

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

MINERAL RESOURCES



VOTE 29



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2016

National Treasury

Republic of South Africa

24 February 2016



ISBN: 978-0-621-44244-1

RP: 15/2016

The 2016 Estimates of National Expenditure 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 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain information on 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.

Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Mineral Resources

**National Treasury
Republic of South Africa**



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Vote 29

Mineral Resources

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	310.9	296.7	3.2	11.0	322.1	338.7
Mine Health and Safety	184.9	183.8	–	1.1	191.1	198.3
Mineral Regulation	270.8	217.0	53.2	0.6	426.6	452.0
Mineral Policy and Promotion	902.5	133.8	767.7	0.9	907.5	835.5
Total expenditure estimates	1 669.1	831.4	824.1	13.6	1 847.2	1 824.6
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, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.

Vote purpose

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

Mandate

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

- the Mineral 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.

Selected performance indicators

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of occupational health and safety inspections and mine audits conducted per year	Mine Health and Safety	Outcome 4: Decent employment through inclusive economic growth	8 632	9 919	9 078	8 396	8 396	8 396	8 396
Number of mining rights and permits granted and/or issued to historically disadvantaged South Africans per year ¹	Mineral Regulation		102	192	203	200	150 ²	150	150
Number of industry workshops on compliance issues conducted per year	Mineral Regulation		25	12	16	9 ³	9	9	9
Number of social and labour plan verification inspections per year	Mineral Regulation		181	285	268	150	212	212	212
Number of environmental verification inspections per year	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 751	1 868	1 856	1 700	1 275 ⁴	1 275	1 275

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of mine economics verification audits per year ⁵	Mineral Regulation		480	546	520	500	425	425	425
Number of publications per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	35	13	15	13	17	18	19
Number of legislative instruments reviewed and amended per year	Mineral Policy and Promotion		2	2	4	3	5	3	3
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion	Outcome 10: Protect and enhance our environmental assets and natural resources	13	28	50	50	45	45	45
Number of SMMEs supported (new and established) per year	Mineral Policy and Promotion	Outcome 7: Comprehensive rural development and land reform	72	81	87	88	80 ⁶	80	80
Number of consultations, promotional and monitoring activities on shale gas exploration conducted per year	Mineral Policy and Promotion		– ⁷	– ⁷	11	10	5 ⁸	8	7
Number of investment promotion events/forums/workshops ⁹ per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	– ⁷	– ⁷	30	20	55	55	46
Number of strategic partnerships per year	Mineral Policy and Promotion		7	8	7	10	8	8	8

1. The department does not have control over the number of eligible applications submitted. However, the targets over the medium term include all aspects in the definition of historically disadvantaged South Africans.
2. The decrease from 200 to 150 is due to the global economic downturn and challenging commodity prices.
3. The decrease is due to the department's plan over the medium term to conduct 1 workshop per region.
4. In line with the department's annual performance plan, this target has been reduced to 1 275 per year due to budgetary constraints.
5. This indicator refers to audits conducted by mine economists to determine the levels of mineral extraction occurring at mines.
6. Target has been revised to align with the department's annual performance plan.
7. No historical data is available as these are new indicators introduced in 2014/5.
8. Over the medium term, the department will focus more on research and development, and monitoring rather than on awareness campaigns. An action plan for the medium term has been adopted for shale gas research and development, which lists all activities to be undertaken to ensure the project's success. Consultations are included but make up a small percentage of the action plan's activities.
9. This indicator has been revised in line with the department's annual performance plan, which includes all investment promotion. Beneficiation promotional activities per year are incorporated in these totals.

Expenditure analysis

The initiatives of the Department of Mineral Resources are aimed at contributing to government's 2014-2019 medium term strategic framework, particularly outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 10 (protect and enhance our environmental assets and natural resources). Over the medium term, the Department of Mineral Resources will focus strongly on promoting investment in the mineral and upstream petroleum sectors. It will also focus on ensuring the best utilisation of mineral resources, monitoring mining rights, and ensuring compliance with safety and environmental legislation, all of which in turn, contribute towards promoting investment in South Africa, as well as contributing more broadly to an equitable and inclusive economy.

The department achieves most of its mandate through the entities in its portfolio. Over the medium term, the department is to transfer 51 per cent of its total budget to the entities. Mintek receives the biggest share of transfers and subsidies, at 39.5 per cent over the period. In 2017/18, transfers to entities will be R980 million, up from R827 million in 2015/16.

Promoting investment in the minerals and upstream petroleum sectors

Specific initiatives over the medium term to promote investment in the minerals and upstream petroleum sectors include research on shale gas, assistance to small, medium and micro enterprises (SMMEs), marketing and information provision, and licensing.

Research on shale gas is progressing, following the additional allocation in 2014/15 of R108 million for the department's shale gas project, in the *Mineral Policy and Promotion* programme. 5 applications for mining shale gas are being considered for licensing. Shale gas exploration and mining is expected to contribute to economic growth and job creation.

The department will provide financial and technical support to a total of 240 SMMEs in the mining sector over the medium term, as small mines are seen as supporting investment and also job creation.

Promoting investment entails marketing the minerals and petroleum sectors to potential investors, and supplying them with information on mining products in South Africa and their export potential. The department aims to produce a total of 54 publications and reports over the medium term to contribute to promoting investment.

In addition, the department will improve the efficiency of the processing of applications for mining licences.

The above activities are budgeted for in the *Mineral Regulation* programme and the *Mineral Policy and Promotion* programme. Their combined total funding is set to rise at an average annual rate of 10.5 per cent, from R992.4 million in 2014/15 to R1.3 billion in 2017/18. In 2014/15, expenditure in these 2 programmes accounted for 67.3 per cent of the department's budget.

Ensuring the best utilisation of mineral resources

Exploration for onshore and offshore oil and gas resources and their optimal development contributes to the department's medium term focus of ensuring the best utilisation of mineral resources. This work is the central role of the Petroleum Agency for South Africa, which regulates exploration and production activities, and is the custodian of the national petroleum exploration and production database. Traditionally, the agency funds its activities from reserves accumulated from its exploration and exploitation work and from selling its data. Its current reserves will enable it to meet its costs until the end of 2016 /17. The agency will, however, need funding from the Department of Mineral Resources in 2017/18. It is set to receive increased funding of R305 million over the medium term for operations, which results in average annual growth of 19.7 per cent over the medium term in the budget of the *Mineral Regulation* programme.

The department also receives increased funding of R25 million for the development of specialised technologies to process various metals, which will be done by the Mintek.

Monitoring mining rights

Ensuring that the conditions of mining rights are met will be prioritised over the medium term. The number of mining rights and permits issued to historically disadvantaged South Africans is expected to decrease from 200 per year in 2015/16 to 150 per year over the medium term, due to the depressed market conditions in the mining industry. But the department's activities will continue to include coordinating the implementation of social and labour plans aimed at creating mining SMMEs and developing the surrounding communities.

Compliance with safety and environmental legislation

To mitigate and manage health and environmental impacts, the department aims to rehabilitate 135 derelict and ownerless mines over the medium term, at a cost of R379.2 million. The department's baseline in 2015/16 has been reduced by R231 million and this amount is reprioritised over the medium term towards the Council for Mineral Technology and Research and the Council for Geoscience for this work.

The 2014 Environmental Impact Assessment Regulations will guide the department to carry out rigorous environmental impact assessments to avoid or mitigate the detrimental impacts of mining activities on the environment. Already 9 regional managers and an additional 60 officials have been trained on the implementation of the regulations. The department aims to conduct 3 825 environmental management inspections over the medium term, at an estimated cost of R9.7 million in the *Mineral Regulation and Administration* subprogramme of the *Mineral Regulation* programme.

To increase the department's capacity for enforcing compliance with mining legislation, and carrying out occupational health and safety inspections, social and labour plans inspections, and environmental authorisation inspections, the number of personnel in the department is expected to increase by 6 from 1 197 in 2015/16 to 1 203 in 2016/17. The increase is budgeted for in the *Mine Health and Safety* and *Mineral Regulation* programmes. The department's overall allocation for compensation of employees has been set at R572.1 million in 2016/17, growing only marginally to R605 million in 2018/19. This is due to the Cabinet approved reductions on the compensation of employees budgets as part of the decision to lower the national aggregate expenditure ceiling. Of this, R60 million is increased funding for the 2015 public sector wage agreement.

The department will step up the implementation of the occupational health and safety improvement strategy to reduce fatalities, injuries and occupational diseases and to ensure that the mining industry complies with health and safety and environmental standards. There has been notable progress in reducing injuries and fatalities, from 100 fatalities in 2012/13 to 71 in 2014/15. The target for 2018/19 is 30. The number of injuries decreased from 3 109 in 2012/13 to 2 686 in 2014/15 and is targeted to decline to 1 100 by 2018/19. Further, through the Mine Health and Safety Council, the department will monitor the implementation of the commitments and action plan of the 2014 Mine Health and Safety Tripartite Summit.

Saving jobs

The mining sector is currently facing a negative outlook due to depressed global commodity prices, constrained electricity supply, labour tensions, and infrastructure bottlenecks that limit exports. There have been job losses as a result, and there is a threat of substantially more job losses. In response to retrenchments, in August 2015 business, government and labour signed a declaration to save jobs in the sector. The implementation of the declaration's imperatives include: extensions to consultation processes to allow for the implementation of interventions to address job losses, enhancing productivity and managing cost pressures, accelerating rehabilitation activities to create alternative jobs for mineworkers, facilitating the sale of distressed and other mining assets, and evaluating other alternatives to avoid job losses.

Several of the department's medium term priorities also contribute to job creation, such as supporting SMMEs, shale gas exploration and mining, and increasing mining rights to historically disadvantaged South Africans. Operation Phakisa, government's initiative to fast track the implementation of priority government programmes, also includes initiatives to save jobs and improve production in the mining sector.

Expenditure trends

Table 29.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Mine Health and Safety														
3. Mineral Regulation														
4. Mineral Policy and Promotion														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	238.9	257.3	295.3	271.5	282.3	308.6	284.2	297.6	315.2	293.2	308.9	308.9	112.9%	107.1%
Programme 2	154.5	150.6	140.7	163.7	163.7	153.2	168.0	172.0	167.5	175.8	184.4	184.4	97.6%	96.3%
Programme 3	180.1	187.8	191.4	222.7	211.9	205.5	231.4	236.7	237.7	260.4	263.7	263.7	100.4%	99.8%
Programme 4	595.6	579.9	546.3	735.9	735.9	719.9	787.8	769.2	754.8	889.0	881.5	881.5	96.5%	97.8%
Total	1 169.1	1 175.5	1 173.6	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.2	1 618.5	1 638.5	1 638.5	100.4%	99.8%
Change to 2015 Budget estimate										20.0				
Economic classification														
Current payments	602.6	613.6	623.8	747.9	708.1	684.8	742.3	744.3	739.8	806.1	800.1	800.1	98.3%	99.4%
Compensation of employees	401.9	402.3	395.9	435.0	444.1	435.3	476.8	492.0	484.6	528.4	548.4	548.4	101.2%	98.8%
Goods and services of which:	200.7	211.2	227.9	312.9	264.0	249.6	265.6	252.3	255.2	277.7	251.7	251.7	93.1%	100.5%
Administrative fees	3.4	3.4	2.8	3.4	3.1	2.6	3.7	3.6	2.1	4.4	3.5	3.5	74.5%	80.7%
Advertising	2.3	2.4	1.1	2.5	4.8	3.5	2.5	3.1	1.1	3.6	3.6	3.6	85.5%	67.4%
Minor assets	3.5	9.7	1.2	3.5	2.9	0.3	2.6	2.4	0.3	2.2	3.5	3.5	45.3%	29.0%
Audit costs: External	3.9	3.9	5.2	4.2	4.4	6.9	5.0	4.3	5.3	4.8	4.4	4.4	121.2%	126.9%
Bursaries: Employees	3.0	3.1	2.8	2.8	2.3	1.8	2.3	1.7	1.0	1.9	1.8	1.8	74.6%	82.8%
Catering: Departmental activities	2.3	2.1	0.6	2.1	1.9	1.2	2.5	2.1	0.5	2.6	3.1	3.1	56.2%	58.0%
Communication	10.0	9.7	12.5	10.8	12.4	15.0	13.1	12.8	14.6	13.5	18.3	18.3	127.4%	113.4%
Computer services	17.5	17.5	23.3	27.9	19.9	18.0	22.0	24.8	21.8	24.3	22.3	22.3	93.1%	101.0%
Consultants: Business and advisory services	5.5	4.0	1.7	4.3	10.6	5.8	8.0	18.8	14.8	7.9	9.9	9.9	124.6%	74.3%
Infrastructure and planning services	10.0	6.7	-	-	-	-	0.1	0.0	-	1.1	0.5	0.5	4.5%	7.0%
Legal services	0.9	3.4	9.2	5.7	0.7	9.2	0.8	0.8	7.9	0.9	1.9	1.9	341.5%	418.6%
Contractors	4.0	2.9	1.6	75.9	26.7	1.2	40.5	4.3	3.0	44.7	3.3	3.3	5.5%	24.3%
Agency and support/outsourced services	0.0	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.0	0.1	0.0	0.0	67.5%	47.4%
Entertainment	0.4	0.3	0.0	0.3	0.3	0.0	0.1	0.1	-	0.1	0.1	0.1	14.3%	16.2%
Fleet services (including government motor transport)	0.7	1.0	0.7	5.7	5.8	6.0	4.9	5.3	6.6	5.1	5.7	5.7	114.7%	106.6%
Inventory: Clothing material and accessories	-	-	-	0.0	0.0	-	0.5	0.3	-	0.4	0.3	0.3	36.1%	50.2%
Inventory: Food and food supplies	0.3	0.5	0.2	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1	51.8%	40.7%
Inventory: Learner and teacher support material	0.2	0.2	0.0	-	-	-	-	-	-	-	-	-	15.9%	18.3%

