



VOTE 36

WATER AND SANITATION



BUDGET 2017

ESTIMATES
OF NATIONAL
EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2017

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2017 is 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. Compared to the Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, personnel data and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and the entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. Summary data tables at the end of each vote contain data on infrastructure, provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

A separate 2017 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2017 ENE Overview contains a narrative explanation and budget-wide 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 | 2017/18 | | | | 2018/19 | 2019/20 |
|---|--|------------------|-------------------------|-----------------------------|-----------------|-----------------|
| | Total | Current payments | Transfers and subsidies | Payments for capital assets | Total | Total |
| MTEF allocation | | | | | | |
| Administration | 1 628.4 | 1 542.3 | 22.0 | 64.1 | 1 658.0 | 1 755.3 |
| Water Planning and Information Management | 816.5 | 739.6 | 1.2 | 75.6 | 884.0 | 949.8 |
| Water Infrastructure Development | 12 251.7 | 623.1 | 8 090.1 | 3 538.5 | 13 499.3 | 14 318.3 |
| Water Sector Regulation | 410.8 | 396.5 | 1.1 | 13.2 | 519.5 | 491.4 |
| Total expenditure estimates | 15 107.4 | 3 301.5 | 8 114.5 | 3 691.5 | 16 560.8 | 17 514.8 |
| 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. 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 site 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 is to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled by regulating and supporting the delivery of effective water supply and sanitation. This is done in accordance with the requirements of water-related policies and legislation that are critical for delivering on the people's right to have access to sufficient food and water, growing the economy, and eradicating poverty.

Selected performance indicators

Table 36.1 Performance indicators by programme and related outcome

| Indicator | Programme | Outcome | Past | | | Current | Projections | | |
|---|---|---|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of analysed reports on progress against the approved annual international relations implementation plan per year | Administration | Outcome 11: Create a better South Africa and contribute to a better Africa and a better world | -1 | -1 | -1 | 4 | 4 | 4 | 4 |
| Number of river systems with water resources classes and determined resource quality objectives per year | Water Planning and Information Management | Outcome 10: Protect and enhance our environmental assets and natural resources | -1 | -1 | -1 | 2 | 4 | 2 | 3 |
| Number of mega regional bulk infrastructure project phases completed per year | Water Infrastructure Development | Outcome 6: An efficient, competitive and responsive economic infrastructure network | -1 | -1 | -1 | 1 | 3 | 3 | 1 |
| Number of large regional bulk infrastructure project phases completed per year | Water Infrastructure Development | | -1 | -1 | -1 | 4 | 26 | 13 | 8 |
| Number of small regional bulk infrastructure project phases completed per year | Water Infrastructure Development | | -1 | -1 | -1 | 12 | 20 | 19 | 7 |
| Number of small projects completed through the Accelerated Community Infrastructure Programme per year | Water Infrastructure Development | | -1 | -1 | -1 | 20 | 52 | 48 | 40 |
| Number of small projects completed through the water services infrastructure grant per year | Water Infrastructure Development | Outcome 6: An efficient, competitive and responsive economic infrastructure network | -1 | -1 | -1 | 60 | 41 | 62 | 67 |

Table 36.1 Performance indicators by programme and related outcome

| Indicator | Programme | Outcome | Past | | | Current | Projections | | |
|--|----------------------------------|--|----------------|--------------------|------------------|---------|-------------|----------------|----------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of existing bucket sanitation backlog systems in formal settlements replaced with adequate sanitation services per year | Water Infrastructure Development | Outcome 9: Responsive, accountable, effective and efficient local government | 4 393 | 20 581 | 28 365 | 4 135 | 25 382 | – ² | – ² |
| Percentage of water use authorisation applications finalised within 300 working days of application | Water Sector Regulation | Outcome 10: Protect and enhance our environmental assets and natural resources | – ¹ | 23% (375/1 652) | 91% (262/288) | 80% | 80% | 80% | 80% |
| Number of wastewater systems assessed for compliance with the green drop regulatory standards per year | Water Sector Regulation | | 967 | 967 | – ³ | 963 | 963 | 963 | 963 |
| Number of water supply systems assessed for compliance with blue drop regulatory standards per year | Water Sector Regulation | | 913 | 913 | – ³ | 1 036 | 1 036 | 1 036 | 1 036 |

1. No historical data available.

2. Indicator phased out from 2017/18.

3. No blue or green drop assessments were conducted in 2015/16 since only 60 per cent of the assessments were done in 2014/15 there was a need to verify this below the norm performance in 2015/16.

Expenditure analysis

The National Development Plan (NDP) recognises the importance of secure water supply in achieving equitable access to water for all households, supporting economic growth and eradicating poverty. Over the medium term, the Department of Water and Sanitation will develop and invest in water infrastructure, monitor and protect South Africa's water resources, and improve the regulation of the entire water sector value chain. The department's work contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network), outcome 9 (responsive, accountable, effective and efficient local government) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework.

The department will continue to focus on developing bulk raw water and water services infrastructure. Transfers and subsidies, and payment for capital assets have a budget of R38.7 billion and account for 78.9 per cent of the total budget R49.2 billion over the medium term. These investments are largely accounted for in the *Water Infrastructure Development* programme. In the period ahead, the department plans to eradicate and replace bucket sanitation backlogs in formal settlements. It will also strengthen its regulatory function by finalising the Water and Sanitation Bill, developing a performance management regulatory tool and implementing the revised raw water pricing strategy, while working towards establishing an independent regulator for the water sector.

Expenditure on compensation of employees is expected to increase at an average annual rate of 6.3 per cent over the medium term and will remain within the lowered expenditure ceiling as the department plans to reduce its staff complement of 3 682 by 294 non-core posts over the medium term.

National water resources and water services infrastructure

The department will continue to focus its spending on the development, operations and management of water infrastructure. The *Water Infrastructure Development* programme is responsible for funding raw, regional and local infrastructure, and constitutes an estimated 81.7 per cent of the department's total budget over the medium term. The budget for this programme is expected to increase at an average annual rate of 3.9 per cent.

The *regional bulk infrastructure grant* will be allocated R18.4 billion, towards the construction of 7 mega, 47 large and 46 small regional bulk water and sanitation infrastructure projects in the period ahead. The *water services infrastructure grant* will continue to prioritise the 27 most impoverished district municipalities countrywide through 170 small interim water and sanitation infrastructure projects. The scope of the *water services infrastructure grant* has also been expanded to include the eradication of the outstanding 25 382 bucket sanitation systems in formal settlements over the medium term. The *water services infrastructure grant* is expected an annual growth rate of 4.1 per cent over the medium term.

The department plans to implement 140 small water services interventions over the medium term through the *Accelerated Community Infrastructure Programme* subprogramme, which has a budget allocation of R1.5 billion, growing at an average annual rate of 4.6 per cent over the period despite reprioritising R100 million for water resource management functions.

The *Water Infrastructure Development* programme also transfers funds to the Water Trading Entity, which is responsible for the sale of raw water, and the development and management of raw water infrastructure, on behalf of the department. Transfers and subsidies are expected to increase at an average annual rate of

9.3 per cent, from R8.1 billion in 2017/18 to R9.7 billion in 2019/20, accounting for 65.3 per cent of the programme budget. The transfer to the Water Trading Entity amounts to R5.7 billion over the medium term, including funds for the implementation of a long term solution for acid mine drainage. Transfers to water boards amount to R3.4 billion over the medium term for implementation of bulk water and sanitation projects on behalf of the department.

Strengthening regulation, pricing and policy

The department plans to finalise the revision of the Water and Sanitation Bill which aims to improve the turnaround time for finalising the authorisation of water-use licence applications to ensure compliance with drinking and wastewater standards. The aim is to annually finalise 80 per cent of water-use authorisation applications within 300 working days of receipt, in the medium term.

To enhance its regulatory function, the department plans to develop a performance management regulatory tool to actively assess compliance by water users in the mining, industrial and agriculture sectors, as well as water service authorities with the drinking and wastewater regulatory standards. The department also plans to strengthen its regulatory function by implementing the revised raw water pricing strategy, which aims to implement pricing reforms to allow for reasonable cost recovery and investment in the water sector and continue to work towards establishing an independent regulator for the water sector over the MTEF period. To pursue these activities, the budget for the *Water Sector Regulation* programme is expected to increase from R410.8 million in 2017/18 to R491.4 million in 2019/20, growing at an average annual rate of 15.5 per cent.

In 2014, the department initiated a process to consolidate catchment agencies as part of the institutional realignment of the water sector to increase efficiency through economies of scale. Over the medium term, the department intends to support the review of water resource management functions and overall institutional reform in catchment management agencies. To support this, spending on goods and services is expected to increase at an average annual rate of 20.8 per cent in the period ahead from R123.2 million in 2016/17 to R217.4 million in 2019/20 in the *Water Sector Regulation* programme, driven mainly by consulting services. Further expenditure on consultants is accounted for in the *Water Planning and Information Management* programme for technical advice for designing new projects, and developing policies to guide the construction and management of water and sanitation infrastructure, due to an additional allocation of R140 million over the medium term reprioritised from the *Accelerated Community Infrastructure Programme* subprogramme.

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 Sector Regulation | | | | | | | | | | | | | | |
| Programme | | | | | | | | | | | | | | |
| R million | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Revised estimate | Average: Outcome/Annual budget (%) | Average: Outcome/Adjusted appropriation (%) |
| | 2013/14 | 2013/14 | 2013/14 | 2014/15 | 2014/15 | 2014/15 | 2015/16 | 2015/16 | 2015/16 | 2016/17 | 2016/17 | 2016/17 | 2013/14 - 2016/17 | 2013/14 - 2016/17 |
| Programme 1 | 1 536.7 | 1 703.8 | 1 355.4 | - 1 404.0 | 1 335.6 | 1 526.2 | 1 487.5 | 1 448.1 | 1 642.7 | 1 591.9 | 1 591.9 | | 121.8% | 92.6% |
| Programme 2 | 731.6 | 721.5 | 634.0 | - 853.6 | 812.5 | 814.0 | 744.0 | 701.0 | 853.7 | 831.0 | 831.0 | | 124.1% | 94.6% |
| Programme 3 | 7 704.1 | 7 736.8 | 7 941.4 | - 11 199.3 | 9 310.9 | 13 875.0 | 13 230.4 | 13 147.0 | 12 430.0 | 12 782.4 | 12 782.4 | | 127.0% | 96.1% |
| Programme 4 | 214.6 | 213.4 | 575.2 | - 190.5 | 157.6 | 231.3 | 284.6 | 260.9 | 318.8 | 319.2 | 319.2 | | 171.7% | 130.3% |
| Total | 10 187.0 | 10 375.6 | 10 505.9 | - 13 647.4 | 11 616.7 | 16 446.5 | 15 746.5 | 15 557.0 | 15 245.3 | 15 524.6 | 15 524.6 | | 127.0% | 96.2% |
| Change to 2016 Budget estimate | | | | | | | | | | 279.3 | | | | |

Table 36.2 Vote expenditure trends by programme and economic classification

| Economic classification | 2013/14 | | | 2014/15 | | | 2015/16 | | | 2016/17 | | | Average: Outcome/Annual budget (%) | Average: Outcome/Adjusted appropriation (%) |
|---|-----------------|------------------------|-----------------|---------------|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|------------------------|------------------|------------------------------------|---|
| | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Revised estimate | | |
| R million | | | | | | | | | | | | | | |
| Current payments | 2 694.4 | 2 707.4 | 2 517.1 | – | 3 058.5 | 2 595.6 | 3 175.0 | 3 122.2 | 2 903.3 | 3 319.2 | 3 205.9 | 3 205.9 | 122.1% | 92.8% |
| Compensation of employees | 1 227.2 | 1 181.5 | 1 139.7 | – | 1 388.0 | 1 275.7 | 1 492.1 | 1 428.4 | 1 360.4 | 1 667.3 | 1 540.2 | 1 540.2 | 121.2% | 96.0% |
| Goods and services | 1 465.1 | 1 525.7 | 1 377.3 | – | 1 670.3 | 1 318.8 | 1 682.9 | 1 687.2 | 1 536.4 | 1 651.9 | 1 665.6 | 1 665.6 | 122.9% | 90.1% |
| Interest and rent on land | 2.1 | 0.2 | 0.1 | – | 0.1 | 1.1 | – | 6.5 | 6.5 | – | 0.1 | 0.1 | 368.2% | 111.4% |
| Transfers and subsidies | 3 916.4 | 3 918.1 | 4 020.7 | – | 4 563.9 | 4 588.8 | 6 086.4 | 5 072.6 | 5 077.3 | 7 480.3 | 7 484.2 | 7 484.2 | 121.1% | 100.6% |
| Provinces and municipalities | 1 024.0 | 1 024.1 | 1 129.5 | – | 1 033.3 | 1 051.4 | 2 155.4 | 2 305.5 | 2 305.7 | 4 695.4 | 4 695.4 | 4 695.4 | 116.6% | 101.4% |
| Departmental agencies and accounts | 2 431.5 | 2 431.5 | 2 437.1 | – | 2 737.8 | 2 739.5 | 2 516.8 | 1 739.2 | 1 744.8 | 1 713.7 | 1 713.7 | 1 713.7 | – | – |
| Higher education institutions | – | – | – | – | – | – | 0.6 | 2.0 | – | – | – | – | – | – |
| Foreign governments and international organisations | 188.6 | 188.6 | 182.3 | – | 185.2 | 185.2 | 180.9 | 189.3 | 189.2 | 188.4 | 188.4 | 188.4 | 133.5% | 99.1% |
| Public corporations and private enterprises | 250.0 | 250.0 | 244.2 | – | 580.0 | 579.9 | 1 200.0 | 802.0 | 801.7 | 844.8 | 844.8 | 844.8 | 107.7% | 99.8% |
| Non-profit institutions | – | 0.7 | 1.2 | – | 1.9 | 1.8 | 1.9 | 2.0 | 0.7 | 2.8 | 2.8 | 2.8 | 136.7% | 86.8% |
| Households | 22.2 | 23.1 | 26.5 | – | 25.7 | 31.0 | 30.7 | 32.7 | 35.2 | 35.3 | 39.3 | 39.3 | 149.6% | 109.2% |
| Payments for capital assets | 3 576.2 | 3 750.0 | 3 916.0 | – | 6 025.0 | 4 432.2 | 7 185.1 | 7 551.8 | 7 571.4 | 4 445.8 | 4 834.5 | 4 834.5 | 136.5% | 93.7% |
| Buildings and other fixed structures | 3 475.6 | 3 642.1 | 3 859.7 | – | 5 937.3 | 4 368.4 | 7 084.7 | 7 419.0 | 7 456.0 | 4 334.6 | 4 697.3 | 4 697.3 | 136.8% | 93.9% |
| Machinery and equipment | 93.2 | 100.3 | 55.7 | – | 83.4 | 53.5 | 74.0 | 92.3 | 86.5 | 87.7 | 109.3 | 109.3 | 119.6% | 79.1% |
| Land and sub-soil assets | – | – | – | – | 0.9 | – | – | – | – | – | – | – | – | – |
| Software and other intangible assets | 7.3 | 7.6 | 0.7 | – | 3.4 | 10.3 | 26.5 | 40.4 | 29.0 | 23.4 | 27.9 | 27.9 | 118.5% | 85.7% |
| Payments for financial assets | – | – | 52.1 | – | – | 0.1 | – | – | 4.8 | – | – | – | – | – |
| Total | 10 187.0 | 10 375.6 | 10 505.9 | – | 13 647.4 | 11 616.7 | 16 446.5 | 15 746.5 | 15 557.0 | 15 245.3 | 15 524.6 | 15 524.6 | 127.0% | 96.2% |

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 Sector Regulation | | | | | | | | | |
| Programme | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) | |
| | | | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | | 2018/19 |
| R million | | | | | | | | | |
| Programme 1 | 1 591.9 | -2.2% | 10.8% | 1 628.4 | 1 658.0 | 1 755.3 | 3.3% | 10.3% | |
| Programme 2 | 831.0 | 4.8% | 5.6% | 816.5 | 884.0 | 949.8 | 4.6% | 5.4% | |
| Programme 3 | 12 782.4 | 18.2% | 81.2% | 12 251.7 | 13 499.3 | 14 318.3 | 3.9% | 81.7% | |
| Programme 4 | 319.2 | 14.4% | 2.5% | 410.8 | 519.5 | 491.4 | 15.5% | 2.7% | |
| Total | 15 524.6 | 14.4% | 100.0% | 15 107.4 | 16 560.8 | 17 514.8 | 4.1% | 100.0% | |
| Change to 2016 Budget estimate | | | | (930.8) | (598.9) | (640.6) | | | |
| Economic classification | | | | | | | | | |
| Current payments | 3 205.9 | 5.8% | 21.1% | 3 301.5 | 3 479.5 | 3 658.7 | 4.5% | 21.1% | |
| Compensation of employees | 1 540.2 | 9.2% | 10.0% | 1 651.9 | 1 720.2 | 1 851.3 | 6.3% | 10.5% | |
| Goods and services | 1 665.6 | 3.0% | 11.1% | 1 649.6 | 1 759.3 | 1 807.3 | 2.8% | 10.6% | |
| Interest and rent on land | 0.1 | -32.1% | 0.0% | – | – | – | -100.0% | – | |
| Transfers and subsidies | 7 484.2 | 24.1% | 39.8% | 8 114.5 | 9 254.0 | 9 771.2 | 9.3% | 53.5% | |
| Provinces and municipalities | 4 695.4 | 66.1% | 17.3% | 5 194.9 | 5 619.5 | 5 933.2 | 8.1% | 33.1% | |
| Departmental agencies and accounts | 1 713.7 | -11.0% | 16.2% | 1 586.1 | 2 269.2 | 2 396.2 | 11.8% | 12.3% | |
| Foreign governments and international organisations | 188.4 | – | 1.4% | 197.7 | 209.2 | 220.9 | 5.5% | 1.3% | |
| Public corporations and private enterprises | 844.8 | 50.1% | 4.6% | 1 098.5 | 1 115.8 | 1 178.3 | 11.7% | 6.5% | |
| Non-profit institutions | 2.8 | 55.2% | – | 1.2 | 2.1 | 2.2 | -7.2% | – | |
| Households | 39.3 | 19.4% | 0.2% | 36.1 | 38.2 | 40.3 | 0.9% | 0.2% | |
| Payments for capital assets | 4 834.5 | 8.8% | 39.0% | 3 691.5 | 3 827.4 | 4 085.0 | -5.5% | 25.4% | |
| Buildings and other fixed structures | 4 697.3 | 8.9% | 38.3% | 3 561.2 | 3 675.2 | 3 925.6 | -5.8% | 24.5% | |
| Machinery and equipment | 109.3 | 2.9% | 0.6% | 87.2 | 106.6 | 111.2 | 0.6% | 0.6% | |
| Software and other intangible assets | 27.9 | 54.3% | 0.1% | 43.1 | 45.6 | 48.1 | 19.9% | 0.3% | |
| Total | 15 524.6 | 14.4% | 100.0% | 15 107.4 | 16 560.8 | 17 514.8 | 4.1% | 100.0% | |

Goods and services expenditure trends and estimates

Table 36.4 Vote goods and services expenditure trends and estimates

| R thousand | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|---|------------------|------------------|------------------|------------------------|-------------------------|-------------------|----------------------------------|------------------|------------------|-------------------------|-------------------|
| | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | 2016/17 - 2019/20 |
| Administrative fees | 6 639 | 5 341 | 10 545 | 11 848 | 21.3% | 0.6% | 13 990 | 14 947 | 16 470 | 11.6% | 0.8% |
| Advertising | 21 574 | 38 383 | 33 825 | 55 133 | 36.7% | 2.5% | 48 249 | 38 874 | 41 305 | -9.2% | 2.7% |
| Minor assets | 5 015 | 5 905 | 10 764 | 15 745 | 46.4% | 0.6% | 21 204 | 22 187 | 23 373 | 14.1% | 1.2% |
| Audit costs: External | 22 487 | 22 955 | 29 313 | 31 225 | 11.6% | 1.8% | 22 818 | 33 765 | 38 180 | 6.9% | 1.8% |
| Bursaries: Employees | 2 493 | 3 382 | 3 710 | 4 119 | 18.2% | 0.2% | 4 140 | 4 431 | 4 625 | 3.9% | 0.3% |
| Catering: Departmental activities | 9 819 | 6 130 | 11 250 | 11 386 | 5.1% | 0.7% | 12 584 | 13 762 | 14 570 | 8.6% | 0.8% |
| Communication | 33 234 | 42 814 | 57 692 | 38 777 | 5.3% | 2.9% | 51 651 | 59 679 | 59 586 | 15.4% | 3.0% |
| Computer services | 175 890 | 126 921 | 100 511 | 144 730 | -6.3% | 9.3% | 152 000 | 142 525 | 150 613 | 1.3% | 8.6% |
| Consultants: Business and advisory services | 188 258 | 171 052 | 97 868 | 153 826 | -6.5% | 10.4% | 184 344 | 173 679 | 155 105 | 0.3% | 9.7% |
| Infrastructure and planning services | 184 660 | 142 003 | 241 215 | 145 374 | -7.7% | 12.1% | 177 513 | 266 488 | 271 574 | 23.2% | 12.5% |
| Laboratory services | 1 183 | 3 729 | 4 438 | 6 558 | 77.0% | 0.3% | 9 543 | 12 390 | 13 581 | 27.5% | 0.6% |
| Legal services | 8 774 | 6 827 | 8 109 | 6 777 | -8.2% | 0.5% | 7 537 | 9 178 | 10 275 | 14.9% | 0.5% |
| Science and technological services | - | - | 1 777 | 910 | - | - | 940 | 3 119 | 3 294 | 53.5% | 0.1% |
| Contractors | 92 683 | 112 230 | 160 910 | 259 960 | 41.0% | 10.6% | 127 396 | 119 279 | 129 591 | -20.7% | 9.2% |
| Agency and support/outsourced services | 27 827 | 45 340 | 41 033 | 6 191 | -39.4% | 2.0% | 52 771 | 61 314 | 65 733 | 119.8% | 2.7% |
| Entertainment | 624 | 177 | 673 | 426 | -11.9% | - | 1 607 | 1 711 | 1 835 | 62.7% | 0.1% |
| Fleet services (including government motor transport) | 597 | 1 724 | 1 554 | 3 092 | 73.0% | 0.1% | 2 553 | 2 772 | 2 907 | -2.0% | 0.2% |
| Housing | - | - | 44 | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | 1 544 | 2 987 | 4 329 | 5 733 | 54.9% | 0.2% | 5 620 | 5 482 | 6 067 | 1.9% | 0.3% |
| Inventory: Farming supplies | 86 | 72 | 79 | 137 | 16.8% | - | 534 | 549 | 565 | 60.4% | - |
| Inventory: Food and food supplies | 1 526 | 117 | 399 | 471 | -32.4% | - | 527 | 550 | 453 | -1.3% | - |
| Inventory: Fuel, oil and gas | 726 | 1 868 | 2 515 | 6 271 | 105.2% | 0.2% | 6 810 | 7 234 | 8 138 | 9.1% | 0.4% |
| Inventory: Learner and teacher support material | - | 9 | 2 468 | 1 298 | - | 0.1% | 2 603 | 2 772 | 2 927 | 31.1% | 0.1% |
| Inventory: Materials and supplies | 964 | 6 791 | 14 598 | 6 607 | 90.0% | 0.5% | 7 199 | 8 182 | 8 940 | 10.6% | 0.4% |
| Inventory: Medical supplies | 35 | 119 | 183 | 269 | 97.3% | - | 274 | 304 | 360 | 10.2% | - |
| Inventory: Medicine | - | - | 108 | 30 | - | - | 55 | 256 | 273 | 108.8% | - |
| Medsas inventory interface | - | - | - | 35 | - | - | 200 | 200 | 211 | 82.0% | - |
| Inventory: Other supplies | 8 079 | 16 790 | 6 377 | 13 599 | 19.0% | 0.8% | 6 641 | 7 367 | 7 975 | -16.3% | 0.5% |
| Consumable supplies | 5 441 | 6 167 | 13 436 | 19 309 | 52.5% | 0.8% | 16 346 | 18 421 | 19 118 | -0.3% | 1.1% |
| Consumables: Stationery, printing and office supplies | 19 119 | 14 705 | 24 208 | 29 557 | 15.6% | 1.5% | 34 953 | 37 307 | 38 326 | 9.0% | 2.0% |
| Operating leases | 229 784 | 231 764 | 275 322 | 304 928 | 9.9% | 17.7% | 338 441 | 334 812 | 353 809 | 5.1% | 19.4% |
| Rental and hiring | 6 192 | 2 331 | 4 615 | 2 828 | -23.0% | 0.3% | 3 675 | 3 764 | 4 093 | 13.1% | 0.2% |
| Property payments | 60 089 | 48 250 | 121 681 | 90 238 | 14.5% | 5.4% | 71 801 | 71 728 | 76 355 | -5.4% | 4.5% |
| Transport provided: Departmental activity | 7 297 | 620 | 3 561 | 2 557 | -29.5% | 0.2% | 4 214 | 4 681 | 4 941 | 24.6% | 0.2% |
| Travel and subsistence | 204 791 | 207 033 | 176 382 | 213 030 | 1.3% | 13.6% | 174 193 | 183 336 | 178 374 | -5.7% | 10.9% |
| Training and development | 21 562 | 17 405 | 36 237 | 33 257 | 15.5% | 1.8% | 39 636 | 44 785 | 47 482 | 12.6% | 2.4% |
| Operating payments | 12 354 | 17 184 | 17 553 | 23 041 | 23.1% | 1.2% | 24 691 | 25 989 | 28 336 | 7.1% | 1.5% |
| Venues and facilities | 15 972 | 9 684 | 17 157 | 16 313 | 0.7% | 1.0% | 20 366 | 21 436 | 17 975 | 3.3% | 1.1% |
| Total | 1 377 318 | 1 318 809 | 1 536 439 | 1 665 585 | 6.5% | 100.0% | 1 649 619 | 1 759 255 | 1 807 335 | 2.8% | 100.0% |

Transfers and subsidies expenditure trends and estimates

Table 36.5 Vote transfers and subsidies trends and estimates

| R thousand | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|-------------------------------------|------------------|------------------|------------------|------------------------|-------------------------|-------------------|----------------------------------|------------------|------------------|-------------------------|-------------------|
| | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | 2016/17 - 2019/20 |
| Provinces and municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | 321 | 563 | 660 | 419 | 9.3% | - | 440 | 464 | 490 | 5.4% | - |
| Vehicle licences | 315 | 557 | 657 | 419 | 10.0% | - | 440 | 464 | 490 | 5.4% | - |
| Other transfers to households | 4 | 6 | 3 | - | -100.0% | - | - | - | - | - | - |
| Regional Services Council levies | 2 | - | - | - | -100.0% | - | - | - | - | - | - |
| Capital | 1 129 173 | 1 050 790 | 2 305 029 | 4 694 982 | 60.8% | 43.4% | 5 194 464 | 5 619 056 | 5 932 679 | 8.1% | 61.9% |
| Regional bulk infrastructure grant | - | - | - | 1 850 000 | - | 8.7% | 1 865 000 | 2 060 000 | 2 175 360 | 5.5% | 23.0% |
| Water services infrastructure grant | 1 129 173 | 1 050 790 | 2 305 029 | 2 844 982 | 36.1% | 34.6% | 3 329 464 | 3 559 056 | 3 757 319 | 9.7% | 39.0% |

Table 36.5 Vote transfers and subsidies trends and estimates

| R thousand | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) |
|---|------------------|------------------|------------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------|------------------|-------------------------|--------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 227 014 | 168 627 | 174 116 | 169 202 | -9.3% | 3.5% | 176 173 | 185 862 | 196 270 | 5.1% | 2.1% |
| Communication | 2 | 2 178 | 4 | - | -100.0% | - | - | - | - | - | - |
| Energy and Water Services Sector | 28 | 2 204 | 3 037 | 2 202 | 328.4% | - | 2 674 | 2 828 | 2 986 | 10.7% | - |
| Education and Training Authority | - | - | - | - | - | - | - | - | - | - | - |
| Water Information Management | - | - | 6 704 | - | - | - | - | - | - | - | - |
| Water Trading Entity | 167 145 | 164 245 | 164 371 | 165 000 | -0.4% | 3.1% | 173 000 | 183 034 | 193 284 | 5.4% | 2.1% |
| Water Research Commission | - | - | - | 2 000 | - | - | 499 | - | - | -100.0% | - |
| Breede-Overberg Catchment Management Agency | 31 623 | - | - | - | -100.0% | 0.1% | - | - | - | - | - |
| Inkomati Catchment Management Agency | 28 216 | - | - | - | -100.0% | 0.1% | - | - | - | - | - |
| Capital | 2 210 057 | 2 570 909 | 1 570 722 | 1 544 462 | -11.3% | 37.3% | 1 409 881 | 2 083 294 | 2 199 959 | 12.5% | 20.9% |
| Water Trading Entity | 2 210 057 | 2 570 909 | 1 570 722 | 1 544 462 | -11.3% | 37.3% | 1 409 881 | 2 083 294 | 2 199 959 | 12.5% | 20.9% |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 182 254 | 185 176 | 189 231 | 188 370 | 1.1% | 3.5% | 197 743 | 209 212 | 220 927 | 5.5% | 2.4% |
| Orange-Senqu River Basin Commission | 510 | 608 | 546 | 611 | 6.2% | - | 638 | 675 | 713 | 5.3% | - |
| African Ministers' Council on Water | 99 | - | 97 | 102 | 1.0% | - | 106 | 112 | 118 | 5.0% | - |
| Limpopo Watercourse Commission | - | 300 | 350 | 207 | - | - | 176 | 186 | 196 | -1.8% | - |
| Komati River Basin Water Authority | 181 645 | 184 268 | 188 238 | 187 450 | 1.1% | 3.5% | 196 823 | 208 239 | 219 900 | 5.5% | 2.3% |
| Public corporations and private enterprises | | | | | | | | | | | |
| Subsidies on products and production | | | | | | | | | | | |
| Current | 81 | - | - | - | -100.0% | - | - | - | - | - | - |
| Public corporations | 81 | - | - | - | -100.0% | - | - | - | - | - | - |
| Public corporations and private enterprises | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 244 080 | 579 919 | 801 748 | 844 773 | 51.3% | 11.7% | 1 098 503 | 1 115 816 | 1 178 302 | 11.7% | 12.2% |
| Amatola Water Board: Regional bulk infrastructure | - | 150 000 | 169 060 | - | - | 1.5% | 88 554 | 92 386 | - | - | 0.5% |
| Magalies Water Board: Regional bulk infrastructure | 231 433 | 70 000 | 150 000 | 142 769 | -14.9% | 2.8% | 58 385 | - | - | -100.0% | 0.6% |
| Umgeni Water Board: Regional bulk infrastructure | - | 216 719 | 279 140 | 423 004 | - | 4.3% | 518 405 | 653 711 | 1 040 784 | 35.0% | 7.6% |
| Sedibeng Water Board: Regional bulk infrastructure | - | 143 200 | 203 548 | 279 000 | - | 3.0% | 433 159 | 369 719 | 137 518 | -21.0% | 3.5% |
| Botshelo Water Board | 12 647 | - | - | - | -100.0% | 0.1% | - | - | - | - | - |
| Non-profit institutions | | | | | | | | | | | |
| Current | 1 181 | 1 803 | 681 | 2 766 | 32.8% | - | 1 160 | 2 092 | 2 209 | -7.2% | - |
| Women in water awards | 818 | 700 | 100 | 700 | -5.1% | - | - | - | - | -100.0% | - |
| South African youth water prize | 19 | 25 | 22 | 24 | 8.1% | - | 25 | 26 | 27 | 4.0% | - |
| Various institutions: 2020 vision for water education programme | 344 | 430 | 556 | 1 242 | 53.4% | - | 1 135 | 1 266 | 1 337 | 2.5% | - |
| Water Institute of Southern Africa | - | 648 | - | 800 | - | - | - | 800 | 845 | 1.8% | - |
| Non-profit institution | - | - | 3 | - | - | - | - | - | - | - | - |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 11 331 | 10 996 | 8 869 | 23 733 | 27.9% | 0.3% | 19 375 | 20 459 | 21 620 | -3.1% | 0.2% |
| Employee social benefits | 11 329 | 10 996 | 8 869 | 23 648 | 27.8% | 0.3% | 19 375 | 20 459 | 21 620 | -2.9% | 0.2% |
| Other transfer | 2 | - | - | 85 | 249.0% | - | - | - | - | -100.0% | - |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 15 171 | 20 016 | 26 288 | 15 535 | 0.8% | 0.4% | 16 759 | 17 727 | 18 720 | 6.4% | 0.2% |
| Employee social benefits | - | 5 174 | - | - | - | - | - | - | - | - | - |
| Bursaries for non-employees | 12 480 | 13 486 | 15 726 | 15 535 | 7.6% | 0.3% | 16 759 | 17 727 | 18 720 | 6.4% | 0.2% |
| Other transfers to households | 440 | - | - | - | -100.0% | - | - | - | - | - | - |
| Resource poor farmers | 2 251 | 1 356 | 10 562 | - | -100.0% | 0.1% | - | - | - | - | - |
| Total | 4 020 663 | 4 588 799 | 5 077 344 | 7 484 242 | 23.0% | 100.0% | 8 114 498 | 9 253 982 | 9 771 176 | 9.3% | 100.0% |

