

Vote 36

Water and Sanitation

Adjusted budget summary

R thousand	2015/16			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	16 446 530	15 746 530	(700 000)	–
<i>of which:</i>				
Current payments	3 116 775	3 122 150	–	5 375
Transfers and subsidies	6 094 618	5 072 620	(1 021 998)	–
Payments for capital assets	7 235 137	7 551 760	–	316 623
Executive authority	Minister of Water and Sanitation			
Accounting officer	Director-General of Water and Sanitation			
Website address	www.dws.gov.za			

Vote purpose

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

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2015/16 as published in the 2015 ENE	Achieved in the first six months of 2015/16 (April to September)	Changed target for 2015/16
Number of new strategic partnerships established with countries in Africa per year	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	4	2	–
Number of river systems with water quality management systems in place	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	5	5	–
Percentage completion of the review of existing water monitoring networks per year	Water Planning and Information Management		60%	40%	–
Number of new reconciliation strategies developed to ensure water security per year	Water Planning and Information Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	1	1	–
Number of new bulk infrastructure schemes completed per year	Water Infrastructure Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	18	5	–
Percentage completion on construction of Groot Letaba water augmentation project water distribution network and water treatment works as stated in the original and approved project implementation plan	Water Infrastructure Development		100%	31%	60%
Number of additional people provided with access to water per year	Water Infrastructure Development	Outcome 9: Responsive, accountable, effective and efficient developmental local government	120 000	75 192	–
Number of accelerated community infrastructure projects implemented per year	Water Infrastructure Development		71	3	76

Indicator	Programme	Outcome	Annual performance		
			Projected for 2015/16 as published in the 2015 ENE	Achieved in the first six months of 2015/16 (April to September)	Changed target for 2015/16
Number of additional resource poor farmers supported with access to water per year	Water and Sanitation Services	Outcome 7: Comprehensive rural development and land reform	692	246	–
Number of rainwater harvesting tanks installed for access to water and food production per year	Water and Sanitation Services		1 660	172	–
Number of existing bucket sanitation systems in formal settlements replaced with adequate sanitation services per year	Water and Sanitation Services	Outcome 8: Sustainable human settlements and improved quality of household life	142 205	15 544	–
Number of households served through the rural household infrastructure grant to eradicate sanitation backlogs per year	Water and Sanitation Services		13 148	1 665	–
Percentage of water use authorisation applications finalised as per the water use authorisation guidelines per year	Water Sector Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	80%	32%	–
Total number of wastewater treatment collector systems assessed for compliance with effluent standards per year	Water Sector Regulation	Outcome 6: An efficient, competitive and responsive economic infrastructure network	963	0	–
Total number of water treatment supply systems assessed for compliance with drinking water quality standards per year	Water Sector Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 084	0	–

Changes to indicators and targets published in the 2015 ENE

The number of accelerated community infrastructure project is expected to increase to 76, due to funding shifts in the department to support drought relief in KwaZulu-Natal.

As the transfer to the Water Trading Entity has been reduced, the target for the Groot Letaba water augmentation project and the associated water distribution network has been lowered.

Mid-year progress

The proposed water resource classes and resource quality objectives for the five river systems (Olifants-Doorn, Upper Vaal, Lower Vaal, Middle Vaal and Olifants) were gazetted in July 2015 for public comments with a consolidated report on the received public comments developed. An evaluation report on the data quality and first draft scientific review report on the existing water monitoring network has been developed. The yield assessment and screening options reports for the Richards Bay reconciliation strategy have been completed.

The main performance achievement for the Groot Letaba water augmentation project and the associated water distribution network is that the Xihoko rising main has been repaired, refurbished and commissioned. To date, 5 new bulk infrastructure schemes have been completed: the Greater Eston water and Bulwer Doonybrook emergency schemes in KwaZulu-Natal; the Ventersdorp bulk water supply in North West; the Mount Ayliff bulk water supply scheme in Eastern Cape; and the Swellendam wastewater treatment works in Western Cape.

Progress on the sanitation programme has been slow. The department has eradicated 15 544 buckets and replaced these with adequate sanitation services, while 1 665 households have been provided with adequate sanitation services through the rural household infrastructure grant.

