

# Vote 36

## Water and Sanitation

### Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	1 628.4	1 542.3	22.0	64.1	1 658.0	1 755.3
Water Planning and Information Management	816.5	739.6	1.2	75.6	884.0	949.8
Water Infrastructure Development	12 251.7	623.1	8 090.1	3 538.5	13 499.3	14 318.3
Water Sector Regulation	410.8	396.5	1.1	13.2	519.5	491.4
<b>Total expenditure estimates</b>	<b>15 107.4</b>	<b>3 301.5</b>	<b>8 114.5</b>	<b>3 691.5</b>	<b>16 560.8</b>	<b>17 514.8</b>
Executive authority	Minister of Water and Sanitation					
Accounting officer	Director General of Water and Sanitation					
Website address	<a href="http://www.dwa.gov.za">www.dwa.gov.za</a>					

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

### Vote purpose

Ensure the availability of water resources, facilitate equitable and sustainable socioeconomic development, and ensure universal access to water and sanitation services.

### Mandate

The mandate of the Department of Water and Sanitation is set out in the National Water Act (1998) and the Water Services Act (1997). The department's legislative mandate is to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled by regulating and supporting the delivery of effective water supply and sanitation. This is done in accordance with the requirements of water-related policies and legislation that are critical for delivering on the people's right to have access to sufficient food and water, growing the economy, and eradicating poverty.

### Selected performance indicators

Table 36.1 Performance indicators by programme and related outcome

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

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

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of existing bucket sanitation backlog systems in formal settlements replaced with adequate sanitation services per year	Water Infrastructure Development	Outcome 9: Responsive, accountable, effective and efficient local government	4 393	20 581	28 365	4 135	25 382	— <sup>2</sup>	— <sup>2</sup>
Percentage of water use authorisation applications finalised within 300 working days of application	Water Sector Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	— <sup>1</sup>	23% (375/1652)	91% (262/288)	80%	80%	80%	80%
Number of wastewater systems assessed for compliance with the green drop regulatory standards per year	Water Sector Regulation		967	967	— <sup>3</sup>	963	963	963	963
Number of water supply systems assessed for compliance with blue drop regulatory standards per year	Water Sector Regulation		913	913	— <sup>3</sup>	1 036	1 036	1 036	1 036

1. No historical data available.

2. Indicator phased out from 2017/18.

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

## Expenditure analysis

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

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

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

### **National water resources and water services infrastructure**

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

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

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

The *Water Infrastructure Development* programme also transfers funds to the Water Trading Entity, which is responsible for the sale of raw water, and the development and management of raw water infrastructure, on behalf of the department. Transfers and subsidies are expected to increase at an average annual rate of 9.3 per cent, from R8.1 billion in 2017/18 to R9.7 billion in 2019/20, accounting for 65.3 per cent of the programme budget. The transfer to the Water Trading Entity amounts to R5.7 billion over the medium term, including funds for the implementation of a long term solution for acid mine drainage. Transfers to water boards amount to R3.4 billion over the medium term for implementation of bulk water and sanitation projects on behalf of the department.

### Strengthening regulation, pricing and policy

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

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

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

## Expenditure trends

Table 36.2 Vote expenditure trends by programme and economic classification

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

Table 36.2 Vote expenditure trends by programme and economic classification

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

## Expenditure estimates

Table 36.3 Vote expenditure estimates by programme and economic classification

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

## Goods and services expenditure trends and estimates

Table 36.4 Vote goods and services expenditure trends and estimates

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

## Transfers and subsidies expenditure trends and estimates

Table 36.5 Vote transfers and subsidies trends and estimates

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

Table 36.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>227 014</b>	<b>168 627</b>	<b>174 116</b>	<b>169 202</b>	<b>-9.3%</b>	<b>3.5%</b>	<b>176 173</b>	<b>185 862</b>	<b>196 270</b>	<b>5.1%</b>	<b>2.1%</b>
Communication	2	2 178	4	-	-100.0%	-	-	-	-	-	-
Energy and Water Services Sector	28	2 204	3 037	2 202	328.4%	-	2 674	2 828	2 986	10.7%	-
Education and Training Authority	-	-	6 704	-	-	-	-	-	-	-	-
Water Information Management	-	-	-	-	-	-	-	-	-	-	-
Water Trading Entity	167 145	164 245	164 371	165 000	-0.4%	3.1%	173 000	183 034	193 284	5.4%	2.1%
Water Research Commission	-	-	-	2 000	-	-	499	-	-	-100.0%	-
Breede-Overberg Catchment Management Agency	31 623	-	-	-	-100.0%	0.1%	-	-	-	-	-
Inkomati Catchment Management Agency	28 216	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Capital</b>	<b>2 210 057</b>	<b>2 570 909</b>	<b>1 570 722</b>	<b>1 544 462</b>	<b>-11.3%</b>	<b>37.3%</b>	<b>1 409 881</b>	<b>2 083 294</b>	<b>2 199 959</b>	<b>12.5%</b>	<b>20.9%</b>
Water Trading Entity	2 210 057	2 570 909	1 570 722	1 544 462	-11.3%	37.3%	1 409 881	2 083 294	2 199 959	12.5%	20.9%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>182 254</b>	<b>185 176</b>	<b>189 231</b>	<b>188 370</b>	<b>1.1%</b>	<b>3.5%</b>	<b>197 743</b>	<b>209 212</b>	<b>220 927</b>	<b>5.5%</b>	<b>2.4%</b>
Orange-Senqu River Basin Commission	510	608	546	611	6.2%	-	638	675	713	5.3%	-
African Ministers' Council on Water	99	-	97	102	1.0%	-	106	112	118	5.0%	-
Limpopo Watercourse Commission	-	300	350	207	-	-	176	186	196	-1.8%	-
Komati River Basin Water Authority	181 645	184 268	188 238	187 450	1.1%	3.5%	196 823	208 239	219 900	5.5%	2.3%
<b>Public corporations and private enterprises</b>											
<b>Subsidies on products and production</b>											
<b>Current</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public corporations	81	-	-	-	-100.0%	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>244 080</b>	<b>579 919</b>	<b>801 748</b>	<b>844 773</b>	<b>51.3%</b>	<b>11.7%</b>	<b>1 098 503</b>	<b>1 115 816</b>	<b>1 178 302</b>	<b>11.7%</b>	<b>12.2%</b>
Amatola Water Board: Regional bulk infrastructure	-	150 000	169 060	-	-	1.5%	88 554	92 386	-	-	0.5%
Magaies Water Board: Regional bulk infrastructure	231 433	70 000	150 000	142 769	-14.9%	2.8%	58 385	-	-	-100.0%	0.6%
Umgeni Water Board: Regional bulk infrastructure	-	216 719	279 140	423 004	-	4.3%	518 405	653 711	1 040 784	35.0%	7.6%
Sedibeng Water Board: Regional bulk infrastructure	-	143 200	203 548	279 000	-	3.0%	433 159	369 719	137 518	-21.0%	3.5%
Botshelo Water Board	12 647	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>1 181</b>	<b>1 803</b>	<b>681</b>	<b>2 766</b>	<b>32.8%</b>	<b>-</b>	<b>1 160</b>	<b>2 092</b>	<b>2 209</b>	<b>-7.2%</b>	<b>-</b>
Women in water awards	818	700	100	700	-5.1%	-	-	-	-	-100.0%	-
South African youth water prize	19	25	22	24	8.1%	-	25	26	27	4.0%	-
Various institutions: 2020 vision for water education programme	344	430	556	1 242	53.4%	-	1 135	1 266	1 337	2.5%	-
Water Institute of Southern Africa	-	648	-	800	-	-	-	800	845	1.8%	-
Non-profit institution	-	-	3	-	-	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>11 331</b>	<b>10 996</b>	<b>8 869</b>	<b>23 733</b>	<b>27.9%</b>	<b>0.3%</b>	<b>19 375</b>	<b>20 459</b>	<b>21 620</b>	<b>-3.1%</b>	<b>0.2%</b>
Employee social benefits	11 329	10 996	8 869	23 648	27.8%	0.3%	19 375	20 459	21 620	-2.9%	0.2%
Other transfer	2	-	-	85	249.0%	-	-	-	-	-100.0%	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>15 171</b>	<b>20 016</b>	<b>26 288</b>	<b>15 535</b>	<b>0.8%</b>	<b>0.4%</b>	<b>16 759</b>	<b>17 727</b>	<b>18 720</b>	<b>6.4%</b>	<b>0.2%</b>
Employee social benefits	-	5 174	-	-	-	-	-	-	-	-	-
Bursaries for non-employees	12 480	13 486	15 726	15 535	7.6%	0.3%	16 759	17 727	18 720	6.4%	0.2%
Other transfers to households	440	-	-	-	-100.0%	-	-	-	-	-	-
Resource poor farmers	2 251	1 356	10 562	-	-100.0%	0.1%	-	-	-	-	-
<b>Total</b>	<b>4 020 663</b>	<b>4 588 799</b>	<b>5 077 344</b>	<b>7 484 242</b>	<b>23.0%</b>	<b>100.0%</b>	<b>8 114 498</b>	<b>9 253 982</b>	<b>9 771 176</b>	<b>9.3%</b>	<b>100.0%</b>

## Personnel information

**Table 36.6 Vote personnel numbers and cost by salary level and programme<sup>1</sup>**

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

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

2. Rand million.

## Departmental receipts

**Table 36.7 Departmental receipts by economic classification**

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

## Programme 1: Administration

### Programme purpose

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

### Objective

- Improve regional water resource management by monitoring progress quarterly against the annual international relations implementation plan, as approved by the Department of International Relations and Cooperation.

### Subprogrammes

- *Ministry* provides administrative and logistical support to the minister and deputy minister and their support staff, and makes provision for their salaries.
- *Departmental Management* provides policy and strategic direction for water and sanitation management. This includes enterprise-wide support services comprising administrative support to the director general, corporate planning, and monitoring and evaluation; and the provision for salaries and operational budgets of the department's regional office heads.
- *Internal Audit* provides independent, objective assurance and advisory services to improve the department's operations.
- *Corporate Services* provides enterprise-wide support, comprising human resources, legal services, and communications, the learning and development academy, and transformation policy and coordination.
- *Financial Management* ensures the efficient management of daily financial operations, processes and systems.
- *Office Accommodation* makes payments for rental charges on all leased office space occupied by the department; and for municipal services such as electricity, water, and sewage and waste removal.
- *Programme Management Unit* provides for improved coordination and governance in the management of the departmental projects.
- *International Water Support* strategically coordinates, promotes and manages international relations on water and sanitation between countries through bilateral and multilateral cooperation instruments and organisations, in line with legislative provisions. This subprogramme also pursues national interests in African and global multilateral organisations and forums.

### Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Ministry	45.3	43.3	45.9	52.3	4.9%	3.3%	48.0	56.9	60.8	5.2%	3.3%
Departmental Management	185.7	135.4	91.6	112.5	-15.4%	9.2%	96.1	105.6	112.8	0.1%	6.4%
Internal Audit	18.2	21.1	29.8	38.3	28.0%	1.9%	38.7	40.4	43.3	4.2%	2.4%
Corporate Services	534.1	598.7	626.8	738.6	11.4%	43.6%	746.0	757.2	801.4	2.8%	45.9%
Financial Management	239.9	208.5	196.3	232.0	-1.1%	15.3%	236.9	232.7	244.5	1.8%	14.3%
Office Accommodation	259.3	253.7	374.1	346.9	10.2%	21.5%	376.3	374.9	395.9	4.5%	22.5%
Programme Management Unit	45.8	42.2	46.5	33.1	-10.3%	2.9%	46.3	48.5	51.8	16.1%	2.7%
International Water Support	27.0	32.7	37.2	38.2	12.3%	2.4%	40.0	41.8	44.8	5.5%	2.5%
<b>Total</b>	<b>1 355.4</b>	<b>1 335.6</b>	<b>1 448.1</b>	<b>1 591.9</b>	<b>5.5%</b>	<b>100.0%</b>	<b>1 628.4</b>	<b>1 658.0</b>	<b>1 755.3</b>	<b>3.3%</b>	<b>100.0%</b>
Change to 2016				(68.0)			(63.6)	(120.4)	(122.7)		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>1 265.0</b>	<b>1 280.7</b>	<b>1 368.1</b>	<b>1 504.8</b>	<b>6.0%</b>	<b>94.6%</b>	<b>1 542.3</b>	<b>1 551.6</b>	<b>1 649.4</b>	<b>3.1%</b>	<b>94.2%</b>
Compensation of employees	578.0	616.1	617.7	704.2	6.8%	43.9%	753.9	754.0	807.3	4.7%	45.5%
Goods and services <sup>1</sup>	686.9	663.6	743.9	800.7	5.2%	50.5%	788.3	797.7	842.1	1.7%	48.7%
of which:											
Advertising	15.3	30.9	25.6	46.8	45.0%	2.1%	38.8	28.9	30.4	-13.4%	2.2%
Communication	26.0	28.7	38.5	24.1	-2.6%	2.0%	31.2	37.0	36.0	14.3%	1.9%
Computer services	97.5	79.6	38.2	58.4	-15.7%	4.8%	83.7	73.0	77.4	9.9%	4.4%
Operating leases	228.3	230.7	272.3	302.1	9.8%	18.0%	334.0	330.1	348.6	4.9%	19.8%
Property payments	59.8	46.0	119.6	78.6	9.5%	5.3%	61.1	64.8	68.5	-4.5%	4.1%
Travel and subsistence	100.6	88.6	72.6	64.2	-13.9%	5.7%	56.3	55.7	59.0	-2.8%	3.5%
Interest and rent on land	0.1	1.0	6.5	-	-100.0%	0.1%	-	-	-	-	-

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

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
<b>Transfers and subsidies<sup>1</sup></b>	<b>19.9</b>	<b>21.3</b>	<b>20.8</b>	<b>22.0</b>	<b>3.5%</b>	<b>1.5%</b>	<b>22.0</b>	<b>23.3</b>	<b>24.6</b>	<b>3.7%</b>	<b>1.4%</b>
Departmental agencies and accounts	0.0	4.4	3.0	2.2	318.7%	0.2%	2.7	2.8	3.0	10.7%	0.2%
Foreign governments and international organisations	0.6	0.9	1.0	0.9	14.7%	0.1%	0.9	1.0	1.0	3.7%	0.1%
Non-profit institutions	0.8	0.7	0.1	0.7	-5.1%	-	-	-	-	-100.0%	-
Households	18.4	15.3	16.7	18.2	-0.4%	1.2%	18.4	19.5	20.5	4.1%	1.2%
<b>Payments for capital assets</b>	<b>18.4</b>	<b>33.6</b>	<b>59.2</b>	<b>65.0</b>	<b>52.2%</b>	<b>3.1%</b>	<b>64.1</b>	<b>83.1</b>	<b>81.3</b>	<b>7.7%</b>	<b>4.4%</b>
Machinery and equipment	18.3	23.7	30.1	38.1	27.6%	1.9%	22.0	38.5	34.3	-3.4%	2.0%
Software and other intangible assets	0.1	9.8	29.0	27.0	484.5%	1.2%	42.1	44.6	47.1	20.4%	2.4%
<b>Payments for financial assets</b>	<b>52.0</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 355.4</b>	<b>1 335.6</b>	<b>1 448.1</b>	<b>1 591.9</b>	<b>5.5%</b>	<b>100.0%</b>	<b>1 628.4</b>	<b>1 658.0</b>	<b>1 755.3</b>	<b>3.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>12.9%</b>	<b>11.5%</b>	<b>9.3%</b>	<b>10.3%</b>	<b>-</b>	<b>-</b>	<b>10.8%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>-</b>	<b>-</b>
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>-</b>	<b>4.4</b>	<b>3.0</b>	<b>2.2</b>	<b>328.4%</b>	<b>0.2%</b>	<b>2.7</b>	<b>2.8</b>	<b>3.0</b>	<b>10.7%</b>	<b>0.2%</b>
Communication	-	2.2	0.0	-	-	-	-	-	-	-	-
Energy and Water Services Sector Education and Training Authority	-	2.2	3.0	2.2	328.4%	0.1%	2.7	2.8	3.0	10.7%	0.2%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>0.5</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>17.1%</b>	<b>0.1%</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>3.6%</b>	<b>0.1%</b>
Orange-Senqu River Basin Commission	0.5	0.6	0.5	0.6	6.2%	-	0.6	0.7	0.7	5.3%	-
Limpopo Watercourse Commission	-	0.3	0.4	0.2	-	-	0.2	0.2	0.2	-1.8%	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>12.5</b>	<b>13.5</b>	<b>15.7</b>	<b>15.5</b>	<b>7.6%</b>	<b>1.0%</b>	<b>16.8</b>	<b>17.7</b>	<b>18.7</b>	<b>6.4%</b>	<b>1.0%</b>
Bursaries for non-employees	12.5	13.5	15.7	15.5	7.6%	1.0%	16.8	17.7	18.7	6.4%	1.0%

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

## Programme 2: Water Planning and Information Management

### Programme purpose

Ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and the environment, by developing a knowledge base and implementing effective policies, procedures and integrated planning strategies both for water resources and water services.

### Objectives

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

### Subprogrammes

- *Water Planning, Information Management and Support* provides strategic leadership and overall management to the programme.
- *Integrated Planning* develops comprehensive plans that guide infrastructure development, systems and services management in the water sector.

- *Water Ecosystems* develops and implements measures to protect water resources. This entails determining resource direct measures by classifying water resource systems, determining reserves, conducting resource quality assessments and developing pollution control guidelines as well as rehabilitation measures and protocols.
- *Water Information Management* ensures the development and maintenance of systems and programmes for data and information acquisition and management, and builds the knowledge base on all aspects of water for informed water management decisions.
- *Water Services and Local Water Management* entails the formulation and development of strategies, guidelines and plans for water services and management of water at local level.
- *Sanitation Planning and Management* provides a national strategy for the planning of sanitation services and supports municipalities to plan for the provision of sustainable sanitation services.
- *Policy and Strategy* develops, monitors and reviews the implementation of water and sanitation sector policies and strategies.