Personnel information

Table 36.6 Vote personnel numbers and cost by salary level and programme¹

| Programmes | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|----------------|----------------|--------------------------|----------------|----------------|--|----------------|----------------|--|----------------|----------------|-------------------------|--------------------------------|----------------|--------------|---------------|---------------|
| Number of posts estimated for 31 March 2017 | | Actual 2015/16 | | | Revised estimate 2016/17 | | | Medium-term expenditure estimate 2017/18 | | | Medium-term expenditure estimate 2018/19 | | | 2016/17 - 2019/20 | | | | | |
| Number of funded posts | Number of posts additional to the establishment | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Average growth rate (%) | Average Salary level/Total (%) | | | | |
| Water and Sanitation | | 4 301 | 1 360.4 | 0.4 | 3 682 | 1 540.2 | 0.4 | 3 540 | 1 651.9 | 0.5 | 3 403 | 1 720.2 | 0.5 | 3 388 | 1 851.3 | 0.5 | -2.7% | 100.0% | |
| Salary level | | | | | | | | | | | | | | | | | | | |
| 1 – 6 | 1 676 | 102 | 1 425 | 294.1 | 0.2 | 1 495 | 327.4 | 0.2 | 1 412 | 336.9 | 0.2 | 1 371 | 353.3 | 0.3 | 1 362 | 380.5 | 0.3 | -3.1% | 40.2% |
| 7 – 10 | 1 764 | 49 | 1 415 | 601.5 | 0.4 | 1 471 | 681.8 | 0.5 | 1 431 | 722.9 | 0.5 | 1 360 | 749.1 | 0.6 | 1 360 | 810.8 | 0.6 | -2.6% | 40.1% |
| 11 – 12 | 666 | 42 | 535 | 263.9 | 0.5 | 563 | 304.9 | 0.5 | 521 | 318.1 | 0.6 | 499 | 326.8 | 0.7 | 493 | 348.1 | 0.7 | -4.3% | 14.8% |
| 13 – 16 | 195 | 2 | 137 | 200.9 | 1.5 | 153 | 226.1 | 1.5 | 176 | 274.0 | 1.6 | 173 | 290.9 | 1.7 | 173 | 312.0 | 1.8 | 4.2% | 4.8% |
| Programme | 4 301 | 195 | 3 512 | 1 360.4 | 0.4 | 3 682 | 1 540.2 | 0.4 | 3 540 | 1 651.9 | 0.5 | 3 403 | 1 720.2 | 0.5 | 3 388 | 1 851.3 | 0.5 | -2.7% | 100.0% |
| Programme 1 | 1 964 | 79 | 1 717 | 617.7 | 0.4 | 1 785 | 704.2 | 0.4 | 1 709 | 753.9 | 0.4 | 1 587 | 754.0 | 0.5 | 1 572 | 807.3 | 0.5 | -4.1% | 47.5% |
| Programme 2 | 989 | 49 | 877 | 350.7 | 0.4 | 922 | 401.6 | 0.4 | 850 | 418.4 | 0.5 | 836 | 447.4 | 0.5 | 836 | 483.3 | 0.6 | -3.2% | 24.6% |
| Programme 3 | 1 010 | 19 | 583 | 216.2 | 0.4 | 654 | 257.5 | 0.4 | 625 | 259.4 | 0.4 | 624 | 280.8 | 0.4 | 624 | 303.5 | 0.5 | -1.6% | 18.0% |
| Programme 4 | 338 | 48 | 335 | 175.8 | 0.5 | 321 | 176.9 | 0.6 | 356 | 220.1 | 0.6 | 356 | 238.1 | 0.7 | 356 | 257.2 | 0.7 | 3.5% | 9.9% |

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

2. Rand million.

Departmental receipt

Table 36.7 Departmental receipts by economic classification

| R thousand | Audited outcome | | | Adjusted estimate | | Revised estimate | | Average growth rate (%) | | Average Receipt item/ Total (%) | | Medium-term receipts estimate | | | Average growth rate (%) | | Average Receipt item/ Total (%) | |
|--|-----------------|---------------|---------------|-------------------|---------------|------------------|---------------|-------------------------|---------------|---------------------------------|---------------|-------------------------------|-------------------|--|-------------------------|--|---------------------------------|--|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | 2013/14 | 2016/17 | 2013/14 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | | | | |
| Departmental receipts | 65 950 | 15 333 | 11 008 | 20 874 | 20 874 | -31.9% | 100.0% | 14 146 | 11 687 | 11 740 | -17.5% | 100.0% | | | | | | |
| Sales of goods and services produced by department | 2 774 | 2 356 | 2 546 | 2 423 | 2 423 | -4.4% | 8.9% | 2 535 | 2 576 | 2 629 | 2.8% | 17.4% | | | | | | |
| Sales by market establishments | 1 943 | 935 | 920 | 802 | 802 | -25.5% | 4.1% | 961 | 998 | 1 039 | 9.0% | 6.5% | | | | | | |
| of which: | | | | | | | | | | | | | | | | | | |
| Market establishment: Rental dwelling | 1 788 | 722 | 656 | 585 | 585 | -31.1% | 3.3% | 748 | 785 | 824 | 12.1% | 5.0% | | | | | | |
| Market establishment: Non-residential building | - | 23 | 78 | 30 | 30 | - | 0.1% | 23 | 23 | 25 | -5.9% | 0.2% | | | | | | |
| Market establishment: Rental parking | 155 | 190 | 186 | 187 | 187 | 6.5% | 0.6% | 190 | 190 | 190 | 0.5% | 1.3% | | | | | | |
| Administrative fees | 26 | 67 | 102 | 62 | 62 | 33.6% | 0.2% | 65 | 65 | 65 | 1.6% | 0.4% | | | | | | |
| of which: | | | | | | | | | | | | | | | | | | |
| Services rendered: Transport fees | - | 52 | 50 | 48 | 48 | - | 0.1% | 50 | 50 | 50 | 1.4% | 0.3% | | | | | | |
| Sales: Tender documents | - | 11 | 36 | - | - | - | - | - | - | - | - | - | | | | | | |
| Sales: Maps | 12 | - | 12 | 10 | 10 | -5.9% | - | 11 | 11 | 11 | 3.2% | 0.1% | | | | | | |
| Replacement of security cards | - | 4 | 4 | 4 | 4 | - | - | 4 | 4 | 4 | - | - | | | | | | |
| Sales: Water potable | 14 | - | - | - | - | -100.0% | - | - | - | - | - | - | | | | | | |
| Other sales | 805 | 1 354 | 1 524 | 1 559 | 1 559 | 24.6% | 4.6% | 1 509 | 1 513 | 1 525 | -0.7% | 10.4% | | | | | | |
| of which: | | | | | | | | | | | | | | | | | | |
| Rental capital assets | 15 | 22 | 67 | 76 | 76 | 71.8% | 0.2% | 66 | 70 | 82 | 2.6% | 0.5% | | | | | | |
| Sales: Departmental publications and production | 240 | 3 | 3 | 15 | 15 | -60.3% | 0.2% | 10 | 10 | 10 | -12.6% | 0.1% | | | | | | |
| Services rendered: Commission on insurance and garnishee | 550 | 772 | 803 | 745 | 745 | 10.6% | 2.5% | 720 | 720 | 720 | -1.1% | 5.0% | | | | | | |
| Sales: Meals and refreshments | - | 557 | 510 | 473 | 473 | - | 1.4% | 513 | 513 | 513 | 2.7% | 3.4% | | | | | | |
| Services rendered: Boarding service-staff/boardings service- private | - | - | 141 | 250 | 250 | - | 0.3% | 200 | 200 | 200 | -7.2% | 1.5% | | | | | | |
| Sales of scrap, waste, arms and other used current goods | 9 | 4 | 30 | - | - | -100.0% | - | 11 | 11 | 11 | - | 0.1% | | | | | | |
| of which: | | | | | | | | | | | | | | | | | | |
| Sales: Scrap | 6 | 4 | 28 | - | - | -100.0% | - | 11 | 11 | 11 | - | 0.1% | | | | | | |
| Sales: Waste paper | 3 | - | 2 | - | - | -100.0% | - | - | - | - | - | - | | | | | | |
| Transfers received | - | 63 | - | - | - | - | 0.1% | - | - | - | - | - | | | | | | |
| Interest, dividends and rent on land | 4 612 | 2 544 | 2 428 | 1 604 | 1 604 | -29.7% | 9.9% | 1 600 | 1 600 | 1 600 | -0.1% | 11.0% | | | | | | |
| Interest | 4 612 | 2 544 | 2 428 | 1 604 | 1 604 | -29.7% | 9.9% | 1 600 | 1 600 | 1 600 | -0.1% | 11.0% | | | | | | |
| Sales of capital assets | - | - | 31 | 20 | 20 | - | - | - | - | - | -100.0% | - | | | | | | |
| Transactions in financial assets and liabilities | 58 555 | 10 366 | 5 973 | 16 827 | 16 827 | -34.0% | 81.1% | 10 000 | 7 500 | 7 500 | -23.6% | 71.6% | | | | | | |
| Total | 65 950 | 15 333 | 11 008 | 20 874 | 20 874 | -31.9% | 100.0% | 14 146 | 11 687 | 11 740 | -17.5% | 100.0% | | | | | | |

Programme 1: Administration

Programme purpose

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

Objective

- 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.

Subprogrammes

- *Ministry* provides 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; and the provision for salaries and operational budgets of the department's regional office heads.
- *Internal Audit* provides independent, objective assurance and advisory services to improve the department's operations.
- *Corporate Services* provides enterprise-wide support, comprising human resources, legal services, and 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; and 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.
- *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 36.8 Administration expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------|------------------|------------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| R thousand | | | | | 2013/14 - 2016/17 | | | | | 2016/17 - 2019/20 | |
| Ministry | 45 310 | 43 287 | 45 936 | 52 300 | 4.9% | 3.3% | 48 026 | 56 902 | 60 811 | 5.2% | 3.3% |
| Departmental Management | 185 696 | 135 419 | 91 583 | 112 493 | -15.4% | 9.2% | 96 097 | 105 624 | 112 830 | 0.1% | 6.4% |
| Internal Audit | 18 236 | 21 111 | 29 772 | 38 280 | 28.0% | 1.9% | 38 689 | 40 371 | 43 285 | 4.2% | 2.4% |
| Corporate Services | 534 139 | 598 669 | 626 770 | 738 639 | 11.4% | 43.6% | 746 020 | 757 199 | 801 434 | 2.8% | 45.9% |
| Financial Management | 239 946 | 208 462 | 196 276 | 232 002 | -1.1% | 15.3% | 236 902 | 232 658 | 244 496 | 1.8% | 14.3% |
| Office Accommodation | 259 308 | 253 698 | 374 112 | 346 920 | 10.2% | 21.5% | 376 346 | 374 898 | 395 892 | 4.5% | 22.5% |
| Programme Management Unit | 45 804 | 42 235 | 46 452 | 33 081 | -10.3% | 2.9% | 46 321 | 48 496 | 51 785 | 16.1% | 2.7% |
| International Water Support | 26 953 | 32 712 | 37 157 | 38 180 | 12.3% | 2.4% | 40 013 | 41 827 | 44 800 | 5.5% | 2.5% |
| Total | 1 355 392 | 1 335 593 | 1 448 058 | 1 591 895 | 5.5% | 100.0% | 1 628 414 | 1 657 975 | 1 755 333 | 3.3% | 100.0% |
| Change to 2016 | | | | (68 039) | | | (63 649) | (120 440) | (122 673) | | |
| Budget estimate | | | | | | | | | | | |

Table 36.8 Administration expenditure trends and estimates by subprogramme and economic classification

| Economic classification | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|------------------|------------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2013/14 | 2016/17 | | |
| R thousand | | | | | | | | | | | |
| Current payments | 1 265 018 | 1 280 712 | 1 368 087 | 1 504 817 | 6.0% | 94.6% | 1 542 286 | 1 551 619 | 1 649 415 | 3.1% | 94.2% |
| Compensation of employees | 578 026 | 616 108 | 617 704 | 704 167 | 6.8% | 43.9% | 753 944 | 753 952 | 807 341 | 4.7% | 45.5% |
| Goods and services ¹ | 686 935 | 663 569 | 743 860 | 800 650 | 5.2% | 50.5% | 788 342 | 797 667 | 842 074 | 1.7% | 48.7% |
| of which: | | | | | | | | | | | |
| Advertising | 15 341 | 30 854 | 25 561 | 46 806 | 45.0% | 2.1% | 38 838 | 28 906 | 30 367 | -13.4% | 2.2% |
| Communication | 26 024 | 28 726 | 38 494 | 24 071 | -2.6% | 2.0% | 31 214 | 37 006 | 35 967 | 14.3% | 1.9% |
| Computer services | 97 530 | 79 560 | 38 229 | 58 398 | -15.7% | 4.8% | 83 709 | 73 048 | 77 423 | 9.9% | 4.4% |
| Operating leases | 228 253 | 230 735 | 272 292 | 302 091 | 9.8% | 18.0% | 334 029 | 330 094 | 348 583 | 4.9% | 19.8% |
| Property payments | 59 847 | 45 995 | 119 599 | 78 582 | 9.5% | 5.3% | 61 136 | 64 758 | 68 495 | -4.5% | 4.1% |
| Travel and subsistence | 100 625 | 88 561 | 72 603 | 64 204 | -13.9% | 5.7% | 56 283 | 55 654 | 58 958 | -2.8% | 3.5% |
| Interest and rent on land | 57 | 1 035 | 6 523 | - | -100.0% | 0.1% | - | - | - | - | - |
| Transfers and subsidies¹ | 19 886 | 21 258 | 20 801 | 22 045 | 3.5% | 1.5% | 22 011 | 23 278 | 24 581 | 3.7% | 1.4% |
| Provinces and municipalities | 4 | 11 | 9 | 24 | 81.7% | - | 25 | 26 | 27 | 4.0% | - |
| Departmental agencies and accounts | 30 | 4 382 | 3 041 | 2 202 | 318.7% | 0.2% | 2 674 | 2 828 | 2 986 | 10.7% | 0.2% |
| Foreign governments and international organisations | 609 | 908 | 993 | 920 | 14.7% | 0.1% | 920 | 973 | 1 027 | 3.7% | 0.1% |
| Non-profit institutions | 818 | 700 | 100 | 700 | -5.1% | - | - | - | - | -100.0% | - |
| Households | 18 425 | 15 257 | 16 658 | 18 199 | -0.4% | 1.2% | 18 392 | 19 451 | 20 541 | 4.1% | 1.2% |
| Payments for capital assets | 18 446 | 33 554 | 59 170 | 65 033 | 52.2% | 3.1% | 64 117 | 83 078 | 81 337 | 7.7% | 4.4% |
| Machinery and equipment | 18 311 | 23 715 | 30 149 | 38 072 | 27.6% | 1.9% | 21 990 | 38 508 | 34 271 | -3.4% | 2.0% |
| Software and other intangible assets | 135 | 9 839 | 29 021 | 26 961 | 484.5% | 1.2% | 42 127 | 44 570 | 47 066 | 20.4% | 2.4% |
| Payments for financial assets | 52 042 | 69 | - | - | -100.0% | 0.9% | - | - | - | - | - |
| Total | 1 355 392 | 1 335 593 | 1 448 058 | 1 591 895 | 5.5% | 100.0% | 1 628 414 | 1 657 975 | 1 755 333 | 3.3% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 12.9% | 11.5% | 9.3% | 10.3% | - | - | 10.8% | 10.0% | 10.0% | - | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 30 | 4 382 | 3 041 | 2 202 | 318.7% | 0.2% | 2 674 | 2 828 | 2 986 | 10.7% | 0.2% |
| Communication | 2 | 2 178 | 4 | - | -100.0% | - | - | - | - | - | - |
| Energy and Water Services Sector Education and Training Authority | 28 | 2 204 | 3 037 | 2 202 | 328.4% | 0.1% | 2 674 | 2 828 | 2 986 | 10.7% | 0.2% |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 609 | 908 | 993 | 920 | 14.7% | 0.1% | 920 | 973 | 1 027 | 3.7% | 0.1% |
| Orange-Senqu River Basin Commission | 510 | 608 | 546 | 611 | 6.2% | - | 638 | 675 | 713 | 5.3% | - |
| African Ministers' Council on Water Limpopo Watercourse Commission | 99 | - | 97 | 102 | 1.0% | - | 106 | 112 | 118 | 5.0% | - |
| | - | 300 | 350 | 207 | - | - | 176 | 186 | 196 | -1.8% | - |
| Non-profit institutions | | | | | | | | | | | |
| Current | 818 | 700 | 100 | 700 | -5.1% | - | - | - | - | -100.0% | - |
| Women in water awards | 818 | 700 | 100 | 700 | -5.1% | - | - | - | - | -100.0% | - |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 5 505 | 1 771 | 932 | 2 664 | -21.5% | 0.2% | 1 633 | 1 724 | 1 821 | -11.9% | 0.1% |
| Employee social benefits | 5 505 | 1 771 | 932 | 2 664 | -21.5% | 0.2% | 1 633 | 1 724 | 1 821 | -11.9% | 0.1% |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 12 920 | 13 486 | 15 726 | 15 535 | 6.3% | 1.0% | 16 759 | 17 727 | 18 720 | 6.4% | 1.0% |
| Bursaries for non-employees | 12 480 | 13 486 | 15 726 | 15 535 | 7.6% | 1.0% | 16 759 | 17 727 | 18 720 | 6.4% | 1.0% |
| Other transfers to households | 440 | - | - | - | -100.0% | - | - | - | - | - | - |
| Provinces and municipalities | | | | | | | | | | | |
| Municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | 4 | 11 | 9 | 24 | 81.7% | - | 25 | 26 | 27 | 4.0% | - |
| Vehicle licences | - | 5 | 6 | 24 | - | - | 25 | 26 | 27 | 4.0% | - |
| Other transfers to households | 4 | 6 | 3 | - | -100.0% | - | - | - | - | - | - |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 36.9 Administration personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2017 | | Number and cost ² 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 (%) | Average: Salary level/Total (%) | | | | | |
| | | 2015/16 | | Unit cost | 2016/17 | | Unit cost | 2017/18 | | Unit cost | 2018/19 | | | | Unit cost | 2019/20 | | Unit cost | 2016/17 - 2019/20 |
| Administration | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Salary level | 1 964 | 79 | 1 717 | 617.7 | 0.4 | 1 785 | 704.2 | 0.4 | 1 709 | 753.9 | 0.4 | 1 587 | 754.0 | 0.5 | 1 572 | 807.3 | 0.5 | -4.1% | 100.0% |
| 1 – 6 | 804 | 57 | 737 | 150.0 | 0.2 | 748 | 165.0 | 0.2 | 689 | 166.6 | 0.2 | 651 | 169.6 | 0.3 | 642 | 181.8 | 0.3 | -5.0% | 41.0% |
| 7 – 10 | 853 | 15 | 736 | 274.7 | 0.4 | 773 | 314.9 | 0.4 | 735 | 324.5 | 0.4 | 674 | 321.2 | 0.5 | 674 | 347.7 | 0.5 | -4.5% | 42.9% |
| 11 – 12 | 194 | 5 | 160 | 107.7 | 0.7 | 171 | 125.6 | 0.7 | 173 | 137.9 | 0.8 | 153 | 132.3 | 0.9 | 147 | 137.5 | 0.9 | -4.9% | 9.7% |
| 13 – 16 | 113 | 2 | 84 | 85.4 | 1.0 | 93 | 98.7 | 1.1 | 112 | 125.0 | 1.1 | 109 | 130.8 | 1.2 | 109 | 140.3 | 1.3 | 5.4% | 6.4% |

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 protection of water resources by implementing an integrated water quality management strategy and determining resource quality objectives for nine river systems by March 2019.
- Ensure a coordinated approach to water and sanitation infrastructure planning, monitoring and evaluation by developing and implementing the water and sanitation master plan by March 2019.
- Protect water resources and improve water quality by developing and implementing the integrated water quality management strategy to by March 2019.

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.
- *Water Ecosystems* develops and implements measures to protect water resources. This entails determining resource direct measures by classifying water resource systems, determining reserves, conducting resource quality assessments and developing pollution control guidelines as well as 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 local level.
- *Sanitation Planning and Management* provides a national strategy for the planning of sanitation services and supports municipalities to plan for the provision of sustainable sanitation services.
- *Policy and Strategy* develops, monitors and reviews the implementation of water and sanitation sector policies and strategies.

Expenditure trends and estimates

Table 36.10 Water Planning and Information Management expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/Total (%) 2016/17 - 2019/20 |
|---|-----------------|----------------|----------------|-----------------------------------|--|---|----------------------------------|----------------|----------------|--|---|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | | | | | | | | | | | |
| Water Planning, Information Management and Support | 4 667 | 5 606 | 3 851 | 6 319 | 10.6% | 0.7% | 4 662 | 5 010 | 5 365 | -5.3% | 0.6% |
| Integrated Planning | 182 209 | 217 710 | 159 032 | 93 035 | -20.1% | 21.9% | 114 220 | 130 923 | 141 189 | 14.9% | 13.8% |
| Water Ecosystems | 46 943 | 47 972 | 50 161 | 50 427 | 2.4% | 6.6% | 61 225 | 65 473 | 69 766 | 11.4% | 7.1% |
| Water Information Management | 373 035 | 527 121 | 456 007 | 532 028 | 12.6% | 63.4% | 503 908 | 532 743 | 575 716 | 2.7% | 61.6% |
| Water Services and Local Water Management | - | - | - | 112 553 | - | 3.8% | 97 274 | 103 723 | 109 963 | -0.8% | 12.2% |
| Sanitation Planning and Management | 5 404 | 1 836 | - | 11 599 | 29.0% | 0.6% | 16 324 | 19 709 | 21 029 | 21.9% | 2.0% |
| Policy and Strategy | 21 692 | 12 293 | 31 914 | 25 052 | 4.9% | 3.1% | 18 849 | 26 413 | 26 733 | 2.2% | 2.8% |
| Total | 633 950 | 812 538 | 700 965 | 831 013 | 9.4% | 100.0% | 816 462 | 883 994 | 949 761 | 4.6% | 100.0% |
| Change to 2016 Budget estimate | | | | (31 569) | | | (61 918) | (44 042) | (30 245) | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 550 747 | 754 890 | 632 382 | 754 214 | 11.0% | 90.4% | 739 594 | 804 541 | 866 406 | 4.7% | 90.9% |
| Compensation of employees | 261 631 | 373 766 | 350 736 | 401 628 | 15.4% | 46.6% | 418 421 | 447 376 | 483 324 | 6.4% | 50.3% |
| Goods and services ¹ | 289 116 | 381 077 | 281 634 | 352 586 | 6.8% | 43.8% | 321 173 | 357 165 | 383 082 | 2.8% | 40.6% |
| of which: | | | | | | | | | | | |
| Communication | 3 053 | 8 731 | 8 041 | 6 570 | 29.1% | 0.9% | 8 878 | 9 857 | 10 410 | 16.6% | 1.0% |
| Computer services | 77 492 | 46 331 | 48 940 | 74 366 | -1.4% | 8.3% | 45 436 | 44 362 | 49 448 | -12.7% | 6.1% |
| Consultants: Business and advisory services | 8 583 | 31 920 | 17 573 | 20 378 | 33.4% | 2.6% | 33 592 | 34 051 | 39 148 | 24.3% | 3.7% |
| Infrastructure and planning services | 125 747 | 124 213 | 84 947 | 100 103 | -7.3% | 14.6% | 119 245 | 135 729 | 143 327 | 12.7% | 14.3% |
| Travel and subsistence | 44 394 | 70 727 | 43 359 | 60 994 | 11.2% | 7.4% | 33 719 | 46 433 | 46 155 | -8.9% | 5.4% |
| Training and development | 3 015 | 4 550 | 8 107 | 7 009 | 32.5% | 0.8% | 8 387 | 8 677 | 9 163 | 9.3% | 1.0% |
| Interest and rent on land | - | 47 | 12 | - | - | - | - | - | - | - | - |
| Transfers and subsidies¹ | 1 471 | 11 534 | 8 722 | 1 576 | 2.3% | 0.8% | 1 243 | 1 313 | 1 401 | -3.8% | 0.2% |
| Provinces and municipalities | 5 | 552 | 651 | 395 | 329.1% | 0.1% | 415 | 438 | 463 | 5.4% | - |
| Departmental agencies and accounts | - | - | 6 704 | - | - | 0.2% | - | - | - | - | - |
| Public corporations and private enterprises | 81 | - | - | - | -100.0% | - | - | - | - | - | - |
| Non-profit institutions | 19 | 25 | 22 | 24 | 8.1% | - | 25 | 26 | 27 | 4.0% | - |
| Households | 1 366 | 10 957 | 1 345 | 1 157 | -5.4% | 0.5% | 803 | 849 | 911 | -7.7% | 0.1% |
| Payments for capital assets | 81 732 | 46 114 | 55 012 | 75 223 | -2.7% | 8.7% | 75 625 | 78 140 | 81 954 | 2.9% | 8.9% |
| Buildings and other fixed structures | 52 752 | 28 500 | 25 971 | 30 000 | -17.1% | 4.6% | 31 740 | 33 581 | 35 462 | 5.7% | 3.8% |
| Machinery and equipment | 28 434 | 17 169 | 29 031 | 44 292 | 15.9% | 4.0% | 42 926 | 43 551 | 45 428 | 0.8% | 5.1% |
| Software and other intangible assets | 546 | 445 | 10 | 931 | 19.5% | 0.1% | 959 | 1 008 | 1 064 | 4.6% | 0.1% |
| Payments for financial assets | - | - | 4 849 | - | - | 0.2% | - | - | - | - | - |
| Total | 633 950 | 812 538 | 700 965 | 831 013 | 9.4% | 100.0% | 816 462 | 883 994 | 949 761 | 4.6% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 6.0% | 7.0% | 4.5% | 5.4% | - | - | 5.4% | 5.3% | 5.4% | - | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | - | - | 6 704 | - | - | 0.2% | - | - | - | - | - |
| Water Information Management | - | - | 6 704 | - | - | 0.2% | - | - | - | - | - |
| Non-profit institutions | | | | | | | | | | | |
| Current | 19 | 25 | 22 | 24 | 8.1% | - | 25 | 26 | 27 | 4.0% | - |
| South African youth water prize | 19 | 25 | 22 | 24 | 8.1% | - | 25 | 26 | 27 | 4.0% | - |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 1 366 | 5 783 | 1 345 | 1 157 | -5.4% | 0.3% | 803 | 849 | 911 | -7.7% | 0.1% |
| Employee social benefits | 1 364 | 5 783 | 1 345 | 1 072 | -7.7% | 0.3% | 803 | 849 | 911 | -5.3% | 0.1% |
| Other transfer | 2 | - | - | 85 | 249.0% | - | - | - | - | -100.0% | - |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | - | 5 174 | - | - | - | 0.2% | - | - | - | - | - |
| Employee social benefits | - | 5 174 | - | - | - | 0.2% | - | - | - | - | - |
| Provinces and municipalities | | | | | | | | | | | |
| Municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | 5 | 552 | 651 | 395 | 329.1% | 0.1% | 415 | 438 | 463 | 5.4% | - |
| Vehicle licences | 5 | 552 | 651 | 395 | 329.1% | 0.1% | 415 | 438 | 463 | 5.4% | - |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Public corporations (subsidies on products and production) | | | | | | | | | | | |
| Current | 81 | - | - | - | -100.0% | - | - | - | - | - | - |
| Public corporations | 81 | - | - | - | -100.0% | - | - | - | - | - | - |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 36.11 Water Planning and Information Management personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2017 | | Number and cost ² 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 (%) | Average: Salary level/Total (%) | | | |
| | | 2015/16 | | | 2016/17 | | | 2017/18 | | | 2018/19 | | | 2019/20 | | | | | 2016/17 - 2019/20 | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | | | |
| Water Planning and Information Management | | 989 | 49 | | 877 | 350.7 | 0.4 | 922 | 401.6 | 0.4 | 850 | 418.4 | 0.5 | 836 | 447.4 | 0.5 | 836 | 483.3 | 0.6 | -3.2% | 100.0% |
| 1 – 6 | 459 | 7 | 402 | 81.2 | 0.2 | 426 | 93.6 | 0.2 | 404 | 96.0 | 0.2 | 402 | 103.4 | 0.3 | 402 | 111.8 | 0.3 | | -1.9% | 47.4% | |
| 7 – 10 | 282 | 25 | 257 | 149.9 | 0.6 | 266 | 170.4 | 0.6 | 262 | 181.6 | 0.7 | 252 | 192.8 | 0.8 | 252 | 208.7 | 0.8 | | -1.8% | 30.0% | |
| 11 – 12 | 231 | 17 | 205 | 66.6 | 0.3 | 215 | 76.8 | 0.4 | 167 | 69.9 | 0.4 | 165 | 74.9 | 0.5 | 165 | 81.0 | 0.5 | | -8.4% | 20.7% | |
| 13 – 16 | 17 | – | 13 | 53.1 | 4.1 | 15 | 60.8 | 4.1 | 17 | 71.0 | 4.2 | 17 | 76.3 | 4.5 | 17 | 81.8 | 4.8 | | 4.3% | 1.9% | |

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 and monitoring funds to the Water Trading Entity for the design, construction, commissioning and rehabilitation of bulk raw water infrastructure, including dam safety rehabilitation, on an ongoing basis.
- Ensure adequate water availability through water resources infrastructure development and management, and enhance the provision of sustainable and reliable water supply and sanitation services through the *regional bulk infrastructure grant*, the *water services infrastructure grant* and the *Accelerated Community Infrastructure* subprogramme on a continuous basis.

Subprogrammes

- *Strategic Infrastructure Development and Management* provides for the design, construction, commissioning and management of new and existing water resource infrastructure.
- *Operation of Water Resources* funds expenditure on water resource management activities conducted by the department or catchment management agencies within water management areas.
- *Regional Bulk Infrastructure Grant* provides for the development of new infrastructure and the refurbishment, upgrading and replacing of ageing infrastructure servicing extensive areas across municipal boundaries.
- *Water Services Infrastructure Grant* provides for the construction of new infrastructure and the rehabilitation of existing water and sanitation infrastructure, through the grant transfer of water services schemes to water services institutions. The allocation prioritises the 27 poor districts municipalities.
- *Accelerated Community Infrastructure Programme* provides for rapid emergency interventions related to the refurbishment of wastewater treatment infrastructure, water conservation and water-demand management, and municipal water supply; and supports resource-poor farmers.

