

# 20 YEARS OF FREEDOM



## BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

**VOTE 38** WATER AFFAIRS



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





# **Estimates of National Expenditure 2014**

**National Treasury**

**Republic of South Africa**

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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za).

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.



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"We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves."

**UNION BUILDINGS, PRETORIA, 10 MAY 1994**

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Department:  
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# Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



**Lungisa Fuzile**  
**Director-General: National Treasury**





# Introduction

## **The Estimates of National Expenditure publications**

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.



# **Water Affairs**

**National Treasury  
Republic of South Africa**



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# Vote 38

## Water Affairs

### Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	1 026.4	987.9	17.2	21.3	1 119.1	1 269.7
Water Sector Management	597.8	552.5	0.0	45.2	618.9	689.9
Water Infrastructure Management	2 919.4	–	2 919.4	–	4 050.8	4 382.5
Regional Implementation and Support	7 782.7	1 278.1	1 576.3	4 928.4	10 135.7	10 668.2
Water Sector Regulation	121.5	120.4	–	1.1	125.8	142.1
International Water Cooperation	32.5	30.7	0.9	0.8	33.9	47.5
<b>Total expenditure estimates</b>	<b>12 480.3</b>	<b>2 969.7</b>	<b>4 513.9</b>	<b>4 996.8</b>	<b>16 084.2</b>	<b>17 199.9</b>
Executive authority	Minister of Water Affairs					
Accounting officer	Director General of Water Affairs					
Website address	www.dwa.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

### Aim

*Ensure the availability and supply of water at national level, facilitate equitable and sustainable social and economic development, and ensure the universal and efficient supply of water services at local level.*

### Mandate

The Department of Water Affairs' legislative mandate seeks 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 entails adhering to the requirements of water related policies and legislation, including constitutional requirements, that are critical in delivering on the right of access to sufficient food and water, transforming the economy and eradicating poverty. The mandate is derived from the National Water Act (1998), the Water Services Act (1997) and the Water Research Act (1971).

### Strategic goals

The department's strategic goals over the medium term are to:

- be an efficient, effective and development oriented sector leader by increasing the skills pool by implementing commitments contained in the sector skills plan of capacity building
- improve water resources management by finalising the institutional framework and formalising regional entities to provide regional bulk water infrastructure and support municipalities
- improve the internal control environment, thus improving water resources and services information and implementing programmes that support job creation
- provide equitable and sustainable raw water by finalising and implementing strategies that guide future priorities for water management in the country
- implement programmes to improve the efficiency of water use and oversee water infrastructure programmes that would be of benefit to various other sectors
- ensure the provision of equitable and sustainable water services of acceptable quantity and quality by regulating the quality and quantity of water services, and ensuring interim water supply in the 24 priority district municipalities

- protect freshwater ecosystems by improving the protection of water resources through the implementation of various programmes in support of water resources quality management, and ensuring that various sectors across the water value chain comply with water legislation.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide policy leadership, advice and core support services, including finance, human resources, legal, information and management services, communication, and corporate planning.

### Programme 2: Water Sector Management

**Purpose:** Ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and the environment by developing and implementing effective policies and integrated planning strategies, and developing a knowledge base and procedures.

### Programme 3: Water Infrastructure Management

**Purpose:** Ensure a reliable supply of water from bulk raw water resources infrastructure to meet sustainable demand objectives for South Africa within acceptable risk parameters. Solicit and source funding to implement, operate and maintain bulk raw water resources infrastructure in an efficient and effective manner by strategically managing risks and assets.

### Programme 4: Regional Implementation and Support

**Purpose:** Coordinate the effective implementation of the department's strategic goals and objectives at the regional level, including the establishment of water resource management institutions. Facilitate water conservation and demand management. Accelerate communities' access to water infrastructure.

### Programme 5: Water Sector Regulation

**Purpose:** Ensure the development, implementation, monitoring and review of regulations across the water value chain in accordance with the provisions of the National Water Act (1998) and the Water Services Act (1997).

### Programme 6: International Water Cooperation

**Purpose:** Strategically develop, promote and manage international relations on water resources between countries through bilateral and multilateral cooperation instruments and organisations in line with provisions of the National Water Act (1998). Pursue national interests at both African multilateral and global multilateral organisations and forums.

## Selected performance indicators

Table 38.1 Water Affairs

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Number of new reconciliation strategies developed to ensure water security per year	Water Sector Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2	2	4	1	3	3	3
Total number of gauging sites monitored	Water Sector Management	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	1 500	1 549 <sup>8</sup>	1 515	1 509	500	700	700
Number of additional people provided with access to water per year	Regional Implementation and Support	Outcome 9: A responsive, accountable, effective and efficient local government system	351 106	598 766	695 600	1 million	1 million	1 million	1 million
Number of new bulk infrastructure schemes completed per year <sup>1</sup>	Regional Implementation and Support	Outcome 6: An efficient, competitive and responsive economic infrastructure network	55	62	3	12	8	18	19

Table 38.1 Water Affairs

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of rainwater harvesting tanks installed for access to water and food production per year <sup>2</sup>	Regional Implementation and Support	Outcome 9: A responsive, accountable, effective and efficient local government system	5 740	8 068 <sup>8</sup>	4 068	2 400	1 790	1 500	1 500
Number of additional resource poor farmers supported with access to water per year	Regional Implementation and Support	Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all	666	4 174 <sup>8</sup>	1 787	880	744	620	620
Number of municipalities supported to implement water conservation and water demand management per year	Regional Implementation and Support	Outcome 9: A responsive, accountable, effective and efficient local government system	4	68 <sup>8</sup>	34	70	35	69	51
Percentage completed on construction of Inyaka water treatment works as stated in the original and approved project implementation plan <sup>3</sup>	Regional Implementation and Support	Outcome 6: An efficient, competitive and responsive economic infrastructure network	73%	98%	99%	100%	— <sup>3</sup>	— <sup>3</sup>	— <sup>3</sup>
Percentage completed on construction of Nandoni water distribution network and water treatment works as stated in the original and approved project implementation plan <sup>3</sup>	Regional Implementation and Support		69%	79%	99%	100%	— <sup>3</sup>	— <sup>3</sup>	— <sup>3</sup>
Percentage completed on construction of Nandoni distribution replacement of glass reinforced plastic pipeline as stated in the original and approved implementation plan <sup>3</sup>	Regional Implementation and Support		— <sup>4</sup>	27%	91%	100%	— <sup>3</sup>	— <sup>3</sup>	— <sup>3</sup>
Percentage completed on construction of Groot Letaba water augmentation project water distribution network and water treatment works as stated in the original and approved project implementation plan	Regional Implementation and Support		— <sup>5</sup>	— <sup>5</sup>	8%	25%	55%	100%	— <sup>6</sup>
Percentage completed on construction of Hluhluwe regional water scheme as stated in the original and approved project implementation plan	Regional Implementation and Support		81%	92%	100%	— <sup>7</sup>	— <sup>7</sup>	— <sup>7</sup>	— <sup>7</sup>
Total number of wastewater treatment collector systems assessed for compliance with effluent standards	Water Sector Regulation	Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced	821	831	963	960	1 028	1 200	1 200
Total number of water treatment supply systems assessed for compliance with drinking water quality standards	Water Sector Regulation		787	914	931	950	1 084	1 084	1 090
Number of new catchment areas in which compulsory licensing processes have been completed per year	Water Sector Regulation		— <sup>5</sup>	— <sup>5</sup>	2	2	0	1	1
Number of strategic new partnerships established with countries in Africa per year	International Water Cooperation	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	— <sup>5</sup>	4	2	2	2	4	3

1. From 2012/13, the indicator only includes completed schemes. The indicator previously measured all the schemes implemented per year, hence the decrease in 2012/13.

2. The significant decline over the medium term is as a result of a budget reduction.

3. These indicators will only be measured up to 2013/14.

4. The construction of Nandoni distribution replacement of glass reinforced plastic pipeline only started in 2011/12.

5. This indicator had not been introduced yet, thus no historical data available.

6. This project will be completed in 2015/16.

7. This indicator will only be measured up to 2012/13.

8. The number published in the 2013 ENE was incorrect.

## The national development plan

The national development plan envisages that by 2030 the country will have transitioned to an environmentally sustainable economy, and that all South Africans will have access to affordable, sufficient and safe water and decent sanitation. Urban and industrial centres will have a reliable supply of water to meet their needs,

agricultural water use will support productive and inclusive rural communities, and the natural environment will be protected to prevent excessive abstraction and pollution. To this end, the plan advocates carefully regulated infrastructure, and research and development to ensure the most efficient use of this resource. The second iteration of the department's national water resource strategy was completed, approved by Cabinet and published in the Government Gazette in August 2013. The strategy sets out how the department will achieve its own core objectives and those of the water sector. The following objectives are aligned with the national development plan: water that supports development and the elimination of poverty and inequality; water that contributes to the economy and job creation; and water that is protected, used, developed, conserved, managed and controlled sustainably and equitably.

The plan also proposes the target of a 15 per cent reduction in the average water demand by 2030. In response to this, the department will continue to run various programmes supporting local government to refurbish existing infrastructure of prioritised schemes, and implement water conservation and water demand management programmes. These programmes include: the war on leaks project, the accelerated community infrastructure programme, water conservation and demand management target setting for metropolitan municipalities, the no drop assessment and certification programme, and various education and awareness programmes.

## Expenditure estimates

**Table 38.2 Water Affairs**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2014/15	2015/16	2016/17		
R million				2013/14		2010/11 - 2013/14					2013/14 - 2016/17	
Administration	826.5	781.5	843.4	978.6	958.6	5.1%	10.1%	1 026.4	1 119.1	1 269.7	9.8%	7.9%
Water Sector Management	423.9	511.8	500.5	517.4	530.8	7.8%	5.8%	597.8	618.9	689.9	9.1%	4.4%
Water Infrastructure Management	2 132.4	2 384.0	2 251.5	2 565.2	2 535.2	5.9%	27.6%	2 919.4	4 050.8	4 382.5	20.0%	25.0%
Regional Implementation and Support	3 499.4	4 375.5	4 935.8	6 171.3	5 741.3	17.9%	55.0%	7 782.7	10 135.7	10 668.2	22.9%	61.7%
Water Sector Regulation	125.6	91.2	87.4	117.7	101.2	-6.9%	1.2%	121.5	125.8	142.1	12.0%	0.9%
International Water Cooperation	15.9	20.9	23.0	25.4	28.6	21.5%	0.3%	32.5	33.9	47.5	18.5%	0.3%
<b>Total</b>	<b>7 023.7</b>	<b>8 164.9</b>	<b>8 641.5</b>	<b>10 375.6</b>	<b>9 895.6</b>	<b>12.1%</b>	<b>100.0%</b>	<b>12 480.3</b>	<b>16 084.2</b>	<b>17 199.9</b>	<b>20.2%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				188.6	(291.4)			31.3	595.8	880.0		

### Economic classification

<b>Current payments</b>	<b>2 267.3</b>	<b>2 281.4</b>	<b>2 310.6</b>	<b>2 707.4</b>	<b>2 667.4</b>	<b>5.6%</b>	<b>28.2%</b>	<b>2 969.7</b>	<b>3 153.7</b>	<b>3 443.9</b>	<b>8.9%</b>	<b>22.0%</b>
Compensation of employees	906.0	922.8	1 028.5	1 181.5	1 164.6	8.7%	11.9%	1 362.9	1 435.9	1 519.5	9.3%	9.9%
Goods and services	1 358.4	1 354.7	1 278.6	1 525.7	1 502.6	3.4%	16.3%	1 606.6	1 717.6	1 924.4	8.6%	12.1%
of which:												
Administration fees	8.7	8.9	13.3	11.3	11.3	9.1%	0.1%	13.6	14.2	15.8	11.8%	0.1%
Advertising	26.0	28.9	21.9	23.9	23.9	-2.8%	0.3%	33.1	31.8	32.5	10.8%	0.2%
Assets less than the capitalisation threshold	7.2	8.8	8.5	14.1	14.1	25.1%	0.1%	12.7	13.9	14.9	1.9%	0.1%
Audit costs: External	15.6	17.4	24.9	0.6	0.6	-67.0%	0.2%	38.8	55.2	58.5	371.5%	0.3%
Bursaries: Employees	3.2	2.7	1.9	4.8	4.8	14.3%	0.0%	4.3	4.5	4.7	-0.4%	0.0%
Catering: Departmental activities	4.3	8.5	9.5	14.2	14.2	48.2%	0.1%	13.4	14.0	14.9	1.8%	0.1%
Communication	55.4	43.7	43.2	31.8	31.8	-16.9%	0.5%	41.4	42.8	46.7	13.6%	0.3%
Computer services	180.2	129.4	109.1	148.1	138.1	-8.5%	1.7%	167.6	179.7	190.6	11.3%	1.2%
Consultants and professional services: Business and advisory services	204.3	166.0	181.3	176.2	158.7	-8.1%	2.1%	163.0	158.4	255.2	17.1%	1.3%
Consultants and professional services: Infrastructure and planning	160.0	175.8	132.4	189.3	212.7	10.0%	2.0%	184.8	194.6	205.7	-1.1%	1.4%
Consultants and professional services: Laboratory services	4.0	3.5	2.9	6.4	6.4	16.5%	0.0%	7.6	7.9	8.6	10.4%	0.1%
Consultants and professional services: Legal costs	8.5	5.9	4.1	6.6	6.6	-8.2%	0.1%	6.8	8.0	8.4	8.7%	0.1%
Contractors	66.7	102.4	65.2	148.4	133.4	26.0%	1.1%	158.2	168.8	171.1	8.6%	1.1%
Agency and support / outsourced services	111.6	116.9	55.2	58.0	58.0	-19.6%	1.0%	67.8	65.3	68.4	5.7%	0.5%
Entertainment	0.1	0.1	0.2	1.3	1.3	129.5%	0.0%	1.5	1.7	1.7	9.6%	0.0%
Fleet services (including government motor transport)	0.0	—	—	0.4	0.4	102.2%	0.0%	0.2	0.2	0.4	-3.1%	0.0%
Inventory: Clothing material and accessories	—	—	—	0.6	0.6	—	0.0%	0.5	0.5	0.6	—	0.0%



Table 38.2 Water Affairs

Economic classification				Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome												
R million	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Inventory: Food and food supplies	2.2	2.4	2.0	2.0	2.0	-4.1%	0.0%	0.4	0.5	0.5	-36.1%	0.0%
Inventory: Fuel, oil and gas	5.0	4.4	4.1	5.6	5.6	4.0%	0.1%	6.2	6.5	6.9	6.9%	0.0%
Inventory: Learner and teacher support material	0.1	0.1	0.0	1.2	1.2	144.0%	0.0%	0.9	0.9	0.9	-7.3%	0.0%
Inventory: Materials and supplies	13.0	11.3	7.3	7.2	7.2	-17.9%	0.1%	7.4	7.8	7.8	2.9%	0.1%
Inventory: Medical supplies	0.1	0.1	0.1	1.1	1.1	118.2%	0.0%	0.4	0.4	0.4	-29.4%	0.0%
Inventory: Other supplies	12.1	9.2	6.2	10.3	10.3	-5.1%	0.1%	7.4	3.9	4.5	-24.1%	0.0%
Consumable supplies	–	–	3.7	1.5	1.5	–	0.0%	8.6	12.2	13.0	107.5%	0.1%
Consumable: Stationery, printing and office supplies	21.7	20.9	18.7	23.1	23.1	2.1%	0.3%	23.5	24.0	25.9	3.9%	0.2%
Operating leases	217.2	182.5	3.1	14.9	14.9	-59.0%	1.2%	273.2	309.3	329.1	180.3%	1.7%
Property payments	14.3	47.1	284.7	369.9	369.9	195.7%	2.1%	81.7	101.7	108.2	-33.6%	1.2%
Transport provided: Departmental activity	0.4	0.6	0.2	2.3	2.3	80.8%	0.0%	1.9	2.0	2.1	-3.0%	0.0%
Travel and subsistence	173.9	208.3	231.8	180.4	176.4	0.5%	2.3%	219.0	222.0	257.5	13.4%	1.6%
Training and development	19.5	18.9	17.5	33.3	33.3	19.5%	0.3%	31.5	32.9	35.2	1.9%	0.2%
Operating payments	10.4	11.1	12.7	13.9	13.9	10.1%	0.1%	13.9	14.5	15.4	3.5%	0.1%
Venues and facilities	12.9	16.8	12.4	18.4	18.4	12.6%	0.2%	14.7	16.7	17.6	-1.4%	0.1%
Rental and hiring	–	2.0	0.4	4.8	4.8	–	0.0%	0.8	0.8	0.8	-44.3%	0.0%
Interest and rent on land	2.9	4.0	3.5	0.2	0.2	-57.6%	0.0%	0.1	0.1	0.1	-26.0%	0.0%
Transfers and subsidies	3 227.0	3 486.1	2 932.7	3 918.1	3 678.1	4.5%	39.5%	4 513.9	6 933.8	7 213.7	25.2%	40.1%
Provinces and municipalities	985.4	992.5	562.8	1 025.8	815.8	-6.1%	10.0%	984.2	1 850.6	1 797.3	30.1%	9.8%
Departmental agencies and accounts	1 992.8	2 259.0	2 109.0	2 431.5	2 401.5	6.4%	26.0%	2 737.8	3 865.4	4 197.9	20.5%	23.7%
Foreign governments and international organisations	180.3	179.7	180.6	188.6	188.6	1.5%	2.2%	185.2	190.2	189.5	0.1%	1.4%
Public corporations and private enterprises	9.7	–	49.4	250.0	250.0	195.7%	0.9%	580.0	1 000.0	1 000.0	58.7%	5.1%
Non-profit institutions	–	–	0.5	0.7	0.7	–	0.0%	1.5	1.5	1.5	26.8%	0.0%
Households	58.9	54.9	30.4	21.4	21.4	-28.7%	0.5%	25.1	26.2	27.5	8.8%	0.2%
Payments for capital assets	1 523.8	2 371.9	3 397.9	3 750.0	3 550.0	32.6%	32.2%	4 996.8	5 996.7	6 542.2	22.6%	37.9%
Buildings and other fixed structures	1 290.7	2 285.2	3 321.7	3 642.1	3 442.1	38.7%	30.7%	4 909.5	5 916.8	6 457.9	23.3%	37.2%
Machinery and equipment	225.6	66.6	67.2	100.3	100.3	-23.7%	1.4%	81.2	74.0	78.2	-8.0%	0.6%
Software and other intangible assets	7.4	20.1	8.9	7.6	7.6	0.9%	0.1%	6.2	5.9	6.1	-6.9%	0.0%
Payments for financial assets	5.6	25.4	0.3	–	–	-100.0%	0.1%	–	–	–	–	–
Total	7 023.7	8 164.9	8 641.5	10 375.6	9 895.6	12.1%	100.0%	12 480.3	16 084.2	17 199.9	20.2%	100.0%

## Personnel information

Table 38.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Number of posts estimated for 31 March 2014			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment													Number			
Salary level	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15			2015/16					2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	2013/14 - 2016/17
Water Affairs			3 853	1 028.5	0.3	3 994	1 164.6	0.3	4 350	1 362.9	0.3	4 350	1 435.9	0.3	4 365	1 519.5	0.3	3.0%	100.0%
1 – 6	1 922	187	1 758	230.2	0.1	1 881	278.8	0.1	1 771	310.4	0.2	1 771	335.1	0.2	1 771	347.1	0.2	-2.0%	42.2%
7 – 10	1 619	28	1 485	403.8	0.3	1 492	455.3	0.3	1 821	550.1	0.3	1 821	573.2	0.3	1 822	611.4	0.3	6.9%	40.8%
11 – 12	559	3	459	271.5	0.6	478	285.5	0.6	592	350.3	0.6	592	366.1	0.6	606	391.1	0.6	8.2%	13.3%
13 – 16	161	1	144	111.7	0.8	143	127.8	0.9	166	152.2	0.9	166	161.5	1.0	166	170.0	1.0	5.1%	3.8%
Other	–	–	7	11.3	1.6	–	17.1	–	–	–	–	–	–	–	–	–	–	–	–

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

<sup>2</sup> Rand million.

## Expenditure trends

The spending focus over the medium term will be on providing regional bulk infrastructure for water and wastewater treatment works which link water sources to local government infrastructure. This is done through contributions to the infrastructure build programme in the *Regional Implementation and Support* and the *Water*

*Infrastructure Management* subprogramme. Over the MTEF period, expenditure in the *Regional Implementation and Support* programme, specifically on payments for capital assets, is expected to increase significantly as a result of an additional allocation of R934 million to implement regional bulk water and wastewater projects. These projects include the construction of the De Hoop Dam's regional bulk distribution, Sedibeng bulk water supply, and the OR Tambo district municipality regional bulk water and wastewater infrastructure. In addition, spending on the municipal water infrastructure grant, which was introduced in 2013/14, is expected to increase from R603 million in 2013/14 to R2.8 billion in 2016/17. The grant is earmarked for specific projects to eradicate backlogs in water and sanitation infrastructure, particularly within the 24 priority district municipalities identified through Census 2011's enumeration of backlogs per poor household per municipality.

The department will also transfer R2.6 billion in 2014/15, R3.7 billion in 2015/16 and R4 billion in 2016/17 to the water trading entity through the *Water Infrastructure Management* programme. The bulk of this funding will be used on the bulk distribution system of the De Hoop Dam and the dam safety rehabilitation programme. The transfers include additional allocations of R264 million in 2015/16 and R430 million in 2016/17 for the presidential infrastructure coordinating commission project for the construction of a new dam on the Umzimvubu River in Eastern Cape.

The 2014 Budget includes Cabinet approved budget reductions of R55 million in 2014/15, R20 million in 2015/16 and R50 million in 2016/17 to the department's allocation. The department is to effect the reductions mainly in spending on compensation of employees and various items of expenditure on goods and services, such as communication, travel and subsistence, and consultants. These reductions are not expected to have a negative impact on service delivery.

At the end of November 2013, the department had a funded establishment of 4 261 posts, with 219 additional to the establishment and 491 vacant. The vacancies were due to the difficulty experienced in attracting people with the critical and scarce skills necessary to perform vital tasks, which is why the department uses consultants when required. Thus spending on consultants, which fluctuated between 2010/11 and 2013/14, is expected to increase from R362.3 million in 2014/15 to R477.9 million in 2016/17. The department expects to reduce vacancies to 115 posts in 2016/17 as it implements the organisational restructuring over the MTEF period, which explains the anticipated increase in spending on compensation of employees over the period.

## Infrastructure spending

### *Mega infrastructure projects*

The **Olifants River water resources development project** comprises the construction of the De Hoop Dam and the bulk raw water distribution systems. The project will deliver water for domestic and industrial use in the Greater Sekhukhune, Waterberg and Capricorn district municipalities in Limpopo. The project will benefit more than 800 000 people in the domestic sector. The construction of the dam began in 2007 and R3.2 billion has been spent up to 2013/14. The dam was commissioned at the beginning of 2013/14, with site clearance expected to take place by the beginning of 2014/15.

The department has begun to implement phase 2C, which entails the construction of a pipeline from De Hoop Dam to Steelpoort, including the Steelpoort pumping station, which will pump water through existing infrastructure to the Mooihoek water treatment works. The construction of the distribution system began in 2011/12. R1.9 billion has been spent up to 2013/14 and R1.2 billion is allocated over the MTEF period. Phases 2B and 2D will be advanced over the MTEF period and are scheduled to be completed by 2020.

**Phase 1 and Phase 2A of the Mokolo and Crocodile River west water augmentation project** aims to deliver water to meet South Africa's future energy needs in the Waterberg coal fields and the Mpumalanga highveld. Water requirements in the Waterberg coal fields in Limpopo are expected to increase over the next 20 years. The project is expected to be commercially viable as all costs get recovered from water users, except for a municipal portion of about 10 per cent. The Minister of Water Affairs has directed the Trans-Caledon Tunnel Authority to secure funding and implement the project. Funding will be repaid through revenues from the sale of water delivered to the users.

Phase 2 of the project includes a diversion weir and associated low lift pump station on the Crocodile River at Vlieëpoort, near Thabazimbi. This phase of the project also includes removing silt and balancing storage

facilities from where a high lift pump station will eventually feed 100 million cubic metres of water per year to the demand centres in the Lephalale and Steenbokpan areas. This infrastructure will connect to the infrastructure built in phase 1. The total estimated cost of the phase 2A and 3 of the project is R13.9 billion, of which R772.9 million is to be spent over the MTEF period. Off budget sources are used to fund about 11 per cent of the system and phase 2A is scheduled for commissioning in 2019/20.

The **dam safety rehabilitation project** ensures the continued structural and operational safety of the 316 dams owned by the department in order to comply with dam safety regulations. The project has an estimated cost of R2.8 billion, of which R1.8 billion has been spent up to 2013/14. An additional R1 billion has been allocated over the MTEF period.

The **raising of Clanwilliam Dam project** will make the dam safer during floods, stabilise dam distortion caused by alkali aggregate reaction, provide an additional yield of 70 million cubic metres of water per year, and help under resourced, poor farmers promote food security and employment. The dam is located in the middle reaches of the Olifants River near Clanwilliam in Western Cape. The project is expected to create 2 500 permanent jobs in the agricultural sector. During the construction phase, the project will create 650 temporary jobs. The total estimated budget for the project is R2.2 billion, with R1.8 billion to be spent over the MTEF period. The project budget has increased since 2012/13 due to cost adjustments made due to the delays in finalising the design and changes in the scope of work. The project is at the start of the planning and design stage, with construction of the N7 re-alignment having started in October 2013. The project is scheduled for completion by 2018.

The **Pilanesberg north and south water supply project** is estimated to cost R771.3 million and was introduced as a direct result of the bulk water demands of mines developing around the Pilanesberg area, as well as identified domestic water needs within the Moses Kotane, Rustenburg and Thabazimbi local municipalities. A joint venture between the Magalies Water Board, mines in the area and the local municipalities, the project makes each party responsible for its pro-rata share of project costs based on the water allocation to each participating party. The project consists of upgrading the water treatment works at Vaalkop Dam, various bulk water pipelines, pump stations and storage facilities for both the north and south schemes. The portion of the project funded from the department's budget is scheduled for completion in 2015/16.

With a total project cost of R734 million, the **Taung Dam water supply scheme** in North West will augment bulk water supply to settlements in the Naledi local municipality and the Greater Taung local municipality within the Dr Ruth Segomotsi Mompati district municipality, which is the relevant water services authority. The project is comprised of various phases, with completion of the first phase in 2011. The final intended completion date of the project is 2016. Water from the dam will reduce reliance on the Vaalharts irrigation scheme and lower the cost to users. In 2010, the Taung Dam water supply scheme served a total combined population of 186 139 and projections estimate that it will serve a population of 217 429 by the year 2030. The total water demand for the Greater Taung area to be supplied from the Taung Dam is 16 megalitres per day, while that for the Naledi local municipality is 17.3 megalitres per day.

With a total cost of R674 million, the **Pongolapoort bulk water scheme** is located within the Jozini local municipality in northern KwaZulu-Natal's Umkhanyakude district municipality. The project's proposed water supply area extends from Jozini in the south to the boundaries of the Shemula water supply scheme to the north, supplying the town of Ingwavuma and communities along the Lebombo mountain range on the border between KwaZulu-Natal and Swaziland. The residents of this area currently do not have a reliable, sustainable, potable water supply. The first phase of the project has been completed and serves a population of 50 706. Once completed by 2016, the population served by the project is estimated to increase to 94 328 by 2029.

With a total project cost of R530 million, the primary purpose of the **Namakwa replacement project** in Northern Cape is the provision of sustainable bulk potable water services to the towns of Steinkopf, Bulletrap, Nababeep, O'Kiep, Carolusberg, Concordia, Springbok, the De Beers mining operation and the settlement of Kleinsee in the Namaqualand region of the Northern Cape. The area is large, sparsely populated and characterised by water scarcity, requiring that water services provided to small towns spread over a vast area with a total population of approximately 62 000 people. The infrastructure in the area is in a poor condition and much of it has reached the end of its useful economic life. There is thus an urgent need to refurbish and replace key components of the water supply infrastructure to ensure that the infrastructure continues to provide reliable bulk services to the communities that it serves.

The **Ndlambe regional bulk water supply** in Eastern Cape has a total project cost of R879 million and is to serve the Ndlambe local municipality, where development cannot take place due to a lack of bulk water services infrastructure. Characterised by rivers with high salinity and brackish water, the municipality has areas that are currently supplied from boreholes, which are also often saline and brackish, and cannot supply peak demand. The objective of the regional bulk pipeline is to augment water supply to these communities.

The **Mbizana regional bulk water supply project** in Eastern Cape has a total project cost of R780 million, of which R242.9 million has been spent to date. The project aims to improve the bulk water supply of the 41 321 households and other users in the Greater Mbizana area, which is part of the Mbizana local municipality, located in the OR Tambo district municipality in the Eastern Cape. Currently, the sources of bulk water supply for the local municipality are not able to meet the immediate and long term bulk water needs of the Greater Mbizana area as groundwater yields are low and the current capacity at the Mbizana Dam is limited. The local municipality also has significant backlogs in the provision of water and sanitation. The regional bulk water supply scheme project will provide a new water resource, added treatment capacity and a bulk water distribution system within the area. This will ultimately eradicate the water backlogs in the area and aid in the eradication of sanitation backlogs. The scheme consists of three key components: the Nomlacu water treatment works, a raw water supply system, and bulk potable water distribution. The scheme will be completed by 2018.

The **raising of Tzaneen Dam and the construction of the new Nwamitwa Dam for the Groot Letaba River development project** aim to augment the supply of water to meet the growing demand from the domestic sector in Limpopo by 2025, improve water availability in the riverine ecosystem and stabilise water availability to the irrigation sector. The project is estimated to cost R1.5 billion, R858 million of which is allocated over the MTEF period. The commissioning of the Tzaneen Dam is scheduled for August 2017, while the Nwamitwa Dam is set to be commissioned in November 2019. Both projects have been delayed by approximately 12 months due to the delays in issuing environmental authorisations and gazetting.

#### Large infrastructure projects

The **Nandoni water treatment works and distribution networks** project will augment the water supply to the Vhembe district municipality in Limpopo. The total value of the project is estimated at R1.8 billion, R1.3 billion of which has been spent up to 2013/14 and R23.4 million of which will be spent in 2014/15. The construction began in 2006/07 and commissioning is scheduled for 2014/15.

The **Nandoni Pipeline project** aims to convey water for domestic use to the Vhembe district municipality in Limpopo. The construction of the project began in 2006/07 and the project was completed in 2013/14 and will be commissioned early in 2014/15. The total value of the project is estimated at R750 million, of which R735 million has been spent up to 2012/13. R15 million is allocated in 2013/14 for retention fees.

The **Mzimvubu water project** aims to augment the supply of water to meet the growing demand from the domestic sector in Eastern Cape by 2021. The project will be built as a conjunctive scheme involving a water supply dam at Ntabelanga and a hydropower scheme at Laleni. Subsequent works and funding arrangements for the Laleni hydropower scheme will be implemented following detailed planning work to be carried out with the Department of Energy and Eskom. The project size and features are to be confirmed in a feasibility study, however, the water project component is estimated at R8 billion, with R694 million allocated over the MTEF period.

