

Vote 41

Water and Sanitation

Budget summary

R million	2021/22				2022/23	2023/24
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 950.9	1 816.3	29.0	105.6	1 972.5	1 981.0
Water Resources Management	3 538.0	846.7	2 615.3	76.0	3 567.6	3 662.4
Water Services Management	11 421.1	833.4	6 569.8	4 017.9	11 899.4	12 392.1
Total expenditure estimates	16 910.1	3 496.4	9 214.1	4 199.5	17 439.6	18 035.4

Executive authority Minister of Human Settlements, Water and Sanitation

Accounting officer Director-General of Water and Sanitation

Website www.dwa.gov.za

The Estimates of National Expenditure is available at www.treasury.gov.za. Additional tables in Excel format can be found at www.treasury.gov.za and www.vulekamali.gov.za.

Vote purpose

Ensure the availability of water resources to facilitate equitable and sustainable socioeconomic development, and ensure universal access to water and sanitation services.

Mandate

The mandate of the Department of Water and Sanitation is set out in the National Water Act (1998) and the Water Services Act (1997). The department's legislative mandate is to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled by regulating and supporting the delivery of effective water supply and sanitation. This is done in accordance with the requirements of water-related policies and legislation that are critical in delivering on people's right to have sufficient food and water, growing the economy, and eradicating poverty.

Selected performance indicators

Table 41.1 Performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Percentage of annual international relations programmes implemented per year	Administration	Priority 7: A better Africa and world	-1	-1	-1	75%	75%	75%	75%
Number of river systems with water resources classes and determined resource quality objectives per year	Water Resources Management	Priority 5: Spatial integration, human settlements and local government	1	4	2	1	0	1	0
Number of wastewater systems assessed for compliance with Green Drop regulatory standards per year	Water Resources Management		0	0	0	0	963	0	963

Table 41.1 Performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Percentage of water use authorisation applications finalised within 120 working days of application	Water Resources Management	Priority 2: Economic transformation and job creation	96% (447/467)	81% (476/588)	88% (736/836)	60%	80%	80%	80%
Number of mega regional bulk infrastructure project phases completed per year	Water Services Management	Priority 5: Spatial integration, human settlements and local government	0	1	3	1	1	1	1
Number of large regional bulk infrastructure project phases completed per year	Water Services Management		5	5	6	11	9	6	5
Number of small regional bulk infrastructure project phases completed per year	Water Services Management		6	9	7	14	8	7	8
Number of small projects completed through the water services infrastructure grant per year	Water Services Management		47	0	117	105	46	135	148
Number of water supply systems assessed for compliance with Blue Drop regulatory standards per year	Water Services Management		788	0	0	0	0	1 010	0
Number of existing bucket sanitation backlog systems in formal settlements replaced with adequate sanitation services per year	Water Services Management		8 313	7 031	692	10 798	– ²	– ²	– ²

1. No historical data available.

2. Indicator discontinued.

Expenditure overview

Over the medium term, the department will focus on regulating and managing water resources; and providing integrated and sustainable water services management, infrastructure planning and development.

Expenditure is expected to increase at an average annual rate of 2 per cent, from R17 billion in 2020/21 to R18 billion in 2023/24. Cabinet has approved reductions on the department's baseline amounting to R1.3 billion over the MTEF period, mainly to be effected on compensation of employees. As a result, spending on compensation of employees is expected to decrease at an average annual rate of 2.3 per cent, from R1.9 billion in 2020/21 to R1.7 billion in 2023/24. Transfers and subsidies account for 54.5 per cent (R28.6 billion) of the department's expenditure, increasing at an average annual rate of 3.8 per cent, from R8.8 billion in 2020/21 to R9.9 billion in 2023/24. The remaining expenditure over the same period is on payments for capital assets (R13.2 billion), and goods and services (R5.2 billion).

Regulating and managing water resources

Over the medium term, the department will continue to conduct technical regulatory assessments on the provision of water services. These valuations measure the level of compliance with the Green and Blue Drop regulatory standards. As such, the department plans to assess 963 wastewater systems in 2021/21 and determine the resource quality of the uThukela River system in 2022/23. In continuing to improve equitable access to water resources, the department aims to process 80 per cent of the water use licence applications it receives within 120 days in each year over the MTEF period. To carry out these activities, R10.8 billion is allocated to the *Water Resources Management* programme over the MTEF period.

These allocations will also support the implementation of the water and sanitation master plan, which details the requirements for appropriate investment into water resources and services, and sets targets for adequate water conservation and demand management. For this purpose, the Water Trading Entity will receive transfers amounting to R7.3 billion over the period ahead. Projects include acid mine drainage operations in Gauteng, phase 2D of the Olifants River water resources development project, the Mokolo-Crocodile River water augmentation project, the raising of the Tzaneen and Hazelmere dams, and the Umdloti River development project.

Providing integrated water services, management, infrastructure planning and development

Supporting the sustainable provision of water services is one of the department's key priorities. To this end, 68.2 per cent (R35.7 billion) of the department's budget over the medium term is allocated to the *Water Services Management* programme, of which R18 billion is for direct transfers to municipalities.

Spending in the programme, which funds the *regional bulk infrastructure grant* and the *water services infrastructure grant*, is expected to increase at an average annual rate of 1.6 per cent, from R11.8 billion in 2020/21 to R12.4 billion in 2023/24. Funds from these grants will be used to implement 3 mega and 20 large regional bulk infrastructure projects, and 352 small regional bulk and water services infrastructure projects.

Expenditure trends and estimates

Table 41.2 Vote expenditure trends and estimates by programme and economic classification

Programmes											
1. Administration											
2. Water Resources Management											
3. Water Services Management											
Programme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
R million	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24		
Programme 1	2 003.2	1 636.3	1 624.3	1 815.2	-3.2%	11.1%	1 950.9	1 972.5	1 981.0	3.0%	11.1%
Programme 2	2 644.6	3 108.3	3 310.0	3 373.4	8.5%	19.5%	3 538.0	3 567.6	3 662.4	2.8%	20.4%
Programme 3	10 458.5	11 874.9	10 283.3	11 805.7	4.1%	69.5%	11 421.1	11 899.4	12 392.1	1.6%	68.5%
Subtotal	15 106.3	16 619.4	15 217.6	16 994.3	4.0%	100.0%	16 910.1	17 439.6	18 035.4	2.0%	100.0%
Total	15 106.3	16 619.4	15 217.6	16 994.3	4.0%	100.0%	16 910.1	17 439.6	18 035.4	2.0%	100.0%
Change to 2020 Budget estimate				(221.9)			(360.3)	(485.3)	(456.5)		
Economic classification											
Current payments	3 546.9	3 625.3	3 705.5	3 912.0	3.3%	23.1%	3 496.4	3 542.8	3 541.1	-3.3%	20.9%
Compensation of employees	1 535.6	1 604.0	1 683.4	1 867.7	6.7%	10.5%	1 805.2	1 787.0	1 741.7	-2.3%	10.4%
Goods and services ¹	1 999.7	2 021.2	2 022.1	2 044.3	0.7%	12.6%	1 691.2	1 755.8	1 799.4	-4.2%	10.5%
<i>of which:</i>											
<i>Computer services</i>	97.9	133.8	117.2	124.8	8.5%	0.7%	175.0	179.3	187.6	14.6%	1.0%
<i>Consultants: Business and advisory services</i>	182.2	57.8	265.5	529.7	42.7%	1.6%	150.5	163.0	167.7	-31.8%	1.5%
<i>Infrastructure and planning services</i>	304.7	109.9	184.4	67.0	-39.6%	1.0%	229.7	237.2	242.8	53.6%	1.1%
<i>Operating leases</i>	311.0	414.5	402.8	452.2	13.3%	2.5%	475.0	489.5	501.1	3.5%	2.8%
<i>Property payments</i>	102.5	111.5	108.7	126.8	7.3%	0.7%	131.5	137.8	140.8	3.6%	0.8%
<i>Travel and subsistence</i>	202.9	121.8	124.1	84.5	-25.3%	0.8%	172.5	178.4	180.7	28.8%	0.9%
Interest and rent on land	11.5	0.0	-	0.0	-90.5%	0.0%	-	-	-	-100.0%	0.0%
Transfers and subsidies¹	8 185.7	9 933.9	9 116.7	8 832.4	2.6%	56.4%	9 214.1	9 476.2	9 880.7	3.8%	53.9%
Provinces and municipalities	5 134.8	6 741.0	5 698.6	5 373.8	1.5%	35.9%	5 777.0	5 982.5	6 246.2	5.1%	33.7%
Departmental agencies and accounts	1 885.6	2 269.8	2 370.0	2 382.0	8.1%	13.9%	2 375.9	2 417.1	2 519.1	1.9%	14.0%
Foreign governments and international organisations	112.1	209.3	227.1	237.7	28.5%	1.2%	243.3	251.0	257.0	2.6%	1.4%
Public corporations and private enterprises	1 022.3	694.7	782.9	809.3	-7.5%	5.2%	791.0	798.7	831.0	0.9%	4.7%
Non-profit institutions	0.8	1.2	2.6	1.6	27.9%	0.0%	1.3	1.3	1.3	-6.9%	0.0%
Households	30.1	18.0	35.4	27.9	-2.5%	0.2%	25.6	25.6	26.2	-2.0%	0.2%
Payments for capital assets	3 373.7	3 060.3	2 394.7	4 249.9	8.0%	20.5%	4 199.5	4 420.6	4 613.6	2.8%	25.2%
Buildings and other fixed structures	3 301.1	2 977.4	2 317.8	4 109.8	7.6%	19.9%	4 035.5	4 258.0	4 445.0	2.6%	24.3%
Machinery and equipment	45.1	51.6	47.6	98.7	29.8%	0.4%	120.6	120.0	123.9	7.8%	0.7%
Software and other intangible assets	27.4	31.3	29.3	41.4	14.7%	0.2%	43.4	42.6	44.7	2.6%	0.2%
Payments for financial assets	-	-	0.7	-	0.0%	0.0%	-	-	-	0.0%	0.0%
Total	15 106.3	16 619.4	15 217.6	16 994.3	4.0%	100.0%	16 910.1	17 439.6	18 035.4	2.0%	100.0%

1. Tables with expenditure trends, annual budget, adjusted appropriation and audited outcome are available at www.treasury.gov.za and www.vulekamali.gov.za.

Transfers and subsidies expenditure trends and estimates

Table 41.3 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R thousand											
Households											
Social benefits											
Current	8 759	9 947	15 658	7 366	-5.6%	0.1%	4 633	3 983	4 052	-18.1%	0.1%
Employee social benefits	8 759	9 908	15 293	7 366	-5.6%	0.1%	4 633	3 983	4 052	-18.1%	0.1%
Other transfers to households	–	39	–	–	–	–	–	–	–	–	–
Social benefit	–	–	365	–	–	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	175 678	185 865	196 277	207 002	5.6%	2.1%	303 885	294 489	289 812	11.9%	2.9%
Energy and Water Sector Education and Training Authority	2 676	2 829	2 986	3 087	4.9%	–	3 190	3 348	3 427	3.5%	–
Water information management	2	2	7	–	-100.0%	–	–	–	–	–	–
Water Trading Entity	173 000	183 034	193 284	203 915	5.6%	2.1%	300 695	291 141	286 385	12.0%	2.9%
Capital	1 709 881	2 083 894	2 173 752	2 175 045	8.4%	22.6%	2 071 970	2 122 638	2 229 276	0.8%	23.0%
Water Trading Entity	1 709 881	2 083 894	2 173 752	2 175 045	8.4%	22.6%	2 071 970	2 122 638	2 229 276	0.8%	23.0%
Households											
Other transfers to households											
Current	21 304	8 021	19 761	20 507	-1.3%	0.2%	21 002	21 665	22 178	2.6%	0.2%
Employee social benefits	–	365	295	–	–	–	–	–	–	–	–
Bursaries for non-employees	21 304	7 656	19 466	20 507	-1.3%	0.2%	21 002	21 665	22 178	2.6%	0.2%
Non-profit institutions											
Current	779	1 194	2 635	1 630	27.9%	–	1 322	1 293	1 316	-6.9%	–
Employee social benefits	55	–	–	–	-100.0%	–	–	–	–	–	–
Strategic Water Partners Network	–	–	1 000	500	–	–	500	550	547	3.0%	–
South African Youth Water Prize	21	22	27	17	-6.8%	–	19	19	19	3.8%	–
Water Institute of Southern Africa	–	1 000	–	–	–	–	–	–	–	–	–
Various institutions: 2020 vision for water education programme	703	172	1 608	1 113	16.6%	–	803	724	750	-12.3%	–
Foreign governments and international organisations											
Current	112 132	209 269	227 051	237 664	28.5%	2.2%	243 324	250 978	256 985	2.6%	2.6%
Orange-Senqu River Commission	800	732	6 233	3 464	63.0%	–	2 208	2 348	2 460	-10.8%	–
African Ministers Council on Water	135	112	118	200	14.0%	–	128	132	135	-12.3%	–
Limpopo Watercourse Commission	628	186	800	907	13.0%	–	214	220	225	-37.2%	–
Komati Basin Water Authority	110 569	208 239	219 900	233 093	28.2%	2.1%	240 774	248 278	254 165	2.9%	2.6%
Provinces and municipalities											
Municipal bank accounts											
Current	553	762	794	664	6.3%	–	682	702	720	2.7%	–
Vehicle licences	553	762	794	664	6.3%	–	682	702	720	2.7%	–
Capital	5 134 239	6 740 217	5 697 835	5 373 162	1.5%	63.6%	5 776 352	5 981 791	6 245 431	5.1%	62.5%
Regional bulk infrastructure grant	1 829 002	1 963 000	2 028 516	2 005 605	3.1%	21.7%	2 156 025	2 280 772	2 381 294	5.9%	23.6%
Water services infrastructure grant	3 305 237	4 777 217	3 669 319	3 367 557	0.6%	41.9%	3 620 327	3 701 019	3 864 137	4.7%	38.9%
Public corporations and private enterprises											
Other transfers to public corporations											
Capital	1 022 349	694 715	782 891	809 312	-7.5%	9.2%	790 969	798 686	830 960	0.9%	8.6%
Amatola water board: Regional bulk infrastructure	88 554	92 386	185 000	–	-100.0%	1.0%	–	–	–	–	–
Magalies water board: Regional bulk infrastructure	52 231	36 000	–	98 000	23.3%	0.5%	103 390	109 284	114 101	5.2%	1.1%
Umgeni water board: Regional bulk infrastructure	518 405	132 329	320 000	579 012	3.8%	4.3%	550 858	545 673	569 723	-0.5%	6.0%
Sedibeng water board: Regional bulk infrastructure	363 159	434 000	277 891	132 300	-28.6%	3.3%	136 721	143 729	147 136	3.6%	1.5%
Total	8 185 674	9 933 884	9 116 654	8 832 352	2.6%	100.0%	9 214 139	9 476 225	9 880 730	3.8%	100.0%

Personnel information

Table 41.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																				
1. Administration																				
2. Water Resources Management																				
3. Water Services Management																				
		Number of posts estimated for 31 March 2021		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
		Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)			
				2019/20		2020/21		2021/22		2022/23		2023/24		2020/21 - 2023/24						
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost			Unit cost		
Water and Sanitation		3 857	195	3 800	1 683.4	0.4	3 614	1 867.7	0.5	3 454	1 805.2	0.5	3 367	1 787.0	0.5	3 261	1 741.7	0.5	-3.4%	100.0%
Salary level		3 857	195	3 800	1 683.4	0.4	3 614	1 867.7	0.5	3 454	1 805.2	0.5	3 367	1 787.0	0.5	3 261	1 741.7	0.5	-3.4%	100.0%
1 – 6	1 417	22	1 453	299.8	0.2	1 438	337.9	0.2	1 411	337.7	0.2	1 380	334.5	0.2	1 371	338.7	0.2	-1.6%	40.9%	
7 – 10	1 554	90	1 490	677.6	0.5	1 403	723.4	0.5	1 314	689.8	0.5	1 275	679.9	0.5	1 215	656.2	0.5	-4.7%	38.0%	
11 – 12	667	75	645	468.2	0.7	590	563.6	1.0	565	553.6	1.0	548	544.9	1.0	516	522.1	1.0	-4.4%	16.2%	
13 – 16	218	8	209	235.0	1.1	180	237.6	1.3	161	218.8	1.4	161	222.3	1.4	156	219.1	1.4	-4.7%	4.8%	
Other	1	–	3	2.9	1.0	3	5.2	1.7	3	5.3	1.8	3	5.4	1.8	3	5.5	1.8	–	0.1%	
Programme	3 857	195	3 800	1 683.4	0.4	3 614	1 867.7	0.5	3 454	1 805.2	0.5	3 367	1 787.0	0.5	3 261	1 741.7	0.5	-3.4%	100.0%	
Programme 1	1 907	118	1 875	765.2	0.4	1 792	831.9	0.5	1 731	806.1	0.5	1 681	792.0	0.5	1 633	769.7	0.5	-3.1%	49.9%	
Programme 2	1 288	59	1 024	462.3	0.5	925	525.9	0.6	988	583.7	0.6	926	557.2	0.6	890	539.4	0.6	-1.3%	27.2%	
Programme 3	662	18	901	456.0	0.5	897	509.9	0.6	735	415.5	0.6	760	437.8	0.6	738	432.6	0.6	-6.3%	22.9%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 41.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2017/18	2018/19	2019/20					2020/21	2021/22	2022/23		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24				
Departmental receipts	12 876	66 410	15 357	4 860	4 860	-27.7%	100.0%	4 989	5 409	5 555	4.6%	100.0%
Sales of goods and services produced by department	1 871	2 339	2 070	1 699	1 699	-3.2%	8.0%	1 657	2 016	1 960	4.9%	35.2%
Sales by market establishments	699	851	784	718	710	0.5%	3.1%	510	690	712	0.1%	12.6%
of which:												
Market establishment: Rental dwelling	509	641	572	504	500	-0.6%	2.2%	300	600	600	6.3%	9.6%
Market establishment: Non-residential building	6	17	2	–	–	-100.0%	–	200	75	100	–	1.8%
Market establishment: Rental parking	184	193	210	214	210	4.5%	0.8%	10	15	12	-61.5%	1.2%
Administrative fees	58	63	67	64	64	3.3%	0.3%	55	74	75	5.4%	1.3%
of which:												
Services rendered: Transport fees	48	52	62	61	63	9.5%	0.2%	40	50	50	-7.4%	1.0%
Sales: Maps	7	7	3	2	1	-47.7%	–	10	18	20	171.4%	0.2%
Replacement of security cards	3	4	2	1	–	-100.0%	–	5	5	5	–	0.1%
Sales: Potable water	–	–	–	–	–	–	–	–	1	–	–	–

Table 41.5 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)	
	2017/18	2018/19	2019/20					2020/21	2021/22	2022/23			2023/24
R thousand													
Other sales	1 114	1 425	1 219	917	925	-6.0%	4.7%	1 092	1 252	1 173	8.2%	21.3%	
of which:													
Rental capital assets	75	112	192	93	93	7.4%	0.5%	100	150	125	10.4%	2.2%	
Sales: Departmental publications and production	3	10	10	2	2	-12.6%	-	2	2	3	14.5%	-	
Services rendered: Commission on insurance and garnishee	759	782	937	804	810	2.2%	3.3%	850	900	875	2.6%	16.5%	
Sales: Meals and refreshments	175	443	10	-	5	-69.4%	0.6%	20	30	25	71.0%	0.4%	
Services rendered: Boarding service	98	78	70	8	5	-62.9%	0.3%	100	150	125	192.4%	1.8%	
Sales: Assets less than R5 000	4	-	-	10	10	35.7%	-	20	20	20	26.0%	0.3%	
Sales of scrap, waste, arms and other used current goods	6	15	60	1	1	-45.0%	0.1%	2	3	5	71.0%	0.1%	
of which:													
Sales: Scrap	6	15	60	1	1	-45.0%	0.1%	2	3	5	71.0%	0.1%	
Fines, penalties and forfeits	-	400	1 580	-	-	-	2.0%	-	-	-	-	-	
Interest, dividends and rent on land	2 992	2 921	2 921	2 176	2 176	-10.1%	11.1%	2 180	2 190	2 240	1.0%	42.2%	
Interest	2 992	2 921	2 921	2 176	2 176	-10.1%	11.1%	2 180	2 190	2 240	1.0%	42.2%	
Sales of capital assets	197	-	247	84	84	-24.7%	0.5%	200	200	200	33.5%	3.3%	
Transactions in financial assets and liabilities	7 810	60 735	8 479	900	900	-51.3%	78.3%	950	1 000	1 150	8.5%	19.2%	
Total	12 876	66 410	15 357	4 860	4 860	-27.7%	100.0%	4 989	5 409	5 555	4.6%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department. Develop and promote international relations on water resources with neighbouring countries.

