



**2018**  
**BUDGET**  
ESTIMATES OF NATIONAL  
EXPENDITURE

**VOTE**  
**29**

**MINERAL RESOURCES**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**





# **Estimates of National Expenditure 2018**

**National Treasury**

**Republic of South Africa**



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The 2018 Estimates of National Expenditure is 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](http://www.treasury.gov.za). Compared to this Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

# Foreword

When the Estimates of National Expenditure (ENE) publication was launched in 2001, we referred to it as “a significant step forward in national budget transparency”. Since then, even though the national budget has undergone many reforms, the ENE publications remain a key indicator and embodiment of the candour of the budgeting process.

The publications provide the media, civil society, the public, Parliament, departments, public entities and ministers with information about how taxpayers’ money is being spent: what it buys and for what purpose. Do not be concerned by the magnitude of this publication. Instead, let us use it as a reference to keep government institutions accountable and ensure that the expenditure of public funds achieves its intended policy outcomes to improve the welfare of citizens.

In the current economic climate, spending priorities and the sequencing of programme implementation are subject to a number of trade-offs. The focus of the 2018 Budget has solely been on the reprioritisation of existing baseline funding. The abridged ENE provides a coherent and summarised account of the priorities, spending plans and service delivery commitments of all 40 national votes and of government agencies. The e-publications for each vote contain more detail on, for example, goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

The ENE’s presentation of the detailed expenditure estimates of departments are the result of a lengthy executive and administrative process involving wide-ranging intergovernmental consultation. This process is led by a committee of senior officials in central government departments, under the political guidance of the Ministers’ Committee on the Budget. A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team that worked tirelessly to produce a document of which we are rightly proud.

The independent Open Budget Survey assessment of budget transparency commenced in 2006. It is conducted every two years to measure the accessibility and comprehensiveness of key budget documents and information across the world. In 2010, South Africa was ranked first out of 94 countries surveyed, scoring 92 per cent. In the latest iteration of the survey, which measured 115 countries, South Africa was ranked first again, tied with New Zealand, with a score of 89 per cent. Our country is one of only 11 that publish comprehensive, timely information in all the required budget documents.

Budgets link the outcomes targeted by government with the services that are ultimately delivered. In addition to South African budgets having become more transparent, recent efforts to increase public participation in budgeting are gaining momentum. South Africans are invited to scrutinise budget information and provide opinions on government service delivery. We rely on this participation to strengthen our budgeting system and make it even more reliable.



**Dondo Mogajane**  
**Director-General: National Treasury**



# Introduction

## **The Estimates of National Expenditure publications**

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2018 MTEF period is from 2018/19 to 2020/21.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2018 ENE Overview publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za) and summarises the ENE information across all votes. The 2018 ENE Overview contains a narrative explanation and budget-wide summary tables; 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	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	327.0	312.0	3.6	11.4	345.5	365.7
Mine Health and Safety	205.0	199.5	4.8	0.7	219.3	235.6
Mineral Regulation	393.6	236.0	157.5	0.0	415.4	444.1
Mineral Policy and Promotion	965.0	129.3	835.5	0.2	1 035.9	1 094.3
<b>Total expenditure estimates</b>	<b>1 890.7</b>	<b>876.9</b>	<b>1 001.5</b>	<b>12.4</b>	<b>2 016.0</b>	<b>2 139.7</b>
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](http://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 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 Minerals and Mining Policy for South Africa, which ensures the transparent and efficient regulation of the development of South Africa's mineral resources and mineral industry to meet national objectives and bring optimum benefit to the nation.

### Selected performance indicators

**Table 29.1 Performance indicators by programme and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections	
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
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	9 078	8 005	9 869	8 396	8 396	8 396
Number of mining rights and permits granted or issued to historically disadvantaged South Africans per year <sup>1</sup>	Mineral Regulation		203	204	175	120	120	120
Number of industry workshops on compliance issues conducted per year <sup>1</sup>	Mineral Regulation		16	15	14	9	9	9
Number of social and labour plan verification inspections per year <sup>1</sup>	Mineral Regulation		268	270	275	212	212	212

**Table 29.1 Performance indicators by programme and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of environmental verification inspections conducted per year <sup>1</sup>	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 856	1 889	1 465	1 275	1 275	1 275	1 275
Number of mine economics verification audits per year <sup>1</sup>	Mineral Regulation	Outcome 4: Decent employment through inclusive economic growth	520	595	501	425	425	425	425
Number of mineral legislation compliance inspections conducted per year <sup>1</sup>	Mineral Regulation		253	502	264	150	150	150	150
Number of consultations or engagements and conflict management with stakeholders and the mining industry per year <sup>1</sup>	Mineral Regulation		263	341	342	150	150	150	150
Number of procurement opportunities facilitated for black industrialists in the mining sector per year <sup>1</sup>	Mineral Regulation		– <sup>2</sup>	5	5	10	10	10	10
Number of publications per year <sup>1</sup>	Mineral Policy and Promotion		15	14	23	12	12	12	12
Number of legislative instruments reviewed and amended per year <sup>1</sup>	Mineral Policy and Promotion		4	2	4	5	3	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	50	50	45	45	45	45	45
Number of new and established SMMEs supported per year <sup>1</sup>	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	87	125	103	80	80	80	80
Number of mining investment promotion events/forums/workshops per year <sup>1</sup>	Mineral Policy and Promotion		30	38	60	55	46	46	46

1. Targets have been revised down due to the slowdown in the mining industry, in line with the department's strategic plan.

2. No historical data available.

## Expenditure analysis

Chapters 3, 4 and 5 of the National Development Plan (NDP) detail a vision for South Africa in which sustainable employment and infrastructure development are key to the country's overall development. This vision is expressed in terms of 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) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Mineral Resources is closely aligned.

Over the medium term, the department intends to focus on: promoting investment in the mining sector; ensuring transformation in the mining sector; promoting the sustainable use of mineral resources; enforcing, monitoring and evaluating compliance with mine health and safety legislation by conducting audit inspections and investigations; and rehabilitating derelict and ownerless mines.

The department fulfils a considerable portion of its mandate through its entities. As a result, over the MTEF period, transfers to entities account for 52.3 per cent (R3.2 billion) of the department's total budget. The Council for Geoscience receives an additional allocation of R386.3 million over the medium term. This is due to a Cabinet approved decision to provide funds to the council through the economic competitiveness and support package for laboratory analytical and research work to improve the council's quality of service.

Due to the labour intensive nature of the department's work, which includes conducting mandatory compliance monitoring and statutory inspections of all mines across the country, compensation of employees accounts for a projected 33.1 per cent (R2 billion) of the department's total budget over the MTEF period. The expected increase in the number of prospecting and mining licences issued by the department over the medium term has resulted in an increase in regulatory and other inspections. Consequently, amounts of R19.6 million in 2018/19, R21.6 million in 2019/20 and R23.7 million in 2020/21 have been reprioritised from the department's goods and services budget to compensation of employees. Spending on goods and services accounts for 14 per cent (R815.4 million) of the department's projected budget over the MTEF period.

Cabinet has approved baseline reductions of R16 million in 2018/19, R22 million in 2019/20 and R23.2 million in 2020/21 on goods and services in the *Administration* programme, and transfers to the Council for Geoscience and the Mine Health and Safety Council. The impact on service delivery will be managed through the department implementing cost containment measures, particularly on non-core goods and services items, over the MTEF period. Reductions in transfers to entities are expected to be offset by the additional allocation to the Council for Geoscience and the Mine Health and Safety Council having sufficient reserves.

### ***Promoting investment in the mining sector***

As part of the department's goal to attract more investment in South Africa, it plans to conduct 138 promotional events/workshops and forums for local and foreign investment at a projected cost of R16.7 million over medium term. To facilitate this, 36 marketing publications aimed at unlocking investment in the mining and petroleum sectors are planned for publication over the MTEF period. To promote investment in shale gas, the department has reprioritised R34.4 million over the medium term from the *Mineral Policy and Promotion* programme to Petroleum Agency South Africa in the *Mineral Regulation* programme.

Providing support to small, medium and micro enterprises (SMMEs) in the mining industry forms part of the department's drive to attract investment, promote transformation and contribute to job creation. In this regard, over the MTEF period, the department plans to spend R74.2 million to provide financial and technical support to 240 SMMEs, mainly for small-scale mining projects. Total funding for attracting investment is expected to increase at an average annual rate of 8.6 per cent over the medium term, from R1.2 billion in 2017/18 to R1.5 billion in 2020/21, in the *Mineral Regulation* and *Mineral Policy Promotion* programmes. In 2017/18, expenditure in these programmes accounted for 71.5 per cent of the department's total budget.

### ***Ensuring transformation in the mining sector and promoting the sustainable use of mineral resources***

The department plans to continue facilitating transformation in the mining and minerals sector by developing and reviewing relevant legislation. R21.9 million is allocated over the MTEF period for this purpose in the *Mineral Regulation* and *Mineral Policy Promotion* programmes. In consultation with mining stakeholders, the department also plans to promote the sustainable use of mineral resources, and enforce the environmental management of mines under the revised Broad-Based Socioeconomic Charter for the South African Mining Industry. This is expected to be done in conjunction with the enforcement of mining social and labour plans at an estimated cost of R138.5 million over the MTEF period.

A total of 636 inspections relating to social and labour plans, 3 825 inspections relating to environmental management and 27 industry workshops are planned, while 360 mining rights are expected to be granted to historically disadvantaged South Africans over the medium term with the aim of promoting meaningful transformation in the mining industry. The department also aims to create 30 black industrialists over the MTEF period by giving preference to black-owned businesses in its procurement processes. These activities will be carried out in the *Mineral Regulation* programme, which is allocated R1.3 billion over the medium term.

Through the enforcement unit in the *Mineral Regulation* programme, the department has strengthened its ability to enforce compliance with the conditions of mining rights. For this purpose, the programme's budget for spending on compensation of employees increases from R186.5 million in 2017/18 to R226.4 million in 2020/21.

### ***Enforcing, monitoring and evaluating compliance with mine health and safety legislation***

Over the medium term, the department intends to continue enforcing compliance with occupational health and safety legislation and regulations. This is expected to be achieved by improving mine health surveillance activities and monitoring mine sites, as well as cooperating with other public agencies to promote occupational health at mining sites. As such, over the medium term, the department intends to improve its internal human capacity to focus on inspections and implement strategies to improve occupational health and safety. Accordingly, the department plans to conduct 8 396 occupational health and safety inspections and mine audits per year over the medium term. These activities are expected to cost R15.1 million in 2018/19, R15.9 million in 2019/20 and R16.8 million in 2020/21.

Over the MTEF period, the department aims to provide leadership initiatives and activities to the mining industry, labour (mine workers and their representatives) and the Mine Health and Safety Council to ensure that their work programmes respond to current challenges such as mine fatalities and diseases. In addition, the department aims to provide input into the review of mine health and safety legislation that seeks to incorporate international best practice, and provide support for monitoring the implementation of commitments made at the 2014 Mine Health and Safety Tripartite Summit. These commitments include making mines healthier and safer, promoting a culture of learning and building capacity in the industry. The department also plans to support initiatives that discourage illegal mining and other unsafe practices related to the sector, especially blasting operations.

Activities related to enforcing, monitoring and evaluating compliance with mine health and safety legislation are funded through the *Mine Health and Safety Regions* subprogramme, which is allocated R448.6 million over the medium term.

### Rehabilitating derelict and ownerless mines

As part of its safety and environment protection policy, over the medium term, the department aims to rehabilitate 135 derelict and ownerless mines at an estimated cost of R406.9 million. The Council for Geoscience and Mintek will continue to be involved in the rehabilitation of some of the prioritised sites, at a cost of R90 million and R70 million, respectively. In addition, the Working for Mines programme, which is part of the expanded public works programme and focuses on the rehabilitation of derelict and ownerless mines, expects to create 88 job opportunities through an allocation of R3.3 million over the MTEF period.

## 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	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	284.2	297.6	315.2	293.2	308.9	359.1	310.9	345.8	361.1	317.7	339.9	339.9	114.0%	106.4%
Programme 2	168.0	172.0	167.5	175.8	184.4	171.5	184.9	189.9	189.6	189.4	194.1	194.1	100.6%	97.6%
Programme 3	231.4	236.7	237.7	260.4	263.7	246.2	270.8	265.1	258.8	364.6	379.3	379.3	99.5%	98.0%
Programme 4	787.8	769.2	754.8	889.0	881.5	861.7	902.5	868.3	851.7	907.7	866.1	866.1	95.6%	98.5%
<b>Total</b>	<b>1 471.3</b>	<b>1 475.5</b>	<b>1 475.2</b>	<b>1 618.5</b>	<b>1 638.5</b>	<b>1 638.5</b>	<b>1 669.1</b>	<b>1 669.1</b>	<b>1 661.1</b>	<b>1 779.4</b>	<b>1 779.4</b>	<b>1 779.4</b>	<b>100.2%</b>	<b>99.9%</b>
Change to 2017 Budget estimate														
Economic classification														
<b>Current payments</b>	<b>742.3</b>	<b>744.3</b>	<b>736.9</b>	<b>806.1</b>	<b>800.1</b>	<b>805.2</b>	<b>831.4</b>	<b>863.9</b>	<b>858.6</b>	<b>846.7</b>	<b>871.0</b>	<b>871.0</b>	<b>101.4%</b>	<b>99.8%</b>
Compensation of employees	476.8	492.0	484.6	528.4	548.4	526.3	572.1	564.4	558.8	572.8	590.8	590.8	100.5%	98.4%
Goods and services	265.6	252.3	252.3	277.7	251.7	279.0	259.2	299.5	299.8	273.9	280.3	280.3	103.2%	102.5%
<b>Transfers and subsidies</b>	<b>717.9</b>	<b>719.4</b>	<b>723.7</b>	<b>800.9</b>	<b>826.9</b>	<b>819.7</b>	<b>824.1</b>	<b>791.6</b>	<b>791.3</b>	<b>921.1</b>	<b>896.8</b>	<b>896.8</b>	<b>99.0%</b>	<b>99.9%</b>
Departmental agencies and accounts	340.8	347.3	347.3	377.8	394.8	393.4	433.5	433.5	433.5	430.9	440.9	440.9	-	-
Public corporations and private enterprises	375.8	370.9	370.9	421.8	430.8	423.7	389.1	356.6	356.6	488.8	454.4	454.4	95.8%	99.6%
Households	1.3	1.3	5.6	1.4	1.4	2.5	1.4	1.4	1.2	1.5	1.5	1.5	191.7%	191.7%
<b>Payments for capital assets</b>	<b>11.0</b>	<b>11.8</b>	<b>14.5</b>	<b>11.5</b>	<b>11.5</b>	<b>10.6</b>	<b>13.6</b>	<b>13.6</b>	<b>9.9</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>97.8%</b>	<b>96.3%</b>
Buildings and other fixed structures	2.8	3.8	2.9	2.9	2.5	1.1	3.9	3.9	0.2	1.8	1.8	1.8	53.2%	50.6%
Machinery and equipment	8.2	8.0	7.2	8.6	8.9	9.3	9.8	9.8	9.8	9.8	9.8	9.8	99.1%	99.0%
Software and other intangible assets	-	-	4.4	-	0.1	0.1	-	-	-	-	-	-	-	3 521.5%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.9</b>	<b>-</b>	<b>-</b>	<b>1.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 471.3</b>	<b>1 475.5</b>	<b>1 475.2</b>	<b>1 618.5</b>	<b>1 638.5</b>	<b>1 638.5</b>	<b>1 669.1</b>	<b>1 669.1</b>	<b>1 661.1</b>	<b>1 779.4</b>	<b>1 779.4</b>	<b>1 779.4</b>	<b>100.2%</b>	<b>99.9%</b>