Expenditure trends and estimates

Table 36.12 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average Expenditure/ Total (%) |
|---|------------------|------------------|-------------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| R thousand | | | | | | | | | | | |
| Strategic Infrastructure Development and Management | 2 391 702 | 2 755 177 | 1 758 960 | 1 731 912 | -10.2% | 20.0% | 1 606 704 | 2 291 533 | 2 419 859 | 11.8% | 15.2% |
| Operation of Water Resources | 167 145 | 164 245 | 164 371 | 165 000 | -0.4% | 1.5% | 173 000 | 183 034 | 193 284 | 5.4% | 1.4% |
| Regional Bulk Infrastructure Grant | 3 314 847 | 3 941 238 | 5 408 016 | 6 262 378 | 23.6% | 43.8% | 5 822 845 | 6 142 306 | 6 482 024 | 1.2% | 46.8% |
| Water Services Infrastructure Grant | 1 589 090 | 2 085 294 | 5 401 604 | 4 146 730 | 37.7% | 30.6% | 4 169 523 | 4 423 958 | 4 678 248 | 4.1% | 33.0% |
| Accelerated Community Infrastructure Programme | 478 628 | 364 983 | 414 052 | 476 425 | -0.2% | 4.0% | 479 674 | 458 455 | 544 933 | 4.6% | 3.7% |
| Total | 7 941 412 | 9 310 937 | 13 147 003 | 12 782 445 | 17.2% | 100.0% | 12 251 746 | 13 499 286 | 14 318 348 | 3.9% | 100.0% |
| Change to 2016 Budget estimate | | | | 411 296 | | | (878 148) | (608 847) | (579 840) | | |
| Economic classifications | | | | | | | | | | | |
| Current payments | 578 108 | 404 434 | 647 169 | 646 766 | 3.8% | 5.3% | 623 069 | 617 407 | 668 285 | 1.1% | 4.8% |
| Compensation of employees | 238 325 | 188 196 | 216 168 | 257 534 | 2.6% | 2.1% | 259 429 | 280 764 | 303 511 | 5.6% | 2.1% |
| Goods and services ¹ | 339 782 | 216 238 | 431 001 | 389 163 | 4.6% | 3.2% | 363 640 | 336 643 | 364 774 | -2.1% | 2.8% |
| <i>of which:</i> | | | | | | | | | | | |
| Computer services | 296 | 166 | 12 822 | 11 738 | 241.0% | 0.1% | 15 306 | 14 042 | 14 829 | 8.1% | 0.1% |
| Consultants: Business and advisory services | 109 719 | 95 096 | 49 561 | 62 287 | -17.2% | 0.7% | 70 937 | 53 778 | 59 075 | -1.7% | 0.5% |
| Infrastructure and planning services | 50 401 | 8 965 | 154 151 | 43 331 | -4.9% | 0.6% | 54 158 | 58 365 | 55 720 | 8.7% | 0.4% |
| Contractors | 70 441 | 49 011 | 99 377 | 188 698 | 38.9% | 0.9% | 84 915 | 76 918 | 84 325 | -23.5% | 0.8% |
| Agency and support/outourced services | 20 616 | 9 552 | 21 784 | (14 989) | -189.9% | 0.1% | 30 883 | 32 814 | 38 947 | -237.5% | 0.2% |
| Travel and subsistence | 48 504 | 33 116 | 40 601 | 47 126 | -1.0% | 0.4% | 41 028 | 31 561 | 34 493 | -9.9% | 0.3% |
| Interest and rent on land | 1 | - | - | 69 | 310.2% | - | - | - | - | -100.0% | - |
| Transfers and subsidies¹ | 3 926 746 | 4 555 248 | 5 046 869 | 7 455 439 | 23.8% | 48.6% | 8 090 145 | 9 227 991 | 9 743 715 | 9.3% | 65.3% |
| Provinces and municipalities | 1 129 485 | 1 050 790 | 2 305 029 | 4 694 982 | 60.8% | 21.3% | 5 194 464 | 5 619 056 | 5 932 679 | 8.1% | 40.6% |
| Departmental agencies and accounts | 2 377 202 | 2 735 154 | 1 735 093 | 1 709 462 | -10.4% | 19.8% | 1 582 881 | 2 266 328 | 2 393 243 | 11.9% | 15.0% |
| Foreign governments and international organisations | 181 645 | 184 268 | 188 238 | 187 450 | 1.1% | 1.7% | 196 823 | 208 239 | 219 900 | 5.5% | 1.5% |
| Public corporations and private enterprises | 231 433 | 579 919 | 801 748 | 844 773 | 54.0% | 5.7% | 1 098 503 | 1 115 816 | 1 178 302 | 11.7% | 8.0% |
| Non-profit institutions | 344 | 430 | 556 | 1 242 | 53.4% | - | 1 135 | 1 266 | 1 337 | 2.5% | - |
| Households | 6 637 | 4 687 | 16 205 | 17 530 | 38.2% | 0.1% | 16 339 | 17 286 | 18 254 | 1.4% | 0.1% |
| Payments for capital assets | 3 436 493 | 4 351 201 | 7 452 965 | 4 680 240 | 10.8% | 46.1% | 3 538 532 | 3 653 888 | 3 906 348 | -5.8% | 29.9% |
| Buildings and other fixed structures | 3 428 494 | 4 339 795 | 7 429 986 | 4 667 334 | 10.8% | 46.0% | 3 529 459 | 3 641 605 | 3 890 167 | -5.9% | 29.8% |
| Machinery and equipment | 7 999 | 11 406 | 22 979 | 12 906 | 17.3% | 0.1% | 9 073 | 12 283 | 16 181 | 7.8% | 0.1% |
| Payments for financial assets | 65 | 54 | - | - | -100.0% | - | - | - | - | - | - |
| Total | 7 941 412 | 9 310 937 | 13 147 003 | 12 782 445 | 17.2% | 100.0% | 12 251 746 | 13 499 286 | 14 318 348 | 3.9% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 75.6% | 80.2% | 84.5% | 82.3% | - | - | 81.1% | 81.5% | 81.7% | - | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 167 145 | 164 245 | 164 371 | 165 000 | -0.4% | 1.5% | 173 000 | 183 034 | 193 284 | 5.4% | 1.4% |
| Water Trading Entity | 167 145 | 164 245 | 164 371 | 165 000 | -0.4% | 1.5% | 173 000 | 183 034 | 193 284 | 5.4% | 1.4% |
| Capital | 2 210 057 | 2 570 909 | 1 570 722 | 1 544 462 | -11.3% | 18.3% | 1 409 881 | 2 083 294 | 2 199 959 | 12.5% | 13.7% |
| Water Trading Entity | 2 210 057 | 2 570 909 | 1 570 722 | 1 544 462 | -11.3% | 18.3% | 1 409 881 | 2 083 294 | 2 199 959 | 12.5% | 13.7% |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 181 645 | 184 268 | 188 238 | 187 450 | 1.1% | 1.7% | 196 823 | 208 239 | 219 900 | 5.5% | 1.5% |
| Komati River Basin Water Authority | 181 645 | 184 268 | 188 238 | 187 450 | 1.1% | 1.7% | 196 823 | 208 239 | 219 900 | 5.5% | 1.5% |
| Non-profit institutions | | | | | | | | | | | |
| Current | 344 | 430 | 556 | 1 242 | 53.4% | - | 1 135 | 1 266 | 1 337 | 2.5% | - |
| Various institutions: 2020 vision for water education programme | 344 | 430 | 556 | 1 242 | 53.4% | - | 1 135 | 1 266 | 1 337 | 2.5% | - |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 4 386 | 3 331 | 5 643 | 17 530 | 58.7% | 0.1% | 16 339 | 17 286 | 18 254 | 1.4% | 0.1% |
| Employee social benefits | 4 386 | 3 331 | 5 643 | 17 530 | 58.7% | 0.1% | 16 339 | 17 286 | 18 254 | 1.4% | 0.1% |

Table 36.12 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification

| R thousand | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/Total (%) 2016/17 - 2019/20 |
|--|-----------------|-----------|-----------|-----------------------------------|--|---|----------------------------------|-----------|-----------|--|---|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 2 251 | 1 356 | 10 562 | - | -100.0% | - | - | - | - | - | - |
| Resource poor farmers | 2 251 | 1 356 | 10 562 | - | -100.0% | - | - | - | - | - | - |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 231 433 | 579 919 | 801 748 | 844 773 | 54.0% | 5.7% | 1 098 503 | 1 115 816 | 1 178 302 | 11.7% | 8.0% |
| Amatola Water Board: Regional bulk infrastructure | - | 150 000 | 169 060 | - | - | 0.7% | 88 554 | 92 386 | - | - | 0.3% |
| Magalies Water Board: Regional bulk infrastructure | 231 433 | 70 000 | 150 000 | 142 769 | -14.9% | 1.4% | 58 385 | - | - | -100.0% | 0.4% |
| Umgeni Water Board: Regional bulk infrastructure | - | 216 719 | 279 140 | 423 004 | - | 2.1% | 518 405 | 653 711 | 1 040 784 | 35.0% | 5.0% |
| Sedibeng Water Board: Regional bulk infrastructure | - | 143 200 | 203 548 | 279 000 | - | 1.4% | 433 159 | 369 719 | 137 518 | -21.0% | 2.3% |
| Provinces and municipalities | | | | | | | | | | | |
| Municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | 312 | - | - | - | -100.0% | - | - | - | - | - | - |
| Vehicle licences | 310 | - | - | - | -100.0% | - | - | - | - | - | - |
| Regional Services Council levies | 2 | - | - | - | -100.0% | - | - | - | - | - | - |
| Capital | 1 129 173 | 1 050 790 | 2 305 029 | 4 694 982 | 60.8% | 21.3% | 5 194 464 | 5 619 056 | 5 932 679 | 8.1% | 40.6% |
| Regional bulk infrastructure grant | - | - | - | 1 850 000 | - | 4.3% | 1 865 000 | 2 060 000 | 2 175 360 | 5.5% | 15.0% |
| Water services infrastructure grant | 1 129 173 | 1 050 790 | 2 305 029 | 2 844 982 | 36.1% | 17.0% | 3 329 464 | 3 559 056 | 3 757 319 | 9.7% | 25.5% |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 36.13 Water Infrastructure Development personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2017 | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | | |
|---|--|---|----------------|--------------|------------|--------------------------|--------------|------------|----------------------------------|--------------|------------|------------|--------------|------------|--|---------------------------------|------------|--------------|---------------|
| | Number of funded posts | Number of posts additional to the establishment | Actual 2015/16 | | | Revised estimate 2016/17 | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Salary level/Total (%) | | | |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | 2017/18 | | 2018/19 | | 2019/20 | | | | | | |
| Water Infrastructure Development | 1 010 | 19 | 583 | 216.2 | 0.4 | 654 | 257.5 | 0.4 | 625 | 259.4 | 0.4 | 624 | 280.8 | 0.4 | 624 | 303.5 | 0.5 | -1.6% | 100.0% |
| Salary level | | | | | | | | | | | | | | | | | | | |
| 1 - 6 | 339 | 10 | 213 | 39.5 | 0.2 | 251 | 49.9 | 0.2 | 249 | 53.8 | 0.2 | 248 | 58.1 | 0.2 | 248 | 62.8 | 0.3 | -0.4% | 39.4% |
| 7 - 10 | 459 | 5 | 254 | 97.9 | 0.4 | 270 | 113.1 | 0.4 | 259 | 116.4 | 0.4 | 259 | 126.2 | 0.5 | 259 | 136.6 | 0.5 | -1.4% | 41.4% |
| 11 - 12 | 164 | 4 | 93 | 54.1 | 0.6 | 104 | 65.8 | 0.6 | 92 | 62.9 | 0.7 | 92 | 68.2 | 0.7 | 92 | 73.8 | 0.8 | -4.0% | 15.0% |
| 13 - 16 | 48 | - | 23 | 24.7 | 1.1 | 29 | 28.6 | 1.0 | 25 | 26.4 | 1.1 | 25 | 28.3 | 1.1 | 25 | 30.4 | 1.2 | -4.8% | 4.1% |

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

2. Rand million.

Programme 4: 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

- Create an enabling environment for the economic and social regulation of water by revising the water pricing strategy and developing the economic regulation strategy by 2017/18.
- Improve efficiency and effectiveness in the delivery of water and provide dignified sanitation by establishing operationally and financially viable catchment management agencies and regional water utilities by 2017/18.
- Ensure the equitable allocation of water resources for social and economic development 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 on an ongoing basis; and implementing mitigation measures in catchments with potential for acid mine drainage.

- 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.

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, equitable and cost reflective to protect the interests of the consumers and sector through the provision of sustainable water resources and water services.
- *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 and Enforcement* coordinates and monitors compliance to the water sector value-chain standards, licence conditions and regulations; and ensures enforcement against non-compliance. This includes the management of mine water in South Africa, with specific emphasis on acid mine management.
- *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 (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|-----------------|----------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| R thousand | | | | | | | | | | | |
| Water Sector Regulation Management and Support | 852 | 3 423 | 34 119 | 37 309 | 252.5% | 5.8% | 38 315 | 40 889 | 41 021 | 3.2% | 9.0% |
| Economic and Social Regulation | 378 048 | 4 472 | 12 310 | 33 394 | -55.5% | 32.6% | 29 607 | 32 715 | 35 518 | 2.1% | 7.5% |
| Water Use Authorisation and Administration | 54 624 | 62 610 | 44 403 | 58 459 | 2.3% | 16.8% | 69 171 | 84 542 | 78 479 | 10.3% | 16.7% |
| Water Supply Services and Sanitation Regulation | 23 083 | 16 036 | 15 728 | 21 346 | -2.6% | 5.8% | 24 982 | 35 796 | 28 750 | 10.4% | 6.4% |
| Compliance Monitoring and Enforcement | 13 464 | 35 798 | 83 462 | 86 853 | 86.2% | 16.7% | 126 261 | 138 486 | 127 428 | 13.6% | 27.5% |
| Institutional Oversight | 105 091 | 35 275 | 70 926 | 81 883 | -8.0% | 22.3% | 122 491 | 187 116 | 180 173 | 30.1% | 32.8% |
| Total | 575 162 | 157 614 | 260 948 | 319 244 | -17.8% | 100.0% | 410 827 | 519 544 | 491 369 | 15.5% | 100.0% |
| Change to 2016 Budget estimate | | | | (32 388) | | | 72 898 | 174 451 | 126 951 | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 123 234 | 155 560 | 255 705 | 300 074 | 34.5% | 63.6% | 396 526 | 505 893 | 474 572 | 16.5% | 96.3% |
| Compensation of employees | 61 749 | 97 635 | 175 761 | 176 888 | 42.0% | 39.0% | 220 062 | 238 113 | 257 167 | 13.3% | 51.2% |
| Goods and services ¹ | 61 485 | 57 925 | 79 944 | 123 186 | 26.1% | 24.6% | 176 464 | 267 780 | 217 405 | 20.8% | 45.1% |
| of which: | | | | | | | | | | | |
| Computer services | 572 | 864 | 520 | 228 | -26.4% | 0.2% | 7 549 | 11 073 | 8 913 | 239.4% | 1.6% |
| Consultants: Business and advisory services | 30 328 | 23 115 | 20 066 | 36 265 | 6.1% | 8.4% | 68 866 | 73 734 | 43 087 | 5.9% | 12.7% |
| Infrastructure and planning services | 8 224 | 8 040 | 1 423 | 130 | -74.9% | 1.4% | 4 105 | 72 384 | 72 518 | 723.2% | 8.6% |
| Agency and support/outsourced services | 1 686 | 201 | 2 070 | 6 965 | 60.5% | 0.8% | 5 859 | 7 380 | 4 459 | -13.8% | 1.4% |
| Travel and subsistence | 11 268 | 14 629 | 19 819 | 40 706 | 53.4% | 6.6% | 43 163 | 49 688 | 38 768 | -1.6% | 9.9% |
| Training and development | 935 | 1 084 | 4 744 | 5 394 | 79.3% | 0.9% | 5 984 | 8 135 | 6 568 | 6.8% | 1.5% |
| Transfers and subsidies¹ | 72 560 | 759 | 952 | 5 182 | -58.5% | 6.1% | 1 099 | 1 400 | 1 479 | -34.2% | 0.5% |
| Departmental agencies and accounts | 59 839 | – | – | 2 000 | -67.8% | 4.7% | 499 | – | – | -100.0% | 0.1% |
| Public corporations and private enterprises | 12 647 | – | – | – | -100.0% | 1.0% | – | – | – | – | – |
| Non-profit institutions | – | 648 | 3 | 800 | – | 0.1% | – | 800 | 845 | 1.8% | 0.1% |
| Households | 74 | 111 | 949 | 2 382 | 218.1% | 0.3% | 600 | 600 | 634 | -35.7% | 0.2% |

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

| R thousand | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/Total (%) 2016/17 - 2019/20 |
|--|-----------------|----------------|----------------|-----------------------------------|--|---|----------------------------------|----------------|----------------|--|---|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Payments for capital assets | 379 368 | 1 295 | 4 291 | 13 988 | -66.7% | 30.4% | 13 202 | 12 251 | 15 318 | 3.1% | 3.1% |
| Buildings and other fixed structures | 378 434 | 92 | - | - | -100.0% | 28.8% | - | - | - | - | - |
| Machinery and equipment | 934 | 1 203 | 4 291 | 13 988 | 146.5% | 1.6% | 13 202 | 12 251 | 15 318 | 3.1% | 3.1% |
| Total | 575 162 | 157 614 | 260 948 | 319 244 | -17.8% | 100.0% | 410 827 | 519 544 | 491 369 | 15.5% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 5.5% | 1.4% | 1.7% | 2.1% | - | - | 2.7% | 3.1% | 2.8% | - | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 59 839 | - | - | 2 000 | -67.8% | 4.7% | 499 | - | - | -100.0% | 0.1% |
| Water Research Commission | - | - | - | 2 000 | - | 0.2% | 499 | - | - | -100.0% | 0.1% |
| Breede-Overberg Catchment Management Agency | 31 623 | - | - | - | -100.0% | 2.4% | - | - | - | - | - |
| Inkomati Catchment Management Agency | 28 216 | - | - | - | -100.0% | 2.1% | - | - | - | - | - |
| Non-profit institutions | | | | | | | | | | | |
| Current | - | 648 | 3 | 800 | - | 0.1% | - | 800 | 845 | 1.8% | 0.1% |
| Water Institute of Southern Africa | - | 648 | - | 800 | - | 0.1% | - | 800 | 845 | 1.8% | 0.1% |
| Non-profit institution | - | - | 3 | - | - | - | - | - | - | - | - |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 74 | 111 | 949 | 2 382 | 218.1% | 0.3% | 600 | 600 | 634 | -35.7% | 0.2% |
| Employee social benefits | 74 | 111 | 949 | 2 382 | 218.1% | 0.3% | 600 | 600 | 634 | -35.7% | 0.2% |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 12 647 | - | - | - | -100.0% | 1.0% | - | - | - | - | - |
| Botshelo Water Board | 12 647 | - | - | - | -100.0% | 1.0% | - | - | - | - | - |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 36.15 Water Sector Regulation personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2017 | | Number and cost ² 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 (%) | Average: Salary level/Total (%) | | | | |
| | | 2015/16 | | | 2016/17 | | | 2017/18 | | 2018/19 | | 2019/20 | | | | | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | Number | Cost | Unit cost | |
| Water Sector Regulation | 338 | 48 | 335 | 175.8 | 0.5 | 321 | 176.9 | 0.6 | 356 | 220.1 | 0.6 | 356 | 238.1 | 0.7 | 356 | 257.2 | 0.7 | 3.5% | 100.0% |
| 1-6 | 74 | 28 | 73 | 23.3 | 0.3 | 70 | 18.9 | 0.3 | 70 | 20.5 | 0.3 | 70 | 22.3 | 0.3 | 70 | 24.1 | 0.3 | - | 20.2% |
| 7-10 | 170 | 4 | 168 | 79.0 | 0.5 | 162 | 83.3 | 0.5 | 175 | 100.4 | 0.6 | 175 | 108.9 | 0.6 | 175 | 117.8 | 0.7 | 2.6% | 49.5% |
| 11-12 | 77 | 16 | 77 | 35.6 | 0.5 | 73 | 36.7 | 0.5 | 89 | 47.5 | 0.5 | 89 | 51.5 | 0.6 | 89 | 55.7 | 0.6 | 6.8% | 24.5% |
| 13-16 | 17 | - | 17 | 37.8 | 2.2 | 16 | 38.0 | 2.4 | 22 | 51.7 | 2.3 | 22 | 55.5 | 2.5 | 22 | 59.5 | 2.7 | 11.2% | 5.9% |

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

2. Rand million.

Entities¹

Consolidated water boards

Mandate

The 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 water boards 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 to include the provision of retail water and sanitation services, and management services and training

¹ This section has been compiled with the latest available information from the entities concerned.

on behalf of municipalities and the Department of Water and Sanitation. Water boards are used as implementing agents where the capacity to implement projects is inadequate.

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. The draft Water and Sanitation Bill, which is currently under review, proposes that water boards operate as regional water utilities in future.

Selected performance indicators

Table 36.16 Consolidated water boards volume¹ of bulk treated water sales

| Water board | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|--|------------------------------|---|-----------|-----------|----------------|----------------|----------------|----------------|----------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Volumes of bulk water sales by Amatola water board per year | Water boards activities | Outcome 6. An efficient, competitive and responsive economic infrastructure network | 31 723 | 33 189 | 33 630 | 34 876 | 38 364 | 42 400 | 46 420 |
| Volumes of bulk water sales by Bloem water board per year | Water boards activities | | 76 182 | 91 737 | 79 993 | 85 448 | 91 409 | 92 323 | 93 246 |
| Volumes of bulk water sales by Botshelo water board per year | Water boards activities | | 13 100 | 14 900 | – ² | – ² | – ² | – ² | – ¹ |
| Volumes of bulk water sales by Bushbuckridge water board per year | Water boards activities | | 35 137 | 49 694 | – ³ | – ³ | – ³ | – ³ | – ² |
| Volumes of bulk water sales by Lepelle northern water board per year | Water boards activities | | 97 637 | 97 637 | 9 7809 | 30 040 | 100 141 | 100 141 | 100 141 |
| Volumes of bulk water sales by Magalies water board per year | Water boards activities | | 75 503 | 82 038 | 81 959 | 89 821 | 95 251 | 101 054 | 107 117 |
| Volumes of bulk water sales by Mhlathuze water board per year | Water boards activities | | 40 208 | 44 176 | 40 208 | 43 800 | 45 625 | 45 625 | 45 625 |
| Volumes of bulk water sales by Overberg water board per year | Water boards activities | | 4 075 | 4 270 | 4 253 | 4 498 | 4 043 | 4 043 | 4 043 |
| Volumes of bulk water sales by Pelladrift water board per year | Water boards activities | | 4 013 | 3 075 | – ⁴ | – ⁴ | – ⁴ | – ⁴ | – ⁴ |
| Volumes of bulk water sales by Rand water board per year | Water boards activities | | 1 526 861 | 1 608 229 | 1 709 519 | 1 420 651 | 1 444 176 | 1 472 322 | 1 496 678 |
| Volumes of bulk water sales by Sedibeng water board per year | Water boards activities | | 92 346 | 96 524 | 117 562 | 119 408 | 122 397 | 125 420 | 128 526 |
| Volumes of bulk water sales by Umgeni water board per year | Water boards activities | | 439 544 | 446 548 | 435 726 | 414 159 | 449 828 | 459 372 | 469 597 |

1. Measured in thousand kilolitres.

2. Botshelo Water was disestablished in 2014/15 in line with the institutional reform and realignment process. Operations have since been incorporated into the Magalies and Sedibeng water boards.

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

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

Expenditure analysis

The water boards implement infrastructure projects on behalf of the Department of Water and Sanitation. This contributes to the attainment of outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. Through their activities in water resource management, they also contribute to outcome 9 (responsive, accountable, effective and efficient local government) and outcome 10 (protect and enhance our environmental assets and natural resources) of the framework.

The water boards' spending focus over the medium term will be on bulk water and wastewater treatment services. An amount of R57.2 billion or 81 per cent of total water boards' budget has been allocated to this primary mandate. Rand and Umgeni water boards are the two largest water boards with 80 per cent of the market share measured in terms of volumes supplied. The two water board's account for 78 per cent of the R20 billion projected for spending on acquisition of assets related to investment in new water supply augmentation infrastructure projects, rehabilitation, operations and maintenance of existing ageing infrastructure over the medium term.

Expenditure is estimated to grow at an average annual rate of 10.5 per cent; and is driven by increases in raw water purchase costs, energy costs for pumping-related activities, and chemical costs for purification and labour costs. The goods and services budget is expected to grow from R11.9 billion in 2017/18 to R14.8 billion in 2019/20 at an average growth rate of 11.2 per cent.

Sales of bulk water make up R68.4 billion, or 93.9 per cent, of the total revenue for the water boards. Bulk water sales are projected to grow at an average annual rate of 13.3 per cent over the medium term because of tariff increases and sales volume growth. However, receivables and prepayments are low when compared to the projected revenue figures as water boards anticipate to collect less than their expected billing over the medium term because of non-payment by the water users.

Programmes/objectives/activities

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

| R thousand | Audited outcome | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| Administration | 2 645 729 | 3 230 437 | 3 269 383 | 3 486 311 | 9.6% | 22.1% | 3 892 463 | 4 297 400 | 4 615 017 | 9.8% | 22.6% |
| Water boards activities | 10 091 312 | 10 743 235 | 11 736 853 | 11 957 791 | 5.8% | 77.9% | 13 145 841 | 14 661 886 | 16 988 334 | 10.6% | 77.4% |
| Total | 12 737 041 | 13 973 672 | 15 006 237 | 15 444 101 | 6.6% | 100.0% | 17 38 305 | 18 959 286 | 20 813 351 | 10.5% | 100.0% |

Statements of historical financial performance and position

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

| Statement of financial performance | | | | | | | | | Average: Outcome/ Budget (%) |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------------|
| R thousand | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | |
| | 2013/14 | 2014/15 | 2014/15 | 2015/16 | 2015/16 | 2016/17 | 2016/17 | 2016/17 | 2013/14 - 2016/17 |
| Revenue | | | | | | | | | |
| Non-tax revenue | 13 670 165 | 14 923 683 | 15 959 417 | 17 102 700 | 18 046 688 | 18 655 477 | 20 849 407 | 19 097 313 | 101.8% |
| Sale of goods and services other than capital assets | 12 821 495 | 13 479 812 | 15 117 053 | 15 663 084 | 17 213 032 | 17 215 946 | 19 961 299 | 17 651 709 | 98.3% |
| of which: | | | | | | | | | |
| Administrative fees | – | 15 131 | 186 | 20 321 | 17 195 | 16 006 | 18 254 | 44 264 | 268.6% |
| Sales of bulk water | 12 821 495 | 13 464 681 | 15 116 867 | 15 642 763 | 17 135 139 | 17 199 940 | 19 878 097 | 17 566 508 | 98.3% |
| Other sales | – | – | – | – | 60 699 | – | 64 948 | 40 937 | 32.6% |
| Other non-tax revenue | 848 670 | 1 443 871 | 842 364 | 1 439 616 | 833 656 | 1 439 531 | 888 108 | 1 445 604 | 169.0% |
| Transfers received | – | – | – | – | 13 911 | – | 13 239 | – | – |
| Total revenue | 13 670 165 | 14 923 683 | 15 959 417 | 17 102 700 | 18 060 599 | 18 655 477 | 20 862 646 | 19 097 313 | 101.8% |
| Expenses | | | | | | | | | |
| Current expenses | 11 990 030 | 12 737 040 | 13 745 210 | 13 915 812 | 15 565 868 | 14 911 522 | 17 515 243 | 15 337 308 | 96.7% |
| Compensation of employees | 2 364 666 | 2 671 769 | 2 702 175 | 3 078 129 | 3 011 602 | 3 141 519 | 3 324 394 | 3 344 295 | 107.3% |
| Goods and services | 8 796 850 | 9 303 766 | 10 249 830 | 10 026 863 | 11 476 832 | 10 878 699 | 12 779 269 | 10 808 142 | 94.7% |
| Depreciation | 647 722 | 666 162 | 664 907 | 768 301 | 895 035 | 853 048 | 1 145 127 | 1 060 994 | 99.9% |
| Interest, dividends and rent on land | 180 792 | 95 343 | 128 298 | 42 519 | 182 399 | 38 255 | 266 453 | 123 877 | 39.6% |
| Transfers and subsidies | – | – | – | 57 859 | – | 94 714 | – | 106 794 | – |
| Total expenses | 11 990 030 | 12 737 040 | 13 745 210 | 13 973 671 | 15 565 868 | 15 006 236 | 17 515 243 | 15 444 102 | 97.2% |
| Surplus/(Deficit) | 1 680 135 | 2 186 643 | 2 214 207 | 3 129 029 | 2 494 731 | 3 649 241 | 3 347 403 | 3 653 211 | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 20 967 258 | 21 400 214 | 25 838 384 | 26 840 398 | 29 622 730 | 32 081 385 | 40 413 257 | 37 954 475 | 101.2% |
| of which: | | | | | | | | | |
| Acquisition of assets | (4 693 167) | (3 719 958) | (5 171 818) | (5 432 968) | (6 461 723) | (5 962 493) | (8 714 174) | (6 109 454) | 84.8% |
| Investments | 1 687 183 | 3 573 382 | 1 622 439 | 2 760 406 | 2 171 629 | 2 948 141 | 1 933 350 | 1 729 937 | 148.5% |
| Inventory | 112 614 | 309 268 | 115 226 | 199 327 | 186 915 | 219 402 | 353 824 | 216 755 | 122.9% |
| Loans | – | 4 988 | 5 713 | 4 577 | 4 577 | 105 169 | 4 906 | 85 149 | 1 315.4% |
| Accrued investment interest | 14 | 40 722 | 14 | 33 751 | – | 28 366 | – | 28 366 | 472 401.9% |
| Receivables and prepayments | 1 820 892 | 3 730 691 | 2 340 718 | 4 843 640 | 3 998 041 | 5 434 969 | 3 786 138 | 4 673 709 | 156.4% |
| Cash and cash equivalents | 1 650 363 | 2 125 687 | 1 966 014 | 2 243 770 | 2 325 566 | 3 127 958 | 1 817 854 | 2 466 672 | 128.4% |
| Non-current assets held for sale | 69 476 | 1 589 | 13 500 | 1 496 | 1 496 | 417 | – | – | 4.1% |
| Defined benefit plan assets | 7 684 | 20 812 | – | 26 406 | – | 30 134 | – | 45 360 | 1 597.0% |
| Total assets | 26 315 484 | 31 207 353 | 31 902 008 | 36 953 771 | 38 310 953 | 43 975 941 | 48 309 329 | 47 00 423 | 110.0% |

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

| R thousand | Audited outcome | | Audited outcome | | Audited outcome | | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| | Budget 2013/14 | 2013/14 | Budget 2014/15 | 2014/15 | Budget 2015/16 | 2015/16 | | | |
| Accumulated surplus/(deficit) | 15 485 492 | 16 702 690 | 18 082 399 | 19 380 050 | 20 056 828 | 22 701 537 | 24 237 376 | 25 397 703 | 108.1% |
| Capital and reserves | 2 569 270 | 3 501 237 | 2 045 320 | 3 577 561 | 3 555 741 | 3 606 647 | 3 562 010 | 4 039 800 | 125.5% |
| Capital reserve fund | 200 000 | 93 913 | – | 166 004 | – | 212 677 | – | 70 217 | 271.4% |
| Borrowings | 4 489 249 | 4 270 031 | 6 314 492 | 5 413 882 | 6 646 325 | 7 433 752 | 11 479 697 | 7 771 829 | 86.0% |
| Finance lease | – | 9 635 | – | 853 | 435 | 53 | – | 1 250 | 2 710.6% |
| Accrued interest | 32 381 | 27 406 | 28 631 | 26 836 | 59 730 | 58 865 | 83 141 | 58 249 | 84.0% |
| Deferred income | 181 033 | 788 892 | 1 351 506 | 1 401 360 | 1 643 843 | 1 703 569 | 2 765 809 | 2 125 904 | 101.3% |
| Trade and other payables | 2 758 869 | 4 765 334 | 3 324 784 | 5 815 669 | 5 184 395 | 7 238 069 | 5 282 397 | 6 683 869 | 148.1% |
| Benefits payable | – | – | – | – | 1 231 | – | 1 523 | 1 523 | 55.3% |
| Taxation | – | 17 287 | – | 20 015 | 7 115 | 43 831 | 7 586 | 7 074 | 600.0% |
| Provisions | 434 863 | 965 075 | 688 649 | 1 084 745 | 1 152 156 | 973 774 | 821 732 | 967 422 | 128.9% |
| Managed funds (e.g. poverty alleviation fund) | – | – | – | – | – | – | – | 5 000 | – |
| Derivatives financial instruments | 33 268 | 65 853 | 66 227 | 66 797 | 3 152 | 3 167 | 68 058 | 70 583 | 120.9% |
| Total equity and liabilities | 26 184 425 | 31 207 353 | 31 902 008 | 36 953 772 | 38 310 953 | 43 975 941 | 48 309 329 | 47 200 423 | 110.1% |