Table 29.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
<i>Inventory: Materials and supplies</i>	0.9	0.6	0.2	0.6	0.6	0.1	0.7	1.2	0.6	0.7	0.6	0.6	49.5%	45.8%
<i>Inventory: Medical supplies</i>	0.0	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	59.2%	43.7%
<i>Inventory: Other supplies</i>	-	1.7	1.1	-	-	-	-	-	-	-	-	-	-	67.9%
<i>Consumable supplies</i>	1.4	-	-	2.8	3.0	1.7	2.8	2.9	2.3	3.0	2.9	2.9	70.0%	78.3%
<i>Consumables: Stationery, printing and office supplies</i>	5.3	6.2	2.8	7.3	8.7	4.1	9.1	9.3	3.9	9.1	9.5	9.5	65.9%	60.3%
<i>Operating leases</i>	34.6	42.0	85.6	51.3	52.6	90.4	42.3	42.1	75.5	40.2	42.9	42.9	174.9%	164.0%
<i>Rental and hiring</i>	-	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.5	0.5	1 048.1%	96.9%
<i>Property payments</i>	7.7	4.4	3.2	5.1	6.8	5.4	5.7	5.8	4.1	5.7	5.6	5.6	75.8%	80.9%
<i>Travel and subsistence</i>	61.2	62.8	61.8	69.3	68.3	59.3	69.9	68.8	55.7	74.0	72.8	72.8	91.0%	91.6%
<i>Training and development</i>	7.1	7.0	2.3	8.3	7.9	3.0	6.9	6.2	4.7	4.8	7.7	7.7	65.9%	61.8%
<i>Operating payments</i>	8.3	9.7	4.3	13.2	13.9	11.2	14.5	26.1	24.3	15.1	16.2	16.2	109.5%	85.0%
<i>Venues and facilities</i>	6.2	5.7	3.7	5.5	5.9	2.7	5.1	5.3	5.0	7.2	10.4	10.4	90.8%	79.4%
<i>Interest and rent on land</i>	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	560.3	541.8	525.1	630.1	669.9	688.5	717.9	719.4	723.7	800.9	826.9	826.9	102.0%	100.2%
Departmental agencies and accounts	266.5	269.1	269.1	315.1	321.1	321.1	340.8	347.3	347.3	377.8	394.8	394.8	102.5%	100.0%
Public corporations and private enterprises	292.6	271.5	253.5	313.7	345.7	364.7	375.8	370.9	370.9	421.8	430.8	430.8	101.1%	100.1%
Households	1.2	1.2	2.4	1.2	3.0	2.7	1.3	1.3	5.6	1.4	1.4	1.4	237.6%	175.6%
Payments for capital assets	6.1	20.1	24.5	15.9	15.9	13.9	11.0	11.8	11.7	11.5	11.5	11.5	138.3%	104.0%
Buildings and other fixed structures	-	3.4	0.4	3.2	1.8	0.1	2.8	3.8	2.9	2.9	2.5	2.5	66.7%	51.8%
Machinery and equipment	6.1	15.9	24.1	12.7	14.1	13.8	8.2	8.0	7.2	8.6	8.9	8.9	151.5%	115.2%
Software and other intangible assets	-	0.8	-	-	-	-	-	-	1.6	-	0.1	0.1	-	191.1%
Payments for financial assets	-	-	0.2	-	-	0.0	-	-	-	-	-	-	-	-
Total	1 169.1	1 175.5	1 173.6	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.2	1 618.5	1 638.5	1 638.5	100.4%	99.8%

Expenditure estimates

Table 29.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Mine Health and Safety									
3. Mineral Regulation									
4. Mineral Policy and Promotion									
Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	308.9	6.3%	21.6%	310.9	322.1	338.7	3.1%	18.3%	
Programme 2	184.4	7.0%	11.4%	184.9	191.1	198.3	2.4%	10.9%	
Programme 3	263.7	12.0%	15.8%	270.8	426.6	452.0	19.7%	20.2%	
Programme 4	881.5	15.0%	51.1%	902.5	907.5	835.5	-1.8%	50.5%	
Total	1 638.5	11.7%	100.0%	1 669.1	1 847.2	1 824.6	3.7%	100.0%	
Change to 2015 Budget estimate				(15.8)	114.6	129.0			
Economic classification									
Current payments	800.1	9.2%	50.2%	831.4	855.3	895.4	3.8%	48.5%	
Compensation of employees	548.4	10.9%	32.9%	572.1	579.1	604.8	3.3%	33.0%	
Goods and services	251.7	6.0%	17.3%	259.2	276.2	290.6	4.9%	15.4%	
<i>of which:</i>									
<i>Administrative fees</i>	3.5	1.7%	0.2%	3.3	3.5	3.7	1.5%	0.2%	
<i>Advertising</i>	3.6	15.1%	0.2%	11.5	13.6	14.4	58.5%	0.6%	
<i>Minor assets</i>	3.5	-28.6%	0.1%	3.8	4.0	6.0	19.2%	0.2%	
<i>Audit costs: External</i>	4.4	3.8%	0.4%	5.2	5.4	5.7	9.0%	0.3%	
<i>Bursaries: Employees</i>	1.8	-16.0%	0.1%	1.5	1.6	1.6	-3.9%	0.1%	
<i>Catering: Departmental activities</i>	3.1	13.7%	0.1%	1.9	2.0	2.1	-12.0%	0.1%	
<i>Communication</i>	18.3	23.5%	1.1%	9.3	9.4	10.0	-18.3%	0.7%	
<i>Computer services</i>	22.3	8.3%	1.5%	24.5	25.7	25.5	4.6%	1.4%	
<i>Consultants: Business and advisory services</i>	9.9	34.9%	0.6%	9.0	9.9	10.4	1.8%	0.6%	
<i>Infrastructure and planning services</i>	0.5	-57.9%	0.0%	-	-	-	-100.0%	0.0%	
<i>Legal services</i>	1.9	-18.2%	0.5%	3.1	3.4	3.6	24.7%	0.2%	
<i>Contractors</i>	3.3	4.4%	0.2%	31.4	32.9	34.9	119.3%	1.5%	
<i>Agency and support/outsourced services</i>	0.0	-21.6%	0.0%	0.1	0.1	0.1	31.2%	0.0%	

Table 29.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate	Expenditure/Total: Average	Medium-term expenditure estimate			Average growth rate	Expenditure/Total: Average
		(%)	(%)	2016/17	2017/18	2018/19	(%)	(%)
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Entertainment	0.1	-24.3%	0.0%	0.0	0.0	0.0	-41.2%	0.0%
Fleet services (including government motor transport)	5.7	76.0%	0.3%	5.5	5.9	6.2	3.3%	0.3%
Inventory: Clothing material and accessories	0.3	-	0.0%	0.0	0.0	0.1	-40.9%	0.0%
Inventory: Food and food supplies	0.1	-44.6%	0.0%	0.1	0.1	0.1	0.4%	0.0%
Inventory: Materials and supplies	0.6	-1.1%	0.0%	1.1	1.1	1.2	23.9%	0.1%
Inventory: Medical supplies	0.0	-19.0%	0.0%	0.1	0.1	0.1	55.6%	0.0%
Consumable supplies	2.9	-	0.1%	2.7	2.9	3.1	1.2%	0.2%
Consumables: Stationery, printing and office supplies	9.5	15.2%	0.4%	8.4	8.8	9.3	-0.7%	0.5%
Operating leases	42.9	0.8%	5.2%	35.1	36.4	38.6	-3.5%	2.2%
Rental and hiring	0.5	716.3%	0.0%	0.0	0.0	0.0	-76.6%	0.0%
Property payments	5.6	8.0%	0.3%	3.7	3.9	4.1	-9.5%	0.2%
Travel and subsistence	72.8	5.0%	4.4%	63.8	69.4	71.8	-0.5%	4.0%
Training and development	7.7	3.4%	0.3%	9.4	9.7	10.2	9.7%	0.5%
Operating payments	16.2	18.4%	1.0%	14.7	15.5	16.4	0.6%	0.9%
Venues and facilities	10.4	22.0%	0.4%	9.9	10.9	11.5	3.3%	0.6%
Transfers and subsidies	826.9	15.1%	48.7%	824.1	980.1	916.8	3.5%	50.8%
Departmental agencies and accounts	394.8	13.6%	23.5%	433.5	429.9	370.5	-2.1%	23.3%
Public corporations and private enterprises	430.8	16.6%	25.0%	389.1	548.8	544.7	8.1%	27.4%
Households	1.4	5.4%	0.2%	1.4	1.5	1.6	5.4%	0.1%
Payments for capital assets	11.5	-16.9%	1.1%	13.6	11.8	12.5	2.6%	0.7%
Buildings and other fixed structures	2.5	-9.5%	0.1%	3.9	4.0	4.3	19.6%	0.2%
Machinery and equipment	8.9	-17.7%	1.0%	9.8	7.7	8.2	-2.7%	0.5%
Software and other intangible assets	0.1	-44.2%	0.0%	-	-	-	-100.0%	0.0%
Total	1 638.5	11.7%	100.0%	1 669.1	1 847.2	1 824.6	3.7%	100.0%

Personnel information

Table 29.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Programmes		Number and cost ³ of personnel posts filled / planned for on funded establishment												Number						
Number of posts estimated for 31 March 2016														Average growth rate	Salary level/total: Average					
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						2015/16 - 2018/19	2015/16 - 2018/19							
		2014/15	2015/16	2016/17	2017/18	2018/19														
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit							
Mineral Resources		1 197	24	1 137	484.6	0.4	1 197	548.4	0.5	1 203	572.1	0.5	1 209	624.2	0.5	1 209	676.3	0.6	0.3%	100.0%
Salary level																				
1 - 6	292	12	290	54.5	0.2	292	61.4	0.2	292	65.0	0.2	292	72.4	0.2	292	78.8	0.3	-	24.2%	
7 - 10	570	10	537	197.2	0.4	570	223.7	0.4	574	234.6	0.4	578	258.5	0.4	578	282.8	0.5	0.5%	47.7%	
11 - 12	249	1	228	151.9	0.7	249	172.6	0.7	251	177.4	0.7	253	192.4	0.8	253	206.8	0.8	0.5%	20.9%	
13 - 16	84	1	80	76.3	1.0	84	85.9	1.0	84	90.0	1.1	84	95.5	1.1	84	102.2	1.2	-	7.0%	
Other	2	-	2	4.7	2.3	2	4.9	2.5	2	5.2	2.6	2	5.4	2.7	2	5.7	2.8	-	0.2%	
Programme	1 197	24	1 137	484.6	0.4	1 197	548.4	0.5	1 203	572.1	0.5	1 209	624.2	0.5	1 209	676.3	0.6	0.3%	100.0%	
Programme 1	399	10	384	148.1	0.4	399	160.7	0.4	399	171.7	0.4	399	189.9	0.5	399	207.0	0.5	-	33.1%	
Programme 2	283	10	272	134.1	0.5	283	152.4	0.5	283	154.0	0.5	283	164.5	0.6	283	176.5	0.6	-	23.5%	
Programme 3	403	3	375	147.8	0.4	403	173.0	0.4	409	178.4	0.4	415	197.1	0.5	415	214.8	0.5	1.0%	34.1%	
Programme 4	112	1	106	54.6	0.5	112	62.3	0.6	112	68.0	0.6	112	72.7	0.6	112	78.0	0.7	-	9.3%	
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	1 197	24	1 137	484.6	0.4	1 197	548.4	0.5	1 203	572.1	0.5	1 209	624.2	0.5	1 209	676.3	0.6	0.3%	100.0%	

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

2. The department's compensation of employees budget has been reduced by R116.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 29.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2015/16	2016/17		
Departmental receipts	93 363	109 034	46 207	34 402	34 402	-28.3%	100.0%	27 578	30 333	33 365	-1.0%	100.0%
Sales of goods and services produced by department	4 156	2 415	3 230	6 277	6 277	14.7%	5.7%	6 883	7 569	8 325	9.9%	23.1%
Sales by market establishments of which:	2 465	499	482	481	481	-42.0%	1.4%	500	550	605	7.9%	1.7%
Market establishment: Rental parking: Covered and open	462	499	482	481	481	1.4%	0.7%	500	550	605	7.9%	1.7%
Market establishment: Rental of other machinery and equipment	2 003	-	-	-	-	-100.0%	0.7%	-	-	-	-	-
Administrative fees of which:	1 137	1 356	2 232	5 175	5 175	65.7%	3.5%	5 699	6 268	6 894	10.0%	19.1%
Application fees in relation to the Minerals and Petroleum Resources Development Act (2002)	1 105	1 330	2 031	4 634	4 634	61.3%	3.2%	3 244	3 568	3 924	-5.4%	12.2%
Requested information: Promotion of Access to Information Act (2000)	32	26	24	23	23	-10.4%	-	25	27	30	9.3%	0.1%
Environmental authorisation application fees	-	-	177	518	518	-	0.2%	2 430	2 673	2 940	78.4%	6.8%
Other sales of which:	554	560	516	621	621	3.9%	0.8%	684	751	826	10.0%	2.3%
Services rendered: Commission on insurance and garnishee	157	175	183	201	201	8.6%	0.3%	205	225	248	7.3%	0.7%
Services rendered: Marking of exam papers	374	365	295	393	393	1.7%	0.5%	450	495	544	11.4%	1.5%
Services rendered: Photocopies and faxes	20	17	36	25	25	7.7%	-	28	30	33	9.7%	0.1%
Replacement of security cards	3	3	2	2	2	-12.6%	-	1	1	1	-20.6%	-
Sales of scrap, waste, arms and other used current goods of which:	1	1	-	-	-	-100.0%	-	-	-	-	-	-
Sales: Waste paper	1	1	-	-	-	-100.0%	-	-	-	-	-	-
Fines, penalties and forfeits	1 206	1 115	1 117	2 244	2 244	23.0%	2.0%	2 500	2 750	3 025	10.5%	8.4%
Interest, dividends and rent on land	87 158	104 938	31 755	25 672	25 672	-33.5%	88.2%	17 985	19 783	21 761	-5.4%	67.8%
Interest	157	88	57	43	43	-35.1%	0.1%	45	49	54	7.9%	0.2%
Rent on land	87 001	104 850	31 698	25 629	25 629	-33.5%	88.0%	17 940	19 734	21 707	-5.4%	67.6%
Sales of capital assets	-	-	1 360	-	-	-	0.5%	-	-	-	-	-
Transactions in financial assets and liabilities	842	565	8 745	209	209	-37.2%	3.7%	210	231	254	6.7%	0.7%
Total	93 363	109 034	46 207	34 402	34 402	-28.3%	100.0%	27 578	30 333	33 365	-1.0%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 29.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2015/16	2016/17		
R thousand											
Ministry	24 458	28 229	26 482	28 833	5.6%	8.8%	23 407	26 598	28 963	0.2%	8.4%
Corporate Services	123 369	151 195	159 318	120 568	-0.8%	45.2%	123 745	125 422	129 537	2.4%	39.0%
Department Management	17 414	17 127	17 285	21 337	7.0%	6.0%	20 169	23 468	27 860	9.3%	7.2%
Financial Administration	87 518	76 448	84 442	93 789	2.3%	27.9%	97 743	99 150	102 580	3.0%	30.7%
Internal Audit	13 292	11 785	12 199	14 602	3.2%	4.2%	14 487	14 564	15 012	0.9%	4.6%
Office Accommodation	29 203	23 788	15 494	29 741	0.6%	8.0%	31 317	32 883	34 790	5.4%	10.1%
Total	295 254	308 572	315 220	308 870	1.5%	100.0%	310 868	322 085	338 742	3.1%	100.0%
Change to 2015 Budget estimate				15 647			3 646	(3 590)	(5 821)		