## 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 (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	339.9	4.5%	21.0%	327.0	345.5	365.7	2.5%	17.6%
Programme 2	194.1	4.1%	11.0%	205.0	219.3	235.6	6.7%	10.9%
Programme 3	379.3	17.0%	17.1%	393.6	415.4	444.1	5.4%	20.9%
Programme 4	866.1	4.0%	50.9%	965.0	1 035.9	1 094.3	8.1%	50.6%
<b>Total</b>	<b>1 779.4</b>	<b>6.4%</b>	<b>100.0%</b>	<b>1 890.7</b>	<b>2 016.0</b>	<b>2 139.7</b>	<b>6.3%</b>	<b>100.0%</b>
Change to 2017				(16.0)	166.0	175.1		
Budget estimate								
Economic classification								
<b>Current payments</b>	<b>871.0</b>	<b>5.4%</b>	<b>49.9%</b>	<b>876.9</b>	<b>936.7</b>	<b>1 000.3</b>	<b>4.7%</b>	<b>47.1%</b>
Compensation of employees	590.8	6.3%	33.0%	617.6	665.2	715.6	6.6%	33.1%
Goods and services	280.3	3.6%	17.0%	259.2	271.5	284.7	0.5%	14.0%
<b>Transfers and subsidies</b>	<b>896.8</b>	<b>7.6%</b>	<b>49.3%</b>	<b>1 001.5</b>	<b>1 066.3</b>	<b>1 125.7</b>	<b>7.9%</b>	<b>52.3%</b>
Departmental agencies and accounts	440.9	8.3%	24.6%	452.2	565.4	596.5	10.6%	26.3%
Public corporations and private enterprises	454.4	7.0%	24.5%	547.7	499.2	527.4	5.1%	25.9%
Households	1.5	5.0%	0.2%	1.6	1.7	1.8	5.6%	0.1%
<b>Payments for capital assets</b>	<b>11.7</b>	<b>-0.3%</b>	<b>0.7%</b>	<b>12.4</b>	<b>13.0</b>	<b>13.7</b>	<b>5.6%</b>	<b>0.6%</b>
Buildings and other fixed structures	1.8	-21.6%	0.1%	2.0	2.1	2.2	5.8%	0.1%
Machinery and equipment	9.8	7.3%	0.6%	10.4	11.0	11.6	5.6%	0.5%
<b>Total</b>	<b>1 779.4</b>	<b>6.4%</b>	<b>100.0%</b>	<b>1 890.7</b>	<b>2 016.0</b>	<b>2 139.7</b>	<b>6.3%</b>	<b>100.0%</b>

## Expenditure trends and estimates for significant spending items

**Table 29.4 Expenditure trends and estimates for significant spending items**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Council for Geoscience	292 839	342 914	378 598	366 988	7.8%	21.1%	386 306	495 835	523 106	12.5%	22.6%
Mintek	370 854	414 742	356 416	367 256	-0.3%	23.0%	350 368	369 989	390 339	2.1%	18.9%
<b>Total</b>	<b>663 693</b>	<b>757 656</b>	<b>735 014</b>	<b>734 244</b>	<b>7.5%</b>	<b>44.1%</b>	<b>736 674</b>	<b>865 824</b>	<b>913 445</b>	<b>14.6%</b>	<b>41.5%</b>

## Goods and services expenditure trends and estimates

**Table 29.5 Vote goods and services expenditure trends and estimates**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	2 115	2 618	3 248	5 346	36.2%	1.2%	6 049	6 336	6 681	7.7%	2.2%
Advertising	1 055	846	5 453	2 621	35.4%	0.9%	3 651	3 783	3 932	14.5%	1.3%
Minor assets	262	1 614	968	5 157	170.0%	0.7%	4 790	5 085	5 398	1.5%	1.9%
Audit costs: External	5 280	6 465	6 247	4 987	-1.9%	2.1%	4 924	5 195	5 481	3.2%	1.9%
Bursaries: Employees	992	979	1 234	1 553	16.1%	0.4%	2 123	1 250	2 359	15.0%	0.7%
Catering: Departmental activities	509	1 528	951	3 765	94.8%	0.6%	4 967	5 167	5 383	12.7%	1.8%
Communication	14 577	13 723	17 281	8 964	-15.0%	4.9%	8 305	8 772	9 254	1.1%	3.2%
Computer services	18 936	23 446	26 872	23 023	6.7%	8.3%	25 520	26 887	28 366	7.2%	9.5%
Consultants: Business and advisory services	14 778	5 461	8 237	9 401	-14.0%	3.4%	4 071	4 273	4 517	-21.7%	2.0%
Legal services	7 900	6 476	11 213	2 955	-27.9%	2.6%	4 148	4 319	4 500	15.0%	1.5%
Contractors	2 990	1 875	1 057	21 102	91.8%	2.4%	25 026	26 840	28 721	10.8%	9.3%
Agency and support/outsourced services	13	-	-	3	-38.7%	-	10	11	11	54.2%	-

Table 29.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Entertainment	–	–	–	159	–	–	164	173	182	4.6%	0.1%
Fleet services (including government motor transport)	6 595	10 503	10 518	7 042	2.2%	3.1%	5 394	4 305	6 368	-3.3%	2.1%
Inventory: Clothing material and accessories	–	–	53	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	16	16	19	–	-100.0%	–	51	54	57	–	–
Inventory: Materials and supplies	581	67	218	–	-100.0%	0.1%	–	–	–	–	–
Inventory: Medical supplies	1	2	2	–	-100.0%	–	–	–	–	–	–
Consumable supplies	2 302	1 740	2 063	4 729	27.1%	1.0%	4 318	4 565	4 829	0.7%	1.7%
Consumables: Stationery, printing and office supplies	3 949	4 683	4 673	11 208	41.6%	2.2%	11 505	12 140	12 806	4.5%	4.3%
Operating leases	75 514	94 177	89 325	52 647	-11.3%	28.0%	36 165	39 027	41 995	-7.3%	15.5%
Rental and hiring	13	1 002	232	5 814	664.7%	0.6%	2 110	2 144	2 187	-27.8%	1.1%
Property payments	4 137	5 860	6 259	7 132	19.9%	2.1%	8 092	8 543	9 005	8.1%	3.0%
Travel and subsistence	55 731	71 021	68 383	67 849	6.8%	23.7%	69 522	72 822	71 340	1.7%	25.7%
Training and development	4 736	5 410	4 892	10 148	28.9%	2.3%	8 513	8 958	9 448	-2.4%	3.4%
Operating payments	24 293	12 883	23 740	14 246	-16.3%	6.8%	12 509	13 146	13 749	-1.2%	4.9%
Venues and facilities	4 989	6 581	6 643	10 410	27.8%	2.6%	7 303	7 708	8 121	-7.9%	3.1%
<b>Total</b>	<b>252 264</b>	<b>278 976</b>	<b>299 781</b>	<b>280 261</b>	<b>3.6%</b>	<b>100.0%</b>	<b>259 230</b>	<b>271 503</b>	<b>284 690</b>	<b>0.5%</b>	<b>100.0%</b>

## Transfers and subsidies expenditure trends and estimates

Table 29.6 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>3 126</b>	<b>1 762</b>	<b>1 059</b>	<b>1 224</b>	<b>-26.8%</b>	<b>0.2%</b>	<b>1 295</b>	<b>1 368</b>	<b>1 443</b>	<b>5.6%</b>	<b>0.1%</b>
Employee social benefits	3 126	1 762	1 059	1 224	-26.8%	0.2%	1 295	1 368	1 443	5.6%	0.1%
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>319 522</b>	<b>358 408</b>	<b>396 629</b>	<b>405 441</b>	<b>8.3%</b>	<b>45.8%</b>	<b>414 719</b>	<b>525 849</b>	<b>554 761</b>	<b>11.0%</b>	<b>46.5%</b>
Mining Qualifications Authority	1 217	–	1 716	1 840	14.8%	0.1%	1 973	2 083	2 198	6.1%	0.2%
Public Service Sector Education and Training Authority	215	–	–	–	-100.0%	–	–	–	–	–	–
Mine Health and Safety Council	5 197	–	–	6 162	5.8%	0.4%	4 803	5 082	5 351	-4.6%	0.5%
South African Diamond and Precious Metal Regulator	47 810	50 527	53 205	65 865	11.3%	6.7%	59 105	62 415	65 848	–	6.2%
Council for Geoscience	265 083	307 881	341 708	330 574	7.6%	38.5%	257 791	455 163	480 197	13.3%	37.3%
Council for Geoscience: Economic competitiveness and support package	–	–	–	–	–	–	90 000	–	–	–	2.2%
Council for Geoscience: Expanded public works programme	–	–	–	1 000	–	–	1 047	1 106	1 167	5.3%	0.1%
<b>Capital</b>	<b>27 756</b>	<b>35 033</b>	<b>36 890</b>	<b>35 414</b>	<b>8.5%</b>	<b>4.2%</b>	<b>37 468</b>	<b>39 566</b>	<b>41 742</b>	<b>5.6%</b>	<b>3.8%</b>
Council for Geoscience	27 756	35 033	36 890	35 414	8.5%	4.2%	37 468	39 566	41 742	5.6%	3.8%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>2 475</b>	<b>833</b>	<b>122</b>	<b>294</b>	<b>-50.8%</b>	<b>0.1%</b>	<b>311</b>	<b>328</b>	<b>346</b>	<b>5.6%</b>	<b>–</b>
Employee ex-gratia payments	120	20	120	294	34.8%	–	311	328	346	5.6%	–
Other transfers to households	2 355	813	2	–	-100.0%	0.1%	–	–	–	–	–
<b>Public corporations and private enterprises</b>											
<b>Subsidies on products and production</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>87 138</b>	<b>–</b>	<b>2.7%</b>	<b>104 316</b>	<b>104 492</b>	<b>110 609</b>	<b>8.3%</b>	<b>9.9%</b>
Petroleum Agency South Africa	–	–	–	87 138	–	2.7%	98 439	98 286	104 062	6.1%	9.5%
Various institutions: Water management solutions subsidies for marginal mines	–	–	–	–	–	–	5 877	6 206	6 547	–	0.5%



Table 29.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
<b>Public corporations and private enterprises</b>											
<b>Subsidies on products and production</b>											
<b>Current</b>	<b>320 775</b>	<b>371 138</b>	<b>315 352</b>	<b>310 705</b>	<b>-1.1%</b>	<b>40.8%</b>	<b>383 513</b>	<b>331 490</b>	<b>350 134</b>	<b>4.1%</b>	<b>33.6%</b>
Industrial Development Corporation	–	8 893	–	–	–	0.3%	22 976	24 683	26 453	–	1.8%
Mintek	320 775	362 145	315 152	310 705	-1.1%	40.5%	290 537	306 807	323 681	1.4%	30.1%
State Diamond Trader	–	100	200	–	–	–	–	–	–	–	–
Mintek: Economic competitiveness and support package	–	–	–	–	–	–	70 000	–	–	–	1.7%
<b>Capital</b>	<b>50 079</b>	<b>52 597</b>	<b>41 264</b>	<b>56 551</b>	<b>4.1%</b>	<b>6.2%</b>	<b>59 831</b>	<b>63 182</b>	<b>66 658</b>	<b>5.6%</b>	<b>6.0%</b>
Mintek	50 079	52 597	41 264	56 551	4.1%	6.2%	59 831	63 182	66 658	5.6%	6.0%
<b>Total</b>	<b>723 733</b>	<b>819 771</b>	<b>791 316</b>	<b>896 767</b>	<b>7.4%</b>	<b>100.0%</b>	<b>1 001 453</b>	<b>1 066 275</b>	<b>1 125 693</b>	<b>7.9%</b>	<b>100.0%</b>

## Personnel information

Table 29.7 Vote personnel numbers and cost by salary level and programme<sup>1</sup>

Programmes																			
1. Administration																			
2. Mine Health and Safety																			
3. Mineral Regulation																			
4. Mineral Policy and Promotion																			
Number of posts estimated for 31 March 2018	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment														Number				
	Number of funded posts	Number of posts additional to the establishment	Actual 2016/17			Revised estimate 2017/18			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
2016/17			2017/18	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21										
Mineral Resources		Number	Unit Cost	Unit cost	Number	Unit Cost	Unit cost	Number	Unit Cost	Unit cost	Number	Unit Cost	Unit cost	Number	Unit Cost	Unit cost			
<b>Salary level</b>	<b>1 167</b>	<b>2</b>	<b>1 167</b>	<b>558.8</b>	<b>0.5</b>	<b>1 113</b>	<b>590.8</b>	<b>0.5</b>	<b>1 067</b>	<b>617.6</b>	<b>0.6</b>	<b>1 065</b>	<b>665.2</b>	<b>0.6</b>	<b>1 063</b>	<b>715.6</b>	<b>0.7</b>	<b>-1.5%</b>	<b>100.0%</b>
1 – 6	266	–	266	66.8	0.3	263	64.8	0.2	243	64.7	0.3	242	69.7	0.3	241	75.0	0.3	-2.9%	23.0%
7 – 10	568	–	568	239.0	0.4	547	250.7	0.5	522	257.6	0.5	521	277.7	0.5	521	299.9	0.6	-1.6%	49.0%
11 – 12	237	–	237	167.6	0.7	199	161.2	0.8	198	173.4	0.9	198	187.3	0.9	198	202.4	1.0	-0.2%	18.4%
13 – 16	96	2	96	85.4	0.9	104	114.1	1.1	104	122.0	1.2	104	130.5	1.3	103	138.4	1.3	-0.3%	9.6%
<b>Programme</b>	<b>1 167</b>	<b>2</b>	<b>1 167</b>	<b>558.8</b>	<b>0.5</b>	<b>1 113</b>	<b>590.8</b>	<b>0.5</b>	<b>1 067</b>	<b>617.6</b>	<b>0.6</b>	<b>1 065</b>	<b>665.2</b>	<b>0.6</b>	<b>1 063</b>	<b>715.6</b>	<b>0.7</b>	<b>-1.5%</b>	<b>100.0%</b>
Programme 1	366	2	366	162.3	0.4	355	179.7	0.5	330	186.9	0.6	328	199.8	0.6	327	213.9	0.7	-2.7%	31.1%
Programme 2	303	–	303	158.0	0.5	278	155.7	0.6	272	166.3	0.6	271	178.3	0.7	271	192.4	0.7	-0.8%	25.3%
Programme 3	386	–	386	173.2	0.4	372	186.5	0.5	361	193.2	0.5	361	209.4	0.6	361	226.4	0.6	-1.0%	33.8%
Programme 4	112	–	112	65.3	0.6	108	68.8	0.6	104	71.2	0.7	105	77.6	0.7	104	82.9	0.8	-1.3%	9.8%

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

2. Rand million.

## Departmental receipts

Table 29.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
<b>Departmental receipts</b>	<b>46 207</b>	<b>29 763</b>	<b>38 072</b>	<b>40 250</b>	<b>19 740</b>	<b>-24.7%</b>	<b>100.0%</b>	<b>40 311</b>	<b>42 648</b>	<b>45 206</b>	<b>31.8%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>3 230</b>	<b>6 486</b>	<b>10 148</b>	<b>11 354</b>	<b>5 505</b>	<b>19.4%</b>	<b>19.0%</b>	<b>12 002</b>	<b>12 698</b>	<b>13 459</b>	<b>34.7%</b>	<b>29.5%</b>
Sales by market establishments of which:	482	478	473	468	232	-21.6%	1.2%	495	523	555	33.7%	1.2%
Market establishment: Rental parking: Covered and open	482	478	473	468	232	-21.6%	1.2%	495	523	555	33.7%	1.2%
Administrative fees of which:	2 232	5 428	9 073	10 195	4 946	30.4%	16.2%	10 776	11 402	12 085	34.7%	26.5%
Application fees in relation to the Minerals and Petroleum Resources Development Act (2002)	2 031	1 084	1 791	2 326	713	-29.5%	4.2%	2 458	2 601	2 757	57.0%	5.8%
Requested information: Access to Information Act (2000)	24	23	30	24	13	-18.5%	0.1%	25	27	28	29.1%	0.1%
Environmental Authorisation application fees	177	4 321	7 252	7 845	4 220	187.8%	11.9%	8 293	8 774	9 300	30.1%	20.7%