Objective

- Facilitate cooperation by implementing and evaluating the approved African and global international relations plan annually, in support of the national water and sanitation agenda.

Subprogramme

- Ministry* provides administrative and logistical support to the minister and deputy minister, and their support staff, and makes provision for their salaries.
- Departmental Management* provides policy and strategic direction for water and sanitation management. This includes enterprise-wide support services comprising administrative support to the director-general, corporate planning, and monitoring and evaluation; and the provision of salaries and operational budgets for the department's regional office heads.
- Corporate Services* provides enterprise-wide support comprising human resources, legal services, communications, the learning and development academy, and transformation policy and coordination.
- Financial Management* ensures the efficient management of daily financial operations, processes and systems.
- Office Accommodation* makes payments for rental charges on all leased office space occupied by the department; and for municipal services such as electricity, water, and sewage and waste removal.

- *Provincial and International Coordination* is responsible for the coordination of international relations on water and sanitation with neighbouring countries, and the provision of salaries and operational budgets for the department's regional office heads.

Expenditure trends and estimates

Table 41.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2017/18	2018/19	2019/20		2020/21	2017/18 - 2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	Average Expenditure/ Total (%)
R million											
Ministry	56.1	57.1	41.8	40.1	-10.6%	2.8%	52.0	52.0	51.7	8.8%	2.5%
Departmental Management	96.0	98.3	121.9	166.4	20.1%	6.8%	146.9	146.9	145.3	-4.4%	7.8%
Corporate Services	1 201.8	673.7	670.2	733.7	-15.2%	46.3%	832.9	837.4	842.1	4.7%	42.1%
Financial Management	204.7	254.1	243.1	260.3	8.3%	13.6%	265.7	265.5	258.2	-0.3%	13.6%
Office Accommodation	367.5	475.0	457.1	519.0	12.2%	25.7%	544.4	561.1	574.4	3.4%	28.5%
Provincial and International Coordination	77.0	78.1	90.3	95.8	7.5%	4.8%	108.9	109.5	109.2	4.5%	5.5%
Total	2 003.2	1 636.3	1 624.3	1 815.2	-3.2%	100.0%	1 950.9	1 972.5	1 981.0	3.0%	100.0%
Change to 2020 Budget estimate				(161.3)			(311.7)	(220.3)	(341.7)		
Economic classification											
Current payments	1 925.1	1 571.6	1 540.9	1 703.5	-4.0%	95.2%	1 816.3	1 840.3	1 843.3	2.7%	93.3%
Compensation of employees	695.0	736.0	765.2	831.9	6.2%	42.8%	806.1	792.0	769.7	-2.6%	41.4%
Goods and services ¹	1 230.2	835.6	775.8	871.6	-10.9%	52.5%	1 010.2	1 048.4	1 073.5	7.2%	51.9%
<i>of which:</i>											
<i>Audit costs: External</i>	22.0	40.7	35.2	27.7	8.1%	1.8%	42.9	44.3	45.4	17.8%	2.1%
<i>Communication</i>	23.8	21.9	20.0	15.7	-12.9%	1.1%	26.7	30.5	31.2	25.7%	1.3%
<i>Computer services</i>	47.1	71.6	64.4	81.5	20.0%	3.7%	99.1	101.0	103.3	8.2%	5.0%
<i>Operating leases</i>	310.8	414.5	402.8	451.8	13.3%	22.3%	474.0	488.5	500.1	3.4%	24.8%
<i>Property payments</i>	86.4	95.4	88.8	109.5	8.2%	5.4%	116.4	122.1	125.0	4.5%	6.1%
<i>Travel and subsistence</i>	67.1	54.6	51.8	51.8	-8.3%	3.2%	79.3	81.6	84.1	17.6%	3.8%
Interest and rent on land	–	0.0	–	0.0	–	–	–	–	–	-100.0%	–
Transfers and subsidies¹	28.1	14.9	38.8	31.1	3.4%	1.6%	29.0	30.1	30.9	-0.2%	1.6%
Provinces and municipalities	0.0	0.0	0.1	0.1	125.4%	–	0.1	0.1	0.1	2.6%	–
Departmental agencies and accounts	2.7	2.8	3.0	3.1	4.9%	0.2%	3.2	3.3	3.4	3.5%	0.2%
Foreign governments and international organisations	1.6	1.0	7.2	4.6	43.0%	0.2%	2.6	2.7	2.8	-14.9%	0.2%
Non-profit institutions	–	–	1.0	0.5	–	–	0.5	0.6	0.5	3.0%	–
Households	23.8	11.0	27.5	22.8	-1.5%	1.2%	22.6	23.4	23.9	1.7%	1.2%
Payments for capital assets	49.9	49.8	43.9	80.7	17.3%	3.2%	105.6	102.1	106.9	9.8%	5.1%
Buildings and other fixed structures	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	22.5	18.5	14.6	39.8	21.0%	1.3%	62.9	60.2	62.9	16.5%	2.9%
Software and other intangible assets	27.4	31.3	29.2	40.8	14.2%	1.8%	42.7	41.9	43.9	2.5%	2.2%
Payments for financial assets	–	–	0.7	–	–	–	–	–	–	–	–
Total	2 003.2	1 636.3	1 624.3	1 815.2	-3.2%	100.0%	1 950.9	1 972.5	1 981.0	3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	13.3%	9.8%	10.7%	10.7%	–	–	11.5%	11.3%	11.0%	–	–

Table 41.6 Administration expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/Total (%)
		2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
R million												
Households												
Social benefits												
Current												
	2.5	3.3	8.1	2.3	-3.7%	0.2%	1.6	1.7	1.8	-8.3%	0.1%	
Employee social benefits	2.5	3.3	7.7	2.3	-3.7%	0.2%	1.6	1.7	1.8	-8.3%	0.1%	
Other transfers to households	-	0.0	-	-	-	-	-	-	-	-	-	
Social benefit	-	-	0.4	-	-	-	-	-	-	-	-	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
	2.7	2.8	3.0	3.1	4.9%	0.2%	3.2	3.3	3.4	3.5%	0.2%	
Energy and Water Sector Education and Training Authority	2.7	2.8	3.0	3.1	4.9%	0.2%	3.2	3.3	3.4	3.5%	0.2%	
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current												
	0.0	0.0	0.1	0.1	125.4%	-	0.1	0.1	0.1	2.6%	-	
Vehicle licences	0.0	0.0	0.1	0.1	125.4%	-	0.1	0.1	0.1	2.6%	-	
Households												
Other transfers to households												
Current												
	21.3	7.7	19.5	20.5	-1.3%	1.0%	21.0	21.7	22.2	2.6%	1.1%	
Bursaries for non-employees	21.3	7.7	19.5	20.5	-1.3%	1.0%	21.0	21.7	22.2	2.6%	1.1%	
Non-profit institutions												
Current												
	-	-	1.0	0.5	-	-	0.5	0.6	0.5	3.0%	-	
Strategic Water Partners Network	-	-	1.0	0.5	-	-	0.5	0.6	0.5	3.0%	-	
Foreign governments and international organisations												
Current												
	1.6	1.0	7.2	4.6	43.0%	0.2%	2.6	2.7	2.8	-14.9%	0.2%	
Orange-Senqu River Commission	0.8	0.7	6.2	3.5	63.0%	0.2%	2.2	2.3	2.5	-10.8%	0.1%	
African Ministers Council on Water	0.1	0.1	0.1	0.2	14.0%	-	0.1	0.1	0.1	-12.3%	-	
Limpopo Watercourse Commission	0.6	0.2	0.8	0.9	13.0%	-	0.2	0.2	0.2	-37.2%	-	

1. Estimates of National Expenditure data tables are available at www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 41.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2021		Number and cost ² of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost	2022/23		Unit cost			2023/24		2020/21 - 2023/24	
		Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost		Number
Administration																			
Salary level	1 907	118	1 875	765.2	0.4	1 792	831.9	0.5	1 731	806.1	0.5	1 681	792.0	0.5	1 633	769.7	0.5	-3.1%	100.0%
1 – 6	754	19	794	157.2	0.2	791	169.6	0.2	777	169.0	0.2	769	170.2	0.2	764	172.1	0.2	-1.2%	45.4%
7 – 10	831	50	781	362.6	0.5	747	372.1	0.5	719	364.3	0.5	685	352.3	0.5	660	343.8	0.5	-4.0%	41.1%
11 – 12	206	41	190	131.8	0.7	160	159.6	1.0	150	152.0	1.0	142	146.7	1.0	129	135.7	1.1	-6.9%	8.5%
13 – 16	115	8	107	110.7	1.0	91	125.4	1.4	82	115.5	1.4	82	117.4	1.4	77	112.6	1.5	-5.4%	4.9%
Other	1	-	3	2.9	1.0	3	5.2	1.7	3	5.3	1.8	3	5.4	1.8	3	5.5	1.8	-	0.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Programme 2: Water Resources Management

Programme purpose

Ensure that South Africa's water resources are protected, used, developed, conserved, managed, controlled and planned in an integrated and sustainable manner.

Objectives

- Effectively manage water demand and supply by:
 - reviewing 6 water resource monitoring programmes by March 2024

- maintaining 6 water information systems on an ongoing basis.
- Effectively manage water and sanitation services by implementing and monitoring progress on the priorities of the water and sanitation master plan on an ongoing basis.
- Ensure the effective and sustainable management of water resources by distributing and monitoring funds transferred to the Water Trading Entity for the design, construction, commissioning and rehabilitation of bulk raw water infrastructure and dam safety on an ongoing basis.
- Create an enabling environment for the economic and social regulation of water by establishing an independent economic regulator, implementing pricing regulations for water services and finalising the gazetting and monitoring of the raw water pricing strategy by March 2024.
- Improve the efficiency and effectiveness of water resource management by establishing 6 catchment management agencies by March 2024.
- Strengthen oversight by implementing monitoring programmes for drinking water, wastewater and mine water quality; and implementing mitigation measures in catchments with the potential for acid mine drainage by March 2024.
- Ensure the protection of water resources by coordinating and monitoring compliance with standards, licence conditions and regulations across all sectors on an ongoing basis.
- Ensure the effective enforcement of compliance with water legislation by monitoring water use through conducting investigations and providing legal support in cases of unlawful water use on an ongoing basis.

Subprogrammes

- *Water Resources Management Support* provides strategic leadership and overall management to the programme.
- *Integrated Water Resources Planning* develops comprehensive plans that guide infrastructure development, systems and services management in the water sector.
- *Water Ecosystems Management* develops and implements measures to protect water resources. This entails determining measures to manage water resources by classifying water resource systems, determining reserves, conducting resource quality assessments and determining resource-directed measures by developing pollution control guidelines, and rehabilitation measures and protocols.
- *Water Resources Information and Management* ensures the development and maintenance of data and information management systems to enable informed decisions on water management.
- *Water Resources Infrastructure Management* develops, rehabilitates and refurbishes bulk raw water resources infrastructure to meet South Africa's socioeconomic and environmental needs.
- *Water Resources Policy and Strategy* develops, monitors and reviews the implementation of water and sanitation sector policies and strategies. This entails periodical reviews of the national water resource strategy.
- *Water Resources Regulation* develops, implements, monitors and reviews water resource regulations, particularly raw water pricing regulation, water use authorisation, compliance monitoring and enforcement, dam safety, and resource protection and waste.
- *Water Resources Institutional Oversight* is responsible for the institutional governance and oversight of all water resource institutions, and facilitating their establishment and development.

Expenditure trends and estimates

Table 41.8 Water Resources Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million											
Water Resources Management Support	5.7	6.1	7.1	7.2	8.1%	0.2%	6.9	6.8	6.7	-2.3%	0.2%
Integrated Water Resources Planning	88.6	68.8	75.4	86.0	-1.0%	2.6%	100.4	101.5	101.5	5.7%	2.8%
Water Ecosystems Management	43.2	47.9	35.5	39.7	-2.8%	1.3%	47.4	47.4	47.2	5.9%	1.3%
Water Resources Information and Management	421.6	434.5	540.7	537.2	8.4%	15.6%	555.2	558.8	558.5	1.3%	15.6%
Water Resources Infrastructure Management	1 993.5	2 475.2	2 586.9	2 612.1	9.4%	77.7%	2 613.4	2 662.1	2 769.8	2.0%	75.4%
Water Resources Policy and Strategy	15.3	12.3	13.6	15.8	1.1%	0.5%	19.9	19.9	19.8	7.7%	0.5%
Water Resources Regulation	-	-	-	(1.4)	-	-	117.5	90.5	86.8	-500.3%	2.1%
Water Resources Institutional Oversight	76.7	63.5	50.8	76.9	0.1%	2.2%	77.4	80.7	72.1	-2.1%	2.2%
Total	2 644.6	3 108.3	3 310.0	3 373.4	8.5%	100.0%	3 538.0	3 567.6	3 662.4	2.8%	100.0%
Change to 2020 Budget estimate				(180.0)			(9.9)	(54.2)	(22.6)		
Economic classification											
Current payments	609.2	587.5	688.5	693.7	4.4%	20.7%	846.7	824.9	810.3	5.3%	22.5%
Compensation of employees	423.2	434.7	462.3	525.9	7.5%	14.8%	583.7	557.2	539.4	0.8%	15.6%
Goods and services ¹	186.0	152.8	226.2	167.8	-3.4%	5.9%	263.0	267.7	270.9	17.3%	6.9%
<i>of which:</i>											
Communication	4.5	4.8	4.1	6.8	15.1%	0.2%	10.3	10.5	10.6	15.6%	0.3%
Computer services	36.2	36.8	30.1	24.2	-12.6%	1.0%	41.2	42.4	42.6	20.8%	1.1%
Consultants: Business and advisory services	16.0	8.8	3.2	37.3	32.7%	0.5%	65.8	67.0	65.0	20.3%	1.7%
Infrastructure and planning services	41.7	37.6	117.5	28.8	-11.7%	1.8%	37.2	38.4	39.3	11.0%	1.0%
Fleet services (including government motor transport)	12.5	15.1	11.7	11.0	-4.2%	0.4%	11.2	11.3	11.6	1.6%	0.3%
Travel and subsistence	49.7	34.1	34.9	2.8	-61.5%	1.0%	44.8	47.6	47.0	155.1%	1.0%
Interest and rent on land	-	0.0	-	-	-	-	-	-	-	-	-
Transfers and subsidies¹	1 997.5	2 479.0	2 591.3	2 614.5	9.4%	77.9%	2 615.3	2 664.0	2 771.8	2.0%	75.4%
Provinces and municipalities	0.5	0.7	0.7	0.5	-0.2%	-	0.6	0.6	0.6	2.8%	-
Departmental agencies and accounts	1 882.9	2 266.9	2 367.0	2 379.0	8.1%	71.5%	2 372.7	2 413.8	2 515.7	1.9%	68.5%
Foreign governments and international organisations	110.6	208.2	219.9	233.1	28.2%	6.2%	240.8	248.3	254.2	2.9%	6.9%
Households	3.5	3.0	3.6	1.9	-18.1%	0.1%	1.3	1.4	1.4	-9.9%	-
Payments for capital assets	37.9	41.8	30.3	65.2	19.8%	1.4%	76.0	78.8	80.3	7.2%	2.1%
Buildings and other fixed structures	23.7	18.4	8.3	22.5	-1.8%	0.6%	30.9	31.6	32.4	12.9%	0.8%
Machinery and equipment	14.1	23.4	21.8	42.1	43.9%	0.8%	44.4	46.4	47.1	3.9%	1.3%
Software and other intangible assets	0.0	-	0.1	0.6	283.2%	-	0.7	0.7	0.7	6.5%	-
Payments for financial assets	-	-	0.0	-	-	-	-	-	-	-	-
Total	2 644.6	3 108.3	3 310.0	3 373.4	8.5%	100.0%	3 538.0	3 567.6	3 662.4	2.8%	100.0%
Proportion of total programme expenditure to vote expenditure	17.5%	18.7%	21.8%	19.9%	-	-	20.9%	20.5%	20.3%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	3.5	3.0	3.6	1.9	-18.1%	0.1%	1.3	1.4	1.4	-9.9%	-
Employee social benefits	3.5	3.0	3.6	1.9	-18.1%	0.1%	1.3	1.4	1.4	-9.9%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	173.0	183.0	193.3	203.9	5.6%	6.1%	300.7	291.1	286.4	12.0%	7.7%
Water Trading Entity	173.0	183.0	193.3	203.9	5.6%	6.1%	300.7	291.1	286.4	12.0%	7.7%
Capital	1 709.9	2 083.9	2 173.8	2 175.0	8.4%	65.5%	2 072.0	2 122.6	2 229.3	0.8%	60.8%
Water Trading Entity	1 709.9	2 083.9	2 173.8	2 175.0	8.4%	65.5%	2 072.0	2 122.6	2 229.3	0.8%	60.8%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.5	0.7	0.7	0.5	-0.2%	-	0.6	0.6	0.6	2.8%	-
Vehicle licences	0.5	0.7	0.7	0.5	-0.2%	-	0.6	0.6	0.6	2.8%	-
Foreign governments and international organisations											
Current	110.6	208.2	219.9	233.1	28.2%	6.2%	240.8	248.3	254.2	2.9%	6.9%
Komati Basin Water Authority	110.6	208.2	219.9	233.1	28.2%	6.2%	240.8	248.3	254.2	2.9%	6.9%

1. Estimates of National Expenditure data tables are available at www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 41.9 Water Resources Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2021		Number and cost ² of personnel posts filled/planned for on funded establishment												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ Total (%)					
		2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost	2022/23		Unit cost			2023/24		Unit cost		
		Number	Cost		Number	Cost		Number	Cost		Number	Cost				Number	Cost			
Water Resources Management		1 288	59	1 024	462.3	0.5	925	525.9	0.6	988	583.7	0.6	926	557.2	0.6	890	539.4	0.6	-1.3%	100.0%
Salary level																				
1 – 6	478	3	431	104.6	0.2	419	116.0	0.3	429	121.9	0.3	406	116.5	0.3	406	119.1	0.3	-1.0%	44.5%	
7 – 10	435	29	291	142.7	0.5	242	133.8	0.6	270	152.8	0.6	241	137.4	0.6	219	125.9	0.6	-3.3%	26.1%	
11 – 12	322	27	270	181.6	0.7	245	247.2	1.0	265	272.1	1.0	255	265.8	1.0	241	256.3	1.1	-0.5%	27.0%	
13 – 16	53	–	32	33.5	1.0	19	29.0	1.5	24	36.9	1.5	24	37.5	1.6	24	38.1	1.6	8.1%	2.4%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Programme 3: Water Services Management

Programme purpose

Develop, rehabilitate and refurbish water services infrastructure to meet the socioeconomic and environmental needs of South Africa.

