

# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

WATER AND SANITATION

VOTE 36



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# **Estimates of National Expenditure**

## **2016**

**National Treasury**

**Republic of South Africa**

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The 2016 Estimates of National Expenditure 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 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain information on conditional grants to provinces and municipalities, public private partnerships and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

# Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



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



# Introduction

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

The Estimates of National Expenditure (ENE) publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.





# **Water and Sanitation**

**National Treasury  
Republic of South Africa**



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# Vote 36

## Water and Sanitation

### Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	1 659.5	1 587.3	24.4	47.7	1 691.9	1 778.4
Water Planning and Information Management	841.8	768.2	1.1	72.6	856.3	904.5
Water Infrastructure Development	11 696.4	300.1	7 438.0	3 958.4	12 779.2	13 757.9
Water and Sanitation Services	701.9	328.8	16.2	356.9	379.3	380.4
Water Sector Regulation	345.6	331.5	4.0	10.1	331.6	338.5
<b>Total expenditure estimates</b>	<b>15 245.3</b>	<b>3 315.8</b>	<b>7 483.7</b>	<b>4 445.8</b>	<b>16 038.3</b>	<b>17 159.7</b>
Executive authority	Minister of Water and Sanitation					
Accounting officer	Director General of Water and Sanitation					
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, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.

### Vote purpose

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

### Mandate

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

### Selected performance indicators

Table 36.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of new strategic partnerships established with countries in Africa per year	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	2	0	2	4	-1	-1	-1
Number of quarterly progress reports on the approved international relations implementation plan per year	Administration		-1	-1	-1	-1	4	4	4
Number of river systems with water quality management systems in place per year	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	-2	-2	-2	5	2	4	2
Percentage of the water monitoring network implementation strategy completed per year <sup>3</sup>	Water Planning and Information Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-3	10%	25%	60%	100%	-3	-3
Number of records of decisions for raw water planning projects completed per year <sup>4</sup>	Water Planning and Information Management		4	1	3	3	2	4	3
Number of bulk infrastructure schemes completed per year	Water Infrastructure Development		3	7	8	-6	-6	-6	-6
Number of accelerated community infrastructure projects implemented per year	Water Infrastructure Development		14	8	25	-6	-6	-6	-6
Number of large water and wastewater services construction projects completed	Water Infrastructure Development	-7	-7	-7	6	3	7	2	

**Table 36.1 Performance indicators by programme and related outcome**

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of mega water and wastewater services construction projects completed	Water Infrastructure Development	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	- <sup>7</sup>	- <sup>7</sup>	- <sup>7</sup>	0	1	1	1
Number of small water and wastewater services construction projects completed per year	Water Infrastructure Development		- <sup>7</sup>	- <sup>7</sup>	- <sup>7</sup>	135	427	145	145
Number of households provided with interim/basic water supply in the 27 priority districts per year	Water Infrastructure Development		- <sup>5</sup>	40 996	94 859	77 450	- <sup>8</sup>	- <sup>8</sup>	- <sup>8</sup>
Number of rural households provided with access to sanitation as per norms and standards per year	Water Infrastructure Development	Outcome 7: Comprehensive rural development and land reform	37 852	11 858	9 347	11 960	9 456	9 939	7 470
Number of additional resource poor farmers financially supported to enhance access to water per year	Water and Sanitation Services		1 787	1 589	1 462	699	1 239	820	950
Number of tanks installed to harvest water for food production and other household productive use per year	Water and Sanitation Services		4 068	2 204	2 409	1 552	1 500	1 500	1 200
Number of existing bucket sanitation systems in formal settlements replaced with adequate sanitation services per year	Water and Sanitation Services	Outcome 8: Sustainable human settlements and improved quality of household life	- <sup>9</sup>	4 393 <sup>10</sup>	20 581	28 365 <sup>11</sup>	4 135 <sup>11</sup>	- <sup>9</sup>	- <sup>9</sup>
Percentage of water use authorisation applications per year finalised within 300 working days of application	Water Sector Regulation	Outcome 10: Protect And enhance our environmental assets and natural resources	- <sup>12</sup>	- <sup>12</sup>	23%	80%	80%	80%	80%
Number of wastewater treatment collector systems assessed for compliance with effluent standards per year	Water Sector Regulation		963	967	0 <sup>13</sup>	963	963	963	963
Number of water treatment supply systems assessed for compliance with drinking water quality standards per year	Water Sector Regulation		931	913	0 <sup>13</sup>	1 084	1 084	1 084	1 084

1. This indicator will be measured until 2015/16. From 2016/17 onwards, it will be replaced by a new indicator as the department will only establish partnerships with countries that are identified in the Department of International Relations and Cooperation's international relations partnership plan.

2. No historical data is available as this indicator was introduced in 2015/16.

3. This indicator was revised to factor in the network monitoring strategy, which is expected to be implemented in 2017/18. It will be discontinued from 2017/18, when strategy will be implemented.

4. From 2014/15 onwards, this indicator was expanded to allow for the inclusion of augmentation and feasibility studies in addition to reconciliation studies.

5. No historical data is available as this indicator was introduced in 2013/14.

6. This indicator has been revised as a result of the local government grant review and the merging of certain water grants. Over the medium term, performance will be measured by the number of small, large and mega water and wastewater services construction projects completed.

7. This is a new indicator as a result of the local government grant review, and will be measured from 2015/16 onwards.

8. The department will no longer report on this indicator as it is reported under small, large and mega projects.

9. This indicator was introduced in 2014/15 and is expected to be completed in 2015/16.

10. As reported by the Department of Human Settlements.

11. The total outstanding number of bucket systems in formal areas, to be eradicated in 2015/16 and 2016/17, was revised by the Department of Water and Sanitation as 32 500.

12. No historical data is available as this indicator was introduced in 2014/15.

13. Finalisation of the process was delayed as verification audits had to be completed.

## Expenditure analysis

The vision outlined in the national development plan of ensuring water security for economic growth and increasing households' access to water is operationalised in outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (responsive, accountable, effective and efficient local government system) of government's 2014-2019 medium term strategic framework.

Over the medium term, the Department of Water and Sanitation will continue to focus on water infrastructure, including raw water infrastructure, such as dams and canals, bulk infrastructure, such as water treatment works, and water services infrastructure, such as reservoirs and pipelines to households. This work is mainly budgeted for in the *Water Infrastructure and Development* programme, which constitutes an average of 78.1 per cent of the department's total budget over the medium term. In 2014/15, there was underspending in the regional bulk infrastructure grant due to delays in finalising implementation plans by newly appointed implementing agents. All infrastructure projects have since been consolidated under the *Water Infrastructure Development* programme to coordinate their management. In addition, a portion of the regional bulk infrastructure grant has been converted to a direct grant to municipalities, totalling R5.8 billion over the MTEF period as a Cabinet approved reprioritisation within the grant. This allows well functioning municipalities to take full responsibility for their infrastructure projects, and frees up the department to use the indirect component of the grant to complete infrastructure projects on behalf of low capacity municipalities. Infrastructure projects are funded

mainly through transfers to the Water Trading Entity, the regional bulk infrastructure grant, and the new water services infrastructure grant. For technical reasons, in 2016/17 the municipal water infrastructure grant, the water services operating subsidy grant and the rural households infrastructure grant will be merged into a single grant, the water services infrastructure grant, which will be used for reticulation and on-site solutions in municipalities with low capacity.

The department will also replace the bucket sanitation system, improve its regulatory function, and continue with efforts to provide drought relief to affected communities.

### **Raw water infrastructure**

The department is responsible for the design, construction, commissioning and rehabilitation of raw water infrastructure, including dams and bulk distribution systems. Raw water infrastructure projects are undertaken by the Water Trading Entity as the department's implementing agent. 3 raw water projects are expected to be completed over the MTEF period at an estimated total cost of R6.1 billion. Expenditure is in the *Infrastructure Development and Rehabilitation* subprogramme of the *Water Infrastructure Development* programme. Despite the Cabinet approved reductions of R4.4 billion over the MTEF period to the Water Trading Entity, as part of Cabinet's decision to lower the national aggregate expenditure ceiling, spending in the subprogramme is still set to increase at an average annual rate of 10.5 per cent from 2015/16 to 2018/19. And given the entity's improved operational efficiencies and overall increase in revenue, the reductions are not expected to have a substantive impact on its performance.

### **Bulk infrastructure**

To ensure that water is available for households and farmers, the department, through its implementing agents, will complete 2 mega projects (project cost is more than R400 million) and 12 large water and wastewater infrastructure projects (project cost is more than R250 million but less than R400 million) over the medium term. These are funded through the regional bulk infrastructure grant, which is allocated R15 billion over the MTEF period. An example of a project to be completed over the MTEF period is the Xonxa Dam water supply to Lukhanji municipality in Eastern Cape, at a total project cost of R444 million. This project will mitigate the impact of the current water shortfall and benefit the entire municipal population of 52 050 households. Also to be completed over the MTEF period is the upgrading of the Wolmaransstad wastewater treatment works in the Maquassi Hills municipality in North West, at a total project cost of R154 million. The project entails upgrading the sewage treatment works to double its treatment capacity to meet the growth in sewage volumes arising from development in the area. The project beneficiaries are the existing 12 700 households and the households projected to be established in the area over the next 20 years.

### **Water services infrastructure**

To improve household access to water and sanitation, the department will provide funding and institutional support to municipalities and other implementing agents to complete 234 small water and wastewater services projects (project cost is less than R250 million) over the MTEF period. The funding is provided through the new water services infrastructure grant, which receives R12 billion over the MTEF period in the *Water Services Infrastructure* subprogramme of the *Water Infrastructure Development* programme. Most of the grant is allocated to the 27 priority rural district municipalities. These projects include the provision of water from tankers, boreholes, standpipes and pipelines, and the refurbishment of water treatment works.

### **Sanitation services**

To ensure that the 32 500 remaining sanitation buckets in formal areas are replaced with adequate sanitation services by the end of 2016/17, R350 million has been allocated to extend the time frame of the bucket eradication programme. The decrease in the *Water and Sanitation Services* programme in 2017/18 reflects the completion of the bucket eradication programme.

### **Regulatory function**

To complement infrastructure delivery, the department develops and implements integrated planning strategies and effective policies and procedures, and maintains data management systems. Over the medium term, the department will strengthen its regulatory function by finalising pricing regulations for full cost recovery on

water schemes and will continue the process of establishing a water regulator. These activities are budgeted for in the *Water Sector Regulation* programme.

## Drought relief

The department has reprioritised approximately R502 million in 2015/16 for drought relief activities, which will include procuring water tankers, delivering water, protecting springs, and refurbishing and drilling boreholes.

## Expenditure trends

**Table 36.2 Vote expenditure trends by programme and economic classification**

Programmes														
1. Administration														
2. Water Planning and Information Management														
3. Water Infrastructure Development														
4. Water and Sanitation Services														
5. Water Sector Regulation														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13	2015/16
Programme 1	1 383.1	1 351.4	1 391.6	1 536.7	1 703.8	1 717.3	-	1 404.0	1 331.0	1 526.2	1 487.5	1 441.7	132.3%	98.9%
Programme 2	698.4	617.2	662.2	731.6	721.5	618.6	-	853.6	800.2	814.0	744.0	682.0	123.1%	94.1%
Programme 3	6 030.7	6 170.8	6 370.8	6 624.0	6 673.6	7 678.1	-	10 008.3	8 871.2	12 484.0	11 815.8	11 544.7	137.1%	99.4%
Programme 4 <sup>1</sup>	492.1	636.0	278.3	1 080.1	1 063.3	294.8	-	1 191.0	456.6	1 391.1	1 414.7	1 349.5	80.3%	55.3%
Programme 5	208.4	217.7	205.1	214.6	213.4	197.1	-	190.5	157.6	231.3	284.6	276.6	127.8%	92.3%
<b>Total</b>	<b>8 812.7</b>	<b>8 993.2</b>	<b>8 907.9</b>	<b>10 187.0</b>	<b>10 375.6</b>	<b>10 505.9</b>	<b>-</b>	<b>13 647.4</b>	<b>11 616.7</b>	<b>16 446.5</b>	<b>15 746.5</b>	<b>15 294.5</b>	<b>130.7%</b>	<b>95.0%</b>
Change to 2015 Budget estimate											(700.0)			
Economic classification														
<b>Current payments</b>	<b>2 636.0</b>	<b>2 471.2</b>	<b>2 370.9</b>	<b>2 694.4</b>	<b>2 707.4</b>	<b>2 465.2</b>	<b>-</b>	<b>3 058.5</b>	<b>2 595.6</b>	<b>3 175.0</b>	<b>3 122.2</b>	<b>2 989.3</b>	<b>122.5%</b>	<b>91.7%</b>
Compensation of employees	1 084.2	1 058.3	1 055.5	1 227.2	1 181.5	1 139.7	-	1 388.0	1 275.7	1 492.1	1 428.4	1 372.3	127.3%	95.8%
Goods and services of which:	1 549.9	1 410.5	1 311.9	1 465.1	1 525.7	1 325.4	-	1 670.3	1 318.8	1 682.9	1 687.2	1 610.5	118.5%	88.4%
Administrative fees	11.1	11.1	13.5	13.4	11.7	6.6	-	11.6	5.4	11.0	10.4	10.4	101.1%	80.3%
Advertising	17.4	13.9	20.6	21.5	23.9	20.7	-	35.1	38.2	35.0	39.8	35.8	155.9%	102.3%
Minor assets	25.2	25.1	9.9	16.3	13.8	4.2	-	14.6	6.0	14.1	13.0	13.0	59.5%	49.8%
Audit costs: External	-	-	24.9	0.0	0.6	22.5	-	38.8	23.0	36.1	32.3	32.3	284.7%	143.3%
Bursaries: Employees	4.6	3.6	1.9	4.7	4.7	2.5	-	4.1	3.4	3.2	3.5	3.5	90.0%	70.3%
Catering: Departmental activities	12.6	10.9	9.3	13.1	14.1	9.1	-	13.1	7.2	11.8	10.9	10.9	97.2%	74.5%
Communication	32.8	27.3	43.5	36.7	13.7	32.2	-	44.2	43.8	57.7	56.0	56.0	137.9%	124.3%
Computer services	94.6	93.8	109.2	130.3	145.1	143.0	-	148.7	127.1	127.8	122.7	105.7	137.5%	95.0%
Consultants: Business and advisory services	177.0	199.2	180.6	174.1	198.6	158.1	-	225.3	135.0	164.7	110.4	109.4	113.0%	79.5%
Infrastructure and planning services	351.3	275.7	155.9	170.5	184.6	188.6	-	182.7	141.2	190.5	319.4	305.4	111.1%	82.2%
Laboratory services	7.8	7.4	2.9	6.7	6.6	0.7	-	5.0	3.5	7.9	7.4	7.4	65.1%	55.1%
Legal services	-	-	4.1	-	-	-	-	7.2	6.8	2.2	8.1	8.1	862.3%	124.1%
Science and technological services	6.7	2.7	-	6.4	6.4	8.8	-	-	-	6.2	1.8	1.8	54.6%	96.6%
Contractors	53.4	52.9	64.4	144.0	147.5	129.4	-	154.1	132.8	209.6	176.6	174.6	123.2%	94.4%
Agency and support/outsourced services	78.2	66.0	70.2	53.1	58.0	27.1	-	73.7	55.7	72.1	47.3	43.3	96.5%	80.2%
Entertainment	2.2	0.8	0.2	1.3	1.3	0.6	-	1.8	0.2	1.5	0.7	0.7	32.1%	35.3%

Table 36.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Fleet services (including government motor transport)	4.0	4.0	0.3	0.0	0.3	0.4	-	1.5	1.7	0.7	1.6	1.6	83.4%	53.9%
Housing	1.0	1.0	-	-	-	-	-	-	-	0.0	0.0	0.0	4.3%	4.2%
Inventory: Clothing material and accessories	-	-	-	-	0.5	1.6	-	2.0	3.1	1.8	4.3	4.3	500.1%	130.0%
Inventory: Farming supplies	-	-	-	-	0.0	0.0	-	0.0	0.1	0.2	0.1	0.1	85.3%	139.8%
Inventory: Food and food supplies	0.3	0.3	2.0	1.9	1.9	1.5	-	1.4	0.1	0.3	0.4	0.4	163.6%	100.4%
Inventory: Fuel, oil and gas	6.8	6.8	4.2	5.2	5.6	0.7	-	5.0	1.9	7.3	5.5	5.5	63.5%	53.3%
Inventory: Learner and teacher support material	0.8	0.8	0.0	1.3	1.2	0.5	-	0.7	0.0	0.9	2.5	2.5	99.7%	56.6%
Inventory: Materials and supplies	8.7	8.7	7.4	7.8	7.2	0.9	-	7.1	8.1	8.7	14.1	14.1	121.4%	82.1%
Inventory: Medical supplies	0.5	0.5	0.1	1.1	1.1	0.0	-	0.2	0.1	1.8	0.1	0.1	11.7%	19.8%
Inventory: Medicine	-	-	-	0.0	0.0	-	-	0.0	-	0.2	0.1	0.1	59.3%	75.5%
Inventory: Other supplies	-	-	5.5	12.2	11.2	11.5	-	16.4	16.4	3.1	6.4	6.4	260.4%	116.8%
Consumable supplies	18.7	18.7	4.4	0.1	1.7	4.9	-	7.6	7.1	14.1	14.5	14.5	94.2%	72.8%
Consumables: Stationery, printing and office supplies	26.2	26.2	18.8	25.5	22.5	19.1	-	25.7	15.7	28.1	25.2	25.0	98.5%	78.9%
Operating leases	29.1	17.6	1.0	13.0	16.0	229.5	-	272.9	231.8	295.4	253.4	253.4	212.1%	127.8%
Rental and hiring	343.8	336.2	0.4	368.7	370.2	64.3	-	2.6	2.3	73.2	5.3	5.3	9.2%	10.1%
Property payments	3.1	3.0	284.7	2.0	2.3	0.2	-	81.0	52.9	1.7	124.2	121.2	6 695.0%	218.1%
Transport provided:	171.2	143.9	0.1	173.0	181.9	186.3	-	0.7	0.6	221.9	3.8	3.8	33.7%	57.7%
Departmental activity														
Travel and subsistence	31.9	22.4	227.0	30.7	33.2	20.2	-	222.4	203.6	37.2	196.1	164.6	616.6%	129.8%
Training and development	10.8	10.8	17.5	10.1	14.2	12.7	-	31.6	17.1	17.8	35.3	35.3	213.0%	89.7%
Operating payments	18.3	20.7	14.3	17.0	19.0	15.5	-	16.2	17.1	15.1	17.4	17.4	127.5%	87.8%
Venues and facilities	-	(1.6)	13.3	3.5	4.9	1.6	-	15.1	10.0	2.1	16.8	16.8	750.3%	118.3%
Interest and rent on land	1.9	2.4	3.5	2.1	0.2	0.1	-	0.1	1.1	-	6.5	6.5	278.7%	119.8%
<b>Transfers and subsidies</b>	<b>2 913.4</b>	<b>2 909.4</b>	<b>2 932.7</b>	<b>3 916.4</b>	<b>3 918.1</b>	<b>4 020.6</b>	<b>-</b>	<b>4 563.9</b>	<b>4 588.8</b>	<b>6 086.4</b>	<b>5 072.6</b>	<b>5 022.1</b>	<b>128.2%</b>	<b>100.6%</b>
Provinces and municipalities	562.6	562.6	562.8	1 024.0	1 024.1	1 129.8	-	1 033.3	1 051.4	2 155.4	2 305.5	2 255.0	133.6%	101.5%
Departmental agencies and accounts	2 144.4	2 140.4	2 107.9	2 431.5	2 431.5	2 437.1	-	2 737.8	2 739.5	2 516.8	1 739.2	1 739.2	127.2%	99.7%
Higher education institutions	-	-	-	-	-	-	-	-	-	0.6	2.0	2.0	333.3%	100.0%
Foreign governments and international organisations	180.6	180.6	180.6	188.6	188.6	182.3	-	185.2	185.2	180.9	189.3	189.3	134.0%	99.1%
Public corporations and private enterprises	-	-	49.4	250.0	250.0	244.1	-	580.0	579.9	1 200.0	802.0	802.0	115.5%	102.7%
Non-profit institutions	-	-	0.5	-	0.7	1.2	-	1.9	1.8	1.9	2.0	2.0	282.2%	117.7%
Households	25.8	25.8	31.6	22.2	23.1	26.2	-	25.7	31.0	30.7	32.7	32.7	154.5%	113.2%
<b>Payments for capital assets</b>	<b>3 263.2</b>	<b>3 612.5</b>	<b>3 603.9</b>	<b>3 576.2</b>	<b>3 750.0</b>	<b>3 968.1</b>	<b>-</b>	<b>6 025.0</b>	<b>4 432.2</b>	<b>7 185.1</b>	<b>7 551.8</b>	<b>7 283.0</b>	<b>137.5%</b>	<b>92.1%</b>
Buildings and other fixed structures	3 171.5	3 512.7	3 530.2	3 475.6	3 642.1	3 731.4	-	5 937.3	4 368.4	7 084.7	7 419.0	7 150.3	136.8%	91.6%
Machinery and equipment	68.5	84.7	64.8	93.2	100.3	236.0	-	83.4	53.5	74.0	92.3	92.3	189.5%	123.8%
Land and sub-soil assets	-	-	-	-	-	-	-	0.9	-	-	-	-	-	-
Software and other intangible assets	23.2	15.2	8.9	7.3	7.6	0.7	-	3.4	10.3	26.5	40.4	40.4	105.5%	90.6%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>52.0</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8 812.7</b>	<b>8 993.2</b>	<b>8 907.9</b>	<b>10 187.0</b>	<b>10 375.6</b>	<b>10 505.9</b>	<b>-</b>	<b>13 647.4</b>	<b>11 616.7</b>	<b>16 446.5</b>	<b>15 746.5</b>	<b>15 294.5</b>	<b>130.7%</b>	<b>95.0%</b>

1. The Sanitation function was shifted from the Department of Human Settlements to the Department of Water and Sanitation in 2014/15.

## Expenditure estimates

Table 36.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Water Planning and Information Management								
3. Water Infrastructure Development								
4. Water and Sanitation Services								
5. Water Sector Regulation								
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	1 441.7	2.2%	12.7%	1 659.5	1 691.9	1 778.4	7.2%	10.3%
Programme 2	682.0	3.4%	6.0%	841.8	856.3	904.5	9.9%	5.2%
Programme 3	11 544.7	23.2%	74.4%	11 696.4	12 779.2	13 757.9	6.0%	78.1%
Programme 4	1 349.5	28.5%	5.1%	701.9	379.3	380.4	-34.4%	4.4%
Programme 5	276.6	8.3%	1.8%	345.6	331.6	338.5	7.0%	2.0%
<b>Total</b>	<b>15 294.5</b>	<b>19.4%</b>	<b>100.0%</b>	<b>15 245.3</b>	<b>16 038.3</b>	<b>17 159.7</b>	<b>3.9%</b>	<b>100.0%</b>
Change to 2015				(1 110.3)	(2 160.5)	(2 094.6)		
Budget estimate								
Economic classification								
	<b>2 989.3</b>	<b>6.6%</b>	<b>22.5%</b>	<b>3 315.8</b>	<b>3 380.5</b>	<b>3 494.6</b>	<b>5.3%</b>	<b>20.7%</b>
<b>Current payments</b>								
Compensation of employees	1 372.3	9.0%	10.5%	1 667.2	1 670.2	1 739.7	8.2%	10.1%
Goods and services	1 610.5	4.5%	12.0%	1 648.6	1 710.3	1 754.9	2.9%	10.5%
of which:								
Administrative fees	10.4	-2.3%	0.1%	12.7	13.6	14.6	12.2%	0.1%
Advertising	35.8	37.0%	0.2%	55.7	57.8	41.0	4.7%	0.3%
Minor assets	13.0	-19.8%	0.1%	17.6	19.3	20.3	16.1%	0.1%
Audit costs: External	32.3	-	0.2%	30.6	20.4	33.8	1.4%	0.2%
Bursaries: Employees	3.5	-1.4%	0.0%	4.1	4.3	4.6	9.7%	0.0%
Catering: Departmental activities	10.9	0.0%	0.1%	11.7	12.5	13.4	7.2%	0.1%
Communication	56.0	27.0%	0.4%	50.4	59.6	56.7	0.4%	0.3%
Computer services	105.7	4.1%	1.0%	141.3	141.9	145.4	11.2%	0.8%
Consultants: Business and advisory services	109.4	-18.1%	1.3%	136.6	172.3	173.3	16.6%	0.9%
Infrastructure and planning services	305.4	3.5%	1.7%	183.0	195.0	216.9	-10.8%	1.4%
Laboratory services	7.4	0.1%	0.0%	5.7	5.9	6.2	-5.9%	0.0%
Legal services	8.1	-	0.0%	7.3	7.4	8.9	3.2%	0.0%
Science and technological services	1.8	-13.2%	0.0%	1.6	1.9	7.0	57.7%	0.0%
Contractors	174.6	48.9%	1.1%	136.7	137.8	114.2	-13.2%	0.9%
Agency and support/outourced services	43.3	-13.1%	0.4%	59.6	74.5	62.6	13.1%	0.4%
Entertainment	0.7	-5.8%	0.0%	1.6	1.7	1.7	36.5%	0.0%
Fleet services (including government motor transport)	1.6	-27.2%	0.0%	2.3	2.5	2.7	19.9%	0.0%
Inventory: Clothing material and accessories	4.3	-	0.0%	4.8	4.6	4.6	2.1%	0.0%
Inventory: Farming supplies	0.1	-	0.0%	0.2	0.3	0.3	60.5%	0.0%
Inventory: Food and food supplies	0.4	12.5%	0.0%	0.6	0.5	0.5	11.0%	0.0%
Inventory: Fuel, oil and gas	5.5	-6.5%	0.0%	7.7	6.8	7.3	9.6%	0.0%
Inventory: Learner and teacher support material	2.5	47.7%	0.0%	2.8	2.6	2.8	4.3%	0.0%
Inventory: Materials and supplies	14.1	17.8%	0.1%	7.5	8.0	9.0	-14.0%	0.1%
Inventory: Medical supplies	0.1	-33.7%	0.0%	0.3	0.3	0.3	27.7%	0.0%
Inventory: Medicine	0.1	-	0.0%	0.1	0.1	0.3	36.9%	0.0%
Medsas inventory interface	-	-	-	0.2	0.2	0.2	-	0.0%
Inventory: Other supplies	6.4	-	0.1%	9.2	6.7	7.0	3.3%	0.0%
Consumable supplies	14.5	-8.2%	0.1%	14.6	16.2	18.0	7.5%	0.1%
Consumables: Stationery, printing and office supplies	25.0	-1.6%	0.2%	32.7	33.3	35.9	12.9%	0.2%
Operating leases	253.4	143.4%	1.5%	298.8	316.8	335.3	9.8%	1.9%
Rental and hiring	5.3	-74.9%	0.2%	4.1	3.6	3.7	-11.3%	0.0%
Property payments	121.2	243.1%	1.0%	65.7	68.7	72.6	-15.7%	0.5%
Transport provided: Departmental activity	3.8	-70.3%	0.4%	6.1	4.5	5.0	9.9%	0.0%
Travel and subsistence	164.6	94.4%	1.3%	252.2	217.5	232.2	12.2%	1.4%
Training and development	35.3	48.3%	0.2%	42.4	44.3	47.9	10.7%	0.3%
Operating payments	17.4	-5.6%	0.1%	22.1	26.7	27.2	16.0%	0.1%
Venues and facilities	16.8	-320.9%	0.1%	18.0	20.0	21.6	8.8%	0.1%
Interest and rent on land	6.5	38.8%	0.0%	-	-	-	-100.0%	0.0%
<b>Transfers and subsidies</b>	<b>5 022.1</b>	<b>20.0%</b>	<b>35.8%</b>	<b>7 483.7</b>	<b>8 934.1</b>	<b>9 741.8</b>	<b>24.7%</b>	<b>48.9%</b>
Provinces and municipalities	2 255.0	58.9%	10.8%	4 695.4	5 595.3	6 019.5	38.7%	29.1%
Departmental agencies and accounts	1 739.2	-6.7%	19.5%	1 713.7	2 001.2	2 352.8	10.6%	12.2%
Higher education institutions	2.0	-	0.0%	3.4	3.4	3.4	19.8%	0.0%
Foreign governments and international organisations	189.3	1.6%	1.6%	188.4	197.7	209.2	3.4%	1.2%
Public corporations and private enterprises	802.0	-	3.6%	844.8	1 098.5	1 115.8	11.6%	6.1%
Non-profit institutions	2.0	-	0.0%	2.8	1.9	2.9	13.0%	0.0%
Households	32.7	8.2%	0.3%	35.3	36.1	38.2	5.3%	0.2%
<b>Payments for capital assets</b>	<b>7 283.0</b>	<b>26.3%</b>	<b>41.6%</b>	<b>4 445.8</b>	<b>3 723.6</b>	<b>3 923.3</b>	<b>-18.6%</b>	<b>30.4%</b>
Buildings and other fixed structures	7 150.3	26.7%	40.5%	4 334.6	3 590.3	3 773.8	-19.2%	29.6%
Machinery and equipment	92.3	2.9%	1.0%	87.7	90.2	103.9	4.0%	0.6%
Software and other intangible assets	40.4	38.6%	0.1%	23.4	43.1	45.6	4.1%	0.2%
<b>Total</b>	<b>15 294.5</b>	<b>19.4%</b>	<b>100.0%</b>	<b>15 245.3</b>	<b>16 038.3</b>	<b>17 159.7</b>	<b>3.9%</b>	<b>100.0%</b>



