

# Water and Sanitation

## Budget summary

| R million                          | 2025/26                                  |                         |                             |                 | 2026/27         | 2027/28         |
|------------------------------------|------------------------------------------|-------------------------|-----------------------------|-----------------|-----------------|-----------------|
|                                    | Current payments                         | Transfers and subsidies | Payments for capital assets | Total           | Total           | Total           |
| <b>MTEF allocation</b>             |                                          |                         |                             |                 |                 |                 |
| Administration                     | 2 190.5                                  | 46.2                    | 165.2                       | 2 402.0         | 2 506.9         | 2 615.2         |
| Water Resources Management         | 1 002.0                                  | 8 256.7                 | 75.1                        | 9 333.8         | 8 505.3         | 6 377.0         |
| Water Services Management          | 774.6                                    | 9 810.2                 | 4 358.1                     | 14 942.9        | 13 987.3        | 14 270.6        |
| <b>Total expenditure estimates</b> | <b>3 967.2</b>                           | <b>18 113.1</b>         | <b>4 598.4</b>              | <b>26 678.7</b> | <b>24 999.6</b> | <b>23 262.8</b> |
| Executive authority                | Minister of Water and Sanitation         |                         |                             |                 |                 |                 |
| Accounting officer                 | Director-General of Water and Sanitation |                         |                             |                 |                 |                 |
| Website                            | www.dws.gov.za                           |                         |                             |                 |                 |                 |

The Estimates of National Expenditure is available at [www.treasury.gov.za](http://www.treasury.gov.za). Additional tables in Excel format can be found at [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://www.vulekamali.gov.za).

## Vote purpose

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

## Mandate

The mandate of the Department of Water and Sanitation, as set out in the Water Services Act (1997) and the National Water Act (1998), 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 legislation and policies, which are critical in honouring people's rights to have enough food and water, growing the economy and eradicating poverty.

## Selected performance indicators

**Table 41.1 Performance indicators by programme and related outcome**

| Indicator                                                                                                                       | Programme                  | MTDP outcome                                                    | Audited performance |         |         | Estimated performance | MTEF targets |         |         |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------|---------------------|---------|---------|-----------------------|--------------|---------|---------|
|                                                                                                                                 |                            |                                                                 | 2021/22             | 2022/23 | 2023/24 | 2024/25               | 2025/26      | 2026/27 | 2027/28 |
| Number of river systems with water resources classes and determined resource quality objectives per year                        | Water Resources Management | Outcome 4: Increased infrastructure investment and job creation | 0                   | 1       | 0       | 1                     | 0            | 2       | 2       |
| Number of river systems monitored for the implementation of resource-directed measures per year                                 | Water Resources Management |                                                                 | 2                   | 4       | 6       | 8                     | 13           | 13      | 14      |
| Number of water supply systems assessed for compliance with blue drop regulatory requirements per year                          | Water Services Management  |                                                                 | 1 186               | 979     | 958     | 0                     | 0            | 1 032   | 0       |
| Number of wastewater systems assessed for compliance with green drop regulatory requirements per year                           | Water Resources Management | Outcome 16: Improved service delivery at local government       | 992                 | 0       | 1 004   | 1 004                 | 1 004        | 0       | 1 004   |
| Number of water services authorities assessed for compliance with the requirements of the no drop regulatory programme per year | Water Services Management  |                                                                 | — <sup>1</sup>      | 0       | 144     | 0                     | 0            | 144     | 0       |
| Number of mega regional bulk infrastructure project phases completed per year                                                   | Water Services Management  |                                                                 | 1                   | 1       | 0       | 3                     | 10           | 1       | 4       |
| Number of large regional bulk infrastructure project phases completed per year                                                  | Water Services Management  |                                                                 | 4                   | 5       | 11      | 19                    | 14           | 9       | 9       |

**Table 41.1 Performance indicators by programme and related outcome (continued)**

| Indicator                                                                                                                      | Programme                 | MTDP outcome                                              | Audited performance |                |                | Estimated performance | MTEF targets |                |                |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------|---------------------|----------------|----------------|-----------------------|--------------|----------------|----------------|
|                                                                                                                                |                           |                                                           | 2021/22             | 2022/23        | 2023/24        | 2024/25               | 2025/26      | 2026/27        | 2027/28        |
| Number of small regional bulk infrastructure project phases completed per year                                                 | Water Services Management | Outcome 16: Improved service delivery at local government | 10                  | 5              | 4              | 9                     | 7            | 4              | 2              |
| Number of small water services infrastructure grant projects completed per year                                                | Water Services Management |                                                           | 72                  | 102            | 54             | 112                   | 163          | 82             | 46             |
| Number of district municipalities per year with developed 5-year water and sanitation reliability plans                        | Water Services Management |                                                           | — <sup>1</sup>      | 4              | 20             | 0                     | 0            | 0              | 4              |
| Number of metropolitan municipalities per year with developed 5-year water and sanitation reliability plans                    | Water Services Management |                                                           | — <sup>1</sup>      | — <sup>1</sup> | — <sup>1</sup> | 3                     | 5            | — <sup>2</sup> | — <sup>2</sup> |
| Number of regional bulk infrastructure project phases funded through the budget facility for infrastructure completed per year | Water Services Management |                                                           | — <sup>1</sup>      | — <sup>1</sup> | 0              | 1                     | 7            | 0              | 2              |

1. No historical data available.

2. Target achieved.

## Expenditure overview

Over the medium term, the department will prioritise efforts to improve service delivery and support maintenance of public infrastructure. This will entail focusing on providing reliable water and sanitation services; improving the regulation of water quality through the application of blue drop, green drop and no drop incentive schemes; and prioritising the integration of water resource planning and development, and the sustainability of waterboards.

Expenditure is expected to decrease marginally, by 0.8 per cent, from R23.8 billion in 2024/25 to R23.3 billion in 2027/28, as allocations from the budget facility for infrastructure come to an end in 2027/28 and transfers to the Water Trading Entity decrease. Transfers and subsidies constitute an estimated 64.6 per cent (R48 billion) of total spending over the medium term, while compensation of employees accounts for 8.6 per cent (R6.6 billion).

### Providing reliable water and sanitation services

To improve the provision of reliable water and sanitation services in municipalities, over the medium term, the department plans to complete 60 regional bulk infrastructure project phases (15 mega, 32 large and 13 small) and 291 small water infrastructure projects through the *regional bulk infrastructure grant* and the *water services infrastructure grant*, which supports municipal water services authorities and certain water boards. The department also plans to construct new water and sanitation infrastructure and refurbish existing infrastructure over the MTEF period to respond to recent water shortages. In doing so, it will accelerate the provision of interim and intermediate water supply to rural communities in the 27 district municipalities, also through the *water services infrastructure grant*. With funds from the *regional bulk infrastructure grant* amounting to R19.8 billion over the medium term, municipalities will continue to construct water and sanitation infrastructure to enable them to provide essential services. These grants are funded through the *Water Services Management* programme, which is allocated R43.2 billion over the next 3 years.

The department plans to strengthen its role in regulating, supporting and intervening in municipalities where water and sanitation services are degrading. Over the medium term, it will focus on strategic areas such as water use efficiency, water demand, conservation management and non-revenue water. This work is carried out in the *Water Services and Local Management* subprogramme in the *Water Services Management* programme. Spending in the subprogramme is expected to increase at an annual average rate of 6 per cent, from R380.2 million in 2024/25 to R453 million in 2027/28.

### Regulating water quality and access

As part of its regulatory oversight role, over the medium term, the department plans to assess 1 004 wastewater systems in 2025/26 and 2027/28 for compliance with the green drop regulatory requirements and assess 1 032 water supply systems in 2026/27 for compliance with blue drop requirements. For this purpose,

R768.3 million is allocated over the medium term to the *Water Resources Regulation* subprogramme in the *Water Resources Management* programme. With R1.3 billion from the *Water Services and Local Management* subprogramme in the *Water Services Management* programme, the department also plans to assess 144 water services authorities for compliance with no drop regulatory requirements in 2026/27.

Over the next 3 years, the department plans to reduce the turnaround time for processing water use licence applications from 300 days to 90 days. This is also funded through the *Water Resources Regulation* subprogramme in the *Water Resources Management* programme, in which overall spending is expected to increase at an annual average rate of 4.6 per cent, from R234.3 million in 2024/25 to R268.2 million in 2027/28.

### ***Integrating and improving water resource planning and development***

To ensure that there is a sustainable supply of water to meet the demands of a growing population and to facilitate economic growth, planning and development need better integration at all levels. Accordingly, the department will continue to invest in 17 strategic infrastructure projects over the medium term. These include the uMkhomazi bulk water supply scheme; raising the Clanwilliam Dam wall; and the phases 2D and 2F of the Olifants management model programme for bulk water distribution infrastructure, which includes pipelines, reservoirs and reticulation, as well as other projects aimed at meeting high water demand for large strategic users such as Eskom, Sasol and Exxaro.

These projects are funded through transfers to the Water Trading Entity, which are made through the *Water Resources Infrastructure Management* subprogramme in the *Water Resources Management* programme. However, transfers to the entity are expected to decrease at an average annual rate of 2.5 per cent, from R5.2 billion in 2024/25 to R4.8 billion in 2027/28, due to additional funding from the budget facility for infrastructure coming to an end in 2026/27 as projects are completed.

The department intends to diversify its water mix over the period ahead by exploring other sources such as groundwater and aquifer systems, and by treating acid mine drainage water and desalinating sea water. There are also plans in place to rehabilitate conveyance systems (infrastructure constructed for the purpose of transferring water from a natural water sources to points of use) to secure water supply and reduce reliance on surface water. Funding for these initiatives is allocated in the *Water Resources Infrastructure Management* subprogramme in the *Water Resources Management* programme, allocations to which are expected to decrease at an average annual rate of 2.2 per cent, from R5.5 billion in 2024/25 to R5.2 billion in 2027/28, due to anticipated decreases in transfers to the Water Trading Entity.

## **Expenditure trends and estimates**

**Table 41.2 Vote expenditure trends by programme and economic classification<sup>1</sup>**

| 2025-2026 Vote Expenditure Details by Programme and Economic Classification |          |          |          |                        |                         |                                 |                                  |          |          |                         |                                 |
|-----------------------------------------------------------------------------|----------|----------|----------|------------------------|-------------------------|---------------------------------|----------------------------------|----------|----------|-------------------------|---------------------------------|
| Programmes                                                                  |          |          |          |                        |                         |                                 |                                  |          |          |                         |                                 |
| 1. Administration                                                           |          |          |          |                        |                         |                                 |                                  |          |          |                         |                                 |
| 2. Water Resources Management                                               |          |          |          |                        |                         |                                 |                                  |          |          |                         |                                 |
| 3. Water Services Management                                                |          |          |          |                        |                         |                                 |                                  |          |          |                         |                                 |
| Programme                                                                   |          |          |          | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |          |          | Average growth rate (%) | Average: Expenditure/ Total (%) |
| Audited outcome                                                             |          |          |          |                        |                         |                                 | 2025/26                          | 2026/27  | 2027/28  |                         |                                 |
| R million                                                                   | 2021/22  | 2022/23  | 2023/24  | 2024/25                | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27  | 2027/28  | 2024/25 - 2027/28       |                                 |
| Programme 1                                                                 | 1 716.5  | 1 957.3  | 1 987.5  | 2 248.8                | 9.4%                    | 10.1%                           | 2 402.0                          | 2 506.9  | 2 615.2  | 5.2%                    | 9.9%                            |
| Programme 2                                                                 | 3 499.9  | 3 781.2  | 4 234.7  | 6 532.4                | 23.1%                   | 23.1%                           | 9 333.8                          | 8 505.3  | 6 377.0  | -0.8%                   | 31.1%                           |
| Programme 3                                                                 | 9 987.2  | 11 954.9 | 15 109.4 | 15 068.4               | 14.7%                   | 66.8%                           | 14 942.9                         | 13 987.3 | 14 270.6 | -1.8%                   | 59.0%                           |
| Subtotal                                                                    | 15 203.5 | 17 693.4 | 21 331.6 | 23 849.6               | 16.2%                   | 100.0%                          | 26 678.7                         | 24 999.6 | 23 262.8 | -0.8%                   | 100.0%                          |
| Total                                                                       | 15 203.5 | 17 693.4 | 21 331.6 | 23 849.6               | 16.2%                   | 100.0%                          | 26 678.7                         | 24 999.6 | 23 262.8 | -0.8%                   | 100.0%                          |
| Change to 2024 Budget estimate                                              |          |          |          | –                      |                         |                                 | 1 518.8                          | 1 245.1  | 721.0    |                         |                                 |

**Table 41.2 Vote expenditure trends by programme and economic classification<sup>1</sup> (continued)**

| Economic classification                             |          |          |          | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |          |          | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------------------------|----------|----------|----------|------------------------|-------------------------|---------------------------------|----------------------------------|----------|----------|-------------------------|---------------------------------|
| Audited outcome                                     |          |          |          |                        |                         |                                 |                                  |          |          |                         |                                 |
| R million                                           | 2021/22  | 2022/23  | 2023/24  | 2024/25                | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27  | 2027/28  | 2024/25 - 2027/28       |                                 |
| Current payments                                    | 3 215.6  | 3 643.5  | 3 552.4  | 3 948.5                | 7.1%                    | 18.4%                           | 3 967.2                          | 4 139.3  | 4 354.8  | 3.3%                    | 16.6%                           |
| Compensation of employees                           | 1 742.2  | 1 812.9  | 1 832.6  | 1 934.8                | 3.6%                    | 9.4%                            | 2 098.3                          | 2 195.1  | 2 294.4  | 5.8%                    | 8.6%                            |
| Goods and services <sup>1</sup>                     | 1 473.2  | 1 830.6  | 1 719.8  | 2 013.7                | 11.0%                   | 9.0%                            | 1 868.9                          | 1 944.2  | 2 060.4  | 0.8%                    | 8.0%                            |
| of which:                                           |          |          |          |                        | 0.0%                    | 0.0%                            |                                  |          |          | 0.0%                    | 0.0%                            |
| Computer services                                   | 122.1    | 127.4    | 134.7    | 162.7                  | 10.0%                   | 0.7%                            | 169.8                            | 169.1    | 146.9    | -3.3%                   | 0.7%                            |
| Consultants: Business and advisory services         | 141.5    | 209.6    | 275.3    | 355.8                  | 36.0%                   | 1.3%                            | 179.6                            | 191.4    | 198.8    | -17.6%                  | 0.9%                            |
| Infrastructure and planning services                | 87.2     | 79.6     | 145.4    | 214.9                  | 35.1%                   | 0.7%                            | 256.5                            | 262.5    | 275.6    | 8.6%                    | 1.0%                            |
| Operating leases                                    | 437.4    | 534.8    | 514.9    | 521.9                  | 6.1%                    | 2.6%                            | 546.7                            | 572.1    | 597.7    | 4.6%                    | 2.3%                            |
| Property payments                                   | 117.3    | 119.1    | 109.3    | 130.6                  | 3.7%                    | 0.6%                            | 137.0                            | 150.5    | 160.6    | 7.1%                    | 0.6%                            |
| Travel and subsistence                              | 153.2    | 266.7    | 254.8    | 240.8                  | 16.3%                   | 1.2%                            | 220.8                            | 218.4    | 227.6    | -1.9%                   | 0.9%                            |
| Interest and rent on land                           | 0.2      | 0.0      | —        | —                      | -100.0%                 | 0.0%                            | —                                | —        | —        | 0.0%                    | 0.0%                            |
| Transfers and subsidies <sup>1</sup>                | 9 414.3  | 10 799.4 | 13 280.3 | 15 776.3               | 18.8%                   | 63.1%                           | 18 113.1                         | 16 024.7 | 13 881.6 | -4.2%                   | 64.6%                           |
| Provinces and municipalities                        | 5 858.3  | 6 357.1  | 6 879.0  | 7 665.9                | 9.4%                    | 34.3%                           | 7 976.3                          | 7 643.0  | 7 638.2  | -0.1%                   | 31.3%                           |
| Departmental agencies and accounts                  | 2 375.9  | 2 612.1  | 3 276.1  | 5 486.7                | 32.2%                   | 17.6%                           | 8 200.1                          | 7 300.9  | 5 114.1  | -2.3%                   | 26.4%                           |
| Foreign governments and international organisations | 243.1    | 250.8    | 46.6     | 72.5                   | -33.2%                  | 0.8%                            | 76.9                             | 92.9     | 96.7     | 10.1%                   | 0.3%                            |
| Public corporations and private enterprises         | 903.0    | 1 543.7  | 3 039.5  | 2 508.5                | 40.6%                   | 10.2%                           | 1 822.2                          | 948.7    | 991.6    | -26.6%                  | 6.3%                            |
| Non-profit institutions                             | 0.6      | 1.5      | 2.4      | 3.4                    | 80.6%                   | 0.0%                            | 2.0                              | 1.9      | 2.0      | -15.9%                  | 0.0%                            |
| Households                                          | 33.5     | 34.2     | 36.7     | 39.3                   | 5.4%                    | 0.2%                            | 35.6                             | 37.2     | 38.9     | -0.3%                   | 0.2%                            |
| Payments for capital assets                         | 2 573.4  | 3 249.5  | 4 498.8  | 4 124.7                | 17.0%                   | 18.5%                           | 4 598.4                          | 4 835.6  | 5 026.5  | 6.8%                    | 18.8%                           |
| Buildings and other fixed structures                | 2 479.6  | 3 135.7  | 4 349.9  | 3 901.6                | 16.3%                   | 17.8%                           | 4 372.3                          | 4 599.8  | 4 807.8  | 7.2%                    | 17.9%                           |
| Machinery and equipment                             | 52.5     | 67.4     | 84.2     | 138.6                  | 38.3%                   | 0.4%                            | 167.8                            | 182.7    | 165.7    | 6.1%                    | 0.7%                            |
| Software and other intangible assets                | 41.4     | 46.4     | 64.7     | 84.5                   | 26.9%                   | 0.3%                            | 58.4                             | 53.1     | 53.0     | -14.4%                  | 0.3%                            |
| Payments for financial assets                       | 0.2      | 1.0      | 0.0      | —                      | -100.0%                 | 0.0%                            | —                                | —        | —        | 0.0%                    | 0.0%                            |
| Total                                               | 15 203.5 | 17 693.4 | 21 331.6 | 23 849.6               | 16.2%                   | 100.0%                          | 26 678.7                         | 24 999.6 | 23 262.8 | -0.8%                   | 100.0%                          |

1. Tables with expenditure trends, annual budget, adjusted appropriation and audited outcome are available at [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://www.vulekamali.gov.za).

## Transfers and subsidies expenditure trends and estimates

**Table 41.3 Vote transfers and subsidies trends and estimates**

|                                                          |           |           |           | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |           |           | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------------------------------------------------|-----------|-----------|-----------|------------------------|-------------------------|---------------------------------|----------------------------------|-----------|-----------|-------------------------|---------------------------------|
| Audited outcome                                          |           |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| R thousand                                               | 2021/22   | 2022/23   | 2023/24   | 2024/25                | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27   | 2027/28   | 2024/25 - 2027/28       |                                 |
| Households                                               |           |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Social benefits                                          |           |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Current                                                  | 12 518    | 12 667    | 9 426     | 10 603                 | -5.4%                   | 0.1%                            | 5 747                            | 5 954     | 6 180     | -16.5%                  | –                               |
| Employee social benefits                                 | 12 518    | 12 667    | 9 426     | 10 603                 | -5.4%                   | 0.1%                            | 5 747                            | 5 954     | 6 180     | -16.5%                  | –                               |
| Other transfers to households                            |           |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Current                                                  | 21 002    | 21 521    | 27 289    | 28 679                 | 10.9%                   | 0.2%                            | 29 868                           | 31 236    | 32 704    | 4.5%                    | 0.2%                            |
| Employee social benefits                                 | –         | –         | 2         | –                      | –                       | –                               | –                                | –         | –         | –                       | –                               |
| Bursaries for non-employees                              | 21 002    | 21 521    | 27 287    | 28 679                 | 10.9%                   | 0.2%                            | 29 868                           | 31 236    | 32 704    | 4.5%                    | 0.2%                            |
| Departmental agencies and accounts                       |           |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Departmental agencies (non-business entities)            |           |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Current                                                  | 303 883   | 294 495   | 289 814   | 264 721                | -4.5%                   | 2.3%                            | 253 533                          | 265 692   | 277 705   | 1.6%                    | 1.7%                            |
| Energy and Water Sector Education and Training Authority | 3 188     | 3 354     | 3 429     | 4 391                  | 11.3%                   | –                               | 6 383                            | 7 219     | 7 544     | 19.8%                   | –                               |
| Water Trading Entity                                     | 300 695   | 291 141   | 286 385   | –                      | -100.0%                 | 1.8%                            | –                                | –         | –         | –                       | –                               |
| Vaal-Orange Catchment Management Agency                  | –         | –         | –         | 27 113                 | –                       | 0.1%                            | 28 328                           | 29 624    | 30 964    | 4.5%                    | 0.2%                            |
| Breede-Olifants Catchment Management Agency              | –         | –         | –         | 63 738                 | –                       | 0.1%                            | 66 594                           | 69 645    | 72 794    | 4.5%                    | 0.4%                            |
| Pongola-Umzimkulu Catchment Management Agency            | –         | –         | –         | 21 558                 | –                       | –                               | 22 524                           | 23 556    | 24 621    | 4.5%                    | 0.1%                            |
| Mzimvubu-Tsitsikamma Catchment Management Agency         | –         | –         | –         | 21 558                 | –                       | –                               | 22 524                           | 23 556    | 24 621    | 4.5%                    | 0.1%                            |
| Limpopo-Olifants Catchment Management Agency             | –         | –         | –         | 30 279                 | –                       | 0.1%                            | 31 635                           | 33 085    | 34 581    | 4.5%                    | 0.2%                            |
| Inkomati-Usuthu Catchment Management Agency              | –         | –         | –         | 96 084                 | –                       | 0.2%                            | 75 545                           | 79 007    | 82 580    | -4.9%                   | 0.5%                            |
| Capital                                                  | 2 071 970 | 2 317 638 | 2 986 276 | 5 222 015              | 36.1%                   | 25.6%                           | 7 946 578                        | 7 035 180 | 4 836 373 | -2.5%                   | 39.3%                           |
| Water Trading Entity                                     | 2 071 970 | 2 317 638 | 2 986 276 | 5 222 015              | 36.1%                   | 25.6%                           | 7 946 578                        | 7 035 180 | 4 836 373 | -2.5%                   | 39.3%                           |

Table 41.3 Vote transfers and subsidies trends and estimates (continued)

|                                                                 | Audited outcome  |                   |                   | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                   |                   | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------------------------------------|------------------|-------------------|-------------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
|                                                                 | 2021/22          | 2022/23           | 2023/24           |                        |                         |                                 | 2025/26                          | 2026/27           | 2027/28           |                         |                                 |
| R thousand                                                      |                  |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Provinces and municipalities</b>                             |                  |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Municipal bank accounts</b>                                  |                  |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Capital</b>                                                  | 5 857 802        | 6 356 687         | 6 878 489         | 7 665 056              | 9.4%                    | 54.3%                           | 7 975 491                        | 7 642 156         | 7 637 382         | -0.1%                   | 48.5%                           |
| Regional bulk infrastructure grant                              | 2 237 370        | 2 655 668         | 3 258 828         | 3 627 383              | 17.5%                   | 23.9%                           | 3 756 930                        | 3 230 325         | 3 026 045         | -5.9%                   | 21.4%                           |
| Water services infrastructure grant                             | 3 620 432        | 3 701 019         | 3 619 661         | 4 037 673              | 3.7%                    | 30.4%                           | 4 218 561                        | 4 411 831         | 4 611 337         | 4.5%                    | 27.1%                           |
| <b>Provincial agencies and funds</b>                            |                  |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>                                                  | 472              | 460               | 470               | 804                    | 19.4%                   | —                               | 787                              | 828               | 864               | 2.4%                    | —                               |
| Vehicle licences                                                | 472              | 460               | 470               | 804                    | 19.4%                   | —                               | 787                              | 828               | 864               | 2.4%                    | —                               |
| <b>Foreign governments and international organisations</b>      |                  |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>                                                  | 243 116          | 250 754           | 46 566            | 72 523                 | -33.2%                  | 1.2%                            | 76 912                           | 92 946            | 96 709            | 10.1%                   | 0.5%                            |
| Orange-Senqu River Commission                                   | 1 404            | 1 526             | 1 550             | 1 550                  | 3.4%                    | —                               | 1 619                            | 2 142             | 2 251             | 13.2%                   | —                               |
| African Ministers' Council on Water                             | 148              | —                 | 200               | 200                    | 10.6%                   | —                               | 209                              | 219               | 229               | 4.6%                    | —                               |
| Limpopo Watercourse Commission                                  | 790              | 950               | 1 070             | 1 196                  | 14.8%                   | —                               | 1 250                            | 1 307             | 1 366             | 4.5%                    | —                               |
| Incomati and Maputo Watercourse Commission                      | —                | —                 | 3 336             | 3 600                  | —                       | —                               | 3 940                            | 3 600             | 3 763             | 1.5%                    | —                               |
| Komati Basin Water Authority                                    | 240 774          | 248 278           | 40 410            | 55 977                 | -38.5%                  | 1.2%                            | 59 894                           | 75 678            | 79 100            | 12.2%                   | 0.4%                            |
| World Bank                                                      | —                | —                 | —                 | 10 000                 | —                       | —                               | 10 000                           | 10 000            | 10 000            | —                       | 0.1%                            |
| <b>Non-profit institutions</b>                                  |                  |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>                                                  | 577              | 1 485             | 2 447             | 3 398                  | 80.6%                   | —                               | 2 033                            | 1 948             | 2 023             | -15.9%                  | —                               |
| Strategic Water Partners Network                                | 500              | 500               | 547               | 731                    | 13.5%                   | —                               | 598                              | 625               | 654               | -3.6%                   | —                               |
| South African Youth Water Prize                                 | —                | 469               | 19                | 598                    | —                       | —                               | 21                               | 22                | 23                | -66.2%                  | —                               |
| Various institutions: 2020 vision for water education programme | 77               | 516               | 1 881             | 2 069                  | 199.5%                  | —                               | 1 414                            | 1 301             | 1 346             | -13.4%                  | —                               |
| <b>Public corporations and private enterprises</b>              |                  |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Other transfers to public corporations</b>                   |                  |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>                                                  | 2                | 130 007           | 7 005             | 56 242                 | 2941.0%                 | 0.4%                            | —                                | —                 | —                 | -100.0%                 | 0.1%                            |
| Communication licences                                          | 2                | 7                 | 5                 | —                      | -100.0%                 | —                               | —                                | —                 | —                 | —                       | —                               |
| Magalies Water                                                  | —                | 21 200            | 2 000             | 27 800                 | —                       | 0.1%                            | —                                | —                 | —                 | -100.0%                 | —                               |
| Bloem Water                                                     | —                | 108 800           | —                 | —                      | —                       | 0.2%                            | —                                | —                 | —                 | —                       | —                               |
| Vaal Central Water                                              | —                | —                 | 5 000             | 28 442                 | —                       | 0.1%                            | —                                | —                 | —                 | -100.0%                 | —                               |
| <b>Capital</b>                                                  | 902 969          | 1 413 686         | 3 032 510         | 2 452 278              | 39.5%                   | 15.8%                           | 1 822 177                        | 948 738           | 991 641           | -26.1%                  | 9.7%                            |
| Magalies Water                                                  | 103 390          | 109 284           | 1 780 000         | 1 431 194              | 140.1%                  | 6.9%                            | 1 165 000                        | —                 | —                 | -100.0%                 | 4.1%                            |
| uMngeni-uThukela Water                                          | 662 858          | 738 673           | 269 000           | 315 000                | -22.0%                  | 4.0%                            | 151 468                          | 158 436           | 165 601           | -19.3%                  | 1.2%                            |
| Sedibeng Water                                                  | 136 721          | 143 729           | —                 | —                      | -100.0%                 | 0.6%                            | —                                | —                 | —                 | —                       | —                               |
| Lepelle Northern Water                                          | —                | 422 000           | 633 000           | 317 000                | —                       | 2.8%                            | —                                | —                 | —                 | -100.0%                 | 0.5%                            |
| Vaal Central Water                                              | —                | —                 | 350 510           | 350 934                | —                       | 1.4%                            | 505 709                          | 790 302           | 826 040           | 33.0%                   | 3.9%                            |
| Overberg Water                                                  | —                | —                 | —                 | 38 150                 | —                       | 0.1%                            | —                                | —                 | —                 | -100.0%                 | 0.1%                            |
| <b>Total</b>                                                    | <b>9 414 311</b> | <b>10 799 400</b> | <b>13 280 292</b> | <b>15 776 319</b>      | <b>18.8%</b>            | <b>100.0%</b>                   | <b>18 113 126</b>                | <b>16 024 678</b> | <b>13 881 581</b> | <b>-4.2%</b>            | <b>100.0%</b>                   |

## Personnel information

Table 41.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup>

| Programmes                                  |                                                 |     |                                                                                            |         |           |                  |         |           |                                  |         |           |        |         |           |                         |                                  |     |       |        |
|---------------------------------------------|-------------------------------------------------|-----|--------------------------------------------------------------------------------------------|---------|-----------|------------------|---------|-----------|----------------------------------|---------|-----------|--------|---------|-----------|-------------------------|----------------------------------|-----|-------|--------|
| 1. Administration                           |                                                 |     |                                                                                            |         |           |                  |         |           |                                  |         |           |        |         |           |                         |                                  |     |       |        |
| 2. Water Resources Management               |                                                 |     |                                                                                            |         |           |                  |         |           |                                  |         |           |        |         |           |                         |                                  |     |       |        |
| 3. Water Services Management                |                                                 |     |                                                                                            |         |           |                  |         |           |                                  |         |           |        |         |           |                         |                                  |     |       |        |
| Number of posts estimated for 31 March 2025 |                                                 |     | Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment |         |           |                  |         |           |                                  |         |           |        |         |           | 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 |         |           |        |         |           |                         |                                  |     |       |        |
|                                             |                                                 |     | 2023/24                                                                                    |         |           | 2024/25          |         |           | 2025/26                          |         | 2026/27   |        | 2027/28 |           |                         |                                  |     |       |        |
|                                             |                                                 |     | Number                                                                                     | Cost    | Unit cost | Number           | Cost    | Unit cost | Number                           | Cost    | Unit cost | Number | Cost    | Unit cost | 2024/25 - 2027/28       |                                  |     |       |        |
| Water and Sanitation                        |                                                 |     |                                                                                            |         |           |                  |         |           |                                  |         |           |        |         |           |                         |                                  |     |       |        |
| Salary level                                | 4 947                                           | 595 | 3 080                                                                                      | 1 832.6 | 0.6       | 3 006            | 1 892.1 | 0.6       | 3 118                            | 2 098.3 | 0.7       | 3 065  | 2 195.1 | 0.7       | 3 023                   | 2 294.4                          | 0.8 | 0.2%  | 100.0% |
| 1 – 6                                       | 1 516                                           | 102 | 1 010                                                                                      | 270.3   | 0.3       | 978              | 276.7   | 0.3       | 975                              | 295.0   | 0.3       | 933    | 297.9   | 0.3       | 909                     | 306.4                            | 0.3 | -2.4% | 31.1%  |
| 7 – 10                                      | 2 281                                           | 327 | 1 279                                                                                      | 749.1   | 0.6       | 1 266            | 782.7   | 0.6       | 1 376                            | 919.5   | 0.7       | 1 365  | 964.7   | 0.7       | 1 349                   | 1 007.5                          | 0.7 | 2.2%  | 43.9%  |
| 11 – 12                                     | 966                                             | 158 | 618                                                                                        | 593.3   | 1.0       | 595              | 609.3   | 1.0       | 600                              | 648.1   | 1.1       | 600    | 683.8   | 1.1       | 597                     | 718.2                            | 1.2 | 0.1%  | 19.6%  |
| 13 – 16                                     | 181                                             | 8   | 170                                                                                        | 212.6   | 1.3       | 164              | 215.6   | 1.3       | 164                              | 227.5   | 1.4       | 164    | 240.0   | 1.5       | 164                     | 253.3                            | 1.5 | –     | 5.4%   |
| Other                                       | 3                                               | –   | 3                                                                                          | 7.4     | 2.5       | 3                | 7.8     | 2.6       | 3                                | 8.2     | 2.7       | 3      | 8.7     | 2.9       | 3                       | 9.1                              | 3.0 | -0.0% | 0.1%   |
| Programme                                   | 4 947                                           | 595 | 3 080                                                                                      | 1 832.6 | 0.6       | 3 006            | 1 892.1 | 0.6       | 3 118                            | 2 098.3 | 0.7       | 3 065  | 2 195.1 | 0.7       | 3 023                   | 2 294.4                          | 0.8 | 0.2%  | 100.0% |
| Programme 1                                 | 2 282                                           | 332 | 1 553                                                                                      | 868.3   | 0.6       | 1 493            | 875.3   | 0.6       | 1 578                            | 997.8   | 0.6       | 1 556  | 1 043.9 | 0.7       | 1 533                   | 1 090.4                          | 0.7 | 0.9%  | 50.4%  |
| Programme 2                                 | 1 708                                           | 169 | 1 000                                                                                      | 618.9   | 0.6       | 916              | 637.3   | 0.7       | 962                              | 710.3   | 0.7       | 940    | 743.0   | 0.8       | 930                     | 777.2                            | 0.8 | 0.5%  | 30.7%  |
| Programme 3                                 | 957                                             | 94  | 527                                                                                        | 345.4   | 0.7       | 597              | 379.4   | 0.6       | 578                              | 390.2   | 0.7       | 569    | 408.2   | 0.7       | 560                     | 426.8                            | 0.8 | -2.2% | 18.9%  |