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 | | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) |
|--|--------------------------|-------------------------|--------------------------------|----------------------|-------------------|-------------------|-------------------------|--------------------------------|
| R thousand | Revised estimate 2016/17 | | | 2017/18 | 2018/19 | 2019/20 | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 19 097 313 | 8.6% | 100.0% | 21 561 734 | 24 292 732 | 26 417 794 | 11.4% | 100.0% |
| Sale of goods and services other than capital assets | 17 651 709 | 9.4% | 91.7% | 20 115 933 | 22 906 723 | 25 609 764 | 13.2% | 94.2% |
| <i>of which:</i> | | | | | | | | |
| Administrative fees | 44 264 | 43.0% | 0.1% | 45 990 | 47 451 | 48 744 | 3.3% | 0.2% |
| Sales of bulk water | 17 566 508 | 9.3% | 91.5% | 20 032 638 | 22 836 412 | 25 540 160 | 13.3% | 93.9% |
| Other sales | 40 937 | – | 0.1% | 37 305 | 22 860 | 20 860 | -20.1% | 0.1% |
| Other non-tax revenue | 1 445 604 | 0.0% | 8.3% | 1 445 801 | 1 386 009 | 808 029 | -17.6% | 5.8% |
| Total revenue | 19 097 313 | 8.6% | 100.0% | 21 561 734 | 24 292 732 | 26 417 794 | 11.4% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 15 337 308 | 6.4% | 99.6% | 16 920 632 | 18 831 065 | 20 673 618 | 10.5% | 126.9% |
| Compensation of employees | 3 344 295 | 7.8% | 21.4% | 3 541 031 | 3 814 052 | 4 135 718 | 7.3% | 20.6% |
| Goods and services | 10 808 142 | 5.1% | 71.8% | 11 988 998 | 13 436 287 | 14 846 059 | 11.2% | 70.6% |
| Depreciation | 1 060 994 | 16.8% | 5.8% | 1 229 349 | 1 367 346 | 1 473 514 | 11.6% | 7.1% |
| Interest, dividends and rent on land | 123 877 | 9.1% | 0.5% | 161 254 | 213 380 | 218 327 | 20.8% | 1.0% |
| Transfers and subsidies | 106 794 | – | 0.4% | 117 674 | 128 222 | 139 732 | 9.4% | 0.7% |
| Total expenses | 15 444 102 | 6.6% | 100.0% | 17 038 306 | 18 959 287 | 20 813 350 | 10.5% | 100.0% |
| Surplus/(Deficit) | 3 653 211 | – | – | 4 523 429 | 5 333 446 | 5 604 444 | 15.3% | – |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 37 954 475 | 21.0% | 73.6% | 44 162 733 | 49 138 228 | 54 929 914 | 13.1% | 81.9% |
| <i>of which:</i> | | | | | | | | |
| Acquisition of assets | (6 109 454) | 18.0% | -13.3% | (7 142 305) | (7 022 854) | (6 385 891) | 1.5% | -11.9% |
| Investments | 1 729 937 | -21.5% | 7.3% | 1 965 935 | 1 973 549 | 2 259 925 | 9.3% | 3.5% |
| Inventory | 216 755 | -11.2% | 0.6% | 232 291 | 241 875 | 261 017 | 6.4% | 0.4% |
| Loans | 85 149 | 157.5% | 0.1% | 69 119 | 5 086 | 46 018 | -18.5% | 0.1% |
| Accrued investment interest | 28 366 | -11.4% | 0.1% | 28 366 | 28 366 | 28 366 | – | 0.1% |
| Receivables and prepayments | 4 673 709 | 7.8% | 11.8% | 4 901 844 | 4 817 259 | 4 970 535 | 2.1% | 8.6% |
| Cash and cash equivalents | 2 466 672 | 5.1% | 6.3% | 2 618 090 | 2 939 829 | 4 042 081 | 17.9% | 5.3% |
| Defined benefit plan assets | 45 360 | 29.7% | 0.1% | 46 214 | 23 103 | 24 027 | -19.1% | 0.1% |
| Total assets | 47 200 423 | 14.8% | 100.0% | 54 024 593 | 59 167 295 | 66 561 883 | 12.1% | 100.0% |

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

| | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|-------------------|-------------------------|---------------------------------|----------------------|-------------------|-------------------|-------------------------|---------------------------------|
| | | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| R thousand | 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| Accumulated surplus/(deficit) | 25 397 703 | 15.0% | 52.8% | 29 093 255 | 33 073 327 | 39 308 088 | 15.7% | 55.7% |
| Capital and reserves | 4 039 800 | 4.9% | 9.4% | 4 796 418 | 5 095 259 | 6 036 255 | 14.3% | 8.8% |
| Capital reserve fund | 70 217 | -9.2% | 0.3% | 70 217 | 70 217 | 70 217 | - | 0.1% |
| Borrowings | 7 771 829 | 22.1% | 15.4% | 9 643 281 | 10 308 851 | 10 448 704 | 10.4% | 16.9% |
| Finance lease | 1 250 | -49.4% | 0.0% | 525 | - | - | -100.0% | 0.0% |
| Accrued interest | 58 249 | 28.6% | 0.1% | 56 816 | 54 312 | 55 277 | -1.7% | 0.1% |
| Deferred income | 2 125 904 | 39.2% | 3.7% | 2 383 376 | 2 783 438 | 2 938 343 | 11.4% | 4.5% |
| Trade and other payables | 6 683 869 | 11.9% | 15.4% | 6 840 174 | 6 563 941 | 6 377 112 | -1.6% | 11.9% |
| Benefits payable | 1 523 | - | 0.0% | 1 639 | 1 763 | - | -100.0% | 0.0% |
| Taxation | 7 074 | -25.8% | 0.1% | 7 766 | 8 418 | 7 427 | 1.6% | 0.0% |
| Provisions | 967 422 | 0.1% | 2.6% | 1 050 086 | 1 120 852 | 1 227 211 | 8.3% | 1.9% |
| Managed funds (e.g. poverty alleviation fund) | 5 000 | - | 0.0% | 5 000 | 5 000 | 5 000 | - | 0.0% |
| Derivatives financial instruments | 70 583 | 2.3% | 0.1% | 76 039 | 81 917 | 88 249 | 7.7% | 0.1% |
| Total equity and liabilities | 47 200 423 | 14.8% | 100.0% | 54 024 592 | 59 167 295 | 66 561 883 | 12.1% | 100.0% |

Rand Water

Mandate

Rand Water was established in terms of the Water Services Act (1997) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). The core mandate of the entity is to abstract raw water from the Vaal River basin, treat, transport and store it, and ultimately deliver potable water to municipalities and, to a smaller extent, mines and industries around Gauteng. Its operations also extend to areas in Limpopo, North West, Mpumalanga, and northern Free State. Overall, Rand Water serves between 16 million and 19 million people, with 98 per cent of its water abstraction coming from the Vaal River system.

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 | | |
|--|------------------------------|---|-------------------------------|-------------------------------|-------------------------------|-----------|-------------|-----------|-----------|
| | | | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | 2017/18 | 2018/19 |
| Net debt/equity ratio per year | Administration | Outcome 12: An efficient, effective and development-oriented public service | 0.4 | 0.4 | 0.3 | 0.4 | 0.4 | 0.3 | 0.3 |
| Debt service ratio per year | Administration | | 5.7 | 5.3 | 5.2 | 4.7 | 4.2 | 3.0 | 3.0 |
| Cost of debt per year | Administration | | 8% (206 049/ 2 512 551) | 7% (269 049/ 3 674 901) | 9% (405 351/ 4 418 873) | 10% | 9% | 10% | 13% |
| Costs per kilolitre per year | Bulk water | Outcome 6: An efficient, competitive and responsive economic infrastructure network | R4.90 | R5.30 | R5.20 | R6.40 | R7 | R7.60 | R8.20 |
| Avoidable water loss as a percentage of total water produced (non-revenue water) | Bulk water | | 3.4% (4 690/ 132 442) | 3.7% (4 083/ 136 018) | 3.7% (4 4 24/ 136 666) | 3.5% | 3.5% | 3.5% | 3.5% |
| Volume ¹ of water sold | Bulk water | | 1 526 861 | 1 686 057 | 1 709 519 | 1 420 651 | 1 444 176 | 1 472 322 | 1 496 678 |

1. Measured in thousand kilolitres.

Expenditure analysis

Rand Water manages the water infrastructure network and its supply capacity, and connects households in Gauteng, Limpopo, Mpumalanga and Free State to affordable, sufficient and safe water and decent sanitation in line with the NDP's vision of universal access to clean, potable water for all by 2030. The entity contributes to outcomes 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The spending focus for Rand Water over the medium term is on providing bulk water and related activities, which are expected to account for 83.8 per cent of total expenditure.

Spending on providing bulk water is projected to grow from R7.4 billion in 2016/17 to R10.3 billion in 2019/20 because of increases in raw water purchase costs, energy costs, chemical costs and labour costs. Water purchases are expected to increase at an average rate of 13.5 per cent and chemical costs at 17 per cent. This is because of the inclusion of a charge for acid mine drainage, and deteriorating water quality at the Vaal catchment management area as a result of drought and flood conditions. Over the medium, spending on goods and services is projected to grow from R6.7 billion in 2016/17 to R9.3 billion in 2019/20 at an average rate of 11.4 per cent.

Another primary cost driver is the acquisition of capital assets which is necessary to ensure that Rand Water contributes to the objective of universal access to water. The major projects that will be undertaken in the programme during this period will help ensure that Rand Water meets the projected increase in demand from 1.4 billion litres in 2017/18 to 1.5 billion litres in 2019/20. Capital spending on infrastructure is expected to increase from R2.7 billion in 2016/17 to R3.7 billion in 2019/20 because of higher treatment and pumping costs. Rand Water will continue to fund capital expenditure through accumulated profits and cash reserves, after providing for liquidity requirements. As part of its diverse funding strategy, the entity will also continue to raise any additional funds through the debt capital market and other sources in a prudent and sustainable manner.

Rand Water derives its revenue from the sale of bulk water and work done on behalf of municipalities and the Department of Water and Sanitation. Total revenue is expected to grow at an annual rate of 14.7 per cent over the medium term from R10.9 billion in 2016/17 to R16.5 billion in 2019/20, owing to projected tariff increases, from R6.4 per kilolitre in 2016/17 to R8.2 per kilolitre in 2019/20.

To ensure that Rand Water can fulfil its mandate effectively as it embarks on its growth strategy, the number of posts is set to increase from 3 420 in 2016/2017 to 3 512 in 2017/18, 3 606 in 2018/19 and 3 700 by 2019/20. Expenditure on compensation of employees is projected to grow at a rate of 6.3 per cent over the medium term, from R1.8 billion in 2016/17 to R2.2 billion in 2019/20.

Programmes/objectives/activities

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

| R thousand | Audited outcome | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------------|------------------|------------------|------------------|------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 1 294 799 | 1 364 287 | 1 508 337 | 1 385 833 | 2.3% | 15.9% | 1 378 658 | 1 481 815 | 1 573 356 | 4.3% | 13.9% |
| Bulk water | 6 273 313 | 7 043 404 | 7 457 471 | 7 377 635 | 5.6% | 80.6% | 8 312 509 | 9 265 883 | 10 299 052 | 11.8% | 83.8% |
| Secondary activities | 719 326 | 145 013 | 102 844 | 218 610 | -32.8% | 3.5% | 230 054 | 241 672 | 254 208 | 5.2% | 2.3% |
| Total | 8 287 438 | 8 552 704 | 9 068 653 | 8 982 079 | 2.7% | 100.0% | 9 921 221 | 10 989 370 | 12 126 616 | 10.5% | 100.0% |

Statements of historical financial performance and position

Table 36.22 Rand Water statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | | Average: Outcome/ Budget (%) |
|--|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------------|
| | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | | |
| R thousand | 2013/14 | 2013/14 | 2014/15 | 2014/15 | 2015/16 | 2015/16 | 2016/17 | | 2013/14 - 2016/17 | |
| Revenue | | | | | | | | | | |
| Non-tax revenue | 8 732 320 | 9 469 243 | 9 904 649 | 9 990 715 | 11 742 258 | 11 233 611 | 13 713 270 | 10 909 288 | 94.4% | |
| Sale of goods and services other than capital assets | 8 447 805 | 8 664 894 | 9 342 118 | 9 802 542 | 11 248 307 | 10 950 891 | 13 178 210 | 10 711 964 | 95.1% | |
| of which: | | | | | | | | | | |
| Sales of bulk water | 8 447 805 | 8 664 894 | 9 342 118 | 9 802 542 | 11 248 307 | 10 950 891 | 13 178 210 | 10 711 964 | 95.1% | |
| Other non-tax revenue | 284 515 | 804 349 | 562 531 | 188 173 | 493 951 | 282 720 | 535 060 | 197 324 | 78.5% | |
| Total revenue | 8 732 320 | 9 469 243 | 9 904 649 | 9 990 715 | 11 742 258 | 11 233 611 | 13 713 270 | 10 909 288 | 94.4% | |
| Expenses | | | | | | | | | | |
| Current expenses | 7 682 497 | 8 287 438 | 8 679 377 | 8 552 704 | 10 128 101 | 9 068 653 | 11 404 539 | 8 982 079 | 92.1% | |
| Compensation of employees | 1 312 857 | 1 651 209 | 1 535 341 | 1 842 372 | 1 682 106 | 1 720 117 | 1 816 674 | 1 813 063 | 110.7% | |
| Goods and services | 6 080 878 | 6 351 366 | 6 831 731 | 6 387 352 | 7 982 355 | 6 984 797 | 9 030 965 | 6 703 899 | 88.3% | |
| Depreciation | 280 536 | 280 321 | 312 305 | 322 980 | 463 640 | 363 739 | 556 900 | 432 956 | 86.8% | |
| Interest, dividends and rent on land | 8 226 | 4 542 | - | - | - | - | - | 32 161 | 446.2% | |
| Total expenses | 7 682 497 | 8 287 438 | 8 679 377 | 8 552 704 | 10 128 101 | 9 068 653 | 11 404 539 | 8 982 079 | 92.1% | |
| Surplus/(Deficit) | 1 049 823 | 1 181 805 | 1 225 272 | 1 438 011 | 1 614 157 | 2 164 958 | 2 308 731 | 1 927 209 | | |

Table 36.22 Rand Water statements of historical financial performance and position

| Statement of financial position | | 2013/14 | | 2014/15 | | 2015/16 | | 2016/17 | | Average: Outcome/ Budget (%) |
|-------------------------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|--------------------|---------------------|-------------------|---------------------------------------|
| R thousand | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | 2013/14 - 2016/17 | |
| Carrying value of assets | 12 059 090 | 12 313 408 | 15 453 954 | 15 143 001 | 14 835 551 | 18 081 475 | 22 053 110 | 20 727 409 | | 102.9% |
| <i>of which:</i> | | | | | | | | | | |
| Acquisition of assets | (2 594 000) | (2 243 712) | (2 602 250) | (2 579 696) | (2 579 696) | (2 925 628) | (4 163 000) | (2 722 745) | | 87.7% |
| Investments | - | 483 193 | - | 482 264 | 482 264 | 461 650 | 436 197 | 389 784 | | 197.8% |
| Inventory | 60 962 | 244 815 | 63 952 | 122 441 | 122 470 | 129 734 | 284 197 | 137 323 | | 119.3% |
| Loans | - | 4 988 | 5 713 | 4 577 | 4 577 | 5 168 | 4 906 | 5 149 | | 130.8% |
| Receivables and prepayments | 1 006 341 | 1 385 407 | 1 058 310 | 1 764 475 | 1 765 069 | 1 860 917 | 1 438 225 | 1 824 961 | | 129.8% |
| Cash and cash equivalents | 831 464 | 871 514 | 1 017 161 | 1 154 148 | 1 154 149 | 1 470 119 | 484 941 | 1 045 043 | | 130.2% |
| Non-current assets held for sale | - | 1 589 | - | 1 496 | 1 496 | 417 | - | - | | 234.1% |
| Defined benefit plan assets | - | - | - | - | - | - | - | 21 360 | | - |
| Total assets | 13 957 857 | 15 304 914 | 17 599 090 | 18 672 402 | 18 365 575 | 22 009 480 | 24 701 576 | 24 151 029 | | 107.4% |
| Accumulated surplus/(deficit) | 9 445 289 | 9 717 988 | 10 808 962 | 11 144 977 | 11 158 513 | 13 295 097 | 14 318 416 | 15 272 306 | | 108.1% |
| Borrowings | 2 472 876 | 2 510 093 | 4 495 009 | 3 672 432 | 3 675 152 | 4 418 735 | 7 023 606 | 4 815 639 | | 87.3% |
| Deferred income | 78 597 | 200 742 | 108 740 | 491 197 | 170 243 | 475 776 | 238 347 | 503 609 | | 280.5% |
| Trade and other payables | 1 961 095 | 2 470 249 | 2 128 542 | 2 970 144 | 2 970 484 | 3 745 416 | 3 054 866 | 3 458 236 | | 125.0% |
| Taxation | - | 2 458 | - | 2 469 | - | - | - | - | | - |
| Provisions | - | 345 922 | - | 330 321 | 391 183 | 74 456 | - | 30 656 | | 199.7% |
| Derivatives financial instruments | - | 57 462 | 57 837 | 60 862 | - | - | 66 341 | 70 583 | | 152.1% |
| Total equity and liabilities | 13 957 857 | 15 304 914 | 17 599 090 | 18 672 402 | 18 365 575 | 22 009 480 | 24 701 576 | 24 151 029 | | 107.4% |

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 | | Average growth rate (%) | Average: Expen- diture/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expen- diture/ Total (%) | |
|--|---------------------|----------------------------------|---|----------------------|-------------------|-------------------|----------------------------------|---|--|
| R thousand | Revised estimate | 2013/14 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 10 909 288 | 4.8% | 100.0% | 12 655 001 | 14 573 491 | 16 467 842 | 14.7% | 100.0% | |
| Sale of goods and services other than capital assets | 10 711 964 | 7.3% | 96.3% | 12 367 907 | 14 234 423 | 16 072 787 | 14.5% | 97.8% | |
| <i>of which:</i> | | | | | | | | | |
| Sales of bulk water | 10 711 964 | 7.3% | 96.3% | 12 367 907 | 14 234 423 | 16 072 787 | 14.5% | 97.8% | |
| Other non-tax revenue | 197 324 | -37.4% | 3.7% | 287 094 | 339 068 | 395 055 | 26.0% | 2.2% | |
| Total revenue | 10 909 288 | 4.8% | 100.0% | 12 655 001 | 14 573 491 | 16 467 842 | 14.7% | 100.0% | |
| Expenses | | | | | | | | | |
| Current expenses | 8 982 079 | 2.7% | 100.0% | 9 921 221 | 10 989 370 | 12 126 616 | 10.5% | 118.8% | |
| Compensation of employees | 1 813 063 | 3.2% | 20.2% | 1 865 211 | 2 010 697 | 2 175 574 | 6.3% | 18.8% | |
| Goods and services | 6 703 899 | 1.8% | 75.7% | 7 539 075 | 8 379 545 | 9 266 794 | 11.4% | 75.8% | |
| Depreciation | 432 956 | 15.6% | 4.0% | 516 935 | 599 128 | 684 294 | 16.5% | 5.3% | |
| Interest, dividends and rent on land | 32 161 | 92.0% | 0.1% | - | - | - | -100.0% | 0.1% | |
| Total expenses | 8 982 079 | 2.7% | 100.0% | 9 921 221 | 10 989 370 | 12 126 616 | 10.5% | 100.0% | |
| Surplus/(Deficit) | 1 927 209 | | | 2 733 780 | 3 584 121 | 4 341 226 | 31.1% | | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 20 727 409 | 19.0% | 82.4% | 24 656 033 | 28 435 025 | 32 144 706 | 15.8% | 86.2% | |
| <i>of which:</i> | | | | | | | | | |
| Acquisition of assets | (2 722 745) | 6.7% | -13.3% | (3 902 588) | (3 734 500) | (3 709 572) | 10.9% | -11.6% | |
| Investments | 389 784 | -6.9% | 2.4% | 389 784 | 389 784 | 389 784 | - | 1.3% | |
| Inventory | 137 323 | -17.5% | 0.9% | 144 533 | 151 832 | 159 803 | 5.2% | 0.5% | |
| Loans | 5 149 | 1.1% | 0.0% | 5 119 | 5 086 | 5 058 | -0.6% | 0.0% | |
| Receivables and prepayments | 1 824 961 | 9.6% | 8.6% | 2 056 186 | 2 261 463 | 2 469 672 | 10.6% | 7.1% | |
| Cash and cash equivalents | 1 045 043 | 6.2% | 5.7% | 1 102 923 | 1 642 610 | 2 278 438 | 29.7% | 4.8% | |
| Defined benefit plan assets | 21 360 | - | 0.0% | 22 214 | 23 103 | 24 027 | 4.0% | 0.1% | |
| Total assets | 24 151 029 | 16.4% | 100.0% | 28 376 792 | 32 908 903 | 37 471 488 | 15.8% | 100.0% | |
| Accumulated surplus/(deficit) | 15 272 306 | 16.3% | 61.7% | 18 006 086 | 21 590 206 | 25 931 432 | 19.3% | 65.4% | |
| Borrowings | 4 815 639 | 24.3% | 19.0% | 5 913 516 | 6 653 111 | 6 646 244 | 11.3% | 19.7% | |
| Deferred income | 503 609 | 35.9% | 2.0% | 530 048 | 556 816 | 586 049 | 5.2% | 1.8% | |
| Trade and other payables | 3 458 236 | 11.9% | 15.8% | 3 819 222 | 3 993 696 | 4 185 031 | 6.6% | 12.8% | |
| Provisions | 30 656 | -55.4% | 1.1% | 31 882 | 33 157 | 34 483 | 4.0% | 0.1% | |
| Derivatives financial instruments | 70 583 | 7.1% | 0.2% | 76 039 | 81 917 | 88 249 | 7.7% | 0.3% | |
| Total equity and liabilities | 24 151 029 | 16.4% | 100.0% | 28 376 793 | 32 908 903 | 37 471 488 | 15.8% | 100.0% | |

Personnel information

Table 36.24 Rand Water personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ 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 (%) | Average Salary level/Total (%) | |
| | | 2015/16 | | | 2016/17 | | | 2017/18 | | | 2018/19 | | | 2019/20 | | | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | 2016/17 - 2019/20 |
| Rand Water | 3 796 | 3 796 | 3 323 | 1 720.1 | 0.5 | 3 420 | 1 813.1 | 0.5 | 3 512 | 1 865.2 | 0.5 | 3 606 | 2 010.7 | 0.6 | 3 700 | 2 175.6 | 0.6 | 6.3% | 100.0% |
| Salary level | | | | | | | | | | | | | | | | | | | |
| 1 – 6 | 778 | 778 | 757 | 420.6 | 0.6 | 763 | 421.2 | 0.6 | 765 | 387.2 | 0.5 | 769 | 391.7 | 0.5 | 773 | 410.3 | 0.5 | -0.9% | 21.6% |
| 7 – 10 | 2 381 | 2 381 | 2 014 | 780.5 | 0.4 | 2 088 | 826.0 | 0.4 | 2 161 | 863.2 | 0.4 | 2 234 | 957.5 | 0.4 | 2 307 | 1 044.9 | 0.5 | 8.2% | 61.7% |
| 11 – 12 | 473 | 473 | 402 | 306.9 | 0.8 | 416 | 335.9 | 0.8 | 430 | 367.4 | 0.9 | 445 | 399.4 | 0.9 | 459 | 436.7 | 1.0 | 9.1% | 12.3% |
| 13 – 16 | 154 | 154 | 140 | 188.2 | 1.3 | 143 | 204.5 | 1.4 | 146 | 220.4 | 1.5 | 148 | 233.8 | 1.6 | 151 | 253.7 | 1.7 | 7.4% | 4.1% |
| 17 – 22 | 10 | 10 | 10 | 24.0 | 2.4 | 10 | 25.4 | 2.5 | 10 | 26.9 | 2.7 | 10 | 28.2 | 2.8 | 10 | 29.9 | 3.0 | 5.6% | 0.3% |

1. Rand million.

Trans-Caledon Tunnel Authority

Mandate

The Trans-Caledon Tunnel Authority was established in 1986 as a specialised liability management entity, and it derives its mandate from the National Water Act (1998). It is responsible for financing and implementing the development of bulk raw water infrastructure and providing treasury management services to the department and water boards. The authority also plays an important role in providing financial advisory services (structuring and raising project finance, debt management and tariff setting), project implementation services, and other technical support to the department and water boards.

Selected performance indicators

Table 36.25 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|---|---|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Percentage of 14.5 km pipeline completed per year | Mooi-Mgeni transfer scheme | Outcome 6: An efficient, competitive and responsive infrastructure network | 10% | 92% | 100% | - ¹ | - ¹ | - ¹ | - ¹ |
| Percentage of 40km pipeline completed per year | Olifants River water resource development project | | 48% | 85% | 99% | 100% | - ¹ | - ¹ | - ¹ |
| Percentage of 43 km pipeline completed per year | Mokolo Crocodile water augmentation project | | 62% | 99% | 100% | - ¹ | - ¹ | - ¹ | - ¹ |
| Percentage of 160 km pipeline completed per year | Mokolo Crocodile water augmentation project | | - ² | - ² | - ² | - ² | 40% | 20% | 40% |
| Central Basin: Percentage of construction of new plant completed per year | Acid mine drainage | | 95% | 100% | - ¹ | - ¹ | - ¹ | - ¹ | - ¹ |
| Eastern Basin: Percentage of construction of new plant completed per year | Acid mine drainage | | - ² | 36% | 98% | 100% | - ¹ | - ¹ | - ¹ |

1. Projects completed.

2. No historical data available.

Expenditure analysis

The Trans-Caledon Tunnel Authority is a special purpose vehicle responsible for the debt management of water infrastructure projects and risk management, to ensure the efficient and sustainable financing and implementation of national water resources infrastructure projects on behalf of the Department of Water and Sanitation. Over the next decade, the entity will focus on coordinating the strategic integrated project on national water and sanitation infrastructure integrated projects. This is expected to enable the financing, construction and operation of water resources and water services infrastructure. Through this, the authority contributes to the NDP's goal for universal access to affordable, sufficient and safe water and decent sanitation by 2030.

The Vaal River system programme is the major driver of expenditure over the medium term. This programme houses both the completed phase 1 of the Lesotho highlands water project as well as the planning activities for the financing of the second phase of the project. The objective of the project is to increase water delivery from the Polihali Dam in Lesotho to South Africa to secure water for the Vaal River system. Spending in this programme also includes debt for infrastructure to finalise the acid mine drainage short-term solution and allocations to commence the long-term solutions in the same project. The budget for this programme grows from R6.1 billion in 2017/18 to R9.9 billion in 2019/20 over the medium term at an average annual rate of

7.6 per cent. As a result, this programme constitutes 67.6 per cent of the total budget of the entity over the medium term.

The authority will continue to finance debt repayment for all projects nearing completion such as the water transfer scheme of the phase 2 of the Mooi-Mgeni transfer scheme and the pipeline of phase 1 of the Mokolo Crocodile water augmentation project. Other projects in this category include the Berg water project for the City of Cape Town, the Komati Water Scheme, and the Vaal River eastern sub-system water augmentation project. All these projects are allocated a total budget of R8.7 billion over the medium term. Except for the Mokolo Crocodile water augmentation project, which includes a second phase which is planned to start in 2017/18, these projects have negative growth rates over the medium term as they are in close-out phase.

Phase 2 of the Mokolo Crocodile water augmentation project aims to provide additional water in Lephalale in Limpopo. Construction is due to start in 2017/18, and the authority plans to complete 40 per cent of the construction of the pipeline by 2017/18, 60 per cent by 2018/19, and 100 per cent by 2019/20. An amount of R6.4 billion has been earmarked for this project over the medium term, growing at an average rate of 66.1 per cent. The authority will also initiate the Olifants River water resource development project, which has an allocation of R4.4 billion, growing from R292.7 million in 2016/17 to R1.4 billion in 2019/20, at an average annual rate of 69.1 per cent over the medium term.

As a result of construction and administration costs for existing and new projects, spending on goods and services is expected to grow at an average annual rate of 36.9 per cent over the medium term, from R4.2 billion in 2016/17 to R10.8 billion in 2019/20. The entity anticipates its borrowings to grow from R35.4 billion in 2017/18 to R45.8 billion in 2019/20 for both existing and new projects. Despite this, the authority's interest payments are expected to decline from R5.5 billion in 2016/17 to R4.5 billion in 2019/20 at an average annual rate of 6.3 per cent. This is due to the entity having anticipated to auction bonds in 2016/17 which did not materialise, resulting in lower than anticipated interest charges in 2016/17. The entity expects to auction the bonds over the medium term, and the maturity of the two water stock programme bonds in 2017/18 and 2018/19 whose final interest payments and principal amounts will be due.