Table 29.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Current payments	275 057	294 847	304 127	295 887	2.5%	95.3%	296 749	307 835	323 639	3.0%	95.6%
Compensation of employees	127 690	136 282	148 080	160 701	8.0%	46.6%	171 702	176 188	185 165	4.8%	54.2%
Goods and services	147 367	158 565	156 047	135 186	-2.8%	48.6%	125 047	131 647	138 474	0.8%	41.4%
of which:											
Administrative fees	1 014	1 106	1 038	1 199	5.7%	0.4%	839	880	928	-8.2%	0.3%
Advertising	673	665	660	1 326	25.4%	0.3%	623	652	690	-19.6%	0.3%
Minor assets	1 171	243	151	3 117	38.6%	0.4%	3 408	3 559	5 567	21.3%	1.2%
Audit costs: External	5 153	6 885	5 280	4 411	-5.1%	1.8%	5 175	5 393	5 706	9.0%	1.6%
Bursaries: Employees	1 377	609	992	1 716	7.6%	0.4%	1 500	1 553	1 629	-1.7%	0.5%
Catering: Departmental activities	332	828	307	1 972	81.1%	0.3%	998	1 045	1 105	-17.6%	0.4%
Communication	5 149	5 825	6 331	5 009	-0.9%	1.8%	3 369	3 530	3 735	-9.3%	1.2%
Computer services	19 790	15 952	16 803	13 899	-11.1%	5.4%	19 231	20 159	19 545	12.0%	5.7%
Consultants: Business and advisory services	1 311	1 532	10 327	5 043	56.7%	1.5%	3 191	3 338	3 531	-11.2%	1.2%
Legal services	287	671	853	387	10.5%	0.2%	649	704	744	24.3%	0.2%
Contractors	1 403	823	2 163	2 548	22.0%	0.6%	5 257	5 504	5 822	31.7%	1.5%
Agency and support/outourced services	22	-	13	22	-	-	55	57	61	40.5%	-
Entertainment	2	2	-	53	198.1%	-	10	10	11	-40.8%	-
Fleet services (including government motor transport)	659	3 703	4 413	3 570	75.6%	1.0%	3 033	3 247	3 435	-1.3%	1.0%
Inventory: Clothing material and accessories	-	-	-	3	-	-	40	42	44	144.8%	-
Inventory: Food and food supplies	118	13	16	79	-12.5%	-	72	76	80	0.4%	-
Inventory: Learner and teacher support material	10	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	146	64	391	561	56.6%	0.1%	1 036	1 087	1 149	27.0%	0.3%
Inventory: Medical supplies	38	20	1	34	-3.6%	-	115	121	128	55.6%	-
Inventory: Other supplies	385	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	782	758	1 477	-	0.2%	1 123	1 177	1 248	-5.5%	0.4%
Consumables: Stationery, printing and office supplies	1 674	2 132	1 996	4 453	38.6%	0.8%	3 818	4 001	4 233	-1.7%	1.3%
Operating leases	76 983	88 818	75 033	39 793	-19.7%	22.9%	34 215	35 918	38 000	-1.5%	11.6%
Rental and hiring	9	-	12	544	292.5%	-	6	6	7	-76.6%	-
Property payments	2 265	3 173	3 537	4 588	26.5%	1.1%	3 473	3 646	3 857	-5.6%	1.2%
Travel and subsistence	21 312	17 989	15 249	23 384	3.1%	6.3%	17 807	19 138	19 466	-5.9%	6.2%
Training and development	1 537	1 604	2 208	4 525	43.3%	0.8%	5 768	6 083	6 408	12.3%	1.8%
Operating payments	2 589	3 904	4 325	6 766	37.7%	1.4%	7 447	7 809	8 262	6.9%	2.4%
Venues and facilities	1 958	1 222	3 190	4 707	34.0%	0.9%	2 789	2 912	3 083	-13.2%	1.1%
Transfers and subsidies	2 438	2 699	4 932	2 683	3.2%	1.0%	3 162	3 358	3 579	10.1%	1.0%
Departmental agencies and accounts	-	-	1 430	1 310	-	0.2%	1 716	1 840	1 973	14.6%	0.5%
Households	2 438	2 699	3 502	1 373	-17.4%	0.8%	1 446	1 518	1 606	5.4%	0.5%
Payments for capital assets	17 741	11 017	6 161	10 300	-16.6%	3.7%	10 957	10 892	11 524	3.8%	3.4%
Buildings and other fixed structures	408	92	1 952	2 503	83.1%	0.4%	3 852	4 044	4 278	19.6%	1.1%
Machinery and equipment	17 333	10 925	2 657	7 667	-23.8%	3.1%	7 105	6 848	7 246	-1.9%	2.3%
Software and other intangible assets	-	-	1 552	130	-	0.1%	-	-	-	-100.0%	-
Payments for financial assets	18	9	-	-	-100.0%	-	-	-	-	-	-
Total	295 254	308 572	315 220	308 870	1.5%	100.0%	310 868	322 085	338 742	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	25.2%	22.2%	21.4%	18.9%	-	-	18.6%	17.4%	18.6%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	82	20	442	266	48.0%	0.1%	280	294	311	5.3%	0.1%
Employee Ex-gratia payments	82	20	120	266	48.0%	-	280	294	311	5.3%	0.1%
Other transfers to households	-	-	322	-	-	-	-	-	-	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	1 430	1 310	-	0.2%	1 716	1 840	1 973	14.6%	0.5%
Mining Qualifications Authority	-	-	1 216	1 310	-	0.2%	1 716	1 840	1 973	14.6%	0.5%
Public Service Sector Education and Training Authority	-	-	214	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	2 356	2 679	3 060	1 107	-22.3%	0.7%	1 166	1 224	1 295	5.4%	0.4%
Employee social benefits	2 356	2 679	3 060	1 107	-22.3%	0.7%	1 166	1 224	1 295	5.4%	0.4%

Personnel information

Table 29.7 Administration personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016			Number and cost ³ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Administration																			
Salary level	399	10	384	148.1	0.4	399	160.7	0.4	399	171.7	0.4	399	189.9	0.5	399	207.0	0.5	-	100.0%
1 – 6	139	3	139	25.6	0.2	139	28.4	0.2	139	30.2	0.2	139	34.5	0.2	139	37.6	0.3	-	34.8%
7 – 10	180	6	167	57.0	0.3	180	61.6	0.3	180	65.9	0.4	180	74.2	0.4	180	82.6	0.5	-	45.1%
11 – 12	46	-	46	30.8	0.7	46	31.6	0.7	46	34.0	0.7	46	37.9	0.8	46	40.2	0.9	-	11.5%
13 – 16	32	1	30	30.0	1.0	32	34.2	1.1	32	36.4	1.1	32	37.8	1.2	32	41.0	1.3	-	8.0%
Other	2	-	2	4.7	2.3	2	4.9	2.5	2	5.2	2.6	2	5.4	2.7	2	5.7	2.8	-	0.5%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(13.7)	-	-	(21.9)	-	-	-
Total	399	10	384	148.1	0.4	399	160.7	0.4	399	171.7	0.4	-	176.2	-	-	185.2	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R35.6 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 2: Mine Health and Safety

Programme purpose

Ensure the safe mining of minerals under healthy working conditions.

Objectives

- Promote mine health and safety by:
 - conducting 8 396 inspections and audits, and implementing the occupational health and safety strategy in order to reduce occupational fatalities by 20 per cent and occupational injuries by 20 per cent over the medium term
 - reducing occupational diseases among mine workers by 10 per cent over the medium term
 - implementing the occupational health and safety improvement strategy and enforcing its guidelines over the medium term.
- Contribute to skills development in the mining sector by reviewing and implementing the certificate of competency model, developed with the Mining Qualifications Authority and universities, on an ongoing basis.
- Improve health care turnaround times on an ongoing basis by:
 - ensuring 80 per cent adherence to prescribed timeframes for resolving medical appeals
 - ensuring 90 per cent adherence to timeframes for appeals to the Chief inspector of Mines
 - ensuring 80 per cent adherence to timeframes for applications in terms of the Mineral and Petroleum Resources Development Act (2002).

Subprogrammes

- Governance Policy and Oversight* develops policy and legislation to guide enforcement work; provides technical support to regional offices; chairs tripartite structures which include the department, mining companies and labour; and facilitates HIV and AIDS workshops on awareness in the mining sector.
- Mine Health and Safety Regions* is responsible for conducting audits and inspections to enforce the Mine Health and Safety Act (1996). This subprogramme is also responsible for examining the process of certification for competency in key responsibilities on mines.
- Mine Health and Safety* transfers funds on an annual basis to the Mine Health and Safety Council. The council is also tasked with promoting a culture of health and safety in the mining industry.

Expenditure trends and estimates

Table 29.8 Mine Health and Safety expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Governance Policy and Oversight	39 081	38 994	43 437	52 861	10.6%	27.0%	52 641	52 847	54 371	0.9%	28.0%
Mine Health and Safety Regions	97 103	109 191	118 858	131 570	10.7%	70.7%	132 293	132 071	137 395	1.5%	70.3%
Mine Health and Safety Council	4 531	5 035	5 197	–	-100.0%	2.3%	–	6 162	6 519	–	1.7%
Total	140 715	153 220	167 492	184 431	9.4%	100.0%	184 934	191 080	198 285	2.4%	100.0%
Change to 2015 Budget estimate				8 591			(1 375)	(10 756)	(15 257)		
Economic classification											
Current payments	133 961	147 381	160 109	183 955	11.2%	96.8%	183 804	184 229	191 037	1.3%	97.9%
Compensation of employees	106 052	119 775	134 060	152 430	12.9%	79.3%	153 995	152 654	157 818	1.2%	81.3%
Goods and services	27 909	27 606	26 049	31 525	4.1%	17.5%	29 809	31 575	33 219	1.8%	16.6%
of which:											
Administrative fees	370	325	275	525	12.4%	0.2%	481	506	539	0.9%	0.3%
Advertising	222	246	20	275	7.4%	0.1%	379	396	418	15.0%	0.2%
Minor assets	5	26	17	161	218.1%	–	127	94	100	-14.7%	0.1%
Bursaries: Employees	1 453	1 184	–	51	-67.3%	0.4%	6	6	7	-48.4%	–
Catering: Departmental activities	38	28	43	146	56.6%	–	153	159	168	4.8%	0.1%
Communication	2 043	2 502	1 957	1 744	-5.1%	1.3%	1 556	1 306	1 382	-7.5%	0.8%
Computer services	954	633	311	648	-12.1%	0.4%	559	583	616	-1.7%	0.3%
Consultants: Business and advisory services	317	1 077	166	1 407	64.3%	0.5%	1 498	1 559	1 652	5.5%	0.8%
Legal services	405	125	677	1 162	42.1%	0.4%	639	666	704	-15.4%	0.4%
Contractors	168	163	148	252	14.5%	0.1%	325	338	358	12.4%	0.2%
Agency and support/outsourced services	–	–	–	5	–	–	–	–	–	-100.0%	–
Entertainment	4	1	–	36	108.0%	–	15	16	16	-23.7%	–
Fleet services (including government motor transport)	–	111	260	159	–	0.1%	314	328	346	29.6%	0.2%
Inventory: Clothing material and accessories	–	–	–	304	–	–	4	4	21	-59.0%	–
Inventory: Food and food supplies	19	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Learner and teacher support material	20	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Materials and supplies	2	314	–	16	100.0%	0.1%	19	19	4	-37.0%	–
Inventory: Medical supplies	–	–	–	–	–	–	1	1	–	–	–
Inventory: Other supplies	304	–	–	–	-100.0%	–	–	–	–	–	–
Consumable supplies	–	48	360	297	–	0.1%	569	642	678	31.7%	0.3%
Consumables: Stationery, printing and office supplies	331	590	849	1 889	78.7%	0.6%	1 833	1 869	1 977	1.5%	1.0%
Operating leases	2 790	476	103	362	-49.4%	0.6%	418	18	19	-62.6%	0.1%
Property payments	11	–	–	7	-14.0%	–	10	10	11	16.3%	–
Travel and subsistence	17 459	18 843	19 843	19 794	4.3%	11.8%	18 284	20 308	21 297	2.5%	10.5%
Training and development	159	409	562	788	70.5%	0.3%	395	474	502	-14.0%	0.3%
Operating payments	681	334	408	847	7.5%	0.4%	534	512	541	-13.9%	0.3%
Venues and facilities	154	171	50	650	61.6%	0.2%	1 690	1 761	1 863	42.0%	0.8%
Transfers and subsidies	4 531	5 035	5 206	–	-100.0%	2.3%	–	6 162	6 519	–	1.7%
Departmental agencies and accounts	4 531	5 035	5 197	–	-100.0%	2.3%	–	6 162	6 519	–	1.7%
Households	–	–	9	–	–	–	–	–	–	–	–
Payments for capital assets	2 067	804	2 177	476	-38.7%	0.9%	1 130	689	729	15.3%	0.4%
Machinery and equipment	2 067	804	2 177	476	-38.7%	0.9%	1 130	689	729	15.3%	0.4%
Payments for financial assets	156	–	–	–	-100.0%	–	–	–	–	–	–
Total	140 715	153 220	167 492	184 431	9.4%	100.0%	184 934	191 080	198 285	2.4%	100.0%
Proportion of total programme expenditure to vote expenditure	12.0%	11.0%	11.4%	11.3%	–	–	11.1%	10.3%	10.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4 531	5 035	5 197	–	100.0%	2.3%	–	6 162	6 519	–	1.7%
Mine Health and Safety Council	4 531	5 035	5 197	–	-100.0%	2.3%	–	6 162	6 519	–	1.7%
Households											
Social benefits											
Current	–	–	9	–	–	–	–	–	–	–	–
Employee social benefits	–	–	9	–	–	–	–	–	–	–	–

Personnel information

Table 29.9 Mine Health and Safety personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Salary level	Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2014/15			2015/16			2016/17		2017/18		2018/19						
283	10	272	134.1	0.5	283	152.4	0.5	283	154.0	0.5	283	164.5	0.6	283	176.5	0.6	-	100.0%	
1-6	52	6	53	10.1	0.2	52	11.5	0.2	52	12.7	0.2	52	13.5	0.3	52	14.5	0.3	-	18.4%
7-10	88	3	88	32.4	0.4	88	35.2	0.4	88	35.5	0.4	88	38.0	0.4	88	40.7	0.5	-	31.1%
11-12	124	1	112	73.3	0.7	124	86.0	0.7	124	85.9	0.7	124	91.8	0.7	124	98.4	0.8	-	43.8%
13-16	19	-	19	18.2	1.0	19	19.7	1.0	19	19.9	1.0	19	21.3	1.1	19	22.8	1.2	-	6.7%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(11.9)	-	-	(18.7)	-	-	-
Total	283	10	272	134.1	0.5	283	152.4	0.5	283	154.0	0.5	283	164.5	0.6	283	176.5	0.6	-	-

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

2. This programme's compensation of employees budget has been reduced by R30.5 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 3: Mineral Regulation

Programme purpose

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

Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by granting a total of 450 mining rights and permits 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 Broad Based Socioeconomic Charter for the South African Mining Industry, on an ongoing basis.
- Promote job creation through the development and support of SMMEs by facilitating the implementation of 360 social and labour plan projects by mining companies, through income generating initiatives, over the medium term.
- Promote the sustainable use of resources and mine environmental management through the support of 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 636 inspections regarding adherence to the charter and 3 825 inspections regarding environmental management over the medium term.

