

◀ 2020 ▶
BUDGET

VOTE
41

**WATER AND
SANITATION**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2020

**National Treasury
Republic of South Africa**



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The 2020 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 at www.treasury.gov.za. Compared to the abridged Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities, transfers and subsidies and information on programme specific personnel expenditure.

Foreword

The Estimates of National Expenditure (ENE) publications remain an integral part of the annual budgeting process. In light of the prevailing economic climate, which requires careful consideration around the management of public funds, it has become necessary to focus our efforts on reprioritising existing government resources to areas where the most value can be derived for the benefit of all South Africans. To alleviate fiscal pressures, reductions have been effected on the baseline budgets of departments and public entities. The budgets unpacked in this document reflect the outcome of a robust negotiation process, which was led by a committee of senior officials in central government departments under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, the budgetary proposals emanating from these negotiations and consultations were considered and approved by Cabinet.

The abridged ENE provides a comprehensive account of the priorities, spending plans and service delivery commitments of the 41 national government votes, and for selected public entities. The e-publications for each vote, which are available on National Treasury's website, contain further details on goods and services, transfers and subsidies, other public entities, and lower-level spending information on service delivery. In addition, the Vulekamali online portal serves as a transparent, user-friendly source of information that includes supplementary detailed data as contained in the ENE publications. The portal is a valuable resource for anyone to learn about how government compiles its budget and spends public funds.

The Open Budget Survey, which is published biannually by the International Budget Partnership, assesses and ranks countries based on the availability of 8 key budget documents and the comprehensiveness of the data presented in these documents. In the latest survey, published in 2017, South Africa ranked joint first out of 102 countries with a score of 89 per cent. The next survey is expected to be published in 2020/21 and hopefully South Africa will retain that first position.

All information presented in the ENE publications and Vulekamali promotes a culture of public engagement, accountability in state institutions, and the appropriate spending of public funds to achieve the outcomes as envisaged in the National Development Plan.

A special thanks is extended to all contributors and government colleagues who assisted in making this possible, especially the political leadership shown by the executive and the spirited efforts of the National Treasury team.



Dondo Mogajane
Director-General: National Treasury

Introduction

Estimates of National Expenditure publications

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 2020 MTEF period is from 2020/21 to 2022/23.

The ENE publications contain detailed information regarding the allocations set out in the Appropriation Bill, for the current financial year. Government's proposed spending plans for the full MTEF period, are shown. Information on how government institutions have spent their budgets in previous years is also included. Explanations are provided on how institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes to which their spending is expected to lead. Tables present non-financial performance indicators and targets, departmental receipts, and detailed expenditure trends and estimates by programme, subprogramme and economic classification, and programme personnel data tables for each vote and all entities. Brief explanatory narratives set out the institution's purpose (and that of its programmes), mandate, programme-level objectives and descriptions of subprogrammes. An in-depth narrative analyses the institution's expected expenditure over the MTEF period.

Additional data tables containing information on provincial and municipal conditional grants, public-private partnerships, donor funding, infrastructure spending and information at the level of site service delivery, where applicable, are available on the National Treasury website and the Vulekamali online portal.

A separate 2020 ENE Overview publication is also available on the National Treasury website and summarises the ENE information across all votes. The 2020 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



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Vote 41

Water and Sanitation

Budget summary

R million	2020/21				2021/22	2022/23
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 976.5	1 856.9	28.9	90.8	2 114.9	2 192.8
Water Planning and Information Management	1 026.4	961.5	2.3	62.6	1 088.1	1 129.9
Water Infrastructure Development	13 795.8	412.1	8 942.1	4 441.5	13 643.0	14 160.0
Water Sector Regulation	417.5	405.2	0.8	11.4	424.4	442.3
Total expenditure estimates	17 216.2	3 635.7	8 974.1	4 606.4	17 270.4	17 924.9
Executive authority	Minister of Human Settlements, Water and Sanitation					
Accounting officer	Director-General of Water and Sanitation					
Website	www.dwa.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available at www.treasury.gov.za. These publications provide more comprehensive coverage of vote-specific information, particularly about transfers and subsidies, personnel and other public institutions. Additional tables in Excel format can be found at www.treasury.gov.za and www.vulekamali.gov.za.

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 people's right to have sufficient food and water, growing the economy, and eradicating poverty.

Selected performance indicators

Table 41.1 Vote performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of reports on progress analysed against the approved annual international relations implementation plan per year	Administration	Departmental mandate	4	4	1	1	1	1	1
Number of river systems with water resources classes and determined resource quality objectives per year	Water Planning and Information Management	Priority 4: Spatial integration, human settlements and local government	2	1	4	3	0	0	1

Table 41.1 Vote performance indicators by programme and related priority

Indicator	Programme	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of mega regional bulk infrastructure project phases completed per year	Water Infrastructure Development	Priority 4: Spatial integration, human settlements and local government	0	0	1	2	0	1	1
Number of large regional bulk infrastructure project phases completed per year	Water Infrastructure Development		2	5	5	12	10	8	8
Number of small regional bulk infrastructure project phases completed per year	Water Infrastructure Development		31	6	9	13	4	5	3
Number of small projects completed through the water services infrastructure grant per year	Water Infrastructure Development		316	47	0	131	83	90	95
Number of existing bucket sanitation backlog systems in formal settlements replaced with adequate sanitation services per year	Water Infrastructure Development		6 978	8 313	7 031	12 221	10 798	– ¹	– ¹
Number of wastewater systems assessed for compliance with green drop regulatory standards per year	Water Sector Regulation		0	0	0	0	963	0	963
Number of water supply systems assessed for compliance with blue drop regulatory standards per year	Water Sector Regulation		763	788	0	0	0	1 010	0
Percentage of water use authorisation applications finalised within 120 working days of application	Water Sector Regulation	Priority 1: Economic transformation and job creation	68% (275/404)	96% (447/467)	81% (476/588)	80%	80%	80%	80%

1. Indicator discontinued.

Expenditure analysis

Chapter 4 of the National Development Plan envisages a South Africa that recognises the importance of secure and equitable access to water and sanitation as catalysts for socioeconomic development. This is given expression by priority 1 (economic transformation and job creation) and priority 4 (spatial integration, human settlements and local government) of government's 2019-24 medium-term strategic framework, with which the work of the Department of Water and Sanitation is aligned. Accordingly, the department will continue to focus on integrated water resources management, infrastructure planning and development; and regulating water services.

Expenditure is expected to increase at an average annual rate of 2.9 per cent, from R16.5 billion in 2019/20 to R17.9 billion in 2022/23. Transfers and subsidies, and payments for capital assets account for 78.1 per cent (R40.9 billion) of the department's total expenditure over the MTEF period. The bulk of the department's remaining expenditure over the same period is on compensation of employees, which amounts to R6.3 billion; and goods and services, which amounts to R5.2 billion.

Spending in the *Water Infrastructure Development* programme accounts for 79.4 per cent (R41.6 billion) of the department's total expenditure over the medium term. This is despite Cabinet having approved reductions amounting to R2.2 billion over the same period on the *regional bulk infrastructure grant* and the *water services infrastructure grant*, which are funded through the programme. As a result of these reductions, direct transfers to municipalities are expected to increase at an average annual rate of 1.4 per cent, from R5.7 billion in 2019/20 to R6 billion in 2022/23.

Water resources management, infrastructure planning and development

The water and sanitation master plan details the requirements for appropriate investment into water resources and services, and sets targets for adequate water conservation and demand management. To support the implementation of the master plan, the *Water Infrastructure Development* programme is expected to receive allocations amounting to R41.6 billion over the MTEF period. These allocations will provide funding to the *regional bulk infrastructure grant*, the *water services infrastructure grant* and transfers to the Water Trading Entity for the development of key water infrastructure. Funding in the *regional bulk infrastructure grant* and the *water services infrastructure grant* for new and existing projects amount to R33.2 billion over the medium term. Funding from these grants will be used to implement 2 mega projects and 26 large regional bulk infrastructure projects. Over the medium term, 280 small regional bulk and water services infrastructure projects will be implemented.

To address water infrastructure backlogs and improve operational sustainability, over the medium term, the department will continue to plan and maintain infrastructure. Related activities will be carried out in the *Water Planning and Information Management* programme, spending in which is expected to increase at an average annual rate of 7.6 per cent, from R907.9 million in 2019/20 to R1.1 billion in 2022/23. To continue funding short-term and long-term interventions in new and existing projects, the Water Trading Entity will receive transfers amounting to R7.2 billion over the medium term. Projects include acid mine drainage operations in Gauteng, phase 2D of the Olifants River water resources development project, the Mokolo-Crocodile River water augmentation project, the raising of Tzaneen Dam, the Umdloti River development project, and the raising of the Hazelmere Dam.

Regulating water services

Over the period ahead, the department plans to reintroduce regulatory quality valuations on the provision of water services. These valuations are intended to measure the level of compliance with the green drop and blue drop standards. Accordingly, the department plans to assess 963 wastewater in 2020/21 and 1 010 water supply systems in 2021/22. To improve equitable access to water resources, the department plans to process 80 per cent of the water use licence applications it receives within 120 days. In addition, the department plans to assess and determine the resource quality of the uThukela River system. These activities will be carried out in the Water Sector Regulation programme, which is expected to receive allocations amounting to R1.3 billion over the medium term.

Expenditure trends and estimates

Table 41.2 Vote expenditure trends and estimates by programme and economic classification

Programmes											
1. Administration											
2. Water Planning and Information Management											
3. Water Infrastructure Development											
4. Water Sector Regulation											
Programme											
R million	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2016/17	2017/18	2018/19		2016/17 - 2019/20	Average: Expenditure/ Total (%)	2020/21	2021/22	2022/23	2019/20 - 2022/23	Average: Expenditure/ Total (%)
Programme 1	1 557.9	1 998.7	1 634.0	1 836.2	0.1	0.1	1 976.5	2 114.9	2 192.8	0.1	0.1
Programme 2	815.4	653.3	689.7	907.9	0.0	0.0	1 026.4	1 088.1	1 129.9	0.1	0.1
Programme 3	12 953.9	12 146.2	14 013.1	13 287.0	0.0	0.8	13 795.8	13 643.0	14 160.0	0.0	0.8
Programme 4	308.2	308.1	282.6	436.3	0.1	0.0	417.5	424.4	442.3	0.0	0.0
Total	15 635.4	15 106.3	16 619.4	16 467.3	0.0	1.0	17 216.2	17 270.4	17 924.9	0.0	1.0
Change to 2019 Budget estimate				26.9			(165.2)	(1 281.7)	(1 597.3)		

Table 41.2 Vote expenditure trends and estimates by programme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
R million											
Current payments	3 139.9	3 546.9	3 625.3	3 486.1	0.0	0.2	3 635.7	3 845.9	4 003.8	0.0	0.2
Compensation of employees	1 439.9	1 535.6	1 604.0	1 821.3	0.1	0.1	1 988.3	2 116.8	2 208.5	0.1	0.1
Goods and services ¹	1 699.9	1 999.7	2 021.2	1 664.8	(0.0)	0.1	1 647.5	1 729.0	1 795.4	0.0	0.1
of which:											
Computer services	148.7	97.9	133.8	148.9	–	0.0	172.7	184.4	184.9	0.1	0.0
Consultants: Business and advisory services	154.8	182.2	57.8	227.6	0.1	0.0	156.3	135.8	141.6	(0.1)	0.0
Infrastructure and planning services	145.4	304.7	109.9	232.0	0.2	0.0	215.3	234.9	243.7	0.0	0.0
Operating leases	304.9	311.0	414.5	418.2	0.1	0.0	452.7	486.0	503.6	0.1	0.0
Property payments	90.2	102.5	111.5	123.8	0.1	0.0	126.9	131.6	138.7	0.0	0.0
Travel and subsistence	235.4	202.9	121.8	168.3	(0.1)	0.0	167.6	175.1	183.4	0.0	0.0
Interest and rent on land	0.1	11.5	0.0	–	(1.0)	–	–	–	–	–	–
Transfers and subsidies¹	7 482.2	8 185.7	9 933.9	9 149.5	0.1	0.5	8 974.1	9 226.2	9 493.0	0.0	0.5
Provinces and municipalities	4 681.3	5 134.8	6 741.0	5 736.5	0.1	0.3	5 451.4	5 777.0	5 982.5	0.0	0.3
Departmental agencies and accounts	1 725.9	1 885.6	2 269.8	2 370.0	0.1	0.1	2 450.5	2 380.7	2 423.5	0.0	0.1
Foreign governments and international organisations	188.3	112.1	209.3	227.0	0.1	0.0	236.4	247.2	256.3	0.0	0.0
Public corporations and private enterprises	844.8	1 022.3	694.7	782.9	(0.0)	0.1	809.3	793.8	802.5	0.0	0.0
Non-profit institutions	3.3	0.8	1.2	2.9	(0.0)	–	1.6	1.4	1.5	(0.2)	–
Households	38.6	30.1	17.9	30.2	(0.1)	0.0	24.9	26.0	26.7	(0.0)	0.0
Payments for capital assets	5 013.3	3 373.7	3 060.3	3 830.9	(0.1)	0.2	4 606.4	4 198.3	4 428.1	0.0	0.2
Buildings and other fixed structures	4 927.4	3 301.1	2 977.4	3 698.6	-9.1%	23.4%	4 467.6	4 037.6	4 261.2	4.8%	23.9%
Machinery and equipment	62.0	45.1	51.6	98.9	16.8%	0.4%	99.3	112.3	119.3	6.4%	0.6%
Software and other intangible assets	24.0	27.4	31.3	33.4	0.1	0.0	39.4	48.4	47.6	0.1	0.0
Payments for financial assets	0.0	–	–	0.7	5.3	–	–	–	–	(1.0)	–
Total	15 635.4	15 106.3	16 619.4	16 467.3	0.0	1.0	17 216.2	17 270.4	17 924.9	0.0	1.0

1. Tables that detail expenditure trends, annual budget, adjusted appropriation and audited outcome are available at www.treasury.gov.za and www.vulekamali.gov.za.

Transfers and subsidies expenditure trends and estimates

Table 41.3 Vote transfers and subsidies trends and estimates

Economic classification	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	181 408	175 678	185 865	196 270	2.7%	2.1%	207 002	218 387	230 474	5.5%	2.3%
Energy and Water Services Sector	2 202	2 676	2 829	2 986	10.7%	–	3 087	3 257	3 437	4.8%	–
Education and Training Authority	12 206	2	2	–	-100.0%	–	–	–	–	–	–
Water information management	165 000	173 000	183 034	193 284	5.4%	2.1%	203 915	215 130	227 037	5.5%	2.3%
Water Trading Entity	2 000	–	–	–	-100.0%	–	–	–	–	–	–
Water Research Commission	–	–	–	–	–	–	–	–	–	–	–
Capital	1 544 461	1 709 881	2 083 894	2 173 752	12.1%	21.6%	2 243 474	2 162 329	2 193 062	0.3%	23.8%
Water Trading Entity	1 544 461	1 709 881	2 083 894	2 173 752	12.1%	21.6%	2 243 474	2 162 329	2 193 062	0.3%	23.8%
Households											
Social benefits											
Current	10 450	8 759	9 858	10 724	0.9%	0.1%	4 401	4 298	4 188	-26.9%	0.1%
Employee social benefits	10 450	8 759	9 858	10 503	0.2%	0.1%	4 401	4 298	4 188	-26.4%	0.1%
Social Benefit	–	–	–	221	–	–	–	–	–	-100.0%	–
Provinces and municipalities											
Municipal bank accounts											
Current	546	553	762	819	14.5%	–	664	697	721	-4.2%	–
Vehicle licences	546	553	762	819	14.5%	–	664	697	721	-4.2%	–
Capital	4 680 773	5 134 239	6 740 267	5 735 679	7.0%	64.1%	5 450 770	5 776 352	5 981 791	1.4%	62.3%
Regional bulk infrastructure grant	1 849 791	1 829 002	1 963 000	2 066 360	3.8%	22.2%	2 005 605	2 156 025	2 280 772	3.3%	23.1%
Water services infrastructure grant	2 830 982	3 305 237	4 777 267	3 669 319	9.0%	42.0%	3 445 165	3 620 327	3 701 019	0.3%	39.2%
Households											
Other transfers to households											
Current	28 159	21 304	8 021	19 462	-11.6%	0.2%	20 507	21 666	22 472	4.9%	0.2%
Employee social benefits	12 624	4 470	2 624	202	-74.8%	0.1%	183	225	234	5.0%	–
Bursaries for non-employees	15 535	16 834	5 397	19 260	7.4%	0.2%	20 324	21 441	22 238	4.9%	0.2%

Table 41.3 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 (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Public corporations and private enterprises											
Other transfers to public corporations											
Capital	844 773	1 022 349	694 715	782 891	-2.5%	9.6%	809 312	793 824	802 489	0.8%	8.7%
Amatola water board: Regional bulk infrastructure	–	88 554	92 386	185 000	–	1.1%	–	–	–	-100.0%	0.5%
Magalies water board: Regional bulk infrastructure	142 769	52 231	36 000	–	-100.0%	0.7%	98 000	103 390	109 284	–	0.8%
Umgeni water board: Regional bulk infrastructure	423 004	518 405	132 329	320 000	-8.9%	4.0%	579 012	550 858	545 673	19.5%	5.4%
Sedibeng water board: Regional bulk infrastructure	279 000	363 159	434 000	277 891	-0.1%	3.9%	132 300	139 576	147 532	-19.0%	1.9%
Non-profit institutions											
Current	3 337	779	1 194	2 899	-4.6%	–	1 630	1 420	1 452	-20.6%	–
Employee social benefits	–	55	–	–	–	–	–	–	–	–	–
Strategic Water Partners Network	–	–	–	1 000	–	–	500	500	500	-20.6%	–
Women in Water Awards	700	–	–	–	-100.0%	–	–	–	–	–	–
South African Youth Water Prize	24	21	22	27	4.0%	–	17	19	19	-11.1%	–
Non profit institution	–	–	–	270	–	–	–	–	–	-100.0%	–
Various institutions: 2020 vision for water education programme	1 813	703	172	1 602	-4.0%	–	1 113	901	933	-16.5%	–
Water Institute of Southern Africa	800	–	1 000	–	-100.0%	–	–	–	–	–	–
Foreign governments and international organisations											
Current	188 250	112 132	209 269	227 020	6.4%	2.1%	236 379	247 222	256 310	4.1%	2.6%
Orange-Senqu River Commission	611	800	732	6 202	116.5%	–	2 955	1 072	1 101	-43.8%	–
African Ministers Council on Water	102	135	112	118	5.0%	–	124	131	135	4.6%	–
Limpopo Watercourse Commission	87	628	186	800	109.5%	–	207	218	226	-34.4%	–
Komati Basin Water Authority	187 450	110 569	208 239	219 900	5.5%	2.1%	233 093	245 801	254 848	5.0%	2.6%
Total	7 482 157	8 185 674	9 933 845	9 149 516	6.9%	100.0%	8 974 139	9 226 195	9 492 959	1.2%	100.0%

Personnel information

Table 41.4 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Water Planning and Information Management																			
3. Water Infrastructure Development																			
4. Water Sector Regulation																			
Water and Sanitation	Number of posts estimated for 31 March 2020		Number and cost ² of personnel posts filled/planned for on funded establishment										Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate				Average growth rate (%)	Average: Salary level/ Total (%)					
			2018/19	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23											
	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost							
Salary level	3 800	161	3 195	1 604.0	0.5	3 324	1 821.2	0.5	3 400	1 988.3	0.6	3 393	2 116.8	0.6	3 332	2 208.5	0.7	0.1%	100.0%
1 – 6	1 453	62	1 124	281.0	0.3	1 159	264.5	0.2	1 174	288.4	0.2	1 169	308.2	0.3	1 153	324.0	0.3	-0.2%	34.6%
7 – 10	1 490	44	1 359	672.5	0.5	1 437	681.2	0.5	1 487	755.5	0.5	1 488	808.6	0.5	1 467	851.7	0.6	0.7%	43.7%
11 – 12	645	55	561	468.2	0.8	568	631.1	1.1	578	682.8	1.2	575	721.9	1.3	547	730.1	1.3	-1.2%	16.9%
13 – 16	209	–	151	182.3	1.2	160	244.4	1.5	161	261.5	1.6	161	278.1	1.7	165	302.6	1.8	1.0%	4.8%
Other	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme	3 800	161	3 195	1 604.0	0.5	3 324	1 821.2	0.5	3 400	1 988.3	0.6	3 393	2 116.8	0.6	3 332	2 208.5	0.7	0.1%	100.0%
Programme 1	1 875	91	1 536	736.0	0.5	1 573	803.1	0.5	1 621	890.0	0.5	1 620	947.8	0.6	1 589	983.1	0.6	0.3%	47.6%
Programme 2	1 024	39	877	429.0	0.5	866	494.5	0.6	875	529.5	0.6	875	564.2	0.6	842	585.1	0.7	-0.9%	25.7%
Programme 3	481	12	397	211.8	0.5	414	264.5	0.6	430	290.8	0.7	426	309.0	0.7	438	333.5	0.8	1.9%	12.7%
Programme 4	420	19	385	227.2	0.6	471	259.1	0.6	474	277.9	0.6	472	295.8	0.6	463	306.8	0.7	-0.6%	14.0%