Programmes/objectives/activities

Table 36.26 Trans-Caledon Tunnel Authority expenditure trends and estimates by programme/objective/activity

| | Audited outcome | | | Revised estimate | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|---|------------------|------------------|------------------|------------------|-------------------------|-------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------|
| | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| R thousand | | | | | | | | | | | |
| Vaal River System | 3 203 713 | 3 121 006 | 5 369 364 | 7 946 368 | 35.4% | 65.1% | 6 116 736 | 6 709 332 | 9 909 098 | 7.6% | 67.6% |
| Berg water project | 97 477 | 92 722 | 83 036 | 59 580 | -15.1% | 1.2% | 62 915 | 41 638 | 34 724 | -16.5% | 0.5% |
| Vaal River eastern subsystem augmentation project | 570 952 | 367 765 | 377 254 | 335 521 | -16.2% | 6.0% | 465 989 | 337 212 | 327 521 | -0.8% | 3.4% |
| Mooi-Mgeni transfer scheme | 600 264 | 567 578 | 471 966 | 402 172 | -12.5% | 7.5% | 262 354 | 162 427 | 151 425 | -27.8% | 2.3% |
| Olifants River water resource development project | 540 619 | 513 652 | 304 276 | 292 750 | -18.5% | 6.2% | 1 635 085 | 1 402 370 | 1 414 399 | 69.1% | 10.6% |
| Komati water scheme augmentation project | 329 054 | 132 617 | 119 621 | 131 266 | -26.4% | 2.6% | 482 251 | 129 476 | 129 187 | -0.5% | 2.1% |
| Mokolo Crocodile water augmentation project | 427 807 | 273 845 | 420 905 | 791 522 | 22.8% | 6.4% | 444 901 | 1 931 996 | 3 629 029 | 66.1% | 13.5% |
| Acid mine drainage | 594 623 | 574 757 | - | - | -100.0% | 4.9% | - | - | - | - | - |
| Other projects-Kriel | - | - | - | - | - | - | 2 478 | 194 | - | - | - |
| Total | 6 364 508 | 5 643 942 | 7 146 421 | 9 959 178 | 16.1% | 100.0% | 9 472 708 | 10 714 645 | 15 595 383 | 16.1% | 100.0% |

Statements of historical financial performance and position

Table 36.27 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 | Average: Outcome/Budget (%) |
| | 2013/14 | | 2014/15 | | 2015/16 | | 2016/17 | | 2013/14 - 2016/17 |
| Revenue | | | | | | | | | |
| Non-tax revenue | 6 665 380 | 5 014 531 | 8 103 771 | 5 453 698 | 4 418 453 | 5 424 475 | 6 529 044 | 7 241 353 | 90.0% |
| Sale of goods and services other than capital assets | 5 105 353 | 2 958 000 | 6 355 729 | 2 547 477 | 4 871 593 | 2 904 438 | 4 699 410 | 4 490 112 | 61.3% |
| of which: | | | | | | | | | |
| Construction Revenue | 5 105 353 | 2 958 000 | 6 355 729 | 2 547 477 | 4 871 593 | 2 904 438 | 4 699 410 | 4 490 112 | 61.3% |
| Other non-tax revenue | 1 560 028 | 2 056 531 | 1 748 042 | 2 906 222 | (453 140) | 2 520 037 | 1 829 634 | 2 751 241 | 218.5% |
| Total revenue | 6 665 380 | 5 014 531 | 8 103 771 | 5 453 698 | 4 418 453 | 5 424 475 | 6 529 044 | 7 241 353 | 90.0% |
| Expenses | | | | | | | | | |
| Current expenses | 7 378 527 | 6 364 508 | 8 750 278 | 5 643 942 | 7 630 253 | 7 146 421 | 7 563 696 | 9 959 178 | 92.9% |
| Compensation of employees | 169 962 | 131 728 | 181 010 | 146 124 | 211 989 | 172 113 | 225 768 | 241 650 | 87.7% |
| Goods and services | 4 926 147 | 2 833 547 | 6 106 703 | 2 392 665 | 4 648 215 | 2 726 249 | 4 461 512 | 4 224 715 | 60.5% |
| Depreciation | 9 243 | 11 802 | 9 844 | 10 187 | 11 389 | 6 077 | 12 129 | 23 747 | 121.6% |
| Interest, dividends and rent on land | 2 273 174 | 3 387 431 | 2 452 721 | 3 094 965 | 2 758 659 | 4 241 982 | 2 864 286 | 5 469 065 | 156.5% |
| Total expenses | 7 378 527 | 6 364 508 | 8 750 278 | 5 643 942 | 7 630 253 | 7 146 421 | 7 563 696 | 9 959 178 | 92.9% |
| Surplus/(Deficit) | (713 147) | (1 349 978) | (646 508) | (190 243) | (3 211 799) | (1 721 945) | (1 034 652) | (2 717 825) | - |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 36 588 | 22 702 | 34 083 | 13 000 | 23 000 | 11 785 | 25 713 | 23 000 | 59.0% |
| of which: | | | | | | | | | |
| Acquisition of assets | - | (19 819) | - | (1 070) | (11 000) | (4 252) | (3 000) | - | 179.6% |
| Investments | 3 486 356 | 3 466 807 | 4 569 119 | 4 011 001 | 11 499 024 | 4 705 096 | 12 041 365 | 9 346 211 | 68.1% |
| Receivables and prepayments | 31 174 194 | 28 196 804 | 32 515 188 | 28 987 811 | 36 127 696 | 25 941 088 | 35 573 475 | 29 489 523 | 83.2% |
| Cash and cash equivalents | - | - | - | - | - | 1 427 | - | - | - |
| Taxation | - | 25 374 | - | 47 538 | - | 40 724 | - | - | - |
| Total assets | 34 697 139 | 31 711 687 | 37 118 390 | 33 059 349 | 47 649 720 | 30 700 120 | 47 640 553 | 38 858 735 | 80.4% |
| Accumulated surplus/(deficit) | 4 761 898 | 2 274 000 | 4 948 027 | 2 084 250 | 8 747 038 | 362 191 | 7 712 386 | (2 596 296) | 8.1% |
| Borrowings | 29 028 115 | 26 953 109 | 31 110 721 | 27 882 042 | 38 129 323 | 28 439 922 | 39 142 339 | 40 849 486 | 90.3% |
| Trade and other payables | 907 126 | 2 009 000 | 1 040 294 | 2 618 000 | 773 358 | 1 451 164 | 785 828 | 605 544 | 190.6% |
| Taxation | - | 87 000 | - | 108 000 | - | 100 755 | - | - | - |
| Provisions | - | 388 458 | - | 367 057 | - | 343 562 | - | - | - |
| Derivatives financial instruments | - | 3 | - | - | - | 2 527 | - | - | - |
| Total equity and liabilities | 34 697 139 | 31 711 570 | 37 099 041 | 33 059 349 | 47 649 720 | 30 700 121 | 47 640 553 | 38 858 735 | 80.4% |

Statements of estimates of financial performance and position

Table 36.28 Trans-Caledon Tunnel Authority statements of estimates of financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|--------------------|-------------------------|---------------|----------------------|-------------------|--------------------|-------------------------|---------------|--------------------------------|
| R thousand | Revised estimate | Average growth rate (%) | | Medium-term estimate | | | Average growth rate (%) | | Average: Expenditure/Total (%) |
| | | 2013/14 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 7 241 353 | 13.0% | 100.0% | 16 281 926 | 10 178 798 | 14 129 145 | 25.0% | 100.0% | |
| Sale of goods and services other than capital assets | 4 490 112 | 14.9% | 55.3% | 5 536 358 | 7 304 939 | 11 089 668 | 35.2% | 61.6% | |
| of which: | | | | | | | | | |
| Construction Revenue | 4 490 112 | 14.9% | 55.3% | 5 536 358 | 7 304 939 | 11 089 668 | 35.2% | 61.6% | |
| Other non-tax revenue | 2 751 241 | 10.2% | 44.7% | 10 745 568 | 2 873 859 | 3 039 477 | 3.4% | 38.4% | |
| Total revenue | 7 241 353 | 13.0% | 100.0% | 16 281 926 | 10 178 798 | 14 129 145 | 25.0% | 100.0% | |
| Expenses | | | | | | | | | |
| Current expenses | 9 959 178 | 16.1% | 100.0% | 9 472 708 | 10 714 646 | 15 595 383 | 16.1% | 165.4% | |
| Compensation of employees | 241 650 | 22.4% | 2.4% | 208 200 | 219 651 | 231 732 | -1.4% | 2.0% | |
| Goods and services | 4 224 715 | 14.2% | 41.9% | 5 308 793 | 7 064 858 | 10 836 383 | 36.9% | 58.5% | |
| Depreciation | 23 747 | 26.2% | 0.2% | 19 365 | 20 430 | 21 554 | -3.2% | 0.2% | |
| Interest, dividends and rent on land | 5 469 065 | 17.3% | 55.6% | 3 936 350 | 3 409 707 | 4 505 715 | -6.3% | 39.3% | |
| Total expenses | 9 959 178 | 16.1% | 100.0% | 9 472 708 | 10 714 646 | 15 595 383 | 16.1% | 100.0% | |
| Surplus/(Deficit) | (2 717 825) | - | - | 6 809 218 | (535 848) | (1 466 238) | -18.6% | - | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 23 000 | 0.4% | 0.1% | 14 150 | 5 071 | 4 456 | -42.1% | 0.0% | |
| Investments | 9 346 211 | 39.2% | 15.6% | 8 012 421 | 4 941 119 | 3 431 598 | -28.4% | 15.0% | |
| Receivables and prepayments | 29 489 523 | 1.5% | 84.2% | 35 564 331 | 39 343 928 | 50 099 887 | 19.3% | 85.0% | |
| Total assets | 38 858 735 | 7.0% | 100.0% | 43 590 902 | 44 290 119 | 53 535 941 | 11.3% | 100.0% | |
| Accumulated surplus/(deficit) | (2 596 296) | -204.5% | 2.0% | 7 944 005 | 7 862 431 | 7 238 420 | -240.7% | 10.7% | |
| Borrowings | 40 849 486 | 14.9% | 91.8% | 35 359 025 | 36 074 857 | 45 828 623 | 3.9% | 88.3% | |
| Trade and other payables | 605 544 | -33.0% | 5.1% | 287 873 | 352 831 | 468 899 | -8.2% | 1.0% | |
| Total equity and liabilities | 38 858 735 | 7.0% | 100.0% | 43 590 902 | 44 290 119 | 53 535 941 | 11.3% | 100.0% | |

Personnel information

Table 36.29 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|---|---|-----------|--|-------|-----------|--------------------------|-------|-----------|----------------------------------|-------|-----------|--------|---------|-----------|---|---|--------|-------|-----------|
| Number of funded posts | Number of posts on approved establishment | Authority | Actual 2015/16 | | | Revised estimate 2016/17 | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Salary level/Total (%) 2016/17 - 2019/20 | | | |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | 2017/18 | | 2018/19 | | 2019/20 | | | | | | |
| | | | | | | | | | Number | Cost | Unit cost | Number | Cost | Unit cost | | | Number | Cost | Unit cost |
| Trans-Caledon Tunnel Authority | 228 | 228 | 149 | 172.1 | 1.2 | 228 | 241.7 | 1.1 | 228 | 208.2 | 0.9 | 228 | 219.7 | 1.0 | 228 | 231.7 | 1.0 | -1.4% | 100.0% |
| Salary level | 228 | 228 | 149 | 172.1 | 1.2 | 228 | 241.7 | 1.1 | 228 | 208.2 | 0.9 | 228 | 219.7 | 1.0 | 228 | 231.7 | 1.0 | -1.4% | 100.0% |
| 1-6 | 9 | 9 | - | - | - | 9 | 0.6 | 0.1 | 9 | 0.7 | 0.1 | 9 | 0.7 | 0.1 | 9 | 0.8 | 0.1 | 7.0% | 3.9% |
| 7-10 | 94 | 94 | 46 | 24.6 | 0.5 | 94 | 49.5 | 0.5 | 94 | 36.1 | 0.4 | 94 | 37.6 | 0.4 | 94 | 39.2 | 0.4 | -7.5% | 41.2% |
| 11-12 | 33 | 33 | 25 | 18.6 | 0.7 | 33 | 22.8 | 0.7 | 33 | 24.4 | 0.7 | 33 | 26.1 | 0.8 | 33 | 28.0 | 0.8 | 7.0% | 14.5% |
| 13-16 | 81 | 81 | 69 | 100.8 | 1.5 | 81 | 137.7 | 1.7 | 81 | 113.8 | 1.4 | 81 | 119.7 | 1.5 | 81 | 125.9 | 1.6 | -3.0% | 35.5% |
| 17-22 | 11 | 11 | 9 | 28.2 | 3.1 | 11 | 31.0 | 2.8 | 11 | 33.2 | 3.0 | 11 | 35.5 | 3.2 | 11 | 38.0 | 3.5 | 7.0% | 4.8% |

1. Rand million.

Umgeni Water

Mandate

Umgeni Water was established in terms of the Water Services Act (1997) to provide water and sanitation services in its service area. It is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). The entity supplies water for the use of approximately 6 million consumers in KwaZulu-Natal. The entity's area of operation is largely rural in nature; however, it supplies the urban conurbation of eThekweni. The key focus of Umgeni Water is rural development.

Selected performance indicators

Table 36.30 Umgeni Water performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current 2016/17 | Projections | | |
|--|------------------------------|---|---------|---------|---------|-----------------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| Net debt to equity ratio per year | Administration | Outcome 12: An efficient, effective and development-oriented public service | -0.077 | -0.1 | - | 0.2 | 0.2 | 0.2 | 0.2 |
| Debt service ratio per year | Administration | | 5.1 | 5.7 | 4.6 | 2.5 | 2.8 | 2.7 | 3.2 |
| Costs per kilolitre (R/kl) per year | Bulk activities | Outcome 6: An efficient, competitive and responsive economic infrastructure network | R3.7 | R2.9 | R3.3 | R4.7 | R4.7 | R5.2 | R5.6 |
| Volume ¹ of water sold per year | Bulk activities | | 439 544 | 446 548 | 435 726 | 414 159 | 449 828 | 459 372 | 469 597 |

1. Measured in thousand kilolitres.

Expenditure analysis

Umgeni Water's strategic functions include the development of infrastructure to increase growth and improve access to water in its service areas and KwaZulu-Natal. This is in keeping with the NDP's vision that all South Africans have access to affordable, sufficient and safe and decent water and sanitation. The entity contributes mainly to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

The entity's focus over the medium term will be on planning, constructing, operating and maintaining regional bulk infrastructure in its service area. In this regard, the entity will take more responsibility for regional water resources infrastructure to achieve greater integration with bulk water and sanitation systems. These activities will see a significant growth of expenditure in bulk water and wastewater treatment services. Expenditure on bulk water activities is expected to grow at an annual rate of 12.1 per cent, from R1 billion in 2016/17 to R1.4 billion in 2019/20. Expenditure on wastewater services is expected to grow from R102.3 million in 2016/17 to R150.4 million in 2019/20 at an average rate of 13.7 per cent.

To support Umgeni Water's rural development drive, R1.1 billion has been set aside for regional bulk infrastructure projects over the medium term driven by increased water sales volumes of 1 per cent as well as increases in the goods and services expenditure by 12.9 per cent from R1.2 billion in 2016/17 to R1.8 billion in 2019/20, related to increased input costs such as electricity and chemicals.

The major projects that the entity will focus on over the medium term include the Mshwati bulk water supply, Greater Mpofana bulk water supply project and phase 1 of the Lower Thukela bulk water supply project. The budget for acquisition of assets declines by 12.7 per cent from R2 billion in 2016/17 to R1.3 billion in 2019/20, as it is expected that most projects will be completed towards the end of the medium term.

The entity derives its income primarily from the sale of bulk water and anticipates increases in the volumes of water sold from 449 828 kilolitres in 2017/18 to 469 597 kilolitres in 2019/20, and tariffs increasing from R4.7 per kilolitre in 2017/18 to R5.6 per kilolitre in 2019/20. Revenue is expected to grow from R2.7 billion in

2016/17 to R3.9 billion in 2019/20 at an average annual rate of 12.8 per cent. The revenue from secondary activities declines by 9.1 per cent over the medium term, because of reduced work related to these activities, and expenditure on secondary activities is projected to decline by 40.5 per cent from R175.4 million in 2016/17 to R37 million in 2019/20.

Programmes/objectives/activities

Table 36.31 Umgeni Water expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|------------------|------------------|------------------|------------------|------------------|-------------------------|---------------------------------|----------------------------------|-------------------|------------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | |
| Administration | 356 022 | 680 088 | 729 985 | 787 259 | 30.3% | 35.5% | 1 044 375 | 1 238 898 | 1 344 631 | 19.5% | 43.1% |
| Bulk activities | 976 446 | 794 252 | 856 495 | 1 026 923 | 1.7% | 51.1% | 1 174 798 | 1 299 308 | 1 447 328 | 12.1% | 48.8% |
| Waste water | 58 563 | 62 157 | 75 308 | 102 270 | 20.4% | 4.1% | 127 438 | 138 002 | 150 392 | 13.7% | 5.1% |
| Other activities | 282 005 | 93 647 | 109 043 | 175 417 | -14.6% | 9.3% | 22 847 | 34 920 | 37 036 | -40.5% | 3.0% |
| Total | 1 673 035 | 1 630 144 | 1 770 831 | 2 091 869 | 7.7% | 100.0% | 2 369 458 | 2 711 128 | 2 979 387 | 12.5% | 100.0% |

Statements of historical financial performance and position

Table 36.32 Umgeni Water statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------------------|
| R thousand | Audited outcome | | Audited outcome | | Audited outcome | | Budget estimate | Revised estimate | Average: Outcome/ Budget (%) |
| | Budget | 2013/14 | Budget | 2014/15 | Budget | 2015/16 | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 2 018 286 | 2 355 464 | 2 282 036 | 2 415 275 | 2 437 751 | 2 552 021 | 2 681 619 | 2 686 670 | 106.3% |
| Sale of goods and services other than capital assets | 1 958 879 | 2 204 140 | 2 231 497 | 2 245 549 | 2 391 133 | 2 377 324 | 2 643 637 | 2 599 939 | 102.2% |
| <i>of which:</i> | | | | | | | | | |
| Sales of bulk water | 1 958 879 | 2 204 140 | 2 231 497 | 2 245 549 | 2 391 133 | 2 377 324 | 2 643 637 | 2 599 939 | 102.2% |
| Other non-tax revenue | 59 407 | 151 324 | 50 539 | 169 726 | 46 618 | 174 697 | 37 982 | 86 731 | 299.4% |
| Total revenue | 2 018 286 | 2 355 464 | 2 282 036 | 2 415 275 | 2 437 751 | 2 552 021 | 2 681 619 | 2 686 670 | 106.3% |
| Expenses | | | | | | | | | |
| Current expenses | 1 626 626 | 1 673 035 | 1 857 654 | 1 572 284 | 1 915 258 | 1 676 117 | 2 128 515 | 1 985 075 | 91.7% |
| Compensation of employees | 355 815 | 331 609 | 463 619 | 426 032 | 437 735 | 473 046 | 483 240 | 496 349 | 99.2% |
| Goods and services | 1 047 315 | 1 190 231 | 1 215 099 | 1 005 379 | 1 271 197 | 1 037 890 | 1 296 191 | 1 237 829 | 92.6% |
| Depreciation | 128 403 | 105 640 | 108 280 | 138 071 | 76 722 | 163 996 | 190 323 | 228 862 | 126.4% |
| Interest, dividends and rent on land | 95 093 | 45 555 | 70 656 | 2 802 | 129 605 | 1 185 | 158 760 | 22 035 | 15.8% |
| Transfers and subsidies | - | - | - | 57 859 | - | 94 714 | - | 106 794 | - |
| Total expenses | 1 626 626 | 1 673 035 | 1 857 654 | 1 630 143 | 1 915 258 | 1 770 831 | 2 128 515 | 2 091 869 | 95.2% |
| Surplus/(Deficit) | 391 660 | 682 429 | 424 382 | 785 132 | 522 493 | 781 190 | 553 104 | 594 801 | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 4 730 735 | 4 010 628 | 4 984 845 | 5 556 187 | 7 200 986 | 7 144 032 | 8 847 699 | 8 892 673 | 99.4% |
| <i>of which:</i> | | | | | | | | | |
| Acquisition of assets | (975 994) | (779 001) | (1 204 236) | (1 693 046) | (2 133 429) | (2 034 316) | (2 311 884) | (1 977 898) | 97.9% |
| Investments | 1 014 305 | 2 257 617 | 1 075 852 | 1 661 593 | 1 003 151 | 1 927 963 | 735 242 | 729 310 | 171.8% |
| Inventory | 9 426 | 11 456 | 9 631 | 12 068 | 12 371 | 14 721 | 12 869 | 17 543 | 125.9% |
| Accrued investment interest | 14 | 40 722 | 14 | 33 751 | - | 28 366 | - | 28 366 | 472 401.9% |
| Receivables and prepayments | 261 396 | 452 410 | 298 458 | 345 048 | 338 018 | 398 776 | 368 556 | 411 249 | 126.9% |
| Cash and cash equivalents | 51 510 | 32 693 | 1 310 | 37 933 | 13 710 | 43 885 | 15 996 | 13 231 | 154.8% |
| Non-current assets held for sale | 14 481 | - | 13 500 | - | - | - | - | - | - |
| Total assets | 6 081 867 | 6 805 526 | 6 383 610 | 7 646 580 | 8 568 236 | 9 557 743 | 9 980 362 | 10 092 372 | 110.0% |
| Accumulated surplus/(deficit) | 3 466 028 | 3 973 337 | 3 894 912 | 4 796 261 | 5 141 183 | 5 540 911 | 5 694 287 | 6 100 239 | 112.2% |
| Capital and reserves | 442 847 | 442 847 | 442 847 | 442 847 | 442 847 | 442 847 | 442 847 | 442 847 | 100.0% |
| Borrowings | 1 383 296 | 1 250 029 | 1 181 530 | 1 171 764 | 1 943 331 | 2 029 388 | 2 724 712 | 1 950 590 | 88.5% |
| Accrued interest | 32 381 | 27 406 | 28 631 | 26 836 | 59 730 | 58 865 | 83 141 | 58 249 | 84.0% |
| Trade and other payables | 418 745 | 602 688 | 289 657 | 606 470 | 389 474 | 776 470 | 394 474 | 769 641 | 184.6% |
| Provisions | 338 570 | 500 828 | 537 643 | 596 467 | 588 519 | 706 110 | 640 901 | 770 806 | 122.3% |
| Derivatives financial instruments | - | 8 391 | 8 390 | 5 935 | 3 152 | 3 152 | - | - | 151.4% |
| Total equity and liabilities | 6 081 867 | 6 805 526 | 6 383 610 | 7 646 580 | 8 568 236 | 9 557 743 | 9 980 362 | 10 092 372 | 110.0% |

Statements of estimates of financial performance and position

Table 36.33 Umgeni Water statements of estimates of financial performance and position

| Statement of financial performance | | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-------------------|-------------------------|---------------------------------|----------------------|-------------------|-------------------|-------------------------|---------------------------------|
| Revised estimate | | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| R thousand | | 2016/17 | | | | | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 2 686 670 | 4.5% | 100.0% | 3 083 600 | 3 451 169 | 3 860 922 | 12.8% | 100.0% |
| Sale of goods and services other than capital assets | 2 599 939 | 5.7% | 94.1% | 3 031 337 | 3 398 595 | 3 795 694 | 13.4% | 98.0% |
| <i>of which:</i> | | | | | | | | |
| Sales of bulk water | 2 599 939 | 5.7% | 94.1% | 3 031 337 | 3 398 595 | 3 795 694 | 13.4% | 98.0% |
| Other non-tax revenue | 86 731 | -16.9% | 5.9% | 52 263 | 52 574 | 65 228 | -9.1% | 2.0% |
| Total revenue | 2 686 670 | 4.5% | 100.0% | 3 083 600 | 3 451 169 | 3 860 922 | 12.8% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 1 985 075 | 5.9% | 96.5% | 2 251 784 | 2 582 906 | 2 839 655 | 12.7% | 138.8% |
| Compensation of employees | 496 349 | 14.4% | 24.1% | 540 143 | 579 778 | 629 116 | 8.2% | 22.3% |
| Goods and services | 1 237 829 | 1.3% | 62.6% | 1 340 080 | 1 555 984 | 1 782 292 | 12.9% | 58.2% |
| Depreciation | 228 862 | 29.4% | 8.7% | 292 765 | 327 329 | 315 209 | 11.3% | 11.5% |
| Interest, dividends and rent on land | 22 035 | -21.5% | 1.0% | 78 796 | 119 815 | 113 038 | 72.5% | 3.1% |
| Transfers and subsidies | 106 794 | - | 3.5% | 117 674 | 128 222 | 139 732 | 9.4% | 4.9% |
| Total expenses | 2 091 869 | 7.7% | 100.0% | 2 369 458 | 2 711 128 | 2 979 387 | 12.5% | 100.0% |
| Surplus/(Deficit) | 594 801 | - | - | 714 142 | 740 041 | 881 535 | 14.0% | - |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 8 892 673 | 30.4% | 73.6% | 9 809 259 | 10 856 731 | 11 624 152 | 9.3% | 88.5% |
| <i>of which:</i> | | | | | | | | |
| Acquisition of assets | (1 977 898) | 36.4% | -18.6% | (1 476 092) | (1 531 908) | (1 317 474) | -12.7% | -13.9% |
| Investments | 729 310 | -31.4% | 20.6% | 807 628 | 789 403 | 816 732 | 3.8% | 6.8% |
| Inventory | 17 543 | 15.3% | 0.2% | 20 525 | 23 667 | 26 986 | 15.4% | 0.2% |
| Accrued investment interest | 28 366 | -11.4% | 0.4% | 28 366 | 28 366 | 28 366 | - | 0.2% |
| Receivables and prepayments | 411 249 | -3.1% | 4.9% | 468 454 | 506 180 | 546 636 | 10.0% | 4.1% |
| Cash and cash equivalents | 13 231 | -26.0% | 0.4% | 15 899 | 19 842 | 26 566 | 26.2% | 0.2% |
| Total assets | 10 092 372 | 14.0% | 100.0% | 11 150 131 | 12 224 189 | 13 069 438 | 9.0% | 100.0% |
| Accumulated surplus/(deficit) | 6 100 239 | 15.4% | 59.9% | 6 729 278 | 7 554 536 | 8 426 189 | 11.4% | 61.8% |
| Capital and reserves | 442 847 | - | 5.3% | 442 847 | 442 847 | 442 847 | - | 3.8% |
| Borrowings | 1 950 590 | 16.0% | 18.6% | 2 320 902 | 2 591 890 | 2 512 668 | 8.8% | 20.1% |
| Accrued interest | 58 249 | 28.6% | 0.5% | 56 816 | 54 312 | 55 277 | -1.7% | 0.5% |
| Trade and other payables | 769 641 | 8.5% | 8.1% | 757 920 | 657 269 | 621 371 | -6.9% | 6.1% |
| Provisions | 770 806 | 15.5% | 7.5% | 842 368 | 923 335 | 1 011 086 | 9.5% | 7.6% |
| Total equity and liabilities | 10 092 372 | 14.0% | 100.0% | 11 150 131 | 12 224 189 | 13 069 438 | 9.0% | 100.0% |

Personnel information

Table 36.34 Umgeni Water personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|---|---|---|--|-------|------------------|--------|-------|----------------------------------|--------|---------|-----------|---------|-------|-------------------------|---------------------------------|-------------------|-----------|-------|--------|
| Number of funded posts | Number of posts on approved establishment | Number of posts on approved establishment | Actual | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | | 2015/16 | | 2016/17 | | | 2017/18 | | 2018/19 | | 2019/20 | | | | 2016/17 - 2019/20 | | | |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | | | | Unit cost | | |
| Umgeni Water | | | | | | | | | | | | | | | | | | | |
| Salary level | 865 | 865 | 1 048 | 473.0 | 0.5 | 865 | 496.3 | 0.6 | 1 146 | 540.1 | 0.5 | 1 146 | 579.8 | 0.5 | 1 156 | 629.1 | 0.5 | 8.2% | 100.0% |
| 1 - 6 | 92 | 92 | 111 | 27.2 | 0.2 | 92 | 45.2 | 0.5 | 177 | 27.2 | 0.2 | 177 | 30.1 | 0.2 | 177 | 33.9 | 0.2 | -9.2% | 14.2% |
| 7 - 10 | 633 | 633 | 722 | 274.4 | 0.4 | 633 | 326.3 | 0.5 | 698 | 256.8 | 0.4 | 698 | 268.9 | 0.4 | 708 | 300.0 | 0.4 | -2.8% | 64.1% |
| 11 - 12 | 108 | 108 | 174 | 122.5 | 0.7 | 108 | 85.6 | 0.8 | 200 | 170.3 | 0.9 | 200 | 185.6 | 0.9 | 200 | 196.1 | 1.0 | 31.8% | 16.2% |
| 13 - 16 | 31 | 31 | 40 | 46.0 | 1.2 | 31 | 36.4 | 1.2 | 68 | 79.6 | 1.2 | 68 | 88.2 | 1.3 | 68 | 89.5 | 1.3 | 35.0% | 5.3% |
| 17 - 22 | 1 | 1 | 1 | 2.9 | 2.9 | 1 | 2.9 | 2.9 | 3 | 6.2 | 2.1 | 3 | 6.9 | 2.3 | 3 | 9.8 | 3.3 | 50.5% | 0.2% |

1. Rand million.

Water Trading Entity

Mandate

The Water Trading Entity was established in 1983 to separate the sale of raw water and related services from appropriated funds in the Department of Water and Sanitation. It was eventually converted to a trading account through the Public Finance Management Act (1999) in 2008. This was done to create an entity that would manage the recovery of usage costs to support the long term sustainability of the country's water resources. The entity is mandated to undertake the construction of new water infrastructure 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. It does this to ensure a sustainable water supply for both domestic and industrial use. The entity is further 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 | Outcome | Past | | | Current | Projections | | |
|--|---|---|-------------------------------------|-------------------------------------|------------------------------|-------------|-------------|----------------|-------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Percentage of actual versus planned billing per year | Administration | Outcome 12: An efficient, effective and development-oriented public service | 100.4% (7 298 824/ 7 266 888) | 100.1% (7 685 935/ 7 680 587) | -1 | -1 | -1 | -1 | -1 |
| Percentage of reduction in outstanding debt over 60 days | Administration | | 36% (4 072 264/ 4 575 577) | 38% (2 555 727/ 4 122 141) | -1 | -1 | -1 | -1 | -1 |
| Reduction in the number of days for the payment and collection outstanding ² | Administration | | -2 | -2 | 150 | 120 | 100 | 100 | 100 |
| Number of water conveyance projects rehabilitated per year | Operations, maintenance and refurbishment of national water resources schemes | Outcome 6: An efficient, competitive and responsive economic infrastructure network | 22 | 12 | 12 | -3 | -3 | -3 | -3 |
| Number of kilometres of conveyance systems rehabilitated per year | Operations, maintenance and refurbishment of national water resources schemes | | -4 | -4 | -4 | 36 km | 40 km | 45 km | 50km |
| Percentage spent on asset refurbishment and betterment against budget | Operations, maintenance and refurbishment of national water resources schemes | | 70% (383 317/ 547 596) | 88% (642 973/ 730 651) | 77% (247 549/ 321 492) | 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 | | -4 | -4 | -4 | 90% | 90% | 90% | 90% |
| Percentage of unscheduled maintenance projects completed per year as a proportion of planned maintenance projects | Operations, maintenance and refurbishment of national water resources schemes | | -4 | -4 | -4 | 10% or less | 10% or less | 10% or less | 10% or less |
| Number of raw water projects completed per year | Water Infrastructure Development | | 1 | 1 | 1 | 1 | 1 | 0 ⁵ | 2 |
| Total number of dam safety rehabilitation projects completed (cumulative) ⁶ | Implementation of dam safety projects | | 35 | 38 | 39 | 40 | 41 | 45 | 49 |
| Number of dam safety rehabilitation projects completed per year to meet dam safety regulations per year | Implementation of dam safety projects | | 0 ⁶ | 3 | 1 | 1 | 1 | 4 | 4 |
| 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 | | 118 | 119 | 98 | 66 | 71 | 71 | 71 |

1. Targets were replaced from 2015/16.

2. Indicator amended to account for the time it takes to collect debt, in line with the entity's annual performance plan.

3. Starting from 2016/17, the indicator was amended to no longer report on total water conveyance projects rehabilitated but on the total kilometres of conveyance water projects.

4. No historical data available.

5. No water resources infrastructure project planned for completion in 2018/19 as all projects in the pipeline are not advanced far enough to be completed according to the project plan.

6. The number of dam safety rehabilitation projects will no longer be reported cumulatively, but per year as from 2015/16.

Expenditure analysis

The Water Trading Entity's objective is to develop new water resources and ensure sufficient water is available to all users as aligned to outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. The development of new infrastructure and the investment in existing infrastructure remains an important area of focus for the entity in line with outcome 6 (an efficient competitive and responsive economic infrastructure network). The entity also plans to improve its licensing and billing systems, and debt collection.

Overall, 52.8 per cent or R16.6 billion of the total budget of the Water Trading Entity within the financing and investment in raw water infrastructure programme is allocated towards making payments to the Trans-Caledon Tunnel Authority for the debt repayment for completed and operational, and new projects constructed on behalf of the entity. The budget for this purpose grows at an average rate of 5 per cent over the medium term.

The entity plans to complete the construction of three raw water projects over the medium term. The first is Mdloti River water development project in 2017/18, which entails the raising of Hazelmere Dam wall to

increase the water supply to Umgeni water for distribution to the KwaZulu-Natal north coast. This project has a budget of R2 billion over the medium term. The second project that the entity plans to complete is the construction of the Groot Letaba River development project to meet the growing demand in the Tzaneen area. This project has a budget allocation of R743.6 million over the period. The third project is phase 2D of the Olifants River development project which is the construction of a bulk distribution system between Steelpoort and Mooihoek with a budget of R1.1 billion over the medium term. The entity plans to complete these three projects in 2019/20.

Other new projects the entity anticipates to undertake over the medium term include phase 2 of the Lesotho Water Highlands project, the long term solution for acid mine drainage, phases 2B and 2C of the Olifants River water resource development project, phase 2A of the Mokolo Crocodile water augmentation and phase 2 of the Mooi-Mgeni transfer scheme. These will be implemented by the Trans-Caledon Tunnel Authority.

The Water Trading Entity will also focus on the operations, maintenance and refurbishment of existing infrastructure. These activities have a budget of R5.1 billion over the medium term, making up 15.8 per cent of the total budget, with a growth rate of 10 per cent. The key infrastructure projects in this spending category will include the rebuilding of the Vlaktefontein canal and the rehabilitation of Boskop, Vaalharts, Ncora, Pongolaspoort, Nzhelele and Lindleyspoort canals. The entity plans to complete 90 per cent of scheduled maintenance on this project each year with a provision for 10 per cent deviation.

The entity will continue to supply raw water to strategic users such as industry, water boards and municipalities. The expenditure related to the operations and maintenance of the infrastructure for the raw water supplied amounts to R5.6 billion over the medium term. Other areas of focus for the entity over the medium term include the dam-safety rehabilitation project which ensures the continued structural and operational safety of dams under the ownership of the Department of Water and Sanitation. Expenditure on this activity is expected to increase from R294.9 million in 2017/18 to R380.4 million in 2019/20, growing at 17.3 per cent annually.

Water resources management activities such as monitoring the eco-status of 71 rivers each year remain an integral part of the Water Trading Entity's work and have been allocated a budget of R552.2 million in 2017/18 and R618.1 million in 2019/20 at an average growth rate of 5.5 per cent over the medium term.