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

2. Rand million.

## Departmental receipts

**Table 41.5 Departmental receipts by economic classification**

|                                                           | Audited outcome |               |              | Adjusted estimate | Revised estimate | Average growth rate (%) | Average: Receipt item/ Total (%) | Medium-term receipts estimate |              |              | Average growth rate (%) | Average: Receipt item/ Total (%) |
|-----------------------------------------------------------|-----------------|---------------|--------------|-------------------|------------------|-------------------------|----------------------------------|-------------------------------|--------------|--------------|-------------------------|----------------------------------|
|                                                           | 2021/22         | 2022/23       | 2023/24      |                   |                  |                         |                                  | 2025/26                       | 2026/27      | 2027/28      |                         |                                  |
| R thousand                                                |                 |               |              | 2024/25           |                  | 2021/22 - 2024/25       |                                  |                               |              |              | 2024/25 - 2027/28       |                                  |
| <b>Departmental receipts</b>                              | <b>5 775</b>    | <b>26 709</b> | <b>3 852</b> | <b>4 733</b>      | <b>4 188</b>     | <b>-10.2%</b>           | <b>100.0%</b>                    | <b>5 370</b>                  | <b>6 695</b> | <b>7 333</b> | <b>20.5%</b>            | <b>100.0%</b>                    |
| <b>Sales of goods and services produced by department</b> | <b>1 727</b>    | <b>1 700</b>  | <b>1 732</b> | <b>2 427</b>      | <b>1 838</b>     | <b>2.1%</b>             | <b>17.3%</b>                     | <b>2 068</b>                  | <b>2 692</b> | <b>2 725</b> | <b>14.0%</b>            | <b>39.5%</b>                     |
| Sales by market establishments                            | 650             | 598           | 571          | 845               | 522              | -7.0%                   | 5.8%                             | 432                           | 910          | 921          | 20.8%                   | 11.8%                            |
| of which:                                                 |                 |               |              |                   |                  |                         |                                  |                               |              |              |                         |                                  |
| Market establishment: Rental dwelling                     | 470             | 389           | 365          | 600               | 340              | -10.2%                  | 3.9%                             | 400                           | 600          | 600          | 20.8%                   | 8.2%                             |
| Market establishment: Non-residential building            | 132             | —             | 4            | 85                | 12               | -55.0%                  | 0.4%                             | 25                            | 300          | 310          | 195.6%                  | 2.7%                             |
| Market establishment: Rental parking                      | 48              | 209           | 202          | 160               | 170              | 52.4%                   | 1.6%                             | 7                             | 10           | 11           | -59.9%                  | 0.8%                             |
| Administrative fees                                       | 55              | 59            | 59           | 50                | 52               | -1.9%                   | 0.6%                             | 68                            | 73           | 78           | 14.5%                   | 1.1%                             |
| of which:                                                 |                 |               |              |                   |                  |                         |                                  |                               |              |              |                         |                                  |
| Services rendered: Transport fees                         | 55              | 55            | 53           | 50                | 50               | -3.1%                   | 0.5%                             | 60                            | 65           | 70           | 11.9%                   | 1.0%                             |
| Sales: Maps                                               | —               | —             | —            | —                 | —                | —                       | —                                | 5                             | 5            | 5            | —                       | 0.1%                             |
| Replacement of security cards                             | —               | 4             | 6            | —                 | 2                | —                       | —                                | 3                             | 3            | 3            | 14.5%                   | —                                |
| Other sales                                               | 1 022           | 1 043         | 1 102        | 1 532             | 1 264            | 7.3%                    | 10.9%                            | 1 568                         | 1 709        | 1 726        | 10.9%                   | 26.6%                            |
| of which:                                                 |                 |               |              |                   |                  |                         |                                  |                               |              |              |                         |                                  |
| Rental capital assets                                     | 100             | 100           | 39           | 22                | 20               | -41.5%                  | 0.6%                             | 170                           | 200          | 205          | 117.2%                  | 2.5%                             |
| Sales: Departmental publications and production           | 2               | 6             | 7            | 10                | 5                | 35.7%                   | —                                | 3                             | 4            | 4            | -7.2%                   | 0.1%                             |
| Services rendered: Commission on insurance and garnishee  | 798             | 828           | 841          | 1 000             | 850              | 2.1%                    | 8.2%                             | 1 100                         | 1 200        | 1 210        | 12.5%                   | 18.5%                            |
| Sales: Meals and refreshments                             | 35              | 70            | 100          | 300               | 185              | 74.2%                   | 1.0%                             | 130                           | 135          | 137          | -9.5%                   | 2.5%                             |
| Services rendered: Boarding service                       | 86              | 29            | 106          | 200               | 198              | 32.0%                   | 1.0%                             | 160                           | 165          | 165          | -5.9%                   | 2.9%                             |
| Sales: Assets less than R5 000                            | 1               | 10            | 9            | —                 | 6                | 81.7%                   | 0.1%                             | 5                             | 5            | 5            | -5.9%                   | 0.1%                             |
| Sales of scrap, waste, arms and other used current goods  | 8               | 14            | 96           | 16                | 29               | 53.6%                   | 0.4%                             | 2                             | 3            | 3            | -53.1%                  | 0.2%                             |
| of which:                                                 |                 |               |              |                   |                  |                         |                                  |                               |              |              |                         |                                  |
| Sales: Scrap                                              | 8               | 14            | 85           | 15                | 25               | 46.2%                   | 0.3%                             | 2                             | 3            | 3            | -50.7%                  | 0.1%                             |
| Sales: Wastepaper                                         | —               | —             | 11           | 1                 | 4                | —                       | —                                | —                             | —            | —            | -100.0%                 | —                                |
| Fines, penalties and forfeits                             | —               | 3 270         | 450          | 150               | 100              | —                       | 9.4%                             | —                             | —            | —            | -100.0%                 | 0.4%                             |
| Interest, dividends and rent on land                      | 126             | 1 146         | 128          | 440               | 338              | 38.9%                   | 4.3%                             | 800                           | 1 000        | 1 205        | 52.8%                   | 14.2%                            |
| Interest                                                  | 126             | 1 146         | 128          | 440               | 338              | 38.9%                   | 4.3%                             | 800                           | 1 000        | 1 205        | 52.8%                   | 14.2%                            |
| Sales of capital assets                                   | 242             | 162           | 145          | 100               | 378              | 16.0%                   | 2.3%                             | 600                           | 500          | 600          | 16.7%                   | 8.8%                             |
| Transactions in financial assets and liabilities          | 3 672           | 20 417        | 1 301        | 1 600             | 1 505            | -25.7%                  | 66.4%                            | 1 900                         | 2 500        | 2 800        | 23.0%                   | 36.9%                            |
| <b>Total</b>                                              | <b>5 775</b>    | <b>26 709</b> | <b>3 852</b> | <b>4 733</b>      | <b>4 188</b>     | <b>-10.2%</b>           | <b>100.0%</b>                    | <b>5 370</b>                  | <b>6 695</b> | <b>7 333</b> | <b>20.5%</b>            | <b>100.0%</b>                    |

## Programme 1: Administration

### Programme purpose

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

### Objectives

- Facilitate cooperation by implementing and evaluating the approved African and global international relations plan annually in support of the national water and sanitation agenda.
- Establish and sustain stakeholder engagements and partnerships in the water and sanitation sector by implementing an annual stakeholder management and partnerships programme.

## Subprogrammes

- *Ministry* provides administrative support to the minister, the deputy minister(s) 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, organisational planning, performance monitoring and the development of organisational structures.
- *Corporate Services* provides enterprise-wide support comprising human resources, legal services, communications, and the learning and development academy.
- *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.
- *Provincial and Entity Governance and International Cooperation* coordinates entity oversight, the development of sector partnerships, the transformation agenda and international relations with neighbouring countries.

## Expenditure trends and estimates

**Table 41.6 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 (%) |
|----------------------------------------------------------------------|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|                                                                      | 2021/22         | 2022/23        | 2023/24        |                        |                         |                                | 2025/26                          | 2026/27        | 2027/28        |                         |                                |
| R million                                                            |                 |                |                | 2024/25                | 2021/22 - 2024/25       |                                |                                  |                |                | 2024/25 - 2027/28       |                                |
| Ministry                                                             | 63.8            | 59.8           | 69.0           | 54.5                   | -5.2%                   | 3.1%                           | 43.8                             | 45.8           | 47.9           | -4.2%                   | 2.0%                           |
| Departmental Management                                              | 124.7           | 142.5          | 137.9          | 166.2                  | 10.0%                   | 7.2%                           | 191.0                            | 200.7          | 211.8          | 8.4%                    | 7.9%                           |
| Corporate Services                                                   | 717.9           | 815.9          | 855.8          | 989.6                  | 11.3%                   | 42.7%                          | 1 010.6                          | 1 046.0        | 1 062.4        | 2.4%                    | 42.0%                          |
| Financial Management                                                 | 237.8           | 255.8          | 266.9          | 358.6                  | 14.7%                   | 14.1%                          | 387.0                            | 410.0          | 451.3          | 8.0%                    | 16.4%                          |
| Office Accommodation                                                 | 490.2           | 587.8          | 563.6          | 578.9                  | 5.7%                    | 28.1%                          | 609.1                            | 637.0          | 667.0          | 4.8%                    | 25.5%                          |
| Provincial and Entity Governance and International Cooperation       | 82.1            | 95.5           | 94.3           | 101.1                  | 7.2%                    | 4.7%                           | 160.5                            | 167.5          | 174.8          | 20.0%                   | 6.2%                           |
| <b>Total</b>                                                         | <b>1 716.5</b>  | <b>1 957.3</b> | <b>1 987.5</b> | <b>2 248.8</b>         | <b>9.4%</b>             | <b>100.0%</b>                  | <b>2 402.0</b>                   | <b>2 506.9</b> | <b>2 615.2</b> | <b>5.2%</b>             | <b>100.0%</b>                  |
| Change to 2024                                                       |                 |                |                | –                      |                         |                                | 68.9                             | 83.0           | 86.6           |                         |                                |
| Budget estimate                                                      |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Economic classification</b>                                       |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current payments</b>                                              | <b>1 623.7</b>  | <b>1 849.6</b> | <b>1 845.6</b> | <b>2 059.9</b>         | <b>8.3%</b>             | <b>93.3%</b>                   | <b>2 190.5</b>                   | <b>2 290.3</b> | <b>2 420.9</b> | <b>5.5%</b>             | <b>91.7%</b>                   |
| Compensation of employees                                            | 791.5           | 849.9          | 868.3          | 898.3                  | 4.3%                    | 43.1%                          | 997.8                            | 1 043.9        | 1 090.4        | 6.7%                    | 41.2%                          |
| Goods and services                                                   | 832.1           | 999.7          | 977.3          | 1 161.6                | 11.8%                   | 50.2%                          | 1 192.8                          | 1 246.4        | 1 330.5        | 4.6%                    | 50.5%                          |
| of which:                                                            |                 |                |                |                        |                         | –                              |                                  |                |                |                         | –                              |
| Audit costs: External                                                | 37.0            | 35.7           | 49.2           | 118.8                  | 47.6%                   | 3.0%                           | 65.6                             | 74.6           | 130.9          | 3.3%                    | 4.0%                           |
| Computer services                                                    | 70.4            | 75.0           | 89.3           | 143.0                  | 26.7%                   | 4.8%                           | 141.0                            | 139.0          | 114.8          | -7.1%                   | 5.5%                           |
| Consultants: Business and advisory services                          | 31.7            | 3.1            | 6.5            | 20.0                   | -14.3%                  | 0.8%                           | 48.1                             | 50.3           | 52.5           | 37.9%                   | 1.7%                           |
| Operating leases                                                     | 437.4           | 534.8          | 514.9          | 521.6                  | 6.0%                    | 25.4%                          | 546.0                            | 571.1          | 596.6          | 4.6%                    | 22.9%                          |
| Property payments                                                    | 95.0            | 103.3          | 106.3          | 126.9                  | 10.1%                   | 5.5%                           | 133.5                            | 137.3          | 146.7          | 4.9%                    | 5.6%                           |
| Travel and subsistence                                               | 47.5            | 90.2           | 97.3           | 77.6                   | 17.7%                   | 4.0%                           | 84.6                             | 86.1           | 89.3           | 4.8%                    | 3.5%                           |
| Interest and rent on land                                            | 0.0             | 0.0            | –              | –                      | -100.0%                 | –                              | –                                | –              | –              | –                       | –                              |
| <b>Transfers and subsidies</b>                                       | <b>31.7</b>     | <b>33.7</b>    | <b>41.1</b>    | <b>46.2</b>            | <b>13.3%</b>            | <b>1.9%</b>                    | <b>46.2</b>                      | <b>48.9</b>    | <b>51.2</b>    | <b>3.5%</b>             | <b>2.0%</b>                    |
| Provinces and municipalities                                         | 0.0             | 0.0            | 0.0            | 0.1                    | 270.8%                  | –                              | 0.1                              | 0.1            | 0.1            | 2.5%                    | –                              |
| Departmental agencies and accounts                                   | 3.2             | 3.4            | 3.4            | 4.4                    | 11.3%                   | 0.2%                           | 6.4                              | 7.2            | 7.5            | 19.8%                   | 0.3%                           |
| Foreign governments and international organisations                  | 2.3             | 2.5            | 6.2            | 6.5                    | 40.9%                   | 0.2%                           | 7.0                              | 7.3            | 7.6            | 5.1%                    | 0.3%                           |
| Non-profit institutions                                              | 0.5             | 0.5            | 0.5            | 0.7                    | 13.5%                   | –                              | 0.6                              | 0.6            | 0.7            | -3.6%                   | –                              |
| Households                                                           | 25.7            | 27.4           | 30.9           | 34.4                   | 10.2%                   | 1.5%                           | 32.1                             | 33.7           | 35.3           | 0.9%                    | 1.4%                           |
| <b>Payments for capital assets</b>                                   | <b>61.1</b>     | <b>73.4</b>    | <b>100.8</b>   | <b>142.8</b>           | <b>32.7%</b>            | <b>4.8%</b>                    | <b>165.2</b>                     | <b>167.7</b>   | <b>143.0</b>   | <b>0.1%</b>             | <b>6.3%</b>                    |
| Machinery and equipment                                              | 19.7            | 27.1           | 36.3           | 59.6                   | 44.6%                   | 1.8%                           | 106.8                            | 114.5          | 90.0           | 14.8%                   | 3.8%                           |
| Software and other intangible assets                                 | 41.4            | 46.4           | 64.5           | 83.2                   | 26.2%                   | 3.0%                           | 58.4                             | 53.1           | 53.0           | -14.0%                  | 2.5%                           |
| <b>Payments for financial assets</b>                                 | <b>0.0</b>      | <b>0.5</b>     | <b>0.0</b>     | <b>–</b>               | <b>-100.0%</b>          | <b>–</b>                       | <b>–</b>                         | <b>–</b>       | <b>–</b>       | <b>–</b>                | <b>–</b>                       |
| <b>Total</b>                                                         | <b>1 716.5</b>  | <b>1 957.3</b> | <b>1 987.5</b> | <b>2 248.8</b>         | <b>9.4%</b>             | <b>100.0%</b>                  | <b>2 402.0</b>                   | <b>2 506.9</b> | <b>2 615.2</b> | <b>5.2%</b>             | <b>100.0%</b>                  |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>11.3%</b>    | <b>11.1%</b>   | <b>9.3%</b>    | <b>9.4%</b>            | <b>–</b>                | <b>–</b>                       | <b>9.0%</b>                      | <b>10.0%</b>   | <b>11.2%</b>   | <b>–</b>                | <b>–</b>                       |

**Table 41.6 Administration expenditure trends and estimates by subprogramme and economic classification (continued)**

| Details of transfers and subsidies                  |         |         |         | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------------------------|---------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
| Audited outcome                                     |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| R million                                           | 2021/22 | 2022/23 | 2023/24 | 2024/25                | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27 | 2027/28 | 2024/25 - 2027/28       |                                 |
| Households                                          |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Social benefits                                     |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                             | 4.7     | 5.9     | 3.6     | 5.7                    | 6.7%                    | 0.3%                            | 2.3                              | 2.5     | 2.6     | -23.1%                  | 0.1%                            |
| Employee social benefits                            | 4.7     | 5.9     | 3.6     | 5.7                    | 6.7%                    | 0.3%                            | 2.3                              | 2.5     | 2.6     | -23.1%                  | 0.1%                            |
| Other transfers to households                       |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                             | 21.0    | 21.5    | 27.3    | 28.7                   | 10.9%                   | 1.2%                            | 29.9                             | 31.2    | 32.7    | 4.5%                    | 1.3%                            |
| Bursaries for non-employees                         | 21.0    | 21.5    | 27.3    | 28.7                   | 10.9%                   | 1.2%                            | 29.9                             | 31.2    | 32.7    | 4.5%                    | 1.3%                            |
| Departmental agencies and accounts                  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Departmental agencies (non-business entities)       |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                             | 3.2     | 3.4     | 3.4     | 4.4                    | 11.3%                   | 0.2%                            | 6.4                              | 7.2     | 7.5     | 19.8%                   | 0.3%                            |
| Energy and Water Sector                             | 3.2     | 3.4     | 3.4     | 4.4                    | 11.3%                   | 0.2%                            | 6.4                              | 7.2     | 7.5     | 19.8%                   | 0.3%                            |
| Education and Training Authority                    |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Provinces and municipalities                        |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Provincial agencies and funds                       |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                             | 0.0     | 0.0     | 0.0     | 0.1                    | 270.8%                  | –                               | 0.1                              | 0.1     | 0.1     | 2.5%                    | –                               |
| Vehicle licences                                    | 0.0     | 0.0     | 0.0     | 0.1                    | 270.8%                  | –                               | 0.1                              | 0.1     | 0.1     | 2.5%                    | –                               |
| Foreign governments and international organisations |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                             | 2.3     | 2.5     | 6.2     | 6.5                    | 40.9%                   | 0.2%                            | 7.0                              | 7.3     | 7.6     | 5.1%                    | 0.3%                            |
| Orange-Senqu River Commission                       | 1.4     | 1.5     | 1.6     | 1.6                    | 3.4%                    | 0.1%                            | 1.6                              | 2.1     | 2.3     | 13.2%                   | 0.1%                            |
| African Ministers Council on Water                  | 0.1     | –       | 0.2     | 0.2                    | 10.6%                   | –                               | 0.2                              | 0.2     | 0.2     | 4.6%                    | –                               |
| Limpopo Watercourse Commission                      | 0.8     | 1.0     | 1.1     | 1.2                    | 14.8%                   | 0.1%                            | 1.3                              | 1.3     | 1.4     | 4.5%                    | 0.1%                            |
| Incomati and Maputo Watercourse Commission          | –       | –       | 3.3     | 3.6                    | –                       | 0.1%                            | 3.9                              | 3.6     | 3.8     | 1.5%                    | 0.2%                            |
| Non-profit institutions                             |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                             | 0.5     | 0.5     | 0.5     | 0.7                    | 13.5%                   | –                               | 0.6                              | 0.6     | 0.7     | -3.6%                   | –                               |
| Strategic Water Partners Network                    | 0.5     | 0.5     | 0.5     | 0.7                    | 13.5%                   | –                               | 0.6                              | 0.6     | 0.7     | -3.6%                   | –                               |

## Personnel information

**Table 41.7 Administration personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2025 |                                                 |         | Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment |           |                  |        |           |                                  |        |           |           |         |           |                   | 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 |        |           |           |         |           |                   |                         |                                  |     |       |        |
|                                             |                                                 | 2023/24 |                                                                                            |           | 2024/25          |        |           | 2025/26                          |        | 2026/27   |           | 2027/28 |           | 2024/25 - 2027/28 |                         |                                  |     |       |        |
|                                             |                                                 | Number  | Cost                                                                                       | Unit cost | Number           | Cost   | Unit cost | Number                           | Cost   | Unit cost | Number    | Cost    | Unit cost |                   |                         |                                  |     |       |        |
| Administration                              |                                                 |         | Number                                                                                     | Cost      | Unit cost        | Number | Cost      | Unit cost                        | Number | Cost      | Unit cost | Number  | Cost      | Unit cost         |                         |                                  |     |       |        |
| Salary level                                | 2 282                                           | 332     | 1 553                                                                                      | 868.3     | 0.6              | 1 493  | 875.3     | 0.6                              | 1 578  | 997.8     | 0.6       | 1 556   | 1 043.9   | 0.7               | 1 533                   | 1 090.4                          | 0.7 | 0.9%  | 100.0% |
| 1 – 6                                       | 834                                             | 26      | 534                                                                                        | 140.5     | 0.3              | 491    | 134.1     | 0.3                              | 491    | 143.0     | 0.3       | 477     | 146.4     | 0.3               | 464                     | 150.0                            | 0.3 | -1.8% | 31.2%  |
| 7 – 10                                      | 1 076                                           | 203     | 694                                                                                        | 392.1     | 0.6              | 696    | 410.5     | 0.6                              | 776    | 500.7     | 0.6       | 768     | 523.9     | 0.7               | 758                     | 546.1                            | 0.7 | 2.9%  | 48.7%  |
| 11 – 12                                     | 282                                             | 98      | 236                                                                                        | 214.8     | 0.9              | 225    | 215.6     | 1.0                              | 230    | 232.7     | 1.0       | 230     | 245.5     | 1.1               | 230                     | 259.1                            | 1.1 | 0.7%  | 14.9%  |
| 13 – 16                                     | 87                                              | 5       | 86                                                                                         | 113.6     | 1.3              | 78     | 107.3     | 1.4                              | 78     | 113.2     | 1.5       | 78      | 119.4     | 1.5               | 78                      | 126.0                            | 1.6 | –     | 5.1%   |
| Other                                       | 3                                               | –       | 3                                                                                          | 7.4       | 2.5              | 3      | 7.8       | 2.6                              | 3      | 8.2       | 2.7       | 3       | 8.7       | 2.9               | 3                       | 9.1                              | 3.0 | –     | 0.2%   |

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

2. Rand million.

## Programme 2: Water Resources Management

### Programme purpose

Ensure that South Africa's water resources are protected, used, developed, conserved, managed, controlled and planned in an integrated and sustainable manner.

### Objectives

- Effectively manage water demand and supply on an ongoing basis by:
  - maintaining 6 water information systems
  - updating climate change risk and vulnerability assessments.

- Ensure the effective and sustainable management of water resources by distributing and monitoring funds transferred to the Water Trading Entity for the design, construction, commissioning and rehabilitation of bulk raw water infrastructure, including dam safety rehabilitation, on an ongoing basis.
- Ensure the equitable allocation of water resources for social and economic development by finalising 80 per cent of applications to authorise water use within 90 working days on an ongoing basis.
- Protect and restore ecological infrastructure by classifying water resources and determining 2 water resource quality objectives of river systems in 2026/27 and 2027/28.
- Assess catchment management agencies performance in water user compliance monitoring and enforcement activities to ensure South African water is protected, used, developed, conserved, managed, controlled and planned in an integrated and sustainable manner on an ongoing basis.

## Subprogrammes

- *Water Resources Management Support* provides strategic leadership, management and support services to the programme and makes provisions for associated salaries.
- *National Water Resources Planning* develops comprehensive plans for the availability of adequate water resources to guide infrastructure development, systems and services management in the water sector.
- *Water Ecosystems Management* develops and implements measures to protect water resources. This entails determining measures to manage water resources, and developing guidelines and protocols for pollution control and rehabilitation.
- *National Water Resources Information and Management* ensures the development and maintenance of data and information management systems to enable informed decisions in the water sector.
- *Water Resources Infrastructure Management* develops, rehabilitates and refurbishes bulk raw water resources infrastructure to meet South Africa's socioeconomic and environmental needs.
- *Water Resources Policy, Strategy and Evaluation* develops, monitors and reviews management policies and procedures for water resources.
- *Water Resources Regulation* develops, implements, monitors and reviews regulations on water resources, particularly the regulation of raw water pricing, the authorisation of water use, compliance monitoring and enforcement, dam safety, resource protection and waste.
- *Water Resources Institutional Oversight* augments the water resource management functions devolved to catchment management agencies that cannot be fully recovered from the water users.

## Expenditure trends and estimates

**Table 41.8 Water Resources Management expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme                                        | Audited outcome |                |                | Adjusted appropriation | Average growth rate (%) | Average Expenditure/ Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average Expenditure/ Total (%) |
|-----------------------------------------------------|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| R million                                           | 2021/22         | 2022/23        | 2023/24        | 2024/25                | 2021/22 - 2024/25       | 2021/22 - 2024/25              | 2025/26                          | 2026/27        | 2027/28        | 2024/25 - 2027/28       | 2024/25 - 2027/28              |
| Water Resources Management Support                  | 5.4             | 6.3            | 4.2            | 5.7                    | 1.8%                    | 0.1%                           | 4.6                              | 4.8            | 4.8            | -5.8%                   | 0.1%                           |
| National Water Resources Planning                   | 74.8            | 69.5           | 80.1           | 79.4                   | 2.0%                    | 1.7%                           | 110.7                            | 115.8          | 121.3          | 15.2%                   | 1.4%                           |
| Water Ecosystems Management                         | 51.7            | 69.8           | 62.7           | 64.1                   | 7.4%                    | 1.4%                           | 75.3                             | 78.9           | 82.8           | 8.9%                    | 1.0%                           |
| National Water Resources Information and Management | 506.0           | 535.6          | 513.1          | 566.0                  | 3.8%                    | 11.8%                          | 602.5                            | 634.0          | 666.2          | 5.6%                    | 8.0%                           |
| Water Resources Infrastructure Management           | 2 613.4         | 2 857.1        | 3 313.1        | 5 538.3                | 28.4%                   | 79.4%                          | 8 253.6                          | 7 369.3        | 5 185.6        | -2.2%                   | 85.7%                          |
| Water Resources Policy, Strategy and Evaluation     | 2.3             | 2.6            | 5.5            | 9.5                    | 60.8%                   | 0.1%                           | 10.9                             | 11.4           | 11.9           | 8.1%                    | 0.1%                           |
| Water Resources Regulation                          | 197.7           | 201.8          | 214.0          | 234.3                  | 5.8%                    | 4.7%                           | 243.6                            | 256.5          | 268.2          | 4.6%                    | 3.3%                           |
| Water Resources Institutional Oversight             | 48.4            | 38.6           | 42.1           | 35.0                   | -10.2%                  | 0.9%                           | 32.6                             | 34.6           | 36.2           | 1.1%                    | 0.5%                           |
| <b>Total</b>                                        | <b>3 499.9</b>  | <b>3 781.2</b> | <b>4 234.7</b> | <b>6 532.4</b>         | <b>23.1%</b>            | <b>100.0%</b>                  | <b>9 333.8</b>                   | <b>8 505.3</b> | <b>6 377.0</b> | <b>-0.8%</b>            | <b>100.0%</b>                  |
| Change to 2024 Budget estimate                      |                 |                |                | —                      |                         |                                | 1 454.2                          | 957.4          | 655.5          |                         |                                |

**Table 41.8 Water Resources Management expenditure trends and estimates by subprogramme and economic classification (continued)**

| Economic classification                                       |         |         |         | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---------------------------------------------------------------|---------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
| Audited outcome                                               |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| R million                                                     | 2021/22 | 2022/23 | 2023/24 | 2024/25                | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27 | 2027/28 | 2024/25 - 2027/28       |                                 |
| Current payments                                              | 825.7   | 868.4   | 879.3   | 916.6                  | 3.5%                    | 19.3%                           | 1 002.0                          | 1 050.5 | 1 097.8 | 6.2%                    | 13.2%                           |
| Compensation of employees                                     | 611.7   | 593.2   | 618.9   | 641.5                  | 1.6%                    | 13.7%                           | 710.3                            | 743.0   | 777.2   | 6.6%                    | 9.3%                            |
| Goods and services                                            | 214.0   | 275.2   | 260.4   | 275.1                  | 8.7%                    | 5.7%                            | 291.7                            | 307.4   | 320.7   | 5.2%                    | 3.9%                            |
| of which:                                                     |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Computer services                                             | 39.9    | 39.7    | 33.4    | 19.6                   | -21.1%                  | 0.7%                            | 25.7                             | 27.0    | 28.2    | 12.9%                   | 0.3%                            |
| Consultants: Business and advisory services                   | 42.4    | 50.0    | 44.0    | 58.5                   | 11.3%                   | 1.1%                            | 78.5                             | 88.0    | 92.0    | 16.3%                   | 1.0%                            |
| Infrastructure and planning services                          | 25.3    | 33.4    | 35.0    | 36.4                   | 13.0%                   | 0.7%                            | 56.8                             | 59.6    | 62.4    | 19.7%                   | 0.7%                            |
| Fleet services (including government motor transport)         | 1.0     | 2.7     | 3.3     | 5.7                    | 77.3%                   | 0.1%                            | 6.2                              | 10.3    | 9.3     | 17.8%                   | 0.1%                            |
| Consumable supplies                                           | 8.7     | 15.9    | 20.6    | 20.1                   | 32.1%                   | 0.4%                            | 15.2                             | 15.0    | 16.1    | -7.1%                   | 0.2%                            |
| Travel and subsistence                                        | 70.8    | 106.8   | 96.1    | 93.2                   | 9.6%                    | 2.0%                            | 68.7                             | 60.8    | 63.2    | -12.2%                  | 0.9%                            |
| Transfers and subsidies                                       | 2 619.3 | 2 860.8 | 3 316.7 | 5 542.1                | 28.4%                   | 79.4%                           | 8 256.7                          | 7 372.5 | 5 188.9 | -2.2%                   | 85.7%                           |
| Provinces and municipalities                                  | 0.5     | 0.5     | 0.5     | 0.7                    | 14.3%                   | —                               | 0.7                              | 0.7     | 0.8     | 2.4%                    | —                               |
| Departmental agencies and accounts                            | 2 372.7 | 2 608.8 | 3 272.7 | 5 482.3                | 32.2%                   | 76.1%                           | 8 193.7                          | 7 293.7 | 5 106.5 | -2.3%                   | 84.8%                           |
| Foreign governments and international organisations           | 240.8   | 248.3   | 40.4    | 56.0                   | -38.5%                  | 3.2%                            | 59.9                             | 75.7    | 79.1    | 12.2%                   | 0.9%                            |
| Public corporations and private enterprises                   | 0.0     | 0.0     | 0.0     | —                      | -100.0%                 | —                               | —                                | —       | —       | —                       | —                               |
| Households                                                    | 5.4     | 3.3     | 3.2     | 3.0                    | -17.7%                  | 0.1%                            | 2.4                              | 2.4     | 2.5     | -6.1%                   | —                               |
| Payments for capital assets                                   | 54.7    | 51.8    | 38.7    | 73.7                   | 10.4%                   | 1.2%                            | 75.1                             | 82.4    | 90.3    | 7.0%                    | 1.0%                            |
| Buildings and other fixed structures                          | 29.4    | 21.6    | —       | 6.9                    | -38.3%                  | 0.3%                            | 26.8                             | 27.0    | 28.2    | 59.8%                   | 0.3%                            |
| Machinery and equipment                                       | 25.3    | 30.1    | 38.5    | 65.4                   | 37.2%                   | 0.9%                            | 48.3                             | 55.3    | 62.1    | -1.7%                   | 0.8%                            |
| Software and other intangible assets                          | —       | 0.1     | 0.2     | 1.3                    | —                       | —                               | —                                | —       | —       | -100.0%                 | —                               |
| Payments for financial assets                                 | 0.1     | 0.3     | 0.0     | —                      | -100.0%                 | —                               | —                                | —       | —       | —                       | —                               |
| Total                                                         | 3 499.9 | 3 781.2 | 4 234.7 | 6 532.4                | 23.1%                   | 100.0%                          | 9 333.8                          | 8 505.3 | 6 377.0 | -0.8%                   | 100.0%                          |
| Proportion of total programme expenditure to vote expenditure | 23.0%   | 21.4%   | 19.9%   | 27.4%                  | —                       | —                               | 35.0%                            | 34.0%   | 27.4%   | —                       | —                               |
| Details of transfers and subsidies                            |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Households                                                    |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Social benefits                                               |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                                       | 5.4     | 3.3     | 3.2     | 3.0                    | -17.7%                  | 0.1%                            | 2.4                              | 2.4     | 2.5     | -6.1%                   | —                               |
| Employee social benefits                                      | 5.4     | 3.3     | 3.2     | 3.0                    | -17.7%                  | 0.1%                            | 2.4                              | 2.4     | 2.5     | -6.1%                   | —                               |
| Departmental agencies and accounts                            |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Departmental agencies (non-business entities)                 |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                                       | 300.7   | 291.1   | 286.4   | 260.3                  | -4.7%                   | 6.3%                            | 247.2                            | 258.5   | 270.2   | 1.2%                    | 3.4%                            |
| Water Trading Entity                                          | 300.7   | 291.1   | 286.4   | —                      | -100.0%                 | 4.9%                            | —                                | —       | —       | —                       | —                               |
| Vaal-Orange Catchment Management Agency                       | —       | —       | —       | 27.1                   | —                       | 0.2%                            | 28.3                             | 29.6    | 31.0    | 4.5%                    | 0.4%                            |
| Breede-Olifants Catchment Management Agency                   | —       | —       | —       | 63.7                   | —                       | 0.4%                            | 66.6                             | 69.6    | 72.8    | 4.5%                    | 0.9%                            |
| Pongola-Umzimkulu Catchment Management Agency                 | —       | —       | —       | 21.6                   | —                       | 0.1%                            | 22.5                             | 23.6    | 24.6    | 4.5%                    | 0.3%                            |
| Mzimvubu-Tsitsikamma Catchment Management Agency              | —       | —       | —       | 21.6                   | —                       | 0.1%                            | 22.5                             | 23.6    | 24.6    | 4.5%                    | 0.3%                            |
| Limpopo-Olifants Catchment Management Agency                  | —       | —       | —       | 30.3                   | —                       | 0.2%                            | 31.6                             | 33.1    | 34.6    | 4.5%                    | 0.4%                            |
| Inkomati-Usuthu Catchment Management Agency                   | —       | —       | —       | 96.1                   | —                       | 0.5%                            | 75.5                             | 79.0    | 82.6    | -4.9%                   | 1.1%                            |
| Capital                                                       | 2 072.0 | 2 317.6 | 2 986.3 | 5 222.0                | 36.1%                   | 69.8%                           | 7 946.6                          | 7 035.2 | 4 836.4 | -2.5%                   | 81.4%                           |
| Water Trading Entity                                          | 2 072.0 | 2 317.6 | 2 986.3 | 5 222.0                | 36.1%                   | 69.8%                           | 7 946.6                          | 7 035.2 | 4 836.4 | -2.5%                   | 81.4%                           |
| Provinces and municipalities                                  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Provincial agencies and funds                                 |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                                       | 0.5     | 0.5     | 0.5     | 0.7                    | 14.3%                   | —                               | 0.7                              | 0.7     | 0.8     | 2.4%                    | —                               |
| Vehicle licences                                              | 0.5     | 0.5     | 0.5     | 0.7                    | 14.3%                   | —                               | 0.7                              | 0.7     | 0.8     | 2.4%                    | —                               |
| Foreign governments and international organisations           |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                                       | 240.8   | 248.3   | 40.4    | 56.0                   | -38.5%                  | 3.2%                            | 59.9                             | 75.7    | 79.1    | 12.2%                   | 0.9%                            |
| Komati Basin Water Authority                                  | 240.8   | 248.3   | 40.4    | 56.0                   | -38.5%                  | 3.2%                            | 59.9                             | 75.7    | 79.1    | 12.2%                   | 0.9%                            |
| Public corporations and private enterprises                   |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Other transfers to public corporations                        |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current                                                       | 0.0     | 0.0     | 0.0     | —                      | -100.0%                 | —                               | —                                | —       | —       | —                       | —                               |
| Communication licences                                        | 0.0     | 0.0     | 0.0     | —                      | -100.0%                 | —                               | —                                | —       | —       | —                       | —                               |

## Personnel information

**Table 41.9 Water Resources Management personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2025 |                                                 |         | Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment |       |                  |        |       |                                  |        |         |           |         |       |                   | 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 |        |         |           |         |       | 2024/25 - 2027/28 |                         |                                  |     |       |       |
|                                             |                                                 | 2023/24 |                                                                                            |       | 2024/25          |        |       | 2025/26                          |        | 2026/27 |           | 2027/28 |       |                   |                         |                                  |     |       |       |
| Water Resources Management                  |                                                 |         | Number                                                                                     | Cost  | Unit cost        | Number | Cost  | Unit cost                        | Number | Cost    | Unit cost | Number  | Cost  | Unit cost         |                         |                                  |     |       |       |
| Salary level                                | 1 708                                           | 169     | 1 000                                                                                      | 618.9 | 0.6              | 916    | 637.3 | 0.7                              | 962    | 710.3   | 0.7       | 940     | 743.0 | 0.8               | 930                     | 777.2                            | 0.8 |       |       |
| 1 – 6                                       | 482                                             | 42      | 354                                                                                        | 96.0  | 0.3              | 301    | 84.3  | 0.3                              | 310    | 94.4    | 0.3       | 288     | 93.1  | 0.3               | 287                     | 98.0                             | 0.3 | -1.6% | 31.7% |
| 7 – 10                                      | 717                                             | 77      | 355                                                                                        | 216.9 | 0.6              | 312    | 210.5 | 0.7                              | 348    | 254.4   | 0.7       | 348     | 268.6 | 0.8               | 343                     | 280.1                            | 0.8 | 3.3%  | 36.1% |
| 11 – 12                                     | 465                                             | 47      | 252                                                                                        | 253.5 | 1.0              | 263    | 284.5 | 1.1                              | 263    | 300.2   | 1.1       | 263     | 316.8 | 1.2               | 260                     | 330.9                            | 1.3 | -0.4% | 28.0% |
| 13 – 16                                     | 44                                              | 3       | 39                                                                                         | 52.5  | 1.3              | 40     | 58.0  | 1.5                              | 40     | 61.2    | 1.5       | 40      | 64.6  | 1.6               | 40                      | 68.2                             | 1.7 | –     | 4.3%  |

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

2. Rand million.

## Programme 3: Water Services Management

### Programme purpose

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

### Objectives

- Ensure adequate water availability through the development and management of infrastructure for water services and enhance the provision of dignified sanitation by:
  - monitoring the implementation of the water and sanitation reliability plans of 44 district municipalities over the medium term
  - implementing 82 regional bulk infrastructure project phases over the medium term
  - assessing annual municipal strategic self-assessments across all water services authorities on an ongoing basis
  - transferring funds and monitoring the performance of municipalities using the *regional bulk infrastructure grant* and *water services infrastructure grant* in terms of the annual Division of Revenue Act.

### Subprogrammes

- *Water Services Management Support* provides strategic leadership, management and support services to the programme, and makes provision for associated salaries (including the budget for the salaries of provincial heads).
- *Water Services and Local Management* develops comprehensive plans that guide water and sanitation services and management across the value chain.
- *Regional Bulk Infrastructure Grant* provides for the development of new infrastructure; the refurbishment, upgrading and replacing of aging infrastructure; and the servicing of extensive areas across municipal boundaries.
- *Water Services Regulation* develops, implements, monitors and reviews water services regulations, particularly the compliance of water services authorities with water supply regulations.
- *Water and Sanitation Services Policy, Strategy and Evaluation* develops and reviews water services policies, procedures, norms and standards; and monitors their implementation.
- *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.

- *Water Services Interventions* determines and implements priority interventions to improve poor service delivery in water services authorities and incorporates the construction management unit that implements water services projects.

## Expenditure trends and estimates

**Table 41.10 Water Services Management expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme                                                         | Audited outcome |                 |                 | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                 |                 | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|------------------------|-------------------------|---------------------------------|----------------------------------|-----------------|-----------------|-------------------------|---------------------------------|
| R million                                                            | 2021/22         | 2022/23         | 2023/24         | 2024/25                | 2021/22 - 2024/25       | 2024/25                         | 2025/26                          | 2026/27         | 2027/28         | 2024/25 - 2027/28       | 2027/28                         |
| Water Services Management Support                                    | 27.6            | 32.7            | 39.2            | 74.4                   | 39.1%                   | 0.3%                            | 66.3                             | 71.2            | 75.2            | 0.4%                    | 0.5%                            |
| Water Services and Local Management                                  | 223.8           | 359.1           | 280.1           | 380.2                  | 19.3%                   | 2.4%                            | 424.9                            | 434.1           | 453.0           | 6.0%                    | 2.9%                            |
| Regional Bulk Infrastructure Grant                                   | 5 444.6         | 7 005.6         | 9 827.2         | 9 317.4                | 19.6%                   | 60.6%                           | 8 898.8                          | 7 511.3         | 7 500.7         | -7.0%                   | 57.0%                           |
| Water Services Regulation                                            | 38.1            | 42.3            | 32.7            | 43.1                   | 4.2%                    | 0.3%                            | 58.3                             | 53.5            | 56.2            | 9.3%                    | 0.4%                            |
| Water and Sanitation Services Policy, Strategy and Evaluation        | 12.3            | 13.5            | 11.4            | 10.2                   | -6.3%                   | 0.1%                            | 12.8                             | 12.2            | 12.8            | 8.0%                    | 0.1%                            |
| Water Services Infrastructure Grant                                  | 4 233.1         | 4 481.0         | 4 899.9         | 5 214.6                | 7.2%                    | 36.1%                           | 5 469.8                          | 5 891.8         | 6 158.1         | 5.7%                    | 39.0%                           |
| Water Services Interventions                                         | 7.6             | 20.8            | 18.9            | 28.5                   | 55.3%                   | 0.1%                            | 12.0                             | 13.2            | 14.6            | -20.0%                  | 0.1%                            |
| <b>Total</b>                                                         | <b>9 987.2</b>  | <b>11 954.9</b> | <b>15 109.4</b> | <b>15 068.4</b>        | <b>14.7%</b>            | <b>100.0%</b>                   | <b>14 942.9</b>                  | <b>13 987.3</b> | <b>14 270.6</b> | <b>-1.8%</b>            | <b>100.0%</b>                   |
| Change to 2024 Budget estimate                                       |                 |                 |                 | –                      |                         |                                 | (4.4)                            | 204.7           | (21.2)          |                         |                                 |
| <b>Economic classification</b>                                       |                 |                 |                 |                        |                         |                                 |                                  |                 |                 |                         |                                 |
| <b>Current payments</b>                                              | <b>766.2</b>    | <b>925.5</b>    | <b>827.5</b>    | <b>972.0</b>           | <b>8.3%</b>             | <b>6.7%</b>                     | <b>774.6</b>                     | <b>798.5</b>    | <b>836.0</b>    | <b>-4.9%</b>            | <b>5.8%</b>                     |
| Compensation of employees                                            | 339.0           | 369.7           | 345.4           | 395.1                  | 5.2%                    | 2.8%                            | 390.2                            | 408.2           | 426.8           | 2.6%                    | 2.8%                            |
| Goods and services                                                   | 427.0           | 555.8           | 482.1           | 576.9                  | 10.5%                   | 3.9%                            | 384.4                            | 390.3           | 409.2           | -10.8%                  | 3.0%                            |
| of which:                                                            |                 |                 |                 |                        |                         | –                               |                                  |                 |                 |                         | –                               |
| Administrative fees                                                  | 4.1             | 2.3             | 1.6             | 2.1                    | -19.8%                  | –                               | 13.2                             | 3.3             | 3.5             | 19.1%                   | –                               |
| Consultants: Business and advisory services                          | 67.4            | 156.5           | 224.8           | 277.3                  | 60.2%                   | 1.4%                            | 53.0                             | 53.1            | 54.4            | -41.9%                  | 0.8%                            |
| Infrastructure and planning services                                 | 61.9            | 45.6            | 110.4           | 178.5                  | 42.3%                   | 0.8%                            | 199.7                            | 203.0           | 213.2           | 6.1%                    | 1.4%                            |
| Consumable supplies                                                  | 2.9             | 2.6             | 3.9             | 7.3                    | 35.1%                   | –                               | 5.7                              | 5.6             | 6.5             | -3.7%                   | –                               |
| Property payments                                                    | 18.9            | 13.2            | 0.6             | 1.1                    | -61.8%                  | 0.1%                            | 1.0                              | 9.8             | 10.4            | 114.8%                  | –                               |
| Travel and subsistence                                               | 34.8            | 69.7            | 61.5            | 70.1                   | 26.2%                   | 0.5%                            | 67.5                             | 71.4            | 75.0            | 2.3%                    | 0.5%                            |
| Interest and rent on land                                            | 0.2             | –               | –               | –                      | -100.0%                 | –                               | –                                | –               | –               | –                       | –                               |
| <b>Transfers and subsidies</b>                                       | <b>6 763.2</b>  | <b>7 904.9</b>  | <b>9 922.5</b>  | <b>10 188.1</b>        | <b>14.6%</b>            | <b>66.7%</b>                    | <b>9 810.2</b>                   | <b>8 603.3</b>  | <b>8 641.5</b>  | <b>-5.3%</b>            | <b>63.9%</b>                    |
| Provinces and municipalities                                         | 5 857.8         | 6 356.7         | 6 878.5         | 7 665.1                | 9.4%                    | 51.3%                           | 7 975.5                          | 7 642.2         | 7 637.4         | -0.1%                   | 53.1%                           |
| Foreign governments and international organisations                  | –               | –               | –               | 10.0                   | –                       | –                               | 10.0                             | 10.0            | 10.0            | –                       | 0.1%                            |
| Public corporations and private enterprises                          | 903.0           | 1 543.7         | 3 039.5         | 2 508.5                | 40.6%                   | 15.3%                           | 1 822.2                          | 948.7           | 991.6           | -26.6%                  | 10.8%                           |
| Non-profit institutions                                              | 0.1             | 1.0             | 1.9             | 2.7                    | 226.0%                  | –                               | 1.4                              | 1.3             | 1.4             | -19.9%                  | –                               |
| Households                                                           | 2.4             | 3.5             | 2.6             | 1.9                    | -7.9%                   | –                               | 1.1                              | 1.0             | 1.1             | -16.7%                  | –                               |
| <b>Payments for capital assets</b>                                   | <b>2 457.6</b>  | <b>3 124.3</b>  | <b>4 359.3</b>  | <b>3 908.3</b>         | <b>16.7%</b>            | <b>26.6%</b>                    | <b>4 358.1</b>                   | <b>4 585.6</b>  | <b>4 793.1</b>  | <b>7.0%</b>             | <b>30.3%</b>                    |
| Buildings and other fixed structures                                 | 2 450.2         | 3 114.1         | 4 349.9         | 3 894.7                | 16.7%                   | 26.5%                           | 4 345.4                          | 4 572.8         | 4 779.5         | 7.1%                    | 30.2%                           |
| Machinery and equipment                                              | 7.4             | 10.2            | 9.4             | 13.6                   | 22.4%                   | 0.1%                            | 12.7                             | 12.8            | 13.6            | -0.2%                   | 0.1%                            |
| <b>Payments for financial assets</b>                                 | <b>0.1</b>      | <b>0.3</b>      | <b>0.0</b>      | <b>–</b>               | <b>-100.0%</b>          | <b>–</b>                        | <b>–</b>                         | <b>–</b>        | <b>–</b>        | <b>–</b>                | <b>–</b>                        |
| <b>Total</b>                                                         | <b>9 987.2</b>  | <b>11 954.9</b> | <b>15 109.4</b> | <b>15 068.4</b>        | <b>14.7%</b>            | <b>100.0%</b>                   | <b>14 942.9</b>                  | <b>13 987.3</b> | <b>14 270.6</b> | <b>-1.8%</b>            | <b>100.0%</b>                   |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>65.7%</b>    | <b>67.6%</b>    | <b>70.8%</b>    | <b>63.2%</b>           | <b>–</b>                | <b>–</b>                        | <b>56.0%</b>                     | <b>56.0%</b>    | <b>61.3%</b>    | <b>–</b>                | <b>–</b>                        |
| <b>Details of transfers and subsidies</b>                            |                 |                 |                 |                        |                         |                                 |                                  |                 |                 |                         |                                 |
| <b>Households</b>                                                    |                 |                 |                 |                        |                         |                                 |                                  |                 |                 |                         |                                 |
| <b>Social benefits</b>                                               |                 |                 |                 |                        |                         |                                 |                                  |                 |                 |                         |                                 |
| <b>Current</b>                                                       | 2.4             | 3.5             | 2.6             | 1.9                    | -7.9%                   | –                               | 1.1                              | 1.0             | 1.1             | -16.7%                  | –                               |
| Employee social benefits                                             | 2.4             | 3.5             | 2.6             | 1.9                    | -7.9%                   | –                               | 1.1                              | 1.0             | 1.1             | -16.7%                  | –                               |
| <b>Other transfers to households</b>                                 |                 |                 |                 |                        |                         |                                 |                                  |                 |                 |                         |                                 |
| <b>Current</b>                                                       | –               | –               | 0.0             | –                      | –                       | –                               | –                                | –               | –               | –                       | –                               |
| Employee social benefits                                             | –               | –               | 0.0             | –                      | –                       | –                               | –                                | –               | –               | –                       | –                               |
| <b>Provinces and municipalities</b>                                  |                 |                 |                 |                        |                         |                                 |                                  |                 |                 |                         |                                 |
| <b>Municipal bank accounts</b>                                       |                 |                 |                 |                        |                         |                                 |                                  |                 |                 |                         |                                 |
| <b>Capital</b>                                                       | 5 857.8         | 6 356.7         | 6 878.5         | 7 665.1                | 9.4%                    | 51.3%                           | 7 975.5                          | 7 642.2         | 7 637.4         | -0.1%                   | 53.1%                           |
| Regional bulk infrastructure grant                                   | 2 237.4         | 2 655.7         | 3 258.8         | 3 627.4                | 17.5%                   | 22.6%                           | 3 756.9                          | 3 230.3         | 3 026.0         | -5.9%                   | 23.4%                           |
| Water services infrastructure grant                                  | 3 620.4         | 3 701.0         | 3 619.7         | 4 037.7                | 3.7%                    | 28.7%                           | 4 218.6                          | 4 411.8         | 4 611.3         | 4.5%                    | 29.7%                           |

**Table 41.10 Water Services Management expenditure trends and estimates by subprogramme and economic classification (continued)**

| Details of transfers and subsidies                              | Audited outcome |         |         | Adjusted appropriation | Average growth rate (%) | Average expenditure/ Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average expenditure/ Total (%) |
|-----------------------------------------------------------------|-----------------|---------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
|                                                                 | 2021/22         | 2022/23 | 2023/24 |                        |                         |                                | 2025/26                          | 2026/27 | 2027/28 |                         |                                |
|                                                                 | 2021/22         | 2022/23 | 2023/24 |                        |                         |                                | 2025/26                          | 2026/27 | 2027/28 |                         |                                |
| R million                                                       |                 |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| <b>Foreign governments and international organisations</b>      |                 |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| <b>Current</b>                                                  | –               | –       | –       | 10.0                   | –                       | –                              | 10.0                             | 10.0    | 10.0    | –                       | 0.1%                           |
| World Bank                                                      | –               | –       | –       | 10.0                   | –                       | –                              | 10.0                             | 10.0    | 10.0    | –                       | 0.1%                           |
| <b>Non-profit institutions</b>                                  |                 |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| <b>Current</b>                                                  | 0.1             | 1.0     | 1.9     | 2.7                    | 226.0%                  | –                              | 1.4                              | 1.3     | 1.4     | -19.9%                  | –                              |
| South African Youth Water Prize                                 | –               | 0.5     | 0.0     | 0.6                    | –                       | –                              | 0.0                              | 0.0     | 0.0     | -66.2%                  | –                              |
| Various institutions: 2020 vision for water education programme | 0.1             | 0.5     | 1.9     | 2.1                    | 199.5%                  | –                              | 1.4                              | 1.3     | 1.3     | -13.4%                  | –                              |
| <b>Public corporations and private enterprises</b>              |                 |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| <b>Other transfers to public corporations</b>                   |                 |         |         |                        |                         |                                |                                  |         |         |                         |                                |
| <b>Current</b>                                                  | –               | 130.0   | 7.0     | 56.2                   | –                       | 0.4%                           | –                                | –       | –       | -100.0%                 | 0.1%                           |
| Magalies Water                                                  | –               | 21.2    | 2.0     | 27.8                   | –                       | 0.1%                           | –                                | –       | –       | -100.0%                 | –                              |
| Bloem Water                                                     | –               | 108.8   | –       | –                      | –                       | 0.2%                           | –                                | –       | –       | –                       | –                              |
| Vaal Central Water                                              | –               | –       | 5.0     | 28.4                   | –                       | 0.1%                           | –                                | –       | –       | -100.0%                 | –                              |
| <b>Capital</b>                                                  | 903.0           | 1 413.7 | 3 032.5 | 2 452.3                | 39.5%                   | 15.0%                          | 1 822.2                          | 948.7   | 991.6   | -26.1%                  | 10.7%                          |
| Magalies Water                                                  | 103.4           | 109.3   | 1 780.0 | 1 431.2                | 140.1%                  | 6.6%                           | 1 165.0                          | –       | –       | -100.0%                 | 4.5%                           |
| uMngeni-uThukela Water                                          | 662.9           | 738.7   | 269.0   | 315.0                  | -22.0%                  | 3.8%                           | 151.5                            | 158.4   | 165.6   | -19.3%                  | 1.4%                           |
| Sedibeng Water                                                  | 136.7           | 143.7   | –       | –                      | -100.0%                 | 0.5%                           | –                                | –       | –       | –                       | –                              |
| Lepelle Northern Water                                          | –               | 422.0   | 633.0   | 317.0                  | –                       | 2.6%                           | –                                | –       | –       | -100.0%                 | 0.5%                           |
| Vaal Central Water                                              | –               | –       | 350.5   | 350.9                  | –                       | 1.3%                           | 505.7                            | 790.3   | 826.0   | 33.0%                   | 4.2%                           |
| Overberg Water                                                  | –               | –       | –       | 38.2                   | –                       | 0.1%                           | –                                | –       | –       | -100.0%                 | 0.1%                           |

## Personnel information

**Table 41.11 Water Services Management personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2025 |                                                 |         | Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment |           |                  |      |           |                                  |      |           |        |         |           |                   | 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 |      |           |        |         |           |                   |                         |                                  |     |       |        |
|                                             |                                                 | 2023/24 |                                                                                            |           | 2024/25          |      |           | 2025/26                          |      | 2026/27   |        | 2027/28 |           | 2024/25 - 2027/28 |                         |                                  |     |       |        |
| Water Services Management                   |                                                 | Number  | Cost                                                                                       | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost |                   |                         |                                  |     |       |        |
| Salary level                                | 957                                             | 94      | 527                                                                                        | 345.4     | 0.7              | 597  | 379.4     | 0.6                              | 578  | 390.2     | 0.7    | 569     | 408.2     | 0.7               | 560                     | 426.8                            | 0.8 | -2.2% | 100.0% |
| 1 – 6                                       | 200                                             | 34      | 122                                                                                        | 33.8      | 0.3              | 186  | 58.3      | 0.3                              | 174  | 57.6      | 0.3    | 167     | 58.5      | 0.4               | 158                     | 58.3                             | 0.4 | -5.3% | 29.7%  |
| 7 – 10                                      | 488                                             | 47      | 230                                                                                        | 140.1     | 0.6              | 258  | 161.7     | 0.6                              | 252  | 164.4     | 0.7    | 249     | 172.2     | 0.7               | 248                     | 181.2                            | 0.7 | -1.3% | 43.7%  |
| 11 – 12                                     | 219                                             | 13      | 130                                                                                        | 125.0     | 1.0              | 107  | 109.2     | 1.0                              | 107  | 115.2     | 1.1    | 107     | 121.5     | 1.1               | 107                     | 128.2                            | 1.2 | –     | 18.6%  |
| 13 – 16                                     | 50                                              | –       | 45                                                                                         | 46.5      | 1.0              | 46   | 50.3      | 1.1                              | 46   | 53.0      | 1.2    | 46      | 56.0      | 1.2               | 46                      | 59.1                             | 1.3 | –     | 8.0%   |

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

2. Rand million.

## Entities

### Breede-Olifants Catchment Management Agency

#### Selected performance indicators

**Table 41.12 Breede-Gouritz Catchment Management Agency performance indicators by programme/objective/activity and related outcome**

| Indicator                                                                   | Programme/Objective/Activity | MTDP outcome                                                      | Audited performance |                    |                  | Estimated performance | MTEF targets |         |                |
|-----------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------------|---------------------|--------------------|------------------|-----------------------|--------------|---------|----------------|
|                                                                             |                              |                                                                   | 2021/22             | 2022/23            | 2023/24          | 2024/25               | 2025/26      | 2026/27 | 2026/27        |
| Percentage of water registrations finalised per year                        | Water projects               | Outcome 3: Structural reforms to drive growth and competitiveness | 86.5%<br>(416/481)  | 97.1%<br>(465/479) | 97%<br>(485/500) | 85%                   | 80%          | 80%     | 80%            |
| Percentage development of the catchment management strategy                 | Water resources management   | Outcome 4: Increased infrastructure investment and job creation   | – <sup>1</sup>      | – <sup>1</sup>     | – <sup>1</sup>   | 30%                   | 70%          | 100%    | – <sup>2</sup> |
| Percentage of pollution incidents responded to within 78 hours of reporting | Water resources management   | Outcome 16: Improved service delivery at local government         | – <sup>1</sup>      | – <sup>1</sup>     | – <sup>1</sup>   | 85%                   | 100%         | 100%    | 100%           |

1. No historical data available.

2. Development of strategy completed.

## Entity overview

The former Breede-Gouritz Catchment Management Agency was established in 2005 in terms of the National Water Act (1998). In November 2022, the agency's boundary and area of operation was extended to form the Breede-Olifants Catchment Management Agency. The agency is mandated to protect the use of water resources in its area of operation through resource allocation, protection, use, conservation, monitoring, planning, development and operations.

Over the medium term, the agency plans to engage with users in the Breede-Olifants water management area as part of its public participation programme to raise awareness about all elements of water use, including conservation and management; monitor and authorise their water usage; and finalise 80 per cent of user registrations each year. It also plans to finalise a catchment management strategy by 2026/27 to guide the management of water resources and respond to incidents of pollution within the water management area within 78 hours of reporting.

Total expenditure is expected to increase at a marginal average annual rate of 0.6 per cent, from R214 million in 2024/25 to R217.8 million in 2027/28, in line with revenue from water resource and wastewater charges. Spending on compensation of employees is set to increase at average annual rate of 7.4 per cent, from R120.6 million in 2024/25 to R149.4 million in 2027/28, because of cost-of-living adjustments. Spending on goods and services is set to decrease at an average annual rate of 9.9 per cent, from R93.4 million in 2024/25 to R68.4 million in 2027/28, as the agency finalises its catchment management strategy by 2026/27. Goods and services items include consultants, computer equipment, vehicles and office furniture.

The agency is set to derive 57.8 per cent (R333.4 million) of its revenue over the medium term through water resource management charges, wastewater charges and income from a cooperation agreement with the South African National Biodiversity Institute. Transfers from the department are expected to account for 42.2 per cent (R288.4 million) of total revenue, increasing at an average annual rate of 16.4 per cent, from R63.7 million in 2024/25 to R100.5 million in 2027/28, because of the agency expanding its service area to cover the entire Western Cape.

## Programmes/Objectives/Activities

**Table 41.13 Breede-Olifants Catchment Management Agency expenditure trends and estimates by programme/objective/activity**

| R million            | Audited outcome |             |             | Revised estimate<br>2024/25 | Average growth rate (%) |                                | Medium-term expenditure estimate |              |              | Average growth rate (%) |                                |
|----------------------|-----------------|-------------|-------------|-----------------------------|-------------------------|--------------------------------|----------------------------------|--------------|--------------|-------------------------|--------------------------------|
|                      | 2021/22         | 2022/23     | 2023/24     |                             | 2021/22 - 2024/25       | Average: Expenditure/Total (%) | 2025/26                          | 2026/27      | 2027/28      | 2024/25 - 2027/28       | Average: Expenditure/Total (%) |
| Administration       | 36.6            | 45.9        | 46.2        | 79.1                        | 29.3%                   | 45.8%                          | 69.0                             | 68.5         | 72.7         | -2.8%                   | 34.6%                          |
| Water projects       | 33.2            | 35.0        | 38.9        | 113.3                       | 50.6%                   | 43.8%                          | 110.7                            | 120.2        | 125.4        | 3.4%                    | 56.2%                          |
| Public participation | 8.7             | 9.3         | 9.5         | 21.6                        | 35.2%                   | 10.4%                          | 17.3                             | 18.4         | 19.7         | -3.0%                   | 9.2%                           |
| <b>Total</b>         | <b>78.5</b>     | <b>90.2</b> | <b>94.6</b> | <b>214.0</b>                | <b>39.7%</b>            | <b>100.0%</b>                  | <b>196.9</b>                     | <b>207.1</b> | <b>217.8</b> | <b>0.6%</b>             | <b>100.0%</b>                  |

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

**Table 41.14 Breede-Olifants Catchment Management Agency statements of financial performance, cash flow and financial position**

| Statement of financial performance                   | Audited outcome |              |              | Revised estimate<br>2024/25 | Average growth rate (%) |                                | Medium-term expenditure estimate |              |              | Average growth rate (%) |                                |
|------------------------------------------------------|-----------------|--------------|--------------|-----------------------------|-------------------------|--------------------------------|----------------------------------|--------------|--------------|-------------------------|--------------------------------|
|                                                      | 2021/22         | 2022/23      | 2023/24      |                             | 2021/22 - 2024/25       | Average: Expenditure/Total (%) | 2025/26                          | 2026/27      | 2027/28      | 2024/25 - 2027/28       | Average: Expenditure/Total (%) |
| R million                                            |                 |              |              |                             |                         |                                |                                  |              |              |                         |                                |
| <b>Revenue</b>                                       |                 |              |              |                             |                         |                                |                                  |              |              |                         |                                |
| <b>Non-tax revenue</b>                               | <b>59.2</b>     | <b>64.5</b>  | <b>73.4</b>  | <b>150.2</b>                | <b>36.4%</b>            | <b>63.7%</b>                   | <b>105.1</b>                     | <b>111.0</b> | <b>117.2</b> | <b>-7.9%</b>            | <b>57.8%</b>                   |
| Sale of goods and services other than capital assets | 49.1            | 48.8         | 53.8         | 95.3                        | 24.7%                   | 46.7%                          | 102.6                            | 108.3        | 114.4        | 6.3%                    | 50.4%                          |
| Other sales                                          | 49.1            | 48.8         | 53.8         | 95.3                        | 24.7%                   | 46.7%                          | 102.6                            | 108.3        | 114.4        | 6.3%                    | 50.4%                          |
| Other non-tax revenue                                | 10.1            | 15.8         | 19.6         | 54.9                        | 76.1%                   | 16.9%                          | 2.6                              | 2.7          | 2.9          | -62.6%                  | 7.4%                           |
| <b>Transfers received</b>                            | <b>40.6</b>     | <b>40.2</b>  | <b>42.2</b>  | <b>63.7</b>                 | <b>16.2%</b>            | <b>36.3%</b>                   | <b>91.8</b>                      | <b>96.1</b>  | <b>100.5</b> | <b>16.4%</b>            | <b>42.2%</b>                   |
| <b>Total revenue</b>                                 | <b>99.8</b>     | <b>104.7</b> | <b>115.6</b> | <b>214.0</b>                | <b>29.0%</b>            | <b>100.0%</b>                  | <b>196.9</b>                     | <b>207.1</b> | <b>217.8</b> | <b>0.6%</b>             | <b>100.0%</b>                  |

**Table 41.14 Breede-Olifants Catchment Management Agency statements of financial performance, cash flow and financial position (continued)**

| Statement of financial performance                              |         |         |         | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------------------------------------|---------|---------|---------|------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
| Audited outcome                                                 |         |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| R million                                                       | 2021/22 | 2022/23 | 2023/24 | 2024/25          | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27 | 2027/28 | 2024/25 - 2027/28       |                                 |
| Expenses                                                        |         |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Current expenses                                                | 78.5    | 90.2    | 94.6    | 214.0            | 39.7%                   | 100.0%                          | 196.9                            | 207.1   | 217.8   | 0.6%                    | 100.0%                          |
| Compensation of employees                                       | 50.5    | 55.1    | 59.3    | 120.6            | 33.7%                   | 61.1%                           | 125.7                            | 132.8   | 149.4   | 7.4%                    | 63.2%                           |
| Goods and services                                              | 26.6    | 35.0    | 33.8    | 93.4             | 52.0%                   | 38.0%                           | 71.2                             | 74.3    | 68.4    | -9.9%                   | 36.8%                           |
| Depreciation                                                    | 1.4     | —       | 1.5     | —                | -100.0%                 | 0.9%                            | —                                | —       | —       | —                       | —                               |
| Total expenses                                                  | 78.5    | 90.2    | 94.6    | 214.0            | 39.7%                   | 100.0%                          | 196.9                            | 207.1   | 217.8   | 0.6%                    | 100.0%                          |
| Surplus/(Deficit)                                               | 21.3    | 14.5    | 21.0    | —                | -100.0%                 |                                 | —                                | —       | —       | —                       |                                 |
| Cash flow statement                                             |         |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Cash flow from operating activities                             | 17.7    | 15.4    | 23.8    | 9.3              | -19.2%                  | 100.0%                          | 2.6                              | 2.1     | 2.3     | -37.7%                  | 100.0%                          |
| Receipts                                                        |         |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Non-tax receipts                                                | 44.0    | 49.5    | 64.8    | 97.7             | 30.5%                   | 53.4%                           | 105.1                            | 114.8   | 117.2   | 6.3%                    | 52.0%                           |
| Sales of goods and services other than capital assets           | 41.3    | 43.6    | 54.1    | 95.3             | 32.1%                   | 48.1%                           | 102.6                            | 112.1   | 114.4   | 6.3%                    | 50.7%                           |
| Other sales                                                     | 41.3    | 43.6    | 54.1    | 95.3             | 32.1%                   | 48.1%                           | 102.6                            | 112.1   | 114.4   | 6.3%                    | 50.7%                           |
| Other tax receipts                                              | 2.7     | 6.0     | 10.7    | 2.4              | -3.0%                   | 5.2%                            | 2.6                              | 2.7     | 2.9     | 5.6%                    | 1.3%                            |
| Transfers received                                              | 40.6    | 40.2    | 42.2    | 63.7             | 16.2%                   | 40.5%                           | 91.8                             | 96.1    | 98.3    | 15.5%                   | 41.9%                           |
| Financial transactions in assets and liabilities                | —       | —       | —       | 52.5             | —                       | 6.1%                            | —                                | —       | —       | -100.0%                 | 6.1%                            |
| Total receipts                                                  | 84.6    | 89.7    | 107.0   | 214.0            | 36.2%                   | 100.0%                          | 196.9                            | 210.8   | 215.5   | 0.2%                    | 100.0%                          |
| Payment                                                         |         |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Current payments                                                | 66.9    | 74.3    | 83.2    | 204.6            | 45.1%                   | 100.0%                          | 194.3                            | 208.7   | 213.3   | 1.4%                    | 100.0%                          |
| Compensation of employees                                       | 49.8    | 55.2    | 60.6    | 121.7            | 34.7%                   | 70.2%                           | 127.0                            | 134.0   | 149.4   | 7.1%                    | 64.8%                           |
| Goods and services                                              | 17.1    | 19.1    | 22.6    | 82.9             | 69.1%                   | 29.8%                           | 67.3                             | 74.7    | 63.9    | -8.3%                   | 35.2%                           |
| Total payments                                                  | 66.9    | 74.3    | 83.2    | 204.6            | 45.1%                   | 100.0%                          | 194.3                            | 208.7   | 213.3   | 1.4%                    | 100.0%                          |
| Net cash flow from investing activities                         | (1.4)   | (2.1)   | (3.4)   | (9.3)            | 90.2%                   | 100.0%                          | (2.6)                            | (2.1)   | (2.3)   | -37.7%                  | 100.0%                          |
| Acquisition of property, plant, equipment and intangible assets | (0.9)   | (1.1)   | (3.1)   | (8.1)            | 111.6%                  | 73.3%                           | (2.0)                            | (1.6)   | (1.7)   | -40.6%                  | 77.9%                           |
| Acquisition of software and other intangible assets             | (0.5)   | (1.0)   | (0.3)   | (1.3)            | 35.8%                   | 26.7%                           | (0.7)                            | (0.5)   | (0.6)   | -23.6%                  | 22.1%                           |
| Net increase/(decrease) in cash and cash equivalents            | 16.3    | 13.4    | 20.3    | 0.0              | -97.1%                  | 14.3%                           | (0.0)                            | 0.0     | (0.0)   | -160.6%                 | 100.0%                          |
| Statement of financial position                                 |         |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Carrying value of assets                                        | 1.8     | 4.1     | 1.8     | 1.8              | —                       | 1.3%                            | 1.8                              | 1.8     | 1.8     | —                       | 1.0%                            |
| of which:                                                       |         |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Acquisition of assets                                           | (0.9)   | (1.1)   | (3.1)   | (8.1)            | 111.6%                  | 100.0%                          | (2.0)                            | (1.6)   | (1.7)   | -40.6%                  | 100.0%                          |
| Receivables and prepayments                                     | 57.1    | 56.3    | 57.0    | 57.0             | —                       | 32.5%                           | 57.0                             | 57.0    | 57.0    | —                       | 33.3%                           |
| Cash and cash equivalents                                       | 112.6   | 126.0   | 112.6   | 112.6            | —                       | 66.2%                           | 112.6                            | 112.6   | 112.6   | —                       | 65.7%                           |
| Total assets                                                    | 171.4   | 186.4   | 171.4   | 171.4            | —                       | 100.0%                          | 171.4                            | 171.4   | 171.4   | —                       | 100.0%                          |
| Accumulated surplus/(deficit)                                   | 157.9   | 172.8   | 157.9   | 157.9            | —                       | 92.3%                           | 157.9                            | 157.9   | 157.9   | —                       | 92.1%                           |
| Trade and other payables                                        | 4.0     | 3.7     | 4.0     | 4.0              | —                       | 2.3%                            | 4.0                              | 4.0     | 7.7     | 24.4%                   | 2.9%                            |
| Provisions                                                      | 3.7     | 3.3     | 3.7     | 3.7              | 0.2%                    | 2.1%                            | 3.7                              | 3.7     | —       | -100.0%                 | 1.6%                            |
| Derivatives financial instruments                               | 5.8     | 6.6     | 5.8     | 5.8              | —                       | 3.4%                            | 5.8                              | 5.8     | 5.8     | —                       | 3.4%                            |
| Total equity and liabilities                                    | 171.4   | 186.4   | 171.4   | 171.4            | —                       | 100.0%                          | 171.4                            | 171.4   | 171.4   | —                       | 100.0%                          |

## Personnel information

**Table 41.15 Breede-Olifants Catchment Management Agency personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2025 |                                  |                                           | Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment |      |           |                  |       |           |                                  |       |           |         |       |           |         |       |           | Average growth rate of personnel posts (%) | Average: salary level/ Total (%) |
|---------------------------------------------|----------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------|------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|---------|-------|-----------|---------|-------|-----------|--------------------------------------------|----------------------------------|
| Number of funded posts                      | Number of approved establishment | Number of posts on approved establishment | Actual                                                                                     |      |           | Revised estimate |       |           | Medium-term expenditure estimate |       |           |         |       |           |         |       |           |                                            |                                  |
|                                             |                                  |                                           | 2023/24                                                                                    |      |           | 2024/25          |       |           | 2025/26                          |       |           | 2026/27 |       |           | 2027/28 |       |           | 2024/25 - 2027/28                          |                                  |
| Breede-Olifants Catchment Management Agency |                                  |                                           | Number                                                                                     | Cost | Unit cost | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number  | Cost  | Unit cost | Number  | Cost  | Unit cost |                                            |                                  |
| Salary level                                | 159                              | 159                                       | 159                                                                                        | 59.3 | 0.4       | 159              | 120.6 | 0.8       | 159                              | 125.7 | 0.8       | 159     | 132.8 | 0.8       | 159     | 149.4 | 0.9       | –                                          | 100.0%                           |
| 1 – 6                                       | 5                                | 5                                         | 5                                                                                          | 0.6  | 0.1       | 5                | 0.6   | 0.1       | 5                                | 0.6   | 0.1       | 5       | 0.6   | 0.1       | 5       | 0.7   | 0.1       | –                                          | 3.1%                             |
| 7 – 10                                      | 94                               | 94                                        | 94                                                                                         | 28.9 | 0.3       | 94               | 51.8  | 0.6       | 94                               | 54.0  | 0.6       | 94      | 57.1  | 0.6       | 94      | 65.0  | 0.7       | –                                          | 59.1%                            |
| 11 – 12                                     | 45                               | 45                                        | 45                                                                                         | 13.3 | 0.3       | 45               | 44.3  | 1.0       | 45                               | 46.3  | 1.0       | 45      | 48.8  | 1.1       | 45      | 54.4  | 1.2       | –                                          | 28.3%                            |
| 13 – 16                                     | 15                               | 15                                        | 15                                                                                         | 16.5 | 1.1       | 15               | 23.9  | 1.6       | 15                               | 24.9  | 1.7       | 15      | 26.3  | 1.8       | 15      | 29.3  | 2.0       | –                                          | 9.4%                             |

1. Rand million.

## Consolidated water boards

### Selected performance indicators

**Table 41.16 Consolidated water boards performance indicators by programme/objective/activity and related outcome**

| Indicator                                                                  | Programme/Objective/<br>Activity | MTDP outcome                                                 | Audited performance |                |                | Estimated<br>performance | MTEF targets   |                |                |
|----------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|---------------------|----------------|----------------|--------------------------|----------------|----------------|----------------|
|                                                                            |                                  |                                                              | 2021/22             | 2022/23        | 2023/24        | 2024/25                  | 2025/26        | 2026/27        | 2027/28        |
| Volume <sup>1</sup> of bulk water sales by Amatola Water per year          | Bulk activities                  | Outcome 16:<br>Improved service delivery at local government | 32 991              | 29 905         | 28 147         | 30 918                   | 31 181         | 31 446         | 31 713         |
| Volume <sup>1</sup> of bulk water sales by Bloem Water                     | Bulk activities                  |                                                              | 85 501              | 85 719         | — <sup>2</sup> | — <sup>2</sup>           | — <sup>2</sup> | — <sup>2</sup> | — <sup>2</sup> |
| Volume <sup>1</sup> of bulk water sales by Lepelle Northern Water per year | Bulk activities                  |                                                              | 91 873              | 98 028         | 109 724        | 109 278                  | 108 585        | 108 585        | 108 585        |
| Volume <sup>1</sup> of bulk water sales by Magalies Water per year         | Bulk activities                  |                                                              | 91 035              | 107 011        | 108 852        | 139 046                  | 166 079        | 167 740        | 169 418        |
| Volume <sup>1</sup> of bulk water sales by Mhlathuze Water per year        | Bulk activities                  |                                                              | 43 887              | 57 332         | — <sup>3</sup> | — <sup>3</sup>           | — <sup>3</sup> | — <sup>3</sup> | — <sup>3</sup> |
| Volume <sup>1</sup> of bulk water sales by Overberg Water per year         | Bulk activities                  |                                                              | 3 432               | 3 756          | 3 405          | 3 950                    | 4 543          | 4 815          | 5 103          |
| Volume <sup>1</sup> of bulk water sales by Rand Water per year             | Bulk activities                  |                                                              | 1 694 316           | 1 721 658      | 1 744 088      | 1 734 887                | 1 761 387      | 1 788 310      | 1 815 665      |
| Volume <sup>1</sup> of bulk water sales by uMgeni Water per year           | Bulk activities                  |                                                              | 562 483             | 580 265        | — <sup>3</sup> | — <sup>3</sup>           | — <sup>3</sup> | — <sup>3</sup> | — <sup>3</sup> |
| Volume <sup>1</sup> of bulk water sales by uMngeni-uThukela Water per year | Bulk activities                  |                                                              | — <sup>3</sup>      | — <sup>3</sup> | 648 864        | 605 896                  | 577 767        | 568 682        | 569 624        |
| Volume <sup>1</sup> of bulk water sales by Vaal Central Water per year     | Bulk activities                  |                                                              | — <sup>2</sup>      | — <sup>2</sup> | 183 935        | 188 922                  | 191 981        | 193 851        | 195 739        |

1. Measured in megalitres.

2. On 3 July 2023, Bloem Water was renamed Vaal Central Water in terms of section 28 (1) (b) of the Water Services Act (1997).

3. Mhlathuze Water was dissolved on 30 June 2023 in terms of section 28 of the Water Services Act (1997) and merged with uMgeni Water to form the uMngeni-uThukela Water.

### Entity overview

The water boards are mandated in terms of the Water Services Act (1997) to provide bulk industrial water services to industries and bulk potable water services to municipalities within their areas of operation. The water boards vary in size, activity, customer mix, revenue base and capacity. The two largest boards are Rand Water and uMngeni-uThukela Water, whose combined bulk sales are set to account for an estimated 82.6 per cent (R30.7 billion) of total sales in 2025/26.

Consolidated expenditure is expected to increase at an average annual rate of 7.7 per cent, from R33.5 billion in 2024/25 to R41.8 billion in 2027/28, with goods and services (mainly materials and supplies) constituting 74.2 per cent (R86.6billion) of this spending over the medium term. The water boards' main cost drivers are the rising costs of raw water due to increased water demand, higher energy tariffs imposed by Eskom and higher chemical costs attributable to increased turbidity levels in raw water.

Revenue, derived mainly from the sale of water, is set to increase at an average annual rate of 8.7 per cent, from R38.2 billion in 2024/25 to R49.2 billion in 2027/28.

### Programmes/Objectives/Activities

**Table 41.17 Consolidated water boards expenditure trends and estimates by programme/objective/activity**

| R million       | Audited outcome |                 |                 | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                 |                 | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------|-----------------|-----------------|-----------------|------------------|-------------------------|---------------------------------|----------------------------------|-----------------|-----------------|-------------------------|---------------------------------|
|                 | 2021/22         | 2022/23         | 2023/24         |                  |                         |                                 | 2025/26                          | 2026/27         | 2027/28         |                         |                                 |
| Administration  | 5 431.1         | 7 483.7         | 7 552.7         | 7 668.4          | 12.2%                   | 22.9%                           | 7 874.4                          | 8 238.9         | 8 569.6         | 3.8%                    | 21.6%                           |
| Bulk activities | 19 048.7        | 23 137.1        | 26 539.4        | 25 809.3         | 10.7%                   | 77.1%                           | 28 087.7                         | 30 606.5        | 33 253.3        | 8.8%                    | 78.4%                           |
| <b>Total</b>    | <b>24 479.8</b> | <b>30 620.8</b> | <b>34 092.1</b> | <b>33 477.7</b>  | <b>11.0%</b>            | <b>100.0%</b>                   | <b>35 962.1</b>                  | <b>38 845.4</b> | <b>41 822.9</b> | <b>7.7%</b>             | <b>100.0%</b>                   |

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

**Table 41.18 Consolidated Water Boards statements of financial performance, cash flow and financial position**

| Statement of financial performance                                         |                 |           |           |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |                                  |           |           | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------------------------------------------------------------------|-----------------|-----------|-----------|------------------|-------------------------|---------------------------------|----------------------------------|-----------|-----------|-------------------------|---------------------------------|
|                                                                            | Audited outcome |           |           | Revised estimate |                         |                                 | Medium-term expenditure estimate |           |           |                         |                                 |
| R million                                                                  | 2021/22         | 2022/23   | 2023/24   | 2024/25          | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27   | 2027/28   | 2024/25 - 2027/28       |                                 |
| Revenue                                                                    |                 |           |           |                  |                         |                                 |                                  |           |           |                         |                                 |
| Non-tax revenue                                                            | 29 146.2        | 35 377.7  | 39 935.6  | 38 231.1         | 9.5%                    | 96.5%                           | 41 751.6                         | 45 347.7  | 49 159.9  | 8.7%                    | 97.7%                           |
| Sale of goods and services other than capital assets of which:             | 27 763.9        | 31 169.2  | 34 253.7  | 36 428.3         | 9.5%                    | 88.0%                           | 39 633.1                         | 43 066.8  | 46 673.3  | 8.6%                    | 92.9%                           |
| Administrative fees                                                        | 17.1            | 24.3      | 18.2      | 23.3             | 10.9%                   | 0.1%                            | 25.7                             | 28.2      | 31.0      | 10.0%                   | 0.1%                            |
| Sales by market establishments                                             | 27 742.1        | 31 143.6  | 34 234.3  | 36 403.7         | 9.5%                    | 87.9%                           | 39 606.1                         | 43 037.2  | 46 640.8  | 8.6%                    | 92.8%                           |
| Water sales                                                                | 26 647.3        | 29 211.1  | 32 584.2  | 34 393.0         | 8.9%                    | 83.4%                           | 37 342.5                         | 40 815.2  | 44 926.2  | 9.3%                    | 88.2%                           |
| Wastewater                                                                 | 590.2           | 621.8     | 748.9     | 718.5            | 6.8%                    | 1.8%                            | 762.7                            | 831.1     | 902.1     | 7.9%                    | 1.8%                            |
| Other activities                                                           | 504.6           | 1 310.7   | 901.2     | 1 292.2          | 36.8%                   | 2.7%                            | 1 500.9                          | 1 390.9   | 812.5     | -14.3%                  | 2.8%                            |
| Other sales                                                                | 4.7             | 1.3       | 1.2       | 1.3              | -34.9%                  | —                               | 1.3                              | 1.4       | 1.4       | 3.2%                    | —                               |
| Other non-tax revenue                                                      | 1 382.3         | 4 208.5   | 5 681.9   | 1 802.8          | 9.3%                    | 8.6%                            | 2 118.5                          | 2 280.9   | 2 486.7   | 11.3%                   | 4.9%                            |
| Transfers received                                                         | 476.9           | 1 215.3   | 1 599.4   | 2 043.2          | 62.4%                   | 3.5%                            | 1 405.0                          | 210.0     | 150.0     | -58.1%                  | 2.3%                            |
| Total revenue                                                              | 29 623.1        | 36 592.9  | 41 534.9  | 40 274.3         | 10.8%                   | 100.0%                          | 43 156.6                         | 45 557.7  | 49 309.9  | 7.0%                    | 100.0%                          |
| Expenses                                                                   |                 |           |           |                  |                         |                                 |                                  |           |           |                         |                                 |
| Current expenses                                                           | 24 479.8        | 30 620.8  | 34 092.1  | 33 477.7         | 11.0%                   | 100.0%                          | 35 962.1                         | 38 845.4  | 41 822.9  | 7.7%                    | 100.0%                          |
| Compensation of employees                                                  | 5 155.2         | 5 897.2   | 6 493.3   | 6 417.8          | 7.6%                    | 19.6%                           | 6 786.2                          | 7 172.1   | 7 588.3   | 5.7%                    | 18.7%                           |
| Goods and services                                                         | 17 460.7        | 22 653.5  | 25 058.0  | 24 847.8         | 12.5%                   | 73.3%                           | 26 561.0                         | 28 846.8  | 31 204.0  | 7.9%                    | 74.2%                           |
| Depreciation                                                               | 1 426.9         | 1 932.8   | 1 957.9   | 2 089.2          | 13.6%                   | 6.0%                            | 2 179.0                          | 2 363.2   | 2 584.8   | 7.4%                    | 6.1%                            |
| Interest, dividends and rent on land                                       | 436.9           | 137.3     | 582.9     | 122.9            | -34.5%                  | 1.1%                            | 435.9                            | 463.3     | 445.8     | 53.6%                   | 1.0%                            |
| Total expenses                                                             | 24 479.8        | 30 620.8  | 34 092.1  | 33 477.7         | 11.0%                   | 100.0%                          | 35 962.1                         | 38 845.4  | 41 822.9  | 7.7%                    | 100.0%                          |
| Surplus/(Deficit)                                                          | 5 143.3         | 5 972.1   | 7 442.8   | 6 796.6          | 9.7%                    |                                 | 7 194.5                          | 6 712.3   | 7 487.0   | 3.3%                    |                                 |
| Cash flow statement                                                        |                 |           |           |                  |                         |                                 |                                  |           |           |                         |                                 |
| Cash flow from operating activities                                        | 6 164.1         | 4 997.5   | 10 809.5  | 6 091.3          | -0.4%                   | 100.0%                          | 16 219.2                         | 9 978.8   | 11 625.4  | 24.0%                   | 100.0%                          |
| Receipts                                                                   |                 |           |           |                  |                         |                                 |                                  |           |           |                         |                                 |
| Non-tax receipts                                                           | 28 610.9        | 32 367.7  | 37 075.3  | 37 789.9         | 9.7%                    | 96.8%                           | 41 259.0                         | 44 719.9  | 48 439.3  | 8.6%                    | 97.9%                           |
| Sales of goods and services other than capital assets of which:            | 27 541.1        | 30 646.6  | 33 513.8  | 36 296.5         | 9.6%                    | 91.3%                           | 39 594.8                         | 42 906.2  | 46 437.4  | 8.6%                    | 93.9%                           |
| Administrative fees                                                        | 546.6           | 17.5      | 26.2      | 31.5             | -61.4%                  | 0.5%                            | 34.6                             | 38.1      | 41.9      | 10.0%                   | 0.1%                            |
| Sales by market establishment                                              | 26 785.9        | 30 478.7  | 33 393.8  | 36 166.9         | 10.5%                   | 90.4%                           | 39 360.0                         | 42 665.4  | 46 190.1  | 8.5%                    | 93.4%                           |
| Water sales                                                                | 26 398.5        | 29 347.1  | 32 002.4  | 34 217.0         | 9.0%                    | 87.1%                           | 37 147.1                         | 40 498.6  | 44 526.9  | 9.2%                    | 88.8%                           |
| Wastewater                                                                 | 317.1           | 587.6     | 700.5     | 718.5            | 31.4%                   | 1.6%                            | 715.5                            | 779.6     | 854.7     | 6.0%                    | 1.7%                            |
| Other activities                                                           | 70.3            | 544.1     | 690.8     | 1 292.2          | 163.9%                  | 1.7%                            | 1 497.3                          | 1 387.1   | 808.5     | -14.5%                  | 2.9%                            |
| Other sales                                                                | 208.6           | 150.4     | 93.8      | 98.1             | -22.2%                  | 0.4%                            | 200.2                            | 202.7     | 205.4     | 27.9%                   | 0.4%                            |
| Other tax receipts                                                         | 1 069.8         | 1 721.1   | 3 561.6   | 1 493.4          | 11.8%                   | 5.4%                            | 1 664.3                          | 1 813.8   | 2 001.9   | 10.3%                   | 4.0%                            |
| Transfers received                                                         | 120.3           | 208.7     | 2 698.3   | 1 691.2          | 141.3%                  | 3.0%                            | 1 405.0                          | 210.0     | 150.0     | -55.4%                  | 2.1%                            |
| Financial transactions in assets and liabilities                           | 26.0            | 197.6     | 23.2      | 18.0             | -11.6%                  | 0.2%                            | 18.5                             | 19.1      | 19.6      | 2.9%                    | —                               |
| Total receipts                                                             | 28 757.3        | 32 773.9  | 39 796.9  | 39 499.1         | 11.2%                   | 100.0%                          | 42 682.5                         | 44 949.0  | 48 608.9  | 7.2%                    | 100.0%                          |
| Payment                                                                    |                 |           |           |                  |                         |                                 |                                  |           |           |                         |                                 |
| Current payments                                                           | 22 593.3        | 27 776.4  | 28 987.4  | 33 407.8         | 13.9%                   | 100.0%                          | 26 463.3                         | 34 970.2  | 36 983.5  | 3.4%                    | 100.0%                          |
| Compensation of employees                                                  | 5 439.9         | 6 040.6   | 6 385.2   | 6 380.5          | 5.5%                    | 21.7%                           | 6 746.8                          | 7 127.2   | 7 525.4   | 5.7%                    | 21.3%                           |
| Goods and services                                                         | 16 902.2        | 21 528.1  | 22 007.6  | 26 846.2         | 16.7%                   | 77.1%                           | 19 228.0                         | 27 326.4  | 29 076.5  | 2.7%                    | 77.4%                           |
| Interest and rent on land                                                  | 251.2           | 207.7     | 594.5     | 181.2            | -10.3%                  | 1.1%                            | 488.5                            | 516.6     | 381.6     | 28.2%                   | 1.2%                            |
| Total payments                                                             | 22 593.3        | 27 776.4  | 28 987.4  | 33 407.8         | 13.9%                   | 100.0%                          | 26 463.3                         | 34 970.2  | 36 983.5  | 3.4%                    | 100.0%                          |
| Net cash flow from investing activities                                    | (7 626.6)       | (6 692.1) | (5 757.0) | (5 864.1)        | -8.4%                   | 100.0%                          | (8 416.3)                        | (9 034.9) | (9 587.3) | 17.8%                   | 100.0%                          |
| Acquisition of property, plant, equipment and intangible assets            | (3 474.7)       | (4 233.8) | (5 900.8) | (8 244.4)        | 33.4%                   | 88.0%                           | (9 528.0)                        | (9 321.8) | (9 828.6) | 6.0%                    | 114.9%                          |
| Acquisition of software and other intangible assets                        | (1.4)           | (23.6)    | (233.6)   | (7.5)            | 75.5%                   | 1.1%                            | (9.1)                            | (3.0)     | (4.0)     | -18.7%                  | 0.1%                            |
| Proceeds from the sale of property, plant, equipment and intangible assets | 18.5            | 78.2      | 13.8      | —                | -100.0%                 | -0.4%                           | —                                | 0.8       | —         | —                       | —                               |
| Other flows from investing activities                                      | (4 169.0)       | (2 512.9) | 363.6     | 2 387.8          | -183.0%                 | 11.3%                           | 1 120.8                          | 289.1     | 245.3     | -53.2%                  | -14.9%                          |
| Net cash flow from financing activities                                    | 100.7           | 1 350.5   | (532.3)   | 1 922.1          | 167.3%                  | 100.0%                          | 661.3                            | 801.0     | (1 008.1) | -180.6%                 | 100.0%                          |
| Deferred income                                                            | 200.2           | 1 288.5   | 866.9     | 2 128.5          | 119.9%                  | 60.5%                           | 151.5                            | 158.4     | 165.6     | -57.3%                  | 34.2%                           |
| Borrowing activities                                                       | (71.9)          | (30.4)    | (1 266.3) | 6.3              | -144.4%                 | 41.1%                           | 1 338.7                          | 1 680.4   | 13.6      | 29.5%                   | 102.8%                          |
| Repayment of finance leases                                                | (3.3)           | (5.0)     | (9.1)     | (1.3)            | -26.3%                  | -0.5%                           | (1.4)                            | (1.4)     | (1.5)     | 3.4%                    | -0.1%                           |
| Other flows from financing activities                                      | (24.3)          | 97.4      | (123.8)   | (211.4)          | 105.6%                  | -1.2%                           | (827.4)                          | (1 036.4) | (1 185.9) | 77.7%                   | -37.0%                          |
| Net increase/(decrease) in cash and cash equivalents                       | (1 361.9)       | (344.1)   | 4 520.2   | 2 149.3          | -216.4%                 | 3.2%                            | 8 464.3                          | 1 744.9   | 1 030.0   | -21.7%                  | 100.0%                          |

**Table 41.18 Consolidated Water Boards statements of financial performance, cash flow and financial position (continued)**

| Statement of financial position   |                 |           |           |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |                                  |           |           | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------|-----------------|-----------|-----------|------------------|-------------------------|---------------------------------|----------------------------------|-----------|-----------|-------------------------|---------------------------------|
|                                   | Audited outcome |           |           | Revised estimate |                         |                                 | Medium-term expenditure estimate |           |           |                         |                                 |
| R million                         | 2021/22         | 2022/23   | 2023/24   | 2024/25          | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27   | 2027/28   | 2024/25 - 2027/28       |                                 |
| Carrying value of assets          | 52 443.0        | 54 234.5  | 57 217.7  | 68 958.7         | 9.6%                    | 62.5%                           | 72 240.1                         | 78 483.9  | 82 375.1  | 6.1%                    | 64.0%                           |
| of which:                         |                 |           |           |                  |                         |                                 |                                  |           |           |                         |                                 |
| Acquisition of assets             | (3 474.7)       | (4 233.8) | (5 900.8) | (8 244.4)        | 33.4%                   | 100.0%                          | (9 528.0)                        | (9 321.8) | (9 828.6) | 6.0%                    | 100.0%                          |
| Investments                       | 9 378.4         | 11 736.5  | 12 930.1  | 10 198.0         | 2.8%                    | 12.0%                           | 5 721.7                          | 5 681.1   | 5 799.2   | -17.2%                  | 5.9%                            |
| Inventory                         | 464.1           | 382.4     | 467.3     | 675.9            | 13.3%                   | 0.5%                            | 700.3                            | 747.9     | 853.0     | 8.1%                    | 0.6%                            |
| Loans                             | 1.5             | 8.2       | 9.1       | 175.3            | 393.3%                  | —                               | 8.1                              | 8.0       | 7.9       | -64.4%                  | —                               |
| Receivables and prepayments       | 13 297.3        | 15 150.6  | 10 459.7  | 17 992.8         | 10.6%                   | 15.3%                           | 17 930.4                         | 18 251.8  | 15 728.5  | -4.4%                   | 14.9%                           |
| Cash and cash equivalents         | 8 091.2         | 7 875.3   | 10 673.4  | 8 747.6          | 2.6%                    | 9.6%                            | 17 664.8                         | 20 562.6  | 22 393.9  | 36.8%                   | 14.5%                           |
| Non-current assets held for sale  | 13.2            | 3.0       | 2.8       | 2.9              | -39.4%                  | —                               | 2.9                              | 2.9       | 2.9       | —                       | —                               |
| Taxation                          | 88.3            | 62.4      | 39.5      | 73.8             | -5.8%                   | 0.1%                            | 77.0                             | 75.5      | 99.7      | 10.5%                   | 0.1%                            |
| Statutory receivables             | —               | 37.5      | —         | —                | —                       | —                               | —                                | —         | —         | —                       | —                               |
| Total assets                      | 83 777.0        | 89 490.5  | 91 799.6  | 106 824.9        | 8.4%                    | 100.0%                          | 114 345.3                        | 123 813.8 | 127 260.4 | 6.0%                    | 100.0%                          |
| Accumulated surplus/(deficit)     | 58 555.0        | 68 218.4  | 69 394.7  | 83 459.4         | 12.5%                   | 75.0%                           | 91 275.2                         | 95 302.0  | 99 948.8  | 6.2%                    | 78.4%                           |
| Capital and reserves              | 4 033.2         | 764.5     | 299.6     | 429.1            | -52.6%                  | 1.6%                            | 433.1                            | 3 691.0   | 300.8     | -11.2%                  | 1.0%                            |
| Capital reserve fund              | 231.4           | 375.5     | 1 522.4   | 2 090.5          | 108.3%                  | 1.1%                            | 401.9                            | 351.5     | 411.7     | -41.8%                  | 0.7%                            |
| Borrowings                        | 5 689.7         | 4 368.8   | 4 281.9   | 2 872.3          | -20.4%                  | 4.8%                            | 5 492.2                          | 6 772.6   | 6 710.0   | 32.7%                   | 4.6%                            |
| Finance lease                     | 0.3             | 9.5       | 9.1       | 1.8              | 82.7%                   | —                               | 4.0                              | 2.8       | 2.9       | 18.1%                   | —                               |
| Accrued interest                  | 10.7            | —         | —         | —                | -100.0%                 | —                               | —                                | —         | —         | —                       | —                               |
| Deferred income                   | 1 197.2         | 734.5     | 950.6     | 614.4            | -19.9%                  | 1.0%                            | 600.3                            | 591.4     | 582.8     | -1.7%                   | 0.5%                            |
| Trade and other payables          | 12 038.3        | 13 165.4  | 12 663.1  | 15 113.5         | 7.9%                    | 14.3%                           | 13 530.4                         | 14 459.5  | 16 286.8  | 2.5%                    | 12.6%                           |
| Taxation                          | 249.9           | 253.6     | 468.9     | 258.2            | 1.1%                    | 0.3%                            | 290.9                            | 212.8     | 385.5     | 14.3%                   | 0.2%                            |
| Provisions                        | 1 039.6         | 949.1     | 1 185.8   | 1 099.4          | 1.9%                    | 1.2%                            | 1 138.4                          | 1 255.9   | 1 434.9   | 9.3%                    | 1.0%                            |
| Derivatives financial instruments | 731.7           | 651.1     | 1 000.0   | 886.5            | 6.6%                    | 0.9%                            | 1 179.0                          | 1 174.3   | 1 196.2   | 10.5%                   | 0.9%                            |
| Total equity and liabilities      | 83 777.0        | 89 490.5  | 91 776.0  | 106 824.9        | 8.4%                    | 100.0%                          | 114 345.3                        | 123 813.8 | 127 260.4 | 6.0%                    | 100.0%                          |

## Personnel information

**Table 41.19 Consolidated water boards personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2025 |                                  |                                  | Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment |         |           |                  |         |           |                                  |         |           |        |         |           |                   |         | Average growth rate of personnel posts (%) | Average: salary level/ Total (%) |        |
|---------------------------------------------|----------------------------------|----------------------------------|--------------------------------------------------------------------------------------------|---------|-----------|------------------|---------|-----------|----------------------------------|---------|-----------|--------|---------|-----------|-------------------|---------|--------------------------------------------|----------------------------------|--------|
| Number of funded posts                      | Number of approved establishment | Number of posts on establishment | Actual                                                                                     |         |           | Revised estimate |         |           | Medium-term expenditure estimate |         |           |        |         |           |                   |         |                                            |                                  |        |
|                                             |                                  |                                  | 2023/24                                                                                    |         |           | 2024/25          |         |           | 2025/26                          |         | 2026/27   |        | 2027/28 |           | 2024/25 - 2027/28 |         |                                            |                                  |        |
| Consolidated water boards                   |                                  |                                  | Number                                                                                     | Cost    | Unit cost | Number           | Cost    | Unit cost | Number                           | Cost    | Unit cost | Number | Cost    | Unit cost | Number            | Cost    | Unit cost                                  |                                  |        |
| Salary level                                | 7 476                            | 7 576                            | 7 778                                                                                      | 6 493.3 | 0.8       | 7 840            | 6 417.8 | 0.8       | 7 843                            | 6 786.2 | 0.9       | 7 467  | 7 172.1 | 1.0       | 7 381             | 7 588.3 | 1.0                                        | -2.0%                            | 100.0% |
| 1 – 6                                       | 777                              | 780                              | 1 131                                                                                      | 525.1   | 0.5       | 770              | 224.2   | 0.3       | 770                              | 239.9   | 0.3       | 707    | 252.0   | 0.4       | 644               | 265.3   | 0.4                                        | -5.8%                            | 9.5%   |
| 7 – 10                                      | 4 876                            | 4 928                            | 4 831                                                                                      | 3 029.5 | 0.6       | 5 258            | 3 263.6 | 0.6       | 5 260                            | 3 450.5 | 0.7       | 5 002  | 3 643.4 | 0.7       | 4 994             | 3 850.8 | 0.8                                        | -1.7%                            | 67.2%  |
| 11 – 12                                     | 702                              | 728                              | 702                                                                                        | 816.5   | 1.2       | 702              | 845.2   | 1.2       | 702                              | 894.9   | 1.3       | 666    | 949.3   | 1.4       | 659               | 1 008.2 | 1.5                                        | -2.1%                            | 8.9%   |
| 13 – 16                                     | 1 057                            | 1 075                            | 1 051                                                                                      | 1 896.6 | 1.8       | 1 046            | 1 855.5 | 1.8       | 1 047                            | 1 959.1 | 1.9       | 1 029  | 2 070.5 | 2.0       | 1 021             | 2 190.9 | 2.1                                        | -0.8%                            | 13.6%  |
| 17 – 22                                     | 64                               | 65                               | 63                                                                                         | 225.5   | 3.6       | 64               | 229.4   | 3.6       | 64                               | 241.8   | 3.8       | 63     | 256.9   | 4.1       | 63                | 273.1   | 4.3                                        | -0.5%                            | 0.8%   |

1. Rand million.

## Inkomati-Usuthu Catchment Management Agency

### Selected performance indicators

**Table 41.20 Inkomati-Usuthu Catchment Management Agency performance indicators by programme/objective/activity and related outcome**

| Indicator                                                                                               | Programme/Objective/Activity          | MTDP outcome                                              | Audited performance |         |         | Estimated performance | MTEF targets |         |         |
|---------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|---------------------|---------|---------|-----------------------|--------------|---------|---------|
|                                                                                                         |                                       |                                                           | 2021/22             | 2022/23 | 2023/24 | 2024/25               | 2025/26      | 2026/27 | 2027/28 |
| Number of strategic ecological water requirement points monitored for resource quality                  | Protection and use of water resources | Outcome 16: Improved service delivery at local government | —1                  | —1      | —1      | —1                    | 25           | 25      | 25      |
| Percentage of high-risk water use licence applications processed and recommended within 74 working days | Protection and use of water resources |                                                           | —1                  | —1      | —1      | —1                    | ≥90%         | ≥90%    | ≥90%    |
| Percentage of planned inspections conducted for related uses of various sectors per year                | Protection and use of water resources |                                                           | —1                  | —1      | —1      | —1                    | ≥95%         | ≥95%    | ≥95%    |

1. No historical data available.

## Entity overview

The former Inkomati Catchment Management Agency was established in 2004 in terms of the National Water Act (1998), and its area of operation was extended in May 2014 to form the Inkomati-Usuthu Catchment Management Agency. The agency is mandated to protect the use of water resources in its area of operation through resource allocation, protection, use, conservation, monitoring, planning, development and operations.

Over the medium term, the agency will continue to focus on implementing effective river operations within the Inkomati-Usuthu water management area to manage floods, droughts, and surface and groundwater resources. This will be achieved over the MTEF period by monitoring 25 strategic ecological water requirement points per year for resource quality, processing and recommending at least 90 per cent of high-risk water use licence applications within 74 working days and conducting at least 95 per cent of planned inspections for the related uses of various sectors. These activities will be carried out in the protection and use of water resources programme, which accounts for an estimated 44.2 per cent (R298.7 million) of total spending over the next 3 years.

Total expenditure is expected to increase at an average annual rate of 19.3 per cent, from R140.3 million in 2024/25 to R238.2 million in 2027/28, as spending on compensation of employees increases due to cost-of-living adjustments, the agency prioritising the filling of critical posts and reviewing unadjusted salary components. Compensation of employees constitutes an estimated 69 per cent (R449.9 million) of expenditure over the medium term.

The agency is set to derive 61.2 per cent (R438.4 million) of its revenue through transfers from the department and the remaining 38.8 per cent (R242.3 million) from water resource charges, wastewater discharge charges and interest. Total revenue is set to increase at an average annual rate of 19.3 per cent, from R140.3 million in 2024/25 to R238.2 million in 2027/28, in line with expenditure.

## Programmes/Objectives/Activities

**Table 41.21 Inkomati-Usuthu Catchment Management Agency expenditure trends and estimates by programme/objective/activity**

| R million                             | Audited outcome |              |              | Revised estimate | Average growth rate (%) |                                 | Medium-term expenditure estimate |              |              | Average growth rate (%) |                                 |
|---------------------------------------|-----------------|--------------|--------------|------------------|-------------------------|---------------------------------|----------------------------------|--------------|--------------|-------------------------|---------------------------------|
|                                       | 2021/22         | 2022/23      | 2023/24      |                  | 2021/22 - 2024/25       | Average: Expenditure/ Total (%) | 2025/26                          | 2026/27      | 2027/28      | 2024/25 - 2027/28       | Average: Expenditure/ Total (%) |
| Administration                        | 11.5            | 14.1         | 15.2         | 14.1             | 7.1%                    | 8.9%                            | 16.5                             | 17.1         | 17.8         | 8.2%                    | 8.2%                            |
| Human resource and business support   | 46.0            | 47.3         | 55.2         | 45.5             | -0.4%                   | 31.2%                           | 72.5                             | 82.4         | 89.9         | 25.5%                   | 35.0%                           |
| Financial sustainability              | 22.3            | 16.8         | 23.3         | 17.8             | -7.3%                   | 12.8%                           | 27.4                             | 29.1         | 29.3         | 18.2%                   | 12.6%                           |
| Protection and use of water resources | 74.0            | 66.0         | 91.9         | 63.0             | -5.2%                   | 47.1%                           | 97.4                             | 100.2        | 101.1        | 17.1%                   | 44.2%                           |
| <b>Total</b>                          | <b>153.8</b>    | <b>144.1</b> | <b>185.5</b> | <b>140.3</b>     | <b>-3.0%</b>            | <b>100.0%</b>                   | <b>213.8</b>                     | <b>228.7</b> | <b>238.2</b> | <b>19.3%</b>            | <b>100.0%</b>                   |

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

**Table 41.22 Inkomati-Usuthu Catchment Management Agency statements of financial performance, cash flow and financial position**

| Statement of financial performance                             | Audited outcome |              |              | Revised estimate | Average growth rate (%) |                                 | Medium-term expenditure estimate |              |              | Average growth rate (%) |                                 |
|----------------------------------------------------------------|-----------------|--------------|--------------|------------------|-------------------------|---------------------------------|----------------------------------|--------------|--------------|-------------------------|---------------------------------|
|                                                                | 2021/22         | 2022/23      | 2023/24      |                  | 2021/22 - 2024/25       | Average: Expenditure/ Total (%) | 2025/26                          | 2026/27      | 2027/28      | 2024/25 - 2027/28       | Average: Expenditure/ Total (%) |
| <b>Revenue</b>                                                 |                 |              |              |                  |                         |                                 |                                  |              |              |                         |                                 |
| <b>Non-tax revenue</b>                                         | <b>39.6</b>     | <b>48.4</b>  | <b>57.3</b>  | <b>68.0</b>      | <b>19.8%</b>            | <b>32.6%</b>                    | <b>77.5</b>                      | <b>80.7</b>  | <b>84.1</b>  | <b>7.4%</b>             | <b>38.8%</b>                    |
| Sale of goods and services other than capital assets of which: | 35.4            | 43.0         | 54.0         | 64.4             | 22.1%                   | 30.1%                           | 73.6                             | 76.5         | 79.5         | 7.3%                    | 36.8%                           |
| Administrative fees                                            | 35.4            | 43.0         | 54.0         | 64.4             | 22.1%                   | 30.1%                           | 73.6                             | 76.5         | 79.5         | 7.3%                    | 36.8%                           |
| Water Trading Entity                                           | 33.4            | 38.9         | 54.0         | 56.6             | 19.3%                   | 27.8%                           | 63.8                             | 65.7         | 67.6         | 6.1%                    | 31.8%                           |
| Interest received from trade debtors                           | 2.0             | 4.1          | —            | —                | -100.0%                 | 0.9%                            | —                                | —            | —            | —                       | —                               |
| Waste discharge charge                                         | —               | —            | —            | 7.8              | —                       | 1.4%                            | 9.8                              | 10.8         | 11.9         | 14.9%                   | 5.0%                            |
| Other non-tax revenue                                          | 4.2             | 5.3          | 3.3          | 3.6              | -5.2%                   | 2.5%                            | 3.9                              | 4.2          | 4.6          | 9.0%                    | 2.0%                            |
| <b>Transfers received</b>                                      | <b>122.9</b>    | <b>133.7</b> | <b>128.2</b> | <b>72.3</b>      | <b>-16.2%</b>           | <b>67.4%</b>                    | <b>136.3</b>                     | <b>148.0</b> | <b>154.1</b> | <b>28.7%</b>            | <b>61.2%</b>                    |
| <b>Total revenue</b>                                           | <b>162.4</b>    | <b>182.1</b> | <b>185.5</b> | <b>140.3</b>     | <b>-4.8%</b>            | <b>100.0%</b>                   | <b>213.8</b>                     | <b>228.7</b> | <b>238.2</b> | <b>19.3%</b>            | <b>100.0%</b>                   |

**Table 41.22 Inkomati-Usuthu Catchment Management Agency statements of financial performance, cash flow and financial position (continued)**

| Statement of financial performance                              |                 |         |         |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |                                  |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------------------------------------|-----------------|---------|---------|------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
|                                                                 | Audited outcome |         |         | Revised estimate |                         |                                 | Medium-term expenditure estimate |         |         |                         |                                 |
| R million                                                       | 2021/22         | 2022/23 | 2023/24 | 2024/25          | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27 | 2027/28 | 2024/25 - 2027/28       |                                 |
| Expenses                                                        |                 |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Current expenses                                                | 153.8           | 144.1   | 185.5   | 140.3            | -3.0%                   | 100.0%                          | 213.8                            | 228.7   | 238.2   | 19.3%                   | 100.0%                          |
| Compensation of employees                                       | 99.8            | 107.7   | 114.9   | 109.3            | 3.1%                    | 69.9%                           | 140.5                            | 149.7   | 159.7   | 13.5%                   | 69.0%                           |
| Goods and services                                              | 52.0            | 36.4    | 70.7    | 31.0             | -15.8%                  | 29.8%                           | 73.2                             | 78.9    | 78.4    | 36.2%                   | 30.9%                           |
| Depreciation                                                    | 1.9             | —       | —       | —                | -100.0%                 | 0.3%                            | 0.1                              | 0.1     | 0.1     | —                       | —                               |
| Total expenses                                                  | 153.8           | 144.1   | 185.5   | 140.3            | -3.0%                   | 100.0%                          | 213.8                            | 228.7   | 238.2   | 19.3%                   | 100.0%                          |
| Surplus/(Deficit)                                               | 8.7             | 37.9    | —       | —                | -100.0%                 |                                 | —                                | —       | —       | —                       |                                 |
| Cash flow statement                                             |                 |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Cash flow from operating activities                             | (19.1)          | 14.2    | 2.1     | 21.6             | -204.1%                 | 100.0%                          | (37.2)                           | (34.9)  | (36.1)  | -218.8%                 | 100.0%                          |
| Receipts                                                        |                 |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Non-tax receipts                                                | 41.3            | 46.8    | 57.3    | 68.0             | 18.1%                   | 33.5%                           | 73.9                             | 80.2    | 87.1    | 8.6%                    | 48.3%                           |
| Sales of goods and services other than capital assets           | 37.8            | 41.6    | 54.0    | 64.4             | 19.4%                   | 31.0%                           | 70.0                             | 76.0    | 82.5    | 8.6%                    | 45.8%                           |
| of which:                                                       |                 |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Administrative fees                                             | 37.8            | 41.6    | 54.0    | 64.4             | 19.4%                   | 31.0%                           | 70.0                             | 76.0    | 82.5    | 8.6%                    | 45.8%                           |
| Water Trading Entity                                            | 35.8            | 37.5    | 54.0    | 56.6             | 16.5%                   | 28.8%                           | 61.5                             | 66.8    | 72.5    | 8.6%                    | 40.2%                           |
| Interest received from trade debtors                            | 2.0             | 4.1     | —       | —                | -100.0%                 | 1.0%                            | —                                | —       | —       | —                       | —                               |
| Waste discharge charge                                          | —               | —       | —       | 7.8              | —                       | 1.2%                            | 8.5                              | 9.2     | 10.0    | 8.5%                    | 5.5%                            |
| Other tax receipts                                              | 3.5             | 5.1     | 3.3     | 3.6              | 0.8%                    | 2.5%                            | 3.9                              | 4.2     | 4.6     | 9.0%                    | 2.5%                            |
| Transfers received                                              | 88.7            | 111.9   | 128.2   | 93.9             | 1.9%                    | 66.4%                           | 75.5                             | 79.0    | 82.5    | -4.2%                   | 51.7%                           |
| Financial transactions in assets and liabilities                | 0.2             | 0.1     | —       | —                | -100.0%                 | 0.1%                            | —                                | —       | —       | —                       | —                               |
| Total receipts                                                  | 130.2           | 158.8   | 185.5   | 161.9            | 7.5%                    | 100.0%                          | 149.4                            | 159.2   | 169.6   | 1.6%                    | 100.0%                          |
| Payment                                                         |                 |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Current payments                                                | 149.4           | 144.6   | 183.4   | 140.3            | -2.1%                   | 100.0%                          | 186.6                            | 194.1   | 205.7   | 13.6%                   | 100.0%                          |
| Compensation of employees                                       | 98.6            | 107.4   | 114.9   | 109.3            | 3.5%                    | 70.2%                           | 129.1                            | 136.8   | 145.0   | 9.9%                    | 72.0%                           |
| Goods and services                                              | 50.7            | 37.2    | 68.5    | 31.0             | -15.1%                  | 29.8%                           | 57.4                             | 57.2    | 60.6    | 25.0%                   | 28.0%                           |
| Interest and rent on land                                       | —               | —       | 0.1     | —                | —                       | —                               | 0.1                              | 0.1     | 0.1     | —                       | —                               |
| Total payments                                                  | 149.4           | 144.6   | 183.4   | 140.3            | -2.1%                   | 100.0%                          | 186.6                            | 194.1   | 205.7   | 13.6%                   | 100.0%                          |
| Net cash flow from investing activities                         | (4.0)           | (1.0)   | (2.0)   | —                | -100.0%                 | —                               | (1.9)                            | (2.0)   | (2.1)   | —                       | —                               |
| Acquisition of property, plant, equipment and intangible assets | (4.0)           | (1.0)   | (2.0)   | —                | -100.0%                 | —                               | (1.9)                            | (2.0)   | (2.1)   | —                       | —                               |
| Net cash flow from financing activities                         | (0.1)           | 0.1     | (0.1)   | —                | -100.0%                 | —                               | (0.1)                            | (0.0)   | (0.0)   | —                       | —                               |
| Repayment of finance leases                                     | (0.1)           | 0.1     | (0.1)   | —                | -100.0%                 | —                               | (0.1)                            | (0.0)   | (0.0)   | —                       | —                               |
| Net increase/(decrease) in cash and cash equivalents            | (23.3)          | 13.3    | 0.0     | 21.6             | -197.4%                 | 2.4%                            | (39.2)                           | (36.9)  | (38.3)  | -221.1%                 | 100.0%                          |
| Statement of financial position                                 |                 |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Carrying value of assets                                        | 9.9             | 8.3     | 9.0     | 10.6             | 2.1%                    | 13.8%                           | 10.7                             | 11.0    | 11.1    | 1.5%                    | 15.2%                           |
| of which:                                                       |                 |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Acquisition of assets                                           | (4.0)           | (1.0)   | (2.0)   | —                | -100.0%                 | —                               | (1.9)                            | (2.0)   | (2.1)   | —                       | —                               |
| Investments                                                     | 0.3             | 0.2     | 0.0     | 0.3              | 8.3%                    | 0.3%                            | 0.3                              | 0.4     | 0.4     | 4.0%                    | 0.5%                            |
| Receivables and prepayments                                     | 14.4            | 2.6     | 17.2    | 14.2             | -0.4%                   | 17.9%                           | 14.2                             | 15.0    | 15.5    | 2.8%                    | 20.6%                           |
| Cash and cash equivalents                                       | 49.7            | 63.0    | 40.1    | 37.0             | -9.4%                   | 68.0%                           | 37.0                             | 56.2    | 56.2    | 15.0%                   | 63.7%                           |
| Total assets                                                    | 74.2            | 74.1    | 66.3    | 62.1             | -5.8%                   | 100.0%                          | 62.2                             | 82.6    | 83.1    | 10.2%                   | 100.0%                          |
| Accumulated surplus/(deficit)                                   | 4.9             | 61.9    | 56.4    | 31.8             | 86.9%                   | 56.6%                           | 26.3                             | —       | —       | -100.0%                 | 23.4%                           |
| Capital and reserves                                            | —               | —       | —       | 0.1              | —                       | 0.1%                            | 0.1                              | 0.1     | 0.1     | 3.7%                    | 0.2%                            |
| Capital reserve fund                                            | 54.2            | —       | —       | —                | -100.0%                 | 18.3%                           | —                                | 5.0     | 5.4     | —                       | 3.1%                            |
| Finance lease                                                   | 0.1             | 0.3     | 0.3     | 0.1              | —                       | 0.3%                            | 0.1                              | 0.1     | 0.1     | 8.3%                    | 0.1%                            |
| Deferred income                                                 | —               | —       | —       | 0.7              | —                       | 0.3%                            | 0.7                              | —       | —       | -100.0%                 | 0.6%                            |
| Trade and other payables                                        | 10.5            | 4.9     | 2.9     | 5.3              | -20.7%                  | 8.4%                            | 5.3                              | 5.3     | 5.4     | 0.7%                    | 7.5%                            |
| Taxation                                                        | —               | —       | 0.1     | —                | —                       | 0.1%                            | —                                | —       | —       | —                       | —                               |
| Provisions                                                      | 4.6             | —       | —       | 24.1             | 73.9%                   | 11.3%                           | 29.7                             | 72.1    | 72.1    | 44.1%                   | 65.2%                           |
| Derivatives financial instruments                               | —               | 7.0     | 6.5     | —                | —                       | 4.8%                            | —                                | —       | —       | —                       | —                               |
| Total equity and liabilities                                    | 74.2            | 74.1    | 66.3    | 62.1             | -5.8%                   | 100.0%                          | 62.2                             | 82.6    | 83.1    | 10.2%                   | 100.0%                          |

## Personnel information

**Table 41.23 Inkomati-Usuthu Catchment Management Agency personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2025 |                                           |         | Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment |       |                  |        |       |                                  |        |       |           |        |       |           |        |       |                   | Average growth rate of personnel posts (%) | Average: salary level/ Total (%) |
|---------------------------------------------|-------------------------------------------|---------|--------------------------------------------------------------------------------------------|-------|------------------|--------|-------|----------------------------------|--------|-------|-----------|--------|-------|-----------|--------|-------|-------------------|--------------------------------------------|----------------------------------|
| Number of funded posts                      | Number of posts on approved establishment |         |                                                                                            |       |                  |        |       |                                  |        |       |           |        |       |           |        |       |                   |                                            |                                  |
|                                             |                                           | Actual  |                                                                                            |       | Revised estimate |        |       | Medium-term expenditure estimate |        |       |           |        |       |           |        |       |                   |                                            |                                  |
|                                             |                                           | 2023/24 |                                                                                            |       | 2024/25          |        |       | 2025/26                          |        |       | 2026/27   |        |       | 2027/28   |        |       | 2024/25 - 2027/28 |                                            |                                  |
| Inkomati-Usuthu Catchment Management Agency |                                           |         | Number                                                                                     | Cost  | Unit cost        | Number | Cost  | Unit cost                        | Number | Cost  | Unit cost | Number | Cost  | Unit cost | Number | Cost  | Unit cost         |                                            |                                  |
| Salary level                                | 114                                       | 142     | 141                                                                                        | 114.9 | 0.8              | 113    | 109.3 | 1.0                              | 113    | 140.5 | 1.2       | 113    | 149.7 | 1.3       | 113    | 159.7 | 1.4               | –                                          | 100.0%                           |
| 1 – 6                                       | 5                                         | 5       | 5                                                                                          | 1.3   | 0.3              | 5      | 1.1   | 0.2                              | 5      | 1.5   | 0.3       | 5      | 4.5   | 0.9       | 5      | 4.8   | 1.0               | –                                          | 4.4%                             |
| 7 – 10                                      | 67                                        | 89      | 89                                                                                         | 57.0  | 0.6              | 67     | 54.5  | 0.8                              | 67     | 70.5  | 1.1       | 67     | 65.3  | 1.0       | 67     | 69.7  | 1.0               | –                                          | 59.3%                            |
| 11 – 12                                     | 3                                         | 3       | 3                                                                                          | 3.1   | 1.0              | 3      | 2.6   | 0.9                              | 3      | 3.4   | 1.1       | 3      | 14.1  | 4.7       | 3      | 15.1  | 5.0               | –                                          | 2.7%                             |
| 13 – 16                                     | 39                                        | 45      | 44                                                                                         | 53.4  | 1.2              | 38     | 51.0  | 1.3                              | 38     | 65.1  | 1.7       | 38     | 65.8  | 1.7       | 38     | 70.1  | 1.8               | –                                          | 33.6%                            |

1. Rand million.

## Rand Water

### Selected performance indicators

**Table 41.24 Rand Water performance indicators by programme/objective/activity and related outcome**

| Indicator                                                                                 | Programme/Objective/Activity | MTDP outcome                                              | Audited performance         |                             |                             | Estimated performance | MTEF targets |           |           |
|-------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|--------------|-----------|-----------|
|                                                                                           |                              |                                                           | 2021/22                     | 2022/23                     | 2023/24                     | 2024/25               | 2025/26      | 2026/27   | 2027/28   |
| Avoidable water loss as a percentage of total water produced (non-revenue water) per year | Administration               | Outcome 16: Improved service delivery at local government | 4.6%<br>(6 821/<br>144 510) | 4.6%<br>(6 940/<br>147 039) | 4.7%<br>(7 200/<br>153 191) | 4.7%                  | 4.7%         | 4.7%      | 4.7%      |
| Average volume of water sold per year (megalitres)                                        | Bulk water activities        |                                                           | 1 694 316                   | 1 721 658                   | 1 744 088                   | 1 734 997             | 1 761 387    | 1 788 310 | 1 815 665 |
| Cost per kilolitre per year                                                               | Bulk water activities        |                                                           | R10.68                      | R11.62                      | R12.68                      | R13.31                | R14.15       | R15.28    | R16.64    |

### Entity overview

Rand Water was established in terms of the Water Services Act (1997). It serves an estimated 18 million people, providing bulk potable water in Gauteng and parts of Mpumalanga, Free State and North West. The entity stores, treats and delivers water to municipalities, mines, industries, farmers and households.

The entity will continue to focus on meeting projected demand over the medium term by selling an estimated 5.4 million megalitres of water, refurbishing infrastructure and maintaining the average loss of non-revenue water at 4.7 per cent. Given the projected increase in water demand from the current 4 554 megalitres per day to 5 500 megalitres per day by 2030, Rand Water will focus on refurbishing and augmenting its infrastructure through projects such as pipeline renewals and the construction of reservoirs at an estimated cost of R46.5 billion over the medium term. In line with these investments, spending is expected to increase at an average annual rate of 9.1 per cent, from R19.1 billion in 2024/25 to R24.8 billion in 2027/28.

Bulk water sales constitute an estimated 93.9 per cent (R79.1 billion) of total revenue over the medium term, increasing at an average annual rate of 8.8. per cent, from R22.4 billion in 2024/25 to R28.8 billion in 2027/28. Total revenue is expected to increase at an average annual rate of 9.3 per cent, from R23.6 billion in 2024/25 to R30.8 billion in 2027/28, driven by increased demand for the water board's products and services.

## Programmes/Objectives/Activities

**Table 41.25 Rand Water 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 (%) |
|-----------------------|-----------------|-----------------|-----------------|------------------|-------------------------|---------------|--------------------------------|----------------------------------|-----------------|-----------------|-------------------------|--------------------------------|
| R million             | 2021/22         | 2022/23         | 2023/24         | 2024/25          | 2021/22 - 2024/25       | 2024/25       |                                | 2025/26                          | 2026/27         | 2027/28         | 2024/25 - 2027/28       |                                |
| Administration        | 2 477.7         | 3 595.8         | 3 182.0         | 3 192.1          | 8.8%                    | 17.9%         |                                | 3 468.7                          | 3 635.3         | 3 871.0         | 6.6%                    | 16.3%                          |
| Bulk water activities | 12 359.9        | 13 514.4        | 15 360.5        | 15 780.6         | 8.5%                    | 81.9%         |                                | 17 148.9                         | 18 898.1        | 20 872.9        | 9.8%                    | 83.4%                          |
| Secondary activities  | 23.8            | 3.1             | 63.9            | 99.3             | 61.1%                   | 0.3%          |                                | 33.1                             | 33.9            | 34.8            | -29.5%                  | 0.2%                           |
| <b>Total</b>          | <b>14 861.3</b> | <b>17 113.2</b> | <b>18 606.4</b> | <b>19 072.1</b>  | <b>8.7%</b>             | <b>100.0%</b> |                                | <b>20 650.7</b>                  | <b>22 567.3</b> | <b>24 778.6</b> | <b>9.1%</b>             | <b>100.0%</b>                  |

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

**Table 41.26 Rand Water statements of financial performance, cash flow and financial position**

### Statement of financial performance

|                                                      | Audited outcome |                 |                 | Revised estimate | Average growth rate (%) |               | Average: Expenditure/Total (%) | Medium-term expenditure estimate |                 |                 | Average growth rate (%) | Average: Expenditure/Total (%) |
|------------------------------------------------------|-----------------|-----------------|-----------------|------------------|-------------------------|---------------|--------------------------------|----------------------------------|-----------------|-----------------|-------------------------|--------------------------------|
| R million                                            | 2021/22         | 2022/23         | 2023/24         | 2024/25          | 2021/22 - 2024/25       | 2024/25       |                                | 2025/26                          | 2026/27         | 2027/28         | 2024/25 - 2027/28       |                                |
| <b>Revenue</b>                                       |                 |                 |                 |                  |                         |               |                                |                                  |                 |                 |                         |                                |
| <b>Non-tax revenue</b>                               | <b>18 323.5</b> | <b>20 648.4</b> | <b>23 167.9</b> | <b>23 602.7</b>  | <b>8.8%</b>             | <b>100.0%</b> |                                | <b>25 706.6</b>                  | <b>28 064.6</b> | <b>30 815.3</b> | <b>9.3%</b>             | <b>100.0%</b>                  |
| Sale of goods and services other than capital assets | 17 621.6        | 19 529.5        | 21 753.8        | 22 362.2         | 8.3%                    | 94.8%         |                                | 24 085.7                         | 26 241.9        | 28 804.5        | 8.8%                    | 93.9%                          |
| of which:                                            |                 |                 |                 |                  |                         |               |                                |                                  |                 |                 |                         |                                |
| Sales by market establishments                       | 17 621.6        | 19 529.5        | 21 753.8        | 22 362.2         | 8.3%                    | 94.8%         |                                | 24 085.7                         | 26 241.9        | 28 804.5        | 8.8%                    | 93.9%                          |
| Water sales                                          | 17 621.6        | 19 529.5        | 21 753.8        | 22 362.2         | 8.3%                    | 94.8%         |                                | 24 085.7                         | 26 241.9        | 28 804.5        | 8.8%                    | 93.9%                          |
| Other non-tax revenue                                | 701.9           | 1 118.9         | 1 414.1         | 1 240.6          | 20.9%                   | 5.2%          |                                | 1 620.9                          | 1 822.7         | 2 010.8         | 17.5%                   | 6.1%                           |
| <b>Total revenue</b>                                 | <b>18 323.5</b> | <b>20 648.4</b> | <b>23 167.9</b> | <b>23 602.7</b>  | <b>8.8%</b>             | <b>100.0%</b> |                                | <b>25 706.6</b>                  | <b>28 064.6</b> | <b>30 815.3</b> | <b>9.3%</b>             | <b>100.0%</b>                  |
| <b>Expenses</b>                                      |                 |                 |                 |                  |                         |               |                                |                                  |                 |                 |                         |                                |
| <b>Current expenses</b>                              | <b>14 861.3</b> | <b>17 113.2</b> | <b>18 606.4</b> | <b>19 072.1</b>  | <b>8.7%</b>             | <b>100.0%</b> |                                | <b>20 650.7</b>                  | <b>22 567.3</b> | <b>24 778.6</b> | <b>9.1%</b>             | <b>100.0%</b>                  |
| Compensation of employees                            | 2 875.7         | 3 036.5         | 3 371.4         | 3 237.9          | 4.0%                    | 18.0%         |                                | 3 333.7                          | 3 506.4         | 3 688.0         | 4.4%                    | 15.9%                          |
| Goods and services                                   | 11 392.2        | 13 341.4        | 14 486.4        | 15 084.1         | 9.8%                    | 77.9%         |                                | 16 243.5                         | 17 876.5        | 19 802.5        | 9.5%                    | 79.2%                          |
| Depreciation                                         | 497.8           | 654.1           | 697.2           | 703.5            | 12.2%                   | 3.7%          |                                | 776.9                            | 887.8           | 1 026.3         | 13.4%                   | 3.9%                           |
| Interest, dividends and rent on land                 | 95.6            | 81.3            | 51.4            | 46.6             | -21.3%                  | 0.4%          |                                | 296.6                            | 296.6           | 261.9           | 77.8%                   | 1.0%                           |
| <b>Total expenses</b>                                | <b>14 861.3</b> | <b>17 113.2</b> | <b>18 606.4</b> | <b>19 072.1</b>  | <b>8.7%</b>             | <b>100.0%</b> |                                | <b>20 650.7</b>                  | <b>22 567.3</b> | <b>24 778.6</b> | <b>9.1%</b>             | <b>100.0%</b>                  |
| <b>Surplus/(Deficit)</b>                             | <b>3 462.2</b>  | <b>3 535.2</b>  | <b>4 561.5</b>  | <b>4 530.7</b>   | <b>9.4%</b>             |               |                                | <b>5 055.9</b>                   | <b>5 497.3</b>  | <b>6 036.6</b>  | <b>10.0%</b>            |                                |

### Cash flow statement

|                                                                            |                  |                  |                  |                  |                |               |  |                  |                  |                  |              |               |
|----------------------------------------------------------------------------|------------------|------------------|------------------|------------------|----------------|---------------|--|------------------|------------------|------------------|--------------|---------------|
| <b>Cash flow from operating activities</b>                                 | <b>2 736.5</b>   | <b>2 442.9</b>   | <b>4 880.4</b>   | <b>2 359.5</b>   | <b>-4.8%</b>   | <b>100.0%</b> |  | <b>11 858.0</b>  | <b>6 643.4</b>   | <b>7 098.7</b>   | <b>44.4%</b> | <b>100.0%</b> |
| <b>Receipts</b>                                                            |                  |                  |                  |                  |                |               |  |                  |                  |                  |              |               |
| <b>Non-tax receipts</b>                                                    | <b>18 283.6</b>  | <b>20 648.4</b>  | <b>23 167.9</b>  | <b>23 602.7</b>  | <b>8.9%</b>    | <b>100.0%</b> |  | <b>25 706.6</b>  | <b>28 064.6</b>  | <b>30 815.3</b>  | <b>9.3%</b>  | <b>100.0%</b> |
| Sales of goods and services other than capital assets                      | 17 658.0         | 19 675.5         | 21 836.5         | 22 437.9         | 8.3%           | 95.3%         |  | 24 262.5         | 26 421.0         | 28 986.1         | 8.9%         | 94.4%         |
| of which:                                                                  |                  |                  |                  |                  |                |               |  |                  |                  |                  |              |               |
| Sales by market establishment                                              | 17 621.6         | 19 529.5         | 21 753.8         | 22 362.2         | 8.3%           | 94.9%         |  | 24 085.7         | 26 241.9         | 28 804.5         | 8.8%         | 93.9%         |
| Water sales                                                                | 17 621.6         | 19 529.5         | 21 753.8         | 22 362.2         | 8.3%           | 94.9%         |  | 24 085.7         | 26 241.9         | 28 804.5         | 8.8%         | 93.9%         |
| Other sales                                                                | 36.4             | 145.9            | 82.7             | 75.7             | 27.7%          | 0.4%          |  | 176.7            | 179.1            | 181.6            | 33.9%        | 0.6%          |
| Other tax receipts                                                         | 625.7            | 972.9            | 1 331.4          | 1 164.8          | 23.0%          | 4.7%          |  | 1 444.2          | 1 643.6          | 1 829.2          | 16.2%        | 5.6%          |
| <b>Total receipts</b>                                                      | <b>18 283.6</b>  | <b>20 648.4</b>  | <b>23 167.9</b>  | <b>23 602.7</b>  | <b>8.9%</b>    | <b>100.0%</b> |  | <b>25 706.6</b>  | <b>28 064.6</b>  | <b>30 815.3</b>  | <b>9.3%</b>  | <b>100.0%</b> |
| <b>Payment</b>                                                             |                  |                  |                  |                  |                |               |  |                  |                  |                  |              |               |
| <b>Current payments</b>                                                    | <b>15 547.1</b>  | <b>18 205.5</b>  | <b>18 287.5</b>  | <b>21 243.2</b>  | <b>11.0%</b>   | <b>100.0%</b> |  | <b>13 848.6</b>  | <b>21 421.2</b>  | <b>23 716.6</b>  | <b>3.7%</b>  | <b>100.0%</b> |
| Compensation of employees                                                  | 2 875.7          | 3 036.5          | 3 371.4          | 3 237.9          | 4.0%           | 17.2%         |  | 3 333.7          | 3 506.4          | 3 688.0          | 4.4%         | 17.8%         |
| Goods and services                                                         | 12 575.9         | 15 087.7         | 14 864.7         | 17 958.7         | 12.6%          | 82.4%         |  | 10 218.3         | 17 618.2         | 19 766.7         | 3.2%         | 81.0%         |
| Interest and rent on land                                                  | 95.6             | 81.3             | 51.4             | 46.6             | -21.3%         | 0.4%          |  | 296.6            | 296.6            | 261.9            | 77.8%        | 1.2%          |
| <b>Total payments</b>                                                      | <b>15 547.1</b>  | <b>18 205.5</b>  | <b>18 287.5</b>  | <b>21 243.2</b>  | <b>11.0%</b>   | <b>100.0%</b> |  | <b>13 848.6</b>  | <b>21 421.2</b>  | <b>23 716.6</b>  | <b>3.7%</b>  | <b>100.0%</b> |
| <b>Net cash flow from investing activities</b>                             | <b>(3 441.7)</b> | <b>(2 457.7)</b> | <b>(2 197.5)</b> | <b>(2 049.0)</b> | <b>-15.9%</b>  | <b>100.0%</b> |  | <b>(2 366.5)</b> | <b>(3 713.3)</b> | <b>(4 791.3)</b> | <b>32.7%</b> | <b>100.0%</b> |
| Acquisition of property, plant, equipment and intangible assets            | (1 590.3)        | (1 245.1)        | (1 753.0)        | (2 083.1)        | 9.4%           | 69.6%         |  | (2 181.0)        | (3 541.0)        | (4 501.5)        | 29.3%        | 95.8%         |
| Proceeds from the sale of property, plant, equipment and intangible assets | 7.4              | 12.5             | 1.3              | -                | -100.0%        | -0.2%         |  | -                | -                | -                | -            | -             |
| Other flows from investing activities                                      | (1 858.8)        | (1 225.0)        | (445.8)          | 34.1             | -126.4%        | 30.6%         |  | (185.4)          | (172.3)          | (289.9)          | -304.1%      | 4.2%          |
| <b>Net cash flow from financing activities</b>                             | <b>(1.4)</b>     | <b>(4.3)</b>     | <b>(1 236.5)</b> | <b>-</b>         | <b>-100.0%</b> | <b>-</b>      |  | <b>(586.0)</b>   | <b>-</b>         | <b>(579.0)</b>   | <b>-</b>     | <b>-</b>      |
| Borrowing activities                                                       | -                | -                | (1 231.0)        | -                | -              | -             |  | (586.0)          | -                | (579.0)          | -            | -             |
| Repayment of finance leases                                                | (1.4)            | (0.3)            | (5.5)            | -                | -100.0%        | -             |  | -                | -                | -                | -            | -             |
| Other flows from financing activities                                      | -                | (4.0)            | -                | -                | -              | -             |  | -                | -                | -                | -            | -             |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                | <b>(706.6)</b>   | <b>(19.0)</b>    | <b>1 446.4</b>   | <b>310.5</b>     | <b>-176.0%</b> | <b>1.1%</b>   |  | <b>8 905.5</b>   | <b>2 930.1</b>   | <b>1 728.3</b>   | <b>77.2%</b> | <b>100.0%</b> |

**Table 41.26 Rand Water statements of financial performance, cash flow and financial position (continued)**

| Statement of financial position   |                 |           |           |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |                                  |           |           | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------|-----------------|-----------|-----------|------------------|-------------------------|---------------------------------|----------------------------------|-----------|-----------|-------------------------|---------------------------------|
|                                   | Audited outcome |           |           | Revised estimate |                         |                                 | Medium-term expenditure estimate |           |           |                         |                                 |
| R million                         | 2021/22         | 2022/23   | 2023/24   | 2024/25          | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27   | 2027/28   | 2024/25 - 2027/28       |                                 |
| Carrying value of assets          | 28 629.5        | 29 819.9  | 31 233.3  | 36 261.2         | 8.2%                    | 67.8%                           | 34 590.7                         | 37 520.6  | 41 280.9  | 4.4%                    | 62.3%                           |
| of which:                         |                 |           |           |                  |                         |                                 |                                  |           |           |                         |                                 |
| Acquisition of assets             | (1 590.3)       | (1 245.1) | (1 753.0) | (2 083.1)        | 9.4%                    | 100.0%                          | (2 181.0)                        | (3 541.0) | (4 501.5) | 29.3%                   | 100.0%                          |
| Investments                       | 3 772.9         | 4 940.1   | 5 393.6   | 6 359.9          | 19.0%                   | 10.9%                           | 2 571.5                          | 2 743.7   | 3 033.6   | -21.9%                  | 6.3%                            |
| Inventory                         | 169.9           | 174.3     | 208.1     | 186.6            | 3.2%                    | 0.4%                            | 198.1                            | 204.8     | 212.0     | 4.3%                    | 0.3%                            |
| Loans                             | 1.5             | 8.2       | 9.1       | 175.3            | 393.3%                  | 0.1%                            | 8.1                              | 8.0       | 7.9       | -64.4%                  | 0.1%                            |
| Receivables and prepayments       | 3 151.8         | 4 446.7   | 4 780.6   | 4 182.5          | 9.9%                    | 8.9%                            | 4 201.4                          | 4 425.7   | 4 700.1   | 4.0%                    | 7.3%                            |
| Cash and cash equivalents         | 4 902.4         | 4 884.1   | 6 331.6   | 6 021.1          | 7.1%                    | 11.9%                           | 14 926.6                         | 17 856.7  | 19 585.0  | 48.2%                   | 23.7%                           |
| Non-current assets held for sale  | 0.2             | 0.1       | –         | –                | -100.0%                 | –                               | –                                | –         | –         | –                       | –                               |
| Total assets                      | 40 628.0        | 44 273.4  | 47 956.2  | 53 186.5         | 9.4%                    | 100.0%                          | 56 496.4                         | 62 759.6  | 68 819.6  | 9.0%                    | 100.0%                          |
| Accumulated surplus/(deficit)     | 32 223.6        | 35 712.1  | 40 312.5  | 44 937.5         | 11.7%                   | 82.1%                           | 49 891.5                         | 55 388.8  | 61 425.4  | 11.0%                   | 87.6%                           |
| Borrowings                        | 4 384.4         | 3 154.8   | 3 163.5   | 2 566.5          | -16.3%                  | 7.3%                            | 2 568.2                          | 2 568.0   | 1 988.8   | -8.1%                   | 4.1%                            |
| Deferred income                   | 133.5           | 129.0     | 163.9     | 146.7            | 3.2%                    | 0.3%                            | 146.6                            | 151.6     | 156.9     | 2.3%                    | 0.3%                            |
| Trade and other payables          | 3 761.0         | 5 161.3   | 4 073.7   | 5 499.2          | 13.5%                   | 9.9%                            | 3 543.1                          | 4 269.5   | 4 831.0   | -4.2%                   | 7.6%                            |
| Provisions                        | 125.5           | 116.2     | 132.3     | 36.6             | -33.7%                  | 0.2%                            | 22.9                             | 31.1      | 39.6      | 2.7%                    | 0.1%                            |
| Derivatives financial instruments | –               | –         | 110.2     | –                | –                       | 0.1%                            | 324.2                            | 350.7     | 378.0     | –                       | 0.4%                            |
| Total equity and liabilities      | 40 628.0        | 44 273.4  | 47 956.2  | 53 186.5         | 9.4%                    | 100.0%                          | 56 496.4                         | 62 759.6  | 68 819.6  | 9.0%                    | 100.0%                          |

## Personnel information

**Table 41.27 Rand Water personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2025 |                                           |       | Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment |         |           |                  |         |           |                                  |         |           |         |         |           |         |           | Average growth rate of personnel posts (%) | Average: salary level/ Total (%) |                   |
|---------------------------------------------|-------------------------------------------|-------|--------------------------------------------------------------------------------------------|---------|-----------|------------------|---------|-----------|----------------------------------|---------|-----------|---------|---------|-----------|---------|-----------|--------------------------------------------|----------------------------------|-------------------|
| Number of funded posts                      | Number of posts on approved establishment |       | Actual                                                                                     |         |           | Revised estimate |         |           | Medium-term expenditure estimate |         |           |         |         |           |         |           |                                            |                                  |                   |
|                                             |                                           |       | 2023/24                                                                                    |         | Unit cost | 2024/25          |         | Unit cost | 2025/26                          |         | Unit cost | 2026/27 |         | Unit cost | 2027/28 | Unit cost |                                            |                                  | 2024/25 - 2027/28 |
| Rand Water                                  |                                           |       | Number                                                                                     | Cost    | Unit cost | Number           | Cost    | Unit cost | Number                           | Cost    | Unit cost | Number  | Cost    | Unit cost | Number  | Cost      | Unit cost                                  |                                  |                   |
| Salary level                                | 3 525                                     | 3 525 | 3 525                                                                                      | 3 371.4 | 1.0       | 3 525            | 3 237.9 | 0.9       | 3 527                            | 3 333.7 | 0.9       | 3 527   | 3 506.4 | 1.0       | 3 527   | 3 688.0   | 1.0                                        | 0.0%                             | 100.0%            |
| 1 – 6                                       | 9                                         | 9     | 9                                                                                          | 16.4    | 1.8       | 9                | 16.0    | 1.8       | 9                                | 16.4    | 1.8       | 9       | 17.3    | 1.9       | 9       | 18.2      | 2.0                                        | –                                | 0.3%              |
| 7 – 10                                      | 2 665                                     | 2 665 | 2 665                                                                                      | 1 751.4 | 0.7       | 2 665            | 1 663.9 | 0.6       | 2 667                            | 1 713.1 | 0.6       | 2 667   | 1 801.8 | 0.7       | 2 667   | 1 895.2   | 0.7                                        | 0.0%                             | 75.6%             |
| 11 – 12                                     | 204                                       | 204   | 204                                                                                        | 269.0   | 1.3       | 204              | 261.4   | 1.3       | 204                              | 269.1   | 1.3       | 204     | 283.1   | 1.4       | 204     | 297.7     | 1.5                                        | –                                | 5.8%              |
| 13 – 16                                     | 605                                       | 605   | 605                                                                                        | 1 168.7 | 1.9       | 605              | 1 135.5 | 1.9       | 605                              | 1 169.1 | 1.9       | 605     | 1 229.7 | 2.0       | 605     | 1 293.4   | 2.1                                        | –                                | 17.2%             |
| 17 – 22                                     | 42                                        | 42    | 42                                                                                         | 165.8   | 3.9       | 42               | 161.1   | 3.8       | 42                               | 165.9   | 3.9       | 42      | 174.5   | 4.2       | 42      | 183.5     | 4.4                                        | –                                | 1.2%              |

1. Rand million.

## Trans-Caledon Tunnel Authority

### Selected performance indicators

**Table 41.28 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related outcome**

| Indicator                               | Programme/Objective/Activity                | MTDP outcome                                                    | Audited performance |         |         | Estimated performance | MTEF targets |         |         |
|-----------------------------------------|---------------------------------------------|-----------------------------------------------------------------|---------------------|---------|---------|-----------------------|--------------|---------|---------|
|                                         |                                             |                                                                 | 2021/22             | 2022/23 | 2023/24 | 2024/25               | 2025/26      | 2026/27 | 2027/28 |
| Percentage completion of 160km pipeline | Mokolo-Crocodile water augmentation project | Outcome 4: Increased infrastructure investment and job creation | –1                  | –1      | –1      | –1                    | 5%           | 25%     | 45%     |
| Percentage completion of 6.3km pipeline | Berg River-Voëlvllei augmentation scheme    |                                                                 | –1                  | –1      | –1      | –1                    | 0%           | 30%     | 100%    |

1. No historical data available.

### Entity overview

The Trans-Caledon Tunnel Authority is a specialised liability management entity that 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. The authority will merge with the Water Trading Entity over the medium term to form the National Water Resources Infrastructure Agency.

Over the medium term, the agency will continue to implement the Berg River-Voëlvllei augmentation scheme,

which is expected to increase the yield of the Western Cape water supply system, which serves the City of Cape Town, by 23 million cubic metres a year; implement phase 2 of the Mokolo-Crocodile water augmentation project, which augments bulk raw water supply by 30 million cubic metres per year from the Mokolo Dam to Medupi and Matimba power stations; and implement phase 1 of the uMkhomazi water project to increase the yield of the uMngeni system from 394 million cubic metres to 608 million cubic metres per year by December 2032. The capital expenditure required for the construction of these strategic water resource projects is expected to increase at an average annual rate of 24.1 per cent, from R5.3 billion in 2024/25 to R10.2 billion in 2027/28. These projects will result in the provision of new infrastructure, the rehabilitation and upgrading of existing infrastructure, and improvements to the management of water and sanitation infrastructure.

The authority generates revenue through the fees it charges for financing and managing projects for the department. Revenue is expected to increase at an average annual rate of 8.1 per cent, from R5.2 billion in 2024/25 to R6.6 billion in 2027/28, mainly driven by revenue generated from the construction of water infrastructure.

### Programmes/Objectives/Activities

**Table 41.29 Trans-Caledon Tunnel Authority 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 (%) |
|---------------------------------------------------|-----------------|----------------|----------------|------------------|-------------------------|---------------------------------|----------------------------------|-----------------|-----------------|-------------------------|---------------------------------|
|                                                   | 2021/22         | 2022/23        | 2023/24        |                  |                         |                                 | 2025/26                          | 2026/27         | 2027/28         |                         |                                 |
| Administration                                    | 1 305.0         | 1 314.7        | 1 535.1        | 2 292.1          | 20.7%                   | 58.2%                           | 2 985.3                          | 3 263.8         | 3 393.0         | 14.0%                   | 34.3%                           |
| Berg water project                                | 35.0            | 31.4           | 25.7           | 35.3             | 0.3%                    | 1.2%                            | 28.4                             | 19.7            | 19.0            | -18.7%                  | 0.3%                            |
| Vaal River eastern subsystem augmentation project | 281.0           | 284.7          | 268.7          | 230.0            | -6.5%                   | 10.6%                           | 176.4                            | 144.1           | 116.4           | -20.3%                  | 2.1%                            |
| Mooi-Mgeni transfer scheme                        | 106.0           | 53.3           | 37.8           | 1.6              | -75.2%                  | 2.3%                            | 1.5                              | 1.5             | 4.9             | 44.4%                   | —                               |
| Olifants River water resource development project | 54.0            | 40.8           | 0.0            | 1.4              | -70.7%                  | 1.1%                            | 1.4                              | 1.1             | 1.2             | -4.1%                   | —                               |
| Komati water scheme augmentation project          | 106.0           | 101.2          | 106.4          | 107.8            | 0.6%                    | 4.1%                            | 94.3                             | 88.5            | 84.2            | -7.9%                   | 1.2%                            |
| Mokolo-Crocodile water augmentation project       | 292.0           | 186.5          | 237.5          | 1 676.9          | 79.1%                   | 16.0%                           | 6 153.8                          | 4 917.0         | 4 674.8         | 40.7%                   | 46.1%                           |
| Acid mine drainage                                | —               | —              | —              | 493.6            | —                       | 2.3%                            | 571.0                            | 620.0           | 673.4           | 10.9%                   | 6.9%                            |
| Berg River-Voelvlei augmentation scheme           | 26.0            | 16.7           | 26.8           | 105.7            | 59.6%                   | 1.3%                            | 140.1                            | 312.4           | 398.1           | 55.6%                   | 2.6%                            |
| Umkhomazi water project                           | 14.0            | 19.4           | 59.8           | 386.4            | 202.2%                  | 2.9%                            | 394.1                            | 699.0           | 816.5           | 28.3%                   | 6.5%                            |
| <b>Total</b>                                      | <b>2 219.0</b>  | <b>2 048.8</b> | <b>2 297.8</b> | <b>5 330.8</b>   | <b>33.9%</b>            | <b>100.0%</b>                   | <b>10 546.3</b>                  | <b>10 067.1</b> | <b>10 181.5</b> | <b>24.1%</b>            | <b>100.0%</b>                   |

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

**Table 41.30 Trans-Caledon Tunnel Authority statements of financial performance, cash flow and financial position**

| Statement of financial performance                   |                 |         |         |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |                                  |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|------------------------------------------------------|-----------------|---------|---------|------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
|                                                      | Audited outcome |         |         | Revised estimate |                         |                                 | Medium-term expenditure estimate |         |         |                         |                                 |
| R million                                            | 2021/22         | 2022/23 | 2023/24 | 2024/25          | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27 | 2027/28 | 2024/25 - 2027/28       |                                 |
| Revenue                                              |                 |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Non-tax revenue                                      | 3 542.0         | 3 122.6 | 2 518.1 | 5 190.5          | 13.6%                   | 100.0%                          | 8 598.2                          | 7 431.4 | 6 560.5 | 8.1%                    | 100.0%                          |
| Sale of goods and services other than capital assets | 778.0           | 722.4   | 873.0   | 3 377.3          | 63.1%                   | 36.2%                           | 7 753.8                          | 6 680.2 | 6 330.1 | 23.3%                   | 85.4%                           |
| of which:                                            |                 |         |         |                  |                         |                                 |                                  |         |         |                         |                                 |
| Sales by market establishments                       | 778.0           | 722.4   | 873.0   | 3 377.3          | 63.1%                   | 36.2%                           | 7 753.8                          | 6 680.2 | 6 330.1 | 23.3%                   | 85.4%                           |
| Construction revenue                                 | 262.0           | 138.0   | 254.6   | 2 103.5          | 100.2%                  | 15.6%                           | 6 111.2                          | 4 971.1 | 4 498.2 | 28.8%                   | 61.8%                           |
| Revenue from services rendered                       | 252.0           | 267.0   | 383.1   | 437.9            | 20.2%                   | 9.8%                            | 517.0                            | 563.6   | 614.3   | 11.9%                   | 7.8%                            |
| Other income                                         | 264.0           | 317.5   | 235.2   | 835.9            | 46.8%                   | 10.8%                           | 1 125.6                          | 1 145.5 | 1 217.6 | 13.4%                   | 15.8%                           |
| Other non-tax revenue                                | 2 764.0         | 2 400.2 | 1 645.2 | 1 813.2          | -13.1%                  | 63.8%                           | 844.4                            | 751.3   | 230.4   | -49.7%                  | 14.6%                           |
| Total revenue                                        | 3 542.0         | 3 122.6 | 2 518.1 | 5 190.5          | 13.6%                   | 100.0%                          | 8 598.2                          | 7 431.4 | 6 560.5 | 8.1%                    | 100.0%                          |

**Table 41.30 Trans-Caledon Tunnel Authority statements of financial performance, cash flow and financial position (continued)**

| Statement of financial performance                                         |                  |                  |                  |                  |                         | Average: Expenditure/ Total (%) |                                  |                  |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------------------------------------------------------------------|------------------|------------------|------------------|------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
|                                                                            | Audited outcome  |                  |                  | Revised estimate | Average growth rate (%) |                                 | Medium-term expenditure estimate |                  |                  | Average growth rate (%) |                                 |
| R million                                                                  | 2021/22          | 2022/23          | 2023/24          | 2024/25          | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27          | 2027/28          | 2024/25 - 2027/28       |                                 |
| <b>Expenses</b>                                                            |                  |                  |                  |                  |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Current expenses</b>                                                    | <b>2 219.0</b>   | <b>2 048.8</b>   | <b>2 297.8</b>   | <b>5 330.8</b>   | <b>33.9%</b>            | <b>100.0%</b>                   | <b>10 546.3</b>                  | <b>10 067.1</b>  | <b>10 181.5</b>  | <b>24.1%</b>            | <b>100.0%</b>                   |
| Compensation of employees                                                  | 244.9            | 303.3            | 318.5            | 334.4            | 10.9%                   | 11.5%                           | 351.1                            | 375.7            | 394.5            | 5.7%                    | 4.3%                            |
| Goods and services                                                         | 531.1            | 397.8            | 532.8            | 3 172.3          | 81.4%                   | 31.5%                           | 8 039.6                          | 6 995.0          | 6 666.1          | 28.1%                   | 67.7%                           |
| Depreciation                                                               | 2.0              | 5.9              | 15.7             | 10.5             | 73.9%                   | 0.3%                            | 10.5                             | 9.9              | 14.4             | 11.0%                   | 0.1%                            |
| Interest, dividends and rent on land                                       | 1 441.0          | 1 341.8          | 1 430.8          | 1 813.6          | 8.0%                    | 56.7%                           | 2 145.0                          | 2 686.5          | 3 106.4          | 19.6%                   | 27.9%                           |
| <b>Total expenses</b>                                                      | <b>2 219.0</b>   | <b>2 048.8</b>   | <b>2 297.8</b>   | <b>5 330.8</b>   | <b>33.9%</b>            | <b>100.0%</b>                   | <b>10 546.3</b>                  | <b>10 067.1</b>  | <b>10 181.5</b>  | <b>24.1%</b>            | <b>100.0%</b>                   |
| <b>Surplus/(Deficit)</b>                                                   | <b>1 323.0</b>   | <b>1 073.8</b>   | <b>220.4</b>     | <b>(140.4)</b>   | <b>-147.3%</b>          |                                 | <b>(1 948.1)</b>                 | <b>(2 635.7)</b> | <b>(3 621.0)</b> | <b>195.5%</b>           |                                 |
| <b>Cash flow statement</b>                                                 |                  |                  |                  |                  |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Cash flow from operating activities</b>                                 | <b>4 220.0</b>   | <b>2 373.7</b>   | <b>(628.7)</b>   | <b>(4 569.2)</b> | <b>-202.7%</b>          | <b>100.0%</b>                   | <b>(14 264.3)</b>                | <b>(5 759.6)</b> | <b>(3 950.7)</b> | <b>-4.7%</b>            | <b>100.0%</b>                   |
| <b>Receipts</b>                                                            |                  |                  |                  |                  |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Non-tax receipts</b>                                                    | <b>11 316.0</b>  | <b>10 817.4</b>  | <b>8 985.1</b>   | <b>9 366.1</b>   | <b>-6.1%</b>            | <b>100.0%</b>                   | <b>10 763.2</b>                  | <b>12 184.9</b>  | <b>14 326.3</b>  | <b>15.2%</b>            | <b>100.0%</b>                   |
| Sales of goods and services other than capital assets                      | 11 316.0         | 10 817.4         | 8 985.1          | 9 366.1          | -6.1%                   | 100.0%                          | 10 763.2                         | 12 184.9         | 14 326.3         | 15.2%                   | 100.0%                          |
| of which:                                                                  |                  |                  |                  |                  |                         |                                 |                                  |                  |                  |                         |                                 |
| Sales by market establishment                                              | 11 316.0         | 10 817.4         | 8 985.1          | 9 366.1          | -6.1%                   | 100.0%                          | 10 763.2                         | 12 184.9         | 14 326.3         | 15.2%                   | 100.0%                          |
| Construction revenue                                                       | 11 316.0         | 10 817.4         | 8 985.1          | 9 366.1          | -6.1%                   | 100.0%                          | 10 763.2                         | 12 184.9         | 14 326.3         | 15.2%                   | 100.0%                          |
| Revenue from services rendered                                             | —                | —                | —                | 437.9            | —                       | 1.2%                            | —                                | —                | —                | -100.0%                 | 1.2%                            |
| Other income                                                               | —                | —                | —                | 835.9            | —                       | 2.2%                            | —                                | —                | —                | -100.0%                 | 2.2%                            |
| <b>Total receipts</b>                                                      | <b>11 316.0</b>  | <b>10 817.4</b>  | <b>8 985.1</b>   | <b>9 366.1</b>   | <b>-6.1%</b>            | <b>100.0%</b>                   | <b>10 763.2</b>                  | <b>12 184.9</b>  | <b>14 326.3</b>  | <b>15.2%</b>            | <b>100.0%</b>                   |
| <b>Payment</b>                                                             |                  |                  |                  |                  |                         |                                 |                                  |                  |                  |                         |                                 |
| <b>Current payments</b>                                                    | <b>7 096.0</b>   | <b>8 443.6</b>   | <b>9 613.8</b>   | <b>13 935.3</b>  | <b>25.2%</b>            | <b>100.0%</b>                   | <b>25 027.4</b>                  | <b>17 944.5</b>  | <b>18 277.0</b>  | <b>9.5%</b>             | <b>100.0%</b>                   |
| Compensation of employees                                                  | 288.9            | 303.3            | 318.5            | 334.4            | 5.0%                    | 3.3%                            | 351.1                            | 375.7            | 393.4            | 5.6%                    | 2.0%                            |
| Goods and services                                                         | 5 366.1          | 6 860.9          | 7 902.5          | 11 787.3         | 30.0%                   | 80.9%                           | 22 428.7                         | 14 774.6         | 14 681.4         | 7.6%                    | 84.2%                           |
| Interest and rent on land                                                  | 1 441.0          | 1 279.4          | 1 392.8          | 1 813.6          | 8.0%                    | 15.7%                           | 2 247.6                          | 2 794.2          | 3 202.2          | 20.9%                   | 13.8%                           |
| <b>Total payments</b>                                                      | <b>7 096.0</b>   | <b>8 443.6</b>   | <b>9 613.8</b>   | <b>13 935.3</b>  | <b>25.2%</b>            | <b>100.0%</b>                   | <b>25 027.4</b>                  | <b>17 944.5</b>  | <b>18 277.0</b>  | <b>9.5%</b>             | <b>100.0%</b>                   |
| <b>Net cash flow from investing activities</b>                             | <b>316.0</b>     | <b>(10.8)</b>    | <b>(794.8)</b>   | <b>911.5</b>     | <b>42.4%</b>            | <b>100.0%</b>                   | <b>277.9</b>                     | <b>118.8</b>     | <b>137.7</b>     | <b>-46.7%</b>           | <b>100.0%</b>                   |
| Acquisition of property, plant, equipment and intangible assets            | (1.0)            | (25.3)           | (2.3)            | —                | -100.0%                 | 58.6%                           | —                                | —                | —                | —                       | —                               |
| Proceeds from the sale of property, plant, equipment and intangible assets | —                | 0.1              | 0.0              | —                | —                       | -0.3%                           | —                                | —                | —                | —                       | —                               |
| Other flows from investing activities                                      | 317.0            | 14.4             | (792.5)          | 911.5            | 42.2%                   | 41.7%                           | 277.9                            | 118.8            | 137.7            | -46.7%                  | 100.0%                          |
| <b>Net cash flow from financing activities</b>                             | <b>(4 921.0)</b> | <b>(1 853.1)</b> | <b>(1 561.0)</b> | <b>8 851.0</b>   | <b>-221.6%</b>          | <b>100.0%</b>                   | <b>11 664.8</b>                  | <b>5 015.8</b>   | <b>4 284.1</b>   | <b>-21.5%</b>           | <b>100.0%</b>                   |
| Borrowing activities                                                       | (4 917.0)        | (1 852.1)        | (1 557.8)        | 8 851.0          | -221.6%                 | 99.9%                           | 11 664.8                         | 5 015.8          | 4 284.1          | -21.5%                  | 100.0%                          |
| Repayment of finance leases                                                | (4.0)            | (0.9)            | (3.1)            | —                | -100.0%                 | 0.1%                            | —                                | —                | —                | —                       | —                               |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                | <b>(385.0)</b>   | <b>509.9</b>     | <b>(2 984.5)</b> | <b>5 193.3</b>   | <b>-338.0%</b>          | <b>-6.2%</b>                    | <b>(2 321.5)</b>                 | <b>(625.0)</b>   | <b>471.2</b>     | <b>-55.1%</b>           | <b>100.0%</b>                   |
| <b>Statement of financial position</b>                                     |                  |                  |                  |                  |                         |                                 |                                  |                  |                  |                         |                                 |
| Carrying value of assets                                                   | 2.0              | 23.5             | 14.7             | 21.5             | 120.8%                  | 0.1%                            | 8.8                              | 10.3             | 7.9              | -28.3%                  | —                               |
| of which:                                                                  |                  |                  |                  |                  |                         |                                 |                                  |                  |                  |                         |                                 |
| Acquisition of assets                                                      | (1.0)            | (25.3)           | (2.3)            | —                | -100.0%                 | —                               | —                                | —                | —                | —                       | —                               |
| Investments                                                                | 46.0             | 23.0             | 845.1            | —                | -100.0%                 | 1.2%                            | —                                | —                | —                | —                       | —                               |
| Receivables and prepayments                                                | 11 493.0         | 10 880.9         | 11 861.6         | 17 214.2         | 14.4%                   | 55.6%                           | 27 281.5                         | 27 031.9         | 36 567.3         | 28.5%                   | 82.0%                           |
| Cash and cash equivalents                                                  | 8 849.0          | 9 359.2          | 6 374.8          | 16 870.6         | 24.0%                   | 43.1%                           | 2 663.9                          | 2 038.9          | 2 510.0          | -47.0%                  | 17.9%                           |
| Finance lease receivable                                                   | —                | 21.5             | 16.8             | —                | —                       | —                               | —                                | —                | —                | —                       | —                               |
| <b>Total assets</b>                                                        | <b>20 390.0</b>  | <b>20 308.2</b>  | <b>19 113.0</b>  | <b>34 106.3</b>  | <b>18.7%</b>            | <b>100.0%</b>                   | <b>29 954.2</b>                  | <b>29 081.2</b>  | <b>39 085.3</b>  | <b>4.6%</b>             | <b>100.0%</b>                   |
| Accumulated surplus/(deficit)                                              | 3 890.0          | 4 806.4          | 5 026.8          | 6 580.5          | 19.2%                   | 22.1%                           | 3 570.7                          | 3 319.4          | 3 583.0          | -18.3%                  | 12.9%                           |
| Borrowings                                                                 | 15 200.0         | 14 301.3         | 11 857.6         | 22 803.6         | 14.5%                   | 68.5%                           | 24 187.0                         | 23 858.4         | 27 108.4         | 5.9%                    | 74.8%                           |
| Finance lease                                                              | —                | 18.3             | 14.4             | —                | —                       | —                               | —                                | —                | —                | —                       | —                               |
| Trade and other payables                                                   | 679.0            | 1 141.9          | 2 128.4          | 3 011.3          | 64.3%                   | 7.2%                            | 2 196.5                          | 1 903.3          | 8 393.9          | 40.7%                   | 11.0%                           |
| Provisions                                                                 | 34.0             | 37.2             | 81.8             | 1 711.0          | 269.2%                  | 1.4%                            | —                                | —                | —                | -100.0%                 | 1.3%                            |
| Derivatives financial instruments                                          | 587.0            | 3.2              | 3.9              | —                | -100.0%                 | 0.7%                            | —                                | —                | —                | —                       | —                               |
| <b>Total equity and liabilities</b>                                        | <b>20 390.0</b>  | <b>20 308.2</b>  | <b>19 113.0</b>  | <b>34 106.3</b>  | <b>18.7%</b>            | <b>100.0%</b>                   | <b>29 954.2</b>                  | <b>29 081.2</b>  | <b>39 085.3</b>  | <b>4.6%</b>             | <b>100.0%</b>                   |

## Personnel information

**Table 41.31 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2025 |                                        |                                  | Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment |       |     |                  |       |           |                                  |       |           |         |       |           |         |       | Average growth rate of personnel posts (%) | Average: salary level/ Total (%) |        |
|---------------------------------------------|----------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------|-------|-----|------------------|-------|-----------|----------------------------------|-------|-----------|---------|-------|-----------|---------|-------|--------------------------------------------|----------------------------------|--------|
| Number of funded posts                      | Number of approved establishment posts | Number of posts on establishment | Actual                                                                                     |       |     | Revised estimate |       |           | Medium-term expenditure estimate |       |           |         |       |           |         |       |                                            |                                  |        |
|                                             |                                        |                                  | 2023/24                                                                                    |       |     | 2024/25          |       |           | 2025/26                          |       |           | 2026/27 |       |           | 2027/28 |       | 2024/25 - 2027/28                          |                                  |        |
|                                             |                                        |                                  | Trans-Caledon Tunnel Authority                                                             |       |     | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number  | Cost  | Unit cost | Number  | Cost  |                                            | Unit cost                        |        |
| Salary level                                | 225                                    | 225                              | 225                                                                                        | 318.5 | 1.4 | 225              | 334.4 | 1.5       | 225                              | 351.1 | 1.6       | 225     | 375.7 | 1.7       | 225     | 394.5 | 1.8                                        | –                                | 100.0% |
| 1 – 6                                       | 3                                      | 3                                | 3                                                                                          | 0.9   | 0.3 | 3                | 1.0   | 0.3       | 3                                | 1.0   | 0.3       | 3       | 1.1   | 0.4       | 3       | 1.2   | 0.4                                        | –                                | 1.3%   |
| 7 – 10                                      | 55                                     | 55                               | 55                                                                                         | 31.7  | 0.6 | 55               | 33.3  | 0.6       | 55                               | 35.0  | 0.6       | 55      | 37.4  | 0.7       | 55      | 39.3  | 0.7                                        | –                                | 24.4%  |
| 11 – 12                                     | 46                                     | 46                               | 46                                                                                         | 44.2  | 1.0 | 46               | 46.4  | 1.0       | 46                               | 48.8  | 1.1       | 46      | 52.2  | 1.1       | 46      | 54.8  | 1.2                                        | –                                | 20.4%  |
| 13 – 16                                     | 102                                    | 102                              | 102                                                                                        | 173.4 | 1.7 | 102              | 182.1 | 1.8       | 102                              | 191.2 | 1.9       | 102     | 204.6 | 2.0       | 102     | 214.8 | 2.1                                        | –                                | 45.3%  |
| 17 – 22                                     | 19                                     | 19                               | 19                                                                                         | 68.2  | 3.6 | 19               | 71.6  | 3.8       | 19                               | 75.2  | 4.0       | 19      | 80.4  | 4.2       | 19      | 84.5  | 4.4                                        | –                                | 8.4%   |

1. Rand million.

## uMngeni-uThukela Water

### Selected performance indicators

**Table 41.32 uMngeni-uThukela Water performance indicators by programme/objective/activity and related outcome**

| Indicator                                  | Programme/Objective/Activity | MTDP outcome                                              | Audited performance |         |         | Estimated performance | MTEF targets |         |         |
|--------------------------------------------|------------------------------|-----------------------------------------------------------|---------------------|---------|---------|-----------------------|--------------|---------|---------|
|                                            |                              |                                                           | 2021/22             | 2022/23 | 2023/24 | 2024/25               | 2025/26      | 2026/27 | 2027/28 |
| Costs per kilolitre per year               | Bulk activities              | Outcome 16: Improved service delivery at local government | R5.41               | R5.58   | R7.13   | R8.66                 | R9.54        | R10.68  | R11.67  |
| Weighted average cost of capital per year  | Bulk activities              |                                                           | 10.8%               | 11%     | 11%     | 12.1%                 | 12%          | 11.9%   | 11.9%   |
| Volume (megalitres) of water sold per year | Bulk activities              |                                                           | 562 483             | 580 726 | 649 420 | 605 896               | 577 767      | 568 682 | 569 624 |

### Entity overview

The former Umgeni water board was established in terms of the Water Services Act (1997) to provide water and sanitation services in its service area, which comprised mostly rural areas in KwaZulu-Natal and the eThekweni metropolitan area. The entity's area of operation was expanded in May 2023 to incorporate the former Mhlathuze Water board's area of operation and renamed uMngeni-uThukela Water. The entity supplies water and sanitation services to an estimated 12.4 million people.

Over the medium term, the entity will continue with the construction of the potable water component of the uMkhomazi water project; the Stephen Dlamini Dam, which provides a yield of 3.1 million cubic metres per year (8.4 megalitres per day); the Ncwabeni off-channel storage dam project, which will increase the yield of the uMzimkulu River to fulfil the water resource requirements of Umzumbe municipality; the implementation of the raw water component in the lower uMkhomazi bulk water supply scheme project; the upgrading of the Thukela-Goedertrouw inter-basin transfer scheme, which is critical for providing raw water security to the Richards Bay area, particularly during droughts; and 2 rural development projects – phase 1 of the greater Mpofana regional scheme and phase 3 of the Maphumulo bulk water supply scheme.

To cater for these activities, total expenditure is expected to increase at an average annual rate of 2.2 per cent, from R7.3 billion in 2024/25 to R7.8 billion in 2027/28. Revenue is expected to increase at an average annual rate of 6.4 per cent, from R8.2 billion in 2024/27 to R9.9 billion in 2027/28, mainly driven by an anticipated increase in the sale of bulk water.

## Programmes/Objectives/Activities

**Table 41.33 uMngeni-uThukela Water expenditure trends and estimates by programme/objective/activity**

|                  |                |                |                |                  | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/ Total (%) |
|------------------|----------------|----------------|----------------|------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| Audited outcome  |                |                |                | Revised estimate |                         |                                 |                                  |                |                |                         |                                 |
| R million        | 2021/22        | 2022/23        | 2023/24        | 2024/25          | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27        | 2027/28        | 2024/25 - 2027/28       |                                 |
| Administration   | 2 047.0        | 2 628.3        | 3 089.4        | 3 234.9          | 16.5%                   | 49.7%                           | 3 085.7                          | 3 187.0        | 3 179.7        | -0.6%                   | 41.3%                           |
| Bulk activities  | 1 796.9        | 1 987.4        | 2 394.1        | 2 787.9          | 15.8%                   | 40.6%                           | 3 063.5                          | 3 409.1        | 3 816.9        | 11.0%                   | 42.4%                           |
| Wastewater       | 141.8          | 176.8          | 312.8          | 426.8            | 44.4%                   | 4.5%                            | 455.4                            | 487.0          | 521.6          | 6.9%                    | 6.1%                            |
| Other activities | 27.3           | 46.1           | 446.0          | 886.3            | 219.0%                  | 5.2%                            | 1 008.6                          | 885.5          | 309.2          | -29.6%                  | 10.1%                           |
| <b>Total</b>     | <b>4 013.1</b> | <b>4 838.5</b> | <b>6 242.3</b> | <b>7 335.8</b>   | <b>22.3%</b>            | <b>100.0%</b>                   | <b>7 613.3</b>                   | <b>7 968.6</b> | <b>7 827.3</b> | <b>2.2%</b>             | <b>100.0%</b>                   |

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

**Table 41.34 uMngeni-uThukela Water statements of financial performance, cash flow and financial position**

| Statement of financial performance                    |                 |                |                |                  | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-------------------------------------------------------|-----------------|----------------|----------------|------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
|                                                       | Audited outcome |                |                | Revised estimate | 2021/22 - 2024/25       |                                 |                                  |                |                | 2024/25 - 2027/28       |                                 |
| R million                                             | 2021/22         | 2022/23        | 2023/24        | 2024/25          | 2021/22 - 2024/25       |                                 | 2025/26                          | 2026/27        | 2027/28        | 2024/25 - 2027/28       |                                 |
| <b>Revenue</b>                                        |                 |                |                |                  |                         |                                 |                                  |                |                |                         |                                 |
| <b>Non-tax revenue</b>                                | <b>5 270.7</b>  | <b>6 000.3</b> | <b>7 703.5</b> | <b>8 229.8</b>   | <b>16.0%</b>            | <b>100.0%</b>                   | <b>8 877.8</b>                   | <b>9 483.7</b> | <b>9 900.3</b> | <b>6.4%</b>             | <b>100.0%</b>                   |
| Sale of goods and services other than capital assets  | 4 909.5         | 5 252.8        | 6 895.9        | 7 998.3          | 17.7%                   | 91.8%                           | 8 731.9                          | 9 384.0        | 9 791.5        | 7.0%                    | 98.3%                           |
| <i>of which:</i>                                      |                 |                |                |                  |                         |                                 |                                  |                |                |                         |                                 |
| <i>Sales by market establishments</i>                 | 4 909.5         | 5 252.8        | 6 895.9        | 7 998.3          | 17.7%                   | 91.8%                           | 8 731.9                          | 9 384.0        | 9 791.5        | 7.0%                    | 98.3%                           |
| <i>Water sales</i>                                    | 4 582.1         | 4 876.5        | 5 819.3        | 6 133.8          | 10.2%                   | 79.6%                           | 6 612.1                          | 7 315.7        | 8 241.3        | 10.3%                   | 77.3%                           |
| <i>Wastewater</i>                                     | 279.3           | 304.8          | 680.9          | 588.4            | 28.2%                   | 6.6%                            | 634.9                            | 695.5          | 758.1          | 8.8%                    | 7.3%                            |
| <i>Other activities</i>                               | 48.1            | 71.6           | 395.7          | 1 276.2          | 198.3%                  | 5.7%                            | 1 484.9                          | 1 372.9        | 792.1          | -14.7%                  | 13.7%                           |
| Other non-tax revenue                                 | 361.2           | 747.5          | 807.5          | 231.5            | -13.8%                  | 8.2%                            | 145.9                            | 99.7           | 108.8          | -22.2%                  | 1.7%                            |
| <b>Total revenue</b>                                  | <b>5 270.7</b>  | <b>6 000.3</b> | <b>7 703.5</b> | <b>8 229.8</b>   | <b>16.0%</b>            | <b>100.0%</b>                   | <b>8 877.8</b>                   | <b>9 483.7</b> | <b>9 900.3</b> | <b>6.4%</b>             | <b>100.0%</b>                   |
| <b>Expenses</b>                                       |                 |                |                |                  |                         |                                 |                                  |                |                |                         |                                 |
| <b>Current expenses</b>                               | <b>4 013.1</b>  | <b>4 838.5</b> | <b>6 242.3</b> | <b>7 335.8</b>   | <b>22.3%</b>            | <b>100.0%</b>                   | <b>7 613.3</b>                   | <b>7 968.6</b> | <b>7 827.3</b> | <b>2.2%</b>             | <b>100.0%</b>                   |
| Compensation of employees                             | 931.6           | 1 112.2        | 1 336.5        | 1 301.8          | 11.8%                   | 21.3%                           | 1 416.0                          | 1 496.2        | 1 579.5        | 6.7%                    | 18.8%                           |
| Goods and services                                    | 2 581.6         | 3 223.0        | 4 260.5        | 5 298.7          | 27.1%                   | 67.9%                           | 5 402.9                          | 5 610.7        | 5 325.4        | 0.2%                    | 70.4%                           |
| Depreciation                                          | 489.6           | 502.9          | 642.7          | 712.0            | 13.3%                   | 10.6%                           | 707.8                            | 748.1          | 792.3          | 3.6%                    | 9.6%                            |
| Interest, dividends and rent on land                  | 10.3            | 0.5            | 2.6            | 23.3             | 31.1%                   | 0.2%                            | 86.6                             | 113.5          | 130.1          | 77.4%                   | 1.1%                            |
| <b>Total expenses</b>                                 | <b>4 013.1</b>  | <b>4 838.5</b> | <b>6 242.3</b> | <b>7 335.8</b>   | <b>22.3%</b>            | <b>100.0%</b>                   | <b>7 613.3</b>                   | <b>7 968.6</b> | <b>7 827.3</b> | <b>2.2%</b>             | <b>100.0%</b>                   |
| <b>Surplus/(Deficit)</b>                              | <b>1 257.6</b>  | <b>1 161.8</b> | <b>1 461.1</b> | <b>894.0</b>     | <b>-10.8%</b>           |                                 | <b>1 264.5</b>                   | <b>1 515.2</b> | <b>2 073.0</b> | <b>32.4%</b>            |                                 |
| <b>Cash flow statement</b>                            |                 |                |                |                  |                         |                                 |                                  |                |                |                         |                                 |
| <b>Cash flow from operating activities</b>            | <b>1 955.1</b>  | <b>1 877.0</b> | <b>2 342.4</b> | <b>1 550.2</b>   | <b>-7.4%</b>            | <b>100.0%</b>                   | <b>2 089.6</b>                   | <b>2 455.0</b> | <b>3 157.7</b> | <b>26.8%</b>            | <b>100.0%</b>                   |
| <b>Receipts</b>                                       |                 |                |                |                  |                         |                                 |                                  |                |                |                         |                                 |
| <b>Non-tax receipts</b>                               | <b>5 236.5</b>  | <b>5 807.4</b> | <b>7 684.1</b> | <b>8 222.2</b>   | <b>16.2%</b>            | <b>99.0%</b>                    | <b>8 870.1</b>                   | <b>9 476.1</b> | <b>9 892.7</b> | <b>6.4%</b>             | <b>99.9%</b>                    |
| Sales of goods and services other than capital assets | 4 909.5         | 5 252.8        | 6 895.9        | 7 998.3          | 17.7%                   | 91.9%                           | 8 731.9                          | 9 384.0        | 9 791.5        | 7.0%                    | 98.3%                           |
| <i>of which:</i>                                      |                 |                |                |                  |                         |                                 |                                  |                |                |                         |                                 |
| <i>Sales by market establishment</i>                  | 4 909.5         | 5 252.8        | 6 895.9        | 7 998.3          | 17.7%                   | 91.9%                           | 8 731.9                          | 9 384.0        | 9 791.5        | 7.0%                    | 98.3%                           |
| <i>Water sales</i>                                    | 4 582.1         | 4 876.5        | 5 819.3        | 6 133.8          | 10.2%                   | 79.6%                           | 6 612.1                          | 7 315.7        | 8 241.3        | 10.3%                   | 77.3%                           |
| <i>Wastewater</i>                                     | 279.3           | 304.8          | 680.9          | 588.4            | 28.2%                   | 6.6%                            | 634.9                            | 695.5          | 758.1          | 8.8%                    | 7.3%                            |
| <i>Other activities</i>                               | 48.1            | 71.6           | 395.7          | 1 276.2          | 198.3%                  | 5.7%                            | 1 484.9                          | 1 372.9        | 792.1          | -14.7%                  | 13.7%                           |
| Other tax receipts                                    | 327.1           | 554.6          | 788.1          | 223.9            | -11.9%                  | 7.1%                            | 138.3                            | 92.1           | 101.2          | -23.3%                  | 1.6%                            |
| Financial transactions in assets and liabilities      | 17.9            | 192.9          | 15.4           | 7.6              | -24.8%                  | 1.0%                            | 7.6                              | 7.6            | 7.6            | -                       | 0.1%                            |
| <b>Total receipts</b>                                 | <b>5 254.4</b>  | <b>6 000.3</b> | <b>7 699.5</b> | <b>8 229.8</b>   | <b>16.1%</b>            | <b>100.0%</b>                   | <b>8 877.8</b>                   | <b>9 483.7</b> | <b>9 900.3</b> | <b>6.4%</b>             | <b>100.0%</b>                   |
| <b>Payment</b>                                        |                 |                |                |                  |                         |                                 |                                  |                |                |                         |                                 |
| <b>Current payments</b>                               | <b>3 299.4</b>  | <b>4 123.4</b> | <b>5 357.0</b> | <b>6 679.6</b>   | <b>26.5%</b>            | <b>100.0%</b>                   | <b>6 788.2</b>                   | <b>7 028.7</b> | <b>6 742.7</b> | <b>0.3%</b>             | <b>100.0%</b>                   |
| Compensation of employees                             | 931.6           | 1 105.0        | 1 336.5        | 1 301.8          | 11.8%                   | 24.9%                           | 1 416.0                          | 1 496.2        | 1 579.5        | 6.7%                    | 21.3%                           |
| Goods and services                                    | 2 357.5         | 3 017.8        | 4 017.9        | 5 354.5          | 31.4%                   | 75.0%                           | 5 285.6                          | 5 419.0        | 5 150.1        | -1.3%                   | 77.9%                           |
| Interest and rent on land                             | 10.3            | 0.5            | 2.6            | 23.3             | 31.1%                   | 0.2%                            | 86.6                             | 113.5          | 130.1          | -17.7%                  | 0.9%                            |
| <b>Total payments</b>                                 | <b>3 299.4</b>  | <b>4 123.4</b> | <b>5 357.0</b> | <b>6 679.6</b>   | <b>26.5%</b>            | <b>100.0%</b>                   | <b>6 788.2</b>                   | <b>7 028.7</b> | <b>6 742.7</b> | <b>0.3%</b>             | <b>100.0%</b>                   |

**Table 41.34 uMngeni-uThukela Water statements of financial performance, cash flow and financial position (continued)**

| Cash flow statement                                                        |                  |                  |                  | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------------------------------------------------------------------|------------------|------------------|------------------|------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
| Audited outcome                                                            |                  |                  | 2024/25          |                  |                         |                                 | 2025/26                          | 2026/27          | 2027/28          |                         |                                 |
| R million                                                                  | 2021/22          | 2022/23          | 2023/24          | 2024/25          | 2021/22 - 2024/25       | 2024/25                         | 2025/26                          | 2026/27          | 2027/28          | 2024/25 - 2027/28       | 2024/25 - 2027/28               |
| <b>Net cash flow from investing activities</b>                             | <b>(3 353.2)</b> | <b>(3 129.2)</b> | <b>(2 043.9)</b> | <b>(2 229.6)</b> | <b>-12.7%</b>           | <b>100.0%</b>                   | <b>(3 059.1)</b>                 | <b>(3 428.9)</b> | <b>(2 972.3)</b> | <b>10.1%</b>            | <b>100.0%</b>                   |
| Acquisition of property, plant, equipment and intangible assets            | (1 049.0)        | (1 805.9)        | (2 608.4)        | (4 582.8)        | 63.5%                   | 105.5%                          | (4 364.7)                        | (3 886.1)        | (3 505.6)        | -8.5%                   | 144.9%                          |
| Acquisition of software and other intangible assets                        | (1.1)            | (9.0)            | (231.1)          | –                | -100.0%                 | 2.9%                            | –                                | –                | (1.3)            | –                       | –                               |
| Proceeds from the sale of property, plant, equipment and intangible assets | 4.9              | 1.3              | 0.2              | –                | -100.0%                 | –                               | –                                | –                | –                | –                       | –                               |
| Other flows from investing activities                                      | (2 308.0)        | (1 315.5)        | 795.4            | 2 353.2          | -200.6%                 | -8.4%                           | 1 305.6                          | 457.2            | 534.5            | -39.0%                  | -44.9%                          |
| <b>Net cash flow from financing activities</b>                             | <b>150.7</b>     | <b>717.7</b>     | <b>69.0</b>      | <b>67.1</b>      | <b>-23.6%</b>           | <b>100.0%</b>                   | <b>1 125.4</b>                   | <b>733.2</b>     | <b>(426.1)</b>   | <b>-285.2%</b>          | <b>100.0%</b>                   |
| Deferred income                                                            | 200.2            | 642.3            | 233.9            | 315.0            | 16.3%                   | 257.8%                          | 151.5                            | 158.4            | 165.6            | -19.3%                  | 116.5%                          |
| Borrowing activities                                                       | (24.8)           | (24.8)           | (35.4)           | (35.2)           | 12.3%                   | -30.9%                          | 1 788.3                          | 1 598.5          | 581.8            | -354.8%                 | 47.0%                           |
| Repayment of finance leases                                                | (0.3)            | (1.2)            | (5.7)            | (1.3)            | 57.2%                   | -2.7%                           | (1.4)                            | (1.4)            | (1.5)            | 3.4%                    | -0.5%                           |
| Other flows from financing activities                                      | (24.3)           | 101.4            | (123.8)          | (211.5)          | 105.6%                  | -124.2%                         | (813.0)                          | (1 022.3)        | (1 172.1)        | 77.0%                   | -63.0%                          |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                | <b>(1 247.4)</b> | <b>(534.5)</b>   | <b>367.5</b>     | <b>(612.3)</b>   | <b>-21.1%</b>           | <b>-11.1%</b>                   | <b>155.9</b>                     | <b>(240.7)</b>   | <b>(240.8)</b>   | <b>-26.7%</b>           | <b>100.0%</b>                   |
| <b>Statement of financial position</b>                                     |                  |                  |                  |                  |                         |                                 |                                  |                  |                  |                         |                                 |
| Carrying value of assets of which:                                         | 9 139.9          | 9 619.3          | 12 675.5         | 16 962.5         | 22.9%                   | 62.0%                           | 20 751.1                         | 23 723.5         | 26 245.8         | 15.7%                   | 83.7%                           |
| Acquisition of assets                                                      | (1 049.0)        | (1 805.9)        | (2 608.4)        | (4 582.8)        | 63.5%                   | 100.0%                          | (4 364.7)                        | (3 886.1)        | (3 505.6)        | -8.5%                   | 100.0%                          |
| Investments                                                                | 5 061.5          | 6 493.3          | 6 984.1          | 2 052.5          | -26.0%                  | 27.4%                           | 1 961.4                          | 2 056.1          | 2 143.0          | 1.5%                    | 8.0%                            |
| Inventory                                                                  | 26.1             | 33.0             | 68.3             | 83.6             | 47.4%                   | 0.3%                            | 91.5                             | 99.8             | 108.4            | 9.1%                    | 0.4%                            |
| Receivables and prepayments                                                | 1 111.0          | 1 189.1          | 1 398.1          | 2 382.4          | 29.0%                   | 7.8%                            | 1 714.5                          | 1 768.8          | 1 825.2          | -8.5%                   | 7.6%                            |
| Cash and cash equivalents                                                  | 824.9            | 290.4            | 657.9            | 92.6             | -51.8%                  | 2.5%                            | 97.0                             | 105.5            | 106.6            | 4.8%                    | 0.4%                            |
| Non-current assets held for sale                                           | 0.5              | 2.9              | 2.8              | 2.9              | 75.1%                   | –                               | 2.9                              | 2.9              | 2.9              | –                       | –                               |
| <b>Total assets</b>                                                        | <b>16 164.0</b>  | <b>17 628.0</b>  | <b>21 786.7</b>  | <b>21 576.5</b>  | <b>10.1%</b>            | <b>100.0%</b>                   | <b>24 618.5</b>                  | <b>27 756.7</b>  | <b>30 432.0</b>  | <b>12.1%</b>            | <b>100.0%</b>                   |
| Accumulated surplus/(deficit)                                              | 13 185.1         | 14 441.1         | 17 602.5         | 18 106.4         | 11.2%                   | 82.1%                           | 19 370.9                         | 20 886.0         | 22 959.1         | 8.2%                    | 78.3%                           |
| Capital reserve fund                                                       | 58.2             | 58.2             | 68.7             | 965.0            | 155.1%                  | 1.4%                            | 221.5                            | 351.5            | 411.7            | -24.7%                  | 2.0%                            |
| Borrowings                                                                 | 1 223.1          | 1 177.9          | 1 111.5          | 74.3             | -60.7%                  | 4.9%                            | 2 606.1                          | 4 074.6          | 4 596.2          | 295.6%                  | 10.2%                           |
| Finance lease                                                              | –                | –                | 5.4              | –                | –                       | –                               | –                                | –                | –                | –                       | –                               |
| Deferred income                                                            | 10.8             | 12.3             | 15.6             | 12.3             | 4.4%                    | 0.1%                            | 12.3                             | 12.3             | 12.3             | –                       | –                               |
| Trade and other payables                                                   | 736.3            | 945.8            | 1 658.3          | 1 167.2          | 16.6%                   | 5.7%                            | 1 144.6                          | 1 127.4          | 1 102.7          | -1.9%                   | 4.4%                            |
| Provisions                                                                 | 523.6            | 477.3            | 668.7            | 693.4            | 9.8%                    | 3.1%                            | 734.4                            | 777.1            | 821.5            | 5.8%                    | 2.9%                            |
| Derivatives financial instruments                                          | 426.9            | 515.4            | 632.3            | 557.9            | 9.3%                    | 2.8%                            | 528.7                            | 527.7            | 528.5            | -1.8%                   | 2.1%                            |
| <b>Total equity and liabilities</b>                                        | <b>16 164.0</b>  | <b>17 628.0</b>  | <b>21 763.1</b>  | <b>21 576.5</b>  | <b>10.1%</b>            | <b>100.0%</b>                   | <b>24 618.5</b>                  | <b>27 756.7</b>  | <b>30 432.0</b>  | <b>12.1%</b>            | <b>100.0%</b>                   |

## Personnel information

**Table 41.35 uMngeni-uThukela Water personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2025 |                                           |         | Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment |         |                  |        |         |                                  |        |         |           |        |         |           |                   | Average growth rate of personnel posts (%) | Average: salary level/ Total (%) |   |        |
|---------------------------------------------|-------------------------------------------|---------|--------------------------------------------------------------------------------------------|---------|------------------|--------|---------|----------------------------------|--------|---------|-----------|--------|---------|-----------|-------------------|--------------------------------------------|----------------------------------|---|--------|
| Number of funded posts                      | Number of posts on approved establishment | Actual  |                                                                                            |         | Revised estimate |        |         | Medium-term expenditure estimate |        |         |           |        |         |           |                   |                                            |                                  |   |        |
|                                             |                                           | 2023/24 |                                                                                            |         | 2024/25          |        |         | 2025/26                          |        | 2026/27 |           |        | 2027/28 |           | 2024/25 - 2027/28 |                                            |                                  |   |        |
| uMngeni-uThukela Water                      |                                           |         | Number                                                                                     | Cost    | Unit cost        | Number | Cost    | Unit cost                        | Number | Cost    | Unit cost | Number | Cost    | Unit cost |                   |                                            |                                  |   |        |
| Salary level                                | 1 829                                     | 1 829   | 1 778                                                                                      | 1 336.5 | 0.8              | 1 829  | 1 301.8 | 0.7                              | 1 829  | 1 416.0 | 0.8       | 1 829  | 1 496.2 | 0.8       | 1 829             | 1 579.5                                    | 0.9                              | – | 100.0% |
| 1 – 6                                       | 445                                       | 445     | 445                                                                                        | 134.5   | 0.3              | 445    | 130.6   | 0.3                              | 445    | 142.0   | 0.3       | 445    | 150.1   | 0.3       | 445               | 158.4                                      | 0.4                              | – | 24.3%  |
| 7 – 10                                      | 993                                       | 993     | 948                                                                                        | 600.1   | 0.6              | 993    | 603.0   | 0.6                              | 993    | 655.9   | 0.7       | 993    | 693.0   | 0.7       | 993               | 731.6                                      | 0.7                              | – | 54.3%  |
| 11 – 12                                     | 178                                       | 178     | 178                                                                                        | 217.1   | 1.2              | 178    | 210.8   | 1.2                              | 178    | 229.3   | 1.3       | 178    | 242.3   | 1.4       | 178               | 255.8                                      | 1.4                              | – | 9.7%   |
| 13 – 16                                     | 211                                       | 211     | 206                                                                                        | 379.9   | 1.8              | 211    | 349.2   | 1.7                              | 211    | 379.9   | 1.8       | 211    | 401.4   | 1.9       | 211               | 423.7                                      | 2.0                              | – | 11.5%  |
| 17 – 22                                     | 2                                         | 2       | 1                                                                                          | 4.9     | 4.9              | 2      | 8.3     | 4.1                              | 2      | 9.0     | 4.5       | 2      | 9.5     | 4.8       | 2                 | 10.0                                       | 5.0                              | – | 0.1%   |

1. Rand million.

## Water Research Commission

### Selected performance indicators

**Table 41.36: Water Research Commission performance indicators by programme/objective/activity and related outcome**

| Indicator                                                                   | Programme/Objective/Activity | MTDP outcome                                                       | Audited performance |                |                | Estimated performance | MTEF targets |         |         |
|-----------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------|---------------------|----------------|----------------|-----------------------|--------------|---------|---------|
|                                                                             |                              |                                                                    | 2021/22             | 2022/23        | 2023/24        | 2024/25               | 2025/26      | 2026/27 | 2027/28 |
| Number of emerging researchers supported for capacity building per year     | Research and development     | Outcome 3: Structural reforms to drive growth and competitiveness  | 250                 | 432            | 262            | 250                   | 250          | 265     | 300     |
| Percentage of water quality and health research projects initiated per year | Research and development     | Outcome 17: Improved governance and performance of public entities | — <sup>1</sup>      | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup>        | 25%          | 25%     | 25%     |
| Percentage of water use research initiated per year                         | Research and development     |                                                                    | — <sup>1</sup>      | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup>        | 40%          | 40%     | 40%     |
| Percentage of water availability research projects initiated per year       | Research and development     |                                                                    | — <sup>1</sup>      | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup>        | 30%          | 30%     | 30%     |

<sup>1</sup>No historical data available.

### Entity overview

The Water Research Commission's legislative mandate is set out in the Water Research Act (1971). Its primary functions include promoting coordination, cooperation and communication in water research and development; establishing water research needs and priorities; enhancing knowledge and building capacity within the water sector; and stimulating and funding priority-based water research.

Over the MTEF period, the commission will continue to focus on 5 strategic areas: water availability, water use, water quality and health, water advisory support and knowledge. In line with this, the commission's projects over the period ahead will be measured against the percentage of research projects it initiates (25 per cent of projects per year related to water quality and health, 40 per cent of projects per year on water use and 30 per cent per year on water availability). These activities, along with providing support to emerging researchers, will be funded through the research and development programme, in which spending is expected to decrease at an average annual rate of 6.5 per cent, from R233.5 million in 2024/25 to R190.7 million in 2027/28.

Expenditure is expected to decrease at an average annual rate of 0.6 per cent, from R459.1 million in 2024/25 to R451.1 million in 2027/28. This is due to fluctuations in leverage income and associated research expenditure in respect of projects funded by partners. The commission is set to generate 78.1 per cent (R1.1 billion) of its revenue over the period ahead through water research levies and the remainder through donations, royalties, recovery of study bursaries and insurance settlement claims. Revenue is expected to decrease in line with spending.

### Programmes/Objectives/Activities

**Table 41.37 Water Research Commission 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 (%) |
|--------------------------|-----------------|--------------|--------------|------------------|-------------------------|---------------|----------------------------------|--------------|--------------|-------------------------|---------------------------------|
|                          | 2021/22         | 2022/23      | 2023/24      |                  | 2021/22 - 2024/25       | 2024/25       | 2025/26                          | 2026/27      | 2027/28      |                         |                                 |
| Administration           | 143.5           | 136.5        | 136.8        | 182.5            | 8.3%                    | 39.4%         | 203.5                            | 212.1        | 223.3        | 6.9%                    | 46.3%                           |
| Research and development | 129.1           | 123.0        | 204.1        | 233.5            | 21.8%                   | 45.0%         | 190.7                            | 185.4        | 190.7        | -6.5%                   | 45.0%                           |
| Innovation and impact    | 107.8           | 71.4         | 10.5         | 43.0             | -26.4%                  | 15.6%         | 37.1                             | 37.7         | 37.5         | -4.5%                   | 8.7%                            |
| <b>Total</b>             | <b>380.4</b>    | <b>331.0</b> | <b>351.3</b> | <b>459.1</b>     | <b>6.5%</b>             | <b>100.0%</b> | <b>431.3</b>                     | <b>435.2</b> | <b>451.5</b> | <b>-0.6%</b>            | <b>100.0%</b>                   |

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

**Table 41.38 Water Research Commission statements of financial performance, cash flow and financial position**

| Statement of financial performance                              |                 |         |         |                  |                   | Average: Expenditure/ Total (%) |                                  |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------------------------------------|-----------------|---------|---------|------------------|-------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
|                                                                 | Audited outcome |         |         | Revised estimate |                   |                                 | Medium-term expenditure estimate |         |         |                         |                                 |
| R million                                                       | 2021/22         | 2022/23 | 2023/24 | 2024/25          | 2021/22 - 2024/25 |                                 | 2025/26                          | 2026/27 | 2027/28 | 2024/25 - 2027/28       |                                 |
| Revenue                                                         |                 |         |         |                  |                   |                                 |                                  |         |         |                         |                                 |
| Non-tax revenue                                                 | 417.5           | 408.7   | 452.6   | 459.1            | 3.2%              | 100.0%                          | 431.3                            | 435.2   | 451.5   | -0.6%                   | 100.0%                          |
| Sale of goods and services other than capital assets of which:  | 410.7           | 394.3   | 422.4   | 427.5            | 1.3%              | 95.3%                           | 399.7                            | 403.6   | 419.9   | -0.6%                   | 92.9%                           |
| Sales by market establishments                                  | 410.7           | 394.3   | 422.4   | 427.5            | 1.3%              | 95.3%                           | 399.7                            | 403.6   | 419.9   | -0.6%                   | 92.9%                           |
| Water research levies                                           | 279.6           | 305.7   | 323.4   | 326.6            | 5.3%              | 71.1%                           | 337.6                            | 353.0   | 369.2   | 4.2%                    | 78.1%                           |
| Leverage income                                                 | 130.8           | 87.5    | 98.5    | 100.1            | -8.5%             | 24.1%                           | 61.6                             | 50.0    | 50.0    | -20.7%                  | 14.7%                           |
| Miscellaneous income                                            | 0.3             | 1.1     | 0.5     | 0.8              | 36.4%             | 0.2%                            | 0.6                              | 0.6     | 0.6     | -6.7%                   | 0.1%                            |
| Other non-tax revenue                                           | 6.8             | 14.3    | 30.3    | 31.6             | 66.7%             | 4.7%                            | 31.6                             | 31.6    | 31.6    | —                       | 7.1%                            |
| Total revenue                                                   | 417.5           | 408.7   | 452.6   | 459.1            | 3.2%              | 100.0%                          | 431.3                            | 435.2   | 451.5   | -0.6%                   | 100.0%                          |
| Expenses                                                        |                 |         |         |                  |                   |                                 |                                  |         |         |                         |                                 |
| Current expenses                                                | 380.4           | 331.0   | 351.3   | 459.1            | 6.5%              | 100.0%                          | 431.3                            | 435.2   | 451.5   | -0.6%                   | 100.0%                          |
| Compensation of employees                                       | 108.3           | 97.3    | 99.9    | 125.8            | 5.1%              | 28.4%                           | 149.4                            | 158.7   | 168.5   | 10.2%                   | 34.0%                           |
| Goods and services                                              | 268.6           | 229.9   | 250.9   | 333.3            | 7.4%              | 71.0%                           | 281.9                            | 276.5   | 282.9   | -5.3%                   | 66.0%                           |
| Depreciation                                                    | 3.0             | 3.4     | —       | —                | -100.0%           | 0.5%                            | —                                | —       | —       | —                       | —                               |
| Interest, dividends and rent on land                            | 0.5             | 0.4     | 0.5     | —                | -100.0%           | 0.1%                            | —                                | —       | —       | —                       | —                               |
| Total expenses                                                  | 380.4           | 331.0   | 351.3   | 459.1            | 6.5%              | 100.0%                          | 431.3                            | 435.2   | 451.5   | -0.6%                   | 100.0%                          |
| Surplus/(Deficit)                                               | 37.1            | 77.7    | 101.3   | —                | -100.0%           |                                 | —                                | —       | —       | —                       |                                 |
| Cash flow statement                                             |                 |         |         |                  |                   |                                 |                                  |         |         |                         |                                 |
| Cash flow from operating activities                             | 16.7            | 84.4    | 94.0    | (2.4)            | -152.3%           | 100.0%                          | (1.6)                            | 1.9     | 1.8     | -191.7%                 | 100.0%                          |
| Receipts                                                        |                 |         |         |                  |                   |                                 |                                  |         |         |                         |                                 |
| Non-tax receipts                                                | 360.0           | 443.0   | 441.8   | 456.2            | 8.2%              | 100.0%                          | 428.3                            | 432.1   | 448.3   | -0.6%                   | 100.0%                          |
| Sales of goods and services other than capital assets of which: | 352.9           | 427.7   | 411.2   | 424.6            | 6.4%              | 95.2%                           | 396.8                            | 400.6   | 416.7   | -0.6%                   | 92.9%                           |
| Sales by market establishment                                   | 352.9           | 427.7   | 411.2   | 424.6            | 6.4%              | 95.2%                           | 396.8                            | 400.6   | 416.7   | -0.6%                   | 92.9%                           |
| Water research levies                                           | 228.0           | 361.9   | 410.6   | 326.6            | 12.7%             | 77.4%                           | 337.6                            | 353.0   | 369.2   | 4.2%                    | 78.6%                           |
| Leverage income                                                 | 122.7           | 64.6    | —       | 100.1            | -6.6%             | 17.7%                           | 58.7                             | 47.0    | 46.9    | -22.3%                  | 14.2%                           |
| Miscellaneous income                                            | 2.1             | 1.1     | 0.5     | 0.8              | -28.1%            | 0.3%                            | 0.6                              | 0.6     | 0.6     | -6.7%                   | 0.1%                            |
| Other tax receipts                                              | 7.2             | 15.3    | 30.6    | 31.5             | 63.8%             | 4.8%                            | 31.5                             | 31.5    | 31.5    | —                       | 7.1%                            |
| Total receipts                                                  | 360.0           | 443.0   | 441.8   | 456.2            | 8.2%              | 100.0%                          | 428.3                            | 432.1   | 448.3   | -0.6%                   | 100.0%                          |
| Payment                                                         |                 |         |         |                  |                   |                                 |                                  |         |         |                         |                                 |
| Current payments                                                | 343.3           | 358.6   | 347.8   | 458.5            | 10.1%             | 100.0%                          | 429.9                            | 430.2   | 446.4   | -0.9%                   | 100.0%                          |
| Compensation of employees                                       | 108.3           | 100.8   | 99.9    | 125.3            | 5.0%              | 28.9%                           | 148.9                            | 158.1   | 168.0   | 10.3%                   | 34.1%                           |
| Goods and services                                              | 235.1           | 257.7   | 247.9   | 333.3            | 12.3%             | 71.1%                           | 281.0                            | 272.1   | 278.5   | -5.8%                   | 65.9%                           |
| Total payments                                                  | 343.3           | 358.6   | 347.8   | 458.5            | 10.1%             | 100.0%                          | 429.9                            | 430.2   | 446.4   | -0.9%                   | 100.0%                          |
| Net cash flow from investing activities                         | (0.7)           | (1.3)   | (2.4)   | (3.6)            | 72.6%             | 100.0%                          | (5.4)                            | (8.0)   | (5.2)   | 12.7%                   | 100.0%                          |
| Acquisition of property, plant, equipment and intangible assets | (0.4)           | (1.2)   | (2.4)   | (3.1)            | 107.1%            | 81.4%                           | (3.4)                            | (6.0)   | (3.1)   | -0.2%                   | 71.1%                           |
| Acquisition of software and other intangible assets             | (0.4)           | (0.1)   | —       | (0.5)            | 11.6%             | 18.6%                           | (2.0)                            | (2.0)   | (2.1)   | 61.7%                   | 28.9%                           |
| Net cash flow from financing activities                         | (6.1)           | 17.3    | 4.5     | —                | -100.0%           | —                               | —                                | —       | —       | —                       | —                               |
| Borrowing activities                                            | (2.8)           | (0.9)   | —       | —                | -100.0%           | —                               | —                                | —       | —       | —                       | —                               |
| Repayment of finance leases                                     | (0.6)           | (0.1)   | —       | —                | -100.0%           | —                               | —                                | —       | —       | —                       | —                               |
| Other flows from financing activities                           | (2.7)           | 18.2    | 4.5     | —                | -100.0%           | —                               | —                                | —       | —       | —                       | —                               |
| Net increase/(decrease) in cash and cash equivalents            | 9.9             | 100.4   | 96.0    | (6.0)            | -184.5%           | 14.7%                           | (7.0)                            | (6.1)   | (3.3)   | -18.0%                  | 100.0%                          |
| Statement of financial position                                 |                 |         |         |                  |                   |                                 |                                  |         |         |                         |                                 |
| Carrying value of assets                                        | 9.3             | 8.0     | 7.5     | 8.1              | -4.5%             | 1.6%                            | 10.6                             | 15.7    | 17.9    | 30.2%                   | 2.2%                            |
| of which:                                                       |                 |         |         |                  |                   |                                 |                                  |         |         |                         |                                 |
| Acquisition of assets                                           | (0.4)           | (1.2)   | (2.4)   | (3.1)            | 107.1%            | 100.0%                          | (3.4)                            | (6.0)   | (3.1)   | -0.2%                   | 100.0%                          |
| Investments                                                     | 1.2             | 1.3     | 1.4     | 1.5              | 6.6%              | 0.3%                            | 1.6                              | 1.6     | 1.7     | 4.6%                    | 0.3%                            |
| Receivables and prepayments                                     | 113.1           | 60.4    | 70.5    | 73.7             | -13.3%            | 15.8%                           | 77.1                             | 80.7    | 84.4    | 4.6%                    | 13.5%                           |
| Cash and cash equivalents                                       | 310.3           | 410.8   | 506.5   | 500.5            | 17.3%             | 82.3%                           | 493.5                            | 487.3   | 484.0   | -1.1%                   | 84.0%                           |
| Total assets                                                    | 433.9           | 480.5   | 585.9   | 583.8            | 10.4%             | 100.0%                          | 582.8                            | 585.3   | 588.0   | 0.2%                    | 100.0%                          |
| Accumulated surplus/(deficit)                                   | 215.5           | 286.0   | 401.0   | 401.0            | 23.0%             | 61.6%                           | 401.0                            | 401.0   | 401.0   | —                       | 68.6%                           |
| Borrowings                                                      | 0.2             | 0.3     | —       | —                | -100.0%           | —                               | —                                | —       | —       | —                       | —                               |
| Finance lease                                                   | 0.1             | —       | —       | —                | -100.0%           | —                               | —                                | —       | —       | —                       | —                               |
| Trade and other payables                                        | 184.1           | 151.9   | 164.1   | 165.7            | -3.4%             | 32.6%                           | 167.7                            | 169.7   | 171.8   | 1.2%                    | 28.8%                           |
| Provisions                                                      | 25.3            | 34.5    | 14.7    | 13.5             | -18.9%            | 4.5%                            | 14.0                             | 14.6    | 15.2    | 4.0%                    | 2.5%                            |
| Derivatives financial instruments                               | 8.7             | 7.8     | 6.1     | 3.5              | -26.2%            | 1.3%                            | —                                | —       | —       | -100.0%                 | 0.2%                            |
| Total equity and liabilities                                    | 433.9           | 480.5   | 585.9   | 583.8            | 10.4%             | 100.0%                          | 582.8                            | 585.3   | 588.0   | 0.2%                    | 100.0%                          |

