 086) | – | 341 204 | 3 512 658 |
| Machinery and equipment | 68 557 | 10 777 | – | 15 455 | (10 120) | – | 16 112 | 84 669 |
| Software and other intangible assets | 23 203 | – | – | 634 | (8 642) | – | (8 008) | 15 195 |
| Total | 8 812 661 | 416 557 | – | – | (227 512) | (8 544) | 180 501 | 8 993 162 |

Programme 1: Administration

| Subprogramme | 2012/13 | | | | | | | Adjusted appropriation |
|--------------------------------------|--------------------|---------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | |
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| R thousand | | | | | | | | |
| Ministry | 26 074 | – | – | – | (1 692) | – | (1 692) | 24 382 |
| Departmental Management | 57 707 | 23 376 | – | 3 788 | (3 558) | – | 23 606 | 81 313 |
| Internal Audit | 17 560 | – | – | 10 000 | (813) | – | 9 187 | 26 747 |
| Corporate Services | 332 830 | 7 000 | – | – | (23 394) | (1 000) | (17 394) | 315 436 |
| Financial Management | 124 994 | – | – | (20 054) | (4 235) | – | (24 289) | 100 705 |
| Office Accommodation | 323 963 | – | – | – | – | (7 544) | (7 544) | 316 419 |
| Total | 883 128 | 30 376 | – | (6 266) | (33 692) | (8 544) | (18 126) | 865 002 |
| Economic classification | | | | | | | | |
| Current payments | 828 974 | 23 376 | – | (4 981) | (23 627) | (8 544) | (13 776) | 815 198 |
| Compensation of employees | 289 019 | – | – | (10 644) | (4 139) | – | (14 783) | 274 236 |
| Goods and services | 539 955 | 23 376 | – | 5 663 | (19 488) | (8 544) | 1 007 | 540 962 |
| Transfers and subsidies | 14 575 | – | – | – | – | – | – | 14 575 |
| Departmental agencies and accounts | 1 575 | – | – | – | – | – | – | 1 575 |
| Households | 13 000 | – | – | – | – | – | – | 13 000 |
| Payments for capital assets | 39 579 | 7 000 | – | (1 285) | (10 065) | – | (4 350) | 35 229 |
| Buildings and other fixed structures | 2 945 | – | – | – | (16) | – | (16) | 2 929 |
| Machinery and equipment | 16 042 | 7 000 | – | (1 285) | (2 369) | – | 3 346 | 19 388 |
| Total | 883 128 | 30 376 | – | (6 266) | (33 692) | (8 544) | (18 126) | 865 002 |

Programme 2: Water Sector Management

| Subprogramme | 2012/13 | | | | | | | Adjusted appropriation |
|--------------------------------------|--------------------|---------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | |
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| R thousand | | | | | | | | |
| Policy and Planning | 4 309 | - | - | - | (166) | - | (166) | 4 143 |
| Management and Support | | | | | | | | |
| Integrated Planning | 291 451 | - | - | - | (53 599) | (110 000) | (163 599) | 127 852 |
| Policy and Strategy | 30 010 | - | - | - | (2 039) | - | (2 039) | 27 971 |
| Water Ecosystem | 35 880 | - | - | - | (4 419) | - | (4 419) | 31 461 |
| Water Information Management | 163 443 | - | - | - | (8 074) | - | (8 074) | 155 369 |
| Institutional Oversight | 93 766 | 18 000 | - | - | (4 275) | - | 13 725 | 107 491 |
| Total | 618 859 | 18 000 | - | - | (72 572) | (110 000) | (164 572) | 454 287 |
| Economic classification | | | | | | | | |
| Current payments | 532 761 | - | - | - | (70 470) | (110 000) | (180 470) | 352 291 |
| Compensation of employees | 164 321 | - | - | - | (2 354) | - | (2 354) | 161 967 |
| Goods and services | 368 200 | - | - | - | (68 116) | (110 000) | (178 116) | 190 084 |
| Interest and rent on land | 240 | - | - | - | - | - | - | 240 |
| Transfers and subsidies | 49 371 | 18 000 | - | - | - | - | 18 000 | 67 371 |
| Departmental agencies and accounts | 49 371 | 18 000 | - | - | - | - | 18 000 | 67 371 |
| Payments for capital assets | 36 727 | - | - | - | (2 102) | - | (2 102) | 34 625 |
| Buildings and other fixed structures | 27 366 | - | - | - | (147) | - | (147) | 27 219 |
| Machinery and equipment | 6 786 | - | - | 150 | (1 005) | - | (855) | 5 931 |
| Software and other intangible assets | 2 575 | - | - | (150) | (950) | - | (1 100) | 1 475 |
| Total | 618 859 | 18 000 | - | - | (72 572) | (110 000) | (164 572) | 454 287 |