**Table 29.8 Departmental receipts by economic classification**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Other sales	516	580	602	691	327	-14.1%	1.5%	731	773	819	35.8%	1.8%
<i>of which:</i>												
<i>Services rendered: Commission on insurance and garnishee</i>	183	210	224	230	116	-14.1%	0.5%	244	258	273	33.0%	0.6%
<i>Services rendered: Marking of exam paper</i>	295	345	351	430	196	-12.7%	0.9%	454	480	509	37.5%	1.1%
<i>Services rendered: Photocopies and faxes</i>	36	24	26	31	15	-25.3%	0.1%	33	35	37	35.1%	0.1%
<i>Replacement of security cards</i>	2	1	1	—	—	-100.0%	—	—	—	—	—	—
<i>Sales of scrap, waste, arms and other used current goods</i>	—	—	1	—	—	—	—	2	2	2	—	—
<i>of which:</i>												
<i>Sales: Scrap</i>	—	—	1	—	—	—	—	2	2	2	—	—
<b>Fines, penalties and forfeits</b>	<b>1 117</b>	<b>847</b>	<b>990</b>	<b>859</b>	<b>442</b>	<b>-26.6%</b>	<b>2.5%</b>	<b>883</b>	<b>934</b>	<b>990</b>	<b>30.8%</b>	<b>2.2%</b>
<b>Interest, dividends and rent on land</b>	<b>31 755</b>	<b>22 268</b>	<b>23 881</b>	<b>25 580</b>	<b>12 046</b>	<b>-27.6%</b>	<b>67.2%</b>	<b>27 038</b>	<b>28 606</b>	<b>30 323</b>	<b>36.0%</b>	<b>66.3%</b>
Interest	57	28	265	78	31	-18.4%	0.3%	82	87	92	43.7%	0.2%
Rent on land	31 698	22 240	23 616	25 502	12 015	-27.6%	67.0%	26 956	28 519	30 231	36.0%	66.1%
<b>Sales of capital assets</b>	<b>1 360</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-100.0%</b>	<b>1.0%</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Transactions in financial assets and liabilities</b>	<b>8 745</b>	<b>162</b>	<b>3 052</b>	<b>2 457</b>	<b>1 747</b>	<b>-41.5%</b>	<b>10.2%</b>	<b>386</b>	<b>408</b>	<b>432</b>	<b>-37.2%</b>	<b>2.0%</b>
<b>Total</b>	<b>46 207</b>	<b>29 763</b>	<b>38 072</b>	<b>40 250</b>	<b>19 740</b>	<b>-24.7%</b>	<b>100.0%</b>	<b>40 311</b>	<b>42 648</b>	<b>45 206</b>	<b>31.8%</b>	<b>100.0%</b>

## Programme 1: Administration

### Programme purpose

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

### Expenditure trends and estimates

**Table 29.9 Administration expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Ministry	26 480	33 076	35 123	28 050	1.9%	8.9%	27 276	30 674	31 347	3.8%	8.5%
Corporate Services	159 320	180 307	187 841	145 075	-3.1%	48.9%	125 175	137 309	147 496	0.6%	40.3%
Department Management	17 285	15 567	12 457	21 776	8.0%	4.9%	30 050	24 058	24 234	3.6%	7.3%
Financial Administration	84 442	95 431	93 536	97 623	5.0%	27.0%	96 793	102 925	109 644	3.9%	29.5%
Internal Audit	12 199	12 370	10 609	14 524	6.0%	3.6%	12 916	13 750	14 254	-0.6%	4.0%
Office Accommodation	15 494	22 316	21 484	32 883	28.5%	6.7%	34 790	36 738	38 759	5.6%	10.4%
<b>Total</b>	<b>315 220</b>	<b>359 067</b>	<b>361 050</b>	<b>339 931</b>	<b>2.5%</b>	<b>100.0%</b>	<b>327 000</b>	<b>345 454</b>	<b>365 734</b>	<b>2.5%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				22 209			(7 472)	(11 045)	(14 312)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>304 125</b>	<b>348 430</b>	<b>349 626</b>	<b>325 794</b>	<b>2.3%</b>	<b>96.6%</b>	<b>312 004</b>	<b>329 639</b>	<b>349 049</b>	<b>2.3%</b>	<b>95.5%</b>
Compensation of employees	148 079	161 003	162 257	179 726	6.7%	47.3%	186 927	199 807	213 862	6.0%	56.6%
Goods and services <sup>1</sup>	156 046	187 427	187 369	146 068	-2.2%	49.2%	125 077	129 832	135 187	-2.5%	38.9%
<i>of which:</i>											
<i>Audit costs: External</i>	5 280	6 465	6 247	4 987	-1.9%	1.7%	4 924	5 195	5 481	3.2%	1.5%
<i>Computer services</i>	16 803	23 016	24 342	17 768	1.9%	6.0%	17 884	18 859	19 896	3.8%	5.4%
<i>Operating leases</i>	75 033	93 643	88 798	51 997	-11.5%	22.5%	36 047	38 905	41 870	-7.0%	12.2%
<i>Property payments</i>	3 537	5 555	6 258	6 173	20.4%	1.6%	7 191	7 594	8 011	9.1%	2.1%
<i>Travel and subsistence</i>	15 249	21 507	19 968	19 886	9.3%	5.6%	18 907	19 489	15 088	-8.8%	5.3%
<i>Training and development</i>	2 208	2 424	3 441	5 875	38.6%	1.0%	5 789	6 088	6 422	3.0%	1.8%
<b>Transfers and subsidies<sup>1</sup></b>	<b>4 934</b>	<b>1 782</b>	<b>2 895</b>	<b>3 358</b>	<b>-12.0%</b>	<b>0.9%</b>	<b>3 579</b>	<b>3 779</b>	<b>3 987</b>	<b>5.9%</b>	<b>1.1%</b>
Departmental agencies and accounts	1 432	—	1 716	1 840	8.7%	0.4%	1 973	2 083	2 198	6.1%	0.6%
Households	3 502	1 782	1 179	1 518	-24.3%	0.6%	1 606	1 696	1 789	5.6%	0.5%
<b>Payments for capital assets</b>	<b>6 161</b>	<b>8 848</b>	<b>8 418</b>	<b>10 779</b>	<b>20.5%</b>	<b>2.5%</b>	<b>11 417</b>	<b>12 036</b>	<b>12 698</b>	<b>5.6%</b>	<b>3.4%</b>
Buildings and other fixed structures	1 952	1 140	153	1 830	-2.1%	0.4%	1 954	2 056	2 169	5.8%	0.6%
Machinery and equipment	2 657	7 571	8 265	8 949	49.9%	2.0%	9 463	9 980	10 529	5.6%	2.8%
Software and other intangible assets	1 552	137	—	—	-100.0%	0.1%	—	—	—	—	—
<b>Payments for financial assets</b>	<b>—</b>	<b>7</b>	<b>111</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>315 220</b>	<b>359 067</b>	<b>361 050</b>	<b>339 931</b>	<b>2.5%</b>	<b>100.0%</b>	<b>327 000</b>	<b>345 454</b>	<b>365 734</b>	<b>2.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>21.4%</b>	<b>21.9%</b>	<b>21.7%</b>	<b>19.1%</b>	<b>—</b>	<b>—</b>	<b>17.3%</b>	<b>17.1%</b>	<b>17.1%</b>	<b>—</b>	<b>—</b>

**Table 29.9 Administration expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
<b>Households</b>											
<b>Social benefits</b>											
Current	3 060	1 762	1 059	1 224	-26.3%	0.5%	1 295	1 368	1 443	5.6%	0.4%
Employee social benefits	3 060	1 762	1 059	1 224	-26.3%	0.5%	1 295	1 368	1 443	5.6%	0.4%
<b>Households</b>											
<b>Other transfers to households</b>											
Current	442	20	120	294	-12.7%	0.1%	311	328	346	5.6%	0.1%
Employee ex-gratia payments	120	20	120	294	34.8%	–	311	328	346	5.6%	0.1%
Other transfers to households	322	–	–	–	-100.0%	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
Current	1 432	–	1 716	1 840	8.7%	0.4%	1 973	2 083	2 198	6.1%	0.6%
Mining Qualifications Authority	1 217	–	1 716	1 840	14.8%	0.3%	1 973	2 083	2 198	6.1%	0.6%
Public Service Sector Education and Training Authority	215	–	–	–	-100.0%	–	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

**Table 29.10 Administration personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018	Number and cost <sup>2</sup> 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 (%)	Average: Salary level/Total (%)			
			2016/17	2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
Administration			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	366	2	366	162.3	0.4	355	179.7	0.5	330	186.9	0.6	328	199.8	0.6	327	213.9	0.7	-2.7%	100.0%
1 – 6	124	–	124	31.9	0.3	112	26.9	0.2	91	23.7	0.3	91	25.6	0.3	91	27.6	0.3	-6.7%	28.7%
7 – 10	156	–	156	61.3	0.4	152	65.7	0.4	148	69.7	0.5	148	75.4	0.5	148	81.4	0.5	-0.9%	44.5%
11 – 12	46	–	46	31.9	0.7	47	36.7	0.8	47	39.6	0.8	45	41.2	0.9	45	44.4	1.0	-1.4%	13.7%
13 – 16	40	2	40	37.2	0.9	44	50.4	1.1	44	53.8	1.2	44	57.7	1.3	43	60.4	1.4	-0.8%	13.1%

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

2. 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 over the medium term by:
  - implementing the occupational, health and safety improvement strategy and enforcement guidelines to reduce occupational fatalities and injuries by 20 per cent
  - reducing occupational diseases by 10 per cent
  - conducting ongoing investigations, and 8 396 occupational health and safety inspections and mine audits per year.
- Contribute to skills development in the mining sector by conducting ongoing implementation, monitoring and evaluation of the certificate of government competency examination.
- Improve health care turnaround times in the mining sector by 2020/21, by:
  - ensuring 80 per cent adherence to prescribed timeframes for resolving medical appeals
  - ensuring 100 per cent adherence to timeframes for appeals to the chief inspector of mines

- ensuring 100 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 awareness workshops in the 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 by providing examination services and professional advice.
- *Mine Health and Safety Council* transfers funds annually to the Mine Health and Safety Council. The council is tasked with promoting a culture of health and safety in the mining sector.

## Expenditure trends and estimates

**Table 29.11 Mine Health and Safety expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Governance Policy and Oversight	43 437	44 913	46 430	47 087	2.7%	25.2%	59 782	65 473	70 737	14.5%	28.5%
Mine Health and Safety Regions	118 858	126 593	143 127	140 897	5.8%	73.3%	140 452	148 711	159 469	4.2%	69.0%
Mine Health and Safety Council	5 197	–	–	6 162	5.8%	1.6%	4 803	5 082	5 351	-4.6%	2.5%
<b>Total</b>	<b>167 492</b>	<b>171 506</b>	<b>189 557</b>	<b>194 146</b>	<b>5.0%</b>	<b>100.0%</b>	<b>205 037</b>	<b>219 266</b>	<b>235 557</b>	<b>6.7%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				4 745			8 520	8 618	9 965		
<b>Economic classification</b>	<b>160 109</b>	<b>168 609</b>	<b>188 377</b>	<b>187 295</b>	<b>5.4%</b>	<b>97.5%</b>	<b>199 505</b>	<b>213 414</b>	<b>229 394</b>	<b>7.0%</b>	<b>97.1%</b>
<b>Current payments</b>											
Compensation of employees	134 060	141 529	158 029	155 720	5.1%	81.5%	166 286	178 335	192 386	7.3%	81.1%
Goods and services <sup>1</sup>	26 049	27 080	30 348	31 575	6.6%	15.9%	33 219	35 079	37 008	5.4%	16.0%
of which:											
Communication	1 957	1 252	2 874	1 635	-5.8%	1.1%	1 671	1 757	1 858	4.4%	0.8%
Consultants: Business and advisory services	166	514	1 375	1 754	119.4%	0.5%	1 952	2 060	2 174	7.4%	0.9%
Consumables: Stationery, printing and office supplies	849	796	879	1 939	31.7%	0.6%	2 885	3 045	3 213	18.3%	1.3%
Travel and subsistence	19 843	21 339	22 700	19 536	-0.5%	11.5%	20 208	21 284	22 475	4.8%	9.8%
Training and development	562	309	230	742	9.7%	0.3%	906	957	1 012	10.9%	0.4%
Venues and facilities	50	49	169	1 528	212.6%	0.2%	872	963	1 016	-12.7%	0.5%
<b>Transfers and subsidies<sup>1</sup></b>	<b>5 206</b>	<b>65</b>	<b>–</b>	<b>6 162</b>	<b>5.8%</b>	<b>1.6%</b>	<b>4 803</b>	<b>5 082</b>	<b>5 351</b>	<b>-4.6%</b>	<b>2.5%</b>
Departmental agencies and accounts	5 197	–	–	6 162	5.8%	1.6%	4 803	5 082	5 351	-4.6%	2.5%
Households	9	65	–	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>2 177</b>	<b>702</b>	<b>280</b>	<b>689</b>	<b>-31.9%</b>	<b>0.5%</b>	<b>729</b>	<b>770</b>	<b>812</b>	<b>5.6%</b>	<b>0.4%</b>
Machinery and equipment	2 177	702	280	689	-31.9%	0.5%	729	770	812	5.6%	0.4%
Payments for financial assets	–	2 130	900	–	–	0.4%	–	–	–	–	–
<b>Total</b>	<b>167 492</b>	<b>171 506</b>	<b>189 557</b>	<b>194 146</b>	<b>5.0%</b>	<b>100.0%</b>	<b>205 037</b>	<b>219 266</b>	<b>235 557</b>	<b>6.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	11.4%	10.5%	11.4%	10.9%	–	–	10.8%	10.9%	11.0%	–	–
<b>Details of transfers and subsidies</b>											
Households											
Social benefits											
Current	9	–	–	–	-100.0%	–	–	–	–	–	–
Employee social benefits	9	–	–	–	-100.0%	–	–	–	–	–	–
Households											
Other transfers to households											
Current	–	65	–	–	–	–	–	–	–	–	–
Other transfers to households	–	65	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	177	602	170	405	31.8%	0.2%	417	429	453	3.8%	0.2%
Departmental agencies (non-business entities)											
Current	5 197	–	–	6 162	5.8%	1.6%	4 803	5 082	5 351	-4.6%	2.5%
Mine Health and Safety Council	5 197	–	–	6 162	5.8%	1.6%	4 803	5 082	5 351	-4.6%	2.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

**Table 29.12 Mine Health and Safety personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> 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 (%)	Average: Salary level/Total (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost		Unit cost		
Mine Health and Safety																			
Salary level	303	–	303	158.0	0.5	278	155.7	0.6	272	166.3	0.6	271	178.3	0.7	271	192.4	0.7	-0.8%	100.0%
1 – 6	49	–	49	12.0	0.2	56	14.2	0.3	55	15.1	0.3	55	16.3	0.3	55	17.6	0.3	-0.6%	20.2%
7 – 10	119	–	119	48.2	0.4	119	51.9	0.4	113	53.8	0.5	113	58.1	0.5	113	62.8	0.6	-1.7%	41.9%
11 – 12	114	–	114	77.7	0.7	78	62.7	0.8	79	68.6	0.9	78	73.3	0.9	78	79.2	1.0	–	28.7%
13 – 16	21	–	21	20.1	1.0	25	26.9	1.1	25	28.7	1.1	25	30.7	1.2	25	32.9	1.3	–	9.2%

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

2. Rand million.

## Programme 3: Mineral Regulation

### Programme purpose

Regulate the minerals and mining sector to promote economic growth, employment, transformation and sustainable development.

### Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by increasing the number of rights issued to historically disadvantaged South Africans by 360 over the medium term.
- Contribute to the transformation of the mining sector by monitoring and enforcing compliance with procurement requirements to empower 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 of SMMEs by facilitating support to mining enterprises and local development projects through income generating projects annually.
- Promote the sustainable use of resources and the environmental management of mines by supporting approved and evaluated work programmes, social and labour plans, and environmental management plans by conducting 27 industry workshops over the medium term.
- Monitor and enforce compliance with the statutory obligations of the Mineral and Petroleum Resources Development Act (2002) and the Broad-Based Socioeconomic Charter for the South African Mining Industry by conducting 636 inspections and 3 825 environmental management inspections over the medium term.

### Subprogrammes

- *Mineral Regulation and Administration* administers prospecting and mining rights and licensing; and monitors 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. The subprogramme focuses on the alignment of the South African mineral resources administration system, ensuring that rights and licenses for mining, environmental authorisation and water use are granted within 300 days.
- *South African Diamond and Precious Metals Regulator* implements and enforces the provisions of the Precious Metals Act (2005).
- *Petroleum Agency South Africa* promotes exploration for onshore and offshore oil and gas resources, and their optimal development. The agency regulates exploration and production activities, and acts as the custodian of the national petroleum exploration and production database.

## Expenditure trends and estimates

Table 29.13 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Mineral Regulation and Administration	169 169	179 572	189 778	199 198	5.6%	65.8%	206 821	224 457	242 037	6.7%	53.5%
Management Mineral Regulation	20 680	16 137	15 775	27 059	9.4%	7.1%	29 241	30 217	32 147	5.9%	7.3%
South African Diamond and Precious Metals Regulator	47 810	50 527	53 205	65 865	11.3%	19.4%	59 105	62 415	65 848	–	15.5%
Petroleum Agency South Africa	–	–	–	87 138	–	7.8%	98 439	98 286	104 062	6.1%	23.8%
<b>Total</b>	<b>237 659</b>	<b>246 236</b>	<b>258 758</b>	<b>379 260</b>	<b>16.9%</b>	<b>100.0%</b>	<b>393 606</b>	<b>415 375</b>	<b>444 094</b>	<b>5.4%</b>	<b>100.0%</b>
Change to 2017				14 683			13 737	16 509	19 203		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>183 838</b>	<b>195 467</b>	<b>204 781</b>	<b>226 218</b>	<b>7.2%</b>	<b>72.2%</b>	<b>236 021</b>	<b>254 631</b>	<b>274 139</b>	<b>6.6%</b>	<b>60.7%</b>
Compensation of employees	147 833	162 732	173 194	186 505	8.1%	59.7%	193 191	209 403	226 423	6.7%	50.0%
Goods and services <sup>1</sup>	36 005	32 735	31 587	39 713	3.3%	12.5%	42 830	45 228	47 716	6.3%	10.8%
of which:											
Communication	4 914	5 356	3 760	3 150	-13.8%	1.5%	2 680	2 840	2 991	-1.7%	0.7%
Computer services	1 415	305	469	4 450	46.5%	0.6%	6 831	7 178	7 573	19.4%	1.6%
Fleet services (including government motor transport)	1 760	2 695	3 448	2 706	15.4%	0.9%	1 821	1 924	2 030	-9.1%	0.5%
Consumables: Stationery, printing and office supplies	879	974	1 278	2 980	50.2%	0.5%	2 581	2 731	2 889	-1.0%	0.7%
Travel and subsistence	13 645	16 189	13 807	16 233	6.0%	5.3%	19 907	21 028	22 191	11.0%	4.9%
Venues and facilities	279	79	877	1 750	84.4%	0.3%	1 570	1 656	1 747	-0.1%	0.4%
<b>Transfers and subsidies<sup>1</sup></b>	<b>47 867</b>	<b>50 462</b>	<b>53 207</b>	<b>153 003</b>	<b>47.3%</b>	<b>27.1%</b>	<b>157 544</b>	<b>160 701</b>	<b>169 910</b>	<b>3.6%</b>	<b>39.3%</b>
Departmental agencies and accounts	47 810	50 527	53 205	65 865	11.3%	19.4%	59 105	62 415	65 848	–	15.5%
Public corporations and private enterprises	–	–	–	87 138	–	7.8%	98 439	98 286	104 062	6.1%	23.8%
Households	57	(65)	2	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>5 954</b>	<b>306</b>	<b>569</b>	<b>39</b>	<b>-81.3%</b>	<b>0.6%</b>	<b>41</b>	<b>43</b>	<b>45</b>	<b>4.9%</b>	<b>–</b>
Buildings and other fixed structures	985	–	–	–	-100.0%	0.1%	–	–	–	–	–
Machinery and equipment	2 080	306	569	39	-73.4%	0.3%	41	43	45	4.9%	–
Software and other intangible assets	2 889	–	–	–	-100.0%	0.3%	–	–	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>1</b>	<b>201</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>237 659</b>	<b>246 236</b>	<b>258 758</b>	<b>379 260</b>	<b>16.9%</b>	<b>100.0%</b>	<b>393 606</b>	<b>415 375</b>	<b>444 094</b>	<b>5.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	16.1%	15.0%	15.6%	21.3%	–	–	20.8%	20.6%	20.8%	–	–
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>57</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	57	–	–	–	-100.0%	–	–	–	–	–	–
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Other transfers to households	–	–	2	–	–	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>47 810</b>	<b>50 527</b>	<b>53 205</b>	<b>65 865</b>	<b>11.3%</b>	<b>19.4%</b>	<b>59 105</b>	<b>62 415</b>	<b>65 848</b>	<b>–</b>	<b>15.5%</b>
South African Diamond and Precious Metal Regulator	47 810	50 527	53 205	65 865	11.3%	19.4%	59 105	62 415	65 848	–	15.5%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Private enterprises (subsidies on products and production)</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>87 138</b>	<b>–</b>	<b>7.8%</b>	<b>98 439</b>	<b>98 286</b>	<b>104 062</b>	<b>6.1%</b>	<b>23.8%</b>
Petroleum Agency of South Africa	–	–	–	87 138	–	7.8%	98 439	98 286	104 062	6.1%	23.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

**Table 29.14 Mineral Regulation personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> 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 (%)	Average: Salary level/Total (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost		Unit cost		
Mineral Regulation																			
Salary level	386	–	386	173.2	0.4	372	186.5	0.5	361	193.2	0.5	361	209.4	0.6	361	226.4	0.6	-1.0%	100.0%
1 – 6	82	–	82	19.6	0.2	82	20.5	0.3	83	22.4	0.3	82	23.9	0.3	81	25.6	0.3	-0.4%	22.5%
7 – 10	239	–	239	105.1	0.4	228	110.2	0.5	219	113.2	0.5	218	121.8	0.6	219	132.3	0.6	-1.3%	60.8%
11 – 12	44	–	44	32.0	0.7	41	33.6	0.8	38	33.9	0.9	40	38.3	1.0	40	41.4	1.0	-0.8%	10.9%
13 – 16	21	–	21	16.5	0.8	21	22.2	1.1	21	23.7	1.1	21	25.4	1.2	21	27.2	1.3	–	5.8%

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

2. 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:
  - hosting 138 promotional and awareness activities or events for local and foreign investors
  - participating in local and international mining and petroleum conferences and events, engaging with stakeholders in various forums, and leading the implementation of key government priorities on behalf of the department
  - releasing 36 publications
  - providing factors of production such as mine equipment and training to 240 SMMEs, mainly for small-scale mining projects
  - ensuring the full implementation of plans to develop the oceans economy (oil and gas) through Operation Phakisa
  - 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 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:
  - participating in technical and strategic partnerships such as the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development; the Benguela Current Commission; and United Nations programmes
  - reviewing the departmental environmental management plan
  - reviewing and amending 9 legislative instruments
  - rehabilitating and closing 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 mining, minerals and upstream petroleum sectors.



This entails conducting research, 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 conducts promotional activities, including the production of various publications, participates in mining conferences, and supports the implementation of national mineral beneficiation initiatives.
- *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 annually to the Council for Geoscience.
- *Mintek* transfers funds annually to Mintek.
- *Economic Advisory Services* undertakes macroeconomic research to analyse economic trends and produce departmental reports to inform and advise the minister and departmental management; and participates in activities to transform the mining and minerals industry and enhance competitiveness. This entails leading and convening the meetings of the mining industry growth, development and employment task team stakeholder forum, which researches and analyses 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 the environmental management and closure of mines. 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 29.15 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Management	10 715	18 143	26 409	31 484	43.2%	2.6%	22 294	23 327	24 470	-8.1%	2.6%
Mineral Policy	32 186	19 219	28 087	19 985	-14.7%	3.0%	20 007	21 628	23 072	4.9%	2.1%
Mineral Promotion and International Coordination	37 086	53 085	48 769	47 837	8.9%	5.6%	71 806	76 695	82 050	19.7%	7.0%
Assistance to Mines	–	–	–	–	–	–	5 877	6 206	6 547	–	0.5%
Council for Geoscience	292 839	342 914	378 598	366 988	7.8%	41.4%	386 306	495 835	523 106	12.5%	44.7%
Mintek	370 854	414 742	356 416	367 256	-0.3%	45.3%	420 368	369 989	390 339	2.1%	39.1%
Economic Advisory Services	2 753	3 958	4 019	4 502	17.8%	0.5%	4 491	4 866	5 214	5.0%	0.5%
Mine Environmental Management	8 353	9 611	9 438	28 060	49.8%	1.7%	33 869	37 336	39 540	12.1%	3.5%
<b>Total</b>	<b>754 786</b>	<b>861 672</b>	<b>851 736</b>	<b>866 112</b>	<b>4.7%</b>	<b>100.0%</b>	<b>965 018</b>	<b>1 035 882</b>	<b>1 094 338</b>	<b>8.1%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				(41 637)			(30 793)	151 883	160 237		
<b>Economic classification</b>											
<b>Current payments</b>	<b>88 811</b>	<b>92 735</b>	<b>115 796</b>	<b>131 714</b>	<b>14.0%</b>	<b>12.9%</b>	<b>129 328</b>	<b>138 997</b>	<b>147 712</b>	<b>3.9%</b>	<b>13.8%</b>
Compensation of employees	54 647	61 001	65 319	68 809	8.0%	7.5%	71 224	77 633	82 933	6.4%	7.6%
Goods and services <sup>1</sup>	34 164	31 734	50 477	62 905	22.6%	5.4%	58 104	61 364	64 779	1.0%	6.2%
of which:											
Administrative fees	336	1 024	1 522	3 651	121.5%	0.2%	3 631	3 830	4 037	3.4%	0.4%
Catering: Departmental activities	86	363	186	1 995	185.2%	0.1%	2 767	2 847	2 935	13.7%	0.3%
Contractors	19	4	7	17 776	878.0%	0.5%	22 664	24 346	26 091	13.6%	2.3%
Rental and hiring	1	475	29	5 800	1 696.7%	0.2%	2 000	2 028	2 064	-29.1%	0.3%
Travel and subsistence	6 994	11 986	11 908	12 194	20.4%	1.3%	10 500	11 021	11 586	-1.7%	1.1%
Operating payments	17 801	6 224	20 080	7 643	-24.6%	1.6%	7 603	8 026	8 461	3.4%	0.8%



**Table 29.15 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)			
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19			2019/20	2020/21	2017/18 - 2020/21
	R thousand													
<b>Transfers and subsidies<sup>1</sup></b>	<b>665 726</b>	<b>767 397</b>	<b>735 214</b>	<b>734 244</b>	<b>3.3%</b>	<b>87.1%</b>	<b>835 527</b>	<b>896 713</b>	<b>946 445</b>	<b>8.8%</b>	<b>86.2%</b>			
Departmental agencies and accounts	292 839	342 914	378 598	366 988	7.8%	41.4%	386 306	495 835	523 106	12.5%	44.7%			
Public corporations and private enterprises	370 854	423 735	356 616	367 256	-0.3%	45.5%	449 221	400 878	423 339	4.9%	41.4%			
Households	2 033	748	–	–	-100.0%	0.1%	–	–	–	–	–			
<b>Payments for capital assets</b>	<b>249</b>	<b>770</b>	<b>652</b>	<b>154</b>	<b>-14.8%</b>	<b>0.1%</b>	<b>163</b>	<b>172</b>	<b>181</b>	<b>5.5%</b>	<b>–</b>			
Machinery and equipment	249	770	652	154	-14.8%	0.1%	163	172	181	5.5%	–			
<b>Payments for financial assets</b>	<b>–</b>	<b>770</b>	<b>74</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>			
<b>Total</b>	<b>754 786</b>	<b>861 672</b>	<b>851 736</b>	<b>866 112</b>	<b>4.7%</b>	<b>100.0%</b>	<b>965 018</b>	<b>1 035 882</b>	<b>1 094 338</b>	<b>8.1%</b>	<b>100.0%</b>			
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>51.2%</b>	<b>52.6%</b>	<b>51.3%</b>	<b>48.7%</b>	<b>–</b>	<b>–</b>	<b>51.0%</b>	<b>51.4%</b>	<b>51.1%</b>	<b>–</b>	<b>–</b>			
<b>Details of transfers and subsidies</b>														
<b>Households</b>														
<b>Other transfers to households</b>														
<b>Current</b>	<b>2 033</b>	<b>748</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>			
Other transfers to households	2 033	748	–	–	-100.0%	0.1%	–	–	–	–	–			
<b>Departmental agencies and accounts</b>														
<b>Departmental agencies (non-business entities)</b>														
<b>Current</b>	<b>265 083</b>	<b>307 881</b>	<b>341 708</b>	<b>331 574</b>	<b>7.7%</b>	<b>37.4%</b>	<b>348 838</b>	<b>456 269</b>	<b>481 364</b>	<b>13.2%</b>	<b>40.8%</b>			
Council for Geoscience	265 083	307 881	341 708	330 574	7.6%	37.3%	257 791	455 163	480 197	13.3%	38.5%			
Council for Geoscience: Economic competitiveness and support package	–	–	–	–	–	–	90 000	–	–	–	2.3%			
Council for Geoscience: Expanded public works programme	–	–	–	1 000	–	–	1 047	1 106	1 167	5.3%	0.1%			
<b>Capital</b>	<b>27 756</b>	<b>35 033</b>	<b>36 890</b>	<b>35 414</b>	<b>8.5%</b>	<b>4.1%</b>	<b>37 468</b>	<b>39 566</b>	<b>41 742</b>	<b>5.6%</b>	<b>3.9%</b>			
Council for Geoscience	27 756	35 033	36 890	35 414	8.5%	4.1%	37 468	39 566	41 742	5.6%	3.9%			
<b>Public corporations and private enterprises</b>														
<b>Private enterprises</b>														
<b>Private enterprises (subsidies on products and production)</b>														
<b>Current</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5 877</b>	<b>6 206</b>	<b>6 547</b>	<b>–</b>	<b>0.5%</b>			
Various institutions: Water management solutions subsidies for marginal mines	–	–	–	–	–	–	5 877	6 206	6 547	–	0.5%			
<b>Public corporations and private enterprises</b>														
<b>Public corporations</b>														
<b>Public corporations (subsidies on products and production)</b>														
<b>Current</b>	<b>320 775</b>	<b>371 138</b>	<b>315 352</b>	<b>310 705</b>	<b>-1.1%</b>	<b>39.5%</b>	<b>383 513</b>	<b>331 490</b>	<b>350 134</b>	<b>4.1%</b>	<b>34.7%</b>			
Industrial Development Corporation	–	8 893	–	–	–	0.3%	22 976	24 683	26 453	–	1.9%			
Mintek	320 775	362 145	315 152	310 705	-1.1%	39.3%	290 537	306 807	323 681	1.4%	31.1%			
State Diamond Trader	–	100	200	–	–	–	–	–	–	–	–			
Mintek: Economic competitiveness and support package	–	–	–	–	–	–	70 000	–	–	–	1.8%			
<b>Capital</b>	<b>50 079</b>	<b>52 597</b>	<b>41 264</b>	<b>56 551</b>	<b>4.1%</b>	<b>6.0%</b>	<b>59 831</b>	<b>63 182</b>	<b>66 658</b>	<b>5.6%</b>	<b>6.2%</b>			
Mintek	50 079	52 597	41 264	56 551	4.1%	6.0%	59 831	63 182	66 658	5.6%	6.2%			

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

**Table 29.16 Mineral Policy and Promotion personnel numbers and cost by salary level<sup>1</sup>**

Mineral Policy and Promotion	Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> 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 (%)	Average: Salary level/Total (%)					
			2016/17		2017/18		2018/19		2019/20		2020/21								
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost			2017/18 - 2020/21				
Salary level	112	–	112	65.3	0.6	108	68.8	0.6	104	71.2	0.7	105	77.6	0.7	104	82.9	0.8	-1.3%	100.0%
1–6	11	–	11	3.3	0.3	13	3.2	0.2	14	3.6	0.3	14	3.9	0.3	14	4.2	0.3	2.5%	13.1%
7–10	54	–	54	24.5	0.5	48	22.9	0.5	42	20.8	0.5	42	22.5	0.5	41	23.5	0.6	-5.1%	41.1%
11–12	33	–	33	26.0	0.8	33	28.1	0.9	34	31.2	0.9	35	34.6	1.0	35	37.4	1.1	2.0%	32.5%
13–16	14	–	14	11.5	0.8	14	14.6	1.0	14	15.6	1.1	14	16.7	1.2	14	17.9	1.3	–	13.3%

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

2. Rand million.

## Entities<sup>1</sup>

### 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 geoscience knowledge products, and to provide geoscience-related services to the South African public and to industry. The Geoscience Amendment Act (2010) extends the council's functions to include advisory services relating to geohazards and geo-environmental pollution; and to be the custodian of all geoscience information related to the South African mining industry.