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

2. Rand million.

Departmental receipts

Table 41.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2019/20	Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Receipt item/ Total (%) 2016/17 - 2019/20	Medium-term receipts estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Receipt item/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19					2020/21	2021/22	2022/23		
Departmental receipts	20 964	12 876	66 410	15 285	11 503	-18.1%	100.0%	14 524	16 515	18 024	16.1%	100.0%
Sales of goods and services produced by department	3 164	1 871	2 339	2 070	991	-32.1%	7.5%	2 414	2 603	2 711	39.9%	14.4%
Sales by market establishments	877	699	851	784	396	-23.3%	2.5%	750	836	875	30.2%	4.7%
of which:												
Market establishment: Rental dwelling	567	509	641	572	289	-20.1%	1.8%	550	577	600	27.6%	3.3%
Market establishment: Non-residential building	123	6	17	2	2	-74.7%	0.1%	10	69	75	234.7%	0.3%
Market establishment: Rental parking	187	184	193	210	105	-17.5%	0.6%	190	190	200	24.0%	1.1%
Administrative fees	65	58	63	67	-	-100.0%	0.2%	65	95	74	-	0.4%
of which:												
Services rendered: Transport fees	50	48	52	62	-	-100.0%	0.1%	50	49	50	-	0.2%
Sales: Tender documents	-	-	-	-	-	-	-	-	25	-	-	-
Sales: Maps	10	7	7	3	-	-100.0%	-	10	15	18	-	0.1%
Replacement of security cards	4	3	4	2	-	-100.0%	-	5	5	5	-	-
Sales: Water potable	1	-	-	-	-	-100.0%	-	-	1	1	-	-
Other sales	2 222	1 114	1 425	1 219	595	-35.5%	4.8%	1 599	1 672	1 762	43.6%	9.3%
of which:												
Rental capital assets	70	75	112	192	72	0.9%	0.3%	78	75	86	6.1%	0.5%
Sales: Departmental publications and production	7	3	10	10	7	-	-	2	3	7	-	-
Services rendered: Commission on insurance and garnishee	748	759	782	937	399	-18.9%	2.4%	764	770	800	26.1%	4.5%
Sales: Meals and refreshments	989	175	443	10	3	-85.5%	1.4%	505	558	600	484.8%	2.8%
Services rendered: Boarding service	408	98	78	70	68	-45.0%	0.6%	200	216	219	47.7%	1.2%
Sales: Assets less than R5 000	-	4	-	-	44	-	-	50	50	50	4.4%	0.3%
List item	-	-	-	-	2	-	-	-	-	-	-100.0%	-
Sales of scrap, waste, arms and other used current goods	-	6	15	60	11	-	-	10	12	13	5.7%	0.1%
of which:												
Sales: Scrap	-	6	15	60	11	-	-	10	12	13	5.7%	0.1%
Fines, penalties and forfeits	-	-	400	1 580	1 310	-	1.5%	-	-	-	-100.0%	2.2%
Interest, dividends and rent on land	1 384	2 992	2 921	3 199	1 785	8.9%	8.1%	2 900	2 900	3 000	18.9%	17.5%
Interest	1 384	2 992	2 921	3 199	1 785	8.9%	8.1%	2 900	2 900	3 000	18.9%	17.5%
Sales of capital assets	-	197	-	247	246	-	0.4%	200	200	200	-6.7%	1.4%
Transactions in financial assets and liabilities	16 416	7 810	60 735	8 129	7 160	-24.2%	82.4%	9 000	10 800	12 100	19.1%	64.5%
Total	20 964	12 876	66 410	15 285	11 503	-18.1%	100.0%	14 524	16 515	18 024	16.1%	100.0%

Programme 1: Administration

Programme purpose

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

Objective

- Facilitate cooperation by implementing and evaluating the approved African and global international relations plan annually, in support of the national water and sanitation agenda.

Subprogramme

- Ministry* provides administrative and logistical support to the minister and deputy minister, and their support staff, and makes provision for their salaries.
- Departmental Management* provides policy and strategic direction for water and sanitation management. This includes enterprise-wide support services comprising administrative support to the director-general, corporate planning, and monitoring and evaluation; and the provision 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 41.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19		2016/17 - 2019/20	2020/21		2021/22	2022/23	2019/20 - 2022/23		
R million												
Ministry	52.3	56.1	57.1	56.4	2.6%	3.2%	55.0	58.3	60.5	2.4%	2.8%	
Departmental Management	105.5	61.8	65.7	104.3	-0.4%	4.8%	108.4	115.3	119.8	4.7%	5.5%	
Internal Audit	36.3	34.3	32.6	38.5	2.0%	2.0%	48.9	51.8	54.6	12.3%	2.4%	
Corporate Services	718.6	1 197.3	671.4	764.2	2.1%	47.7%	849.6	913.4	945.9	7.4%	42.8%	
Financial Management	232.0	204.7	254.1	267.1	4.8%	13.6%	282.6	300.6	311.9	5.3%	14.3%	
Office Accommodation	346.9	367.5	475.0	481.4	11.5%	23.8%	519.0	555.8	576.0	6.2%	26.3%	
Programme Management Unit	28.1	39.3	40.3	65.6	32.7%	2.5%	55.9	59.3	61.5	-2.1%	3.0%	
International Water Support	38.2	37.7	37.7	58.7	15.4%	2.5%	57.3	60.4	62.7	2.2%	2.9%	
Total	1 557.9	1 998.7	1 634.0	1 836.2	5.6%	100.0%	1 976.5	2 114.9	2 192.8	6.1%	100.0%	
Change to 2019 Budget estimate				3.8			(17.0)	(11.6)	(13.7)			
Economic classification	1 483.9	1 925.1	1 571.6	1 727.5	5.2%	95.5%	1 856.9	1 982.0	2 055.7	6.0%	93.9%	
Current payments	670.2	695.0	736.0	803.1	6.2%	41.3%	890.0	947.8	983.1	7.0%	44.6%	
Compensation of employees	670.2	695.0	736.0	803.1	6.2%	41.3%	890.0	947.8	983.1	7.0%	44.6%	
Goods and services ¹	813.7	1 230.2	835.6	924.3	4.3%	54.1%	966.9	1 034.2	1 072.7	5.1%	49.2%	
of which:												
<i>Audit costs: External</i>	36.2	22.0	40.7	35.2	-0.9%	1.9%	41.4	43.8	45.5	8.9%	2.0%	
<i>Communication</i>	24.1	23.8	21.9	18.9	-7.7%	1.3%	27.0	27.3	31.3	18.3%	1.3%	
<i>Computer services</i>	58.4	47.1	71.6	85.1	13.4%	3.7%	94.1	101.2	98.6	5.0%	4.7%	
<i>Operating leases</i>	302.1	310.8	414.5	417.8	11.4%	20.6%	451.9	485.0	502.5	6.4%	22.9%	
<i>Property payments</i>	78.6	86.4	95.4	108.2	11.3%	5.2%	113.3	117.2	123.7	4.5%	5.7%	
<i>Travel and subsistence</i>	72.3	67.1	54.6	73.8	0.7%	3.8%	77.8	82.9	85.9	5.2%	3.9%	
Interest and rent on land	-	-	0.0	-	-	-	-	-	-	-	-	
Transfers and subsidies¹	21.9	23.6	12.6	35.1	17.0%	1.3%	28.9	28.4	29.5	-5.6%	1.5%	
Provinces and municipalities	0.0	0.0	0.0	0.1	52.7%	-	0.1	0.1	0.1	15.2%	-	
Departmental agencies and accounts	2.2	2.7	2.8	3.0	10.7%	0.2%	3.1	3.3	3.4	4.8%	0.2%	
Foreign governments and international organisations	0.8	1.6	1.0	7.1	107.2%	0.1%	3.3	1.4	1.5	-41.0%	0.2%	
Non-profit institutions	0.7	-	-	1.0	12.6%	-	0.5	0.5	0.5	-20.6%	-	
Households	18.2	19.4	8.7	23.9	9.6%	1.0%	21.9	23.1	24.0	0.1%	1.1%	
Payments for capital assets	52.1	49.9	49.8	72.9	11.8%	3.2%	90.8	104.4	107.5	13.8%	4.6%	
Buildings and other fixed structures	-	0.0	-	-	-	-	-	-	-	-	-	
Machinery and equipment	29.1	22.5	18.5	39.7	10.9%	1.6%	52.0	56.8	60.6	15.2%	2.6%	
Software and other intangible assets	23.0	27.4	31.3	33.2	13.0%	1.6%	38.8	47.7	46.9	12.2%	2.1%	
Payments for financial assets	0.0	-	-	0.7	521.7%	-	-	-	-	-100.0%	-	
Total	1 557.9	1 998.7	1 634.0	1 836.2	5.6%	100.0%	1 976.5	2 114.9	2 192.8	6.1%	100.0%	
Proportion of total programme expenditure to vote expenditure	10.0%	13.2%	9.8%	11.2%	-	-	11.5%	12.2%	12.2%	-	-	

Table 41.6 Administration expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies		Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
		2016/17	2017/18	2018/19	2019/20		2016/17 - 2019/20	Average Expenditure/ Total (%)	2020/21	2021/22	2022/23	2019/20 - 2022/23	Average Expenditure/ Total (%)
R million													
Households													
Social benefits													
Current													
Employee social benefits	2.7	2.5	3.3	4.5	18.8%	0.2%	1.6	1.7	1.8	-26.7%	0.1%		
Households													
Other transfers to households													
Current													
Bursaries for non-employees	15.5	16.8	5.4	19.3	7.4%	0.8%	20.3	21.4	22.2	4.9%	1.0%		
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current													
Energy and Water Services Sector	2.2	2.7	2.8	3.0	10.7%	0.2%	3.1	3.3	3.4	4.8%	0.2%		
Education and Training Authority	2.2	2.7	2.8	3.0	10.7%	0.2%	3.1	3.3	3.4	4.8%	0.2%		
Non-profit institutions													
Current													
Strategic Water Partners Network	-	-	-	1.0	-	-	0.5	0.5	0.5	-20.6%	-		
Foreign governments and international organisations													
Current													
Orange-Senqu River Commission	0.6	0.8	0.7	6.2	116.5%	0.1%	3.0	1.1	1.1	-43.8%	0.1%		
Limpopo Watercourse Commission	0.1	0.6	0.2	0.8	109.5%	-	0.2	0.2	0.2	-34.4%	-		
Provinces and municipalities													
Municipalities													
Municipal bank accounts													
Current													
Vehicle licences	0.0	0.0	0.0	0.1	52.7%	-	0.1	0.1	0.1	15.2%	-		

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

Personnel information

Table 41.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020			Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23		Unit cost
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2019/20 - 2022/23	
Administration																			
Salary level	1 875	91	1 536	736.0	0.5	1 573	803.1	0.5	1 621	890.0	0.5	1 620	947.8	0.6	1 589	983.1	0.6	0.3%	100.0%
1 – 6	794	59	604	151.6	0.3	622	145.2	0.2	632	158.7	0.3	633	170.5	0.3	631	182.0	0.3	0.5%	39.3%
7 – 10	781	12	699	348.3	0.5	717	345.1	0.5	743	383.7	0.5	743	410.5	0.6	725	426.4	0.6	0.4%	45.7%
11 – 12	190	20	153	139.1	0.9	149	172.9	1.2	159	195.6	1.2	157	205.2	1.3	146	202.9	1.4	-0.7%	9.5%
13 – 16	107	-	80	97.1	1.2	85	139.9	1.6	87	152.0	1.7	87	161.7	1.9	87	171.7	2.0	0.8%	5.4%
Other	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 South Africa'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

- Enhance the efficiency of water use and the management of water quality by assessing 18 large water systems for water losses by March 2023.

- Effectively manage water demand and supply by:
 - reviewing 6 water resource monitoring programmes by March 2023
 - maintaining 6 water information systems on an ongoing basis.
- Effectively manage water and sanitation services by implementing and monitoring progress on the priorities of the water and sanitation master plan on an ongoing basis.

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 determining resource-directed measures by developing pollution control guidelines, and rehabilitation measures and protocols.
- Water Information Management* ensures the development and maintenance of data and information management systems to enable informed decisions on water management.
- Water Services and Local Water Management* formulates and develops strategies, guidelines and plans for water services and the management of water at the local level.
- Sanitation Planning and Management* provides a national strategy for the planning of sanitation services and supports municipalities in planning for the provision of sustainable sanitation services.
- Policy and Strategy* develops, monitors and reviews the implementation of water and sanitation sector policies and strategies.

Expenditure trends and estimates

Table 41.8 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 (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million					2016/17 -	2019/20	2020/21	2021/22	2022/23	2019/20 -	2022/23
Water Planning, Information Management and Support	5.0	5.7	6.1	7.1	12.0%	0.8%	7.4	7.9	8.2	5.0%	0.7%
Integrated Planning	93.0	88.6	68.8	84.2	-3.3%	10.9%	101.9	110.2	114.6	10.9%	9.9%
Water Ecosystems	50.4	43.2	47.9	40.0	-7.4%	5.9%	60.2	52.9	54.8	11.0%	5.0%
Water Information Management	517.7	421.6	434.5	519.4	0.1%	61.7%	575.4	614.0	637.6	7.1%	56.5%
Water Services and Local Water Management	112.6	63.1	108.7	224.0	25.8%	16.6%	239.1	257.9	267.7	6.1%	23.8%
Sanitation Planning and Management	11.6	15.8	11.4	15.1	9.2%	1.8%	20.5	22.0	22.8	14.7%	1.9%
Policy and Strategy	25.1	15.3	12.3	18.2	-10.1%	2.3%	21.9	23.2	24.1	9.8%	2.1%
Total	815.4	653.3	689.7	907.9	3.6%	100.0%	1 026.4	1 088.1	1 129.9	7.6%	100.0%
Change to 2019 Budget estimate				(62.5)			(8.3)	(8.7)	(9.3)		
Economic classification											
Current payments	758.1	611.3	644.5	836.9	3.4%	93.0%	961.5	1 014.4	1 052.1	7.9%	93.1%
Compensation of employees	390.3	407.8	429.0	494.5	8.2%	56.1%	529.5	564.2	585.1	5.8%	52.3%
Goods and services ¹	367.7	203.5	215.5	342.3	-2.4%	36.8%	432.0	450.2	467.0	10.9%	40.7%
of which:											
Communication	6.6	4.6	4.8	5.6	-5.0%	0.7%	9.9	10.7	10.8	24.4%	0.9%
Computer services	78.4	50.7	48.9	49.6	-14.1%	7.4%	67.0	71.0	73.6	14.1%	6.3%
Consultants: Business and advisory services	20.4	5.1	7.1	8.1	-26.4%	1.3%	55.6	47.4	49.2	82.2%	3.9%
Infrastructure and planning services	100.1	59.9	91.9	181.5	21.9%	14.1%	196.6	215.2	223.2	7.1%	19.7%
Fleet services (including government motor transport)	2.3	12.0	14.5	12.0	73.7%	1.3%	10.6	11.2	11.5	-1.4%	1.1%
Travel and subsistence	72.1	46.5	32.4	43.0	-15.9%	6.3%	41.7	41.8	44.5	1.2%	4.1%
Interest and rent on land	-	-	0.0	-	-	-	-	-	-	-	-

Table 41.8 Water Planning and Information Management 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 (%)	Average: Expenditure/Total (%)
	2016/17	2017/18	2018/19		2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23		
R million											
Transfers and subsidies¹	13.9	4.5	3.9	4.6	-30.8%	0.9%	2.3	2.1	2.2	-22.4%	0.3%
Provinces and municipalities	0.5	0.5	0.7	0.7	11.9%	0.1%	0.5	0.6	0.6	-7.1%	0.1%
Departmental agencies and accounts	12.2	0.0	0.0	–	-100.0%	0.4%	–	–	–	–	–
Non-profit institutions	0.0	0.0	0.0	0.0	4.0%	–	0.0	0.0	0.0	-11.1%	–
Households	1.2	3.9	3.1	3.9	49.3%	0.4%	1.8	1.5	1.6	-26.1%	0.2%
Payments for capital assets	43.4	37.5	41.3	66.4	15.3%	6.2%	62.6	71.7	75.6	4.4%	6.7%
Buildings and other fixed structures	26.0	23.7	18.4	26.1	0.1%	3.1%	32.0	33.0	34.8	10.1%	3.0%
Machinery and equipment	16.4	13.7	23.0	40.1	34.6%	3.0%	30.0	38.0	40.0	-0.1%	3.6%
Software and other intangible assets	0.9	0.0	–	0.2	-37.3%	–	0.6	0.7	0.7	46.0%	0.1%
Payments for financial assets	–	–	–	0.0	–	–	–	–	–	-100.0%	–
Total	815.4	653.3	689.7	907.9	3.6%	100.0%	1 026.4	1 088.1	1 129.9	7.6%	100.0%
Proportion of total programme expenditure to vote expenditure	5.2%	4.3%	4.2%	5.5%	–	–	6.0%	6.3%	6.3%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	1.2	3.9	3.1	3.9	49.3%	0.4%	1.8	1.5	1.6	-26.1%	0.2%
Employee social benefits	1.2	3.9	3.1	3.9	49.3%	0.4%	1.8	1.5	1.6	-26.1%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	12.2	0.0	0.0	–	-100.0%	0.4%	–	–	–	–	–
Water information management	12.2	0.0	0.0	–	-100.0%	0.4%	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.5	0.5	0.7	0.7	11.9%	0.1%	0.5	0.6	0.6	-7.1%	0.1%
Vehicle licences	0.5	0.5	0.7	0.7	11.9%	0.1%	0.5	0.6	0.6	-7.1%	0.1%

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

Personnel information

Table 41.9 Water Planning and Information Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2020			Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23		Unit cost
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Water Planning and Information Management																			
Salary level	1 024	39	877	429.0	0.5	866	494.5	0.6	875	529.5	0.6	875	564.2	0.6	842	585.1	0.7	-0.9%	100.0%
1 – 6	431	1	350	84.8	0.2	348	76.0	0.2	351	82.3	0.2	350	88.5	0.3	332	88.5	0.3	-1.6%	39.9%
7 – 10	291	13	275	132.4	0.5	270	129.7	0.5	277	141.6	0.5	279	152.2	0.5	269	157.6	0.6	-0.1%	31.7%
11 – 12	270	25	233	186.1	0.8	231	261.6	1.1	231	278.2	1.2	230	294.4	1.3	220	299.0	1.4	-1.6%	26.4%
13 – 16	32	–	19	25.7	1.4	17	27.3	1.6	16	27.4	1.7	16	29.1	1.8	21	40.0	1.9	7.3%	2.0%

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 distributing 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 by:
 - implementing 26 large regional bulk infrastructure projects over the medium term
 - transferring funds and monitoring the performance of municipalities on the *regional bulk infrastructure grant* and *water services infrastructure grant* in terms of the annual Division of Revenue Act.

Subprogrammes

- *Strategic Infrastructure Development and Management* provides for the design, construction, commissioning and management of new and existing water resource infrastructure.
- *Operation of Water Resources* funds expenditure on water resource management activities conducted by the department or catchment management agencies within water management areas.
- *Regional Bulk Infrastructure Grant* provides for the development of new infrastructure, and the refurbishment, upgrading and replacement of ageing infrastructure that services extensive areas across municipal boundaries.
- *Water Services Infrastructure Grant* transfers funds to municipalities to provide for the construction of new and the rehabilitation of existing water and sanitation infrastructure. This subprogramme also implements water services infrastructure schemes on behalf of municipalities and transfers infrastructure to water service institutions once construction is completed. The grant allocation prioritises the poorest district municipalities.
- *Accelerated Community Infrastructure Programme* provides for rapid emergency interventions related to the refurbishment of wastewater treatment infrastructure, water conservation, water demand management and municipal water supply; and provides support to farmers with access to limited resources.