Programme 3: Water Infrastructure Management

| Subprogramme | 2012/13 | | | | | | | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | |
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| R thousand | | | | | | | | |
| Infrastructure Development and Rehabilitation | 2 114 003 | - | - | - | (22 000) | - | (22 000) | 2 092 003 |
| Operation of Water Resources | 159 493 | - | - | - | - | - | - | 159 493 |
| Total | 2 273 496 | - | - | - | (22 000) | - | (22 000) | 2 251 496 |
| Economic classification | | | | | | | | |
| Transfers and subsidies | 2 273 496 | - | - | - | (22 000) | - | (22 000) | 2 251 496 |
| Departmental agencies and accounts | 2 093 496 | - | - | - | (22 000) | - | (22 000) | 2 071 496 |
| Foreign governments and international organisations | 180 000 | - | - | - | - | - | - | 180 000 |
| Total | 2 273 496 | - | - | - | (22 000) | - | (22 000) | 2 251 496 |

Programme 4: Regional Implementation and Support

| Subprogramme | 2012/13 | | | | | | | Adjusted appropriation |
|--|--------------------|---------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | |
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| R thousand | | | | | | | | |
| Regional Management and Support | 7 751 | - | - | - | (657) | - | (657) | 7 094 |
| Sector Support and Intergovernmental Relations | 766 638 | 171 377 | - | (2 091) | (36 622) | - | 132 664 | 899 302 |
| Institutional Establishment | 18 375 | - | - | 3 228 | (1 924) | - | 1 304 | 19 679 |
| Regional Programme Coordination | 1 002 | - | - | (807) | (189) | - | (996) | 6 |
| Regional Bulk | 2 597 291 | 20 018 | - | - | (27 989) | - | (7 971) | 2 589 320 |
| Transfer of Water Schemes | 714 221 | - | - | - | (3 295) | - | (3 295) | 710 926 |
| Support Services | 304 898 | 986 | - | 6 100 | (13 256) | - | (6 170) | 298 728 |
| Water Services Projects | 445 655 | 175 800 | - | - | (2 401) | - | 173 399 | 619 054 |
| Integrated Catchment Management | 40 851 | - | - | (3 930) | (7 374) | - | (11 304) | 29 547 |
| Mine Water Management | - | - | - | - | - | 110 000 | 110 000 | 110 000 |
| Total | 4 896 682 | 368 181 | - | 2 500 | (93 707) | 110 000 | 386 974 | 5 283 656 |

Programme 4: Regional Implementation and Support (continued)

| R thousand | 2012/13 | | | | | | | Adjusted Appropriation |
|--------------------------------------|--------------------|---------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | |
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| Economic classification | | | | | | | | |
| Current payments | 1 135 896 | 8 586 | – | (16 072) | (70 224) | 110 000 | 32 290 | 1 168 186 |
| Compensation of employees | 552 496 | – | – | (1 910) | (7 912) | – | (9 822) | 542 674 |
| Goods and services | 581 885 | 8 586 | – | (14 698) | (62 312) | 110 000 | 41 576 | 623 461 |
| Interest and rent on land | 1 515 | – | – | 536 | – | – | 536 | 2 051 |
| Transfers and subsidies | 575 353 | – | – | 11 | – | – | 11 | 575 364 |
| Provinces and municipalities | 562 556 | – | – | – | – | – | – | 562 556 |
| Households | 12 797 | – | – | 11 | – | – | 11 | 12 808 |
| Payments for capital assets | 3 185 433 | 359 595 | – | 18 561 | (23 483) | – | 354 673 | 3 540 106 |
| Buildings and other fixed structures | 3 141 143 | 355 818 | – | 2 472 | (16 923) | – | 341 367 | 3 482 510 |
| Machinery and equipment | 44 258 | 3 777 | – | 15 305 | (6 548) | – | 12 534 | 56 792 |
| Software and other intangible assets | 32 | – | – | 784 | (12) | – | 772 | 804 |
| Total | 4 896 682 | 368 181 | – | 2 500 | (93 707) | 110 000 | 386 974 | 5 283 656 |

