



**VOTE**  
**36**

**WATER AND SANITATION**



**national treasury**

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





# **Estimates of National Expenditure 2018**

**National Treasury**

**Republic of South Africa**



ISBN: 978-0-621-46019-3  
RP: 02/2018

The 2018 Estimates of National Expenditure 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](http://www.treasury.gov.za). Compared to this 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

When the Estimates of National Expenditure (ENE) publication was launched in 2001, we referred to it as “a significant step forward in national budget transparency”. Since then, even though the national budget has undergone many reforms, the ENE publications remain a key indicator and embodiment of the candour of the budgeting process.

The publications provide the media, civil society, the public, Parliament, departments, public entities and ministers with information about how taxpayers’ money is being spent: what it buys and for what purpose. Do not be concerned by the magnitude of this publication. Instead, let us use it as a reference to keep government institutions accountable and ensure that the expenditure of public funds achieves its intended policy outcomes to improve the welfare of citizens.

In the current economic climate, spending priorities and the sequencing of programme implementation are subject to a number of trade-offs. The focus of the 2018 Budget has solely been on the reprioritisation of existing baseline funding. The abridged ENE provides a coherent and summarised account of the priorities, spending plans and service delivery commitments of all 40 national votes and of government agencies. The e-publications for each vote contain more detail on, for example, goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

The ENE’s presentation of the detailed expenditure estimates of departments are the result of a lengthy executive and administrative process involving wide-ranging intergovernmental consultation. This process is led by a committee of senior officials in central government departments, under the political guidance of the Ministers’ Committee on the Budget. A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team that worked tirelessly to produce a document of which we are rightly proud.

The independent Open Budget Survey assessment of budget transparency commenced in 2006. It is conducted every two years to measure the accessibility and comprehensiveness of key budget documents and information across the world. In 2010, South Africa was ranked first out of 94 countries surveyed, scoring 92 per cent. In the latest iteration of the survey, which measured 115 countries, South Africa was ranked first again, tied with New Zealand, with a score of 89 per cent. Our country is one of only 11 that publish comprehensive, timely information in all the required budget documents.

Budgets link the outcomes targeted by government with the services that are ultimately delivered. In addition to South African budgets having become more transparent, recent efforts to increase public participation in budgeting are gaining momentum. South Africans are invited to scrutinise budget information and provide opinions on government service delivery. We rely on this participation to strengthen our budgeting system and make it even more reliable.



**Dondo Mogajane**  
**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 2018 MTEF period is from 2018/19 to 2020/21.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for 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. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2018 ENE Overview publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za) and summarises the ENE information across all votes. The 2018 ENE Overview contains a narrative explanation and budget-wide summary tables; 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**



# Contents

<b>Budget summary</b> .....	<b>1</b>
<b>Vote purpose</b> .....	<b>1</b>
<b>Mandate</b> .....	<b>1</b>
<b>Selected performance indicators</b> .....	<b>1</b>
<b>Expenditure analysis</b> .....	<b>2</b>
<b>Expenditure trends</b> .....	<b>4</b>
<b>Expenditure estimates</b> .....	<b>5</b>
<b>Expenditure trends and estimates for significant spending items</b> .....	<b>5</b>
<b>Goods and services expenditure trends and estimates</b> .....	<b>5</b>
<b>Transfers and subsidies expenditure trends and estimates</b> .....	<b>6</b>
<b>Personnel information</b> .....	<b>7</b>
<b>Departmental receipts</b> .....	<b>8</b>
<b>Programme 1: Administration</b> .....	<b>8</b>
<b>Programme 2: Water Planning and Information Management</b> .....	<b>11</b>
<b>Programme 3: Water Infrastructure Development</b> .....	<b>13</b>
<b>Programme 4: Water Sector Regulation</b> .....	<b>15</b>
<b>Entities</b> .....	<b>18</b>
<b>Additional tables</b> .....	<b>41</b>

# Vote 36

## Water and Sanitation

### Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	1 714.6	1 630.4	20.9	63.3	1 808.0	1 921.9
Water Planning and Information Management	862.1	785.3	1.3	75.5	964.8	1 029.8
Water Infrastructure Development	12 496.2	392.4	8 609.4	3 494.4	13 232.5	13 958.5
Water Sector Regulation	498.6	485.8	1.6	11.2	461.4	498.8
<b>Total expenditure estimates</b>	<b>15 571.5</b>	<b>3 293.8</b>	<b>8 633.3</b>	<b>3 644.4</b>	<b>16 466.6</b>	<b>17 409.0</b>
Executive authority	Minister of Water and Sanitation					
Accounting officer	Director General of Water and Sanitation					
Website address	<a href="http://www.dwa.gov.za">www.dwa.gov.za</a>					

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

### Vote purpose

Ensure the availability of water resources to 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 in delivering on the people's right to have 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	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of reports on progress analysed against the approved annual international relations implementation plan per year	Administration	Departmental mandate	-1	-1	4	-2	-2	-2	-2
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	2	1	4	2	3

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

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
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	0 <sup>3</sup>	0 <sup>3</sup>	1	1	1
Number of large regional bulk infrastructure project phases completed per year	Water Infrastructure Development		-1	-1	0 <sup>3</sup>	16	10	12	15
Number of small regional bulk infrastructure project phases completed per year	Water Infrastructure Development		-1	-1	31	10	4	18	11
Number of small projects completed through the Accelerated Community Infrastructure Programme subprogramme per year	Water Infrastructure Development		-1	-1	20	1	-4	-4	-4
Number of small projects completed through the water services infrastructure grant per year	Water Infrastructure Development		-1	-1	316	30	0	115	65
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 developmental local government	20 581	28 365	6 978	13 538	11 844	-4	-4
Number of waste water systems assessed for compliance with the green drop regulatory standards per year	Water Sector Regulation	Departmental mandate	967	- <sup>5</sup>	- <sup>5</sup>	963	963	963	963
Number of water supply systems assessed for compliance with blue drop regulatory standards per year	Water Sector Regulation	Departmental mandate	913	- <sup>5</sup>	763	1 036	1 010	1 010	1 010
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	23% (375/1 652)	91% (262/288)	68% (275/404)	80%	80%	80%	80%

1. No historical data available.

2. Indicator discontinued.

3. Project could not be implemented due to funding limitations.

4. Programme ends.

5. No blue or green drop assessments were conducted in 2015/16.

## Expenditure analysis

Chapter 4 of the National Development Plan (NDP) sets out a vision for South Africa that recognises access to water and sanitation, and the appropriate management and provision of services relating to water and sanitation, as key components of socioeconomic development. This is given expression by outcome 6 (an efficient, competitive and responsive economic infrastructure network), outcome 9 (responsive, accountable, effective and efficient local government system) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. The work of the Department of Water and Sanitation is directly aligned with these outcomes. Over the medium term, the department will continue to focus on making transfers to the Water Trading Entity for the maintenance of raw

and bulk water services infrastructure; and for planning, managing, monitoring and protecting water resources and infrastructure, and regulating the entire water value chain.

The department's total expenditure is expected to increase at an average annual rate of 3.7 per cent, from R15.6 billion in 2017/18 to R17.4 billion in 2020/21, with allocations to the *Water Infrastructure Development* programme accounting for 80.6 per cent (R39.7 billion) of this amount. Spending in this programme is mainly driven by transfers to water boards for the provision of regional bulk infrastructure, transfers to the Water Trading Entity, the regional bulk and water services infrastructure grants and the *Accelerated Community Infrastructure Programme* subprogramme. As a result of Cabinet approved reductions of R3.1 billion to these transfers and subprogrammes over the medium term, allocations to the *Water Infrastructure Development* programme increase at below inflation, at an average annual rate of 3 per cent, from R12.8 billion in 2017/18 to R14 billion in 2020/21.

To fill critical positions for engineers and programme managers in the *Water Infrastructure Development* programme, the department expects to increase its number of personnel from 3 529 in 2017/18 to 3 597 in 2020/21. As a result, spending on compensation of employees is expected to increase from R1.6 billion in 2017/18 to R2 billion in 2020/21, at an average annual rate of 8.2 per cent, accounting for an estimated 11 per cent (R5.6 billion) of the department's total budget over the MTEF period.

### ***Sustainable water infrastructure development***

Transfers to departmental agencies and accounts is the fastest growing expenditure item in the department's budget. This is mainly due to increases in transfers to the Water Trading Entity in the *Water Infrastructure Development* programme. These transfers are expected to increase at an average annual rate of 10.3 per cent, from R1.9 billion in 2017/18 to R2.5 billion in 2020/21, mainly for the acid mine drainage project, which purifies mine water and pumps it to augment the yield of the Vaal River system; and to subsidise capital for the operations and maintenance of infrastructure for water resources.

For the construction of 3 mega, 37 large and 33 small regional bulk water and sanitation projects, disbursements from the *regional bulk infrastructure grant* are expected to amount to R17.6 billion over the medium term.

Funding from the *water services infrastructure grant* is expected to be used to replace the remaining 11 844 bucket sanitation systems in Free State and Northern Cape with waterborne sanitation services in 2018/19, and construct 180 small interim water and sanitation systems across the country. Allocations to the grant are expected to increase at an average annual rate of 2.4 per cent, from R4.4 billion in 2017/18 to R4.7 billion in 2020/21.

### ***Enhancing project planning and strengthening regulatory oversight***

Over the next three years, the department plans to finalise the water and sanitation master plan, which will serve as a roadmap for the planning and implementation of water and sanitation projects. To strengthen integrated planning, the department has reallocated R391.4 million over the medium term from goods and services items across all programmes towards infrastructure planning and services in the *Water Planning and Information Management* programme. As a result, expenditure in the programme is expected to increase from R802.4 million in 2017/18 to R1 billion in 2020/21, at an average annual rate of 8.7 per cent.

Assessing 963 wastewater systems per year over the MTEF period, in line with the green drop regulatory standards, and 1 010 water supply systems per year, in line with the blue drop regulatory standards, is expected to drive an increase in spending in the *Compliance Monitoring and Enforcement* subprogramme. As a result, allocations to the *Water Sector Regulation* programme are set to increase at an average annual rate of 8.1 per cent, from R394.8 million in 2017/18 to R498.8 million in 2020/21.

To ensure more equitable allocation of water resources for social and economic development, the department aims to finalise 80 per cent of authorised water use licence applications within 300 days of receipt over the medium term. As a result of the anticipated increase in licence applications, spending in the *Water Use*

Authorisation and Administration subprogramme in the Water Sector Regulation programme is expected to increase from R65.5 million in 2017/18 to R86.2 million in 2020/21, at an average annual rate of 9.6 per cent.

## 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	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 (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	-	1 404.0	1 335.6	1 526.2	1 487.5	1 448.1	1 642.7	1 591.9	1 557.9	1 628.4	1 649.9	1 649.9	124.9%	97.7%
Programme 2	-	853.6	812.5	814.0	744.0	701.0	853.7	831.0	815.4	816.5	802.4	802.4	126.0%	96.9%
Programme 3	-	11 199.3	9 310.9	13 875.0	13 230.4	13 147.0	12 430.0	12 782.4	12 953.9	12 251.7	12 760.4	12 760.4	124.9%	96.4%
Programme 4	-	190.5	157.6	231.3	284.6	260.9	318.8	319.2	308.2	410.8	394.8	394.8	116.7%	94.3%
<b>Total</b>	-	<b>13 647.4</b>	<b>11 616.7</b>	<b>16 446.5</b>	<b>15 746.5</b>	<b>15 557.0</b>	<b>15 245.3</b>	<b>15 524.6</b>	<b>15 635.4</b>	<b>15 107.4</b>	<b>15 607.4</b>	<b>15 607.4</b>	<b>124.8%</b>	<b>96.5%</b>
Change to 2017 Budget estimate										500.0				
Economic classification														
<b>Current payments</b>	-	<b>3 058.5</b>	<b>2 595.6</b>	<b>3 175.0</b>	<b>3 122.2</b>	<b>2 902.3</b>	<b>3 319.2</b>	<b>3 205.9</b>	<b>3 139.9</b>	<b>3 301.5</b>	<b>3 167.3</b>	<b>3 167.3</b>	<b>120.5%</b>	<b>94.0%</b>
Compensation of employees	-	1 388.0	1 275.7	1 492.1	1 428.4	1 360.4	1 667.3	1 540.2	1 439.9	1 651.9	1 571.9	1 571.9	117.4%	95.3%
Goods and services	-	1 670.3	1 318.8	1 682.9	1 687.2	1 535.4	1 651.9	1 665.6	1 699.9	1 649.6	1 583.8	1 583.8	123.1%	92.9%
Interest and rent on land	-	0.1	1.1	-	6.5	6.5	-	0.1	0.1	-	11.6	11.6	-	105.2%
<b>Transfers and subsidies</b>	-	<b>4 563.9</b>	<b>4 588.8</b>	<b>6 086.4</b>	<b>5 072.6</b>	<b>5 078.3</b>	<b>7 480.3</b>	<b>7 484.2</b>	<b>7 482.9</b>	<b>8 114.5</b>	<b>8 416.1</b>	<b>8 416.1</b>	<b>117.9%</b>	<b>100.1%</b>
Provinces and municipalities	-	1 033.3	1 051.4	2 155.4	2 305.5	2 305.7	4 695.4	4 695.4	4 681.3	5 194.9	5 195.2	5 195.2	109.9%	100.0%
Departmental agencies and accounts	-	2 737.8	2 739.5	2 516.8	1 739.2	1 744.8	1 713.7	1 713.7	1 725.9	1 586.1	1 886.1	1 886.1	-	-
Higher education institutions	-	-	-	0.6	2.0	1.0	-	-	-	-	-	-	166.7%	50.0%
Foreign governments and international organisations	-	185.2	185.2	180.9	189.3	189.2	188.4	188.4	188.3	197.7	197.7	197.7	134.1%	100.0%
Public corporations and private enterprises	-	580.0	579.9	1 200.0	802.0	801.7	844.8	844.8	844.8	1 098.5	1 098.5	1 098.5	105.8%	100.0%
Non-profit institutions	-	1.9	1.8	1.9	2.0	0.7	2.8	2.8	3.3	1.2	1.2	1.2	119.0%	89.1%
Households	-	25.7	31.0	30.7	32.7	35.2	35.3	39.3	39.3	36.1	37.5	37.5	140.0%	105.8%
<b>Payments for capital assets</b>	-	<b>6 025.0</b>	<b>4 432.2</b>	<b>7 185.1</b>	<b>7 551.8</b>	<b>7 571.4</b>	<b>4 445.8</b>	<b>4 834.5</b>	<b>5 012.6</b>	<b>3 691.5</b>	<b>4 024.1</b>	<b>4 024.1</b>	<b>137.3%</b>	<b>93.8%</b>
Buildings and other fixed structures	-	5 937.3	4 368.4	7 084.7	7 419.0	7 456.0	4 334.6	4 697.3	4 926.7	3 561.2	3 884.2	3 884.2	137.7%	94.1%
Machinery and equipment	-	83.4	53.5	74.0	92.3	86.5	87.7	109.3	62.0	87.2	113.0	113.0	126.6%	79.1%
Land and sub-soil assets	-	0.9	-	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	3.4	10.3	26.5	40.4	29.0	23.4	27.9	24.0	43.1	26.9	26.9	97.0%	91.5%
<b>Payments for financial assets</b>	-	-	<b>0.1</b>	-	-	<b>4.8</b>	-	-	<b>0.0</b>	-	-	-	-	-
<b>Total</b>	-	<b>13 647.4</b>	<b>11 616.7</b>	<b>16 446.5</b>	<b>15 746.5</b>	<b>15 557.0</b>	<b>15 245.3</b>	<b>15 524.6</b>	<b>15 635.4</b>	<b>15 107.4</b>	<b>15 607.4</b>	<b>15 607.4</b>	<b>124.8%</b>	<b>96.5%</b>

## 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 (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Programme 1	1 649.9	5.5%	10.3%	1 714.6	1 808.0	1 921.9	5.2%	10.9%
Programme 2	802.4	-2.0%	5.4%	862.1	964.8	1 029.8	8.7%	5.6%
Programme 3	12 760.4	4.4%	82.5%	12 496.2	13 232.5	13 958.5	3.0%	80.6%
Programme 4	394.8	27.5%	1.9%	498.6	461.4	498.8	8.1%	2.8%
<b>Total</b>	<b>15 607.4</b>	<b>4.6%</b>	<b>100.0%</b>	<b>15 571.5</b>	<b>16 466.6</b>	<b>17 409.0</b>	<b>3.7%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				(989.3)	(1 048.2)	(1 106.2)		
Economic classification								
<b>Current payments</b>	<b>3 167.3</b>	<b>1.2%</b>	<b>20.2%</b>	<b>3 293.8</b>	<b>3 464.5</b>	<b>3 687.7</b>	<b>5.2%</b>	<b>20.9%</b>
Compensation of employees	1 571.9	4.2%	9.7%	1 720.2	1 851.3	1 990.2	8.2%	11.0%
Goods and services	1 583.8	-1.8%	10.5%	1 573.6	1 613.2	1 697.5	2.3%	9.9%
Interest and rent on land	11.6	336.0%	0.0%	-	-	-	-100.0%	0.0%
<b>Transfers and subsidies</b>	<b>8 416.1</b>	<b>22.6%</b>	<b>43.8%</b>	<b>8 633.3</b>	<b>9 160.5</b>	<b>9 664.1</b>	<b>4.7%</b>	<b>55.1%</b>
Provinces and municipalities	5 195.2	71.3%	22.7%	5 438.6	5 736.2	6 051.6	5.2%	34.5%
Departmental agencies and accounts	1 886.1	-11.7%	13.9%	2 269.8	2 396.2	2 528.0	10.3%	14.0%
Foreign governments and international organisations	197.7	2.2%	1.3%	209.2	220.9	233.1	5.6%	1.3%
Public corporations and private enterprises	1 098.5	23.7%	5.7%	694.7	782.9	825.8	-9.1%	5.2%
Non-profit institutions	1.2	-15.3%	0.0%	1.0	0.9	0.9	-7.5%	0.0%
Households	37.5	13.4%	0.2%	20.0	23.4	24.7	-13.0%	0.2%
<b>Payments for capital assets</b>	<b>4 024.1</b>	<b>-12.6%</b>	<b>36.0%</b>	<b>3 644.4</b>	<b>3 841.5</b>	<b>4 057.2</b>	<b>0.3%</b>	<b>23.9%</b>
Buildings and other fixed structures	3 884.2	-13.2%	35.3%	3 520.1	3 715.0	3 919.3	0.3%	23.1%
Machinery and equipment	113.0	10.6%	0.5%	96.8	100.6	107.6	-1.6%	0.6%
Software and other intangible assets	26.9	99.4%	0.2%	27.5	26.0	30.3	4.0%	0.2%
<b>Total</b>	<b>15 607.4</b>	<b>4.6%</b>	<b>100.0%</b>	<b>15 571.5</b>	<b>16 466.6</b>	<b>17 409.0</b>	<b>3.7%</b>	<b>100.0%</b>

## Expenditure trends and estimates for significant spending items

**Table 36.4 Expenditure trends and estimates for significant spending items**

	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand												
Water resource and bulk infrastructure	6 438 842	7 230 058	7 718 063	7 648 986	5.9%	49.7%	7 153 222	8 057 298	8 503 470	3.6%	48.2%	
Regional and local water and sanitation services	2 345 918	3 829 097	3 506 527	4 195 290	21.4%	23.8%	4 529 231	4 311 552	4 548 527	2.7%	27.0%	
<b>Total</b>	<b>8 784 760</b>	<b>11 059 155</b>	<b>11 224 590</b>	<b>11 844 276</b>	<b>27.3%</b>	<b>73.5%</b>	<b>11 682 453</b>	<b>12 368 850</b>	<b>13 051 997</b>	<b>6.3%</b>	<b>75.2%</b>	

## Goods and services expenditure trends and estimates

**Table 36.5 Vote goods and services expenditure trends and estimates**

	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand												
Administrative fees	5 341	10 545	11 848	15 643	43.1%	0.7%	16 383	16 796	18 677	6.1%	1.0%	
Advertising	38 383	33 825	55 133	32 770	-5.1%	2.6%	29 491	40 087	36 512	3.7%	2.1%	
Minor assets	5 905	10 764	15 745	19 409	48.7%	0.8%	15 290	15 831	20 686	2.1%	1.1%	
Audit costs: External	22 955	29 313	36 225	21 659	-1.9%	1.8%	33 745	35 295	32 986	15.1%	1.9%	
Bursaries: Employees	3 382	3 710	4 119	6 073	21.5%	0.3%	4 604	4 863	7 975	9.5%	0.4%	

Table 36.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Catering: Departmental activities	6 130	11 250	11 386	12 745	27.6%	0.7%	12 446	10 201	13 527	2.0%	0.8%
Communication	42 814	57 692	38 777	39 604	-2.6%	2.9%	43 207	47 301	53 470	10.5%	2.8%
Computer services	126 921	100 511	148 730	105 857	-5.9%	7.9%	131 365	126 737	136 749	8.9%	7.7%
Consultants: Business and advisory services	171 052	97 868	154 826	174 579	0.7%	9.7%	118 552	92 015	122 975	-11.0%	7.9%
Infrastructure and planning services	142 003	241 215	145 374	159 022	3.8%	11.2%	258 404	284 351	266 381	18.8%	15.0%
Laboratory services	3 729	4 438	6 558	8 992	34.1%	0.4%	12 229	13 175	12 434	11.4%	0.7%
Legal services	6 827	8 109	6 777	7 513	3.2%	0.5%	8 504	8 737	9 472	8.0%	0.5%
Science and technological services	-	1 777	910	455	-	0.1%	130	137	145	-31.7%	-
Contractors	112 230	160 910	259 960	70 331	-14.4%	9.8%	57 238	64 182	53 342	-8.8%	3.8%
Agency and support/outsourced services	45 340	40 033	7 191	43 848	-1.1%	2.2%	35 547	42 278	33 261	-8.8%	2.4%
Entertainment	177	673	426	424	33.8%	-	1 569	1 484	1 274	44.3%	0.1%
Fleet services (including government motor transport)	1 724	1 554	3 092	26 095	147.4%	0.5%	14 995	15 867	16 134	-14.8%	1.1%
Housing	-	44	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	2 987	4 329	5 733	4 835	17.4%	0.3%	4 479	5 079	5 331	3.3%	0.3%
Inventory: Farming supplies	72	79	137	126	20.5%	-	256	315	333	38.3%	-
Inventory: Food and food supplies	117	399	471	100	-5.1%	-	247	229	242	34.3%	-
Inventory: Fuel, oil and gas	1 868	2 515	6 271	3 951	28.4%	0.2%	5 297	7 188	7 583	24.3%	0.4%
Inventory: Learner and teacher support material	9	2 468	1 298	11	6.9%	0.1%	59	581	64	79.9%	-
Inventory: Materials and supplies	6 791	14 598	6 607	4 176	-15.0%	0.5%	6 369	8 371	8 470	26.6%	0.4%
Inventory: Medical supplies	119	183	269	658	76.8%	-	502	464	499	-8.8%	-
Inventory: Medicine	-	108	30	25	-	-	300	319	336	137.8%	-
Medsas inventory interface	-	-	35	-	-	-	316	333	352	-	-
Inventory: Other supplies	16 790	6 377	13 599	15 059	-3.6%	0.8%	7 388	6 733	6 696	-23.7%	0.6%
Consumable supplies	6 167	13 436	19 309	29 753	69.0%	1.1%	16 411	19 876	20 824	-11.2%	1.3%
Consumables: Stationery, printing and office supplies	14 705	24 208	30 057	32 702	30.5%	1.7%	28 420	35 879	35 248	2.5%	2.0%
Operating leases	231 764	275 322	304 928	372 303	17.1%	19.3%	388 310	407 925	432 317	5.1%	24.7%
Rental and hiring	2 331	4 615	2 828	4 739	26.7%	0.2%	2 882	2 940	4 387	-2.5%	0.2%
Property payments	48 250	121 681	90 238	99 574	27.3%	5.9%	108 364	108 701	116 892	5.5%	6.7%
Transport provided: Departmental activity	620	3 561	2 557	1 567	36.2%	0.1%	7 440	4 015	4 221	39.1%	0.3%
Travel and subsistence	207 033	176 382	235 374	199 268	-1.3%	13.3%	133 068	114 669	134 015	-12.4%	9.0%
Training and development	17 405	36 237	33 757	32 410	23.0%	2.0%	31 620	36 854	43 841	10.6%	2.2%
Operating payments	17 184	17 553	23 041	21 137	7.1%	1.3%	20 134	19 713	26 016	7.2%	1.3%
Venues and facilities	9 684	17 157	16 313	16 394	19.2%	1.0%	18 073	13 648	13 845	-5.5%	1.0%
<b>Total</b>	<b>1 318 809</b>	<b>1 535 439</b>	<b>1 699 929</b>	<b>1 583 806</b>	<b>6.3%</b>	<b>100.0%</b>	<b>1 573 634</b>	<b>1 613 169</b>	<b>1 697 512</b>	<b>2.3%</b>	<b>100.0%</b>

## Transfers and subsidies expenditure trends and estimates

Table 36.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>10 996</b>	<b>8 869</b>	<b>11 168</b>	<b>20 728</b>	<b>23.5%</b>	<b>0.2%</b>	<b>4 368</b>	<b>4 540</b>	<b>4 798</b>	<b>-38.6%</b>	<b>0.1%</b>
Employee social benefits	10 996	8 869	11 083	20 728	23.5%	0.2%	4 368	4 540	4 798	-38.6%	0.1%
Other transfer	-	-	85	-	-	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>168 627</b>	<b>174 116</b>	<b>181 408</b>	<b>176 173</b>	<b>1.5%</b>	<b>2.7%</b>	<b>185 862</b>	<b>196 270</b>	<b>207 065</b>	<b>5.5%</b>	<b>2.1%</b>
Energy and Water Services Sector	2 204	3 037	2 202	2 674	6.7%	-	2 828	2 986	3 150	5.6%	-
Education and Training Authority											
Communication	2 178	4	-	-	-100.0%	-	-	-	-	-	-
Water information management	-	6 704	12 206	-	-	0.1%	-	-	-	-	-
Water trading entity	164 245	164 371	165 000	173 000	1.7%	2.6%	183 034	193 284	203 915	5.6%	2.1%
Water Research Commission	-	-	2 000	499	-	-	-	-	-	-100.0%	-



