

Vote 31

Minerals and Energy

	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	R1 934 494 000	R1 945 143 000		R10 649 000
Responsible minister	Minister of Minerals and Energy			
Administering department	Department 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 in order to ensure the optimum use of mineral and energy resources.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

Adjusted 2004 Estimates of National Expenditure

Table 31.1: Minerals and Energy

Programme	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	
R thousand						
1 Administration	92 417	3 520	–	4 400	–	100 337
2 Promotion of Mine Safety and Health	99 633	900	–	–	–	100 533
3 Mineral Development	159 808	1 445	–	–	–	161 253
4 Energy Management	73 623	1 628	–	(4 400)	–	70 851
5 Associated Services	1 509 013	3 156	–	–	–	1 512 169
Total	1 934 494	10 649	–	–	–	1 945 143

Economic classification

Current payments	398 690	7 493	–	(525)	–	6 968	405 658
Compensation of employees	203 129	–	–	2 973	–	2 973	206 102
Goods and services	195 561	7 493	–	(3 498)	–	3 995	199 556
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
Transfers and subsidies	1 530 414	3 156	–	18	–	3 174	1 533 588
Provinces and municipalities	248 112	3 156	–	18	–	3 174	251 286
Departmental agencies and accounts	232 121	–	–	(88 632)	–	(88 632)	143 489
Universities and technikons	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–
Public corporations and private enterprises	1 048 381	–	–	88 632	–	88 632	1 137 013
Non-profit institutions	–	–	–	–	–	–	–
Households	1 800	–	–	–	–	–	1 800

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Payments for capital assets	5 390	–	–	507	–	507	5 897
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	5 390	–	–	507	–	507	5 897
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
Total	1 934 494	10 649	–	–	–	10 649	1 945 143

Details of adjustments to 2004 Estimates of National Expenditure

Roll-overs – R10,649 million

Programme 1: Administration

Due to delays in tender procedures and changes to tender specifications, and delays in implementation, R3,520 million has been rolled over to finalise the mine health and safety performance management system, the royalty system and the national mine promotion system in 2004/05.

Programme 2: Promotion of Mine Safety and Health

A tender was advertised in October 2003 for improving the Mine Health and Safety Inspectorate (MHSI) to meet locally acceptable and internationally competitive standards. Tenderers did not meet the requirements, and the tender was re-advertised and awarded in March 2004. R900 000 has been rolled over for payments for this project.

Programme 3: Mineral Development

R1,445 million was rolled over to pay late invoices from contractors who made undermined ground safe and rehabilitated derelict and ownerless asbestos mines and dumps.

Programme 4: Energy Management

R1,628 million has been rolled over for energy and renewable energy projects, petroleum policy and gas regulations as a result of delays in the tender process, the finalisation of project reports and the subsequent late receipt of invoices.

Programme 5: Associated Services

R3,156 million has been rolled over for electrification connections in Cosmos City within the Johannesburg Metropolitan Council, because some other municipalities were not able to implement electrification projects and consequently did not request funds.

Virement

Table 31.2: Department of Minerals and Energy

From programme R thousand	Amount	To programme	Amount
4 Energy Management	4 400	1 Administration	4 400

Details of savings realised on the above programmes

Programme 4: Energy Management

Using savings of R4,400 million from vacancies in the department in 2003/04, the department was able to pay its 2004/05 membership fees for the International Atomic Energy Agency (IAEA) in advance, resulting in savings of that amount this year.

Utilisation of savings to augment the above programmes

Programme 1: Administration

R2,071 million will be used for the newly established Compliance Office in the department. The Compliance Office will be responsible for ensuring compliance with legislation and regulations, including public entities that report to the Minister of Minerals and Energy.

R425 000 will be used to replace the deputy minister's current departmental vehicle, which was purchased during 2000/2001. Its replacement was not budgeted for in 2004/2005.

R1,904 million will be used to cover expenditure associated with the department's annual report and strategic planning, and a performance audit and communications survey.

Funds shifted within a programme

Programme 3: Mineral Development

R1,254 million was shifted from goods and services to compensation of employees to comply with the new standard chart of accounts (SCOA) classification of capital remuneration allowances and subsidised transport insurance.

Programme 5: Associated Services

Technical adjustments were made in programme 5 to align actual expenditure and budget allocations with SCOA, including the following:

Transfer payments of R88,632 million made to Mintek were reclassified from transfer payments to departmental agencies and accounts to transfer payments to public corporations and private enterprises.

To ensure that the department's budget allocations and economic classifications are in line with the Electricity Distribution Industry Holdings Company's (EDIH) budget proposals and actual expenditure for 2004/05, current transfer payments to the EDIH amounting to R4,012 million have been reclassified as capital transfer payments.

Actual expenditure and revised spending projections for the remainder of the financial year

Table 31.3: Minerals and Energy

Programme	Adjusted appropriation	Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand					
1 Administration	100 337	40 543	40,4	59 794	59,6
2 Promotion of Mine Safety and Health	100 533	42 462	42,2	58 071	57,8
3 Mineral Development	161 253	44 138	27,4	117 115	72,6
4 Energy Management	70 851	22 340	31,5	48 511	68,5
5 Associated Services	1 512 169	570 156	37,7	942 013	62,3
Total	1 945 143	719 721	37,0	1 225 422	63,0
Economic classification					
Current payments	405 658	144 095	35,5	261 563	64,5
Compensation of employees	206 102	92 778	45,0	113 324	55,0
Goods and services	199 556	51 235	25,7	148 321	74,3
Interest and rent on land	—	—	—	—	—
Financial transactions in assets and liabilities	—	82	—	(82)	—
Unauthorised expenditure	—	—	—	—	—
Transfers and subsidies to:	1 533 588	572 826	37,4	960 762	62,6
Provinces and municipalities	251 286	48 638	19,4	202 648	80,6
Departmental agencies and accounts	143 489	81 337	56,7	62 152	43,3
Universities and technikons	—	—	—	—	—
Foreign governments and international organisations	—	—	—	—	—
Public corporations and private enterprises	1 137 013	442 554	38,9	694 459	61,1
Non-profit institutions	—	—	—	—	—
Households	1 800	297	16,5	1 503	83,5
Payments for capital assets	5 897	2 800	47,5	3 097	52,5
Buildings and other fixed structures	—	—	—	—	—
Machinery and equipment	5 897	2 800	47,5	3 097	52,5
Cultivated assets	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—
Land and subsoil assets	—	—	—	—	—
Total	1 945 143	719 721	37,0	1 225 422	63,0

Table 31.4: Summary of transfers and subsidies per programme

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
1 Administration	1 931	-	-	18	-	18	1 949
Provinces and municipalities							
Municipalities	131	-	-	18	-	18	149
Current	131	-	-	18	-	18	149
Regional Services Council levies							
Households							
Households (Social benefits)	1 800	-	-	-	-	-	1 800
Current	1 800	-	-	-	-	-	1 800
Leave payments							
2 Promotion of Mine Safety and Health	3 992	-	-	-	-	-	3 992
Provinces and municipalities							
Municipalities	176	-	-	-	-	-	176
Current	176	-	-	-	-	-	176
Regional Services Council levies							
Departmental agencies and accounts							
Entities	3 816	-	-	-	-	-	3 816
Current	-	-	-	-	-	-	-
Mining Qualification Authority	3 816	-	-	-	-	-	3 816
Mine Health and Safety Council							

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
3 Mineral Development	15,407	-	-	-	-	-	15,407
Provinces and municipalities							
Municipalities							
Current	157	-	-	-	-	-	157
Regional Services Council levies	157	-	-	-	-	-	157
Public corporations and private enterprises							
Public corporations (Subsidies on production)							
Current	15 250	-	-	-	-	-	15 250
Industrial Development Corporation	15 250	-	-	-	-	-	15 250
4 Energy Management	71	-	-	-	-	-	71
Provinces and municipalities							
Municipalities							
Current	71	-	-	-	-	-	71
Regional Services Council levies	71	-	-	-	-	-	71
5 Associated Services	1 509 013	3,156	-	-	-	3 156	1 512 169
Provinces and municipalities							
Municipalities							
Capital	247 577	3 156	-	-	-	3 156	250 733
Integrated National Electrification Programme	247 577	3 156	-	-	-	3 156	250 733

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
Departmental agencies and accounts							
Entities							
Current	209 068	-	-	(82 644)	-	(82,644)	126,424
National Nuclear Regulator	7 567	-	-	-	-	-	7 567
Electricity Distribution Industry Holdings Company	54 000	-	-	(4 012)	-	(4 012)	49 988
Council for Mineral Technology Research	78 632	-	-	(78 632)	-	(78 632)	-
Council for Geoscience	68 869	-	-	-	-	-	68 869
Capital	19 237	-	-	(5 988)	-	(5 988)	13 249
National Nuclear Regulator	500	-	-	-	-	-	500
Council for Mineral Technology	10 000	-	-	(10 000)	-	(10 000)	-
Council for Geoscience	8 737	-	-	-	-	-	8 737
Electricity Distribution Industry Holdings Company	-	-	-	4 012	-	4 012	4 012
Public corporations and private enterprises							
Public corporations (Subsidies on production)							
Current	163 205	-	-	-	-	-	163 205
South African Nuclear Energy Corporation	163 205	-	-	-	-	-	163 205
Capital	836 525	-	-	-	-	-	836 525
South African Nuclear Energy Corporation	16 696	-	-	-	-	-	16 696
Eskom	819 829	-	-	-	-	-	819 829
Private enterprises (Subsidies on production)							
Current	33 401	-	-	78 632	-	78,632	112,033
Assistance to mines	33 401	-	-	-	-	-	33 401
Council for Mineral Technology	-	-	-	78 632	-	78 632	78 632
Capital	-	-	-	10 000	-	10 000	10 000
Council for Mineral Technology	-	-	-	10 000	-	10 000	10 000
Total	1 530 414	3,156	-	18	-	3 174	1 533 588

Table 31.6: Summary of conditional grants to local government (municipalities) ¹

	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	
R thousand						
5 Associated Services						
National Electrification Programme	247 577	3 156	-	-	-	250 733
National Electrification Programme						
Total	247 577	3 156	-	-	-	250 733

¹ Main appropriation detail provided in the Division of Revenue Act, 2004