## Personnel information

**Table 36.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	2015/16 - 2018/19
Water and Sanitation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Salary level</b>	<b>4 994</b>	<b>200</b>	<b>3 637</b>	<b>1 275.7</b>	<b>0.4</b>	<b>3 974</b>	<b>1 372.3</b>	<b>0.3</b>	<b>4 511</b>	<b>1 667.2</b>	<b>0.4</b>	<b>4 511</b>	<b>1 769.2</b>	<b>0.4</b>	<b>4 525</b>	<b>1 894.7</b>	<b>0.4</b>	<b>4.4%</b>	<b>100.0%</b>
1 – 6	2 197	122	1 636	282.5	0.2	1 769	325.5	0.2	1 938	380.8	0.2	1 938	398.8	0.2	1 962	416.6	0.2	3.5%	43.4%
7 – 10	1 890	46	1 342	456.3	0.3	1 503	517.9	0.3	1 754	659.3	0.4	1 756	704.9	0.4	1 695	721.3	0.4	4.1%	38.3%
11 – 12	679	31	523	387.2	0.7	554	380.9	0.7	651	452.9	0.7	646	478.1	0.7	681	539.1	0.8	7.1%	14.5%
13 – 16	228	1	136	149.7	1.1	148	148.0	1.0	168	174.2	1.0	171	187.3	1.1	187	217.8	1.2	8.1%	3.8%
<b>Programme</b>	<b>4 994</b>	<b>200</b>	<b>3 637</b>	<b>1 275.7</b>	<b>0.4</b>	<b>3 974</b>	<b>1 372.3</b>	<b>0.3</b>	<b>4 511</b>	<b>1 667.2</b>	<b>0.4</b>	<b>4 511</b>	<b>1 769.2</b>	<b>0.4</b>	<b>4 525</b>	<b>1 894.7</b>	<b>0.4</b>	<b>4.4%</b>	<b>100.0%</b>
Programme 1	2 454	107	1 783	608.6	0.3	1 917	618.5	0.3	2 122	749.6	0.4	2 122	787.2	0.4	2 041	835.2	0.4	2.1%	46.8%
Programme 2	1 138	39	895	364.9	0.4	872	331.6	0.4	1 087	412.5	0.4	1 092	440.2	0.4	1 086	460.6	0.4	7.6%	23.6%
Programme 3	391	1	338	81.6	0.2	390	114.7	0.3	390	125.3	0.3	390	131.2	0.3	390	138.9	0.4	–	8.9%
Programme 4	559	7	322	123.0	0.4	387	143.1	0.4	456	175.1	0.4	456	191.3	0.4	559	224.5	0.4	13.0%	10.6%
Programme 5	452	46	299	97.6	0.3	408	164.4	0.4	456	204.8	0.4	451	219.2	0.5	449	235.5	0.5	3.2%	10.1%
<b>Reduction</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>4 994</b>	<b>200</b>	<b>3 637</b>	<b>1 275.7</b>	<b>0.4</b>	<b>3 974</b>	<b>1 372.3</b>	<b>0.3</b>	<b>4 511</b>	<b>1 667.2</b>	<b>0.4</b>	<b>–</b>	<b>1 670.2</b>	<b>–</b>	<b>–</b>	<b>1 739.7</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

2. The department's compensation of employees budget has been reduced by R254 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Departmental receipts

**Table 36.5 Departmental receipts by economic classification**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
<b>Departmental receipts</b>	<b>26 015</b>	<b>65 950</b>	<b>15 333</b>	<b>19 092</b>	<b>19 092</b>	<b>-9.8%</b>	<b>100.0%</b>	<b>18 148</b>	<b>19 183</b>	<b>18 721</b>	<b>-0.7%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>2 964</b>	<b>2 774</b>	<b>2 356</b>	<b>2 468</b>	<b>2 468</b>	<b>-5.9%</b>	<b>8.4%</b>	<b>926</b>	<b>961</b>	<b>998</b>	<b>-26.1%</b>	<b>7.1%</b>
Sales by market establishments of which:	1 340	1 943	935	916	916	-11.9%	4.1%	926	961	998	2.9%	5.1%
Market establishment: Rental dwelling	1 161	1 788	722	691	691	-15.9%	3.5%	713	748	785	4.3%	3.9%
Market establishment: Non-residential building	–	–	23	35	35	–	–	23	23	23	-13.1%	0.1%
Market establishment: Rental parking	179	155	190	190	190	2.0%	0.6%	190	190	190	–	1.0%
Administrative fees of which:	25	26	67	101	101	59.3%	0.2%	–	–	–	-100.0%	0.1%
Services rendered: Transport fees	1	–	52	53	53	275.6%	0.1%	–	–	–	-100.0%	0.1%
Sales: Tender documents	–	–	11	–	–	–	–	–	–	–	–	–
Sales: Maps	10	12	–	2	2	-41.5%	–	–	–	–	-100.0%	–
Replacement of security cards	2	–	4	10	10	71.0%	–	–	–	–	-100.0%	–
Sales: Water potable	12	14	–	36	36	44.2%	–	–	–	–	-100.0%	–
Other sales of which:	1 599	805	1 354	1 451	1 451	-3.2%	4.1%	–	–	–	-100.0%	1.9%
Rental capital assets	15	15	22	65	65	63.0%	0.1%	–	–	–	-100.0%	0.1%
Sales: Departmental publications and production	1	240	3	4	4	58.7%	0.2%	–	–	–	-100.0%	–
Services rendered: Commission on insurance and garnishee	1 587	550	772	737	737	-22.6%	2.9%	–	–	–	-100.0%	1.0%
Sales: Meals and refreshments	32	–	557	507	507	151.2%	0.9%	–	–	–	-100.0%	0.7%
Services rendered: Boarding service-staff/Boarding service-private	(36)	–	–	138	138	-256.5%	0.1%	–	–	–	-100.0%	0.2%

Table 36.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2015/16	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Receipt item/ Total: Average (%) 2015/16	Medium-term receipts estimate			Average growth rate (%) 2015/16 - 2018/19	Receipt item/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15					2016/17	2017/18	2018/19		
Sales of scrap, waste, arms and other used current goods	45	9	4	24	24	-18.9%	0.1%	22	22	23	-1.4%	0.1%
of which:												
Sales: Scrap	42	6	4	21	21	-20.6%	0.1%	22	22	23	3.1%	0.1%
Sales: Waste paper	3	3	-	3	3	-	-	-	-	-	-100.0%	-
Transfers received	-	-	63	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	(558)	4 612	2 544	3 500	3 500	-284.4%	8.0%	3 700	4 000	4 200	6.3%	20.5%
Interest	(558)	4 612	2 544	3 500	3 500	-284.4%	8.0%	3 700	4 000	4 200	6.3%	20.5%
Transactions in financial assets and liabilities	23 564	58 555	10 366	13 100	13 100	-17.8%	83.5%	13 500	14 200	13 500	1.0%	72.3%
<b>Total</b>	<b>26 015</b>	<b>65 950</b>	<b>15 333</b>	<b>19 092</b>	<b>19 092</b>	<b>-9.8%</b>	<b>100.0%</b>	<b>18 148</b>	<b>19 183</b>	<b>18 721</b>	<b>-0.7%</b>	<b>100.0%</b>

## Programme 1: Administration

### Programme purpose

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

### Objectives

- Improve regional water resource management by monitoring progress quarterly against the annual international relations implementation plan, as approved by the Department of International Relations and Cooperation.
- Maintain a maximum 10 per cent vacancy rate of funded posts for engineers and scientists through effective skills development, graduate programmes, succession planning and recruitment interventions over the medium term.
- Ensure the health of the water ecosystem by completing the acid mine drainage long term solution project for the Witwatersrand (Gauteng) over the medium term.

### Subprogrammes

- *Ministry* provides for the administrative and logistical support to the minister and deputy minister and their support staff, and makes provision for their salaries.
- *Departmental Management* provides policy and strategic direction for water and sanitation management. This includes enterprise wide support services comprising administrative support to the director general, corporate planning, and monitoring and evaluation, as well as the provision for salaries and operational budgets of the department's regional office heads.
- *Internal Audit* provides independent, objective assurance and advisory services designed to add value and improve the department's operations.
- *Corporate Services* provides enterprise wide support, comprising human resources, legal services, communications, the learning and development academy, and transformation policy and coordination.
- *Financial Management* ensures the efficient management of daily financial operations, processes and systems.
- *Office Accommodation* makes payments for rental charges on all leased office space occupied by the department, as well as for municipal services such as electricity, water, and sewage and waste removal.
- *Programme Management Unit* provides for improved coordination and governance in the management of the departmental projects, including the management of mine water in South Africa with specific emphasis on acid mine management.
- *International Water Support* strategically coordinates, promotes and manages international relations on water and sanitation between countries through bilateral and multilateral cooperation instruments and organisations, in line with legislative provisions. This subprogramme also pursues national interests in African and global multilateral organisations and forums.

## Expenditure trends and estimates

Table 36.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand											
Ministry	47 051	45 310	43 271	50 936	2.7%	3.1%	52 300	49 932	62 235	6.9%	3.3%
Departmental Management	204 151	188 108	149 038	130 007	-14.0%	11.3%	145 542	157 544	168 542	9.0%	9.1%
Internal Audit	16 864	18 236	20 185	24 773	13.7%	1.4%	27 768	29 654	31 672	8.5%	1.7%
Corporate Services	516 512	560 930	622 730	679 976	9.6%	40.2%	776 232	797 151	810 817	6.0%	46.3%
Financial Management	177 968	240 446	209 390	207 215	5.2%	14.1%	275 384	255 738	280 023	10.6%	15.4%
Office Accommodation	249 274	259 308	253 698	352 610	12.3%	18.8%	334 920	354 346	374 898	2.1%	21.4%
Programme Management Unit	156 785	378 048	-	4 860	-68.6%	9.1%	5 162	5 460	5 777	5.9%	0.3%
International Water Support	22 970	26 953	32 712	37 157	17.4%	2.0%	42 180	42 092	44 452	6.2%	2.5%
<b>Total</b>	<b>1 391 575</b>	<b>1 717 339</b>	<b>1 331 024</b>	<b>1 487 534</b>	<b>2.2%</b>	<b>100.0%</b>	<b>1 659 488</b>	<b>1 691 917</b>	<b>1 778 416</b>	<b>6.1%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				(38 633)			(26 701)	(52 034)	(66 684)		
<b>Economic classification</b>	<b>1 184 656</b>	<b>1 243 571</b>	<b>1 275 987</b>	<b>1 394 897</b>	<b>5.6%</b>	<b>86.0%</b>	<b>1 587 345</b>	<b>1 600 385</b>	<b>1 673 424</b>	<b>6.3%</b>	<b>94.5%</b>
<b>Current payments</b>											
Compensation of employees	516 525	553 549	608 602	645 589	7.7%	39.2%	749 569	787 194	835 207	9.0%	45.6%
Goods and services	666 799	689 965	666 350	742 785	3.7%	46.7%	837 776	813 191	838 217	4.1%	48.8%
of which:											
Administrative fees	5 457	3 972	3 249	4 541	-5.9%	0.3%	5 713	5 924	6 286	11.4%	0.3%
Advertising	15 453	15 341	30 854	30 781	25.8%	1.6%	49 088	50 162	32 381	1.7%	2.5%
Minor assets	2 594	2 271	3 723	4 339	18.7%	0.2%	5 469	5 998	6 350	13.5%	0.3%
Audit costs: External	24 921	22 122	22 089	32 345	9.1%	1.7%	30 600	20 435	33 765	1.4%	1.8%
Bursaries: Employees	1 860	2 493	3 382	3 108	18.7%	0.2%	3 813	3 647	3 858	7.5%	0.2%
Catering: Departmental activities	4 439	5 291	4 297	4 877	3.2%	0.3%	4 505	5 163	5 499	4.1%	0.3%
Communication	32 207	25 989	29 309	38 783	6.4%	2.1%	30 833	39 637	34 632	-3.7%	2.2%
Computer services	79 913	102 186	79 560	42 033	-19.3%	5.1%	74 220	73 637	78 052	22.9%	4.0%
Consultants: Business and advisory services	45 623	38 128	22 960	14 997	-31.0%	2.1%	22 325	10 856	11 497	-8.5%	0.9%
Infrastructure and planning services	3 093	288	785	1 194	-27.2%	0.1%	3 000	3 179	3 367	41.3%	0.2%
Laboratory services	-	2	11	-	-	-	-	-	-	-	-
Legal services	4 112	8 774	6 827	8 099	25.4%	0.5%	7 000	7 416	7 855	-1.0%	0.5%
Contractors	11 616	17 576	33 883	45 279	57.4%	1.8%	58 287	43 785	41 669	-2.7%	2.9%
Agency and support/outsourced services	13 056	4 839	21 562	16 044	7.1%	0.9%	11 334	12 173	12 868	-7.1%	0.8%
Entertainment	160	520	61	323	26.4%	-	1 336	1 364	1 420	63.8%	0.1%
Fleet services (including government motor transport)	-	31	280	415	-	-	288	304	322	-8.1%	-
Inventory: Clothing material and accessories	-	711	764	648	-	-	561	550	578	-3.7%	-
Inventory: Farming supplies	-	33	2	4	-	-	4	5	5	7.7%	-
Inventory: Food and food supplies	1 833	1 488	14	90	-63.4%	0.1%	124	128	127	12.2%	-
Inventory: Fuel, oil and gas	23	55	242	182	99.3%	-	219	233	253	11.6%	-
Inventory: Learner and teacher support material	6	-	1	22	54.2%	-	26	27	37	18.9%	-
Inventory: Materials and supplies	819	312	294	611	-9.3%	-	382	601	644	1.8%	-
Inventory: Medical supplies	14	18	34	-	-100.0%	-	77	138	146	-	-
Inventory: Medicine	-	-	-	71	-	-	-	-	-	-100.0%	-
Medsas inventory interface	-	-	-	-	-	-	200	200	200	-	-
Inventory: Other supplies	1 463	2	-	181	-50.2%	-	524	371	373	27.3%	-
Consumable supplies	1 262	3 987	4 294	8 446	88.5%	0.3%	8 615	8 468	8 950	2.0%	0.5%
Consumables: Stationery, printing and office supplies	10 853	11 987	6 441	11 278	1.3%	0.7%	17 005	17 478	18 498	17.9%	1.0%
Operating leases	365	228 253	230 734	250 290	781.8%	12.0%	294 478	312 015	330 094	9.7%	17.9%
Rental and hiring	209	1 202	1 322	2 448	127.1%	0.1%	2 744	2 167	2 262	-2.6%	0.1%
Property payments	278 462	59 847	45 996	122 099	-24.0%	8.5%	60 012	63 136	66 758	-18.2%	4.7%
Transport provided: Departmental activity	13	156	603	1 507	387.6%	-	5 138	3 445	3 911	37.4%	0.2%
Travel and subsistence	101 609	100 434	86 024	65 765	-13.5%	6.0%	94 571	69 256	71 514	2.8%	4.6%
Training and development	10 757	15 369	10 313	19 000	20.9%	0.9%	23 884	25 280	26 747	12.1%	1.4%
Operating payments	6 968	7 105	8 713	7 583	2.9%	0.5%	10 875	14 279	14 744	24.8%	0.7%
Venues and facilities	7 639	9 183	7 727	5 402	-10.9%	0.5%	10 526	11 734	12 555	32.5%	0.6%
Interest and rent on land	1 332	57	1 035	6 523	69.8%	0.2%	-	-	-	-100.0%	0.1%
<b>Transfers and subsidies</b>	<b>21 415</b>	<b>19 886</b>	<b>21 258</b>	<b>22 262</b>	<b>1.3%</b>	<b>1.4%</b>	<b>24 421</b>	<b>26 259</b>	<b>27 610</b>	<b>7.4%</b>	<b>1.5%</b>
Provinces and municipalities	4	4	11	3	-9.1%	-	24	25	26	105.4%	-
Departmental agencies and accounts	6	30	4 382	3 066	699.5%	0.1%	2 202	2 674	2 828	-2.7%	0.2%
Higher education institutions	-	-	-	2 000	-	-	3 400	3 400	3 435	19.8%	0.2%
Foreign governments and international organisations	592	609	908	1 029	20.2%	0.1%	920	920	973	-1.8%	0.1%
Non-profit institutions	490	818	700	900	22.5%	-	700	742	785	-4.5%	-
Households	20 323	18 425	15 257	15 264	-9.1%	1.2%	17 175	18 498	19 563	8.6%	1.1%

**Table 36.6 Administration expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
<b>Payments for capital assets</b>	<b>185 223</b>	<b>401 840</b>	<b>33 710</b>	<b>70 375</b>	<b>-27.6%</b>	<b>11.7%</b>	<b>47 722</b>	<b>65 273</b>	<b>77 382</b>	<b>3.2%</b>	<b>3.9%</b>
Buildings and other fixed structures	157 656	378 048	-	-	-100.0%	9.0%	-	-	-	-	-
Machinery and equipment	22 270	23 657	23 871	30 475	11.0%	1.7%	25 209	23 146	32 812	2.5%	1.7%
Software and other intangible assets	5 297	135	9 839	39 900	96.0%	0.9%	22 513	42 127	44 570	3.8%	2.3%
<b>Payments for financial assets</b>	<b>281</b>	<b>52 042</b>	<b>69</b>	<b>-</b>	<b>-100.0%</b>	<b>0.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 391 575</b>	<b>1 717 339</b>	<b>1 331 024</b>	<b>1 487 534</b>	<b>2.2%</b>	<b>100.0%</b>	<b>1 659 488</b>	<b>1 691 917</b>	<b>1 778 416</b>	<b>6.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>15.6%</b>	<b>16.3%</b>	<b>11.5%</b>	<b>9.4%</b>	<b>-</b>	<b>-</b>	<b>10.9%</b>	<b>10.5%</b>	<b>10.4%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>14 605</b>	<b>12 920</b>	<b>13 486</b>	<b>13 904</b>	<b>-1.6%</b>	<b>0.9%</b>	<b>15 535</b>	<b>16 759</b>	<b>17 727</b>	<b>8.4%</b>	<b>1.0%</b>
Bursaries for non-employees	14 407	12 480	13 486	13 904	-1.2%	0.9%	15 535	16 759	17 727	8.4%	1.0%
Other transfers to households	198	440	-	-	-100.0%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>6</b>	<b>30</b>	<b>4 382</b>	<b>3 066</b>	<b>699.5%</b>	<b>0.1%</b>	<b>2 202</b>	<b>2 674</b>	<b>2 828</b>	<b>-2.7%</b>	<b>0.2%</b>
Communication	-	2	2 178	4	-	-	-	-	-	-100.0%	-
Energy and Water Services Sector Education and Training Authority	6	28	2 204	3 062	699.1%	0.1%	2 202	2 674	2 828	-2.6%	0.2%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>4</b>	<b>4</b>	<b>11</b>	<b>3</b>	<b>-9.1%</b>	<b>-</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>105.4%</b>	<b>-</b>
Vehicle licences	4	-	5	-	-100.0%	-	24	25	26	-	-
Other transfers to households	-	4	6	3	-	-	-	-	-	-100.0%	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>5 718</b>	<b>5 505</b>	<b>1 771</b>	<b>1 360</b>	<b>-38.0%</b>	<b>0.2%</b>	<b>1 640</b>	<b>1 739</b>	<b>1 836</b>	<b>10.5%</b>	<b>0.1%</b>
Employee social benefits	5 718	5 505	1 771	1 360	-38.0%	0.2%	1 640	1 739	1 836	10.5%	0.1%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>592</b>	<b>609</b>	<b>908</b>	<b>1 029</b>	<b>20.2%</b>	<b>0.1%</b>	<b>920</b>	<b>920</b>	<b>973</b>	<b>-1.8%</b>	<b>0.1%</b>
Orange-Senqu River Commission	525	510	608	582	3.5%	-	611	638	675	5.1%	-
African Ministers' Council on Water	67	99	-	97	13.1%	-	102	106	112	4.9%	-
Limpopo Watercourse Commission	-	-	300	350	-	-	207	176	186	-19.0%	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>490</b>	<b>818</b>	<b>700</b>	<b>900</b>	<b>22.5%</b>	<b>-</b>	<b>700</b>	<b>742</b>	<b>785</b>	<b>-4.5%</b>	<b>-</b>
Non-profit institutions	490	-	-	-	-100.0%	-	-	-	-	-	-
Women in water awards	-	818	700	900	-	-	700	742	785	-4.5%	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>3 400</b>	<b>3 400</b>	<b>3 435</b>	<b>19.8%</b>	<b>0.2%</b>
University of the Western Cape	-	-	-	2 000	-	-	2 400	2 400	2 435	6.8%	0.1%
Stellenbosch University	-	-	-	-	-	-	1 000	1 000	1 000	-	-

## Personnel information

**Table 36.7 Administration personnel numbers and cost by salary level<sup>1</sup>**

Administration	Number of posts estimated for 31 March 2016		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 (%)			
			2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
<b>Total</b>	<b>2 454</b>	<b>107</b>	<b>1 783</b>	<b>608.6</b>	<b>0.3</b>	<b>1 917</b>	<b>618.5</b>	<b>0.3</b>	<b>2 122</b>	<b>749.6</b>	<b>0.4</b>	<b>2 122</b>	<b>787.2</b>	<b>0.4</b>	<b>2 041</b>	<b>835.2</b>	<b>0.4</b>	<b>2.1%</b>	<b>100.0%</b>
1 - 6	1 070	77	827	148.1	0.2	883	174.1	0.2	969	211.5	0.2	969	222.1	0.2	890	205.1	0.2	0.3%	45.2%
7 - 10	1 027	26	725	254.7	0.4	800	272.6	0.3	892	333.5	0.4	892	350.2	0.4	836	350.0	0.4	1.5%	41.7%
11 - 12	228	3	151	112.2	0.7	149	88.7	0.6	169	108.5	0.6	169	114.0	0.7	204	152.1	0.7	11.0%	8.4%
13 - 16	129	1	80	93.6	1.2	85	83.1	1.0	92	96.0	1.0	92	100.9	1.1	111	128.1	1.2	9.3%	4.6%

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

2. Rand million.

## Programme 2: Water Planning and Information Management

### Programme 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 a knowledge base and implementing effective policies, procedures and integrated planning strategies, both for water resources and water services.

### Objectives

- Ensure the maintenance of a reliable and equitable water supply by completing a record of decisions for 7 raw water planning projects by March 2018.
- Generate information that is used to inform decisions on programmes for water management by improving the monitoring of water resources through the implementation of the water monitoring strategy in prioritised catchments by March 2017.
- Ensure the protection of water resources by implementing an integrated water quality management strategy and determining resource quality objectives for 8 river systems by March 2018.
- Measure the health of the ecosystem by continuously monitoring 98 rivers while completing up to 6 climate change vulnerability assessments for hydro climatic zones by March 2018.
- Audit water service authorities within the 27 priority district municipalities on their delivery of water and sanitation, as referenced in water services development plans and developing investment frameworks for the 27 priority district municipalities by March 2018.

### Subprogrammes

- *Water Planning, Information Management and Support* provides strategic leadership and overall management to the programme.
- *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.
- *Water Ecosystems* develops and implements measures to protect water resources by classifying water resource systems, determining reserves, conducting resource quality assessments, developing pollution control guidelines, and rehabilitation measures and protocols.
- *Water Information Management* ensures the development and maintenance of systems and programmes for data and information acquisition and management, and builds the knowledge base on all aspects of water for informed water management decisions.
- *Water Services and Local Water Management* entails the formulation and development of strategies, guidelines and plans for water services and management of water at the local level, to ensure that all South Africans have access to effective, sustainable and affordable water services. This is done through policy and legislative framework, information and planning, support, and monitoring and evaluation.
- *Sanitation Planning and Management* develops the national strategy for the planning of sanitation services and provides planning support to municipalities for the provisions of sustainable sanitation services.

## Expenditure trends and estimates

Table 36.8 Water Planning and Information Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R thousand											
Water Planning, Information Management and Support	3 428	4 667	5 606	4 985	13.3%	0.7%	7 519	7 483	7 917	16.7%	0.8%
Integrated Planning	162 805	182 209	217 710	186 976	4.7%	26.5%	124 668	120 317	137 030	-9.8%	17.0%
Water Ecosystems	32 069	46 943	47 972	42 648	10.0%	6.0%	53 706	59 565	60 698	12.5%	6.5%
Water Information Management	459 118	379 341	527 121	509 354	3.5%	66.4%	515 736	524 691	547 682	2.4%	62.7%
Water Services and Local Water Management	-	-	-	-	-	-	121 589	125 383	131 359	-	11.3%
Sanitation Planning and Management	4 813	5 404	1 836	-	-100.0%	0.4%	18 599	18 823	19 794	-	1.7%
<b>Total</b>	<b>662 233</b>	<b>618 564</b>	<b>800 245</b>	<b>743 963</b>	<b>4.0%</b>	<b>100.0%</b>	<b>841 817</b>	<b>856 262</b>	<b>904 480</b>	<b>6.7%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				(64 692)			(18 226)	(28 814)	(31 932)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>586 379</b>	<b>486 709</b>	<b>743 890</b>	<b>679 677</b>	<b>5.0%</b>	<b>88.4%</b>	<b>768 150</b>	<b>777 421</b>	<b>821 567</b>	<b>6.5%</b>	<b>91.0%</b>
Compensation of employees	282 752	201 764	366 512	350 644	7.4%	42.5%	412 460	440 232	460 617	9.5%	49.7%
Goods and services	301 867	284 945	377 331	329 033	2.9%	45.8%	355 690	337 189	360 950	3.1%	41.3%
of which:											
Administrative fees	3 583	1 624	1 134	2 196	-15.1%	0.3%	2 707	3 033	3 315	14.7%	0.3%
Advertising	463	974	1 672	1 274	40.1%	0.2%	995	999	1 134	-3.8%	0.1%
Minor assets	4 807	1 264	1 557	5 801	6.5%	0.5%	6 413	6 936	7 273	7.8%	0.8%
Catering: Departmental activities	944	533	658	964	0.7%	0.1%	774	856	1 025	2.1%	0.1%
Communication	6 878	2 820	8 560	7 406	2.5%	0.9%	8 415	8 631	9 596	9.0%	1.0%
Computer services	27 943	75 940	46 331	62 752	31.0%	7.5%	50 125	47 764	46 362	-9.6%	6.2%
Consultants: Business and advisory services	8 539	8 583	31 920	20 795	34.5%	2.5%	35 142	36 975	35 520	19.5%	3.8%
Infrastructure and planning services	118 593	125 747	123 428	94 384	-7.3%	16.4%	128 088	118 576	133 667	12.3%	14.2%
Laboratory services	2 664	991	3 246	6 807	36.7%	0.5%	5 468	5 621	5 871	-4.8%	0.7%
Legal services	-	-	-	-	-	-	5	5	1 063	-	-
Science and technological services	-	-	-	-	-	-	117	123	130	-	-
Contractors	12 703	4 001	29 084	24 916	25.2%	2.5%	9 285	8 495	7 881	-31.9%	1.5%
Agency and support/outourced services	14 145	-	14 026	635	-64.5%	1.0%	3 945	4 456	4 817	96.5%	0.4%
Entertainment	9	62	85	71	99.1%	-	55	61	65	-2.9%	-
Fleet services (including government motor transport)	-	206	936	684	-	0.1%	1 575	1 723	1 813	38.4%	0.2%
Inventory: Clothing material and accessories	-	221	1 947	1 565	-	0.1%	2 138	2 051	2 149	11.1%	0.2%
Inventory: Farming supplies	-	53	36	50	-	-	206	221	234	67.3%	-
Inventory: Food and food supplies	51	-	95	161	46.7%	-	96	101	105	-13.3%	-
Inventory: Fuel, oil and gas	4 049	659	1 626	5 245	9.0%	0.4%	6 801	5 881	6 242	6.0%	0.7%
Inventory: Learner and teacher support material	1	-	8	203	487.7%	-	5	11	22	-52.3%	-
Inventory: Materials and supplies	6 428	120	6 393	6 991	2.8%	0.7%	5 288	5 314	5 890	-5.6%	0.7%
Inventory: Medical supplies	45	-	85	142	46.7%	-	87	67	87	-15.1%	-
Inventory: Medicine	-	-	-	-	-	-	19	24	221	-	-
Inventory: Other supplies	3 453	4 183	15 904	5 624	17.7%	1.0%	6 101	3 645	3 907	-11.4%	0.6%
Consumable supplies	2 391	462	1 239	2 936	7.1%	0.2%	2 360	3 292	4 620	16.3%	0.4%
Consumables: Stationery, printing and office supplies	4 504	3 139	5 064	5 095	4.2%	0.6%	5 965	5 909	6 419	8.0%	0.7%
Operating leases	569	423	452	1 401	35.0%	0.1%	891	854	933	-12.7%	0.1%
Rental and hiring	32	291	154	205	85.7%	-	152	249	318	15.8%	-
Property payments	2 021	209	2 166	1 783	-4.1%	0.2%	2 574	2 226	2 302	8.9%	0.3%
Transport provided: Departmental activity	4	-	-	-	-100.0%	-	-	6	6	-	-
Travel and subsistence	68 779	44 394	69 864	55 836	-6.7%	8.5%	56 200	48 476	52 811	-1.8%	6.4%
Training and development	3 597	3 015	4 297	6 629	22.6%	0.6%	7 047	7 731	7 983	6.4%	0.9%
Operating payments	3 063	2 004	4 517	4 519	13.8%	0.5%	4 936	5 009	5 101	4.1%	0.6%
Venues and facilities	1 609	3 027	847	1 963	6.9%	0.3%	1 715	1 868	2 068	1.8%	0.2%
Interest and rent on land	1 760	-	47	-	-100.0%	0.1%	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 380</b>	<b>1 471</b>	<b>11 534</b>	<b>924</b>	<b>-35.1%</b>	<b>0.6%</b>	<b>1 081</b>	<b>1 137</b>	<b>1 201</b>	<b>9.1%</b>	<b>0.1%</b>
Provinces and municipalities	274	5	552	378	11.3%	-	395	415	438	5.0%	-
Public corporations and private enterprises	-	81	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	19	25	23	-	-	24	25	26	4.2%	-
Households	3 106	1 366	10 957	523	-44.8%	0.6%	662	697	737	12.1%	0.1%
<b>Payments for capital assets</b>	<b>72 474</b>	<b>130 384</b>	<b>44 821</b>	<b>63 362</b>	<b>-4.4%</b>	<b>11.0%</b>	<b>72 586</b>	<b>77 704</b>	<b>81 712</b>	<b>8.8%</b>	<b>8.8%</b>
Buildings and other fixed structures	30 104	107 426	28 500	26 076	-4.7%	6.8%	30 000	31 740	33 581	8.8%	3.6%
Machinery and equipment	38 758	22 412	15 876	36 816	-1.7%	4.0%	41 655	45 005	47 123	8.6%	5.1%
Software and other intangible assets	3 612	546	445	470	-49.3%	0.2%	931	959	1 008	29.0%	0.1%
<b>Total</b>	<b>662 233</b>	<b>618 564</b>	<b>800 245</b>	<b>743 963</b>	<b>4.0%</b>	<b>100.0%</b>	<b>841 817</b>	<b>856 262</b>	<b>904 480</b>	<b>6.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	7.4%	5.9%	6.9%	4.7%	-	-	5.5%	5.3%	5.3%	-	-

**Table 36.8 Water Planning and Information Management expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
	R thousand										
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	2 780	–	5 174	–	-100.0%	0.3%	–	–	–	–	–
Employee social benefits	–	–	5 174	–	–	0.2%	–	–	–	–	–
Vehicle licences	1 163	–	–	–	-100.0%	–	–	–	–	–	–
Poor farmers	1 617	–	–	–	-100.0%	0.1%	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	274	5	552	378	11.3%	–	395	415	438	5.0%	–
Vehicle licences	274	5	552	378	11.3%	–	395	415	438	5.0%	–
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	326	1 366	5 783	523	17.1%	0.3%	662	697	737	12.1%	0.1%
Employee social benefits	326	1 364	5 783	523	17.1%	0.3%	662	697	737	12.1%	0.1%
Other transfer	–	2	–	–	–	–	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	–	19	25	23	–	–	24	25	26	4.2%	–
South African youth water prize	–	19	25	23	–	–	24	25	26	4.2%	–
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations - subsidies on products and production</b>											
<b>Current</b>	–	81	–	–	–	–	–	–	–	–	–
Public corporations	–	81	–	–	–	–	–	–	–	–	–

## Personnel information

**Table 36.9 Water Planning and Information Management personnel numbers and cost by salary level<sup>1</sup>**

Water Planning and Information Management	Number of posts estimated for 31 March 2016		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 (%) 2015/16 - 2018/19	Salary level/total: Average (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
<b>Total</b>	<b>1 138</b>	<b>39</b>	<b>895</b>	<b>364.9</b>	<b>0.4</b>	<b>872</b>	<b>331.6</b>	<b>0.4</b>	<b>1 087</b>	<b>412.5</b>	<b>0.4</b>	<b>1 092</b>	<b>440.2</b>	<b>0.4</b>	<b>1 086</b>	<b>460.6</b>	<b>0.4</b>	<b>7.6%</b>	<b>100.0%</b>
1 – 6	555	7	455	87.7	0.2	459	87.4	0.2	501	90.9	0.2	501	93.8	0.2	501	99.5	0.2	3.0%	47.4%
7 – 10	321	15	220	92.5	0.4	205	75.7	0.4	320	125.6	0.4	322	136.9	0.4	319	142.9	0.4	15.9%	28.2%
11 – 12	211	17	207	170.0	0.8	193	152.3	0.8	238	170.4	0.7	238	179.9	0.8	238	189.7	0.8	7.2%	21.9%
13 – 16	51	–	13	14.6	1.1	15	16.3	1.1	28	25.6	0.9	31	29.7	1.0	28	28.5	1.0	23.1%	2.5%

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

2. Rand million.

## Programme 3: Water Infrastructure Development

### Programme purpose

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

### Objectives

- Ensure the effective and sustainable management of water resources by transferring funds to the Water Trading Entity for the design, construction, commissioning and rehabilitation of the following 3 raw water infrastructure projects: phase 2C of the Olifants River water resource development project by March 2017; the raising of the Hazelmere Dam by March 2018 and the Clanwilliam Dam by March 2019; and dam safety rehabilitation at Elandsdrift barrage, and Kalkfontein, Nkadimeng and Vaalkop dams by March 2017, and at Hammarsdale Dam by March 2018.

