

BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE

VOTE 32: Mineral Resources



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2013

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2013 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Mineral Resources

**National Treasury
Republic of South Africa**



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Vote 32

Mineral Resources

Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	271.5	257.4	1.2	12.9	276.7	289.9
Promotion of Mine Safety and Health	163.7	157.7	5.0	1.0	171.4	179.8
Mineral Regulation	222.7	177.4	44.8	0.5	234.8	249.1
Mineral Policy and Promotion	735.9	155.4	579.0	1.5	808.4	900.5
Total expenditure estimates	1 393.8	747.9	630.1	15.9	1 491.3	1 619.2
Executive authority	Minister of Mineral Resources					
Accounting officer	Director General of Mineral Resources					
Website address	www.dmr.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

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.

Mandate

The mandate of the Department of Mineral Resources is broadly informed by the following:

- the Minerals and Petroleum Resources Development Act (2002), which provides the regulatory framework for equitable access to and the sustainable development of mineral resources and related matters
- the Mine Health and Safety Act (1996), which governs mine health and safety
- the 1998 White Paper on the Minerals and Mining Policy for South Africa, which provides the framework for the transparent and efficient regulation of the mineral resources and mineral industry.

Strategic goals

The department's strategic goals over the medium term are to:

- promote the sustainable use and management of resources, contribute to skills development, and create meaningful and sustainable jobs
- provide a framework for managing health and safety risks, enforcing compliance and promoting best practice in the mining sector
- redress past imbalances through broader participation in the minerals sector by: directly intervening in communities; and increasing black economic empowerment and the participation of small, medium and micro enterprises (SMMEs) as well as women, youth and the disabled
- contribute to the reduction of the adverse environmental impacts of mining
- promote and facilitate an increase in mining activity and in value added to mineral resources extracted in South Africa

- attract, develop and retain appropriate skills and ensure the optimal use of resources by implementing risk management strategies and promoting sound corporate governance.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic support and management services to the ministry and the department.

Programme 2: Promotion of Mine Safety and Health

Purpose: Ensure the safe mining of minerals under healthy working conditions.

Programme 3: Mineral Regulation

Purpose: Regulate the minerals and mining sector to promote economic development, employment, and ensure transformation and environmental compliance.

Programme 4: Mineral Policy and Promotion

Purpose: Develop relevant mineral policies that promote South Africa's mining and minerals industries to attract investment.

Selected performance indicators

Table 32.1 Mineral Resources

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
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	7 164	7 566	8 020	8 396	8 396	8 396	8 396
Number of mining rights granted to historically disadvantaged South Africans per year ¹	Mineral Regulation		300	198	82	90	200	200	250
Number of industry workshops on compliance issues per year	Mineral Regulation		9	32	34	27	9	9	9
Number of mining charter inspections per year	Mineral Regulation		171	100	259	180	210	250	300
Number of environment inspections per year	Mineral Regulation	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	1 907	2 853	1 898	1 800	1700	1700	1700
Number of publications per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	11	15	12	12	11	11	11
Number of policies developed or reviewed per year	Mineral Policy and Promotion		3	1	2	4	2	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	0	5	3	12	30	40	50
Number of sustainable SMMEs supported (new and established) per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	49	82	85	67	67	67	67

¹ The department does not have control over the number of eligible applications submitted, hence the year-to-year fluctuations. The target over the medium term has been adjusted to include the number of women led companies to avoid double counting, since women are also included in the definition of historically disadvantaged South Africans.

The national development plan

Despite the contraction in the mining industry over the past decade, the national development plan proposes that the sector could expand by 3 to 4 per cent per year to 2020, creating a further 100 000 jobs, and that 300 000 direct and indirect jobs could be generated by 2030. The interventions recommended by the plan include ensuring a stable regulatory framework, conducting research on improving energy and water efficient extraction methods, developing links with supplier industries and downstream producers, identifying resource

based products for manufacture to improve beneficiation, and improving the alignment of the mining charter requirements to stimulate development in local communities.

The department will continue to develop the strategy for sustainable growth and meaningful transformation of South Africa's mining industry. This will include the amendment of the regulatory framework to clarify the Mineral and Petroleum Resources Development Act (2002) and the Mine Health and Safety Act (1996), as promoted by the plan. The department will also continue to contribute to the national industrialisation programme through the beneficiation strategy and its key implementation plan, and the determination of mining and beneficiation infrastructure.

Expenditure estimates

Table 32.2 Mineral Resources

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
Administration	159.3	226.7	257.6	257.3	274.0	19.8%	22.7%	271.5	276.7	289.9	1.9%	19.6%
Promotion of Mine Safety and Health	132.0	137.1	141.3	150.6	147.4	3.7%	13.8%	163.7	171.4	179.8	6.8%	11.7%
Mineral Regulation	179.5	188.6	184.4	187.8	185.3	1.1%	18.3%	222.7	234.8	249.1	10.4%	15.7%
Mineral Policy and Promotion	382.9	442.3	446.2	579.9	556.3	13.3%	45.2%	735.9	808.4	900.5	17.4%	53.0%
Total	853.8	994.7	1 029.4	1 175.5	1 163.0	10.8%	100.0%	1 393.8	1 491.3	1 619.2	11.7%	100.0%
Change to 2012 Budget estimate				6.5	(6.1)			94.8	130.1	195.5		
Economic classification	425.4	533.0	589.8	613.6	617.9	13.3%	53.6%	747.9	797.3	844.3	11.0%	53.1%
Current payments												
Compensation of employees	275.1	326.5	364.6	402.3	398.5	13.2%	33.8%	435.0	462.8	490.8	7.2%	31.5%
Goods and services	150.3	206.5	222.6	211.2	218.8	13.3%	19.8%	312.9	334.5	353.5	17.4%	21.5%
<i>of which:</i>												
Administration fees	2.0	2.9	2.6	3.4	3.4	19.6%	0.3%	3.4	3.6	3.8	3.5%	0.3%
Advertising	1.5	1.7	1.4	2.4	1.6	3.8%	0.2%	2.5	2.7	2.8	20.3%	0.2%
Assets less than the capitalisation threshold	3.5	0.9	0.5	9.7	2.0	-16.5%	0.2%	3.5	4.1	3.8	23.1%	0.2%
Audit cost: External	2.4	3.7	4.8	3.9	5.1	28.4%	0.4%	4.2	5.1	5.4	1.6%	0.3%
Bursaries: Employees	1.9	2.1	2.7	3.1	2.8	13.7%	0.2%	2.8	3.0	3.1	4.3%	0.2%
Catering: Departmental activities	0.7	0.9	0.9	2.1	1.5	29.9%	0.1%	2.1	2.3	2.4	17.4%	0.1%
Communication	15.4	11.2	14.4	9.7	10.2	-12.8%	1.3%	10.8	11.6	12.2	6.2%	0.8%
Computer services	8.6	19.6	21.4	17.5	22.3	37.2%	1.8%	27.9	31.4	32.4	13.3%	2.0%
Consultants and professional services: Business and advisory services	26.3	6.5	2.1	4.0	3.3	-50.0%	0.9%	4.3	4.8	5.0	15.4%	0.3%
Consultants and professional services: Infrastructure and planning	-	5.8	0.1	6.7	2.5		0.2%	-	-	-	-100.0%	0.0%
Consultants and professional services: Laboratory services	-	-	12.4	-	-		0.3%	-	-	-		
Consultants and professional services: Legal costs	7.0	3.9	0.3	3.4	5.9	-5.5%	0.4%	5.7	5.7	10.7	22.1%	0.5%
Contractors	11.3	1.7	1.3	2.9	1.8	-45.8%	0.4%	75.9	95.4	105.2	288.5%	4.9%
Agency and support / outsourced services	0.3	0.2	0.0	0.1	0.0	-53.6%	0.0%	0.1	0.1	0.1	47.2%	0.0%
Entertainment	0.0	0.2	0.2	0.3	0.2	160.2%	0.0%	0.3	0.3	0.3	12.6%	0.0%
Fleet services (including government motor transport)	-	-	-	1.0	0.7		0.0%	1.2	1.3	1.4	26.3%	0.1%
Inventory: Food and food supplies	-	-	0.1	0.5	0.3		0.0%	0.5	0.6	0.6	27.3%	0.0%
Inventory: Fuel, oil and gas	0.0	0.0	0.2	-	-	-100.0%	0.0%	-	-	-		
Inventory: Learner and teacher support material	0.1	0.0	0.0	0.2	0.1	-22.2%	0.0%	0.2	0.2	0.2	37.2%	0.0%
Inventory: Materials and supplies	0.3	3.5	0.3	0.6	0.3	4.0%	0.1%	0.6	0.6	0.7	26.5%	0.0%
Inventory: Medical supplies	0.0	0.0	-	0.1	0.1	162.1%	0.0%	0.1	0.1	0.1	11.1%	0.0%
Inventory: Other consumables	1.0	1.1	1.1	1.7	1.1	6.2%	0.1%	1.8	1.9	2.0	20.2%	0.1%
Inventory: Stationery and printing	5.1	4.3	3.9	6.2	3.9	-8.6%	0.4%	7.7	8.4	8.8	31.0%	0.5%
Operating leases	13.9	71.0	82.3	42.0	66.7	68.6%	5.8%	51.3	40.9	36.3	-18.4%	3.4%
Property payments	2.0	3.4	2.4	4.4	4.2	28.1%	0.3%	5.1	5.5	5.7	10.9%	0.4%
Travel and subsistence	30.4	54.7	57.6	62.8	62.4	27.1%	5.1%	73.8	75.8	80.1	8.6%	5.2%
Training and development	6.1	1.8	3.1	7.0	4.0	-12.9%	0.4%	8.3	9.1	9.5	33.4%	0.5%
Operating payments	8.0	3.2	4.3	9.7	7.2	-3.1%	0.6%	13.2	14.1	14.8	26.9%	0.9%
Venues and facilities	2.7	2.3	2.5	5.7	5.2	24.5%	0.3%	5.5	5.9	6.2	6.1%	0.4%
Interest and rent on land	-	-	2.6	0.2	0.6		0.1%	-	-	-	-100.0%	0.0%
Transfers and subsidies	395.8	438.1	420.8	541.8	527.1	10.0%	44.1%	630.1	682.9	763.3	13.1%	45.9%
Departmental agencies and accounts	178.2	215.2	199.1	269.1	266.5	14.4%	21.3%	315.1	350.8	375.2	12.1%	23.1%
Public corporations and private enterprises	217.3	222.4	220.3	271.5	259.1	6.0%	22.7%	313.7	330.8	386.8	14.3%	22.8%
Households	0.4	0.5	1.5	1.2	1.6	63.3%	0.1%	1.2	1.3	1.4	-4.1%	0.1%
Payments for capital assets	32.0	23.6	18.6	20.1	17.8	-17.8%	2.3%	15.9	11.1	11.6	-13.2%	1.0%
Buildings and other fixed structures	12.8	17.1	0.9	3.4	2.0	-46.5%	0.8%	3.2	3.4	3.5	22.0%	0.2%
Machinery and equipment	18.3	5.4	17.1	15.9	15.5	-5.4%	1.4%	12.7	7.7	8.1	-19.5%	0.8%
Software and other intangible assets	0.9	1.1	0.6	0.8	0.3	-28.8%	0.1%	-	-	-	-100.0%	0.0%
Payments for financial assets	0.7	0.1	0.2	-	0.2	-37.7%	0.0%	-	-	-	-100.0%	0.0%
Total	853.8	994.7	1 029.4	1 175.5	1 163.0	10.8%	100.0%	1 393.8	1 491.3	1 619.2	11.7%	100.0%

Personnel information

Table 32.3 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Mineral Resources																			
Salary level	1 200	45	1 099	364.6	0.3	1 126	402.3	0.4	1 198	435.0	0.4	1 198	462.8	0.4	1 198	490.8	0.4	2.1%	100.0%
1 – 6	306	16	336	51.1	0.2	335	44.6	0.1	304	46.6	0.2	304	49.6	0.2	304	52.2	0.2	-3.2%	26.4%
7 – 10	470	23	467	134.1	0.3	490	147.6	0.3	473	145.6	0.3	473	155.5	0.3	473	165.4	0.3	-1.2%	40.4%
11 – 12	330	3	217	113.4	0.5	219	127.4	0.6	328	160.9	0.5	328	169.8	0.5	328	178.5	0.5	14.4%	25.5%
13 – 16	94	3	79	66.0	0.8	82	82.7	1.0	93	82.0	0.9	93	87.8	0.9	93	94.8	1.0	4.3%	7.6%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on implementing the beneficiation strategy, reviewing the mining charter, and rehabilitating derelict and ownerless mines to ensure that the country's mineral wealth contributes to socioeconomic imperatives, including job creation, technology development, economic diversification and transformation. The department plans to rehabilitate 120 derelict and ownerless mines at a cost of R327.6 million over the medium term.

The department was formed in 2010/11, following the splitting of the former Department of Minerals and Energy into two separate departments, one for energy and one for minerals. As a result, expenditure in the *Administration* and *Mineral Policy and Promotion* programmes increased significantly from 2010/11, as additional personnel were appointed to enhance the capacity to provide strategic support and management services to the ministry and the department.

Transfers to the Council for Geoscience and the Council for Mineral Technology over the medium term constitute 46.1 per cent of the total budget. The former receives R882 million and the latter R926 million over this period. Expenditure on goods and services over the MTEF period is expected to increase in line with the number of mining sites scheduled to undergo rehabilitation. Transfer payments to departmental agencies and accounts increased significantly in 2012/13, due to an additional allocation provided for the economic competitiveness and support package.

Over the medium term, spending on contractors is expected to increase due to additional funding received for the rehabilitation of derelict and ownerless mines. Spending on consultants decreased in 2010/11 as a result of the use of the Council for Mineral Technology and the Council for Geoscience for the rehabilitation of mines. Other than augmenting scarce skills for this rehabilitation work, consultants are mainly used for strategic planning sessions, work on the performance information system, and translations and transcripts.

