

Vote 31

Minerals and Energy

	2004/05 To be appropriated	2005/06	2006/07
MTEF allocations	R1 934 494 000	R2 070 001 000	R1 936 816 000
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 use 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: Execute the department's statutory mandate to protect the health and safety of mine employees and people affected by mining activities.

Measurable objective: Reduce mining-related deaths, injuries and ill-health, through the formulation of national policy and legislation and the provision of advice and systems that monitor and audit compliance by the mining sector.

Programme 3: Mineral Development

Purpose: Transform and promote sustainable development in the minerals and mining industry for the benefit of all South Africans.

Measurable objective: Increase participation by new entrants, in particular historically disadvantaged South Africans, in the minerals and mining industry through responsible mining, thereby contributing towards poverty eradication and a safe environment.

Programme 4: Energy Management

Purpose: Develop all energy resources and promote their optimum use to maximise their contribution to social and economic development.

Measurable objective: Ensure the optimal use of all energy resources (electricity, nuclear, hydrocarbons and renewables) through the development of policies that contribute to economic growth and development.

Programme 5: Associated Services

Purpose: Provide related services in support of the department's mandate through funding statutory bodies and organisations.

Measurable objective: Enhance the department's objectives through policies and directives promoting its legislative mandates and leading to the creation of an environment conducive to investment and the improvement of the quality of life of all South Africans.

Strategic overview and key policy developments: 2000/01 – 2006/07

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 is a vital economic and social force, as it provides a key commodity to many industries while helping to attract investment and overcome the social inequalities of the past.

The department is working at fundamentally transforming both these sectors, to ensure that they continue to be sources of economic development and benefit all South Africans. These transformation processes, in both mining and energy, have constituted the department's core work over the last three years, and will continue to do so for some years ahead.

The minerals sector

The Mineral and Petroleum Resources Development Act

The Mineral and Petroleum Resources Development Act (MPRDA) (28 of 2002), promulgated in 2003, includes provisions for: recognising the state's sovereignty and custodianship over the country's mineral resources; equitable access to mineral resources; opportunities for historically disadvantaged citizens; economic growth, employment and socio-economic welfare; and security of tenure. Furthermore, it provides for ecological sustainability and the use of mineral resources to contribute to local socio-economic development. These provisions have necessitated a paradigm shift in the mining industry. To adequately respond to this, the department has put in place a set of effective new administrative systems and controls, such as the National Mining Promotions System, which includes provisions for mineral licensing administration, investment promotion, and a system for registering mining titles.

The Mining Charter

The Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the Mining Charter) is a statutory instrument to promote transformation in the minerals and petroleum industries. The charter includes provisions for promoting equitable access to the nation's mineral resources for all inhabitants of South Africa. It is another mechanism to help implement the new legislative framework provided by the Act. The charter addresses seven areas: human resource development; employment equity; beneficiation; community development; housing and living conditions; procurement; and ownership.

Environmental impact of mining

A key challenge for the department is the environmental impact of mining. Schedule 2 of the National Environmental Management Act (20 of 1998) details the department's responsibilities in relation to management of the environment. This is supplemented by section 46 of the MPRDA, which further empowers the Minister to remedy environmental damages. In order to assess and quantify the potential liabilities in terms of environmental, social and health risks and the

associated costs of rehabilitation, the department has begun the process of identifying and cataloguing all abandoned mines in South Africa into a database. The work to assess and redress the state's accumulated environmental liabilities in relation to coal, gold and other mines will be completed by 2006/07.

Mine health and safety

A comprehensive review of the Mine Health and Safety Inspectorate was ordered by the Minister to ensure that it was in line with international standards. This was concluded in March 2003 and identified focus areas in mine health and safety for the department. The review involved benchmarking and comparisons with international best practice. A number of shortcomings were identified, which must be addressed in order to achieve locally acceptable and international competitive standards. The inspectorate is in the process of appointing a human resource specialist to manage various initiatives which will help to address these shortcomings. The project will commence in 2004/05 and will take approximately 18 months to complete, with finalisation envisaged in 2005/06. The key focus areas that have been identified are: bringing about a quantum shift in health and safety performance in the gold mines and small- and medium-scale mines; increasing efforts to prevent mine fires and explosions; reducing the impact of mining activities on the public at source; ensuring that occupational health issues such as silicosis and noise are urgently addressed; and ensure that the link between TB and HIV and Aids is better understood and managed. The section 54 instructions issued in 1996 according to the Mine Health and Safety Act (29 of 1996) are intended to prevent the recurrence of these problems. The investigation provisions of the Act are used to uncover the root causes of accidents and to issue instructions on the basis of the findings of investigations.

Policy, legislation and implementation plans are being developed to establish a new interdepartmental national institution, in addition to the mine inspectorate, to be responsible for both the prevention and compensation aspects of occupational health and safety. Transition to the new system is likely to take place over the MTEF period.

Human resources

The department's adoption of both the Mining Charter and the Growth and Development Summit Commitment has given fresh impetus to human resource development as supported by the Mining Qualifications Authority (MQA). The MQA is responsible for organising training within the mining industry, issuing certificates of competency and developing unit standards, roles that were previously fulfilled by the Mine Inspectorate. Both the charter and the summit have revised upwards current human resource development targets and introduced new ones. This has implications for the inputs required of the Mine Inspectorate, its workload, and its governance of the MQA as the MQA moves to being an independent authority outside of the inspectorate's remit. Attempts are under way to shift the operational responsibilities into the MQA, which is currently heavily reliant on stakeholder input.

The energy sector

Electricity

Within the energy sector, the department is responsible for the electrification programme, whose functions include planning, funding, implementation (through the licensed distributors), monitoring and evaluation. According to the current target of 262 000 connections per year it will take the department 12 years to deplete the household backlog, currently estimated at 3,3 million households.

The electrification of schools and clinics is part of the Integrated National Electrification Programme (INEP). There is currently an estimated backlog of 9 000 schools and 450 clinics still needing electrification. It will take approximately seven years to complete the schools and clinics electrification programme at the current level of funding. As part of government's commitment to deliver 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 additional funding for the 2004 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 of 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 past three years, developed restructuring policies for both supply and distribution. They are beginning to be implemented, and 2003/04 has seen the Electricity Distribution Industry Holding Company (EDI) begin to carry out the reform of the distribution industry.

Liquid fuels

The department also regulates the liquid fuels industry and has played a pivotal role in the development of the Liquid Fuels Charter and the transformation of the industry. In order to track the effectiveness of the charter, annual audits are conducted to ascertain the extent of participation by companies owned or controlled by historically disadvantaged South Africans.

A further challenge for the department together with the Department of Environmental Affairs and Tourism is the commitment to a clean environment. In terms of Cabinet's decision of 2000, sulphur in diesel will have to be reduced and leaded petrol phased out by 2006.

Renewable energy

The draft White Paper on Renewable Energy was approved by Cabinet in December 2003, and its main objective is to facilitate an enabling environment for the implementation of renewable energy with emphasis on investment and local manufacturing. A strategy will be developed in the coming year to guide the implementation process.

Nuclear energy

The department also oversees the nuclear energy sector and seeks to ensure that the sector functions in a manner that is beneficial to the quality of life of the South African population and is not detrimental to their safety or health, or the environment. Significant progress has been made with the passing of the two nuclear energy Acts: the Nuclear Energy Act (46 of 1999) and the National Nuclear Regulator Act (47 of 1999). These Acts came into operation in 2000. The department is now focusing on issuing regulations in terms of these Acts, which will be completed in the 2004/05 financial year. The Radioactive Waste Management Policy and Strategy has also been released for public comment.