Table 36.6 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
<b>Capital</b>	<b>2 570 909</b>	<b>1 570 722</b>	<b>1 544 461</b>	<b>1 709 881</b>	<b>-12.7%</b>	<b>28.9%</b>	<b>2 083 894</b>	<b>2 199 959</b>	<b>2 320 957</b>	<b>10.7%</b>	<b>23.2%</b>
Water Trading Entity	2 570 909	1 570 722	1 544 461	1 709 881	-12.7%	28.9%	2 083 894	2 199 959	2 320 957	10.7%	23.2%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>20 016</b>	<b>26 288</b>	<b>28 159</b>	<b>16 759</b>	<b>-5.7%</b>	<b>0.4%</b>	<b>15 630</b>	<b>18 832</b>	<b>19 868</b>	<b>5.8%</b>	<b>0.2%</b>
Employee social benefits	5 174	–	12 624	–	-100.0%	0.1%	–	–	–	–	–
Bursaries for non-employees	13 486	15 726	15 535	16 759	7.5%	0.2%	15 630	18 832	19 868	5.8%	0.2%
Resource poor farmers	1 356	10 562	–	–	-100.0%	–	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	<b>1 803</b>	<b>681</b>	<b>3 337</b>	<b>1 160</b>	<b>-13.7%</b>	<b>–</b>	<b>1 026</b>	<b>872</b>	<b>919</b>	<b>-7.5%</b>	<b>–</b>
Women in water awards	700	100	700	–	-100.0%	–	–	–	–	–	–
South African youth water prize	25	22	24	25	–	–	26	27	28	3.8%	–
Various Institutions: 2020 vision for water education programme	430	556	1 813	1 135	38.2%	–	–	–	–	-100.0%	–
Water Institute of Southern Africa	648	–	800	–	-100.0%	–	1 000	845	891	–	–
Non-profit Institution	–	3	–	–	–	–	–	–	–	–	–
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>185 176</b>	<b>189 231</b>	<b>188 250</b>	<b>197 743</b>	<b>2.2%</b>	<b>3.0%</b>	<b>209 212</b>	<b>220 927</b>	<b>233 078</b>	<b>5.6%</b>	<b>2.4%</b>
Orange-Senqu River Basin Commission	608	546	611	638	1.6%	–	675	713	752	5.6%	–
African Ministers' Council on Water	–	97	102	106	–	–	112	118	124	5.4%	–
Limpopo Watercourse Commission	300	350	87	176	-16.3%	–	186	196	207	5.6%	–
Komati River Basin Water Authority	184 268	188 238	187 450	196 823	2.2%	3.0%	208 239	219 900	231 995	5.6%	2.4%
<b>Provinces and municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>563</b>	<b>660</b>	<b>546</b>	<b>707</b>	<b>7.9%</b>	<b>–</b>	<b>523</b>	<b>552</b>	<b>573</b>	<b>-6.8%</b>	<b>–</b>
Vehicle licences	557	657	546	707	8.3%	–	523	552	573	-6.8%	–
Other transfers to households	6	3	–	–	-100.0%	–	–	–	–	–	–
<b>Capital</b>	<b>1 050 790</b>	<b>2 305 029</b>	<b>4 680 773</b>	<b>5 194 464</b>	<b>70.3%</b>	<b>51.8%</b>	<b>5 438 056</b>	<b>5 735 679</b>	<b>6 050 977</b>	<b>5.2%</b>	<b>62.5%</b>
Regional bulk infrastructure grant	–	–	1 849 791	1 865 000	–	14.5%	1 957 000	2 066 360	2 180 005	5.3%	22.5%
Water services infrastructure grant	1 050 790	2 305 029	2 830 982	3 329 464	46.9%	37.2%	3 481 056	3 669 319	3 870 972	5.2%	40.0%
<b>Higher education institutions</b>											
<b>Current</b>	<b>–</b>	<b>1 000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Stellenbosch University	–	500	–	–	–	–	–	–	–	–	–
University of Western Cape	–	500	–	–	–	–	–	–	–	–	–
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Capital</b>	<b>579 919</b>	<b>801 748</b>	<b>844 773</b>	<b>1 098 503</b>	<b>23.7%</b>	<b>13.0%</b>	<b>694 715</b>	<b>782 891</b>	<b>825 829</b>	<b>-9.1%</b>	<b>9.5%</b>
Amatola Water Board: Regional bulk infrastructure	150 000	169 060	–	88 554	-16.1%	1.6%	92 386	185 000	–	-100.0%	1.0%
Magalies Water Board: Regional bulk infrastructure	70 000	150 000	142 769	58 385	-5.9%	1.6%	36 000	65 373	100 000	19.6%	0.7%
Umgeni Water Board: Regional bulk infrastructure	216 719	279 140	423 004	518 405	33.7%	5.6%	132 329	320 000	590 829	4.5%	4.4%
Sedibeng Water Board: Regional bulk infrastructure	143 200	203 548	279 000	433 159	44.6%	4.1%	434 000	212 518	135 000	-32.2%	3.4%
<b>Total</b>	<b>4 588 799</b>	<b>5 078 344</b>	<b>7 482 875</b>	<b>8 416 118</b>	<b>22.4%</b>	<b>100.0%</b>	<b>8 633 286</b>	<b>9 160 522</b>	<b>9 664 064</b>	<b>4.7%</b>	<b>100.0%</b>

## Personnel information

Table 36.7 Vote personnel numbers and cost by salary level and programme<sup>1</sup>

Programmes		Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number					
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate				2017/18 - 2020/21		Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17	Unit cost	2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost	2020/21	Unit cost								
<b>Water and Sanitation</b>		<b>3 707</b>	<b>281</b>	<b>3 517</b>	<b>1 439.9</b>	<b>0.4</b>	<b>3 529</b>	<b>1 571.9</b>	<b>0.4</b>	<b>3 604</b>	<b>1 720.2</b>	<b>0.5</b>	<b>3 597</b>	<b>1 851.3</b>	<b>0.5</b>	<b>3 597</b>	<b>1 990.2</b>	<b>0.6</b>	<b>100.0%</b>
1 – 6	1 472	139	1 485	262.1	0.2	1 488	286.0	0.2	1 514	313.6	0.2	1 509	337.8	0.2	1 514	362.7	0.2	0.6%	42.1%
7 – 10	1 447	100	1 330	493.7	0.4	1 334	541.1	0.4	1 367	598.0	0.4	1 367	645.2	0.5	1 360	691.5	0.5	0.6%	37.9%
11 – 12	582	41	542	479.2	0.9	544	522.4	1.0	559	571.8	1.0	557	614.8	1.1	559	664.7	1.2	0.9%	15.5%
13 – 16	206	1	160	205.0	1.3	163	222.2	1.4	164	236.9	1.4	164	253.7	1.5	164	271.3	1.7	0.2%	4.6%

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

Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17		2017/18			2018/19		2019/20		2020/21			2017/18 - 2020/21					
		Number	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost				Unit cost				
<b>Water and Sanitation</b>	<b>3 707</b>	<b>281</b>	<b>3 517</b>	<b>1 439.9</b>	<b>0.4</b>	<b>3 529</b>	<b>1 571.9</b>	<b>0.4</b>	<b>3 604</b>	<b>1 720.2</b>	<b>0.5</b>	<b>3 597</b>	<b>1 851.3</b>	<b>0.5</b>	<b>3 597</b>	<b>1 990.2</b>	<b>0.6</b>	<b>0.6%</b>	<b>100.0%</b>
Programme	1 833	100	1 720	670.2	0.4	1 710	722.8	0.4	1 692	769.1	0.5	1 690	827.8	0.5	1 685	890.0	0.5	-0.5%	47.3%
Programme 1	964	48	909	390.3	0.4	881	412.4	0.5	913	457.9	0.5	913	492.8	0.5	920	529.7	0.6	1.5%	25.3%
Programme 2	476	12	465	213.5	0.5	436	214.5	0.5	472	253.1	0.5	470	272.4	0.6	468	292.8	0.6	2.4%	12.9%
Programme 3	434	121	423	165.9	0.4	502	222.1	0.4	527	240.1	0.5	524	258.4	0.5	524	277.8	0.5	1.4%	14.5%

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

2. Rand million.

## Departmental receipts

**Table 36.8 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 (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
<b>Departmental receipts</b>	<b>15 333</b>	<b>11 008</b>	<b>20 964</b>	<b>7 386</b>	<b>7 386</b>	<b>-21.6%</b>	<b>100.0%</b>	<b>7 632</b>	<b>8 031</b>	<b>8 196</b>	<b>3.5%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>2 356</b>	<b>2 546</b>	<b>3 164</b>	<b>2 009</b>	<b>2 009</b>	<b>-5.2%</b>	<b>18.4%</b>	<b>2 422</b>	<b>2 471</b>	<b>2 486</b>	<b>7.4%</b>	<b>30.0%</b>
Sales by market establishments	935	920	877	733	733	-7.8%	6.3%	733	747	750	0.8%	9.5%
of which:												
Market establishment: Rental dwelling	722	656	567	539	539	-9.3%	4.5%	540	550	550	0.7%	7.0%
Market establishment: Non-residential building	23	78	123	8	8	-29.7%	0.4%	6	7	10	7.7%	0.1%
Market establishment: Rental parking	190	186	187	186	186	-0.7%	1.4%	187	190	190	0.7%	2.4%
Administrative fees	67	102	65	61	61	-3.1%	0.5%	65	65	65	2.1%	0.8%
of which:												
Services rendered: Transport fees	52	50	50	50	50	-1.3%	0.4%	50	50	50	-	0.6%
Sales: Tender documents	11	36	-	-	-	-100.0%	0.1%	-	-	-	-	-
Sales: Maps	-	12	10	7	7	-	0.1%	11	11	10	12.6%	0.1%
Replacement of security cards	4	4	4	4	4	-	-	4	4	5	7.7%	0.1%
Sales: Water potable	-	-	1	-	-	-	-	-	-	-	-	-
Other sales	1 354	1 524	2 222	1 215	1 215	-3.5%	11.5%	1 624	1 659	1 671	11.2%	19.7%
of which:												
Rental capital assets	22	67	70	78	78	52.5%	0.4%	75	77	78	-	1.0%
Sales: Departmental publications and production	3	3	7	2	2	-12.6%	-	4	4	4	26.0%	-
Services rendered: Commission on insurance and garnishee	772	803	748	756	756	-0.7%	5.6%	760	762	764	0.4%	9.7%
Sales: Meals and refreshments	557	510	989	340	340	-15.2%	4.4%	510	502	505	14.1%	5.9%
Services rendered: Boarding service	-	141	408	39	39	-	1.1%	275	314	320	101.7%	3.0%
Sales of scrap, waste, arms and other used current goods	4	30	-	12	12	44.2%	0.1%	10	10	10	-5.9%	0.1%
of which:												
Sales: Scrap	4	28	-	12	12	44.2%	0.1%	10	10	10	-5.9%	0.1%
Sales: Waste paper	-	2	-	-	-	-	-	-	-	-	-	-
Transfers received	63	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
Interest, dividends and rent on land	2 544	2 428	1 384	2 575	2 575	0.4%	16.3%	2 600	2 800	2 900	4.0%	34.8%
Interest	2 544	2 428	1 384	2 575	2 575	0.4%	16.3%	2 600	2 800	2 900	4.0%	34.8%
Sales of capital assets	-	31	-	96	96	-	0.2%	-	-	-	-100.0%	0.3%
Transactions in financial assets and liabilities	10 366	5 973	16 416	2 694	2 694	-36.2%	64.8%	2 600	2 750	2 800	1.3%	34.7%
<b>Total</b>	<b>15 333</b>	<b>11 008</b>	<b>20 964</b>	<b>7 386</b>	<b>7 386</b>	<b>-21.6%</b>	<b>100.0%</b>	<b>7 632</b>	<b>8 031</b>	<b>8 196</b>	<b>3.5%</b>	<b>100.0%</b>

## 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.

## Objectives

- Improve regional water resource management by monitoring progress quarterly against the annual international relations implementation plan, as approved by the Department of International Relations and Cooperation.
- Facilitate targeted and sustained African and global cooperation in support of the national water and sanitation agenda by evaluating the implementation of the approved Africa and global international relations plan annually.

## Subprogrammes

- *Ministry* provides administrative and logistical support to the minister, the 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 of salaries and operational budgets for 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, 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 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 36.9 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand					2014/15 - 2017/18					2017/18 - 2020/21	
Ministry	43 287	45 936	52 300	42 149	-0.9%	3.1%	48 452	51 943	55 510	9.6%	2.8%
Departmental Management	135 419	91 583	105 505	88 346	-13.3%	7.0%	90 045	93 609	100 029	4.2%	5.2%
Internal Audit	21 111	29 772	36 280	40 324	24.1%	2.1%	39 335	40 365	43 661	2.7%	2.3%
Corporate Services	598 669	626 770	718 639	741 436	7.4%	44.8%	745 156	789 716	843 932	4.4%	44.0%
Financial Management	208 462	196 276	232 005	219 910	1.8%	14.3%	253 406	271 916	286 184	9.2%	14.5%
Office Accommodation	253 698	374 112	346 920	411 246	17.5%	23.1%	439 180	461 929	487 335	5.8%	25.4%
Programme Management Unit	42 235	46 452	28 081	61 293	13.2%	3.0%	48 028	47 991	51 313	-5.8%	2.9%
International Water Support	32 712	37 157	38 180	45 147	11.3%	2.6%	51 037	50 498	53 919	6.1%	2.8%
<b>Total</b>	<b>1 335 593</b>	<b>1 448 058</b>	<b>1 557 910</b>	<b>1 649 851</b>	<b>7.3%</b>	<b>100.0%</b>	<b>1 714 639</b>	<b>1 807 967</b>	<b>1 921 883</b>	<b>5.2%</b>	<b>100.0%</b>
Change to 2017				21 437			(38 911)	(38 745)	53 860		
Budget estimate											

**Table 36.9 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
<b>Current payments</b>	<b>1 280 712</b>	<b>1 367 087</b>	<b>1 483 886</b>	<b>1 561 478</b>	<b>6.8%</b>	<b>95.0%</b>	<b>1 630 389</b>	<b>1 724 666</b>	<b>1 830 421</b>	<b>5.4%</b>	<b>95.1%</b>
Compensation of employees	616 108	617 704	670 178	722 846	5.5%	43.8%	769 105	827 770	889 954	7.2%	45.2%
Goods and services <sup>1</sup>	663 569	742 860	813 708	838 632	8.1%	51.1%	861 284	896 896	940 467	3.9%	49.9%
of which:											
Audit costs: External	22 089	29 313	36 225	21 659	-0.7%	1.8%	33 745	35 295	32 986	15.1%	1.7%
Computer services	79 560	38 229	58 398	62 201	-7.9%	4.0%	93 820	97 193	102 339	18.1%	5.0%
Contractors	33 918	40 960	51 778	29 750	-4.3%	2.6%	35 117	34 168	32 846	3.4%	1.9%
Operating leases	230 735	272 292	302 091	369 809	17.0%	19.6%	385 651	404 759	428 415	5.0%	22.4%
Property payments	45 995	119 599	78 582	83 109	21.8%	5.5%	89 651	92 113	99 382	6.1%	5.1%
Travel and subsistence	88 561	72 603	72 262	79 561	-3.5%	5.2%	53 378	45 865	51 044	-13.8%	3.2%
Interest and rent on land	1 035	6 523	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Transfers and subsidies<sup>1</sup></b>	<b>21 258</b>	<b>21 801</b>	<b>21 926</b>	<b>22 011</b>	<b>1.2%</b>	<b>1.5%</b>	<b>20 947</b>	<b>24 358</b>	<b>25 696</b>	<b>5.3%</b>	<b>1.3%</b>
Provinces and municipalities	11	9	25	25	31.5%	-	85	89	85	50.4%	-
Departmental agencies and accounts	4 382	3 041	2 202	2 674	-15.2%	0.2%	2 828	2 986	3 150	5.6%	0.2%
Higher education institutions	-	1 000	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	908	993	800	920	0.4%	0.1%	973	1 027	1 083	5.6%	0.1%
Non-profit institutions	700	100	700	-	-100.0%	-	-	-	-	-	-
Households	15 257	16 658	18 199	18 392	6.4%	1.1%	17 061	20 256	21 378	5.1%	1.1%
<b>Payments for capital assets</b>	<b>33 554</b>	<b>59 170</b>	<b>52 095</b>	<b>66 362</b>	<b>25.5%</b>	<b>3.5%</b>	<b>63 303</b>	<b>58 943</b>	<b>65 766</b>	<b>-0.3%</b>	<b>3.6%</b>
Machinery and equipment	23 715	30 149	29 067	40 384	19.4%	2.1%	36 816	34 020	36 599	-3.2%	2.1%
Software and other intangible assets	9 839	29 021	23 028	25 978	38.2%	1.5%	26 487	24 923	29 167	3.9%	1.5%
<b>Payments for financial assets</b>	<b>69</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 335 593</b>	<b>1 448 058</b>	<b>1 557 910</b>	<b>1 649 851</b>	<b>7.3%</b>	<b>100.0%</b>	<b>1 714 639</b>	<b>1 807 967</b>	<b>1 921 883</b>	<b>5.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>11.5%</b>	<b>9.3%</b>	<b>10.0%</b>	<b>10.6%</b>	<b>-</b>	<b>-</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>1 771</b>	<b>932</b>	<b>2 664</b>	<b>1 633</b>	<b>-2.7%</b>	<b>0.1%</b>	<b>1 431</b>	<b>1 424</b>	<b>1 510</b>	<b>-2.6%</b>	<b>0.1%</b>
Employee social benefits	1 771	932	2 664	1 633	-2.7%	0.1%	1 431	1 424	1 510	-2.6%	0.1%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>13 486</b>	<b>15 726</b>	<b>15 535</b>	<b>16 759</b>	<b>7.5%</b>	<b>1.0%</b>	<b>15 630</b>	<b>18 832</b>	<b>19 868</b>	<b>5.8%</b>	<b>1.0%</b>
Bursaries for non-employees	13 486	15 726	15 535	16 759	7.5%	1.0%	15 630	18 832	19 868	5.8%	1.0%
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>4 382</b>	<b>3 041</b>	<b>2 202</b>	<b>2 674</b>	<b>-15.2%</b>	<b>0.2%</b>	<b>2 828</b>	<b>2 986</b>	<b>3 150</b>	<b>5.6%</b>	<b>0.2%</b>
Energy and Water Services Sector	2 204	3 037	2 202	2 674	6.7%	0.2%	2 828	2 986	3 150	5.6%	0.2%
Education and Training Authority	2 178	4	-	-	-100.0%	-	-	-	-	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>908</b>	<b>993</b>	<b>800</b>	<b>920</b>	<b>0.4%</b>	<b>0.1%</b>	<b>973</b>	<b>1 027</b>	<b>1 083</b>	<b>5.6%</b>	<b>0.1%</b>
Orange-Senqu River Basin Commission	608	546	611	638	1.6%	-	675	713	752	5.6%	-
African Ministers' Council on Water	-	97	102	106	-	-	112	118	124	5.4%	-
Limpopo Watercourse Commission	300	350	87	176	-16.3%	-	186	196	207	5.6%	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>700</b>	<b>100</b>	<b>700</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Women in Water awards	700	100	700	-	-100.0%	-	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>11</b>	<b>9</b>	<b>25</b>	<b>25</b>	<b>31.5%</b>	<b>-</b>	<b>85</b>	<b>89</b>	<b>85</b>	<b>50.4%</b>	<b>-</b>
Other transfers to households	6	3	-	-	-100.0%	-	-	-	-	-	-
Vehicle licences	5	6	25	25	71.0%	-	85	89	85	50.4%	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>-</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Stellenbosch University	-	500	-	-	-	-	-	-	-	-	-
University of Western Cape	-	500	-	-	-	-	-	-	-	-	-

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

## Personnel information

**Table 36.10 Administration personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17		2017/18			2018/19		2019/20		2020/21			2017/18 - 2020/21					
		Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost								
Administration	1 833	100	1 720	670.2	0.4	1 710	722.8	0.4	1 692	769.1	0.5	1 690	827.8	0.5	1 685	890.0	0.5	-0.5%	100.0%
Salary level																			
1 – 6	777	81	779	142.7	0.2	779	155.2	0.2	772	165.7	0.2	771	178.8	0.2	770	192.9	0.3	-0.4%	45.6%
7 – 10	788	13	703	267.8	0.4	694	288.2	0.4	687	307.7	0.4	687	332.3	0.5	683	356.5	0.5	-0.5%	40.6%
11 – 12	159	5	152	142.0	0.9	151	153.6	1.0	148	162.6	1.1	147	174.3	1.2	147	188.3	1.3	-0.9%	8.8%
13 – 16	109	1	86	117.6	1.4	86	125.9	1.5	85	133.1	1.6	85	142.4	1.7	85	152.3	1.8	-0.4%	5.0%

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 for both water resources and water services.

### Objectives

- Protect the integrity of freshwater ecosystems by determining the water resource classes and quality objectives for 9 river systems by March 2021.
- Enhance the efficiency of water use and the management of water quality by assessing 8 large water systems for water losses annually.
- 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 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 measures to manage water resources by classifying water resource systems, determining reserves, conducting resource quality assessments, and developing guidelines and protocols for pollution control and rehabilitation.
- *Water Information Management* ensures the development and maintenance of systems and programmes for the acquisition and management of data and information, and builds the knowledge base on all aspects of water for informed decisions on water management.
- *Water Services and Local Water Management* entails the formulation and development of strategies, guidelines and plans for water services and management 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 the water and sanitation sector policies and strategies.

## Expenditure trends and estimates

**Table 36.11 Water Planning and Information Management 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Water Planning, Information Management and Support	5 606	3 851	5 036	6 240	3.6%	0.7%	6 466	7 340	7 866	8.0%	0.8%
Integrated Planning	217 710	159 032	93 035	103 944	-21.8%	18.3%	95 703	128 595	122 403	5.6%	12.3%
Water Ecosystems	47 972	50 161	50 427	54 377	4.3%	6.5%	58 062	66 586	66 967	7.2%	6.7%
Water Information Management	527 121	456 007	517 651	496 890	-1.9%	63.8%	491 038	531 062	584 553	5.6%	57.5%
Water Services and Local Water Management	–	–	112 553	108 128	–	7.0%	173 456	188 576	202 582	23.3%	18.4%
Sanitation Planning and Management	1 836	–	11 599	12 138	87.7%	0.8%	15 864	18 960	20 219	18.5%	1.8%
Policy and Strategy	12 293	31 914	25 052	20 731	19.0%	2.9%	21 533	23 675	25 258	6.8%	2.5%
<b>Total</b>	<b>812 538</b>	<b>700 965</b>	<b>815 353</b>	<b>802 448</b>	<b>-0.4%</b>	<b>100.0%</b>	<b>862 122</b>	<b>964 794</b>	<b>1 029 848</b>	<b>8.7%</b>	<b>100.0%</b>
Change to 2017				(14 014)			44 920	39 424	18 183		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>754 890</b>	<b>632 382</b>	<b>758 067</b>	<b>721 696</b>	<b>-1.5%</b>	<b>91.6%</b>	<b>785 282</b>	<b>881 439</b>	<b>941 910</b>	<b>9.3%</b>	<b>91.0%</b>
Compensation of employees	373 766	350 736	390 345	412 421	3.3%	48.8%	457 917	492 809	529 722	8.7%	51.7%
Goods and services <sup>1</sup>	381 077	281 634	367 722	309 275	-6.7%	42.8%	327 365	388 630	412 188	10.0%	39.3%
<i>of which:</i>											
Communication	8 731	8 041	6 570	7 863	-3.4%	1.0%	7 337	10 410	10 982	11.8%	1.0%
Computer services	46 331	48 940	78 366	41 609	-3.5%	6.9%	20 411	20 315	29 402	-10.9%	3.1%
Consultants: Business and advisory services	31 920	17 573	20 378	32 051	0.1%	3.3%	18 748	22 639	32 110	0.1%	2.9%
Infrastructure and planning services	124 213	84 947	100 103	108 608	-4.4%	13.3%	178 267	221 434	214 807	25.5%	19.8%
Contractors	29 113	19 057	13 763	8 310	-34.2%	2.2%	7 415	8 359	7 318	-4.1%	0.9%
Travel and subsistence	70 727	43 359	72 130	35 962	-20.2%	7.1%	28 179	27 738	32 589	-3.2%	3.4%
Interest and rent on land	47	12	–	–	-100.0%	–	–	–	–	–	–
<b>Transfers and subsidies<sup>1</sup></b>	<b>11 534</b>	<b>8 722</b>	<b>13 908</b>	<b>2 693</b>	<b>-38.4%</b>	<b>1.2%</b>	<b>1 313</b>	<b>1 401</b>	<b>1 477</b>	<b>-18.1%</b>	<b>0.2%</b>
Provinces and municipalities	552	651	521	682	7.3%	0.1%	438	463	488	-10.6%	0.1%
Departmental agencies and accounts	–	6 704	12 206	–	–	0.6%	–	–	–	–	–
Non-profit institutions	25	22	24	25	–	–	26	27	28	3.8%	–
Households	10 957	1 345	1 157	1 986	-43.4%	0.5%	849	911	961	-21.5%	0.1%
<b>Payments for capital assets</b>	<b>46 114</b>	<b>55 012</b>	<b>43 378</b>	<b>78 059</b>	<b>19.2%</b>	<b>7.1%</b>	<b>75 527</b>	<b>81 954</b>	<b>86 461</b>	<b>3.5%</b>	<b>8.8%</b>
Buildings and other fixed structures	28 500	25 971	26 015	31 740	3.7%	3.6%	30 968	35 462	37 412	5.6%	3.7%
Machinery and equipment	17 169	29 031	16 432	45 360	38.2%	3.4%	43 551	45 428	47 926	1.9%	5.0%
Software and other intangible assets	445	10	931	959	29.2%	0.1%	1 008	1 064	1 123	5.4%	0.1%
Payments for financial assets	–	4 849	–	–	–	0.2%	–	–	–	–	–
<b>Total</b>	<b>812 538</b>	<b>700 965</b>	<b>815 353</b>	<b>802 448</b>	<b>-0.4%</b>	<b>100.0%</b>	<b>862 122</b>	<b>964 794</b>	<b>1 029 848</b>	<b>8.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>7.0%</b>	<b>4.5%</b>	<b>5.2%</b>	<b>5.1%</b>	<b>–</b>	<b>–</b>	<b>5.5%</b>	<b>5.9%</b>	<b>5.9%</b>	<b>–</b>	<b>–</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>5 783</b>	<b>1 345</b>	<b>1 157</b>	<b>1 986</b>	<b>-30.0%</b>	<b>0.3%</b>	<b>849</b>	<b>911</b>	<b>961</b>	<b>-21.5%</b>	<b>0.1%</b>
Employee social benefits	5 783	1 345	1 072	1 986	-30.0%	0.3%	849	911	961	-21.5%	0.1%
Other transfer	–	–	85	–	–	–	–	–	–	–	–
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>5 174</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	5 174	–	–	–	-100.0%	0.2%	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>–</b>	<b>6 704</b>	<b>12 206</b>	<b>–</b>	<b>–</b>	<b>0.6%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Water information management	–	6 704	12 206	–	–	0.6%	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	<b>25</b>	<b>22</b>	<b>24</b>	<b>25</b>	<b>–</b>	<b>–</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>3.8%</b>	<b>–</b>
South African youth water prize	25	22	24	25	–	–	26	27	28	3.8%	–
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>552</b>	<b>651</b>	<b>521</b>	<b>682</b>	<b>7.3%</b>	<b>0.1%</b>	<b>438</b>	<b>463</b>	<b>488</b>	<b>-10.6%</b>	<b>0.1%</b>
Vehicle licences	552	651	521	682	7.3%	0.1%	438	463	488	-10.6%	0.1%

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

## Personnel information

**Table 36.12 Water Planning and Information Management personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
Water Planning and Information Management		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	964	48	909	390.3	0.4	881	412.4	0.5	913	457.9	0.5	913	492.8	0.5	920	529.7	0.6	1.5%	100.0%
1 – 6	456	5	431	73.4	0.2	423	78.2	0.2	441	88.0	0.2	441	94.6	0.2	446	101.1	0.2	1.8%	48.3%
7 – 10	249	24	239	92.4	0.4	222	93.3	0.4	233	106.8	0.5	234	115.8	0.5	234	123.2	0.5	1.8%	25.4%
11 – 12	232	19	220	199.7	0.9	217	214.4	1.0	220	234.8	1.1	219	252.2	1.2	221	273.1	1.2	0.6%	24.2%
13 – 16	27	–	19	24.7	1.3	19	26.5	1.4	19	28.3	1.5	19	30.2	1.6	19	32.3	1.7	–	2.1%

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 transferred 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 the development and management of infrastructure for water resources; and enhance the provision of sustainable and reliable water supply and sanitation through the *regional bulk infrastructure grant*, the *water services infrastructure grant* and the *Accelerated Community Infrastructure Programme* subprogramme on a continual 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 activities for water resources management 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 service institutions. The allocation prioritises the 27 poorest district municipalities.
- *Accelerated Community Infrastructure Programme* provides for rapid emergency interventions related to the refurbishment of infrastructure for wastewater treatment, water conservation and water demand management, and municipal water supply; and supports farmers without proper access to resources.

