

# Vote 34

## Water Affairs and Forestry

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R4 086 543 000	R3 654 366 000	R3 953 535 000
Statutory amounts	-	-	-
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 the sustainable forest management.*

### Programme purpose and measurable objectives

#### Programme 1: Administration

**Purpose:** Provide financial, human resource, information and management services, and general administrative support to the Department.

#### Programme 2: Water Resource Management

**Purpose:** Ensures that the country's water resources are protected, used, developed, conserved, managed and controlled, in a sustainable and equitable manner for the benefit of all people.

**Measurable objective:** To ensure the long-term availability of water in sufficient quantity and of appropriate quality to support South Africa's social and economic development needs and to meet international water-sharing agreements, by, among other things, implementing an equitable water-use authorisation system and measures to protect water resources, and establishing effective and representative water management institutions.

#### Programme 3: Water Services

**Purpose:** Ensure that effective, efficient, sustainable, and affordable water and sanitation services are provided to the people of South Africa, as well as economic users.

**Measurable objective:** To provide adequate water services to the people of South Africa, including additional basic water supply to 1 million people and basic sanitation to 300 000 households.

#### Programme 4: Forestry

**Purpose:** Promote the conservation, commercial and community uses of plantation and indigenous forests to achieve optimal social and economic benefit, and promote rural development through policy development, regulation, facilitation, and monitoring and evaluation.

**Measurable objective:** To ensure the sustainable management of all forests, and transfer ownership of state-owned and/or management of forests to appropriate agencies within 10 years.

### **Strategic overview and key policy developments: 1999/00 – 2005/06**

The Department of Water Affairs and Forestry continues to work towards building a better life for all. It seeks to ensure that the country has reliable sources of water, for sustainable social and economic progress. It encourages water conservation and manages demand. It also manages and expands the national water resource infrastructure where necessary. To address poverty, the Department continues to make inroads into the infrastructure backlog for basic water supply and sanitation. It also regulates and promotes the provision of efficient and sustainable water services at municipal level. In forestry, the focus is on the restructuring of the forests run by the Department and the South African Forestry Company Ltd (Safcol), with an emphasis on ensuring black empowerment and economic benefits to the communities that rely on the forests.

After 1994 the Department's agenda was dominated by the development of new policies, legislation and implementation programmes for its three functional areas: water resources management, water services and forestry. By the end of 1998, the Department had put in place three new policies and four new laws, which introduced fundamental changes and created the framework for the Department to give effect to the Constitution.

#### *Water resources management*

The National Water Act (36 of 1998) replaced previous legislation with an equitable system of administrative authorisations to use water, and Government became the public trustee of the nation's water resources. The Department is responsible for administering all aspects of the new Act, and for the development and implementation of related policies, strategies and regulatory instruments. It is also responsible for planning, developing, operating and maintaining the water resources management infrastructure owned by the state, and for overseeing the activities of all water management institutions. This role will change over time, as 19 new regional water management institutions – catchment management agencies – are established. The creation of a national water utility is also being considered, to manage national infrastructure and to develop new infrastructure. The Department's final role will be to provide the national policy and regulatory framework within which other institutions will manage water resources, and to maintain general oversight of the institutions' activities and performance. The Department will also continue to manage South Africa's international relationships and activities in water matters.

#### *Water services*

The 1994 water and sanitation White Paper determined that the role of the Department was a direct delivery function on behalf of Government: to rapidly provide basic water and sanitation services to people living primarily in rural areas. It is now possible for local government to assume full operational responsibility for water and sanitation services as provided for in the Constitution, and the role of the Department must change from direct provider to sector leader, supporter and regulator. Important new government policies have been developed and implemented since the 1994 White Paper and these need to be reflected in a new water services White Paper.

The Water Services Act (108 of 1997) made important policy advances specifically in relation to the institutional framework. The free basic water policy is a further step within broad municipal and intergovernmental policy towards the goal of access to basic water for all. A new White Paper on Basic Household Sanitation has been produced, replacing the sanitation policies in the 1994 White Paper.

The financial framework for water and sanitation services has changed significantly. In the past the Department has been an important financier of water investments, but this responsibility will increasingly shift to ensuring that water and sanitation projects, and the agencies that manage water and sanitation services, are sustainable and can maintain and expand access to water and sanitation. The Department will also be transferring water services schemes, which it currently operates, to appropriate water services institutions in consultation with the relevant local government authorities. This restructuring is aimed at improving the Department's capacity to monitor, support and regulate the activities of all water services institutions.

### Forestry

The Department promotes the sustainable management of South Africa's indigenous and commercial forestry resources. It aims to ensure that commercial forests are regulated and managed to promote investment, employment, competition and black empowerment, as well as rural development. It seeks to ensure that there is an effective system to monitor, regulate and manage the protection and use of South Africa's indigenous forests.

The 1996 White Paper on Sustainable Forest Development focused on the transformation of the forest sector to serve the needs of South Africa and its people. The National Forests Act (84 of 1998) and the National Veld and Forest Fires Act (101 of 1998) which followed, impact on the Department's work, and on all players in the sector.

A great deal of attention has been focused on the restructuring of the forests run by the Department and Safcol. Staff, and the responsibility for managing the Department's large commercial forests, have been transferred to Safcol, and the process of leasing large forests is almost complete. The emphasis has been on ensuring black empowerment, and that the communities that rely on the forests benefit economically. The Department's efforts have ensured that private companies and communities engage in innovative partnerships to their mutual benefit. The restructuring should be completed within 10 years.

The Department is shifting away from the management of commercial, indigenous and community forests and focusing on developing and implementing policies, implementing monitoring and evaluation mechanisms, and providing support. The Department's ultimate role will mainly be to provide the national policy and regulatory framework within which other institutions will manage forest resources.

## Expenditure estimates

Table 34.1: Water Affairs and Forestry

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03				
1 Administration	182 965	190 265	211 373	225 917	225 917	237 071	251 129	267 210
2 Water Resources Management	550 751	723 586	904 470	1 161 485	1 161 485	1 056 113	768 061	827 376
3 Water Services	1 591 583	1 786 540	1 932 744	1 974 155	1 944 155	2 439 722	2 287 241	2 487 539
4 Forestry	350 998	341 226	434 468	401 134	401 134	353 637	347 935	371 410
Total	2 676 297	3 041 617	3 483 055	3 762 691	3 732 691	4 086 543	3 654 366	3 953 535
Change to 2002 Budget Estimate				204 182	174 182	258 991	359 808	

2003 Estimates of National Expenditure

	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03				
<b>Economic classification</b>								
Current	1 631 931	1 738 137	1 813 056	2 435 891	2 405 891	2 627 355	2 331 181	2 522 168
Personnel	306 389	373 294	406 708	641 067	641 067	585 929	603 285	641 733
Transfer payments	1 011 397	1 007 873	976 164	1 187 376	1 187 376	1 343 686	967 638	1 154 566
Other current	314 145	356 970	430 184	607 448	577 448	697 740	760 258	725 869
Capital	1 044 366	1 303 480	1 669 999	1 326 800	1 326 800	1 459 188	1 323 185	1 431 367
Transfer payments	176 205	290 941	408 763	3 408	3 408	31 574	33 165	34 722
Acquisition of capital assets	868 161	1 012 539	1 261 236	1 323 392	1 323 392	1 427 614	1 290 020	1 396 645
<b>Total</b>	<b>2 676 297</b>	<b>3 041 617</b>	<b>3 483 055</b>	<b>3 762 691</b>	<b>3 732 691</b>	<b>4 086 543</b>	<b>3 654 366</b>	<b>3 953 535</b>

Standard items of expenditure

Personnel	306 389	373 294	406 708	641 067	641 067	614 562	628 308	666 113
Administrative	99 497	113 303	123 047	158 586	158 586	165 610	174 629	183 661
Inventories	67 637	70 684	79 615	90 689	90 689	98 684	102 233	110 131
Equipment	84 458	69 508	55 703	64 846	64 846	60 585	63 671	71 198
Land and buildings	-	7 778	3 192	6 943	6 943	5 888	5 296	5 966
Professional and special services	925 455	1 102 340	1 429 608	1 608 996	1 578 996	1 765 174	1 678 630	1 726 374
Transfer payments	1 187 602	1 298 814	1 384 927	1 190 784	1 190 784	1 375 260	1 000 803	1 189 288
Miscellaneous	5 259	5 896	255	780	780	780	796	804
<b>Total</b>	<b>2 676 297</b>	<b>3 041 617</b>	<b>3 483 055</b>	<b>3 762 691</b>	<b>3 732 691</b>	<b>4 086 543</b>	<b>3 654 366</b>	<b>3 953 535</b>

## Expenditure trends

Between 1999/00 and 2002/03, the budget for the Department of Water Affairs and Forestry grew by an average of 12 per cent a year. It will grow by 8,6 per cent in 2003/04, and fall by about 10 per cent in 2004/05. The increase in 2003/04 is due to transfer costs related to the water service schemes (which will be transferred to local authorities), the acceleration of the delivery of basic services, and an additional R90 million for sanitation projects.