#### Small infrastructure projects

Over the medium term, 145 small infrastructure projects will be implemented, of which 73 are in the construction phase, 20 are in the design and tender phases, and 52 projects are in the feasibility study phase. These projects aim to develop bulk water and wastewater infrastructure that will enable the connection of municipal reticulation infrastructure. The total value of these projects over the MTEF period is estimated at R5.2 billion.

## Departmental receipts

Table 38.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17
<b>Departmental receipts</b>	33 119	85 637	26 015	24 678	29 358	-3.9%	100.0%	25 557	26 582	26 734	-3.1%	100.0%
<b>Sales of goods and services produced by department</b>	1 778	7 620	2 964	4 657	1 936	2.9%	8.2%	4 630	4 764	5 313	40.0%	15.4%
Sales by market establishments	1 067	7 001	1 340	1 120	1 105	1.2%	6.0%	1 150	1 175	1 120	0.5%	4.2%
of which:												
Dwellings	888	6 836	1 161	950	950	2.3%	5.6%	990	1 000	950	—	3.6%
Rental parking: Covered and open	179	165	179	170	155	-4.7%	0.4%	160	175	170	3.1%	0.6%
Administration fees	30	30	25	10	26	-4.7%	0.1%	15	16	18	-11.5%	0.1%
of which:												
Transport fees	1	1	1	1	—	-100.0%	—	1	1	1	—	—
Replacement of security guards	2	2	2	4	—	-100.0%	—	4	3	4	—	—
Maps	17	14	10	5	12	-11.0%	—	10	12	13	2.7%	—
Sale: Water potable	10	13	12	—	14	11.9%	—	—	—	—	-100.0%	—
Other sales	681	589	1 599	3 527	805	5.7%	2.1%	3 465	3 573	4 175	73.1%	11.1%
of which:												
Rental: Capital assets	15	—	15	15	15	—	—	20	23	25	18.6%	0.1%
Departmental publication	16	—	1	12	240	146.6%	0.1%	—	—	—	-100.0%	0.2%
Commission insurance	650	589	1 587	800	550	-5.4%	1.9%	595	600	700	8.4%	2.3%
Photocopies and faxes	—	—	32	2 400	—	—	—	2 500	2 550	3 000	—	7.4%
Service rendered: Private boarding	—	—	(36)	300	—	—	—	350	400	450	—	1.1%
<b>Sales of scrap, waste, arms and other used current goods</b>	32	—	45	21	37	5.0%	0.1%	17	18	21	-17.2%	0.1%
of which:												
Scrap	29	—	42	19	34	5.4%	0.1%	15	16	18	-19.1%	0.1%
Waste paper	3	—	3	2	3	—	—	2	2	3	—	—
<b>Interest, dividends and rent on land</b>	3 420	4 176	(558)	8 000	3 140	-2.8%	5.8%	2 910	2 800	2 400	-8.6%	10.4%
Interest	3 420	4 176	(558)	8 000	3 140	-2.8%	5.8%	2 910	2 800	2 400	-8.6%	10.4%
<b>Sales of capital assets</b>	—	12	—	—	—	—	—	—	—	—	—	—
<b>Transactions in financial assets and liabilities</b>	27 889	73 829	23 564	12 000	24 245	-4.6%	85.9%	18 000	19 000	19 000	-7.8%	74.1%
<b>Total</b>	33 119	85 637	26 015	24 678	29 358	-3.9%	100.0%	25 557	26 582	26 734	-3.1%	100.0%

## Programme 1: Administration

### Subprogrammes

- *Ministry* provides support to the minister and deputy minister, and provides for their salaries. The support function entails advising the minister and deputy minister on policy matters, organising public participation programmes, dealing with appeals in terms of grievance procedures, attending to administrative and logistical needs, processing the department's submissions, and supporting the minister and deputy minister on Cabinet and parliamentary matters. Key activities in 2013/14 included liaising with constituencies and participating in international programmes and parliamentary programmes. This subprogramme had a full time staff complement of 35 in 2013/14.
- *Departmental Management* provides administrative support to the director general and secretariat services to the department, and makes provisions for salaries and other costs associated with the office of the director general. This entails tracking submissions, facilitating governance structure meetings chaired by the minister, director general and chief operating officer, coordinating parliamentary responses, preparing for cluster meetings, business planning, reporting on performance, and implementing transformation projects. In 2013/14, the following reports were finalised: annual report, quarterly reports, the strategic plan and draft annual performance plan. The programme management unit is in the process of being established and is set to be operational by 1 April 2014. This subprogramme had a full time staff complement of 30 in 2013/14.
- *Internal Audit* provides independent, objective assurance and advisory services designed to add value and improve the department's operations. This entails involvement in 84 various projects, such as conducting audits to evaluate the integrity of financial and operational information, verifying asset management procedures, special investigations, and assessing compliance with laws and regulations. In 2013/14, a three-

year implementation plan was approved by the audit committee. This subprogramme had a full time staff complement of 32 in 2013/14.

- *Corporate Services* provides administrative support to the department and is made up of the human resources, communication services, legal services, administration and information services units. In 2013/14, R12.7 million was transferred to the learning academy for student bursaries in science and engineering and R2.5 million was transferred to the Energy Sector Education and Training Authority. In that year, 55 students qualified and 60 new bursaries were awarded. Over the medium term, the focus is on developing and recruiting specialised skills, especially engineers and scientists. In 2013/14, 214 candidates were registered and 185 candidates were placed into permanent posts. This subprogramme had a full time staff complement of 635 in 2013/14.
- *Financial Management* ensures the efficient management of daily financial operations, processes and systems. In 2012/13, a procurement supplier database was implemented to meet the procurement needs of the department and to address the qualified external audit and to enable the department to rotate suppliers as required. An agreement has been signed with the Department of Trade and Industry regarding verification of suppliers. In 2013/14, the process of establishing and improving systems of internal control within the department and regional offices was under way. A service level agreement has been signed for contract management with a service provider and will be implemented on 1 April 2014 in an effort to improve contract administration in the department. This subprogramme had a full time staff complement of 263.
- *Office Accommodation* makes payments for rental charges on all leased office space occupied by the department, as well as for municipal services such as electricity, water, and sewage and waste removal. This subprogramme has no staff.

## Expenditure estimates

**Table 38.5 Administration**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Ministry	32 622	48 482	47 051	42 194	9.0%	5.0%	49 493	50 636	63 168	14.4%	4.7%
Departmental Management	65 706	63 852	78 014	44 749	-12.0%	7.4%	53 094	45 474	57 735	8.9%	4.6%
Internal Audit	18 429	19 496	16 864	24 673	10.2%	2.3%	26 439	28 073	39 477	17.0%	2.7%
Corporate Services	422 914	354 436	343 674	382 495	-3.3%	43.8%	431 502	451 019	474 508	7.4%	39.6%
Financial Management	92 758	90 053	108 490	141 805	15.2%	12.6%	154 127	180 310	250 918	21.0%	16.5%
Office Accommodation	194 060	205 172	249 274	342 690	20.9%	28.9%	311 775	363 600	383 878	3.9%	31.9%
<b>Total</b>	<b>826 489</b>	<b>781 491</b>	<b>843 367</b>	<b>978 606</b>	<b>5.8%</b>	<b>100.0%</b>	<b>1 026 430</b>	<b>1 119 112</b>	<b>1 269 684</b>	<b>9.1%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				-			(41 605)	(7 093)	(4 211)		

### Economic classification

Current payments	798 622	743 998	803 741	946 344	5.8%	96.0%	987 929	1 078 318	1 226 792	9.0%	96.5%
Compensation of employees	234 174	262 161	292 486	332 404	12.4%	32.7%	362 447	383 079	408 057	7.1%	33.8%
Goods and services	564 236	480 960	510 552	613 850	2.8%	63.3%	625 482	695 239	818 735	10.1%	62.7%
of which:											
Administration fees	2 691	2 656	4 082	3 332	7.4%	0.4%	2 230	2 365	3 262	-0.7%	0.3%
Advertising	16 166	14 879	9 165	13 880	-5.0%	1.6%	22 664	20 778	21 610	15.9%	1.8%
Assets less than the capitalisation threshold	1 267	1 845	1 633	2 262	21.3%	0.2%	631	629	718	-31.8%	0.1%
Audit costs: External	15 592	17 446	24 909	550	-67.2%	1.7%	37 416	55 241	58 472	373.7%	3.5%
Bursaries: Employees	3 150	2 726	1 860	4 615	13.6%	0.4%	2 374	2 479	2 614	-17.3%	0.3%
Catering: Departmental activities	1 859	1 148	1 097	1 552	-5.8%	0.2%	1 302	1 425	1 565	0.3%	0.1%
Communication	27 632	18 813	16 734	9 430	-30.1%	2.1%	12 983	13 500	14 247	14.7%	1.1%
Computer services	162 048	70 451	70 489	76 926	-22.0%	11.1%	91 637	94 857	99 536	9.0%	8.3%
Consultants and professional services: Business and advisory services	22 642	31 154	33 550	57 791	36.7%	4.2%	19 645	11 571	77 268	10.2%	3.8%
Consultants and professional services: Infrastructure and planning	-	309	-	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	649	5 843	4 112	6 162	111.8%	0.5%	6 777	7 994	8 400	10.9%	0.7%
Contractors	26 692	12 459	5 497	11 721	-24.0%	1.6%	28 604	29 008	40 879	51.7%	2.5%
Agency and support / outsourced services	18 951	14 521	6 821	6 005	-31.8%	1.3%	4 036	4 157	4 372	-10.0%	0.4%
Entertainment	51	52	134	696	139.0%	-	357	386	417	-15.7%	-

Table 38.5 Administration

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14					2013/14 - 2016/17	
Fleet services (including government motor transport)	49	—	—	35	-10.6%	—	4	5	7	-41.5%	—
Inventory: Clothing material and accessories	—	—	—	—	—	—	100	100	100	—	—
Inventory: Food and food supplies	1 038	2 188	1 698	1 464	12.1%	0.2%	—	—	—	-100.0%	—
Inventory: Fuel, oil and gas	21	29	17	20	-1.6%	—	17	21	28	11.9%	—
Inventory: Learner and teacher support material	42	—	—	24	-17.0%	—	4	4	4	-45.0%	—
Inventory: Materials and supplies	178	175	587	486	39.8%	—	15	17	19	-66.1%	—
Inventory: Medical supplies	4	1	—	15	55.4%	—	—	—	—	-100.0%	—
Inventory: Other supplies	1 335	1 389	84	1 619	6.6%	0.1%	—	—	—	-100.0%	—
Consumable supplies	—	—	1 262	—	—	—	5 369	4 866	5 126	—	0.3%
Consumable: Stationery, printing and office supplies	7 640	7 693	6 195	8 058	1.8%	0.9%	5 882	6 226	6 569	-6.6%	0.6%
Operating leases	196 553	181 243	—	1 227	-81.6%	11.1%	262 822	297 929	313 765	534.7%	19.9%
Property payments	5 310	34 515	267 458	358 146	307.1%	19.4%	66 403	86 004	91 570	-36.5%	13.7%
Transport provided: Departmental activity	—	—	—	646	—	—	—	—	—	-100.0%	—
Travel and subsistence	36 433	41 944	42 080	30 054	-6.2%	4.4%	39 433	39 917	51 009	19.3%	3.7%
Training and development	10 426	8 514	4 358	11 540	3.4%	1.0%	10 694	11 224	11 856	0.9%	1.0%
Operating payments	2 902	2 366	2 800	1 190	-25.7%	0.3%	1 763	1 869	1 981	18.5%	0.2%
Venues and facilities	2 915	4 708	3 923	4 404	14.7%	0.5%	2 240	2 583	3 253	-9.6%	0.3%
Rental and hiring	—	1 893	7	—	—	0.1%	80	84	88	—	—
Interest and rent on land	212	877	703	90	-24.8%	0.1%	—	—	—	-100.0%	—
Transfers and subsidies	4 915	15 514	19 825	16 304	49.1%	1.6%	17 238	17 989	18 891	5.0%	1.6%
Provinces and municipalities	336	8	4	—	-100.0%	—	—	—	—	—	—
Departmental agencies and accounts	946	1 196	1 089	2 504	38.3%	0.2%	2 645	2 767	2 910	5.1%	0.2%
Non-profit institutions	—	—	490	740	—	—	900	900	900	6.7%	0.1%
Households	3 633	14 310	18 242	13 060	53.2%	1.4%	13 693	14 322	15 081	4.9%	1.3%
Payments for capital assets	17 331	21 942	19 520	15 958	-2.7%	2.2%	21 263	22 805	24 001	14.6%	1.9%
Buildings and other fixed structures	—	1 617	871	—	—	0.1%	—	—	—	—	—
Machinery and equipment	13 902	8 794	13 387	12 355	-3.9%	1.4%	17 467	18 468	19 437	16.3%	1.5%
Software and other intangible assets	3 429	11 531	5 262	3 603	1.7%	0.7%	3 796	4 337	4 564	8.2%	0.4%
Payments for financial assets	5 621	37	281	—	-100.0%	0.2%	—	—	—	—	—
Total	826 489	781 491	843 367	978 606	5.8%	100.0%	1 026 430	1 119 112	1 269 684	9.1%	100.0%
Proportion of total programme expenditure to vote expenditure	11.8%	9.6%	9.8%	9.4%			8.2%	7.0%	7.4%		
Details of transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	336	8	4	—	-100.0%	—	—	—	—	—	—
Vehicle licences	—	—	4	—	—	—	—	—	—	—	—
Other transfers to households	336	8	—	—	-100.0%	—	—	—	—	—	—
Households											
Other transfers to households											
Current	—	—	14 087	12 660	—	0.8%	13 293	13 904	14 641	5.0%	1.2%
Bursaries for non-employees	—	—	14 087	12 660	—	0.8%	13 293	13 904	14 641	5.0%	1.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	946	1 196	1 089	2 504	38.3%	0.2%	2 645	2 767	2 910	5.1%	0.2%
Energy Sector Education and Training Authority	946	1 196	1 089	2 500	38.3%	0.2%	2 641	2 763	2 910	5.2%	0.2%
Communication	—	—	—	4	—	—	4	4	—	-100.0%	—
Non-profit institutions											
Current	—	—	490	740	—	—	900	900	900	6.7%	0.1%
Non Profit institutions	—	—	490	—	—	—	—	—	—	—	—
Women in water awards	—	—	—	740	—	—	900	900	900	6.7%	0.1%
Households											
Social benefits											
Current	3 633	14 310	4 155	400	-52.1%	0.7%	400	418	440	3.2%	—
Employee social benefits	3 633	14 310	4 155	400	-52.1%	0.7%	400	418	440	3.2%	—

## Personnel information

**Table 38.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Number of posts estimated for 31 March 2014			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment													Number			
Administration	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number			Cost	Unit Cost
Salary level	1 122	54	1 005	292.5	0.3	995	312.3	0.3	1 122	362.4	0.3	1 122	383.1	0.3	1 122	408.1	0.4	4.1%	100.0%
1 – 6	518	50	500	78.1	0.2	494	93.7	0.2	518	102.3	0.2	518	108.9	0.2	518	117.8	0.2	1.6%	47.0%
7 – 10	439	4	373	114.4	0.3	374	108.3	0.3	439	141.1	0.3	439	148.8	0.3	439	158.2	0.4	5.5%	38.8%
11 –12	107	–	78	45.7	0.6	79	47.1	0.6	107	62.4	0.6	107	65.7	0.6	107	69.2	0.6	10.6%	9.2%
13 – 16	58	–	47	42.9	0.9	48	46.2	1.0	58	56.6	1.0	58	59.7	1.0	58	62.9	1.1	6.5%	5.1%
Other	–	–	7	11.3	1.6	–	17.1	–	–	–	–	–	–	–	–	–	–	–	–

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

<sup>2</sup> Rand million.

## Expenditure trends

The spending focus over the medium term will be on maximising organisational efficiencies and strengthening internal and financial controls by providing administrative and financial management support to the department and seeing to its office accommodation needs. Thus the bulk of the programme's budget over the MTEF period is allocated to the *Corporate Services*, *Financial Management* and *Office Accommodation* subprogrammes for spending on compensation of employees, operating leases and property payments, computer services, consultants and contractors.

Spending in the *Corporate Services* subprogramme is expected to increase from R382.5 million in 2013/14 to R474.5 million in 2016/17 due to the transfer of the transformation management function from the *Departmental Management* subprogramme. The significant increase in spending on contractors projected over the medium term is due to the department's plans to host the National Youth Water Summit and the Women in Water Awards, while the increase in spending on consultants projected over the same period provides for specialised knowledge and skills in legal, financial and information technology processes required to improve departmental performance and service delivery objectives.

The department expects to hire additional office space for the support staff of the deputy minister in 2015/16. This, together with an anticipated increase in rental costs, is expected to increase spending in the *Office Accommodation* subprogramme from that year. In 2013/14, property payments were shifted to operating lease payments, resulting in a shift of spending between these two items over the medium term.

Between 2010/11 and 2012/13, the department created an internal control directorate and restructured the internal audit unit to include three additional directorates to ensure that efficient systems of control were in place and to strengthen the system of financial management. As a result, spending in the *Financial Management* and *Internal Audit* subprogrammes over the seven-year period grows significantly. Additional staff will be appointed over the medium term, which accounts for the projected increase in spending on compensation of employees and goods and services, particularly rental costs and computer services. At the end of November 2013, the programme had an establishment of 1 122 funded posts and 54 posts additional to the establishment, of which 995 posts were filled and 127 were vacant due to promotions within the department and the high turnover rate.

## Programme 2: Water Sector Management

### Objectives

- Ensure that water resources are managed sustainably and that funding is raised for refurbishing existing water infrastructure, by gazetting the final water pricing strategy in 2014/15.



- Monitor the national water resource strategy implementation and improve the monitoring of water resources in order to respond and adapt to the impact of climate change, by optimising the water monitoring network by 2016/17.
- Ensure the equitable allocation of water resources for social and economic development by implementing water allocation reform and completing compulsory licensing in 2 catchment areas: Mhlathuze in 2014/15 and Limpopo in 2016/17.
- Ensure that available water is used efficiently by implementing water conservation and demand management programmes, including sector awareness and mobilisation on an ongoing basis over the MTEF period.
- Maintain a reliable and equitable supply of water over the medium term by:
  - developing reconciliation strategies for the Richards Bay, Luvuvhu-Letaba, Orange and Limpopo North water management areas
  - completing 2 feasibility plans for water resource development projects for the Umzimvubu and Western Cape water supply systems
  - developing groundwater resources and optimisation usage.
- Strengthen the regulatory function through improved regulations for water services provision and water resource development by revising and submitting the Water Services Amendment Bill and National Water Bill to Parliament by 2013/14 and finalising the legislative review by 2015/16, leading to a single water act.
- Improve the efficiency and effectiveness of the delivery of water by strengthening the capacity of water institutions to discharge their obligations through the finalisation of an institutional realignment framework over the MTEF period.
- Ensure the efficient use and protection of water resources by:
  - setting the final resource quality objectives for the Upper Vaal and Lower Vaal by 2014/15 and two other significant river systems for the year 2015/16
  - completing a national integrated water information system by 2016/17
  - developing the integrated water quality management strategy.

## Subprogrammes

- *Policy and Planning Management and Support* oversees the overall management and oversight of the programme by ensuring effective and efficient operation of the office of the deputy director general. This entails business planning and overall monitoring of the programme. The deputy director general was appointed in September 2013. This subprogramme had a staff complement of 6 in 2013/14.
- *Integrated Planning* develops comprehensive plans that guide infrastructure development, systems and services management in the water sector. This entails preparing reconciliation strategies, drafting feasibility plans, compiling the integrated hydrological plan, undertaking options analyses and macro planning. In 2012/13, 4 reconciliation strategies were completed. Over the medium term, the focus will be on developing reconciliation strategies for the Richards Bay, Luvuvhu-Letaba, Orange and Limpopo-North water management areas, as well as completing 2 feasibility plans of the uMzimvubu and Western Cape water supply systems. This subprogramme had a staff complement of 99 in 2013/14.
- *Policy and Strategy* develops, maintains, monitors and reviews the implementation of water sector policy to ensure reliable and equitable water supply and services. In 2012/13, the draft of the second iteration of the national water resources strategy was gazetted for public consultation. The strategy was approved by Cabinet in 2013/14 for implementation and the review of national water policy positions were gazetted for consultation. This subprogramme had a staff complement of 11 in 2013/14.
- *Water Services and Local Water Management* entails the formulation and development of strategies, guidelines and plans for water services and management of water at local level. The function ensures that all people in South Africa have access to effective sustainable and affordable water services through policy and legislative framework, information and planning, support as well as monitoring, evaluation and reporting. In 2012/13, the first order national water services master plans were developed. In 2013/14, 1 national and 9 provincial water services perspectives, incorporating the 24 priority district municipality perspectives, were developed. This subprogramme had a staff complement of 51 in 2013/14.

- *Water Ecosystem* develops and implements measures to protect water resources. This entails determining resource direct measures by classifying water resource systems, determining reserves, conducting resource quality assessments and determining resource directed measures by developing pollution control guidelines, rehabilitation measures and protocols. In 2012/13, a draft Olifants-Doorn resource quality objectives report was prepared for public consultation and a gap analysis report for Olifants-Doorn was produced. In 2013/14, the Olifants-Doorn resource quality objectives will be gazetted. Over the medium term, the focus will be on classifying the water resources and setting resource quality objectives for four significant river systems. This subprogramme had a staff complement of 34 in 2013/14.
- *Water Information Management* ensures the development and maintenance of systems and programmes for data and information acquisition and management; builds the knowledge base on all aspects of water; and coordinates and audits policy implementation by the department, catchment management agencies and other water management institutions or agencies operating under the auspices of national water policy and legislation. In 2012/13, the annual report on the state of water 2011/12 and the business case for the national integrated information system were finalised. In 2013/14, the national integrated information system prototype was developed. This subprogramme had a staff complement of 183 in 2013/14.
- *Institutional Oversight* involves institutional governance and oversight of all water institutions, and facilitates their establishment and development. This entails providing institutional support, establishing catchment management agencies and rendering advisory services oversight. In 2012/13, the review of the raw water pricing strategy was initiated. In 2013/14, the review was gazetted for public consultation and the main focus was on establishing business cases for the five catchment management agencies, which were submitted to the National Treasury for listing as entities under the Public Finance Management Act (1999). Five catchment management agencies were gazetted for consultation in 2013/14 (Limpopo, Pongola-Mzimkhulu, Breede-Gouritz, Inkomati-Usuthu and Olifants) and R51.8 million was transferred to the agencies. This subprogramme had a staff complement of 37 in 2013/14.
- *Water Use Authorisation Enabling* is aimed at enabling all authorisation and allocation of water through coordination and development systems and processes to support cross-cutting licensing activities. This newly created subprogramme will begin operating in 2014/15.

## Expenditure estimates

**Table 38.7 Water Sector Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17
Policy and Planning Management and Support	3 338	3 445	3 428	5 096	15.1%	0.8%	6 344	6 591	7 054	11.4%	1.0%
Integrated Planning	100 211	137 162	137 741	141 893	12.3%	26.5%	159 049	162 761	170 693	6.4%	26.2%
Policy and Strategy	17 713	6 362	6 231	15 544	-4.3%	2.3%	21 488	23 273	24 383	16.2%	3.5%
Water Services and Local Water Management	40 798	59 095	46 024	65 608	17.2%	10.8%	68 639	72 241	75 377	4.7%	11.6%
Water Ecosystem	26 844	35 578	32 069	39 057	13.3%	6.8%	65 308	69 648	74 548	24.0%	10.3%
Water Information Management	144 332	160 670	157 357	154 285	2.2%	31.6%	222 304	228 103	258 736	18.8%	35.6%
Institutional Oversight	90 647	109 495	117 688	95 883	1.9%	21.2%	50 986	52 200	74 809	-7.9%	11.3%
Water Use Authorisation and Enabling	–	–	–	–	–	–	3 690	4 063	4 318	–	0.5%
<b>Total</b>	<b>423 883</b>	<b>511 807</b>	<b>500 538</b>	<b>517 366</b>	<b>6.9%</b>	<b>100.0%</b>	<b>597 808</b>	<b>618 880</b>	<b>689 918</b>	<b>10.1%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				1 000			–	(89)	(1)		

### Economic classification

	330 242	355 909	373 300	426 737	8.9%	76.1%	552 544	582 427	651 832	15.2%	91.3%
<b>Current payments</b>											
Compensation of employees	139 270	149 148	164 137	191 196	11.1%	33.0%	238 526	252 842	277 553	13.2%	39.6%
Goods and services	190 867	206 577	208 464	235 541	7.3%	43.1%	314 018	329 585	374 279	16.7%	51.7%
of which:											
Administration fees	1 089	1 432	3 077	1 632	14.4%	0.4%	2 238	2 145	2 255	11.4%	0.3%
Advertising	86	8 061	4 416	524	82.6%	0.7%	648	694	727	11.5%	0.1%
Assets less than the capitalisation threshold	681	1 513	847	2 081	45.1%	0.3%	1 268	1 727	1 855	-3.8%	0.3%
Audit costs: External	–	–	–	8	–	–	1 339	–	–	-100.0%	0.1%
Bursaries: Employees	–	–	–	49	–	–	–	7	8	-45.3%	–

Table 38.7 Water Sector Management

Economic classification											
				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Catering: Departmental activities	178	316	291	862	69.2%	0.1%	1 070	990	1 112	8.9%	0.2%
Communication	1 556	816	2 693	2 385	15.3%	0.4%	3 102	3 355	4 082	19.6%	0.5%
Computer services	10 977	41 595	26 804	31 069	41.5%	5.7%	52 956	61 555	67 348	29.4%	8.8%
Consultants and professional services: Business and advisory services	12 409	3 543	22 754	23 129	23.1%	3.2%	48 521	49 017	70 902	45.3%	7.9%
Consultants and professional services: Infrastructure and planning	108 083	93 002	92 337	117 017	2.7%	21.0%	137 438	141 384	147 624	8.1%	22.4%
Consultants and professional services: Laboratory services	—	—	290	400	—	—	600	733	983	34.9%	0.1%
Consultants and professional services: Legal costs	7 094	12	—	200	-69.6%	0.4%	—	—	—	-100.0%	—
Contractors	1 836	2 686	2 656	3 775	27.2%	0.6%	3 149	2 104	2 208	-16.4%	0.5%
Agency and support / outsourced services	11 756	14 123	7 949	11 641	-0.3%	2.3%	7 732	8 828	9 872	-5.3%	1.6%
Entertainment	17	17	18	127	95.5%	—	210	222	230	21.9%	—
Fleet services (including government motor transport)	—	—	—	136	—	—	158	158	362	38.6%	—
Inventory: Clothing material and accessories	—	—	—	70	—	—	—	—	—	-100.0%	—
Inventory: Farming supplies	—	—	—	15	—	—	—	—	—	-100.0%	—
Inventory: Food and food supplies	—	—	—	19	—	—	99	111	121	85.4%	—
Inventory: Fuel, oil and gas	256	287	149	300	5.4%	0.1%	364	392	416	11.5%	0.1%
Inventory: Learner and teacher support material	7	8	7	46	87.3%	—	8	9	10	-39.9%	—
Inventory: Materials and supplies	103	520	90	33	-31.6%	—	48	54	53	17.1%	—
Inventory: Medical supplies	—	17	6	—	—	—	11	13	14	—	—
Inventory: Other supplies	1 643	2 317	3 453	1 600	-0.9%	0.5%	2 058	2 132	2 530	16.5%	0.3%
Consumable supplies	—	—	1	208	—	—	76	76	83	-26.4%	—
Consumable: Stationery, printing and office supplies	3 775	4 392	4 256	4 499	6.0%	0.9%	5 175	5 046	5 802	8.8%	0.8%
Operating leases	517	531	144	493	-1.6%	0.1%	2 006	2 178	2 305	67.2%	0.3%
Property payments	311	391	25	95	-32.7%	—	15	16	17	-43.6%	—
Travel and subsistence	24 658	25 133	29 548	24 577	-0.1%	5.3%	34 289	36 437	43 092	20.6%	5.7%
Training and development	1 980	2 398	3 694	4 863	34.9%	0.7%	5 411	5 734	6 141	8.1%	0.9%
Operating payments	1 355	1 406	1 452	1 486	3.1%	0.3%	1 416	1 437	1 619	2.9%	0.2%
Venues and facilities	500	2 061	1 507	2 072	60.6%	0.3%	2 613	3 031	2 508	6.6%	0.4%
Rental and hiring	—	—	—	130	—	—	—	—	—	-100.0%	—
Interest and rent on land	105	184	699	—	-100.0%	0.1%	—	—	—	—	—
Transfers and subsidies	50 521	54 164	86 119	51 839	0.9%	12.4%	26	27	28	-91.9%	2.1%
Provinces and municipalities	2	2	1	—	-100.0%	—	3	4	5	—	—
Departmental agencies and accounts	39 434	52 860	36 433	51 839	9.5%	9.2%	—	—	—	-100.0%	2.1%
Public corporations and private enterprises	9 667	—	49 358	—	-100.0%	3.0%	—	—	—	—	—
Non-profit institutions	—	—	—	—	—	—	23	23	23	—	—
Households	1 418	1 302	327	—	-100.0%	0.2%	—	—	—	—	—
Payments for capital assets	43 120	76 325	41 119	38 790	-3.5%	10.2%	45 238	36 426	38 058	-0.6%	6.5%
Buildings and other fixed structures	33 533	64 871	29 429	28 229	-5.6%	8.0%	28 500	30 920	32 513	4.8%	5.0%
Machinery and equipment	5 667	7 906	8 078	7 901	11.7%	1.5%	16 240	4 982	4 989	-14.2%	1.4%
Software and other intangible assets	3 920	3 548	3 612	2 660	-12.1%	0.7%	498	524	556	-40.7%	0.2%
Payments for financial assets	—	25 409	—	—	—	1.3%	—	—	—	—	—
Total	423 883	511 807	500 538	517 366	6.9%	100.0%	597 808	618 880	689 918	10.1%	100.0%
Proportion of total programme expenditure to vote expenditure	6.0%	6.3%	5.8%	5.0%			4.8%	3.8%	4.0%		

## Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2	2	1	—	-100.0%	—	3	4	5	—	—
Vehicle licences	2	2	1	—	-100.0%	—	3	4	5	—	—
Households											
Other transfers to households											
Current	280	17	2	—	-100.0%	—	—	—	—	—	—
Financial assistance for small scale farmers	280	17	2	—	-100.0%	—	—	—	—	—	—

**Table 38.7 Water Sector Management**

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14				2013/14 - 2016/17		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	39 434	52 860	36 433	51 839	9.5%	9.2%	–	–	–	-100.0%	2.1%
Employee social benefits	–	–	2	–	–	–	–	–	–	–	–
Breede-Overberg Catchment Management Agency	22 000	18 093	19 000	23 625	2.4%	4.2%	–	–	–	-100.0%	1.0%
Inkomati Catchment Management Agency	17 434	34 767	17 431	28 214	17.4%	5.0%	–	–	–	-100.0%	1.2%
Non-profit institutions											
Current	–	–	–	–	–	–	23	23	23	–	–
Awards for South African Youth Water Price Award	–	–	–	–	–	–	23	23	23	–	–
Households											
Social benefits											
Current	1 138	1 285	325	–	-100.0%	0.1%	–	–	–	–	–
Employee social benefits	1 138	1 285	325	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	9 667	–	–	–	-100.0%	0.5%	–	–	–	–	–
Namakwa Water Board	9 667	–	–	–	-100.0%	0.5%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	–	49 358	–	–	2.5%	–	–	–	–	–
Rand Water Board	–	–	17 973	–	–	0.9%	–	–	–	–	–
Botshelo Water Board	–	–	31 385	–	–	1.6%	–	–	–	–	–

## Personnel information

**Table 38.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Number of posts estimated for 31 March 2014			Number and cost <sup>2</sup> 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 (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost	
Water Sector Management			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	502	–	393	164.1	0.4	421	191.2	0.5	472	238.5	0.5	472	252.8	0.5	487	277.6	0.6	5.0%	100.0%
1 – 6	97	–	87	16.7	0.2	88	21.3	0.2	94	21.3	0.2	94	22.5	0.2	94	23.9	0.3	2.2%	20.0%
7 – 10	176	–	138	44.7	0.3	153	51.9	0.3	162	64.2	0.4	162	67.9	0.4	163	72.5	0.4	2.1%	34.6%
11 – 12	199	–	144	82.2	0.6	153	90.2	0.6	186	124.1	0.7	186	131.4	0.7	200	148.5	0.7	9.3%	39.1%
13 – 16	30	–	24	20.5	0.9	27	27.8	1.0	30	29.0	1.0	30	31.0	1.0	30	32.7	1.1	3.6%	6.3%

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on ensuring the availability of and access to water for environmental and socioeconomic use through planning, developing policies and maintaining data management systems. Thus the bulk of expenditure in this programme will go towards activities in the Water Information Management and Integrated Planning subprogrammes, which perform these activities. Over the medium term, spending on consultants in the Water Information Management subprogramme is set to grow, mainly to provide for the highly specialised engineering and scientific activities and projects, and for software licence and system developments required to maintain monitoring and information systems. Expenditure in the Integrated Planning subprogramme is expected to grow at an average annual rate of 6.4 per cent over the same period in order to develop comprehensive plans to guide the development of the water sector. These plans include reconciliation strategies, which contain comprehensive assessments of the supply and demand of water within catchment areas; recommend appropriate measures to manage any shortfalls; and develop two feasibility plans.