#### Selected performance indicators

**Table 29.17 Council for Geoscience performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past		Current	Projections			
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Annual customer satisfaction index	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	86%	57.8%	84.3	60%	86%	88%	92%
Annual technical programme performance index	Statutory projects	Outcome 4: Decent employment through inclusive growth	76%	85%	76.9%	100%	100%	100%	100%
Number of innovation projects reports completed per year	Statutory projects		5	2	3	3	3	4	4
Number of digital maps produced per year	Statutory projects		-1	-1	-1	40	45	95	150
Number of agreements implemented with stakeholders per year	Statutory projects		-1	-1	-1	6	12	18	24

1. No historical data available.

#### Expenditure analysis

Over the medium term, the council intends to focus on providing geoscientific information, rehabilitating derelict and ownerless mines, and conducting research on the economic feasibility and environmental impact of shale gas exploration. The council also aims to publish maps and peer reviewed research articles. These activities will increase opportunities for employment and transformation in the mining industry in line with the goals of the NDP. The council's activities are also in line with outcome 4 (decent employment through inclusive growth) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework.

Cabinet has approved additional allocations of R188 million in 2019/20 and R198.3 million in 2020/21 through the economic competitiveness and support package for improvements to the council's digital information systems, geoscientific equipment and infrastructure; and to improve the quality of the council's analytical and research work on concrete geopolymers, groundwater vulnerability, acid mine water, petrophysical properties of rocks and soil, and whole rock geochemistry.

Over the medium term, the council is expected to contribute to the Department of Mineral Resource's goal of rehabilitating 135 derelict and ownerless mines and close unused mines. R133 million is allocated over the MTEF period for these activities, which include developing a comprehensive spatial database, conducting investigations to identify high priority sites, and developing plans for critical sites earmarked for rehabilitation. The council also plans to build canals for the water ingress project and develop and implement holistic solutions for acid mine drainage at a cost of R6.8 million over the medium term.

To limit the negative environmental effects of shale gas exploration in the Karoo, the council intends conducting environmental baseline studies. Accordingly, R87.5 million is to be spent on identifying mitigation measures over the MTEF period.

The council expects to increase the number of digital maps produced per year from 40 in 2017/18 to 150 in 2020/21, at an estimated cost of R386 million over the medium term.

<sup>1</sup> This section has been compiled with the latest available information from the entities concerned.

Due to the labour intensive nature of the council's work, 51.5 per cent (R795.1 million) of its total budget over the MTEF period is provided for compensation of employees. To increase capacity, the council expects to recruit additional researchers, professionals, technicians and administrative personnel over the medium term. As such, spending on compensation of employees is expected to increase from R226.8 million in 2017/18 to R285.7 million in 2020/21.

The council is expected to generate revenue of R90.7 million over the medium term through fees it charges for geoscientific mapping and research services, accounting for a projected 6.6 per cent of total revenue. The council is expected to receive R3.3 million from the department as part of the Working for Mines programme.

### Programmes/objectives/activities

**Table 29.18 Council for Geoscience expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	231 716	184 871	219 787	267 327	4.9%	55.2%	267 960	244 136	239 017	-3.7%	51.9%
Statutory projects	114 376	134 786	159 243	160 143	11.9%	34.7%	74 303	207 013	232 358	13.2%	32.8%
Foreign commercial	8 851	10 352	6 921	13 486	15.1%	2.4%	13 277	13 239	14 073	1.4%	2.7%
Local commercial	12 045	45 736	15 003	58 919	69.8%	7.7%	58 660	61 945	70 012	5.9%	12.6%
<b>Total</b>	<b>366 988</b>	<b>375 745</b>	<b>400 954</b>	<b>499 875</b>	<b>10.9%</b>	<b>100.0%</b>	<b>414 200</b>	<b>526 333</b>	<b>555 460</b>	<b>3.6%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 29.19 Council for Geoscience statements of historical financial performance and position**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>90 885</b>	<b>59 078</b>	<b>43 191</b>	<b>84 135</b>	<b>63 036</b>	<b>82 931</b>	<b>67 231</b>	<b>40 831</b>	<b>101.0%</b>
Sale of goods and services other than capital assets	87 846	36 309	40 380	36 883	44 388	27 713	48 796	22 396	55.7%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>87 846</i>	<i>36 309</i>	<i>40 380</i>	<i>36 883</i>	<i>44 388</i>	<i>27 713</i>	<i>48 796</i>	<i>22 396</i>	<i>55.7%</i>
Other non-tax revenue	3 039	22 769	2 811	47 252	18 648	55 218	18 435	18 435	334.6%
<b>Transfers received</b>	<b>287 839</b>	<b>292 839</b>	<b>451 511</b>	<b>342 914</b>	<b>509 825</b>	<b>378 598</b>	<b>366 988</b>	<b>459 044</b>	<b>91.2%</b>
<b>Total revenue</b>	<b>378 724</b>	<b>351 917</b>	<b>494 702</b>	<b>427 049</b>	<b>572 861</b>	<b>461 529</b>	<b>434 219</b>	<b>499 875</b>	<b>92.5%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>378 725</b>	<b>366 988</b>	<b>494 702</b>	<b>375 745</b>	<b>572 861</b>	<b>400 954</b>	<b>434 219</b>	<b>499 875</b>	<b>87.4%</b>
Compensation of employees	172 787	176 843	196 148	201 794	227 526	222 281	242 090	226 777	98.7%
Goods and services	189 067	170 869	278 314	157 485	324 084	157 422	169 815	247 954	76.3%
Depreciation	16 831	19 236	20 198	16 424	21 207	21 207	22 268	25 098	101.8%
Interest, dividends and rent on land	40	40	42	42	44	44	46	46	100.0%
<b>Total expenses</b>	<b>378 725</b>	<b>366 988</b>	<b>494 702</b>	<b>375 745</b>	<b>572 861</b>	<b>400 954</b>	<b>434 219</b>	<b>499 875</b>	<b>87.4%</b>
<b>Surplus/(Deficit)</b>	<b>(1)</b>	<b>(15 071)</b>	<b>-</b>	<b>51 304</b>	<b>-</b>	<b>60 575</b>	<b>-</b>	<b>-</b>	
<b>Statement of financial position</b>									
Carrying value of assets	202 688	222 570	236 417	228 358	259 131	276 943	260 731	287 649	105.9%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(46 060)</i>	<i>(31 741)</i>	<i>(35 033)</i>	<i>(40 565)</i>	<i>(36 890)</i>	<i>(74 846)</i>	<i>(35 415)</i>	<i>(35 415)</i>	<i>119.0%</i>
Inventory	5	5	5	5	5	5	5	5	100.0%
Receivables and prepayments	50 546	22 253	19 590	30 247	21 550	19 391	23 705	24 897	83.9%
Cash and cash equivalents	143 453	251 937	173 453	312 519	157 475	317 364	146 245	258 907	183.8%
<b>Total assets</b>	<b>396 692</b>	<b>496 765</b>	<b>429 465</b>	<b>571 129</b>	<b>438 161</b>	<b>613 703</b>	<b>430 686</b>	<b>571 458</b>	<b>132.9%</b>
Accumulated surplus/(deficit)	190 906	336 242	352 675	387 546	352 675	448 121	352 675	445 420	129.5%
Deferred income	94 214	112 867	51 198	125 188	61 371	113 072	54 342	102 369	173.7%
Trade and other payables	18 435	25 844	9 943	35 449	8 943	26 295	8 974	8 974	208.6%
Provisions	18 126	21 812	15 649	22 946	15 172	26 216	14 695	14 695	134.6%
Derivatives financial instruments	75 011	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>396 692</b>	<b>496 765</b>	<b>429 465</b>	<b>571 129</b>	<b>438 161</b>	<b>613 704</b>	<b>430 686</b>	<b>571 458</b>	<b>132.9%</b>

## Statements of estimates of financial performance and position

**Table 29.20 Council for Geoscience statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Revised estimate	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
R thousand								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>40 831</b>	<b>-11.6%</b>	<b>15.7%</b>	<b>27 894</b>	<b>30 498</b>	<b>32 354</b>	<b>-7.5%</b>	<b>6.6%</b>
Sale of goods and services other than capital assets	22 396	-14.9%	7.4%	24 636	27 263	30 071	10.3%	5.3%
<i>of which:</i>								
<i>Sales by market establishment</i>	22 396	-14.9%	7.4%	24 636	27 263	30 071	10.3%	5.3%
Other non-tax revenue	18 435	-6.8%	8.3%	3 258	3 235	2 283	-50.2%	1.4%
<b>Transfers received</b>	<b>459 044</b>	<b>16.2%</b>	<b>84.3%</b>	<b>386 306</b>	<b>495 835</b>	<b>523 106</b>	<b>4.5%</b>	<b>93.4%</b>
<b>Total revenue</b>	<b>499 875</b>	<b>12.4%</b>	<b>100.0%</b>	<b>414 200</b>	<b>526 333</b>	<b>555 460</b>	<b>3.6%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>499 875</b>	<b>10.9%</b>	<b>100.0%</b>	<b>414 200</b>	<b>526 333</b>	<b>555 460</b>	<b>3.6%</b>	<b>100.0%</b>
Compensation of employees	226 777	8.6%	50.7%	244 919	264 513	285 674	8.0%	51.5%
Goods and services	247 954	13.2%	44.3%	147 182	238 484	269 786	2.9%	44.8%
Depreciation	25 098	9.3%	5.0%	22 051	23 286	-	-100.0%	3.7%
Interest, dividends and rent on land	46	4.5%	0.0%	48	51	-	-100.0%	0.0%
<b>Total expenses</b>	<b>499 875</b>	<b>10.9%</b>	<b>100.0%</b>	<b>414 200</b>	<b>526 333</b>	<b>555 460</b>	<b>3.6%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>		
<b>Statement of financial position</b>								
Carrying value of assets	287 649	8.9%	45.1%	292 952	324 527	337 947	5.5%	56.3%
<i>of which:</i>								
<i>Acquisition of assets</i>	(35 415)	3.7%	-8.0%	(17 400)	(24 750)	(24 750)	-11.3%	-4.6%
Inventory	5	-	0.0%	5	5	5	-	0.0%
Receivables and prepayments	24 897	3.8%	4.3%	27 398	27 115	32 005	8.7%	5.0%
Cash and cash equivalents	258 907	0.9%	50.6%	228 093	190 056	180 100	-11.4%	38.7%
<b>Total assets</b>	<b>571 458</b>	<b>4.8%</b>	<b>100.0%</b>	<b>548 448</b>	<b>541 703</b>	<b>550 057</b>	<b>-1.3%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	445 420	9.8%	71.6%	427 468	426 859	432 630	-1.0%	78.3%
Deferred income	102 369	-3.2%	20.2%	98 321	90 214	89 354	-4.4%	17.2%
Trade and other payables	8 974	-29.7%	4.3%	8 647	9 517	12 058	10.3%	1.8%
Provisions	14 695	-12.3%	3.8%	14 012	15 113	16 015	2.9%	2.7%
<b>Total equity and liabilities</b>	<b>571 458</b>	<b>4.8%</b>	<b>100.0%</b>	<b>548 448</b>	<b>541 703</b>	<b>550 057</b>	<b>-1.3%</b>	<b>100.0%</b>

## Personnel information

**Table 29.21 Council for Geoscience personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)	Average: Salary level/Total (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21		
<b>Council for Geoscience</b>		<b>450</b>	<b>450</b>		<b>428</b>	<b>222.3</b>	<b>0.5</b>	<b>433</b>	<b>244.9</b>	<b>0.6</b>	<b>435</b>	<b>264.5</b>	<b>0.6</b>	<b>435</b>	<b>285.7</b>	<b>0.7</b>			
Salary level																			
1-6	108	108	102	20.7	0.2	102	20.6	0.2	102	23.5	0.2	102	25.8	0.3	102	30.0	0.3	13.3%	23.6%
7-10	234	234	226	97.2	0.4	226	97.7	0.4	228	101.4	0.4	230	110.3	0.5	230	116.4	0.5	6.0%	52.8%
11-12	35	35	35	28.9	0.8	35	29.0	0.8	35	32.9	0.9	35	35.0	1.0	35	36.6	1.0	8.1%	8.1%
13-16	68	68	61	66.4	1.1	61	68.7	1.1	64	76.2	1.2	64	81.8	1.3	64	89.9	1.4	9.4%	14.6%
17-22	5	5	4	9.1	2.3	4	10.8	2.7	4	11.0	2.8	4	11.7	2.9	4	12.8	3.2	6.0%	0.9%

1. Rand million.

## Mintek

### Mandate

Mintek's mandate, as set out in the Mineral Technology Act (1989), is to maximise the value derived from South Africa's mineral resources. Mintek develops appropriate and innovative technology for transfer to the minerals industry, and provides the industry with services such as testing and selecting materials.

## Selected performance indicators

**Table 29.22 Mintek performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current 2017/18	Projections		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Number of discoveries in terms of Intellectual Properties Rights Act (2008) per year	Enhance visibility and credibility to all stakeholders	Outcome 12: An effective, efficient and development-oriented public service	15	14	16	17	17	17	17
Number of new technologies developed under state grant evidenced through number of internal reports 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	87	91	128 <sup>1</sup>	77	77	77	77
Number of new technologies developed through state grant funding per year	Research and develop efficient mineral processing technologies and value added products and services		3	8	5	4	3	3	3
Number of prototypes developed for commercial products per year	Research and develop efficient mineral processing technologies and value added products and services		5	5	2	3	3	3	3
Number of applications developed for various metals per year	Research and develop efficient mineral processing technologies and value added products and services	Outcome 2: A long and healthy life for all South Africans	20	17	26	15	20	20	20
Number of technologies adapted or developed relevant to small-scale operators in rural and marginalised communities per year	Promote the mineral-based economies of rural and marginalised communities	Outcome 4: Decent employment through inclusive growth	2	2	2	2	2	2	2
Number of people trained in value added beneficiation relevant to rural and marginalised communities 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	141	67	312 <sup>2</sup>	100	100	100	100
Number of postgraduate bursaries in part-time the bursary programme per year	Develop human capital and organisational skills to build world class research and development excellence		85	74	61	50	50	50	50

1. Increased commercial activity resulted in more internal reports produced in 2016/17.

2. Target exceeded due to the Mining Qualifications Authority's funded training in Mpumalanga, which increased the number of people trained in that year.

## Expenditure analysis

Over the medium term, Mintek intends to focus on conducting research and development work in the fields of precious metals, energy minerals, base metals, and advanced and specialty metals. Other activities include research on extraction techniques that involve hydrometallurgy, pyrometallurgy and biotechnology; and research on access to and the processing of low grade and complex ore bodies, residues and rocks. The entity is in the process of developing new technologies for the treatment of acid mine drainage. Funding for these activities is provided through a state grant of R70 million in 2018/19 through the economic competitiveness and support package.

The titaniferous magnetite ore project, which is primarily focused on producing iron as the main product, commenced in 2017/18. The project is expected to conclude in 2020/21, at an estimated cost of R68.4 million over the medium term.

Mintek plans to develop efficient mineral processing technologies and value added products and services by conducting research on the use of high intensity water and energy, particularly during the crushing and milling of mine feed stock, and the processing of underground waterless and water efficient methods in the research and technology development programme, which has an allocation of R820 million over the MTEF period.

As the entity's work is labour intensive, compensation of employees is its main cost driver. In 2017/18, spending on compensation of employees accounted for 58.4 per cent (R311.7 million) of the total budget. This expenditure is projected to increase at an average annual rate of 4 per cent over the MTEF period.

Transfers from the department account for 54.8 per cent (R914.5 million) of the entity's revenue over the medium term, with the remainder (R747.4 million) generated through the sale of products, services and research.

## Programmes/objectives/activities

**Table 29.23 Mintek expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Administration	24 283	25 650	23 664	26 652	3.2%	5.0%	27 675	26 493	27 836	1.5%	5.0%
Enhance visibility and credibility to all stakeholders	24 283	25 650	23 664	26 652	3.2%	5.0%	27 675	26 493	27 836	1.5%	5.0%
Research and develop efficient mineral processing technologies and value added products and services	242 832	256 502	236 637	266 516	3.2%	50.0%	276 749	264 931	278 356	1.5%	50.0%
Promote the mineral based economies of rural and marginalised communities	72 850	76 950	70 991	79 955	3.2%	15.0%	83 025	79 479	83 507	1.5%	15.0%
Uphold good governance practices	48 566	51 300	47 327	53 303	3.2%	10.0%	55 350	52 986	55 671	1.5%	10.0%
Develop human capital and organisational skills to build world class research and development excellence	72 850	76 950	70 991	79 955	3.2%	15.0%	83 025	79 479	83 507	1.5%	15.0%
<b>Total</b>	<b>485 664</b>	<b>513 003</b>	<b>473 274</b>	<b>533 033</b>	<b>3.2%</b>	<b>100.0%</b>	<b>553 499</b>	<b>529 861</b>	<b>556 712</b>	<b>1.5%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 29.24 Mintek statements of historical financial performance and position**

Statement of financial performance									Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget 2014/15	Audited outcome 2015/16	Budget 2015/16	Audited outcome 2016/17	Budget 2016/17	Audited outcome 2017/18	Budget estimate 2017/18	Revised estimate 2017/18	
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>294 670</b>	<b>270 708</b>	<b>242 910</b>	<b>231 274</b>	<b>249 223</b>	<b>194 674</b>	<b>256 007</b>	<b>248 005</b>	<b>90.6%</b>
Sale of goods and services other than capital assets	277 427	234 088	222 342	191 677	222 216	156 604	228 460	211 402	83.5%
<i>of which:</i>									
<i>Sales by market establishment</i>	277 427	234 088	222 342	191 677	222 216	156 604	228 460	211 402	83.5%
Other non-tax revenue	17 243	36 620	20 568	39 597	27 007	38 070	27 547	36 603	163.4%
<b>Transfers received</b>	<b>256 057</b>	<b>232 565</b>	<b>289 543</b>	<b>295 526</b>	<b>288 096</b>	<b>284 618</b>	<b>281 599</b>	<b>291 543</b>	<b>99.0%</b>
<b>Total revenue</b>	<b>550 727</b>	<b>503 273</b>	<b>532 453</b>	<b>526 800</b>	<b>537 319</b>	<b>479 292</b>	<b>537 606</b>	<b>539 548</b>	<b>94.9%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>502 438</b>	<b>485 664</b>	<b>519 760</b>	<b>513 003</b>	<b>526 030</b>	<b>473 274</b>	<b>536 396</b>	<b>533 033</b>	<b>96.2%</b>
Compensation of employees	279 180	318 586	307 507	312 225	335 354	279 455	342 061	311 705	96.7%
Goods and services	204 712	152 675	198 521	184 692	172 875	181 624	176 332	204 248	96.1%
Depreciation	18 546	10 216	13 732	12 657	15 501	8 593	15 656	15 079	73.4%
Interest, dividends and rent on land	–	4 187	–	3 429	2 300	3 602	2 346	2 000	284.5%
<b>Total expenses</b>	<b>502 438</b>	<b>485 664</b>	<b>519 760</b>	<b>513 003</b>	<b>526 030</b>	<b>473 274</b>	<b>536 396</b>	<b>533 033</b>	<b>96.2%</b>
<b>Surplus/(Deficit)</b>	<b>48 290</b>	<b>17 610</b>	<b>12 693</b>	<b>13 797</b>	<b>11 289</b>	<b>6 018</b>	<b>1 210</b>	<b>6 516</b>	
<b>Statement of financial position</b>									
Carrying value of assets	253 456	209 011	197 565	231 895	231 895	250 464	231 895	260 760	104.1%
<i>of which:</i>									
<i>Acquisition of assets</i>	(68 601)	(37 155)	(45 375)	(59 696)	(39 082)	(55 559)	(40 254)	(46 060)	102.7%
Investments	339 153	437 848	446 927	457 658	467 592	413 675	467 592	391 171	98.8%
Inventory	5 740	5 517	5 517	7 002	7 002	7 970	7 002	7 970	112.7%
Receivables and prepayments	45 739	52 839	53 922	40 308	40 308	35 359	40 308	29 386	87.6%
Cash and cash equivalents	5 533	7 652	7 652	18 590	18 590	48 301	18 590	48 301	243.9%
Taxation	460	–	–	–	–	–	–	–	–
<b>Total assets</b>	<b>650 082</b>	<b>712 867</b>	<b>711 583</b>	<b>755 454</b>	<b>765 388</b>	<b>755 770</b>	<b>765 388</b>	<b>737 589</b>	<b>102.4%</b>
Accumulated surplus/(deficit)	343 536	326 658	339 351	341 809	353 097	349 357	354 307	355 873	98.8%
Capital and reserves	127 529	127 528	126 174	149 837	148 483	148 306	147 129	146 775	104.2%
Deferred income	110 952	164 665	157 981	169 870	169 870	175 448	170 014	154 452	109.1%
Trade and other payables	35 008	64 351	58 241	67 135	67 135	57 488	67 135	57 488	108.3%
Provisions	33 057	29 665	29 835	26 803	26 803	25 171	26 803	23 000	89.8%
<b>Total equity and liabilities</b>	<b>650 082</b>	<b>712 867</b>	<b>711 583</b>	<b>755 454</b>	<b>765 388</b>	<b>755 770</b>	<b>765 388</b>	<b>737 589</b>	<b>102.4%</b>



## Statements of estimates of financial performance and position

**Table 29.25 Mintek statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate		2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R thousand		2017/18						
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>248 005</b>	<b>-2.9%</b>	<b>46.1%</b>	<b>238 167</b>	<b>248 955</b>	<b>260 261</b>	<b>1.6%</b>	<b>45.2%</b>
Sale of goods and services other than capital assets	211 402	-3.3%	38.7%	200 832	210 874	221 418	1.6%	38.4%
<i>of which:</i>								
<i>Sales by market establishment</i>	211 402	-3.3%	38.7%	200 832	210 874	221 418	1.6%	38.4%
Other non-tax revenue	36 603	-0.0%	7.4%	37 335	38 081	38 843	2.0%	6.9%
<b>Transfers received</b>	<b>291 543</b>	<b>7.8%</b>	<b>53.9%</b>	<b>323 868</b>	<b>287 091</b>	<b>303 535</b>	<b>1.4%</b>	<b>54.8%</b>
<b>Total revenue</b>	<b>539 548</b>	<b>2.3%</b>	<b>100.0%</b>	<b>562 035</b>	<b>536 047</b>	<b>563 796</b>	<b>1.5%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>533 033</b>	<b>3.2%</b>	<b>100.0%</b>	<b>553 499</b>	<b>529 861</b>	<b>556 712</b>	<b>1.5%</b>	<b>100.0%</b>
Compensation of employees	311 705	-0.7%	61.0%	330 407	337 624	351 129	4.0%	61.2%
Goods and services	204 248	10.2%	36.0%	212 418	181 481	194 740	-1.6%	36.5%
Depreciation	15 079	13.9%	2.3%	8 593	8 593	8 593	-17.1%	1.9%
Interest, dividends and rent on land	2 000	-21.8%	0.7%	2 080	2 163	2 250	4.0%	0.4%
<b>Total expenses</b>	<b>533 033</b>	<b>3.2%</b>	<b>100.0%</b>	<b>553 499</b>	<b>529 861</b>	<b>556 712</b>	<b>1.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>6 516</b>			<b>8 536</b>	<b>6 185</b>	<b>7 084</b>		
<b>Statement of financial position</b>								
Carrying value of assets	260 760	7.7%	32.1%	268 909	284 792	300 733	4.9%	37.2%
<i>of which:</i>								
<i>Acquisition of assets</i>	(46 060)	7.4%	-6.7%	(47 442)	(48 865)	(50 331)	3.0%	-6.4%
Investments	391 171	-3.7%	57.4%	413 675	413 675	413 675	1.9%	54.4%
Inventory	7 970	13.0%	1.0%	7 002	7 002	7 002	-4.2%	1.0%
Receivables and prepayments	29 386	-17.8%	5.4%	29 386	29 386	29 386	-	3.9%
Cash and cash equivalents	48 301	84.8%	4.1%	18 590	18 590	18 590	-27.3%	3.5%
<b>Total assets</b>	<b>737 589</b>	<b>1.1%</b>	<b>100.0%</b>	<b>737 563</b>	<b>753 446</b>	<b>769 386</b>	<b>1.4%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	355 873	2.9%	46.4%	364 409	370 595	377 679	2.0%	49.0%
Capital and reserves	146 775	4.8%	19.3%	145 244	143 713	142 182	-1.1%	19.3%
Deferred income	154 452	-2.1%	22.4%	148 519	160 789	172 167	3.7%	21.2%
Trade and other payables	57 488	-3.7%	8.3%	57 488	57 488	57 488	-	7.7%
Provisions	23 000	-8.1%	3.5%	21 903	20 861	19 870	-4.8%	2.9%
<b>Total equity and liabilities</b>	<b>737 589</b>	<b>1.1%</b>	<b>100.0%</b>	<b>737 563</b>	<b>753 446</b>	<b>769 386</b>	<b>1.4%</b>	<b>100.0%</b>

## Personnel information

**Table 29.26 Mintek personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17	2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21										
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Mintek			796	279.5	0.4	722	311.7	0.4	722	330.4	0.5	702	337.6	0.5	702	351.1	0.5	4.0%	100.0%
Salary level	722	722																	
1 - 6	250	250	301	38.0	0.1	250	38.0	0.2	250	40.3	0.2	239	40.4	0.2	239	42.0	0.2	3.4%	34.3%
7 - 10	355	355	374	134.5	0.4	355	152.5	0.4	355	161.7	0.5	346	163.6	0.5	346	170.2	0.5	3.7%	49.2%
11 - 12	68	68	76	48.8	0.6	68	54.2	0.8	68	57.4	0.8	68	59.7	0.9	68	62.1	0.9	4.7%	9.6%
13 - 16	43	43	39	46.8	1.2	43	54.5	1.3	43	57.8	1.3	43	60.1	1.4	43	62.5	1.5	4.7%	6.0%
17 - 22	6	6	6	11.3	1.9	6	12.5	2.1	6	13.3	2.2	6	13.8	2.3	6	14.4	2.4	4.7%	0.8%

1. Rand million.

## Mine Health and Safety Council

### Mandate

The Mine Health and Safety 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 Department of Mineral Resources.

### Selected performance indicators

**Table 29.27 Mine Health and Safety Council performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of council programmes to promote and improve occupational health and safety awareness per year	Promote a health and safety culture in the mining industry	Outcome 2: A long and healthy life for all South Africans	5	3	6	6	6	6	6
Number of occupational health and safety knowledge programmes to support staff 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	6	10	9	9	6	6	6
Number of training programmes to upskill and build capacity per year	Promote mine health and safety council programmes in the mining Industry	Outcome 5: A skilled and capable workforce to support an inclusive growth path	– <sup>1</sup>	3	4	5	5	5	5
Number of advisory notes provided to the Minister of Mineral Resources on occupational health and safety matters in the mining industry per year	Provide advice reports that influence performance in mining health and safety	Outcome 12: An efficient, effective and development oriented public service	6	11	12	9	6	5	5
Number of Mine Health and Safety Council programmes promoted in the mining industry per year	Strengthen tripartite partnerships	Entity mandate	11	11	9	9	6	5	5

1. No historical data available.

### Expenditure analysis

Over the medium term, the Mine Health and Safety Council intends to focus on conducting research on working conditions and safety in mines; mine health and safety; occupational health and safety standards; and prevention initiatives for HIV and AIDS, and tuberculosis.

As such, the council plans to reduce mining fatalities by 20 per cent per year to reach zero fatalities by 2024 as agreed on at the 2014 mine health and safety tripartite summit. This is expected to be achieved by implementing the research findings of the Mining Centre of Excellence. Spending on these activities accounts for 63.7 per cent (R237.7 million) of the council's total budget of R395.2 million over the medium term .

The council generates the bulk of its revenue from levies received from mining companies in accordance with the Mine Health and Safety Act (1996). Revenue generated from levies is estimated to account for 66 per cent (R78.9 million) of the council's total revenue in 2018/19, and remain constant over the MTEF period. Transfers from the department account for 4.6 per cent (R15.2 million) of the council's total budget over the medium term.

### Programmes/objectives/activities

**Table 29.28 Mine Health and Safety Council expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
Administration	43 267	3 556	5 721	22 006	-20.2%	19.8%	25 273	26 705	28 040	8.4%	18.5%
Promote a health and safety culture in the mining industry	1 948	18 904	27 702	28 758	145.3%	14.7%	20 120	21 228	22 277	-8.2%	16.4%
Provide advice reports that influence performance in mining health and safety	8 404	18 903	27 702	28 759	50.7%	16.8%	19 873	20 981	22 030	-8.5%	16.3%
Strengthen tripartite partnerships	4 923	18 904	27 270	28 758	80.1%	15.6%	19 873	20 981	22 030	-8.5%	16.3%
Become a knowledge leader in mine health and safety by conducting focused research	9 880	18 904	27 270	28 758	42.8%	17.2%	19 873	20 981	22 030	-8.5%	16.3%
Promote mine health and safety council programmes in the mining industry	5 914	18 904	27 270	28 758	69.4%	15.9%	19 873	20 981	22 030	-8.5%	16.3%
<b>Total</b>	<b>74 336</b>	<b>98 075</b>	<b>142 935</b>	<b>165 797</b>	<b>30.7%</b>	<b>100.0%</b>	<b>124 885</b>	<b>131 857</b>	<b>138 437</b>	<b>-5.8%</b>	<b>100.0%</b>



## Statements of historical financial performance and position

### Table 29.29 Mine Health and Safety Council statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
R thousand	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>69 919</b>	<b>89 404</b>	<b>140 226</b>	<b>89 144</b>	<b>83 608</b>	<b>91 573</b>	<b>83 005</b>	<b>83 005</b>	<b>93.7%</b>
Sale of goods and services other than capital assets	66 151	70 431	75 108	75 305	75 108	74 877	75 108	75 108	101.5%
<i>of which:</i>									
<i>Sales by market establishment</i>	66 151	70 431	75 108	75 305	75 108	74 877	75 108	75 108	101.5%
Other non-tax revenue	3 768	18 973	65 118	13 839	8 500	16 696	7 897	7 897	67.3%
<b>Transfers received</b>	<b>5 197</b>	<b>5 197</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 839</b>	<b>6 132</b>	<b>161.0%</b>
<b>Total revenue</b>	<b>75 116</b>	<b>94 601</b>	<b>140 226</b>	<b>89 144</b>	<b>83 608</b>	<b>91 573</b>	<b>84 844</b>	<b>89 137</b>	<b>95.0%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>67 877</b>	<b>74 336</b>	<b>127 000</b>	<b>98 075</b>	<b>142 935</b>	<b>142 935</b>	<b>165 797</b>	<b>165 797</b>	<b>95.5%</b>
Compensation of employees	25 930	26 896	31 526	30 009	34 985	34 985	37 782	37 782	99.6%
Goods and services	37 997	43 616	91 441	64 563	103 728	103 728	123 499	123 499	94.0%
Depreciation	3 950	3 824	4 033	3 503	4 222	4 222	4 516	4 516	96.1%
<b>Total expenses</b>	<b>67 877</b>	<b>74 336</b>	<b>127 000</b>	<b>98 075</b>	<b>142 935</b>	<b>142 935</b>	<b>165 797</b>	<b>165 797</b>	<b>95.5%</b>
<b>Surplus/(Deficit)</b>	<b>7 239</b>	<b>20 265</b>	<b>13 226</b>	<b>(8 931)</b>	<b>(59 327)</b>	<b>(51 362)</b>	<b>(80 953)</b>	<b>(76 660)</b>	
<b>Statement of financial position</b>									
Carrying value of assets	1 015	6 825	5 572	7 207	7 265	8 011	58 946	6 820	39.6%
<i>of which:</i>									
<i>Acquisition of assets</i>	(2 231)	(2 138)	(2 900)	(1 888)	(3 205)	(2 221)	(3 405)	(3 405)	82.2%
Inventory	-	77	78	168	150	259	157	45	142.6%
Receivables and prepayments	2 341	2 464	1 515	2 750	8 614	1 355	9 045	72 752	368.7%
Cash and cash equivalents	96 251	216 274	157 263	215 396	183 012	196 625	114 217	165 167	144.1%
<b>Total assets</b>	<b>99 607</b>	<b>225 640</b>	<b>164 428</b>	<b>225 521</b>	<b>199 041</b>	<b>206 250</b>	<b>182 365</b>	<b>244 784</b>	<b>139.8%</b>
Accumulated surplus/(deficit)	92 912	207 315	153 129	207 315	182 661	182 661	165 885	165 885	128.4%
Capital reserve fund	-	6 591	-	-	-	6 552	-	6 154	-
Finance lease	108	596	-	-	-	-	-	-	551.9%
Trade and other payables	4 707	8 102	2 056	12 319	12 792	20 286	12 456	15 943	177.0%
Provisions	1 880	3 036	2 355	5 887	3 588	3 143	4 024	3 074	127.8%
Managed funds (e.g. poverty alleviation fund)	-	-	6 888	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>99 607</b>	<b>225 640</b>	<b>164 428</b>	<b>225 521</b>	<b>199 041</b>	<b>212 642</b>	<b>182 365</b>	<b>191 056</b>	<b>132.4%</b>

## Statements of estimates of financial performance and position

### Table 29.30 Mine Health and Safety Council statements of estimates of financial performance and position

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R thousand	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>83 005</b>	<b>-2.4%</b>	<b>96.9%</b>	<b>120 082</b>	<b>126 785</b>	<b>133 086</b>	<b>17.0%</b>	<b>95.4%</b>	
Sale of goods and services other than capital assets	75 108	2.2%	81.2%	78 864	78 864	78 864	1.6%	66.0%	
<i>of which:</i>									
<i>Sales by market establishment</i>	75 108	2.2%	81.2%	78 864	78 864	78 864	1.6%	66.0%	
Other non-tax revenue	7 897	-25.3%	15.7%	41 218	47 921	54 222	90.1%	29.3%	
<b>Transfers received</b>	<b>6 132</b>	<b>5.7%</b>	<b>3.1%</b>	<b>4 803</b>	<b>5 072</b>	<b>5 351</b>	<b>-4.4%</b>	<b>4.6%</b>	
<b>Total revenue</b>	<b>89 137</b>	<b>-2.0%</b>	<b>100.0%</b>	<b>124 885</b>	<b>131 857</b>	<b>138 437</b>	<b>15.8%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>165 797</b>	<b>30.7%</b>	<b>100.0%</b>	<b>124 885</b>	<b>131 857</b>	<b>138 437</b>	<b>-5.8%</b>	<b>100.0%</b>	
Compensation of employees	37 782	12.0%	28.5%	44 244	46 896	49 242	9.2%	32.3%	
Goods and services	123 499	41.5%	67.9%	75 241	79 237	83 185	-12.3%	63.7%	
Depreciation	4 516	5.7%	3.6%	5 400	5 724	6 010	10.0%	3.9%	
<b>Total expenses</b>	<b>165 797</b>	<b>30.7%</b>	<b>100.0%</b>	<b>124 885</b>	<b>131 857</b>	<b>138 437</b>	<b>-5.8%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>(76 660)</b>			<b>-</b>	<b>-</b>	<b>-</b>			

**Table 29.30 Mine Health and Safety Council statements of estimates of financial performance and position**

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
Carrying value of assets	6 820	-0.0%	3.2%	70 100	66 595	63 266	110.1%	39.1%
of which:								
Acquisition of assets	(3 405)	16.8%	-1.1%	(3 405)	(3 405)	(3 405)	-	-2.3%
Inventory	45	-16.4%	0.1%	259	272	259	79.2%	0.2%
Receivables and prepayments	72 752	209.1%	8.2%	1 855	1 947	1 850	-70.6%	8.5%
Cash and cash equivalents	165 167	-8.6%	88.5%	101 804	71 409	30 688	-42.9%	52.2%
<b>Total assets</b>	<b>244 784</b>	<b>2.8%</b>	<b>100.0%</b>	<b>174 018</b>	<b>140 223</b>	<b>96 063</b>	<b>-26.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	165 885	-7.2%	89.1%	120 020	84 895	-	-100.0%	59.1%
Capital reserve fund	6 154	-2.3%	2.3%	6 552	6 880	6 536	2.0%	7.3%
Finance lease	-	-100.0%	0.1%	580	609	579	-	0.6%
Trade and other payables	15 943	25.3%	6.7%	20 123	26 543	30 952	24.7%	29.7%
Provisions	3 074	0.4%	1.8%	3 013	3 163	3 005	-0.8%	3.4%
<b>Total equity and liabilities</b>	<b>191 056</b>	<b>-5.4%</b>	<b>100.0%</b>	<b>150 288</b>	<b>122 090</b>	<b>41 072</b>	<b>-44.8%</b>	<b>100.0%</b>

**Personnel information****Table 29.31 Mine Health and Safety Council personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018	Number and cost <sup>1</sup> 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 (%)	Average: Salary level/Total (%)			
			2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21											
<b>Mine Health and Safety Council</b>	<b>64</b>	<b>64</b>	<b>66</b>	<b>35.0</b>	<b>0.5</b>	<b>64</b>	<b>37.8</b>	<b>0.6</b>	<b>67</b>	<b>44.2</b>	<b>0.7</b>	<b>67</b>	<b>46.9</b>	<b>0.7</b>	<b>67</b>	<b>49.2</b>	<b>0.7</b>	<b>9.2%</b>	<b>100.0%</b>
Salary level																			
1 – 6	17	17	17	2.2	0.1	17	2.5	0.1	17	3.2	0.2	17	3.4	0.2	17	3.6	0.2	14.0%	25.7%
7 – 10	23	23	26	10.3	0.4	23	10.1	0.4	26	13.6	0.5	26	14.6	0.6	26	15.3	0.6	15.1%	38.1%
11 – 12	9	9	8	5.2	0.6	9	6.3	0.7	9	6.9	0.8	9	7.2	0.8	9	7.6	0.8	6.2%	13.6%
13 – 16	14	14	14	14.9	1.1	14	16.5	1.2	14	17.9	1.3	14	18.8	1.3	14	19.7	1.4	6.2%	21.1%
17 – 22	1	1	1	2.4	2.4	1	2.5	2.5	1	2.7	2.7	1	2.9	2.9	1	3.0	3.0	6.4%	1.5%

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). The regulator was established in terms of section 3 of the Diamonds Act (1986). Its mandate is to implement and enforce 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 29.32 South African Diamond and Precious Metals Regulator performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of human resource plan pillars implemented per year	Administration	Outcome 12: An efficient, effective and development oriented public service	5	5	5	5	5	5	5
Number of engagements with internal and external stakeholders per year	Administration	Outcome 12: An efficient, effective and development oriented public service	12	12	12	12	15	17	21
Number of clients accessing the Diamond Export and Exchange Centre per year	Diamond trade	Outcome 4: Decent employment through inclusive growth	3 522	2 845	2 873	3 570	2 880	2 895	2 900
Number of beneficiaries accessing the Diamond Export and Exchange Centre tenders per year	Diamond trade	Outcome 4: Decent employment through inclusive growth	176	131	103	103	108	108	108

**Table 29.32 South African Diamond and Precious Metals Regulator performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of disputes on valuations regarding fair market value lodged per year	Diamond trade	Outcome 4: Decent employment through inclusive growth	-1	-1	-1	Less than 2%	Less than 2%	Less than 2%	Less than 2%
Number of new licences issued within 60 days based on completeness of applications per year	Regulatory compliance		136	154	180	196	100	100	100
Number of new entrepreneurs assisted per year	Regulatory compliance		7	8	9	10	12	14	16
Number of skills initiatives facilitated for the mining industries per year	Regulatory compliance		2	3	3	10	12	14	16
Number of new beneficiation licences issued per year	Regulatory compliance		50	63	56	65	65	65	65

1. No historical data available.

### Expenditure analysis

The South African Diamond and Precious Metals Regulator ensures competitiveness, sustainable development and job creation in the diamond and precious metals industry while fostering compliance with legislative requirements. It issues licences, conducts diamond valuations, carries out compliance inspections, and audits and facilitates tenders for rough and polished diamonds. These activities support outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework.

Over the medium term, the regulator intends to focus on issuing 195 beneficiation licences and increasing the number of engagements with stakeholders in the regulatory compliance programme from 12 in 2017/18 to 21 in 2020/21. The programme has a total budget of R74.9 million over the MTEF period.

The regulator anticipates that 8 675 clients will have access to the Diamond Export and Exchange Centre over the medium term. An estimated 324 beneficiators are expected to access Diamond Exchange and Export Centre tenders over the same period. Expenditure on goods and services is expected to increase from R23.1 million in 2018/19 to R25.7 million in 2020/21 due to operating leases, the tender activities of the Diamond Exchange and Export Centre, and the cost of overseeing inspections for diamond and precious metals licensees.

The regulator chairs the Kimberley Process's working group on monitoring. As a result, expenditure on goods and services is expected to increase by 8.1 per cent over the MTEF period, from R20.4 million in 2017/18 to R25.7 million in 2020/21, in the regulatory compliance programme due to travel and subsistence.

The regulator anticipates that transfers from the department will amount to 53.1 per cent (R187.4 million) of its total revenue over the medium term, with the remaining 46.9 per cent (R169.2 million) derived from the issuing of permits, certifications and licences for beneficiation, and from the export of diamonds and precious metals.

### Programmes/objectives/activities

**Table 29.33 South African Diamond and Precious Metals Regulator expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21	
Administration	62 446	56 597	61 028	64 796	1.2%	65.9%	69 598	73 495	77 538	6.2%	64.1%
Diamond trade	12 204	10 840	13 585	13 797	4.2%	13.5%	16 140	17 044	17 981	9.2%	14.6%
Regulatory compliance	17 986	19 367	18 723	20 175	3.9%	20.6%	23 654	24 979	26 352	9.3%	21.3%
<b>Total</b>	<b>92 636</b>	<b>86 804</b>	<b>93 336</b>	<b>98 768</b>	<b>2.2%</b>	<b>100.0%</b>	<b>109 392</b>	<b>115 518</b>	<b>121 871</b>	<b>7.3%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 29.34 South African Diamond and Precious Metals Regulator statements of historical financial performance and position**

Statement of financial performance								Average: Outcome/ Budget (%)	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R thousand	2014/15		2015/16		2016/17		2017/18		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>34 440</b>	<b>39 742</b>	<b>38 147</b>	<b>42 568</b>	<b>41 398</b>	<b>41 398</b>	<b>46 068</b>	<b>46 068</b>	<b>106.1%</b>
Sale of goods and services other than capital assets	33 350	34 442	36 353	36 302	37 653	37 653	40 290	40 290	100.7%
<i>of which:</i>									
<i>Sales by market establishment</i>	33 350	34 442	36 353	36 302	37 653	37 653	40 290	40 290	100.7%
Other non-tax revenue	1 090	5 300	1 794	6 266	3 745	3 745	5 778	5 778	170.0%
<b>Transfers received</b>	<b>45 878</b>	<b>47 810</b>	<b>50 527</b>	<b>50 527</b>	<b>53 205</b>	<b>53 205</b>	<b>55 865</b>	<b>55 865</b>	<b>100.9%</b>
<b>Total revenue</b>	<b>80 318</b>	<b>87 552</b>	<b>88 674</b>	<b>93 095</b>	<b>94 603</b>	<b>94 603</b>	<b>101 933</b>	<b>101 933</b>	<b>103.2%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>72 570</b>	<b>92 535</b>	<b>88 318</b>	<b>86 676</b>	<b>93 215</b>	<b>93 215</b>	<b>98 633</b>	<b>98 633</b>	<b>105.2%</b>
Compensation of employees	52 109	59 008	67 574	64 608	70 535	70 535	75 919	75 919	101.5%
Goods and services	18 817	32 488	20 719	22 031	19 852	19 852	20 375	20 375	118.8%
Depreciation	1 610	1 004	–	–	2 828	2 828	2 339	2 339	91.1%
Interest, dividends and rent on land	34	35	25	37	–	–	–	–	122.0%
<b>Transfers and subsidies</b>	<b>97</b>	<b>101</b>	<b>121</b>	<b>128</b>	<b>121</b>	<b>121</b>	<b>135</b>	<b>135</b>	<b>102.3%</b>
<b>Total expenses</b>	<b>72 667</b>	<b>92 636</b>	<b>88 439</b>	<b>86 804</b>	<b>93 336</b>	<b>93 336</b>	<b>98 768</b>	<b>98 768</b>	<b>105.2%</b>
<b>Surplus/(Deficit)</b>	<b>7 651</b>	<b>(5 084)</b>	<b>235</b>	<b>6 291</b>	<b>1 267</b>	<b>1 267</b>	<b>3 165</b>	<b>3 165</b>	
<b>Statement of financial position</b>									
Carrying value of assets	10 327	14 311	13 258	12 454	14 396	14 396	13 174	13 174	106.2%
<i>of which:</i>									
<i>Acquisition of assets</i>	(800)	(3 166)	(3 061)	(733)	(1 055)	(1 055)	(1 740)	(1 740)	100.6%
Inventory	56	480	450	318	558	558	470	470	119.0%
Receivables and prepayments	979	3 720	2 970	6 645	3 262	3 262	3 520	3 520	159.8%
Cash and cash equivalents	6 659	20 229	17 450	29 347	19 273	19 273	20 550	20 550	139.8%
Non-current assets held for sale	34 911	21 685	23 426	14 574	24 731	24 731	23 251	23 251	79.2%
<b>Total assets</b>	<b>52 932</b>	<b>60 425</b>	<b>57 554</b>	<b>63 338</b>	<b>62 220</b>	<b>62 220</b>	<b>60 965</b>	<b>60 965</b>	<b>105.7%</b>
Accumulated surplus/(deficit)	48 891	43 771	50 143	49 589	55 763	55 763	53 499	53 499	97.3%
Finance lease	690	185	634	57	542	542	375	375	51.7%
Deferred income	15	–	17	–	19	19	21	21	55.6%
Trade and other payables	1 136	5 959	4 760	4 789	3 890	3 890	4 870	4 870	133.1%
Provisions	2 200	10 121	2 000	8 682	2 006	2 006	2 200	2 200	273.7%
Derivatives financial instruments	–	389	–	221	–	–	–	–	–
<b>Total equity and liabilities</b>	<b>52 932</b>	<b>60 425</b>	<b>57 554</b>	<b>63 338</b>	<b>62 220</b>	<b>62 220</b>	<b>60 965</b>	<b>60 965</b>	<b>105.7%</b>

### Statements of estimates of financial performance and position

**Table 29.35 South African Diamond and Precious Metals Regulator statements of estimates of financial performance and position**