Expenditure estimates

Table 31.1: Minerals and Energy

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04				
1 Administration	46 778	54 899	71 752	100 885	99 992	92 417	101 816	109 431
2 Promotion of Mine Safety and Health	67 549	69 229	81 255	92 897	87 884	99 633	108 368	116 751
3 Mineral Development	60 795	77 826	89 294	125 781	119 545	159 808	184 130	202 999
4 Energy Management	43 098	66 427	42 694	66 367	46 767	73 623	87 712	93 161
5 Associated Services	373 860	965 015	1 568 213	1 439 153	1 436 399	1 509 013	1 587 975	1 414 474
Total	592 080	1 233 396	1 853 208	1 825 083	1 790 680	1 934 494	2 070 001	1 936 816
Change to 2003 Budget Estimate				17 269	(17 134)	47 836	65 913	
Economic classification								
Current payments	182 397	218 334	261 423	328 915	314 812	398 690	449 434	487 986
Compensation of employees	112 930	120 020	138 708	181 520	171 431	203 129	225 742	243 242
Goods and services	69 337	98 249	122 223	147 395	143 381	195 561	223 692	244 744
Interest and rent on land	–	–	–	–	–	–	–	–
Financial transactions in assets and Liabilities	130	65	492	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–	–
Transfers and subsidies to:	405 905	1 010 390	1 584 108	1 475 344	1 455 044	1 530 414	1 615 078	1 443 201
Provinces and municipalities	339	365	225 186	248 739	230 417	248 112	258 593	640
Departmental agencies and accounts	148 425	149 820	154 476	215 306	215 306	232 121	251 230	271 004
Universities and technikons	–	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–	–
Public corporations & private enterprises	256 235	858 295	1 202 518	1 009 899	1 007 921	1 048 381	1 103 355	1 169 557
Non-profit institutions	–	40	36	–	–	–	–	–
Households	906	1 870	1 892	1 400	1 400	1 800	1 900	2 000
Payments for capital assets	3 778	4 672	7 677	20 824	20 824	5 390	5 489	5 629
Buildings and other fixed structures	–	–	–	–	–	–	–	–
Machinery and equipment	3 778	4 672	7 677	20 824	20 824	5 390	5 489	5 629
Cultivated assets	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–	–
Total	592 080	1 233 396	1 853 208	1 825 083	1 790 680	1 934 494	2 070 001	1 936 816

Expenditure trends

Although total expenditure fluctuates, the overall trend reflects significant increases. Expenditure rises from R592,1 million in 2000/01 to an expected R2,1 billion in 2005/06 and drops to R1,9 billion in 2006/07, an annual average increase of 21,8 per cent. Most of this increase has come in two large changes in 2001/02 and 2002/03. The main increase is the movement onto the department's vote in 2001/02 of funds for electrification, previously funded by Eskom. Allocations to the National Electrification Programme were R600,0 million in 2001/02, and are expected to increase to R1,1 billion in 2005/06. The decrease in total expenditure in 2006/07 is due to the anticipated shift in the responsibility for transferring conditional grants to municipalities for implementing the National Electrification Programme. This responsibility will be assumed by the Department of Provincial and Local Government.

Expenditure on compensation of employees has also increased significantly, to enhance capacity and skills, rising from R112,9 million in 2000/01 to an expected R243,2 million in 2006/07, an annual average increase of 13,6 per cent. Expenditure on goods and services has also seen strong growth, rising from R69,3 million in 2000/01 to an expected R244,7 million in 2006/07, an annual average increase of 23,4 per cent. Included in the expenditure on goods and services is additional funding for rehabilitating derelict mines or those without official owners; these allocations have risen from R22,2 million in 2003/04 to an expected R86,5 million in 2006/07.

Payments for capital assets increased sharply from R3,8 million in 2000/01 to R20,8 million in 2003/04, due to an additional once-off allocation of R11,4 million in 2003/04 for replacing old computer systems. Capital expenditure is expected to remain steady, at an average of R5,5 million over the MTEF period.

Transfers and subsidies have increased in line with the funding for electrification. In addition to the electrification transfers there are also significant transfers to a number of associated institutions. Transfers and subsidies on average account for 77,2 per cent of the vote over the MTEF period.

Departmental receipts

Departmental receipts have been unpredictable, ranging from R88,8 million in 2000/01 to R583,9 million in 2001/02, but are expected to stabilise at around R115,2 million over the MTEF. The unpredictability comes from dividends from the Central Energy Fund, which totalled R457,2 million in 2001/02 and R290,5 million in 2002/03. The remaining revenue consists mainly of royalties recovered in terms of the Minerals Act (50 of 1991) and Treasury Regulation 7.3.1, which amounted to R78,0 million, R118,8 million and R148,1 million for 2000/01, 2001/02 and 2002/03 respectively. 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		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
Tax receipts	–	–	–	–	–	–	–
Sales of goods and services produced by department (excl capital assets)	1 770	2 339	2 697	1 950	2 054	2 157	2 265
Sales of scrap, waste, arms and other used current goods (excl capital assets)	2	3	3	–	–	–	–
Transfers received	–	10	–	–	–	–	–
Fines, penalties and forfeits	132	40	65	52	55	58	58
Interest, dividends and rent on land	80 954	579 772	441 246	102 233	107 345	112 711	118 347
Sales of capital assets	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	5 979	1 779	680	274	156	159	162
Total departmental receipts	88 837	583 943	444 691	104 509	109 610	115 085	120 832

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 administration, and legal and other support services.

Table 31.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
Minister ¹	659	727	763	713	755	793	833
Deputy Minister ²	565	621	653	607	643	675	709
Management	4 899	6 050	5 922	6 982	7 783	8 383	9 112
Corporate Services	40 655	47 501	64 414	92 583	83 236	91 965	98 777
Total	46 778	54 899	71 752	100 885	92 417	101 816	109 431
Change to 2003 Budget Estimate				9 310	8 249	11 292	

¹ Payable as from 1 April 2003. Salary: R570 084. Car allowance: R142 521.

² Payable as from 1 April 2003. Salary: R485 412. Car allowance: R121 353.

Economic classification

	43 571	51 637	64 825	81 981	85 436	94 638	102 021
Current payments							
Compensation of employees	20 402	22 626	27 087	37 916	41 783	47 579	51 886
Goods and services	23 054	28 946	37 663	44 065	43 653	47 059	50 135
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	115	65	75	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
Transfers and subsidies to:	900	443	1 109	944	1 931	2 048	2 162
Provinces and municipalities	62	69	83	144	131	148	162
Departmental agencies and accounts	–	–	–	–	–	–	–
Universities and technikons	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–
Public corporations & private enterprises	–	–	–	–	–	–	–
Non-profit institutions	–	–	11	–	–	–	–
Households	838	374	1 015	800	1 800	1 900	2 000
Payments for capital assets	2 307	2 819	5 818	17 960	5 050	5 130	5 248
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	2 307	2 819	5 818	17 960	5 050	5 130	5 248
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
<i>Of which: Capitalised compensation</i>	–	–	–	–	–	–	–
Total	46 778	54 899	71 752	100 885	92 417	101 816	109 431

Details of transfer payments and subsidies:

Provinces and municipalities							
Municipalities							
Current	62	69	83	144	131	148	162
Regional Services Council levies	62	69	83	144	131	148	162
Non-profit institutions							
Current	-	-	11	-	-	-	-
Grant	-	-	11	-	-	-	-
Households (Social benefits)							
Current	838	374	1 015	800	1 800	1 900	2 000
Leave payments	838	374	1 015	800	1 800	1 900	2 000
Total	900	443	1 109	944	1 931	2 048	2 162

Expenditure trends

The programme budget has grown at a rapid average rate of 29,2 per cent a year from R46,8 million in 2000/01 to R100,9 million to 2003/04, but this is projected to slow to an average of 2,7 per cent per year over the next three years to 2006/07. The growth reflects the increase in personnel to increase capacity and give more effective support to line function programmes. Compensation of employees increases from R20,4 million in 2000/01 to R51,9 million in 2006/07, an annual average increase of 16,8 per cent. Expenditure on the Corporate Services subprogramme is expected to increase from R64,4 million in 2002/03 to R98,8 million in 2006/07. This is mainly due to additional allocations for expanding the staff structure.