- Ensure access to reliable, sustainable and acceptable water in 192 000 households and sanitation in 26 865 rural households by completing and refurbishing 2 mega water and wastewater projects, 12 large water and wastewater projects and 234 small water and wastewater projects over the medium term.

## Subprogrammes

- *Infrastructure Development and Rehabilitation* provides for the design, construction and commissioning of new water resource infrastructure, including dam safety rehabilitation.
- *Operation of Water Resources* funds expenditure on water resource management activities conducted by the department or catchment management agencies within water management areas.
- *Water Services Infrastructure* provides for the construction of new and the rehabilitation of existing water services infrastructure, including the transfer of water services schemes to water services institutions through the regional bulk infrastructure grant, the accelerated community infrastructure programme, and the water services infrastructure grant.

## Expenditure trends and estimates

**Table 36.10 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Infrastructure Development and Rehabilitation	2 092 003	2 391 702	2 755 177	1 758 963	-5.6%	25.9%	1 731 912	2 021 808	2 373 947	10.5%	15.7%
Operation of Water Resources	159 493	167 145	164 245	164 398	1.0%	1.9%	165 000	173 000	183 034	3.6%	1.4%
Water Services Infrastructure	4 119 256	5 119 286	5 951 800	9 940 571	34.1%	72.2%	9 799 503	10 584 399	11 200 899	4.1%	82.9%
<b>Total</b>	<b>6 370 752</b>	<b>7 678 133</b>	<b>8 871 222</b>	<b>11 863 932</b>	<b>23.0%</b>	<b>100.0%</b>	<b>11 696 415</b>	<b>12 779 207</b>	<b>13 757 880</b>	<b>5.1%</b>	<b>100.0%</b>
Change to 2015				(571 855)			(1 366 872)	(1 952 483)	(1 828 247)		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>224 141</b>	<b>398 961</b>	<b>217 222</b>	<b>477 651</b>	<b>28.7%</b>	<b>3.8%</b>	<b>300 075</b>	<b>328 256</b>	<b>321 357</b>	<b>-12.4%</b>	<b>2.8%</b>
Compensation of employees	76 431	184 214	81 603	114 679	14.5%	1.3%	125 334	131 181	138 903	6.6%	1.0%
Goods and services	147 552	214 746	135 619	362 972	35.0%	2.5%	174 741	197 075	182 454	-20.5%	1.8%
of which:											
Administrative fees	332	203	226	1 150	51.3%	-	1 121	1 177	1 245	2.7%	-
Advertising	41	142	-	668	153.5%	-	147	155	164	-37.4%	-
Minor assets	122	838	212	207	19.3%	-	1 356	1 424	1 508	93.9%	-
Bursaries: Employees	-	-	-	241	-	-	-	-	-	-100.0%	-
Catering: Departmental activities	403	237	176	173	-24.6%	-	1 119	1 182	1 251	93.4%	-
Communication	651	735	724	2 206	50.2%	-	2 356	2 475	2 619	5.9%	-
Computer services	148	123	147	7 298	266.7%	-	959	1 007	1 065	-47.4%	-
Consultants: Business and advisory services	46 541	28 969	32 925	18 028	-27.1%	0.4%	37 568	39 707	42 795	33.4%	0.3%
Infrastructure and planning services	28 954	53 637	8 965	206 063	92.4%	0.9%	23 792	24 464	25 096	-50.4%	0.6%
Laboratory services	7	16	-	-	-100.0%	-	-	-	-	-	-
Science and technological services	-	-	-	122	-	-	128	134	142	5.2%	-
Contractors	38 156	102 100	67 142	103 939	39.7%	0.9%	65 093	81 659	60 346	-16.6%	0.6%
Agency and support/outsource services	11 735	8 226	11 825	65	-82.3%	0.1%	11 440	12 031	12 729	480.7%	0.1%
Entertainment	2	4	3	16	100.0%	-	56	58	61	56.2%	-
Fleet services (including government motor transport)	-	-	-	150	-	-	-	-	-	-100.0%	-
Housing	-	-	-	29	-	-	-	-	-	-100.0%	-
Inventory: Clothing material and accessories	-	70	81	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	14	15	16	-	-
Inventory: Food and food supplies	21	11	8	10	-21.9%	-	14	15	16	17.0%	-
Inventory: Fuel, oil and gas	73	439	1	-	-100.0%	-	506	531	562	-	-
Inventory: Learner and teacher support material	-	463	-	508	-	-	533	560	592	5.2%	-
Inventory: Materials and supplies	4	415	1 320	6 021	1046.0%	-	375	394	417	-58.9%	-
Inventory: Medical supplies	-	25	23	-	-	-	12	13	14	-	-
Inventory: Medicine	-	-	-	28	-	-	29	30	32	4.6%	-



**Table 36.10 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
<i>Inventory: Other supplies</i>	517	1 495	–	–	-100.0%	–	1 831	1 922	2 033	–	–
<i>Consumable supplies</i>	–	350	997	–	–	–	45	48	51	–	–
<i>Consumables: Stationery, printing and office supplies</i>	836	1 335	620	3 098	54.7%	–	2 653	2 794	2 956	-1.6%	–
<i>Operating leases</i>	–	–	7	8	–	–	1 618	1 699	1 798	508.0%	–
<i>Rental and hiring</i>	–	–	4	800	–	–	–	–	–	-100.0%	–
<i>Property payments</i>	4 208	4 431	4 656	–	-100.0%	–	2 875	3 019	3 194	–	–
<i>Transport provided: Departmental activity</i>	–	–	–	–	–	–	39	41	43	–	–
<i>Travel and subsistence</i>	13 099	9 270	5 134	11 046	-5.5%	0.1%	16 834	18 234	19 291	20.4%	0.1%
<i>Training and development</i>	215	285	149	654	44.9%	–	1 318	1 387	1 467	30.9%	–
<i>Operating payments</i>	1 245	727	159	264	-40.4%	–	459	479	506	24.2%	–
<i>Venues and facilities</i>	242	200	115	180	-9.4%	–	451	421	445	35.2%	–
<i>Interest and rent on land</i>	158	1	–	–	-100.0%	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>2 818 154</b>	<b>3 923 053</b>	<b>4 552 104</b>	<b>5 031 640</b>	<b>21.3%</b>	<b>46.9%</b>	<b>7 437 967</b>	<b>8 889 540</b>	<b>9 693 297</b>	<b>24.4%</b>	<b>62.0%</b>
Provinces and municipalities	562 434	1 129 173	1 050 790	2 305 029	60.0%	14.5%	4 694 982	5 594 864	6 019 056	37.7%	37.2%
Departmental agencies and accounts	2 071 496	2 377 202	2 735 154	1 735 123	-5.7%	25.6%	1 709 462	1 997 985	2 348 742	10.6%	15.6%
Foreign governments and international organisations	180 000	181 645	184 268	188 238	1.5%	2.1%	187 450	196 823	208 239	3.4%	1.6%
Public corporations and private enterprises	–	231 433	579 919	802 000	–	4.6%	844 773	1 098 503	1 115 816	11.6%	7.7%
Households	4 224	3 600	1 973	1 250	-33.4%	–	1 300	1 365	1 444	4.9%	–
<b>Payments for capital assets</b>	<b>3 328 457</b>	<b>3 356 119</b>	<b>4 101 896</b>	<b>6 354 641</b>	<b>24.1%</b>	<b>49.3%</b>	<b>3 958 373</b>	<b>3 561 411</b>	<b>3 743 226</b>	<b>-16.2%</b>	<b>35.2%</b>
Buildings and other fixed structures	3 327 797	3 353 474	4 093 182	6 350 240	24.0%	49.2%	3 954 634	3 558 538	3 740 186	-16.2%	35.1%
Machinery and equipment	660	2 645	8 714	4 401	88.2%	–	3 739	2 873	3 040	-11.6%	–
<b>Total</b>	<b>6 370 752</b>	<b>7 678 133</b>	<b>8 871 222</b>	<b>11 863 932</b>	<b>23.0%</b>	<b>100.0%</b>	<b>11 696 415</b>	<b>12 779 207</b>	<b>13 757 880</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>71.5%</b>	<b>73.1%</b>	<b>76.4%</b>	<b>75.3%</b>	<b>–</b>	<b>–</b>	<b>76.7%</b>	<b>79.7%</b>	<b>80.2%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>159 493</b>	<b>167 145</b>	<b>164 245</b>	<b>164 398</b>	<b>1.0%</b>	<b>1.9%</b>	<b>165 000</b>	<b>173 000</b>	<b>183 034</b>	<b>3.6%</b>	<b>1.4%</b>
Water Trading Entity	159 493	167 145	164 245	164 398	1.0%	1.9%	165 000	173 000	183 034	3.6%	1.4%
<b>Capital</b>	<b>1 912 003</b>	<b>2 210 057</b>	<b>2 570 909</b>	<b>1 570 725</b>	<b>-6.3%</b>	<b>23.8%</b>	<b>1 544 462</b>	<b>1 824 985</b>	<b>2 165 708</b>	<b>11.3%</b>	<b>14.2%</b>
Water Trading Entity	1 912 003	2 210 057	2 570 909	1 570 725	-6.3%	23.8%	1 544 462	1 824 985	2 165 708	11.3%	14.2%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Capital</b>	<b>562 434</b>	<b>1 129 173</b>	<b>1 050 790</b>	<b>2 305 029</b>	<b>60.0%</b>	<b>14.5%</b>	<b>4 694 982</b>	<b>5 594 864</b>	<b>6 019 056</b>	<b>37.7%</b>	<b>37.2%</b>
Regional bulk infrastructure grant	–	–	–	–	–	–	1 850 000	1 865 000	2 060 000	–	11.5%
Water services infrastructure grant	562 434	1 129 173	1 050 790	2 305 029	60.0%	14.5%	2 844 982	3 729 864	3 959 056	19.8%	25.6%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>4 224</b>	<b>3 600</b>	<b>1 973</b>	<b>1 250</b>	<b>-33.4%</b>	<b>–</b>	<b>1 300</b>	<b>1 365</b>	<b>1 444</b>	<b>4.9%</b>	<b>–</b>
Employee social benefits	4 224	3 600	1 973	1 250	-33.4%	–	1 300	1 365	1 444	4.9%	–
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>180 000</b>	<b>181 645</b>	<b>184 268</b>	<b>188 238</b>	<b>1.5%</b>	<b>2.1%</b>	<b>187 450</b>	<b>196 823</b>	<b>208 239</b>	<b>3.4%</b>	<b>1.6%</b>
Komati Basin Water Authority	180 000	181 645	184 268	188 238	1.5%	2.1%	187 450	196 823	208 239	3.4%	1.6%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>–</b>	<b>231 433</b>	<b>579 919</b>	<b>802 000</b>	<b>–</b>	<b>4.6%</b>	<b>844 773</b>	<b>1 098 503</b>	<b>1 115 816</b>	<b>11.6%</b>	<b>7.7%</b>
Amatola Water Board: Regional bulk infrastructure	–	–	150 000	169 060	–	0.9%	–	–	–	-100.0%	0.3%
Magalies Water Board: Regional bulk infrastructure	–	231 433	70 000	150 000	–	1.3%	226 773	489 603	518 000	51.2%	2.8%
Umgeni Water Board: Regional bulk infrastructure	–	–	216 719	279 140	–	1.4%	400 000	380 000	355 640	8.4%	2.8%
Sedibeng Water Board: Regional bulk infrastructure	–	–	143 200	203 800	–	1.0%	218 000	228 900	242 176	5.9%	1.8%

## Personnel information

**Table 36.11 Water Infrastructure Development personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		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 (%)							
		2014/15		Unit	2015/16		Unit	2016/17		Unit	2017/18		Unit			2018/19		Unit				
Salary level	Development	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19					
		391		1	338	81.6	0.2	390	114.7	0.3	390	125.3	0.3	390	131.2	0.3	390	138.9	0.4	-	100.0%	
1 – 6		257		-	204	22.7	0.1	256	33.8	0.1	256	37.3	0.1	256	37.8	0.1	256	40.1	0.2	-	65.6%	
7 – 10		94		1	87	23.5	0.3	94	47.8	0.5	94	52.3	0.6	94	54.8	0.6	94	57.8	0.6	-	24.1%	
11 – 12		29		-	36	24.3	0.7	29	21.2	0.7	29	22.9	0.8	29	24.7	0.9	29	26.2	0.9	-	7.4%	
13 – 16		11		-	11	11.0	1.0	11	11.9	1.1	11	12.9	1.2	11	13.9	1.3	11	14.8	1.3	-	2.8%	
<b>Total</b>		<b>391</b>		<b>1</b>	<b>338</b>	<b>81.6</b>	<b>0.2</b>	<b>390</b>	<b>114.7</b>	<b>0.3</b>	<b>390</b>	<b>125.3</b>	<b>0.3</b>	<b>-</b>	<b>131.2</b>	<b>-</b>	<b>-</b>	<b>138.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

2. Rand million.

## Programme 4: Water and Sanitation Services

### Programme purpose

Ensure the provision of sustainable water and sanitation services, including implementation support and advocacy to support household health and dignity.

### Objectives

- Support the provision of water for use in households and food production through the installation of 4 200 rainwater harvesting tanks over the medium term.
- Support targeted rural development initiatives by financially supporting up to 3 009 resource poor farmers over the medium term.
- Improve access to basic sanitation and ensure human dignity by eradicating bucket sanitation services in formal areas by March 2017.
- Enhance the provision of water and sanitation services by facilitating sector collaboration and coordinating intergovernmental relations on the provision of these services as and when required.

### Subprogrammes

- *Water Sector Support* provides for the implementation of rainwater harvesting tanks and financial support to resource poor farmers, including sector guidance, best practice, and innovation on sustainable water provision and sanitation services.
- *National Sanitation Services* supports the development of infrastructure for sanitation services for improved quality of life.

### Expenditure trends and estimates

**Table 36.12 Water and Sanitation Services expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand						2012/13 - 2015/16					2015/16 - 2018/19	
Water Sector Support	217 451	250 401	171 219	232 612	2.3%	36.4%	267 264	279 908	287 265	7.3%	37.7%	
National Sanitation Services	60 823	44 365	285 358	1 133 880	165.2%	63.6%	434 681	99 343	93 143	-56.5%	62.3%	
<b>Total</b>	<b>278 274</b>	<b>294 766</b>	<b>456 577</b>	<b>1 366 492</b>	<b>70.0%</b>	<b>100.0%</b>	<b>701 945</b>	<b>379 251</b>	<b>380 408</b>	<b>-34.7%</b>	<b>100.0%</b>	
Change to 2015 Budget estimate				(78 090)			205 190	(148 422)	(177 869)			

**Table 36.12 Water and Sanitation Services expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19
<b>Current payments</b>	<b>257 052</b>	<b>264 632</b>	<b>202 937</b>	<b>296 495</b>	<b>4.9%</b>	<b>42.6%</b>	<b>328 758</b>	<b>353 819</b>	<b>353 557</b>	<b>6.0%</b>	<b>47.1%</b>
Compensation of employees	120 687	138 455	121 353	148 102	7.1%	22.1%	175 053	171 149	180 234	6.8%	23.9%
Goods and services	136 110	126 177	81 584	148 393	2.9%	20.5%	153 705	182 670	173 323	5.3%	23.3%
<i>of which:</i>											
Administrative fees	1 947	948	623	863	-23.8%	0.2%	1 254	1 563	1 654	24.2%	0.2%
Advertising	2 983	2 150	2 792	4 405	13.9%	0.5%	3 814	4 621	5 473	7.5%	0.6%
Minor assets	2 222	596	401	1 225	-18.0%	0.2%	2 275	2 251	2 383	24.8%	0.3%
Bursaries: Employees	6	-	-	70	126.8%	-	330	493	522	95.4%	0.1%
Catering: Departmental activities	3 351	3 251	1 991	3 722	3.6%	0.5%	3 637	3 599	3 892	1.5%	0.5%
Communication	2 223	2 657	2 414	3 390	15.1%	0.4%	4 267	4 535	4 794	12.2%	0.6%
Computer services	409	173	166	10 134	191.5%	0.5%	11 514	12 299	12 977	8.6%	1.7%
Consultants: Business and advisory services	56 842	44 043	24 064	30 533	-18.7%	6.5%	12 660	34 944	20 563	-12.3%	3.5%
Infrastructure and planning services	-	1 688	-	15 561	-	0.7%	24 853	25 325	24 691	16.6%	3.2%
Laboratory services	275	174	213	-	-100.0%	-	33	33	33	-	-
Legal services	-	-	-	-	-	-	250	-	-	-	-
Science and technological services	-	-	-	313	-	-	335	351	371	5.8%	-
Contractors	1 861	4 064	2 454	962	-19.7%	0.4%	2 736	2 766	2 905	44.5%	0.3%
Agency and support/outourced services	25 023	12 390	8 096	22 449	-3.6%	2.8%	24 308	25 152	26 685	5.9%	3.5%
Entertainment	10	22	9	209	175.5%	-	35	52	55	-35.9%	-
Fleet services (including government motor transport)	282	368	508	295	1.5%	0.1%	445	451	542	22.5%	0.1%
Inventory: Clothing material and accessories	-	220	212	878	-	0.1%	1 251	1 153	1 154	9.5%	0.2%
Inventory: Farming supplies	-	-	34	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	76	32	-	83	3.0%	-	73	117	124	14.3%	-
Inventory: Fuel, oil and gas	9	-	-	33	54.2%	-	139	142	150	65.7%	-
Inventory: Learner and teacher support material	-	-	-	1 716	-	0.1%	2 253	1 992	2 117	7.3%	0.3%
Inventory: Materials and supplies	152	108	102	70	-22.8%	-	401	540	571	101.3%	0.1%
Inventory: Medical supplies	-	1	-	-	-	-	34	-	-	-	-
Inventory: Medicine	-	-	-	9	-	-	-	-	1	-51.9%	-
Medsas inventory interface	-	-	-	-	-	-	35	-	-	-	-
Inventory: Other supplies	6	3 820	482	105	159.6%	0.2%	224	140	137	9.3%	-
Consumable supplies	741	205	550	1 032	11.7%	0.1%	1 138	1 334	1 319	8.5%	0.2%
Consumables: Stationery, printing and office supplies	1 735	1 760	2 269	2 714	16.1%	0.4%	3 370	4 011	3 934	13.2%	0.5%
Operating leases	49	1 108	570	670	139.1%	0.1%	812	873	950	12.3%	0.1%
Rental and hiring	137	268	855	1 760	134.2%	0.1%	1 106	1 128	1 029	-16.4%	0.2%
Property payments	8	33	88	9	4.0%	-	19	19	20	30.5%	-
Transport provided: Departmental activity	67	-	17	1 215	162.7%	0.1%	905	979	1 030	-5.4%	0.1%
Travel and subsistence	29 280	39 425	27 981	34 195	5.3%	5.5%	37 614	39 947	40 898	6.1%	5.4%
Training and development	1 756	1 569	1 207	4 317	35.0%	0.4%	4 279	4 306	4 556	1.8%	0.6%
Operating payments	2 318	2 812	2 656	3 020	9.2%	0.5%	4 277	4 622	4 705	15.9%	0.6%
Venues and facilities	2 342	2 292	830	2 436	1.3%	0.3%	3 029	2 932	3 088	8.2%	0.4%
Interest and rent on land	255	-	-	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 979</b>	<b>3 693</b>	<b>3 144</b>	<b>16 724</b>	<b>61.4%</b>	<b>1.1%</b>	<b>16 246</b>	<b>16 109</b>	<b>17 108</b>	<b>0.8%</b>	<b>2.3%</b>
Provinces and municipalities	85	312	-	54	-14.0%	-	-	-	-	-100.0%	-
Non-profit institutions	-	344	430	1 072	-	0.1%	1 242	1 135	1 266	5.7%	0.2%
Households	3 894	3 037	2 714	15 598	58.8%	1.1%	15 004	14 974	15 842	0.5%	2.2%
<b>Payments for capital assets</b>	<b>17 203</b>	<b>26 376</b>	<b>250 442</b>	<b>1 053 273</b>	<b>294.1%</b>	<b>56.2%</b>	<b>356 941</b>	<b>9 323</b>	<b>9 743</b>	<b>-79.0%</b>	<b>50.5%</b>
Buildings and other fixed structures	11 757	20 346	246 613	1 042 727	346.0%	55.1%	350 000	-	-	-100.0%	49.2%
Machinery and equipment	5 446	6 030	3 829	10 546	24.6%	1.1%	6 941	9 323	9 743	-2.6%	1.3%
<b>Payments for financial assets</b>	<b>40</b>	<b>65</b>	<b>54</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>278 274</b>	<b>294 766</b>	<b>456 577</b>	<b>1 366 492</b>	<b>70.0%</b>	<b>100.0%</b>	<b>701 945</b>	<b>379 251</b>	<b>380 408</b>	<b>-34.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.1%</b>	<b>2.8%</b>	<b>3.9%</b>	<b>8.7%</b>	<b>-</b>	<b>-</b>	<b>4.6%</b>	<b>2.4%</b>	<b>2.2%</b>	<b>-</b>	<b>-</b>

**Table 36.12 Water and Sanitation Services expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
<b>Households</b>											
<b>Other transfers to households</b>											
Current	3 798	2 251	1 356	-	-100.0%	0.3%	-	-	-	-	-
Resource poor farmers	3 798	2 251	1 356	-	-100.0%	0.3%	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
Current	85	312	-	54	-14.0%	-	-	-	-	-100.0%	-
Vehicle licences	80	310	-	54	-12.3%	-	-	-	-	-100.0%	-
Regional Services Council levies	5	2	-	-	-100.0%	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
Current	96	786	1 358	15 598	445.7%	0.7%	15 004	14 974	15 842	0.5%	2.2%
Employee social benefits	96	786	1 358	15 598	445.7%	0.7%	15 004	14 974	15 842	0.5%	2.2%
<b>Non-profit institutions</b>											
Current	-	344	430	1 072	-	0.1%	1 242	1 135	1 266	5.7%	0.2%
Various Institutions: 2020 Vision for Water Education Programme	-	344	430	1 072	-	0.1%	1 242	1 135	1 266	5.7%	0.2%

## Personnel information

**Table 36.13 Water and Sanitation Services personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Water and Sanitation Services	Number of posts estimated for 31 March 2016		Number and cost <sup>3</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 (%)			
			2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19											
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	559	7	322	123.0	0.4	387	143.1	0.4	456	175.1	0.4	456	191.3	0.4	559	224.5	0.4	13.0%	100.0%
1 – 6	255	4	76	12.4	0.2	111	19.6	0.2	152	29.5	0.2	152	32.3	0.2	255	57.9	0.2	31.9%	36.1%
7 – 10	232	2	169	51.8	0.3	209	69.9	0.3	232	83.5	0.4	232	92.0	0.4	232	94.2	0.4	3.5%	48.7%
11 – 12	61	1	62	43.0	0.7	56	41.0	0.7	61	48.4	0.8	61	52.3	0.9	61	56.6	0.9	2.9%	12.9%
13 – 16	11	-	15	15.9	1.1	11	12.6	1.1	11	13.6	1.2	11	14.7	1.3	11	15.9	1.4	-	2.4%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(20.2)	-	-	(44.3)	-	-	-
<b>Total</b>	<b>559</b>	<b>7</b>	<b>322</b>	<b>123.0</b>	<b>0.4</b>	<b>387</b>	<b>143.1</b>	<b>0.4</b>	<b>456</b>	<b>175.1</b>	<b>0.4</b>	<b>456</b>	<b>191.3</b>	<b>0.4</b>	<b>559</b>	<b>224.5</b>	<b>0.4</b>	<b>-</b>	<b>-</b>

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

2. This programme's compensation of employees budget has been reduced by R64.5 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Programme 5: Water Sector Regulation

### Programme purpose

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

### Objectives

- Improve efficiency and effectiveness in the delivery of water and provide dignified sanitation by establishing 9 catchment management agencies and 9 regional water utilities by 2017/18.
- Ensure the equitable allocation of water resources for social and economic development over the medium term by processing 80 per cent of water use authorisation applications within 300 working days from the date of receipt.
- Strengthen regulation by implementing monitoring programmes for drinking water quality, wastewater quality and mine water quality while implementing measures in catchments with potential for acid mine drainage on an ongoing basis.

- Coordinate and monitor compliance with standards, licence conditions and regulations across all sectors to ensure that water resources are protected on an ongoing basis.
- Ensure the effective enforcement of compliance with water legislation by monitoring, conducting investigations and providing legal support in cases of unlawful water use on an ongoing basis.
- Create an enabling environment for water regulation by revising the water pricing strategy and developing an economic regulation strategy by 2017/18.

## Subprogrammes

- *Water Sector Regulation Management and Support* provides strategic leadership and overall management to the programme.
- *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.
- *Water Use Authorisation and Administration* enables equitable access to water using various regulatory instruments.
- *Water Supply Services and Sanitation Regulation* regulates the provision of drinking water and the management of wastewater.
- *Compliance Monitoring* coordinates and monitors compliance to standards, licence conditions and regulations across the full water value chain.
- *Enforcement* ensures that appropriate action is taken against non-compliance and unlawful water users.
- *Institutional Oversight* involves institutional governance and oversight of all water institutions, and facilitates their establishment and development.