By the end of November 2013, the programme had 502 funded posts, of which 421 were filled and 81 were vacant. The vacancies were due mainly to a reorganisation within the department, which created new posts that were in the process of being filled. As these posts are filled over the medium term, the number of personnel in this programme is expected to increase to 487 by 2016/17. Spending on compensation of employees is expected to increase over the medium term as a result of this increase in personnel numbers, higher salaries for officials on occupation specific dispensation, improved conditions of service and the recruitment of graduate trainees to build capacity within the programme. Spending on travel and subsistence is also expected to increase over this period in line with the filling of vacant posts and due to the travel required for staff to fulfil their work responsibilities.

Previously effected through the Institutional Oversight subprogramme, spending on transfers and subsidies over the medium term is projected to decline, as the department begins to effect transfers for the catchment management agencies through the water trading entity, which is funded through the Water Infrastructure Management programme.

## Programme 3: Water Infrastructure Management

### Objectives

- Ensure the effective and sustainable management of water resources over the medium term by:
  - transferring sufficient funds on a regular basis to the water trading entity for the design, construction, commissioning and rehabilitation of bulk raw water resources infrastructure
  - managing and operating existing bulk raw water infrastructure on a continuous basis.

### Subprogrammes

- *Infrastructure Development and Rehabilitation* provides for the design, construction and commissioning of new water resource infrastructure; and the rehabilitation of existing infrastructure to ensure the safety and functionality of departmental dams and related infrastructure. In 2012/13, R1.9 billion was transferred to the water trading entity to construct, operate and maintain existing and new bulk raw water infrastructure, such as dams, canals and reservoirs. In 2013/14, R2.2 billion was transferred to the water trading entity.
- *Operation of Water Resources* funds expenditure on water resource management activities conducted by the department or catchment management agencies within water management areas. Activities for water management areas include: planning and implementing catchments management strategies; monitoring and assessing water resource availability and use; water use allocations; water quantity management, including flood and drought management, water distribution, control over abstraction, storage and stream flow reduction activities; water resource protection, resource quality management and water pollution control; water conservation and demand management; institutional development; and the facilitation of public participation in making decision about water resources management. In 2012/13, R159 million was transferred to the water trading entity to augment these activities. In 2013/14, the amount increased to R167 million.

### Expenditure estimates

**Table 38.9 Water Infrastructure Management**

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Infrastructure Development and Rehabilitation	1 992 401	2 216 883	2 092 003	2 398 058	6.4%	93.2%		2 755 177	3 875 425	4 211 796	20.7%	95.1%
Operation of Water Resources	140 021	167 137	159 493	167 145	6.1%	6.8%		164 245	175 398	170 668	0.7%	4.9%
<b>Total</b>	<b>2 132 422</b>	<b>2 384 020</b>	<b>2 251 496</b>	<b>2 565 203</b>	<b>6.4%</b>	<b>100.0%</b>		<b>2 919 422</b>	<b>4 050 823</b>	<b>4 382 464</b>	<b>19.5%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				-				(26 000)	238 000	379 000		

**Table 38.9 Water Infrastructure Management**

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Transfers and subsidies	2 132 422	2 384 020	2 251 496	2 565 203	6.4%	100.0%	2 919 422	4 050 823	4 382 464	19.5%	100.0%
Departmental agencies and accounts	1 952 422	2 204 963	2 071 496	2 377 202	6.8%	92.2%	2 735 154	3 862 585	4 195 014	20.8%	94.6%
Foreign governments and international organisations	180 000	179 057	180 000	188 001	1.5%	7.8%	184 268	188 238	187 450	-0.1%	5.4%
Total	2 132 422	2 384 020	2 251 496	2 565 203	6.4%	100.0%	2 919 422	4 050 823	4 382 464	19.5%	100.0%
Proportion of total programme expenditure to vote expenditure	30.4%	29.2%	26.1%	24.7%			23.4%	25.2%	25.5%		
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	140 021	167 137	159 493	167 145	6.1%	6.8%	164 245	175 398	170 668	0.7%	4.9%
Water trading entity: Operations and maintenance	140 021	167 137	159 493	167 145	6.1%	6.8%	164 245	175 398	170 668	0.7%	4.9%
Capital	1 812 401	2 037 826	1 912 003	2 210 057	6.8%	85.4%	2 570 909	3 687 187	4 024 346	22.1%	89.8%
Water trading entity: Infrastructure development and rehabilitation	1 812 401	2 037 826	1 912 003	2 210 057	6.8%	85.4%	2 570 909	3 687 187	4 024 346	22.1%	89.8%
Foreign governments and international organisations											
Current	180 000	179 057	180 000	188 001	1.5%	7.8%	184 268	188 238	187 450	-0.1%	5.4%
Komati River Basin Water Authority	180 000	179 057	180 000	188 001	1.5%	7.8%	184 268	188 238	187 450	-0.1%	5.4%

## Expenditure trends

The spending focus over the medium term will be on funding the water trading entity's implementation of existing and new water infrastructure projects, the bulk distribution system of the De Hoop Dam, and the dam safety rehabilitation programme. Over the medium term, the programme expects to transfer R1.4 billion to the water trading entity to upgrade the pipeline from Steelpoort to Mooihoek and build the new pipeline from the Flag Boshielo Dam to Mokopane in phase 2B of the De Hoop Dam's bulk distribution system project. The programme receives Cabinet approved additional allocations of R264 million in 2015/16 and R430 million in 2016/17 for the development of the Umzimvubu Dam and bulk water scheme. Between 2010/11 and 2013/14, the capital transfers grew as a result of additional allocations for the completion of the construction of the De Hoop dam, its bulk distribution systems, and the Nandoni distribution network and pipeline. The details of the water infrastructure projects are discussed in the infrastructure section.

## Programme 4: Regional Implementation and Support

### Objectives

- Ensure the availability of water supply for domestic and agricultural use by:
  - completing 45 bulk infrastructure schemes (bulk water scheme and wastewater treatment works) over the MTEF period
  - distributing 4 790 rainwater harvesting tanks to rural communities over the MTEF period
  - supporting 1 984 farmers in the resource poor farmers schemes to access water over the MTEF period.
- Ensure the provision of local government institutional support through the refurbishment of prioritised schemes for municipalities from 59 in 2012/13 to 100 by 2016/17.
- Support the local government water sector over the medium term by:
  - prioritising improvements in 42 water services authorities with blue drop risk ratings which are above 50 per cent and 55 water services authorities with cumulative risk ratings above 70 per cent, for 2014/15
  - selecting 35 municipalities to implement water conservation and demand management in 2014/15
  - prioritising 10 municipalities to implement community infrastructure water projects in 2014/15
  - completing 93 interventions to address lack of water supply, poor water quality and pollution incidents in the municipalities for 2014/15.
- Improve the protection of water resources and safeguard their sustainability by:

- implementing the river health programme from 110 rivers in 2012/13 to 125 rivers by 2016/17
- ensuring appropriate alignment of the management of mine water through making sure that the Central Basin plant is 100 per cent operational at an average of 57 mega litres per day by 2014/15, and the Eastern Basin plant is 100 per cent operational at an average of 80 mega litres per day by 2015/16.
- Improve water use efficiency to previously disadvantaged communities by processing 100 per cent of water use licence applications received and increasing the volume of water allocated to historically disadvantaged individuals from 28 million cubic metres in 2012/13 to 42 million cubic metres of water by 2016/17.

## Subprogrammes

- *Regional Management and Support* provides strategic support for and oversees management of the programme. This entails managing documents, coordinating information on outcomes from the programme and providing responses to parliamentary questions and referrals. This subprogramme had a staff complement of 11 in 2013/14.
- *Water Sector Support* is discussed in more detail below.
- *Water Use Regulation* provides integrated interventions for ensuring that water resources are protected, used, conserved and managed in an equitable and sustainable manner. In 2012/13, the river health programme was implemented in 110 rivers and in 2013/14 in 107 rivers. This subprogramme had a staff complement of 840 in 2013/14.
- *Institutional Establishment* contributes to the establishment of effective water management institutions by developing water user association business plans, transforming irrigation boards into water user associations and building capacity within water user associations. In 2012/13, 1 787 resource poor farmers were supported and 4 068 rainwater harvesting tanks were distributed. In addition, 41 management institutions were supported in the development of business plans. In 2013/14, 146 resource poor farmers were supported and 1 080 rainwater harvesting tanks were installed thus far. This subprogramme had a staff complement of 38 in 2013/14.
- *Regional Bulk* is discussed in more detail below.
- *Transfer of Water Schemes* guides the transfer of the operation and maintenance functions of water services schemes to water services institutions to ensure effective, efficient and sustainable service delivery by all water services authorities. This entails administering and managing water and wastewater owned by the department and those that have been transferred to municipalities and other water management institutions. In 2012/13, a total of 59 schemes were transferred. In 2013/14, R573 million was used for funding the refurbishment, operation and maintenance of 54 transferred water and wastewater schemes, in accordance with signed transfer agreements between the department and municipalities. This subprogramme had a staff complement of 316 in 2013/14.
- *Support Services* provides human resources, financial management and general administration to the programme. This subprogramme had a staff complement of 848 in 2013/14.
- *Water Services Projects* provides for the construction of new water services infrastructure projects such as water treatment works and pipelines. The key projects funded in 2012/13 and 2013/14 were the Nandoni water treatment works and distribution network pipelines, phase 2 of the Inyaka water treatment works and distribution lines, phases 1, 2 and 3 of the Hluhluwe regional water scheme, and the Groot Letaba water treatment plant.
- *Integrated Catchment Management* provides for the protection, development, use and management of resources at the water management area level. In 2012/13, monitoring was conducted at 794 water sampling points and 749 waste discharge points, and 179 mine pollution inspections were carried out. In 2013/14, monitoring was conducted at 1 194 water sampling points and 645 waste discharge points, and 91 mine pollution inspections were carried out. This subprogramme had a staff complement of 33 in 2013/14.
- *Mine Water Management* coordinates and oversees the management of mine water in South Africa with specific emphasis on acid mine drainage. Over the medium term, the focus will be on reviewing the implementation model and revenue plan to ensure long term infrastructure sustainability. Funds to this end are transferred to the Trans-Caledon Tunnel Authority as the implementing agent. In 2012/13, the treatment plant in the Witwatersrand western basin was upgraded and is currently partially treating and discharging

21 mega litres of water per day to the Tweelopiespruit, resulting in no decant of untreated acid mine water since August 2012. A further upgrade of the plant is being investigated to increase the treatment capacity to 36 mega litres per day. The construction of a new neutralisation plant and pumping station in the Witwatersrand central basin began in January 2013 and was commissioned in January 2014.

- *Water Use Authorisation and Administration* authorises all water use activities in South Africa through the use of regulatory instruments, such as licensing and water allocation reform, to ensure sustainable, equitable integrated water resources management for current and future generations. In 2012/13, 288 water use authorisation licences were finalised and 17 million cubic metres of water were allocated to historically disadvantaged individuals. In 2013/14, 5 million cubic meters of water were allocated.

## Expenditure estimates

**Table 38.10 Regional Implementation and Support**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
Regional Management and Support	3 709	4 787	4 813	6 590	21.1%	0.1%	8 526	8 845	9 340	12.3%	0.1%
Water Sector Support	992 084	949 920	416 689	1 073 110	2.7%	18.1%	1 513 038	3 139 183	3 399 038	46.9%	26.3%
Water Use Regulation	261 284	282 630	301 247	312 380	6.1%	6.1%	342 240	356 124	377 083	6.5%	4.0%
Institutional Establishment	–	30 015	24 456	46 013	–	0.5%	58 621	58 004	61 228	10.0%	0.6%
Regional Bulk	869 550	1 738 608	2 486 803	3 346 338	56.7%	44.5%	4 656 012	5 314 764	5 727 897	19.6%	54.8%
Transfer of Water Schemes	869 120	671 944	681 627	572 976	-13.0%	14.7%	612 864	643 468	677 572	5.7%	7.2%
Support Services	311 728	340 800	306 590	359 441	4.9%	6.9%	379 432	396 537	406 026	4.1%	4.4%
Water Services Projects	191 942	338 445	532 904	190 453	-0.3%	6.6%	202 233	209 377	–	-100.0%	1.7%
Integrated Catchment Management	–	18 352	23 849	5 481	–	0.3%	8 736	8 108	8 538	15.9%	0.1%
Mine Water Management	–	–	156 785	258 493	–	2.2%	–	–	–	-100.0%	0.7%
Water Use Authorisation and Administration	–	–	–	–	–	–	1 000	1 250	1 500	–	–
<b>Total</b>	<b>3 499 417</b>	<b>4 375 501</b>	<b>4 935 763</b>	<b>6 171 275</b>	<b>20.8%</b>	<b>100.0%</b>	<b>7 782 702</b>	<b>10 135 660</b>	<b>10 668 222</b>	<b>20.0%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				188 591			97 917	363 662	501 928		

### Economic classification

<b>Current payments</b>	<b>998 136</b>	<b>1 071 342</b>	<b>1 024 811</b>	<b>1 194 737</b>	<b>6.2%</b>	<b>22.6%</b>	<b>1 278 064</b>	<b>1 337 273</b>	<b>1 379 965</b>	<b>4.9%</b>	<b>14.9%</b>
Compensation of employees	470 752	450 632	510 863	590 874	7.9%	10.7%	661 581	695 557	724 360	7.0%	7.7%
Goods and services	524 819	617 846	511 859	603 863	4.8%	11.9%	616 483	641 716	655 605	2.8%	7.2%
of which:											
Administration fees	3 815	3 735	5 366	5 916	15.7%	0.1%	8 299	8 899	9 340	16.4%	0.1%
Advertising	6 933	5 512	8 038	9 492	11.0%	0.2%	9 727	10 291	10 122	2.2%	0.1%
Assets less than the capitalisation threshold	4 849	5 192	5 791	8 904	22.5%	0.1%	10 248	10 987	11 705	9.5%	0.1%
Audit costs: External	–	–	12	–	–	–	–	–	–	–	–
Bursaries: Employees	30	–	6	–	-100.0%	–	1 750	1 838	1 929	–	–
Catering: Departmental activities	2 048	6 832	7 955	11 104	75.7%	0.1%	10 634	11 141	11 768	2.0%	0.1%
Communication	25 981	22 277	22 187	17 634	-12.1%	0.5%	22 337	23 432	25 357	12.9%	0.3%
Computer services	6 738	16 440	11 032	21 386	47.0%	0.3%	21 513	21 780	22 166	1.2%	0.2%
Consultants and professional services: Business and advisory services	139 605	111 428	105 690	80 572	-16.7%	2.3%	77 802	81 080	90 848	4.1%	1.0%
Consultants and professional services: Infrastructure and planning	39 904	81 744	34 828	63 828	16.9%	1.2%	39 046	41 448	42 609	-12.6%	0.5%
Consultants and professional services: Laboratory services	4 032	3 449	2 656	5 980	14.0%	0.1%	7 044	7 187	7 601	8.3%	0.1%
Consultants and professional services: Legal costs	722	–	–	188	-36.1%	–	5	6	6	-68.3%	–
Contractors	37 979	87 060	56 845	129 956	50.7%	1.6%	126 472	137 693	125 245	-1.2%	1.5%
Agency and support / outsourced services	80 159	88 045	40 450	40 319	-20.5%	1.3%	56 016	52 297	54 151	10.3%	0.6%
Entertainment	26	27	16	286	122.4%	–	747	835	781	39.8%	–
Fleet services (including government motor transport)	–	–	–	234	–	–	–	–	–	-100.0%	–
Inventory: Clothing material and accessories	–	–	–	524	–	–	416	447	518	-0.4%	–
Inventory: Farming supplies	–	–	–	20	–	–	2	2	2	-53.6%	–
Inventory: Food and food supplies	1 176	219	284	396	-30.4%	–	313	342	366	-2.6%	–
Inventory: Fuel, oil and gas	4 738	4 110	3 980	5 316	3.9%	0.1%	5 833	6 117	6 433	6.6%	0.1%
Inventory: Learner and teacher support material	31	43	7	1 121	230.7%	–	844	884	935	-5.9%	–
Inventory: Materials and supplies	12 657	10 637	6 620	6 562	-19.7%	0.2%	7 288	7 697	7 758	5.7%	0.1%
Inventory: Medical supplies	106	92	53	1 128	120.0%	–	341	362	388	-29.9%	–
Inventory: Medicine	–	–	–	21	–	–	–	–	–	-100.0%	–
Inventory: Other supplies	9 001	5 313	2 601	6 897	-8.5%	0.1%	5 330	1 751	1 839	-35.6%	–



Table 38.10 Regional Implementation and Support

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Consumable supplies	—	—	2 391	1 252	—	—	3 125	7 170	7 710	83.3%	0.1%
Consumable: Stationery, printing and office supplies	8 404	7 534	7 142	9 427	3.9%	0.2%	11 464	12 035	12 906	11.0%	0.1%
Operating leases	20 065	659	3 003	12 110	-15.5%	0.2%	8 014	8 448	9 028	-9.3%	0.1%
Property payments	8 679	12 185	17 216	11 699	10.5%	0.3%	15 111	15 605	16 438	12.0%	0.2%
Transport provided: Departmental activity	383	565	221	1 538	58.9%	—	1 810	1 895	1 993	9.0%	—
Travel and subsistence	89 606	125 227	145 544	109 809	7.0%	2.5%	131 328	133 916	137 754	7.9%	1.5%
Training and development	6 321	6 737	8 302	14 422	31.6%	0.2%	13 713	14 573	15 292	2.0%	0.2%
Operating payments	5 982	6 732	7 791	10 436	20.4%	0.2%	10 459	11 031	11 512	3.3%	0.1%
Venues and facilities	4 849	5 936	5 461	10 698	30.2%	0.1%	8 707	9 782	10 360	-1.1%	0.1%
Rental and hiring	—	116	371	4 688	—	—	745	745	745	-45.8%	—
Interest and rent on land	2 565	2 864	2 089	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	1 038 837	1 031 702	574 687	1 284 141	7.3%	20.7%	1 576 269	2 863 028	2 810 354	29.8%	24.6%
Provinces and municipalities	985 042	992 465	562 843	1 025 817	1.4%	18.8%	984 245	1 850 572	1 797 300	20.6%	16.3%
Departmental agencies and accounts	—	—	9	—	—	—	21	—	—	—	—
Public corporations and private enterprises	—	—	—	250 000	—	1.3%	580 000	1 000 000	999 999	58.7%	8.1%
Non-profit institutions	—	—	—	—	—	—	588	588	587	—	—
Households	53 795	39 237	11 835	8 324	-46.3%	0.6%	11 415	11 868	12 468	14.4%	0.1%
Payments for capital assets	1 462 444	2 272 457	3 336 265	3 692 397	36.2%	56.7%	4 928 369	5 935 359	6 477 903	20.6%	60.5%
Buildings and other fixed structures	1 257 215	2 218 679	3 291 449	3 613 848	42.2%	54.7%	4 880 661	5 885 626	6 425 395	21.1%	59.9%
Machinery and equipment	205 189	48 724	44 781	77 222	-27.8%	2.0%	45 844	48 733	51 505	-12.6%	0.6%
Software and other intangible assets	40	5 054	35	1 327	221.3%	—	1 864	1 000	1 003	-8.9%	—
Total	3 499 417	4 375 501	4 935 763	6 171 275	20.8%	100.0%	7 782 702	10 135 660	10 668 222	20.0%	100.0%
Proportion of total programme expenditure to vote expenditure	49.8%	53.6%	57.1%	59.5%			62.4%	63.0%	62.0%		

## Details of transfers and subsidies

<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>412</b>	<b>120</b>	<b>360</b>	<b>604 872</b>	<b>1036.6%</b>	<b>3.2%</b>	<b>534 687</b>	<b>1 380 333</b>	<b>1 302 138</b>	<b>29.1%</b>	<b>11.0%</b>
Vehicle licences	88	120	275	1 904	178.7%	—	138	128	136	-58.5%	—
Regional services council levies	324	—	85	3	-79.0%	—	—	—	—	-100.0%	—
Women in Water Award	—	—	—	—	—	—	399	—	—	—	—
Municipal water infrastructure grant	—	—	—	602 965	—	3.2%	534 150	1 380 205	1 302 002	29.3%	11.0%
<b>Capital</b>	<b>984 630</b>	<b>992 345</b>	<b>562 434</b>	<b>420 945</b>	<b>-24.7%</b>	<b>15.6%</b>	<b>449 558</b>	<b>470 239</b>	<b>495 162</b>	<b>5.6%</b>	<b>5.3%</b>
Water services operating subsidy grant	664 273	542 345	562 434	420 945	-14.1%	11.5%	449 558	470 239	495 162	5.6%	5.3%
Municipal drought relief	320 357	—	—	—	-100.0%	1.7%	—	—	—	—	—
Drought relief grant	—	450 000	—	—	—	2.4%	—	—	—	—	—
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>39 457</b>	<b>17 347</b>	<b>5 419</b>	<b>4 724</b>	<b>-50.7%</b>	<b>0.4%</b>	<b>10 415</b>	<b>10 618</b>	<b>11 168</b>	<b>33.2%</b>	<b>0.1%</b>
Employee social benefits	3 128	—	7	12	-84.3%	—	—	—	—	-100.0%	—
Vehicle licences	763	—	3 795	—	-100.0%	—	—	—	—	—	—
Resource poor farmers	32 346	17 347	—	—	-100.0%	0.3%	—	—	—	—	—
Resources for poor farmers	3 220	—	1 617	4 712	13.5%	0.1%	10 415	10 618	11 168	33.3%	0.1%
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>—</b>	<b>—</b>	<b>9</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Communication	—	—	9	—	—	—	21	—	—	—	—
<b>Non-profit institutions</b>											
<b>Current</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>588</b>	<b>588</b>	<b>587</b>	<b>—</b>	<b>—</b>
Schools competitions: Baswa le Meetse and South African Youth Water Prize	—	—	—	—	—	—	588	588	587	—	—
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>14 338</b>	<b>21 890</b>	<b>6 416</b>	<b>3 600</b>	<b>-36.9%</b>	<b>0.2%</b>	<b>1 000</b>	<b>1 250</b>	<b>1 300</b>	<b>-28.8%</b>	<b>—</b>
Employee social benefits	2 000	—	2 192	—	-100.0%	—	—	—	—	—	—
Water services operating subsidy: Indirect grant	12 338	21 890	4 224	3 600	-33.7%	0.2%	1 000	1 250	1 300	-28.8%	—

**Table 38.10 Regional Implementation and Support**

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14				2013/14 - 2016/17		
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	–	–	250 000	–	1.3%	580 000	1 000 000	999 999	58.7%	8.1%
Amatola Water Board	–	–	–	–	–	–	150 000	350 000	(1)	–	1.4%
Magalies Water Board	–	–	–	200 000	–	1.1%	70 000	94 000	182 000	-3.1%	1.6%
Umgenti Water Board	–	–	–	50 000	–	0.3%	216 800	342 200	600 000	128.9%	3.5%
Sedibeng Water board	–	–	–	–	–	–	143 200	213 800	218 000	–	1.7%
Provinces and municipalities											
Provinces											
Provincial agencies and funds											
Current	–	–	49	–	–	–	–	–	–	–	–
Provincial agencies and funds	–	–	49	–	–	–	–	–	–	–	–

## Personnel information

**Table 38.11 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Number of posts estimated for 31 March 2014			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
Regional Implementation and Support	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	2 414	165	2 271	510.9	0.2	2 414	590.9	0.2	2 533	661.6	0.3	2 533	695.6	0.3	2 533	724.4	0.3	1.6%	100.0%
1 – 6	1 277	137	1 109	127.3	0.1	1 277	159.1	0.1	1 129	180.5	0.2	1 129	197.2	0.2	1 129	198.3	0.2	-4.0%	16.0%
7 – 10	874	24	893	223.5	0.3	874	270.4	0.3	1 090	301.2	0.3	1 090	310.0	0.3	1 090	330.9	0.3	7.6%	58.6%
11 – 12	210	3	209	121.9	0.6	210	119.8	0.6	256	131.5	0.5	256	136.3	0.5	256	140.5	0.5	6.8%	19.3%
13 – 16	53	1	60	38.2	0.6	53	41.6	0.8	58	48.4	0.8	58	52.0	0.9	58	54.8	0.9	3.1%	6.1%

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

2. Rand million.

## Expenditure trends

The *Regional Bulk* and *Water Sector Support* subprogrammes, the largest spending items in this programme, are discussed in further detail in the sections below. Excluding these two subprogrammes, the bulk of the programme's spending goes towards administering and managing the water and wastewater resources owned by the department, municipalities and other water management institutions, intervening to protect and conserve water resources, and providing strategic and administrative support to these and the programme's other activities. Most of these activities are carried out by the personnel on department's funded establishment of 2 414 posts, with 165 posts additional to the establishment. Over the medium term, personnel numbers are expected to increase to 2 533 in 2015/16, as vacant positions are filled. This is expected to increase spending on compensation of employees. These posts were vacant due to the length of time it takes to finalise the recruitment processes, resignations, promotions, transfers and the difficulty in recruiting posts selected for occupation specific dispensation.

As a result of the vacancies, the programme relies on consultants to provide, as required, the technical, engineering and project management services that staff might otherwise provide. Thus spending on consultants decreased from R184.3 million in 2010/11 to R150.6 million in 2013/14 and is projected to decrease further to R141.1 million in 2016/17 as the vacancies are filled.

## Subprogramme: Water Sector Support

This subprogramme coordinates sector collaboration and intergovernmental relations at the national, provincial and local levels; and provides hands on support to local government through the rapid response unit, accelerated community infrastructure programme, and the municipal water infrastructure grant (introduced in 2013/14) to ensure effective, efficient, economic and sustainable provision of water. In 2012/13, 34 municipalities were

supported in implementing water conservation and demand management measures and 14 municipalities were supported in implementing community water infrastructure. In 2013/14, 15 municipalities were supported. In 2012/13, there were 52 water service authorities with a risk rating above the threshold for blue drop, and 59 for green drop. In 2013/14, there were 40 blue drop and 62 green drop water service authorities. In 2012/13, 86 interventions were completed to address the lack of water supply, poor water quality and pollution. Interventions are incident driven, and by September 2013, 60 interventions had been completed. 93 interventions are targeted for 2014/15. This subprogramme had a staff complement of 304 in 2013/14.