## Expenditure trends and estimates

**Table 36.9 Water Planning and Information Management expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average: Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average: Expenditure/ Total (%)
R million											
Water Planning, Information Management and Support	4.7	5.6	3.9	6.3	10.6%	0.7%	4.7	5.0	5.4	-5.3%	0.6%
Integrated Planning	182.2	217.7	159.0	93.0	-20.1%	21.9%	114.2	130.9	141.2	14.9%	13.8%
Water Ecosystems	46.9	48.0	50.2	50.4	2.4%	6.6%	61.2	65.5	69.8	11.4%	7.1%
Water Information Management	373.0	527.1	456.0	532.0	12.6%	63.4%	503.9	532.7	575.7	2.7%	61.6%
Water Services and Local Water Management	-	-	-	112.6	-	3.8%	97.3	103.7	110.0	-0.8%	12.2%
Sanitation Planning and Management	5.4	1.8	-	11.6	29.0%	0.6%	16.3	19.7	21.0	21.9%	2.0%
Policy and Strategy	21.7	12.3	31.9	25.1	4.9%	3.1%	18.8	26.4	26.7	2.2%	2.8%
<b>Total</b>	<b>634.0</b>	<b>812.5</b>	<b>701.0</b>	<b>831.0</b>	<b>9.4%</b>	<b>100.0%</b>	<b>816.5</b>	<b>884.0</b>	<b>949.8</b>	<b>4.6%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				(31.6)			(61.9)	(44.0)	(30.2)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>550.7</b>	<b>754.9</b>	<b>632.4</b>	<b>754.2</b>	<b>11.0%</b>	<b>90.4%</b>	<b>739.6</b>	<b>804.5</b>	<b>866.4</b>	<b>4.7%</b>	<b>90.9%</b>
Compensation of employees	261.6	373.8	350.7	401.6	15.4%	46.6%	418.4	447.4	483.3	6.4%	50.3%
Goods and services <sup>1</sup>	289.1	381.1	281.6	352.6	6.8%	43.8%	321.2	357.2	383.1	2.8%	40.6%
of which:											
Communication	3.1	8.7	8.0	6.6	29.1%	0.9%	8.9	9.9	10.4	16.6%	1.0%
Computer services	77.5	46.3	48.9	74.4	-1.4%	8.3%	45.4	44.4	49.4	-12.7%	6.1%
Consultants: Business and advisory services	8.6	31.9	17.6	20.4	33.4%	2.6%	33.6	34.1	39.1	24.3%	3.7%
Infrastructure and planning services	125.7	124.2	84.9	100.1	-7.3%	14.6%	119.2	135.7	143.3	12.7%	14.3%
Travel and subsistence	44.4	70.7	43.4	61.0	11.2%	7.4%	33.7	46.4	46.2	-8.9%	5.4%
Training and development	3.0	4.6	8.1	7.0	32.5%	0.8%	8.4	8.7	9.2	9.3%	1.0%
<b>Transfers and subsidies<sup>1</sup></b>	<b>1.5</b>	<b>11.5</b>	<b>8.7</b>	<b>1.6</b>	<b>2.3%</b>	<b>0.8%</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>-3.8%</b>	<b>0.2%</b>
Provinces and municipalities	-	0.6	0.7	0.4	329.1%	0.1%	0.4	0.4	0.5	5.4%	-
Departmental agencies and accounts	-	-	6.7	-	-	0.2%	-	-	-	-	-
Public corporations and private enterprises	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	1.4	11.0	1.3	1.2	-5.4%	0.5%	0.8	0.8	0.9	-7.7%	0.1%
<b>Payments for capital assets</b>	<b>81.7</b>	<b>46.1</b>	<b>55.0</b>	<b>75.2</b>	<b>-2.7%</b>	<b>8.7%</b>	<b>75.6</b>	<b>78.1</b>	<b>82.0</b>	<b>2.9%</b>	<b>8.9%</b>
Buildings and other fixed structures	52.8	28.5	26.0	30.0	-17.1%	4.6%	31.7	33.6	35.5	5.7%	3.8%
Machinery and equipment	28.4	17.2	29.0	44.3	15.9%	4.0%	42.9	43.6	45.4	0.8%	5.1%
Software and other intangible assets	0.5	0.4	-	0.9	19.5%	0.1%	1.0	1.0	1.1	4.6%	0.1%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>4.8</b>	<b>-</b>	<b>-</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>634.0</b>	<b>812.5</b>	<b>701.0</b>	<b>831.0</b>	<b>9.4%</b>	<b>100.0%</b>	<b>816.5</b>	<b>884.0</b>	<b>949.8</b>	<b>4.6%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	6.0%	7.0%	4.5%	5.4%	-	-	5.4%	5.3%	5.4%	-	-
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
Current	-	-	6.7	-	-	0.2%	-	-	-	-	-
Water Information Management	-	-	6.7	-	-	0.2%	-	-	-	-	-

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

## Programme 3: Water Infrastructure Development

### Programme purpose

Develop, rehabilitate and refurbish raw water resources and water services infrastructure to meet the socioeconomic and environmental needs of South Africa.

### Objectives

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

### Subprogrammes

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

### Expenditure trends and estimates

Table 36.10 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Strategic Infrastructure Development and Management	2 391.7	2 755.2	1 759.0	1 731.9	-10.2%	20.0%	1 606.7	2 291.5	2 419.9	11.8%	15.2%
Operation of Water Resources	167.1	164.2	164.4	165.0	-0.4%	1.5%	173.0	183.0	193.3	5.4%	1.4%
Regional Bulk Infrastructure Grant	3 314.8	3 941.2	5 408.0	6 262.4	23.6%	43.8%	5 822.8	6 142.3	6 482.0	1.2%	46.8%
Water Services Infrastructure Grant	1 589.1	2 085.3	5 401.6	4 146.7	37.7%	30.6%	4 169.5	4 424.0	4 678.2	4.1%	33.0%
Accelerated Community Infrastructure Programme	478.6	365.0	414.1	476.4	-0.2%	4.0%	479.7	458.5	544.9	4.6%	3.7%
<b>Total</b>	<b>7 941.4</b>	<b>9 310.9</b>	<b>13 147.0</b>	<b>12 782.4</b>	<b>17.2%</b>	<b>100.0%</b>	<b>12 251.7</b>	<b>13 499.3</b>	<b>14 318.3</b>	<b>3.9%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				411.3			(878.1)	(608.8)	(579.8)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>578.1</b>	<b>404.4</b>	<b>647.2</b>	<b>646.8</b>	<b>3.8%</b>	<b>5.3%</b>	<b>623.1</b>	<b>617.4</b>	<b>668.3</b>	<b>1.1%</b>	<b>4.8%</b>
Compensation of employees	238.3	188.2	216.2	257.5	2.6%	2.1%	259.4	280.8	303.5	5.6%	2.1%
Goods and services <sup>1</sup>	339.8	216.2	431.0	389.2	4.6%	3.2%	363.6	336.6	364.8	-2.1%	2.8%
of which:											
Computer services	0.3	0.2	12.8	11.7	241.0%	0.1%	15.3	14.0	14.8	8.1%	0.1%
Consultants: Business and advisory services	109.7	95.1	49.6	62.3	-17.2%	0.7%	70.9	53.8	59.1	-1.7%	0.5%
Infrastructure and planning services	50.4	9.0	154.2	43.3	-4.9%	0.6%	54.2	58.4	55.7	8.7%	0.4%
Contractors	70.4	49.0	99.4	188.7	38.9%	0.9%	84.9	76.9	84.3	-23.5%	0.8%
Agency and support/outourced services	20.6	9.6	21.8	(15.0)	-189.9%	0.1%	30.9	32.8	38.9	-237.5%	0.2%
Travel and subsistence	48.5	33.1	40.6	47.1	-1.0%	0.4%	41.0	31.6	34.5	-9.9%	0.3%
Interest and rent on land	-	-	-	0.1	310.2%	-	-	-	-	-100.0%	-

Table 36.10 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
<b>Transfers and subsidies<sup>1</sup></b>	<b>3 926.7</b>	<b>4 555.2</b>	<b>5 046.9</b>	<b>7 455.4</b>	<b>23.8%</b>	<b>48.6%</b>	<b>8 090.1</b>	<b>9 228.0</b>	<b>9 743.7</b>	<b>9.3%</b>	<b>65.3%</b>
Provinces and municipalities	1 129.5	1 050.8	2 305.0	4 695.0	60.8%	21.3%	5 194.5	5 619.1	5 932.7	8.1%	40.6%
Departmental agencies and accounts	2 377.2	2 735.2	1 735.1	1 709.5	-10.4%	19.8%	1 582.9	2 266.3	2 393.2	11.9%	15.0%
Foreign governments and international organisations	181.6	184.3	188.2	187.5	1.1%	1.7%	196.8	208.2	219.9	5.5%	1.5%
Public corporations and private enterprises	231.4	579.9	801.7	844.8	54.0%	5.7%	1 098.5	1 115.8	1 178.3	11.7%	8.0%
Non-profit institutions	0.3	0.4	0.6	1.2	53.4%	-	1.1	1.3	1.3	2.5%	-
Households	6.6	4.7	16.2	17.5	38.2%	0.1%	16.3	17.3	18.3	1.4%	0.1%
<b>Payments for capital assets</b>	<b>3 436.5</b>	<b>4 351.2</b>	<b>7 453.0</b>	<b>4 680.2</b>	<b>10.8%</b>	<b>46.1%</b>	<b>3 538.5</b>	<b>3 653.9</b>	<b>3 906.3</b>	<b>-5.8%</b>	<b>29.9%</b>
Buildings and other fixed structures	3 428.5	4 339.8	7 430.0	4 667.3	10.8%	46.0%	3 529.5	3 641.6	3 890.2	-5.9%	29.8%
Machinery and equipment	8.0	11.4	23.0	12.9	17.3%	0.1%	9.1	12.3	16.2	7.8%	0.1%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7 941.4</b>	<b>9 310.9</b>	<b>13 147.0</b>	<b>12 782.4</b>	<b>17.2%</b>	<b>100.0%</b>	<b>12 251.7</b>	<b>13 499.3</b>	<b>14 318.3</b>	<b>3.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>75.6%</b>	<b>80.2%</b>	<b>84.5%</b>	<b>82.3%</b>	<b>-</b>	<b>-</b>	<b>81.1%</b>	<b>81.5%</b>	<b>81.7%</b>	<b>-</b>	<b>-</b>

**Details of selected transfers and subsidies**

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>167.1</b>	<b>164.2</b>	<b>164.4</b>	<b>165.0</b>	<b>-0.4%</b>	<b>1.5%</b>	<b>173.0</b>	<b>183.0</b>	<b>193.3</b>	<b>5.4%</b>	<b>1.4%</b>
Water Trading Entity	167.1	164.2	164.4	165.0	-0.4%	1.5%	173.0	183.0	193.3	5.4%	1.4%
<b>Capital</b>	<b>2 210.1</b>	<b>2 570.9</b>	<b>1 570.7</b>	<b>1 544.5</b>	<b>-11.3%</b>	<b>18.3%</b>	<b>1 409.9</b>	<b>2 083.3</b>	<b>2 200.0</b>	<b>12.5%</b>	<b>13.7%</b>
Water Trading Entity	2 210.1	2 570.9	1 570.7	1 544.5	-11.3%	18.3%	1 409.9	2 083.3	2 200.0	12.5%	13.7%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>181.6</b>	<b>184.3</b>	<b>188.2</b>	<b>187.5</b>	<b>1.1%</b>	<b>1.7%</b>	<b>196.8</b>	<b>208.2</b>	<b>219.9</b>	<b>5.5%</b>	<b>1.5%</b>
Komati River Basin Water Authority	181.6	184.3	188.2	187.5	1.1%	1.7%	196.8	208.2	219.9	5.5%	1.5%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>4.4</b>	<b>3.3</b>	<b>5.6</b>	<b>17.5</b>	<b>58.6%</b>	<b>0.1%</b>	<b>16.3</b>	<b>17.2</b>	<b>18.2</b>	<b>1.4%</b>	<b>0.1%</b>
Employee social benefits	4.4	3.3	5.6	17.5	58.6%	0.1%	16.3	17.2	18.2	1.4%	0.1%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>2.3</b>	<b>1.4</b>	<b>10.6</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Resource poor farmers	2.3	1.4	10.6	-	-100.0%	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>231.4</b>	<b>579.9</b>	<b>801.7</b>	<b>844.8</b>	<b>54.0%</b>	<b>5.7%</b>	<b>1 098.5</b>	<b>1 115.8</b>	<b>1 178.3</b>	<b>11.7%</b>	<b>8.0%</b>
Amatola Water Board: Regional bulk infrastructure	-	150.0	169.1	-	-	0.7%	88.6	92.4	-	-	0.3%
Magalies Water Board: Regional bulk infrastructure	231.4	70.0	150.0	142.8	-14.9%	1.4%	58.4	-	-	-100.0%	0.4%
Umgeni Water Board: Regional bulk infrastructure	-	216.7	279.1	423.0	-	2.1%	518.4	653.7	1 040.8	35.0%	5.0%
Sedibeng Water Board: Regional bulk infrastructure	-	143.2	203.5	279.0	-	1.4%	433.2	369.7	137.5	-21.0%	2.3%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Capital</b>	<b>1 129.2</b>	<b>1 050.8</b>	<b>2 305.0</b>	<b>4 695.0</b>	<b>60.8%</b>	<b>21.3%</b>	<b>5 194.5</b>	<b>5 619.1</b>	<b>5 932.7</b>	<b>8.1%</b>	<b>40.6%</b>
Regional bulk infrastructure grant	-	-	-	1 850.0	-	4.3%	1 865.0	2 060.0	2 175.4	5.5%	15.0%
Water services infrastructure grant	1 129.2	1 050.8	2 305.0	2 845.0	36.1%	17.0%	3 329.5	3 559.1	3 757.3	9.7%	25.5%

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

## Programme 4: Water Sector Regulation

### Programme purpose

Ensure the development, implementation, monitoring and review of regulations across the water supply chain in accordance with the provisions of the National Water Act (1998) and the Water Services Act (1997).

### Objectives

- Create an enabling environment for the economic and social regulation of water by revising the water pricing strategy and developing the economic regulation strategy by 2017/18.

- Improve efficiency and effectiveness in the delivery of water and provide dignified sanitation by establishing operationally and financially viable catchment management agencies and regional water utilities by 2017/18.
- Ensure the equitable allocation of water resources for social and economic development by processing 80 per cent of water use authorisation applications within 300 working days from the date of receipt.
- Strengthen regulation by implementing monitoring programmes for drinking water quality, wastewater quality and mine water quality on an ongoing basis; and implementing mitigation measures in catchments with potential for acid mine drainage.
- Coordinate and monitor compliance with standards, licence conditions and regulations across all sectors to ensure that water resources are protected on an ongoing basis.
- Ensure the effective enforcement of compliance with water legislation by monitoring, conducting investigations and providing legal support in cases of unlawful water use, on an ongoing basis.

## Subprogrammes

- *Water Sector Regulation Management and Support* provides strategic leadership and overall management to the programme.
- *Economic and Social Regulation* ensures that pricing is efficient, equitable and cost reflective to protect the interests of the consumers and sector through the provision of sustainable water resources and water services.
- *Water Use Authorisation and Administration* enables equitable access to water using various regulatory instruments.
- *Water Supply Services and Sanitation Regulation* regulates the provision of drinking water and the management of wastewater.
- *Compliance Monitoring and Enforcement* coordinates and monitors compliance to the water sector value-chain standards, licence conditions and regulations; and ensures enforcement against non-compliance. This includes the management of mine water in South Africa, with specific emphasis on acid mine management.
- *Institutional Oversight* involves institutional governance and oversight of all water institutions, and facilitates their establishment and development.