## Expenditure trends and estimates

**Table 36.14 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
R thousand											
Water Sector Regulation Management and Support	282	852	3 423	31 106	379.6%	4.2%	43 351	30 860	29 471	-1.8%	10.4%
Economic and Social Regulation	63	–	4 472	14 652	515.0%	2.3%	26 043	22 304	23 855	17.6%	6.7%
Water Use Authorisation and Administration	53 594	54 624	62 610	56 417	1.7%	26.9%	79 999	80 459	88 211	16.1%	23.5%
Water Supply Services and Sanitation Regulation	23 892	23 083	16 036	21 170	-4.0%	10.0%	19 983	27 637	29 360	11.5%	7.5%
Compliance Monitoring	14	6260	21 767	57 255	1499.2%	9.4%	62 874	69 182	64 142	3.9%	19.5%
Enforcement	9 529	12 838	14 031	26 720	41.0%	7.5%	34 834	33 953	35 975	10.4%	10.1%
Institutional Oversight	117 688	105 091	35 275	77 289	-13.1%	39.7%	78 548	67 234	67 479	-4.4%	22.3%
<b>Total</b>	<b>205 062</b>	<b>197 114</b>	<b>157 614</b>	<b>284 609</b>	<b>11.5%</b>	<b>100.0%</b>	<b>345 632</b>	<b>331 629</b>	<b>338 493</b>	<b>5.9%</b>	<b>100.0%</b>
Change to 2015 Budget estimate				53 270			90 357	15 235.0	3 748.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>118 695</b>	<b>123 234</b>	<b>155 560</b>	<b>273 430</b>	<b>32.1%</b>	<b>79.5%</b>	<b>331 499</b>	<b>320 657</b>	<b>324 653</b>	<b>5.9%</b>	<b>96.1%</b>
Compensation of employees	59 106	61 749	97 635	169 383	42.0%	45.9%	204 801	140 472	124 740	-9.7%	49.2%
Goods and services	59 588	61 485	57 925	104 047	20.4%	33.5%	126 698	180 185	199 913	24.3%	47.0%
of which:											
Administrative fees	2 181	876	202	1 608	-9.7%	0.6%	1 898	1 908	2 136	9.9%	0.6%
Advertising	1 617	2 371	2 896	2 633	17.6%	1.1%	1 637	1 874	1 872	-10.7%	0.6%
Minor assets	162	253	85	1 383	104.4%	0.2%	2 087	2 685	2 777	26.2%	0.7%
Audit costs: External	–	365	866	–	–	0.1%	–	–	–	–	–
Bursaries: Employees	–	–	–	50	–	–	–	143	201	59.0%	–
Catering: Departmental activities	160	234	77	1 184	94.9%	0.2%	1 642	1 680	1 782	14.6%	0.5%
Communication	1 527	1 008	2 754	4 189	40.0%	1.1%	4 561	4 344	5 046	6.4%	1.4%
Computer services	816	572	864	520	-13.9%	0.3%	4 504.	7 192	6 963	137.5%	1.5%
Consultants: Business and advisory services	23 011	30 328	23 115	26 066	4.2%	12.1%	28 862	49 832	62 886	34.1%	12.9%
Infrastructure and planning services	5 297	8 224	8 040	2 216	-25.2%	2.8%	3 260	23 467	30 061	138.5%	4.5%
Laboratory services	–	–	3	631	–	0.1%	160	200	300	-22.0%	0.1%
Legal services	–	–	–	10	–	–	88	–	–	-100.0%	–
Science and technological services	–	–	–	1 342	–	0.2%	1 011	1 332	6 327	67.7%	0.8%
Contractors	88	162	188	1 516	158.3%	0.2%	1 287	1 130	1 381	-3.1%	0.4%

**Table 36.14 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R thousand											
Agency and support/outourced services	6 272	1 686	201	8 070	8.8%	1.9%	8 559	20 690	5 477	-12.1%	3.3%
Entertainment	10	13	10	47	67.5%	-	115	145	94	26.0%	-
Fleet services (including government motor transport)	-	-	-	10	-	-	-	-	-	-100.0%	-
Housing	-	-	-	15	-	-	-	-	-	-100.0%	-
Inventory: Clothing material and accessories	-	328	64	1 238	-	0.2%	893	816	725	-16.3%	0.3%
Inventory: Farming supplies	-	-	-	27	-	-	-	100	80	43.6%	-
Inventory: Food and food supplies	-	-	-	55	-	-	246	158	173	46.5%	-
Inventory: Fuel, oil and gas	-	-	-	55	-	-	320	45	48	-4.4%	-
Inventory: Learner and teacher support material	-	-	-	19	-	-	22	19	29	15.1%	-
Inventory: Materials and supplies	-	2	1	437	-	0.1%	1 050	1 178	1 462	49.6%	0.3%
Inventory: Medical supplies	3	2	-	4	10.1%	-	51	55	57	142.4%	-
Inventory: Medicine	-	-	-	-	-	-	20	22	23	-	-
Inventory: Other supplies	34	-	31	467	139.5%	0.1%	510	581	586	7.9%	0.2%
Consumable supplies	-	116	41	2 079	-	0.3%	2 405	3 097	3 065	13.8%	0.8%
Consumables: Stationery, printing and office supplies	908	1 050	1 263	2 986	48.7%	0.7%	3 744	3 118	4 097	11.1%	1.1%
Operating leases	-	-	-	996	-	0.1%	1 000	1 383	1 506	14.8%	0.4%
Rental and hiring	-	-	-	86	-	-	105	86	91	1.9%	-
Property payments	-	-	1	290	-	-	249	269	284	-0.7%	0.1%
Transport provided: Departmental activity	-	-	-	1 039	-	0.1%	-	300	-	-100.0%	0.1%
Travel and subsistence	14 197	11 268	14 629	29 236	27.2%	8.2%	47 008	41 593	47 696	17.7%	12.7%
Training and development	1 130	935	1 084	4 744	61.3%	0.9%	5 829	5 612	7 167	14.7%	1.8%
Operating payments	685	530	1 077	2 024	43.5%	0.5%	1 551	2 330	2 115	1.5%	0.6%
Venues and facilities	1 490	1 162	433	6 775	65.7%	1.2%	2 312	3 071	3 406	-20.5%	1.2%
Interest and rent on land	1	-	-	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>85 812</b>	<b>72 560</b>	<b>759</b>	<b>1 070</b>	<b>-76.8%</b>	<b>19.0%</b>	<b>4 000</b>	<b>1 099</b>	<b>2 612</b>	<b>34.6%</b>	<b>0.7%</b>
Departmental agencies and accounts	36 431	59 839	-	1 000	-69.8%	11.5%	2 000	499	1 212	6.6%	0.4%
Public corporations and private enterprises	49 358	12 647	-	-	-100.0%	7.3%	-	-	-	-	-
Non-profit institutions	-	-	648	-	-	0.1%	800	-	800	-	0.1%
Households	23	74	111	70	44.9%	-	1 200	600	600	104.7%	0.2%
<b>Payments for capital assets</b>	<b>555</b>	<b>1 320</b>	<b>1 295</b>	<b>10 109</b>	<b>163.1%</b>	<b>1.6%</b>	<b>10 133</b>	<b>9 873</b>	<b>11 228</b>	<b>3.6%</b>	<b>3.2%</b>
Buildings and other fixed structures	-	386	92	-	-	0.1%	-	-	-	-	-
Machinery and equipment	555	934	1 203	10 109	163.1%	1.5%	10 133	9 873	11 228	3.6%	3.2%
<b>Total</b>	<b>205 062</b>	<b>197 114</b>	<b>157 614</b>	<b>284 609</b>	<b>11.5%</b>	<b>100.0%</b>	<b>345 632</b>	<b>331 629</b>	<b>338 493</b>	<b>5.9%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	2.3%	1.9%	1.4%	1.8%	-	-	2.3%	2.1%	2.0%	-	-
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial assistance for small scale farmers	2	-	-	-	-100.0%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>36 431</b>	<b>59 839</b>	<b>-</b>	<b>1 000</b>	<b>-69.8%</b>	<b>11.5%</b>	<b>2 000</b>	<b>499</b>	<b>1 212</b>	<b>6.6%</b>	<b>0.4%</b>
Water Research Commission	-	-	-	1 000	-	0.1%	2 000	499	1 212	6.6%	0.4%
Breede-Overberg Catchment Management Agency	19 000	31 623	-	-	-100.0%	6.0%	-	-	-	-	-
Inkomati Catchment Management Agency	17 431	28 216	-	-	-100.0%	5.4%	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>21</b>	<b>74</b>	<b>111</b>	<b>70</b>	<b>49.4%</b>	<b>-</b>	<b>1 200</b>	<b>600</b>	<b>600</b>	<b>104.7%</b>	<b>0.2%</b>
Employee social benefits	21	74	111	70	49.4%	-	1 200	600	600	104.7%	0.2%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>648</b>	<b>-</b>	<b>-</b>	<b>0.1%</b>	<b>800</b>	<b>-</b>	<b>800</b>	<b>-</b>	<b>0.1%</b>
Water Institute of Southern Africa	-	-	648	-	-	0.1%	800	-	800	-	0.1%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>49 358</b>	<b>12 647</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>7.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Rand Water Board	17 973	-	-	-	-100.0%	2.1%	-	-	-	-	-
Botshelo Water Board	31 385	12 647	-	-	-100.0%	5.2%	-	-	-	-	-

## Personnel information

**Table 36.15 Water Sector Regulation personnel numbers and cost by salary level<sup>1</sup> prior to Cabinet approved reduction, effective from 2017/18<sup>2</sup>; budget reductions and aggregate baseline total**

Number of posts estimated for 31 March 2016		Number and cost <sup>3</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 (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
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	452	46	299	97.6	0.3	408	164.4	0.4	456	204.8	0.4	451	219.2	0.5	449	235.5	0.5	3.2%	100.0%
1 – 6	60	34	74	11.5	0.2	60	10.5	0.2	60	11.5	0.2	60	12.7	0.2	60	13.9	0.2	–	13.6%
7 – 10	216	2	141	33.8	0.2	195	52.0	0.3	216	64.5	0.3	216	71.0	0.3	214	76.5	0.4	3.1%	47.7%
11 – 12	150	10	67	37.7	0.6	127	77.8	0.6	154	102.8	0.7	149	107.3	0.7	149	114.6	0.8	5.5%	32.8%
13 – 16	26	–	17	14.6	0.9	26	24.1	0.9	26	26.1	1.0	26	28.2	1.1	26	30.5	1.2	–	5.9%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(78.7)	–	–	(110.8)	–	–	–
Total	452	46	299	97.6	0.3	408	164.4	0.4	456	204.8	0.4	451	219.2	0.5	449	235.5	0.5	–	–

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

2. This programme's compensation of employees budget has been reduced by R189.5 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

## Entities

### Consolidated water boards

#### Mandate

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). The primary activity of a water board is to provide bulk water and sanitation services to water service institutions in the designated areas in which they operate. Historically, water boards were established in areas with significant urban development, but rural areas have since been included. The services provided by water boards have also expanded over time to include the provision of retail water and sanitation services on behalf of municipalities, as well as management services and training. In 2014, the Minister of Water and Sanitation reduced the number of water boards from 12 to 9 as part of an institutional realignment of the sector and a reform measure to increase efficiency and achieve economies of scale. In line with this, both Botshelo and Pelladrift have been incorporated into Sedibeng Water, and Bushbuckridge Water has been incorporated into Rand Water.

### Selected performance indicators

**Table 36.16 Consolidated water boards volume of bulk treated water sales<sup>1</sup>**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Amatola	Water board activities	Outcome 6: An efficient, competitive and responsive economic infrastructure network	31 451	31 723	33 189	41 201	54 554	55 099	55 650
Bloem	Water board activities		69 033	76 182	72 063	96 733	93 948	94 888	95 837
Botshelo	Water board activities		15 100	13 100	14 900	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>
Bushbuckridge	Water board activities		36 756	35 137	49 694	– <sup>3</sup>	– <sup>3</sup>	– <sup>3</sup>	– <sup>3</sup>
Lepelle	Water board activities		94 025	97 637	98 022	97 637	97 637	103 715	106 765
Magalies	Water board activities		79 985	75 503	86 290	84 911	88 650	93 992	99 698
Mhlatuze	Water board activities		39 912	40 208	43 800	47 588	71 471	93 440	97 309
Overberg	Water board activities		4 727	2 136	2 156	2 268	2 313	3 375	5 173
Pelladrift	Water board activities		4 520	4 013	3 075	– <sup>4</sup>	– <sup>4</sup>	– <sup>4</sup>	– <sup>4</sup>
Rand	Water board activities		1 490 188	1 526 861	1 548 669	1 610 859	1 641 796	1 670 528	1 699 762
Sedibeng	Water board activities	95 773	92 346	89 200	93 935	97 328	97 161	98 862	
Umgeni	Water board activities	416 550	439 544	446 548	457 928	468 740	481 313	488 533	

1. Measured in thousand kilolitres (kl'000).

2. Botshelo Water was disestablished in 2014/15 and operations have been incorporated into Magalies Water and Sedibeng Water.

3. Bushbuckridge Water was disestablished in 2014/15 and operations have been incorporated into Rand Water.

4. Pelladrift Water was disestablished in 2014/15 and operations have been incorporated into Sedibeng Water.

## Expenditure analysis

Water boards are legal entities that are self-funded and have their own governance structures and assets. The national development plan envisages that by 2030, all South Africans will have access to affordable, sufficient

and safe water and decent sanitation, in line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework. In contributing to the achievement of the national development plan's goals, the boards will continue to assist the Department of Water and Sanitation in building water infrastructure that will enable the boards to provide bulk water and sanitation services in their areas of operation.

Operational costs for the provision of bulk treated water are expected to comprise the boards' main expenditure over the medium term, as well as capital spending on bulk infrastructure required to meet the projected increases in water demand as a result of a growing population and economy.

In providing bulk treated water, the boards' largest spending items are energy costs for pumping water, raw water costs, personnel costs, and chemical costs. High energy costs related to electricity price increases and pumping requirements related to the volume of water and the distance over which it is pumped are expected to drive an increase in expenditure over the medium term. Similarly, higher than inflation wage increases, and an increase in the number of personnel required to provide a range of support services to municipalities, including billing and collections, water loss management and sanitation, are expected to drive an increased in expenditure on compensation of employees over the medium term.

Revenue collected by the boards is derived mainly from the sale of bulk water, sanitation, and other services provided to water service authorities in their areas. It is expected that revenue from the sale of bulk water will increase over the medium term at an average annual rate of 15.4 per cent, due to increased water demand by municipalities, and an expected expansion in the boards' areas of operation. The carrying value of the boards' assets is expected to grow to R51.4 billion over the medium term as the boards are projected to invest R22 billion in capital infrastructure over this period to ensure the provision of treated water.

## Programmes/objectives/activities

**Table 36.17 Consolidated water boards expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	2 598 126	2 646 874	2 919 412	3 218 489	7.4%	21.4%	3 624 321	3 978 805	4 249 618	9.7%	20.2%
Water boards activities	8 434 817	10 124 100	11 189 121	12 347 381	13.5%	78.6%	13 897 883	15 811 557	17 674 010	12.7%	79.8%
<b>Total</b>	<b>11 032 943</b>	<b>12 770 974</b>	<b>14 108 533</b>	<b>15 565 870</b>	<b>12.2%</b>	<b>100.0%</b>	<b>17 522 205</b>	<b>19 790 362</b>	<b>21 923 628</b>	<b>12.1%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 36.18 Consolidated water boards statements of historical financial performance and position**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Outcome/ Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15	Budget estimate	2015/16	
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>12 837 843</b>	<b>12 948 271</b>	<b>13 633 616</b>	<b>14 756 862</b>	<b>15 921 746</b>	<b>16 755 246</b>	<b>17 521 987</b>	<b>17 992 844</b>	<b>104.2%</b>
Sale of goods and services other than capital assets	12 168 356	11 996 939	12 785 779	13 430 161	15 078 901	15 105 394	16 643 573	17 160 067	101.8%
of which:									
Administrative fees	-	-	-	-	-	-	13 074	17 195	131.5%
Sale of bulk water	12 168 356	11 996 939	12 785 779	13 430 161	15 078 901	15 105 394	16 630 499	17 082 173	101.7%
Other sales	-	-	-	-	-	-	-	60 699	-
Other non-tax revenue	669 487	951 332	847 837	1 326 701	842 845	1 649 852	878 414	832 777	147.0%
<b>Transfers received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112 056</b>	<b>-</b>	<b>13 911</b>	<b>-</b>
<b>Total revenue</b>	<b>12 837 843</b>	<b>12 948 271</b>	<b>13 633 616</b>	<b>14 756 862</b>	<b>15 921 746</b>	<b>16 867 302</b>	<b>17 521 987</b>	<b>18 006 755</b>	<b>104.4%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>11 372 346</b>	<b>11 032 942</b>	<b>11 990 030</b>	<b>12 770 973</b>	<b>13 745 210</b>	<b>14 108 533</b>	<b>14 783 346</b>	<b>15 565 868</b>	<b>103.1%</b>
Compensation of employees	2 139 470	2 248 829	2 364 666	2 671 769	2 702 175	3 273 652	2 981 921	3 011 602	110.0%
Goods and services	8 422 404	8 167 312	8 796 850	9 337 699	10 249 830	10 016 919	10 883 710	11 476 832	101.7%
Depreciation	585 751	501 383	647 722	666 162	664 907	763 177	792 050	895 035	105.0%
Interest, dividends and rent on land	224 722	115 418	180 792	95 343	128 298	54 785	125 665	182 399	67.9%
<b>Total expenses</b>	<b>11 372 346</b>	<b>11 032 942</b>	<b>11 990 030</b>	<b>12 770 973</b>	<b>13 745 210</b>	<b>14 108 533</b>	<b>14 783 346</b>	<b>15 565 868</b>	<b>103.1%</b>
<b>Surplus/(Deficit)</b>	<b>1 465 497</b>	<b>1 915 329</b>	<b>1 643 586</b>	<b>1 985 889</b>	<b>2 176 536</b>	<b>2 758 768</b>	<b>2 738 641</b>	<b>2 440 887</b>	<b>-</b>



**Table 36.18 Consolidated water boards statements of historical financial performance and position**

Statement of financial position									Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Carrying value of assets	18 476 891	18 223 117	20 967 258	21 400 215	25 838 384	26 485 952	32 854 147	29 622 730	97.5%
<i>Acquisition of assets</i>	(3 510 301)	(2 469 089)	(4 693 167)	(3 735 607)	(5 171 818)	(5 894 989)	(6 074 617)	(6 461 723)	95.4%
Investments	2 115 137	3 254 844	1 687 183	3 573 382	1 622 439	2 760 406	1 541 169	2 171 629	168.8%
Inventory	106 428	288 818	112 614	309 268	115 226	198 445	353 552	186 915	143.0%
Loans	–	5 353	–	4 988	5 713	4 577	5 265	4 577	177.6%
Accrued investment interest	14	27 610	14	40 722	14	33 751	16	–	177 387.4%
Receivables and prepayments	1 876 774	2 596 997	1 820 892	3 730 691	2 340 718	4 751 581	2 601 313	3 998 041	174.5%
Cash and cash equivalents	1 362 921	2 022 500	1 650 363	2 125 687	1 966 014	2 274 889	1 877 787	2 325 566	127.6%
Non-current assets held for sale	192 409	1 802	69 476	1 589	13 500	1 496	–	1 496	2.3%
Defined benefit plan assets	347	19 997	7 684	20 812	–	26 406	–	–	836.9%
<b>Total assets</b>	<b>24 130 921</b>	<b>26 441 038</b>	<b>26 315 484</b>	<b>31 207 354</b>	<b>31 902 008</b>	<b>36 537 503</b>	<b>39 233 249</b>	<b>38 310 953</b>	<b>109.0%</b>
Accumulated surplus/(deficit)	13 641 034	14 380 245	15 485 492	16 702 691	18 082 399	19 401 794	21 390 063	20 056 828	102.8%
Capital and reserves	2 321 720	3 477 968	2 569 270	3 501 238	2 045 320	3 581 220	3 029 206	3 555 741	141.7%
Capital reserve fund	31 436	23 484	200 000	93 884	–	166 004	–	–	122.4%
Borrowings	4 751 103	3 198 383	4 489 249	4 278 489	6 314 492	5 399 487	7 686 331	6 646 325	84.0%
Finance lease	–	–	–	1 207	–	929	–	435	–
Accrued interest	–	31 396	32 381	27 406	28 631	26 836	29 481	59 730	160.6%
Deferred income	219 980	459 785	181 033	788 892	1 351 506	997 942	2 233 528	1 643 843	97.6%
Trade and other payables	2 758 471	3 830 841	2 758 869	4 761 565	3 324 784	5 807 094	3 743 743	5 184 395	155.6%
Benefits payable	–	–	–	–	–	1 794	–	1 231	–
Taxation	–	6 032	–	17 432	–	15 375	2 276	7 115	2 019.1%
Provisions	407 178	966 013	434 863	965 874	688 649	1 069 511	1 053 524	1 152 156	160.7%
Derivatives financial instruments	–	66 891	33 268	65 853	66 227	66 797	65 095	3 152	123.2%
<b>Total equity and liabilities</b>	<b>24 130 922</b>	<b>26 441 038</b>	<b>26 184 425</b>	<b>31 204 531</b>	<b>31 902 008</b>	<b>36 534 783</b>	<b>39 233 247</b>	<b>38 310 953</b>	<b>109.1%</b>

**Statements of estimates of financial performance and position****Table 36.19 Consolidated water boards statements of estimates of financial performance and position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)
R thousand	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>17 992 844</b>	<b>11.6%</b>	<b>99.8%</b>	<b>20 780 662</b>	<b>23 892 165</b>	<b>27 451 850</b>	<b>15.1%</b>	<b>99.9%</b>
Sale of goods and services other than capital assets	17 160 067	12.7%	92.1%	19 892 286	22 889 740	26 370 546	15.4%	95.7%
<i>of which:</i>								
Administrative fees	17 195	–	0.0%	18 254	19 378	19 974	5.1%	0.1%
Sale of bulk water	17 082 173	12.5%	92.0%	19 809 085	22 800 868	26 282 213	15.4%	95.3%
Other sales	60 699	–	0.1%	64 948	69 494	68 359	4.0%	0.3%
Other non-tax revenue	832 777	-4.3%	7.7%	888 376	1 002 425	1 081 304	9.1%	4.3%
<b>Transfers received</b>	<b>13 911</b>	<b>–</b>	<b>0.2%</b>	<b>13 239</b>	<b>9 662</b>	<b>9 824</b>	<b>-10.9%</b>	<b>0.1%</b>
<b>Total revenue</b>	<b>18 006 755</b>	<b>11.6%</b>	<b>100.0%</b>	<b>20 793 901</b>	<b>23 901 827</b>	<b>27 461 674</b>	<b>15.1%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>15 565 868</b>	<b>12.2%</b>	<b>100.0%</b>	<b>17 522 204</b>	<b>19 790 360</b>	<b>21 923 627</b>	<b>12.1%</b>	<b>143.4%</b>
Compensation of employees	3 011 602	10.2%	21.0%	3 282 117	3 546 049	3 821 648	8.3%	18.4%
Goods and services	11 476 832	12.0%	73.0%	12 851 099	14 581 582	16 363 249	12.6%	73.8%
Depreciation	895 035	21.3%	5.2%	1 123 794	1 260 602	1 331 309	14.2%	6.2%
Interest, dividends and rent on land	182 399	16.5%	0.8%	265 195	402 127	407 421	30.7%	1.6%
<b>Total expenses</b>	<b>15 565 868</b>	<b>12.2%</b>	<b>100.0%</b>	<b>17 522 204</b>	<b>19 790 360</b>	<b>21 923 627</b>	<b>12.1%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>2 440 887</b>	<b>–</b>	<b>–</b>	<b>3 271 697</b>	<b>4 111 467</b>	<b>5 538 047</b>	<b>31.4%</b>	<b>–</b>
<b>Statement of financial position</b>								
Carrying value of assets	29 622 730	17.6%	71.8%	40 413 257	46 318 162	51 353 607	20.1%	82.7%
<i>of which:</i>								
<i>Acquisition of assets</i>	(6 461 723)	-37.8%	-13.6%	(8 714 174)	(6 897 019)	(6 770 500)	1.6%	-14.7%
Investments	2 171 629	-12.6%	9.2%	1 933 350	2 244 566	2 314 106	2.1%	4.4%
Inventory	186 915	-13.5%	0.8%	353 824	375 060	390 791	27.9%	0.6%
Loans	4 577	-5.1%	0.0%	4 906	4 891	4 879	2.2%	0.0%
Receivables and prepayments	3 998 041	15.5%	11.3%	3 786 138	4 063 850	4 373 650	3.0%	8.2%
Cash and cash equivalents	2 325 566	4.8%	6.7%	1 817 854	1 990 716	1 452 564	-14.5%	4.0%
Non-current assets held for sale	1 496	-6.0%	0.0%	–	–	–	-100.0%	0.0%
<b>Total assets</b>	<b>38 310 953</b>	<b>13.2%</b>	<b>100.0%</b>	<b>48 309 329</b>	<b>54 997 244</b>	<b>59 889 597</b>	<b>16.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	20 056 828	11.7%	53.3%	24 237 376	27 973 404	32 222 263	17.1%	51.8%
Capital and reserves	3 555 741	0.7%	10.9%	3 562 010	3 568 699	3 139 823	-4.1%	7.1%
Borrowings	6 646 325	27.6%	14.5%	11 479 697	13 157 582	13 034 628	25.2%	21.7%
Finance lease	435	–	0.0%	–	–	–	-100.0%	0.0%
Accrued interest	59 730	23.9%	0.1%	83 141	83 303	83 799	11.9%	0.2%
Deferred income	1 643 843	52.9%	2.8%	2 765 809	3 834 867	5 006 851	45.0%	6.3%
Trade and other payables	5 184 395	10.6%	14.8%	5 282 397	5 412 901	5 364 811	1.1%	10.8%
Benefits payable	1 231	–	0.0%	1 523	1 639	1 763	12.7%	0.0%
Taxation	7 115	5.7%	0.0%	7 586	8 309	8 991	8.1%	0.0%
Provisions	1 152 156	6.0%	3.2%	821 732	883 774	948 854	-6.3%	2.0%
Derivatives financial instruments	3 152	-63.9%	0.2%	68 058	72 768	77 813	191.2%	0.1%
<b>Total equity and liabilities</b>	<b>38 310 953</b>	<b>13.2%</b>	<b>100.0%</b>	<b>48 309 329</b>	<b>54 997 246</b>	<b>59 889 597</b>	<b>20.2%</b>	<b>100.0%</b>

## Rand Water

### Mandate

Rand Water was established in terms of the Water Services Act (1997) and is listed as a schedule 3 B public entity in terms of the Public Finance Management Act (1999). The entity's core mandate is to abstract raw water, which is then treated, transported, stored and finally delivered as potable water to municipalities and to some mines and industries around Johannesburg. While the entity supplies water to approximately 12.3 million consumers in Gauteng, Rand Water's areas of operations have expanded to include parts of Limpopo, North West, Mpumalanga and Free State. Rand Water serves between 16 and 19 million people and 98 per cent of its water abstraction is from the Vaal river system. Municipal customers account for 90 per cent of total demand, with the balance being mainly direct supply to mines.

### Selected performance indicators

**Table 36.20 Rand Water performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Net debt/equity ratio per year	Administration	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	0.2	0.4	0.4	0.4	0.5	0.5	0.4
Debt service ratio per year	Administration		9.0	5.7	5.3	5.2	4.7	4.2	3.0
Cost of debt per year	Administration		11%	8%	10%	10%	10%	10%	10%
Costs per kilolitre (R/kl) per year	Bulk water	Outcome 6: An efficient, competitive and responsive economic infrastructure network	R4.60	R4.90	R5.17	R5.99	R6.65	R7.45	R8.21

### Expenditure analysis

Rand Water contributes to the national development plan's vision of universal access to affordable, sufficient and safe water and decent sanitation by 2030 by accelerating the augmentation of the water infrastructure network, and connecting households in Gauteng, Limpopo, Mpumalanga, North West and Northern Free State. Over the medium term, it will focus on the provision of bulk water services in its expanded area of operations, and capital spending on bulk infrastructure. This is in line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of government's 2014-2019 medium term strategic framework.

Operational costs for the provision of bulk treated water are expected to comprise the bulk of the organisation's expenditure over the medium term. Although the energy efficient measures implemented have yielded improvements, the energy costs of pumping water are a key cost driver for the organisation. These costs are largely responsible for the expected increase in expenditure at an average annual rate of 12.8 per cent over the MTEF period, from an estimated R10.1 billion in 2015/16 to R14.5 billion in 2018/19. The organisation has 3 842 funded posts, with 475 vacancies in 2015/16. As the organisation is expanding its operations and all vacancies are expected to be filled over the MTEF period.

Investment in infrastructure remains a critical requirement in meeting the projected increase in water demand to ensure water security and provide water to previously unserved households. To increase supply capacity and eliminate bottlenecks, capital expenditure is planned at 3 of the 4 main booster stations, namely Palmiet, Zwartkop and Mapleton. Due to construction timelines and revisions to the useful life of certain assets, depreciation costs are expected to increase over the medium term, albeit relatively slowly. In 2014/15, Rand Water's capital spending on infrastructure was R2.6 billion, and this is projected to total R11.7 billion over the medium term. Capital expenditure is funded through a mix of internal reserves and debt raised from capital markets, and is planned to peak in 2016/17 at R4.2 billion.

The organisation derives its income primarily from the sale of bulk water, and work done on behalf of municipalities and the Department of Water and Sanitation. Revenue is expected to grow at an average annual rate of 17.2 per cent over the medium term due to increases in water demand by existing customers and new areas served as a result of the organisation expanding its areas of operation.

## Programmes/objectives/activities

**Table 36.21 Rand Water expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	1 139 736	1 294 799	1 364 287	1 451 827	8.4%	15.1%	1 531 417	1 647 027	1 770 412	6.8%	13.2%
Bulk water	5 718 781	6 273 313	7 043 404	8 277 426	13.1%	78.3%	9 437 420	10 868 509	12 286 776	14.1%	83.2%
Secondary activities	376 976	719 326	777 398	398 849	1.9%	6.6%	435 702	460 537	487 248	6.9%	3.7%
<b>Total</b>	<b>7 235 493</b>	<b>8 287 438</b>	<b>9 185 089</b>	<b>10 128 101</b>	<b>11.9%</b>	<b>100.0%</b>	<b>11 404 539</b>	<b>12 976 072</b>	<b>14 544 435</b>	<b>12.8%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 36.22 Rand Water statements of historical financial performance and position**

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%) 2012/13 - 2015/16
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16		
<b>Revenue</b>									
Non-tax revenue	7 849 965	8 232 292	8 732 320	9 469 243	9 904 649	10 621 210	11 498 867	11 742 258	105.5%
Sale of goods and services other than capital assets	7 710 582	7 751 214	8 447 805	8 664 894	9 342 118	9 802 542	11 026 754	11 248 307	102.6%
<i>of which:</i>									
Sale of bulk water	7 710 582	7 751 214	8 447 805	8 664 894	9 342 118	9 802 542	11 026 754	11 248 307	102.6%
Other non-tax revenue	139 383	481 078	284 515	804 349	562 531	818 668	472 114	493 951	178.1%
<b>Total revenue</b>	<b>7 849 965</b>	<b>8 232 292</b>	<b>8 732 320</b>	<b>9 469 243</b>	<b>9 904 649</b>	<b>10 621 210</b>	<b>11 498 867</b>	<b>11 742 258</b>	<b>105.5%</b>
<b>Expenses</b>									
Current expenses	7 003 815	7 235 493	7 682 497	8 287 438	8 679 377	9 185 089	10 128 101	10 128 101	104.0%
Compensation of employees	1 156 063	1 370 718	1 312 857	1 651 209	1 535 341	1 842 372	1 682 106	1 682 106	115.1%
Goods and services	5 616 938	5 635 011	6 080 878	6 351 366	6 831 731	7 019 737	7 982 355	7 982 355	101.8%
Depreciation	228 507	229 764	280 536	280 321	312 305	322 980	463 640	463 640	100.9%
Interest, dividends and rent on land	2 307	-	8 226	4 542	-	-	-	-	43.1%
<b>Total expenses</b>	<b>7 003 815</b>	<b>7 235 493</b>	<b>7 682 497</b>	<b>8 287 438</b>	<b>8 679 377</b>	<b>9 185 089</b>	<b>10 128 101</b>	<b>10 128 101</b>	<b>104.0%</b>
<b>Surplus/(Deficit)</b>	<b>846 150</b>	<b>996 799</b>	<b>1 049 823</b>	<b>1 181 805</b>	<b>1 225 272</b>	<b>1 436 121</b>	<b>1 370 766</b>	<b>1 614 157</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	10 177 894	10 094 187	12 059 090	12 313 408	15 453 954	14 835 552	18 055 579	14 835 551	93.4%
Acquisition of assets	(1 866 682)	(1 643 324)	(2 594 000)	(2 243 712)	(2 602 250)	(2 579 696)	(2 766 000)	(2 579 696)	92.0%
Investments	-	300 878	-	483 193	-	482 264	381 634	482 264	458.2%
Inventory	55 614	239 445	60 962	244 815	63 952	122 470	283 303	122 470	157.2%
Loans	-	5 353	-	4 988	5 713	4 577	5 265	4 577	177.6%
Receivables and prepayments	1 015 204	1 104 857	1 006 341	1 385 407	1 058 310	1 764 475	1 193 074	1 765 069	140.9%
Cash and cash equivalents	872 496	863 910	831 464	871 514	1 017 161	1 154 148	968 187	1 154 149	109.6%
Non-current assets held for sale	-	1 802	-	1 589	-	1 496	-	1 496	-
<b>Total assets</b>	<b>12 121 208</b>	<b>12 610 432</b>	<b>13 957 857</b>	<b>15 304 914</b>	<b>17 599 090</b>	<b>18 364 982</b>	<b>20 887 042</b>	<b>18 365 575</b>	<b>100.1%</b>
Accumulated surplus/(deficit)	8 310 410	8 511 656	9 445 289	9 717 988	10 808 962	11 158 511	12 987 444	11 158 513	97.6%
Borrowings	2 208 028	1 514 586	2 472 876	2 510 093	4 495 009	3 672 432	5 403 498	3 675 152	78.0%
Deferred income	64 517	182 182	78 597	200 742	108 740	170 242	215 552	170 243	154.8%
Trade and other payables	1 538 253	2 022 299	1 961 095	2 470 249	2 128 542	2 970 145	2 218 605	2 970 484	133.0%
Taxation	-	2 048	-	2 458	-	2 469	-	-	-
Provisions	-	325 420	-	345 922	-	330 321	-	391 183	-
Derivatives financial instruments	-	52 241	-	57 462	57 837	60 862	61 943	-	142.4%
<b>Total equity and liabilities</b>	<b>12 121 208</b>	<b>12 610 432</b>	<b>13 957 857</b>	<b>15 304 914</b>	<b>17 599 090</b>	<b>18 364 982</b>	<b>20 887 042</b>	<b>18 365 575</b>	<b>100.1%</b>

