

Vote 34

Water Affairs and Forestry

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R3 302 144 000	R3 823 112 000		R520 968 000
Responsible minister	Minister of Water Affairs and Forestry			
Administering department	Department of Water Affairs and Forestry			
Accounting officer	Director-General of Water Affairs and Forestry			

Aim

The aim of the Department of Water Affairs and Forestry is to ensure the availability and supply of water on a national level, to ensure equitable and efficient provision of water services at local level, and to promote sustainable forest management.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

Adjusted 2004 Estimates of National Expenditure

Table 34.1: Water Affairs and Forestry

Programme	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1 Administration	252 762	29 300	–	–	(21)	29 279	282 041
2 Water Resources Management	1 365 755	175 900	–	(1 669)	50 980	225 211	1 590 966
3 Water Services	1 333 772	171 771	–	1 669	(116)	173 324	1 507 096
4 Forestry	349 855	53 154	40 000	–	–	93 154	443 009
Total	3 302 144	430 125	40 000	–	50 843	520 968	3 823 112

Economic classification

Current payments	1 345 106	142 800	40 000	18 430	40 843	242 073	1 587 179
Compensation of employees	606 705	29 300	26 000	–	2 000	57 300	664 005
Goods and services	736 896	113 500	14 000	18 430	38 843	184 773	921 669
Interest and rent on land	1 505	–	–	–	–	–	1 505
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
Transfers and subsidies	1 571 760	287 325	–	(18 430)	10 000	278 895	1 850 655
Provinces and municipalities	1 020 979	147 571	–	–	–	147 571	1 168 550
Departmental agencies and accounts	550 781	101 754	–	(18 430)	10 000	93 324	644 105
Universities and technikons	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–
Public corporations and private enterprises	–	38 000	–	–	–	38 000	38 000
Non-profit institutions	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Payments for capital assets	385 278	–	–	–	–	–	385 278
Buildings and other fixed structures	320 316	–	–	–	–	–	320 316
Machinery and equipment	52 270	–	–	–	–	–	52 270
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	11 401	–	–	–	–	–	11 401
Land and subsoil assets	1 291	–	–	–	–	–	1 291
Total	3 302 144	430 125	40 000	–	50 843	520 968	3 823 112

Details of adjustments to 2004 Estimates of National Expenditure

Roll-overs – R430,125 million

Programme 1: Administration

R29,300 million has been rolled over for personnel related costs linked to the transfer of some of the department's functions to appropriate institutions.

Programme 2: Water Resources Management

R8,400 million has been rolled over for uncompleted projects for which funds were committed in 2003/04.

R10,400 million has been rolled over to enable the department to complete the Nandoni Dam in Limpopo, part of the department's water resources infrastructure.

R53 million has been rolled over to write off the Kalahari East loan, a government guaranteed loan with the Land Bank, which was unrecoverable.

R104,100 million has been rolled over for drought relief projects.

Programme 3: Water Services

R57,043 million has been rolled over for payments to service providers on water services projects. The department had problems with their accounting system, which delayed the payments for work completed in 2003/04.

R44,088 million has been rolled over to fund drought relief projects already committed to in the current financial year in about 32 municipalities. These include drilling boreholes, providing hand pumps, and protecting springs

R46,440 million has been rolled over to enable the department to pay for refurbishment projects that were not completed on time at 22 municipalities.

R24,200 million has been rolled over to reimburse municipalities for the provision of sanitation facilities at voting stations.

Programme 4: Forestry

R15,154 million has been rolled over for payments to South African Forestry Company Limited (SAFCOL) for the management of the department's less viable plantations.

R38 million has been rolled over to make a payment to York Timber Ltd for cancelling a timber supply contract, following legal proceedings.

Unforeseeable and unavoidable expenditure – R40 million

The delay in the transfer of the scheme has led to the department facing R40 million of unexpected costs. The forests raise revenue for government, but due to the closure of the Industrial Plantation Trading Account in anticipation of the forest being transferred, this revenue now flows directly into the Revenue Fund.

Virement

Table 34.2: Water Affairs and Forestry

From programme R thousand	Amount	To programme	Amount
2 Water Resource Management	1 669	3 Water Services	1 669

Details of savings realised on the above programmes

Programme 2: Water Resource Management

R1,669 million for the Baswa le Meetse water and sanitation project was initially budgeted for under *Water Resource Management*, but the project has subsequently been moved to *Programme 3: Water Services*.

Utilisation of savings to augment the above programmes

Programme 3: Water Services

R1,669 million for the Baswa le Meetse water and sanitation project was initially budgeted for under *Programme 2: Water Resources Management*, but has been shifted to *Water Services*.

Other adjustments – R50,843 million

Shifting of funds between votes

Programme 1: Administration

R61 000 has been transferred to the Department of Public Works for additional office space.

Programme 3: Water Services

R116 000 is to be transferred to the Department of Public Works for additional office space.

Self-financing expenditure

Programme 1: Administration

R40 322, received from the United Nations, has been deposited in the National Revenue Fund and will be used to refund the department for travel expenses and accommodation for the department's visit to the UN.

Programme 2: Water Resource Management

R980 053 in performance and retention guarantees has been received from the Standard Bank for a contractor which failed to meet obligations for the construction of a pipeline. The funds will be used for the pipeline.

Expenditure announced in the 2004 Budget but not allocated

Programme 2: Water Resources Management

R50 million has been allocated for drought relief.

Actual expenditure and revised spending projections for the remainder of the financial year

Table 34.3: Water Affairs and Forestry

Programme	Adjusted appropriation	Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand					
1 Administration	282 041	135 812	48,2	146 229	51,8
2 Water Resources Management	1 590 966	608 480	38,2	982 486	61,8
3 Water Services	1 507 096	561 102	37,2	945 994	62,8
4 Forestry	443 009	230 604	52,1	212 405	47,9
Total	3 823 112	1 535 998	40,2	2 287 114	59,8
Economic classification					
Current payments	1 562 979	885 703	56,7	677 276	43,3
Compensation of employees	664 005	367 495	55,3	296 510	44,7
Goods and services	897 469	517 105	57,6	380 364	42,4
Interest and rent on land	1 505	564	37,5	941	62,5
Financial transactions in assets and liabilities	–	539	–	(539)	–
Unauthorised expenditure	–	–	–	–	–
Transfers and subsidies to:	1 874 855	636 980	34,0	1 237 875	66,0
Provinces and municipalities	1 192 750	555 103	46,5	637 647	53,5
Departmental agencies and accounts	644 105	16 965	2,6	627 140	97,4
Universities and technikons	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–
Public corporations and private enterprises	38 000	37 581	98,9	419	1,1
Non-profit institutions	–	12 809	–	(12 809)	–
Households	–	14 522	–	(14 522)	–
Payments for capital assets	385 278	13 315	3,5	371 963	96,5
Buildings and other fixed structures	320 316	762	0,2	319 554	99,8
Machinery and equipment	52 270	8 738	16,7	43 532	83,3
Cultivated assets	–	17	–	(17)	–
Software and other intangible assets	11 401	3 798	33,3	7 603	66,7
Land and subsoil assets	1 291	–	–	1 291	100,0
Total	3 823 112	1 535 998	40,2	2 287 114	59,8

Table 34.4: Summary of transfers and subsidies per programme

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
1 Administration	425	-	-	-	-	-	425
Provinces and municipalities							
Municipalities							
Current	425	-	-	-	-	-	425
Regional Services Council levies	425	-	-	-	-	-	425
2 Water Resources Management	548 546	86 600	-	(18 430)	10 000	78 170	626 716
Provinces and municipalities							
Municipalities							
Current	766	-	-	-	-	-	766
Regional Services Council levies	766	-	-	-	-	-	766
Departmental agencies and accounts							
Entities							
Current	514 580	86 600	-	(18 430)	10 000	78 170	592 750
Augmentation of the water trading account	514 580	86 600	-	(18 430)	10 000	78 170	592 750
Capital	33 200	-	-	-	-	-	33 200
Augmentation of the equipment trading account	2 535	-	-	-	-	-	2 535
Irrigation Board subsidies	30 220	-	-	-	-	-	30 220
Dam Safety	445	-	-	-	-	-	445
3 Water Services	1 022 391	147 571	-	-	-	147 571	1 169 962
Provinces and municipalities							
Municipalities							
Current	859 112	90 528	-	-	-	90 528	949 640
Augmentation of the water trading account	858 334	90 528	-	-	-	90 528	948 862
Local institutional development support	-	-	-	-	-	-	-
Regional Services Council levies	778	-	-	-	-	-	778

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
Capital	160 279	57 043	-	-	-	57 043	217 322
Implementation of water services projects grants	160 279	57 043	-	-	-	57 043	217 322
Departmental agencies and accounts							
Entities							
Current	3 000	-	-	-	-	-	3 000
Augmentation of the water trading account	3 000	-	-	-	-	-	3 000
4 Forestry							
Provinces and municipalities	398	53 154	-	-	-	53 154	53 552
Municipalities							
Current	397	-	-	-	-	-	397
Regional Services Council levies	397	-	-	-	-	-	397
Departmental agencies and accounts							
Entities							
Current	1	15 154	-	-	-	15 154	15 155
Industrial plantation trading account	1	-	-	-	-	-	1
Forestry support services: SAFCOL	-	15 154	-	-	-	15 154	15 154
Public corporations and private enterprises							
Public corporations (Other transfers)							
Current	-	38 000	-	-	-	38 000	38 000
Forestry support services (Claim against the state: Yorkor Claim)	-	38 000	-	-	-	38 000	38 000
Total	1 571 760	287 325	-	(18 430)	10 000	278 895	1 850 655

Table 34.6: Summary of conditional grants to local government (municipalities) ¹

R thousand	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement adjustments	Other adjustments	Total additional appropriation
3 Water Services						
Operations of Water Resources	858 334					
Water services operating subsidy (via augmentation to the water trading account)		90 528	-	-	-	90 528
3 Water Services						
Basic Water and Sanitation Infrastructure	160 279					
Implementation of water services projects grant (capital)		57 043	-	-	-	57 043
Total	1 018 613	147 571	-	-	-	147 571
						1 166 184

¹ Main appropriation detail provided in the Division of Revenue Act, 2004