Statement of financial performance		Average: growth rate (%)		Average: Expen- diture/ Total (%)		Medium-term estimate			Average: growth rate (%)		Average: Expen- diture/ Total (%)	
	Revised estimate	2014/15 - 2017/18		2018/19 2019/20 2020/21			2017/18 - 2020/21					
R thousand	2017/18											
<b>Revenue</b>												
<b>Non-tax revenue</b>	<b>46 068</b>	<b>5.0%</b>	<b>45.0%</b>	<b>53 385</b>	<b>56 375</b>	<b>59 475</b>	<b>8.9%</b>	<b>46.9%</b>				
Sale of goods and services other than capital assets	40 290	5.4%	39.4%	47 855	50 535	53 314	9.8%	41.8%				
<i>of which:</i>												
<i>Sales by market establishment</i>	40 290	5.4%	39.4%	47 855	50 535	53 314	9.8%	41.8%				
Other non-tax revenue	5 778	2.9%	5.6%	5 530	5 840	6 161	2.2%	5.1%				
<b>Transfers received</b>	<b>55 865</b>	<b>5.3%</b>	<b>55.0%</b>	<b>59 105</b>	<b>62 415</b>	<b>65 848</b>	<b>5.6%</b>	<b>53.1%</b>				
<b>Total revenue</b>	<b>101 933</b>	<b>5.2%</b>	<b>100.0%</b>	<b>112 490</b>	<b>118 789</b>	<b>125 323</b>	<b>7.1%</b>	<b>100.0%</b>				
<b>Expenses</b>												
<b>Current expenses</b>	<b>98 633</b>	<b>2.2%</b>	<b>99.9%</b>	<b>109 247</b>	<b>115 365</b>	<b>121 710</b>	<b>7.3%</b>	<b>99.9%</b>				
Compensation of employees	75 919	8.8%	72.6%	84 231	88 948	93 840	7.3%	77.0%				
Goods and services	20 375	-14.4%	25.6%	23 080	24 372	25 713	8.1%	21.0%				
Depreciation	2 339	32.6%	1.6%	1 936	2 044	2 157	-2.7%	1.9%				
<b>Transfers and subsidies</b>	<b>135</b>	<b>10.2%</b>	<b>0.1%</b>	<b>145</b>	<b>153</b>	<b>162</b>	<b>6.2%</b>	<b>0.1%</b>				
<b>Total expenses</b>	<b>98 768</b>	<b>2.2%</b>	<b>100.0%</b>	<b>109 392</b>	<b>115 518</b>	<b>121 871</b>	<b>7.3%</b>	<b>100.0%</b>				
<b>Surplus/(Deficit)</b>	<b>3 165</b>			<b>3 098</b>	<b>3 271</b>	<b>3 451</b>	<b>2.9%</b>					

**Table 29.35 South African Diamond and Precious Metals Regulator statements of estimates of financial performance and position**

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
Carrying value of assets	13 174	-2.7%	22.0%	12 904	13 084	12 200	-2.5%	21.8%
of which:								
Acquisition of assets	(1 740)	-18.1%	-2.7%	(1 844)	(1 956)	(1 990)	4.6%	-3.2%
Inventory	470	-0.7%	0.7%	580	350	420	-3.7%	0.8%
Receivables and prepayments	3 520	-1.8%	6.9%	3 391	3 477	3 300	-2.1%	5.8%
Cash and cash equivalents	20 550	0.5%	36.1%	19 911	20 337	20 000	-0.9%	34.3%
Non-current assets held for sale	23 251	2.4%	34.2%	20 355	22 286	22 100	-1.7%	37.3%
<b>Total assets</b>	<b>60 965</b>	<b>0.3%</b>	<b>100.0%</b>	<b>57 141</b>	<b>59 534</b>	<b>58 020</b>	<b>-1.6%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	53 499	6.9%	82.0%	50 625	52 416	50 950	-1.6%	88.1%
Finance lease	375	26.6%	0.5%	397	382	350	-2.3%	0.6%
Deferred income	21	-	0.0%	22	21	20	-1.6%	0.0%
Trade and other payables	4 870	-6.5%	7.9%	3 765	4 471	4 500	-2.6%	7.5%
Provisions	2 200	-39.9%	9.3%	2 332	2 244	2 200	-	3.8%
<b>Total equity and liabilities</b>	<b>60 965</b>	<b>0.3%</b>	<b>100.0%</b>	<b>57 141</b>	<b>59 534</b>	<b>58 020</b>	<b>-1.6%</b>	<b>100.0%</b>

**Personnel information****Table 29.36 South African Diamond and Precious Metals Regulator personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)	Average: Salary level/Total (%)							
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21										
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
South African Diamond and Precious Metals Regulator		138	138		137	70.5	0.5	138	75.9	0.6	138	84.2	0.6	138	88.9	0.6	138	93.8	0.7	7.3%	100.0%	
Salary level																						
1 - 6	11	11	11	1.3	0.1	11	1.3	0.1	11	1.3	0.1	11	1.4	0.1	11	1.4	0.1	11	1.4	0.1	1.8%	8.0%
7 - 10	92	92	92	36.0	0.4	92	38.5	0.4	92	43.1	0.5	92	45.7	0.5	92	47.6	0.5	92	47.6	0.5	7.3%	66.7%
11 - 12	20	20	20	12.0	0.6	20	14.0	0.7	20	15.0	0.7	20	15.8	0.8	20	17.8	0.9	20	17.8	0.9	8.2%	14.5%
13 - 16	14	14	13	18.9	1.5	14	19.6	1.4	14	22.4	1.6	14	23.5	1.7	14	24.5	1.7	14	24.5	1.7	7.6%	10.1%
17 - 22	1	1	1	2.3	2.3	1	2.5	2.5	1	2.5	2.5	1	2.6	2.6	1	2.6	2.6	1	2.6	2.6	1.8%	0.7%

1. Rand million.

**State Diamond Trader****Mandate**

The State Diamond Trader's mandate is defined in terms of the Diamonds Amendment Act (2005). It facilitates equitable access to South Africa's rough diamond resources, promotes local beneficiation, undertakes research, develops a client base, contributes to the growth of the local diamond beneficiation industry, and develops efficient means to market diamonds not suitable for local beneficiation.

**Selected performance indicators****Table 29.37 State Diamond Trader performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of diamond producers who sold rough diamonds to the State Diamond Trader per year	Administration	Outcome 4: Decent employment through inclusive growth	12	14	19	19	19	19	19
Number of the State Diamond Trader clients per year	Administration		50	47	98	116 <sup>1</sup>	116 <sup>1</sup>	116 <sup>1</sup>	116 <sup>1</sup>
Number of diamond production inspections per year	Administration		145	136	130	130	130	130	130
Number of trainees employed by the State Diamond Trader per year	Administration		10	4	10	10	10	10	10

1. Increase in target is due to the expansion of Jewellex Africa, an exhibition for the industry.

### Expenditure analysis

Over the medium term, the State Diamond Trader plans to continue supporting greater beneficiation in the local diamond industry and increase sales of rough diamonds to historically disadvantaged South Africans. The entity also aims to develop and maintain trade relations with other diamond producing countries in the rest of Africa. The entity is expected to support SMMEs in the sector and allow new participants to become sustainable businesses. In this regard, R10 million over the MTEF period is expected to be spent on an SMME incubator beneficiation programme.

The entity also expects to maintain and create partnerships for the expansion of Jewellux Africa, an industry exhibition; and develop a marketing strategy to facilitate access to international and local exhibitions for 348 of its clients. The entity plans to conduct research on the sourcing of rough diamonds from other countries to ensure that it meets demand. These activities are expected to cost R4 million in the administration programme.

In 2016, the entity established the entrepreneur development programme to offer intensive diamond manufacturing, business management and diamond industry knowledge-based training to historically disadvantaged individuals. As a result, the entity's staff complement increased from 23 in 2015/16 to 32 in 2017/18. Expenditure on goods and services for travel and subsistence is expected to increase from R2 million in 2017/18 to R2.2 million in 2020/21 due to 390 planned diamond production inspections and participation in local and international diamond trade shows over the MTEF period.

The entity generates its revenue through the sale of rough diamonds. Revenue is expected to increase at an average annual rate of 9.9 per cent, from R652.8 million in 2017/18 to R865.7 million in 2020/21, as market conditions in China, the United States, Europe and India are expected to improve.

### Programmes/objectives/activities

**Table 29.38 State Diamond Trader expenditure trends and estimates by programme/objective/activity**

	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand						2014/15 - 2017/18					2017/18 - 2020/21	
Administration	401 869	560 852	719 118	561 210		11.8%	100.0%	563 310	594 855	531 120	-1.8%	100.0%
<b>Total</b>	<b>401 869</b>	<b>560 852</b>	<b>719 118</b>	<b>561 210</b>		<b>11.8%</b>	<b>100.0%</b>	<b>563 310</b>	<b>594 855</b>	<b>531 120</b>	<b>-1.8%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 29.39 State Diamond Trader statements of historical financial performance and position**

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
R thousand									2014/15 - 2017/18
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>569 832</b>	<b>396 418</b>	<b>571 056</b>	<b>557 724</b>	<b>611 652</b>	<b>726 266</b>	<b>561 210</b>	<b>652 807</b>	<b>100.8%</b>
Sale of goods and services other than capital assets	568 297	394 321	566 871	552 514	610 377	722 723	559 424	650 743	100.7%
of which:									
Administrative fees	–	–	–	92 096	–	–	–	–	–
Sales by market establishment	568 297	394 321	566 871	460 418	610 377	722 723	559 424	650 743	96.7%
Other non-tax revenue	1 535	2 097	4 185	5 210	1 275	3 543	1 786	2 064	147.1%
<b>Transfers received</b>	<b>–</b>	<b>4 276</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total revenue</b>	<b>569 832</b>	<b>400 694</b>	<b>571 056</b>	<b>557 724</b>	<b>611 652</b>	<b>726 266</b>	<b>561 210</b>	<b>652 807</b>	<b>101.0%</b>

**Table 29.39 State Diamond Trader statements of historical financial performance and position**

Statement of financial performance									
R thousand	Audited		Audited		Audited		Budget		Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	estimate	
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
<b>Expenses</b>									
<b>Current expenses</b>	<b>561 752</b>	<b>401 869</b>	<b>562 716</b>	<b>560 852</b>	<b>611 652</b>	<b>719 118</b>	<b>561 210</b>	<b>561 210</b>	<b>97.6%</b>
Compensation of employees	10 669	7 252	11 708	9 774	13 036	10 957	14 028	14 028	85.0%
Goods and services	548 768	393 182	550 643	549 557	597 223	705 600	545 761	545 761	97.8%
Depreciation	479	382	–	300	–	284	–	–	201.7%
Interest, dividends and rent on land	1 836	1 053	365	1 221	1 393	2 277	1 421	1 421	119.1%
<b>Total expenses</b>	<b>561 752</b>	<b>401 869</b>	<b>562 716</b>	<b>560 852</b>	<b>611 652</b>	<b>719 118</b>	<b>561 210</b>	<b>561 210</b>	<b>97.6%</b>
<b>Surplus/(Deficit)</b>	<b>8 080</b>	<b>(1 175)</b>	<b>8 340</b>	<b>(3 128)</b>	<b>–</b>	<b>7 148</b>	<b>–</b>	<b>91 597</b>	
<b>Statement of financial position</b>									
Carrying value of assets	3 621	1 370	3 621	1 071	3 621	937	3 621	3 621	48.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	–	(238)	(240)	–	(254)	(150 705)	(269)	(269)	19 829.3%
Inventory	38 352	20 786	31 352	24 095	20 786	20 320	20 786	20 786	77.3%
Receivables and prepayments	209	5 186	186	437	186	723	186	186	851.6%
Cash and cash equivalents	28 795	23 779	45 246	22 444	25 098	32 476	20 279	20 279	82.9%
Taxation	5 120	–	4 952	104	4 934	804	4 934	4 934	29.3%
<b>Total assets</b>	<b>76 097</b>	<b>51 121</b>	<b>85 357</b>	<b>48 151</b>	<b>54 625</b>	<b>55 260</b>	<b>49 806</b>	<b>49 806</b>	<b>76.9%</b>
Accumulated surplus/(deficit)	31 709	49 180	38 683	46 113	26 015	53 261	45 665	45 665	136.7%
Borrowings	43 721	–	43 721	–	25 657	–	1 188	1 188	1.0%
Trade and other payables	667	1 941	2 953	2 038	2 953	1 999	2 953	2 953	93.8%
<b>Total equity and liabilities</b>	<b>76 097</b>	<b>51 121</b>	<b>85 357</b>	<b>48 151</b>	<b>54 625</b>	<b>55 260</b>	<b>49 806</b>	<b>49 806</b>	<b>76.9%</b>

**Statements of estimates of financial performance and position****Table 29.40 State Diamond Trader statements of estimates of financial performance and position**

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>652 807</b>	<b>18.1%</b>	<b>99.7%</b>	<b>715 061</b>	<b>786 759</b>	<b>865 697</b>	<b>9.9%</b>	<b>100.0%</b>	
Sale of goods and services other than capital assets	650 743	18.2%	99.2%	712 653	783 919	862 311	9.8%	99.6%	
<i>of which:</i>									
<i>Sales by market establishment</i>	650 743	18.2%	95.0%	712 653	783 919	862 311	9.8%	99.6%	
Other non-tax revenue	2 064	-0.5%	0.6%	2 408	2 840	3 386	17.9%	0.4%	
<b>Total revenue</b>	<b>652 807</b>	<b>17.7%</b>	<b>100.0%</b>	<b>715 061</b>	<b>786 759</b>	<b>865 697</b>	<b>9.9%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>561 210</b>	<b>11.8%</b>	<b>100.0%</b>	<b>563 310</b>	<b>594 855</b>	<b>531 120</b>	<b>-1.8%</b>	<b>100.0%</b>	
Compensation of employees	14 028	24.6%	1.9%	14 730	14 859	17 080	6.8%	2.7%	
Goods and services	545 761	11.6%	97.8%	547 238	578 741	513 093	-2.0%	97.1%	
Interest, dividends and rent on land	1 421	10.5%	0.3%	1 342	1 255	947	-12.7%	0.2%	
<b>Total expenses</b>	<b>561 210</b>	<b>11.8%</b>	<b>100.0%</b>	<b>563 310</b>	<b>594 855</b>	<b>531 120</b>	<b>-1.8%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>91 597</b>			<b>151 751</b>	<b>191 904</b>	<b>334 577</b>	<b>54.0%</b>		
<b>Statement of financial position</b>									
Carrying value of assets	3 621	38.3%	3.5%	3 831	3 831	3 831	1.9%	7.1%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(269)	4.1%	-68.4%	(301)	(301)	(301)	3.9%	-0.6%	
Inventory	20 786	–	42.3%	20 786	20 786	20 786	–	39.3%	
Receivables and prepayments	186	-67.0%	3.2%	197	197	197	1.9%	0.4%	
Cash and cash equivalents	20 279	-5.2%	48.2%	24 047	24 047	24 047	5.8%	43.5%	
Taxation	4 934	–	2.9%	5 220	5 220	5 220	1.9%	9.7%	
<b>Total assets</b>	<b>49 806</b>	<b>-0.9%</b>	<b>100.0%</b>	<b>54 081</b>	<b>54 081</b>	<b>54 081</b>	<b>2.8%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	45 665	-2.4%	95.0%	48 314	48 314	48 314	1.9%	89.9%	
Borrowings	1 188	–	0.6%	2 643	2 643	2 643	30.5%	4.3%	
Trade and other payables	2 953	15.0%	4.4%	3 124	3 124	3 124	1.9%	5.8%	
<b>Total equity and liabilities</b>	<b>49 806</b>	<b>-0.9%</b>	<b>100.0%</b>	<b>54 081</b>	<b>54 081</b>	<b>54 081</b>	<b>2.8%</b>	<b>100.0%</b>	



## Personnel information

Table 29.41 State Diamond Trader personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018			Number and cost <sup>1</sup> 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 (%)	Average: Salary level/Total (%)			
			2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
State Diamond Trader			22	10.3	0.5	32	13.2	0.4	22	13.7	0.6	22	14.1	0.6	22	16.3	0.7	7.4%	100.0%
Salary level																			
7 – 10	16	16	16	3.9	0.2	26	4.6	0.2	16	4.3	0.3	16	4.8	0.3	16	5.8	0.4	8.0%	74.9%
11 – 12	2	2	2	1.1	0.6	2	2.6	1.3	2	2.7	1.3	2	2.4	1.2	2	3.2	1.6	7.1%	8.4%
13 – 16	3	3	3	3.6	1.2	3	3.5	1.2	3	3.7	1.2	3	4.2	1.4	3	4.5	1.5	8.3%	12.6%
17 – 22	1	1	1	1.6	1.6	1	2.4	2.4	1	3.0	3.0	1	2.7	2.7	1	2.8	2.8	5.0%	4.2%

1. Rand million.



Additional table: Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate		
							2014/15	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	–	–	–
<b>Total</b>				<b>30 000</b>			<b>3 700</b>	<b>14 800</b>	<b>11 500</b>	<b>–</b>	<b>–</b>	<b>–</b>







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