## Statements of estimates of financial performance and position

**Table 36.23 Rand Water statements of estimates of financial performance and position**

Statement of financial performance									
R thousand	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19	
				2016/17	2017/18	2018/19			
<b>Revenue</b>									
Non-tax revenue	11 742 258	12.6%	100.0%	13 713 270	16 019 798	18 790 284	17.0%	100.0%	
Sale of goods and services other than capital assets	11 248 307	13.2%	93.4%	13 178 210	15 416 147	18 124 590	17.2%	96.1%	
<i>of which:</i>									
Sale of bulk water	11 248 307	13.2%	93.4%	13 178 210	15 416 147	18 124 590	17.2%	96.1%	
Other non-tax revenue	493 951	0.9%	6.6%	535 060	603 652	665 694	10.5%	3.9%	
<b>Total revenue</b>	<b>11 742 258</b>	<b>12.6%</b>	<b>100.0%</b>	<b>13 713 270</b>	<b>16 019 798</b>	<b>18 790 284</b>	<b>17.0%</b>	<b>100.0%</b>	

**Table 36.23 Rand Water statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2012/13			2015/16	2016/17	2017/18		
R thousand	2015/16	2012/13	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
<b>Expenses</b>								
<b>Current expenses</b>	<b>10 128 101</b>	<b>11.9%</b>	<b>100.0%</b>	<b>11 404 539</b>	<b>12 976 072</b>	<b>14 544 435</b>	<b>12.8%</b>	<b>147.5%</b>
Compensation of employees	1 682 106	7.1%	18.9%	1 816 674	1 958 375	2 111 128	7.9%	15.5%
Goods and services	7 982 355	12.3%	77.4%	9 030 965	10 369 417	11 705 767	13.6%	79.6%
Depreciation	463 640	26.4%	3.7%	556 900	648 280	727 540	16.2%	4.9%
<b>Total expenses</b>	<b>10 128 101</b>	<b>11.9%</b>	<b>100.0%</b>	<b>11 404 539</b>	<b>12 976 072</b>	<b>14 544 435</b>	<b>12.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>1 614 157</b>	<b>-</b>	<b>-</b>	<b>2 308 731</b>	<b>3 043 726</b>	<b>4 245 849</b>	<b>38.0%</b>	<b>-</b>
<b>Statement of financial position</b>								
Carrying value of assets	14 835 551	13.7%	80.5%	22 053 110	26 168 262	29 672 753	26.0%	87.3%
of which:								
Acquisition of assets	(2 579 696)	16.2%	-13.9%	(4 163 000)	(4 069 000)	(3 463 000)	10.3%	-13.8%
Investments	482 264	17.0%	2.7%	436 197	511 092	597 924	7.4%	2.0%
Inventory	122 470	-20.0%	1.2%	284 197	300 396	317 819	37.4%	1.0%
Loans	4 577	-5.1%	0.0%	4 906	4 891	4 879	2.2%	0.0%
Receivables and prepayments	1 765 069	16.9%	9.3%	1 438 225	1 656 624	1 934 427	3.1%	6.7%
Cash and cash equivalents	1 154 149	10.1%	6.3%	484 941	602 854	508 794	-23.9%	3.0%
Non-current assets held for sale	1 496	-6.0%	0.0%	-	-	-	-100.0%	0.0%
<b>Total assets</b>	<b>18 365 575</b>	<b>13.4%</b>	<b>100.0%</b>	<b>24 701 576</b>	<b>29 244 120</b>	<b>33 036 596</b>	<b>21.6%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	11 158 513	9.4%	63.1%	14 318 416	16 923 480	20 648 418	22.8%	59.8%
Borrowings	3 675 152	34.4%	17.1%	7 023 606	8 774 170	8 766 971	33.6%	26.2%
Deferred income	170 243	-2.2%	1.2%	238 347	251 932	266 544	16.1%	0.9%
Trade and other payables	2 970 484	13.7%	16.1%	3 054 866	3 223 487	3 278 567	3.3%	12.4%
Provisions	391 183	6.3%	2.2%	-	-	-	-100.0%	0.5%
Derivatives financial instruments	-	-100.0%	0.3%	66 341	71 051	76 096	-	0.2%
<b>Total equity and liabilities</b>	<b>18 365 575</b>	<b>13.4%</b>	<b>100.0%</b>	<b>24 701 576</b>	<b>29 244 120</b>	<b>33 036 596</b>	<b>-24.2%</b>	<b>100.0%</b>

## Personnel information

**Table 36.24 Rand Water personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016			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 (%)				
			2014/15	Unit	2015/16		Unit	2016/17		Unit	2017/18		Unit			2018/19		Unit	
			Number	Cost	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	2015/16 - 2018/19		
<b>Rand Water</b>																			
Salary level	3 842	3 842	3 381	1 842.4	0.5	3 367	1 682.1	0.5	3 842	1 816.7	0.5	3 842	1 958.4	0.5	3 842	2 111.1	0.5	7.9%	100.0%
1 – 6	1 144	1 144	821	428.1	0.5	818	393.0	0.5	1 144	424.4	0.4	1 144	457.6	0.4	1 144	493.2	0.4	7.9%	28.4%
7 – 10	2 057	2 057	2 011	882.2	0.4	2 002	776.2	0.4	2 057	838.3	0.4	2 057	903.7	0.4	2 057	974.2	0.5	7.9%	55.0%
11 – 12	446	446	394	307.3	0.8	392	301.5	0.8	446	325.6	0.7	446	351.0	0.8	446	378.4	0.8	7.9%	11.6%
13 – 16	184	184	145	186.5	1.3	145	185.0	1.3	184	199.8	1.1	184	215.4	1.2	184	232.2	1.3	7.9%	4.7%
17 – 22	11	11	10	38.2	3.8	10	26.3	2.6	11	28.5	2.6	11	30.7	2.8	11	33.1	3.0	7.9%	0.3%

1. Rand million.

## Umgeni Water

### Mandate

Umgeni Water was established as a public entity in terms of the Water Services Act (1997) and the Public Finance Management Act (1999) to provide water and sanitation services. The entity supplies water for the use of approximately 6 million consumers in KwaZulu-Natal.

## Selected performance indicators

**Table 36.25 Umgeni Water performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Debt service ratio per year	Bulk activities	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	4.5	5.1	6.4	4.6	3.9	5.8	3.2
Costs per kilolitre (R/kl) per year	Bulk activities		R2.34	R2.76	R3.15	R3.77	R4.15	R4.49	R4.73
Debtors collection period (days)	Bulk activities		37	39	39	41	41	41	41
Weighted average cost of capital	Bulk activities		9%	9%	10%	9%	10%	10%	10%
Capital infrastructure expenditure per year	Bulk activities		R643m	R975m	R1 840m	R1 962m	R1 761m	R928m	R775m

## Expenditure analysis

The national development plan envisages that all South Africans will have access to affordable, sufficient and safe water and decent sanitation by 2030. To this end, Umgeni Water will focus on working with the Department of Water and Sanitation to build regional bulk water infrastructure that will enable it to provide bulk water and sanitation services, and serve water services institutions in KwaZulu-Natal. In this way, the organisation contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network), outcome 7 (comprehensive rural development and land reform) and outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of government's 2014-2019 medium term strategic framework.

The organisation's focus over the medium term will remain on the provision of bulk water and sanitation services through infrastructure maintenance and the rollout of the capital infrastructure programme. The organisation will intensify its focus on rural development, largely driving estimated capital expenditure of R3.5 billion over the MTEF period, increasing to 40 per cent of the infrastructure budget. As a result of additional funding requirements for both capital and operating expenditure, expenditure on interest is projected to grow due to a projected increase in interest bearing loans taken on by the organisation. Expenditure on interest, dividends and rent on land is expected to grow at an average annual rate of 19.8 per cent over the medium term.

The organisation has 1 048 funded posts, of which 1 018 were filled at the end of September 2015. The number of posts is expected remain the same over the MTEF period.

Umgeni Water derives its income primarily from the sale of bulk water. The volume of water sold is expected to increase at an average annual rate of 2.1 per cent over the medium term. Revenue is expected to grow from R2.4 billion in 2015/16 to R3.3 billion in 2018/19 at an average annual rate of 10.5 per cent, driven by increases in the volume sold, as well as the tariffs, which are determined annually on a cost reflective basis. The organisation will continue to focus on water conservation and demand management to reduce water losses.

## Programmes/objectives/activities

**Table 36.26 Umgeni Water expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
Administration	341 413	356 022	370 603	612 396	21.5%	25.3%	775 130	895 873	944 951	15.6%	36.0%
Bulk activities	786 761	976 446	1 040 897	1 174 426	14.3%	60.6%	1 216 060	1 311 390	1 413 644	6.4%	57.6%
Waste water	55 087	58 563	51 553	99 825	21.9%	4.0%	106 881	114 588	122 985	7.2%	5.0%
Other activities	215 082	282 005	104 251	28 612	-49.0%	10.1%	30 444	32 270	34 207	6.1%	1.4%
<b>Total</b>	<b>1 398 342</b>	<b>1 673 035</b>	<b>1 567 304</b>	<b>1 915 259</b>	<b>11.1%</b>	<b>100.0%</b>	<b>2 128 515</b>	<b>2 354 122</b>	<b>2 515 785</b>	<b>9.5%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

### Table 36.27 Umgeni Water statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
<b>Revenue</b>									
<b>Non-tax revenue</b>	2 023 771	2 065 156	2 018 286	2 355 464	2 282 036	2 394 293	2 364 875	2 437 751	106.5%
Sale of goods and services other than capital assets	1 958 256	1 908 834	1 958 879	2 204 140	2 231 497	2 222 565	2 317 563	2 391 133	103.1%
<i>of which:</i>									
<i>Sale of bulk water</i>	1 958 256	1 908 834	1 958 879	2 204 140	2 231 497	2 222 565	2 317 563	2 391 133	103.1%
Other non-tax revenue	65 515	156 322	59 407	151 324	50 539	171 728	47 312	46 618	236.1%
<b>Total revenue</b>	<b>2 023 771</b>	<b>2 065 156</b>	<b>2 018 286</b>	<b>2 355 464</b>	<b>2 282 036</b>	<b>2 394 293</b>	<b>2 364 875</b>	<b>2 437 751</b>	<b>106.5%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>1 662 186</b>	<b>1 398 342</b>	<b>1 626 626</b>	<b>1 673 035</b>	<b>1 857 654</b>	<b>1 567 304</b>	<b>1 915 258</b>	<b>1 915 258</b>	<b>92.8%</b>
Compensation of employees	304 480	291 315	355 815	331 609	463 619	622 726	437 735	437 735	107.8%
Goods and services	1 135 680	950 620	1 047 315	1 190 231	1 215 099	818 572	1 271 197	1 271 197	90.6%
Depreciation	124 047	89 901	128 403	105 640	108 280	121 445	76 722	76 722	90.0%
Interest, dividends and rent on land	97 980	66 507	95 093	45 555	70 656	4 561	129 605	129 605	62.6%
<b>Total expenses</b>	<b>1 662 186</b>	<b>1 398 342</b>	<b>1 626 626</b>	<b>1 673 035</b>	<b>1 857 654</b>	<b>1 567 304</b>	<b>1 915 258</b>	<b>1 915 258</b>	<b>92.8%</b>
<b>Surplus/(Deficit)</b>	<b>361 586</b>	<b>666 814</b>	<b>391 660</b>	<b>682 429</b>	<b>424 382</b>	<b>826 989</b>	<b>449 617</b>	<b>522 493</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	3 723 705	3 443 935	4 730 735	4 010 628	4 984 845	5 556 187	7 175 914	7 200 986	98.0%
<i>Acquisition of assets</i>	<i>(784 015)</i>	<i>(476 118)</i>	<i>(975 994)</i>	<i>(779 001)</i>	<i>(1 204 236)</i>	<i>(1 883 248)</i>	<i>(1 559 299)</i>	<i>(2 133 429)</i>	<i>116.5%</i>
Investments	1 711 333	2 113 613	1 014 305	2 257 617	1 075 852	1 661 593	707 231	1 003 151	156.1%
Inventory	9 166	11 029	9 426	11 456	9 631	12 068	17 974	12 371	101.6%
Accrued investment interest	14	27 610	14	40 722	14	33 751	16	-	177 387.4%
Receivables and prepayments	226 802	304 099	261 396	452 410	298 458	345 048	298 416	338 018	132.7%
Cash and cash equivalents	813	7 611	51 510	32 693	1 310	37 933	847	13 710	168.8%
Non-current assets held for sale	14 481	-	14 481	-	13 500	-	-	-	-
<b>Total assets</b>	<b>5 686 314</b>	<b>5 907 897</b>	<b>6 081 867</b>	<b>6 805 526</b>	<b>6 383 610</b>	<b>7 646 580</b>	<b>8 200 398</b>	<b>8 568 236</b>	<b>109.8%</b>
Accumulated surplus/(deficit)	2 851 548	3 171 025	3 466 028	3 973 337	3 894 912	4 796 261	4 811 749	5 141 183	113.7%
Capital and reserves	442 847	442 847	442 847	442 847	442 847	442 847	442 847	442 847	100.0%
Borrowings	1 461 670	1 135 381	1 383 296	1 250 029	1 181 530	1 171 764	1 692 526	1 943 331	96.2%
Accrued interest	-	31 396	32 381	27 406	28 631	26 836	29 481	59 730	160.6%
Deferred income	12 471	-	-	-	-	-	-	-	-
Trade and other payables	579 581	568 649	418 745	602 688	289 657	606 470	341 672	389 474	133.0%
Provisions	338 197	548 041	338 570	500 828	537 643	596 467	878 969	588 519	106.7%
Derivatives financial instruments	-	10 558	-	8 391	8 390	5 935	3 152	3 152	242.9%
<b>Total equity and liabilities</b>	<b>5 686 314</b>	<b>5 907 897</b>	<b>6 081 867</b>	<b>6 805 526</b>	<b>6 383 610</b>	<b>7 646 580</b>	<b>8 200 398</b>	<b>8 568 236</b>	<b>109.8%</b>

## Statements of estimates of financial performance and position

### Table 36.28 Umgeni Water statements of estimates of financial performance and position

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
<b>Revenue</b>								
<b>Non-tax revenue</b>	2 437 751	5.7%	100.0%	2 681 619	2 983 007	3 286 690	10.5%	100.0%
Sale of goods and services other than capital assets	2 391 133	7.8%	94.2%	2 643 637	2 946 509	3 251 906	10.8%	98.6%
<i>of which:</i>								
<i>Sale of bulk water</i>	2 391 133	7.8%	94.2%	2 643 637	2 946 509	3 251 906	10.8%	98.6%
Other non-tax revenue	46 618	-33.2%	5.8%	37 982	36 498	34 784	-9.3%	1.4%
<b>Total revenue</b>	<b>2 437 751</b>	<b>5.7%</b>	<b>100.0%</b>	<b>2 681 619</b>	<b>2 983 007</b>	<b>3 286 690</b>	<b>10.5%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>1 915 258</b>	<b>11.1%</b>	<b>100.0%</b>	<b>2 128 515</b>	<b>2 354 121</b>	<b>2 515 785</b>	<b>9.5%</b>	<b>132.4%</b>
Compensation of employees	437 735	14.5%	25.8%	483 240	522 100	563 346	8.8%	22.5%
Goods and services	1 271 197	10.2%	64.4%	1 296 191	1 397 176	1 508 127	5.9%	61.6%
Depreciation	76 722	-5.1%	6.1%	190 323	205 231	221 457	42.4%	7.6%
Interest, dividends and rent on land	129 605	24.9%	3.6%	158 760	229 614	222 854	19.8%	8.2%
<b>Total expenses</b>	<b>1 915 258</b>	<b>11.1%</b>	<b>100.0%</b>	<b>2 128 515</b>	<b>2 354 121</b>	<b>2 515 785</b>	<b>9.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>522 493</b>	<b>-</b>	<b>-</b>	<b>553 104</b>	<b>628 886</b>	<b>770 905</b>	<b>13.8%</b>	<b>-</b>

**Table 36.28 Umgeni Water statements of estimates of financial performance and position**

Statement of financial position		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2015/16	2012/13 - 2015/16	2016/17		
R thousand									
Carrying value of assets		7 200 986	27.9%	68.5%	8 847 699	9 225 855	9 962 112	11.4%	87.3%
of which:									
Acquisition of assets		(2 133 429)	64.9%	-17.3%	(2 311 884)	(1 038 029)	(1 379 489)	-13.5%	-17.6%
Investments		1 003 151	-22.0%	25.6%	735 242	852 250	794 575	-7.5%	8.6%
Inventory		12 371	3.9%	0.2%	12 869	13 395	13 952	4.1%	0.1%
Receivables and prepayments		338 018	3.6%	5.1%	368 556	407 805	442 177	9.4%	3.9%
Cash and cash equivalents		13 710	21.7%	0.3%	15 996	19 206	23 412	19.5%	0.2%
<b>Total assets</b>		<b>8 568 236</b>	<b>13.2%</b>	<b>100.0%</b>	<b>9 980 362</b>	<b>10 518 511</b>	<b>11 236 228</b>	<b>9.5%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		5 141 183	17.5%	58.7%	5 694 287	6 323 173	7 094 078	11.3%	60.1%
Capital and reserves		442 847	-	6.2%	442 847	442 847	442 847	-	4.4%
Borrowings		1 943 331	19.6%	18.9%	2 724 712	2 645 902	2 566 892	9.7%	24.5%
Accrued interest		59 730	23.9%	0.5%	83 141	83 303	83 799	11.9%	0.8%
Trade and other payables		389 474	-11.9%	7.7%	394 474	329 086	293 968	-9.0%	3.6%
Provisions		588 519	2.4%	7.8%	640 901	694 200	754 644	8.6%	6.7%
Derivatives financial instruments		3 152	-33.2%	0.1%	-	-	-	-100.0%	0.0%
<b>Total equity and liabilities</b>		<b>8 568 236</b>	<b>13.2%</b>	<b>100.0%</b>	<b>9 980 362</b>	<b>10 518 511</b>	<b>11 236 228</b>	<b>-67.3%</b>	<b>100.0%</b>

## Personnel information

**Table 36.29 Umgeni Water personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Umgeni Water</b>																			
<b>Salary level</b>	<b>1 048</b>	<b>1 048</b>	<b>1 017</b>	<b>622.7</b>	<b>0.6</b>	<b>1 018</b>	<b>437.7</b>	<b>0.4</b>	<b>1 069</b>	<b>483.2</b>	<b>0.5</b>	<b>1 071</b>	<b>522.1</b>	<b>0.5</b>	<b>1 072</b>	<b>563.3</b>	<b>0.5</b>	<b>8.8%</b>	<b>100.0%</b>
1 – 6	38	38	126	21.4	0.2	118	12.4	0.1	41	5.9	0.1	43	6.4	0.1	43	6.9	0.2	-17.6%	5.9%
7 – 10	651	651	570	182.1	0.3	582	186.8	0.3	669	227.6	0.3	669	245.4	0.4	669	264.7	0.4	12.3%	61.2%
11 – 12	274	274	197	115.6	0.6	222	140.8	0.6	274	160.1	0.6	274	173.8	0.6	274	187.4	0.7	10.0%	24.6%
13 – 16	82	82	98	75.0	0.8	92	89.3	1.0	82	82.9	1.0	82	89.3	1.1	83	96.5	1.2	2.6%	8.0%
17 – 22	3	3	26	228.7	8.8	4	8.4	2.1	3	6.7	2.2	3	7.2	2.4	3	7.8	2.6	-2.6%	0.3%

1. Rand million.

## Trans-Caledon Tunnel Authority

### Mandate

The Trans-Caledon Tunnel Authority was established in 1986 and derives its legislative mandate from the National Water Act (1998). As a specialised liability management entity, it finances and implements the development of bulk raw water infrastructure within an acceptable risk framework, and provides an integrated treasury management service to the department and water boards. The authority also plays an important role as a financial advisory service to the department and the water sector in the areas of project initiation, the restructuring of treasury activities and the review of water tariff setting methodologies.

### Selected performance indicators

**Table 36.30 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past		Current		Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of 14.5 km pipeline completed per year	Mooi-Mgeni transfer scheme	Outcome 6: An efficient, competitive and responsive economic infrastructure network	3%	10%	92%	100%	-1	-1	-1
Percentage of 40 km pipeline completed per year	Olifants River water resource development project		42%	48%	85%	99%	100%	-2	-2
Percentage of 43 km pipeline completed per year	Mokolo Crocodile water augmentation project		31%	62%	99%	100%	-1	-1	-1
Percentage of 160 km pipeline completed per year	Mokolo Crocodile water augmentation project		-3	-3	-3	-3	-3	20%	40%

**Table 36.30 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Western basin: Percentage of upgrade to existing plant completed per year	Acid mine drainage	Outcome 6: An efficient, competitive and responsive economic infrastructure network	100%	– <sup>4</sup>	– <sup>4</sup>	– <sup>4</sup>	– <sup>4</sup>	– <sup>4</sup>	– <sup>4</sup>
Central basin: Percentage of upgrade to construction of new plant completed per year	Acid mine drainage		10%	95%	100%	– <sup>5</sup>	– <sup>5</sup>	– <sup>5</sup>	– <sup>5</sup>
Eastern basin: Percentage of upgrade to construction of new plant completed per year	Acid mine drainage		– <sup>6</sup>	– <sup>6</sup>	36%	98%	100%	– <sup>6</sup>	– <sup>6</sup>

1. Project was completed in 2015/16.

2. Project will be completed in 2016/17.

3. Project will commence in 2017/18.

4. Project was completed in 2012/13.

5. Project was completed in 2014/15.

6. Project commenced in 2014/15 and will be completed in 2016/17.

## Expenditure analysis

The national development plan envisages universal access to affordable, sufficient and safe water and decent sanitation by 2030 to facilitate socioeconomic growth. In line with this, the Trans-Caledon Tunnel Authority will focus on the coordination of the national water and sanitation infrastructure strategic infrastructure project, which aims to address spatial imbalances by raising the level of service delivery in terms of access to and the quality of services in under-serviced areas. The authority will provide technical support to other sector institutions to enable them to deliver on their mandates, and contribute to outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (a responsive, accountable, effective and efficient developmental local government system) of government's 2014-2019 medium term strategic framework.

Over the medium term, the authority will focus on planning the second phase of the Lesotho Highlands water project, and finding a short term solution to acid mine drainage in the Witwatersrand. These activities are expected to drive an increase in total expenditure at an average annual rate of 10.4 per cent over the medium term, driven by expenditure in goods and services related particularly to operational and maintenance costs. The authority plans to improve business processes over the medium term to deliver projects in a timely and cost effective manner through improving key internal processes such as the turnaround time of the procurement of goods through increased efficiency. For projects where construction is completed, the authority ensures the debt is managed over the lifetime of the project and repaid in such a manner that the tariff remains constant in real terms, thereby ensuring affordability to the user.

The authority has 199 funded posts, of which 158 are filled. The authority expects to fill its vacant positions over the medium term.

## Programmes/objectives/activities

**Table 36.31 Trans-Caledon Tunnel Authority expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Administration	2 940 285	3 203 713	3 121 006	4 214 995	12.8%	53.4%	5 169 490	6 232 779	6 575 582	16.0%	62.9%
Berg water project	93 231	97 477	92 722	82 403	-4.0%	1.5%	68 468	58 756	61 987	-9.1%	0.8%
Vaal River eastern subsystem augmentation project	395 993	570 952	367 765	340 608	-4.9%	6.8%	335 359	326 843	344 819	0.4%	3.9%
Mooi-Mgeni transfer scheme	580 973	600 264	567 578	288 087	-20.8%	8.4%	184 338	172 271	181 746	-14.2%	2.4%
Olifants River water resource development project	456 945	540 619	513 652	402 341	-4.2%	7.8%	16 827	3 313	3 495	-79.4%	1.4%
Komati water scheme augmentation project	444 550	329 054	132 617	128 394	-33.9%	4.3%	122 023	123 991	130 810	0.6%	1.5%
Mokolo Crocodile water augmentation project	561 886	427 807	273 845	840 804	14.4%	8.2%	1 464 218	2 603 641	2 746 841	48.4%	21.0%
Acid mine drainage	97 026	594 623	574 757	1 332 622	139.5%	9.7%	202 973	206 921	218 302	-45.3%	6.1%
Other projects	(997)	–	–	–	-100.0%	-0.0%	–	–	–	–	–
<b>Total</b>	<b>5 569 892</b>	<b>6 364 508</b>	<b>5 643 942</b>	<b>7 630 253</b>	<b>11.1%</b>	<b>100.0%</b>	<b>7 563 696</b>	<b>9 728 514</b>	<b>10 263 582</b>	<b>10.4%</b>	<b>100.0%</b>



## Statements of historical financial performance and position

**Table 36.32 Trans-Caledon Tunnel Authority statements of historical financial performance and position**

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	
<b>Revenue</b>									
<b>Non-tax revenue</b>	3 671 666	5 360 966	6 665 380	5 014 531	8 103 771	5 453 698	6 824 891	4 418 453	80.1%
Sale of goods and services other than capital assets	3 671 666	2 792 970	5 105 353	2 958 000	6 355 729	2 547 477	5 407 070	4 871 593	64.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	3 671 666	2 792 970	5 105 353	2 958 000	6 355 729	2 547 477	5 407 070	4 871 593	64.1%
Other non-tax revenue	-	2 567 996	1 560 028	2 056 531	1 748 042	2 906 222	1 417 821	(453 140)	149.8%
<b>Total revenue</b>	<b>3 671 666</b>	<b>5 360 966</b>	<b>6 665 380</b>	<b>5 014 531</b>	<b>8 103 771</b>	<b>5 453 698</b>	<b>6 824 891</b>	<b>4 418 453</b>	<b>80.1%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>3 773 976</b>	<b>5 569 892</b>	<b>7 378 527</b>	<b>6 364 508</b>	<b>8 750 278</b>	<b>5 643 942</b>	<b>7 630 253</b>	<b>7 630 253</b>	<b>91.6%</b>
Compensation of employees	158 624	121 997	169 962	131 728	181 010	146 124	211 989	211 989	84.8%
Goods and services	793 814	2 661 089	4 926 147	2 833 547	6 106 703	2 392 665	4 648 215	4 648 215	76.1%
Depreciation	133 991	8 467	9 243	11 802	9 844	10 187	11 389	11 389	25.4%
Interest, dividends and rent on land	2 687 547	2 778 339	2 273 174	3 387 431	2 452 721	3 094 965	2 758 659	2 758 659	118.2%
<b>Total expenses</b>	<b>3 773 976</b>	<b>5 569 892</b>	<b>7 378 527</b>	<b>6 364 508</b>	<b>8 750 278</b>	<b>5 643 942</b>	<b>7 630 253</b>	<b>7 630 253</b>	<b>91.6%</b>
<b>Surplus/(Deficit)</b>	<b>(102 310)</b>	<b>(208 926)</b>	<b>(713 147)</b>	<b>(1 349 978)</b>	<b>(646 508)</b>	<b>(190 243)</b>	<b>(805 362)</b>	<b>(3 211 799)</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	23 555 406	6 879	36 588	22 702	34 083	13 000	14 415	23 000	0.3%
<i>Acquisition of assets</i>	(1 659 155)	(6 000)	-	(19 819)	-	(1 070)	(14 415)	(11 000)	2.3%
Investments	3 117 265	3 258 866	3 486 356	3 466 807	4 569 119	4 011 001	8 109 114	11 499 024	115.3%
Receivables and prepayments	930 650	31 793 285	31 174 194	28 196 804	32 515 188	28 987 811	33 994 223	36 127 696	126.9%
Cash and cash equivalents	1 328	23 169	-	-	-	-	-	-	1 745.2%
Non-current assets held for sale	20 305	-	-	-	-	-	-	-	-
Taxation	-	14 960	-	25 374	-	47 538	-	-	-
<b>Total assets</b>	<b>27 624 954</b>	<b>35 101 574</b>	<b>34 697 139</b>	<b>31 711 687</b>	<b>37 118 390</b>	<b>33 059 349</b>	<b>42 117 752</b>	<b>47 649 720</b>	<b>104.2%</b>
Accumulated surplus/(deficit)	(4 196 445)	6 274 242	4 761 898	2 274 000	4 948 027	2 084 000	5 707 388	8 747 038	172.7%
Capital and reserves	131 694	-	-	-	-	-	-	-	-
Borrowings	27 770 117	26 714 996	29 028 115	26 953 109	31 110 721	27 882 042	35 476 667	38 129 323	97.0%
Finance lease	2 613 135	-	-	-	-	-	-	-	-
Trade and other payables	1 264 846	1 719 523	907 126	2 009 000	1 040 294	2 618 000	933 697	773 358	171.7%
Taxation	-	110 856	-	87 000	-	108 000	-	-	-
Provisions	41 607	281 957	-	388 458	-	367 057	-	-	2 493.5%
Derivatives financial instruments	-	-	-	3	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>27 624 953</b>	<b>35 101 574</b>	<b>34 697 139</b>	<b>31 711 570</b>	<b>37 099 041</b>	<b>33 059 099</b>	<b>42 117 752</b>	<b>47 649 720</b>	<b>104.2%</b>

## Statements of estimates of financial performance and position

**Table 36.33 Trans-Caledon Tunnel Authority statements of estimates of financial performance and position**

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
<b>Revenue</b>								
<b>Non-tax revenue</b>	4 418 453	-6.2%	100.0%	6 529 044	8 822 671	9 307 918	28.2%	100.0%
Sale of goods and services other than capital assets	4 871 593	20.4%	67.0%	4 699 410	6 849 792	7 226 531	14.0%	84.4%
<i>of which:</i>								
<i>Sales by market establishment</i>	4 871 593	20.4%	67.0%	4 699 410	6 849 792	7 226 531	14.0%	84.4%
Other non-tax revenue	(453 140)	-156.1%	33.0%	1 829 634	1 972 879	2 081 387	-266.2%	15.6%
<b>Total revenue</b>	<b>4 418 453</b>	<b>-6.2%</b>	<b>100.0%</b>	<b>6 529 044</b>	<b>8 822 671</b>	<b>9 307 918</b>	<b>28.2%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>7 630 253</b>	<b>11.1%</b>	<b>100.0%</b>	<b>7 563 696</b>	<b>9 728 514</b>	<b>10 263 582</b>	<b>10.4%</b>	<b>153.5%</b>
Compensation of employees	211 989	20.2%	2.4%	225 768	237 057	250 095	5.7%	2.7%
Goods and services	4 648 215	20.4%	48.9%	4 461 512	6 600 000	6 963 000	14.4%	63.9%
Depreciation	11 389	10.4%	0.2%	12 129	12 736	13 436	5.7%	0.1%
Interest, dividends and rent on land	2 758 659	-0.2%	48.5%	2 864 286	2 878 721	3 037 051	3.3%	33.3%
<b>Total expenses</b>	<b>7 630 253</b>	<b>11.1%</b>	<b>100.0%</b>	<b>7 563 696</b>	<b>9 728 514</b>	<b>10 263 582</b>	<b>10.4%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(3 211 799)</b>	<b>1</b>	<b>-</b>	<b>(1 034 652)</b>	<b>(905 843)</b>	<b>(955 664)</b>	<b>-33.2%</b>	<b>-</b>
<b>Statement of financial position</b>								
Carrying value of assets	23 000	49.5%	0.0%	25 713	28 255	29 809	9.0%	0.1%
<i>of which:</i>								
<i>Acquisition of assets</i>	(11 000)	22.4%	-0.0%	(3 000)	(2 000)	(2 110)	-42.3%	-0.0%
Investments	11 499 024	52.2%	14.1%	12 041 365	18 818 634	19 853 659	20.0%	30.2%
Receivables and prepayments	36 127 696	4.4%	85.7%	35 573 475	33 771 292	35 628 714	-0.5%	69.7%
<b>Total assets</b>	<b>47 649 720</b>	<b>10.7%</b>	<b>100.0%</b>	<b>47 640 553</b>	<b>52 618 182</b>	<b>55 512 182</b>	<b>5.2%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	8 747 038	11.7%	12.4%	7 712 386	6 806 543	7 180 903	-6.4%	15.1%
Borrowings	38 129 323	12.6%	81.4%	39 142 339	45 257 650	47 746 820	7.8%	83.6%
Trade and other payables	773 358	-23.4%	5.2%	785 828	553 989	584 459	-8.9%	1.3%
<b>Total equity and liabilities</b>	<b>47 649 720</b>	<b>10.7%</b>	<b>100.0%</b>	<b>47 640 553</b>	<b>52 618 182</b>	<b>55 512 182</b>	<b>-7.5%</b>	<b>100.0%</b>

## Personnel information

**Table 36.34 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
Trans-Caledon Tunnel Authority		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	199	199	158	146.1	0.9	158	212.0	1.3	199	225.8	1.1	199	237.1	1.2	199	250.1	1.3	5.7%	100.0%
1 – 6	6	6	6	0.9	0.1	6	0.9	0.2	6	1.0	0.2	6	1.1	0.2	6	1.1	0.2	6.7%	3.2%
7 – 10	91	91	88	42.7	0.5	88	44.6	0.5	91	47.7	0.5	91	50.6	0.6	91	53.6	0.6	6.3%	48.2%
11 – 12	3	3	3	3.8	1.3	3	6.9	2.3	3	7.4	2.5	3	7.9	2.6	3	8.4	2.8	6.7%	1.6%
13 – 16	83	83	49	66.8	1.4	49	111.9	2.3	83	118.7	1.4	83	123.1	1.5	83	129.3	1.6	4.9%	39.0%
17 – 22	16	16	12	31.9	2.7	12	47.6	4.0	16	50.9	3.2	16	54.4	3.4	16	57.7	3.6	6.6%	7.9%

1. Rand million.

## Water Trading Entity

### Mandate

The water trading account was established in 1983 to separate departmental revenue collected through the sale of raw water and related services from appropriated funds. In 2008, the trading account was converted by the Public Finance Management Act (1999), under which it became the water trading entity. 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.