Expenditure trends and estimates

Table 41.10 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 (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million					2016/17 - 2019/20		2020/21	2021/22	2022/23	2019/20 - 2022/23	
Strategic Infrastructure Development and Management	1 731.9	1 820.5	2 292.1	2 393.7	11.4%	15.7%	2 476.6	2 408.1	2 447.9	0.7%	17.7%
Operation of Water Resources	165.0	173.0	183.0	193.3	5.4%	1.4%	203.9	215.1	227.0	5.5%	1.5%
Regional Bulk Infrastructure Grant	6 258.2	5 575.7	5 083.3	6 033.1	-1.2%	43.8%	6 767.9	6 326.2	6 656.3	3.3%	47.0%
Water Services Infrastructure Grant	4 117.7	4 440.2	5 508.1	4 525.1	3.2%	35.5%	4 199.6	4 536.5	4 665.8	1.0%	32.7%
Accelerated Community Infrastructure Programme	681.1	136.9	946.5	141.9	-40.7%	3.6%	147.8	157.1	163.0	4.7%	1.1%
Total	12 953.9	12 146.2	14 013.1	13 287.0	0.8%	100.0%	13 795.8	13 643.0	14 160.0	2.1%	100.0%
Change to 2019 Budget estimate				111.9			(117.5)	(1 232.5)	(1 546.2)		
Economic classification	602.8	707.1	1 133.0	498.3	-6.1%	5.6%	412.1	437.1	466.4	-2.2%	3.3%
Current payments											
Compensation of employees	213.5	199.4	211.8	264.5	7.4%	1.7%	290.8	309.0	333.5	8.0%	2.2%
Goods and services ¹	389.2	496.1	921.1	233.8	-15.6%	3.9%	121.3	128.1	133.0	-17.1%	1.1%
of which:											
Consultants: Business and advisory services	62.3	145.1	22.1	100.3	17.2%	0.6%	27.4	28.8	29.9	-33.2%	0.3%
Infrastructure and planning services	43.3	242.5	17.3	50.5	5.2%	0.7%	18.7	19.7	20.5	-26.0%	0.2%
Consumable supplies	0.9	1.0	0.8	4.2	65.5%	–	5.1	5.3	5.4	9.2%	–
Consumables: Stationery, printing and office supplies	4.2	1.8	0.9	3.9	-2.4%	–	5.2	5.4	5.7	13.7%	–
Property payments	6.4	11.8	13.3	11.4	21.2%	0.1%	9.0	9.5	9.9	-4.6%	0.1%
Travel and subsistence	47.1	59.1	18.5	25.7	-18.3%	0.3%	23.7	25.3	26.0	0.4%	0.2%
Interest and rent on land	0.1	11.5	0.0	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies¹	7 441.1	8 157.3	9 915.7	9 109.1	7.0%	66.1%	8 942.1	9 194.9	9 460.4	1.3%	66.9%
Provinces and municipalities	4 680.8	5 134.2	6 740.3	5 735.7	7.0%	42.5%	5 450.8	5 776.4	5 981.8	1.4%	41.8%
Departmental agencies and accounts	1 709.5	1 882.9	2 266.9	2 367.0	11.5%	15.7%	2 447.4	2 377.5	2 420.1	0.7%	17.5%
Foreign governments and international organisations	187.5	110.6	208.2	219.9	5.5%	1.4%	233.1	245.8	254.8	5.0%	1.7%
Public corporations and private enterprises	844.8	1 022.3	694.7	782.9	-2.5%	6.4%	809.3	793.8	802.5	0.8%	5.8%
Non-profit institutions	1.8	0.7	0.2	1.9	1.1%	–	1.1	0.9	0.9	-20.7%	–
Households	16.9	6.6	5.4	1.7	-53.4%	0.1%	0.5	0.5	0.2	-48.4%	–

Table 41.10 Water Infrastructure Development 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 (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
R million											
Payments for capital assets	4 910.0	3 281.9	2 964.4	3 679.6	-9.2%	28.3%	4 441.5	4 011.0	4 233.1	4.8%	29.8%
Buildings and other fixed structures	4 901.4	3 277.4	2 959.0	3 672.5	-9.2%	28.3%	4 435.6	4 004.6	4 226.4	4.8%	29.8%
Machinery and equipment	8.7	4.5	5.4	7.0	-6.7%	-	5.9	6.3	6.7	-1.5%	-
Software and other intangible assets	-	-	-	0.0	-	-	-	-	-	-100.0%	-
Payments for financial assets	-	-	-	0.0	-	-	-	-	-	-100.0%	-
Total	12 953.9	12 146.2	14 013.1	13 287.0	0.8%	100.0%	13 795.8	13 643.0	14 160.0	2.1%	100.0%
Proportion of total programme expenditure to vote expenditure	82.8%	80.4%	84.3%	80.7%	-	-	80.1%	79.0%	79.0%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	4.2	2.1	2.8	1.5	-29.3%	-	0.3	0.3	-	-100.0%	-
Employee social benefits	4.2	2.1	2.8	1.5	-29.3%	-	0.3	0.3	-	-100.0%	-
Households											
Other transfers to households											
Current	12.6	4.5	2.5	0.2	-74.8%	-	0.2	0.2	0.2	5.0%	-
Employee social benefits	12.6	4.5	2.5	0.2	-74.8%	-	0.2	0.2	0.2	5.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	165.0	173.0	183.0	193.3	5.4%	1.4%	203.9	215.1	227.0	5.5%	1.5%
Water Trading Entity	165.0	173.0	183.0	193.3	5.4%	1.4%	203.9	215.1	227.0	5.5%	1.5%
Capital	1 544.5	1 709.9	2 083.9	2 173.8	12.1%	14.3%	2 243.5	2 162.3	2 193.1	0.3%	16.0%
Water Trading Entity	1 544.5	1 709.9	2 083.9	2 173.8	12.1%	14.3%	2 243.5	2 162.3	2 193.1	0.3%	16.0%
Non-profit institutions											
Current	1.8	0.7	0.2	1.6	-4.0%	-	1.1	0.9	0.9	-16.5%	-
Various institutions: 2020 vision for water education programme	1.8	0.7	0.2	1.6	-4.0%	-	1.1	0.9	0.9	-16.5%	-
Foreign governments and international organisations											
Current	187.5	110.6	208.2	219.9	5.5%	1.4%	233.1	245.8	254.8	5.0%	1.7%
Komati Basin Water Authority	187.5	110.6	208.2	219.9	5.5%	1.4%	233.1	245.8	254.8	5.0%	1.7%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	4 680.8	5 134.2	6 740.3	5 735.7	7.0%	42.5%	5 450.8	5 776.4	5 981.8	1.4%	41.8%
Regional bulk infrastructure grant	1 849.8	1 829.0	1 963.0	2 066.4	3.8%	14.7%	2 005.6	2 156.0	2 280.8	3.3%	15.5%
Water services infrastructure grant	2 831.0	3 305.2	4 777.3	3 669.3	9.0%	27.8%	3 445.2	3 620.3	3 701.0	0.3%	26.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	844.8	1 022.3	694.7	782.9	-2.5%	6.4%	809.3	793.8	802.5	0.8%	5.8%
Amatola water board: Regional bulk infrastructure	-	88.6	92.4	185.0	-	0.7%	-	-	-	-100.0%	0.3%
Magalies water board: Regional bulk infrastructure	142.8	52.2	36.0	-	-100.0%	0.4%	98.0	103.4	109.3	-	0.6%
Umgeni water board: Regional bulk infrastructure	423.0	518.4	132.3	320.0	-8.9%	2.7%	579.0	550.9	545.7	19.5%	3.6%
Sedibeng water board: Regional bulk infrastructure	279.0	363.2	434.0	277.9	-0.1%	2.6%	132.3	139.6	147.5	-19.0%	1.3%

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

Personnel information

Table 41.11 Water Infrastructure Development personnel numbers and cost by salary level¹

Water Infrastructure Development	Number of posts estimated for 31 March 2020		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2018/19	2019/20	2020/21	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23									
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	481	12	397	211.8	0.5	414	264.5	0.6	430	290.8	0.7	426	309.0	0.7	438	333.5	0.8	1.9%	100.0%
1 – 6	164	-	116	30.2	0.3	119	29.3	0.2	123	32.7	0.3	119	33.9	0.3	121	36.5	0.3	0.6%	28.2%
7 – 10	204	10	185	91.3	0.5	195	102.0	0.5	207	116.5	0.6	207	124.6	0.6	219	140.5	0.6	3.9%	48.5%
11 – 12	86	2	75	66.6	0.9	78	98.2	1.3	78	104.5	1.3	77	111.1	1.4	77	116.4	1.5	-0.4%	18.2%
13 – 16	27	-	21	23.8	1.1	22	34.9	1.6	22	37.1	1.7	22	39.5	1.8	21	40.0	1.9	-1.5%	5.1%

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

2. Rand million.

Programme 4: Water Sector Regulation

Programme purpose

Ensure the development, implementation, monitoring and review of regulations across the water supply value chain.

Objectives

- Create an enabling environment for the economic and social regulation of water by establishing an independent economic regulator, implementing pricing regulations for water services, and finalising the gazetting and monitoring of the raw water pricing strategy by March 2023.
- Improve the efficiency and effectiveness of water resource management by establishing 7 catchment management agencies by March 2023.
- Ensure the equitable allocation of water resources for social and economic development by processing 80 per cent of water use authorisation applications within 120 working days of receipt by March 2023.
- Strengthen oversight by implementing monitoring programmes for drinking water, wastewater and mine water quality; and implementing mitigation measures in catchments with the potential for acid mine drainage over the medium term.
- 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 by monitoring water use, conducting investigations and providing legal support in cases of unlawful water use on an ongoing basis.

Subprogrammes

- *Water Sector Regulation Management and Support* provides strategic leadership and overall management to the programme.
- *Economic and Social Regulation* ensures that pricing is efficient, equitable and cost reflective to protect the interests of consumers and the sector through the provision of sustainable water resources and water services.
- *Water Use Authorisation and Administration* enables efficient and 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 with standards in the value chain of the water sector, licence conditions and regulations; and ensures enforcement against noncompliance. This includes the management of mine water.
- *Institutional Oversight* provides institutional governance and oversight of all water institutions, and facilitates their establishment and development.

Expenditure trends and estimates

Table 41.12 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19		2016/17 - 2019/20	Average: Expenditure/ Total (%)	2020/21	2021/22	2022/23		
R million											
Water Sector Regulation Management and Support	37.3	28.3	28.2	39.6	2.0%	10.0%	40.4	42.1	43.9	3.5%	9.7%
Economic and Social Regulation	28.4	16.0	17.4	30.5	2.4%	6.9%	32.5	30.9	32.2	1.8%	7.3%
Water Use Authorisation and Administration	58.5	75.7	58.9	75.2	8.7%	20.1%	75.3	78.8	82.3	3.1%	18.1%
Water Supply Services and Sanitation Regulation	20.3	12.1	10.9	62.5	45.4%	7.9%	21.7	22.8	23.8	-27.5%	7.6%
Compliance Monitoring and Enforcement	86.9	99.2	103.9	128.8	14.0%	31.4%	140.4	145.7	151.6	5.6%	32.9%
Institutional Oversight	76.9	76.7	63.5	99.7	9.1%	23.7%	107.1	104.1	108.6	2.9%	24.4%
Total	308.2	308.1	282.6	436.3	12.3%	100.0%	417.5	424.4	442.3	0.5%	100.0%
Change to 2019				(26.3)			(22.4)	(28.9)	(28.1)		
Budget estimate											

Table 41.12 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 (%)		Average Expenditure/ Total (%)	
	2016/17	2017/18	2018/19		2016/17 - 2019/20	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2019/20 - 2022/23	2019/20 - 2022/23	
	R million												
Current payments	295.2	303.4	276.2	423.5	12.8%	97.2%	405.2	412.4	429.5	0.5%	97.1%		
Compensation of employees	165.9	233.5	227.2	259.2	16.0%	66.3%	277.9	295.8	306.8	5.8%	66.2%		
Goods and services ¹	129.3	70.0	49.0	164.3	8.3%	30.9%	127.3	116.6	122.7	-9.3%	30.9%		
<i>of which:</i>													
Computer services	0.2	–	13.2	14.2	296.1%	2.1%	11.6	12.2	12.7	-3.6%	3.0%		
Consultants: Business and advisory services	37.3	20.2	5.5	92.1	35.2%	11.6%	51.6	36.9	39.0	-24.9%	12.8%		
Labouratory services	1.6	0.8	1.4	4.7	42.2%	0.6%	3.6	5.5	5.8	6.8%	1.1%		
Consumables: Stationery, printing and office supplies	3.9	1.9	0.6	3.8	-1.1%	0.8%	4.7	5.2	5.4	12.4%	1.1%		
Travel and subsistence	43.9	30.3	16.2	25.8	-16.2%	8.7%	24.4	25.1	26.9	1.4%	5.9%		
Training and development	5.9	0.7	0.2	2.3	-27.1%	0.7%	3.4	4.3	4.4	24.8%	0.8%		
Transfers and subsidies¹	5.2	0.2	1.7	0.7	-49.1%	0.6%	0.8	0.8	0.9	8.8%	0.2%		
Departmental agencies and accounts	2.0	–	–	–	-100.0%	0.1%	–	–	–	–	–		
Non-profit institutions	0.8	0.1	1.0	–	-100.0%	0.1%	–	–	–	–	–		
Households	2.4	0.2	0.7	0.7	-34.0%	0.3%	0.8	0.8	0.9	8.8%	0.2%		
Payments for capital assets	7.8	4.4	4.8	12.1	15.6%	2.2%	11.4	11.2	11.9	-0.5%	2.7%		
Machinery and equipment	7.8	4.4	4.8	12.1	15.6%	2.2%	11.4	11.2	11.9	-0.5%	2.7%		
Total	308.2	308.1	282.6	436.3	12.3%	100.0%	417.5	424.4	442.3	0.5%	100.0%		
Proportion of total programme expenditure to vote expenditure	2.0%	2.0%	1.7%	2.6%	–	–	2.4%	2.5%	2.5%	–	–		
Details of transfers and subsidies													
Households													
Social benefits													
Current	2.4	0.2	0.6	0.7	-34.0%	0.3%	0.8	0.8	0.9	8.8%	0.2%		
Employee social benefits	2.4	0.2	0.6	0.7	-34.0%	0.3%	0.8	0.8	0.9	8.8%	0.2%		
Other transfers to households													
Current	–	–	0.1	–	–	–	–	–	–	–	–		
Employee social benefits	–	–	0.1	–	–	–	–	–	–	–	–		
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	2.0	–	–	–	-100.0%	0.1%	–	–	–	–	–		
Water Research Commission	2.0	–	–	–	-100.0%	0.1%	–	–	–	–	–		
Non-profit institutions													
Current	0.8	0.1	1.0	–	-100.0%	0.1%	–	–	–	–	–		
Employee social benefits	–	0.1	–	–	–	–	–	–	–	–	–		
Water Institute of Southern Africa	0.8	–	1.0	–	-100.0%	0.1%	–	–	–	–	–		

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

Personnel information

Table 41.13 Water Sector Regulation personnel numbers and cost by salary level¹

Salary level	Number of posts estimated for 31 March 2020		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2018/19		2019/20		2020/21		2021/22		2022/23								
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Water Sector Regulation	420	19	385	227.2	0.6	471	259.1	0.6	474	277.9	0.6	472	295.8	0.6	463	306.8	0.7	-0.6%	100.0%
1 – 6	64	2	54	14.5	0.3	70	14.0	0.2	68	14.6	0.2	67	15.4	0.2	69	17.0	0.2	-0.5%	14.6%
7 – 10	214	9	200	100.5	0.5	255	104.4	0.4	260	113.7	0.4	259	121.3	0.5	254	127.2	0.5	-0.1%	54.7%
11 – 12	99	8	100	76.5	0.8	110	98.4	0.9	110	104.6	1.0	110	111.2	1.0	104	111.8	1.1	-1.9%	23.1%
13 – 16	43	–	31	35.7	1.2	36	42.3	1.2	36	45.0	1.3	36	47.9	1.3	36	50.9	1.4	–	7.7%

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

2. Rand million.

Entities

Consolidated water boards

Selected performance indicators

Table 41.14 Consolidated water boards performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Volume ¹ of bulk water sales by Amatola water board per year	Water board activities		33 208	32 208	31 432	32 131	32 701	34 205	39 521
Volume ¹ of bulk water sales by Bloem water board per year	Water board activities		74 922	77 937	81 118	93 246	94 179	95 121	96 072
Volume ¹ of bulk water sales by Lepelle Northern water board per year	Water board activities		89 388	93 813	89 440	93 994	93 994	93 994	93 994
Volume ¹ of bulk water sales by Magalies water board per year	Water board activities	Priority 4: Spatial integration, human settlements and local government	83 221	90 595	92 321	93 503	93 791	94 259	94 731
Volume ¹ of bulk water sales by Mhlathuze water board per year	Water board activities		42 067	43 352	45 106	45 781	45 781	85 136	69 309
Volume ¹ of bulk water sales by Overberg water board per year	Water board activities		4 126	3 445	3 265	3 625	3 622	3 626	3 589
Volume ¹ of bulk water sales by Rand Water per year	Water board activities		1 611 234	1 534 860	1 714 308	1 684 326	1 712 503	1 741 173	770 345
Volume ¹ of bulk water sales by Sedibeng water board per year	Water board activities		115 433	118 299	122 551	126 419	125 782	127 040	128 310
Volume ¹ of bulk water sales by Umgeni Water per year	Water board activities		409 887	434 568	471 801	509 862	526 026	534 689	542 709

1. Measured in megalitres.

Entity overview

Water boards derive their mandates from the Water Services Act (1997) and are listed under schedule 3B in the Public Finance Management Act (1999). There are 9 water boards, which are primarily mandated to provide bulk industrial and potable water services to municipalities and industries within their gazetted areas of operation. The water boards vary in size, activities, customer mix, revenue base and capacity. Rand Water and Umgeni Water, which are discussed separately, operate largely in urban areas while others operate in rural areas. In addition to responding to their core mandate, some water boards provide retail water and sanitation services on behalf of municipalities as secondary activities.

Consolidated expenditure is expected to increase at an average annual rate of 9.9 per cent, from R21.7 billion in 2019/20 to R28.8 billion in 2022/23. This is mainly due to increases in the purchase of raw water, and costs related to energy, pumping and chemicals. Accordingly, spending on bulk water activities is expected to increase at an average annual rate of 11.3 per cent, from R15.7 billion in 2019/20 to R21.7 billion in 2022/23. The water boards' capital expenditure is expected to increase at an average annual rate of 12.5 per cent, from R7.2 billion in 2019/20 to R10.2 billion in 2022/23. Revenue, which is expected to amount to R98.1 billion over the MTEF period, is generated from the sale of bulk water and other sources such as interest, dividends and rent on land.

Programmes/Objectives/Activities

Table 41.15 Consolidated Water Boards expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Administration	3 860.1	5 016.3	5 616.8	5 922.6	15.3%	27.4%	6 140.2	6 630.9	7 104.0	6.3%	25.8%
Bulk activities	12 127.7	12 131.9	13 718.3	15 745.7	9.1%	72.6%	17 603.3	19 544.0	21 683.0	11.3%	74.2%
Total	15 987.9	17 148.3	19 335.2	21 668.3	10.7%	100.0%	23 743.5	26 174.9	28 787.0	9.9%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 41.16 Consolidated Water Boards statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2016/17	Budget	2017/18	Budget	2018/19			
Revenue									
Non-tax revenue	18 089.1	19 357.3	21 371.3	21 523.4	24 107.5	24 785.5	26 856.4	27 132.1	102.6%
Sale of goods and services other than capital assets	17 651.7	18 527.7	20 871.5	20 643.1	23 622.0	23 691.0	26 200.7	26 410.4	101.0%
<i>of which:</i>									
Administrative fees	44.3	148.5	107.7	76.3	153.6	36.4	118.5	66.2	77.2%
Sales of bulk water	17 566.5	18 379.1	20 726.5	20 566.8	23 468.5	23 654.6	26 082.2	26 344.2	101.3%
Other sales	40.9	—	37.3	—	—	—	—	—	—
Other non-tax revenue	437.4	829.6	499.7	880.3	485.4	1 094.4	655.7	721.7	169.7%
Transfers received	—	—	—	302.3	92.4	514.6	185.0	185.0	361.2%
Total revenue	18 089.1	19 357.3	21 371.3	21 825.7	24 199.9	25 300.1	27 041.4	27 317.1	103.4%
Expenses									
Current expenses	1 985.1	15 882.3	2 228.2	17 083.4	19 305.9	19 277.9	21 254.8	21 543.7	164.8%
Compensation of employees	496.3	3 545.3	550.4	4 216.6	4 069.5	4 528.3	4 330.9	4 375.5	176.4%
Goods and services	1 237.8	11 053.1	1 335.8	11 427.4	13 702.2	13 160.0	15 120.0	15 662.2	163.4%
Depreciation	228.9	1 063.0	275.8	1 203.5	1 345.9	1 301.9	1 519.5	1 410.8	147.7%
Interest, dividends and rent on land	22.0	220.8	66.3	235.8	188.3	287.7	284.4	95.2	149.6%
Transfers and subsidies	106.8	105.6	117.7	64.9	104.9	57.3	124.6	124.6	77.6%
Total expenses	2 091.9	15 987.9	2 345.9	17 148.3	19 410.8	19 335.2	21 379.4	21 668.3	163.9%
Surplus/(Deficit)	15 997.2	3 369.4	19 025.3	4 677.5	4 789.0	5 964.9	5 662.0	5 648.8	
Cash flow statement									
Cash flow from operating activities	3 595.1	3 269.3	5 450.4	4 988.8	6 082.5	6 390.1	7 069.1	6 303.4	94.4%
Receipts									
Non-tax receipts	18 805.1	18 265.0	20 620.5	20 627.7	23 085.4	23 873.6	26 047.1	25 910.9	100.1%
Sales of goods and services other than capital assets	18 346.6	17 790.9	20 123.9	20 061.2	22 512.3	23 011.4	25 324.8	25 326.8	99.9%
<i>of which:</i>									
Administrative fees	44.3	8.1	46.0	52.4	33.0	36.4	34.3	35.1	83.7%
Sales of bulk water	18 068.5	17 331.0	19 676.4	19 634.1	22 190.5	22 646.4	24 962.1	24 975.0	99.6%
Other sales	233.8	451.7	401.6	374.6	288.7	328.6	328.3	316.7	117.5%
Other tax receipts	458.4	474.1	496.6	566.6	573.1	862.3	722.3	584.1	110.5%
Transfers received	459.9	51.9	521.7	183.9	434.0	622.4	212.5	462.9	81.1%
Total receipts	19 265.0	18 316.9	21 142.2	20 811.7	23 519.4	24 496.1	26 259.6	26 373.8	99.8%
Payment									
Current payments	15 669.9	15 047.6	15 691.8	15 822.9	17 436.9	18 106.0	19 190.5	20 070.3	101.6%
Compensation of employees	3 490.8	3 297.7	3 681.6	3 621.1	4 004.3	4 376.8	4 251.3	4 360.6	101.5%
Goods and services	11 630.4	11 307.6	11 472.8	11 891.2	13 223.3	13 194.4	14 140.9	15 158.7	102.1%
Interest and rent on land	548.7	442.3	537.4	310.7	209.3	534.8	798.2	551.0	87.8%
Total payments	15 669.9	15 047.6	15 691.8	15 822.9	17 436.9	18 106.0	19 190.5	20 070.3	101.6%
Net cash flow from advancing activities (Financial Institutions only)	22.6	—	56.7	—	—	—	—	—	—
Other	22.6	—	56.7	—	—	—	—	—	—
Net cash flow from investing activities	(5 033.7)	(4 672.1)	(6 815.9)	(3 983.7)	(8 102.6)	(4 314.7)	(11 560.4)	(7 121.1)	63.8%
Acquisition of property, plant, equipment and intangible assets	(6 105.5)	(4 735.8)	(6 470.6)	(3 305.3)	(7 942.9)	(3 397.5)	(10 527.4)	(7 157.8)	59.9%
Acquisition of software and other intangible assets	(3.9)	(54.8)	(2.4)	(22.2)	(7.5)	(51.9)	(3.9)	(3.3)	743.6%
Proceeds from the sale of property, plant, equipment and intangible assets	(1)	5	—	3	—	6	—	—	-1 196.5%
Other flows from investing activities	1 077.0	113.1	(343.0)	(659.5)	(152.2)	(871.3)	(1 029.1)	39.9	308.1%
Net cash flow from financing activities	995.5	412.9	1 521.7	195.3	1 239.4	(746.6)	4 032.2	201.5	0.8%
Deferred income	561.0	568.4	758.6	454.7	351.4	151.6	585.6	320.0	66.2%
Borrowing activities	445.1	(151.4)	743.5	(173.3)	1 007.4	(843.3)	3 658.4	(20.1)	-20.3%
Repayment of finance leases	—	(4)	—	(8)	—	(7)	—	—	—
Other flows from financing activities	(10.5)	—	19.7	(78.4)	(119.4)	(48.2)	(211.8)	(98.4)	69.9%
Net increase/(decrease) in cash and cash equivalents	(420.4)	(989.9)	212.8	1 200.4	(780.7)	1 328.7	(459.1)	(616.2)	

Table 41.16 Consolidated Water Boards statements of historical financial performance, cash flow and financial position

Statement of financial position									
R million	2016/17		2017/18		2018/19		2019/20		Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Carrying value of assets	37 954.5	38 225.3	42 567.1	40 909.0	47 630.8	43 110.3	56 749.8	52 445.7	94.5%
Acquisition of assets	(6 105.5)	(4 735.8)	(6 470.6)	(3 305.3)	(7 942.9)	(3 397.5)	(10 527.4)	(7 157.8)	59.9%
Investments	1 729.9	2 718.1	2 518.5	3 557.6	2 840.3	4 264.1	3 972.6	2 927.3	121.7%
Inventory	216.8	525.0	234.3	632.8	586.0	660.7	614.5	681.7	151.4%
Loans	85.1	4.6	5.1	4.1	4.5	3.8	4.5	4.0	16.7%
Accrued investment interest	28.4	35.6	28.4	44.0	38.0	79.4	38.0	44.0	152.9%
Receivables and prepayments	4 673.7	7 367.8	5 123.0	8 214.7	7 581.8	8 888.7	7 381.4	7 782.1	130.3%
Cash and cash equivalents	2 466.7	1 876.7	2 833.3	2 954.1	3 021.6	5 459.4	3 903.7	4 492.3	120.9%
Non-current assets held for sale	–	1	–	2	–	329	–	–	–
Defined benefit plan assets	45.4	58.9	61.9	16.7	45.6	2.2	45.6	31.2	55.0%
Taxation	–	40.1	–	188.7	–	194.5	–	–	–
Total assets	47 200.4	50 852.6	53 371.5	56 524.0	61 748.7	62 991.8	72 710.0	68 408.3	101.6%
Accumulated surplus/(deficit)	25 397.7	29 016.9	29 848.8	34 670.7	37 420.7	40 445.0	42 780.0	44 281.7	109.6%
Capital and reserves	4 039.8	3 456.8	4 535.9	3 420.7	4 124.5	3 430.9	4 124.6	3 693.6	83.2%
Capital reserve fund	70.2	116.6	70.2	492.4	919.4	165.1	1 183.9	1 191.7	87.6%
Borrowings	7 771.8	6 793.3	7 565.8	6 610.2	7 623.6	6 454.8	11 699.1	7 004.0	77.5%
Finance lease	1.3	20.6	–	12.9	–	8.3	–	–	3 347.4%
Accrued interest	58.2	57.5	56.8	56.0	76.0	53.7	77.0	55.3	83.0%
Deferred income	2 126	2 606	2 563	1 769	1 435	2 068	1 422	1 129	100.3%
Trade and other payables	6 683.9	7 698.7	7 377.3	8 215.3	7 299.4	8 721.3	7 705.2	7 333.9	110.0%
Benefits payable	1.5	–	1.6	–	–	–	–	–	–
Taxation	7.1	–	6.5	102.3	8.4	79.8	9.2	12.4	624.1%
Provisions	967.4	973.5	1 139.4	938.3	2 648.5	956.9	3 511.2	3 434.7	76.3%
Managed funds (e.g. poverty alleviation fund)	5	–	–	–	–	–	–	–	–
Derivatives financial instruments	71	112	106	236	193	608	198	272	216.3%
Total equity and liabilities	47 200.4	50 852.6	53 271.5	56 524.0	61 748.7	62 991.8	72 710.0	68 408.3	101.6%

Statements of estimates of financial performance, cash flow and financial position**Table 41.17 Consolidated Water Boards statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)	
				2019/20	2016/17 - 2019/20	2020/21			2021/22
Revenue									
Non-tax revenue	27 132.1	11.9%	99.0%	29 479.9	32 573.0	36 042.6	9.9%	99.8%	
Sale of goods and services other than capital assets	26 410.4	12.5%	95.2%	28 852.8	31 939.4	35 400.5	10.3%	97.7%	
Administrative fees	66.2	-23.6%	0.4%	70.7	75.5	80.6	6.8%	0.2%	
Sales of bulk water	26 344.2	12.8%	94.8%	28 782.1	31 863.9	35 319.9	10.3%	97.5%	
Other non-tax revenue	721.7	-4.5%	3.8%	627.0	633.6	642.2	-3.8%	2.1%	
Transfers received	185.0	–	1.0%	–	–	–	-100.0%	0.2%	
Total revenue	27 317.1	12.2%	100.0%	29 479.9	32 573.0	36 042.6	9.7%	100.0%	
Current expenses	21 543.7	10.7%	99.5%	23 607.8	26 027.1	28 626.0	9.9%	99.4%	
Compensation of employees	4 375.5	7.3%	22.6%	4 653.5	5 019.4	5 412.7	7.3%	19.4%	
Goods and services	15 662.2	12.3%	69.0%	17 249.1	19 095.9	21 127.3	10.5%	72.8%	
Depreciation	1 410.8	9.9%	6.7%	1 559.0	1 756.1	1 931.2	11.0%	6.6%	
Interest, dividends and rent on land	95.2	-24.5%	1.2%	146.2	155.7	154.9	17.6%	0.5%	
Transfers and subsidies	124.6	5.7%	0.5%	135.7	147.8	161.0	8.9%	0.6%	
Total expenses	21 668.3	10.7%	100.0%	23 743.5	26 174.9	28 787.0	9.9%	100.0%	
Surplus/(Deficit)	5 648.8			5 736.4	6 398.1	7 255.6			
Cash flow statement									
Cash flow from operating activities	6 303.4	24.5%	290.4%	6 794.9	7 430.5	9 460.7	63.0%	295.4%	
Receipts									
Non-tax receipts	25 910.9	12.4%	98.6%	28 575.6	31 562.9	34 900.5	10.4%	99.6%	
Sales of goods and services other than capital assets	25 326.8	12.5%	95.9%	28 126.2	31 064.9	34 449.2	10.8%	97.9%	
Administrative fees	35.1	63.0%	0.1%	37.4	45.4	39.5	4.0%	0.1%	
Sales of bulk water	24 975.0	13.0%	94.0%	27 568.7	30 404.7	33 758.5	10.6%	96.1%	
Other sales	316.7	-11.2%	1.7%	520.0	614.8	651.1	27.2%	1.7%	
Other tax receipts	584.1	7.2%	2.8%	449.4	498.0	451.4	-8.2%	1.7%	
Transfers received	462.9	107.3%	1.4%	–	–	–	-100.0%	0.4%	
Total receipts	26 373.8	12.9%	100.0%	28 575.6	31 562.9	34 900.5	9.8%	100.0%	
Current payments	20 070.3	10.1%	93.2%	21 780.6	24 132.5	25 439.8	8.2%	100.0%	
Compensation of employees	4 360.6	9.8%	21.1%	4 542.3	4 933.4	5 327.1	6.9%	21.0%	
Goods and services	15 158.7	10.3%	69.6%	16 549.7	18 432.9	19 178.8	8.2%	75.8%	
Interest and rent on land	551.0	7.6%	2.5%	688.6	766.1	933.9	19.2%	3.2%	
Total payment	20 070.3	10.1%	100.0%	21 780.6	24 132.5	25 439.8	8.2%	100.0%	

Table 41.17 Consolidated Water Boards statements of estimates of financial performance, cash flow and financial position

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2019/20	2016/17 - 2019/20	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	2019/20 - 2022/23
Net cash flow from investing activities	(7 121.1)	15.1%	100.0%	(8 890.5)	(10 611.0)	(10 057.1)	12.2%	100.0%
Acquisition of property, plant, equipment and intangible assets	(7 157.8)	14.8%	90.9%	(9 728.1)	(10 865.5)	(10 195.5)	12.5%	103.4%
Acquisition of software and other intangible assets	(3.3)	-60.9%	0.7%	(3.3)	(1.7)	(2.7)	-6.4%	0.0%
Other flows from investing activities	40	-29.3%	8.4%	841	256	141	52.3%	-3.5%
Net cash flow from financing activities	201.5	-21.3%	100.0%	(64.3)	3 082.6	701.9	51.6%	100.0%
Deferred income	320.0	-17.4%	127.3%	809.3	793.8	802.5	35.9%	-240.1%
Borrowing Activities	(20)	-49.0%	-5.6%	(910)	2 386	16	-193.5%	371.3%
Other flows from financing activities	(98.4)	-	-20.6%	36.0	(97.3)	(117.0)	5.9%	-31.2%
Net increase/(decrease) in cash and cash equivalents	(616.2)	-14.6%	100.0%	(2 159.9)	(98.0)	105.6	-155.5%	100.0%
Statement of financial position								
Carrying value of assets	52 445.7	11.1%	73.2%	61 375.2	69 886.5	78 572.1	14.4%	81.3%
Acquisition of assets	(7 157.8)	14.8%	-7.8%	(9 728.1)	(10 865.5)	(10 195.5)	12.5%	-11.8%
Investments	2 927.3	2.5%	5.7%	1 823.2	1 458.4	1 310.7	-23.5%	2.5%
Inventory	681.7	9.1%	1.0%	710.9	753.7	792.8	5.2%	0.9%
Loans	4.0	-4.4%	0.0%	4.0	4.0	3.9	-0.7%	0.0%
Accrued investment interest	44	7.3%	0.1%	44	44	44	-	0.1%
Receivables and prepayments	7 782.1	1.8%	13.6%	8 205.0	9 764.1	8 741.9	4.0%	10.8%
Cash and cash equivalents	4 492	33.8%	6.0%	2 760	3 011	3 521	-7.8%	4.4%
Defined benefit plan assets	31.2	-19.1%	0.0%	31.2	31.2	31.2	-	0.0%
Total assets	68 408.3	10.4%	100.0%	74 953.8	84 953.0	93 018.0	10.8%	100.0%
Accumulated surplus/(deficit)	44 281.7	15.1%	61.8%	50 104.5	56 433.5	63 814.7	13.0%	66.7%
Capital and reserves	3 693.6	2.2%	5.9%	3 693.7	3 413.5	3 422.6	-2.5%	4.5%
Capital reserve fund	1 191.7	117.0%	0.8%	1 170.2	1 149.0	1 128.0	-1.8%	1.5%
Borrowings	7 004.0	1.0%	11.4%	6 421.6	9 140.3	9 652.5	11.3%	10.0%
Finance lease	-	-100.0%	0.0%	-	6.4	4.1	-	0.0%
Accrued interest	55	-1.3%	0.1%	34	34	34	-15.3%	0.1%
Deferred income	1 129	-24.3%	3.3%	1 097	4 071	4 082	53.5%	3.1%
Trade and other payables	7 333.9	-1.6%	13.6%	7 944.2	9 153.6	9 224.9	7.9%	10.5%
Taxation	12.4	-	0.1%	14.4	13.6	16.9	10.7%	0.0%
Provisions	3 434.7	52.2%	2.5%	4 314.8	1 380.7	1 482.9	-24.4%	3.5%
Derivatives financial instruments	272	34.4%	0.5%	159	158	156	-16.9%	0.2%
Total equity and liabilities	68 408.3	10.4%	100.0%	74 953.8	84 953.1	93 018.0	10.8%	100.0%

Rand Water

Selected performance indicators

Table 41.18 Rand Water performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Avoidable water loss as a percentage of total water produced (non-revenue water) per year	Administration	Priority 4: Spatial integration, human settlements and local government	3.5%	4%	3%	4%	4%	4%	4%
Cost per kilolitre per year	Bulk water activities		R7.56	R8.33	R9.35	R10.09	R10.75	R11.99	R13.07
Volume of water sold (average megalitre per day)	Bulk water activities		1 611 234	1 534 860	1 714 308	1 684 326	1 712 503	1 741 173	1 770 345

Entity overview

Rand Water was established in terms of the Water Services Act (1997) and is categorised as a national government business enterprise in terms of schedule 3B of the Public Finance Management Act (1999). The water board serves approximately 19 million people, with the Vaal River system supplying 98 per cent of its bulk water. Rand Water stores, treats and delivers potable water to municipalities, mines and industries in and around Gauteng.

Over the medium term, the water board will continue to focus on its primary bulk water activities at an estimated cost of R39.7 billion, accounting for 79.5 per cent of its total expenditure. Spending on bulk water activities is expected to increase at an average annual rate of 12.9 per cent, from R10.3 billion in 2019/20 to R14.8 billion in 2022/23. Accordingly, spending on goods and services is expected to increase at an average annual rate of 11.3 per cent, from R10.7 billion in 2019/20 to R14.7 billion in 2022/23; and spending on compensation of employees is expected to increase at an average annual rate of 7.9 per cent, from R2 billion in 2019/20 to R2.6 billion in 2022/23. This is in line with the water board's expected increase in personnel by 32 over the period ahead to assist with its planned expansion of service coverage.

Spending on capital assets is expected to increase at an annual average rate of 20.1 per cent, from R3.7 billion in 2019/20 to R6.3 billion in 2022/23, mainly driven by spending on Zuikerbosch pumping station 5. Over the same period, the water board will also implement the Sedibeng regional sewer scheme, which includes upgrading the Leeuwkuil and Meyerton wastewater treatment plants, at an estimated cost of R5.5 billion.

Bulk water sales constitute 98.3 per cent (R61.7 billion) of total revenue over the medium term, increasing at an average annual rate of 10.4 per cent, from R16.9 billion in 2019/20 to R22.7 billion in 2022/23. The increase in revenue is driven by the volume of water sold, which is expected to increase to 1 770 345 megalitres by 2022/23, with tariffs expected to increase to R13.07 per kilolitre by 2022/23.

Programmes/Objectives/Activities

Table 41.19 Rand Water statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2016/17 - 2019/20
Revenue									
Non-tax revenue	10 909.3	12 231.8	13 613.7	13 692.8	15 288.0	15 765.3	17 086.9	17 198.1	103.5%
Sale of goods and services other than capital assets	10 712.0	11 856.8	13 366.1	13 328.8	15 103.0	15 269.2	16 845.9	16 910.2	102.4%
<i>of which:</i>									
<i>Sales of bulk water</i>	10 712.0	11 856.8	13 366.1	13 328.8	15 103.0	15 269.2	16 845.9	16 910.2	102.4%
Other non-tax revenue	197.3	374.9	247.6	364.0	185.0	496.2	241.0	287.9	174.9%
Total revenue	10 909.3	12 231.8	13 613.7	13 692.8	15 288.0	15 765.3	17 086.9	17 198.1	103.5%
Expenses									
Current expenses	8 982.1	9 857.0	10 573.3	10 673.3	11 857.4	12 221.1	13 120.2	13 289.8	103.4%
Compensation of employees	1 813.1	1 837.3	1 920.3	2 365.3	1 988.2	2 443.3	2 150.1	2 042.8	110.4%
Goods and services	6 703.9	7 400.2	8 146.2	7 648.1	9 211.5	9 088.7	10 290.0	10 670.9	101.3%
Depreciation	433.0	438.5	463.1	482.2	551.9	479.2	680.1	576.1	92.9%
Interest, dividends and rent on land	32.2	181.0	43.8	177.7	105.8	209.9	–	–	312.9%
Total expenses	8 982.1	9 857.0	10 573.3	10 673.3	11 857.4	12 221.1	13 120.2	13 289.8	103.4%
Surplus/(Deficit)	1 927.2	2 374.8	3 040.3	3 019.5	3 430.6	3 544.3	3 966.7	3 908.2	
Cash flow statement									
Cash flow from operating activities	1 842.6	1 541.9	3 321.5	2 451.5	3 958.4	3 567.0	4 540.9	4 128.4	85.5%
Receipts									
Non-tax receipts	11 867.7	12 231.8	13 368.5	13 692.8	15 288.0	15 946.3	17 086.9	17 198.1	102.5%
Sales of goods and services other than capital assets	11 794.8	12 037.6	13 278.5	13 475.5	15 182.2	15 618.7	16 929.3	16 999.8	101.7%
<i>Sales of bulk water</i>	11 794.8	11 856.8	13 120.9	13 328.8	15 103.0	15 473.5	16 845.9	16 910.2	101.2%
<i>Other sales</i>	–	180.8	157.7	146.7	79.2	145.2	83.5	89.6	175.5%
Other tax receipts	72.8	194.2	89.9	217.3	105.8	327.6	157.5	198.3	220.0%
Total receipts	11 867.7	12 231.8	13 368.5	13 692.8	15 288.0	15 946.3	17 086.9	17 198.1	102.5%
Payment									
Current payments	10 025.0	10 689.9	10 046.9	11 241.3	11 329.6	12 379.4	12 545.9	13 069.7	107.8%
Compensation of employees	1 903.1	1 837.3	1 920.3	1 964.7	1 988.2	2 547.7	2 150.1	2 042.8	105.4%
Goods and services	7 659.4	8 671.5	7 688.9	9 026.5	9 235.6	9 377.0	9 890.0	10 590.3	109.3%
Interest and rent on land	462.6	181.0	437.7	250.2	105.8	454.7	505.9	436.5	87.5%
Total payments	10 025.0	10 689.9	10 046.9	11 241.3	11 329.6	12 379.4	12 545.9	13 069.7	107.8%
Net cash flow from investing activities	(2 650.4)	(2 204.5)	(3 346.1)	(1 444.3)	(4 186.1)	(2 007.5)	(6 181.0)	(3 651.1)	56.9%
Acquisition of property, plant, equipment and intangible assets	(2 722.7)	(2 205.8)	(3 331.3)	(1 443.2)	(4 186.1)	(1 111.3)	(6 181.0)	(3 651.2)	51.2%
Acquisition of software and other intangible assets	–	(1.8)	–	(1.6)	–	(1.6)	–	–	–
Proceeds from the sale of property, plant, equipment and intangible assets	0.4	2.5	–	0.0	–	5.1	–	–	1 833.3%
Other flows from investing activities	71.9	0.6	(14.8)	0.5	0.0	(899.8)	0.0	0.0	-1 573.4%
Net cash flow from financing activities	382.7	–	5.4	(17.3)	584.5	(691.9)	2 354.3	(8.9)	-21.6%
Borrowing activities	403.8	–	5.4	(17.3)	592.3	(691.9)	2 354.3	–	-21.1%
Other flows from financing activities	(21.0)	–	–	–	(7.8)	–	–	(8.9)	30.8%
Net increase/(decrease) in cash and cash equivalents	(425.1)	(662.5)	(19.2)	989.9	356.8	867.6	714.3	468.4	