## Expenditure trends and estimates

**Table 36.11 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Water Sector Regulation Management and Support	0.9	3.4	34.1	37.3	252.5%	5.8%	38.3	40.9	41.0	3.2%	9.0%
Economic and Social Regulation	378.0	4.5	12.3	33.4	-55.5%	32.6%	29.6	32.7	35.5	2.1%	7.5%
Water Use Authorisation and Administration	54.6	62.6	44.4	58.5	2.3%	16.8%	69.2	84.5	78.5	10.3%	16.7%
Water Supply Services and Sanitation Regulation	23.1	16.0	15.7	21.3	-2.6%	5.8%	25.0	35.8	28.8	10.4%	6.4%
Compliance Monitoring and Enforcement	13.5	35.8	83.5	86.9	86.2%	16.7%	126.3	138.5	127.4	13.6%	27.5%
Institutional Oversight	105.1	35.3	70.9	81.9	-8.0%	22.3%	122.5	187.1	180.2	30.1%	32.8%
<b>Total</b>	<b>575.2</b>	<b>157.6</b>	<b>260.9</b>	<b>319.2</b>	<b>-17.8%</b>	<b>100.0%</b>	<b>410.8</b>	<b>519.5</b>	<b>491.4</b>	<b>15.5%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				(32.4)			72.9	174.5	127.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>123.2</b>	<b>155.6</b>	<b>255.7</b>	<b>300.1</b>	<b>34.5%</b>	<b>63.6%</b>	<b>396.5</b>	<b>505.9</b>	<b>474.6</b>	<b>16.5%</b>	<b>96.3%</b>
Compensation of employees	61.7	97.6	175.8	176.9	42.0%	39.0%	220.1	238.1	257.2	13.3%	51.2%
Goods and services <sup>1</sup>	61.5	57.9	79.9	123.2	26.1%	24.6%	176.5	267.8	217.4	20.8%	45.1%
of which:											
Computer services	0.6	0.9	0.5	0.2	-26.4%	0.2%	7.5	11.1	8.9	239.4%	1.6%
Consultants: Business and advisory services	30.3	23.1	20.1	36.3	6.1%	8.4%	68.9	73.7	43.1	5.9%	12.7%
Infrastructure and planning services	8.2	8.0	1.4	0.1	-74.9%	1.4%	4.1	72.4	72.5	723.2%	8.6%
Agency and support/outourced services	1.7	0.2	2.1	7.0	60.5%	0.8%	5.9	7.4	4.5	-13.8%	1.4%
Travel and subsistence	11.3	14.6	19.8	40.7	53.4%	6.6%	43.2	49.7	38.8	-1.6%	9.9%
Training and development	0.9	1.1	4.7	5.4	79.3%	0.9%	6.0	8.1	6.6	6.8%	1.5%
<b>Transfers and subsidies<sup>1</sup></b>	<b>72.6</b>	<b>0.8</b>	<b>1.0</b>	<b>5.2</b>	<b>-58.5%</b>	<b>6.1%</b>	<b>1.1</b>	<b>1.4</b>	<b>1.5</b>	<b>-34.2%</b>	<b>0.5%</b>
Departmental agencies and accounts	59.8	-	-	2.0	-67.8%	4.7%	0.5	-	-	-100.0%	0.1%
Public corporations and private enterprises	12.6	-	-	-	-100.0%	1.0%	-	-	-	-	-
Non-profit institutions	-	0.6	-	0.8	-	0.1%	-	0.8	0.8	1.8%	0.1%
Households	0.1	0.1	0.9	2.4	218.1%	0.3%	0.6	0.6	0.6	-35.7%	0.2%

Table 36.11 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
<b>Payments for capital assets</b>	<b>379.4</b>	<b>1.3</b>	<b>4.3</b>	<b>14.0</b>	<b>-66.7%</b>	<b>30.4%</b>	<b>13.2</b>	<b>12.3</b>	<b>15.3</b>	<b>3.1%</b>	<b>3.1%</b>
Buildings and other fixed structures	378.4	0.1	–	–	-100.0%	28.8%	–	–	–	–	–
Machinery and equipment	0.9	1.2	4.3	14.0	146.5%	1.6%	13.2	12.3	15.3	3.1%	3.1%
<b>Total</b>	<b>575.2</b>	<b>157.6</b>	<b>260.9</b>	<b>319.2</b>	<b>-17.8%</b>	<b>100.0%</b>	<b>410.8</b>	<b>519.5</b>	<b>491.4</b>	<b>15.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>5.5%</b>	<b>1.4%</b>	<b>1.7%</b>	<b>2.1%</b>	<b>–</b>	<b>–</b>	<b>2.7%</b>	<b>3.1%</b>	<b>2.8%</b>	<b>–</b>	<b>–</b>
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>59.8</b>	<b>–</b>	<b>–</b>	<b>2.0</b>	<b>-67.8%</b>	<b>4.7%</b>	<b>0.5</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>
Water Research Commission	–	–	–	2.0	–	0.2%	0.5	–	–	-100.0%	0.1%
Breede-Overberg Catchment Management Agency	31.6	–	–	–	-100.0%	2.4%	–	–	–	–	–
Inkomati Catchment Management Agency	28.2	–	–	–	-100.0%	2.1%	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	<b>–</b>	<b>0.6</b>	<b>–</b>	<b>0.8</b>	<b>–</b>	<b>0.1%</b>	<b>–</b>	<b>0.8</b>	<b>0.8</b>	<b>1.8%</b>	<b>0.1%</b>
Water Institute of Southern Africa	–	0.6	–	0.8	–	0.1%	–	0.8	0.8	1.8%	0.1%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>12.6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>1.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Botshelo Water Board	12.6	–	–	–	-100.0%	1.0%	–	–	–	–	–

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

## Entities<sup>1</sup>

### Consolidated water boards

#### Mandate

The water boards derive their mandate from the Water Services Act (1997) and are categorised as national government business enterprises in terms of schedule 3B of the Public Finance Management Act (1999). The primary activity of water boards is to provide bulk water and sanitation services to water service institutions in the designated areas in which they operate. Historically, water boards were established in areas with significant urban development, but rural areas have since been included. The services provided by water boards have also expanded to include the provision of retail water and sanitation services, and management services and training on behalf of municipalities and the Department of Water and Sanitation. Water boards are used as implementing agents where the capacity to implement projects is inadequate.

In 2014, the Minister of Water and Sanitation reduced the number of water boards from 12 to 9 as part of an institutional realignment of the sector and a reform measure to increase efficiency and achieve economies of scale. In line with this, both Botshelo and Pelladrikt have been incorporated into Sedibeng Water, and Bushbuckridge Water has been incorporated into Rand Water. The draft Water and Sanitation Bill, which is currently under review, proposes that water boards operate as regional water utilities in future.

#### Selected performance indicators

Table 36.12 Consolidated water boards volume<sup>1</sup> of bulk treated water sales

Water board	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Volumes of bulk water sales by Amatola water board per year	Water board activities	Outcome 6. An efficient, competitive and responsive economic infrastructure network	31 723	33 189	33 630	34 876	38 364	42 400	46 420
Volumes of bulk water sales by Bloem water board per year	Water board activities		76 182	91 737	79 993	85 448	91 409	92 323	93 246
Volumes of bulk water sales by Botshelo water board per year	Water board activities		13 100	14 900	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	– <sup>1</sup>
Volumes of bulk water sales by Bushbuckridge water board per year	Water board activities		35 137	49 694	– <sup>3</sup>	– <sup>3</sup>	– <sup>3</sup>	– <sup>3</sup>	– <sup>2</sup>

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

**Table 36.12 Consolidated water boards volume<sup>1</sup> of bulk treated water sales**

Water board	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Volumes of bulk water sales by Lepelle northern water board per year	Water board activities	Outcome 6. An efficient, competitive and responsive economic infrastructure network	97 637	97 637	9 7809	30 040	100 141	100 141	100 141
Volumes of bulk water sales by Magalies water board per year	Water board activities		75 503	82 038	81 959	89 821	95 251	101 054	107 117
Volumes of bulk water sales by Mhlathuze water board per year	Water board activities		40 208	44 176	40 208	43 800	45 625	45 625	45 625
Volumes of bulk water sales by Overberg water board per year	Water board activities		4 075	4 270	4 253	4 498	4 043	4 043	4 043
Volumes of bulk water sales by Pelladriфт water board per year	Water board activities		4 013	3 075	– <sup>4</sup>				
Volumes of bulk water sales by Rand water board per year	Water board activities		1 526 861	1 608 229	1 709 519	1 420 651	1 444 176	1 472 322	1 496 678
Volumes of bulk water sales by Sedibeng water board per year	Water board activities		92 346	96 524	117 562	119 408	122 397	125 420	128 526
Volumes of bulk water sales by Umgeni water board per year	Water board activities		439 544	446 548	435 726	414 159	449 828	459 372	469 597

1. Measured in thousand kilolitres.

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

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

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

### Expenditure analysis

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

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

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

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

### Programmes/objectives/activities

**Table 36.13 Consolidated water boards expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	2 645.7	3 230.4	3 269.4	3 486.3	9.6%	22.1%	3 892.5	4 297.4	4 615.0	9.8%	22.6%
Water boards activities	10 091.3	10 743.2	11 736.9	11 957.8	5.8%	77.9%	13 145.8	14 661.9	16 198.3	10.6%	77.4%
<b>Total</b>	<b>12 737.0</b>	<b>13 973.7</b>	<b>15 006.2</b>	<b>15 444.1</b>	<b>6.6%</b>	<b>100.0%</b>	<b>17 038.3</b>	<b>18 959.3</b>	<b>20 813.4</b>	<b>10.5%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 36.14 Consolidated water boards statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>13 670.2</b>	<b>14 923.7</b>	<b>15 959.4</b>	<b>17 102.7</b>	<b>18 046.7</b>	<b>18 655.5</b>	<b>20 849.4</b>	<b>19 097.3</b>	<b>101.8%</b>
Sale of goods and services other than capital assets	12 821.5	13 479.8	15 117.1	15 663.1	17 213.0	17 215.9	19 961.3	17 651.7	98.3%
<i>of which:</i>									
Administrative fees	–	15.1	0.2	20.3	17.2	16.0	18.3	44.3	268.6%
Sales of bulk water	12 821.5	13 464.7	15 116.9	15 642.8	17 135.1	17 199.9	19 878.1	17 566.5	98.3%
Other sales	–	–	–	–	60.7	–	64.9	40.9	32.6%
Other non-tax revenue	848.7	1 443.9	842.4	1 439.6	833.7	1 439.5	888.1	1 445.6	169.0%
<b>Transfers received</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>13.9</b>	<b>–</b>	<b>13.2</b>	<b>–</b>	<b>–</b>
<b>Total revenue</b>	<b>13 670.2</b>	<b>14 923.7</b>	<b>15 959.4</b>	<b>17 102.7</b>	<b>18 060.6</b>	<b>18 655.5</b>	<b>20 862.6</b>	<b>19 097.3</b>	<b>101.8%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>11 990.0</b>	<b>12 737.0</b>	<b>13 745.2</b>	<b>13 915.8</b>	<b>15 565.9</b>	<b>14 911.5</b>	<b>17 515.2</b>	<b>15 337.3</b>	<b>96.7%</b>
Compensation of employees	2 364.7	2 671.8	2 702.2	3 078.1	3 011.6	3 141.5	3 324.4	3 344.3	107.3%
Goods and services	8 796.9	9 303.8	10 249.8	10 026.9	11 476.8	10 878.7	12 779.3	10 808.1	94.7%
Depreciation	647.7	666.2	664.9	768.3	895.0	853.0	1 145.1	1 061.0	99.9%
Interest, dividends and rent on land	180.8	95.3	128.3	42.5	182.4	38.3	266.5	123.9	39.6%
<b>Transfers and subsidies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>57.9</b>	<b>–</b>	<b>94.7</b>	<b>–</b>	<b>106.8</b>	<b>–</b>
<b>Total expenses</b>	<b>11 990.0</b>	<b>12 737.0</b>	<b>13 745.2</b>	<b>13 973.7</b>	<b>15 565.9</b>	<b>15 006.2</b>	<b>17 515.2</b>	<b>15 444.1</b>	<b>97.2%</b>
<b>Surplus/(Deficit)</b>	<b>1 680.0</b>	<b>2 187.0</b>	<b>2 214.0</b>	<b>3 129.0</b>	<b>2 495.0</b>	<b>3 649.0</b>	<b>3 347.0</b>	<b>3 653.0</b>	
<b>Statement of financial position</b>									
Carrying value of assets	20 967.3	21 400.2	25 838.4	26 840.4	29 622.7	32 081.4	40 413.3	37 954.5	101.2%
<i>of which:</i>									
Acquisition of assets	(4 693.2)	(3 720.0)	(5 171.8)	(5 433.0)	(6 461.7)	(5 962.5)	(8 714.2)	(6 109.5)	84.8%
Investments	1 687.2	3 573.4	1 622.4	2 760.4	2 171.6	2 948.1	1 933.3	1 729.9	148.5%
Inventory	112.6	309.3	115.2	199.3	186.9	219.4	353.8	216.8	122.9%
Loans	–	5.0	5.7	4.6	4.6	105.2	4.9	85.1	1 315.4%
Accrued investment interest	–	40.7	–	33.8	–	28.4	–	28.4	472 401.9%
Receivables and prepayments	1 820.9	3 730.7	2 340.7	4 843.6	3 998.0	5 435.0	3 786.1	4 673.7	156.4%
Cash and cash equivalents	1 650.4	2 125.7	1 966.0	2 243.8	2 325.6	3 128.0	1 817.9	2 466.7	128.4%
Non-current assets held for sale	69.5	1.6	13.5	1.5	1.5	0.4	–	–	4.1%
Defined benefit plan assets	7.7	20.8	–	26.4	–	30.1	–	45.4	1 597.0%
<b>Total assets</b>	<b>26 315.5</b>	<b>31 207.4</b>	<b>31 902.0</b>	<b>36 953.8</b>	<b>38 311.0</b>	<b>43 975.9</b>	<b>48 309.3</b>	<b>47 200.4</b>	<b>110.0%</b>
Accumulated surplus/(deficit)	15 485.5	16 702.7	18 082.4	19 380.1	20 056.8	22 701.5	24 237.4	25 397.7	108.1%
Capital and reserves	2 569.3	3 501.2	2 045.3	3 577.6	3 555.7	3 606.6	3 562.0	4 039.8	125.5%
Capital reserve fund	200.0	93.9	–	166.0	–	212.7	–	70.2	271.4%
Borrowings	4 489.2	4 270.0	6 314.5	5 413.9	6 646.3	7 433.8	11 479.7	7 771.8	86.0%
Finance lease	–	9.6	–	0.9	0.4	0.1	–	1.3	2 710.6%
Accrued interest	32.4	27.4	28.6	26.8	59.7	58.9	83.1	58.2	84.0%
Deferred income	181.0	788.9	1 351.5	1 401.4	1 643.8	1 703.6	2 765.8	2 125.9	101.3%
Trade and other payables	2 758.9	4 765.3	3 324.8	5 815.7	5 184.4	7 238.1	5 282.4	6 683.9	148.1%
Benefits payable	–	–	–	–	1.2	–	1.5	1.5	55.3%
Taxation	–	17.3	–	20.0	7.1	43.8	7.6	7.1	600.0%
Provisions	434.9	965.1	688.6	1 084.7	1 152.2	973.8	821.7	967.4	128.9%
Managed funds (e.g. poverty alleviation fund)	–	–	–	–	–	–	–	5	–
Derivatives financial instruments	33.3	65.9	66.2	66.8	3.2	3.2	68.1	70.6	120.9%
<b>Total equity and liabilities</b>	<b>26 184.4</b>	<b>31 207.4</b>	<b>31 902.0</b>	<b>36 953.8</b>	<b>38 311.0</b>	<b>43 975.9</b>	<b>48 309.3</b>	<b>47 200.4</b>	<b>110.1%</b>

## Statements of estimates of financial performance and position

Table 36.15 Consolidated water boards statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>19 097.3</b>	<b>8.6%</b>	<b>100.0%</b>	<b>21 561.7</b>	<b>24 292.7</b>	<b>26 417.8</b>	<b>11.4%</b>	<b>100.0%</b>	
Sale of goods and services other than capital assets	17 651.7	9.4%	91.7%	20 115.9	22 906.7	25 609.8	13.2%	94.2%	
<i>of which:</i>									
Administrative fees	44.3	43.0%	0.1%	46.0	47.5	48.7	3.3%	0.2%	
Sales of bulk water	17 566.5	9.3%	91.5%	20 032.6	22 836.4	25 540.2	13.3%	93.9%	
Other sales	40.9	–	0.1%	37.3	22.9	20.9	-20.1%	0.1%	
Other non-tax revenue	1 445.6	–	8.3%	1 445.8	1 386.0	808.0	-17.6%	5.8%	
<b>Total revenue</b>	<b>19 097.3</b>	<b>8.6%</b>	<b>100.0%</b>	<b>21 561.7</b>	<b>24 292.7</b>	<b>26 417.8</b>	<b>11.4%</b>	<b>100.0%</b>	

Table 36.15 Consolidated water boards statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
<b>Expenses</b>								
<b>Current expenses</b>	<b>15 337.3</b>	<b>6.4%</b>	<b>99.6%</b>	<b>16 920.6</b>	<b>18 831.1</b>	<b>20 673.6</b>	<b>10.5%</b>	<b>126.9%</b>
Compensation of employees	3 344.3	7.8%	21.4%	3 541.0	3 814.1	4 135.7	7.3%	20.6%
Goods and services	10 808.1	5.1%	71.8%	11 989.0	13 436.3	14 846.1	11.2%	70.6%
Depreciation	1 061.0	16.8%	5.8%	1 229.3	1 367.3	1 473.5	11.6%	7.1%
Interest, dividends and rent on land	123.9	9.1%	0.5%	161.3	213.4	218.3	20.8%	1.0%
<b>Transfers and subsidies</b>	<b>106.8</b>	<b>-</b>	<b>0.4%</b>	<b>117.7</b>	<b>128.2</b>	<b>139.7</b>	<b>9.4%</b>	<b>0.7%</b>
<b>Total expenses</b>	<b>15 444.1</b>	<b>6.6%</b>	<b>100.0%</b>	<b>17 038.3</b>	<b>18 959.3</b>	<b>20 813.3</b>	<b>10.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>3 653.0</b>			<b>4 523.0</b>	<b>5 333.0</b>	<b>5 604.0</b>	<b>15.3%</b>	
<b>Statement of financial position</b>								
Carrying value of assets	37 954.5	21.0%	73.6%	44 162.7	49 138.2	54 929.9	13.1%	81.9%
of which:								
Acquisition of assets	(6 109.5)	18.0%	-13.3%	(7 142.3)	(7 022.9)	(6 385.9)	1.5%	-11.9%
Investments	1 729.9	-21.5%	7.3%	1 965.9	1 973.5	2 259.9	9.3%	3.5%
Inventory	216.8	-11.2%	0.6%	232.3	241.9	261.0	6.4%	0.4%
Loans	85.1	157.5%	0.1%	69.1	5.1	46.0	-18.5%	0.1%
Accrued investment interest	28.4	-11.4%	0.1%	28.4	28.4	28.4	-	0.1%
Receivables and prepayments	4 673.7	7.8%	11.8%	4 901.8	4 817.3	4 970.5	2.1%	8.6%
Cash and cash equivalents	2 466.7	5.1%	6.3%	2 618.1	2 939.8	4 042.1	17.9%	5.3%
Defined benefit plan assets	45.4	29.7%	0.1%	46.2	23.1	24.0	-19.1%	0.1%
<b>Total assets</b>	<b>47 200.4</b>	<b>14.8%</b>	<b>100.0%</b>	<b>54 024.6</b>	<b>59 167.3</b>	<b>66 561.9</b>	<b>12.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	25 397.7	15.0%	52.8%	29 093.3	33 073.3	39 308.1	15.7%	55.7%
Capital and reserves	4 039.8	4.9%	9.4%	4 796.4	5 095.3	6 036.3	14.3%	8.8%
Capital reserve fund	70.2	-9.2%	0.3%	70.2	70.2	70.2	-	0.1%
Borrowings	7 771.8	22.1%	15.4%	9 643.3	10 308.9	10 448.7	10.4%	16.9%
Finance lease	1	-49.4%	-	1	-	-	-100.0%	-
Accrued interest	58.2	28.6%	0.1%	56.8	54.3	55.3	-1.7%	0.1%
Deferred income	2 125.9	39.2%	3.7%	2 383.4	2 783.4	2 938.3	11.4%	4.5%
Trade and other payables	6 683.9	11.9%	15.4%	6 840.2	6 563.9	6 377.1	-1.6%	11.9%
Benefits payable	1.5	-	-	1.6	1.8	-	-100.0%	-
Taxation	7.1	-25.8%	0.1%	7.8	8.4	7.4	1.6%	-
Provisions	967.4	0.1%	2.6%	1 050.1	1 120.9	1 227.2	8.3%	1.9%
Managed funds (e.g. poverty alleviation fund)	5	-	-	5	5	5	-	-
Derivatives financial instruments	70.6	2.3%	0.1%	76.0	81.9	88.2	7.7%	0.1%
<b>Total equity and liabilities</b>	<b>47 200.4</b>	<b>14.8%</b>	<b>100.0%</b>	<b>54 024.6</b>	<b>59 167.3</b>	<b>66 561.9</b>	<b>12.1%</b>	<b>100.0%</b>