Through its two main components, the water resource management unit and the infrastructure branch, the Water Trading Entity is thus mandated to undertake: the construction of new water infrastructure such as dams, bulk distribution systems and pipelines, reservoirs, canals and wastewater treatment infrastructure through the water infrastructure build programme; and the rehabilitation and refurbishment of existing water resource infrastructure through the dam safety rehabilitation programme to ensure a sustainable water supply for both domestic and industrial use. The entity is also mandated to undertake water resources management, which includes the management of water quality, conservation and the allocation of water through catchment management agencies.

### Selected performance indicators

**Table 36.35 Water Trading Entity performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of actual versus planned billing per year <sup>1</sup>	Administration	Outcome 12: An efficient, effective and development oriented public service	99%	100%	100%	-1	-1	-1	-1
Percentage of reduction in outstanding debt over 60 days <sup>1</sup>	Administration		35%	36%	40%	-1	-1	-1	-1
Number of debtor days	Administration	Outcome 6: An efficient, competitive and responsive economic infrastructure network	303	305	170	150	120	100	100
Total number of water conveyance projects rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes		7	22	12	12	-2	-2	-2
Number of kilometres of conveyance systems rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes		-2	-2	-2	-2	36 km	65 km	80 km
Percentage spent on asset refurbishment and betterment against budget	Operations, maintenance and refurbishment of national water resources schemes		55%	70%	88%	100%	-3	-3	-3
Percentage of planned maintenance projects completed per year as per the approved asset management plan	Operations, maintenance and refurbishment of national water resources schemes		-3	-3	-3	-3	90%	92%	95%

**Table 36.35 Water Trading Entity performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of unscheduled maintenance projects completed per year as a proportion of planned maintenance projects	Operations, maintenance and refurbishment of national water resources schemes	Outcome 10: Protect And enhance our environmental assets and natural resources	-3	-3	-3	-3	10%	8%	5%
Number of raw water projects completed per year	Water Infrastructure Development		0	1	1	1	1	1	1
Total number of dam safety rehabilitation projects completed (cumulative) <sup>4</sup>	Implementation of dam safety projects		35	35	39	-4	-4	-4	-4
Number of dam safety rehabilitation projects per year	Implementation of dam safety projects		-4	-4	-4	12	4	1	5
Number of rivers in which the river eco-status monitoring programme has been implemented to measure the ecological health of the system per year	Water resource management		-5	-5	-5	-5	98	98	98

1. As of 2015/16, these indicators will be replaced with the indicator that measures the number of debtor days, which is specific, measurable and more accurate.

2. Over the medium term, the rehabilitation of water conveyance projects will be measured in kilometres completed.

3. Over the medium term, asset management will be measured against the asset management plan and not against budget. This will enable the entity to monitor the reduction of unscheduled maintenance and compliance with the maintenance plan versus the expenditure.

4. The number of dam safety rehabilitation projects will no longer be reported cumulatively, but per year over the medium term.

5. No historical data is available as this indicator is introduced in 2016/17.

## Expenditure analysis

The ongoing objective of the Water Trading Entity is to develop new water resources to make sufficient water available to all users. This is directly linked to the objectives of the national development plan, which highlights the need for a comprehensive management strategy, including an investment programme for water resource development, bulk water supply, and wastewater management for major centres. It is further supported by outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework.

The focus of the entity over the medium term will remain on water resources through the development of new water infrastructure, and on the operations, maintenance and refurbishment of existing infrastructure. Key projects include the Olifants River water resources development project, which entails the construction of a pipeline from De Hoop Dam to Steelpoort; and the Steelpoort pumping station, which will pump water through existing infrastructure to the Mooihoek water treatment works. R1.6 billion has been spent on the Olifants River water resources development project up to 2015/16. Phases 2D, 2E and 2F of the project, which entail the construction of pipelines, will be advanced over the MTEF period with a combined allocation of R199.6 million, and are scheduled to be completed by 2020. Other key projects include the dam safety rehabilitation programme, with an allocation of R98.2 million over the MTEF period, and the raising of Clanwilliam Dam, with an allocation of R226.7 million of the MTEF period.

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 the construction of projects are expected to drive an increase in expenditure on interest, dividends and rent on land from R1.7 billion in 2015/16 to R2.1 billion in 2018/19, at an average annual rate of 6.6 per cent. Due to the filling of vacant technical positions such as engineers, expenditure on compensation of employees is set to increase at an average annual rate of 7.4 per cent, from R979 million in 2015/16 to R1.2 billion in 2018/19. The entity has 4 302 funded posts, of which 3 716 are filled, with all vacancies expected to be filled by the end of 2016/17.

The entity generates revenue from raw water charges and a transfer from the Department of Water and Sanitation. Revenue from water sales exceeded budget expectations of 4 per cent, increasing by 17 per cent from R8.2 billion in 2013/14 to R9.6 billion in 2014/15. The improvement in revenue performance can be attributed to increases in the volume of consumption, annual tariffs, interest charged, and the additional external projects awarded to the internal construction unit. Revenue over the medium term is expected to increase due to the completion of dams and bulk distribution systems, increasing the availability of water and therefore the amount of water sold. The entity reported an operating surplus of R2.8 billion for 2014/15, driven by the improvement in revenue performance and higher interest charged on outstanding accounts.

Cabinet approved budget reductions of R4.4 billion made in 2015/16 will be effected over the medium term. These reductions are not expected to affect service delivery because of the entity's operational efficiencies, which are anticipated to continue over the MTEF period. Improved revenue collection, validation and verification of water users, the establishment of catchment management agencies, and the delegation of functions such as billing and collections to catchment management agencies are all expected to contribute to increased revenue from raw water charges. These measures will ensure that the budget reduction in the transfer from the department has a minimal impact on the entity's operations.

## Programmes/objectives/activities

**Table 36.36 Water Trading Entity expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Administration	523 460	417 625	341 840	432 659.2	-6.2%	5.0%	454 292	477 377	505 064	5.3%	4.9%
Implementation of water resources management activities	551 014	439 608	382 958	571 178.9	1.2%	5.7%	660 089	693 631	733 861	8.7%	7.0%
Operations, maintenance and refurbishment of national water resources schemes	1 069 705	853 429	1 384 999	1 175 003.8	3.2%	13.0%	1 503 669	1 702 794	1 807 016	15.4%	16.2%
Implementation of new water resources infrastructure	5 804 118	4 630 623	5 333 064	4 614 635.7	-7.4%	59.0%	4 810 023	5 177 158	5 482 333	5.9%	53.0%
Bulk water supply to strategic users	1 193 109	951 883	1 858 843	845 140.6	-10.9%	13.8%	1 157 313	1 338 838	1 416 491	18.8%	12.4%
Implementation of dam safety projects	377 734	301 362	197 766	315 789.0	-5.8%	3.5%	350 877	932 490	986 574	46.2%	6.5%
<b>Total</b>	<b>9 519 139</b>	<b>7 594 529</b>	<b>9 499 470</b>	<b>7 954 407.1</b>	<b>-5.8%</b>	<b>100.0%</b>	<b>8 936 263</b>	<b>10 322 287</b>	<b>10 931 340</b>	<b>11.2%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 36.37 Water Trading Entity statements of historical financial performance and position**

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
R thousand	Budget	2012/13	Budget	2013/14	Budget	2014/15	2015/16		2012/13 - 2015/16
<b>Revenue</b>									
<b>Non-tax revenue</b>	2 918 927	7 535 150	7 618 888	8 197 006	7 942 513	9 579 135	8 317 531	9 825 867	131.1%
Sale of goods and services other than capital assets	2 865 454	7 167 780	7 562 574	7 811 749	7 882 820	8 607 463	8 254 853	9 730 922	125.4%
of which:									
Sale of raw water	2 865 454	7 167 780	7 562 574	7 811 749	7 882 820	8 607 463	8 254 853	9 730 922	125.4%
Other non-tax revenue	53 473	367 370	56 314	385 257	59 693	971 672	62 678	94 945	783.6%
<b>Transfers received</b>	<b>869 529</b>	<b>1 817 103</b>	<b>1 865 142</b>	<b>2 377 202</b>	<b>2 410 661</b>	<b>2 735 154</b>	<b>3 165 439</b>	<b>1 735 123</b>	<b>104.3%</b>
<b>Total revenue</b>	<b>3 788 455</b>	<b>9 352 253</b>	<b>9 484 030</b>	<b>10 574 208</b>	<b>10 353 174</b>	<b>12 314 289</b>	<b>11 482 969</b>	<b>11 560 990</b>	<b>124.8%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>4 299 000</b>	<b>9 519 139</b>	<b>7 178 479</b>	<b>7 594 529</b>	<b>7 838 935</b>	<b>9 499 471</b>	<b>7 954 407</b>	<b>7 954 407</b>	<b>126.8%</b>
Compensation of employees	903 789	608 360	909 426	678 206	944 351	696 471	979 345	979 345	79.3%
Goods and services	1 722 739	3 709 242	2 531 265	3 781 880	2 683 425	4 562 561	2 699 347	2 699 347	153.1%
Depreciation	1 669 164	3 000 758	2 372 022	1 797 672	2 463 118	2 076 562	2 554 389	2 554 389	104.1%
Interest, dividends and rent on land	3 308	2 200 778	1 365 766	1 336 771	1 748 042	2 163 877	1 721 326	1 721 326	153.4%
<b>Total expenses</b>	<b>4 299 000</b>	<b>9 519 139</b>	<b>7 178 479</b>	<b>7 594 529</b>	<b>7 838 935</b>	<b>9 499 471</b>	<b>7 954 407</b>	<b>7 954 407</b>	<b>126.8%</b>
<b>Surplus/(Deficit)</b>	<b>(510 545)</b>	<b>(166 886)</b>	<b>2 305 551</b>	<b>2 979 679</b>	<b>2 514 239</b>	<b>2 814 818</b>	<b>3 528 562</b>	<b>3 606 583</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	65 806 836	88 322 257	98 783 580	89 442 378	103 681 893	90 214 792	107 554 907	91 920 714	95.8%
Acquisition of assets	(2 184 814)	(1 057 122)	(1 091 140)	(1 497 885)	(2 771 007)	(1 401 332)	(2 610 158)	(2 610 158)	75.9%
Inventory	10 800	328 448	185 282	169 184	194 361	119 958	203 885	126 916	125.3%
Receivables and prepayments	2 362 679	3 241 911	2 478 450	3 808 435	2 599 894	5 621 201	2 727 289	4 721 579	171.1%
Cash and cash equivalents	1 385 607	2 094 566	1 639 708	1 924 895	1 720 053	1 545 868	2 346 559	2 346 559	111.6%
<b>Total assets</b>	<b>69 565 922</b>	<b>93 987 182</b>	<b>103 087 021</b>	<b>95 344 892</b>	<b>108 196 202</b>	<b>97 501 819</b>	<b>112 832 640</b>	<b>99 115 768</b>	<b>98.0%</b>
<b>Statement of financial position</b>									
Accumulated surplus/(deficit)	1 070 726	61 304 875	67 390 360	66 432 478	72 436 894	69 170 634	76 669 709	69 245 871	122.3%
Capital and reserves	60 055 134	247 493	300 166	268 586	314 874	345 312	330 303	330 303	2.0%
Capital reserve fund	5 641 209	-	-	-	-	-	-	-	-
Borrowings	-	31 444 393	32 963 832	27 220 967	34 579 060	26 715 337	34 924 850	28 631 817	111.3%
Finance lease	13 338	25 315	15 432	49 435	16 189	50 599	16 982	16 982	229.8%
Trade and other payables	2 243 384	788 713	637 339	1 177 980	668 568	1 044 203	701 328	701 328	87.3%
Provisions	542 131	176 393	887 254	195 445	180 617	175 734	189 467	189 467	41.0%
<b>Total equity and liabilities</b>	<b>69 565 922</b>	<b>93 987 182</b>	<b>103 087 020</b>	<b>95 344 891</b>	<b>108 196 202</b>	<b>97 501 819</b>	<b>112 832 640</b>	<b>99 115 768</b>	<b>98.0%</b>

## Statements of estimates of financial performance and position

**Table 36.38 Water Trading Entity statements of estimates of financial performance and position**

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2016/17	2017/18	2018/19		
R thousand		2015/16	2012/13 - 2015/16						
<b>Revenue</b>									
<b>Non-tax revenue</b>		9 825 867	9.3%	80.2%	9 350 892	9 814 427	10 795 870	3.2%	83.7%
Sale of goods and services other than capital assets		9 730 922	10.7%	76.1%	9 246 453	9 699 544	10 669 499	3.1%	82.8%
<i>of which:</i>									
Sale of raw water		9 730 922	10.7%	76.1%	9 246 453	9 699 544	10 669 499	3.1%	82.8%
Other non-tax revenue		94 945	-36.3%	4.1%	104 439	114 883	126 371	10.0%	0.9%
<b>Transfers received</b>		1 735 123	-1.5%	19.8%	1 709 462	1 997 985	2 348 742	10.6%	16.3%
<b>Total revenue</b>		11 560 990	7.3%	100.0%	11 060 354	11 812 412	13 144 612	4.4%	100.0%
<b>Expenses</b>									
<b>Current expenses</b>		7 954 407	-5.8%	100.0%	8 936 263	10 322 287	10 931 340	11.2%	137.4%
Compensation of employees		979 345	17.2%	8.7%	1 000 581	1 135 972	1 212 218	7.4%	11.4%
Goods and services		2 699 347	-10.1%	42.7%	3 567 626	4 297 054	4 546 283	19.0%	39.3%
Depreciation		2 554 389	-5.2%	27.3%	2 609 780	2 921 184	3 090 613	6.6%	29.5%
Interest, dividends and rent on land		1 721 326	-7.9%	21.3%	1 758 276	1 968 077	2 082 226	6.6%	19.9%
<b>Total expenses</b>		7 954 407	-5.8%	100.0%	8 936 263	10 322 287	10 931 340	11.2%	100.0%
<b>Surplus/(Deficit)</b>		3 606 583	(4)	-	2 124 091	1 490 125	2 213 272	-15.0%	-
<b>Statement of financial position</b>									
Carrying value of assets		91 920 714	1.3%	93.3%	92 833 484	93 757 206	94 692 013	1.0%	93.7%
<i>of which:</i>									
Acquisition of assets		(2 610 158)	35.2%	-1.7%	(3 904 287)	(4 099 501)	(4 509 451)	20.0%	-3.8%
Inventory		126 916	-27.2%	0.2%	134 277	150 305	168 245	9.9%	0.1%
Receivables and prepayments		4 721 579	13.4%	4.5%	3 777 263	3 021 811	2 417 449	-20.0%	3.5%
Cash and cash equivalents		2 346 559	3.9%	2.1%	2 482 659	2 779 000	3 110 712	9.9%	2.7%
<b>Total assets</b>		99 115 768	1.8%	100.0%	99 227 683	99 708 321	100 388 419	0.4%	100.0%
Accumulated surplus/(deficit)		69 245 872	4.1%	68.9%	70 313 318	71 689 698	73 147 055	1.8%	71.4%
Capital and reserves		330 303	10.1%	0.3%	347 809	365 200	386 381	5.4%	0.4%
Borrowings		28 631 817	-3.1%	29.6%	27 610 667	26 649 740	25 793 086	-3.4%	27.3%
Finance lease		16 982	-12.5%	0.0%	17 882	18 776	19 865	5.4%	0.0%
Trade and other payables		701 328	-3.8%	1.0%	738 498	775 423	820 398	5.4%	0.8%
Provisions		189 467	2.4%	0.2%	199 509	209 484	221 634	5.4%	0.2%
<b>Total equity and liabilities</b>		99 115 768	1.8%	100.0%	99 227 683	99 708 321	100 388 419	19.9%	100.0%

## Personnel information

**Table 36.5 Water Trading Entity personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	2015/16 - 2018/19
<b>Water Trading Entity</b>		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Salary level</b>	4 302	4 302	3 702	696.5	0.2	3 716	979.3	0.3	4 302	1 000.6	0.2	4 302	1 136.0	0.3	4 302	1 212.2	0.3	7.4%	100.0%
1 – 6	3 245	3 245	2 811	358.9	0.1	2 824	492.0	0.2	3 245	500.9	0.2	3 245	570.6	0.2	3 245	615.6	0.2	7.8%	75.6%
7 – 10	909	909	780	256.3	0.3	780	356.9	0.5	909	364.7	0.4	909	417.1	0.5	909	438.8	0.5	7.1%	21.1%
11 – 12	135	135	103	72.8	0.7	104	111.7	1.1	135	115.2	0.9	135	127.7	0.9	135	135.2	1.0	6.6%	3.1%
13 – 16	13	13	8	8.5	1.1	8	18.8	2.3	13	19.7	1.5	13	20.6	1.6	13	22.7	1.7	6.5%	0.3%

1. Rand million.

## Breede-Gouritz Catchment Management Agency

### Mandate

The former Breede-Overberg Catchment Management Agency was established in 2005 in terms of the National Water Act (1998), and was classified as a schedule 3 A public entity. In May 2014, the agency's boundary and area of operation was extended to form the Breede-Overberg Catchment Management Agency. The agency plays a key role in the use, protection and development of water resources in the Breede-Gouritz water management area. The agency aims to ensure that water is used and managed to support equitable and

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

## Selected performance indicators

**Table 36.40 Breede-Gouritz Catchment Management Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of water registrations finalised per year	Water projects	Outcome 10: Protect and enhance our environmental assets and natural resources	150	600	500	800	800	800	800

## Expenditure analysis

The Breede-Gouritz Catchment Management Agency contributes to the objectives in the national development plan that require water resources to be managed, monitored and protected in a sustainable way, while allowing for economic growth. This is also in line with outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium term strategic framework.

Over the medium term, the agency will focus on the authorisation of water use through aiming to finalise 2 400 water registrations. This involves the verification of lawful water users, the eradication of unlawful water use, water allocation, and quality monitoring. As a result, expenditure in the water projects programme is expected to increase from R18.6 million in 2015/16 to R26.5 million in 2018/19, at an average annual rate of 12.5 per cent.

The agency undertakes functions in collaboration with local stakeholders, with a specific focus on involving local communities in decision making regarding meeting basic human needs, promoting equitable access to water, and facilitating social and economic development. The agency publishes newsletters to communicate with stakeholders and finalises the registration and authorisation for volumes of water use. Water user associations are assisted in the compilation of business plans through the public participation programme, in which expenditure is expected to increase at an average annual rate of 35.9 per cent over the medium term, from R5.5 million in 2015/16 to R13.9 million in 2018/19. The anticipated increase is due to increased public participation.

The agency's only source of funding is a transfer from the Department of Water and Sanitation until a functioning billing process has been set up. Relevant policies and procedures will be developed as soon as the approval for the transfer of the responsibility for the billing process has been given.

## Programmes/objectives/activities

**Table 36.41 Breede-Gouritz Catchment Management Agency expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Administration	9 574	14 050	12 220	23 223	34.4%	48.4%	17 925	19 691	20 307	-4.4%	37.8%
Water projects	11 033	8 508	8 982	18 617	19.1%	38.9%	21 550	25 720	26 527	12.5%	42.2%
Public participation	2 847	3 710	3 182	5 548	24.9%	12.8%	11 500	13 488	13 910	35.9%	20.0%
<b>Total</b>	<b>23 454</b>	<b>26 268</b>	<b>24 384</b>	<b>47 388</b>	<b>26.4%</b>	<b>100.0%</b>	<b>50 975</b>	<b>58 899</b>	<b>60 744</b>	<b>8.6%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 36.42 Breede-Gouritz Catchment Management Agency statements of historical financial performance and position**

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
<b>Revenue</b>									
Non-tax revenue	498	424	300	364	241	279	250	250	102.2%
Other non-tax revenue	498	424	300	364	241	279	250	250	102.2%
Transfers received	19 140	19 000	23 625	23 625	24 623	40 787	50 975	47 138	110.3%
<b>Total revenue</b>	<b>19 638</b>	<b>19 424</b>	<b>23 925</b>	<b>23 989</b>	<b>24 864</b>	<b>41 066</b>	<b>51 225</b>	<b>47 388</b>	<b>110.2%</b>
<b>Expenses</b>									
Current expenses	17 930	23 454	22 516	26 268	24 864	24 384	47 387	47 388	107.8%
Compensation of employees	9 896	10 530	11 883	13 142	12 942	14 485	19 345	20 618	108.7%
Goods and services	6 148	12 064	8 644	12 470	11 054	9 398	27 188	25 916	112.8%
Depreciation	1 365	860	1 391	656	868	501	854	854	64.1%
Interest, dividends and rent on land	521	-	598	-	-	-	-	-	-
Transfers and subsidies	1 708	-	1 409	-	-	-	-	-	-
<b>Total expenses</b>	<b>19 638</b>	<b>23 454</b>	<b>23 925</b>	<b>26 268</b>	<b>24 864</b>	<b>24 384</b>	<b>47 387</b>	<b>47 388</b>	<b>104.9%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(4 030)</b>	<b>-</b>	<b>(2 279)</b>	<b>-</b>	<b>16 682</b>	<b>3 838</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	3 082	1 403	2 443	980	2 122	533	3 137	2 350	48.8%
Acquisition of assets	(1 384)	(412)	(1 091 140)	(257)	(2 771 007)	(64)	(1 318)	(1 318)	0.1%
Receivables and prepayments	35	90	35	96	35	37	35	2	160.7%
Cash and cash equivalents	8 374	7 734	10 236	4 867	10 476	22 571	10 461	5 000	101.6%
<b>Total assets</b>	<b>11 491</b>	<b>9 227</b>	<b>12 714</b>	<b>5 943</b>	<b>12 633</b>	<b>23 141</b>	<b>13 633</b>	<b>7 352</b>	<b>90.5%</b>
Accumulated surplus/(deficit)	8 968	7 318	11 348	5 039	10 196	21 721	10 587	4 922	94.9%
Trade and other payables	1 652	1 664	1 329	573	1 837	1 008	2 174	2 000	75.0%
Provisions	578	245	37	331	600	412	722	430	73.2%
Managed funds (e.g. poverty alleviation fund)	293	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>11 491</b>	<b>9 227</b>	<b>12 714</b>	<b>5 943</b>	<b>12 633</b>	<b>23 141</b>	<b>13 483</b>	<b>7 352</b>	<b>90.7%</b>

## Statements of estimates of financial performance and position

**Table 36.43 Breede-Gouritz Catchment Management Agency statements of estimates of financial performance and position**

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
<b>Revenue</b>									
Non-tax revenue	250	-16.1%	1.2%	250	250	250	-	0.5%	
Other non-tax revenue	250	-16.1%	1.2%	250	250	250	-	0.5%	
Transfers received	47 138	35.4%	98.8%	50 725	58 650	60 500	8.7%	99.5%	
<b>Total revenue</b>	<b>47 388</b>	<b>34.6%</b>	<b>100.0%</b>	<b>50 975</b>	<b>58 900</b>	<b>60 750</b>	<b>8.6%</b>	<b>100.0%</b>	
<b>Expenses</b>									
Current expenses	47 388	26.4%	100.0%	50 975	58 899	60 744	8.6%	230.3%	
Compensation of employees	20 618	25.1%	49.5%	21 965	23 185	23 912	5.1%	41.3%	
Goods and services	25 916	29.0%	48.0%	28 106	34 580	35 664	11.2%	56.8%	
Depreciation	854	-0.2%	2.5%	904	1 134	1 168	11.0%	1.9%	
<b>Total expenses</b>	<b>47 388</b>	<b>26.4%</b>	<b>100.0%</b>	<b>50 975</b>	<b>58 899</b>	<b>60 744</b>	<b>8.6%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>6</b>	<b>-</b>	<b>-</b>	
<b>Statement of financial position</b>									
Carrying value of assets	2 350	18.8%	16.5%	2 350	2 350	2 350	-	32.0%	
of which:									
Acquisition of assets	(1 318)	47.3%	-6.7%	(1 404)	(1 174)	(1 211)	-2.8%	-17.4%	
Receivables and prepayments	2	-71.9%	0.7%	2	2	2	-	0.0%	
Cash and cash equivalents	5 000	-13.5%	82.8%	5 000	5 000	5 000	-	68.0%	
<b>Total assets</b>	<b>7 352</b>	<b>-7.3%</b>	<b>100.0%</b>	<b>7 352</b>	<b>7 352</b>	<b>7 352</b>	<b>-</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	4 922	-12.4%	81.2%	4 922	4 922	4 922	-	66.9%	
Trade and other payables	2 000	6.3%	14.8%	2 000	2 000	2 000	-	27.2%	
Provisions	430	20.6%	4.0%	430	430	430	-	5.8%	
<b>Total equity and liabilities</b>	<b>7 352</b>	<b>-7.3%</b>	<b>100.0%</b>	<b>7 352</b>	<b>7 352</b>	<b>7 352</b>	<b>-</b>	<b>100.0%</b>	

## Personnel information

Table 36.5 Breede-Gouritz Catchment Management Agency personnel numbers and cost by salary level<sup>1</sup>

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		2015/16 - 2018/19	
Breede-Gouritz Catchment Management Agency		Number	Cost		Unit Cost	Number		Cost	Unit Cost		Number	Cost		Unit Cost	Number	Cost	Unit Cost		Number
Salary level	48	48	40	14.5	0.4	48	20.6	0.4	50	22.0	0.4	50	23.2	0.5	50	23.9	0.5	5.1%	100.0%
7 – 10	42	42	36	10.8	0.3	42	15.4	0.4	42	15.4	0.4	42	16.2	0.4	42	16.7	0.4	2.9%	84.9%
11 – 12	4	4	2	1.5	0.8	4	3.1	0.8	6	4.4	0.7	6	4.7	0.8	6	4.8	0.8	16.0%	11.1%
13 – 16	2	2	2	2.2	1.1	2	2.2	1.1	2	2.2	1.1	2	2.3	1.1	2	2.4	1.2	2.9%	4.0%

1. Rand million.

## Inkomati-Usuthu Catchment Management Agency

### Mandate

The Inkomati Catchment Management Agency was established in 2004 in terms of the National Water Act (1998) and was classified as a schedule 3A public entity. In May 2014, the agency was realigned with the extension of the boundary and area of operation of the Inkomati Catchment Management Agency to form the Inkomati-Usuthu Catchment Management Agency. The agency plays a key role in the use, protection, and development of water resources in the Inkomati-Usuthu water management area. The agency aims to ensure that water is used and managed to support equitable and sustainable socioeconomic transformation and development. It is thus also mandated to play a central coordinating role in relation to water use, linking national, provincial and local government, and a host of sector partners and stakeholders.

### Selected performance indicators

Table 36.45 Inkomati-Usuthu Catchment Management Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of water use licence applications processed and recommended to the Department of Water and Sanitation per year	Ensure the effective, efficient and sustainable management of water resources	Outcome 10: Protect and enhance our environmental assets and natural resources	8	5	8	10	10	10	10

### Expenditure analysis

The Inkomati-Usuthu Catchment Management Agency contributes to the objectives of the national development plan that require water resources to be managed, monitored and protected in a sustainable way, while allowing for economic growth. This is also in line with outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium term strategic framework.

Over the medium term, the agency will focus on the authorisation of water use by processing water use licence applications. This involves the verification of existing lawful water use and allocation plans, water quality monitoring, and water resource management. The agency expects to process and recommend 30 water licence applications to the Department of Water and Sanitation over the medium term, resulting in an expected 4.9 per cent average annual growth in total expenditure over the medium term, from R76.8 million in 2015/16 to R88.7 million in 2018/9. The agency has 55 personnel, and this number is expected to increase to 87 in 2016/17 as a result of the increased responsibilities arising from the larger catchment area being managed.

The agency's main source of revenue is transfers from the department, amounting to R114.3 million over the medium term. Relevant policies and procedures will be developed as soon as the department approves the delegation of responsibility that would allow for the agency to raise its own revenue.