Programme 5: Water Sector Regulations

| R thousand | 2012/13 | | | | | | | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | |
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| Subprogramme | | | | | | | | |
| Regulation Management and Support | 3 342 | – | – | – | (407) | – | (407) | 2 935 |
| Economic and Social Regulation | 3 700 | – | – | – | – | – | – | 3 700 |
| Water Use Authorisation | 15 135 | – | – | – | (158) | – | (158) | 14 977 |
| Drinking Water Quality and Waste Water Services | 26 936 | – | – | – | (623) | – | (623) | 26 313 |
| Resource Regulation | 48 591 | – | – | – | (2 124) | – | (2 124) | 46 467 |
| Compliance Monitoring | 1 035 | – | – | – | (247) | – | (247) | 788 |
| Enforcement | 15 944 | – | – | – | (881) | – | (881) | 15 063 |
| Total | 114 683 | – | – | – | (4 440) | – | (4 440) | 110 243 |
| Economic classification | | | | | | | | |
| Current payments | 113 208 | – | – | – | (4 242) | – | (4 242) | 108 966 |
| Compensation of employees | 64 116 | – | – | – | (1 238) | – | (1 238) | 62 878 |
| Goods and services | 49 007 | – | – | – | (3 004) | – | (3 004) | 46 003 |
| Interest and rent on land | 85 | – | – | – | – | – | – | 85 |
| Payments for capital assets | 1 475 | – | – | – | (198) | – | (198) | 1 277 |
| Machinery and equipment | 1 471 | – | – | – | (198) | – | (198) | 1 273 |
| Software and other intangible assets | 4 | – | – | – | – | – | – | 4 |
| Total | 114 683 | – | – | – | (4 440) | – | (4 440) | 110 243 |

Programme 6: International Water Cooperation

| R thousand | 2012/13 | | | | | | | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | |
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| Subprogramme | | | | | | | | |
| International Relation Management and Support | 4 882 | – | – | 1 142 | (284) | – | 858 | 5 740 |
| Africa Cooperation | 10 925 | – | – | 1 509 | (443) | – | 1 066 | 11 991 |
| Global Cooperation | 10 006 | – | – | 1 115 | (374) | – | 741 | 10 747 |
| Total | 25 813 | – | – | 3 766 | (1 101) | – | 2 665 | 28 478 |
| Economic classification | | | | | | | | |
| Current payments | 25 188 | – | – | 2 481 | (1 101) | – | 1 380 | 26 568 |
| Compensation of employees | 14 231 | – | – | 2 481 | (203) | – | 2 278 | 16 509 |
| Goods and services | 10 892 | – | – | – | (898) | – | (898) | 9 994 |
| Interest and rent on land | 65 | – | – | – | – | – | – | 65 |
| Transfers and subsidies | 625 | – | – | – | – | – | – | 625 |
| Foreign governments and international organisations | 625 | – | – | – | – | – | – | 625 |

Programme 6: International Water Cooperation (continued)

| R thousand | Main Appropriation | 2012/13 Adjustments appropriation | | | | | Total adjustments appropriation | Adjusted appropriation |
|-----------------------------|--------------------|-----------------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| Payments for capital assets | - | - | - | 1 285 | - | - | 1 285 | 1 285 |
| Machinery and equipment | - | - | - | 1 285 | - | - | 1 285 | 1 285 |
| Total | 25 813 | - | - | 3 766 | (1 101) | - | 2 665 | 28 478 |

Details of Adjustments to Estimates of National Expenditure 2012**Roll-overs – R416.557 million****Programme 1: Administration**

R7 million has been rolled over for the upgrading of video conferencing equipment.

R16 million has been rolled over for a business process review.

R2.075 million has been rolled over for the adopt-a-river project.

R1.591 million has been rolled over for the accelerated development programme.

R3.710 million has been rolled over for the development and implementation of the enterprise monitoring and evaluation tool.

Programme 2: Water Sector Management

R18 million has been rolled over to the Rand Water Board for infrastructure refurbishment, water losses management and metering.

Programme 4: Regional Implementation and Support

R3.777 million has been rolled over for the acquisition of water drilling equipment.

R20.018 million has been rolled over for the Moutse Bulk Water Supply.

R61.600 million has been rolled over for the construction of the Lukalo to Lambani pipeline in Nandoni.

R113.600 million has been rolled over for the construction of the Vuwani pipeline in Nandoni.

R600 000 has been rolled over for feasibility studies.

R150 million has been rolled over for acid mine drainage.

R10 million has been rolled over for the Metsi Bophelo Borehole Project.

R986 000 has been rolled over for management and coaching support.

R2 million has been rolled over for rain water harvesting tanks for schools and households.

R5.600 million has been rolled over for validation and verification processes.

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 |
| Programme 1 | | (14 429) | Programme 4 | | 2 500 |
| Goods and services | The budget has been re-directed from Head Office to the regions | (2 500) | Goods and services | For the implementation of the 2012 Women in Water Programme | 2 500 |
| Compensation of employees | Vacant posts | (8 163) | Programme 1 | | 8 163 |
| | | | Goods and services | For the internal auditor to conduct and finalise investigations | 8 163 |
| Machinery and equipment | Vacant posts | (2 481) | Programme 6 | | 3 766 |
| | | | Compensation of employees | To fund the newly created structure | 2 481 |
| | Reprioritisation of funds | (1 285) | Machinery and equipment | For computers and furniture for new personnel | 1 285 |
| Shifts within the programme as percentage of programme budget | | 0.9% | | | |
| Virements to other programmes as percentage of programme budget | | 0.7% | | | |
| Programme 2 | | (150) | Programme 2 | | 150 |
| Software and other intangible assets | Reprioritisation of funds | (150) | Machinery and equipment | For hydro measurement equipment | 150 |
| Shifts within the programme as percentage of programme budget | | 0.0% | | | |
| Virements to other programmes as percentage of programme budget | | 0.0% | | | |
| Programme 4 | | (22 124) | Programme 4 | | 22 124 |
| Goods and services | Funds re-classified due to amendments to the Standard Chart of Accounts | (15 205) | Machinery and equipment | For implementation of finance lease as per Standard Chart of Accounts requirements | 15 205 |
| | Funds incorrectly classified in the 2012 ENE were reclassified | (784) | Software and other intangible assets | For software licences | 784 |
| | Reduction due to late finalisation of terms of references for appointment of service providers | (2 572) | Buildings and other fixed structures | For the implementation of the boreholes project | 2 572 |
| | Funds re-classified due to amendments to the Standard Chart of Accounts | (546) | Interest and rent on land | For implementation of finance lease as per Standard Charter of Accounts requirements | 546 |
| Compensation of employees | Reprioritisation of funds | (504) | Households | For leave gratuities | 504 |
| | Vacant posts | (1 910) | Goods and services | For travel and accommodation in respect of the Letsema project | 1 910 |
| Households | Reduction in leave gratuities | (493) | Goods and services | For the implementation of the Rain Water Harvesting programme | 493 |
| Buildings and other fixed structures | Funds re-classified due to amendments to the Standard Chart of Accounts | (100) | Machinery and equipment | For implementation of finance lease as per Standard Chart of Accounts requirements | 100 |
| Interest and rent on land | Funds incorrectly classified in the 2012 ENE were reclassified | (10) | Goods and services | For interest payments | 10 |
| Shifts within the programme as percentage of programme budget | | 0.5% | | | |
| Virements to other programmes as percentage of programme budget | | 0.0% | | | |
| Total | | (36 703) | | | 36 703 |

Declared savings – R227.512 million

Savings of R227.512 million have been declared due to operational efficiencies and cost optimisation measures implemented in respect of the infrastructure projects of the water trading entity as well as due to vacant posts that won't be filled and cost saving measures implemented on catering, consultants, venues and facilities, travel and subsistence and machinery and equipment, as follows:

Programme 1: Administration

R33.692 million

Programme 2: Water Sector Management

R72.572 million

Programme 3: Water Infrastructure Management

R22 million

Programme 4: Regional Implementation and Support

R93.707 million

Programme 5: Water Sector Regulation

R4.440 million

Programme 6: International Water Cooperation

R1.101 million

Other adjustments – R8.544 million

Function shifts between votes – R8.544 million

R7.544 million has been shifted to the Department of Agriculture, Forestry and Fisheries to fund accommodation costs following the forestry function shift in the 2009/10 financial year.

R1 million is shifted to the Department of Agriculture, Forestry and Fisheries to fund bursaries following the forestry function shift in the 2009/10 financial year.

Fund shifts within a vote following function shifts within the same vote – R110 million

R110 million in respect of acid mine drainage has been shifted from programme 2 to programme 4 due to a change in the organisational structure.

Expenditure for 2011/12 and preliminary expenditure for 2012/13

| Programme | 2011/12 Expenditure outcome | | | | | 2012/13 Preliminary expenditure | | |
|-------------------------------------|--------------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------------------------|------------------|-----------------------------|
| | Adjusted appropriation | Apr 11 - Sep 11 | % of adjusted appropriation | Apr 11 - Mar 12 | % of adjusted appropriation | Adjusted appropriation | Apr 12 - Sep 12 | % of adjusted appropriation |
| R thousand | | | | | | | | |
| Administration | 869 065 | 288 970 | 33.3 | 781 491 | 89.9 | 865 002 | 427 350 | 49.4 |
| Water Sector Management | 882 151 | 216 553 | 24.5 | 511 807 | 58.0 | 454 287 | 203 227 | 44.7 |
| Water Infrastructure Management | 2 384 963 | 803 194 | 33.7 | 2 384 020 | 100.0 | 2 251 496 | 777 931 | 34.6 |
| Regional Implementation and Support | 4 753 659 | 1 373 732 | 28.9 | 4 375 501 | 92.0 | 5 283 656 | 1 274 240 | 24.1 |
| Water Sector Regulation | 112 370 | 42 979 | 38.2 | 91 153 | 81.1 | 110 243 | 43 534 | 39.5 |
| International Water Cooperation | 26 111 | 8 400 | 32.2 | 20 934 | 80.2 | 28 478 | 11 271 | 39.6 |
| Total | 9 028 319 | 2 733 828 | 30.3 | 8 164 906 | 90.4 | 8 993 162 | 2 737 553 | 30.4 |

| R thousand | 2011/12 Expenditure outcome | | | | | 2012/13 Preliminary expenditure | | |
|---|--------------------------------|------------------|---|------------------|---|------------------------------------|------------------|---|
| | Adjusted appropriation | Apr 11 - Sep 11 | Apr 11 - Sep 11 % of adjusted appropriation | Apr 11 - Mar 12 | Apr 11 - Mar 12 % of adjusted appropriation | Adjusted appropriation | Apr 12 - Sep 12 | Apr 12 - Sep 12 % of adjusted appropriation |
| Economic classification | | | | | | | | |
| Current payments | 2 919 301 | 856 079 | 29.3 | 2 281 399 | 78.1 | 2 471 209 | 1 065 393 | 43.1 |
| Compensation of employees | 1 095 615 | 452 055 | 41.3 | 922 832 | 84.2 | 1 058 264 | 502 992 | 47.5 |
| Goods and services | 1 822 958 | 402 343 | 22.1 | 1 354 612 | 74.3 | 1 410 504 | 560 926 | 39.8 |
| Interest and rent on land | 728 | 1 681 | 230.9 | 3 955 | 543.3 | 2 441 | 1 475 | 60.4 |
| Transfers and subsidies | 3 512 408 | 1 385 452 | 39.4 | 3 486 086 | 99.3 | 2 909 431 | 970 587 | 33.4 |
| Provinces and municipalities | 993 066 | 492 486 | 49.6 | 992 476 | 99.9 | 562 556 | 168 338 | 29.9 |
| Departmental agencies and accounts | 2 280 542 | 737 845 | 32.4 | 2 259 016 | 99.1 | 2 140 442 | 668 425 | 31.2 |
| Foreign governments and international organisations | 180 600 | 118 830 | 65.8 | 179 738 | 99.5 | 180 625 | 120 010 | 66.4 |
| Public corporations and private enterprises | – | 2 096 | 0.0 | – | 0.0 | – | 4 804 | 0.0 |
| Households | 58 200 | 34 195 | 58.8 | 54 856 | 94.3 | 25 808 | 9 010 | 34.9 |
| Payments for capital assets | 2 596 610 | 492 297 | 19.0 | 2 371 975 | 91.3 | 3 612 522 | 701 304 | 19.4 |
| Buildings and other fixed structures | 2 509 222 | 461 076 | 18.4 | 2 285 168 | 91.1 | 3 512 658 | 674 729 | 19.2 |
| Machinery and equipment | 72 683 | 19 909 | 27.4 | 66 674 | 91.7 | 84 669 | 25 870 | 30.6 |
| Software and other intangible assets | 14 705 | 11 312 | 76.9 | 20 133 | 136.9 | 15 195 | 705 | 4.6 |
| Payments for financial assets | – | – | – | 25 446 | – | – | 269 | – |
| Total | 9 028 319 | 2 733 828 | 30.3 | 8 164 906 | 90.4 | 8 993 162 | 2 737 553 | 30.4 |

Main expenditure trends for the first half of 2012/13

Total expenditure for 2011/12 was 90.4 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 was R2.738 billion, or 30.4 per cent of the adjusted appropriation of R8.993 billion for the year as a whole due to the delays in the finalisation of the memorandum of agreement and the appointment of implementing agents in respect of the Regional Bulk Infrastructure grant and the Accelerated Community Infrastructure Programme. In comparison, mid-year expenditure in 2011/12 was R2.734 billion, or 30.3 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 increased by R3.725 million or 0.14 per cent, compared to expenditure in the first six months of 2011/12.

Departmental receipts

| R thousand | 2011/12 Audited outcome | | | | | 2012/13 Actual receipts | | | |
|--|----------------------------|-----------------|-----------------------------------|-----------------|-----------------------------------|----------------------------|-------------------|-----------------|-----------------------------------|
| | Adjusted estimate | Apr 11 - Sep 11 | Apr 11 - Sep 11 adjusted estimate | Apr 11 - Mar 12 | Apr 11 - Mar 12 adjusted estimate | Budget estimate | Adjusted estimate | Apr 12 - Sep 12 | Apr 12 - Sep 12 adjusted estimate |
| Departmental receipts | 22 983 | 15 003 | 65.3 | 85 637 | 372.6 | 24 336 | 27 282 | 15 555 | 57.0 |
| Sales of goods and services produced by department | 1 889 | 922 | 48.8 | 7 548 | 399.6 | 1 927 | 3 514 | 1 814 | 51.6 |
| Sales of scrap, waste, arms and other used current goods | 100 | 66 | 66.0 | 72 | 72.0 | 34 | 22 | 11 | 50.0 |
| Interest, dividends and rent on land | 2 014 | 8 311 | 412.7 | 4 176 | 207.3 | 2 025 | 3 396 | 2 940 | 86.6 |
| Sales of capital assets | – | – | – | 12 | – | – | – | – | – |
| Transactions in financial assets and liabilities | 18 980 | 5 704 | 30.1 | 73 829 | 389.0 | 20 350 | 20 350 | 10 790 | 53.0 |
| Total | 22 983 | 15 003 | 65.3 | 85 637 | 372.6 | 24 336 | 27 282 | 15 555 | 57.0 |

Main departmental revenue trends for the first half of 2012/13

Departmental revenue collection in the first six months of 2012/13 was R15.555 million, or 57 per cent of the adjusted revenue estimate of R27.282 million for the year as a whole. In comparison, mid-year revenue collection in 2011/12 was R15.003 million, or 65.3 per cent of the 2011/12 adjusted estimate. Departmental revenue collection in the first six months of 2012/13 increased by R552 000 or 3.7 per cent, compared to revenue in the first six months of 2011/12.

The increased revenue compared to 2011/12 is due to accommodation charges received from the Roodeplaat Training Centre.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

| R thousand | 2012/13 | | | | | | | Adjusted appropriation |
|---|--------------------|---------------------------|---------------------------|----------------------|------------------|-------------------|---------------------------------|------------------------|
| | Main appropriation | Adjustments appropriation | | | | | Total adjustments appropriation | |
| | | Roll-overs | Unforeseeable/unavoidable | Virements and shifts | Declared savings | Other adjustments | | |
| Water Sector Management | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Current | - | 18 000 | - | - | - | - | 18 000 | 18 000 |
| Rand Water Board | - | 18 000 | - | - | - | - | 18 000 | 18 000 |
| Water Infrastructure Management | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Capital | 1 934 003 | - | - | - | (22 000) | - | (22 000) | 1 912 003 |
| Water Trading Entity | 1 934 003 | - | - | - | (22 000) | - | (22 000) | 1 912 003 |
| Regional Implementation and Support | | | | | | | | |
| Households | | | | | | | | |
| Social benefits | | | | | | | | |
| Current | - | - | - | 504 | - | - | 504 | 504 |
| Leave gratuity | - | - | - | 504 | - | - | 504 | 504 |
| Households | | | | | | | | |
| Other transfers to households | | | | | | | | |
| Current | 6 881 | - | - | (493) | - | - | (493) | 6 388 |
| Resources for poor farmers | 6 881 | - | - | (493) | - | - | (493) | 6 388 |