## Rand Water

### Mandate

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

### Selected performance indicators

Table 36.16 Rand Water performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Net debt/equity ratio per year	Administration	Outcome 12: An efficient, effective and development-oriented public service	0.4	0.4	0.3	0.4	0.4	0.3	0.3
Debt service ratio per year	Administration		5.7	5.3	5.2	4.7	4.2	3.0	3.0
Cost of debt per year	Administration		8% (206 049/ 2 512 551)	7% (269 049/ 3 674 901)	9% (405 351/ 4 418 873)	10%	9%	10%	13%
Costs per kilolitre per year	Bulk water	Outcome 6: An efficient, competitive and responsive economic infrastructure network	R4.90	R5.30	R5.20	R6.40	R7	R7.60	R8.20
Avoidable water loss as a percentage of total water produced (non-revenue water)	Bulk water		3.5% (4 690/ 132 442)	3.0% (4 083/ 136 018)	3.2% (4 4 24/ 136 666)	3.5%	3.5%	3.5%	3.5%
Volume <sup>1</sup> of water sold	Bulk water		1 526 861	1 686 057	1 709 519	1 420 651	1 444 176	1 472 322	1 496 678

1. Measured in thousand kilolitres.

### Expenditure analysis

Rand Water manages the water infrastructure network and its supply capacity, and connects households in

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

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

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

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

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

## Programmes/objectives/activities

Table 36.17 Rand Water expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	1 294.8	1 364.3	1 508.3	1 385.8	2.3%	15.9%	1 378.7	1 481.8	1 573.4	4.3%	13.9%
Bulk water	6 273.3	7 043.4	7 457.5	7 377.6	5.6%	80.6%	8 312.5	9 265.9	10 299.1	11.8%	83.8%
Secondary activities	719.3	145.0	102.8	218.6	-32.8%	3.5%	230.1	241.7	254.2	5.2%	2.3%
<b>Total</b>	<b>8 287.4</b>	<b>8 552.7</b>	<b>9 068.7</b>	<b>8 982.1</b>	<b>2.7%</b>	<b>100.0%</b>	<b>9 921.2</b>	<b>10 989.4</b>	<b>12 126.6</b>	<b>10.5%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 36.18 Rand Water statements of historical financial performance and position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%) 2013/14 - 2016/17
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>8 732.3</b>	<b>9 469.2</b>	<b>9 904.6</b>	<b>9 990.7</b>	<b>11 742.3</b>	<b>11 233.6</b>	<b>13 713.3</b>	<b>10 909.3</b>	<b>94.4%</b>
Sale of goods and services other than capital assets	8 447.8	8 664.9	9 342.1	9 802.5	11 248.3	10 950.9	13 178.2	10 712.0	95.1%
of which:									
Sales of bulk water	8 447.8	8 664.9	9 342.1	9 802.5	11 248.3	10 950.9	13 178.2	10 712.0	95.1%
Other non-tax revenue	284.5	804.3	562.5	188.2	494.0	282.7	535.1	197.3	78.5%
<b>Total revenue</b>	<b>8 732.3</b>	<b>9 469.2</b>	<b>9 904.6</b>	<b>9 990.7</b>	<b>11 742.3</b>	<b>11 233.6</b>	<b>13 713.3</b>	<b>10 909.3</b>	<b>94.4%</b>

Table 36.18 Rand Water statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
<b>Expenses</b>									
<b>Current expenses</b>	<b>7 682.5</b>	<b>8 287.4</b>	<b>8 679.4</b>	<b>8 552.7</b>	<b>10 128.1</b>	<b>9 068.7</b>	<b>11 404.5</b>	<b>8 982.1</b>	<b>92.1%</b>
Compensation of employees	1 312.9	1 651.2	1 535.3	1 842.4	1 682.1	1 720.1	1 816.7	1 813.1	110.7%
Goods and services	6 080.9	6 351.4	6 831.7	6 387.4	7 982.4	6 984.8	9 031.0	6 703.9	88.3%
Depreciation	280.5	280.3	312.3	323.0	463.6	363.7	556.9	433.0	86.8%
Interest, dividends and rent on land	8.2	4.5	-	-	-	-	-	32.2	446.2%
<b>Total expenses</b>	<b>7 682.5</b>	<b>8 287.4</b>	<b>8 679.4</b>	<b>8 552.7</b>	<b>10 128.1</b>	<b>9 068.7</b>	<b>11 404.5</b>	<b>8 982.1</b>	<b>92.1%</b>
<b>Surplus/(Deficit)</b>	<b>1 050.0</b>	<b>1 182.0</b>	<b>1 225.0</b>	<b>1 438.0</b>	<b>1 614.0</b>	<b>2 165.0</b>	<b>2 309.0</b>	<b>1 927.0</b>	
<b>Statement of financial position</b>									
Carrying value of assets	12 059.1	12 313.4	15 454.0	15 143.0	14 835.6	18 081.5	22 053.1	20 727.4	102.9%
<i>of which:</i>									
Acquisition of assets	(2 594.0)	(2 243.7)	(2 602.3)	(2 579.7)	(2 579.7)	(2 925.6)	(4 163.0)	(2 722.7)	87.7%
Investments	-	483.2	-	482.3	482.3	461.7	436.2	389.8	197.8%
Inventory	61.0	244.8	64.0	122.4	122.5	129.7	284.2	137.3	119.3%
Loans	-	5.0	5.7	4.6	4.6	5.2	4.9	5.1	130.8%
Receivables and prepayments	1 006.3	1 385.4	1 058.3	1 764.5	1 765.1	1 860.9	1 438.2	1 825.0	129.8%
Cash and cash equivalents	831.5	871.5	1 017.2	1 154.1	1 154.1	1 470.1	484.9	1 045.0	130.2%
Non-current assets held for sale	-	1.6	-	1.5	1.5	0.4	-	-	234.1%
Defined benefit plan assets	-	-	-	-	-	-	-	21.4	-
<b>Total assets</b>	<b>13 957.9</b>	<b>15 304.9</b>	<b>17 599.1</b>	<b>18 672.4</b>	<b>18 365.6</b>	<b>22 009.5</b>	<b>24 701.6</b>	<b>24 151.0</b>	<b>107.4%</b>
Accumulated surplus/(deficit)	9 445.3	9 718.0	10 809.0	11 145.0	11 158.5	13 295.1	14 318.4	15 272.3	108.1%
Borrowings	2 472.9	2 510.1	4 495.0	3 672.4	3 675.2	4 418.7	7 023.6	4 815.6	87.3%
Deferred income	78.6	200.7	108.7	491.2	170.2	475.8	238.3	503.6	280.5%
Trade and other payables	1 961.1	2 470.2	2 128.5	2 970.1	2 970.5	3 745.4	3 054.9	3 458.2	125.0%
Taxation	-	2.5	-	2.5	-	-	-	-	-
Provisions	-	345.9	-	330.3	391.2	74.5	-	30.7	199.7%
Derivatives financial instruments	-	57.5	57.8	60.9	-	-	66.3	70.6	152.1%
<b>Total equity and liabilities</b>	<b>13 957.9</b>	<b>15 304.9</b>	<b>17 599.1</b>	<b>18 672.4</b>	<b>18 365.6</b>	<b>22 009.5</b>	<b>24 701.6</b>	<b>24 151.0</b>	<b>107.4%</b>

## Statements of estimates of financial performance and position

Table 36.19 Rand Water statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>10 909.3</b>	<b>4.8%</b>	<b>100.0%</b>	<b>12 655.0</b>	<b>14 573.5</b>	<b>16 467.8</b>	<b>14.7%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	10 712.0	7.3%	96.3%	12 367.9	14 234.4	16 072.8	14.5%	97.8%
<i>of which:</i>								
Sales of bulk water	10 712.0	7.3%	96.3%	12 367.9	14 234.4	16 072.8	14.5%	97.8%
Other non-tax revenue	197.3	-37.4%	3.7%	287.1	339.1	395.1	26.0%	2.2%
<b>Total revenue</b>	<b>10 909.3</b>	<b>4.8%</b>	<b>100.0%</b>	<b>12 655.0</b>	<b>14 573.5</b>	<b>16 467.8</b>	<b>14.7%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>8 982.1</b>	<b>2.7%</b>	<b>100.0%</b>	<b>9 921.2</b>	<b>10 989.4</b>	<b>12 126.6</b>	<b>10.5%</b>	<b>118.8%</b>
Compensation of employees	1 813.1	3.2%	20.2%	1 865.2	2 010.7	2 175.6	6.3%	18.8%
Goods and services	6 703.9	1.8%	75.7%	7 539.1	8 379.5	9 266.7	11.4%	75.8%
Depreciation	433.0	15.6%	4.0%	516.9	599.1	684.3	16.5%	5.3%
Interest, dividends and rent on land	32.2	92.0%	0.1%	-	-	-	-100.0%	0.1%
<b>Total expenses</b>	<b>8 982.1</b>	<b>2.7%</b>	<b>100.0%</b>	<b>9 921.2</b>	<b>10 989.4</b>	<b>12 126.6</b>	<b>10.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>1 927.0</b>			<b>2 734.0</b>	<b>3 584.0</b>	<b>4 341.0</b>	<b>31.1%</b>	
<b>Statement of financial position</b>								
Carrying value of assets	20 727.4	19.0%	82.4%	24 656.0	28 435.0	32 144.7	15.8%	86.2%
<i>of which:</i>								
Acquisition of assets	(2 722.7)	6.7%	-13.3%	(3 902.6)	(3 734.5)	(3 709.6)	10.9%	-11.6%
Investments	389.8	-6.9%	2.4%	389.8	389.8	389.8	-	1.3%
Inventory	137.3	-17.5%	0.9%	144.5	151.8	159.8	5.2%	0.5%
Loans	5.1	1.1%	-	5.1	5.1	5.1	-0.6%	-
Receivables and prepayments	1 825.0	9.6%	8.6%	2 056.2	2 261.5	2 469.7	10.6%	7.1%
Cash and cash equivalents	1 045.0	6.2%	5.7%	1 102.9	1 642.6	2 278.4	29.7%	4.8%
Defined benefit plan assets	21.4	-	-	22.2	23.1	24.0	4.0%	0.1%
<b>Total assets</b>	<b>24 151.0</b>	<b>16.4%</b>	<b>100.0%</b>	<b>28 376.8</b>	<b>32 908.9</b>	<b>37 471.5</b>	<b>15.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	15 272.3	16.3%	61.7%	18 006.1	21 590.2	25 931.4	19.3%	65.4%
Borrowings	4 815.6	24.3%	19.0%	5 913.5	6 653.1	6 646.2	11.3%	19.7%
Deferred income	503.6	35.9%	2.0%	530.0	556.8	586.0	5.2%	1.8%
Trade and other payables	3 458.2	11.9%	15.8%	3 819.2	3 993.7	4 185.0	6.6%	12.8%
Provisions	30.7	-55.4%	1.1%	31.9	33.2	34.5	4.0%	0.1%
Derivatives financial instruments	70.6	7.1%	0.2%	76.0	81.9	88.2	7.7%	0.3%
<b>Total equity and liabilities</b>	<b>24 151.0</b>	<b>16.4%</b>	<b>100.0%</b>	<b>28 376.8</b>	<b>32 908.9</b>	<b>37 471.5</b>	<b>15.8%</b>	<b>100.0%</b>

## Personnel information

**Table 36.20 Rand Water personnel numbers and cost by salary level**

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

1. Rand million

## Trans-Caledon Tunnel Authority

### Mandate

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

### Selected performance indicators

**Table 36.21 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related outcome**

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

1. Projects completed.

2. No historical data available.

### Expenditure analysis

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

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

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

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

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

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

## Programmes/objectives/activities

Table 36.22 Trans-Caledon Tunnel Authority expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Vaal River System	3 203.7	3 121.0	5 369.4	7 946.4	35.4%	65.1%	6 116.7	6 709.3	9 909.1	7.6%	67.6%
Berg water project	97.5	92.7	83.0	59.6	-15.1%	1.2%	62.9	41.6	34.7	-16.5%	0.5%
Vaal River eastern subsystem augmentation project	571.0	367.8	377.3	335.5	-16.2%	6.0%	466.0	337.2	327.5	-0.8%	3.4%
Mooi-Mgeni transfer scheme	600.3	567.6	472.0	402.2	-12.5%	7.5%	262.4	162.4	151.4	-27.8%	2.3%
Olifants River water resource development project	540.6	513.7	304.3	292.7	-18.5%	6.2%	1 635.1	1 402.4	1 414.4	69.1%	10.6%
Komati water scheme augmentation project	329.1	132.6	119.6	131.3	-26.4%	2.6%	482.3	129.5	129.2	-0.5%	2.1%
Mokolo Crocodile water augmentation project	427.8	273.8	420.9	791.5	22.8%	6.4%	444.9	1 932.0	3 629.0	66.1%	13.5%
Acid mine drainage	594.6	574.8	-	-	-100.0%	4.9%	-	-	-	-	-
Other projects: Kriel	-	-	-	-	-	-	2.5	0.2	-	-	0.0%
<b>Total</b>	<b>6 364.5</b>	<b>5 643.9</b>	<b>7 146.4</b>	<b>9 959.2</b>	<b>16.1%</b>	<b>100.0%</b>	<b>9 472.7</b>	<b>10 714.6</b>	<b>15 595.4</b>	<b>16.1%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

Table 36.23 Trans-Caledon Tunnel Authority statements of historical financial performance and position

Statement of financial performance										Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2013/14 - 2016/17	
R million										
<b>Revenue</b>										
<b>Non-tax revenue</b>	<b>6 665.4</b>	<b>5 014.5</b>	<b>8 103.8</b>	<b>5 453.7</b>	<b>4 418.5</b>	<b>5 424.5</b>	<b>6 529.0</b>	<b>7 241.4</b>		<b>90.0%</b>
Sale of goods and services other than capital assets	5 105.4	2 958.0	6 355.7	2 547.5	4 871.6	2 904.4	4 699.4	4 490.1		61.3%
of which:										
Construction revenue	5 105.4	2 958.0	6 355.7	2 547.5	4 871.6	2 904.4	4 699.4	4 490.1		61.3%
Other non-tax revenue	1 560.0	2 056.5	1 748.0	2 906.2	(453.1)	2 520.0	1 829.6	2 751.2		218.5%
<b>Total revenue</b>	<b>6 665.4</b>	<b>5 014.5</b>	<b>8 103.8</b>	<b>5 453.7</b>	<b>4 418.5</b>	<b>5 424.5</b>	<b>6 529.0</b>	<b>7 241.4</b>		<b>90.0%</b>