## Expenditure trends and estimates

Table 36.13 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Strategic Infrastructure Development and Management	2 755 177	1 758 960	1 731 911	1 906 704	-11.5%	16.9%	2 292 133	2 419 859	2 552 952	10.2%	17.5%
Operation of Water Resources	164 245	164 371	165 000	173 000	1.7%	1.4%	183 034	193 284	203 915	5.6%	1.4%
Regional Bulk Infrastructure Grant	3 941 238	5 408 016	6 258 174	6 018 815	15.2%	44.9%	5 617 397	5 975 392	6 303 193	1.6%	45.6%
Water Services Infrastructure Grant	2 085 294	5 401 604	4 117 730	4 418 342	28.4%	33.3%	4 273 289	4 504 167	4 748 669	2.4%	34.2%
Accelerated Community Infrastructure Programme	364 983	414 052	681 116	243 502	-12.6%	3.5%	130 312	139 756	149 750	-15.0%	1.3%
<b>Total</b>	<b>9 310 937</b>	<b>13 147 003</b>	<b>12 953 931</b>	<b>12 760 363</b>	<b>11.1%</b>	<b>100.0%</b>	<b>12 496 165</b>	<b>13 232 458</b>	<b>13 958 479</b>	<b>3.0%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				508 617			(975 427)	(1 027 853)	(1 153 450)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>404 434</b>	<b>647 169</b>	<b>602 771</b>	<b>503 914</b>	<b>7.6%</b>	<b>4.5%</b>	<b>392 370</b>	<b>412 757</b>	<b>434 348</b>	<b>-4.8%</b>	<b>3.3%</b>
Compensation of employees	188 196	216 168	213 534	214 452	4.4%	1.7%	253 070	272 354	292 754	10.9%	2.0%
Goods and services <sup>1</sup>	216 238	431 001	389 163	277 862	8.7%	2.7%	139 300	140 403	141 594	-20.1%	1.3%
of which:											
Consultants: Business and advisory services	95 096	49 561	62 287	54 794	-16.8%	0.5%	21 843	16 381	19 598	-29.0%	0.2%
Infrastructure and planning services	8 965	154 151	43 331	47 928	74.9%	0.5%	13 185	11 583	9 753	-41.2%	0.2%
Contractors	49 011	99 377	188 698	30 527	-14.6%	0.8%	13 005	19 989	11 489	-27.8%	0.1%
Consumables: Stationery, printing and office supplies	2 345	5 812	4 194	6 064	37.3%	-	6 552	7 123	7 872	9.1%	0.1%
Property payments	88	9	6 387	12 822	426.2%	-	12 805	13 522	14 274	3.6%	0.1%
Travel and subsistence	33 116	40 601	47 126	43 477	9.5%	0.3%	19 591	19 066	23 238	-18.8%	0.2%
Interest and rent on land	-	-	74	11 600	-	-	-	-	-	-100.0%	-
<b>Transfers and subsidies<sup>1</sup></b>	<b>4 555 248</b>	<b>5 046 869</b>	<b>7 441 859</b>	<b>8 390 250</b>	<b>22.6%</b>	<b>52.8%</b>	<b>8 609 426</b>	<b>9 133 284</b>	<b>9 635 331</b>	<b>4.7%</b>	<b>68.2%</b>
Provinces and municipalities	1 050 790	2 305 029	4 680 773	5 194 464	70.3%	27.5%	5 438 056	5 735 679	6 050 977	5.2%	42.7%
Departmental agencies and accounts	2 735 154	1 735 093	1 709 461	1 882 881	-11.7%	16.7%	2 266 928	2 393 243	2 524 872	10.3%	17.3%
Foreign governments and international organisations	184 268	188 238	187 450	196 823	2.2%	1.6%	208 239	219 900	231 995	5.6%	1.6%
Public corporations and private enterprises	579 919	801 748	844 773	1 098 503	23.7%	6.9%	694 715	782 891	825 829	-9.1%	6.5%
Non-profit institutions	430	556	1 813	1 135	38.2%	-	-	-	-	-100.0%	-
Households	4 687	16 205	17 589	16 444	52.0%	0.1%	1 488	1 571	1 658	-53.5%	-
<b>Payments for capital assets</b>	<b>4 351 201</b>	<b>7 452 965</b>	<b>4 909 301</b>	<b>3 866 199</b>	<b>-3.9%</b>	<b>42.7%</b>	<b>3 494 369</b>	<b>3 686 417</b>	<b>3 888 800</b>	<b>0.2%</b>	<b>28.5%</b>
Buildings and other fixed structures	4 339 795	7 429 986	4 900 635	3 852 436	-3.9%	42.6%	3 489 097	3 679 528	3 881 903	0.3%	28.4%
Machinery and equipment	11 406	22 979	8 666	13 763	6.5%	0.1%	5 272	6 889	6 897	-20.6%	0.1%
<b>Payments for financial assets</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9 310 937</b>	<b>13 147 003</b>	<b>12 953 931</b>	<b>12 760 363</b>	<b>11.1%</b>	<b>100.0%</b>	<b>12 496 165</b>	<b>13 232 458</b>	<b>13 958 479</b>	<b>3.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>80.2%</b>	<b>84.5%</b>	<b>82.8%</b>	<b>81.8%</b>	<b>-</b>	<b>-</b>	<b>80.3%</b>	<b>80.4%</b>	<b>80.2%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>3</b>	<b>6</b>	<b>5</b>	<b>16</b>	<b>70.1%</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>-53.9%</b>	<b>-</b>
Employee social benefits	3	6	5	16	70.1%	-	1	2	2	-53.9%	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>1</b>	<b>11</b>	<b>13</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	-	-	13	-	-	-	-	-	-	-	-
Resource poor farmers	1	11	-	-	-100.0%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>164</b>	<b>164</b>	<b>165</b>	<b>173</b>	<b>1.7%</b>	<b>-</b>	<b>183</b>	<b>193</b>	<b>204</b>	<b>5.6%</b>	<b>-</b>
Water Trading Entity	164	164	165	173	1.7%	-	183	193	204	5.6%	-
<b>Capital</b>	<b>2 571</b>	<b>1 571</b>	<b>1 544</b>	<b>1 710</b>	<b>-12.7%</b>	<b>-</b>	<b>2 084</b>	<b>2 200</b>	<b>2 321</b>	<b>10.7%</b>	<b>-</b>
Water Trading Entity	2 571	1 571	1 544	1 710	-12.7%	-	2 084	2 200	2 321	10.7%	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>184</b>	<b>188</b>	<b>187</b>	<b>197</b>	<b>2.2%</b>	<b>-</b>	<b>208</b>	<b>220</b>	<b>232</b>	<b>5.6%</b>	<b>-</b>
Komati River Basin Water Authority	184	188	187	197	2.2%	-	208	220	232	5.6%	-



**Table 36.13 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies		Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand													
<b>Non-profit institutions</b>													
<b>Current</b>													
		0	1	2	1	38.2%	–	–	–	–	-100.0%	–	
Various Institutions: 2020 vision for water education programme		0	1	2	1	38.2%	–	–	–	–	-100.0%	–	
<b>Public corporations and private enterprises</b>													
<b>Public corporations</b>													
<b>Other transfers to public corporations</b>													
<b>Capital</b>		580	802	845	1 099	23.7%	–	695	783	826	-9.1%	–	
Amatola Water Board: Regional bulk infrastructure		150	169	–	89	-16.1%	–	92	185	–	-100.0%	–	
Magalies Water Board: Regional bulk infrastructure		70	150	143	58	-5.9%	–	36	65	100	19.6%	–	
Umgeni Water Board: Regional bulk infrastructure		217	279	423	518	33.7%	–	132	320	591	4.5%	–	
Sedibeng Water Board: Regional bulk infrastructure		143	204	279	433	44.6%	–	434	213	135	-32.2%	–	
<b>Provinces and municipalities</b>													
<b>Municipalities</b>													
<b>Municipal bank accounts</b>													
<b>Capital</b>		1 051	2 305	4 681	5 194	70.3%	–	5 438	5 736	6 051	5.2%	–	
Regional bulk infrastructure grant		–	–	1 850	1 865	–	–	1 957	2 066	2 180	5.3%	–	
Water services infrastructure grant		1 051	2 305	2 831	3 329	46.9%	–	3 481	3 669	3 871	5.2%	–	

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

## Personnel information

**Table 36.14 Water Infrastructure Development personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number								
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)							
		2016/17		2017/18		2018/19		2019/20		2020/21				2017/18 - 2020/21						
Water Infrastructure Development		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost									
Salary level	476	12		465	213.5	0.5	436	214.5	0.5	472	253.1	0.5	470	272.4	0.6	468	292.8	0.6	2.4%	100.0%
1 – 6	172	2		185	32.8	0.2	183	35.5	0.2	197	41.3	0.2	196	44.8	0.2	193	46.7	0.2	1.8%	41.7%
7 – 10	195	6		177	71.9	0.4	159	70.4	0.4	170	81.9	0.5	169	87.7	0.5	170	95.4	0.6	2.3%	36.2%
11 – 12	80	4		78	75.1	1.0	69	72.5	1.1	79	89.6	1.1	79	96.8	1.2	79	104.5	1.3	4.6%	16.6%
13 – 16	29	–		25	33.7	1.3	25	36.0	1.4	26	40.3	1.5	26	43.1	1.7	26	46.1	1.8	1.3%	5.6%

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 value chain.

### Objectives

- Create an enabling environment for the economic and social regulation of water by revising the water pricing strategy in 2018/19 and drafting legislation for the establishment of the independent water economic regulator by March 2020.
- Strengthen the governance and oversight of water resource management functions by establishing an operationally and financially viable catchment agency by March 2019.

- 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 by March 2019.
- Strengthen oversight on an ongoing basis by implementing monitoring programmes for drinking water quality, wastewater quality and mine water quality; and implementing mitigation measures in catchments with potential for acid mine drainage.
- Ensure the protection of water resources by coordinating and monitoring compliance with standards, licence conditions and regulations across all sectors on an ongoing basis.
- Ensure the effective enforcement of compliance with water legislation on an ongoing basis by monitoring water use, conducting investigations and providing legal support in cases of unlawful water use.

## 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 consumers and the 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 value chain standards, licence conditions and regulations for the water sector, and enforces compliance with licence conditions. This includes the management of mine water in South Africa, with specific emphasis on acid mine management.
- *Institutional Oversight* provides institutional governance and oversight of all water institutions, and facilitates their establishment and development.

## Expenditure trends and estimates

**Table 36.15 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand					2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	
Water Sector Regulation Management and Support	3 423	34 119	37 309	39 373	125.7%	10.2%	37 973	38 146	40 654	1.1%	8.4%
Economic and Social Regulation	4 472	12 310	28 394	22 869	72.3%	6.1%	39 762	28 531	30 833	10.5%	6.6%
Water Use Authorisation and Administration	62 610	44 403	58 459	65 539	1.5%	20.6%	83 421	77 616	86 184	9.6%	16.9%
Water Supply Services and Sanitation Regulation	16 036	15 728	20 346	24 982	15.9%	6.9%	33 689	30 439	35 663	12.6%	6.7%
Compliance Monitoring and Enforcement	35 798	83 462	86 853	122 989	50.9%	29.3%	126 379	135 304	152 106	7.3%	29.0%
Institutional Oversight	35 275	70 926	76 883	119 035	50.0%	26.9%	177 368	151 324	153 334	8.8%	32.4%
<b>Total</b>	<b>157 614</b>	<b>260 948</b>	<b>308 244</b>	<b>394 787</b>	<b>35.8%</b>	<b>100.0%</b>	<b>498 592</b>	<b>461 360</b>	<b>498 774</b>	<b>8.1%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				(16 040)			(19 863)	(21 058)	(24 763)		

**Table 36.15 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	Average Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
R thousand												
<b>Current payments</b>	<b>155 560</b>	<b>255 705</b>	<b>295 224</b>	<b>380 174</b>	<b>34.7%</b>	<b>96.9%</b>	<b>485 798</b>	<b>445 650</b>	<b>481 026</b>	<b>8.2%</b>	<b>96.7%</b>	
Compensation of employees	97 635	175 761	165 888	222 137	31.5%	59.0%	240 113	258 410	277 763	7.7%	53.9%	
Goods and services <sup>1</sup>	57 925	79 944	129 336	158 037	39.7%	37.9%	245 685	187 240	203 263	8.8%	42.8%	
of which:												
Computer services	864	520	228	1 435	18.4%	0.3%	11 420	8 604	8 790	83.0%	1.6%	
Consultants: Business and advisory services	23 115	20 066	37 265	59 298	36.9%	12.5%	73 124	46 233	61 467	1.2%	13.0%	
Infrastructure and planning services	8 040	1 423	130	2 486	-32.4%	1.1%	66 947	51 330	41 817	156.2%	8.8%	
Laboratory services	3	631	1 647	3 338	936.2%	0.5%	5 885	5 977	6 340	23.8%	1.2%	
Agency and support/outsource services	201	2 070	7 965	5 597	203.1%	1.4%	8 503	5 645	5 954	2.1%	1.4%	
Travel and subsistence	14 629	19 819	43 856	40 268	40.1%	10.6%	31 920	22 000	27 144	-12.3%	6.5%	
<b>Transfers and subsidies<sup>1</sup></b>	<b>759</b>	<b>952</b>	<b>5 182</b>	<b>1 164</b>	<b>15.3%</b>	<b>0.7%</b>	<b>1 600</b>	<b>1 479</b>	<b>1 560</b>	<b>10.3%</b>	<b>0.3%</b>	
Departmental agencies and accounts	-	-	2 000	499	-	0.2%	-	-	-	-100.0%	-	
Non-profit institutions	648	3	800	-	-100.0%	0.1%	1 000	845	891	-	0.1%	
Households	111	949	2 382	665	81.6%	0.4%	600	634	669	0.2%	0.1%	
<b>Payments for capital assets</b>	<b>1 295</b>	<b>4 291</b>	<b>7 838</b>	<b>13 449</b>	<b>118.2%</b>	<b>2.4%</b>	<b>11 194</b>	<b>14 231</b>	<b>16 188</b>	<b>6.4%</b>	<b>3.0%</b>	
Buildings and other fixed structures	92	-	-	-	-100.0%	-	-	-	-	-	-	
Machinery and equipment	1 203	4 291	7 838	13 449	123.6%	2.4%	11 194	14 231	16 188	6.4%	3.0%	
<b>Total</b>	<b>157 614</b>	<b>260 948</b>	<b>308 244</b>	<b>394 787</b>	<b>35.8%</b>	<b>100.0%</b>	<b>498 592</b>	<b>461 360</b>	<b>498 774</b>	<b>8.1%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.4%</b>	<b>1.7%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>-</b>	<b>-</b>	<b>3.2%</b>	<b>2.8%</b>	<b>2.9%</b>	<b>-</b>	<b>-</b>	

**Details of transfers and subsidies**

<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>111</b>	<b>949</b>	<b>2 382</b>	<b>665</b>	<b>81.6%</b>	<b>0.4%</b>	<b>600</b>	<b>634</b>	<b>669</b>	<b>0.2%</b>	<b>0.1%</b>
Employee social benefits	111	949	2 382	665	81.6%	0.4%	600	634	669	0.2%	0.1%
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>499</b>	<b>-</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Water Research Commission	-	-	2 000	499	-	0.2%	-	-	-	-100.0%	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>648</b>	<b>3</b>	<b>800</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>1 000</b>	<b>845</b>	<b>891</b>	<b>-</b>	<b>0.1%</b>
Water Institute of Southern Africa	648	3	800	-	-100.0%	0.1%	1 000	845	891	-	0.1%
Non-profit institution	-	3	-	-	-	-	-	-	-	-	-

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

**Personnel information****Table 36.16 Water Sector Regulation personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
			2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
<b>Water Sector Regulation</b>			<b>423</b>	<b>165.9</b>	<b>0.4</b>	<b>502</b>	<b>222.1</b>	<b>0.4</b>	<b>527</b>	<b>240.1</b>	<b>0.5</b>	<b>524</b>	<b>258.4</b>	<b>0.5</b>	<b>524</b>	<b>277.8</b>	<b>0.5</b>	<b>1.4%</b>	<b>100.0%</b>
Salary level	434	121																	
1-6	67	51	90	13.2	0.1	103	17.1	0.2	104	18.7	0.2	101	19.6	0.2	105	22.0	0.2	0.6%	19.9%
7-10	215	57	211	61.5	0.3	259	89.2	0.3	277	101.5	0.4	277	109.3	0.4	273	116.4	0.4	1.8%	52.3%
11-12	111	13	92	62.3	0.7	107	81.9	0.8	112	84.7	0.8	112	91.5	0.8	112	98.8	0.9	1.5%	21.3%
13-16	41	-	30	28.9	1.0	33	33.9	1.0	34	35.2	1.0	34	37.9	1.1	34	40.6	1.2	1.0%	6.5%

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

2. Rand million.

## Entities<sup>1</sup>

### 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). There are nine water boards that provide bulk potable water services to the municipalities in which they operate, and to other water service institutions and major customers within designated service areas. Water boards vary considerably in size, activities, customer mix, revenue base and capacity. In 2014/15, three water boards (Botshelo, Pelladrift and Bushbuckridge) were disestablished as part of an institutional realignment and reform process. Botshelo and Pelladrift were incorporated into Sedibeng Water, and Bushbuckridge into Rand Water.

Most of the older and more established water boards are located in areas where there are significant urban development nodes (such as Rand Water, Umgeni Water and Magalies Water), while other boards operate in more demographically diverse areas, with a combination of urban and rural customers. In addition to providing bulk treated water to municipalities, in some cases, the boards also provide retail water and sanitation services on behalf of municipalities.

#### Selected performance indicators

**Table 36.17 Consolidated water boards volume of bulk treated water sales**

Water board	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Volume of bulk water sales by Amatola water board per year <sup>1</sup>	Water board activities	Outcome 6. An efficient, competitive and responsive economic infrastructure network	33 189	33 630	33 208	33 674	41 347	44 174	48 174
Volume of bulk water sales by Bloem water board per year <sup>1</sup>	Water board activities		91 737	79 993	74 922	91 409	92 323	93 246	94 179
Volume of bulk water sales by Lepelle water board per year <sup>1</sup>	Water board activities		97 637	97 809	89 388	93 920	115 731	116 023	116 023
Volume of bulk water sales by Magalies water board per year <sup>1</sup>	Water board activities		82 038	81 959	83 221	88 728	90 678	92 944	95 268
Volume of bulk water sales by Mhlatuze water board per year	Water board activities		40 208	55 305	42 067	56 210	56 210	56 210	56 210
Volume of bulk water sales by Overberg water board per year <sup>1</sup>	Water board activities		4 270	4 253	4 126	4 226	4 331	4 440	4 551
Volume of bulk water sales by Rand water board per year <sup>1</sup>	Water board activities		1 608 229	1 709 519	1 611 234	1 603 823	1 630 778	1 658 205	1 686 112
Volume of bulk water sales by Sedibeng water board per year <sup>1</sup>	Water board activities		96 524	117 562	115 433	116 011	122 551	129 904	137 699
Volume of bulk water sales by Umgeni water board per year <sup>1</sup>	Water board activities		446 548	435 726	409 887	449 828	459 372	469 597	476 641

1. Measured in thousand kilolitres.

#### Expenditure analysis

The focus of the water boards over the medium term will still be on the extraction and purification of raw water into potable bulk water, and wastewater treatment services. The activities of the water boards play a key role in the water value chain to support outcome 6 (an efficient, competitive and responsive economic

<sup>1</sup> This section has been compiled with the latest available information from the entities concerned.

infrastructure network) and outcome 9 (responsive, accountable, effective and efficient local government system) of government's 2014-2019 medium-term strategic framework.

Rand Water and Umgeni Water are the largest water boards, supplying 80 per cent of the boards' total volume of water. They respectively account for 64.1 per cent and 19.9 per cent of the boards' total capital expenditure (R21.6 billion), and 70.1 per cent and 11.1 per cent of expenditure on goods and services. Expenditure on core water board activities is expected to increase from R13.3 billion in 2017/18 to R17.9 billion in 2020/21, at an average annual rate of 10.4 per cent, mainly due to costs for energy for pumping water, chemicals for purifying water, labour, and the purchase of raw water.

Water boards are set to derive 96.3 per cent of their revenue from the sale of bulk water to mines, industries and municipalities. This revenue is expected to increase from R20.7 billion in 2017/18 to R27.8 billion in 2020/21, at an average annual rate of 10.3 per cent. Receivables and prepayments is also expected to increase at an average annual rate of 3.7 per cent, from R5.1 billion in 2017/18 to R5.7 billion in 2020/21, due to historical debt repayment agreements with water users. Other non-tax revenue and interest, dividends, and rent on land comprise the remainder of the boards' revenue over the medium term.

### Programmes/objectives/activities

**Table 36.18 Consolidated water boards expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	3 230 437	3 279 011	3 830 404	4 109 274	8.4%	23.3%	4 330 963	4 596 549	4 857 360	5.7%	22.5%
Water board activities	10 743 235	11 396 619	11 980 500	13 288 806	7.3%	76.7%	14 548 374	16 148 884	17 866 035	10.4%	77.5%
<b>Total</b>	<b>13 973 672</b>	<b>14 675 630</b>	<b>15 810 904</b>	<b>17 398 080</b>	<b>7.6%</b>	<b>100.0%</b>	<b>18 879 337</b>	<b>20 745 433</b>	<b>22 723 395</b>	<b>9.3%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

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

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget 2014/15	2015/16	Budget 2015/16	2016/17	Budget 2016/17	2017/18			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>15 960 820</b>	<b>16 654 154</b>	<b>18 048 143</b>	<b>18 074 334</b>	<b>18 192 758</b>	<b>19 327 938</b>	<b>20 742 215</b>	<b>21 570 115</b>	<b>103.7%</b>
Sale of goods and services other than capital assets	15 117 053	15 663 084	17 213 032	16 781 868	17 651 709	18 315 787	20 115 933	20 809 817	102.1%
<i>of which:</i>									
Administrative fees	186	20 321	17 195	16 006	44 264	44 264	45 990	45 990	117.6%
Sales of bulk water	15 116 867	15 642 763	17 135 139	16 765 862	17 566 508	18 271 523	20 032 638	20 726 522	102.2%
Other sales	–	–	60 699	–	40 937	–	37 305	37 305	26.8%
Other non-tax revenue	843 767	991 070	835 111	1 292 466	541 049	1 012 151	626 281	760 298	142.5%
<b>Transfers received</b>	<b>–</b>	<b>–</b>	<b>13 911</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total revenue</b>	<b>15 960 820</b>	<b>16 654 154</b>	<b>18 062 054</b>	<b>18 074 334</b>	<b>18 192 758</b>	<b>19 327 938</b>	<b>20 742 215</b>	<b>21 570 115</b>	<b>103.7%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>13 745 210</b>	<b>13 915 812</b>	<b>15 565 868</b>	<b>14 580 916</b>	<b>15 337 308</b>	<b>15 705 309</b>	<b>16 920 632</b>	<b>17 280 406</b>	<b>99.9%</b>
Compensation of employees	2 702 175	3 078 129	3 011 602	3 166 759	3 344 295	3 496 870	3 541 031	3 651 211	106.3%
Goods and services	10 249 830	10 026 863	11 476 832	10 509 024	10 808 142	11 036 766	11 988 998	12 358 859	98.7%
Depreciation	664 907	768 301	895 035	806 715	1 060 994	948 193	1 229 349	1 112 100	94.4%
Interest, dividends and rent on land	128 298	42 519	182 399	98 419	123 877	223 479	161 254	158 236	87.7%
<b>Transfers and subsidies</b>	<b>–</b>	<b>57 859</b>	<b>–</b>	<b>94 714</b>	<b>106 794</b>	<b>105 594</b>	<b>117 674</b>	<b>117 674</b>	<b>167.4%</b>
<b>Total expenses</b>	<b>13 745 210</b>	<b>13 973 671</b>	<b>15 565 868</b>	<b>14 675 630</b>	<b>15 444 102</b>	<b>15 810 903</b>	<b>17 038 306</b>	<b>17 398 080</b>	<b>100.1%</b>
<b>Surplus/(Deficit)</b>	<b>2 215 610</b>	<b>2 680 483</b>	<b>2 496 186</b>	<b>3 398 704</b>	<b>2 748 656</b>	<b>3 517 035</b>	<b>3 703 909</b>	<b>4 172 035</b>	
Statement of financial position									
Carrying value of assets	25 838 384	26 840 398	29 622 730	31 787 403	37 954 475	35 665 403	44 162 733	42 567 145	99.5%
<i>of which:</i>									
Acquisition of assets	(5 171 818)	(5 432 968)	(6 461 723)	(5 828 980)	(6 109 454)	(4 291 800)	(7 142 305)	(6 472 995)	88.5%
Investments	1 622 439	2 760 406	2 171 629	2 953 982	1 729 937	2 878 094	1 965 935	2 518 470	148.3%
Inventory	115 226	199 327	186 915	237 421	216 755	513 279	232 291	234 258	157.7%
Loans	5 713	4 577	4 577	5 168	85 149	4 606	69 119	5 114	11.8%
Accrued investment interest	14	33 751	–	28 366	28 366	35 585	28 366	28 366	222.2%
Receivables and prepayments	2 340 718	4 843 640	3 998 041	5 928 115	4 673 709	5 963 537	4 901 844	5 123 034	137.4%
Cash and cash equivalents	1 966 014	2 243 770	2 325 566	2 733 082	2 466 672	2 257 025	2 618 090	2 833 290	107.4%
Non-current assets held for sale	13 500	1 496	1 496	417	–	511	–	–	16.2%
Defined benefit plan assets	–	26 406	–	30 134	45 360	58 927	46 214	61 861	193.6%
<b>Total assets</b>	<b>31 902 008</b>	<b>36 953 771</b>	<b>38 310 953</b>	<b>43 704 089</b>	<b>47 200 423</b>	<b>47 376 968</b>	<b>54 024 593</b>	<b>53 371 537</b>	<b>105.8%</b>

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

Statement of financial position									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
R thousand	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Accumulated surplus/(deficit)	18 082 399	19 380 050	20 056 828	22 671 048	25 397 703	26 132 731	29 093 255	29 848 847	105.8%
Capital and reserves	2 045 320	3 577 561	3 555 741	3 631 647	4 039 800	4 074 981	4 796 418	4 535 930	109.6%
Capital reserve fund	–	166 004	–	212 677	70 217	116 649	70 217	70 217	402.7%
Borrowings	6 314 492	5 413 882	6 646 325	6 980 642	7 771 829	6 785 531	9 643 281	7 665 774	88.4%
Finance lease	–	853	435	53	1 250	–	525	–	41.0%
Accrued interest	28 631	26 836	59 730	58 865	58 249	57 458	56 816	56 816	98.3%
Deferred income	1 351 506	1 401 360	1 643 843	1 655 167	2 125 904	2 331 482	2 383 376	2 562 694	105.9%
Trade and other payables	3 324 784	5 815 669	5 184 395	7 424 808	6 683 869	6 780 205	6 840 174	7 377 311	124.3%
Benefits payable	–	–	1 231	–	–	–	1 639	1 639	37.3%
Taxation	–	20 015	7 115	43 831	7 074	6 133	7 766	6 533	348.5%
Provisions	688 649	1 084 745	1 152 156	956 666	967 422	979 501	1 050 086	1 139 440	107.8%
Managed funds (e.g. poverty alleviation fund)	–	–	–	–	5 000	–	5 000	–	–
Derivatives financial instruments	66 227	66 797	3 152	68 685	70 583	112 297	76 039	106 337	163.9%
<b>Total equity and liabilities</b>	<b>31 902 008</b>	<b>36 953 772</b>	<b>38 310 953</b>	<b>43 704 089</b>	<b>47 200 423</b>	<b>47 376 968</b>	<b>54 024 592</b>	<b>53 371 538</b>	<b>105.8%</b>