Subprogrammes

- *Mineral Regulation and Administration* administers prospecting and mining rights, licensing, and compliance with the Mineral and Petroleum Resources Development Act (2002), including the compliance of mines with environmental protection requirements.
- *Management Mineral Regulation* provides overall management of the programme. Over the medium term, the department will continue to focus on the alignment of the South African mineral resources administration system and the one environmental system which was finalised and implemented on 8 December 2014. This will ensure that rights and licences for mining, environmental authorisation and water use are granted within 300 days.
- *South African Diamond and Precious Metals Regulator* transfers funds on an annual basis to the South African Diamond and Precious Metals Regulator.

Expenditure trends and estimates

Table 29.10 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Mineral Regulation and Administration	140 517	145 610	169 169	174 851	7.6%	70.1%	190 369	195 854	206 064	5.6%	54.3%
Management Mineral Regulation	9 277	15 087	20 680	38 337	60.5%	9.3%	27 212	27 731	28 863	-9.0%	8.6%
South African Diamond and Precious Metals Regulator	41 601	44 824	47 810	50 527	6.7%	20.6%	53 205	55 865	59 105	5.4%	15.5%
Petroleum Agency South Africa	-	-	-	-	-	-	-	147 138	157 989	-	21.6%
Total	191 395	205 521	237 659	263 715	11.3%	100.0%	270 786	426 588	452 021	19.7%	100.0%
Change to 2015 Budget estimate				3 272			(5 379)	132 631	141 015		
Economic classification	148 048	159 817	186 727	212 729	12.8%	78.7%	216 983	223 546	234 886	3.4%	62.9%
Current payments											
Compensation of employees	114 385	126 063	147 833	173 005	14.8%	62.5%	178 390	182 833	192 056	3.5%	51.4%
Goods and services	33 663	33 754	38 894	39 724	5.7%	16.3%	38 593	40 713	42 830	2.5%	11.5%
of which:											
Administrative fees	337	443	466	437	9.0%	0.2%	592	619	655	14.4%	0.2%
Advertising	58	76	47	403	90.8%	0.1%	171	174	184	-23.0%	0.1%
Minor assets	53	54	72	165	46.0%	-	276	283	299	21.9%	0.1%
Bursaries: Employees	-	-	-	33	-	-	-	-	-	-100.0%	-
Catering: Departmental activities	73	182	74	652	107.5%	0.1%	387	405	429	-13.0%	0.1%
Communication	4 239	5 339	4 914	4 598	2.7%	2.1%	3 431	3 575	3 782	-6.3%	1.1%
Computer services	1 886	1 214	4 304	7 031	55.1%	1.6%	4 455	4 676	4 945	-11.1%	1.5%
Consultants: Business and advisory services	-	166	150	-	-	-	-	-	-	-	-
Legal services	8 206	8 139	6 185	303	-66.7%	2.5%	1 852	2 025	2 143	92.0%	0.4%
Contractors	11	6	660	157	142.6%	0.1%	53	56	59	-27.8%	-
Agency and support/outourced services	1	-	-	-	-100.0%	-	-	-	-	-	-
Entertainment	-	-	-	44	-	-	-	-	-	-100.0%	-
Fleet services (including government motor transport)	-	1 981	1 760	1 584	-	0.6%	2 033	2 146	2 271	12.8%	0.6%
Inventory: Clothing material and accessories	-	-	-	8	-	-	-	-	-	-100.0%	-
Inventory: Food and food supplies	20	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	11	5	189	39	52.5%	-	26	26	28	-10.5%	-
Inventory: Other supplies	436	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	476	1 117	883	-	0.3%	770	804	850	-1.3%	0.2%
Consumables: Stationery, printing and office supplies	461	1 038	879	1 671	53.6%	0.5%	1 581	1 661	1 758	1.7%	0.5%
Operating leases	1 913	777	195	553	-33.9%	0.4%	14	15	16	-69.3%	-
Property payments	907	835	600	1 002	3.4%	0.4%	247	264	279	-34.7%	0.1%
Travel and subsistence	13 650	11 276	13 645	17 202	8.0%	6.2%	18 332	19 556	20 446	5.9%	5.3%
Training and development	392	736	1 599	1 206	45.4%	0.4%	2 531	2 403	2 541	28.2%	0.6%
Operating payments	902	754	1 759	891	-0.4%	0.5%	1 051	1 098	1 163	9.3%	0.3%
Venues and facilities	107	257	279	862	100.5%	0.2%	791	927	982	4.4%	0.3%
Transfers and subsidies	41 604	44 824	47 867	50 527	6.7%	20.6%	53 205	203 003	217 094	62.6%	37.1%
Departmental agencies and accounts	41 601	44 824	47 810	50 527	6.7%	20.6%	53 205	55 865	59 105	5.4%	15.5%
Public corporations and private enterprises	-	-	-	-	-	-	-	147 138	157 989	-	21.6%
Households	3	-	57	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	1 729	880	3 065	459	-35.7%	0.7%	598	39	41	-55.3%	0.1%
Buildings and other fixed structures	-	-	985	-	-	0.1%	-	-	-	-	-
Machinery and equipment	1 729	880	2 080	459	-35.7%	0.6%	598	39	41	-55.3%	0.1%
Payments for financial assets	14	-	-	-	-100.0%	-	-	-	-	-	-
Total	191 395	205 521	237 659	263 715	11.3%	100.0%	270 786	426 588	452 021	19.7%	100.0%
Proportion of total programme expenditure to vote expenditure	16.3%	14.8%	16.1%	16.1%	-	-	16.2%	23.1%	24.8%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	3	-	-	-	-100.0%	-	-	-	-	-	-
Other transfers to households	3	-	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	41 601	44 824	47 810	50 527	6.7%	20.6%	53 205	55 865	59 105	5.4%	15.5%
South African Diamond and Precious Metals Regulator	41 601	44 824	47 810	50 527	6.7%	20.6%	53 205	55 865	59 105	5.4%	15.5%
Households											
Social benefits											
Current	-	-	57	-	-	-	-	-	-	-	-
Employee social benefits	-	-	57	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	-	-	-	-	-	-	-	147 138	157 989	-	21.6%
Petroleum Agency South Africa	-	-	-	-	-	-	-	147 138	157 989	-	21.6%

Personnel information

Table 29.11 Mineral Regulation personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Mineral Regulation																			
Salary level	403	3	375	147.8	0.4	403	173.0	0.4	409	178.4	0.4	415	197.1	0.5	415	214.8	0.5	1.0%	100.0%
1 – 6	88	3	85	16.3	0.2	88	18.6	0.2	88	19.0	0.2	88	21.0	0.2	88	23.0	0.3	–	21.4%
7 – 10	249	–	232	88.0	0.4	249	103.6	0.4	253	107.7	0.4	257	119.1	0.5	257	130.3	0.5	1.1%	61.9%
11 – 12	47	–	41	27.8	0.7	47	32.5	0.7	49	33.0	0.7	51	36.5	0.7	51	40.1	0.8	2.8%	12.1%
13 – 16	19	–	17	15.7	0.9	19	18.3	1.0	19	18.7	1.0	19	20.5	1.1	19	21.3	1.1	–	4.6%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(14.2)	–	–	(22.7)	–	–	–
Total	403	3	375	147.8	0.4	403	173.0	0.4	409	178.4	0.4	415	197.1	0.5	415	214.8	0.5	–	–

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

2. This programme's compensation of employees budget has been reduced by R36.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 4: Mineral Policy and Promotion

Programme purpose

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

Objectives

- Promote investment in the mining, minerals and upstream petroleum sectors over the medium term by:
 - growing the sector through 156 investment promotional activities / events for local and foreign investment
 - participating in local and international mining and petroleum conferences and events, engaging with stakeholders in various forums, as well as leading the implementation of key government priorities on behalf of the department
 - supporting 240 SMMEs, mainly small scale mining projects
 - ensuring the full implementation of plans for developing the oceans economy (oil and gas) through Operation Phakisa
 - ensuring the full implementation of plans for developing the mining economy through Mining Phakisa initiatives
 - ensuring the full implementation of the shale gas action plan through consultations, advocacy, research and promotional activities for shale gas exploration.
- Manage diplomatic imperatives and relations with foreign countries regarding minerals and upstream petroleum to benefit South Africa by establishing and implementing bilateral and multilateral partnerships for mining and upstream petroleum development on an ongoing basis.
- Promote the sustainable use and management of mineral resources over the medium term by:
 - implementing technical and strategic partnerships such as participating in the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development; the Benguela Current Commission; and United Nations programmes
 - reviewing the departmental environmental management plan
 - rehabilitating derelict and ownerless sites
 - reviewing and amending legislative instruments
 - sustaining and protecting the environment through the rehabilitation and closure of 135 derelict and ownerless mines.

Subprogrammes

- *Management* provides overall management for the programme.
- *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. This subprogramme also represents the department in international and regional forums, such as the Kimberley Process certification scheme, the African Diamond Producers Association and the Pan African Mineral Development Company.
- *Mineral Promotion and International Coordination* promotes mineral development and advises on trends in the mining industry to attract additional investment. This subprogramme also promotes the South African mining and minerals industry through promotional activities geared towards inviting investment into the sector including the production of various publications, participation in the mining conferences, and supporting national initiatives of implementing mineral beneficiation.
- *Assistance to Mines* prevents 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.
- *Council for Geoscience* transfers funds on an annual basis to the Council for Geoscience.
- *Mintek* transfers funds on annual basis to the Mintek.
- *Economic Advisory Services* undertakes macroeconomic research to analyse economic trends and produce departmental reports to inform and advise principals; and participates in activities regarding the transformation of the mining and minerals industry and enhance competitiveness in 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.
- *Mine Environmental Management* provides strategic guidance on mine environmental management and mine closure. This entails managing the rehabilitation of derelict and ownerless mines; and research on the impact of mining on water, air quality, and the environment in general.

Expenditure trends and estimates

Table 29.12 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Management	10 759	12 240	10 715	26 578	35.2%	2.1%	27 000	30 235	31 510	5.8%	3.3%
Mineral Policy	14 061	23 964	32 186	19 448	11.4%	3.1%	18 507	18 758	19 385	-0.1%	2.2%
Mineral Promotion and International Coordination	34 267	37 159	37 086	64 809	23.7%	6.0%	76 450	78 159	82 261	8.3%	8.6%
Assistance to Mines	–	–	–	–	–	–	5 275	5 555	5 877	–	0.5%
Council for Geoscience	223 006	271 232	292 839	342 914	15.4%	38.9%	378 598	365 988	302 862	-4.1%	39.4%
Mintek	253 531	364 709	370 854	414 742	17.8%	48.4%	356 416	367 256	350 368	-5.5%	42.2%
Economic Advisory Services	4 073	3 329	2 753	3 565	-4.3%	0.5%	4 862	4 825	4 952	11.6%	0.5%
Mine Environmental Management	6 581	7 273	8 353	9 470	12.9%	1.1%	35 381	36 715	38 331	59.4%	3.4%
Total	546 278	719 906	754 786	881 526	17.3%	100.0%	902 489	907 491	835 546	-1.8%	100.0%
Change to 2015 Budget estimate				(7 510)			(12 680)	(3 665)	9 083		

Table 29.12 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R thousand											
Current payments	66 738	82 757	88 811	107 530	17.2%	11.9%	133 829	139 733	145 800	10.7%	14.9%
Compensation of employees	47 787	53 131	54 647	62 304	9.2%	7.5%	68 043	67 455	69 746	3.8%	7.6%
Goods and services	18 951	29 626	34 164	45 226	33.6%	4.4%	65 786	72 278	76 054	18.9%	7.4%
of which:											
Administrative fees	1 039	755	336	1 381	9.9%	0.1%	1 366	1 488	1 577	4.5%	0.2%
Advertising	193	2 517	328	1 609	102.8%	0.2%	10 285	12 367	13 084	101.1%	1.1%
Minor assets	4	12	22	104	196.2%	–	31	33	35	-30.4%	–
Bursaries: Employees	–	–	–	42	–	–	–	–	–	-100.0%	–
Catering: Departmental activities	110	145	86	327	43.8%	–	365	385	408	7.7%	–
Communication	1 068	1 333	1 375	6 922	86.4%	0.4%	937	1 014	1 072	-46.3%	0.3%
Computer services	645	221	407	675	1.5%	0.1%	298	326	345	-20.0%	–
Consultants: Business and advisory services	42	3 070	4 135	3 455	334.9%	0.4%	4 338	4 968	5 256	15.0%	0.5%
Infrastructure and planning services	–	–	–	503	–	–	–	–	–	-100.0%	–
Legal services	301	283	185	–	-100.0%	–	–	–	–	–	–
Contractors	6	163	19	347	286.7%	–	25 772	27 048	28 617	335.3%	2.3%
Agency and support/outsourced services	–	95	–	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	246	162	337	–	–	164	173	183	-18.4%	–
Inventory: Food and food supplies	14	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Materials and supplies	–	–	1	5	–	–	–	–	–	-100.0%	–
Inventory: Other supplies	16	–	–	–	-100.0%	–	–	–	–	–	–
Consumable supplies	–	73	67	292	–	–	250	267	284	-0.9%	–
Consumables: Stationery, printing and office supplies	325	328	225	1 498	66.4%	0.1%	1 181	1 266	1 341	-3.6%	0.1%
Operating leases	3 877	1 017	183	2 231	-16.8%	0.3%	446	488	516	-38.6%	0.1%
Rental and hiring	–	–	1	–	–	–	–	–	–	–	–
Property payments	–	686	–	–	–	–	–	–	–	–	–
Travel and subsistence	9 403	11 194	6 994	12 427	9.7%	1.4%	9 410	10 378	10 558	-5.3%	1.2%
Training and development	247	257	367	1 219	70.3%	0.1%	657	713	753	-14.8%	0.1%
Operating payments	153	6 224	17 801	7 655	268.5%	1.1%	5 668	6 107	6 463	-5.5%	0.7%
Venues and facilities	1 508	1 007	1 470	4 197	40.7%	0.3%	4 618	5 257	5 562	9.8%	0.6%
Transfers and subsidies	476 537	635 941	665 726	773 709	17.5%	87.9%	767 723	767 604	689 583	-3.8%	85.0%
Departmental agencies and accounts	223 006	271 232	292 839	342 914	15.4%	38.9%	378 598	365 988	302 862	-4.1%	39.4%
Public corporations and private enterprises	253 531	364 709	370 854	430 795	19.3%	48.9%	389 125	401 616	386 721	-3.5%	45.6%
Households	–	–	2 033	–	–	0.1%	–	–	–	–	–
Payments for capital assets	2 999	1 207	249	287	-54.3%	0.2%	937	154	163	-17.2%	–
Machinery and equipment	2 999	1 207	249	287	-54.3%	0.2%	937	154	163	-17.2%	–
Payments for financial assets	4	1	–	–	-100.0%	–	–	–	–	–	–
Total	546 278	719 906	754 786	881 526	17.3%	100.0%	902 489	907 491	835 546	-1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	46.5%	51.9%	51.2%	53.8%	–	–	54.1%	49.1%	45.8%	–	–