The 2013 Budget sets out additional allocations of R420.2 million over the medium term as follows:

- R102.2 million for improved conditions of service for the department and public entities
- R81 million to the Council for Mineral Technology for waste scrap reprocessing and sensor based sorting projects
- R160 million for the rehabilitation of derelict and ownerless mines
- R59 million for the implementation of the National Environmental Management Act (1998) and upgrading of the South African mineral resources administration system
- R18 million in 2015/16 for the economic competitiveness and support package, of which R12 million is for the Council for Mineral Technology and R6 million for the Council for Geoscience.

The department has a funded establishment of 1 200, with 45 posts additional to the establishment. There were 119 vacancies as at 30 September 2012 due to the department's inability to attract the required skilled personnel. The department plans to fill the vacancies in 2013/14 by focusing on internal skills development initiatives, and offering bursary schemes and inspector learnerships. The ratio of support staff to line function staff is 1:2.

Departmental receipts

Table 32.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
Departmental receipts	212 715	30 302	93 185	99 036	48 847	-38.8%	100.0%	51 100	54 679	57 193	5.4%	100.0%
Sales of goods and services produced by department	1 056	2 159	2 559	2 124	3 289	46.0%	2.4%	3 172	3 394	3 549	2.6%	6.3%
Sales by market establishments	–	309	392	438	453	–	0.3%	492	527	551	6.7%	1.0%
of which:												
Market establishment: Rental parking: Covered and open	–	309	392	438	453	–	0.3%	492	527	551	6.7%	1.0%
Administration fees	942	1 353	1 608	1 110	2 325	35.1%	1.6%	2 006	2 146	2 244	-1.2%	4.1%
of which:												
Minerals and Petroleum Resources Development Act (2002) application fees	920	1 328	1 586	1 074	2 292	35.6%	1.6%	1 976	2 114	2 211	-1.2%	4.1%
Requested information: Access to information act	22	25	22	36	33	14.5%	–	30	32	33	–	0.1%
Other sales	114	497	559	576	511	64.9%	0.4%	674	721	754	13.8%	1.3%
of which:												
Services rendered: Commission on insurance and garnishee	84	123	139	152	155	22.7%	0.1%	165	176	184	5.9%	0.3%
Services rendered: Marking of exam paper	6	353	395	402	330	280.3%	0.3%	478	512	536	17.5%	0.9%
Services rendered: Photocopies and faxes	20	17	21	20	24	6.3%	–	25	27	28	5.3%	–
Replacement of security cards	4	4	4	2	2	-20.6%	–	6	6	6	44.2%	–
Sales of scrap, waste, arms and other used current goods	27	8	1	–	1	-66.7%	–	6	7	7	91.3%	–
of which:												
Scrap	25	1	–	–	–	-100.0%	–	1	1	1	–	–
Waste paper	2	7	1	–	1	-20.6%	–	5	6	6	81.7%	–
Fines, penalties and forfeits	382	531	665	1 476	1 284	49.8%	0.7%	884	947	991	-8.3%	1.9%
Interest, dividends and rent on land	210 791	26 978	89 388	93 920	43 198	-41.0%	96.2%	46 285	49 525	51 803	6.2%	90.1%
Interest	516	170	195	204	180	-29.6%	0.3%	207	222	232	8.8%	0.4%
Rent on land	210 275	26 808	89 193	93 716	43 018	-41.1%	95.9%	46 078	49 303	51 571	6.2%	89.7%
Sales of capital assets	–	–	8	–	–	–	–	–	–	–	–	–
Transactions in financial assets and liabilities	459	626	564	1 516	1 075	32.8%	0.7%	753	806	843	-7.8%	1.6%
Total	212 715	30 302	93 185	99 036	48 847	-38.8%	100.0%	51 100	54 679	57 193	5.4%	100.0%

Programme 1: Administration

Expenditure estimates

Table 32.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
Total	159 342	226 727	257 600	257 259	17.3%	100.0%	271 459	276 680	289 895	4.1%	100.0%
Change to 2012 Budget estimate				18 330			16 900	5 936	5 939		
Ministry	15 649	15 822	23 225	21 227	10.7%	8.4%	20 554	21 662	22 957	2.6%	7.9%
Corporate Services	64 050	97 259	86 266	97 489	15.0%	38.3%	111 567	103 807	107 295	3.2%	38.4%
Department Management	7 008	12 910	15 478	18 001	37.0%	5.9%	19 700	20 677	21 921	6.8%	7.3%
Financial Administration	67 629	75 851	88 937	81 456	6.4%	34.8%	79 347	88 094	93 096	4.6%	31.2%
Internal Audit	4 980	6 912	9 736	13 660	40.0%	3.9%	13 467	14 007	14 885	2.9%	5.1%
Office Accommodation	26	17 973	33 958	25 426	892.6%	8.6%	26 824	28 433	29 741	5.4%	10.1%

Table 32.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10	2012/13	2013/14	2014/15	2015/16		
	R thousand										
Current payments	141 177	204 554	238 342	241 248	19.6%	91.6%	257 370	265 025	277 704	4.8%	95.1%
Compensation of employees	73 656	90 744	115 151	129 414	20.7%	45.4%	136 188	145 054	154 832	6.2%	51.6%
Goods and services	67 521	113 810	120 561	111 677	18.3%	45.9%	121 182	119 971	122 872	3.2%	43.4%
of which:											
Administration fees	922	1 143	1 144	962	1.4%	0.5%	959	1 069	1 118	5.1%	0.4%
Advertising	503	1 028	910	812	17.3%	0.4%	1 007	1 134	1 185	13.4%	0.4%
Assets less than the capitalisation threshold	3 390	504	483	9 166	39.3%	1.5%	2 988	3 529	3 171	-29.8%	1.7%
Audit cost: External	2 406	3 740	4 838	3 943	17.9%	1.7%	4 176	5 115	5 350	10.7%	1.7%
Bursaries: Employees	595	422	1 038	929	16.0%	0.3%	688	736	769	-6.1%	0.3%
Catering: Departmental activities	338	656	570	1 291	56.3%	0.3%	1 076	1 169	1 224	-1.8%	0.4%
Communication	7 640	4 799	8 325	2 509	-31.0%	2.6%	3 686	4 160	4 353	20.2%	1.3%
Computer services	7 214	14 863	17 002	12 171	19.0%	5.7%	14 980	18 163	18 995	16.0%	5.9%
Consultants and professional services: Business and advisory services	7 844	4 863	1 991	2 873	-28.5%	2.0%	2 473	2 825	2 951	0.9%	1.0%
Consultants and professional services: Legal costs	1 197	450	157	374	-32.1%	0.2%	361	381	398	2.1%	0.1%
Contractors	865	1 404	1 047	2 172	35.9%	0.6%	2 205	2 420	2 532	5.2%	0.9%
Agency and support / outsourced services	222	70	-	50	-39.2%	-	70	74	77	15.5%	-
Entertainment	7	27	155	234	222.1%	-	242	255	268	4.6%	0.1%
Fleet services (including government motor transport)	-	-	-	1 030	-	0.1%	1 248	1 319	1 379	10.2%	0.5%
Inventory: Food and food supplies	-	-	45	265	-	-	281	307	321	6.6%	0.1%
Inventory: Fuel, oil and gas	10	47	160	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	44	21	14	35	-7.3%	-	90	97	102	42.8%	-
Inventory: Materials and supplies	268	3 526	249	554	27.4%	0.5%	457	505	529	-1.5%	0.2%
Inventory: Medical supplies	-	-	-	63	-	-	65	69	72	4.6%	-
Inventory: Other consumables	209	275	343	593	41.6%	0.2%	493	528	553	-2.3%	0.2%
Inventory: Stationery and printing	5 077	3 881	3 683	3 403	-12.5%	1.8%	3 841	4 335	4 534	10.0%	1.5%
Operating leases	8 519	45 101	51 828	34 595	59.5%	15.5%	42 581	31 737	31 105	-3.5%	12.8%
Property payments	1 734	3 134	1 667	3 603	27.6%	1.1%	4 164	4 506	4 712	9.4%	1.6%
Travel and subsistence	11 590	18 549	18 804	20 787	21.5%	7.7%	21 992	23 549	24 631	5.8%	8.3%
Training and development	2 606	1 680	2 628	2 476	-1.7%	1.0%	3 436	3 813	3 990	17.2%	1.3%
Operating payments	2 409	2 058	2 229	4 668	24.7%	1.3%	5 055	5 404	5 652	6.6%	1.9%
Venues and facilities	1 912	1 569	1 251	2 118	3.5%	0.8%	2 543	2 746	2 873	10.7%	0.9%
Rental and hiring	-	-	-	1	-	-	25	26	28	203.7%	-
Interest and rent on land	-	-	2 630	157	-	0.3%	-	-	-	-100.0%	-
Transfers and subsidies	315	467	1 464	1 174	55.0%	0.4%	1 239	1 313	1 373	5.4%	0.5%
Households	315	467	1 464	1 174	55.0%	0.4%	1 239	1 313	1 373	5.4%	0.5%
Payments for capital assets	17 309	21 685	17 620	14 837	-5.0%	7.9%	12 850	10 342	10 818	-10.0%	4.5%
Buildings and other fixed structures	3 699	17 059	864	3 378	-3.0%	2.8%	3 200	3 392	3 548	1.7%	1.2%
Machinery and equipment	12 697	4 626	16 126	10 709	-5.5%	4.9%	9 650	6 950	7 270	-12.1%	3.2%
Software and other intangible assets	913	-	630	750	-6.3%	0.3%	-	-	-	-100.0%	0.1%
Payments for financial assets	541	21	174	-	-100.0%	0.1%	-	-	-	-	-
Total	159 342	226 727	257 600	257 259	17.3%	100.0%	271 459	276 680	289 895	4.1%	100.0%
Proportion of total programme expenditure to vote expenditure	18.7%	22.8%	25.0%	21.9%			19.5%	18.6%	17.9%		

Details of transfers and subsidies

Households													
Other transfers to households													
Current													
			315	467	1 464	1 174	55.0%	0.4%	1 239	1 313	1 373	5.4%	0.5%
Employee social benefits			315	447	1 384	1 174	55.0%	0.4%	1 239	1 313	1 373	5.4%	0.5%
Households			-	20	80	-	-	-	-	-	-	-	-

Personnel information

Table 32.6 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual		Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2011/12		2012/13			2013/14		2014/15		2015/16							
			Number	Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16			
Administration			372	115.2	0.3	396	129.4	0.3	406	136.2	0.3	406	145.1	0.4	406	154.8	0.4	0.8%	100.0%
Salary level	405	27																	
1 - 6	147	4	153	24.2	0.2	153	23.3	0.2	144	23.8	0.2	144	25.3	0.2	144	26.5	0.2	-2.0%	36.2%
7 - 10	175	21	149	40.7	0.3	167	47.2	0.3	178	53.0	0.3	178	56.5	0.3	178	60.4	0.3	2.1%	43.4%
11 - 12	47	-	39	19.7	0.5	41	23.6	0.6	46	23.8	0.5	46	25.3	0.6	46	26.6	0.6	3.9%	11.1%
13 - 16	36	2	31	30.5	1.0	35	35.3	1.0	38	35.5	0.9	38	37.9	1.0	38	41.4	1.1	2.8%	9.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on training and staff development in the *Corporate Services* subprogramme in order to attract and retain skilled workers, especially in the mine inspection directorates. The spending focus will also be on compensation of employees, which increases over the medium term due to additional funding provided for improved conditions of service.

Between 2009/10 and 2012/13, the significant increases in expenditure in the *Office Accommodation* subprogramme were a result of the increased staff complement. Spending on goods and services and compensation of employees also increased over the same period due to the appointment of additional administrative staff in 2010/11, after the former Department of Minerals and Energy was divided into two separate departments.

Expenditure on operating leases increased in 2011/12 due to the finalisation of building lease costs, to reconcile with the department and the Department of Public Works, and the payment of invoices from 2010/11 and 2011/12. The growth in expenditure on travel and subsistence in 2012/13 is due to an increase in the number of national and international trips undertaken by the department due to the review and amendments to the Mineral and Petroleum Resources Development Act (2002) and the Mine Health and Safety Act (1996).

The programme has a funded establishment of 405 posts and 27 posts are filled in addition to the establishment. There are 36 vacancies in the programme as a result of resignations and promotions. These posts are in the process of being filled. Consultants are mainly used for disaster recovery management projects, specialised information technologies and the verification of qualifications of new employees due to a lack of capacity within the department.

Programme 2: Promotion of Mine Safety and Health

Objectives

- Promote mine health and safety by:
 - reducing occupational injuries by 20 per cent, fatalities by 20 per cent, and dangerous occurrences by 20 per cent, over the medium term
 - reducing, over the medium term, the number of mine workers exposed to dust containing silica by 10 per cent and noise occupational exposure by 10 per cent
 - conducting ongoing investigations, inspections and audits
 - implementing the occupational health and safety strategy and enforcement of guidelines over the medium term.
- Contribute to skills development in the mining sector by:
 - reviewing and implementing a certificate of competency model developed with the mining qualification authority and universities by the December 2014.
- Improve health care in the mining sector by:
 - An 80 per cent adherence to prescribed timeframes for resolving medical appeals, Chief Inspector of Mines appeals, and applications in terms of the Mineral and Petroleum Resources Development Act (2002).
- Attract, develop and retain skills by reducing the staff turnover rate by 1 per cent from 3 per cent, and identifying employment equity categories to increase the number of previously disadvantaged employees by 2013/14.

Subprogrammes

- *Governance Policy and Oversight* develops mine health and safety strategies; makes inputs to policy development; provides technical support to regions; develops capacity and process improvements by putting strategies in place with the Mining Qualification Authority to address the skills shortage in the mining industry; and contributes to the review of health and safety legislation. The safety performance of mines is evaluated monthly, problem areas are identified and corrective measures are developed. In 2012/13,

R6 million was transferred to the Mine Health and Safety Council. This subprogramme had a staff complement of 71 in 2012/13.