**Statements of estimates of financial performance and position**

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

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R thousand	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>21 570 115</b>	<b>9.0%</b>	<b>100.0%</b>	<b>23 656 521</b>	<b>26 121 358</b>	<b>28 895 169</b>	<b>10.2%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	20 809 817	9.9%	94.5%	22 847 165	25 286 296	27 896 936	10.3%	96.6%
<i>of which:</i>								
Administrative fees	45 990	31.3%	0.2%	47 451	48 744	51 912	4.1%	0.2%
Sales of bulk water	20 726 522	9.8%	94.3%	22 776 854	25 216 692	27 822 808	10.3%	96.3%
Other sales	37 305	–	0.0%	22 860	20 860	22 216	-15.9%	0.1%
Other non-tax revenue	760 298	-8.5%	5.5%	809 355	835 062	998 233	9.5%	3.4%
<b>Total revenue</b>	<b>21 570 115</b>	<b>9.0%</b>	<b>100.0%</b>	<b>23 656 521</b>	<b>26 121 358</b>	<b>28 895 169</b>	<b>10.2%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>17 280 406</b>	<b>7.5%</b>	<b>99.4%</b>	<b>18 751 114</b>	<b>20 605 700</b>	<b>22 571 102</b>	<b>9.3%</b>	<b>99.3%</b>
Compensation of employees	3 651 211	5.9%	21.7%	3 923 288	4 231 948	4 545 476	7.6%	20.5%
Goods and services	12 358 859	7.2%	71.1%	13 468 982	14 865 631	16 381 745	9.8%	71.5%
Depreciation	1 112 100	13.1%	5.8%	1 247 948	1 387 914	1 529 737	11.2%	6.6%
Interest, dividends and rent on land	158 236	55.0%	0.8%	110 897	120 207	114 145	-10.3%	0.6%
<b>Transfers and subsidies</b>	<b>117 674</b>	<b>26.7%</b>	<b>0.6%</b>	<b>128 222</b>	<b>139 732</b>	<b>152 293</b>	<b>9.0%</b>	<b>0.7%</b>
<b>Total expenses</b>	<b>17 398 080</b>	<b>7.6%</b>	<b>100.0%</b>	<b>18 879 336</b>	<b>20 745 432</b>	<b>22 723 395</b>	<b>9.3%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>4 172 035</b>			<b>4 777 184</b>	<b>5 375 926</b>	<b>6 171 774</b>		
<b>Statement of financial position</b>								
Carrying value of assets	42 567 145	16.6%	75.1%	49 534 976	55 762 159	62 585 623	13.7%	81.2%
<i>of which:</i>								
Acquisition of assets	(6 472 995)	6.0%	-12.3%	(7 831 329)	(7 123 562)	(7 604 859)	5.5%	-11.4%
Investments	2 518 470	-3.0%	6.3%	2 174 985	2 438 982	2 036 819	-6.8%	3.6%
Inventory	234 258	5.5%	0.7%	250 101	266 437	283 929	6.6%	0.4%
Loans	5 114	3.8%	0.0%	5 087	5 063	5 041	-0.5%	0.0%
Accrued investment interest	28 366	-5.6%	0.1%	28 366	28 366	28 366	–	0.0%
Receivables and prepayments	5 123 034	1.9%	12.2%	5 117 281	5 338 050	5 714 602	3.7%	8.3%
Cash and cash equivalents	2 833 290	8.1%	5.6%	3 462 190	5 137 241	5 071 822	21.4%	6.3%
Defined benefit plan assets	61 861	32.8%	0.1%	37 861	37 861	37 861	-15.1%	0.1%
<b>Total assets</b>	<b>53 371 537</b>	<b>13.0%</b>	<b>100.0%</b>	<b>60 610 848</b>	<b>69 014 159</b>	<b>75 764 064</b>	<b>12.4%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	29 848 847	15.5%	53.9%	34 586 860	39 891 182	46 305 663	15.8%	58.0%
Capital and reserves	4 535 930	8.2%	8.8%	5 289 972	6 039 971	5 974 074	9.6%	8.5%
Capital reserve fund	70 217	-24.9%	0.3%	70 217	70 217	–	-100.0%	0.1%
Borrowings	7 665 774	12.3%	14.8%	8 735 863	10 657 998	10 594 056	11.4%	14.6%
Accrued interest	56 816	28.4%	0.1%	54 312	55 277	33 767	-15.9%	0.1%
Deferred income	2 562 694	22.3%	4.3%	2 958 666	3 098 520	3 258 030	8.3%	4.6%
Trade and other payables	7 377 311	8.3%	15.2%	7 559 223	7 741 030	8 117 413	3.2%	12.1%
Benefits payable	1 639	–	0.0%	1 763	–	–	-100.0%	0.0%
Taxation	6 533	-31.1%	0.0%	6 965	7 427	7 910	6.6%	0.0%
Provisions	1 139 440	1.7%	2.3%	1 235 667	1 335 804	1 445 673	8.3%	2.0%
Derivatives financial instruments	106 337	16.8%	0.2%	111 340	116 733	27 477	-36.3%	0.1%
<b>Total equity and liabilities</b>	<b>53 371 538</b>	<b>13.0%</b>	<b>100.0%</b>	<b>60 610 848</b>	<b>69 014 159</b>	<b>75 764 064</b>	<b>12.4%</b>	<b>100.0%</b>

## Rand Water

### Mandate

Rand Water was established in terms of the Water Services Act (1997) and is listed as a schedule 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 system; and treat, transport, store and deliver potable water to municipalities, mines and industries in and around Gauteng. The entity's supply of water also extends to areas in Limpopo, North West, Mpumalanga, and northern Free State. The entity serves between 16 million and 19 million people. An estimated 98 per cent of its water abstracted 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	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Net debt to equity ratio per year	Administration	Outcome 6: An efficient, competitive and responsive economic infrastructure network	0.4	0.3	0.3	0.4	0.3	0.3	0.3
Debt service ratio per year	Administration		8.5	6.9	9.2	7.7	7.8	6.6	5.3
Cost of debt per year <sup>1</sup>	Administration		7% (269 049/ 3 674 901)	9% (405 320/ 4 418 735)	10% (438 042/ 4 418 735)	10% (440 765/ 4 488 898)	9% (553 222/ 6 462 143)	9% (813 515/ 9 204 041)	11% (1 129 877/ 10 397 822)
Cost per kilolitre per year	Bulk water		R5.90	R6.53	R7.56	R8.33	R9.09	R9.88	R10.74
Avoidable water loss as a percentage of total water produced (non-revenue water) per year	Bulk water		3% (4 083/ 136 018)	3.2% (4 424/ 136 666)	3.7% (4 562/ 124 645)	3.5%	3.5%	3.5%	3.5%
Volume of water sold per year <sup>2</sup>	Bulk water		1 686 057	1 709 519	1 611 234	1 603 823	1 630 778	1 658 205	1 686 112

1. Measured in rand thousand.

2. Measured in thousand kilolitres.

### Expenditure analysis

Rand Water manages the water infrastructure network and its supply capacity, and connects households in Gauteng, Limpopo, North West, Mpumalanga and Free State to affordable, safe water and decent sanitation. This directly contributes to the NDP's vision for universal access to clean, potable water for all by 2030, and outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The focus of the entity over the medium term will continue to be on providing bulk water. This accounts for an estimated 83.6 per cent (R32.7 billion) of the entity's total expenditure over the medium term.

Expenditure in the bulk water programme is expected to increase from R8.7 billion in 2017/18 to R12.1 billion in 2020/21 due to anticipated increases in the costs of raw water, energy for pumping water, chemicals for treatment, and labour. As a result, expenditure on goods and services is expected to increase from R8.1 billion in 2017/18 to R11.1 billion in 2020/21, at an average annual rate of 11 per cent. To increase the entity's capacity to deliver 82 782 kilolitres of potable water and maintain water losses at 3.5 per cent per year over the medium term, spending on infrastructure upgrades, rehabilitation, renovations, refurbishment, maintenance and repairs is estimated to be R11.7 billion. The entity's largest capital project is the Zuikerbosch pumping station 5 augmentation scheme, which is expected to cost R1.5 billion over the MTEF period.

The entity plans to increase its number of personnel from 3 512 in 2017/18 to 3 750 in 2021, mainly to fill key vacancies, and provide additional personnel for Zuikerbosch pumping station 5 and Rand Water Mpumalanga, as well as backup staff to ensure uninterrupted water supply. Therefore, compensation of employees is expected to increase at an average annual rate of 8.1 per cent, from R1.9 billion in 2018/19 to R2.4 billion in 2020/21.

The entity's revenue is derived mainly from the sale of bulk water and work done on behalf of municipalities. The entity expects revenue to increase from R13.6 billion in 2017/18 to R18.6 billion in 2020/21, at an average

annual rate of 10.9 per cent, mainly due to expected tariff increases from R8.33 per kilolitre in 2017/18 to R10.74 per kilolitre in 2020/21.

### Programmes/objectives/activities

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

	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Administration	1 364 287	1 509 230	1 790 229	1 703 968	7.7%	16.7%	1 767 404	1 898 929	2 032 179	6.0%	15.0%
Bulk water	7 043 404	7 470 415	7 916 126	8 708 218	7.3%	81.7%	9 759 102	10 865 599	12 104 381	11.6%	83.6%
Secondary activities	145 013	146 194	150 646	161 151	3.6%	1.6%	169 854	179 196	192 643	6.1%	1.4%
<b>Total</b>	<b>8 552 704</b>	<b>9 125 839</b>	<b>9 857 001</b>	<b>10 573 337</b>	<b>7.3%</b>	<b>100.0%</b>	<b>11 696 359</b>	<b>12 943 723</b>	<b>14 329 203</b>	<b>10.7%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

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

Statement of financial performance										Average: Outcome/ Budget (%) 2014/15 - 2017/18
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate		
R thousand	2014/15		2015/16		2016/17		2017/18			
<b>Revenue</b>										
<b>Non-tax revenue</b>	<b>9 904 649</b>	<b>9 990 715</b>	<b>11 742 258</b>	<b>11 256 414</b>	<b>10 909 288</b>	<b>12 231 762</b>	<b>12 655 001</b>	<b>13 613 662</b>		<b>104.2%</b>
Sale of goods and services other than capital assets	9 342 118	9 802 542	11 248 307	10 950 891	10 711 964	11 856 819	12 367 907	13 366 060		105.3%
<i>of which:</i>										
Sales of bulk water	9 342 118	9 802 542	11 248 307	10 950 891	10 711 964	11 856 819	12 367 907	13 366 060		105.3%
Other non-tax revenue	562 531	188 173	493 951	305 523	197 324	374 943	287 094	247 602		72.4%
<b>Total revenue</b>	<b>9 904 649</b>	<b>9 990 715</b>	<b>11 742 258</b>	<b>11 256 414</b>	<b>10 909 288</b>	<b>12 231 762</b>	<b>12 655 001</b>	<b>13 613 662</b>		<b>104.2%</b>
<b>Expenses</b>										
<b>Current expenses</b>	<b>8 679 377</b>	<b>8 552 704</b>	<b>10 128 101</b>	<b>9 125 839</b>	<b>8 982 079</b>	<b>9 857 001</b>	<b>9 921 221</b>	<b>10 573 337</b>		<b>101.1%</b>
Compensation of employees	1 535 341	1 842 372	1 682 106	1 723 970	1 813 063	1 837 275	1 865 211	1 920 316		106.2%
Goods and services	6 831 731	6 387 352	7 982 355	6 969 230	6 703 899	7 400 198	7 539 075	8 146 160		99.5%
Depreciation	312 305	322 980	463 640	360 479	432 956	438 482	516 935	463 092		91.8%
Interest, dividends and rent on land	–	–	–	72 160	32 161	181 046	–	43 770		923.4%
<b>Total expenses</b>	<b>8 679 377</b>	<b>8 552 704</b>	<b>10 128 101</b>	<b>9 125 839</b>	<b>8 982 079</b>	<b>9 857 001</b>	<b>9 921 221</b>	<b>10 573 337</b>		<b>101.1%</b>
<b>Surplus/(Deficit)</b>	<b>1 225 272</b>	<b>1 438 011</b>	<b>1 614 157</b>	<b>2 130 575</b>	<b>1 927 209</b>	<b>2 374 761</b>	<b>2 733 780</b>	<b>3 040 324</b>		
<b>Statement of financial position</b>										
Carrying value of assets	15 453 954	15 143 001	14 835 551	17 988 535	20 727 409	20 077 141	24 656 033	23 708 041		101.6%
<i>of which:</i>										
Acquisition of assets	(2 602 250)	(2 579 696)	(2 579 696)	(2 914 310)	(2 722 745)	(2 222 159)	(3 902 588)	(3 331 275)		93.6%
Investments	–	482 264	482 264	461 650	389 784	458 886	389 784	354 856		139.3%
Inventory	63 952	122 441	122 470	129 734	137 323	409 658	144 533	144 124		172.1%
Loans	5 713	4 577	4 577	5 168	5 149	4 606	5 119	5 114		94.7%
Receivables and prepayments	1 058 310	1 764 475	1 765 069	1 934 664	1 824 961	2 243 619	2 056 186	2 036 833		119.0%
Cash and cash equivalents	1 017 161	1 154 148	1 154 149	1 470 173	1 045 043	805 147	1 102 923	1 473 459		113.5%
Non-current assets held for sale	–	1 496	1 496	417	–	511	–	–		162.0%
Defined benefit plan assets	–	–	–	–	21 360	10 412	22 214	37 861		110.8%
<b>Total assets</b>	<b>17 599 090</b>	<b>18 672 402</b>	<b>18 365 575</b>	<b>21 990 341</b>	<b>24 151 029</b>	<b>24 009 980</b>	<b>28 376 792</b>	<b>27 760 288</b>		<b>104.5%</b>
Accumulated surplus/(deficit)	10 808 962	11 144 977	11 158 513	13 235 781	15 272 306	15 649 951	18 006 086	18 664 596		106.2%
Borrowings	4 495 009	3 672 432	3 675 152	4 418 735	4 815 639	4 414 718	5 913 516	4 431 485		89.6%
Deferred income	108 740	491 197	170 243	427 374	503 609	409 113	530 048	528 547		141.4%
Trade and other payables	2 128 542	2 970 144	2 970 484	3 833 995	3 458 236	3 467 011	3 819 222	4 012 822		115.4%
Taxation	–	2 469	–	–	–	–	–	–		–
Provisions	–	330 321	391 183	8 938	30 656	–	31 882	46 799		85.1%
Derivatives financial instruments	57 837	60 862	–	65 518	70 583	69 187	76 039	76 039		132.8%
<b>Total equity and liabilities</b>	<b>17 599 090</b>	<b>18 672 402</b>	<b>18 365 575</b>	<b>21 990 341</b>	<b>24 151 029</b>	<b>24 009 980</b>	<b>28 376 793</b>	<b>27 760 288</b>		<b>104.5%</b>



## Statements of estimates of financial performance and position

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

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Revised estimate		2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
R thousand		2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>13 613 662</b>	<b>10.9%</b>	<b>100.0%</b>	<b>15 090 691</b>	<b>16 779 029</b>	<b>18 546 581</b>	<b>10.9%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	13 366 060	10.9%	97.6%	14 811 218	16 376 461	18 107 990	10.7%	97.9%
<i>of which:</i>								
Sales of bulk water	13 366 060	10.9%	97.6%	14 811 218	16 376 461	18 107 990	10.7%	97.9%
Other non-tax revenue	247 602	9.6%	2.4%	279 474	402 569	438 592	21.0%	2.1%
<b>Total revenue</b>	<b>13 613 662</b>	<b>10.9%</b>	<b>100.0%</b>	<b>15 090 691</b>	<b>16 779 029</b>	<b>18 546 581</b>	<b>10.9%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>10 573 337</b>	<b>7.3%</b>	<b>100.0%</b>	<b>11 696 359</b>	<b>12 943 723</b>	<b>14 329 203</b>	<b>10.7%</b>	<b>100.0%</b>
Compensation of employees	1 920 316	1.4%	19.3%	2 070 101	2 239 849	2 423 516	8.1%	17.5%
Goods and services	8 146 160	8.4%	75.8%	9 063 025	10 039 407	11 140 211	11.0%	77.5%
Depreciation	463 092	12.8%	4.1%	563 233	664 468	765 476	18.2%	4.9%
Interest, dividends and rent on land	43 770	-	0.8%	-	-	-	-100.0%	0.1%
<b>Total expenses</b>	<b>10 573 337</b>	<b>7.3%</b>	<b>100.0%</b>	<b>11 696 359</b>	<b>12 943 723</b>	<b>14 329 203</b>	<b>10.7%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>3 040 324</b>			<b>3 394 332</b>	<b>3 835 306</b>	<b>4 217 378</b>		
<b>Statement of financial position</b>								
Carrying value of assets	23 708 041	16.1%	83.0%	28 134 702	32 702 573	37 746 569	16.8%	84.9%
<i>of which:</i>								
Acquisition of assets	(3 331 275)	8.9%	-12.1%	(4 486 000)	(4 539 000)	(4 867 000)	13.5%	-12.1%
Investments	354 856	-9.7%	2.0%	393 549	435 461	481 837	10.7%	1.2%
Inventory	144 124	5.6%	0.9%	151 906	160 261	169 236	5.5%	0.4%
Loans	5 114	3.8%	0.0%	5 087	5 063	5 041	-0.5%	0.0%
Receivables and prepayments	2 036 833	4.9%	8.7%	2 269 055	2 480 429	2 733 470	10.3%	6.7%
Cash and cash equivalents	1 473 459	8.5%	5.4%	1 829 757	3 427 825	3 185 384	29.3%	6.7%
Defined benefit plan assets	37 861	-	0.0%	37 861	37 861	37 861	-	0.1%
<b>Total assets</b>	<b>27 760 288</b>	<b>14.1%</b>	<b>100.0%</b>	<b>32 821 918</b>	<b>39 249 474</b>	<b>44 359 398</b>	<b>16.9%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	18 664 596	18.8%	63.1%	22 058 928	25 894 234	30 111 612	17.3%	67.1%
Borrowings	4 431 485	6.5%	18.5%	5 591 465	7 849 230	8 436 611	23.9%	18.0%
Deferred income	528 547	2.5%	2.0%	557 089	587 729	620 641	5.5%	1.6%
Trade and other payables	4 012 822	10.5%	15.6%	4 485 721	4 783 234	5 143 735	8.6%	13.0%
Provisions	46 799	-47.9%	0.5%	46 799	46 799	46 799	-	0.1%
Derivatives financial instruments	76 039	7.7%	0.3%	81 916	88 248	-	-100.0%	0.2%
<b>Total equity and liabilities</b>	<b>27 760 288</b>	<b>14.1%</b>	<b>100.0%</b>	<b>32 821 918</b>	<b>39 249 474</b>	<b>44 359 398</b>	<b>16.9%</b>	<b>100.0%</b>

## Personnel information

**Table 36.24 Rand Water personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)						
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21									
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
<b>Rand Water</b>		<b>3 586</b>	<b>3 586</b>		<b>3 425</b>	<b>837.3</b>	<b>0.5</b>	<b>3 512</b>	<b>1 920.3</b>	<b>0.5</b>	<b>3 606</b>	<b>2 070.1</b>	<b>0.6</b>	<b>3 700</b>	<b>2 239.8</b>	<b>0.6</b>	<b>3 750</b>	<b>2 423.5</b>	<b>0.6</b>	<b>8.1%</b>	<b>100.0%</b>
1 - 6	415	415	412	173.0	0.4	412	177.1	0.4	418	193.6	0.5	453	221.5	0.5	453	236.8	0.5	10.2%	11.9%		
7 - 10	2 544	2 544	2 433	989.4	0.4	2 500	1 033.3	0.4	2 562	1 244.0	0.4	2 616	1 206.0	0.5	2 656	1 301.7	0.5	8.0%	70.9%		
11 - 12	341	341	325	295.6	0.9	330	308.7	0.9	338	333.1	1.0	339	355.9	1.0	339	380.5	1.1	7.2%	9.2%		
13 - 16	274	274	243	341.7	1.4	258	370.1	1.4	276	386.9	1.4	280	421.2	1.5	290	466.5	1.6	8.0%	7.6%		
17 - 22	12	12	12	37.5	3.1	12	31.2	2.6	12	32.5	2.7	12	35.2	2.9	12	38.0	3.2	6.8%	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. Its mandate is derived 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 the provision of 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	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Milestones achieved towards the completion of 160km of pipeline per year	Berg River Voëlvlei water augmentation scheme	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-1	-1	-1	Directive received	Construction contract awarded	Construction commenced	Completed
Percentage of 40km pipeline completed per year	Olifants River water resource development project: Phase 2C		99%	99%	100%	-2	-2	-2	-2
Milestones achieved towards the completion of 160km pipeline per year	Mokolo and Crocodile River water augmentation project: Phase 2A		-1	-1	Transfer capacity determined	Professional service provider contract awarded	Environmental assessment report submitted to the Department of Environmental Affairs	Construction contract awarded	20% of 160km completed
Implementation of long-term solution for acid mine drainage	Acid mine drainage		-1	-1	-1	Identify system receiving points for acid mine drainage	Tender evaluation	Construction commences	Construction continues

1. No historical data available.
2. Project construction completed.

### Expenditure analysis

The Trans-Caledon Tunnel Authority is responsible for debt and risk management services to ensure efficient and sustainable financing and implementation of water infrastructure projects on behalf of the department. Over the medium term, the authority will focus on the implementation and financing of meter augmentation projects. Through this work, the authority contributes to the NDP's vision of universal access to affordable, sufficient and safe water and decent sanitation by 2030. The authority also actively contributes to the achievement of outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

The authority will continue to protect and augment the water supply of the Vaal River system. The work of the Vaal River system programme includes the planning of activities for phase 2 of the Lesotho Highlands water project, which is aimed at increasing the delivery of water from the Polihali Dam in Lesotho to the Vaal. Expenditure in this programme is expected to increase from R5.3 billion in 2017/18 to R6.2 billion in 2020/21, at an average annual rate of 5.3 per cent, to repay debt incurred for the completion of phase 1 of the project. Construction of phase 2 is expected to commence in 2019/20.

The authority also aims to fund a long-term solution for acid mine drainage with R10.5 billion over the medium term through a combination of borrowing and transfers from the Water Trading Entity. Expenditure in this regard relates to the construction of reverse osmosis desalination plants, the pumping of mine water, and the operations and maintenance of related infrastructure.

Over the MTEF period, the authority plans to implement phase 2A of the Mokolo Crocodile water augmentation project, which is aimed at providing additional water for domestic use, power generation, and coal mining in the Waterberg region. Expenditure on the project is expected to increase from R602.9 million in 2017/18 to R3.5 billion in 2020/21, at an average annual rate of 80.1 per cent. The project is expected to become operational in 2020/21. The authority plans to fast-track the construction of phase 2C of the Olifants River water resource development project to improve water supply and for mining activities. Expenditure on the project is expected to decrease from R1.6 billion in 2017/18 to R34 million in 2020/21 as the construction of the 40 kilometre pipeline for phase 2C is expected to be completed by March 2019.

To minimise the impact of the drought in Western Cape, the authority also plans to fast-track the Berg River Voëlvlei augmentation project to abstract and pump water from the Berg River to the Voëlvlei Dam through a

6.3 kilometre pipeline. This project is expected to improve the Voëlvlei Dam's yield by 23 million cubic metres per year, and has a budget of R405 million over the medium term.

The authority will continue to manage the debt of the Vaal River system, the Berg water project, the Vaal River eastern subsystem augmentation project, the Komati water scheme augmentation project, phase 2 of the Mooi-Mgeni transfer scheme, and the Mokolo and Crocodile River water augmentation project. As a result, the authority's borrowings are expected to increase from R33.2 billion in 2017/18 to R41.8 billion in 2020/21, at an average annual rate of 8 per cent. The authority manages debt prudently to ensure that increases in borrowings are counteracted by decreases in interest payments, which are expected to decrease from R4.5 billion in 2017/18 to R4.3 billion in 2020/21.

The authority expects its number of personnel to remain constant at 195 over the medium term. Expenditure on compensation of employees is expected to increase from R208.2 million in 2017/18 to R244.7 million in 2020/21, at an average annual rate of 5.5 per cent.

### 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 (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand												
Integrated Vaal River system	3 121 006	4 206 864	3 631 758	5 308 893		19.4%	58.7%	6 166 827	6 891 537	6 189 802	5.3%	52.9%
Berg water project	92 722	88 076	90 819	83 068		-3.6%	1.3%	116 364	58 449	71 942	-4.7%	0.8%
Vaal River eastern subsystem augmentation project	367 765	383 384	383 465	472 161		8.7%	5.9%	627 438	336 011	320 621	-12.1%	4.1%
Mooi-Mgeni transfer scheme	567 578	471 966	333 447	276 552		-21.3%	6.4%	211 326	185 232	176 862	-13.8%	1.9%
Olifants River water resource development project	513 652	304 176	140 243	1 635 085		47.1%	8.0%	73 149	23 476	33 992	-72.5%	4.4%
Komati water scheme augmentation project	132 617	124 304	129 936	494 732		55.1%	2.9%	180 769	137 434	136 423	-34.9%	2.2%
Mokolo Crocodile water augmentation project	273 845	420 405	252 070	602 852		30.1%	5.4%	436 469	1 684 052	3 520 431	80.1%	11.4%
Acid mine drainage	574 757	1 145 360	390 729	1 202 671		27.9%	11.4%	841 923	4 976 113	4 639 509	56.8%	21.6%
Kriel	-	1 683	3 261	2 478		-	0.0%	46 748	366	110	-64.6%	0.1%
Berg River Voelvllei augmentation project	-	-	-	-		-	-	30 652	187 913	186 423	-	0.7%
<b>Total</b>	<b>5 643 942</b>	<b>7 146 217</b>	<b>5 355 728</b>	<b>10 078 491</b>		<b>21.3%</b>	<b>100.0%</b>	<b>8 731 664</b>	<b>14 480 584</b>	<b>15 276 116</b>	<b>14.9%</b>	<b>100.0%</b>

### 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									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>8 103 771</b>	<b>5 453 698</b>	<b>4 418 453</b>	<b>5 424 272</b>	<b>7 241 353</b>	<b>7 659 876</b>	<b>16 281 926</b>	<b>16 922 203</b>	<b>98.4%</b>
Sale of goods and services other than capital assets	6 355 729	2 547 477	4 871 593	2 904 235	4 490 112	2 071 120	5 536 358	5 571 816	61.6%
<i>of which:</i>									
Construction revenue	6 355 729	2 547 477	4 871 593	2 904 235	4 490 112	2 071 120	5 536 358	5 571 816	61.6%
Other non-tax revenue	1 748 042	2 906 222	(453 140)	2 520 037	2 751 241	5 588 756	10 745 568	11 350 387	151.2%
<b>Total revenue</b>	<b>8 103 771</b>	<b>5 453 698</b>	<b>4 418 453</b>	<b>5 424 272</b>	<b>7 241 353</b>	<b>7 659 876</b>	<b>16 281 926</b>	<b>16 922 203</b>	<b>98.4%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>8 750 278</b>	<b>5 643 942</b>	<b>7 630 253</b>	<b>7 146 217</b>	<b>9 959 178</b>	<b>5 355 728</b>	<b>9 472 708</b>	<b>10 078 491</b>	<b>78.8%</b>
Compensation of employees	181 010	146 124	211 989	168 161	241 650	170 730	208 200	208 200	82.2%
Goods and services	6 106 703	2 392 665	4 648 215	2 729 998	4 224 715	1 894 723	5 308 793	5 321 211	60.8%
Depreciation	9 844	10 187	11 389	6 077	23 747	5 667	19 365	7 911	46.4%
Interest, dividends and rent on land	2 452 721	3 094 965	2 758 659	4 241 982	5 469 065	3 284 608	3 936 350	4 541 169	103.7%
<b>Total expenses</b>	<b>8 750 278</b>	<b>5 643 942</b>	<b>7 630 253</b>	<b>7 146 217</b>	<b>9 959 178</b>	<b>5 355 728</b>	<b>9 472 708</b>	<b>10 078 491</b>	<b>78.8%</b>
<b>Surplus/(Deficit)</b>	<b>(646 508)</b>	<b>(190 243)</b>	<b>(3 211 799)</b>	<b>(1 721 945)</b>	<b>(2 717 825)</b>	<b>2 304 148</b>	<b>6 809 218</b>	<b>6 843 712</b>	