## Personnel information

**Table 41.39 Water Research Commission personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2025 |                                           | Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment |      |           |                  |      |           |                                  |      |           |         |      |           |         |      |           | Average growth rate of personnel posts (%) | Average salary level/ Total (%) |                   |
|---------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|---------|------|-----------|--------------------------------------------|---------------------------------|-------------------|
| Number of funded posts                      | Number of posts on approved establishment | Actual                                                                                     |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |         |      |           |         |      |           |                                            |                                 |                   |
|                                             |                                           | 2023/24                                                                                    |      |           | 2024/25          |      |           | 2025/26                          |      |           | 2026/27 |      |           | 2027/28 |      |           |                                            |                                 | 2024/25 - 2027/28 |
| Water Research Commission                   |                                           | Number                                                                                     | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number  | Cost | Unit cost | Number  | Cost | Unit cost |                                            |                                 |                   |
| Salary level                                | 130                                       | 130                                                                                        | 83   | 99.9      | 1.2              | 130  | 125.8     | 1.0                              | 122  | 149.4     | 1.2     | 120  | 158.7     | 1.3     | 116  | 168.5     | 1.5                                        | -3.7%                           | 100.0%            |
| 1 – 6                                       | 37                                        | 37                                                                                         | 22   | 2.3       | 0.1              | 37   | 5.0       | 0.1                              | 33   | 11.2      | 0.3     | 31   | 11.8      | 0.4     | 27   | 12.4      | 0.5                                        | -10.0%                          | 26.2%             |
| 7 – 10                                      | 42                                        | 42                                                                                         | 20   | 14.5      | 0.7              | 42   | 23.6      | 0.6                              | 37   | 34.4      | 0.9     | 37   | 36.5      | 1.0     | 37   | 38.7      | 1.0                                        | -4.1%                           | 31.3%             |
| 11 – 12                                     | 18                                        | 18                                                                                         | 14   | 15.0      | 1.1              | 18   | 17.6      | 1.0                              | 17   | 21.1      | 1.2     | 17   | 22.4      | 1.3     | 17   | 23.7      | 1.4                                        | -1.9%                           | 14.2%             |
| 13 – 16                                     | 26                                        | 26                                                                                         | 19   | 42.3      | 2.2              | 26   | 49.6      | 1.9                              | 27   | 52.4      | 1.9     | 27   | 55.8      | 2.1     | 27   | 59.3      | 2.2                                        | 1.3%                            | 22.0%             |
| 17 – 22                                     | 7                                         | 7                                                                                          | 8    | 25.8      | 3.2              | 7    | 30.0      | 4.3                              | 8    | 30.4      | 3.8     | 8    | 32.3      | 4.0     | 8    | 34.4      | 4.3                                        | 4.6%                            | 6.4%              |

1. Rand million.

## Water Trading Entity

### Selected performance indicators

**Table 41.40 Water Trading Entity performance indicators by programme/objective/activity and related outcome**

| Indicator                                                                                                         | Programme/Objective/Activity                                                  | MTDP outcome                                                    | Audited performance |                   |                   | Estimated performance | MTEF targets |                |         |         |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------|-------------------|-------------------|-----------------------|--------------|----------------|---------|---------|
|                                                                                                                   |                                                                               |                                                                 | 2021/22             | 2022/23           | 2023/24           | 2024/25               | 2025/26      | 2026/27        | 2027/28 | 2027/28 |
| Number of raw water projects completed per year                                                                   | Operations, maintenance and refurbishment of national water resources schemes | Outcome 4: Increased infrastructure investment and job creation | – <sup>1</sup>      | 1                 | – <sup>1</sup>    | – <sup>1</sup>        | 1            | – <sup>1</sup> | 1       | 1       |
| Number of dam safety rehabilitation projects completed per year                                                   | Implementation of dam safety projects                                         |                                                                 | 1                   | – <sup>1</sup>    | – <sup>1</sup>    | 2                     | 2            | 1              | 2       | 2       |
| Percentage of water users validated within the catchment area per year                                            | Implementation of water resources management activities                       |                                                                 | 63.2% (612/968)     | 62.3% (562/902)   | 60.4% (811/1 342) | 80%                   | 80%          | 80%            | 80%     | 80%     |
| Percentage of planned maintenance projects completed per year as per the approved asset management plan           | Operations, maintenance and refurbishment of national water resources schemes |                                                                 | 44.2% (351/795)     | 45.2% (473/1 046) | 38.7% (474/1 224) | 70%                   | 70%          | 70%            | 70%     | 70%     |
| Percentage of unscheduled maintenance projects completed per year as a proportion of planned maintenance projects | Operations, maintenance and refurbishment of national water resources schemes |                                                                 | 39.2% (312/795)     | 34.8% (364/1 046) | 10.3% (126/1 224) | ≤30%                  | ≤30%         | ≤30%           | ≤30%    | ≤30%    |

1. As these are infrastructure projects that take more than 1 year to complete, the department commences with a project only every alternate year.

### Entity overview

The Water Trading Entity was established in 1983 to manage water infrastructure and resources and the sale of raw water. It was converted into a trading entity in 2008 in terms of the Public Finance Management Act (1999). Over the MTEF period, the entity will continue to focus on maintaining existing water resource infrastructure, supporting the long-term sustainability of water resources, and supplying bulk water to strategic users such as large industrial companies to stimulate and support economic development.

To leverage the entity's assets to finance water resource infrastructure more equitably and efficiently, it is expected to have finalised its merger with the Trans-Caledon Tunnel Authority to form the National Water Resources Infrastructure Agency over the medium term. This will help generate funding for national water resource infrastructure projects through raising capital from financial markets, including banks, pension funds and development finance to make it less reliant on the fiscus.

The financing and investment in raw water infrastructure programme makes transfers to the Trans-Caledon Tunnel Authority for the repayment of loans, interest and management fees. Allocations to the programme are set to increase at an average annual rate of 4.5 per cent, from R11.7 billion in 2024/25 to R13.4 billion in 2027/28.

In each year over the medium term, the entity plans to implement 70 per cent of planned infrastructure maintenance projects and retain unscheduled maintenance at below 30 per cent of the annual asset maintenance plan. Related activities are funded through the operations, maintenance and refurbishment of national resources programme. The programme's budget is estimated to increase at an average annual rate of 4.5 per cent, from R2.5 billion in 2024/25 to R2.9 billion in 2027/28.

Through the bulk water supply to strategic users programme, the entity plans to measure the operational functionality of the national water resource infrastructure in adherence to bulk water supply agreements to strategic users such as Eskom and Sasol. Allocations to the programme increase at an average annual rate of 4.5 per cent, from R3.3 billion in 2024/25 to R3.7 billion in 2027/28.

The entity receives transfers from the department for strategic infrastructure projects. Over the medium term, these include the raising of the Clanwilliam Dam wall; the uMkhomazi bulk water supply scheme; the Olifants management model programme (phases 2B and 2B+ of the raw water pipeline and phases 2D and 2F for bulk distribution water infrastructure), including pipelines, reservoirs and reticulation. Funding for these projects, amounting to R4.2 billion over the MTEF period, is made available through the budget facility for infrastructure.

Total expenditure is expected to increase at an average annual rate of 4.5 per cent, from R19 billion in 2024/25 to R21.7 billion in 2027/28. The entity expects to generate 72.6 per cent (R57.5 billion) of its revenue over the MTEF period from the sale of raw water, while transfers from the department account for 23.9 per cent (R19.8 billion). Total revenue is expected to increase at an average annual rate of 1.8 per cent, from R23.9 billion in 2024/25 to R25.2 billion in 2027/28.

### Programmes/Objectives/Activities

**Table 41.41 Water Trading Entity 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 (%) |
|-------------------------------------------------------------------------------|-----------------|----------------|-----------------|------------------|-------------------------|---------------------------------|----------------------------------|-----------------|-----------------|-------------------------|---------------------------------|
|                                                                               | 2021/22         | 2022/23        | 2023/24         |                  |                         |                                 | 2025/26                          | 2026/27         | 2027/28         |                         |                                 |
| Administration                                                                | 1 103.7         | 779.6          | 795.7           | 1 307.9          | 5.8%                    | 8.6%                            | 1 366.8                          | 1 428.7         | 1 493.8         | 4.5%                    | 6.9%                            |
| Implementation of water resources management activities                       | 1 089.2         | 769.3          | 785.2           | –                | -100.0%                 | 6.8%                            | –                                | –               | –               | –                       | –                               |
| Operations, maintenance and refurbishment of national water resources schemes | 1 399.0         | 1 509.1        | 1 740.6         | 2 539.5          | 22.0%                   | 15.1%                           | 2 654.0                          | 2 774.1         | 2 900.9         | 4.5%                    | 13.4%                           |
| Financing and investment in raw water infrastructure                          | 3 394.7         | 3 409.7        | 6 169.0         | 11 738.7         | 51.2%                   | 47.5%                           | 12 270.3                         | 12 823.2        | 13 407.6        | 4.5%                    | 61.7%                           |
| Bulk water supply to strategic users                                          | 2 622.9         | 1 812.2        | 2 136.0         | 3 273.1          | 7.7%                    | 21.0%                           | 3 420.6                          | 3 575.4         | 3 738.8         | 4.5%                    | 17.2%                           |
| Implementation of dam safety projects                                         | 129.4           | 104.9          | 107.2           | 157.2            | 6.7%                    | 1.1%                            | 162.3                            | 171.8           | 179.7           | 4.5%                    | 0.8%                            |
| <b>Total</b>                                                                  | <b>9 738.8</b>  | <b>8 384.7</b> | <b>11 733.7</b> | <b>19 016.5</b>  | <b>25.0%</b>            | <b>100.0%</b>                   | <b>19 874.0</b>                  | <b>20 773.1</b> | <b>21 720.8</b> | <b>4.5%</b>             | <b>100.0%</b>                   |

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

**Table 41.42 Water Trading Entity statements of financial performance, cash flow and financial position**

| Statement of financial performance                   |                 |                 |                 |                  |                         |                                 |                                  |                 |                 |                         |                                 |
|------------------------------------------------------|-----------------|-----------------|-----------------|------------------|-------------------------|---------------------------------|----------------------------------|-----------------|-----------------|-------------------------|---------------------------------|
| R million                                            | Audited outcome |                 |                 | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                 |                 | Average growth rate (%) | Average: Expenditure/ Total (%) |
|                                                      | 2021/22         | 2022/23         | 2023/24         |                  |                         |                                 | 2025/26                          | 2026/27         | 2027/28         |                         |                                 |
| <b>Revenue</b>                                       | <b>15 895.6</b> | <b>14 599.0</b> | <b>16 404.4</b> | <b>18 650.4</b>  | <b>5.5%</b>             | <b>84.6%</b>                    | <b>19 499.0</b>                  | <b>20 378.4</b> | <b>20 382.4</b> | <b>3.0%</b>             | <b>76.1%</b>                    |
| <b>Non-tax revenue</b>                               | <b>14 559.4</b> | <b>12 979.6</b> | <b>14 612.9</b> | <b>18 451.3</b>  | <b>8.2%</b>             | <b>77.8%</b>                    | <b>19 290.8</b>                  | <b>20 160.8</b> | <b>20 155.0</b> | <b>3.0%</b>             | <b>75.3%</b>                    |
| Sale of goods and services other than capital assets | 14 559.4        | 12 979.6        | 14 612.9        | 18 451.3         | 8.2%                    | 77.8%                           | 19 290.8                         | 20 160.8        | 20 155.0        | 3.0%                    | 75.3%                           |
| of which:                                            |                 |                 |                 |                  |                         |                                 |                                  |                 |                 |                         |                                 |
| Sales by market establishments                       | 14 266.7        | 12 649.2        | 14 314.7        | 17 790.5         | 7.6%                    | 75.8%                           | 18 600.0                         | 19 438.9        | 19 433.3        | 3.0%                    | 72.6%                           |
| Sales of water                                       | 291.0           | 328.5           | 296.2           | 404.2            | 11.6%                   | 1.7%                            | 422.5                            | 441.6           | 441.5           | 3.0%                    | 1.6%                            |
| Construction revenue                                 | 0.9             | 0.9             | 1.0             | 256.6            | 564.6%                  | 0.3%                            | 268.2                            | 280.3           | 280.3           | 3.0%                    | 1.0%                            |
| Lease revenue earned                                 | 0.9             | 1.0             | 1.0             | –                | -100.0%                 | –                               | –                                | –               | –               | –                       | –                               |
| Commission earned                                    | 1 336.1         | 1 619.4         | 1 791.4         | 199.1            | -47.0%                  | 6.8%                            | 208.2                            | 217.6           | 227.3           | 4.5%                    | 0.8%                            |
| Other non-tax revenue                                | 2 063.2         | 2 268.5         | 2 845.8         | 5 222.0          | 36.3%                   | 15.4%                           | 7 946.6                          | 7 035.2         | 4 836.4         | -2.5%                   | 23.9%                           |
| Transfers received                                   | 2 063.2         | 2 268.5         | 2 845.8         | 5 222.0          | 36.3%                   | 15.4%                           | 7 946.6                          | 7 035.2         | 4 836.4         | -2.5%                   | 23.9%                           |
| <b>Total revenue</b>                                 | <b>17 958.7</b> | <b>16 867.5</b> | <b>19 250.2</b> | <b>23 872.4</b>  | <b>10.0%</b>            | <b>100.0%</b>                   | <b>27 445.6</b>                  | <b>27 413.6</b> | <b>25 218.7</b> | <b>1.8%</b>             | <b>100.0%</b>                   |

**Table 41.42 Water Trading Entity statements of financial performance, cash flow and financial position (continued)**

| Statement of financial performance                              |                  |                  |                  | Revised estimate  | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                   |                   | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------------------------------------|------------------|------------------|------------------|-------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
| Audited outcome                                                 |                  |                  | 2024/25          |                   |                         |                                 | 2025/26                          | 2026/27           | 2027/28           |                         |                                 |
| R million                                                       | 2021/22          | 2022/23          | 2023/24          | 2024/25           | 2021/22 - 2024/25       | 2024/25                         | 2025/26                          | 2026/27           | 2027/28           | 2024/25 - 2027/28       | 2024/25                         |
| <b>Expenses</b>                                                 |                  |                  |                  |                   |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current expenses</b>                                         | <b>9 738.8</b>   | <b>8 384.7</b>   | <b>11 733.7</b>  | <b>19 016.5</b>   | <b>25.0%</b>            | <b>100.0%</b>                   | <b>19 874.0</b>                  | <b>20 773.1</b>   | <b>21 720.8</b>   | <b>4.5%</b>             | <b>100.0%</b>                   |
| Compensation of employees                                       | 1 451.2          | 860.6            | 1 609.0          | 1 689.4           | 5.2%                    | 11.9%                           | 1 773.9                          | 1 855.5           | 1 955.7           | 5.0%                    | 8.9%                            |
| Goods and services                                              | 3 986.9          | 2 795.8          | 3 793.9          | 5 264.8           | 9.7%                    | 33.6%                           | 5 489.0                          | 5 737.7           | 5 994.8           | 4.4%                    | 27.6%                           |
| Depreciation                                                    | 1 426.2          | 1 614.8          | 1 572.8          | 3 171.1           | 30.5%                   | 16.0%                           | 3 315.4                          | 3 464.9           | 3 620.1           | 4.5%                    | 16.7%                           |
| Interest, dividends and rent on land                            | 2 874.6          | 3 113.5          | 4 758.1          | 8 891.2           | 45.7%                   | 38.5%                           | 9 295.7                          | 9 715.0           | 10 150.2          | 4.5%                    | 46.8%                           |
| <b>Total expenses</b>                                           | <b>9 738.8</b>   | <b>8 384.7</b>   | <b>11 733.7</b>  | <b>19 016.5</b>   | <b>25.0%</b>            | <b>100.0%</b>                   | <b>19 874.0</b>                  | <b>20 773.1</b>   | <b>21 720.8</b>   | <b>4.5%</b>             | <b>100.0%</b>                   |
| <b>Surplus/(Deficit)</b>                                        | <b>8 219.9</b>   | <b>8 482.7</b>   | <b>7 516.4</b>   | <b>4 855.9</b>    | <b>-16.1%</b>           |                                 | <b>7 571.5</b>                   | <b>6 640.5</b>    | <b>3 497.9</b>    | <b>-10.4%</b>           |                                 |
| <b>Cash flow statement</b>                                      |                  |                  |                  |                   |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Cash flow from operating activities</b>                      | <b>6 754.8</b>   | <b>3 279.3</b>   | <b>5 963.9</b>   | <b>12 374.7</b>   | <b>22.4%</b>            | <b>100.0%</b>                   | <b>15 456.9</b>                  | <b>14 891.0</b>   | <b>13 116.4</b>   | <b>2.0%</b>             | <b>100.0%</b>                   |
| <b>Receipts</b>                                                 |                  |                  |                  |                   |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Non-tax receipts</b>                                         | <b>13 934.1</b>  | <b>13 845.4</b>  | <b>14 567.9</b>  | <b>14 223.9</b>   | <b>0.7%</b>             | <b>82.5%</b>                    | <b>14 935.1</b>                  | <b>15 622.1</b>   | <b>16 465.7</b>   | <b>5.0%</b>             | <b>71.2%</b>                    |
| Sales of goods and services other than capital assets           | 13 934.1         | 13 845.4         | 14 567.9         | 14 223.9          | 0.7%                    | 82.5%                           | 14 935.1                         | 15 622.1          | 16 465.7          | 5.0%                    | 71.2%                           |
| of which:                                                       |                  |                  |                  |                   |                         |                                 |                                  |                   |                   |                         |                                 |
| Sales by market establishment                                   | 12 912.0         | 13 667.2         | 14 311.7         | 14 051.7          | 2.9%                    | 80.0%                           | 14 754.2                         | 15 432.9          | 16 266.3          | 5.0%                    | 70.3%                           |
| Sales of water                                                  | 10 059.7         | 10 839.6         | 13 677.0         | 14 051.7          | 11.8%                   | 70.2%                           | 14 754.2                         | 15 432.9          | 16 266.3          | 5.0%                    | 70.3%                           |
| Construction revenue                                            | 2 851.4          | 2 825.7          | 632.7            | 404.2             | -47.9%                  | 10.3%                           | —                                | —                 | —                 | -100.0%                 | 0.5%                            |
| Lease revenue earned                                            | 0.9              | 1.9              | 2.0              | 256.6             | 564.1%                  | 0.3%                            | —                                | —                 | —                 | -100.0%                 | 0.3%                            |
| Other sales                                                     | 1 022.1          | 178.1            | 256.3            | 172.2             | -44.8%                  | 2.5%                            | 180.8                            | 189.1             | 199.4             | 5.0%                    | 0.9%                            |
| <b>Transfers received</b>                                       | <b>2 063.2</b>   | <b>2 268.5</b>   | <b>2 845.8</b>   | <b>5 222.0</b>    | <b>36.3%</b>            | <b>17.5%</b>                    | <b>7 946.6</b>                   | <b>7 035.2</b>    | <b>4 836.4</b>    | <b>-2.5%</b>            | <b>28.8%</b>                    |
| <b>Total receipts</b>                                           | <b>15 997.3</b>  | <b>16 113.9</b>  | <b>17 413.7</b>  | <b>19 445.9</b>   | <b>6.7%</b>             | <b>100.0%</b>                   | <b>22 881.6</b>                  | <b>22 657.3</b>   | <b>21 302.0</b>   | <b>3.1%</b>             | <b>100.0%</b>                   |
| <b>Payment</b>                                                  |                  |                  |                  |                   |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current payments</b>                                         | <b>9 242.5</b>   | <b>12 834.6</b>  | <b>11 449.9</b>  | <b>7 071.2</b>    | <b>-8.5%</b>            | <b>100.0%</b>                   | <b>7 424.8</b>                   | <b>7 766.3</b>    | <b>8 185.7</b>    | <b>5.0%</b>             | <b>100.0%</b>                   |
| Compensation of employees                                       | 1 459.2          | 1 720.0          | 1 792.5          | 1 751.5           | 6.3%                    | 17.4%                           | 1 839.1                          | 1 923.7           | 2 027.6           | 5.0%                    | 24.8%                           |
| Goods and services                                              | 6 267.6          | 9 914.1          | 8 345.9          | 2 768.0           | -23.8%                  | 64.3%                           | 2 906.4                          | 3 040.1           | 3 204.3           | 5.0%                    | 39.1%                           |
| Interest and rent on land                                       | 1 515.7          | 1 200.4          | 1 311.4          | 2 551.6           | 19.0%                   | 18.3%                           | 2 679.2                          | 2 802.5           | 2 953.8           | 5.0%                    | 36.1%                           |
| <b>Total payments</b>                                           | <b>9 242.5</b>   | <b>12 834.6</b>  | <b>11 449.9</b>  | <b>7 071.2</b>    | <b>-8.5%</b>            | <b>100.0%</b>                   | <b>7 424.8</b>                   | <b>7 766.3</b>    | <b>8 185.7</b>    | <b>5.0%</b>             | <b>100.0%</b>                   |
| <b>Net cash flow from investing activities</b>                  | <b>(398.1)</b>   | <b>(2 683.7)</b> | <b>(786.4)</b>   | <b>(2 406.5)</b>  | <b>82.2%</b>            | <b>100.0%</b>                   | <b>(3 509.7)</b>                 | <b>(3 223.1)</b>  | <b>(3 485.8)</b>  | <b>13.1%</b>            | <b>100.0%</b>                   |
| Acquisition of property, plant, equipment and intangible assets | (398.1)          | (2 683.7)        | (784.3)          | (2 406.5)         | 82.2%                   | 99.9%                           | (3 509.7)                        | (3 223.1)         | (3 485.8)         | 13.1%                   | 100.0%                          |
| Acquisition of software and other intangible assets             | —                | —                | (2.1)            | —                 | —                       | 0.1%                            | —                                | —                 | —                 | —                       | —                               |
| <b>Net cash flow from financing activities</b>                  | <b>(5 617.8)</b> | <b>(957.4)</b>   | <b>(3 558.5)</b> | <b>(10 194.3)</b> | <b>22.0%</b>            | <b>100.0%</b>                   | <b>(10 704.0)</b>                | <b>(11 196.4)</b> | <b>(11 801.0)</b> | <b>5.0%</b>             | <b>100.0%</b>                   |
| Borrowing activities                                            | (5 617.2)        | (956.1)          | (3 557.2)        | (10 162.3)        | 21.8%                   | 99.9%                           | (10 670.4)                       | (11 161.3)        | (11 764.0)        | 5.0%                    | 99.7%                           |
| Repayment of finance leases                                     | (0.7)            | (1.3)            | (1.2)            | (32.0)            | 264.9%                  | 0.1%                            | (33.6)                           | (35.1)            | (37.0)            | 5.0%                    | 0.3%                            |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>738.9</b>     | <b>(361.9)</b>   | <b>1 619.0</b>   | <b>(226.1)</b>    | <b>-167.4%</b>          | <b>4.0%</b>                     | <b>1 243.2</b>                   | <b>471.5</b>      | <b>(2 170.4)</b>  | <b>112.5%</b>           | <b>100.0%</b>                   |
| <b>Statement of financial position</b>                          |                  |                  |                  |                   |                         |                                 |                                  |                   |                   |                         |                                 |
| Carrying value of assets                                        | 93 102.6         | 95 656.1         | 98 536.3         | 100 385.1         | 2.5%                    | 85.5%                           | 105 404.3                        | 110 252.9         | 116 206.6         | 5.0%                    | 95.9%                           |
| of which:                                                       |                  |                  |                  |                   |                         |                                 |                                  |                   |                   |                         |                                 |
| Acquisition of assets                                           | (398.1)          | (2 683.7)        | (784.3)          | (2 406.5)         | 82.2%                   | 100.0%                          | (3 509.7)                        | (3 223.1)         | (3 485.8)         | 13.1%                   | 100.0%                          |
| Investments                                                     | 796.6            | —                | —                | —                 | -100.0%                 | 0.2%                            | —                                | —                 | —                 | —                       | —                               |
| Inventory                                                       | 129.5            | 129.4            | 149.6            | 111.6             | -4.8%                   | 0.1%                            | 117.2                            | 122.6             | 129.2             | 5.0%                    | 0.1%                            |
| Receivables and prepayments                                     | 13 498.0         | 18 506.5         | 22 772.1         | 3 473.7           | -36.4%                  | 12.5%                           | 3 647.3                          | 3 815.1           | 4 021.1           | 5.0%                    | 3.3%                            |
| Cash and cash equivalents                                       | 2 142.0          | 1 780.1          | 3 399.1          | 728.2             | -30.2%                  | 1.7%                            | 764.6                            | 799.8             | 842.9             | 5.0%                    | 0.7%                            |
| <b>Total assets</b>                                             | <b>109 668.7</b> | <b>116 072.1</b> | <b>124 857.1</b> | <b>104 698.5</b>  | <b>-1.5%</b>            | <b>100.0%</b>                   | <b>109 933.5</b>                 | <b>114 990.4</b>  | <b>121 199.9</b>  | <b>5.0%</b>             | <b>100.0%</b>                   |
| Accumulated surplus/(deficit)                                   | 88 797.2         | 100 455.4        | 107 264.6        | 66 587.9          | -9.1%                   | 79.3%                           | 69 917.3                         | 73 133.5          | 77 082.7          | 5.0%                    | 63.6%                           |
| Capital and reserves                                            | 1 755.2          | 2 549.2          | 3 256.4          | 446.8             | -36.6%                  | 1.7%                            | 469.2                            | 490.8             | 517.3             | 5.0%                    | 0.4%                            |
| Borrowings                                                      | 11 777.6         | 10 761.8         | 11 783.2         | 35 451.7          | 44.4%                   | 15.8%                           | 37 224.3                         | 38 936.6          | 41 039.2          | 5.0%                    | 33.9%                           |
| Finance lease                                                   | 1.5              | 3.0              | 2.9              | 7.7               | 72.6%                   | —                               | 8.1                              | 8.4               | 8.9               | 5.0%                    | —                               |
| Trade and other payables                                        | 2 281.5          | 1 536.2          | 1 755.6          | 1 803.0           | -7.5%                   | 1.6%                            | 1 893.1                          | 1 980.2           | 2 087.2           | 5.0%                    | 1.7%                            |
| Provisions                                                      | 741.0            | 766.5            | 794.3            | 401.4             | -18.5%                  | 0.6%                            | 421.5                            | 440.9             | 464.7             | 5.0%                    | 0.4%                            |
| Derivatives financial instruments                               | 4 314.7          | —                | —                | —                 | -100.0%                 | 1.0%                            | —                                | —                 | —                 | —                       | —                               |
| <b>Total equity and liabilities</b>                             | <b>109 668.7</b> | <b>116 072.1</b> | <b>124 857.1</b> | <b>104 698.5</b>  | <b>-1.5%</b>            | <b>100.0%</b>                   | <b>109 933.5</b>                 | <b>114 990.4</b>  | <b>121 199.9</b>  | <b>5.0%</b>             | <b>100.0%</b>                   |

## Personnel information

**Table 41.43 Water Trading Entity personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2025 |                                           |         | Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment |           |                  |        |           |                                  |        |           |           |         |           |                   | Average growth rate of personnel posts (%) | Average: salary level/ Total (%) |           |   |        |
|---------------------------------------------|-------------------------------------------|---------|--------------------------------------------------------------------------------------------|-----------|------------------|--------|-----------|----------------------------------|--------|-----------|-----------|---------|-----------|-------------------|--------------------------------------------|----------------------------------|-----------|---|--------|
|                                             |                                           |         |                                                                                            |           |                  |        |           |                                  |        |           |           |         |           |                   |                                            |                                  |           |   |        |
| Number of funded posts                      | Number of posts on approved establishment | Actual  |                                                                                            |           | Revised estimate |        |           | Medium-term expenditure estimate |        |           |           |         |           | 2024/25 - 2027/28 |                                            |                                  |           |   |        |
|                                             |                                           | 2023/24 |                                                                                            |           | 2024/25          |        |           | 2025/26                          |        | 2026/27   |           | 2027/28 |           |                   |                                            |                                  |           |   |        |
|                                             |                                           | Number  | Cost                                                                                       | Unit cost | Number           | Cost   | Unit cost | Number                           | Cost   | Unit cost | Number    | Cost    | Unit cost |                   | Number                                     | Cost                             | Unit cost |   |        |
| Water Trading Entity                        |                                           |         | Number                                                                                     | Cost      | Unit cost        | Number | Cost      | Unit cost                        | Number | Cost      | Unit cost | Number  | Cost      | Unit cost         | Number                                     | Cost                             | Unit cost |   |        |
| Salary level                                | 3 545                                     | 3 545   | 3 545                                                                                      | 1 609.0   | 0.5              | 3 545  | 1 689.4   | 0.5                              | 3 545  | 1 773.9   | 0.5       | 3 545   | 1 855.5   | 0.5               | 3 545                                      | 1 955.7                          | 0.6       | – | 100.0% |
| 1 – 6                                       | 1 574                                     | 1 574   | 1 574                                                                                      | 390.6     | 0.2              | 1 574  | 394.6     | 0.3                              | 1 574  | 414.3     | 0.3       | 1 574   | 433.4     | 0.3               | 1 574                                      | 456.8                            | 0.3       | – | 44.4%  |
| 7 – 10                                      | 1 721                                     | 1 721   | 1 721                                                                                      | 845.7     | 0.5              | 1 721  | 904.1     | 0.5                              | 1 721  | 949.4     | 0.6       | 1 721   | 993.0     | 0.6               | 1 721                                      | 1 046.6                          | 0.6       | – | 48.5%  |
| 11 – 12                                     | 99                                        | 99      | 99                                                                                         | 102.7     | 1.0              | 99     | 110.7     | 1.1                              | 99     | 116.2     | 1.2       | 99      | 121.6     | 1.2               | 99                                         | 128.1                            | 1.3       | – | 2.8%   |
| 13 – 16                                     | 140                                       | 140     | 140                                                                                        | 234.0     | 1.7              | 140    | 244.0     | 1.7                              | 140    | 256.2     | 1.8       | 140     | 268.0     | 1.9               | 140                                        | 282.5                            | 2.0       | – | 3.9%   |
| 17 – 22                                     | 11                                        | 11      | 11                                                                                         | 36.0      | 3.3              | 11     | 36.0      | 3.3                              | 11     | 37.8      | 3.4       | 11      | 39.5      | 3.6               | 11                                         | 41.7                             | 3.8       | – | 0.3%   |

1. Rand million.

## Other entities

The following entities will be receiving transfers from the department from 1 April 2025 after taking over water resource management functions that were previously carried out by the Water Trading Entity.

- The **Limpopo-Olifants Catchment Management Agency** was established in terms of the National Water Act (1998). It is mandated to protect the use of water resources in the Limpopo-Olifants water management area. Its functions include resource allocation, protection, use, conservation, monitoring, planning, development and operations. As the entity is not yet generating any revenue, it is set to receive transfers from the department amounting to R99.3 million over the next 3 years to cover its operations and expenditure.
- The **Mzimvubu-Tsitsikamma Catchment Management Agency** was established in terms of the National Water Act (1998) with a mandate to protect the use of water resources in the Mzimvubu-Tsitsikamma water management area. Its functions include resource allocation, protection, use, conservation, monitoring, planning, development and operations. As the agency is not yet generating any revenue, it is set to receive transfers from the department amounting to R70.7 million over the next 3 years to cover its operations and expenditure.
- The **Pongola-Umzimkulu Catchment Management Agency** was established in terms of the National Water Act (1998) with a mandate to protect the use of water resources in the Pongola-Umzimkulu water management area. Its functions include resource allocation, protection, use, conservation, monitoring, planning, development and operations. As the agency is not yet generating any revenue, it is set to receive transfers from the department amounting to R70.7 million over the next 3 years to cover its operations and expenditure.
- The **Vaal-Orange Catchment Management Agency** was established in terms of the National Water Act (1998) with a mandate to protect the use of water resources in the Vaal-Orange water management area. Its functions include resource allocation, protection, use, conservation, monitoring, planning, development and operations. As the entity is not yet generating any revenue, it is set to receive transfers from the department amounting to R88.9 million over the next 3 years to cover its operations and expenditure.