- *Mine Health and Safety Regions* is responsible for monitoring and evaluating occupational health and safety programmes in mines to improve health surveillance and monitoring at mine sites. Compliance with the Mine Health and Safety Act (1996), and related legislation, is monitored through audits, inspections, investigations and inquiries. In 2012/13, 8 000 inspections and 396 audits were commissioned. This subprogramme had a staff complement of 192 in 2012/13.

Expenditure estimates

Table 32.7 Promotion of Mine Safety and Health

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Governance Policy and Oversight	59 256	52 073	46 234	50 326	-5.3%	37.1%	49 780	51 977	54 567	2.7%	31.1%
Mine Health and Safety Regions	72 773	85 019	95 018	100 292	11.3%	62.9%	113 951	119 437	125 192	7.7%	68.9%
Total	132 029	137 092	141 252	150 618	4.5%	100.0%	163 731	171 414	179 759	6.1%	100.0%
Change to 2012 Budget estimate				(3 854)			(2 341)	(4 453)	694		

Economic classification

	126 787	131 702	135 784	144 469	4.4%	96.0%	157 692	165 621	173 562	6.3%	96.4%
Current payments											
Compensation of employees	92 086	102 561	100 377	112 526	6.9%	72.6%	125 138	131 306	137 668	7.0%	76.1%
Goods and services	34 701	29 141	35 407	31 943	-2.7%	23.4%	32 554	34 315	35 894	4.0%	20.2%
of which:											
Administration fees	576	490	537	529	-2.8%	0.4%	670	707	740	11.8%	0.4%
Advertising	535	211	330	555	1.2%	0.3%	825	871	910	17.9%	0.5%
Assets less than the capitalisation threshold	60	18	11	173	42.3%	-	250	263	276	16.8%	0.1%
Bursaries: Employees	1 115	1 695	1 629	1 794	17.2%	1.1%	1 730	1 826	1 908	2.1%	1.1%
Catering: Departmental activities	74	30	42	120	17.5%	-	139	147	154	8.7%	0.1%
Communication	1 074	936	1 020	1 938	21.7%	0.9%	1 996	2 106	2 203	4.4%	1.2%
Computer services	1 409	794	897	1 234	-4.3%	0.8%	1 308	1 380	1 444	5.4%	0.8%
Consultants and professional services: Business and advisory services	5 717	1 340	116	821	-47.6%	1.4%	1 156	1 220	1 276	15.8%	0.7%
Consultants and professional services: Infrastructure and planning	-	-	108	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	-	21	-	126	-	-	128	135	141	3.8%	0.1%
Contractors	5 440	142	174	609	-51.8%	1.1%	379	400	418	-11.8%	0.3%
Agency and support / outsourced services	20	2	-	29	-100.0%	-	5	5	6	-	-
Entertainment	-	-	-	29	-	-	26	28	29	-	-
Fleet services (including government motor transport)	-	-	-	2	-	-	-	-	-	-100.0%	-
Inventory: Food and food supplies	-	-	12	61	-	-	86	90	95	15.9%	-
Inventory: Fuel, oil and gas	-	-	1	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	90	8	4	111	7.2%	-	60	63	66	-15.9%	-
Inventory: Materials and supplies	2	2	1	16	100.0%	-	91	96	101	84.8%	-
Inventory: Medical supplies	2	1	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other consumables	356	269	320	403	4.2%	0.2%	485	511	536	10.0%	0.3%
Inventory: Stationery and printing	38	33	105	990	196.4%	0.2%	1 190	1 255	1 312	9.8%	0.7%
Operating leases	3 629	8 493	12 575	2 213	-15.2%	4.8%	180	190	199	-55.2%	0.4%
Property payments	-	3	-	10	-	-	10	11	11	3.2%	-
Travel and subsistence	11 003	14 049	16 706	16 702	14.9%	10.4%	16 970	17 746	18 562	3.6%	10.5%
Training and development	3 009	92	204	2 402	-7.2%	1.0%	2 820	3 103	3 245	10.5%	1.7%
Operating payments	387	425	522	686	21.0%	0.4%	1 454	1 533	1 604	32.7%	0.8%
Venues and facilities	165	87	93	419	36.4%	0.1%	596	629	658	16.2%	0.3%
Transfers and subsidies	5 125	5 361	5 338	4 531	-4.0%	3.6%	5 035	5 197	5 574	7.1%	3.1%
Departmental agencies and accounts	5 118	5 358	5 288	4 531	-4.0%	3.6%	5 035	5 197	5 574	7.1%	3.1%
Households	7	3	50	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	-	15	117	1 618	-	0.3%	1 004	596	623	-27.2%	0.6%
Machinery and equipment	-	15	117	1 618	-	0.3%	1 004	596	623	-27.2%	0.6%
Payments for financial assets	117	14	13	-	-100.0%	-	-	-	-	-	-
Total	132 029	137 092	141 252	150 618	4.5%	100.0%	163 731	171 414	179 759	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	15.5%	13.8%	13.7%	12.8%			11.7%	11.5%	11.1%		

Details of transfers and subsidies

Households											
Other transfers to households											
Current	7	3	50	-	-100.0%	-	-	-	-	-	-
Households	7	3	50	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5 118	5 358	5 288	4 531	-4.0%	3.6%	5 035	5 197	5 574	7.1%	3.1%
Mine health and safety council	5 118	5 358	5 288	4 531	-4.0%	3.6%	5 035	5 197	5 574	7.1%	3.1%

Personnel information

Table 32.8 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2011/12			2012/13			2013/14		2014/15		2015/16								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16				
Promotion of Mine Safety and Health		313	6	267	100.4	0.4	263	112.5	0.4	311	125.1	0.4	311	131.3	0.4	311	137.7	0.4	5.7%	100.0%
Salary level																				
1 – 6	54	1	62	9.2	0.1	63	6.3	0.1	54	6.9	0.1	54	7.3	0.1	54	7.6	0.1	-5.0%	18.8%	
7 – 10	38	2	87	25.2	0.3	84	27.2	0.3	35	11.5	0.3	35	12.1	0.3	35	12.6	0.4	-25.3%	15.8%	
11 – 12	199	3	98	51.3	0.5	97	61.4	0.6	200	90.3	0.5	200	94.8	0.5	200	99.3	0.5	27.3%	58.3%	
13 – 16	22	–	20	14.7	0.7	19	17.6	0.9	22	16.4	0.7	22	17.2	0.8	22	18.1	0.8	5.0%	7.1%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on enabling inspectors to conduct inspections, audits and investigations, which accounts for the significant spending on compensation of employees, and travel and subsistence over the period. Spending on travel and subsistence allows inspectors to monitor compliance with the Mine Health and Safety Act (1996) and related legislation through audits, inspections, investigations and examining matters likely to impact on the health and safety of mine employees and surrounding communities. The programme will also focus on skills development, which includes training courses for inspectors at the University of the Witwatersrand, increasing the number of learnership inspectors, and a bursary scheme. 25 188 inspections and audits are scheduled to be conducted with the allocated budget over the medium term.

Between 2009/10 and 2012/13, inspectors conducted 22 750 health and safety inspections with a budget allocation of R410 million. Over this period, cost saving measures included reducing traveling and subsistence for inspectors through the use of cheaper accommodation and travelling methods. As a result, spending on goods and services decreased in 2012/13. R13 million of the savings realised was reprioritised to the *Mineral Regulation* and *Mineral Policy and Promotion* programmes in order to provide for additional capacity over the medium term.

Over the MTEF period, expenditure on compensation of employees and goods and services is expected to increase as a result of the opening of the Rustenburg provincial office, which became fully operational in 2012/13 with a total budget that year of R11.5 million.

The programme has 313 funded posts and 6 posts additional to the establishment. 56 of these posts were vacant owing to the difficulty experienced in attracting suitably skilled personnel. These vacancies are to be filled in 2013/14. Consultants provide translation and transcription services, which do not form part of the programme's core purpose.

Programme 3: Mineral Regulation

Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by increasing the number of rights issued by granting 650 rights to historically disadvantaged South Africans over the medium term.
- Contribute to the transformation of the mining sector by monitoring and enforcing compliance with procurement requirements that relate to historically disadvantaged South Africans, as prescribed by the mining charter, on an ongoing basis.
- Promote job creation through the development of SMMEs by supporting 201 such enterprises and local development projects, through income generating projects over the medium term.

- Promote sustainable resource use and mine environmental management by supporting approved and evaluated work programmes, social and labour plans, and environmental management plans by conducting 27 industry workshops over the medium term.
- Monitor and enforce compliance with the statutory obligations of the Mineral and Petroleum Resources Development Act (2002) and the Broad Based Socioeconomic Charter for the South African Mining Industry by conducting 760 mining charter inspections and 5 100 environmental management inspections over the medium term.

Subprogrammes

- *Mineral Regulation and Administration* administers prospecting and mining rights, and licensing and compliance with the Mineral and Petroleum Resources Development Act (2002), including the compliance of mines with environmental protection requirements. The issued prospecting and mining rights and permits contain terms and conditions that the mine rights holders must comply with, which include the social labour plan and environmental protections. In 2012/13, 1 800 environmental inspections and 180 mining charter inspections were commissioned. This subprogramme had a staff complement of 346 in 2012/13.
- *Management Mineral Regulation* provides overall management of the programme. Over the medium term, the focus will be on finalising the South African mineral resources administration system and implementing the National Environmental Management Act (1998). This subprogramme had a staff complement of 11 in 2012/13.
- *South African Diamond and Precious Metals Regulator* transfers funds to the South African Diamond and Precious Metals Regulator, which issues licences and permits related to the trade in diamonds, gold and platinum; and monitors activities in the diamond, platinum and gold sectors. This subprogramme's total budget is transferred to the regulator on an annual basis. Over the medium term, the focus will be on contractual obligations and expansion of the Diamond Exchange and Export Centre, and overseeing inspections of diamond and precious metals licenses, with 4 500 diamond and precious metals inspections planned over this period. This subprogramme has no staff complement.

Expenditure estimates

Table 32.9 Mineral Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand					2009/10 - 2012/13					2012/13 - 2015/16	
Mineral Regulation and Administration	119 662	139 015	132 064	136 177	4.4%	71.2%	134 632	144 600	153 210	4.0%	63.6%
Management Mineral Regulation	20 469	8 950	12 958	10 008	-21.2%	7.1%	43 273	42 405	45 379	65.5%	15.8%
South African Diamond and Precious Metal Regulator	39 412	40 643	39 374	41 601	1.8%	21.8%	44 824	47 810	50 527	6.7%	20.7%
Total	179 543	188 608	184 396	187 786	1.5%	100.0%	222 729	234 815	249 116	9.9%	100.0%
Change to 2012 Budget estimate				7 688			38 302	40 002	37 088		

Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
Current payments	125 425	146 080	144 177	144 971	4.9%	75.7%	177 407	186 972	198 554	11.1%	79.1%
Compensation of employees	88 142	98 397	105 048	111 664	8.2%	54.5%	118 649	128 507	136 540	6.9%	55.4%
Goods and services	37 283	47 683	39 129	33 307	-3.7%	21.3%	58 758	58 465	62 014	23.0%	23.8%
of which:											
Administration fees	406	612	542	520	8.6%	0.3%	454	475	496	-1.6%	0.2%
Advertising	160	144	51	386	34.1%	0.1%	376	392	410	2.0%	0.2%
Assets less than the capitalisation threshold	24	332	13	287	128.7%	0.1%	148	154	162	-17.4%	0.1%
Bursaries: Employees	163	-	-	30	-43.1%	-	84	88	93	45.8%	-
Catering: Departmental activities	197	110	198	442	30.9%	0.1%	752	783	819	22.8%	0.3%
Communication	6 488	5 096	4 595	4 417	-12.0%	2.8%	3 960	4 143	4 334	-0.6%	1.9%
Computer services	-	3 643	2 998	3 343	-	1.3%	11 102	11 229	11 379	50.4%	4.1%
Consultants and professional services: Business and advisory services	11 331	-	-	-	-100.0%	1.5%	-	-	-	-	-
Consultants and professional services: Infrastructure and planning	-	5 835	-	-	-	0.8%	-	-	-	-	-
Consultants and professional services: Legal costs	5 806	3 272	-	2 884	-20.8%	1.6%	5 192	5 201	10 210	52.4%	2.6%
Contractors	2 921	61	15	52	-73.9%	0.4%	59	62	65	7.7%	-
Agency and support / outsourced services	19	16	2	6	-31.9%	-	-	-	-	-100.0%	-
Entertainment	6	-	3	43	92.8%	-	28	30	30	-11.3%	-
Fleet services (including government motor transport)	-	-	-	5	-	-	-	-	-	-100.0%	-
Inventory: Food and food supplies	-	-	8	76	-	-	105	109	114	14.5%	-
Inventory: Fuel, oil and gas	-	1	-	-	-	-	-	-	-	-	-

Table 32.9 Mineral Regulation (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16	2012/13 - 2015/16
	R thousand												
<i>Inventory: Learner and teacher support material</i>	4	–	–	8	26.0%	–	–	–	–	-100.0%	–		
<i>Inventory: Materials and supplies</i>	22	9	27	42	24.1%	–	31	33	34	-6.8%	–		
<i>Inventory: Medical supplies</i>	1	–	–	1	–	–	2	2	2	26.0%	–		
<i>Inventory: Other consumables</i>	388	542	435	629	17.5%	0.3%	746	780	816	9.1%	0.3%		
<i>Inventory: Stationery and printing</i>	31	265	52	1 083	226.9%	0.2%	1 605	1 677	1 754	17.4%	0.7%		
<i>Operating leases</i>	1 773	10 515	13 100	1 527	-4.9%	3.6%	7 707	7 991	3 998	37.8%	2.4%		
<i>Property payments</i>	264	270	694	822	46.0%	0.3%	916	959	1 003	6.9%	0.4%		
<i>Travel and subsistence</i>	5 950	16 806	15 477	14 819	35.6%	7.2%	23 205	21 968	23 795	17.1%	9.4%		
<i>Training and development</i>	393	12	221	1 072	39.7%	0.2%	1 192	1 245	1 303	6.7%	0.5%		
<i>Operating payments</i>	412	111	592	466	4.2%	0.2%	728	762	797	19.6%	0.3%		
<i>Venues and facilities</i>	524	31	106	347	-12.8%	0.1%	366	382	400	4.9%	0.2%		
Transfers and subsidies	39 447	40 667	39 376	41 601	1.8%	21.8%	44 824	47 810	50 527	6.7%	20.7%		
Departmental agencies and accounts	39 412	40 643	39 374	41 601	1.8%	21.8%	44 824	47 810	50 527	6.7%	20.7%		
Households	35	24	2	–	-100.0%	–	–	–	–	–	–		
Payments for capital assets	14 659	1 851	821	1 214	-56.4%	2.5%	498	33	35	-69.3%	0.2%		
Buildings and other fixed structures	9 063	–	–	–	-100.0%	1.2%	–	–	–	–	–		
Machinery and equipment	5 596	711	821	1 214	-39.9%	1.1%	498	33	35	-69.3%	0.2%		
Software and other intangible assets	–	1 140	–	–	–	0.2%	–	–	–	–	–		
Payments for financial assets	12	10	22	–	-100.0%	–	–	–	–	–	–		
Total	179 543	188 608	184 396	187 786	1.5%	100.0%	222 729	234 815	249 116	9.9%	100.0%		
Proportion of total programme expenditure to vote expenditure	21.0%	19.0%	17.9%	16.0%			16.0%	15.7%	15.4%				
Details of transfers and subsidies													
Households													
Other transfers to households													
Current	35	24	2	–	-100.0%	–	–	–	–	–	–		
Households	35	24	2	–	-100.0%	–	–	–	–	–	–		
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	39 412	40 643	39 374	41 601	1.8%	21.8%	44 824	47 810	50 527	6.7%	20.7%		
South African diamond and precious metal regulator	39 412	40 643	39 374	41 601	1.8%	21.8%	44 824	47 810	50 527	6.7%	20.7%		

Personnel information

Table 32.10 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012	Number and cost ² of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16		
Mineral Regulation			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	357	7	347	105.0	0.3	352	111.7	0.3	357	118.6	0.3	357	128.5	0.4	357	136.5	0.4	0.5%	100.0%
1 – 6	89	6	102	14.6	0.1	102	12.6	0.1	89	13.5	0.2	89	14.6	0.2	89	15.5	0.2	-4.4%	25.9%
7 – 10	200	–	180	52.7	0.3	185	57.4	0.3	200	63.2	0.3	200	68.1	0.3	200	72.4	0.4	2.6%	55.2%
11 – 12	50	–	49	26.2	0.5	49	26.0	0.5	50	27.3	0.5	50	29.5	0.6	50	31.3	0.6	0.7%	14.0%
13 – 16	18	1	16	11.7	0.7	16	15.8	1.0	18	16.3	0.9	18	17.4	1.0	18	17.4	1.0	4.0%	4.9%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on implementing the revised mining charter, administering prospecting and mining rights, and carrying out licensing and compliance in terms of the Mineral and Petroleum Resources Development Act (2002). Over the medium term, R563 million is allocated for processing and issuing 650 mining rights, and conducting 27 industry workshops, 760 mining charter inspections and 5 100 environmental inspections.

Expenditure on travel and subsistence, and goods and services increased significantly in 2010/11 due to an increase in the number of mine inspections. Between 2009/10 and 2011/12, the programme issued 580 mining rights to historically disadvantaged South Africans, and conducted 75 industry workshops on compliance, 530 mining charter inspections and 6 658 environment inspections. Spending in the *Management Mineral Regulation* subprogramme decreased in 2012/13 as a result of the mine rehabilitation function moving to the *Mineral Policy and Promotion* programme.

Over the medium term, spending on goods and services is expected to increase as a result of additional funding of R59 million allocated for the implementation of the National Environmental Management Act (1998), an activity that has been transferred to the department from the Department of Environmental Affairs, and the enhancement of the South African mineral resources administration system in the *Management Mineral Regulation* subprogramme. R10.5 million has been reprioritised to this programme over the medium term to cater for increased spending on compensation of employees due to lack of capacity in the programme.

The programme has 357 funded posts and 7 posts additional to the establishment. There were 12 vacancies as at 30 September 2012 as a result of resignations. These posts are in the process of being filled. Spending on consultants, most of whom provide legal advice, is expected to increase over the medium term due to an increase in the volume of litigation against the department. This increase in litigation is due to better enforcement of compliance with the Mineral and Petroleum Resources Development Act (2002).

Programme 4: Mineral Policy and Promotion

Objectives

- Promote investment in the mining sector by:
 - growing the mining industry through local and foreign investment and creating sustainable jobs throughout the mining value chain from exploration to mineral beneficiation
 - implementing the sector strategy through the mining industry growth development and employment task team subcommittees by continuously identifying barriers and intervening to ensure transformation and competitiveness
 - finalising the beneficiation implementation plan during 2013/14 and implementing it over the medium term
 - encouraging small scale mining by supporting 67 new and existing small scale mining projects by 2013/14, and continuing to support existing small scale mining projects over the medium term
 - promoting South Africa's mining sector through 6 promotional conferences, exhibitions and ministerial road shows in 2013/14
 - developing 11 strategic publications on the mining and minerals industry that will be completed in 2013/14.
- Promote sustainable resource use and management by:
 - developing a guideline for financial provision and other tools for sustainable mining, as and when required
 - rehabilitating 120 derelict and ownerless mine sites over the medium term
 - implementing strategic partnerships as and when required.
- Ensure transformation in the mining and minerals sector by:
 - ensuring that previously disadvantaged South Africans participate in the economy through mining, while ensuring that mining and workers' health and safety issues are respected at all times
 - drafting and certifying 2 mineral bills or policies each year over the medium term
 - reviewing and amending, on an ongoing basis, mining and minerals legislation regulations which promote transformation in the mining sector
 - developing 1 policy impact study report annually over the medium term.

Subprogrammes

- *Management* provides overall management for the programme. This subprogramme had a staff compliment of 20 in 2012/13.
- *Mineral Policy* develops new policies, reviews existing policies and amends legislation to promote investment growth and achieve transformation in the minerals and mining industry. This entails conducting research for developing and revising policies; organising consultations with stakeholders; attending parliamentary hearings on related bills, and gazetting the bills once they are assented to; and representing the

department in international and regional forums, such as the Kimberley Process Certification Scheme, the African Diamond Producers Association and the Pan African Mining and Development Company. In 2013/14, the focus will be on promulgating amendments to the Mineral and Petroleum Resources Development Act (2002) and the Mine Health and Safety Act (1996), and hosting Kimberley Process Certification Scheme events. This subprogramme had a staff complement of 17 in 2012/13.

- *Assistance to Mines* transfers funds to prevent the uncontrolled movement of water into and out of underground mine openings and holdings. This entails providing subsidies to marginal mines to pump extraneous water from underground mine openings; and researching, developing and implementing strategic solutions for mine water management, including managing the decanting of contaminated water. In 2012/13, R18 million was transferred to the Council for Geoscience to assist with the research, development and implementation of strategic solutions for mine water management. Portions of this subprogramme's total budget are transferred to marginalised mining companies on a needs basis according to conditions set out by the department.
- *Mineral Promotion* is discussed in more detail below.
- *Council for Geoscience* transfers funds to the Council for Geoscience, a national agency tasked with developing and maintaining geosciences knowledge infrastructure for both land and ocean environments. This subprogramme's total budget is transferred in full to the council. This subprogramme has no staff complement.
- *Council for Mineral Technology* transfers funds to the Council for Mineral Technology and Research, which provides research, development and technology that fosters the development of business in the mineral and mineral products industries. This subprogramme's total budget is transferred in full to the council. This subprogramme has no staff complement.
- *Economic Advisory Services* undertakes research analysis and produces departmental reports; and participates in activities regarding the transformation of the mining and minerals industry, and the enhancement of the competitiveness of the industry. This entails leading and convening the meetings of the mining industry growth, development and employment task team stakeholder forum, which has been tasked with researching and analysing the economic impact of the regulatory and legislative framework of the mining and minerals sector using regulatory impact assessments. Over the medium term, the focus will be on monitoring and evaluating major global economic events and developments that have an impact on the South African economy, and the mining and minerals sector in particular. This subprogramme had a staff complement of 9 in 2012/13.
- *Mine Environmental Management* provides strategic guidance on mine environmental management and mine closure. This entails managing the rehabilitation of derelict and ownerless mines. In 2012/13, 2 mine rehabilitation projects were completed. From the R59 million allocated for the rehabilitation of derelict and ownerless mines in 2012/13, R30 million was transferred to the Council for Mineral Technology and Research and R20 million to the Council for Geoscience, as the service providers who carry out the actual rehabilitation of mines. This subprogramme had a staff complement of 9 in 2012/13.

Expenditure estimates

Table 32.11 Mineral Policy and Promotion

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Management	13 169	17 428	13 449	12 053	-2.9%	3.0%	13 877	14 228	15 066	7.7%	1.8%
Mineral Policy	8 401	4 908	10 636	13 759	17.9%	2.0%	16 774	17 605	18 617	10.6%	-2.2%
Mineral Promotion	36 476	48 911	50 409	38 540	1.9%	9.4%	44 276	60 107	70 411	22.2%	7.1%
Assistance to Mines	31 100	3 000	-	18 000	-16.7%	2.8%	18 000	19 080	19 958	3.5%	2.5%
Council for Geoscience	132 677	169 176	154 405	223 006	18.9%	36.7%	265 232	297 839	319 114	12.7%	36.5%
Council for Mineral Technology	161 108	195 840	196 956	253 531	16.3%	43.6%	291 509	293 456	340 742	10.4%	39.0%
Economic Advisory Services	-	-	2 725	4 071	-	0.4%	4 590	4 838	5 139	8.1%	0.6%
Mine Environmental Management	-	3 007	17 607	16 910	-	2.0%	81 672	101 229	111 429	87.5%	10.3%
Total	382 931	442 270	446 187	579 870	14.8%	100.0%	735 930	808 382	900 476	15.8%	100.0%
Change to 2012 Budget estimate				(15 693)			41 935	88 638	151 744		

Table 32.11 Mineral Policy and Promotion (continued)

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
R thousand											
Current payments	31 984	50 625	71 528	82 935	37.4%	12.8%	155 420	179 634	194 469	32.9%	20.2%
Compensation of employees	21 200	34 755	43 986	48 668	31.9%	8.0%	55 045	57 904	61 715	8.2%	7.4%
Goods and services	10 784	15 870	27 542	34 267	47.0%	4.8%	100 375	121 730	132 754	57.1%	12.9%
<i>of which:</i>											
Administration fees	101	650	403	1 356	137.7%	0.1%	1 279	1 390	1 456	2.4%	0.2%
Advertising	266	278	97	617	32.4%	0.1%	307	328	343	-17.8%	0.1%
Assets less than the capitalisation threshold	3	11	7	121	242.9%	-	147	155	163	10.4%	-
Bursaries: Employees	-	-	-	355	-	-	307	332	348	-0.7%	-
Catering: Departmental activities	56	60	53	252	65.1%	-	142	152	160	-14.1%	-
Communication	161	346	465	826	72.5%	0.1%	1 137	1 230	1 285	15.9%	0.1%
Computer services	-	300	496	754	-	0.1%	530	578	606	-7.0%	0.1%
Consultants and professional services: Business and advisory services	1 378	321	-	338	-37.4%	0.1%	710	774	810	33.8%	0.1%
Consultants and professional services: Infrastructure and planning	-	-	-	6 728	-	0.4%	-	-	-	-100.0%	0.2%
Consultants and professional services: Laboratory services	-	-	12 379	-	-	0.7%	-	-	-	-	-
Consultants and professional services: Legal costs	-	118	108	-	-	-	-	-	-	-	-
Contractors	2 070	85	18	69	-67.8%	0.1%	73 289	92 493	102 172	1039.8%	8.9%
Agency and support / outsourced services	-	141	-	-	-	-	-	-	-	-	-
Entertainment	-	149	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	7	62	-	-	70	76	78	8.0%	-
Inventory: Learner and teacher support material	-	-	-	10	-	-	-	-	-	-100.0%	-
Inventory: Materials and supplies	-	8	-	29	-	-	-	-	-	-100.0%	-
Inventory: Other consumables	-	27	43	55	-	-	68	73	76	11.4%	-
Inventory: Stationery and printing	-	89	41	740	-	-	1 087	1 171	1 225	18.3%	0.1%
Operating leases	-	6 858	4 768	3 630	-	0.8%	874	944	987	-35.2%	0.2%
Property payments	-	-	-	2	-	-	-	-	-	-100.0%	-
Travel and subsistence	1 848	5 264	6 656	10 506	78.5%	1.3%	11 586	12 493	13 065	7.5%	1.6%
Training and development	53	5	30	1 040	169.7%	0.1%	847	912	953	-2.9%	0.1%
Operating payments	4 755	564	936	3 927	-6.2%	0.6%	5 985	6 449	6 747	19.8%	0.8%
Venues and facilities	93	596	1 035	2 850	212.9%	0.2%	2 010	2 180	2 280	-7.2%	0.3%
Transfers and subsidies	350 943	391 625	374 659	494 537	12.1%	87.1%	578 981	628 614	705 867	12.6%	79.6%
Departmental agencies and accounts	133 677	169 176	154 405	223 006	18.6%	36.7%	265 232	297 839	319 114	12.7%	36.5%
Public corporations and private enterprises	217 266	222 449	220 254	271 531	7.7%	50.3%	313 749	330 775	386 753	12.5%	43.1%
Payments for capital assets	-	15	-	2 398	-	0.1%	1 529	134	140	-61.2%	0.1%
Machinery and equipment	-	15	-	2 398	-	0.1%	1 529	134	140	-61.2%	0.1%
Payments for financial assets	4	5	-	-	100.0%	-	-	-	-	-	-
Total	382 931	442 270	446 187	579 870	14.8%	100.0%	735 930	808 382	900 476	15.8%	100.0%
Proportion of total programme expenditure to vote expenditure	44.8%	44.5%	43.3%	49.3%			52.8%	54.2%	55.6%		
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	115 597	154 148	152 905	210 506	22.1%	34.2%	242 607	270 083	284 081	10.5%	33.3%
State Diamond Trader	1 000	-	-	-	-100.0%	0.1%	-	-	-	-	-
Council for Geoscience	114 597	154 148	152 905	210 506	22.5%	34.1%	242 607	270 083	284 081	10.5%	33.3%
Capital	18 080	15 028	1 500	12 500	-11.6%	2.5%	22 625	27 756	35 033	41.0%	3.2%
Council for Geoscience	18 080	15 028	1 500	12 500	-11.6%	2.5%	22 625	27 756	35 033	41.0%	3.2%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	163 381	202 248	200 558	204 146	7.7%	41.6%	239 812	261 616	302 412	14.0%	33.3%
Industrial Development Corporation of South Africa	25 058	23 609	23 298	-	-100.0%	3.9%	4 240	18 239	26 053	-	1.6%
Council for Mineral Technology	138 323	178 639	177 260	204 146	13.9%	37.7%	235 572	243 377	276 359	10.6%	31.7%
Capital	22 785	17 201	19 696	49 385	29.4%	5.9%	55 937	50 079	64 383	9.2%	7.3%
Council for Mineral Technology	22 785	17 201	19 696	49 385	29.4%	5.9%	55 937	50 079	64 383	9.2%	7.3%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	31 100	3 000	-	18 000	-16.7%	2.8%	18 000	19 080	19 958	3.5%	2.5%
Subsidies to mines	31 100	3 000	-	18 000	-16.7%	2.8%	18 000	19 080	19 958	3.5%	2.5%