The nature of the Department's functions means that expenditure focuses on capital expenditure, professional and special services, and transfer payments. Professional and special services consume 44,2 per cent of the budget over the medium term, and transfer payments consume a further 30,5 per cent.

## Departmental receipts

Receipts from the sale of water are paid into the Water Trading Account. Other receipts are from the repayment of loans to water boards, irrigation boards and local governments, interest on these loans, and miscellaneous income and revenue from the sale of wood and wood products. The total value of loans outstanding was estimated at R257 million at the end of November 2002.

Table 34.2: Departmental receipts

R thousand	Revenue outcome			Adjusted Appropriation	Medium-term revenue estimate			
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05	2005/06
	1999/00	2000/01	2001/02					
Tax revenue	-	-	-	-	-	-	-	
Non-tax revenue	33 775	29 669	40 534	43 879	44 854	46 443	49 408	
Interest	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	
Rent	-	-	-	-	-	-	-	
Sales of goods and services	12 195	10 401	13 819	19 503	20 128	20 785	22 112	
Fines, penalties and forfeits	-	-	-	-	-	-	-	
Miscellaneous	21 580	19 268	26 715	24 376	24 726	25 658	27 296	
Sales of capital assets (capital revenue)	-	-	-	-	-	-	-	
Financial transactions (recovery of loans and advances)	34 515	41 099	23 361	33 999	35 699	37 484	39 877	
<b>Total departmental receipts</b>	<b>68 290</b>	<b>70 768</b>	<b>63 895</b>	<b>77 878</b>	<b>80 553</b>	<b>83 927</b>	<b>89 285</b>	

## Programme 1: Administration

Administration provides for management of the Department, including: policy formulation by the Minister and senior management; centralised administrative, legal and office support services; departmental personnel management and financial administration; information technology (IT); determining working methods and procedures; and exercising control through head office and regional offices.

### Expenditure estimates

Table 34.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05	2005/06
	1999/00	2000/01	2001/02					
R thousand								
Minister <sup>1</sup>	498	666	617	691	746	791	835	
Management	7 845	9 587	12 273	12 536	13 400	14 560	15 020	
Corporate Services	113 084	120 799	138 193	153 746	161 463	170 713	181 872	
Information Services	61 538	59 213	60 290	58 944	61 462	65 065	69 483	
<b>Total</b>	<b>182 965</b>	<b>190 265</b>	<b>211 373</b>	<b>225 917</b>	<b>237 071</b>	<b>251 129</b>	<b>267 210</b>	
Change to 2002 Budget Estimate				5 113	14 421	16 038		

<sup>1</sup> Payable as from 1 April 2002. Salary: R552 984. Car allowance: R138 246.

#### Economic classification

Current	163 034	175 978	200 786	215 660	227 586	239 728	255 125
Personnel	68 356	75 365	93 334	96 231	99 126	104 700	110 900
Transfer payments	-	-	-	-	-	-	-
Other current	94 678	100 613	107 452	119 429	128 460	135 028	144 225
Capital	19 931	14 287	10 587	10 257	9 485	11 401	12 085
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	19 931	14 287	10 587	10 257	9 485	11 401	12 085
<b>Total</b>	<b>182 965</b>	<b>190 265</b>	<b>211 373</b>	<b>225 917</b>	<b>237 071</b>	<b>251 129</b>	<b>267 210</b>

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	68 356	75 365	93 334	96 231	99 126	104 700	110 900
Administrative	27 348	30 328	33 286	33 259	34 895	37 028	39 396
Inventories	5 151	5 126	4 551	4 940	5 200	5 407	5 800
Equipment	19 931	13 865	10 587	10 257	9 485	11 401	12 225
Land and buildings	–	–	–	2 500	2 500	2 500	2 790
Professional and special services	60 810	63 939	69 360	77 950	85 085	89 297	95 295
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	1 369	1 642	255	780	780	796	804
<b>Total</b>	<b>182 965</b>	<b>190 265</b>	<b>211 373</b>	<b>225 917</b>	<b>237 071</b>	<b>251 129</b>	<b>267 210</b>

### Expenditure trends

The allocation to *Administration* increases by 5,8 per cent a year over the medium term, having grown by an average of 7,3 per cent a year between 1999/00 and 2002/03. The increase reflects the increase in the costs of IT management and restructuring.

### Programme 2: Water Resource Management

Water Resource Management is organised into 14 subprogrammes:

- Equitable Supply ensures the reliable and equitable supply of water for sustainable economic and social development, including the eradication of poverty.
- Protection Policies ensures the protection of water resources.
- Institutional Regulations provides support for developing and establishing effective water management institutions.
- Strategic Alignment develops policies to manage water resources.
- African Co-operation promotes integrated water resource management in Africa in support of the New Partnership for Africa's Development (NEPAD).
- Water Resource Administration ensures efficient general administration to the *Water Resource Management* programme.
- Sustainable Supply supports the provision of a reliable and equitable supply of water at regional level for sustainable economic and social development, including the eradication of poverty.
- Protection Measures initiates and supports the protection of water resources at the regional level.
- Institutional Development ensures that there are effective water management institutions at the regional level.
- Stakeholder Empowerment develops empowered, skilled and representative staff, and capacitates stakeholders and the general public at the regional level, to achieve integrated water resource management.
- African Support implements integrated water resource management in Africa and at the regional level in support of NEPAD.
- Water Resource Support provides regional support services (management, human resources, finance, and general administration) for *Water Resource Management*.
- Operations of Water Resources provides for the augmentation of the Water Trading Account.
- Capital Equipment provides for the augmentation of the Equipment Trading Account.

