

Vote 31

Minerals and Energy

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R1 807 814 000	R1 886 658 000	R2 004 088 000
Statutory amounts	-	-	-
Responsible Minister	Minister of Minerals and Energy		
Administering Department	Department of Minerals and Energy		
Accounting Officer	Director-General of Minerals and Energy		

Aim

The aim of the Department of Minerals and Energy is to formulate and implement an overall minerals and energy policy in order to ensure the optimum utilisation of mineral and energy resources.

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Provide support to the Department and its management.

Programme 2: Promotion of Mine Safety and Health

Purpose: Has a statutory mandate to protect the health and safety of mine employees and people affected by mining activities.

Measurable objective: To establish national policy, legislation and systems to regulate, monitor, audit, train and provide technical support to ensure occupational health and safety in the mining industry.

Programme 3: Mineral Development

Purpose: Promote sustainable development through mineral resources for the benefit of all South Africans.

Measurable objective: To transform, promote and regulate the mineral resource industry to competitively contribute to the equitable and sustainable socio-economic development of the country.

Programme 4: Energy Management

Purpose: Take responsibility for national policy on the development of energy resources and their optimal use to maximise their contribution to economic growth and development.

Measurable objective: To develop national policy, for the management and optimal utilisation of energy resources, which ensures their effective contribution to sustained economic growth and development.

Programme 5: Associated Services

Purpose: Provide services related to the Department's aims, and provide support to various public entities.

Strategic overview and key policy developments: 1999/00 – 2005/06

The Department of Minerals and Energy covers two sectors that are vital to both the economic and social well being of the country. The minerals sector is an integral part of the economy: it accounts for a significant proportion of economic output and employment, and attracts much needed foreign investment. The energy sector provides both an important input to many industries, and a vital social good. The sector is helping to attract investment and to overcome the social inequalities of the past.

The Department is working to fundamentally transform both these sectors, and to ensure that they continue to be sources of economic development, that all South Africans can benefit from them, and that participation in these sectors is representative of society. It is these transformation processes, in both mining and energy, that have been the core work of the Department over the last three years, and will continue to be for several years to come.

The minerals sector

The minerals industry has been one of the cornerstones of the South African economy for approximately 115 years. However, the manner in which the utilisation of mineral resources was administered in terms of previous legislation allowed the distribution of benefits to be skewed in favour of the mine owners, and did not efficiently provide for the sustainable socio-economic development needs of the nation. The discriminatory practices of the previous political regime exacerbated the distorted distribution of benefits, and undermined the productivity of the nation by disempowering most of its people.

The Mineral Development Programme of the Department aims to redress these imbalances by transforming the industry, and in future, managing the utilisation of the country's mineral resources so that they effectively contribute to the equitable and sustainable socio-economic development of the country for the benefit of all South Africans.

The Mineral and Petroleum Resources Development Act (28 of 2002) (MPRDA) will be promulgated during 2003. Its provisions include the recognition of state sovereignty and custodianship over the country's mineral resources, provision for equitable access to mineral resources, and opportunities for historically disadvantaged citizens. They include provisions for economic growth, employment and socio-economic welfare, and security of tenure. They further provide for orderly and ecological sustainability, and the utilisation of mineral resources to contribute to local socio-economic development.

Also in 2002, Government and the mining industry agreed on a Broad-Based Socio-Economic Empowerment Charter to provide capacity for economic growth and alleviate poverty. The relevant targets include 15 per cent ownership of mines by historically disadvantaged South Africans (HDSA) within five years, 26 per cent ownership within 10 years, 10 per cent participation by women within five years and 40 per cent HDSA management within five years.

Alongside these shifts, the Department is continuing to pursue its objective of protecting employees and the public from the health and safety hazards associated with mining. Mine safety and health and environmental protection are the major areas of the Department's work. The main challenges in health and safety and the environment have been identified, and the focus is now on addressing both these challenges and the legacy of the past. In the coming three years, the Mine

Health and Safety Inspectorate will focus on addressing hazards related to mine falls, machinery and occupational health. Work will also continue on supporting human resource development in the industry through: the Mining Qualifications Authority; developing Regulations – which are expected to be completed by 2004/5 – to support the Mine Health and Safety Act (29 of 1996); inquiries into recent major accidents; developing and improving occupational health and safety databases to improve the communication of data and research results; and supporting work to bring about the integration of occupational health and inspectorates at the national level. Key events planned include convening the Mine Health and Safety Summit, which involves Government, employers and labour discussing concerns, trends and policy; hosting a conference of mine health and safety research organisations, and a series of workshops on implementing new legislation, particularly that related to occupational health.

The energy sector

In the energy sector, the Department of Minerals and Energy is focusing on efficiency improvements, transformation and social imperatives. The sector has been very successful in delivering low-cost electricity and meeting social needs. However, to deal with the challenges of the future, the Department has set out important policies for restructuring the electricity industry, while ensuring that progress on social issues continues.

The Department is continuing with the implementation of the Integrated National Electrification Programme, which aims at universal household access to basic electricity services within 10 years, and the electrification of all schools and clinics. The current estimated backlog for households is 33 per cent, and an estimated 10 000 schools and 500 clinics are still without electricity. The Department of Minerals and Energy has now taken over direct control of this programme, with electrification funds flowing through the Department since 2001/02 instead of being funded by the electricity supply industry (mainly Eskom). The Department is currently electrifying households at a rate of 250 000 a year.

As part of Government's commitment to delivering basic services, the Department is helping to put in place mechanisms to ensure the supply of free electricity to poor households. The funds for this will flow through the equitable share of local government from 2003/04, and should ensure that poor households receive free basic electricity. Total extra funding for the next MTEF period is R1,4 billion for free basic electricity. This should ensure the delivery of about 50kWh (kilowatt hours) each month free to poor households.

The electricity industry currently consists of a vertically integrated monopoly (Eskom), alongside a multitude of municipal distributors. This has worked well in the past, but it is increasingly clear that the structure is unsustainable, particularly at the distribution level. Distributors are often an inefficient size, and tariffs vary widely across the country. Coupled with this is a generation industry that faces few incentives to compete on price. Consequently the Department has, over the last three years, developed restructuring policies for both supply and distribution. They are beginning to be implemented now, and 2003/04 will see the Electricity Distribution Industry Holding Company starting to carry out the reform of the distribution industry, for which extra funds have been provided. Significant progress should also begin to be made in the supply industry over 2003/04.

The Department also covers the liquid fuels and nuclear industries and is responsible for the regulation of these industries. In the liquid fuels sector, the development of the Liquid Fuels Empowerment Charter was overseen by the Department. The 1998 White Paper on Energy Policy stipulates approximately 25 per cent historically disadvantaged South Africans ownership of the industry by 2010. By the end of 2001, 14 per cent of the industry was in the hands of companies owned or controlled by historically disadvantaged South Africans, and a monitoring and evaluating mechanism is already in place.