## Programmes/objectives/activities

**Table 36.46 Inkomati-Usuthu Catchment Management Agency expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
Administration	21 297	21 265	22 127	32 906	15.6%	49.0%	34 284	35 677	37 746	4.7%	42.7%
Ensure the effective, efficient and sustainable management of water resources	5 801	9 413	10 575	19 420	49.6%	21.1%	20 730	22 013	23 348	6.3%	26.0%
Ensure collaborative and coordinated integrated water resources management for wise socioeconomic development	3 709	3 895	4 462	9 453	36.6%	10.2%	8 689	9 401	9 662	0.7%	11.3%
Promote and pursue an international developmental agenda	–	3 877	6 626	6 592	–	7.7%	6 669	7 069	7 477	4.3%	8.5%
Promote knowledge generation and distribution	4 949	5 015	5 668	8 412	19.3%	11.9%	9 242	9 884	10 467	7.6%	11.5%
<b>Total</b>	<b>35 756</b>	<b>43 465</b>	<b>49 458</b>	<b>76 783</b>	<b>29.0%</b>	<b>100.0%</b>	<b>79 614</b>	<b>84 044</b>	<b>88 700</b>	<b>4.9%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 36.47 Inkomati-Usuthu Catchment Management Agency statements of historical financial performance and position**

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
<b>Revenue</b>									
<b>Non-tax revenue</b>	–	919	20 388	13 691	23 974	23 058	41 637	29 715	78.4%
Sale of goods and services other than capital assets	–	–	20 388	8 956	22 265	22 265	38 821	29 715	74.8%
<i>of which:</i>									
Administrative fees	–	–	20 388	8 956	22 265	22 265	38 821	29 715	74.8%
Other non-tax revenue	–	919	–	4 735	1 709	793	2 816	–	142.5%
<b>Transfers received</b>	30 231	17 431	28 214	23 318	30 910	31 852	20 576	47 068	108.9%
<b>Total revenue</b>	<b>30 231</b>	<b>18 350</b>	<b>48 602</b>	<b>37 009</b>	<b>54 884</b>	<b>54 910</b>	<b>62 213</b>	<b>76 783</b>	<b>95.5%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>28 884</b>	<b>35 756</b>	<b>48 602</b>	<b>43 465</b>	<b>54 884</b>	<b>49 458</b>	<b>76 783</b>	<b>76 783</b>	<b>98.2%</b>
Compensation of employees	17 000	14 046	26 580	25 585	30 448	27 751	45 033	45 033	94.4%
Goods and services	11 844	20 622	21 953	16 885	24 436	20 375	31 750	31 750	99.6%
Depreciation	–	1 088	–	995	–	1 332	–	–	–
Interest, dividends and rent on land	40	–	69	–	–	–	–	–	–
<b>Total expenses</b>	<b>28 884</b>	<b>35 756</b>	<b>48 602</b>	<b>43 465</b>	<b>54 884</b>	<b>49 458</b>	<b>76 783</b>	<b>76 783</b>	<b>98.2%</b>
<b>Surplus/(Deficit)</b>	<b>1 347</b>	<b>(17 406)</b>	<b>–</b>	<b>(6 456)</b>	<b>–</b>	<b>5 452</b>	<b>(14 570)</b>	<b>–</b>	<b>–</b>
<b>Statement of financial position</b>									
Carrying value of assets	4 648	2 818	5 643	2 985	6 876	2 915	7 261	7 174	65.1%
Acquisition of assets	(1 376)	(1 376)	(257)	1 456	(239)	(1 453)	(656)	(906)	90.2%
Investments	65	196	196	196	196	211	207	207	122.0%
Receivables and prepayments	180	440	139	219	146	553	154	154	220.6%
Cash and cash equivalents	8 838	15 338	24 164	14 609	22 628	21 580	23 895	23 895	94.8%
<b>Total assets</b>	<b>13 731</b>	<b>18 792</b>	<b>30 142</b>	<b>18 009</b>	<b>29 846</b>	<b>25 259</b>	<b>31 517</b>	<b>31 430</b>	<b>88.8%</b>
Accumulated surplus/(deficit)	12 833	13 465	25 975	6 965	25 975	12 417	27 430	27 430	65.4%
Capital and reserves	163	–	50	–	75	–	79	79	21.6%
Borrowings	150	333	91	–	82	–	87	–	81.3%
Finance lease	–	162	–	404	–	195	–	–	–
Deferred income	–	20	–	3 401	–	6 400	–	–	–
Trade and other payables	370	4 302	3 593	6 375	3 262	5 123	3 445	3 445	180.4%
Provisions	215	510	433	864	452	1 124	477	477	188.6%
<b>Total equity and liabilities</b>	<b>13 731</b>	<b>18 792</b>	<b>30 142</b>	<b>18 009</b>	<b>29 846</b>	<b>25 259</b>	<b>31 517</b>	<b>31 431</b>	<b>88.8%</b>

## Statements of estimates of financial performance and position

**Table 36.48 Inkomati-Usuthu Catchment Management Agency statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
Revised estimate	2012/13 - 2015/16			2016/17	2017/18	2018/19		
R thousand	2015/16							
<b>Revenue</b>								
<b>Non-tax revenue</b>	29 715	218.6%	30.7%	43 203	45 968	48 910	18.1%	50.7%
Sale of goods and services other than capital assets	29 715	–	25.9%	43 203	45 968	48 910	18.1%	50.7%
of which:								
Administrative fees	29 715	–	25.9%	43 203	45 968	48 910	18.1%	50.7%
<b>Transfers received</b>	47 068	39.3%	69.3%	36 411	38 076	39 790	-5.4%	49.3%
<b>Total revenue</b>	76 783	61.1%	100.0%	79 614	84 044	88 700	4.9%	100.0%
<b>Expenses</b>								
<b>Current expenses</b>	76 783	29.0%	100.0%	79 614	84 044	88 700	4.9%	195.4%
Compensation of employees	45 033	47.5%	53.2%	47 683	50 976	54 496	6.6%	60.2%
Goods and services	31 750	15.5%	44.8%	31 931	33 068	34 204	2.5%	39.8%
<b>Total expenses</b>	76 783	29.0%	100.0%	79 614	84 044	88 700	4.9%	100.0%
<b>Surplus/(Deficit)</b>	–	(1)	–	–	–	–	–	–
<b>Statement of financial position</b>								
Carrying value of assets	7 174	36.5%	16.5%	7 569	7 947	8 425	5.5%	22.8%
of which:								
Acquisition of assets	(906)	-13.0%	-2.0%	(547)	(493)	(517)	-17.1%	-1.8%
Investments	207	1.8%	0.9%	218	229	243	5.5%	0.7%
Receivables and prepayments	154	-29.5%	1.6%	163	171	181	5.5%	0.5%
Cash and cash equivalents	23 895	15.9%	81.1%	25 209	26 470	28 058	5.5%	76.0%
<b>Total assets</b>	31 430	18.7%	100.0%	33 159	34 817	36 907	5.5%	100.0%
Accumulated surplus/(deficit)	27 430	26.8%	61.7%	28 938	30 385	32 208	5.5%	87.3%
Capital and reserves	79	–	0.1%	84	88	93	5.5%	0.3%
Trade and other payables	3 445	-7.1%	22.4%	3 634	3 816	4 045	5.5%	11.0%
Provisions	477	-2.2%	3.4%	504	529	561	5.5%	1.5%
<b>Total equity and liabilities</b>	31 431	18.7%	100.0%	33 159	34 817	36 907	22.0%	100.0%

## Personnel information

**Table 36.49 Inkomati-Usuthu Catchment Management Agency personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Inkomati-Usuthu Catchment Management Agency	86	86	56	27.8	0.5	55	45.0	0.8	87	47.7	0.5	87	51.0	0.6	87	54.5	0.6	6.6%	100.0%
Salary level																			
1 – 6	13	13	4	0.3	0.1	7	1.6	0.2	13	1.6	0.1	13	1.7	0.1	13	1.8	0.1	5.8%	14.4%
7 – 10	46	46	34	12.0	0.4	29	19.6	0.7	47	21.8	0.5	47	23.3	0.5	47	25.0	0.5	8.4%	53.7%
11 – 12	17	17	8	5.6	0.7	12	11.8	1.0	17	12.6	0.7	17	13.5	0.8	17	14.5	0.9	7.1%	20.1%
13 – 16	10	10	10	9.9	1.0	7	12.1	1.7	10	11.7	1.2	10	12.4	1.2	10	13.2	1.3	3.0%	11.8%

1. Rand million.

## 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 can use 54 per cent of the supply and water users in Swaziland, 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, the authority expects to focus on operations, including finance and loan administration, and the maintenance of this vital bulk water supply infrastructure.

Total capital development costs of the two dams under the control of the authority, including capitalised interest on debt capital, amount to R3 billion. The department transferred R188.2 million in 2015/16 for the repayment of a loan agreement, and R187.5 million will be transferred in 2016/17 for the repayment of a loan agreement.

## Water Research Commission

### Mandate

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; promoting coordination, cooperation and communication in the area of water research development; stimulating and funding water research; promoting the effective transfer of information and technology; and enhancing knowledge and capacity building within the water sector.

### Selected performance indicators

**Table 36.50 Water Research Commission performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of research projects managed per year <sup>1</sup>	Research and development	Outcome 10: Protect and enhance our environmental assets and natural resources	305	345	350	-1	-1	-1	-1
Number of research projects completed per year	Research and development		-2	-2	-2	85	85	85	85
Research ratio (measured as research funding and support as a percentage of total income) per year	Research and development		74%	73%	75%	-3	-3	-3	-3
Total amount of leverage income per year	Research and development		-4	-4	R21m	R92.3m	R29.4m	R30.7m	R20.9m
Number of students financially and technically supported (including historically disadvantaged students) per year <sup>5</sup>	Research and development		494	484	496	500	500	500	500
Number of projects initiated per year with historically disadvantaged institutions as participating organisations in Water Research Commission projects	Research and development		-6	60	60	18	18	18	18

1. From 2015/16 onwards, this indicator will be measured in terms of the number of research projects completed per year.

2. No historical data is available as this is a new indicator introduced in 2015/16.

3. This indicator has been omitted and replaced by the indicator 'total amount of leverage income per year' as emphasis is placed on co-funding for the development, testing and demonstration of solutions derived from research work performed.

4. No historical data is available as this indicator was introduced in 2014/15.

5. The number of historically disadvantaged students is no longer being reported on separately as the focus has been broadened to include the participation of historically disadvantaged institutions.

6. No historical data is available as this indicator was introduced in 2013/14.

### Expenditure analysis

The role of the Water Research Commission is to align its funding priorities with key national water challenges, and help to solve water related problems that are critical to South Africa's sustainable and economic growth. The national development plan ensures the right of access to basic water and sanitation by 2030. The commission's duty is to respond to water supply and sanitation challenges through research and development that helps to address those needs, thereby contributing to outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium term strategic framework.

The commission's focus over the medium term will be on funding water and sanitation research activities, which will involve expenditure primarily on goods and services, and compensation of employees for the commission's 80 personnel. Total expenditure is expected to increase at an average annual rate of 5.6 per cent over the medium term, from R279.1 million in 2015/16 to R328.3 million in 2018/19.

The commission derives its income mainly from the water research levy and research commissioned directly by clients. Co-funding from research income is used predominantly to develop, test and demonstrate solutions derived from research work. This is critical in ensuring that research findings are applied in the water sector.

## Programmes/objectives/activities

**Table 36.51 Water Research Commission expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	11 130	9 168	12 061	11 701	1.7%	4.9%	13 985	14 315	15 206	9.1%	4.6%
Research and development	143 492	147 001	171 610	189 947	9.8%	71.2%	186 724	198 063	210 667	3.5%	64.9%
Innovation and impact	6 516	9 718	12 400	20 337	46.1%	5.1%	20 494	21 587	21 795	2.3%	7.0%
Corporate services	35 332	38 828	42 066	57 072	17.3%	18.8%	72 112	76 312	80 586	12.2%	23.5%
<b>Total</b>	<b>196 470</b>	<b>204 715</b>	<b>238 137</b>	<b>279 057</b>	<b>12.4%</b>	<b>100.0%</b>	<b>293 315</b>	<b>310 277</b>	<b>328 254</b>	<b>5.6%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 36.52 Water Research Commission statements of historical financial performance and position**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15	2015/16		
<b>Revenue</b>									
<b>Non-tax revenue</b>	183 488	193 090	194 670	203 604	207 220	259 144	295 633	279 057	106.1%
Sale of goods and services other than capital assets	178 365	189 791	189 060	198 476	201 498	251 005	287 705	271 689	106.3%
<i>of which:</i>									
<i>Sales by market establishment</i>	178 365	189 791	189 060	198 476	201 498	251 005	287 705	271 689	106.3%
Other non-tax revenue	5 123	3 299	5 610	5 128	5 722	8 139	7 928	7 368	98.2%
<b>Total revenue</b>	<b>183 488</b>	<b>193 090</b>	<b>194 670</b>	<b>203 604</b>	<b>207 220</b>	<b>259 144</b>	<b>295 633</b>	<b>279 057</b>	<b>106.1%</b>
<b>Expenses</b>									
<b>Current expenses</b>	183 871	196 470	194 670	204 715	207 220	238 137	295 634	279 057	104.2%
Compensation of employees	34 239	35 332	37 486	38 828	39 916	42 066	52 021	51 682	102.6%
Goods and services	148 505	159 756	156 047	165 475	166 177	195 743	240 784	223 074	104.6%
Depreciation	940	1 204	940	-	920	-	-	-	43.0%
Interest, dividends and rent on land	187	178	197	412	207	328	2 829	4 301	152.6%
<b>Total expenses</b>	<b>183 871</b>	<b>196 470</b>	<b>194 670</b>	<b>204 715</b>	<b>207 220</b>	<b>238 137</b>	<b>295 634</b>	<b>279 057</b>	<b>104.2%</b>
<b>Surplus/(Deficit)</b>	<b>(383)</b>	<b>(3 380)</b>	<b>-</b>	<b>(1 111)</b>	<b>-</b>	<b>21 007</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets	14 699	14 027	12 834	6 387	15 806	7 640	14 850	9 664	64.8%
<i>Acquisition of assets</i>	(1 780)	(1 780)	(574)	(450)	(592)	(2 648)	(1 412)	(2 024)	158.4%
Investments	6 800	9 202	6 900	11 587	10 500	12 749	13 500	13 500	124.8%
Receivables and prepayments	33 300	45 066	34 300	29 333	35 300	43 210	42 300	45 673	112.5%
Cash and cash equivalents	74 327	85 339	73 734	144 869	75 016	173 944	96 416	163 155	177.6%
Taxation	-	-	-	1 380	-	144	-	-	-
<b>Total assets</b>	<b>129 126</b>	<b>153 634</b>	<b>127 768</b>	<b>193 556</b>	<b>136 622</b>	<b>237 687</b>	<b>167 066</b>	<b>231 992</b>	<b>145.7%</b>
Accumulated surplus/(deficit)	66 238	96 622	66 337	73 985	78 705	93 708	94 816	93 531	116.9%
Capital and reserves	24 546	-	24 831	-	8 300	-	-	-	-
Finance lease	1 000	1 199	800	687	1 200	269	-	-	71.8%
Trade and other payables	34 642	47 461	33 000	111 276	41 017	135 559	65 000	128 957	243.7%
Provisions	2 700	8 352	2 800	7 608	7 400	8 151	7 250	9 504	166.8%
<b>Total equity and liabilities</b>	<b>129 126</b>	<b>153 634</b>	<b>127 768</b>	<b>193 556</b>	<b>136 622</b>	<b>237 687</b>	<b>167 066</b>	<b>231 992</b>	<b>145.7%</b>

## Statements of estimates of financial performance and position

**Table 36.53 Water Research Commission statements of estimates of financial performance and position**

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2015/16	2012/13 - 2015/16	(%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	(%)	
<b>Revenue</b>									
<b>Non-tax revenue</b>	279 057	13.1%	100.0%	293 315	310 277	328 254	5.6%	100.0%	
Sale of goods and services other than capital assets	271 689	12.7%	97.5%	285 490	301 999	319 495	5.6%	97.3%	
<i>of which:</i>									
<i>Sales by market establishment</i>	271 689	12.7%	97.5%	285 490	301 999	319 495	5.6%	97.3%	
Other non-tax revenue	7 368	30.7%	2.5%	7 825	8 278	8 759	5.9%	2.7%	
<b>Total revenue</b>	<b>279 057</b>	<b>13.1%</b>	<b>100.0%</b>	<b>293 315</b>	<b>310 277</b>	<b>328 254</b>	<b>5.6%</b>	<b>100.0%</b>	

**Table 36.53 Water Research Commission statements of estimates of financial performance and position**

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand									
<b>Expenses</b>									
<b>Current expenses</b>		<b>279 057</b>	<b>12.4%</b>	<b>100.0%</b>	<b>293 315</b>	<b>310 277</b>	<b>328 254</b>	<b>5.6%</b>	<b>145.7%</b>
Compensation of employees		51 682	13.5%	18.3%	65 922	69 745	73 790	12.6%	21.5%
Goods and services		223 074	11.8%	81.1%	219 889	232 523	245 881	3.3%	76.2%
Interest, dividends and rent on land		4 301	189.1%	0.5%	7 504	8 009	8 583	25.9%	2.3%
<b>Total expenses</b>		<b>279 057</b>	<b>12.4%</b>	<b>100.0%</b>	<b>293 315</b>	<b>310 277</b>	<b>328 254</b>	<b>5.6%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>									
Carrying value of assets		9 664	-11.7%	5.0%	12 178	14 848	17 525	21.9%	5.5%
of which:									
Acquisition of assets		(2 024)	4.4%	-0.8%	(2 514)	(2 670)	(2 677)	9.8%	-1.0%
Investments		13 500	13.6%	5.8%	14 337	15 169	16 048	5.9%	6.0%
Receivables and prepayments		45 673	0.4%	20.6%	48 505	51 318	54 294	5.9%	20.3%
Cash and cash equivalents		163 155	24.1%	68.5%	166 367	168 652	171 219	1.6%	68.2%
<b>Total assets</b>		<b>231 992</b>	<b>14.7%</b>	<b>100.0%</b>	<b>241 386</b>	<b>249 986</b>	<b>259 087</b>	<b>3.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		93 531	-1.1%	45.2%	93 531	93 531	93 531	-	38.1%
Trade and other payables		128 957	39.5%	50.3%	136 953	144 896	153 300	5.9%	57.4%
Provisions		9 504	4.4%	4.2%	10 903	11 560	12 256	8.8%	4.5%
<b>Total equity and liabilities</b>		<b>231 992</b>	<b>14.7%</b>	<b>100.0%</b>	<b>241 386</b>	<b>249 986</b>	<b>259 087</b>	<b>14.8%</b>	<b>100.0%</b>

## Personnel information

**Table 36.5 Water Research Commission personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2016			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 (%)
			2014/15		2015/16		2016/17			2017/18			2018/19			2015/16 - 2018/19			
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Water Research Commission</b>																			
<b>Salary level</b>	<b>80</b>	<b>80</b>	<b>74</b>	<b>42.1</b>	<b>0.6</b>	<b>80</b>	<b>51.7</b>	<b>0.6</b>	<b>76</b>	<b>65.9</b>	<b>0.9</b>	<b>76</b>	<b>69.7</b>	<b>0.9</b>	<b>76</b>	<b>73.8</b>	<b>1.0</b>	<b>12.6%</b>	<b>100.0%</b>
1 – 6	3	3	12	1.4	0.1	3	0.5	0.2	3	0.3	0.1	3	0.3	0.1	3	0.3	0.1	-13.9%	3.9%
7 – 10	39	39	37	13.5	0.4	39	16.4	0.4	36	18.7	0.5	36	19.8	0.5	36	20.9	0.6	8.5%	47.7%
11 – 12	15	15	9	6.1	0.7	15	8.4	0.6	16	13.0	0.8	16	13.8	0.9	16	14.6	0.9	20.0%	20.5%
13 – 16	20	20	15	18.9	1.3	20	21.3	1.1	18	26.5	1.5	18	28.0	1.6	18	29.6	1.6	11.6%	24.0%
17 – 22	3	3	1	2.1	2.1	3	5.1	1.7	3	7.5	2.5	3	7.9	2.6	3	8.3	2.8	18.1%	3.9%

1. Rand million.

## Additional tables

**Table 36.A Summary of conditional grants to provinces and municipalities<sup>1</sup>**

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Conditional grants to municipalities</b>							
<b>Water Infrastructure Development</b>							
Water services operating subsidy	562 434	420 945	449 558	452 915	–	–	–
Regional bulk infrastructure grant	–	–	–	–	1 850 000	1 865 000	2 060 000
Municipal water infrastructure grant	–	601 507	535 608	1 803 932	–	–	–
Water services infrastructure grant	–	–	–	–	2 844 982	3 729 864	3 959 056
Rural household infrastructure grant	–	106 721	65 624	48 182	–	–	–
<b>Water and Sanitation Services</b>							
Drought relief grant	–	–	–	–	–	–	–
Rural households infrastructure grant	–	–	–	–	–	–	–
<b>Total</b>	<b>562 434</b>	<b>1 129 173</b>	<b>1 050 790</b>	<b>2 305 029</b>	<b>4 694 982</b>	<b>5 594 864</b>	<b>6 019 056</b>

1. Detail provided in the Division of Revenue Act (2016).

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14		2014/15	2016/17	2017/18
<b>R thousand</b>									
<b>Departmental infrastructure</b>									
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>									
Pongolapoort bulk water scheme	Construction of new bulk water scheme	Construction	1 100 000	58 446	147 831	290 000	45 000	20 140	-
Sedibeng bulk regional sewerage scheme remainder	Construction of new wastewater treatment works	Feasibility	1 200 000	-	-	35 000	50 000	64 200	100 000
OR Tambo Mithatha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Augmentation of existing bulk water scheme	Construction	2 156 829	50 788	151 250	447 268	350 454	357 015	312 579
De Hoop: Greater Sekhukhune district municipality regional bulk water and wastewater infrastructure	Construction of new bulk water infrastructure linking communities with the De Hoop Dam	Design	4 088 000	-	88 394	139 895	28 481	132 377	41 499
Vaal Gamagara scheme	Upgrading of existing bulk water scheme	Construction	2 000 000	16 534	25 308	53 800	65 000	94 283	261 413
Mogalakwena bulk water supply	Upgrading of boreholes and construction of new bulk water scheme	Construction	1 650 000	68 428	115 573	111 499	140 000	112 000	136 488
Nandoni water treatment works and distribution	Supply of water to Vhembe district municipality	Construction	1 789 651	207 285	-	-	-	-	-
Polokwane wastewater treatment works	Upgrading existing wastewater treatment works	Design	1 043 836	-	150	1 106	50 000	72 264	100 000
Provincial high catalytic projects (Mutash Hub)	Construction of new bulk water scheme for various purposes	Feasibility	1 200 000	269	1 389	-	19 600	59 953	6 790
Umgeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	1 043 968	43 636	106 992	279 140	213 069	199 602	51 290
Matlaks bulk water supply	Construction of new bulk water scheme	Feasibility	1 000 000	-	913	577	-	-	20 000
Giyani Water Services	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	2 211 429	-	-	486 946	140 400	-	-
Polokwane Bulk Water Supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	1 432 000	-	-	-	130 159	100 000	69 050
Ngwathe bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	160 000	-	2 100	2 861	15 000	20 469	41 340
Drie-koppies bulk water supply upgrades	Construction of new bulk water scheme	Design	93 000	5 924	-	500	13 150	22 522	42 528
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>									
Nandoni pipeline	Supply of water to Vhembe district municipality	Handed over	750 000	735 000	-	-	-	-	-
Ndlambe bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	588 123	12 897	71 200	51 593	77 869	76 133	120 000
Sedibeng bulk regional sewerage scheme: Sebokeng and Meyerton wastewater treatment works	Upgrading existing wastewater treatment works	Construction	856 000	5 940	32 174	110 000	224 058	173 133	225 559
Mbizana regional bulk water supply	Construction of new bulk water scheme and upgrading existing bulk water scheme	Construction	910 843	121 363	160 132	20 082	80 000	92 952	79 837
Westonaria/Randfontein regional bulk wastewater treatment works (Hannes van Niekerk)	Upgrading existing wastewater treatment works	Handed over	266 000	172 137	67 026	-	-	-	-
Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom)	Construction of new wastewater treatment works	Design	621 520	-	-	25 000	15 000	80 000	150 000

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousands										
Western highveld regional bulk water supply	Upgrading of existing bulk water scheme	Construction	436 000	24 173	49 061	-	23 000	-	-	-
Greater Mhlonjaneni bulk water supply (phases 1 to 3)	Construction of new bulk water scheme	Construction	688 489	35 736	32 164	48 815	222 062	182 227	56 409	63 716
Ngeobo regional bulk water supply (Lembe)	Construction of new bulk water scheme	Construction	681 986	100 531	79 823	53 906	106 166	156 094	130 000	-
Umsiwahti bulk water supply scheme	Construction of new bulk water scheme	Tender	531 847	-	-	-	-	209 935	188 759	371 538
Moothoeki Tubatse bulk water supply	Augmentation existing bulk water scheme	Construction	714 000	30 299	49 104	6 996	53 000	120 000	110 000	262 645
Lebalalo central and north regional water supply	Construction of new bulk water scheme	Feasibility	600 000	-	-	-	5 000	20 617	70 000	100 000
Nzhelele Valley bulk water supply	Construction of new bulk water scheme	Feasibility	600 000	-	332	209	-	-	-	-
Namakwa bulk water supply	Upgrading of existing bulk water scheme	Construction	648 312	12 530	186 069	103 452	150 000	119 000	46 000	-
Madibeng bulk water supply	Upgrading of existing bulk water scheme	Construction	800 000	1 954	15 931	41 019	80 000	187 591	187 503	-
Taung/Naledi bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	839 317	220 016	97 614	111 857	104 226	69 339	52 324	10 533
Greater Mamusa bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	444 288	6 658	611	19 892	51 300	55 000	54 813	96 000
Planesberg north and south bulk water supply	Upgrading of existing bulk water scheme and construction of new bulk water scheme.	Construction	755 705	13 046	124 441	69 665	150 000	100 610	95 544	-
Chris Hani district municipality bulk water supply, Ncora cluster 4	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	353 144	25 193	34 956	83 997	31 418	68 303	56 000	18 582
Chris Hani district municipality; Ngcobo cluster 6	Construction of new bulk water scheme and spring protection	Construction	321 727	32 917	26 903	63 360	20 871	63 262	52 359	26 397
Xonxa Dam water supply to Lukhanji	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	443 998	69 762	77 912	95 659	55 275	58 013	-	-
Amatola Water: Refurbishment of 6 existing plants and downstream infrastructure	Upgrading of existing bulk water scheme	Feasibility	500 000	-	-	150 000	169 060	92 386	88 554	-
Nkeibana bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	304 000	1 865	11 767	22 876	30 000	40 000	31 785	55 000
Sterkfontein Dam scheme (phase 1)	Construction of new bulk water scheme	Construction	330 000	63 528	47 600	-	-	-	-	-
Mhlabaishane bulk water supply	Construction of new bulk water scheme	Construction	273 590	21 571	37 720	52 224	8 834	12 776	-	-
Greytown regional bulk scheme	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	610 603	30 093	28 347	37 850	128 000	116 377	79 205	145 362
Middeldrift regional bulk scheme (phase 2)	Construction of new water treatment works	Construction	340 000	3 319	-	-	25 000	76 997	117 192	118 811
Sinthumule Kutama bulk water augmentation	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	488 604	15 000	24 430	97 640	97 500	52 000	-	-
Mouse bulk water supply	Upgrading of existing water treatment works and construction of new bulk water scheme	Construction	720 000	70 180	206 948	31 272	50 100	17 227	-	-
Glen Alpine bulk water supply	Construction of new bulk water scheme	Feasibility	345 000	-	-	516	-	15 000	-	30 000



Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousand										
Lephalale/Eskom: Bulk water augmentation	Augmentation of existing bulk water scheme	Feasibility	700 000	300	1 182	-	-	-	-	-
Moretele bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	451 576	16 925	24 940	91 000	38 500	37 995	110 060	-
Bojanala regional water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Feasibility	400 000	904	-	-	-	-	-	-
West Coast desalination plant	Construction of new desalination plant	Design	339 511	4 503	10 000	-	-	-	-	-
Empuluzi and Methula bulk water scheme	Upgrading of existing bulk water scheme	Feasibility	261 919	5 222	80	700	-	-	20 000	-
Xhosa east bulk water supply	Construction of new bulk water scheme	Construction	369 999	15 814	50 398	108 902	115 264	32 955	19 122	-
Greater Bulwer Donnybrook water scheme	Upgrading of existing water treatment works	Construction	343 337	5 601	33 420	14 000	60 000	100 000	38 718	-
Inyaka wastewater treatment works (phases 3 and 4)	Supply of water	Handed over	407 793	101 562	-	-	-	-	-	-
Nandoni distribution: Replacement of glass fibre reinforced pipes	Supply of water	Construction	294 961	129 189	-	-	-	-	-	-
Hluhluwe (phase 3 and 4)	Supply of water	Construction	412 215	99 262	-	-	-	-	-	-
Oririgstad bulk water supply	Upgrading of existing bulk water scheme	Feasibility	450 000	-	80	-	-	-	-	-
Northern Nazkazi bulk water supply	Construction of new bulk water scheme	Design	257 009	500	296	34 890	66 000	38 754	63 438	-
Makhado West regional bulk water supply	Upgrading of existing bulk water scheme	Feasibility	800 000	-	-	-	-	-	50 000	-
Kagsanso Molopo bulk water supply	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	350 000	-	2 889	18 000	9 000	9 722	30 000	-
Aganang bulk water supply	Upgrading of existing bulk water scheme	Design	350 000	-	511	100	40 000	-	-	-
Nebo bulk water supply	Construction of new bulk water scheme	Construction	978 400	24 063	41 862	50 000	145 000	148 000	200 000	-
Magalies water supply to Waterberg	Construction of new bulk water scheme	Feasibility	800 000	-	717	2 000	17 000	-	-	-
Mpumalanaga Lowveld feasibility studies	Construction of new bulk water scheme	Identification	685 000	-	-	400	1 700	3 280	15 266	-
Ngwathe bulk Sewer phase 1 (Vredefort)	Upgrading of existing waste water treatment works	Construction	250 000	-	6 531	20 000	20 000	25 000	37 600	-
Dihlabeng bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	255 000	-	17 184	28 580	25 998	30 000	55 000	-
Nongoma bulk water supply	Construction of new bulk water scheme	Construction	529 134	36 086	56 194	128 000	110 357	60 322	23 200	-
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	350 000	46 038	29 958	15 000	15 247	-	-	-
Giyani bulk water supply drought relief	Construction of new bulk water scheme	Construction	500 000	11 889	34 957	30 000	19 882	-	-	-
Mametya Sekororo bulk water supply	Construction of new bulk water scheme	Construction	310 718	18 168	92 469	50 167	35 000	26 054	-	-
Tokologo regional water supply (phase 2)	Upgrading of bulk water scheme	Construction	290 000	-	7 932	30 000	50 068	30 000	37 000	-
Ngwathe boreholes	Borehole development to augment existing bulk water scheme	Hand over	250 000	36 086	2 100	-	-	-	-	-
Driefontein Indaka bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	326 318	-	66 669	85 000	80 000	79 629	-	-
Masilonyana bulk water supply	Upgrading of existing bulk water scheme	Design	304 941	6 749	15 050	35 000	32 000	30 000	35 302	-
Musukaigwa regional water supply scheme (phase 1)	Construction of new bulk water scheme	Design	364 000	5 877	18 481	2 400	-	-	23 000	-
Emalahleni water treatment works (refurbishment)	Upgrading of existing water treatment works and construction of new bulk water scheme	Construction	335 605	-	29 096	35 450	45 176	19 870	56 941	-
Balf/Siyati/Grey/Williem/Nthor bulk water supply	Construction of new bulk water scheme	Various	531 638	4 504	501	26 648	36 605	16 891	52 000	-