Details of selected transfers and subsidies

Households											
Other transfers to households											
Current	–	–	2 033	–	–	0.1%	–	–	–	–	–
Other transfers to households	–	–	2 033	–	–	0.1%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	210 506	248 607	265 083	307 881	13.5%	35.6%	341 708	330 574	265 394	-4.8%	35.3%
Council for Geoscience	210 506	248 607	265 083	307 881	13.5%	35.6%	341 708	330 574	265 394	-4.8%	35.3%
Capital	12 500	22 625	27 756	35 033	41.0%	3.4%	36 890	35 414	37 468	2.3%	4.1%
Council for Geoscience	12 500	22 625	27 756	35 033	41.0%	3.4%	36 890	35 414	37 468	2.3%	4.1%
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	–	–	–	–	–	–	5 275	5 555	5 877	–	0.5%
Marginal mines	–	–	–	–	–	–	5 275	5 555	5 877	–	0.5%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	204 146	308 772	320 775	378 198	22.8%	41.8%	325 004	339 510	321 013	-5.3%	38.7%
Industrial Development Corporation	–	–	–	16 053	–	0.6%	27 434	28 805	30 476	23.8%	2.9%
Mintek	204 146	308 772	320 775	362 145	21.1%	41.2%	297 570	310 705	290 537	-7.1%	35.8%
Capital	49 385	55 937	50 079	52 597	2.1%	7.2%	58 846	56 551	59 831	4.4%	6.5%
Mintek	49 385	55 937	50 079	52 597	2.1%	7.2%	58 846	56 551	59 831	4.4%	6.5%

Personnel information

Table 29.13 Mineral Policy and Promotion personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
Mineral Policy and Promotion		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	112	1	106	54.6	0.5	112	62.3	0.6	112	68.0	0.6	112	72.7	0.6	112	78.0	0.7	-	100.0%
1 – 6	13	-	13	2.6	0.2	13	2.9	0.2	13	3.2	0.2	13	3.4	0.3	13	3.6	0.3	-	11.6%
7 – 10	53	1	50	19.7	0.4	53	23.3	0.4	53	25.5	0.5	53	27.2	0.5	53	29.2	0.6	-	47.3%
11 – 12	32	-	29	20.0	0.7	32	22.4	0.7	32	24.5	0.8	32	26.2	0.8	32	28.0	0.9	-	28.6%
13 – 16	14	-	14	12.3	0.9	14	13.6	1.0	14	14.9	1.1	14	15.9	1.1	14	17.1	1.2	-	12.5%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(5.3)	-	-	(8.2)	-	-	-
Total	112	1	106	54.6	0.5	112	62.3	0.6	112	68.0	0.6	112	67.5	-	112	69.7	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R13.5 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Entities

Council for Geoscience

Mandate

The Council for Geoscience was established in terms of the Geoscience Act (1993). Its principal mandate is to develop and publish world class geosciences knowledge products and to provide geosciences related services to the public and to industry. The Geoscience Amendment Act (2010) extends the entity's functions to include providing advisory services on geohazards and geo-environmental pollution, and being the custodian of all geosciences information related to the South African mining industry.

Selected performance indicators

Table 29.14 Council for Geoscience performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of satisfied customers (of total customers who completed satisfaction questionnaire) per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	88%	91%	86%	85%	85%	85%	85%
Annual technical programme performance index ¹	Statutory projects	Outcome 4: Decent employment through inclusive economic growth	92%	97%	76%	85%	85%	85%	85%
Number of rural development project reports completed per year	Statutory projects		29	29	54	18	18	20	40
Number of geoscience maps, map explanations and related manuscripts published in-house per year	Statutory projects	Outcome 10: Protect and enhance our environmental assets and natural resources	34	19	33	20	25	28	50
Number of regional and African development project reports completed per year	Foreign commercial		22	16	17	20	22	24	30
Number of projects with external collaborators completed per year	Foreign commercial	Outcome 4: Decent employment through inclusive economic growth	45	50	46	60	60	60	60
Number of geoscience papers and articles published per year	Local commercial	Outcome 10: Protect and enhance our environmental assets and natural resources	115	145	140	75	85	100	120

1. The index measures feedback on customer satisfaction levels received from clients on the performance of the technical programme.

Expenditure analysis

In line with the national development plan's focus on employment, infrastructure and an inclusive rural economy, and outcome 4 (decent employment through inclusive economic growth) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium term strategic

framework, the Council for Geoscience's focus over the medium term will be on increasing growth and investment in the mining sector through the provision of geoscience information, and the rehabilitation of derelict and ownerless mines.

The council receives R1.1 billion over the medium term from the Department of Mineral Resources, accounting for 22 per cent of the department's total budget. It also generates its own revenue, amounting to a projected R156.2 million over the medium term, mainly from fees earned for providing geological services, such as research into minerals and energy development, and geoscience mapping to facilitate the discovery of new mines.

The council will conduct research in the bushveld area in Mpumalanga for rare earth elements in base and precious metals through airborne geophysical surveys, sampling, soil analysis, and data processing, at a cost of R250 million over the medium term. These activities promote investment in the mining industry, as new mining sites are discovered, and contribute to the national development plan's focus on employment, infrastructure and an inclusive rural economy. The council expects to increase the number of geoscience maps, map explanations and related manuscripts it publishes in-house from 20 to 50 per year.

The council plans to assist with research and advocacy in preparation for compliance monitoring for shale gas explorations. The research will aim to restrict the geo-environmental impact linked to the potential exploitation of shale gas in South Africa, with special reference to the Karoo. R75.6 million is budgeted for this over the medium term.

The implementation of the Geoscience Amendment Act (2010) extends the council's functions to include providing advisory services on geohazards and geo-environmental pollution, and allows the council to position itself as the custodian of all geoscience information related to the South African mining industry. The expected increase in revenue from R47 million to R57 million over the medium term will fund these extended functions, as well as the hosting of the 35th International Geological Congress in South Africa in 2016. The congress will contribute to the council's other activities for stimulating investment in the mining industry.

Over the medium term, the council will also develop a comprehensive spatial database of derelict and ownerless mines, identify high priority sites, and develop rehabilitation plans for these sites, at a cost of R68.9 million over the period. The rehabilitation of derelict and ownerless mines is a key component of environmental protection, and the council will focus on providing solutions for increasing the volume of water that is decanted and purified from acid mine drainage. Spending on the water ingress project is projected at R74.9 million over the medium term. Rehabilitating mines contributes to the national development plan's emphasis on environmental sustainability and resilience, and to the creation of an inclusive rural economy.

Due to the labour intensive nature of the council's work, an additional 56 researchers, professionals, technicians and administrative personnel will be required. Compensation of employees is thus expected to increase from R212 million in 2016/17 to R245 million in 2018/19, due to inflation, wage increases, and projects that require additional technical personnel.

Programmes/objectives/activities

Table 29.15 Council for Geoscience expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
Administration	198 487	190 594	231 300	231 539	5.3%	57.8%	228 091	225 936	205 992	-3.8%	52.9%
Statutory projects	56 092	117 916	114 376	207 075	54.6%	31.6%	137 325	124 104	81 867	-26.6%	31.6%
Foreign commercial	8 543	6 746	8 851	10 352	6.6%	2.3%	11 387	12 526	13 277	8.6%	2.9%
Local commercial	46 974	18 457	12 045	45 736	-0.9%	8.3%	49 145	55 340	58 660	8.6%	12.6%
Total	310 096	333 713	366 572	494 702	16.8%	100.0%	425 948	417 906	359 796	-10.1%	100.0%

Statements of historical financial performance and position

Table 29.16 Council for Geoscience statements of historical financial performance and position

Statement of financial performance									
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	75 356	102 905	83 546	66 255	90 885	59 078	73 501	43 191	84.0%
Sale of goods and services other than capital assets	72 600	87 340	79 896	40 453	87 846	36 309	70 311	40 380	65.8%
<i>of which:</i>									
Sales by market establishment	72 600	87 340	79 896	40 453	87 846	36 309	70 311	40 380	65.8%
Other non-tax revenue	2 756	15 565	3 650	25 802	3 039	22 769	3 190	2 811	529.9%
Total revenue	296 506	325 911	348 778	337 487	378 724	351 917	399 415	494 702	106.1%
Expenses									
Current expenses	295 306	310 096	348 778	333 713	378 725	366 572	494 702	494 702	99.2%
Compensation of employees	140 504	160 312	160 289	160 498	172 787	176 843	196 148	196 148	103.6%
Goods and services	139 474	133 715	173 314	155 232	189 067	170 453	278 314	278 314	94.6%
Depreciation	15 321	16 058	15 168	17 487	16 831	19 236	20 198	20 198	108.1%
Interest, dividends and rent on land	7	12	7	496	40	40	42	42	612.6%
Total expenses	295 306	310 096	348 778	333 713	378 725	366 572	494 702	494 702	99.2%
Surplus/(Deficit)	1 200	15 815	-	3 774	(1)	(14 655)	(95 287)	-	-
Statement of financial position									
Carrying value of assets	169 931	197 175	156 110	195 227	202 688	222 570	218 468	236 417	113.9%
Acquisition of assets	(1 000)	(18 798)	(40 095)	(19 741)	(46 060)	(31 741)	(35 033)	(35 033)	86.2%
Inventory	-	5	-	5	5	5	5	5	200.0%
Receivables and prepayments	37 040	47 815	43 800	16 190	50 546	21 084	19 590	19 590	69.3%
Cash and cash equivalents	122 925	207 418	118 924	225 845	143 453	251 937	173 453	173 453	153.7%
Total assets	329 896	452 413	318 834	437 267	396 692	495 596	411 516	429 465	124.6%
Accumulated surplus/(deficit)	201 243	333 276	190 906	333 746	190 906	336 658	334 726	352 675	147.8%
Capital and reserves	6 411	-	-	-	-	-	-	-	-
Capital reserve fund	80 342	-	77 676	-	-	-	-	-	-
Deferred income	-	86 076	-	72 265	94 214	112 996	51 198	51 198	221.8%
Trade and other payables	23 000	9 709	23 132	11 846	18 435	24 130	9 943	9 943	74.7%
Provisions	18 900	23 352	27 120	19 410	18 126	21 812	15 649	15 649	100.5%
Derivatives financial instruments	-	-	-	-	75 011	-	-	-	-
Total equity and liabilities	329 896	452 413	318 834	437 267	396 692	495 596	411 516	429 465	124.6%

Statements of estimates of financial performance and position

Table 29.17 Council for Geoscience statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
Revenue									
Non-tax revenue	43 191	-25.1%	19.2%	47 350	51 918	56 934	9.6%	12.0%	
Sale of goods and services other than capital assets	40 380	-22.7%	14.3%	44 388	48 796	53 676	10.0%	11.3%	
<i>of which:</i>									
Sales by market establishment	40 380	-22.7%	14.3%	44 388	48 796	53 676	10.0%	11.3%	
Other non-tax revenue	2 811	-43.5%	4.9%	2 962	3 122	3 258	5.0%	0.7%	
Transfers received	451 511	26.5%	80.8%	378 598	365 988	302 862	-12.5%	88.0%	
Total revenue	494 702	14.9%	100.0%	425 948	417 906	359 796	-10.1%	100.0%	
Expenses									
Current expenses	494 702	16.8%	100.0%	425 948	417 906	359 796	-10.1%	125.9%	
Compensation of employees	196 148	7.0%	46.9%	211 840	226 777	244 919	7.7%	52.9%	
Goods and services	278 314	27.7%	48.1%	192 857	168 815	92 778	-30.7%	41.9%	
Depreciation	20 198	7.9%	4.9%	21 207	22 268	22 051	3.0%	5.1%	
Interest, dividends and rent on land	42	53.3%	0.0%	44	46	48	4.6%	0.0%	
Total expenses	494 702	16.8%	100.0%	425 948	417 906	359 796	-10.1%	100.0%	
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-	

Table 29.17 Council for Geoscience statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2012/13 - 2015/16	2016/17		
R thousand								
Carrying value of assets of which:	236 417	6.2%	47.0%	259 131	260 731	262 907	3.6%	58.8%
Acquisition of assets	(35 033)	23.1%	-5.8%	(36 890)	(35 415)	(17 400)	-20.8%	-7.2%
Inventory	5	-	0.0%	5	5	-	-100.0%	0.0%
Receivables and prepayments	19 590	-25.7%	5.8%	21 550	23 705	24 650	8.0%	5.2%
Cash and cash equivalents	173 453	-5.8%	47.2%	157 475	146 245	146 245	-5.5%	36.0%
Total assets	429 465	-1.7%	100.0%	438 161	430 686	433 802	0.3%	100.0%
Accumulated surplus/(deficit)	352 675	1.9%	75.0%	352 675	352 675	361 292	0.8%	81.9%
Deferred income	51 198	-15.9%	17.6%	61 371	54 342	49 851	-0.9%	12.5%
Trade and other payables	9 943	0.8%	3.0%	8 943	8 974	8 647	-4.5%	2.1%
Provisions	15 649	-12.5%	4.4%	15 172	14 695	14 012	-3.6%	3.4%
Total equity and liabilities	429 465	-1.7%	100.0%	438 161	430 686	433 802	-8.2%	100.0%

Personnel information

Table 29.18 Council for Geoscience personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					2015/16 - 2018/19
Council for Geoscience		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	433	324	316	176.8	0.6	329	196.1	0.6	329	211.8	0.6	323	226.8	0.7	322	244.9	0.8	7.7%	100.0%
1 – 6	13	13	12	1.9	0.2	12	1.9	0.2	12	2.1	0.2	12	2.3	0.2	12	2.5	0.2	10.0%	3.7%
7 – 10	200	91	145	33.1	0.2	153	43.4	0.3	153	45.0	0.3	147	45.1	0.3	146	45.9	0.3	1.9%	46.0%
11 – 12	151	151	101	75.7	0.7	104	79.7	0.8	104	87.3	0.8	104	97.4	0.9	104	107.1	1.0	10.4%	31.9%
13 – 16	65	65	54	57.8	1.1	56	62.8	1.1	56	68.2	1.2	56	71.9	1.3	56	78.3	1.4	7.6%	17.2%
17 – 22	4	4	4	8.3	2.1	4	8.3	2.1	4	9.2	2.3	4	10.1	2.5	4	11.1	2.8	10.0%	1.2%

1. Rand Million

Mintek

Mandate

The mandate of the Mintek, as set out in the Mineral Technology Act (1989), is to maximise the value derived from South Africa's mineral resources. To this end, the council develops appropriate, innovative technology for transfer to industry, and provides industry with test work, consultancy, analytical and mineralogical services.