Personnel information

Table 32.12 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
Mineral Policy and Promotion																			
Salary level	125	5	113	44.0	0.4	115	48.7	0.4	124	55.0	0.4	124	57.9	0.5	124	61.7	0.5	2.5%	100.0%
1 – 6	16	5	19	3.1	0.2	17	2.4	0.1	17	2.3	0.1	17	2.4	0.1	17	2.5	0.1	–	14.0%
7 – 10	57	–	51	15.5	0.3	54	15.9	0.3	60	17.9	0.3	60	18.8	0.3	60	20.0	0.3	3.6%	48.0%
11 – 12	34	–	31	16.3	0.5	32	16.5	0.5	32	19.4	0.6	32	20.3	0.6	32	21.3	0.7	–	26.3%
13 – 16	18	–	12	9.2	0.8	12	13.9	1.2	15	15.4	1.0	15	16.4	1.1	15	17.9	1.2	7.7%	11.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on rehabilitating derelict and ownerless mines, conducting research for amendments to the Precious Metals Act (2005) and the Diamonds Act (2005), drafting policies, organising consultations with stakeholders, and attending parliamentary hearings. Allocations over this period provide for the rehabilitation of 120 sites, as well as for hosting the intercessional and plenary meetings of the Kimberley Process Certification Scheme in 2013/14 at an estimated cost of R30 million.

Expenditure on transfers and subsidies increased in 2012/13, mainly due to an additional allocation of R75 million through the economic support and competitiveness package for the Council for Geoscience and the Council for Mineral Technology. Expenditure on transfers and subsidies constitutes 79.6 per cent of the programme's total budget over the medium term.

Expenditure on the *Mine Environmental Management* subprogramme over the MTEF period is expected to increase due to additional funding of R160 million for the rehabilitation of mines, R81 million to the Council for Mineral Technology for waste scrap reprocessing and sensor based sorting projects, and R18 million for the revised economic competitiveness and support package, of which R12 million is for the Council for Mineral Technology and R6 million for the Council for Geoscience. R2.5 million was reprioritised to this programme to cater for increased expenditure on compensation of employees due to lack of capacity.

The programme has 125 funded posts and 5 posts additional to the establishment. There are 15 vacant posts as a result of resignations and the movement of staff to higher positions. However, these posts are in the process of being filled. Spending on contractors is expected to grow over the medium term as a result of additional funding received for the rehabilitation of derelict and ownerless mines. The department will continue to use service providers, as the necessary skills are difficult to source from within the department.

Subprogramme: Mineral Promotion

This subprogramme is responsible for promoting mineral development, advising on trends in the mining industry to attract investment, and promoting small scale mining through subsidies that are managed by the Industrial Development Corporation of South Africa. In 2011/12, a beneficiation strategy was developed for the South African minerals industry. Subsequently, 2 value chain implementation plans for iron and steel and for energy commodities were developed and approved. Current activities include working towards finalising the remaining implementation plans. This subprogramme leads various working committees of the mining industry growth, development and employment task team. This team is working to resolve issues, such as job creation and retention in the sector, constraints on exploration and on research and development, infrastructure constraints, skills development, and sustainable development in the mining sector, as part of implementing the mining sector strategy towards a competitive and transformed sector.

Expenditure estimates

Table 32.13 Mineral Promotion

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16	2012/13 - 2015/16
	R thousand													
Current payments	11 418	25 298	27 111	37 199	48.2%	57.9%	39 329	41 868	44 358	6.0%	76.3%			
Compensation of employees	11 418	21 540	21 258	23 474	27.2%	44.6%	26 809	28 194	30 054	8.6%	50.9%			
Goods and services	–	3 758	5 853	13 725	–	13.4%	12 520	13 674	14 304	1.4%	25.4%			
of which:														
Administration fees	–	428	224	1 119	–	1.0%	1 021	1 115	1 167	1.4%	2.1%			
Advertising	–	105	36	330	–	0.3%	80	87	91	-34.9%	0.3%			
Assets less than the capitalisation threshold	–	11	–	77	–	0.1%	4	4	5	-59.8%	–			
Bursaries: Employees	–	–	–	220	–	0.1%	218	238	249	4.2%	0.4%			
Catering: Departmental activities	–	6	14	109	–	0.1%	51	56	58	-19.0%	0.1%			
Communication	–	157	136	364	–	0.4%	637	696	728	26.0%	1.1%			
Computer services	–	300	496	711	–	0.9%	467	510	534	-9.1%	1.0%			
Consultants and professional services: Business and advisory services	–	–	–	285	–	0.2%	660	721	754	38.3%	1.1%			
Contractors	–	–	1	15	–	–	19	21	22	13.6%	–			
Agency and support / outsourced services	–	141	–	–	–	0.1%	–	–	–	–	–			
Inventory: Food and food supplies	–	–	2	22	–	–	16	17	18	-6.5%	–			
Inventory: Learner and teacher support material	–	–	–	10	–	–	–	–	–	-100.0%	–			
Inventory: Materials and supplies	–	8	–	29	–	–	–	–	–	-100.0%	–			
Inventory: Other consumables	–	26	22	28	–	–	30	33	34	6.7%	0.1%			
Inventory: Stationery and printing	–	50	25	453	–	0.3%	568	620	649	12.7%	1.1%			
Operating leases	–	–	181	2 016	–	1.3%	473	517	540	-35.5%	1.7%			
Property payments	–	–	–	2	–	–	–	–	–	-100.0%	–			
Travel and subsistence	–	1 653	3 313	5 111	–	5.8%	5 136	5 609	5 867	4.7%	10.2%			
Training and development	–	–	4	507	–	0.3%	345	377	394	-8.1%	0.8%			
Operating payments	–	564	902	1 222	–	1.5%	1 465	1 600	1 674	11.1%	2.8%			
Venues and facilities	–	309	497	1 095	–	1.1%	1 330	1 453	1 520	11.6%	2.5%			
Transfers and subsidies	25 058	23 609	23 298	–	-100.0%	41.3%	4 240	18 239	26 053	–	22.7%			
Public corporations and private enterprises	25 058	23 609	23 298	–	-100.0%	41.3%	4 240	18 239	26 053	–	22.7%			
Payments for capital assets	–	–	–	1 341	–	0.8%	707	–	–	-100.0%	1.0%			
Machinery and equipment	–	–	–	1 341	–	0.8%	707	–	–	-100.0%	1.0%			
Payments for financial assets	–	4	–	–	–	–	–	–	–	–	–			
Total	36 476	48 911	50 409	38 540	1.9%	100.0%	44 276	60 107	70 411	22.2%	100.0%			
Proportion of total subprogramme expenditure to programme expenditure	9.5%	11.1%	11.3%	6.6%			6.0%	7.4%	7.8%					

Personnel information

Table 32.14 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012	Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Mineral Promotion			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	63	1	113	44.0	0.4	60	23.5	0.4	63	26.8	0.4	63	28.2	0.4	63	30.1	0.5	1.6%	100.0%
1 – 6	8	1	19	3.1	0.2	9	1.4	0.2	8	1.4	0.2	8	1.4	0.2	8	1.5	0.2	-3.9%	13.3%
7 – 10	34	–	51	15.5	0.3	33	9.6	0.3	34	10.9	0.3	34	11.4	0.3	34	12.2	0.4	1.0%	54.2%
11 – 12	14	–	31	16.3	0.5	14	7.5	0.5	14	8.6	0.6	14	9.0	0.6	14	9.4	0.7	–	22.5%
13 – 16	7	–	12	9.2	0.8	4	5.0	1.2	7	6.0	0.9	7	6.4	0.9	7	7.0	1.0	20.5%	10.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus will be on the implementation of the beneficiation strategy, and promotion of the Mineral and Petroleum Resources Development Act (2002) and the Mine Health and Safety Act (1996). The subprogramme plans to produce 11 publications for the mining industry in 2013/14 in order to assure investors and promote investment in the mining sector.

The increased expenditure in goods and services and compensation of employees between 2009/10 and 2012/13 was due to an increase of 33 in the number of small scale mining projects supported. The subprogramme supported a total of 216 small scale mining projects between 2009/10 and 2011/12. Over the medium term, expenditure on these items is projected to increase further due to the finalisation of the beneficiation

implementation plan, the start of advocacy programmes nationally and internationally in 2013/14, and the provision of assistance to 201 small scale mining projects.

The subprogramme had a funded establishment of 63 and 1 post additional to the establishment. There were 4 vacant posts due to resignations and promotions. These posts are to be filled in 2013/14.

Public entities and other agencies

Council for Geoscience

Mandate and goals

In terms of the Geoscience Act (1993), the Council for Geoscience is mandated to develop and publish world class geoscience knowledge products and provide geoscience related services to the South African public and industry. In addition, the act requires the council to:

- conduct systematic reconnaissance and documentation of the geology of the earth's surface and continental crust
- compile all geoscience data and information that is in the public domain
- carry out basic geoscience research, and publish research findings nationally and internationally to contribute to the understanding of the earth, its evolution and its resources
- collect and curate all geoscience data and knowledge on South Africa in the national geoscience data repository
- provide geoscience related services and advice to the state to enable informed and scientifically based decisions on the use of the earth's surface and the earth's resources within the territory of South Africa
- manage a number of national geoscience facilities on behalf of the country
- provide commercial geoscience services and products to national and international clients.

The council is structured and geared to support national priorities, such as economic growth and empowerment, sustainable development, rural development, and development on the continent.

The council's strategic goals over the medium term are to:

- broaden the scientific expertise of the council
- provide more direct top level management expertise and scientific leadership in the organisation
- prioritise engineering, geology and physical geohazards, environmental and chemical geohazards, and water resource assessment and protection
- facilitate investment into the mining industry
- focus on initiatives that contribute to rural development and poverty eradication
- develop innovative products, systems and services
- build scientific, managerial and administrative skills and capacity
- contribute to socioeconomic transformation.

Selected performance indicators

Table 32.15 Council for Geoscience

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Annual technical programme performance index	Statutory projects	84%	85%	85%	85%	85%	85%	85%
Number of mineral maps, map explanations and mineral related publications published per year ¹	Statutory projects	- ¹	- ¹	5	6	7	8	8
Number of maps and publications published each year	Statutory projects	48	42	40	40	40	40	40
Number of papers and articles published per year	Statutory projects	92	121	35	70	70	70	75
Number of rural development projects finished per year	Statutory projects	33	33	30	10	12	14	14
Number of regional and African development projects in progress per year	Statutory projects	31	29	22	22	25	27	28
Number of projects with external collaborators completed each year	Statutory projects	61	77	45	58	60	62	62
Percentage satisfied customers (of total customers completing satisfaction questionnaire)	Statutory projects	90%	89%	89%	85%	85%	85%	85%

¹. No historical data available, as measurement of this indicator started in 2011/12.