## Expenditure estimates

**Table 38.12 Water Sector Support**

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	263 107	256 348	231 672	288 573	3.1%	30.3%	280 313	296 711	287 508	-0.1%	12.6%
Compensation of employees	74 224	74 981	84 574	97 515	9.5%	9.7%	114 794	119 172	125 563	8.8%	5.0%
Goods and services	188 204	181 053	146 847	191 058	0.5%	20.6%	165 519	177 539	161 945	-5.4%	7.6%
of which:											
Administration fees	1 892	768	1 853	904	-21.8%	0.2%	1 999	2 142	2 266	35.8%	0.1%
Advertising	2 566	2 624	3 873	4 065	16.6%	0.4%	3 355	3 433	2 462	-15.4%	0.1%
Assets less than the capitalisation threshold	606	526	597	727	6.3%	0.1%	1 425	1 554	1 640	31.2%	0.1%
Bursaries: Employees	—	—	6	—	—	—	—	—	—	—	—
Catering: Departmental activities	205	2 952	3 164	3 615	160.3%	0.3%	3 049	3 078	3 244	-3.5%	0.1%
Communication	5 290	1 516	1 687	591	-51.8%	0.3%	2 431	2 653	2 809	68.1%	0.1%
Computer services	4 226	864	317	311	-58.1%	0.2%	1 029	1 235	1 269	59.8%	—
Consultants and professional services: Business and advisory services	95 301	66 560	49 016	41 998	-23.9%	7.4%	12 522	14 953	15 329	-28.5%	0.9%
Consultants and professional services: Infrastructure and planning	20 736	3 422	—	4 536	-39.7%	0.8%	6 639	6 403	6 841	14.7%	0.3%
Consultants and professional services: Laboratory services	1 647	959	275	1 540	-2.2%	0.1%	252	283	303	-41.8%	—
Consultants and professional services: Legal costs	693	—	—	97	-48.1%	—	—	—	—	-100.0%	—
Contractors	5 510	42 246	35 949	84 708	148.7%	4.9%	85 569	94 516	79 312	-2.2%	3.8%
Agency and support / outsourced services	14 312	24 870	10 745	8 058	-17.4%	1.7%	10 336	7 652	7 665	-1.7%	0.4%
Entertainment	3	16	7	54	162.1%	—	9	9	9	-45.0%	—
Inventory: Clothing material and accessories	—	—	—	9	—	—	1	1	1	-51.9%	—
Inventory: Food and food supplies	1 070	35	76	35	-68.0%	—	78	82	87	35.5%	—
Inventory: Fuel, oil and gas	1 001	3	1	24	-71.2%	—	19	22	22	-2.9%	—
Inventory: Learner and teacher support material	30	2	—	196	86.9%	—	194	180	202	1.0%	—
Inventory: Materials and supplies	50	220	47	727	144.1%	—	114	122	126	-44.2%	—
Inventory: Medical supplies	1	3	—	81	332.7%	—	4	4	4	-63.3%	—
Inventory: Medicine	—	—	—	5	—	—	—	—	—	-100.0%	—
Inventory: Other supplies	2 791	450	741	265	-54.4%	0.1%	13	13	14	-62.5%	—
Consumable supplies	—	—	—	—	—	—	612	663	708	—	—
Consumable: Stationery, printing and office supplies	2 345	1 611	1 218	439	-42.8%	0.2%	2 507	2 686	2 861	86.8%	0.1%
Operating leases	2 664	—	2 091	451	-44.7%	0.2%	1 191	1 254	1 320	43.0%	—
Property payments	—	12	8	6	—	—	9	9	9	14.5%	—
Transport provided: Departmental activity	319	342	204	221	-11.5%	—	35	40	44	-41.6%	—
Travel and subsistence	18 261	26 002	31 263	26 679	13.5%	3.0%	24 089	25 021	23 372	-4.3%	1.1%
Training and development	3 660	1 242	1 673	4 380	6.2%	0.3%	3 652	3 982	4 211	-1.3%	0.2%
Operating payments	1 345	1 404	—	2 124	16.5%	0.1%	1 941	2 518	2 658	7.8%	0.1%
Venues and facilities	1 680	2 317	1 899	3 717	30.3%	0.3%	2 445	3 031	3 157	-5.3%	0.1%
Rental and hiring	—	87	137	495	—	—	—	—	—	-100.0%	—
Interest and rent on land	679	314	251	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	344 295	453 720	188	602 980	20.5%	40.8%	534 738	1 380 793	1 302 589	29.3%	41.9%
Provinces and municipalities	320 681	450 000	85	602 968	23.4%	40.0%	534 150	1 380 205	1 302 002	29.3%	41.9%
Non-profit institutions	—	—	—	—	—	—	588	588	587	—	—
Households	23 614	3 720	103	12	-92.0%	0.8%	—	—	—	-100.0%	—
Payments for capital assets	384 682	239 852	184 829	181 557	-22.1%	28.9%	697 987	1 461 679	1 808 941	115.2%	45.5%
Buildings and other fixed structures	214 749	233 460	180 474	151 527	-11.0%	22.7%	691 532	1 454 595	1 801 724	128.2%	44.9%
Machinery and equipment	169 933	5 862	4 355	30 030	-43.9%	6.1%	6 455	7 084	7 217	-37.8%	0.6%
Software and other intangible assets	—	530.0	—	—	—	—	—	—	—	—	—
Total	992 084	949 920	416 689	1 073 110	2.7%	100.0%	1 513 038	3 139 183	3 399 038	46.9%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	28.3%	21.7%	8.4%	17.4%			19.4%	31.0%	31.9%		

## Personnel information

**Table 38.13 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Number of posts estimated for 31 March 2014			Number and cost <sup>2</sup> 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 (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Water Sector Support			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	370	–	266	84.6	0.3	304	97.5	0.3	370	114.8	0.3	370	119.2	0.3	370	125.6	0.3	6.8%	100.0%	
1 – 6	84	–	66	10.5	0.2	73	16.5	0.2	83	13.5	0.2	83	14.9	0.2	83	15.7	0.2	4.4%	22.8%	
7 – 10	210	–	151	39.0	0.3	169	44.0	0.3	210	59.4	0.3	210	61.5	0.3	210	65.4	0.3	7.5%	56.5%	
11 – 12	65	–	39	27.7	0.7	52	28.5	0.6	66	32.6	0.5	66	33.0	0.5	66	34.3	0.5	8.3%	17.7%	
13 – 16	11	–	10	7.4	0.7	10	8.6	0.9	11	9.3	0.9	11	9.8	0.9	11	10.2	0.9	3.2%	3.0%	

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on coordinating sector collaboration and intergovernmental relations through managing and making transfers of the municipal water infrastructure grant, which was introduced in 2013/14 to address the backlog in providing access to water to rural households in 24 district municipalities. This R6.5 billion grant is expected to increase expenditure significantly over the medium term. In addition, expenditure is projected to grow over the medium term, due to the R20 million that was reprioritised from payments for capital assets to the accelerated community infrastructure programme, to fund water conservation and demand management.

The subprogramme's personnel numbers are expected to increase over the medium term, due to the filling of the 66 posts that were vacant at the end of November 2013. These vacancies were mostly at the department's regional offices. Spending on compensation of employees is also expected to grow, at an average rate of 8.8 per cent over the same period as the vacancies are filled. Consultants generally provide additional capacity, as required, where there are vacancies for project management, programme coordination, technical support and implementation oversight. However, between 2010/11 and 2013/14, expenditure on consultants decreased from R118.4 million to R48.2 million as some activities were moved to other subprogrammes and the vacancies were filled over this period.

## Subprogramme: Regional Bulk

The Regional Bulk programme develops regional bulk infrastructure for water supply and water treatment works, and supplements regional bulk sanitation collector systems, as well as regional wastewater treatment works. This entails connecting water from sources to municipal reticulation systems. In 2012/13, 3 bulk infrastructure systems were completed and 63 projects were under construction at a cost of R2.2 billion. In 2013/14, R3.3 billion was used to develop bulk infrastructure for water and wastewater treatment works. In the first half of 2013/14, 3 626 job opportunities were created through the subprogramme. Of the subprogramme's funded establishment of 29 posts, 24 were filled at the end of November 2013. The vacancies are due to newly created posts, which are still in the process of being filled.

## Expenditure estimates

**Table 38.14 Regional Bulk**

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
Current payments	18 933	91 752	65 647	84 941	64.9%	3.1%	87 252	92 110	103 293	6.7%	1.9%
Compensation of employees	1 164	3 244	8 837	16 749	143.2%	0.4%	17 670	18 643	21 829	9.2%	0.4%
Goods and services	17 769	88 508	56 807	68 192	56.6%	2.7%	69 582	73 467	81 464	6.1%	1.5%
of which:											
Administration fees	2	59	108	167	337.1%	–	164	173	182	2.9%	–
Advertising	–	–	41	–	–	–	79	83	87	–	–

Table 38.14 Regional Bulk

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
Audited outcome							2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	
Assets less than the capitalisation threshold	—	32	31	—	—	—	80	84	88	—	—
Catering: Departmental activities	1	73	61	16	152.0%	—	20	22	23	12.9%	—
Communication	—	—	44	—	—	—	76	80	84	—	—
Consultants and professional services: Business and advisory services	10 004	19 404	29 837	14 527	13.2%	0.9%	42 255	43 826	51 395	52.4%	0.8%
Consultants and professional services: Infrastructure and planning	7 625	67 174	22 930	51 610	89.2%	1.8%	23 000	25 082	25 269	-21.2%	0.7%
Contractors	—	8	91	8	—	—	—	—	—	-100.0%	—
Entertainment	—	1	1	2	—	—	3	3	3	14.5%	—
Inventory: Food and food supplies	—	—	4	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	—	—	—	4	—	—	1	1	1	-37.0%	—
Inventory: Medical supplies	—	—	—	1	—	—	1	1	1	—	—
Inventory: Other supplies	—	2	4	—	—	—	—	—	—	—	—
Consumable supplies	—	—	—	—	—	—	2	2	2	—	—
Consumable: Stationery, printing and office supplies	58	112	149	130	30.9%	—	138	145	153	5.6%	—
Travel and subsistence	63	1 435	2 901	1 438	183.7%	0.1%	3 385	3 567	3 756	37.7%	0.1%
Training and development	6	15	66	21	51.8%	—	97	102	108	72.6%	—
Operating payments	—	45	378	109	—	—	121	127	134	7.1%	—
Venues and facilities	10	148	161	159	151.5%	—	160	169	178	3.8%	—
Interest and rent on land	—	—	3	—	—	—	—	—	—	—	—
Transfers and subsidies	—	—	20	250 000	—	3.0%	580 000	1 000 000	999 999	58.7%	14.9%
Public corporations and private enterprises	—	—	—	250 000	—	3.0%	580 000	1 000 000	999 999	58.7%	14.9%
Households	—	—	20	—	—	—	—	—	—	—	—
Payments for capital assets	850 617	1 646 856	2 421 136	3 011 397	52.4%	93.9%	3 988 760	4 222 654	4 624 605	15.4%	83.2%
Buildings and other fixed structures	850 524	1 646 774	2 420 977	3 011 397	52.4%	93.9%	3 986 896	4 221 654	4 623 602	15.4%	83.2%
Machinery and equipment	53	82	159	—	-100.0%	—	—	—	—	—	—
Software and other intangible assets	40	—	—	—	-100.0%	—	1 864	1 000	1 003	—	—
Total	869 550	1 738 608	2 486 803	3 346 338	56.7%	100.0%	4 656 012	5 314 764	5 727 897	19.6%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	24.8%	39.7%	50.4%	54.2%			59.8%	52.4%	53.7%		

## Personnel information

Table 38.15 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Number of posts estimated for 31 March 2014			Number and cost <sup>2</sup> 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 (%)	Salary level/total: Average (%)						
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost				
Regional Bulk			29	–	–	22	8.8	0.4	24	16.8	0.7	29	17.7	0.6	29	18.6	0.6	29	21.8	0.8	6.5%	100.0%
Salary level	29	–	22	8.8	0.4	24	16.8	0.7	29	17.7	0.6	29	18.6	0.6	29	21.8	0.8	6.5%	100.0%			
7 – 10	7	–	4	1.2	0.3	4	2.9	0.7	7	2.1	0.3	7	2.2	0.3	7	2.5	0.4	20.5%		22.5%		
11 – 12	10	–	8	1.2	0.2	10	5.9	0.6	10	7.1	0.7	10	7.5	0.8	10	7.9	0.8	–		36.0%		
13 – 16	12	–	10	6.4	0.6	10	7.9	0.8	12	8.5	0.7	12	9.0	0.8	12	11.5	1.0	6.3%		41.4%		

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on providing regional bulk infrastructure for water and wastewater treatment works that links water sources to local government infrastructure. Over the MTEF period, expenditure on payments for capital assets is expected to increase significantly as a result of a Cabinet approved additional allocation of R934 million for critical bulk water projects. The rollout of regional bulk water infrastructure also explains the increase in spending between 2010/11 and 2013/14. The increase in transfers and subsidies over the medium term provides funding to water boards, such as the Umgeni, Magalies and Amatola water boards, which operate as implementing agents for the department.

The growth expected in spending on compensation of employees over the medium term is due to the filling of vacant posts. However, as the capacity constraints are expected to remain despite the increase in personnel, consultants with specific technical and scientific skills will be used, which explains the increase in spending on consultants over this period.

## Programme 5: Water Sector Regulation

### Objectives

- Strengthen the regulatory function of the department by developing and completing a regulatory framework by 2015/16.
- Ensure the improved monitoring of drinking water quality, using the blue drop status as an annual performance indicator, by assessing 1 084 water supply systems for compliance with drinking water quality standards in 2014/15 and publish the blue drop progress report in 2015/16.
- Reduce pollution in water resources throughout South Africa by ensuring that 1 028 wastewater treatment collector systems are assessed for green drop status in 2014/15 and publish the full green drop report in 2016/17.
- Improve efficiency in water pricing and regulation by developing an economic regulation implementation strategy for the entire value chain by 2015/16, to be effected through the approved institutional model for implementation in 2016/17.
- Ensure compliance with dam safety regulations for the protection of the population, economy and water resources by monitoring 140 dams per year over the MTEF period.
- Ensure the effective enforcement of compliance with water legislation by finalising the implementation protocol for enforcement, including a compliance and monitoring strategy to curb unlawful water use by mining, agriculture and other industries, by 2014/15.

### Subprogrammes

- *Regulation Management and Support* provides for the overall management and oversight of the programme. This entails business planning, performance reporting, management support and project management. This subprogramme provides support to the office of the deputy director general and it oversees management of key activities within the programme. The deputy director general was appointed in September 2013. This subprogramme had a staff complement of 2 in 2013/14.
- *Economic and Social Regulation* ensures that pricing is efficient and cost reflective, achieves value for money for consumers and, where appropriate, that trade-offs are made between the cost, quality and sustainability of services, focusing on developing finance and pricing strategies. In 2012/13, the institutional options for economic regulation were developed. In 2013/14, the institutional options for economic regulation were revised to incorporate comments received.
- *Water Use Authorisation* authorises all water use activities in South Africa by using regulatory instruments, such as licensing and water allocation reform. This entails issuing water licences and giving effect to water allocation reform by reallocating water to historically disadvantaged individuals. In 2012/13, compulsory licensing processes were completed for Tosca Molopo river catchment within the Dr Ruth S. Mompati district. In 2013/14, the Jan Dissels river catchment compulsory licensing processes were completed. This subprogramme had a staff complement of 23 in 2013/14.
- *Water Supply Services and Sanitation Regulation* regulates the quality of drinking water and wastewater by using incentive and risk based regulation, such as the blue drop and green drop certification programmes, and enforcement tools, such as monitoring drinking water quality, setting drinking water standards, prescribing wastewater treatment and processes, and processing water information. In 2012/13, 963 wastewater treatment collector systems and 931 water treatment supply systems were assessed. The green drop and blue drop progress reports were published. In 2013/14, R14.6 million was spent on consultants who assisted in conducting assessments of drinking water quality and wastewater treatment works within municipalities, as part of the department's blue drop and green drop certification activities. This subprogramme had a staff complement of 13 in 2013/14.

- *Water Resource Regulation* ensures water use regulation through the development of policies, strategies, regulations, general authorisations, norms, standards and guidelines, evaluates compliance, and provides implementation training and support. In 2012/13, 148 dams were evaluated for compliance with dam safety regulations. This subprogramme had a staff complement of 59 in 2013/14.
- *Compliance Monitoring* coordinates and monitors compliance to standards, licence conditions and regulations across the full water value chain, including water resources, dam safety, water hazards and water services. Activities carried out in 2012/13 included the auditing of mines and industry against authorisations as part of providing environmental assets and natural resources that are valued, protected and continually enhanced. In 2012/13, 92 mines were audited for compliance and in 2013/14, 31 cases were investigated for compliance, of which 4 cases were resolved. 3 criminal cases were opened and 24 notices of intention were issued.
- *Enforcement* ensures that appropriate legal action is taken against all unlawful water users. This entails monitoring, conducting investigations, and providing legal and enforcement support. In 2013/14, 19 pre-directives and 7 directives were issued, of which 8 are ongoing criminal cases. This subprogramme had a staff complement of 23 in 2013/14.

## Expenditure estimates

**Table 38.16 Water Sector Regulation**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17
Regulation Management and Support	–	308	282	2 567	–	0.7%	6 952	7 725	8 388	48.4%	5.1%
Economic and Social Regulation	–	–	63	1 000	–	0.3%	6 140	5 628	6 537	87.0%	3.8%
Water Use Authorisation	39 079	21 311	19 602	22 932	-16.3%	24.4%	14 670	15 174	15 934	-11.4%	13.5%
Water Supply Services and Sanitation Regulation	28 278	20 969	23 892	28 593	0.4%	24.1%	23 905	24 700	24 097	-5.5%	20.0%
Water Resource Regulation	45 026	40 336	33 992	43 829	-0.9%	38.7%	33 757	35 233	43 213	-0.5%	30.8%
Compliance Monitoring	–	2	14	1 080	–	0.3%	19 393	19 237	24 886	184.6%	12.7%
Enforcement	13 178	8 227	9 529	17 690	10.3%	11.5%	16 697	18 111	19 044	2.5%	14.1%
<b>Total</b>	<b>125 561</b>	<b>91 153</b>	<b>87 374</b>	<b>117 691</b>	<b>-2.1%</b>	<b>100.0%</b>	<b>121 514</b>	<b>125 808</b>	<b>142 099</b>	<b>6.5%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				(1 000)			1	–	(1)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>124 999</b>	<b>90 449</b>	<b>87 047</b>	<b>116 032</b>	<b>-2.5%</b>	<b>99.2%</b>	<b>120 418</b>	<b>124 655</b>	<b>140 833</b>	<b>6.7%</b>	<b>99.0%</b>
Compensation of employees	51 271	47 779	46 120	53 452	1.4%	47.1%	77 634	80 357	85 486	16.9%	58.6%
Goods and services	73 728	42 651	40 926	62 520	-5.3%	52.1%	42 708	44 211	55 258	-4.0%	40.4%
of which:											
Administration fees	960	750	584	279	-33.8%	0.6%	651	627	716	36.9%	0.4%
Advertising	2 832	463	244	11	-84.3%	0.8%	42	73	77	91.3%	–
Assets less than the capitalisation threshold	95	69	111	549	79.5%	0.2%	536	528	580	1.8%	0.4%
Catering: Departmental activities	238	131	105	438	22.5%	0.2%	173	194	248	-17.3%	0.2%
Communication	191	1 773	1 264	2 063	121.0%	1.3%	2 619	2 204	2 611	8.2%	1.9%
Computer services	389	938	816	18 384	261.5%	4.9%	1 480	1 211	1 209	-59.6%	4.4%
Consultants and professional services:	29 606	19 915	19 073	14 609	-21.0%	19.7%	16 948	16 486	15 892	2.8%	12.6%
Business and advisory services											
Consultants and professional services:	11 985	728	5 227	8 464	-10.9%	6.3%	8 332	11 748	15 470	22.3%	8.7%
Infrastructure and planning											
Consultants and professional services:	–	28	–	–	–	–	–	–	–	–	–
Laboratory services											
Contractors	50	150	80	14	-34.6%	0.1%	22	13	24	19.7%	–
Agency and support / outsourced services	720	–	–	–	-100.0%	0.2%	–	–	–	–	–
Entertainment	2	2	3	30	146.6%	–	49	51	61	26.7%	–
Inventory: Clothing material and accessories	–	–	–	24	–	–	–	–	–	-100.0%	–
Inventory: Food and food supplies	–	–	–	75	–	–	21	18	23	-32.6%	–
Inventory: Learner and teacher support material	2	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Materials and supplies	–	8	3	96	–	–	1	1	1	-78.2%	–
Inventory: Medical supplies	–	3	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	56	140	34	188	49.7%	0.1%	–	–	132	-11.1%	0.1%
Consumable supplies	–	–	–	–	–	–	–	126	117	–	–
Consumable: Stationery, printing and office supplies	1 699	855	713	926	-18.3%	1.0%	821	509	440	-22.0%	0.5%
Operating leases	61	24	–	247	59.4%	0.1%	381	317	2 485	115.9%	0.7%

**Table 38.16 Water Sector Regulation**

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Property payments	1	–	–	–	–100.0%	–	143	86	154	–	0.1%
Travel and subsistence	19 520	12 154	10 201	11 876	-15.3%	12.7%	7 646	7 275	11 582	-0.8%	7.6%
Training and development	613	983	801	2 293	55.2%	1.1%	1 584	1 249	1 735	-8.9%	1.4%
Operating payments	160	546	578	732	66.0%	0.5%	208	191	243	-30.8%	0.3%
Venues and facilities	4 548	2 991	1 089	1 207	-35.7%	2.3%	1 051	1 304	1 458	6.5%	1.0%
Rental and hiring	–	–	–	15	–	–	–	–	–	-100.0%	–
Interest and rent on land	–	19	1	60	–	–	76	87	89	14.0%	0.1%
Transfers and subsidies	–	3	21	–	–	–	–	–	–	–	–
Households	–	3	21	–	–	–	–	–	–	–	–
Payments for capital assets	562	701	306	1 659	43.5%	0.8%	1 096	1 153	1 266	-8.6%	1.0%
Buildings and other fixed structures	–	–	–	–	–	–	300	300	–	–	0.1%
Machinery and equipment	562	701	306	1 655	43.3%	0.8%	796	853	1 266	-8.5%	0.9%
Software and other intangible assets	–	–	–	4	–	–	–	–	–	-100.0%	–
Total	125 561	91 153	87 374	117 691	-2.1%	100.0%	121 514	125 808	142 099	6.5%	100.0%
Proportion of total programme expenditure to vote expenditure	1.8%	1.1%	1.0%	1.1%			1.0%	0.8%	0.8%		

Details of transfers and subsidies											
Households											
Social benefits											
Current											
Employee social benefits	–	3	21	–	–	–	–	–	–	–	–
Swimming South Africa	–	3	7	–	–	–	–	–	–	–	–

## Personnel information

**Table 38.17 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Number of posts estimated for 31 March 2014		Number and cost <sup>2</sup> 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 (%)	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Water Sector Regulation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	179	–	148	46.1	0.3	120	53.5	0.4	179	77.6	0.4	179	80.4	0.4	179	85.5	0.5	14.3%	100.0%
1 – 6	28	–	60	8.0	0.1	21	4.6	0.2	28	5.9	0.2	28	6.1	0.2	28	6.7	0.2	10.1%	4.0%
7 – 10	106	–	61	16.3	0.3	67	18.8	0.3	106	35.3	0.3	106	37.6	0.4	106	41.4	0.4	16.5%	54.5%
11 – 12	34	–	22	17.7	0.8	25	23.8	1.0	34	26.6	0.8	34	26.6	0.8	34	26.6	0.8	10.8%	21.6%
13 – 16	11	–	5	4.2	0.8	7	6.2	0.9	11	9.8	0.9	11	10.1	0.9	11	10.7	1.0	16.3%	19.9%

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on strengthening the regulatory function of the department by revising the pricing strategy to attain full cost recovery on water schemes and initiating a process for establishing an economic regulator to contribute to ensuring compliance with water legislation. This is to be carried out through the *Economic and Social Regulation* subprogramme.

Over the medium term, the significant increases expected in spending in the *Regulation Management and Support* and *Compliance Monitoring and Enforcement* subprogrammes are due to increased spending on compliance and enforcement related activities as part of the department's policy position on protecting South Africa's natural water resources. The review of the compulsory water licence process for the water management area in Mhlathuze in KwaZulu-Natal, Tosca in North West and Jan Dissel in Western Cape was completed in 2012/13. Over the medium term, the department will implement measures to ensure that 29 per cent of the water abstraction allocation is authorised to historically disadvantaged individuals.



Between 2014/15 and 2016/17, spending on goods and services is projected to increase as a result of an increase in spending on consultants for the assessment of drinking water quality and wastewater treatment works under the *Water Supply Services and Sanitation Regulation* subprogramme and related compliance monitoring programmes under the *Compliance Monitoring* subprogramme. At the end of 2013, the programme had a funded establishment of 179 posts, 120 of which were filled. Vacancies were due to the difficulties in filling posts that require scientific, technical and engineering skills to meet the occupation specific dispensation requirements. Consultants are used as required to provide specialised engineering and scientific skills, which they will transfer to the department's personnel. Between 2010/11 and 2013/14, the department reduced spending on consultants, travel and subsistence, and advertising, to give effect to Cabinet approved budget reductions in previous budget cycles.

## Programme 6: International Water Cooperation

### Objectives

- Facilitate technical support and capacity development in water sector partnership arrangements at international, African, national, provincial and local levels by:
  - establishing 8 new strategic partnerships and implementing 16 existing strategic partnerships with countries outside Africa over the medium term
  - holding 12 strategic engagements with international and multilateral organisations outside Africa over the medium term.
- Strengthen, implement and facilitate water governance, infrastructure and information management by:
  - establishing 9 new strategic partnerships and implementing 15 existing strategic partnerships with other countries in Africa over the medium term
  - implementing 4 trans-boundary water management projects and having 6 strategic engagements with international and multilateral organisations in Africa over the medium term.

### Subprogrammes

- *International Relations Management and Support* ensures overall management and oversight of the programme. This entails business planning, performance reporting, management support and project management. This subprogramme had a staff complement of 12 in 2013/14.
- *Africa Cooperation* fulfils the department's responsibility of advancing the African agenda through promoting and facilitating collaborative activities in support of the water sector. This takes the form of bilateral relations and participation in multilateral institutions such as the African Union (AU), the African Ministers' Council on Water, the Southern African Development Community (SADC), as well as programmes related to the New Partnership for Africa's Development. Trans-boundary water management, a sub-function of this subprogramme, is responsible for advancing the national interest among the shared river basin organisations, where South Africa shares water with neighbouring countries and implements projects within the shared river basin. This includes the Orange-Senqu River Commission, the Limpopo Water Course Commission, the tripartite permanent technical committee of the Lesotho Highlands Water Project and joint water commissions. In 2012/13, 7 existing strategic partnerships were implemented in Africa and 2 new partnerships were established on the continent in 2013/14. This subprogramme had a staff complement of 14 in 2013/14.
- *Global Cooperation* promotes and advances national interests at global governance institutions, strategically engages in bilateral arrangements with countries outside Africa and explores opportunities to leverage off resources from donor countries. This entails hosting bilateral engagements and participating in conferences. Currently, diplomatic relations are being strengthened with the new emerging partnerships of United Kingdom, Korea, Iran, USA, India, Singapore, Belgium and Australia. In 2012/13, 3 new strategic partnerships were established with countries outside Africa and in 2013/14, 4 such new strategic partnerships were established. This subprogramme had a staff complement of 18 in 2013/14.

## Expenditure estimates

Table 38.18 International Water Cooperation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
International Relation Management and Support	–	14 832	4 148	4 538	–	27.6%	8 165	8 589	9 697	28.8%	22.2%
Africa Cooperation	15 922	4 788	7 564	10 899	-11.9%	46.0%	11 457	12 894	19 137	20.6%	39.0%
Global Cooperation	–	1 314	11 258	9 976	–	26.5%	12 834	12 408	18 695	23.3%	38.7%
<b>Total</b>	<b>15 922</b>	<b>20 934</b>	<b>22 970</b>	<b>25 413</b>	<b>16.9%</b>	<b>100.0%</b>	<b>32 456</b>	<b>33 891</b>	<b>47 529</b>	<b>23.2%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				–			1 000	1 278	3 285		

## Economic classification

<b>Current payments</b>	<b>15 273</b>	<b>19 748</b>	<b>21 735</b>	<b>23 594</b>	<b>15.6%</b>	<b>94.3%</b>	<b>30 712</b>	<b>30 983</b>	<b>44 524</b>	<b>23.6%</b>	<b>93.2%</b>
Compensation of employees	10 509	13 112	14 943	13 593	9.0%	61.2%	22 754	24 090	24 040	20.9%	60.6%
Goods and services	4 763	6 623	6 778	9 931	27.8%	33.0%	7 894	6 893	20 484	27.3%	32.5%
of which:											
Administration fees	129	277	194	130	0.3%	0.9%	178	188	198	15.1%	0.5%
Advertising	2	29	30	–	-100.0%	0.1%	–	–	–	–	–
Assets less than the capitalisation threshold	310	194	101	307	-0.3%	1.1%	–	–	56	-43.3%	0.3%
Bursaries: Employees	–	–	–	90	–	0.1%	131	138	145	17.2%	0.4%
Catering: Departmental activities	22	42	61	194	106.6%	0.4%	215	226	238	7.1%	0.6%
Communication	44	55	301	306	90.9%	0.8%	320	336	353	4.9%	0.9%
Computer services	31	16	8	294	111.7%	0.4%	55	324	341	5.1%	0.7%
Consultants and professional services:	24	–	250	111	66.6%	0.5%	115	239	251	31.3%	0.5%
Business and advisory services											
Contractors	103	65	165	2 965	206.5%	3.9%	–	–	2 712	-2.9%	4.1%
Agency and support / outsourced services	–	224	–	–	–	0.3%	–	–	–	–	–
Entertainment	10	12	18	143	142.7%	0.2%	177	187	197	11.3%	0.5%
Inventory: Materials and supplies	21	1	1	–	-100.0%	–	–	–	–	–	–
Inventory: Other supplies	34	–	34	10	-33.5%	0.1%	11	11	11	3.2%	–
Consumable: Stationery, printing and office supplies	140	420	415	154	3.2%	1.3%	126	134	141	-2.9%	0.4%
Operating leases	11	19	–	861	327.8%	1.0%	–	403	1 490	20.1%	2.0%
Transport provided: Departmental activity	–	–	–	78	–	0.1%	66	70	74	-1.7%	0.2%
Travel and subsistence	3 686	3 844	4 397	4 106	3.7%	18.8%	6 287	4 434	14 063	50.7%	20.7%
Training and development	135	254	339	141	1.5%	1.0%	146	152	160	4.3%	0.4%
Operating payments	2	24	44	24	128.9%	0.1%	25	18	19	-7.5%	0.1%
Venues and facilities	59	1 147	420	17	-34.0%	1.9%	42	33	35	27.2%	0.1%
Interest and rent on land	1	13	14	70	312.1%	0.1%	64	–	–	-100.0%	0.1%
<b>Transfers and subsidies</b>	<b>345</b>	<b>682</b>	<b>592</b>	<b>625</b>	<b>21.9%</b>	<b>2.6%</b>	<b>921</b>	<b>1 959</b>	<b>2 008</b>	<b>47.6%</b>	<b>4.0%</b>
Departmental agencies and accounts	–	–	–	2	–	–	3	2	2	–	–
Foreign governments and international organisations	275	681	592	623	31.3%	2.5%	918	1 957	2 006	47.7%	4.0%
Households	70	1	–	–	-100.0%	0.1%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>304</b>	<b>504</b>	<b>643</b>	<b>1 194</b>	<b>57.8%</b>	<b>3.1%</b>	<b>823</b>	<b>949</b>	<b>997</b>	<b>-5.8%</b>	<b>2.8%</b>
Machinery and equipment	304	504	643	1 194	57.8%	3.1%	823	949	997	-5.8%	2.8%
<b>Total</b>	<b>15 922</b>	<b>20 934</b>	<b>22 970</b>	<b>25 413</b>	<b>16.9%</b>	<b>100.0%</b>	<b>32 456</b>	<b>33 891</b>	<b>47 529</b>	<b>23.2%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.2%	0.3%	0.3%	0.2%			0.3%	0.2%	0.3%		

## Details of transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	–	–	–	2	–	–	3	2	2	–	–
Communication	–	–	–	2	–	–	3	2	2	–	–
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>275</b>	<b>681</b>	<b>592</b>	<b>623</b>	<b>31.3%</b>	<b>2.5%</b>	<b>918</b>	<b>1 957</b>	<b>2 006</b>	<b>47.7%</b>	<b>4.0%</b>
Orange-Senqu River Basin Commission	275	500	525	524	24.0%	2.1%	556	582	611	5.3%	1.6%
African Ministers' Council on Water	–	181	67	99	–	0.4%	98	97	102	1.0%	0.3%
Limpopo River Basin Commission	–	–	–	–	–	–	264	1 278	1 293	–	2.0%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>70</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	70	1	–	–	-100.0%	0.1%	–	–	–	–	–

## Personnel information

**Table 38.19 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Number of posts estimated for 31 March 2014			Number and cost <sup>2</sup> 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 (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
International Water Cooperation			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	44	–	36	14.9	0.4	44	16.7	0.4	44	22.8	0.5	44	24.1	0.5	44	24.0	0.5	–	100.0%
1 – 6	2	–	2	0.1	0.1	1	0.1	0.1	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	26.0%	4.0%
7 – 10	24	–	20	4.9	0.2	24	6.0	0.2	24	8.3	0.3	24	8.9	0.4	24	8.4	0.3	–	54.5%
11 – 12	9	–	6	3.9	0.7	11	4.6	0.4	9	5.8	0.6	9	6.1	0.7	9	6.3	0.7	-6.5%	21.6%
13 – 16	9	–	8	6.0	0.7	8	6.0	0.7	9	8.3	0.9	9	8.6	1.0	9	8.9	1.0	4.0%	19.9%

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

<sup>2</sup>. Rand million.

## Expenditure trends

The spending focus over the medium term will be on forming and maintaining strategic relations with neighbouring countries and international organisations in line with South African foreign policy and the National Water Act (1998). This is expected to increase spending on travel and subsistence between 2013/14 and 2016/17, particularly due to the rollout of strategic initiatives in the rest of Africa. R23.6 million was reprioritised from the *Administration* programme to this programme to ensure that the department honours its international commitments, including participating in the activities of international organisations. Participation in these activities will ensure the facilitation of projects, such as the Lesotho Highlands Water Project and various other water infrastructure development programmes. The programme had a funded establishment of 44 posts, all of which were filled at the end of November 2013.

## Public entities and other agencies

### Consolidated water boards

#### Mandate and strategic goals

Water boards derive their mandate from the Water Services Act (1997) and are categorised as national government business enterprises in terms of schedule 3B of the Public Finance Management Act (1999). Water boards are mandated to provide water services to other water service institutions within its service area. Other activities include to: provide management services, training and other support services to water services institutions to promote cooperation in the provision of water services; supply untreated or non-potable water to end users who do not use the water for household purposes; provide catchment management services to or on behalf of the responsible authorities. With the approval of the water services authorities in their areas, the boards, accept industrial effluent, act as water service providers to consumers, provide water services in a joint venture with water services authorities, and perform water conservation functions.

The boards' strategic goals over the medium term are to:

- ensure that they continue to be viable and sustainable bulk water service providers
- ensure that all customers and stakeholders are satisfied
- improve business efficiencies and quality
- achieve transformation in the water sector.

## Selected performance indicators

**Table 38.20 Consolidated Water Boards Volume of Bulk Treated Water Sales**

Water Board	Outcome	Volume of bulk treated water sold (kl'000)						
		Past			Current	Projections		
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Amatola <sup>1</sup>	Outcome 6. An efficient, competitive and responsive economic infrastructure network	28 524	30 835	31 451	32 217	36 360	42 840	49 680
Bloem <sup>1</sup>		66 062	71 396	69 033	70 413	71 821	73 258	74 723
Botshelo		16 051	14 823	15 100	15 300	15 600	15 700	15 900
Bushbuckridge		27 055	28 840	36 756	38 508	40 406	42 596	44 421
Lepelle		95 254	94 565	94 025	118 312	126 652	141 069	141 279
Magalies		77 955	80 806	79 985	82 389	83 213	84 045	89 041
Mhlathuze <sup>1</sup>		44 919	43 981	39 912	65 335	65 335	65 335	65 335
Overberg		4 205	4 253	4 727	4 529	4 619	4 736	4 816
Pelladriфт		4 520	4 459	4 520	6 630	6 749	6 749	6 749
Rand <sup>1</sup>		1 407 636	1 456 081	1 490 188	1 465 581	1 491 229	1 517 325	1 543 878
Sedibeng		86 224	90 215	95 773	105 716	111 548	113 007	114 565
Umgenti		415 427	417 782	416 550	419 881	424 780	431 151	435 953
<b>Total</b>		<b>2 273 832</b>	<b>2 338 036</b>	<b>2 378 020</b>	<b>2 424 811</b>	<b>2 478 311</b>	<b>2 537 811</b>	<b>2 586 339</b>

1. The historical values differ to the published in the 2013 ENE as this year's indicator include only bulk water sold and exclude raw and waste water volumes.

## Programmes/activities/objectives

**Table 38.21 Consolidated water boards**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	476 225	722 930	901 124	885 895	23.0%	100.0%	727 648	764 032	802 234	-3.3%	100.0%
<b>Total expense</b>	<b>476 225</b>	<b>722 930</b>	<b>901 124</b>	<b>885 895</b>	<b>23.0%</b>	<b>100.0%</b>	<b>727 648</b>	<b>764 032</b>	<b>802 234</b>	<b>-3.3%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 38.22 Consolidated water boards**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>10 253 100</b>	<b>12 221 043</b>	<b>13 509 257</b>	<b>15 112 466</b>	13.8%	99.9%	<b>16 337 487</b>	<b>17 616 332</b>	<b>19 302 641</b>	8.5%	100.0%
Sale of goods and services other than capital assets	9 615 971	11 294 504	12 733 993	14 264 323	14.0%	93.6%	15 491 522	16 699 305	18 356 259	8.8%	94.8%
of which:											
Administrative fees	19 883	13 480	10 930	11 797	-16.0%	0.1%	12 287	13 294	14 366	6.8%	0.1%
Sales of bulk water	9 596 088	11 281 024	12 723 063	14 252 526	14.1%	93.5%	15 479 235	16 686 011	18 341 893	8.8%	94.7%
Other non-tax revenue	637 129	926 539	775 264	848 143	10.0%	6.3%	845 965	917 027	946 382	3.7%	5.2%
<b>Transfers received</b>	<b>-</b>	<b>-</b>	<b>31 358</b>	<b>-</b>	-	0.1%	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>10 257 928</b>	<b>12 221 043</b>	<b>13 540 615</b>	<b>15 112 466</b>	<b>13.8%</b>	<b>100.0%</b>	<b>16 337 487</b>	<b>17 616 332</b>	<b>19 302 641</b>	<b>8.5%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>9 135 818</b>	<b>10 312 522</b>	<b>11 928 922</b>	<b>13 200 028</b>	13.1%	100.0%	<b>14 105 677</b>	<b>14 820 811</b>	<b>16 948 408</b>	8.7%	100.0%
Compensation of employees	1 938 400	2 201 194	2 381 902	2 534 537	9.3%	20.4%	2 762 457	2 991 045	3 227 261	8.4%	19.5%
Goods and services	6 471 413	7 446 767	8 824 783	9 984 164	15.6%	73.2%	10 547 037	10 976 835	12 708 052	8.4%	74.9%
Depreciation	465 177	522 300	584 170	587 193	8.1%	4.9%	657 185	731 679	897 979	15.2%	4.8%
Interest, dividends and rent on land	260 828	142 260	138 068	94 134	-28.8%	1.5%	138 998	121 252	115 116	6.9%	0.8%
<b>Total expenses</b>	<b>9 135 818</b>	<b>10 312 522</b>	<b>11 928 922</b>	<b>13 200 028</b>	<b>13.1%</b>	<b>100.0%</b>	<b>14 105 677</b>	<b>14 820 811</b>	<b>16 948 408</b>	<b>8.7%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>1 122 110</b>	<b>1 908 521</b>	<b>1 611 693</b>	<b>1 912 437</b>	<b>19.4%</b>		<b>2 231 810</b>	<b>2 795 521</b>	<b>2 354 233</b>	<b>7.2%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	13 514 957	15 061 398	17 390 113	21 564 637	16.9%	70.3%	25 996 463	29 580 739	33 170 776	15.4%	80.2%
of which:											
Acquisition of assets	1 680 397	2 065 089	2 816 063	4 537 913	39.3%	11.2%	5 151 343	4 465 308	3 923 940	-4.7%	13.5%
Investments	2 312 086	2 586 508	2 763 417	2 318 582	0.1%	10.6%	1 598 955	1 272 164	935 259	-26.1%	4.7%
Inventory	103 435	227 623	110 913	118 082	4.5%	0.6%	124 395	132 049	138 176	5.4%	0.4%
Loans	6 943	5 919	5 829	5 771	-6.0%	0.0%	5 713	5 656	5 599	-1.0%	0.0%
Accrued investment interest	13 992	25 205	14	14	-90.0%	0.0%	14	14	14	-	0.0%

Table 38.22 Consolidated water boards

Statement of financial position											
Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
Receivables and prepayments	1 791 545	2 233 875	2 495 270	2 524 838	12.1%	9.5%	2 549 047	2 759 863	2 890 361	4.6%	7.9%
Cash and cash equivalents	1 792 149	2 207 161	2 085 094	2 114 744	5.7%	8.7%	1 976 807	2 336 712	2 793 117	9.7%	6.7%
Non-current assets held for sale	59 804	41 525	13 500	13 500	-39.1%	0.1%	13 500	13 500	13 500	–	0.0%
Defined benefit plan assets	7 684	13 068	13 068	–	-100.0%	0.0%	–	–	–	–	–
Taxation	3 107	3 107	–	–	-100.0%	0.0%	–	–	–	–	–
<b>Total assets</b>	<b>19 605 700</b>	<b>22 405 388</b>	<b>24 877 219</b>	<b>28 660 168</b>	<b>13.5%</b>	<b>100.0%</b>	<b>32 264 895</b>	<b>36 100 698</b>	<b>39 946 801</b>	<b>11.7%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	10 932 426	12 614 912	14 632 145	16 312 629	14.3%	56.9%	18 208 471	20 487 174	22 995 669	12.1%	56.9%
Capital and reserves	2 204 621	2 269 957	2 073 700	2 057 296	-2.3%	9.2%	2 081 907	2 132 409	2 162 918	1.7%	6.2%
Capital reserve fund	68 355	68 355	68 355	68 355	-0.0%	0.3%	68 355	68 355	68 355	0.0%	0.2%
Borrowings	2 654 991	2 780 633	3 441 877	5 967 628	31.0%	15.2%	7 503 805	8 835 398	9 787 836	17.9%	23.3%
Accrued interest	36 562	34 660	33 684	31 165	-5.2%	0.1%	28 631	26 489	25 220	-6.8%	0.1%
Deferred income	206 229	222 696	209 288	205 775	-0.1%	0.9%	203 347	201 594	199 976	-0.9%	0.6%
Trade and other payables	2 533 514	3 368 032	3 381 322	3 312 381	9.3%	13.3%	3 459 980	3 565 000	3 844 732	5.1%	10.4%
Taxation	1 716	1 732	736	802	-22.4%	0.0%	874	953	1 039	9.0%	0.0%
Provisions	884 202	761 757	920 396	639 576	-10.2%	3.5%	643 298	715 448	791 563	7.4%	2.0%
Managed funds (e.g. poverty alleviation fund)	36 386	11 600	–	–	-100.0%	0.1%	–	–	–	–	–
Derivatives financial instruments	46 697	271 055	115 716	64 561	11.4%	0.5%	66 227	67 878	69 493	2.5%	0.2%
<b>Total equity and liabilities</b>	<b>19 605 700</b>	<b>22 405 388</b>	<b>24 877 219</b>	<b>28 660 168</b>	<b>13.5%</b>	<b>100.0%</b>	<b>32 264 895</b>	<b>36 100 698</b>	<b>39 946 801</b>	<b>11.7%</b>	<b>100.0%</b>

## Expenditure trends

Revenue collected by the water boards is derived mainly from the sale of bulk water to water service authorities in their areas. Between 2010/11 and 2013/14, total revenue from the sale of bulk water increased, due to increases in the volume of water sold and annual increases in the water tariff. The average annual increases in the bulk water tariff ranged from 10 per cent to 12 per cent over this period. Over the medium term, revenue is expected to increase, due to tariff increases required to cover the cost of operations and capital infrastructure upgrades, and the projected increases in the volumes of water which are sold because of increased demand for water and because the water boards will be expanding their scope of operations into new areas.

The spending focus over the medium term will be on covering the operational costs of the water boards for the provision of bulk treated water, as well as capital spending on the infrastructure capacity required to meet the projected increases in water demand. In providing bulk treated water, the water boards' largest spending items are energy costs for pumping water, raw water costs, staff costs and chemical costs. Expenditure increased between 2010/11 and 2012/13 as a result of high energy costs related to electricity price increases and pumping requirements related to the volume of water and the distance over which water is pumped.

## Rand Water

### Mandate and goals

Rand Water was established in terms of the Water Services Act (1997) and is listed as a schedule 3B public entity of the Public Finance Management Act (1999). Its mandate is to provide water services, management services, training and other support services to water services institutions, to promote cooperation in the provision of water services; supply untreated or non-potable water to end users who do not use the water for household purposes; provide catchment management services to or on behalf of the responsible authorities; provide water services in a joint venture with water services authorities; and perform water conservation functions.

Rand Water's strategic goals over the medium term are to:

- ensure that it continues to be a viable, sustainable bulk water services provider that operates with integrity, uses best fit technology and achieves a high performance culture
- position itself as a partner of choice in water services by positively engaging with its stakeholders
- achieve transformation, growth in services and maintain financial health and sustainability.

## Selected performance indicators

Table 38.23 Rand Water

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Net debt/equity ratio per year	Administration	Outcome 9: A responsive, accountable, effective and efficient local government system	0.14	0.30	0.20	0.40	0.50	0.30	0.30
Debt service ratio per year	Administration		4.40	4.30	9.00	3.90	4.40	4.80	4.70
Costs per kilolitre per year	Bulk water	Outcome 6: An efficient, competitive and responsive infrastructure network	3.71	4.30	4.60	5.40	6.00	5.80	6.20
Cost of debt	Administration	Outcome 9: A responsive, accountable, effective and efficient local government system	10%	10%	11%	11%	11%	11%	11%

## Programmes/activities/objectives

Table 38.24 Rand Water

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand				2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	963 633	1 080 016	1 139 736	1 277 185	9.8%	16.6%	1 699 887	2 088 231	2 537 599	25.7%	20.5%
Bulk water	4 617 255	5 277 128	5 692 717	6 208 001	10.4%	80.9%	6 606 602	7 033 720	7 463 003	6.3%	75.2%
Secondary activities	—	—	376 976	366 699	—	2.5%	372 888	394 516	416 609	4.3%	4.3%
<b>Total expense</b>	<b>5 580 888</b>	<b>6 357 144</b>	<b>7 209 429</b>	<b>7 851 886</b>	<b>12.1%</b>	<b>100.0%</b>	<b>8 679 377</b>	<b>9 516 467</b>	<b>10 417 211</b>	<b>9.9%</b>	<b>100.0%</b>

## Expenditure estimates

Table 38.25 Rand Water

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand				2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>6 112 128</b>	<b>7 135 628</b>	<b>8 137 885</b>	<b>8 924 671</b>	<b>13.4%</b>	<b>100.0%</b>	<b>9 904 649</b>	<b>10 944 765</b>	<b>12 066 813</b>	<b>10.6%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	5 891 148	6 838 493	7 691 411	8 373 195	12.4%	95.1%	9 342 118	10 338 506	11 414 080	10.9%	94.3%
of which:											
Sales of bulk water	5 891 148	6 838 493	7 691 411	8 373 195	12.4%	95.1%	9 342 118	10 338 506	11 414 080	10.9%	94.3%
Other non-tax revenue	220 980	297 135	446 474	551 476	35.6%	4.9%	562 531	606 259	652 733	5.8%	5.7%
<b>Total revenue</b>	<b>6 116 956</b>	<b>7 135 628</b>	<b>8 137 885</b>	<b>8 924 671</b>	<b>13.4%</b>	<b>100.0%</b>	<b>9 904 649</b>	<b>10 944 765</b>	<b>12 066 813</b>	<b>10.6%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>5 580 888</b>	<b>6 357 144</b>	<b>7 209 429</b>	<b>7 851 886</b>	<b>12.1%</b>	<b>100.0%</b>	<b>8 679 377</b>	<b>9 516 467</b>	<b>10 417 211</b>	<b>9.9%</b>	<b>100.0%</b>
Compensation of employees	1 055 968	1 264 870	1 370 718	1 415 061	10.2%	19.0%	1 535 341	1 664 309	1 787 468	8.1%	17.6%
Goods and services	4 245 323	4 876 025	5 608 947	6 188 885	13.4%	77.3%	6 831 731	7 480 795	8 203 345	9.8%	78.7%
Depreciation	200 809	211 911	229 764	247 940	7.3%	3.3%	312 305	371 363	426 398	19.8%	3.7%
Interest, dividends and rent on land	78 788	4 338	—	—	-100.0%	0.4%	—	—	—	—	—
<b>Total expenses</b>	<b>5 580 888</b>	<b>6 357 144</b>	<b>7 209 429</b>	<b>7 851 886</b>	<b>12.1%</b>	<b>100.0%</b>	<b>8 679 377</b>	<b>9 516 467</b>	<b>10 417 211</b>	<b>9.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>536 068</b>	<b>778 484</b>	<b>928 456</b>	<b>1 072 785</b>	<b>26.0%</b>		<b>1 225 272</b>	<b>1 428 298</b>	<b>1 649 602</b>	<b>15.4%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	7 340 761	8 597 753	10 094 187	12 812 317	20.4%	81.0%	15 453 954	18 063 232	20 554 429	17.1%	87.2%
of which:											
Acquisition of assets	1 011 433	1 360 495	1 649 602	2 594 000	36.9%	13.4%	2 602 250	2 527 000	2 389 000	-2.7%	13.6%
Investments	40 425	—	300 878	—	-100.0%	0.7%	—	—	—	—	—
Inventory	51 282	176 360	239 445	60 560	5.7%	1.1%	63 952	67 661	71 450	5.7%	0.4%
Loans	6 922	5 888	5 353	5 771	-5.9%	0.1%	5 713	5 656	5 599	-1.0%	0.0%
Receivables and prepayments	708 213	853 661	1 104 857	1 008 135	12.5%	7.8%	1 058 310	1 162 270	1 277 598	8.2%	6.0%
Cash and cash equivalents	930 604	1 327 472	863 910	1 256 496	10.5%	9.4%	1 017 161	1 193 826	1 397 391	3.6%	6.5%
Non-current assets held for sale	1 970	1 335	1 802	—	-100.0%	0.0%	—	—	—	—	—
Taxation	3 107	3 107	—	—	-100.0%	0.0%	—	—	—	—	—
<b>Total assets</b>	<b>9 083 284</b>	<b>10 965 576</b>	<b>12 610 432</b>	<b>15 143 279</b>	<b>18.6%</b>	<b>100.0%</b>	<b>17 599 090</b>	<b>20 492 645</b>	<b>23 306 467</b>	<b>15.5%</b>	<b>100.0%</b>

**Table 38.25 Rand Water**

Statement of financial position					Average growth rate (%)	Expenditure/total: Average (%)				Average growth rate (%)	Expenditure/total: Average (%)
	Audited outcome			Revised estimate			Medium-term estimate				
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11	2013/14	2014/15	2015/16	2016/17	2013/14	2016/17
Accumulated surplus/(deficit)	6 756 311	7 534 364	8 511 656	9 583 689	12.4%	68.5%	10 808 962	12 237 260	13 886 861	13.2%	61.0%
Borrowings	645 517	984 639	1 514 586	3 391 940	73.9%	12.6%	4 495 009	5 858 078	6 927 147	26.9%	26.6%
Deferred income	78 597	102 365	182 182	102 973	9.4%	1.0%	108 740	115 047	121 489	5.7%	0.6%
Trade and other payables	1 327 376	1 793 368	2 022 299	2 010 674	14.8%	15.1%	2 128 542	2 220 317	2 304 628	4.7%	11.5%
Taxation	1 716	1 732	2 048	—	-100.0%	0.0%	—	—	—	—	—
Provisions	273 767	293 800	325 420	—	-100.0%	2.1%	—	—	—	—	—
Derivatives financial instruments	—	255 308	52 241	54 003	—	0.8%	57 837	61 943	66 341	7.1%	0.3%
Total equity and liabilities	9 083 284	10 965 576	12 610 432	15 143 279	18.6%	100.0%	17 599 090	20 492 645	23 306 466	15.5%	100.0%

## Personnel information

**Table 38.26 Rand Water**

Number of posts estimated for 31 March 2014			Number and cost <sup>1</sup> 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 (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	–	3 311	3 194	998.7	0.3	3 311	1 124.6	0.3	3 311	1 220.2	0.4	3 194	1 268.6	0.4	3 194	1 362.4	0.4	6.6%	100.0%	
7 – 10	–	1 662	1 630	273.8	0.2	1 662	301.2	0.2	1 662	326.8	0.2	1 630	347.8	0.2	1 630	373.6	0.2	7.4%	50.6%	
11 – 12	–	697	657	181.8	0.3	697	208.3	0.3	697	226.0	0.3	657	230.9	0.4	657	248.0	0.4	6.0%	20.8%	
13 – 16	–	952	907	543.1	0.6	952	615.1	0.6	952	667.3	0.7	907	689.8	0.8	907	740.8	0.8	6.4%	28.6%	

1. Rand million.

## Expenditure trends

Rand Water derives its income primarily from the sale of bulk water in Gauteng and parts of Mpumalanga, Free State and North West. Between 2010/11 and 2013/14, revenue grew at an average rate of 13.4 per cent mainly due to tariff increases over the medium term, projected tariff increases average 5 per cent and thus revenue is expected to grow at a slower pace over this period. Rand Water continues to benefit from the work that is under way to further develop new revenue streams, such as waste water treatment, which contributed to the growth in other non-tax revenue between 2010/11 and 2013/14.

The spending focus over the medium term will be on implementing initiatives that improve internal efficiencies to reduce operational costs. This includes reducing chemical, power and pumping costs. These initiatives are expected to decrease the rate of growth in spending on goods and services, from 13.4 per cent between 2010/11 and 2013/14 to 9.8 per cent over the medium term. Between 2010/11 and 2012/13, expenditure increased, due to the increase in the cost of electricity required to pump water. Energy efficiency measures, such as the optimisation of the hydraulic system and the maximisation of off-peak pumping have limited the total cost increases. In 2012/13, capital spending on infrastructure was R1.6 billion and is projected to average R2.5 billion per year over the medium term, which is the reason for the growth in depreciation over the medium term. Capital expenditure will be partially funded through internal resources, in the form of accumulated profits and cash reserves, after providing for liquidity requirements. Additional funding requirements are met by raising funds in the debt capital market and other sources. The board had a funded establishment of 3 311 posts, with no vacancies, at the end of November 2013.

## Trans-Caledon Tunnel Authority

### Mandate and goals

The Trans-Caledon Tunnel Authority was established in 1986 in terms of the Water Act (1956) read together with section 108 of the National Water Act (1998). As a specialised liability management entity, it finances and implements bulk raw water infrastructure within an acceptable risk framework and in the most cost-effective way to benefit water consumers. The authority also plays an important role as an advisor in the water sector in

the areas of project initiation, the restructuring of treasury activities and the review of water tariffing methodologies.

The authority's strategic goals over the medium term are to:

- participate in key water sector initiatives, which are focused on the sustainability of the water sector
- contribute to the development of knowledge in the sector
- implement projects in support of the government's transformation agenda.
- raise finance for the construction of infrastructure and manage debt in the most effective way
- construct infrastructure on time, within budget and in line with appropriate standards and in a sustainable manner
- build and maintain human capital that is fully empowered to deliver on the vision and mission of the organisation.

## Selected performance indicators

**Table 38.27 Trans-Caledon Tunnel Authority**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage of Spring Grove Dam completed <sup>1</sup>	Mooi Mgeni transfer scheme	Outcome 6: An efficient, competitive and responsive infrastructure network	9%	29%	50%	100%	— <sup>2</sup>	— <sup>2</sup>	— <sup>2</sup>
Percentage of 14.5 km pipeline completed <sup>1</sup>	Mooi Mgeni transfer scheme		— <sup>3</sup>	— <sup>3</sup>	3%	10%	95%	100%	— <sup>3</sup>
Percentage of 14.5 km pipeline refurbished <sup>1</sup>	Mooi Mgeni transfer scheme		— <sup>4</sup>	— <sup>4</sup>	1%	80%	100%	— <sup>4</sup>	— <sup>4</sup>
Percentage of 40 km pipeline completed	Olifants River water resource development project		4%	17%	42%	60%	100%	— <sup>5</sup>	— <sup>5</sup>
Percentage of 58.6 km pipeline completed	Komati water scheme augmentation project		23%	59%	89%	100%	— <sup>2</sup>	— <sup>2</sup>	— <sup>2</sup>
Percentage of 43 km pipeline completed	Mokolo Crocodile water augmentation project		8%	26%	31%	81%	100%	— <sup>5</sup>	— <sup>5</sup>
Percentage of 160 km pipeline completed	Mokolo Crocodile water augmentation project		— <sup>6</sup>	— <sup>6</sup>	— <sup>6</sup>	— <sup>6</sup>	20%	40%	60%
Western basin: Percentage of upgrade of existing plant completed	Acid mine drainage		— <sup>7</sup>	3%	100%	— <sup>7</sup>	— <sup>7</sup>	— <sup>7</sup>	— <sup>7</sup>
Central basin: Percentage of construction of new plant completed	Acid mine drainage		— <sup>4</sup>	— <sup>4</sup>	10%	95%	100%	— <sup>4</sup>	— <sup>4</sup>
Eastern basin: Percentage of construction of new plant completed	Acid mine drainage		— <sup>8</sup>	— <sup>8</sup>	— <sup>8</sup>	— <sup>8</sup>	90%	100%	— <sup>8</sup>

1. These indicators were published as consolidated figures in the 2013 ENE.

2. This project ended in 2013/14.

3. This project began in 2012/13 and will end in 2015/16.

4. This project will begin in 2012/13 and end in 2014/15.

5. This project will end in 2014/15.

6. This project will start in 2014/15.

7. This project began in 2011/12 and ended in 2012/13.

8. This project will begin in 2014/15 and will end in 2015/16.

## Programmes/activities/objectives

**Table 38.28 Trans-Caledon Tunnel Authority**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Lesotho Highlands	3 533 454	2 747 583	2 940 496	3 232 511	-2.9%	57.6%	4 415 444	4 348 952	4 579 447	12.3%	54.7%
Berg Water Project	128 091	254 066	93 231	94 027	-9.8%	2.7%	74 187	61 242	64 488	-11.8%	1.0%
Vaal River Eastern Subsystem Augmentation Project	406 113	794 433	395 993	234 343	-16.7%	8.8%	344 277	346 959	365 348	16.0%	4.3%
Mooi Mgeni Transfer Scheme	98 501	315 488	580 156	576 632	80.2%	6.7%	369 314	178 770	188 244	-31.1%	4.3%
Olifants River Water Resource Development Project	67 828	100 581	456 945	1 314 829	168.6%	7.4%	1 973 705	1 644 846	1 732 023	9.6%	21.9%
Komati Water Scheme Augmentation Project	94 637	510 787	444 550	244 211	37.2%	5.9%	133 419	132 510	139 533	-17.0%	2.2%
Mokolo Crocodile Water Augmentation Project	104 040	277 698	561 886	780 537	95.8%	7.1%	429 446	207 424	218 417	-34.6%	5.4%
Acid Mine Drainage	—	80 380	97 026	898 766	—	3.9%	1 010 487	73 146	77 023	-55.9%	6.5%
<b>Total expense</b>	<b>4 432 663</b>	<b>5 081 015</b>	<b>5 570 283</b>	<b>7 375 855</b>	<b>18.5%</b>	<b>100.0%</b>	<b>8 750 278</b>	<b>6 993 848</b>	<b>7 364 522</b>	<b>-0.1%</b>	<b>100.0%</b>



## Expenditure estimates

**Table 38.29 Trans-Caledon Tunnel Authority**

Statement of financial performance				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	4 148 509	4 676 643	4 872 033	7 272 557	20.6%	100.0%	8 103 771	6 390 874	6 729 590	-2.6%	100.0%
Sale of goods and services other than capital assets of which:	1 341 017	2 301 015	2 793 470	5 102 681	56.1%	52.3%	6 355 729	4 659 157	4 906 092	-1.3%	73.6%
Sales of bulk water	1 341 017	2 301 015	2 793 470	5 102 681	56.1%	52.3%	6 355 729	4 659 157	4 906 092	-1.3%	73.6%
Other non-tax revenue	2 807 493	2 375 628	2 078 563	2 169 876	-8.2%	47.7%	1 748 042	1 731 717	1 823 498	-5.6%	26.4%
Total revenue	4 148 509	4 676 643	4 872 033	7 272 557	20.6%	100.0%	8 103 771	6 390 874	6 729 590	-2.6%	100.0%
Expenses											
Current expenses	4 432 663	5 081 015	5 570 283	7 375 855	18.5%	100.0%	8 750 278	6 993 848	7 364 522	-0.1%	100.0%
Compensation of employees	119 100	123 540	121 997	169 962	12.6%	2.4%	181 010	192 776	202 993	6.1%	2.5%
Goods and services	1 323 827	2 418 110	2 760 216	5 002 752	55.8%	48.7%	6 106 703	4 384 936	4 617 337	-2.6%	65.8%
Depreciation	4 335	5 101	8 467	9 243	28.7%	0.1%	9 844	10 484	11 040	6.1%	0.1%
Interest, dividends and rent on land	2 985 401	2 534 264	2 679 602	2 193 897	-9.8%	48.8%	2 452 721	2 405 652	2 533 152	4.9%	31.6%
Total expenses	4 432 663	5 081 015	5 570 283	7 375 855	18.5%	100.0%	8 750 278	6 993 848	7 364 522	-0.1%	100.0%
Surplus/(Deficit)	(284 154)	(404 372)	(698 250)	(103 298)	-28.6%		(646 508)	(602 974)	(634 932)	83.2%	
Statement of financial position											
Carrying value of assets of which:	7 707	8 147	6 879	36 588	68.1%	0.0%	34 083	42 738	42 738	5.3%	0.1%
Acquisition of assets	6 000	6 000	3 824	—	-100.0%	0.0%	—	—	—	—	—
Investments	3 144 279	1 419 748	3 125 995	3 276 435	1.4%	8.1%	4 569 119	6 785 966	6 785 966	27.5%	14.2%
Receivables and prepayments	30 131 600	30 747 673	30 274 706	32 240 691	2.3%	91.8%	32 515 188	31 455 879	31 455 879	-0.8%	85.7%
Cash and cash equivalents	1 097	—	—	—	-100.0%	0.0%	—	—	—	—	—
Taxation	10 711	40 709	14 960	—	-100.0%	0.1%	—	—	—	—	—
Derivatives financial instruments	9 339	4 322	4 415	—	-100.0%	0.0%	—	—	—	—	—
Total assets	33 304 733	32 220 599	33 426 955	35 553 715	2.2%	100.0%	37 118 390	38 284 583	38 284 583	2.5%	100.0%
Accumulated surplus/(deficit)	5 978 553	5 575 481	4 876 591	5 594 534	-2.2%	16.4%	4 948 027	4 345 052	4 345 052	-8.1%	12.9%
Borrowings	25 952 183	24 625 216	26 437 044	29 028 031	3.8%	78.8%	31 110 721	33 551 545	33 551 545	4.9%	85.2%
Trade and other payables	916 328	1 639 992	1 719 523	931 150	0.5%	3.9%	1 040 294	388 238	388 238	-25.3%	1.9%
Taxation	74 566	81 682	110 856	—	-100.0%	0.2%	—	—	—	—	—
Provisions	41 163	40 225	24 923	—	-100.0%	0.1%	—	—	—	—	—
Derivatives financial instruments	341 940	258 003	258 018	—	-100.0%	0.6%	—	—	—	—	—
Total equity and liabilities	33 304 733	32 220 599	33 426 956	35 553 715	2.2%	100.0%	37 099 041	38 284 835	38 284 835	2.5%	100.0%

## Personnel information

**Table 38.30 Trans-Caledon Tunnel Authority**

Number of posts estimated for 31 March 2014			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number		
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	–	192	175	122.0	0.7	192	170.0	0.9	192	181.0	0.9	192	192.8	1.0	192	203.0	1.1	6.1%	100.0%	
1 – 6	–	1	2	0.2	0.1	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	–	–	–	-100.0%	0.4%	
7 – 10	–	33	34	8.2	0.2	33	7.5	0.2	32	8.8	0.3	30	8.6	0.3	25	7.1	0.3	-1.6%	15.6%	
11 – 12	–	44	44	17.5	0.4	44	16.8	0.4	39	18.8	0.5	36	17.3	0.5	38	17.9	0.5	2.1%	20.4%	
13 – 16	–	77	83	70.0	0.8	77	74.7	1.0	78	78.5	1.0	82	88.8	1.1	82	85.6	1.0	4.6%	41.5%	
17 – 22	–	37	12	26.1	2.2	37	70.9	1.9	42	74.7	1.8	43	77.9	1.8	47	92.4	2.0	9.3%	22.0%	

<sup>1</sup> Rand million.