**Table 36.23 Trans-Caledon Tunnel Authority statements of historical financial performance and position**

Statement of financial performance									Average: Outcome/ Budget (%)
R million	Budget 2013/14	Audited outcome	Budget 2014/15	Audited outcome	Budget 2015/16	Audited outcome	Budget estimate	Revised estimate	
<b>Expenses</b>									
<b>Current expenses</b>	<b>7 378.5</b>	<b>6 364.5</b>	<b>8 750.3</b>	<b>5 643.9</b>	<b>7 630.3</b>	<b>7 146.4</b>	<b>7 563.7</b>	<b>9 959.2</b>	<b>92.9%</b>
Compensation of employees	170.0	131.7	181.0	146.1	212.0	172.1	225.8	241.7	87.7%
Goods and services	4 926.1	2 833.5	6 106.7	2 392.7	4 648.2	2 726.2	4 461.5	4 224.7	60.5%
Depreciation	9.2	11.8	9.8	10.2	11.4	6.1	12.1	23.7	121.6%
Interest, dividends and rent on land	2 273.2	3 387.4	2 452.7	3 095.0	2 758.7	4 242.0	2 864.3	5 469.1	156.5%
<b>Total expenses</b>	<b>7 378.5</b>	<b>6 364.5</b>	<b>8 750.3</b>	<b>5 643.9</b>	<b>7 630.3</b>	<b>7 146.4</b>	<b>7 563.7</b>	<b>9 959.2</b>	<b>92.9%</b>
<b>Surplus/(Deficit)</b>	<b>(713.0)</b>	<b>(1 350.0)</b>	<b>(647.0)</b>	<b>(190.0)</b>	<b>(3 212.0)</b>	<b>(1 722.0)</b>	<b>(1 035.0)</b>	<b>(2 718.0)</b>	
<b>Statement of financial position</b>									
Carrying value of assets	36.6	22.7	34.1	13.0	23.0	11.8	25.7	23.0	59.0%
of which:									
Acquisition of assets	–	(19.8)	–	(1.1)	(11.0)	(4.3)	(3.0)	–	179.6%
Investments	3 486.4	3 466.8	4 569.1	4 011.0	11 499.0	4 705.1	12 041.4	9 346.2	68.1%
Receivables and prepayments	31 174.2	28 196.8	32 515.2	28 987.8	36 127.7	25 941.1	35 573.5	29 489.5	83.2%
Cash and cash equivalents	–	–	–	–	–	1.4	–	–	–
Taxation	–	25.4	–	47.5	–	40.7	–	–	–
<b>Total assets</b>	<b>34 697.1</b>	<b>31 711.7</b>	<b>37 118.4</b>	<b>33 059.3</b>	<b>47 649.7</b>	<b>30 700.1</b>	<b>47 640.6</b>	<b>38 858.7</b>	<b>80.4%</b>
Accumulated surplus/(deficit)	4 761.9	2 274.0	4 948.0	2 084.3	8 747.0	362.2	7 712.4	(2 596.3)	8.1%
Borrowings	29 028.1	26 953.1	31 110.7	27 882.0	38 129.3	28 439.9	39 142.3	40 849.5	90.3%
Trade and other payables	907.1	2 009.0	1 040.3	2 618.0	773.4	1 451.2	785.8	605.5	190.6%
Taxation	–	87.0	–	108.0	–	100.8	–	–	–
Provisions	–	388.5	–	367.1	–	343.6	–	–	–
Derivatives financial instruments	–	–	–	–	–	2.5	–	–	–
<b>Total equity and liabilities</b>	<b>34 697.1</b>	<b>31 711.6</b>	<b>37 099.0</b>	<b>33 059.3</b>	<b>47 649.7</b>	<b>30 700.1</b>	<b>47 640.6</b>	<b>38 858.7</b>	<b>80.4%</b>

**Statements of estimates of financial performance and position****Table 36.24 Trans-Caledon Tunnel Authority statements of estimates of financial performance and position**

Statement of financial performance								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>7 241.4</b>	<b>13.0%</b>	<b>100.0%</b>	<b>16 281.9</b>	<b>10 178.8</b>	<b>14 129.1</b>	<b>25.0%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	4 490.1	14.9%	55.3%	5 536.4	7 304.9	11 089.7	35.2%	61.6%
of which:								
Construction revenue	4 490.1	14.9%	55.3%	5 536.4	7 304.9	11 089.7	35.2%	61.6%
Other non-tax revenue	2 751.2	10.2%	44.7%	10 745.6	2 873.9	3 039.5	3.4%	38.4%
<b>Total revenue</b>	<b>7 241.4</b>	<b>13.0%</b>	<b>100.0%</b>	<b>16 281.9</b>	<b>10 178.8</b>	<b>14 129.1</b>	<b>25.0%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>9 959.2</b>	<b>16.1%</b>	<b>100.0%</b>	<b>9 472.7</b>	<b>10 714.6</b>	<b>15 595.4</b>	<b>16.1%</b>	<b>165.4%</b>
Compensation of employees	241.7	22.4%	2.4%	208.2	219.7	231.7	-1.4%	2.0%
Goods and services	4 224.7	14.2%	41.9%	5 308.8	7 064.9	10 836.4	36.9%	58.5%
Depreciation	23.7	26.2%	0.2%	19.4	20.4	21.6	-3.2%	0.2%
Interest, dividends and rent on land	5 469.1	17.3%	55.6%	3 936.4	3 409.7	4 505.7	-6.3%	39.3%
<b>Total expenses</b>	<b>9 959.2</b>	<b>16.1%</b>	<b>100.0%</b>	<b>9 472.7</b>	<b>10 714.6</b>	<b>15 595.4</b>	<b>16.1%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(2 718.0)</b>			<b>6 809.0</b>	<b>(536.0)</b>	<b>(1 466.0)</b>	<b>-18.6%</b>	
<b>Statement of financial position</b>								
Carrying value of assets	23.0	0.4%	0.1%	14.1	5.1	4.5	-42.1%	–
Investments	9 346.2	39.2%	15.6%	8 012.4	4 941.1	3 431.6	-28.4%	15.0%
Receivables and prepayments	29 489.5	1.5%	84.2%	35 564.3	39 343.9	50 099.9	19.3%	85.0%
<b>Total assets</b>	<b>38 858.7</b>	<b>7.0%</b>	<b>100.0%</b>	<b>43 590.9</b>	<b>44 290.1</b>	<b>53 535.9</b>	<b>11.3%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	(2 596.3)	-204.5%	2.0%	7 944.0	7 862.4	7 238.4	-240.7%	10.7%
Borrowings	40 849.5	14.9%	91.8%	35 359.0	36 074.9	45 828.6	3.9%	88.3%
Trade and other payables	605.5	-33.0%	5.1%	287.9	352.8	468.9	-8.2%	1.0%
<b>Total equity and liabilities</b>	<b>38 858.7</b>	<b>7.0%</b>	<b>100.0%</b>	<b>43 590.9</b>	<b>44 290.1</b>	<b>53 535.9</b>	<b>11.3%</b>	<b>100.0%</b>

## Personnel information

Table 36.25 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level

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

1. Rand million

## Umgeni Water

### Mandate

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

### Selected performance indicators

Table 36.26 Umgeni Water performance indicators by programme/objective/activity and related outcome

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

1. Measured in thousand kilolitres.

### Expenditure analysis

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

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

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

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

The entity derives its income primarily from the sale of bulk water and anticipates increases in the volumes of water sold from 449 828 kilolitres in 2017/18 to 469 597 kilolitres in 2019/20, and tariffs increasing from R4.7 per kilolitre in 2017/18 to R5.6 per kilolitre in 2019/20. Revenue is expected to grow from R2.7 billion in 2016/17 to R3.9 billion in 2019/20 at an average annual rate of 12.8 per cent. The revenue from secondary activities declines by 9.1 per cent over the medium term, because of reduced work related to these activities, and expenditure on secondary activities is projected to decline by 40.5 per cent from R175.4 million in 2016/17 to R37 million in 2019/20.

### Programmes/objectives/activities

Table 36.27 Umgeni Water 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 (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	356.0	680.1	730.0	787.3		30.3%	35.5%	1 044.4	1 238.9	1 344.6	19.5%	43.1%
Bulk activities	976.4	794.3	856.5	1 026.9		1.7%	51.1%	1 174.8	1 299.3	1 447.3	12.1%	48.8%
Waste water	58.6	62.2	75.3	102.3		20.4%	4.1%	127.4	138.0	150.4	13.7%	5.1%
Other activities	282.0	93.6	109.0	175.4		-14.6%	9.3%	22.8	34.9	37.0	-40.5%	3.0%
<b>Total</b>	<b>1 673.0</b>	<b>1 630.1</b>	<b>1 770.8</b>	<b>2 091.9</b>		<b>7.7%</b>	<b>100.0%</b>	<b>2 369.5</b>	<b>2 711.1</b>	<b>2 979.4</b>	<b>12.5%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

Table 36.28 Umgeni Water statements of historical financial performance and position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%)
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2013/14 - 2016/17	
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>2 018.3</b>	<b>2 355.5</b>	<b>2 282.0</b>	<b>2 415.3</b>	<b>2 437.8</b>	<b>2 552.0</b>	<b>2 681.6</b>	<b>2 686.7</b>	<b>106.3%</b>
Sale of goods and services other than capital assets	1 958.9	2 204.1	2 231.5	2 245.5	2 391.1	2 377.3	2 643.6	2 599.9	102.2%
<i>of which:</i>									
Sales of bulk water	1 958.9	2 204.1	2 231.5	2 245.5	2 391.1	2 377.3	2 643.6	2 599.9	102.2%
Other non-tax revenue	59.4	151.3	50.5	169.7	46.6	174.7	38.0	86.7	299.4%
<b>Total revenue</b>	<b>2 018.3</b>	<b>2 355.5</b>	<b>2 282.0</b>	<b>2 415.3</b>	<b>2 437.8</b>	<b>2 552.0</b>	<b>2 681.6</b>	<b>2 686.7</b>	<b>106.3%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>1 626.6</b>	<b>1 673.0</b>	<b>1 857.7</b>	<b>1 572.3</b>	<b>1 915.3</b>	<b>1 676.1</b>	<b>2 128.5</b>	<b>1 985.1</b>	<b>91.7%</b>
Compensation of employees	355.8	331.6	463.6	426.0	437.7	473.0	483.2	496.3	99.2%
Goods and services	1 047.3	1 190.2	1 215.1	1 005.4	1 271.2	1 037.9	1 296.2	1 237.8	92.6%
Depreciation	128.4	105.6	108.3	138.1	76.7	164.0	190.3	228.9	126.4%
Interest, dividends and rent on land	95.1	45.6	70.7	2.8	129.6	1.2	158.8	22.0	15.8%
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57.9</b>	<b>-</b>	<b>94.7</b>	<b>-</b>	<b>106.8</b>	<b>-</b>
<b>Total expenses</b>	<b>1 626.6</b>	<b>1 673.0</b>	<b>1 857.7</b>	<b>1 630.1</b>	<b>1 915.3</b>	<b>1 770.8</b>	<b>2 128.5</b>	<b>2 091.9</b>	<b>95.2%</b>
<b>Surplus/(Deficit)</b>	<b>392.0</b>	<b>682.0</b>	<b>424.0</b>	<b>785.0</b>	<b>522.0</b>	<b>781.0</b>	<b>553.0</b>	<b>595.0</b>	
<b>Statement of financial position</b>									
Carrying value of assets	4 730.7	4 010.6	4 984.8	5 556.2	7 201.0	7 144.0	8 847.7	8 892.7	99.4%
<i>of which:</i>									
Acquisition of assets	(976.0)	(779.0)	(1 204.2)	(1 693.0)	(2 133.4)	(2 034.3)	(2 311.9)	(1 977.9)	97.9%
Investments	1 014.3	2 257.6	1 075.9	1 661.6	1 003.2	1 928.0	735.2	729.3	171.8%
Inventory	9.4	11.5	9.6	12.1	12.4	14.7	12.9	17.5	125.9%
Accrued investment interest	-	40.7	-	33.8	-	28.4	-	28.4	472 401.9%
Receivables and prepayments	261.4	452.4	298.5	345.0	338.0	398.8	368.6	411.2	126.9%
Cash and cash equivalents	51.5	32.7	1.3	37.9	13.7	43.9	16.0	13.2	154.8%
Non-current assets held for sale	14.5	-	13.5	-	-	-	-	-	-
<b>Total assets</b>	<b>6 081.9</b>	<b>6 805.5</b>	<b>6 383.6</b>	<b>7 646.6</b>	<b>8 568.2</b>	<b>9 557.7</b>	<b>9 980.4</b>	<b>10 092.4</b>	<b>110.0%</b>
Accumulated surplus/(deficit)	3 466.0	3 973.3	3 894.9	4 796.3	5 141.2	5 540.9	5 694.3	6 100.2	112.2%
Capital and reserves	442.8	442.8	442.8	442.8	442.8	442.8	442.8	442.8	100.0%
Borrowings	1 383.3	1 250.0	1 181.5	1 171.8	1 943.3	2 029.4	2 724.7	1 950.6	88.5%
Accrued interest	32.4	27.4	28.6	26.8	59.7	58.9	83.1	58.2	84.0%
Trade and other payables	418.7	602.7	289.7	606.5	389.5	776.5	394.5	769.6	184.6%
Provisions	338.6	500.8	537.6	596.5	588.5	706.1	640.9	770.8	122.3%
Derivatives financial instruments	-	8.4	8.4	5.9	3.2	3.2	-	-	151.4%
<b>Total equity and liabilities</b>	<b>6 081.9</b>	<b>6 805.5</b>	<b>6 383.6</b>	<b>7 646.6</b>	<b>8 568.2</b>	<b>9 557.7</b>	<b>9 980.4</b>	<b>10 092.4</b>	<b>110.0%</b>

## Statements of estimates of financial performance and position

Table 36.29 Umgeni Water statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)		Average: Expenditure/ Total (%)			Average growth rate (%)		Average: Expenditure/ Total (%)	
			2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20		
R million					Medium-term estimate						
<b>Revenue</b>											
<b>Non-tax revenue</b>		<b>2 686.7</b>	<b>4.5%</b>	<b>100.0%</b>	<b>3 083.6</b>	<b>3 451.2</b>	<b>3 860.9</b>	<b>12.8%</b>	<b>100.0%</b>		
Sale of goods and services other than capital assets		2 599.9	5.7%	94.1%	3 031.3	3 398.6	3 795.7	13.4%	98.0%		
of which:											
Sales of bulk water		2 599.9	5.7%	94.1%	3 031.3	3 398.6	3 795.7	13.4%	98.0%		
Other non-tax revenue		86.7	-16.9%	5.9%	52.3	52.6	65.2	-9.1%	2.0%		
<b>Total revenue</b>		<b>2 686.7</b>	<b>4.5%</b>	<b>100.0%</b>	<b>3 083.6</b>	<b>3 451.2</b>	<b>3 860.9</b>	<b>12.8%</b>	<b>100.0%</b>		
<b>Expenses</b>											
<b>Current expenses</b>		<b>1 985.1</b>	<b>5.9%</b>	<b>96.5%</b>	<b>2 251.8</b>	<b>2 582.9</b>	<b>2 839.7</b>	<b>12.7%</b>	<b>138.8%</b>		
Compensation of employees		496.3	14.4%	24.1%	540.1	579.8	629.1	8.2%	22.3%		
Goods and services		1 237.8	1.3%	62.6%	1 340.1	1 556.0	1 782.3	12.9%	58.2%		
Depreciation		228.9	29.4%	8.7%	292.8	327.3	315.2	11.3%	11.5%		
Interest, dividends and rent on land		22.0	-21.5%	1.0%	78.8	119.8	113.0	72.5%	3.1%		
<b>Transfers and subsidies</b>		<b>106.8</b>	<b>-</b>	<b>3.5%</b>	<b>117.7</b>	<b>128.2</b>	<b>139.7</b>	<b>9.4%</b>	<b>4.9%</b>		
<b>Total expenses</b>		<b>2 091.9</b>	<b>7.7%</b>	<b>100.0%</b>	<b>2 369.5</b>	<b>2 711.1</b>	<b>2 979.4</b>	<b>12.5%</b>	<b>100.0%</b>		
<b>Surplus/(Deficit)</b>		<b>595.0</b>			<b>714.0</b>	<b>740.0</b>	<b>882.0</b>	<b>14.0%</b>			
<b>Statement of financial position</b>											
Carrying value of assets		8 892.7	30.4%	73.6%	9 809.3	10 856.7	11 624.2	9.3%	88.5%		
of which:											
Acquisition of assets		(1 977.9)	36.4%	-18.6%	(1 476.1)	(1 531.9)	(1 317.5)	-12.7%	-13.9%		
Investments		729.3	-31.4%	20.6%	807.6	789.4	816.7	3.8%	6.8%		
Inventory		17.5	15.3%	0.2%	20.5	23.7	27.0	15.4%	0.2%		
Accrued investment interest		28.4	-11.4%	0.4%	28.4	28.4	28.4	-	0.2%		
Receivables and prepayments		411.2	-3.1%	4.9%	468.5	506.2	546.6	10.0%	4.1%		
Cash and cash equivalents		13.2	-26.0%	0.4%	15.9	19.8	26.6	26.2%	0.2%		
<b>Total assets</b>		<b>10 092.4</b>	<b>14.0%</b>	<b>100.0%</b>	<b>11 150.1</b>	<b>12 224.2</b>	<b>13 069.4</b>	<b>9.0%</b>	<b>100.0%</b>		
Accumulated surplus/(deficit)		6 100.2	15.4%	59.9%	6 729.3	7 554.5	8 426.2	11.4%	61.8%		
Capital and reserves		442.8	-	5.3%	442.8	442.8	442.8	-	3.8%		
Borrowings		1 950.6	16.0%	18.6%	2 320.9	2 591.9	2 512.7	8.8%	20.1%		
Accrued interest		58.2	28.6%	0.5%	56.8	54.3	55.3	-1.7%	0.5%		
Trade and other payables		769.6	8.5%	8.1%	757.9	657.3	621.4	-6.9%	6.1%		
Provisions		770.8	15.5%	7.5%	842.4	923.3	1 011.1	9.5%	7.6%		
<b>Total equity and liabilities</b>		<b>10 092.4</b>	<b>14.0%</b>	<b>100.0%</b>	<b>11 150.1</b>	<b>12 224.2</b>	<b>13 069.4</b>	<b>9.0%</b>	<b>100.0%</b>		

## Personnel information

Table 36.30 Umgeni Water personnel numbers and cost by salary level

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

1. Rand million.

## Water Trading Entity

### Mandate

The Water Trading Entity was established in 1983 to separate the sale of raw water and related services from appropriated funds in the Department of Water and Sanitation. It was eventually converted to a trading account through the Public Finance Management Act (1999) in 2008. This was done to create an entity that would manage the recovery of usage costs to support the long term sustainability of the country's water resources. The entity is mandated to undertake the construction of new water infrastructure and wastewater treatment infrastructure through the water infrastructure build programme; and the rehabilitation and refurbishment of existing water resource infrastructure through the dam safety rehabilitation programme. It does this to ensure a

sustainable water supply for both domestic and industrial use. The entity is further mandated to undertake water resources management, which includes the management of water quality, conservation and the allocation of water through catchment management agencies.