Programmes/activities/objectives

Table 32.16 Council for Geoscience

	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Commercial projects: Local	111 500	65 236	75 232	98 834	-3.9%	37.5%	114 799	71 744	119 616	6.6%	28.2%
Commercial projects: Foreign	14 041	65 150	75 232	98 834	91.6%	26.9%	114 799	71 744	119 616	6.6%	28.2%
Statutory projects	103 022	65 322	64 425	101 450	-0.5%	35.6%	119 180	246 362	179 618	21.0%	43.5%
Total expense	228 563	195 707	214 889	299 118	9.4%	100.0%	348 778	389 850	418 849	11.9%	100.0%

Expenditure estimates

Table 32.17 Council for Geoscience

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	71 107	71 855	94 038	77 968	3.1%	33.4%	83 546	92 011	99 735	8.6%	24.4%
Sale of goods and services other than capital assets	63 245	61 866	79 365	74 456	5.6%	29.4%	79 896	87 915	96 544	9.0%	23.4%
of which:											
Sales by market establishment	63 245	61 866	79 365	74 456	5.6%	29.4%	79 896	87 915	96 544	9.0%	23.4%
Other non-tax revenue	7 862	9 989	14 673	3 512	-23.6%	3.9%	3 650	4 096	3 191	-3.1%	1.0%
Transfers received	135 343	139 171	147 403	221 150	17.8%	66.6%	265 232	297 839	319 114	13.0%	75.6%
Total revenue	206 450	211 026	241 441	299 118	13.2%	100.0%	348 778	389 850	418 849	11.9%	100.0%
Expenses											
Current expenses	228 563	195 707	214 889	299 118	9.4%	100.0%	348 778	382 876	418 849	11.9%	99.6%
Compensation of employees	130 846	122 813	128 352	147 360	4.0%	57.2%	160 289	172 787	186 148	8.1%	46.0%
Goods and services	83 476	57 590	71 164	136 430	17.8%	36.2%	173 314	195 066	217 831	16.9%	49.3%
Depreciation	14 233	15 298	15 363	15 321	2.5%	6.6%	15 168	15 015	14 861	-1.0%	4.2%
Interest, dividends and rent on land	8	6	10	7	-4.4%	0.0%	7	8	9	8.7%	0.0%
Transfers and subsidies	-	-	-	-	-	-	-	6 974	-	-	0.4%
Total expenses	228 563	195 707	214 889	299 118	9.4%	100.0%	348 778	389 850	418 849	11.9%	100.0%
Surplus/(Deficit)	(22 113)	15 319	26 552	-	-100.0%	-	-	-	-	-	-
Statement of financial position											
Carrying value of assets	212 191	197 290	188 405	169 931	-7.1%	53.7%	156 110	142 789	138 501	-6.6%	49.7%
of which:											
Acquisition of assets	31 322	1 994	9 776	21 000	-12.5%	4.6%	40 095	46 060	32 010	15.1%	11.4%
Inventory	-	-	5	-	-	0.0%	-	-	-	-	-
Receivables and prepayments	56 052	27 628	33 919	37 040	-12.9%	10.9%	43 800	44 235	46 889	8.2%	14.1%
Cash and cash equivalents	93 010	138 918	173 393	106 177	4.5%	35.4%	118 924	113 453	103 453	-0.9%	36.2%
Total assets	361 253	363 836	395 722	313 148	-4.7%	100.0%	318 834	300 477	288 843	-2.7%	100.0%
Accumulated surplus/(deficit)	185 924	201 243	227 800	190 906	0.9%	56.3%	190 906	190 906	190 906	-	62.6%
Capital reserve fund	88 340	85 674	83 009	80 342	-3.1%	23.7%	77 676	75 010	72 345	-3.4%	25.0%
Deferred income	45 161	53 851	58 274	-	-100.0%	10.5%	-	-	-	-	-
Trade and other payables	15 551	6 815	9 124	23 000	13.9%	4.0%	23 132	18 435	9 943	-24.4%	6.0%
Provisions	26 277	16 253	17 515	18 900	-10.4%	5.6%	27 120	16 126	15 649	-6.1%	6.3%
Total equity and liabilities	361 253	363 836	395 722	313 148	-4.7%	100.0%	318 834	300 477	288 843	-2.7%	100.0%

Personnel information

Table 32.18 Council for Geoscience

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number							
				Actual						Revised estimate						Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
				2011/12			2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16				
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
	325	27		307	128.4	0.4	299	147.4	0.5	336	160.3	0.5	348	172.8	0.5	368	186.1	0.5	7.2%	100.0%			
1-6	11	2		11	1.4	0.1	9	1.5	0.2	12	1.6	0.1	12	1.8	0.1	12	1.9	0.2	7.0%	3.3%			
7-10	135	3		135	43.2	0.3	132	46.2	0.3	140	49.4	0.4	149	54.1	0.4	161	59.2	0.4	8.6%	43.1%			
11-12	171	21		154	73.2	0.5	151	88.3	0.6	174	97.1	0.6	177	103.9	0.6	185	111.2	0.6	8.0%	50.9%			
13-16	8	1		7	10.6	1.5	7	11.3	1.6	10	12.1	1.2	10	13.0	1.3	10	13.9	1.4	7.0%	2.7%			

1. Rand million.

Expenditure trends

Revenue for the Council for Geoscience is generated mainly from fees for geological service contracts, as well as transfer payments from the department.

The spending focus over the medium term will be on: increasing investment in the industry and working for substantial growth and meaningful transformation, ensuring compliance with legislative requirements, contributing to rural development and poverty eradication, and contributing to the development of Africa by helping to upgrade the continent's geoscience infrastructure.

Over the medium term, spending on goods and services is expected to increase as the council is expected to spend an estimated R20 million in 2013/14, R21 million in 2014/15 and R22 million in 2015/16 for the Witwatersrand water ingress project. The project is intended to provide solutions for decanting and ingressing acid mine drainage water. Expenditure on derelict and ownerless mines is R20 million in 2013/14, R20 million in 2014/15 and R21 million in 2015/16. This expenditure will help in closing old mine holes and rehabilitating old abandoned mines.

The council's other major item of expenditure is the stimulation of investment in the mineral sector, estimated at R50 million in 2013/14, R65 million in 2014/15 and R74 million in 2015/16. This expenditure will be incurred to produce maps targeting mineral potential in South Africa. An additional allocation of R6 million in 2015/16 is for the economic competitiveness support package. The increase in expenditure on transfers received over the seven-year period is due to additional allocations received by the council for improved conditions of service, various projects and the economic competitiveness support package.

In 2010/11, the council reduced spending on overheads by R1 million by putting on hold or freezing spending on items, such as training and bursaries, travel and entertainment, and conferences. Efficiency savings of R2.9 million in 2012/13, R3.6 million in 2013/14 and R3 million in 2014/15 have been identified in expenditure on entertainment and on travel and subsistence. These savings will be reprioritised to other areas and will not impact negatively on service delivery.

The council has a funded establishment of 325 posts, of which 27 are vacant. These vacancies are a result of the council's salary scales being lower than industry's, which means the council struggles to retain and attract personnel. Personnel numbers are expected to increase to 368 over the medium term as vacancies are filled. R47 million was spent on consultants in 2012/13. The consultants assisted in research and development in areas where the council did not have these skills, such as civil constructions for the water canal projects and survey. The ratio of support to line function staff is 1:4.

Council for Mineral Technology

Mandate and goals

The mandate of the Council for Mineral Technology, as set out in the Mineral Technology Act (1989), is to promote mineral technology and foster the establishment and expansion of industries in the field of minerals. The council develops appropriate, innovative technology for transfer to the industry, and provides the industry with test work, and consultancy, analytical and mineralogical services.

The council's strategic goals over the medium term are to:

- maximise the use of finite ore resources
- alleviate poverty and create employment
- add value to mineral and metal products
- promote the transition from a resource dominated to a knowledge based economy
- focus on strategic areas of research and development to keep the council and South Africa at the forefront of technological innovation
- operate effectively in the global environment
- satisfy the demands of a knowledgeable customer base
- generate high economic returns for the national and regional economies through technical programmes
- focus on skills development and educational initiatives through social programmes

- nurture self-sustaining local economies in areas of South Africa where smaller mineral extraction and beneficiation enterprises have the capability to generate broad based employment and wealth
- attract and retain crucial skills.

Selected performance indicators

Table 32.19 Council for Mineral Technology

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new or improved technologies developed per year	Research and develop efficient mineral processing technologies and value added products and services	5	5	4	3	3	4	4
Number of reports on new or improved mining and minerals processing products and services developed per year	Research and develop efficient mineral processing technologies and value added products and services	14	14	13	17	17	17	17
Number of analytical and mineralogical methods and services developed per year, evidenced by reports	Research and develop efficient mineral processing technologies and value added products and services	3	3	13	11	9	10	9
Number of external reports on water and energy efficient flow sheets developed per year	Research and develop efficient mineral processing technologies and value added products and services	2	1	3	3	3	3	3
Number of technologies adapted or developed relevant to SMMEs per year	Promote the mineral based economies of rural and marginalised communities through technical assistance and skills development	2	3	2	2	2	2	2
Number of undergraduate bursars granted bursaries per year	Build world class research and development excellence	85	85	72	45	45	45	45
Number of candidates employed per year	Build world class research and development excellence	53	58	48	45	50	50	50

Programmes/activities/objectives

Table 32.20 Council for Mineral Technology

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Enhance visibility and credibility to all stakeholders	–	–	22 524	55 528	–	4.3%	58 304	61 220	63 056	4.3%	11.5%
Research and develop efficient mineral processing technologies and value added products and services	227 492	207 809	189 530	252 411	3.5%	54.3%	270 440	273 753	281 965	3.8%	51.9%
Research and develop green technologies and processes to mitigate the impact of mineral development on the environment	–	–	19 420	12 615	–	1.9%	13 246	13 908	14 325	4.3%	2.6%
Promote the mineral based economies of rural and marginalised communities through technical assistance and skills development	18 129	10 903	16 599	18 949	1.5%	4.0%	18 096	17 286	16 111	-5.3%	3.4%
Ensure the short-term viability and long-term sustainability	–	–	10 626	18 674	–	1.6%	19 234	20 196	20 802	3.7%	3.8%
Uphold good governance practices	76 841	111 387	112 440	105 917	11.3%	25.3%	111 586	112 165	115 530	2.9%	21.4%
Build world class research and development excellence	26 249	23 713	21 111	26 412	0.2%	6.1%	27 733	29 119	29 993	4.3%	5.4%
Old objectives	24 835	13 117	–	–	-100.0%	2.6%	–	–	–	–	–
Total expense	373 546	366 929	392 250	490 506	9.5%	100.0%	518 639	527 646	541 782	3.4%	100.0%

Expenditure estimates

Table 32.21 Council for Mineral Technology

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Revenue											
Non-tax revenue	251 678	259 990	309 425	347 313	11.3%	68.8%	354 498	342 688	323 039	-2.4%	62.6%
Sale of goods and services other than capital assets	223 235	208 457	272 708	328 738	13.8%	60.6%	335 376	323 184	303 035	-2.7%	59.1%
of which:											
Sales by market establishment	223 235	208 457	272 708	328 738	13.8%	60.6%	335 376	323 184	303 035	-2.7%	59.1%
Other non-tax revenue	28 443	51 533	36 717	18 575	-13.2%	8.3%	19 122	19 504	20 004	2.5%	3.5%
Transfers received	123 561	128 702	126 262	145 989	5.7%	31.1%	200 411	221 825	260 212	21.2%	37.4%
Total revenue	375 239	389 355	435 687	493 302	9.5%	100.0%	554 909	564 513	583 251	5.7%	100.0%

Table 32.21 Council for Mineral Technology (continued)

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R thousand										
Expenses											
Current expenses	373 445	366 929	392 250	490 506	9.5%	100.0%	518 639	527 646	541 782	3.4%	100.0%
Compensation of employees	228 709	227 158	248 088	247 561	2.7%	59.2%	252 489	257 538	265 264	2.3%	49.2%
Goods and services	127 243	123 812	128 434	230 103	21.8%	36.9%	254 466	259 555	261 935	4.4%	48.4%
Depreciation	14 164	12 424	13 049	12 842	-3.2%	3.3%	11 684	10 553	14 583	4.3%	2.4%
Interest, dividends and rent on land	3 329	3 535	2 679	-	-100.0%	0.6%	-	-	-	-	-
Total expenses	373 546	366 929	392 250	490 506	9.5%	100.0%	518 639	527 646	541 782	3.4%	100.0%
Surplus/(Deficit)	1 693	22 426	43 437	2 796	18.2%		36 270	36 867	41 469	145.7%	
Statement of financial position											
Carrying value of assets	195 308	211 563	260 411	265 293	10.7%	41.2%	270 418	275 799	285 755	2.5%	41.3%
of which:											
Acquisition of assets	25 654	63 789	70 518	73 225	41.9%	10.1%	81 162	69 939	69 939	-1.5%	11.1%
Investments	222 888	246 809	274 493	300 417	10.5%	46.2%	324 193	343 918	364 236	6.6%	50.0%
Inventory	6 539	5 722	5 467	5 740	-4.2%	1.1%	5 740	5 740	5 740	-	0.9%
Receivables and prepayments	60 247	43 915	45 739	45 739	-8.8%	8.8%	45 739	45 739	45 739	-	6.9%
Cash and cash equivalents	3 761	20 703	30 806	5 533	13.7%	2.6%	5 533	5 533	5 533	-	0.8%
Taxation	-	502	502	502	-	0.1%	502	502	502	-	0.1%
Derivatives financial instruments	-	-	502	-	-	0.0%	-	-	-	-	-
Total assets	488 743	529 214	617 920	623 224	8.4%	100.0%	652 125	677 232	707 505	4.3%	100.0%
Accumulated surplus/(deficit)	232 698	231 536	276 328	301 155	9.0%	46.1%	337 425	370 687	406 749	10.5%	53.1%
Capital and reserves	109 358	132 946	131 591	130 237	6.0%	22.4%	128 883	127 529	126 175	-1.1%	19.3%
Finance lease	423	-	-	-	-100.0%	0.0%	-	-	-	-	-
Deferred income	76 374	100 870	116 812	126 812	18.4%	18.5%	119 312	110 952	104 879	-6.1%	17.5%
Trade and other payables	38 821	35 008	64 090	35 008	-3.4%	7.6%	35 008	35 008	35 008	-	5.3%
Taxation	160	-	-	-	-100.0%	0.0%	-	-	-	-	-
Provisions	30 910	28 855	28 598	30 012	-1.0%	5.3%	31 497	33 057	34 694	5.0%	4.9%
Total equity and liabilities	488 744	529 215	617 419	623 224	8.4%	100.0%	652 125	677 232	707 505	4.3%	100.0%

Personnel information

Table 32.22 Council for Mineral Technology

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
765	64	670	248.1	0.4	705	247.6	0.4	709	252.5	0.4	718	257.5	0.4	717	265.3	0.4	0.6%	100.0%	
1 - 6	107	21	82	38.8	0.5	86	17.9	0.2	90	15.3	0.2	95	10.0	0.1	95	10.6	0.1	3.3%	12.9%
7 - 10	319	1	306	62.1	0.2	321	68.4	0.2	316	69.1	0.2	316	71.2	0.2	315	73.0	0.2	-0.7%	44.5%
11 - 12	203	13	181	69.7	0.4	190	76.8	0.4	195	81.2	0.4	195	83.6	0.4	195	86.1	0.4	0.9%	27.2%
13 - 16	135	29	100	75.7	0.8	106	82.5	0.8	107	84.9	0.8	111	90.7	0.8	111	93.4	0.8	1.5%	15.3%
17 - 22	1	-	1	1.8	1.8	1	1.9	1.9	1	2.0	2.0	1	2.1	2.1	1	2.1	2.1	-	0.1%

1. Rand million.

Expenditure trends

The Council for Mineral Technology generates revenue mainly from commercial companies that purchase products, services and contracted research from the council, as well as transfer payments from the department. The growth in revenue in 2012/13 was due to an increase in commercial work obtained from external customers as the economy recovered from the recession of 2009/10.

The spending focus over the medium term will be on further research into water treatment; enhancing extraction techniques involving hydrometallurgy, pyrometallurgy and biotechnology; and accessing and processing low grade and complex ore bodies, residues and exposed rocks facility.

Expenditure on compensation of employees accounts for 50.5 per cent of the council's total expenditure in 2012/13. Over the medium term, expenditure is expected to increase due to an additional allocation of R81 million for waste and sensor scrap reprocessing, as well as sensor based sorting projects and R12 million in 2015/16 for the economic competitiveness support package. Allocations in this period have been linked to specific projects, the largest of which, the rehabilitation of derelict and ownerless mine sites, will have

completed the rehabilitation of 14 mines by the end of March 2013. The council has developed proven industrial technologies, one for treating South Africa's low grade uranium resources, which is under consideration for use by certain mining companies, and another for water treatment, which is currently under joint venture development with the world's largest water treatment company.

Efficiency savings of R7.7 million have been identified over the medium term from cost saving measures, which include using energy saving lights, printing documents double sided, and encouraging the use of black and white print copies instead of colour. The council also identified savings from a moratorium on filling vacant non-critical positions, which saved R12 million in salary costs.

The council had a funded establishment of 765 posts, of which 64 were vacant as at 30 September 2012. The number of permanent employees decreased between 2009/10 and 2012/13 due to natural attrition and the retrenchment of 44 employees. 20 of the 44 retrenched employees were reemployed in 2012 due to a change in the operational needs of the council. Personnel numbers are expected to increase to 717 over the medium term. The ratio of support staff to line function staff was 1:2.9. R75 million in 2012/13 was spent on consultants, who are used where there is a lack of suitably qualified engineers and scientists within the council.

Mine Health and Safety Council

Mandate and goals

The Mine Health and Safety Council was established in terms of the Mine Health and Safety Act (1996). The council is mandated to advise the Minister of Mineral Resources on occupational health and safety at mines, develop legislation, conduct research, and liaise with other safety bodies. The council operates through the tripartite partnership between organised labour, employers (through the Chamber of Mines) and the Department of Mineral Resources.

While the council's overarching objective is to assist the industry in sustaining and improving health and safety performance through a significant reduction in fatalities, injuries, and occupational diseases, its strategic goals over the medium term are to:

- advise the minister
- influence the health and safety legislative environment
- promote an occupational health and safety culture
- improve partnership and cooperation within the partnership
- drive the implementation of all summit commitments within the mining industry
- build health and safety capacity in the sector in liaison with the Mining Qualifications Authority
- conduct research
- share best practice
- maintain effective financial management.

Selected performance indicators

Table 32.23 Mine Health and Safety Council

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of research programmes and reviews conducted per year	Become a knowledge leader in mine health and safety through conducting focused research	18	18	18	10	10	10	10
Number of scheduled advice processes with the minister per year	Provision of advice reports that influence mining health and safety performance	5	4	6	8	10	10	12
Number of skills development projects per year ¹	Promote MHSC programmes in the mining industry	2	-1	-1	5	5	5	5
Number of recommendations (legislative) submitted for promulgation per year ¹	Provision of advice reports that influence mining health and safety performance	-1	-1	6	6	6	6	6
Number of high-level tripartite stakeholder engagements to discuss issues per year ²	Strengthen tripartite partnerships	-2	-2	2	2	2	2	2

1. Past data was unavailable as the information was not collected.

2. No past data as reporting on the stakeholder engagements only began in 2011/12.

Programmes/activities/objectives

Table 32.24 Mine Health and Safety Council

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Promote health and safety culture in the mining industry	9 486	6 076	7 954	6 387	-12.4%	14.0%	8 959	10 452	10 022	16.2%	13.3%
Provision of advice reports that influences mining health and safety performance.	8 241	13 207	14 659	6 387	-8.1%	19.4%	8 959	10 452	10 022	16.2%	13.3%
Strengthen tripartite partnerships	6 729	13 483	12 964	20 225	44.3%	23.5%	20 103	19 753	21 740	2.4%	30.7%
Become a knowledge leader in mine health and safety through conducting focused research.	20 548	24 950	20 561	29 371	12.6%	43.2%	27 468	27 220	29 486	0.1%	42.6%
Total expense	45 004	57 716	56 138	62 370	11.5%	100.0%	65 489	67 877	71 270	4.5%	100.0%

Expenditure estimates

Table 32.25 Mine Health and Safety Council

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Revenue											
Non-tax revenue	54 798	64 913	71 625	67 132	7.0%	92.7%	68 478	69 919	72 284	2.5%	93.2%
Sale of goods and services other than capital assets	47 026	51 742	55 328	60 432	8.7%	77.1%	63 453	66 151	69 458	4.7%	87.0%
<i>of which:</i>											
Administrative fees	114	210	33	-	-100.0%	0.1%	-	-	-	-	-
Sales by market establishment	46 912	51 533	55 295	60 432	8.8%	77.0%	63 453	66 151	69 458	4.7%	87.0%
Other non-tax revenue	7 772	13 171	16 297	6 700	-4.8%	15.6%	5 025	3 768	2 826	-25.0%	6.2%
Transfers received	5 118	5 358	5 288	4 370	-5.1%	7.3%	5 035	5 197	5 574	8.4%	6.8%
Total revenue	59 916	70 271	76 913	71 502	6.1%	100.0%	73 513	75 116	77 858	2.9%	100.0%
Expenses											
Current expenses	45 004	57 716	56 138	62 370	11.5%	100.0%	65 489	67 877	71 270	4.5%	100.0%
Compensation of employees	9 658	8 627	12 157	23 547	34.6%	24.0%	24 725	25 714	26 999	4.7%	37.8%
Goods and services	33 904	47 274	41 162	36 377	2.4%	72.2%	38 239	39 803	41 837	4.8%	58.5%
Depreciation	1 094	860	1 945	1 571	12.8%	2.5%	1 650	1 485	1 559	-0.3%	2.4%
Interest, dividends and rent on land	348	955	874	875	36.0%	1.3%	875	875	875	-	1.3%
Total expenses	45 004	57 716	56 138	62 370	11.5%	100.0%	65 489	67 877	71 270	4.5%	100.0%
Surplus/(Deficit)	14 912	12 555	20 775	9 132	-15.1%		8 024	7 239	6 588	-10.3%	
Statement of financial position											
Carrying value of assets	2 265	4 136	10 723	1 327	-16.3%	3.4%	1 194	1 015	1 066	-7.0%	1.2%
<i>of which:</i>											
Acquisition of assets	727	2 850	8 621	6 700	109.7%	4.1%	2 125	2 231	-	-100.0%	3.1%
Inventory	-	-	153	-	-	0.0%	-	-	-	-	-
Receivables and prepayments	15 074	5 975	3 691	4 460	-33.4%	6.3%	2 464	2 341	2 341	-19.3%	3.1%
Cash and cash equivalents	101 342	116 921	144 259	78 556	-8.1%	90.3%	88 437	96 251	103 122	9.5%	95.6%
Total assets	118 681	127 032	158 826	84 343	-10.8%	100.0%	92 095	99 607	106 529	8.1%	100.0%
Accumulated surplus/(deficit)	107 231	119 575	140 351	77 648	-10.2%	91.2%	85 672	92 912	99 499	8.6%	92.9%
Finance lease	189	123	80	101	-18.9%	0.1%	101	108	113	3.8%	0.1%
Trade and other payables	9 369	5 569	16 361	4 529	-21.5%	7.0%	4 532	4 707	4 943	3.0%	4.9%
Provisions	1 892	1 764	2 034	2 065	3.0%	1.7%	1 790	1 880	1 974	-1.5%	2.0%
Total equity and liabilities	118 681	127 031	158 826	84 343	-10.8%	100.0%	92 095	99 607	106 529	8.1%	100.0%

Personnel information

Table 32.26 Mine Health and Safety Council

Salary level	Number of funded posts	Post status estimated for 31 March 2013	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment													Number					
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/ total: Average (%)					
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost		
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost					
	45	1		26	12.2	0.5	46	23.5	0.5	46	24.7	0.5	46	25.7	0.6	46	27.0	0.6	-	100.0%		
1 – 6	5	1	4	0.6	0.1	4	0.5	0.1	4	0.5	0.1	4	0.6	0.1	4	0.6	0.1	4	0.6	0.1	-	8.7%
7 – 10	16	-	8	1.8	0.2	16	4.3	0.3	16	4.5	0.3	16	4.7	0.3	16	4.9	0.3	16	4.9	0.3	-	34.8%
11 – 12	15	-	6	2.9	0.5	15	8.2	0.5	15	8.6	0.6	15	8.9	0.6	15	9.4	0.6	15	9.4	0.6	-	32.6%
13 – 16	9	-	8	6.9	0.9	11	10.6	1.0	11	11.1	1.0	11	11.6	1.1	11	12.1	1.1	11	12.1	1.1	-	23.9%

1. Rand million.

Expenditure trends

The Mine Health and Safety Council generates revenue mainly from levies received from mining companies. The budgeted levy income increased to R67.1 million in 2012/13 due to inflation.

The spending focus over the medium term will be on transferring technology and implementing research outcomes to improve the health and safety records at mines. This will be done in order to promote a culture of occupational health and safety.

Expenditure increases on compensation of employees and goods and services between 2010/11 and 2012/13 was due to the filling of vacant posts. R1.9 million was spent by the council on the summit action plan between 2010/11 and 2012/13 to drive the implementation of all summit commitments within the mining industry. As part of the safety drive, R3.3 million between 2010/11 and 2012/13 was spent on the Chamber of Mines' rock engineering technical committee on safety, and on the development of the second technology transfer for the thermal stress projects.

Over the medium term, expenditure on goods and services and compensation of employees is expected to increase due to inflation. There were 45 funded posts and 1 vacancy in the entity as at 30 September 2012. This vacancy is in the research division due to the scarcity of the technical skills required. The ratio of support to line function staff is 1:1.7.

South African Diamond and Precious Metals Regulator

Mandate and goals

In terms of the Diamond Amendment Act (2005), the Diamond Second Amendment Act (2005) and the Precious Metals Act (2005), the South African Diamond and Precious Metals Regulator was established to replace the previous South African Diamond Board, which had been established in terms of the Diamonds Act (1986). The new legislation expanded the regulator's mandate from regulating control over the possession, purchase, sale, processing and export of diamonds to include the regulation of precious metals.

The regulator's strategic goals over the medium term are to:

- ensure competitiveness, sustainable development and job creation in the diamond and precious metals industry
- oversee the effective transformation of the diamond and precious metals sectors
- ensure equitable access to resources for local beneficiation
- ensure compliance with the legislative requirements within the industry
- improve organisational capacity to achieve optimal performance.

Selected performance indicators

Table 32.27 South African Diamond and Precious Metals Regulator

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of diamond beneficiation licences per year	Diamond and precious metals regulation	158	135	192	205	300	250	200
Number of diamond dealers' licences issued per year	Diamond and precious metals regulation	457	374	533	537	700	550	500
Number of diamond trading houses established/regulating per year	Diamond and precious metals regulation	12	11	16	21	30	25	20
Total number of diamond researchers	Diamond and precious metals regulation	8	10	14	18	30	25	20
Number of refining licences issued per year	Diamond and precious metals regulation	9	11	15	19	40	30	20
Number of jewellers' permits granted per year	Diamond and precious metals regulation	119	135	192	133	200	150	100
Number of precious metals beneficiation licences issued per year	Diamond and precious metals regulation	332	12	18	22	30	25	20

Programmes/activities/objectives

Table 32.28 South African Diamond and Precious Metals Regulator

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand											
Diamond and precious metals regulation	42 791	52 859	60 282	63 132	13.8%	100.0%	68 688	71 753	79 421	8.0%	100.0%
Total expense	42 791	52 859	60 282	63 132	13.8%	100.0%	68 688	71 753	79 421	8.0%	100.0%

Expenditure estimates

Table 32.29 South African Diamond and Precious Metals Regulator

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand											
Revenue											
Non-tax revenue	9 176	9 055	7 978	22 142	34.1%	22.3%	23 864	23 943	27 398	7.4%	34.6%
Sale of goods and services other than capital assets	4 032	3 819	3 981	19 818	70.0%	13.9%	20 524	20 429	23 686	6.1%	30.0%
of which:											
Sales by market establishment	4 032	3 819	3 981	19 818	70.0%	13.9%	20 524	20 429	23 686	6.1%	30.0%
Other non-tax revenue	5 144	5 236	3 997	2 324	-23.3%	8.3%	3 340	3 514	3 712	16.9%	4.6%
Transfers received	39 412	40 643	39 374	40 990	1.3%	77.7%	44 824	47 810	50 527	7.2%	65.4%
Total revenue	48 588	49 698	47 352	63 132	9.1%	100.0%	68 688	71 753	77 925	7.3%	100.0%
Expenses											
Current expenses	42 791	52 859	60 201	63 047	13.8%	99.9%	68 596	71 656	79 318	8.0%	99.9%
Compensation of employees	26 094	34 233	41 251	45 775	20.6%	66.7%	48 732	52 196	55 236	6.5%	71.4%
Goods and services	14 190	15 954	16 408	15 426	2.8%	28.7%	18 080	17 801	21 040	10.9%	25.5%
Depreciation	2 383	2 601	2 472	1 794	-9.0%	4.4%	1 733	1 610	2 992	18.6%	2.8%
Interest, dividends and rent on land	124	71	70	52	-25.1%	0.2%	51	49	50	-1.3%	0.1%
Transfers and subsidies	-	-	81	85	-	0.1%	92	97	103	6.6%	0.1%
Total expenses	42 791	52 859	60 282	63 132	13.8%	100.0%	68 688	71 753	79 421	8.0%	100.0%
Surplus/(Deficit)	5 797	(3 161)	(12 930)	-	-100.0%		-	-	(1 496)	-	
Statement of financial position											
Carrying value of assets	8 542	5 663	10 969	10 994	8.8%	13.7%	1 633	10 327	9 327	-5.3%	14.7%
of which:											
Acquisition of assets	3 145	1 109	8 085	4 164	9.8%	6.3%	1 876	800	-	-100.0%	3.1%
Inventory	63	58	100	77	6.9%	0.1%	56	56	62	-7.0%	0.1%
Receivables and prepayments	1 544	872	652	874	-17.3%	1.4%	1 015	979	950	2.8%	1.8%
Cash and cash equivalents	23 126	20 490	11 355	2 196	-54.4%	19.4%	11 550	6 659	9 126	60.8%	13.7%
Non-current assets held for sale	46 132	49 333	41 244	42 289	-2.9%	65.4%	38 394	34 911	36 125	-5.1%	69.7%
Total assets	79 407	76 416	64 320	56 430	-10.8%	100.0%	52 648	52 932	55 590	-0.5%	100.0%
Accumulated surplus/(deficit)	74 019	69 569	56 640	48 891	-12.9%	89.7%	48 891	48 891	48 891	-	90.0%
Borrowings	-	384	-	-	-	0.1%	-	-	-	-	-
Finance lease	394	498	309	868	30.1%	0.8%	725	690	597	-11.7%	1.3%
Deferred income	-	65	62	60	-	0.1%	35	15	10	-45.0%	0.1%
Trade and other payables	4 992	3 899	5 408	5 411	2.7%	7.3%	997	1 136	3 492	-13.6%	5.0%
Provisions	-	2 000	1 900	1 200	-	1.9%	2 000	2 200	2 600	29.4%	3.7%
Total equity and liabilities	79 405	76 415	64 319	56 430	-10.8%	100.0%	52 648	52 932	55 590	-0.5%	100.0%

Personnel information

Table 32.30 South African Diamond and Precious Metals Regulator

Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
		Salary level	119	-	109	41.3	0.4	119	45.8	0.4	122	48.7	0.4	124	52.2	0.4			
1-6	22	-	20	2.1	0.1	22	2.3	0.1	21	2.5	0.1	21	2.6	0.1	21	2.7	0.1	-1.5%	17.3%
7-10	57	-	52	15.4	0.3	57	16.8	0.3	60	18.0	0.3	60	19.0	0.3	61	20.1	0.3	2.3%	48.4%
11-12	27	-	25	13.4	0.5	27	14.6	0.5	28	15.7	0.6	30	16.5	0.5	31	17.4	0.6	6.1%	23.6%
13-16	13	-	12	10.3	0.9	13	12.1	0.9	13	12.6	1.0	13	14.1	1.1	14	15.0	1.1	7.6%	10.8%

1. Rand million.

Expenditure trends

The South African Diamond and Precious Metals Regulator receives revenue mainly from transfers from the department. Other revenue is generated from licensing fees and levies charged to mining companies. The increase in revenue in 2012/13 was due to the reintroduction of service fees charged for handling goods represented at the Diamond Exchange and Export Centre.

The spending focus over the medium term will be on issuing licenses, conducting diamond valuations, carrying out compliance inspections and audits, and facilitating tenders for rough and polished diamonds. These activities are to be undertaken to ensure competitiveness, sustainable development and job creation in the diamond and precious metals industry.

Expenditure is expected to increase over the medium term due to: spending on contractual obligations connected to the leasing of office accommodation and annual escalations, the planned expansion of the Diamond Exchange and Export Centre, and the overseeing of inspections for diamond and precious metals licences, where 4 500 such inspections still have to be completed. Spending on compensation of employees increased in 2012/13 due to the filling of vacant posts.

The regulator expects to realise saving of R2 million over the medium term by reducing the number of inspection trips made to provinces and regions. This cost containment measure will not impact negatively on the regulator's mandate, as licence, diamond and precious metals inspections will be carried out once each quarter.

The regulator has 119 funded positions with no vacancies. Over the medium term, the entity plans to increase its establishment to 127 posts. The ratio of support to line function staff is 1:1.

State Diamond Trader

Mandate and goals

The mandate of the State Diamond Trader, as set out in the Diamond Amendment Act (2005), is to buy and sell rough diamonds to promote equitable access to, and the beneficiation of, diamond resources. It is required to address distortions in the diamond industry and correct historical market failures to develop and grow South Africa's diamond cutting and polishing industry. The entity sells to approved customers through its application and approval process, and is eligible by law and proclamation to purchase up to 10 per cent of the run of mine from all diamond producers in South Africa.

The organisation's strategic goals over the medium term are to:

- support the growth of the industry through relevant interventions
- establish, maintain and expand its client base of local diamond beneficiation companies
- ensure the sustainability of the organisation through sound management and good governance
- ensure a constant and suitable supply of, and access to, rough diamonds.

Selected performance indicators

Table 32.31 State Diamond Trader

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of diamond producers who sell unpolished diamonds to the State Diamond Trader per year	Purchasing of unpolished diamonds	7	15	8	9	19	19	19
Number of clients of the State Diamond Trader per year	Promote equitable access to diamonds and local beneficiation	105	130	102	72	145	150	155
Number of diamond production inspections per year	Promote equitable access to diamonds and local beneficiation	20	20	69	25	30	30	30
Number of trainees employed per year	Job creation	4	7	7	5	10	10	10

Programmes/activities/objectives

Table 32.32 State Diamond Trader

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Sale of rough diamonds	330 311	794 661	433 054	568 830	19.9%	100.0%	568 830	568 830	568 830	-	100.0%
Total expense	330 311	794 661	433 054	568 830	19.9%	100.0%	568 830	568 830	568 830	-	100.0%

Expenditure estimates

Table 32.33 State Diamond Trader

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	337 939	818 258	445 968	569 151	19.0%	99.9%	569 644	569 832	569 331	0.0%	100.0%
Sale of goods and services other than capital assets	330 892	810 406	433 054	568 297	19.8%	98.4%	568 297	568 297	568 297	-	99.8%
<i>of which:</i>											
<i>Sales by market establishment</i>	330 892	810 406	433 054	568 297	19.8%	98.4%	568 297	568 297	568 297	-	99.8%
<i>Other non-tax revenue</i>	7 047	7 852	12 914	854	-50.5%	1.5%	1 347	1 535	1 034	6.6%	0.2%
Transfers received	1 000	-	-	-	-100.0%	0.1%	-	-	-	-	-
Total revenue	338 939	818 258	445 968	569 151	18.9%	100.0%	569 644	569 832	569 331	0.0%	100.0%
Expenses											
Current expenses	328 642	786 771	429 802	568 830	20.1%	99.4%	560 228	568 830	568 830	-	99.6%
Compensation of employees	-	7 557	7 315	6 067	-	0.9%	-	6 067	6 674	3.2%	0.8%
Goods and services	328 059	778 840	421 872	559 731	19.5%	98.3%	556 874	559 731	559 124	-0.0%	98.2%
Depreciation	209	199	334	-	-100.0%	0.0%	324	-	-	-	0.0%
Interest, dividends and rent on land	374	175	281	3 032	100.9%	0.2%	3 030	3 032	3 032	-	0.5%
Total expenses	330 311	794 661	433 054	568 830	19.9%	100.0%	568 830	568 830	568 830	-	100.0%
Surplus/(Deficit)	8 628	23 597	12 914	321	-66.6%		814	1 002	501	16.0%	
Statement of financial position											
Carrying value of assets	836	636	2 121	1 696	26.6%	4.6%	1 273	849	425	-37.0%	1.3%
<i>of which:</i>											
<i>Acquisition of assets</i>	24	-	1 781	-	-100.0%	1.1%	1 115	-	1 898	-	0.9%
Inventory	-	6 526	6 726	37 352	-	21.8%	38 352	38 352	38 352	0.9%	45.2%
Receivables and prepayments	107	2 109	971	80	-9.2%	2.6%	80	80	80	-	0.1%
Cash and cash equivalents	8 253	21 115	31 952	35 946	63.3%	70.9%	35 327	37 374	37 374	1.3%	43.3%
Taxation	-	-	-	-	-	-	11 796	11 796	11 796	-	10.1%
Total assets	9 196	30 386	41 770	75 074	101.4%	100.0%	86 828	88 451	88 027	5.4%	100.0%
Accumulated surplus/(deficit)	4 391	27 986	40 900	35 804	101.3%	71.4%	20 677	20 677	20 677	-16.7%	29.6%
Capital and reserves	-	-	-	26 104	-	8.7%	18 683	20 363	19 939	-8.6%	25.5%
Borrowings	2 216	816	37	9 076	60.0%	9.7%	43 721	43 721	43 721	68.9%	40.4%
Finance lease	47	53	-	-	-100.0%	0.2%	-	-	-	-	-
Trade and other payables	2 542	1 533	833	4 090	17.2%	10.0%	3 747	3 690	3 690	-3.4%	4.5%
Total equity and liabilities	9 196	30 388	41 770	75 074	101.4%	100.0%	86 828	88 451	88 027	5.4%	100.0%

Personnel information

Table 32.34 State Diamond Trader

Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/ total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	30	8	22	7.3	0.3	22	6.1	0.3	34	6.1	0.2	38	6.1	0.2	42	6.7	0.2	24.1%	100.0%
13 – 16	30	8	22	7.3	0.3	22	6.1	0.3	34	6.1	0.2	38	6.1	0.2	42	6.7	0.2	3.2%	100.0%

1. Rand million.

Expenditure trends

The State Diamond Trader generates its revenue by selling rough diamonds to its clients. There is no budget allocation from the state for the trader. Revenue increased significantly in 2010/11 due to the interim sales strategy which increased sales of rough diamonds. The entity is entitled to 10 per cent of diamonds that are mined, and higher production during the period resulted in greater quantities of diamonds being purchased and sold.

Over the medium term the spending focus will mainly be on the improvement of the trader's operational profitability; the provision of support to its clients; the implementation and maintenance of its administrative systems, procedures and controls; and the enforcement of compliance with legislation. The trader will also develop and maintain trading relations with other African diamond producing countries, and contribute to the sustainable development of the local diamond beneficiation sector by purchasing up to 10 per cent of unpolished diamonds from local producers and selling these to diamond processors.

The purchase of rough diamonds for resale, which is recorded under goods and services, is the most significant item of expenditure for the trader. Other expenditure includes travel, salary and training costs. Expenditure on goods and services increased between 2009/10 and 2012/13 due to the budgeted purchase of rough diamonds according to the producer's estimates, which saw an escalation in the number of diamond producers from 7 in 2009/10 to 9 in 2012/13.

The use of consultants is limited and related to human resources, secretarial services, IT, internal audit, security, cleaning and legal consultants. The entity has a funded establishment of 30 posts, of which 8 are vacant, mainly as a result of natural attrition. Personnel numbers are expected to increase to 42 over the medium term, as vacant posts are filled. The ratio of support to line function staff is 1:0.9.

Additional tables

Table 32.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2011/12		2011/12	2012/13			2012/13
Administration	247 940	247 940	257 600	238 929	18 330	257 259	274 014
Promotion of Mine Safety and Health	147 501	147 501	141 252	154 472	(3 854)	150 618	147 381
Mineral Regulation	160 368	162 157	184 396	180 098	7 688	187 786	185 302
Mineral Policy and Promotion	480 403	481 367	446 187	595 563	(15 693)	579 870	556 279
Total	1 036 212	1 038 965	1 029 435	1 169 062	6 471	1 175 533	1 162 976
Economic classification							
Current payments	587 649	588 793	589 831	602 605	11 018	613 623	617 927
Compensation of employees	377 610	380 363	364 562	401 892	380	402 272	398 533
Goods and services	210 039	208 430	222 639	200 713	10 481	211 194	218 763
Interest and rent on land	-	-	2 630	-	157	157	631
Transfers and subsidies	438 439	438 439	420 837	560 317	(18 474)	541 843	527 134
Departmental agencies and accounts	199 067	199 067	199 067	266 510	2 628	269 138	266 510
Public corporations and private enterprises	238 254	238 254	220 254	292 633	(21 102)	271 531	259 068
Households	1 118	1 118	1 516	1 174	-	1 174	1 556
Payments for capital assets	10 124	11 733	18 558	6 140	13 927	20 067	17 752
Buildings and other fixed structures	-	834	864	-	3 378	3 378	1 952
Machinery and equipment	10 124	10 579	17 064	6 140	9 799	15 939	15 471
Software and other intangible assets	-	320	630	-	750	750	329
Payments for financial assets	-	-	209	-	-	-	163
Total	1 036 212	1 038 965	1 029 435	1 169 062	6 471	1 175 533	1 162 976

Table 32.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Compensation of employees (R thousand)	275 084	326 457	364 562	402 272	435 020	462 771	490 755
Training expenditure (R thousand)	9 074	7 764	3 083	6 990	8 295	9 073	9 491
Training spend as percentage of compensation	3.3%	2.4%	0.8%	1.7%	1.9%	2.0%	1.9%
Total number trained (headcount)	195	49	342	260			
<i>of which:</i>							
<i>Employees receiving bursaries (headcount)</i>	47	53	101	85			
<i>Internships (headcount)</i>	195	49	43	34			

BUDGET 2013
ESTIMATES OF NATIONAL EXPENDITURE

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