Table 41.19 Rand Water statements of historical financial performance, cash flow and financial position

Statement of financial position	Audited		Audited		Audited		Budget		Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	estimate	
R million	2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20
Carrying value of assets	20 727.4	20 117.6	23 708.0	21 319.0	26 008.2	22 131.0	32 108.8	27 722.6	89.0%
Acquisition of assets	(2 722.7)	(2 205.8)	(3 331.3)	(1 443.2)	(4 186.1)	(1 111.3)	(6 181.0)	(3 651.2)	51.2%
Investments	389.8	466.0	354.9	463.9	402.3	1 163.9	449.0	457.4	159.9%
Inventory	137.3	409.7	144.1	485.4	453.8	493.7	478.3	538.6	158.8%
Loans	5.1	4.6	5.1	4.1	4.5	3.8	4.5	4.0	85.7%
Receivables and prepayments	1 825.0	2 244.5	2 036.8	2 482.0	2 754.1	2 222.7	2 864.0	3 275.3	107.9%
Cash and cash equivalents	1 045.0	780.2	1 473.5	1 770.1	1 842.9	3 535.8	2 510.3	3 232.8	135.6%
Non-current assets held for sale	–	0.5	–	2.4	–	328.7	–	–	–
Defined benefit plan assets	21.4	10.4	37.9	15.6	45.6	2.2	45.6	30.2	38.9%
Total assets	24 151.0	24 033.5	27 760.3	26 542.5	31 511.3	29 881.9	38 460.5	35 260.9	94.9%
Accumulated surplus/(deficit)	15 272.3	15 688.8	18 664.6	18 452.1	22 189.1	21 769.6	26 155.8	26 651.1	100.3%
Borrowings	4 815.6	4 414.7	4 431.5	4 393.4	4 997.9	4 389.4	7 347.6	4 384.3	81.4%
Deferred income	503.6	401.0	528.5	392.8	444.2	106.3	468.2	445.5	69.2%
Trade and other payables	3 458.2	3 459.8	4 012.8	3 230.1	3 763.1	3 232.2	4 365.6	3 677.2	87.2%
Provisions	30.7	–	46.8	–	35.1	–	35.1	14.5	9.8%
Derivatives financial instruments	70.6	69.2	76.0	74.1	81.9	384.4	88.2	88.2	194.4%
Total equity and liabilities	24 151.0	24 033.5	27 760.3	26 542.5	31 511.3	29 881.9	38 460.5	35 260.9	94.9%

Statements of estimates of financial performance, cash flow and financial position**Table 41.20 Rand Water statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
				2019/20	2020/21	2021/22		
R million								
Revenue								
Non-tax revenue	17 198.1	12.0%	100.0%	18 756.7	20 891.4	23 164.4	10.4%	100.0%
Sale of goods and services other than capital assets	16 910.2	12.6%	97.4%	18 491.1	20 504.8	22 737.9	10.4%	98.3%
Sales of bulk water	16 910.2	12.6%	97.4%	18 491.1	20 504.8	22 737.9	10.4%	98.3%
Other non-tax revenue	287.9	-8.4%	2.6%	265.6	386.6	426.6	14.0%	1.7%
Total revenue	17 198.1	12.0%	100.0%	18 756.7	20 891.4	23 164.4	10.4%	100.0%
Expenses								
Current expenses	13 289.8	10.5%	100.0%	14 727.7	16 422.1	18 272.7	11.2%	100.0%
Compensation of employees	2 042.8	3.6%	19.0%	2 197.8	2 373.4	2 568.5	7.9%	14.7%
Goods and services	10 670.9	13.0%	75.3%	11 843.1	13 207.9	14 726.8	11.3%	80.4%
Depreciation	576.1	9.5%	4.3%	686.7	840.8	977.4	19.3%	4.9%
Total expenses	13 289.8	10.5%	100.0%	14 727.7	16 422.1	18 272.7	11.2%	100.0%
Surplus/(Deficit)	3 908.2			4 029.0	4 469.2	4 891.8		
Cash flow statement								
Cash flow from operating activities	4 128.4	38.9%	296.8%	4 442.6	4 730.3	6 326.5	78.1%	298.6%
Receipts								
Non-tax receipts	17 198.1	12.0%	100.0%	18 756.7	20 891.4	23 164.4	10.4%	100.0%
Sales of goods and services other than capital assets	16 999.8	12.2%	98.4%	18 668.3	20 772.8	23 020.2	10.6%	99.3%
Sales of bulk water	16 910.2	12.6%	97.4%	18 491.1	20 504.8	22 737.9	10.4%	98.3%
Other sales	89.6	-20.9%	1.0%	177.2	268.0	282.4	46.6%	1.0%
Other tax receipts	198.3	0.7%	1.6%	88.5	118.6	144.2	-10.1%	0.7%
Total receipts	17 198.1	12.0%	100.0%	18 756.7	20 891.4	23 164.4	10.4%	100.0%
Current payments	13 069.7	6.9%	103.4%	14 314.1	16 161.0	16 837.9	8.8%	100.0%
Compensation of employees	2 042.8	3.6%	18.3%	2 197.8	2 373.4	2 568.5	7.9%	15.2%
Goods and services	10 590.3	6.9%	82.2%	11 587.5	13 191.2	13 504.4	8.4%	81.0%
Interest and rent on land	436.5	34.1%	2.8%	528.8	596.4	765.0	20.6%	3.8%
Total payment	13 069.7	6.9%	100.0%	14 314.1	16 161.0	16 837.9	8.8%	100.0%
Net cash flow from investing activities	(3 651.1)	18.3%	100.0%	(6 101.1)	(6 995.6)	(6 329.6)	20.1%	100.0%
Acquisition of property, plant, equipment and intangible assets	(3 651.2)	18.3%	88.8%	(6 108.5)	(6 995.7)	(6 329.6)	20.1%	100.0%
Other flows from investing activities	0.0	-64.6%	11.2%	7.4	0.0	0.0	2.6%	-0.0%
Net cash flow from financing activities	(8.9)			(40.1)	2 761.5	389.9	-453.0%	100.0%
Borrowing Activities	–	–	–	48.2	2 761.5	389.9	–	20.0%
Other flows from financing activities	(8.9)	–	–	(88.2)	–	–	-100.0%	80.0%
Net increase/(decrease) in cash and cash equivalents	468.4	-189.1%	100.0%	(1 698.6)	496.2	386.9	-6.2%	100.0%
Statement of financial position								
Carrying value of assets	27 722.6	11.3%	79.2%	33 668.5	40 419.4	46 536.2	18.8%	83.8%
Acquisition of assets	(3 651.2)	18.3%	-7.2%	(6 108.5)	(6 995.7)	(6 329.6)	20.1%	-13.1%
Investments	457.4	-0.6%	2.2%	450.0	450.0	450.0	-0.5%	1.1%
Inventory	538.6	9.6%	1.7%	566.1	594.4	624.7	5.1%	1.3%
Loans	4.0	-4.4%	0.0%	4.0	4.0	3.9	-0.7%	0.0%
Receivables and prepayments	3 275.3	13.4%	8.9%	3 736.7	4 177.9	3 084.8	-2.0%	8.3%
Cash and cash equivalents	3 232.8	60.6%	7.7%	1 534.2	2 030.4	2 417.3	-9.2%	5.5%
Defined benefit plan assets	30.2	42.6%	0.0%	30.2	30.2	30.2	–	0.1%
Total assets	35 260.9	13.6%	100.0%	39 989.7	47 706.2	53 147.1	14.7%	100.0%

Table 41.20 Rand Water statements of estimates of financial performance, cash flow and financial position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)		
				2019/20	2016/17 - 2019/20	2020/21			2021/22	2022/23
				R million						
Accumulated surplus/(deficit)	26 651.1	19.3%	70.8%	30 680.2	35 149.4	40 041.2	14.5%	75.3%		
Borrowings	4 384.3	-0.2%	15.5%	4 427.8	7 188.9	7 578.4	20.0%	13.2%		
Deferred income	445.5	3.6%	1.2%	468.2	491.6	516.7	5.1%	1.1%		
Trade and other payables	3 677.2	2.1%	12.0%	4 399.0	4 861.8	4 996.3	10.8%	10.3%		
Provisions	14.5	-	0.0%	14.5	14.5	14.5	-	0.0%		
Derivatives financial instruments	88.2	8.4%	0.5%	-	-	-	-100.0%	0.1%		
Total equity and liabilities	35 260.9	13.6%	100.0%	39 989.7	47 706.2	53 147.1	14.7%	100.0%		

Personnel information**Table 41.21 Rand Water personnel numbers and cost by salary level**

Number of funded posts	Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
	Number of posts on approved establishment	Number of posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2018/19		2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost			Unit cost		
Rand Water	3 482	3 482	3 468	2 443.3	0.7	3 486	2 042.8	0.6	3 502	2 197.8	0.6	3 512	2 373.4	0.7	3 518	2 568.5	0.7	7.9%	100.0%
1 – 6	691	691	681	182.7	0.3	691	168.0	0.2	691	181.5	0.3	691	196.0	0.3	690	211.7	0.3	8.0%	19.7%
7 – 10	1 882	1 882	1 882	1 168.7	0.6	1 882	859.9	0.5	1 902	934.0	0.5	1 912	1 008.4	0.5	1 912	1 084.3	0.6	8.0%	54.3%
11 – 12	500	500	500	464.2	0.9	500	426.9	0.9	500	461.0	0.9	500	497.9	1.0	500	537.7	1.1	8.0%	14.3%
13 – 16	396	396	391	585.3	1.5	400	550.9	1.4	396	581.3	1.5	396	627.8	1.6	403	688.1	1.7	7.7%	11.4%
17 – 22	13	13	14	42.3	3.0	13	37.1	2.9	13	40.1	3.1	13	43.3	3.3	13	46.8	3.6	8.0%	0.4%

1. Rand million.

Trans-Caledon Tunnel Authority**Selected performance indicators****Table 41.22 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage completion of 160km pipeline per year	Mokolo-Crocodile River water augmentation project	Priority 1: Economic transformation and job creation	- ¹	- ¹	- ¹	- ¹	- ¹	20%	40%
Average volume of acid mine water pumped from the western basin (megalitres per day)	Acid mine drainage		- ¹	- ¹	- ¹	30-33	30-33	24-27	24-27
Environmental critical level of acid mine water within mine voids in the central basin	Acid mine drainage		- ¹	- ¹	- ¹	≥8 metres	6-10 metres	6-10 metres	6-10 metres
Environmental critical level of acid mine water within mine voids in the eastern basin	Acid mine drainage		- ¹	- ¹	- ¹	10-15 metres	10-15 metres	10-15 metres	10-15 metres

1. No historical data available.

Entity overview

The Trans-Caledon Tunnel Authority was established in 1986 as a specialised liability management entity, deriving its mandate from the National Water Act (1998). It is responsible for financing and implementing the development of bulk raw water infrastructure, and providing treasury management services to the Department of Water and Sanitation. The authority plays an important role in providing: financial advisory services such as structuring and raising project finance, managing debt and setting tariffs; project implementation services; and other technical support to the department and water boards. As such, the authority will continue with the planning and implementation of the Vaal River system through phase 2 of the Lesotho Highlands water project, providing a short-term solution to acid mine drainage in Gauteng, and phase 2A of the Mokolo-Crocodile River water augmentation project.

The authority's main cost driver is the Mokolo-Crocodile river water augmentation project, spending on which is expected to increase at an average annual rate of 102.7 per cent, from R157 million in 2019/20 to R3.3 billion in 2022/23, due to the escalation of construction activities. The project comprises the construction of a 160km pipeline and pump station transferring water from the existing Mokolo Dam to supply water to the Lephalale municipality, Exxaro's Grootegeluk coal mine, and Eskom's Matimba and Medupi power stations, all in Limpopo.

The authority's overall debt is expected to increase at an average annual rate of 11.4 per cent, from R28.1 billion in 2019/20 to R34.2 billion in 2023/23. Revenue is generated by tariffs received from completed projects, as well as the subsequent management of debt incurred for the implementation of these. The authority's total revenue is expected to be R13.6 billion over the MTEF period.

Programmes/Objectives/Activities

Table 41.23 Trans-Caledon Tunnel Authority expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	3 631.8	4 124.6	3 814.5	9 273.8	36.7%	75.0%	1 835.9	1 628.6	1 719.4	-43.0%	46.8%
Berg water project	90.8	63.5	57.0	61.7	-12.1%	1.1%	51.3	50.2	39.2	-14.0%	0.8%
Vaal River eastern subsystem augmentation project	383.5	385.4	377.0	364.8	-1.6%	6.2%	338.0	320.6	305.8	-5.7%	5.6%
Mooi-Mgeni transfer scheme	333.4	192.0	190.0	187.3	-17.5%	3.8%	203.0	190.0	199.5	2.1%	3.4%
Olifants River water resource development project	140.2	134.4	60.0	37.5	-35.6%	1.6%	155.7	2.7	2.5	-59.3%	1.2%
Komati water scheme augmentation project	129.9	134.0	128.0	131.8	0.5%	2.1%	122.7	119.8	114.3	-4.7%	2.1%
Mokolo Crocodile water augmentation project	252.1	230.0	157.0	396.3	16.3%	3.9%	459.1	2 782.4	3 302.7	102.7%	28.6%
Acid mine drainage	390.7	353.8	276.5	521.5	10.1%	5.9%	511.7	529.2	556.1	2.2%	9.0%
Kriel	3.3	8.2	1.0	25.0	97.3%	0.1%	0.0	0.0	-	-100.0%	0.1%
Berg River Voelvlei Augmentation Project	-	-	7.1	69.3	-	0.2%	49.1	218.3	272.7	57.9%	2.5%
Total	5 355.7	5 626.0	5 068.1	11 069.1	27.4%	100.0%	3 726.5	5 841.7	6 512.3	-16.2%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 41.24 Trans-Caledon Tunnel Authority statements of historical financial performance, cash flow and financial position

Statement of financial performance								Average: Outcome/ Budget (%) 2016/17 - 2019/20	
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate		Revised estimate
	2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20	
Revenue									
Non-tax revenue	7 241.4	7 659.9	16 922.2	4 951.0	6 778.6	5 266.1	8 789.5	8 789.5	67.1%
Sale of goods and services other than capital assets	4 490.1	2 071.1	5 571.8	2 016.0	3 719.5	2 163.1	4 922.6	4 922.6	59.7%
<i>of which:</i>									
Construction revenue	4 490.1	2 071.1	5 571.8	2 016.0	3 719.5	2 163.1	4 922.6	4 922.6	59.7%
Other non-tax revenue	2 751.2	5 588.8	11 350.4	2 935.0	3 059.1	3 103.0	3 866.8	3 866.8	73.7%
Total revenue	7 241.4	7 659.9	16 922.2	4 951.0	6 778.6	5 266.1	8 789.5	8 789.5	67.1%
Expenses									
Current expenses	9 959.2	5 355.7	10 078.5	5 626.0	8 731.7	5 068.1	11 069.1	11 069.1	68.1%
Compensation of employees	241.7	170.7	208.2	168.0	238.1	178.5	277.2	277.2	82.3%
Goods and services	4 224.7	1 894.7	5 321.2	2 056.9	4 140.8	1 973.0	4 639.5	4 639.5	57.6%
Depreciation	23.7	5.7	7.9	9.8	15.1	10.8	5.9	5.9	61.3%
Interest, dividends and rent on land	5 469.1	3 284.6	4 541.2	3 391.3	4 337.8	2 905.8	6 146.5	6 146.5	76.7%
Total expenses	9 959.2	5 355.7	10 078.5	5 626.0	8 731.7	5 068.1	11 069.1	11 069.1	68.1%
Surplus/(Deficit)	(2 717.8)	2 304.1	6 843.7	(675.0)	(1 953.1)	198.0	(2 279.7)	(2 279.7)	
Cash flow statement									
Cash flow from operating activities	(660.2)	1 051.8	2 095.3	1 061.0	218.0	4 337.0	384.8	384.8	335.4%
Receipts									
Non-tax receipts	6 186.3	5 625.8	8 392.7	6 218.0	6 916.8	9 877.0	7 632.4	7 632.4	100.8%
Sales of goods and services other than capital assets	6 186.3	5 625.8	8 002.2	6 218.0	6 916.8	9 877.0	7 632.4	7 632.4	102.1%
Construction revenue	6 186.3	5 625.8	8 002.2	6 218.0	6 916.8	9 877.0	7 632.4	7 632.4	102.1%
Other tax receipts	-	-	390.6	-	-	-	-	-	-
Total receipts	6 186.3	5 625.8	8 392.7	6 218.0	6 916.8	9 877.0	7 632.4	7 632.4	100.8%
Payment									
Current payments	6 846.5	4 574.0	6 297.4	5 157.0	6 698.8	5 540.0	7 247.6	7 247.6	83.1%
Compensation of employees	241.7	170.7	208.2	168.0	220.5	178.5	277.2	277.2	83.8%
Goods and services	4 047.4	2 056.2	3 380.8	2 787.0	3 955.5	3 156.5	4 665.1	4 665.1	78.9%
Interest and rent on land	2 557.5	2 347.1	2 708.4	2 202.0	2 522.8	2 205.0	2 305.3	2 305.3	89.7%
Total payments	6 846.5	4 574.0	6 297.4	5 157.0	6 698.8	5 540.0	7 247.6	7 247.6	83.1%

Table 41.24 Trans-Caledon Tunnel Authority statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Audited		Audited		Audited		Budget		Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	Revised estimate	
	2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20
Net cash flow from investing activities	(2 887.8)	(1 087.5)	–	2 994.0	427.0	139.0	190.1	191.0	-98.5%
Acquisition of property, plant, equipment and intangible assets	–	(5.2)	–	(1.0)	(0.5)	(1.0)	(3.8)	(2.9)	238.3%
Acquisition of software and other intangible assets	–	(16.2)	–	(4.0)	(1.5)	–	(1.3)	(1.3)	760.6%
Proceeds from the sale of property, plant, equipment and intangible assets	–	9.9	–	1.0	–	–	–	–	–
Other flows from investing activities	(2 887.8)	(1 076.0)	–	2 998.0	429.0	140.0	195.2	195.2	-99.7%
Net cash flow from financing activities	3 548.2	(523.1)	2 553.0	(2 765.0)	(4 226.8)	(5 276.0)	4 393.8	4 393.8	-66.5%
Borrowing activities	3 548.2	(523.1)	2 553.0	(2 765.0)	(4 226.8)	(5 276.0)	4 393.8	4 393.8	-66.5%
Net increase/(decrease) in cash and cash equivalents	0.3	(558.8)	4 648.3	1 290.0	(3 581.8)	(800.0)	4 968.7	4 969.6	
Statement of financial position									
Carrying value of assets	23.0	26.2	14.1	20.0	6.5	10.0	21.0	21.0	119.2%
Acquisition of assets	–	(5.2)	–	(1.0)	(0.5)	(1.0)	(3.8)	(2.9)	238.3%
Investments	9 346.2	3 052.1	–	371.0	1 055.2	482.0	–	–	37.5%
Receivables and prepayments	29 489.5	27 389.4	35 598.8	25 030.0	25 072.5	21 591.0	22 365.4	22 365.4	85.6%
Cash and cash equivalents	–	2 558.9	8 012.4	3 849.0	4 256.5	3 048.0	6 200.9	6 200.9	84.8%
Taxation	–	2.1	–	–	–	–	–	–	–
Total assets	38 858.7	33 028.7	43 625.4	29 270.0	30 390.7	25 131.0	28 587.3	28 587.3	82.0%
Accumulated surplus/(deficit)	(2 596.3)	2 667.4	7 944.0	640.0	1 526.1	836.0	(15.8)	(15.8)	60.2%
Capital and reserves	–	–	34.5	–	–	–	–	–	–
Capital reserve fund	–	–	–	–	1 219.1	–	–	–	–
Borrowings	40 849.5	28 741.0	33 184.7	27 149.0	26 706.6	22 554.0	28 077.3	28 077.3	82.7%
Trade and other payables	605.5	1 164.5	2 462.2	1 044.0	938.9	1 142.0	525.8	525.8	85.5%
Taxation	–	116.2	–	75.0	–	187.0	–	–	–
Provisions	–	339.6	–	362.0	–	412.0	–	–	–
Derivatives financial instruments	–	(0.0)	–	–	–	–	–	–	–
Total equity and liabilities	38 858.7	33 028.7	43 625.4	29 270.0	30 390.7	25 131.0	28 587.3	28 587.3	82.0%