No assessments were conducted for the water supply systems and the wastewater treatment collector systems, due to a delay in the procurement process. Although the bid was advertised, it was withdrawn as the terms of reference were amended. While the re-advertisement of the bid is being considered, the target has been moved to 2016/17. However, all 9 provincial operations offices are monitoring the performance of 250 water supply and 259 wastewater treatment systems on an ongoing basis.

42 of the received 130 applications for water use authorisation were finalised within the regulated 300-day period.

Adjusted Estimates of National Expenditure 2015

Programme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	1 526 167	-	-	(38 633)	-	-	(38 633)	1 487 534
Water Planning and Information Management	808 655	-	-	(64 692)	-	-	(64 692)	743 963
Water Infrastructure Development	12 435 787	-	-	79 963	(700 000)	-	(620 037)	11 815 750
Water and Sanitation Services	1 444 582	-	-	(29 908)	-	-	(29 908)	1 414 674
Water Sector Regulation	231 339	-	-	53 270	-	-	53 270	284 609
Total	16 446 530	-	-	-	(700 000)	-	(700 000)	15 746 530
Economic classification								
Current payments	3 116 775	-	-	43 375	(38 000)	-	5 375	3 122 150
Compensation of employees	1 492 133	-	-	(63 736)	-	-	(63 736)	1 428 397
Goods and services	1 624 642	-	-	100 588	(38 000)	-	62 588	1 687 230
Interest and rent on land	-	-	-	6 523	-	-	6 523	6 523
Transfers and subsidies	6 094 618	-	-	(623 998)	(398 000)	-	(1 021 998)	5 072 620
Provinces and municipalities	2 305 421	-	-	43	-	-	43	2 305 464
Departmental agencies and accounts	2 566 829	-	-	(627 640)	(200 000)	-	(827 640)	1 739 189
Higher education institutions	600	-	-	1 400	-	-	1 400	2 000
Foreign governments and international organisations	189 158	-	-	109	-	-	109	189 267
Public corporations and private enterprises	1 000 000	-	-	-	(198 000)	-	(198 000)	802 000
Non-profit institutions	1 938	-	-	57	-	-	57	1 995
Households	30 672	-	-	2 033	-	-	2 033	32 705
Payments for capital assets	7 235 137	-	-	580 623	(264 000)	-	316 623	7 551 760
Buildings and other fixed structures	7 134 676	-	-	548 367	(264 000)	-	284 367	7 419 043
Machinery and equipment	73 961	-	-	18 386	-	-	18 386	92 347
Software and other intangible assets	26 500	-	-	13 870	-	-	13 870	40 370
Total	16 446 530	-	-	-	(700 000)	-	(700 000)	15 746 530

Programme 1: Administration

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	49 636	-	-	1 300	-	-	1 300	50 936
Departmental Management	182 647	-	-	(52 640)	-	-	(52 640)	130 007
Internal Audit	26 073	-	-	(1 300)	-	-	(1 300)	24 773
Corporate Services	686 603	-	-	(6 627)	-	-	(6 627)	679 976
Financial Management	203 591	-	-	3 624	-	-	3 624	207 215
Office Accommodation	335 600	-	-	17 010	-	-	17 010	352 610
Programme Management Unit	4 860	-	-	-	-	-	-	4 860
International Water Support	37 157	-	-	-	-	-	-	37 157
Total	1 526 167	-	-	(38 633)	-	-	(38 633)	1 487 534

Programme 1: Administration (continued)

Economic classification	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Current payments	1 449 615	–	–	(54 718)	–	–	(54 718)	1 394 897
Compensation of employees	714 081	–	–	(68 492)	–	–	(68 492)	645 589
Goods and services	735 534	–	–	7 251	–	–	7 251	742 785
Interest and rent on land	–	–	–	6 523	–	–	6 523	6 523
Transfers and subsidies	20 020	–	–	2 242	–	–	2 242	22 262
Provinces and municipalities	–	–	–	3	–	–	3	3
Departmental agencies and accounts	3 066	–	–	–	–	–	–	3 066
Higher education institutions	600	–	–	1 400	–	–	1 400	2 000
Foreign governments and international organisations	920	–	–	109	–	–	109	1 029
Non-profit institutions	900	–	–	–	–	–	–	900
Households	14 534	–	–	730	–	–	730	15 264
Payments for capital assets	56 532	–	–	13 843	–	–	13 843	70 375
Machinery and equipment	31 032	–	–	(557)	–	–	(557)	30 475
Software and other intangible assets	25 500	–	–	14 400	–	–	14 400	39 900
Total	1 526 167	–	–	(38 633)	–	–	(38 633)	1 487 534