Objectives

- Enhance water use efficiency and the management of water quality by assessing 8 large water systems for water losses by March 2024.
- Ensure adequate water availability through the development and management of infrastructure for water resources, and enhance the provision of sustainable and reliable water supply and sanitation by:
 - implementing 20 large regional bulk infrastructure projects over the medium term
 - transferring funds and monitoring the performance of municipalities on the *regional bulk infrastructure grant* and *water services infrastructure grant* in terms of the annual Division of Revenue Act.

Subprogrammes

- *Water Services Management Support* provides strategic leadership and overall management to the programme.
- *Water Services and Local Management* develops comprehensive plans that guide water and sanitation services and management across the value chain.
- *Regional Bulk Infrastructure Grant* provides for developing new infrastructure; refurbishing, upgrading and replacing ageing infrastructure; and servicing extensive areas across municipal boundaries.
- *Water Services Regulation* develops, implements, monitors and reviews water resource and services regulations.
- *Water Services Policy and Strategy* develops and reviews water services policies, procedures, and norms and standards; and monitors their implementation.
- *Water Services Infrastructure Grant* transfers funds to municipalities for the construction of new infrastructure, and the rehabilitation of existing water and sanitation infrastructure. This subprogramme also implements water services infrastructure schemes on behalf of municipalities and transfers infrastructure to water service institutions once construction is completed. The grant allocation prioritises the poorest district municipalities.
- *Water Services Institutional Oversight* is responsible for the institutional governance and oversight of all water services institutions, and facilitates their establishment and development.

Expenditure trends and estimates

Table 41.10 Water Services Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million											
Water Services Management Support	28.3	28.2	36.2	39.2	11.4%	0.3%	37.6	33.9	35.4	-3.3%	0.3%
Water Services and Local Management	211.3	1 064.3	501.9	402.7	24.0%	4.9%	422.6	451.2	454.1	4.1%	3.6%
Regional Bulk Infrastructure Grant	5 575.7	5 083.3	5 152.5	6 993.5	7.8%	51.3%	6 314.1	6 636.5	6 921.3	-0.3%	56.5%
Water Services Regulation	203.0	191.0	203.1	240.5	5.8%	1.9%	107.0	113.5	119.2	-20.9%	1.2%
Water Services Policy and Strategy	–	–	–	1.0	–	–	1.4	1.3	1.3	8.9%	–
Water Services Infrastructure Grant	4 440.2	5 508.1	4 389.5	4 127.8	-2.4%	41.6%	4 516.8	4 640.4	4 837.2	5.4%	38.1%
Water Services Institutional oversight	–	–	–	1.0	–	–	21.6	22.5	23.5	186.6%	0.1%
Total	10 458.5	11 874.9	10 283.3	11 805.7	4.1%	100.0%	11 421.1	11 899.4	12 392.1	1.6%	100.0%
Change to 2020 Budget estimate				119.4			(38.8)	(210.8)	(92.2)		
Economic classification											
Current payments	1 012.6	1 466.1	1 476.0	1 514.8	14.4%	12.3%	833.4	877.6	887.6	-16.3%	8.7%
Compensation of employees	417.5	433.3	456.0	509.9	6.9%	4.1%	415.5	437.8	432.6	-5.3%	3.8%
Goods and services ¹	583.5	1 032.8	1 020.1	1 004.9	19.9%	8.2%	417.9	439.7	455.0	-23.2%	4.9%
<i>of which:</i>											
Computer services	14.5	25.4	22.7	19.1	9.6%	0.2%	34.7	35.9	41.8	29.8%	0.3%
Consultants: Business and advisory services	154.4	25.8	251.4	444.4	42.2%	2.0%	62.8	73.4	79.5	-43.6%	1.4%
Infrastructure and planning services	262.9	72.3	63.8	38.2	-47.4%	1.0%	192.5	198.8	203.5	74.6%	1.3%
Consumables: Stationery, printing and office supplies	3.7	1.4	3.4	5.9	17.5%	–	8.0	8.2	8.0	10.5%	0.1%
Property payments	12.1	13.4	16.9	14.8	6.9%	0.1%	10.8	11.3	11.3	-8.5%	0.1%
Travel and subsistence	86.2	33.1	37.5	29.9	-29.8%	0.4%	48.5	49.2	49.6	18.4%	0.4%
Interest and rent on land	11.5	0.0	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies¹	6 160.1	7 440.1	6 486.6	6 186.8	0.1%	59.1%	6 569.8	6 782.1	7 078.0	4.6%	56.0%
Provinces and municipalities	5 134.2	6 740.2	5 697.8	5 373.2	1.5%	51.7%	5 776.4	5 981.8	6 245.4	5.1%	49.2%
Public corporations and private enterprises	1 022.3	694.7	782.9	809.3	-7.5%	7.4%	791.0	798.7	831.0	0.9%	6.8%
Non-profit institutions	0.8	1.2	1.6	1.1	13.2%	–	0.8	0.7	0.8	-12.0%	–
Households	2.7	3.9	4.3	3.2	5.5%	–	1.7	0.9	0.9	-34.5%	–
Payments for capital assets	3 285.9	2 968.7	2 320.6	4 104.1	7.7%	28.5%	4 017.9	4 239.8	4 426.5	2.6%	35.3%
Buildings and other fixed structures	3 277.4	2 959.0	2 309.4	4 087.3	7.6%	28.4%	4 004.6	4 226.4	4 412.7	2.6%	35.2%
Machinery and equipment	8.5	9.7	11.1	16.8	25.6%	0.1%	13.3	13.4	13.8	-6.4%	0.1%
Payments for financial assets	–	–	0.0	–	–	–	–	–	–	–	–
Total	10 458.5	11 874.9	10 283.3	11 805.7	4.1%	100.0%	11 421.1	11 899.4	12 392.1	1.6%	100.0%
Proportion of total programme expenditure to vote expenditure	69.2%	71.5%	67.6%	69.5%	–	–	67.5%	68.2%	68.7%	–	–

Table 41.10 Water Services Management expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome			Adjusted appropriation 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/Total (%)
		2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
R million												
Households												
Social benefits												
Current												
	2.7	3.6	4.0	3.2	5.5%	-	1.7	0.9	0.9	-34.5%	-	
Employee social benefits	2.7	3.6	4.0	3.2	5.5%	-	1.7	0.9	0.9	-34.5%	-	
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Capital												
	5 134.2	6 740.2	5 697.8	5 373.2	1.5%	51.7%	5 776.4	5 981.8	6 245.4	5.1%	49.2%	
Regional bulk infrastructure grant	1 829.0	1 963.0	2 028.5	2 005.6	3.1%	17.6%	2 156.0	2 280.8	2 381.3	5.9%	18.6%	
Water services infrastructure grant	3 305.2	4 777.2	3 669.3	3 367.6	0.6%	34.0%	3 620.3	3 701.0	3 864.1	4.7%	30.6%	
Households												
Other transfers to households												
Current												
	-	0.4	0.3	-	-	-	-	-	-	-	-	
Employee social benefits	-	0.4	0.3	-	-	-	-	-	-	-	-	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Capital												
	1 022.3	694.7	782.9	809.3	-7.5%	7.4%	791.0	798.7	831.0	0.9%	6.8%	
Amatola water board: Regional bulk infrastructure	88.6	92.4	185.0	-	-100.0%	0.8%	-	-	-	-	-	
Magalies water board: Regional bulk infrastructure	52.2	36.0	-	98.0	23.3%	0.4%	103.4	109.3	114.1	5.2%	0.9%	
Umgeni water board: Regional bulk infrastructure	518.4	132.3	320.0	579.0	3.8%	3.5%	550.9	545.7	569.7	-0.5%	4.7%	
Sedibeng water board: Regional bulk infrastructure	363.2	434.0	277.9	132.3	-28.6%	2.7%	136.7	143.7	147.1	3.6%	1.2%	
Non-profit institutions												
Current												
	0.8	0.2	1.6	1.1	13.2%	-	0.8	0.7	0.8	-12.0%	-	
Employee social benefits	0.1	-	-	-	-100.0%	-	-	-	-	-	-	
South African Youth Water Prize	0.0	0.0	0.0	0.0	-6.8%	-	0.0	0.0	0.0	3.8%	-	
Non-profit institution	-	-	-	-	-	-	-	-	-	-	-	
Various institutions: 2020 vision for water education programme	0.7	0.2	1.6	1.1	16.6%	-	0.8	0.7	0.8	-12.3%	-	

1. Estimates of National Expenditure data tables are available at www.treasury.gov.za. These tables contain detailed information by goods and services, and transfers and subsidies items by programme.

Personnel information

Table 41.11 Water Services Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2021			Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2019/20		2020/21		2021/22		2022/23		2023/24		2020/21 - 2023/24						
Water Services Management			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	662	18	901	456.0	0.5	897	509.9	0.6	735	415.5	0.6	760	437.8	0.6	738	432.6	0.6	-6.3%	100.0%
1 - 6	185	-	228	38.0	0.2	228	52.3	0.2	205	46.8	0.2	205	47.8	0.2	201	47.6	0.2	-4.1%	26.8%
7 - 10	288	11	418	172.3	0.4	414	217.6	0.5	325	172.8	0.5	349	190.2	0.5	336	186.4	0.6	-6.7%	45.5%
11 - 12	139	7	185	154.8	0.8	185	156.8	0.8	150	129.5	0.9	151	132.4	0.9	146	130.2	0.9	-7.6%	20.2%
13 - 16	50	-	70	90.9	1.3	70	83.2	1.2	55	66.3	1.2	55	67.4	1.2	55	68.4	1.2	-7.7%	7.5%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Entities

Breede-Gouritz Catchment Management Agency

Selected performance indicators

Table 41.12 Breede-Gouritz Catchment Management Agency performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Percentage of water registrations finalised per year	Water projects	Priority 2: Economic transformation and job creation	85% (680/800)	66% (528/800)	85% (351/419)	85%	85%	85%	85%

Entity overview

The Breede-Gouritz Catchment Management Agency was established in terms of the National Water Act (1998). The agency plays an important role in protecting, using, developing, conserving, managing and controlling water resources in a cooperative manner within the boundaries of the Breede-Gouritz catchment area. Over the medium term, the agency's strategic objective is to continue providing water resources management activities to support economic development and social wellbeing. To achieve this, the agency will continue conserving and maintaining ecosystems, promoting tourism and encouraging residential developments within its water management area.

Expenditure is expected to increase at an annual average rate of 9.9 per cent, from R68.3 million in 2020/21 to R90.7 million in 2023/24. This is mainly due to spending on compensation of employees, which increases at an average annual rate of 10.4 per cent, from R44.8 million in 2020/21 to R60.3 million in 2023/24. The agency derives its revenue mainly through water resource management charges collected by the department and transferred to the agency. Revenue is expected to increase in line with expenditure.

Programmes/Objectives/Activities

Table 41.13 Breede-Gouritz Catchment Management Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
Administration	23.7	27.3	35.7	29.5	7.5%	44.8%	34.7	36.7	40.4	11.0%	44.3%
Water projects	24.8	29.9	27.2	29.2	5.6%	43.2%	32.4	34.3	37.8	9.0%	42.0%
Public participation	5.8	7.1	8.9	9.6	17.8%	12.1%	10.6	11.2	12.4	9.0%	13.7%
Total	54.4	64.3	71.8	68.3	7.9%	100.0%	77.7	82.2	90.7	9.9%	100.0%

Statements of financial performance, cash flow and financial position

Table 41.14 Breede-Gouritz Catchment Management Agency statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
Revenue											
Non-tax revenue	16.5	50.0	49.7	29.4	21.3%	40.1%	34.1	36.1	41.0	11.7%	44.0%
Sale of goods and services other than capital assets	10.1	41.5	38.9	29.4	42.6%	33.3%	34.1	36.1	41.0	11.7%	44.0%
of which:											
Other sales	10.1	41.5	38.9	29.4	42.6%	33.3%	34.1	36.1	41.0	11.7%	44.0%
Other non-tax revenue	6.3	8.6	10.8	–	-100.0%	6.8%	–	–	–	–	–
Transfers received	60.0	65.8	44.8	38.9	-13.5%	59.9%	43.6	46.1	49.7	8.5%	56.0%
Total revenue	76.5	115.8	94.5	68.3	-3.7%	100.0%	77.7	82.2	90.7	9.9%	100.0%
Expenses											
Current expenses	54.4	64.3	71.8	68.3	7.9%	100.0%	77.7	82.2	90.7	9.9%	100.0%
Compensation of employees	31.7	39.9	44.0	44.8	12.2%	61.8%	51.7	54.7	60.3	10.4%	66.3%
Goods and services	20.5	23.2	26.3	22.1	2.6%	35.7%	25.2	26.7	29.4	10.0%	32.4%
Depreciation	2.2	1.2	1.5	1.4	-14.1%	2.5%	0.8	0.8	0.9	-12.9%	1.3%
Total expenses	54.4	64.3	71.8	68.3	7.9%	100.0%	77.7	82.2	90.7	9.9%	100.0%
Surplus/(Deficit)	22.1	51.5	22.7	–	-100.0%		–	–	–	–	

Table 41.14 Breede-Gouritz Catchment Management Agency statements of financial performance, cash flow and financial position

Statement of financial performance		Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		2021/22	2022/23	2023/24	2020/21 - 2023/24	
R million												
Cash flow statement												
Cash flow from operating activities		8.9	45.9	32.2	(1.8)	-158.8%	100.0%	3.6	4.8	8.3	-265.9%	100.0%
Receipts												
Non-tax receipts		1.4	42.9	49.7	25.9	162.3%	31.9%	34.6	36.6	41.5	17.1%	38.4%
Sales of goods and services other than capital assets		–	41.5	38.9	24.4	–	27.6%	34.1	36.1	41.0	18.8%	37.5%
Sales by market establishment		–	41.5	38.9	24.4	–	27.6%	34.1	36.1	41.0	18.8%	37.5%
Water use charges		–	41.5	38.9	24.4	–	27.6%	34.1	36.1	41.0	18.8%	37.5%
Other tax receipts		1.4	1.4	10.8	1.4	0.2%	4.2%	0.5	0.5	0.5	-27.6%	0.9%
Transfers received		60.0	65.8	44.8	52.4	-4.4%	68.1%	53.6	55.6	58.1	3.5%	61.6%
Total receipts		61.4	108.7	94.5	78.3	8.4%	100.0%	88.3	92.2	99.6	8.4%	100.0%
Payment												
Current payments		52.5	62.9	62.3	80.1	15.1%	100.0%	84.7	87.4	91.3	4.5%	100.0%
Compensation of employees		29.6	39.9	44.0	42.8	13.1%	61.0%	50.0	52.3	54.6	8.5%	58.0%
Goods and services		22.9	22.9	18.3	37.3	17.6%	39.0%	34.7	35.1	36.7	-0.5%	42.0%
Total payments		52.5	62.9	62.3	80.1	15.1%	100.0%	84.7	87.4	91.3	4.5%	100.0%
Net cash flow from investing activities		(0.9)	(0.5)	(1.2)	(0.9)	1.9%	100.0%	(1.2)	(1.2)	(1.3)	12.0%	100.0%
Acquisition of property, plant, equipment and intangible assets		(0.7)	(0.5)	(0.7)	(0.9)	7.1%	87.0%	(0.7)	(0.7)	(0.8)	-4.7%	71.3%
Acquisition of software and other intangible assets		(0.2)	–	(0.5)	–	-100.0%	14.1%	(0.5)	(0.5)	(0.5)	–	28.7%
Proceeds from the sale of property, plant, equipment and intangible assets		0.0	–	–	–	-100.0%	-1.1%	–	–	–	–	–
Net increase/(decrease) in cash and cash equivalents		8.1	45.3	31.0	(2.7)	-169.6%	31.1%	2.4	3.6	7.0	-237.3%	2.8%
Statement of financial position												
Carrying value of assets		4.1	3.4	2.9	2.4	-16.7%	11.5%	2.4	2.4	2.5	1.5%	32.0%
Acquisition of assets		(0.7)	(0.5)	(0.7)	(0.9)	7.1%	100.0%	(0.7)	(0.7)	(0.8)	-4.7%	100.0%
Receivables and prepayments		35.0	65.6	64.2	0.0	-96.1%	47.1%	0.0	0.0	0.0	1.5%	–
Cash and cash equivalents		9.2	34.2	55.4	5.0	-18.3%	41.3%	5.0	5.0	5.2	1.5%	68.0%
Total assets		48.2	103.1	122.6	7.4	-46.6%	100.0%	7.4	7.4	7.7	1.5%	100.0%
Accumulated surplus/(deficit)		41.4	92.9	104.6	4.9	-50.8%	82.1%	4.9	4.9	5.1	1.5%	66.9%
Trade and other payables		2.5	0.4	1.7	2.0	-7.2%	8.6%	2.0	2.0	2.1	1.5%	27.2%
Provisions		0.5	0.4	8.4	0.4	-5.7%	3.5%	0.4	0.4	0.4	1.5%	5.8%
Derivatives financial instruments		3.8	9.3	7.9	–	-100.0%	5.8%	–	–	–	–	–
Total equity and liabilities		48.2	103.1	122.6	7.4	-46.6%	100.0%	7.4	7.4	7.7	1.5%	100.0%

Personnel information**Table 41.15 Breede-Gouritz Catchment Management Agency personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2019/20		2020/21		2021/22		2022/23		2023/24		2020/21 - 2023/24							
Breede-Gouritz Catchment Management Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	66	66	65	44.0	0.7	65	44.8	0.7	65	51.7	0.8	65	54.7	0.8	65	60.3	0.9	10.4%	100.0%
1 – 6	5	5	5	0.9	0.2	5	0.9	0.2	5	1.1	0.2	5	1.2	0.2	5	1.2	0.2	8.5%	2.1%
7 – 10	36	36	36	20.1	0.6	36	20.5	0.6	36	23.7	0.7	36	25.1	0.7	36	27.6	0.8	10.5%	45.8%
11 – 12	21	21	20	17.4	0.9	20	17.6	0.9	20	20.7	1.0	20	21.8	1.1	20	24.3	1.2	11.4%	39.9%
13 – 16	4	4	4	5.5	1.4	4	5.8	1.4	4	6.3	1.6	4	6.6	1.7	4	7.2	1.8	7.3%	12.3%
17 – 22	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Rand million.

