

Vote 29

Mineral Resources

Adjusted budget summary

R thousand	Appropriation	2019/20 Adjustments appropriation		Adjusted appropriation
		Decrease	Increase	
Amount to be appropriated	2 005 220	(3 000)	–	2 002 220
<i>of which:</i>				
Current payments	914 158	–	–	914 158
Transfers and subsidies	1 078 041	(3 000)	–	1 075 041
Payments for capital assets	13 021	–	–	13 021
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.

2019 National macro organisation of government

The Department of Mineral Resources will merge with the Department of Energy by 1 April 2020. The two departments are working together to implement action plans for different workstreams to develop new organisational and programme structures for the new Department of Minerals and Energy.

Mid-year performance

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first half of 2019/20 (April to September)	Changed target for 2019/20
Total number of qualitative inspections conducted per year ¹	Mine Health and Safety	Outcome 4: Decent employment through inclusive growth	8 000 ¹	4 069	–
Total number of qualitative audits conducted including individual audits per year ¹	Mine Health and Safety		396 ¹	239	–
Number of mining rights and permits granted or issued to historically disadvantaged South Africans per year	Mineral Regulation		120 ¹	97	–
Number of industry workshops on compliance issues conducted per year	Mineral Regulation		9	5	–
Number of social and labour plan verification inspections per year	Mineral Regulation		212	120	–
Number of environmental verification inspections conducted per year	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 275	760	–

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first half of 2019/20 (April to September)	Changed target for 2019/20
Number of mine economics verification audits per year	Mineral Regulation	Outcome 4: Decent employment through inclusive growth	425	226	–
Number of mineral legislation compliance inspections conducted per year	Mineral Regulation		150	63	–
Number of consultations or engagements and conflict management sessions with stakeholders and the mining industry per year ²	Mineral Regulation		120 ²	269	–
Number of procurement opportunities facilitated for black industrialists in the mining sector per year	Mineral Regulation		10	4	–
Number of publications per year	Mineral Policy and Promotion	Outcome 7: Comprehensive rural development and land reform	19	7	–
Number of legislative instruments reviewed and amended per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	4 ¹	0	–
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion	Outcome 10: Protect and enhance our environmental assets and natural resources	43	17	–
Number of new and established small, medium and micro enterprises supported per year	Mineral Policy and Promotion	Outcome 7: Comprehensive rural development and land reform	40	24	–
Number of mining investment promotion events/forums/workshops per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	13	3	–

1. Target and/or indicator changed to align with the department's 2019/20 annual performance plan, which was finalised after the 2019 ENE had been published.

2. As the mining charter has been finalised, investor certainty is expected to improve, resulting in fewer seminars and events being required.

Mid-year progress

During the first half of 2019/20, the department held 269 consultations or engagements and conflict management sessions with stakeholders and the mining industry against an annual target of 120. This overachievement was due to the department having proactively engaged and consulted with communities and traditional authorities on changes to the mining charter. Over the same period, the department published 7 publications against an annual target of 19. This was keeping with its quarterly performance targets.

By mid-year, no legislative instruments were reviewed and amended against an annual target of 4. These are scheduled for completion towards the end of 2019/20. During the same period, 17 derelict and ownerless mines and shafts were rehabilitated against an annual target of 43. This slow progress is attributed to administrative delays due to the change of implementing agencies from the Council for Geoscience to the Council for Mineral Technology and Research (Mintek). The department held 3 mining investment promotion events/forums/workshops, in line with quarterly targets, against an annual cumulative target of 13.

Adjusted Estimates

Programme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Administration	345 454	–	–	–	–	–	–	345 454
Mine Health and Safety	218 570	–	4 200	–	–	–	4 200	222 770
Mineral Regulation	443 664	–	–	–	–	–	–	443 664
Mineral Policy and Promotion	997 532	–	(4 200)	–	(3 000)	–	(7 200)	990 332
Total	2 005 220	–	–	–	(3 000)	–	(3 000)	2 002 220
Economic classification								
Current payments	914 158	–	–	–	–	–	–	914 158
Compensation of employees	665 178	–	–	–	–	–	–	665 178
Goods and services	248 980	–	–	–	–	–	–	248 980
Transfers and subsidies	1 078 041	–	–	–	(3 000)	–	(3 000)	1 075 041
Departmental agencies and accounts	481 988	–	–	–	–	–	–	481 988
Public corporations and private enterprises	594 357	–	–	–	(3 000)	–	(3 000)	591 357
Households	1 696	–	–	–	–	–	–	1 696
Payments for capital assets	13 021	–	–	–	–	–	–	13 021
Buildings and other fixed structures	2 056	–	–	–	–	–	–	2 056
Machinery and equipment	10 965	–	–	–	–	–	–	10 965
Total	2 005 220	–	–	–	(3 000)	–	(3 000)	2 002 220