## Expenditure trends

The Trans-Caledon Tunnel Authority's revenue increased from R4.1 billion in 2010/11 to R7.3 billion in 2013/14, as a result of increased construction activities on projects, which led to tariff revenue being received from the department for those projects that had been completed. The increase in construction activities over the same period, particularly for the Olifants River water resource development project, the acid mine drainage

project, the Mokolo-Crocodile water augmentation project and the Mooi-Mgeni transfer scheme, also increased expenditure, from R4.4 billion in 2010/11 to R7.4 billion in 2013/14. Over the medium term, revenue is expected to increase and will be used to invest in capital infrastructure to increase and expand the provision of bulk water and sanitation services

The spending focus over the medium term will be on implementing capital projects, servicing current debts, and appointing consultants services to various projects. Expenditure is expected to grow at a slower rate over the medium term as projects near completion.

The authority had an establishment of 192 approved funded posts, all of which were filled at the end of November 2013. Personnel numbers are expected to remain at this level over the medium term. Increases in spending on compensation of employees over this period provide for inflation related adjustments to personnel costs.

## Umgeni Water

### Mandate and goals

Umgeni Water was established in 1974 to provide water services to six municipalities in its operational area in KwaZulu-Natal. The organisation operates in accordance with the Water Services Act (1997).

The entity's strategic goals over the medium term are to:

- develop strategic partnerships, increase support to customers, improve visibility and be a regional leader in the provision of bulk water and sanitation services
- expand and improve funding collaborations while managing key cost drivers
- remove system constraints and blockages through innovative thinking and improve efficiency of all inputs
- strengthen and develop quality human resources, infrastructure capacity and water resources sustainability to support growth.

### Selected performance indicators

Table 38.31 Umgeni Water

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Debt service ratio per year <sup>1</sup>	Bulk activities	Outcome 9: A responsive, accountable, effective and efficient local government system	3.1	4.5	4.5	5.2	6.4	8.2	8.2
Costs per kilolitre per year <sup>1</sup>	Bulk activities		R2.41	R2.34	R2.96	R4.50	R4.24	R4.49	R4.74
Debtors collection period (days)	Bulk activities		41	30	37	40	41	40	40
Weighted average cost of capital	Bulk activities		9%	9%	9%	9%	10%	10%	10%
Total capital infrastructure expenditure	Bulk activities		R379m	R486m	R643m	R975m	R1 203m	R1 261m	R986m

1. The numbers published in the 2013 ENE were incorrect, hence historical numbers have changed.

### Programmes/activities/objectives

Table 38.32 Umgeni Water

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Administration	338 208	306 901	351 660	380 510		4.0%	22.7%	463 475	399 464	399 464	1.6%	20.5%
Bulk activities	754 115	769 759	959 786	1 163 581		15.6%	59.5%	1 416 333	1 220 722	1 220 722	1.6%	62.7%
Waste water	41 288	49 977	55 138	56 112		10.8%	3.3%	64 683	62 872	60 191	2.4%	3.0%
Other activities	207 368	283 957	319 468	56 112		-35.3%	14.5%	(86 837)	281 521	1 220 722	179.2%	13.8%
<b>Total expense</b>	<b>1 340 979</b>	<b>1 410 594</b>	<b>1 686 051</b>	<b>1 656 314</b>		<b>7.3%</b>	<b>100.0%</b>	<b>1 857 654</b>	<b>1 964 579</b>	<b>2 901 099</b>	<b>20.5%</b>	<b>100.0%</b>

## Expenditure estimates

Table 38.33 Umgeni Water

Statement of financial performance				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	1 769 420	2 001 926	2 159 234	2 353 896	10.0%	100.0%	2 282 036	2 423 529	2 603 454	3.4%	100.0%
Sale of goods and services other than capital assets of which:	1 660 912	1 847 151	2 066 953	2 287 536	11.3%	94.8%	2 231 497	2 389 664	2 587 018	4.2%	98.2%
Sales by market establishment	1 660 912	1 847 151	2 066 953	2 287 536	11.3%	94.8%	2 231 497	2 389 664	2 587 018	4.2%	98.2%
Other non-tax revenue	108 508	154 775	92 281	66 360	-15.1%	5.2%	50 539	33 865	16 436	-37.2%	1.8%
Total revenue	1 769 420	2 001 926	2 159 234	2 353 896	10.0%	100.0%	2 282 036	2 423 529	2 603 454	3.4%	100.0%
Expenses											
Current expenses	1 340 979	1 410 594	1 686 051	1 656 314	7.3%	100.0%	1 857 654	1 964 579	2 901 099	20.5%	100.0%
Compensation of employees	289 127	320 656	371 383	423 457	13.6%	23.0%	463 619	511 062	553 480	9.3%	23.9%
Goods and services	850 526	915 776	1 161 902	1 105 500	9.1%	66.0%	1 215 099	1 278 187	2 069 068	23.2%	67.1%
Depreciation	87 090	89 573	86 876	104 705	6.3%	6.1%	108 280	115 517	216 139	27.3%	6.4%
Interest, dividends and rent on land	114 236	84 589	65 891	22 651	-41.7%	4.9%	70 656	59 813	62 411	40.2%	2.6%
Total expenses	1 340 979	1 410 594	1 686 051	1 656 314	7.3%	100.0%	1 857 654	1 964 579	2 901 099	20.5%	100.0%
Surplus/(Deficit)	428 441	591 332	473 183	697 582	17.6%		424 382	458 950	(297 645)	-175.3%	
Statement of financial position											
Carrying value of assets	2 883 826	3 112 264	3 424 505	4 152 905	12.9%	61.8%	4 984 845	5 678 920	6 548 313	16.4%	80.1%
of which:											
Acquisition of assets	379 284	485 615	566 269	975 994	37.0%	10.8%	1 204 236	1 261 810	986 342	0.4%	16.8%
Investments	1 546 774	1 811 364	2 063 537	1 636 177	1.9%	32.4%	1 075 852	732 466	336 905	-40.9%	14.8%
Inventory	8 857	9 002	9 202	9 411	2.0%	0.2%	9 631	9 863	10 108	2.4%	0.1%
Accrued investment interest	13 866	25 205	14	14	-90.0%	0.2%	14	14	14	-	0.0%
Receivables and prepayments	214 825	205 734	272 140	299 065	11.7%	4.5%	298 458	310 952	334 189	3.8%	4.7%
Cash and cash equivalents	102 091	11 578	1 926	991	-78.7%	0.6%	1 310	2 923	3 604	53.8%	0.0%
Non-current assets held for sale	14 481	13 500	13 500	13 500	-2.3%	0.3%	13 500	13 500	13 500	-	0.2%
Total assets	4 784 720	5 188 647	5 784 824	6 112 063	8.5%	100.0%	6 383 610	6 748 638	7 246 633	5.8%	100.0%
Accumulated surplus/(deficit)	2 073 598	2 664 930	3 138 116	3 480 529	18.8%	51.5%	3 894 912	4 343 862	4 839 261	11.6%	62.3%
Capital and reserves	442 847	442 847	442 847	442 847	-	8.2%	442 847	442 847	442 847	-	6.7%
Borrowings	1 372 793	1 257 137	1 388 372	1 311 321	-1.5%	24.6%	1 181 530	1 047 410	997 209	-8.7%	17.3%
Accrued interest	36 562	34 660	33 684	31 165	-5.2%	0.6%	28 631	26 489	25 220	-6.8%	0.4%
Trade and other payables	558 414	399 121	304 657	299 657	-18.7%	7.4%	289 657	279 657	269 657	-3.5%	4.3%
Provisions	284 857	377 481	464 677	535 987	23.5%	7.5%	537 643	602 438	669 287	7.7%	8.8%
Derivatives financial instruments	15 649	12 471	12 471	10 558	-12.3%	0.2%	8 390	5 935	3 152	-33.2%	0.1%
Total equity and liabilities	4 784 720	5 188 647	5 784 824	6 112 064	8.5%	100.0%	6 383 610	6 748 638	7 246 633	5.8%	100.0%

## Personnel information

Table 38.34 Umgeni Water

Number of posts estimated for 31 March 2014			Number and cost <sup>1</sup> 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 (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	1 075	1 075	844	364.9	0.4	997	414.9	0.4	1 083	454.0	0.4	1 101	500.1	0.5	1 101	541.4	0.5	9.3%	100.0%	
1 – 6	287	287	323	74.1	0.2	244	68.9	0.3	289	75.1	0.3	295	82.3	0.3	295	88.8	0.3	8.8%	26.2%	
7 – 10	672	672	439	217.6	0.5	637	248.2	0.4	678	271.4	0.4	687	298.8	0.4	687	323.2	0.5	9.2%	62.8%	
11 – 12	107	107	72	58.7	0.8	107	86.7	0.8	107	95.2	0.9	110	105.1	1.0	110	114.0	1.0	9.5%	10.1%	
13 – 16	9	9	10	14.5	1.5	9	11.1	1.2	9	12.4	1.4	9	13.9	1.5	9	15.2	1.7	11.1%	0.8%	

1. Rand million.

## Expenditure trends

Umgeni Water's main source of revenue is from the sale of potable bulk water. The significant growth in revenue in 2012/2013 was due to the inclusion of the capital unit charge for Spring Grove Dam, which was charged on behalf of the department and is offset by the related raw water cost. Over the medium term, the

growth in the volume of bulk water sales is expected to be low due to initiatives to reduce and manage demand, thus the projected increases in revenue over the period will be derived mainly from tariff increases.

The spending focus over the medium term will continue to be on maintaining and increasing bulk water services by rolling out the capital infrastructure programme and carrying out maintenance projects on existing infrastructure. The infrastructure projects are partially funded from interest bearing loans, which are expected to increase over the medium term to allow the entity to meet its capital and operating expenditure requirements. This is expected to increase expenditure on interest over the period.

Between 2010/11 and 2013/14, spending on goods and services increased due to: rising raw water costs, which increased in 2012/13 by 221 per cent due to the introduction of the capital unit charge for the Spring Grove Dam; an increase in expenditure on chemicals caused by an increase in the amounts needed to treat poor quality water, and an increase in energy costs, due to a combination of an energy tariff increase and the additional pumping that will be required as new schemes become operational.

The entity had a funded establishment of 1 075 posts, of which 78 were vacant at the end of November 2013. Vacancies are as a result of additional posts created for operational requirements for bulk infrastructure and to operate new schemes, and the board is still in the process of recruiting staff.

## Water trading entity

### Mandate and goals

A water trading account was established in 1983 to separate departmental revenue collected through the sale of bulk water and related services from appropriated funds. The trading account was amended by the Public Finance Management Act (1999), under which it became the water trading entity in 2008. The rationale was to create an entity that would manage the recovery of usage costs to ensure the long term sustainability of South Africa's water resources.

The entity has two components: water resources management and infrastructure management. The water resources management component oversees the management of water quality, conservation and the allocation of water through catchment management agencies. The infrastructure component oversees the operations and maintenance of existing water infrastructure as well as the development of new infrastructure.

The entity's strategic goals over the medium term are to:

- establish appropriate governance structures
- strengthen financial management
- build organisational capacity to ensure that the entity operates economically and efficiently and provides water in an equitable and sustainable manner.

### Selected performance indicators

**Table 38.35 Water Trading Entity**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage of actual billing versus planned billing	Administration	Outcome 12: An efficient, effective and development oriented public service and an empowered and fair, inclusive citizenship	– <sup>1</sup>	92%	99%	100%	100%	100%	100%
Percentage of reduction in outstanding debt over 60 days	Administration		– <sup>1</sup>	15%	35%	36%	40%	50%	60%
Total number of water conveyance projects rehabilitated	Operations, maintenance and refurbishment of national water resources schemes	Outcome 6: An efficient, competitive and responsive infrastructure network	11	2	7	20	32	44	56
Percentage spent on refurbishment and betterment of water resources infrastructure against budget	Operations, maintenance and refurbishment of national water resources schemes		53%	52%	55%	70%	98%	100%	100%

Table 38.35 Water Trading Entity

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage completion on the construction of Olifants River water resources development project phase 2A (De Hoop dam and related infrastructure) as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure	Outcome 6: An efficient, competitive and responsive infrastructure network	72%	86%	95%	99%	100%	— <sup>2</sup>	— <sup>2</sup>
Percentage completion on the construction of Olifants River water resources development project phase 2C (bulk distribution system) as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		3%	5%	18%	50%	80%	95%	100%
Percentage completion on construction of Nwamitwa Dam as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		— <sup>4</sup>	— <sup>4</sup>	5%	10%	15%	30%	50%
Percentage completion on construction of raising Tzaneen Dam as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		— <sup>4</sup>	— <sup>4</sup>	5%	25%	35%	70%	100%
Percentage completion on construction of raising Clanwilliam Dam wall as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		— <sup>3</sup>	1%	8%	20%	58%	80%	90%
Percentage completion on construction of raising Hazelmere Dam wall as outlined in the original and approved project implementation plan	Implementation of new water resources infrastructure		8%	10%	42%	50%	75%	90%	100%
Percentage completion on project plan of Olifants River water resources development project phase 2b (bulk distribution system) as outlined in the original and approved project implementation plan	Bulk water supply to strategic users		— <sup>5</sup>	— <sup>5</sup>	— <sup>5</sup>	— <sup>5</sup>	5%	10%	20%
Percentage completion on project plan of Olifants River water resources development project phase 2d (bulk distribution system) as outlined in the original and approved project implementation plan	Bulk water supply to strategic users		— <sup>5</sup>	— <sup>5</sup>	— <sup>5</sup>	— <sup>5</sup>	5%	40%	90%
Percentage completion on construction of phase 1 of Mokolo River augmentation as outlined in the original and approved project implementation plan	Bulk water supply to strategic users		10%	12%	36%	60%	90%	95%	100%
Percentage completion on project plan of phase 2A of Mokolo River augmentation as outlined in the original and approved project implementation plan	Bulk water supply to strategic users		— <sup>5</sup>	— <sup>5</sup>	— <sup>5</sup>	— <sup>5</sup>	5%	10%	20%
Total number of dam safety rehabilitation projects completed	Implementation of dam safety projects		25	30	35	39	45	49	55

1. This indicator was measured from 2011/12.

2. Project is expected to be completed by 2014/15.

3. Project construction began in 2011/12.

4. Project construction began in 2012/13.

5. Project construction expected to begin in 2014/15.

## Programmes/activities/objectives

Table 38.36 Water Trading Entity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	314 586	331 143	474 254	369 486	5.5%	5.1%	362 837	432 659	454 292	7.1%	5.1%
Implementation of water resources management activities	391 662	348 574	499 218	477 823	6.9%	5.8%	524 174	571 179	660 089	11.4%	7.0%
Operations, maintenance and refurbishment of national water resources schemes	1 039 189	676 701	969 151	1 062 938	0.8%	12.7%	1 043 810	1 175 004	1 233 754	5.1%	14.1%
Implementation of new water resources infrastructure	3 810 996	3 671 715	5 258 524	5 086 227	10.1%	60.3%	4 916 148	4 614 636	4 540 108	-3.7%	60.1%
Bulk water supply to strategic users	1 016 607	754 767	1 080 956	786 114	-8.2%	12.4%	771 967	845 141	887 398	4.1%	10.3%
Implementation of dam safety projects	268 494	238 956	342 226	200 000	-9.4%	3.6%	220 000	315 789	350 877	20.6%	3.4%
<b>Total expense</b>	<b>6 841 534</b>	<b>6 021 856</b>	<b>8 624 330</b>	<b>7 982 589</b>	<b>5.3%</b>	<b>100.0%</b>	<b>7 838 935</b>	<b>7 954 407</b>	<b>8 126 518</b>	<b>0.6%</b>	<b>100.0%</b>

## Expenditure estimates

Table 38.37 Water Trading Entity

Statement of financial performance				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	Audited outcome			2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand	2010/11	2011/12	2012/13								
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>4 739 965</b>	<b>6 251 496</b>	<b>7 343 686</b>	<b>7 711 665</b>	17.6%	76.9%	<b>7 942 513</b>	<b>8 317 531</b>	<b>8 757 732</b>	4.3%	75.0%
Sale of goods and services other than capital assets	4 661 572	6 207 009	7 310 522	7 655 351	18.0%	76.2%	7 882 820	8 254 853	8 691 733	4.3%	74.4%
of which:											
Sales of bulk water	4 661 572	6 207 009	7 310 522	7 655 351	18.0%	76.2%	7 882 820	8 254 853	8 691 733	4.3%	74.4%
Other non-tax revenue	78 393	44 487	33 164	56 314	-10.4%	0.7%	59 693	62 678	65 999	5.4%	0.6%
<b>Transfers received</b>	<b>1 805 628</b>	<b>1 934 449</b>	<b>1 817 102</b>	<b>2 085 265</b>	<b>4.9%</b>	<b>23.1%</b>	<b>2 410 661</b>	<b>3 165 439</b>	<b>3 396 879</b>	<b>17.7%</b>	<b>25.0%</b>
<b>Total revenue</b>	<b>6 545 593</b>	<b>8 185 945</b>	<b>9 160 788</b>	<b>9 796 930</b>	<b>14.4%</b>	<b>100.0%</b>	<b>10 353 174</b>	<b>11 482 969</b>	<b>12 154 611</b>	<b>7.5%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>6 841 534</b>	<b>6 021 857</b>	<b>8 624 329</b>	<b>7 982 589</b>	<b>5.3%</b>	<b>100.0%</b>	<b>7 838 935</b>	<b>7 954 407</b>	<b>8 126 518</b>	<b>0.6%</b>	<b>100.0%</b>
Compensation of employees	579 282	618 916	616 488	909 426	16.2%	9.3%	944 351	979 345	1 000 581	3.2%	12.0%
Goods and services	3 272 964	2 557 194	3 377 266	2 531 264	-8.2%	40.3%	2 683 425	2 699 347	2 757 881	2.9%	33.5%
Depreciation	1 412 199	1 599 266	2 994 743	2 372 022	18.9%	27.9%	2 463 118	2 554 389	2 609 780	3.2%	31.3%
Interest, dividends and rent on land	1 577 089	1 246 482	1 635 831	2 169 876	11.2%	22.5%	1 748 042	1 721 326	1 758 276	-6.8%	23.2%
<b>Total expenses</b>	<b>6 841 534</b>	<b>6 021 857</b>	<b>8 624 329</b>	<b>7 982 589</b>	<b>5.3%</b>	<b>100.0%</b>	<b>7 838 935</b>	<b>7 954 407</b>	<b>8 126 518</b>	<b>0.6%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(295 941)</b>	<b>2 164 088</b>	<b>536 459</b>	<b>1 814 342</b>	<b>-283.0%</b>		<b>2 514 239</b>	<b>3 528 562</b>	<b>4 028 093</b>	<b>30.5%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	89 061 096	88 567 155	88 244 011	98 783 580	3.5%	94.8%	103 681 893	107 554 907	113 255 317	4.7%	95.5%
of which:											
Acquisition of assets	1 790 119	1 305 085	1 045 350	2 183 145	6.8%	1.6%	2 599 470	2 610 158	3 904 287	21.4%	2.5%
Inventory	163 363	168 377	80 957	185 282	4.3%	0.2%	194 361	203 885	214 691	5.0%	0.2%
Receivables and prepayments	2 758 524	3 417 048	4 068 167	2 478 450	-3.5%	3.3%	2 599 894	2 727 289	2 871 835	5.0%	2.4%
Cash and cash equivalents	1 021 986	1 488 681	2 094 920	1 885 428	22.6%	1.7%	1 720 053	2 346 559	2 470 927	9.4%	1.9%
<b>Total assets</b>	<b>93 004 969</b>	<b>93 641 261</b>	<b>94 488 055</b>	<b>103 332 741</b>	<b>3.6%</b>	<b>100.0%</b>	<b>108 196 202</b>	<b>112 832 640</b>	<b>118 812 770</b>	<b>4.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	60 818 229	62 691 207	63 252 691	69 243 792	4.4%	66.6%	72 436 894	76 669 709	80 733 204	5.3%	67.5%
Capital and reserves	286 557	272 519	247 493	300 166	1.6%	0.3%	314 874	330 303	347 809	5.0%	0.3%
Borrowings	29 780 887	29 904 341	30 068 331	32 963 832	3.4%	31.9%	34 579 060	34 924 850	36 775 868	3.7%	31.4%
Finance lease	9 318	14 011	8 539	15 432	18.3%	0.0%	16 189	16 982	17 882	5.0%	0.0%
Trade and other payables	661 585	576 179	755 438	637 339	-1.2%	0.7%	668 568	701 328	738 498	5.0%	0.6%
Provisions	475 658	183 002	155 562	172 180	-28.7%	0.3%	180 617	189 467	199 509	5.0%	0.2%
Derivatives financial instruments	972 735	-	-	-	-100.0%	0.3%	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>93 004 969</b>	<b>93 641 259</b>	<b>94 488 054</b>	<b>103 332 741</b>	<b>3.6%</b>	<b>100.0%</b>	<b>108 196 202</b>	<b>112 832 640</b>	<b>118 812 770</b>	<b>4.8%</b>	<b>100.0%</b>

## Personnel information

**Table 38.38 Water Trading Entity**

Number of posts estimated for 31 March 2014			Number and cost <sup>1</sup> 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 (%)	Salary level/total: Average (%)			
							2012/13			2013/14			2014/15			2015/16					2016/17		
							Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Salary level	4 205	4 205	3 710	616.5	0.2	3 694	909.4	0.2	4 205	944.4	0.2	4 205	979.3	0.2	4 205	1 000.6	0.2	3.2%	100.0%				
1 – 6	2 293	2 293	2 038	164.3	0.1	2 079	254.6	0.1	2 293	264.4	0.1	2 293	274.2	0.1	2 293	280.1	0.1	3.2%	55.0%				
7 – 10	1 419	1 419	1 291	237.0	0.2	1 217	373.6	0.3	1 419	388.0	0.3	1 419	402.4	0.3	1 419	411.1	0.3	3.2%	33.5%				
11 – 12	350	350	361	195.8	0.5	284	172.4	0.6	350	179.0	0.5	350	185.7	0.5	350	189.7	0.5	3.2%	8.2%				
13 – 16	143	143	20	19.4	1.0	114	108.7	1.0	143	112.9	0.8	143	117.1	0.8	143	119.6	0.8	3.2%	3.3%				

1. Rand million.

## Expenditure trends

The water trading entity generates revenue from raw water charges and transfers received from the department. Between 2010/11 and 2013/14, revenue increases relate to the annual tariff adjustment, the increase in the sale of raw water and related services, and the significant increase in transfers the entity has received from the department. Over the medium term, total revenue is expected to increase due to the completion of dams and bulk distribution systems, increasing the availability of water and, as a result, the amount of water sold.

The spending focus over the medium term is on the development of new water infrastructure and the operation, maintenance and refurbishment of existing water resources infrastructure. To this end, the entity expects to implement phases 2B, 2C and 2D of the Olifants River water resources development project in the implementation of new water infrastructure and the operations and maintenance programmes. Expenditure on new water infrastructure is expected to be fast track the raising of the Tzaneen, Clanwilliam and Hazelmere dam walls, and phase 1 and 2 of the Mokolo augmentation project, which is set to increase the value of assets on the entity's balance sheet to R118.8 billion in 2016/17.

The entity also plans to implement a recovery plan to reduce the backlog in the operation and maintenance of the national water infrastructure. This will be done through comprehensive programmes for dam safety, and the rehabilitation and refurbishment of all water related infrastructure, including reservoirs, canals, weirs, pipelines and wastewater treatment works.

Between 2010/11 and 2013/14, spending on goods and services increased mainly due to expenditure on contractors, and repairs and maintenance relating to the provision and the operation of water infrastructure. The decrease in expenditure on goods and services in 2013/14 is as a result of the impairment on financial assets. Over the medium term, expenditure on interest, dividends and rent on land is expected to increase due to higher royalty fees to be paid to the government of Lesotho for water delivered to South Africa, and the payment of interest on debt not capitalised during construction projects.

The slight decline in spending on compensation of employees between 2011/12 and 2012/13 was due to a delay in the filling of vacant posts as a business engineering review processes was under way. Once the process was completed, expenditure on compensation of employees increased by 47.5 per cent between 2012/13 and 2013/14 as the entity filled vacant technical positions. At the end of November 2013, there were 511 vacancies on the entity's approved establishment of 4 205 posts. These vacancies are set to be filled over the medium term through in-house training and recruitment. Consultants are mainly used as required for project and contract management, engineering design and services, and construction monitoring.

## Breede-Overberg Catchment Management Agency

### Mandate and goals

The Breede-Overberg Catchment Management Agency was established in 2005 in terms of the National Water Act (1998) and is classified as a schedule 3A entity under the Public Finance Management Act (1999). The agency plays a key role in the use, protection, and development of water resources in the Breede-Overberg water management area. The agency aims to ensure that water is used and managed to support equitable and

sustainable socioeconomic transformation and development. It thus plays a central coordinating role in relation to water use, linking national, provincial and local government as well as a host of sector partners and stakeholders.

The agency's strategic goals over the medium term are to:

- provide water resource planning and water use management
- facilitate institutional engagement
- ensure water allocation reform and resource protection
- provide information systems and strategic support in the areas of finance, human resources, public relations, communications and administration.

## Selected performance indicators

**Table 38.39 Breede-Overberg Catchment Management Agency: Information**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of water registrations finalised per year <sup>1</sup>	Water projects	20	48	150	600 <sup>1</sup>	500	500	500

1. The increase from this year is to assist the Department of Water Affairs with the backlog, which is expected to decrease slightly over the medium term.

## Programmes/activities/objectives

**Table 38.40 Breede-Overberg catchment management agency**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Administration	6 940	7 596	9 574	9 925	12.7%	44.9%	10 138	10 730	12 263	7.3%	40.8%
Water projects	4 744	7 013	11 033	11 509	34.4%	43.2%	11 756	12 442	14 219	7.3%	47.3%
Public participation	1 850	1 611	2 847	2 908	16.3%	11.9%	2 970	3 143	3 592	7.3%	11.9%
<b>Total expense</b>	<b>13 534</b>	<b>16 220</b>	<b>23 454</b>	<b>24 342</b>	<b>21.6%</b>	<b>100.0%</b>	<b>24 864</b>	<b>26 315</b>	<b>30 074</b>	<b>7.3%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 38.41 Breede-Overberg catchment management agency**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>427</b>	<b>507</b>	<b>424</b>	<b>300</b>	-11.1%	2.1%	<b>241</b>	<b>250</b>	<b>250</b>	-5.9%	1.0%
Other non-tax revenue	427	507	424	300	-11.1%	2.1%	241	250	250	-5.9%	1.0%
<b>Transfers received</b>	<b>17 435</b>	<b>18 093</b>	<b>19 000</b>	<b>24 042</b>	<b>11.3%</b>	<b>97.9%</b>	<b>24 623</b>	<b>26 065</b>	<b>29 824</b>	<b>7.4%</b>	<b>99.0%</b>
<b>Total revenue</b>	<b>17 862</b>	<b>18 600</b>	<b>19 424</b>	<b>24 342</b>	<b>10.9%</b>	<b>100.0%</b>	<b>24 864</b>	<b>26 315</b>	<b>30 074</b>	<b>7.3%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>13 534</b>	<b>16 285</b>	<b>23 473</b>	<b>24 342</b>	<b>21.6%</b>	<b>100.0%</b>	<b>24 864</b>	<b>26 315</b>	<b>30 074</b>	<b>7.3%</b>	<b>100.0%</b>
Compensation of employees	6 000	6 812	10 530	12 670	28.3%	45.8%	12 942	13 697	15 654	7.3%	52.1%
Goods and services	7 004	8 596	12 083	10 822	15.6%	50.1%	11 054	11 699	13 370	7.3%	44.5%
Depreciation	530	877	860	850	17.1%	4.1%	868	919	1 050	7.3%	3.5%
<b>Total expenses</b>	<b>13 534</b>	<b>16 285</b>	<b>23 473</b>	<b>24 342</b>	<b>21.6%</b>	<b>100.0%</b>	<b>24 864</b>	<b>26 315</b>	<b>30 074</b>	<b>7.3%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>4 328</b>	<b>2 315</b>	<b>(4 049)</b>	<b>-</b>	<b>-100.0%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Statement of financial position</b>											
Carrying value of assets	2 090	1 729	1 403	1 713	-6.4%	16.2%	2 122	2 987	2 987	20.4%	19.0%
of which:											
Acquisition of assets	937	542	532	400	-24.7%	5.7%	409	424	463	5.0%	3.3%
Receivables and prepayments	35	35	90	35	-	0.5%	35	35	35	-	0.3%
Cash and cash equivalents	7 953	10 698	7 734	9 836	7.3%	83.4%	10 476	10 461	10 422	1.9%	80.7%
<b>Total assets</b>	<b>10 078</b>	<b>12 462</b>	<b>9 227</b>	<b>11 584</b>	<b>4.8%</b>	<b>100.0%</b>	<b>12 633</b>	<b>13 483</b>	<b>13 444</b>	<b>5.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	8 968	11 348	7 318	10 218	4.4%	86.9%	10 196	10 587	10 085	-0.4%	80.6%
Trade and other payables	881	1 087	1 664	1 329	14.7%	11.7%	1 837	2 174	2 637	25.7%	15.4%
Provisions	229	27	245	37	-45.5%	1.4%	600	722	722	169.0%	3.9%
<b>Total equity and liabilities</b>	<b>10 078</b>	<b>12 462</b>	<b>9 227</b>	<b>11 584</b>	<b>4.8%</b>	<b>100.0%</b>	<b>12 633</b>	<b>13 483</b>	<b>13 444</b>	<b>5.1%</b>	<b>100.0%</b>



## Personnel information

**Table 38.42 Breede-Overberg catchment management agency**

Number of posts estimated for 31 March 2014			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number	
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15			2015/16					2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	
			26	10.5	0.4	36	12.7	0.4	36	12.9	0.4	36	13.7	0.4	43		15.7	0.4	7.3%
1 – 6	2	2	1	0.1	0.1	2	0.5	0.2	2	0.3	0.1	2	0.3	0.1	2	0.3	0.1	-15.3%	5.3%
7 – 10	21	21	13	2.8	0.2	21	4.8	0.2	21	4.8	0.2	21	5.1	0.2	27	6.6	0.2	11.4%	59.4%
11 – 12	8	8	6	2.3	0.4	8	3.0	0.4	8	3.3	0.4	8	3.5	0.4	9	3.9	0.4	9.3%	21.9%
13 – 16	5	5	6	5.3	0.9	5	4.4	0.9	5	4.5	0.9	5	4.8	1.0	5	4.8	1.0	3.1%	13.3%

<sup>1</sup>. Rand million.

## Expenditure trends

The Breede-Overberg Catchment Management Agency's only source of funding is a direct grant from the department. Revenue is currently received from the department as seed funding and this will continue until a billing process is in place. Relevant policies and procedures will be developed as soon as the approval for transfer of the responsibility for the billing process has been given.

The spending focus over the medium term will be on verifying existing lawful water use and allocation plans, monitoring water quality, managing water resources and finalising delayed projects. This expenditure will mainly be incurred on the water projects programme. The number of personnel is expected to increase from 36 in 2013/14 to 43 in 2016/17, mainly due to the filling of critical vacant posts in the operations divisions required to fulfil the agency's functions. In addition to the projected increasing personnel numbers, growth in expenditure on compensation of employees over the same period will also be driven largely by improvements in conditions of service. Spending on consultants is expected to remain constant in relation to outsourced corporate services and vary with respect to projects undertaken over the medium term.

## Inkomati Catchment Management Agency

### Mandate and goals

The Inkomati Catchment Management Agency was established in terms of the National Water Act (1998) and is classified as a schedule 3A public entity. The agency plays a key role in the use, protection, and development of water resources in the Inkomati water management area. The agency aims to ensure that water is used and managed to support equitable and sustainable socioeconomic transformation and development. It thus plays a central coordinating role in relation to water use, linking national, provincial and local government as well as a host of sector partners and stakeholders.

The agency's strategic goals over the medium term are to:

- ensure effective, efficient and sustainable management of water resources
- ensure collaborative and co-ordinated integrated water resource management for prudent socioeconomic development
- promote and pursue an international developmental agenda
- promote knowledge generation and distribution
- ensure effective and efficient management of internal resources.

## Selected performance indicators

**Table 38.43 Inkomati catchment management agency**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of licence applications processed and recommended to the Department of Water Affairs per year	Ensure effective, efficient and sustainable management of water resources	Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all	12	12	8	8	8	8	8

## Programmes/activities/objectives

**Table 38.44 Inkomati catchment management agency**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Administration	9 253	13 990	18 160	21 847	33.2%	51.4%	24 294	25 743	27 278	7.7%	46.9%
Management of water resources	978	2 703	5 801	7 266	95.1%	11.9%	1 726	1 519	1 601	-39.6%	6.1%
Integrated water resource management	1 792	5 937	6 836	4 195	32.8%	15.2%	7 106	3 238	3 433	-6.5%	8.5%
International developmental agenda	—	—	—	6 151	—	3.3%	7 160	7 255	7 686	7.7%	13.3%
Knowledge generation and distribution	4 105	4 921	4 949	6 409	16.0%	17.7%	5 903	6 267	6 654	1.3%	12.0%
Management of water resources	—	—	—	851	—	0.5%	8 695	9 367	9 959	127.0%	13.2%
<b>Total expense</b>	<b>16 128</b>	<b>27 551</b>	<b>35 746</b>	<b>46 719</b>	<b>42.6%</b>	<b>100.0%</b>	<b>54 884</b>	<b>53 389</b>	<b>56 611</b>	<b>6.6%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 38.45 Inkomati catchment management agency**

Statement of financial performance					Average growth rate (%)	Expenditure/total: Average (%)				Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome				Revised estimate			Medium-term estimate				
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	–	588	909	23 401	–	13.8%	23 974	25 413	26 938	4.8%	45.4%
Sale of goods and services other than capital assets	–	–	–	12 357	–	6.6%	22 265	23 601	25 017	26.5%	37.1%
of which:											
Administrative fees	–	–	–	12 357	–	6.6%	22 265	23 601	25 017	26.5%	37.1%
Other non-tax revenue	–	588	909	11 044	–	7.3%	1 709	1 812	1 921	-44.2%	8.2%
Transfers received	28 193	34 767	22 327	23 625	-5.7%	86.2%	30 910	32 332	34 272	13.2%	54.6%
Total revenue	28 193	35 355	23 236	47 026	18.6%	100.0%	54 884	57 745	61 210	9.2%	100.0%
Expenses											
Current expenses	16 128	27 551	35 746	46 719	42.6%	100.0%	54 884	53 389	56 611	6.6%	100.0%
Compensation of employees	8 406	10 892	14 088	24 306	42.5%	45.8%	30 448	33 732	35 886	13.9%	58.5%
Goods and services	7 267	16 011	20 562	22 413	45.6%	52.2%	24 436	19 657	20 725	-2.6%	41.5%
Depreciation	455	648	1 096	–	-100.0%	2.1%	–	–	–	–	–
Total expenses	16 128	27 551	35 746	46 719	42.6%	100.0%	54 884	53 389	56 611	6.6%	100.0%
Surplus/(Deficit)	12 065	7 804	(12 510)	307	-70.6%		–	4 356	4 599	146.5%	
Carrying value of assets	1 487	2 538	2 818	5 643	56.0%	12.4%	6 876	8 177	8 493	14.6%	24.2%
of which:											
Acquisition of assets	1 349	1 699	1 376	290	-40.1%	5.2%	284	300	316	2.9%	1.0%
Investments	–	196	196	196	–	0.6%	196	196	196	–	0.7%
Receivables and prepayments	73	125	440	139	23.9%	0.9%	146	154	162	5.2%	0.5%
Cash and cash equivalents	18 119	27 224	15 338	24 164	10.1%	86.1%	22 628	21 578	21 482	-3.8%	74.6%
Total assets	19 679	30 083	18 792	30 142	15.3%	100.0%	29 846	30 105	30 333	0.2%	100.0%
Accumulated surplus/(deficit)	18 171	25 975	13 465	25 975	12.6%	84.1%	25 975	25 975	25 975	–	86.3%
Capital and reserves	–	–	–	50	–	0.0%	75	101	107	28.9%	0.3%
Borrowings	118	109	333	91	-8.3%	0.8%	82	73	77	-5.4%	0.3%
Trade and other payables	1 014	3 604	4 484	3 593	52.5%	13.2%	3 262	3 485	3 677	0.8%	11.6%
Provisions	376	395	510	433	4.8%	1.8%	452	471	497	4.7%	1.5%
Total equity and liabilities	19 679	30 083	18 792	30 142	15.3%	100.0%	29 846	30 105	30 333	0.2%	100.0%

## Personnel information

**Table 38.46 Inkomati catchment management agency**

Number of posts estimated for 31 March 2014			Number and cost <sup>1</sup> 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 (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
		Salary level																	
1 – 6	53	58	36	14.1	0.4	46	24.3	0.5	58	30.4	0.5	58	33.7	0.6	58	35.9	0.6	13.9%	100.0%
7 – 10	4	5	2	0.1	0.0	4	0.4	0.1	5	0.5	0.1	5	0.6	0.1	5	0.7	0.1	16.9%	8.6%
11 – 12	16	18	16	4.3	0.3	15	4.2	0.3	18	5.3	0.3	18	5.8	0.3	18	6.2	0.3	13.4%	31.4%
13 – 16	17	18	10	3.0	0.3	12	5.7	0.5	18	8.8	0.5	18	9.8	0.5	18	10.4	0.6	22.2%	29.8%
	16	17	8	6.7	0.8	15	14.0	0.9	17	15.9	0.9	17	17.5	1.0	17	18.7	1.1	10.1%	30.1%

1. Rand million.

## Expenditure trends

Inkomati catchment management agency's funding is derived in the form of a direct grant from the department. Revenue is currently received from the department as seed funding and this will continue until a billing process is in place. Relevant policies and procedures will be developed as soon as the department approves the delegation of responsibility for the billing process.

The spending focus over the medium term will be on verifying existing lawful water use and allocation plans, monitoring water quality, managing water resource, and finalising delayed projects. The agency has a funded establishment of 53 posts, of which 46 were filled and 7 were vacant in 2013/14. The vacancies are set to be filled in 2014/15 as the recruitment process is completed. In addition to the projected increase in personnel numbers, growth in expenditure on compensation of employees over the medium term will also be driven largely by improvements to conditions of service.

## Water Research Commission

### Mandate and goals

The Water Research Commission was established in terms of the Water Research Act (1971) and is listed as a schedule 3A public entity. The commission's mandate is to conduct research on water by determining needs and priorities for research, stimulating and funding water research, promoting the effective transfer of information and technology, and enhancing knowledge and capacity building in the water sector. Research is informed by government policies, needs, and international trends.

The commission's strategic goals over the medium term are to focus on research projects in the following four areas: water resources management, which pays particular attention to research projects on water resources assessments and development, impacts on water resources, the protection of water resources, and policy and institutional arrangements; water linked ecosystems, which focuses on ecosystem processes, ecosystem management and use, and ecosystem rehabilitation; water use and waste management, which investigates water services, water supply and treatment technology, sustainable municipal wastewater management and sanitation, industrial and mine water management and sanitation, and health and hygiene; and water utilisation in agriculture, which pays particular attention to fostering water efficient production methods, wood and timber production, poverty reduction and wealth creation, and resource protection and reclamation.

## Selected performance indicators

**Table 38.47 Water Research Commission**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Number of research projects managed per year	Knowledge management	Outcome 10: Environmental assets	328	330	305	345	350	355	306
Research ratio (measured as research funding and support as a percentage of total income)	Financial management	and natural resources protected and continually enhanced	73%	74%	74%	75%	75%	75%	75%

**Table 38.47 Water Research Commission**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of students financially supported (including historically disadvantaged students)	Knowledge management	Outcome 10: Environmental assets and natural resources protected and continually enhanced	400	506	494	400	400	400	400
Number of historically disadvantaged students financially supported each year	Knowledge management		240	240	267	240	240	240	240
High quality budget planning and reporting (measured as the percentage of deviation between actual and budget at year-end, target = 10%)	Financial management		7%	6%	4%	10%	10%	10%	10%

## Programmes/activities/objectives

**Table 38.48 Water Research Commission**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17
R thousand											
Administration	27 364	7 690	13 312	16 134	-16.1%	8.9%	16 928	17 724	18 563	4.8%	8.2%
Financial management	7 536	6 960	11 479	7 434	-0.5%	4.5%	7 801	8 233	8 314	3.8%	3.8%
Water resource management	42 261	47 828	48 617	44 771	1.9%	24.6%	47 018	49 345	51 791	5.0%	22.9%
Water use and waste management	34 564	49 937	46 937	50 968	13.8%	24.4%	56 330	57 731	59 486	5.3%	26.6%
Water linked ecosystems	22 120	26 675	29 614	24 633	3.7%	13.8%	26 042	27 517	29 074	5.7%	12.7%
Water use in agriculture	22 670	31 230	35 120	34 791	15.3%	16.5%	36 396	38 367	40 446	5.1%	17.8%
Knowledge management	11 135	14 202	13 584	15 939	12.7%	7.3%	16 705	17 474	18 284	4.7%	8.1%
<b>Total expense</b>	<b>167 650</b>	<b>184 522</b>	<b>198 663</b>	<b>194 670</b>	<b>5.1%</b>	<b>100.0%</b>	<b>207 220</b>	<b>216 391</b>	<b>225 958</b>	<b>5.1%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 38.49 Water Research Commission**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17
R thousand											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>161 416</b>	<b>180 727</b>	<b>191 574</b>	<b>194 670</b>	<b>6.4%</b>	<b>100.0%</b>	<b>207 220</b>	<b>216 391</b>	<b>225 958</b>	<b>5.1%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	157 569	176 497	187 977	189 060	6.3%	97.6%	201 498	210 554	220 004	5.2%	97.3%
of which:											
Water Research Levies	157 569	176 497	187 977	189 060	6.3%	97.6%	201 498	210 554	220 004	5.2%	97.3%
Other non-tax revenue	3 847	4 230	3 597	5 610	13.4%	2.4%	5 722	5 837	5 954	2.0%	2.7%
<b>Total revenue</b>	<b>161 416</b>	<b>180 727</b>	<b>191 574</b>	<b>194 670</b>	<b>6.4%</b>	<b>100.0%</b>	<b>207 220</b>	<b>216 391</b>	<b>225 958</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>167 650</b>	<b>184 522</b>	<b>198 663</b>	<b>194 670</b>	<b>5.1%</b>	<b>100.0%</b>	<b>207 220</b>	<b>216 391</b>	<b>225 958</b>	<b>5.1%</b>	<b>100.0%</b>
Compensation of employees	44 926	33 235	35 332	37 485	-5.9%	20.5%	39 916	42 304	44 835	6.1%	19.5%
Goods and services	121 408	150 004	161 949	156 048	8.7%	78.8%	166 177	172 906	179 901	4.9%	80.0%
Depreciation	1 070	1 084	1 204	940	-4.2%	0.6%	920	964	994	1.9%	0.5%
Interest, dividends and rent on land	246	199	178	197	-7.1%	0.1%	207	217	228	5.0%	0.1%
<b>Total expenses</b>	<b>167 650</b>	<b>184 522</b>	<b>198 663</b>	<b>194 670</b>	<b>5.1%</b>	<b>100.0%</b>	<b>207 220</b>	<b>216 391</b>	<b>225 958</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(6 234)</b>	<b>(3 795)</b>	<b>(7 089)</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>											
Carrying value of assets	14 274	13 584	14 078	15 134	2.0%	10.0%	15 806	15 454	16 100	2.1%	11.3%
of which:											
Acquisition of assets	821	439	1 780	574	-11.2%	0.6%	592	612	633	3.3%	0.4%
Investments	6 626	7 713	9 223	9 900	14.3%	5.8%	10 500	11 000	11 500	5.1%	7.8%
Receivables and prepayments	23 473	32 277	36 523	36 194	15.5%	22.4%	35 300	36 300	37 200	0.9%	26.3%
Cash and cash equivalents	96 774	93 040	85 339	78 734	-6.6%	61.8%	75 016	73 624	73 000	-2.5%	54.5%
<b>Total assets</b>	<b>141 147</b>	<b>146 614</b>	<b>145 163</b>	<b>139 962</b>	<b>-0.3%</b>	<b>100.0%</b>	<b>136 622</b>	<b>136 378</b>	<b>137 800</b>	<b>-0.5%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	70 132	66 337	78 705	78 705	3.9%	51.3%	78 705	78 705	78 705	-	57.2%
Capital and reserves	24 404	25 347	7 357	7 857	-31.5%	11.3%	8 300	8 600	8 900	4.2%	6.1%
Finance lease	1 316	747	1 226	1 400	2.1%	0.8%	1 200	1 200	1 200	-5.0%	0.9%
Trade and other payables	38 399	47 191	47 302	43 000	3.8%	30.7%	41 017	40 473	41 595	-1.1%	30.2%
Provisions	6 896	6 992	10 573	9 000	9.3%	5.8%	7 400	7 400	7 400	-6.3%	5.7%
<b>Total equity and liabilities</b>	<b>141 147</b>	<b>146 614</b>	<b>145 163</b>	<b>139 962</b>	<b>-0.3%</b>	<b>100.0%</b>	<b>136 622</b>	<b>136 378</b>	<b>137 800</b>	<b>-0.5%</b>	<b>100.0%</b>

## Personnel information

**Table 38.50 Water Research Commission**

Number of posts estimated for 31 March 2014		Number and cost <sup>1</sup> 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 (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	59	59	58	35.3	0.6	59	37.5	0.6	59	39.9	0.7	59	42.3	0.7	59	44.8	0.8	6.1%	100.0%
1 – 6	5	5	5	0.6	0.1	5	0.8	0.2	5	0.8	0.2	5	0.9	0.2	5	0.9	0.2	5.7%	8.5%
7 – 10	13	13	13	3.6	0.3	13	3.7	0.3	13	3.9	0.3	13	4.1	0.3	13	4.3	0.3	5.7%	22.0%
11 – 12	21	21	21	10.1	0.5	21	10.2	0.5	21	10.7	0.5	21	11.3	0.5	21	12.0	0.6	5.7%	35.6%
13 – 16	19	19	18	19.3	1.1	19	21.0	1.1	19	22.5	1.2	19	23.9	1.3	19	25.4	1.3	6.5%	32.2%
17 – 22	1	1	1	1.8	1.8	1	1.9	1.9	1	2.0	2.0	1	2.1	2.1	1	2.2	2.2	5.7%	1.7%

1. Rand million.

## Expenditure trends

The Water Research Commission has two primary sources of income: the water research levy, receivable in terms of the Water Research Act, 1971; and leverage income, which is from research commissioned by clients. The water research levy accounts for approximately 98.1 per cent of total revenue in 2012/13. Total revenue increased from 2010/11 to 2013/14, at an average annual rate of 6.4 per cent, and is expected to increase at an average annual rate of 5.1 per cent over the medium term due to levy increases.

The spending focus over the medium term will be on funding research activities through expenditure in goods and services and compensation of employees. These activities are multi-year in nature and may take up to three years to complete, which is why expenditure increases at 5.1 per cent across the seven-year period.

Between 2010/11 and 2013/14, spending on compensation of employees decreased from R44.9 million to R37.5 million as the 2010/11 figure included the once-off buy-out of post-retirement medical aid liability of R12.4 million. Over the medium term, spending on compensation of employees is expected to increase, mainly to provide for inflation adjustments as personnel numbers are expected to remain constant over this period. The commission had a funded establishment of 59 posts, all of which were filled as at 30 November 2013.

## Komati River Basin Water Authority

### Mandate and goals

The Komati River Basin Water Authority was established in terms of a treaty between South Africa and Swaziland relating to the water resources of the Komati River Basin. The basin primarily comprises the Driekoppies dam in South Africa, commissioned in 1997, and the Maguga Dam in Swaziland, commissioned in 2002. Water users in South Africa use 54 per cent of the supply, while water users in Swaziland use 46 per cent.

The authority is governed by the Joint Water Commission, whose members are officials from the governments of Swaziland and South Africa. The authority is responsible for financing, developing, operating and maintaining the water resources infrastructure in the Komati River sub basin. With the construction of both dams completed, over the medium term the authority is to focus on operations, including finance and loan administration, and the maintenance of bulk water supply infrastructure.

Including capitalised interest on debt, total capital development costs of the two dams under the control of the authority was R3 billion. In 2012/13, the total volume of water distributed to the two countries was 564.4 million cubic metres. The department transferred R180 million in 2012/13 and R188 million in 2013/14 for the repayment of a loan agreement.

## Additional tables

**Table 38.A Summary of expenditure trends and estimates per programme and economic classification**

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	883 128	865 002	843 367	978 606	–	978 606	958 550
Water Sector Management	618 859	454 287	500 538	516 366	1 000	517 366	530 780
Water Infrastructure Management	2 273 496	2 251 496	2 251 496	2 565 203	–	2 565 203	2 535 203
Regional Implementation and Support	4 896 682	5 283 656	4 935 763	5 982 684	188 591	6 171 275	5 741 275
Water Sector Regulation	114 683	110 243	87 374	118 691	(1 000)	117 691	101 191
International Water Cooperation	25 813	28 478	22 970	25 413	–	25 413	28 555
<b>Total</b>	<b>8 812 661</b>	<b>8 993 162</b>	<b>8 641 508</b>	<b>10 186 963</b>	<b>188 591</b>	<b>10 375 554</b>	<b>9 895 554</b>

  

Economic classification							
<b>Current payments</b>	<b>2 636 027</b>	<b>2 471 209</b>	<b>2 310 634</b>	<b>2 694 701</b>	<b>12 743</b>	<b>2 707 444</b>	<b>2 667 444</b>
Compensation of employees	1 084 183	1 058 264	1 028 549	1 227 209	(45 690)	1 181 519	1 164 605
Goods and services	1 549 939	1 410 504	1 278 579	1 465 389	60 316	1 525 705	1 502 619
Interest and rent on land	1 905	2 441	3 506	2 103	(1 883)	220	220
<b>Transfers and subsidies</b>	<b>2 913 420</b>	<b>2 909 431</b>	<b>2 932 740</b>	<b>3 916 370</b>	<b>1 742</b>	<b>3 918 112</b>	<b>3 678 112</b>
Provinces and municipalities	562 556	562 556	562 848	1 024 029	1 788	1 025 817	815 817
Departmental agencies and accounts	2 144 442	2 140 442	2 109 027	2 431 547	–	2 431 547	2 401 547
Foreign governments and international organisations	180 625	180 625	180 592	188 624	–	188 624	188 624
Public corporations and private enterprises	–	–	49 358	250 000	–	250 000	250 000
Non-profit institutions	–	–	490	–	740	740	740
Households	25 797	25 808	30 425	22 170	(786)	21 384	21 384
<b>Payments for capital assets</b>	<b>3 263 214</b>	<b>3 612 522</b>	<b>3 397 853</b>	<b>3 575 892</b>	<b>174 106</b>	<b>3 749 998</b>	<b>3 549 998</b>
Buildings and other fixed structures	3 171 454	3 512 658	3 321 749	3 475 584	166 493	3 642 077	3 442 077
Machinery and equipment	68 513	84 669	67 195	92 964	7 363	100 327	100 327
Software and other intangible assets	23 247	15 195	8 909	7 344	250	7 594	7 594
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>281</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>8 812 661</b>	<b>8 993 162</b>	<b>8 641 508</b>	<b>10 186 963</b>	<b>188 591</b>	<b>10 375 554</b>	<b>9 895 554</b>

**Table 38.B Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Compensation of employees (R thousand)	905 976	922 832	1 028 549	1 181 519	1 362 942	1 435 925	1 519 496
Training expenditure (R thousand)	56 730	31 200	31 844	30 260	31 832	33 767	35 455
Training spend as percentage of compensation	6.3%	3.4%	3.1%	2.6%	2.3%	2.4%	2.3%
Total number trained (headcount)	194	5 088	–	–			
of which:							
Employees receiving bursaries (headcount)	100	100	192	–			
Learnerships (headcount)	62	–	–	–			
Internships (headcount)	33	–	–	–			
Households receiving bursaries (R thousand)	2 000	11 900	1 200	12 660	13 293	13 904	14 599
Households receiving bursaries (headcount)	145	–	–	–			

**Table 38.C Summary of conditional grants to provinces and municipalities<sup>1</sup>**

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
<b>Conditional grants to municipalities</b>							
<b>Regional Implementation and Support</b>							
Water services operating subsidy grant	664 273	542 345	562 434	420 945	449 558	470 239	495 162
Municipal drought relief	320 357	–	–	–	–	–	–
Drought relief grant	–	450 000	–	–	–	–	–
Municipal water infrastructure grant	–	–	–	602 965	534 150	1 380 205	1 302 002
<b>Total</b>	<b>984 630</b>	<b>992 345</b>	<b>562 434</b>	<b>1 023 910</b>	<b>983 708</b>	<b>1 850 444</b>	<b>1 797 164</b>

1. Detail provided in the Division of Revenue Act (2014).

**Table 38.D Summary of departmental public private partnership projects**

Project description: Fleet Management Service		Project annual unitary fee at time of contract	Budgeted expenditure 2013/14	Medium-term expenditure estimate		
R thousand				2014/15	2015/16	2016/17
<b>Projects signed in terms of Treasury Regulation 16</b>		<b>535 060</b>	<b>94 400</b>	–	–	–
Public private partnership unitary charge <sup>1</sup>		535 060	94 400	–	–	–
<b>Total</b>		<b>535 060</b>	<b>94 400</b>	–	–	–

1. Phavis fleet services public private partnership. Disclosure notes for this project can be viewed in the public private partnership table of the Department of Transport's chapter.

**Disclosure notes for projects signed in terms of Treasury Regulation 16**

Project name	Provisioning of fleet management services to the Department of Transport
Brief description	Monthly hiring of long term and short term vehicles
Date public private partnership agreement was signed	14 November 2006 with Department of Transport
Duration of public private partnership agreement	5 years starting on 14 November 2006
Escalation index for unitary fee	Based on annual consumer price index revised every year on 14 November

Table 38.E Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand													
Foreign													
In cash													
European Union	Water and sanitation services (Masimbambane)	Administration	3 years	1 079 754	Goods and services	Close collaboration with the Department of Cooperative Governance and Traditional Affairs to support delivery. Increased effort by sector partners to fast track procurement, service delivery and build capacity for sustainable services	86 807	256 072	52 843	838	–	–	–
Ireland	Water and sanitation services	Regional Implementation and Support	5 years	237 593	Goods and services	Interactive video to induct new councillors	6 329	–	–	–	–	–	–
Ireland	Specific projects identified by Irish Aid to ensure that sustainable water and sanitation to all citizens is realised	Regional Implementation and Support	5 years	4 832	Goods and services	As decided between Water Research Commission and Irish Aid	–	2 832	2 000	–	–	–	–
In kind													
Japan International Co-operation agency	Assist municipalities in monitoring drinking water by donating instruments and providing training in Tokyo	International Water Cooperation	2 years	1 343	Goods and services	Assist municipalities in monitoring drinking water by donating instruments and providing training in Tokyo (Capacity building for water sector officials)	–	385	846	–	–	–	–
Netherlands	The Facility for Infrastructure Development sanitation and protection project for uMgungundlovu resources	International Water Cooperation	10 years	5 470	Goods and services	Refurbishment and upgrading of sanitation infrastructure throughout the uMgungundlovu district municipality	–	–	6 630	–	–	–	–
Netherlands	The Facility for Infrastructure Development project for water provision and sustainability in uMgungundlovu district municipality	International Water Cooperation	10 years	8 546	Goods and services	Refurbishment and upgrading of water infrastructure throughout the uMgungundlovu district municipality	–	–	8 823	–	–	–	–
Local													
In cash													
African Renaissance	Building of the Metolong Dam in Lesotho	Water Infrastructure Management	3 years	60 000	Foreign governments and international organisations	Increased supply of water from Kimilolo due to increase in size of pumps, change pumps and motors, and general aid	5 000	35 000	20 000	–	–	–	–
African Renaissance	Support to the Katanga province in the Democratic Republic of the Congo in post-conflict reconstruction of the urban water sector	International Water Cooperation	6 years	35 000	Departmental agencies and accounts	Construction of roads and stormwater drainage, water distribution, sewer reticulation and wastewater treatment plant, pedestrian bridge, earthworks and associated works for Metolong Dam and water supply programme operational facility	–	22 000	6 600	–	–	–	–
Total				1 432 538			98 136	316 289	97 742	838	–	–	



**Table 38.F Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
Departmental infrastructure										
Sedibeng bulk regional sewerage scheme: Sebokeng and Meyerton wastewater treatment works	Upgrading existing waste water treatment works	Tender	1 456 000	–	31 298	5 940	140 000	200 000	280 000	250 000
Sedibeng bulk regional sewerage scheme remainder	Construction of new waste water treatment works	Design	2 400 000	18 800	5 244	–	–	40 000	15 000	80 000
OR Tambo Mithatha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Augmenting existing bulk water scheme	Construction	2 705 000	–	614	50 788	200 000	280 000	315 000	300 000
De Hoop: Greater Sekhukhune district municipality regional bulk water and wastewater infrastructure	Construction of new bulk water infrastructure linking the communities with the De Hoop Dam	Feasibility	2 088 000	–	–	–	266 311	364 984	305 500	280 000
Vaal Gamagara scheme	Upgrading existing bulk water scheme	Construction	2 000 000	–	9 415	16 534	30 500	40 000	53 800	135 000
Mogalakwena bulk water supply	Upgrading boreholes and construction of new bulk water scheme	Construction	1 530 000	64 298	80 000	68 428	60 000	84 000	141 500	160 000
Nebo bulk water supply	Construction of new bulk water scheme	Construction	1 350 000	19 432	20 982	24 063	40 000	40 000	80 000	120 000
Magalies water to Waterberg	Construction of new bulk water scheme	Feasibility	1 891 000	–	–	–	–	250	–	–
Nandoni: Pipeline	Water Supply to Vhembe district municipality	Construction	750 000	–	–	735 000	15 000	–	–	–
Ndlambe bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	879 000	–	31 926	12 897	50 000	113 464	80 000	220 000
Mbizana regional bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	780 000	35 864	85 674	121 363	59 300	60 000	49 689	25 000
Westonaria/Randfontein regional bulk wastewater treatment works (Hannes van Niekerk)	Upgrading existing waste water treatment works	Construction	266 000	24 125	44 918	172 137	45 000	–	–	–
Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom)	Construction of new waste water treatment works	Design	621 520	–	–	–	26 000	47 700	–	15 000
Western Highveld regional bulk water supply	Upgrading existing bulk water scheme	Construction	486 000	12 425	30 000	24 173	30 000	50 000	60 000	95 000
Pongolapoort bulk water scheme	Construction of new bulk water scheme	Construction	674 004	–	5 404	58 446	179 017	330 000	90 000	45 000
Greater Mthonjaneni phases 1 to 3 bulk water supply	Construction of new bulk water scheme	Construction	668 849	4 743	22 977	35 736	35 000	150 000	330 000	58 000
Ngcebo regional bulk water supply (iLembe)	Construction of new bulk water scheme	Construction	682 610	12 730	37 300	100 531	80 000	90 000	81 166	160 000
Umgeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	965 000	–	–	43 636	50 000	185 000	300 000	351 000
Umshwathi bulk water supply scheme	Construction of new bulk water scheme	Tender	373 920	–	–	–	–	200 000	–	193 583
Mooihoek/Tubatse bulk water supply	Augmenting existing bulk water scheme	Construction	807 000	13 000	48 000	30 299	35 000	43 000	80 000	110 000
Lebalelo central and north regional water supply	Construction of new bulk water scheme	Feasibility	600 000	–	–	–	–	500	–	–
Makhado West regional bulk water supply	Augmenting existing bulk water scheme	Feasibility	841 000	–	–	–	–	–	–	–
Matoks bulk water supply	Construction of new bulk water scheme	Feasibility	800 000	–	–	–	–	250	–	–

Table 38.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand										
Nwamitwa bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Feasibility	644 000	–	–	–	–	250	–	–
Nzhelele Valley bulk water supply	Construction of new bulk water scheme	Feasibility	600 000	–	–	–	–	750	–	–
Replacement of Namakwa bulk water supply	Upgrading existing bulk water scheme	Construction	530 000	3 373	27 888	12 530	72 200	103 359	160 000	83 000
Madibeng bulk water supply	Upgrading existing bulk water scheme	Construction	500 000	12 806	14 913	1 954	18 000	42 400	50 000	95 215
Taung/Naledi bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	733 754	27 813	136 912	220 016	110 000	95 014	2 147	–
Greater Mamusa bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Design	403 000	–	6 751	6 658	25 000	30 000	60 853	105 055
Piilanesberg north and south bulk water supply	Upgrading of existing bulk water scheme and construction of a new bulk water scheme	Construction	771 320	–	–	13 046	200 000	70 000	94 000	182 000
Chris Hani district municipality bulk water supply, Ncora cluster 4	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	353 914	6 162	16 420	25 193	20 000	54 300	50 000	58 000
Chris Hani district municipality: Ngcobo cluster 6	Construction of new bulk water scheme and spring protection	Construction	324 000	8 308	9 155	32 917	30 000	35 000	10 268	53 000
Xonxa dam water supply to Lukhanji	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	443 998	16 304	11 747	69 762	55 000	58 672	95 235	–
Amatola Water Board: Refurbishment of 6 existing plants and downstream infrastructure	Upgrading existing bulk water scheme	Feasibility	500 000	–	–	–	–	150 000	350 000	–
Nketoana bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	136 000	–	376	1 865	14 000	20 000	30 000	45 000
Sterkfontein dam scheme	Construction of new bulk water scheme	Construction	330 000	40 202	62 379	63 528	32 600	30 896	32 600	55 000
Mhlabatshane bulk water supply	Construction of new bulk water scheme	Construction	483 482	14 014	126 450	21 571	35 000	35 000	18 834	35 000
Greytown regional bulk scheme	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	950 000	28 572	5 579	30 093	31 813	135 000	243 000	–
Middledrift/regional bulk scheme (Phase 1 completed)	Construction of new water treatment works	Construction	431 232	–	26 044	3 319	–	30 000	30 000	80 000
Sinthumule Kutama bulk water augmentation	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	455 000	16 000	39 264	15 000	60 000	25 000	30 000	150 000
Moutse bulk water supply	Upgrading existing water treatment works and construction of new bulk water scheme	Construction	560 000	14 850	23 000	70 180	40 000	48 500	64 500	4 600
Glen Alpine bulk water supply	Construction of new bulk water scheme	Feasibility	345 000	–	–	–	–	500	–	100 000
Lephalale/Eskom: Bulk water augmentation	Augmenting existing bulk water scheme	Feasibility	330 000	–	–	–	–	250	–	70 400
Provincial high catalytic projects (Mutash Hub)	Construction of new bulk water scheme for various purposes	Feasibility	200 000	–	–	269	–	1 500	–	20 217
Tsantsabane bulk water supply and sanitation	Upgrading existing bulk water supply and waste water treatment works	Hand over	313 960	15 333	29 667	–	–	–	–	–
Moretele bulk water supply	Construction of new bulk water scheme	Feasibility	340 000	–	–	–	–	5 000	18 000	41 252
Bojanala regional water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Feasibility	400 000	–	614	904	–	–	–	–
West Coast desalination plant	Construction of a new desalination plant	Design	112 800	–	3 957	6 000	10 000	30 000	30 000	52 000
Empuluzi and Methula bulk water scheme	Upgrading existing bulk water scheme	Design	395 000	–	2 045	5 222	12 000	–	–	10 000
Western Highveld bulk water supply	Construction of new bulk water scheme	Feasibility	257 000	–	2 000	–	10 000	20 000	28 000	31 447

**Table 38.F Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2013/14	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand										
Carolina Silobela bulk water scheme	Construction of new bulk water scheme	Feasibility	200 000	–	–	–	–	–	–	–
Great Letaba River development project: Phases 1 and 4	Water supplied to Mopani district municipality	Construction	560 000	17 100	–	–	–	–	–	–
Graaf-Reinet emergency water supply scheme	Upgrading existing bulk water scheme	Feasibility	29 400	–	–	3 204	10 000	14 400	–	–
Sundays River: Paterson bulk water supply	Upgrading existing water treatment works and construction of new bulk water scheme	Construction	80 210	16 334	13 311	14 140	6 466	–	–	–
Steytlerville water supply scheme	Augmenting existing bulk water scheme	Construction	70 000	–	–	7 000	10 000	20 000	23 808	–
Mncwasa bulk water supply	Construction of new bulk water scheme	Construction	264 188	17 602	16 552	23 591	26 504	34 400	35 000	71 746
Xhora east bulk water supply	Construction of new bulk water scheme	Construction	258 541	4 360	9 621	15 814	25 000	25 000	25 000	81 640
Ibika water supply	Construction of new bulk water scheme	Construction	49 000	11 590	18 530	12 588	5 000	–	–	–
Tsomo water supply	Upgrading existing bulk water scheme	Various	22 250	3 126	–	–	–	–	–	–
Klipplaat rain water harvesting	Rain water harvesting	Various	2 700	2 700	–	–	–	–	–	–
Ikwezi bulk water supply	Upgrading existing bulk water scheme	Feasibility	128 000	–	–	116	–	–	–	–
Kirkwood water treatment works	Upgrading existing bulk water scheme	Feasibility	20 400	–	–	207	–	–	–	10 000
Chris Hani district municipality bulk water supply, Quthubeni (cluster 9)	Construction of new bulk water scheme	Construction	178 360	3 140	23 436	20 961	30 000	58 672	95 234	–
Misgund bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Feasibility	7 000	–	–	59	–	–	–	–
Hofmeyer groundwater supply (Phase 1 completed)	Borehole development to augment existing bulk water scheme	Construction	59 264	4 942	–	2 172	30 024	4 666	–	–
Middelburg groundwater supply	Borehole development to augment existing bulk water scheme	Construction	22 000	4 943	3 408	10 876	–	–	–	–
OR Tambo Mthatha bulk water intervention	Augmenting existing bulk water scheme	Various	10 393	7 144	–	–	–	–	–	–
Coffee Bay bulk water supply	construction of new bulk water scheme	Various	94 000	34 156	15 140	–	–	–	–	–
Matatiele bulk water supply	construction of new bulk water scheme	Design	164 710	400	3 978	1 056	20 000	25 000	–	36 000
Mount Ayliff bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	165 615	–	3 157	32 489	20 000	25 000	–	60 000
Jagersfontein /Fauresmith: bulk water supply Phases 1 to 3	Construction of new bulk water scheme	Construction	250 000	13 280	16 923	4 179	24 900	10 000	15 000	20 000
Mohokare bulk water supply	Construction of new bulk water scheme	Construction	136 000	276	8 094	10 506	23 000	40 000	63 000	–
Masilonyana bulk water supply	Upgrading existing bulk water scheme	Design	130 000	–	494	6 749	17 000	46 000	60 000	72 000
Tokologo regional water supply: Phase 1	Construction of new bulk water scheme	Construction	223 000	6 883	45 997	54 036	32 820	10 000	33 000	25 000
Setsoto bulk water supply	Upgrading existing bulk water scheme	Tender	160 000	–	13 650	9 995	20 000	20 000	20 000	30 000
Dihlabeng bulk water supply	Construction of new bulk water scheme	Construction	96 990	1 318	15 275	33 793	20 580	25 000	21 054	35 000
Phumelela bulk water supply	Construction of new bulk water scheme	Construction	122 972	–	10 692	32 280	20 000	30 000	20 000	–
Moqhaka regional water scheme	Construction of new bulk water scheme	Construction	130 000	684	618	8 000	15 000	15 000	20 000	30 000

**Table 38.F Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand										
Ngwathe bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Hand over	11 300	3 789	5 475	–	–	–	–	–
Ngwathe bulk water supply: Phase 2	Construction of new bulk water scheme	Feasibility	160 000	–	–	–	5 000	14 000	15 000	30 000
Letsemeng-Petrusburg-Koffiefontein bulk water supply	Upgrading existing bulk water scheme	Feasibility	90 000	–	50	364	–	–	–	–
Nala bulk sewer	Upgrading existing waste water treatment works	Feasibility	20 000	–	–	–	–	18 000	12 000	–
Naledi bulk water supply	Upgrading existing bulk water scheme	Feasibility	140 000	–	–	370	–	30 000	–	–
Tswelopele bulk water supply	Upgrading existing bulk water scheme	Feasibility	85 000	–	50	780	–	–	–	–
Mantsopa-Tweespruit and Hobhouse bulk water supply	Upgrading existing bulk water scheme	Feasibility	250 000	–	–	359	–	7 000	10 000	10 000
Greater Eston water scheme	Construction of new bulk water scheme	Construction	192 000	9 854	28 079	89 863	38 000	31 800	42 200	55 000
Driefontein complex bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	196 101	11 470	22 302	16 308	35 000	25 000	30 000	5 000
Emadlangeni bulk regional scheme	Construction of new bulk water scheme to augment existing bulk water scheme	Various	50 301	8 173	10 308	4 903	–	–	–	–
Mandlakazi bulk water supply (phase 1 to be completed) phase 2 construction of water treatment works	Construction of new bulk water scheme	Construction	228 000	26 868	28 360	29 651	6 928	35 000	35 000	–
Nongoma bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	229 000	12 910	23 116	36 086	48 413	39 000	88 000	145 000
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	137 034	4 070	30 521	46 038	30 000	17 000	15 000	–
Hlabisa regional bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Tender	166 855	24 549	51 785	14 392	20 000	45 000	–	–
Greater Bulwer Donnybrook water scheme	Construction of new bulk water scheme	Construction	350 000	–	8 552	5 601	15 429	28 200	30 000	100 000
Maphumulo bulk water supply: Phases 1 and 2	Construction of new bulk water scheme	Construction	159 144	–	–	–	–	–	–	–
Giyani bulk water supply drought relief	Construction of new bulk water scheme	Construction	182 072	–	42 072	11 889	35 000	90 000	–	–
Olifantspoort water treatment works	Upgrading existing water treatment works	Various	218 000	50 000	–	–	–	–	–	–
Specon bulk water supply	Construction of new bulk water scheme	Various	73 000	19 000	–	–	–	–	–	–
Mametya Sekororo bulk water supply	Construction of new bulk water scheme	Construction	214 000	–	–	18 168	45 689	44 915	140 168	–
Port Nolloth bulk water supply	Construction of new bulk water scheme	Design	27 000	–	–	–	7 000	9 801	12 543	5 857
Colesberg bulk water supply	Upgrading existing water treatment works and new bulk water scheme	Construction	142 296	12 000	31 931	24 277	35 000	–	–	–
Colesberg waste water treatment works	Construction of new waste water treatment works	Various	19 446	–	9 773	3 371	–	–	–	–
Noupoort bulk water supply	Groundwater development	Design	59 653	–	–	472	–	30 000	30 000	11 000
De Aar bulk water supply	Borehole development	Design	156 000	–	–	–	20 000	16 640	–	29 000
Hopetown water treatment works (Thembelihle) bulk water supply	Construction of new water treatment works	Construction	75 000	–	6 816	16 685	16 000	1 500	–	–
Strydenburg groundwater project	Groundwater development	Feasibility	24 000	–	–	300	–	51 200	–	–

**Table 38.F Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand										
Heuningvlei scheme bulk water supply	Upgrading existing bulk water scheme	Construction	130 980	–	21 191	51 446	34 000	31 000	–	–
Kuruman bulk water supply	Upgrading existing bulk water scheme	Construction	95 466	–	–	3 624	19 000	30 000	5 637	–
Kathu wastewater treatment works	Construction of new waste water treatment works	Construction	17 584	–	–	16 956	15 000	–	–	–
Kathu bulk water supply	Construction of new bulk water scheme	Feasibility	53 400	–	–	–	–	47 000	32 000	30 000
Hantam desalination plant (Brandvlei)	Construction of new desalination plant	Feasibility	28 000	–	713	89	–	–	33 000	11 000
Loeriesfontein bulk water supply	Upgrading existing bulk water scheme	Feasibility	20 000	–	–	–	–	800	–	–
Kenhart bulk water supply	Construction of new bulk water scheme	Various	69 220	5 100	4 220	–	–	–	–	–
Riemvasmaak water supply	Construction of new bulk water scheme	Various	3 069	–	3 069	–	–	–	–	–
Holpan bulk water supply (Windsorton)	Construction of new bulk water scheme	Feasibility	60 000	–	–	436	–	5 000	16 500	20 000
Upgrading of the homevale waste water treatment plant (Sol Plaatje waste water treatment works)	Upgrading existing waste water treatment works	Construction	78 000	–	–	31 833	15 000	25 000	5 550	–
Extension of the Kalahari East pipeline	Augmenting existing bulk water scheme	Feasibility	304 000	–	–	–	–	600	–	60 000
Khai ma municipality bulk water supply	Upgrading existing bulk water scheme	Feasibility	52 529	–	–	–	–	–	–	–
Niekerkshoop bulk water supply	Upgrading existing groundwater water scheme	Construction	11 098	–	–	2 814	6 500	2 000	–	–
Mafube bulk sewer	Construction of new waste water treatment works	Design	120 000	–	–	–	–	20 000	30 000	400 000
Inyaka water treatment works Phases 3 and 4	Supply of water	Construction	407 793	–	–	101 562	25 594	2 418	–	–
Nandoni distribution replacement	Supply of water	Construction	294 961	–	25 197	129 189	125 423	15 150	–	–
Pixley Ka Seme bulk water supply (Marydale, Norvalspont and Vanderkloof)	Construction of new bulk water scheme	Feasibility	40 000	938	2 681	1 557	–	1 000	–	–
Marydale bulk water supply	Upgrading existing groundwater water scheme	Feasibility	23 000	–	–	–	–	–	–	–
Bulk water supply Van der Kloof (Vosburg)	Upgrading existing bulk water scheme and new bulk water scheme	Feasibility	50 000	–	–	–	–	–	–	13 000
Keimoes wastewater treatment works	Construction of new waste water treatment works	Feasibility	40 000	–	–	–	–	–	–	–
Keimoes water treatment works	Construction of new water treatment works	Feasibility	40 000	–	–	–	–	–	–	–
Kakamas wastewater treatment works	Construction of new waste water treatment works	Feasibility	40 000	–	–	–	–	800	–	–
Upington wastewater treatment works	Construction of new waste water treatment works	Feasibility	100 000	–	–	–	–	–	–	–
Magareng wastewater treatment works	Construction of new waste water treatment works	Feasibility	60 000	–	–	–	–	–	–	–
Warrenton water treatment works	Upgrade of water treatment works	Feasibility	60 000	–	–	126	–	800	–	14 173
Gariep dam to Norvaltspond bulk water supply	Upgrading existing water treatment works and new bulk water scheme	Feasibility	25 000	–	–	–	–	–	–	–
Renosterberg bulk water supply	Construction of new bulk water scheme	Feasibility	16 000	–	–	–	–	–	–	–

Table 38.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand										
Sol Plaatje bulk water supply	Construction of new bulk water supply and upgrading existing water treatment works	Feasibility	60 000	–	–	–	–	–	–	–
Van Wyksvlei groundwater	Upgrading existing groundwater water scheme	Feasibility	25 000	–	–	367	–	900	20 406	–
Bloemendal water pipeline	Construction of new bulk water scheme	Various	57 481	10 000	11 902	35 579	–	–	–	–
Eerstehoek/Ekulindeni bulk water supply	Upgrade of water treatment works and construction of new bulk water scheme	Feasibility	126 000	–	2 000	4 534	13 000	24 000	28 000	20 000
Ermelo North regional scheme (Msukaliqwa)	Construction of new bulk water scheme	Tender	185 000	–	2 045	5 877	15 000	23 000	38 000	40 000
Balf/Siyat/Grey/Willem/Nthor bulk water supply	Augmenting existing bulk water scheme	Feasibility	103 000	–	2 042	4 504	15 000	20 000	22 000	49 000
Emalaheni Bulk water supply upgrade	Upgrading of existing water treatment works	Construction	150 000	–	20 000	25 999	27 800	22 000	24 000	30 000
Northern Nzikazi water treatment works	Construction of new bulk water scheme and water treatment works	Feasibility	73 000	–	–	500	10 000	25 000	–	–
Acornhoek bulk water supply	Construction of new bulk water scheme	Construction	191 739	5 100	37 693	83 534	–	–	–	–
Mbombela 2010 water and sanitation	Construction of new bulk water and sanitation schemes	Various	44 923	13 000	–	–	–	–	–	–
Driekoppies water treatment works upgrading	Upgrading existing water treatment works and new bulk water scheme	Design	93 000	–	3 193	5 924	10 000	25 000	34 000	35 000
Sibange water treatment works	Construction of new bulk water scheme and water treatment works	Design	80 000	–	2 807	6 076	10 000	25 000	20 000	44 199
Lushuhwane bulk water scheme	Upgrading existing water treatment works and new bulk water scheme	Feasibility	194 799	–	–	–	–	24 497	25 000	25 801
Amsterdam and Sheepmore bulk water scheme	Upgrading existing water treatment works and new bulk water scheme	Feasibility	48 000	–	–	–	–	15 503	15 000	–
Thaba Chweu groundwater development	Borehole development	Construction	4 500	–	–	–	–	–	–	–
Emalaheni bulk water supply Phase 2	Construction of new bulk water scheme	Feasibility	122 000	–	–	–	–	–	–	–
Hoxane bulk water supply	Construction of new bulk water scheme	Construction	14 180	–	–	5 500	–	–	–	–
Koster waste water treatment works upgrade	Construction of new waste water treatment works	Feasibility	86 000	–	–	3 054	–	8 000	15 000	15 000
Mafikeng South bulk water supply	Upgrading existing bulk water scheme	Design	165 000	–	–	1 536	5 000	30 000	70 000	50 000
Ventersdorp bulk water project in Dr. Kaunda district municipality	Upgrading existing water treatment works and new bulk water scheme	Construction	36 170	133	2 484	13 849	16 000	5 586	–	–
Ratlou local municipality bulk water supply	Upgrading existing water treatment works and new bulk water scheme	Pre-feasibility	218 090	–	2 660	1 690	11 000	23 000	45 000	50 000
Wolmaransstad waste water treatment works	Upgrading existing waste water treatment works	Design	92 000	–	–	9 339	5 000	28 000	54 600	–
Potchefstroom water treatment works upgrade	Upgrading existing waste water treatment works	Feasibility	105 000	–	–	–	–	8 000	10 000	40 000
Kagisano Molopo bulk water supply	Augmenting existing bulk water scheme	Feasibility	130 000	–	–	–	–	2 000	7 000	15 000
Citrusdal waste water treatment works	Construction of new waste water treatment works	Construction	35 603	–	300	2 000	13 606	11 800	10 000	9 797
Clanwilliam water treatment works	Upgrading existing bulk water scheme	Design	16 000	–	500	999	–	4 000	5 975	–

**Table 38.F Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
Clanwilliam/Lambertsbaai regional water supply	New desalination plant and upgrading existing bulk water scheme	Construction	67 500	6 276	10 067	9 651	20 000	–	–	–
Tulbagh bulk water supply (Witzenberg)	Construction of new bulk water scheme	Construction	78 000	11 081	11 888	20 700	8 331	889	–	–
Drakenstein waste water treatment works	Upgrading existing waste water treatment works	Construction	29 000	9 000	12 000	7 000	–	–	–	–
Stellenbosch waste water treatment works	Upgrading existing waste water treatment works	Design	61 000	–	2 000	–	30 000	18 170	20 000	43 017
Worcester bulk water supply	Augmenting existing bulk water scheme	Construction	67 800	–	300	19 035	18 700	10 079	–	–
Grabouw waste water treatment works	Upgrading existing waste water treatment works	Construction	14 000	–	277	7 720	8 500	7 602	–	–
Hermanus bulk water supply	Construction of new water treatment works, borehole development and upgrading of existing bulk water scheme	Construction	20 579	–	8 768	11 962	–	–	–	–
Hermanus waste water treatment works	Upgrading existing waste water treatment works	Various	31 104	–	16 999	13 955	–	–	–	–
Swellendam waste water treatment works	Upgrading of existing waste water treatment works and construction of new waste water treatment works	Construction	21 600	–	300	19 355	17 742	13 115	–	–
Struisbaai waste water treatment works	Upgrading existing waste water treatment works	Construction	11 366	–	250	5 558	5 558	–	–	–
Outdtshoorn groundwater supply	Augmenting existing bulk water scheme from boreholes	Feasibility	78 000	–	1 000	8 000	18 000	7 500	20 000	10 000
Beaufort West bulk water supply	Borehole development	Feasibility	30 000	–	800	865	3 100	4 145	5 772	16 683
Vanrhynsdorp raw water supply	Augmenting existing bulk water scheme	Design	37 957	–	400	–	4 000	2 500	15 158	20 003
Klawer bulk water supply	Augmenting existing bulk water scheme	Design	17 661	–	–	–	2 211	889	–	–
Paarl bulk sewer	Construction of new bulk sewage conveyance pipelines	Construction	58 756	–	300	–	4 000	12 500	13 756	8 500
Calitzdorp and Ladysmith waste water treatment works	Upgrading existing waste water treatment works	Feasibility	18 400	–	–	500	2 000	3 000	3 000	10 000
Kannaland dam relocation	Construction of new dam/ alternative the development of boreholes	Feasibility	22 800	–	–	3 400	2 500	2 500	5 000	5 000
Bitou cross border bulk water supply	Augmenting existing bulk water scheme	Feasibility	120 000	–	–	545	2 355	2 500	20 000	21 623
George bulk water supply augmentation	Construction of new bulk water scheme	Various	129 000	17 163	5 499	–	–	–	–	–
Knysna water supply	Upgrading existing bulk water scheme	Feasibility	52 000	–	–	–	–	–	–	–
James Kleynhans bulk water supply	Upgrading existing bulk water scheme	Feasibility	2 000	–	–	–	–	10 000	20 000	36 000
Ntabankulu bulk water supply	Upgrading existing bulk water scheme	Feasibility	1 000	–	–	–	–	–	–	–
Ingquza Hill bulk water supply	Upgrading existing bulk water scheme	Feasibility	1 000	–	–	–	–	–	–	–
Aganang bulk water supply	Upgrading existing bulk water scheme	Feasibility	1 162	–	–	–	–	650	–	30 000
Polokwane waste water treatment works	Upgrading existing waste water treatment works	Construction	2 701	–	–	–	–	1 200	–	–
Capricorn master plan	Masterplan	Design	2 500	–	–	–	–	500	–	–
Sekhukhune master plan	Masterplan	Design	3 100	–	–	–	–	500	–	–
Ermelo bulk water supply	Construction of new bulk water scheme	Construction	325 000	–	–	–	–	–	–	–

Table 38.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
Bushbuckridge water master plan	Masterplan	Design	3 000	–	–	–	–	1 000	–	–
Upgrade of Delmas and Botleng waste water	Upgrading existing waste water treatment works	Feasibility	1 800	–	–	–	–	–	–	–
Williston bulk water supply	Upgrading existing bulk water scheme	Feasibility	1 500	–	–	–	–	600	–	–
Nandoni: Water treatment works and distribution	Supplying water to Vhembe district municipality	Construction	1 789 651	130 167	144 119	253 022	188 534	23 923	–	–
Groot letaba river water development project: Nwamitwa Phase 1 Distribution	Supply of water	Construction	158 742	–	–	–	31 185	–	–	–
Hluhluwe Phases 3 and 4	Supply of water	Construction	412 215	–	300	99 262	33 800	2 000	4 394	–
Masakoma pipeline	Supply of water	Construction	19 045	–	–	19 045	–	–	–	–
Infrastructure transfers to other spheres, agencies and departments										
Olifants River water resources development project: De Hoop dam: Phase 2A	Supplying water to new mining developments, augmentation of domestic water supplies to urban and rural users in the middle Olifants river catchment area and to various communities on the Nebo Plateau and Sekhukhune	Construction	3 074 000	604 199	562 600	386 329	171 000	102 745	21 546	–
Olifants River water resources development project: Phases 2B/G	Flag Boshielo to Mokopane pipeline and second pipeline between Flag Boshielo to Mokopane	Feasibility	13 114 000	–	–	–	–	91 770	480 510	825 360
Olifants River water resources development project: Phase 2C	Bulk distribution works from Flag Boshielo to Mokopane, De Hoop to Steelpoort, Steelpoort to Mooihoek, Mooihoek to Olifantspoort and Nebo Plateau to Roossenekal	Construction	3 400 000	267 148	468 683	566 874	543 800	546 060	465 120	164 160
Olifants River water resources development project: Phase 2D	Second pipeline between Steelpoort Weir and Mooihoek	Design	834 480	–	–	–	–	68 400	334 020	432 060
Olifants River water resources development project: Phases 2E and 2F	2nd Pipeline parallel to Lebalelo scheme and Lebalelo Scheme to Olifantspoort	Design	2 412 240	–	–	–	–	–	–	–
Olifants River water resources development project: Phase 2H	Incorporating the Lebalelo Infrastructure Olifants River Water resources development project	Design	1 444 380	–	–	–	–	128 250	399 570	287 280
Groot Letaba River water development project: Nwamitwa dam	Meeting projected growing primary supply requirements to the year 2025, improve water availability for the riverine ecosystem, build Nwamitwa Dam	Feasibility	1 325 000	–	–	–	17 100	92 690	203 754	365 387
Dam safety rehabilitation programme	Rehabilitating assets and improving dam safety	Construction	2 800 000	327 714	300 494	220 621	228 000	250 800	359 999	400 000
Water resources project: raising of Clanwilliam dam	Upgrading existing dam to stabilise the distortion; augment agricultural water supply to meet increasing demands	Construction	2 200 000	–	9 340	228 733	184 156	467 935	800 223	540 700
Mokolo River and West Crocodile River water augmentation project: Phase 1	Augmenting domestic and industrial water supply to the new Eskom/independent power producer power stations to extend associated mining activities and accommodate the fast growing population in the area	Design	2 138 000	155 151	293 032	–	22 800	57 000	102 600	23 940



**Table 38.F Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
Mokolo River and West Crocodile river water augmentation project: Phases 2A and 3	Augmentation of domestic and industrial water supply to the new Eskom/Independent Power Producer power stations to extend associated mining activities and accommodate the fast growing population in the area	Feasibility	13 950 000	–	–	–	30 192	171 000	355 680	246 240
Mzimvubu water project	Developing bulk water and wastewater infrastructure that will enable the connection of municipal reticulation infrastructure	Design	20 000 000	–	–	–	–	–	264 000	430 000
Lusikisiki regional Water Supply Scheme: Zalu Dam on the Xura River	Developing bulk water and wastewater infrastructure that will enable the connection of municipal reticulation infrastructure	Feasibility	5 000 000	–	–	–	–	–	–	–
Groot Letaba River water development project: Tzaneen dam raising	Meeting the projected growing primary supply requirements for 2025; improve water availability for the riverine ecosystem; raise Tzaneen dam	Design	125 000	–	–	–	10 000	12 084	98 952	85 306
Mdloti River development project: Raising of Hazelmere dam	Augmenting water supply to Umgeni Water for treatment, for KwaZulu-Natal north coast	Design	360 000	10 778	4 467	13 005	210	156 026	81 209	44 023
Mopani district municipality emergency works	Refurbishing dilapidated infrastructure	Construction	80 000	–	–	36 792	56 000	59 483	37 620	25 080
Enterprise resource programme system upgrade	Upgrading the current version of SAP to the new version.	Construction	205 000	–	53 786	22 632	100	58 047	–	–
National water resources infrastructure support/project management	Fund national office costs including construction, engineering, operations and new development	Feasibility	–	–	–	213 284	236 067	250 231	265 245	281 159
Financial management/project support	Fund financial management and SAP maintenance and support	Feasibility	–	–	–	207 149	185 147	217 130	227 986	241 666
Mzimkulu River - Ncwabeni Off - Channel Storage	Ensuring a reliable water supply to the northern part of the Lower KwaZulu-Natal South Coast during dry periods.	Feasibility	650 000	–	–	–	–	–	–	–
Bushbuckridge water treatment plant, pipelines and reservoirs	Supplying water to Bushbuckridge area	Hand over	114 000	–	–	–	114 000	–	–	–
Molopo Eye water treatment plant, pipelines and reservoirs	Supplying water to North West area	Hand over	39 835	–	–	16 581	39 835	–	–	–
Ermelo water treatment plant, pipelines and reservoirs	Supplying water to Bushbuckridge area	Hand over	47 755	–	–	–	47 755	–	–	–
Zeerust water treatment plant, pipelines and reservoirs	Supplying water to Zeerust area	Hand over	14 204	–	–	–	14 204	–	–	–
<b>Total</b>			<b>126 463 976</b>	<b>2 314 763</b>	<b>3 569 345</b>	<b>5 685 754</b>	<b>5 523 299</b>	<b>7 640 000</b>	<b>9 741 881</b>	<b>10 296 169</b>

Table 38.G Detail split of direct grant and indirect grants to municipalities

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Water Services Operating Subsidy Grant</b>							
<b>Direct Grants</b>							
<b>Transfers and Subsidies</b>	<b>664 273</b>	<b>542 345</b>	<b>562 434</b>	<b>420 945</b>	<b>449 558</b>	<b>470 239</b>	<b>495 162</b>
Provinces and municipalities	664 273	542 345	562 434	420 945	449 558	470 239	495 162
<b>Indirect Grants</b>							
<b>Current Payments</b>	<b>145 978</b>	<b>99 935</b>	<b>126 682</b>	<b>131 144</b>	<b>139 013</b>	<b>147 522</b>	<b>155 342</b>
Compensation of employees	106 558	74 624	86 498	77 517	82 168	87 266	91 891
Goods and Services	39 420	25 311	40 184	53 627	56 845	60 256	63 451
<b>Transfers and Subsidies</b>	<b>12 338</b>	<b>21 890</b>	<b>4 223</b>	<b>3 600</b>	<b>1 000</b>	<b>1 250</b>	<b>1 300</b>
Households	12 338	21 890	4 223	3 600	1 000	1 250	1 300
<b>Payments for capital assets</b>	<b>4 867</b>	<b>407</b>	<b>501</b>	<b>4 260</b>	<b>2 000</b>	<b>2 413</b>	<b>2 557</b>
Buildings and other fixed structures	—	—	—	110	—	—	—
Machinery and equipment	4 867	407	501	4 150	2 000	2 413	2 557
<b>Total</b>	<b>827 456</b>	<b>664 577</b>	<b>693 840</b>	<b>559 949</b>	<b>591 571</b>	<b>621 424</b>	<b>654 361</b>
<b>Regional Bulk Infrastructure Grant</b>							
<b>Indirect grants</b>							
<b>Current Payments</b>	<b>18 933</b>	<b>91 752</b>	<b>65 644</b>	<b>84 941</b>	<b>87 252</b>	<b>92 110</b>	<b>103 293</b>
Compensation of employees	1 164	3 244	8 837	16 749	17 670	18 643	21 829
Goods and Services	17 769	88 508	56 807	68 192	69 582	73 467	81 464
<b>Transfers and Subsidies</b>	<b>23 227</b>	<b>201 493</b>	<b>211 209</b>	<b>460 000</b>	<b>580 000</b>	<b>1 000 000</b>	<b>1 000 000</b>
Provinces and municipalities	23 227	201 493	211 209	460 000	580 000	1 000 000	1 000 000
<b>Payments for capital assets</b>	<b>827 430</b>	<b>1 445 363</b>	<b>2 209 947</b>	<b>2 801 397</b>	<b>3 986 896</b>	<b>4 221 654</b>	<b>4 623 602</b>
Buildings and other fixed structures	827 390	1 445 363	2 209 947	2 801 397	3 986 896	4 221 654	4 623 602
Software and other intangible	40	—	—	—	—	—	—
<b>Total</b>	<b>869 590</b>	<b>1 738 608</b>	<b>2 486 800</b>	<b>3 346 338</b>	<b>4 654 148</b>	<b>5 313 764</b>	<b>5 726 895</b>
<b>Municipal Water Infrastructure Grant</b>							
<b>Direct Grants</b>				<b>602 965</b>	<b>602 965</b>	<b>602 965</b>	<b>602 965</b>
<b>Transfers and Subsidies</b>	—	—	—	<b>602 965</b>	<b>534 150</b>	<b>1 380 205</b>	<b>1 302 002</b>
Provinces and municipalities	—	—	—	602 965	534 150	1 380 205	1 302 002
<b>Payments for capital assets</b>	—	—	—	—	<b>524 826</b>	<b>1 291 729</b>	<b>1 511 545</b>
Buildings and other fixed structures	—	—	—	—	524 826	1 291 729	1 511 545
<b>Software and other intangible</b>	—	—	—	<b>602 965</b>	<b>1 058 976</b>	<b>2 671 934</b>	<b>2 813 547</b>
<b>Total</b>	—	—	—	<b>602 965</b>	<b>1 058 976</b>	<b>2 671 934</b>	<b>2 813 547</b>





## BUDGET 2014

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### ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**  
Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**