### Selected performance indicators

**Table 36.31 Water Trading Entity performance indicators by programme/objective/activity and related outcome**

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of actual versus planned billing per year	Administration	Outcome 12: An efficient, effective and development-oriented public service	100.4% (7 298 824/ 7 266 888)	100.1% (7 685 935/ 7 680 587)	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Percentage of reduction in outstanding debt over 60 days	Administration		89% (4 072 264/ 4 575 577)	62% (2 555 727/ 4 122 141)	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Reduction in the number of days for the payment and collection outstanding <sup>2</sup>	Administration		- <sup>2</sup>	- <sup>2</sup>	150	120	100	100	100
Number of water conveyance projects rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes	Outcome 6: An efficient, competitive and responsive economic infrastructure network	22	12	12	- <sup>3</sup>	- <sup>3</sup>	- <sup>3</sup>	- <sup>3</sup>
Number of kilometres of conveyance systems rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes		- <sup>4</sup>	- <sup>4</sup>	- <sup>4</sup>	36 km	40 km	45 km	50km
Percentage spent on asset refurbishment and betterment against budget	Operations, maintenance and refurbishment of national water resources schemes		70% (383 317/ 547 596)	88% (642 973/ 730 651)	77% (247 549/ 321 492)	100%	- <sup>3</sup>	- <sup>3</sup>	- <sup>3</sup>
Percentage of planned maintenance projects completed per year as per the approved asset management plan	Operations, maintenance and refurbishment of national water resources schemes		- <sup>4</sup>	- <sup>4</sup>	- <sup>4</sup>	90%	90%	90%	90%
Percentage of unscheduled maintenance projects completed per year as a proportion of planned maintenance projects	Operations, maintenance and refurbishment of national water resources schemes		- <sup>4</sup>	- <sup>4</sup>	- <sup>4</sup>	10% or less	10% or less	10% or less	10% or less
Number of raw water projects completed per year	Water Infrastructure Development		1	1	1	1	1	0 <sup>5</sup>	2
Total number of dam safety rehabilitation projects completed (cumulative) <sup>6</sup>	Implementation of dam safety projects	Outcome 10: Protect and enhance our environmental assets and natural resources	35	38	39	40	41	45	49
Number of dam safety rehabilitation projects completed per year to meet dam safety regulations per year	Implementation of dam safety projects		0 <sup>6</sup>	3	1	1	1	4	4
Number of rivers in which the river eco-status monitoring programme has been implemented to measure the ecological health of the system per year	Water resource management		118	119	98	66	71	71	71

1. Targets were replaced from 2015/16.

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

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

4. No historical data available.

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

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

## **Expenditure analysis**

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

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

The entity plans to complete the construction of three raw water projects over the medium term. The first is Mdloti River water development project in 2017/18, which entails the raising of Hazelmere Dam wall to increase the water supply to Umgeni water for distribution to the KwaZulu-Natal north coast. This project has a budget of R2 billion over the medium term. The second project that the entity plans to complete is the construction of the Groot Letaba River development project to meet the growing demand in the Tzaneen area. This project has a budget allocation of R743.6 million over the period. The third project is phase 2D of the Olifants River development project which is the construction of a bulk distribution system between Steelpoort and Mooihoek with a budget of R1.1 billion over the medium term. The entity plans to complete these three projects in 2019/20.

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

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

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

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

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

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

## Programmes/objectives/activities

**Table 36.32 Water Trading Entity 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 (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20		
Administration	417.6	440.0	386.5	383.3	-2.8%	4.8%	467.7	584.6	617.3	17.2%	5.0%
Implementation of water resources management activities	439.6	389.1	383.8	525.9	6.2%	5.1%	552.2	585.4	618.1	5.5%	5.6%
Operations, maintenance and refurbishment of national water resources schemes	853.4	1 380.1	1 270.8	1 397.9	17.9%	14.3%	1 537.7	1 691.4	1 860.6	10.0%	15.8%
Financing and investment in raw water infrastructure	4 630.6	5 562.5	3 840.3	4 991.1	2.5%	55.6%	5 290.5	5 509.3	5 780.6	5.0%	52.8%
Bulk water supply to strategic users	951.9	1 856.8	1 538.1	1 660.6	20.4%	17.4%	1 765.0	1 872.5	1 977.4	6.0%	17.8%
Implementation of dam safety projects	301.4	197.8	170.0	236.0	-7.8%	2.7%	294.9	360.2	380.4	17.3%	3.1%
<b>Total</b>	<b>7 594.5</b>	<b>9 826.2</b>	<b>7 589.6</b>	<b>9 194.8</b>	<b>6.6%</b>	<b>100.0%</b>	<b>9 908.0</b>	<b>10 603.4</b>	<b>11 234.5</b>	<b>6.9%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 36.33 Water Trading Entity statements of historical financial performance and position**

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>7 618.9</b>	<b>16 008.8</b>	<b>15 825.3</b>	<b>18 884.7</b>	<b>19 556.8</b>	<b>18 792.6</b>	<b>18 597.3</b>	<b>17 274.4</b>	<b>115.2%</b>
Sale of goods and services other than capital assets	7 562.6	15 623.5	15 765.6	17 930.9	19 461.8	18 320.9	18 492.9	17 213.0	112.7%
<i>of which:</i>									
<i>Sales by market establishments</i>	7 562.6	7 811.7	7 882.8	8 965.5	9 730.9	9 160.5	9 246.5	8 606.5	100.4%
<i>Sales of water</i>	7 083.3	6 967.8	7 668.7	8 098.0	8 729.8	8 697.4	9 002.4	8 370.8	98.9%
<i>Construction revenue</i>	467.9	827.2	202.2	853.8	988.6	449.9	230.3	221.9	124.5%
<i>Lease revenue earned</i>	11.3	16.8	11.9	13.6	12.5	13.2	13.8	13.8	115.9%
Other non-tax revenue	56.3	385.3	59.7	953.8	94.9	471.7	104.4	61.4	593.6%
<b>Transfers received</b>	<b>1 865.1</b>	<b>2 377.2</b>	<b>2 410.7</b>	<b>2 399.3</b>	<b>1 735.1</b>	<b>1 522.0</b>	<b>1 709.5</b>	<b>1 499.5</b>	<b>101.0%</b>
<b>Total revenue</b>	<b>9 484.0</b>	<b>18 386.0</b>	<b>18 236.0</b>	<b>21 284.0</b>	<b>21 291.9</b>	<b>20 314.6</b>	<b>20 306.8</b>	<b>18 774.0</b>	<b>113.6%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>7 178.5</b>	<b>7 594.5</b>	<b>7 838.9</b>	<b>9 826.2</b>	<b>7 954.4</b>	<b>7 589.6</b>	<b>8 936.3</b>	<b>9 194.8</b>	<b>107.2%</b>
Compensation of employees	909.4	678.2	944.4	697.3	979.3	804.7	1 000.6	908.5	80.6%
Goods and services	2 531.3	3 781.9	2 683.4	4 764.3	2 699.3	4 475.6	3 567.6	5 763.2	163.6%
Depreciation	2 372.0	1 797.7	2 463.1	2 032.1	2 554.4	1 882.8	2 609.8	2 071.0	77.8%
Interest, dividends and rent on land	1 365.8	1 336.8	1 748.0	2 332.5	1 721.3	426.5	1 758.3	452.1	69.0%
<b>Total expenses</b>	<b>7 178.5</b>	<b>7 594.5</b>	<b>7 838.9</b>	<b>9 826.2</b>	<b>7 954.4</b>	<b>7 589.6</b>	<b>8 936.3</b>	<b>9 194.8</b>	<b>107.2%</b>
<b>Surplus/(Deficit)</b>	<b>2 306.0</b>	<b>10 791.0</b>	<b>10 397.0</b>	<b>11 458.0</b>	<b>13 338.0</b>	<b>12 725.0</b>	<b>11 371.0</b>	<b>9 579.0</b>	
Statement of financial position									
Carrying value of assets	98 783.6	89 442.4	103 681.9	89 625.1	91 920.7	92 537.8	92 833.5	95 275.7	94.7%
<i>of which:</i>									
<i>Acquisition of assets</i>	(2 183.1)	(1 497.9)	(2 599.5)	(1 302.5)	(2 610.2)	(2 224.8)	(3 904.3)	(1 950.2)	61.7%
Inventory	185.3	169.2	194.4	120.0	126.9	148.0	134.3	134.3	89.2%
Receivables and prepayments	2 478.5	3 808.4	2 599.9	5 663.3	4 721.6	6 614.7	3 777.3	5 083.7	155.9%
Cash and cash equivalents	1 639.7	1 924.9	1 720.1	1 545.9	2 346.6	42.9	2 482.7	138.9	44.6%
<b>Total assets</b>	<b>103 087.0</b>	<b>95 344.9</b>	<b>108 196.2</b>	<b>96 954.3</b>	<b>99 115.8</b>	<b>99 343.4</b>	<b>99 227.7</b>	<b>100 632.6</b>	<b>95.8%</b>
Accumulated surplus/(deficit)	67 390.4	66 432.5	72 436.9	68 413.1	69 245.9	71 960.4	70 313.3	71 294.5	99.5%
Capital and reserves	300.2	268.6	314.9	345.3	330.3	362.6	347.8	326.3	100.7%
Borrowings	32 963.8	27 221.0	34 579.1	26 715.3	28 631.8	25 809.0	27 610.7	27 873.8	86.9%
Finance lease	15.4	49.4	16.2	50.6	17.0	51.2	17.9	48.7	300.7%
Trade and other payables	637.3	1 178.0	668.6	1 254.2	701.3	997.5	738.5	914.4	158.2%
Provisions	887.3	195.4	180.6	175.7	189.5	162.6	199.5	175.0	48.7%
Derivatives financial instruments	892.6	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>103 087.0</b>	<b>95 344.9</b>	<b>108 196.2</b>	<b>96 954.3</b>	<b>99 115.8</b>	<b>99 343.4</b>	<b>99 227.7</b>	<b>100 632.6</b>	<b>95.8%</b>

## Statements of estimates of financial performance and position

Table 36.34 Water Trading Entity statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R million									
<b>Revenue</b>									
<b>Non-tax revenue</b>		<b>8 667.9</b>	<b>-18.5%</b>	<b>90.1%</b>	<b>9 694.2</b>	<b>10 606.0</b>	<b>11 042.7</b>	<b>8.4%</b>	<b>85.9%</b>
Sale of goods and services other than capital assets		8 606.5	-18.0%	87.8%	9 579.4	10 479.6	10 903.7	8.2%	85.0%
of which:									
Sales by market establishments		8 606.5	3.3%	43.9%	9 579.4	10 479.6	10 903.7	8.2%	85.0%
Sales of water		8 370.8	6.3%	40.8%	10 374.2	10 374.2	10 841.0	9.0%	85.9%
Construction revenue		221.9	-35.5%	3.0%	278.7	88.8	44.4	-41.5%	1.4%
Lease revenue earned		13.8	-6.4%	0.1%	16.6	16.6	18.3	10.0%	0.1%
Other non-tax revenue		61.4	-45.8%	2.3%	114.9	126.4	139.0	31.3%	0.9%
<b>Transfers received</b>		<b>1 499.5</b>	<b>-14.2%</b>	<b>9.9%</b>	<b>1 236.7</b>	<b>1 888.9</b>	<b>1 991.2</b>	<b>9.9%</b>	<b>14.1%</b>
<b>Total revenue</b>		<b>10 167.5</b>	<b>-17.9%</b>	<b>100.0%</b>	<b>10 931.0</b>	<b>12 494.8</b>	<b>13 033.9</b>	<b>8.6%</b>	<b>100.0%</b>
<b>Expenses</b>									
<b>Current expenses</b>		<b>9 194.8</b>	<b>6.6%</b>	<b>100.0%</b>	<b>9 908.0</b>	<b>10 603.4</b>	<b>11 234.5</b>	<b>6.9%</b>	<b>127.6%</b>
Compensation of employees		908.5	10.2%	9.1%	972.1	1 040.0	1 118.9	7.2%	9.9%
Goods and services		5 763.2	15.1%	55.0%	6 256.3	6 647.8	6 933.4	6.4%	62.6%
Depreciation		2 071.0	4.8%	22.9%	2 199.4	2 359.2	2 508.6	6.6%	22.3%
Interest, dividends and rent on land		452.1	-30.3%	13.0%	480.1	556.4	673.5	14.2%	5.3%
<b>Total expenses</b>		<b>9 194.8</b>	<b>6.6%</b>	<b>100.0%</b>	<b>9 908.0</b>	<b>10 603.4</b>	<b>11 234.5</b>	<b>6.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>973.0</b>	<b>(1.0)</b>		<b>1 023.0</b>	<b>1 891.0</b>	<b>1 799.0</b>	<b>22.7%</b>	
<b>Statement of financial position</b>									
Carrying value of assets		95 275.7	2.1%	93.5%	96 784.4	100 765.8	105 076.0	3.3%	95.4%
of which:									
Acquisition of assets		(1 950.2)	9.2%	-1.8%	(1 899.2)	(2 089.1)	(2 298.1)	5.6%	-2.0%
Inventory		134.3	-7.4%	0.1%	120.8	108.8	97.9	-10.0%	0.1%
Receivables and prepayments		5 083.7	10.1%	5.4%	4 159.9	3 369.5	3 032.5	-15.8%	3.8%
Cash and cash equivalents		138.9	-58.4%	0.9%	538.9	895.8	1 384.3	115.2%	0.7%
<b>Total assets</b>		<b>100 632.6</b>	<b>1.8%</b>	<b>100.0%</b>	<b>101 603.9</b>	<b>105 139.8</b>	<b>109 590.8</b>	<b>2.9%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		71 294.5	2.4%	-	69 686.8	70 334.1	77 720.6	2.9%	69.3%
Capital and reserves		326.3	6.7%	-	313.0	281.7	264.3	-6.8%	0.3%
Borrowings		27 873.8	0.8%	-	30 667.4	33 593.2	30 696.5	3.3%	29.5%
Finance lease		48.7	-0.5%	-	46.8	46.3	41.6	-5.1%	-
Trade and other payables		914.4	-8.1%	-	701.6	666.5	633.2	-11.5%	0.7%
Provisions		175.0	-3.6%	-	188.3	218.0	234.6	10.3%	0.2%
<b>Total equity and liabilities</b>		<b>100 632.6</b>	<b>1.8%</b>	<b>-</b>	<b>101 603.9</b>	<b>105 139.8</b>	<b>109 590.8</b>	<b>2.9%</b>	<b>100.0%</b>

## Personnel information

Table 36.35 Water Trading Entity personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number					
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
Number of funded posts	Number of posts on approved establishment	2015/16		2016/17			2017/18		2018/19		2019/20		2016/17 - 2019/20						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost				
Water Trading Entity		3 440	804.7	0.2	3 439	908.5	0.3	3 440	972.1	0.3	3 440	1 040.0	0.3	3 440	1 118.9	0.3	7.2%	100.0%	
Salary level	4 229	4 229																	
1 - 6	2 557	2 557	2 052	269.4	0.1	2 052	304.4	0.1	2 052	325.7	0.2	2 052	348.5	0.2	2 052	375.0	0.2	7.2%	59.7%
7 - 10	1 546	1 546	1 276	428.4	0.3	1 275	482.5	0.4	1 276	516.3	0.4	1 276	552.4	0.4	1 276	594.4	0.5	7.2%	37.1%
11 - 12	120	120	106	100.1	0.9	106	113.6	1.1	106	121.6	1.1	106	129.9	1.2	106	139.7	1.3	7.1%	3.1%
13 - 16	6	6	6	7.0	1.2	6	7.9	1.3	6	8.5	1.4	6	9.1	1.5	6	9.8	1.6	7.2%	0.2%

1. Rand million

## Other entities

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Breede-Gouritz Catchment Management Agency** plays a key role in the use, protection and development of water resources in the Breede-Gouritz water management area. The agency's total budget for 2017/18 is estimated to be R82.7 million.
- The **Inkomati-Usuthu Catchment Management Agency** plays a key role in the use, protection, and development of water resources in the Inkomati-Usuthu water management area. The agency's total budget for 2017/18 is estimated to be R109.2 million.