The Department oversees the nuclear energy industry and seeks to ensure that it works in a manner that is beneficial to the quality of life of the South African population, and that it is not detrimental to their health and environment. Following the significant progress made in improving the governance of the nuclear sector by the two new nuclear Acts (Nuclear Energy Act (46 of 1999) and the National Nuclear Regulator Act (47 of 1999)), the Department is now focusing on new nuclear regulations; drafting a policy and strategy for radioactive waste management in South Africa; the ongoing evaluation of possible new nuclear power generation; investigations into the restructuring of the South African Nuclear Energy Corporation (NECSA); and assessing South Africa's nuclear liabilities in order to manage these facilities properly.

Expenditure estimates

Table 31.1: Minerals and Energy

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03				
1 Administration	42 659	46 157	54 799	72 963	72 963	91 575	84 168	90 524
2 Promotion of Mine Safety and Health	62 238	67 549	69 229	86 361	85 361	92 085	99 433	106 695
3 Mineral Development	55 721	60 795	77 826	94 219	90 219	114 883	121 338	135 351
4 Energy Management	19 862	42 862	666 192	1 013 874	1 013 874	1 154 354	1 195 500	1 273 385
5 Associated Services	430 976	374 717	365 350	605 201	605 201	354 917	386 219	398 133
Total	611 456	592 080	1 233 396	1 872 618	1 867 618	1 807 814	1 886 658	2 004 088
Change to 2002 Budget Estimate				46 720	41 720	215 485	215 490	
Economic classification								
Current	562 883	565 131	597 675	655 430	650 430	731 153	779 634	848 594
Personnel	100 789	112 890	121 830	153 503	150 503	178 039	195 192	213 292
Transfer payments	398 035	381 489	377 066	374 056	374 056	420 928	441 324	473 630
Other current	64 059	70 752	98 779	127 871	125 871	132 186	143 118	161 672
Capital	48 573	26 949	635 721	1 217 188	1 217 188	1 076 661	1 107 024	1 155 494
Transfer payments	42 859	23 176	631 049	1 208 904	1 208 904	1 059 530	1 102 489	1 150 914
Acquisition of capital assets	5 714	3 773	4 672	8 284	8 284	17 131	4 535	4 580
Total	611 456	592 080	1 233 396	1 872 618	1 867 618	1 807 814	1 886 658	2 004 088
Standard items of expenditure								
Personnel	100 789	112 890	121 830	153 503	150 503	178 039	195 192	213 292
Administrative	26 771	31 777	46 869	56 567	55 567	66 296	72 942	79 628
Inventories	3 062	3 123	4 736	5 165	5 165	5 001	5 352	5 684
Equipment	7 678	6 320	7 520	10 753	10 753	19 353	6 922	7 110
Land and buildings	-	-	-	1	1	1	1	1
Professional and special services	30 663	32 252	44 036	63 569	62 569	58 566	62 330	73 717
Transfer payments	440 894	404 665	1 008 115	1 582 960	1 582 960	1 480 458	1 543 813	1 624 544
Miscellaneous	1 599	1 053	290	100	100	100	106	112
Total	611 456	592 080	1 233 396	1 872 618	1 867 618	1 807 814	1 886 658	2 004 088

Expenditure trends

Total expenditure has been volatile, but the underlying trend has been one of significant increases. Expenditure rises from R611,5 million in 1999/00 to an expected R2,0 billion in 2005/06, an annual average increase of 21,9 per cent. Rather than being steady and smooth, most of this increase has come in two large step changes, in 2001/02 and 2002/03. The main increase is the

movement onto the Department's Vote in 2001/02 of funds spent on electrification, previously funded by Eskom. Allocations to the National Electrification Programme were R600 million in 2001/02, and are expected to increase to R1,1 billion in 2005/06.

Expenditure on personnel has also increased significantly, to enhance capacity and skills, rising from R100,8 million in 1999/00 to an expected R213,3 million in 2005/06, an annual average increase of 13,3 per cent

Transfer payments have increased in line with the funding for electrification. In addition to the electrification transfers there are also significant transfers to various associated institutions.

Departmental receipts

Departmental receipts have also been volatile, ranging from R88,8 million in 2000/01 to R583,9 million in 2001/02, but are expected to stabilise at around R96 million over the next three years. The volatility has come from dividends from the Central Energy Fund, which totalled R457 million in 2001/02 and R118 million in 1999/00. The remaining revenue mainly consists of royalties recovered in terms of the Minerals Act (50 of 1991) and Treasury Regulation 7.3.1 that amounts to R52 million, R116 million and R87 million over the period 2000/01 to 2002/03. Other income comes from mining lease payments and licence fees.

Table 31.2: Departmental receipts

	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	311 158	83 144	582 614	98 996	95 871	96 221	96 769
Interest	191 307	2 956	579 772	95 389	93 118	93 453	93 989
Dividends	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Sales of goods and services	119 592	79 767	2 343	3 123	2 355	2 367	2 379
Fines, penalties and forfeits	14	132	40	164	40	41	41
Miscellaneous	245	289	459	320	358	360	360
Sales of capital assets (capital revenue)	-	-	-	-	-	-	-
Financial transactions (recovery of loans and advances)	3 424	5 693	1 329	374	141	91	92
Total departmental receipts	314 582	88 837	583 943	99 370	96 012	96 312	96 861

Programme 1: Administration

Administration conducts the overall management and support of the Department. It includes policy formulation by the Minister, the Deputy Minister and members of the Department's senior management, and provides for financial management, personnel and provisioning administration, and legal and other support services.

Expenditure estimates

Table 31.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Minister ¹	518	659	727	772	713	756	797
Deputy Minister ²	421	565	621	606	607	643	679
Management	3 520	4 899	6 050	5 937	7 035	7 146	7 662
Corporate Services	38 200	40 034	47 401	65 648	83 220	75 623	81 386
Total	42 659	46 157	54 799	72 963	91 575	84 168	90 524
Change to 2002 Budget Estimate				6 248	21 270	10 749	

¹ Payable as from 1 April 2002. Salary: R527 856. Car allowance: R131 964.

² Payable as from 1 April 2002. Salary: R449 460. Car allowance: R112 365.

Economic classification

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Current	39 435	44 486	52 080	67 311	76 759	81 297	87 964
Personnel	17 500	21 083	22 982	30 457	38 576	40 350	44 103
Transfer payments	-	-	-	-	-	-	-
Other current	21 935	23 403	29 098	36 854	38 183	40 947	43 861
Capital	3 224	1 671	2 719	5 652	14 816	2 871	2 560
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	3 224	1 671	2 719	5 652	14 816	2 871	2 560
Total	42 659	46 157	54 799	72 963	91 575	84 168	90 524

Standard items of expenditure

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Personnel	17 500	21 083	22 982	30 457	38 576	40 350	44 103
Administrative	10 016	11 710	14 849	19 377	20 471	22 236	23 435
Inventories	2 191	2 138	3 468	3 069	3 168	3 452	3 663
Equipment	4 854	3 993	5 318	7 774	16 662	4 875	4 684
Land and buildings	-	-	-	-	-	-	-
Professional and special services	7 863	6 970	7 934	12 186	12 598	13 149	14 527
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	235	263	248	100	100	106	112
Total	42 659	46 157	54 799	72 963	91 575	84 168	90 524

Expenditure trends

The programme budget has grown at an average rate of 19,6 per cent a year from 1999/00 to 2002/03, and is projected to increase by an average of 7,5 per cent a year over the next three years. This growth reflects the increase in personnel to increase capacity and give more effective support to line function programmes. Expenditure on the Corporate Services subprogramme is expected to increase from R65,6 million in 2002/03 to R81,4 million in 2005/06. This is mainly due to additional allocations for expenditure related to the expansion of the staff structure, and there is also a once-off allocation of R11,4 million in 2003/04 for the replacement of old computer systems.

Programme 2: Promotion of Mine Safety and Health

The *Promotion of Mine Safety and Health* programme protects the health and safety of mine employees and people affected by the activities of mines.

- Management is responsible for strategy, policy, developing legislation, overall planning, and guidance and control of the programme.
- Mine Safety and Health promotes health and safety, and assesses, monitors and enforces compliance by mines with safety and health standards. This subprogramme includes mine surveying and the inspection services provided from the regional offices.

Expenditure estimates

Table 31.4: Promotion of Mine Safety and Health

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Management	2 570	2 615	3 204	3 542	4 280	4 597	4 862
Mine Safety and Health	59 668	64 934	66 025	82 819	87 805	94 836	101 833
Total	62 238	67 549	69 229	86 361	92 085	99 433	106 695
Change to 2002 Budget Estimate				6 294	7 937	9 861	
Economic classification							
Current	61 111	66 475	68 541	85 693	91 388	98 866	106 030
Personnel	43 690	48 613	50 328	56 733	63 975	69 231	74 269
Transfer payments	3 431	2 800	-	-	-	-	-
Other current	13 990	15 062	18 213	28 960	27 413	29 635	31 761
Capital	1 127	1 074	688	668	697	567	665
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	1 127	1 074	688	668	697	567	665
Total	62 238	67 549	69 229	86 361	92 085	99 433	106 695
Standard items of expenditure							
Personnel	43 690	48 613	50 328	56 733	63 975	69 231	74 269
Administrative	8 140	9 691	12 260	15 620	17 646	19 098	20 429
Inventories	286	258	304	579	354	400	425
Equipment	1 162	1 098	713	716	748	610	711
Land and buildings	-	-	-	-	-	-	-
Professional and special services	4 820	4 640	5 624	12 713	9 362	10 094	10 861
Transfer payments	3 431	2 800	-	-	-	-	-
Miscellaneous	709	449	-	-	-	-	-
Total	62 238	67 549	69 229	86 361	92 085	99 433	106 695
Transfer payments per subprogramme							
Mine Safety and Health							
Mining Qualification Authority	3 431	2 800	-	-	-	-	-
Total	3 431	2 800	-	-	-	-	-

Expenditure trends

Promotion of Mine Safety and Health is projected to account for an average of 5,2 per cent of the Vote over the medium term. Spending on the programme increased by an average of 11,5 per cent a year between 1999/00 and 2002/03, taking expenditure from R62,2 million to R86,4 million. Expenditure is expected to grow by an average of 7,3 per cent a year over the next three years, reaching R106,7 million in 2005/06. This is mainly due to increased personnel expenditure, which is expected to increase from R43,7 million in 1999/00 to R74,3 million in 2005/06, an annual

average growth rate of 9,3 per cent. Personnel expenditure accounts for approximately 69 per cent of the programme budget, and reflects the labour-intensive nature of mine inspections and audits.

In terms of the Mine Health and Safety Act (29 of 1996) the Department is responsible for the administration of various bodies, resulting in the funding of these bodies now being included as professional and special services. Excluding inflation-related adjustments, the programme's baseline has been adjusted by R0,9 million, R1,0 million and R1,2 million over the respective MTEF years to make provision for the following:

- Tripartite Mining Industry HIV/Aids Committee and programmes in the mining industry
- Receipt and storage of medical records when mines close
- Exit medical examinations for employees of liquidated mines.

Service delivery objectives and indicators

Recent outputs

The fatality rate for 2002 is 0,74 per 1 000 people at work per year and corresponds to 288 deaths during the year. This is a small improvement on the previous year's rate of 0,75 (also 288 deaths). Note that the number of people employed in the mining industry rose in 2002. The reportable injury rate for 2002 is 11,5 corresponding to 4 453 injuries. The corresponding figures for 2001 are 12,34 and 4 728. Against a backdrop of expansion in the gold, platinum and small mining areas, and particularly serious capacity problems in the platinum and small mining sector, these results reflect considerable effort on the part of the Inspectorate and certain industry stakeholders to halt deterioration in safety performance. (In May 2002, 50 per cent deterioration in accidents rates was anticipated if poor performance could not be curbed).

Current capacity enables the Mine Health and Safety Inspectorate to conduct approximately 3 000 accident investigations, 14 000 inspections, and 3 500 audits. Audits and inspections will be apportioned to various mines according to their risk profile. The Inspectorate had performed 11 791 audits and inspections by the end of November 2002.

Medium-term output targets

Promotion of Mine Safety and Health

Measurable objective: To establish national policy, legislation and systems to regulate, monitor, audit, train and provide technical support to ensure health and safety in the mining industry.

Subprogrammes	Output	Measure/Indicator	Target
Management	Comprehensive policy and legislative framework to support the Mine Health and Safety Act (MHSA)	National policy and legislative framework to support the MHSA and to reduce workplace injury and disease	Promulgate 15 new chapters of regulations within 2 years. Policy and guidelines on post-mortems, HIV/Aids and occupational health and safety, small scale mining in 2003/04
	Implementation of strategy to address current occupational health and safety concerns (in major commodity areas)	Regular assessment of implementation and appropriateness of strategy Alignment between Inspectorate's capacity and strategy	Annual strategy update by all Chief Directorates by June 2003, and monthly assessment thereafter Capacity constraints addressed as necessary

Subprogrammes	Output	Measure/Indicator	Target
Management (continued)	Mining Qualifications Authority (MQA) outputs support health and safety, human resource development, and transformation of the mining sector	Alignment between MQA outputs (unit standards, skill programmes, qualifications, accreditation) the Mining Charter and the legislative programme of the Inspectorate	Alignment achieved by March 2004
Mine Safety and Health	Improved health and safety in the mining sector	Improvement in fatality and injury rates	3,5% reduction in reportable injuries and fatalities rates per year
		Mines with effective OHS management systems, and plans to address concerns and hot spots	80% of registered mines
		Planned number of inspections and audits completed (barring contingencies)	14 000 inspections 3 500 audits
		Accident and incident reports available within specified time	Within 3 months of occurrence
	OHS information and statistics	Reconciliation and communication of data	Monthly
		Improved occupational health data	June 2003
	Technical support	Research programmes designed to address OHS concerns and results communicated	Approval and funding, April 2003 At least 4 workshops on research results by March 2004
		Technical advice and support to regional offices, the industry and departmental principals	Timely and high-quality advice provided

Programme 3: Mineral Development

The aim of the *Mineral Development* programme is to effectively promote, manage, transform and regulate a locally and regionally integrated, globally competitive, mineral resource industry to achieve equitable and sustainable development for the benefit of all South Africans.

The *Mineral Development* programme has four key strategic objectives:

- Research and provide relevant information that will enhance global competitiveness and attract new investment into the South African mineral and mineral processing industry.
- Effectively manage and control mineral resource utilisation to contribute to the sustainable socio-economic development of the country
- Transform and regulate the industry to achieve a better life for all
- Facilitate local, regional and continental integration.

Mineral Development is divided into three main subprogrammes, each with specific objectives:

- Mineral Resource Management has the immediate priority of successfully implementing the Mineral and Petroleum Resources Development Act (MPRDA). Its core function, however, is to effectively manage and control mineral resource utilisation to contribute to the sustainable socio-economic development of the country, by ensuring that the exploration and exploitation of these resources takes place within the context of the socio-economic and environmental requirements of the law. This subprogramme is essentially the risk management control system of the *Mineral Development* programme. It ensures that the environmental management programmes, social and labour plans, economic performance requirements and legal aspects of all rights granted are adequately aligned with the state's objectives and the requirements of the law.

- Mineral Policy and Investment promotes the competitive development, and beneficiation, of a wider basket of mineral development opportunities. In order to achieve this objective it researches the local and global economic environment and provides relevant information that will enhance global competitiveness and attract new investment into the South African mineral industry. The subprogramme also includes structures for the development of the underdeveloped SMME and junior mining sectors, for geographic information based national mining promotion, and the intended beneficiation-economics research and advisory capability.
- Mineral Development and Administration, through regional management, transforms and regulates the industry to achieve a better life for all, and facilitates local, regional and continental integration. It transforms the industry by integrating the targets of the Broad-Based Socio-Economic Empowerment Charter with the regulatory process. It co-ordinates all the urban renewal, rural development, social and labour planning, job-creation, and poverty alleviation initiatives related to mineral resource utilisation. It regulates the allocation of rights, and ensures that the necessary social, environmental, economic, and legal requirements are incorporated into all rights granted, as approved and in terms of the Act.

Expenditure estimates

Table 31.5: Mineral Development

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	1 739	2 070	3 080	4 044	5 824	5 967	6 386
Mineral Resource Management	13 425	15 176	25 782	31 151	39 657	42 052	44 589
Mineral Policy and Investment	13 671	14 657	17 382	25 481	32 127	33 560	42 258
Mineral Development and Administration	26 886	28 892	31 582	33 543	37 275	39 759	42 118
Total	55 721	60 795	77 826	94 219	114 883	121 338	135 351
Change to 2002 Budget Estimate				194	13 302	10 536	

Economic classification

Current	55 007	60 464	77 006	93 690	114 077	120 897	134 884
Personnel	33 321	36 105	39 085	51 948	58 790	62 875	68 991
Transfer payments	3 400	4 000	5 100	5 100	15 100	15 250	20 565
Other current	18 286	20 359	32 821	36 642	40 187	42 772	45 328
Capital	714	331	820	529	806	441	467
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	714	331	820	529	806	441	467
Total	55 721	60 795	77 826	94 219	114 883	121 338	135 351

Standard items of expenditure

Personnel	33 321	36 105	39 085	51 948	58 790	62 875	68 991
Administrative	6 243	7 244	9 780	11 997	15 597	16 868	17 725
Inventories	540	704	717	967	1 148	1 182	1 256
Equipment	1 013	532	1 044	828	1 131	781	827
Land and buildings	-	-	-	1	1	1	1
Professional and special services	10 654	11 934	22 058	23 378	23 116	24 381	25 986
Transfer payments	3 400	4 000	5 100	5 100	15 100	15 250	20 565
Miscellaneous	550	276	42	-	-	-	-
Total	55 721	60 795	77 826	94 219	114 883	121 338	135 351

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Transfer payments per subprogramme							
Mineral Policy and Investment							
Industrial Development Corporation of SA Ltd	3 400	4 000	5 100	5 100	15 100	15 250	20 565
Total	3 400	4 000	5 100	5 100	15 100	15 250	20 565

Expenditure trends

Expenditure on this programme has increased steadily, rising from R55,7 million in 1999/00 to R94,2 million in 2002/03, and is expected to increase to R135,4 million in 2005/06, an annual average growth rate of 15,9 per cent.

All four subprogrammes have seen steady growth in expenditure, with most of the increase being spent on personnel, and professional and special services. Personnel spending increases from R33,3 million in 1999/00 to an expected R69,0 million in 2005/06, an annual average increase of 12,9 per cent. Expenditure on professional and special services is expected to rise from R10,7 million in 1999/00 to R26,0 million in 2005/06, an annual average increase of 16 per cent. The increases in the programme's capacity are linked to the implementation of the Mineral and Petroleum Resources Development Act, and the increased role it gives Government in the minerals sector.

Service delivery objectives and indicators

Recent outputs

The programme has developed a social plan programme for mines, and the necessary capacity to manage this is in place. Similarly, the environmental management plans are also in place.

Medium-term output targets

Mineral Development

Measurable objective: To transform, promote and regulate the mineral resource industry to competitively contribute to the equitable and sustainable socio-economic development of the country.

Subprogramme	Output	Measure/Indicator	Target
Mineral Resource Management	Governance	Successful implementation of the new legislative and regulatory regime Successful co-ordination of economic social and physical environments with mineral resource administration to ensure the sustainable development of mineral resource based economies	By end 2003/04
Mineral Policy and Investment	Promotion of the competitive development and beneficiation of a wider basket of mineral development opportunities	Increased access to the mining industry by small and junior sector exploration	Within equity targets as determined by Department
	Implementation of a national mining promotion system	Funded organisational structure for beneficiation economic research and advisory services Mineral information management capability and information linkages installed	By end 2003/4 By end 2003/4

Subprogramme	Output	Measure/Indicator	Target
Mineral Development and Administration	Successful implementation of legislation and mineral policies and the monitoring of legal, economic, social and environmental compliance Transformed mining industry	Date of implementation	2003/04
		Industry transformation	According to predetermined departmental targets

Programme 4: Energy Management

Energy Management develops energy resources and promotes their optimal use. Programme activities are organised into four subprogrammes:

- Management and Energy Planning promotes integrated energy planning through policy development, in support of environmental objectives and renewable energy technology, manages an energy data base and provides administrative services.
- Electricity develops, implements and monitors electricity policy and programmes. The functions of the subprogramme include: managing, developing and implementing the National Electrification Programme and Fund; restructuring the electricity industry; researching national and international trends that impact on the electricity industry; and oversight of the National Electricity Regulator.
- The Nuclear subprogramme manages Government's obligations related to the governance of the nuclear sector in the three areas of nuclear safety, nuclear non-proliferation and nuclear technology as provided for in the Nuclear Energy Act (46 of 1999) and the National Nuclear Regulator Act (47 of 1999).
- The Hydrocarbons subprogramme is responsible for policy development, and the regulatory aspects of coal, crude oil, petroleum and natural gas.

Expenditure estimates

Table 31.6: Energy Management

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management and Energy Planning	10 450	11 269	18 496	9 427	15 429	21 747	31 673
Electricity	5 511	25 772	641 298	984 577	1 121 219	1 154 332	1 218 560
Nuclear	2 061	2 815	1 743	10 992	9 945	10 771	13 582
Hydrocarbons	1 840	3 006	4 655	8 878	7 761	8 650	9 570
Total	19 862	42 862	666 192	1 013 874	1 154 354	1 195 500	1 273 385
Change to 2002 Budget Estimate				28 234	166 568	177 039	
Economic classification							
Current	19 223	42 796	65 847	66 469	114 152	128 510	149 259
Personnel	6 278	7 089	9 435	14 365	16 698	22 736	25 929
Transfer payments	3 300	24 000	38 000	27 000	71 400	76 400	83 040
Other current	9 645	11 707	18 412	25 104	26 054	29 374	40 290
Capital	639	66	600 345	947 405	1 040 202	1 066 990	1 124 126
Transfer payments	–	–	600 000	946 895	1 039 600	1 066 556	1 123 473
Acquisition of capital assets	639	66	345	510	602	434	653
Total	19 862	42 862	666 192	1 013 874	1 154 354	1 195 500	1 273 385

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	6 278	7 089	9 435	14 365	16 698	22 736	25 929
Administrative	2 372	3 132	9 980	9 573	12 582	14 740	18 039
Inventories	45	23	247	550	331	318	340
Equipment	639	66	345	510	602	434	653
Land and buildings	-	-	-	-	-	-	-
Professional and special services	7 123	8 487	8 185	14 981	13 141	14 316	21 911
Transfer payments	3 300	24 000	638 000	973 895	1 111 000	1 142 956	1 206 513
Miscellaneous	105	65	-	-	-	-	-
Total	19 862	42 862	666 192	1 013 874	1 154 354	1 195 500	1 273 385
Transfer payments per subprogramme							
Electricity							
National Electricity Regulator	3 300	4 000	4 000	4 000	4 000	4 000	4 240
Electricity Distribution Industry	-	20 000	13 000	-	45 000	50 000	55 000
National Electrification Programme							
National	-	-	600 000	738 882	822 000	843 956	889 273
Local Government	-	-	-	228 013	240 000	245 000	258 000
Electricity Basic Services Support Tariff	-	-	21 000	3 000	-	-	-
Total	3 300	24 000	638 000	973 895	1 111 000	1 142 956	1 206 513

Expenditure trends

Expenditure on the programme is dominated by the National Electrification Programme, which has been funded through the Department of Minerals and Energy since 2001/02. Allocations to the National Electrification Programme are expected to increase from R600 million in 2001/02 to R1,1 billion in 2005/06. This includes an increase of R117 million for each of the next three years to cover the VAT that needs to be paid by the programme.

Expenditure on both personnel and professional and special services is expected to increase significantly, with expected expenditure on personnel rising from R6,3 million in 1999/00 to R25,9 million in 2005/06, an annual average increase of 26,7 per cent. Expenditure on professional and special services is expected to increase from R7,1 million in 1999/00 to R21,9 million in 2005/06, an annual average increase of 20,6 per cent.

The programme is also responsible for restructuring the electricity distribution industry, and an increased allocation has been made for this purpose. Expenditure on the Electricity Distribution Industry Holding Company is expected to rise from R45 million in 2003/04 to R55 million in 2005/06.

Service delivery objectives and indicators

Recent outputs

During the 2002/03 financial year the Gas Bill, which provides for the establishment of a Gas Regulator, was approved by Cabinet. The draft Gas Infrastructure Plan, which outlines how gas resources will be developed to produce energy for South Africa, was drafted, the Cross-Border Gas Trade Agreement with Mozambique was established, and the South Africa/Mozambique Cross-Border Gas Commission was brought into operation. The text of the Cross-Border Gas Trade Agreement with Namibia was also agreed. The first Integrated Energy Plan was produced.

The fuel pricing methodology was revised during the year.

Progress was made on electrification, service delivery for the poor, and the restructuring of the industry. In total almost 300 000 households and 1 000 schools and clinics will have been connected in the year to March 2003. Coupled with this is the development of policy on free basic electricity, and a significant increase in the equitable share allocation for the provision of free electricity to the poor. Work on the restructuring of both the electricity distribution and supply industries is continuing, and the Electricity Distribution Industry Holding Company was approved in early 2003.

Medium-term output targets

Energy Management

Measurable objective: To develop national policy, for the management and optimal utilisation of energy resources, which ensures their effective contribution to sustained economic growth and development.

Subprogramme	Output	Measure/Indicator	Target
Management and Energy Planning	Renewable energy and energy efficiency strategies and action plans	Renewable energy strategy and action plan	August 2003
		Energy efficiency strategy and action plan	June 2003
Electricity	Restructured electricity distribution industry (EDI)	Establishment of the EDI Holding Company and Regional Electricity Distributors (REDs)	EDI Holding Company in June 2003 REDs in 2005
	Restructured electricity supply industry (ESI)	ESI Restructuring Act	Enacted September 2003 and regulations issued by March 2004
	Integrated National Electrification Programme (INEP)	Effective administration and control of INEP and achievement of targets	243 000 grid and 13 900 non-grid household connections 1 349 schools and clinics electrified by March 2004
Nuclear	Radioactive waste policy	Radioactive waste policy consistent with objectives for safe management of nuclear industry and optimal energy use	March 2004
Hydrocarbons	Amended statutory and regulatory framework for the petroleum industry	The promulgation of the Petroleum Products Amendment Bill and the Petroleum Pipeline Bill	June 2003
	Petroleum Pipeline Regulator	Establishment of regulatory authority	January 2004
	Gas Regulator	Establishment of regulatory authority	June 2003

Programme 5: Associated Services

The aim of the programme is to provide services related to the Department's aims, through the funding of statutory bodies and organisations.