Consolidated water boards

Selected performance indicators

Table 41.16 Consolidated water boards performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Volume ¹ of bulk water sales by Amatola water board per year	Water board activities	Priority 5: Spatial integration, human settlements and local government	32 208	31 432	31 835	32 991	34 021	38 917	40 531
Volume ² of bulk water sales by Bloem water board per year	Water board activities		77 937	81 118	84 135	94 179	95 121	96 072	97 032
Volume ² of bulk water sales by Lepelle Northern water board per year	Water board activities		93 813	89 440	97 490	98 490	98 490	98 490	98 490
Volume ² of bulk water sales by Magalies water board per year	Water board activities		90 595	92 321	94 706	87 141	97 393	101 684	104 393
Volume ² of bulk water sales by Mhlathuze water board per year	Water board activities		43 352	45 106	45 941	49 855	62 630	74 509	92 028
Volume ² of bulk water sales by Overberg water board per year	Water board activities		3 445	3 265	3 625	3 622	3 687	3 663	3 720
Volume ² of bulk water sales by Rand Water per year	Water board activities		1 534 860	1 714 308	1 655 373	1 677 568	1 705 691	1 734 308	1 763 426
Volume ² of bulk water sales by Sedibeng water board per year	Water board activities		118 299	122 551	119 731	125 782	128 082	129 561	131 060
Volume ² of bulk water sales by Umgeni water board per year	Water board activities		434 568	471 801	509 217	512 175	522 868	533 148	541 145

1. Measured in megalitres.

Entity overview

Water boards are established in terms of the Water Services Act (1997). The water boards' main role is to provide bulk potable and wastewater to water service institutions within their respective service areas. The water boards vary in size, activities, customer mix, revenue base and capacity. Some water boards provide retail water and sanitation services on behalf of municipalities. Rand Water and Umgeni Water serve largely urban areas. The rest of the water boards operate largely in the rural areas.

Water boards' consolidated budget amounts to R80.2 billion over the medium term, increasing at an average annual rate of 8.4 per cent, from R22.7 billion in 2020/21 to R28.9 billion in 2023/24. The increase is mainly due to purchases of raw water, and costs related to energy, pumping and chemicals. Spending on bulk water extraction, purification and distribution constitutes 75.9 per cent (R60.9 billion) of expenditure, increasing at an average annual rate of 8.6 per cent, from R17.2 billion in 2020/21 to R22 billion in 2023/24. Revenue is derived mainly through the sale of bulk potable and waste water and other sources such as interest, dividends and rent on land, and is estimated to be R98.4 billion over the medium term.

Programmes/Objectives/Activities

Table 41.17 Consolidated water boards expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
Administration	5 016.3	5 617.7	5 416.2	5 531.9	3.3%	26.8%	6 046.4	6 335.9	6 889.6	7.6%	24.1%
Bulk activities	12 131.9	13 717.3	16 493.4	17 187.0	12.3%	73.2%	18 647.5	20 278.2	22 026.5	8.6%	75.9%
Total	17 148.3	19 335.0	21 909.6	22 718.8	9.8%	100.0%	24 694.0	26 614.0	28 916.0	8.4%	100.0%

Statements of financial performance, cash flow and financial position**Table 41.18 Consolidated water boards statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/ Total (%) 2020/21 - 2023/24
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
Revenue											
Non-tax revenue	21 523.4	24 784.4	27 022.6	27 616.9	8.7%	99.0%	29 694.7	32 738.3	35 945.1	9.2%	100.0%
Sale of goods and services other than capital assets of which:	20 643.1	23 690.9	25 870.4	26 286.8	8.4%	94.6%	29 184.1	32 265.6	35 373.5	10.4%	97.6%
Administrative fees	76.3	28.9	268.6	55.4	-10.1%	0.4%	59.3	63.6	67.4	6.7%	0.2%
Sales by market establishment	20 566.8	23 654.5	25 595.3	26 225.0	8.4%	94.2%	29 116.9	32 193.6	35 297.2	10.4%	97.4%
Water sales	19 565.4	22 463.9	24 526.9	24 960.7	8.5%	89.8%	27 772.8	30 743.4	33 745.2	10.6%	92.9%
Wastewater	505.1	571.4	564.3	615.7	6.8%	2.2%	677.7	752.5	831.0	10.5%	2.3%
Other activities	496.3	619.2	504.1	648.6	9.3%	2.2%	666.4	697.7	721.0	3.6%	2.2%
Other sales	-	7.6	6.5	6.4	-	-	7.8	8.4	9.0	12.1%	-
Other non-tax revenue	880.3	1 093.4	1 152.1	1 330.1	14.7%	4.4%	510.6	472.8	571.5	-24.5%	2.4%
Transfers received	302.3	514.6	158.1	-	-100.0%	1.0%	-	-	-	-	-
Total revenue	21 825.7	25 299.0	27 180.6	27 616.9	8.2%	100.0%	29 694.7	32 738.3	35 945.1	9.2%	100.0%
Expenses											
Current expenses	17 083.4	19 335.0	21 909.6	22 718.8	10.0%	99.9%	24 694.0	26 614.0	28 916.0	8.4%	100.0%
Compensation of employees	4 216.6	4 530.0	4 266.1	4 902.0	5.1%	22.3%	5 253.8	5 638.4	6 042.7	7.2%	21.2%
Goods and services	11 427.4	13 214.1	15 890.2	16 187.4	12.3%	69.7%	17 703.0	19 043.6	20 685.5	8.5%	71.5%
Depreciation	1 203.5	1 303.5	1 532.4	1 467.9	6.8%	6.8%	1 607.3	1 780.6	1 972.2	10.3%	6.6%
Interest, dividends and rent on land	235.8	287.5	220.8	161.5	-11.9%	1.1%	129.8	151.4	215.6	10.1%	0.6%
Transfers and subsidies	64.9	-	-	-	-100.0%	0.1%	-	-	-	-	-
Total expenses	17 148.3	19 335.0	21 909.6	22 718.8	9.8%	100.0%	24 694.0	26 614.0	28 916.0	8.4%	100.0%
Surplus/(Deficit)	4 677.5	5 963.9	5 271.1	4 898.0	1.5%		5 000.7	6 124.3	7 029.0	12.8%	
Cash flow statement											
Cash flow from operating activities	4 988.8	6 425.7	6 246.4	5 407.1	2.7%	100.0%	6 463.6	8 835.3	8 697.7	17.2%	100.0%
Receipts											
Non-tax receipts	20 627.7	23 696.5	25 286.4	26 514.9	8.7%	98.8%	28 334.5	31 320.1	34 429.3	9.1%	100.0%
Sales of goods and services other than capital assets	20 061.2	22 908.7	24 301.8	25 520.8	8.4%	95.4%	27 875.9	30 938.0	34 039.6	10.1%	98.1%
Administrative fees	52.4	57.1	60.5	55.1	1.7%	0.2%	64.6	60.4	64.1	5.2%	0.2%
Sales by market establishment	19 634.1	22 523.1	23 970.7	25 069.3	8.5%	93.7%	27 458.4	30 466.2	33 457.2	10.1%	96.5%
Water sales	19 634.1	22 181.5	23 630.8	24 695.9	7.9%	92.7%	27 051.8	30 019.2	32 965.4	10.1%	95.1%
Wastewater	-	294.4	295.9	315.2	-	0.9%	349.8	384.8	423.4	10.3%	1.2%
Other activities	-	47.2	44.0	58.2	-	0.1%	56.7	62.3	68.4	5.5%	0.2%
Other sales	374.6	328.6	270.7	396.4	1.9%	1.4%	353.0	411.3	518.3	9.3%	1.4%
Other tax receipts	566.6	787.8	984.5	994.1	20.6%	3.4%	458.5	382.1	389.7	-26.8%	1.9%
Transfers received	183.9	622.4	384.5	-	-100.0%	1.2%	-	-	-	-	-
Total receipts	20 811.7	24 319.0	25 670.9	26 514.9	8.4%	100.0%	28 334.5	31 320.1	34 429.3	9.1%	100.0%
Payment											
Current payments	15 822.9	17 893.3	19 424.4	21 107.8	10.1%	100.0%	21 870.8	22 484.7	25 731.6	6.8%	100.0%
Compensation of employees	3 621.1	4 270.8	3 963.1	4 935.2	10.9%	22.6%	5 277.8	5 674.4	6 081.4	7.2%	24.1%
Goods and services	11 891.2	13 332.4	15 258.7	15 922.1	10.2%	75.9%	16 365.8	16 562.1	19 333.2	6.7%	74.8%
Interest and rent on land	310.7	290.1	202.6	250.5	-6.9%	1.5%	227.3	248.2	317.0	8.2%	1.1%
Total payments	15 822.9	17 893.3	19 424.4	21 107.8	10.1%	100.0%	21 870.8	22 484.7	25 731.6	6.8%	100.0%
Net cash flow from investing activities	(3 983.7)	(4 194.3)	(5 595.5)	(5 972.6)	14.5%	100.0%	(7 294.6)	(10 567.0)	(12 108.3)	26.6%	100.0%
Acquisition of property, plant, equipment and intangible assets	(3 305.3)	(3 279.9)	(3 229.1)	(6 488.4)	25.2%	81.9%	(8 130.5)	(10 861.7)	(12 010.1)	22.8%	105.5%
Acquisition of software and other intangible assets	(22.2)	(48.4)	(70.6)	(3.5)	-46.0%	0.8%	(1.9)	(2.9)	(3.7)	1.6%	-
Proceeds from the sale of property, plant, equipment and intangible assets	3.3	3.5	10.5	-	-100.0%	-0.1%	-	-	-	-	-
Other flows from investing activities	(659.5)	(869.6)	(2 306.2)	519.3	-192.3%	17.5%	837.7	297.7	(94.6)	-156.7%	-5.6%
Net cash flow from financing activities	195.3	(746.0)	(282.2)	(1 460.5)	-295.5%	100.0%	586.9	1 336.1	1 621.6	-203.5%	100.0%
Deferred income	454.7	151.6	241.7	809.3	21.2%	17.9%	791.0	798.7	831.0	0.9%	47.6%
Borrowing activities	(173.3)	(843.3)	(525.1)	(2 439.5)	141.4%	94.4%	(155.4)	755.0	1 264.6	-180.3%	68.8%
Repayment of finance leases	(7.7)	(6.1)	(3.7)	-	-100.0%	-0.5%	-	-	-	-	-
Other flows from financing activities	(78.4)	(48.2)	5.0	169.7	-229.4%	-11.8%	(48.7)	(217.6)	(474.0)	-240.8%	-16.4%
Net increase/(decrease) in cash and cash equivalents	1 200.4	1 485.3	368.8	(2 026.0)	-219.1%	1.9%	(244.1)	(395.6)	(1 789.1)	-4.1%	-4.4%

Table 41.18 Consolidated water boards statements of financial performance, cash flow and financial position

Statement of financial position performance				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2020/21				2021/22	2022/23	2023/24		
R million	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24		
Carrying value of assets	40 909.0	43 102.3	45 835.6	53 187.5	9.1%	70.4%	58 726.7	67 426.4	77 509.3	13.4%	78.3%
Acquisition of assets	(3 305.3)	(3 279.9)	(3 229.1)	(6 488.4)	25.2%	100.0%	(8 130.5)	(10 861.7)	(12 010.1)	22.8%	100.0%
Investments	3 557.6	4 264.0	5 054.7	2 982.8	-5.7%	6.1%	2 066.4	1 753.3	1 848.3	-14.7%	2.7%
Inventory	632.8	661.2	636.2	724.8	4.6%	1.0%	760.7	795.5	833.7	4.8%	1.0%
Loans	4.1	3.8	2.8	3.8	-2.4%	-	3.8	3.7	3.7	-0.8%	-
Accrued investment interest	44.0	79.4	-	77.7	20.9%	0.1%	77.7	77.7	77.7	-	0.1%
Receivables and prepayments	8 214.7	9 169.6	10 740.1	8 602.8	1.6%	14.1%	10 347.0	9 976.8	10 671.7	7.4%	12.2%
Cash and cash equivalents	2 954.1	5 463.5	7 282.4	5 069.9	19.7%	7.9%	4 976.0	4 796.6	3 281.1	-13.5%	5.7%
Non-current assets held for sale	2.4	328.7	13.1	-	-100.0%	0.1%	-	-	-	-	-
Defined benefit plan assets	16.7	2.2	54.6	2.2	-48.8%	-	2.2	2.2	2.2	-	-
Taxation	188.7	194.5	146.8	27.9	-47.1%	0.2%	28.7	29.4	30.7	3.3%	-
Total assets	56 524.0	63 269.4	69 766.3	70 679.4	7.7%	100.0%	76 989.3	84 861.8	94 258.5	10.1%	100.0%
Accumulated surplus/(deficit)	34 670.7	40 450.3	47 174.9	49 746.4	12.8%	65.8%	55 281.4	61 307.9	68 179.3	11.1%	71.7%
Capital and reserves	3 420.7	3 430.9	3 453.4	3 753.0	3.1%	5.4%	3 417.6	3 426.8	3 543.9	-1.9%	4.4%
Capital reserve fund	492.4	165.1	75.9	330.8	-12.4%	0.4%	74.2	74.2	74.2	-39.2%	0.2%
Borrowings	6 610.2	6 454.8	6 341.6	4 424.0	-12.5%	9.3%	4 685.6	5 771.4	7 385.3	18.6%	6.7%
Finance lease	12.9	8.3	5.1	2.2	-44.9%	-	8.7	6.5	6.9	47.1%	-
Accrued interest	56.0	53.7	-	54.3	-1.0%	0.1%	63.2	63.1	63.6	5.4%	0.1%
Deferred income	1 768.8	2 067.8	1 274.9	722.9	-25.8%	2.3%	3 660.3	3 647.1	3 774.7	73.5%	3.5%
Trade and other payables	8 215.3	8 991.1	10 172.8	7 021.3	-5.1%	13.3%	8 055.4	8 716.1	9 262.9	9.7%	10.1%
Taxation	102.3	79.8	162.8	164.3	17.1%	0.2%	191.3	213.4	236.8	12.9%	0.2%
Provisions	938.3	959.3	710.9	4 181.1	64.6%	2.5%	1 256.6	1 344.3	1 443.8	-29.8%	2.7%
Derivatives financial instruments	236.3	608.3	394.1	279.0	5.7%	0.6%	295.0	291.0	287.0	0.9%	0.4%
Total equity and liabilities	56 524.0	63 269.4	69 766.3	70 679.4	7.7%	100.0%	76 989.3	84 861.8	94 258.5	10.1%	100.0%

Inkomati-Usuthu Catchment Management Agency

Selected performance indicators

Table 41.19 Inkomati-Usuthu Catchment Management Agency performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of quarterly routine maintenance exercises performed on the installed river flow data loggers per year	Promote and pursue an international developmental agenda	Priority 2: Economic transformation and job creation	112	112	140	140	140	114	114
Number of hydrology reports produced to update the Inkomati hydrology per year	Promote and pursue an international developmental agenda		23	24	24	24	24	24	24
Number of river cleaning exercises performed to support the Adopt a River campaign with duly submitted reports per year	Promote knowledge generation and distribution		50	32	32	32	32	32	32
Percentage of water quality-related authorisations and recommendations forwarded to the department	Ensure the effective, efficient and sustainable management of water resources		100% (34)	80% (39/49)	100%	100%	100%	100%	100%

Entity overview

The Inkomati-Usuthu Catchment Management Agency was established in 2004 in terms of the National Water Act (1998). The agency plays a key role in the use, protection and development of water resources in the Inkomati-Usuthu water management area, and aims to ensure that water is used and managed to support equitable and sustainable socioeconomic transformation and development. Over the medium term, the agency's focus will remain on meeting water demand for the domestic, agriculture and commercial sectors through processing water use licence applications and ensuring that the area's quality of water resources remains high.

Expenditure is expected to increase at an average annual rate of 5.4 per cent, from R156.8 million in 2020/21 to R183.5 million in 2023/24. Transfers from the department account for 68.7 per cent of the agency's revenue, while the remainder is derived from water use licence fees. Revenue is expected to increase in line with expenditure.

Programmes/Objectives/Activities

Table 41.20 Inkomati-Usuthu Catchment Management Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
Administration	46.5	54.3	55.9	75.1	17.3%	48.0%	79.4	84.0	87.8	5.4%	47.9%
Ensure the effective, efficient and sustainable management of water resources	20.7	20.9	23.7	33.7	17.6%	20.4%	35.7	37.8	39.5	5.4%	21.5%
Ensure collaborative and coordinated integrated water resources management for wise socioeconomic development	9.0	11.5	22.5	14.1	16.1%	11.8%	14.9	15.8	16.5	5.4%	9.0%
Promote and pursue an international developmental agenda	8.4	10.6	10.1	17.0	26.4%	9.4%	18.0	19.0	19.9	5.4%	10.8%
Promote knowledge generation and distribution	9.3	11.3	13.0	16.9	22.1%	10.4%	17.9	19.0	19.8	5.4%	10.8%
Total	93.9	108.6	125.1	156.8	18.6%	100.0%	165.9	175.6	183.5	5.4%	100.0%

Statements of financial performance, cash flow and financial position

Table 41.21 Inkomati-Usuthu Catchment Management Agency statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
Revenue											
Non-tax revenue	20.4	38.9	(4.7)	50.8	35.5%	21.5%	50.7	54.5	56.9	3.9%	31.3%
Sale of goods and services other than capital assets of which:	17.5	35.5	(10.4)	47.2	39.2%	18.6%	50.7	54.5	56.9	6.5%	30.7%
Administrative fees	17.5	35.5	(10.4)	47.2	39.2%	18.6%	50.7	54.5	56.9	6.5%	30.7%
Water Trading Entity	17.5	35.5	(10.4)	47.2	39.2%	18.6%	50.7	54.5	56.9	6.5%	30.7%
Other non-tax revenue	2.9	3.4	5.7	3.6	7.6%	2.9%	–	–	–	-100.0%	0.6%
Transfers received	74.2	73.0	175.7	106.0	12.6%	78.5%	115.2	121.1	126.6	6.1%	68.7%
Total revenue	94.6	111.9	171.0	156.8	18.3%	100.0%	165.9	175.6	183.5	5.4%	100.0%
Expenses											
Current expenses	93.9	108.6	125.1	156.8	18.6%	100.0%	165.9	175.6	183.5	5.4%	100.0%
Compensation of employees	60.0	62.1	78.5	105.7	20.8%	62.8%	112.1	118.8	124.2	5.5%	67.6%
Goods and services	33.9	46.4	44.8	51.0	14.6%	36.8%	53.8	56.8	59.4	5.2%	32.4%
Depreciation	–	–	1.9	–	–	0.4%	–	–	–	–	–
Interest, dividends and rent on land	–	0.0	–	–	–	–	–	–	–	–	–
Total expenses	93.9	108.6	125.1	156.8	18.6%	100.0%	165.9	175.6	183.5	5.4%	100.0%
Surplus/(Deficit)	–	3.3	45.9	–	–	–	–	–	–	–	–
Cash flow statement											
Cash flow from operating activities	23.6	45.6	(20.2)	0.6	-70.1%	100.0%	0.7	0.7	0.7	5.2%	100.0%
Receipts											
Non-tax receipts	27.7	38.8	26.6	47.2	19.4%	24.5%	50.7	54.5	56.9	6.5%	34.2%
Sales of goods and services other than capital assets	24.9	35.5	20.9	47.2	23.8%	22.3%	50.7	54.5	56.9	6.5%	34.2%
Other sales	24.9	35.5	20.9	47.2	23.8%	22.3%	50.7	54.5	56.9	6.5%	34.2%
Other tax receipts	2.9	3.3	5.7	–	-100.0%	2.3%	–	–	–	–	–
Transfers received	126.4	140.4	80.4	93.5	-9.6%	75.5%	98.2	103.1	107.7	4.8%	65.8%
Total receipts	154.2	179.2	107.0	140.7	-3.0%	100.0%	148.9	157.6	164.7	5.4%	100.0%

Table 41.21 Inkomati-Usuthu Catchment Management Agency statements of financial performance, cash flow and financial position

Statement of financial performance				Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Audited outcome			2020/21				2017/18 - 2020/21	2021/22	2022/23		
R million	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24		
Payment											
Current payments	130.6	133.6	127.2	140.1	2.4%	100.0%	148.2	156.9	163.9	5.4%	100.0%
Compensation of employees	59.1	68.7	78.1	90.6	15.3%	55.7%	96.1	101.8	106.4	5.5%	64.8%
Goods and services	71.5	64.9	49.0	49.3	-11.6%	44.3%	52.1	54.9	57.4	5.2%	35.1%
Interest and rent on land	-	0.0	0.1	0.1	-	-	0.1	0.1	0.1	5.2%	0.1%
Total payments	130.6	133.6	127.2	140.1	2.4%	100.0%	148.2	156.9	163.9	5.4%	100.0%
Net cash flow from investing activities	(2.1)	(0.6)	(1.7)	(0.6)	-33.0%	100.0%	(0.7)	(0.7)	(0.7)	5.2%	100.0%
Acquisition of property, plant, equipment and intangible assets	(2.1)	(0.6)	(1.7)	(0.6)	-33.0%	100.9%	(0.7)	(0.7)	(0.7)	5.2%	100.0%
Proceeds from the sale of property, plant, equipment and intangible assets	-	0.0	-	-	-	-0.9%	-	-	-	-	-
Net cash flow from financing activities	0.1	0.3	(0.2)	-	-100.0%	-	-	-	-	-	-
Repayment of finance leases	0.1	0.3	(0.2)	-	-100.0%	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	21.6	45.3	(22.1)	(0.0)	-100.0%	11.8%	0.0	(0.0)	0.0	-266.1%	-
Statement of financial position											
Carrying value of assets	5.6	4.1	3.9	9.4	18.7%	9.1%	9.9	10.4	10.8	5.0%	22.8%
Acquisition of assets	(2.1)	(0.6)	(1.7)	(0.6)	-33.0%	100.0%	(0.7)	(0.7)	(0.7)	5.2%	100.0%
Investments	0.3	0.3	0.3	0.3	2.2%	0.3%	0.3	0.3	0.3	5.0%	0.7%
Receivables and prepayments	17.6	54.8	24.5	0.2	-77.5%	20.4%	0.2	0.2	0.2	5.1%	0.5%
Cash and cash equivalents	53.1	98.4	76.3	31.2	-16.3%	70.1%	32.9	34.5	36.1	5.0%	76.0%
Total assets	76.6	157.6	105.0	41.0	-18.8%	100.0%	43.3	45.4	47.5	5.0%	100.0%
Accumulated surplus/(deficit)	16.3	53.3	99.2	35.8	29.9%	59.2%	37.8	39.6	41.4	5.0%	87.3%
Capital and reserves	-	-	-	0.1	-	0.1%	0.1	0.1	0.1	5.3%	0.3%
Finance lease	0.6	0.3	0.1	-	-100.0%	0.3%	-	-	-	-	-
Deferred income	52.3	95.4	-	-	-100.0%	32.2%	-	-	-	-	-
Trade and other payables	5.7	6.8	2.8	4.5	-7.5%	6.3%	4.7	5.0	5.2	5.0%	11.0%
Provisions	1.8	1.9	2.9	0.6	-29.6%	2.0%	0.7	0.7	0.7	5.0%	1.5%
Total equity and liabilities	76.6	157.6	105.0	41.0	-18.8%	100.0%	43.3	45.4	47.5	5.0%	100.0%

Personnel information**Table 41.22 Inkomati-Usuthu Catchment Management Agency personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost	2022/23		Unit cost			2023/24		Unit cost	
Inkomati-Usuthu Catchment Management Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2020/21 - 2023/24		
Salary level	136	136	111	78.5	0.7	137	105.7	0.8	136	112.1	0.8	136	118.8	0.9	136	124.2	0.9	5.5%	100.0%
1-6	14	14	11	1.3	0.1	14	1.8	0.1	14	1.9	0.1	14	2.0	0.1	14	2.1	0.2	6.2%	1.7%
7-10	47	47	36	15.2	0.4	47	21.6	0.5	47	23.1	0.5	47	24.8	0.5	47	25.6	0.5	5.8%	20.6%
11-12	38	38	32	23.6	0.7	38	33.2	0.9	38	35.5	0.9	38	38.0	1.0	38	39.5	1.0	5.9%	31.7%
13-16	37	37	32	38.4	1.2	38	49.1	1.3	37	51.5	1.4	37	54.0	1.5	37	57.0	1.5	5.0%	45.9%
17-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Rand million.

Rand Water

Selected performance indicators

Table 41.23 Rand Water performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Avoidable water loss as a percentage of total water produced (non-revenue water) per year	Administration	Priority 5: Spatial integration, human settlements and local government	4% (5 613/ 139 171)	3% (3 884/ 129 480)	4.2% (5 794/ 139 166)	4.2%	4.2%	4.2%	4.2%
Cost per kilolitre per year	Bulk water activities		R8.33	R9.35	R10.09	R10.09	R11.77	R12.78	R13.76
Volume ¹ of water sold (average per year)	Bulk water activities		1 534 860	1 714 308	1 655 373	1 677 568	1 705 691	1 734 308	1 763 426

1. Measured in megalitres.

Entity overview

Rand Water was established in terms of the Water Services Act (1997) and is mandated to supply quality bulk potable water within its area of supply. The water board's distribution network includes more than 3 056 kilometres of large diameter pipelines, feeding 58 strategically located service reservoirs, with customers including metropolitan municipalities, local municipalities, and mines and industries in and around Gauteng, supplying, on average, 3.7 million litres of water daily.

Expenditure is expected to increase at an average annual rate of 8.4 per cent, from R13.9 billion in 2020/21 to R17.7 billion in 2023/24. Spending on the provision of bulk water services is expected to increase at an average annual rate of 8.9 per cent, from R11.6 billion in 2020/21 to R15 billion in 2023/24. The increase is mainly due to water treatment and pumping costs. Spending on goods and services is estimated to increase at an average annual rate of 8.3 per cent, from R11 billion in 2020/21 to R13.9 billion in 2023/24. Over the medium term, the water board is expected to derive R61.3 billion of its revenue from bulk water sales. Water sales volumes are expected to increase from 1 677 568 megalitres in 2020/21 to 1 763 426 megalitres in 2023/24. Tariffs are expected to increase to R13.76 per kilolitre by 2023/24.

Programmes/Objectives/Activities

Table 41.24 Rand Water expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million											
Administration	2 846.7	3 212.9	2 107.2	2 259.7	-7.4%	21.4%	2 382.5	2 489.4	2 700.4	6.1%	15.6%
Bulk water	7 640.6	8 772.8	10 736.7	11 607.5	15.0%	77.4%	12 738.3	13 822.1	14 994.1	8.9%	84.2%
Secondary activities	186.0	235.4	113.3	49.4	-35.7%	1.2%	–	7.2	27.3	-18.0%	0.1%
Total	10 673.3	12 221.1	12 957.2	13 916.5	9.2%	100.0%	15 120.8	16 318.8	17 721.8	8.4%	100.0%

Statements of financial performance, cash flow and financial position

Table 41.25 Rand Water statements of financial performance, cash flow and financial position

Statement of financial performance											
	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million											
Revenue											
Non-tax revenue	13 692.8	15 765.3	16 865.4	17 210.8	7.9%	100.0%	18 753.5	20 673.5	22 695.0	9.7%	100.0%
Sale of goods and services other than capital assets of which:											
<i>Sales by market establishment</i>	13 328.8	15 269.2	16 366.8	16 626.4	7.6%	97.0%	18 524.5	20 450.8	22 369.4	10.4%	98.2%
<i>Water sales</i>	13 328.8	15 269.2	16 366.8	16 626.4	7.6%	97.0%	18 524.5	20 450.8	22 369.4	10.4%	98.2%
Other non-tax revenue	364.0	496.2	498.6	584.4	17.1%	3.0%	229.0	222.6	325.6	-17.7%	1.8%
Total revenue	13 692.8	15 765.3	16 865.4	17 210.8	7.9%	100.0%	18 753.5	20 673.5	22 695.0	9.7%	100.0%

Table 41.25 Rand Water statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		2021/22	2022/23	2023/24	2020/21 - 2023/24	
Expenses											
Current expenses	10 673.3	12 221.1	12 957.2	13 916.5	9.2%	100.0%	15 120.8	16 318.8	17 721.8	8.4%	100.0%
Compensation of employees	2 365.3	2 443.3	1 975.6	2 294.3	-1.0%	18.5%	2 454.9	2 626.8	2 810.6	7.0%	16.2%
Goods and services	7 648.1	9 088.7	10 346.9	10 955.3	12.7%	76.2%	11 959.3	12 847.9	13 907.4	8.3%	78.8%
Depreciation	482.2	479.2	596.2	576.7	6.1%	4.3%	661.7	807.6	963.4	18.7%	4.7%
Interest, dividends and rent on land	177.7	209.9	38.5	90.2	-20.2%	1.1%	44.9	36.5	40.3	-23.5%	0.3%
Total expenses	10 673.3	12 221.1	12 957.2	13 916.5	9.2%	100.0%	15 120.8	16 318.8	17 721.8	8.4%	100.0%
Surplus/(Deficit)	3 019.5	3 544.3	3 908.2	3 294.2	2.9%		3 632.7	4 354.7	4 973.2	14.7%	
Cash flow statement											
Cash flow from operating activities	2 451.5	3 567.0	3 231.6	3 260.5	10.0%	100.0%	4 013.1	6 102.1	5 689.6	20.4%	100.0%
Receipts											
Non-tax receipts	13 692.8	15 765.3	16 865.4	17 210.8	7.9%	100.0%	18 753.5	20 673.5	22 695.0	9.7%	100.0%
Sales of goods and services other than capital assets	13 475.5	15 414.4	16 402.9	16 680.0	7.4%	97.6%	18 528.9	20 490.7	22 493.3	10.5%	98.5%
<i>Sales by market establishment</i>	<i>13 328.8</i>	<i>15 269.2</i>	<i>16 366.8</i>	<i>16 626.4</i>	<i>7.6%</i>	<i>97.0%</i>	<i>18 524.5</i>	<i>20 450.8</i>	<i>22 369.4</i>	<i>10.4%</i>	<i>98.2%</i>
<i>Water sales</i>	<i>13 328.8</i>	<i>15 269.2</i>	<i>16 366.8</i>	<i>16 626.4</i>	<i>7.6%</i>	<i>97.0%</i>	<i>18 524.5</i>	<i>20 450.8</i>	<i>22 369.4</i>	<i>10.4%</i>	<i>98.2%</i>
<i>Other sales</i>	<i>146.7</i>	<i>145.2</i>	<i>36.1</i>	<i>53.6</i>	<i>-28.5%</i>	<i>0.6%</i>	<i>4.3</i>	<i>39.9</i>	<i>123.9</i>	<i>32.2%</i>	<i>0.3%</i>
Other tax receipts	217.3	350.9	462.5	530.8	34.7%	2.4%	224.6	182.7	201.7	-27.6%	1.5%
Total receipts	13 692.8	15 765.3	16 865.4	17 210.8	7.9%	100.0%	18 753.5	20 673.5	22 695.0	9.7%	100.0%
Payment											
Current payments	11 241.3	12 198.4	13 633.8	13 950.3	7.5%	100.0%	14 740.4	14 571.3	17 005.4	6.8%	100.0%
Compensation of employees	1 964.7	2 443.3	1 975.6	2 518.2	8.6%	17.5%	2 694.5	2 883.1	3 084.9	7.0%	18.6%
Goods and services	9 026.5	9 545.2	11 619.6	11 341.9	7.9%	81.3%	12 001.0	11 651.7	13 880.2	7.0%	81.1%
Interest and rent on land	250.2	209.9	38.5	90.2	-28.8%	1.2%	44.9	36.5	40.3	-23.5%	0.4%
Total payments	11 241.3	12 198.4	13 633.8	13 950.3	7.5%	100.0%	14 740.4	14 571.3	17 005.4	6.8%	100.0%
Net cash flow from investing activities	(1 444.3)	(2 007.5)	(2 673.2)	(3 291.8)	31.6%	100.0%	(4 018.8)	(6 293.3)	(6 781.2)	27.2%	100.0%
Acquisition of property, plant, equipment and intangible assets	(1 443.2)	(1 111.3)	(1 687.3)	(3 299.3)	31.7%	79.7%	(4 018.8)	(6 293.4)	(6 781.3)	27.1%	100.1%
Acquisition of software and other intangible assets	(1.6)	(1.6)	(0.5)	-	-100.0%	0.1%	-	-	-	-	-
Proceeds from the sale of property, plant, equipment and intangible assets	0.0	5.1	7.6	-	-100.0%	-0.1%	-	-	-	-	-
Other flows from investing activities	0.5	(899.8)	(993.0)	7.4	141.9%	20.4%	0.0	0.0	0.0	-84.1%	-0.1%
Net cash flow from financing activities	(17.3)	(691.9)	(430.5)	(1 726.9)	363.9%	100.0%	-	-	(453.4)	-36.0%	-
Borrowing activities	(17.3)	(691.9)	(429.2)	(1 726.9)	363.9%	99.9%	-	-	(453.4)	-36.0%	-
Repayment of finance leases	-	-	(1.3)	-	-	0.1%	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	989.9	867.6	128.0	(1 758.3)	-221.1%	1.2%	(5.6)	(191.2)	(1 545.1)	-4.2%	-5.6%
Statement of financial position											
Carrying value of assets	21 319.0	22 131.0	24 011.4	27 054.0	8.3%	75.5%	30 675.3	36 425.2	42 517.8	16.3%	80.0%
<i>Acquisition of assets</i>	<i>(1 443.2)</i>	<i>(1 111.3)</i>	<i>(1 687.3)</i>	<i>(3 299.3)</i>	<i>31.7%</i>	<i>100.0%</i>	<i>(4 018.8)</i>	<i>(6 293.4)</i>	<i>(6 781.3)</i>	<i>27.1%</i>	<i>100.0%</i>
Investments	463.9	1 163.9	473.8	450.0	-1.0%	2.1%	450.0	450.0	450.0	-	1.1%
Inventory	485.4	493.7	462.2	544.8	3.9%	1.6%	570.4	597.8	626.5	4.8%	1.4%
Loans	4.1	3.8	2.8	3.8	-2.4%	-	3.8	3.7	3.7	-0.8%	-
Receivables and prepayments	2 482.0	2 222.7	2 868.0	3 924.9	16.5%	9.1%	4 256.6	3 788.5	4 171.9	2.1%	9.7%
Cash and cash equivalents	1 770.1	3 535.8	5 696.7	3 652.3	27.3%	11.4%	3 692.5	3 504.6	1 962.9	-18.7%	7.8%
Non-current assets held for sale	2.4	328.7	2.3	-	-100.0%	0.3%	-	-	-	-	-
Defined benefit plan assets	15.6	2.2	54.6	2.2	-47.7%	0.1%	2.2	2.2	2.2	-	-
Total assets	26 542.5	29 881.9	33 571.8	35 632.1	10.3%	100.0%	39 650.8	44 772.2	49 735.1	11.8%	100.0%
Accumulated surplus/(deficit)	18 452.1	21 769.6	25 737.6	29 086.1	16.4%	75.2%	32 771.2	37 129.7	42 106.7	13.1%	83.0%
Borrowings	4 393.4	4 389.4	4 317.3	2 741.6	-14.5%	12.9%	2 741.2	2 740.8	2 287.2	-5.9%	6.3%
Deferred income	392.8	106.3	104.2	117.3	-33.2%	0.6%	122.8	128.7	134.9	4.8%	0.3%
Trade and other payables	3 230.1	3 232.2	3 328.0	3 687.1	4.5%	10.8%	4 015.6	4 773.0	5 206.4	12.2%	10.4%
Derivatives financial instruments	74.1	384.4	84.7	-	-100.0%	0.5%	-	-	-	-	-
Total equity and liabilities	26 542.5	29 881.9	33 571.8	35 632.1	10.3%	100.0%	39 650.8	44 772.2	49 735.1	11.8%	100.0%