Statements of estimates of financial performance, cash flow and financial position**Table 41.25 Trans-Caledon Tunnel Authority statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2019/20	2016/17 - 2019/20	2020/21			2021/22
Revenue									
Non-tax revenue	8 789.5	4.7%	100.0%	3 621.0	4 768.1	5 219.7	-15.9%	100.0%	
Sale of goods and services other than capital assets	4 922.6	33.5%	41.2%	1 363.0	3 610.4	4 021.4	-6.5%	61.6%	
Construction revenue	4 922.6	33.5%	41.2%	1 363.0	3 610.4	4 021.4	-6.5%	61.6%	
Other non-tax revenue	3 866.8	-11.6%	58.8%	2 258.0	1 157.7	1 198.3	-32.3%	38.4%	
Total revenue	8 789.5	4.7%	100.0%	3 621.0	4 768.1	5 219.7	-15.9%	100.0%	
Current expenses	11 069.1	27.4%	100.0%	3 726.5	5 841.7	6 512.3	-16.2%	100.0%	
Compensation of employees	277.2	17.5%	3.0%	299.9	322.3	338.8	6.9%	5.3%	
Goods and services	4 639.5	34.8%	38.2%	1 050.2	3 273.9	3 672.2	-7.5%	45.6%	
Depreciation	5.9	1.5%	0.1%	13.0	14.1	10.4	20.6%	0.2%	
Interest, dividends and rent on land	6 146.5	23.2%	58.6%	2 363.5	2 231.3	2 490.9	-26.0%	48.8%	
Total expenses	11 069.1	27.4%	100.0%	3 726.5	5 841.7	6 512.3	-16.2%	100.0%	
Surplus/(Deficit)	(2 279.7)			(105.5)	(1 073.6)	(1 292.6)			
Cash flow statement									
Cash flow from operating activities	384.8	-28.5%	300.0%	(327.6)	(1 664.5)	(12 429.1)	25.0%	300.0%	
Receipts									
Non-tax receipts	7 632.4	10.7%	100.0%	9 112.1	9 806.3	9 703.9	8.3%	100.0%	
Sales of goods and services other than capital assets	7 632.4	10.7%	100.0%	9 112.1	9 806.3	9 703.9	8.3%	100.0%	
Construction revenue	7 632.4	10.7%	100.0%	9 112.1	9 806.3	9 703.9	8.3%	100.0%	
Total receipts	7 632.4	10.7%	100.0%	9 112.1	9 806.3	9 703.9	8.3%	100.0%	
Current payments	7 247.6	16.6%	88.0%	9 439.7	11 470.7	22 133.0	45.1%	100.0%	
Compensation of employees	277.2	17.5%	3.0%	299.9	322.3	338.8	6.9%	2.8%	
Goods and services	4 665.1	31.4%	48.1%	6 833.1	9 085.7	19 802.8	61.9%	76.4%	
Interest and rent on land	2 305.3	-0.6%	36.8%	2 306.8	2 062.7	1 991.4	-4.8%	20.8%	
Total payment	7 247.6	16.6%	100.0%	9 439.7	11 470.7	22 133.0	45.1%	100.0%	
Net cash flow from investing activities	191.0	-156.0%	100.0%	442.3	289.0	155.4	-6.6%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(2.9)	-17.3%	-0.5%	(3.2)	(2.0)	(5.6)	24.3%	-1.6%	
Acquisition of software and other intangible assets	(1.3)	-56.5%	0.2%	(13.5)	(3.0)	(3.0)	31.1%	-1.7%	
Net cash flow from financing activities	4 393.8	-303.3%	100.0%	9 545.0	(7 311.0)	12 563.0	41.9%	100.0%	
Borrowing Activities	4 393.8	-303.3%	100.0%	9 545.0	(7 311.0)	12 563.0	41.9%	100.0%	
Net increase/(decrease) in cash and cash equivalents	4 969.6	-307.2%	100.0%	9 659.8	(8 686.5)	289.3	-61.2%	100.0%	

Table 41.25 Trans-Caledon Tunnel Authority statements of estimates of financial performance, cash flow and financial position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2019/20	2020/21	2021/22			2022/23
				2016/17 - 2019/20	2019/20 - 2022/23	2019/20 - 2022/23			
R million									
Carrying value of assets	21.0	-7.0%	0.1%	16.7	7.6	5.9	-34.6%	0.0%	
Acquisition of assets	(2.9)	-17.3%	-0.0%	(3.2)	(2.0)	(5.6)	24.3%	-0.0%	
Receivables and prepayments	22 365.4	-6.5%	83.1%	21 488.6	22 421.5	34 559.7	15.6%	78.4%	
Cash and cash equivalents	6 200.9	34.3%	13.7%	12 875.6	4 131.7	4 420.9	-10.7%	21.5%	
Total assets	28 587.3	-4.7%	100.0%	34 381.0	26 560.9	38 986.5	10.9%	100.0%	
Accumulated surplus/(deficit)	(15.8)	-118.1%	3.4%	972.9	(86.6)	(1 339.8)	339.1%	-0.2%	
Borrowings	28 077.3	-0.8%	91.9%	32 145.5	25 435.0	38 855.8	11.4%	96.8%	
Trade and other payables	525.8	-23.3%	3.4%	887.5	837.4	1 095.4	27.7%	2.6%	
Provisions	–	-100.0%	1.0%	375.1	375.1	375.1	–	0.9%	
Total equity and liabilities	28 587.3	-4.7%	100.0%	34 381.0	26 560.9	38 986.5	10.9%	100.0%	

Personnel information

Table 41.26 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2018/19		2019/20	2019/20		2020/21		2021/22		2022/23									
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Trans-Caledon Tunnel Authority		200	200	146	178.5	1.2	200	277.2	1.4	200	299.9	1.5	200	322.3	1.6	200	338.8	1.7	6.9%	100.0%
Salary level																				
1–6	5	5	1	0.1	0.1	5	1.8	0.4	5	1.9	0.4	5	2.1	0.4	5	2.2	0.4	6.9%	2.5%	
7–10	70	70	47	25.5	0.5	70	46.6	0.7	70	49.9	0.7	70	54.2	0.8	70	57.0	0.8	6.9%	35.0%	
11–12	26	26	20	20.3	1.0	26	27.7	1.1	26	29.6	1.1	26	32.2	1.2	26	33.8	1.3	6.9%	13.0%	
13–16	88	88	68	95.9	1.4	88	159.4	1.8	88	173.8	2.0	88	185.3	2.1	88	194.8	2.2	6.9%	44.0%	
17–22	11	11	10	36.7	3.7	11	41.7	3.8	11	44.7	4.1	11	48.5	4.4	11	51.0	4.6	6.9%	5.5%	

1. Rand million.

Umgeni Water

Selected performance indicators

Table 41.27 Umgeni Water performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Cost per kilolitre per year	Bulk water activities	Priority 4: Spatial integration, human settlements and local government	R3.66	R3.53	R4.12	R5.32	R5.76	R6.31	R6.76
Weighted average cost of capital per year	Bulk water activities		10.59%	10.63%	10.64%	10.71%	10.86%	10.92%	10.99%
Volume of water sold (megalitres) per year	Bulk water activities		409 887	434 568	471 801	509 862	526 026	534 689	542 709

Entity overview

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 and the eThekweni metropolitan area. The water board supplies water to approximately 6 million consumers. Its ongoing objective is to support socioeconomic development through water infrastructure investment in its area of operation. Accordingly, over the medium term, the water board will construct: phase 1 of the Greater Mpofana regional water scheme, the Impendle bulk water supply scheme, and phase 3 of the Maphumulo bulk water supply scheme, targeting largely indigent municipal areas. In addition, to ensure water security, the water board will target augmentation, upgrades and the rehabilitation of projects such as the Lower Umkhomazi bulk water supply scheme and phase 1 of the Umkhomazi water project. As a result, capital expenditure is expected to increase at an average annual rate of 17.4 per cent, from R1.5 billion in 2019/20 to R2.4 billion in 2022/23.

Total expenditure is expected to increase at an average annual rate of 8.5 per cent, from R3.1 billion in 2019/20 to R4 billion in 2022/23. Spending on bulk water activities amounts to R5.8 billion over the medium term, largely driven by goods and services for the purification and transportation of bulk water. Revenue from the sale of bulk water is expected to increase at an average annual rate of 10.1 per cent, from R3 billion in 2019/20 to R5.8 billion in 2022/23. The water board's revenue is mainly generated by the sale of bulk water to customers.

Programmes/Objectives/Activities

Table 41.28 Umgeni Water expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/ Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	771.5	743.2	1 059.8	1 300.8	19.0%	41.1%	1 440.1	1 582.2	1 688.1	9.1%	42.6%
Bulk activities	937.0	1 051.4	1 198.2	1 635.0	20.4%	51.3%	1 772.3	1 903.4	2 074.5	8.3%	52.4%
Waste water	88.2	96.5	103.8	132.5	14.5%	4.5%	142.2	151.5	163.8	7.3%	4.2%
Other activities	153.7	43.7	26.7	30.1	-41.9%	3.1%	25.6	27.2	28.8	-1.5%	0.8%
Total	1 950.4	1 934.7	2 388.4	3 098.4	16.7%	100.0%	3 380.2	3 664.2	3 955.1	8.5%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 41.29 Umgeni Water statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%) 2016/17 - 2019/20
	Budget	2016/17	Budget	2017/18	Budget	2018/19	Budget estimate	2019/20	
Revenue									
Non-tax revenue	2 686.7	2 696.5	3 090.0	3 100.7	3 527.4	3 800.8	4 154.7	4 334.2	103.5%
Sale of goods and services other than capital assets	2 599.9	2 509.5	3 001.8	2 903.7	3 397.6	3 538.5	3 952.6	4 190.9	101.5%
<i>of which:</i>									
<i>Sales of bulk water</i>	2 599.9	2 509.5	3 001.8	2 903.7	3 397.6	3 538.5	3 952.6	4 190.9	101.5%
Other non-tax revenue	86.7	187.0	88.1	196.9	129.9	262.4	202.1	143.4	155.8%
Total revenue	2 686.7	2 696.5	3 090.0	3 100.7	3 527.4	3 800.8	4 154.7	4 334.2	103.5%
Expenses									
Current expenses	1 985.1	1 844.8	2 228.2	1 869.8	2 491.6	2 331.1	2 855.3	2 973.8	94.3%
Compensation of employees	496.3	560.2	550.4	592.4	609.2	674.3	649.9	798.2	113.8%
Goods and services	1 237.8	1 112.7	1 335.8	982.5	1 547.7	1 307.0	1 696.6	1 773.6	89.0%
Depreciation	228.9	170.6	275.8	293.2	293.2	335.8	311.8	382.6	106.5%
Interest, dividends and rent on land	22.0	1.4	66.3	1.7	41.5	14.0	197.1	19.3	11.1%
Transfers and subsidies	106.8	105.6	117.7	64.9	104.9	57.3	124.6	124.6	77.6%
Total expenses	2 091.9	1 950.4	2 345.9	1 934.7	2 596.5	2 388.4	2 980.0	3 098.4	93.6%
Surplus/(Deficit)	594.8	746.1	744.0	1 166.0	930.9	1 412.4	1 174.8	1 235.9	
Cash flow statement									
Cash flow from operating activities	625.1	702.5	1 146.7	1 334.1	1 356.7	1 568.7	1 707.1	1 496.8	105.5%
Receipts									
Non-tax receipts	2 678.2	2 527.6	3 090.0	3 100.7	3 527.4	3 800.8	4 154.7	4 334.2	102.3%
Sales of goods and services other than capital assets	2 599.9	2 423.6	3 001.8	2 903.7	3 397.6	3 538.5	3 952.6	4 190.9	100.8%
<i>Sales of bulk water</i>	2 599.9	2 423.6	3 001.8	2 903.7	3 397.6	3 538.5	3 952.6	4 190.9	100.8%
Other tax receipts	78.3	104.0	88.1	196.9	129.9	262.4	202.1	143.4	141.8%
Transfers received	-	51.9	-	-	-	-	-	-	-
Total receipts	2 678.2	2 579.5	3 090.0	3 100.7	3 527.4	3 800.8	4 154.7	4 334.2	102.7%
Payment									
Current payments	2 053.1	1 877.0	1 943.3	1 766.5	2 170.7	2 232.2	2 447.6	2 837.5	101.1%
Compensation of employees	496.3	560.2	550.4	592.4	609.2	674.3	649.9	798.2	113.8%
Goods and services	1 534.7	1 103.2	1 326.7	1 172.4	1 520.1	1 543.9	1 600.6	2 020.0	97.6%
Interest and rent on land	22.0	213.7	66.3	1.7	41.5	14.0	197.1	19.3	76.1%
Total payments	2 053.1	1 877.0	1 943.3	1 766.5	2 170.7	2 232.2	2 447.6	2 837.5	101.1%
Net cash flow from investing activities	(749.9)	(1 013.9)	(1 632.4)	(1 630.5)	(1 734.5)	(1 530.8)	(3 865.3)	(1 365.9)	69.4%
Acquisition of property, plant, equipment and intangible assets	(1 977.9)	(1 126.0)	(1 503.4)	(972.3)	(1 652.3)	(1 161.7)	(2 847.9)	(1 510.7)	59.8%
Acquisition of software and other intangible assets	-	(46.2)	-	(17.3)	-	(42.2)	(0.2)	(0.2)	61 952.6%
Proceeds from the sale of property, plant, equipment and intangible assets	-	2.1	-	0.4	-	-	-	-	-
Other flows from investing activities	1 228.0	156.3	(129.0)	(641.3)	(82.2)	(326.9)	(1 017.2)	145.0	149 866.7%
Net cash flow from financing activities	344.4	292.4	888.8	297.6	(64.1)	22.8	1 564.7	187.1	29.3%
Deferred income	423.0	371.1	518.4	454.7	132.3	151.6	320.0	320.0	93.1%
Borrowing activities	(78.6)	(78.6)	370.4	(78.8)	(80.6)	(79.0)	1 469.3	(30.5)	-15.9%
Other flows from financing activities	-	-	-	(78.4)	(115.9)	(49.8)	(224.6)	(102.4)	67.7%
Net increase/(decrease) in cash and cash equivalents	219.7	(19.0)	403.1	1.2	(441.9)	60.7	(593.5)	317.9	

Table 41.29 Umgeni Water statements of historical financial performance, cash flow and financial position

Statement of financial position		Audited		Audited		Audited		Budget	Revised	Average: Outcome/ Budget (%)
		Budget outcome		Budget outcome		Budget outcome		estimate	estimate	
R million	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20					
Carrying value of assets	8 892.7	8 029.3	9 404.7	8 544.8	9 572.3	9 403.9	11 151.6	11 096.4		95.0%
Acquisition of assets	(1 977.9)	(1 126.0)	(1 503.4)	(972.3)	(1 652.3)	(1 161.7)	(2 847.9)	(1 510.7)		59.8%
Investments	729.3	1 807.7	1 362.7	2 486.5	1 939.0	2 865.4	3 007.9	1 966.7		129.7%
Inventory	17.5	15.7	20.5	19.0	17.9	19.0	19.1	25.9		106.0%
Accrued investment interest	28.4	35.6	28.4	44.0	38.0	79.4	38.0	44.0		152.9%
Receivables and prepayments	411.2	427.9	476.1	514.3	535.7	739.9	589.2	617.8		114.3%
Cash and cash equivalents	13.2	24.9	16.8	26.1	9.8	86.8	9.3	16.0		313.9%
Total assets	10 092.4	10 341.1	11 309.2	11 634.6	12 112.7	13 194.5	14 815.0	13 766.7		101.3%
Accumulated surplus/(deficit)	6 100.2	6 374.9	6 901.1	7 617.9	8 286.0	9 080.3	9 460.4	9 868.3		107.1%
Capital and reserves	442.8	442.8	442.8	442.9	442.8	442.8	442.8	442.8		100.0%
Borrowings	1 950.6	1 950.7	2 320.9	1 871.9	1 791.9	1 792.9	3 262.7	1 762.7		79.1%
Accrued interest	58.2	57.5	56.8	56.0	76.0	53.7	77.0	55.3		83.0%
Trade and other payables	769.6	781.8	713.9	871.9	604.2	966.8	589.3	680.7		123.3%
Provisions	770.8	690.2	843.3	678.1	868.6	698.7	939.8	861.1		85.6%
Derivatives financial instruments	–	43.1	30.3	95.9	43.1	159.1	43.1	95.9		338.1%
Total equity and liabilities	10 092.4	10 341.1	11 309.2	11 634.6	12 112.7	13 194.5	14 815.0	13 766.7		101.3%

Statements of estimates of financial performance, cash flow and financial position**Table 41.30 Umgeni Water statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R million	2019/20				2016/17 - 2019/20	2020/21	2021/22		
Revenue									
Non-tax revenue	4 334.2	17.1%	100.0%	4 804.8	5 250.3	5 779.3	10.1%	100.0%	
Sale of goods and services other than capital assets	4 190.9	18.6%	94.1%	4 703.7	5 219.8	5 770.5	11.3%	98.5%	
Sales of bulk water	4 190.9	18.6%	94.1%	4 703.7	5 219.8	5 770.5	11.3%	98.5%	
Other non-tax revenue	143.4	-8.5%	5.9%	101.2	30.5	8.8	-60.5%	1.5%	
Total revenue	4 334.2	17.1%	100.0%	4 804.8	5 250.3	5 779.3	10.1%	100.0%	
Current expenses	2 973.8	17.3%	96.2%	3 244.5	3 516.4	3 794.2	8.5%	96.0%	
Compensation of employees	798.2	12.5%	28.3%	799.1	852.6	912.0	4.5%	23.9%	
Goods and services	1 773.6	16.8%	54.9%	2 029.7	2 239.5	2 439.1	11.2%	60.0%	
Depreciation	382.6	30.9%	12.6%	398.8	412.0	430.9	4.0%	11.6%	
Interest, dividends and rent on land	19.3	139.9%	0.3%	16.9	12.3	12.1	-14.4%	0.4%	
Transfers and subsidies	124.6	5.7%	3.8%	135.7	147.8	161.0	8.9%	4.0%	
Total expenses	3 098.4	16.7%	100.0%	3 380.2	3 664.2	3 955.1	8.5%	100.0%	
Surplus/(Deficit)	1 235.9			1 424.6	1 586.1	1 824.2			
Cash flow statement									
Cash flow from operating activities	1 496.8	28.7%	288.2%	1 758.1	2 065.9	2 384.2	32.6%	296.9%	
Receipts									
Non-tax receipts	4 334.2	19.7%	99.5%	4 804.8	5 250.3	5 779.3	10.1%	100.0%	
Sales of goods and services other than capital assets	4 190.9	20.0%	94.3%	4 703.7	5 219.8	5 770.5	11.3%	98.5%	
Sales of bulk water	4 190.9	20.0%	94.3%	4 703.7	5 219.8	5 770.5	11.3%	98.5%	
Other tax receipts	143.4	11.3%	5.1%	101.2	30.5	8.8	-60.5%	1.5%	
Total receipts	4 334.2	18.9%	100.0%	4 804.8	5 250.3	5 779.3	10.1%	100.0%	
Current payments	2 837.5	14.8%	93.1%	3 046.7	3 184.4	3 395.1	6.2%	100.0%	
Compensation of employees	798.2	12.5%	28.3%	799.1	852.6	912.0	4.5%	27.0%	
Goods and services	2 020.0	22.3%	61.7%	2 230.7	2 319.5	2 471.0	6.9%	72.5%	
Interest and rent on land	19.3	-55.1%	3.1%	16.9	12.3	12.1	-14.4%	0.5%	
Total payment	2 837.5	14.8%	100.0%	3 046.7	3 184.4	3 395.1	6.2%	100.0%	
Net cash flow from investing activities	(1 365.9)	10.4%	100.0%	(1 250.8)	(1 941.3)	(2 235.8)	17.9%	100.0%	
Acquisition of property, plant, equipment and intangible assets	(1 510.7)	10.3%	89.3%	(2 145.4)	(2 263.1)	(2 446.2)	17.4%	127.0%	
Acquisition of software and other intangible assets	(0.2)	-83.7%	2.1%	(0.2)	(0.2)	(0.2)	–	0.0%	
Other flows from investing activities	145.0	-2.5%	8.7%	894.9	322.0	210.6	13.2%	-27.0%	
Net cash flow from financing activities	187.1	-13.8%	100.0%	72.3	427.2	402.3	29.1%	100.0%	
Deferred Income	320.0	-4.8%	278.7%	579.0	550.9	545.7	19.5%	309.2%	
Borrowing Activities	(30.5)	-27.0%	-104.0%	(631.0)	(26.4)	(26.4)	-4.7%	-225.5%	
Other flows from financing activities	(102.4)	–	-74.8%	124.3	(97.3)	(117.0)	4.5%	16.3%	
Net increase/(decrease) in cash and cash equivalents	317.9	-355.9%	100.0%	579.6	551.8	550.7	20.1%	100.0%	
Statement of financial position									
Carrying value of assets	11 096.4	11.4%	75.7%	12 975.3	14 853.3	16 869.6	15.0%	88.4%	
Acquisition of assets	(1 510.7)	10.3%	-9.8%	(2 145.4)	(2 263.1)	(2 446.2)	17.4%	-13.3%	
Investments	1 966.7	2.9%	18.7%	855.7	535.3	367.5	-42.8%	6.4%	
Inventory	25.9	18.1%	0.2%	29.7	33.6	37.7	13.4%	0.2%	
Accrued investment interest	44.0	7.3%	0.4%	44.0	44.0	44.0	–	0.3%	
Receivables and prepayments	617.8	13.0%	4.7%	689.5	759.9	823.5	10.1%	4.6%	
Cash and cash equivalents	16.0	-13.7%	0.3%	16.7	17.6	22.6	12.2%	0.1%	
Total assets	13 766.7	10.0%	100.0%	14 610.8	16 243.6	18 164.9	9.7%	100.0%	

Table 41.30 Umgeni Water statements of estimates of financial performance, cash flow and financial position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2019/20	2020/21	2021/22			2022/23
				2019/20 - 2022/23					
R million									
Accumulated surplus/(deficit)	9 868.3	15.7%	66.9%	11 293.0	12 879.2	14 703.5	14.2%	77.3%	
Capital and reserves	442.8	0.0%	3.7%	442.8	442.8	442.8	-0.0%	2.9%	
Borrowings	1 762.7	-3.3%	15.3%	1 133.2	1 108.4	1 124.5	-13.9%	8.4%	
Accrued interest	55.3	-1.3%	0.5%	33.8	33.7	33.6	-15.3%	0.3%	
Trade and other payables	680.7	-4.5%	6.8%	665.9	645.2	626.2	-2.7%	4.2%	
Provisions	861.1	7.7%	6.0%	946.2	1 038.5	1 138.4	9.8%	6.3%	
Derivatives financial instruments	95.9	30.5%	0.8%	95.9	95.9	95.9	-	0.6%	
Total equity and liabilities	13 766.7	10.0%	100.0%	14 610.8	16 243.6	18 164.9	9.7%	100.0%	

Personnel information

Table 41.31 Umgeni Water personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2018/19		2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost			Unit cost		
Umgeni Water																			
Salary level	1 376	1 376	1 288	674.3	0.5	1 376	798.2	0.6	1 376	799.1	0.6	1 378	852.6	0.6	1 378	912.0	0.7	4.5%	100.0%
1 – 6	329	329	276	89.3	0.3	329	110.0	0.3	329	110.5	0.3	331	117.3	0.4	331	124.6	0.4	4.2%	24.0%
7 – 10	792	792	757	336.3	0.4	792	390.7	0.5	792	390.7	0.5	792	417.2	0.5	792	446.7	0.6	4.6%	57.5%
11 – 12	167	167	167	140.6	0.8	167	166.6	1.0	167	166.6	1.0	167	177.9	1.1	167	190.5	1.1	4.6%	12.1%
13 – 16	87	87	87	104.7	1.2	87	127.3	1.5	87	127.4	1.5	87	136.1	1.6	87	145.8	1.7	4.6%	6.3%
17 – 22	1	1	1	3.4	3.4	1	3.6	3.6	1	3.8	3.8	1	4.1	4.1	1	4.4	4.4	7.0%	0.1%

1. Rand million.

Water Trading Entity

Selected performance indicators

Table 41.32 Water Trading Entity performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19		2020/21	2021/22	2022/23
Reduction in the number of days for the collection of outstanding debt per year	Administration	Priority 1: Economic transformation and job creation	120	100	100	100	100	100	100
Percentage of total maintenance budget spent on asset refurbishment and betterment against budget per year	Administration		86% (343 796/ 400 000)	85% (270 488/ 316 613)	46% (130 792/ 284 000)	100%	100%	100%	100%
Number of raw water projects completed per year	Operations, maintenance and refurbishment of national water resources schemes		0	1	0	1	2	1	0
Percentage of water users validated within catchment area per year	Implementation of water resources management activities		-1	-1	-1	-1	100%	100%	100%
Number of rivers where the monitoring programme has been implemented per year	Implementation of water resources management activities		66	92	71	71	71	71	71
Percentage of planned maintenance projects completed per year as per the approved asset management plan	Operations, maintenance and refurbishment of national water resources schemes		60% (152/255)	36% (140/390)	46% (267/579)	90%	80%	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		- ²	≤20%	≤10%	≤10%	≤10%	≤10%	≤10%
Number of dam safety rehabilitation projects completed per year	Implementation of dam safety projects		0	0	3	3	3	3	3

1. New indicator

2. No historical data available

Entity overview

The Water Trading Entity was established in 1983 for the management of water infrastructure and resources, and the sale of raw water. It was converted into a trading entity in terms of the Public Finance Management Act (1999) in 2008. Over the medium term, the entity will continue to focus on maintaining existing water resource infrastructure, supporting the long-term sustainability of water resources, and supplying bulk water to strategic users such as large industrial companies to stimulate and support economic development. Accordingly, over the period ahead, the entity anticipates the completion of 3 raw water projects (Tzaneen Dam, Clanwilliam Dam and Hazelmere Dam). Spending on these projects is expected to increase at an average annual rate of 8.7 per cent, from R12.8 billion in 2019/20 to R16.4 billion in 2022/23. Capital expenditure is expected to increase at an average annual rate of 10.5 per cent, from R1.6 billion in 2019/20 to R2.2 billion in 2022/23.

Revenue is expected to increase at an average annual rate of 9.6 per cent, from R14.7 billion in 2019/20 to R19.3 billion in 2022/23. Revenue from the sale of raw water is expected to increase at an average annual rate of 11.1 per cent, from R12.2 billion in 2019/20 to R16.7 billion in 2022/23. Revenue derived from transfers from the department amounts to R7.2 billion over the medium term. These funds will be used to finance the Trans-Caledon Tunnel Authority's construction of raw water infrastructure.

Programmes/Objectives/Activities

Table 41.33 Water Trading Entity expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average Expenditure/Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23		
Administration	2 727.5	698.1	815.8	902.3	-30.8%	9.3%	997.9	1 103.7	1 161.6	8.8%	7.1%
Implementation of water resources management activities	528.7	528.6	805.1	890.4	19.0%	5.4%	984.8	1 089.2	1 146.3	8.8%	7.0%
Operations, maintenance and refurbishment of national water resources schemes	1 780.5	1 399.3	1 581.0	1 748.6	-0.6%	12.5%	1 934.0	2 139.0	2 248.6	8.7%	13.7%
Financing and investment in raw water infrastructure	7 980.8	7 640.6	6 675.3	6 883.1	-4.8%	56.0%	7 612.7	8 419.7	8 843.3	8.7%	53.8%
Bulk water supply to strategic users	2 175.4	1 855.4	2 038.4	2 254.5	1.2%	16.0%	2 493.5	2 757.8	2 898.3	8.7%	17.6%
Implementation of dam safety projects	236.0	29.8	95.7	105.8	-23.5%	0.8%	117.0	129.4	138.5	9.4%	0.8%
Total	15 428.8	12 151.8	12 011.3	12 784.7	-6.1%	100.0%	14 139.9	15 638.7	16 436.6	8.7%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 41.34 Water Trading Entity statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2016/17 - 2019/20
	Budget	2016/17	Budget	2017/18	Budget	2018/19	2019/20		
Revenue									
Non-tax revenue	8 667.9	10 164.4	9 761.1	10 626.1	11 352.1	12 002.4	12 565.7	12 317.8	106.5%
Sale of goods and services other than capital assets	8 606.5	9 458.3	9 646.2	9 785.3	11 252.0	11 032.2	12 455.6	12 207.7	101.2%
of which:									
<i>Sales by market establishment</i>	8 606.5	9 458.3	9 646.2	9 785.3	11 252.0	11 032.2	12 455.6	12 207.7	101.2%
<i>Sales of water</i>	8 370.8	9 036.8	9 431.1	9 557.8	10 987.9	10 876.8	12 163.6	11 915.7	101.1%
<i>Construction revenue</i>	221.9	409.4	200.0	223.8	247.5	154.2	273.7	273.7	112.5%
<i>Lease revenue earned</i>	13.8	12.2	15.1	3.7	16.6	1.2	18.3	18.3	55.4%
Other non-tax revenue	61.4	706.1	114.9	840.8	100.1	970.2	110.1	110.1	679.8%
Transfers received	1 499.5	1 499.5	1 651.7	1 651.7	2 031.6	2 266.9	2 119.2	2 367.0	106.6%
Total revenue	10 167.5	11 664.0	11 412.7	12 277.7	13 383.7	14 269.3	14 684.8	14 684.8	106.5%
Expenses									
Current expenses	9 194.8	15 428.8	9 908.0	12 151.8	11 559.4	12 011.3	12 784.7	12 784.7	120.6%
Compensation of employees	908.5	924.4	972.1	1 191.1	1 218.4	1 218.4	1 292.8	1 292.8	105.3%
Goods and services	5 763.2	8 043.3	6 256.3	4 382.3	2 996.5	3 448.4	3 699.6	3 699.6	104.6%
Depreciation	2 071.0	1 833.4	2 199.4	1 922.2	2 314.1	2 314.1	2 455.2	2 455.2	94.3%
Interest, dividends and rent on land	452.1	4 627.7	480.1	4 656.2	5 030.3	5 030.3	5 337.1	5 337.1	173.9%
Total expenses	9 194.8	15 428.8	9 908.0	12 151.8	11 559.4	12 011.3	12 784.7	12 784.7	120.6%
Surplus/(Deficit)	972.7	(3 764.8)	1 504.8	125.9	1 824.3	2 258.0	1 900.1	1 900.1	

Table 41.34 Water Trading Entity statements of historical financial performance, cash flow and financial position

Statement of financial performance									
R million	Audited		Audited		Audited		Budget	Revised	Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	estimate	
	2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20
Cash flow statement									
Cash flow from operating activities	6 411.1	3 456.6	6 366.6	4 187.3	7 472.1	4 859.3	9 003.3	9 003.3	73.5%
Receipts									
Non-tax receipts	8 150.6	8 246.6	8 435.3	9 317.5	8 909.8	11 418.5	9 816.9	9 816.9	109.9%
Sales of goods and services other than capital assets	7 813.7	8 246.6	8 165.8	9 317.5	8 909.8	11 418.5	9 816.9	9 816.9	111.8%
<i>Sales by market establishment</i>	<i>7 532.2</i>	<i>8 069.2</i>	<i>7 870.2</i>	<i>9 003.2</i>	<i>8 631.1</i>	<i>11 139.8</i>	<i>9 593.9</i>	<i>9 593.9</i>	<i>112.4%</i>
<i>Other sales</i>	<i>281.6</i>	<i>177.4</i>	<i>295.6</i>	<i>314.3</i>	<i>278.7</i>	<i>278.7</i>	<i>222.9</i>	<i>222.9</i>	<i>92.1%</i>
Other tax receipts	336.9	–	269.5	–	–	–	–	–	–
Transfers received	1 709.5	1 709.5	1 882.9	1 651.7	2 266.9	1 971.3	2 367.0	2 367.0	93.6%
Total receipts	9 860.1	9 956.1	10 318.2	10 969.2	11 176.7	13 389.8	12 183.9	12 183.9	106.8%
Payment									
Current payments	3 449.0	6 499.5	3 951.6	6 781.9	3 704.7	8 530.5	3 180.6	3 180.6	174.9%
Compensation of employees	908.5	822.6	972.1	1 232.6	1 344.0	1 482.9	1 292.8	1 292.8	106.9%
Goods and services	2 460.3	3 550.6	2 895.2	2 540.4	2 360.7	4 172.9	1 887.9	1 887.9	126.5%
Interest and rent on land	80.2	2 126.3	84.2	3 008.9	–	2 874.7	–	–	4 872.4%
Total payments	3 449.0	6 499.5	3 951.6	6 781.9	3 704.7	8 530.5	3 180.6	3 180.6	174.9%
Net cash flow from investing activities	(1 950.2)	(1 553.4)	(1 899.2)	(500.6)	(1 227.1)	(172.6)	(1 623.5)	(1 623.5)	57.5%
Acquisition of property, plant, equipment and intangible assets	(1 899.2)	(1 313.2)	(1 899.2)	(500.6)	(1 227.1)	(172.6)	(1 623.5)	(1 623.5)	54.3%
Acquisition of software and other intangible assets	(51.0)	(250.2)	–	–	–	–	–	–	490.7%
Proceeds from the sale of property, plant, equipment and intangible assets	–	10.1	–	–	–	–	–	–	–
Net cash flow from financing activities	(4 364.9)	(4 132.5)	(4 583.3)	(2 911.8)	(6 244.9)	(4 726.2)	(6 905.8)	(6 905.8)	84.5%
Borrowing activities	(4 345.6)	(4 085.9)	(4 562.9)	(2 909.2)	(6 223.4)	(4 724.2)	(6 883.1)	(6 883.1)	84.5%
Repayment of finance leases	(19.3)	(46.5)	(20.4)	(2.5)	(21.5)	(2.0)	(22.7)	(22.7)	88.0%
Net increase/(decrease) in cash and cash equivalents	95.9	(2 229.2)	(115.9)	774.9	(0.0)	(39.6)	473.9	473.9	
Statement of financial position									
Carrying value of assets	95 275.7	95 913.9	96 784.4	95 221.1	92 973.3	93 733.1	93 231.0	93 231.0	100.0%
<i>Acquisition of assets</i>	<i>(1 899.2)</i>	<i>(1 313.2)</i>	<i>(1 899.2)</i>	<i>(500.6)</i>	<i>(1 227.1)</i>	<i>(172.6)</i>	<i>(1 623.5)</i>	<i>(1 623.5)</i>	<i>54.3%</i>
Inventories	134.3	158.8	120.8	145.7	108.8	148.2	97.9	97.9	119.3%
Receivables and prepayments	5 083.7	6 002.3	4 159.9	5 381.6	5 468.9	5 205.4	4 949.8	4 949.8	109.5%
Cash and cash equivalents	138.9	0.2	538.9	0.3	–	0.2	–	–	0.1%
Total assets	100 632.6	102 075.3	101 603.9	100 748.7	98 550.9	99 086.9	98 278.7	98 278.7	100.3%
Accumulated surplus/(deficit)	71 294.5	70 508.7	69 686.8	71 145.1	63 727.7	73 349.9	65 619.4	65 619.4	103.8%
Capital and reserves	326.3	279.6	313.0	407.2	407.2	460.4	407.2	407.2	106.9%
Borrowings	27 873.8	29 548.3	30 667.4	25 517.7	29 496.4	22 180.4	28 303.5	28 303.5	90.7%
Finance lease	48.7	4.7	46.8	5.7	6.0	3.9	6.3	6.3	19.1%
Trade and other payables	914.4	1 519.3	701.6	3 558.9	4 643.2	2 911.6	3 643.2	3 643.2	117.5%
Benefits payable	–	–	–	114.1	–	180.6	–	–	–
Provisions	175.0	214.6	188.3	–	270.4	–	299.1	299.1	55.1%
Total equity and liabilities	100 632.6	102 075.3	101 603.9	100 748.7	98 550.9	99 086.9	98 278.7	98 278.7	100.3%

Statements of estimates of financial performance, cash flow and financial position**Table 41.35 Water Trading Entity statements of estimates of financial performance, cash flow and financial position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2020/21	2021/22	2022/23			
	2019/20	2016/17 - 2019/20		2020/21	2021/22	2022/23	2019/20 - 2022/23		
Revenue									
Non-tax revenue	12 317.8	6.6%	85.4%	13 732.3	15 198.3	16 928.6	11.2%	85.7%	
Sale of goods and services other than capital assets	12 207.7	8.9%	80.3%	13 583.1	15 033.3	16 747.1	11.1%	84.8%	
<i>Sales by market establishment</i>	<i>12 207.7</i>	<i>8.9%</i>	<i>80.3%</i>	<i>13 583.1</i>	<i>15 033.3</i>	<i>16 747.1</i>	<i>11.1%</i>	<i>84.8%</i>	
<i>Sales of water</i>	<i>11 915.7</i>	<i>9.7%</i>	<i>78.2%</i>	<i>13 261.1</i>	<i>14 677.2</i>	<i>16 145.0</i>	<i>10.7%</i>	<i>82.5%</i>	
<i>Construction revenue</i>	<i>273.7</i>	<i>-12.6%</i>	<i>2.1%</i>	<i>302.8</i>	<i>334.8</i>	<i>368.3</i>	<i>10.4%</i>	<i>1.9%</i>	
<i>Lease revenue earned</i>	<i>18.3</i>	<i>14.6%</i>	<i>0.1%</i>	<i>19.2</i>	<i>21.3</i>	<i>233.8</i>	<i>133.8%</i>	<i>0.4%</i>	
Other non-tax revenue	110.1	-46.2%	5.1%	149.2	165.0	181.5	18.1%	0.9%	
Transfers received	2 367.0	16.4%	14.6%	2 447.4	2 377.5	2 420.1	0.7%	14.3%	
Total revenue	14 684.8	8.0%	100.0%	16 179.7	17 575.8	19 348.7	9.6%	100.0%	
Current expenses	12 784.7	-6.1%	100.0%	14 139.9	15 638.7	16 436.6	8.7%	100.0%	
Compensation of employees	1 292.8	11.8%	9.0%	1 370.3	1 451.2	1 539.7	6.0%	9.6%	
Goods and services	3 699.6	-22.8%	36.5%	4 509.6	4 771.8	5 010.4	10.6%	30.5%	
Depreciation	2 455.2	10.2%	16.5%	2 602.6	2 756.2	2 894.0	5.6%	18.2%	
Interest, dividends and rent on land	5 337.1	4.9%	38.0%	5 657.4	6 659.6	6 992.5	9.4%	41.7%	
Total expenses	12 784.7	-6.1%	100.0%	14 139.9	15 638.7	16 436.6	8.7%	100.0%	
Surplus/(Deficit)	1 900.1			2 039.8	1 937.1	2 912.1			

Table 41.35 Water Trading Entity statements of estimates of financial performance, cash flow and financial position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2019/20	2016/17 - 2019/20	2020/21		
R million									
Cash flow statement									
Cash flow from operating activities		9 003.3	37.6%	250.2%	9 390.0	10 343.5	11 182.7	17.8%	246.8%
Receipts									
Non-tax receipts		9 816.9	6.0%	83.4%	10 573.1	11 710.6	12 881.6	9.5%	82.3%
Sales of goods and services other than capital assets		9 816.9	6.0%	83.4%	10 573.1	11 710.6	12 881.6	9.5%	82.3%
Sales by market establishment		9 593.9	5.9%	81.3%	10 394.7	11 567.9	12 724.7	9.9%	81.0%
Other sales		222.9	7.9%	2.1%	178.4	142.7	157.0	-11.0%	1.3%
Transfers received		2 367.0	11.5%	16.6%	2 447.4	2 377.5	2 420.1	0.7%	17.7%
Total receipts		12 183.9	7.0%	100.0%	13 020.5	14 088.0	15 301.7	7.9%	100.0%
Current payments		3 180.6	-21.2%	48.5%	3 630.5	3 744.5	4 119.0	9.0%	100.0%
Compensation of employees		1 292.8	16.3%	9.5%	1 370.3	1 451.2	1 596.3	7.3%	39.0%
Goods and services		1 887.9	-19.0%	23.4%	2 260.2	2 293.3	2 522.7	10.1%	61.0%
Total payment		3 180.6	-21.2%	100.0%	3 630.5	3 744.5	4 119.0	9.0%	100.0%
Net cash flow from investing activities		(1 623.5)	1.5%	100.0%	(1 612.6)	(1 993.8)	(2 193.2)	10.5%	100.0%
Acquisition of property, plant, equipment and intangible assets		(1 623.5)	7.3%	96.1%	(1 612.6)	(1 993.8)	(2 193.2)	10.5%	100.0%
Net cash flow from financing activities		(6 905.8)	18.7%	100.0%	(7 636.6)	(8 446.1)	(9 290.8)	10.4%	100.0%
Borrowing Activities		(6 883.1)	19.0%	99.6%	(7 612.7)	(8 419.7)	(9 261.6)	10.4%	99.7%
Repayment of finance leases		(22.7)	-21.3%	0.4%	(23.9)	(26.5)	(29.1)	8.6%	0.3%
Net increase/(decrease) in cash and cash equivalents		473.9	-159.7%	100.0%	140.9	(96.5)	(301.2)	-186.0%	100.0%
Statement of financial position									
Carrying value of assets		93 231.0	-0.9%	94.5%	93 646.7	91 487.9	91 487.9	-0.6%	95.5%
Acquisition of assets		(1 623.5)	7.3%	-0.9%	(1 612.6)	(1 993.8)	(2 193.2)	10.5%	-1.9%
Inventory		97.9	-14.9%	0.1%	102.8	101.8	101.8	1.3%	0.1%
Receivables and prepayments		4 949.8	-6.2%	5.4%	4 482.4	3 165.8	3 165.8	-13.8%	4.1%
Cash and cash equivalents		-	-100.0%	0.0%	84.4	663.6	663.6	-	0.4%
Total assets		98 278.7	-1.3%	100.0%	98 316.2	95 419.0	95 419.0	-1.0%	100.0%
Accumulated surplus/(deficit)		65 619.4	-2.4%	70.1%	67 715.3	60 686.2	60 686.2	-2.6%	65.7%
Capital and reserves		407.2	13.4%	0.4%	407.2	407.2	407.2	-0.0%	0.4%
Borrowings		28 303.5	-1.4%	26.4%	27 213.1	32 309.6	32 309.6	4.5%	31.0%
Finance lease		6.3	9.7%	0.0%	6.6	7.0	7.0	3.8%	0.0%
Trade and other payables		3 643.2	33.8%	2.9%	2 643.2	1 643.2	1 643.2	-23.3%	2.5%
Provisions		299.1	11.7%	0.1%	330.8	365.8	365.8	6.9%	0.4%
Total equity and liabilities		98 278.7	-1.3%	100.0%	98 316.2	95 419.0	95 419.0	-1.0%	100.0%

Personnel information**Table 41.36 Water Trading Entity personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)	
		2018/19		Unit cost	2019/20		Unit cost	2020/21			2021/22			2022/23					2019/20 - 2022/23
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Water Trading Entity																			
Salary level	3 358	3 358	4 208	1 218.4	0.3	3 358	1 292.8	0.4	3 358	1 370.3	0.4	3 358	1 451.2	0.4	3 358	1 539.7	0.5	6.0%	100.0%
1-6	1 993	1 993	2 543	411.1	0.2	1 993	436.2	0.2	1 993	461.9	0.2	1 993	489.2	0.2	1 993	519.0	0.3	6.0%	59.4%
7-10	1 258	1 258	1 544	650.2	0.4	1 258	689.8	0.5	1 258	731.8	0.6	1 258	775.0	0.6	1 258	822.3	0.7	6.0%	37.5%
11-12	102	102	116	148.1	1.3	102	157.1	1.5	102	166.4	1.6	102	176.2	1.7	102	187.0	1.8	6.0%	3.0%
13-16	5	5	5	9.1	1.8	5	9.6	1.9	5	10.2	2.0	5	10.8	2.2	5	11.4	2.3	6.0%	0.1%

1. Rand million.

Breede-Gouritz Catchment Management Agency**Selected performance indicators****Table 41.37 Breede-Gouritz Catchment Management Agency performance indicators by programme/objective/activity and related priority**

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage of water registrations finalised per year	Water projects	Priority 1: Economic transformation and job creation	36% (288/800)	85% (680/800)	66% (528/800)	85%	85%	85%	85%

Entity overview

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. Over the medium term,

the agency will continue providing water resources management activities to support economic development and social wellbeing. This will be achieved by conserving and maintaining ecosystems, promoting tourism and encouraging residential developments within its water management area.