## Expenditure estimates

Table 34.4: Water Resource Management

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Equitable Supply	91 415	102 316	107 134	125 411	141 338	156 023	172 030
Protection Policies	16 914	19 624	27 236	30 945	44 545	63 430	76 758
Institutional Regulations	5 914	7 316	8 650	9 658	10 111	11 276	11 728
Strategic Alignment	43 245	63 419	72 210	85 182	90 608	100 551	106 974
African Co-operation	1 900	4 100	4 200	5 100	4 604	4 883	5 144
Water Resource Administration	6 216	8 202	8 846	11 227	11 768	12 108	12 796
Sustainable Supply	208 305	220 416	250 119	263 617	265 314	271 694	287 592
Protection Measures	425	425	425	1 230	455	453	488
Institutional Development	1 864	1 908	2 000	2 110	2 317	2 457	2 586
Stakeholder Empowerment	41 314	63 217	70 405	91 868	86 640	92 143	96 812
African Support	-	-	-	-	-	-	-
Water Resource Support	18 409	26 334	34 114	69 417	48 228	50 543	51 968
Operations of Water Resources	112 030	201 309	316 631	463 220	347 685	-	-
Capital Equipment	2 800	5 000	2 500	2 500	2 500	2 500	2 500
<b>Total</b>	<b>550 751</b>	<b>723 586</b>	<b>904 470</b>	<b>1 161 485</b>	<b>1 056 113</b>	<b>768 061</b>	<b>827 376</b>
Change to 2002 Budget Estimate				265 646	296 943	83 338	
<b>Economic classification</b>							
Current	164 378	176 224	198 449	851 606	716 236	412 639	453 716
Personnel	145 378	155 379	167 018	200 588	203 556	215 646	228 190
Transfer payments	-	-	-	487 688	347 685	-	-
Other current	19 000	20 845	31 431	163 330	164 995	196 993	225 526
Capital	386 373	547 362	706 021	309 879	339 877	355 422	373 660
Transfer payments	176 205	290 941	408 763	3 408	31 574	33 165	34 722
Acquisition of capital assets	210 168	256 421	297 258	306 471	308 303	322 257	338 938
<b>Total</b>	<b>550 751</b>	<b>723 586</b>	<b>904 470</b>	<b>1 161 485</b>	<b>1 056 113</b>	<b>768 061</b>	<b>827 376</b>
<b>Standard items of expenditure</b>							
Personnel	145 378	155 379	167 018	200 588	232 189	240 669	252 570
Administrative	48 991	52 337	56 816	61 312	63 521	67 558	71 339
Inventories	57 647	60 216	64 117	64 674	68 038	70 751	76 270
Equipment	38 663	40 000	41 186	45 837	42 989	43 834	49 037
Land and buildings	-	7 702	3 192	1 554	1 193	1 243	1 501
Professional and special services	81 440	114 417	163 378	296 424	268 924	310 841	341 937
Transfer payments	176 205	290 941	408 763	491 096	379 259	33 165	34 722
Miscellaneous	2 427	2 594	-	-	-	-	-
<b>Total</b>	<b>550 751</b>	<b>723 586</b>	<b>904 470</b>	<b>1 161 485</b>	<b>1 056 113</b>	<b>768 061</b>	<b>827 376</b>
<b>Transfer payments per subprogramme</b>							
Equitable Supply							
Irrigation Board Subsidies	-	-	-	-	28 768	30 220	31 731
Dam Safety	-	-	-	-	306	445	491
Operations of Water Resources	176 205	290 941	408 763	491 096	347 685	-	-
Capital Equipment							
Equipment Trading Account	-	-	-	-	2 500	2 500	2 500
<b>Total</b>	<b>176 205</b>	<b>290 941</b>	<b>408 763</b>	<b>491 096</b>	<b>379 259</b>	<b>33 165</b>	<b>34 722</b>

## Expenditure trends

Expenditure on *Water Resource Management* increases by about 28 per cent between 1999/00 and 2002/03 as a result of the implementation of National Water Act, particularly in relation to resource information management, licensing, improving water quality and building water resources (in partnership with neighbouring states like Swaziland). However, expenditure on this programme will decrease by about 9 per cent in 2003/04 and by 27 per cent in 2004/05 as the Department delegates the operation of water management resources to catchment management agencies. This decrease going forward is further explained by the fact that poverty relief allocations cease to exist pending the review of the entire poverty relief programme.

## Service delivery objectives and indicators

### Recent outputs

Achievements during 2002/03 include the publication of and extensive public consultation on the Proposed National Water Resource Strategy, which provides a national framework for the management of water resources.

The implementation of a national pricing strategy for raw water began, to ensure that, as far as possible, the costs of the management of water resources and water supply infrastructure are borne by water users. In addition, an integrated billing system was introduced to facilitate revenue collection. Registration of water use – a prerequisite for the imposition of water-use charges – continued and the verification of claimed water use began in several catchments.

Clearing invasive alien vegetation continued in a number of catchments under the Working for Water project. In addition to improving catchment runoff characteristics, this also contributes to job creation and poverty eradication.

Subsidies will be provided to a number of resource-poor farmers for the construction of water infrastructure for irrigation, thereby broadening access to the productive use of water to previously disadvantaged individuals. Five irrigation boards will be subsidised during the 2004/05 financial year for R28,8 million.

Progress was made on the preparation of a number of proposals to establish catchment management agencies, and the proposal for an agency in the Nkomati water management area was published for public comment. The agencies are regional water management institutions representing all water-related interests in their areas of jurisdiction. The responsibility for managing water resources will progressively be devolved to them, and they will facilitate broader public involvement in water matters.

## Medium-term output targets

### Water Resource Management

Measurable objective: To ensure the long-term availability of water in sufficient quantity and of appropriate quality to support South Africa's social and economic development needs and to meet international water-sharing agreements by, among other things, implementing an equitable water use authorisation system and measures to protect water resources, and establishing effective and representative water management institutions.

Subprogramme	Output	Measure/Indicator	Target
Equitable Supply	Reconciliation of water supply and demand in stressed catchments	Integrated internal strategic perspectives developed for 16 catchments	March 2004
Protection Policies	Protection of water resources	Reserves created	4 reserves created

Subprogramme	Output	Measure/Indicator	Target
Institutional Policies	Viable water management institutions	Number of water management institutions	4 catchment management agencies and 100 water user associations
Strategic Alignment	Strategy for managing the country's water resources	National Water Resource Strategy published in Government Gazette	July 2003
African Co-operation	Integrated water resources management in Africa, in particular with neighbouring countries and the Southern African Development Community (SADC)	Technical agreements signed for sharing technical information and resources with other African countries	4 agreements signed by March 2004
Water Resource Administration	Administration for water resources management within head office of the Department of Water Affairs and Forestry	Compliance with public service Regulations and procedures, and the Public Finance Management Act (1 of 1999) (PFMA)	Ongoing
Sustainable Supply	Water supply provided for economic and social purposes	Appropriate quality and quantity of water supplied as per agreements with users	60% compliance with agreements
Protection Measures	Protection of water resources	Rate of compliance with licence conditions and national policies at national level	80% compliance
Institutional Development	Viable and legitimate institutions for water resources management	Catchment management agencies established, and representative governing boards appointed	3 catchment management agencies established by March 2004
Stakeholder Empowerment	Capacitated and informed stakeholders participating in catchment management forums	Levels of representivity in catchment management forums	At least one-third representivity
African Support	Co-operation with other countries in Africa	Active participation in SADC and the African Minister's Conference on Water (AMCOW) activities	Participation in AMCOW meeting in Cairo in February 2003
Water Resource Support	Administration for water resources management within regions	Compliance with public service regulations and procedures and the PFMA	10% improvement per year
Operations of Water Resources	Reliable and sustainable supply of water provided for economic and social use	Water supplied as per agreements with users	March 2004
Capital Equipment	Reliable supply of equipment	Appropriate equipment available for construction activities	Ongoing

### Programme 3: Water Services

*Water Services* ensures access to effective, sustainable and affordable water and sanitation services through policy development and planning, as well as through regulating and monitoring the sector. This includes institutional and implementation support to local government.

There are 13 subprogrammes:

- Provisioning Policies ensures basic water supply and sanitation services for improved quality of life and poverty alleviation.
- Water Sector Policies provides a framework for the effective and sustainable delivery of water services to underpin economic and social development.
- Institutional Policies supports effective water services institutions.
- Transfer Policies guides the transfer of water services schemes for effective local operations and management.
- Africa Initiative promotes *Water Services* activities to achieve United Nations millennium development targets in Africa, and to support NEPAD.
- Water Services Administration ensures efficient administration, human resource management, and finance and management support to *Water Services* at the national level (head office).

- Water and Sanitation Services provides infrastructure for basic water supply and sanitation services at the regional level, for improved quality of life and poverty alleviation.
- Water Sector Support supports the delivery of sustainable water services at the regional level to underpin economic and social development.
- Institutional Support provides support at the regional level for effective water services institutions.
- Transfers implements the transfer of water services schemes to ensure effective local level operation and management of water services schemes.
- African Participation promotes and supports policies to achieve the UN millennium development targets in Africa.
- Water Services Support provides a regional support service for water services (management, human resources, finance, and general administration).
- Operations of Water Services provides for the augmentation of the Water Trading Account.