The entity plans to reduce the number of days for the payment and collection of outstanding debt from 150 in 2015/16 to 100 each year over the medium term, as it intensifies efforts to improve the licensing and billing systems. It has also appointed a debt collector to improve debt collection, and plans to litigate against serial defaulters to ensure payment for water services. The results of these measures should bolster the revenues collected by the entity and improves its financial viability. As a result, over the medium term, the revenue from the sale of raw water is expected to grow annually by 9 per cent, from R8.4 billion in 2016/17 to R10.8 billion in 2019/20.

Transfers received from the department accounts for 14.1 per cent of total revenues over the medium term, with a total allocation of R5.1 billion and an average growth rate of 9.9 per cent. This allocation funds the social portion of the national water resources infrastructure, public interest functions in water resources management and supplements the revenues of the entity.

Programmes/objectives/activities

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

| R thousand | Audited outcome | | | Revised estimate 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average Expenditure/ Total (%) 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average Expenditure/ Total (%) 2016/17 - 2019/20 |
|---|------------------|------------------|------------------|-----------------------------|--|---|----------------------------------|-------------------|-------------------|--|---|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 417 625 | 439 998 | 386 533 | 383 333 | -2.8% | 4.8% | 467 667 | 584 583 | 617 320 | 17.2% | 5.0% |
| Implementation of water resources management activities | 439 608 | 389 089 | 383 817 | 525 928 | 6.2% | 5.1% | 552 224 | 585 358 | 618 138 | 5.5% | 5.6% |
| Operations, maintenance and refurbishment of national water resources schemes | 853 429 | 1 380 063 | 1 270 805 | 1 397 886 | 17.9% | 14.3% | 1 537 675 | 1 691 442 | 1 860 586 | 10.0% | 15.8% |
| Financing and investment in raw water infrastructure | 4 630 623 | 5 562 486 | 3 840 313 | 4 991 077 | 2.5% | 55.6% | 5 290 542 | 5 509 307 | 5 780 631 | 5.0% | 52.8% |
| Bulk water supply to strategic users | 951 883 | 1 856 780 | 1 538 096 | 1 660 593 | 20.4% | 17.4% | 1 764 981 | 1 872 538 | 1 977 401 | 6.0% | 17.8% |
| Implementation of dam safety projects | 301 362 | 197 766 | 169 989 | 235 965 | -7.8% | 2.7% | 294 869 | 360 211 | 380 382 | 17.3% | 3.1% |
| Total | 7 594 529 | 9 826 182 | 7 589 553 | 9 194 782 | 6.6% | 100.0% | 9 907 957 | 10 603 440 | 11 234 458 | 6.9% | 100.0% |

Statements of historical financial performance and position

Table 36.37 Water Trading Entity 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 | Average Outcome/ Budget (%) |
| | 2013/14 | 2014/15 | 2014/15 | 2015/16 | 2015/16 | 2016/17 | 2016/17 | 2016/17 | 2013/14 - 2016/17 |
| Revenue | | | | | | | | | |
| Non-tax revenue | 7 618 888 | 8 197 006 | 7 942 513 | 9 919 245 | 9 825 867 | 9 632 121 | 9 350 892 | 8 667 932 | 104.8% |
| Sale of goods and services other than capital assets | 7 562 574 | 7 811 749 | 7 882 820 | 8 965 462 | 9 730 922 | 9 160 463 | 9 246 453 | 8 606 505 | 100.4% |
| of which: | | | | | | | | | |
| Sales by market establishments | 7 562 574 | 7 811 749 | 7 882 820 | 8 965 462 | 9 730 922 | 9 160 463 | 9 246 453 | 8 606 505 | 100.4% |
| of which: | | | | | | | | | |
| Sales of water | 7 083 296 | 6 967 807 | 7 668 680 | 8 098 044 | 8 729 839 | 8 697 371 | 9 002 385 | 8 370 812 | 98.9% |
| Construction Revenue | 467 938 | 827 150 | 202 233 | 853 812 | 988 581 | 449 853 | 230 315 | 221 940 | 124.5% |
| Lease revenue earned | 11 340 | 16 792 | 11 907 | 13 606 | 12 502 | 13 239 | 13 753 | 13 753 | 115.9% |
| Other non-tax revenue | 56 314 | 385 257 | 59 693 | 953 783 | 94 945 | 471 658 | 104 439 | 61 427 | 593.6% |
| Transfers received | 1 865 142 | 2 377 202 | 2 410 661 | 2 399 258 | 1 735 123 | 1 522 038 | 1 709 462 | 1 499 528 | 101.0% |
| Total revenue | 9 484 030 | 10 574 208 | 10 353 174 | 12 318 503 | 11 560 990 | 11 154 159 | 11 060 354 | 10 167 460 | 104.1% |
| Expenses | | | | | | | | | |
| Current expenses | 7 178 479 | 7 594 529 | 7 838 935 | 9 826 182 | 7 954 407 | 7 589 553 | 8 936 263 | 9 194 782 | 107.2% |
| Compensation of employees | 909 426 | 678 206 | 944 351 | 697 301 | 979 345 | 804 740 | 1 000 581 | 908 523 | 80.6% |
| Goods and services | 2 531 265 | 3 781 880 | 2 683 425 | 4 764 301 | 2 699 347 | 4 475 574 | 3 567 626 | 5 763 156 | 163.6% |
| Depreciation | 2 372 022 | 1 797 672 | 2 463 118 | 2 032 094 | 2 554 389 | 1 882 751 | 2 609 780 | 2 071 026 | 77.8% |
| Interest, dividends and rent on land | 1 365 766 | 1 336 771 | 1 748 042 | 2 332 486 | 1 721 326 | 426 488 | 1 758 276 | 452 077 | 69.0% |
| Total expenses | 7 178 479 | 7 594 529 | 7 838 935 | 9 826 182 | 7 954 407 | 7 589 553 | 8 936 263 | 9 194 782 | 107.2% |
| Surplus/(Deficit) | 2 305 551 | 2 979 679 | 2 514 239 | 2 492 321 | 3 606 583 | 3 564 606 | 2 124 091 | 972 678 | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 98 783 580 | 89 442 378 | 103 681 893 | 89 625 122 | 91 920 714 | 92 537 788 | 92 833 484 | 95 275 749 | 94.7% |
| of which: | | | | | | | | | |
| Acquisition of assets | (2 183 145) | (1 497 885) | (2 599 470) | (1 302 490) | (2 610 158) | (2 224 788) | (3 904 287) | (1 950 224) | 61.7% |
| Inventory | 185 282 | 169 184 | 194 361 | 119 958 | 126 916 | 147 984 | 134 277 | 134 277 | 89.2% |
| Receivables and prepayments | 2 478 450 | 3 808 435 | 2 599 894 | 5 663 338 | 4 721 579 | 6 614 650 | 3 777 263 | 5 083 698 | 155.9% |
| Cash and cash equivalents | 1 639 708 | 1 924 895 | 1 720 053 | 1 545 868 | 2 346 559 | 42 948 | 2 482 659 | 138 863 | 44.6% |
| Total assets | 103 087 021 | 95 344 892 | 108 196 202 | 96 954 286 | 99 115 768 | 99 343 370 | 99 227 683 | 100 632 586 | 95.8% |
| Accumulated surplus/(deficit) | 67 390 360 | 66 432 478 | 72 436 894 | 68 413 062 | 69 245 871 | 71 960 394 | 70 313 318 | 71 294 475 | 99.5% |
| Capital and reserves | 300 166 | 268 586 | 314 874 | 345 312 | 330 303 | 362 586 | 347 809 | 326 327 | 100.7% |
| Borrowings | 32 963 832 | 27 220 967 | 34 579 060 | 26 715 336 | 28 631 817 | 25 809 034 | 27 610 667 | 27 873 757 | 86.9% |
| Finance lease | 15 432 | 49 435 | 16 189 | 50 599 | 16 982 | 51 239 | 17 882 | 48 673 | 300.7% |
| Trade and other payables | 637 339 | 1 177 980 | 668 568 | 1 254 246 | 701 328 | 997 477 | 738 498 | 914 354 | 158.2% |
| Provisions | 887 254 | 195 445 | 180 617 | 175 734 | 189 467 | 162 640 | 199 509 | 175 001 | 48.7% |
| Derivatives financial instruments | 892 637.1 | - | - | - | - | - | - | - | - |
| Total equity and liabilities | 103 087 020 | 95 344 891 | 108 196 202 | 96 954 289 | 99 115 768 | 99 343 370 | 99 227 683 | 100 632 586 | 95.8% |

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 | | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) | |
|--|-------------------|-------------------------|---------------------------------|----------------------|--------------------|--------------------|-------------------------|---------------------------------|-------------------|
| Revised estimate | 2013/14 - 2016/17 | | | 2017/18 | 2018/19 | 2019/20 | | | 2016/17 - 2019/20 |
| R thousand | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | | 8 667 932 | 1.9% | 82.4% | 9 694 245 | 10 605 965 | 11 042 717 | 8.4% | 85.9% |
| Sale of goods and services other than capital assets | | 8 606 505 | 3.3% | 78.4% | 9 579 362 | 10 479 594 | 10 903 708 | 8.2% | 85.0% |
| of which: | | | | | | | | | |
| Sales by market establishments | | 8 606 505 | 3.3% | 78.4% | 9 579 362 | 10 479 594 | 10 903 708 | 8.2% | 85.0% |
| of which: | | | | | | | | | |
| Sales of water | | 8 370 812 | 6.3% | 73.0% | 9 431 070 | 10 374 177 | 10 841 015 | 9.0% | 83.7% |
| Construction Revenue | | 221 940 | -35.5% | 5.2% | 133 164 | 88 776 | 44 388 | -41.5% | 1.1% |
| Lease revenue earned | | 13 753 | -6.4% | 0.1% | 15 128 | 16 641 | 18 305 | 10.0% | 0.1% |
| Other non-tax revenue | | 61 427 | -45.8% | 4.1% | 114 883 | 126 371 | 139 009 | 31.3% | 0.9% |
| Transfers received | | 1 499 528 | -14.2% | 17.6% | 1 236 738 | 1 888 854 | 1 991 192 | 9.9% | 14.1% |
| Total revenue | | 10 167 460 | -1.3% | 100.0% | 10 930 983 | 12 494 819 | 13 033 909 | 8.6% | 100.0% |
| Expenses | | | | | | | | | |
| Current expenses | | 9 194 782 | 6.6% | 100.0% | 9 907 957 | 10 603 440 | 11 234 458 | 6.9% | 127.6% |
| Compensation of employees | | 908 523 | 10.2% | 9.1% | 972 120 | 1 039 960 | 1 118 935 | 7.2% | 9.9% |
| Goods and services | | 5 763 156 | 15.1% | 55.01% | 6 256 301 | 6 647 809 | 6 933 377 | 6.4% | 62.6% |
| Depreciation | | 2 071 026 | 4.8% | 22.9% | 2 199 430 | 2 359 235 | 2 508 606 | 6.6% | 22.3% |
| Interest, dividends and rent on land | | 452 077 | 30.3% | 13.0% | 480 106 | 556 435 | 673 540 | 14.2% | 5.3% |
| Total expenses | | 9 194 782 | 6.6% | 100.0% | 9 907 957 | 10 603 440 | 11 234 458 | 6.9% | 100.0% |
| Surplus/(Deficit) | | 972 678 | -31.1% | - | 1 023 026 | 1 891 380 | 1 799 451 | 22.8% | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | | 95 275 749 | 2.1% | 93.5% | 96 784 366 | 100 765 786 | 105 076 045 | 3.3% | 95.4% |
| of which: | | | | | | | | | |
| Acquisition of assets | | (1 950 224) | 9.2% | -1.8% | (1 899 224) | (2 089 147) | (2 298 061) | 5.6% | -2.0% |
| Inventory | | 134 277 | -7.4% | 0.1% | 120 849 | 108 764 | 97 888 | -10.0% | 0.1% |
| Receivables and prepayments | | 5 083 698 | 10.1% | 5.4% | 4 159 864 | 3 369 490 | 3 032 541 | -15.8% | 3.8% |
| Cash and cash equivalents | | 138 863 | -58.4% | 0.9% | 538 863 | 895 806 | 1 384 295 | 115.2% | 0.7% |
| Total assets | | 100 632 586 | 1.8% | 100.0% | 101 603 942 | 105 139 846 | 109 590 769 | 2.9% | 100.0% |
| Accumulated surplus/(deficit) | | 71 294 475 | 2.4% | 70.9% | 69 686 849 | 70 334 124 | 77 720 588 | 2.9% | 69.3% |
| Capital and reserves | | 326 327 | 6.7% | 0.3% | 313 028 | 281 725 | 264 325 | -6.8% | 0.3% |
| Borrowings | | 27 873 757 | 0.8% | 27.4% | 30 667 435 | 33 593 233 | 30 696 474 | 3.3% | 29.5% |
| Finance lease | | 48 673 | -0.5% | 0.1% | 46 754 | 46 259 | 41 633 | -5.1% | 0.0% |
| Trade and other payables | | 914 354 | -8.1% | 1.1% | 701 574 | 666 495 | 633 170 | -11.5% | 0.7% |
| Provisions | | 175 000.6 | -3.6% | 0.2% | 188 300.7 | 218 010.0 | 234 578.8 | 10.3% | 0.2% |
| Total equity and liabilities | | 100 632 586 | 1.8% | 100.0% | 101 603 941 | 105 139 846 | 109 590 769 | 2.9% | 100.0% |

Personnel information

Table 36.39 Water Trading Entity personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | Number | | | | | | |
|---|---|--|-------|-----------|--------------------------|-------|-----------|----------------------------------|-------|---------|-----|---------|--------|-------------------------|---------------------------------|-------------------|-----|------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual 2015/16 | | | Revised estimate 2016/17 | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | 2017/18 | | 2018/19 | | 2019/20 | | | | 2016/17 - 2019/20 | | | |
| Water Trading Entity | | | | | | | | | | | | | | | | | | | |
| Salary level | 4 229 | 4 229 | 3 440 | 804.7 | 0.2 | 3 439 | 908.5 | 0.3 | 3 440 | 972.1 | 0.3 | 3 440 | 1040.0 | 0.3 | 3 440 | 1 118.9 | 0.3 | 7.2% | 100.0% |
| 1 - 6 | 2 557 | 2 557 | 2 052 | 269.4 | 0.1 | 2 052 | 304.4 | 0.1 | 2 052 | 325.7 | 0.2 | 2 052 | 348.5 | 0.2 | 2 052 | 375.0 | 0.2 | 7.2% | 59.7% |
| 7 - 10 | 1 546 | 1 546 | 1 276 | 428.4 | 0.3 | 1 275 | 482.5 | 0.4 | 1 276 | 516.3 | 0.4 | 1 276 | 552.4 | 0.4 | 1 276 | 594.4 | 0.5 | 7.2% | 37.1% |
| 11 - 12 | 120 | 120 | 106 | 100.1 | 0.9 | 106 | 113.6 | 1.1 | 106 | 121.6 | 1.1 | 106 | 129.9 | 1.2 | 106 | 139.7 | 1.3 | 7.1% | 3.1% |
| 13 - 16 | 6 | 6 | 6 | 7.0 | 1.2 | 6 | 7.9 | 1.3 | 6 | 8.5 | 1.4 | 6 | 9.1 | 1.5 | 6 | 9.8 | 1.6 | 7.2% | 0.2% |

1. Rand million

Breede Gouritz Catchment Management Agency

Mandate

The Breede-Gouritz Catchment Management Agency was established in terms of the National Water Act (1998), and is classified as a schedule 3A public entity in terms of the Public Finance Management Act (1999). The agency plays a key role in protecting, using, developing, conserving, managing and controlling water resources in a cooperative manner within the boundaries of the Breede-Gouritz catchment. This requires the agency to play a central and coordinating role with regards to water use, linking national, provincial and local government as well as a host of sector partners and stakeholders, to ensure a more equitable and sustainable sharing of water resources.

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 | | |
|--|------------------------------|--|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of water registrations finalised per year | Water projects | Outcome 10: Protect and enhance our environmental assets and natural resources | 600 | 500 | 800 | 800 | 800 | 800 | 800 |

Expenditure analysis

The Breede-Gouritz Catchment Management Agency contributes to the goals of the NDP by managing, monitoring and protecting water resources in a sustainable way for economic growth. This is 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 finalising 800 water use registrations each year for existing users. This process will formalise water use and improve efficient and equitable water allocation and the accuracy of the water information related to water users, volumes extracted, billing and related information. Currently, the agency receives revenue solely from transfers from the Department of Water and Sanitation. Improving billing and collection will improve the agency's capacity to become less dependent on funding from the fiscus. The agency also plans to finalise the processing of 2 400 water use license applications for new users, over the medium term. These activities are budgeted for in the water projects programme, with spending on licensing activities under this programme projected to grow from R16.6 million in 2016/17 to R44.5 million in 2019/20.

Additional license authorisation functions have been delegated to the agency in terms of the National Water Act (1998), after the incorporation of the former Gouritz Water management area into the operations of the former Breede Water management area. The agency intends to add 19 posts over the medium term to its current 51 posts on the approved establishment to accommodate the incorporation of the Gouritz area and the associated growth in activities. Personnel costs are expected to increase from R22.9 million in 2016/17 to R47.6 million in 2019/20 at an average annual rate of 27.6 per cent. Total revenue over the medium term is expected to grow at an average annual rate of 27.1 per cent from R82.7 million in 2017/18 to R94 million in 2019/20.

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 (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------------|-----------------|---------------|---------------|------------------|-------------------------|---------------------------------|----------------------------------|---------------|---------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| Administration | 14 050 | 12 220 | 19 283 | 22 175 | 16.4% | 50.6% | 33 970 | 35 551 | 38 593 | 20.3% | 42.9% |
| Water projects | 8 508 | 8 982 | 12 943 | 16 563 | 24.9% | 34.8% | 39 134 | 40 956 | 44 460 | 39.0% | 44.5% |
| Public participation | 3 710 | 3 182 | 6 119 | 7 036 | 23.8% | 14.6% | 9 636 | 10 085 | 10 947 | 15.9% | 12.6% |
| Total | 26 268 | 24 384 | 38 345 | 45 774 | 20.3% | 100.0% | 82 740 | 86 592 | 94 000 | 27.1% | 100.0% |

Statements of historical financial performance

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

| Statement of financial performance | | | | | | | | | |
|--------------------------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|-----------------|------------------|-----------------------------|
| R thousand | 2013/14 | | 2014/15 | | 2015/16 | | 2016/17 | | Average: Outcome/Budget (%) |
| | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 300 | 364 | 241 | 279 | 250 | 1 410 | 250 | 500 | 245.2% |
| Other non-tax revenue | 300 | 364 | 241 | 279 | 250 | 1 410 | 250 | 500 | 245.2% |
| Transfers received | 23 625 | 23 625 | 24 623 | 40 787 | 47 138 | 23 366 | 50 725 | 45 274 | 91.1% |
| Total revenue | 23 925 | 23 989 | 24 864 | 41 066 | 47 388 | 24 776 | 50 975 | 45 774 | 92.2% |
| Expenses | | | | | | | | | |
| Current expenses | 22 516 | 26 268 | 24 864 | 24 384 | 47 388 | 38 345 | 50 975 | 45 774 | 92.5% |
| Compensation of employees | 11 883 | 13 142 | 12 942 | 14 485 | 20 618 | 20 364 | 21 965 | 22 893 | 105.2% |
| Goods and services | 8 644 | 12 470 | 11 054 | 9 398 | 25 916 | 17 346 | 28 106 | 21 981 | 83.0% |
| Depreciation | 1 391 | 656 | 868 | 501 | 854 | 635 | 904 | 900 | 67.0% |
| Interest, dividends and rent on land | 598 | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 409 | - | - | - | - | - | - | - | - |
| Total expenses | 23 925 | 26 268 | 24 864 | 24 384 | 47 388 | 38 345 | 50 975 | 45 774 | 91.6% |
| Surplus/(Deficit) | - | (2 279) | - | 16 682 | - | (13 569) | - | - | - |

Statements of estimates of financial performance

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

| Statement of financial performance | | | | | | | | | |
|------------------------------------|------------------|-------------------------|--------------------------------|----------------------|-------------------|---------------|-------------------------|--------------------------------|---------|
| R thousand | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) | |
| | | | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | | 2018/19 |
| Revenue | | | | | | | | | |
| Non-tax revenue | 500 | 11.2% | 2.2% | 500 | 500 | 500 | - | 0.7% | |
| Other non-tax revenue | 500 | 11.2% | 2.2% | 500 | 500 | 500 | - | 0.7% | |
| Transfers received | 45 274 | 24.2% | 97.8% | 82 240 | 86 092 | 93 500 | 27.3% | 99.3% | |
| Total revenue | 45 774 | 24.0% | 100.0% | 82 740 | 86 592 | 94 000 | 27.1% | 100.0% | |
| Expenses | | | | | | | | | |
| Current expenses | 45 774 | 20.3% | 100.0% | 82 740 | 86 592 | 94 000 | 27.1% | 239.6% | |
| Compensation of employees | 22 893 | 20.3% | 53.1% | 41 874 | 43 823 | 47 573 | 27.6% | 50.5% | |
| Goods and services | 21 981 | 20.8% | 44.8% | 39 732 | 41 582 | 45 139 | 27.1% | 48.0% | |
| Depreciation | 900 | 11.1% | 2.0% | 1 134 | 1 187 | 1 289 | 12.7% | 1.5% | |
| Total expenses | 45 774 | 20.3% | 100.0% | 82 740 | 86 592 | 94 000 | 27.1% | 100.0% | |
| Surplus/(Deficit) | - | (1) | | - | - | - | - | - | |

Personnel information

Table 36.44 Breede-Gouritz Catchment Management Agency personnel numbers and cost by salary level

| Breede-Gouritz Catchment Management Agency | Number of posts estimated for 31 March 2017 | | Number and cost ¹ 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 (%) | Average: Salary level/Total (%) | | | |
| | | | 2015/16 | | | 2016/17 | | | 2017/18 | | 2018/19 | | 2019/20 | | | | | | |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | Number | Cost | Unit cost |
| Salary level | 51 | 51 | 47 | 20.4 | 0.4 | 51 | 22.9 | 0.4 | 70 | 41.9 | 0.6 | 70 | 43.8 | 0.6 | 70 | 47.6 | 0.7 | 27.6% | 100.0% |
| 7 - 10 | 39 | 39 | 37 | 11.7 | 0.3 | 39 | 12.5 | 0.3 | 50 | 25.2 | 0.5 | 50 | 26.3 | 0.5 | 50 | 28.6 | 0.6 | 31.7% | 72.7% |
| 11 - 12 | 10 | 10 | 8 | 6.5 | 0.8 | 10 | 8.2 | 0.8 | 18 | 14.5 | 0.8 | 18 | 15.2 | 0.8 | 18 | 16.5 | 0.9 | 26.3% | 24.2% |
| 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 | 2.5 | 1.2 | 4.3% | 3.1% |

1. Rand million.

Inkomati-Usuthu Catchment Management Agency

Mandate

The Inkomati-Usuthu Catchment Management Agency was established in 2004 in terms of the National Water Act (1998) and is classified as a schedule 3A public entity. In 2014, the Inkomati and Usuthu water management areas were amalgamated and the agency's boundary and area of operation on the Inkomati Catchment Agency was extended 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 also aims to ensure that water is used and managed to support equitable and sustainable socioeconomic transformation and development. Its core mandate therefore is 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 | | |
|---|---|--|----------------|----------------|---------|---------|-------------|---------|----------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of water quality-related authorisations issued per year | Ensure effective, efficient and sustainable management of water resources | Outcome 7: Comprehensive rural development and land reform | 8 | 8 | 10 | 10 | 10 | 10 | 10 |
| Percentage of water users effectively validated per year for Usuthu and Inkomati catchments | Ensure collaborative and coordinated integrated water resources management for wise socioeconomic development | Outcome 10: Protect and enhance our environmental assets and natural resources | - ¹ | - ¹ | 0% | 100% | 50% | 100% | - ¹ |

¹. Project commenced in 2015/16 and will be concluded in 2016/17 for the Inkomati segment of the entity. The verification process for the Usuthu segment of the entity will commence in 2017/18 and conclude in 2018/19.

Expenditure analysis

The NDP advocates for water resources to be managed, monitored and protected in a sustainable way, while allowing for economic growth. The Inkomati-Usuthu Catchment Management Agency contributes to this call through outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. The agency's focus over the medium term will continue to be on integrated water resource management, improving information management, and monitoring and improving water quality.

The entity will process 30 water use license applications, over the MTEF period, with recommendations sent to the department for approval. It will also verify and validate the status of existing water users to ensure that water is used lawfully as this informs water-use allocation plans. It is projected that all 2 972 water users will be verified and validated by 2016/17 for the Inkomati portion of the entity while 1 600 water user will be processed for the Usuthu segment of the agency. This will improve water management information, metering and billing.

Other activities, over the medium term, include water quality monitoring and other water resource management activities such as the development and implementation of the remediation of pollution project to clean up the water resources management areas affected by pollution. This project is expected to cost R8 million over the period. The programme has an allocation of R73.6 million over the medium-term at an average growth rate of 7.8 per cent. The goods and services budget for the agency is expected to grow at a rate of 19.7 per cent from R31.9 million in 2016/17 to R54.8 million in 2019/20, largely because of the growing costs in laboratory contracts that are used in the water quality management.

Administration is the main driver of expenditure over the medium term, due to the merger of the Inkomati and Usuthu water management areas into a single Catchment Management Agency in line with the department's institutional reform process. Expenditure for this programme increases from R34.3 million in 2016/17 to R51.6 million in 2019/20 at an average growth rate 14.6 per cent over the medium term. The activities of this programme will contribute significantly to the growth in the total expenditure of the entity over the medium term from R79.6 million in 2016/17 to R122.1 million in 2019/20, resulting in an annual growth rate of 15.3 per cent. The agency has 104 posts on the approved establishment, 82 of which are currently filled. The 22 vacant posts will be filled in the period ahead as part of the institutional reform process. The budget for compensation of employees over the medium term is projected to grow at an average annual rate of 12.2 per cent.

The agency receives transfers of R173.2 million from the Department of Water and Sanitation, which are expected to grow at a rate of 18.1 per cent over the medium term. The agency also generates administration fees through the collection of water resource management charges amounting to R170.7 million and growing at 12.9 per cent, because of additional water resource management functions related to licensing authorisations.

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 (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|-----------------|---------------|---------------|------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| Administration | 21 265 | 22 127 | 29 520 | 34 284 | 17.3% | 45.5% | 45 609 | 45 881 | 51 570 | 14.6% | 42.0% |
| Ensure the effective, efficient and sustainable management of water resources | 9 413 | 10 575 | 14 090 | 20 730 | 30.1% | 22.7% | 23 078 | 24 507 | 25 995 | 7.8% | 22.6% |
| Ensure collaborative and coordinated integrated water resources management for wise socioeconomic development | 3 895 | 4 462 | 7 854 | 8 689 | 30.7% | 10.2% | 18 745 | 18 238 | 19 207 | 30.3% | 15.0% |
| Promote and pursue an international developmental agenda | 3 877 | 6 626 | 6 060 | 6 669 | 19.8% | 10.0% | 11 691 | 13 241 | 13 982 | 28.0% | 10.6% |
| Promote knowledge generation and distribution | 5 015 | 5 668 | 7 820 | 9 242 | 22.6% | 11.6% | 10 039 | 10 735 | 11 377 | 7.2% | 9.9% |
| Total | 43 465 | 49 458 | 65 344 | 79 614 | 22.4% | 100.0% | 109 162 | 112 602 | 122 131 | 15.3% | 100.0% |

Statements of historical financial performance

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

| Statement of financial performance | | | | | | | | | |
|--|---------------|-----------------|---------------|-----------------|---------------|-----------------|-----------------|------------------|------------------------------|
| R thousand | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/ Budget (%) |
| | 2013/14 | 2014/15 | 2014/15 | 2015/16 | 2016/17 | 2016/17 | 2016/17 | 2016/17 | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 20 388 | 13 691 | 23 974 | 23 058 | 29 715 | 31 309 | 43 203 | 43 203 | 94.9% |
| Sale of goods and services other than capital assets | 20 388 | 8 956 | 22 265 | 22 265 | 29 715 | 29 715 | 43 203 | 43 203 | 90.1% |
| <i>of which:</i> | | | | | | | | | |
| Administrative fees | 20 388 | 8 956 | 22 265 | 22 265 | 29 715 | 29 715 | 43 203 | 43 203 | 90.1% |
| Other non-tax revenue | - | 4 735 | 1 709 | 793 | - | 1 594 | - | - | 416.7% |
| Transfers received | 28 214 | 23 318 | 30 910 | 31 852 | 47 068 | 35 621 | 36 411 | 36 411 | 89.2% |
| Total revenue | 48 602 | 37 009 | 54 884 | 54 910 | 76 783 | 66 930 | 79 614 | 79 614 | 91.8% |
| Expenses | | | | | | | | | |
| Current expenses | 48 602 | 43 465 | 54 884 | 49 458 | 76 783 | 65 344 | 79 614 | 79 614 | 91.5% |
| Compensation of employees | 26 580 | 25 585 | 30 448 | 27 751 | 45 033 | 36 125 | 47 683 | 47 683 | 91.6% |
| Goods and services | 21 953 | 16 885 | 24 436 | 20 375 | 31 750 | 29 219 | 31 931 | 31 931 | 89.4% |
| Depreciation | - | 995 | - | 1 332 | - | - | - | - | - |
| Interest, dividends and rent on land | 69 | - | - | - | - | - | - | - | - |
| Total expenses | 48 602 | 43 465 | 54 884 | 49 458 | 76 783 | 65 344 | 79 614 | 79 614 | 91.5% |
| Surplus/(Deficit) | - | (6 456) | - | 5 452 | - | 1 586 | - | - | |

Statements of estimates of financial performance

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

| Statement of financial performance | | | | | | | | |
|--|------------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|
| R thousand | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
| | 2016/17 | 2013/14 - 2016/17 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | 2016/17 - 2019/20 |
| Revenue | | | | | | | | |
| Non-tax revenue | 43 203 | 46.7% | 45.0% | 54 042 | 54 444 | 62 229 | 12.9% | 50.8% |
| Sale of goods and services other than capital assets | 43 203 | 69.0% | 40.9% | 54 042 | 54 444 | 62 229 | 12.9% | 50.8% |
| <i>of which:</i> | | | | | | | | |
| Administrative fees | 43 203 | 69.0% | 40.9% | 54 042 | 54 444 | 62 229 | 12.9% | 50.8% |
| Transfers received | 36 411 | 16.0% | 55.0% | 55 120 | 58 158 | 59 902 | 18.1% | 49.2% |
| Total revenue | 79 614 | 29.1% | 100.0% | 109 162 | 112 602 | 122 131 | 15.3% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 79 614 | 22.4% | 100.0% | 109 162 | 112 602 | 122 132 | 15.3% | 179.5% |
| Compensation of employees | 47 683 | 23.1% | 57.5% | 59 573 | 63 387 | 67 377 | 12.2% | 56.5% |
| Goods and services | 31 931 | 23.7% | 41.2% | 49 589 | 49 215 | 54 755 | 19.7% | 43.5% |
| Total expenses | 79 614 | 22.4% | 100.0% | 109 162 | 112 602 | 122 132 | 15.3% | 100.0% |
| Surplus/(Deficit) | - | (1) | - | - | - | (1) | - | |

Personnel information

Table 36.49 Inkomati-Usuthu Catchment Management Agency personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|---|---|-----|--|-----------|------------------|-----------|--------|----------------------------------|--------|-----------|--------|-----------|--------|-------------------------|--------------------------------|-------------------|-----|-------|--------|
| Number of funded posts | Number of posts on approved establishment | 104 | Actual | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/Total (%) | | | | |
| | | | 2015/16 | | 2016/17 | | | 2017/18 | | 2018/19 | | 2019/20 | | | | 2016/17 - 2019/20 | | | |
| | | | Number | Unit cost | Number | Unit cost | Number | Unit cost | Number | Unit cost | Number | Unit cost | Number | Unit cost | | | | | |
| Inkomati-Usuthu Catchment Management Agency | | | 82 | 36.1 | 0.4 | 82 | 47.7 | 0.6 | 104 | 59.6 | 0.6 | 104 | 63.4 | 0.6 | 104 | 67.4 | 0.6 | 12.2% | 100.0% |
| 1 – 6 | 12 | 12 | 11 | 0.7 | 0.1 | 11 | 0.9 | 0.1 | 12 | 1.0 | 0.1 | 12 | 1.0 | 0.1 | 12 | 1.0 | 0.1 | 2.6% | 12.0% |
| 7 – 10 | 36 | 36 | 30 | 9.8 | 0.3 | 30 | 11.8 | 0.4 | 36 | 14.6 | 0.4 | 36 | 15.7 | 0.4 | 36 | 16.9 | 0.5 | 12.8% | 35.1% |
| 11 – 12 | 44 | 44 | 31 | 17.1 | 0.6 | 31 | 21.0 | 0.7 | 44 | 28.7 | 0.7 | 44 | 30.4 | 0.7 | 44 | 32.2 | 0.7 | 15.2% | 41.2% |
| 13 – 16 | 12 | 12 | 10 | 8.5 | 0.9 | 10 | 14.0 | 1.4 | 12 | 15.3 | 1.3 | 12 | 16.4 | 1.4 | 12 | 17.4 | 1.4 | 7.5% | 11.7% |

1. Rand million.

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 in the water sector 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 | | | |
|---|------------------------------|--|------------------------------|------------------------------|----------------|-----------------|-------------------|---------------------|---------------------|
| | | | 2013/14 | 2014/15 | | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Number of research projects managed per year | Research and development | Outcome 10: Protect and enhance our environmental assets and natural resources | 345 | 350 | - ¹ | - ¹ | - ¹ | - ¹ | - ¹ |
| Number of research projects completed per year | Research and development | | - ¹ | - ¹ | 85 | 85 | 85 | 85 | 85 |
| Research ratio (measured as research funding and support as a percentage of total income) per year | Research and development | | 74% (150 355/ 203 604) | 68% (176 457/ 280 064) | - ² | - ² | - ² | - ² | - ² |
| Total amount of leverage income per year | Research and development | | - ² | R21m | R61m | R29.4m | R74m ³ | R80.6m ³ | R85.1m ³ |
| Minimum number of students financially and technically supported (including previously disadvantaged students) per year | Research and development | | 494 | 484 | 500 | 500 | 500 | 500 | 500 |
| Number of projects initiated per year with previously disadvantaged institutions as participating organisations in Water Research Commission projects | Research and development | 60 | 60 | 18 | 10 | 10 ⁴ | 10 ⁴ | 10 ⁴ | |

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

2. This indicator has been replaced with a new indicator from 2014/15, measuring the total leverage income per year.

3. Targets over the medium term have increased due to actual contracts in place previously being used in projections. New projections include anticipated contracts.

4. Number of projects initiated declines due to the decrease in project levy income.

Expenditure analysis

The role of the Water Research Commission is to respond to water supply and sanitation challenges through innovations, research and development. The commission will continue funding water and sanitation research projects to address challenges such as high water losses, inefficient water use, water conservation and water demand management, water resource management, and inefficient pricing. The commission plans to commission 85 research projects in each year of the medium term.

The commission derives its income from the water research levy and from 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 to ensure the practicality and applicability of the research outcomes in the water sector. Over the medium term, revenue is expected to increase from R304.6 million in 2017/18 to R342.9 million in 2019/20 at an average growth rate of 3.4 per cent.

The research and development programme forms 58.6 per cent of the total budget of the commission over the MTEF period, at an annual growth rate of 4.3 per cent, from R183.7 million in 2016/17 to R208.6 million in 2019/20. Expenditure is comprised mainly of goods and services, which forms 76 per cent of the total budget over the medium term, and is expected to grow at an average annual rate of 2.6 per cent from R231.3 million in 2017/18 to R258.2 million in 2019/20.

The compensation of employees' budget forms 21.3 per cent of total expenditure, which grows at an average rate of 5.8 per cent from R64.8 million in 2017/18 to R75 million in 2019/20. The commission's activities require extensive travel and the appointment of employees that are crucial to certain research projects. Currently, the commission has 78 funded and filled posts and plans no changes over the MTEF period.

Programmes/objectives/activities

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

| R thousand | Audited outcome | | | Revised estimate | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | Average Expenditure/ Total (%) |
|--------------------------|-----------------|----------------|----------------|------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 47 996 | 54 325 | 63 553 | 103 545 | 29.2% | 25.8% | 99 168 | 106 829 | 112 446 | 2.8% | 32.9% |
| Research and development | 147 001 | 171 614 | 193 440 | 183 724 | 7.7% | 68.7% | 170 940 | 189 178 | 208 648 | 4.3% | 58.6% |
| Innovation and impact | 9 718 | 12 400 | 12 977 | 23 225 | 33.7% | 5.6% | 34 523 | 28 279 | 21 839 | -2.0% | 8.5% |
| Total | 204 715 | 238 339 | 269 970 | 310 493 | 14.9% | 100.0% | 304 631 | 324 286 | 342 933 | 3.4% | 100.0% |

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 | Budget | | Audited outcome | | Budget | | Audited outcome | | Average Outcome/ Budget (%) |
| | 2013/14 | 2014/15 | 2014/15 | 2015/16 | 2015/16 | 2016/17 | 2016/17 | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 194 670 | 203 604 | 207 220 | 260 064 | 279 057 | 272 422 | 293 315 | 310 493 | 107.4% |
| Sale of goods and services other than capital assets | 189 060 | 198 476 | 201 498 | 252 634 | 271 689 | 261 798 | 285 490 | 302 291 | 107.1% |
| <i>of which:</i> | | | | | | | | | |
| Sales by market establishment | 189 060 | 198 476 | 201 498 | 252 634 | 271 689 | 261 798 | 285 490 | 282 294 | 105.0% |
| Water research levies | 168 518 | 169 580 | 177 724 | 198 719 | 201 438 | 200 031 | 213 121 | 209 422 | 102.2% |
| Leverage Income | 19 590 | 27 963 | 22 827 | 52 391 | 67 512 | 60 965 | 71 698 | 71 698 | 117.3% |
| Other sales | - | - | - | - | - | - | - | 19 997 | - |
| Other non-tax revenue | 5 610 | 5 128 | 5 722 | 7 430 | 7 368 | 10 624 | 7 825 | 8 202 | 118.3% |
| Total revenue | 194 670 | 203 604 | 207 220 | 260 064 | 279 057 | 272 422 | 293 315 | 310 493 | 107.4% |
| Expenses | | | | | | | | | |
| Current expenses | 194 670 | 204 715 | 207 220 | 238 339 | 279 057 | 269 970 | 290 265 | 310 493 | 105.4% |
| Compensation of employees | 37 486 | 38 828 | 39 916 | 42 066 | 51 682 | 49 723 | 58 371 | 63 279 | 103.4% |
| Goods and services | 156 047 | 165 475 | 166 177 | 194 152 | 223 074 | 218 065 | 224 390 | 239 387 | 106.2% |
| Depreciation | 940 | - | 920 | 1 481 | - | 1 765 | - | - | 174.5% |
| Interest, dividends and rent on land | 197 | 412 | 207 | 640 | 4 301 | 417 | 7 504 | 7 827 | 76.1% |
| Total expenses | 194 670 | 204 715 | 207 220 | 238 339 | 279 057 | 269 970 | 290 265 | 310 493 | 105.4% |
| Surplus/(Deficit) | - | (1 111) | - | 21 725 | - | 2 452 | 3 050 | - | - |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 12 834 | 6 387 | 15 806 | 7 412 | 9 664 | 6 261 | 12 178 | 23 292 | 85.9% |
| <i>of which:</i> | | | | | | | | | |
| Acquisition of assets | (574) | (450) | (592) | (2 648) | (2 024) | (426) | (2 514) | (17 031) | 360.4% |
| Investments | 6 900 | 11 587 | 10 500 | 12 749 | 13 500 | 14 126 | 14 337 | - | 85.0% |
| Receivables and prepayments | 34 300 | 29 333 | 35 300 | 43 521 | 45 673 | 41 707 | 48 505 | 44 126 | 96.9% |
| Cash and cash equivalents | 73 734 | 144 869 | 75 016 | 173 942 | 163 155 | 217 064 | 166 367 | 225 756 | 159.2% |
| Taxation | - | 1 380 | - | 135 | - | 19 | - | - | - |
| Total assets | 127 768 | 193 556 | 136 622 | 237 759 | 231 992 | 279 177 | 241 386 | 293 174 | 136.0% |
| Accumulated surplus/(deficit) | 66 337 | 73 985 | 78 705 | 96 241 | 93 531 | 98 694 | 93 531 | 100 435 | 111.2% |
| Capital and reserves | 24 831 | - | 8 300 | - | - | - | - | - | - |
| Finance lease | 800 | 687 | 1 200 | 269 | - | 179 | - | - | 56.8% |
| Trade and other payables | 33 000 | 111 276 | 41 017 | 133 098 | 128 957 | 175 342 | 136 953 | 185 512 | 178.0% |
| Provisions | 2 800 | 7 608 | 7 400 | 8 151 | 9 504 | 4 962 | 10 903 | 7 227 | 91.3% |
| Total equity and liabilities | 127 768 | 193 556 | 136 622 | 237 759 | 231 992 | 279 177 | 241 386 | 293 174 | 136.0% |

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 | | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) |
|--|--|------------------|-------------------------|--------------------------------|----------------------|-------------------|---------|-------------------------|--------------------------------|
| | | | | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | |
| R thousand | | | | | | | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | | | | | | | | | |
| Sale of goods and services other than capital assets | | | | | | | | | |
| of which: | | | | | | | | | |
| Sales by market establishment | | | | | | | | | |
| Water research levies | | | | | | | | | |
| Leverage Income | | | | | | | | | |
| Other sales | | | | | | | | | |
| Other non-tax revenue | | | | | | | | | |
| Total revenue | | | | | | | | | |
| Expenses | | | | | | | | | |
| Current expenses | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Goods and services | | | | | | | | | |
| Interest, dividends and rent on land | | | | | | | | | |
| Total expenses | | | | | | | | | |
| Surplus/(Deficit) | | | | | | | | | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | | | | | | | | | |
| of which: | | | | | | | | | |
| Acquisition of assets | | | | | | | | | |
| Receivables and prepayments | | | | | | | | | |
| Cash and cash equivalents | | | | | | | | | |
| Total assets | | | | | | | | | |
| Accumulated surplus/(deficit) | | | | | | | | | |
| Trade and other payables | | | | | | | | | |
| Provisions | | | | | | | | | |
| Total equity and liabilities | | | | | | | | | |

Personnel information

Table 36.54 Water Research Commission personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|---|---|--|-----------|---------|------------------|-----------|---------|----------------------------------|-----------|--------|---------|-----------|-------------------|-------------------------|---------------------------------|-----|------|--------|
| | | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | |
| Number of funded posts | Number of posts on approved establishment | 2015/16 | | 2016/17 | | | 2017/18 | | 2018/19 | | 2019/20 | | 2016/17 - 2019/20 | | | | | |
| | | Number | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Unit cost | | | | |
| Water Research Commission | | | | | | | | | | | | | | | | | | |
| Salary level | 78 | 69 | 49.7 | 0.7 | 78 | 63.3 | 0.8 | 73 | 64.8 | 0.9 | 73 | 69.9 | 1.0 | 73 | 75.0 | 1.0 | 5.8% | 100.0% |
| 1 - 6 | 7 | 4 | 1.0 | 0.3 | 7 | 1.2 | 0.2 | 5 | 1.1 | 0.2 | 5 | 1.2 | 0.2 | 5 | 1.3 | 0.3 | 1.8% | 7.4% |
| 7 - 10 | 31 | 35 | 14.0 | 0.4 | 31 | 15.1 | 0.5 | 29 | 15.4 | 0.5 | 29 | 16.8 | 0.6 | 29 | 18.4 | 0.6 | 6.8% | 39.7% |
| 11 - 12 | 23 | 11 | 8.1 | 0.7 | 23 | 20.1 | 0.9 | 22 | 19.7 | 0.9 | 22 | 21.3 | 1.0 | 22 | 23.0 | 1.0 | 4.7% | 30.0% |
| 13 - 16 | 16 | 18 | 23.9 | 1.3 | 16 | 24.1 | 1.5 | 16 | 25.7 | 1.6 | 16 | 27.3 | 1.7 | 16 | 28.9 | 1.8 | 6.3% | 21.6% |
| 17 - 22 | 1 | 1 | 2.8 | 2.8 | 1 | 2.8 | 2.8 | 1 | 3.0 | 3.0 | 1 | 3.2 | 3.2 | 1 | 3.4 | 3.4 | 6.5% | 1.3% |

1. Rand million.

Additional tables

Table 36.A Summary of conditional grants to provinces and municipalities¹

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Conditional grants to municipalities | | | | | | | |
| Water Infrastructure Development | | | | | | | |
| Regional bulk infrastructure grant | – | – | – | 1 850 000 | 1 865 000 | 2 060 000 | 2 175 360 |
| Water service infrastructure grant | 1 129 173 | 1 050 790 | 2 305 029 | 2 844 982 | 3 329 464 | 3 559 056 | 3 757 319 |
| Total | 1 129 173 | 1 050 790 | 2 305 029 | 4 694 982 | 5 194 464 | 5 619 056 | 5 932 679 |

1. Detail provided in the Division of Revenue Act (2017).

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 | |
|--|--|-----------------------|--------------------|-----------------|---------|------------------------|----------------------------------|---------|
| | | | | 2013/14 | 2014/15 | | 2015/16 | 2017/18 |
| Departmental infrastructure | | | | | | | | |
| Mega projects (total project cost of at least R1 billion over the project life cycle) | | | | | | | | |
| R thousand | | | | | | | | |
| (Pipeline) | | | | | | | | |
| Jozini) Pongolapoort bulk water scheme | Construction of new bulk water scheme | Construction | 1 376 048 | 147 831 | 359 860 | 289 951 | 119 000 | – |
| Sedibeng bulk regional sewerage | Construction of new wastewater treatment works | Feasibility | 3 000 000 | – | – | 26 911 | 5 500 | 87 659 |
| 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 | 7 116 | – | – |
| Mogalakwena bulk water supply phase 1 | Upgrade of boreholes and construction of new bulk water scheme | Construction | 1 650 000 | 115 573 | 107 512 | 252 788 | 150 000 | 183 558 |
| Sebokeng Waste Treatment Works phase 1 and phase 2 | Upgrade of existing wastewater treatment works | Construction | 1 123 584 | 31 970 | 93 679 | 99 786 | 165 533 | 190 700 |
| Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom) | Construction of new wastewater treatment works | Design | 1 570 000 | – | 35 613 | 7 104 | 55 251 | 80 500 |
| Mooihoek/Tubatse bulk water supply | Augmentation of existing bulk water scheme | Construction | 1 000 000 | 49 104 | 6 996 | 73 136 | 105 000 | – |
| Nabo bulk water supply | Construction of new bulk water scheme | Construction | 1 400 000 | 54 592 | 41 862 | 38 370 | 55 000 | 60 000 |
| Magalies water supply to Waterberg | Construction of new bulk water scheme | Feasibility | 1 891 000 | – | 717 | – | 17 000 | 15 000 |
| Giyani Water Services phase 2 (Emergency) | Construction of new bulk water scheme and upgrading of existing bulk water scheme | Construction | 2 511 429 | – | – | 799 829 | 240 000 | – |
| Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle) | | | | | | | | |
| Matoko's bulk water supply | Construction of new bulk water scheme | Feasibility | 880 000 | 913 | 577 | – | 1 500 | 19 919 |
| Ndlambe bulk water supply | Construction of new bulk water scheme and upgrade of existing bulk water scheme | Construction | 879 000 | 71 200 | 38 212 | 79 641 | 25 000 | – |
| Xhora east bulk water supply | Construction of new bulk water scheme | Construction | 620 227 | 6 969 | 50 398 | 70 646 | 53 363 | 26 000 |
| Meyerton wastewater treatment works phase 1 | Upgrade of existing wastewater treatment works | Construction | 257 462 | 204 | – | 41 430 | 55 000 | 45 500 |
| Mbizana regional bulk water supply | Construction of new bulk water scheme and upgrade of existing bulk water scheme | Construction | 910 843 | 160 132 | 88 899 | 13 355 | – | – |
| Westonaria/Randfontein regional bulk wastewater treatment works (Hannes van Niekerk) | Upgrade of existing wastewater treatment works | Handed over | 266 000 | 67 026 | – | – | – | – |
| Western highveld regional bulk water supply | Upgrade of existing bulk water scheme | Construction | 486 000 | 49 061 | – | 21 902 | – | – |
| Lebalole central and North regional water supply | Construction of new bulk water scheme | Feasibility | 600 000 | – | – | – | 5 000 | 40 000 |
| Nzhelele Valley bulk water supply | Construction of new bulk water scheme | Feasibility | 600 000 | 332 | 209 | – | 1 500 | 20 000 |
| Madibeng bulk water supply phase 2 | Upgrade of existing bulk water scheme | Construction | 446 585 | 15 931 | 41 019 | 53 068 | 50 000 | 60 000 |
| Upgrading of the Homevale wastewater treatment plant (Sol Plaatje wastewater treatment works) | Upgrade of existing wastewater treatment works | Construction | 298 000 | 15 616 | 36 595 | – | – | – |
| Nkebotana bulk water supply Phase 1 | Construction of new bulk water scheme and upgrade of existing bulk water scheme | Construction | 304 000 | 11 767 | 22 876 | 34 000 | 30 000 | 40 000 |
| Sterkfontein Dam scheme phase 1 | Construction of new bulk water scheme | Construction | 330 000 | 47 600 | – | – | – | – |
| Potchefstroom water treatment works upgrade | Upgrade of existing water treatment works and construction of new bulk water scheme | Feasibility | 400 000 | – | 7 649 | – | 20 000 | 40 000 |

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 | | |
|---|---|-----------------------|--------------------|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| R thousand | | | | | | | | | | |
| Sinthumule Kuitama bulk water augmentation phase 3 | Construction of new bulk water scheme to augment existing bulk water scheme | Construction | 75 1603 | 24 430 | 97 640 | 25 188 | 52 000 | 25 000 | 75 000 | 60 000 |
| Moutse bulk water supply phase 1-5 | Upgrade of existing water treatment works and construction of new bulk water scheme | Construction | 720 000 | 206 948 | 31 272 | 31 257 | 17 227 | 60 000 | 40 000 | 50 000 |
| Glen Alpine bulk water supply | Construction of new bulk water scheme | Feasibility | 345 000 | - | 516 | - | 15 000 | 1 500 | 15 000 | - |
| Lephalale/Eskom: Bulk water augmentation | Augmentation of existing bulk water scheme | Feasibility | 330 000 | 300 | 1 182 | - | - | 5 000 | 10 000 | 39 028 |
| Moretele bulk water supply phase 1 (Klipdrift) | Construction of new bulk water scheme | Construction | 640 617 | 16 925 | 24 940 | 117 396 | 38 500 | 35 000 | 68 000 | 13 270 |
| Bitou cross border bulk water supply | Construction of new bulk sewage conveyance pipelines | Feasibility | 250 000 | 2 355 | 1 934 | - | 5 000 | - | - | - |
| West Coast desalination plant | Construction of new desalination plant | Design | 563 212 | 4 503 | 10 000 | - | - | - | - | 5 000 |
| Mncwasa bulk water supply | Construction of new bulk water scheme | Handed over | 264 188 | 12 148 | 30 531 | 16 238 | - | - | - | - |
| Kalahari East to Mier pipeline | Supply of water | Construction | 488 100 | - | 2 812 | 134 110 | 36 937 | 1 500 | - | - |
| Emalahleni bulk water supply phase 2 | Upgrade of existing water treatment works and construction of new bulk water scheme | Feasibility | 335 605 | 14 779 | - | - | 4 689 | 10 238 | 20 000 | 15 000 |
| Orinestad bulk water supply | Upgrade of existing bulk water scheme | Feasibility | 450 000 | - | 80 | - | - | - | - | - |
| Northern Nzikazi bulk water supply phase 1 | Construction of new bulk water scheme | Construction | 367 286 | 296 | - | 46 288 | 66 000 | 38 754 | 19 042 | 29 396 |
| Aqanang bulk water supply | Upgrade of existing bulk water scheme | Design | 350 000 | 511 | - | - | 40 000 | 20 000 | 25 000 | 70 000 |
| Sundwana water supply | Construction of new bulk water scheme | Feasibility | 591 000 | - | - | - | - | 5 000 | 20 000 | 15 000 |
| Mpumalanga Lowveld feasibility studies | Construction of new bulk water scheme | Feasibility | 800 000 | - | - | - | 1 700 | 1 500 | 5 000 | 10 000 |
| Ngwathe bulk sewer phase 2 | Upgrade of existing waste water treatment works | Construction | 300 000 | 6 531 | 4 914 | 19 820 | 20 000 | 10 000 | 25 000 | 25 000 |
| Ditlabeng bulk water supply phase 2 | Construction of new bulk water scheme | Construction | 255 000 | - | 17 184 | 36 105 | 25 998 | 20 000 | 10 000 | 20 000 |
| Dukuduku resettlement bulk water supply | Construction of new bulk water scheme | Construction | 350 000 | 29 958 | 26 753 | 15 037 | 15 247 | 1 000 | - | - |
| Giyani bulk water supply relief phase 1 (Nandoni Nsami) | Construction of new bulk water scheme | Construction | 589 946 | 34 957 | 1 028 | - | 19 882 | 200 000 | 256 200 | - |
| Mameya Sekororo bulk water supply phase 1 | Construction of new bulk water scheme | Construction | 310 718 | 92 469 | 18 861 | 24 222 | 35 000 | 40 000 | 40 000 | 70 000 |
| Tokologo regional water supply phase 2 | Upgrade of bulk water scheme | Construction | 320 000 | - | 7 932 | 19 969 | 50 068 | 45 000 | 40 000 | 50 000 |
| Ngwathe boreholes | Development of borehole to augment existing bulk water scheme | Handed over | 250 000 | 2 100 | - | - | - | - | - | - |
| Msukaligwa regional water supply scheme phase 1 | Construction of new bulk water scheme | Design | 407 000 | 18 481 | 5 471 | - | - | 3 000 | 10 000 | 90 000 |
| Emalahleni water treatment works (refurbishment) | Upgrade of existing water treatment works and construction of new bulk water scheme | Construction | 335 605 | - | 29 096 | 24 799 | 45 176 | - | - | - |
| Mafikeng South bulk water supply phase 2 (upgrade of water treatment works) | Construction of new bulk water scheme | Construction | 286 648 | 21 249 | 30 122 | 31 459 | 50 000 | 43 000 | 59 586 | 55 000 |

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 | | |
|--|---|-----------------------|--------------------|-----------------|---------|------------------------|----------------------------------|---------|---------|
| | | | | 2013/14 | 2014/15 | | 2015/16 | 2017/18 | 2018/19 |
| R thousand | | | | | | | | | |
| Mathlabeng bulk sewer (Welkom) | Upgrade of existing water treatment works and construction of new bulk water scheme | Feasibility | 420 000 | – | – | 10 000 | 5 000 | 25 138 | 50 000 |
| Thembielie water scheme (Loskop) | Construction of new bulk water scheme | Feasibility | 324 428 | – | 4 200 | 12 230 | 39 500 | 71 362 | 100 669 |
| Western Highveld bulk water supply scheme (Rust de Winter) | Construction of new bulk water scheme | Feasibility | 643 000 | – | 41 106 | 51 100 | 5 000 | 16 992 | 25 000 |
| Welbedacht pipeline | Construction of new bulk water scheme | Tender | 500 000 | – | – | – | 105 000 | 109 000 | 274 832 |
| Small projects (total project cost of less than R250 million over the project life cycle) | | | | | | | | | |
| Graaf-Reinet emergency water supply scheme | Upgrade of existing bulk water scheme | Construction | 50 798 | 5 202 | 602 | 23 440 | 25 000 | 10 000 | 3 500 |
| Sundays River bulk water supply (Paterson) | Upgrade of existing water treatment works and construction of new bulk water scheme | Construction | 106 465 | 6 388 | 6 550 | 5 450 | 1 000 | – | – |
| Steylerville water supply scheme | Augmentation of existing bulk water scheme | Construction | 111 308 | 12 500 | 20 000 | 23 893 | 2 000 | – | – |
| Ibika water supply | Construction of new bulk water scheme | Handed over | 64 796 | 4 207 | – | 2 000 | – | – | – |
| Ikwezi bulk water supply | Upgrade of existing bulk water scheme | Feasibility | 50 557 | 283 | 2 670 | 12 615 | 5 000 | 17 000 | 2 000 |
| Kirkwood water treatment works | Upgrade of existing bulk water scheme | Feasibility | 22 186 | – | 951 | 8 546 | 5 000 | 11 000 | 2 000 |
| Misgund bulk water supply | Construction of new bulk water scheme and upgrade of existing bulk water scheme | Feasibility | 13 640 | 2 | 408 | 8 987 | 5 000 | 4 000 | 1 000 |
| Matatiele bulk water supply | Construction of new bulk water scheme | Construction | 182 344 | 1 209 | 24 791 | 66 000 | 20 000 | 2 000 | – |
| Mount Ayliff bulk water supply | Construction of new bulk water scheme to augment existing bulk water scheme | Handed over | 208 762 | 13 106 | 14 357 | 40 000 | – | – | – |
| Jagersfontein/Fauresmith: Bulk water supply phases 2 | Construction of new bulk water scheme | Construction | 60 695 | 26 517 | 7 683 | 10 000 | 3 000 | – | – |
| Tokologo regional water supply phase 1 | Construction of new bulk water scheme | Handed over | 223 000 | 15 145 | – | – | – | – | – |
| Dihlabeng bulk water supply phase 1 | Construction of new bulk water scheme | Handed over | 96 990 | 21 002 | – | – | – | – | – |
| Phumelela bulk water supply phase 2 | Construction of new bulk water scheme to augment existing bulk water scheme | Construction | 166 000 | 23 255 | 10 000 | 27 440 | 50 000 | 23 000 | – |
| Mqoqhaka bulk water supply (Streyrus Kroonstad WTW) phase 1 | Construction of new bulk water scheme | Construction | 90 402 | 11 864 | 8 762 | 30 000 | 20 000 | – | – |
| Mqoqhaka bulk sewer | Construction of bulk sewer | Construction | 105 000 | – | 11 113 | 10 000 | – | – | – |
| Nala bulk sewer (Wesselsbron/Monyakeng) | Construction of bulk sewer | Feasibility | 45 999 | 3 999 | 13 718 | 5 282 | 1 000 | – | – |
| Tswelopele bulk water supply phase 1 | Construction of new bulk water scheme | Construction | 85 000 | – | – | 24 170 | 30 000 | 20 000 | – |
| Ratlou bulk water supply phase 1 (Setlagole) | Upgrade of existing water treatment works and construction of new bulk water scheme | Construction | 218 090 | 2 118 | 4 732 | 50 000 | 45 000 | 55 000 | 40 000 |
| Maluti-a-Phofung bulk water supply phase 2 | Construction of new bulk water scheme | Construction | 240 000 | – | 34 742 | 48 454 | 30 000 | 40 000 | 40 000 |
| Greater Eston water scheme | Construction of new bulk water scheme | Handed over | 192 000 | 43 846 | 31 790 | – | – | – | – |

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 | | |
|---|---|-----------------------|--------------------|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| R thousand | | | | | | | | | | |
| Driefontein Complex bulk water supply | Construction of new bulk water scheme to augment existing bulk water scheme | Handed over | 196 101 | 56 727 | 14 289 | - | - | - | - | - |
| Emadlangeni bulk regional scheme | Construction of new bulk water scheme | Handed over | 50 301 | - | 8 482 | - | - | - | - | - |
| Hlabisa regional bulk water supply | Construction of new bulk water scheme | Handed over | 166 855 | 29 970 | 38 726 | 7 983 | - | - | - | - |
| Port Nolloth bulk water supply | Construction of new bulk water scheme | Design | 44 057 | - | 1 068 | 15 857 | - | - | 15 000 | 21 782 |
| Colesberg bulk water supply | Construction of new bulk water scheme | Design | 123 765 | 35 394 | 6 899 | 1 340 | - | - | - | - |
| Noupoort bulk water supply | Construction of new bulk water scheme | Construction | 77 742 | 3 529 | 15 418 | 40 600 | - | - | - | - |
| De Aar bulk water supply | Upgrade of existing bulk water scheme | Design | 43 735 | 1 095 | 93 | 22 903 | - | - | 20 000 | 6 796 |
| Hopetown water treatment works bulk water supply (Thembehlhe) | Upgrade of existing bulk water scheme | Handed over | 75 000 | 2 714 | 1 500 | - | - | - | - | - |
| Strydenburg groundwater project | Provision of groundwater development | Handed over | 21 018 | - | 3 284 | 8 302 | 5 715 | - | - | - |
| Heuningvlei scheme bulk water supply | Construction of new bulk water scheme | Handed over | 142 340 | 52 194 | 5 584 | 8 978 | - | - | - | - |
| Kuruman bulk water supply phase 1 (reservoir) | Upgrade of existing bulk water scheme | Construction | 186 900 | 6 177 | 22 911 | 15 638 | - | - | - | - |
| Kathu wastewater treatment works | Construction of new wastewater treatment works | Handed over | 230 000 | 628 | - | - | - | - | - | - |
| Windsorton to Holpan bulk water supply phase 1 (pipeline) | Upgrade of existing bulk water scheme | Tender | 43 850 | 158 | - | 3 487 | 23 134 | 14 707 | - | - |
| Nooiëgat bulk water supply | Construction of new bulk water scheme | Design | 200 000 | - | - | - | - | 92 005 | 160 000 | 185 000 |
| Niekerkshoop bulk water supply | Supply of water | Handed over | 11 098 | 6 148 | 462 | - | - | - | - | - |
| Mařube bulk sewer phase 1 | Construction of new bulk water scheme | Construction | 126 000 | - | 6 223 | 46 979 | 30 000 | 20 000 | 30 000 | 20 000 |
| Pixley ka Seme bulk water supply | Upgrade of existing groundwater water scheme | Feasibility | 40 000 | 2 087 | 753 | - | - | - | - | - |
| Marydale bulk water supply | Upgrade of existing water treatment works and construction of new bulk water scheme | Feasibility | 11 200 | - | - | 875 | 10 000 | 7 621 | - | - |
| Uppington wastewater treatment works | Construction of a new wastewater treatment works in Uppington | Feasibility | 15 650 | - | - | - | 15 000 | 20 000 | 30 000 | 21 422 |
| Kakamas wastewater treatment works | Construction of new wastewater treatment works | Feasibility | 50 000 | 621 | 150 | 312 | - | 800 | - | 10 000 |
| Warrenton water treatment works | Upgrade of existing water treatment works and new bulk water scheme | Feasibility | 30 629 | 684 | 3 047 | - | 20 284 | 26 758 | - | - |
| Gariep Dam to Norvalspont bulk water supply | Construction of new bulk water scheme | Construction | 15 087 | - | 611 | - | - | - | - | - |
| Vanderkloof/Renosierberg bulk water supply phase 1 | Construction of new bulk water scheme | Construction | 32 050 | - | 5 418 | 19 987 | - | - | - | - |
| Dniekopties bulk water supply upgrades | Construction of new bulk water scheme | Design | 93 000 | - | - | 343 | 13 150 | 18 522 | 42 528 | 65 398 |
| Acoorhoek bulk water supply | Augmentation of existing bulk water scheme | Handed over | 191 739 | 28 730 | 4 091 | - | - | - | - | - |
| Sibange bulk water supply phase 1 | Construction of new bulk water scheme | Design | 106 656 | - | - | 509 | 15 208 | 15 500 | 45 512 | 33 400 |
| Thaba Chweu groundwater development | Provision of groundwater development | Construction | 8 500 | 3 336 | - | - | - | - | - | - |