- The **Water Research Commission** was established in terms of the Water Research Act (1971) and is listed as a schedule 3A public entity. The commission's mandate is to conduct research on water by determining needs and priorities for research, stimulating and funding water research, promoting the effective transfer of information and technology, and enhancing knowledge and capacity building in the water sector. Research is informed by government policies, needs, and international trends. The commission's total budget for 2017/18 is estimated to be R304.6 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
<b>Departmental infrastructure</b>										
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>										
(Jozini) Pongolapoort bulk water scheme (Pipeline)	Construction of new bulk water scheme	Construction	1 376.0	147.8	359.9	290.0	45.0	119.0	-	-
Sedibeng bulk regional sewerage	Construction of new wastewater treatment works	Feasibility	3 000.0	-	-	26.9	50.0	5.5	87.7	197.8
De Hoop: Greater Sekhukhune district municipality regional bulk water and wastewater infrastructure	Construction of new bulk water infrastructure linking communities with the De Hoop Dam	Design	4 088.0	88.4	139.9	7.1	28.5	-	-	-
Mogalakwena bulk water supply phase 1	Upgrade of boreholes and construction of new bulk water scheme	Construction	1 650.0	115.6	107.5	252.8	140.0	150.0	160.0	183.6
Sebokeng Waste Treatment Works phase 1 and phase 2	Upgrade of existing wastewater treatment works	Construction	1 123.6	32.0	93.7	99.8	174.6	165.5	190.7	90.9
Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom)	Construction of new wastewater treatment works	Design	1 570.0	-	35.6	7.1	15.0	55.3	80.5	190.9
Mooihoek/Tubatse bulk water supply	Augmentation of existing bulk water scheme	Construction	1 000.0	49.1	7.0	73.1	120.0	105.0	-	-
Nebo bulk water supply	Construction of new bulk water scheme	Construction	1 400.0	54.6	41.9	38.4	145.0	55.0	60.0	90.0
Magalies water supply to Waterberg	Construction of new bulk water scheme	Feasibility	1 891.0	-	0.7	-	17.0	5.0	15.0	40.0
Giyani Water Services phase 2 (Emergency)	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	2 511.4	-	-	799.8	140.4	240.0	-	-
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>										
Matoks bulk water supply	Construction of new bulk water scheme	Feasibility	880.0	0.9	0.6	-	-	1.5	19.9	-
Ndlambe bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	879.0	71.2	38.2	79.6	77.9	25.0	-	-
Xhora east bulk water supply	Construction of new bulk water scheme	Construction	620.2	7.0	50.4	70.6	115.3	53.4	26.0	3.2
Meyerton wastewater treatment works phase 1	Upgrade of existing wastewater treatment works	Construction	257.5	0.2	-	41.4	49.5	55.0	45.5	7.0
Mbizana regional bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	910.8	160.1	88.9	13.4	80.0	-	-	-
Westonaria/Randfontein regional bulk wastewater treatment works (Hannes van Niekerk)	Upgrade of existing wastewater treatment works	Handed over	266.0	67.0	-	-	-	-	-	-
Western highveld regional bulk water supply	Upgrade of existing bulk water scheme	Construction	486.0	49.1	-	21.9	-	-	-	-
Lebalele central and North regional water supply	Construction of new bulk water scheme	Feasibility	600.0	-	-	-	20.6	5.0	40.0	80.0
Nzhelele Valley bulk water supply	Construction of new bulk water scheme	Feasibility	600.0	0.3	0.2	-	-	1.5	20.0	-
Madibeng bulk water supply phase 2	Upgrade of existing bulk water scheme	Construction	446.6	15.9	41.0	53.1	187.6	50.0	60.0	60.0
Upgrading of the Homevale wastewater treatment plant (Sol Plaatjie wastewater treatment works)	Upgrade of existing wastewater treatment works	Construction	298.0	15.6	36.6	-	-	-	-	-
Nketoana bulk water supply phase 1	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	304.0	11.8	22.9	34.0	40.0	30.0	40.0	40.0
Sterkfontein Dam scheme phase 1	Construction of new bulk water scheme	Construction	330.0	47.6	-	-	-	-	-	-
Potchefstroom water treatment works upgrade	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	400.0	-	7.6	-	19.0	20.0	40.0	-
Sinthumule Kutama bulk water augmentation phase 3	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	751.6	24.4	97.6	25.2	52.0	25.0	75.0	60.0

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Moutse bulk water supply phases 1-5	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	720.0	206.9	31.3	31.3	17.2	60.0	40.0	50.0
Glen Alpine bulk water supply	Construction of new bulk water scheme	Feasibility	345.0	–	0.5	–	15.0	1.5	15.0	–
Lephalale/Eskom: Bulk water augmentation	Augmentation of existing bulk water scheme	Feasibility	330.0	0.3	1.2	–	–	5.0	10.0	39.0
Moretele bulk water supply phase 1 (Klipdrift)	Construction of new bulk water scheme	Construction	640.6	16.9	24.9	117.4	38.5	35.0	68.0	13.3
Bitou cross border bulk water supply	Construction of new bulk sewage conveyance pipelines	Feasibility	250.0	2.4	1.9	–	5.0	–	–	–
West Coast desalination plant	Construction of new desalination plant	Design	563.2	4.5	10.0	–	–	–	–	5.0
Mncwasa bulk water supply	Construction of new bulk water scheme	Handed over	264.2	12.1	30.5	16.2	–	–	–	–
Kalahari East to Mier pipeline	Supply of water	Construction	468.1	–	2.8	134.1	36.9	1.5	–	–
Emalahleni bulk water supply phase 2	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	335.6	14.8	–	–	4.7	10.2	20.0	15.0
Ohrigstad bulk water supply	Upgrade of existing bulk water scheme	Feasibility	450.0	–	0.1	–	–	–	–	–
Northern Nzikazi bulk water supply phase 1	Construction of new bulk water scheme	Construction	367.3	0.3	–	46.3	66.0	38.8	19.0	29.4
Aganang bulk water supply	Upgrade of existing bulk water scheme	Design	350.0	0.5	–	–	40.0	20.0	25.0	70.0
Sundwana water supply	Construction of new bulk water scheme	Feasibility	591.0	–	–	–	–	5.0	20.0	15.0
Mpumalanaga Lowveld feasibility studies	Construction of new bulk water scheme	Feasibility	800.0	–	–	–	1.7	1.5	5.0	10.0
Ngwathe bulk sewer phase 2	Upgrade of existing waste water treatment works	Construction	300.0	6.5	4.9	19.8	20.0	10.0	25.0	25.0
Dihlabeng bulk water supply phase 2	Construction of new bulk water scheme	Construction	255.0	–	17.2	36.1	26.0	20.0	10.0	20.0
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	350.0	30.0	26.8	15.0	15.2	1.0	–	–
Giyani bulk water supply relief phase 1 (Nandoni Nsami)	Construction of new bulk water scheme	Construction	589.9	35.0	1.0	–	19.9	200.0	256.2	–
Mametya Sekororo bulk water supply phase 1	Construction of new bulk water scheme	Construction	310.7	92.5	18.9	24.2	35.0	40.0	40.0	70.0
Tokologo regional water supply phase 2	Upgrade of bulk water scheme	Construction	320.0	–	7.9	20.0	50.1	45.0	40.0	50.0
Ngwathe boreholes	Development of borehole to augment existing bulk water scheme	Handed over	250.0	2.1	–	–	–	–	–	–
Msukaligwa regional water supply scheme phase 1	Construction of new bulk water scheme	Design	407.0	18.5	5.5	–	–	3.0	10.0	90.0
Emalahleni water treatment works, (refurbishment)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	335.6	–	29.1	24.8	45.2	–	–	–
Mafikeng South bulk water supply phase 2 (upgrade of water treatment works)	Construction of new bulk water scheme	Construction	286.6	21.2	30.1	31.5	50.0	43.0	59.6	55.0
Mathjabeng bulk sewer (Welkom)	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	420.0	–	–	–	10.0	5.0	25.1	50.0
Thembisile water scheme (Loskop)	Construction of new bulk water scheme	Feasibility	324.4	–	–	4.2	12.2	39.5	71.4	100.7
Western Highveld bulk water supply scheme (Rust de Winter)	Construction of new bulk water scheme	Feasibility	643.0	–	41.1	–	51.1	5.0	17.0	25.0
Welbedacht pipeline	Construction of new bulk water scheme	Tender	500.0	–	–	–	–	105.0	109.0	274.8

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>										
Graaff-Reinet emergency water supply scheme	Upgrade of existing bulk water scheme	Construction	50.8	5.2	0.6	2.2	23.4	25.0	10.0	3.5
Sundays River bulk water supply (Paterson)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	106.5	6.4	6.6	8.9	5.5	1.0	-	-
Steytlerville water supply scheme	Augmentation of existing bulk water scheme	Construction	111.3	12.5	20.0	32.1	23.9	2.0	-	-
Ibika water supply	Construction of new bulk water scheme	Handed over	64.8	4.2	-	9.0	2.0	-	-	-
Ikwezi bulk water supply	Upgrade of existing bulk water scheme	Feasibility	50.6	0.3	2.7	0.5	12.6	5.0	17.0	2.0
Kirkwood water treatment works	Upgrade of existing bulk water scheme	Feasibility	22.2	-	1.0	1.1	8.5	5.0	11.0	2.0
Misgund bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Feasibility	13.6	-	0.4	0.4	9.0	5.0	4.0	1.0
Matatiele bulk water supply	Construction of new bulk water scheme	Construction	182.3	1.2	24.8	25.8	66.0	20.0	2.0	-
Mount Ayliff bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	208.8	13.1	14.4	3.3	40.0	-	-	-
Jagersfontein/Fauresmith: Bulk water supply phase 2	Construction of new bulk water scheme	Construction	60.7	26.5	7.7	6.0	10.0	3.0	-	-
Tokoloko regional water supply phase 1	Construction of new bulk water scheme	Handed over	223.0	15.1	-	-	-	-	-	-
Dihlabeng bulk water supply phase 1	Construction of new bulk water scheme	Handed over	97.0	21.0	-	-	-	-	-	-
Phumelela bulk water supply phase 2	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	166.0	23.3	10.0	5.8	27.4	50.0	23.0	-
Moqhaka bulk water supply (Streyrus Kroonstad WTW) phase 1	Construction of new bulk water scheme	Construction	90.4	11.9	8.8	32.9	30.0	20.0	-	-
Moqhaka bulk sewer	Construction of bulk sewer	Construction	105.0	-	11.1	30.6	10.0	-	-	-
Nala bulk sewer (Wesselsbron/Monyakeng)	Construction of bulk sewer	Feasibility	46.0	4.0	13.7	23.0	5.3	1.0	-	-
Tswelopele bulk water supply phase 1	Construction of new bulk water scheme	Construction	85.0	-	-	10.1	24.2	30.0	20.0	-
Ratlou bulk water supply phase 1 (Setlagole)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	218.1	2.1	4.7	16.0	50.0	45.0	55.0	40.0
Maluti-a-Phofung bulk water supply phase 2	Construction of new bulk water scheme	Construction	240.0	-	34.7	34.9	48.5	30.0	40.0	40.0
Greater Eston water scheme	Construction of new bulk water scheme	Handed over	192.0	43.8	31.8	-	-	-	-	-
Driefontein Complex bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	196.1	56.7	14.3	-	-	-	-	-
Emadlangeni bulk regional scheme	Construction of new bulk water scheme	Handed over	50.3	-	8.5	-	-	-	-	-
Hlabisa regional bulk water supply	Construction of new bulk water scheme	Handed over	166.9	30.0	38.7	8.0	-	-	-	-
Port Nolloth bulk water supply	Construction of new bulk water scheme	Design	44.1	-	1.1	-	15.9	-	15.0	21.8
Colesberg bulk water supply	Construction of new bulk water scheme	Design	123.8	35.4	6.9	1.3	-	-	-	-
Noupoort bulk water supply	Construction of new bulk water scheme	Construction	77.7	3.5	15.4	40.6	-	-	-	-
De Aar bulk water supply	Upgrade of existing bulk water scheme	Design	43.7	1.1	0.1	-	22.9	-	20.0	6.8
Hopetown water treatment works bulk water supply (Thembellihle)	Upgrade of existing bulk water scheme	Handed over	75.0	2.7	1.5	-	-	-	-	-
Strydenburg groundwater project	Provision of groundwater development	Handed over	21.0	-	3.3	8.3	5.7	-	-	-
Heuningvlei scheme bulk water supply	Construction of new bulk water scheme	Handed over	142.3	52.2	5.6	9.0	-	-	-	-
Kuruman bulk water supply phase1 (resevoir)	Upgrade of existing bulk water scheme	Construction	186.9	6.2	22.9	15.6	-	-	-	-
Kathu wastewater treatment works	Construction of new wastewater treatment works	Handed over	230.0	0.6	-	-	-	-	-	-

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million										
Windsorton to Holpan bulk water supply phase 1 (pipeline)	Upgrade of existing bulk water scheme	Tender	43.9	0.2	-	3.5	23.1	14.7	-	-
Nooitgegagt bulk water supply	Construction of new bulk water scheme	Design	200.0	-	-	-	-	92.0	160.0	185.0
Niekerkshoop bulk water supply	Supply of water	Handed over	11.1	6.1	0.5	-	-	-	-	-
Mafube bulk sewer phase 1	Construction of new bulk water scheme	Construction	126.0	-	6.2	47.0	30.0	20.0	30.0	20.0
Pixley ka Seme bulk water supply	Upgrade of existing groundwater water scheme	Feasibility	40.0	2.1	0.8	-	-	-	-	-
Marydale bulk water supply	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	11.2	-	-	0.9	10.0	7.6	-	-
Uppington wastewater treatment works	Construction of a new wastewater treatment works in Uppington	Feasibility	15.7	-	-	-	15.0	20.0	30.0	21.4
Kakamas wastewater treatment works	Construction of new wastewater treatment works	Feasibility	50.0	0.6	0.2	0.3	-	0.8	-	10.0
Warrenton water treatment works	Upgrade of existing water treatment works and new bulk water scheme	Feasibility	30.6	0.7	3.0	-	20.3	26.8	-	-
Gariep Dam to Norvaltspond bulk water supply	Construction of new bulk water scheme	Construction	15.1	-	0.6	-	-	-	-	-
Vanderkloof/Renosterberg bulk water supply phase 1	Construction of new bulk water scheme	Construction	32.1	-	5.4	20.0	-	-	-	-
Driekoppies bulk water supply upgrades	Construction of new bulk water scheme	Design	93.0	-	-	0.3	13.2	18.5	42.5	65.4
Acornhoek bulk water supply	Augmentation of existing bulk water scheme	Handed over	191.7	28.7	4.1	-	-	-	-	-
Sibange bulk water supply phase 1	Construction of new bulk water scheme	Design	108.7	-	-	0.5	15.2	15.5	45.5	33.4
Thaba Chweu groundwater development	Provision of groundwater development	Construction	8.5	3.3	-	-	-	-	-	-
Hoxane bulk water supply	Upgrade of existing water treatment works and construction of new bulk water scheme	Design	128.3	0.4	0.5	31.3	42.8	41.6	4.4	-
Wolmaransstad wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	137.8	1.5	14.3	66.0	55.7	25.0	-	-
Nahoon Dam (Buffalo City municipality)	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	150.0	2.4	-	-	-	-	-	-
Ngqamakwe water supply	Upgrade of existing wastewater treatment works	Feasibility	60.0	-	1.8	-	-	4.0	5.0	20.0
Worcester bulk water supply	Construction of new bulk water scheme	Construction	190.6	33.4	13.2	-	-	-	-	-
Grabouw wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	61.6	8.5	5.4	2.2	-	-	-	-
Swellendam wastewater treatment works	Upgrade of existing wastewater treatment works	Handed over	61.2	10.1	13.1	-	-	-	-	-
Struisbaai wastewater treatment works	Upgrade of existing wastewater treatment works	Handed over	11.4	5.6	-	-	-	-	-	-
Oudtshoorn groundwater supply	Provision of groundwater development	Feasibility	190.0	18.0	10.1	11.0	20.2	-	20.0	40.0
Beaufort West bulk water supply	Upgrade of existing wastewater treatment works and construction of new wastewater treatment works	Feasibility	46.3	0.2	-	-	-	-	5.0	15.0
Vanrhynsdorp raw water supply	Augmentation of existing bulk water scheme	Design	83.2	-	-	-	-	-	5.0	10.0
Klawer bulk water supply	Augmentation of existing bulk water scheme from boreholes	Design	25.7	-	-	-	-	-	4.0	10.0
Paarl bulk sewer phase 3	Construction of new bulk sewage conveyance pipelines	Construction	207.8	39.3	19.4	39.0	1.9	-	-	-

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Calitzdorp and Ladysmith wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	77.5	0.2	3.0	0.7	10.0	27.9	30.0	27.0
Kannaland Dam relocation	Augmentation of existing bulk water scheme	Feasibility	72.9	2.1	11.6	–	19.2	21.0	30.0	50.0
Moretele bulk water supply (North)	Augmentation of existing bulk water scheme	Feasibility	100.0	–	–	32.6	9.5	3.9	2.5	70.0
Makana bulk water supply (James Kleynhans)	Augmentation of existing bulk water scheme	Design	66.0	2.0	1.6	3.5	41.0	25.0	25.0	15.0
Ntabankulu bulk water supply	Construction of new bulk water scheme	Feasibility	245.0	–	1.7	–	1.5	2.0	2.0	10.0
Capricorn master plan	Development of master plan	Master plan	3.1	–	0.3	–	–	–	–	–
Sekhukhune master plan	Development of master plan	Master plan	3.1	0.8	0.4	–	–	–	–	–
Bushbuckridge master plan	Development of master plan	Master plan	3.5	–	1.2	–	–	–	–	–
Upgrade of Delmas wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Design	75.7	–	–	13.3	23.1	29.8	28.8	3.0
Upgrade of Botleng wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	57.7	–	–	18.5	18.0	0.5	–	–
Upgrade of Balfour wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Tender	85.5	0.5	–	21.3	23.0	33.4	15.3	3.5
Belmont wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	142.0	–	–	–	17.5	17.0	6.0	15.0
Makana bulk sewer	Upgrade of existing wastewater treatment works	Feasibility	15.0	–	–	–	–	4.0	–	–
Mayfield wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	72.5	–	–	–	27.5	6.0	20.0	8.0
Kinira regional bulk water supply	Construction of new bulk water scheme	Feasibility	34.5	–	–	–	1.5	2.0	2.0	8.0
Mount Ayliff bulk peri-urban water supply	Construction of new bulk water scheme	Feasibility	187.4	–	–	2.5	20.0	20.0	75.4	35.0
Mkemane regional bulk water supply	Construction of new bulk water scheme	Feasibility	52.0	–	–	–	2.5	1.0	2.0	15.0
Trompsburg bulk sewer	Upgrade of existing wastewater treatment works	Feasibility	76.0	–	–	–	5.7	–	–	–
Upgrading of Deneysville wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	150.0	–	–	–	10.0	8.5	30.0	–
Masilonyana bulk sewer (Brandfort and Winburg)	Upgrade of existing wastewater treatment works	Feasibility	70.0	–	–	–	11.9	3.0	20.0	20.0
Reitz upgrading wastewater treatment plant	Upgrade of existing wastewater treatment works	Feasibility	55.0	–	–	–	11.0	–	–	–
Mantsopa bulk sewer (Ladybrand)	Upgrade of existing wastewater treatment works	Feasibility	30.0	–	–	–	3.0	2.0	20.0	1.0
Rothdene pump station and raising main	Upgrade of existing wastewater treatment works	Feasibility	37.4	–	–	–	21.4	18.0	19.5	–
Mohlakeng pump station and sewer outfall	Upgrade of existing wastewater treatment works	Feasibility	70.0	–	–	5.9	36.0	6.8	43.7	147.5
Koster wastewater treatment works upgrade	Upgrade of existing wastewater treatment works	Design	115.2	2.0	8.0	9.3	26.0	40.0	30.0	–
Ventersdorp bulk water supply	Construction of new bulk water scheme	Construction	55.0	10.9	5.9	–	1.3	1.3	–	–
Nebo bulk water supply (De Hoop Augmentation/North/South/Steelpoort)	Construction of new bulk water scheme	Design	150.2	–	–	–	40.0	5.0	50.0	90.0
Douglas water treatment works upgrading	Upgrade of existing water treatment works	Design	14.8	–	–	0.8	14.0	0.8	21.2	15.0
Ermelo bulk water supply phase 2	Construction of new bulk water scheme	Construction	46.9	–	16.4	7.6	–	–	–	–

