Vote 32

Mineral Resources

Adjusted budget summary

	2013/14			
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	**1 393 849**	**1 393 849**	–	–
of which:				
Current payments	747 889	708 089	(39 800)	–
Transfers and subsidies	630 079	669 879	–	39 800
Payments for capital assets	15 881	15 881	–	–
Executive authority	Minister of Mineral Resources			
Accounting officer	Director-General of Mineral Resources			
Website address	www.dmr.gov.za			

Aim

Promote and regulate the minerals and mining sector for transformation, growth and development. Ensure that all South Africans derive sustainable benefits from the country's mineral wealth.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2013/14 as published in the 2013 ENE	Achieved in the first six months of 2013/14 (April to September)	Changed target for 2013/14
Number of occupational health and safety inspections and mine audits conducted per year	Promotion of Mine Safety and Health	Outcome 4: Decent employment through inclusive economic growth	8 396	5 309	–
Number of mining rights granted to historically disadvantaged South Africans per year	Mineral Regulation		200	40	–
Number of industry workshops on compliance issues per year	Mineral Regulation		9	0	–
Number of mining charter inspections per year	Mineral Regulation		210	131	–
Number of environment inspections per year	Mineral Regulation	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	1 700	881	–
Number of publications per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	11	6	–
Number of policies developed or reviewed per year	Mineral Policy and Promotion		2	2	–
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	30	17	–
Number of sustainable SMMEs supported (new and established) per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	67	35	–

Mid-year progress

Within the first six months of the year, 5 309 occupational health and safety inspections and mine audits were conducted against the annual target of 8 396. This mid-year performance is higher than anticipated due to the reductions of 25 per cent and 34 per cent in the number of fatalities and injuries recorded, compared to the same period in 2012/13. The reduction means that less time was spent on investigations, enabling the department to focus more on audits and inspections.

The low mid-year achievement in the number of mining rights granted to historically disadvantaged South Africans is because there is currently no legislative instrument available to directly control this deliverable. In addition, although the department encourages historically disadvantaged South Africans to apply for mining rights, the number of rights and permits approved and issued is dependent on applications actually received. Despite the low mid-year achievement, the annual target can still be achieved as numerous mining rights applications have been received and are in the process of being approved and granted.

No industry workshops on compliance issues were conducted in the first six months of the year as they have been scheduled for the latter half of the year.

Adjusted Estimates of National Expenditure 2013

Programme	2013/14							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Administration	271 459	–	–	10 821	–	–	10 821	282 280
Promotion of Mine Safety and Health	163 731	–	–	–	–	–	–	163 731
Mineral Regulation	222 729	–	–	(10 821)	–	–	(10 821)	211 908
Mineral Policy and Promotion	735 930	–	–	–	–	–	–	735 930
Total	**1 393 849**	**–**	**–**	**–**	**–**	**–**	**–**	**1 393 849**
Economic classification								
Current payments	**747 889**	**–**	**–**	**(39 800)**	**–**	**–**	**(39 800)**	**708 089**
Compensation of employees	435 020	–	–	9 095	–	–	9 095	444 115
Goods and services	312 869	–	–	(48 895)	–	–	(48 895)	263 974
Transfers and subsidies	**630 079**	**–**	**–**	**39 800**	**–**	**–**	**39 800**	**669 879**
Departmental agencies and accounts	315 091	–	–	6 000	–	–	6 000	321 091
Public corporations and private enterprises	313 749	–	–	32 000	–	–	32 000	345 749
Households	1 239	–	–	1 800	–	–	1 800	3 039
Payments for capital assets	**15 881**	**–**	**–**	**–**	**–**	**–**	**–**	**15 881**
Buildings and other fixed structures	3 200	–	–	(1 400)	–	–	(1 400)	1 800
Machinery and equipment	12 681	–	–	1 400	–	–	1 400	14 081
Total	**1 393 849**	**–**	**–**	**–**	**–**	**–**	**–**	**1 393 849**

Programme 1: Administration

Subprogramme	2013/14							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Ministry	20 554	–	–	2 250	–	–	2 250	22 804
Corporate Services	111 567	–	–	8 571	–	–	8 571	120 138
Department Management	19 700	–	–	–	–	–	–	19 700
Financial Administration	79 347	–	–	–	–	–	–	79 347
Internal Audit	13 467	–	–	–	–	–	–	13 467
Office Accommodation	26 824	–	–	–	–	–	–	26 824
Total	**271 459**	**–**	**–**	**10 821**	**–**	**–**	**10 821**	**282 280**

Programme 1: Administration (continued)

R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
	2013/14							
		Adjustments appropriation						
Economic classification								
Current payments	**257 370**	**–**	**–**	**9 678**	**–**	**–**	**9 678**	**267 048**
Compensation of employees	136 188	–	–	–	–	–	–	136 188
Goods and services	121 182	–	–	9 678	–	–	9 678	130 860
Transfers and subsidies	**1 239**	**–**	**–**	**1 800**	**–**	**–**	**1 800**	**3 039**
Households	1 239	–	–	1 800	–	–	1 800	3 039
Payments for capital assets	**12 850**	**–**	**–**	**(657)**	**–**	**–**	**(657)**	**12 193**
Buildings and other fixed structures	3 200	–	–	(1 400)	–	–	(1 400)	1 800
Machinery and equipment	9 650	–	–	743	–	–	743	10 393
Total	**271 459**	**–**	**–**	**10 821**	**–**	**–**	**10 821**	**282 280**

Programme 2: Promotion of Mine Safety and Health

Subprogramme R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
	2013/14							
		Adjustments appropriation						
Governance Policy and Oversight	49 780	–	–	15	–	–	15	49 795
Mine Health and Safety Regions	113 951	–	–	(15)	–	–	(15)	113 936
Total	**163 731**	**–**	**–**	**–**	**–**	**–**	**–**	**163 731**
Economic classification								
Current payments	**157 692**	**–**	**–**	**(578)**	**–**	**–**	**(578)**	**157 114**
Compensation of employees	125 138	–	–	–	–	–	–	125 138
Goods and services	32 554	–	–	(578)	–	–	(578)	31 976
Transfers and subsidies	**5 035**	**–**	**–**	**–**	**–**	**–**	**–**	**5 035**
Departmental agencies and accounts	5 035	–	–	–	–	–	–	5 035
Payments for capital assets	**1 004**	**–**	**–**	**578**	**–**	**–**	**578**	**1 582**
Machinery and equipment	1 004	–	–	578	–	–	578	1 582
Total	**163 731**	**–**	**–**	**–**	**–**	**–**	**–**	**163 731**

Programme 3: Mineral Regulation

Subprogramme R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
	2013/14							
		Adjustments appropriation						
Mineral Regulation and Administration	134 632	–	–	9 864	–	–	9 864	144 496
Management Mineral Regulation	43 273	–	–	(20 685)	–	–	(20 685)	22 588
South African Diamond and Precious Metal Regulator	44 824	–	–	–	–	–	–	44 824
Total	**222 729**	**–**	**–**	**(10 821)**	**–**	**–**	**(10 821)**	**211 908**
Economic classification								
Current payments	**177 407**	**–**	**–**	**(10 821)**	**–**	**–**	**(10 821)**	**166 586**
Compensation of employees	118 649	–	–	9 095	–	–	9 095	127 744
Goods and services	58 758	–	–	(19 916)	–	–	(19 916)	38 842

Programme 3: Mineral Regulation (continued)

	2013/14							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Transfers and subsidies	**44 824**	**–**	**–**	**–**	**–**	**–**	**–**	**44 824**
Departmental agencies and accounts	44 824	–	–	–	–	–	–	44 824
Payments for capital assets	**498**	**–**	**–**	**–**	**–**	**–**	**–**	**498**
Machinery and equipment	498	–	–	–	–	–	–	498
Total	**222 729**	**–**	**–**	**(10 821)**	**–**	**–**	**(10 821)**	**211 908**

Programme 4: Mineral Policy and Promotion

Subprogramme	2013/14							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Management	13 877	–	–	–	–	–	–	13 877
Mineral Policy	16 774	–	–	12 000	–	–	12 000	28 774
Mineral Promotion	44 276	–	–	–	–	–	–	44 276
Assistance to Mines	18 000	–	–	(18 000)	–	–	(18 000)	–
Council for Geoscience	265 232	–	–	6 000	–	–	6 000	271 232
Council for Mineral Technology	291 509	–	–	50 000	–	–	50 000	341 509
Economic Advisory Services	4 590	–	–	–	–	–	–	4 590
Mine Environmental Management	81 672	–	–	(50 000)	–	–	(50 000)	31 672
Total	**735 930**	**–**	**–**	**–**	**–**	**–**	**–**	**735 930**
Economic classification								
Current payments	**155 420**	**–**	**–**	**(38 079)**	**–**	**–**	**(38 079)**	**117 341**
Compensation of employees	55 045	–	–	–	–	–	–	55 045
Goods and services	100 375	–	–	(38 079)	–	–	(38 079)	62 296
Transfers and subsidies	**578 981**	**–**	**–**	**38 000**	**–**	**–**	**38 000**	**616 981**
Departmental agencies and accounts	265 232	–	–	6 000	–	–	6 000	271 232
Public corporations and private enterprises	313 749	–	–	32 000	–	–	32 000	345 749
Payments for capital assets	**1 529**	**–**	**–**	**79**	**–**	**–**	**79**	**1 608**
Machinery and equipment	1 529	–	–	79	–	–	79	1 608
Total	**735 930**	**–**	**–**	**–**	**–**	**–**	**–**	**735 930**

Details of adjustments to Estimates of National Expenditure 2013

Virements and shifts

Programmes
1. Administration
2. Promotion of Mine Safety and Health
3. Mineral Regulation
4. Mineral Policy and Promotion

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		**(2 057)**	**Programme 2**		**578**
Machinery and equipment	Reallocation of funds from other machinery and equipment	(578)	Machinery and equipment	Procurement of laptops, office equipment and audio visual equipment	578
			Programme 4		**79**
	Reallocation of funds from other machinery and equipment	(79)	Machinery and equipment	Procurement of laptops	79

FROM:			TO:		
Programme by economic classification	**Motivation**	**R thousand**	**Programme by economic classification**	**Motivation**	**R thousand**
			Programme 1		**1 400**
Buildings and other fixed structures	Reallocation of funds from buildings and other fixed structures	(1 400)	Machinery and equipment	Procurement of minister's vehicle	1 400
Shifts within the programme as a percentage of the programme budget		0.05%			
Virements to other programmes as a percentage of the programme budget		**0.2%**			
Programme 2		**(578)**	**Programme 1**		**578**
Goods and services	Reallocation of funds from operating payments, travel and subsistence	(578)	Goods and services	Payments for operating leases and advertising expenditure	578
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		**0.4%**			
Programme 3		**(23 966)**	**Programme 1**		**10 821**
Compensation of employees	Vacant posts[1]	(1 800)	Households	Leave gratuities	1 800
	Vacant posts	(2 250)	Goods and services	Operational and travel related expenditure	2 250
Goods and services	Reallocation of funds from operating leases	(6 771)	Goods and services	Operating leases	6 771
			Programme 3		**13 145**
	Reallocation of funds from travel and subsistence, and computer services[1]	(13 145)	Compensation of employees	Implementation of the National Environmental Management Act (1998)	13 145
Shifts within the programme as a percentage of the programme budget		5.9%			
Virements to other programmes as a percentage of the programme budget		**4.9%**			
Programme 4		**(68 079)**	**Programme 1**		**79**
Goods and services	Reallocation of funds from travel and subsistence, and venues and facilities	(79)	Goods and services	Operating leases and advertising	79
			Programme 4		**68 000**
	Reallocation of funds from contractors[1]	(50 000)	Public corporations and private enterprises	Rehabilitation of derelict and ownerless mines project	50 000
Public corporations and private enterprises	Reallocation of funds from transfers and subsidies	(12 000)	Goods and services	Assessments in relation to the Broad Based Socioeconomic Charter for the South African Mining Industry Kimberley Process certification scheme	12 000
	Reallocation of funds from transfers and subsidies[1]	(6 000)	Departmental agencies and accounts	Witwatersrand water ingress project	6 000
Shifts within the programme as a percentage of the programme budget		9.2%			
Virements to other programmes as a percentage of the programme budget		**0.0%**			
Total		**(94 680)**			**94 680**

1. National Treasury approval has been obtained.

Expenditure for 2012/13 and preliminary expenditure for 2013/14

Programme	2012/13 Expenditure outcome					2013/14 Preliminary expenditure			
R thousand	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted appropriation
Administration	257 259	160 075	62.2	295 254	114.8	282 280	20.3	164 472	58.3
Promotion of Mine Safety and Health	150 618	74 195	49.3	140 715	93.4	163 731	11.7	79 488	48.5
Mineral Regulation	187 786	98 042	52.2	191 395	101.9	211 908	15.2	99 815	47.1
Mineral Policy and Promotion	579 870	309 205	53.3	546 278	94.2	735 930	52.8	401 572	54.6
Total	**1 175 533**	**641 517**	**54.6**	**1 173 642**	**99.8**	**1 393 849**	**100.0**	**745 347**	**53.5**
Economic classification									
Current payments	**613 623**	**328 852**	**53.6**	**623 804**	**101.7**	**708 089**	**50.8**	**344 318**	**48.6**
Compensation of employees	402 272	199 524	49.6	395 914	98.4	444 115	31.9	218 673	49.2
Goods and services	211 194	128 774	61.0	227 890	107.9	263 974	18.9	125 645	47.6
Interest and rent on land	157	554	352.9	–	0.0	–	0.0	–	0.0
Transfers and subsidies	**541 843**	**301 730**	**55.7**	**525 110**	**96.9**	**669 879**	**48.1**	**390 478**	**58.3**
Departmental agencies and accounts	269 138	155 920	57.9	269 138	100.0	321 091	23.0	206 927	64.4
Public corporations and private enterprises	271 531	144 854	53.3	253 531	93.4	345 749	24.8	181 400	52.5
Households	1 174	956	81.4	2 441	207.9	3 039	0.2	2 151	70.8
Payments for capital assets	**20 067**	**10 772**	**53.7**	**24 536**	**122.3**	**15 881**	**1.1**	**10 549**	**66.4**
Buildings and other fixed structures	3 378	314	9.3	408	12.1	1 800	0.1	73	4.1
Machinery and equipment	15 939	10 458	65.6	24 128	151.4	14 081	1.0	10 476	74.4
Software and other intangible assets	750	–	0.0	–	0.0	–	0.0	–	0.0
Payments for financial assets	**–**	**163**	**–**	**192**	**–**	**–**	**0.0**	**2**	**0.0**
Total	**1 175 533**	**641 517**	**54.6**	**1 173 642**	**99.8**	**1 393 849**	**100.0**	**745 347**	**53.5**

