

# Vote 29

## Mineral Resources

### Adjusted budget summary

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 890 661</b>	<b>1 890 661</b>	<b>(5 800)</b>	<b>5 800</b>
<i>of which:</i>				
Current payments	876 858	871 058	(5 800)	–
Transfers and subsidies	1 001 453	1 007 253	–	5 800
Payments for capital assets	12 350	12 350	–	–
Executive authority	Minister of Mineral Resources			
Accounting officer	Director General of Mineral Resources			
Website address	www.dmr.gov.za			

### Vote purpose

*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	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Number of occupational health and safety inspections and mine audits conducted per year	Mine Health and Safety	Outcome 4: Decent employment through inclusive growth	8 396	4 691	–
Number of mining rights and permits granted or issued to historically disadvantaged South Africans per year	Mineral Regulation		120	102	–
Number of industry workshops on compliance issues conducted per year	Mineral Regulation		9	6	–
Number of social and labour plan verification inspections per year	Mineral Regulation		212	113	–
Number of environmental verification inspections conducted per year	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 275	849	–
Number of mine economics verification audits per year	Mineral Regulation	Outcome 4: Decent employment through inclusive growth	425	275	–
Number of mineral legislation compliance inspections conducted per year	Mineral Regulation		150	91	–
Number of consultations or engagements and conflict management with stakeholders and the mining industry per year	Mineral Regulation		150	253	–
Number of procurement opportunities facilitated for black industrialists in the mining sector per year	Mineral Regulation		10	5	–

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Number of publications per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	12	5	–
Number of legislative instruments reviewed and amended per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	3	1	–
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion	Outcome 10: Protect and enhance our environmental assets and natural resources	45	10	–
Number of new and established SMMEs supported per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	80	49	–
Number of mining investment promotion events/forums/workshops per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	46	13	–

### Mid-year progress

The department received more applications for mining licenses than expected during the first half of 2018/19, which required increased focus on inspections and audits. As a result, the department completed 849 environmental verification inspections against an annual target of 1 275, 275 mine economics verification audits against an annual target of 425, and 91 mineral legislation compliance inspection against an annual target of 150. The department also supported 49 new and established small, medium and micro enterprises against an annual target of 80.

By mid-year, the department had consulted, engaged with or managed conflict with 253 stakeholders and the mining industry against an annual target of 150. This overachievement is due to ongoing engagements between the department, communities and industry leading up to the finalisation of the mining charter.

During the first half of the year, the department rehabilitated 10 derelict and ownerless mines against an annual target of 45. Progress towards the achievement of this target was hindered community and stakeholder engagements. The department intends to address this by conducting more workshops with communities and mining companies, and anticipates that the target will be achieved by the end of the year.

The African Exploration Mining and Finance Corporation Bill is still under review, and Parliament recently announced that it will not proceed with the Mineral and Petroleum Resource Development Act Amendment Bill. This has contributed to slow progress in achieving the targeted 3 legislative instruments to be reviewed and amended in 2018/19.

The department conducted 13 events to promote investment in the first half of the financial year against an annual target of 46. The finalisation of the mining charter is expected to improve certainty in the sector and contribute to achievement of this target.

### Adjusted Estimates of National Expenditure 2018

Programme	2018/19							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments	
R thousand								
Administration	327 000	–	–	8 000	–	–	8 000	335 000
Mine Health and Safety	205 037	–	–	–	–	–	–	205 037
Mineral Regulation	393 606	–	–	–	–	–	–	393 606
Mineral Policy and Promotion	965 018	–	–	(8 000)	–	–	(8 000)	957 018
<b>Total</b>	<b>1 890 661</b>	–	–	–	–	–	–	<b>1 890 661</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>876 858</b>	–	–	<b>(5 800)</b>	–	–	<b>(5 800)</b>	<b>871 058</b>
Compensation of employees	617 628	–	–	–	–	–	–	617 628
Goods and services	259 230	–	–	(5 800)	–	–	(5 800)	253 430

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Transfers and subsidies</b>	<b>1 001 453</b>	–	–	<b>5 800</b>	–	–	<b>5 800</b>	<b>1 007 253</b>
Departmental agencies and accounts	452 187	–	–	19 677	–	–	19 677	471 864
Public corporations and private enterprises	547 660	–	–	(13 877)	–	–	(13 877)	533 783
Households	1 606	–	–	–	–	–	–	1 606
<b>Payments for capital assets</b>	<b>12 350</b>	–	–	–	–	–	–	<b>12 350</b>
Buildings and other fixed structures	1 954	–	–	–	–	–	–	1 954
Machinery and equipment	10 396	–	–	–	–	–	–	10 396
<b>Total</b>	<b>1 890 661</b>	–	–	–	–	–	–	<b>1 890 661</b>