Programme 2: Water Planning and Information Management

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Water Planning, Information Management and Support	6 985	–	–	(2 000)	–	–	(2 000)	4 985
Integrated Planning	201 813	–	–	(14 837)	–	–	(14 837)	186 976
Water Ecosystems	66 648	–	–	(24 000)	–	–	(24 000)	42 648
Water Information Management	533 209	–	–	(23 855)	–	–	(23 855)	509 354
Total	808 655	–	–	(64 692)	–	–	(64 692)	743 963
Economic classification	747 296	–	–	(67 619)	–	–	(67 619)	679 677
Current payments	747 296	–	–	(67 619)	–	–	(67 619)	679 677
Compensation of employees	382 015	–	–	(31 371)	–	–	(31 371)	350 644
Goods and services	365 281	–	–	(36 248)	–	–	(36 248)	329 033
Transfers and subsidies	711	–	–	213	–	–	213	924
Provinces and municipalities	338	–	–	40	–	–	40	378
Non-profit institutions	23	–	–	–	–	–	–	23
Households	350	–	–	173	–	–	173	523
Payments for capital assets	60 648	–	–	2 714	–	–	2 714	63 362
Buildings and other fixed structures	29 376	–	–	(3 300)	–	–	(3 300)	26 076
Machinery and equipment	30 272	–	–	6 544	–	–	6 544	36 816
Software and other intangible assets	1 000	–	–	(530)	–	–	(530)	470
Total	808 655	–	–	(64 692)	–	–	(64 692)	743 963

Programme 3: Water Infrastructure Development

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Infrastructure Development and Rehabilitation	2 586 603	–	–	(627 640)	(200 000)	–	(827 640)	1 758 963
Operation of Water Resources	164 398	–	–	–	–	–	–	164 398
Water Services Infrastructure	9 684 786	–	–	707 603	(500 000)	–	207 603	9 892 389
Total	12 435 787	–	–	79 963	(700 000)	–	(620 037)	11 815 750

Programme 3: Water Infrastructure Development (continued)

Economic classification	2015/16							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Current payments	360 833	–	–	154 818	(38 000)	–	116 818	477 651
Compensation of employees	115 337	–	–	(658)	–	–	(658)	114 679
Goods and services	245 496	–	–	155 476	(38 000)	–	117 476	362 972
Transfers and subsidies	6 009 098	–	–	(627 640)	(398 000)	–	(1 025 640)	4 983 458
Provinces and municipalities	2 256 847	–	–	–	–	–	–	2 256 847
Departmental agencies and accounts	2 562 763	–	–	(627 640)	(200 000)	–	(827 640)	1 735 123
Foreign governments and international organisations	188 238	–	–	–	–	–	–	188 238
Public corporations and private enterprises	1 000 000	–	–	–	(198 000)	–	(198 000)	802 000
Households	1 250	–	–	–	–	–	–	1 250
Payments for capital assets	6 065 856	–	–	552 785	(264 000)	–	288 785	6 354 641
Buildings and other fixed structures	6 062 273	–	–	551 967	(264 000)	–	287 967	6 350 240
Machinery and equipment	3 583	–	–	818	–	–	818	4 401
Total	12 435 787	–	–	79 963	(700 000)	–	(620 037)	11 815 750

Programme 4: Water and Sanitation Services

Subprogramme	2015/16							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Water and Sanitation Services Support	5 345	–	–	(5 345)	–	–	(5 345)	–
Water Sector Support	257 175	–	–	(24 563)	–	–	(24 563)	232 612
National Sanitation Services	1 182 062	–	–	–	–	–	–	1 182 062
Total	1 444 582	–	–	(29 908)	–	–	(29 908)	1 414 674
Economic classification								
Current payments	332 989	–	–	(36 494)	–	–	(36 494)	296 495
Compensation of employees	138 847	–	–	9 255	–	–	9 255	148 102
Goods and services	194 142	–	–	(45 749)	–	–	(45 749)	148 393
Transfers and subsidies	63 789	–	–	1 117	–	–	1 117	64 906
Provinces and municipalities	48 236	–	–	–	–	–	–	48 236
Non-profit institutions	1 015	–	–	57	–	–	57	1 072
Households	14 538	–	–	1 060	–	–	1 060	15 598
Payments for capital assets	1 047 804	–	–	5 469	–	–	5 469	1 053 273
Buildings and other fixed structures	1 042 727	–	–	–	–	–	–	1 042 727
Machinery and equipment	5 077	–	–	5 469	–	–	5 469	10 546
Total	1 444 582	–	–	(29 908)	–	–	(29 908)	1 414 674

Programme 5: Water Sector Regulation

Subprogramme	2015/16							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Water Sector Regulation Management and Support	6 231	–	–	24 875	–	–	24 875	31 106
Economic and Social Regulation	5 965	–	–	8 687	–	–	8 687	14 652
Water Use Authorisation and Administration	61 364	–	–	(4 947)	–	–	(4 947)	56 417
Water Supply Services and Sanitation Regulation	23 270	–	–	(2 100)	–	–	(2 100)	21 170
Compliance Monitoring	60 355	–	–	(3 100)	–	–	(3 100)	57 255
Enforcement	28 886	–	–	(2 166)	–	–	(2 166)	26 720
Institutional Oversight	45 268	–	–	32 021	–	–	32 021	77 289
Total	231 339	–	–	53 270	–	–	53 270	284 609

Programme 5: Water Sector Regulation (continued)

Economic classification	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Current payments	226 042	–	–	47 388	–	–	47 388	273 430
Compensation of employees	141 853	–	–	27 530	–	–	27 530	169 383
Goods and services	84 189	–	–	19 858	–	–	19 858	104 047
Transfers and subsidies	1 000	–	–	70	–	–	70	1 070
Departmental agencies and accounts	1 000	–	–	–	–	–	–	1 000
Households	–	–	–	70	–	–	70	70
Payments for capital assets	4 297	–	–	5 812	–	–	5 812	10 109
Buildings and other fixed structures	300	–	–	(300)	–	–	(300)	–
Machinery and equipment	3 997	–	–	6 112	–	–	6 112	10 109
Total	231 339	–	–	53 270	–	–	53 270	284 609

Details of adjustments to the Estimates of National Expenditure 2015

Virements and shifts

Programmes

1. Administration
2. Water Planning and Information Management
3. Water Infrastructure Development
4. Water and Sanitation Services
5. Water Sector Regulation

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(157 577)	Programme 1		53 834
Compensation of employees	Vacant posts	(38 339)	Goods and services	Office accommodation, audit forensics and the global cooperation chief directorate	38 339
	Vacant posts	(710)	Households	Leave gratuity	710
	Vacant posts	(591)	Machinery and equipment	Shortfall in payment for capital assets such as computers, laptops, printers	591
	Vacant posts	(6 522)	Interest and rent on land	Shortfall in payment for court judgment	6 522
	Vacant posts	(6 163)	Software and other intangible assets	Shortfall in payment for capital assets	6 163
	Vacant posts	(1 400)	Higher education institutions	Increased transfer to the University of Western Cape for research on ground water in Africa ¹	1 400
	Vacant posts	(109)	Foreign governments and international organisations	Increased transfer to accommodate exchange rate fluctuations ¹	109
	Vacant posts	(5 516)	Programme 3		5 516
			Compensation of employees	Infrastructure personnel cost	5 516
	Vacant posts	(13 987)	Programme 5		13 987
			Compensation of employees	Increase in personnel remuneration	13 987