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. Apart from management, other functions include policy and legislation development, mine surveying, and the provision of legal engineering expertise and inspection services from the regional offices.

Table 31.4: Promotion of Mine Safety and Health

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Management	2 615	3 204	3 467	3 506	5 821	7 705	10 045
Mine Safety and Health	64 934	66 025	77 788	89 391	93 812	100 663	106 706
Total	67 549	69 229	81 255	92 897	99 633	108 368	116 751
Change to 2003 Budget Estimate				812	200	1 673	

Economic classification

Current payments	63 460	67 988	80 017	87 415	95 301	103 772	111 874
Compensation of employees	49 003	49 944	55 435	63 825	70 539	76 997	83 254
Goods and services	14 457	18 044	24 582	23 590	24 762	26 775	28 620
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
Transfers and subsidies to:	3 015	553	265	4 538	3 992	4 237	4 496
Provinces and municipalities	147	152	170	150	176	192	208
Departmental agencies and accounts	2 800	–	–	4 238	3 816	4 045	4 288
Universities and technikons	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–
Public corporations & private enterprises	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–
Households	68	401	95	150	–	–	–
Payments for capital assets	1 074	688	973	944	340	359	381
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	1 074	688	973	944	340	359	381
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
<i>Of which: Capitalised compensation</i>	–	–	–	–	–	–	–
Total	67 549	69 229	81 255	92 897	99 633	108 368	116 751

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04			
Details of transfer payments and subsidies:							
Provinces and municipalities							
Municipalities							
Current	147	152	170	150	176	192	208
Regional Services Council levies	147	152	170	150	176	192	208
Departmental agencies and accounts (Entities)							
Current	2 800	-	-	4 238	3 816	4 045	4 288
Mining Qualification Authority	2 800	-	-	-	-	-	-
Mine Health and Safety Council	-	-	-	4 238	3 816	4 045	4 288
Households (Social benefits)							
Current	68	401	95	150	-	-	-
Leave payments	68	401	95	150	-	-	-
Total	3 015	553	265	4 538	3 992	4 237	4 496

Expenditure trends

Promotion of Mine Safety and Health is projected to account for an average of 5,5 per cent of the vote over the medium term. Spending on the programme increased by an average of 11,2 per cent a year between 2000/01 and 2003/04, taking expenditure from R67,5 million to R92,9 million. Expenditure is expected to grow by an annual average of 7,9 per cent over the MTEF, reaching R116,8 million in 2006/07. This is mainly due to increased compensation of employees, which is expected to rise from R49,0 million in 2000/01 to R83,3 million in 2006/07. This accounts for 71,3 per cent of the programme budget in 2006/07, and reflects the labour-intensive nature of mine inspections and audits.

The Mine Health and Safety Act prescribes that the chief of mines must authorise an investigation into any accident or occurrence at a mine that results in serious injury, illness or death of any person. These investigations contributed to expenditure of R331 000 in 2001/02, R730 000 in 2002/03 and a current expenditure of R677 000 up to December 2003.

In terms of the Act, the department is also responsible for administering a number of entities with functions related to mine health and safety. Funding for these entities is now included as transfer payments to the Mine Health and Safety Council. Amounts of R3,8 million, R4,0 million and R4,3 million have been included over the three years from 2004/05 to 2006/07 as transfers to the council.

Service delivery objectives and indicators

Recent outputs

The fatality rate for 2003 was 0,63 per 1 000 people at work per year, or 264 fatalities. This is an improvement on the previous year's rate of 0,76 per 1000 people, or 293 fatalities. The reportable injury rate for 2003 is 10,30 injuries per 1 000 people at work, or 4 290 injuries. The corresponding figure for 2002 is 11,5 per 1000 people an equivalent of 4 461 injuries. Against the backdrop of expansion in the gold, platinum and small mining areas, and particularly severe personnel capacity constraints in the platinum and small mining sector, these results suggest that considerable effort was made on the part of the inspectorate and certain industry stakeholders to

prevent safety performance from deteriorating. In May 2002, 50 per cent deterioration in accident rates in mines across the country was anticipated if poor performance could not be curbed and the inspectorate was compelled to take tough action, stopping work at shafts and in individual workplaces. The department benchmarks local mine fatality and accident rates against the international Ontario Hard Rock Mines standard. According to these criteria, the platinum mines are now performing well whereas the gold mines still require improvement.

During 2002/03, the inspectorate performed 16 231 inspections and audits to monitor the effectiveness of occupational health and safety management systems in mines. This total was 569 short of the target, due to capacity constraints because of a number of vacant posts in regional inspectorate offices.

The inspectorate has completed inquiries into a number of major accidents. These include the Hartebeestfontein seismic disaster in 1997 in which 18 workers died, the flammable gas explosion at Mponeng in 1999 which resulted in 19 deaths, and the seismic event at Great Noligwa in which 6 workers lost their lives. Two other major inquiries relating to occupational health issues involving vanadium compounds were conducted. An inquiry at Vantech Vanadium was prompted by complaints regarding the health status of employees. Following this inquiry and the release of its findings, the inspectorate initiated an inquiry at Vamteco, another mining company, to establish the status of health and safety conditions.

The Mining Qualifications Authority's outputs (unit standards, skill programmes, qualifications and accreditation) have been aligned with the policies of the Mining Charter and the legislative programme of the inspectorate, through the active participation of the latter in the organisational structure of the authority. This has resulted in 52 priority learnerships and 558 learners being registered by November 2003. The MQA also registered 21 ongoing skills programmes, of which The Fall Of Ground programme was the most important as it was the first skills programme developed to support new legislation on the largest category of fatalities in mining. It is anticipated that these programmes will be completed by March 2005.

Medium-term output targets

Promotion of Mine Safety and Health

Measurable objective: Reduce mining-related deaths, injuries and ill-health, through the formulation of national policy and legislation and the provision of advice and systems that monitor and audit compliance by the mining sector.

Subprogramme	Output	Measure/Indicator	Target
Management	Comprehensive policy and legislative framework to support the Mine Health and Safety Act	National policy and legislative framework completed	March 2005
	Implementation of appropriate strategy to address current occupational health and safety concerns (in major commodity areas)	Regular assessment of implementation and appropriateness of strategy	Annual strategy update by all chief directorates by March 2005, and monthly assessment thereafter
		Alignment between inspectorate's capacity and strategy through restructuring and relocations	October 2005
	Mining Qualifications Authority outputs to support health and safety, human resource development, and transformation of the mining sector	Alignment between MQA outputs, the Mining Charter and the legislative programme of the inspectorate	Alignment achieved by March 2005

Subprogramme	Output	Measure/Indicator	Target
Mine Safety and Health	Improved health and safety in the mining sector	Improvement in fatality numbers and injury rates to meet industry target Improvement in fatality numbers and injury rates per sector: Gold sector Platinum, coal and other mine sectors	Zero rate of fatalities and injuries achieved by 2013 5% decrease per annum 2% decrease per annum
	Occupational health and safety information and statistics Design research programmes for providing technical support on identified issues in the mining sector	Degree of improvement in occupational health silicosis: determine meaningful industry targets Date for silicosis to be eliminated Degree of reduction in noise induced hearing loss: determine meaningful industry targets Date for noise induced hearing loss to be eliminated Regular monitoring of mines to assess effective occupational health and safety management systems, and plans to address concerns and hotspots Number of planned inspections and audits completed, depending on available capacity Specified time for reports on accidents and incidents to be released Percentage of mining industry data on the occupational health data system Programme to address occupational health and safety concerns approved and funding secured Communicate research results	June 2004 Achieved by 2013 5% decrease by March 2005 June 2004 Achieved by 2013 Monitor progress March 2005 Monthly monitoring and assessments of occupational health and safety systems, and implementation of remedial action plans as required 80% of planned inspections as per regional capacity Within 3 months of occurrence 80% by March 2005 April 2004 At least 4 workshops on research results by March 2005

Programme 3: Mineral Development

The aim of the *Mineral Development* programme is to effectively promote, manage, transform and regulate a mineral resource industry that is integrated both nationally and regionally within Africa and is globally competitive, in order to achieve equitable and sustainable development for the benefit of all South Africans. The activities of the three subprogrammes are structured around four key strategic objectives:

- Through research, provide relevant information and develop the necessary policies that will enhance global competitiveness and attract new investment into the South African mineral and mineral processing industry.
- Manage and control mineral resource utilisation and environmental compliance, and facilitate integrated rural development and urban renewal.
- Regulate the industry to achieve transformation and to contribute to sustainable socio-economic development of the country.
- Co-ordinate and maintain effective and efficient administrative systems and controls.

Table 31.5: Mineral Development

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary Outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Management	2 070	3 080	3 908	13 574	5 563	6 286	7 348
Mineral Resource Management	15 176	25 782	26 765	43 648	81 833	94 357	107 020
Mineral Policy and Investment	14 657	17 382	23 330	32 535	33 344	42 029	44 552
Mineral Development and Administration	28 892	31 582	35 291	36 024	39 068	41 458	44 079
Total	60 795	77 826	89 294	125 781	159 808	184 130	202 999
Change to 2003 Budget Estimate				10 898	38 470	48 779	

Economic classification

Current payments	56 357	70 686	79 360	108 884	144 401	163 392	181 015
Compensation of employees	36 385	38 029	43 934	57 681	62 645	69 072	73 938
Goods and services	19 972	32 657	35 426	51 203	81 756	94 320	107 077
Interest and rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-
Transfers and subsidies to:	4 107	6 320	9 401	16 091	15 407	20 738	21 984
Provinces and municipalities	107	114	133	141	157	173	185
Departmental agencies and accounts	-	-	4 400	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-
Public corporations & private enterprises	4 000	5 100	4 100	15 600	15 250	20 565	21 799
Non-profit institutions	-	40	-	-	-	-	-
Households	-	1 066	768	350	-	-	-
Payments for capital assets	331	820	533	806	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	331	820	533	806	-	-	-
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
Total	60 795	77 826	89 294	125 781	159 808	184 130	202 999

Details of transfer payments and subsidies:

Provinces and municipalities							
Municipalities							
Current	107	114	133	141	157	173	185
Regional Services Council levies	107	114	133	141	157	173	185
Departmental agencies and accounts (Entities)							
Current	-	-	4 400	-	-	-	-
South African Diamond Board	-	-	3 400	-	-	-	-
Council for Mineral Technology	-	-	1 000	-	-	-	-
Public corporations (Subsidies on production)							
Current	4 000	5 100	4 100	15 600	15 250	20 565	21 799
Industrial Development Corporation	4 000	5 100	4 100	15 600	15 250	20 565	21 799

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary Outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
Non-profit institutions							
Current	-	40	-	-	-	-	-
Grant	-	40	-	-	-	-	-
Households (Social benefits)							
Current	-	1 066	768	350	-	-	-
Leave payments	-	1 066	768	350	-	-	-
Total	4 107	6 320	9 401	16 091	15 407	20 738	21 984

Expenditure trends

Expenditure on this programme increases strongly in the seven-year period at an average annual rate of 22,3 per cent, from R60,8 million in 2000/01 to R125,8 million in 2003/04, and is expected to increase to R203,0 million in 2006/07.

All four subprogrammes have seen growth in expenditure, with most of the increase going to compensation of employees, and goods and services. The increases in the programme's capacity are linked to the implementation of the Mineral and Petroleum Resources Development Act and the greater role it gives government in the minerals sector. Spending on compensation of employees increased from R36,4 million in 2000/01 to an expected R73,9 million in 2006/07, an annual average increase of 12,5 per cent. Expenditure on goods and services is expected to rise from R20,0 million in 2000/01 to R107,1 million in 2006/07, an annual average increase of 32,3 per cent. Expenditure on the Mineral Resource Management subprogramme is set to increase sharply from R26,8 million 2002/03 to R107,0 million in 2006/07, an average annual increase of 41,4 per cent. This is due to additional allocations for funding the rehabilitation of derelict mines and ownerless mines.

Transfers made to the Industrial Development Corporation for the benefit of the National Steering Committee of Service Providers to the small-scale mining sector remained relatively constant between 2000/01 and 2002/03 at an average of R4,4 million, increasing to R15,6 million in 2003/04. Additional allocations are expected to raise the transfers to R21,8 million in 2006/07. The allocations will enable the department to develop sustainable initiatives for poverty evaluation and job creation as part of its integrated sustainable rural development programme.

Service delivery objectives and indicators

Recent outputs

During the period under review, the Mineral and Petroleum Resources Development Act was approved by the President.

In support of the implementation of mining-related NEPAD issues, the department played a pivotal role in conceptualising the African Mining Partnership, a partnership of African minerals and mining Ministers which will drive the minerals and mining agenda of NEPAD.

Medium-term output targets

Mineral Development

Measurable objective: Increase participation by new entrants, in particular historically disadvantaged South Africans, in the minerals and mining industry through responsible mining, thereby contributing towards poverty eradication and a safe environment.

Subprogramme	Output	Measure/Indicator	Target
Mineral Resource Management	Successful implementation of the Mineral and Petroleum Resource Development Act with minimum disruption to the industry Effective mine environmental management and rehabilitation Facilitate integrated rural development and urban renewal	Regular assessment reports on progress with implementation of the Act All licenced mines are operating with approved environmental management programmes All identified ownerless and derelict mines have been rehabilitated during the specified period Industry socio-economic development contribution aligned with integrated development plans	Quarterly Annual review of programmes Annually [some rehabilitation projects will go beyond a specific year] Monitor mineral development at local government level on an annual basis
Mineral Policy and Investment	Provide relevant information that will enhance global competitiveness and attract new investment into the South African minerals industry Completion of prototyping the National Mining Promotion System (NMPS)	Number of new reports or brochures reaching potential investors within specified time frame Completion and implementation of phase 1 of the National Mining Promotion System Completion of phase 2 (integration of mineral developments databases into the NMPS) Completion of phase 3 (integration of Council for Geoscience and petroleum agency databases into National Mining Promotion System)	10 reports by March 2005 By end of February 2004 31 January 2005 31 December 2005
Mineral Development and Administration	Increased participation by historically disadvantaged South Africans in the industry Effective processing of applications for prospecting and mining rights Co-ordinate and maintain effective and efficient administrative systems and controls	Percentage increase in participation of historically disadvantaged South Africans within the sector All applications processed within the prescribed time frames Monitor reliability and effectiveness of administrative systems and controls	5% increase by March 2005 As prescribed in the Act Quarterly assessment

Programme 4: Energy Management

Energy Management develops energy resources and promotes their optimal use. Programme activities are organised into four subprogrammes, whose main functions are: promoting integrated energy planning through policy development, in support of environmental objectives and renewable energy technology; managing, developing and implementing the National Electrification Programme and Fund, restructuring the electricity industry, and overseeing the National Electricity Regulator; the governance of the nuclear sector in the areas of safety, non-proliferation and nuclear technology; and developing policy and regulatory functions for coal, crude oil, petroleum and natural gas.

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	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Hydrocarbons and Energy Planning Management	2 110	3 442	1 806	3 739	3 597	4 015	4 255
Energy Planning	7 079	11 619	6 105	7 414	10 433	17 930	19 194
Hydrocarbons	3 006	4 655	6 299	8 432	10 350	11 742	12 449
Electricity and Nuclear Management	2 095	3 435	1 806	3 816	3 556	4 377	4 641
Electricity	25 993	41 533	13 740	35 106	34 152	35 185	37 290
Nuclear	2 815	1 743	12 938	7 860	11 535	14 463	15 332
Total	43 098	66 427	42 694	66 367	73 623	87 712	93 161
Change to 2003 Budget Estimate				(1 087 987)	(1 121 877)	(1 185 673)	

Economic classification

Current payments	19 009	28 023	37 221	50 635	73 552	87 632	93 076
Compensation of employees	7 140	9 421	12 252	22 098	28 162	32 094	34 164
Goods and services	11 854	18 602	24 552	28 537	45 390	55 538	58 912
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	15	–	417	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
Transfers and subsidies to:	24 023	38 059	5 120	14 618	71	80	85
Provinces and municipalities	23	30	37	58	71	80	85
Departmental agencies and accounts	–	–	–	–	–	–	–
Universities and technikons	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–
Public corporations & private enterprises	24 000	38 000	5 044	14 460	–	–	–
Non-profit institutions	–	–	25	–	–	–	–
Households	–	29	14	100	–	–	–
Payments for capital assets	66	345	353	1 114	–	–	–
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	66	345	353	1 114	–	–	–
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
<i>Of which: Capitalised compensation</i>	–	–	–	–	–	–	–
Total	43 098	66 427	42 694	66 367	73 623	87 712	93 161

Details of transfer payments and subsidies:

Provinces and municipalities							
Municipalities							
Current	23	30	37	58	71	80	85
Regional Services Council levies	23	30	37	58	71	80	85

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
Public corporations (Subsidies on production)							
Current	24 000	17 000	5 044	14 460	-	-	-
Development Bank of South Africa	24 000	17 000	4 000	-	-	-	-
Free basic electricity	-	-	1 044	2 060	-	-	-
Eskom	-	-	-	12 400	-	-	-
Capital	-	21 000	-	-	-	-	-
Eskom	-	21 000	-	-	-	-	-
Non-profit institutions							
Current	-	-	25	-	-	-	-
Grant	-	-	25	-	-	-	-
Households (Social benefits)							
Current	-	29	14	100	-	-	-
Leave payments	-	29	14	100	-	-	-
Total	24 023	38 059	5 120	14 618	71	80	85

Expenditure trends

Expenditure on this programme has increased from R43,1 million in 2000/01 to R66,4 million in 2003/04, an average annual growth rate of 15,5 per cent. It is expected to increase on average by 12,0 per cent per year over the MTEF to R93,2 million in 2006/07.

Expenditure on compensation of employees increased significantly from R7,1 million in 2000/01 to R34,2 million in 2006/07, an annual average increase of 29,8 per cent. This growth reflects the increase in personnel to expand capacity within the programme. Expenditure on goods and services also increased sharply, from R11,9 million in 2000/01 to R58,9 million in 2006/07, an annual average increase of 30,6 per cent. This is due to an increase in advisory services for establishing a business-planning unit responsible for managing the National Electrification Programme, along with an increase in membership fees payable to the International Atomic Energy Agency.

Service delivery objectives and indicators

Recent outputs

Electricity

The department commenced a two-year pilot study in 2002 to inform the free basic electricity policy to determine the most effective and financially viable delivery process. The department is responsible only for formulating policy on free basic electricity, while the Department of Provincial and Local Government oversees implementation.

The department started to develop policy for using electricity prices as a macroeconomic tool for inflation targeting in 2002. This work is ongoing and will also be used for attracting foreign investment to South Africa in the future, when the environment resulting from the restructuring of the electricity industry will be more competitive.

The Electricity subprogramme also produced a regulatory framework during 2003 for the electricity supply industry, legislation that makes provision for and supports the regional electricity

distributors (REDs), and the Multi Market Model (MMM) implementation plan. The programme has also begun to introduce multi-platforms for electricity trading.

Energy

Although a little later than targeted, the draft white paper on renewable energy was approved by Cabinet in December 2003, along with the first Integrated Energy Plan. The renewable energy and energy efficiency strategies and action plans have not yet been finalised due to delays in various consultation processes. However, the strategy for energy efficiency in government buildings has been approved. A decision has also been taken within the department at ministerial level to accommodate activities linked to the Clean Development Mechanism and the promotion of projects to reduce greenhouse gas emissions.

During the 2003/04 financial year, there were a number of other achievements: the draft Gas Infrastructure Plan, which outlines how gas resources will be developed to produce energy for South Africa, was drafted and sent to Cabinet for approval; the Cross Border Gas Trade Agreement with Namibia was signed on 1 August 2003; the new Basic Fuel Price, a new fuel pricing methodology, replaced the old In Bond Landed Costs formula; and the Petroleum Pipelines Bill and the Petroleum Products Amendment Bill were submitted to Cabinet and will be operational in 2004. Cabinet also decided against having various independent energy regulators, in favour of a single, overarching energy regulator.

A draft radioactive waste management policy and strategy for South Africa was published for public comment and various public consultation meetings were conducted. The restructuring of the SA Nuclear Energy Corporation has been approved. Various regulations under the National Nuclear Regulator Act (47 of 1999) have been drafted and published for public comment. Significant progress has been made with national nuclear skills development and several South Africans were also sent overseas for training.

Medium-term output targets

Energy Management

Measurable objective: Ensure the optimal use of all energy resources (electricity, nuclear, hydrocarbons and renewables) through the development of policies that contribute to economic growth and development.			
Subprogramme	Output	Measure/Indicator	Target
Management and Energy Planning	Renewable energy and energy efficiency strategies and action plans	Approved renewable energy strategy and action plan	June 2004
		Approved energy efficiency strategy and action plan	June 2004
Electricity	Revamped regulatory framework for electricity supply industry (ESI)	ESI Regulatory Legislation	September 2005
	Free basic electricity (FBE)	Technical support for municipalities in rolling out FBE, particularly in Eskom licence areas	Ongoing
	New generation capacity	Procurement process for new power station to ensure that electricity demand can be met around 2006	July 2004
	Restructuring of ESI	Introduction of Multi Market Model for electricity trading	Legislation by September 2004
	Learnerships in electricity sector	Establishment of programme to enhance number of learners in learnerships in electricity industry	March 2005

Subprogramme	Output	Measure/Indicator	Target
Nuclear	Radio waste policy and strategy	Establishment of the Radioactive Waste Management Agency	March 2005
	Physical security of nuclear installations	Revision of physical security in line with the new design basis threat	March 2005
	Skills development	Development and implementation of a comprehensive nuclear sector skills plan	March 2005
	Emergency planning	Revision of the late phase emergency planning for nuclear power plant installations	October 2004
	Nuclear liabilities management	Complete reassessment of government nuclear liabilities	March 2005
Hydrocarbons	Single energy regulator to regulate electricity, petroleum pipelines and gas	Established regulatory authority	June 2004
	Licensing regime for the petroleum sector in terms of the Petroleum Products Amendment Act	Established licensing regime	June 2004
	Clean Fuels Programme	Sulphur reduction in diesel, and leaded petrol phased out	June 2006

Programme 5: Associated Services

The aim of the programme is to provide services related to the department's aims, through funding the following 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).
- The Integrated National Electrification Programme (INEP) aims to provide universal access to basic electricity services to households over time, and to electrify all schools and health clinics that are without electricity. Transfer payments are made to licensed electricity distributors (municipalities licensed as electricity distributors, as well as Eskom) for the undertaking of electrification projects in their respective areas of supply. To ensure support to local economic development, electrification planning is executed as part of the local municipal integrated development planning activities.
- 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.
- Electricity Distribution Industry Holdings Company restructures the electricity distribution industry and invests into financially viable independent regional electricity distribution companies.

The programme is also responsible for restructuring the electricity distribution industry.

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	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Council for Mineral Technology Research	78 007	76 872	76 410	82 439	88 632	95 019	103 600
South African Nuclear Energy Corporation	200 245	180 256	424 947	161 190	179 901	179 296	190 054
National Nuclear Regulator	6 762	7 002	7 282	7 610	8 067	8 551	9 064
Council for Geoscience	60 856	65 946	66 384	72 019	77 606	84 375	91 258
Electricity Distribution Industry Holdings Company	-	-	-	49 000	54 000	59 240	62 794
National Electrification Programme	-	600 000	964 276	1 043 795	1 067 406	1 126 269	920 365
Assistance to Mines	27 990	34 939	28 914	23 100	33 401	35 225	37 339
Total	373 860	965 015	1 568 213	1 439 153	1 509 013	1 587 975	1 414 474
Change to 2003 Budget Estimate				1 084 236	1 122 794	1 189 842	

Economic classification

Current payments	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-
Transfers and subsidies to:	373 860	965 015	1 568 213	1 439 153	1 509 013	1 587 975	1 414 474
Provinces and municipalities	-	-	224 763	248 246	247 577	258 000	-
Departmental agencies and accounts	145 625	149 820	150 076	211 068	228 305	247 185	266 716
Universities and technikons	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-
Public corporations & private enterprises	228 235	815 195	1 193 374	979 839	1 033 131	1 082 790	1 147 758
Non-profit institutions	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
Total	373 860	965 015	1 568 213	1 439 153	1 509 013	1 587 975	1 414 474

Details of transfer payments and subsidies:

Provinces and municipalities							
Municipalities							
Capital	-	-	224 763	248 246	247 577	258 000	-
Integrated National Electrification Programme	-	-	224 763	248 246	247 577	258 000	-
Departmental agencies and accounts (Entities)							
Current	137 799	133 720	133 576	193 288	209 068	226 794	245 101
National Nuclear Regulator	5 936	6 502	6 782	7 110	7 567	8 021	8 502
Electricity Distribution Industry Holdings Company	-	-	-	49 000	54 000	59 240	62 794
Council for Mineral Technology Research	71 007	68 872	68 410	73 439	78 632	84 419	92 364
Council for Geoscience	60 856	58 346	58 384	63 739	68 869	75 114	81 441

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited 2000/01	Audited 2001/02	Preliminary outcome 2002/03		2004/05	2005/06	2006/07
R thousand							
Capital	7 826	16 100	16 500	17 780	19 237	20 391	21 615
National Nuclear Regulator	826	500	500	500	500	530	562
Council for Mineral Technology	7 000	8 000	8 000	9 000	10 000	10 600	11 236
Council for Geoscience	-	7 600	8 000	8 280	8 737	9 261	9 817
Public corporations (Subsidies on production)							
Current	184 900	165 307	179 463	159 040	163 205	172 247	182 582
South African Nuclear Energy Corporation	184 900	165 307	179 463	159 040	163 205	172 247	182 582
Capital	15 345	614 949	984 997	797 699	836 525	875 318	927 837
South African Nuclear Energy Corporation	15 345	14 949	245 484	2 150	16 696	7 049	7 472
Eskom	-	600 000	739 513	795 549	819 829	868 269	920 365
Private enterprises (Subsidies on production)							
Current	27 990	34 939	28 914	23 100	33 401	35 225	37 339
Assistance to mines	27 990	34 939	28 914	23 100	33 401	35 225	37 339
Total	373 860	965 015	1 568 213	1 439 153	1 509 013	1 587 975	1 414 474

Expenditure trends

Expenditure on Associated Services consists of transfers and subsidies mainly to public entities and other institutions. Total expenditure increased significantly from R373,9 million in 2000/01 to R1,4 billion in 2003/04, an annual average increase of 56,7 per cent. Expenditure on this programme is set to continue increasing to R1,6 billion in 2005/06, with a subsequent drop to R1,4 billion in 2006/07. This increase over the medium term is mainly due to additional allocations for the National Electrification Programme, which has been funded through the department since 2001/02, and the INEP from 2002/03. The implementation of the INEP is funded through conditional grants allocated to municipalities, which are set to increase from R224,8 million in 2002/03 to R258,0 million in 2005/06. However, the function of transferring the grants to the municipalities is to be shifted to the Department of Provincial and Local Government in 2006/07.

Subsidies for the electrification of households that are transferred to Eskom as part of the NEP increased from R600,0 million in 2001/02 to an expected R920,4 million in 2006/07, an annual average increase of 8,9 per cent.

Since 2003/04, the department has also been made responsible for the restructuring of the electricity distribution industry. Consequently, funding for the EDI Holdings Company is expected to increase from R49,0 million in 2003/04 to an expected R62,8 million in 2006/07, an annual average increase of 8,6 per cent.

Expenditure on Assistance to Mines increased from R28,0 million in 2000/01 to R37,3 million in 2006/07, an annual average rise of 4,9 per cent. This is due to a decision made by the Interdepartmental Committee, subsequent to which Cabinet approved that funds allocated for the pumping of water may also be used to close ingress holdings to prevent surface water flowing into underground workings.

Transfers to science councils (Mineral Technology Research and Council for Geoscience) rose from R138,9 million in 2000/01 to R194,9 million in 2006/07, an average annual increase of 5,8 per cent. 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.

Transfers to the National Nuclear Regulator increased from R6,8 million in 2000/01 to an expected R9,1 million in 2006/07, an annual average increase of 5,0 per cent.

Transfers to the South African Nuclear Energy Corporation declined from R424,9 million in 2002/03 to an expected R190,1 million in 2006/07, an annual average decrease of 18,2 per cent. This is mainly due to the curtailment of NECSA's operations as well as a drive to commercialise its remaining activities, such as its fluorine chemical and radiation technology divisions.

Medium-term output targets

Associated Services

Measurable objective: Enhance the department's objectives through policies and directives promoting its legislative mandates and leading to the creation of an environment conducive to investment and the improvement of the quality of life of all South Africans.

Subprogramme	Output	Measure/Indicator	Target
Electricity Distribution Industry	Legislation to restructure electricity distribution industry (EDI)	Monitoring of the EDI Holding Company and the establishment of regional electricity distributors	EDI Restructuring Act by January 2005
Integrated National Electrification Programme	Continue implementing the Integrated National Electrification Programme (INEP)	Number of grid and non-grid connections in specified time frame	240 000 connections and 7 000 non-grid household connections and 1 000 schools and clinics electrified by March 2005

Public entities reporting to the Minister

The National Electricity Regulator

The role of the National Electricity 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. The projected revenue of the National Electricity Regulator over the medium term is about R68,0 million per year. The regulator is in the process of increasing capacity in order to manage its expanded responsibilities for gas regulation and monitoring the rollout and regulation of renewable energy technologies.

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 the 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 use nuclear technology as part of the National System of Innovation, and to serve the state's nuclear institutional obligations.

NECSA's main units are as follows:

- Nuclear Technology 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 in a number of applied disciplines.
- Nuclear Services is responsible for nuclear institutional and related obligations as delegated to NECSA by the Minister in terms of the Nuclear Energy Act. This includes the operation of the SAFARI-1 reactor, the management of NECSA's nuclear liabilities, the provision of national nuclear waste disposal services and the handling of national nuclear safeguards and International Atomic Energy Agency related matters.
- Facilities Management is responsible for the management and physical protection of the Pelindaba site, facilities and for providing services for all internal and external Pelindaba tenants. Pelindaba is marketed as the Pelindaba Eco Industrial Park.
- Corporate Services is responsible for HR management and development, legal services, corporate communications, IT and procurement services.
- Financial Services is responsible for corporate accounting and managerial information and financial services.
- Nuclear Technology Products is a global supplier, on a commercial basis, of radio-pharmaceuticals, radio chemicals, radioactive sources, irradiation services and radiation technology products.
- High Technology Products 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

The Council for Mineral Technology (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 transferring 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 main sources of revenue for Mintek are the sales of its deep-mining research, technology developments and patents, and the royalties it receives on existing research. Its revenue is set to increase strongly from R176,5 million in 2000/01 to R323,8 million in 2006/07, an annual average increase of 10,6 per cent.