**Programme 1: Administration**

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Subprogramme</b>								
Ministry	27 276	–	–	–	–	–	–	27 276
Corporate Services	125 175	–	–	8 000	–	–	8 000	133 175
Department Management	30 050	–	–	–	–	–	–	30 050
Financial Administration	96 793	–	–	–	–	–	–	96 793
Internal Audit	12 916	–	–	–	–	–	–	12 916
Office Accommodation	34 790	–	–	–	–	–	–	34 790
<b>Total</b>	<b>327 000</b>	–	–	<b>8 000</b>	–	–	<b>8 000</b>	<b>335 000</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>312 004</b>	–	–	<b>8 000</b>	–	–	<b>8 000</b>	<b>320 004</b>
Compensation of employees	186 927	–	–	–	–	–	–	186 927
Goods and services	125 077	–	–	8 000	–	–	8 000	133 077
<b>Transfers and subsidies</b>	<b>3 579</b>	–	–	–	–	–	–	<b>3 579</b>
Departmental agencies and accounts	1 973	–	–	–	–	–	–	1 973
Households	1 606	–	–	–	–	–	–	1 606
<b>Payments for capital assets</b>	<b>11 417</b>	–	–	–	–	–	–	<b>11 417</b>
Buildings and other fixed structures	1 954	–	–	–	–	–	–	1 954
Machinery and equipment	9 463	–	–	–	–	–	–	9 463
<b>Total</b>	<b>327 000</b>	–	–	<b>8 000</b>	–	–	<b>8 000</b>	<b>335 000</b>

**Programme 3: Mineral Regulation**

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Subprogramme</b>								
Mineral Regulation and Administration	206 821	–	–	(110)	–	–	(110)	206 711
Management Mineral Regulation	29 241	–	–	110	–	–	110	29 351
South African Diamond and Precious Metals Regulator	59 105	–	–	–	–	–	–	59 105
Petroleum Agency South Africa	98 439	–	–	–	–	–	–	98 439
<b>Total</b>	<b>393 606</b>	–	–	–	–	–	–	<b>393 606</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>236 021</b>	–	–	–	–	–	–	<b>236 021</b>
Compensation of employees	193 191	–	–	–	–	–	–	193 191
Goods and services	42 830	–	–	–	–	–	–	42 830
<b>Transfers and subsidies</b>	<b>157 544</b>	–	–	–	–	–	–	<b>157 544</b>
Departmental agencies and accounts	59 105	–	–	–	–	–	–	59 105
Public corporations and private enterprises	98 439	–	–	–	–	–	–	98 439
<b>Payments for capital assets</b>	<b>41</b>	–	–	–	–	–	–	<b>41</b>
Machinery and equipment	41	–	–	–	–	–	–	41
<b>Total</b>	<b>393 606</b>	–	–	–	–	–	–	<b>393 606</b>

**Programme 4: Mineral Policy and Promotion**

Subprogramme	2018/19							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management	22 294	–	–	–	–	–	–	22 294
Mineral Policy	20 007	–	–	–	–	–	–	20 007
Mineral Promotion and International Coordination	71 806	–	–	(8 000)	–	–	(8 000)	63 806
Assistance to Mines	5 877	–	–	(5 877)	–	–	(5 877)	–
Council for Geoscience	386 306	–	–	19 677	–	–	19 677	405 983
Mintek	420 368	–	–	–	–	–	–	420 368
Economic Advisory Services	4 491	–	–	–	–	–	–	4 491
Mine Environmental Management	33 869	–	–	(13 800)	–	–	(13 800)	20 069
<b>Total</b>	<b>965 018</b>	<b>–</b>	<b>–</b>	<b>(8 000)</b>	<b>–</b>	<b>–</b>	<b>(8 000)</b>	<b>957 018</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>129 328</b>	<b>–</b>	<b>–</b>	<b>(13 800)</b>	<b>–</b>	<b>–</b>	<b>(13 800)</b>	<b>115 528</b>
Compensation of employees	71 224	–	–	–	–	–	–	71 224
Goods and services	58 104	–	–	(13 800)	–	–	(13 800)	44 304
<b>Transfers and subsidies</b>	<b>835 527</b>	<b>–</b>	<b>–</b>	<b>5 800</b>	<b>–</b>	<b>–</b>	<b>5 800</b>	<b>841 327</b>
Departmental agencies and accounts	386 306	–	–	19 677	–	–	19 677	405 983
Public corporations and private enterprises	449 221	–	–	(13 877)	–	–	(13 877)	435 344
<b>Payments for capital assets</b>	<b>163</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>163</b>
Machinery and equipment	163	–	–	–	–	–	–	163
<b>Total</b>	<b>965 018</b>	<b>–</b>	<b>–</b>	<b>(8 000)</b>	<b>–</b>	<b>–</b>	<b>(8 000)</b>	<b>957 018</b>