Expenditure is expected to increase at an average annual rate of 9.5 per cent, from R67.5 million in 2019/20 to R88.6 million in 2022/23. Revenue is expected to increase at an average annual rate of 9.5 per cent, from R68.9 million in 2019/20 to R88.6 million in 2022/23. The agency derives most of its revenue from the water resource management charge, which is collected by the department and transferred to the agency. Transfers from the department account for 54.3 per cent (R138 million) of total revenue over the MTEF period. Remaining revenue is generated from fees for water use licence applications.

Programmes/Objectives/Activities

Table 41.38 Breede-Gouritz Catchment Management Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome				Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23
	2016/17	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
Administration	23.6	23.7	27.3	29.6	7.8%	43.5%	34.9	36.5	38.2	8.9%	43.3%	
Water projects	22.5	24.8	29.9	28.2	7.8%	43.9%	37.0	38.7	40.5	12.8%	44.7%	
Public participation	7.8	5.8	7.1	9.7	7.8%	12.6%	9.1	9.5	9.9	0.8%	12.0%	
Total	53.9	54.4	64.3	67.5	7.8%	100.0%	81.0	84.7	88.6	9.5%	100.0%	

Statements of historical financial performance, cash flow and financial position

Table 41.39 Breede-Gouritz Catchment Management Agency statements of historical financial performance

Statement of financial performance

R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%) 2016/17 - 2019/20
	2016/17	2019/20	2017/18	2019/20	2018/19	2019/20	2019/20		
Revenue									
Non-tax revenue	0.5	0.6	0.5	16.5	21.5	50.0	24.5	32.1	211.1%
Sale of goods and services other than capital assets	–	–	–	10.1	21.0	41.5	24.0	30.7	182.9%
of which:									
Other sales	–	–	–	10.1	21.0	41.5	24.0	30.7	182.9%
Other non-tax revenue	0.5	0.6	0.5	6.3	0.5	8.6	0.5	1.4	846.1%
Transfers received	45.3	47.9	82.4	60.0	44.3	65.8	43.0	36.8	97.9%
Total revenue	45.8	48.5	82.9	76.5	65.8	115.8	67.5	68.9	118.2%
Expenses									
Current expenses	45.8	53.9	82.7	54.4	65.8	64.3	67.5	67.5	91.7%
Compensation of employees	22.9	29.3	31.4	31.7	35.8	39.9	36.7	40.2	111.3%
Goods and services	22.0	22.6	50.2	20.5	30.0	23.2	28.1	26.1	70.8%
Depreciation	0.9	2.0	1.1	2.2	–	1.2	2.7	1.2	140.4%
Total expenses	45.8	53.9	82.7	54.4	65.8	64.3	67.5	67.5	91.7%
Surplus/(Deficit)	–	(5.4)	–	22.1	–	51.5	–	1.4	

Statements of estimates of financial performance, cash flow and financial position

Table 41.40 Breede-Gouritz Catchment Management Agency statements of estimates financial performance

Statement of financial performance

R million	Revised estimate 2019/20	Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20	Medium-term estimate			Average growth rate (%) 2019/20 - 2022/23	Average: Expenditure/Total (%) 2019/20 - 2022/23
				2020/21	2021/22	2022/23		
Revenue								
Non-tax revenue	32.1	269.0%	28.1%	36.8	38.5	40.2	7.9%	45.7%
Sale of goods and services other than capital assets	30.7	–	23.4%	36.8	38.5	40.2	9.5%	45.2%
Other sales	30.7	–	23.4%	36.8	38.5	40.2	9.5%	45.2%
Other non-tax revenue	1.4	29.9%	4.8%	–	–	–	-100.0%	0.5%
Transfers received	36.8	-8.4%	71.9%	44.2	46.2	48.4	9.5%	54.3%
Total revenue	68.9	12.4%	100.0%	81.0	84.7	88.6	8.8%	100.0%
Current expenses	67.5	7.8%	100.0%	81.0	84.7	88.6	9.5%	100.0%
Compensation of employees	40.2	11.1%	58.6%	47.8	50.0	52.3	9.2%	59.1%
Goods and services	26.1	4.9%	38.6%	31.5	33.0	34.5	9.7%	38.9%
Depreciation	1.2	-15.4%	2.9%	1.7	1.8	1.8	14.7%	2.0%
Total expenses	67.5	7.8%	100.0%	81.0	84.7	88.6	9.5%	100.0%
Surplus/(Deficit)	1.4			–	–	–		

Personnel information

Table 41.41 Breede-Gouritz Catchment Management Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)
		2018/19			2019/20			2020/21			2021/22			2022/23				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2019/20 - 2022/23	
Breede-Gouritz Catchment Management Agency		52	39.9	0.8	52	40.2	0.8	52	47.8	0.9	52	50.0	1.0	52	52.3	1.0	9.2%	100.0%
Salary level																		
7 – 10	38	38	23.7	0.6	38	23.9	0.6	38	28.4	0.7	38	29.7	0.8	38	31.1	0.8	9.2%	73.1%
11 – 12	4	4	3.6	0.9	4	3.6	0.9	4	4.3	1.1	4	4.5	1.1	4	4.7	1.2	9.2%	7.7%
13 – 16	10	10	12.6	1.3	10	12.7	1.3	10	15.1	1.5	10	15.8	1.6	10	16.5	1.7	9.2%	19.2%

1. Rand million.

Inkomati-Usuthu Catchment Management Agency

Selected performance indicators

Table 41.42 Inkomati-Usuthu Catchment Management Agency performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
Number of quarterly routine maintenance performed on the installed river flow data loggers	Promote and pursue an international developmental agenda	Priority 1: Economic transformation and job creation	112	112	112	140	140	140	114
Hydrology reports produced to update the Inkomati hydrology	Promote and pursue an international developmental agenda		0	23	24	24	24	24	24
Number of river cleaning exercises conducted to support the Adopt a River campaign with duly submitted reports	Promote knowledge generation and distribution		45	50	32	32	32	32	32
Percentage of water users effectively validated per year for the Usuthu and Inkomati catchment areas	Ensure the effective, efficient and sustainable management of water resources		100% (1 372)	100% (34)	69% (854/1 237)	100%	- ¹	- ¹	- ¹
Percentage of water quality-related authorisations and recommendations forwarded to the department	Ensure the effective, efficient and sustainable management of water resources		- ²	100% (34)	80% (39/49)	100%	100%	100%	100%

1. Indicator discontinued.

2. No historical data available.

Entity overview

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. Accordingly, the agency's focus over the medium term remains meeting water demand for the domestic, agriculture and commercial sectors by processing water use licence applications and ensuring that the area's quality of water resources remains high.

Expenditure is expected to increase at an average annual rate of 10.4 per cent, from R130.4 million in 2019/20 to R175.6 million in 2022/23. Revenue is expected to increase at an average annual rate of 10.4 per cent, from R130.4 million in 2019/20 to R175.6 million in 2022/23. The agency derives most of its revenue from the water resource management charge, which is collected by the department and transferred to the agency. Transfers from the department account for 68.7 per cent (R342 million) of the agency's total revenue over the MTEF period. Remaining revenue is generated from fees for water use licence applications.

Programmes/Objectives/Activities**Table 41.43 Inkomati-Usuthu Catchment Management Agency expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2017/18	2018/19		2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23		
Administration	34.3	46.5	54.3	56.3	18.0%	46.9%	75.1	79.4	84.0	14.3%	46.7%
Ensure the effective, efficient and sustainable management of water resources	20.2	20.7	20.9	35.5	20.6%	23.7%	33.7	35.7	37.8	2.1%	22.9%
Ensure collaborative and coordinated integrated water resources management for wise socioeconomic development	5.3	9.0	11.5	11.8	31.0%	9.0%	14.1	14.9	15.8	10.2%	9.0%
Promote and pursue an international developmental agenda	7.9	8.4	10.6	16.3	27.4%	10.4%	17.0	18.0	19.0	5.4%	11.3%
Promote knowledge generation and distribution	8.9	9.3	11.3	10.5	5.7%	10.0%	16.9	17.9	19.0	21.8%	10.1%
Total	76.5	93.9	108.6	130.4	19.5%	100.0%	156.8	165.9	175.6	10.4%	100.0%

Statements of historical financial performance, cash flow and financial position**Table 41.44 Inkomati-Usuthu Catchment Management Agency statements of historical financial performance**

Statement of financial performance										
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)	
	Budget	2016/17	Budget	2017/18	Budget	2018/19				2019/20
Revenue										
Non-tax revenue		43.2	45.2	71.3	20.4	35.3	38.9	40.3	40.3	76.1%
Sale of goods and services other than capital assets		43.2	43.2	71.3	17.5	35.3	35.5	40.3	40.3	71.8%
<i>of which:</i>										
<i>Administrative fees</i>		43.2	43.2	71.3	17.5	35.3	35.5	40.3	40.3	71.8%
Other non-tax revenue		–	2.0	–	2.9	–	3.4	–	–	–
Transfers received		36.4	37.0	55.1	74.2	88.2	73.0	90.2	90.2	101.6%
Total revenue		79.6	82.1	126.4	94.6	123.5	111.9	130.4	130.4	91.1%
Expenses										
Current expenses		79.6	76.5	126.4	93.9	123.5	108.6	130.4	130.4	89.0%
Compensation of employees		47.7	46.5	59.6	60.0	68.5	62.1	83.1	83.1	97.2%
Goods and services		31.9	30.0	66.9	33.9	55.0	46.4	47.3	47.3	78.4%
Interest, dividends and rent on land		–	–	–	–	–	0.0	–	–	–
Total expenses		79.6	76.5	126.4	93.9	123.5	108.6	130.4	130.4	89.0%
Surplus/(Deficit)		–	5.6	–	–	–	3.3	–	–	–

Statements of estimates of financial performance, cash flow and financial position**Table 41.45 Inkomati-Usuthu Catchment Management Agency statements of estimates financial performance**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
		2016/17 - 2019/20	2019/20	2020/21	2021/22	2022/23			2019/20 - 2022/23
Revenue									
Non-tax revenue	40.3	-3.8%	35.5%	50.8	50.7	54.5	10.6%	31.2%	
Sale of goods and services other than capital assets	40.3	-2.3%	33.4%	47.2	50.7	54.5	10.6%	30.6%	
<i>Administrative fees</i>	40.3	-2.3%	33.4%	47.2	50.7	54.5	10.6%	30.6%	
Other non-tax revenue	–	-100.0%	2.1%	3.6	–	–	–	0.6%	
Transfers received	90.2	34.6%	64.5%	106.0	115.2	121.1	10.3%	68.8%	
Total revenue	130.4	16.7%	100.0%	156.8	165.9	175.6	10.4%	100.0%	
Current expenses	130.4	19.5%	100.0%	156.8	165.9	175.6	10.4%	100.0%	
Compensation of employees	83.1	21.4%	61.4%	105.7	112.1	118.8	12.7%	66.6%	
Goods and services	47.3	16.4%	38.6%	51.0	53.8	56.8	6.3%	33.4%	
Total expenses	130.4	19.5%	100.0%	156.8	165.9	175.6	10.4%	100.0%	
Surplus/(Deficit)	–			–	–	–			

Personnel information

Table 41.46 Inkomati-Usuthu Catchment Management Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost	2021/22		Unit cost			2022/23		Unit cost	
Inkomati-Usuthu Catchment Management Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2019/20 - 2022/23		
Salary level	111	111	106	62.1	0.6	111	83.1	0.7	136	105.7	0.8	135	112.1	0.8	135	118.8	0.9	12.7%	100.0%
1 – 6	14	14	13	1.8	0.1	14	1.7	0.1	18	2.4	0.1	18	2.5	0.1	18	2.7	0.1	15.9%	13.1%
7 – 10	38	38	33	14.2	0.4	38	18.3	0.5	50	26.0	0.5	50	27.5	0.6	50	29.3	0.6	17.0%	36.3%
11 – 12	36	36	36	22.9	0.6	36	32.3	0.9	42	40.2	1.0	42	42.4	1.0	42	45.2	1.1	11.9%	31.4%
13 – 16	23	23	24	23.1	1.0	23	30.8	1.3	26	37.2	1.4	25	39.6	1.6	25	41.6	1.7	10.5%	19.2%

1. Rand million.

Water Research Commission

Selected performance indicators

Table 41.47 Water Research Commission performance indicators by programme/objective/activity and related priority

Indicator	Programme/Objective/Activity	MTSF priority	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of research projects completed per year	Research and development	Entity mandate	87	106	104	80	85	85	85
Total amount of leverage income per year	Research and development		R 82.8m	R 63.1m	R42.3m	R50.8m	R53.4m	R56.1m	R58.8m
Number of students financially and technically supported (including historically disadvantaged students) per year	Research and development		495	452	411	250	300	200	310

Entity overview

The Water Research Commission is a schedule 3A public entity established in terms of the Water Research Act (1971). The commission is mandated 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 building capacity in the water sector.

Over the medium term, the commission will continue to enhance knowledge within the water sector by supporting 810 students in research-related fields. The commission also expects to expand and empower the science community through the development of 85 researchers per year over the medium term.

Expenditure is expected to increase at an average annual rate of 3.8 per cent, from R325.2 million in 2019/20 to R364.2 million in 2022/23. Spending on research and development, and innovation and impact account for 53.5 per cent (R533.1 million) of the commission's total expenditure over the MTEF period. Revenue is expected to increase at an average annual rate of 3.8 per cent, from R325.2 million in 2019/20 to R364.2 million in 2022/23. The commission's revenue is mainly generated from the water research levy, which is expected to amount to R1 billion over the MTEF period.

Programmes/Objectives/Activities

Table 41.48 Water Research Commission expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Administration	89.7	104.8	113.4	127.9	12.6%	35.9%	154.9	169.3	186.8	13.4%	46.5%
Research and development	203.1	161.7	138.4	129.7	-13.9%	52.2%	121.1	95.4	90.0	-11.5%	32.1%
Innovation and impact	16.3	31.9	31.6	67.5	60.5%	12.0%	56.0	83.2	87.4	9.0%	21.4%
Total	309.1	298.5	283.4	325.2	1.7%	100.0%	332.0	348.0	364.2	3.8%	100.0%

Statements of historical financial performance, cash flow and financial position

Table 41.49 Water Research Commission statements of historical financial performance

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2016/17	2017/18	2018/19	2019/20	Budget estimate	Revised estimate	2016/17 - 2019/20		
Revenue									
Non-tax revenue	310.5	303.0	306.6	292.8	296.8	284.3	318.0	325.2	97.8%
Sale of goods and services other than capital assets	302.3	294.0	299.3	286.4	291.3	279.3	312.9	320.0	97.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	282.3	294.0	299.3	286.4	291.3	279.3	312.9	320.0	99.5%
<i>Water research levies</i>	209.4	207.3	218.8	224.7	239.7	236.6	261.9	259.7	99.8%
<i>Leverage income</i>	71.7	83.5	74.0	61.1	45.5	42.3	50.9	50.9	98.2%
<i>Miscellaneous income</i>	1.2	3.2	6.5	0.6	6.1	0.4	0.1	9.4	97.7%
<i>Other sales</i>	20.0	–	–	–	–	–	–	–	–
Other non-tax revenue	8.2	9.0	7.3	6.4	5.5	5.0	5.2	5.2	97.8%
Total revenue	310.5	303.0	306.6	292.8	296.8	284.3	318.0	325.2	97.8%
Expenses									
Current expenses	310.5	309.1	306.6	298.5	296.8	283.4	318.0	325.2	98.7%
Compensation of employees	63.3	58.6	72.1	69.8	87.1	80.8	102.0	93.2	93.2%
Goods and services	239.4	235.2	225.5	222.9	200.0	197.3	205.8	231.9	101.9%
Depreciation	–	4.1	–	5.1	–	4.7	–	–	–
Interest, dividends and rent on land	7.8	11.1	9.0	0.7	9.6	0.5	10.2	–	33.8%
Total expenses	310.5	309.1	306.6	298.5	296.8	283.4	318.0	325.2	98.7%
Surplus/(Deficit)	–	(6.1)	–	(5.7)	–	–	–	–	

Statements of estimates of financial performance, cash flow and financial position

Table 41.50 Water Research Commission statements of estimates financial performance

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2019/20	2016/17 - 2019/20		2020/21	2021/22	2022/23	2019/20 - 2022/23		
Revenue									
Non-tax revenue	325.2	2.4%	100.0%	332.0	348.0	364.2	3.8%	100.0%	
Sale of goods and services other than capital assets	320.0	2.9%	97.9%	327.3	343.8	360.4	4.0%	98.7%	
<i>Sales by market establishment</i>	320.0	2.9%	97.9%	327.3	343.8	360.4	4.0%	98.7%	
<i>Water research levies</i>	259.7	7.8%	77.1%	273.7	287.5	301.4	5.1%	81.9%	
<i>Leverage income</i>	50.9	-15.2%	19.7%	53.5	56.1	58.8	5.0%	16.0%	
<i>Miscellaneous income</i>	9.4	43.4%	1.1%	0.1	0.1	0.2	-74.8%	0.8%	
Other non-tax revenue	5.2	-16.8%	2.1%	4.7	4.2	3.8	-10.0%	1.3%	
Total revenue	325.2	2.4%	100.0%	332.0	348.0	364.2	3.8%	100.0%	
Current expenses	325.2	1.7%	100.0%	332.0	348.0	364.2	3.8%	100.0%	
Compensation of employees	93.2	16.7%	24.9%	114.3	127.5	141.5	14.9%	34.6%	
Goods and services	231.9	-0.5%	72.9%	217.7	220.5	222.7	-1.3%	65.4%	
Total expenses	325.2	1.7%	100.0%	332.0	348.0	364.2	3.8%	100.0%	
Surplus/(Deficit)	–			–	–	–			

Personnel information

Table 41.51 Water Research Commission personnel numbers and cost by salary level

Number of posts estimated for 31 March 2020			Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2018/19			2019/20			2020/21		2021/22		2022/23				2019/20 - 2022/23		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
Water Research Commission	101	101	101	80.8	0.8	101	93.2	0.9	110	114.3	1.0	109	127.5	1.2	109	141.5	1.3	14.9%	100.0%
1 – 6	21	21	17	2.0	0.1	21	3.1	0.1	23	8.8	0.4	23	13.5	0.6	23	18.3	0.8	81.2%	21.0%
7 – 10	34	34	34	16.1	0.5	34	20.1	0.6	36	24.5	0.7	35	26.4	0.8	35	28.5	0.8	12.3%	32.7%
11 – 12	16	16	17	11.4	0.7	16	15.6	1.0	19	19.5	1.0	19	21.0	1.1	19	22.6	1.2	13.0%	17.0%
13 – 16	24	24	27	34.5	1.3	24	36.6	1.5	26	42.2	1.6	26	45.8	1.8	26	49.6	1.9	10.7%	23.8%
17 – 22	6	6	6	16.9	2.8	6	17.8	3.0	6	19.2	3.2	6	20.8	3.5	6	22.6	3.8	8.2%	5.6%

1. Rand million.

◀ 2020 ▶
BUDGET

ESTIMATES OF NATIONAL
EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA