

Vote 30

Minerals and Energy

2006/07				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	2 548 272	2 635 100	-	86 828
<i>of which:</i>				
Current payments	534 923	520 952	(13 971)	-
Transfers and subsidies	2 008 633	2 109 432	-	100 799
Payments for capital assets	4 716	4 716	-	-
Executive authority	Minister of Minerals and Energy			
Accounting officer	Director-General of Minerals and Energy			

Aim

The aim of the Department of Minerals and Energy is to formulate and implement an overall minerals and energy policy to ensure the optimum use of minerals and energy resources.

Changes to programme purposes and measurable objectives

There were no changes to programme purposes or measurable objectives.

Adjusted Estimates of National Expenditure 2006

Table 30.1: Minerals and Energy

Programme		2006/07					
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	151 106	-	-	-	-	-	151 106
2. Promotion of Mine Safety and Health	117 210	-	-	-	-	-	117 210
3. Mineral Regulation	160 044	-	-	(20 100)	-	(20 100)	139 944
4. Mineral Policy and Promotion	51 359	-	-	20 100	-	20 100	71 459
5. Hydrocarbons and Energy Planning	37 475	5 814	-	-	-	5 814	43 289
6. Electricity and Nuclear	55 090	5 715	-	-	-	5 715	60 805
7. Associated Services	1 975 988	-	-	-	75 299	75 299	2 051 287
Total	2 548 272	11 529	-	-	75 299	86 828	2 635 100
Economic classification							
Current payments	534 923	7 029	-	(21 000)	-	(13 971)	520 952
Compensation of employees	290 389	-	-	(1 000)	-	(1 000)	289 389
Goods and services	244 534	7 029	-	(20 000)	-	(12 971)	231 563

Table 30.1: Minerals and Energy (continued)

		2006/07					
		Additional appropriation				Total	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	additional appropriation	
Transfers and subsidies	2 008 633	4 500	-	21 000	75 299	100 799	2 109 432
Provinces and municipalities	391 524	-	-	-	-	-	391 524
Departmental agencies and accounts	196 887	-	-	9 300	-	9 300	206 187
Public corporations and private enterprises	1 419 122	4 500	-	11 700	75 299	91 499	1 510 621
Households	1 100	-	-	-	-	-	1 100
Payments for capital assets	4 716	-	-	-	-	-	4 716
Machinery and equipment	4 716	-	-	-	-	-	4 716
Total	2 548 272	11 529	-	-	75 299	86 828	2 635 100

Details of adjustments to Estimates of National Expenditure 2006

Roll-overs – R11,529 million

Programme 5: Hydrocarbons and Energy Planning

R1,314 million has been rolled over for outstanding order payments, due to delays in the tender process, contracts not finalised before 31 March 2006 and the consequent extension of projects, and invoices received late.

R4,5 million has been rolled over for subsidies to renewable energy generators, following the implementation of a renewable energy subsidy during 2005/06.

Programme 6: Electricity and Nuclear

R5,715 million was rolled over for the power purchase agreement, due to delays in finalising it.

Other adjustments – R75,299 million

Self-financing expenditure

Programme 7: Associated Services

R75,299 million is an adjustment for VAT for the South African Nuclear Energy Corporation (NECSA), resulting from the new tax legislation. Although the budgets of other entities whose funding is channelled via the department were adjusted in the 2005/06 Adjusted Estimates of National Expenditure and in the 2006/07 Estimates of National Expenditure, no adjustment was made for NECSA.

Virements

Table 30.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
3. Mineral Regulation	(20 100)	-	
Current payments	(20 100)	-	
Compensation of employees	(1 000)	-	Savings are due to vacant posts.
Goods and services	(19 100)	-	During the 2005/06 financial year, a new programme was created. Savings arose because the consequent shift of functions was only finalised in 2006/07. In addition the department experienced a high staff turnover and a number of vacancies have not been filled.
4. Mineral Policy and Promotion	(900)	21 000	
Current payments	(900)	-	
Goods and services	(900)	-	During the 2005/06 financial year, a new programme was created. Savings arose because the consequent shift of functions was only finalised in 2006/07.
Transfers and subsidies	-	21 000	
Departmental agencies and accounts	-	9 300	Funds shifted from goods and services (in programme 3) will be used by the Council for Geosciences for the ongoing mine environmental research and sustainable development project.
Public corporations and private enterprises	-	11 700	R10,7 million shifted from goods and services (in programme 3) will be transferred to the Council for Mineral Technology (R5,365 million), and to the Council for Scientific and Industrial Research (R5,335 million) for the ongoing mine environmental research. R1 million will be transferred to Chamber of Mines for the Future of Gold Mining project.
Total for vote	(21 000)	21 000	

Expenditure 2005/06 and preliminary expenditure 2006/07

Table 30.3: Minerals and Energy

Programme	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
1. Administration	134 473	55 889	131 436	97,7	151 106	65 375	17,0
2. Promotion of Mine Safety and Health	108 050	47 678	99 008	91,6	117 210	48 024	0,7
3. Mineral Regulation	182 616	46 791	168 275	92,1	139 944	41 090	(12,2)
4. Mineral Policy and Promotion	-	-	-	-	71 459	13 478	(100,0)
5. Hydrocarbons and Energy Planning	36 910	11 636	31 362	85,0	43 289	18 412	58,2
6. Electricity and Nuclear	81 494	23 217	71 307	87,5	60 805	17 512	(24,6)
7. Associated Services	1 728 037	887 369	1 690 830	97,8	2 051 287	862 222	(2,8)
Total	2 271 580	1 072 580	2 192 218	96,5	2 635 100	1 066 113	(0,6)
Current payments	500 323	181 367	418 504	83,6	520 952	199 033	9,7
Compensation of employees	241 131	105 720	217 070	90,0	289 389	118 358	12,0
Goods and services	259 192	75 631	201 390	77,7	231 563	80 634	6,6
Financial transactions in assets and liabilities	-	16	44	-	-	41	156,3
Transfers and subsidies	1 764 314	890 837	1 768 372	100,2	2 109 432	865 107	(2,9)
Provinces and municipalities	313 768	37 387	298 153	95,0	391 524	60 776	62,6
Departmental agencies and accounts	180 499	83 364	204 187	113,1	206 187	90 183	8,2
Universities and technikons	100	-	-	-	-	-	(100,0)
Public corporations and private enterprises	1 268 800	769 507	1 264 886	99,7	1 510 621	713 545	(7,3)
Households	1 147	579	1 146	99,9	1 100	603	4,1

Table 30.3: Minerals and Energy (continued)

	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
R thousand							
Payments for capital assets	6 943	376	5 342	76,9	4 716	1 973	424,7
Machinery and equipment	6 943	293	4 266	61,4	4 716	1 973	573,4
Software and other intangible assets	-	83	1 076	-	-	-	(100,0)
Total	2 271 580	1 072 580	2 192 218	96,5	2 635 100	1 066 113	(0,6)

Selected expenditure trends for the first half of the 2006/07 financial year

Expenditure in the first six months of 2006/07 was R1,1 billion, or 40,5 per cent of the adjusted appropriation of R2,6 billion for the year as a whole.

The year-on-year decrease in total expenditure is as a result of delays in transfers and subsidies to public entities and municipalities.

Summary of changes to transfers and subsidies, and conditional grants

Table 30.4: Summary of changes to transfers and subsidies per programme

	2006/07						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
4. Mineral Policy and Promotion	21 847	-	-	21 000	-	21 000	42 847
Departmental agencies and accounts							
Entities							
Current	21 799	-	-	9 300	-	9 300	31 099
Council for Geoscience (mine environmental research and development)	-	-	-	9 300	-	9 300	9 300
Public corporations and private enterprises							
Public corporations							
Subsidies on products and production							
Current	-	-	-	11 700	-	11 700	11 700
Council for Scientific and Industrial Research	-	-	-	5 335	-	5 335	5 335
Council for Mineral Technology	-	-	-	5 365	-	5 365	5 365
Chamber of Mines	-	-	-	1 000	-	1 000	1 000
5. Hydrocarbons and Energy	4 917	4 500	-	-	-	4 500	9 417
Planning							
Public corporations and private enterprises							
Private enterprises							
Subsidies on products and production							
Current	4 900	4 500	-	-	-	4 500	9 400
Renewable energy subsidy scheme	-	4 500	-	-	-	4 500	4 500

Table 30.4: Summary of changes to transfers and subsidies per programme (continued)

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
7. Associated Services	1 975 988	-	-	-	75 299	75 299	2 051 287
Public corporations and private enterprises							
Public corporations							
Subsidies on products and production							
Current	273 582	-	-	-	38 892	38 892	312 474
NECSA: Activities	231 233	-	-	-	29 970	29 970	261 203
NECSA: Decommissioning projects	21 349	-	-	-	3 042	3 042	24 391
NECSA: Security	9 000	-	-	-	2 520	2 520	11 520
NECSA: SAFARI Reactor Conversion	12 000	-	-	-	3 360	3 360	15 360
Capital	900 637	-	-	-	36 407	36 407	937 044
NECSA: Activities	5 787	-	-	-	33 183	33 183	38 970
NECSA: Decommissioning projects	1 685	-	-	-	3 224	3 224	4 909