**Table 36.27 Trans-Caledon Tunnel Authority statements of historical financial performance and position**

Statement of financial position		Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Average: Outcome/Budget (%)
R thousand		2014/15		2015/16		2016/17		2017/18		2017/18		2017/18		2014/15 - 2017/18
Carrying value of assets		34 083	13 000	23 000	11 785	23 000	26 153	14 150	14 150					69.1%
<i>of which:</i>														
Acquisition of assets		–	(1 070)	(11 000)	(4 252)	–	(16 205)	–	–	–	–	–	–	195.7%
Investments		4 569 119	4 011 001	11 499 024	1 588 087	9 346 211	3 052 126	8 012 421	–	–	–	–	–	25.9%
Receivables and prepayments		32 515 188	28 987 811	36 127 696	25 929 483	29 489 523	27 389 444	35 564 331	35 598 825	–	–	–	–	88.2%
Cash and cash equivalents		–	–	–	3 118 326	–	2 558 945	–	8 012 421	–	–	–	–	–
Taxation		–	47 538	–	40 724	–	2 061	–	–	–	–	–	–	–
<b>Total assets</b>		<b>37 118 390</b>	<b>33 059 349</b>	<b>47 649 720</b>	<b>30 688 405</b>	<b>38 858 735</b>	<b>33 028 730</b>	<b>43 590 902</b>	<b>43 625 396</b>					<b>84.0%</b>
Accumulated surplus/(deficit)		4 948 027	2 084 250	8 747 038	362 095	(2 596 296)	2 667 419	7 944 005	7 944 005	–	–	–	–	68.6%
Capital and reserves		–	–	–	–	–	–	–	34 494	–	–	–	–	–
Borrowings		31 110 721	27 882 042	38 129 323	28 439 922	40 849 486	28 741 029	35 359 025	33 184 734	–	–	–	–	81.3%
Trade and other payables		1 040 294	2 618 000	773 358	1 439 323	605 544	1 164 469	287 873	2 462 164	–	–	–	–	283.8%
Taxation		–	108 000	–	101 055	–	116 163	–	–	–	–	–	–	–
Provisions		–	367 057	–	343 482	–	339 650	–	–	–	–	–	–	–
Derivatives financial instruments		–	–	–	2 527	–	(0)	–	–	–	–	–	–	–
<b>Total equity and liabilities</b>		<b>37 099 041</b>	<b>33 059 349</b>	<b>47 649 720</b>	<b>30 688 404</b>	<b>38 858 735</b>	<b>33 028 729</b>	<b>43 590 902</b>	<b>43 625 396</b>					<b>84.0%</b>

**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		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R thousand		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
<b>Revenue</b>									
Non-tax revenue		16 922 203	45.9%	100.0%	6 778 600	13 536 542	13 723 165	-6.7%	100.0%
Sale of goods and services other than capital assets		5 571 816	29.8%	40.1%	3 719 516	10 606 311	10 026 093	21.6%	59.8%
<i>of which:</i>									
Construction revenue		5 571 816	29.8%	40.1%	3 719 516	10 606 311	10 026 093	21.6%	59.8%
Other non-tax revenue		11 350 387	57.5%	59.9%	3 059 084	2 930 231	3 697 072	-31.2%	40.2%
<b>Total revenue</b>		<b>16 922 203</b>	<b>45.9%</b>	<b>100.0%</b>	<b>6 778 600</b>	<b>13 536 542</b>	<b>13 723 165</b>	<b>-6.7%</b>	<b>100.0%</b>
<b>Expenses</b>									
Current expenses		10 078 491	21.3%	100.0%	8 731 664	14 480 584	15 276 116	14.9%	100.0%
Compensation of employees		208 200	12.5%	2.5%	220 549	235 678	244 729	5.5%	2.0%
Goods and services		5 321 211	30.5%	42.2%	4 158 274	11 155 670	10 680 645	26.1%	61.8%
Depreciation		7 911	-8.1%	0.1%	15 085	8 041	3 104	-26.8%	0.1%
Interest, dividends and rent on land		4 541 169	13.6%	55.1%	4 337 755	3 081 195	4 347 637	-1.4%	36.1%
<b>Total expenses</b>		<b>10 078 491</b>	<b>21.3%</b>	<b>100.0%</b>	<b>8 731 664</b>	<b>14 480 584</b>	<b>15 276 116</b>	<b>14.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>6 843 712</b>			<b>(1 953 065)</b>	<b>(944 042)</b>	<b>(1 552 951)</b>		
<b>Statement of financial position</b>									
Carrying value of assets		14 150	2.9%	0.0%	6 550	852	134	-78.8%	0.0%
<i>of which:</i>									
Acquisition of assets		–	-100.0%	-0.0%	(1 960)	(2 070)	(2 184)	–	-0.0%
Investments		–	-100.0%	6.6%	1 055 191	933 614	1 560 956	–	2.3%
Receivables and prepayments		35 598 825	7.1%	84.2%	25 072 467	28 814 789	32 764 946	-2.7%	77.7%
Cash and cash equivalents		8 012 421	–	9.1%	4 256 452	7 656 580	12 685 969	16.6%	20.0%
<b>Total assets</b>		<b>43 625 396</b>	<b>9.7%</b>	<b>100.0%</b>	<b>30 390 659</b>	<b>37 405 835</b>	<b>47 012 005</b>	<b>2.5%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		7 944 005	56.2%	8.4%	1 526 094	582 052	(970 899)	-149.6%	5.7%
Capital and reserves		34 494	–	0.0%	–	–	–	-100.0%	0.0%
Capital reserve fund		–	–	–	1 219 114	2 012 191	2 914 577	–	3.9%
Borrowings		33 184 734	6.0%	85.0%	26 706 562	33 850 847	41 822 269	8.0%	85.9%
Trade and other payables		2 462 164	-2.0%	5.4%	938 890	960 745	3 246 058	9.7%	4.6%
<b>Total equity and liabilities</b>		<b>43 625 396</b>	<b>9.7%</b>	<b>100.0%</b>	<b>30 390 659</b>	<b>37 405 835</b>	<b>47 012 005</b>	<b>2.5%</b>	<b>100.0%</b>

## Personnel information

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

Number of posts estimated for 31 March 2018			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
			2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost
Authority			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21	
Trans-Caledon Tunnel Authority	195	195	142	170.7	1.2	195	208.2	1.1	195	220.5	1.1	195	235.7	1.2	195	244.7	1.3	5.5%	100.0%
1-6	17	17	3	0.6	0.2	17	2.7	0.2	17	2.8	0.2	17	3.0	0.2	17	3.1	0.2	5.7%	8.7%
7-10	72	72	40	19.7	0.5	72	37.0	0.5	72	39.3	0.5	72	44.8	0.6	72	43.7	0.6	5.7%	36.9%
11-12	19	19	29	25.6	0.9	19	16.7	0.9	19	17.7	0.9	19	18.7	1.0	19	19.7	1.0	5.7%	9.7%
13-16	73	73	62	97.1	1.6	73	112.4	1.5	73	119.2	1.6	73	125.6	1.7	73	132.5	1.8	5.6%	37.4%
17-22	14	14	8	27.6	3.5	14	39.4	2.8	14	41.6	3.0	14	43.6	3.1	14	45.6	3.3	5.0%	7.2%

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, which comprises mostly rural areas in KwaZulu-Natal, as well as eThekweni. The entity supplies water to about 6 million consumers.

### Selected performance indicators

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

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Net debt to equity ratio per year	Bulk activities	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-0.1	0.0019	0.12	0.135	0.164	0.133	0.102
Debt service ratio per year	Bulk activities		5.7	4.6	2.9	2.9	3.5	4.6	6.6
Costs per kilolitre (R/kl) per year	Bulk activities		R2.85	R3.25	R3.66	R4.58	R4.95	R5.24	R5.44
Weighted average cost of capital per year	Bulk activities		R9.47	R10.53	R10.59	R10.51	R10.89	R11.04	R11.06
Volume of water sold (thousand kl) per year	Bulk activities		446 548	435 726	409 887	449 828	459 372	469 597	476 641

### Expenditure analysis

Umgeni Water's strategic functions include the development of infrastructure to increase capacity and improve access to water in its service area in KwaZulu-Natal. This is in line with the NDP's vision that all South Africans have access to affordable, sufficient, safe and decent water and sanitation, and 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 continue to be on developing and maintaining regional bulk infrastructure in its service areas. As a result, expenditure on the abstraction, treatment and distribution of bulk water in the bulk activities programme is expected to increase at an average annual rate of 11.1 per cent, from R1.2 billion in 2017/18 to R1.6 billion in 2020/21. Capital expenditure is set to decrease from R1.5 billion in 2017/18 to R1.3 billion in 2020/21 due to Cabinet's approved reductions of R683.4 million over the medium term from the regional bulk infrastructure allocation to Umgeni Water. These reductions are also set to lead to delays in project implementation. In addition to capital expenditure, bulk water costs such as energy, labour, raw water purchases and chemicals drive overall expenditure in the bulk activities programme. Expenditure on goods and services is set to increase at an average annual rate of 8 per cent, from R1.3 billion in 2017/18 to R1.7 billion in 2020/21. An increase in projects being implemented on behalf of municipalities are set to drive an increase in expenditure in the wastewater programme from R127.4 million in 2017/18 to R163.6 million in 2020/21, at an average annual rate of 8.7 per cent.

Umgeni Water expects to maintain its number of personnel at 1 129 over the medium term. Spending on compensation of employees is expected to increase from R550.4 million in 2017/18 to R686 million in 2020/21, at an average annual rate of 7.6 per cent.

The entity receives its income primarily from the sale of bulk water. Revenue is expected to increase from R3.1 billion in 2017/18 to R4.2 billion in 2020/21, at an average annual rate of 10.9 per cent. This is driven by the anticipated increase in the volume of water sold, from 449 828 kilolitres in 2017/18 to 476 641 kilolitres in 2020/21 due to increased demand, and an increase in the cost per kilolitre from R4.58 in 2017/18 to R5.44 in 2020/21.

### Programmes/objectives/activities

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

	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Administration	680 088	729 985	771 496	1 020 827	14.5%	41.5%	1 109 008	1 134 088	1 093 036	2.3%	41.3%
Bulk activities	794 252	856 495	937 002	1 174 798	13.9%	48.8%	1 299 308	1 447 328	1 609 156	11.1%	52.0%
Wastewater	62 157	75 308	88 182	127 438	27.0%	4.5%	138 002	150 392	163 579	8.7%	5.5%
Other activities	93 647	109 043	153 741	22 847	-37.5%	5.2%	34 920	37 036	39 281	19.8%	1.3%
<b>Total</b>	<b>1 630 144</b>	<b>1 770 831</b>	<b>1 950 421</b>	<b>2 345 910</b>	<b>12.9%</b>	<b>100.0%</b>	<b>2 581 238</b>	<b>2 768 844</b>	<b>2 905 052</b>	<b>7.4%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 36.32 Umgeni Water statements of historical financial performance and position**

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17	2017/18		
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>2 282 036</b>	<b>2 415 275</b>	<b>2 437 751</b>	<b>2 552 021</b>	<b>2 686 670</b>	<b>2 696 518</b>	<b>3 083 600</b>	<b>3 089 954</b>	<b>102.5%</b>
Sale of goods and services other than capital assets	2 231 497	2 245 549	2 391 133	2 377 324	2 599 939	2 509 520	3 031 337	3 001 838	98.8%
<i>of which:</i>									
<i>Sales of bulk water</i>	2 231 497	2 245 549	2 391 133	2 377 324	2 599 939	2 509 520	3 031 337	3 001 838	98.8%
Other non-tax revenue	50 539	169 726	46 618	174 697	86 731	186 998	52 263	88 116	262.3%
<b>Total revenue</b>	<b>2 282 036</b>	<b>2 415 275</b>	<b>2 437 751</b>	<b>2 552 021</b>	<b>2 686 670</b>	<b>2 696 518</b>	<b>3 083 600</b>	<b>3 089 954</b>	<b>102.5%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>1 857 654</b>	<b>1 572 284</b>	<b>1 915 258</b>	<b>1 676 117</b>	<b>1 985 075</b>	<b>1 844 827</b>	<b>2 251 784</b>	<b>2 228 236</b>	<b>91.4%</b>
Compensation of employees	463 619	426 032	437 735	473 046	496 349	560 174	540 143	550 368	103.7%
Goods and services	1 215 099	1 005 379	1 271 197	1 044 459	1 237 829	1 112 697	1 340 080	1 335 779	88.8%
Depreciation	108 280	138 071	76 722	157 427	228 862	170 557	292 765	275 825	105.0%
Interest, dividends and rent on land	70 656	2 802	129 605	1 185	22 035	1 399	78 796	66 264	23.8%
<b>Transfers and subsidies</b>	<b>-</b>	<b>57 859</b>	<b>-</b>	<b>94 714</b>	<b>106 794</b>	<b>105 594</b>	<b>117 674</b>	<b>117 674</b>	<b>167.4%</b>
<b>Total expenses</b>	<b>1 857 654</b>	<b>1 630 143</b>	<b>1 915 258</b>	<b>1 770 831</b>	<b>2 091 869</b>	<b>1 950 421</b>	<b>2 369 458</b>	<b>2 345 910</b>	<b>93.5%</b>
<b>Surplus/(Deficit)</b>	<b>424 382</b>	<b>785 132</b>	<b>522 493</b>	<b>781 190</b>	<b>594 801</b>	<b>746 097</b>	<b>714 142</b>	<b>744 044</b>	
Statement of financial position									
Carrying value of assets	4 984 845	5 556 187	7 200 986	7 144 032	8 892 673	7 911 530	9 809 259	9 404 708	97.2%
<i>of which:</i>									
<i>Acquisition of assets</i>	(1 204 236)	(1 693 046)	(2 133 429)	(2 034 316)	(1 977 898)	(1 172 265)	(1 476 092)	(1 503 374)	94.3%
Investments	1 075 852	1 661 593	1 003 151	1 927 963	729 310	1 807 670	807 628	1 362 737	186.9%
Inventory	9 631	12 068	12 371	14 721	17 543	15 735	20 525	20 525	105.0%
Accrued investment interest	14	33 751	-	28 366	28 366	35 585	28 366	28 366	222.2%
Receivables and prepayments	298 458	345 048	338 018	398 776	411 249	427 887	468 454	476 066	108.7%
Cash and cash equivalents	1 310	37 933	13 710	43 885	13 231	24 917	15 899	16 753	279.7%
Non-current assets held for sale	13 500	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>6 383 610</b>	<b>7 646 580</b>	<b>8 568 236</b>	<b>9 557 743</b>	<b>10 092 372</b>	<b>10 223 324</b>	<b>11 150 131</b>	<b>11 309 155</b>	<b>107.0%</b>
Accumulated surplus/(deficit)	3 894 912	4 796 261	5 141 183	5 540 911	6 100 239	6 380 480	6 729 278	6 901 068	108.0%
Capital and reserves	442 847	442 847	442 847	442 847	442 847	442 847	442 847	442 847	100.0%
Borrowings	1 181 530	1 171 764	1 943 331	2 029 388	1 950 590	1 950 724	2 320 902	2 320 902	101.0%
Accrued interest	28 631	26 836	59 730	58 865	58 249	57 458	56 816	56 816	98.3%
Trade and other payables	289 657	606 470	389 474	776 470	769 641	626 453	757 920	713 899	123.4%
Provisions	537 643	596 467	588 519	706 110	770 806	722 252	842 368	843 326	104.7%
Derivatives financial instruments	8 390	5 935	3 152	3 152	-	43 110	-	30 298	714.7%
<b>Total equity and liabilities</b>	<b>6 383 610</b>	<b>7 646 580</b>	<b>8 568 236</b>	<b>9 557 743</b>	<b>10 092 372</b>	<b>10 223 324</b>	<b>11 150 131</b>	<b>11 309 155</b>	<b>107.0%</b>

## 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	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
R thousand								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>3 089 954</b>	<b>8.6%</b>	<b>100.0%</b>	<b>3 434 765</b>	<b>3 812 846</b>	<b>4 215 184</b>	<b>10.9%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	3 001 838	10.2%	94.1%	3 362 981	3 753 688	4 166 254	11.5%	98.1%
<i>of which:</i>								
<i>Sales of bulk water</i>	3 001 838	10.2%	94.1%	3 362 981	3 753 688	4 166 254	11.5%	98.1%
Other non-tax revenue	88 116	-19.6%	5.9%	71 784	59 158	48 930	-17.8%	1.9%
<b>Total revenue</b>	<b>3 089 954</b>	<b>8.6%</b>	<b>100.0%</b>	<b>3 434 765</b>	<b>3 812 846</b>	<b>4 215 184</b>	<b>10.9%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>2 228 236</b>	<b>12.3%</b>	<b>95.2%</b>	<b>2 453 016</b>	<b>2 629 112</b>	<b>2 752 759</b>	<b>7.3%</b>	<b>94.9%</b>
Compensation of employees	550 368	8.9%	26.3%	590 821	639 767	686 039	7.6%	23.3%
Goods and services	1 335 779	9.9%	58.7%	1 506 016	1 619 699	1 681 735	8.0%	57.9%
Depreciation	275 825	25.9%	9.5%	295 699	314 309	336 939	6.9%	11.5%
Interest, dividends and rent on land	66 264	187.0%	0.8%	60 480	55 337	48 046	-10.2%	2.2%
<b>Transfers and subsidies</b>	<b>117 674</b>	<b>26.7%</b>	<b>4.8%</b>	<b>128 222</b>	<b>139 732</b>	<b>152 293</b>	<b>9.0%</b>	<b>5.1%</b>
<b>Total expenses</b>	<b>2 345 910</b>	<b>12.9%</b>	<b>100.0%</b>	<b>2 581 238</b>	<b>2 768 844</b>	<b>2 905 052</b>	<b>7.4%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>744 044</b>			<b>853 527</b>	<b>1 044 002</b>	<b>1 310 132</b>		
<b>Statement of financial position</b>								
Carrying value of assets	9 404 708	19.2%	77.0%	10 632 641	11 522 327	12 690 748	10.5%	87.9%
<i>of which:</i>								
<i>Acquisition of assets</i>	(1 503 374)	-3.9%	-17.0%	(1 661 538)	(1 294 622)	(1 362 377)	-3.2%	-11.7%
Investments	1 362 737	-6.4%	17.9%	880 660	916 994	387 090	-34.3%	7.3%
Inventory	20 525	19.4%	0.2%	23 667	26 983	30 484	14.1%	0.2%
Accrued investment interest	28 366	-5.6%	0.3%	28 366	28 366	28 366	-	0.2%
Receivables and prepayments	476 066	11.3%	4.3%	513 722	553 905	595 512	7.7%	4.3%
Cash and cash equivalents	16 753	-23.8%	0.3%	15 696	17 340	19 481	5.2%	0.1%
<b>Total assets</b>	<b>11 309 155</b>	<b>13.9%</b>	<b>100.0%</b>	<b>12 094 752</b>	<b>13 065 915</b>	<b>13 751 681</b>	<b>6.7%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	6 901 068	12.9%	61.0%	7 754 672	8 798 760	10 551 827	15.2%	67.3%
Capital and reserves	442 847	-	4.7%	442 847	442 847	-	-100.0%	2.7%
Borrowings	2 320 902	25.6%	19.0%	2 191 890	2 112 668	1 433 227	-14.8%	16.3%
Accrued interest	56 816	28.4%	0.5%	54 312	55 277	33 767	-15.9%	0.4%
Trade and other payables	713 899	5.6%	7.1%	698 959	619 213	603 562	-5.4%	5.3%
Provisions	843 326	12.2%	7.4%	922 648	1 008 665	1 101 821	9.3%	7.7%
Derivatives financial instruments	30 298	72.2%	0.2%	29 424	28 485	27 477	-3.2%	0.2%
<b>Total equity and liabilities</b>	<b>11 309 156</b>	<b>13.9%</b>	<b>100.0%</b>	<b>12 094 752</b>	<b>13 065 915</b>	<b>13 751 681</b>	<b>6.7%</b>	<b>100.0%</b>

## Personnel information

**Table 36.34 Umgeni Water personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate				Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21												
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Umgeni Water																			
Salary level	1 127	-	1 046	560.2	0.5	1 127	550.4	0.5	1 129	590.8	0.5	1 129	639.8	0.6	1 129	686.0	0.6	7.6%	100.0%
1-6	138	-	114	20.3	0.2	138	14.8	0.1	140	15.6	0.1	140	16.2	0.1	140	16.7	0.1	4.2%	12.4%
7-10	713	-	677	285.7	0.4	713	272.2	0.4	713	300.0	0.4	713	328.8	0.5	713	357.5	0.5	9.5%	63.2%
11-12	203	-	190	164.2	0.9	203	163.7	0.8	203	173.4	0.9	203	188.0	0.9	203	198.6	1.0	6.7%	18.0%
13-16	73	-	64	85.9	1.3	73	99.7	1.4	73	101.8	1.4	73	106.8	1.5	73	113.1	1.5	4.3%	6.5%
17-22	-	-	1	4.1	4.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 converted into a trading entity, in terms of the Public Finance Management Act (1999), in 2008 to 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 resources through the dam safety rehabilitation programme. It does this to ensure sustainable water supply for both domestic and industrial use. The entity is further mandated to manage water resources, which includes the management of water quality, conservation, and the allocation of water through catchment management agencies.

### Selected performance indicators

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

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Reduction in the number of days for the collection of outstanding debt per year	Administration	Outcome 12: An efficient, effective and development oriented public service	-1	150	120	100	100	100	100
Number of kilometres of conveyance systems rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-1	-1	4.2km	15km	0km	45km	50km
Percentage spent on asset refurbishment and betterment against budget per year	Operations, maintenance and refurbishment of national water resources schemes		88% (642 973/ 730 651)	77% (247 549/ 321 492)	100%	-2	-2	-2	-2
Percentage of planned maintenance projects completed per year per approved asset management project	Operations, maintenance and refurbishment of national water resources schemes		-1	-1	60% (152/255)	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		-1	-1	-1	10% or less	10% or less	10% or less	10% or less
Number of raw water projects completed per year	Financing and investment in raw water infrastructure		1	1	1	0	1	0	1
Total number of dam safety rehabilitation projects completed per year	Implementation of dam safety projects	Outcome 10: Protect and enhance our environmental assets and natural resources	38	43	40	41	45	49	53
Number of dam safety rehabilitation projects completed to meet dam safety regulations per year	Implementation of dam safety projects		3	1	1	1	3	4	4
Number of rivers where the river eco-status monitoring programme has been implemented to measure the ecological health of the system per year	Implementation of water resources management activities		119	98	66	71	71	71	71

1. No historical data available.

2. Indicator discontinued.

### Expenditure analysis

The Water Trading Entity's objectives to manage water resources and develop water infrastructure effectively are directly aligned with outcome 6 (an efficient, competitive and responsive economic infrastructure network) and 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 entity will focus on the maintenance and rehabilitation of conveyance systems, the collection of debt and the supply of raw water to relevant stakeholders.

The entity aims to maintain and rehabilitate 110 kilometres of conveyance systems over the medium term by rebuilding the Vlakfontein Canal, and rehabilitating the Boskop, Vaalharts, Ncora, Pongolaspoort, Nzhelele and Lindleyspoort canals; and complete 90 per cent of planned maintenance projects each year over the same period. As a result, expenditure in the operations, maintenance and refurbishment of national water resources schemes programme is expected to increase from R1.5 billion in 2017/18 to R2 billion in 2020/21, at an average annual rate of 8.3 per cent.

The entity is expected to make payments on behalf of the department to the Trans-Caledon Tunnel Authority to repay debts for completed and new construction projects, such as the acid mine drainage long-term solution, the Lesotho Highlands water project, and phase 2 of the Mokolo and Crocodile River water



augmentation project. For construction, maintenance and refurbishment over the medium term, 52.1 per cent (R22.7 billion) of the entity's total budget is provided in the financing and investment in raw water infrastructure programme. Spending in this programme is expected to increase at an average annual rate of 4.7 per cent, from R5.3 billion in 2017/18 to R6.1 billion in 2020/21.

To supply industry, water boards and municipalities with raw water, spending in the bulk water supply to strategic users programme is expected to increase from R1.8 billion in 2017/18 to R2.1 billion in 2020/21, at an average annual rate of 5.6 per cent. The entity will continue to ensure compliance with dam safety regulations by completing an estimated 12 dam safety rehabilitation projects, the main project being raising of the Clanwilliam and Tzaneen dam walls. These projects are projected to lead to spending of R1.1 billion over the medium term, increasing at an average annual rate of 10.6 per cent.

The entity plans to maintain its number of personnel at 3 440 over the medium term, with spending on compensation of employees set to increase from R972.1 million in 2017/18 to R1.2 billion in 2020/21, at an average annual rate of 6.7 per cent.

The entity derives its revenue through transfers from the department and the sale of raw water. Over the medium term, the entity aims to maintain the number of days for the payment and collection of outstanding debt at 100 days. In line with the expected increase in demand for raw water, revenue from the sale of raw water is set to increase from R9.4 billion in 2017/18 to R11.4 billion in 2020/21. The revenue generated over the MTEF period will enable the entity to increase its investment in new and existing raw water infrastructure. Transfers from the department are expected to account for 14.6 per cent (R5.7 billion) of the entity's total projected revenue of R38.9 billion over the medium term.