Selected performance indicators

Table 29.19 Mintek performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of discoveries in terms of Intellectual Properties Rights Act (2008) per year	Enhance the council's visibility and credibility to all stakeholders	Outcome 12: An efficient, effective and development oriented public service	7	11	15	10	10	10	10
Number of analytical and mineralogical methods and services developed per year as evidenced by reports	Research and develop efficient mineral processing technologies, and value added products and services	Outcome 10: Protect and enhance our environmental assets and natural resources	11	13	15	11	11	11	11
Number of new technologies developed per year under science vote funding, evidenced through internal reports	Research and develop efficient mineral processing technologies, and value added products and services		53	65	87	40	40	40	40
Number of new technologies developed through commercial funding per year	Research and develop efficient mineral processing technologies, and value added products and services		3	3	3	5	5	5	5
Number of prototypes for commercial products per year	Research and develop efficient mineral processing technologies, and value added products and services		5	4	5	5	5	5	5
Number of commercial investigation and feasibility studies conducted per year	Research and develop efficient mineral processing technologies, and value added products and services		184	175	175	120	125	130	130

Table 29.19 Mintek performance indicators by programme/objective/activity and related outcome

	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of applications developed per year for precious, ferrous and base metals in the areas of biomedicine (HIV, cancer, malaria); catalysis (chemical processing, fuel cells, environmental); nanotechnology (water, health); physical metallurgy research and development; and metallurgical industry support, as appearing in internal reports	Research and develop efficient mineral processing technologies, and value added products and services	Outcome 2: A long and healthy life for all South Africans	14	18	20	16	18	18	18
Number of technologies adapted or developed relevant to small scale mining per year	Promote the mineral based economies of rural and marginalised communities	Outcome 7: Comprehensive rural development and land reform	2	2	2	2	2	2	2
Number of people trained through value additional training in the making of glass beads and ceramics per year	Promote the mineral based economies of rural and marginalised communities	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-1	-1	-1	60	60	60	60
Total spend on training per year, expressed as a percentage of payroll	Develop human capital and organisational skills to build world class research and development excellence		2%	2.1%	2.2%	2%	2.5%	2.5%	2.5%
Percentage of performance contracts done and signed (for each employee) per year	Develop human capital and organisational skills to build world class research and development excellence		100%	100%	100%	100%	100%	100%	100%
Number of external reports relating to the development of water efficient processes and flow sheets per year	Research and develop efficient mineral processing technologies, and value added products and services	Outcome 10: Protect and enhance our environmental assets and natural resources	3	1	6	4	4	4	4
Number of postgraduate bursars in part time bursary programme per year	Develop human capital and organisational skills to build world class research and development excellence	Outcome 5: A skilled and capable workforce to support an inclusive growth path	64	55	85	51	51	51	45
Number of candidates employed in work integrated learning, studentship and internship programmes per year	Develop human capital and organisational skills to build world class research and development excellence		45	103	167	120	120	120	120
Number of metallurgical processes and products for base, light and ferrous metals per year	Research and develop efficient mineral processing technologies, and value added products and services	Outcome 10: Protect and enhance our environmental assets and natural resources	10	10	10	8	8	8	8

1. No historical data is available as this is a new indicator introduced in 2015/16.

Expenditure analysis

In line with outcome 5 (a skilled and capable workforce to support an inclusive growth path) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium term strategic framework, the focus of the Mintek over the medium term will be on the research and development of various specialised technologies.

The Mintek will be developing specialised technology to process titaniferous magnetite, vanadium, and iron reserves. This will aid the development of the Bushveld complex and the beneficiation of these ores. The budget for this work is R25 million over the period.

19 projects to rehabilitate derelict and ownerless mines have been successfully executed, significantly improving the quality of life of the surrounding communities by reducing their exposure to toxic acid mine drainage. R174.6 million over the medium term is allocated towards the council's mine rehabilitation work, including developing specialised technology for this.

The Mintek expects to generate R765.8 million in revenue over the medium term. In addition, it receives an allocation of R1.1 billion from the Department of Mineral Resources over the same period. The council's projected revenue of R247 million in 2016/17 will be mainly generated from commercial companies that purchase products, services, and contracted research. The transfer from the department increased from R254 million in 2012/13 to R371 million in 2014/15, but is expected to decrease to R350 million in 2018/19, mainly due to the discontinuation of funding previously received under the economic competitive and support package. Revenue is expected to decrease over the medium term, and, as a result, technical projects such as the waste and scrap, water and energy efficiency, and mining discharge projects, which end their 3-year cycles in 2017/18, will not be renewed.

The number of personnel is expected to increase from 772 in 2015/16 to 838 in 2018/19 to enable additional research projects. Spending on compensation of employees over the medium term is expected to increase from R308 million in 2015/16 to R326 million in 2018/19.

Programmes/objectives/activities

Table 29.20 Mintek expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Administration	22 683	22 185	24 283	25 988	4.6%	5.0%	23 751	23 719	24 186	-2.4%	5.0%
Enhance the council's visibility and credibility to all stakeholders	31 493	22 185	24 283	25 988	-6.2%	5.5%	23 751	23 719	24 186	-2.4%	5.0%
Research and develop efficient mineral processing technologies and value added products and services	226 826	221 849	242 832	259 880	4.6%	49.8%	237 509	237 190	241 863	-2.4%	50.0%
Promote the mineral based economies of rural and marginalised communities	68 048	66 555	72 850	77 964	4.6%	14.9%	71 253	71 157	72 559	-2.4%	15.0%
Uphold good governance practices	45 365	44 370	48 566	51 976	4.6%	10.0%	47 502	47 438	48 373	-2.4%	10.0%
Build world class research and development excellence by developing human organisational skills	68 048	66 555	72 850	77 964	4.6%	14.9%	71 253	71 157	72 559	-2.4%	15.0%
Total	462 462	443 699	485 664	519 760	4.0%	100.0%	475 018	474 379	483 727	-2.4%	100.0%

Statements of historical financial performance and position

Table 29.21 Mintek statements of historical financial performance and position

Statement of financial performance									
	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16		
R thousand									
Revenue									
Non-tax revenue	268 495	286 025	354 498	264 751	294 670	270 708	303 951	242 910	87.1%
Sale of goods and services other than capital assets	257 592	259 343	335 376	244 285	277 427	234 088	288 085	222 342	82.9%
<i>of which:</i>									
Revenue									
<i>Sales by market establishment</i>	257 592	259 343	335 376	244 285	277 427	234 088	288 085	222 342	82.9%
Other non-tax revenue	10 902	26 682	19 122	20 466	17 243	36 620	15 866	20 568	165.3%
Total revenue	447 495	478 536	554 909	461 522	550 727	503 273	598 323	532 453	91.8%
Expenses									
Current expenses	441 138	462 462	518 639	443 699	502 438	485 664	519 760	519 760	96.4%
Compensation of employees	259 874	245 812	252 489	255 747	279 180	288 744	307 507	307 507	99.9%
Goods and services	165 424	198 980	254 466	170 001	204 712	182 517	198 521	198 521	91.1%
Depreciation	15 840	14 607	11 684	14 766	18 546	10 216	13 732	13 732	89.2%
Interest, dividends and rent on land	-	3 063	-	3 184	-	4 187	-	-	-
Total expenses	441 138	462 462	518 639	443 699	502 438	485 664	519 760	519 760	96.4%
Surplus/(Deficit)	6 356	16 074	36 270	17 823	48 290	17 610	78 563	12 693	-
Statement of financial position									
Carrying value of assets	259 823	248 399	270 418	215 464	253 456	209 011	216 580	197 565	87.0%
Acquisition of assets	(57 026)	(60 624)	(48 554)	(42 016)	(68 601)	(37 155)	(51 834)	(45 375)	81.9%
Investments	213 557	255 294	324 193	333 244	339 153	437 848	346 927	446 927	120.4%
Inventory	6 510	5 551	5 740	4 491	5 740	5 517	4 581	5 517	93.4%
Receivables and prepayments	33 649	45 464	45 739	55 005	45 739	52 839	46 373	53 922	120.8%
Cash and cash equivalents	5 533	13 072	5 533	38 578	5 533	7 652	8 515	7 652	266.6%
Taxation	502	460	502	-	460	-	-	-	31.4%
Total assets	519 574	568 240	652 125	646 782	650 082	712 867	622 976	711 583	108.0%
Accumulated surplus/(deficit)	246 604	293 757	337 425	312 474	343 536	326 658	337 094	339 351	100.6%
Capital and reserves	131 780	130 237	128 883	128 883	127 529	127 528	126 175	126 174	99.7%
Deferred income	89 112	70 582	119 312	123 288	110 952	164 665	88 756	157 981	126.6%
Trade and other payables	24 435	43 953	35 008	52 131	35 008	64 351	41 253	58 241	161.1%
Provisions	27 643	29 711	31 497	30 006	33 057	29 665	29 698	29 835	97.8%
Total equity and liabilities	519 574	568 240	652 125	646 782	650 082	712 867	622 976	711 583	108.0%

Statements of estimates of financial performance and position

Table 29.22 Mintek statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2015/16				2012/13 - 2015/16	2016/17	2017/18		
Revenue									
Non-tax revenue		242 910	-5.3%	54.1%	247 767	252 723	265 358	3.0%	42.6%
Sale of goods and services other than capital assets		222 342	-5.0%	48.8%	226 788	231 323	242 889	3.0%	39.0%
<i>of which:</i>									
<i>Sales by market establishment</i>		222 342	-5.0%	48.8%	226 788	231 323	242 889	3.0%	39.0%
Other non-tax revenue		20 568	-8.3%	5.3%	20 979	21 400	22 469	3.0%	3.6%
Transfers received		289 543	14.6%	45.9%	356 416	367 256	350 368	6.6%	57.4%
Total revenue		532 453	3.6%	100.0%	604 183	619 979	615 726	5.0%	100.0%
Expenses									
Current expenses		519 760	4.0%	100.0%	475 018	474 379	483 727	-2.4%	104.7%
Compensation of employees		307 507	7.8%	57.4%	313 657	319 931	326 329	2.0%	65.0%
Goods and services		198 521	-0.1%	39.3%	147 491	140 441	143 250	-10.3%	32.1%
Depreciation		13 732	-2.0%	2.8%	13 869	14 008	14 148	1.0%	2.9%
Total expenses		519 760	4.0%	100.0%	475 018	474 379	483 727	-2.4%	100.0%
Surplus/(Deficit)		12 693	-	-	129 165	145 600	131 999	118.3%	-
Statement of financial position									
Carrying value of assets		197 565	-7.3%	33.5%	197 565	197 565	197 565	-	27.5%
<i>of which:</i>									
<i>Acquisition of assets</i>		(45 375)	-9.2%	-7.2%	(47 644)	(50 026)	(51 027)	4.0%	-6.8%
Investments		446 927	20.5%	55.2%	446 927	450 436	468 155	1.6%	63.1%
Inventory		5 517	-0.2%	0.8%	5 517	5 517	5 517	-	0.8%
Receivables and prepayments		53 922	5.9%	7.9%	53 922	53 922	53 922	-	7.5%
Cash and cash equivalents		7 652	-16.3%	2.6%	7 652	7 652	7 652	-	1.1%
Total assets		711 583	7.8%	100.0%	711 583	715 092	732 811	1.0%	100.0%
Accumulated surplus/(deficit)		339 351	4.9%	48.4%	342 655	351 292	388 766	4.6%	49.5%
Capital and reserves		126 174	-1.1%	19.6%	124 820	123 466	122 112	-1.1%	17.3%
Deferred income		157 981	30.8%	19.2%	156 031	152 257	133 856	-5.4%	20.9%
Trade and other payables		58 241	9.8%	8.3%	58 241	58 241	58 241	-	8.1%
Provisions		29 835	0.1%	4.6%	29 835	29 835	29 835	-	4.2%
Total equity and liabilities		711 583	7.8%	100.0%	711 583	715 092	732 811	-1.8%	100.0%

Personnel information

Table 29.23 Mintek personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Mintek			777	288.7	0.4	772	307.5	0.4	838	313.7	0.4	838	319.9	0.4	838	326.3	0.4	2.0%	100.0%
Salary level	838	838	777	288.7	0.4	772	307.5	0.4	838	313.7	0.4	838	319.9	0.4	838	326.3	0.4	2.0%	100.0%
1 - 6	284	284	257	30.8	0.1	265	36.2	0.1	284	36.6	0.1	284	33.1	0.1	284	33.0	0.1	-3.0%	34.0%
7 - 10	427	427	401	146.7	0.4	390	153.3	0.4	427	156.9	0.4	427	162.2	0.4	427	166.4	0.4	2.8%	50.8%
11 - 12	79	79	72	52.6	0.7	71	55.0	0.8	79	55.7	0.7	79	57.5	0.7	79	58.8	0.7	2.3%	9.4%
13 - 16	47	47	46	56.0	1.2	45	60.0	1.3	47	61.4	1.3	47	63.9	1.4	47	64.8	1.4	2.6%	5.7%
17 - 22	1	1	1	2.7	2.7	1	3.0	3.0	1	3.1	3.1	1	3.2	3.2	1	3.4	3.4	4.0%	0.1%

1. Rand million.

Mine Health and Safety Council

Mandate

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 statutory bodies. The council operates through the tripartite partnership between organised labour, employers and the national departments of health and labour.

Selected performance indicators

Table 29.24 Mine Health and Safety Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of skills development projects per year	Ensure office staff and council members have adequate skills and required competencies through continuous development	Outcome 5: A skilled and capable workforce to support an inclusive growth path	5	5	5	3	6	6	6
Number of schedule advice processes with the Minister of Mineral Resources per year	Become a knowledge leader in mine health and safety by conducting focused research	Outcome 12: An efficient, effective and development oriented public service	8	5	6	10	9	9	6
Number of engagements with stakeholders per year	Promote the council's programmes in the mining sector		5	5	2	3	5	5	5
Number of recommendations (legislative) submitted for promulgation through focused research per year	Implement and maintain information, knowledge and record management systems to support staff and stakeholders		6	6	9	6	6	6	6
Number of research programmes and reviews conducted per year	Become a knowledge leader in mine health and safety by conducting focused research		10	10	11	11	9	9	6

Expenditure analysis

The Mine Health and Safety Council, through the Mine Health and Safety Act (1996), as amended, undertakes research to find sustainable solutions to mitigate occupational health and safety risks in the South African mining industry. The council also plays a role in promoting mine occupational health and safety.

Over the medium term, the council will review the mining industry regulatory framework to ensure it is stable, as envisaged in the national development plan. This is in line with outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework. The council focuses on stabilising the labour market by providing research that addresses the root causes of workplace conflict in mining, and improves miners' working and living conditions. The council routinely prepares advisory notes on the impact on health and safety of the living conditions of mineworkers in the South African mining industry, and on tools to best monitor behavioural change in the industry.

In 2016/17, the council will undertake research enabled by a budget of R71.7 million. Of this amount, R45.3 million will be used for projects on a range of health and safety issues, such as women in mining, agreements on health and safety standards, and HIV and AIDS and tuberculosis. The emphasis over the medium term will be a drive to implement the objectives of these agreements, which is why expenditure on research is expected to decrease to R66.1 million in 2017/18 and R60.6 million in 2018/19.

The council is in the process of establishing the Mining Centre of Excellence, at an estimated cost of R175 million. The centre aims to improve mine occupational health and safety through carrying out research. The centre will focus its research on rock engineering, mining, engineering, and on human factors such as incentive systems and occupational health and hygiene. The centre will create opportunities to optimise the council's resources through attracting and retaining top research talent in mining to provide innovative and internationally competitive research, on mine health and safety in particular. Expenditure on compensation of employees may thus increase slightly as progress is made in establishing the centre, as the council may take on more personnel. Nevertheless, the number of personnel over the medium term is currently projected to remain constant, at 65, and compensation of employees is projected to increase from R35 million in 2016/17 to R39 million in 2018/19, as a result of inflation and wage settlements.

The council generates its revenue mainly from levies from mining companies, in accordance with the act. The revenue assists the council to fund research to sustain and improve health and safety performance in the mining industry, and significantly reduce fatalities, injuries and occupational diseases. The projected levy income for 2016/17 is R75.1 million. Revenue is expected to increase from R83 million in 2014/15 to R129.2 million in 2018/19. The council has budgeted for a surplus over the medium term as a result of commitments to research contracts that extend over several financial years. This surplus will be used for research on mine health and safety.

Programmes/objectives/activities

Table 29.25 Mine Health and Safety Council expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	–	34 550	43 267	5 052	–	31.6%	4 440	4 661	4 673	-2.6%	3.7%
Promote a health and safety culture in the mining industry	4 776	4 941	1 948	11 839	35.3%	7.7%	25 089	24 741	23 858	26.3%	17.0%
Provide advice reports that influence performance in mining health and safety	4 776	4 840	1 949	9 747	26.8%	7.2%	22 800	22 337	21 575	30.3%	15.2%
Strengthen tripartite partnerships	15 102	4 840	4 923	16 555	3.1%	15.2%	30 248	30 158	29 005	20.6%	21.0%
Become a knowledge leader in mine health and safety by conducting focused research	22 234	4 841	9 880	9 747	-24.0%	19.5%	22 800	22 337	21 575	30.3%	15.2%
Promote mine health and safety council programmes in the mining industry	–	4 841	5 914	74 060	–	18.8%	22 800	22 337	21 575	-33.7%	27.8%
Total	46 888	58 853	67 881	127 000	39.4%	100.0%	128 177	126 571	122 261	-1.3%	100.0%

Statements of historical financial performance and position

Table 29.26 Mine Health and Safety Council statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
Revenue									
Non-tax revenue	62 762	68 806	68 478	75 676	69 919	82 949	81 025	140 226	130.3%
Sale of goods and services other than capital assets	56 062	60 421	63 453	65 820	66 151	70 431	73 694	75 108	104.8%
<i>of which:</i>									
Sales by market establishment	56 062	60 421	63 453	65 820	66 151	70 431	73 694	75 108	104.8%
Other non-tax revenue	6 700	8 385	5 025	9 856	3 768	12 518	7 331	65 118	420.1%
Total revenue	67 132	73 337	73 513	80 711	75 116	88 146	81 025	140 226	128.9%
Expenses									
Current expenses	57 257	46 888	65 489	58 853	67 877	67 881	94 515	127 000	105.4%
Compensation of employees	23 547	14 186	24 725	20 375	25 930	26 896	31 526	31 526	87.9%
Goods and services	32 071	29 182	38 239	34 833	37 997	37 161	58 956	91 441	115.2%
Depreciation	1 639	3 520	1 650	3 645	3 950	3 824	4 033	4 033	133.3%
Interest, dividends and rent on land	–	–	875	–	–	–	–	–	–
Total expenses	57 257	46 888	65 489	58 853	67 877	67 881	94 515	127 000	105.4%
Surplus/(Deficit)	9 875	26 449	8 024	21 858	7 239	20 265	(13 490)	13 226	–
Statement of financial position									
Carrying value of assets	8 077	9 602	1 194	8 863	1 015	6 825	4 774	5 572	204.9%
Acquisition of assets	(6 700)	(2 431)	(2 125)	(3 261)	(2 231)	(2 138)	(2 900)	(2 900)	76.9%
Inventory	–	97	–	183	–	77	102	78	426.5%
Receivables and prepayments	7 988	4 143	2 464	3 341	2 341	2 464	2 904	1 515	73.0%
Cash and cash equivalents	132 379	170 823	88 437	195 108	96 251	216 274	112 339	157 263	172.2%
Total assets	148 443	184 665	92 095	207 495	99 607	225 640	120 119	164 428	170.0%
Accumulated surplus/(deficit)	145 449	166 800	85 672	187 152	92 912	207 315	110 501	153 129	164.4%
Capital reserve fund	–	–	–	–	–	6 591	–	–	–
Finance lease	123	36	101	16	108	596	17	–	185.7%
Trade and other payables	1 970	14 876	4 532	11 321	4 707	8 102	4 711	2 056	228.4%
Provisions	901	2 953	1 790	2 195	1 880	3 036	2 322	2 355	152.9%
Managed funds (e.g. poverty alleviation fund)	–	–	–	6 811	–	–	2 516	6 888	544.5%
Total equity and liabilities	148 443	184 665	92 095	207 495	99 607	225 640	120 119	164 428	170.0%

Statements of estimates of financial performance and position

Table 29.27 Mine Health and Safety Council statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2012/13 - 2015/16			2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand								
Revenue								
Non-tax revenue	140 226	26.8%	95.4%	137 258	134 834	129 262	-2.7%	100.0%
Sale of goods and services other than capital assets	75 108	7.5%	74.4%	75 108	78 864	78 864	1.6%	56.9%
<i>of which:</i>								
Sales by market establishment	75 108	7.5%	74.4%	75 108	78 864	78 864	1.6%	56.9%
Other non-tax revenue	65 118	98.0%	21.1%	62 150	55 970	50 398	-8.2%	43.1%
Total revenue	140 226	24.1%	100.0%	137 258	134 834	129 262	-2.7%	100.0%
Expenses								
Current expenses	127 000	39.4%	100.0%	128 177	126 571	122 261	-1.3%	201.5%
Compensation of employees	31 526	30.5%	32.3%	34 985	36 735	38 570	7.0%	28.2%
Goods and services	91 441	46.3%	62.0%	88 970	85 403	79 258	-4.7%	68.4%
Depreciation	4 033	4.6%	5.6%	4 222	4 433	4 433	3.2%	3.4%
Total expenses	127 000	39.4%	100.0%	128 177	126 571	122 261	-1.3%	100.0%
Surplus/(Deficit)	13 226	-	-	9 081	8 263	7 001	-19.1%	-
Statement of financial position								
Carrying value of assets	5 572	-16.6%	4.0%	7 265	7 628	7 247	9.2%	4.4%
<i>of which:</i>								
Acquisition of assets	(2 900)	6.1%	-1.4%	(3 205)	(3 405)	(3 405)	5.5%	-2.1%
Inventory	78	-7.0%	0.1%	150	157	150	24.4%	0.1%
Receivables and prepayments	1 515	-28.5%	1.5%	8 614	9 045	8 593	78.3%	4.5%
Cash and cash equivalents	157 263	-2.7%	94.5%	183 012	143 217	106 934	-12.1%	91.0%
Total assets	164 428	-3.8%	100.0%	199 041	160 047	122 924	-9.2%	100.0%
Accumulated surplus/(deficit)	153 129	-2.8%	91.4%	182 661	142 849	106 584	-11.4%	90.2%
Trade and other payables	2 056	-48.3%	4.6%	6 110	6 415	6 095	43.7%	3.3%
Provisions	2 355	-7.3%	1.4%	3 588	3 767	3 580	15.0%	2.1%
Managed funds (e.g. poverty alleviation fund)	6 888	-	1.9%	6 682	7 016	6 665	-1.1%	4.3%
Total equity and liabilities	164 428	-3.8%	100.0%	199 041	160 047	122 924	46.2%	100.0%

Personnel information

Table 29.28 Mine Health and Safety Council personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Mine Health and Safety Council																			
Salary level	51	69	67	26.9	0.4	50	31.5	0.6	65	35.0	0.5	65	36.7	0.6	65	38.6	0.6	7.0%	100.0%
1 – 6	6	11	8	1.0	0.1	5	1.1	0.2	13	1.6	0.1	13	1.7	0.1	13	1.8	0.1	17.9%	17.5%
7 – 10	22	23	24	6.3	0.3	22	6.4	0.3	27	9.9	0.4	27	10.5	0.4	27	11.1	0.4	19.8%	42.2%
11 – 12	9	19	19	6.8	0.4	9	9.4	1.0	9	5.7	0.6	9	6.0	0.7	9	6.2	0.7	-12.8%	14.9%
13 – 16	13	15	15	11.0	0.7	13	12.7	1.0	15	15.6	1.0	15	16.3	1.1	15	17.1	1.1	10.6%	23.8%
17 – 22	1	1	1	1.8	1.8	1	2.0	2.0	1	2.2	2.2	1	2.3	2.3	1	2.4	2.4	6.9%	1.7%

1. Rand million.

South African Diamond and Precious Metals Regulator

Mandate

The South African Diamond and Precious Metals Regulator is a schedule 3A public entity in terms of the Public Finance Management Act (1999), as amended. The regulator was established in terms of section 3 of the Diamonds Act (1986), as amended. The regulator's mandate is to implement and enforce the provisions of the Diamonds Act (1986), the Precious Metals Act (2005), the Diamond Export Levy (Administration) Act (2007), and the Diamond Export Levy Act (2007).

Selected performance indicators

Table 29.29 South African Diamond and Precious Metals Regulator performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of reductions in repeat audit findings per year	Administration	Outcome 12: An efficient, effective and development oriented public service	2	- ¹	5	5	4	4	4
Number of human resource plan pillars implemented per year	Administration		5	5	5	5	5	5	5
Number of engagements with internal and external stakeholders per year	Administration		12	12	12	12	12	12	12
Number of clients visiting the Diamond Export and Exchange Centre per year	Diamond trade	Outcome 4: Decent employment through inclusive economic growth	1 200	1 250	3 522	3 550	3 560	3 570	3 580
Number of beneficiators accessing Diamond Export and Exchange Centre tenders per year	Diamond trade		179	179	176	287	185	190	195
Number of skills initiatives facilitated for the industries per year	Diamond trade		2	2	5	5	5	5	5
Number of new licences issued within 60 working days based on completeness of the applications	Regulatory compliance		425	650 ²	136	154	160	165	170
Number of new entrepreneurs assisted per year	Regulatory compliance		5	6	7	8	9	10	11
Number of beneficiation licences issued per year	Regulatory compliance		98	112	63	63	64	65	66
Number of inspections conducted per year	Regulatory compliance		1 400	1 400	1 444	1 444	1 446	1 448	1 449

1. No target available for 2013/14 due to inactivity.

Expenditure analysis

The South African Diamond and Precious Metals Regulator supports the national development plan's vision, and outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework by focusing on increasing growth in the diamond and precious metals industry, and on facilitating meaningful transformation.

The regulator derives 56.2 per cent of its projected revenue over the medium term from transfers from the Department of Mineral Resources, and 43.8 per cent from the sale of services in the form of licences, penalties, certificates, permits, service fees and books. Revenue is expected to increase from R41 million in 2016/17 to R47 million in 2018/19 due to an anticipated increase in the number of users of the Diamond Exchange and Export Centre, as well as a revised fee structure. The increase in revenue will fund operational expenditure.

Over the medium term, the regulator's focus will be on the tender activities of the Diamond Exchange and Export Centre and on overseeing inspections for diamond and precious metals licensees. The regulator expects to carry out 4 200 inspections. This will increase compensation of employees spending from an expected R70 million in 2016/17 to R79 million in 2018/19. Expenditure on goods and services, mainly on travel and subsistence and lease payments, is expected to increase from R20.7 million in 2015/16 to R22.3 million in 2018/19. Mandatory travel outside the country, required by the Kimberley Process Certification Scheme, is a significant reason for this increase in expenditure.

Another focus over the medium term will be the establishment of a commodity exchange centre, which will assist the regulator in expanding its services to strategic areas such as the proposed special economic zone near OR Tambo International Airport.

Programmes/objectives/activities

Table 29.30 South African Diamond and Precious Metals Regulator expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19
R thousand											
Administration	72 351	48 125	62 446	52 089	-10.4%	70.6%	61 028	64 689	68 571	9.6%	63.8%
Diamond trade	-	18 130	12 204	16 116	-	13.1%	13 585	14 400	15 265	-1.8%	15.5%
Regulatory compliance	-	19 660	17 986	20 234	-	16.3%	18 723	19 846	21 037	1.3%	20.8%
Total	72 351	85 915	92 636	88 439	6.9%	100.0%	93 336	98 935	104 873	5.8%	100.0%

Statements of historical financial performance and position

Table 29.31 South African Diamond and Precious Metals Regulator statements of historical financial performance and position

	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
R thousand									
Revenue									
Non-tax revenue	21 525	28 652	23 864	36 249	34 440	39 742	38 147	38 147	121.0%
Sale of goods and services other than capital assets	19 321	25 403	20 524	32 980	33 350	34 442	36 353	36 353	117.9%
<i>of which:</i>									
<i>Sales by market establishment</i>	19 321	25 403	20 524	32 980	33 350	34 442	36 353	36 353	117.9%
Other non-tax revenue	2 204	3 249	3 340	3 269	1 090	5 300	1 794	1 794	161.5%
Total revenue	62 515	70 253	68 688	81 073	80 318	87 552	88 674	88 674	109.1%
Expenses									
Current expenses	62 430	72 351	68 596	85 915	72 570	92 535	88 318	88 318	116.2%
Compensation of employees	45 158	48 706	48 732	49 392	52 109	59 008	67 574	67 574	105.2%
Goods and services	15 426	21 799	18 080	34 924	18 817	32 488	20 719	20 719	150.5%
Depreciation	1 794	1 794	1 733	1 548	1 610	1 004	-	-	84.6%
Interest, dividends and rent on land	52	52	51	51	34	35	25	25	100.6%
Transfers and subsidies	85	-	92	-	97	101	121	121	56.2%
Total expenses	62 515	72 351	68 688	85 915	72 667	92 636	88 439	88 439	116.1%
Surplus/(Deficit)	-	(2 098)	-	(4 842)	7 651	(5 084)	235	235	-
Statement of financial position									
Carrying value of assets	10 994	11 057	1 633	12 158	10 327	14 311	10 288	13 258	152.8%
Acquisition of assets	(4 164)	(4 455)	(1 876)	(4 747)	(800)	(3 166)	(1 761)	(3 061)	179.4%
Inventory	77	298	56	636	56	480	65	450	733.9%
Receivables and prepayments	874	2 323	1 015	2 805	979	3 720	750	2 970	326.6%
Cash and cash equivalents	2 196	12 951	11 550	18 317	6 659	20 229	6 700	17 450	254.4%
Non-current assets held for sale	42 289	38 426	38 394	23 265	34 911	21 685	23 426	23 426	76.8%
Total assets	56 430	65 055	52 648	57 181	52 932	60 425	41 229	57 554	118.2%
Accumulated surplus/(deficit)	48 891	53 697	48 891	48 855	48 891	43 771	37 778	50 143	106.5%
Finance lease	868	118	725	198	690	185	634	634	38.9%
Deferred income	60	-	35	152	15	-	17	17	133.1%
Trade and other payables	5 411	8 640	997	5 481	1 136	5 959	800	4 760	297.7%
Provisions	1 200	2 600	2 000	2 006	2 200	10 121	2 000	2 000	226.0%
Derivatives financial instruments	-	-	-	489	-	389	-	-	-
Total equity and liabilities	56 430	65 055	52 648	57 181	52 932	60 425	41 229	57 554	118.2%