Expenditure trends for the first half of 2013/14

Total expenditure in 2012/13 was 99.8 per cent of the 2012/13 adjusted appropriation. Expenditure in the first six months of 2013/14 was R745.347 million, or 53.5 per cent of the adjusted appropriation of R1.394 billion for the year. In comparison, mid-year expenditure in 2012/13 was R641.517 million, or 54.6 per cent of the 2012/13 adjusted appropriation. Compared to the first six months of 2012/13, expenditure over the same period in 2013/14 increased by R103.830 million, or 16.2 per cent. This was mainly due to adjustments to the baseline and to make provision for annual inflation.

Departmental receipts

R thousand	Adjusted estimate	Apr 12 - Sep 12	Apr 12 - 12-Sep % of adjusted estimate	Apr 12 - Mar 13	Apr 12 - 13-Mar % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ total (%)	Apr 13 - Sep 13	Apr 13 - 13-Sep % of adjusted estimate
	2012/13					2013/14				
		Audited outcome				Actual receipts				
Departmental receipts	**99 036**	**77 518**	**78.3**	**93 363**	**94.3**	**51 100**	**41 648**	**100.0**	**20 821**	**50.0**
Sales of goods and services produced by department	2 124	1 063	50.0	4 156	195.7	3 172	2 554	6.1	1 277	50.0
Sales of scrap, waste, arms and other used current goods	–	–	–	1	–	6	6	0.0	–	–
Fines, penalties and forfeits	1 476	738	50.0	1 206	81.7	884	1 226	2.9	613	50.0
Interest, dividends and rent on land	93 920	74 959	79.8	87 158	92.8	46 285	37 064	89.0	18 532	50.0
Transactions in financial assets and liabilities	1 516	758	50.0	842	55.5	753	798	1.9	399	50.0
Total	**99 036**	**77 518**	**78.3**	**93 363**	**94.3**	**51 100**	**41 648**	**100.0**	**20 821**	**50.0**

Revenue trends for the first half of 2013/14

Revenue in the first six months of 2013/14 was R20.821 million, or 50 per cent of the adjusted revenue estimate of R41.648 million for the year. In comparison, mid-year revenue in 2012/13 was R77.518 million, or 78.3 per cent of the 2012/13 adjusted estimate. Compared to the first six months of 2012/13, revenue over the same period in 2013/14 decreased by R56.697 million, or 73.1 per cent. This was mainly because the responsibility to collect royalty payments receivable from new order mining rights has been transferred to the South African Revenue Services.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
	2013/14							
		Adjustments appropriation						
Administration								
Households								
Social benefits								
Current	**1 239**	**–**	**–**	**1 560**	**–**	**–**	**1 560**	**2 799**
Employee social benefits	1 239	–	–	1 560	–	–	1 560	2 799
Households								
Other transfers to households								
Current	**–**	**–**	**–**	**240**	**–**	**–**	**240**	**240**
Employee social benefits	–	–	–	240	–	–	240	240
Mineral Policy and Promotion								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	**242 607**	**–**	**–**	**6 000**	**–**	**–**	**6 000**	**248 607**
Council for Geoscience	242 607	–	–	6 000	–	–	6 000	248 607

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

		2013/14							
		Adjustments appropriation							
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Public corporations and private enterprises								
Public corporations								
Subsidies on production or products								
Current	**235 572**	**–**	**–**	**50 000**	**–**	**–**	**50 000**	**285 572**
Council for Mineral Technology	235 572	–	–	50 000	–	–	50 000	285 572
Public corporations and private enterprises								
Private enterprises								
Subsidies on production or products								
Current	**18 000**	**–**	**–**	**(18 000)**	**–**	**–**	**(18 000)**	**–**
Subsidies to mines	18 000	–	–	(18 000)	–	–	(18 000)	–