### Programmes/objectives/activities

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

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	439 998	386 533	2 477 487	467 667	2.1%	7.5%	584 583	617 320	648 186	11.5%	5.3%
Implementation of water resources management activities	389 089	383 817	475 185	552 224	12.4%	4.3%	585 358	618 138	649 045	5.5%	5.5%
Operations, maintenance and refurbishment of national water resources schemes	1 380 063	1 270 805	2 311 873	1 537 675	3.7%	15.0%	1 691 442	1 860 586	1 953 616	8.3%	16.1%
Financing and investment in raw water infrastructure	5 562 486	4 457 340	6 842 293	5 290 542	-1.7%	52.2%	5 509 307	5 780 631	6 075 559	4.7%	52.1%
Bulk water supply to strategic users	1 856 780	1 538 096	3 213 409	1 764 981	-1.7%	19.1%	1 872 538	1 977 401	2 076 271	5.6%	17.7%
Implementation of dam safety projects	197 766	169 989	81 497	294 869	14.2%	1.9%	360 211	380 382	399 401	10.6%	3.3%
<b>Total</b>	<b>9 826 182</b>	<b>8 206 580</b>	<b>15 401 744</b>	<b>9 907 957</b>	<b>0.3%</b>	<b>100.0%</b>	<b>10 603 440</b>	<b>11 234 458</b>	<b>11 802 078</b>	<b>6.0%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

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

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17	2017/18		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>7 942 513</b>	<b>9 919 245</b>	<b>9 825 867</b>	<b>9 534 753</b>	<b>8 667 932</b>	<b>10 298 337</b>	<b>9 694 245</b>	<b>9 761 081</b>	<b>109.4%</b>
Sale of goods and services other than capital assets	7 882 820	8 965 462	9 730 922	9 061 948	8 606 505	9 592 204	9 579 362	9 646 198	104.1%
of which:									
Sales by market establishment	7 882 820	8 965 462	9 730 922	9 061 948	8 606 505	9 592 204	9 579 362	9 646 198	104.1%
Sales of water	7 668 680	8 098 044	8 729 839	8 598 856	8 370 812	9 170 645	9 431 070	9 431 070	103.2%
Construction revenue	202 233	853 812	988 581	449 853	221 940	409 401	133 164	200 000	123.7%
Lease revenue earned	11 907	13 606	12 502	13 239	13 753	12 158	15 128	15 128	101.6%
Other non-tax revenue	59 693	953 783	94 945	472 805	61 427	706 133	114 883	114 883	679.1%
<b>Transfers received</b>	<b>2 410 661</b>	<b>2 399 258</b>	<b>1 735 123</b>	<b>1 522 038</b>	<b>1 499 528</b>	<b>1 499 528</b>	<b>1 236 738</b>	<b>1 651 650</b>	<b>102.8%</b>
<b>Total revenue</b>	<b>10 353 174</b>	<b>12 318 503</b>	<b>11 560 990</b>	<b>11 056 791</b>	<b>10 167 460</b>	<b>11 797 865</b>	<b>10 930 983</b>	<b>11 412 731</b>	<b>108.3%</b>

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

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	2017/18	2017/18	
R thousand									
<b>Expenses</b>									
<b>Current expenses</b>	<b>7 838 935</b>	<b>9 826 182</b>	<b>7 954 407</b>	<b>8 206 580</b>	<b>9 194 782</b>	<b>15 401 744</b>	<b>9 907 957</b>	<b>9 907 957</b>	<b>124.2%</b>
Compensation of employees	944 351	697 301	979 345	804 740	908 523	924 382	972 120	972 120	89.3%
Goods and services	2 683 425	4 764 301	2 699 347	4 741 299	5 763 156	7 958 423	6 256 301	6 256 301	136.3%
Depreciation	2 463 118	2 032 094	2 554 389	1 913 015	2 071 026	1 884 712	2 199 430	2 199 430	86.4%
Interest, dividends and rent on land	1 748 042	2 332 486	1 721 326	747 526	452 077	4 634 227	480 106	480 106	186.2%
<b>Total expenses</b>	<b>7 838 935</b>	<b>9 826 182</b>	<b>7 954 407</b>	<b>8 206 580</b>	<b>9 194 782</b>	<b>15 401 744</b>	<b>9 907 957</b>	<b>9 907 957</b>	<b>124.2%</b>
<b>Surplus/(Deficit)</b>	<b>2 514 239</b>	<b>2 492 321</b>	<b>3 606 583</b>	<b>2 850 211</b>	<b>972 678</b>	<b>(3 603 879)</b>	<b>1 023 026</b>	<b>1 504 774</b>	
<b>Statement of financial position</b>									
Carrying value of assets	103 681 893	89 625 122	91 920 714	93 473 903	95 275 749	94 532 050	96 784 366	96 784 366	96.6%
of which:									
Acquisition of assets	(2 599 470)	(1 302 490)	(2 610 158)	(2 409 344)	(1 950 224)	(1 563 489)	(1 899 224)	(1 899 224)	79.2%
Inventory	194 361	119 958	126 916	147 984	134 277	158 811	120 849	120 849	95.0%
Receivables and prepayments	2 599 894	5 663 338	4 721 579	6 380 759	5 083 698	5 885 184	4 159 864	4 159 864	133.3%
Cash and cash equivalents	1 720 053	1 545 868	2 346 559	42 948	138 863	205	538 863	538 863	44.9%
<b>Total assets</b>	<b>108 196 202</b>	<b>96 954 286</b>	<b>99 115 768</b>	<b>100 045 594</b>	<b>100 632 586</b>	<b>100 576 250</b>	<b>101 603 942</b>	<b>101 603 942</b>	<b>97.5%</b>
Accumulated surplus/(deficit)	72 436 894	68 413 062	69 245 871	71 960 394	71 294 475	71 294 475	69 686 849	69 686 849	99.5%
Capital and reserves	314 874	345 312	330 303	362 586	326 327	326 327	313 028	313 028	104.9%
Borrowings	34 579 060	26 715 333	28 631 817	26 334 191	27 873 757	26 788 589	30 667 435	30 667 436	90.8%
Finance lease	16 189	50 599	16 982	50 920	48 673	4 741	46 754	46 754	119.0%
Trade and other payables	668 568	1 254 246	701 328	1 174 863	914 354	1 947 539	701 574	701 574	170.1%
Provisions	180 617	175 734	189 467	162 640	175 001	214 579	188 301	188 301	101.1%
<b>Total equity and liabilities</b>	<b>108 196 202</b>	<b>96 954 286</b>	<b>99 115 768</b>	<b>100 045 594</b>	<b>100 632 586</b>	<b>100 576 250</b>	<b>101 603 941</b>	<b>101 603 942</b>	<b>97.5%</b>

**Statements of estimates of financial performance and position****Table 36.39 Water Trading Entity 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 (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>9 761 081</b>	<b>-0.5%</b>	<b>84.9%</b>	<b>10 605 965</b>	<b>11 042 717</b>	<b>11 594 852</b>	<b>5.9%</b>	<b>85.4%</b>
Sale of goods and services other than capital assets	9 646 198	2.5%	80.1%	10 479 594	10 903 708	11 448 893	5.9%	84.4%
of which:								
Sales by market establishment	9 646 198	2.5%	80.1%	10 479 594	10 903 708	11 448 893	5.9%	84.4%
Sales of water	9 431 070	5.2%	76.0%	10 374 177	10 841 015	11 383 066	6.5%	83.5%
Construction revenue	200 000	-38.4%	4.1%	88 776	44 388	46 607	-38.5%	0.8%
Lease revenue earned	15 128	3.6%	0.1%	16 641	18 305	19 220	8.3%	0.1%
Other non-tax revenue	114 883	-50.6%	4.8%	126 371	139 009	145 959	8.3%	1.0%
<b>Transfers received</b>	<b>1 651 650</b>	<b>-11.7%</b>	<b>15.1%</b>	<b>1 792 149</b>	<b>1 891 965</b>	<b>1 996 023</b>	<b>6.5%</b>	<b>14.6%</b>
<b>Total revenue</b>	<b>11 412 731</b>	<b>-2.5%</b>	<b>100.0%</b>	<b>12 398 114</b>	<b>12 934 681</b>	<b>13 590 875</b>	<b>6.0%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>9 907 957</b>	<b>0.3%</b>	<b>100.0%</b>	<b>10 603 440</b>	<b>11 234 458</b>	<b>11 802 078</b>	<b>6.0%</b>	<b>100.0%</b>
Compensation of employees	972 120	11.7%	8.2%	1 039 960	1 118 935	1 180 778	6.7%	9.9%
Goods and services	6 256 301	9.5%	55.3%	6 647 809	6 933 377	7 280 046	5.2%	62.3%
Depreciation	2 199 430	2.7%	19.6%	2 359 235	2 508 606	2 634 037	6.2%	22.3%
Interest, dividends and rent on land	480 106	-41.0%	16.9%	556 435	673 540	707 217	13.8%	5.5%
<b>Total expenses</b>	<b>9 907 957</b>	<b>0.3%</b>	<b>100.0%</b>	<b>10 603 440</b>	<b>11 234 458</b>	<b>11 802 078</b>	<b>6.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>1 504 774</b>			<b>1 794 674</b>	<b>1 700 223</b>	<b>1 788 798</b>		
<b>Statement of financial position</b>								
Carrying value of assets	96 784 366	2.6%	93.8%	100 765 786	105 076 045	110 329 848	4.5%	95.7%
of which:								
Acquisition of assets	(1 899 224)	13.4%	-1.8%	(2 089 147)	(2 298 061)	(2 412 964)	8.3%	-2.0%
Inventory	120 849	0.2%	0.1%	108 764	97 888	102 782	-5.3%	0.1%
Receivables and prepayments	4 159 864	-9.8%	5.5%	3 369 490	3 032 541	3 184 168	-8.5%	3.2%
Cash and cash equivalents	538 863	-29.6%	0.5%	895 806	1 384 295	1 453 510	39.2%	1.0%
<b>Total assets</b>	<b>101 603 942</b>	<b>1.6%</b>	<b>100.0%</b>	<b>105 139 846</b>	<b>109 590 769</b>	<b>115 070 307</b>	<b>4.2%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	69 686 849	0.6%	70.5%	70 334 124	77 720 588	81 884 159	5.5%	69.4%
Capital and reserves	313 028	-3.2%	0.3%	281 725	264 325	-	-100.0%	0.2%
Borrowings	30 667 436	4.7%	27.7%	33 593 233	30 696 474	32 231 298	1.7%	29.5%
Finance lease	46 754	-2.6%	0.0%	46 259	41 633	43 715	-2.2%	0.0%
Trade and other payables	701 574	-17.6%	1.3%	666 495	633 170	664 829	-1.8%	0.6%
Provisions	188 301	2.3%	0.2%	218 010	234 579	246 308	9.4%	0.2%
<b>Total equity and liabilities</b>	<b>101 603 942</b>	<b>1.6%</b>	<b>100.0%</b>	<b>105 139 846</b>	<b>109 590 769</b>	<b>115 070 308</b>	<b>4.2%</b>	<b>100.0%</b>

## Personnel information

**Table 36.40 Water Trading Entity personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		2019/20		2020/21				2017/18 - 2020/21			
Water Trading Entity		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	4 292	4 292	3 440	924.4	0.3	3 440	972.1	0.3	3 440	1 040.0	0.3	3 440	1 118.9	0.3	3 440	1 180.8	0.3	6.7%	100.0%
1 – 6	2 606	2 606	2 054	312.0	0.2	2 054	326.0	0.2	2 054	348.8	0.2	2 054	375.3	0.2	2 054	396.0	0.2	6.7%	59.7%
7 – 10	1 560	1 560	1 274	488.5	0.4	1 274	516.0	0.4	1 274	552.0	0.4	1 274	593.8	0.5	1 274	626.8	0.5	6.7%	37.0%
11 – 12	120	120	106	115.8	1.1	106	121.6	1.1	106	130.1	1.2	106	140.0	1.3	106	147.7	1.4	6.7%	3.1%
13 – 16	6	6	6	8.0	1.3	6	8.5	1.4	6	9.1	1.5	6	9.8	1.6	6	10.3	1.7	6.7%	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). 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 area.

### Selected performance indicators

**Table 36.41 Breede-Gouritz Catchment Management Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of water registrations finalised per year	Water projects	Outcome 10: Protect and enhance our environmental assets and natural resources	500	800	800	800	800	800	800

### Expenditure analysis

The Breede-Gouritz Catchment Management Agency plays a key role in the NDP's vision of water resources being managed, monitored and protected in a sustainable way, while allowing for economic growth. This is done through its contributions to outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. The focus of the agency will continue to be on registering water users.

The agency expects to realise operational efficiencies by improving its ability to capture accurate information. This is expected to allow for more equity in water allocation, and ensure credibility and accuracy in managing billing and other water information, such as the number of water users and volumes extracted, the agency aims to finalise 800 water use registrations each year of the medium term. These gains in efficiency are expected to lead to a decrease in expenditure in the water projects programme from R39.1 million in 2017/18 to R29.4 million in 2020/21, at an average annual rate of 9.1 per cent.

The agency intends to increase its number of personnel from 61 in 2018/19 to 64 in 2020/21 to manage additional capacity requirements resulting from the inclusion of the Gouritz area into the agency's service area, and from taking over billing and account collection functions previously conducted by the department. As a result, spending on compensation of employees is set to increase from R31.4 million in 2017/18 to R38.3 million in 2020/21, at an average annual rate of 6.9 per cent.

The agency derives revenue through transfers from the department. Transfers are set to decrease from R82.4 million in 2017/18 to R70.5 million over the medium term as projects, such as the verification and validation of existing water users, are completed over the MTEF period.

**Programmes/objectives/activities****Table 36.42 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	12 220	19 283	23 643	33 970	40.6%	46.3%	28 869	29 615	30 931	-3.1%	43.2%
Water projects	8 982	12 943	22 493	39 134	63.3%	39.9%	27 465	28 174	29 426	-9.1%	43.1%
Public participation	3 182	6 119	7 753	9 636	44.7%	13.8%	9 466	9 711	10 143	1.7%	13.7%
<b>Total</b>	<b>24 384</b>	<b>38 345</b>	<b>53 888</b>	<b>82 740</b>	<b>50.3%</b>	<b>100.0%</b>	<b>65 800</b>	<b>67 500</b>	<b>70 500</b>	<b>-5.2%</b>	<b>100.0%</b>

**Statements of historical financial performance****Table 36.43 Breede-Gouritz Catchment Management Agency statements of historical financial performance**

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	2017/18	2014/15 - 2017/18	
R thousand									
<b>Revenue</b>									
Non-tax revenue	241	279	250	1 410	500	638	500	500	189.6%
Other non-tax revenue	241	279	250	1 410	500	638	500	500	189.6%
<b>Transfers received</b>	<b>24 623</b>	<b>40 787</b>	<b>47 138</b>	<b>23 366</b>	<b>45 274</b>	<b>47 876</b>	<b>82 240</b>	<b>82 400</b>	<b>97.6%</b>
<b>Total revenue</b>	<b>24 864</b>	<b>41 066</b>	<b>47 388</b>	<b>24 776</b>	<b>45 774</b>	<b>48 514</b>	<b>82 740</b>	<b>82 900</b>	<b>98.3%</b>
<b>Expenses</b>									
Current expenses	24 864	24 384	47 388	38 345	45 774	53 888	82 740	82 740	99.3%
Compensation of employees	12 942	14 485	20 618	20 364	22 893	29 283	41 874	31 401	97.2%
Goods and services	11 054	9 398	25 916	17 346	21 981	22 600	39 732	50 205	100.9%
Depreciation	868	501	854	635	900	2 006	1 134	1 134	113.8%
<b>Total expenses</b>	<b>24 864</b>	<b>24 384</b>	<b>47 388</b>	<b>38 345</b>	<b>45 774</b>	<b>53 888</b>	<b>82 740</b>	<b>82 740</b>	<b>99.3%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>16 682</b>	<b>-</b>	<b>(13 569)</b>	<b>-</b>	<b>(5 374)</b>	<b>-</b>	<b>160</b>	

**Statements of estimates of financial performance****Table 36.44 Breede-Gouritz Catchment Management Agency statements of estimates of financial performance**

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
<b>Revenue</b>								
Non-tax revenue	500	21.5%	2.1%	500	500	-	-100.0%	0.5%
Other non-tax revenue	500	21.5%	2.1%	500	500	-	-100.0%	0.5%
<b>Transfers received</b>	<b>82 400</b>	<b>26.4%</b>	<b>97.9%</b>	<b>65 300</b>	<b>67 000</b>	<b>70 500</b>	<b>-5.1%</b>	<b>99.5%</b>
<b>Total revenue</b>	<b>82 900</b>	<b>26.4%</b>	<b>100.0%</b>	<b>65 800</b>	<b>67 500</b>	<b>70 500</b>	<b>-5.3%</b>	<b>100.0%</b>
<b>Expenses</b>								
Current expenses	82 740	50.3%	100.0%	65 800	67 500	70 500	-5.2%	100.0%
Compensation of employees	31 401	29.4%	51.2%	35 755	36 679	38 309	6.9%	50.2%
Goods and services	50 205	74.8%	46.6%	30 046	28 107	29 320	-16.4%	47.4%
Depreciation	1 134	31.3%	2.2%	-	2 714	2 871	36.3%	2.4%
<b>Total expenses</b>	<b>82 740</b>	<b>50.3%</b>	<b>100.0%</b>	<b>65 800</b>	<b>67 500</b>	<b>70 500</b>	<b>-5.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>160</b>			<b>-</b>	<b>-</b>	<b>-</b>		

## Personnel information

**Table 36.45 Breede-Gouritz Catchment Management Agency personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
Breede-Gouritz Catchment Management Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost	Unit cost	Number	Cost	Unit cost		
Salary level	61	61	60	29.3	0.5	61	31.4	0.5	61	35.8	0.6	63	36.7	0.6	64	38.3	0.6	6.9%	100.0%
7 – 10	43	43	42	14.0	0.3	43	15.0	0.3	43	17.1	0.4	43	17.1	0.4	43	17.1	0.4	4.5%	69.1%
11 – 12	16	16	16	13.1	0.8	16	14.1	0.9	16	16.0	1.0	19	18.2	1.0	20	19.8	1.0	12.0%	28.5%
13 – 16	2	2	2	2.2	1.1	2	2.3	1.1	2	2.7	1.4	1	1.4	1.4	1	1.4	1.4	-15.1%	2.4%

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). 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. In 2014, the Inkomati and Usuthu water management areas were amalgamated, and the agency's boundary area was extended to form the Inkomati-Usuthu Catchment Management Agency.

### Selected performance indicators

**Table 36.46 Inkomati-Usuthu Catchment Management Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of water use authorisations processed per year	Ensure effective, efficient and sustainable management of water resources	Outcome 10: Protect and enhance our environmental assets and resources	8	10	10	10	10	10	10
Percentage of water users effectively validated per year for Usuthu and Inkomati catchment areas	Ensure effective, efficient and sustainable management of water resources	Entity mandate	- <sup>1</sup>	0%	100% (1 372)	50% (800/1 600)	100% (1 600)	- <sup>2</sup>	- <sup>2</sup>

1. No historical data available.

2. Project to be completed in 2018/19.

### Expenditure analysis

The Inkomati-Usuthu Catchment Management Agency's activities contribute to the NDP's vision of water resources being managed, monitored and protected in a sustainable way, while allowing for economic growth. The agency actively contributes to this vision through its contributions to 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 enhancing integrated water resource management by remedying and restoring polluted water sources in its catchment areas, and improving information management, especially for the billing of its clients.

The agency aims to process 30 water use licence authorisations over the medium term and send recommendations to the department for approval. It also plans to verify and validate 800 outstanding water users for legal use in the Usuthu catchment area by 2018/19. These activities are budgeted for, in the ensure the effective, efficient and sustainable management of water resources programme with an allocation of R106.8 million over the medium term. Expenditure in this programme is expected to increase at an average annual rate of 14.7 per cent, from R24.9 million in 2017/18 to R37.6 million in 2020/21, as the verification and validation process continues.

Spending in the administration programme constitutes 44.7 per cent of the agency's total projected expenditure over the medium term, increasing from R57.1 million in 2017/18 to R58.9 million in 2020/21, at an average annual rate of 1 per cent. The agency expects to stabilise its number of personnel at 115 over the medium term, driving an increase in projected spending on compensation of employees from R59.6 million in 2017/18 to R77.1 million in 2020/21, at an average annual rate of 9 per cent. The agency's overall expenditure is set to increase at an average annual rate of 2.2 per cent, from R126.5 million in 2017/18 to R134.9 million in 2020/21.

The agency is set to generate an estimated 62.5 per cent of its revenue over the MTEF period through transfers from the department. This transfer increases from R55.1 million in 2017/18 to R89 million in 2020/21, at an average annual rate of 17.3 per cent. The remaining revenue, which is set to increase from R35.3 million in 2018/19 to R45.9 million in 2020/21, is derived through charges for functions related to the management of water resources, such as the processing of water use license applications.

### Programmes/objectives/activities

**Table 36.47 Inkomati-Usuthu Catchment Management Agency expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Administration	22 127	29 520	34 286	57 106	37.2%	45.0%	55 935	58 297	58 865	1.0%	44.7%
Ensure the effective, efficient and sustainable management of water resources	10 575	14 090	20 224	24 890	33.0%	22.3%	33 706	35 516	37 577	14.7%	25.5%
Ensure collaborative and coordinated integrated water resources management for wise socioeconomic development	4 462	7 854	5 270	20 393	66.0%	11.0%	13 743	15 175	15 775	-8.2%	12.6%
Promote and pursue an international developmental agenda	6 626	6 060	7 864	13 546	26.9%	10.9%	10 222	10 958	11 583	-5.1%	9.0%
Promote knowledge generation and distribution	5 668	7 820	8 884	10 512	22.9%	10.8%	9 890	10 497	11 126	1.9%	8.2%
<b>Total</b>	<b>49 458</b>	<b>65 344</b>	<b>76 528</b>	<b>126 447</b>	<b>36.7%</b>	<b>100.0%</b>	<b>123 496</b>	<b>130 443</b>	<b>134 926</b>	<b>2.2%</b>	<b>100.0%</b>

### Statements of historical financial performance

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

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate		Average: Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	Revised estimate	
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>23 974</b>	<b>23 058</b>	<b>29 715</b>	<b>31 309</b>	<b>43 203</b>	<b>45 184</b>	<b>54 042</b>	<b>71 327</b>	<b>113.2%</b>
Sale of goods and services other than capital assets	22 265	22 265	29 715	29 715	43 203	43 203	54 042	71 327	111.6%
<i>of which:</i>									
Administrative fees	22 265	22 265	29 715	29 715	43 203	43 203	54 042	71 327	111.6%
Other non-tax revenue	1 709	793	-	1 594	-	1 981	-	-	255.6%
<b>Transfers received</b>	<b>30 910</b>	<b>31 852</b>	<b>47 068</b>	<b>35 621</b>	<b>36 411</b>	<b>36 952</b>	<b>55 120</b>	<b>55 120</b>	<b>94.1%</b>
<b>Total revenue</b>	<b>54 884</b>	<b>54 910</b>	<b>76 783</b>	<b>66 930</b>	<b>79 614</b>	<b>82 136</b>	<b>109 162</b>	<b>126 447</b>	<b>103.1%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>54 884</b>	<b>49 458</b>	<b>76 783</b>	<b>65 344</b>	<b>79 614</b>	<b>76 528</b>	<b>109 162</b>	<b>126 447</b>	<b>99.2%</b>
Compensation of employees	30 448	27 751	45 033	36 125	47 683	46 507	59 573	59 573	93.0%
Goods and services	24 436	20 375	31 750	29 219	31 931	30 021	49 589	66 874	106.4%
Depreciation	-	1 332	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>54 884</b>	<b>49 458</b>	<b>76 783</b>	<b>65 344</b>	<b>79 614</b>	<b>76 528</b>	<b>109 162</b>	<b>126 447</b>	<b>99.2%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>5 452</b>	<b>-</b>	<b>1 586</b>	<b>-</b>	<b>5 608</b>	<b>-</b>	<b>-</b>	

## Statements of estimates of financial performance

**Table 36.49 Inkomati-Usuthu Catchment Management Agency statements of estimates of financial performance**

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>71 327</b>	<b>45.7%</b>	<b>50.0%</b>	<b>35 316</b>	<b>40 260</b>	<b>45 897</b>	<b>-13.7%</b>	<b>37.5%</b>
Sale of goods and services other than capital assets	71 327	47.4%	48.5%	35 316	40 260	45 897	-13.7%	37.5%
<i>of which:</i>								
<i>Administrative fees</i>	71 327	47.4%	48.5%	35 316	40 260	45 897	-13.7%	37.5%
<b>Transfers received</b>	<b>55 120</b>	<b>20.1%</b>	<b>50.0%</b>	<b>88 180</b>	<b>90 183</b>	<b>89 029</b>	<b>17.3%</b>	<b>62.5%</b>
<b>Total revenue</b>	<b>126 447</b>	<b>32.1%</b>	<b>100.0%</b>	<b>123 496</b>	<b>130 443</b>	<b>134 926</b>	<b>2.2%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>126 447</b>	<b>36.7%</b>	<b>100.0%</b>	<b>123 496</b>	<b>130 443</b>	<b>134 926</b>	<b>2.2%</b>	<b>100.0%</b>
Compensation of employees	59 573	29.0%	54.8%	68 520	72 658	77 051	9.0%	53.9%
Goods and services	66 874	48.6%	44.5%	54 976	57 785	57 875	-4.7%	46.1%
<b>Total expenses</b>	<b>126 447</b>	<b>36.7%</b>	<b>100.0%</b>	<b>123 496</b>	<b>130 443</b>	<b>134 926</b>	<b>2.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>		

## Personnel information

**Table 36.50 Inkomati-Usuthu Catchment Management Agency personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number								
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)							
			2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21										
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
<b>Inkomati-Usuthu Catchment Management Agency</b>			<b>115</b>	<b>115</b>		<b>115</b>	<b>46.5</b>	<b>0.4</b>	<b>99</b>	<b>59.6</b>	<b>0.6</b>	<b>115</b>	<b>68.5</b>	<b>0.6</b>	<b>115</b>	<b>72.7</b>	<b>0.6</b>	<b>115</b>	<b>77.1</b>	<b>0.7</b>	<b>9.0%</b>	<b>100.0%</b>	
Salary level																							
1 – 6	12	12	12	2.6	0.2	12	2.3	0.2	12	2.5	0.2	12	2.8	0.2	12	3.0	0.3	12	3.0	0.3	9.3%	10.9%	
7 – 10	50	50	50	14.3	0.3	37	16.5	0.4	50	19.9	0.4	50	21.5	0.4	50	23.0	0.5	50	23.0	0.5	11.8%	42.0%	
11 – 12	42	42	42	19.6	0.5	39	27.8	0.7	42	31.0	0.7	42	32.4	0.8	42	34.1	0.8	42	34.1	0.8	7.1%	37.2%	
13 – 16	11	11	11	10.1	0.9	11	13.1	1.2	11	15.2	1.4	11	16.0	1.5	11	16.9	1.5	11	16.9	1.5	9.1%	10.0%	

1. Rand million.

## Water Research Commission

### Mandate

The Water Research Commission is a schedule 3A public entity established in terms of the Water Research Act (1971). 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 36.51 Water Research Commission performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of research projects completed per year	Research and development	Entity mandate	- <sup>1</sup>	95	87	84	85	85	85
Leverage income per year	Research and development		R21m	R67.5m	R82.8m	R74m	R78.3m	R82.7m	R87.4m
Number of students financially or technically supported (including historically disadvantaged students) per year	Research and development		400	500	495	400	400	500	500

**Table 36.51 Water Research Commission performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of projects initiated per year with previously disadvantaged institutions as participating organisations in Water Research Commission projects	Research and development	Entity mandate	60	18	12	10	10	10	10

1. No historical data available.

### Expenditure analysis

The Water Research Commission aims to have substantial impact on the water sector through improved technologies and efficiency measures. The commission's work includes research on water conservation, demand management and losses; inefficient water usage; and the training of researchers.

The research and development programme accounts for a projected 55.2 per cent of the commission's budget over the medium term. The commission expects to complete 255 research projects over the MTEF period to improve knowledge, planning and decision-making in the sector; and provide financial and technical research support to a minimum of 1 400 university students from previously disadvantaged backgrounds. This work is set to drive an increase in expenditure on goods and services, from R225.5 million in 2017/18 to R262 million in 2020/21, at an average annual rate of 5.1 per cent.

The number of personnel in the commission is set to increase from 95 in 2018/19 to 102 in 2020/21, mainly due to permanent contracts being offered to consultants in an effort to impart and transfer skills. As a result, spending on compensation of employees is expected to increase from R72.1 million in 2017/18 to R112.8 million in 2020/21, at an average annual rate of 16.1 per cent.

The commission derives its revenue through the water research levy, income derived from research partnerships, and the sale of publications. The water research levy comprises a projected 73.6 per cent (R793.5 million) of the commission's revenue over the medium term, increasing at an average annual rate of 9.9 per cent. Leverage income from the joint commissioning of research projects with other research institutions and the sale of its publications accounts for an estimated 23.5 per cent of revenue, increasing from R74 million in 2017/18 to R87.4 million in 2020/21. The commission's total revenue is expected to increase at an average annual rate of 8 per cent, from R306.6 million in 2017/18 to R386.5 million in 2020/21.