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousand										
Ratlou local municipality bulk water supply and new bulk water scheme	Upgrading existing water treatment works and new bulk water scheme	Feasibility	271 000	1 690	2 118	4 732	36 426	50 000	50 048	43 655
Mafikeng South bulk water supply	Construction of new bulk water scheme	Design	286 648	1 536	21 249	30 122	37 321	50 000	42 923	51 226
Mafjhabeng bulk sewer(Welkom)	Upgrading of existing water treatment works and construction of new bulk water scheme	Feasibility	300 000	-	-	-	3 000	10 000	35 000	60 000
Thembisile water scheme (Loskop)	Construction of new bulk water scheme	Feasibility	291 985	-	-	-	5 000	12 230	15 700	31 000
Western Highveld bulk water supply Scheme (Rust de Winter)	Construction of new bulk water scheme	Feasibility	643 000	-	-	41 106	29 786	51 100	62 777	102 347
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>										
Graaf-Reinet emergency water supply scheme	Upgrading of existing bulk water scheme	Feasibility	54 000	3 204	5 202	602	5 000	23 440	15 392	-
Sundays River: Paterson bulk water supply	Upgrading of existing water treatment works and construction of new bulk water scheme	Construction	106 465	14 140	6 388	6 550	26 292	5 450	-	-
Sleyterville water supply scheme	Augmentation of existing bulk water scheme	Construction	90 494	7 000	12 500	20 000	32 127	23 893	-	-
lbaka water supply	Construction of new bulk water scheme	Construction	64 796	12 588	4 207	-	9 000	2 000	-	-
lwezi bulk water supply	Upgrading of existing bulk water scheme	Feasibility	50 557	116	283	2 670	3 589	12 615	33 792	-
Kirkwood water treatment works	Upgrading of existing bulk water scheme	Feasibility	20 500	207	-	951	2 818	8 546	7 978	-
Chris Hani district municipality bulk water supply: Outubeni. (cluster: 9)	Upgrading of existing bulk water scheme	Construction	207 966	20 961	40 217	13 814	12 342	15 000	20 186	37 659
Misgund bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Feasibility	13 640	59	2	408	2 500	8 987	1 684	-
Hofmeyer groundwater supply (phase 1)	Development of borehole to augment existing bulk water scheme	Construction	47 407	2 172	2 271	23 152	10 342	6 848	-	-
Middelburg groundwater supply	Development of borehole to augment existing bulk water scheme	Construction	31 105	10 876	558	110	1 500	6 390	-	-
Maitatle bulk water supply	Construction of new bulk water scheme	Construction	182 344	1 056	1 209	24 791	36 681	66 000	36 209	8 320
Mncwasa bulk water supply	Construction of new bulk water scheme	Construction	125 539	23 591	12 148	30 531	11 321	-	-	-
Mount Ayliff bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	182 343	32 489	13 106	14 357	1 898	40 000	30 643	53 102
Jagersfontein/Fauresmith: Bulk water supply (phases 1 to 3)	Construction of new bulk water scheme	Construction	58 379	4 179	26 517	7 683	10 000	10 000	-	-
Mohokare bulk water supply	Construction of new bulk water scheme	Construction	170 258	10 506	22 022	28 564	28 000	45 000	23 000	13 436
Tokologo regional water supply (phase 1)	Construction of new bulk water scheme	Handed over	223 000	54 036	15 145	-	-	-	-	-
Seisoto bulk water supply	Construction of new bulk water scheme	Construction	147 644	9 995	4 000	13 517	30 000	31 483	45 000	-
Dihlabeng bulk water supply (phase 1)	Construction of new bulk water scheme	Handed over	96 990	33 793	21 002	-	-	-	-	-
Phumela bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	166 000	32 280	23 255	10 000	5 000	27 440	28 616	28 715
Mooqhaka regional water scheme	Construction of new bulk water scheme	Construction	90 402	8 000	11 864	8 762	30 474	30 000	-	-
Mooqhaka bulk sewer	Construction of bulk sewer	Construction	105 000	-	-	11 113	35 000	10 000	15 000	33 887
Ngwatthe bulk water supply	Upgrading of existing wastewater treatment works	Feasibility	11 300	-	-	-	-	-	-	-
Leisemeng-Petrusburg-Koffiefontein bulk water supply	Upgrading of existing bulk water scheme	Feasibility	90 000	364	-	-	-	-	-	-
Nala bulk sewer (Wesselsbron/Monyakeng)	Construction of bulk sewer	Feasibility	45 999	-	3 999	13 718	23 000	5 282	-	-

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousand										
Naledi bulk water supply	Upgrading of existing wastewater treatment works	Feasibility	140 000	370	-	-	-	-	-	-
Tswelopele bulk water supply	Construction of new bulk water scheme	Design	85 000	780	-	10 000	24 170	30 000	20 000	-
Mantsopa-Tweespruit and Hobhouse bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	120 000	359	387	3 375	15 000	33 560	3 625	-
Serikfontein Dam scheme: Maluti-a-Phofung bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	240 000	-	-	34 742	42 600	48 454	26 658	38 000
Extension of Kalarhart East pipeline	Supply of water	Tender	169 369	-	-	2 812	132 898	36 937	-	-
Greater Eston water scheme	Construction of new bulk water scheme	Handed over	132 000	89 863	43 846	31 790	-	-	-	-
Driefontein Complex bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	196 101	16 308	56 727	14 289	-	-	-	-
Emaadlangeni bulk regional scheme	Construction of new bulk water scheme	Handed over	50 301	4 903	-	8 482	-	-	-	-
Mandlakazi bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	94 000	29 651	5 845	14 757	57 000	27 654	-	-
Hlabisa regional bulk water supply	Construction of new bulk water scheme	Handed over	166 855	14 392	29 970	38 726	8 000	-	-	-
Port Nolloth bulk water supply	Construction of new bulk water scheme	Design	36 782	-	-	1 068	-	15 857	19 857	-
Colesberg bulk water supply	Construction of new bulk water scheme	Design	123 765	24 277	35 394	6 899	1 340	-	-	-
Colesberg wastewater treatment works	Construction of new waste water treatment works	Handed over	19 446	3 371	-	-	-	-	-	-
Noupoort bulk water supply	Construction of new bulk water scheme	Construction	51 420	472	3 529	15 418	42 000	-	-	-
De Aar bulk water supply	Upgrading of existing bulk water scheme	Design	43 735	-	1 095	93	-	22 903	5 307	14 237
Hopetown water treatment works bulk water supply (Thermbelthle)	Upgrading of existing bulk water scheme	Hand over	75 000	16 685	2 714	1 500	-	-	-	-
Strydenburg groundwater project	Ground water development	Construction	17 662	300	-	3 284	8 362	5 715	-	-
Heuningvei scheme bulk water supply	Construction of new bulk water scheme	Feasibility	142 340	51 446	52 194	5 584	8 978	-	-	-
Kuruman bulk water supply	Upgrading of existing bulk water scheme	Construction	48 350	3 624	6 177	22 911	15 638	-	-	-
Kaithu wastewater treatment works	Construction of new waste water treatment works	Handed over	17 584	16 956	628	-	-	-	-	-
Kaithu bulk water supply	Construction of new bulk water scheme	Feasibility	90 000	-	600	70	-	-	10 000	69 330
Hantam desalination plant (Brandvlei)	Construction of new desalination plant	Feasibility	57 229	89	668	-	4 128	5 282	12 438	30 000
Loeriesfontein bulk water supply	Construction of new bulk water scheme	Feasibility	40 043	-	1 355	7 988	4 500	14 212	11 988	-
Ritche waste water treatment works bucket eradication programme	Construction of bulk water supply line and extension of the treatment works as well as associated infrastructure.	Feasibility	43 000	-	-	-	3 000	15 000	20 000	-
Kameelmond Waste Water Treatment Works bucket eradication programme	Construction of new wastewater treatment works	Identification	65 000	-	-	-	650	-	-	-
Holpan bulk water supply (Windsonton)	Upgrading of existing bulk water scheme	Tender	29 216	436	158	-	3 487	23 134	2 000	-
Upgrading of the Homevale wastewater treatment plant (Sol Pleatje wastewater treatment works)	Upgrading of existing waste water treatment works	Construction	78 000	31 833	15 616	36 595	-	-	-	-
Niekershoop bulk water supply	Supply of water	Handed over	11 098	2 814	6 148	462	-	-	-	-
Frankfort bulk sewer (Matube)	Construction of new bulk water scheme	Construction	131 447	-	-	6 223	40 000	30 000	40 000	27 752
Pixley ka Seme bulk water supply	Upgrading of existing groundwater water scheme	Feasibility	40 000	1 557	2 087	753	-	-	-	-
Marydale bulk water supply	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	11 200	-	-	-	1 200	10 000	-	-

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousand										
Upington wastewater treatment works	Construction of a new wastewater treatment works in Upington	Feasibility	15 650	-	-	-	-	15 000	-	-
Kakamas wastewater treatment works	Construction of new wastewater treatment works	Feasibility	50 000	-	621	150	-	-	49 228	-
Warrenton water treatment works	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	30 629	126	684	3 047	744	20 284	5 744	-
Gariep Dam to Norvalspont bulk water supply	Construction of new bulk water scheme	Construction	15 087	-	-	611	12 000	-	-	-
Renosterberg bulk water supply	Construction of new bulk water scheme	Construction	20 700	-	-	5 418	20 000	-	-	30 000
Van Wyksvlei groundwater	Construction of new bulk water scheme	Design	97 644	367	156	2 914	3 907	15 000	20 000	40 300
Bloemendaal water pipeline	Construction of new bulk water pipeline	Handed over	57 481	35 579	-	-	-	-	-	-
Eersterhoek/Ekulindeeni bulk water supply	Construction of new bulk water supply and upgrading of existing water treatment works	Feasibility	103 611	4 534	-	1 247	600	-	-	25 621
Acornhoek bulk water supply	Augmentation of existing bulk water scheme	Handed over	191 739	83 534	28 730	4 091	-	-	-	-
Shange water treatment works	Construction of new bulk water scheme	Design	97 791	6 076	-	-	689	15 208	18 500	45 512
Lushuhane bulk water scheme	Construction of new bulk water and sanitation schemes	Design	91 918	-	-	493	2 450	25 389	25 320	32 000
Amsterdam and Sheppmore bulk water scheme	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	30 503	-	-	2 228	460	12 300	14 882	-
Thaba Chweu groundwater development	Ground water development	Construction	8 500	-	3 336	-	1 164	-	-	-
Emalahleni bulk water supply (phase 2)	Upgrading existing water treatment works and new bulk water scheme	Feasibility	150 000	25 999	14 779	-	1 000	4 699	-	-
Hoxane bulk water supply	Upgrading existing water treatment works and new bulk water scheme	Design	89 823	5 500	400	454	24 300	42 820	27 003	-
Wolmaransstad wastewater treatment works	Upgrading existing wastewater treatment works	Construction	154 097	9 339	1 472	14 292	63 986	55 674	-	-
Potcheitroom water treatment works upgrade	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	200 000	-	-	7 649	7 059	19 000	34 777	39 274
Nahoon Dam (Buffalo City municipality)	Upgrading existing water treatment works and new bulk water scheme	Feasibility	150 000	-	2 415	-	-	-	-	-
Nqamakwe water supply	Upgrading of existing wastewater treatment works	Feasibility	60 000	9 651	-	1 752	-	-	-	-
Citrusdal wastewater treatment works	Construction of new wastewater treatment works	Construction	35 603	2 000	3 806	6 837	20 000	2 660	-	-
Clanwilliam water treatment works	Upgrading of existing bulk water scheme	construction	16 000	999	912	2 163	-	4 000	7 426	-
Clanwilliam/Lamberts Bay regional water supply	Upgrading of existing bulk water scheme	Construction	59 524	9 651	20 963	913	-	14 387	-	-
Tulbagh bulk water supply (Witzenberg)	Construction of new bulk water scheme	Construction	73 810	20 700	8 331	889	-	27 841	559	-
Drakenstein wastewater treatment works	Upgrading existing wastewater treatment works	Handed over	29 000	7 000	-	-	-	-	-	-
Stellenbosch wastewater treatment works	Upgrading existing wastewater treatment works	Construction	110 962	-	10 000	18 025	48 128	32 809	-	-
Worcester bulk water supply	Construction of new bulk water scheme	Construction	66 704	19 035	33 386	13 184	-	-	-	-
Grabouw wastewater treatment works	Upgrading of existing wastewater treatment works	Construction	24 102	7 720	8 500	5 441	2 164	-	-	-

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousand										
Hermanus bulk water supply	Construction of new water treatment works, borehole development and upgrading of existing bulk water scheme	Handed over	20 579	11 962	-	-	-	-	-	-
Hermanus wastewater treatment works	Upgrading existing wastewater treatment works	Handed over	31 104	13 955	-	-	-	-	-	-
Swellendam wastewater treatment works	Upgrading of existing wastewater treatment works	Construction	42 908	19 355	10 140	13 112	-	-	-	-
Sruisbaai wastewater treatment works	Upgrading of existing wastewater treatment works	Handed over	11 366	5 558	5 558	-	-	-	-	-
Oudishoorn groundwater supply	Ground water development	Feasibility	157 656	8 000	18 000	10 063	10 100	20 248	30 346	50 000
Beaufort West bulk water supply	Upgrading of existing wastewater treatment works and construction of new wastewater treatment works	Feasibility	46 283	865	162	-	-	-	16 000	11 772
Vanrhynsdorp raw water supply	Augmentation of existing bulk water scheme	Design	37 957	-	-	-	-	-	-	15 158
Klawer bulk water supply	Augmentation of existing bulk water scheme from boreholes	Design	17 661	-	-	-	-	-	-	4 573
Paarl bulk sewer	Construction of new bulk sewage conveyance pipelines	Construction	99 956	-	39 328	19 428	39 000	1 900	-	-
Calitzdorp and Lacy'smth wastewater treatment works	Upgrading existing waste water treatment works	Feasibility	70 650	500	230	2 983	3 000	10 000	20 000	33 937
Kannaland Dam relocation	Augmentation of existing bulk water scheme	Feasibility	72 904	3 400	2 129	11 554	-	19 188	26 855	-
Bitou cross border bulk water supply	Construction of new bulk sewage conveyance pipelines	Feasibility	120 000	545	2 355	1 934	-	5 000	30 000	40 000
Moretele bulk water supply (North)	Augmentation of existing bulk water scheme	Feasibility	100 000	-	-	-	10 570	9 500	14 000	-
Williston bulk water supply	Construction of new bulk water scheme	Feasibility	47 000	-	-	1 920	2 000	-	16 000	26 579
Makana bulk water supply (James Kleyrhans)	Augmentation of existing bulk water scheme	Design	66 000	-	2 000	1 640	5 000	41 000	13 360	-
Niabanikulu bulk water supply	Construction of new bulk water scheme	Feasibility	245 000	-	-	1 652	-	1 500	11 000	19 000
Capricorn master plan	Development of master plan	Master plan	3 100	-	-	290	-	-	-	-
Sekhukhune master plan	Development of master plan	Master plan	3 100	-	800	405	-	-	-	-
Bushbuckridge master plan	Development of master plan	Master plan	3 500	-	-	1 199	-	-	-	-
Upgrade of Delmas wastewater treatment works	Upgrading existing wastewater treatment works	Design	68 108	-	-	-	16 386	23 100	33 403	-
Upgrade of Botleng wastewater treatment works	Upgrading existing wastewater treatment works	Design	51 892	-	-	-	27 563	18 000	2 642	-
Balfour wastewater treatment works	Upgrading existing wastewater treatment works	Tender	76 909	-	502	-	23 200	22 970	32 508	-
Masakoma pipeline	Supply of water	Handed over	19 045	19 045	-	-	-	-	-	-
Sterkspruit bulk water supply	Construction of new bulk water scheme	Feasibility	52 000	-	-	454	1 000	2 500	23 546	15 000
Greater Mpoofana regional bulk water supply	Construction of new bulk water scheme	Feasibility	248 324	-	-	-	-	-	86 755	161 569
Belmont waste water treatment works	Upgrading existing waste water treatment works	Feasibility	142 000	-	-	-	2 500	17 500	30 000	62 000
Makana bulk sewer	Upgrading existing waste water treatment works	Feasibility	15 000	-	-	-	15 000	-	-	-
Mayfield waste water treatment works	Upgrading existing waste water treatment works	Feasibility	72 473	-	-	-	2 500	27 500	27 473	15 000
Lady Grey bulk water supply	Construction of new bulk water scheme	Feasibility	128 533	-	-	-	2 500	10 445	30 000	41 512
Coffee bay water treatment works	Upgrading existing water treatment works	Feasibility	116 000	-	-	-	-	12 729	30 000	73 271

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R 1 thousand										
Kinira regional bulk water supply	Construction of new bulk water scheme	Feasibility	34 500	-	-	-	-	1 500	16 000	17 000
Mount Ayliff bulk peri urban water supply	Construction of new bulk water scheme	Feasibility	187 358	-	-	-	2 500	20 000	38 000	52 000
Mkemane regional bulk water supply	Construction of new bulk water scheme	Feasibility	52 000	-	-	-	-	2 500	10 000	40 000
Hertzogville sewer	Upgrading existing waste water treatment works	Feasibility	1 740	-	-	-	1 740	-	-	-
Trompsburg bulk sewer	Upgrading existing waste water treatment works	Feasibility	68 700	-	-	-	-	5 700	15 500	28 000
Tweeling sewer pumpstation	Upgrading existing waste water treatment works	Feasibility	7 509	-	-	-	7 509	-	-	-
Heilbron sewer and pumpstation	Upgrading existing waste water treatment works	Feasibility	6 600	-	-	-	6 600	-	-	-
Rouxville outfall sewer	Upgrading existing waste water treatment works	Feasibility	1 686	-	-	-	1 686	-	-	-
Memel refurbishment waste water treatment works and sewer	Upgrading existing waste water treatment works	Feasibility	4 990	-	-	-	4 990	-	-	-
Petrus Steyn refurbishment waste water treatment works	Upgrading existing waste water treatment works	Feasibility	6 000	-	-	-	6 000	-	-	-
Lindley waste water package plant and works	Upgrading existing waste water treatment works	Feasibility	37 000	-	-	-	37 000	-	-	-
Ficksburg pump stations	Upgrading existing waste water treatment works	Feasibility	8 000	-	-	-	8 000	-	-	-
Upgrading of Deneysville waste water treatment works	Upgrading existing waste water treatment works	Feasibility	142 400	-	-	-	7 500	10 000	45 000	36 936
Masionyana bulk sewer (Brandfort and Winburg)	Upgrading existing waste water treatment works	Feasibility	70 000	-	-	-	3 000	11 883	25 000	30 000
Reitz Upgrading waste water treatment plant	Upgrading existing waste water treatment works	Feasibility	55 000	-	-	-	3 000	11 000	20 000	22 000
Mantsope bulk sewer (Ladybrand)	Upgrading existing waste water treatment works	Feasibility	30 000	-	-	-	2 000	3 000	15 000	3 000
Rothdene pump station and raising main	Upgrading existing waste water treatment works	Feasibility	37 442	-	-	-	10 000	21 442	-	-
Mohalekeng pump station and sewer outfall	Upgrading existing waste water treatment works	Feasibility	70 000	-	-	-	6 000	36 000	28 000	-
Koster waste water treatment works upgrade	Upgrading existing waste water treatment works	Design	109 119	3 054	2 000	8 000	10 000	26 000	60 064	-
Ventersdorp bulk water supply	Construction of new bulk water scheme	Construction	40 418	13 849	10 890	5 936	5 262	1 300	-	-
Nebo bulk water supply -De Hoop	Construction of new bulk water scheme	Design	150 192	-	-	-	5 000	40 000	60 000	38 192
Agumentation/north/south/steepoort Bushbuckridge water services	Construction of new bulk water scheme	Feasibility	50 000	-	-	-	-	50 000	-	-
Douglas water treatment works upgrading	Upgrading existing water treatment works	Design	14 750	-	-	-	750	14 000	-	-
Britstown oxidation ponds	Upgrading existing waste water treatment works	Design	30 600	-	-	-	600	15 000	10 000	-
Ermelo bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	46 872	-	-	16 376	8 977	-	-	-
Carolina Siobela bulk water scheme	Construction of new bulk water scheme	Feasibility	200 000	-	1 036	238	-	-	-	-
Spioenkop to Ladysmith bulk water supply	Construction of bulk water scheme	Feasibility	350 000	-	-	-	-	-	22 791	197 906

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousand										
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>										
Olifants River water resources development project: De Hoop Dam (phase 2A)	Supply of 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 Sekruihure	Construction	3 074 000	386 329	268 693	152 737	14 025	-	-	-
Olifants River water resources development project (phases 2B and 2C)	Construction of Flag Boshielo to Mokopane pipeline and second pipeline between Flag Boshielo to Mokopane from Flag Boshielo to Mokopane, De Hoop to Steelpoort, Steelpoort to Moolhoek, Moolhoek to Olifantspoort and Nebo Plateau to Roossenekal	Feasibility	13 114 000	-	-	645 306	58 994	-	-	-
Olifants River water resources development project (phase 2C)	Construction of bulk distribution works	Construction	3 400 000	566 874	521 000	-	7 421	-	-	-
Olifants River water resources development project (phase 2D)	Construction of second pipeline between Steelpoort weir to and Moolhoek	Feasibility	834 480	-	-	-	44 524	33 221	21 722	8 251
Olifants River water resources development project (phases 2E and 2F)	Construction of second pipeline parallel to Lebalole scheme and Lebalole Scheme to Olifantspoort	Construction	2 412 240	-	-	-	-	58 088	55 448	22 873
Groot Letaba River water development project: Nwamitwa Dam	Meeting of projected growing primary supply requirements to 2025, improvement of water availability for the riverine ecosystem and building of Nwamitwa Dam	Design	1 325 000	-	-	-	75 257	-	-	-
Dam safety rehabilitation programme	Rehabilitation of assets and improvement of dam safety	Design	2 800 000	220 621	248 010	225 453	237 082	44 683	29 725	23 831
Water resources project: Raising of Clanwilliam Dam	Upgrading of existing dam to stabilise distortion and augmentation of agricultural water supply to meet increasing demands	Feasibility	2 500 000	228 733	44 466	177 218	269 434	135 983	55 258	35 467
Mokolo River and West Crocodile River water augmentation project (phase 1)	Augmentation of domestic and industrial water supply to the new Eskom/independent power producer power stations to extend associated mining activities and accommodate growing population in the area	Construction	2 138 000	-	-	-	3 710	-	-	-
Mokolo River and West Crocodile River water augmentation project (phases 2A)	Augmentation of domestic and industrial water supply to the new Eskom/independent power producer power stations to extend associated mining activities and accommodate growing population in the area	Construction	11 267 000	-	-	-	74 207	17 718	21 722	-
Lusikisiki regional water supply scheme: Zalu Dam on the Xura River	Development of bulk water and wastewater infrastructure to enable the connection of municipal reticulation infrastructure	Feasibility	5 000 000	-	-	-	-	-	-	-
Acid Mine Drainage	Construction of water treatment works	Feasibility	-	-	-	-	-	683 785	1 109 992	1 526 683

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R 1 thousand										
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>										
Groot Letaba River water development project: Raising of Tzaneen Dam	Meeting of projected growing primary supply requirements for 2025; improvement of water availability for the riverine ecosystem and raising of Tzaneen Dam	Design	125 000	-	-	-	108 593	-	-	-
Mfolozi River development project: Raising of Hazelmeire Dam	Augmentation of water supply to Umgeni Water for treatment, for KwaZulu-Natal north coast	Design	360 000	13 005	11 632	4 888	109 549	50 714	8 727	-
Mopani district municipality emergency works	Returfishing of dilapidated infrastructure	Construction	80 000	36 792	103 899	89 146	82 444	-	-	-
Enterprise resource programme system upgrade	Upgrading of Systems Applications and Products system	Construction	205 000	22 632	25 426	-	-	-	-	-
National water resources infrastructure support/project management	Funding of national office costs including construction, engineering, operations and new development	Feasibility	-	213 284	343 961	-	165 236	224 720	238 203	252 495
Financial management/project support	Funding of financial management and SAP maintenance and support	Feasibility	-	207 149	158 322	483 386	148 404	212 000	224 720	238 203
Mzimkulu River: Newabeni 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	-	-	-	-	-	-	-
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>										
Bushbuckridge water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	114 000	-	100 000	44 501	-	-	-	-
Molopo Eye water treatment plant, pipelines and reservoirs	Supply of water to North West	Handed over	39 835	16 581	22 528	-	-	-	-	-
Ermelo water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	47 755	-	48 510	-	-	-	-	-
Zeerust water treatment plant, pipelines and reservoirs	Supply of water to Zeerust area	Handed over	14 204	-	5 365	17 361	-	-	-	-
Water services	Supply of water	Construction	-	-	308 245	571 211	171 845	83 540	59 468	57 905
Disestablishment of Boishelo water board	Supply of water	Construction	-	-	-	92 919	-	-	-	-
Abaqulusi, Nongoma and Jozini water intervention projects	Supply of water	Construction	-	-	-	66 783	-	-	-	-
<b>Total</b>			<b>114 492 863</b>	<b>5 685 754</b>	<b>5 400 560</b>	<b>6 255 478</b>	<b>7 253 884</b>	<b>7 683 291</b>	<b>7 295 050</b>	<b>7 999 090</b>



Table 36.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate				
							2012/13	2013/14	2014/15	Estimate 2015/16	2016/17	2017/18	2018/19	
<b>R thousand</b>														
<b>Foreign In cash</b>														
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	52 843	838	-	-	-	-	-	-
Ireland	Specific projects identified by Irish Aid to ensure that sustainable water and sanitation is provided to all citizens	Water and Sanitation Services	5 years	4 832	Goods and services	As decided between the Water Research Commission and Irish Aid	2 000	-	-	-	-	-	-	-
<b>Foreign in kind</b>														
Japan International Cooperation Agency	Assist municipalities in monitoring drinking water by donating instruments and providing training in Tokyo	Administration	2 years	1 343	Goods and services	Capacity building for water sector officials	846	-	-	-	-	-	-	-
Netherlands	Facility for infrastructure development: Sanitation and protection project for resources of the uMgungundlovu district municipality	Administration	10 years	5 470	Goods and services	Refurbish and upgrade sanitation infrastructure throughout the uMgungundlovu district municipality	6 630	-	-	-	-	-	-	-
Netherlands	Facility for infrastructure development: Project for water provision and sustainability in uMgungundlovu district municipality	Administration	10 years	8 546	Goods and services	Refurbish and upgrade water infrastructure throughout the uMgungundlovu district municipality	8 823	-	-	-	-	-	-	-
<b>Local In cash</b>														
African Renaissance	Build Metolong Dam in Lesotho	Administration	3 years	60 000	Foreign governments and international organisations	Increased supply of water from Kimilolo due to increase in size of pumps, change of pumps and motors, and general aid	20 000	-	-	-	-	-	-	-
African Renaissance	Support to the Katanga province in the Democratic Republic of the Congo for post-conflict reconstruction of the urban water sector	Administration	6 years	35 000	Departmental agencies and accounts	Construct roads and stormwater drainage, distribute water, build sewer reticulation and wastewater treatment plant, build pedestrian bridge, earthworks and associated works for Metolong Dam and water supply programme operational facility	6 600	-	-	-	-	-	-	-
<b>Total</b>				<b>1 194 945</b>			<b>97 742</b>	<b>838</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 36.D Detail split of direct grant and indirect grants to municipalities

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Water services infrastructure grant</b>							
<b>Direct grants</b>							
<b>Transfers and subsidies</b>	<b>562 434</b>	<b>1 129 173</b>	<b>1 050 790</b>	<b>2 305 029</b>	<b>2 844 982</b>	<b>3 729 864</b>	<b>3 959 056</b>
Provinces and municipalities	562 434	1 129 173	1 050 790	2 305 029	2 844 982	3 729 864	3 959 056
<b>Indirect grants</b>							
<b>Current payments</b>	<b>126 682</b>	<b>131 144</b>	<b>113 284</b>	<b>142 098</b>	<b>164 547</b>	<b>172 830</b>	<b>182 738</b>
Compensation of employees	86 498	77 517	57 915	76 491	88 932	93 234	98 527
Goods and services	40 184	53 627	55 369	65 607	75 615	79 596	84 211
<b>Transfers and subsidies</b>	<b>4 223</b>	<b>3 600</b>	<b>1 973</b>	<b>1 250</b>	<b>1 300</b>	<b>1 365</b>	<b>1 444</b>
Households	4 223	3 600	1 973	1 250	1 300	1 365	1 444
<b>Payments for capital assets</b>	<b>206 067</b>	<b>112 739</b>	<b>395 951</b>	<b>746 454</b>	<b>311 545</b>	<b>587 122</b>	<b>608 175</b>
Machinery and equipment	501	4 150	1 370	2 413	2 736	2 873	3 039
Buildings and other fixed structures	205 566	108 589	394 581	744 041	308 809	584 249	605 136
<b>Total</b>	<b>899 406</b>	<b>1 376 656</b>	<b>1 561 998</b>	<b>3 194 831</b>	<b>3 322 374</b>	<b>4 491 181</b>	<b>4 751 413</b>
<b>Regional bulk infrastructure grant</b>							
<b>Direct grants</b>							
<b>Transfers and subsidies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 850 000</b>	<b>1 865 000</b>	<b>2 060 000</b>
Provinces and municipalities	–	–	–	–	1 850 000	1 865 000	2 060 000
<b>Current payments</b>	<b>65 644</b>	<b>72 392</b>	<b>73 305</b>	<b>107 007</b>	<b>85 756</b>	<b>89 935</b>	<b>95 322</b>
Compensation of employees	8 837	15 156	23 688	38 188	32 971	34 466	37 614
Goods and services	56 807	57 236	49 617	68 819	52 785	55 469	57 708
Transfers and subsidies	–	–	–	–	–	–	–
<b>Indirect grants</b>							
<b>Regional bulk infrastructure grant: Allocation-in-kind</b>							
<b>Payments for capital assets</b>	<b>2 209 947</b>	<b>3 009 546</b>	<b>3 288 014</b>	<b>4 837 109</b>	<b>3 478 829</b>	<b>2 806 279</b>	<b>2 931 443</b>
Buildings and other fixed structures	2 209 947	3 008 831	3 287 817	4 836 109	3 478 829	2 806 279	2 931 443
Machinery and equipment	–	715	197	1 000	–	–	–
<b>Total</b>	<b>2 275 591</b>	<b>3 081 938</b>	<b>3 361 319</b>	<b>4 944 116</b>	<b>5 414 585</b>	<b>4 761 214</b>	<b>5 086 765</b>
<b>Bucket eradication programme: Allocation-in-kind</b>							
<b>Indirect grants</b>							
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>899 177</b>	<b>975 399</b>	<b>350 000</b>	<b>–</b>	<b>–</b>
Buildings and other fixed structures	–	–	899 177	975 399	350 000	–	–
<b>Total grants</b>	<b>–</b>	<b>–</b>	<b>899 177</b>	<b>975 399</b>	<b>350 000</b>	<b>–</b>	<b>–</b>



# 2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA