



# ANNUAL REPORT

DEPARTMENT OF WATER AFFAIRS AND FORESTRY  
2007/2008



**water & forestry**

Department:  
Water Affairs and Forestry  
**REPUBLIC OF SOUTH AFRICA**



## **REPORT OF THE DEPARTMENT OF WATER AFFAIRS AND FORESTRY**

**1 APRIL 2007 TO 31 MARCH 2008**

**To the Minister of Water Affairs and Forestry**

It is my pleasure to present this report on the work of the Department of Water Affairs and Forestry for the financial year ended 31 March 2008.

**Pam Yako**  
**Director- General: Water Affairs and Forestry**

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# PART A

## GENERAL INFORMATION



# 1 INTRODUCTION BY THE ACCOUNTING OFFICER

The Department of Water Affairs and Forestry has, in the year under review, focused its efforts on meeting the targets as set out in the Department's Strategic Plan which are ultimately aimed at creating a better life for all through the nation's waters and forests.

## 1.1 ORGANISATIONAL ARRANGEMENTS

Capacity building in the Department has been given appropriate emphasis. The major intervention strategies implemented over the past year include the retention strategy as well as the Water and Forestry Learning Academy (WFLA). Another milestone is the finalisation of the women empowerment and gender equality strategic framework.

The Department segregated the functions and staff of the Water Trading Entity and the Main Account in an attempt to correct the matters relating to the segregation of the two sources of revenue raised by the Auditor-General in recent years.

The non-financial performance of the Water Trading Entity is being reported on under the National Water Resources Infrastructure section of the programme performance information in the report, i.e. Part B. This is a remarkable milestone for the Department as it managed to report separately on the performance of the Water Trading Entity and the business of the Department (which is funded through the Main Exchequer Account (Vote 34)).

## 1.2 DRINKING WATER QUALITY AND WATER SECURITY

The Department developed an Electronic Water Quality Management System (eWQMS) to ensure efficient monitoring of Drinking Water Quality (DWQ), and to have information necessary for effective DWQ regulation. Significant progress has been made as 90% of Water Services Authorities (WSAs) are using the system successfully. The profile of DWQ at municipal level has been raised due to the Department's continued interaction with Municipalities on the importance of effective DWQ Management.

Water conservation and water demand management measures were implemented. Five out of nine provinces had above normal rainfall and generally dams were around 80% full. As a result, minor seasonal water restrictions were implemented in some parts of Northwest, Limpopo, Eastern Cape and Western Cape where restrictions on supply have been replaced with "By Laws", "Regulations" and "Council Resolutions" that effectively suppress growth in demand, and ensure active efforts to manage and conserve water.

## 1.3 WATER AND SANITATION SERVICES

The Department has worked towards achieving the Water and Sanitation services targets. Basic water supply was provided by local government to a further 1.27 million people. The target to serve 300 000 households with basic sanitation was exceeded as 301,824 households received access to basic sanitation services. 95 218 buckets were removed, leaving a backlog of 23 083 buckets in the Free State, Eastern Cape and Northern Cape. Geological challenges resulted in the target not being met.

To ensure that all clinics in the country are provided with adequate water and sanitation services, 91 clinics that had no access to basic water supply and 110 clinics that had no access to basic sanitation supply were served.

Out of 96 schools that had no access to water supply, 69 schools were provided with basic water supply. Out of 86 schools that had no access to basic sanitation, 51 schools were served.



An acceleration plan for service delivery in collaboration with provinces and municipalities to achieve water and sanitation targets has been implemented.

The Department continued with its extensive planning support to Local Government through the development of Key Performance Indicator Structure reports for each Water Services Authority (WSA) as input in the Integrated Development Plan (IDP) review process, and the development of backlog eradication strategies for each WSA. The Department also provided technical assessments of all new Municipal Infrastructure Grant (MIG) projects for water supply as well as sanitation and completed a Water Services Development Plan (WSDP) status quo report for each WSA.

A Water Sector Coordinating Unit responsible for deployment of technical expertise to municipalities has been established. Eight technical experts were deployed to needy municipalities.

The Department furthermore forged partnerships with both public and private sector institutions. In this regard support models have been developed.

A "Water Services Authority Legislative Handbook" which is a tool that will be an enabler for regulatory support and reinforcement of regulations and compliance was also published during the year under review.

A draft concept document on Water for Growth and Development (WfGD) has been developed.

The Department has made some strides in the supply of water for purposes of gender and racial equality through the Water Allocation Reform (WAR) Programme in collaboration with the Departments of Land Affairs and Agriculture.

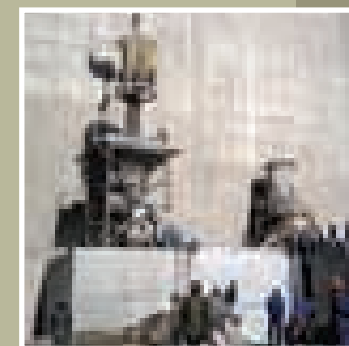
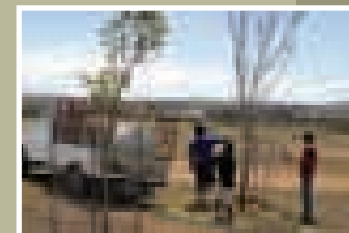
## 1.4 FORESTRY

The Forest Sector's Broad-Based Black Economic Empowerment (BBBEE) Charter, which was finalised during the year under review, is the main instrument for transformation and growth in the sector and will result in an inclusive and equitable forestry sector: in which black women and men fully participate; that is characterised by sustainable use of resources, sustainable growth, international competitiveness and profitability for all its participants; and that contributes meaningfully to poverty eradication, job creation, rural development and economic value-adding activities in the country.

The Department's National Greening Strategy was reviewed in 2007 to include the Million Trees Programme, launched by the President in September 2007 at an Arbor Week event. The strategy also covers tree planting as part of the preparations for the 2010 FIFA World Cup. It also focuses on the planting of fruit trees and indigenous trees with communities, public institutions and other Government Departments. Information pamphlets on the planting, care and maintenance of fruit trees have been produced and distributed during 2007. 501 000 fruit trees, and 145 000 ornamental indigenous trees were planted country wide during the term under review.

## 1.5 INFRASTRUCTURE DEVELOPMENT AND MANAGEMENT

The building of new infrastructure and community involvement in infrastructure management has generally progressed well. Significant water resources infrastructure developments have been undertaken to ensure that the water needs in the economy are addressed. The establishment of the South African National Water Resources Infrastructure Agency is well under way. The purpose of the agency is to manage existing national water resources infrastructure, and also to facilitate funding arrangements for the



development of new infrastructure. The South African National Water Resources Infrastructure Agency Limited Bill (the Bill) has been approved by Cabinet for introduction in Parliament.

Major infrastructure projects include the Berg Water Project Supplement Scheme as well as the construction of the De Hoop Dam. The Berg Water Project Supplement Scheme, which is responsible for the supply of water from the Berg River Dam to the City of Cape Town, was substantially completed during the year under review. The construction of De Hoop Dam, which will provide bulk water supplies to industry, mainly mining, as well as agricultural and domestic users in central Limpopo, commenced in 2007 and has progressed well.

Social and environmental responsibilities for infrastructure development are covered under Environmental Management Plans, resettlement plans, social and environmental monitoring for system operations, resource management plan development, promotion of social justice and community beneficiation.

## 1.6 INTERNATIONAL INVOLVEMENT

The Department developed a framework to support the Southern African Development Community (SADC) and the New Partnership for Africa's Development (NEPAD) for the mobilisation of private sector with the aim to attain the Millennium Development Goals (MDGs). Collaboration was established with the SADC Water Division, Network for Advocacy in Water Sector Issues (NAWISA), African Civil Society Network on Water (ANEW) for addressing MDGs. Also, linkages with the NEPAD Business Foundation for funding of SADC regional capacity building and other initiatives were established. A SADC Regional Model for Good Practice learning and sharing was developed. The Orasecom Secretariat has been established and a Memorandum of Understanding (MoU) on Cross Border Fires has been signed with Lesotho.

In terms of bi-lateral and multi-lateral involvement, improved bilateral relations have been initiated with Rwanda, Sudan, Algeria. A draft MoU with Vietnam has been completed.

Further to the above, the UNESCO HELP Symposium took place in November 2007 and the UNESCO IHP 2nd African Regional Meeting of the National Committees and the Integrated Water Resources Management (IWRM) conference jointly organised by DWAF & the Water Research Commission took place in 10 – 13 March 2008.

These activities have contributed in stimulating regional and international development and economic growth.

## 1.7 CONCLUSION

I would like to express my appreciation to the Minister for her leadership in the implementation of the departmental strategy. A word of thanks should also go to the Top Management team of the Department for their efforts in ensuring the implementation of the strategy over the past year. I would also like to express my appreciation to the staff and stakeholders of the Department for their continuous hard work and dedication to delivering on the departmental mandate. Last but not least, I would like to express the Department's appreciation and gratitude to the work done by, and the cooperation received from, the Portfolio Committee on Water Affairs and Forestry, Select Committee on Land and Environmental Affairs, Select Committee on Public Accounts, National Treasury and the office of the Auditor-General.



**Ms. P.B. Yako**  
**Director-General: Water Affairs and Forestry**

## 2 INFORMATION ON THE MINISTRY

The Minister of Water Affairs and Forestry has executive authority over 15 water boards; the Water Research Commission (WRC); the Trans-Caledon Tunnel Authority (TCTA); the irrigation boards (IBs); Water User Associations (WUAs);, and Catchment Management Agencies (CMAs).

### 2.1 BILLS TO PARLIAMENT

No bills were tabled in Parliament during the reporting period.

### 2.2 CABINET MEMORANDA

The Minister submitted the following six cabinet memoranda:

- 1 South Africa's participation in the Zaragoza Expo 2008 Spain;
- 2 Mechanisms for ensuring that all projects linked to the eradication of bucket sanitation system are contracted in time to ensure that the bucket eradication target of December 2007 is met;
- 3 South African National Water Resources Infrastructure Agency Limited Bill (the Agency);
- 4 Hosting the Second African Sanitation Conference (AfricaSan+5) in February 2008 in Durban, South Africa;
- 5 Re-commissioning of plantation forestry areas located on State forest land in the Western Cape destined for exit and conversion into other land uses and
- 6 The in situ formalisation of human settlement at Dukuduku and the effective conservation of the remaining Futululu forest within the Greater St Lucia Wetland Park

(iSimangaliso Wetland Park) as of 1 November 2007, KwaZulu-Natal.

## 2.3 INTERNATIONAL VISITS

The Minister undertook the following international visits in the period between 1 April 2007 and 31 March 2008:

DATE	DESTINATION	PURPOSE
28 to 31 May 2007	Brazzaville	African Ministers; Council on Water (AMCOW)
04 to 06 June 2007	Paris	7 <sup>th</sup> International AFDB Conference /OECD Forum
12 to 17 August 2007	Stockholm	World Water Week
20 to 24 August 2007	Japan	Working Visit

## 3 BUSINESS DEFINITION

The Department of Water Affairs and Forestry (DWAF) is the custodian of South Africa's water and forestry resources and is responsible for the formulation and implementation of policy governing these two sectors. DWAF further has the overriding responsibility for water and sanitation services provided by local government.

**The water sector** strives to

- ensure that all South Africans gain access to clean water and safe sanitation,
- promotes effective and efficient water resources management



to ensure sustainable economic and social development.

The **forestry programme** promotes the sustainable management of the country's natural forest resources and commercial forestry for the lasting benefit of the nation.

### 3.1 VISION

The Department of Water Affairs and Forestry has a vision of a country that uses water and forests for social and economic activities in a productive and sustainable manner: that promotes growth, development and prosperity for all people to achieve social justice and equity.

### 3.2 MISSION

As a **sector leader**, the Department of Water Affairs and Forestry's mission is to serve the people of South Africa by:

- **guiding**, leading, developing a legislative framework for regulating and controlling the water and forestry sectors;
- **conserving**, managing and developing the water resources and forests in a scientific and environmentally sustainable manner in order to meet the social and economic needs of South Africa, both now and in the future;
- **ensuring** that water services are provided to all South Africans in an efficient, cost-effective and sustainable way;
- **managing** and sustaining the forests, using the best scientific practice in a participatory and sustainable manner;
- **educating** the people of South Africa on ways to manage, conserve and sustain the water and forest resources;
- **cooperating** with all spheres of Government, in order to achieve the best and most integrated development in the country and region;
- **creating** the best possible opportunities for employment, the eradication of poverty and the promotion of equity, social development and democratic governance.

### 3.3 VALUES

- As public servants, the Department skills will at all times be used for the benefit of the people and for the reconstruction and development of the country in the spirit of Batho Pele (People First).
- As management, it is the Department's responsibility and aim to provide high-quality, transformational leadership and a disciplined work ethic and to promote a working culture for motivated, accountable and committed teamwork.
- As citizens of the African continent the Department is dedicated to long-term, integrated regional security and cooperation, and also to the spirit of the African Renaissance.
- The Department's working environment is governed by the principles of representivity, equality, mutual respect and human development.

### 3.4 CORE VALUES FOR TRANSFORMATION

The Department recognises that people are the cornerstone of the Department's success and diversity, and are thus valued as a source of strength. DWAF strives for a Department that fosters personal growth and achievement.

## 4 LEGISLATIVE MANDATE

### Acts of Parliament

The work of the Department is informed by policies and pieces of legislation administered by the Department, national policies and laws, relating to the Public Service as a whole, as well as the pieces of legislation that promote such constitutional goals as equality, accountability, the Rule of Law and openness.

LEGISLATION	PURPOSE OF LEGISLATION
<b>Water Research Act, 1971 (Act No. 34 of 1971)</b>	<p>To provide for the promotion of research in connection with Water Affairs and, for that purpose, to establish the Water Research Commission and Water Research Fund the Minister of Water Affairs and Forestry appoints members of The Commission and exercise executive oversight in regard to The Commission.</p>
<b>National Water Act, 1998 (Act No. 36 of 1998)</b>	<p>To ensure that South Africa's water resources are protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner, for the benefit of all persons. The Act provides that the National Government – acting through the Minister of Water Affairs and Forestry, is the public trustee of the nation's water resources and has the duty to regulate the use, flow and control of all water in the Republic.</p>
<b>Water Services Act, 1997 (Act No. 108 of 1997)</b>	<p>To create a developmental regulatory framework within which water services can be provided. The Act establishes water service institutions, and defines their roles and responsibilities. Section 156, read in conjunction with Part B of Schedule 4 of the Constitution of the Republic of South Africa, 1996 vests the executive authority and responsibility for water supply systems and domestic wastewater and sewage disposal systems, in Local Government. However, the National Government has a constitutional responsibility to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions. The Water Services Act gives substance to these constitutional requirements and provisions.</p>
<b>National Forests Act, 1998 (Act No. 84 of 1998)</b>	<p>To promote the sustainable management and development of forests for the benefit of all; the promotion of sustainable use of forests as well as the provision of special measures for the protection of forests and trees. To balance the protection of forests with sustainable use, the Act regulates a wide range of uses, and sets out the right of everyone to have a reasonable right of access to State forests for non-consumptive purposes, such as recreation. The rights to the use, management, control and operation of State forests and the produce in them vest in the Minister of Water Affairs and Forestry and are regulated by the Department through this Act.</p>
<b>National Veld and Forest Fire Act, 1998 (Act No. 101 of 1998)</b>	<p>To prevent and combat veld, forest and mountain fires throughout the country and thereby limit and reduce the damage and losses caused by fires to life, fixed property, infrastructure, movable property, stock, crops, fauna and flora and veld in South Africa. The Minister of Water Affairs and Forestry must prepare and maintain a fire danger rating system for the country, in consultation with affected role players, including Fire Protection Associations, which are to be established under the Act. The Department must also keep a record of fires and develop a database to capture the statistics of fires and their impact on society.</p>

## 5 PUBLIC ENTITIES REPORTING TO THE MINISTER OF WATER AFFAIRS AND FORESTRY

The institutions reporting to the Minister include: Water Boards; Water Research Commission; Trans-Caledon Tunnel Authority; Catchment Management Agencies and Water User Associations.

### CATCHMENT MANAGEMENT AGENCIES (CMAS)

Catchment Management Agencies (CMAs) are established in terms of Chapter 7 of the National Water Act, Act 36 of 1998. They are subject to the Public Finance Management Act (PFMA) and related Treasury regulations– categorized as a Schedule 3A entity, i.e. “service delivery public entity”.

DWAF has established the following eight CMAs:

Inkomati; Crocodile (West)- Marico; Mvoti; Thukela; Usuthu to Mhlathuze; Breede; Olifants and Gouritz .

CMAS are established to manage water resources at catchment level in cooperation with local stakeholders. The intention is to involve local communities in the decision-making processes, in terms of: meeting basic human needs; promoting equitable access to water and facilitating social and economic development .

The CMAs report to the Minister of Water Affairs and Forestry on the performance of their functions. These reports are accompanied by audited financial statements. Schedule 4 (Part 4, 5 and 6) outlines the main tools in terms of oversight, that is: Business planning, monitoring and intervention by the Minister; records and reports.

### TRANS-CALEDON TUNNEL AUTHORITY (TCTA)

The TCTA was established in terms of Government Notice 2631 of 12 December 1986 and promulgated in terms of Chapter 10 of the National Water Act, 1998

(Act 36 of 1998) by the Minister of Water Affairs and Forestry, in consultation with the Cabinet, to implement international agreements. The TCTA is a state-owned liability management entity responsible for bulk raw water infrastructure development. It is categorized as a Major Public Entity and listed in Schedule 2 of the Public Finance Management Act (PFMA), Act 1 of 1999.

The TCTA is mandated to engage in liability management of raw bulk water infrastructure; and to provide an integrated treasury management and financial advisory services to water boards and water development infrastructure. The TCTA is responsible for the following projects: Lesotho Highlands Water Project (LHWP); Berg Water Project (BWP); and Vaal River Eastern Sub-system Augmentation Project (VRESAP).

The Minister, as the executive authority, has a responsibility to exercise an oversight role in terms of both the NWA and the PFMA.

### WATER RESEARCH COMMISSION (WRC)

The WRC was established in terms of Section 2 of the Water Research Act, 1971 (Act 34 of 1971). It is subject to the Public Finance Management Act, Act 1 of 1999, and is categorized as a Schedule 3A entity: National Public Entity.

The mandate of the WRC includes the promotion of co-ordination, co-operation and communication in the area of water research and development, funding water research according to priorities, promoting effective transfer of information and knowledge and ensuring capacity building in the water sector.

The powers of the Minister in respect of the WRC are derived from different sections of the Water Research Act. In some instances she is required to consult with the Minister of Finance and obtain his concurrence. The reporting requirements for the WRC is set out in the PFMA and Treasury Regulations, i.e. it must submit quarterly reports, an annual report, including financial statements, a corporate plan and annual budget as well as the annual increase in the water research levy to the Minister for approval.

## WATER BOARDS

Water boards are established in terms of the Water Services Act (WSA), Act 108 of 1997, as organs of State. They are categorized as National Government Business Enterprises, in terms of Schedule 3B of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) and are subject to the regulations of the relevant legislation.

### **The following Water Boards have been established:**

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

The primary activity of Water Boards is to provide water services to other water services institutions within their respective service areas. They may perform other activities under certain conditions set out in Section 30 of the WSA.

The water boards are regulated by the Minister in terms of both the WSA and the PFMA. Water Boards submit, on an annual basis, shareholder's compacts (business plans) and policy statements a month before the beginning of the new financial year to the Minister. In as far as business plans are concerned, the Minister may direct Water Boards to change these in order to meet all the requirements of the WSA.

## OTHER INSTITUTIONS REPORTING TO THE MINISTER

### **Transforming Irrigation Boards**

Existing Irrigation Boards, by the promulgation of the NWA, are compelled to be transformed into WUAs that will be inclusive of all affected stakeholders in their area of operation. The membership of the Irrigation Boards previously consisted of commercial farmers and was based on water allocations connected to title deeds on land, which the previously disadvantaged groups did not have access to.

The previously marginalised sectors should be represented in the WUAs, including domestic water users receiving water through the WUA infrastructure, local government institutions, historically disadvantaged farmers and aspiring farmers, environmental concerns, etc.

### **Smallholder Water User Associations**

These are mainly existing smallholder irrigation schemes in the former homeland areas where raw water supply and agricultural activities were managed by government or parastatal development organisations. Previous policy did not enable self-management by smallholder farmers on these schemes.

Smallholder farmers farm mostly on communal land, which belongs to the state. Land allocation is administered by the Tribal Authority through the issuing of Permission to Occupy (PTO) certificates. Smallholder farmers generally do not feel that their land tenure is insecure, since PTOs are hardly ever revoked and generally pass from one generation to the next. However, PTOs are not valid as security for production loans at financial institutions, since there is no basis upon which banks can repossess and sell land to recover losses on bad debt.

## Multi-sectoral WUAs

The WUAs are co-operative associations of water users established under Chapter 8 of the National Water Act, Act 36 of 1998, to undertake water-related activities for the mutual benefit of all its members. Within the associations members co-operate and pool resources to address local water related needs and priorities. The WUAs are therefore mainly established to manage local water infrastructure, e.g. irrigation water supply schemes, supply water to entitled water users and to implement management decisions agreed upon between the members.

The WUAs may also be established for purposes other than irrigation. The first non-irrigation WUA was established for the purposes of abstraction and distribution of water for mining and domestic use. They operate at a restricted localised level. They can provide a mechanism through which the catchment management strategy can be implemented at local level. They also have an important role to play in terms of poverty eradication and providing food security.

The WUAs are accountable to their members, their duty (to supply information to other institutions), and government (on their contribution to the purposes of the NWA, their management of public funds (if any), and their delegated functions (if any)). A WUA must report to and be monitored by DWAF in terms of its business plan (which is to be submitted annually if it operates government water schemes, or every three years if exemption has been granted for small WUAs).

Schedule 5 of the NWA regulates the functioning of a WUA, to the extent determined by the Minister. Schedule 4 of the NWA makes detailed provisions for the management and operation of WUAs, and also declares that they report to DWAF by submitting their business plans on an annual basis.

In 2007/8, thirteen WUAs were established, most of which are focused on emerging farmers. They are Tulbagh; Kabous River; Northern Sandveld; Krom Antonies; Wolseley; Onrus; Duivenhoks; Kweekvallei; Oukloof; Sekhukhune; Tubatse; Ilanga; and Tshiping.



# PART B

## PROGRAMME PERFORMANCE



## PROGRAMME PERFORMANCE IN TERMS OF VOTE 34

Programme performance is the non-financial performance of the Department which includes reports on the extent to which the Department has delivered on its Strategic Plan (2007/08 to 2009/10) and Budget (Vote 34 of 2007), focusing on the achievement of desired outcomes and the delivery of planned outputs. The reporting framework for programme performance is in accordance with the Strategic Plan and the Vote, as tabled in Parliament as follows:

**TABLE 1: VOTE 34**

	2007/08	2008/09	2009/10
R'000	TO BE APPROPRIATED		
MTEF allocations, of which:			
• Current payments	2 854 189	3 786 771	4 151 086
• Transfers and subsidies	2 052 568	2 834 749	3 735 372
• Payments for capital assets	478 639	77 756	83 153
Statutory amounts			
Responsible Minister	Minister of Water Affairs and Forestry		
Administering Department	Department of Water Affairs and Forestry		
Accounting Officer	Director-General of Water Affairs and Forestry		

## Aim

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

## Structure

The Department has six branches classified in four Programmes in the Estimates of National Expenditure:

BRANCH	PROGRAMME
Finance	Programme 1: Administration
Corporate Services	Programme 1: Administration
National Water Resource Infrastructure	Programme 2: Water Resources Management
Policy and Regulation	Programme 2: Water Resources Management and Programme 3: Water Services
Regions	Programme 2: Water Resources Management Programme 3: Water Services
Forestry	Programme 4: Forestry

Apart from the Voted Funds allocated under Vote 34 of the Estimates of National Expenditure, the Department is responsible for a Water Trading Entity which operates a trading account. Reporting for the year under review for the Water Trading Entity is captured under Part B of this report.

## 1.1 CORPORATE SERVICES

### 1.1.1 PERFORMANCE TARGETS

#### 1.1.1.1 Building the capacity for the Department to deliver

Capacity building in the Department continues to be given appropriate emphasis. The major intervention strategies implemented thus far include the retention strategy as well as the Water and Forestry Learning Academy (WFLA). In its effort to strengthen delivery, the Department continues to retain seasoned and experienced technical staff to mentor new entrants in the engineering and scientific areas. The latter has seen the creation of a human resource development pipeline to ensure that more students have access to education in engineering and scientific areas through provision of bursaries, implementation of a graduate trainee programme and provision of experiential training opportunities. All the capacity building interventions have been implemented in line with the government's transformation agenda and the Employment Equity Act, 1998 (Act No. 55 of 1998) without jeopardizing the ability of the Department to deliver.

A significant improvement has occurred and a positive picture is emerging particularly at the senior management level. The reengineered recruitment and selection process has facilitated the sourcing of critical and appropriate skills in line with the employment equity imperatives.

#### 1.1.1.2 Improving Departmental performance

There has been noticeable improvement in the quality of the Performance Agreements of senior managers as well as compliance with the Performance Management and Development System (PMDS). The Department has deliberately focused on the training and education of managers at various levels as well as the development of practical tools in order to embed the appropriate ethos, better alignment with the strategic objectives and thus improving departmental performance.

#### 1.1.1.3 Communication

Water and Forestry resources have emerged as major issues and drivers for economic growth and social development. The Department's response in communication on these issues has facilitated the public understanding and education while simultaneously raising the profile of the organisation's programmes. Key campaigns and events such as Arbor, Water as well as Sanitation Weeks have become effective vehicles for conveying and mediating appropriate messages. Consequently, the South African public has been mobilized as a critical and major stakeholder in the management and conservation of these resources. The media, another critical stakeholder, has played a significant role and ensured that there is 75% reporting on the departmental press releases and that water and sanitation issues remain on the public agenda.

### 1.1.1.4 Women empowerment and gender mainstreaming

During the period under review, the focus has been on finalising the women empowerment and gender equality strategic framework accompanied by the gender proofing of projects. The strategic framework will serve as a major and potent instrument to extend the purview of participation for targeted groups, facilitate access to information and opportunities and promoting reflexive practice.

The findings of the gender proofing projects will serve as baseline information through which progress can be monitored and trends identified for future analysis. The overview of the internal gender proofing project revealed low levels of literacy and inadequate life skills for semi skilled and unskilled occupational categories.

## PROGRAMME 1: ADMINISTRATION (CORPORATE SERVICES): KEY OUTPUTS AND SERVICE DELIVERY TRENDS

SUB-PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Human Resources (HR)	Human Resources turnaround strategy	% elimination of backlogs in transaction work	60% elimination of backlogs in transaction work	<p>The following backlogs were eliminated:</p> <ul style="list-style-type: none"> <li>• 200 pension withdrawal cases were finalised;</li> <li>• 70% of injury on duty cases were completed; and</li> <li>• 90% of the bursary administration files were validated and verified.</li> </ul>
		% efficiency improvements and HR support services	20% efficiency improvements and HR support services	<p>The following measures were undertaken to effect efficiency improvements:</p> <ul style="list-style-type: none"> <li>• A business map for recruitment and selection has been developed;</li> </ul> <p>The HR filing system was reengineered;</p> <ul style="list-style-type: none"> <li>• The organizational structure was validated and verified;</li> <li>• The PERSAL records were aligned with the manual organizational structure;</li> <li>• Training and education support on performance management was provided to all Senior Managers;</li> <li>• Compliance audit was conducted for performance management; and</li> </ul>



SUB-PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Human Resources (cont)				<ul style="list-style-type: none"> <li>Organizational design projects were undertaken.</li> <li>10% efficiency improvements were achieved</li> </ul>
	Skills base increased	Number of engineers, technicians, scientists produced	A learning Academy established with an intake of 60 graduates	<p>A Learning Academy was established with an intake of:</p> <ul style="list-style-type: none"> <li>145 graduate trainees (April 2007-March 2008); and</li> <li>Memoranda of Understanding have been signed with 13 Institutions of Higher Learning and through these arrangements 215 bursaries have been allocated in the engineering, technical and scientific fields.</li> </ul>
		Number /% of employees trained.	50% of employees trained on:	<p>Training and development initiatives:</p> <ul style="list-style-type: none"> <li>148 employees trained on performance management;</li> <li>64 employees have been trained on financial management; and</li> </ul>
			<ul style="list-style-type: none"> <li>Performance management</li> <li>Financial management and skills</li> </ul>	<ul style="list-style-type: none"> <li>49 employees were trained on time management.</li> </ul>
	Number of learner interns who completed experiential learning	18 learner interns enrolled	17 learner interns have been enrolled and did complete the experiential learning programme.	
Service delivery model effectively aligned, clarified and focused	% of milestones in the restructuring roadmap achieved	Targets achieved according to restructuring road map	<p>An institutional Realignment workshop was held at the tail end of the first phase</p> <p>Consequently, a workable Institutional model has been developed and endorsed</p> <p>An Implementation road map has been developed for the next phase of implementation.</p> <p>20% of the milestones have been achieved</p>	

SUB-PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
<b>Gender and Disability Mainstreaming</b>	Gender and disability policies strategies and tools developed	Number/% of policies and strategies reviewed and developed	50% of policies and strategies developed	A strategic framework on women empowerment and gender equality has been developed. 50% of policies and strategies have been reviewed and developed
		Number of tools developed	100% tools for gender integration, budgeting monitoring developed	Tool for a gender sensitive budgeting was developed. 20% tools have been developed.
	Gender and disability projects audited	% of programmes and projects audited	100% audit of programme and projects completed	20% of the programmes and projects have been audited.
	Strategic consideration implemented and monitored	% of programmes implemented, monitored and evaluated	50% of strategic consideration	Capacity building events have been held while training has been conducted on gender mainstreaming. 60% Strategic consideration implemented.
			60% of programme and projects monitored and evaluated	60% of programmes and projects have been evaluated for their differential impact on woman and men.
<b>Transformation</b>	Participation and beneficiation of Historically Disadvantaged Individual (HDI) increased	% increase of HDI participation and beneficiation in contracts that are awarded	20% increase of HDI participation and beneficiation from the baseline status	An Audit has been conducted to determine baseline for monitoring.
		% increase in BBBEE procurement expenditure	50% BBBEE audit recommendation implemented	The following measures have been effected informed by the BBBEE audit recommendations: <ul style="list-style-type: none"> <li>• The functioning of the Departmental Control Committee (DCC) and the Regional Tender Committees (RTCs) was reviewed and have been reengineered; and</li> <li>• Supply Chain policies have been reviewed and brought into being the Branch Specification and Evaluation Committees (BSECs).</li> </ul>

SUB-PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
<b>Transformation (cont)</b>	Programme and projects monitored and evaluated	% of programmes and projects monitored and evaluated	50% of programmes and projects monitored and evaluated	<p>Socio-economic development targets that have been set for the 4 Dam Rehabilitation projects have been achieved.</p> <p>The socio economic targets set in the DE HOOP Charter for local labour, procurement opportunities as well as training for SMME development and employment remain on course and have been continuously monitored.</p>
<b>Legal Services</b>	Drafting and maintenance of legislation	Milestones achieved as per roadmap	50% milestones achieved in the drafting of the NWRI Agency Bill	The drafting of the NWRI Agency Bill has been completed and the Bill presented to the Chief State Law Adviser for certification and for introduction to Parliament.
			Milestones achieved in the drafting of the National Water Amendment Bill.	A draft National Water Amendment Bill has been completed. It will be published for comments upon the Minister's approval.
			Milestones achieved on the promulgation of regulations and publication of notices	Regulations on Financial Assistance to Resource Poor Farmers have been promulgated.
	Legal support on litigation and law enforcement improved	% improved legal support	20 days delivery support on complex matter/cases achieved	Legal support on the cases defined as complex was timeously delivered.
<b>Administration</b>	Efficiency in logistical services improved	% of measures stipulated in service level agreements with clients	80% of measures/standards stipulated in the service level agreement met	The standards set in travel contracts have been met.
	<p>Policies, strategies developed reviewed and implemented</p> <p>Efficiency of information management improved</p>	<p>Number of policies, strategies developed, reviewed and implemented</p> <p>Audit report on effectiveness of IM manual system</p>	<p>100% of policies reviewed</p> <p>Accommodation/office space strategy developed</p> <p>50% of audit recommendations implemented</p>	<p>20% of policies have been reviewed</p> <p>A plan for additional accommodation needs has been developed and implemented.</p> <p>20 % of the audit recommendations were implemented</p> <p>90% of the design has been completed</p>

SUB-PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
<b>Administration (cont)</b>		% of recommendation of audit report implemented	Electronic system designed, approved and 30% implementation	
	Safe and secure working environment created	% reduction of security incidences	50% reduction of security incidences	20% of the security audit recommendations have been implemented.
		Physical security audit completed	50% of physical security audit recommendations implemented	
	A business enabling Information Services Architecture created	Level of requirements/ standards implemented	80% availability on class A, B and C systems	80% availability of class A, B and C systems has been achieved.
		Number of implemented IS Business Continuity Plans	Critical systems	Business Continuity Plan for SAP as well as the Disaster Recovery Plan for Flood Management System, have been completed.
	Operational efficiency improved	Improvement using the IS Matrix Framework as a benchmark	80% improvement using the IS Matrix Framework as a benchmark	Critical servers are being monitored through the use of monitoring tools e.g. MOM. 90% improvement using the IS Matrix Framework as a benchmark was achieved.
Customer responsiveness monitored and evaluated		80% measures met	60% of measures stipulated in the SLA with DWAF IS users and service providers have been met.	
<b>Communication Services</b>	Positive ministerial and Departmental media image profiled	% increase in media coverage of DWAF's business	50% coverage in all media, based on media releases, media briefing, events and functions	75% media coverage based on media releases and briefings, events and functions has been achieved.
		% improved media profile of the Department and Ministry	30% improved media profile of the Department and Ministry	50% improvement in profiling the Minister and the Department.
	Branding outlook improved	% of branding interventions implemented	5% new branding interventions implemented	Campaign and events branding has been significantly improved. 5% new branding interventions were implemented.

## 1.2 FINANCE – MAIN EXCHEQUER ACCOUNT

The Public Finance Management Act (Act No. 1 of 1999), specifically Treasury Regulation 18.2, requires all trading entities to process their financial information on the accrual based principles in line with Generally Accepted Accounting Practices (GAAP), while the other activities on the main (exchequer) account are processed in terms of Generally Recognised Accounting Practices (GRAP). In order to achieve this, the Department had segregated the functions and staff of Main Exchequer Account from those in the Water Trading Entity. This report provides a review of performance of the Main Exchequer Account.

The Finance Branch is part of the administration programme of the Department of Water Affairs and Forestry and is responsible for the provision of an excellent financial management service to DWAF and its partners so that they can achieve their overall objectives economically, efficiently and effectively, while simultaneously promoting good governance, accountability and sustainability.

In line with the mission statement of DWAF, the Finance Branch has the following strategic goals:

- The provision of fully compliant financial management services,
- To achieve optimal client satisfaction,
- To strengthen the DWAF's financial capability to fulfill its mandate, and
- To drive continuous improvement of financial management performance and reporting

### 1.2.1 Issues and trends for the year under review

The budget autonomy improvement was undertaken by more accurate linking of expenditure relating to water trading activities to the Water Trading Entity, thereby clearly defining the relationship between Water Trading Entity and the Main Exchequer Account. However, DWAF's mandate continued to make programme implementation and financial resource management a priority as evidenced through the designation of programme managers for the various programmes funded from the Main Exchequer Account.

The finance function is the integrity arm of the DWAF, and preferably should consist of staff with demanding responsibilities. As a result, finance managers

and personnel support systems were reviewed to be fully prepared to attract a highly trained and efficient workforce to successfully manage the transitional environment faced by DWAF to provide a high level of service and to meet the needs of the programme managers to do more with less. To this end, the head office finance structure was approved and steps have been taken to separate corporate services from finance management functions in the regions.

The finance function has been charged with ensuring financial integrity while striving to achieve balance between policies, budget priorities, and expenditure through interaction with the programme managers, Auditor-General's staff and the Portfolio Committee. The finance function continued to concentrate its efforts in retaining highly skilled and experienced staff through education and training so that it can provide a stable organisation to accomplish its mission and goals.

The finance team continued to provide management information, on a monthly basis, to programme managers to enable them to manage the budget of relevant programmes budget and consider department-wide cost-saving areas. This resulted in improved spending by most programmes by year-end.

It has been acknowledged that there is a structural imbalance between budget and programme implementation which continue to impede the Department's ability to achieve certain programme goals at policy implementation level, limits spending options, leaves certain programmes vulnerable to multi-department dynamics, and places a premium on sound financial management and policy formulation.

The finance function continued to encourage strong management controls in partnership with programme managers to continue the transition of the Department to a culture of vigorous enforcement of the sound financial planning. To this end, positions of budget controllers have been created to support designated programme managers to enhance sound financial planning and budgetary control



**PROGRAMME 1: ADMINISTRATION (FINANCE): KEY OUTPUTS AND SERVICE DELIVERY TRENDS**

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
Effective Financial Management	PFMA, MTEF and MTSF requirements complied with	Monthly expenditure reports to National Treasury, Director-General and Minister	100% achievement of expenditure reports and budget submissions	Monthly expenditure reports to the National Treasury, Executive Authority, Director-General and Programme Managers provided
		Market related fees	Annual review of all fees and charges	Forestry tariffs were reviewed
		Increase in the collection of departmental revenue	Collect all revenue and banked it promptly	Revenue was collected when due and was banked within two days
		Correct allocation of revenue and expenditure	All suspense accounts cleared	Most of the balances of the suspense accounts were reduced, specially the bank exception account
		Reduction of incorrect salary payments	Regularly reviewed submitted certified payroll reports	Certified payroll reports were submitted on a monthly basis
	Under spending on budget allocation systematically eliminated	Proper spending of the budget in terms of National Treasury guidelines	Implement proper budget control and management procedures	Regular notices provided to regions and head office managers to monitor and track expenditure and commitments against the Vote.
			98% of budget spent	92% of budget was spent.
	Business needs supported	Bi-monthly meetings with business units	Pilot monitoring tool for expenditure	All DDGs were appointed as programme managers. Budget advisory committee was established
	Implementation of effective supply chain management system	Appointment of service providers in line with the prescripts of National Treasury and compliance with preferential procurement policy	100% compliance	Committees were established in line with National Treasury practice notes

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
Restructuring of Finance Branch and regional components	Separate cash and accrual accounting units established and resourced	Cash accounting and accrual accounting separated	100% segregation of Main Account and Water Trading Activities	Finance structure indicating the segregation between Main Account and Water Trading Entity has been approved. A policy document on the linking of functions to either the Main Account or Water Trading Entity has been developed.
	Regional finance structures established	National and regional structures populated with resources and operationalised	80% target achieved with populating finance structures	Structures for regions have been finalized and are awaiting approval. Change management meeting held in the 9 provinces Migration plan developed to link staff to either Main Account or Water Trading Entity Contract workers were appointed to assist in the regions until the structures are finalised
Asset Management	Proper asset management	Controls and procedures in place	50% completion of controls and procedures	Development of asset management policies and processes
Asset Management (cont)	Comprehensive asset registers implemented	Completed asset registers updated on a regular basis	100% of all assets included in current system and operational items captured and linked to assets	Movable asset registers finalised in 7 regions out of 9 following a verification and valuation exercise Interim asset register for immovable assets developed following a verification and valuation of assets
	Sound asset management	Controls and procedures in place	50% completion of controls and procedures	Development of asset management policies progressing

The purpose of Water Resources Management is to ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner for the benefit of all people.

The programme's objectives are as follows:

- Ensure reliable and equitable supply of water for sustainable economic and social development, including poverty eradication
- Ensure the protection of water resources
- Develop effective water management institutions and provide support
- Align staff and stakeholders toward a common vision of integrated water resource management
- Improved international relations particularly for shared water basins

## 2.1 STATE OF WATER RESOURCES SECTOR REPORT

### 2.1.1 Background

The purpose of this report is to give an overview of the national state of the country's water resources. The State of Water Resources Reporting is based on the hydrological year which starts in October to September of the following year. Therefore this annual report combines portions of two hydrological years (Oct 06 – Sep 07 and Oct 07 – Sep 2008) and the focus is between the April 2007 to March 2008 period.

The information used to compile the report is gathered from data collected during monitoring and assessment of water resources, which is then managed and translated to information that is at the end disseminated to different stakeholders. To manage the quality and quantity of water resources, 11 national monitoring programmes have been designed to assess state and trends. More monitoring programmes are being designed to address emerging problems.

### 2.1.2 Rainfall and Water Availability

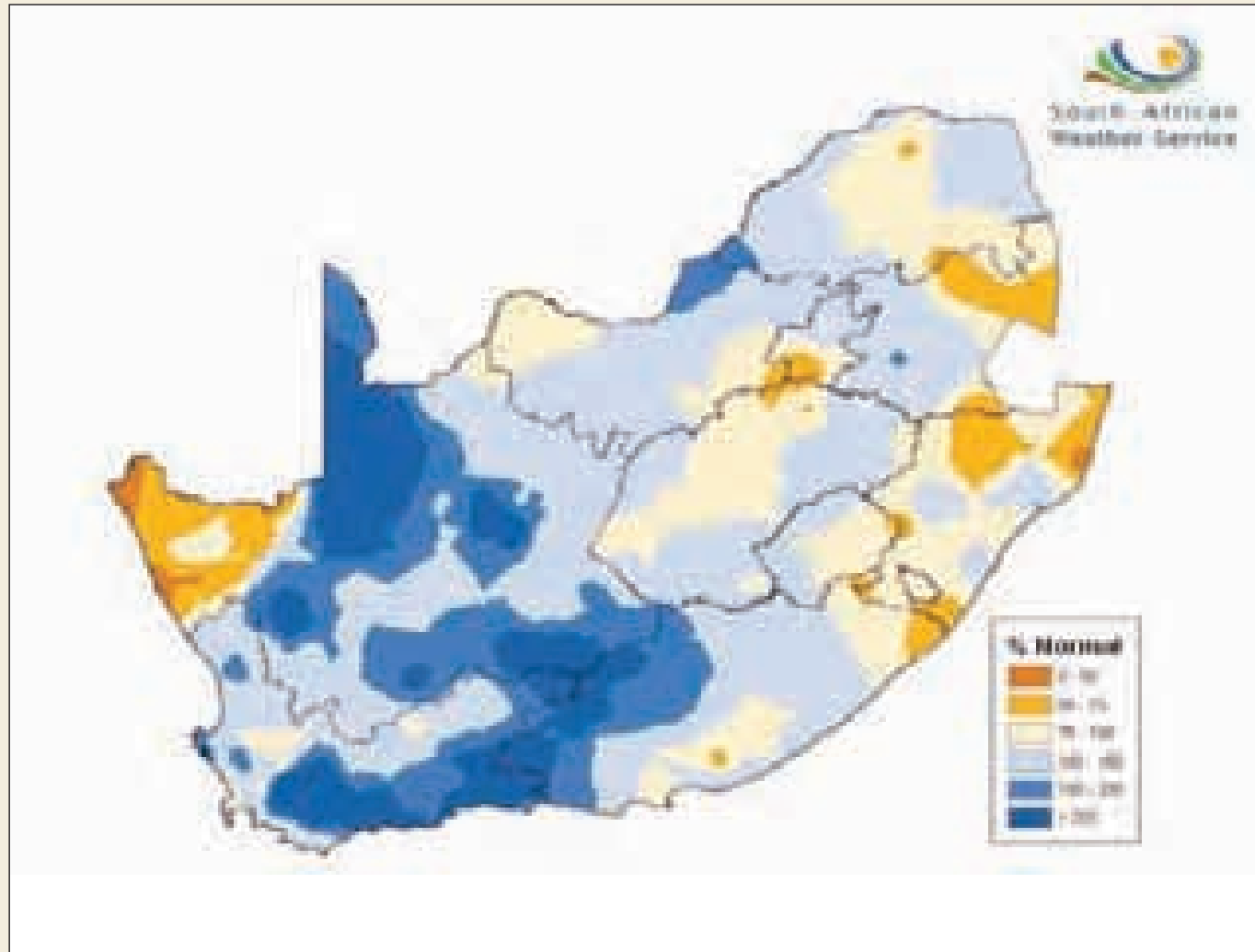
#### 2.1.2.1 Rainfall

Rainfall during the last six months of the reporting period (April 2007 to March 2008) is illustrated as a percentage in figure 1 below. The greater part of the western side of the country shows a wet period with the exception of the north western part, which was very dry.

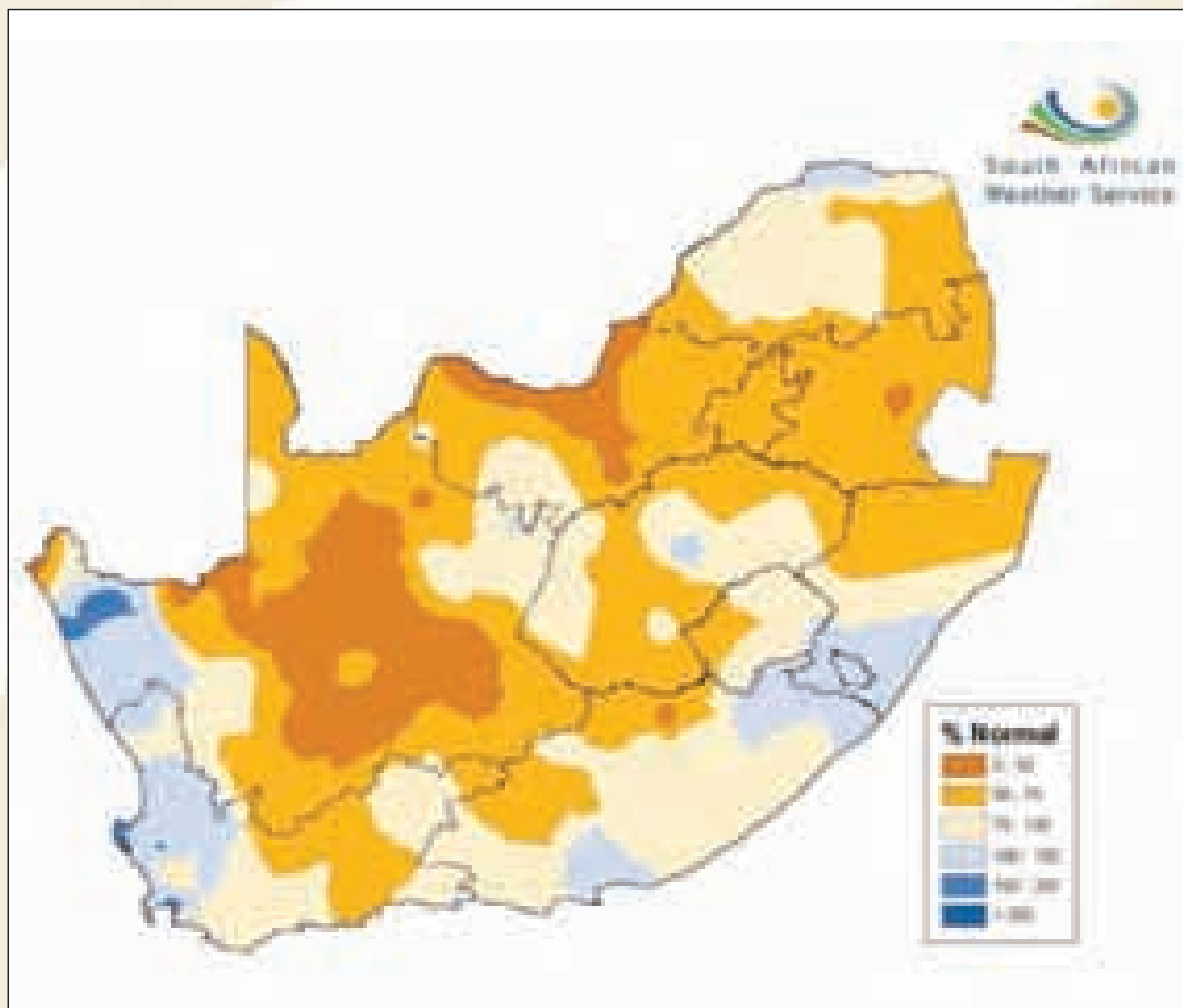
Gauteng, Limpopo, North West, Northern Western and Eastern Cape provinces received above normal rainfall. However the north western part of Northern Cape received below normal rainfall. Mpumalanga, Free State & KwaZulu-Natal provinces received normal rainfall with some areas receiving rainfall exceeding 100% of normal rainfall (Figure1).

Table 1 explicitly shows rainfall per province during the hydrological year 2006/07 and 2007/08 up to March. Figure 2 shows the spread of rainfall in the country over a period from October 2006 to September 2007.

**FIGURE 1: PERCENTAGE RAINFALL FOR ALL PROVINCES DURING THE PERIOD OF OCTOBER 2007 TO FEBRUARY 2008 (BASED ON PRELIMINARY DATA)**



**FIGURE 2: PERCENTAGE RAINFALL FOR ALL PROVINCES DURING THE PERIOD OF OCTOBER 2006 TO SEPTEMBER 2007 (BASED ON PRELIMINARY DATA)**



**TABLE 1: RAINFALL PER PROVINCE DURING THE HYDROLOGICAL YEAR 2006/07 AND 2007/08 UP TO MARCH**

Province	October 2006 to September 2007	October 2007 to March 2008
Eastern Cape	Normal rainfall	Above normal rainfall
Free State	Below normal rainfall	Normal rainfall
Gauteng	Below normal rainfall	Above normal rainfall
KwaZulu-Natal	Normal rainfall	Normal rainfall
Limpopo	Below normal rainfall	Above normal rainfall
Mpumalanga	Below normal rainfall	Normal rainfall
Northern Cape	Below normal rainfall	Above normal rainfall
North West	Below normal rainfall	Above normal rainfall
Western Cape	Above normal rainfall	Above normal rainfall

### 2.1.2.2 Water Availability

The joint storage of the national dams (180 countrywide) regularly reporting to DWAF stood at 85.9% in mid March 2008. This is about 4% more than the 82% reported for mid March 2007 storage. In March 2007, 21% of the reporting dams were spilling while 36% of dams were spilling in March 2008. The current storage is approximately 14% above the median storage. This can be linked to the above-the-normal rainfall (Figure 3).

The Full Capacity Storage (FCS) as percentage of these dams is shown in Table 2 (page 29).

**FIGURE 3: COMPARISON OF WATER STORAGE AS ON 24 MAR 2008 PER WATER MANAGEMENT AREA**

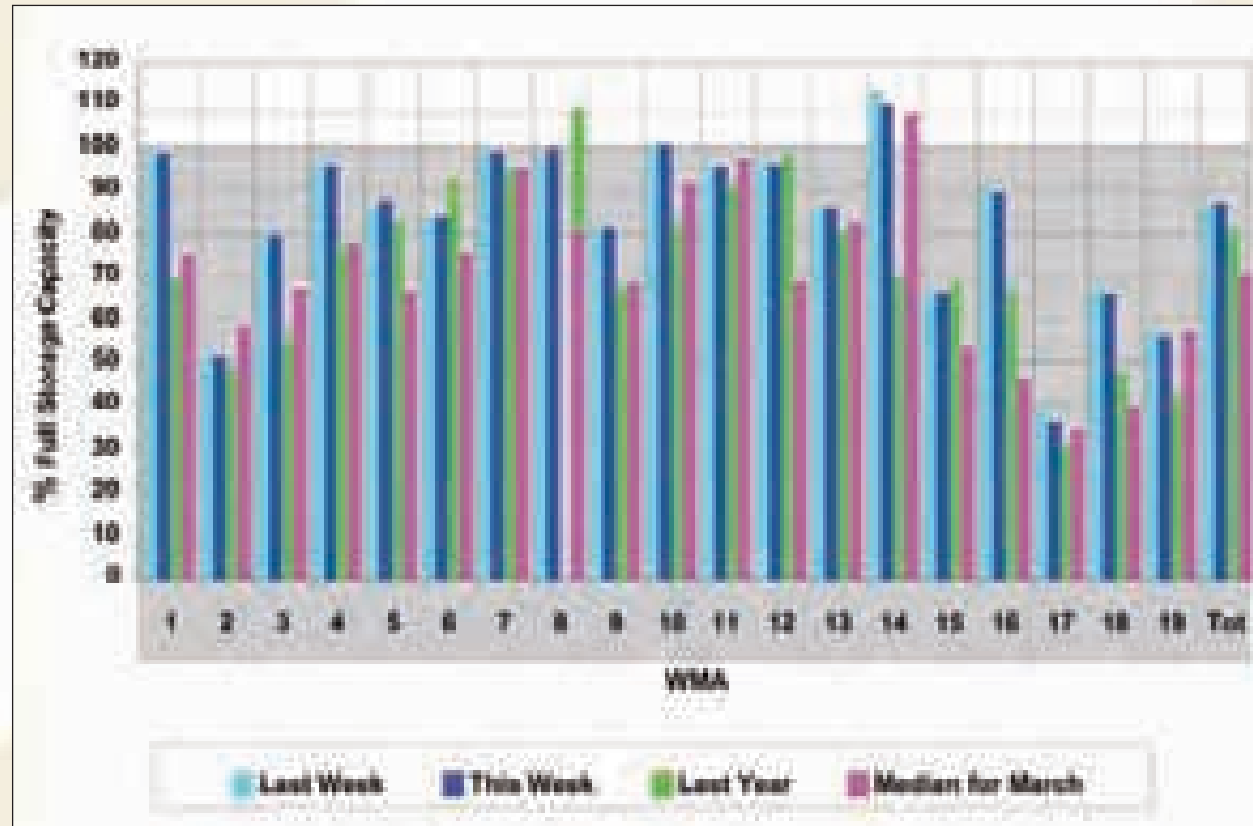
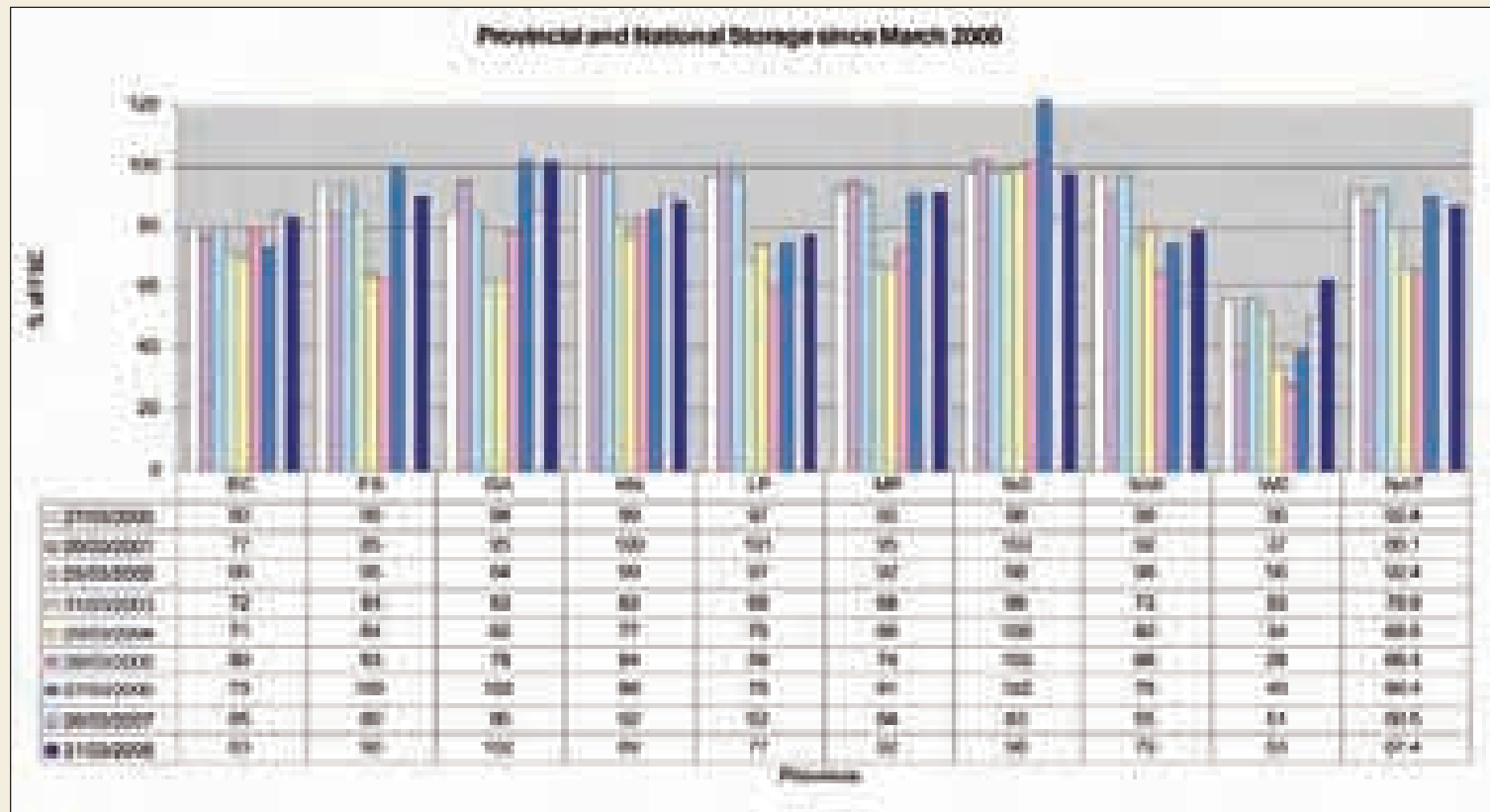




FIGURE 4



**TABLE 2: PERCENTAGE CAPACITY PER WATER MANAGEMENT AREA**

WMA	Last Week	This Week	24-Mar-08	Last Year	Median
	% Full	% Full	% Rise	% Full	Mar
1 Limpopo	98.1	98.2	0.1	68.6	74.3
2 Luvubu/Letaba	50.9	50.7	-0.2	48.2	58.2
3 Crocodile (West) Marico	78.3	79	0.7	55.2	66.3
4 Olifants	95.5	95.4	-0.1	76.1	76.9
5 Inkomati	85.2	86.8	1.6	82.7	65.9
6 Usutu/Mhlatuze	82.8	83.5	0.7	92	74.8
7 Thukela	99.1	98.7	-0.4	94.3	94.7
8 Upper Vaal	97.3	99.1	1.8	89.7	80.0
9 Middel Vaal	80.4	80.6	0.2	66.7	67.8
10 Lower Vaal	99.5	99.9	0.4	82.2	91.1
11 Mvoti/Umzimkulu	94.7	95	0.3	91.3	96.5
12 Mzimvubu/Keiskamma	95.9	95.5	-0.4	97.4	68.3
13 Upper Orange	84.5	85.2	0.7	80.4	82.0
14 Lower Orange	112.5	109.4	-3.1	69.8	107.4
15 Fish/Tsitsikamma	65.7	65.5	-0.2	67.6	52.6
16 Gouritz	89.1	88.6	-0.5	66.2	45.6
17 Olifants/Doorn	38.4	35.2	-3.2	30.3	33.7
18 Breede	66.8	65	-1.8	47.5	38.8
19 Berg	57.2	55.3	-1.9	41.9	56.8
<b>GRAND TOTAL</b>	<b>85.9</b>	<b>86.5</b>	<b>0.6</b>	<b>80.4</b>	<b>70.0</b>

### 2.1.3 Water Quality Status in 19 Water Management Areas (WMAs)

The National Microbial Monitoring Programme provides information on the status and trends of the extent of faecal pollution in water resources especially in selected high risk settlement areas. Currently, monitoring is done at 163 high-risk areas in the country. High-risk (priority) areas are those which receive untreated discharges from faecal pollution sources and where contaminated water is used for human consumption, irrigation and recreation. Partially or untreated discharges from wastewater treatment works (WTW) and runoff containing land-deposited human and animal faecal wastes are associated with most of the faecal microbial pollution in the country. The affected areas include the Crocodile (West) and Marico, Mvoti to Umzimkulu and Mzimvubu to Keiskamma WMAs.

The National Eutrophication Monitoring Programme assesses the impact of excessive nutrients in the country's reservoirs. Eutrophication produces toxic cyanobacterial blooms which cause serious health risk to humans, livestock and wildlife deaths, increased water treatment costs, etc. It also produces noxious aquatic weeds (e.g. water hyacinth) which is a serious threat to recreational activities and the environment. The origin of faecal pollution is from untreated or partially treated waste discharge from WTW, agricultural return flows/runoff, informal settlements, etc in a catchment. Currently, approximately 42% of the monitored dams in South Africa are impacted. The Crocodile West/Marico WMA is the mostly impacted because of its locality downstream of a highly urban development in the country.

Through the National Chemical Monitoring Programme it has been established that domestic water has a problem of high total dissolved salts (TDS) and high fluoride concentrations in some areas, while irrigated water has high chloride concentrations, high sodium absorption ratio (SAR) and high pH.

In the Upper Vaal River system there is a trend of increasing levels of salinity. Lower Orange River is also experiencing a gradual upward trend (from 30 to 43 mS.m<sup>-1</sup>) while the Great Fish River has a sharp downward trend (from 220 to 150 mS.m<sup>-1</sup>). Salinity in the Thukela River is at an acceptable level (24 and 28 mS.m<sup>-1</sup>).

### 2.1.4 Ecological Conditions of the Rivers

The ecological condition of the rivers is monitored through the River Health Programme. Certain key biological indices such as fish, aquatic invertebrate, fauna and riparian vegetation as well as riverine habitat are monitored and assessed. The programme is coordinated at national level but championed at provincial level where they monitor, assess and report on the ecological state of rivers within the province or relevant water management area. Currently, 638 national River Health Programme (RHP) sites are being monitored and reported on.

The river health conditions across the country vary, ranging from good natural streams in the upper reaches to deteriorated and poor streams, mainly in the highly industrialized areas. The upper reaches of the coastal rivers and their tributaries are still in a natural good ecological state, while many of the lower reaches are in a good to fair state. Major impacts are due to urbanization; increased land developments, some agricultural activities (which include poor farming practices and excessive use of fertilisers); large in-stream dams and alien vegetation. Other impacts include the cumulative effect of water abstraction (reduced river flows) and invasive alien plants. Broadly, the ecological state of the country's river systems is declining rapidly from their sources to estuaries although the upper reaches still remain in a reasonably pristine state.

### 2.1.5 Water Use

Water Allocation Registration Management Systems (WARMS) is used to register all water uses (surface and groundwater) so that the Department could measure water use against water availability.

Fourteen of the nineteen WMAs have shown an increase in water use, namely; Crocodile-Marico (2.9%), Fish-Tsitsikama (1.7%), Gouritz (2.0%), Limpopo (0.9%), Lower Orange (2.3%), Lower Vaal(0.1%), Levubu-Letaba (2.6%), Middlevaal (0.3%), Umvoti-Mzikhulu (0.7%), Umzivubu-Keiskama (0.8%), Olifants (0.4%), Upper Orange (1.1%), Upper Vaal (0.3%) and Usutu-Mhlatuze (7.7%). The Berg (0.3%), Breede (0.8%), Inkomati (1.4%), Thukela (2%) and Olifants/Doorn (0.4%) WMAs have shown a slight decrease in water use (Figure 4).

Agriculture, especially irrigation/livestock watering (1.9%); Domestic/Industrial (2%) and Unbillable (1.4%), has shown a slight increase in water use, however, water use in the Forestry sector remains constant (Figure 4).

The Berg and Inkomati WMAs are showing a decrease in the domestic/industrial water use (34.6% and 24.6% respectively). At the same time unbillable water use records show a decrease in the Inkomati (32.7%). Increases in water use were recorded in Limpopo (37.7%), Levhuvhu-Letaba (19%), Thukela (18%) and Usutu-Mhlatuze (being the highest with 121%) WMAs. An increase of 20.9% of water use for agriculture, especially irrigation, was recorded in Usutu-Mhlatuze WMA (Figure 4).

Total Registered Water use in the country has increased by 0.6% to 17.280 billion litres

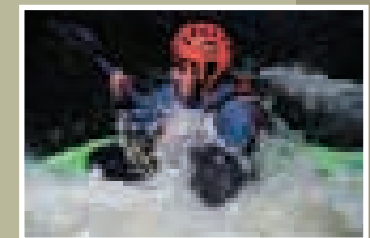
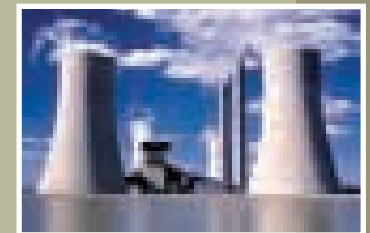
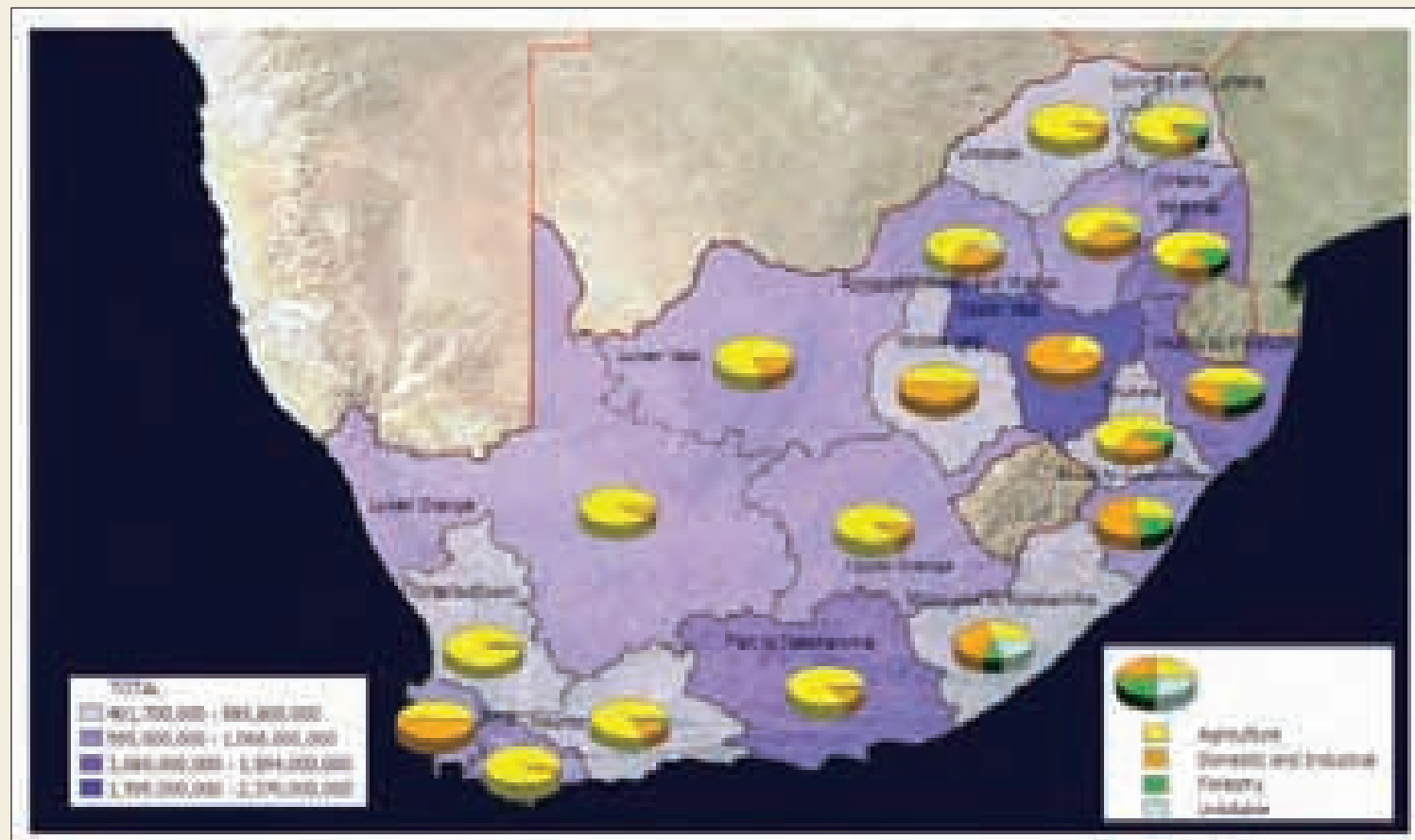


FIGURE 5: TOTAL VOLUMES OF WATER USE PER WMA AND WATER USE BY EACH SECTOR





**TABLE 3: TOTAL VOLUMES IN MILLIONS OF WATER USE BY DIFFERENT SECTORS PER WMA**

REGISTERED VOLUME BILLING PERIOD April 2007 - March 2008						
Sum of Total		Generic Water Use Sector				
WMA No.	WMA Name	Agriculture: Irrigation/ Livestock Watering	Domestic/Industrial	Forestry	Unbillable	Grand Total
19	BERG	345,432,097.28	374,125,721.41	4,283,621.56	3,962,655.00	727,804,095.24
18	BREEDDE	872,695,587.80	50,117,558.10	4,997,020.68	3,237,306.17	931,047,472.74
3	CROCODILE (W), MARICO	685,930,301.13	282,682,064.53	13,529.00	46,810,676.13	1,015,436,570.79
15	FISH-TSITSIKAMMA	1,063,343,985.89	146,804,044.82	15,842,984.27	13,127,393.67	1,239,118,408.65
16	GOURITZ	397,806,697.78	63,442,880.18	11,960,253.63	250,882.33	473,460,713.93
5	INKOMATI	1,053,384,149.93	286,390,486.96	249,325,201.92	5,212,190.20	1,594,312,029.01
1	LIMPOPO	534,493,811.75	50,844,902.60	1,459,659.00	644,445.75	587,442,819.10
14	LOWER ORANGE	947,580,082.58	80,830,586.12		52,716.00	1,028,463,384.70
10	LOWER VAAL	604,936,692.28	158,159,661.73		216,401.00	763,312,755.01
2	LUVUVHU LETABA	406,415,224.48	41,873,712.00	36,189,043.17	18,092,917.00	502,570,896.65
9	MIDDLE VAAL	282,241,189.58	313,584,862.13		3,650.00	595,829,701.72
11	MVOTI-UMZIMKULU	235,417,088.85	493,947,030.00	209,993,623.03	1,139,960.50	940,497,702.38
12	MZIMVUBU- KEISKAMMA	119,639,135.53	154,560,639.04	49,563,038.35	77,941,263.03	401,704,075.95
4	OLIFANTS	681,847,406.38	326,800,459.23	27,038,687.00	32,060,867.33	1,067,747,419.94
17	OLIFANTS/DOORN	395,817,034.50	12,051,991.00	116,943.00	655,120.00	408,641,088.50
7	THUKELA	258,628,762.40	117,264,902.25	30,376,563.25	1,622,219.00	407,892,446.90
13	UPPER ORANGE	784,329,454.62	99,862,552.99			884,192,007.61
8	UPPER VAAL	446,695,274.47	1,922,638,120.03	10,797.00	703,900.65	2,370,048,092.16
6	USUTU-MHLATUZE	640,350,481.73	349,082,123.80	348,214,047.63	3,613,003.50	1,341,259,656.67
<b>Grand Total</b>		10,756,984,458.99	5,325,064,298.91	989,385,012.49	209,347,567.25	17,280,781,337.64



## 2.1.6 Water Use Authorisation

Water use should be formally authorised by either a licence, general authorisation or in terms of Schedule 1 of the National Water Act. The current situation is that the Department is the only competent authority to deal with authorisations while CMAs are in the process of being established.

The following are the number of licences issued during the reporting period:

**TABLE 4: LICENCES ISSUED IN TERMS OF THE NATIONAL WATER ACT, 1998 FROM 1 APRIL 2007-31 MARCH 2008**

REGION	WATER USES					BENEFICIARIES		TOTAL
	ABSTRACTION	ALTERING THE BEDS, BANKS	IMPEDING AND DIVERTING	MINING	AFFORESTATION	OTHER	HDIS	
EASTERN CAPE	12	0	0	0	0	12	0	12
GAUTENG	0	1	3	0	0	4	0	4
KWAZULU NATAL	5	0	0	2	30	22	15	37
LIMPOPO	3	0	0	0	0	2	1	3
MPUMALANGA	5	1	0	2	2	10	0	10
NORTH WEST	1	0	0	0	0	1	0	1
NORTHERN CAPE	8	1	0	0	0	9	0	9
WESTERN CAPE	8	0	0	0	0	8	0	8
FREE STATE	6	0	0	0	0	6	0	6
<b>TOTAL</b>	<b>48</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>32</b>	<b>74</b>	<b>16</b>	<b>90</b>

## 2.1.7 Water Restrictions

### 2.1.7.1 Western Cape Province:

Instead of having to include compulsory restrictions on supply, in the past year, restrictions have been replaced with "By Laws", "Regulations" and "Councillor Resolutions" that effectively suppress growth in demand, and ensure active efforts to manage and conserve water effectively.

For illustrative purposes, the tables below provide a comparison with the water storage situation of the past few years, indicating that the province is in a very positive situation:

**TABLE 5 STORAGE LEVELS FOR 2004 – 2008**

DAM	BULK STORAGE						PREVIOUS WEEK 10TH
	CAPACITY	%	%	%	%	%	
	ML	2004	2005	2006	2007	2008	
WEMMERSHOEK	58,644	51.9	36.9	51.7	46.0	52.2	53.6
STEENBRAS LOWER	33,517	49.6	45.0	47.8	51.7	59.6	62.2
STEENBRAS UPPER	31,767	55.9	44.5	53.1	62.3	86.6	87.4
VOËLVLEI	164,122	41.6	23.9	45.0	70.2	70.2	72.2
THEEWATERSKLOOF	480,250	42.3	29.6	49.9	54.4	79.3	81.0
BERG RIVER DAM	130,000	0.0	0.0	0.0	0.0	35.7	36.8
<b>TOTAL STORED</b>	<b>898,300</b>	<b>427,372</b>	<b>300,553</b>	<b>465,422</b>	<b>519,547</b>	<b>620,246</b>	<b>649,327</b>
<b>% TOTAL STORAGE (including Berg River Dam)</b>		<b>48%</b>	<b>33%</b>	<b>52%</b>	<b>58%</b>	<b>69%</b>	<b>72%</b>

### 2.1.7.2 North West Province

During the reporting period the following restrictions were implemented in the Crocodile/Marico Water management Area (2007-2008):

- **Koster Dam area of supply:**  
100% water restrictions for Agriculture water use and 0% for domestic water use
- **Marico Bosveld Dam area of supply:**  
All water users were restricted by 10%
- **Klein Maricopoort Dam area of supply:**  
All water users were restricted by 60%
- **Kromellenboog Dam Area of supply:**  
All water users were restricted by 100%
- **Molatedi Dam area of supply:**  
Domestic and Industrial users were restricted by 50%  
Irrigators were restricted by 75%

### 2.1.7.3 Mpumalanga Province

No water restrictions were implemented.

### 2.1.7.4 Gauteng Province

No water restrictions were implemented.

### 2.1.7.5 Kwa-Zulu Natal Province

No water restrictions were implemented.

### 2.1.7.6 Northern Cape Province

Within the agricultural sector in the Lower Vaal (Tosca) Water Management Area there have been restrictions of 40% on all water abstractions out of the dolomite aquifers for the past three years.

Within the domestic sector, the following restrictions were implemented based on quantity and quality parameters, namely:

- Kamiesberg municipality - infrastructure constraints
- IKhies municipality - infrastructure constraints
- Siyanda (Riemvasmaak) - resource constraints (quantity)

### 2.1.7.7 Limpopo Province

The abstraction of water for domestic and industrial purposes (excluding Schedule 1 use) from the Dap Naude, Ebenezer and Tzaneen Dams or water released from Ebenezer and Tzaneen Dams in the Great Letaba River and abstracted from the river, was limited to 70% of all entitlements.

The abstraction for domestic and industrial purposes from the Letaba river at Nkambako was limited to 76000 cubic metres and at Nondweni, the abstraction was limited to 21000 cubic metres per month.

The abstraction for agricultural purposes from the Ebenezer Dam or water released from Ebenezer Dam in the Great Letaba River and abstracted from the river was limited to 20% of all entitlements.

The abstraction for agricultural purposes from the Tzaneen Dam or water released from the Tzaneen Dam in the Great Letaba River and abstracted from the river was limited to 20% of entitlements.

The flow of water in the Great Letaba River, released from Tzaneen Dam, to the Kruger National Park at Letaba Ranch declined from 0.6 to 0.25 cubic metres per second.

The abstraction for domestic and industrial purposes (excluding Schedule 1 use) from the Magoebaskloof Dam was limited to 80% of all entitlements.

The abstraction for agricultural purposes from the Magoebaskloof Dam was limited to 50% of all entitlements.

The abstraction for domestic and industrial purposes (excluding Schedule 1 use) from the Thabini Dam was limited to 50% of entitlements.

The abstraction for domestic and industrial purposes (excluding Schedule 1 use) from the Thapani Dam was limited to 50% of entitlements.

The abstraction for domestic and industrial purposes (excluding Schedule 1 use) from the Modjadji Dam was limited to 80% of entitlements.

The abstraction for domestic and industrial purposes (excluding Schedule 1 use) from the Middle Letaba and Nsami Dams was limited to 80% of entitlements.

The abstraction for agricultural purposes from the Middle Letaba and Nsami Dams was limited to 50% of entitlements.

The abstraction for domestic and industrial purposes (excluding Schedule 1 use) from the Albasini Dam was limited to 70% of entitlements.

The abstraction for agricultural purposes from the Albasini Dam was limited to 20% for all entitlements.

### **2.1.7.8 Free State**

No water restrictions were implemented.

### **2.1.7.9 Eastern Cape Province**

In general, the Eastern Cape province did not impose any restrictions on water use in the 2007/08 financial year except for minor seasonal restrictions in some towns by municipalities like Ndlambe, Kouga, Amathole, Kou-kamma, Chris Hani, OR Tambo and Ukhahlamba .



**PROGRAMME 2: WATER RESOURCE MANAGEMENT: KEY OUTPUTS AND SERVICE DELIVERY TRENDS**

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Equitable and sustainable supply	Water use authorised	Number of catchments in which Water Allocation Reform is implemented	Compulsory licensing completed for Jan Dissels catchment and announced for Mhlathuze and Nkomati	<p><b>Mhlathuze Jan Dissels &amp; Inkomati</b></p> <ul style="list-style-type: none"> <li>Validation complete in Mhlathuze &amp; Jan Dissels and in progress in Inkomati</li> <li>Existing lawful water use verified in Jan Dissels &amp; compulsory licensing process in progress &amp; verification of applicants details complete.</li> <li>Verification letters sent out in the Mhlathuze &amp; Dissels &amp; verification 90% complete in Mhlathuze.</li> <li>Opportunities for uptake identified in all 3 pilot areas</li> <li>Water allocation plans achieved for all 3 pilot areas</li> </ul> <p><b>Other catchments</b></p> <ul style="list-style-type: none"> <li>Verification of lawful water users done in 9 sites in the North West</li> </ul>
			BBBEE guidelines developed and implemented	<ul style="list-style-type: none"> <li>BBBEE guidelines developed and workshopped</li> </ul>
		<p>Improvement in time taken to evaluate licence applications</p> <p>No. of licences issued</p>	<p>Average processing time for evaluation of licence applications reduced from 24 to 18 months.</p>	<ul style="list-style-type: none"> <li>Water Use Licence Authorisation System (WULAS) rolled out to all Regions</li> <li>Tracking system acquired, installed &amp; training initiated</li> <li>Backlog on licences verified as 1300 licences.</li> <li>90 Licences were issued and 16 HDIs benefited</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Equitable and sustainable supply (cont)		Water use licences evaluated and issued for use of water for other purposes	Implement policy & protocol for use of water for recreational purposes, aquaculture and wetland management	<ul style="list-style-type: none"> <li>Revised draft regulations for recreational water use drafted &amp; submitted to State Law Advisors for review.</li> <li>Draft wetland wise use and best practice guideline and Floodline guideline for development activities completed</li> <li>Draft Wetland management strategy, protocol and position paper completed</li> <li>Aquaculture Water Use Best Management Practice guideline development in progress</li> <li>Swimming SA business plan in place &amp; funds transferred</li> </ul>
		Non-compliance with legislation or licence conditions addressed	Compliance and enforcement strategy finalised and implementation initiated  Number of cases dealt with and decision taken	<ul style="list-style-type: none"> <li>Draft 7 of guidelines for dealing with unlawful storage dams completed</li> <li>39 directives issued by Limpopo, Gauteng, North West, Northern Cape and Eastern Cape Regional Officers</li> <li>4 Cases with the Water Tribunal</li> <li>37 Court Cases pending</li> </ul>
		Measurable impact on establishment and development of resource poor farmers (RPF)	Approval of Financial Assistance Regulations for RPFs  300 RPFs granted financial support  500 Rain water harvesting tanks constructed for food insecure rural households	<ul style="list-style-type: none"> <li>Financial Assistance Regulations to support RPF approved</li> <li>Submission for approval for financial assistance application processed and amount to approximately 100% of the total budget of R27m has been spent.</li> <li>Subsidised tariffs billed correctly.</li> <li>1 RWH Tank completed in Mhlathuze 2 through the WAR programme</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Equitable and sustainable supply (cont)	<p>To balance water availability with water requirements</p> <p>These are studies that normally take two to three years from start to completion</p>	<p>Studies to balance water supply and requirements timeously undertaken and solutions developed</p>	<p>Water balance strategies for up to 12 catchment &amp; system analysis of up to 10 WR</p> <ul style="list-style-type: none"> <li>• Studies for this year: Reconciliation strategy for the Western Cape</li> <li>• Reconciliation strategy for the Vaal River System</li> <li>• Reconnaissance study for the Crocodile River (East)</li> <li>• Clanwilliam Dam raising implementation</li> </ul>	<p><b>Setting up of water resource models.</b></p> <p>Mokolo models completed.</p> <p>Modelling work continued successfully for the Mhlathuze, Nkomati, Olifants, Crocodile (West) and Berg River catchments.</p> <p><b>Reconciliation Strategies for metropolitan areas and large systems</b></p> <p>The strategies for the Western Cape system (Cape Town and surrounding areas) and the Amatole System (Buffalo City and surrounding areas) were completed.</p> <p>Crocodile (West) area – A draft Version 1 strategy was produced.</p> <p>Vaal River supply area (Gauteng and many others) – A draft Version 2 strategy were produced. KZN Coastal metropolitan area (Durban and surrounding areas) – Progressed well and a Version 1 strategy was produced.</p> <p><b>Reconciliation and management strategies in various catchments</b></p> <p>Water resource assessment for the Outeniqua Coastal catchments has been completed.</p>



SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Equitable and sustainable supply (cont)				<p>Water quality management strategies for the Vaal River system – Draft strategy completed. This study is linked to the Vaal River Reconciliation Strategy and has been delayed slightly. Will be completed by August 2008.</p> <p>Water quality management strategies for the Upper-Olifants catchment – the work has progressed very well but the finalisation has been delayed to be finalised by July 2008.</p>
			Joint studies on international river basins undertaken eg. Orange River and Pongola	Necessary support given to joint studies on international river basins
			Pre-feasibility and feasibility reports on Water Resource Reconciliation Solutions. E.g. Mooi-Mgeni Transfer Scheme Phase 2, Spring Grove and Mokolo Augmentation Feasibility	<ul style="list-style-type: none"> <li>• Mooi-Mgeni Transfer Scheme Phase 2 (MMTS-2): Draft Environmental Impact Report received and being internally reviewed. Submission to DEAT for the authorization of the Project expected in May 2008</li> <li>• Hazelmere Dam Raising: Draft Environmental Impact Report received and being reviewed internally. Submission to DEAT for the authorization of the Project expected in May 2008</li> <li>• Crocodile (East) Reconnaissance Study: Main Report is expected to be signed off during April 2008</li> <li>• Feasibility Study for Phase 2 of Lesotho Highlands Water Project: A Feasibility Study by the Government of Lesotho and RSA to jointly plan a possible augmentation of the Vaal River System</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Equitable and sustainable supply (cont)				<p>by implementing a Phase 2 of LHWP is substantially completed. Reports are being reviewed and finalised</p> <ul style="list-style-type: none"> <li>• Clanwilliam Dam Raising Feasibility Study: Main Report are finalised and implementation process for the Project is being initiated in consultation with other relevant authorities such as Department of Agriculture in the Western Cape</li> <li>• Feasibility Study for the Augmentation of the Western Cape Water Supply System: Scope of Work was finalised and a professional service provider to assist the Department with the study has been motivated for appointment</li> <li>• Groot Letaba Water Development Project: The Environmental Scoping Report was submitted and approved by DEAT. Follow-up EIA work has progressed substantially</li> <li>• Olifants River Water Resource Development Project: A Record of Implementation Decisions (RID) for Phases 2B, 2C, 2D and 2H was issued to the NWRI Branch for their inputs. NWRI Branch has prepared a draft directive to the TCTA to fund and implement Phases 2B to 2I. The Minister approved a Memorandum of Agreement (MOA) with the Mines and a process to draw-up the associated Off-take Agreements with the Water Users, which are a prerequisite to secure project funding from the private sector has been initiated</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
<b>Equitable and sustainable supply (cont)</b>	Available water used effectively and efficiently	Water conservation/water demand management (WC/WDM) strategies developed and implemented	WC/WDM strategies for Vaal, Inkomati and Olifants developed and implemented	Final draft WC/WDM strategies for Mvoti-Mzimkhulu, Thukela, Usuthu-Mhlathuze WMAs developed <ul style="list-style-type: none"> <li>Implementation of business plan and WC/WDM strategies initiated in the 8 municipalities</li> <li>Final draft workplans in 4 Municipalities within Vaal River System completed and implementation initiated</li> </ul>
			Development of WC/WDM policies	<ul style="list-style-type: none"> <li>Second Draft WC/WDM regulations initiated</li> <li>Process towards development of water measurement policy initiated</li> <li>Second draft report on WC/WDM fund and economic charge option done.</li> </ul>
			To establish a national water use efficiency information system with water use data	<ul style="list-style-type: none"> <li>Water Use Efficiency website developed.</li> <li>Key Performance Indicators brochure for all sectors developed</li> </ul>
			To facilitate WC/WDM promotions and awareness campaigns	<ul style="list-style-type: none"> <li>Schools mobilised for SAYWP</li> <li>The 2020 VFWSEP material( for the purpose of including WC/WDM to be included in school curriculum) distributed for comment</li> <li>Radio campaigns and road shows on WC/WDM conducted</li> <li>WC/WDM promotions material developed and distributed</li> <li>First Ministerial Sector Award on WC/WDM initiated and launched.</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Equitable and sustainable supply (cont)			Provide training on WC/WDM	<ul style="list-style-type: none"> <li>Facilitated preparation for WAS training for selected schemes</li> <li>Initiated the development of a training manual on WC/WDM</li> <li>Test course in water measurement and distribution presented</li> <li>Capacitate Regional Office with implementation of WC/WDM authorisation conditions for water use</li> </ul>
	Available water effectively and efficiently used	Prioritised invasive alien plant species (terrestrial and aquatic) treated and cleared	192 000 Hectares cleared 557 000 Hectares followed up	<ul style="list-style-type: none"> <li>197 002 Hectares Clearing</li> <li>569193 Hectares follow-up Clearing</li> <li>Total Area Cleared 766 195 Hectares</li> <li>Benefitting 30 064 beneficiaries</li> <li>16 022-women</li> <li>8 857 Youth and</li> <li>576 Disabled</li> </ul>
	Water related disasters managed	Policies, strategies and guidelines and information system developed and responsive to disasters	Current disasters managed and roles and responsibilities with regard to water related disasters unpacked	<ul style="list-style-type: none"> <li>Participated in stakeholders meetings with NDMC &amp; Treasury ICW to strategise on disaster management</li> <li>Close out reports for 2006/7 drought relief allocation finalised</li> <li>Disbursed R90m drought relief funds to municipalities</li> <li>Drought relief coordinating meetings in all provinces to assist municipalities manage and respond to water related disasters.</li> <li>Coordinate SAWS Tsunami Relief Initiatives in Srilanka &amp; Maldives</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Equitable and sustainable supply (cont)	Promote Safety of dams	Dam Safety Legislation administered and Dam Safety Programme Managed	Enforce compliance, classification and registration, Dam safety licences Issued.  Dam safety reports evaluated	<ul style="list-style-type: none"> <li>Approximately 80% of target of 71 classification and registration, 18 dam safety licences and 93 dam safety reports evaluated</li> </ul>
Protection policies and measures	System developed for assessment and protection of water resources	Water resources classified in priority catchments	Finalise classification system	<ul style="list-style-type: none"> <li>Classification system regulations approved for publication in the Government Gazette for public comments</li> </ul>
		Ad hoc and high confidence reserve determinations completed. (Ground water)	Ad hoc determinations as per licence applications and three high confidence determinations	<ul style="list-style-type: none"> <li>Inception report reviewed and completed</li> <li>Ad hoc Reserves determined as per water use licence applications.</li> </ul>
		Ad hoc and high confidence reserve determinations completed. (Surface Water)	Ad hoc determination as per licence applications	<ul style="list-style-type: none"> <li>High confidence reserve initiated at Mokolo, Outeniqwa, Inkomati, Croc West.</li> <li>High confidence Reserves studies adjudicated.</li> <li>All season site visits completed.</li> <li>Inception report completed.</li> <li>Ad hoc licences addressed. Regional liaison initiated. Tongati/Mhloti project completed</li> </ul>
		Delineation of groundwater protection zoning	Piloting complete	<ul style="list-style-type: none"> <li>None</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Protection policies and measures (cont)		Resource quality objectives used to manage water resources	Methodology to establish resource quality objectives finalised	<ul style="list-style-type: none"> <li>Water Quality reserves backlog is being addressed</li> </ul>
	Water resource quality managed	Resource protection and waste policy developed	Policy finalised and published	<ul style="list-style-type: none"> <li>Various initiatives completed to address Resource Protection &amp; Waste activities:</li> </ul> <p><b>Mines</b></p> <p>The following <i>Best Practice Guidelines (BPG)</i> for <i>Water Resource Protection in the South African Mining Industry</i> have been finalised:</p> <ul style="list-style-type: none"> <li>BPG H3 Water Reuse &amp; Reclamation</li> <li>BPG H4 Water treatment</li> <li>BPG G1 Storm water Management</li> <li>BPG G2 Water and Salt Balances</li> <li>BPG G3 Water monitoring Systems</li> <li>BPG A1 Small Scale Mining</li> <li>BPG A2 Water Management for Mine Residue Deposits</li> <li>BPG H3 Water management in hydrometallurgical plants</li> <li>BPG A4 Pollution Control Dams</li> </ul> <p><b>Agriculture</b></p> <ul style="list-style-type: none"> <li>Regulatory framework for Wineries</li> <li>Draft Agricultural Water Use Strategy</li> <li>Guidelines for sludge, septic tanks, sewer packages plants, best practice guidelines for mines, agriculture water management done.</li> </ul>
			Revised strategy implemented for abstraction related water uses and Waste Discharge Charge System (WDCS) finalised	<ul style="list-style-type: none"> <li>Implementation strategy for the WDCS completed</li> <li>Formatted registration forms complete</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Protection policies and measures (cont)		Resource quality objectives used to manage water resources	Methodology to establish resource quality objectives finalised	<ul style="list-style-type: none"> <li>Draft Inception report for Resource Quality Objectives completed</li> </ul>
Institutional regulation and development	Water management institutions and water management area and local level established	Number of CMAs, water user associations WUAs established and led to full functionality	Olifants, Upper Vaal and Berg CMAs gazetted for establishment.	<ul style="list-style-type: none"> <li>Olifants proposal received and updated.</li> <li>Upper Vaal revitalizing participatory structures.</li> <li>Berg CMA proposal gazetted for public comment and public comments collated</li> <li>Upper-Vaal planning in progress.</li> </ul>
			Governing Boards for Tukela, Usuthu to Mhlathuze, Olifants/Doorn and Gouritz CMA in place	<ul style="list-style-type: none"> <li>Breede Governing Board appointed &amp; first board meeting is scheduled</li> </ul>
			Three (03) Advisory Committees established for Olifants/Upper Vaal/Berg	<ul style="list-style-type: none"> <li>Olifants/Doorn and Gouritz Advisory Committees have had two meetings and developed first draft Advisory Governing Board structures. Thukela and Mhlathuze Advisory Committees still not established.</li> </ul>
			Three (03) WUAs established and 50% irrigation boards transformed into WUAs.	<ul style="list-style-type: none"> <li>10 Water User Association (WUA) established</li> <li>03 Irrigation Boards transformed in the Western Cape</li> </ul>
	Financial, technical and capacity building support provided to Water Management Institutions (WMIs)	Nature and frequency of support provided	Transfer of seed/operational funds to three (03) CMAs	<ul style="list-style-type: none"> <li>R6m transferred to Inkomati CMA</li> </ul>
			Approve 1 <sup>st</sup> business fo Breede, Croc West and Mvoti	<ul style="list-style-type: none"> <li>Breede is at the initial stage of developing their business plan</li> <li>ICMA 2<sup>nd</sup> business plan and budget approved.</li> </ul>
			Review of business plans and operations of WMIs	<ul style="list-style-type: none"> <li>Checklist for the evaluation of business plans for WUA is developed and implemented</li> </ul>



SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Institutional regulation and development (cont)				<ul style="list-style-type: none"> <li>Lethaba and Mutshimbe WUA business plans evaluated</li> </ul>
			Development of CMS for CMAs	<ul style="list-style-type: none"> <li>ICMA progressing well in the development of their CMS</li> </ul>
			Strengthen the participation of HDIs in WMI	<ul style="list-style-type: none"> <li>Guidelines for public participation and empowerment of HDIs in WMI developed</li> <li>Guidelines for reimbursement of Water Management committee members developed</li> </ul>
			Capacity building to WMI	<ul style="list-style-type: none"> <li>Capacity building and empowerment framework have been developed</li> <li>Dutch twinning programme completed a number of interventions. ICMA 2<sup>nd</sup> Board training, 1<sup>st</sup> Breede training completed</li> <li>FETWATER CMA network established</li> <li>Development of capacity building programme initiated in conjunction with Dutch twinning programme and FETWATER.</li> </ul>
Strategic alignment and stakeholder empowerment	Strategic direction provided	Water resource strategies on national and WMA level developed	Guidelines on Catchment Management Strategies (CMSs) finalised and distributed	<ul style="list-style-type: none"> <li>Guidelines on Catchment Management strategies complete and distributed</li> </ul>
			National Water Resources Strategy (MWRS) 2 <sup>nd</sup> Edition – Revision to be finalised in 2009	<ul style="list-style-type: none"> <li>Planning for the revision of the NWRS initiated</li> </ul>
		CEIMP 2 <sup>nd</sup> Edition in place	Policies and protocols for managing water resources in line with requirements of other relevant laws and policies	<ul style="list-style-type: none"> <li>Consolidated Environmental Implementation and Management Plan (CEIMP) 2<sup>nd</sup> Edition updated</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
Strategic alignment and stakeholder empowerment (cont)	Adequate information to manage water resources	Monitoring networks operated, maintained and expanded; integrated supporting information systems developed and implemented	Expansion of monitoring networks	<ul style="list-style-type: none"> <li>Expansion of the NMMP/NEMP to two WMAs 95% completed and ahead of the business plan targets</li> <li>New technology discovered to assist monitoring of WR.</li> <li>Calibrations of all sites completed</li> <li>National Eutrophication Monitoring sustained in the 19 WMAs</li> <li>NMMP business case and first NMMP annual progress report drafted.</li> <li>River Health Programme sampling sites increased to 638 sites</li> <li>Maintenance of 53 gauging systems completed in Limpopo and North West</li> </ul> <p>Completion of designs of the following projects :</p> <p><b>Sendelingsdrift – Orange</b></p> <ul style="list-style-type: none"> <li>Zeekoebaardt – Orange</li> <li>Balule – Olifants</li> <li>Engelhardtdam – Lethaba</li> <li>Wonderfonteinspruit 1m pipeline</li> <li>Blyvooruitzig mine canal</li> <li>Mzimvubu upgrading of existing weir at Kwa-Makola</li> <li>New recorder tower at Beit Bridge</li> </ul> <p>Construction work of gauging stations progress report during the reporting is as follows:</p> <p><b>Balule 60%</b></p> <ul style="list-style-type: none"> <li>Zeekoebaardt 20%</li> <li>Engelhardtdam 70%</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
<b>Strategic alignment and stakeholder empowerment (cont)</b>				<ul style="list-style-type: none"> <li>• Mzimvubu 80%</li> <li>• Sendelingsdrift 20%</li> <li>• Wonderfonteinspruit 1m pipeline 90%</li> </ul>
			Resource Monitoring and Assessment ( resource quality, ground water, drought etc)	<ul style="list-style-type: none"> <li>• Re-design of the RHP, expansion to wetlands completed by March 2008. NCMP rationalization and pilot testing of NRMP/ NTMP completed. Sediment/domestic monitoring programmes design initiated</li> </ul>
			Information Systems Development and Management	<ul style="list-style-type: none"> <li>• All systems (WARMS, WMS, AGIS, GIS and HYDSTRA) available and operational at levels &gt; 95%.</li> <li>• The Development of National Groundwater Archive (NGA) is in progress</li> <li>• The Flood management System (FMS) is being maintained</li> <li>• Continued with the maintenance of SADC HYCOS website</li> </ul>
			Remote Sensing and GIS Applications	<ul style="list-style-type: none"> <li>• Draft enterprise GIS strategy completed.</li> <li>• On demand Mapping and Remote Sensing services rendered</li> </ul>
			Data Acquisition and Management	<ul style="list-style-type: none"> <li>• Deflection, Hydrographic and Topographic Surveys completed as per program</li> <li>• 80% of data from the Umgeni Water Board already captured on WMS (data for NCMP, NEMP &amp; NMMP)</li> </ul>
<b>African and international co-operation</b>	Participation and support to Shared Watercourse Institutions	Joint projects, basin studies, new agreements	Establish OraseCom Secretariat, OraseCom IWRMP phase one, Maputo Basin Study, Lower Orange River Water sharing	<ul style="list-style-type: none"> <li>• The Orasecom Secretariat established</li> <li>• OraseCom IWRMP phase one not finalised</li> <li>• Maputo Basin Study in progress</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
African and international co-operation	(Check strat plan) New structures to participate and support Shared water course institutions established.		agreement, Impala to Sitilo (Swaziland) Water Supply Agreement, Kalahari East to Botswana Water Supply Agreement	<ul style="list-style-type: none"> <li>Lower Orange River water sharing agreement not achieved</li> <li>The agreement on Impala to Sitilo water supply agreement drafted and sent to Swaziland for consideration</li> <li>Kalahari East to Botswana Water Supply Agreement not finalised</li> </ul>
	Improved multi-lateral and Bi-bilateral regional cooperation in Africa	Support to and participation in SADC, AMCOW, AU, NEPAD and Bilateral Cooperation in Africa	AMCOW incorporated into AU and NEPAD structures; revival of the Forestry Technical Committee; Finalise negotiations on Cross boarder forest fires; improved bi-laterals with Tanzania, Kenya, Algeria, Sudan and Rwanda; involvement in AU sponsored water management processes; implementation of SADC Protocol on Forestry	<ul style="list-style-type: none"> <li>AMCOW incorporation into AU and NEPAD structures not achieved</li> <li>Revival of the Forestry Technical Committee initiated and the SADC Forestry technical meeting was held.</li> <li>Negotiations on the cross boarder forests fires ongoing and MoU with Lesotho on Cross Boarder Fires signed.</li> <li>Improved bilaterals relations initiated with Rwanda, Sudan, Algeria and MOU ready for signature with Algeria and no bilaterals initiated with Kenya</li> <li>Involvement in AU sponsored water management processes initiated</li> </ul>
	To ensure multi-lateral cooperation at global level (Countries outside of Africa)	International visits, meetings, statements, agreements, exchange of information with developing countries outside Africa	Implement Agreement with Cuba and China; finalise agreement with Sri-Lanka, Vietnam and Mexico; strengthen support to the Congo Basin Forest Partnership; pursue the India, Brazil and South Africa (IBSA) cooperation	<ul style="list-style-type: none"> <li>Implementation of Agreements with Cuba and China Initiated</li> <li>Agreement with Sri-Lanka initiated to be completed in 2008</li> <li>Draft MoU with Vietnam completed.</li> <li>Agreement with Mexico not completed</li> </ul>
				<ul style="list-style-type: none"> <li>Strengthening of support to the Congo Basin Forest Partnership not completed</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGETS	
			TARGETS	ACTUAL PERFORMANCE
African and international co-operation (cont)				<ul style="list-style-type: none"> <li>Terms of Reference forwarded to DFA on India, Brazil and SA cooperation.</li> </ul>
		International visits, meetings, statements, agreements and exchange of information with developed countries	Agreement with Russia; Forestry Co-operation Agreement with New Zealand	<ul style="list-style-type: none"> <li>Agreement with Russia (ITEC Programme) finalised and plan of action signed for implementation of the agreement</li> <li>Initiated the first preliminary discussion with New Zealand.</li> </ul>
		Active participation in (CSD, World Water Forum, UNFF, COFO etc)	Attend UNFF negotiations; participate in the Petersburg Process, participate in the Stockholm Water Week; improved participation in CSD, ANBO, WWC, UNFF, etc.; negotiate the UN Forestry Instrument	<ul style="list-style-type: none"> <li>Participated in UNFF and DWAF together with the Government of Switzerland hosted a Workshop on Forest Governance and Decentralisation in Africa in SA in support of the work of the United Nations Forum on Forests</li> <li>No participation in Petersburg round table process</li> <li>Participated in the Stockholm Water Week with the Minister leading the SA delegation</li> <li>Participation in the CSD , ANBO, WWC, UNFF was improved through coordinated engagements by the water sector</li> <li>e.g. DWAF staff actively participated in DEAT meetings re UNCSD 16 and on the final draft country report.</li> <li>Negotiated the UN Forestry Instrument</li> </ul>
			Continued access to and efficient utilisation of Official Development Assistance (ODA - Donor Funding) Capacity building Initiatives	<ul style="list-style-type: none"> <li>Official Development Assistance (ODA-Donor Funding) managed through Masibambane and allocated funds used efficiently</li> <li>Initiated SA /Japan JIPSA Initiative for capacity building both JICA offices in Japan and Pretoria are taking the JIPSA initiative forward</li> </ul>

### 3.1 INTRODUCTION

The purpose of the Water Services Programme is to ensure that effective, efficient, sustainable and affordable water and sanitation services are provided to the people of South Africa, as well as to the economic users. In its role as sector leader, the Department has the following four core responsibilities: policy development, support to local government and other water institutions regulation of the sector and information management.

The responsibilities of the Water Services Programme are managed within the framework of the following 13 sub-programmes: Provisioning Policies; Water and Sanitation Services; Water Sector Policies; Water Sector Support; Institutional Policies; Institutional Support; Transfer Policies; Transfer of Functions; Africa Initiative; African Participation; Water Services Support; Operations of Water Services; and Water Services Administration.

### 3.2 STATE OF THE SECTOR

A total budget of R18 billion has been allocated for the water sector to deliver water and sanitation services to communities. This allocation includes funding allocated to other key departments like the Department of Provincial and Local Government (DPLG) and the Department of Education (DoE).

#### 3.2.1 Access to basic water supply infrastructure

The target set for the 2007/8 Financial Year was to serve 2.4 million people with basic water supply. During the

year under review (2007/08), basic water supply was provided by local government to a further 1.27 million people. Out of a population of 49.5 million people (based on an updated 2001 Census figure to the end of March 2008) there are currently 2.4 million people with no access to a basic level of water supply and a further 3.3 million people that have access to a water supply that does not meet the basic services standard. Since 1994 access to water supply infrastructure in the sector has improved from 59% to 95% (improved supply) of the population. This percentage includes all people that benefit from access to infrastructure, including those that receive services below basic supply levels, and is based on input figures supplied by DWAF, Housing and DPLG. At present 88% of the population has access to a basic level of service.

**TABLE 6: ACCESS TO BASIC WATER SUPPLY INFRASTRUCTURE (POPULATION, MILLIONS)**

PERIOD	CENSUS POPULATION	NUMBER OF PEOPLE WITH ACCESS TO WATER SUPPLY INFRASTRUCTURE*	NUMBER OF PEOPLE WITH ACCESS TO BASIC SERVICES BUT BELOW REGULATION LEVEL	NUMBER OF PEOPLE WITH NO ACCESS TO INFRASTRUCTURE	% ACCESS TO WATER SUPPLY INFRASTRUCTURE
Current (2007/2008)	49.5	47.1	3.3	2.4	95%
People served April 2007 - March 2008		1.27			
Previous Year (2006/2007)	48.9	46.0	4.0	2.9	94%
People served 1994 - March 2008		18.67			
1994	39.8	23.0		15.9	59%

**Notes for clarification:**

\* "Access to water supply infrastructure" includes people served to higher than basic Regulation level of service as well as those with "access to basic services but below Regulation level".

**Comments:**

The figures only reflect infrastructure provided and do not reflect quality of ongoing service provision. Water Supply backlog figures are Census 2001 based and updated using information obtained on projects that have been implemented across the sector. Population figures given are based on Stats SA mid year estimates and have been adjusted to reflect annual population growth. People served information is based on input from DWAF, Housing, DPLG & figures obtained from NGOs & Local Government.

### 3.2.2 Access to basic sanitation infrastructure

The target for the Financial Year was to serve 300 000 households with basic sanitation. During the year under review this target was met and exceeded as 301,824 households received access to basic sanitation services. Out of a total of 12.88 million households (based on an updated 2001 Census figure to end of March 2007) there are currently 3.5 million households without access to basic sanitation facilities. Although there has been an improvement from 49% to 75% in terms of access to sanitation, a lot of effort is required to accelerate delivery of sanitation services.

**TABLE 7: ACCESS TO BASIC SANITATION INFRASTRUCTURE (POPULATION, MILLIONS)**

PERIOD	CENSUS POPULATION	SUPPLY, BASIC LEVEL OR HIGHER	NO ACCESS TO INFRASTRUCTURE	% ACCESS TO SERVICES
Current (2007/2008)	49.5	36.1	13.4	73%
People served April 2007 - March 2008		1.12		
Previous Year (2006/2007)	48.9	34.6	14.3	71%
People served 1994 - March 2008		11.02		
1994	39.8	19.4	20.4	49%

**Comments:**

Figures only reflect infrastructure provided and do not reflect quality of ongoing service provision. Sanitation supply backlog figures are Census 2001 based and updated using information obtained on projects that have been implemented across the sector. Population figures given are based on STATS SA mid year estimates and have been adjusted to reflect annual population growth. People served Information provided is based on input from DWAF, Housing, DPLG & figures from NGO's & Local Government.



### 3.2.3 Bucket eradication

December 2007 was declared as a national target for eradication of the bucket system. The bucket eradication programme was established in February 2005 and the buckets backlog then was 252 254. This programme aimed to eradicate buckets in formal established settlements that existed prior to the dawn of the 1994 democratic dispensation. 133 953 buckets were removed in the period 2005 to 2006. At the beginning of April 2007 the backlog had decreased to 118 301. During the year under review 95 218 buckets were removed, leaving a backlog of 23 083 buckets in Free State, Eastern Cape and Northern Cape provinces. Therefore, 229 171 buckets have been removed since the inception of the bucket eradication programme. It must be noted that the national target was not met due to geological challenges. However the remaining backlog will be removed by September 2008 at the latest.

23 million poor people in South Africa 16.5 million continue to receive FBW. The Free Basic Sanitation programme has not started and Free Basic Sanitation Policy is still in the process of being developed.

**TABLE 8: BUCKET ERADICATION BACKLOG FIGURES**

BACKLOG AS AT 01 APRIL 2007	REMOVED IN 07/08	BACKLOG AS AT 01 APRIL 08	REMOVED DURING THE YEAR UNDER REVIEW
118 301	95 218	23 083	80.4 %

### 3.2.4 Free basic services

Currently 84% of the total South African population enjoys access to Free Basic Water representing a 8% increase from the previous reporting period. 97.6% of WSAs are implementing the Free Basic Water (FBW) services programme. Presently 73% of the poor population are benefiting from this service. Poor is defined as a household earning less than R800/month, except for the combined income of people who receive social grants. Of the

**TABLE 9: FREE BASIC WATER (FBW)**

PERIOD	TOTAL WSAS	TOTAL POPULATION (MILLIONS)	WSAS PROVIDING FREE BASIC WATER	TOTAL POPULATION WITH FREE BASIC WATER (%)	POPULATION WITH ACCESS TO INFRASTRUCTURE WITH FREE BASIC WATER (%)
Current (2007/2008)	169	49.5	165 (97.6%)	84%	90%
Previous year (2006/2007)	169	48.9	165 (97.6%)	76%	80%

**Comments:**

Reporting focuses only on municipalities which are Water Services Authorities (WSAs) that implement Free Basic Water.

**TABLE 10: POOR PEOPLE THAT BENEFITED FROM FREE BASIC WATER (FBW)**

PERIOD	POOR AS PERCENTAGE OF TOTAL POPULATION	PERCENTAGE OF POOR SERVED WITH FREE BASIC WATER
Current (2007/2008)	47%	72.7%
Previous year (2006/2007)	47%	68.9%

**3.2.5 Schools and clinics**

One of the targets the Department had set for the year under review was to ensure that all clinics in the country are provided with adequate water and sanitation services. This target has been met as 91 clinics (which did not have access to basic water supply), and 110 clinics (which did not have access to basic sanitation supply) have been served. A further 254 clinics that have had facilities below the required standards had their infrastructure upgraded to acceptable standards.

Out of 96 schools (which did not have access to water supply), 69 schools have been provided with basic water supply. Out of 86 schools without access to basic sanitation, 51 schools have been provided with basic sanitation.

**3.2.6 Drinking Water Quality (DWQ)**

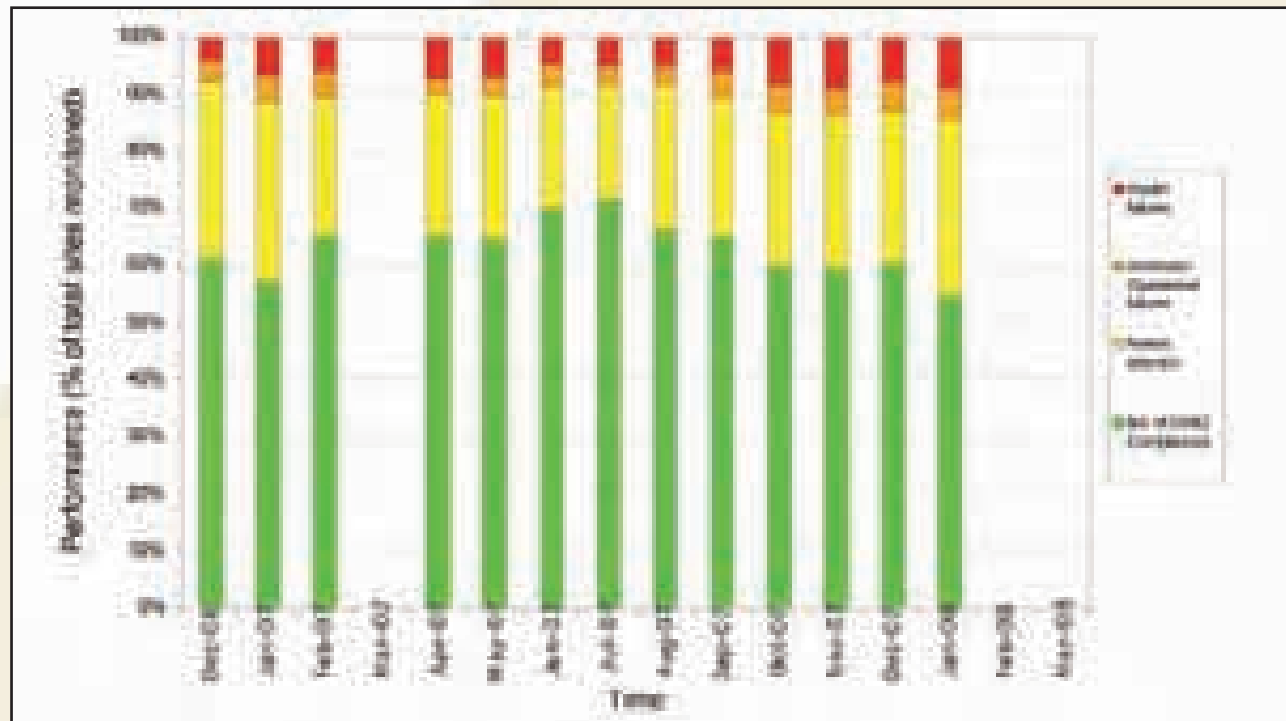
The Department developed an Electronic Water Quality Management System (eWQMS) in order to ensure efficient monitoring of drinking water quality and to have information necessary for effective DWQ regulation. Significant progress has been made as 90% of WSAs are loading data from more than 3 200 sampling points on this system. Approximately 94% of the sample points complied with the health aspects of the national standard (SANS 241). This initiative has been very successful due to intense awareness programmes as well as strengthening of partnerships and support from sector partners such as Institution of Municipal Engineering of Southern Africa (IMESA) and the South African Local Government Association (SALGA). The profile of DWQ at municipal level has been raised due to

the Department's continued interaction with Local Authorities on the importance of effective DWQ Management.

In addition to the eWQMS, DWAF also continued to conduct the Local Government self-assessment survey that reflects the views of Water Services Authorities on drinking water quality and service quality. The self assessment was extended to include waste water quality as well. This survey has proved an increased understanding of DWQ management and monitoring requirements.

The first ever South African DWQ Specialist Conference was also hosted by the Department and the World Water Monitoring Day , 18th October was initiated as an annual platform for DWQ Monitoring public awareness. Finally, a strategic assessment of the sustainability of Drinking Water Quality Management in WSAs was conducted.

**FIGURE 6: BELOW IS A GRAPHIC ILLUSTRATION OF THE NATIONAL STATUS OF DRINKING WATER QUALITY FOR THE PAST 13 MONTHS, BASED ON ACTUAL DATA**



### 3.2.7 Waste Water Quality

The first results from the Local Government self-assessment survey with regard to waste water quality indicated that 57% of WSAs do not have the appropriate licences for waste water works while 34% of WSAs have indicated that they have the appropriate licences and the remaining 9% indicated that they do not manage the works. Of the 34% of WSAs who have licences 75% indicate that they do adhere to the licence conditions. 36% of WSAs stated that their waste water works operate over their design capacity with the majority of these WSAs being in the Eastern Cape, Free State and Limpopo Provinces respectively. Of concern also is that only 46% of WSAs reported that they monitor volume of discharge at all their waste water works while only 58% stated that they monitored final waste water effluent at least on a monthly basis.

### 3.2.8 Service Quality

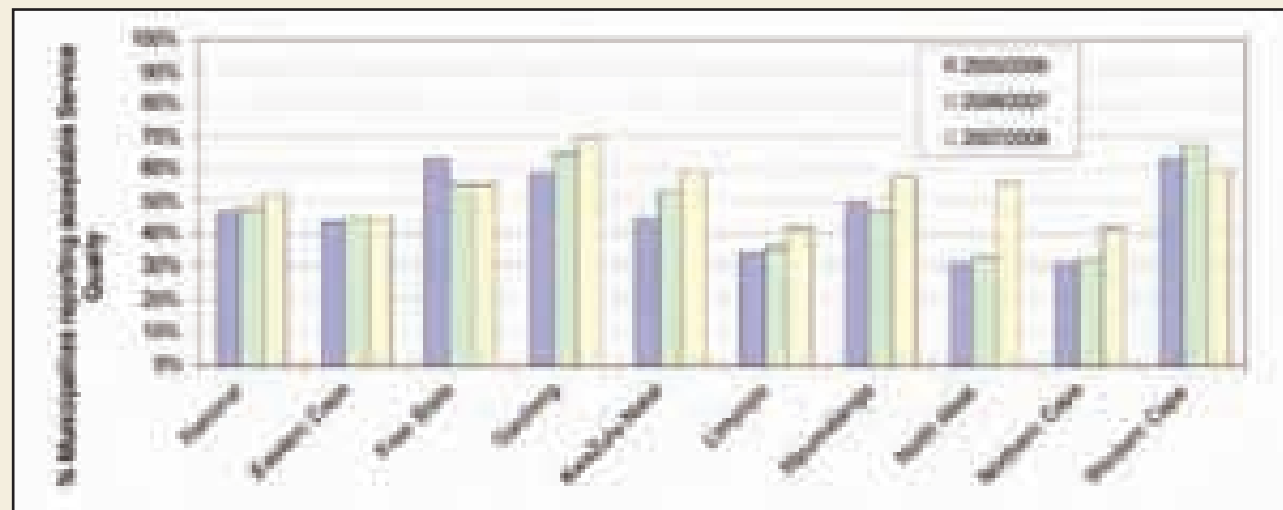
Emanating from the Local Government self-assessment survey that reflects the views of Water Services Authority on drinking water quality and service quality, it

has been determined that 53% of WSAs achieve acceptable Service Quality. This represents an improvement of 5% nationally in this reporting period for Service Quality. The improvement in the Service Quality can be attributed to the role that DWAF is playing in ensuring that the relevant issues receive top priority.

Service Quality indicators include “the existence of a customer service system; appropriate levels of staffing, equipment, resources, funding and most importantly the ability to respond to customer call-outs within 24 hours”.

The self-assessment indicated that lowest compliance to adequate Service Quality standards occurred in the Eastern Cape, Northern Cape and Limpopo Provinces respectively. Nationally and provincially, however, there is a general growing trend in improvement in compliance to the standards.

**FIGURE 7: FOR A PROVINCIAL BREAKDOWN FOR SERVICE QUALITY SEE THE FIGURE BELOW (THE VALUES QUOTED REFLECT A COMBINATION OF OUTCOMES NOT JUST THE ADHERENCE TO STANDARDS ALONE):**



### 3.2.9 Municipal Tariffs

The 2007/2008 municipal tariffs reflect the outcome of a survey that focused on 225 out of a total of 238 local municipalities. All tariffs quoted are VAT inclusive and the information includes the actual volume blocks used by municipalities. Also captured are the raw water and bulk water tariffs which influence the determination of the municipal retail tariffs.

### 3.2.10 Domestic Water Tariffs

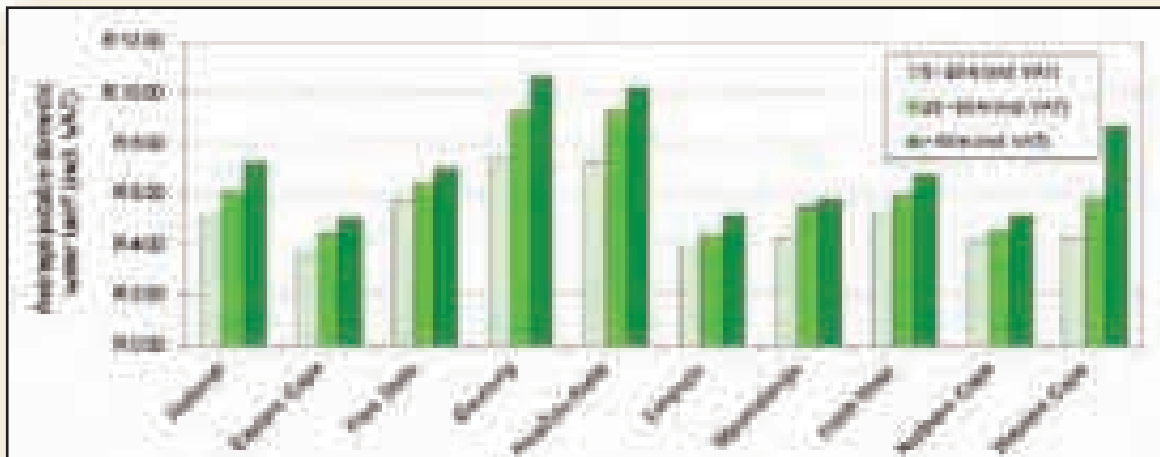
The national average domestic water tariff for 2007/2008 (including VAT) is R5-10 for the 6kl to 20kl block, R6-22 for 20kl to 60kl and R7-19 for usage above 60kl.

The highest domestic water tariffs are in Gauteng and KwaZulu-Natal. Western Cape, Free State, North-West and Mpumalanga provinces are in the middle ranges, while Eastern Cape, Limpopo and Northern Cape are on the lower end. The lower tariffs are

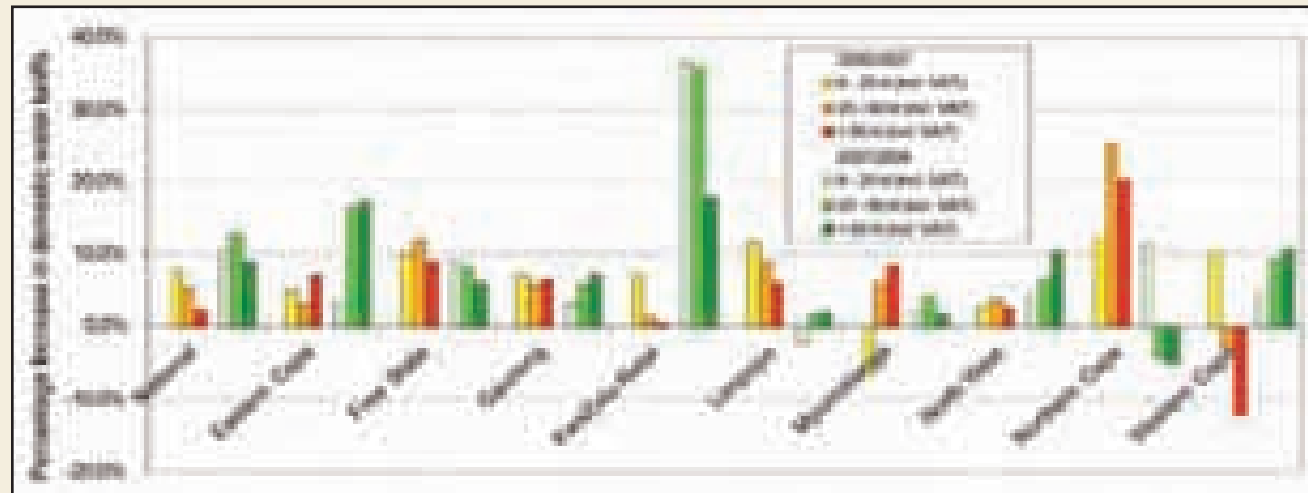
associated with areas that have a higher level of poverty and low levels of affordability. The higher tariffs in Gauteng and Western Cape are generally associated with high cost of water supply over vast distances (via inter-basin transfer schemes). Western Cape, and to some extent also Gauteng and KwaZulu-Natal, have a steep rise in their block tariffs, indicating a demand management approach.

In comparison to the 2006/2007 municipal domestic water tariffs, the average provincial tariffs for 2007/2008 increased by 11% for the 6 to 20kl block, 13% for the 20 to 60kl block and 9% for the >60kl block. The national averages for all three tariff blocks exceed the CPI of 7% for the same period. Eastern Cape and KwaZulu-Natal have the highest percentage increases, exceeding CPI, while the other provincial averages are within the CPI of 7%.

**FIGURE 8: THE AVERAGE MUNICIPAL WATER SUPPLY TARIFFS FOR DOMESTIC USERS ARE SHOWN PER PROVINCE IN THE FIGURE BELOW:**



**FIGURE 9: THE FOLLOWING GRAPH SHOWS THE PERCENTAGE INCREASE IN DOMESTIC WATER TARIFFS OVER THE LAST TWO YEARS:**



The sharp increases in the tariffs in KwaZulu-Natal (up to 35%) are linked to the ongoing drought in the province and mainly represent demand management measures that have been taken. This is also a factor in parts of the Eastern Cape resulting in an average increase of about 15% in this province. It must also be noted that both provinces had below average increases in the previous year and some correction was to be expected.

Northern Cape had the lowest increase in tariffs in 2007/2008 after it had the highest increase in 2006/2007. On average the annual increase over the two years is about 10% per annum which is higher than inflation (CPI), but back in line with national increase of 9% to 13%.

Limpopo and Mpumalanga have tariff increases below the national inflation rate (CPI). This is indicative of the low affordability for services in the area as the majority of households is indigent and relies on the Equitable Share and other cross-subsidizations. This may however also indicate that infrastructure maintenance may be under-financed which can result in degradation of assets and loss of functionality over time.

About 70% of Local Municipalities (LMs) have increased tariffs below or equal to the inflation rate (e.g. <7% per annum) with 30% exceeding CPI.

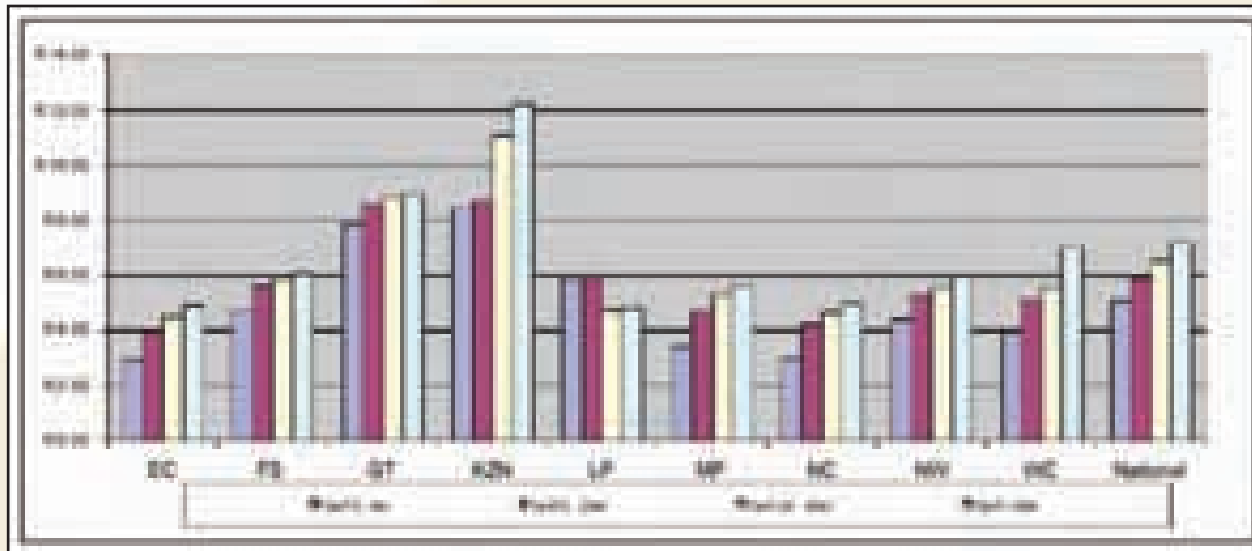
The previous two years show proportionally higher increases in the middle tiers (2<sup>nd</sup> and 3<sup>rd</sup> blocks) where the higher volume use is located. This is also indicative of cross subsidization from higher end users to lower end users.

A comparison of urban and rural municipalities shows that tariffs in rural municipalities have started to equalize with those in urban areas. The gap has narrowed to about 2% in the middle blocks and 8% in the higher blocks, favouring the municipalities with a rural dominance. Actual differences between rural and urban users within a specific municipality are however more different, with urban users paying on average 10% more on lower blocks and up to 50% more on the high blocks, which may not be generally utilized by rural users.

### 3.2.11 Commercial and Industrial Water Tariffs

The commercial and industrial tariffs increased by 15%, 22% and 24% in the 6 to 20 kl, 20 to 60 kl, and >60 kl tariff blocks respectively. This increase is substantially higher than the CPI and double the increase recorded for domestic water use, which indicates that industry and commerce are used to cross-subsidize the domestic water use sector. This is to be expected as many of the new domestic water services are for the low income and indigent customers.

**FIGURE 10: THE AVERAGE PROVINCIAL TARIFFS FOR COMMERCIAL AND INDUSTRIAL USERS ARE SHOWN IN THE FOLLOWING GRAPH:**



Gauteng and KwaZulu-Natal have the highest tariffs, while Eastern Cape, Limpopo, Mpumalanga and Northern Cape are on the lower end. KwaZulu-Natal has the highest annual increases of 45% in the lower blocks up to 80% in the higher blocks serving as aggressive demand management measures to manage water shortages under the current drought conditions in the province. The national average ranges from R5-00 to R7-00 per kl.

### 3.2.12 Sector Operating Expenditure

The total Sector Operating Expenditure is estimated at R22 billion with R14,4 billion for water supply and R7,6 billion for sanitation. Operating expenditure is calculated using the Municipal Services Model and various other information sources, such as the Division of Revenue Act (DoRA), Municipal budgets and

National Treasury and specific case studies undertaken by DWAF. Approximately R17,4 billion of this amount comes from user charges including cross-subsidisation, up to R1,1 billion from the DoRA conditional grant, and the remaining R3,5 billion from the Water Services portion of the Equitable Share. About 55% of the expenditure (R12 billion) is used by the six Metros and the remainder is roughly split R7,5 billion for Local Municipalities and about R2,4 billion for District Municipalities.

**TABLE 11: ESTIMATED ANNUAL WATER SERVICES OPERATING EXPENDITURE (R MILLIONS)**

PERSPECTIVE	WATER SUPPLY (MILLION)	SANITATION (MILLION)	TOTAL FOR 2007/2008 (MILLION)
National	R14 419	R7 655	R22 074
Eastern Cape	R956	R997	R1 953
Free State	R1 311	R1 030	R2 341
Gauteng	R5 225	R1 310	R6 535
KwaZulu-Natal	R2 478	R838	R3 316
Limpopo	R733	R295	R1 028
Mpumalanga	R732	R481	R1 213
North West	R834	R578	R1 412
Northern Cape	R293	R223	R516
Western Cape	R1 856	R1 903	R3 759



## 3.3 ACHIEVEMENTS

### 3.3.1 National Transfers

About 97% of the targeted schemes have been transferred and the remaining 3% is in the final stages. In excess of 45% of the targeted transfer of local government employees has been transferred.

In addition, measures have been introduced to improve the monitoring and reporting of the Water Services Operating and Transfer Subsidy by the receiving WSAs.

### 3.3.2 Regional Bulk

During the period under review, the Department was given a new task to implement the bulk infrastructure programme. The focus of the Water Services Regional Bulk Infrastructure fund is on regional and local bulk water supply and sanitation services. This includes “enabling infrastructure” required to connect water resources over vast distances with bulk and reticulation systems. The Department served as an intermediary to facilitate integrated planning and implementation of large multi-institutional regional bulk infrastructure projects through the involvement of all stakeholders.

An amount of R1, 4 billion over a three year period was allocated of which R300 million was earmarked for 2007/8 financial year.

The policy and guideline for feasibility studies have been developed and approved by the key sector stakeholders such as DPLG, Treasury and SALGA. 31 projects have commenced and 50 have been identified for feasibility studies.

### 3.3.3 Sector Policies, Regulations, Guidelines and Strategies

The following achievements have been recorded in the year under review:

- Development of the Draft National Water Services Regulation Strategy.
- Development of the revised draft of the Revised Water Services Bill, although its approval is pending the completion of the institutional realignment process.
- The Department facilitated the adoption and approval of a Joint National Water Services Sector Support Strategy. This led to the development of an implementation plan to ensure the implementation of the strategy.
- A draft Institutional Reform Strategy for water services institutions in their water services delivery was also developed.
- Development of an infrastructure asset management strategy.
- Development of the draft Intergovernmental Relations Framework.
- Development of a draft strategy – discussion document for mainstreaming HIV/AIDS in the water sector. This was adopted by the HIV and AIDS Core Group (Sub Committee of the Water Sector Leadership Group).
- Development of the Good Practice Report on Free Basic Services, billing systems, meter reading and tariff structures.
- Development of model by-laws for credit control and debt collection and bulk water supply contract between a WSA and WSP.
- The National Benchmarking Initiative (NBI) has improved and 40% of all WSAs covering 75% of all households in the country are now participating.
- Development of the draft Guideline for Debt Management of Water Boards.
- Development of a guideline on multiple uses of water to support municipal planning.

### 3.3.4 Sector Assessment

Nineteen municipalities have agreed to participate in the piloting phase of the Regulatory Performance Measurement System (RPMS) project.

A number of WSA assessments were completed for water tariffs, waste water quality, service quality as well as the sustainability of drinking water quality management in WSAs.

### 3.3.5 Masibambane

The Masibambane programme which means working together is a catalyst programme which enabled integrated and collaborative approach in the sector, thus the achievement of sector objectives.

The Financing agreement for Masibambane 3 amounting to R68 billion has been signed. The Theme for Masibambane 3 is "Water for Growth and Development" which integrates both water services and water resources which shifts the focus from provision of basic services or eradication of backlogs to being a catalyst for economic growth and development. A draft concept document on Water for Growth and Development (WFGD) has been developed.

### 3.3.6 Local Government Support

The Department continued with its extensive planning support through the development of Key Performance Indicator Structure reports for each WSA as input in the IDP review process, and the development of backlog eradication strategies for each WSAs. The Department also provided technical assessments of all new MIG projects for water supply as well as sanitation and completed a WSDP status quo report for each WSA.

The Water Sector Coordinating Unit responsible for deployment of technical expertise to municipalities has been established. Eight technical experts were deployed to needy municipalities.

The Department continues to forge partnerships with private sector institutions such as Development Bank of South Africa and other role players. This initiative

has resulted in development of support models and initiation of studies that are intended to address skills shortages in the water sector.

"A Water Services Authority Legislative Handbook" which is a tool that will be an enabler for regulatory support and reinforcement of regulations and compliance was also published during the year under review.

Support programmes are currently being provided to municipalities that incorporate the approaches of the Joint Water Services Sector Support Strategy. The profile of the Water Services Provider Support Programme increased and 4 pilot municipalities were identified to test the approach.

Successful support was offered to some needy municipalities that required major intervention in terms of governance of the water business and general capacity to deliver services. To ensure efficient management of water and sanitation services, the Department paid special attention to supporting municipalities in developing their by-laws. Provinces like Kwa-Zulu Natal and Free State benefited from this initiative.

### 3.3.7 Provision of basic services

Since 1994, 18.67 million people have been provided with basic water supply and 11.02 million people with basic sanitation.

Currently 84% of the total South African population enjoys access to Free Basic Water representing a 8% increase from the previous reporting period. 97.6% of WSAs are implementing the Free Basic Water (FBW) programme. Presently 73% of the poor population are benefiting from this service.

### 3.3.8 Vuna Awards

The Department's commitment to supporting local government, was again highlighted when Vuna Award in recognition of effective and best support to local government was awarded to the Department by the Centre of Public Service Innovation for the second consecutive year.

### **3.3.9 Sector collaboration & Intergovernmental Relations**

Given the centrality of water in all development initiatives, focus in the last financial year has been on assisting provinces with the development of their Provincial Growth and Development Plans and ensuring that such plans take into cognizance availability. Six (6) provincial water sector plans which are aligned to Provincial Growth and Development Strategies have been developed and adopted by Provincial Governments. Eight provincial sector forums composed of provincial sector partners have been established.

The National Water Sector Plan for 2007/2012 which is in line with Masibambane 3 Financing Agreement themed "Water for Growth and Development" was launched.

### **3.3.10 HIV and AIDS Mainstreaming in the Water Sector**

The HIV and AIDS Expert Group (consisting of 12 Water Boards) to assist the water boards with the development of the HIV and AIDS workplace policies was established. The SAAWU CEO was tasked to champion the programme.

The Water Utilities HIV and AIDS internal mainstreaming best practice model document was developed. Also, an HIV and AIDS Best Practice model Dissemination workshop was successfully held.

The Department also presented the HIV and AIDS internal mainstreaming programme to SAAWU EXCO for buy-in and support and partnered with other partners like Amanzi Statutory Counsel (ASC) Organized Labour.

The Department further organized a successful international conference on HIV and AIDS in the Water Sector in collaboration with CSIR.

Activities were undertaken to continue to strengthen collaboration with other departments including the HIV and AIDS Directorate at the Department of Health, and the Employee Wellness Programme within the Department.

An internal HIV and AIDS Committee to look into both internal and external HIV and AIDS Mainstreaming issues within the Department and the sector was established. This committee will report first to the South African National Aids Council and then to the Deputy President's Office.

### **3.3.11 Civil Society Organisations Participation**

- The CSO Capacity Building program was implemented to facilitate for a meaningful involvement of this group in the sector. This has facilitated the existence of an organized CSO sector with which engagements on policy and strategies can be made.
- There has been active participation and engagement of CSOs in the development of the Water Services Regulation strategy, Africa Conference and Water for Growth and Development process.
- Advocacy and service delivery streams are working collaboratively to implement and advocate sector issues with one voice.
- The CSO Advocacy strategy was developed and is to be rolled out in the new financial year.

### **3.3.12 2010 FIFA World Cup**

As part of the Intergovernmental task team to ensure the effective hosting of the 2010 FIFA World Cup, DWAF has drafted and finalised a water sector business plan and implementation strategy. This business plan will look at the following aspects: adequate water and sanitation services, public toilets and greening in host cities.

All 2010 hosting cities have been furnished with Water Safety and Security Plans.

### **3.3.13 Public Awareness and Education**

Curriculum aligned educational resource materials for Grade R-9 have been developed which will enable educators to teach learners about water, sanitation and forestry related issues. 2 268 schools have been reached through Baswa le Meetse Competition programme, South African Youth Water Prize, Celebration of special days such as Water Week, Sanitation Week, Arbor Week, Weedbuster Week, World Environmental Day etc. The Department invests in these programmes as they are powerful tools of creating awareness on water and forestry management issues and they stimulate the learner's interest in taking careers in the associated fields.

### **3.3.14 NEPAD/Africa Support**

The Department developed a framework to support SADC and NEPAD for the mobilisation of private sector partnerships for the attainment of the Millennium Development Goals. Further, collaboration was established with the SADC Water Division, Network for Advocacy in Water Sector Issues (NAWISA) African Civil Society Network on Water (ANEW) for addressing MDGs. Furthermore, a SADC Regional Model for Good Practice learning and sharing was developed.

Linkages with Nepad Business Foundation for funding of SADC regional Capacity building and other initiatives were established during the period under review. Preparations are underway to take over the chairship of the SADEC Water Desk.

### **3.3.15 Sector Information Management**

An update of the Water Services National Information System was completed and a number of new management systems were developed, i.e. the Regulatory Performance Measurement System, the Water Services (WS) Information Management System, the Drinking Water Quality Regulatory System, the Regional Bulk Infrastructure system and the WS Strategic Assessment system. In addition, a Local Government perspective was added to the datasets.

### **3.3.16 Sector Monitoring, Evaluation and Reporting**

A Water Sector Monitoring, Evaluation and Reporting Strategic Framework which is aimed at creating an enabling environment for effective and efficient monitoring, evaluation and reporting of water sector programmes has been developed.

The Department successfully implemented the second annual Water Sector technical spot check. It pertains to the assessment of standards, quality and norms of water and sanitation infrastructure in South Africa.

Monitoring and Evaluation Units have also been established in the Department as a result of the successful implementation of the strategic framework.

The Department also conducted the Annual Water Services Consumer Survey; Final Evaluation of the Masibambane II Programme and Impact Assessment of the Implementation of FBW Policy.

### **3.3.17 Support to Water Services Institutions**

The Department has facilitated the resolution of the dispute between Umgeni Water and Msunduzi municipality pertaining to the Darville Waster Water Treatment Works.

### **3.3.18 Capacity Building, Training and Skills Development**

The External task team workshop on the 2025 Vision for Human Resource Development (HRD) was held in March 2008 and a programme of action was developed to guide the sector and to ensure that the vision is met in the remaining seventeen years before year 2025.

Support was provided to the Energy and Water Sector Education and Training Authority (EWSETA) and assistance was also provided with the appointment of the Water Chamber Manager at the EWSETA.

Collaboration with other directorates on the development of material for the Councillor Development programme was completed, and a similar strategy will be used during the implementation phase. Curricula for qualifications of operators and facilitators was developed.

### 3.3.21 Job Creation

The Department initiated a job creation programme through the Sanitation programme aimed at creating jobs whilst providing basic sanitation. The programme was piloted in the Eastern Cape, Free State and Limpopo. As a result 127 000 jobs were created through the sanitation programme.

## 3.4 CHALLENGES

- Building effective and sustainable infrastructure development capacity at local government level continues to pose a challenge.
- Alignment of service delivery plans between government departments to ensure integrated approach to service delivery is a challenge which needs urgent attention.
- Availability of reliable data which is a basis for planning is a major challenge.
- Fragmented or misaligned reporting and monitoring systems which result to inconsistent and contradicting figures in terms of service delivery, backlog figures etc. However, the sector departments through Masibambane III have embarked on an initiative that will address this. The creation of a single consolidated monitoring and evaluation system that tracks service delivery, backlog reduction and the broader sector targets will facilitate accurate, consistent and verifiable data for the sector.
- There continues to be discrepancies in terms of backlog figures. The Provincial Departments of Education dispute the backlog figure provided in the National Education Infrastructure Management System (NEIMS) which was completed in 2007. The National Department of Education was then requested to up-date backlog figures provided by the NEIMS database and this process is not moving at a required pace.
- The Regional Bulk programme started late and the implementation progress has been slow. Lack of capacity and resources in regions were identified as contributing to the inefficiencies in WSDP completion, Local Government support (FBW, WSDP, DWQ) and technical reviews.
- Lack of collaboration between sector stakeholders and inadequate funding allocation continue to hamper efforts aimed at the attainment of targets at a regional level.
- The Department continues to face a challenge with getting stakeholders to commit and implement initiatives. The Water for Growth and Development programmes have also encountered critical issues that could not be addressed due to limited time and variety of stakeholders. Intergovernmental planning is a challenge since there is a lack of commitment from other stakeholders.
- Concerns around the water sector regulation model were raised during the consultation phase of National Water Services Regulation development strategy.
- The appointment of the Regional support managers in Regional Offices could not be undertaken within the specific time frames due to internal human resources issues. The implementation of the Joint National Water Services Sector Support strategy has also been difficult.
- There has been a delay in responding to WSP challenges due to internal human resources issues in the Municipalities, but through close collaboration with the Water Service Sector Coordinating Unit, this challenge will be resolved.
- Little progress has been made with the SADC programme due to slow response from the SADC water division on funding issues.

**PROGRAMME 3: WATER SERVICES: KEY OUTPUTS AND SERVICE DELIVERY TRENDS**

SUB PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
Ensure provision of basic services	Basic sanitation and water services provided to all	Number of buckets eradicated in the formal settlements	100% of buckets backlog eradicated in the formal settlements	95 218 buckets eradicated (80.4 %)  23 083 not met in Free State, Eastern Cape and Northern Cape provinces due to geotechnical problems and delays in procurement processes, shortage of materials and competing needs in terms of labour, non acceptance or rejection of technology such as dry sanitation system by communities and municipalities
		Number of clinics provided with water and sanitation services	100% of clinics backlog eradicated by December 2007	100% (91) clinics without access to basic water supply served
				100% (254) clinics which had inadequate basic water supply provided with adequate basic water supply
				100% (110) clinics without access to basic sanitation facilities served
Number of people with basic sanitation services	300 000 <sup>2</sup> households provided with basic sanitation services	101% 1.12 million people served (301 824 households)		
	The number of households reached through health and hygiene education programme	800 000 households reached through health and hygiene education programme	Reached 17 560 households (3% of the target)  (Inadequate budget and non prioritisation of health and hygiene by municipalities during budget allocation)	



SUB PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
Ensure provision of basic services (cont)		Number of schools provided with water and sanitation services	5% of schools backlog eradicated	69 schools without access to basic water supply served, out of 96 which was a target 72% out of 96  51 out of target (86) of schools which did not have access to basic sanitation served 60% (Priority was given to clinics in terms of budget that was allocated by Treasury – sector decision)
		Percentage of total number of schools reached through education program on water conservation, sanitation and forestry	10% (3300) of total number of schools reached through education program on water conservation, sanitation and forestry	69% (2268) of the schools reached through 2020 Vision Programme  Developed curriculum aligned educational resource materials for grades R-9 (Educators Strike)
		Number of people provided with basic water services	2.4 million people provided with basic water services	1.27 million people served (Inadequate budget allocated in MIG)
		Free Basic Water and Sanitation Services provided to those who have access to basic services	Free Basic Water provided to 50% of population with basic water services	84 % of the population with access to basic services is provided with free basic water
	Local Government Support plan implemented	Improved basic service delivery by municipalities	DWAF local government support plan aligned to DPLG five year strategic agenda	Developed and implemented DWAF local government support plan aligned to DPLG five year strategic agenda  Developed Municipal Support Plans and backlog acceleration strategies  Deployed eight engineers to needy municipalities  Supported municipalities in the development and implementation of Water Services Development Plans

SUB PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
<b>Ensure provision of basic services (cont)</b>	Regional Bulk Infrastructure developed and implemented	Sustainable infrastructure	Approved policy and guidelines to ensure the provision of sustainable regional bulk infrastructure	Developed and implemented Policy and guidelines
			40 projects implemented	31 projects commenced 50 projects identified for feasibility studies
<b>Drinking Water Quality Management</b>	Compliance of water service authorities with drinking water quality standards	Percentage of water services authorities complying with drinking water management standards	100% of water services authorities submit reports to DWAF; support provided to needy municipalities	94% of sampling points comply with Drinking Water Standards (SANS 241)
				Drinking Water Quality Management System implemented in all WSA's
				90% of Water Services Authorities report on compliance
				100% of WSA's completed the self-assessment on Drinking Water Quality, Waste Water Quality and Service Quality
<b>Water Sector Policies and Regulations</b>	Legislation aligned to strategic framework for water services	Water Services legislations reviewed	Promulgation of the revised Water Services Act	Developed Revised Water Services Bill (Pending until Institutional Realignment has been completed before project can proceed)
			Regulatory Strategy developed	Developed Draft Regulatory Strategy (Awaiting sign-off)
			Institutional reform strategy developed	Draft Institutional Reform Strategy developed (Pending the finalisation of the Institutional Realignment process)
			Free Basic Sanitation Policy	Developed Draft Free Basic Sanitation Policy (Awaiting comments from SALGA before final submission to Minister)

<sup>2</sup>This figure has been adjusted to reflect what could be achieved within the available MIG funding, as opposed to the 800 000 that was reflected in the Strategic Plan.



SUB PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
Ensure provision of basic services (cont)			Strategic Assessment of Sanitation Policy	Completed Strategic Assessment of Sanitation Policy
Water Sector Support	Water sector institutions executing their legislative functions as stipulated by the Water Services Act	Percentage of water sector institutions operating effectively and improved performance	Improved performance by 25% of water sector institutions	<p>58% of municipalities have water services by-laws in place</p> <p>80% of WSA have draft Water Services Development Plans of which 72% are reporting on it</p> <p>53% of WSAs monitor water services provision by Water Services Providers</p> <p>Database of contracts between WSAs and Water Services Institutions developed</p> <p>Water Sector Monitoring, Evaluation and Reporting Strategic Framework</p> <p>Implemented the 2<sup>nd</sup> annual Water Sector technical spot check pertaining to the assessment of standards, quality and norms of water and sanitation infrastructure in South Africa.</p> <p>Conducted the Annual Water Services Consumer Survey;</p> <p>Conducted final evaluation of the Masibambane II Programme</p> <p>Impact Assessment of the Implementation of FBW Policy.</p>
			Sector support strategy and implementation plan developed and implemented	<p>Developed sector support strategy developed</p> <p>Developed Implementation plans</p>

SUB PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
Water Sector Support (cont)			Intergovernmental relations act implemented	Finalised 6 provincial sector plans – signed by MEC's of Provincial and Local Government  Launched National Water Sector Plan which is in line with Masibambane 3 financing agreement  Established 8 provincial water sector forums
			Mobilise international support through Masibambane 3	Signed Financing Agreement (EU Contribution € 107 m over 3 yrs) of the Masibambane III Programme
Transfer Policies and Transfer of Functions	Water schemes transferred	Number of schemes transferred	317 schemes transferred	Transferred 1701 schemes including rudimentary schemes
		Number of agreements in place	60 agreements in place	Signed 56 agreements
		Percentage of schemes refurbished	100% schemes refurbished	Refurbished 46% schemes (Lack of capacity to finalise refurbishment plans by affected WSAs)
		Number of staff transferred	7 000 staff members transferred	Transferred 45% (3 157) staff members to municipalities and , seconded 3 500  (Challenges in concluding negotiations with unions)
Operations of Water Services	Reliable and sustainable supply provided for basic use and economic development	Percentage water supplied for basic use and economic development	80% compliance	
African Initiative and Participation	Support to water services programmes in Africa supported Sustainable Development targets	Participation in international forums	Case studies discussed at Regional Workshop	Presented case studies on best practice models on water and sanitation in the regional workshop

SUB PROGRAMME	OUTPUTS	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
African Initiative and Participation (cont)			14 SADC countries participating in training	7 SADC Countries participated in the training (Insufficient funding from the SADC Water Division)
			Host Conference	Coordinated the African Conference in Feb 08
			Provide support to NEPAD initiatives	<p>Developed a framework to support SADC and NEPAD initiatives in order to achieve Millennium Development Goals</p> <p>Established collaboration with the SADC Water Division, Network for Advocacy in Water Sector Issues (NAWISA) African Civil Society Network on Water (ANEW)</p> <p>Established linkages with NEPAD Business Foundation for funding of SADC regional Capacity building and other initiatives</p> <p>Developed SADC Regional Model for Good Practice learning and sharing</p>

## 4.1 INTRODUCTION

The Forestry Programme aims to ensure the sustainable management of all forests, woodlands and plantations and their commercial and community use to achieve social and economic benefits; and to advance rural development, through policy development, regulation, facilitation, monitoring and evaluation. The vision for Forestry is to create an enabling environment for economic and social development through sustainable forest management, especially at a local level to ensure forests are managed for people. There are 12 sub-programmes, which reflect the organizational restructuring the Department has undergone by moving away from direct management, towards the development of policy, regulation, facilitation, monitoring and evaluation. During the 2007/08 Financial Year the Department developed, initiated and implemented specific projects and programmes to give effect to the organizational restructuring.

The Forest Sector Broad-Based Black Economic Empowerment (BBBEE) Charter, the forestry sectors growth, development and transformation strategy; the expansion of the forest estate; the transfer of refurbished plantations; the improvement of livelihoods through greening and forestry-related enterprise development; and the implementation of the National Forests Act, 1998 (Act No 84 of 1998) and the National Veld and Forest Fire Act, 1998 (Act No 101 of 1998) are the cornerstones of the Programme's activities.

## 4.2 SUB-PROGRAMMES

The following 12 sub-programmes represent the responsibilities of the Department in terms of Programme 4:

- (i) *Forestry Oversight* develops policies to support sustainable forest management, oversees the sector and ensures that policy and law are coherent at all levels of Government. This includes international liaison on sustainable forest management and governance.
- (ii) *Forestry Governance* supports sustainable forest management by monitoring forestry management and ensuring that there is sufficient capacity at a local level for the implementation of forestry legislation.
- (iii) *Forestry Development* develops strategies and forest enterprise development programmes that support BBBEE and that enable communities to make use of tree and forest resources to improve their livelihoods. This includes international liaison, which promotes forestry development in South Africa, in the SADC region and on the African continent.
- (iv) *Community Empowerment* supports the implementation of programmes that enable communities to participate in the benefits of forestry to generate economic growth and sustain livelihoods.
- (v) *Fire Regulation and Oversight* supports rural socio-economic development through developing systems and strategies for preventing, managing and monitoring veld and forest fires.
- (vi) *Fire Governance* provides technical advice to, and support for, the organisation and operation of local institutions to prevent veld

and forest fires and to achieve goal fire management in general.

- (vii) *State Forest Transfer and Regulation* deals with the transfer, and post-transfer administration and regulation, of state forests. It includes the management of delegations and legal agreements on state forests and the collection and management of lease rentals.
- (viii) *State Forest Administration and Oversight* implements and negotiates the transfer of state forests and monitors the post-transfer management of forests and relations with stakeholders.
- (ix) *State Forest Management* deals with the sustainable development and management of state forests by the Department to optimise their social and economic and environmental benefits.
- (x) *Sustainable Forest Management* ensures the sustainable management of state forests to optimise social and economic benefits in rural areas and to ensure the participation of stakeholders.
- (xi) *Forestry Management and Support* funds efficient general administration and management support for the overall programme.
- (xii) *Forestry Support Services* provides technical, financial and general administration support for regional forestry activities.

## **4.3 ACHIEVEMENTS AND CHALLENGES IN TERMS OF SELECTED OUTCOMES**

### **4.3.1 Forest Sector BBBEE Charter**

The Forest Sector BBBEE Charter seeks to broaden participation in the sector for economic growth and to better represent the demographics of the country.

In November 2007, the Steering Committee approve the text of the Forest Sector BBBEE Charter document which reflects amendments based on the public participation process. The Charter has been submitted for independent third party analysis, subsequent to which it will be published in the Government Gazette in terms of Sections 9 and 12 of the Broad-based Black Economic Empowerment Act, 2003 (Act No 53 of 2003).

The Minister appointed the Charter Council and the Charter Council Chairperson. The Charter Council is responsible for monitoring and overseeing the implementation of the Charter. The Council will operate as an independent entity with its own Secretariat and support staff. In the interim, the Department will assume the role of the Council's Secretariat until the Council is fully functional and has its own support staff in place. Plans are underway to ensure that the first meeting of the Council takes place within the first quarter of the 2008/9 Financial Year.

The Department has the responsibility to implementing a cooperative government initiative involving different Government Departments and levels of government to ensure that various Government undertakings in the Charter are implemented in a coordinated manner. The Department is in the process of establishing the Forest Charter Implementation Unit (FCIU) that will assume this responsibility. The role and functions of the FCIU have already been approved by the Branch, while the structure of the Unit is still under discussion.

Delays in the finalization of the Forest Sector Charter were due to the protracted negotiations during the public participation process involving cross-cutting issues to be resolved and various Government Departments. Issues that had to be resolved included aforestation licensing, land tenure reform and the impact of various industry score cards on the forestry sector. The Department managed to resolve these issues with the forestry industry, with the assistance of the Departments of Land Affairs and Trade and Industry and the signing of the Charter will take place within the first quarter of the 2008/09 Financial Year.

### **4.3.2 Afforestation**

The Department initiated a National Afforestation Programme in response to the need to expand the timber resource to minimise timber imports and to optimise enterprise development opportunities in the Timber Production and Processing Sector. Afforestation, which is the development of new forests, is required to meet both the domestic and global demand for wood and timber products. Recent studies indicate that about 785 000ha of new afforestation will be required to make up the country's timber shortfall.

The programme features prominently in the Forest Sector BBBEE Charter, and offers opportunities for new entrants into the sector. The Forest Sector Transformation Charter stipulates that 10 000ha need to be planted annually over a period of ten years to meet the Sector's economic needs. KwaZulu-Natal and Eastern Cape were identified as the two areas in which the afforestation should take place, although the rest of the country would also be evaluated to determine the potential.

The Afforestation Programme is, however, battling to take off due to the complexity of the authorization process. Lack of communication among the key role players (both internal and external) aggravates the problem. The success of the programme is also dependent on the willingness of the landowners to release the land for afforestation. It has been established that communities that have suitable land for afforestation are not aware of the programme and have limited knowledge of forestry and its economic opportunities.

The Department therefore developed an Afforestation Communication and Community Mobilization Strategy aimed at awareness raising and understanding of the afforestation programme, ensuring input and participation by key stakeholders, and gaining the support and buy-in of the communities (landowners).

New afforestation in KZN has been a problem because most of the role-players and service providers were unable to make an informed decision when it comes to afforestation licensing issues. The streamlining of initiatives was of great assistance to produce maps which indicated the potential areas of afforestation in KZN for Small-scale Timber Growers. These maps indicated that there are 40 000 ha available for afforestation in the province, but it was subsequently realized that wetland areas, roads, slopes, depth of the soil and rocky areas were not taken into consideration when the maps were compiled. This exercise is currently under review.

In the Eastern Cape the establishment of the Licence Advisory Assessment Committee resulted in the streamlining of the licensing process. The Department developed Forestry Development Protocols for the Eastern Cape, with the specific purpose to provide guidelines that facilitate private sector engagement with communities in terms of afforestation and other development initiated in a way that is acceptable to various spheres of government that play a role in the Eastern Cape, and which are aligned with the developmental objectives of the country. These protocols were adopted by the Forestry Functional Management Committee. The Afforestation programme has also been successfully been incorporated in the Provincial Growth and Development plan.

**TABLE 12: AFFORESTATION LICENCES (KZN & EASTERN CAPE)**

	COMMUNITIES	PRIVATE SECTOR
Number of applications received	56	101
Number of licences issued	21	16



### **4.3.3 Million Trees Programme**

The Department's national greening strategy was reviewed in 2007. The new strategy broadened the scope of the greening function to cover the planting of fruit trees and indigenous trees with communities, public institutions and other Government Departments. The strategy also covers tree planting as part of the preparations for the 2010 FIFA World Cup and the Department also continue its discussions with municipalities to integrate greening and other forestry initiatives into their Intergrated Development Plans.

During the 2007 Arbor Week launch event, the Million Trees Programme was launched by the President. The aim of the programme is to plant at least a million trees per annum and since its inception, the Million Trees Programme managed to plant 501 000 fruit and 145 000 ornamental indigenous trees country wide. These figures include the trees that were planted by the projects being assisted by the Department and by other organisations.

While the majority of the trees were obtained from commercial nurseries, considerable efforts were made to source trees from small community-based nurseries. Although the procurement of trees from established commercial nurseries creates employment in the sector, small nurseries need to be boosted financially and capacitated to improve their ability to constantly produce good quality trees, resulting in a more secure income. The Department is in the process of addressing the matter. A number of small nurseries in Limpopo and the Free State were able to supply trees for the programme.

Information pamphlets on the planting, care and maintenance of fruit trees have been produced and distributed during 2007 and these information pamphlets will be translated in two indigenous languages to make the information available to a wider spectrum of the population.

### **4.3.4 Implementation of the National Forests Act, 1998 (Act No 101 of 1998) (NFA) and the National Veld and Forest Fire Act, 1998 (Act No 84 of 1998) (NVFFA)**

In terms of the NFA, the regulations for forest management have been finalized in 2007. These regulations will compel the Forestry sector to report in terms of the Criteria, Indicators and Standards reflected in the regulations. A professional service provider was appointed to conduct a feasibility study on the establishment of the Enforcement Unit within the Forestry Branch as a potential means of improving the Departments capability to monitor compliance and enforce the NFA and NVFFA. The results will be available in the first quarter of the 2008/09 financial year. The Department also initiated a process to translate regulations into a second official language.

In terms of the NVFFA total of 34 Fire Protection Associations (FPAs) were registered in high to extreme fire risk areas with an area cover of 6 million hectares and 3 FPAs registered in low to medium veldfire risk areas by March 2008. The National Veldfire Information System (NVIS) is operational and being used to capture fire incidents. It has also been modified to allow capturing of fire incidents outside FPA areas. Full implementation of the National Fire Danger Rating System was not achieved during 2007/08, due to problems encountered with the output of the system. An agreement has been reached with the United States Forest Service in the last quarter of 2007/08 to assist South Africa with the implementation of the system.

### **4.3.5 Commercial plantations**

The commercial plantations remaining under the Department's management measures approximately 60 000 ha in extent and these areas are managed with the aim of improving their



condition for eventual transfer to new recipients in terms of the land reform process. Management within the context of best practice management has continued, but the major challenges are to improve their condition in terms of restocking the unproductive land and improving the road network within budgetary constraints. A process has been initiated to establish the exact requirements in terms of refurbishment and to outsource the management of the category B and C plantations, and various models are being considered. The implementation hereof is envisaged to take place in the next financial year (2008/09). Some of the category B and C plantations are seen as opportunities for strengthening local economies and to achieve the objectives in terms of the Forest Sector BBBEE Charter.

The Department, similar to the wider Forestry Sector, was also subjected to extensive fire damage from wild fires. The fire season was once again a challenging one, similar to the previous year. The departmental plantations in the Eastern Cape experienced numerous fires. Fortunately the damage in KZN and Mpumalanga was surprisingly limited compared to the damage on plantations in the private sector.

### **4.3.6 Reports published in 2007/08**

#### **State of the Country's Forests report**

The State of the Forests (SoF) report covering the years 2004 – 2006 was finalized and the Minister reported on the status of South Africa's forest to Parliament in compliance with Section 6(3) of the National Forests Act, 1989 (Act No 84 of 1998) (NFA). In terms of the NFA the report must be produced every three years and the Department initiated the process of information gathering in 2007 to enable it to produce the next report, due in 2009. The Department aims to improve the quality of the information in the next SoF report through the publication of regulations in terms of the NFA compelling the sector to report in terms of Criteria, Indicators and Standards.

#### **Commercial Timber Resources and Primary Roundwood Processing Report**

The annual report for 2005/06 was produced in 2007 and distributed to over 2 300 stakeholders currently in the forestry database. The report was also provided to all Legal Deposit Libraries, including the Library of Parliament.





**PROGRAMME 4: FORESTRY: KEY OUTPUTS AND SERVICE DELIVERY TRENDS**

**PROGRAMME 4: FORESTRY: KEY OUTPUTS AND SERVICE DELIVERY TRENDS**

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Forestry Oversight and Governance	Regulations in terms of the NFA for forestry management published	Regulations in place for forest management and amended as necessary	Regulations gazetted, public comment taken and considered	<ul style="list-style-type: none"> <li>• Draft Regulations reviewed and finalized</li> <li>• Initiated a process to translate Regulations into the second official language</li> <li>• National list of Champion Trees (protected under section 12(1)(a) of the National Forests Act) revised and updated for gazetting</li> <li>• Process to declare De Hoop Dam initiated</li> <li>• Mapping of Kathu forest completed and proposal for gazetting Kathu as protected woodland submitted</li> <li>• Red Data natural forest species listed for biodiversity protection purposes</li> <li>• Forest sub type classification for three forest types completed</li> <li>• Forest Threatened Ecosystems listed for integrated biodiversity planning under the National Biodiversity Strategy &amp; Action Plan (led by DEAT)</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Forestry Oversight and Governance (cont)				<ul style="list-style-type: none"> <li>• Forest conservation target review completed</li> <li>• Selected long term natural forest monitoring plots surveyed</li> </ul>
	Policy for provision of financial support through the National Forests Act published	<ul style="list-style-type: none"> <li>• NFA Financial support policy approved by FFMC</li> <li>• Approval of the Forestry Support Fund by Treasury</li> </ul>	<ul style="list-style-type: none"> <li>• Agreement with key stakeholders on need for funding</li> <li>• Treasury submission for the establishment of the Forestry Support Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Need for Forestry Support Fund agreed to by key Stakeholders and following organisations approached regarding the funding of FED projects: IDC, LIBSA and SEDA</li> <li>• An MoU has been signed with LIBSA at provincial level</li> </ul>
	A national forest monitoring system based on the criteria, indicators and standards	Sector performance against National Forest Plan determined by Criteria and Indicator (CI) reports	Sector complying with NFP objectives	Criteria, Indicators and Measures for Forest Management Units (FMU) revised
	A national certification system (NCS) developed	Availability of annual State of Forest Sector report according to C+I framework	Regulations which compel the sector to report against CI framework published	<ul style="list-style-type: none"> <li>• CTRPRP report printed, distributed and posted on the website</li> <li>• Leaflet on facts reflected in the CTRPRP report produced and distributed</li> <li>• Regulations not published due to delays</li> </ul>
		Use of NCS by main certification body	Draft minimum standards agreed by the sector	<ul style="list-style-type: none"> <li>• Process to develop a set of national standards initiated</li> <li>• Consultation with stakeholders commenced</li> </ul>
	National Forests Act Enforcement Strategy developed	FFMC approved strategy; decrease in number of recorded transgressions	Strategy review completed and communicated to clusters and other departments	<ul style="list-style-type: none"> <li>• Strategy reviewed on an ongoing basis</li> <li>• Implementation &amp; administration guidelines and procedures developed as required in strategy</li> <li>• Information sessions conducted with SAPS, prosecutors, magistrates, municipalities and traditional leaders</li> <li>• Enforcement strategy communicated to DEAT, DTI, Justice College and Tertiary Institutions</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Forestry Oversight and Governance (cont)				<ul style="list-style-type: none"> <li>Initiated a feasibility study regarding the establishment of an Enforcement Unit</li> </ul>
	A responsive national forestry curricula developed	Training institutions cooperation to the needs of the forestry sector	Input into curricula of all tertiary institutions offering forestry qualifications	<ul style="list-style-type: none"> <li>Participated in curriculum reviews of the 5 official Forestry tertiary institutions programmes and qualifications, namely Stellenbosch University, University of Venda, University of KwaZulu-Natal and Fort Cox College of Agriculture and Forestry</li> </ul>
	Cluster/provincial responsibilities in accordance with NFA enforcement implemented	<ul style="list-style-type: none"> <li>Quarterly reports from clusters/provinces against the CI framework</li> <li>Licences issued or declined within service standards</li> </ul>	All forestry regions reporting against the CI for sustainable forest management	<ul style="list-style-type: none"> <li>Process to conduct 9 audits initiated</li> <li>Total of 16 audits on commercial plantations done &amp; 3 audits on Indigenous Forest Management (IFM) in Regions, excluding Mpumalanga where first party audits were done for all IFM areas</li> <li>Total of 1066 licences issued in the Regions</li> <li>Total of 269 licence applications were not approved</li> <li>Total of 47 EIA reports were commented on</li> <li>Litigation processes ongoing:               <ul style="list-style-type: none"> <li>» 201 transgressions were investigated in the regions resulting in 58 successful litigations.</li> <li>» 18 warnings were issued</li> </ul> </li> </ul>
	Cooperative partnerships managed to support Sustainable Forest Management	Established Forest Development Enterprises	Number of established viable enterprises that comply with Forestry BBBEE charter targets	<ul style="list-style-type: none"> <li>Delays in signing of the Forest Sector Charter resulted in Forest Enterprise Development (FED) projects not being evaluated against targets</li> <li>Processes initiated to ensure support to FED projects when Charter is signed:               <ul style="list-style-type: none"> <li>» Indigenous Knowledge Systems of South Africa MoU concluded and financial support provided</li> <li>» Small Enterprise Development Agency MoU received and is under consideration</li> <li>» DBSA MoU negotiated</li> </ul> </li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Forestry Oversight and Governance (cont)				<ul style="list-style-type: none"> <li>» Limpopo Business support Agency MoU concluded but no projects submitted from the Province /Region</li> <li>» IDC MoU still being negotiated</li> <li>» Policy for funding forestry development projects initiated</li> </ul>
	Forest monitoring system based on Forestry Information System developed	Updated annual forestry statistics against Criteria & Indicators for Sustainable Forest Management	Increase the functional capacity in the Knowledge and Strategic Information Unit	<ul style="list-style-type: none"> <li>• Functional capacity increased through the approval of the Business case for the licence tracking system and database, resulting in improved quality of statistics</li> <li>• Phase 1 initiated of project launched</li> </ul>
	2008 State of Forestry (SOF) sector report compiled and published	2005 and 2008 State of forestry sector report tabled in Parliament	Electronic web-based reporting portal developed to facilitate electronic reporting by majority of forestry sector	<ul style="list-style-type: none"> <li>• State of Forestry Sector report for 2004-2006 compiled and reported to Parliament</li> <li>• Development of portal initiated</li> </ul>
			Secure and store data currently with PSP for use in 2008 and future reporting	<ul style="list-style-type: none"> <li>• Existing contract (ending during 2009) in place to produce the SoF sector report</li> <li>• Process to secure data initiated</li> </ul>
Forestry Development and Community Empowerment	Policy Research Framework developed	A forestry sector research framework agreed by all stakeholders	<ul style="list-style-type: none"> <li>• Produce Terms of Reference and appoint PSP to collate and analyse report</li> <li>• Recommendations of PSP reviewed, adjusted and approved by FFMC and incorporated into the Forestry BBBEE Charter</li> </ul>	<ul style="list-style-type: none"> <li>• MoA on Sirex Research negotiated and concluded with Forestry South Africa (FSA)</li> <li>• Science, Technology and Innovation Plan, including research framework finalised and to be adopted by FFMC</li> <li>• Process to consult with stakeholders initiated</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Forestry Development and Community Empowerment (cont)	Strategy to combat long-term timber supply implemented in consultation with the forest sector	A national forest plan which reflects strategy to deal with sustainability of supply of timber	Sustainable supply of timber	Terms of Reference drafted and to be considered through the National Forest Programme (NFP) Facility
	Cooperation with SADC maintained	Regional collaboration on SFM studies	Ratification of SADC Forestry Protocol	No progress to report. South Africa ratified the Protocol and attempted to facilitate the ratification by other SADC member states. No SADC meeting took place since February 2007.
	A defined South African strategy and position for participation in UNFF and AFLEG agreed upon	UNFF and AFLEG Resolutions on sustainable forestry management in Africa	Participation in UNFF and AFLEG processes	<ul style="list-style-type: none"> <li>• Compile and submit information to FAO on the production of Commercial Timber &amp; Timber Products and the export and imports thereof for the Joint Forest Sector reporting.</li> <li>• Participated in the launch of the Global Forest Resources Assessment for 2010 (FRA 2010)</li> <li>• Report on FRA 2005 was sourced and distributed to stakeholders including posting into the website.</li> </ul>
				<ul style="list-style-type: none"> <li>• DWAF played a critical role in the convening of an international conference on forest decentralization and governance in Africa.</li> <li>• DWAF also participated in the Forest Governance Learning Group (FGLG)</li> </ul>
	Bi-lateral and multi-lateral agreements that support Sustainable Forest Management concluded	Technical exchange Programme implemented	Explore bi-lateral agreement scope with India and Brazil	<ul style="list-style-type: none"> <li>• Attended the Indian Technical and Economic Cooperation (ITEC)</li> <li>• Country agreement signed</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Forestry Development and Community Empowerment (cont)	Afforestation plans implemented	Whole country strategic environmental assessments maps completed	Targets for current year new afforestation as defined in BBBEE Charter met	<ul style="list-style-type: none"> <li>• Maps produced for Eastern Cape and KZN</li> <li>• Maps in KZN reviewed</li> <li>• ToRs to conduct basic assessments in all regions are in place</li> <li>• Central Cluster – Proposals relating to afforestation developed</li> <li>• Eastern Cape – adopted Forestry Development Protocols; afforestation included in PGDP; and SFRA licensing streamlined</li> <li>• Thirty-seven (37) licences were issued in the year and applications for 27 825.11 ha were received</li> </ul>
	Sector growth strategy completed and incorporated into National Forest Plan	Forestry BBBEE Charter Plan implemented	Institutions and resources as defined in BBBEE Charter in place	<ul style="list-style-type: none"> <li>• Preparations for gazetting and signing the Charter underway</li> <li>• Minister appointed the Charter Council and the Chairperson</li> <li>• Charter Implementation plan finalised</li> <li>• Forest Charter Implementation Unit's role and functions finalized and process to establish unit initiated</li> </ul>
	PGD, IDPs and LED plans and strategies revised and monitored	Provincial Development Plans and District Integrated Development Plans incorporating forestry	Forestry reflecting in relevant Provincial and local government planning documents	<ul style="list-style-type: none"> <li>• IDP: Forestry programmes reflected in 148 of the total (283) municipalities</li> <li>• In Mpumalanga, Eastern Cape and Limpopo forestry is included in the PGDS</li> </ul>
	Forest Enterprise Development Annual Status Reports compiled	Annual Status Reports on the Sector available	Annual forestry report against CI framework reflecting the extent of FED	<ul style="list-style-type: none"> <li>• No progress to report on the compilation of Forest Enterprise Development Annual Status Reports</li> <li>• Draft National FED Database developed</li> <li>• Reporting against CI not compulsory until regulations are published</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Forestry Development and Community Empowerment (cont)	Compliance with the BBBEE Charter in conjunction with relevant Government Departments supported and monitored	Compliance with BBBEE Charter	Targets for equity in forestry as defined in the BBBEE Charter met	<ul style="list-style-type: none"> <li>Forest Sector BBBEE Charter finalized in 2007/08. Signing and implementation of Charter delayed due to protracted public consultation process</li> </ul>
	Existing and potential economic opportunities on State forests developed to contribute to BBBEE	Number of opportunities taken up by communities and PDIs	At least one FED project initiated on every DWAF managed estate	<ul style="list-style-type: none"> <li>In Mpumalanga 2 projects are supported               <ul style="list-style-type: none"> <li>» Salique – Forestry land released and technical support to communities provided</li> <li>» Injaka – Business development and institutional arrangements proposed</li> </ul> </li> <li>Gauteng – Nursery cooperative initiated and in process of registration. Project/business plan developed. Marula utilisation programme initiated.</li> <li>KZN – :               <ul style="list-style-type: none"> <li>» Sokhulu Multipurpose Nursery: Concept document developed for the nursery</li> <li>» Indigenous Aloe nursery in Empangeni– Task team including the local municipality formed to develop a project plan and help drive the project</li> </ul> </li> <li>North West – Mooifontein plantation: Produced a turn around strategy with local government which includes planting of hybrid Eucalyptus</li> <li>Eastern Cape – Nqabhara: Establishing Community Forestry Agreement bestowing rights and responsibilities for management and use the forest</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Forestry Development and Community Empowerment (cont)				<ul style="list-style-type: none"> <li>• Limpopo – :               <ul style="list-style-type: none"> <li>» Morebeng Land Reform Project: MoU in place with LIBSA, FSA and DWAF</li> <li>» Vhembe and Mopani Small growers – Established and registered a cooperative</li> </ul> </li> <li>• Northern Cape:               <ul style="list-style-type: none"> <li>» 2 nurseries</li> <li>» Conversion of wattle jungle continued with Ithemba Trust</li> </ul> </li> </ul>
	DWAF's Woodlands role implemented according to the DWAF policy	Extent of DWAF responsibilities executed according to policy	Staff and resources secured for implementation of woodlands strategy	<ul style="list-style-type: none"> <li>• Internal consultations with Regional staff took place to develop understanding around priority functions for implementation of policy regarding woodlands</li> <li>• Regional roles and responsibilities defined for Job Design purposes</li> <li>• Guidelines developed for Forestry Scientist post specifications</li> </ul>
	2010 Greening and Trees for food programmes incorporated into the IDPs	Number of IDPs incorporating the greening programme livelihoods and urban forestry	Support to communities through partners for livelihood/greening projects	<ul style="list-style-type: none"> <li>• Million Trees Programme launched by President - focus on Integrated Rural Development Project (IRDP) notes:               <ul style="list-style-type: none"> <li>» 501 000 Fruit trees planted</li> <li>» 145 000 Ornamental indigenous species planted</li> </ul> </li> <li>• 2010 World Cup interventions:               <ul style="list-style-type: none"> <li>» DWAF plan in place including water and forestry</li> <li>» DWAF greening plan amalgamated and aligned to DEAT GREEN plan</li> </ul> </li> </ul>



SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Forestry Development and Community Empowerment (cont)				<ul style="list-style-type: none"> <li>• Plan communicated to host cities               <ul style="list-style-type: none"> <li>» Local government has developed and aligned greening plans (all Metros, Rustenburg, Midvaal, and Ngaka Modiri Molema district municipality)</li> </ul> </li> <li>• Joint greening project with Department of Agriculture in the Western Cape at Villiersdorp.</li> <li>• Developing an integrated Clean and Green Programme with Ethekewini Metro</li> <li>• In the Regions 105 Arbor week events were organised and successfully executed</li> <li>• 22 Eduplant events were supported</li> <li>• Mpumalanga hosted the Arbor City Award program this year and Mkhondo local municipality was awarded the title</li> </ul>
	SADC forestry potential study completed and integrated into SADC and NEPAD processes	SADC forestry potential study available	Report on forestry potential in SADC	No progress with regard to SADC forestry potential study. The basic report produced by SAPPI would have been the basis for the report. No SADC meeting took place since February 2007 and therefore no progress has been made.

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Fire governance, regulation and oversight	Capacitated FPAs in all high and extreme risk areas established and registered	Number of registered FPAs in all high fire risk areas that report to DWAF	FPAs established in high risk areas	<ul style="list-style-type: none"> <li>A total of 34 FPAs registered in high to extreme fire risk areas covering an area of 6 million hectares</li> <li>Three FPA registered in low to medium veldfire risk areas</li> <li>One training session per quarter (total of four) of FPOs/CFOs of identified FPAs and other stakeholders</li> <li>Adoption of NVFFA Capacity Building Strategy to address capacity building needs</li> </ul>
	National Veldfire Information System implemented effectively and efficiently	National Veldfire Information System Operational	All inefficiencies with system addressed	NVIS being used to capture fire incidents and modified to allow capturing of fire incidents outside FPA areas
	National Fire Danger Rating System fully established and rolled out	National Fire Danger Rating System (NFDRS) Operational	<ul style="list-style-type: none"> <li>Implement NFDRS and improve system compatibility</li> <li>MoU signed with United States Forestry Services on cooperation on NFDRS</li> </ul>	<ul style="list-style-type: none"> <li>Full implementation of the National Fire Danger Rating System not achieved due to problems encountered with the output of the system</li> <li>Agreement reached with the United States Forest Service to assist South Africa with the implementation of the system</li> <li>Schedule of US Forest Service Technical Assistance Visit (TAV) finalized</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Fire governance, regulation and oversight (cont)	Cooperative Government partnerships managed to ensure the implementation of NVFFA	<ul style="list-style-type: none"> <li>Memorandum of Understanding (MoU) with DPLG</li> </ul>	Compliance with provision of MoUs	<ul style="list-style-type: none"> <li>Discussions with DPLG on the amendment of the Fire Brigade Services Act to cover veldfire management issues still ongoing</li> </ul>
		<ul style="list-style-type: none"> <li>MoU with SAWS (MoU signed with SAWS already)</li> </ul>		<ul style="list-style-type: none"> <li>A project steering committee between DWAF and SAWS constituted to oversee implementation of the MoU</li> </ul>
	Negotiated management of cross-border fires completed	MoUs on cross-border fires	MoU with Lesotho, Mozambique and Swaziland signed	<ul style="list-style-type: none"> <li>RSA and Lesotho MoU signed in June 2007</li> <li>MoU with Swaziland not signed. Agreement reached on the contents of MoU between RSA and Swaziland in September 2007</li> <li>MoU with Mozambique signed. Follow up discussions did take place during January 2008</li> <li>Negotiations on MoUs with Botswana and Namibia ongoing</li> </ul>
	Communication and awareness strategy on NVFFA implemented	Number of fire campaigns implemented	Communication campaigns implemented in all high risk fire areas	<ul style="list-style-type: none"> <li>Participated in two (2) Free State Fire Seminars during September 2007</li> <li>NVFFA Capacity Building Strategy developed and adopted in consultation with FPAs in the regions</li> <li>Graduate trainees appointed to assist with the process of registering and assessing FPAs</li> <li>Extensive communication and awareness campaign implemented in cooperation with Working on Fire</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
State forest transfer, regulation, administration, oversight and management	Plantation packages transferred to communities and forestry enterprises according to approved transfer plan	Number of opportunities taken up by communities and PDIs in State plantation forest	<ul style="list-style-type: none"> <li>• Audit of Category A transfers</li> <li>• Transfer of Manzengwenya and Mbazwana</li> </ul>	<ul style="list-style-type: none"> <li>• Singisi transfer audit initiated and to be completed in first quarter of 2008/09</li> <li>• Updating of CAT A lease commercial plantation maps</li> <li>• M &amp; M transfer <ul style="list-style-type: none"> <li>» M&amp;M transfer model approved by the Minister</li> <li>» Communities accepted the transfer model</li> <li>» Tender was approved and PSP appointed</li> <li>» Three task teams established i.e. Due diligence, HR and Legal task teams</li> <li>» The project steering committee established</li> </ul> </li> </ul>
	The management responsibility of DWAF's remaining indigenous forests transferred to new Agencies according to approved transfer plan	Delegation or assignment agreements in place with relevant agents	Transfer of Mpumalanga, KwaZulu-Natal, Eastern Cape and Southern Cape forests completed	<ul style="list-style-type: none"> <li>• Forestry Lease agreement for KLF transfer: <ul style="list-style-type: none"> <li>» Task team established with SAFCOL to engage the process.</li> <li>» Rent review conducted, report produced</li> </ul> </li> <li>• Western Cape: <ul style="list-style-type: none"> <li>» Mountain to Ocean (MTO) was appointed as an interim manager for areas to be reconsidered for forestry</li> <li>» Assignment of Grootvadersbos, Witfontein, Keurbooms to the Provincial government: Meetings with the receiving agent held; Challenges: unfunded mandate</li> <li>» Kwaalbrand forest village was released to Gouga Municipality</li> <li>» Assignment document compiled for the assignment of indigenous forests to DEAT (SANParks)</li> </ul> </li> <li>• Eastern Cape: Outsourcing strategies for the Region developed to ensure plantations are refurbished before transfer</li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
State forest transfer, regulation, administration, oversight and management (cont)				<ul style="list-style-type: none"> <li>• Eastern Cape, Mpumalanga &amp; KZN: Assignment of DWAF's IFM function to the Provincial Government - The assignment letters compiled and sent to the Premier's office for consideration and signature</li> <li>• KZN: Transfer of Mtunzini and Sokhulu plantations not finalised due to land reform process not being finalized</li> <li>• Mpumalanga: Transfer of Injaka plantation <ul style="list-style-type: none"> <li>» Transfer roadmap approved by Minister and working group has been established</li> <li>» Capacity and training program rolled out in collaboration with FD and capacity building</li> </ul> </li> <li>• Limpopo: Transfer of Rossbach plantation <ul style="list-style-type: none"> <li>» Draft plan compiled and circulated to all stakeholders for comments.</li> <li>» Land reform process not finalized.</li> </ul> </li> </ul>
	Management of State natural forest by provinces monitored	Audited monitoring reports	<ul style="list-style-type: none"> <li>• Annual audits conducted in all four provinces in which delegations or assignments exist</li> <li>• All leased areas managed in terms of agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance audits were conducted for Mountain to Ocean (MTO), Singisi, SiyaQhubeka lease packages</li> <li>• Rentals collected from MTO, SQF, Singisi and AFC leases</li> <li>• Process to do Komatiland Forestry (KLF) rent calculation initiated</li> <li>• Process to establish a Community Trust initiated</li> <li>• Communities in Limpopo and Mpumalanga were consulted and briefed about KLF restructuring</li> <li>• Headlease negotiations held with Mbonambi community <ul style="list-style-type: none"> <li>» The community agreed to enter into headlease agreement</li> <li>» DWAF Minister informed and agreed to enter into headlease with Mbonambi Community.</li> </ul> </li> </ul>

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
	Support provided to new management agencies implemented	Degree to which all relevant indicators and measures are being met by new management agencies	Financial and technical support provided to all transfer beneficiaries	<ul style="list-style-type: none"> <li>• Salique: Forestry land released and technical support provided to communities</li> <li>• Mooifontein plantation: Developed a turn around strategy with local government which includes planting of hybrid Eucalyptus.</li> <li>• Development of a Community Rights Framework initiated, preliminary draft produced.</li> </ul>
<b>State forest transfer, regulation, administration, oversight and management (cont)</b>	Payments of lease rentals to land beneficiaries paid timeously.	Distribution of rentals to beneficiaries in terms of agreed service standards	Agreement reached with DLA on resolution of land beneficiaries uncertainty	<ul style="list-style-type: none"> <li>• DLA verified a number of legal entities that are beneficiaries of the funds accumulated through lease agreements</li> <li>• Options relating to distribution of funds to be considered.</li> </ul>
<b>Sustainable Forest Management and Forestry Support Services</b>	Category B and C state owned plantations management programme implemented	Audited Progress Reports against CI framework approved by FFMC	<ul style="list-style-type: none"> <li>• Management of state plantations using the CIs</li> <li>• Targets as defined in annual plans of operations met</li> </ul>	<ul style="list-style-type: none"> <li>• Total of 16 audits on commercial plantations completed and 3 on Indigenous forest estates</li> <li>• Corrective Actions Required are being taken in plantations &amp; indigenous forest areas</li> <li>• Annual Plans of Operations were implemented and management on plantations progressed as planned</li> <li>• National Office updated growing stock management plans for <ul style="list-style-type: none"> <li>» Amanzamnyama Estate, Mpofu Estate, Nomadamba Estate, Nququ Estate, Ntubome Estate, Mnyameni Estate</li> </ul> </li> <li>• Updated 41 maps for Category B Commercial plantations and 38 Category C plantations</li> </ul>
	TUP in state owned plantations decreased	Decreasing scale of TUP	20% decrease in temporary unplanted areas	Total area planted in this year is 4849 ha, constitute 30% of the unplanted area

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Sustainable Forest Management and Forestry Support Services (cont)	Fire damage to the state forest estate decreased	Number of hectares damaged	Maintain fire damage to state forest estate to less than 1% per annum	<ul style="list-style-type: none"> <li>• Fire protection plans were developed and refined</li> <li>• A total of 105 fires damaged or destroyed 2373 ha of planted area, constituting 4% of the planted estate</li> </ul>
	State natural forest managed according to CIs	Number of CI audit queries addressed within agreed time periods	Implementation of Standard Operating Practices in natural forests	<ul style="list-style-type: none"> <li>• Corrective Actions Required reports were sent to all FMUs that were audited.</li> <li>• CARs are being addressed by the regions and reasonable progress has been reported</li> </ul>
	DWAF's Protected Area System Plan Implemented	Number of hectares of forest type in formally protected areas	Sustainable management of the remaining indigenous forests	<ul style="list-style-type: none"> <li>• Submitted the report on forest conservation planning (phase 1) to DEAT for incorporation into National Protected Area Expansion Strategy – commented on draft strategy</li> <li>• Identified the most threatened forests and submitted info to the Forests Working Group</li> </ul>
	Consumptive use of forest indigenous resources promoted	Number of licences or permits issued for consumptive use	State forests managed to optimise consumptive use	<ul style="list-style-type: none"> <li>• Mitiwane forest resource use assessment conducted</li> <li>• A total of 24 licences were granted for consumptive use in Indigenous Forests.</li> </ul>

## 5.1 WATER TRADING ENTITY ANNUAL REPORT FOR 2007 - 2008

The report below is based on performance criteria set for the 2007 /08 Financial Year when the **National Water Resource Infrastructure Branch (NWRIB)** was defined as a Branch, as a transitional phase towards a Water Trading Entity, as it is now called.

### 5.1.1 Mission

*The National Water Resource Infrastructure Branch exists to ensure a reliable supply of water from the National Water Resource Infrastructure, with minimal risk, to meet sustainable national, regional, social, economic and environmental objectives for all SA citizens, while achieving the objectives of integrated water resources management.*

*In order to achieve this, the Branch's core services would be to solicit/source funding to develop, operate and maintain, national water resources infrastructure (by strategically managing risks and assets), including managing other water resources infrastructure of a non-national nature on behalf of DWAF, in an efficient and effective manner.*

*Purpose: To develop and operate DWAF strategic Water Resources Infrastructure to meet the national needs of water resources management in an efficient and effective manner, by ensuring adequate maintenance of the infrastructure assets, minimising the business risk to DWAF, and financing investment and recovering costs to meet the needs of current and future water users.*

*Measurable Objective: To provide sustainable development and operation of bulk water supply infrastructure, transformation, empowerment and job creation in the sector.*

### Sub-programmes:

**Business Development; Construction; Engineering Services; Operations and Maintenance**

Government has set a number of national targets that requires the NWRI Branch to focus its efforts. These targets include the achievement of faster economic growth in South Africa, which is outlined in the Accelerated and Shared Growth Initiative of South Africa (ASGI-SA) and in the Government Programme of Action. The implications of ASGI-SA and the Government's Medium Term Strategic Objectives for the NWRI Branch are profound and include the building of new infrastructure and the need to bring on board all beneficiary communities and stakeholders during planning, implementation and management of the infrastructure; the supply of water is viewed as a critical input into the economy; and the creation of opportunities for broad based empowerment and small business development. In the attached table, development projects are outlined and classified according to contributions social and economic development objectives.

The NWRI Branch focused its efforts on significant water resources infrastructure developments including the Berg River Project and the Olifants River Water Resources Development Project. In addition, the NWRI Branch continued to ready itself for the process of establishing the National Water Resources Infrastructure Agency to manage existing national infrastructure, and



also to facilitate funding arrangements for development of new infrastructure. Social and environmental responsibilities for infrastructure development were effected by means of environmental management plans, resettlement plans, and so forth. In particular, the following was done: social and environmental monitoring for system operations, resource management plan development, promotion of social justice and community beneficiation.

### 5.1.2 Summary report on progress and challenges

#### CHIEF DIRECTORATES: CONSTRUCTION MANAGEMENT; BUSINESS DEVELOPMENT; ENGINEERING SERVICES AND INFRASTRUCTURE OPERATIONS

(the outcomes are interlinked and, therefore, jointly reported on)

The purpose of the **Construction Management** function of the NWRI Branch is to construct water resources infrastructure, procurement and maintenance of new construction equipment and provide construction management support services to all construction processes. Some of the critical functions include:

**Technical Services:** providing and managing construction equipment plant, and providing a geotechnical drilling service.

**Construction Units:** construction of new infrastructure, betterments and refurbishment of existing infrastructure, and providing emergency services.

The purpose of **Business Development** is to promote adoption of business principles in the management of infrastructure, which includes managing risks associated with infrastructure implementation, and the management of business risk. This includes project management of mandated capital projects in terms of implementation and coordinating the commissioning of the infrastructure and takeover by Infrastructure Operations.

The purpose of **Engineering Services** function is to provide engineering and environmental services as required for the implementation of new infrastructure projects and existing infrastructure projects.

The purpose of **Infrastructure Operations** is to ensure that the bulk water resource infrastructure asset management practices ensure reliable and sustainable

water supply. Infrastructure Operations are split into Northern, Eastern, Central and Eastern Area Operation Cluster and Strategic Asset Management. Strategic Asset Management provides technical support services for the operation and maintenance, refurbishment and rehabilitation of existing bulk water resource infrastructure.

Challenges experienced on projects included lack of scarce skills, procurement processes and implementation of SAP. Construction work on the following projects (sub-programmes) is currently taking place.

#### 5.1.2.1 Berg Water Project (Supplement Scheme)

The BWP Supplement Scheme is responsible for the supply of water from the Berg River Dam to the City of Cape Town. The scheme consists of two pump stations, a tunnel adit connection, a river abstraction works, a balancing dam and a river release works.

All work was substantially completed during the year. Final hand-over of some minor mechanical items remains outstanding but this will not materially affect the programme.

#### 5.1.2.2 Olifants River Water Resources Development Project: Phase 2A: De Hoop Dam

The De Hoop Dam will provide bulk water supplies to industry, mainly mining, and agricultural and domestic users in central Limpopo. Water purification and distribution will be dealt with by future phases.

Construction of the project commenced in 2007. The Operational Environmental Management Plan will be finalised shortly and submitted to Department of Environment Affairs and Tourism (DEAT). New posts have been advertised. Appointments will take place soon.

The construction of ABE contracts is proceeding slowly. Alternative construction housing has been arranged.

Site establishment has increased in pace. Major construction plant has been delivered and batching plant and concrete placing systems will be available in phases during the next nine months.

Dam construction during the year comprised road making, site clearing and foundation excavation. Work has lagged behind programme slightly, mainly due to the instability of public road R555 which intersects the dam wall foundation.

### **5.1.2.3 Olifants River Water Resources Development Project: Phases 2B to 2H: Bulk distribution works**

The Memo of Agreement and Water Supply Agreements were delayed because of cost increases. A directive to appoint the TCTA as implementing agent has been compiled. The draft RID has been compiled and circulated.

Regarding Phase 2H, Senior Counsel's recommendations for an agreement with Lebalelo have been received. Negotiations will follow. An assessment of the status of the pipeline is being done and a valuation will follow.

### **5.1.2.4 Nandoni Regional Water Treatment Works**

The water treatment works forms an integral part of the infrastructure required for the supply of water to the Vhembe District Municipality.

Civil structures of the WTW were completed to allow access for work on the mechanical contracts. Civil work on three pump stations was completed. Construction of reservoir NR6 was completed to roof level. Construction of a reservoir at Valdezia has commenced. The water supply delivery date was extended from March 2007 to October 2008 without impacting on the assurance of supply.

Mechanical and Electrical contracts are proceeding slowly due to coordination problems managed by others. Procurement and supplier payment problems arose because of the implementation of SAP.

### **5.1.2.5 Inyaka Water Treatment Works**

The water treatment works forms an integral part of the infrastructure required for the supply of water to the Bushbuck Ridge Local Municipality.

Phase 2 civil works were completed sufficiently to allow the access of mechanical contractors. The second command reservoir (25 MI) was completed. Work on the construction of settling tanks progressed well

### **5.1.2.6 Hluhluwe Regional Water Scheme**

This scheme will supply water to the Umkanyakudu Municipality.

Work on the water treatment works, pump stations and bulk distribution pipelines continued. The mechanical contractor was appointed.

SAP implementation problems plagued this site. HR and procurement problems were experienced too.

### **5.1.2.7 Dam Safety Rehabilitation Project**

This project comprises work on 160 dams located in all provinces. The design and construction standards of these dams will be upgraded to comply with modern requirements.

The project was initiated and work on seven dams commenced during the year. Progress has been satisfactory in the early stages.

Constraints, besides those mentioned above, included the logistic challenges of managing construction work in distant and remote areas.

## **NATIONAL WATER RESOURCES INFRASTRUCTURE BRANCH WATER TRADING ENTITY: KEY OUTPUTS AND SERVICE DELIVERY TRENDS**

### **Construction, Infrastructure Development, Engineering Service and Infrastructure Operations**

Percentage refers to total required for implementation of planning, design and construction.

SUB-PROGRAMME	OUTPUT	ACTUAL PERFORMANCE AGAINST TARGET	
		TARGET %	ACTUAL PERFORMANCE %
<b>1) Berg Water Project (Supplement scheme)</b> Part of the Greater Rivier Sonder End Government Water Scheme to supply water to Cape Town City Council	Dasbos Pump Station Drakenstein Pump Station Drakenstein abstraction works Irrigation release works Various pipelines	100	99,9
<b>2) Olifants River Water Resources Development Project:</b> <i>(Phase 2A): De Hoop Dam and Associated Works.</i>	(a) De Hoop Dam, operator housing, construction staff housing. (i) Detail design Dam Operator housing Construction staff housing (ii) Site establishment (iii) Dam construction (b) Realignment of road P169-1 (R555)	30 50 93 80 100 100 80 15 45	20 35 90 70 100 100 70 12 35
<b>3) Olifants River Water Resources Development Project:</b> <i>Bulk distribution works.</i>	(a) Phase 2B: Flag Boshielo to Mokopane pipeline & pump stations: (b) Phases 2B, 2C, 2D & 2H: RID (c) Phase 2C: Pipeline or Steelpoort weir and abstraction works. (d) Phase 2H: Incorporation of Lebalelo infrastructure (e) Phase 2H: Assessment of status and valuation	0 0 0 20 20	0 0 0 10 18

SUB-PROGRAMME	OUTPUT	ACTUAL PERFORMANCE AGAINST TARGET	
		TARGET %	ACTUAL PERFORMANCE %
4) <b>Nandoni Regional Water Treatment Works and Distribution Network</b> Water supply to the Vhembe district municipality (VDM)	(a) Water Treatment Plant		
	(i) Design	92	92
	(ii) Construction	98	95
	(b) Distribution Network: Pipelines, reservoirs & pump station		
	(i) Design	66	65
	(ii) Construction	36	35
5) <b>Inyaka Water Treatment Works</b> Supply of water to the Bushbuckridge Local Municipality	Phase 2: Water Treatment Plant		
	(i) Design	90	90
	(ii) Construction	80	76
6) <b>Hluhluwe Regional Water Scheme (RWS)</b>	Phase 3: Water treatment plant, reservoirs & pipelines		
	(i) Construction progress	91	88
7) <b>Dam safety rehabilitation project</b>	Rehabilitation of 160 dams	4	4

## OPERATIONS AND MAINTENANCE

OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
<p>Existing infrastructure operated and maintained effectively</p>	<p>Water supplied in according with agreements with users</p> <p>Interruptions in supply minimised</p>	<ul style="list-style-type: none"> <li>• Bulk Raw water supplied in accordance with agreements and lawful use</li> <li>• No failures in water delivery to Eskom and other critical and strategic users</li> <li>• Domestic /Industrial and Agricultural demands not met in all instances due to drought conditions in Limpopo and KwaZulu-Natal. Water restrictions were implemented at the following schemes:               <ul style="list-style-type: none"> <li>» Hluhluwe Dam</li> <li>» Nzhelele 30% on Agriculture,</li> <li>» Albasini 70% on Agriculture,</li> <li>» Middle Letaba and Nsami 20% on Domestic and Industrial, 50% on Agriculture,</li> <li>» Ebenezer and Tzaneen dams 50% on Agriculture</li> <li>» Magoebaskloof 30% on Agriculture.</li> <li>» Lindleyspoort Government Water Scheme (GWS) (40% previously) on Irrigation users;</li> <li>» Koster 100% on Irrigation users;</li> <li>» Klein Maricopoort GWS 10% on Irrigation users;</li> <li>» Kromellenboog Dam 100%;</li> <li>» Molatedi Dam 75 % on Irrigation and 50% on Domestic users, and</li> <li>» Marico Bosveld GWS</li> <li>» 0% (previously 10%) on irrigation.</li> </ul> </li> </ul>
<p>Use of water from existing government water schemes optimised</p>	<p>Use of Water from GWS optimised.(Refurbishment and Rehabilitation work).</p>	<p><b>Refurbishment:</b></p> <ul style="list-style-type: none"> <li>» Gariep slit outlet valve</li> <li>» Orange Fish Pepper Pot Valve No. 1</li> <li>» Teebus Switch Gear and Housing</li> </ul>

OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
Use of water from existing government water schemes optimised (cont)		<ul style="list-style-type: none"> <li>» Welbedachtd Dam butterfly valve replacement</li> <li>Bloemhof Dam repair of cranes</li> <li>» Replace outlet structure pipeline and valves at Kwaggaskloof</li> <li>» Emergency gates at Theewaterskloof</li> <li>» Inlet and outlet pipes at Impofu</li> <li>Replace Gamtoos siphon entrance screens</li> <li>» Refurbishment of mechanical and electrical work at Vaalkop, Bospoort, Klein Maricopoort and Kromellenboog Dams</li> <li>» Tugela-Mhlatuze Refurbishment</li> <li>» Wagendrift Dam, Hluhluwe, Klipfontein, Ntshingwayo, Luvumisa transfer scheme, Ulundi Weir and Umgeni Water. Rehabilitation</li> </ul>
Dam safety rehabilitation programme	Implementation as per plan	<ul style="list-style-type: none"> <li>» Shiloh Pump Station.</li> <li>» Rehabilitate 5 off-channel dams at Qamata</li> <li>» Rehabilitate 2 off-channel dams at Ncora</li> <li>» Kalfontein S196 Canal</li> </ul> <p>Forty six (46) out of the 165 dams that were identified for rehabilitation have been prioritised based on criticality of the dams.</p> <p>Seven dams were completed. Balance is at various stages, from planning, design and construction.</p>

## GENERAL

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS[1]	ACTUAL PERFORMANCE AGAINST TARGET
			ACTUAL
Equitable and sustainable supply	A national water resource infrastructure agency established	NWRI Agency draft plans for establishment and functionality	NWRI Agency Limited Bill approved by Cabinet for tabling in Parliament and sent for certification by CSLA

## FINANCIAL ARRANGEMENTS

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
Effective financial management	PFMA, MTEF and MTSF requirements complied with	Accurate tariffs developed	Annual review of all fees and charges	Water tariffs were reviewed in line with the pricing strategy
		Revenue management improved	100% of all revenue due collected and banked it promptly	Project Siyanqoba was launched during 2007 to assist with the reduction in outstanding debtors and to ensure the all revenue is collected. The top 20 clients accounts were reconciled and outstanding debtors were reduced.
	SAP as the selected ERP system implemented	Successful implementation of SAP	100% SAP implementation	SAP was implemented and a process is in place to ensure the correct linking of cost centres
	Business needs supported	Bi-monthly meetings with business units	Pilot monitoring tool for expenditure	All DDG's were appointed as programme managers. Budget advisory committee was established

SUB-PROGRAMME	OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL PERFORMANCE
Effective financial management (cont)	Implementation of effective supply chain management system	Appointment of service providers in line with the prescripts of National Treasury and compliance with preferential procurement policy	100% compliance	Committees were established in line with National Treasury practice notes
Restructuring of finance branch and regional components	Separate cash and accrual accounting units established and resourced	Cash accounting and accrual accounting separated	100% segregation of Main Account and Water Trading Activities	Finance structure indicating the segregation between Main Account and Water Trading Entity has been approved. A policy document on the linking of functions to either the Main Account or Water Trading Entity has been developed.
	Regional finance structures established	National and regional structures populated with resources and operationalised	80% target achieved with populating finance structures	Structures for regions have been finalized and are awaiting approval. Change management meeting held in the 9 provinces Migration plan developed to link staff to either Main Account or Water Trading Entity Contract workers were appointed to assist in the regions until the structures are finalised



# PART C

## REPORT OF THE AUDIT COMMITTEE





**The Audit Committee Reports have been moved to Part D and are included with the relevant annual financial statements.**

# PART D

## ANNUAL FINANCIAL STATEMENTS



## REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2008 (VOTE 34)

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

### 1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

#### 1.1 FINANCIAL OVERVIEW

The Department of Water Affairs and Forestry is the custodian of water resources and has the ultimate responsibility to ensure that:

- Water resources are protected, used, developed, conserved, managed and controlled in a sustainable

and equitable manner, for the benefit of all persons; and

- Water is allocated equitably and used beneficially in the public interest, while promoting environmental values.

In order to fulfill its objectives the Department received a total allocation of R5 862 513 000, an increase of 25, 8% in comparison to that of 2006/07 Financial Year, which was R4 660 303 000.

The total expenditure for the 2007/08 Financial Year amounted to R5 385 396 000, and this represents a spending rate of 92%. The under-spending of 8% is as a result of the augmentation (transfer payments) to the Water Trading Entity for the construction of the De Hoop dam. Poor weather conditions and delay in the approval of the environmental impact studies are some of the setbacks that were experienced during the construction of the dam.

The actual expenditure was made up as follows:

EXPENDITURE	2007/08 R'000	2006/07 R'000	INCREASE/ (DECREASE) %
Compensation of employees	1 162 630	1 226 416	(5,2)
Goods and services	1 686 583	1 582 431	6.6
Other departmental operational costs	2 532 485	1 486 359	70.4
Theft and losses	3 698	10 444	(64.6)
Total expenditure	5 385 396	4 305 650	25.1

## THE TREND IN PROGRAMME EXPENDITURE FOR THE PAST TWO FINANCIAL PERIODS WAS AS FOLLOWS:

EXPENDITURE	2007/08 R'000	2006/07 R'000	INCREASE/ (DECREASE)%
Administration	601 181	526 729	14.1
Water Resource Management	2 462 514	1 872 479	31.5
Water Services	1 866 926	1 454 758	28.3
Forestry	451 077	441 240	2.2
Theft and losses	3 698	10 444	(64.6)
Total expenditure	5 385 396	4 305 650	25.1

## 1.2 ADMINISTRATION

### 1.2.1 Corporate services

There has been noticeable improvement in the quality of the performance agreements of senior managers as well as compliance with the Performance Management and Development System (PMDS).

During the period under review, the focus has been on finalising the women empowerment and gender equality strategic framework accompanied by the gender proofing of projects.

### 1.2.2 Finance

A medium term plan to ensure a clean audit report by 31 March 2009 is on course. The medium term plan is also geared towards improving the general financial management through specific financial management improvement interventions. Some of the initiatives that were implemented are listed below:

- The appointment of a Chief Financial Officer and Deputy Chief Financial Officer, who assumed duty on 2 July 2007.
- A reorganisation of the Finance Branch at both Head Office and Regional levels, through the separation of the Water Trading Entity and Main Account (Exchequer) activities.

- A policy document to provide guidance in terms of the linking of functions and staff to either the Main Account or Water Trading Entity has been developed.
- The Director-General designated an official to head the Water Trading Entity in order to ensure the proper establishment of the Water Trading Entity and clear roles and responsibilities.
- Additional funds were obtained from the National Treasury for the appointment of additional skilled resources in finance and internal audit.
- The project to ensure the development of a complete and accurate asset register has been finalised.
- Processes were put in place to clear suspense accounts and to reduce staff debt.

## 1.3 WATER RESOURCES MANAGEMENT

In support of the growing economy it is the Department's responsibility to ensure that there is sufficient water to support the growth. This means that a new infrastructure has to be developed and our existing infrastructure has to be rehabilitated and upgraded. During the year under review, the Department augmented R1.2 billion to the Water Trading Entity for the establishment of a new water resource infrastructure and R415 million for the rehabilitation of existing bulk infrastructure. In addition, "off-budget" water resources infrastructure projects to the value of R9.04 billion are also being implemented.

The Berg River Water Project Supplement Scheme (Berg River Dam) has been completed and water is being impounded. This dam, which will be fully commissioned and officially opened later this year, increases the water supply to the City of Cape Town by 18%. This is a significant additional water supply to support both social needs and economic growth in the Western Cape.

Progress has been made with the construction of the De Hoop Dam in the Limpopo province. The project aims to unlock the mineral wealth in the Middle Olifants River Catchments while also bringing relief to thousands of people currently not having safe and reliable sources of water. The Department, together with ESKOM, is also investigating how best the proposed Project Lima is (a new pumped storage scheme which is part of the Olifants River Water Resources Development Project (Phase 2: De Hoop Dam) to provide an additional 1500 MW of electricity (to the national grid) that could be utilized for pumping water to about 800 000 people on the Nebo Plateau in the Greater Sekhukhune District Municipality.

Other important water resource infrastructure under construction are the Hluhluwe, Inyaka and Nandoni Government Water Works, which will provide 2.4 million people with drinking water in the rural communities of Kwazulu-Natal, Mpumalanga and Limpopo provinces. Furthermore, the water pipeline from the Vaal Dam to Secunda, known commonly as the VRESAP, is scheduled to commence with the delivery of water in October 2008.

## 1.4 WATER SERVICES

In 2004, the Department recommitted itself to build on its achievements since 1994 to speed up the provision of water and sanitation. One of the achievements of the Department is the progress made in improving services in schools and clinics. The Department achieved its target to provide water and sanitation services to all 91 clinics that had no access to basic water supply and 110 clinics that had no access to basic sanitation. A further 254 clinics that had facilities below required standards had their infrastructure upgraded to acceptable standards. All clinics in South Africa now have water and sanitation services. The Department is now implementing the programme aimed at removing the backlog in services to schools, and has, to date, serviced 69 schools which had no access to basic water supply and 51 schools which had no basic sanitation.

Part of the Department's commitment is to deliver water and sanitation to all people, and from 1994 to date the Department has serviced 18,7 million people with water and 10,9 million people with access to basic sanitation.

In January 2008, Cabinet took a decision to align the water and sanitation targets with the 2014 target for sustainable human settlements, which will ensure that there is alignment and better coordination between water, sanitation, electricity and housing targets. This will lead to attainment of sustainable human settlements by 2014.

## 1.5 FORESTRY

The Forestry Branch finalised the Forest Sector Broad-Based Black Economic Empowerment Charter that will make an important contribution to improve the livelihoods of people in rural communities by transforming the forest sector. Forestry South Africa; Amahlathi Entrepreneurs Forum; saw millers; pole producers; are but some of the stakeholders who have committed themselves to the implementation of the Charter.

Good progress has also been made with regard to the transfer of earmarked plantations (currently managed by the Department) to Mbazwana and Manzengwenya communities.

During the 2007 Arbor Week, the President launched the Million Trees Programme. The Programme managed to plant 501 000 fruit, and 145 000 ornamental indigenous trees country wide. These figures include the trees that were planted by the projects being assisted by the Department and by other organisations.

## 2 SERVICES RENDERED BY THE

## DEPARTMENT

In line with its overall objective, the Department continued to support job-creation, poverty eradication, the protection of the environment, the provision of basic services, building the economy and development of human resources, while it focused on:

- Meeting water and sanitation targets;
- Managing South Africa's scarce water resources for long term sustainability;
- Improving the regulatory and institutional environment;
- Spearheading transformation in the water sector;
- Supporting the development of water resources infrastructure; and
- Implementing the Forest Sector BEE Charter.

### 2.1 LIST OF SERVICES

#### 2.1.1 Administration

This programme is responsible for the provision of policy leadership, advice and core support services, including finance, human resources, legal, information and management services, communication and corporate planning.

#### 2.1.2 Water Resources Management

The programme ensures that the country's water resources are protected, used and developed, conserved, managed and controlled in a sustainable and equitable manner for the benefit of all people and includes:

- Allocation of water resources through compulsory licensing
- Planning and development of new infrastructure
- Maintenance and refurbishment of existing infrastructure

- Water quality management.

#### 2.1.3 Water Services

This programme ensures that all people in South Africa have access to adequate, sustainable, viable, safe, appropriate and affordable water and sanitation services, and that water is used wisely.

#### 2.1.4 Forestry

The Forestry programme aims to ensure the sustainable management of all forests, woodlands and plantations and their commercial and community use to achieve social and economic benefits; and to advance rural development, through policy development, regulation, facilitation, monitoring and evaluation.

#### 2.1.5 Tariff policy

Tariffs for the sale of forest products and for forestry services rendered by the Department are approved on an annual basis in terms section 55 of the National Forests Act, 1998 and Treasury regulations 7.3.1 and published in the local and national press. Tariffs for the use of guest houses will be reviewed in the next financial year in line with Treasury regulation 7.3.1.

#### 2.1.6 Free services

Various technical and administrative support services were provided to water services and water resources institutions

### 2.2 INVENTORIES

Inventories amounted to R6 882 808.57 as at 31 March 2008.

### 3 CAPACITY CONSTRAINTS

Capacity building in the Department continues to be given appropriate emphasis. The major intervention strategies implemented thus far include the retention strategy as well as the Water and Forestry Learning Academy (WFLA). In its effort to strengthen delivery, the Department continues to retain seasoned and experienced technical staff to mentor new entrants in the engineering and scientific areas. The latter has seen the creation of a human resource development pipeline to ensure that more students have access to education in engineering and scientific areas through provision of bursaries, implementation of a graduate trainee programme and provision of experiential training opportunities. All the capacity building interventions have been implemented in line with the government's transformation agenda and the Employment Equity Act without jeopardizing the ability of the Department to delivery.

A significant improvement has occurred and a positive picture is emerging particularly at the senior management level. The reengineered recruitment and selection process has facilitated the sourcing of critical and appropriate skills in line with the employment equity imperatives.

Furthermore, through the partnership between the South African and Flemish governments which focuses on capacity building, utilizing systems of networks, and fostering participation between the academic and private sectors?

### 4 UTILISATION OF DONOR FUNDS

During the 2007/08 financial year, donor funds were spent on the implementation of the Community Water Supply and Sanitation Programme (CWSS) through the Masibambane Programme. The details of the donor funds received are reflected in the notes to the Annual Financial Statements under Annexure 1N

The funds were used for the following activities:

- The implementation of water and sanitation infrastructure projects; and
- Local Government capacity building and knowledge sharing.

### 5 WATER TRADING ENTITY AND PUBLIC ENTITIES

#### 5.1 WATER TRADING ENTITY

The Water Trading Entity was established in terms of the old Exchequer Act, Act No 66 of 1975, and the Director-General is the Accounting Officer. The aim of this Water Trading Entity is to develop and implement catchment management plans and manage, operate and maintain government water schemes, regional bulk water supply and water services infrastructure. Equipment for the construction and maintenance of Government Water Schemes is also provided from the Water Trading Entity.

#### 5.2 PUBLIC ENTITIES

Trans-Caledon Tunnel Authority (PFMA Schedule 2 Major Public Entity) (TCTA)

The TCTA was established in terms of Government Notice 2631 of 12 December 1986 and promulgated in terms of Chapter 10 of the National Water Act, Act 36 of 1998, by the Minister of Water Affairs and Forestry, in consultation with the Cabinet, to implement international agreements. It is a state-owned liability management entity established by the Minister in December 1986, initially to implement the South African portion of the Lesotho Highlands water project and to take over government's responsibility for long-term funding and risk management.

The TCTA is involved in the following projects:

- Implementing and funding the Berg water project;
- Implementing and funding the Vaal River Eastern Sub-system Augmentation Project; (VRESAP)
- Provision of treasury and financial advisory services to the Department of Water Affairs and Forestry and water management institutions; and
- Provide advisory and financial services on Phase II of the Olifants River Water Resources Development Project.



The creation of the National Water Resource Infrastructure Agency through the phased integration of the TCTA and the Department's infrastructure branch is expected to be completed in 2009.

The long-term solvency of the authority is determined by its tariff methodology, income agreements and guarantees.

### 5.2.5 Water Research Commission (PFMA National Public Entity Schedule 3 – Part A)

The strategic objective of the Water Research Commission, established in accordance with Section 2 of the Water Research Act, Act No. 34 of 1971, is to promote co-ordination, communication and co-operation in water research; to establish water research needs and priorities from a national perspective; to fund prioritised research, and to promote the effective transfer, dissemination and application of research findings.

The Water Research Commission has five key strategic areas, each providing an integrated framework for investment to address a portfolio of key water related needs; water resource management; water linked ecosystems; water use and waste management; water use in agriculture; and water centred knowledge. The areas allow for multidisciplinary studies and are focused on solving problems related to national needs and supporting society and the water sector. While each area is unique, all areas collectively cover the spectrum of strategically important water related topics.

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

### 5.2.6 Catchment Management Agencies (PFMA Public Schedule 3 – Part A)

Catchment Management Agencies (CMAs) are established in terms of the National Water Act, Act 36 of 1998 (Chapter 7) (NWA). They

are subject to the Public Finance Management Act (PFMA) and related Treasury regulations– categorized as a Schedule 3A entity, i.e. “service delivery public entity”.

The following eight CMAs have been established by DWAF:

Breede- CMA;	Gouritz CMA.;	Mvoti CMA;	Thukela CMA;
Crocodile(West)-Marico CMA.;	Inkomati CMA	Olifants CMA	Usuthu to Mhlathuze CMA

The purpose of the CMAs is to delegate water resource management to the regional or catchment level and to involve local communities in the decision-making processes in terms of meeting basic human needs; promoting equitable access to water and facilitating social and economic development.

The CMAs report to the Minister of Water Affairs and Forestry on the performance of their functions. These reports are accompanied by audited financial statements.

### 5.2.7 Water Boards (PFMA National Government Business Enterprises Schedule 3 – Part B)

Water boards are established in terms of the Water Services Act, 1997 (Act 108 of 1997) (WSA) as organs of State. They are categorized as National Government Business Enterprises, in terms of Schedule 3B of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) and are therefore subject to the regulations of the relevant legislation. They have been set up as financially independent institutions, in terms of Section 34(1) of the Water Services Act, 1997 and must aim to be financially viable.

The following 15 water boards have been established:

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

The primary activity of Water Boards is to provide water services to other water services institutions within their respective service areas. The objectives of new policy on Water Boards are to increase their representivity, to rationalise their areas of service and subsequently reunify services, and eventually to extend the mandate of Water Boards to provide a second tier water utility framework over most of South Africa. This tier would be primarily responsible for supplying treated bulk water on a commercial basis.

The water boards are regulated by the Minister in terms of the WSA and the PFMA. Water Boards submit, on an annual basis, shareholder's compacts (business plans) and policy statements a month before the beginning of the new Financial Year to the Minister. In as far as business plans are concerned, the Minister may direct water boards to change them in order to meet all the requirements of the WSA.

## 5.3 OTHER ENTITIES

Although these entities are active in the water and forestry sectors they are not public entities which report to the Minister of Water Affairs and Forestry.

### 5.3.1 Komati River Basin Water Authority

The Komati River Basin Water Authority was established in terms of the treaty on water resources of the Komati River basin entered into between South Africa and Swaziland. It is governed by the Joint Water Commission, whose members are officials from both governments.

The Komati River Basin Water Authority was responsible for financing, building, operating and maintaining the water resources infrastructure in the Nkomati River basin, comprising the Driekoppies Dam in South Africa and the Maguga Dam in Swaziland, with ancillary works.

The construction of Driekoppies Dam was secured through a loan of R488.4 million from the Development Bank of South Africa, which bears interest at 10% per annum, payable biannually in arrears. The capital is payable in 40 equal biannual instalments from March 2001. The liability is secured by a 100% guarantee from the South African government.

The loan of R165 million, structured by a promissory note as agreed by the South African and Swazi governments, is an additional facility for completion of the Maguga Dam. It bears interest of 13.1% per annum, payable biannually in arrears. The capital and interest are repayable in 30 biannual instalments from June 2002. The liability is fully guaranteed by the South African government. The Swazi government guarantees 40% per cent of the loan to South Africa.

### 5.3.2 Irrigation Boards and Water User Associations

Water User Associations are established in terms of Chapter 8 of the National Water Act, 1998 for localised users to manage their water use jointly and in a more integrated way. The act requires that all irrigation boards formed under previous legislation must transform into Water User Associations.

In terms of Sections 61 and 62 of the Act, the new policy framework for financial assistance to water management institutions for irrigated agricultural development aims to promote initial access to irrigated agriculture, and to improve sustainable irrigation development by subsidising emerging farmers.

Currently, all irrigation boards are being transformed into Water User Associations. Due to the difficulties of the required stakeholder consultations, as well as to various policy adjustments, the process has been delayed considerably. Of the 279 irrigation boards, some 68 have been transformed into 38 Water User Associations. A further 23 new Water User Associations have been established, most of which are focused on emerging farmers.

There are presently a number of Water User Associations using government guaranteed loans with a total value of R300 million. The majority are servicing their debt without threatening the sustainability of their cash flows.

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

The object of the National Forest Recreation and Access Trust is to promote access to and the use of forests for recreation, education, culture or spiritual fulfilment. In terms of section 4(2) of the National Forests Act, 1998, the Minister is the sole trustee of the Trust. The only source of revenue for the Trust is interest earnings.

## **6 ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE**

All entities to which transfer payments have been made are reflected in the notes to Annual Financial Statements, Note 8.

### **6.1 REASONS FOR TRANSFER PAYMENTS**

#### **6.1.1 Grants to municipalities**

Transfer payments are made to municipalities in accordance with the water services operating and transfer subsidy, which is intended to subsidise the operation and maintenance of water schemes owned and/or operated by the Department or by other agencies on behalf of the Department.

#### *Accountability arrangements*

Funds are transferred on the basis of a "Transfer Agreement" (contract between the Department and the receiving institution).

The transfer agreement is intended to ensure the effective and sustainable delivery of infrastructure in accordance with the required accountability aspects of the Public Finance Management Act and the Division of Revenue Act, 2006 (Act No. 2 of 2006).

### **6.1.2 Other transfers**

#### *Water Trading Entity*

The Water Trading Entity operates within the administration of the Department and any cash deficits are funded from the Main Exchequer Account.

## **7 PUBLIC PRIVATE PARTNERSHIPS**

The Department does not have any Public Private Partnerships.

## **8 CORPORATE GOVERNANCE ARRANGEMENTS**

### **8.1 RISK MANAGEMENT APPROACH**

In terms of Paragraph 3.2.1 of the Treasury Regulations the accounting officer must ensure that risk assessments are conducted regularly to identify emerging risks of the institution.

The Department has commenced with the risk assessment process during the year. It was expected to be completed by the end of May 2008. The risk assessment process is wherein risks facing the Department are identified. This was achieved by holding discussions with the Branch Managers within the Department, and facilitating risk assessment workshops across the business units and the regions. Risk database profiles which were developed were also updated. The regular updating of the risk assessment process is facilitated by the Directorate: Internal Audit and is ongoing.

## **8.2 FRAUD PREVENTION POLICIES**

Internal Audit is currently busy with the roll out of the Fraud Prevention Plan of the Department. All nine regional offices as well as Head Office will be visited during the next six months. The Regional and Chief Directors of different regions will ensure that the relevant staff members are invited to these sessions.

## **8.3 EFFECTIVENESS OF INTERNAL AUDIT AND AUDIT COMMITTEE**

The Directorate: Internal Audit conducts its activities in accordance with the standards laid by the Institute of Internal Auditors. It provides assurance to management that internal controls are effective and that the identified risks are properly managed. The Audit Committee is functioning effectively. Members of the Audit Committee were appointed in terms of the Public Finance Management Act, 1999 and are discharging their duties in accordance with the prescribed policies.

## **8.4 OTHER GOVERNANCE STRUCTURES, INCLUDING MANAGEMENT PROCESSES TO MINIMISE CONFLICT OF INTEREST**

Other committees such as the Executive Committee (EXCO), the Management Committee (MANCO) and the Departmental Bid Adjudication Committee (DBAC) are functioning effectively and are achieving their objectives.

The Department has sound management structures in place to deal with flow of information and issues of conflict of interest.

## **8.5 IMPLEMENTATION OF THE CODE OF CONDUCT**

The code of conduct has been developed and procedures are in place to deal with cases where irregularities occur.

## **8.6 SAFETY, HEALTH AND ENVIRONMENTAL ISSUES FACING THE ORGANIZATION**

Issues of Health and Safety in the Department are being coordinated by a formally established structure which reports quarterly.

## **9 DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED**

The operational functions of water resource management functions will be ring-fenced in the Water Trading Entity.

The process of transferring water services to water services institutions is nearing completion with the majority of transfer agreements in place. Operational responsibility transfers to the municipalities in terms of a transfer agreement and the operating subsidy will eventually be phased out by 2011/12. Most of these were inherited from the previous homelands.

The Department is in the process of transferring government irrigation water schemes to Water User Associations. Once this process is complete the Department will no longer be responsible for managing such schemes but will retain oversight over their operations where the WUAs are managing state-owned infrastructure.

## **10 NEW/ PROPOSED ACTIVITIES**

No new activities are proposed for 2008/09.

## **11 ASSET MANAGEMENT**

The Department appointed a service provider during 2006/07 to assist with the verification, bar-coding and valuation of all moveable assets. All moveable assets were verified and bar-coded to enable tracking and identification. Furthermore, a draft asset management policy has been developed and will be approved after consultation with all the relevant stakeholders.

## 12 EVENTS AFTER THE REPORTING DATE

No events took place after the reporting date of 31 March 2008 that will impact the financial position of the Department for the 2007/08 reporting period.

## 13 PERFORMANCE INFORMATION

The Chief Operating Officer is responsible for Business Performance Management which include the coordination of the strategic planning, business plans and the monitoring and evaluation of the Department's programme performance against set targets. A performance management policy was developed to ensure that programme managers align their key performance areas to the strategic plan of the Department.

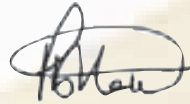
Quarterly reports are submitted in terms of the Public Finance Management Act (PFMA) to the Executive Authority. Performance reporting is supplemented by improved reporting of financial management information.

## 14 SCOPA RESOLUTIONS

SCOPA resolutions of 2005/06 financial year formed the basis of financial management improvement initiatives undertaken since 2006 by the Department.

## 15 APPROVAL

The Annual Financial Statements set out on pages 125 to 228 have been approved by the Accounting Officer.



**MS P.B. YAKO**

**Director- General: Water Affairs and Forestry**

**30 May 2008**



## REPORT OF THE AUDIT COMMITTEE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### The Audit Committee comprises the following members:-

Messrs J A Boyd (Chairperson), W.J.L du Preez, K.D. Nkadimeng, and Mesdames S. Thomas and P. Yako (Director General: DWAF)

During the year under review the Audit Committee held four normal meetings and one special meeting.

### Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities in terms of Section 38(1)(a) of the Public Finance Management Act (PFMA), 1999 (Act No.1 of 1999) as amended by Act No.29 of 1999) and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter, and has attempted to discharge its responsibilities as contained therein.

The Audit Committee has addressed itself to the financial statements of the following units during the period under review:

- Department of Water Affairs and Forestry – Vote 34

### Internal control

Whilst the members of the Audit Committee believe that the system of internal controls largely covers

organizational, financial and operating risks, control weaknesses are periodically identified during the internal and external audit processes. The committee closely monitors management's actions to remedy these breaches.

### Risk management

The Department has developed and approved a risk management strategy. This strategy is the foundation for a continuous risk assessment process and for management monitoring of risks on an ongoing basis.

### Internal auditing

Internal auditing provides a supportive role to management and the Audit Committee to achieve their objectives by assisting in the management of risk within the Department

The internal audit section is responsible for independent and objective evaluation of the Department's system of internal control at a detailed level and to bring any significant business risks and exposure to the attention of management and the committee through the provision of comprehensive internal audit reports.

### Matters requiring specific mention

The Committee notes with concern, the Auditor-General's qualified audit opinion on the financial statements of Vote 34. Management will be required to

implement corrective measures to address the concerns raised by the Auditor-General that gave rise to the above-mentioned opinion.

### Evaluation of financial statements

the Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



MR J.A. BOYD

DATE: 30 May 2008

CHAIRPERSON OF THE AUDIT COMMITTEE





## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 34: DEPARTMENT OF WATER AFFAIRS AND FORESTRY FOR THE YEAR ENDED 31 MARCH 2008

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1 I have audited the accompanying financial statements of the Department of Water Affairs and Forestry which comprise the appropriation statement, statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 125 to 228.

#### Responsibility of the accounting officer for the financial statements

2 The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 Act No. 1 of 1999 (PFMA) and the Division of Revenue Act, 2007 (DoRA).

This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the Auditor-General

- 3 As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
- 4 I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.



5 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6 An audit also includes evaluating the:

- appropriateness of accounting policies used
- reasonableness of accounting estimates made by management
- overall presentation of the financial statements.

7 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Basis of accounting

8 The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1, to the financial statements.

## Basis for qualified opinion

### Tangible capital assets

9 No assurance could be obtained regarding the completeness, existence and valuation of the closing balance of assets disclosed in note 30 to the annual financial statements due to the following:

- Additions amounting to R44 475 000 as reflected in note 30, which relate to the purchase of machinery and equipment, were not substantiated in the fixed asset register. Additional reconciliations and supporting schedules were submitted on 23 July 2008. I was not able to conduct and complete this exercise and report by 31 July 2008.

- An adjustment to the opening balance of fixed assets amounting to R98 708 000 for machinery and equipment was not substantiated.
- An adjustment to the opening balance for biological and cultivated assets amounting to R297 214 000 was not audited due to the initial omission of this amount in the financial statements submitted on 30 May 2008 and late submission of supporting schedules. Alternative audit procedures could not be performed.

## Qualified opinion

10 In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Department of Water Affairs and Forestry as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA and DoRA.

## Emphasis of matters

I draw attention to the following matters:

## Significant uncertainties

### Tangible capital assets: Buildings and other fixed structures

11 Based on a review that was conducted by a specialist, it can be concluded that the approach, methodology and procedures followed in the valuation process adopted in respect of buildings and other fixed structures amounting to R2 344 487 000, as reflected in note 30 to the annual financial statements, are scientifically sound.

However, several refinements regarding the valuation of assets will only be completed by September 2008. As a result, it is uncertain at this point in time whether the valuation amount relating to 31 March 2008 will change significantly upon completion of the above exercise.

## Highlighting critically important matters presented or disclosed in the financial statements

### Local and foreign aid

- 12 Expenditure amounting to R281 065 000 was incurred on the European Union water and sanitation service project during the year, while no donor funds had been received to defray the expenditure in the current year as the agreement was only signed and came into effect on 20 March 2008. As a result, there is an amount of R281 065 000 reflected as overexpenditure on this project in the closing balance in annexure 1N.

## OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

## Internal controls

- 13 Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the department has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

REPORTING ITEM	CONTROL ENVIRONMENT	RISK ASSESSMENT	CONTROL ACTIVITIES	INFORMATION AND COMMUNICATION	MONITORING
Tangible Capital Assets			✓		✓

**Control environment:** establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

**Risk assessment:** involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

**Control activities:** policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.

**Information and communication:** supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.

**Monitoring:** covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.

## NON-COMPLIANCE WITH APPLICABLE LEGISLATION

### Division of Revenue Act

- 14 Transfer payments budgeted for in terms of DoRA were not made in accordance with schedule 7 of DoRA. As a result, there were under- and overpayments to municipalities resulting in a net overpayment of R19 970 000 as reflected in annexure 1E to the annual financial statements.

## Matters of governance

- 15 The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

MATTER OF GOVERNANCE	YES	NO
<b>Audit committee</b>		
The department had an audit committee in operation throughout the financial year.	✓	
The audit committee operates in accordance with approved, written terms of reference.	✓	
The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	✓	
<b>Internal audit</b>		
The department had an internal audit function in operation throughout the financial year.	✓	
The internal audit function operates in terms of an approved internal audit plan.	✓	
The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.		✓
<b>Other matters of governance</b>		
The annual financial statements were submitted for audit as per the legislated deadlines of section 40 of the PFMA.	✓	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		✓
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		✓
The prior year's external audit recommendations have been substantially implemented.	✓	
SCOPA resolutions have been substantially implemented.	✓	

## OTHER REPORTING RESPONSIBILITIES

### REPORT ON PERFORMANCE INFORMATION

- 16 I have audited the performance information as set out on pages 12 to 95.

#### Responsibility of the accounting officer for the performance information

- 17 The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

#### Responsibility of the Auditor-General

- 18 I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
- 19 In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
- 20 I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

### AUDIT FINDINGS (PERFORMANCE INFORMATION)

#### Measurable objectives not consistent

- 21 I draw attention to the fact that the measurable objectives reported in the annual report of the department are materially inconsistent when compared with the predetermined objectives as per the strategic plan

and budget. Some measures/targets do not comply with the set criteria for determining the measures as required by the framework for managing programme performance information.

### APPRECIATION

- 22 The assistance rendered by the staff of the Department of Water affairs and Forestry during the audit is sincerely appreciated.

*Auditor-General*

Pretoria  
31 July 2008



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	APPROPRIATION PER PROGRAMME								
	2007/08						2006/07		
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1 Administration</b>									
Current payment	490 333	(7 093)	31 347	514 587	514 587	-	100.0%	475 972	460 644
Transfers and subsidies	24 578	-	34 617	59 195	57 529	1 666	97.2%	29 163	28 826
Payment for capital assets	20 738	7 093	1 236	29 067	29 065	2	100.0%	37 260	37 259
<b>2 Water Resource Management</b>									
Current payment	1 120 314	(8 213)	9 590	1 121 691	1 117 893	3 798	99.7%	968 386	966 801
Transfers and subsidies	1 755 777	2 196	-	1 757 973	1 312 920	445 053	74.7%	1 172 251	871 887
Payment for capital assets	26 671	6 017	-	32 688	31 701	987	97.0%	33 793	33 791
<b>3 Water Services</b>									
Current payment	846 453	(4 930)	(39 653)	801 870	771 514	30 356	96.2%	958 438	958 438
Transfers and subsidies	659 184	9	-	659 193	679 494	(20 301)	103.1%	505 397	471 573
Payment for capital assets	408 023	4 921	-	412 944	415 918	(2 974)	100.7%	25 151	24 747
<b>4 Forestry</b>									
Current payment	502 174	(3 450)	(39 635)	459 089	446 497	12 592	97.3%	426 162	423 811
Transfers and subsidies	100	3 450	-	3 550	2 625	925	73.9%	13 033	13 029
Payment for capital assets	8 168	-	(1 200)	6 968	1 955	5 013	28.1%	4 853	4 400

	APPROPRIATION PER PROGRAMME								
	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>5 Theft and Losses</b>									
Current payment	-	-	3 698	3 698	3 698	-	100.0%	10 444	10 444
<b>Subtotal</b>	5 862 513	-	-	5 862 513	5 385 396	477 117	91.9%	4 660 303	4 305 650
<b>Total</b>	<b>5 862 513</b>	<b>-</b>	<b>-</b>	<b>5 862 513</b>	<b>5 385 396</b>	<b>477 117</b>	<b>91.9%</b>	<b>4 660 303</b>	<b>4 305 650</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>	Prior year unauthorised expenditure approved with funding			14 889				-	
	Departmental revenue			39 142				183 624	
	Local and foreign and assistance received			52 042				239 229	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>5 968 586</b>				<b>5 083 156</b>	
<b>Add:</b>	Local and foreign aid assistance				331 310				285 675
	Prior year unauthorised expenditure approved				14 889				
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>5 731 595</b>				<b>4 591 325</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	APPROPRIATION PER ECONOMIC CLASSIFICATION								
	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	1 365 435	(105 259)	(64 695)	1 195 481	1 162 630	32 851	97.3%	1 244 741	1 226 416
Goods and services	1 593 121	80 951	26 344	1 700 416	1 686 583	13 833	99.2%	1 583 360	1 582 431
Interest and rent on land	718	622	-	1 340	1 278	62	95.4%	857	847
Financial transactions in assets and liabilities	-	-	3 698	3 698	3 698	-	100.0%	10 444	10 444
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	722 027	10	1	722 038	732 926	(10 888)	101.5%	405 959	386 680
Departmental agencies & accounts	1 625 839	-	69	1 625 908	1 190 161	435 747	73.2%	1 127 641	827 377
Foreign governments & international organisations	525	150	-	675	510	165	75.6%	3 500	3 500
Public corporations & private enterprises	39 040	3 450	-	42 490	41 737	753	98.2%	136 541	121 703

	APPROPRIATION PER ECONOMIC CLASSIFICATION								
	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	340	10	-	350	350	-	100.0%	150	150
Households	51 868	2 035	34 547	88 450	86 884	1 566	98.2%	46 053	45 905
<b>Payment for capital assets</b>									
Buildings & other fixed structures	367 309	(37 505)	1 200	331 004	330 957	47	100.0%	23 754	23 567
Machinery & equipment	46 163	2 774	(1 164)	47 773	44 475	3 298	93.1%	65 884	65 271
Biological or cultivated assets	-	165	-	165	165	-	100.0%	-	-
Software & other intangible assets	50 128	52 597	-	102 725	103 042	(317)	100.3%	11 419	11 359
<b>Total</b>	<b>5 862 513</b>	<b>-</b>	<b>-</b>	<b>5 862 513</b>	<b>5 385 396</b>	<b>477 117</b>	<b>91.9%</b>	<b>4 660 303</b>	<b>4 305 650</b>



## DETAIL PER PROGRAMME 1 - ADMINISTRATION FOR THE YEAR ENDED 31 MARCH 2008

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Minister</b>									
Current payment	938	563	-	1 501	1 501	-	100.0%	1 078	1 078
<b>1.2 Management</b>									
Current payment	88 781	(1 664)	3 347	90 464	90 464	-	100.0%	67 587	53 533
Transfers and subsidies	14 000	-	30 870	44 870	43 204	1 666	96.3%	16 492	16 434
Payment for capital assets	243	674	18	935	935	-	100.0%	1 495	1 494
<b>1.3 Corporate Services</b>									
Current payment	157 298	5 944	1 237	164 479	164 479	-	100.0%	167 243	167 071
Transfers and subsidies	10 578	-	3 747	14 325	14 325	-	100.0%	12 638	12 374
Payment for capital assets	9 676	7 025	1 200	17 901	17 899	2	100.0%	10 436	10 436
<b>1.4 Finance</b>									
Current payment	65 671	(6 240)	-	59 431	59 431	-	100.0%	42 759	42 759
Transfers and subsidies								16	16
Payment for capital assets	1 649	(783)	-	866	866	-	100.0%	813	813
<b>1.5 Information Services</b>									
Current payment	68 144	(2 147)	26 763	92 760	92 760	-	100.0%	106 284	105 182
Transfers and subsidies	-	-	-	-	-	-	0.0%	17	2
Payment for capital assets	9 170	177	18	9 365	9 365	-	100.0%	24 516	24 516
<b>1.6 Property Management</b>									
Current payment	109 501	(3 549)	-	105 952	105 952	-	100.0%	91 021	91 021
<b>Total</b>	<b>535 649</b>	<b>-</b>	<b>67 200</b>	<b>602 849</b>	<b>601 181</b>	<b>1 668</b>	<b>99.7%</b>	<b>542 395</b>	<b>526 729</b>

ECONOMIC CLASSIFICATION	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	179 468	(39 324)	903	141 047	141 047	-	100.0%	128 816	113 495
Goods and services	310 865	32 231	30 444	373 540	373 540	-	100.0%	347 156	347 149
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	-	-	1	1	1	-	100.0%	122	98
Departmental agencies & accounts	578	-	69	647	647	-	100.0%	620	356
Households	24 000	-	34 547	58 547	56 881	1 666	97.2%	28 421	28 372
<b>Payments for capital assets</b>									
Buildings & other fixed structures	7 105	6 056	1 200	14 361	14 361	-	100.0%	5 460	5 459
Machinery & equipment	11 528	1 897	36	13 461	13 459	2	100.0%	25 563	25 563
Software & other intangible assets	2 105	(860)	-	1 245	1 245	-	100.0%	6 237	6 237
<b>Total</b>	<b>535 649</b>	<b>-</b>	<b>67 200</b>	<b>602 849</b>	<b>601 181</b>	<b>1 668</b>	<b>99.7%</b>	<b>542 395</b>	<b>526 729</b>

## DETAIL PER PROGRAMME 2 - WATER RESOURCE MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2008

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Equitable Supply</b>									
Current payment	157 347	(37 358)	-	119 989	119 817	172	99.9%	222 126	220 935
Transfers and subsidies	28 208	2 033	-	30 241	30 241	-	100.0%	8 275	8 256
Payment for capital assets	1 503	3 425	-	4 928	4 928	-	100.0%	1 643	1 643
<b>2.2 Protection Policies</b>									
Current payment	35 312	(1 402)	-	33 910	33 810	100	99.7%	35 108	35 108
Transfers and subsidies	1 500	2	-	1 502	1 502	-	100.0%	7	4
Payment for capital assets	812	-	-	812	368	444	45.3%	378	378
<b>2.3 Institutional Regulations</b>									
Current payment	24 686	(3 501)	-	21 185	21 018	167	99.2%	17 913	17 913
Transfers and subsidies	3 659	1	-	3 660	3 651	9	99.8%	7 021	7 004
Payment for capital assets	1 128	(353)	-	775	665	110	85.8%	118	118
<b>2.4 Strategic Alignment</b>									
Current payment	128 137	10 775	-	138 912	138 870	42	100.0%	96 138	96 076
Transfers and subsidies	-	10	-	10	10	-	100.0%	169	54
Payment for capital assets	8 066	148	-	8 214	8 21	-	100.0%	15 872	15 872
<b>2.5 African Co-operation</b>									
Current payment	12 860	(5 087)	-	7 773	7 692	81	99.0%	6 573	6 512
Transfers and subsidies	525	150	-	675	510	165	75.6%	3 521	3 500

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for capital assets	1 189	277	-	1 466	1 466	-	100.0%	8	8
<b>2.6 Water Resource Administration</b>									
Current payment	22 946	(2 090)	-	20 856	20 810	46	99.8%	23 643	23 643
Transfers and subsidies	-	-	-	-	-	-	0.0%	104	14
Payment for capital assets	680	-	-	680	519	161	76.3%	259	258
<b>2.7 Sustainable Supply</b>									
Current payment	544 281	2 996	9 840	557 117	551 785	5 332	99.0%	344 098	344 098
Transfers and subsidies	100 003	-	-	100 003	90 908	9 095	90.9%	841 625	541 528
Payment for capital assets	4 201	(1 700)	-	2 501	2 484	17	99.3%	2 202	2 201
<b>2.8 Protection Measures</b>									
Current payment	2 444	-	-	2 444	2 500	(56)	102.3%	1 742	1 742
Transfers and subsidies	-	-	-	-	-	-	0.0%	1	-
Payment for capital assets	80	-	-	80	12	68	15.0%	5	5
<b>2.9 Institutional Development</b>									
Current payment	3 905	(1 265)	-	2 640	2 520	120	95.5%	7 556	7 556
Transfers and subsidies	-	-	-	-	-	-	0.0%	34	32
Payment for capital assets	199	-	-	199	12	187	6.0%	30	30
<b>2.10 Stakeholder Empowerment</b>									
Current payment	121 605	4 729	(250)	126 084	126 074	10	100.0%	134 326	134 075
Transfers and subsidies	280	-	-	280	233	47	83.2%	450	450

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for capital assets	8 020	3 867	-	11 887	11 887	-	100.0%	11 220	11 220
<b>2.11 Water Resource Support</b>									
Current payment	66 791	23 990	-	90 781	92 997	(2 216)	102.4%	79 163	79 163
Transfers and subsidies	-	-	-	-	-	-	0.0%	37	37
Payment for capital assets	793	353	-	1 146	1 146	-	100.0%	2 058	2 058
<b>2.12 Operation of Water Resources</b>									
Current payment	-	-	-	-	-	-	0.0%	-	(20)
Transfers and subsidies	283 553	-	-	283 553	283 553	-	100.0%	311 007	311 008
<b>2.13 Infrastructure Development and Rehabilitation</b>									
Transfers and subsidies	1 338 049	-	-	1 338 049	902 312	435 737	67.4%	-	-
<b>Total</b>	<b>2 902 762</b>	<b>-</b>	<b>9 590</b>	<b>2 912 352</b>	<b>2 462 514</b>	<b>449 838</b>	<b>84.6%</b>	<b>2 174 430</b>	<b>1 872 479</b>

ECONOMIC CLASSIFICATION	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current</b>									
Compensation of employees	330 645	(30 110)	-	300 535	300 155	380	99.9%	270 041	268 728
Goods and services	789 659	21 895	9 590	821 144	817 736	3 408	99.6%	698 143	697 881
Interest and rent on land	10	2	-	12	2	10	16.7%	202	192
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	100 283	10	-	100 293	91 152	9 141	90.9%	927	665
Dept agencies & accounts	1 625 261	-	-	1 625 261	1 189 515	435 746	73.2%	1 127 021	827 021
Foreign governments & international organisations	525	150	-	675	510	165	75.6%	3 500	3 500
Public corporations & private enterprises	1 500	-	-	1 500	1 500	-	100.0%	25 000	24 997
Non-profit institutions	340	10	-	350	350	-	100.0%	150	150
Households	27 868	2 026	-	29 894	29 893	1	100.0%	15 653	15 554
<b>Capital</b>									
Buildings & other fixed structures	1 470	747	-	2 217	2 116	101	95.4%	668	666
Machinery & equipment	23 645	3 001	-	26 646	25 773	873	96.7%	29 081	29 081
Software & other intangible assets	1 556	2 269	-	3 825	3 812	13	99.7%	4 044	4 044
<b>Total</b>	<b>2 902 762</b>	<b>-</b>	<b>9 590</b>	<b>2 912 352</b>	<b>2 462 514</b>	<b>449 838</b>	<b>84.6%</b>	<b>2 174 430</b>	<b>1 872 479</b>

## DETAIL PER PROGRAMME 3 - WATER SERVICES FOR THE YEAR ENDED 31 MARCH 2008

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Provisioning Services</b>									
Current payment	1 999	256	-	2 255	2 253	2	99.9%	3 444	3 444
Payment for capital assets	22 000	(22 000)	-	-	-	-	0.0%	-	-
<b>3.2 Water Sector Policies</b>									
Current payment	45 068	2 008	-	47 076	47 065	11	100.0%	42 345	42 345
Transfers and subsidies	-	2	-	2	2	-	100.0%	20	6
Payment for capital assets	646	-	-	646	279	367	43.2%	615	403
<b>3.3 Institutional Policies</b>									
Current payment	11 387	(2 069)	-	9 318	9 241	77	99.2%	9 922	9 922
Transfers and subsidies	-	2	-	2	2	-	100.0%	6	2
Payment for capital assets	-	-	-	-	-	-	0.0%	12	12
<b>3.4 Transfer Policies</b>									
Current payment	-	-	-	-	-	-	0.0%	-	-
<b>3.5 African Initiative</b>									
Current payment	100	31	-	131	131	-	100.0%	100	100
<b>3.6 Water Services Administration</b>									
Current payment	10 781	(2 500)	-	8 281	8 146	135	98.4%	8 879	8 879

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	-	-	-	-	-	-	0.0%	14	4
Payment for capital assets	220	-	-	220	165	55	75.0%	29	29
<b>3.7 Water and Sanitation Services</b>									
Current payment	29 320	1 080	250	30 650	30 592	58	99.8%	17 261	17 261
Transfers and subsidies	-	3	-	3	3	-	100.0%	44	1
Payment for capital assets	383 069	23 300	-	406 369	406 772	(403)	100.1%	7 924	7 924
<b>3.8 Water Sector Support</b>									
Current payment	101 455	3 298	-	104 753	103 913	840	99.2%	97 393	97 393
Transfers and subsidies	-	2	-	2	2	-	100.0%	130	27
Payment for capital assets	662	-	-	662	3 009	(2 347)	454.5%	2 925	2 925
<b>3.9 Institutional Support</b>									
Current payment	47 703	(9 225)	-	38 478	38 096	382	99.0%	32 780	32 780
Transfers and subsidies	-	-	-	-	-	-	0.0%	90	12
Payment for capital assets	675	2700	-	3 375	3 974	(599)	117.7%	5 195	5 195



PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.10 Transfers</b>									
Current payment	16 255	(4 000)	-	12 255	6 876	5 379	56.1%	29 724	29 724
Transfers and subsidies	-	-	-	-	(34)	34	0.0%	5 903	5 903
Payment for capital assets	-	-	-	-	47	(47)	0.0%	105	(67)
<b>3.11 African Participation</b>									
Current payment	803	(803)	-	-	-	-	0.0%	-	-
<b>3.12 Water Services Support</b>									
Current payment	122 283	(20 006)	(3 903)	98 374	98 286	88	99.9%	79 940	79 940
Transfers and subsidies	-	-	-	-	81	(81)	0.0%	141	214
Payment for capital assets	751	921	-	1 672	1 672	-	100.0%	700	692
<b>3.13 Operation of Water Services</b>									
Current payment	459 299	27 000	(36 000)	450 299	426 915	23 384	94.8%	636 650	636 650
Transfers and subsidies	659 184	-	-	659 184	679 438	(20 254)	103.1%	499 049	465 404
Payment for capital assets	-	-	-	-	-	-	0.0%	7 646	7 634
<b>Total</b>	<b>1 913 660</b>	<b>-</b>	<b>(39 653)</b>	<b>1 874 007</b>	<b>1 866 926</b>	<b>7 081</b>	<b>99.6%</b>	<b>1 488 986</b>	<b>1 454 758</b>

ECONOMIC CLASSIFICATION	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current</b>									
Compensation of employees	539 982	(24 911)	(39 000)	476 071	447 445	28 626	94%	589 959	589 959
Goods and services	306 471	19 361	(653)	325 179	323 449	1 730	99.5%	368 479	368 479
Interest and rent on land	-	620	-	620	620	-	100.0%	-	-
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	621 744	-	-	621 744	641 731	(19 987)	103.2%	404 684	385 695
Public corporations & private enterprises	37 440	-	-	37 440	37 687	(247)	100.7%	98 734	83 899
Households	-	9	-	9	76	(67)	844.4%	1 979	1 979
<b>Capital</b>									
Buildings & other fixed structures	358 734	(46 780)	-	311 954	314 393	(2 439)	100.8%	17 626	17 442
Machinery & equipment	2 822	652	-	3 474	3 679	(205)	105.9%	6 387	6 227
Software & other intangible assets	46 467	51 049	-	97 516	97 846	(330)	100.3%	1 138	1 078
<b>Total</b>	<b>1 913 660</b>	<b>-</b>	<b>(39 653)</b>	<b>1 874 007</b>	<b>1 866 926</b>	<b>7 081</b>	<b>99.6%</b>	<b>1 488 986</b>	<b>1 454 758</b>

## DETAIL PER PROGRAMME 4 - FORESTRY FOR THE YEAR ENDED 31 MARCH 2008

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Forestry Oversight</b>									
Current payment	40 433	(9 893)	(13 000)	17 540	17 482	58	99.7%	14 244	14 244
Transfers and subsidies	-	3 450	-	3 450	2 450	1 000	71.0%	13	5
Payment for capital assets	464	(119)	-	345	112	233	32.5%	16	16
<b>4.2 Forestry Development</b>									
Current payment	14 488	(9 007)	-	5 481	5 397	84	98.5%	5 201	5 201
Transfers and subsidies	-	-	-	-	-	-	0.0%	10	1
Payment for capital assets	72	58	-	130	130	-	100.0%	28	17
<b>4.3 Fire Regulation &amp; Oversight</b>									
Current payment	8 840	(3 900)	-	4 940	4 783	157	96.8%	2 739	2 739
Transfers and subsidies	-	-	-	-	-	-	0.0%	4	1
Payment for capital assets	26	-	-	26	12	14	46.2%	13	13
<b>4.4 State Fores Trnsf &amp; Reg</b>									
Current payment	10 074	(5 300)	-	4 774	4 653	121	97.5%	3 235	3 235
Transfers and subsidies	-	-	-	-	-	-	0.0%	8	-

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for capital assets	84	-	-	84	27	57	32.1%	14	14
<b>4.5 State Forest Management</b>									
Current payment	30 839	(30 652)	-	187	127	60	67.9%	429	429
Transfers and subsidies	-	-	-	-	-	-	0.0%	1	-
<b>4.6 Forestry Management Support</b>									
Current payment	3 873	900	-	4 773	4 664	109	97.7%	7 076	5 664
Transfers and subsidies	100	-	-	100	100	-	100.0%	211	202
Payment for capital assets	21	61	-	82	82	-	100.0%	244	244
<b>4.7 Forestry Governance</b>									
Current payment	4 893	(1 840)	-	3 053	3 024	29	99.1%	9 644	9 365
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	1
Payment for capital assets	-	4	-	4	4	-	100.0%	5	5
<b>4.8 Community Empowerment</b>									
Current payment	22 514	(3 500)	-	19 014	18 908	106	99.4%	20 314	20 314
Transfers and subsidies	-	-	-	-	-	-	0.0%	19	6
Payment for capital assets	414	(4)	-	410	168	242	41.0%	204	204

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.9 Fire Governance</b>									
Current payment	2 301	(1 107)	-	1 194	1 149	45	96.2%	577	577
Payment for capital assets	-	-	-	-	35	(35)	0.0%	-	-
<b>4.10 State Forest Admin &amp; Oversight</b>									
Current payment	24 358	14 107	(12 584)	25 881	24 305	1 576	93.9%	22 173	22 173
Transfers and subsidies	-	-	-	-	-	-	0.0%	36	-
Payment for capital assets	362	-	-	362	-	362	0.0%	58	58
<b>4.11 Sustainable Forest Management</b>									
Current payment	291 955	49 142	-	341 097	331 045	10 052	97.1%	302 224	302 224
Transfers and subsidies	-	-	-	-	75	(75)	0.0%	12 699	12 801
Payment for capital assets	6 229	-	(1 200)	5 029	1 122	3 907	22.3%	1 048	606
<b>4.12 Forestry Support Serv</b>									
Current payment	47 606	(2 400)	(14 051)	31 155	30 960	195	99.4%	38 306	37 646
Transfers and subsidies	-	-	-	-	-	-	0.0%	32	12
Payment for capital assets	496	-	-	496	263	233	53.0%	3 223	3 223
<b>Total</b>	<b>510 442</b>	<b>-</b>	<b>(40 835)</b>	<b>469 607</b>	<b>451 077</b>	<b>18 530</b>	<b>96.1%</b>	<b>444 048</b>	<b>441 240</b>

ECONOMIC CLASSIFICATION	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current</b>									
Compensation of employees	315 340	(10 914)	(26 598)	277 828	273 983	3 845	98.6%	255 925	254 234
Goods and services	186 126	7 464	(13 037)	180 553	171 858	8 695	95.2%	169 582	168 922
Interest and rent on land	708	-	-	708	656	52	92.7%	655	655
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	-	-	-	-	42	(42)	0.0%	226	222
Dept agencies & accounts	-	-	-	-	(1)	1	0.0%	-	-
Public corporations & private enterprises	100	3 450	-	3 550	2 550	1 000	71.8%	12 807	12 807
Households	-	-	-	-	34	(34)	0.0%	-	-
<b>Capital</b>									
Buildings & other fixed structures	-	2 472	-	2 472	87	2 385	3.5%	-	-
Machinery & equipment	8 168	(2 776)	(1 200)	4 192	1 564	2 628	37.3%	4 853	4 400
Biological or Cultivated assets	-	165	-	165	165	-	100.0%	-	-
Software & other intangible assets	-	139	-	139	139	-	100.0%	-	-
<b>Total</b>	<b>510 442</b>	<b>-</b>	<b>(40 835)</b>	<b>469 607</b>	<b>451 077</b>	<b>18 530</b>	<b>96.1%</b>	<b>444 048</b>	<b>441 240</b>

## DETAIL PER PROGRAMME 5 - THEFT AND LOSSES FOR THE YEAR ENDED 31 MARCH 2008

PROGRAMME PER SUB- PROGRAMME	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Thefts and Losses* Cur	-	-	3 698	3 698	3 698	-	100.0%	10 444	10 444
Current payment									
<b>Total</b>	-	-	3 698	3 698	3 698	-	100.0%	10 444	10 444

ECONOMIC CLASSIFICATION	2007/08							2006/07	
	ADJUSTED APPROPRIATION	SHIFTING OF FUNDS	VIREMENT	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	EXPENDITURE AS % OF FINAL APPROPRIATION	FINAL APPROPRIATION	ACTUAL EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current</b>	-	-	3 698	3 698	3 698	-	100.0%	10 444	10 444
Financial transactions in assets and liabilities									
<b>Total</b>	-	-	3 698	3 698	3 698	-	100.0%	10 444	10 444

## NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

- 1) **Detail of transfers and subsidies as per Appropriation Act (after Virement):**  
Detail of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (A-K) to the Annual Financial Statements.
- 2) **Detail of specifically and exclusively appropriated amounts voted (after Virement):**  
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
- 3) **Detail on financial transactions in assets and liabilities**  
Detail of these transactions per programme can be viewed in note 8 (Financial transactions in assets and liabilities) to the Annual Financial Statements.
- 4) **Explanations of material variances from Amounts Voted (after Virement):**

### 4.1 PER PROGRAMME

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROP.
	R'000	R'000	R'000	%
Programme 1: Administration	602 849	601 181	1 668	0%
Insignificant variance				
Programme 2: Water Resource Management	2 912 352	2 462 514	449 838	16%
The underspending is in respect of a transfer payment to the Water Trading Entity for capital projects. All funds were not transferred mainly due to the fiscal work on the De Hoop Dam project which could not proceed unless all the conditions of the revised Record of Decision were complied with. Exceptional high rainfall also prevented contractors from making anticipated progress.				
Programme 3: Water Services	1 874 007	1 866 926	7 081	0%
Insignificant variance				
Programme 4: Forestry	469 607	451 077	18 530	4%
The underspending is mainly due to delays in approving the BBBEE Forest Sector Charter.				



## 4.2 PER ECONOMIC CLASSIFICATION

	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE	VARIANCE AS A % OF FINAL APPROPRIATION
	R'000	R'000	R'000	R'000
<b>Current payment:</b>				
Compensation of employees	1 195 481	1 162 630	32 851	3%
Goods and services	1 700 416	1 686 583	13 833	1%
Interest and rent on land	1 340	1 278	62	5%
Financial transactions in assets and liabilities	3 698	3 698	-	0%
<b>Transfers and subsidies:</b>				
Provinces and municipalities	722 038	732 926	(10 888)	(2%)
Departmental agencies and accounts	1 625 908	1 190 161	435 747	27%
Public corporations and private enterprises	42 490	41 737	753	2%
Foreign governments and international organisations	675	510	165	24%
Non-profit institutions	350	350	-	0%
Households	88 633	86 884	1 749	2%
<b>Payments for capital assets:</b>				
Buildings and other fixed structures	331 004	330 957	47	0%
Machinery and equipment	47 773	44 475	3 298	7%
Biological or cultivated assets	165	165	-	0%
Software and other intangible assets	102 725	103 042	(317)	0%

## VOTE 34: STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2008

	NOTE	2007/08	2006/07
		R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	5 862 513	4 660 303
Appropriation for unauthorised expenditure approved	10	14 889	-
Departmental revenue	2	39 142	183 624
Local and foreign aid assistance	3	52 042	239 229
<b>TOTAL REVENUE</b>		<b>5 968 586</b>	<b>5 083 156</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	1 162 630	1 226 416
Goods and services	5	1 686 583	1 582 431
Interest and rent on land	6	1 278	847
Financial transactions in assets and liabilities	7	3 698	10 444
Local and foreign aid assistance	3	324 096	270 984
Unauthorised expenditure approved	10	14 889	-
<b>Total current expenditure</b>		<b>3 193 174</b>	<b>3 091 122</b>
<b>Transfers and subsidies</b>	<b>8</b>	<b>2 052 568</b>	<b>1 385 315</b>
<b>Expenditure for capital assets</b>			
Buildings and other fixed structures	9	330 957	23 567
Machinery and equipment	9	44 475	65 271
Biological or cultivated assets	9	165	-
Software and other intangible assets	9	103 042	11 359
Local and foreign aid assistance	3	7 214	14 691
<b>Total expenditure for capital assets</b>		<b>485 853</b>	<b>114 888</b>
<b>TOTAL EXPENDITURE</b>		<b>5 731 595</b>	<b>4 591 325</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>236 991</b>	<b>491 831</b>

	NOTE	2007/08	2006/07
		R'000	R'000
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	15	477 117	354 653
Departmental Revenue	16	39 142	183 624
Local and foreign aid assistance	3	(279 268)	(46 446)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>236 991</b>	<b>491 831</b>

## VOTE 34: STATEMENT OF FINANCIAL POSITION AT THE YEAR ENDED 31 MARCH 2008

	NOTE	2007/08 R'000	2006/07 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Unauthorised expenditure	10	3 782	18 671
Cash and cash equivalents	11	262 828	356 616
Prepayments and advances	12	25 965	60 505
Receivables	13	68 321	161 349
Loans	14	24 310	6 695
Local and foreign aid assistance receivable	3	288 064	22 215
<b>Non-current assets</b>			
Loans	14	122 167	148 422
<b>TOTAL ASSETS</b>		<b>795 437</b>	<b>774 473</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	15	477 117	354 652
Departmental revenue to be surrendered to the Revenue Fund	16	3 239	30 510
Payables	17	155 386	208 190
Local and foreign aid assistance unutilised	3	9 666	23 085
<b>TOTAL LIABILITIES</b>		<b>645 408</b>	<b>616 437</b>
<b>NET ASSETS</b>		<b>150 029</b>	<b>158 036</b>
<b>Represented by:</b>			
Capitalisation reserve		146 476	155 117
Recoverable revenue (Staff and other debts recovered)		3 553	2 919
<b>TOTAL</b>		<b>150 029</b>	<b>158 036</b>

## VOTE 34: STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2008

	NOTE	2007/08 R'000	2006/07 R'000
<b>Capitalisation Reserves</b>			
Opening balance		155 117	192 935
Transfers:		(8 641)	(37 818)
Closing balance		146 476	155 117
<b>Recoverable revenue</b>			
Opening balance		2 919	2 554
Transfers:		634	365
Irrecoverable amounts written off	7.4	(653)	(395)
Debts recovered (included in departmental revenue)		(1 289)	(1 560)
Debts raised		2 576	2 320
Closing balance		3 553	2 919
<b>TOTAL</b>		<b>150 029</b>	<b>158 036</b>

## VOTE 34: CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	NOTE	2007/08 R'000	2006/07 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Annual appropriated funds received	1.1	5 968 331	5 082 683
Appropriation for unauthorised expenditure received	10	5 862 513	4 660 303
Departmental revenue received	2	14 889	-
Local and foreign aid assistance received	3	38 887	183 151
		52 042	239 229
Net (increase)/decrease in working capital		89 653	(16 776)
Surrendered to Revenue Fund		(421 065)	(374 421)
Current payments		(3 193 174)	(3 091 122)
Transfers and subsidies paid		(2 052 568)	(1 385 315)
<b>Net cash flow available from operating activities</b>	18	<b>391 177</b>	<b>215 049</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets		(485 853)	(114 888)
Payments for investments			
Proceeds from sale of capital assets	2	255	473
(Increase)/decrease in loans		8 640	37 818
<b>Net cash flows from investing activities</b>		<b>(476 958)</b>	<b>(76 597)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(8 007)	(37 453)
<b>Net cash flows from financing activities</b>		<b>(8 007)</b>	<b>(37 453)</b>
Net increase/(decrease) in cash and cash equivalents		(93 788)	100 999
Cash and cash equivalents at the beginning of the period		356 616	255 617
<b>Cash and cash equivalents at end of period</b>	19	<b>262 828</b>	<b>356 616</b>

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

## **1 PRESENTATION OF THE FINANCIAL STATEMENTS**

### **1.1 BASIS OF PREPARATION**

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

### **1.2 PRESENTATION CURRENCY**

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

### **1.3 ROUNDING**

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

### **1.4 COMPARATIVE FIGURES**

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

### **1.5 COMPARATIVE FIGURES - APPROPRIATION STATEMENT**

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

## **2 REVENUE**

### **2.1 APPROPRIATED FUNDS**

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

## **2.2 DEPARTMENTAL REVENUE**

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

### **2.2.1 Tax revenue**

Tax revenue consists of all compulsory unrequited amounts collected by the Department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

### **2.2.2 Sales of goods and services other than capital assets**

The proceeds received from the sale of goods and or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

### **2.2.3 Fines, penalties & forfeits**

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the Department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

### **2.2.4 Interest, dividends and rent on land**

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

### **2.2.5 Sale of capital assets**

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

### **2.2.6 Financial transactions in assets and liabilities**

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

### **2.2.7 Transfers received (including gifts, donations and sponsorships)**

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.



## 2.3 LOCAL AND FOREIGN AID ASSISTANCE

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the Department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the statement of financial position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

## 3 EXPENDITURE

### 3.1 COMPENSATION OF EMPLOYEES

#### 3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance<sup>1</sup>.

All other payments are classified as current expense.

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<sup>1</sup> This accounting policy is only relevant when the Department elects to capitalise the compensation paid to employees involved on capital projects.

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

#### 3.1.2 Post retirement benefits

The Department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The Department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

#### 3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

## 3.2 GOODS AND SERVICES

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

## 3.3 INTEREST AND RENT ON LAND

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

## 3.4 FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

**Debts are written off** when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

**Forex losses** are recognised on payment of funds.

All **other losses** are recognised when authorisation has been granted for the recognition thereof.

## 3.5 UNAUTHORISED EXPENDITURE

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either

approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

## 3.6 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

## 3.7 IRREGULAR EXPENDITURE

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

## 3.8 TRANSFERS AND SUBSIDIES

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

## 3.9 EXPENDITURE FOR CAPITAL ASSETS

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

## **4 ASSETS**

### **4.1 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

### **4.2 OTHER FINANCIAL ASSETS**

Other financial assets are carried in the Statement of Financial Position at cost.

### **4.3 PREPAYMENTS AND ADVANCES**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

### **4.4 RECEIVABLES**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the statement of financial position at cost.

## **4.5 INVESTMENTS**

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any loss is included in the disclosure notes.

### **4.6 LOANS**

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the statement of financial position at cost.

### **4.7 INVENTORY**

Inventories purchased during the financial year are disclosed at cost in the notes.

### **4.8 CAPITAL ASSETS**

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset should be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets

on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 30 and 31 reflect the total movement in the asset register for the current financial year.

## **5 LIABILITIES**

### **5.1 VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND**

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

### **5.2 DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND**

Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

### **5.3 PAYABLES**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

### **5.4 CONTINGENT LIABILITIES**

Contingent liabilities are included in the disclosure notes.

### **5.5 COMMITMENTS**

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

### **5.6 ACCRUALS**

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

### **5.7 EMPLOYEE BENEFITS**

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

### **5.8 LEASE COMMITMENTS**

Lease commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

## **6 RECEIVABLES FOR DEPARTMENTAL REVENUE**

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

## **7 NET ASSETS**

### **7.1 CAPITALISATION RESERVE**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of

financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

## **7.2 RECOVERABLE REVENUE**

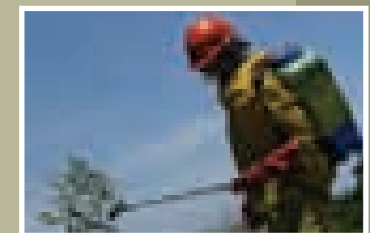
Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

## **8 RELATED PARTY TRANSACTIONS**

Specific information with regards to related party transactions is included in the disclosure notes.

## **9 KEY MANAGEMENT PERSONNEL**

Compensation paid to key management personnel, including their family members where applicable, is included in the disclosure notes.



## VOTE 34: NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### 1 Annual Appropriation

#### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments :\*\*

	FINAL APPROPRIATION	ACTUAL FUNDS RECEIVED	FUNDS NOT REQUESTED/ NOT RECEIVED	APPROPRIATION RECEIVED 2006/07
	R'000	R'000	R'000	R'000
Administration	602 849	602 849	-	542 395
Water Resource Management	2 912 352	2 912 352	-	2 174 430
Water Services	1 874 007	1 874 007	-	1 488 986
Forestry	469 607	469 607	-	444 048
Thefts and Losses	3 698	3 698	-	10 444
<b>Total</b>	<b>5 862 513</b>	<b>5 862 513</b>	<b>-</b>	<b>4 660 303</b>

\*\* This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects

2 Departmental revenue  
Description

	NOTE	2007/08	2006/07
		R'000	R'000
Sales of goods and services other than capital assets	2.1	42 051	51 379
Fines, penalties and forfeits		-	1
Interest, dividends and rent on land	2.2	6 294	27 507
Sales of capital assets	2.3	255	473
Financial transactions in assets and liabilities	2.4	(9 458)	104 264
<b>Departmental revenue collected</b>		<b>39 142</b>	<b>183 624</b>

2.1 Sales of goods and services other than capital assets

	2007/08	2006/07
	R'000	R'000
Sales of goods and services produced by the department	41 987	51 365
Sales by market establishment	-	-
Administrative fees	-	-
Other sales	41 987	51 365
Sales of scrap, waste and other used current goods	64	14
<b>Total</b>	<b>42 051</b>	<b>51 379</b>

## 2.2 Interest, dividends and rent on land

	2007/08	2006/07
	R'000	R'000
Interest	6 232	27 446
Rent on land	62	61
<b>Total</b>	<b>6 294</b>	<b>27 507</b>

## 2.3 Sale of capital assets

	2007/08	2006/07
	R'000	R'000
Land and subsoil assets-		-
Other capital assets	255	473
<b>Total</b>	<b>255</b>	<b>473</b>

## 2.4 Financial transactions in assets and liabilities Nature of recovery

	2007/08	2006/07
	R'000	R'000
Repayment of Public Contributions	(20 185)	90 288
Stale cheques written back	90	-
Other Receipts including Recoverable Revenue	10 637	13 976
<b>Total</b>	<b>(9 458)</b>	<b>104 264</b>



3 Local and foreign aid assistance  
Assistance received in cash from RDP

	2007/08	2006/07
	R'000	R'000
<b>Local</b>		
Opening Balance	4 123	4 123
Expenditure	(1 150)	-
Current	(1 150)	-
Capital	-	-
Closing Balance	2 972	4 123
<b>Foreign</b>		
Opening Balance	(3 253)	43 193
Revenue	52 042	239 229
Expenditure	(330 159)	(285 675)
Current	(322 945)	(270 984)
Capital	(7 214)	(14 691)
Closing Balance	(281 370)	(3 253)

	2007/08	2006/07
	R'000	R'000
<b>Total assistance</b>		
Opening Balance	870	47 316
Revenue	52 042	239 229
Expenditure	(331 310)	(285 675)
Current	(324 096)	(270 984)
Capital	(7 214 )	(14 691)
Closing Balance	(278 398)	870

<b>Analysis of balance</b>		
Local and foreign aid receivable	(288 064)	(22 215)
Local and foreign aid unutilised	9 666	23 085
Closing balance	( 278 398)	870

#### 4 Compensation of employees

##### 4.1 Salaries and Wages

	2007/08	2006/07
	R'000	R'000
Basic salary	811 645	928 898
Performance award	9 563	11 183
Service Based	2 124	1 258
Compensative/circumstantial	36 484	30 602
Periodic payments	6 706	8 883
Other non-pensionable allowances	160 002	122 860
<b>Total</b>	<b>1 026 524</b>	<b>1 103 684</b>

## 4.2 Social contributions

### 4.2.1 Employer contributions

	2007/08	2006/07
	R'000	R'000
Pension	95 267	87 354
Medical	40 428	35 640
UIF	8	1
Bargaining council	403	(263)
<b>Total</b>	<b>136 106</b>	<b>122 732</b>
<b>Total compensation of employees</b>	<b>1 162 630</b>	<b>1 226 416</b>
Average number of employees	9 630	11 844

5 Goods and services

	NOTE	2007/08 R'000	2006/07 R'000
Advertising		11 222	12 558
Attendance fees (including registration fees)		4 783	4 993
Bank charges and card fees		1 161	568
Bore waterhole drilling		334	71
Bursaries (employees)		7 140	12 867
Catering		5 767	2 742
Communication		48 359	47 726
Computer services		124 006	112 747
Consultants, contractors and special services		827 046	703 700
Courier and delivery services		1 441	1 249
Tracing agents & Debt collections		22	50
Drivers' licences and permits		41	130
Entertainment		218	1 595
External audit fees	5.1	13 825	12 214
Equipment less than R5000		18 046	17 216
Freight service		1	34
Inventory	5.2	91 146	155 043
Legal fees		3 502	988
Maintenance, repairs and running costs		68 866	51 737
Medical Services		184	120
Municipal Services		139 321	107 186
Operating leases		15 615	17 217
Personnel agency fees		616	548
Photographic services		278	1 357
Plants, flowers and other decorations		512	470
Printing and publications		(239)	1 071
Professional bodies and membership fees		19	47
Resettlement costs		3 645	2 200
Subscriptions		167	159
Taking over of contractual obligations		129	-
Owned and leasehold property expenditure		9 380	6 025
Transport provided as part of the departmental activities		963	219
Travel and subsistence	5.3	264 453	289 406
Venues and facilities		3 204	2 746
Protective, special clothing & uniforms		719	1 006
Training & staff development		20 401	12 048
Water research/testing		290	2 378
<b>Total</b>		<b>1 686 583</b>	<b>1 582 431</b>

## 5.1 External audit fees

	2007/08	2006/07
	R'000	R'000
Regularity audits	7 730	8 671
Performance audits	1 298	2 519
Other audits	4 797	1 024
<b>Total</b>	<b>13 825</b>	<b>12 214</b>

R4 442 809.66 was paid out of the Main account for the Water Trading Entity account and will be claimed in 2008/09. Due to wrong allocations, Regularity audit should be R7 730 692.23, Computer (Other) should be R354 358.35

## 5.2 Inventory

	2007/08	2006/07
	R'000	R'000
Construction work in progress	2 708	2 429
Domestic consumables	13 597	14 214
Agricultural	11 007	9 824
Food and food supplies	4 595	4 432
Fuel, oil and gas	18 362	31 146
Laboratory consumables	4 597	2 845
Other consumables	6 216	34 853
Parts and other maintenance material	-	27 253
Sport and recreation	73	106
Stationery and printing	29 693	27 683
Restoration and fittings	150	96
Medical supplies	148	162
<b>Total</b>	<b>91 146</b>	<b>155 043</b>

### 5.3 Travel and subsistence

	2007/08	2006/07
	R'000	R'000
Local	256 925	280 636
Foreign	7 528	8 770
<b>Total</b>	<b>264 453</b>	<b>289 406</b>

### 6 Interest and rent on land

	2007/08	2006/07
	R'000	R'000
Interest expense	620	-
Rent on land	658	847
<b>Total</b>	<b>1 278</b>	<b>847</b>

### 7 Financial transactions in assets and liabilities

	NOTE	2007/08	2006/07
		R'000	R'000
Material losses through criminal conduct			
Theft	7.3	2 383	12
Other material losses written off	7.1	-	274
Debts written off	7.2	1 315	10 158
<b>Total</b>		<b>3 698</b>	<b>10 444</b>

## 7.1 Other material losses written off

	2007/08	2006/07
	R'000	R'000
<b>Nature of losses</b>		
Vehicle accidents	-	195
S&T advances	-	79
<b>Total</b>	<b>-</b>	<b>274</b>

## 7.2 Debts written off

	2007/08	2006/07
	R'000	R'000
<b>Nature of debts written off</b>		
Transfer to debts written off		
Salary overpayment	874	443
Tax debt	57	49
Study debt	198	58
Subsidised vehicles	17	7
Subsistence and transport	10	4
Namakwa Private consumer	-	6 135
Namakwa OCC Metorex	-	2 542
Dishonoured cheques	-	897
Suppliers	73	11
Fraud	-	10
Telephone debt	4	2
Elandskaroor	82	-
<b>Total</b>	<b>1 315</b>	<b>10 158</b>

### 7.3 Detail of theft

	2007/08	2006/07
	R'000	R'000
<b>Detail of theft</b>		
Laptops & Computers	265	9
GPS	4	-
Cellphones	-	1
Tools & Items	67	-
Bicycles	-	2
Projector	9	-
Car	8	-
Petty cash	1	-
Fax machine	4	-
Fire hazard	2 025	-
<b>Total</b>	<b>2 383</b>	<b>12</b>



7.4 Irrecoverable amounts written off

	2007/08	2006/07
	R'000	R'000
(Total not included in note 7 above)		
Receivables written off	554	394
Salary overpayments	365	330
Tax debt	1	-
Bursary	171	59
Subsidised vehicle	17	-
Fraud/Misconduct	-	5
Loans written off	82	1
Telephone	-	1
Loans written off	82	-
Other	17	-
Supplier disallowance	17	-
<b>Total</b>	<b>653</b>	<b>395</b>

## 8 Transfers and subsidies

	NOTE	2007/08 R'000	2006/07 R'000
Provinces and municipalities	Annex 1E & 1F	732 926	386 680
Departmental agencies and accounts	Annex 1G	1 190 161	827 377
Foreign governments and international organisations	Annex 1J	510	3 500
Public corporations and private enterprises	Annex 1I	41 737	121 703
Non-profit institutions	Annex 1K	350	150
Households	Annex 1L	86 884	45 905
<b>Total</b>		<b>2 052 568</b>	<b>1 385 315</b>

## 9 Expenditure for capital assets

	NOTE	2007/08 R'000	2006/07 R'000
Buildings and other fixed structures	30	330 957	23 567
Machinery and equipment	30	44 475	65 271
Biological or cultivated assets	30	165	-
Software and other intangible assets		103 042	11 359
Computer software	31	3 291	8 718
Patents, licences, copyright, brand names, trademarks	31	447	-
Other intangibles	31	99 304	2 641
<b>Total</b>		<b>478 639</b>	<b>100 197</b>

**10 Unauthorised expenditure**  
**Reconciliation of unauthorised expenditure**

	2007/08	2006/07
	R'000	R'000
Opening balance	18 671	18 671
Amounts approved by Parliament/Legislature (with funding)	(14 889)	-
Current expenditure	(14 889)	-
<b>Unauthorised expenditure awaiting authorisation</b>	<b>3 782</b>	<b>18 671</b>

**11 Cash and cash equivalents**

	2007/08	2006/07
Consolidated Paymaster-General Account	261 654	356 380
Cash receipts	36	185
Disbursements	1 058	(15)
Cash on hand	80	66
<b>Total</b>	<b>262 828</b>	<b>356 616</b>

**12 Prepayments and advances**

	2007/08	2006/07
Travel and subsistence	1 171	1 231
Advances paid to other entities	*24 794	59 274
<b>Total</b>	<b>25 965</b>	<b>60 505</b>

\* Processes have been put in place to recover R24 794 000 from entities

13 Receivables

	NOTE	LESS THAN ONE YEAR	ONE TO THREE YEARS	OLDER THAN THREE YEARS	2007/08	2006/07
					TOTAL	TOTAL
		R'000	R'000	R'000	R'000	R'000
Staff debtors	13.1	4 081	3 232	2 406	9 719	7 339
Other debtors	13.2	13 841	(640)	2 434	15 635	57 124
Intergovernmental receivables	Annex 4	33 405	3 794	5 768	42 967	96 886
<b>Total</b>		<b>51 327</b>	<b>6 386</b>	<b>10 608</b>	<b>68 321</b>	<b>161 349</b>

### 13.1 Staff debtors

	2007/08	2006/07
	R'000	R'000
Salary overpayments	2 507	3 438
Tax debt	233	261
Bursary debt	1 357	1 557
State guarantees	356	347
T&S advance: domestic	9	416
GG Accidents (Official vehicle accidents)	144	28
Misconduct	-	691
Telephone debt	50	45
Sal: Reversal control acc: Ca	1 917	471
Sal: Medical aid	-	1
Departmental debt	59	83
Sal: Reg Service Council	1	1
Employee	168	-
Ex-employee	1 211	-
Fraud	21	-
Other	326	-
Pension recoverable account	31	-
Sal: Deduction disall acc: Ca	694	-
Sal: Disallowance account	101	-
Sal: Garnishee order	6	-
Subsidised transport	528	-
<b>Total</b>	<b>9 719</b>	<b>7 339</b>

### 13.2 Other debtors

	2007/08	2006/07
	R'000	R'000
Disallowance suppliers (Debt)	-	16
Dishonoured cheques (Debt)	-	2 216
Claims recoverable: Pub Entities	2 618	4 427
Claims recoverable Prov Governments: Limpopo	-	1 212
Transport payment suspense	-	532
Fraudulently cashed warrant vouchers (Debt)	-	46
Advances from Prov Governments: Eastern Cape	7 099	6 311
Claims recover Prov Governments: North West	-	391
Disallowance miscellaneous	-	576
Disallowance dishonoured cheques	234	87
Tender deposit	-	1
Debt account Loans objective & interest	-	41 309
Claims recover Foreign Govements and International Organisations	231	-
Claims recover Prov Governments: KwaZulu-Natal	50	-
Claims recover Prov Governments: Western Cape	948	-
Advances from Prov Governments: Limpopo	629	-
Claims recover Prov Governments: Northern Cape	767	-
Advances from Prov Governments: Gauteng	338	-
Suppliers	2 389	-
VAALCO	55	-
MSC Software	277	-
<b>Total</b>	<b>15 635</b>	<b>57 124</b>

14 Loans

	2007/08	2006/07
	R'000	R'000
Public corporations	146 477	155 117
<b>Less: Current portion of loans</b>	<b>24 310</b>	<b>6 695</b>
<b>Non-current assets</b>	<b>122 167</b>	<b>148 422</b>
<b>Analysis of Balance</b>		
Opening balance	155 117	192 935
New Issues	51 434	21 536
Repayments	(59 993)	(50 677)
Write-offs	(82)	(8 677)
Closing balance	146 476	155 117

15 Voted funds to be surrendered to the Revenue Fund

	2007/08	2006/07
	R'000	R'000
Opening balance	354 652	222 330
Transfer from Statement of Financial Performance	477 117	354 653
Paid during the year	(354 652)	(222 331)
Closing balance	477 117	354 652

16 Departmental revenue to be surrendered to the Revenue Fund

	2007/08	2006/07
	R'000	R'000
Opening balance	30 510	(1 024)
Transfer from Statement of Financial Performance	39 142	183 624
Paid during the year	(66 413)	(152 090)
Closing balance	3 239	30 510

17 Payables – current

DESCRIPTION	NOTES	30 DAYS	30+ DAYS	2007/08	2006/07
				TOTAL	TOTAL
		R'000	R'000	R'000	R'000
Advances received	17.1	916	5 524	6 440	89 844
Other payables	17.2	6 197	142 749	148 946	118 346
<b>Total</b>		<b>7 113</b>	<b>148 273</b>	<b>155 386</b>	<b>208 190</b>

17.1 Advances received

Description	2007/08	2006/07
	R'000	R'000
WTA Mooi Umgeni	-	1 313
Advances from Public entities	924	1 074
Advances from Prov Governments: Mpumalanga	39	40
Advances from Prov Governments: Limpopo	1 503	4 238
Berg Water Project	-	78 978
Advances from Prov Governments: Gauteng (Hartbeespoort)	3 974	4 201
<b>Total</b>	<b>6 440</b>	<b>89 844</b>



## 17.2 Other payables

Description	2007/08	2006/07
	R'000	R'000
Salary deduction disallowance account	586	1 784
Forestry leases: Advances from Public entities	132 087	99 743
Sal: ACB recalls	23	26
Claims recoverable: Foreign Governments and International Organisations	-	2 578
Compensation Com. Contr. Acc.	9 851	6 806
Claims recoverable: Prov Governments: Eastern Cape	2	2
Claims recoverable: Prov Governments: Gauteng	-	2 956
Claims recoverable: Prov Governments: Northern Cape	869	1 328
Claims recoverable: Prov Governments: Western Cape	-	3 123
Sal: Insurance Deduction	15	-
Sal: Finance Other Institutions	2	-
Sal: Financials Institutions Study Loans	1	-
Sal: Bargaining council	5	-
Sal: Pension Fund	78	-
Sal: Income tax	1 008	-
Sal: Official union	9	-
Sal: Medical aid	88	-
Disallowance miscellaneous	1 326	-
Dikgwari	1	-
Municipality Mossel Bay	2 828	-
Philtron	1	-
Richards Hotel	4	-
Water Trading Entity-TCTA	144	-
Tshwane	11	-
Wits	1	-
Lebogang	3	-
ICOLD	3	-
<b>Total</b>	<b>148 946</b>	<b>118 346</b>

**18 Net cash flow available from operating activities**

	2007/08	2006/07
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	236 991	491 831
Add back non cash/cash movements not deemed operating activities	154 186	(276 782)
(Increase)/decrease in receivables – current	93 028	172 357
(Increase)/decrease in prepayments and advances	34 540	(48 085)
(Increase)/decrease in other current assets	14 889	(9 880)
Increase/(decrease) in payables – current	(52 804)	(141 048)
Proceeds from sale of capital assets	(255)	(473)
Expenditure on capital assets	485 853	114 888
Surrender to Revenue Fund	(421 065)	(374 421)
Other non-cash items		9 880
<b>Net cash flow generated by operating activities</b>	<b>391 177</b>	<b>215 049</b>

**19 Reconciliation of cash and cash equivalents for cash flow purposes**

	2007/08	2006/07
	R'000	R'000
Consolidated Paymaster-General account	261 654	356 380
Cash receipts	36	185
Disbursements	1 058	(15)
Cash on hand	80	66
<b>Total</b>	<b>262 828</b>	<b>356 616</b>

## 20 Contingent liabilities

		<i>NOTE</i>	2007/08	2006/07
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	7 933	11 379
Other guarantees		Annex 3A	21 484 264	19 457 464
Claims against the department		Annex 3B	183 988	179 021
Other departments (interdepartmental unconfirmed balances)		Annex 5	545	33
<b>Total</b>			<b>21 676 730</b>	<b>19 647 897</b>

## 21 Commitments

		2007/08	2006/07
		R'000	R'000
<b>Current expenditure</b>			
Approved and contracted		350 165	189 243
Approved but not yet contracted		4 345	57 549
		354 510	246 792
<b>Capital expenditure</b>			
Approved and contracted		40 471	31 128
Approved but not yet contracted		-	-
		40 471	31 128
<b>Total Commitments</b>		<b>394 981</b>	<b>277 920</b>

22 Accruals

LISTED BY ECONOMIC CLASSIFICATION	30 DAYS	30+ DAYS	2007/08	2006/07
			R'000	R'000
			TOTAL	TOTAL
Compensation of employees	-	-	-	347
Goods and services	30 846	22 813	53 659	17 083
Transfers and subsidies	-	-	-	337
Interest and rent on land	-	87	87	-
Buildings and other fixed structures	27	1 285	1 312	35
Machinery and equipment	74	56	130	988
Software and other intangible assets	25	3 143	3 168	100
<b>Total</b>	<b>30 972</b>	<b>27 384</b>	<b>58 356</b>	<b>18 890</b>

Listed by programme level
Administration
Water Resource Management
Water Services
Forestry

	R'000	R'000
	14 010	702
	22 548	6 672
	17 390	9 856
	4 408	1 660
	<b>58 356</b>	<b>18 890</b>

Confirmed balances with other departments
Confirmed balances with other government entities

<i>Annex 5</i>	219	80
<i>Annex 5</i>	-	-
	<b>219</b>	<b>80</b>

23 Employee benefits

	2007/08	2006/07
	R'000	R'000
Leave entitlement	61 482	46 784
Thirteenth cheque	28 813	30 976
Performance awards	9 379	5 702
Capped leave commitments	208 611	230 434
<b>Total</b>	<b>308 285</b>	<b>313 896</b>

24 Lease commitments  
Operating leases

2007/2008	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	1 528	1 528
Later than 1 year and not later than 5 years	-	-	-	-
Later than five years	-	-	-	-
<b>Total present value of lease liabilities</b>	-	-	<b>1 528</b>	<b>1 528</b>

2006/2007	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-
Later than five years	-	-	-	-
<b>Total present value of lease liabilities</b>	-	-	-	-

Finance leases\*\*

2007/2008	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	
				TOTAL
	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	15 697	15 697
Later than 1 year and not later than 5 years	-	-	8 741	8 741
<b>Total present value of lease liabilities</b>	-	-	<b>24 438</b>	<b>24 438</b>
<b>Analysis</b>				
Condoned	-	-	24 438	24 438
Not condoned	-	-	-	-
<b>Total</b>	-	-	<b>24 438</b>	<b>24 438</b>
2006/2007	LAND	BUILDINGS AND OTHER FIXED STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
	R'000	R'000	R'000	R'000
	Not later than 1 year	-	-	6 218
Later than 1 year and not later than 5 years	-	-	7 650	7 650
Later than five years	-	-	-	-
<b>Total present value of lease liabilities</b>	-	-	<b>13 868</b>	<b>13 868</b>
<b>Analysis</b>				
Condoned	-	-	13 868	13 868
Not condoned	-	-	-	-
<b>Total</b>	-	-	<b>13 868</b>	<b>13 868</b>

25 Receivables for departmental revenue

	2007/08	2006/07
	R'000	R'000
Sales of goods and services other than capital assets	1 222	2 752
<b>Total</b>	<b>1 222</b>	<b>2 752</b>

26 Irregular expenditure  
Reconciliation of irregular expenditure

	2007/08	2006/07
	R'000	R'000
Opening balance	55	55 341
Add: Irregular expenditure – current year	-	-
Less: Amounts condoned	-	55 286
Expenditure for capital assets	-	55 286
<b>Irregular expenditure awaiting condonement</b>	<b>55</b>	<b>55</b>
<b>Analysis of awaiting condonement per age classification</b>		
Current year	-	-
Prior years	55	55
<b>Total</b>	<b>55</b>	<b>55</b>



## 27 Related party transactions

- 1 Any losses made by the Water Trading Entity Account must be made good from the Exchequer as an augmentation. See Annexure 1G.
- 2 Guarantees were provided for the TCTA. See Annexure 3A.
- 3 Guarantees were provided for the KOBWA. See Annexure 3A.
- 4 Loans were provided to the following Water Boards: Albany Coast, Bloem, Kalahari West, Lepelle Northern, Magalies, Namakwa, Overberg, Sedibeng and Balkfontein. See Annexure 2B. Transfers were made to the following Water Boards: Botshelo and Magalies. See Annexure 1I.
- 5 Loans were provided to the Irrigation Boards and Water User Associations. See Annexure 2B.

	2007/08	2006/07
	R'000	R'000
<b>Movement of funds between department and related party</b>		
Interest bearing loans to/(from)	(11 361)	(47 852)
Guarantees provided	(43 830)	617 198
<b>Total</b>	<b>(55 191)</b>	<b>569 346</b>
<b>Balances between department and related party</b>		
Interest bearing loans to/(from)	105 455	116 816
Guarantees provided	18 745 414	18 789 244
<b>Total</b>	<b>18 850 869</b>	<b>18 906 060</b>

28 Key management personnel

	NO. OF INDIVIDUALS	2007/08	2006/07
		R'000	R'000
Political office bearer	1	1 098	1 003
Officials			
Level 15 to 16	11	9 248	3 535
Level 14	24	15 350	1 417
<b>Total</b>		<b>25 696</b>	<b>5 955</b>

29 Provisions

	2007/08	2006/07
	R'000	R'000
<b>Potential irrecoverable debts</b>		
Staff debtors	4 226	-
Other debtors	35 743	36 847
<b>Total</b>	<b>39 969</b>	<b>36 847</b>

30 Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	OPENING BALANCE	CURRENT YEAR ADJUSTMENTS TO PRIOR YEAR BALANCES	ADDITIONS	TRANSFERS OUT	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>2 042 365</b>	<b>-</b>	<b>330 957</b>	<b>28 700</b>	<b>135</b>	<b>2 344 487</b>
Dwellings	-	-	40	-	-	40
Non-residential buildings	282 702	-	14 685	-	134	297 253
Other fixed structures	105 990	-	316 232	-	1	422 221
Water Services	1 653 673	-	-	28 700	-	1 624 973
<b>MACHINERY AND EQUIPMENT</b>	<b>146 682</b>	<b>(98 708)</b>	<b>44 475</b>	<b>-</b>	<b>120</b>	<b>92 329</b>
Transport assets	379	31	78	-	112	376
Computer equipment	76 631	(52 866)	30 136	-	-	53 901
Furniture and office equipment	15 547	(6 614)	2 562	-	8	11 487
Other machinery and equipment	54 125	(39 259)	11 699	-	-	26 565
<b>LAND AND SUBSOIL ASSETS</b>	<b>-</b>	<b>87 615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87 615</b>
Land	-	87 615	-	-	-	87 615
<b>BIOLOGICAL AND CULTIVATED ASSETS</b>	<b>30</b>	<b>297 214</b>	<b>165</b>	<b>-</b>	<b>16 218</b>	<b>281 191</b>
Biological and cultivated assets	30	297 214	165	-	16 218	281 191
<b>TOTAL TANGIBLE ASSETS</b>	<b>2 189 077</b>	<b>286 121</b>	<b>375 597</b>	<b>28 700</b>	<b>16 473</b>	<b>2 805 622</b>

30.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	CASH	NON-CASH	TOTAL
	COST	FAIR VALUE/R1	COST
	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>330 957</b>	<b>-</b>	<b>330 957</b>
Dwellings	40	-	40
Non-residential buildings	14 685	-	14 685
Other fixed structures	316 232	-	316 232
<b>MACHINERY AND EQUIPMENT</b>	<b>44 475</b>	<b>-</b>	<b>44 475</b>
Transport assets	78	-	78
Specialised military assets	-	-	-
Computer equipment	30 136	-	30 136
Furniture and office equipment	2 562	-	2 562
Other machinery and equipment	11 699	-	11 699
<b>BIOLOGICAL AND CULTIVATED ASSETS</b>	<b>165</b>	<b>-</b>	<b>165</b>
Biological and cultivated assets	165	-	165
<b>TOTAL</b>	<b>375 597</b>	<b>-</b>	<b>375 597</b>

30.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2008

	SOLD FOR CASH	NON CASH (TRANSFERS)	TOTAL DISPOSALS	CASH RECEIVED ACTUAL
	COST/VALUE PRICE AS PER AR	COST/VALUE PRICE AS PER AR		COST
	R'000	R'000		R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>135</b>	<b>28 700</b>	<b>28 835</b>	<b>135</b>
Non-residential buildings	134	-	134	134
Other fixed structures	1	-	1	1
Water Services	-	28 700	28 700	-
<b>MACHINERY AND EQUIPMENT</b>	<b>120</b>	<b>-</b>	<b>120</b>	<b>120</b>
Transport assets	112	-	112	112
Furniture and office equipment	8	-	8	8
<b>BIOLOGICAL AND CULTIVATED ASSETS</b>	<b>-</b>	<b>16 218</b>	<b>16 218</b>	<b>-</b>
Biological and cultivated assets	-	16 218	16 218	-
<b>TOTAL</b>	<b>255</b>	<b>44 918</b>	<b>45 173</b>	<b>255</b>

30.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>2 019 270</b>	<b>23 567</b>	<b>472</b>	<b>2 042 365</b>
Non-residential buildings	277 417	5 728	443	282 702
Other fixed structures	1 741 853	17 839	29	1 759 663
Heritage assets	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>81 412</b>	<b>65 271</b>	<b>1</b>	<b>146 682</b>
Transport assets	342	37	-	379
Computer equipment	32 571	44 060	-	76 631
Furniture and office equipment	12 700	2 847	-	15 547
Other machinery and equipment	35 799	18 327	1	54 125
<b>BIOLOGICAL AND CULTIVATED ASSETS</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>30</b>
Biological and cultivated assets	30	-	-	30
<b>TOTAL TANGIBLE ASSETS</b>	<b>2 100 712</b>	<b>88 838</b>	<b>473</b>	<b>2 189 077</b>

31 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	34 419	3 291	-	37 710
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	112	447	-	559
SERVICES AND OPERATING RIGHTS	16 104	-	-	16 104
OTHER INTANGIBLES	2 641	99 304	-	101 945
<b>TOTAL INTANGIBLE ASSETS</b>	<b>53 276</b>	<b>103 042</b>	<b>-</b>	<b>156 318</b>

31.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2008

	CASH COST	NON-CASH FAIR VALUE/R1	COST	TOTAL COST
	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS				
COMPUTER SOFTWARE	3 291	-	-	3 291
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	447			447
SERVICES AND OPERATING RIGHTS				
OTHER INTANGIBLES	99 304	-	-	99 304
<b>TOTAL</b>	<b>103 042</b>	<b>-</b>	<b>-</b>	<b>103 042</b>



31.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2007

	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	25 701	8 718	-	34 419
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	112	-	-	112
SERVICES AND OPERATING RIGHTS	16 104	-	-	16 104
OTHER INTANGIBLES	-	2 641	-	2 641
<b>TOTAL</b>	<b>41 917</b>	<b>11 359</b>	<b>-</b>	<b>53 276</b>

## ANNEXURE 1E

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	DIVISION OF REVENUE ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
<b>EASTERN CAPE</b>										
Buffalo City (EC125)	3 791	-	1 789	5 580	5 137	92.1%	-	-	-	8 107
Amatole DM (DC12)	6 811	-	(83)	6 728	9 808	145.8%	-	-	-	6 945
Chris Hani DM (DC13)	5 148	-	(10)	5 138	8 584	167.1%	-	-	-	2 896
Ukhahlamba DM (DC14)	2 548	-	-	2 548	2 513	98.6%	-	-	-	3 168
OR Tambo DM (DC15)	5 018	-	355	5 373	12 944	240.9%	-	-	-	3 714
Alfred Nzo DM (DC44)	1 577	-	-	1 577	1 809	114.7%	-	-	-	1 045
<b>FREE STATE</b>										
Kopanong (FS162)	544	-	-	544	544	100.0%	-	-	-	536
Mangaung (FA172)	-	-	-	-	-	0.0%	-	-	-	2 000
Maluti-a-Phofung (FS194)	18 752	-	10	18 762	18 762	100.0%	-	-	-	23 449
Metsimaholo (FS204)	1 181	-	(709)	472	536	113.6%	-	-	-	507
<b>GAUTENG</b>										
City of Tshwane	18 025	-	-	18 025	18 035	100.1%	-	-	-	35 742
Kungwini (GT02b2)	1 193	-	2 000	3 193	3 964	124.1%	-	-	-	-
Emfuleni (GT421)	-	-	-	-	-	-	-	-	-	9 550
<b>KWAZULU NATAL</b>										
eThekweni	916	-	-	916	916	100.0%	-	-	-	1 234
Ugu DM (DC21)	187	-	-	187	187	100.0%	-	-	-	1 235
Uthukela DM (DC23)	1 754	-	8 511	10 265	10 265	100.0%	-	-	-	3 081
Umzinyathi DM (DC24)	1 224	-	-	1 224	1 224	100.0%	-	-	-	1 672
Newcastle (KZ252)	-	-	2 712	2 712	2 712	100.0%	-	-	-	4 056
Amajuba DM (DC25)	511	-	-	511	511	100.0%	-	-	-	689

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	DIVISION OF REVENUE ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Zululand DM (DC26)	8 971	-	5 557	14 528	14 527	100.0%	-	-	-	15 401
Umkhanyakude (DC27)	2 831	-	-	2 831	2 831	100.0%	-	-	-	4 742
uMhlatuze (KZ282)	-	-	6 178	6 178	6 178	100.0%	-	-	-	-
uThangulu DM (DC28)	260	-	-	260	260	100.0%	-	-	-	609
iLembe DM (DC29)	916	-	6 947	7 863	7 863	100.0%	-	-	-	3 300
Sisonke DM (DC43)	1 810	-	(1 810)	-	115	0.0%	-	-	-	-
<b>LIMPOPO</b>										
Sekhukhune DM (DC47)	83 763	-	(30 296)	53 467	53 467	100.0%	-	-	-	23 927
Mopani DM (DC33)	59 690	-	(1 118)	58 572	58 573	100.0%	-	-	-	10 275
Vhembe DM (DC34)	69 916	-	5 278	75 194	75 194	100.0%	-	-	-	7 217
Polokwane (NP354)	12 935	-	(1 002)	11 933	11 933	100.0%	-	-	-	6 680
Capricorn DM (DC35)	42 620	-	27 388	70 008	70 008	100.0%	-	-	-	13 742
Lephalale (NP362)	3 182	-	3 685	6 867	6 867	100.0%	-	-	-	5 632
Mogalakwena (NP367)	16 005	-	9 939	25 944	25 940	100.0%	-	-	-	13 386
<b>MPUMALANGA</b>										
Albert Luthuli (MP301)	-	-	4 659	4 659	2 942	63.1%	-	-	-	5 724
Thembisile (MP315)	-	-	8 117	8 117	11 416	140.6%	-	-	-	10 147
Dr JS Moroka (MP316)	44 273	-	(26 290)	17 983	16 643	92.5%	-	-	-	21 266
Thaba Chweu (MP321)	476	-	4 528	5 004	382	7.6%	-	-	-	1 270
Mbombela (MP322)	30 716	-	-	30 716	30 525	99.4%	-	-	-	25 751
Nkomazi (MP324)	29 030	-	(50)	28 980	28 343	97.8%	-	-	-	22 388
Bushbuckridge (MP325)	-	-	14 879	14 879	25 643	172.3%	-	-	-	10 942
<b>NORTHERN CAPE</b>										
Moshaweng (NC451)	7 785	-	3 568	11 353	11 353	100.0%	-	-	-	9 315
Ga-Segonyana (NC452)	3 417	-	-	3 417	3 417	100.0%	-	-	-	4 044

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	DIVISION OF REVENUE ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	DIVISION OF REVENUE ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Phokwane (NC094)	4 170	-	-	4 170	4 170	100.0%	-	-	-	5 925
<b>NORTH WEST</b>										
Madibeng (NW372)	12 288	-	-	12 288	12 288	100.0%	-	-	-	9 572
Moses Kotane (NW375)	18 208	-	-	18 208	18 208	100.0%	-	-	-	14 640
Bophirima DM (DC39)	21 700	-	(1 868)	19 832	19 832	100.0%	-	-	-	21 897
<b>WESTERN CAPE</b>										
Cederberg (WC012)	473	-	-	473	473	100.0%	-	-	-	1 173
West Coast DM (DC1)	741	-	-	741	741	100.0%	-	-	-	741
Oudtshoorn (WC045)	4 634	-	-	4 634	4 634	100.0%	-	-	-	4 636
Moretele	-	-	10 533	10 533	10 533	100.0%	-	-	-	-
Central DM	-	-	7 964	7 964	7 964	100.0%	-	-	-	-
Dihlabeng	10	-	(10)	-	-	0.0%	-	-	-	-
Rustenburg Municipality	-	-	393	393	-	0.0%	-	-	-	-
<b>Total</b>	<b>550 000</b>	<b>-</b>	<b>71 744</b>	<b>621 744</b>	<b>641 714</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>383 968</b>

## ANNEXURE 1F

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	AMOUNT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	TOTAL AVAILABLE
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
RSCL Levies	-	-	-	-	19	0%	-	-	-	2 098
Vehicle Licences	-	-	-	-	293	0%	-	-	-	614
Municipality Ndlambe	-	-	500	500	500	100.0%	-	-	-	-
Municipality Sunday's River	-	-	300	300	300	100.0%	-	-	-	-
Municipality Baviaans	-	-	1 500	1 500	-	0.0%	-	-	-	-
Amatole District Municipality	-	-	300	300	-	0.0%	-	-	-	-
Chris Hani Municipality	-	-	1 000	1 000	1 000	100.0%	-	-	-	-
Municipality Ukhahlamba	-	-	1 000	1 000	1 000	100.0%	-	-	-	-
OR Municipality	-	-	500	500	500	100.0%	-	-	-	-
Alfred NZO District Municipality	-	-	400	400	400	100.0%	-	-	-	-
Municipality Matzikama	-	-	500	500	500	100.0%	-	-	-	-
Cederberg Municipality	-	-	2 700	2 700	2 700	100.0%	-	-	-	-
Municipality Bergriver	-	-	600	600	600	100.0%	-	-	-	-
Weskus Distriksraad	-	-	500	500	500	100.0%	-	-	-	-
Kannaland Distriksraad	-	-	2 100	2 100	-	0.0%	-	-	-	-
Municipality MosselBay	-	-	2 500	2 500	5 000	200.0%	-	-	-	-
Municipality Laingsburg	-	-	900	900	900	100.0%	-	-	-	-
Municipality Prince Albert	-	-	800	800	800	100.0%	-	-	-	-
Ugu Municipality	-	-	4 000	4 000	4 000	100.0%	-	-	-	-
Municipality Uthukela	-	-	3 000	3 000	1 500	50.0%	-	-	-	-

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	AMOUNT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	TOTAL AVAILABLE
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Umzinyathi Regional Council	-	-	3 000	3 000	3 000	100.0%	-	-	-	-
Amajuba District			1 000	1 000	1 000	100.0%				
Zululand Regional Council	-	-	7 000	7 000	7 000	100.0%	-	-	-	-
Municipality Umkhanyakude	-	-	8 000	8 000	8 000	100.0%	-	-	-	-
Uthungulu District	-	-	4 500	4 500	4 500	100.0%	-	-	-	-
iLembe Regional Council	-	-	1 500	1 500	1 500	100.0%	-	-	-	-
Sisonke District	-	-	3 000	3 000	3 000	100.0%	-	-	-	-
Municipality Msukalingwa	-	-	500	500	500	100.0%	-	-	-	-
Mkhondo Municipality	-	-	400	400	-	0.0%	-	-	-	-
Pixley Ka Seme Municipality	-	-	1 000	1 000	-	0.0%	-	-	-	-
Delmas Municipality Council	-	-	600	600	600	100.0%	-	-	-	-
Steve Tshwete	-	-	800	800	-	0.0%	-	-	-	-
Ehlanzeni District	-	-	1 000	1 000	-	0.0%	-	-	-	-
Municipality Nokeng	-	-	1 500	1 500	1 500	100.0%	-	-	-	-
Municipality Kgetlengriver	-	-	1 500	1 500	1 500	100.0%	-	-	-	-
Central District	-	-	5 500	5 500	5 500	100.0%	-	-	-	-
Municipality Bophirima	-	-	4 000	4 000	4 000	100.0%	-	-	-	-
City Matlasana	-	-	1 500	1 500	1 500	100.0%	-	-	-	-
Municipality Kopanong	-	-	1 000	1 000	1 000	100.0%	-	-	-	-
Municipality Mantsopa	-	-	100	100	100	100.0%	-	-	-	-

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	AMOUNT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	TOTAL AVAILABLE
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Municipality Masilinyana	-	-	1 000	1 000	1 000	100.0%	-	-	-	-
Municipality Setsoto	-	-	500	500	500	100.0%	-	-	-	-
Dihlabeng Local Municipality	-	-	400	400	400	100.0%	-	-	-	-
Municipality Nketoana	-	-	500	500	500	100.0%	-	-	-	-
Municipality Ngwathe	-	-	500	500	500	100.0%	-	-	-	-
Kgalagadi District	-	-	1 000	1 000	-	0.0%	-	-	-	-
Municipality Ubunthu	-	-	500	500	500	100.0%	-	-	-	-
Municipality Umsobomvu	-	-	500	500	500	100.0%	-	-	-	-
Municipality Kareeberg	-	-	2 100	2 100	2 100	100.0%	-	-	-	-
Municipality Renosterberg	-	-	1 500	1 500	1 500	100.0%	-	-	-	-
Municipality Thembelihle	-	-	500	500	500	100.0%	-	-	-	-
Municipality Ga-Segonyana	-	-	-	-	1 000	%	-	-	-	-
Municipality Kai Garib	-	-	-	-	7 000	%	-	-	-	-
Siyanda District Municipality	-	-	7 000	7 000	-	0.0%	-	-	-	-
Greater Sekhukhune District	-	-	3 500	3 500	3 500	100.0%	-	-	-	-
Municipality Mopani	-	-	2 400	2 400	2 400	100.0%	-	-	-	-
Vhembe District	-	-	2 500	2 500	2 500	100.0%	-	-	-	-
Capricorn District Municipality	-	-	3 000	3 000	-	0.0%	-	-	-	-
Municipality Thabazimbi	-	-	300	300	300	100.0%	-	-	-	-

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	AMOUNT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	AMOUNT RECEIVED BY MUNICIPALITY	AMOUNT SPENT BY MUNICIPALITY	% OF AVAILABLE FUNDS SPENT BY MUNICIPALITY	TOTAL AVAILABLE
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Municipality Lephalale	-	-	300	300	300	100.0%	-	-	-	-
Municipality Mookgophong	-	-	700	700	700	100.0%	-	-	-	-
Municipality Mogalakwena	-	-	800	800	800	100.0%	-	-	-	-
<b>Total</b>	-	-	<b>100 000</b>	<b>100 000</b>	<b>91 212</b>		-	-	-	<b>2 712</b>

#### ANNEXURE 1G

#### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2006/07
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000
Water Trading Account	1 621 602	-	-	1 621 602	1 185 865	73.1%	827 021
Skills Levy	578	-	69	647	646	99.8%	356
Inkomati Catchment Management Area	3 659	-	-	3 659	3 650	99.8%	-
<b>Total</b>	<b>1 625 839</b>	<b>-</b>	<b>69</b>	<b>1 625 908</b>	<b>1 190 161</b>		<b>827 377</b>



## ANNEXURE 11

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2006/07
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	CAPITAL	CURRENT	FINAL APPROPRIATION ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public Corporations</b>									
SARS	-	-	-	-	-	0.0%	-	-	12 607
SANBI	-	-	-	-	-	0.0%	-	-	25 200
Magalies Water Board	-	-	-	-	1 776	0.0%	-	-	15 168
Botshelo Water Board	-	-	-	-	35 272	0.0%	-	-	33 543
Lepele Water Board	-	-	-	-	-	0.0%	-	-	30 685
Lepele Water Board	-	-	-	-	-	0.0%	-	-	4 500
Rustenburg Municipality	2 170	-	-	2 170	786	36.2%	-	-	-
Nelson Mandela Metropolitan	100	-	-	100	100	100.0%	-	-	-
World Organisational Congress	1 500	-	-	1 500	1 500	100.0%	-	-	-
Forestry South Africa	-	-	2 450	2 450	2 450	100.0%	-	-	-
Central District Municipality	35 270	-	-	35 270	-	0.0%	-	-	-
Indigenous Knowledge Systems of South Africa	-	-	1 000	1 000	-	0.0%	-	-	-
<b>Total</b>	<b>39 040</b>	<b>-</b>	<b>3 450</b>	<b>42 490</b>	<b>41 884</b>				<b>121 703</b>
<b>Private Enterprises</b>									
Imperial Account	-	-	-	-	(163)	0.0%	-	-	-
Jourbert and May Attorneys	-	-	-	-	16	0.0%	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(147)</b>				<b>-</b>
<b>Total</b>	<b>39 040</b>	<b>-</b>	<b>3 450</b>	<b>42 490</b>	<b>41 737</b>		<b>-</b>	<b>-</b>	<b>121 703</b>

## ANNEXURE 1J

## STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Orange Senque Basin Commission (ORASECOM)	525	-	-	525	510	97.1%	3 500
African Ministerial Council on Water	-	-	150	150	-	0.0%	-
<b>Total</b>	<b>525</b>	<b>-</b>	<b>150</b>	<b>675</b>	<b>510</b>		<b>3 500</b>

## ANNEXURE 1K

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Capital/Transfer							
Swimming South Africa	340	-	10	350	350	100.0%	150
<b>Total</b>	<b>340</b>	<b>-</b>	<b>10</b>	<b>350</b>	<b>350</b>		<b>150</b>

## ANNEXURE 1L

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	FINAL APPROPRIATION ACT
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
H/H Social Benefits	24 000	-	34 266	58 266	56 516	97.0%	27 367
SANPARKS – Social Benefits	-	-	-	-	-	0.0%	1 481
Financial Assistance to Small scale farmers	27 868	-	2 023	29 891	29 892	100.0%	8 074
Inkomati Catchment Management Area	-	-	-	-	-	0.0%	7 000
Phokwane Municipality	-	-	-	-	-	0.0%	631
Moshaweng Municipality	-	-	-	-	-	0.0%	1 352
Tshwane University of Technology	-	-	476	476	476	100.0%	-
<b>Total</b>	<b>51 868</b>	<b>-</b>	<b>36 765</b>	<b>88 633</b>	<b>86 884</b>		<b>45 905</b>

**ANNEXURE 1M**
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
		R'000	R'000
<b>Received in cash</b>			
Global Water Partnership (GWP)	Air ticket for attendance of GWP meeting in Stockholm	-	22
Anglo Alpha	20/20 vision programme in Limpopo	160	-
<b>Subtotal</b>		<b>160</b>	<b>22</b>
<b>Received in kind</b>			
Rand Water	Baswa le Meetse	-	2
Umgeni Water	Sanitation Week	-	2
ABSA	Baswa le Meetse	-	65
Umgeni Water	Golfday	-	100
Mhlathuzi Water	Golfday	-	50
Sedibeng Water	Golfday	-	15
TCTA	Golfday	-	30
MTN	Golfday	-	15
Mercury Media	Golfday	400	-
Total South Africa	Arbor week	2 500	1 000
Working for Water	Arbor week	200	-
Eskom	Water week	-	300
Eskom	Women in Water	-	300
IUFRO	International Forestry Conference on Improvement and Culture of Eucalypts	100	-
Arbor City Awards		160	-
Umgeni Water	Sanitation Week: 2000 water bottles		
Swedish International Development Cooperation Agency (SIDA) - 10	International Visits	244	-
Stockholm International Water Institute - 3	International Visits	37	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
		R'000	R'000
VNG International - 3	International Visits	75	-
River Symposium Secretariat	10th International River Symposium and Environmental Flows Conference	35	-
VNG International - Netherlands	Water Exchange Activity Workshop	34	-
UNEP / UNESCO / BMU	International Visits	70	-
Israel Fellowship	International Visits	44	-
UNEP	UNEP Scoping Meeting in Nairobi	9	-
DSI Turkey / ICOLD	ICOLD capacity building exercise for young engineers in dam construction and operation	120	-
Triple Bottom Line Investing Conference Organisers	Triple Bottom Line Investing Conference	16	-
SFT (Norway)	Water Use Co-operation Project	28	-
Australian Government	Attendance at meeting on Forests and Climate	48	-
Vereniging Nederlandse Gemeentes (VNG)	IHE-UNESCO Symposium on "Water for a Changing World"	15	-
SAAWU	Attendance for Water Boards Oversight	20	-
<b>Subtotal</b>		<b>4 155</b>	<b>1 879</b>
<b>TOTAL</b>		<b>4 315</b>	<b>1 901</b>

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION	2006/07	2005/06
	OR SPONSORSHIP	R'000	R'000
<b>Received in cash</b>			
Various companies	Health River Programme	-	27
AM Muller	Teletransmission Inward International		72
Global Water Partnership (GWP)	Air ticket for attendance of GWP meeting in Stockholm	22	-
<b>Subtotal</b>		<b>22</b>	<b>99</b>
<b>Received in kind</b>			
DBSA	Activity kits for the Health River Programme	-	50
Baswa le Meetse	Rand Water	2	-
Sanitation Week	Umgeni Water	2	-
Baswa le Meetse	ABSA	65	-
Golfday	Umgeni Water	100	-
	Mlhatuzi Water	50	-
	Sedibeng Water	15	-
	TCTA	30	-
	MTN	15	-
Arbor week	Total South Africa	1 000	-
Water Week	Eskom	300	-
Women in Water	Eskom	300	-
<b>Subtotal</b>		<b>1 879</b>	<b>50</b>
<b>Total</b>		<b>1 901</b>	<b>149</b>

## ANNEXURE 1N

## STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
<b>Received in cash</b>					
European Union	Water and sanitation services	(20 891)	16 716	*281 065	(285 240)
Finland	Working for water	233	-	23	210
Ireland	Water and sanitation programme	13 283	33 526	43 290	3 519
Flanders	Water and sanitation for deep rural areas	(1 325)	-	-	(1 325)
Republic of China	Community forestry	194	-	-	194
African Renaissance	Upgrading of Hydrometric Network in Lesotho	4 123	-	1 151	2 972
Denmark	Community water supply and sanitation	5 053	-	2 281	2 772
Switzerland	Local Government capacity building and knowledge sharing	200	1 800	3 500	(1 500)
<b>Subtotal</b>		<b>870</b>	<b>52 042</b>	<b>331 310</b>	<b>(278 398)</b>
* The agreement with the EU was signed on 20 March 2008, with effect from 1 April 2007. The amount was only received in the next financial year.					
<b>Received in kind</b>					
Local					
Unesco	Technical assistance with capacity building	10	-	10	-
<b>FOREIGN</b>					
China	Pipes and Water meters	159 822	4 500	164 322	-
United Kingdom	Forestry markets	13 742	-	13 742	-
United Kingdom	Support to water services	10 696	2 867	13 563	-
United Kingdom	Strengthening Chief Directorate: Forestry	1 105	-	1 105	-
Japan	Rural water supply	31 319	-	31 319	-
United Kingdom	Corporate institutional transformation	8 807	-	8 807	-
United Kingdom	Support to Water Resources Management	17 980	12 347	30 327	-
DFID	Partners for Water and Sanitation	250	137	387	-
Netherlands Dutch VNG	Twinning Arrangement with Dutch Water Boards	600	1 615	2 215	-
<b>Subtotal</b>		<b>244 331</b>	<b>21 466</b>	<b>265 797</b>	<b>-</b>
<b>TOTAL</b>		<b>245 201</b>	<b>73 508</b>	<b>597 107</b>	<b>(278 398)</b>

## ANNEXURE 10

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2008

NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
	R'000	R'000
Paid in cash		
National Grasslands Borne Programme (NGBP) managed by SA National Biodiversity Institute (SANBI)	-	100
Tree Planting Nature Day Programmes: Schools for Learners with Special Educational Needs	-	100
35th Annual International Forestry Students' Symposium hosted by the Nelson Mandela Metropolitan University	100	-
An incentive to the winning town/city in the Arbor City Awards	100	-
Indigenous Knowledge System of South Africa (iKSSA) to identify projects, in particular Medicinal Plant Gardens and Nurseries	1 000	-
FSA to conduct research on how to control and manage infestations such as Sirex and other Forest Pathology and Forest Entomology issues	2 450	-
<b>TOTAL</b>	<b>3 650</b>	<b>200</b>



## ANNEXURE 2B

## STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2008

NAME OF PUBLIC ENTITY	NATURE OF BUSINESS	COST OF INVESTMENT		NET ASSET VALUE OF INVESTMENT		AMOUNTS OWING TO ENTITIES		AMOUNTS OWING BY ENTITIES	
		R'000		R'000		R'000		R'000	
		2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
<b>Controlled entities</b>									
<b>WATER BOARDS</b>									
Albany Coast	Building of a stock drinking scheme	-	-	-	-	-	-	273	288
Bloem Water B	Purchase of the Caledon/ Bloemfontein (Welbedacht Dam) Water scheme	-	-	-	-	-	-	-	(7)
Kalahari West	Construct a stock drinking scheme	-	-	-	-	-	-	3 582	3 628
Lepelle N/W (Duiwelskloof)	Purchase of the Duiwelskloof scheme	-	-	-	-	-	-	784	812
Lepelle N/W (Ebenezer)	Purchase of the Pietersburg Regional water supply scheme	-	-	-	-	-	-	32	28
Magalies	Purchase of the Wallmanstal and Temba purification works	-	-	-	-	-	-	-	8 532
Namakwa - De Beers	Namakwa water split into 3 different parties each	-	-	-	-	-	-	3 172	2 935
Overberg Water	Purchase of the Duiwenhoks, Reunsveld East and West Scheme	-	-	-	-	-	-	29 024	30 228
Sedibeng Water Balkfontein	Purchase of the Balkfontein and Sand river Government water Scheme	-	-	-	-	-	-	3 223	4 750
Sedibeng Water	Purchase of the Balkfontein and Sand river Government water Scheme	-	-	-	-	-	-	5 917	5 972

NAME OF PUBLIC ENTITY	NATURE OF BUSINESS	COST OF INVESTMENT		NET ASSET VALUE OF INVESTMENT		AMOUNTS OWING TO ENTITIES		AMOUNTS OWING BY ENTITIES	
		R'000		R'000		R'000		R'000	
		2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
White river valley	Purchase of Prinmkop Dam and Lonmere Dam	-	-	-	-	-	-	711	757
<b>IRRIGATION BOARDS</b>									
Agterkliphoogte (3)	For irrigation	-	-	-	-	-	-	95	91
Bossieveld 2	For irrigation	-	-	-	-	-	-	1 340	1 484
Zandrifft	For irrigation	-	-	-	-	-	-	5	6
Buffelsjagts (3)	For irrigation	-	-	-	-	-	-	-	1
Ceres Rooikloof (1)	For irrigation	-	-	-	-	-	-	-	11
Ceres Rooikloof (2)	For irrigation	-	-	-	-	-	-	1	23
Ceres Kockedouw (1)	For irrigation	-	-	-	-	-	-	-	4
Cogmanskloof	For irrigation	-	-	-	-	-	-	1 406	1 576
Groenland (1)	For irrigation	-	-	-	-	-	-	-	7
Groenland (2)	For irrigation	-	-	-	-	-	-	6	201
Grooteiland Klipdrift (4)	For irrigation	-	-	-	-	-	-	10	11
Grooteiland Klipdrift (5)	For irrigation	-	-	-	-	-	-	2	2
Groothoek (4)	For irrigation	-	-	-	-	-	-	29	29
Groothoek (3)	For irrigation	-	-	-	-	-	-	8	8
Hoekoe (3)	For irrigation	-	-	-	-	-	-	5	5
Hoekoe (4)	For irrigation	-	-	-	-	-	-	-	2
Hoekoe (1)	For irrigation	-	-	-	-	-	-	2	2
Hoekoe (2)	For irrigation	-	-	-	-	-	-	-	2
Klaasvoogds (2)	For irrigation	-	-	-	-	-	-	44	55
Klaasvoogds (1)	For irrigation	-	-	-	-	-	-	88	115
Klaasvoogds (3)	For irrigation	-	-	-	-	-	-	9	12
Kingna (2)	For irrigation	-	-	-	-	-	-	59	65
Nooitgedacht (2)	For irrigation	-	-	-	-	-	-	10	16
Nooitgedacht (3)	For irrigation	-	-	-	-	-	-	28	30

NAME OF PUBLIC ENTITY	NATURE OF BUSINESS	COST OF INVESTMENT		NET ASSET VALUE OF INVESTMENT		AMOUNTS OWING TO ENTITIES		AMOUNTS OWING BY ENTITIES	
		R'000		R'000		R'000		R'000	
		2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Noord Agter Paarl (1)	For irrigation	-	-	-	-	-	-	858	911
Palmiet (1)	For irrigation	-	-	-	-	-	-	-	13
Palmiet (2)	For irrigation	-	-	-	-	-	-	21	51
Perdeberg (1)	For irrigation	-	-	-	-	-	-	2 346	3 140
Perdeberg (2)	For irrigation	-	-	-	-	-	-	918	(39)
Suid Agter Paarl (1)	For irrigation	-	-	-	-	-	-	1 087	1 153
Uitnood (1)	For irrigation	-	-	-	-	-	-	585	609
Uitnood (2)	For irrigation	-	-	-	-	-	-	-	6
Vier-en-twintigriviere (3)	For irrigation	-	-	-	-	-	-	4	4
Kanoneiland (3)	For irrigation	-	-	-	-	-	-	15	15
Sondagsrivier (1)	For irrigation	-	-	-	-	-	-	-	6
Sondagsrivier (4)	For irrigation	-	-	-	-	-	-	-	4
Sondagsrivier (5)	For irrigation	-	-	-	-	-	-	-	1
Illovo	For irrigation	-	-	-	-	-	-	230	244
Ixopo	For irrigation	-	-	-	-	-	-	758	799
Sterkspruitrivier	For irrigation	-	-	-	-	-	-	953	992
Umlaas (2)	For irrigation	-	-	-	-	-	-	466	486
Low's Creek	For irrigation	-	-	-	-	-	-	-	8
Malelane (1)	For irrigation	-	-	-	-	-	-	372	345
Sabierivier (2)	For irrigation	-	-	-	-	-	-	24	24
Sabierivier (1)	For irrigation	-	-	-	-	-	-	-	12
Sabierivier (3)	For irrigation	-	-	-	-	-	-	-	6
Sabierivier (4)	For irrigation	-	-	-	-	-	-	3	3
Sabierivier (5)	For irrigation	-	-	-	-	-	-	-	-
Sandrivier (1)	For irrigation	-	-	-	-	-	-	43	53
Sandrivier (2)	For irrigation	-	-	-	-	-	-	16	28
White River Est.	For irrigation	-	-	-	-	-	-	-	5

NAME OF PUBLIC ENTITY	NATURE OF BUSINESS	COST OF INVESTMENT		NET ASSET VALUE OF INVESTMENT		AMOUNTS OWING TO ENTITIES		AMOUNTS OWING BY ENTITIES	
		R'000		R'000		R'000		R'000	
		2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Georges Valley (3)	For irrigation	-	-	-	-	-	-	-	13
Pusela	For irrigation	-	-	-	-	-	-	2	4
Bellair	For irrigation	-	-	-	-	-	-	37	38
Bo-Doornrivier	For irrigation	-	-	-	-	-	-	9	9
Bossieveld (1)	For irrigation	-	-	-	-	-	-	64	71
Brandwag	For irrigation	-	-	-	-	-	-	-	101
Buffelskloof (2)	For irrigation	-	-	-	-	-	-	103	110
Buffelskloof (1)	For irrigation	-	-	-	-	-	-	2	2
Calitzdorp (1)	For irrigation	-	-	-	-	-	-	(1)	(1)
Dwariga	For irrigation	-	-	-	-	-	-	13	21
Doornrivier (3)	For irrigation	-	-	-	-	-	-	3	4
Elandskaroo	For irrigation	-	-	-	-	-	-	-	82
Gamkarivier (1)	For irrigation	-	-	-	-	-	-	25	25
Gamkarivier (3)	For irrigation	-	-	-	-	-	-	13	87
Gamkarivier (2)	For irrigation	-	-	-	-	-	-	70	13
Hexriver (2)	For irrigation	-	-	-	-	-	-	2	21
Hooprivier (2)	For irrigation	-	-	-	-	-	-	16	19
Jan du Toits (2)	For irrigation	-	-	-	-	-	-	4	4
Jan du Toits (1)	For irrigation	-	-	-	-	-	-	4	11
Keurkloof	For irrigation	-	-	-	-	-	-	26	36
Krommerivier (1)	For irrigation	-	-	-	-	-	-	26	26
Krommerivier (2)	For irrigation	-	-	-	-	-	-	2	2
Krommerivier (4)	For irrigation	-	-	-	-	-	-	67	71
Krommerivier (3)	For irrigation	-	-	-	-	-	-	30	30
Leeu Gamka	For irrigation	-	-	-	-	-	-	2	3
Nonnarivier	For irrigation	-	-	-	-	-	-	-	1
Noree (3)	For irrigation	-	-	-	-	-	-	8	9

NAME OF PUBLIC ENTITY	NATURE OF BUSINESS	COST OF INVESTMENT		NET ASSET VALUE OF INVESTMENT		AMOUNTS OWING TO ENTITIES		AMOUNTS OWING BY ENTITIES	
		R'000		R'000		R'000		R'000	
		2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Nuyrivier (1)	For irrigation	-	-	-	-	-	-	87	94
Overhex (2)	For irrigation	-	-	-	-	-	-	8	10
Suid Agter Paarl (2)	For irrigation	-	-	-	-	-	-	167	176
Van Wyksdorp	For irrigation	-	-	-	-	-	-	98	102
Kanoneiland (2)	For irrigation	-	-	-	-	-	-	1 479	1 512
Kanoneiland (1)	For irrigation	-	-	-	-	-	-	261	275
Renfield	For irrigation	-	-	-	-	-	-	35	34
Tierpoort	For irrigation	-	-	-	-	-	-	1 270	1 235
Mzalanyoni	For irrigation	-	-	-	-	-	-	163	156
Sondagsrivier (Eland)	For irrigation	-	-	-	-	-	-	365	325
Umlaas (1)	For irrigation	-	-	-	-	-	-	134	140
Umlaas (3)	For irrigation	-	-	-	-	-	-	229	241
Curlews (Manchester)	For irrigation	-	-	-	-	-	-	355	404
Curlews (5)	For irrigation	-	-	-	-	-	-	2	2
De Rust	For irrigation	-	-	-	-	-	-	184	208
Eureka	For irrigation	-	-	-	-	-	-	711	657
Komatirivier (1)	For irrigation	-	-	-	-	-	-	197	228
Komatirivier (3)	For irrigation	-	-	-	-	-	-	154	104
Komatirivier (2)	For irrigation	-	-	-	-	-	-	226	276
Manchester Noordwyk (2)	For irrigation	-	-	-	-	-	-	2 157	1 843
Malelane (2)	For irrigation	-	-	-	-	-	-	148	148
Ranch Karino (4)	For irrigation	-	-	-	-	-	-	156	232
Ranch Karino (1)	For irrigation	-	-	-	-	-	-	65	75
Ranch Karino (2)	For irrigation	-	-	-	-	-	-	38	39
Ranch Karino (3)	For irrigation	-	-	-	-	-	-	3	15
Trans Elands	For irrigation	-	-	-	-	-	-	82	90
Schweizer Reneke	For irrigation	-	-	-	-	-	-	-	22

NAME OF PUBLIC ENTITY	NATURE OF BUSINESS	COST OF INVESTMENT		NET ASSET VALUE OF INVESTMENT		AMOUNTS OWING TO ENTITIES		AMOUNTS OWING BY ENTITIES	
		R'000		R'000		R'000		R'000	
		2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Whiter Water Major	Purchase of Da Gama Dam	-	-	-	-	-	-	283	264
Haarlem	Dam and pipelines	-	-	-	-	-	-	10 103	9 357
Hexvalley	Purchase of Sandrift Government Water Scheme	-	-	-	-	-	-	4 963	5 462
Bleshoek	For irrigation	-	-	-	-	-	-	2	182
Impala	Guaranteed payments	-	-	-	-	-	-	22 239	21 536
<b>MUNICIPALITIES</b>									
Amajuba District eThekweni	Purchase of portion of the Ngagane Regional water supply scheme	-	-	-	-	-	-	36 000	32 413
Ethekweni	Purchase of Hammersdale water distribution scheme	-	-	-	-	-	-	548	671
Ngwathe (Heilbron)	Purchase of Heilbron pipeline	-	-	-	-	-	-	66	63
Oudtshoorn	Purchase of loan in respect of Municipality dam	-	-	-	-	-	-	21	64
Saldanha	Purchase of Stompneus resevoir	-	-	-	-	-	-	245	242
West Coast District	Purchase of Berg River (Saldanha) and Berg River (Swartland)	-	-	-	-	-	-	4 141	4 848
<b>Total</b>		-	-	-	-	-	-	<b>146 476</b>	<b>155 117</b>

## ANNEXURE 3A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2007	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	REVALUATIONS	CLOSING BALANCE 31 MARCH 2008	GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2008	REALISED LOSSES NOT RECOVERABLE I.E. CLAIMS PAID OUT
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	<b>Housing</b>								
VSB Mutual Bank	Loans	168	168	-	-	-	168	-	-
Old Mutual (NEDB/PERM)	Loans	1 855	1 855	33	95	(419)	1374	-	-
Old Mutual Fin. Ltd	Loans	181	181	16	-	(80)	117	-	-
Peoples Bank (NBC/FID)	Loans	409	409	16	-	(51)	374	-	-
Green Start H/ loans	Loans	45	45	-	-	-	45	-	-
Nedbank (BOE)	Loans	80	80	-	6	(49)	25	-	-
Nedbank LTD	Loans	387	387	36	4	(44)	375	-	-
NP Dev. Corp	Loans	278	278	-	-	(16)	262	-	-
Ithala Bank	Loans	65	65	16	-	4	85	-	-
Hlano Fin.Serv.	Loans	9	9	-	-	(6)	3	-	-
Meeg Bank	Loans	4	4	-	-	-	4	-	-
Standard Bank	Loans	1 648	1 648	11	257	(393)	1 009	-	-
ABSA	Loans	4 215	4 215	47	547	(1 170)	2 545	-	-
Mpumalanga	Loans	45	45	-	-	-	45	-	-
African Bank (Unique Finance)	Loans	46	46	-	-	-	46	-	-
Stanbo	Loans	7	7	-	-	-	7	-	-
FNB	Loans	700	700	-	-	(187)	513	-	-

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2007	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	REVALUATIONS	CLOSING BALANCE 31 MARCH 2008	GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2008	REALISED LOSSES NOT RECOVERABLE I.E. CLAIMS PAID OUT
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Free State Development Corp.	Loans	130	130	-	-	(87)	43	-	-
BoE Bank Limited	Loans	13	13	-	-	(1)	12	-	-
First Rand Bank Inco NB	Loans	668	668	39	31	(95)	581	-	-
Nedbank LTD Inco NB	Loans	426	426	-	-	(126)	300	-	-
<b>Subtotal</b>		<b>11 379</b>	<b>11 379</b>	<b>214</b>	<b>940</b>	<b>(2 720)</b>	<b>7 933</b>	<b>-</b>	<b>-</b>
	<b>Other</b>								
KOBWA (18)	DBSA Driekoppies Dam	488 401	406 029	-	5 000	-	401 029	-	-
KOBWA (21)	Hambros bond issue Maguga Dam	380 000	380 000	-	-	-	380 000	25 313	-
KOBWA (27)	Gensec Bank Maguga Dam	165 000	151 930	-	8 074	-	143 856	4 604	-
KOBWA	Rand Merchant Bank Maguga Dam	380 000	347 003	-	3 963	-	343 040	-	-
KOBWA	Nedcor Bank Maguga Dam	233 000	218 751	-	2 578	-	216 173	-	-
Land Bank (30)	Financing of water projects by WUA's	150 000	44 615	-	-	-	44 615	(1 516)	-



GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2007	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	REVALUATIONS	CLOSING BALANCE 31 MARCH 2008	GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2008	REALISED LOSSES NOT RECOVERABLE I.E. CLAIMS PAID OUT
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land Bank (28)	Kalahari East Water Board	77 400	16 252	-	-	-	16 252	(542)	-
Land Bank (29)	Unzinkulwana WUA	500	332	-	-	-	332	(8)	-
Loan to LHDA (1) Repayment phase	Development Bank of Southern Africa (DBSA)- Contract 2484/1 Butha-Buthe Village engineering works	22 700	9 279	-	2 239	-	7 040	-	-
Loan to LHDA (2) Repayment phase	DBSA-Contract 2744/1 Civil Construction training	910	-	-	-	-	-	-	-
Loan to LHDA (3) Fully paid	DBSA-Contract 2744/3 Civil Construction training	248	-	-	-	-	-	-	-
Loan to LHDA (4) Fully paid	DBSA-Contract 3729/1 Accounting and Financial Management System	3 050	-	-	-	-	-	-	-

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2007	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	REVALUATIONS	CLOSING BALANCE 31 MARCH 2008	GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2008	REALISED LOSSES NOT RECOVERABLE I.E. CLAIMS PAID OUT
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Loan to LHDA (5) Repayment phase	DBSA-9589/1 Planning and construction of LHWP entrance roads and reservoir crossing	8 854	-	-	-	-	-	-	-
Loan to LHDA (6) Fully paid	DBSA-2653/1 Basic infrastructure for communities affected by Construction	1 840	-	-	-	-	-	-	-
Loan to LHDA (7) Drawdown phase	ABSA Bank Ltd CMA Phase 4	100 000	-	-	-	-	-	-	-
Loan to LHDA (8) Fully paid	(Sechold Ltd) Investec Money Market	200 000	-	-	-	-	-	-	-
Loan to LHDA (9) Fully paid	ABSA Money Market	350 000	-	-	-	-	-	-	-
Loan to LHDA (10) Fully paid	Standard Bank of SA Limited money market	350 000	-	-	-	-	-	-	-
Loan to LHDA (11) Fully paid	Nedperm Bank	100 000	-	-	-	-	-	-	-
Loan to LHDA (12) Fully paid	RMB Money Market	100 000	-	-	-	-	-	-	-

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2007	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	REVALUATIONS	CLOSING BALANCE 31 MARCH 2008	GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2008	REALISED LOSSES NOT RECOVERABLE I.E. CLAIMS PAID OUT
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Loan to TCTA (13) Repayment phase and drawdown phase	Call bills & Capital project bills. Issued in the money market	4 000 000	996 950	-	463 550	-	533 400	2 747	-
Loan to LHDA (15) Fully paid	DPSA-Contract 9589/2	145 443	-	-	-	-	-	-	-
Loan to LHDA (16) Fully paid	DPSA-Contract 10753	58 379	-	-	-	-	-	-	-
Loan to LHDA (17) Draw	CMA-V RMB	100 000	-	-	-	-	-	-	-
Loan to TCTA (14) Repayment phase and drawdown phase	Holders of Lesotho O22Highlands Water Projects (New Consolidated Guarantee)	21 000 000	16 022 223	2 019 975	-	-	18 042 198	442 988	-
Loan to LHDA	DBSA-2868/1	2 700	1 935	-	228	-	1 707	-	-
<b>Subtotal</b>		<b>28 418 425</b>	<b>18 595 299</b>	<b>2 019 975</b>	<b>485 632</b>	<b>-</b>	<b>20 129 642</b>	<b>473 586</b>	<b>-</b>
<b>Total</b>		<b>28 429 804</b>	<b>18 606 678</b>	<b>2 020 189</b>	<b>486 572</b>	<b>(2 720)</b>	<b>20 137 575</b>	<b>473 586</b>	<b>-</b>

## ANNEXURE 3A (continued)

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – FOREIGN

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2007	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	REVALUATIONS	CLOSING BALANCE 31 MARCH 2008	GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2008	REALISED LOSSES NOT RECOVERABLE I.E. CLAIMS PAID OUT
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Other</b>									
Loan to LHDA (OSL 23) Repayment phase	HSBC Investment Bank (Commercial Loan)	329 325	121 120	-	12 762	22 797	131 155	29 252	-
Loan to LHDA (OSL 24) Drawdown phase	HSBC Investment Bank (Export Credit)	178 867	60 039	-	6 326	11 301	65 014	1 759	-
Loan to LHDA (OSL 27) Drawdown phase	EIB	128 004	64 536	-	5 612	-	58 924	289	-
Loan to LHDA (OSL 26) Repayment phase	EIB	563 219	-	-	-	-	-	-	-
OSL 26 EUR		-	82 494	-	3 761	21 928	100 661	1 809	-
OSL 26 ZAR		-	100 000	-	-	-	100 000	4 582	-
OLS 26 A		-	84 816	-	7 711	1	77 106	374	-
OLS 26 C		-	16 868	-	1 533	(1)	15 334	74	-
Loan to LHDA (OSL 25) Drawdown phase		364 500	65 934	-	41 220	19 538	44 252	310	-

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF	ORIGINAL GUARANTEED CAPITAL AMOUNT	OPENING BALANCE 1 APRIL 2007	GUARANTEES DRAW DOWNS DURING THE YEAR	GUARANTEES REPAYMENTS/ CANCELLED/ REDUCED/ RELEASED DURING THE YEAR	REVALUATIONS	CLOSING BALANCE 31 MARCH 2008	GUARANTEED INTEREST FOR YEAR ENDED 31 MARCH 2008	REALISED LOSSES NOT RECOVERABLE I.E. CLAIMS PAID OUT
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Loan to LHDA (OSL 22) Repayment phase		51 435	-	-	-	-	-	-	-
Loan to TCTA (FXL 01) Repayment phase	AKA Ausfuhrkredit-Gesellschaft mbH (Export credit)	480 663	-	-	-	-	-	-	-
Loan to TCTA (FXL 02) Repayment phase	Kreditanstalt fur Wiederaufbay (Export credit)	240 331	-	-	-	-	-	-	-
Loan to TCTA (FXL 08) Repayment phase	EIB	576 019	266 358	-	24 215	-	242 143	7 998	-
<b>Total</b>		<b>2 912 363</b>	<b>862 165</b>	<b>-</b>	<b>103 140</b>	<b>75 564</b>	<b>834 589</b>	<b>46 447</b>	<b>-</b>

<b>TOTAL</b>	Housing	7 933
	Other – Local and Foreign	21 484 264
		21 492 197

## ANNEXURE 3A (continued)

\* Note: Increase / Decrease i.r.o. Foreign Guarantees due to Currency Depreciation / Appreciation

### Note:

- 1) Guaranteed institution – Name of the institution in respect of whose liabilities the guarantee was issued e.g. Telkom, Land Bank, ect.
  - 2) Guaranteed in respect of – Examples would be Motor Vehicles, Housing, Capital market loan 1/96, water purification plants, access roads to water project ST5.
  - 3) Guaranteed capital amount – Capital amount of which the guarantee was issued and which appears on the guarantee documents.
  - 4) Opening balance – Capital amounts outstanding at 1 April 2006 in respect of the guarantee amount is shown here (face value of bond/loan). This amount must not include guaranteed interest.
  - 5) Currency revaluation – The difference due to exchange rate movements on the opening balances.
  - 6) Guarantee drawdowns during the year – The total amount in respect of drawdowns on a guaranteed loan during the financial year is shown here.
  - 7) Guarantee repayments during the year – The total amount in respect of guaranteed loan repayment during the financial year is shown here.
  - 8) Closing balance – The capital amount outstanding at 31 March 2008 in respect of the guaranteed amount is shown here (face value of bond / loan). This amount must not include guaranteed interest.
  - 9) Guaranteed interest outstanding – Where interest is also guaranteed, interest of the guaranteed amount as from the last date of interest until 31 March 2008 is shown here. This amount must be separately and not be included in the opening or closing balances.
  - 10) Realised losses i.e. claims paid out – Losses realised in respect of claims paid out are to be shown here. As in the case of a housing loan to an official, a guarantee claim paid out is not necessarily a loss to the State, seeing that the amount paid out can be recovered from the person in question. If such an amount cannot be recovered and has been written-off, it is regarded as a loss.
- : Guaranteed exposure – The sum of closing balance and guaranteed interest outstanding and should be disclosed in the disclosure notes.

## ANNEXURE 3B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2008

NATURE OF LIABILITY	OPENING BALANCE	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/CANCELLED/ REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE
	01/04/2007 R'000	R'000	R'000	R'000	31/03/2008 R'000
Claims against the department					
D de Villiers and others	400	-	-	-	400
Aquatic Weed Control	2 953	-	-	-	2 953
M Tshwandalani	19	-	-	-	19
D Mongwe & 71 Others	8 033	-	-	-	8 033
Concor Construction	33 000	-	-	-	33 000
Individual claims (12)	1 505	-	-	-	1 505
AH Conley	130	-	-	-	130
T Mgwaba	1 165	-	-	-	1 165
JSW van der Heyst	875	-	-	-	875
AIS Farming	55	-	-	-	55
JJ Scheepers	266	-	-	-	266
N Jekubeni	14	-	-	-	14
N Qindisa	19	-	-	-	19
J P Vermaak	1	-	-	-	1
C Strauss	6	-	-	-	6
Stirling Baptist Church	68	-	-	-	68
Estate Late Namadodzi	316	-	-	-	316
N Matodzi	33	-	-	-	33
Inclenon DPI (Pty) Ltd	25	-	-	-	25
L Lubisi	27	-	-	-	27
JJ Kruger	23	-	-	-	23
M Briesies	171	-	86	-	85
Theo la Grange Trust	855	-	-	-	855
FD Jourdan	-	-	-	-	-
TR Collier	266	-	-	-	266
Tripple "SSS"	263	-	-	-	263

NATURE OF LIABILITY	OPENING BALANCE	LIABILITIES INCURRED DURING THE YEAR	LIABILITIES PAID/CANCELLED/ REDUCED DURING THE YEAR	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	CLOSING BALANCE
	01/04/2007 R'000	R'000	R'000	R'000	31/03/2008 R'000
HJ Durr	4 200	-	-	-	4 200
D Dalling	365	-	-	-	365
Anglo Gold Mine LTD v DWAF and others	50	-	-	-	50
Louis Hatting v DWAF	93	-	-	-	93
Maris v DWAF	117	-	-	-	117
J Nkuna	51	-	-	-	51
Naude v DWAF	102	-	-	-	102
Group Five PTY LTD	65 030	-	-	-	65 030
Harmony Gold Mining Company v DWAF and others	48 100	-	-	-	48 100
Mienies Municipality	3 000	-	-	-	3 000
Mdingi	190	-	-	-	190
Khala	7 000	-	-	-	7 000
CC Bill	15	-	-	-	15
CN Polo	150	-	-	-	150
SA Promotional Gifts	70	-	-	-	70
JF Nel and Two Others	-	767	-	-	767
Initial Training Impact CC v DWAF	-	60	-	-	60
MJ Koma v DWAF	-	34	-	-	34
Aaron Mashegoane v Mathews Mokoena and DWAF	-	20	-	-	20
JWA Electrical v DWAF	-	3 062	-	-	3 062
Rolust Roodeboschtplaats v Minister of DWAF	-	1 110	-	-	1 110
<b>Total</b>	<b>179 021</b>	<b>5 053</b>	<b>86</b>	<b>-</b>	<b>183 988</b>



## ANNEXURE 4

## INTER-GOVERNMENT RECEIVABLES

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Department of Public Enterprises	-	18	6	6	6	24
National Department of Environmental Affairs and Tourism	-	-	56	75	56	75
Provincial Government: Limpopo Legislature: Office of the Secretary	15	-	-	15	15	15
Provincial Government: Premier Eastern Cape	-	-	16	16	16	16
National Department: Correctional Services	-	-	28	28	28	28
National Department of Public Works	-	-	40	97	40	97
Office of the President	-	-	19	19	19	19
South African National Defence Force	-	25	-	-	-	25
Provincial Government: Agriculture & Land Affairs: Eastern Cape	-	-	26	34	26	34
Provincial Department: Agriculture, Conservation & Dev: North West	-	-	13	13	13	13
Prov Government Health: KZN	-	-	14	14	14	14
Prov Gov: Traditional & Local Affairs: KZN	3	-	-	3	3	3
Provincial Government: Finance & Economic Development: Limpopo	8	-	8	8	16	8
Provincial Government: Public Works: Limpopo	-	-	9	38	9	38
Provincial Government: Education: Mpumalanga	-	-	(2)	18	(2)	18
Prov Government: Community Safety: Western Cape	11	-	-	11	11	11
National Department: Minerals & Energy	-	-	631	600	631	600
Provincial Government: Agriculture, Environment Affairs: KZN	-	-	-	7	-	7
National Department: Agriculture	-	17	32	49	32	66
Provincial Department: Tourism, Environ & Eco: Free State	-	-	11	11	11	11
Provincial Government: Health: Limpopo	50	-	-	118	50	118
National Department: Ministry of Intelligence	6	-	-	(3)	6	(3)
Departmental Debt: State Attorney Pretoria	1	-	-	(1)	1	(1)
Departmental Debt: State Attorney Pretoria	1	-	-	(1)	1	(1)

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Department: Health & Welfare: Eastern Cape	-	-	82	79	82	79
Prov Department: Local Government & Housing: Limpopo	-	-	22	22	22	22
Provincial Department: Cultural Affairs & Sport: Western Cape	-	-	-	10	-	10
National Department: Social Development	-	-	4	4	4	4
National Department: Public Service & Administration	-	-	-	20	-	20
National Department:Housing	7	-	-	7	7	7
South African Police Service	37	37	9	-	46	37
Provincial Government:Health:Gauteng	-	-	-	10	-	10
Prov Gov:Education & Culture:KZN	-	-	-	16	-	16
Provincial Government: Local Gov & Housing: Limpopo	-	-	-	30	-	30
National Department	-	-	(8)	(8)	(8)	(8)
VAALCO	-	-	-	55	-	55
Provincial Government Health Services:Free State	8	-	8	25	16	25
National Department:Transport	-	-	3	3	3	3
Prov Gov Education North West	-	-	-	13	-	13
Prov Gov: Housing& Land Administration: Mpumalanga	-	-	-	8	-	8
Prov Gov Shared Services Center:Gauteng	10	-	-	10	10	10
National Department: Health	-	15	1	-	1	15
National Department: Land Affairs	-	-	17	17	17	17
National Department Justice & Constitution Development	-	-	21	40	21	40
Prov Gov: Dept of Finance: Mpumalanga	-	-	-	35	-	35
National Treasury	-	6	13	-	13	6
South African Social Security Agency (SASSA)	-	-	-	38	-	38
National Department: Sport & Recreation	-	-	33	156	33	156
Prov Gov. Economic Affairs & Tourism: Eastern Cape	-	-	9	9	9	9
Prov. Gov. Roads & Transport: Limpopo	-	-	18	18	18	18
National Department: Provincial & Local Government	-	-	-	26	-	26
National Department Social Services & Population Development	-	-	-	11	-	11
Lesotho Highlands Water Project	16 000	-	-	-	16 000	-
Provincial Department:Agriculture, Conservation & Dev: North West	-	-	41	-	41	-

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
National Department: Education	-	-	24	-	24	-
<b>Subtotal</b>	<b>16 157</b>	<b>118</b>	<b>1 204</b>	<b>1 829</b>	<b>17 361</b>	<b>1 947</b>
Other Government Entities						
VAT Clearings	22 654	-	-	14 349	22 654	14 349
Flag Boshielo	-	-	-	392	-	392
Berg Water	-	-	-	77 246	-	77 246
Working or Water Hartbeespoort	2 952	-	-	2 952	2 952	2 952
<b>Subtotal</b>	<b>25 606</b>	<b>-</b>	<b>-</b>	<b>94 939</b>	<b>25 606</b>	<b>94 939</b>
<b>TOTAL</b>	<b>41 763</b>	<b>118</b>	<b>1 204</b>	<b>96 768</b>	<b>42 967</b>	<b>96 886</b>

## ANNEXURE 5

## INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
Current						
Department of Health	8	-	29	-	37	-
Department of Justice and Constitutional Development	1	41	-	-	1	41
Western Cape: Environmental Affairs & Development Planning	-	15	-	-	-	15
Dept of Land Affairs	-	5	-	-	-	5
Dept of Public Works	-	19	2	-	2	19
Gauteng: Agriculture	-	-	-	27	-	27
Free State: Sports & Culture	-	-	-	6	-	6
Mpumalanga Provincial Government	7	-	-	-	7	-
Department of Agriculture	63	-	-	-	63	-
Department of Environment and Tourism	126	-	-	-	126	-
Western Cape Provincial Treasury	14	-	-	-	14	-
Department of Provincial and Local Government	-	-	12	-	12	-
Foreign Affairs	-	-	245	-	245	-
Correctional Services	-	-	255	-	255	-
<b>Total</b>	<b>219</b>	<b>80</b>	<b>543</b>	<b>33</b>	<b>762</b>	<b>113</b>
Other Government Entity						
Department of Public Works: Water Trading Entity	-	-	2	-	2	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>
<b>Total</b>	<b>219</b>	<b>80</b>	<b>545</b>	<b>33</b>	<b>764</b>	<b>113</b>

## REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2008

### 1 BUSINESS OVERVIEW

The annual financial statements for the financial year ending 31 March 2008 were prepared in compliance with South African Statements of Generally Accepted Accounting Practices (SA GAAP) and incorporate disclosures in accordance with the accounting philosophy of the Water Trading Entity and the Public Finance Management Act (Act No 1 of 1999).

The Water Trading Entity (WTE) of the Department of Water Affairs and Forestry (DWAf) has been operating as an integral part of the Department with very limited segregation of functions from the Department's Main Exchequer Account. DWAf, under the National Water Act of 1998; is responsible for the regulation of water use in South Africa by ensuring that water is allocated equitably and used beneficially in the public interest.

Under this Act, DWAf is required to create a register of all water users in the country and the Act makes provision for cost recovery on services rendered by DWAf to water users. This situation necessitated a need for the department to create a Water and Equipment Trading Account which was then approved in 1995 through circular SY3/6/B under the Exchequer Act (Act No 1 of 1999) and was subsequently amended by Public Finance Management Act (Act No 1 of 1999) which converted it into a Trading Entity. Under the PFMA,

the WTE is required to change from cash-based accounting to accrual-based accounting.

In order for the accounting officer to discharge her duties according to the PFMA it was imperative that a solid foundation, aimed at establishing a viable WTE whose functions are completely distinct from those of Vote 34. The foundation was created by commissioning projects that would assist the department in developing policies and processes thus creating an environment that enables compliance with the prescripts of the PFMA. Project SAKHILE and Project SIYANQOBA were launched by the Minister of Water Affairs and Forestry in October 2007.

### 2 FINANCIAL MANAGEMENT IMPROVEMENTS PROJECTS

#### SAKHILE PROJECT

The project focused on the management of water resource infrastructure. Its objectives were to:

- satisfactorily address the Auditor-General qualifications relating to infrastructure asset management;
- comply with legal requirements (such as the Public Finance Management Act, National Water Act and Government Immovable Asset Management Bill);

- entrench an approach to managing water resource infrastructure assets in line with international best practice; and
- inform the tariff setting process.

Through the Sakhile project, infrastructure assets were verified and valued during the financial year in accordance with international recognized best practices to determine their fair values. A project initiated by management to determine fair values for infrastructure assets resulted in the revaluation of these assets to R93 billion, including land and servitudes.

## 2.2 SIYANQOBA PROJECT

The objectives of this project were to:

- assist in the re-engineering of the financial management of the WTE's business processes;
- assist in introducing policies and procedures that will facilitate the implementation of a control environment that will ensure an efficient and effective utilization of the organization's assets;
- establish a process culture that will unlock additional revenue potential for the WTE;
- assist in keeping the current operations going through addressing the numerous day-to-day issues including responding to issues and qualifications raised by the Auditor-General; and
- to assist in managing and coordinating the various finance related projects and initiatives being undertaken by the WTE.

Project Siyanqoba was therefore established not only to address the Auditor-General's concerns and challenges but also as a genuine effort to provide a sustainable solution by re-engineering and re-organising the revenue management function in order to help the WTE meet its operational and strategic objectives.

The financial year started with a huge debtors' balance of approximately R2.5 billion and this figure was significantly reduced to approximately R1.6 billion. The decrease can be attributed to the approach adopted by

management where the top 20 water users who represent 75% of the total debtors book were identified and amounts due were collected.

## 2.3 MOVABLE ASSETS PROJECT

This project was introduced specifically to create an up to date movable asset register, lease register as well as intangible assets register.

During the financial year all the underlying deliverables for the three projects mentioned above were achieved.

## 3 CAPITAL EXPENDITURE

Approximately R776 million was spent by the WTE in the development of infrastructure during the current financial year. This resulted in significant progress in the development of new infrastructure and in this respect the Berg River Water Project Supplement Scheme (Berg River Dam) has been completed and water is being impounded. This dam, which will be fully commissioned and officially opened later this calendar year, increases the water supply to the City of Cape Town by 18%. This is a significant additional water supply to support both social needs and economic growth in the Western Cape.

Progress has been made with the construction of the De Hoop Dam in the Limpopo province. The project aims to unlock the mineral wealth in the Middle Olifants River Catchments and at the same time bring relief to thousands of people who currently do not have safe and reliable sources of water. The Department and Eskom are also assessing how best the proposed Project Lima, a new pumped storage scheme that forms part of the Olifants River Water Resources Development Project (Phase 2: De Hoop Dam), can be utilised to provide an additional 1500 MW of electricity to the national grid while it is utilised to pump water to about 800 000 residents on the Nebo Plateau in the Greater Sekhukhune District Municipality.

Other important water resource infrastructure under construction are the Hluhluwe, Inyaka and Nandoni Government Water Works which will provide

2.4 million people with drinking water in the rural communities in Kwazulu-Natal, Mpumalanga and Limpopo Provinces. Furthermore, the water pipeline from the Vaal Dam to Secunda, known commonly as the VRESAP, is scheduled to commence with the delivery of water in the 2008-09 financial year.

Infrastructure projects that are to commence in the 2008-09 financial year are: the Mdloti River Development project; raising of the Hazelmere Dam; the Komati Abstraction Works and Pipeline for water supply to the Eskom's Duvha Power Station; the Mooi-Mgeni system, building of the Spring Grove Dam, and the augmentation of water supply to the Ethekeweni Metro-Municipality.

A roll over of approximately R260 million was requested for phase 2A of De Hoop Dam and R50 million for phase 2B.

The WTE is therefore responsible for the operation and maintenance of Water Resource Infrastructure and the subsequent cost recovery emanating from the operations. Cost recovery is managed through a tariff structure which is based on the Water Pricing Strategy of 1999, as amended in 2006.

## 4 TARIFF STRUCTURE

The tariff structure of the entity is divided as per the three sub components of the WTE.

**Trading account 1: Integrated Water Resource Management:** Water trading account 1 covers specifically water resources management functions. This component funds the implementation of Water Resources Management activities in each water management area, including resources quality management, control and authorisation of water use, and promotion of water conservation measures. It also includes the portion of the Working for water budget that is derived from revenue from water users.

**Trading account 2: Integrated systems:** Water trading account 2 covers consumption charges. Where locally available water resources in a particular area cannot meet the demand, water is transferred from water-rich areas. The management, operation and maintenance of these schemes as integrated systems, as well as the revenue collected from water users, are reflected in this component. One example of this is the Vaal River system where a number of dams and pipelines are operated as one inter-linked system.

**Trading account 3: Bulk Water Supply:** Water trading account 3 covers consumption charges. A number of water resources schemes (dams) are operated as stand-alone schemes and do not form part of an integrated system. The supply of water is most in bulk to different water users groups, but the agricultural sector is by far the largest consumer. Expenditure in this component covers operations and maintenance as well as management costs, and revenue is earned through the sales of water related services, most in bulk.

### 4.1 WATER RESOURCE MANAGEMENT CHARGES

Water unit charge per cubic meter is derived by dividing the sum total of water resource management expenses as per pricing strategy by registered volume of water.

### 4.2 CONSUMPTIVE CHARGES

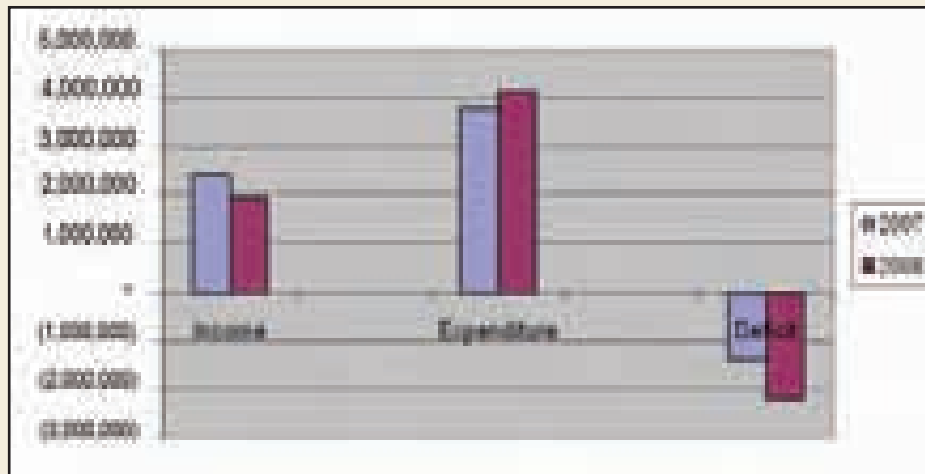
Consumptive charges comprises of return on asset, depreciation, operational cost, capital unit charge as well as maintenance. All these costs make the sum total of water resource infrastructure costs. The cost per cubic meter is arrived at by dividing water resource infrastructure costs by the registered volume.

## 5 ANALYSIS OF OPERATING PERFORMANCE

### *Operating deficit*

Operating deficit for the current year increased from R1.395 billion to R2.259 billion due to increased operational costs (Refer Fig 1). These costs are expected to decrease in the financial years that follow as operational efficiencies are achieved.

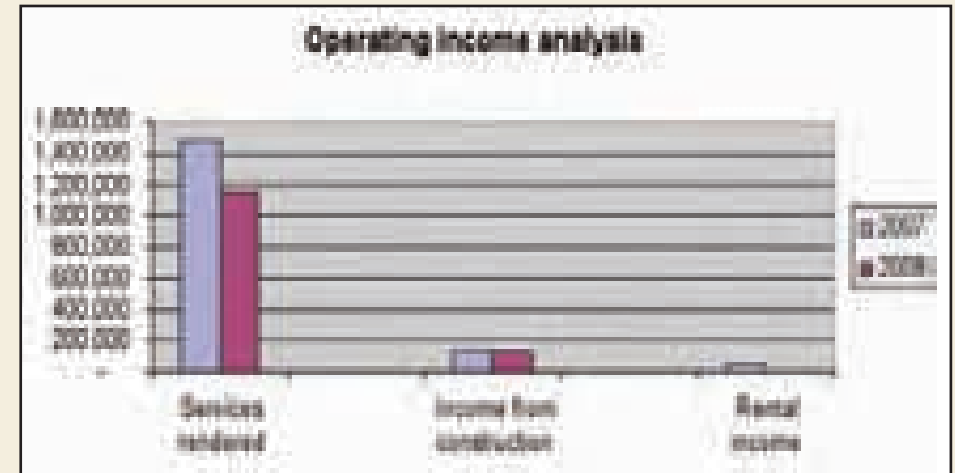
**FIGURE 1**



### *Operating income analysis*

Income from operations has decreased in the current (Refer Fig 2) year due primarily to the inclusion of previous years revenue in the prior year results. Interventions that management made in the revenue function through project Siyanqoba will result in an increase in revenue in the coming years as the project realises its goals. Improvements are also expected to occur in the construction income as better accounting recognition methods are employed and the results of the re-engineering processes are achieved.

**FIGURE 2**



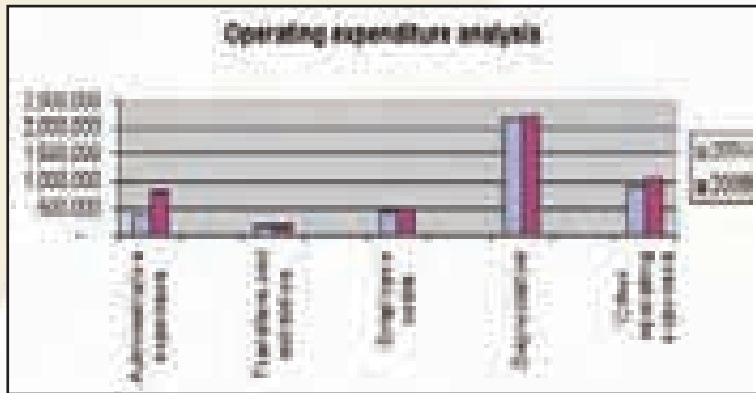
## 6 OPERATING EXPENDITURE ANALYSIS

Depreciation of fixed assets is the main source of operating expenditure increase (Refer Fig 3). This amount has increased from the amounts previously reported due to the increase in the asset values determined as a result of the valuation exercise carried out under the Sakhile project.

Management expects that the other components of operating expenditure will be gradually reduced as operational efficiencies are realised.



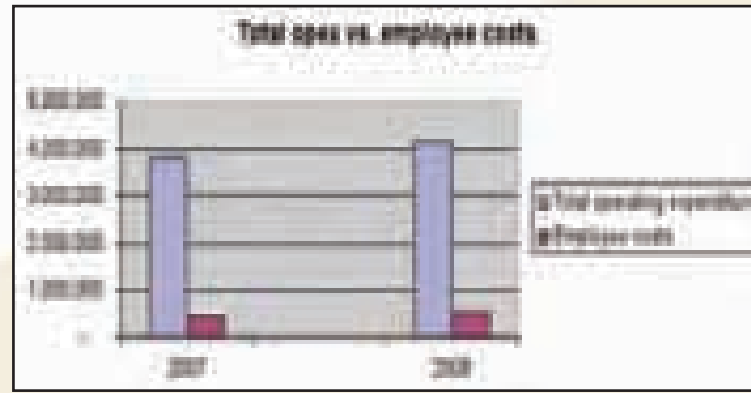
FIGURE 3



### 6.1 EMPLOYEE COSTS VS. TOTAL OPERATIONAL EXPENDITURE

As shown in figure 3, the percentage of operating costs that relate to employee costs has not increased dramatically year on year (Refer Fig 4). This scenario is expected to change as efficiencies in the other areas of operating expenditure are achieved and as staff is increased in order to achieve the optimum operating capacity of the entity.

FIGURE 4

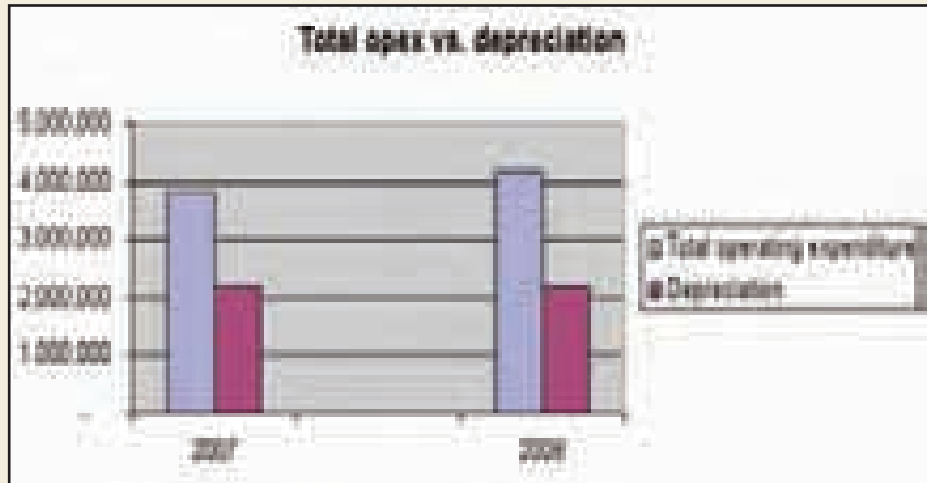


### 6.2 TOTAL OPERATING EXPENDITURE VS. DEPRECIATION

Depreciation is the main component of the total expenditure incurred by the entity. The year on year analysis does not indicate significant changes in the ratio that the depreciation charge bears to the total operating expenditure (Refer Fig 5). This trend is however expected to change in future as the impact of revaluation on depreciation charged takes place.

The reported deficit of R2.259 billion may indicate that the entity is not viable and that there may be going concern and cash flow management problems. This deficit was mainly brought about by the depreciation charge which is based on revalued amounts. The entity, however, based its tariffs on the previous asset amounts which were recorded at a much lower value. This resulted in the entity charging less for the services it renders to the water users. Management has started to address these challenges by launching the first phase of the intervention which would ensure that policies to regulate the operating landscape for the entity are established and implemented in the coming two financial years.

**FIGURE 5**



The second phase that will assist in ensuring that the potential of this entity is realised will now be undertaken. This phase has, as its focus, the unlocking of the potential of the entity as espoused by the valuation of its asset base at approximately R92 billion. This phase will also address the operational efficiency problems in the entity.

## APPROVAL

The annual financial statements have been submitted with my approval as the Accounting Officer.

MS P.B. YAKO  
Director-General: Water Affairs and Forestry  
30 May 2008

## REPORT OF THE AUDIT COMMITTEE ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### 1 Composition of the audit committee

The Audit Committee comprises the following members:

Messrs J A Boyd (Chairperson), W.J.L du Preez, K.D. Nkadimeng, and Mesdames S. Thomas and P. Yako (Director-General: DWAF)

During the year under review the Audit Committee held four normal meeting, and one special meeting.

### 2 Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities in terms of Section 38(1)(a) of the Public Finance Management Act (PFMA), 1999 (Act No.1 of 1999) as amended by Act No.29 of 1999) and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter, and has attempted to discharge its responsibilities as contained therein.

The Audit Committee has addressed itself to the financial statements of the following unit during the period under review:

- Water Trading Entity

### 3 Internal control

Whilst the members of the Audit Committee believe that this system of internal controls largely covers organizational, financial and operating risks, control weakness are periodically identified during the internal and external audit processes. The committee closely monitors management's actions to remedy these breaches.

### 4 Risk management

The Entity has developed and approved a risk management strategy. This strategy is the foundation for a continuous risk assessment process, management and monitoring of risks on an ongoing basis.

### 5 Internal auditing

Internal audit provides a supportive role to management and the Audit Committee to achieve their objectives by assisting in the management of risk within the Entity

The internal audit section is responsible for independent and objective evaluation of the Entity system of internal control at a detailed level and to bring any significant business risks and exposure to the attention of management and the committee through the provision of comprehensive internal audit reports.



## 6 Matters requiring specific mention

The committee notes with concern, the Auditor-General's Qualified Audit Opinion on the annual financial statements of the Water Trading Entity. Management will be required to implement corrective measures to address the concerns raised by the Auditor-General that gave rise to the above-mentioned opinion.

## 7 Evaluation of financial statements

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

MR J.A. BOYD

DATE: 30 May 2008

CHAIRPERSON OF THE AUDIT COMMITTEE

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE WATER TRADING ENTITY FOR THE YEAR ENDED 31 MARCH 2008

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1 I have audited the accompanying financial statements of the Water Trading Entity which comprise the statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and the accounting officer's report, as set out on pages 242 to 270.

#### Responsibility of the accounting officer for the financial statements

2 The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the Auditor-General

3 As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

4 I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

- 5 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- 6 An audit also includes evaluating the:
- appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
- 7 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## BASIS FOR QUALIFIED OPINION

### Accounts receivable

- 8 Included in accounts receivable is an amount of R82 615 244, which the trading entity has reflected as receivables. However, individual debtors disagree that some of these amounts are owed by them. The trading entity did not investigate all debtor balances for recoverability as required by the South African Statement of Generally Accepted Accounting Practice, IAS 39 (AC 133) *Financial Instruments: Recognition and Measurement*. As a result, the above amount was not included in the provision for doubtful debts. Therefore the value of receivables could be overstated by an unknown amount.

### Qualified opinion

- 9 In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraph, the financial statements present fairly,

in all material respects, the financial position of the Water Trading Entity as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the PFMA.

## Emphasis of matters

I draw attention to the following matters:

## SIGNIFICANT UNCERTAINTY

### Property, plant and equipment: Infrastructure assets

- 10 Based on a review that was conducted by a specialist, it can be concluded that the approach, methodology and procedures followed in the valuation process adopted in respect of infrastructure assets amounting to R78 764 759 000, as reflected in note 5 to the annual financial statements, are scientifically sound.

However, several refinements regarding the valuation of assets will only be completed by September 2008 and there is uncertainty regarding ownership or control of certain cross-border assets. A final policy decision needs to be taken regarding which off balance sheet assets will be included in the asset register. As a result, it is uncertain whether the valuation amount relating to 31 March 2008 will change significantly upon completion of the above exercise.

### Restatement of corresponding figures

- 11 As disclosed in note 19 to the financial statements, the corresponding figures for 31 March 2007 have been restated as a result of errors in the financial statements of the Water Trading Entity at, and for the year ended, 31 March 2007.

## OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

### Internal controls

- 12 Section 51(1)(a)(i) of the PFMA states that the accounting officer must ensure that the entity has and maintains effective, efficient and transparent systems of financial

and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

REPORTING ITEM	CONTROL ENVIRONMENT	RISK ASSESSMENT	CONTROL ACTIVITIES	INFORMATION AND COMMUNICATION	MONITORING
Receivables	✓	✓			

**Control environment:** establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

**Risk assessment:** involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

**Control activities:** policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.

**Information and communication:** supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.

**Monitoring:** covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.

## NON-COMPLIANCE WITH APPLICABLE LEGISLATION

### Treasury Regulations

- 13 The trading entity had a bank account in overdraft at year-end amounting to R99 600 654, in contravention of Treasury Regulation 19.2.3.

## Matters of governance

- 14 The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

MATTER OF GOVERNANCE	YES	NO
<b>Audit committee</b>		
The entity had an audit committee in operation throughout the financial year.	✓	
The audit committee operates in accordance with approved, written terms of reference.	✓	
The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8.	✓	
<b>Internal audit</b>		
The entity had an internal audit function in operation throughout the financial year.	✓	
The internal audit function operates in terms of an approved internal audit plan.	✓	
The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.		✓
<b>Other matters of governance</b>		
The annual financial statements were submitted for audit as per the legislated deadlines of section 55 of the PFMA.	✓	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		✓
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		✓
The prior year's external audit recommendations have been substantially implemented.	✓	
SCOPA resolutions have been substantially implemented.	✓	



## OTHER REPORTING RESPONSIBILITIES

### Report on Performance Information

15 I have audited the performance information as set out on pages 242 to 270.

### Responsibility of the accounting officer for the performance information

16 The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the entity.

### Responsibility of the Auditor-General

17 I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.

18 In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

19 I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

## AUDIT FINDINGS (PERFORMANCE INFORMATION)

### Non-compliance with regulatory requirements

20 The trading entity did not have a separate strategic plan indicating measurable objectives and targets for the year as required by Treasury Regulation 5.1.1. As a result, the achievements as disclosed in the annual report could not be measured against planned objectives.

## APPRECIATION

21 The assistance rendered by the staff of the Water Trading Entity during the audit is sincerely appreciated.

*Auditor-General*

**Pretoria**  
**31 July 2008**



**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
31 MARCH 2008**

	NOTES	2008	2007
		R'000	RESTATED R'000
<b>Revenue</b>		<b>1,286,680</b>	<b>1,676 300</b>
Rendering of water related services		1,150,906	1,486,010
Construction contracts		130,053	134,176
Rental income		5,721	56,114
<b>Other income</b>		<b>635,079</b>	<b>727,288</b>
Transfers and subsidies	2	423,426	487,702
Finance income		182,029	96
Other	3	29,624	239,490
<b>Income before operating expenses</b>		<b>1,921,759</b>	<b>2,403,588</b>
Operating expenses	4	(4,177,320)	(3,797,239)
Finance costs		(3,704)	(991)
<b>Deficit for the year</b>		<b>(2,259,265)</b>	<b>(1,394,642)</b>

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2008

	NOTES	2008	2007 RESTATED
		R'000	R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>92,490,632</b>	<b>93,939,166</b>
Property, plant and equipment	5	80,015,102	81,450,212
Intangible assets	6	12,475,530	12,488,954
<b>Current assets</b>		<b>1,663,888</b>	<b>1,871,250</b>
Inventory		18,946	19,885
Trade and other receivables	8	1,517,473	1,481,117
Cash and cash equivalents	9	127,469	370,248
<b>Total assets</b>		<b>94,154,520</b>	<b>95,810,416</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>92,407,944</b>	<b>94,667,209</b>
Accumulated deficit		(2,691,629)	(432,364)
Revaluation reserve		95,099,573	95,099,573
<b>Non-current liabilities</b>		<b>28,155</b>	<b>8,122</b>
Finance lease obligations	10	28,155	8,122
<b>Current liabilities</b>		<b>1,718,421</b>	<b>1,135,085</b>
Trade and other payables	11	780,698	825,310
Deferred income	12	852,963	237,295
Provisions	13	78,893	70,048
Finance lease obligations	10	5,867	2,432
<b>Total equity and liabilities</b>		<b>94,154,520</b>	<b>95,810,416</b>

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2008

	NOTE	ACCUMULATED DEFICIT	REVALUATION RESERVE	TOTAL EQUITY
		R'000	R'000	R'000
Balance at 1 April 2006 as previously stated		(2,215,650)	47,786,871	45,571,221
Correction of prior period errors		3,177,929	47,312,702	50,490,631
<b>Restated balance at 1 April 2006</b>		<b>962,279</b>	<b>95,099,573</b>	<b>96,061,852</b>
Restated deficit for the year		(1,394,642)	-	(1,394,642)
Deficit for the year as previously stated		(641,331)	-	(641,331)
Correction of prior period errors		(753,311)	-	(753,311)
<b>Restated revaluation for the year</b>		-	-	-
Revaluation decrease on property, plant and equipment as previously stated		-	(3,142,316)	(3,142,316)
Correction of error		-	3,142,316	3,142,316
Correction of error		(1)	-	(1)
<b>Balance as at 31 March 2007</b>		<b>(432,364)</b>	<b>95,099,573</b>	<b>94,667,209</b>
Deficit for the year		(2,259,265)	-	(2,259,265)
<b>Balance as at 31 March 2008</b>		<b>(2,691,629)</b>	<b>95,099,573</b>	<b>92,407,944</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	NOTES	2008	2007 RESTATED
		R'000	R'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		3,955,383	3,237,074
Cash paid to suppliers and employees		(3,453,985)	(2,661,918)
Cash generated by operations	14	501,398	575,156
Finance income received		6,065	96
Finance costs paid		(3,704)	(991)
<b>Net cash inflows from operating activities</b>		<b>503,759</b>	<b>574,261</b>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of property, plant and equipment		6,690	-
Acquisition of:			
- Property, plant and equipment	15	(776,687)	(133,368)
- Intangible assets		(10)	(40,286)
<b>Net cash outflows from investing activities</b>		<b>(770,007)</b>	<b>(173,654)</b>
<b>Cash flows from financing activities</b>			
Net finance lease obligations raised		23,469	4,666
<b>Net cash inflows from financing activities</b>		<b>23,469</b>	<b>4,666</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(242,779)</b>	<b>405,273</b>
Cash and cash equivalents at the beginning of the year		370,248	(35,025)
<b>Cash and cash equivalents at the end of the year</b>		<b>127,469</b>	<b>370,248</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

## 1 ACCOUNTING POLICIES

### 1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, except where specifically indicated. The financial statements are prepared on a going concern basis.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

#### *Property, plant and equipment*

##### *Useful lives and residual values*

The useful lives and residual values of property, plant and equipment are reviewed at the end of each financial year. These useful lives and residual values are estimated by management based on historic analysis and other available information.

##### *Revaluation*

Infrastructure assets are carried at revalued amounts. Revaluations are performed every ten years using the depreciated replacement method.

##### *Receivables*

##### *Impairment of receivables*

Impairment is recognised for estimated losses on individually significant trade receivables and on a group of trade receivables with similar credit risk that

are assessed to be impaired based on objective evidence as a result of one or more events that occurred during the reporting period. For customers who have defaulted, management makes judgements based on an assessment of their ability to make payments based on credit worthiness and historical write-off experience. Should the financial condition of the customers change, actual write-offs could differ significantly from the impairment.

### 1.2 REVENUE

Revenue comprises the fair value of consideration received or receivable for water related services. Revenue is shown net of value added tax.

Revenue from the rendering of water related services is recognised when water is consumed by the customer.

Commission from Water Research Levy collection is recognised when the entity collects cash on behalf of the Water Research Commission.

Interest income is recognised on a time proportion basis taking account of the principal outstanding and the nominal rate over the period to maturity when it is determined that such income will accrue to the entity.

Construction contract revenue is recognised by reference to the stage of completion of the contract when the outcome of a construction contract can be estimated reliably. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable in the period in which they are incurred. An expected loss on a contract is recognised immediately in the Statement of Financial Performance.

### 1.3 GOVERNMENT GRANTS

Government grants that are provided for compensation of capital expenditure are recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the period necessary to match the grants with the related costs that they are intended to compensate.

Government grants that are provided for compensation of operating expenses are recorded as income in the Statement of Financial Performance in the period that they become receivable.

## 1.4 PROPERTY, PLANT AND EQUIPMENT

### Infrastructure assets

Items of infrastructure property, plant and equipment are stated at revalued amounts, less accumulated depreciation and accumulated impairment losses. Additions on items of infrastructure property, plant and equipment are recorded at cost.

Cost comprises all expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Revaluation of all infrastructure assets is carried out every 10 years. This revaluation is carried out throughout the particular revaluation year so as to determine the value as at the end of that financial year. Increases in carrying value arising on revaluation are credited directly to a revaluation reserve.

Any accumulated depreciation and any accumulated impairment loss is eliminated against the gross carrying amount of the asset upon revaluation. On disposal of previously revalued property, plant and equipment, any amount relating to that asset remaining in the revaluation reserve is transferred to accumulated earnings.

Depreciation is calculated on a straight line basis over the expected useful lives of each major component of infrastructure assets. Depreciation on infrastructure assets is charged to the Statement of Financial Performance.

The estimated useful lives of infrastructure assets are as follows:

Buildings	25 – 50 years
Canals	25 – 100 years
Dams and Weirs	25 – 100 years
Pipelines	15 – 100 years
Pump stations	15 – 100 year
Reservoirs	15 – 100 years
Treatment works	5 – 15 years
Tunnels	25 – 100 years
Other	5 – 100 years

Subsequent costs are included in the assets carrying amount or recognised as a separate asset only when it meets the definition of an asset, it is probable that the future economic benefits associated with the item will flow to the entity and the cost of that item can be reliably measured.

Capital projects under construction are stated at cost. Depreciation only commences on these assets when they are in the condition necessary for it to be capable of operating in the manner intended by management.

Items of infrastructure property, plant and equipment are tested for impairment whenever there are impairment indicators. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of all infrastructure assets are reviewed at the end of each financial year. Where there are changes in the residual values or useful lives of assets, these are accounted for as a change in estimate in accordance with IAS 8.

## Moveable assets

Items of moveable property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost comprises all expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated on a straight line basis over the expected useful lives of the assets, for all assets whose cost is above R5,000. Assets acquired at amounts below R5,000 are depreciated to R1 in the year of acquisition. These limits do not apply to items of furniture. All items of furniture are depreciated at their estimated useful lives. Depreciation on moveable assets is charged to the Statement of Financial Performance.

The estimated useful lives of moveable assets are as follows:

Motor vehicles	5 years
Computer equipment	3 years
Office equipment and furniture	5 years
Appliances	5 years
Machinery and equipment	5 years
Tools	2 years
Dwellings: mobile homes	4 - 5 years

Costs incurred subsequent to acquisition are included in the assets carrying amount or recognised as a separate asset only when it meets the definition of an asset, is probable that the future economic benefits associated with the item will flow to the entity and the cost of that item can be reliably measured.

All items of moveable property, plant and equipment are tested for impairment on an annual basis. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of all assets are reviewed at the end of each financial year.

## **1.5 INTANGIBLE ASSETS**

Software and licences are recognised and measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets are carried at cost less accumulated impairment losses.

Amortisation is charged to the Statement of Financial Performance on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite.

Intangible assets with an indefinite useful life are tested for impairment at the end of each financial year and whenever there is any indication that the intangible asset could be impaired.

The amortisation period and the method of amortisation of intangible assets with a finite useful life are reviewed annually at the end of each financial year. Any changes in the useful lives, residual values or amortisation period are accounted for as a change in estimate in accordance with IAS 8. The estimated useful lives of intangible assets with finite useful lives are as follows:

Software and licences                      3 years

Other intangible assets are assessed to have an indefinite useful life.

## **1.6 FINANCIAL INSTRUMENTS**

Financial instruments recognised on the Statement of Financial Position include:

- trade and other receivables;
- investment in CPD;
- cash and cash equivalents and
- trade and other payables.



### *Trade and other receivables*

Trade and other receivables are initially recorded at fair value and are carried at amortised cost less provision for impairment. The provision for impairment is established where there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

### *Investment in CPD*

Investment in CPD represents money that is held by the entity with the Reserve Bank in the form of Certificate for Public Deposits. This investment is classified by the entity as an available for sale investment and held at fair value.

### *Cash and cash equivalents*

Cash and cash equivalents are carried at cost in the Statement of Financial Position. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, short-term deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less and bank overdrafts.

### *Trade and other payables*

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

## **1.7 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Exposure to continuously changing market conditions has highlighted the importance of financial risk management as an element of control for the entity.

The entity finances its operations primarily from cash receipts from customers and augmentation income received from the government.

### *Interest rate risk management*

The entity has no long term debt and as such has very limited exposure to fluctuations in interest rates.

### *Credit risk management*

Potential areas of credit risk consist of trade accounts receivable and cash investments. Accounts receivable consists mainly of a government owned institutions and government owned entities.

The entity monitors the ageing of debtors on an ongoing basis and engages their customers where there is an indication of possible problems with regard to recovery from customers. Provision is made for both specific and general bad debts and at the end of the financial year management did not consider there to be any material credit risk exposure that was not already covered by the impairment provision.

Cash investments are investments made by the entity with the South African Reserve Bank and credit risk is considered to be acceptably low by the directors of the entity.

## **1.8 INVENTORY**

Inventory is carried in the financial statements at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the costs of completion and selling expenses. Any write down of inventory to net realisable value is recognised immediately in the Statement of Financial Performance as an expense.

## 1.9 PROVISIONS

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Management also assesses whether the entity can avoid the liability. If the liability can be avoided, the present obligation would not be present and a provision will not be raised.

## 1.10 LEASES

Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

When an operating lease is terminated before the end of the term of the lease, any payments required to be made by the entity by way of penalties are recognised as an expense in the period in which the termination occurred.

Finance leases, which transfer to the entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the Statement of Financial Performance.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the entity will obtain ownership by the end of the lease term.

## 1.11 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised in the annual financial statements but are disclosed as such in the notes to the financial statements. Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

The amount of contingent liabilities represents all outstanding litigation against the entity at the end of the financial year.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

## 1.12 EMPLOYEE BENEFITS

### *Leave benefits*

Annual leave is provided over the period the leave accrues. In the case of accumulating compensated leave benefit, the entity recognises the cost when the employee renders the service that increases their entitlement to the future compensated absences. In the case of non-accumulating compensated absences, the entity recognises the leave cost when the absence occurs.

### *Short-term employee benefits*

The entity recognises an undiscounted amount of short-term benefits due to employees in exchange for the rendering of services by employees as follows:

- As a liability in cases where the amounts have not yet been paid. Where the amount paid exceeds the undiscounted amount of the benefits due,

the entity recognises the excess as an asset to the extent that the overpayment will lead to a reduction of future payments or a cash refund.

- As an expense, unless the entity uses the services of employees in the construction of an asset and the benefits received meet the recognition criteria of an asset, at which stage it is included as part of the related property, plant and equipment or intangible asset item.

#### *Performance bonus plans*

The entity recognises the expected cost of performance bonus payments where there is a present legal or constructive obligation to make these payments as a result of past events and a reliable estimate of the obligation can be made by the entity. The entity considers the present obligation to exist when the entity has no realistic alternative but to make the payments related to performance bonuses.

#### *Termination benefits*

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy for these benefits or resigns. The entity recognises termination benefits when it is demonstrably committed either to terminate the employment of current employee(s) according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the end of the financial year are discounted to present value.

#### *Retirement benefits*

The entity contributes to the employees' retirement benefits through a contribution to the government funded defined benefit

plan. Once the entity has paid the contributions, the entity has no further payment obligations. The contribution paid is charged to employee expenses in the same year as the related service is provided.

#### *Medical benefits*

The entity contributes to the employees' medical benefits through a contribution to the employees' medical aid scheme. Once the entity has paid the contributions, the entity has no further payment obligations. The contribution paid is charged to employee expenses in the same year as the related service is provided.

Post-retirement medical benefits are provided by the government employee medical scheme. The entity has no payment obligations for retired employees, as such no provision is made for post-retirement medical benefits.

## **1.13 RELATED PARTIES**

The entity constitutes part of the national government in terms of the Public Finance Management Act (Act No. 1 of 1999). Public and trading entities within the National Government sphere are considered to be related parties.

Goods and services are sold and / or purchased to / from related parties on an arm's length basis at market-related prices.

## **1.14 CONSTRUCTION WORK IN PROGRESS**

Construction work in progress represents the total cost spent by the entity on infrastructure projects. It is measured as the total cost that the entity has incurred to date on infrastructure projects.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the entity's contract activities based on normal operating capacity.

Construction work in progress is presented as part of property, plant and equipment in the Statement of Financial Position.

## 1.15 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The following major components of the financial statements were restated:

- Revenue
- Other income
- Operating expenses
- Infrastructure and moveable assets
- Trade receivables
- Deferred income
- Finance lease assets and liabilities

These restatements resulted in a restatement of amounts previously reported for reserves and also resulted in the restatement of amounts previously disclosed in the Cash Flow Statement.



	2008	2007 RESTATED
	R'000	R'000

## 2 Transfers and subsidies

The entity receives government grants in the form of augmentation money to assist the entity in infrastructure development and to defray certain operating expenses. These amounts are recognised in the Statement of Financial Performance in accordance with the accounting policy for government grants.

The amounts recognised for these grants are as follows:

	2008	2007 RESTATED
<b>3 Other income</b>	<b>29,264</b>	<b>239,490</b>
Other income includes:		
- Surplus of assets over liabilities	-	219,212
- other	29,264	20,278

	2008	2007 RESTATED
<b>4 Operating expenses</b>	<b>4,177,320</b>	<b>3,797,239</b>
Operating expenses include:		
- administrative expenses	810,498	410,690
- employee costs	507,200	453,269
- audit fees	2,329	1,369
- transfers and subsidies paid	181,832	178,249
- depreciation	2,211,763	2,198,576
- amortisation	13,434	6,662
- work in progress recovery of costs	(600,479)	(227,725)
- movement in leave pay provision	5,652	(116,099)
- other operating expenses	1,045,091	892,248

## 5 Property, plant and equipment

SUMMARY	31 MARCH 2008			31 MARCH 2007		
	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
	R'000	R'000	R'000	RESTATED R'000	RESTATED R'000	RESTATED R'000
<b>Owned assets</b>						
- Infrastructure assets	83,083,241	(4,318,481)	78,764,760	83,071,079	(2,159,117)	80,911,962
- Mobile homes	19,929	(3,367)	16,562	4,210	(891)	3,319
- Motor vehicles	910	(370)	540	802	(213)	589
- Equipment	574,412	(369,759)	204,653	468,381	(341,740)	126,641
- Furniture and fittings	29,943	(22,438)	7,505	27,781	(20,177)	7,604
- Computer equipment	19,967	(14,898)	5,069	16,520	(12,367)	4,153
- Low value assets	7,421	(7,394)	27	4,400	(4,376)	24
- Assets under construction	989,038	-	989,038	387,170	-	387,170
<b>Total</b>	<b>84,724,861</b>	<b>(4,736,707)</b>	<b>79,988,154</b>	<b>83,980,343</b>	<b>(2,538,881)</b>	<b>81,441,462</b>
<b>Leased assets</b>						
- Equipment	14,046	(8,781)	5,265	12,403	(6,639)	5,764
- Motor vehicles	26,087	(4,404)	21,683	3,008	(22)	2,986
<b>Total</b>	<b>40,133</b>	<b>(13,185)</b>	<b>26,948</b>	<b>15,411</b>	<b>(6,661)</b>	<b>8,750</b>
<b>TOTAL</b>	<b>84,764,994</b>	<b>(4,749,892)</b>	<b>80,015,102</b>	<b>83,995,754</b>	<b>(2,545,542)</b>	<b>81,450,212</b>

The entity's policy is to perform a revaluation of its infrastructure assets every ten years. The last independent external revaluation was performed during the financial year ended 31 March 2008, by Akhile, a consortium of professional valuers using the depreciated replacement cost method. The valuation approach followed is the world renowned New Zealand valuation method which is approved by the World Bank. The valuation resulted in a net increase of R 47,312,702 to the carrying value of the infrastructure assets as at 31 March 2006.

MOVEMENT 2008	31 MARCH 2007 CARRYING VALUE RESTATED	ADDITIONS RESTATED	DISPOSALS RESTATED	DEPRECIATION RESTATED	31 MARCH 2008 CARRYING VALUE
	R'000	R'000	R'000	R'000	R'000
<b>Owned assets</b>					
- Infrastructure assets	80,911,962	12,162	-	(2,159,364)	78,764,760
- Mobile homes	3,319	15,719	-	(2,476)	16,562
- Motor vehicles	589	108	-	(157)	540
- Equipment	126,641	113,477	(34)	(35,431)	204,653
- Furniture and fittings	7,604	2,162	-	(2,261)	7,505
- Computer equipment	4,153	3,448	-	(2,532)	5,069
- Low value assets	24	3,021	-	(3,018)	27
- Assets under construction	387,170	601,868	-	-	989,038
<b>Sub-total</b>	<b>81,441,462</b>	<b>751,965</b>	<b>(34)</b>	<b>(2,205,239)</b>	<b>79,988,154</b>
<b>Leased assets</b>					
- Equipment	5,764	1,643	-	(2,142)	5,265
- Motor vehicles	2,986	23,079	-	(4,382)	21,683
<b>Sub-total</b>	<b>8,750</b>	<b>24,722</b>	<b>-</b>	<b>(6,524)</b>	<b>26,948</b>
<b>TOTAL</b>	<b>81,450,212</b>	<b>776,687</b>	<b>(34)</b>	<b>(2,211,763)</b>	<b>80,015,102</b>

MOVEMENT 2007	31 MARCH 2006 CARRYING VALUE RESTATED	TRANSFERS TO MAIN ACCOUNT	ADDITIONS RESTATED	DISPOSALS RESTATED	DEPRECIATION RESTATED	31 MARCH 2007 CARRYING VALUE RESTATED
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Owned assets</b>						
- Infrastructure assets	83,068,798	-	2,281	-	(2,159,117)	80,911,962
- Mobile homes	213	-	3,858	-	(752)	3,319
- Motor vehicles	72	-	640	-	(123)	589
- Equipment	78,234	-	79,408	-	(31,001)	126,641
- Furniture and fittings	1,474	-	7,743	-	(1,613)	7,604
- Computer equipment	950	-	4,602	-	(1,399)	4,153
- Water services	2,636,430	(2,636,430)	-	-	-	-
- Low value assets	20	-	2,333	-	(2,329)	24
- Assets under construction	159,445	-	227,725	-	-	387,170
<b>Sub-total</b>	<b>85,945,636</b>	<b>(2,636,430)</b>	<b>328,590</b>	<b>-</b>	<b>(2,196,334)</b>	<b>81,441,462</b>
<b>Leased assets</b>						
- Equipment	4,666	-	3,318	-	(2,220)	5,764
- Motor vehicles	-	-	3,008	-	(22)	2,986
<b>Sub-total</b>	<b>4,666</b>	<b>-</b>	<b>6,326</b>	<b>-</b>	<b>(2,242)</b>	<b>8,750</b>
<b>TOTAL</b>	<b>85,950,302</b>	<b>(2,636,430)</b>	<b>334,916</b>	<b>-</b>	<b>(2,198,576)</b>	<b>81,450,212</b>



	2008	2007 RESTATED
	R'000	R'000

<b>6 Intangible assets</b>		
<b>6.1 Computer software</b>		
Cost at 31 March 2007	40,344	58
Additions	10	40,286
<b>Cost at 31 March 2008</b>	<b>40,354</b>	<b>40,344</b>
Accumulated amortisation at 31 March 2007	(6,702)	(40)
Amortisation / impairment for the year	(13,434)	(6,662)
<b>Accumulated amortisation / impairment at 31 March 2008</b>	<b>(20,136)</b>	<b>(6,702)</b>
<b>Carrying amount at 31 March 2008</b>	<b>20,218</b>	<b>33,642</b>
<b>6.2 Other intangibles</b>		
Cost at 31 March 2007	12,455,312	12,455,312
Additions	-	-
<b>Cost at 31 March 2008</b>	<b>12,455,312</b>	<b>12,455,312</b>
Accumulated amortisation at 31 March 2007	-	-
Amortisation / impairment for the year	-	-
<b>Accumulated amortisation / impairment at 31 March 2008</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at 31 March 2008</b>	<b>12,455,312</b>	<b>12,455,312</b>
<b>Total intangible assets</b>	<b>12,475,530</b>	<b>12,488,954</b>

2008	2007 RESTATED
R'000	R'000

#### 7 Assets and liabilities transferred from the Equipment Trading Account

On 1 April 2007, the assets and liabilities of the Equipment Trading Account were transferred to the Water Trading Entity. The effect of the transfer on the financial statements is summarised below:

##### Assets

Property, plant and equipment		
Equipment at cost	-	240,724
Less: Accumulated depreciation	-	(40,513)
	-	200,211
Capital work in progress	-	1,337
<b>Total property, plant and equipment</b>	<b>-</b>	<b>201,548</b>
Accounts receivable	-	-
Exchequer Account	-	3,757
Water Trading Entity	-	751
Capital Augmentation	-	15,000
<b>Total receivables</b>	<b>-</b>	<b>19,508</b>
Investment deposit	-	100
<b>Total assets</b>	<b>-</b>	<b>221,156</b>
<b>Liabilities</b>		
Bank overdraft	-	(1,325)
Exchequer rebuild WIP	-	(619)
<b>Total liabilities</b>	<b>-</b>	<b>(1,944)</b>
<b>Net assets</b>	<b>-</b>	<b>219,212</b>
Cost to the Water Trading Entity	-	-
<b>Surplus of assets over liabilities recognised in Other income (Refer to note 2)</b>	<b>-</b>	<b>219,212</b>

2008	2007 RESTATED
R'000	R'000

## 8 Trade and other receivables

### 8.1 Trade receivables

Trade receivables	2,290,327	2,257,152
Less: Impairment of trade receivables	(753,159)	(437,143)
Opening balance	(437,143)	(161,829)
Current year provision	(316,016)	(275,314)
<b>Total net trade receivables</b>	<b>1,537,168</b>	<b>1,820,009</b>

### 8.2 Unallocated deposits

	(130,525)	(527,061)
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Unallocated deposits consist mainly of deposits made by bulk water customers as payment for water use, which have not yet been allocated to the individual customers' accounts.

### 8.3 Other receivables

Claims recoverable	(3,732)	31,066
Staff debt	55,321	5,714
Travel and subsistence	758	437
Other receivables	58,483	150,952
<b>Total net other receivables</b>	<b>110,830</b>	<b>188,169</b>
<b>Total current receivables</b>	<b>1,517,473</b>	<b>1,481,117</b>

### Trade receivables impairment provision

The impairment provision was computed using a two-step approach. The first step involved assessing each individual debtor to determine its recoverability and the second step involved a collective assessment of debtors per risk category.

#### Individual assessment of trade receivables

The entity assessed each individual debtor for impairment as follows:

- All trade receivables that are owing for more than 150 days were selected.
- Payment history, reasons provided by the customer for not having paid and such other related factors were taken into account.

#### Collective assessment of trade receivables

The entity first removed trade receivables which have been individually assessed for impairment and then risk categorised the balance of the trade receivables as follows:

- Bulk payers
- Companies
- Individuals
- Water service providers
- Water user associations

The collective assessment highlighted the fact that 60% of trade receivables assessed collectively that have been owing for over 150 days belong in the bulk payers category. The entity concluded that an impairment provision of 30% would be reasonable in the light of the evidence at its disposal.

The result of the impairment calculation is as follows:

	2008
	R'000
Specific individual debtors	487,394
Collective assessment	265,765
<b>Total provision</b>	<b>753,159</b>

	2008	2007 RESTATED
	R'000	R'000

9 Cash and cash equivalents		
Cash and balances with banks	127,358	370,161
Petty cash	111	87
<b>Total cash and cash equivalents</b>	<b>127,469</b>	<b>370,248</b>

**10 Finance lease obligations**

Future minimum lease payments under finance leases for equipment and motor vehicles are as follows:		
Not later than 1 year	9,671	3,663
Later than 1 year and not later than 5 years	34,628	10,125
Later than 5 years	-	-
<b>Total minimum lease payments</b>	<b>44,299</b>	<b>13,788</b>
Future finance charges	(10,277)	(3,234)
<b>Present value of minimum lease payments</b>	<b>34,022</b>	<b>10,554</b>
<b>Included in the Statement of Financial Position as:</b>		
Current borrowings	5,867	2,432
Non-current borrowings	28,155	8,122
	<b>34,022</b>	<b>10,554</b>

Finance lease obligations relate to photocopying equipment and motor vehicles. The lease term varies from 3 to 5 years and the interest rate varies between 10,5% and 17%.The entity does not have the option to purchase the assets at the end of lease agreements. The entity's obligations under finance lease are secured by the lessors' title to the leased assets.

The lease agreements provide for contingent fees on the following basis:

- Maintenance cost on motor vehicle is based on the maintenance carried out and is recognised in the Statement of Financial Performance when incurred.
- Insurance cost on motor vehicles is based at 1.17% of the total cost of the assets and is recognised in the Statement of Financial Performance when incurred.
- Copy charges on photocopiers are based on the volume of copies and are recognised in stationery cost in the Statement of Financial Performance when incurred.

	2008	2007 RESTATED
	R'000	R'000
<b>11 Trade and other payables</b>		
Trade payables	81,895	47,095
TCTA	494,556	436,462
Accruals	35,723	31,389
VAT payable	78,576	192,573
Other	89,948	117,791
<b>Total trade and other payables</b>	<b>780,698</b>	<b>825,310</b>
<b>12 Deferred income</b>		
- Opening balance	237,295	7,535
- Grants received during the year	1,039,094	717,462
- Grants released to the income statement during the year	(423,426)	(487,702)
<b>Deferred income at end of year</b>	<b>852,963</b>	<b>237,295</b>

2008	2007 RESTATED
R'000	R'000

### 13 Provisions

#### Provision for employee benefits

##### 13.1 Performance bonus provision

- Opening balance	3,679	4,589
- Unused amounts reversed / utilised during the year	(3,679)	(4,589)
- Provisions made during the year	11,634	3,679
<b>Performance bonus provision at end of year</b>	<b>11,634</b>	<b>3,679</b>

##### 13.2 Provision for leave

- Opening balance	66,333	182,432
- Unused amounts reversed / utilised during the year	(66,333)	(182,432)
- Provisions made during the year	67,223	66,333
<b>Leave provision at end of year</b>	<b>67,223</b>	<b>66,333</b>

##### 13.3 Other provisions

###### Capital

- Opening balance	36	11,979
- Unused amounts reversed / utilised during the year	-	(11,979)
- Provisions made during the year	-	36
<b>Total other provisions at end of year</b>	<b>36</b>	<b>36</b>

#### Total provisions

<b>78,893</b>	<b>70,048</b>
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	2008	2007 RESTATED
	R'000	R'000
<b>14 Cash generated by operations</b>		
<b>Deficit before tax</b>	<b>(2,259,265)</b>	<b>(1,394,642)</b>
Finance income	(6,065)	(96)
Finance costs	3,704	991
Non-cash movements / working capital changes		
- Depreciation	2,211,763	2,198,576
- Amortisation	13,434	6,662
- Increase in impairment provision of debtors	316,016	275,314
- (Decrease) / Increase in payables	(48,047)	99,023
- Profit on sale of property, plant and equipment	(6,656)	-
- Increase in deferred income	615,667	237,295
- Increase / (Decrease) in provision relating to employee costs	8,845	(128,951)
- Increase in receivables	(352,373)	(546,776)
- Decrease (Increase) in inventory	940	(1,156)
- Other non cash items	3,435	(171,084)
<b>Net cash flows from operating activities</b>	<b>501,398</b>	<b>575,156</b>
<b>15 Acquisition of property, plant and equipment</b>		
Total additions to property, plant and equipment during the year	776,687	334,916
Less: Non-cash items		
- Acquisition from Equipment Trading Account	-	(201,548)
<b>Cash acquisitions</b>	<b>776,687</b>	<b>133,368</b>
<b>16 Capital commitments</b>		
Commitments for the acquisition of property, plant and equipment that is contracted for but not provided for in the financial statements	16,812	11,755



17 Key management personnel remuneration

2008	SALARY	PENSION FUND CONTRIBUTION	OTHER CONTRIBUTIONS AND PAYMENTS	TOTAL
Ruiters C Dr. – Deputy Director General	503,351	60,124	207,348	770,823
Moloi LS Mr. – Chief Director	516,651	59,240	183,600	759,491
Anderson H Ms. - Executive Manager	458,812	49,598	127,464	635,874
Croucamp WS Mr. - Executive Manager	482,429	53,407	148,872	684,708
Mathe ZY Ms. - Chief Director	476,914	52,623	145,115	674,652
	<b>2,438,157</b>	<b>274,992</b>	<b>812,399</b>	<b>3,525,548</b>

2007	SALARY	PENSION FUND CONTRIBUTION	OTHER CONTRIBUTIONS AND PAYMENTS	TOTAL
Ruiters C Dr. – Deputy Director General	453,767	55,930	207,348	717,045
Moloi LS Mr. – Chief Director	467,796	55,107	183,600	706,503
Anderson H Ms. - Executive Manager	371,520	39,213	91,992	502,725
Croucamp WS Mr. - Executive Manager	438,386	49,681	148,872	636,939
Mathe ZY Ms. - Chief Director	425,018	48,233	145,115	618,366
	<b>2,156,487</b>	<b>248,164</b>	<b>776,927</b>	<b>3,181,578</b>

	2008	2007 RESTATED
	R'000	R'000
<b>18 Related Party Transactions</b>		
The following transactions were carried out with related parties:		
<b>18.1 Transfers and subsidies received:</b>		
Government departments	1,039,094	717,462
	<b>1,039,094</b>	<b>717,462</b>
<b>18.2 Purchases of goods and services:</b>		
Government departments	180	-
Major public entities	2,711,509	1,180,004
Other public entities	322,411	45,822
	<b>3,034,100</b>	<b>1,225,826</b>
<b>18.3 Transfers and subsidies paid:</b>		
Other public entities	181,832	178,249
	<b>181,832</b>	<b>178,249</b>
<b>18.4 Year-end balances arising from transactions:</b>		
<i>Receivables from related parties</i>		
Government departments	99,681	128,217
Major public entities	1,230,293	917,843
Other public entities	145,436	933,932
	<b>1,475,410</b>	<b>1,979,992</b>
Revenue from the rendering of services is normally receivable within 30 days of invoice date. Interest is charged on all overdue balances.		
<i>Payables to related parties:</i>		
Government departments	180	-
Major public entities	495,699	438,283
Other public entities	93,476	192,591
	<b>589,355</b>	<b>630,874</b>
Purchase transactions with related parties are at arm's length with payment terms of 30 days from invoice date.		

## 19 Restatement of previously reported annual financial statements

### 19.1 Property, plant and equipment and intangible assets

During the current financial year the entity, through the Sakhile project, the moveable assets project and the intangible assets project, performed the following:

- a physical verification of all property, plant and equipment and intangible assets;
- the separation of all significant part of these assets into components as required by International Accounting Standard 16 ("IAS 16");
- the depreciation or amortisation of each significant component separately; and
- the revaluation of all infrastructure assets.

The above procedures resulted in the identification of material adjustments required on the fixed assets register and it necessitated the revaluation of all infrastructure assets before the next valuation required per the entity's policy. This also indicated that the prior year fixed asset register and the prior year reported amounts for infrastructure assets were incorrect.

The prior year financial statements have been restated per Note 19.6 to correct the errors identified.

### 19.2 Assets under construction

The entity constructs certain infrastructure assets for use in its operations. All construction costs were incorrectly expensed in the year incurred. During the year an assessment was performed to identify all construction assets in progress that meet the recognition criteria of an asset per IAS 16. All assets that meet the recognition criteria were recognised accordingly.

The prior year financial statements have been restated per Note 19.6 to correct the errors identified.

### **19.3 Augmentation income**

The entity receives grants from the government for infrastructure development and to fund other operational activities. Previously the grants received were recognised in revenue in the year received. This treatment was not consistent with the entity's accounting policy which is to recognise infrastructure grants received as income on a systematic basis over the period necessary to match the grants with the related costs that they are intended to compensate.

The prior year financial statements have been restated per Note 19.6 to correct the errors identified.

### **19.4 Revenue and account receivables**

During the current year the entity performed a detailed review of all trade receivable balances. The review indicated that prior year trade receivables balances reflected invalid and/or inaccurate amounts which occurred when the entity changed accounting systems.

The prior year financial statements have been restated per Note 19.6 to correct the errors identified.

### **19.5 Leases**

During the current year the entity identified a material error in the accounting for leases. Leases that meet the definition of a finance lease were incorrectly accounted for as operating leases.

The prior year financial statements have been restated per Note 19.6 to correct the errors identified.

### **19.6 Summary of adjustments**

The total effect of the restatements noted above on the prior year financial statements is as follows.

2007  
RESTATED

R'000

Statement of Financial Performance

<b>Deficit for the year as previously stated</b>	<b>(641,331)</b>
Adjustments for errors in:	
- Revenue and accounts receivables	(1,252,250)
- Leases	(128)
- Property, plant and equipment and intangible assets	508,093
- Assets under construction	227,725
- Augmentation income	(222,438)
- Other adjustments	(14,313)
<b>Restated deficit for the year</b>	<b>(1,394,642)</b>

	2007 RESTATED
	R'000
<b>Statement of Financial Position</b>	
<b>Total Assets as previously stated</b>	<b>42,634,082</b>
Adjustments for errors in:	
- Revenue and accounts receivables	(1,066,881)
- Leases	8,750
- Property, plant and equipment and intangible assets	53,774,560
- Assets under construction	387,170
- Augmentation income	8,347
- Other adjustments or reclassifications	64,388
<b>Restated Total Assets</b>	<b>95,810,416</b>
<b>Total Equity as previously stated</b>	<b>41,787,573</b>
Adjustments for errors in:	
- Revenue and accounts receivables	(1,546,765)
- Leases	(953)
- Property, plant and equipment and intangible assets	54,284,471
- Assets under construction	387,170
- Augmentation income	(229,973)
- Other adjustments	(14,314)
<b>Restated Total Equity</b>	<b>94,667,209</b>
<b>Total Liabilities as previously stated</b>	<b>846,509</b>
Adjustments for errors in:	
- Revenue and accounts receivables	479,883
- Leases	9,703
- Property, plant and equipment and intangible assets	(501,697)
- Augmentation income	238,319
- Other adjustments or reclassifications	1,024
<b>Restated Total Liabilities</b>	<b>1,073,742</b>

## REPORT OF THE AUDIT COMMITTEE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### 1 Composition of the audit committee

The Audit Committee comprises the following members:

Messrs J A Boyd (Chairperson), W.J.L du Preez, K.D. Nkadimeng, and Mesdames S. Thomas and P. Yako (Director General: DWAF)

During the year under review the Audit Committee held four normal meetings and one special meeting.

### 2 Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1) (a) of the Public Finance Management Act (PFMA), 1999 (Act No.1 of 1999) as amended by Act No.29 of 1999) and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter, and has attempted to discharge its responsibilities as contained therein.

The Audit Committee has addressed itself to the financial statements of the following unit during the period under review:

- National Forest Recreation and Access Trust

### 3 Internal control

Whilst the members of the Audit Committee believe that their system of internal controls largely covers organizational, financial and operating risks, control weaknesses are periodically identified during the Internal and External audit processes. The committee closely monitors management's actions to remedy these breaches.

### 4 Risk management

The Department has developed and approved a risk management strategy. This strategy is the foundation for a continuous risk assessment process and for management monitoring of risks on an ongoing basis.

### 5 Internal auditing

Internal auditing provides a supportive role to management and the Audit Committee to achieve their objectives by assisting in the management of risk within the Department

The internal audit function is responsible for independent and objective evaluation of the Department's system of internal control at a detailed level and to bring any significant business risks and exposure to the attention of management and the committee through the provision of comprehensive internal audit reports.

## 6 Evaluation of financial statements

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



MR J.A. BOYD

DATE: 30 May 2008

CHAIRPERSON OF THE AUDIT COMMITTEE





## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE NATIONAL FOREST RECREATION AND ACCESS TRUST FOR THE YEAR ENDED

31 MARCH 2008

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1 I have audited the accompanying financial statements of the National Forest Recreation and Access Trust which comprise the balance sheet as at 31 March 2008, income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 277 to 280.

#### Responsibility of the accounting officer for the financial statements

2 The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity specific basis of accounting described in note 1 to the financial statements and in the manner required

by the Public Finance Management Act, 1999 (Act No. 1 of 1999) and the Auditor-General Audit Circular 1 of 2007. This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the Auditor- General

- 3 As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
- 4 I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in

*Government Gazette No. 31057 of 15 May 2008.* Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

- 5 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- 6 An audit also includes evaluating the:
- appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
- 7 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Basis of accounting

- 8 The Trust's policy is to prepare financial statements on the entity specific basis of accounting, as set out in accounting policy note 1 to the financial statements.

## Opinion

- 9 In my opinion the financial statements of the National Forest Recreation and Access Trust as at 31 March 2008 and its financial performance and cash flows for the year then ended have been prepared, in all material respects, in accordance with the basis of accounting, as set out in accounting policy note 1 to the financial statements and in the manner required by the PFMA.

## OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

### Non-compliance with applicable legislation

- 10 In terms of the National Forest Act, 1998 (Act No 84 of 1998) the National Forest Recreation and Access Trust was established with effect from 1 April 1999.

During the 1999/2000 financial year the National Hiking Way Fund was dissolved. An amount of R1 669 293 was transferred from the fund to the trust. The money is invested in the Corporation for Public Deposits. The balance as at 31 March 2008 was R3 784 688.

During our audit we identified that, except for interest received, the trust is still dormant and was dormant since inception. In terms of section 42 of the National Forest Act, 1998 (Act No 84 of 1998), the Minister must do whatever is necessary to achieve the objective of the Trust. A formal approval by the Minister of Water Affairs & Forestry to commence with the operational activities has not been given.

### Matters of governance

- 11 The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which we have assessed as follows:

NO.	MATTER OF GOVERNANCE	YES	NO
	<b>Audit committee</b>		
1(a)	The [department had an audit committee in operation throughout the financial year.	✓	
1(b)	The audit committee operates in accordance with approved written terms of reference.	✓	
1(c)	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	✓	
	<b>Internal audit</b>		
2(a)	The department had an internal audit function in operation throughout the financial year.	✓	
2(b)	The internal audit function operates in terms of an approved internal audit plan.	✓	
2(c)	The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	✓	
	<b>Other matters of governance</b>		
3	The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA)	✓	
4	The financial statements submitted for audit were not subject to any material amendments resulting from the audit.	✓	
5	No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	✓	
6	The prior year's external audit recommendations have been substantially implemented.	✓	
7	SCOPA resolutions have been substantially implemented. (Note: Delete this line if there were no SCOPA resolutions for the auditee)		✓
8	There are documented policies and procedures and control systems to ensure the reliability of financial reporting.	✓	
9	There are documented policies and procedures and control systems to ensure compliance with applicable laws and regulations.	✓	
10	The information systems were appropriate to facilitate the preparation of financial statements that are free from material misstatement.	✓	
11	Delegations of responsibilities are in place.	✓	
12	Supply chain management policies and procedures were appropriately applied.	✓	
13	There is a functioning performance management system.	✓	
14	Based on the available information, performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

## OTHER REPORTING RESPONSIBILITIES

### Report on Performance Information

- 12 I have audited the performance information as set out on pages 277 to 280.

### Responsibility of the accounting officer for the performance information

- 13 The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

### Responsibility of the Auditor-General

- 14 I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
- 15 In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
- 16 I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit finding reported below.

### Audit findings (performance information)

- 17 No separate performance targets were set for the Trust, as the Trust was dormant.

## APPRECIATION

The assistance rendered by the staff of the Department of Water Affairs and Forestry during the audit is sincerely appreciated.

*Auditor-General*

Pretoria  
31 July 2008



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

## 1 ACCOUNTING POLICY

1.1 The financial statements are, unless indicated otherwise, prepared on an historical cost basis according to the under mentioned policy which, in all significant respects, is applied consistently.

1.2 Income is acknowledged on a cash basis.

1.3 Cash and bank

The Fund does not have a formal counter party policy, but the credit risk in respect of cash resources is limited as the counter party is a high quality credit institution with a sound reputation. Fund management considers that the carrying amount of cash and bank approximates to their fair value.

1.4 Investment risk management

The Corporation for Public Deposits (CPD) manages the investments of the Fund. The CPD is independent from the Fund and has a sound reputation. The investment strategy is to maximize long-term growth and return on the investment portfolio while maintaining a low level of risk within the portfolio. In order for this objective to be achieved, significant investments include government bonds, bills and securities, deposits and cash. Of the total investments, approximately 21% are held in deposits and cash.

1.5 Price risk

Due to the nature and extent of the Fund's investments, the Fund is not unduly exposed to price risks as investments are held to maturity or in cash and deposits.

1.6 Interest rate risk

Investments in the form of bills, bonds and securities held by the Fund will normally be exposed to interest rate risk. Since these investments are held to maturity, they are not unduly exposed to interest rate risk.

1.7 Other risks

Cash flow and liquidity risks of the Fund are minimal as the majority of investments are held in cash and deposits. The Fund does not have any foreign accounts receivables, foreign accounts payable or derivative market instruments.

1.8 Capitalization of Interest

Interest on the investment in the Corporation for Public Deposits must be capitalized to the investment.

	2007/08 R	2006/07 R
<b>2 Capital fund</b>		
Balance at the beginning of the year	3 435 311	3 176 410
Net income for the year	349 377	258 901
	<b>3 784 688</b>	<b>3 435 311</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2008

	ACCUMULATED PROFIT	TOTAL
	R	R
Balance 1 April 2003	2 513 321	2 513 321
Interest received	241 327	241 327
<b>Balance 31 March 2004</b>	<b>2 754 648</b>	<b>2 754 648</b>
Balance 1 April 2004	2 754 648	2 754 648
Interest received	214 492	214 492
<b>Balance 31 March 2005</b>	<b>2 969 140</b>	<b>2 969 140</b>
Balance 1 April 2005	2 969 140	2 969 140
Interest received	207 270	207 270
<b>Balance 31 March 2006</b>	<b>3 176 410</b>	<b>3 176 410</b>
Balance 1 April 2006	3 176 410	3 176 410
Interest received	258 901	258 901
<b>Balance 31 March 2007</b>	<b>3 435 311</b>	<b>3 435 311</b>
Balance 1 April 2007	3 435 311	3 435 311
Interest received	349 377	349 377
<b>Balance 31 March 2008</b>	<b>3 784 688</b>	<b>3 784 688</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	NOTE	2007/08 R	2006/07 R
<b>Cash flows from operating activities</b>			
Interest received		349 377	258 901
Cash generated by operations		349 377	258 901
<b>Cash flows from investing activities</b>			
Increase in investment		(349 377)	(258 901)
Net cash outflow from investing activities		(349 377)	(258 901)
Net increase in cash and cash equivalent			
		-	-
Cash and cash equivalent at the beginning of the year		2 729	2 729
Cash and cash equivalent at the end of the year		2 729	2 729

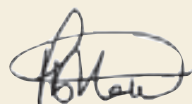
**NATIONAL FOREST RECREATION AND ACCESS TRUST**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2008**

	2007/08 R	2006/07 R
Income	349 377	258 901
Investment income	349 377	258 901
Expenditure	-	-
<b>Net income for the year</b>	<b>349 377</b>	<b>258 901</b>

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2008**

	NOTE	2007/08 R	2006/07 R
<b>Assets</b>			
Current Assets		3 784 688	3 435 311
Amounts immediately recoverable		3 781 959	3 432 582
Cash with Paymaster-General		2 729	2 729
		<b>3 784 688</b>	<b>3 435 311</b>
<b>Equity</b>			
Capital Fund	2	3 784 688	3 435 311
		<b>3 784 688</b>	<b>3 435 311</b>

**APPROVAL**



Ms. P.B. Yako  
 Director-General: Water Affairs and Forestry  
 Date: 30 May 2008



# PART E

## OVERSIGHT REPORTS



The Department of Water Affairs and Forestry is the custodian of South Africa's water and forestry resources. As a sector leader, the Department through this Service Delivery Improvement Plan commits itself to achieve its Constitutional obligations towards the people of South Africa through:

- The formulation and implementation of policies governing the sectors of water and forestry.
- Ensuring that all South Africans have access to clean potable water and sanitation
- Promoting sustainable, effective and efficient water resources management to ensure sustainable economic and social development.
- Promoting the sustainable management of the country's natural forest resources and commercial forestry for socio-economic benefits.

### **Through this Service Delivery Improvement Plan DWAF pledges to:**

- Aim for excellence in the delivery of our services.
- Provide high quality and sustainable services that meet with accepted norms and standards.
- Respond to your requests within specified time frames.
- Annually review and improve service delivery processes that will influence the quality of our services

## **BATHO PELE COMMITMENT**

### **Response to letters and phone calls**

- Answer 95% of calls to the department within 5 – rings
- Activate 100% all staff voicemail facilities when unable to answer the call
- Reply to 80% of complaints/queries done via e-mail and voicemails within 48 hours
- Send letter of acknowledgement for complaints/queries done in writing within 5 working days from the day of receipt in 80% of cases.
- Send a progress report within 30 working days with full contact details of the person handling the matter.

### **Keeping appointments**

- If any employee of the Department makes an appointment with a customer, Department of Water Affairs and Forestry guarantees that the employee will keep the appointment at a mutually agreed time unless exceptional circumstances arise.

### **Payment of invoices**

- Pay 90% of all invoices within 30 working days on receipt of correct completed invoices

## GUARANTEED SERVICE STANDARDS ON DWAF MAJOR SERVICES

DWAF commits to deliver the following Services as per this Service Delivery Improvement Plan

KEY SERVICES	SERVICE BENEFICIARIES	CURRENT STANDARDS		DESIRED STANDARDS	
Support to municipalities in case of water related emergency situations	Local government SALGA DPLG Public	Quantity	80% of all requests responded to adequately	Quantity	Respond to 95% of all requests for advice and/or support to municipalities in dealing with emergency incidents related to water supply and sanitation within 24 hours
		The number varies case by case		The number varies case by case	
		Quality		Quality	
		Consultation	Ministerial Izimbizo Provincial Forums	Provincial summits Scheduled meetings Government Ministerial izimbizo	Ministerial Izimbizo, IGR forums Water summits
		Access	Adhoc	Access	Overall support to municipalities co-coordinated through municipal support plans, Hands-on support provided in the form of Provincial support teams, technical assistance contracts, project consolidate coordinators, tools and guidelines
		Courtesy	Batho Pele Values	Courtesy	Treating stakeholders with respect and dignity all the time. All DWAF frontline officials put through Customer Care Training by end August 2008
Openness and Transparency	In line with Access to information Act and PAJA	Openness and Transparency and PAJA	The departments do give reasons on request to beneficiaries about how much or how long they have to wait for a response.		

KEY SERVICES	SERVICE BENEFICIARIES	CURRENT STANDARDS		DESIRED STANDARDS	
Support to municipalities in case of water related emergency situations (cont)		Information	Toll Free	Information	Ministerial Izimbizo how many of the these are going to hold in a year, National Toll-Free Line 0800 200 200, National and provincial level monthly-quarterly publications, MIG monthly briefings, pamphlets, awareness campaigns, councillor training programmes as per need.
		Redress	Not Applicable	Redress	National Toll-Free Line 0800 200 200, izimbizo, water summits, Regional One-Stop Shops, Provincial and District Water Sector Forums, and letters to the Department.
		Value for Money	Varies	Value for Money	Varies
		Time	Varies per case	Time	Varies per case
		Cost	Within Budget	Cost	Within budget for emergency related incidents
		Human Resources	Varies	Human Resources	Varies per each incident
Issuing licences: Water	Farmers, Mines, Forestry Farmers, Municipalities, Water Boards and Industries.	Quantity	Demand Driven	Quantity	Demand Driven
		Quality	Accept or decline 70% of water use licence applications within 90 days from date of receipt of a correct and completed application:  Inform applicants within 1 month of receiving licence application if further information is required	Quality	Accept or decline 80% of water use licence applications within 60 days from date of receipt of a correct and completed application:  Inform applicants within 1 month of receiving licence application if further information is required

KEY SERVICES	SERVICE BENEFICIARIES	CURRENT STANDARDS		DESIRED STANDARDS	
Issuing licences: Water (cont)		Consultation	Catchment forums	Consultation	All applicants are provided information on how long it will take to process the applications including reasons.
		Access	E-government	Access	<ul style="list-style-type: none"> <li>E-government</li> </ul>
		Courtesy	Batho Pele	Courtesy	Frontline officials to be trained on Customer Care by end of August 2008 on how to treat people.
		Openness and Transparency	Access to Information compliant	Openness and Transparency	<p>Access to Information compliant. Beneficiaries to be given reasons on how long it will take to make a decision.</p> <p>The applicant of the licence is informed of the intended refusal, withdrawal or the conditions prior to the decision.</p>
		Information	Water use brochures and guidelines	Information	<p>E-government and departmental website: <a href="http://www.dwaf.gov.za">www.dwaf.gov.za</a></p> <p>The affected person will also be informed about his or her constitutional right to be given written reasons, if the reasons are not provided immediately.</p> <p>Streamline the process of water use authorisation through:</p> <ul style="list-style-type: none"> <li>Assigning internal responsibilities and timeframes for assessment, coupled to a tracking system.</li> <li>Developing user-friendly licence assessment guidelines and building internal capacity.</li> </ul>

KEY SERVICES	SERVICE BENEFICIARIES	CURRENT STANDARDS		DESIRED STANDARDS	
Issuing licences: Water (cont)					<ul style="list-style-type: none"> <li>Developing external licence application information guidelines</li> <li>Make water use licence application guidelines available to applicants through Regional Offices.</li> <li>Prompt responses to queries relating to processing of licence applications.</li> </ul>
		Redress	Water Tribunal and Ministerial	Redress	Water Tribunal and Ministerial Affected individuals or companies related to the decision making in terms of certificates are always furnished with reasons on requests within 48 hours.
		Value for Money	Huge	Value for Money	Huge
		Time	90 days	Time	60 days
		Cost	R114	Cost	R114 per application
		Human Resources	Adhoc	Human Resources	Adhoc
		Emergency intervention: <ul style="list-style-type: none"> <li>Fire</li> <li>Water Pollution incidents</li> </ul>	Local Government Public	<b>Quantity</b>	Demand Driven
<b>Quality</b>	<ul style="list-style-type: none"> <li>Support emergency fire fighting through the Working on Fire Campaign.</li> </ul> Take action within 0-12 hours from being notified of significant fire or water pollution incidents depending on the distance			<b>Quality</b>	<ul style="list-style-type: none"> <li>Support emergency fire fighting through the Working on Fire Campaign.</li> </ul> Take action within 0-6 hours from being notified of significant fire or water pollution incidents depending on the distance.

KEY SERVICES	SERVICE BENEFICIARIES	CURRENT STANDARDS		DESIRED STANDARDS	
<b>Emergency intervention:</b> <ul style="list-style-type: none"> <li>• Fire</li> <li>• Water Pollution incidents (cont)</li> </ul>		Consultation	N/A	Consultation	N/A
		Access	<ul style="list-style-type: none"> <li>• DWAF membership of aerial fire fighting associations in some provinces.</li> <li>• Fire prevention and suppression measures taken up in fire-plans</li> </ul>	Access	<ul style="list-style-type: none"> <li>• DWAF membership of aerial fire fighting associations in some provinces.</li> <li>• Fire prevention and suppression measures taken up in fire-plans</li> </ul>
		Courtesy	Batho Pele	Courtesy	Batho Pele
		Openness and Transparency	N/A	Openness and Transparency	N/A
		Information	Fire-plans are transparent documents	Information	Fire-plans are transparent documents
		Redress	N/A	Redress	N/A
		Value for Money	Effective management control	Value for Money	Effective management control
		Time	Varies	Time	Varies
		Cost	Varies	Cost	Varies
		Human Resources	Adhoc	Human Resources	Adhoc
<b>Support grants/ subsidy to resource poor farmers</b>	HDI farmers, Rural poor household	<b>Quantity</b> <ul style="list-style-type: none"> <li>• <b>78 Rainwater harvesting (RWH) tanks built</b></li> </ul>	<b>Quantity</b> <ul style="list-style-type: none"> <li>• <b>300 HDI farmers</b></li> <li>• <b>1000 Rainwater Harvesting tanks for 1000 rural household</b></li> </ul>		
		<b>Quantity</b> <p>Constructed 78 rainwater harvesting tanks for pilot implementation to benefit 70 households in rural areas, unfortunately the expansion phase of these program came to a stop after it was discovered that regulations needed to be developed.</p>	<b>Quality</b> <ul style="list-style-type: none"> <li>• DWAF will endeavor to provide financial assistance to resource poor farmers agricultural water use development</li> <li>• Rainwater Harvesting pilot expansion phase to kick start once the regulations are in place</li> </ul>		

KEY SERVICES	SERVICE BENEFICIARIES	CURRENT STANDARDS		DESIRED STANDARDS	
Support grants/ subsidy to resource poor farmers (cont)		<b>Consultation</b> Within IGR framework DWAF collaborate with relevant stakeholder through relevant forums  DWAF in consultation with organized agriculture and individual farmers concerning issues affecting them		<b>Consultation</b> A form is produced which contains the prior notice of the conditions and offer the opportunity to make representations. A deadline in the form letter is also given to the applicant  Continued stakeholder relations	
		<b>Access</b> <ul style="list-style-type: none"> <li>• Moratorium was imposed on financial assistance until the regulations are in place</li> <li>• Lack of awareness of the financial support provided by the department</li> </ul>		<b>Access</b> DWAF to embark on awareness campaign for HDI farmers outreach	
		Courtesy		Courtesy	
		<b>Openness and Transparency</b> <ul style="list-style-type: none"> <li>• Poor feedback mechanism</li> </ul>		<b>Openness and Transparency</b> <ul style="list-style-type: none"> <li>• A form is produced which contains the prior notice of the conditions and offer the opportunity to make representations. A deadline in the form letter is also given to the applicant</li> <li>• Always keep our customers (HDI farmers) informed about the process</li> </ul>	
		<b>Information</b> The scheme was marketed by the regional office and through Provincial Co-ordinating Committee on Agricultural Water		<b>Information</b> The notice in use of the right for internal appeal or review will be considered on written request if reasons are not provided.	



KEY SERVICES	SERVICE BENEFICIARIES	CURRENT STANDARDS		DESIRED STANDARDS	
Support grants/ subsidy to resource poor farmers (cont)					<p>To have information brochures distributed in all provinces during different events</p> <p>The service provided will be marketed via the regional offices and the Coordinating Council for Agricultural Water. WUA and CMAs will also be used to market the grant.</p>
		Redress		Redress	Witten reasons are given immediately with the decision in cases the subsidy is refused or is granted with certain conditions.
		Value for Money		Value for Money	
		<b>Time</b>	<ul style="list-style-type: none"> <li>Delays due to bureaucratic process</li> </ul>	<b>Time</b>	<ul style="list-style-type: none"> <li>Quick turn around time for application approvals within 30 days</li> </ul>
		Cost	<ul style="list-style-type: none"> <li>No cost associated with our services</li> </ul>	<b>Cost</b>	No cost
		Human Resources	<ul style="list-style-type: none"> <li>We rely on regions to implement the scheme</li> </ul>	Human Resources	<ul style="list-style-type: none"> <li>Continued support from our regional offices.</li> </ul>

# PART E (2)

## HUMAN RESOURCE MANAGEMENT OVERSIGHT REPORT

### HR OVERSIGHT - APRIL 2007 TO MARCH 2008 - DEPARTMENT OF WATER AFFAIRS AND FORESTRY

TABLE 2.1 - PERSONNEL COSTS BY PROGRAMME

PROGRAMME	TOTAL VOTED EXPENDITURE (R'000)	COMPENSATION OF EMPLOYEES EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	PROFES-SIONAL AND SPECIAL SERVICES (R'000)	COMPEN-SATION OF EMPLOYEES AS PERCENT OF TOTAL EXPENDITURE	AVERAGE COMPEN-SATION OF EMPLOYEES COST PER EMPLOYEE (R'000)	EMPLOY-MENT
Administration	595,587	141,061	10,016	64,185	12.13	149	948
Forestry	449,993	273,999	460	43,080	23.56	87	3152
Water resources management	2,457,381	300,276	9,145	576,955	25.82	71	4209
Water services	1,898,364	447,563	780	142,825	38.49	104	4322
Z=Total as on Financial Systems (BAS)	5,404,776	1,162,899	20,401	827,045	100.00	92	12631

**TABLE 2.2 - PERSONNEL COSTS BY SALARY BAND**

SALARY BANDS	COMPENSATION OF EMPLOYEES COST (R'000)	PERCENTAGE OF TOTAL PERSONNEL COST FOR DEPARTMENT	AVERAGE COMPENSATION COST PER EMPLOYEE (R)	NUMBER OF EMPLOYEES
Lower skilled (Levels 1-2)	378,914	24.04	93,099	4070
Skilled (Levels 3-5)	339,091	21.51	74,591	4546
Highly skilled production (Levels 6-8)	351,093	22.27	172,273	2038
Highly skilled supervision (Levels 9-12)	312,819	19.84	307,893	1016
Senior management (Levels 13-16)	52,833	3.35	600,375	88
Other	269	0.02	0	0
Contract (Levels 1-2)	3,315	0.21	46,042	72
Contract (Levels 3-5)	16,642	1.06	67,927	245
Contract (Levels 6-8)	36,730	2.33	127,979	287
Contract (Levels 9-12)	50,143	3.18	244,600	205
Contract (Levels 13-16)	34,575	2.19	540,234	64
TOTAL	1,576,424	100.00	123,756	12631

**TABLE 2.3 - SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME**

PROGRAMME	SALARIES (R'000)	SALARIES AS % OF PERSONNEL COST	OVERTIME (R'000)	OVERTIME AS % OF PERSONNEL COST	HOA (R'000)	HOA AS % OF PERSONNEL COST	MEDICAL ASS. (R'000)	MEDICAL ASS. AS % OF PERSONNEL COST	TOTAL PERSONNEL COST PER PROGRAMME (R'000)
Administration	132978	333	2854	7	3950	10	6394	16	199607
Forestry	187979	196.5	4817	5.1	14839	15.6	11688	12.3	287210
Water Services	282869	598.8	7461	14.4	19869	38.5	10566	22.7	472765
Water Resource Management	477041	535.5	29444	33.3	18368	20.7	27553	30.6	801706
TOTAL	1,080,867	61.4	44576	2.5	57026	3.2	56201	3.2	1,761,288

**TABLE 2.4 - SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND**

SALARY BANDS	SALARIES (R'000)	SALARIES AS % OF PERSONNEL COST	OVERTIME (R'000)	OVERTIME AS % OF PERSONNEL COST	HOA (R'000)	HOA AS % OF PERSONNEL COST	MEDICAL ASS. (R'000)	MEDICAL ASS. AS % OF PERSONNEL COST	TOTAL PERSONNEL COST PER SALARY BAND (R'000)
Lower skilled (Levels 1-2)	266410	64.4	8394	2	27056	6.5	12801	3.1	413972
Skilled (Levels 3-5)	228940	60.6	18319	4.8	16414	4.3	11935	3.2	378096
Highly skilled production (Levels 6-8)	234523	58.9	13069	3.3	8846	2.2	17311	4.3	398157
Highly skilled supervision (Levels 9-12)	208933	59.6	4069	1.2	3499	1	11276	3.2	350616
Senior management (Levels 13-16)	31016	53.3	0	0	227	0.4	1637	2.8	58206
Other	218	2.4	1	0	9	0.1	7	0.1	9096
Contract (Levels 1-2)	2579	76.8	154	4.6	48	1.4	14	0.4	3359
Contract (Levels 3-5)	14689	85.6	296	1.7	69	0.4	58	0.3	17159
Contract (Levels 6-8)	30812	75.3	106	0.3	36	0.1	114	0.3	40931
Contract (Levels 9-12)	42332	76.4	168	0.3	111	0.2	363	0.7	55426
Contract (Levels 13-16)	20415	56.3	0	0	711	2	685	1.9	36270
<b>TOTAL</b>	<b>1,080,867</b>	<b>61.4</b>	<b>44576</b>	<b>2.5</b>	<b>57026</b>	<b>3.2</b>	<b>56201</b>	<b>3.2</b>	<b>1,761,288</b>

**TABLE 3.1 - EMPLOYMENT AND VACANCIES BY PROGRAMME AT END OF PERIOD**

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Administration	1190	948	20.3	272
Forestry	3444	3152	8.5	193
Water Resources Management	6348	4209	33.7	892
Water Services	4770	4322	9.4	388
TOTAL	15752	12631	19.8	1745

**TABLE 3.2 - EMPLOYMENT AND VACANCIES BY SALARY BAND AT END OF PERIOD**

SALARY BAND	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Lower skilled (Levels 1-2), Permanent	5247	4461	15	599
Skilled (Levels 3-5), Permanent	5091	4236	16.8	546
Highly skilled production (Levels 6-8), Permanent	3153	2159	31.5	159
Highly skilled production (Levels 6-8), Temporary	1	1	0	0
Highly skilled supervision (Levels 9-12), Permanent	1235	818	33.8	53
Highly skilled supervision (Levels 9-12), Temporary	2	2	0	0
Senior management (Levels 13-16), Permanent	150	81	46	0
Contract (Levels 1-2), Permanent	123	123	0	35
Contract (Levels 3-5), Permanent	251	251	0	154
Contract (Levels 6-8), Permanent	308	308	0	143
Contract (Levels 9-12), Permanent	134	134	0	52
Contract (Levels 13-16), Permanent	57	57	0	4
<b>TOTAL</b>	<b>15752</b>	<b>12631</b>	<b>19.8</b>	<b>1745</b>

**TABLE 3.3 - EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD**

CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Administrative related, Permanent	173	99	42.8	17
Agricul animal oceanography forestry & other scien, Permanent	66	59	10.6	32
Agriculture related, Permanent	93	67	28	0
Agriculture related, Temporary	1	1	0	0
All artisans in the building metal machinery etc., Permanent	286	212	25.9	5
Artisan project and related superintendents, Permanent	65	42	35.4	0
Auxiliary and related workers, Permanent	699	541	22.6	39
Biologists botanists zoologists & rel professional, Permanent	23	17	26.1	0
Building and other property caretakers, Permanent	321	294	8.4	4
Bus and heavy vehicle drivers, Permanent	190	166	12.6	34
Cartographers and surveyors, Permanent	5	1	80	0
Cartographic surveying and related technicians, Permanent	31	22	29	0
Chemical and physical science technicians, Permanent	11	7	36.4	0
Civil engineering technicians, Permanent	418	238	43.1	27
Cleaners in offices workshops hospitals etc., Permanent	196	166	15.3	5
Client inform clerks(switchb recept inform clerks), Permanent	12	9	25	0
Communication and information related, Permanent	30	21	30	2
Community development workers, Permanent	108	66	38.9	8
Computer programmers., Permanent	1	1	0	0
Computer system designers and analysts., Permanent	10	9	10	0



CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Earth moving and related plant operators, Permanent	3	3	0	3
Economists, Permanent	2	2	0	0
Engineering sciences related, Permanent	261	187	28.4	25
Engineers and related professionals, Permanent	131	97	26	25
Environmental health, Permanent	4	0	100	0
Farm hands and labourers, Permanent	134	111	17.2	1
Farming forestry advisors and farm managers, Permanent	161	124	23	22
Finance and economics related, Permanent	75	52	30.7	4
Financial and related professionals, Permanent	19	12	36.8	1
Financial clerks and credit controllers, Permanent	400	293	26.8	62
Food services aids and waiters, Permanent	28	15	46.4	0
Forestry labourers, Permanent	1818	1716	5.6	163
General legal administration & rel. professionals, Permanent	10	8	20	1
Geologists geophysicists hydrologists & relat prof, Permanent	235	136	42.1	0
Handymen, Permanent	7	7	0	7
Head of department/chief executive officer, Permanent	1	1	0	0
Health sciences related, Permanent	6	5	16.7	0
Horticulturists foresters agricul.& forestry techn, Permanent	51	45	11.8	0
Household and laundry workers, Permanent	6	5	16.7	0
Human resources & organisat developm & relate prof, Permanent	63	48	23.8	1
Human resources & organisat developm & relate prof, Temporary	1	1	0	0

CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Human resources clerks, Permanent	334	264	21	41
Human resources related, Permanent	135	92	31.9	5
Information technology related, Permanent	8	4	50	1
Inspectors of apprentices works and vehicles, Permanent	1	1	0	0
Language practitioners interpreters & other commun, Permanent	43	30	30.2	0
Legal related, Permanent	2	1	50	0
Librarians and related professionals, Permanent	4	4	0	0
Library mail and related clerks, Permanent	60	48	20	6
Light vehicle drivers, Permanent	93	90	3.2	10
Logistical support personnel, Permanent	50	34	32	1
Material-recording and transport clerks, Permanent	286	235	17.8	30
Material-recording and transport clerks, Temporary	1	1	0	0
Mechanical engineering technicians, Permanent	2	1	50	0
Messengers porters and deliverers, Permanent	206	181	12.1	6
Mining geology & geophysical & related technicians, Permanent	32	24	25	0
Motor vehicle drivers, Permanent	86	77	10.5	9
Motorised farm and forestry plant operators, Permanent	460	439	4.6	49
Natural sciences related, Permanent	209	142	32.1	1
Natural sciences related, Temporary	1	1	0	0
Nature conservation and oceanographical rel.techni, Permanent	4	3	25	0
Other administrat & related clerks and organisers, Permanent	1005	709	29.5	95

CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Other administrative policy and related officers, Permanent	137	83	39.4	5
Other information technology personnel., Permanent	9	4	55.6	0
Other machine operators, Permanent	1	1	0	1
Other occupations, Permanent	667	612	8.2	607
Printing and related machine operators, Permanent	2	1	50	0
Quantity surveyors & rela prof not class elsewhere, Permanent	2	2	0	0
Rank: Artisan a-group principal/chargehand (construction, Permane	2	2	0	2
Rank: Compound manager (construction), Permanent	1	1	0	1
Rank: Driver (construction) senior, Permanent	4	4	0	4
Rank: Driver grade ii (construction), Permanent	1	1	0	1
Rank: Factotum (construction) principal, Permanent	7	7	0	7
Rank: Industrial technician (construction) control, Permanent	1	1	0	1
Rank: Operator (construction) principal, Permanent	1	1	0	1
Rank: Operator (construction) senior, Permanent	1	1	0	1
Rank: Provisioning admin clerk gr i(construction) senior, Permane	2	2	0	2
Rank: Provisioning admin clerk grade ii (construction), Permanent	1	1	0	1
Rank: Works accountant (construction) control, Permanent	1	1	0	1
Rank: Works foreman/workshop superintendent(construction, Permane	1	1	0	1
Risk management and security services, Permanent	6	4	33.3	0
Road workers, Permanent	3	3	0	0

CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Safety health and quality inspectors, Permanent	16	6	62.5	0
Secretaries & other keyboard operating clerks, Permanent	176	131	25.6	16
Security guards, Permanent	687	581	15.4	4
Security officers, Permanent	296	229	22.6	0
Senior managers, Permanent	151	93	38.4	3
Social sciences related, Permanent	90	63	30	3
Social work and related professionals, Permanent	1	1	0	0
Trade labourers, Permanent	3249	2679	17.5	301
Trade/industry advisers & other related profession, Permanent	4	3	25	1
Water plant and related operators, Permanent	1055	825	21.8	39
TOTAL	15752	12631	19.8	1745

**TABLE 4.1 - JOB EVALUATION**

SALARY BAND	NUMBER OF POSTS	NUMBER OF JOBS EVALUATED	% OF POSTS EVALUATED	NUMBER OF POSTS UPGRADED	% OF UPGRADED POSTS EVALUATED	NUMBER OF POSTS DOWNGRADED	% OF DOWNGRADED POSTS EVALUATED
Lower skilled (Levels 1-2)	5247	4	0.1	3	75	0	0
Contract (Levels 1-2)	123	0	0	0	0	0	0
Contract (Levels 3-5)	251	0	0	0	0	0	0
Contract (Levels 6-8)	308	0	0	0	0	0	0
Contract (Levels 9-12)	134	0	0	0	0	0	0
Contract (Band A)	34	0	0	0	0	0	0
Contract (Band B)	15	0	0	0	0	0	0
Contract (Band C)	8	0	0	0	0	0	0
Skilled (Levels 3-5)	5091	13	0.3	8	61.5	0	0
Highly skilled production (Levels 6-8)	3154	8	0.3	2	25	0	0
Highly skilled supervision (Levels 9-12)	1237	35	2.8	5	14.3	0	0
Senior Management Service Band A	124	8	6.5	0	0	0	0
Senior Management Service Band B	21	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>15752</b>	<b>68</b>	<b>0.4</b>	<b>25</b>	<b>36.8</b>	<b>0</b>	<b>0</b>

**TABLE 4.2 - PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED**

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	2	0	2	2	6
Male	11	0	3	2	16
Total	13	0	5	4	22
Employees with a Disability	0	0	0	0	0

**TABLE 4.3 - EMPLOYEES WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED BY JOB EVALUATION [I.T.O PSR 1.V.C.3]**

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION	NO OF EMPLOYEES IN DEPT
Total	#REF!				
Percentage of Total Employment	#REF!				0

**TABLE 4.4 - PROFILE OF EMPLOYEES WHOSE SALARY LEVEL EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION [I.T.O. PSR 1.V.C.3]**

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female					
Male					
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

**TABLE 5.1 - ANNUAL TURNOVER RATES BY SALARY BAND**

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	APPOINTMENTS	TERMINATIONS	TURNOVER RATE
Lower skilled (Levels 1-2), Permanent	7312	150	412	5.6
Skilled (Levels 3-5), Permanent	3732	80	325	8.7
Highly skilled production (Levels 6-8), Permanent	2254	134	169	7.5
Highly skilled production (Levels 6-8), Temporary	2	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	1066	22	120	11.3
Highly skilled supervision (Levels 9-12), Temporary	2	0	0	0
Senior Management Service Band A, Permanent	61	0	10	16.4
Senior Management Service Band B, Permanent	29	0	0	0
Senior Management Service Band C, Permanent	3	0	0	0
Other, Permanent	7	0	0	0
Other, Temporary	0	1	1	0
Contract (Levels 1-2), Permanent	73	28	31	42.5
Contract (Levels 3-5), Permanent	246	239	114	46.3
Contract (Levels 6-8), Permanent	255	191	86	33.7
Contract (Levels 9-12), Permanent	163	82	30	18.4
Contract (Band A), Permanent	25	7	7	28
Contract (Band B), Permanent	15	7	4	26.7
Contract (Band C), Permanent	7	4	1	14.3
Contract (Band D), Permanent	2	1	1	50
TOTAL	15254	946	1311	8.6

**TABLE 5.2 - ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION**

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	APPOINTMENTS	TERMINATIONS	TURNOVER RATE
Administrative related, Permanent	105	9	14	13.3
Agricul animal oceanography forestry & other scien, Permanent	29	44	10	34.5
Agriculture related, Permanent	61	5	5	8.2
Agriculture related, Temporary	1	0	0	0
All artisans in the building metal machinery etc., Permanent	331	9	78	23.6
Artisan project and related superintendents, Permanent	18	3	7	38.9
Auxiliary and related workers, Permanent	561	38	36	6.4
Biochemistry pharmacol. zoology & life scie.techni, Permanent	1	0	0	0
Biologists botanists zoologists & rel professional, Permanent	24	0	1	4.2
Building and other property caretakers, Permanent	224	16	23	10.3
Bus and heavy vehicle drivers, Permanent	236	1	29	12.3
Cartographers and surveyors, Permanent	4	1	1	25
Cartographic surveying and related technicians, Permanent	22	1	2	9.1
Chemical and physical science technicians, Permanent	9	0	2	22.2
Civil engineering technicians, Permanent	256	42	43	16.8
Cleaners in offices workshops hospitals etc., Permanent	177	29	34	19.2
Client inform clerks(switchb recept inform clerks), Permanent	12	0	1	8.3
Communication and information related, Permanent	17	1	1	5.9
Community development workers, Permanent	87	2	16	18.4
Computer programmers., Permanent	1	0	0	0



OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	APPOINTMENTS	TERMINATIONS	TURNOVER RATE
Computer system designers and analysts., Permanent	8	2	0	0
Economists, Permanent	3	1	0	0
Electrical and electronics engineering technicians, Permanent	3	0	2	66.7
Engineering sciences related, Permanent	185	29	35	18.9
Engineering sciences related, Temporary	0	1	1	0
Engineers and related professionals, Permanent	99	28	17	17.2
Farm hands and labourers, Permanent	107	8	22	20.6
Farming forestry advisors and farm managers, Permanent	76	37	11	14.5
Finance and economics related, Permanent	39	4	0	0
Financial and related professionals, Permanent	16	1	3	18.8
Financial clerks and credit controllers, Permanent	275	81	49	17.8
Food services aids and waiters, Permanent	17	0	1	5.9
Forestry labourers, Permanent	2003	1	68	3.4
Chemical and physical science technicians, Permanent	9	0	2	22.2
Civil engineering technicians, Permanent	256	42	43	16.8
Cleaners in offices workshops hospitals etc., Permanent	177	29	34	19.2
Client inform clerks(switchb receipt inform clerks), Permanent	12	0	1	8.3
Communication and information related, Permanent	17	1	1	5.9
Community development workers, Permanent	87	2	16	18.4
Computer programmers., Permanent	1	0	0	0
Computer system designers and analysts., Permanent	8	2	0	0
Economists, Permanent	3	1	0	0

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	APPOINTMENTS	TERMINATIONS	TURNOVER RATE
Electrical and electronics engineering technicians, Permanent	3	0	2	66.7
Engineering sciences related, Permanent	185	29	35	18.9
Engineering sciences related, Temporary	0	1	1	0
Engineers and related professionals, Permanent	99	28	17	17.2
Farm hands and labourers, Permanent	107	8	22	20.6
Farming forestry advisors and farm managers, Permanent	76	37	11	14.5
Finance and economics related, Permanent	39	4	0	0
Financial and related professionals, Permanent	16	1	3	18.8
Financial clerks and credit controllers, Permanent	275	81	49	17.8
Food services aids and waiters, Permanent	17	0	1	5.9
Forestry labourers, Permanent	2003	1	68	3.4
General legal administration & rel. professionals, Permanent	8	1	2	25
Geologists geophysicists hydrologists & relat prof, Permanent	131	31	14	10.7
Handcraft instructors, Permanent	1	0	1	100
Head of department/chief executive officer, Permanent	0	1	0	0
Health sciences related, Permanent	4	1	0	0
Horticulturists foresters agricul.& forestry techn, Permanent	83	2	7	8.4
Household and laundry workers, Permanent	5	0	0	0
Human resources & organisat developm & relate prof, Permanent	36	3	7	19.4
Human resources & organisat developm & relate prof, Temporary	1	0	0	0
Human resources clerks, Permanent	277	64	66	23.8
Human resources related, Permanent	98	11	8	8.2

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	APPOINTMENTS	TERMINATIONS	TURNOVER RATE
Information technology related, Permanent	8	1	5	62.5
Inspectors of apprentices works and vehicles, Permanent	1	1	0	0
Language practitioners interpreters & other commun, Permanent	21	4	3	14.3
Legal related, Permanent	1	1	0	0
Librarians and related professionals, Permanent	4	1	0	0
Library mail and related clerks, Permanent	49	2	4	8.2
Light vehicle drivers, Permanent	104	1	19	18.3
Logistical support personnel, Permanent	27	0	1	3.7
Material-recording and transport clerks, Permanent	231	15	23	10
Material-recording and transport clerks, Temporary	1	0	0	0
Mathematicians and related professionals, Permanent	1	0	0	0
Mechanical engineering technicians, Permanent	2	0	1	50
Messengers porters and deliverers, Permanent	216	8	46	21.3
Mining geology & geophysical & related technicians, Permanent	31	1	3	9.7
Motor vehicle drivers, Permanent	104	6	17	16.3
Motorised farm and forestry plant operators, Permanent	1095	2	46	4.2
Natural sciences related, Permanent	150	3	18	12
Natural sciences related, Temporary	1	0	0	0
Nature conservation and oceanographical rel.techni, Permanent	2	0	0	0
Other administrat & related clerks and organisers, Permanent	915	102	49	5.4
Other administrative policy and related officers, Permanent	95	10	22	23.2

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	APPOINTMENTS	TERMINATIONS	TURNOVER RATE
Other information technology personnel., Permanent	3	0	0	0
Other machine operators, Permanent	1	0	0	0
Other occupations, Permanent	578	116	32	5.5
Printing and related machine operators, Permanent	1	0	0	0
Printing planners and production controllers, Permanent	1	0	1	100
Quantity surveyors & rela prof not class elsewhere, Permanent	2	0	0	0
Rank: Unknown, Permanent	9	0	0	0
Risk management and security services, Permanent	2	0	1	50
Road workers, Permanent	5	3	1	20
Safety health and quality inspectors, Permanent	7	1	2	28.6
Secretaries & other keyboard operating clerks, Permanent	129	43	38	29.5
Security guards, Permanent	759	5	82	10.8
Security officers, Permanent	126	1	5	4
Senior managers, Permanent	59	17	11	18.6
Social sciences related, Permanent	67	8	12	17.9
Trade labourers, Permanent	4053	77	96	2.4
Trade/industry advisers & other related profession, Permanent	4	0	0	0
Water plant and related operators, Permanent	738	9	156	21.1
TOTAL	15254	946	1311	8.6

**TABLE 5.3 - REASONS WHY STAFF ARE LEAVING THE DEPARTMENT**

TERMINATION TYPE	NUMBER	PERCENTAGE OF TOTAL RESIGNATIONS	PERCENTAGE OF TOTAL EMPLOYMENT
Death, Permanent	277	21.13	1.82
Resignation, Permanent	296	22.58	1.94
Expiry of contract, Permanent	318	24.26	2.08
Expiry of contract, Temporary	1	0.08	0.01
Discharged due to ill health, Permanent	15	1.14	0.10
Dismissal-misconduct, Permanent	12	0.92	0.08
Retirement, Permanent	374	28.53	2.45
Other, Permanent	18	1.37	0.12
<b>TOTAL</b>	<b>1311</b>	<b>100.00</b>	<b>8.6</b>
Resignations as % of Employment			
	10.38		

**TABLE 5.4 - PROMOTIONS BY CRITICAL OCCUPATION**

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYMENT	PROGRESSIONS TO ANOTHER NOTCH WITHIN SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYMENT
Administrative related	105	8	7.6	43	41
Agricul animal oceanography forestry & other scien	29	5	17.2	7	24.1
Agriculture related	62	6	9.7	16	25.8
All artisans in the building metal machinery etc.	331	6	1.8	161	48.6
Artisan project and related superintendents	18	1	5.6	4	22.2
Auxiliary and related workers	561	20	3.6	289	51.5
Biochemistry pharmacol. zoology & life scie.techni	1	0	0	1	100
Biologists botanists zoologists & rel professional	24	1	4.2	5	20.8
Building and other property caretakers	224	0	0	154	68.8
Bus and heavy vehicle drivers	236	0	0	145	61.4
Cartographers and surveyors	4	0	0	0	0
Cartographic surveying and related technicians	22	0	0	13	59.1
Chemical and physical science technicians	9	1	11.1	0	0
Civil engineering technicians	256	5	2	23	9
Cleaners in offices workshops hospitals etc.	177	0	0	90	50.8
Client inform clerks(switchb recept inform clerks)	12	1	8.3	8	66.7
Communication and information related	17	2	11.8	1	5.9
Community development workers	87	2	2.3	38	43.7
Computer programmers.	1	0	0	1	100
Computer system designers and analysts.	8	0	0	3	37.5

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYMENT	PROGRESSIONS TO ANOTHER NOTCH WITHIN SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYMENT
Economists	3	1	33.3	3	100
Electrical and electronics engineering technicians	3	0	0	1	33.3
Engineering sciences related	185	9	4.9	102	55.1
Engineers and related professionals	99	7	7.1	37	37.4
Farm hands and labourers	107	1	0.9	69	64.5
Farming forestry advisors and farm managers	76	2	2.6	1	1.3
Finance and economics related	39	6	15.4	23	59
Financial and related professionals	16	1	6.3	3	18.8
Financial clerks and credit controllers	275	22	8	115	41.8
Food services aids and waiters	17	0	0	6	35.3
Forestry labourers	2003	4	0.2	1241	62
General legal administration & rel. professionals	8	0	0	0	0
Geologists geophysicists hydrologists & relat prof	131	20	15.3	9	6.9
Handcraft instructors	1	0	0	0	0
Health sciences related	4	0	0	2	50
Horticulturists foresters agricul.& forestry techn	83	0	0	3	3.6
Household and laundry workers	5	0	0	3	60
Human resources & organisat developm & relate prof	37	6	16.2	19	51.4
Human resources clerks	277	6	2.2	108	39
Human resources related	98	4	4.1	40	40.8
Information technology related	8	0	0	0	0

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYMENT	PROGRESSIONS TO ANOTHER NOTCH WITHIN SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYMENT
Inspectors of apprentices works and vehicles	1	0	0	1	100
Language practitioners interpreters & other commun	21	3	14.3	5	23.8
Legal related	1	0	0	0	0
Librarians and related professionals	4	0	0	0	0
Library mail and related clerks	49	3	6.1	23	46.9
Light vehicle drivers	104	1	1	47	45.2
Logistical support personnel	27	4	14.8	13	48.1
Material-recording and transport clerks	232	20	8.6	97	41.8
Mathematicians and related professionals	1	0	0	0	0
Mechanical engineering technicians	2	0	0	0	0
Messengers porters and deliverers	216	0	0	97	44.9
Mining geology & geophysical & related technicians	31	1	3.2	2	6.5
Motor vehicle drivers	104	1	1	55	52.9
Motorised farm and forestry plant operators	1095	0	0	715	65.3
Natural sciences related	151	15	9.9	62	41.1
Nature conservation and oceanographical rel.techni	2	0	0	0	0
Other administrat & related clerks and organisers	915	25	2.7	411	44.9
Other administrative policy and related officers	95	12	12.6	39	41.1
Other information technology personnel.	3	0	0	3	100
Other machine operators	1	0	0	0	0
Other occupations	578	81	14	4	0.7



OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYMENT	PROGRESSIONS TO ANOTHER NOTCH WITHIN SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYMENT
Printing and related machine operators	1	0	0	0	0
Printing planners and production controllers	1	0	0	0	0
Quantity surveyors & rela prof not class elsewhere	2	0	0	2	100
Rank: Unknown	9	0	0	0	0
Risk management and security services	2	0	0	0	0
Road workers	5	0	0	3	60
Safety health and quality inspectors	7	2	28.6	1	14.3
Secretaries & other keyboard operating clerks	129	11	8.5	25	19.4
Security guards	759	1	0.1	357	47
Security officers	126	4	3.2	71	56.3
Senior managers	59	4	6.8	23	39
Social sciences related	67	1	1.5	27	40.3
Trade labourers	4053	19	0.5	1966	48.5
Trade/industry advisers & other related profession	4	0	0	0	0
Water plant and related operators	738	8	1.1	280	37.9
TOTAL	15254	363	2.4	7116	46.7

**TABLE 5.5 - PROMOTIONS BY SALARY BAND**

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2007)	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYMENT	PROGRESSIONS TO ANOTHER NOTCH WITHIN SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYMENT
Lower skilled (Levels 1-2), Permanent	7312	30	0.4	3844	52.6
Skilled (Levels 3-5), Permanent	3732	87	2.3	1822	48.8
Highly skilled production (Levels 6-8), Permanent	2254	147	6.5	903	40.1
Highly skilled production (Levels 6-8), Temporary	2	0	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	1066	77	7.2	360	33.8
Highly skilled supervision (Levels 9-12), Temporary	2	0	0	0	0
Senior management (Levels 13-16), Permanent	93	4	4.3	54	58.1
Other, Permanent	7	0	0	0	0
Contract (Levels 1-2), Permanent	73	6	8.2	23	31.5
Contract (Levels 3-5), Permanent	246	0	0	25	10.2
Contract (Levels 6-8), Permanent	255	1	0.4	38	14.9
Contract (Levels 9-12), Permanent	163	5	3.1	34	20.9
Contract (Levels 13-16), Permanent	49	6	12.2	13	26.5
TOTAL	15254	363	2.4	7116	46.7

**TABLE 6.1 - TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL CATEGORY (SASCO)**

OCCUPATIONAL CATEGORIES	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Legislators, senior officials and managers, Permanent	20	4	2	26	20	23	2	0	25	2	73
Professionals, Permanent	1026	132	33	1191	389	569	33	29	631	168	2379
Professionals, Temporary	0	0	0	0	0	0	0	0	0	3	3
Clerks, Permanent	499	37	7	543	40	814	64	31	909	197	1689
Clerks, Temporary	0	0	0	0	0	0	0	0	0	1	1
Service and sales workers, Permanent	647	2	1	650	6	126	1	0	127	1	784
Craft and related trades workers, Permanent	168	17	1	186	70	1	1	0	2	0	258
Plant and machine operators and assemblers, Permanent	1782	81	0	1863	160	170	6	0	176	36	2235
Elementary occupations, Permanent	2742	160	1	2903	12	2155	18	0	2173	0	5088
Other, Permanent	92	0	0	92	0	29	0	0	29	0	121
<b>TOTAL</b>	<b>6976</b>	<b>433</b>	<b>45</b>	<b>7454</b>	<b>697</b>	<b>3887</b>	<b>125</b>	<b>60</b>	<b>4072</b>	<b>408</b>	<b>12631</b>
	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Employees with disabilities	11	1	0	12	6	3	0	0	3	1	22

**TABLE 6.2 - TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL BANDS**

OCCUPATIONAL BANDS	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Senior Management, Permanent	15	2	1	18	54	10	0	1	11	4	87
Professionally qualified and experienced specialists and mid-management, Permanent	390	16	12	418	305	185	9	9	203	88	1014
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0	2	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	757	75	22	854	245	629	34	27	690	235	2024
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	0	0	0	0	2	2
Semi-skilled and discretionary decision making, Permanent	3159	236	4	3399	39	973	33	12	1018	44	4500
Unskilled and defined decision making, Permanent	2319	58	0	2377	5	1729	17	0	1746	1	4129
Contract (Top Management), Permanent	2	1	0	3	3	4	0	0	4	1	11

OCCUPATIONAL BANDS	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Contract (Senior Management), Permanent	17	5	2	24	8	15	2	0	17	4	53
Contract (Professionally qualified), Permanent	80	10	0	90	24	63	10	4	77	14	205
Contract (Skilled technical), Permanent	105	13	2	120	10	129	13	4	146	11	287
Contract (Semi-skilled), Permanent	92	17	2	111	4	118	7	3	128	2	245
Contract (Unskilled), Permanent	40	0	0	40	0	32	0	0	32	0	72
TOTAL	6976	433	45	7454	697	3887	125	60	4072	408	12631

**TABLE 6.3 - RECRUITMENT**

OCCUPATIONAL BANDS	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Professionally qualified and experienced specialists and mid-management, Permanent	9	0	1	10	4	8	0	0	8	0	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	48	7	0	55	14	61	1	0	62	3	134
Semi-skilled and discretionary decision making, Permanent	33	9	0	42	5	22	3	2	27	6	80
Unskilled and defined decision making, Permanent	89	17	0	106	2	36	5	0	41	1	150
Not Available, Temporary	0	0	0	0	1	0	0	0	0	0	1
Contract (Top Management), Permanent	2	0	0	2	0	2	0	0	2	1	5
Contract (Senior Management), Permanent	5	1	1	7	2	4	0	0	4	1	14
Contract (Professionally qualified), Permanent	38	3	0	41	9	26	0	4	30	2	82
Contract (Skilled technical), Permanent	55	9	0	64	0	115	2	5	122	5	191
Contract (Semi-skilled), Permanent	102	16	2	120	2	110	5	1	116	1	239

OCCUPATIONAL BANDS	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Contract (Unskilled), Permanent	19	0	0	19	0	9	0	0	9	0	28
TOTAL	400	62	4	466	39	393	16	12	421	20	946

	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

**TABLE 6.4 - PROMOTIONS (PAY PROGRESSIONS)**

OCCUPATIONAL BANDS	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Top Management, Permanent	1	0	0	1	1	2	0	0	2	0	4
Senior Management, Permanent	8	0	2	10	41	1	0	0	1	2	54
Professionally qualified and experienced specialists and mid-management, Permanent	127	6	8	141	158	83	5	5	93	45	437
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	413	28	9	450	106	345	20	19	384	110	1050
Semi-skilled and discretionary decision making, Permanent	1456	105	2	1563	20	276	16	10	302	25	1910
Unskilled and defined decision making, Permanent	2165	57	0	2222	4	1642	6	0	1648	0	3874
Contract (Senior Management), Permanent	8	0	1	9	3	2	1	0	3	3	18
Contract (Professionally qualified), Permanent	11	1	0	12	3	15	4	1	20	4	39



OCCUPATIONAL BANDS	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Contract (Skilled technical), Permanent	21	1	0	22	4	9	3	0	12	1	39
Contract (Semi-skilled), Permanent	10	1	0	11	0	13	1	0	14	0	25
Contract (Unskilled), Permanent	13	0	0	13	0	16	0	0	16	0	29
<b>TOTAL</b>	<b>4233</b>	<b>199</b>	<b>22</b>	<b>4454</b>	<b>340</b>	<b>2404</b>	<b>56</b>	<b>35</b>	<b>2495</b>	<b>190</b>	<b>7479</b>

	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Employees with disabilities	5	0	0	5	5	1	0	0	1	0	11

**TABLE 6.5 - TERMINATIONS**

OCCUPATIONAL BANDS	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Senior Management, Permanent	2	0	0	2	7	1	0	0	1	0	10
Professionally qualified and experienced specialists and mid-management, Permanent	51	1	2	54	21	12	0	1	16	10	98
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	163	6	0	203	31	71	4	2	110	21	298
Semi-skilled and discretionary decision making, Permanent	271	21	0	766	4	46	1	2	191	2	347
Unskilled and defined decision making, Permanent	128	9	0	987	3	85	0	0	635	1	226
Not Available, Temporary	0	0	0	0	1	0	0	0	0	0	1
Contract (Top Management), Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Senior Management), Permanent	4	0	1	5	5	0	0	0	0	1	11

OCCUPATIONAL BANDS	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Contract (Professionally qualified), Permanent	11	2	1	14	12	5	1	2	8	6	40
Contract (Skilled technical), Permanent	27	7	0	34	5	76	2	2	80	7	126
Contract (Semi-skilled), Permanent	43	15	1	132	5	63	4	1	68	1	133
Contract (Unskilled), Permanent	12	0	0	24	0	7	0	0	7	0	19
TOTAL	713	61	5	2222	94	367	12	10	1117	49	1311

	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Employees with disabilities	7	0	0	7	1	0	0	0	0	1	9

**TABLE 6.6 - DISCIPLINARY ACTION**

DISCIPLINARY ACTION	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
TOTAL	7	2	0	7	4	2	2	0	2	0	17

**TABLE 6.7 - SKILLS DEVELOPMENT**

OCCUPATIONAL CATEGORIES	MALE, AFRICAN	MALE, COLOURED	MALE, INDIAN	MALE, TOTAL BLACKS	MALE, WHITE	FEMALE, AFRICAN	FEMALE, COLOURED	FEMALE, INDIAN	FEMALE, TOTAL BLACKS	FEMALE, WHITE	TOTAL
Legislators, Senior Officials and Managers	10	1	2	13	11	14	0	0	14	2	40
Professionals	80	13	4	97	64	86	11	7	104	20	285
Technicians and Associate Professionals	130	24	1	155	37	81	6	4	91	23	306
Clerks	145	13	1	159	17	285	36	12	333	58	567
Service and Sales Workers	21	2	1	24	3	14	1	0	15	1	43
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	5	6	0	11	12	0	1	0	1	0	24
Plant and Machine Operators and Assemblers	30	4	0	34	2	9	0	0	9	0	45
Elementary Occupations	139	51	0	190	7	0	0	0	0	11	208
<b>TOTAL</b>	<b>560</b>	<b>114</b>	<b>9</b>	<b>683</b>	<b>153</b>	<b>489</b>	<b>55</b>	<b>23</b>	<b>567</b>	<b>115</b>	<b>1518</b>
Employees with disabilities	3	2	0	0	1	1	0	0	0	0	7

**TABLE 7.1 - PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY**

DEMOGRAPHICS	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
African, Female	593	3884	15.3	3,216	5,424
African, Male	1427	6965	20.5	8,619	6,040
Asian, Female	25	60	41.7	218	8,712
Asian, Male	17	45	37.8	198	11,624
Coloured, Female	46	125	36.8	409	8,901
Coloured, Male	112	432	25.9	838	7,483
Total Blacks, Female	664	4069	16.3	3,844	5,789
Total Blacks, Male	1556	7442	20.9	9,655	6,205
White, Female	182	407	44.7	2,096	11,514
White, Male	347	691	50.2	5,859	16,885
Employees with a disability	5	22	22.7	22	4,462
TOTAL	2754	12631	21.8	21,476	7,798

**TABLE 7.2 - PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE**

SALARY BAND	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
Lower skilled (Levels 1-2)	609	4070	15	1,789	2,938
Skilled (Levels 3-5)	1060	4546	23.3	5,734	5,409
Highly skilled production (Levels 6-8)	648	2038	31.8	6,525	10,069
Highly skilled supervision (Levels 9-12)	352	1016	34.6	6,560	18,636
Contract (Levels 1-2)	3	72	4.2	9	3,000
Contract (Levels 3-5)	11	245	4.5	42	3,818
Contract (Levels 6-8)	35	287	12.2	280	8,000
Contract (Levels 9-12)	36	205	17.6	537	14,917
TOTAL	2754	12479	22.1	21476	7798

**TABLE 7.3 - PERFORMANCE REWARDS BY CRITICAL OCCUPATION**

CRITICAL OCCUPATIONS	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
Administrative related	34	106	32.1	583	17,147
Agricul animal oceanography forestry & other scien	3	59	5.1	38	12,667
Agriculture related	16	63	25.4	309	19,313
All artisans in the building metal machinery etc.	66	239	27.6	507	7,682
Artisan project and related superintendents	3	17	17.6	20	6,667
Auxiliary and related workers	152	539	28.2	940	6,184
Biochemistry pharmacol. zoology & life scie.techni	1	1	100	13	13,000
Biologists botanists zoologists & rel professional	5	19	26.3	63	12,600
Building and other property caretakers	44	211	20.9	162	3,682
Bus and heavy vehicle drivers	35	165	21.2	169	4,829
Cartographers and surveyors	0	2	0	0	0
Cartographic surveying and related technicians	9	21	42.9	80	8,889
Chemical and physical science technicians	0	7	0	0	0
Civil engineering technicians	22	237	9.3	299	13,591
Cleaners in offices workshops hospitals etc.	28	172	16.3	102	3,643
Client inform clerks(switch receipt inform clerks)	2	10	20	12	6,000
Communication and information related	1	18	5.6	35	35,000
Community development workers	20	69	29	198	9,900
Computer programmers.	0	1	0	0	0
Computer system designers and analysts.	1	9	11.1	13	13,000

CRITICAL OCCUPATIONS	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
Economists	1	3	33.3	12	12,000
Electrical and electronics engineering technicians	0	1	0	0	0
Engineering sciences related	76	185	41.1	1,323	17,408
Engineers and related professionals	24	109	22	461	19,208
Farm hands and labourers	11	96	11.5	35	3,182
Farming forestry advisors and farm managers	0	102	0	0	0
Finance and economics related	19	50	38	359	18,895
Financial and related professionals	4	13	30.8	42	10,500
Financial clerks and credit controllers	77	282	27.3	612	7,948
Food services aids and waiters	1	16	6.3	4	4,000
Forestry labourers	216	1819	11.9	765	3,542
General legal administration & rel. professionals	0	8	0	0	0
Geologists geophysicists hydrologists & relat prof	9	130	6.9	111	12,333
Health sciences related	2	5	40	24	12,000
Horticulturists foresters agricul.& forestry techn	0	75	0	0	0
Household and laundry workers	0	5	0	0	0
Human resources & organisat developm & relate prof	12	40	30	139	11,583
Human resources clerks	71	265	26.8	648	9,127
Human resources related	24	103	23.3	368	15,333



CRITICAL OCCUPATIONS	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
Information technology related	1	6	16.7	7	7,000
Inspectors of apprentices works and vehicles	1	2	50	10	10,000
Language practitioners interpreters & other commun	4	26	15.4	57	14,250
Legal related	0	2	0	0	0
Librarians and related professionals	0	4	0	0	0
Library mail and related clerks	10	44	22.7	64	6,400
Light vehicle drivers	17	87	19.5	57	3,353
Logistical support personnel	7	26	26.9	79	11,286
Material-recording and transport clerks	41	225	18.2	281	6,854
Mathematicians and related professionals	0	1	0	0	0
Mechanical engineering technicians	0	1	0	0	0
Messengers porters and deliverers	42	177	23.7	146	3,476
Mining geology & geophysical & related technicians	2	25	8	26	13,000
Motor vehicle drivers	15	90	16.7	55	3,667
Motorised farm and forestry plant operators	82	785	10.4	278	3,390
Trade labourers	484	2582	18.7	1,361	2,812
Trade/industry advisers & other related profession	1	4	25	20	20,000
Water plant and related operators	73	458	15.9	356	4,877
TOTAL	2754	12631	21.8	21476	7798

**TABLE 7.4 - PERFORMANCE RELATED REWARDS (CASH BONUS) BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE**

SMS BAND	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)	% OF SMS WAGE BILL	PERSONNEL COST SMS (R'000)
Band A	0	111	0	0	0	0	65,072
Band B	0	29	0	0	0	0	0
Band C	0	9	0	0	0	0	0
Band D	0	3	0	0	0	0	0
TOTAL	0	152	0	0	0	0	65072

**TABLE 8.1 - FOREIGN WORKERS BY SALARY BAND**

SALARY BAND	EMPLOYMENT AT BEGINNING PERIOD	PERCENTAGE OF TOTAL	EMPLOYMENT AT END OF PERIOD	PERCENTAGE OF TOTAL	CHANGE IN EMPLOYMENT	PERCENTAGE OF TOTAL	TOTAL EMPLOYMENT AT BEGINNING OF PERIOD	TOTAL EMPLOYMENT AT END OF PERIOD	TOTAL CHANGE IN EMPLOYMENT
Skilled (Levels 3-5)	1	3.7	1	6.7	0	0	27	15	-12
Highly skilled production (Levels 6-8)	2	7.4	1	6.7	-1	8.3	27	15	-12
Highly skilled supervision (Levels 9-12)	7	25.9	5	33.3	-2	16.7	27	15	-12
Senior management (Levels 13-16)	1	3.7	1	6.7	0	0	27	15	-12
Contract (Levels 6-8)	2	7.4	1	6.7	-1	8.3	27	15	-12
Contract (Levels 9-12)	13	48.1	5	33.3	-8	66.7	27	15	-12
Contract (Levels 13-16)	1	3.7	1	6.7	0	0	27	15	-12
TOTAL	27	100	15	100	-12	100	27	15	-12

**TABLE 8.2 - FOREIGN WORKERS BY MAJOR OCCUPATION**

MAJOR OCCUPATION	EMPLOYMENT AT BEGINNING PERIOD	PERCENTAGE OF TOTAL	EMPLOYMENT AT END OF PERIOD	PERCENTAGE OF TOTAL	CHANGE IN EMPLOYMENT	PERCENTAGE OF TOTAL	TOTAL EMPLOYMENT AT BEGINNING OF PERIOD	TOTAL EMPLOYMENT AT END OF PERIOD	TOTAL CHANGE IN EMPLOYMENT
Administrative office workers	2	7.4	0	0	-2	16.7	27	15	-12
Craft and related trades workers	1	3.7	0	0	-1	8.3	27	15	-12
Professionals and managers	22	81.5	14	93.3	-8	66.7	27	15	-12
Social natural technical and medical sciences+supp	1	3.7	1	6.7	0	0	27	15	-12
Technicians and associated professionals	1	3.7	0	0	-1	8.3	27	15	-12
TOTAL	27	100	15	100	-12	100	27	15	-12

**TABLE 9.1 - SICK LEAVE FOR JAN 2007 TO DEC 2007**

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)	TOTAL NUMBER OF EMPLOYEES USING SICK LEAVE	TOTAL NUMBER OF DAYS WITH MEDICAL CERTIFICATION
Lower skilled (Levels 1-2)	17635	98.2	1919	30.4	9	2,876	6309	17318
Skilled (Levels 3-5)	17343	95.8	1976	31.3	9	3,351	6309	16611
Highly skilled production (Levels 6-8)	12321	89.4	1365	21.6	9	4,676	6309	11011
Highly skilled supervision (Levels 9-12)	4028	86.8	596	9.4	7	3,341	6309	3498
Senior management (Levels 13-16)	322	85.4	49	0.8	7	649	6309	275
Contract (Levels 1-2)	116	94.8	23	0.4	5	18	6309	110
Contract (Levels 3-5)	548.5	82.2	120	1.9	5	127	6309	451
Contract (Levels 6-8)	807	83.5	139	2.2	6	320	6309	674
Contract (Levels 9-12)	535	83.4	90	1.4	6	439	6309	446
Contract (Levels 13-16)	127	86.6	32	0.5	4	288	6309	110
<b>TOTAL</b>	<b>53782.5</b>	<b>93.9</b>	<b>6309</b>	<b>100</b>	<b>9</b>	<b>16085</b>	<b>6309</b>	<b>50504</b>

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING DISABILITY LEAVE	% OF TOTAL EMPLOYEES USING DISABILITY LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)	TOTAL NUMBER OF DAYS WITH MEDICAL CERTIFICATION	TOTAL NUMBER OF EMPLOYEES USING DISABILITY LEAVE
Lower skilled (Levels 1-2)	328	100	9	21.4	36	52	328	42
Skilled (Levels 3-5)	821	100	12	28.6	68	136	821	42
Highly skilled production (Levels 6-8)	490	100	18	42.9	27	224	490	42
Highly skilled supervision (Levels 9-12)	160	100	3	7.1	53	134	160	42
TOTAL	1799	100	42	100	43	546	1799	42

**TABLE 9.2 - DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR JAN 2007 TO DEC 2007**

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING DISABILITY LEAVE	% OF TOTAL EMPLOYEES USING DISABILITY LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)	TOTAL NUMBER OF DAYS WITH MEDICAL CERTIFICATION	TOTAL NUMBER OF EMPLOYEES USING DISABILITY LEAVE
Lower skilled (Levels 1-2)	328	100	9	21.4	36	52	328	42
Skilled (Levels 3-5)	821	100	12	28.6	68	136	821	42
Highly skilled production (Levels 6-8)	490	100	18	42.9	27	224	490	42
Highly skilled supervision (Levels 9-12)	160	100	3	7.1	53	134	160	42
TOTAL	1799	100	42	100	43	546	1799	42

**TABLE 9.3 - ANNUAL LEAVE FOR JAN 2007 TO DEC 2007**

SALARY BAND	TOTAL DAYS TAKEN	AVERAGE DAYS PER EMPLOYEE	NUMBER OF EMPLOYEES WHO TOOK LEAVE
Lower skilled (Levels 1-2)	86441.84	18	4706
Skilled (Levels 3-5)	91747.32	20	4637
Highly skilled production (Levels 6-8)	44728.24	19	2298
Highly skilled supervision (Levels 9-12)	22213.16	20	1090
Senior management (Levels 13-16)	2168	22	98
Contract (Levels 1-2)	711	17	42
Contract (Levels 3-5)	2776.68	11	247
Contract (Levels 6-8)	3082.84	11	293
Contract (Levels 9-12)	2177	13	171
Contract (Levels 13-16)	1012	16	65
TOTAL	257058.08	19	13647

**TABLE 9.4 - CAPPED LEAVE FOR JAN 2007 TO DEC 2007**

	TOTAL DAYS OF CAPPED LEAVE TAKEN	AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE	AVERAGE CAPPED LEAVE PER EMPLOYEE AS AT 31 DECEMBER 2007	NUMBER OF EMPLOYEES WHO TOOK CAPPED LEAVE	TOTAL NUMBER OF CAPPED LEAVE AVAILABLE AT 31 DECEMBER 2007	NUMBER OF EMPLOYEES AS AT 31 DECEMBER 2007
Lower skilled (Levels 1-2)	1447	7	73	211	251669	3451
Skilled (Levels 3-5)	1230	7	123	180	454077	3696
Highly skilled production (Levels 6-8)	478	6	100	77	128198	1283
Highly skilled supervision (Levels 9-12)	227	5	96	46	66467	691
Senior management (Levels 13-16)	68	6	125	12	8778	70
Contract (Levels 9-12)	10	3	108	3	862	8
TOTAL	3460	7	99	529	910051	9199

**TABLE 9.5 - LEAVE PAYOUTS**

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PAYMENT PER EMPLOYEE (R)
Leave payout for 2007/08 due to non-utilisation of leave for the previous cycle	419	65	6446
Capped leave payouts on termination of service for 2007/08	3,141	639	4915
Current leave payout on termination of service for 2007/08	508	170	2988
TOTAL	4068	874	4654



**TABLE 10.1 - STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE**

UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV & RELATED DISEASES (IF ANY)	KEY STEPS TAKEN TO REDUCE THE RISK
None	N/A

**TABLE 10.2 - DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES [TICK YES/NO AND PROVIDE REQUIRED INFORMATION]**

QUESTION	YES	NO	DETAILS, IF YES
1 Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	YES		The Director: Organizational Development
2 Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	YES		There are three permanent staff members in National Office. Each regional office has one OD staff member assisting with the coordination of the Employee Wellness Programme (EWP) function at regional level. Approximately R5M per annum has been allocated for the entire EWP service, which includes the management of the Workplace HIV/AIDS programme.
3 Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	YES		The Department appointed a PSP in April 2006 to provide the EWP service for three years. Services include; counselling, 24hr call centre, trauma debriefing, life-skills training workshops, lifestyle management, chronic disease management, supervisory/management and executive EWP programmes, support to the Departmental transfer programme and, HIV and AIDS management.
4 Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	YES		The HIV/AIDS Departmental Committee has been established comprising of different stakeholder and will be trained on 23 April 2008.

QUESTION	YES	NO	DETAILS, IF YES
5 Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	YES		the Disciplinary Code and Procedure, Grievance Procedure, and draft policies on Recruitment & Selection, Bursary, Performance Management & Development, Job Evaluation and HIV/AIDS.
6 Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	YES		The policy on HIV/AIDS effectively addresses issues of discrimination against employees who are/or perceived to be HIV positive. Part of the training for the newly established HIV/AIDS Committee will also include ensuring that the policy is adhered to and infected and affected employees rights are protected. Other policies in the Department are also free from discrimination.
7 Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	YES		During the previous months there has been extensive HIV/AIDS campaigns in DWAF offices where more than half of the employee workforce participated in the programmes. The latter was followed by VCT & referrals to relevant institutions for support & care. Nonetheless, VCT is provided on an ongoing basis by an on-site nurse who visit DWAF offices atleast once a month. VCT is also provided anytime on request by employees. Due to this extensive HIV/AIDS awareness campaign, there has been an increase in the number of employees volunteering for VCT.
8 Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.			No of employees who visit both the Wellness Centres and HIV/AIDS campaigns/workshops, etc. No. of HIV positive employees who go for follow up treatment and take ARV's after being referred. The number of employees who go for voluntary counselling and testing. Absentism rate.

**TABLE 11.1 - COLLECTIVE AGREEMENTS**

SUBJECT MATTER	DATE
None	N/A

**TABLE 11.2 - MISCONDUCT AND DISCIPLINE HEARINGS****Finalised**

TYPE OF MISCONDUCT	NUMBER	PERCENTAGE OF TOTAL	TOTAL
TOTAL	17	100	17

**TABLE 11.3 - TYPES OF MISCONDUCT ADDRESSED AND DISCIPLINARY HEARINGS****Hearings**

TYPE OF MISCONDUCT	NUMBER	PERCENTAGE OF TOTAL	TOTAL
TOTAL	17	100	17

**TABLE 11.4 - GRIEVANCES LODGED**

NUMBER OF GRIEVANCES ADDRESSED	NUMBER	PERCENTAGE OF TOTAL	TOTAL
Resolved	13	100	13
TOTAL	13	100	13

**TABLE 11.5 - DISPUTES LODGED**

NUMBER OF DISPUTES ADDRESSED	NUMBER	% OF TOTAL
Upheld	6	66.7
Dismissed	3	33.3
Total	9	100

**TABLE 11.6 - STRIKE ACTIONS**

STRIKE ACTIONS	–
Total number of person working days lost	2892
Total cost(R'000) of working days lost	2,270
Amount (R'000) recovered as a result of no work no pay	2,270

**TABLE 11.7 - PRECAUTIONARY SUSPENSIONS**

PRECAUTIONARY SUSPENSIONS	–	PRECAUTIONARY SUSPENSIONS	–
Number of people suspended	5	Number of people suspended	5
Number of people whose suspension exceeded 30 days	1	Number of people whose suspension exceeded 30 days	1
Average number of days suspended	90	Average number of days suspended	90
Cost (R'000) of suspensions	0	Cost (R'000) of suspensions	0

**TABLE 12.1 - TRAINING NEEDS IDENTIFIED**

OCCUPATIONAL CATEGORIES	GENDER	EMPLOYMENT	LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers (Level 13 - 16)	Female	27	0	200	150	350
	Male	46	0	102	136	238
Professionals (Level 11 - 14)	Female	802	0	80	34	114
	Male	1580	0	39	90	129
Technicians and associate professionals (Level 9 - 12)	Female	29	0	85	100	185
	Male	92	0	120	80	200
Clerks (Level 4 - 8)	Female	1107	150	2978	300	3428
	Male	583	95	1652	250	1997
Service and sales workers (Level 5 - 10)	Female	128	0	150	200	350
	Male	656	0	100	76	176
Skilled agriculture and fishery workers (Level 4 - 7)	Female	0	0	8	22	30
	Male	0	0	13	20	33
Craft and related trades workers (Level 2 - 7)	Female	2	0	10	12	22
	Male	256	0	5	9	14
Plant and machine operators and assemblers (Level 2 - 7)	Female	212	0	20	8	28
	Male	2023	0	46	15	61
Elementary occupations (Level 2 - 6)	Female	2173	0	46	36	82
	Male	2915	0	42	19	61
Gender sub totals	Female	4480	150	3577	862	4589
	Male	8151	95	2119	695	2909
<b>Total</b>		<b>12631</b>	<b>245</b>	<b>5696</b>	<b>1557</b>	<b>7498</b>

**TABLE 12.2 - TRAINING PROVIDED**

OCCUPATIONAL CATEGORIES	GENDER	EMPLOYMENT	LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	27	0	78	35	113
	Male	46	0	59	26	85
Professionals	Female	802	0	34	41	75
	Male	1580	0	45	31	76
Technicians and associate professionals	Female	29	0	54	107	161
	Male	92	0	90	148	238
Clerks	Female	1107	150	1896	194	2240
	Male	583	95	987	173	1255
Service and sales workers	Female	128	0	110	197	307
	Male	656	0	267	134	401
Skilled agriculture and fishery workers	Female	0	0	30	16	46
	Male	0	0	9	4	13
Craft and related trades workers	Female	2	0	4	2	6
	Male	256	0	17	9	26
Plant and machine operators and assemblers	Female	212	0	6	24	30
	Male	2023	0	22	43	65
Elementary occupations	Female	2173	0	121	86	207
	Male	2915	0	129	100	229
Gender sub totals	Female	4480	150	2333	702	3185
	Male	8151	95	1625	668	2388
<b>Total</b>		<b>12631</b>	<b>245</b>	<b>3958</b>	<b>1370</b>	<b>5573</b>

**TABLE 13.1 - INJURY ON DUTY**

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	93	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>93</b>	

**TABLE 14.1 - REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS**

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
WP9525: Feasibility Study to establish an enforcement unit in the Forestry Branch of DWAF to enforce the National Forest Act	2	4 months	R 600,000.00
WP9332: Review of the principles, criteria, indicators and standards management framework and recommendations for additions and changes on the key steps and standards operating procedures.	1	3 months	R 271,872.90
WP9446: Provision of logistical and secretarial support to the finalization and gazetting of the Forestry Transformation Charter	1	3 months	R 278,137.20
WP9506: Development of the Forestry Sector Plan	1	5 months	R 491,932.80
WP9580: Transaction advisory team: Lease agreement between th Government of SA and Komatiland Forests.	1	12 months	R 2,000,000.00
WP9590: The development of natural forests and plantation forest management certification standards for SA	1	12 months	R 1,286,672.40
WP9616: Transanction Advisors to provide support to National Transfers, D: Forestry Transfers for the transfer of Mbazwana, Mabaso and Manzengwenya Plantations.	1	12 months	R 1,500,000.00
WP9763: Revision of Forest Conservation targets and data preparation for refinement of SANBI criteria for the listening of threatened Forest Ecosystems under the Biodiversity Act.	1	5 months	R 189,920.00
2007-012: Consumer survey and analyze data to assess the firewood market of Gauteng and the origin of protected tree firewood product sold.	1	2 months	R 172,150.00
2007-030: Finalizatio and Gazetting of Forestry Transformation Charter.	1	3 months	R 157,743.08

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
2007-128: Comparative analysis of data from the measurement of all forest growth plots in SA since the start of the DWAF Forest Growth project.	1	1 months	R 154,083.00
2008-011: Forestry Sector Transformation Charter: Implementation of the charter: Legal Registration of the Associates.	3	24 months	R 100,000.00
WP6587: Provide support and coordination of the 2007/08 and 2008/09 Sanitation Week.	1	24 months	R 3,990,000.00
WP9321: Facilitate and support NSPU Management in Sanitation Job Creation.	1	36 months	R 7,690,000.00
WP9380: Empowerment and dissemination on Sanitation Policy Guidelines, Strategies and Tools to newly establish municipal councils in post March 2006.	1	24 months	R 3,990,000.00
WP9381: Facilitation integration and implementation of the WASH Programme.	1	24 months	R 3,900,000.00
WP9504: Strategic management support to the National Sanitatio Unit Project.	2	36 months	R 1,000,000.00
WP9005: Validation and verification of registered water use in the Limpopo and Luvuvhu-Letaba Water Management Area	1	24 months	R 3,663,750.00
WP9138: Technical Assistance Support to the Limpopo Regional Office	2	36 months	R 20,737,000.00
WP9325: The establishment of Ndwandwedi/Luphephe WUA and capacity building for Ndwandwedi/Luphephe, Mokolo and Glen Alpine/Sterkrivier.	1	12 months	R 309,960.00
WP9467: Project Management of the proposal development process, capacity building and awareness creation for the establishment of the catchment management agency in the Limpopo WMA.	1	12 months	R 1,003,428.00
WP9313: Water and sewerage works: Provision of monitoring. Quality Control and Advisory Services in Mpumalanga.	3	24 months	R 4,813,305.84
WP8997: Research into the identification of Biological Control Agents for certain invading alien plants.	1	36 months	R 40,000,000.00
WP9191: Implement Working on fire integrated veld and forest fire management strategy for SA.	1	36 months	R 192,000,000.00
WP9341: Research and Management of product development from Biomass of Cleaning operations in the Working for Water Programme	1	36 months	R 2,700,000.00
WP9442: Project Management, Training, Support and Mentoring of the Qolora Woodlot Project and the Ikamanga Centre.	1	12 months	R 513,000.00
WP9488: To re print 50 000 copies of the Enviroteach October 2006 Volume 16: Alien invasive species for the Working for Water Programme.	1	1 months	R 207,612.24



PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
WP9156: Assistance to the Water Service Division in the Northern Cape Region through the establishment of a support unit.	5	36 months	R 16,000,000.00
WP9336: Phase 2 of the Civil Society Enhancement Project for Eastern Cape Sector, part of the implementation of the Masibambane WSP.	1	24 months	R 2,688,993.00
WP9400: Eastern Cape Masibambane: Support for implementation of Water Services Capacity Building Business Plans: Alfred Nzo and OR Tambo Municipalities.	2	24 months	R 2,196,916.80
WP9401: Implementation of Water Capacity Building Business Plan: Amathole, Buffalo City and Chris Hani Municipalities.	1	24 months	R 2,537,092.80
WP9402: Eastern cape Masibambane: Support for the implementation of Water Services capacity building business plans	2	24 months	R 2,500,000.00
WP9403: Implementation of the intervention strategies and staff development plans arising from the strategy for retention and development of key staff in the Water services Sector in the Eastern Cape.	1	24 months	R 3,177,382.50
WP9404: Implementation of Water Service Capacity Building Business Plans. Casadu DM, Blue Crane Route, Ikwezi and Bavians Municipality.	1	24 months	R 2,041,603.20
WP9522: Support for the implementation of the 2020 Vision for Water and Sanitation Education Programme to the Eastern Cape Schools, aligned to school education.	1	60 months	R 1,997,850.00
WP9628: Audit Phase 3 of Chris Hani District Municipality Water Service Infrastructure.	1	6 months	R 3,288,261.55
WP9693: Technical Assitance Contract	2	36 months	R 20,000,000.00
WP9261: Technical and ad hoc asistance in the processing of licence applications and applications made in terms of section 33 and 35 of the National Water Act.	1	24 months	R 3,999,521.20
WP9548: Technical Support Unit in the Water Sector.	2	24 months	R 9,028,800.00
2006-329: Quality asurance monitoring and evaluation support to water services and the Masibambane Programme	2	12 months	R 1,271,612.64
2006-330: Reporting System for DWAF Targets and investigation into the implementation of KPIs for WSAs.	1	7 months	R 383,872.00
WP9683: Technical Assistance Contract for the Northwest Region.	1	12 months	R 100,000.00
WP9264: Validation and verification of existing lawful water use in the Crocodile West Marico Water Management Area.	1	18 months	R 16,000,000.00
WP9592: Programme management for the implementation of Water and Sanitation schools and clinics.	4	36 months	R 4,368,000.00

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
WP9472: Compliance with environmental authorization on Environmental Monitoring Committee.	2	60 months	R 330,000.00
2004-140: Supply supervisions and area co-ordination for Schukhune, Waterberg and Capricorn of Civil Works to completion and handover.	1	3 months	R 35,000.00
WP9497: Olifants River Water Resources Development Projects: De Hoop: To monitor compliance with the socio-economic development imperatives.	1	36 months	R 5,000,000.00
WP9779: NWRI empowerment road shows for SMME's and BEE companies on access to economic opportunities.	1	6 months	R 1,802,026.50
2007-100: Provide Legal Advice and Support with regard to the drafting of the SA NWRI Agency limited Bill.	1	6	R 200,000.00
WP9052: Site supervision and contract administration for the construction of the De Hoop Dam.	4	32 months	R 70,879,876.00
WP9187: Providing drawing support services to the Civil Engineering Directorate.	2	24 months	R 900,000.00
WP9389: Full design services and construction supervision for the proposed balancing dam in Oranje Riet Canal.	1	36	R 4,626,120.00
WP9496: Planning and Coordinating of the rehabilitation of Vlakfontein Canal.	1	48 months	R 6,057,249.00
WP9524: Compiling of the environmental management plan to obtain mining right. Luvuvhu River Government Water Scheme. Nandoni Bulk Distribution.	1	12 months	R 294,861.00
WP9561: detail design and construction supervision of the Inyaka Regional Water Treatment Works phases 3 & 4 and associated works: Sabi River Government Water Scheme.	1	7 months	R 14,270,919.00
2007-167: Levuvhu River Government Water Works: Public Protector's enquiry into complaints arising from implementation of the relocation action plan for Nandoni Dam.	1	12 months	R 197,000.00
2007-165: Appointment of a preferred bidder to provide expert facilitation of the National Water Resources Infrastructure Branch Strategic Planning and Preparation.	1		R 119,700.00
WP9399: Supply of temporary labor to construction site throughout the Rep of SA for the D: Construction.	1	48 months	R 16,109,045.49
WP9700: Members of an external environmental review panel for the Olifants River Water Resource Development.	2	72 months	R 2,500,000.00
WP9150: Assessment to the extent to which DWAF, Singisi and SAFCOL complied with the conditions contained in the restructuring agreement.	1	3 months	R 482,500.00

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
WP9338: Interim Management services on State Forest Land in the Southern and Western Cape Province.	1	12 months	R 3,774,786.24
2007-023: Technical Advice and support with regards to SED and BBBEE.	1	6 months	R 190,000.00
WP9447: Organizational re-alignment of DWAF.	1	24 months	R 5,000,000.00
WP9448: Institutional re-alignment.	1	6 months	R 800,000.00
2007-136: Diversity Management Session for Administration personnel.	1	1 months	R 133,380.00
2008-121: Coaching for newly appointed DG.	1	9 m	R 102,600.00
WP9850: Leverage and use coaching to help achieve the required DWAF performance delivery for members of Corporate Service Branch.	1	12 months	R 6,587,148.00
2007-041: Assist the Department in the development of 2007 Annual Report.	1	1 month	R 62,643.00
WP9252: Re-engineering and re-organization of the revenue management function of the Department of Water.	2	6 months	R 25,800,000.00
WP9317: Suspence Control of S and T advances and salary reversal of main and trading accounts.	1	4 months	R 1,900,000.00
WP9728: Provision of the six SAP documentation and training specialists for continuation of SAP implementation for a period of 12 months.	1	12 months	R 5,909,760.00
WP9739: Suspensce control accounts of S and T advices and salary reversal for both main and trading accounts.	1	3 months	R 1,498,019.28
WP9783: Tracing and collecting of staff debt owed to the Department.	1	6 months	R 454,327.24
WP9624: Provision of change management resources for SAP project office for a period of twelve months.	1	12 months	R 2,000,000.00
WP9847: Full verification of DWAF moveable fixed assets and roll out of the latest version of the Baud System.	1	3 months	R 649,708.80
WP9268: The assessment of Water Use Authorization aplications, backloganalysis and capacity building of DWAF personnel responsible for WUA applications assessments.	1	24 months	R 513,820.00
WP9269: Feasibiliy Study on the establishment of Water Use Efficency charge, funding mechanisms and warehousing of funds to support the implementation of water conservation and water demand management measures in all Water Use Sectors.	2	18 months	R 2,907,000.00
WP9271: Development and implementation of operational policy, protocols and guidelines and procedures for Section 21 c and I Water Uses in terms of The National Water Act 1998.	1	24 months	R 463,980.00

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
WP9367: Provision of technical and strategic support to the CD: Water Use in the planning and development and roll out of ministerial flagship and special projects.	2	24 months	R 2,312,376.00
WP9499: Co-ordination of the Baswa Le Meetse and South African Youth Water Prize School Education Projects.	1	24 months	R 3,790,500.00
WP9530: Development and implementation of the Integrated Environmental Management Series Training Manual and Courses.	1	23 months	R 856,960.00
WP9697: Investigate, develop and amend section 21 c and 1 Water Uses Authorization requirements i.t.o.National Water Act.	2	20 months	R 329,560.00
WP9702: Development of Framework Environmental Policy for DWAF.	1	24 months	R 567,887.00
2007-002: Development of tools and guidelines for section 220 (3) Dispensing with the requirements of a licence as applicable for Section 21 c and Water Uses.	3	7 months	R 499,616.40
2007-139: Development of a comprehensive basic course and advanced training manual on Water Conservation and Water Demand Management for selected Water sectors: Feasibility Study.	1	6 months	R 200,000.00
2007-141: Development of irrigation metering strategy plus implementation guideline for Water Use in Agriculture.	1	6 months	R 162,920.00
WP9539: Annual Water Services Consumer Survey 2007/2008.	2	10 months	R 2,943,706.00
WP9698: Undertake regulatory performance measurement system.	1	18 months	R 1,479,963.34
2007-149: Operational Support and maintenance of electronic water quality management system in WC.	1	8 months	R 185,000.00
WP9274: Public Involvement Programme for the Groot Letaba River Water Resource Development Project: Post Feasibility Bridging Study.	1	21 months	R 1,860,000.00
WP9311: Geohidrology software development for decision support Phase 2.	1	36 months	R 2,700,555.00
WP9333: Mokolo and Crocodile West Water Augmentation Project Feasibility Study: Project Management Support.	1	26 months	R 1,100,000.00
WP9390: Strategy and Guideline development for National Groundwater Planning Requirements.	3	36 months	R 10,697,588.60
WP9429: A Real Time Operating Decision Support System for the Crocodile East River System.	1	24 months	R 2,509,658.70
WP9528: Mokolo and Crocodile West Water Augmentation Project Feasibility Study: Technical Module.	3	18 months	R 17,600,000.00

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
WP9543: Annual Operations Analysis for the Orange River System.	2	24 months	R 2,824,676.00
WP9553: Water reconciliation strategy study for the Algoa Water Supply Area.	1	24 months	R 4,000,000.00
WP9589: Term Contract Appointment to provide technical support to chief engineers and to assist with capacity building of newly appointed staff.	4	36 months	
WP9600: Orange River System: Assessment of the water quality data requirement of Water Quality Planning Process.	1	24 months	R 498,601.80
WP9694: Updating of the Hydrology and Yield Analysis of Marico River Catchment.	2	24 months	R 3,196,925.00
2007-010: Facilitate Team Building for CD: Integrated Water Resource Planning.	1	1 month	R 67,260.00
WP9583: Adopt-a-river programme Phase 2: Development of Implementation Plan.	1	24 months	R 999,407.00
2006-405: Pilot Scale Testing of artificial recharge to the Langebaan Road Aquifer System and implementations for full scale implementation.	1	24 months	R 2,253,720.00
Kuvutla Water Cost Recovery Solutions CC in partnership with Quality Habitat Environmental Services.	2		R 3,774,323.40
WP9357: Audit on the technical- chemical and HR capacity at Bloem- LepeleNorthern-, Magalies-, Overberg- and Rand Water Boards.	1	10 months	R 1,262,390.40
WP9358: Appraisal of Water Boards's Policy Statements, Shareholder's Compact and Annual Report.	1	4 months	R 993,012.00
WP9409: Management and Support to the Directorate: Utility Governance.	1	24 months	R 801,921.60
WP9439: Capacity Building of the Water User Association.	1	36 months	R 1,993,559.00
WP9455: Investigation into alleged non-compliance to Corporate Governance Norms at a utility.	1	2 months	R 294,861.00
WP9464: Twinning Project for the Regional and International Utilities.	1	11 months	R 981,334.80
WP9519: Training of non-executive board members and senior manager of Water Boards.	1	8 months	R 1,500,000.00
WP9532: Development and piloting of a National Strategy to improve gender representation in Water Management Institutions.	2	30 months	R 2,500,000.00
WP9745: Secretariat for the governing Board of the Crocodile West Marico Catchment Management Agency.	1	24 months	R 662,705.00
WP9747: Appraisal of Water Board's Policy Statements, Shareholder's Compact and Annual Statements.	1	24 months	R 506,205.00
2007-156: Development of a Database for emerging farmers on smallholder irrigation schemes in the Limpopo and Eastern Cape.	1	12 months	R 199,363.00

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
WP9831: Training of DWAF Officials in surveying on behalf of D: Spatial and Land Information.	1	12 months	R 570,000.00
2007-018: Regional Co-ordination of the National Microbial Monitoring Programme in the Upper Vaal and Crocodile West and Marico WIMA.	1	26 months	R 144,244.20
WP9531: Co-operation with catchment management agencies in development and assessing catchment management strategies.	2	24 months	R 1,741,193.30
WP8829/6: Groundwater quality and quantity reserve determination study- Upper Vaal Water Management Area.	2	36 months	R 3,300,000.00
WP9131: Intermediate reserve determination study for the resources in the Crocodile West Catchment Management Area.	1	24 months	R 3,400,000.00
WP9132: Intermediate Reserve Determination Study for selected Water Resources in the Mokolo River Catchment.	3	24 months	R 2,769,231.00
WP9133: Comprehensive reserve determination study: Selected Water Resources in the Inkomati Water Management Area.	3	24 months	R 4,500,000.00
WP9437/1: Technical component of the reserve determination study in the Mhlatuze Catchment.	1	10 months	R 1,100,000.00
WP9437/2: St Lucia preliminary reserve determination for the Groundwater Component.	1	10 months	R 900,000.00
WP9437/3: Technical components of proposed Groundwater Reserve Determination Study in the Thukela Catchment.	1	10 months	R 505,476.00
WP9437/4: Technical components of the proposed Groundwater Reserve Determination Study in the Pilfants Mpumalanga Catchment.	1	10 months	R 565,896.00
WP9500: Development of procedures to develop and implement Resource Quality Objectives.	1	24 months	R 1,644,226.00
WP9676: Development of a planning capacity for fresh water conservation in the Lower, Middle and Upper Vaal Management Area.	1	18 months	R 1,400,000.00
WP9676/1: Development of a planing capacity for fresh water conservation in the Lower, Middle and Upper Vaal Management Area.	1	18 months	R 817,066.50
2007-154: Project Management and Technical Support in terms of capacity building and efficient project deliverables in the sub directorate,	1	18 months	R 200,000.00
2007-157: Project Management and Technical Support into capacity building and efficient project deliverables in the sub directorate Groundwater Reserve Requirements.	1	8 months	R 200,000.00
WP9796: Events Management Company for Expo: Zaragoza 2008 to promote the Water Sector and Exports of SA products.	1	8 months	R 4,050,648.00

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
WP9797: Construction of an Exhibition Stand and Events Management PSP: Expo Zaragoza.	1	8 months	R 12,322,465.20
2007-166: Team Building: Top Management:	1	1 month	R 35,000.00
WP9852: Purchasing of SAP Governance, Risk and Compliance Software.	1	24 months	R 975,165.00
2007-004: Conduct an investigation on the fraudulent changing of the banking details of Sebel MJ	1	1 month	R 200,000.00
2007-131: Maturity assessment audit on the Office of the CIO and Business Owners of the different Business Units.	1	1 month	R 159,600.00
2007-180: Performance and Compliance Audit: Service delivery audits.	1	3 months	R 18,675,708.00
2007-181: Performance and Compliance Audit: Accounts Receivable	1	3 months	R 167,575.00
2007-183: Performance and Compliance Audit: Tender Process Audit	1	3 months	R 160,165.44
2007-184: Performance and Compliance Audit: Cash Management and PMG Accounts Audit	1	3 months	R 167,575.44

TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION: WORK DAYS	TOTAL CONTRACT VALUE IN RAND
143		2510 months/75 300 days	R 691 930 015.56

**TABLE 14.2 - ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, I.T.O. HDIS**

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
WP9525: Feasibility Study to establish an enforcement unit in the Forestry Branch of DWAF to enforce the National Forests Act	34%	34%	0%
WP9332: Review of the principles, criteria, indicators and standards management framework and recommendations for additions and changes on the key steps and standards operating procedures.	50%	20%	100%
WP9446: Provision of logistical and secretarial support to the finalization and gazetting of the Forestry Transformation Charter	100%	100%	100%
WP9506: Development of the Forestry Sector Plan	51%	51%	50%
WP9580: Transaction advisory team: Lease agreement between th the Government of SA and Komatiland Forests.	20%	20%	33%
WP9590: The development of natural forests and plantation forest management certification standards for SA	50%	20%	64%
WP9616: Transaction Advisors to provide support to National Transfers, D: Forestry Transfers for the transfer of Mbazwana, Mabaso and Manzengwenya Plantations.	50%	20%	64%
WP9763: Revision of Forest Conservation targets and data preparation for refinement of SANBI criteria for the listening of threatened Forest Ecosystems under the Biodiversity Act.	0%	0%	0%
2007-012: Consumer survey and analyze data to assess the firewood market of Gauteng and the origin of protected tree firewood product sold.	100%	100%	100%
2007-030: Finalization and Gazetting of Forestry Transformation Charter.	60%	50%	60%
2007-128: Comparative analysis of data from the measurement of all forest growth plots in SA since the start of the DWAF Forest Growth project.	0%	0%	0%
2008-011: Forestry Sector Transformation Charter: Implementation of the charter: Legal Registration of the Associates.	22%	66%	0%
WP6587: Provide support and coordination of the 2007/08 and 2008/09 Sanitation Week.	100%	100%	100%
WP9321: Facilitate and support NSPU Management in Sanitation Job Creation.	100%	100%	100%
WP9380: Empowerment and dissemination on Sanitation Policy Guidelines, Strategies and Tools to newly establish municipal councils in post March 2006.	100%	100%	100%



PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
WP9381: Facilitation integration and implementation of the WASH Programme.	100%	100%	100%
WP9504: Strategic management support to the National Sanitation Unit Project.	100%	100%	100%
WP9005: Validation and verification of registered water use in the Limpopo and Luvuvhu- Letaba Water Management Area	26%	26%	34%
WP9138: Technical Assistance Support to the Limpopo Regional Office	100%	100%	100%
WP9325: The establishment of Ndwandwedi/Luphephe WUA and capacity building for Ndwandwedi/Luphephe, Mokolo and Glen Alpine/Sterkrivier.	100%	100%	100%
WP9467: Project Management of the proposal development process, capacity building and awareness creation for the establishment of the catchment management agency in the Limpopo WMA.	51%	51%	100%
WP9313: Water and sewerage works: Provision of monitoring, Quality Control and Advisory Services in Mpumalanga.	87%	87%	46%
WP8997: Research into the identification of Biological Control Agents for certain invading alien plants.	0%	0%	0%
WP9191: Implement Working on fire integrated veld and forest fire management strategy for SA.	24%	24%	0%
WP9341: Research and Management of product development from Biomass of Cleaning operations in the Working for Water Programme	51%	51%	100%
WP9442: Project Management, Training, Support and Mentoring of the Qolora Woodlot Project and the Ikamanga Centre.	0%	0%	20%
WP9488: To re print 50 000 copies of the Enviroteach October 2006 Volume 16: Alien invasive species for the Working for Water Programme.	0%	0%	0%
WP9156: Assistance to the Water Service Division in the Northern Cape Region through the establishment of a support unit.	75%	75%	70%
WP9336: Phase 2 of the Civil Society Enhancement Project for Eastern Cape Sector, part of the implementation of the Masibambane WSP.	0%	0%	0%
WP9400: Eastern Cape Masibambane: Support for implementation of Water Services Capacity Building Business Plans: Alfred Nzo and OR Tambo Municipalities.	100%	100%	100%
WP9401: Implementation of Water Capacity Building Business Plan: Amathole, Buffaolo City and Chris Hani Municipalities.	41%	40%	67%

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
WP9402: Eastern Cape Masibambane: Support for the implementation of Water Services capacity building business plans	100%	100%	100%
WP9403: Implementation of the intervention strategies and staff development plans arising from the strategy for retention and development of key staff in the Water Services Sector in the Eastern Cape.	100%	100%	10%
WP9404: Implementation of Water Service Capacity Building Business Plans. Cacadu District Municipality, Blue Crane Route, Ikwezi and Baviaans Local Municipality.	71%	70%	0%
WP9522: Support for the implementation of the 2020 Vision for Water and Sanitation Education Programme to the Eastern Cape Schools, aligned to school education.	85%	85%	55%
WP9628: Audit Phase 3 of Chris Hani District Municipality Water Service Infrastructure.	65%	65%	64%
WP9693: Technical Assistance Contract	58%	58%	0%
WP9261: Technical and ad hoc assistance in the processing of licence applications and applications made in terms of section 33 and 35 of the National Water Act.	0%	0%	100%
WP9548:	26%	26%	38%
2006-329: Quality assurance monitoring and evaluation support to water services and the Masibambane Programme	70%	69%	56%
2006-330: Reporting System for DWAF Targets and investigation into the implementation of KPIs for WSAs.	67%	68%	59%
WP9683: Technical Assistance Contract for the North West Region.	67%	67%	43%
WP9264: Validation and verification of existing lawful water use in the Crocodile West Marico Water Management Area.	0%	0%	0%
WP9592: Programme management for the implementation of Water and Sanitation schools and clinics.	100%	100%	85%
WP9472: Compliance with environmental authorization on Environmental Monitoring Committee.	100%	100%	100%
2004-140: Supply supervisions and area co-ordination for Schukhune, Waterberg and Capricorn of Civil Works to completion and handover.	55%	40%	0%

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
WP9497: Olifants River Water Resources Development Projects: De Hoop: To monitor compliance with the socio-economic development imperatives.	100%	100%	100%
WP9779: NWRI empowerment road shows for SMMEs and BEE companies on access to economic opportunities.	100%	100%	100%
2007-100: Provide Legal Advice and Support with regard to the drafting of the SA NWRI Agency Limited Bill.	0%	0%	0%
WP9052: Site supervision and contract administration for the construction of the De Hoop Dam.	47%	47%	55%
WP9187: Providing drawing support services to the Civil Engineering Directorate.	10%	10%	0%
WP9389: Full design services and construction supervision for the proposed balancing dam in Orange Riet Canal.	55%	51%	69%
WP9496: Planning and Coordinating of the rehabilitation of Vlaktefontein Canal.	71%	70%	18%
WP9524: Compiling of the environmental management plan to obtain mining right. Luvuvhu River Government Water Scheme. Nandoni Bulk Distribution.	4%	4%	20%
WP9561: Detail design and construction supervision of the Inyaka Regional Water Treatment Works phases 3 & 4 and associated works: Sabi River Government Water Scheme.	48%	35%	18%
2007-167: Levuvhu River Government Water Works: Public Protector's enquiry into complaints arising from implementation of the relocation actionplan for Nandoni Dam.	55%	40%	0%
2007-165: Appointment of a preferred bidder to provide expert facilitation of the National Water Resources Infrastructure Branch Strategic Planning and Preparation.	50%	0%	40%
WP9399: Supply of temporary labour to construction site throughout the Republic of SA for the D: Construction.	51%	51%	100%
WP9700: Members of an external environmental review panel for the Olifants River Water Resource Development.	100%	100%	10%
WP9150: Assessment to the extent to which DWAF, Singisi and SAFCOL complied with the conditions contained in the restructuring agreement.	100%	100%	100%

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
WP9338: Interim Management services on State Forest Land in the Southern and Western Cape Province.	51%	51%	70%
2007-023: Technical Advice and support with regards to SED and BBBEE.	100%	100%	100%
WP9447: Organizational re-alignment of DWAF.	39%	26%	60%
WP9448: Institutional re-alignment.	26%	26%	0%
2007-136: Diversity Management Session for Administration personnel.	100%	100%	100%
2008-121: Coaching for newly appointed DG.	88%	13%	100%
WP9850: Leverage and use coaching to help achieve the required DWAF performance delivery for members of Corporate Service Branch.	82%	25%	100%
2007-041: Assist the Department in the development of 2007 Annual Report.	50%	0%	65%
WP9252: Re-engineering and re-organization of the revenue management function of the DWAF.	31%	31%	51%
WP9317: Suspense Control of S and T advances and salary reversal of main and trading accounts.	100%	100%	100%
WP9728: Provision of the six SAP documentation and training specialists for continuation of SAP implementation for a period of 12 months.	100%	100%	100%
WP9739: Suspense control accounts of S and T advices and salary reversal for both main and trading accounts.	100%	100%	100%
WP9783: Tracing and collecting of staff debt owed to the Department.	100%	100%	100%
WP9624: Provision of change management resources for SAP project office for a period of twelve months.	100%	100%	100%
WP9847: Full verification of DWAF moveable fixed assets and roll out of the latest version of the Baud System.	26%	18%	50%
WP9268: The assessment of Water Use Authorization applications, backlog-analysis and capacity building of DWAF personnel responsible for WUA applications assessments.	99%	99%	78%

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
WP9269: Feasibility Study on the establishment of Water Use Efficiency charge, funding mechanisms and warehousing of funds to support the implementation of water conservation and water demand management measures in all Water Use Sectors.	48%	48%	51%
WP9271: Development and implementation of operational policy, protocols and guidelines and procedures for section 21 c and I Water Uses in terms of The National Water Act 1998.	100%	100%	100%
WP9367: Provision of technical and strategic support to the CD: Water Use in the planning and development and roll out of ministerial flagship and special projects.	80%	80%	69%
WP9499: Co-ordination of the Baswa Le Meetse and South African Youth Water Prize School Education Projects.	100%	100%	100%
WP9530: Development and implementation of the Integrated Environmental Management Series Training Manual and Courses.	100%	100%	100%
WP9697: Investigate, develop and amend section 21 c and 1 Water Uses Authorization requirements i.t.o.National Water Act.	25%	25%	50%
WP9702: Development of Framework Environmental Policy for DWAF.	34%	34%	48%
2007-002: Development of tools and guidelines for Section 220 (3) Dispensing with the requirements of a licence as applicable for Section 21 c andi Water Uses.	66%	67%	65%
2007-139: Development of a comprehensive basic course and advanced training manual on Water Conservation and Water Demand Management for selected Water sectors: Feasibility Study.	31%	31%	80%
2007-141: Development of irrigation metering strategy plus implementation guideline for Water Use in Agriculture.	100%	100%	100%
WP9539: Annual Water Services Consumer Survey 2007/2008.	55%	0%	60%
WP9698: Undertake regulatory performance measurement system.	100%	100%	100%
2007-149: Operational Support and maintenance of electronic water quality management system in WC.	31%	31%	50%

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
WP9274: Public Involvement Programme for the Groot Letaba River Water Resource Development Project: Post Feasibility Bridging Study.	51%	51%	86%
WP9311: Geohidrology software development for decision support Phase 2.	0%	0%	100%
WP9333: Mokolo and Crocodile West Water Augmentation Project Feasibility Study: Project Management Support.	51%	65%	39%
WP9390: Strategy and Guideline development for National Groundwater Planning Requirements.	95%	95%	47%
WP9429: A Real Time Operating Decision Support System for the Crocodile East River System.	0%	0%	23%
WP9528: Mokolo and Crocodile West Water Augmentation Project Feasibility Study: Technical Module.	38%	31%	60%
WP9543: Annual Operations Analysis for the Orange River System.	51%	50%	50%
WP9553: Water reconcilliation strategy study for the Algoa Water Supply Area.	51%	51%	28%
WP9589: Term Contract Appointment to provide technical support to chief engineers and to assist with capacity building of newly appointed staff.	0%	0%	0%
WP9600: Orange River System: Assessment of the water quality data requirement of Water Quality Planning Process.	51%	51%	40%
WP9694: Updating of the Hydrology and Yield Analysis of Marico River Catchment.	51%	50%	38%
2007-010: Facilitate Team Building for CD: Integrated Water Resource Planning.	100%	100%	100%
WP9583: Adopt-a-river programme Phase 2: Development of Implementation Plan.	100%	100%	100%
2006-405: Pilot Scale Testing of artificial recharge to the Langebaan Road Aquifer System and implementations for full scale implementation.	0%	0%	0%
Kuvutla Water Cost Recovery Solutions CC in partnership with Quality Habitat Environmental Services.	100%	100%	86%
WP9357: Audit on the technical- chemical and HR capacity at Bloem- LepeleNorthern-, Magalies-, Overberg- and Rand Water Boards.	67%	68%	33%

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
WP9358: Appraisal of Water Boards's Policy Statements, Shareholder's Compact and Annual Report.	51%	51%	50%
WP9409: Management and Support to the Directorate: Utility Governance.	67%	67%	67%
WP9439: Capacity Building of the Water User Association.	100%	100%	10%
WP9455: Investigation into alleged non-compliance to Corporate Governance Norms at a utility.	10%	10%	100%
WP9464: Twinning Project for the Regional and International Utilities.	67%	66%	66%
WP9519: Training of non-executive board members and senior manager of water boards.	100%	100%	100%
WP9532: Development and piloting of a National Strategy to improve gender representation in Water Management Institutions.	24%	24%	100%
WP9745: Secretariat for the governing Board of the Crocodile West Marico Catchment Management Agency.	100%	100%	100%
WP9747: Appraisal of Water Board's Policy Statements, Shareholder's Compact and Annual Statements.	51%	51%	50%
2007-156: Development of a Database for emerging farmers on small-holder irrigation schemes in the Limpopo and Eastern Cape.	67%	67%	0%
WP9831: Training of DWAF Officials in surveying on behalf of D: Spatial and Land Information.	0%	0%	0%
2007-018: Regional Co-ordination of the National Microbial Monitoring Programme in the Upper Vaal and Crocodile West and Marico WIMA.	60%	20%	40%
WP9531: Co-operation with catchment management agencies in development and assessing catchment management strategies.	15%	15%	57%
WP8829/6: Groundwater quality and quantity reserve determination study-Upper Vaal Water Management Area.	70%	70%	25%
WP9131: Intermediate reserve determination study for the resources in the Crocodile West Catchment Management Area.	51%	51%	0%
WP9132: Intermediate Reserve Determination Study for selected Water Resources in the Mokolo River Catchment.	30%	30%	0%

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
WP9133: Comprehensive reserve determination study: Selected Water Resources in the Inkomati Water Management Area.	60%	60%	0%
WP9437/1: Technical component of the reserve determination study in the Mhlatuze Catchment.	0%	0%	0%
WP9437/2: St Lucia preliminary reserve determination for the Groundwater Component.	50%	0%	50%
WP9437/3: Technical components of proposed Groundwater Reserve Determination Study in the Thukela Catchment.	0%	0%	83%
WP9437/4: Technical components of the proposed Groundwater Reserve Determination Study in the Pilfants Mpumalanga Catchment.	0%	0%	71%
WP9500: Development of procedures to develop and implement Resource Quality Objectives.	50%	20%	60%
WP9676: Development of a planning capacity for fresh water conservation in the Lower, Middle and Upper Vaal Management Area.	100%	100%	100%
WP9676/1: Development of a planning capacity for fresh water conservation in the Lower, Middle and Upper Vaal Management Area.	100%	100%	100%
2007-154: Project Management and Technical Support in terms of capacity building and efficient project deliverables in the sub directorate,	100%	100%	100%
2007-157: Project Management and Technical Support ito capacity building and efficient project deliverables in the sub directorate Groundwater Reserve Requirements.	0%	0%	0%
WP9796: Events Management Company for Expo: Zaragoza 2008 to promote the Water Sector and Exports of SA products.	45%	30%	60%
WP9797: Construction of an Exhibition Stand and Events Management PSP: Expo Zaragoza.	45%	30%	60%
2007-166: Team Building: Top Management:	100%	100%	100%
WP9852: Purchasing of SAP Governance, Risk and Compliance Software.	0%	0%	0%
2007-004: Conduct an investigation on the fraudulent changing of the banking details of Sebela MJ	18%	18%	67%



PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
2007-131: Maturity assessment audit on the Office of the CIO and Business Owners of the different Business Units.	45%	45%	50%
2007-180: Performance and Compliance Audit: Service delivery audits.	80%	80%	100%
2007-181: Performance and Compliance Audit: Accounts Receivable	80%	80%	100%
2007-183: Performance and Compliance Audit: Tender Process Audit	80%	80%	100%
2007-184: Performance and Compliance Audit: Cash Management and PMG Accounts Audit	80%	80%	100%

## ACRONYMS

<b>ABET</b>	Adult Basic Education and Training
<b>AFC</b>	Amathole Forestry Company
<b>AFLEG</b>	African Forestry Law Enforcement Governance
<b>ASGISA</b>	Accelerated and Shared Growth Initiative of South Africa
<b>ANBO</b>	Algemene Nederlandse Bond voor Ouderen (Dutch)
<b>ANEW</b>	African Civil Society Network on Water
<b>AMCOW</b>	African Ministers' Council on Water
<b>AU</b>	African Union
<b>AZEF</b>	Arid Zone Ecology Forum
<b>BBBEE</b>	Broad-Based Black Economic Empowerment
<b>BSECs</b>	Branch Specification and Evaluation Committees
<b>BWP</b>	Berg Water Project
<b>C&amp;I</b>	Criteria and Indicators
<b>CEIMP</b>	Consolidated Environmental Implementation and Management Plan
<b>CFO</b>	Chief Protection Officers
<b>CITES</b>	Convention on International Trade in Endangered Species
<b>CMAs</b>	Catchment Management Agencies
<b>CMS</b>	Catchment Management Strategies
<b>COP</b>	Conference of Parties
<b>CSO</b>	Civil Society Organisations
<b>COFO</b>	Committee on Forestry
<b>CSLA</b>	Chief State Law Adviser
<b>CPI</b>	Consumer Price Index
<b>CTRRP</b>	Commercial Timber Resources and Round wood Processing
<b>CWSS</b>	Community Water Supply and Sanitation Programme
<b>DALA</b>	Department of Agriculture and Land Administration
<b>DBAC</b>	Departmental Bid Adjudication Committee (Previously called DCC)
<b>DBSA</b>	Development Bank of South Africa
<b>DCC</b>	Departmental Control Committee (Now called DBAC)
<b>DEAT</b>	Department of Environmental Affairs and Tourism

<b>DLA</b>	Department of Land Affairs
<b>DM</b>	District Municipality
<b>DoRA</b>	Division of Revenue Act
<b>DWQ</b>	Drinking Water Quality
<b>EIA</b>	Environmental Impact Assessment
<b>ERP</b>	Enterprise Resource Programme
<b>eWQMS</b>	Electronic Water Quality Management System
<b>EWP</b>	Employee Wellness Programme
<b>EWSETA</b>	Energy and Water Sector Education and Training Authority
<b>EXCO</b>	Executive Committee of DWAF
<b>FAO</b>	Food and Agriculture Organisation of The United Nations
<b>FBW</b>	Free Basic Water
<b>FETWATER</b>	The Framework Programme for Education and Training in Water
<b>FCS</b>	Full Capacity Storage
<b>FCIU</b>	Forest Charter Implementation Unit
<b>FD</b>	Forestry Development
<b>FED</b>	Forestry Enterprise Development
<b>FFMC</b>	Forestry Functional Management Committee
<b>FGLG</b>	Forest Governance Learning Group
<b>FIETA</b>	Forestry Industry Education Training Authority
<b>FMS</b>	Food Management System
<b>FMU</b>	Forest Management Units
<b>FPA</b>	Fire Protection Association
<b>FPARMS</b>	National Forest Plan
<b>FPO</b>	Fire Protection Officer
<b>FRA</b>	Forest Resources Assessment
<b>FSA</b>	Forestry South Africa
<b>FTFA</b>	Food and Trees for Africa
<b>GAAP</b>	Generally Accepted Accounting Practice
<b>GDACE</b>	Gauteng Department of Agriculture, Conservation and Environment
<b>GIS</b>	Geographical Information Systems

<b>GRAP</b>	Generally Recognised Accounting Practice
<b>GSSA</b>	Grassland Society of South Africa
<b>HCV</b>	High Conservation Value
<b>HDI</b>	Historical Disadvantaged Individual
<b>HRD</b>	Human Resource Development
<b>HYCOS</b>	Hydrological Cycle Observation Systems
<b>HYDSTRA</b>	Hydrological Database
<b>IB</b>	Irrigation Boards
<b>IBSA</b>	India Brazil and South Africa Cooperation
<b>ICMA</b>	Inkomati Catchment Management Agency
<b>ICW</b>	In Connection With
<b>IDC</b>	Industrial Development Cooperation
<b>IDP</b>	Integrated Development Plan
<b>IFM</b>	Indigenous Forest Management
<b>IS</b>	Information Services
<b>ITEC</b>	Indian Technical and Economic Cooperation
<b>JICA</b>	Japanese International Cooperation Agency
<b>JIPSA</b>	Joint Initiative on Priority Skills Acquisition
<b>K&amp;SIM</b>	Knowledge and Strategic Information Management
<b>KLF</b>	Komatiland Forests
<b>LIBSA</b>	Limpopo Business Support Agency
<b>LM</b>	Local Municipalities
<b>MANCO</b>	Management Committee of DWAF
<b>MIG</b>	Municipal Infrastructure Grant
<b>MMTS-2</b>	Mooi-Mgeni Transfer Scheme Phase 2
<b>MOA</b>	Memorandum of Agreement
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTO</b>	Mountain to Ocean (Pty) Ltd
<b>MTSF</b>	Medium Term Strategic Framework
<b>NAWISA</b>	Network for Advocacy in Water Sector Issues
<b>NBI</b>	National Benchmarking Initiative

<b>NCC</b>	National Co-ordinating Committee
<b>NCMP</b>	National Chemical Monitoring Programme
<b>NCS</b>	National Certification System
<b>NEPAD</b>	New Partnership for Africa's Development
<b>NFA</b>	National Forests Act, 1998 (Act No. 84 of 1998)
<b>NFAC</b>	National Forests Advisory Council
<b>NFDRS</b>	National Fire Danger Rating System
<b>NFI</b>	National Forest Inventory
<b>NFP</b>	National Forest Plan
<b>NRMP</b>	National Radioactivity Monitoring Programme
<b>NTMP</b>	National Toxicity Monitoring Programme
<b>NSPU</b>	National Sanitation Programme Unit
<b>NVFFA</b>	National Veld and Forest Fire Act, 1998 (Act No. 101 of 1998)
<b>NVIS</b>	National Veldfire Information System
<b>NMMP</b>	National Microbial Monitoring Programme
<b>NEMP</b>	National Eutrophication monitoring Programme
<b>NWRI</b>	National Water Resources Infrastructure
<b>NWRIB</b>	National Water Resource Infrastructure Branch
<b>ODA</b>	Official Development Assistance
<b>PFMA</b>	Public Finance Management Act, 1998 (Act No. 1 of 1999)
<b>PMDS</b>	Performance Management and Development System
<b>PGDP</b>	Provincial Growth and Development Programme
<b>PTC</b>	Permanent Technical Committee
<b>RCC</b>	Regional Co-ordinating Committee
<b>RHP</b>	River Health Programme
<b>RID</b>	Record of Implementation Decisions
<b>RO</b>	Regional Office
<b>RPFs</b>	Resource Poor Farmers
<b>RPMS</b>	Regulatory Performance Measurement System
<b>RTCs</b>	Regional Tender Committees
<b>RWS</b>	Hluhluwe Regional Water Scheme

<b>SADC</b>	Southern African Development Community
<b>SAAWU</b>	South African Association for Water Utilities
<b>SAFCOL</b>	South African Forestry Company Limited
<b>SANPARKS</b>	South African National Parks
<b>SANS</b>	South African National Standards
<b>SAR</b>	Sodium Adsorption Ratio
<b>SAYWP</b>	South African Youth Water Prize
<b>SAWS</b>	South African Weather Service
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>SEDA</b>	Small Enterprises Development Agency
<b>SFRA</b>	Streamflow Reduction Activity
<b>SFM</b>	Sustainable Forest Management
<b>SLA</b>	Service Level Agreement
<b>SMME</b>	Small, Medium and Micro Enterprises
<b>SoF</b>	State of the Forests
<b>SQF</b>	Siyahubeka
<b>TAV</b>	Technical Assistance Visit
<b>TCTA</b>	Trans-Caledon Tunnel Authority
<b>TDs</b>	Total Dissolved Salts
<b>UNCBD</b>	United Nations Convention on Biological Diversity
<b>UNCSD</b>	United Nations Convention on Sustainable Development
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UNFF</b>	United Nations Forestry Foundation
<b>VCT</b>	Voluntary Counselling and Testing
<b>VDM</b>	Vhembe District Municipality
<b>VRESAP</b>	Vaal River Eastern Sub-system Augmentation Project
<b>WAR</b>	Water Allocation Reform
<b>WARMS</b>	Water use Authorization and Registration Management System
<b>WASH</b>	Water, Sanitation and Hygiene
<b>WC/WDM</b>	Water Conservation / Water Demand Management
<b>WfGD</b>	Water for Growth and Development

<b>WfW</b>	Working for Water
<b>WFLA</b>	Water and Forestry Learning Academy
<b>WMAs</b>	Water Management Areas
<b>WMI</b>	Water Management Institution
<b>WMS</b>	Water Management System
<b>WRC</b>	Water Research Commission
<b>WS</b>	Water Services
<b>WSA</b>	Water Service Authority
<b>WSP</b>	Water Services Provider
<b>WTW</b>	Waste Water Treatment Works
<b>WUAs</b>	Water User Associations
<b>WULAS</b>	Water Use Licence Authorisation System
<b>WWC</b>	World Water Committee
<b>WSP</b>	Water Services Provider
<b>WTW</b>	Waste Water Treatment Works
<b>WUAs</b>	Water User Associations
<b>WULAS</b>	Water Use Licence Authorisation System
<b>WWC</b>	World Water Committee