**Details of adjustments to Estimates of National Expenditure 2018****Virements and shifts within the vote****Programmes**

- Administration
- Mine Health and Safety
- Mineral Regulation
- Mineral Policy and Promotion

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 4</b>		<b>(64 177)</b>	<b>Programme 4</b>		<b>5 800</b>
Goods and services	Contractors	(5 800)	Departmental agencies and accounts	Rehabilitation of mines project <sup>1</sup>	5 800
	Contractors	(8 000)	<b>Programme 1</b>		<b>8 000</b>
			Goods and services	Operating leases	8 000
			<b>Programme 4</b>		<b>50 377</b>
Public corporations and private enterprises	Transfers and subsidies for assistance to mines and the Industrial Development Corporation <sup>1</sup>	(13 877)	Departmental agencies and accounts	Rehabilitation of mines project <sup>1</sup>	13 877
	Mintek capital operational budget	(2 355)	Public corporations and private enterprises	Mintek current operational budget <sup>1</sup>	2 355
Departmental agencies and accounts	Council for Geoscience capital operational budget	(34 145)	Departmental agencies and accounts	Council for Geoscience current operational budget <sup>1</sup>	34 145
Shifts within the programme as a percentage of the programme budget		5.8%			
Virements to other programmes as a percentage of the programme budget		0.8%			
<b>Total</b>		<b>(64 177)</b>			<b>64 177</b>

1. National Treasury approval has been obtained.

**Expenditure outcome for 2017/18 and actual expenditure for 2018/19**

Programme	2017/18					2018/19			
	Audited outcome					Actual expenditure			
R thousand	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation
Administration	339 931	180 684	53.2	362 470	106.6	335 000	17.7	179 439	53.6
Mine Health and Safety	194 146	102 409	52.7	203 657	104.9	205 037	10.8	105 647	51.5
Mineral Regulation	379 260	173 752	45.8	370 104	97.6	393 606	20.8	196 610	50.0
Mineral Policy and Promotion	866 112	491 356	56.7	840 454	97.0	957 018	50.6	529 720	55.4
<b>Total</b>	<b>1 779 449</b>	<b>948 201</b>	<b>53.3</b>	<b>1 776 685</b>	<b>99.8</b>	<b>1 890 661</b>	<b>100.0</b>	<b>1 011 416</b>	<b>53.5</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>871 021</b>	<b>423 678</b>	<b>48.6</b>	<b>867 276</b>	<b>99.6</b>	<b>871 058</b>	<b>46.1</b>	<b>432 206</b>	<b>49.6</b>
Compensation of employees	590 760	286 784	48.5	588 355	99.6	617 628	32.7	302 589	49.0
Goods and services	280 261	136 894	48.8	278 921	99.5	253 430	13.4	129 617	51.1
<b>Transfers and subsidies</b>	<b>896 767</b>	<b>522 169</b>	<b>58.2</b>	<b>896 740</b>	<b>100.0</b>	<b>1 007 253</b>	<b>53.3</b>	<b>576 168</b>	<b>57.2</b>
Departmental agencies and accounts	440 855	306 474	69.5	440 733	100.0	471 864	25.0	306 243	64.9
Public corporations and private enterprises	454 394	214 617	47.2	454 394	100.0	533 783	28.2	268 214	50.2
Households	1 518	1 078	71.0	1 613	106.3	1 606	0.1	1 711	106.5
<b>Payments for capital assets</b>	<b>11 661</b>	<b>2 354</b>	<b>20.2</b>	<b>12 669</b>	<b>108.6</b>	<b>12 350</b>	<b>0.7</b>	<b>2 390</b>	<b>19.4</b>
Buildings and other fixed structures	1 830	105	5.7	263	14.4	1 954	0.1	44	2.3
Machinery and equipment	9 831	2 249	22.9	11 614	118.1	10 396	0.5	2 346	22.6
Software and other intangible assets	–	–	0.0	792	0.0	–	0.0	–	0.0
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.0</b>	<b>652</b>	<b>0.0</b>
<b>Total</b>	<b>1 779 449</b>	<b>948 201</b>	<b>53.3</b>	<b>1 776 685</b>	<b>99.8</b>	<b>1 890 661</b>	<b>100.0</b>	<b>1 011 416</b>	<b>53.5</b>

**Expenditure trends for the first half of 2018/19**

Total expenditure in 2017/18 was R1.8 billion, 99.8 per cent of the adjusted appropriation for the year. Expenditure in the first half of 2017/18 was R948.2 million, 53.3 per cent of the 2017/18 adjusted appropriation, whereas mid-year expenditure in 2018/19 was R1 billion, 53.5 per cent of the adjusted appropriation for the year. Compared to the first half of 2017/18, expenditure over the same period in 2018/19 increased by R63.2 million, 6.7 per cent, driven mainly by increased expenditure on office accommodation.

**Departmental receipts**

R thousand	2017/18					2018/19				
	Audited outcome					Actual receipts				
Adjusted estimate	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate	
<b>Departmental receipts</b>	<b>40 250</b>	<b>19 740</b>	<b>49.0</b>	<b>38 912</b>	<b>96.7</b>	<b>40 311</b>	<b>43 027</b>	<b>100.0</b>	<b>22 141</b>	<b>51.5</b>
Sales of goods and services produced by department	11 354	5 505	48.5	11 642	102.5	12 002	12 002	27.9	6 233	51.9
Sales of scrap, waste, arms and other used current goods	–	–	–	–	–	2	2	0.0	–	–
Fines, penalties and forfeits	859	442	51.5	1 294	150.6	883	1 874	4.4	1 257	67.1
Interest, dividends and rent on land	25 580	12 046	47.1	23 576	92.2	27 038	27 038	62.8	12 739	47.1
Transactions in financial assets and liabilities	2 457	1 747	71.1	2 400	97.7	386	2 111	4.9	1 912	90.6
<b>Total</b>	<b>40 250</b>	<b>19 740</b>	<b>49.0</b>	<b>38 912</b>	<b>96.7</b>	<b>40 311</b>	<b>43 027</b>	<b>100.0</b>	<b>22 141</b>	<b>51.5</b>

## Revenue trends for the first half of 2018/19

Mid-year revenue in 2017/18 was R19.7 million, 49 per cent of the 2017/18 adjusted estimate, whereas revenue in the first half of 2018/19 was R22.1 million, 51.5 per cent of the adjusted estimate for the year. Compared to the first half of 2017/18, revenue over the same period in 2018/19 increased by R2.4 million, 12.2 per cent. This was mainly due to an increase in payments received from clients in relation to prospecting fees and permits for mining rights that were due in previous financial years.

## Changes to transfers and subsidies

### Summary of changes to transfers and subsidies per programme

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Mineral Policy and Promotion</b>								
<b>Departmental agencies and accounts</b>								
<b>Departmental agencies (non-business entities)</b>								
<b>Current</b>	<b>257 791</b>	–	–	<b>53 822</b>	–	–	<b>53 822</b>	<b>311 613</b>
Council for Geoscience	257 791	–	–	53 822	–	–	53 822	311 613
<b>Capital</b>	<b>37 468</b>	–	–	<b>(34 145)</b>	–	–	<b>(34 145)</b>	<b>3 323</b>
Council for Geoscience	37 468	–	–	(34 145)	–	–	(34 145)	3 323
<b>Public corporations and private enterprises</b>								
<b>Public corporations</b>								
<b>Subsidies on production or products</b>								
<b>Current</b>	<b>383 513</b>	–	–	<b>(5 645)</b>	–	–	<b>(5 645)</b>	<b>377 868</b>
Industrial Development Corporation	22 976	–	–	(8 000)	–	–	(8 000)	14 976
Mintek	290 537	–	–	28 676	–	–	28 676	319 213
Mintek: Economic competitiveness and support package	70 000	–	–	(26 321)	–	–	(26 321)	43 679
<b>Capital</b>	<b>59 831</b>	–	–	<b>(2 355)</b>	–	–	<b>(2 355)</b>	<b>57 476</b>
Mintek	59 831	–	–	(28 676)	–	–	(28 676)	31 155
Mintek: Economic competitiveness and support package	–	–	–	26 321	–	–	26 321	26 321
<b>Public corporations and private enterprises</b>								
<b>Private enterprises</b>								
<b>Subsidies on production or products</b>								
<b>Current</b>	<b>5 877</b>	–	–	<b>(5 877)</b>	–	–	<b>(5 877)</b>	–
Various institutions: Water management solutions subsidies for marginal mines	5 877	–	–	(5 877)	–	–	(5 877)	–