

Vote 34

Water Affairs and Forestry

2006/07				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	4 476 545	4 660 303	-	183 758
<i>of which:</i>				
Current payments	2 635 794	2 765 189	-	129 395
Transfers and subsidies	1 632 808	1 640 117	-	7 309
Payments for capital assets	207 943	254 997	-	47 054
Executive authority	Minister of Water Affairs and Forestry			
Accounting officer	Director-General of Water Affairs and Forestry			

Aim

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

Changes to programme purposes and measurable objectives

No changes were made to programme purposes or measurable objectives

Adjusted Estimates of National Expenditure 2006

Table 34.1: Water Affairs and Forestry

Programme		2006/07					
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	436 708	72 962	-	-	-	72 962	509 670
2. Water Resources Management	2 179 186	50 246	7 550	(2 715)	3 000	58 081	2 237 267
3. Water Services	1 462 251	-	-	2 715	-	2 715	1 464 966
4. Forestry	398 400	50 000	-	-	-	50 000	448 400
Total	4 476 545	173 208	7 550	-	3 000	183 758	4 660 303
Economic classification							
Current payments	2 635 794	148 562	7 550	(29 717)	3 000	129 395	2 765 189
Compensation of employees	1 180 269	100 962	-	-	-	100 962	1 281 231
Goods and services	1 453 824	47 600	7 550	(29 717)	3 000	28 433	1 482 257
Interest and rent on land	1 701	-	-	-	-	-	1 701

Table 34.1: Water Affairs and Forestry (continued)

		2006/07					
R thousand	Main appropriation	Additional appropriation				Adjusted appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		Total additional appropriation
Transfers and subsidies	1 632 808	16 500	-	(9 191)	-	7 309	1 640 117
Provinces and municipalities	501 900	-	-	(189)	-	(189)	501 711
Departmental agencies and accounts	1 001 999	-	-	70	-	70	1 002 069
Foreign governments and international organisations	-	-	-	3 500	-	3 500	3 500
Public corporations and private enterprises	98 734	3 500	-	-	-	3 500	102 234
Households	30 175	13 000	-	(12 572)	-	428	30 603
Payments for capital assets	207 943	8 146	-	38 908	-	47 054	254 997
Buildings and other fixed structures	136 851	3 048	-	-	-	3 048	139 899
Machinery and equipment	49 151	2 800	-	46 772	-	49 572	98 723
Software and other intangible assets	21 941	2 298	-	(7 864)	-	(5 566)	16 375
Total	4 476 545	173 208	7 550	-	3 000	183 758	4 660 303

Details of adjustments to Estimates of National Expenditure 2006

Roll-overs – R173,208 million

Programme 1: Administration

R72,962 million has been rolled over for personnel related costs linked to the transfer of some of the department's functions to other institutions.

Programme 2: Water Resources Management

R26,6 million has been rolled over for disaster management projects (drought relief and flood damage to structures) that will improve the unacceptable level of water supply vulnerability countrywide.

R2,298 million has been rolled over for data acquisition and information management equipment.

R3,048 million has been rolled over for constructing new gauging stations.

R1,8 million has been rolled over for geophysical equipment to improve the strike rate and thus reduce the cost of drilling unsuccessful boreholes.

R3,5 million has been rolled over to transfer funds to the Inkomati Catchment Management Agency for establishing new institutions.

R13 million has been rolled over to write-off loans in respect of Impala Irrigation Board.

Programme 4: Forestry

R50 million has been rolled over for the management of commercial forestry in the Bushbuckridge area of Mpumalanga.

Unforeseeable and unavoidable expenditure - R7,55 million

Programme 2: Water Resources Management

R7,55 million has been provided for flood disasters in the southern and eastern Cape regions.

Virements

Table 34.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
1. Administration	(37 434)	37 434	
Current payments	(29 570)	-	
Goods and services	(29 570)	-	Savings arose because the department reprioritised its professional and special services budget to make funds available for its IT infrastructure backlog and for upgrading computer systems.
Transfers and subsidies	-	70	
Departmental agencies and accounts	-	70	Treasury approved the shift of funds from goods and services (in this programme) to increase the transfer payment to SAMDI for the 10th annual national trainers conference.
Payments for capital assets	(7 864)	37 364	
Machinery and equipment	-	37 364	Funds shifted from goods and services and machinery and equipment (in this programme) will be used to upgrade and replace departmental IT infrastructure.
Software and other intangible assets	(7 864)	-	These funds were incorrectly classified in the ENE process, and have been shifted to machinery and equipment.
2. Water Resources Management	(15 471)	12 756	
Current payments	(2 715)	-	
Compensation of employees	(2 715)	-	Savings are due to posts that have not been filled because of the three-month selection and placement process.
Transfers and subsidies	(12 756)	3 500	
Provinces and municipalities	(184)	-	Savings arose because the RSC levy was phased out after June 2006.
Foreign governments and international organisations	-	3 500	Funds shifted from transfers and subsidies (in this programme) will be used to support the establishment and operation of the Orange-Senqu River Commission.
Households	(12 572)	-	These funds were intended for subsidies to resource-poor farmers in terms of the National Water Act, but the required regulations will only be in place in five to six months' time.
Payments for capital assets	-	9 256	
Machinery and equipment	-	9 256	Funds shifted from transfers to households (in this programme) will be used to upgrade and replace departmental IT infrastructure.
3. Water Services	(152)	2 867	
Current payments	(147)	2 715	
Compensation of employees	-	2 715	Funds shifted from compensation of employees (in programme 2) will be used for posts identified as critical.
Goods and services	(147)	-	Savings arose because the department reprioritised its professional and special services budget to make funds available for its IT infrastructure backlog and for upgrading computer systems.
Transfers and subsidies	(5)	-	
Provinces and municipalities	(5)	-	Savings arose because the RSC levy was phased out after June 2006.
Payments for capital assets	-	152	
Machinery and equipment	-	152	Funds shifted from goods and services and transfers to provinces and municipalities (in this programme) will be used to buy computers and software.
Total for vote	(53 057)	53 057	

Other adjustments - R3 million

Shifting of funds between votes

Programme 2: Water Resources Management

R3 million will be transferred from the Department of Provincial and Local Government for fire helicopter services in the disaster management unit.

Expenditure 2005/06 and preliminary expenditure 2006/07

Table 34.3: Water Affairs and Forestry

Programme	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
R thousand							
1. Administration	446 950	179 313	369 216	82,6	509 670	229 146	27,8
2. Water Resources Management	1 632 045	706 505	1 503 463	92,1	2 237 267	742 899	5,2
3. Water Services	1 527 974	577 602	1 510 999	98,9	1 464 966	525 127	(9,1)
4. Forestry	415 543	192 903	420 919	101,3	448 400	209 728	8,7
Total	4 022 512	1 656 323	3 804 597	94,6	4 660 303	1 706 900	3,1
Current payments	1 790 332	840 550	1 896 961	106,0	2 765 189	1 146 066	36,3
Compensation of employees	789 612	389 725	759 870	96,2	1 281 231	534 976	37,3
Goods and services	999 115	449 059	1 131 720	113,3	1 482 257	609 931	35,8
Interest and rent on land	1 605	518	2 042	127,2	1 701	521	0,6
Financial transactions in assets and liabilities	-	1 248	3 329	-	-	638	(48,9)
Transfers and subsidies	1 741 109	773 056	1 769 049	101,6	1 640 117	465 078	(39,8)
Provinces and municipalities	1 069 985	470 931	1 074 954	100,5	501 711	99 624	(78,8)
Departmental agencies and accounts	649 298	279 567	670 163	103,2	1 002 069	319 251	14,2
Foreign governments and international organisations	-	-	-	-	3 500	-	(100,0)
Public corporations and private enterprises	-	7 596	6 891	-	102 234	20 980	176,2
Non-profit institutions	-	23	2	-	-	2	(91,3)
Households	21 826	14 939	17 039	78,1	30 603	25 221	68,8
Payments for capital assets	491 071	42 717	138 587	28,2	254 997	95 756	124,2
Buildings and other fixed structures	445 773	26 941	92 713	20,8	139 899	16 309	(39,5)
Machinery and equipment	32 077	11 183	32 381	100,9	98 723	66 270	492,6
Cultivated assets	25	16	30	120,0	-	85	431,3
Software and other intangible assets	13 196	4 577	13 463	102,0	16 375	13 092	186,0
Total	4 022 512	1 656 323	3 804 597	94,6	4 660 303	1 706 900	3,1

Selected expenditure trends for the first half of 2006/07 financial year

Expenditure for the first six months of 2006/07 was R1,707 billion, or 36,6 per cent of the adjusted appropriation of R4,66 billion for the whole year.

Expenditure in the *Water Resources Management* programme decreased because the expenditure of the water services operating and transfer subsidy was incorrectly recorded in the Water Trading Account instead of the Exchequer Account.

Transfers and subsidies have decreased due to protracted delays in finalising the environmental impact assessments for the De Hoop Dam and the shift of functions in the *Water Services* programme.

Summary of changes to transfers and subsidies, and conditional grants

Table 34.4: Summary of changes to transfers and subsidies per programme

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	672	-	-	70	-	70	742
Departmental agencies and accounts							
Entities							
Current	550	-	-	70	-	70	620
Local government water and related services	550	-	-	70	-	70	620
2. Water Resources Management	1 032 763	16 500	-	(9 256)	-	7 244	1 040 007
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	1 139	-	-	(184)	-	(184)	955
Regional Services Council levies	1 139	-	-	(184)	-	(184)	955
Foreign governments and international organisations							
Current	-	-	-	3 500	-	3 500	3 500
Orange-Senqu River Commission	-	-	-	3 500	-	3 500	3 500
Public corporations and private enterprises							
Public corporations							
Subsidies on products and production							
Current	-	3 500	-	-	-	3 500	3 500
Inkomati Catchment Management Agency	-	3 500	-	-	-	3 500	3 500
Households							
Other transfers							
Current	30 175	13 000	-	(12 572)	-	428	30 603
Financial assistance to small scale farmers	30 175	13 000	-	(12 572)	-	428	30 603
3. Water Services	599 147	-	-	(5)	-	(5)	599 142
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	500 413	-	-	(5)	-	(5)	500 408
Regional Services Council levies	413	-	-	(5)	-	(5)	408