### Expenditure estimates

Table 34.5: Water Services

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
Provisioning Policies	5 843	6 234	6 948	7 589	8 116	8 640	9 174	
Water Sector Policies	17 415	21 712	29 113	22 989	35 697	97 990	40 460	
Institutional Policies	7 968	8 765	9 876	11 641	11 893	12 540	12 300	
Transfer Policies	322	340	335	380	419	450	480	
Africa Initiative	1 104	1 697	1 766	1 901	3 599	3 910	4 227	
Water Services Administration	2 774	3 742	3 846	14 821	4 610	5 000	5 280	
Water and Sanitation Services	611 775	725 278	949 461	950 325	1 101 677	947 878	1 036 607	
Water Sector Support	14 113	17 415	21 415	24 563	25 039	25 430	26 090	
Institutional Support	9 453	11 776	13 117	16 092	16 601	17 300	17 940	
Transfers	421	1 759	1 798	1 846	2 033	1 600	1 700	
African Participation	287	304	336	350	385	406	416	
Water Services Support	192 855	201 636	202 884	221 971	233 653	198 460	178 300	
Operations of Water Services	727 253	785 882	691 849	699 687	996 000	967 637	1 154 565	
<b>Total</b>	<b>1 591 583</b>	<b>1 786 540</b>	<b>1 932 744</b>	<b>1 974 155</b>	<b>2 439 722</b>	<b>2 287 241</b>	<b>2 487 539</b>	
Change to 2002 Budget Estimate				(95 376)	(82 021)	228 569		
Economic classification								
Current	955 119	1 046 369	982 502	974 109	1 335 873	1 337 006	1 448 411	
Personnel	47 948	50 646	55 629	68 224	60 760	66 526	72 374	
Transfer payments	729 936	789 782	697 002	699 687	996 000	967 637	1 154 565	
Other current	177 235	205 941	229 871	206 198	279 113	302 843	221 472	
Capital	636 464	740 171	950 242	1 000 046	1 103 849	950 235	1 039 128	
Transfer payments	-	-	-	-	-	-	-	
Acquisition of capital assets	636 464	740 171	950 242	1 000 046	1 103 849	950 235	1 039 128	
<b>Total</b>	<b>1 591 583</b>	<b>1 786 540</b>	<b>1 932 744</b>	<b>1 974 155</b>	<b>2 439 722</b>	<b>2 287 241</b>	<b>2 487 539</b>	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Standard items of expenditure							
Personnel	47 948	50 646	55 629	68 224	60 760	66 526	72 374
Administrative	13 433	14 719	15 826	17 041	17 882	18 913	19 200
Inventories	1 107	1 297	1 386	1 348	1 577	1 875	2 044
Equipment	24 266	14 059	781	2 134	2 134	2 309	2 441
Land and buildings	-	-	-	-	38	48	80
Professional and special services	774 092	915 192	1 162 120	1 185 721	1 361 331	1 229 933	1 236 835
Transfer payments	729 936	789 782	697 002	699 687	996 000	967 637	1 154 565
Miscellaneous	801	845	-	-	-	-	-
<b>Total</b>	<b>1 591 583</b>	<b>1 786 540</b>	<b>1 932 744</b>	<b>1 974 155</b>	<b>2 439 722</b>	<b>2 287 241</b>	<b>2 487 539</b>
Transfer payments per subprogramme							
Institutional Support							
Local Institutional and Development Support	2 683	3 900	5 153	-	-	-	-
Operations of Water Services							
Water Services Operating Subsidy Grant	-	-	31 578	-	159 564	109 303	220 131
Water Services Operating Subsidy Grant (conditional grant)	727 253	785 882	660 271	699 687	836 436	858 334	934 434
<b>Total</b>	<b>729 936</b>	<b>789 782</b>	<b>697 002</b>	<b>699 687</b>	<b>996 000</b>	<b>967 637</b>	<b>1 154 565</b>

## Expenditure trends

Expenditure between 1999/00 and 2002/03 on *Water Services* has increased by about 7 per cent, driven by the urgency to eradicate the backlog in basic water services, and especially the need to speed up the delivery of basic sanitation. Expenditure will increase by about 24 per cent in 2003/04 due to the refurbishment of water schemes to be transferred to local authorities, and the acceleration of the delivery of sanitation and basic services.

## Service delivery objectives and indicators

### Recent outputs

Achievements during 2001/02 include: the provision of basic water supply to an additional 1 million people; the creation of a dedicated unit to speed up the delivery of basic sanitation; and support to municipalities in the planning and implementation of the free basic water policy through an intensive campaign. Monitoring of water boards was stepped up to ensure more effective service delivery.

### Medium-term output targets

#### Water Services

Measurable objective: Provide adequate water services to the people of South Africa, including the additional basic water supply to 1 million people and basic sanitation to 300 000 households.

Subprogramme	Output	Measure/Indicator	Target
Provisioning Policies	Effective and sustainable basic water supply and sanitation, as well as free basic services	Number of people supplied with basic water	Supply additional 1 million people with basic water and 300 000 households with basic sanitation per year Free basic water expanded to 85% by March 2004

Subprogramme	Output	Measure/Indicator	Target
Provisional Policies	Total effective water supply and sanitation services	Enabling legislation in place	White Paper on Water Services published by March 2004 Regional and functional strategies, as well as Water Services Development Plans in place
Institutional Policies	Institutions and institutional framework to support effective management of water services	Empowered water services authorities, providers and water boards	Effective performance of water services institutions
Transfer Policies	Ensure an enabling environment for transfers	Sound and enabling strategies, policies, institutional framework, as well as skills and capacity support in place	Ongoing implementation of policy, and provision of support to conclude programme by June 2005
Africa Initiative	Participate in water services programmes in Africa	Number of technical agreements	3 agreements signed by March 2004
Water Services Administration	Effective water services sector leadership	Institutional framework and support services in place	Ongoing
Water and Sanitation Services	Reduce backlog of people without access to basic water services	Number of people served with basic water supply, basic sanitation	Serve another 1 million people with basic water supply, and additional 300 000 households with basic sanitation by March 2004
Water Sector Support	Access to basic services for the poor	Rate of expansion of programme	Free basic water programme expanded to 85% by March 2004
Institutional Support	Effective institutions for water services	Restructuring of water service providers	Restructuring process 50% completed by March 2004
Transfers	Effective transfer of water schemes to appropriate institutions	Number of schemes transferred	90 schemes transferred by March 2004
Africa Participation	Participate in water services programmes in Africa	Number of technical agreements signed	3 agreements signed by March 2004
Water Services Support	Administration for water services management within the regions	Compliance with public service regulations and procedures, as well as the PFMA	Ongoing
Operations of Water Services	Reliable and sustainable supply of water provided for basic use and economic development	Water supplied as per national standards	Ongoing

## Programme 4: Forestry

The *Forestry* programme promotes the conservation and commercial and community uses of plantation and indigenous forests to achieve optimal social and economic benefit and to promote rural development through policy development, regulation, facilitation and monitoring and evaluation.

The programme is organised into 11 subprogrammes:

- Plantation Restructuring develops and supports policies to ensure the sustainable development and management of plantation forestry to achieve equitable economic and social benefits, particularly in rural areas.
- Indigenous Forest Restructuring develops and promotes policies to support the sustainable development and management of indigenous forests to optimise their social, economic and environmental benefits.
- Forestry Oversight develops policies in support of sustainable forest management, oversees the sector, and ensures that policy at all levels of Government is coherent.
- African Forestry Liaison promotes sustainable forest management in Africa in support of NEPAD.

- Community Forestry develops and promotes policies to empower communities and disadvantaged groups to make use of tree and forest resources to support sustainable livelihoods.
- Forestry Management Support ensures efficient general administration and management support to the *Forestry* programme.
- Plantation Management supports the sustainable development and management of plantation forestry at the regional level to achieve equitable economic benefits, particularly in rural areas.
- Indigenous Forest Management supports the sustainable development and management of indigenous forests to optimise their social, economic, and environmental benefits.
- Forestry Governance supports sustainable forest management (SFM) in South Africa by overseeing the community forestry sector.
- Community Empowerment helps disadvantaged communities and groups to make use of tree and forest resources to support sustainable livelihoods.
- Forestry Support Services provides support services for regional forestry activities in management, human resources, finance and general administration.