### Programmes/objectives/activities

**Table 36.52 Water Research Commission 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 (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
Administration	54 325	63 553	91 753	101 904		23.3%	27.3%	115 616	130 856	143 076	12.0%	35.6%
Research and development	171 614	193 440	203 119	171 681		0.0%	66.2%	174 126	196 133	216 443	8.0%	55.2%
Innovation and impact	12 400	12 977	16 322	33 043		38.6%	6.5%	36 289	27 925	26 947	-6.6%	9.2%
<b>Total</b>	<b>238 339</b>	<b>269 970</b>	<b>311 194</b>	<b>306 628</b>		<b>8.8%</b>	<b>100.0%</b>	<b>326 031</b>	<b>354 914</b>	<b>386 466</b>	<b>8.0%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

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

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)	
	Budget	2014/15	Budget	2015/16	Budget	2016/17				2017/18
R thousand										
<b>Revenue</b>										
<b>Non-tax revenue</b>		<b>207 220</b>	<b>260 064</b>	<b>279 057</b>	<b>272 422</b>	<b>310 493</b>	<b>302 331</b>	<b>304 630</b>	<b>306 628</b>	<b>103.6%</b>
Sale of goods and services other than capital assets		201 498	252 634	271 689	261 798	302 291	293 332	294 847	299 288	103.4%
of which:										
Sales by market establishment		201 498	252 634	271 689	261 798	282 294	293 332	294 847	299 288	105.4%
Water research levies		177 724	198 719	201 438	200 031	209 422	207 322	219 911	218 790	102.0%
Leverage income		22 827	52 391	67 512	60 965	71 698	82 795	74 032	74 032	114.5%



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

Statement of financial performance									
	Audited		Audited		Audited		Budget		Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	estimate	
R thousand	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
<i>Other sales</i>	–	–	–	–	19 997	–	–	–	–
Other non-tax revenue	5 722	7 430	7 368	10 624	8 202	8 999	9 783	7 340	110.7%
<b>Total revenue</b>	<b>207 220</b>	<b>260 064</b>	<b>279 057</b>	<b>272 422</b>	<b>310 493</b>	<b>302 331</b>	<b>304 630</b>	<b>306 628</b>	<b>103.6%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>207 220</b>	<b>238 339</b>	<b>279 057</b>	<b>269 970</b>	<b>310 493</b>	<b>311 194</b>	<b>304 631</b>	<b>306 628</b>	<b>102.2%</b>
Compensation of employees	39 916	42 066	51 682	49 649	63 279	58 361	64 846	72 081	101.1%
Goods and services	166 177	194 152	223 074	218 523	239 387	248 526	231 302	225 533	103.1%
Depreciation	920	1 481	–	1 765	–	4 121	–	–	800.8%
Interest, dividends and rent on land	207	640	4 301	32	7 827	186	8 483	9 014	47.4%
<b>Total expenses</b>	<b>207 220</b>	<b>238 339</b>	<b>279 057</b>	<b>269 970</b>	<b>310 493</b>	<b>311 194</b>	<b>304 631</b>	<b>306 628</b>	<b>102.2%</b>
<b>Surplus/(Deficit)</b>	<b>–</b>	<b>21 725</b>	<b>–</b>	<b>2 452</b>	<b>–</b>	<b>(8 862)</b>	<b>(1)</b>	<b>–</b>	
<b>Statement of financial position</b>									
Carrying value of assets	15 806	7 412	9 664	6 261	23 292	20 891	25 962	22 082	75.8%
<i>of which:</i>									
<i>Acquisition of assets</i>	(592)	(2 648)	(2 024)	(426)	(17 031)	(16 435)	(2 670)	(6 766)	117.7%
Investments	10 500	12 749	13 500	14 126	–	–	–	–	112.0%
Receivables and prepayments	35 300	43 521	45 673	41 707	44 126	38 798	46 685	41 009	96.1%
Cash and cash equivalents	75 016	173 942	163 155	217 064	225 756	155 334	228 041	164 188	102.7%
Non-current assets held for sale	–	–	–	–	–	498	–	526	–
Defined benefit plan assets	–	–	–	–	–	75	–	79	–
Taxation	–	135	–	19	–	78	–	82	–
<b>Total assets</b>	<b>136 622</b>	<b>237 759</b>	<b>231 992</b>	<b>279 177</b>	<b>293 174</b>	<b>215 674</b>	<b>300 688</b>	<b>227 967</b>	<b>99.8%</b>
Accumulated surplus/(deficit)	78 705	96 241	93 531	98 694	100 435	89 830	98 819	94 950	102.2%
Capital and reserves	8 300	–	–	–	–	–	–	–	–
Finance lease	1 200	269	–	179	–	2 566	–	2 712	477.2%
Trade and other payables	41 017	133 098	128 957	175 342	185 512	114 693	194 120	121 231	99.0%
Provisions	7 400	8 151	9 504	4 962	7 227	5 161	7 750	5 455	74.4%
Derivatives financial instruments	–	–	–	–	–	3 424	–	3 619	–
<b>Total equity and liabilities</b>	<b>136 622</b>	<b>237 759</b>	<b>231 992</b>	<b>279 177</b>	<b>293 174</b>	<b>215 674</b>	<b>300 689</b>	<b>227 967</b>	<b>99.8%</b>

**Statements of estimates of financial performance and position****Table 36.54 Water Research Commission statements of estimates of financial performance and position**

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)	
				2018/19	2019/20	2020/21			2017/18 - 2020/21
R thousand	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>306 628</b>	<b>5.6%</b>	<b>100.0%</b>	<b>326 031</b>	<b>354 914</b>	<b>386 466</b>	<b>8.0%</b>	<b>100.0%</b>	
Sale of goods and services other than capital assets	299 288	5.8%	97.0%	318 273	346 721	377 823	8.1%	97.7%	
<i>of which:</i>									
<i>Sales by market establishment</i>	299 288	5.8%	97.0%	318 273	346 721	377 823	8.1%	97.7%	
<i>Water research levies</i>	218 790	3.3%	72.4%	239 712	263 683	290 051	9.9%	73.6%	
<i>Leverage income</i>	74 032	12.2%	23.5%	78 252	82 712	87 427	5.7%	23.5%	
Other non-tax revenue	7 340	-0.4%	3.0%	7 758	8 193	8 643	5.6%	2.3%	
<b>Total revenue</b>	<b>306 628</b>	<b>5.6%</b>	<b>100.0%</b>	<b>326 031</b>	<b>354 914</b>	<b>386 466</b>	<b>8.0%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>306 628</b>	<b>8.8%</b>	<b>100.0%</b>	<b>326 031</b>	<b>354 914</b>	<b>386 466</b>	<b>8.0%</b>	<b>100.0%</b>	
Compensation of employees	72 081	19.7%	19.6%	87 143	98 820	112 777	16.1%	26.8%	
Goods and services	225 533	5.1%	79.0%	228 778	245 286	262 017	5.1%	70.2%	
Interest, dividends and rent on land	9 014	141.5%	0.8%	10 110	10 808	11 672	9.0%	3.0%	
<b>Total expenses</b>	<b>306 628</b>	<b>8.8%</b>	<b>100.0%</b>	<b>326 031</b>	<b>354 914</b>	<b>386 466</b>	<b>8.0%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>–</b>			<b>–</b>	<b>–</b>	<b>–</b>			
<b>Statement of financial position</b>									
Carrying value of assets	22 082	43.9%	6.2%	23 340	24 648	26 003	5.6%	10.0%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(6 766)	36.7%	-3.0%	(7 152)	(7 552)	(7 967)	5.6%	-3.0%	
Receivables and prepayments	41 009	-2.0%	17.3%	43 347	45 774	48 292	5.6%	18.5%	
Cash and cash equivalents	164 188	-1.9%	73.7%	169 135	174 233	179 483	3.0%	71.3%	
Non-current assets held for sale	526	–	0.1%	556	588	620	5.6%	0.2%	
Defined benefit plan assets	79	–	0.0%	84	88	93	5.6%	0.0%	
Taxation	82	-15.2%	0.0%	87	92	97	5.6%	0.0%	
<b>Total assets</b>	<b>227 967</b>	<b>-1.4%</b>	<b>100.0%</b>	<b>236 550</b>	<b>245 423</b>	<b>254 589</b>	<b>3.8%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	94 950	-0.4%	39.8%	98 188	97 548	97 950	1.0%	40.2%	
Finance lease	2 712	116.0%	0.6%	2 867	3 027	3 194	5.6%	1.2%	
Trade and other payables	121 231	-3.1%	56.3%	128 141	135 317	142 759	5.6%	54.5%	
Provisions	5 455	-12.5%	2.5%	5 766	6 089	6 424	5.6%	2.5%	
Derivatives financial instruments	3 619	–	0.8%	3 825	4 040	4 262	5.6%	1.6%	
<b>Total equity and liabilities</b>	<b>227 967</b>	<b>-1.4%</b>	<b>100.0%</b>	<b>238 787</b>	<b>246 021</b>	<b>254 589</b>	<b>3.8%</b>	<b>100.0%</b>	

## Personnel information

Table 36.55 Water Research Commission personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
Water Research Commission				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Salary level	96	96	91	58.4	0.6	96	72.1	0.8	95	87.1	0.9	96	98.8	1.0	102	112.8	1.1	16.1%	100.0%
1 – 6	16	16	22	2.2	0.1	16	1.3	0.1	12	1.0	0.1	11	1.1	0.1	11	1.1	0.1	-3.4%	12.9%
7 – 10	37	37	32	14.6	0.5	37	16.5	0.4	38	22.7	0.6	38	25.1	0.7	41	29.2	0.7	20.9%	39.6%
11 – 12	11	11	8	5.3	0.7	11	7.8	0.7	11	10.6	1.0	12	12.4	1.0	15	16.7	1.1	29.0%	12.6%
13 – 16	29	29	26	29.6	1.1	29	38.0	1.3	31	44.4	1.4	32	51.0	1.6	32	55.5	1.7	13.4%	31.9%
17 – 22	3	3	3	6.6	2.2	3	8.5	2.8	3	8.4	2.8	3	9.3	3.1	3	10.2	3.4	6.5%	3.1%

1. Rand million.

## Additional tables

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Conditional grants to municipalities</b>							
<b>Water Infrastructure Development</b>							
Regional bulk infrastructure grant	–	–	1 849 791	1 865 000	1 957 000	2 066 360	2 180 005
Water services infrastructure grant	1 050 790	2 305 029	2 830 982	3 329 464	3 481 056	3 669 319	3 870 972
<b>Total</b>	<b>1 050 790</b>	<b>2 305 029</b>	<b>4 680 773</b>	<b>5 194 464</b>	<b>5 438 056</b>	<b>5 735 679</b>	<b>6 050 977</b>

1. Detail provided in the Division of Revenue Act (2018).

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		
				2014/15	2015/16		2016/17	2018/19	2019/20
R thousand									
<b>Departmental infrastructure</b>									
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>									
(Jozini) Pongolapoort bulk water scheme (Pipeline)	Construction of new bulk water scheme	Construction	1 376 048	359 860	289 951	95 261	30 000	–	–
Sedibeng bulk regional sewerage	Construction of new wastewater treatment works	Feasibility	3 000 000	–	26 911	44 087	67 646	197 800	152 000
De Hoop: Greater Sekhukhune district municipality regional bulk water and wastewater infrastructure with the De Hoop Dam	Construction of new bulk water infrastructure linking communities with the De Hoop Dam	Design	4 088 000	139 895	7 116	22 964	15 000	–	–
Mogalakwena bulk water supply phase 1	Upgrade of boreholes and construction of new bulk water scheme	Construction	1 650 000	180 425	252 788	161 067	70 000	183 558	195 000
Sebokeng Waste Treatment Works phase 1 and phase 2	Upgrade of existing wastewater treatment works	Construction	1 123 584	93 679	99 786	166 263	165 444	100 851	250 000
Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom)	Construction of new wastewater treatment works	Design	1 570 000	35 613	7 104	1 314	49 809	–	190 900
Mooihoek/Tubatse bulk water supply	Augmentation of existing bulk water scheme	Construction	1 000 000	6 996	73 136	143 048	70 000	120 000	–
Nebo bulk water supply	Construction of new bulk water scheme	Construction	1 400 000	41 862	38 370	31 189	100 000	90 000	95 000
Magalies water supply to Waterberg	Construction of new bulk water scheme	Feasibility	1 891 000	717	–	–	–	–	–
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	912 578	104 060	–	–
Thembišile water scheme (Loskop) phase 1 of 3	Construction of new bulk water scheme	Construction	1 500 000	–	–	–	75 000	100 000	105 000
OR Tambo Mithatha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Augmentation of existing bulk water scheme	Construction	22 156 829	317 797	457 520	–	–	–	–
Vaal Gamagara scheme	Upgrading of existing bulk water scheme	Construction	200 000	40 000	53 800	–	–	–	–
Polokwane wastewater treatment works	Upgrading existing wastewater treatment works	Construction	1 043 836	1 106	–	–	–	–	–
Ungeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	1 043 968	185 011	279 140	–	–	–	–
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>									
Matokis bulk water supply	Construction of new bulk water scheme	Feasibility	880 000	577	–	–	1 500	–	–
Ndlambe bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	879 000	38 212	79 641	119 902	5 000	–	–
Xhora east bulk water supply	Construction of new bulk water scheme	Construction	620 227	50 398	70 646	33 046	70 000	3 193	1 000
Meyerton wastewater treatment works phase 1	Upgrade of existing wastewater treatment works	Construction	257 462	–	41 430	40 861	41 860	7 000	105 000

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		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R thousand										
Mbizana regional bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	910 843	88 899	13 355	918	-	-	-	-
Westonaria/Randfontein regional bulk wastewater treatment works (Hannes van Niekerk)	Upgrade of existing wastewater treatment works	Handed over	266 000	-	-	-	-	-	-	-
Western highveld regional bulk water supply	Upgrade of existing bulk water scheme	Construction	486 000	-	21 902	-	-	-	-	-
Lebalelo central and North regional water supply	Construction of new bulk water scheme	Feasibility	600 000	-	-	-	4 000	-	-	-
Nzhelele Valley bulk water supply	Construction of new bulk water scheme	Feasibility	600 000	209	-	-	1 500	-	-	-
Madibeng bulk water supply phase 2	Upgrade of existing bulk water scheme	Construction	446 585	41 019	53 068	76 171	50 000	80 000	70 000	135 000
Upgrading of the Homevale wastewater treatment plant (Sol Plaatje wastewater treatment works)	Upgrade of existing wastewater treatment works	Construction	298 000	36 595	-	-	-	-	-	-
Nketoana bulk water supply phase 1	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	304 000	22 876	34 000	19 608	28 000	20 000	10 000	45 000
Sterkfontein Dam scheme phase 1	Construction of new bulk water scheme	Construction	330 000	-	-	-	-	-	-	-
Potchefstroom water treatment works upgrade	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	400 000	7 649	-	-	6 919	12 386	50 000	-
Sinthumule Kutama bulk water augmentation phase 3	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	751 603	97 640	25 188	10 247	20 000	120 000	60 000	80 000
Moutse bulk water supply phase 1-5	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	720 000	31 272	31 257	23 289	60 000	60 000	50 000	65 000
Glen Alpine bulk water supply	Construction of new bulk water scheme	Feasibility	345 000	516	-	-	1 500	-	-	-
Lephalale/Eskom: Bulk water augmentation	Augmentation of existing bulk water scheme	Feasibility	330 000	1 182	-	-	2 000	-	-	-
Moretele bulk water supply phase 1 (Klipdrift)	Construction of new bulk water scheme	Construction	640 617	24 940	117 396	59 987	25 000	18 000	-	-
Bitou cross border bulk water supply	Construction of new bulk sewage conveyance pipelines	Feasibility	250 000	1 934	-	-	-	-	-	-
West Coast desalination plant	Construction of new desalination plant	Design	563 212	10 000	-	-	-	-	5 000	1 000
Mincwasa bulk water supply	Construction of new bulk water scheme	Handed over	264 188	30 531	16 238	-	-	-	-	-
Kalahari East to Mier pipeline	Supply of water	Construction	468 100	2 812	134 110	23 308	1 700	-	-	-
Enaahleni bulk water supply phase 2	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	335 605	-	-	-	1 738	-	-	-
Ohrigstad bulk water supply	Upgrade of existing bulk water scheme	Feasibility	450 000	80	-	-	-	-	-	-

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R thousand										
Northern Nzikazi bulk water supply phase 1	Construction of new bulk water scheme	Construction	367 286	–	46 288	120 093	65 754	14 000	30 000	70 000
Aganang bulk water supply	Upgrade of existing bulk water scheme	Design	350 000	–	–	–	15 000	–	70 000	85 000
Sundwana water supply	Construction of new bulk water scheme	Feasibility	591 000	–	–	–	4 000	–	–	25 000
Mpumalanga Lowveld feasibility studies	Construction of new bulk water scheme	Feasibility	800 000	–	–	–	1 500	–	–	–
Ngwathe bulk sewer phase 2	Upgrade of existing waste water treatment works	Construction	300 000	4 914	19 820	3 642	4 900	10 000	25 000	20 000
Dihlabeng bulk water supply phase 2	Construction of new bulk water scheme	Construction	255 000	17 184	36 105	39 484	9 600	5 000	20 000	23 000
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	350 000	26 753	15 037	9 164	1 000	–	–	–
Giyani bulk water supply relief phase 1 (Nandoni Nsami)	Construction of new bulk water scheme	Construction	589 946	1 028	–	102 557	106 000	130 000	–	–
Mamotya Sekororo bulk water supply phase 1	Construction of new bulk water scheme	Construction	310 718	18 861	24 222	33 435	30 000	50 000	70 000	79 920
Tokologo regional water supply phase 2	Upgrade of bulk water scheme	Construction	320 000	7 932	19 969	96 118	80 000	50 000	71 000	80 000
Mskuligwa regional water supply scheme phase 1	Construction of new bulk water scheme	Design	407 000	5 471	–	6 865	–	–	–	–
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	1 161	–	–	–	–
Mafikeng South bulk water supply phase 2 (upgrade of water treatment works)	Construction of new bulk water scheme	Construction	286 648	30 122	31 459	35 147	41 000	53 000	58 270	40 000
Matjhabeng bulk sewer (Welkom)	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	420 000	–	–	1 059	5 000	10 000	40 000	100 000
Thembile water scheme (Loskop)	Construction of new bulk water scheme	Feasibility	324 428	–	4 200	–	–	–	–	–
Western Highveld bulk water supply scheme (Rust de Winter)	Construction of new bulk water scheme	Feasibility	643 000	41 106	–	4 240	4 000	–	10 000	33 366
Welbedacht pipeline	Construction of new bulk water scheme	Tender	500 000	–	–	17 090	88 000	114 638	154 832	90 578
Bambanana pipeline	Construction of new bulk water scheme	Feasibility	–	–	–	–	–	48 867	139 028	249 612
Mooihoek/Tubatse bulk water supply	Augmentation of existing bulk water scheme	Construction	714 000	–	–	143 048	–	–	–	–
Nebo bulk water supply	Construction of new bulk water scheme	Construction	978 400	–	–	31 188	–	–	–	–
Nooitgegag bulk water supply	Construction of new bulk water scheme	Construction	390 287	–	–	–	82 005	117 400	218 000	151 447
Driekoppies bulk water supply upgrades	Construction of new bulk water scheme	Construction	397 646	–	–	–	11 522	50 295	71 863	70 000
Ngqamakwe water supply	Upgrade of existing wastewater treatment works	Construction	370 000	–	–	–	28 000	–	–	–

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		
				2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
R thousand Kamaland Dam relocation	Augmentation of existing bulk water scheme	Construction	300 000	-	-	221	5 949	15 000	20 000	15 000
Masilonyana bulk water supply phase 1	Upgrade of existing bulk water scheme	Construction	304 941	-	-	-	-	15 000	70 000	100 000
Butterworth Emergency	Upgrade of existing bulk water scheme	Tender	250 000	-	-	-	200 000	10 000	-	-
Sedibeng bulk regional sewerage scheme: Sebokeng and Meyerton wastewater treatment works	Upgrading existing wastewater treatment works	Construction	856 000	93 679	141 217	-	-	-	-	-
Greater Mthonjaneni phases 1 to 3 bulk water supply	Construction of new bulk water scheme	Construction	668 489	48 815	222 062	-	-	-	-	-
Ngcobo regional bulk water supply (Lembe)	Construction of new bulk water scheme	Construction	681 986	53 906	106 166	-	-	-	-	-
Namakwa bulk water supply	Upgrading of existing bulk water scheme	Construction	648 312	103 452	149 748	-	-	-	-	-
Taung/Naledi bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	839 317	111 857	63 731	-	-	-	-	-
Greater Mamusa bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	444 288	19 892	46 763	-	-	-	-	-
Pilanesberg north and south bulk water supply	Upgrading of existing bulk water scheme and construction of new bulk water scheme.	Construction	755 705	69 665	150 000	-	-	-	-	-
Chris Hani district municipality bulk water supply, Ncora cluster 4	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	353 144	83 997	72 641	-	-	-	-	-
Chris Hani district municipality: Ngcobo cluster 6	Construction of new bulk water scheme and spring protection	Construction	321 727	63 380	47 957	-	-	-	-	-
Xonxa Dam water supply to Lukhanji	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	443 998	95 659	68 284	-	-	-	-	-
Amatola Water: Refurbishment of 6 existing plants and downstream infrastructure	Upgrading of existing bulk water scheme	Feasibility	500 000	150 000	163 060	-	-	-	-	-
Mhlabatshane bulk water supply	Construction of new bulk water scheme	Construction	273 590	52 224	8 834	-	-	-	-	-
Greytown regional bulk scheme	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	610 603	37 830	93 644	-	-	-	-	-
Greater Bulwer Donnybrook water scheme	Upgrading of existing water treatment works	Construction	343 337	33 420	14 035	-	-	-	-	-
Kagisano Molopo bulk water supply	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	350 000	2 889	18 000	-	-	-	-	-
Nongoma bulk water supply	Construction of new bulk water scheme	Construction	529 134	31 121	-	-	-	-	-	-
Ngwathe bulk water supply phase 2	Construction of new bulk water scheme	Construction	160 000	2 861	6 762	-	-	-	-	-

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					
				2014/15	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21	
R thousand												
Driefontein Indaka bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	326 318	66 689	20 801	-	-	-	-	-	-	-
Masilonyana bulk water supply	Upgrading of existing bulk water scheme	Design	304 941	45 804	41 934	-	-	-	-	-	-	-
Emalahleni Water Treatment Works (refurbishment)	Upgrading of existing water treatment works and construction of new bulk water scheme	Construction	335 605	29 096	24 799	-	-	-	-	-	-	-
Balf/Siyat/Grey/Willem/Nthor bulk water supply	Construction of new bulk water scheme	Various	531 638	7 865	7 695	-	-	-	-	-	-	-
Setsofo bulk water supply	Construction of new bulk water scheme	Construction	147 644	13 517	40 570	-	-	-	-	-	-	-
Phumelela bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	166 000	10 000	5 806	-	-	-	-	-	-	-
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>												
Graaff-Reinet emergency water supply scheme	Upgrade of existing bulk water scheme	Construction	50 798	602	2 173	17 883	24 000	5 000	3 500	2 000	2 000	2 000
Sundays River bulk water supply (Paterson)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	106 465	6 550	8 891	1 978	2 348	9 000	-	-	-	-
Steytlerville water supply scheme	Augmentation of existing bulk water scheme	Construction	111 308	20 000	32 127	21 984	200	-	-	-	-	-
Ibika water supply	Construction of new bulk water scheme	Handed over	64 796	-	9 000	-	-	-	-	-	-	-
Ikwezi bulk water supply	Upgrade of existing bulk water scheme	Feasibility	50 557	2 670	488	3 421	500	5 000	2 000	2 000	15 000	15 000
Kirkwood water treatment works	Upgrade of existing bulk water scheme	Feasibility	22 186	951	1 110	1 881	500	5 000	2 000	2 000	20 000	20 000
Misgund bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Feasibility	13 640	408	422	1 557	500	10 000	1 000	1 000	15 000	15 000
Matatiele bulk water supply	Construction of new bulk water scheme	Construction	182 344	24 791	25 755	20 220	16 000	2 000	-	-	-	-
Mount Ayliff bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	208 752	14 357	3 291	-	-	-	-	-	-	-
Jagersfontein/Fauresmith: Bulk water supply phase 2	Construction of new bulk water scheme	Construction	60 695	7 683	5 961	2 346	2 000	2 000	-	-	-	-
Phumelela bulk water supply phase 2	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	166 000	10 000	5 806	24 716	38 000	33 000	20 000	20 000	10 000	10 000
Mochaka bulk water supply (Streyrnus Kroonstad WTW) phase 1	Construction of new bulk water scheme	Construction	90 402	8 762	32 926	9 703	17 000	2 000	10 000	10 000	10 000	10 000
Mochaka bulk sewer	Construction of bulk sewer	Construction	105 000	11 113	30 590	6 368	-	-	-	-	-	-
Nala bulk sewer (Wesselsbron/Monyakeng)	Construction of bulk sewer	Feasibility	45 999	13 718	23 000	5 282	-	-	-	-	-	-
Tswelopele bulk water supply phase 1	Construction of new bulk water scheme	Construction	85 000	-	10 095	20 331	23 000	20 000	20 000	20 000	20 000	20 000



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			
				2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	2020/21
R thousand											
Rafolu bulk water supply phase 1 (Setlagole)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	218 090	4 732	15 963	30 878	35 000	50 000	40 000	40 000	
Maluti-a-Phofung bulk water supply phase 2	Construction of new bulk water scheme	Construction	240 000	34 742	34 946	26 282	46 000	30 000	40 000	30 000	
Greater Eston water scheme	Construction of new bulk water scheme	Handed over	192 000	31 790	-	-	-	-	-	-	-
Driefontein Complex bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	196 101	14 289	-	-	-	-	-	-	-
Enadlangeni 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	38 726	7 983	-	-	-	-	-	-
Port Nolloth bulk water supply	Construction of new bulk water scheme	Design	44 057	1 068	-	-	-	10 000	21 782	25 000	
Colesberg bulk water supply	Construction of new bulk water scheme	Design	123 765	6 899	1 340	-	-	-	-	-	-
Noupoort bulk water supply	Construction of new bulk water scheme	Construction	77 742	15 418	40 600	7 152	-	-	-	-	-
De Aar bulk water supply	Upgrade of existing bulk water scheme	Design	43 735	93	-	-	-	15 000	6 796	5 000	
Hopetown water treatment works bulk water supply (Thembelihle)	Upgrade of existing bulk water scheme	Handed over	75 000	1 500	-	-	-	-	-	-	-
Strydenburg groundwater project	Provision of groundwater development	Handed over	21 018	3 284	8 302	-	-	-	-	-	-
Heuningvlei scheme bulk water supply	Construction of new bulk water scheme	Handed over	142 340	5 584	8 978	-	-	-	-	-	-
Kuruman bulk water supply phase 1 (reserveoir)	Upgrade of existing bulk water scheme	Construction	186 900	22 911	15 638	12 167	-	-	-	-	-
Windsorton to Holpan bulk water supply phase 1 (pipeline)	Upgrade of existing bulk water scheme	Tender	43 850	-	3 487	16 280	13 707	5 000	-	-	-
Nooitgedagt bulk water supply	Construction of new bulk water scheme	Design	200 000	-	-	-	82 005	-	-	-	-
Niekerkshoop bulk water supply	Supply of water	Handed over	11 098	462	-	-	-	-	-	-	-
Mafube bulk sewer phase 1	Construction of new bulk water scheme	Construction	126 000	6 223	46 979	13 321	8 000	10 000	20 000	30 000	
Pitxley ka Seme bulk water supply	Upgrade of existing groundwater scheme	Feasibility	40 000	753	-	-	-	-	-	-	-
Marydale bulk water supply	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	11 200	-	875	-	5 621	-	-	-	-
Uppington wastewater treatment works	Construction of a new wastewater treatment works in Uppington	Feasibility	15 650	-	-	-	15 000	20 000	31 422	25 000	
Kakamas wastewater treatment works	Construction of new wastewater treatment works	Feasibility	50 000	150	312	-	800	-	10 000	12 125	
Warrenton water treatment works	Upgrade of existing water treatment works and new bulk water scheme	Feasibility	30 629	3 047	-	774	8 558	10 137	-	-	-
Gariep Dam to Norvaltspond bulk water supply	Construction of new bulk water scheme	Construction	15 087	611	-	2 385	-	-	-	-	-