Statements of estimates of financial performance and position

Table 29.32 South African Diamond and Precious Metals Regulator statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)		Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)		Expenditure/Total: Average (%)
	2015/16		2012/13 - 2015/16	2016/17		2017/18	2018/19	2015/16 - 2018/19			
R thousand											
Revenue											
Non-tax revenue	38 147	10.0%	43.5%	41 398	43 882	46 515	6.8%	43.7%			
Sale of goods and services other than capital assets	36 353	12.7%	39.3%	37 653	39 912	42 307	5.2%	40.2%			
<i>of which:</i>											
Sales by market establishment	36 353	12.7%	39.3%	37 653	39 912	42 307	5.2%	40.2%			
Other non-tax revenue	1 794	-18.0%	4.2%	3 745	3 970	4 208	32.9%	3.5%			
Transfers received	50 527	6.7%	56.5%	53 205	55 865	59 217	5.4%	56.3%			
Total revenue	88 674	8.1%	100.0%	94 603	99 747	105 732	6.0%	100.0%			
Expenses											
Current expenses	88 318	6.9%	99.9%	93 215	98 807	104 737	5.8%	124.7%			
Compensation of employees	67 574	11.5%	66.2%	70 535	74 769	79 253	5.5%	75.8%			
Goods and services	20 719	-1.7%	32.3%	19 852	21 011	22 307	2.5%	21.8%			
Depreciation	-	-100.0%	1.3%	2 828	2 998	3 177	-	2.3%			
Interest, dividends and rent on land	25	-21.7%	0.0%	-	29	-	-100.0%	0.0%			
Transfers and subsidies	121	-	0.1%	121	128	136	4.0%	0.1%			
Total expenses	88 439	6.9%	100.0%	93 336	98 935	104 873	5.8%	100.0%			
Surplus/(Deficit)	235	(1)	-	1 267	812	859	54.0%	-			
Statement of financial position											
Carrying value of assets	13 258	6.2%	21.2%	14 396	13 174	12 904	-0.9%	22.6%			
<i>of which:</i>											
Acquisition of assets	(3 061)	-11.8%	-6.4%	(1 055)	(1 740)	(1 844)	-15.5%	-3.3%			
Inventory	450	14.7%	0.8%	558	470	580	8.8%	0.9%			
Receivables and prepayments	2 970	8.5%	4.9%	3 262	3 520	3 391	4.5%	5.5%			
Cash and cash equivalents	17 450	10.4%	28.9%	19 273	20 550	19 911	4.5%	32.5%			
Non-current assets held for sale	23 426	-15.2%	44.1%	24 731	23 251	20 355	-4.6%	38.6%			
Total assets	57 554	-4.0%	100.0%	62 220	60 965	57 141	-0.2%	100.0%			
Accumulated surplus/(deficit)	50 143	-2.3%	81.9%	55 763	53 499	50 625	0.3%	88.3%			
Finance lease	634	75.1%	0.5%	542	375	397	-14.4%	0.8%			
Deferred income	17	-	0.1%	19	21	22	9.0%	0.0%			
Trade and other payables	4 760	-18.0%	10.2%	3 890	4 870	3 765	-7.5%	7.3%			
Provisions	2 000	-8.4%	6.9%	2 006	2 200	2 332	5.3%	3.6%			
Total equity and liabilities	57 554	-4.0%	100.0%	62 220	60 965	57 141	-7.4%	100.0%			

Personnel information

Table 29.33 South African Diamond and Precious Metals Regulator personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
South African Diamond and Precious Metals Regulator		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	135	135	123	59.0	0.5	134	67.6	0.5	131	70.5	0.5	132	74.8	0.6	133	79.3	0.6	5.5%	100.0%
1 - 6	14	14	11	1.1	0.1	14	1.3	0.1	11	1.3	0.1	11	1.3	0.1	11	1.4	0.1	1.6%	8.9%
7 - 10	95	95	87	31.2	0.4	94	37.9	0.4	95	40.7	0.4	95	43.5	0.5	95	46.6	0.5	7.1%	71.5%
11 - 12	12	12	12	7.6	0.6	12	8.5	0.7	12	9.1	0.8	12	9.8	0.8	13	10.5	0.8	7.4%	9.2%
13 - 16	14	14	13	19.0	1.5	14	19.9	1.4	13	19.5	1.5	14	20.2	1.4	14	20.8	1.5	1.5%	10.4%

¹. Rand million.

State Diamond Trader

Mandate

The State Diamond Trader's mandate, as defined in the Diamonds Amendment Act (2005), is to facilitate equitable access to South Africa's rough diamond resources, promote local beneficiation, undertake research, develop a client base, contribute to the growth of the local diamond beneficiation industry, and develop efficient means to market diamonds not suitable for local beneficiation.

Selected performance indicators

Table 29.34 State Diamond Trader performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of diamond producers who sold rough diamonds to the State Diamond Trader per year	Administration	Outcome 4: Decent employment through inclusive economic growth	9	12	19	19	19	19	19
Number of State Diamond Trader clients per year	Administration		42	46	73	88	98	116	116
Number of diamond production inspections per year	Administration		126	134	130	130	130	130	130
Number of trainees employed by the State Diamond Trader per year	Administration		5	10	10	10	10	10	10

Expenditure analysis

The State Diamond Trader contributes to the growth of the local diamond beneficiation industry and to increasing sales of rough diamonds to historically disadvantaged South African diamond cutters and polishers to ensure development of both the industry and the cutters and polishers. This is in line with outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework. The trader also develops and maintains trade relations with other diamond producing countries in Africa.

Over the medium term, interventions include: establishing partnerships for the expansion of the jewellery sector and implementing a marketing strategy to facilitate access to international and local exhibitions; conducting promotional activities in the provinces; and investigating the feasibility of establishing a Diamonds South Africa brand and the viability of a diamond ambassador for South Africa, for which R1.3 million has been put aside over the period. As the trader plans to conduct 390 inspections of diamond production sites, as well as participate in local and international diamond trade shows, travel costs are set to increase from R2.3 million in 2015/16 to R2.8 million in 2018/19.

The trader generates revenue through the sale of rough diamonds and through donations, and does not receive an allocation from the Department of Mineral Resources. Revenue over the medium term is expected to increase from R571 million in 2015/16 to R712.6 million by 2018/19, and will be used to fund the trader's operational costs. Spending on compensation of employees is expected to increase from R12.5 million in 2016/17 to R17.9 million in 2018/19, due to inflation and wage settlements, although the number of personnel is expected to remain constant at 16.

Programmes/objectives/activities

Table 29.35 State Diamond Trader expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Administration	416 103	556 409	401 869	562 716	10.6%	100.0%	611 652	561 210	563 310	0.0%	100.0%
Total	416 103	556 409	401 869	562 716	10.6%	100.0%	611 652	561 210	563 310	0.0%	100.0%

Statements of historical financial performance and position

Table 29.36 State Diamond Trader statements of historical financial performance and position

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16					
R thousand											
Revenue											
Non-tax revenue	569 151	413 400	569 237	556 587	569 832	396 418	571 056	571 056			85.0%
Sale of goods and services other than capital assets	568 297	411 463	568 297	554 864	568 297	394 321	566 871	566 871			84.8%
of which:											
Sales by market establishment	568 297	411 463	568 297	554 864	568 297	394 321	566 871	566 871			84.8%
Other non-tax revenue	854	1 937	940	1 723	1 535	2 097	4 185	4 185			132.3%
Total revenue	569 151	421 289	569 237	560 679	569 832	400 694	571 056	571 056			85.7%

Table 29.36 State Diamond Trader statements of historical financial performance and position

Statement of financial performance									Outcome/ Budget Average (%)
R thousand	Budget 2012/13	Audited outcome	Budget 2013/14	Audited outcome	Budget 2014/15	Audited outcome	Budget estimate 2015/16	Revised estimate	
Expenses									
Current expenses	567 491	416 103	566 297	556 409	561 752	401 869	562 716	562 716	85.8%
Compensation of employees	8 694	7 360	6 067	5 215	10 669	7 252	11 708	11 708	84.9%
Goods and services	555 441	406 659	556 874	549 990	548 768	393 182	550 643	550 643	85.9%
Depreciation	324	440	324	468	479	382	-	-	114.5%
Interest, dividends and rent on land	3 032	1 644	3 032	736	1 836	1 053	365	365	46.0%
Total expenses	570 401	416 103	568 830	556 409	561 752	401 869	562 716	562 716	85.6%
Surplus/(Deficit)	(1 250)	5 186	407	4 270	8 080	(1 175)	8 340	8 340	-
Statement of financial position									
Carrying value of assets	1 123	1 840	1 273	1 610	3 621	1 370	3 621	3 621	87.6%
Acquisition of assets	-	(2 121)	-	(47)	-	(238)	(240)	(240)	1 102.5%
Inventory	37 352	15 164	38 352	4 978	38 352	20 786	31 352	31 352	49.7%
Receivables and prepayments	80	224	80	1 605	209	5 186	186	186	1 297.5%
Cash and cash equivalents	35 946	24 707	35 327	46 466	28 795	23 779	45 246	45 246	96.5%
Taxation	11 796	5 016	-	-	5 120	-	4 952	4 952	45.6%
Total assets	86 297	46 951	75 032	54 659	76 097	51 121	85 357	85 357	73.8%
Accumulated surplus/(deficit)	20 677	46 085	38 467	50 355	31 709	49 180	38 683	38 683	142.3%
Capital and reserves	17 274	-	-	-	-	-	-	-	-
Borrowings	44 256	-	32 818	-	43 721	-	43 721	43 721	26.6%
Trade and other payables	4 090	866	3 747	4 304	667	1 941	2 953	2 953	87.8%
Total equity and liabilities	86 297	46 951	75 032	54 659	76 097	51 121	85 357	85 357	73.8%

Statements of estimates of financial performance and position**Table 29.37 State Diamond Trader statements of estimates of financial performance and position**

Statement of financial performance								
R thousand	Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expen- diture/ Total: Average (%) 2012/13 - 2015/16	Medium-term estimate			Average growth rate (%) 2015/16 - 2018/19	Expen- diture/ Total: Average (%) 2015/16 - 2018/19
				2016/17	2017/18	2018/19		
Revenue								
Non-tax revenue	571 056	11.4%	99.1%	631 275	673 568	712 635	7.7%	100.0%
Sale of goods and services other than capital assets	566 871	11.3%	98.6%	626 642	668 057	706 804	7.6%	99.2%
<i>of which:</i>								
Sales by market establishment	566 871	11.3%	98.6%	626 642	668 057	706 804	7.6%	99.2%
Other non-tax revenue	4 185	29.3%	0.5%	4 633	5 511	5 831	11.7%	0.8%
Total revenue	571 056	10.7%	100.0%	631 275	673 568	712 635	7.7%	100.0%
Expenses								
Current expenses	562 716	10.6%	100.0%	611 652	561 210	563 310	0.0%	112.2%
Compensation of employees	11 708	16.7%	1.6%	12 533	15 856	17 956	15.3%	2.5%
Goods and services	550 643	10.6%	98.1%	598 864	545 068	545 068	-0.3%	97.4%
Interest, dividends and rent on land	365	-39.4%	0.2%	255	286	286	-7.8%	0.1%
Total expenses	562 716	10.6%	100.0%	611 652	561 210	563 310	0.0%	100.0%
Surplus/(Deficit)	8 340	-	-	19 623	112 358	149 325	161.6%	-
Statement of financial position								
Carrying value of assets	3 621	25.3%	3.4%	3 621	3 621	3 831	1.9%	4.3%
<i>of which:</i>								
Acquisition of assets	(240)	-51.6%	-1.3%	(254)	(269)	(301)	7.8%	-0.3%
Inventory	31 352	27.4%	29.7%	18 702	38 352	40 576	9.0%	36.4%
Receivables and prepayments	186	-6.0%	3.4%	186	186	197	1.9%	0.2%
Cash and cash equivalents	45 246	22.3%	59.3%	45 246	45 246	47 870	1.9%	53.3%
Taxation	4 952	-0.4%	4.1%	4 934	4 934	5 220	1.8%	5.8%
Total assets	85 357	22.0%	100.0%	72 689	92 339	97 695	4.6%	100.0%
Accumulated surplus/(deficit)	38 683	-5.7%	83.0%	26 015	45 665	48 314	7.7%	45.0%
Borrowings	43 721	-	12.8%	43 721	43 721	46 257	1.9%	51.5%
Trade and other payables	2 953	50.5%	4.2%	2 953	2 953	3 124	1.9%	3.5%
Total equity and liabilities	85 357	22.0%	100.0%	72 689	92 339	97 695	11.5%	100.0%

Personnel information

Table 29.38 State Diamond Trader personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		Number and cost ¹ of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
State Diamond Trader		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	16	16	16	7.3	0.5	16	11.7	0.7	16	12.5	0.8	16	15.9	1.0	16	18.0	1.1	15.3%	100.0%
1 – 6	2	2	2	0.2	0.1	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	2	0.5	0.2	5.7%	12.5%
7 – 10	10	10	10	2.6	0.3	10	3.2	0.3	10	3.4	0.3	10	3.6	0.4	10	3.8	0.4	5.4%	62.5%
11 – 12	2	2	2	1.5	0.8	2	5.0	2.5	2	5.5	2.7	2	8.4	4.2	2	10.1	5.1	26.2%	12.5%
13 – 16	2	2	2	2.9	1.4	2	3.1	1.5	2	3.3	1.6	2	3.5	1.7	2	3.6	1.8	5.5%	12.5%

1. Rand million.

Additional tables

Table 29.A Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate			
							2012/13	2013/14	2014/15	Estimate 2015/16	2016/17	2017/18	2018/19
R thousand Foreign													
In cash													
European Union	Microzonation model of Johannesburg for seismic risk prediction	Mineral Policy and Promotion	36 months	22 063	Compensation of employees	Carry out a seismic hazard assessment of Johannesburg at bedrock; investigate the surface geology of Johannesburg to identify its soil layer distribution; and calculate the seismic hazard of Johannesburg at the surface	-	-	3 010	10 008	9 045	-	-
European Union	Microzonation model of Johannesburg for seismic risk prediction	Mineral Policy and Promotion	36 months	1 047	Goods and services	Carry out a seismic hazard assessment of Johannesburg at bedrock; investigate the surface geology of Johannesburg to identify its soil layer distribution; and calculate the seismic hazard of Johannesburg at the surface	-	-	60	887	100	-	-
European Union	Microzonation model of Johannesburg for seismic risk prediction	Mineral Policy and Promotion	36 months	6 890	Machinery and equipment	Carry out a seismic hazard assessment of Johannesburg at bedrock; investigate the surface geology of Johannesburg to identify its soil layer distribution; and calculate the seismic hazard of Johannesburg at the surface	-	-	630	3 905	2 355	-	-
Total				30 000			-	-	3 700	14 800	11 500	-	-

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA