

# Vote 36

## Water and Sanitation

### Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>15 245 297</b>	<b>15 524 597</b>	<b>-</b>	<b>279 300</b>
<b>of which:</b>				
Current payments	3 315 827	3 202 471	(113 356)	-
Transfers and subsidies	7 483 715	7 487 642	-	3 927
Payments for capital assets	4 445 755	4 834 484	-	388 729
Executive authority	Minister of Water and Sanitation			
Accounting officer	Director-General of Water and Sanitation			
Website address	www.dws.gov.za			

### Vote purpose

*Ensure the 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 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of quarterly progress reports on the approved international relations implementation plan per year	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	4	-	-
Number of river systems with water quality management systems in place per year	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	2	-	-
Percentage of the water monitoring network implementation strategy completed per year	Water Planning and Information Management		100%	80%	-
Number of records of decisions for raw water planning projects completed per year	Water Planning and Information Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2	1	-
Number of large water and wastewater services construction projects completed	Water Infrastructure Development		3	2	-
Number of mega water and wastewater services construction projects completed	Water Infrastructure Development		1	-	-
Number of small water and wastewater services construction projects completed per year	Water Infrastructure Development	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	427	19	-
Number of rural households provided with access to sanitation as per norms and standards per year	Water Infrastructure Development		9 456	5131	-
Number of additional resource poor farmers financially supported to enhance access to water per year	Water and Sanitation Services	Outcome 7: Comprehensive rural development and land reform	1 239	265	-

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of tanks installed to harvest water for food production and other household productive use per year	Water and Sanitation Services	Outcome 7: Comprehensive rural development and land reform	1 500	243	–
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	4 135	4 135	–
Percentage of water use authorisation applications per year finalised within 300 working days of application	Water Sector Regulation	Outcome 10: Protect And enhance our environmental assets and natural resources	80%	61%	–
Number of wastewater treatment collector systems assessed for compliance with effluent standards per year	Water Sector Regulation		963	–	–
Number of water treatment supply systems assessed for compliance with drinking water quality standards per year	Water Sector Regulation		1 084	458	–

### Mid-year progress

The department has not made any progress with the quarterly reports on the implementation plan for approved international relations because this is dependent on scheduled visits by country delegates to South Africa, and areas of collaboration have not yet been established. The department expects to start making progress in this area in the second half of 2016/17.

Progress on the indicator for river systems with water quality management systems put in place has been delayed by a lengthy consultation process. The commenting and gazetting procedures are under way and the actual work is expected to begin in the second half of 2016/17.

The department has achieved 50 per cent of its target for the record of decisions completed for bulk raw water planning projects. Of the two raw water planning projects, only phase 1 of the uMkhomazi water project has been completed. The target will not be fully achieved as the environmental impact assessment for the pipeline size of phase 2 of the Mokolo Crocodile West augmentation project is under way and the record of decisions is expected to be issued in 2017/18.

The slow progress on mega and small projects is because the department is still in the planning and procurement phases for these infrastructure projects.

To date, the department has only constructed 19 small water and wastewater services projects. This is due to a reprioritisation of funds from these projects to drought relief interventions and other water resource management issues.

Progress on the number of additional resource poor farmers financially supported has been slow, due to a reprioritisation of funds to drought relief interventions and slow procurement processes.

A cumulative number of 243 water harvesting tanks for food production and other household productive activities has been installed. The slow progress is due to the reprioritisation of funds from this project to the more urgent interventions for drought relief.

The 100 per cent achievement on the indicator for bucket sanitation systems in formal settlements is due to a lower target of 4 135 being set in 2016/17, as the department revised the outstanding number of bucket systems to be eradicated from the 2015/16 backlogs. Due to a lengthy procurement process caused by a reprioritisation of funds within the *Water and Sanitation Services* programme, the department envisages that only 480 wastewater collector systems will be assessed in the first six months of 2016/17 and expects to

begin procurement processes in the second half of the financial year. The department therefore expects the target to be met by the end of 2016/17.

## Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	1 659 488	-	-	(15 537)	(31 000)	-	(46 537)	1 612 951
Water Planning and Information Management	841 817	-	-	(16 004)	(11 000)	-	(27 004)	814 813
Water Infrastructure Development	11 696 415	-	-	(15 019)	(10 000)	341 300	316 281	12 012 696
Water and Sanitation Services	701 945	-	-	36 115	-	-	36 115	738 060
Water Sector Regulation	345 632	-	-	10 445	(10 000)	-	445	346 077
<b>Total</b>	<b>15 245 297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62 000)</b>	<b>341 300</b>	<b>279 300</b>	<b>15 524 597</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>3 315 827</b>	<b>-</b>	<b>-</b>	<b>(101 956)</b>	<b>(62 000)</b>	<b>50 600</b>	<b>(113 356)</b>	<b>3 202 471</b>
Compensation of employees	1 667 217	-	-	(65 000)	(62 000)	-	(127 000)	1 540 217
Goods and services	1 648 610	-	-	(37 025)	-	50 600	13 575	1 662 185
Interest and rent on land	-	-	-	69	-	-	69	69
<b>Transfers and subsidies</b>	<b>7 483 715</b>	<b>-</b>	<b>-</b>	<b>3 927</b>	<b>-</b>	<b>-</b>	<b>3 927</b>	<b>7 487 642</b>
Provinces and municipalities	4 695 401	-	-	-	-	-	-	4 695 401
Departmental agencies and accounts	1 713 664	-	-	-	-	-	-	1 713 664
Higher education institutions	3 400	-	-	-	-	-	-	3 400
Foreign governments and international organisations	188 370	-	-	-	-	-	-	188 370
Public corporations and private enterprises	844 773	-	-	-	-	-	-	844 773
Non-profit institutions	2 766	-	-	-	-	-	-	2 766
Households	35 341	-	-	3 927	-	-	3 927	39 268
<b>Payments for capital assets</b>	<b>4 445 755</b>	<b>-</b>	<b>-</b>	<b>98 029</b>	<b>-</b>	<b>290 700</b>	<b>388 729</b>	<b>4 834 484</b>
Buildings and other fixed structures	4 334 634	-	-	72 000	-	290 700	362 700	4 697 334
Machinery and equipment	87 677	-	-	21 581	-	-	21 581	109 258
Software and other intangible assets	23 444	-	-	4 448	-	-	4 448	27 892
<b>Total</b>	<b>15 245 297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62 000)</b>	<b>341 300</b>	<b>279 300</b>	<b>15 524 597</b>

### Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	52 300	-	-	-	-	-	-	52 300
Departmental Management	145 542	-	-	(28 092)	(10 000)	37 560	(532)	145 010
Internal Audit	27 768	-	-	-	-	10 512	10 512	38 280
Corporate Services	776 232	-	-	23 954	(15 000)	(42 142)	(33 188)	743 044
Financial Management	275 384	-	-	(18 237)	(2 000)	(5 930)	(26 167)	249 217
Office Accommodation	334 920	-	-	12 000	-	-	12 000	346 920
Programme Management Unit	5 162	-	-	(5 162)	-	-	(5 162)	-
International Water Support	42 180	-	-	-	(4 000)	-	(4 000)	38 180
<b>Total</b>	<b>1 659 488</b>	<b>-</b>	<b>-</b>	<b>(15 537)</b>	<b>(31 000)</b>	<b>-</b>	<b>(46 537)</b>	<b>1 612 951</b>

**Programme 1: Administration (continued)**

Economic classification	2016/17								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
<b>Current payments</b>	<b>1 587 345</b>	–	–	(32 770)	(31 000)	–	(63 770)	<b>1 523 575</b>	
Compensation of employees	749 569	–	–	(15 862)	(31 000)	–	(46 862)	702 707	
Goods and services	837 776	–	–	(16 908)	–	–	(16 908)	820 868	
<b>Transfers and subsidies</b>	<b>24 421</b>	–	–	<b>1 124</b>	–	–	<b>1 124</b>	<b>25 545</b>	
Provinces and municipalities	24	–	–	–	–	–	–	24	
Departmental agencies and accounts	2 202	–	–	–	–	–	–	2 202	
Higher education institutions	3 400	–	–	–	–	–	–	3 400	
Foreign governments and international organisations	920	–	–	–	–	–	–	920	
Non-profit institutions	700	–	–	–	–	–	–	700	
Households	17 175	–	–	1 124	–	–	1 124	18 299	
<b>Payments for capital assets</b>	<b>47 722</b>	–	–	<b>16 109</b>	–	–	<b>16 109</b>	<b>63 831</b>	
Machinery and equipment	25 209	–	–	11 661	–	–	11 661	36 870	
Software and other intangible assets	22 513	–	–	4 448	–	–	4 448	26 961	
<b>Total</b>	<b>1 659 488</b>	–	–	<b>(15 537)</b>	<b>(31 000)</b>	–	<b>(46 537)</b>	<b>1 612 951</b>	

**Programme 2: Water Planning and Information Management**

Subprogramme	2016/17								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Water Planning, Information Management and Support	7 519	–	–	(1 200)	–	–	(1 200)	6 319	
Integrated Planning	124 668	–	–	(22 781)	–	–	(22 781)	101 887	
Water Ecosystems	53 706	–	–	(3 279)	–	–	(3 279)	50 427	
Water Information Management	515 736	–	–	16 292	–	–	16 292	532 028	
Water Services and Local Water Management	121 589	–	–	(2 036)	(7 000)	–	(9 036)	112 553	
Sanitation Planning and Management	18 599	–	–	(3 000)	(4 000)	–	(7 000)	11 599	
<b>Total</b>	<b>841 817</b>	–	–	<b>(16 004)</b>	<b>(11 000)</b>	–	<b>(27 004)</b>	<b>814 813</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>768 150</b>	–	–	<b>(18 313)</b>	<b>(11 000)</b>	–	<b>(29 313)</b>	<b>738 837</b>	
Compensation of employees	412 460	–	–	(5 874)	(11 000)	–	(16 874)	395 586	
Goods and services	355 690	–	–	(12 439)	–	–	(12 439)	343 251	
<b>Transfers and subsidies</b>	<b>1 081</b>	–	–	<b>395</b>	–	–	<b>395</b>	<b>1 476</b>	
Provinces and municipalities	395	–	–	–	–	–	–	395	
Non-profit institutions	24	–	–	–	–	–	–	24	
Households	662	–	–	395	–	–	395	1 057	
<b>Payments for capital assets</b>	<b>72 586</b>	–	–	<b>1 914</b>	–	–	<b>1 914</b>	<b>74 500</b>	
Buildings and other fixed structures	30 000	–	–	–	–	–	–	30 000	
Machinery and equipment	41 655	–	–	1 914	–	–	1 914	43 569	
Software and other intangible assets	931	–	–	–	–	–	–	931	
<b>Total</b>	<b>841 817</b>	–	–	<b>(16 004)</b>	<b>(11 000)</b>	–	<b>(27 004)</b>	<b>814 813</b>	

**Programme 3: Water Infrastructure Development**

Subprogramme	2016/17								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Infrastructure Development and Rehabilitation	1 731 912	–	–	–	–	–	–	1 731 912	
Operation of Water Resources	165 000	–	–	–	–	–	–	165 000	
Water Services Infrastructure	9 799 503	–	–	(15 019)	(10 000)	341 300	316 281	10 115 784	
<b>Total</b>	<b>11 696 415</b>	–	–	<b>(15 019)</b>	<b>(10 000)</b>	<b>341 300</b>	<b>316 281</b>	<b>12 012 696</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>300 075</b>	–	–	<b>(17 147)</b>	<b>(10 000)</b>	<b>50 600</b>	<b>23 453</b>	<b>323 528</b>	
Compensation of employees	125 334	–	–	(15 019)	(10 000)	–	(25 019)	100 315	
Goods and services	174 741	–	–	(2 197)	–	50 600	48 403	223 144	
Interest and rent on land	–	–	–	69	–	–	69	69	

**Programme 3: Water Infrastructure Development (continued)**

Economic classification	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
<b>Transfers and subsidies</b>	<b>7 437 967</b>	-	-	1 226	-	-	1 226	7 439 193
Provinces and municipalities	4 694 982	-	-	-	-	-	-	4 694 982
Departmental agencies and accounts	1 709 462	-	-	-	-	-	-	1 709 462
Foreign governments and international organisations	187 450	-	-	-	-	-	-	187 450
Public corporations and private enterprises	844 773	-	-	-	-	-	-	844 773
Households	1 300	-	-	1 226	-	-	1 226	2 526
<b>Payments for capital assets</b>	<b>3 958 373</b>	-	-	902	-	290 700	291 602	4 249 975
Buildings and other fixed structures	3 954 634	-	-	-	-	290 700	290 700	4 245 334
Machinery and equipment	3 739	-	-	902	-	-	902	4 641
<b>Total</b>	<b>11 696 415</b>	-	-	(15 019)	(10 000)	341 300	316 281	12 012 696

**Programme 4: Water and Sanitation Services**

Subprogramme	2016/17							
	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 Support	267 264	-	-	(37 616)	-	-	(37 616)	229 648
National Sanitation Services	434 681	-	-	73 731	-	-	73 731	508 412
<b>Total</b>	<b>701 945</b>	-	-	36 115	-	-	36 115	738 060
<b>Economic classification</b>								
<b>Current payments</b>	<b>328 758</b>	-	-	(39 134)	-	-	(39 134)	289 624
Compensation of employees	175 053	-	-	(43 165)	-	-	(43 165)	131 888
Goods and services	153 705	-	-	4 031	-	-	4 031	157 736
<b>Transfers and subsidies</b>	<b>16 246</b>	-	-	-	-	-	-	16 246
Non-profit institutions	1 242	-	-	-	-	-	-	1 242
Households	15 004	-	-	-	-	-	-	15 004
<b>Payments for capital assets</b>	<b>356 941</b>	-	-	75 249	-	-	75 249	432 190
Buildings and other fixed structures	350 000	-	-	72 000	-	-	72 000	422 000
Machinery and equipment	6 941	-	-	3 249	-	-	3 249	10 190
<b>Total</b>	<b>701 945</b>	-	-	36 115	-	-	36 115	738 060

**Programme 5: Water Sector Regulation**

Subprogramme	2016/17							
	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	43 351	-	-	(6 042)	-	-	(6 042)	37 309
Economic and Social Regulation	26 043	-	-	1 351	-	-	1 351	27 394
Water Use Authorisation and Administration	79 999	-	-	(8 707)	-	-	(8 707)	71 292
Water Supply Services and Sanitation Regulation	19 983	-	-	1 363	-	-	1 363	21 346
Compliance Monitoring	62 874	-	-	10 693	-	-	10 693	73 567
Enforcement	34 834	-	-	(1 548)	-	-	(1 548)	33 286
Institutional Oversight	78 548	-	-	13 335	(10 000)	-	3 335	81 883
<b>Total</b>	<b>345 632</b>	-	-	10 445	(10 000)	-	445	346 077
<b>Economic classification</b>								
<b>Current payments</b>	<b>331 499</b>	-	-	5 408	(10 000)	-	(4 592)	326 907
Compensation of employees	204 801	-	-	14 920	(10 000)	-	4 920	209 721
Goods and services	126 698	-	-	(9 512)	-	-	(9 512)	117 186
<b>Transfers and subsidies</b>	<b>4 000</b>	-	-	1 182	-	-	1 182	5 182
Departmental agencies and accounts	2 000	-	-	-	-	-	-	2 000
Non-profit institutions	800	-	-	-	-	-	-	800
Households	1 200	-	-	1 182	-	-	1 182	2 382
<b>Payments for capital assets</b>	<b>10 133</b>	-	-	3 855	-	-	3 855	13 988
Machinery and equipment	10 133	-	-	3 855	-	-	3 855	13 988
<b>Total</b>	<b>345 632</b>	-	-	10 445	(10 000)	-	445	346 077

## Details of adjustments to the Estimates of National Expenditure 2016

### Virements and shifts within votes

#### 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
<b>Programme 1</b>		<b>(44 770)</b>	<b>Programme 1</b>		<b>12 000</b>
Compensation of employees	Vacant posts <sup>2</sup>	(12 000)	Goods and services	Property payments, and operating leases	12 000
	Vacant posts	(3 862)	<b>Programme 5</b>		<b>3 862</b>
			Compensation of employees	Filling of critical vacant posts	3 862
Goods and services	Cost containment measures effected on travel and subsistence	(1 124)	<b>Programme 1</b>		<b>17 233</b>
	Reallocation of funds from contractors, consultants, and travel and subsistence	(11 661)	Households	Leave gratuities	1 124
	Reallocation of funds from contractors, consultants, and travel and subsistence	(4 448)	Machinery and equipment	Cellphones and office equipment	11 661
	Cost containment measures effected on travel and subsistence	(310)	Software and other intangible assets	Software licences	4 448
	Reallocation of funds from communication, outsourced services, and travel and subsistence	(2 663)	<b>Programme 2</b>		<b>2 973</b>
	Reallocation of funds from contractors, consultants, and travel and subsistence	(1 391)	Households	Leave gratuities	310
	Reallocation of funds from communication, outsourced services, and travel and subsistence	(5 973)	Goods and services	Review of strategies and guidelines for water management	2 663
	Cost containment measures effected on travel and subsistence	(881)	<b>Programme 4</b>		<b>7 364</b>
	Cost containment measures effected on travel and subsistence	(457)	Goods and services	Project management of the bucket eradication programme	1 391
			Buildings and other fixed structures	Bucket eradication programme	5 973
			<b>Programme 5</b>		<b>1 338</b>
			Machinery and equipment	Computers, cellphones, and printing machines	881
			Goods and services	Advertising, minor assets, business and advisory services, communication, and venues and facilities	457
Shifts within the programme as a percentage of the programme budget		1.8%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>0.9%</b>			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 2</b>			<b>Programme 5</b>		
<b>(20 976)</b>			<b>5 874</b>		
Compensation of employees	Vacant posts	(5 874)	Compensation of employees	Filling of critical vacant posts	5 874
			<b>Programme 2</b>		
			<b>1 999</b>		
Goods and services	Cost containment measures effected on infrastructure, and planning services	(85)	Households	Leave gratuities	85
	Cost containment measures effected on infrastructure, and planning services.	(1 914)	Machinery and equipment	Office equipment	1 914
	Reallocation of funds from consultants	(3 000)	<b>Programme 4</b>		
	Reallocation of funds from consultants, and infrastructure planning services	(8 113)	Machinery and equipment	Office equipment	3 000
	Reallocation of funds from infrastructure planning services	(1 435)	Goods and services	Project management for the bucket eradication programme	8 113
	Cost containment measures effected on communication, and travel and subsistence	(555)	Buildings and other fixed structures	Bucket eradication programme	1 435
			<b>Programme 5</b>		
			<b>555</b>		
			Goods and services	Laboratory services, travel and subsistence, and operating payments	555
Shifts within the programme as a percentage of the programme budget		0.2%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>2.3%</b>			
<b>Programme 3</b>			<b>Programme 4</b>		
<b>(17 216)</b>			<b>11 276</b>		
Compensation of employees	Vacant posts	(11 276)	Compensation of employees	Filling of critical vacant posts	11 276
	Vacant posts	(3 743)	<b>Programme 5</b>		
	Cost containment measures effected on computer services, and travel and subsistence	(1 226)	Compensation of employees	Filling of critical vacant posts	3 743
	Cost containment measures effected on contractors, computer services, and travel and subsistence	(902)	<b>Programme 3</b>		
	Cost containment measures effected on contractors, computer services, and travel and subsistence	(69)	<b>2 197</b>		
Goods and services	Households		Households	Leave gratuities	1 226
	Machinery and equipment		Machinery and equipment	Cellphones and office equipment	902
	Interest and rent on land		Interest and rent on land	Interest and penalties	69
Shifts within the programme as a percentage of the programme budget		0.2%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>0.1%</b>			
<b>Programme 4</b>			<b>Programme 4</b>		
<b>(59 914)</b>			<b>53 000</b>		
Compensation of employees	Vacant posts <sup>2</sup>	(2 468)	Buildings and other fixed structures	Bucket eradication programme <sup>2</sup>	2 468
	Vacant posts <sup>2</sup>	(50 532)	Buildings and other fixed structures	Bucket eradication programme <sup>2</sup>	50 532
	Vacant posts	(1 441)	<b>Programme 5</b>		
	Reallocation of funds from infrastructure and planning services, and travel and subsistence	(5 473)	Compensation of employees	Filling of critical vacant posts	1 441
Goods and services			Goods and services	Review and rationalisation of water institutions	5 473
Shifts within the programme as a percentage of the programme budget		7.6%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>1.0%</b>			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 5</b>			<b>Programme 4</b>		
<b>(15 997)</b>			<b>11 841</b>		
Goods and services	Cost containment measures effected on infrastructure, and planning services, and outsourced services	(249)	Machinery and equipment	Cellphones and office equipment	249
	Reallocation of funds from infrastructure, and planning services, and outsourced services	(11 592)	Buildings and other fixed structures	Bucket eradication programme	11 592
	Cost containment measures effected on computer services, and consultants	(257)	<b>Programme 5</b>		
	Cost containment effected on travel and subsistence	(925)	Households	Leave gratuities	<b>4 156</b>
	Cost containment measures effected on infrastructure, and planning services, and science and technological services	(2 974)	Households	Leave gratuities	257
			Machinery and equipment	Cellphones and office equipment	925
					2 974
Shifts within the programme as a percentage of the programme budget		1.2%			
Virements to other programmes as a percentage of the programme budget		3.4%			
<b>Total</b>		<b>(158 873)</b>	<b>158 873</b>		

1. National Treasury approval has been obtained.

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

### Declared unspent funds – R62 million

R62 million in unspent funds has been declared on compensation of employees due to vacancies that cannot be filled, in order to achieve the approved compensation of employees spending ceilings.

### Other adjustments – R341.300 million

#### **Appropriation of expenditure earmarked in the 2016 Budget speech for future allocation- R341.300 million**

Programme 3: Water Infrastructure Development

R341.300 million has been allocated for drought relief measures: R290.700 million for the procurement of mobile desalination plants to serve all coastal areas; and R50.600 million has been added to the indirect portion of the water services infrastructure grant for the use of water-tankering as a short term measure for drought relief.

### Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16					2016/17				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	
Administration	1 487 534	708 013	47.6	1 517 867	102.0	1 612 951	10.4	758 174	47.0	
Water Planning and Information Management	743 963	292 800	39.4	668 817	89.9	814 813	5.2	299 167	36.7	
Water Infrastructure Development	11 863 932	3 466 260	29.2	11 748 847	99.0	12 012 696	77.4	5 650 977	47.0	
Water and Sanitation Services	1 366 492	213 100	15.6	1 359 575	99.5	738 060	4.8	527 655	71.5	
Water Sector Regulation	284 609	127 559	44.8	261 868	92.0	346 077	2.2	135 190	39.1	
<b>Total</b>	<b>15 746 530</b>	<b>4 807 732</b>	<b>30.5</b>	<b>15 556 974</b>	<b>98.8</b>	<b>15 524 597</b>	<b>100.0</b>	<b>7 371 163</b>	<b>47.5</b>	



Economic classification	2015/16 Audited outcome					2016/17 Actual expenditure				
	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	
R thousand										
<b>Current payments</b>	<b>3 122 150</b>	<b>1 271 996</b>	<b>40.7</b>	<b>2 902 343</b>	<b>93.0</b>	<b>3 183 918</b>	<b>20.5</b>	<b>1 480 331</b>	<b>46.5</b>	
Compensation of employees	1 428 397	672 498	47.1	1 360 369	95.2	1 540 217	9.9	706 950	45.9	
Goods and services	1 687 230	592 963	35.1	1 535 439	91.0	1 643 632	10.6	773 313	47.0	
Interest and rent on land	6 523	6 535	100.2	6 535	100.2	69	-	68	98.6	
<b>Transfers and subsidies</b>	<b>5 072 620</b>	<b>1 792 341</b>	<b>35.3</b>	<b>5 078 344</b>	<b>100.1</b>	<b>7 487 642</b>	<b>48.2</b>	<b>3 497 598</b>	<b>46.7</b>	
Provinces and municipalities	2 305 464	552 546	24.0	2 305 689	100.0	4 695 401	30.2	1 624 999	34.6	
Departmental agencies and accounts	1 739 189	523 637	30.1	1 744 838	100.3	1 713 664	11.0	1 711 663	99.9	
Higher education institutions	2 000	-	-	1 000	50.0	3 400	-	-	-	
Foreign governments and international organisations	189 267	123 770	65.4	189 231	100.0	188 370	1.2	94 393	50.1	
Public corporations and private enterprises	802 000	580 566	72.4	801 748	100.0	844 773	5.4	50 000	5.9	
Non-profit institutions	1 995	304	15.2	681	34.1	2 766	-	1 160	41.9	
Households	32 705	11 518	35.2	35 157	107.5	39 268	0.3	15 383	39.2	
<b>Payments for capital assets</b>	<b>7 551 760</b>	<b>1 743 384</b>	<b>23.1</b>	<b>7 571 438</b>	<b>100.3</b>	<b>4 853 037</b>	<b>31.3</b>	<b>2 393 234</b>	<b>49.3</b>	
Buildings and other fixed structures	7 419 043	1 710 155	23.1	7 455 957	100.5	4 715 887	30.4	2 346 979	49.8	
Machinery and equipment	92 347	24 682	26.7	86 450	93.6	109 258	0.7	23 874	21.9	
Software and other intangible assets	40 370	8 547	21.2	29 031	71.9	27 892	0.2	22 381	80.2	
<b>Payments for financial assets</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>4 849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>15 746 530</b>	<b>4 807 732</b>	<b>30.5</b>	<b>15 556 974</b>	<b>98.8</b>	<b>15 524 597</b>	<b>100.0</b>	<b>7 371 163</b>	<b>47.5</b>	

### Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 98.8 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R7.4 billion or 47.5 per cent of the adjusted appropriation of R15.5 billion for the year. In comparison, mid-year expenditure in 2015/16 was R4.8 billion, or 30.5 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 increased by R2.6 billion, or 53.3 per cent. This was due to increased and faster spending on infrastructure programmes related to the bucket eradication programme and to regional bulk infrastructure projects.

### Departmental receipts

R thousand	2015/16 Audited outcome					2016/17 Actual receipts				
	Adjusted estimate	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
<b>Departmental receipts</b>	<b>19 092</b>	<b>5 746</b>	<b>30.1</b>	<b>11 008</b>	<b>57.7</b>	<b>18 148</b>	<b>20 874</b>	<b>100.0</b>	<b>17 123</b>	<b>82.0</b>
Sales of goods and services produced by department	2 468	1 490	60.4	2 547	103.2	926	2 423	11.6	1 485	61.3
Sales of scrap, waste, arms and other used current goods	24	16	66.7	29	120.8	22	-	-	-	-
Interest, dividends and rent on land	3 500	1 167	33.3	2 428	69.4	3 700	1 604	7.7	921	57.4
Sales of capital assets	-	-	-	31	-	-	20	0.1	20	100.0
Transactions in financial assets and liabilities	13 100	3 073	23.5	5 973	45.6	13 500	16 827	80.6	14 697	87.3
<b>Total</b>	<b>19 092</b>	<b>5 746</b>	<b>30.1</b>	<b>11 008</b>	<b>57.7</b>	<b>18 148</b>	<b>20 874</b>	<b>100.0</b>	<b>17 123</b>	<b>82.0</b>

### Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R17.1 million, or 82 per cent of the adjusted revenue estimate of R20.9 million for the year. In comparison, mid-year revenue in 2015/16 was R5.7 million, or

30.1 per cent of the 2015/16 adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 increased by R11.4 million, or 198 per cent. This was mainly due to refunds on incorrect payments made to municipalities.

## Changes to transfers and subsidies

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

R thousand	2016/17							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
<b>Administration</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	1 640	-	-	1 124	-	-	1 124	2 764
Employee social benefits	1 640	-	-	1 124	-	-	1 124	2 764
<b>Water Planning and Information Management</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	662	-	-	395	-	-	395	1 057
Employee social benefits	662	-	-	310	-	-	310	972
Other transfer	-	-	-	85	-	-	85	85
<b>Water Infrastructure Development</b>								
<b>Public corporations and private enterprises</b>								
<b>Public corporations</b>								
<b>Other transfers</b>								
<b>Current</b>	844 773	-	-	-	-	-	-	844 773
Magalies Water Board: Regional bulk infrastructure	226 773	-	-	(84 004)	-	-	(84 004)	142 769
Umgeni Water Board: Regional bulk infrastructure	400 000	-	-	23 004	-	-	23 004	423 004
Sedibeng Water Board: Regional bulk infrastructure	218 000	-	-	61 000	-	-	61 000	279 000
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	1 300	-	-	1 226	-	-	1 226	2 526
Employee social benefits	1 300	-	-	1 226	-	-	1 226	2 526
<b>Water Sector Regulation</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	1 200	-	-	1 182	-	-	1 182	2 382
Employee social benefits	1 200	-	-	1 182	-	-	1 182	2 382