Programme 1: Administration

Subprogramme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Ministry	30 674	–	–	–	–	–	–	30 674
Corporate Services	137 309	–	700	–	–	–	700	138 009
Department Management	24 058	–	–	–	–	–	–	24 058
Financial Administration	102 925	–	(700)	–	–	–	(700)	102 225
Internal Audit	13 750	–	–	–	–	–	–	13 750
Office Accommodation	36 738	–	–	–	–	–	–	36 738
Total	345 454	–	–	–	–	–	–	345 454
Economic classification								
Current payments	329 726	–	–	–	–	–	–	329 726
Compensation of employees	199 807	–	–	–	–	–	–	199 807
Goods and services	129 919	–	–	–	–	–	–	129 919
Transfers and subsidies	3 692	–	–	–	–	–	–	3 692
Departmental agencies and accounts	1 996	–	–	–	–	–	–	1 996
Households	1 696	–	–	–	–	–	–	1 696
Payments for capital assets	12 036	–	–	–	–	–	–	12 036
Buildings and other fixed structures	2 056	–	–	–	–	–	–	2 056
Machinery and equipment	9 980	–	–	–	–	–	–	9 980
Total	345 454	–	–	–	–	–	–	345 454

Programme 2: Mine Health and Safety

Subprogramme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Governance Policy and Oversight	65 473	–	4 200	–	–	–	4 200	69 673
Mine Health and Safety Regions	148 711	–	–	–	–	–	–	148 711
Mine Health and Safety Council	4 386	–	–	–	–	–	–	4 386
Total	218 570	–	4 200	–	–	–	4 200	222 770
Economic classification								
Current payments	213 414	–	4 200	–	–	–	4 200	217 614
Compensation of employees	178 335	–	4 200	–	–	–	4 200	182 535
Goods and services	35 079	–	–	–	–	–	–	35 079
Transfers and subsidies	4 386	–	–	–	–	–	–	4 386
Departmental agencies and accounts	4 386	–	–	–	–	–	–	4 386
Payments for capital assets	770	–	–	–	–	–	–	770
Machinery and equipment	770	–	–	–	–	–	–	770
Total	218 570	–	4 200	–	–	–	4 200	222 770

Programme 4: Mineral Policy and Promotion

Subprogramme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Management	23 327	–	–	–	–	–	–	23 327
Mineral Policy	21 628	–	(4 200)	–	–	–	(4 200)	17 428
Mineral Promotion and International Coordination	76 695	–	–	–	(3 000)	–	(3 000)	73 695
Assistance to Mines	6 206	–	–	–	–	–	–	6 206
Council for Geoscience	414 062	–	–	–	–	–	–	414 062
Mintek	436 022	–	–	–	–	–	–	436 022
Economic Advisory Services	4 866	–	–	–	–	–	–	4 866
Mine Environmental Management	14 726	–	–	–	–	–	–	14 726
Total	997 532	–	(4 200)	–	(3 000)	–	(7 200)	990 332
Economic classification								
Current payments	116 387	–	(4 200)	–	–	–	(4 200)	112 187
Compensation of employees	77 633	–	(4 200)	–	–	–	(4 200)	73 433
Goods and services	38 754	–	–	–	–	–	–	38 754
Transfers and subsidies	880 973	–	–	–	(3 000)	–	(3 000)	877 973
Departmental agencies and accounts	414 062	–	–	–	–	–	–	414 062
Public corporations and private enterprises	466 911	–	–	–	(3 000)	–	(3 000)	463 911
Payments for capital assets	172	–	–	–	–	–	–	172
Machinery and equipment	172	–	–	–	–	–	–	172
Total	997 532	–	(4 200)	–	(3 000)	–	(7 200)	990 332

Details of adjustments to the 2019 Estimates of National Expenditure

Virements and shifts within the vote

Programmes					
1. Administration					
2. Mine Health and Safety					
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 4		(4 200)	Programme 2		4 200
Compensation of employees	Transfer of officials	(4 200)	Compensation of employees	Transfer of officials	4 200
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%			
Total		(4 200)			4 200

Declared unspent funds – R3 million

Programme 4: Mineral Policy and Promotion

R3 million in unspent funds has been declared on the Industrial Development Corporation.