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million										
Carolina Silobela bulk water scheme	Construction of new bulk water scheme	Feasibility	200.0	1.0	0.2	-	-	-	-	-
Provincial high catalytic projects (Mutash Hub)	Construction of new bulk water scheme for various purposes	Feasibility	200.0	1.4	-	-	19.6	1.5	18.7	-
Reitz&Lindley Cons Grey PL	Construction of sewer main	Construction	45.0	-	-	-	39.0	5.0	-	-
Clocolan construction of sewer main	Construction of sewer main	Construction	60.0	-	-	-	-	60.0	-	-
Clocolan construction of pump station	Construction of pump station	Construction	10.0	-	-	-	-	10.0	-	-
Senekal construction of sewer main	Construction of sewer main	Construction	40.0	-	-	-	-	40.0	-	-
Senekal construction of pump station	Construction of pump station	Construction	10.0	-	-	-	-	10.0	-	-
Petrus Steyn refurbishment of a plant	Refurbishment of a package plant	Construction	5.9	-	-	-	-	5.9	-	-
Dealesville construction of sewer main	Construction of sewer main	Construction	2.0	-	-	-	-	2.0	-	-
Dealesville construction of pump station	Construction of pump station	Construction	6.5	-	-	-	-	6.5	-	-
Eastern Cape region	Construction of water supply and sanitation backlog	Construction	-	-	42.2	4.9	5.9	-	-	-
Free State Region	Construction of water supply and sanitation backlog	Construction	-	-	27.5	48.7	21.1	-	-	-
KwaZulu-Natal Region	Construction of water supply and sanitation backlog	Construction	-	-	5.3	150.6	-	185.0	-	-
Limpopo Region	Construction of water supply and sanitation backlog	Construction	-	-	269.7	178.4	150.0	97.1	273.0	242.0
Mpumalanga Region	Construction of water supply and sanitation backlog	Construction	-	-	21.0	199.4	71.5	-	-	-
North West Region	Construction of water supply and sanitation backlog	Construction	-	-	46.1	7.2	113.6	160.0	335.2	400.2
Community Infrastructure: Water Supply	Construction of new and refurbishment of existing water infrastructures	Construction	-	25.7	69.5	51.4	51.6	52.9	44.7	47.8
Wastewater infrastructure: Refurbishment	Upgrade of existing wastewater treatment works	Construction	-	120.9	92.9	96.9	112.7	145.9	123.3	131.8
Eastern Cape	Sanitation backlog	Construction	-	-	-	-	-	10.0	-	-
Free State	Sanitation backlog	Construction	-	-	-	-	-	64.5	-	-
Northern Cape	Sanitation backlog	Construction	-	-	-	-	-	70.5	-	-
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>										
Olifants River water resources development project: De Hoop Dam phase 2A	Supply of water to new mining developments; augmentation of domestic water supplies to urban and rural users in the middle of the Olifants River catchment area and to various communities on the Nebo Plateau and Sekhukhune	Construction	3 074.0	268.7	152.7	19.5	-	-	-	-
Olifants River water resources development project phases 2B and 2G	Construction of Flag Boshielo to Mokopane pipeline and second pipeline between Flag Boshielo to Mokopane	Feasibility	13 114.0	-	645.3	-	-	-	-	-

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
R million										
Olifants River water resources development project phase 2C	Construction of bulk distribution works from Flag Boshielo to Mokopane, De Hoop to Steelpoort, Steelpoort to Mooihoek, Mooihoek to Olifantspoort and Nebo Plateau to Roossenekal	Construction	3 400.0	521.0	-	-	-	-	-	-
Olifants River water resources development project phase 2D	Construction of second pipeline between Steelpoort weir to and Mooihoek	Feasibility	834.5	-	-	-	33.2	25.8	31.0	-
Olifants River water resources development project phases 2E and 2F	Construction of second pipeline parallel to Lebalelo scheme and Lebalelo Scheme to Olifantspoort	Construction	2 412.2	-	-	-	58.1	66.0	85.8	917.4
Groot Letaba River water development project: Nwamitwa Dam	Meeting of projected growing primary supply requirements for 2025, improvement of water availability for the riverine ecosystem and building of Nwamitwa Dam	Design	1 325.0	-	-	25.6	-	-	-	211.2
Dam safety rehabilitation programme	Rehabilitation of assets and improvement of dam safety	Design	2 800.0	248.0	225.5	170.0	44.7	35.4	89.4	360.3
Water resources project: Raising of Clanwilliam Dam	Upgrading of existing dam to stabilise distortion and augmentation of agricultural water supply to meet increasing demands	Feasibility	2 500.0	44.5	177.2	196.2	136.0	65.7	133.1	-
Mokolo River and West Crocodile River water augmentation project phases 2A	Augmentation of domestic and industrial water supply to the new Eskom/independent power producer power stations to extend associated mining activities and accommodate growing population in the area	Construction	11 267.0	-	-	-	17.7	25.8	-	-
Lusikisiki regional water supply scheme: Zalu Dam on the Xura River	Development of bulk water and wastewater infrastructure to enable the connection of municipal reticulation infrastructure	Feasibility	5 000.0	-	-	-	-	-	-	340.4
Acid mine drainage	Construction of water treatment works	Feasibility	-	-	-	-	683.8	1 110.0	1 526.7	-
OR Tambo Mthatha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Augmentation of existing bulk water scheme	Construction	3 001.5	151.3	317.8	457.5	350.5	325.0	334.5	300.0
Vaal Gamagara scheme phase 1	Upgrade of existing bulk water scheme	Construction	18 000.0	25.3	40.0	53.8	65.0	350.0	350.0	137.5
Polokwane wastewater treatment works	Upgrade of existing wastewater treatment works	Design	1 043.8	0.2	1.1	-	50.0	90.0	128.5	346.2
Polokwane bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	1 832.0	-	-	-	130.2	119.7	158.5	300.0
Umgeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	1 044.0	107.0	185.0	279.1	213.1	209.6	41.3	-
Umshwathi bulk water supply scheme	Construction of new bulk water scheme	Tender	2 308.7	-	-	-	209.9	142.0	350.9	670.7
Greater Mthonjaneni bulk water supply phase 2	Construction of new bulk water scheme	Construction	1 228.2	32.2	48.8	211.8	182.2	36.4	50.0	40.0
Ngcebo BWS (iLembe)	Construction of new bulk water scheme	Construction	1 420.7	79.8	53.9	106.5	156.1	145.0	90.0	65.0
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>										
Groot Letaba River water development project: Raising of Tzaneen Dam	Meeting of projected growing primary supply requirements for 2025; improvement of water availability for the riverine ecosystem and raising of Tzaneen Dam	Design	125.0	-	-	15.2	-	-	-	-

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Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Mdloti River development project: Raising of Hazelmere Dam	Augmentation of water supply to Umgeni Water for treatment, for KwaZulu-Natal North coast	Design	360.0	11.6	4.9	188.2	50.7	10.4	-	-
Mopani district municipality emergency works	Refurbishment of dilapidated infrastructure	Construction	80.0	103.9	89.1	100.7	-	-	-	-
Mzimkulu River: Nwabeni off-channel storage	Assurance of a reliable water supply to the Northern part of the lower KwaZulu-Natal South coast during dry periods	Feasibility	650.0	-	-	-	-	-	-	37.8
Taung/Naledi bulk water supply phase 2	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	733.8	97.6	111.9	63.7	69.3	55.0	30.0	-
Namakwa bulk water supply phase 1	Upgrade of existing bulk water scheme	Construction	648.3	186.1	103.5	149.7	119.0	83.2	19.7	-
Pilanesberg South bulk water supply phase 2	Upgrade of existing bulk water scheme and construction of new bulk water scheme	Construction	796.6	124.4	69.7	150.0	100.6	58.4	-	-
Amatola Water: Refurbishment of 6 existing plants and downstream infrastructure	Upgrade of existing bulk water scheme	Construction	500.0	-	150.0	169.1	92.4	88.6	92.4	-
Greater Mamusa bulk water supply phase 1 (Refurbishment)	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	444.3	0.6	19.9	46.8	55.0	101.0	90.0	90.0
Chris Hani district municipality Ncora bulk water supply (cluster 4)	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	421.7	35.0	84.0	72.6	68.3	45.0	40.0	8.0
Chris Hani district municipality Ngcobo bulk water supply (cluster 6)	Construction of new bulk water scheme and spring protection	Construction	321.7	26.9	63.4	48.0	63.3	35.0	7.0	5.0
Xonxa Dam BWS	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	444.0	77.9	95.7	68.3	58.0	26.0	7.0	5.0
Mhlabatshane bulk water supply	Construction of new bulk water scheme	Construction	483.5	37.7	52.2	8.8	12.8	-	-	-
Greytown BWS Phase 2	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	950.0	28.3	37.8	93.6	116.4	98.9	60.0	40.0
Middledrift BWS	Construction of new water treatment works	Construction	340.0	-	-	24.1	79.0	30.0	54.8	50.0
Greater Bulwer phase 2	Upgrade of existing water treatment works	Construction	343.3	-	33.4	14.0	60.0	90.0	100.0	97.9
Nongoma bulk water supply	Construction of new bulk water scheme	Construction	529.1	56.2	31.1	131.8	110.4	70.0	65.2	-
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	266.4	30.0	26.8	15.0	15.2	-	-	-
Greater Mpofana regional bulk water supply phases 1-3	Construction of new bulk water scheme	Feasibility	469.3	-	-	-	-	86.8	161.6	255.5
Driefontein Phase 3 (Spioenkop to Ladysmith) bulk water supply	Construction of bulk water scheme	Feasibility	350.0	-	-	-	-	85.1	100.0	50.0
Maphumulo BWS	Construction of bulk water scheme	Feasibility	294.6	-	-	-	-	80.0	100.0	114.6
Chris Hani district municipality bulk water supply: Quthubeni (cluster 9) phase 1	Construction of new bulk water scheme	Construction	208.0	40.2	13.8	32.9	15.0	95.0	75.0	7.0
Middelburg groundwater supply	Development of borehole to augment existing bulk water scheme	Construction	32.5	0.6	0.1	0.8	6.4	6.0	3.0	-
Masilonyana bulk water supply phase 1	Upgrade of existing bulk water scheme	Design	304.9	15.1	45.8	41.9	32.0	15.0	30.0	50.0
Driefontein Indaka bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	378.5	-	66.7	20.8	80.0	10.0	-	-
Mandlakazi bulk water supply phase 5	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	94.0	5.8	14.8	57.0	27.7	40.0	89.7	50.0

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Balf/Siyati/Grey/Willem/Nthor bulk water supply	Construction of new bulk water scheme	Various	590.7	0.5	7.9	7.7	36.6	42.0	31.3	124.2
Msukaligwa regional water supply scheme phase 1	Construction of new bulk water scheme	Design	407.0	18.5	5.5	–	–	3.0	10.0	90.0
Empuluzi and Methula bulk water scheme	Upgrade of existing bulk water scheme	Feasibility	291.0	–	0.1	–	–	5.0	41.9	98.8
Kagisano Molopo bulk water supply	Upgrade of existing water treatment works and new bulk water scheme	Feasibility	350.0	–	2.9	18.0	9.0	26.0	37.0	40.0
Stellenbosch wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Construction	304.3	10.0	18.0	48.1	32.8	–	–	–
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>										
Bushbuckridge water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	144.5	100.0	44.5	–	–	–	–	–
Molopo Eye water treatment plant, pipelines and reservoirs	Supply of water to North West	Handed over	39.8	22.5	–	–	–	–	–	–
Ermelo water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	48.5	48.5	–	–	–	–	–	–
Zeerust water treatment plant, pipelines and reservoirs	Supply of water to Zeerust area	Handed over	14.2	5.4	17.4	–	–	–	–	–
Mzimvubu water project	Supply of water	Construction	–	308.2	571.2	–	83.5	70.7	217.3	332.8
Abaqulusi, Nongoma and Jozini water intervention projects	Supply of water	Construction	–	–	66.8	–	–	–	–	–
Lady Grey bulk water supply	Construction of new bulk water scheme	Feasibility	128.5	–	–	2.5	10.4	3.0	10.0	20.0
Sterkspruit bulk water supply	Construction of new bulk water scheme	Feasibility	50.0	–	0.5	–	2.5	3.0	13.0	20.0
Coffee bay water treatment works	Upgrade of existing water treatment works	Feasibility	130.0	–	–	–	12.7	2.5	7.0	13.0
Setsoto bulk water supply phases 1 and 2	Construction of new bulk water scheme	Construction	147.6	4.0	13.5	40.6	31.5	20.0	20.0	10.0
Rouxville/Smithfileid/Zastron Mohokare bulk water supply phase 1	Construction of new bulk water scheme	Construction	180.3	22.0	28.6	44.1	45.0	20.0	30.0	20.0
Mantsopa bulk water supply phase 1	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	250.0	0.4	3.4	13.4	33.6	15.0	20.0	30.0
Ngwathe bulk water supply phase 2	Construction of new bulk water scheme	Construction	250.0	2.1	2.9	6.8	15.0	15.0	30.0	40.0
Lushuhwane bulk water scheme	Construction of new bulk water and sanitation schemes	Design	91.9	–	0.5	–	25.4	28.1	36.5	3.0
Upgrade of Balfour wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Tender	85.5	0.5	–	21.3	23.0	33.4	15.3	3.5
Bushbuckridge water services (Cunningmore to Newington BWS) phase 1	Construction of new bulk water scheme	Feasibility	190.0	–	–	–	50.0	3.0	–	–
Eerstehoeck/Ekulindeni bulk water supply	Construction of new bulk water supply and upgrade of existing water treatment works	Feasibility	115.1	–	1.2	–	–	3.0	25.6	34.8
Amsterdam wastewater treatment works phase 1	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	30.5	–	2.2	–	12.3	5.0	23.0	5.0
Van Wyksvlei groundwater phase 1 (pipeline upgrade)	Construction of new bulk water scheme	Design	94.7	0.2	2.9	1.8	15.0	30.0	46.8	–
Hantam desalination plant (Brandvlei)	Construction of new desalination plant	Construction	66.6	0.7	–	4.1	5.3	–	30.0	9.5
Loeriesfontein bulk water supply phase 1 (pipeline)	Construction of new bulk water scheme	Construction	95.4	1.4	8.0	3.6	14.2	50.4	17.2	–

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million										
Ritchie wastewater treatment works bucket eradication programme	Construction of bulk water supply line and extension of the treatment works as well as associated infrastructure.	Construction	40.4	–	–	3.0	15.0	20.0	10.6	–
Williston bulk water supply	Construction of new bulk water scheme	Feasibility	47.0	–	1.9	0.5	–	–	30.0	27.0
Britstown oxidation ponds	Upgrade of existing waste water treatment works	Design	30.6	–	–	–	15.0	–	30.0	4.8
Danielskuil wastewater treatment works	Upgrade of existing water treatment works	Feasibility	12.6	–	–	–	–	–	–	12.6
Kathu bulk water supply	Construction of new bulk water scheme	Feasibility	90.0	0.6	0.1	–	–	–	21.6	45.0
Christiana wastewater treatment works	Upgrade of existing water treatment works	Feasibility	55.5	–	–	–	–	–	–	–
Citrusdal wastewater treatment works phase 2	Construction of new wastewater treatment works	Construction	52.7	3.8	6.8	19.6	2.7	–	–	–
Clanwilliam/Lamberts Bay regional water supply	Upgrade of existing bulk water scheme	Construction	61.5	21.0	0.9	–	14.4	0.6	–	–
Tulbagh bulk water supply (Witzenberg)	Construction of new bulk water scheme	Construction	76.8	8.3	0.9	–	27.8	13.4	10.0	20.0
Clanwilliam water treatment works	Upgrade of existing bulk water scheme	construction	31.3	0.9	2.2	–	4.0	4.0	–	–
Hofmeyer groundwater	Development of borehole to augment existing bulk water scheme	Construction	64.0	2.3	23.2	12.0	6.8	1.5	–	–
Eastern Cape region	Water supply and sanitation backlog	Construction	–	86.8	158.0	441.8	503.5	485.5	494.6	484.0
Free State region	Water supply and sanitation backlog	Construction	–	20.8	–	15.0	131.0	250.0	340.3	279.3
Gauteng region	Water supply and sanitation backlog	Design	–	–	–	–	70.0	150.0	175.0	184.9
KwaZulu-Natal region	Water supply and sanitation backlog	Construction	–	267.5	263.6	803.1	855.6	890.0	1 064.6	1 125.1
Limpopo region	Water supply and sanitation backlog	Construction	–	93.5	27.4	130.5	540.3	527.5	605.0	690.0
Mpumalanga region	Water supply and sanitation backlog	Construction	–	89.5	21.0	263.7	398.7	415.0	300.0	359.0
Northern Cape region	Water supply and sanitation backlog	Construction	–	16.4	64.2	87.7	141.0	260.5	225.0	255.0
North West region	Water supply and sanitation backlog	Construction	–	27.2	1.5	62.0	204.9	321.0	334.6	358.0
Western Cape region	Water supply and sanitation backlog	Construction	–	–	–	–	–	30.0	20.0	22.0
<b>Total</b>			<b>139 007.3</b>	<b>5 670.0</b>	<b>6 821.1</b>	<b>8 940.0</b>	<b>10 695.2</b>	<b>11 298.7</b>	<b>12 500.7</b>	<b>13 263.6</b>