Table 31.8: Summary of revenue and expenses for the Council for Mineral Technology

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		Estimated outcome	2004/05	2005/06
R Thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	98 510	118 960	129 800	155 570	174 000	195 785	220 156
Sale of goods and services other than capital assets	98 510	95 988	111 051	136 070	157 000	181 920	205 504
<i>Of which:</i>							
Contracting revenue	73 581	64 403	76 403	96 070	113 000	133 420	152 504
Sales of goods and royalties	24 929	31 585	34 648	40 000	44 000	48 500	53 000
Other non-tax revenue	-	22 972	18 749	19 500	17 000	13 865	14 652
Transfers received	78 007	76 872	78 160	82 439	88 632	95 019	103 600
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	176 517	195 832	207 960	238 009	262 632	290 804	323 756
Expenses							
Current expense	165 835	174 779	214 129	225 650	242 032	268 050	296 700
Compensation of employees	101 018	98 993	113 974	128 000	132 700	143 300	153 500
Use of goods and services	57 932	68 610	92 661	89 500	100 932	116 000	134 000
Depreciation	6 885	7 176	7 494	8 150	8 400	8 750	9 200
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	165 835	174 779	214 129	225 650	242 032	268 050	296 700
Surplus / (Deficit)	10 682	21 053	(6 169)	12 359	20 600	22 754	27 056
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(11 800)	1 138	(2 038)	(14 900)	(10 600)	(9 250)	(10 300)
Operating surplus / (deficit) before changes in working capital	(1 118)	22 191	(8 207)	(2 541)	10 000	13 504	16 756
Changes in working capital	819	2 063	(17 444)	(5 683)	(4 035)	(4 397)	(3 931)
Cash flow from operating activities	(299)	24 254	(25 651)	(8 224)	5 965	9 107	12 825
<i>Of which: Transfers from government</i>	78 007	76 872	78 160	82 439	88 632	95 019	103 600
Cash flow from investing activities	(18 717)	(12 852)	20 058	5 300	(5 500)	(7 500)	(11 500)
Cash flow from financing activities	(159)	(59)	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(19 175)	11 343	(5 593)	(2 924)	465	1 607	1 325

Data provided by the Council For Mineral Technology

The National Nuclear Regulator

The purpose of the National Nuclear 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 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, the National Geoscience Museum and National Seismic Network
- 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), 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
- oil pollution prevention and control.

The fund's activities are housed in five active subsidiaries – PetroSA, Petroleum Agency SA, iGAS, the Strategic Fuel Fund Association and Oil Pollution Control South Africa.

Petro SA

The Petroleum Oil and Gas Corporation of South Africa (Pty) Ltd (PetroSA) was established in July 2000 following the merger of Mossgas (Pty) Limited, Soekor (Pty) Limited and some parts of the Strategic Fuel Fund (SFF). PetroSA is a wholly owned subsidiary of CEF. PetroSA owns, operates and manages the South African government's commercial assets in the petroleum industry.

PetroSA's core business is:

- exploration and production of crude oil and natural gas off the south eastern and west coast of South Africa, and participation in and acquisition of international upstream petroleum ventures
- manufacturing and marketing of synthetic fuels produced from the offshore gas at the gas-to-liquids plant at Mossel Bay to the local market, and high value chemicals internationally
- management of strategic crude oil stock and crude oil storage facilities on behalf of the government.

In line with the business strategy sanctioned by Cabinet during May 2001, PetroSA plans to diversify into other associated petroleum industry activities such as pipeline services, gas-to-liquids commercialisation and marketing, and downstream marketing. Initiatives to improve the efficiencies of current operations are also under way in order to be internationally competitive.

To date, the commercial viability of PetroSA in the industry has been demonstrated by pre-tax profits generated from inception to March 2003 of R5,6 billion from sales of R15,0 billion. The recent dividend payment to the shareholder to the amount of R1,6 billion in the previous financial year confirms the financial well-being of this public entity.

Mine Health and Safety Council

The Mine Health and Safety Council's mandate is to:

- advise the Minister on health and safety at mines, including, but not limited to, any legislation on mine rehabilitation in that concerns health and safety
- co-ordinate the activities of its committees, receive reports from the committees, and liaise with the Mining Qualifications Authority on matters relating to health and safety
- liaise with other statutory bodies concerned with matters relating to health and safety
- promote a culture of health and safety in the mining industry
- at least once every two years arrange and co-ordinate a tripartite summit between government, the mining industry and trade unions to review the state of health and safety at mines
- annually consider an overall programme for relevant health and safety research for approval as prescribed and deliver a copy to the Minister of Finance for consideration
- perform every duty imposed upon the council in terms of the Mine Health and Safety Act.

Electricity Distribution Industry Holdings

The main business of EDI Holdings (Pty) Ltd is to :

- restructure the electricity distribution industry and invest into financially viable independent regional electricity distribution companies
- plan, control and manage the process of establishing and implementing financially viable regional electricity distribution companies in South Africa in a structured and phased way, in accordance with the applicable legislation and the co-operative agreement to be entered into between the Department of Minerals and Energy, local government and distributors.

The company is financed by government through the Department of Minerals and Energy to achieve the above objectives. The role and legislative mandate of EDI Holdings will be refined through the EDI Restructuring Bill, currently being redrafted by the department. The funds that are transferred to the EDI are for fixed costs.

South African Diamond Board

The South African Diamond Board was established in terms of the Diamonds Act (56 of 1986) to regulate the diamond industry. It derives its main income from levies raised on the exploitation and importation of diamonds.

The main regulatory functions of the board are to:

- issue licences to qualifying South Africans who aspire to be future diamond dealers, cutters and polishers
- regulate the establishments of the diamond exchange centres in South Africa
- evaluate all rough diamonds destined for export through the government diamond valuator
- keep records of the total diamond production in the Republic of South Africa.

Annexure

Vote 31: Minerals and Energy

Table 31.9: Summary of expenditure trends and estimates per programme

Table 31.10: Summary of expenditure trends and estimates per economic classification

Table 31.11: Summary of personnel numbers and compensation of employees

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 official development assistance expenditure

Table 31.16: Summary of expenditure on infrastructure

Table 31.9: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Medium-term expenditure estimate						
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03		2003/04					
1 Administration	46 778	54 899	71 752	91 785	9 100	100 885	99 992	92 417	101 816	109 431
2 Promotion of Mine Safety and Health	67 549	69 229	81 255	92 085	812	92 897	87 884	99 633	108 368	116 751
3 Mineral Development	60 795	77 826	89 294	114 883	10 898	125 781	119 545	159 808	184 130	202 999
4 Energy Management	43 098	66 427	42 694	66 103	264	66 367	46 767	73 623	87 712	93 161
5 Associated Services	373 860	965 015	1 568 213	1 442 958	(3 805)	1 439 153	1 436 399	1 509 013	1 587 975	1 414 474
Total	592 080	1 233 396	1 853 208	1 807 814	17 269	1 825 083	1 790 680	1 934 494	2 070 001	1 936 816
Change to 2003 Budget Estimate						17 269	(17 134)	47 836	65 913	