Expenditure outcome for 2018/19 and actual expenditure for 2019/20

Programme	2018/19					2019/20			
	Adjusted appropriation	Outcome			Adjusted appropriation/ Total (%)	Actual expenditure			
Apr 18 - Sep 18 % of adjusted appropriation		Apr 18 - Mar 19	Apr 18 - Mar 19 % of adjusted appropriation	Adjusted appropriation		Apr 19 - Sep 19	Apr 19 - Sep 19 % of adjusted appropriation		
R thousand									
Administration	361 649	179 439	49.6	354 471	98.0	345 454	17.3	194 775	56.4
Mine Health and Safety	209 053	105 647	50.5	208 477	99.7	222 770	11.1	108 943	48.9
Mineral Regulation	389 277	196 610	50.5	388 775	99.9	443 664	22.2	232 644	52.4
Mineral Policy and Promotion	930 682	529 720	56.9	928 400	99.8	990 332	49.5	578 866	58.5
Total	1 890 661	1 011 416	53.5	1 880 123	99.4	2 002 220	100.0	1 115 228	55.7
Economic classification									
Current payments	884 477	432 206	48.9	877 999	99.3	914 158	45.7	469 472	51.4
Compensation of employees	616 728	302 589	49.1	611 141	99.1	665 178	33.2	314 979	47.4
Goods and services	267 749	129 617	48.4	266 858	99.7	248 980	12.4	154 493	62.1
Transfers and subsidies	993 182	576 168	58.0	992 866	100.0	1 075 041	53.7	644 704	60.0
Departmental agencies and accounts	471 864	306 243	64.9	471 744	100.0	481 988	24.1	348 780	72.4
Public corporations and private enterprises	518 812	268 214	51.7	518 807	100.0	591 357	29.5	294 617	49.8
Households	2 506	1 711	68.3	2 315	92.4	1 696	0.1	1 307	77.1

Economic classification	2018/19					2019/20			
	Adjusted appropriation	Outcome				Adjusted appropriation/Total (%)	Actual expenditure		
		Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation	Apr 18 - Mar 19	Apr 18 - Mar 19 % of adjusted appropriation		Apr 19 - Sep 19	Apr 19 - Sep 19 % of adjusted appropriation	
R thousand									
Payments for capital assets	12 350	2 390	19.4	8 606	69.7	13 021	0.7	1 052	8.1
Buildings and other fixed structures	1 454	44	3.0	636	43.7	2 056	0.1	204	9.9
Machinery and equipment	10 896	2 346	21.5	7 970	73.1	10 965	0.5	848	7.7
Payments for financial assets	652	652	100.0	652	100.0	-	-	-	-
Total	1 890 661	1 011 416	53.5	1 880 123	99.4	2 002 220	100.0	1 115 228	55.7

Expenditure trends for the first half of 2019/20

Total expenditure in 2018/19 was R1.9 billion, 99.4 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2018/19 was R1 billion, 53.5 per cent of the 2018/19 adjusted appropriation, whereas expenditure in the first half of 2019/20 was R1.1 billion, 55.7 per cent of the adjusted appropriation for the year. Compared to the first half of 2018/19, expenditure over the same period in 2019/20 increased by R103.8 million, 10.3 per cent, due to high costs related to office accommodation.

Departmental receipts

Economic classification	2018/19					2019/20				
	Adjusted estimate	Outcome				Budget estimate	Adjusted estimate	Adjusted receipts estimate/Total (%)	Actual receipts	
		Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate	Apr 18 - Mar 19	Apr 18 - Mar 19 % of adjusted estimate				Apr 19 - Sep 19	Apr 19 - Sep 19 % of adjusted estimate
R thousand										
Departmental receipts	43 027	22 141	51.5	33 693	78.3	41 072	42 090	100.0	21 034	50.0
Sales of goods and services produced by department	12 002	6 233	51.9	11 180	93.2	12 313	12 313	29.3	5 653	45.9
Sales of scrap, waste, arms and other used current goods	2	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 874	1 257	67.1	1 872	99.9	1 362	2 380	5.7	1 928	81.0
Interest, dividends and rent on land	27 038	12 739	47.1	19 076	70.6	24 876	24 876	59.1	12 948	52.1
Transactions in financial assets and liabilities	2 111	1 912	90.6	1 565	74.1	2 521	2 521	6.0	505	20.0
Total	43 027	22 141	51.5	33 693	78.3	41 072	42 090	100.0	21 034	50.0

Revenue trends for the first half of 2019/20

Mid-year revenue in 2018/19 was R22.1 million, 51.5 per cent of the 2018/19 adjusted estimate, whereas revenue in the first half of 2019/20 was R21 million, 50 per cent of the adjusted estimate for the year. Compared to the first half of 2018/19, revenue over the same period in 2019/20 decreased by R1.1 million, 5 per cent. This was mainly due to the temporary closure of the Mpumalanga office, which reduced application fees and other revenue streams.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

		2019/20						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
	Mineral Policy and Promotion							
	Public corporations and private enterprises							
	Public corporations							
	Subsidies on production or products							
	Current	24 683	-	-	-	(3 000)	-	(3 000)
	Industrial Development Corporation	24 683	-	-	-	(3 000)	-	(3 000)