Personnel information

Table 41.26 Rand Water personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment														Number			
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost	2022/23		Unit cost			2023/24		Unit cost	
Rand Water		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2020/21 - 2023/24		
Salary level	3 571	3 571	3 561	1 975.6	0.6	3 571	2 294.3	0.6	3 579	2 454.9	0.7	3 603	2 626.8	0.7	3 618	2 810.6	0.8	7.0%	100.0%
1 – 6	316	316	316	47.4	0.2	316	54.9	0.2	316	58.8	0.2	316	62.9	0.2	316	67.3	0.2	7.0%	2.4%
7 – 10	2 466	2 466	2 460	1 046.7	0.4	2 466	1 212.7	0.5	2 474	1 298.3	0.5	2 498	1 389.2	0.6	2 513	1 486.4	0.6	7.0%	52.9%
11 – 12	367	367	363	318.1	0.9	367	368.6	1.0	367	394.6	1.1	367	422.2	1.2	367	451.7	1.2	7.0%	16.1%
13 – 16	402	402	402	514.3	1.3	402	596.5	1.5	402	637.9	1.6	402	682.6	1.7	402	730.4	1.8	7.0%	26.0%
17 – 22	20	20	20	49.1	2.5	20	61.6	3.1	20	65.3	3.3	20	69.9	3.5	20	74.8	3.7	6.7%	2.7%

1. Rand million.

Trans-Caledon Tunnel Authority

Selected performance indicators

Table 41.27 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Percentage completion of 160km pipeline per year	Mokolo-Crocodile River water augmentation project	Priority 2: Economic transformation and job creation	– ¹	– ¹	– ¹	– ¹	– ¹	33%	66%
Average volume of acid mine water pumped from the western basin per day (megalitres)	Acid mine drainage		32	33	19	30	– ²	– ²	– ²
Environmental critical level of acid mine water within mine voids in the central basin (metres)	Acid mine drainage		– ¹	– ¹	≥8	6-10	6-10	6-10	6-10
Environmental critical level of acid mine water within mine voids in the eastern basin (metres)	Acid mine drainage		– ¹	– ¹	10-15	10-15	10-15	10-15	10-15
Water discharged from acid mine drainage treatment plants that meets Department of Water and Sanitation specifications	Acid mine drainage		– ¹	– ¹	– ¹	– ¹	100%	100%	100%

1. No historical data available.

2. Indicator discontinued.

Entity overview

The Trans-Caledon Tunnel Authority was established in 1986 as a specialised liability management entity, deriving its mandate from the National Water Act (1998). It is responsible for financing and implementing the development of bulk raw water infrastructure and providing treasury management services to the Department of Water and Sanitation. The authority plays an important role in providing: financial advisory services such as structuring and raising project finance, managing debt and setting tariffs; project implementation services; and other technical support to the department and water boards. Over the medium term, the authority will continue planning and implementing phase 2 of the Lesotho Highlands water project, phase 2A of the Mokolo-Crocodile River water augmentation project and providing a short-term solution to acid mine drainage in Gauteng.

Expenditure is expected to increase at an average annual rate of 29.9 per cent, from R3.7 billion in 2020/21 to R8.2 billion in 2023/24, mainly due to the escalation of construction activities. The authority's main cost drivers remain planning and implementation to increase water supply in the Vaal River system through phase 2 of the Lesotho Highlands water project, providing a short-term treatment solution to acid mine drainage in Gauteng, and phase 2A of the Mokolo-Crocodile River water augmentation project. Revenue is expected to increase at an average annual rate of 38.9 per cent, from R3.6 billion in 2020/21 to R9.7 billion in 2023/24, mainly driven by management fees claimed from the Water Trading Entity.

Programmes/Objectives/Activities**Table 41.28 Trans-Caledon Tunnel Authority expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/ Total (%) 2020/21 - 2023/24
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
Administration	4 124.6	3 814.5	9 273.8	1 835.9	-23.6%	70.4%	6 172.5	14 895.7	6 620.6	53.3%	74.8%
Berg water project	63.5	57.0	61.7	51.3	-6.9%	1.0%	39.7	30.6	22.8	-23.7%	0.6%
Vaal River eastern subsystem augmentation project	385.4	377.0	364.8	338.0	-4.3%	6.7%	261.3	247.3	234.1	-11.5%	4.2%
Mooi-Mgeni transfer scheme	192.0	190.0	187.3	203.0	1.9%	3.6%	121.8	118.9	110.4	-18.4%	2.3%
Olifants River water resource development project	134.4	60.0	37.5	155.7	5.0%	2.0%	84.3	7.5	7.9	-63.0%	1.3%
Komati water scheme augmentation project	134.0	128.0	131.8	122.7	-2.9%	2.3%	103.2	85.4	96.9	-7.6%	1.6%
Mokolo-Crocodile water augmentation project	230.0	157.0	396.3	459.1	25.9%	5.8%	526.6	318.9	287.3	-14.5%	6.1%
Acid mine drainage	353.8	276.5	521.5	511.7	13.1%	7.5%	529.2	556.1	581.1	4.3%	7.7%
Kriel	8.2	1.0	25.0	0.0	-84.1%	0.1%	0.0	-	-	-100.0%	-
Berg River-Voelvlei augmentation project	-	7.1	69.3	49.1	-	0.5%	22.8	183.0	215.6	63.7%	1.3%
Total	5 626.0	5 068.1	11 069.1	3 726.5	-12.8%	100.0%	7 861.5	16 443.3	8 176.7	29.9%	100.0%

Statements of financial performance, cash flow and financial position**Table 41.29 Trans-Caledon Tunnel Authority statements of financial performance, cash flow and financial position**

Statement of financial performance											
R million	Audited outcome			Revised estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/ Total (%) 2020/21 - 2023/24
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
Revenue											
Non-tax revenue	4 951.0	5 266.1	8 789.5	3 621.0	-9.9%	100.0%	8 417.8	16 804.8	9 693.9	38.9%	100.0%
Sale of goods and services other than capital assets	2 016.0	2 163.1	4 922.6	1 363.0	-12.2%	43.9%	6 056.8	14 540.3	5 935.4	63.3%	64.3%
<i>of which:</i>											
<i>Sales by market establishment</i>	<i>2 016.0</i>	<i>2 163.1</i>	<i>4 922.6</i>	<i>1 363.0</i>	<i>-12.2%</i>	<i>43.9%</i>	<i>6 056.8</i>	<i>14 540.3</i>	<i>5 935.4</i>	<i>63.3%</i>	<i>64.3%</i>
<i>Construction revenue</i>	<i>542.0</i>	<i>688.0</i>	<i>3 050.1</i>	<i>603.0</i>	<i>3.6%</i>	<i>18.8%</i>	<i>3 375.1</i>	<i>11 416.8</i>	<i>2 675.1</i>	<i>64.3%</i>	<i>38.1%</i>
<i>Other income</i>	<i>1 474.0</i>	<i>1 475.1</i>	<i>1 872.5</i>	<i>760.0</i>	<i>-19.8%</i>	<i>25.0%</i>	<i>2 681.7</i>	<i>3 123.5</i>	<i>3 260.3</i>	<i>62.5%</i>	<i>26.3%</i>
Other non-tax revenue	2 935.0	3 103.0	3 866.8	2 258.0	-8.4%	56.1%	2 361.0	2 264.5	3 758.5	18.5%	35.7%
Total revenue	4 951.0	5 266.1	8 789.5	3 621.0	-9.9%	100.0%	8 417.8	16 804.8	9 693.9	38.9%	100.0%
Expenses											
Current expenses	5 626.0	5 068.1	11 069.1	3 726.5	-12.8%	100.0%	7 861.5	16 443.3	8 176.7	29.9%	100.0%
Compensation of employees	168.0	178.5	277.2	260.9	15.8%	4.0%	288.9	303.3	318.5	6.9%	4.1%
Goods and services	2 056.9	1 973.0	4 639.5	1 089.2	-19.1%	36.7%	6 279.5	14 761.0	6 139.5	78.0%	68.5%
Depreciation	9.8	10.8	5.9	13.0	9.6%	0.2%	13.4	28.9	54.0	60.9%	0.3%
Interest, dividends and rent on land	3 391.3	2 905.8	6 146.5	2 363.5	-11.3%	59.1%	1 279.6	1 350.1	1 664.7	-11.0%	27.1%
Total expenses	5 626.0	5 068.1	11 069.1	3 726.5	-12.8%	100.0%	7 861.5	16 443.3	8 176.7	29.9%	100.0%
Surplus/(Deficit)	(675.0)	198.0	(2 279.7)	(105.5)	-46.1%		556.3	361.4	1 517.2	-343.2%	
Cash flow statement											
Cash flow from operating activities	1 061.0	4 337.0	2 568.2	(327.6)	-167.6%	100.0%	2 197.0	(7 932.0)	1 571.2	-268.6%	100.0%
Receipts											
Non-tax receipts	6 218.0	9 877.0	9 250.0	9 112.1	13.6%	100.0%	9 416.0	9 952.0	9 693.9	2.1%	100.0%
Sales of goods and services other than capital assets	6 218.0	9 877.0	9 250.0	9 112.1	13.6%	100.0%	9 416.0	9 952.0	9 693.9	2.1%	100.0%
<i>Sales by market establishment</i>	<i>6 218.0</i>	<i>9 877.0</i>	<i>9 250.0</i>	<i>9 112.1</i>	<i>13.6%</i>	<i>100.0%</i>	<i>9 416.0</i>	<i>9 952.0</i>	<i>9 693.9</i>	<i>2.1%</i>	<i>100.0%</i>
<i>Construction revenue</i>	<i>6 218.0</i>	<i>9 877.0</i>	<i>9 250.0</i>	<i>9 112.1</i>	<i>13.6%</i>	<i>100.0%</i>	<i>9 416.0</i>	<i>9 952.0</i>	<i>9 693.9</i>	<i>2.1%</i>	<i>100.0%</i>
Total receipts	6 218.0	9 877.0	9 250.0	9 112.1	13.6%	100.0%	9 416.0	9 952.0	9 693.9	2.1%	100.0%
Payment											
Current payments	5 157.0	5 540.0	6 681.8	9 439.7	22.3%	100.0%	7 219.0	17 884.0	8 122.7	-4.9%	100.0%
Compensation of employees	168.0	178.5	277.2	299.9	21.3%	3.5%	288.9	303.3	318.5	2.0%	3.2%
Goods and services	2 787.0	3 156.5	4 406.6	6 833.1	34.8%	62.3%	4 986.1	16 076.7	6 139.5	-3.5%	76.7%
Interest and rent on land	2 202.0	2 205.0	1 998.0	2 306.8	1.6%	34.2%	1 944.0	1 504.0	1 664.7	-10.3%	20.1%
Total payments	5 157.0	5 540.0	6 681.8	9 439.7	22.3%	100.0%	7 219.0	17 884.0	8 122.7	-4.9%	100.0%

Table 41.29 Trans-Caledon Tunnel Authority statements of financial performance, cash flow and financial position

Statement of financial performance																	
R million	Audited outcome				Revised estimate	Average growth rate (%)		Average Expenditure/Total (%)			Medium-term expenditure estimate			Average growth rate (%)		Average Expenditure/Total (%)	
	2017/18	2018/19	2019/20	2020/21		2017/18 - 2020/21	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2020/21	2023/24				
Net cash flow from investing activities	2 994.0	139.0	39.0	442.3	-47.1%	100.0%	95.0	119.0	124.8	-34.4%	100.0%						
Acquisition of property, plant, equipment and intangible assets	(1.0)	(1.0)	(5.0)	(3.2)	47.7%	-3.6%	(5.0)	(9.0)	(9.0)	40.8%	-5.2%						
Acquisition of software and other intangible assets	(4.0)	-	-	(13.5)	49.8%	-0.8%	-	-	-	-100.0%	-0.8%						
Proceeds from the sale of property, plant, equipment and intangible assets	1.0	-	-	-	-100.0%	-	-	-	-	-	-						
Other flows from investing activities	2 998.0	140.0	44.0	459.0	-46.5%	104.4%	100.0	128.0	133.8	-33.7%	106.0%						
Net cash flow from financing activities	(2 765.0)	(5 276.0)	(1 710.0)	9 545.0	-251.1%	100.0%	(1 886.0)	9 133.0	9 561.6	0.1%	100.0%						
Borrowing activities	(2 765.0)	(5 276.0)	(1 710.0)	9 545.0	-251.1%	100.0%	(1 886.0)	9 133.0	9 561.6	0.1%	100.0%						
Net increase/(decrease) in cash and cash equivalents	1 290.0	(800.0)	897.2	9 659.8	95.6%	68.6%	406.0	1 320.0	11 257.6	5.2%	102.5%						
Statement of financial position																	
Carrying value of assets	20.0	10.0	21.0	16.7	-5.8%	0.1%	57.3	91.7	104.1	84.0%	0.2%						
Acquisition of assets	(1.0)	(1.0)	(5.0)	(3.2)	47.7%	100.0%	(5.0)	(9.0)	(9.0)	40.8%	100.0%						
Investments	371.0	482.0	-	-	-100.0%	0.8%	-	-	-	-	-						
Receivables and prepayments	25 030.0	21 591.0	22 365.4	21 488.6	-5.0%	78.0%	17 503.1	26 064.1	32 337.9	14.6%	81.7%						
Cash and cash equivalents	3 849.0	3 048.0	6 200.9	12 875.6	49.6%	21.1%	2 578.7	2 985.5	4 306.4	-30.6%	18.1%						
Total assets	29 270.0	25 131.0	28 587.3	34 381.0	5.5%	100.0%	20 139.1	29 141.3	36 748.4	2.2%	100.0%						
Accumulated surplus/(deficit)	640.0	836.0	(15.8)	972.9	15.0%	2.1%	1 306.7	2 223.2	4 318.5	64.3%	7.2%						
Borrowings	27 149.0	22 554.0	28 077.3	32 145.5	5.8%	93.6%	17 057.0	20 619.7	27 464.2	-5.1%	80.9%						
Trade and other payables	1 044.0	1 142.0	525.8	887.5	-5.3%	3.1%	1 372.4	1 597.3	4 561.7	72.6%	6.8%						
Taxation	75.0	187.0	-	-	-100.0%	0.3%	-	-	-	-	-						
Provisions	362.0	412.0	-	375.1	1.2%	1.0%	403.1	4 701.1	404.0	2.5%	5.1%						
Total equity and liabilities	29 270.0	25 131.0	28 587.3	34 381.0	5.5%	100.0%	20 139.1	29 141.3	36 748.4	2.2%	100.0%						

Personnel information**Table 41.30 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2020	Number and cost ¹ of personnel posts filled/planned for on funded establishment														Number					
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
			2019/20		2020/21		2021/22		2022/23		2023/24		2020/21 - 2023/24							
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost			Unit cost			
Trans-Caledon Tunnel Authority	195	195	200	277.2	1.4	195	260.9	1.3	225	288.9	1.3	225	303.3	1.3	225	318.5	1.4	6.9%	100.0%	
Salary level																				
1 – 6	3	3	-	-	-	3	0.8	0.3	-	-	-	-	-	-	-	-	-	-	-100.0%	0.1%
7 – 10	57	57	71	43.8	0.6	57	31.5	0.6	58	29.6	0.5	58	31.1	0.5	58	32.7	0.6	1.2%	10.7%	
11 – 12	33	33	30	32.3	1.1	33	31.1	0.9	46	40.1	0.9	46	42.1	0.9	46	44.2	1.0	12.4%	13.4%	
13 – 16	82	82	88	159.4	1.8	82	134.0	1.6	102	157.3	1.5	102	165.2	1.6	102	173.4	1.7	9.0%	53.7%	
17 – 22	20	20	11	41.7	3.8	20	63.4	3.2	19	61.8	3.3	19	64.9	3.4	19	68.2	3.6	2.5%	22.1%	

1. Rand million.

Umgeni Water**Selected performance indicators****Table 41.31 Umgeni Water performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20		2020/21	2021/22	2022/23
Cost per kilolitre per year	Bulk water activities	Priority 5: Spatial integration, human settlements and local government	R3.53	R4.12	R5.30	R5.76	R6.29	R6.83	R7.54
Weighted average cost of capital per year	Bulk water activities		10.63%	10.64%	10.75%	11.30%	11.52%	11.57%	11.35%
Volume of water sold per year (megalitres)	Bulk water activities		434 568	471 801	501 576	512 575	522 868	533 148	541 145

Entity overview

Umgeni Water was established in terms of the Water Services Act (1997) to provide water and sanitation services in its service area, which comprises mostly rural areas in KwaZulu-Natal and the eThekweni metropolitan area. The water board supplies water to approximately 6 million consumers. Its ongoing objective is to support

socioeconomic development through water infrastructure investment in its area of operation. Over the medium term, the water board will continue with the construction of phase 1 of the Greater Mpofana regional water scheme, the Impendle bulk water supply scheme, and phase 3 of the Maphumulo bulk water supply scheme, targeting largely indigent municipal areas.

Expenditure is expected to increase at an average annual rate of 9.4 per cent, from R3.4 billion in 2020/21 to R4.5 billion in 2023/24. Revenue is expected to increase at an average annual rate of 9.8 per cent, from R4.4 billion in 2020/21 to R5.8 billion in 2023/24. Proceeds from the sale of bulk water are estimated at R14.3 billion over the medium term. The volume of water sold is expected to increase from 512 575 megalitres in 2020/21 to 541 145 megalitres in 2023/24, with tariffs expected to increase to R7.54 per kilolitre by 2023/24.

Programmes/Objectives/Activities

Table 41.32 Umgeni Water expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		2021/22	2022/23	2023/24	2020/21 - 2023/24	
Administration	743.2	1 059.8	1 604.4	1 586.5	28.8%	44.9%	1 867.9	1 938.5	2 142.9	10.5%	47.9%
Bulk activities	1 051.4	1 198.2	1 424.7	1 630.0	15.7%	49.2%	1 721.7	1 900.1	2 085.7	8.6%	46.7%
Wastewater	96.5	103.8	147.0	162.2	18.9%	4.7%	174.8	188.4	203.4	7.8%	4.6%
Other activities	43.7	26.7	25.8	27.8	-14.0%	1.2%	27.5	29.1	30.9	3.6%	0.7%
Total	1 934.7	2 388.4	3 201.9	3 406.5	20.8%	100.0%	3 791.8	4 056.1	4 462.9	9.4%	100.0%

Statements of financial performance, cash flow and financial position

Table 41.33 Umgeni Water statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		2021/22	2022/23	2023/24	2020/21 - 2023/24	
Revenue											
Non-tax revenue	3 100.7	3 800.8	4 464.0	4 364.3	12.1%	100.0%	4 690.9	5 167.4	5 774.4	9.8%	100.0%
Sale of goods and services other than capital assets of which:	2 903.7	3 538.5	4 159.6	4 222.2	13.3%	94.2%	4 612.0	5 123.5	5 741.5	10.8%	98.4%
<i>Sales by market establishment</i>	2 903.7	3 538.5	4 159.6	4 222.2	13.3%	94.2%	4 612.0	5 123.5	5 741.5	10.8%	98.4%
<i>Water sales</i>	2 666.1	3 291.5	3 899.2	3 909.1	13.6%	87.4%	4 270.7	4 747.0	5 326.0	10.9%	91.2%
<i>Wastewater</i>	171.8	199.8	216.4	254.8	14.0%	5.4%	284.6	314.2	347.1	10.9%	6.0%
<i>Other activities</i>	65.9	47.2	44.0	58.2	-4.0%	1.4%	56.7	62.3	68.4	5.5%	1.2%
Other non-tax revenue	196.9	262.4	304.4	142.1	-10.3%	5.8%	78.9	43.9	32.9	-38.6%	1.6%
Total revenue	3 100.7	3 800.8	4 464.0	4 364.3	12.1%	100.0%	4 690.9	5 167.4	5 774.4	9.8%	100.0%
Expenses											
Current expenses	1 869.8	2 388.4	3 201.9	3 406.5	22.1%	99.2%	3 791.8	4 056.1	4 462.9	9.4%	100.0%
Compensation of employees	592.4	674.3	747.8	884.0	14.3%	27.0%	946.4	1 014.5	1 087.5	7.2%	25.1%
Goods and services	982.5	1 364.3	1 963.8	2 068.0	28.2%	57.5%	2 355.9	2 538.1	2 811.9	10.8%	62.1%
Depreciation	293.2	335.8	385.7	437.9	14.3%	13.5%	464.9	452.1	464.6	2.0%	11.7%
Interest, dividends and rent on land	1.7	14.0	104.6	16.6	113.0%	1.1%	24.7	51.4	98.9	81.2%	1.2%
Transfers and subsidies	64.9	-	-	-	-100.0%	0.8%	-	-	-	-	-
Total expenses	1 934.7	2 388.4	3 201.9	3 406.5	20.8%	100.0%	3 791.8	4 056.1	4 462.9	9.4%	100.0%
Surplus/(Deficit)	1 166.0	1 412.4	1 262.1	957.8	-6.3%		899.1	1 111.3	1 311.5	11.0%	
Cash flow statement											
Cash flow from operating activities	1 334.1	1 568.7	1 875.2	1 400.3	1.6%	100.0%	1 588.2	1 874.1	2 222.4	16.6%	100.0%
Receipts											
Non-tax receipts	3 100.7	3 800.8	4 464.0	4 364.3	12.1%	100.0%	4 690.9	5 167.4	5 774.4	9.8%	100.0%
Sales of goods and services other than capital assets	2 903.7	3 538.5	4 159.6	4 222.2	13.3%	94.2%	4 612.0	5 123.5	5 741.5	10.8%	98.4%
<i>Sales by market establishment</i>	2 903.7	3 538.5	4 159.6	4 222.2	13.3%	94.2%	4 612.0	5 123.5	5 741.5	10.8%	98.4%
<i>Water sales</i>	2 903.7	3 291.5	3 899.2	3 909.1	10.4%	89.3%	4 270.7	4 747.0	5 326.0	10.9%	91.2%
<i>Wastewater</i>	-	199.8	216.4	254.8	-	4.0%	284.6	314.2	347.1	10.9%	6.0%
<i>Other activities</i>	-	47.2	44.0	58.2	-	0.9%	56.7	62.3	68.4	5.5%	1.2%
Other tax receipts	196.9	262.4	304.4	142.1	-10.3%	5.8%	78.9	43.9	32.9	-38.6%	1.6%
Total receipts	3 100.7	3 800.8	4 464.0	4 364.3	12.1%	100.0%	4 690.9	5 167.4	5 774.4	9.8%	100.0%

Table 41.33 Umgeni Water statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
Payment											
Current payments	1 766.5	2 232.2	2 588.8	2 964.0	18.8%	100.0%	3 102.8	3 293.3	3 552.0	6.2%	100.0%
Compensation of employees	592.4	674.3	733.0	884.0	14.3%	30.5%	946.4	1 014.5	1 087.5	7.2%	30.4%
Goods and services	1 172.4	1 543.9	1 751.2	2 063.4	20.7%	68.2%	2 131.7	2 227.4	2 365.6	4.7%	68.1%
Interest and rent on land	1.7	14.0	104.6	16.6	113.0%	1.3%	24.7	51.4	98.9	81.2%	1.4%
Total payments	1 766.5	2 232.2	2 588.8	2 964.0	18.8%	100.0%	3 102.8	3 293.3	3 552.0	6.2%	100.0%
Net cash flow from investing activities											
Net cash flow from investing activities	(1 630.5)	(1 530.8)	(2 157.4)	(939.2)	-16.8%	100.0%	(1 512.1)	(2 747.1)	(3 692.6)	57.8%	100.0%
Acquisition of property, plant, equipment and intangible assets	(972.3)	(1 161.7)	(782.5)	(1 415.8)	13.3%	80.6%	(2 390.9)	(3 080.4)	(3 633.5)	36.9%	129.9%
Acquisition of software and other intangible assets	(17.3)	(42.2)	(68.5)	(0.2)	-77.4%	1.8%	(0.2)	(0.2)	(0.2)	3.2%	-
Proceeds from the sale of property, plant, equipment and intangible assets	0.4	-	0.3	-	-100.0%	-	-	-	-	-	-
Other flows from investing activities	(641.3)	(326.9)	(1 306.7)	476.9	-190.6%	17.6%	879.0	333.6	(58.8)	-149.8%	-29.9%
Net cash flow from financing activities	297.6	22.8	216.2	117.5	-26.6%	100.0%	476.1	1 422.2	2 042.7	159.0%	100.0%
Deferred income	454.7	151.6	241.7	579.0	8.4%	355.4%	550.9	545.7	569.7	-0.5%	168.7%
Borrowing activities	(78.8)	(79.0)	(30.5)	(630.7)	100.0%	-230.9%	(26.0)	1 094.2	1 947.1	-245.6%	-92.5%
Other flows from financing activities	(78.4)	(49.8)	5.0	169.2	-229.2%	-24.5%	(48.8)	(217.7)	(474.1)	-241.0%	23.8%
Net increase/(decrease) in cash and cash equivalents	1.2	60.7	(66.0)	578.6	689.7%	4.4%	552.1	549.2	572.5	-0.4%	14.5%
Statement of financial position											
Carrying value of assets	8 544.8	9 403.9	9 474.0	11 640.0	10.9%	72.1%	13 392.0	15 935.8	19 142.0	18.0%	86.1%
Acquisition of assets	(972.3)	(1 161.7)	(782.5)	(1 415.8)	13.3%	100.0%	(2 390.9)	(3 080.4)	(3 633.5)	36.9%	100.0%
Investments	2 486.5	2 865.4	4 319.8	2 096.2	-5.5%	21.7%	1 218.3	885.8	953.3	-23.1%	7.9%
Inventory	19.0	19.0	22.1	19.0	0.2%	0.1%	19.1	19.1	19.2	0.2%	0.1%
Accrued investment interest	44.0	79.4	-	77.7	20.9%	0.4%	77.7	77.7	77.7	-	0.5%
Receivables and prepayments	514.3	739.9	875.3	842.7	17.9%	5.4%	903.6	963.8	1 022.3	6.7%	5.4%
Cash and cash equivalents	26.1	86.8	20.8	8.2	-32.1%	0.3%	9.4	12.9	15.7	24.4%	0.1%
Non-current assets held for sale	-	-	10.8	-	-	-	-	-	-	-	-
Total assets	11 634.6	13 194.5	14 722.8	14 683.8	8.1%	100.0%	15 620.1	17 895.2	21 230.3	13.1%	100.0%
Accumulated surplus/(deficit)	7 617.9	9 080.3	10 636.1	11 239.6	13.8%	70.8%	12 138.8	13 250.3	14 561.9	9.0%	74.2%
Capital and reserves	442.9	442.8	442.8	442.8	-	3.3%	442.8	442.8	442.8	-	2.6%
Capital reserve fund	-	-	1.2	-	-	-	-	-	-	-	-
Borrowings	1 871.9	1 792.9	1 817.2	1 133.2	-15.4%	12.4%	1 108.4	2 203.5	4 152.0	54.2%	11.7%
Accrued interest	56.0	53.7	-	34.0	-15.4%	0.3%	33.9	33.8	33.0	-1.0%	0.2%
Trade and other payables	871.9	966.8	1 136.4	853.3	-0.7%	7.1%	833.5	813.7	794.1	-2.4%	4.9%
Provisions	678.1	698.7	452.1	821.7	6.6%	4.9%	903.6	991.9	1 087.3	9.8%	5.5%
Derivatives financial instruments	95.9	159.1	236.9	159.1	18.4%	1.2%	159.1	159.1	159.1	-	0.9%
Total equity and liabilities	11 634.6	13 194.5	14 722.8	14 683.8	8.1%	100.0%	15 620.1	17 895.2	21 230.3	13.1%	100.0%

Personnel information

Table 41.34 Umgeni Water personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2019/20	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24												
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Umgeni Water		1 439	747.8	0.6	1 439	884.0	0.6	1 439	946.4	0.7	1 439	1 014.5	0.7	1 439	1 087.5	0.8	7.2%	100.0%	
Salary level	1 439	1 439	747.8	0.6	1 439	884.0	0.6	1 439	946.4	0.7	1 439	1 014.5	0.7	1 439	1 087.5	0.8	7.2%	100.0%	
1-6	377	377	317	69.0	0.2	377	87.0	0.2	377	93.2	0.2	377	99.9	0.3	377	107.1	0.3	7.2%	9.8%
7-10	789	789	705	380.9	0.5	789	453.0	0.6	789	485.0	0.6	789	519.9	0.7	789	557.3	0.7	7.2%	51.2%
11-12	194	194	176	178.3	1.0	194	210.4	1.1	194	225.3	1.2	194	241.5	1.2	194	258.8	1.3	7.2%	23.8%
13-16	78	78	74	114.9	1.6	78	128.4	1.6	78	137.5	1.8	78	147.4	1.9	78	157.9	2.0	7.1%	14.5%
17-22	1	1	1	4.8	4.8	1	5.1	5.1	1	5.5	5.5	1	5.9	5.9	1	6.3	6.3	7.0%	0.6%

1. Rand million.

Water Research Commission

Selected performance indicators

Table 41.35 Water Research Commission performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of research projects completed per year	Research and development	Entity mandate	106	104	80	80	80	80	80
Total amount of leverage income per year	Research and development		R 63.1m	R42.3m	R51m	R53m	R56m	R59m	R62m
Number of students financially and technically supported (including historically disadvantaged students) per year	Research and development		452	411	250	300	300	350	350

Entity overview

The Water Research Commission was established in terms of the Water Research Act (1971). It is mandated to conduct research in the water sector by: determining needs and priorities for research; promoting coordination, cooperation and communication in the area of water research development; stimulating and funding water research; promoting the effective transfer of information and technology; and enhancing knowledge and building capacity in the water sector. Over the medium term, the commission will continue to drive research and enhance knowledge within the water sector.

Expenditure is expected to increase at an average annual rate of 7.3 per cent, from R320.6 million in 2020/21 to R396.4 million in 2023/24. Spending on research and development, and innovation and impact account for 53.6 per cent of the commission's expenditure over the period ahead. Revenue is expected to increase at an average annual rate of 7.3 per cent, from R320.6 million in 2020/21 to R396.4 million in 2023/24. Revenue is mainly derived from the water research levy, which accounts for 81.9 per cent (R892.3 million) of the commission's revenue over the medium term.

Table 41.36 Water Research Commission expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
Administration	104.8	113.4	125.5	143.8	11.1%	40.4%	157.8	171.6	181.5	8.1%	46.4%
Research and development	161.7	138.4	123.2	102.7	-14.1%	44.0%	81.9	92.6	92.0	-3.6%	26.4%
Innovation and impact	31.9	31.6	53.1	74.2	32.4%	15.7%	92.6	96.9	122.9	18.3%	27.2%
Total	298.5	283.4	301.8	320.6	2.4%	100.0%	332.3	361.1	396.4	7.3%	100.0%

Statements of financial performance, cash flow and financial position

Table 41.37 Water Research Commission statements of financial performance, cash flow and financial position

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million											
Revenue											
Non-tax revenue	292.8	284.3	340.3	320.6	3.1%	100.0%	332.3	361.1	396.4	7.3%	100.0%
Sale of goods and services other than capital assets of which:											
<i>Sales by market establishment</i>	286.4	279.3	323.5	315.9	3.3%	97.4%	328.1	357.3	393.0	7.6%	98.8%
<i>Water research levies</i>	224.7	236.6	259.0	262.4	5.3%	79.5%	271.9	295.4	325.0	7.4%	81.9%
<i>Leverage income</i>	61.1	42.3	64.5	53.5	-4.4%	17.8%	56.1	61.7	67.9	8.3%	16.9%
<i>Miscellaneous income</i>	0.6	0.4	-	0.1	-37.7%	0.1%	0.1	0.2	0.2	4.8%	-
<i>Other non-tax revenue</i>	6.4	5.0	16.8	4.7	-10.1%	2.6%	4.2	3.8	3.4	-10.0%	1.2%
Total revenue	292.8	284.3	340.3	320.6	3.1%	100.0%	332.3	361.1	396.4	7.3%	100.0%

Table 41.37 Water Research Commission statements of financial performance, cash flow and financial position

Statement of financial performance												
R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20	2020/21				2021/22	2022/23	2023/24		
Expenses												
Current expenses	298.5	283.4	301.8	320.6	2.4%	100.0%	332.3	361.1	396.4	7.3%	100.0%	
Compensation of employees	69.8	80.8	91.6	99.2	12.4%	28.3%	115.4	124.7	135.3	10.9%	33.6%	
Goods and services	222.9	197.3	205.0	221.4	-0.2%	70.3%	217.0	236.4	261.1	5.7%	66.4%	
Depreciation	5.1	4.7	4.6	-	-100.0%	1.2%	-	-	-	-	-	
Interest, dividends and rent on land	0.7	0.5	0.5	-	-100.0%	0.2%	-	-	-	-	-	
Total expenses	298.5	283.4	301.8	320.6	2.4%	100.0%	332.3	361.1	396.4	7.3%	100.0%	
Surplus/(Deficit)	(5.7)	-	38.5	-	-100.0%		-	-	-	-		
Cash flow statement												
Cash flow from operating activities	(16.0)	30.9	63.7	1.5	-145.3%	100.0%	13.8	15.4	12.4	102.3%	100.0%	
Receipts												
Non-tax receipts	256.6	307.9	344.2	293.7	4.6%	100.0%	335.0	363.8	399.3	10.8%	100.0%	
Sales of goods and services other than capital assets	249.8	302.6	336.7	289.1	5.0%	98.0%	330.9	360.1	395.9	11.1%	98.8%	
<i>Sales by market establishment</i>	<i>249.8</i>	<i>302.6</i>	<i>336.7</i>	<i>289.1</i>	<i>5.0%</i>	<i>98.0%</i>	<i>330.9</i>	<i>360.1</i>	<i>395.9</i>	<i>11.1%</i>	<i>98.8%</i>	
<i>Water research levies</i>	<i>249.8</i>	<i>236.6</i>	<i>259.0</i>	<i>235.5</i>	<i>-1.9%</i>	<i>82.4%</i>	<i>274.6</i>	<i>298.2</i>	<i>327.9</i>	<i>11.7%</i>	<i>81.6%</i>	
<i>Leverage income</i>	<i>-</i>	<i>65.6</i>	<i>77.8</i>	<i>53.5</i>	<i>-</i>	<i>15.5%</i>	<i>56.1</i>	<i>61.7</i>	<i>67.9</i>	<i>8.3%</i>	<i>17.2%</i>	
<i>Miscellaneous income</i>	<i>-</i>	<i>0.4</i>	<i>-</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	<i>0.2</i>	<i>0.2</i>	<i>4.8%</i>	<i>-</i>	
Other tax receipts	6.9	5.4	7.5	4.6	-12.4%	2.0%	4.1	3.7	3.3	-10.3%	1.2%	
Total receipts	256.6	307.9	344.2	293.7	4.6%	100.0%	335.0	363.8	399.3	10.8%	100.0%	
Payment												
Current payments	272.7	277.0	280.5	292.2	2.3%	100.0%	321.2	348.3	386.9	9.8%	100.0%	
Compensation of employees	70.8	76.5	91.6	103.6	13.5%	30.4%	120.2	129.9	141.0	10.8%	36.7%	
Goods and services	201.8	200.5	188.9	188.7	-2.2%	69.6%	201.0	218.4	245.9	9.2%	63.3%	
Interest and rent on land	-	0.0	-	-	-	-	-	-	-	-	-	
Total payments	272.7	277.0	280.5	292.2	2.3%	100.0%	321.2	348.3	386.9	9.8%	100.0%	
Net cash flow from investing activities	(1.9)	(3.4)	6.9	(3.5)	23.1%	100.0%	(5.4)	(6.9)	(4.3)	7.4%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(0.3)	(1.0)	(2.6)	(0.7)	42.8%	6.9%	(3.0)	(4.4)	(1.7)	32.8%	45.2%	
Acquisition of software and other intangible assets	(1.6)	(2.4)	(0.4)	(2.7)	19.0%	57.7%	(2.4)	(2.5)	(2.6)	-1.9%	54.8%	
Proceeds from the sale of property, plant, equipment and intangible assets	0.0	-	9.8	-	-100.0%	35.4%	-	-	-	-	-	
Net cash flow from financing activities	(2.4)	(4.9)	(3.5)	-	-100.0%	-	-	-	-	-	-	
Repayment of finance leases	(1.2)	(1.2)	(1.1)	-	-100.0%	-	-	-	-	-	-	
Other flows from financing activities	(1.3)	(3.7)	(2.5)	-	-100.0%	-	-	-	-	-	-	
Net increase/(decrease) in cash and cash equivalents	(20.3)	22.6	67.1	(2.0)	-54.0%	5.7%	8.4	8.6	8.0	-259.5%	1.6%	
Carrying value of assets	17.4	16.1	15.9	17.5	0.1%	6.8%	18.2	20.5	20.1	4.8%	5.8%	
Acquisition of assets	(0.3)	(1.0)	(2.6)	(0.7)	42.8%	100.0%	(3.0)	(4.4)	(1.7)	32.8%	100.0%	
Receivables and prepayments	44.8	46.4	40.9	51.3	4.6%	18.5%	53.9	56.4	59.1	4.9%	16.9%	
Cash and cash equivalents	134.1	161.3	241.0	239.0	21.2%	74.7%	247.4	255.9	264.0	3.4%	77.2%	
Taxation	-	0.0	0.0	0.0	-	-	0.0	0.0	0.0	-	-	
Total assets	196.3	223.8	297.8	307.7	16.2%	100.0%	319.4	332.8	343.3	3.7%	100.0%	
Accumulated surplus/(deficit)	81.3	82.4	120.8	154.7	23.9%	42.3%	160.1	167.3	172.0	3.6%	50.2%	
Borrowings	0.3	0.4	0.1	0.1	-35.3%	0.1%	0.1	0.1	0.1	5.1%	-	
Finance lease	1.6	0.5	1.1	0.6	-25.9%	0.4%	0.1	-	-	-100.0%	0.1%	
Trade and other payables	93.9	121.3	156.4	134.2	12.6%	49.6%	140.9	147.7	154.8	4.9%	44.3%	
Provisions	13.8	12.0	10.9	9.2	-12.6%	4.8%	9.6	10.0	10.4	3.9%	3.0%	
Derivatives financial instruments	5.4	7.2	8.4	8.9	18.0%	2.9%	8.7	7.8	6.1	-11.8%	2.4%	
Total equity and liabilities	196.3	223.8	297.8	307.7	16.2%	100.0%	319.4	332.8	343.3	3.7%	100.0%	

Personnel information**Table 41.38 Water Research Commission personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual 2019/20			Revised estimate 2020/21			Medium-term expenditure estimate 2021/22			Medium-term expenditure estimate 2022/23			Medium-term expenditure estimate 2023/24			Average growth rate (%)	Average Salary level/Total (%)	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2020/21 - 2023/24
Water Research Commission		99	91.6	0.9	99	99.2	1.0	95	115.4	1.2	90	124.7	1.4	89	135.3	1.5	10.9%	100.0%	
Salary level		99	91.6	0.9	99	99.2	1.0	95	115.4	1.2	90	124.7	1.4	89	135.3	1.5	10.9%	100.0%	
1 – 6	18	18	19	3.0	0.2	18	2.1	0.1	14	5.3	0.4	11	6.4	0.6	10	6.9	0.7	47.8%	4.2%
7 – 10	29	29	27	17.7	0.7	29	17.7	0.6	29	22.7	0.8	27	23.6	0.9	27	25.5	0.9	13.0%	18.8%
11 – 12	17	17	17	13.6	0.8	17	15.7	0.9	17	17.1	1.0	17	18.4	1.1	17	19.7	1.2	7.9%	15.0%
13 – 16	27	27	28	35.6	1.3	27	39.1	1.4	27	43.6	1.6	27	47.4	1.8	27	51.6	1.9	9.7%	38.3%
17 – 22	8	8	8	21.8	2.7	8	24.7	3.1	8	26.7	3.3	8	29.0	3.6	8	31.6	4.0	8.6%	23.7%

1. Rand million.

Water Trading Entity**Selected performance indicators****Table 41.39 Water Trading Entity performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Audited performance			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of days for the collection of outstanding debt per year	Administration		100	100	100	100	100	100	100
Percentage of total maintenance budget spent on asset refurbishment and betterment against budget per year	Administration		85% (270 488/ 316 613)	46% (130 792/ 284 000)	100%	100%	100%	100%	100%
Number of raw water projects completed per year	Operations, maintenance and refurbishment of national water resources schemes		1	0	1	2	1	0	0
Percentage of water users validated within catchment area per year	Implementation of water resources management activities		–1	–1	–1	100%	100%	100%	100%
Number of rivers where the monitoring programme has been implemented per year	Implementation of water resources management activities	Priority 2: Economic transformation and job creation	92	71	71	71	71	71	71
Percentage of planned maintenance projects completed per year as per the approved asset management plan	Operations, maintenance and refurbishment of national water resources schemes		36% (140/390)	46% (267/579)	80%	50%	80%	80%	80%
Percentage of unscheduled maintenance projects completed per year as a proportion of planned maintenance projects	Operations, maintenance and refurbishment of national water resources schemes		≤20%	≤10%	≤20%	≤30%	≤20%	≤20%	≤20%
Number of dam safety rehabilitation projects completed per year	Implementation of dam safety projects		0	3	5	2	6	6	6

1. No historical data available.

Entity overview

The Water Trading Entity was established in 1983 and was converted into a trading entity in terms of the Public Finance Management Act (1999) in 2008. The entity's primary role is to manage water infrastructure and resources, and the sale of raw water. Over the medium term, the entity will continue to focus on maintaining existing water resource infrastructure, supporting the long-term sustainability of water resources, and supplying bulk water to strategic users such as large industrial companies to stimulate and support economic development.

Expenditure is expected to increase at an average annual rate of 6.7 per cent, from R14.1 billion in 2020/21 to R17.2 billion in 2023/24. This is mainly driven by the entity continuing with the construction of the Mokolo-Crocodile River water augmentation project, the raising of the Tzaneen and Hazelmere dams, and the Umdloti River development project. Revenue is expected to increase at an average annual rate of 7.7 per cent, from R16.2 billion in 2020/21 to R20.2 billion in 2023/24. Revenue largely funds the Trans-Caledon Tunnel Authority for financing debt repayment for raw water infrastructure constructed by the authority on behalf of the Water Trading Entity. Revenue from the sale of raw water constitutes R47.7 billion over the same period. Transfers

from the department are expected to amount to R7.3 billion over the MTEF period.

Programmes/Objectives/Activities

Table 41.40 Water Trading Entity expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/Total (%)
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
Administration	698.1	815.8	902.3	997.9	12.6%	6.7%	1 103.7	1 161.6	1 213.8	6.7%	7.1%
Implementation of water resources management activities	528.6	805.1	890.4	984.8	23.0%	6.2%	1 089.2	1 146.3	1 197.9	6.7%	7.0%
Operations, maintenance and refurbishment of national water resources schemes	1 399.3	1 581.0	1 748.6	1 934.0	11.4%	13.0%	2 139.0	2 248.6	2 349.8	6.7%	13.7%
Financing and investment in raw water infrastructure	7 640.6	6 675.3	6 883.1	7 612.7	-0.1%	56.5%	8 419.7	8 843.3	9 241.2	6.7%	53.8%
Bulk water supply to strategic users	1 855.4	2 038.4	2 254.5	2 493.5	10.4%	16.9%	2 757.8	2 898.3	3 028.7	6.7%	17.6%
Implementation of dam safety projects	29.8	95.7	105.8	117.0	57.8%	0.7%	129.4	138.5	144.8	7.4%	0.8%
Total	12 151.8	12 011.3	12 784.7	14 139.9	5.2%	100.0%	15 638.7	16 436.6	17 176.2	6.7%	100.0%

Statements of financial performance, cash flow and financial position

Table 41.41 Water Trading Entity statements of financial performance, cash flow and financial position

Statement of financial performance											
R million	Audited outcome			Revised estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/Total (%)
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
Revenue	10 626.1	12 002.4	13 885.2	13 800.7	9.1%	85.4%	15 198.3	16 928.6	17 690.4	8.6%	86.7%
Non-tax revenue	9 785.3	11 032.2	12 166.9	13 651.6	11.7%	79.1%	15 033.3	16 747.1	17 500.7	8.6%	85.8%
Sale of goods and services other than capital assets	9 785.3	11 032.2	12 166.9	13 651.6	11.7%	79.1%	15 033.3	16 747.1	17 500.7	8.6%	85.8%
<i>of which:</i>											
<i>Sales by market establishment</i>	9 785.3	11 032.2	12 166.9	13 651.6	11.7%	79.1%	15 033.3	16 747.1	17 500.7	8.6%	85.8%
<i>Sales of water</i>	9 557.8	10 876.8	11 951.3	13 329.6	11.7%	77.6%	14 677.2	16 145.0	16 871.5	8.2%	83.2%
<i>Construction revenue</i>	223.8	154.2	214.5	302.8	10.6%	1.5%	334.8	368.3	384.9	8.3%	1.9%
<i>Lease revenue earned</i>	3.7	1.2	1.2	19.2	72.7%	-	21.3	233.8	244.4	133.4%	0.7%
<i>Other non-tax revenue</i>	840.8	970.2	1 718.3	149.2	-43.8%	6.3%	165.0	181.5	189.7	8.3%	0.9%
Transfers received	1 651.7	2 266.9	2 310.5	2 379.0	12.9%	14.6%	2 372.7	2 413.8	2 515.7	1.9%	13.3%
Total revenue	12 277.7	14 269.3	16 195.7	16 179.7	9.6%	100.0%	17 571.0	19 342.4	20 206.1	7.7%	100.0%
Expenses	12 151.8	12 011.3	12 784.7	14 139.9	5.2%	100.0%	15 638.7	16 436.6	17 176.2	6.7%	100.0%
Current expenses	1 191.1	1 218.4	1 292.8	1 370.3	4.8%	9.9%	1 451.2	1 539.7	1 609.0	5.5%	9.4%
Compensation of employees	1 191.1	1 218.4	1 292.8	1 370.3	4.8%	9.9%	1 451.2	1 539.7	1 609.0	5.5%	9.4%
Goods and services	4 382.3	3 448.4	3 699.6	4 509.6	1.0%	31.4%	4 771.8	5 010.4	5 235.9	5.1%	30.8%
Depreciation	1 922.2	2 314.1	2 455.2	2 602.6	10.6%	18.2%	2 756.2	2 894.0	3 024.2	5.1%	17.8%
Interest, dividends and rent on land	4 656.2	5 030.3	5 337.1	5 657.4	6.7%	40.5%	6 659.6	6 992.5	7 307.2	8.9%	41.9%
Total expenses	12 151.8	12 011.3	12 784.7	14 139.9	5.2%	100.0%	15 638.7	16 436.6	17 176.2	6.7%	100.0%
Surplus/(Deficit)	125.9	2 258.0	3 411.0	2 039.8	153.0%		1 932.3	2 905.8	3 029.8	14.1%	
Cash flow statement											
Cash flow from operating activities	4 187.3	4 859.3	5 312.9	7 290.7	20.3%	100.0%	8 139.3	8 868.3	9 255.8	8.3%	100.0%
Receipts	9 317.5	11 418.5	13 286.4	10 641.5	4.5%	84.6%	11 715.4	12 887.9	13 474.6	8.2%	83.3%
Non-tax receipts	9 317.5	11 418.5	13 286.4	10 641.5	4.5%	84.6%	11 715.4	12 887.9	13 474.6	8.2%	83.3%
Sales of goods and services other than capital assets	9 317.5	11 418.5	13 286.4	10 641.5	4.5%	84.6%	11 715.4	12 887.9	13 474.6	8.2%	83.3%
<i>Sales by market establishment</i>	9 003.2	11 139.8	12 575.2	10 463.2	5.1%	81.9%	11 572.7	12 731.0	13 310.6	8.4%	82.2%
<i>Sales of water</i>	9 003.2	11 139.8	11 816.8	10 463.2	5.1%	80.7%	11 572.7	12 731.0	13 310.6	8.4%	82.2%
<i>Construction revenue</i>	-	-	757.3	-	-	1.2%	-	-	-	-	-
<i>Lease revenue earned</i>	-	-	1.1	-	-	-	-	-	-	-	-
<i>Other sales</i>	314.3	278.7	711.2	178.4	-17.2%	2.7%	142.7	157.0	164.0	-2.8%	1.1%
Transfers received	1 651.7	1 971.3	2 058.3	2 379.0	12.9%	15.4%	2 372.7	2 413.8	2 515.7	1.9%	16.7%
Total receipts	10 969.2	13 389.8	15 344.7	13 020.5	5.9%	100.0%	14 088.0	15 301.7	15 990.3	7.1%	100.0%
Payment	6 781.9	8 530.5	10 031.8	5 729.7	-5.5%	100.0%	5 948.7	6 433.4	6 734.5	5.5%	100.0%
Current payments	1 232.6	1 482.9	1 461.3	1 370.3	3.6%	18.5%	1 451.2	1 596.3	1 668.1	6.8%	24.5%
Compensation of employees	1 232.6	1 482.9	1 461.3	1 370.3	3.6%	18.5%	1 451.2	1 596.3	1 668.1	6.8%	24.5%
Goods and services	2 540.4	4 172.9	6 571.2	2 260.2	-3.8%	47.8%	2 293.3	2 522.7	2 636.2	5.3%	39.1%
Interest and rent on land	3 008.9	2 874.7	1 999.3	2 099.2	-11.3%	33.7%	2 204.2	2 314.4	2 430.1	5.0%	36.4%
Total payments	6 781.9	8 530.5	10 031.8	5 729.7	-5.5%	100.0%	5 948.7	6 433.4	6 734.5	5.5%	100.0%

Table 41.41 Water Trading Entity statements of financial performance, cash flow and financial position

Statement of financial performance		Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
		2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
R million												
Net cash flow from investing activities		(500.6)	(172.6)	(358.3)	(1 612.6)	47.7%	100.0%	(1 993.8)	(2 193.2)	(2 291.9)	12.4%	100.0%
Acquisition of property, plant, equipment and intangible assets		(500.6)	(172.6)	(358.3)	(1 612.6)	47.7%	100.0%	(1 993.8)	(2 193.2)	(2 291.9)	12.4%	100.0%
Net cash flow from financing activities		(2 911.8)	(4 726.2)	(5 453.0)	(7 636.6)	37.9%	100.0%	(8 446.1)	(9 290.8)	(9 708.8)	8.3%	100.0%
Borrowing activities		(2 909.2)	(4 724.2)	(5 451.4)	(7 612.7)	37.8%	99.9%	(8 419.7)	(9 261.6)	(9 678.4)	8.3%	99.7%
Repayment of finance leases		(2.5)	(2.0)	(1.6)	(23.9)	110.9%	0.1%	(26.5)	(29.1)	(30.4)	8.5%	0.3%
Net increase/(decrease) in cash and cash equivalents		774.9	(39.6)	(498.4)	(1 958.4)	-236.2%	-2.9%	(2 300.7)	(2 615.6)	(2 744.9)	11.9%	-15.1%
Statement of financial position												
Carrying value of assets		95 221.1	93 733.1	92 778.3	93 646.7	-0.6%	93.9%	91 487.9	91 487.9	95 604.8	0.7%	95.7%
Acquisition of assets		(500.6)	(172.6)	(358.3)	(1 612.6)	47.7%	100.0%	(1 993.8)	(2 193.2)	(2 291.9)	12.4%	100.0%
Inventory		145.7	148.2	139.5	102.8	-11.0%	0.1%	101.8	101.8	106.3	1.1%	0.1%
Receivables and prepayments		5 381.6	5 205.4	7 831.4	4 482.4	-5.9%	5.7%	3 165.8	3 165.8	3 308.2	-9.6%	3.6%
Cash and cash equivalents		0.3	0.2	1 063.0	84.4	589.8%	0.3%	663.6	663.6	693.5	101.8%	0.5%
Total assets		100 748.7	99 086.9	101 812.2	98 316.2	-0.8%	100.0%	95 419.0	95 419.0	99 712.9	0.5%	100.0%
Accumulated surplus/(deficit)		71 145.1	73 349.9	77 962.0	67 715.3	-1.6%	72.5%	60 686.2	60 686.2	63 417.0	-2.2%	64.9%
Capital and reserves		407.2	460.4	945.0	407.2	-	0.6%	407.2	407.2	425.6	1.5%	0.4%
Borrowings		25 517.7	22 180.4	18 909.8	27 213.1	2.2%	23.5%	32 309.6	32 309.6	33 763.6	7.5%	32.3%
Finance lease		5.7	3.9	3.6	6.6	5.1%	-	7.0	7.0	7.3	3.5%	-
Trade and other payables		3 558.9	2 911.6	1 225.1	2 643.2	-9.4%	2.6%	1 643.2	1 643.2	1 717.1	-13.4%	2.0%
Benefits payable		114.1	180.6	-	-	-100.0%	0.1%	-	-	-	-	-
Provisions		-	-	207.0	330.8	-	0.1%	365.8	365.8	382.3	4.9%	0.4%
Derivatives financial instruments		-	-	2 559.8	-	-	0.6%	-	-	-	-	-
Total equity and liabilities		100 748.7	99 086.9	101 812.2	98 316.2	-0.8%	100.0%	95 419.0	95 419.0	99 712.9	0.5%	100.0%

Personnel information

Table 41.42 Water Trading Entity personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment											Number							
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost	2022/23		Unit cost			2023/24		Unit cost		
Water Trading Entity		3 440	3 440	3 439	1 292.8	0.4	3 440	1 370.3	0.4	3 440	1 451.2	0.4	3 440	1 539.7	0.4	3 549	1 609.0	0.5	5.5%	100.0%
Salary level	3 440	3 439	1 292.8	0.4	3 440	1 370.3	0.4	3 440	1 451.2	0.4	3 440	1 539.7	0.4	3 549	1 609.0	0.5	5.5%	100.0%		
1-6	2 053	2 053	436.2	0.2	2 053	461.9	0.2	2 053	489.2	0.2	2 053	519.0	0.3	2 304	676.8	0.3	13.6%	35.8%		
7-10	1 280	1 280	689.8	0.5	1 280	731.8	0.6	1 280	775.0	0.6	1 280	822.3	0.6	1 148	763.3	0.7	1.4%	51.9%		
11-12	102	102	157.2	1.5	102	166.4	1.6	102	176.2	1.7	102	187.0	1.8	91	156.9	1.7	-1.9%	11.5%		
13-16	5	5	9.6	2.4	5	10.2	2.0	5	10.8	2.2	5	11.4	2.3	6	11.9	2.0	5.5%	0.7%		
17-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

1. Rand million.