Table 31.10: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome				Medium-term expenditure estimate							
	Audited		Preliminary outcome		2003/04		2004/05		2005/06		2006/07	
	2000/01	2001/02	2002/03		Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	2004/05	2005/06	2006/07	
Current payments												
Compensation of employees	112 930	120 020	138 708		176 640	4 880	181 520	171 431	203 129	225 742	243 242	
- Salaries and wages	95 264	101 648	117 911		150 693	3 648	154 341	145 765	172 960	192 574	207 535	
- Social contributions	17 666	18 372	20 797		25 947	1 232	27 179	25 666	30 169	33 168	35 707	
Goods and services	69 337	98 249	122 223		131 692	15 703	147 395	143 381	195 561	223 692	244 744	
Interest and rent on land	-	-	-		-	-	-	-	-	-	-	
- Interest	-	-	-		-	-	-	-	-	-	-	
- Rent on land	-	-	-		-	-	-	-	-	-	-	
Financial transactions in assets and liabilities	130	65	492		-	-	-	-	-	-	-	
Unauthorised expenditure	-	-	-		-	-	-	-	-	-	-	
Total current payments	182 397	218 334	261 423		308 332	20 583	328 915	314 812	398 690	449 434	487 986	
Transfers and subsidies to:												
Provinces and municipalities	339	365	225 186		240 493	8 246	248 739	230 417	248 112	258 593	640	
- Provinces	-	-	-		-	-	-	-	-	-	-	
- Provincial Revenue Funds	-	-	-		-	-	-	-	-	-	-	
- Provincial agencies and funds	-	-	-		-	-	-	-	-	-	-	
- Municipalities	339	365	225 186		240 493	8 246	248 739	230 417	248 112	258 593	640	
- Municipalities	339	365	225 186		240 493	8 246	248 739	230 417	248 112	258 593	640	
- Municipal agencies and funds	-	-	-		-	-	-	-	-	-	-	
Departmental agencies and accounts	148 425	149 820	154 476		211 068	4 238	215 306	215 306	232 121	251 230	271 004	
- Social security funds	-	-	-		-	-	-	-	-	-	-	
- Departmental agencies (non-business entities)	148 425	149 820	154 476		211 068	4 238	215 306	215 306	232 121	251 230	271 004	

Table 31.10: Summary of expenditure trends and estimates per economic classification (continued)

	Expenditure outcome				Medium-term expenditure estimate					
	Audited	Audited	Preliminary outcome		2003/04	Adjusted appropriation	Revised estimate	2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03							
Universities and technikons	-	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	256 235	858 295	1 202 518		1 029 390	1 009 899	1 007 921	1 048 381	1 103 355	1 169 557
- Public corporations	228 245	823 356	1 173 604		998 290	986 799	986 799	1 014 980	1 068 130	1 132 218
- Subsidies on production	228 245	823 356	1 173 604		998 290	986 799	986 799	1 014 980	1 068 130	1 132 218
- Other transfers	-	-	-	-	-	-	-	-	-	-
- Private enterprises	27 990	34 939	28 914		31 100	23 100	21 122	33 401	35 225	37 339
- Subsidies on production	27 990	34 939	28 914		31 100	23 100	21 122	33 401	35 225	37 339
- Other transfers	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	40	36		-	-	-	-	-	-
Households	906	1 870	1 892		1 400	1 400	1 400	1 800	1 900	2 000
- Social benefits	906	1 870	1 892		1 400	1 400	1 400	1 800	1 900	2 000
- Other transfers to households	-	-	-	-	-	-	-	-	-	-
Total transfers and subsidies	405 905	1 010 390	1 584 108		1 482 351	1 475 344	1 455 044	1 530 414	1 615 078	1 443 201
Payments on capital assets										
Buildings and other fixed structures										
- Buildings	-	-	-	-	-	-	-	-	-	-
- Other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 778	4 672	7 677		17 131	20 824	20 824	5 390	5 489	5 629
- Transport equipment	631	100	930		210	610	610	222	235	249
- Other machinery and equipment	3 147	4 572	6 747		16 921	20 214	20 214	5 168	5 254	5 380

Table 31.10: Summary of expenditure trends and estimates per economic classification (continued)

	Expenditure outcome				Revised estimate	Medium-term expenditure estimate		
	Audited		Preliminary outcome	Adjusted appropriation		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03					
R thousand								
Cultivated assets	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-	
Total payments on capital assets	3 778	4 672	7 677	17 131	20 824	5 390	5 489	
Total	592 080	1 233 396	1 853 208	1 807 814	1 825 083	1 934 494	2 070 001	
				17 269	20 824	2 070 001	1 936 816	

Table 31.11: Summary of personnel numbers and compensation of employees¹

Personnel numbers	2000/01	2001/02	2002/03	2003/04	2004/05
1 Administration	173	187	239	255	278
2 Promotion of Mine Safety and Health	301	281	302	310	317
3 Mineral Development	349	343	324	353	355
4 Energy Management	48	68	86	99	108
Total	871	879	951	1 017	1 058
Total compensation of employees (R thousand)	112 930	120 020	138 708	181 520	203 129
Unit cost (R thousand)	129.7	136.5	145.9	178.5	192.0

¹ Full-time equivalent

Table 31.12: Summary of expenditure on training

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate			
	Audited		Preliminary outcome			2003/04	2004/05		2006/07
	2000/01	2001/02	2002/03	2004/05			2005/06		
R thousand									
1 Administration	807	1 426	1 513	1 542	1 680	1 781	-		
2 Promotion of Mine Safety and Health	944	1 269	1 046	1 083	1 134	1 148	-		
3 Mineral Development	479	576	764	807	849	900	-		
4 Energy Management	237	479	460	550	665	705	-		
5 Associated Services	-	-	-	-	-	-	-		
Total	2 467	3 750	3 783	3 982	4 328	4 534	-		

Table 31.13: Summary of information and communications technology expenditure

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate			
	Audited		Preliminary outcome			2003/04	2004/05		2006/07
	2000/01	2001/02	2002/03	2004/05			2005/06		
R thousand									
1 Administration	-	4 927	9 408	20 295	10 436	11 184	11 744		
Technology	-	2 248	2 710	13 520	3 288	3 609	3 714		
IT services	-	2 679	6 698	6 775	7 148	7 575	8 030		
2 Promotion of Mine Safety and Health	-	446	-	152	-	55	65		
Technology	-	446	-	152	55	58	65		
IT services	-	-	-	-	-	-	-		
3 Mineral Development	-	491	-	266	-	-	-		
Technology	-	491	-	266	-	-	-		
IT services	-	-	-	-	-	-	-		
4 Energy Management	-	238	-	247	-	-	-		
Technology	-	238	-	247	-	-	-		
IT services	-	-	-	-	-	-	-		
Total	-	6 102	9 408	20 960	10 491	11 242	11 809		

Table 31.14: Summary of conditional grants to local government

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2002/03	2003/04	2004/05	2005/06	2006/07
5 Associated Services								
National Electrification Programme	-	-	224 763		248 246	247 577	258 000	-
Total	-	-	224 763		248 246	247 577	258 000	-

1 Detail provided in the Division of Revenue Act, 2004.

Table 31.15: Summary of official development assistance expenditure

Donor	Programme / project name	Cash or kind	Expenditure outcome				Medium-term expenditure estimate						
			2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07				
R thousand													
Netherlands	Non-grid electrification of rural schools	Cash	-	-	678	-	-	-	-	-	-	-	-
Norway	Electricity capacity-building programme	Cash	-	-	2 775	-	-	-	-	-	-	-	-
Norway	Petroleum policy, research and capacity-building	Cash	-	-	11 615	-	-	-	-	-	-	-	-
Total			-	-	15 068	-	-	-	-	-	-	-	-

Table 31.16: Summary of expenditure on infrastructure

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate				Long-term planning		
	Audited	Audited	Preliminary outcome	Preliminary outcome		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	
R thousand	2000/01	2001/02	2002/03	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	
Infrastructure transfers	-	579 000	964 276		1 039 600	1 067 406	1 126 269	1 195 886	-	-	-	
Total	-	579 000	964 276		1 039 600	1 067 406	1 126 269	1 195 886	-	-	-	