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 | | |
|---|---|-----------------------|--------------------|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| R thousand | | | | | | | | | | |
| Hoxane bulk water supply | Upgrade of existing water treatment works and construction of new bulk water scheme | Design | 128 318 | 400 | 454 | 31 295 | 42 820 | 41 641 | 4 400 | - |
| Wolmaransstad wastewater treatment works | Upgrade of existing wastewater treatment works | Construction | 137 813 | 1 472 | 14 292 | 65 959 | 55 674 | 25 000 | - | - |
| Nahoon Dam (Buffalo City municipality) | Upgrade of existing water treatment works and construction of new bulk water scheme | Feasibility | 150 000 | 2 415 | - | - | - | - | - | - |
| Ngqamakwe water supply | Upgrade of existing wastewater treatment works | Feasibility | 60 000 | - | 1 752 | - | - | 4 000 | 5 000 | 20 000 |
| Worcester bulk water supply | Construction of new bulk water scheme | Construction | 190 585 | 33 386 | 13 184 | - | - | - | - | - |
| Grabouw wastewater treatment works | Upgrade of existing wastewater treatment works | Construction | 61 600 | 8 500 | 5 441 | 2 164 | - | - | - | - |
| Swellendam wastewater treatment works | Upgrade of existing wastewater treatment works | Handed over | 61 150 | 10 140 | 13 112 | - | - | - | - | - |
| Struisbaai wastewater treatment works | Upgrade of existing wastewater treatment works | Handed over | 11 366 | 5 558 | - | - | - | - | - | - |
| Oudshoorn groundwater supply | Provision of groundwater development | Feasibility | 190 000 | 18 000 | 10 063 | 10 991 | 20 248 | - | 20 000 | 40 000 |
| Beaufort West bulk water supply | Upgrade of existing wastewater treatment works and construction of new wastewater treatment works | Feasibility | 46 283 | 162 | - | - | - | - | 5 000 | 15 000 |
| Vannynsdorp raw water supply | Augmentation of existing bulk water scheme | Design | 83 239 | - | - | - | - | - | 5 000 | 10 000 |
| Klawer bulk water supply | Augmentation of existing bulk water scheme from boreholes | Design | 25 689 | - | - | - | - | - | 4 000 | 10 000 |
| Paarl bulk sewer phase 3 | Construction of new bulk sewage conveyance pipelines | Construction | 207 804 | 39 328 | 19 428 | 39 000 | 1 900 | - | - | - |
| Calitzdorp and Ladysmith wastewater treatment works | Upgrade of existing wastewater treatment works | Feasibility | 77 458 | 230 | 2 983 | 708 | 10 000 | 27 898 | 30 000 | 27 000 |
| Kamaland Dam relocation | Augmentation of existing bulk water scheme | Feasibility | 72 904 | 2 129 | 11 554 | - | 19 168 | 21 000 | 30 000 | 50 000 |
| Moretele bulk water supply (North) | Augmentation of existing bulk water scheme | Feasibility | 100 000 | - | - | 32 629 | 9 500 | 3 919 | 2 500 | 70 000 |
| Makana bulk water supply (James Kleyrhans) | Augmentation of existing bulk water scheme | Design | 66 000 | 2 000 | 1 640 | 3 480 | 41 000 | 25 000 | 25 000 | 15 000 |
| Niabankulu bulk water supply | Construction of new bulk water scheme | Feasibility | 245 000 | - | 1 652 | - | 1 500 | 2 000 | 2 000 | 10 000 |
| 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 phase 2 | Upgrade of existing wastewater treatment works | Design | 75 676 | - | - | 13 276 | 23 100 | 29 765 | 28 768 | 3 000 |
| Upgrade of Botleng wastewater treatment works | Upgrade of existing wastewater treatment works | Construction | 57 658 | - | - | 18 488 | 18 000 | 500 | - | - |
| Upgrade of Balfour wastewater treatment works phase 2 | Upgrade of existing wastewater treatment works | Tender | 85 455 | 502 | - | 21 272 | 22 970 | 33 403 | 15 343 | 3 500 |

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 | | |
|--|--|-----------------------|--------------------|-----------------|---------|------------------------|----------------------------------|---------|---------|
| | | | | 2013/14 | 2014/15 | | 2015/16 | 2017/18 | 2018/19 |
| R thousand | | | | | | | | | |
| Belmont wastewater treatment works | Upgrade of existing wastewater treatment works | Feasibility | 142 000 | - | - | 17 500 | 17 000 | 6 000 | 15 000 |
| Makana bulk sewer | Upgrade of existing wastewater treatment works | Feasibility | 15 000 | - | - | - | 4 000 | - | - |
| Mayfield wastewater treatment works | Upgrade of existing wastewater treatment works | Feasibility | 72 473 | - | - | 27 500 | 6 000 | 20 000 | 8 000 |
| Kinira regional bulk water supply | Construction of new bulk water scheme | Feasibility | 34 500 | - | - | 1 500 | 2 000 | 2 000 | 8 000 |
| Mount Aviff bulk peri-urban water supply | Construction of new bulk water scheme | Feasibility | 187 358 | - | 2 500 | 20 000 | 20 000 | 75 441 | 35 000 |
| Mkemeane regional bulk water supply | Construction of new bulk water scheme | Feasibility | 52 000 | - | - | 2 500 | 1 000 | 2 000 | 15 000 |
| Trompsburg bulk sewer | Upgrade of existing wastewater treatment works | Feasibility | 76 000 | - | - | 5 700 | - | - | - |
| Upgrading of Deneysville wastewater treatment works | Upgrade of existing wastewater treatment works | Feasibility | 150 000 | - | - | 10 000 | 8 507 | 30 000 | - |
| Masilonyana bulk sewer (Brandfort and Winburg) | Upgrade of existing wastewater treatment works | Feasibility | 70 000 | - | - | 11 883 | 3 000 | 20 000 | 20 000 |
| Reitz upgrading wastewater treatment plant | Upgrade of existing wastewater treatment works | Feasibility | 55 000 | - | - | 11 000 | - | - | - |
| Manisopa bulk sewer (Ladybrand) | Upgrade of existing wastewater treatment works | Feasibility | 30 000 | - | - | 3 000 | 2 000 | 20 000 | 1 000 |
| Roihdene pump station and raising main | Upgrade of existing wastewater treatment works | Feasibility | 37 442 | - | 48 | 21 442 | 18 000 | 19 500 | - |
| Mohlakeng pump station and sewer outfall | Upgrade of existing wastewater treatment works | Feasibility | 70 000 | - | 5 873 | 36 000 | 6 761 | 43 700 | 147 500 |
| Koster wastewater treatment works upgrade | Upgrade of existing wastewater treatment works | Design | 115 151 | 2 000 | 8 000 | 26 000 | 40 000 | 30 000 | - |
| Ventersdorp bulk water supply | Construction of new bulk water scheme | Construction | 54 990 | 10 890 | 5 936 | 1 300 | 1 300 | - | - |
| Nebo bulk water supply - De Hoop Agumentation/North/South/Steelpoort | Construction of new bulk water scheme | Design | 150 192 | - | - | 40 000 | 5 000 | 50 000 | 90 000 |
| Douglas water treatment works upgrading | Upgrade of existing water treatment works | Design | 14 750 | - | 750 | 14 000 | 750 | 21 237 | 15 000 |
| Ernieo bulk water supply phase 2 | Construction of new bulk water scheme | Construction | 46 872 | - | 16 376 | 7 621 | - | - | - |
| Carolina Siobela bulk water scheme | Construction of new bulk water scheme | Feasibility | 200 000 | 1 036 | 238 | - | - | - | - |
| Provincial high catalytic projects (Mutash Hub) | Construction of new bulk water scheme for various purposes | Feasibility | 200 000 | 1 389 | - | 19 600 | 1 500 | 18 748 | - |
| Reitz&Lindley Cons Grey PL | Construction of sewer main | Construction | 45 000 | - | - | 39 000 | 5 000 | - | - |
| Clocolan construction of sewer main | Construction of sewer main | Construction | 60 000 | - | - | - | 60 000 | - | - |
| Clocolan construction of pump station | Construction of pump station | Construction | 10 000 | - | - | - | 10 000 | - | - |
| Senekal construction of sewer main | Construction of sewer main | Construction | 40 000 | - | - | - | 40 000 | - | - |
| Senekal construction of pump station | Construction of pump station | Construction | 10 000 | - | - | - | 10 000 | - | - |
| Petrus Steyn refurbishment of a plant | Refurbishment of a package plant | Construction | 5 946 | - | - | - | 5 946 | - | - |
| Dealesville construction of sewer main | Construction of sewer main | Construction | 2 000 | - | - | - | 2 000 | - | - |
| Dealesville construction of pump station | Construction of pump station | Construction | 6 500 | - | - | - | 6 500 | - | - |
| Eastern Cape region | Construction of water supply and sanitation backlog | Construction | - | - | 42 168 | 4 914 | - | - | - |
| | | | | | | 5 883 | - | - | - |

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 | | |
|--|---|-----------------------|--------------------|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| R thousand | | | | | | | | | | |
| Free State Region | Construction of water supply and sanitation backlog | Construction | - | 27 537 | 48 673 | 21 100 | - | - | - | |
| KwaZulu-Natal Region | Construction of water supply and sanitation backlog | Construction | - | 5 343 | 150 551 | - | 185 000 | - | - | |
| Limpopo Region | Construction of water supply and sanitation backlog | Construction | - | 269 665 | 178 353 | 150 000 | 97 122 | 273 000 | 242 000 | |
| Mpumalanga Region | Construction of water supply and sanitation backlog | Construction | - | 20 998 | 199 402 | 71 545 | - | - | - | |
| North West Region | Construction of water supply and sanitation backlog | Construction | - | 46 061 | 7 186 | 113 617 | 160 000 | 335 175 | 400 233 | |
| Community Infrastructure: Water Supply | Construction of new and refurbishment of existing water infrastructures | Construction | - | 25 710 | 69 475 | 51 398 | 52 902 | 44 726 | 47 795 | |
| Wastewater infrastructure: Refurbishment | Upgrade of existing wastewater treatment works | Construction | - | 120 935 | 92 864 | 112 661 | 145 890 | 123 345 | 131 807 | |
| Eastern Cape | Sanitation Backlog | Construction | - | - | - | - | 10 000 | - | - | |
| Free State | Sanitation Backlog | Construction | - | - | - | - | 64 500 | - | - | |
| Northern Cape | Sanitation Backlog | Construction | - | - | - | - | 70 500 | - | - | |
| Infrastructure transfers to other spheres, agencies and departments | | | | | | | | | | |
| Mega projects (total project cost of at least R1 billion over the project life cycle) | | | | | | | | | | |
| 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 of the Olifants River catchment area and to various communities on the Nebo Plateau and Sekhukhune | Construction | 3 074 000 | 268 693 | 152 737 | 19 540 | - | - | - | |
| 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 | Feasibility | 13 114 000 | - | 645 306 | - | - | - | - | |
| Olifants River water resources development project phase 2C | Construction of bulk distribution works from Flag Boshielo to Mokopane, De Hoop to Steelport, Steelport to Mooihoek, Mooihoek to Olifantspoort and Nebo Plateau to Roossenekal | Construction | 3 400 000 | 521 000 | - | - | - | - | - | |
| Olifants River water resources development project phase 2D | Construction of second pipeline between Steelport weir to and Mooihoek | Feasibility | 834 480 | - | - | 33 221 | 25 843 | 30 963 | - | |
| 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 | 65 967 | 85 833 | 917 418 | |
| Groot Letaba River water development project: Nwamitwa Dam | Meeting of projected growing primary supply requirements for 2025; improvement of water availability for the riverine ecosystem and building of Nwamitwa Dam | Design | 1 325 000 | - | - | 25 580 | - | - | 211 248 | |
| Dam safety rehabilitation programme | Rehabilitation of assets and improvement of dam safety | Design | 2 800 000 | 248 010 | 225 453 | 169 889 | 35 364 | 89 428 | 360 328 | |

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 | | |
|--|---|-----------------------|--------------------|-----------------|---------|---------|------------------------|----------------------------------|-----------|---------|
| | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| R thousand 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 | 44 466 | 177 218 | 196 223 | 135 993 | 65 741 | 133 093 | - |
| 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 | - | - | - | 17 718 | 25 843 | - | - |
| Lusikiski regional water supply scheme: Zulu Dam on the Xura River | Development of bulk water and wastewater infrastructure to enable the connection of municipal reticulation infrastructure | Feasibility | 5 000 000 | - | - | - | - | - | - | 340 356 |
| Acid mine drainage | Construction of water treatment works | Feasibility | - | - | - | - | 683 785 | 1 109 992 | 1 526 683 | - |
| OR Tambo Mthatha King Sabata Dalindyebo district municipality bulk water supply and sanitation | Augmentation of existing bulk water scheme | Construction | 3 001 534 | 151 250 | 317 797 | 457 520 | 350 454 | 325 000 | 334 533 | 300 000 |
| Vaal Gamaqara scheme phase 1 | Upgrade of existing bulk water scheme | Construction | 18 000 000 | 25 308 | 40 000 | 53 800 | 65 000 | 350 000 | 350 000 | 137 517 |
| Poikwene wastewater treatment works | Upgrade of existing wastewater treatment works | Design | 1 043 836 | 150 | 1 106 | - | 50 000 | 90 000 | 128 462 | 346 180 |
| Poikwene bulk water supply | Construction of new bulk water scheme and upgrade of existing bulk water scheme | Construction | 1 832 000 | - | - | - | 130 159 | 119 676 | 158 462 | 300 000 |
| Ungeni Water Board: Lower Thukela bulk water supply scheme | Construction of new bulk water scheme | Construction | 1 043 968 | 106 992 | 185 011 | 279 140 | 213 069 | 209 602 | 41 290 | - |
| Umshwathi bulk water supply scheme | Construction of new bulk water scheme | Tender | 2 308 734 | - | - | - | 209 935 | 142 048 | 350 882 | 670 681 |
| Greater Mthonjaneni bulk water supply phases 2 | Construction of new bulk water scheme | Construction | 1 228 190 | 32 164 | 48 815 | 211 786 | 182 227 | 36 410 | 50 000 | 40 000 |
| Ngcebo BWS (Lembe) | Construction of new bulk water scheme | Construction | 1 420 678 | 79 823 | 53 906 | 106 499 | 156 094 | 145 000 | 90 000 | 65 000 |
| Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle) | | | | | | | | | | |
| 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 | - | - | 15 208 | - | - | - | - |
| Mdloti River development project: Raising of Hazelmere Dam | Augmentation of water supply to Umgeni Water for treatment, for KwaZulu-Natal North coast | Design | 360 000 | 11 632 | 4 888 | 188 198 | 50 714 | 10 383 | - | - |
| Mopani district municipality emergency works | Refurbishment of dilapidated infrastructure | Construction | 80 000 | 103 899 | 89 146 | 100 709 | - | - | - | - |
| Mzimkulu River: Nowabent off-channel storage | Assurance of a reliable water supply to the Northern part of the lower KwaZulu-Natal South coast during dry periods | Feasibility | 650 000 | - | - | - | - | - | - | 37 817 |
| Taung/Naledi bulk water supply phase 2 | Construction of new bulk water scheme and upgrade of existing bulk water scheme | Construction | 733 764 | 97 614 | 111 857 | 63 731 | 69 339 | 55 000 | 30 000 | - |
| Namakwa bulk water supply phase 1 | Upgrade of existing bulk water scheme | Construction | 648 312 | 186 069 | 103 452 | 149 748 | 119 000 | 83 159 | 19 719 | - |
| Pilanesberg South bulk water supply phase 2 | Upgrade of existing bulk water scheme and construction of new bulk water scheme. | Construction | 796 631 | 124 441 | 69 665 | 150 000 | 100 610 | 58 385 | - | - |

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 | | |
|---|---|-----------------------|--------------------|-----------------|---------|------------------------|----------------------------------|---------|---------|
| | | | | 2013/14 | 2014/15 | | 2015/16 | 2017/18 | 2018/19 |
| R thousand | | | | | | | | | |
| Amatola Water: Refurbishment of 6 existing plants and downstream infrastructure | Upgrade of existing bulk water scheme | Construction | 500 000 | - | 150 000 | 169 060 | 92 386 | 88 554 | 92 386 |
| Greater Marnisa bulk water supply phase 1 (Refurbishment) | Construction of new bulk water scheme and upgrade of existing bulk water scheme | Construction | 444 288 | 611 | 19 892 | 46 763 | 55 000 | 101 000 | 90 000 |
| Chris Hani district municipality Noora bulk water supply (cluster 4) | Construction of new bulk water scheme and upgrade of existing bulk water scheme | Construction | 421 727 | 34 956 | 83 997 | 72 641 | 68 303 | 45 000 | 40 000 |
| Chris Hani district municipality Ngcobo bulk water supply (cluster 6) | Construction of new bulk water scheme and spring protection | Construction | 321 727 | 26 903 | 63 380 | 47 957 | 63 262 | 35 000 | 7 000 |
| Xonxa Dam BWS | Construction of new bulk water scheme to augment existing bulk water scheme | Construction | 443 988 | 77 912 | 95 659 | 68 284 | 58 013 | 26 000 | 7 000 |
| Mhlabathane bulk water supply | Construction of new bulk water scheme | Construction | 483 482 | 37 720 | 52 224 | 8 834 | 12 776 | - | - |
| Greytown BWS Phase 2 | Construction of new bulk water scheme and upgrade of existing bulk water scheme | Construction | 950 000 | 28 347 | 37 830 | 93 644 | 116 377 | 98 933 | 60 000 |
| Middeldrift BWS | Construction of new water treatment works | Construction | 340 000 | - | - | 24 070 | 78 997 | 30 000 | 54 830 |
| Greater Bulwer phase 2 | Upgrade of existing water treatment works | Construction | 343 337 | - | 33 420 | 14 035 | 60 000 | 90 000 | 100 000 |
| Nongoma bulk water supply | Construction of new bulk water scheme | Construction | 529 134 | 56 194 | 31 121 | 131 779 | 110 357 | 70 000 | 65 170 |
| Dukuduku resettlement bulk water supply | Construction of new bulk water scheme | Construction | 266 382 | 29 958 | 26 753 | 15 037 | 15 247 | - | - |
| Greater Mpofana regional bulk water supply Phase 1-3 | Construction of new bulk water scheme | Feasibility | 469 293 | - | - | - | - | 86 755 | 161 569 |
| Driefontein Phase 3 (Spioenkop to Ladysmith) bulk water supply | Construction of bulk water scheme | Feasibility | 350 000 | - | - | - | - | 85 062 | 100 000 |
| Maphumulo BWS | Construction of bulk water scheme | Feasibility | 294 621 | - | - | - | - | 80 000 | 100 000 |
| Chris Hani district municipality bulk water supply: Quthubeni (cluster 9) phase 1 | Construction of new bulk water scheme | Construction | 208 000 | 40 217 | 13 814 | 32 900 | 15 000 | 95 000 | 75 000 |
| Middelburg groundwater supply | Development of borehole to augment existing bulk water scheme | Construction | 32 505 | 558 | 110 | 771 | 6 390 | 6 000 | 3 000 |
| Masilonyana bulk water supply phase 1 | Upgrade of existing bulk water scheme | Design | 304 941 | 15 050 | 45 804 | 41 934 | 32 000 | 15 000 | 30 000 |
| Driefontein Indaka bulk water supply | Construction of new bulk water scheme to augment existing bulk water scheme | Construction | 378 529 | - | 66 689 | 20 801 | 80 000 | 10 000 | - |
| Mandlakazi bulk water supply phase 5 | Construction of new bulk water scheme to augment existing bulk water scheme | Construction | 94 000 | 5 845 | 14 757 | 57 000 | 27 654 | 40 000 | 89 713 |
| Balf/Siyat/Grey/Willem/Nhor bulk water supply | Construction of new bulk water scheme | Various | 590 709 | 501 | 7 865 | 7 895 | 36 605 | 42 007 | 31 328 |
| Msulungwa regional water supply scheme phase 1 | Construction of new bulk water scheme | Design | 407 000 | 18 481 | 5 471 | - | - | 3 000 | 10 000 |
| Empuluzi and Methula bulk water scheme | Upgrade of existing bulk water scheme | Feasibility | 291 021 | - | 80 | - | - | 5 000 | 41 879 |
| Kagisano Molopo bulk water supply | Upgrade of existing water treatment works and new bulk water scheme | Feasibility | 350 000 | - | 2 889 | 18 000 | 9 000 | 26 000 | 37 000 |
| Stellenbosch wastewater treatment works phase 2 | Upgrade of existing wastewater treatment works | Construction | 304 256 | 10 000 | 18 025 | 48 128 | 32 809 | - | - |

Table 36.B Summary of expenditure on infrastructure

| Project name | Service delivery outputs | Current project stage | Total project cost | Audited outcome | | | Adjusted appropriation 2016/17 | Medium-term expenditure estimate | | |
|--|---|-----------------------|--------------------|-----------------|---------|---------|--------------------------------|----------------------------------|---------|---------|
| | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| R thousand | | | | | | | | | | |
| Small projects (total project cost of less than R250 million over the project life cycle) | | | | | | | | | | |
| Bushbuckridge water treatment plant, pipelines and reservoirs | Supply of water to Bushbuckridge area | Handed over | 144 501 | 100 000 | 44 501 | - | - | - | - | - |
| Molopo Eye water treatment plant, pipelines and reservoirs | Supply of water to North West | Handed over | 39 835 | 22 528 | - | - | - | - | - | - |
| Ermelo water treatment plant, pipelines and reservoirs | Supply of water to Bushbuckridge area | Handed over | 48 510 | 48 510 | - | - | - | - | - | - |
| Zeerust water treatment plant, pipelines and reservoirs | Supply of water to Zeerust area | Handed over | 14 204 | 5 365 | 17 361 | - | - | - | - | - |
| Mzimvubu water project | Supply of water | Construction | - | 308 245 | 571 211 | - | 83 540 | 70 749 | 217 294 | 332 792 |
| Abaqulusi, Nongoma and Jozini water intervention projects | Supply of water | Construction | - | - | 66 783 | - | - | - | - | - |
| Lady Grey bulk water supply | Construction of new bulk water scheme | Feasibility | 128 533 | - | - | 2 491 | 10 445 | 3 000 | 10 000 | 20 000 |
| Sterkspruit bulk water supply | Construction of new bulk water scheme | Feasibility | 50 000 | - | 454 | - | 2 500 | 3 000 | 13 000 | 20 000 |
| Coffee bay water treatment works | Upgrade of existing water treatment works | Feasibility | 130 000 | - | - | - | 12 729 | 2 500 | 7 000 | 13 000 |
| Seisoto bulk water supply phase 1 and 2 | Construction of new bulk water scheme | Construction | 147 644 | 4 000 | 13 517 | 40 570 | 31 483 | 20 000 | 20 000 | 10 000 |
| Rouxville/Smithfield/Zastron Mohokare bulk water supply phase 1 | Construction of new bulk water scheme | Construction | 180 258 | 22 022 | 28 564 | 44 136 | 45 000 | 20 000 | 30 000 | 20 000 |
| Mantsopa bulk water supply phase 1 | Construction of new bulk water scheme to augment existing bulk water scheme | Construction | 250 000 | 387 | 3 375 | 13 376 | 33 560 | 15 000 | 20 000 | 30 000 |
| Ngwathe bulk water supply phase 2 | Construction of new bulk water scheme | Construction | 250 000 | 2 100 | 2 861 | 6 762 | 15 000 | 15 000 | 30 000 | 40 000 |
| Lushuhwane bulk water scheme | Construction of new bulk water and sanitation schemes | Design | 91 918 | - | 493 | - | 25 389 | 28 108 | 36 450 | 3 000 |
| Upgrade of Balfour wastewater treatment works phase 2 | Upgrade of existing wastewater treatment works | Tender | 85 455 | 502 | - | 21 272 | 22 970 | 33 403 | 15 343 | 3 500 |
| Bushbuckridge water services (Cunningmore to Newington BWS) phase 1 | Construction of new bulk water scheme | Feasibility | 190 000 | - | - | - | 50 000 | 3 000 | - | - |
| Eerstephoek/Ekulindeni bulk water supply | Construction of new bulk water supply and upgrade of existing water treatment works | Feasibility | 115 122 | - | 1 247 | - | - | 3 000 | 25 621 | 34 842 |
| Amsterdam wastewater treatment works phase 1 | Upgrade of existing water treatment works and construction of new bulk water scheme | Feasibility | 30 503 | - | 2 228 | - | 12 300 | 5 000 | 23 000 | 5 000 |
| Van Wyksvlei groundwater phase 1 (pipeline upgrade) | Construction of new bulk water scheme | Design | 94 700 | 156 | 2 914 | 1 793 | 15 000 | 30 000 | 46 824 | - |
| Hantam desalination plant (Brandvlei) | Construction of new desalination plant | Construction | 66 569 | 668 | - | 4 128 | 5 282 | - | 30 000 | 9 509 |
| Loerfontein bulk water supply phase 1 (pipeline) | Construction of new bulk water scheme | Construction | 95 442 | 1 355 | 7 988 | 3 639 | 14 212 | 50 426 | 17 247 | - |
| Richie wastewater treatment works bucket eradication programme | Construction of bulk water supply line and extension of the treatment works as well as associated infrastructure. | Construction | 40 423 | - | - | 3 000 | 15 000 | 20 000 | 10 551 | - |
| Williston bulk water supply | Construction of new bulk water scheme | Feasibility | 47 000 | - | 1 920 | 522 | - | - | 30 000 | 27 000 |
| Britstown oxidation ponds | Upgrade of existing waste water treatment works | Design | 30 600 | - | - | - | 15 000 | - | 30 000 | 4 757 |
| Danielskuil wastewater treatment works | Upgrade of existing water treatment works | Feasibility | 12 644 | - | - | - | - | - | - | 12 644 |
| Kaifu bulk water supply | Construction of new bulk water scheme | Feasibility | 90 000 | 600 | 70 | - | - | - | 21 587 | 45 000 |

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 | | |
|--|---|-----------------------|--------------------|------------------|------------------|------------------|------------------------|----------------------------------|-------------------|-------------------|
| | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| R thousand | | | | | | | | | | |
| Christiana wastewater treatment works | Upgrade of existing water treatment works | Feasibility | 55 500 | - | - | - | - | - | - | - |
| Citrusdal wastewater treatment works phase 2 | Construction of new wastewater treatment works | Construction | 52 667 | 3 806 | 6 837 | 19 592 | 2 660 | - | - | - |
| Clanwilliam/Lamberts Bay regional water supply | Upgrade of existing bulk water scheme | Construction | 61 500 | 20 963 | 913 | - | 14 387 | 613 | - | - |
| Tulbagh bulk water supply (Witzenberg) | Construction of new bulk water scheme | Construction | 76 807 | 8 331 | 889 | - | 27 841 | 13 372 | 10 000 | 20 000 |
| Clanwilliam water treatment works | Upgrade of existing bulk water scheme | construction | 31 349 | 912 | 2 163 | - | 4 000 | 4 000 | - | - |
| Hofmeyer groundwater | Development of borehole to augment existing bulk water scheme | Construction | 64 000 | 2 271 | 23 152 | 11 977 | 6 848 | 1 500 | - | - |
| Eastern Cape region | Water supply and sanitation backlog | Construction | - | 86 778 | 157 979 | 441 843 | 503 525 | 485 500 | 494 574 | 484 000 |
| Free State region | Water supply and sanitation backlog | Construction | - | 20 795 | - | 15 000 | 130 967 | 250 000 | 340 325 | 279 323 |
| Gauteng region | Water supply and sanitation backlog | Design | - | - | - | - | 70 000 | 150 000 | 175 000 | 184 891 |
| KwaZulu-Natal region | Water supply and sanitation backlog | Construction | - | 267 463 | 263 622 | 803 068 | 855 622 | 890 000 | 1 064 600 | 1 125 105 |
| Limpopo region | Water supply and sanitation backlog | Construction | - | 93 473 | 27 379 | 130 540 | 540 273 | 527 478 | 605 000 | 690 000 |
| Mpumalanga region | Water supply and sanitation backlog | Construction | - | 89 468 | 21 000 | 263 740 | 398 707 | 415 000 | 300 000 | 359 000 |
| Northern Cape region | Water supply and sanitation backlog | Construction | - | 16 371 | 64 170 | 87 713 | 140 984 | 260 500 | 225 000 | 255 000 |
| North West region | Water supply and sanitation backlog | Construction | - | 27 159 | 1 458 | 62 028 | 204 904 | 320 986 | 334 557 | 358 000 |
| Western Cape region | Water supply and sanitation backlog | Construction | - | - | - | - | - | 30 000 | 20 000 | 22 000 |
| Total | | | 139 007 272 | 5 669 964 | 6 821 116 | 8 939 966 | 10 695 176 | 11 298 705 | 12 500 677 | 13 263 570 |

Table 36.C Summary of donor funding

| Donor | Project | Programme | Period of commitment | Amount committed | Main economic classification | Spending focus | Audited outcome | | | Estimate | Medium-term expenditure estimate | | | |
|-----------------|---|----------------|----------------------|------------------|------------------------------|--|-----------------|----------|----------|----------|----------------------------------|----------|----------|----------|
| | | | | | | | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| R thousand | | | | | | | | | | | | | | |
| Foreign In cash | | | | | | | | | | | | | | |
| European Union | Water and sanitation services (Masibambane) | Administration | 3 years | 1 079 754 | Goods and services | Support delivery through close collaboration with the Department of Cooperative Governance and Traditional Affairs. Fast-track procurement through increased effort by sector partners, build capacity for service delivery and sustainable services | 838 | - | - | - | - | - | - | - |
| Total | | | | 1 079 754 | | | 838 | - | - | - | - | - | - | - |

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

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Water services infrastructure grant | | | | | | | |
| Direct grants | | | | | | | |
| Transfers and subsidies | 1 129 173 | 1 050 790 | 2 305 029 | 2 844 982 | 3 329 464 | 3 559 056 | 3 757 319 |
| Provinces and municipalities | 1 129 173 | 1 050 790 | 2 305 029 | 2 844 982 | 3 329 464 | 3 559 056 | 3 757 319 |
| Indirect grants | | | | | | | |
| Current payments | 131 144 | 113 284 | 142 098 | 164 547 | 150 016 | 157 475 | 173 886 |
| Compensation of employees | 77 517 | 57 915 | 76 491 | 88 932 | 90 420 | 93 264 | 94 045 |
| Goods and services | 53 627 | 55 369 | 65 607 | 75 615 | 59 596 | 64 211 | 79 841 |
| Transfers and subsidies | 3 600 | 1 973 | 1 250 | 1 300 | 1 407 | 1 488 | 1 571 |
| Households | 3 600 | 1 973 | 1 250 | 1 300 | 1 407 | 1 488 | 1 571 |
| Payments for capital assets | 112 739 | 395 951 | 548 669 | 311 545 | 442 122 | 608 175 | 642 233 |
| Machinery and equipment | 4 150 | 1 370 | 2 413 | 2 736 | 2 171 | 4 621 | 4 880 |
| Buildings and other fixed structures | 108 589 | 394 581 | 546 256 | 308 809 | 439 951 | 603 554 | 637 353 |
| Total | 1 376 656 | 1 561 998 | 2 997 046 | 3 322 374 | 3 923 009 | 4 326 194 | 4 575 009 |
| Regional bulk infrastructure grant | | | | | | | |
| Direct grants | | | | | | | |
| Transfers and subsidies | 231 433 | 579 919 | 801 748 | 2 694 773 | 2 963 503 | 3 175 816 | 3 353 662 |
| Provinces and municipalities | – | – | – | 1 850 000 | 1 865 000 | 2 060 000 | 2 175 360 |
| Transfers to public corporations and private enterprises | 231 433 | 579 919 | 801 748 | 844 773 | 1 098 503 | 1 115 816 | 1 178 302 |
| Current payments | 72 392 | 73 305 | 107 007 | 85 756 | 85 803 | 85 568 | 91 067 |
| Compensation of employees | 15 156 | 23 688 | 38 188 | 32 971 | 36 366 | 37 872 | 40 757 |
| Goods and services | 57 236 | 49 617 | 68 819 | 52 785 | 49 437 | 47 696 | 50 310 |
| Transfers and subsidies | – | – | – | – | – | – | – |
| Indirect grants | | | | | | | |
| Regional bulk infrastructure grant: Allocation-in-kind | | | | | | | |
| Payments for capital assets | 3 009 546 | 3 288 014 | 4 857 588 | 3 478 829 | 2 773 539 | 2 880 922 | 3 037 295 |
| Buildings and other fixed structures | 3 008 831 | 3 287 817 | 4 856 588 | 3 478 829 | 2 773 539 | 2 880 922 | 3 037 295 |
| Machinery and equipment | 715 | 197 | 1 000 | – | – | – | – |
| Total | 3 313 371 | 3 941 238 | 5 766 343 | 6 259 358 | 5 822 845 | 6 142 306 | 6 482 024 |
| Bucket eradication programme: Allocation-in-kind | | | | | | | |
| Indirect grants | | | | | | | |
| Payments for capital assets | – | 899 177 | 975 399 | 350 000 | 145 000 | – | – |
| Buildings and other fixed structures | – | 899 177 | 975 399 | 350 000 | 145 000 | – | – |
| Total grants | – | 899 177 | 975 399 | 350 000 | 145 000 | – | – |

BUDGET 2017

ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

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