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
			Programme 1		13 550
Goods and services	Cost containment measures effected on inventory	(20)	Households	Leave gratuities	20
	Cost containment measures effected on venues and facilities, travel and subsistence, consultants and property payments	(4 845)	Compensation of employees	Increase in personnel remuneration	4 845
	Cost containment measures effected on consultants, inventory and operational payments	(444)	Machinery and equipment	Shortfall in payment for capital assets, such as computers, laptops and printers	444
	Cost containment measures effected on catering	(1)	Interest and rent on land	Payment of interest on overdue accounts	1
	Cost containment measures effected on entertainment and catering	(3)	Provinces and municipalities	Vehicle licences	3
	Cost containment measures effected on computer services, consultants and agencies	(8 237)	Software and other intangible assets	Shortfall in payment for capital assets	8 237
			Programme 3		36 755
	Cost containment measures effected on computers, consultants and catering services	(3 191)	Goods and services	Rapid response unit in the Free State	3 191
	Cost containment measures effected on computers	(564)	Compensation of employees	Infrastructure personnel cost	564
	Cost containment measures effected on operational leases	(33 000)	Buildings and other fixed structures	Implementation of interim water supply infrastructure such as boreholes	33 000
			Programme 5		33 935
	Cost containment measures effected on consultants, outsourced services, travel and subsistence, and venues and facilities	(21 451)	Goods and services	Operational budget for policy and strategy functions	21 451
	Cost containment measures effected on consultants, outsourced services, travel and subsistence, and venues and facilities	(7 409)	Compensation of employees	Increase in personnel remuneration	7 409
	Cost containment measures effected on consultants, outsourced services, travel and subsistence, venues and facilities and training	(3 483)	Machinery and equipment	Furniture and office equipment	3 483
Machinery and equipment	Cost containment measures effected on transport equipment and other machinery ²	(1 592)	Goods and services	Operational budget for policy and strategy functions	1 592
Shifts within the programme as a percentage of the programme budget		4.4%			
Virements to other programmes as a percentage of the programme budget		5.9%			

2015 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2		(72 737)	Programme 1		16 837
Compensation of employees	Vacant posts	(16 837)	Goods and services	Office accommodation	16 837
	Vacant posts	(332)	Programme 2		1 118
	Vacant posts	(173)	Goods and services	Office furniture and equipment	332
	Vacant posts	(613)	Households	Leave gratuities and vehicle licences	173
	Vacant posts	(13 503)	Machinery and equipment	Furniture, office equipment, desktops, laptops and printers	613
			Programme 5		13 503
			Compensation of employees	Align the budget with the programme structure	13 503
			Programme 1		24 000
Goods and services	Cost containment measures effected on infrastructure and planning services	(24 000)	Goods and services	Office accommodation	24 000
	Cost containment measures effected on administration fees, consultants, infrastructure, planning and services contractors, operational leases, and training and development	(87)	Programme 2		3 097
	Cost containment measures effected on administration fees, consultants, infrastructure, planning and services contractors, operational leases, and training and development	(2 970)	Compensation of employees	Provision for the newly created chief directorate	87
	Cost containment measures effected on vehicle licences	(40)	Machinery and equipment	Payment to state agencies	2 970
	Cost containment measures effected on infrastructure planning, services and operating payments	(9 483)	Provinces and municipalities	Vehicle licences	40
			Programme 5		10 352
			Goods and services	Align the budget with the budget structure	9 483
Machinery and equipment	Reclassification of funds incorrectly classified in the 2015 ENE	(869)	Machinery and equipment	Equipment such as computers, laptops and printers	869
			Programme 2		3 830
Buildings and other fixed structures	Reclassification of funds incorrectly classified in the 2015 ENE	(3 300)	Machinery and equipment	Laboratory instruments and equipment	3 300
Software and other intangible assets	Reclassification of funds incorrectly classified in the 2015 ENE	(530)	Machinery and equipment	Laboratory instruments and equipment	530
Shifts within the programme as a percentage of the programme budget		1.0%			
Virements to other programmes as a percentage of the programme budget		8.0%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3			Programme 3		
922 467			922 467		
Compensation of employees	Vacant posts	(5 920)	Goods and services	Operational requirements for computer services, and inventories and supplies	5 920
	Vacant posts	(818)	Machinery and equipment	Laboratory instruments and equipment ²	818
Goods and services	Cost containment measures effected on contractors, consultants, property payments, travel and subsistence, and outsourced services	(70 862)	Buildings and other fixed structures	Waste to Energy for the water services projects Reprioritisation of efficiency funds for the Giyani ministerial intervention and reclassification of the accelerated community infrastructure programme	70 862
Departmental agencies and accounts	Funds available from the Water Trading Entity due to improved operational efficiencies ²	(627 640)	Buildings and other fixed structures	Waste to Energy for the water services projects	627 640
Buildings and other fixed structures	Reclassification of funds due to an incorrect classification in the 2015 ENE ²	(217 227)	Goods and services	Shifting of funds to align the budget with accounting treatment of feasibility studies expenditure	217 227
Shifts within the programme as a percentage of the programme budget		7.4%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4			Programme 3		
(57 614)			10 807		
Compensation of employees	Vacant posts	(10 807)	Buildings and other fixed structures	Implementation of interim water supply infrastructure such as boreholes	10 807
	Vacant posts	(60)	Programme 4		735
	Vacant posts	(675)	Households	Leave gratuities and vehicle licences	60
			Machinery and equipment	Laboratory instruments and equipment	675
			Programme 3		18 778
Goods and services	Cost containment measures effected on consultants, contractors, infrastructure planning, inventory, travel and subsistence and operational payments	(18 778)	Buildings and other fixed structures	Implementation of interim water supply infrastructure such as boreholes	18 778
	Cost containment measures effected on consultants, contractors, infrastructure planning and services, inventory, and operational payments	(1 000)	Programme 4		26 971
			Households	Leave gratuities	1 000
	Cost containment measures effected on consultants, contractors, infrastructure planning and services, inventory, and operational payments	(20 797)	Compensation of employees	Shortfall on compensation of employees	20 797

2015 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Machinery and equipment	Cost containment measures effected on consultants, contractors, infrastructure planning and services, inventory, and operational payments	(5 117)	Machinery and equipment	Laboratory instruments and equipment	5 117
	Cost containment measures effected on consultants, contractors, infrastructure planning and services, inventory, travel and subsistence, and operational payments	(57)	Non-profit institutions	Implementation of interim water supply infrastructure such as boreholes ¹	57
	Cost containment measures effected on transport equipment	(323)	Programme 3		323
			Buildings and other fixed structures	Implementation of interim water supply infrastructure such as boreholes	323
Shifts within the programme as a percentage of the programme budget		1.9%			
Virements to other programmes as a percentage of the programme budget		2.1%			
Programme 5		(26 776)	Programme 3		1 000
Compensation of employees	Vacant posts	(1 000)	Buildings and other fixed structures	Waste to Energy for the water services projects	1 000
	Vacant posts	(6 239)	Programme 5		6 369
	Vacant posts	(50)	Goods and services	Operational requirement for computer services, and inventories and supplies	6 239
	Vacant posts	(80)	Households	Leave gratuities	50
	Vacant posts	(80)	Machinery and equipment	Procurement of laboratory instruments and equipment	80
	Cost containment measures effected on advertising, computers, infrastructure planning and services	(10 723)	Programme 1		10 723
Goods and services	Cost containment measures effected on computers, infrastructure planning and services	(6 584)	Goods and services	Office accommodation	10 723
	Cost containment measures effected on computers, infrastructure planning and services	(6 584)	Programme 3		6 584
	Cost containment measures effected on administration fees	(20)	Buildings and other fixed structures	Waste to Energy for the water services projects	6 584
	Cost containment measures effected on consultants	(1 580)	Programme 5		1 600
	Cost containment measures effected on consultants	(200)	Households	Leave gratuities	20
Machinery and equipment	Cost containment measures effected on other fixed structures	(300)	Machinery and equipment	Laboratory instruments and equipment	1 580
	Cost containment measures effected on consultants	(200)	Programme 3		200
Buildings and other fixed structures	Cost containment measures effected on other fixed structures	(300)	Buildings and other fixed structures	Waste to Energy for the water services projects	200
			Programme 5		300
			Machinery and equipment	Laboratory instruments and equipment	300
Shifts within the programme as a percentage of the programme budget		3.6%			
Virements to other programmes as a percentage of the programme budget		8.0% ²			
Total		(1 237 171)	1 237 171		

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement in terms of the Public Finance Management Act., (Act 1 of 1999)

Declared unspent funds – R700 million

R64 million in unspent funds has been declared on the regional bulk infrastructure grant: indirect grant due to poor financial performance in the first six months of 2015/16.

R198 million in unspent funds has been declared on the transfer to Magalies Water for the Pilanesberg Scheme.

R38 million in unspent funds declared on goods and services within the *Water Infrastructure Development* programme.

R200 million in unspent funds has been declared on the municipal water infrastructure grant: indirect grant due to poor financial performance in the first six months of 2015/16.

R200 million in unspent funds has been declared on the transfer to the Water Trading Entity due to budget reductions implemented.

Expenditure outcome for 2014/15 and actual expenditure for 2015/16

Programme	2014/15 Audited outcome					2015/16 Actual expenditure				
	Adjusted appropriation	Apr 14 - Sep 14	% of adjusted appropriation	Apr 14 - Mar 15	% of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 15 - Sep 15	% of adjusted appropriation	
R thousand										
Administration	1 511 830	623 813	41.3	1 297 667	85.8	1 487 534	9.4	708 013	47.6	
Water Planning and Information Management	861 861	199 400	23.1	386 596	44.9	743 963	4.7	292 800	39.4	
Water Infrastructure Development	9 734 414	2 261 164	23.2	7 629 078	78.4	11 815 750	75.0	3 466 260	29.3	
Water and Sanitation Services	1 349 445	269 268	20.0	1 823 128	135.1	1 414 674	9.0	213 100	15.1	
Water Sector Regulation	189 851	212 000	111.7	480 213	252.9	284 609	1.8	127 559	44.8	
Total	13 647 401	3 565 645	26.1	11 616 682	85.1	15 746 530	100.0	4 807 732	30.5	
Economic classification										
Current payments	3 058 458	1 159 068	37.9	2 595 598	84.9	3 122 150	19.8	1 271 996	40.7	
Compensation of employees	1 388 032	614 736	44.3	1 275 705	91.9	1 428 397	9.1	672 498	47.1	
Goods and services	1 670 286	544 316	32.6	1 318 811	79.0	1 687 230	10.7	592 963	35.1	
Interest and rent on land	140	16	11.4	1 082	772.9	6 523	-	6 535	100.2	
Transfers and subsidies	4 563 949	1 230 071	27.0	4 588 797	100.5	5 072 620	32.2	1 792 341	35.3	
Provinces and municipalities	1 033 308	184 125	17.8	1 051 352	101.7	2 305 464	14.6	552 546	24.0	
Departmental agencies and accounts	2 737 823	652 585	23.8	2 739 536	100.1	1 739 189	11.0	523 637	30.1	
Foreign governments and international organisations	185 186	121 715	65.7	185 176	100.0	189 267	1.2	123 770	65.4	
Public corporations and private enterprises	580 000	256 237	44.2	579 919	100.0	802 000	5.1	580 566	72.4	
Non-profit institutions	1 910	827	43.3	1 803	94.4	1 995	-	304	15.2	
Households	25 722	14 582	56.7	31 011	120.6	32 705	0.2	11 518	35.2	
Payments for capital assets	6 024 994	1 176 506	19.5	4 432 164	73.6	7 551 760	48.0	1 743 384	23.1	
Buildings and other fixed structures	5 937 300	1 142 186	19.2	4 368 387	73.6	7 419 043	47.1	1 710 155	23.1	
Machinery and equipment	83 400	26 036	31.2	53 493	64.1	92 347	0.6	24 682	26.7	
Land and subsoil assets	896	-	-	-	-	-	-	-	-	
Software and other intangible assets	3 398	8 284	243.8	10 284	302.6	40 370	0.3	8 547	21.2	
Payments for financial assets	-	-	-	123	-	-	-	11	-	
Total	13 647 401	3 565 645	26.1	11 616 682	85.1	15 746 530	100.0	4 807 732	30.5	

Expenditure trends for the first half of 2015/16

Total expenditure in 2014/15 was 85.1 per cent of the 2014/15 adjusted appropriation. Expenditure in the first six months of 2015/16 was R4.8 billion, or 30.5 per cent of the adjusted appropriation of R15.7 billion for the year. In comparison, mid-year expenditure in 2014/15 was R3.6 billion, or 26.1 per cent of the 2014/15 adjusted appropriation. Compared to the first six months of 2014/15, expenditure over the same period in 2015/16 increased by R1.2 billion, or 34.8 per cent. This was mainly due to the increase in personnel remuneration emanating from the 2015 public sector wage agreement, increases in buildings and other fixed structures, and payments to foreign governments and international organisations.

Departmental receipts

R thousand	2014/15					2015/16				
	Audited outcome					Actual receipts				
	Adjusted estimate	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted estimate	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate
Departmental receipts	57 020	39 608	69.5	15 333	26.9	26 582	19 092	100.0	5 746	30.1
Sales of goods and services produced by department	3 502	1 467	41.9	2 356	67.3	3 063	2 468	12.9	1 490	60.4
Sales of scrap, waste, arms and other used current goods	18	–	–	4	22.2	19	24	0.1	16	66.7
Transfers received	–	–	–	63	–	–	–	–	–	–
Interest, dividends and rent on land	8 500	7 660	90.1	2 544	29.9	4 000	3 500	18.3	1 167	33.3
Transactions in financial assets and liabilities	45 000	30 481	67.7	10 366	23.0	19 500	13 100	68.6	3 073	23.5
Total	57 020	39 608	69.5	15 333	26.9	26 582	19 092	100.0	5 746	30.1

Revenue trends for the first half of 2015/16

Revenue in the first six months of 2015/16 was R5.7 million, or 30.1 per cent of the adjusted revenue estimate of R19.1 million for the year. In comparison, mid-year revenue in 2014/15 was R39.6 million, or 69.5 per cent of the 2014/15 adjusted estimate. Compared to the first six months of 2014/15, revenue over the same period in 2015/16 decreased by R33.9 million, or 85.5 per cent. This was mainly due to a decline in transfers received, interests, dividends and rent on land, as well as a decline in transactions related to financial assets and liabilities.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	–	–	–	3	–	–	3	3
Other transfers to households	–	–	–	3	–	–	3	3
Higher education institutions								
Current	600	–	–	1 400	–	–	1 400	2 000
University of Western Cape	600	–	–	1 400	–	–	1 400	2 000
Foreign governments and international organisations								
Current	241	–	–	109	–	–	109	350
Limpopo River Basin Commission	241	–	–	109	–	–	109	350
Households								
Social benefits								
Current	630	–	–	730	–	–	730	1 360
Employee social benefits	630	–	–	730	–	–	730	1 360

Summary of changes to transfers and subsidies per programme (continued)

R thousand	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Water Planning and Information Management								
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	338	-	-	40	-	-	40	378
Vehicle licences	338	-	-	40	-	-	40	378
Households								
Social benefits								
Current	350	-	-	173	-	-	173	523
Employee social benefits	350	-	-	173	-	-	173	523
Water Infrastructure Development								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Capital	2 398 365	-	-	(627 640)	(200 000)	-	(827 640)	1 570 725
Water Trading Entity	2 398 365	-	-	(627 640)	(200 000)	-	(827 640)	1 570 725
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	348 000	-	-	-	(198 000)	-	(198 000)	150 000
Magalies Water Board: Regional bulk infrastructure	348 000	-	-	-	(198 000)	-	(198 000)	150 000
Water and Sanitation Services								
Non-profit institutions								
Current	1 015	-	-	57	-	-	57	1 072
Baswa le Metsee and South African Youth Water prizes	1 015	-	-	57	-	-	57	1 072
Households								
Social benefits								
Current	-	-	-	60	-	-	60	60
Employee social benefits	-	-	-	60	-	-	60	60
Households								
Other transfers to households								
Current	14 538	-	-	1 000	-	-	1 000	15 538
Employee social benefits	14 538	-	-	1 000	-	-	1 000	15 538
Water Sector Regulation								
Households								
Social benefits								
Current	-	-	-	70	-	-	70	70
Employee social benefits	-	-	-	70	-	-	70	70

