

Vote 37

Water Affairs

Adjusted budget summary

2010/11				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	7 996 592	8 203 193	–	206 601
<i>of which:</i>				
Current payments	3 632 763	3 730 823	–	98 060
Transfers and subsidies	3 238 487	3 353 542	–	115 055
Payments for capital assets	1 125 342	1 118 828	(6 514)	–
Executive authority	Minister of Water and Environmental Affairs			
Accounting officer	Director-General of Water Affairs			
Website address	www.dwa.gov.za			

Aim

The aim of the Department of Water Affairs is to ensure the availability and supply of water at national level, facilitate equitable and sustainable social and economic development, and ensure the universal and efficient supply of water services at local level.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2010/11 as published in the 2010 ENE	Achieved in the first six months of 2010/11 (April to September)	Change of estimate for 2010/11
As published in the 2010 ENE	Programme linked to the indicator	Outcome the indicator is linked to (if relevant)			
Number of additional people provided with access to water	Regional Management	A responsive, accountable, effective and efficient local government system	1.2 million	400 000	800 000
Number of new water management areas in which compulsory licensing processes have been completed	Water Sector Regulation	Vibrant, equitable and sustainable rural communities with food security for all	2	0	–
Number of bulk infrastructure schemes implemented per year	Regional Management	An efficient, competitive and responsive economic infrastructure network	54	38	–
Number of new reconciliation strategies developed to ensure water security per year	Water Management	An efficient, competitive and responsive economic infrastructure network	2	0	–
Total number of water monitoring stations and number of priority catchments optimally monitored ¹	Water Management	Environmental assets and natural resources that are well protected and continually enhanced	5 priority catchments	3	–
Number of water licences issued per year	Water Sector Regulation	An efficient, competitive and responsive economic infrastructure network	250	278	–
Number of additional rainwater harvesting tanks distributed for food production	Regional Management	Vibrant, equitable and sustainable rural communities with food security for all	500	913	–
Number of additional resource poor farmers supported through subsidies	Regional Management	Vibrant, equitable and sustainable rural communities with food security for all	200	468	–

Indicator	Programme	Outcome	Annual performance		
			Projected for 2010/11 as published in the 2010 ENE	Achieved in the first six months of 2010/11 (April to September)	Change of estimate for 2010/11
As published in the 2010 ENE	Programme linked to the indicator	Outcome the indicator is linked to (if relevant)			
Total number of municipalities supported in implementing water conservation/water demand management	Regional Management	Environmental assets and natural resources that are well protected and continually enhanced	4	4	-
Percentage completion on construction of Inyaka water treatment works	Regional Management	An efficient, competitive and responsive economic infrastructure network	84%	71%	-
Percentage completion on construction of Nandoni water distribution network and water treatment works	Regional Management	An efficient, competitive and responsive economic infrastructure network	100%	40%	-
Percentage completion on construction of Hluhluwe regional water scheme	Regional Management	An efficient, competitive and responsive economic infrastructure network	90%	71%	-
Hectares of land: cleared per year	Regional Management	Environmental assets and natural resources that are well protected and continually enhanced	715 400	362 728	-
Hectares of land: converted woodlots per year	Regional Management	Environmental assets and natural resources that are well protected and continually enhanced	1 655	200	-
Number of jobs created by Working for Water per year	Regional Management	Decent employment through inclusive economic growth	25 300	15 766	-
Number of jobs created by Working on Fire per year	Regional Management	Decent employment through inclusive economic growth	2 221	3 305	-

1. The unit of measurement for this indicator changes from number of water monitoring stations to the number of catchment areas optimally monitored, as a result of technological changes in the infrastructure used to monitor water.

Compulsory licensing processes will be completed in both new water management areas by the end of 2010/11 as planned.

The two new reconciliation strategies to ensure water security will be completed by the end of 2010/11 as planned. The related documents have been developed.

Three priority catchments have been monitored, but not optimally, due to staff shortages.

The number of water licences issued in the first half of 2010/11 is higher than the estimate for the year as a whole because of the accelerated effort on the Letsema project.

The number of additional rainwater harvesting tanks distributed is significantly higher in the first half of 2010/11 than estimated for the year as a whole, because additional funds were made available in the Eastern Cape due to drought.

The number of hectares of land converted to woodlots in the first half of 2010/11 is significantly less than the estimate for the year as a whole because afforestation permits could not be issued.

The number of jobs created by the Working on Fire programme in the first half of 2010/11 was significantly higher than the estimate for the year as a whole because of a wage incentive.

Mid-year progress

The Department of Water Affairs set a target of providing water to 1.2 million additional people, but increases in infrastructure costs limited this to less than half the target. Providing basic water services aims at output 2 (improve access to basic services) of outcome 9 (a responsive, accountable, effective and efficient local government system).

There has not been progress on compulsory licensing, reconciliation strategies and water monitoring stations, but significant progress has been made in issuing water licences. All these activities contribute to achieving outcome 10 (environmental assets and natural resources that are well protected and continually enhanced), output 1 (enhanced quality and quantity of water resources).

There was significant progress on rainwater harvesting. Achievements in this activity contributed to outcome 9 (a responsive, accountable, effective and efficient local government system), output 2 (improve access to basic services).

Achievements in supporting resource poor farmers were due to the high number of beneficiaries in the Blucuso irrigation development project. This success made a direct contribution to outcome 4 (decent employment through inclusive economic growth).

The Nandoni Dam is only 40 per cent complete, due to failed pressure tests on installed pipes. The estimated value of the pipes that failed is R200 million, and the replacement cost is approximately R500 million. The dam is expected to be completed in 2011/12, and will contribute to achieving outcome 6 (an efficient, competitive and responsive economic infrastructure network).

Adjusted Estimates of National Expenditure 2010

Programme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand							
1. Administration	884 205	-	-	47 693	35 600	83 293	967 498
2. Water Management	364 749	4 100	-	34 090	-	38 190	402 939
3. National Water Resources Infrastructure Programme	2 241 418	-	-	(3 186)	-	(3 186)	2 238 232
4. Regional Management	4 329 013	57 571	92 000	(124 242)	-	25 329	4 354 342
5. Water Sector Regulation	177 207	17 330	-	45 645	-	62 975	240 182
Total	7 996 592	79 001	92 000	-	35 600	206 601	8 203 193
Economic classification							
Current payments	3 632 763	57 044	-	5 416	35 600	98 060	3 730 823
Compensation of employees	1 166 543	-	-	(30 962)	30 600	(362)	1 166 181
Goods and services	2 466 220	57 044	-	36 378	5 000	98 422	2 564 642
Transfers and subsidies	3 238 487	21 957	92 000	1 098	-	115 055	3 353 542
Provinces and municipalities	890 746	17 830	92 000	37 952	-	147 782	1 038 528
Departmental agencies and accounts	2 102 743	-	-	(43 415)	-	(43 415)	2 059 328
Foreign governments and international organisations	180 106	-	-	200	-	200	180 306
Public corporations and private enterprises	-	4 127	-	-	-	4 127	4 127
Non-profit institutions	466	-	-	-	-	-	466
Households	64 426	-	-	6 361	-	6 361	70 787
Payments for capital assets	1 125 342	-	-	(6 514)	-	(6 514)	1 118 828
Buildings and other fixed structures	1 038 326	-	-	(4 494)	-	(4 494)	1 033 832
Machinery and equipment	74 196	-	-	(1 776)	-	(1 776)	72 420
Biological assets	341	-	-	(56)	-	(56)	285
Software and other intangible assets	12 479	-	-	(188)	-	(188)	12 291
Total	7 996 592	79 001	92 000	-	35 600	206 601	8 203 193

Programme 1: Administration

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand							
Minister	1 816	-	-	-	-	-	1 816
Deputy Minister	1 496	-	-	-	-	-	1 496
Management	216 851	-	-	31 809	-	31 809	248 660
Corporate Services	364 002	-	-	30 100	5 000	35 100	399 102
Office Accommodation	156 000	-	-	5 184	-	5 184	161 184
Financial Management	144 040	-	-	(19 400)	30 600	11 200	155 240
Total	884 205	-	-	47 693	35 600	83 293	967 498

Programme 1: Administration (continued)

		2010/11						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand		Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Economic classification								
Current payments		833 564	–	–	46 438	35 600	82 038	915 602
Compensation of employees		316 968	–	–	454	30 600	31 054	348 022
Goods and services		516 596	–	–	45 984	5 000	50 984	567 580
Transfers and subsidies		11 702	–	–	200	–	200	11 902
Departmental agencies and accounts		1 096	–	–	–	–	–	1 096
Foreign governments and international organisations		106	–	–	200	–	200	306
Households		10 500	–	–	–	–	–	10 500
Payments for capital assets		38 939	–	–	1 055	–	1 055	39 994
Buildings and other fixed structures		3 953	–	–	–	–	–	3 953
Machinery and equipment		24 315	–	–	1 055	–	1 055	25 370
Software and other intangible assets		10 671	–	–	–	–	–	10 671
Total		884 205	–	–	47 693	35 600	83 293	967 498

Programme 2: Water Management

		2010/11						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand		Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Subprogramme								
Integrated Planning		128 491	–	–	32 000	–	32 000	160 491
Policy and Strategy		36 960	4 100	–	(2 900)	–	1 200	38 160
Water Eco-Systems		61 905	–	–	(32 100)	–	(32 100)	29 805
Water Information Management		137 393	–	–	37 090	–	37 090	174 483
Total		364 749	4 100	–	34 090	–	38 190	402 939
Economic classification								
Current payments		355 777	4 100	–	34 034	–	38 134	393 911
Compensation of employees		133 075	–	–	3 637	–	3 637	136 712
Goods and services		222 702	4 100	–	30 397	–	34 497	257 199
Transfers and subsidies		750	–	–	–	–	–	750
Households		750	–	–	–	–	–	750
Payments for capital assets		8 222	–	–	56	–	56	8 278
Machinery and equipment		6 946	–	–	56	–	56	7 002
Software and other intangible assets		1 276	–	–	–	–	–	1 276
Total		364 749	4 100	–	34 090	–	38 190	402 939

Programme 3: National Water Resources Infrastructure Programme

		2010/11						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand		Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Subprogramme								
Infrastructure Development and Rehabilitation		2 101 397	–	–	(3 186)	–	(3 186)	2 098 211
Operation of Water Resources		140 021	–	–	–	–	–	140 021
Total		2 241 418	–	–	(3 186)	–	(3 186)	2 238 232

Programme 3: National Water Resources Infrastructure Programme (continued)

2010/11							
R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Economic classification							
Transfers and subsidies	2 241 418	-	-	(3 186)	-	(3 186)	2 238 232
Departmental agencies and accounts	2 061 418	-	-	(3 186)	-	(3 186)	2 058 232
Foreign governments and international organisations	180 000	-	-	-	-	-	180 000
Total	2 241 418	-	-	(3 186)	-	(3 186)	2 238 232

Programme 4: Regional Management

2010/11							
R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Stakeholder Management / Sector Support	425 989	-	92 000	62 777	-	154 777	580 766
Institutional Establishment	697 619	-	-	(199 325)	-	(199 325)	498 294
Regional Programme Coordination	919	-	-	(300)	-	(300)	619
Water Conservation and Demand Management	41 340	-	-	16 000	-	16 000	57 340
Accelerate Access to Community Infrastructure	6 940	23 776	-	79 420	-	103 196	110 136
Natural Resource Management Programmes	908 069	4 127	-	-	-	4 127	912 196
Poverty Interventions	167 554	19 668	-	(69 260)	-	(49 592)	117 962
Regional Bulk	893 000	-	-	-	-	-	893 000
Transfers of Water Schemes	865 560	10 000	-	-	-	10 000	875 560
Support Services	322 023	-	-	(13 554)	-	(13 554)	308 469
Total	4 329 013	57 571	92 000	(124 242)	-	25 329	4 354 342
Economic classification							
Current payments	2 303 946	43 444	-	(112 295)	-	(68 851)	2 235 095
Compensation of employees	664 511	-	-	(44 592)	-	(44 592)	619 919
Goods and services	1 639 435	43 444	-	(67 703)	-	(24 259)	1 615 176
Transfers and subsidies	948 502	14 127	92 000	(3 655)	-	102 472	1 050 974
Provinces and municipalities	890 746	10 000	92 000	(2 277)	-	99 723	990 469
Departmental agencies and accounts	40 229	-	-	(40 229)	-	(40 229)	-
Public corporations and private enterprises	-	4 127	-	-	-	4 127	4 127
Households	17 527	-	-	38 851	-	38 851	56 378
Payments for capital assets	1 076 565	-	-	(8 292)	-	(8 292)	1 068 273
Buildings and other fixed structures	1 034 373	-	-	(4 494)	-	(4 494)	1 029 879
Machinery and equipment	41 319	-	-	(3 035)	-	(3 035)	38 284
Biological assets	341	-	-	(341)	-	(341)	-
Software and other intangible assets	532	-	-	(422)	-	(422)	110
Total	4 329 013	57 571	92 000	(124 242)	-	25 329	4 354 342

Programme 5: Water Sector Regulation

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Economic and Social Regulation	75 593	–	–	46 249	–	46 249	121 842
Resource Regulation	50 897	–	–	(1 350)	–	(1 350)	49 547
Water Use	50 717	7 830	–	(13 709)	–	(5 879)	44 838
Enforcement	–	9 500	–	14 455	–	23 955	23 955
Total	177 207	17 330	–	45 645	–	62 975	240 182
Economic classification							
Current payments	139 476	9 500	–	37 239	–	46 739	186 215
Compensation of employees	51 989	–	–	9 539	–	9 539	61 528
Goods and services	87 487	9 500	–	27 700	–	37 200	124 687
Transfers and subsidies	36 115	7 830	–	7 739	–	15 569	51 684
Provinces and municipalities	–	7 830	–	40 229	–	48 059	48 059
Non-profit institutions	466	–	–	–	–	–	466
Households	35 649	–	–	(32 490)	–	(32 490)	3 159
Payments for capital assets	1 616	–	–	667	–	667	2 283
Machinery and equipment	1 616	–	–	148	–	148	1 764
Biological assets	–	–	–	285	–	285	285
Software and other intangible assets	–	–	–	234	–	234	234
Total	177 207	17 330	–	45 645	–	62 975	240 182

Details of adjustments to Estimates of National Expenditure 2010**Roll-overs – R79.001 million**

Programme 2: Water Management

R4.1 million has been rolled over to complete the revision of the national water resource strategy.

Programme 4: Regional Management

R10 million has been rolled over for refurbishing the water services schemes in the Mopani municipality.

R4.127 million has been rolled over to settle a damages claim against the South African Forestry Company for the fire at Wemmerhoek.

R43.444 million has been rolled over for implementing the accelerated community infrastructure programme.

Programme 5: Water Sector Regulation

R7.83 million has been rolled over for evaluating water use licence application backlogs.

R9.5 million has been rolled over to continue with the Hartbeespoort Dam remediation project, which is to clean the rivers which feed into the dam.

Unforeseeable and unavoidable expenditure – R92 million

Programme 4: Regional Management

R92 million is allocated to the Mossel Bay municipality for drought relief.

Virements and shifts

Programmes

1. Administration
2. Water Management
3. National Water Resources Infrastructure Programme
4. Regional Management
5. Water Sector Regulation

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(16 886)	Programme 1		2 707
Compensation of employees	Vacant posts	(2 452)	Goods and services	For international travel for the minister and deputy minister	2 452
	Vacant posts	(255)	Machinery and equipment	For equipment and computers	255
	Vacant posts	(1 339)	Programme 5		1 339
			Compensation of employees	For short term contract workers	1 339
			Programme 1		1 000
Goods and services	Reduction on professional services	(800)	Machinery and equipment	For computers	800
	Reduction on professional services	(200)	Foreign governments and international organisations	For the annual contribution to the African Ministerial Council on Water	200
	Vacant post (deputy director-general of regulations)	(1 840)	Programme 2		1 840
			Goods and services	For subsistence and accommodation	1 840
	Reduction on professional services	(10 000)	Programme 5		10 000
			Goods and services	For eradicating the water use licence applications backlog	10 000
Percentage of programme budget		1.9%			
Programme 2		(2 020)	Programme 5		1 800
Compensation of employees	Vacant posts	(1 800)	Compensation of employees	For temporary workers for the Letsema project	1 800
			Programme 2		220
Software and other intangible assets	Reductions due to organisational structural changes	(220)	Software and other intangible assets	For software licences for the water management system	220
Percentage of programme budget		0.6%			
Programme 3		(3 186)	Programme 1		3 186
Departmental agencies and accounts	Reduction on infrastructure projects ¹	(3 186)	Goods and services	For office accommodation	3 186
Percentage of programme budget		0.1%			

2010 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4		(203 876)	Programme 1		4 500
Compensation of employees	Funds provisionally allocated in the 2010 ENE for core functions funded by donors have been reallocated	(4 500)	Compensation of employees	Mainly for the new institutional realignment unit	4 500
			Programme 4		28 255
	Vacant posts, and funds provisionally allocated in the 2010 ENE for core functions funded by donors have been reallocated	(24 496)	Goods and services	Mainly for stakeholder management due to organisational structural changes, and for accelerating access to community infrastructure projects	24 496
	Vacant posts	(3 759)	Households	For leave gratuities for staff transferred to municipalities	3 759
			Programme 5		11 837
	Funds shifted due to reprioritisation and realigning functions to programmes in line with the new budget structure	(11 837)	Compensation of employees	For water management and institutional governance projects	11 837
			Programme 1		53 186
Goods and services	Funds provisionally allocated in the 2010 ENE for core functions funded by donors have been reallocated	(53 186)	Goods and services	Mainly for operational costs for the newly established office of the chief operating officer and IT services	53 186
			Programme 2		1 490
	Funds shifted due to reprioritisation and realigning functions to programmes in line with the new budget structure	(1 490)	Goods and services	For the hydrological cycle observing system, the international hydrological programme, and the water resource information quality assurance strategy and implementation	1 490
			Programme 4		3 768
	Reduction on professional services	(353)	Machinery and equipment	For computers	353
	Reduction on professional services ¹	(3 411)	Households	Mainly for leave gratuities for staff transferred to municipalities	3 411
	Reduction on professional services	(4)	Provinces and municipalities	For motor vehicle licences	4
			Programme 5		44 767
	Funds provisionally allocated in the 2010 ENE for core functions funded by donors have been reallocated and funds have been shifted due to reprioritisation and realigning functions to programmes in line with the new budget structure	(44 767)	Goods and services	Mainly for water management and institutional governance projects, and also for institutional establishment projects, the regulatory framework, the sustainable use of the electronic water quality management system, the Water Institute of South Africa, the establishment of the regulator, and the Letsema project	44 767

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
			Programme 4		3 224
Machinery and equipment	Funds incorrectly classified in the 2010 ENE were reclassified	(792)	Goods and services	Funds incorrectly classified in the 2010 ENE were reclassified	792
	Funds incorrectly classified in the 2010 ENE were reclassified	(2 432)	Buildings and other fixed structures	Funds incorrectly classified in the 2010 ENE were reclassified for office accommodation and capital maintenance in the regions	2 432
			Programme 5		204
	Funds shifted due to reprioritisation and realigning functions to programmes in line with the new budget structure	(204)	Machinery and equipment	For water management and institutional governance projects	204
			Programme 4		2 466
Households	Reduction in leave gratuities and vehicle licences	(2 410)	Goods and services	For information services recently decentralised to the regions	2 410
Biological assets	Funds incorrectly classified in the 2010 ENE were reclassified	(56)	Goods and services	Funds incorrectly classified in the 2010 ENE were reclassified for information services recently decentralised to the regions	56
			Programme 5		285
	Funds shifted due to reprioritisation and realigning functions to programmes in line with the new budget structure	(285)	Biological assets	For water management and institutional governance projects	285
			Programme 4		188
Software and other intangible assets	Funds incorrectly classified in the 2010 ENE were reclassified	(152)	Goods and services	Funds incorrectly classified in the 2010 ENE were reclassified for information services recently decentralised to the regions	152
	Funds incorrectly classified in the 2010 ENE were reclassified	(36)	Buildings and other fixed structures	Funds incorrectly classified in the 2010 ENE were reclassified for capital maintenance in the regions	36
			Programme 5		40 463
	Funds shifted due to reprioritisation and realigning functions to programmes in line with the new budget structure	(234)	Software and other intangible assets	For water management and institutional governance projects	234
Departmental agencies and accounts	Funds shifted due to reprioritisation and realigning functions to programmes in line with the new budget structure	(40 229)	Departmental agencies and accounts	For water management and institutional governance projects	40 229

2010 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
			Programme 4		9 243
Provinces and municipalities	Reduction on vehicle licences	(680)	Goods and services	For information services recently decentralised to the regions	680
	Reduction on the transfer to municipalities ¹	(1 601)	Households	For leave gratuities for staff transferred to municipalities	1 601
Buildings and other fixed structures	Funds incorrectly classified in the 2010 ENE were reclassified	(6 922)	Goods and services	Funds incorrectly classified in the 2010 ENE were reclassified mainly for water supply through accelerated community infrastructure projects in the regions, and also for information services recently decentralised to the regions	6 922
	Funds incorrectly classified in the 2010 ENE were reclassified	(40)	Machinery and equipment	Funds incorrectly classified in the 2010 ENE were reclassified for water supply through accelerated community infrastructure projects in the regions	40
Percentage of programme budget		4.7%			
Programme 5		(65 050)	Programme 2		32 560
Compensation of employees	Reductions due to organisational structural changes	(5 437)	Compensation of employees	For salaries due to organisational structural changes	5 437
Goods and services	Funds shifted due to reprioritisation and realigning functions to programmes in line with the new budget structure	(27 067)	Goods and services	Mainly for operational activities due to organisational structural changes	27 067
Machinery and equipment	Reduction due to delays in implementing projects	(56)	Machinery and equipment	For equipment for integrated planning	56
			Programme 4		32 490
Households	Funds redirected from head office to the regions	(32 490)	Households	For resource poor farmers	32 490
Percentage of programme budget		36.7%¹			
Total		(291 018)			291 018

1. In terms of the PFMA, only the legislature may approve this virement.

Other adjustments – R35.6 million

Adjustments due to significant and unforeseeable economic and financial events

Programme 1: Administration

An additional R30.6 million is allocated for higher personnel remuneration increases than the main budget provided for, including the increased housing allowance.

Self-financing expenditure

Programme 1: Administration

R5 million has been realised from the Local Government Sector Education Training Authority and will be used for training and development. The funds have been paid into the National Revenue Fund.

Expenditure for 2009/10 and preliminary expenditure for 2010/11

Programme	2009/10					2010/11		
	Expenditure outcome					Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted appropriation	Apr 09 - Mar 10	Apr 09 - Mar 10 % of adjusted appropriation	Adjusted appropriation	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted appropriation
1.Administration	822 283	329 321	40.0	842 583	102.5	967 498	295 597	30.6
2.Water Management	345 077	142 430	41.3	436 057	126.4	402 939	143 906	35.7
3.National Water Resources Infrastructure Programme	2 519 409	902 166	35.8	1 710 613	67.9	2 238 232	1 080 297	48.3
4.Regional Management	3 497 783	1 373 733	39.3	4 057 168	116.0	4 354 342	1 523 180	35.0
5.Water Sector Regulation	158 057	91 249	57.7	142 223	90.0	240 182	48 240	20.1
Total	7 342 609	2 838 899	38.7	7 188 644	97.9	8 203 193	3 091 220	37.7
Economic classification								
Current payments	3 054 176	1 218 868	39.9	2 954 944	96.8	3 730 823	1 233 462	33.1
Compensation of employees	1 043 081	441 978	42.4	899 789	86.3	1 166 181	458 000	39.3
Goods and services	2 011 095	776 822	38.6	2 048 237	101.8	2 564 642	775 267	30.2
Interest and rent on land	-	68	0.0	6 918	0.0	-	195	0.0
Transfers and subsidies	3 539 380	1 548 448	43.7	4 045 663	114.3	3 353 542	1 840 149	54.9
Provinces and municipalities	924 978	593 463	64.2	1 819 359	196.7	1 038 528	709 024	68.3
Departmental agencies and accounts	2 362 495	919 252	38.9	1 958 464	82.9	2 059 328	992 229	48.2
Universities and technikons	-	-	0.0	8 693	0.0	-	1 003	0.0
Foreign governments and international organisations	180 725	1 128	0.6	177 081	98.0	180 306	116 722	64.7
Public corporations and private enterprises	-	41	0.0	43	0.0	4 127	4 127	100.0
Non-profit institutions	440	450	102.3	450	102.3	466	-	0.0
Households	70 742	34 114	48.2	81 573	115.3	70 787	17 044	24.1
Payments for capital assets	749 053	69 327	9.3	137 760	18.4	1 118 828	17 518	1.6
Buildings and other fixed structures	675 497	55 865	8.3	103 600	15.3	1 033 832	3 887	0.4
Machinery and equipment	66 585	14 433	21.7	33 394	50.2	72 420	7 964	11.0
Biological assets	-	3	0.0	3	0.0	285	-	0.0
Software and other intangible assets	6 971	(974)	-14.0	763	10.9	12 291	5 667	46.1
Payments for financial assets	-	2 256	-	50 277	-	-	91	-
Total	7 342 609	2 838 899	38.7	7 188 644	97.9	8 203 193	3 091 220	37.7

Main expenditure trends for the first half of 2010/11

Total expenditure for 2009/10 was 97.9 per cent of the 2009/10 adjusted appropriation. Expenditure in the first six months of 2010/11 was R3.1 billion, or 37.7 per cent of the adjusted appropriation of R8.2 billion for the year as a whole. In comparison, mid-year expenditure in 2009/10 was R2.8 billion, or 38.7 per cent of the 2009/10 adjusted appropriation. Expenditure in the first six months of 2010/11 increased by R252.3 million or 8.9 per cent, compared to expenditure in the first six months of 2009/10.

The main expenditure increase is due to the increase in expenditure on the regional bulk infrastructure grant, and also as a result of the transfer of funds to the Komati River Basin Water Authority in the first six months of 2010/11, which happened after October in 2009/10.

Departmental receipts

R thousand	2009/10					2010/11			
	Adjusted estimate	Audited outcome				Actual receipts			
		Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted estimate	Apr 09 - Mar 09	Apr 09 - Mar 09 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate
Departmental receipts	72 567	12 535	17.3	76 279	105.1	41 173	42 070	26 750	63.6
Sales of goods and services produced by department	38 066	1 121	2.9	5 398	14.2	5 578	3 525	943	26.8
Sales of scrap, waste, arms and other used current goods	53	33	62.3	35	66.0	53	45	28	62.2
Transfers received	–	–	–	(12)	–	–	–	–	–
Fines, penalties and forfeits	12	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	17 829	4 950	27.8	34 873	195.6	15 282	10 240	1 474	14.4
Transactions in financial assets and liabilities	16 607	6 431	38.7	35 985	216.7	20 260	28 260	24 305	86.0
Total	72 567	12 535	17.3	76 279	105.1	41 173	42 070	26 750	63.6

Main departmental revenue trends for the first half of 2010/11

Departmental revenue collection in the first six months of 2010/11 was R26.8 million, or 63.6 per cent of the adjusted revenue estimate of R42.1 million for the year as a whole. In comparison, mid-year revenue collection in 2009/10 was R12.5 million, or 17.3 per cent of the 2009/10 adjusted estimate. Departmental revenue collection in the first six months of 2010/11 increased by R14.2 million or 113.4 per cent, compared to revenue in the first six months of 2009/10.

The main revenue increase compared to 2009/10 is due to a refund for water resource planning work done in 2009/10 on behalf of the water trading entity.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

		2010/11					
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
1. Administration							
Foreign governments and international organisations							
	Current			200		200	306
	Orange-Senqu River Basin Commission			200		200	306
3. National Water Resources							
Infrastructure Programme							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
	Capital			(3 186)		(3 186)	1 918 211
	Water Trading Entity (Infrastructure)			(3 186)		(3 186)	1 918 211
4. Regional Management							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
	Current	10 000		(2 277)		7 723	670 112
	Water Services Operating Subsidy Grant	10 000		(1 601)		8 399	670 103
	Motor Vehicle Licences			(676)		(676)	9
	Capital		92 000			92 000	320 357
	Municipal Drought Relief Grant		92 000			92 000	320 357
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
	Current			(40 229)		(40 229)	-
	Catchment Management Agencies (Seed Funding)			(40 229)		(40 229)	-
Public corporations and private enterprises							
Public corporations							
Other transfers							
	Current	4 127				4 127	4 127
	Motor Vehicle Licences	4 127				4 127	4 127

Summary of changes to transfers and subsidies per programme (continued)

		2010/11					
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Households							
Social benefits							
Current	2 000	–	–	6 616	–	6 616	8 616
Leave Gratuities	2 000	–	–	6 616	–	6 616	8 616
Households							
Other transfers to households							
Current	3 450	–	–	32 235	–	32 235	35 685
Resource for poor farmers	3 450	–	–	32 235	–	32 235	35 685
5. Water Sector Regulation Provinces and municipalities Municipalities							
Municipal bank accounts							
Current	–	7 830	–	40 229	–	48 059	48 059
Catchment Management Agencies (Seed Funding)	–	7 830	–	40 229	–	48 059	48 059
Households							
Other transfers to households							
Current	34 036	–	–	(32 490)	–	(32 490)	1 546
Financial assistance to small scale farmers	34 036	–	–	(32 490)	–	(32 490)	1 546

Summary of changes to conditional grants: Local government

		2010/11					
		Adjustments appropriation					
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
4. Regional Management							
Water Services Operating Subsidy Grant	661 704	10 000	–	(1 601)	–	8 399	670 103
4. Regional Management	890 061	10 000	–	(1 601)	–	8 399	898 460