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
R thousand									
Vanderkloof/Renosterberg bulk water supply phase 1	Construction of new bulk water scheme	Construction	32 050	5 418	19 987	1 355	-	-	-
Driekoppies bulk water supply upgrades	Construction of new bulk water scheme	Design	93 000	-	343	-	-	-	-
Aconhoek bulk water supply	Augmentation of existing bulk water scheme	Handed over	191 739	4 091	-	-	-	-	-
Sibange bulk water supply phase 1	Construction of new bulk water scheme	Design	108 656	-	509	-	8 500	50 000	4 000
Thaba Chweu groundwater development	Provision of groundwater development	Construction	8 500	-	-	-	-	-	-
Hoxane bulk water supply	Upgrade of existing water treatment works and construction of new bulk water scheme	Design	128 318	454	31 295	68 443	21 641	7 000	-
Wolmaransstad wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	137 813	14 292	65 959	50 144	15 000	-	-
Nqamake water supply	Upgrade of existing wastewater treatment works	Feasibility	60 000	1 752	-	-	-	2 660	20 000
Worcester bulk water supply	Construction of new bulk water scheme	Construction	190 585	13 184	-	-	-	-	-
Grabouw wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	61 600	5 441	2 164	-	-	-	-
Swellendam wastewater treatment works	Upgrade of existing wastewater treatment works	Handed over	61 150	13 112	-	-	-	-	-
Oudtshoorn groundwater supply	Provision of groundwater development	Feasibility	190 000	10 063	10 991	-	-	15 000	30 000
Beaufort West bulk water supply	Upgrade of existing wastewater treatment works and construction of new wastewater treatment works	Feasibility	46 283	-	-	-	-	-	5 000
Vanrhynsdorp raw water supply	Augmentation of existing bulk water scheme	Design	83 239	-	-	-	-	5 000	5 000
Klawer bulk water supply	Augmentation of existing bulk water scheme from boreholes	Design	25 669	-	-	-	-	4 949	10 000
Paarl bulk sewer phase 3	Construction of new bulk sewerage conveyance pipelines	Construction	207 804	19 428	39 000	1 900	-	-	-
free State Region	Upgrade of existing wastewater treatment works	Feasibility	77 458	2 983	708	4 126	-	10 000	27 000
Kannaland Dam relocation	Augmentation of existing bulk water scheme	Feasibility	72 904	11 554	-	221	-	-	15 000
Moretele bulk water supply (North)	Augmentation of existing bulk water scheme	Feasibility	100 000	-	32 629	-	18 433	-	30 000
Makana bulk water supply (James Kleynhans)	Augmentation of existing bulk water scheme	Design	66 000	1 640	3 480	8 392	9 900	20 000	25 000
Nrabanankulu bulk water supply	Construction of new bulk water scheme	Feasibility	245 000	1 652	-	-	1 700	-	-
Capricorn master plan	Development of master plan	Master plan	3 100	290	-	-	-	-	-
Sekukhune master plan	Development of master plan	Master plan	3 100	405	-	-	-	-	-
Bushbuckridge master plan	Development of master plan	Master plan	3 500	1 199	-	-	-	-	-
Upgrade of Deimas wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Design	75 676	-	13 276	-	19 765	15 000	30 000

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R thousand										
Upgrade of Boteng wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	57 658	18 488	9 345	2 000	–	–	–	–
Upgrade of Balfour wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Tender	21 272	21 272	–	–	–	–	–	–
Belmont wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	142 000	–	–	4 000	2 500	15 000	–	–
Makana bulk sewer	Upgrade of existing wastewater treatment works	Feasibility	15 000	–	–	9 900	2 500	–	–	–
Mayfield wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	72 473	–	2 500	4 000	2 500	8 000	–	–
Kinira regional bulk water supply	Construction of new bulk water scheme	Feasibility	34 500	–	–	200	–	–	–	20 000
Mount Ayliff bulk peri-urban water supply	Construction of new bulk water scheme	Feasibility	187 358	2 500	49 364	19 152	65 000	35 000	25 000	–
Mikemane regional bulk water supply	Construction of new bulk water scheme	Feasibility	52 000	–	–	1 000	–	–	–	23 000
Trompsburg bulk sewer	Upgrade of existing wastewater treatment works	Feasibility	76 000	–	–	–	–	–	–	–
Upgrading of Deneysville wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	150 000	139 898	9 250	38 000	40 000	50 000	42 000	–
Masiloniyana bulk sewer (Brandford and Winburg)	Upgrade of existing wastewater treatment works	Feasibility	70 000	–	–	3 000	–	–	–	–
Mantsopa bulk sewer (Ladybrand)	Upgrade of existing wastewater treatment works	Feasibility	30 000	20 681	–	2 000	–	–	–	–
Rothdene pump station and raising main	Upgrade of existing wastewater treatment works	Feasibility	37 442	48	–	16 000	17 940	–	–	–
Mohlakeng pump station and sewer outfall	Upgrade of existing wastewater treatment works	Feasibility	70 000	5 873	753	18 600	35 409	147 500	1 924	–
Koster wastewater treatment works upgrade	Upgrade of existing wastewater treatment works	Design	115 151	8 000	9 344	35 000	50 000	–	–	–
Ventersdorp bulk water supply	Construction of new bulk water scheme	Construction	54 990	5 936	–	1 300	–	–	–	–
Nebo bulk water supply (De Hoop Agumentation/North/South/Steelpoort)	Construction of new bulk water scheme	Design	150 192	–	–	4 000	–	–	–	–
Douglas water treatment works upgrading	Upgrade of existing water treatment works	Design	14 750	750	–	750	12 000	15 000	12 000	–
Ermelo bulk water supply phase 2	Construction of new bulk water scheme	Construction	46 872	16 376	7 621	–	–	–	–	–
Carolina Silobela bulk water scheme	Construction of new bulk water scheme	Feasibility	200 000	238	189 000	–	–	–	–	–
Provincial high catalytic projects (Mutash Hub)	Construction of new bulk water scheme for various purposes	Feasibility	200 000	–	193 001	1 500	–	–	–	–
Reitz&Lindley Cons Grey PL	Construction of sewer main	Construction	45 000	41 012	39 746	4 000	–	–	–	–
Clocolan construction of sewer main	Construction of sewer main	Construction	70 000	59 012	–	41 000	–	–	–	–
Clocolan construction of pump station	Construction of pump station	Construction	10 000	9 348	–	–	–	–	–	–
Senekal construction of sewer main	Construction of sewer main	Construction	50 000	38 941	–	29 000	–	–	–	–
Petrus Steyn refurbishment of a plant	Refurbishment of a package plant	Construction	5 946	–	–	4 946	–	–	–	–
Dealesville construction of sewer main	Construction of sewer main	Construction	8 500	–	–	7 500	–	–	–	–

Table 36.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
R thousand									
Water services infrastructure grant Eastern Cape Region	Water supply and sanitation backlog Construction of water supply and sanitation backlog	Construction Construction	-	-	1 445 057	-	-	-	-
Free State Region	Construction of water supply and sanitation backlog	Construction	-	42 168	4 914	-	-	267 233	-
KwaZulu-Natal Region	Construction of water supply and sanitation backlog	Construction	-	27 537	48 673	150 067	-	-	-
Limpopo Region	Construction of water supply and sanitation backlog	Construction	-	5 343	150 551	110 635	-	-	-
Mpumalanga Region	Construction of water supply and sanitation backlog	Construction	-	175 986	178 353	20 263	-	-	125 000
North West Region	Construction of water supply and sanitation backlog	Construction	-	20 998	58 185	1 278	-	-	-
Accelerated community infrastructure programme	Construction of water supply and sanitation backlog	Construction	-	46 061	7 186	1 154	-	-	250 000
Community infrastructure: Water Supply	Water supply and sanitation backlog	Construction	-	-	-	7 728	-	-	-
Wastewater infrastructure: Refurbishment	Construction of new and refurbishment of existing water infrastructures	Construction	-	69 475	51 398	-	-	-	-
Bucket Eradication Programme (BEP)	Upgrade of existing wastewater treatment works	Construction	-	92 864	96 899	-	26 840	-	-
Cianwilliam/Lambertsbaai Regional Water Supply and Desalination Infrastructure network	Sanitation backlog Upgrade of existing bulk water scheme	Construction Construction	-	-	-	-	852 055	1 048 175	-
	Water resource infrastructure monitoring tool	Construction	200 000	-	189 265	-	-	30 968	35 462
Chris Hani district municipality bulk water supply: Quthubeni (cluster 9)	Construction of new bulk water scheme	Construction	207 966	13 814	32 900	-	-	-	-
Hofmeyer groundwater supply (phase 1 completed)	Development of borehole to augment existing bulk water scheme	Construction	47 407	23 152	11 977	-	-	-	-
Middelburg groundwater supply	Development of borehole to augment existing bulk water scheme	Construction	31 105	110	771	-	-	-	-
Mohokare bulk water supply	Construction of new bulk water scheme	Construction	170 258	10 506	22 022	28 564	-	-	-
Mantsopa-Tweespruit and Hobhouse bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	120 000	3 375	15 000	-	-	-	-
Mandlakazi bulk water supply (phase 1 to be completed) construction of water treatment works phase 2	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	94 000	14 757	57 000	-	-	-	-
Loeriefontein bulk water supply	Construction of new bulk water scheme	Feasibility	40 043	7 988	4 128	-	-	-	-
Van Wykslei groundwater	Construction of new bulk water scheme	Design	97 644	2 914	1 793	-	-	-	-
Eerstephoek/Ekulindeni bulk water supply	Construction of new bulk water supply and upgrading of existing water treatment works	Feasibility	103 611	1 247	98 039	-	-	-	-
Lushuhwane bulk water scheme	Construction of new bulk water and sanitation schemes	Design	91 918	493	76 000	-	-	-	-
Amsterdam and Sheepmore bulk water scheme	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	30 503	2 228	26 000	-	-	-	-

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		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R thousand										
Citrusdal wastewater treatment works	Construction of new wastewater treatment works	Construction	35 603	6 837	19 592	-	-	-	-	-
Cianwilliam water treatment works	Upgrading of existing bulk water scheme	construction	16 000	999	912	2 163	-	-	-	-
Cianwilliam/Lamberts Bay regional water supply	Upgrading of existing bulk water scheme	Construction	59 524	9 651	20 963	913	-	-	-	-
Tulbagh bulk water supply (Witzenberg)	Construction of new bulk water scheme	Construction	73 810	20 700	8 331	889	-	-	-	-
Drakenstein wastewater treatment works	Upgrading existing wastewater treatment works	Handed over	29 000	7 000	21 034	-	-	-	-	-
Stellenbosch wastewater treatment works	Upgrading existing wastewater treatment works	Construction	110 962	-	10 000	18 025	-	-	-	-
Williston bulk water supply	Construction of new bulk water scheme	Feasibility	47 000	1 920	44 795	-	-	-	-	-
Matatiele bulk water supply	Construction of new bulk water scheme	Construction	182 344	-	25 755	-	-	-	-	-
Petrus Steyn outfall sewer	Construction of outfall sewer	Construction	27 038	-	-	-	25 059	-	-	-
Memel refurbishment WWTW and Sewer	Refurbishment of a sewer	Construction	3 500	-	-	-	3 500	-	-	-
Tweling sewer pump station	Construction of sewer pumpstation	Construction	7 459	-	-	-	5 459	-	-	-
Rouxville outfall sewer	Construction of outfall sewer	Construction	1 685	-	-	-	1 685	-	-	-
Frankfort rising main	Construction of rising main	Construction	7 610	-	-	-	5 610	-	-	-
Dewetsdorp outfall sewer line	Construction of outfall sewer	Construction	3 141	-	-	-	3 141	-	-	-
Heilbron sewer and pumpstation	Construction of sewer and pumpstation	Construction	9 938	-	-	-	7 938	-	-	-
Hertzogville outfall sewer pumpstation	Construction of outfall sewer	Construction	1 740	-	-	-	1 740	-	-	-
Louisvale Pumpstation	Construction of new pumpstation	Construction	8 200	-	-	-	6 200	-	-	-
Louisvale Pumpstation Prefab	Refurbishment of pumpstation	Construction	4 400	-	-	-	3 400	-	-	-
Breipaal pumpstation	Construction of new pumpstation	Construction	4 400	-	-	-	3 400	-	-	-
Calitzdorp and Ladysmith W	Upgrades of WWTW	Feasibility	77 459	-	-	-	4 000	-	-	-
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>										
Olifants River water resources development project: De Hoop Dam (phase 2A)	Supply of water to new mining developments; augmentation of domestic water supplies to urban and rural users in the middle of the Olifants River catchment area and to various communities on the Nebo Plateau and Sekhukhune	Hand over	3 074 000	152 737	19 540	17 867	-	-	10 000	-
Olifants River water resources development project phases 2B and 2G	Construction of Flag Boshielo to Mokopane pipeline and second pipeline between Flag Boshielo to Mokopane	Design	13 114 000	645 306	-	-	-	-	-	-
Olifants River water resources development project phase 2C	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	2 267 000	-	-	154 232	-	-	80 000	-

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		
				2014/15	2015/16		2016/17	2018/19	2019/20
R thousand									
Olifants River water resources development project phase 2D	Construction of second pipeline between Steelpoort weir and Mooihoek	Tender	2 000 000	–	–	25 843	–	400 000	450 000
Olifants River water resources development project phases 2E and 2F	Construction of second pipeline parallel to Lebelelo scheme and Lebelelo Scheme to Olifantspoort	Design	3 115 900	–	–	65 967	53 119	–	–
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	3 761 000	–	25 580	177 074	84 935	–	–
Dam safety rehabilitation programme	Rehabilitation of assets and improvement of dam safety	Design	2 800 000	225 453	169 989	–	110 000	150 000	150 000
Water resources project: Raising of Clanwilliam Dam	Upgrading of existing dam to stabilise distortion and augmentation of agricultural water supply to meet increasing demands	Tender	3 300 000	177 218	196 223	–	65 741	–	331 056
Mokolo River and West Crocodile River water augmentation project phase 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	Feasibility	11 984 600	–	–	–	25 843	142 960	181 873
Acid mine drainage OR Tambo Mthatha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Construction of water treatment works	Feasibility	–	–	–	1 109 992	349 999	300 000	300 000
Vaal Gamagara scheme phase 1	Augmentation of existing bulk water scheme	Construction	3 001 534	317 797	457 520	325 000	309 706	273 727	294 722
Polokwane wastewater treatment works	Upgrade of existing bulk water scheme	Construction	18 000 000	40 000	53 800	215 625	350 000	137 517	–
Polokwane bulk water supply	Upgrade of existing wastewater treatment works	Design	1 043 836	1 106	–	–	90 000	191 423	440 291
	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	1 832 000	–	–	130 159	81 155	200 000	204 200
Umgeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	1 043 968	185 011	279 140	213 069	41 290	–	–
Umslwathi bulk water supply scheme	Construction of new bulk water scheme	Tender	2 308 734	–	–	209 935	142 048	40 000	160 000
Greater Mthonjani bulk water supply phase 2	Construction of new bulk water scheme	Construction	1 228 190	48 815	211 786	182 227	36 410	70 000	40 000
Ngcebo BWS (iLembe)	Construction of new bulk water scheme	Construction	1 420 678	53 906	106 499	156 094	145 000	75 446	–
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>									
Groot Letaba River water development project: Raising of Tzaneen Dam	Meeting of projected growing primary supply requirements for 2025; improvement of water availability for the riverine ecosystem and raising of Tzaneen Dam	Design	600 000	–	15 208	–	121 880	208 930	86 930

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		
				2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
R thousand										
Mdloti River development project: Raising of Hazelmeere Dam	Augmentation of water supply to Umgeni Water for treatment, for KwaZulu-Natal North coast	Construction	620 000	4 888	188 198	217 340	10 383	110 000	–	–
Mopani district municipality emergency works	Refurbishment of dilapidated infrastructure	Construction	80 000	89 146	100 709	–	–	–	–	–
Taung/Naledi bulk water supply phase 2	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	733 754	111 857	63 731	69 339	55 000	70 000	60 000	50 000
Namakwa bulk water supply phase 1	Upgrade of existing bulk water scheme	Construction	648 312	103 452	149 748	63 375	83 159	84 000	75 000	135 000
Piannesberg South bulk water supply phase 2	Upgrade of existing bulk water scheme and construction of new bulk water scheme.	Construction	796 631	69 665	150 000	142 769	58 385	36 000	65 373	100 000
Amatola Water: Refurbishment of 6 existing plants and downstream infrastructure	Upgrade of existing bulk water scheme	Construction	500 000	150 000	169 060	–	88 554	92 386	–	–
Greater Mamusa bulk water supply phase 1 (Refurbishment)	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	444 288	19 892	46 763	55 000	101 000	45 000	40 000	50 000
Chris Hani district municipality Ncora bulk water supply (cluster 4)	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	421 727	83 997	72 641	68 303	45 000	40 000	8 000	8 440
Chris Hani district municipality Ngcobo bulk water supply (cluster 6)	Construction of new bulk water scheme and spring protection	Construction	321 727	63 380	47 957	63 262	35 000	20 000	5 000	5 275
Xonxa Dam BWS	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	443 998	95 659	68 284	58 013	26 000	17 000	5 000	5 275
Mhlabatsane bulk water supply	Construction of new bulk water scheme	Construction	483 482	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	37 830	93 644	106 377	98 993	40 000	25 200	–
Middledrift BWS	Construction of new water treatment works	Construction	340 000	–	24 070	78 997	30 000	50 000	30 000	70 000
Greater Bulwer phase 2	Upgrade of existing water treatment works	Construction	343 337	33 420	14 035	60 000	90 000	70 000	50 000	67 460
Nongoma bulk water supply	Construction of new bulk water scheme	Construction	529 134	31 121	131 779	110 357	70 000	41 498	–	–
Dukuuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	266 382	26 753	15 037	15 247	–	–	–	–
Greater Mpoofana regional bulk water supply Phase 1-3	Construction of new bulk water scheme	Feasibility	469 293	–	–	–	86 755	21 039	80 000	180 676
Driefontein Phase 3 (Spoenkop to Ladysmith) bulk water supply	Construction of bulk water scheme	Feasibility	350 000	–	–	–	–	97 283	85 462	100 000
Maphumulo BWS	Construction of bulk water scheme	Feasibility	294 621	–	–	–	80 000	30 000	80 000	150 000
Chris Hani district municipality bulk water supply: Quthubeni (cluster 9) phase 1	Construction of new bulk water scheme	Construction	208 000	13 814	32 900	15 000	95 000	75 000	7 000	7 385
Middelburg groundwater supply	Development of borehole to augment existing bulk water scheme	Construction	32 505	110	771	6 390	6 000	3 000	–	–

**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		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R thousand										
Masilonyana bulk water supply phase 1	Upgrade of existing bulk water scheme	Design	304 941	45 804	41 934	6 864	15 000	–	–	–
Driefontein Indaka bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	378 529	66 689	20 801	64 000	10 000	45 000	40 000	27 399
Mandlakazi bulk water supply phase 5	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	94 000	14 757	57 000	27 654	40 000	90 000	90 000	100 000
Balf/Siyat/Grey/Willem/Nthor bulk water supply	Construction of new bulk water scheme	Various	590 709	7 865	7 695	36 605	42 007	20 819	100 000	100 000
Msukaligwa regional water supply scheme phase 1	Construction of new bulk water scheme	Design	407 000	5 471	–	–	3 000	10 000	30 000	68 407
Empuluzi and Methula bulk water scheme	Upgrade of existing bulk water scheme	Feasibility	291 021	80	–	–	5 000	20 000	52 284	100 000
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	34 150	21 693	29 660
Stellenbosch wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Construction	304 256	18 025	48 128	32 809	–	–	–	–
Nooitgedagt Bulk Water Supply	Construction of new scheme	Construction	390 287	–	–	–	–	–	185 000	–
Goedertrouw Transfer Scheme	Construction of new scheme	Construction	350 000	–	–	–	300 000	350 000	–	–
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>										
Bushbuckridge water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	144 501	44 501	–	–	–	–	–	–
Zeerust water treatment plant, pipelines and reservoirs	Supply of water to Zeerust area	Handed over	14 204	17 361	–	–	–	–	–	–
Mzimvubu water project	Construction of two large dams and bulk distribution system in the Eastern Cape Province	Design	20 000 000	571 211	–	–	70 749	100 000	–	–
Abaqulusi, Nongoma and Jozini water intervention projects	Supply of water	Construction	100 000	66 783	–	–	–	–	–	–
Free State region	Construction of new bulk water scheme	Feasibility	128 533	–	2 491	10 445	3 000	–	–	–
Sterkspruit bulk water supply	Construction of new bulk water scheme	Feasibility	50 000	454	–	2 500	3 000	–	20 000	21 100
Coffee bay water treatment works	Upgrade of existing water treatment works	Feasibility	130 000	–	–	12 729	2 500	–	13 000	13 715
Setsoho bulk water supply phase 1 and 2	Construction of new bulk water scheme	Construction	147 644	13 517	40 570	45 716	20 000	30 000	53 121	92 108
Rouxville/Smithfield/Zastron Mohokare bulk water supply phase 1	Construction of new bulk water scheme	Construction	180 258	28 564	44 136	31 821	20 000	38 000	20 000	10 000
Mantsopa bulk water supply phase 1	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	250 000	3 375	13 376	8 319	15 000	17 500	30 000	–
Ngwathe bulk water supply phase 2	Construction of new bulk water scheme	Construction	250 000	2 861	6 762	2 346	15 000	38 000	40 000	47 500



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			
				2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	2020/21
R thousand											
Lushuwane bulk water scheme	Construction of new bulk water and sanitation schemes	Design	91 918	493	–	25 389	28 108	41 621	57 000	–	–
Upgrade of Balfour wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Tender	85 455	–	–	22 970	33 403	42 000	10 000	–	–
Bushbuckridge water services (Cunningmore to Newington BWS) phase 1	Construction of new bulk water scheme	Feasibility	190 000	–	–	40 000	3 000	15 000	40 000	20 000	–
Eerstehoek/Ekulindeni bulk water supply	Construction of new bulk water supply and upgrade of existing water treatment works	Feasibility	115 122	1 247	–	–	3 000	–	20 347	30 000	–
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	25 000	40 000	40 000	–
Van Wyksvlei groundwater phase 1 (pipeline upgrade)	Construction of new bulk water scheme	Design	94 700	2 914	1 793	15 000	30 000	46 824	–	–	–
Hantam desalination plant (Brandvlei)	Construction of new desalination plant	Construction	66 569	–	4 128	5 282	–	27 000	21 503	7 256	–
Loeriesfontein bulk water supply phase 1 (pipeline)	Construction of new bulk water scheme	Construction	95 442	7 988	3 639	14 212	50 426	17 247	–	–	–
Ritchie 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	–	20 000	10 551	–	–	–
Williston bulk water supply	Construction of new bulk water scheme	Feasibility	47 000	1 920	522	–	–	27 000	20 000	–	–
Britstown oxidation ponds	Upgrade of existing waste water treatment works	Design	30 600	–	–	750	–	26 690	3 910	–	–
Danielskui wastewater treatment works	Upgrade of existing water treatment works	Feasibility	12 644	–	–	–	–	–	12 644	40 000	–
Kathu bulk water supply	Construction of new bulk water scheme	Feasibility	90 000	70	–	–	–	21 587	31 000	51 395	–
Christiana wastewater treatment works	Upgrade of existing water treatment works	Feasibility	55 500	–	–	2 660	–	–	20 000	21 100	–
Citrusdal wastewater treatment works phase 2	Construction of new wastewater treatment works	Construction	52 667	6 837	19 592	2 660	–	–	–	–	–
Cianwilliam/Lamberts Bay regional water supply	Upgrade of existing bulk water scheme	Construction	61 500	913	–	14 387	613	–	–	–	–
Tulbagh bulk water supply (Witzenberg)	Construction of new bulk water scheme	Construction	76 807	889	–	27 841	13 372	9 500	19 471	–	–
Cianwilliam water treatment works	Upgrade of existing bulk water scheme	construction	31 349	2 163	–	4 000	4 000	–	–	–	–
Hofmeyer groundwater	Development of borehole to augment existing bulk water scheme	Construction	64 000	23 152	11 977	6 848	1 500	7 000	–	–	–
Eastern Cape region	Water supply and sanitation backlog	Construction	–	157 979	441 843	503 525	485 500	494 000	484 000	510 620	–
Free State region	Water supply and sanitation backlog	Construction	–	–	15 000	130 967	250 000	305 325	241 323	251 686	–
Gauteng region	Water supply and sanitation backlog	Design	–	–	–	70 000	150 000	195 000	184 891	195 060	–
KwaZulu-Natal region	Water supply and sanitation backlog	Construction	–	263 622	803 068	855 622	890 000	900 000	1 125 105	1 186 986	–
Limpopo region	Water supply and sanitation backlog	Construction	–	27 379	130 540	540 273	527 478	495 000	690 000	727 950	–
Mpumalanga region	Water supply and sanitation backlog	Construction	–	21 000	263 740	398 707	415 000	409 674	359 000	389 295	–
Northern Cape region	Water supply and sanitation backlog	Construction	–	64 170	87 713	140 984	260 500	288 500	205 000	208 475	–
North West region	Water supply and sanitation backlog	Construction	–	1 458	62 028	204 904	320 986	346 557	358 000	377 690	–
Western Cape region	Water supply and sanitation backlog	Construction	–	–	–	–	30 000	47 000	22 000	23 210	–
<b>Total</b>			<b>200 711 926</b>	<b>8 699 573</b>	<b>12 518 879</b>	<b>11 897 533</b>	<b>11 801 973</b>	<b>11 165 729</b>	<b>11 805 418</b>	<b>12 426 168</b>	

Table 36.C Detailed split of direct grant and indirect grants to municipalities

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Water services infrastructure grant</b>							
<b>Direct grants</b>							
Transfers and subsidies	1 050 790	2 305 029	2 844 982	3 329 464	3 481 056	3 669 319	3 870 972
Provinces and municipalities	1 050 790	2 305 029	2 844 982	3 329 464	3 481 056	3 669 319	3 870 972
<b>Indirect grants</b>							
<b>Current payments</b>	<b>113 284</b>	<b>142 098</b>	<b>164 547</b>	<b>137 307</b>	<b>178 398</b>	<b>185 321</b>	<b>194 445</b>
Compensation of employees	57 915	76 491	88 932	77 711	97 010	104 402	112 222
Goods and services	55 369	65 607	75 615	59 596	81 388	80 919	82 223
<b>Transfers and subsidies</b>	<b>1 973</b>	<b>1 250</b>	<b>1 300</b>	<b>1 407</b>	<b>1 488</b>	<b>1 571</b>	<b>1 658</b>
Households	1 973	1 250	1 300	1 407	1 488	1 571	1 658
<b>Payments for capital assets</b>	<b>395 951</b>	<b>548 669</b>	<b>311 545</b>	<b>589 596</b>	<b>608 175</b>	<b>642 233</b>	<b>677 556</b>
Machinery and equipment	1 370	2 413	2 736	2 474	–	–	–
Buildings and other fixed structures	394 581	546 256	308 809	587 122	608 175	642 233	677 556
<b>Total</b>	<b>1 561 998</b>	<b>2 997 046</b>	<b>3 322 374</b>	<b>4 057 774</b>	<b>4 269 117</b>	<b>4 498 444</b>	<b>4 744 631</b>
<b>Regional bulk infrastructure grant</b>							
<b>Direct grants</b>							
Transfers and subsidies	579 919	801 748	2 694 773	2 963 503	2 651 175	2 849 251	3 005 834
Provinces and municipalities	–	–	1 850 000	1 865 000	1 957 000	2 066 360	2 180 005
Transfers to public corporations and private enterprises	579 919	801 748	844 773	1 098 503	694 175	782 891	825 829
<b>Current payments</b>	<b>73 305</b>	<b>107 007</b>	<b>85 756</b>	<b>85 803</b>	<b>83 660</b>	<b>87 680</b>	<b>90 153</b>
Compensation of employees	23 688	38 188	32 971	36 366	55 748	59 996	64 490
Goods and services	49 617	68 819	52 785	49 437	27 912	27 684	25 663
<b>Regional bulk infrastructure grant: Allocation-in-kind</b>							
<b>Payments for capital assets</b>	<b>3 288 014</b>	<b>4 857 588</b>	<b>3 478 829</b>	<b>2 773 539</b>	<b>2 486 022</b>	<b>3 038 825</b>	<b>3 207 205</b>
Buildings and other fixed structures	3 287 817	4 856 588	3 478 829	2 773 539	2 484 922	3 037 659	3 204 346
Machinery and equipment	197	1 000	–	–	1 100	1 166	2 859
<b>Total</b>	<b>3 941 238</b>	<b>5 766 343</b>	<b>6 259 358</b>	<b>5 822 845</b>	<b>5 220 857</b>	<b>5 975 756</b>	<b>6 303 192</b>
<b>Bucket eradication programme: Allocation-in-kind</b>							
<b>Indirect grants</b>							
Payments for capital assets	899 177	975 399	350 000	–	–	–	–
Buildings and other fixed structures	899 177	975 399	350 000	–	–	–	–
<b>Total grants</b>	<b>899 177</b>	<b>975 399</b>	<b>350 000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>





Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

**Tel** +27 12 315 5944 | **Fax** +27 12 406 9055

**Web:** [www.treasury.gov.za](http://www.treasury.gov.za)



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