## Expenditure estimates

Table 34.6: Forestry

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
Plantation Restructuring	730	730	730	750	811	776	822	
Indigenous Forest Restructuring	200	200	200	200	208	209	219	
Forestry Oversight	11 783	12 200	12 806	13 246	14 344	13 927	14 750	
African Forestry Liaison	620	630	630	650	678	658	697	
Community Forestry	100	100	100	100	104	103	109	
Forestry Management Support	3 900	3 900	3 900	4 280	4 670	4 534	4 802	
Plantation Management	261 185	245 740	329 430	286 485	227 957	225 911	242 178	
Indigenous Forest Management	28 840	33 174	40 336	44 483	51 028	49 543	52 471	
Forestry Governance	1 640	1 702	1 736	1 840	2 012	1 953	2 068	
Community Empowerment	18 800	19 100	19 800	23 500	24 691	23 973	25 389	
Forestry Support Services	23 200	23 750	24 800	25 600	27 134	26 348	27 905	
<b>Total</b>	<b>350 998</b>	<b>341 226</b>	<b>434 468</b>	<b>401 134</b>	<b>353 637</b>	<b>347 935</b>	<b>371 410</b>	
Change to 2002 Budget Estimate				28 799	29 648	31 863		
<b>Economic classification</b>								
Current	349 400	339 566	431 319	394 516	347 660	341 808	364 916	
Personnel	44 707	91 904	90 727	276 024	222 487	216 413	230 269	
Transfer payments	281 461	218 091	279 162	1	1	1	1	
Other current	23 232	29 571	61 430	118 491	125 172	125 394	134 646	
Capital	1 598	1 660	3 149	6 618	5 977	6 127	6 494	
Transfer payments	-	-	-	-	-	-	-	
Acquisition of capital assets	1 598	1 660	3 149	6 618	5 977	6 127	6 494	
<b>Total</b>	<b>350 998</b>	<b>341 226</b>	<b>434 468</b>	<b>401 134</b>	<b>353 637</b>	<b>347 935</b>	<b>371 410</b>	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Standard items of expenditure							
Personnel	44 707	91 904	90 727	276 024	222 487	216 413	230 269
Administrative	9 725	15 919	17 119	46 974	49 312	51 130	53 726
Inventories	3 732	4 045	9 561	19 727	23 869	24 200	26 017
Equipment	1 598	1 584	3 149	6 618	5 977	6 127	7 495
Land and buildings	–	76	–	2 889	2 157	1 505	1 595
Professional and special services	9 113	8 792	34 750	48 901	49 834	48 559	52 307
Transfer payments	281 461	218 091	279 162	1	1	1	1
Miscellaneous	662	815	–	–	–	–	–
<b>Total</b>	<b>350 998</b>	<b>341 226</b>	<b>434 468</b>	<b>401 134</b>	<b>353 637</b>	<b>347 935</b>	<b>371 410</b>
Transfer payments per subprogramme							
Plantation Management							
Industrial Plantation Trading Account	281 461	218 091	279 162	1	1	1	1
<b>Total</b>	<b>281 461</b>	<b>218 091</b>	<b>279 162</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

## Expenditure trends

The allocation to *Forestry* will decrease by an average of 2,5 per cent a year over the medium term as state-owned forestry assets are restructured. In 2002/03 the Industrial Plantations Trading Account ceased to operate, and the costs of managing state-owned forestry enterprises were brought onto the budget.

Spending is expected to decrease over the MTEF period, but due to the slow pace of restructuring it increased during 2001/02. There has also been a shift in expenditure towards community and indigenous forestry management to compensate for past underfunding, and to cover the costs of staff redeployed to these functions.

## Service delivery objectives and indicators

### Recent outputs

Achievements during 2002/3 include: the completion of a forest inventory and classification of forests; the review and updating of the national forestry action plan; the approval of policy and procedures for the transfer of category B forests and the transfer of all category A forests from the Department's control. At present, 62 000ha of forestry and 1 000 employees have been transferred out of the Department. *Forestry* has also developed criteria and indicators for sustainable forest management.

### Medium-term output targets

#### Forestry

Measurable objective: To ensure the sustainable forest management of all forests, and transfer ownership of state-owned and/or management of forests to appropriate agencies within 10 years.

Subprogramme	Output	Measure/Indicator	Target
Plantation Restructuring	Category B plantations transferred in accordance with national policy	Number of category B plantations transferred	1/3 of category B plantations transferred by March 2004

Subprogramme	Output	Measure/Indicator	Target
Indigenous Forestry Restructuring	Management of Department's indigenous forests transferred to appropriate agencies	Transfers to effective agencies approved by Director-General	40% of Department's managed forests transferred by March 2004
Forestry Oversight	Accurate and reliable forest information	Implementation of forest information system	Forest information system live and accurate by March 2004
African Forestry Liaison	Improved regional co-operation on management of forest resources	Co-operation with SADC formalised	SADC protocol signed and adopted by March 2004
Community Forestry	Urban greening support	Support for urban greening initiatives by relevant local authorities Policy in place for rural community support	2 workshops on urban greening in 4 provinces by March 2004 March 2004
Plantation Management	Routine operations maintained	Quarterly reports to management committee	Reduce temporary unplanted area by 15% per year. Meet estimated obligation. Restrict fire damage to 5% of plantable area
Indigenous Forest Management	Indigenous forests managed sustainably	Quarterly reports on development of management plans for the Department's indigenous forests to management committee	Management plans developed for 80% of estates by March 2004
Forestry Governance	Regulation of sustainable forest management	Regulations published Applications processed on time	National system developed by March 2004
Community Empowerment	Community-based forestry	Signed agreements that relate to poverty reduction	Eastern Cape Forest Enterprise initiative started by March 2004
Forestry support services	Efficient administration for water resources management within the Department	Compliance with public service regulations and procedures, and the PFMA	Ongoing

## Trading Accounts

### Water Trading Account

The Water Trading Account is divided into four components, each designed to provide a channel for funding a specific activity in the water sector.

- **Component 1: Integrated Water Resource Management:** The aim is to develop catchment management plans, and to implement these through the effective integration and rollout of water quality, water utilisation, and water conservation measures within all catchments in the country.
- **Component 2: Integrated Systems:** In many cases the available water resources in a particular area cannot meet the demand. Water is then transferred from water-rich catchments, for example from the Tugela basin to Gauteng. The management, operation and maintenance of these schemes as integrated systems, as well as the revenue collected from water users, are reflected in this component.
- **Component 3: Bulk Water Supply:** A number of schemes are operated as stand-alone schemes and do not form part of an integrated network with other schemes. The supply of water is mostly in bulk to different water-user groups, but the agricultural sector is by far the largest consumer.
- **Component 4: Water Services:** After 1994, a number of schemes (water and sanitation) were transferred from the previous homeland dispensations to the Department of Water Affairs and

Forestry. More than 7 million people are currently served through these schemes, and the operational, maintenance and management costs are reflected in this component.

Two main sources of funding are currently available to cover spending under the Water Trading Account. The first is a revenue stream generated by a water resource management charge levied on all registered water users (component 1), as well as revenue collected through the sales of water in bulk to various institutions and individuals (components 2, 3 and 4). The shortfall is funded through allocations from the National Revenue Fund in the normal Budget process.

However, it is not sustainable for the fiscus to continually finance the trading account's deficit. The persistent shortfall will be addressed through a programme of cost recovery to be initiated in 2003. In addition, the transfer of water service schemes to local governments and water services providers is expected to have a positive effect on the deficit. The implementation of the national water pricing strategy will further improve the financial state of the Water Trading Account. New tariffs structures in some areas have already resulted in full cost recovery.

Income from water sales on the Water Trading Account is estimated at R3,3 billion in 2003/04, R3,1 billion in 2004/05 and R3,2 billion in 2005/06.

Table 34.7: Summary of revenue and expenditure for the Water Services Trading Account

	Revenue/Expenditure outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
<b>Revenue</b>							
Tax revenue	-	(59)	27	-	-	-	-
Non-tax revenue	1 559 728	1 624 585	1 745 537	1 838 601	1 947 361	2 041 888	2 136 071
Sale of capital assets	-	-	-	-	-	-	-
Transfers received	839 284	1 027 431	1 008 480	1 094 670	1 343 684	1 027 730	1 104 616
<b>Total Revenue</b>	<b>2 399 012</b>	<b>2 651 957</b>	<b>2 754 044</b>	<b>2 933 271</b>	<b>3 291 045</b>	<b>3 069 618</b>	<b>3 240 687</b>
<b>Expenditure</b>							
Current expenditure	1 240 722	1 438 840	2 654 729	1 450 472	3 022 667	2 869 160	3 033 666
Compensation of employees	555 008	595 605	636 756	618 397	626 387	659 589	681 671
Goods and services	551 639	731 782	1 682 910	730 153	1 941 796	1 732 805	1 833 210
Transfer payments and subsidies	134 075	111 453	93 950	101 922	147 343	120 968	101 036
Other expenditure	-	-	241 113	-	307 141	355 798	417 749
Capital expenditure	1 158 289	1 213 115	99 315	1 482 799	268 378	200 458	207 021
Transfer payments	60 140	66 459	64 086	145 033	146 023	160 443	165 715
Fixed assets	1 098 149	1 146 656	34 562	1 337 766	121 432	37 775	38 935
Land and subsoil assets	-	-	667	-	923	2 240	2 371
<b>Total Expenditure</b>	<b>2 399 011</b>	<b>2 651 955</b>	<b>2 754 044</b>	<b>2 933 271</b>	<b>3 291 045</b>	<b>3 069 618</b>	<b>3 240 687</b>
Surplus/(Deficit)	1	2	-	-	-	-	-

### Equipment Trading Account

The Equipment Trading Account provides for equipment for the construction and maintenance of government water schemes.

Table 34.8: Summary of revenue and expenditure for the Equipment Trading Account

R thousand	Revenue/Expenditure outcome			Estimated Outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
<b>Revenue</b>							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	42 087	43 319	44 636	46 975	48 384	49 835	53 016
Sale of capital assets	938	1 885	2 858	2 102	2 402	2 615	2 782
Transfers received	2 800	5 000	2 500	2 500	2 500	2 500	2 660
<b>Total Revenue</b>	<b>45 825</b>	<b>50 204</b>	<b>49 994</b>	<b>51 577</b>	<b>53 286</b>	<b>54 950</b>	<b>58 458</b>
<b>Expenditure</b>							
Current expenditure	2 149	5 849	6 761	7 964	8 203	8 449	8 956
Compensation of employees	-	-	-	-	-	-	-
Goods and services	2 149	5 849	6 761	7 964	8 203	8 449	8 956
Transfer payments and subsidies	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-
Capital expenditure	39 938	37 470	37 875	39 011	40 181	41 386	43 869
Transfer payments	-	-	-	-	-	-	-
Fixed assets	39 938	37 470	37 875	39 011	40 181	41 386	43 869
Land and subsoil assets	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>42 087</b>	<b>43 319</b>	<b>44 636</b>	<b>46 975</b>	<b>48 384</b>	<b>49 835</b>	<b>52 825</b>
<b>Surplus/(Deficit)</b>	<b>3 738</b>	<b>6 885</b>	<b>5 358</b>	<b>4 602</b>	<b>4 902</b>	<b>5 115</b>	<b>5 633</b>

## Public entities reporting to the Minister

### Trans-Caledon Tunnel Authority

The Trans-Caledon Tunnel Authority (TCTA) was established in 1986 to undertake certain tasks emanating from the treaty on the Lesotho Highlands Water Project on behalf of the South African government. The project aims to augment water supply to the Vaal system and to generate hydroelectric power in Lesotho. The Authority was directed by the Department to fund all costs incurred in the water delivery component of the Lesotho Highlands Water Project, and to undertake financial risk management on behalf of South Africa.

Following revisions to the protocol for the implementation of the project, new governance arrangements have been introduced to improve operational efficiency. In terms of its revised establishment agreement, the Authority may be required to perform additional responsibilities in other areas. These need not be related to the Lesotho Highlands Water Project – the Department of Water Affairs and Forestry may require specific expertise on other projects as well. In accordance with this provision, the Authority has been tasked to assist Umgeni Water with the management of its treasury function, and recently also with the implementation and funding of the Berg River Project.

No grants are made to the Authority, as it is funded from income on tariffs levied on the sale of water and other loans.

### Water Research Commission

The Water Research Commission's terms of reference are to promote co-ordination, communication and co-operation in the field of water research, to establish water research needs and priorities from a national perspective, to fund research on a priority basis, and to promote the

effective transfer, dissemination and application of research findings. The Commission plays an important role in developing high level human resources in the sector.

No grants are made to the Commission as its work is funded by a levy on water users.

### **Water boards**

The water boards were established as water service providers that report to the Minister of Water Affairs and Forestry. These boards manage water services within their supply areas, and supply potable water at cost-effective prices.

The water boards

Albany Coast Water	Ikangala Water	Overberg Water
Amatola Water	Lepelle Northern Water	Pelladrift Water
Bloem Water	Magalies Water	Rand Water
Botshelo Water	Mhlathuze Water	Sedibeng Water
Bushbuckridge Water	Namakwa Water	Umgeni Water

The Kalahari East and Kalahari West water boards have been disestablished, and reconstituted as water-user associations. The North West Water Supply Authority was renamed Botshelo Water.

Transfer payments to water boards in 2002/03 are estimated at R106,4 million. Over the medium term these transfers are expected to total R103,5 million in 2003/04, R102,5 million in 2004/05, and R94,8 million in 2005/06. Subsidies will be phased out as departmental infrastructure is transferred to water services authorities and providers, and will be incrementally incorporated into the equitable share allocations to local government.

### **Other entities**

#### **Komati River Basin Water Authority**

The Komati River Basin Development Project is a joint development between South Africa and Swaziland in terms of the treaty on the development and utilisation of the water resources of the Komati River basin, ratified in 1992. The purpose of the project is to promote rural development and alleviate poverty in the lower Komati Valley by increasing the productivity of the land through irrigated agriculture. In terms of the treaty, the Komati River Basin Water Authority (Kobwa) was established as a special purpose vehicle charged with managing and financing the project. The main focus of the project was the construction of the Driekoppies Dam in South Africa and the Maguga Dam in Swaziland. Both have been completed.

#### **National Forest Recreation and Access Trust**

The object of the National Forest Recreation and Access Trust is to promote access to and the use of forests for recreation, education, culture or spiritual fulfilment. In terms of section 41(2) of the National Forests Act (84 of 1998), the Minister is the sole trustee of the Trust. The only source of revenue for the Trust is interest earnings.

## **Annexure**

### **Vote 34: Water Affairs and Forestry**

Table 34.9 Summary of expenditure trends and estimates per programme

Table 34.10: Summary of expenditure trends and estimates per economic classification

Table 24.11: Summary of expenditure trends and estimates per standard item

Table 24.12: Summary of personnel numbers and costs

Table 34.13: Summary of expenditure on training

Table 34.14: Summary of information and communications technology expenditure

Table 34.15: Summary of conditional grants to local government (municipalities)

Table 34.16: Summary of donor support

Table 34.17: Summary of expenditure on infrastructure

Table 34.9: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Medium-term expenditure estimate					
	Audited 1999/00	Audited 2000/01	Preliminary outcome 2001/02	Main appropriation 2002/03	Adjusted appropriation 2002/03	Revised estimate	Current 2003/04	Capital 2004/05	Total 2005/06
1 Administration	182 965	190 265	211 373	220 804	5 113	225 917	227 586	9 485	237 071
2 Water Resources Management	550 751	723 586	904 470	1 082 225	79 260	1 161 485	716 236	339 877	1 056 113
3 Water Services	1 591 583	1 786 540	1 932 744	1 883 145	91 010	1 974 155	1 335 873	1 103 849	2 439 722
4 Forestry	350 998	341 226	434 468	372 335	28 799	401 134	347 660	5 977	353 637
Total	2 676 297	3 041 617	3 483 055	3 558 509	204 182	3 762 691	2 627 355	1 459 188	4 086 543
Change to 2002 Budget Estimate						204 182			258 991
						174 182			359 808

Table 34.10: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome					Current	Capital	Total		
	1999/00	2000/01	2001/02					2002/03	2003/04	2004/05	2005/06	
R thousand												
Current	1 631 931	1 738 137	1 813 056	2 348 586	87 305	2 435 891	2 405 891	2 627 355	-	2 627 355	2 331 181	2 522 168
Personnel	306 389	373 294	406 708	582 407	58 660	641 067	641 067	585 929	-	585 929	603 285	641 733
Salaries and wages	230 555	286 315	321 179	452 085	25 660	477 745	477 745	459 772	-	459 772	472 773	502 779
Other	75 834	86 979	85 529	130 322	33 000	163 322	163 322	126 157	-	126 157	130 512	138 954
Transfer payments	1 011 397	1 007 873	976 164	1 149 139	38 237	1 187 376	1 187 376	1 343 686	-	1 343 686	967 638	1 154 566
Subsidies to business enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Other levels of government	-	-	-	-	-	-	-	-	-	-	-	-
social security funds	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	1 008 714	1 003 973	971 011	1 149 139	38 237	1 187 376	1 187 376	1 343 686	-	1 343 686	967 638	1 154 566
provincial government	-	-	-	-	-	-	-	-	-	-	-	-
local government	2 683	3 900	5 153	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other	314 145	356 970	430 184	617 040	(9 592)	607 448	571 448	697 740	-	697 740	760 258	725 869
Capital	1 044 366	1 303 480	1 669 999	1 209 923	116 877	1 326 800	1 326 800	1 459 188	1 459 188	1 459 188	1 323 185	1 431 367
Transfer payments	176 205	290 941	408 763	2 500	908	3 408	3 408	-	31 574	31 574	33 165	34 722
Other levels of government	-	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	176 205	290 941	408 763	2 500	908	3 408	3 408	-	31 574	31 574	33 165	34 722
Movable capital	84 881	72 303	247 953	62 767	892	63 659	63 659	-	60 450	60 450	63 995	70 057
Motor vehicles (transport)	2 969	-	63	-	-	-	-	-	-	-	-	-
Equipment - Computers	14 050	12 606	6 326	14 257	892	15 149	15 149	-	7 464	7 464	9 242	9 796
Equipment - Other office equipment	1 430	2 514	1 864	913	-	913	913	-	1 442	1 442	1 533	1 625
Other	66 432	57 183	239 700	47 597	-	47 597	47 597	-	51 544	51 544	53 220	58 636
Fixed capital	783 280	940 236	1 013 283	1 144 656	115 077	1 259 733	1 259 733	-	1 367 164	1 367 164	1 226 025	1 326 588
Land	-	7 778	2 684	1 477	77	1 554	1 554	-	1 231	1 231	1 291	1 581
Buildings	-	-	508	-	-	-	-	-	-	-	-	-
Infrastructure	783 280	932 458	1 010 091	1 143 179	115 000	1 258 179	1 258 179	-	1 365 933	1 365 933	1 224 734	1 325 007
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	2 676 297	3 041 617	3 483 055	3 558 509	204 182	3 762 691	3 732 691	2 627 355	1 459 188	4 086 543	3 654 366	3 953 535

Table 34.11: Summary of expenditure trends and estimates per standard item

	Expenditure outcome				2002/03			2003/04			2004/05		2005/06
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Current	Capital	Total	2004/05	2005/06	
	1999/00	2000/01	2001/02										
R thousand	1999/00	2000/01	2001/02										
Personnel	306 389	373 294	406 708	582 407	58 660	641 067	641 067	613 737	825	614 562	628 308	666 113	
Administrative	99 497	113 303	123 047	157 045	1 541	158 586	158 586	164 860	750	165 610	174 629	183 661	
Inventories	67 637	70 684	79 615	90 714	(25)	90 689	90 689	97 703	981	98 684	102 233	110 131	
Equipment	84 458	69 508	55 703	63 954	892	64 846	64 846	-	60 585	60 585	63 671	71 198	
Land and buildings	-	7 778	3 192	6 866	77	6 943	6 943	4 657	1 231	5 888	5 296	5 966	
Professional and special services	925 455	1 102 340	1 429 608	1 505 104	103 892	1 608 996	1 578 996	401 932	1 363 242	1 765 174	1 678 630	1 726 374	
Transfer payments	1 187 602	1 298 814	1 384 927	1 151 639	39 145	1 190 784	1 190 784	1 343 686	31 574	1 375 260	1 000 803	1 189 288	
Miscellaneous	5 259	5 896	255	780	-	780	780	780	-	780	796	804	
Total	2 676 297	3 041 617	3 483 055	3 558 509	204 182	3 762 691	3 732 691	2 627 355	1 459 188	4 086 543	3 654 366	3 953 535	

Table 34.12: Summary of personnel numbers and costs<sup>1</sup>

Personnel numbers	1999/00	2000/01	2001/02	2002/03	2003/04
1 Administration	650	730	772	772	772
2 Water Resources Management	3 364	3 866	4 023	4 104	4 104
3 Water Services	54	76	74	74	74
4 Forestry	935	1 978	1 843	4 893	4 893
Total	5 003	6 650	6 712	9 843	9 843
Total personnel cost (R thousand)	306 389	373 294	406 708	641 067	585 929
Unit cost (R thousand)	61.2	56.1	60.6	65.1	59.5

<sup>1</sup> Full-time equivalent

Table 34.13: Summary of expenditure on training

	Expenditure outcome		Preliminary outcome	Adjusted appropriation	Medium-term expenditure estimate		
	Audited	2000/01			2001/02	2003/04	2004/05
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
1 Administration	14 809	19 300	19 701	2 208	2 226	2 351	2 492
2 Water Resources Management	-	-	-	28 953	32 103	26 688	28 289
3 Water Services	-	-	-	699	704	743	787
4 Forestry	-	-	-	3 723	3 239	3 160	3 349
Total	14 809	19 300	19 701	35 583	38 272	32 942	34 917

Table 34.14: Summary of information and communications technology expenditure

	Expenditure outcome	Adjusted appropriation	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06
1 Administration	58 697	70 534	76 426	78 904	83 638
Technology	5 857	6 897	6 353	7 919	8 394
IT services	52 840	63 637	70 073	70 985	75 244
2 Water Resources Management	22 093	33 662	33 930	33 268	35 204
Technology	9 085	11 481	10 176	8 404	8 911
IT services	13 008	22 181	23 754	24 864	26 293
3 Water Services	1 773	1 726	1 787	1 862	1 981
Technology	781	796	812	842	896
IT services	992	930	975	1 020	1 085
4 Forestry	905	1 151	1 061	1 096	1 166
Technology	905	1 151	1 061	1 096	1 166
IT services	-	-	-	-	-
Total	83 468	107 073	113 204	115 130	121 989

Table 34.15: Summary of conditional grants to local government (municipalities) <sup>1</sup>

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
3 Water Services							
Basic Water and Sanitation Infrastructure	611 775	725 278	757 211	999 099	1 101 812	947 554	1 036 607
Operations of Water Resources	727 253	785 882	691 849	699 687	836 436	858 334	934 434
Institutional Support	2 683	3 900	5 153	-	-	-	-
Total	1 341 711	1 515 060	1 454 213	1 698 786	1 938 248	1 805 888	1 971 041

<sup>1</sup> Detail provided in the Division of Revenue Act, 2003.

Table 34.16: Summary of donor support

R thousand	ODA programme/project name	Donor	Cash or Kind	Outcome				2002/03	Medium-term expenditure estimate		
				1999/00	2000/01	2001/02	2003/04		2004/05	2005/06	
	Community water supply and sanitation	Denmark	Cash	-	1 150	2 470	2 303	-	-	-	
	Water and sanitation services - KZN, EC and NP	European Union	Cash	-	81 245	268 488	34 070	-	-	-	
	Working for water	Finland	Cash	-	1 773	6 025	7 798	-	-	-	
	Community water supply and sanitation	Netherlands	Cash	-	5 276	20 587	14 254	-	-	-	
	Sustainable development of groundwater resources	Norway	Cash	-	568	4 000	182	-	-	-	
	Community forestry	Republic of China	Cash	-	3 200	516	3 521	-	-	-	
	Water services (Masibambane program)	United Kingdom	Cash	-	886	2 100	195	-	-	-	
	Water services pipes	Republic of China	Kind	-	35 000	70 000	35 000	-	-	-	
	Technical assistance with capacity building	UNESCO	Cash	-	-	-	20 000	100 000	100 000	-	
	Rural water supply in EC	Japan	Cash	-	-	-	58 000	50 000	-	-	
	Water supply and sanitation programme	Ireland Aid	Cash	-	-	2 000	2 000	1 000	-	-	
	National Community Water Supply and Sanitation Institute	France	Cash	-	-	1 100	3 600	1 500	-	-	
	Community forestry (Bushbuckridge)	Denmark	Cash	-	-	1 271	13 586	-	-	-	
	Water and forestry support programme	United Kingdom (DFID)	Cash	-	-	1 000	1 000	1 000	-	-	
	Making Forestry Markets	United Kingdom	Cash	-	-	20 200	20 200	20 200	-	-	
	Corporate Institutional Transformation		Cash	-	-	20 200	20 200	20 200	-	-	
	Support to Water Services		Cash	-	-	20 200	20 200	20 200	-	-	
	Support to Water Resources Management		Cash	-	-	20 200	20 200	20 200	-	-	
	Strengthening Chief Directorate: Forestry		Cash	-	-	20 200	20 200	20 200	-	-	
				-	129 098	480 557	296 509	254 500	100 000	-	

Table 34.17: Summary of expenditure on infrastructure

Projects	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
Infrastructure programmes or large infrastructure projects	306 506	448 121	380 466	361 499	357 488	380 950	306 666
Western Cape - Water Projects	-	-	306	135	5 202	1 000	-
Western Cape - Sanitation Projects	-	-	-	-	-	-	-
Eastern Cape - Water Projects	112 781	113 954	127 758	105 900	87 989	41 421	32 896
Eastern Cape - Sanitation Projects	386	226	130	143	200	200	179
Northern Cape - Water Projects	20	365	4 204	181	4 699	4 293	500
Northern Cape - Sanitation Projects	-	-	-	-	-	-	-
Free State - Water Projects	8 446	5 819	15 067	8 941	5 563	200	200
Free State - Sanitation Projects	-	-	50	-	9 491	9 567	9 567
KwaZulu Natal - Water Projects	70 482	118 100	127 846	77 950	106 716	52 092	29 325
KwaZulu Natal - Sanitation Projects	-	-	-	-	-	-	-
North West - Water Projects	35 100	10 042	20 456	22 283	30 550	16 500	15 200
North West - Sanitation Projects	-	-	-	-	-	-	-
Mpumalanga - Water Projects	79 291	102 852	84 649	37 538	9 810	500	500
Mpumalanga - Sanitation Projects	-	-	-	-	-	-	-
Limpopo Province - Water Projects	-	96 763	-	108 428	97 268	255 177	218 299

Table 34.17: Summary of expenditure on infrastructure (continued)

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Projects				2003/04	2004/05	2005/06
	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
	4 533	54 460	89 519	143 078	328 176	245 968	212 918
Small project groups							
Western Cape - Water Projects	-	-	200	23	112	-	-
Western Cape - Sanitation Projects	-	-	-	-	-	-	-
Eastern Cape - Water Projects	-	971	16 533	17 269	70 830	67 168	42 020
Eastern Cape - Sanitation Projects	-	521	333	154	6 000	3 200	2 500
Northern Cape - Water Projects	-	-	31	1 265	3 525	4 100	-
Northern Cape - Sanitation Projects	-	-	-	-	-	-	-
Free State - Water Projects	-	342	-	45	2 813	-	-
Free State - Sanitation Projects	-	-	-	-	-	-	-
KwaZulu Natal - Water Projects	1 792	13 758	59 804	82 984	175 879	63 151	63 834
KwaZulu Natal - Sanitation Projects	-	-	-	-	-	-	-
North West - Water Projects	85	171	-	-	-	-	-
North West - Sanitation Projects	-	-	-	-	-	-	-
Mpumalanga - Water Projects	2 656	2 990	12 618	15 944	4 300	500	500
Mpumalanga - Sanitation Projects	-	-	-	-	-	-	-
Limpopo Province - Water Projects	-	35 707	-	25 394	64 717	107 849	104 064
Limpopo Province - Sanitation Projects	-	-	-	-	-	-	-

Table 34.17: Summary of expenditure on infrastructure (continued)

Projects	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
R thousand	56 219	55 092	72 733	47 042	124 124	116 694	82 941	
Infrastructure transfers	-	-	1 687	-	-	-	-	
Western Cape	13 499	14 997	9 059	5 484	57 333	63 383	34 375	
Eastern Cape	42 720	34 134	50 454	35 027	44 591	19 861	11 276	
KwaZulu Natal	-	-	626	2 013	500	-	-	
North West	-	-	10 907	2 632	-	-	-	
Mpumalanga	-	5 961	-	1 886	21 700	33 450	37 290	
Limpopo Province	-	-	-	-	-	-	-	
Sub-total	367 258	557 673	542 718	551 619	809 788	743 612	602 525	
Fixed installations transferred to households	23 334	56 614	86 095	62 540	149 518	232 986	178 148	
Western Cape : Sanitation Projects	141	491	91	26	3 312	2 901	1 200	
Eastern Cape : Sanitation Projects	2 711	3 283	6 265	6 034	41 661	115 126	70 940	
Northern Cape : Sanitation Projects	3 815	7 674	10 392	5 840	15 436	10 644	3 300	
Free State : Sanitation Projects	3 770	505	53	120	10 371	9 204	8 795	
KwaZulu Natal : Sanitation Projects	4 746	27 083	40 701	25 185	39 727	10 562	9 333	
North West : Sanitation Projects	5 001	6 773	11 301	8 631	5 468	8 000	5 000	
Mpumalanga : Sanitation Projects	3 150	1 185	17 292	7 420	18 217	12 069	12 500	
Limpopo Province : Sanitation Projects	-	9 620	-	9 284	15 326	64 480	67 080	

Table 34.17: Summary of expenditure on infrastructure (continued)

Projects	Expenditure outcome					Adjusted appropriation	Medium-term expenditure estimate		
	1999/00	2000/01	2001/02	2002/03	2003/04		2004/05	2005/06	
R thousand	233 449	30 894	31 178	25 847	17 276	18 208	14 181		
Maintenance on infrastructure									
Above R20 million									
Western Cape	3 013	10 524	1 582	484	-	-	-	-	
Eastern Cape	(44)	807	2 087	9 686	5 655	-	-	-	
Northern Cape	8 341	1 255	5 631	2 057	-	-	-	-	
Free State	9 920	5 557	2 648	7 062	-	-	-	-	
North West	12 383	3 980	370	13	50	30	-	-	
Mpumalanga	58 790	-	-	3 119	510	150	-	-	
Limpopo Province	141 046	-	18 403	-	4 590	2 000	5 500	-	
Below R20 million									
Western Cape	-	-	-	-	-	-	-	-	
Northern Cape	-	-	103	-	-	-	-	-	
KwaZulu Natal	-	-	-	-	4 204	3 857	2 248	-	
North West	-	7 522	354	11	222	132	-	-	
Mpumalanga	-	-	-	-	-	-	-	-	
Limpopo Province	-	1 249	-	3 415	2 045	12 039	6 433	-	
<b>Total</b>	<b>624 041</b>	<b>645 181</b>	<b>659 991</b>	<b>640 006</b>	<b>976 582</b>	<b>994 806</b>	<b>794 854</b>		

# *Notes*