- Mineral Technology Research contributes to the Council for Mineral Technology (Mintek).
- The South African Nuclear Energy Corporation (NECSA), which falls under the Nuclear Energy subprogramme, maintains, develops, and utilises nuclear and related technology in terms of the Nuclear Energy Act (46 of 1999).
- The National Nuclear Regulator subprogramme provides for the protection of persons, property and the environment against nuclear damage in terms of the National Nuclear Regulator Act (47 of 1999).
- Geoscience provides for a contribution to the Council for Geoscience.

- Assistance to Mines assists marginal mines with the costs of pumping water originating from defunct gold mines.
- Energy Provision contributes towards audit fees for the Cahora Bassa project.
- Government Motor Transport purchases vehicles for departmental use.

Expenditure estimates

Table 31.7: Associated Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Mineral Technology Research	81 773	78 007	76 872	76 410	82 439	87 632	93 019
Nuclear Energy	249 814	200 245	180 256	424 947	161 190	179 901	179 296
National Nuclear Regulator	6 088	6 762	7 002	7 282	7 610	8 067	8 551
Geoscience	63 794	60 856	65 946	66 384	72 019	76 606	81 375
Assistance to Mines	29 012	27 990	34 939	28 915	31 100	33 401	35 225
Loans to Mines	-	-	-	1	-	-	-
Energy Provision	203	221	235	312	349	390	432
Government Motor Transport	292	636	100	950	210	222	235
Total	430 976	374 717	365 350	605 201	354 917	386 219	398 133
Change to 2002 Budget Estimate				5 750	6 408	7 305	

Economic classification

Current	388 107	350 910	334 201	342 267	334 777	350 064	370 457
Personnel	-	-	-	-	-	-	-
Transfer payments	387 904	350 689	333 966	341 956	334 428	349 674	370 025
Other current	203	221	235	311	349	390	432
Capital	42 869	23 807	31 149	262 934	20 140	36 155	27 676
Transfer payments	42 859	23 176	31 049	262 009	19 930	35 933	27 441
Acquisition of capital assets	10	631	100	925	210	222	235
Total	430 976	374 717	365 350	605 201	354 917	386 219	398 133

Standard items of expenditure

Personnel	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Equipment	10	631	100	925	210	222	235
Land and buildings	-	-	-	-	-	-	-
Professional and special services	203	221	235	311	349	390	432
Transfer payments	430 763	373 865	365 015	603 965	354 358	385 607	397 466
Miscellaneous	-	-	-	-	-	-	-
Total	430 976	374 717	365 350	605 201	354 917	386 219	398 133

Table 31.7: Associated Services

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Transfer payments per subprogramme							
Mineral Technology Research	81 773	78 007	76 872	76 410	82 439	87 632	93 019
Nuclear Energy							
SA Nuclear Energy Corporation Ltd.	183 548	142 190	129 054	139 863	140 233	148 647	157 566
SA Nuclear Energy Corporation Ltd.: Decommissioning Projects	-	15 578	16 191	19 536	19 550	20 500	21 730
SA Nuclear Energy Corporation Ltd.: Strategic Loans	62 042	37 619	35 011	265 548	1 407	10 754	-
SA Nuclear Energy Corporation Ltd.: IAEA Membership Fees	4 224	4 858	-	-	-	-	-
National Nuclear Regulator	6 088	6 762	7 002	7 282	7 610	8 067	8 551
Geoscience							
Council for Geoscience	63 794	60 856	65 946	66 384	72 019	76 606	81 375
Assistance to Mines							
Pumping of Water	29 012	27 990	34 939	28 914	31 100	33 401	35 225
Subsidising Interest on Loans	-	-	-	1	-	-	-
Loans to Mines	-	-	-	1	-	-	-
Energy Provision							
Cahora Bassa: Distribution of Electricity	-	-	-	1	-	-	-
Government Motor Transport							
Subsidised	282	5	-	25	-	-	-
Total	430 763	373 865	365 015	603 965	354 358	385 607	397 466

Expenditure trends

Spending on *Associated Services* has declined by 15,2 per cent between 1999/00 and 2001/02. This is mainly due to the curtailment of the operations of the South African Nuclear Energy Corporation (NECSA) as well as a drive to commercialise its activities, such as its fluorine chemical and radiation technology divisions. Operational expenditure for NECSA declines from R183,5 million in 1999/00 to R129 million in 2001/02, and increases to R157,6 million in 2005/06.

Expenditure on the decommissioning and decontamination projects are projected to be stable at an average of about R20 million a year between 2003/04 and 2005/06. The process to redeem the loans of NECSA will culminate with payments of R265,5 million in 2002/03, R1,4 million in 2003/04, and R10,8 million in 2004/05.

Expenditure on Assistance to Mines declined from R29 million to R28,9 million between 1999/00 and 2002/03, but is projected to increase by an average of 6,8 per cent a year over the medium term. Following a decision made by the Interdepartmental Committee, Cabinet approved that funds allocated for the pumping of water may also be used to close ingress holdings to prevent surface water to flow into underground workings.

Transfers to science councils (Council for Geoscience and Mineral Technology Research) declined by about 0,6 per cent a year in the period between 1999/2000 and 2002/03, but is expected to grow by an annual average of 7,0 per cent over the medium term. Allocations for individual councils are based on the recommendations of the National Advisory Council on Innovation, which seeks to rationalise funding between science councils and also to direct resources to areas of relative priority.

Public entities reporting to the Minister

The National Electricity Regulator

The National Electricity Regulator (NER) was established in terms of the Electricity Act (41 of 1987), as amended. The role of the Regulator is to regulate the electricity industry to meet the requirements of existing and future customers. Its key functions are to approve the prices at which electricity is sold, and to set standards for the quality of supply and service and monitor these. It has licensed all generators, transmitters and distributors of electricity in South Africa. It approves their electricity prices on an annual basis, and arbitrates in a range of disputes between licensees and their customers. The Regulator is currently funded through a levy on electricity, which is determined by the Minister of Minerals and Energy in consultation with the Minister of Finance. The projected revenue of the National Electricity Regulator over the medium term is about R50 million per year.

The South African Nuclear Energy Corporation

The vision of the South African Nuclear Energy Corporation (Pty) Ltd is to pursue excellence in nuclear technology for sustained social and economic development. NECSA's mission is to develop, use and manage nuclear technology for national and regional socio-economic development, through:

- Applied research and development
- The commercial application of nuclear and associated technology
- Fulfilling the state's nuclear obligations
- Contributing to the development of skills in science and technology
- Total commitment to health and safety, and care for the environment
- Developing and empowering our human resource base
- Satisfying stakeholder expectations.

Government policy and legislation provide the framework within which NECSA operates. The Nuclear Energy Act (46 of 1999) mandates NECSA to develop and utilise nuclear technology as part of the National System of Innovation, and to serve the state's nuclear institutional obligations.

NECSA's main functions are as follows:

- The Pelindaba Nuclear Institute (PNI) is responsible for selected nuclear activities, and for fulfilling institutional and international obligations on behalf of the state.
- Nuclear Technology (NT) is responsible for maintaining, developing, and applying NECSA's core competence of nuclear and radiation science and technology through market-driven research and development and advanced training.
- Facilities and Technical Services is responsible for the management and physical protection of the site, facilities and infrastructure, and the provision of services for all Pelindaba tenants.
- Nuclear Technology Products (Pty) Ltd (NTP) is a global supplier, on a commercial basis, of radio-pharmaceuticals, radio chemicals, radioactive sources, irradiation services and radiation technology products.
- High Technology Products (Pty) Ltd (HTP) is responsible for the commercial exploitation of: non-nuclear products and services, including fluorine-based chemical products and services; the commercial development of fluorine-based products and development technology; and the manufacturing and provision of specialised engineering products, systems and services.

Mineral Technology Research (Mintek)

The Council for Mineral Technology (Mintek) was established in terms of the Mineral Technology Act (30 of 1989). Mintek provides research, development and technology transfers that foster the development of businesses in the mineral and mineral products industries. Mintek strives to be a global leader in the field of mineral and metallurgical research and development and technology transfer. It achieves these objectives through the transfer of technology to industry and promoting the optimal supply and efficient use of mineral resources, and by ensuring that its expertise and technology is world class.

The National Nuclear Regulator

The National Nuclear Regulator (NNR) was established in terms of the National Nuclear Regulator Act (47 of 1999). The purpose of the Regulator is to provide for the protection of persons, property and the environment against nuclear damage, through the establishment of safety standards and regulatory practices.

The Regulator exercises safety regulatory control over:

- The siting, design, construction, operation and manufacturing of component parts, and the decontamination, decommissioning and closure of nuclear installations
- Vessels propelled by nuclear power or having radioactive material on board which is capable of causing nuclear damage, through the granting of nuclear authorisations.

The Regulator also:

- Exercises regulatory control over actions to which its Act applies through the granting of nuclear authorisations
- Provides assurance of compliance with the conditions of nuclear authorisations through the implementation of a system of compliance inspections
- Fulfils national obligations related to international instruments concerning nuclear safety
- Ensures that provisions for nuclear emergency planning are in place.

Council for Geoscience

The Council for Geoscience was established in terms of the Geoscience Act (100 of 1993). The Council is responsible for:

- Systematic geoscientific mapping of South Africa, and the interpretation and compilation of data, maps and map explanations
- Geological research to improve the understanding of geological processes
- Collecting and compiling all geoscience data for South Africa in the National Geoscience Archives
- Maintaining the National Borehole Core depository, the National Geoscience Library, and the National Geoscience Museum
- Providing Geoscience knowledge services to the Department of Minerals and Energy and the private sector.

The Central Energy Fund

The Central Energy Fund (Pty) Ltd (CEF), incorporated in terms of the Central Energy Fund Act (38 of 1997), is mandated by the state to engage in the acquisition, exploration, generation, marketing and distribution of any energy form, and to engage in research relating to the energy sector.

The vision of the Central Energy Fund is to be the leading commercially viable energy development company in Africa. CEF's mission is to actively pursue economically viable

opportunities in oil, gas, coal and renewable energy resources, and to provide access to sustainable and affordable energy.

The CEF group of companies focuses on a number of areas:

- Exploration and production
- Petroleum products and services
- Promoting and marketing offshore and onshore exploration
- Oil trading and tank terminal management
- Renewable energy
- Energy efficiency and climate change
- Low-smoke fuels
- Research and development
- Gas infrastructure development.

The Fund's activities are housed in four active subsidiaries – PetroSA, Petroleum Agency SA, iGAS and the Strategic Fuel Fund Association.

Annexure

Vote 31: Minerals and Energy

Table 31.8: Summary of expenditure trends and estimates per programme

Table 31.9: Summary of expenditure trends and estimates per economic classification

Table 31.10: Summary of expenditure trends and estimates per standard item

Table 31.11: Summary of personnel numbers and costs

Table 31.12: Summary of expenditure on training

Table 31.13: Summary of information and communications technology expenditure

Table 31.14: Summary of conditional grants to local government (municipalities)

Table 31.15: Summary of expenditure on infrastructure

Table 31.8: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Medium-term expenditure estimate							
	Audited 1999/00	Audited 2000/01	Preliminary outcome 2001/02	Main appropriation 2002/03	Adjusted appropriation 2002/03	Revised estimate	Current 2003/04	Capital 2003/04	Total 2004/05	2005/06	
1 Administration	42 659	46 157	54 799	66 715	6 248	72 963	76 759	14 816	91 575	84 168	90 524
2 Promotion of Mine Safety and Health	62 238	67 549	69 229	80 067	6 294	86 361	91 388	697	92 085	99 433	106 695
3 Mineral Development	55 721	60 795	77 826	94 025	194	94 219	114 077	806	114 883	121 338	135 351
4 Energy Management	19 862	42 862	666 192	985 640	28 234	1 013 874	114 152	1 040 202	1 154 354	1 195 500	1 273 385
5 Associated Services	430 976	374 717	365 350	599 451	5 750	605 201	334 777	20 140	354 917	386 219	398 133
Total	611 456	592 080	1 233 396	1 825 898	46 720	1 872 618	731 153	1 076 661	1 807 814	1 886 658	2 004 088
Change to 2002 Budget Estimate						41 720			46 720		

Table 31.9: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome				Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome	Total					Capital	Current		
	1999/00	2000/01	2001/02								2003/04	2004/05
R thousand												
Current	562 883	565 131	597 675	637 814	17 616	655 430	650 430	731 153	2003/04	2004/05	2005/06	
Personnel	100 789	112 890	121 830	148 175	5 328	153 503	150 503	178 039	-	195 192	213 292	
Salaries and wages	77 539	82 136	101 377	113 344	5 328	118 672	115 672	133 018	-	145 653	159 273	
Other	23 250	30 754	20 453	34 831	-	34 831	34 831	45 021	-	49 539	54 019	
Transfer payments	398 035	381 489	377 066	376 056	(2 000)	374 056	374 056	420 928	-	441 324	473 630	
Subsidies to business enterprises	323 565	290 697	274 218	306 890	(2 000)	304 890	304 890	301 079	-	311 888	334 256	
Other levels of government	-	-	-	-	-	-	-	-	-	-	-	
social security funds	-	-	-	-	-	-	-	-	-	-	-	
universities and technicians	-	-	-	-	-	-	-	-	-	-	-	
extra-budgetary institutions	74 470	70 792	68 848	69 166	-	69 166	69 166	74 849	-	79 436	84 374	
provincial government	-	-	-	-	-	-	-	-	-	-	-	
local government	-	-	-	-	-	-	-	-	-	-	-	
Households and non-profit institutions	-	20 000	34 000	-	-	-	-	45 000	-	50 000	55 000	
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	
Other	64 059	70 752	98 779	113 583	14 288	127 871	125 871	132 186	-	143 118	161 672	
Capital	48 573	26 949	635 721	1 188 084	29 104	1 217 188	1 217 188	-	1 076 661	1 107 024	1 155 494	
Transfer payments	42 859	23 176	631 049	1 182 009	26 895	1 208 904	1 208 904	-	1 059 530	1 102 489	1 150 914	
Other levels of government	-	-	-	228 013	-	228 013	228 013	-	240 000	245 000	258 000	
Other capital transfers	42 859	23 176	631 049	953 996	26 895	980 891	980 891	-	819 530	857 489	892 914	
Movable capital	5 714	3 773	4 672	6 075	2 209	8 284	8 284	-	17 131	4 535	4 580	
Motor vehicles (transport)	10	631	100	175	750	925	925	-	210	222	235	
Equipment - Computers	4 557	2 176	3 601	2 741	1 295	4 036	4 036	-	14 235	2 374	2 565	
Equipment - Other office equipment	459	409	605	2 793	164	2 957	2 957	-	1 837	1 503	1 318	
Other	688	557	366	366	-	366	366	-	849	436	462	
Fixed capital	-	-	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	
Total	611 456	592 080	1 233 396	1 825 898	46 720	1 872 618	1 867 618	731 153	1 076 661	1 807 814	1 886 658	2 004 088

Table 31.10: Summary of expenditure trends and estimates per standard item

R thousand	Expenditure outcome				Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Current					Capital	Total	
	1999/00	2000/01	2001/02								2003/04
Personnel	100 789	112 890	121 830	148 175	5 328	153 503	150 503	178 039	195 192	213 292	
Administrative	26 771	31 777	46 869	52 895	3 672	56 567	55 567	66 296	72 942	79 628	
Inventories	3 062	3 123	4 736	4 624	541	5 165	5 165	5 001	5 352	5 684	
Equipment	7 678	6 320	7 520	8 244	2 509	10 753	10 753	2 222	6 922	7 110	
Land and buildings	-	-	-	1	-	1	1	1	1	1	
Professional and special services	30 663	32 252	44 036	53 794	9 775	63 569	62 569	58 566	62 330	73 717	
Transfer payments	440 894	404 665	1 008 115	1 558 065	24 895	1 582 960	1 582 960	420 928	1 543 813	1 624 544	
Miscellaneous	1 599	1 053	290	100	-	100	100	100	106	112	
Total	611 456	592 080	1 233 396	1 825 898	46 720	1 872 618	1 867 618	731 153	1 076 661	1 807 814	

Table 31.11: Summary of personnel numbers and costs¹

Personnel numbers	1999/00				2000/01				2001/02				2002/03				2003/04				
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
1 Administration	172	301	350	48	173	301	349	48	187	281	343	68	239	302	324	86	951	255	310	353	99
2 Promotion of Mine Safety and Health	301	350	48	871	301	350	48	871	281	343	68	879	302	324	86	951	1 017	255	310	353	99
3 Mineral Development	350	48	871	871	349	48	871	871	343	68	879	879	324	86	951	951	1 017	255	310	353	99
4 Energy Management	48	871	871	871	48	871	871	871	68	879	879	879	86	951	951	951	1 017	255	310	353	99
Total	871	871	871	871	871	871	871	871	879	879	879	879	951	951	951	951	1 017	255	310	353	99
Total personnel cost (R thousand)	100 789	112 890	112 890	112 890	112 890	112 890	112 890	112 890	121 830	121 830	121 830	121 830	153 503	153 503	153 503	153 503	178 039	178 039	178 039	178 039	178 039
Unit cost (R thousand)	115.7	129.6	129.6	129.6	129.6	129.6	129.6	129.6	138.6	138.6	138.6	138.6	161.4	161.4	161.4	161.4	175.1	175.1	175.1	175.1	175.1

¹ Full-time equivalent

Table 31.12: Summary of expenditure on training

	Expenditure outcome					Adjusted appropriation	Medium-term expenditure estimate		
	Audited	2000/01	Audited	Preliminary outcome	2001/02		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2001/02	2001/02	2002/03	2003/04	2004/05	2005/06
1 Administration	415	807	1 426	1 426	1 513	1 542	1 680	1 781	1 781
2 Promotion of Mine Safety and Health	836	944	1 269	1 269	1 046	1 083	1 134	1 148	1 148
3 Mineral Development	445	479	576	576	764	807	849	900	900
4 Energy Management	201	237	479	479	460	550	665	705	705
Total	1 897	2 467	3 750	3 750	3 783	3 982	4 328	4 534	4 534

Table 31.13: Summary of information and communications technology expenditure

	Expenditure outcome	Adjusted appropriation	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06
1 Administration	4 927	9 408	20 295	9 226	9 659
Technology	2 248	2 710	13 520	2 080	2 084
IT services	2 679	6 698	6 775	7 146	7 575
2 Promotion of Mine Safety and Health	446	-	152	60	105
Technology	446	-	152	60	105
IT services	-	-	-	-	-
3 Mineral Development	491	-	266	-	-
Technology	491	-	266	-	-
IT services	-	-	-	-	-
4 Energy Management	238	-	247	120	252
Technology	238	-	247	120	252
IT services	-	-	-	-	-
Total	6 102	9 408	20 960	9 406	10 016

Table 31.14: Summary of conditional grants to local government (municipalities) ¹

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
4 Energy Management							
National Electrification Programme	-	-	-	228 013	240 000	245 000	258 000
Total	-	-	-	228 013	240 000	245 000	258 000

¹ Detail provided in the Division of Revenue Act, 2003.

Table 31.15: Summary of expenditure on infrastructure

Projects	Description	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
		1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
R thousand								
Infrastructure programmes or large infrastructure projects								
Small project groups		-	-	-	-	-	-	-
Infrastructure transfers		-	-	-	-	-	-	-
- Integrated National Electrification Programme (National)	Electrification of households, schools and clinics	-	-	600 000	946 895	1 039 600	1 066 556	1 123 473
- Integrated National Electrification Programme (Local)	Electrification of households, schools and clinics	-	-	600 000	718 882	799 600	821 556	865 473
Sub-total		-	-	600 000	228 013	240 000	245 000	258 000
		-	-	600 000	946 895	1 039 600	1 066 556	1 123 473
Fixed installations transferred to households		-	-	-	-	-	-	-
Maintenance on infrastructure		-	-	-	-	-	-	-
Total		-	-	600 000	946 895	1 039 600	1 066 556	1 123 473