Vote 29

Mineral Resources

Budget summary

R million	2018/19 Total	Current payments	Transfers and subsidies	Payments for capital assets	2019/20 Total	2020/21 Total
MTEF allocation						
Administration	327.0	312.0	3.6	11.4	345.5	365.7
Mine Health and Safety	205.0	199.5	4.8	0.7	219.3	235.6
Mineral Regulation	393.6	236.0	157.5	0.0	415.4	444.1
Mineral Policy and Promotion	965.0	129.3	835.5	0.2	1 035.9	1 094.3
Total expenditure estimates	**1 890.7**	**876.9**	**1 001.5**	**12.4**	**2 016.0**	**2 139.7**
Executive authority	Minister of Mineral Resources					
Accounting officer	Director General of Mineral Resources					
Website address	www.dmr.gov.za					

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

Vote purpose

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

Mandate

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

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

Selected performance indicators

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past 2014/15	Past 2015/16	Past 2016/17	Current 2017/18	Projections 2018/19	Projections 2019/20	Projections 2020/21
Number of occupational health and safety inspections and mine audits conducted per year	Mine Health and Safety	Outcome 4: Decent employment through inclusive economic growth	9 078	8 005	9 869	8 396	8 396	8 396	8 396
Number of mining rights and permits granted or issued to historically disadvantaged South Africans per year[1]	Mineral Regulation		203	204	175	120	120	120	120
Number of industry workshops on compliance issues conducted per year[1]	Mineral Regulation		16	15	14	9	9	9	9
Number of social and labour plan verification inspections per year[1]	Mineral Regulation		268	270	275	212	212	212	212
Number of environmental verification inspections conducted per year[1]	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 856	1 889	1 465	1 275	1 275	1 275	1 275
Number of mine economics verification audits per year[1]	Mineral Regulation	Outcome 4: Decent employment through inclusive economic growth	520	595	501	425	425	425	425

Table 29.1 Performance indicators by programme and related outcome

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

1. *Targets have been revised down due to the slowdown in the mining industry, in line with the department's strategic plan.*
2. *No historical data available.*

Expenditure analysis

Chapters 3, 4 and 5 of the National Development Plan (NDP) detail a vision for South Africa in which sustainable employment and infrastructure development are key to the country's overall development. This vision is expressed in terms of outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Mineral Resources is closely aligned.

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

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

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

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

Promoting investment in the mining sector

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

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

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

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

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

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

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

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

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

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

Rehabilitating derelict and ownerless mines

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

Expenditure trends

Table 29.2 Vote expenditure trends by programme and economic classification

Programmes
1. Administration
2. Mine Health and Safety
3. Mineral Regulation
4. Mineral Policy and Promotion

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

Expenditure estimates

Table 29.3 Vote expenditure estimates by programme and economic classification

Programmes
1. Administration
2. Mine Health and Safety
3. Mineral Regulation
4. Mineral Policy and Promotion

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

Expenditure trends and estimates for significant spending items

Table 29.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total Vote (%)
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Council for Geoscience	292 839	342 914	378 598	366 988	7.8%	21.1%	386 306	495 835	523 106	12.5%	22.6%
Mintek	370 854	414 742	356 416	367 256	-0.3%	23.0%	350 368	369 989	390 339	2.1%	18.9%
Total	**663 693**	**757 656**	**735 014**	**734 244**	**7.5%**	**44.1%**	**736 674**	**865 824**	**913 445**	**14.6%**	**41.5%**

Goods and services expenditure trends and estimates

Table 29.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administrative fees	2 115	2 618	3 248	5 346	36.2%	1.2%	6 049	6 336	6 681	7.7%	2.2%
Advertising	1 055	846	5 453	2 621	35.4%	0.9%	3 651	3 783	3 932	14.5%	1.3%
Minor assets	262	1 614	968	5 157	170.0%	0.7%	4 790	5 085	5 398	1.5%	1.9%
Audit costs: External	5 280	6 465	6 247	4 987	-1.9%	2.1%	4 924	5 195	5 481	3.2%	1.9%
Bursaries: Employees	992	979	1 234	1 553	16.1%	0.4%	2 123	1 250	2 359	15.0%	0.7%
Catering: Departmental activities	509	1 528	951	3 765	94.8%	0.6%	4 967	5 167	5 383	12.7%	1.8%
Communication	14 577	13 723	17 281	8 964	-15.0%	4.9%	8 305	8 772	9 254	1.1%	3.2%
Computer services	18 936	23 446	26 872	23 023	6.7%	8.3%	25 520	26 887	28 366	7.2%	9.5%
Consultants: Business and advisory services	14 778	5 461	8 237	9 401	-14.0%	3.4%	4 071	4 273	4 517	-21.7%	2.0%
Legal services	7 900	6 476	11 213	2 955	-27.9%	2.6%	4 148	4 319	4 500	15.0%	1.5%
Contractors	2 990	1 875	1 057	21 102	91.8%	2.4%	25 026	26 840	28 721	10.8%	9.3%
Agency and support/outsourced services	13	–	–	3	-38.7%	–	10	11	11	54.2%	–

Table 29.5 Vote goods and services expenditure trends and estimates

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

Transfers and subsidies expenditure trends and estimates

Table 29.6 Vote transfers and subsidies trends and estimates

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

Table 29.6 Vote transfers and subsidies trends and estimates

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

Personnel information

Table 29.7 Vote personnel numbers and cost by salary level and programme[1]

Programmes
1. Administration
2. Mine Health and Safety
3. Mineral Regulation
4. Mineral Policy and Promotion

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

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

Departmental receipts

Table 29.8 Departmental receipts by economic classification

R thousand	Audited outcome 2014/15	Audited outcome 2015/16	Audited outcome 2016/17	Adjusted estimate 2017/18	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/Total (%) 2014/15 - 2017/18	Medium-term receipts estimate 2018/19	Medium-term receipts estimate 2019/20	Medium-term receipts estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/Total (%) 2017/18 - 2020/21
Departmental receipts	**46 207**	**29 763**	**38 072**	**40 250**	**19 740**	**-24.7%**	**100.0%**	**40 311**	**42 648**	**45 206**	**31.8%**	**100.0%**
Sales of goods and services produced by department	**3 230**	**6 486**	**10 148**	**11 354**	**5 505**	**19.4%**	**19.0%**	**12 002**	**12 698**	**13 459**	**34.7%**	**29.5%**
Sales by market establishments	482	478	473	468	232	-21.6%	1.2%	495	523	555	33.7%	1.2%
of which:												
Market establishment: Rental parking: Covered and open	*482*	*478*	*473*	*468*	*232*	*-21.6%*	*1.2%*	*495*	*523*	*555*	*33.7%*	*1.2%*
Administrative fees	2 232	5 428	9 073	10 195	4 946	30.4%	16.2%	10 776	11 402	12 085	34.7%	26.5%
of which:												
Application fees in relation to the Minerals and Petroleum Resources Development Act (2002)	*2 031*	*1 084*	*1 791*	*2 326*	*713*	*-29.5%*	*4.2%*	*2 458*	*2 601*	*2 757*	*57.0%*	*5.8%*
Requested information: Access to Information Act (2000)	*24*	*23*	*30*	*24*	*13*	*-18.5%*	*0.1%*	*25*	*27*	*28*	*29.1%*	*0.1%*

Table 29.8 Departmental receipts by economic classification

R thousand	Audited outcome 2014/15	Audited outcome 2015/16	Audited outcome 2016/17	Adjusted estimate 2017/18	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%) 2014/15 - 2017/18	Medium-term receipts estimate 2018/19	Medium-term receipts estimate 2019/20	Medium-term receipts estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%) 2017/18 - 2020/21
Environmental Authorisation application fees	*177*	*4 321*	*7 252*	*7 845*	*4 220*	*187.8%*	*11.9%*	*8 293*	*8 774*	*9 300*	*30.1%*	*20.7%*
Other sales	516	580	602	691	327	-14.1%	1.5%	731	773	819	35.8%	1.8%
Services rendered: Commission on insurance and garnishee	*183*	*210*	*224*	*230*	*116*	*-14.1%*	*0.5%*	*244*	*258*	*273*	*33.0%*	*0.6%*
Services rendered: Marking of exam paper	*295*	*345*	*351*	*430*	*196*	*-12.7%*	*0.9%*	*454*	*480*	*509*	*37.5%*	*1.1%*
Services rendered: Photocopies and faxes	*36*	*24*	*26*	*31*	*15*	*-25.3%*	*0.1%*	*33*	*35*	*37*	*35.1%*	*0.1%*
Replacement of security cards	*2*	*1*	*1*	–	–	*-100.0%*	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	**–**	**–**	**1**	**–**	**–**	**–**	**–**	**2**	**2**	**2**	**–**	**–**
of which:												
Sales: Scrap	–	–	*1*	–	–	–	–	*2*	*2*	*2*	–	–
Fines, penalties and forfeits	**1 117**	**847**	**990**	**859**	**442**	**-26.6%**	**2.5%**	**883**	**934**	**990**	**30.8%**	**2.2%**
Interest, dividends and rent on land	**31 755**	**22 268**	**23 881**	**25 580**	**12 046**	**-27.6%**	**67.2%**	**27 038**	**28 606**	**30 323**	**36.0%**	**66.3%**
Interest	57	28	265	78	31	-18.4%	0.3%	82	87	92	43.7%	0.2%
Rent on land	31 698	22 240	23 616	25 502	12 015	-27.6%	67.0%	26 956	28 519	30 231	36.0%	66.1%
Sales of capital assets	**1 360**	**–**	**–**	**–**	**–**	**-100.0%**	**1.0%**	**–**	**–**	**–**	**–**	**–**
Transactions in financial assets and liabilities	**8 745**	**162**	**3 052**	**2 457**	**1 747**	**-41.5%**	**10.2%**	**386**	**408**	**432**	**-37.2%**	**2.0%**
Total	**46 207**	**29 763**	**38 072**	**40 250**	**19 740**	**-24.7%**	**100.0%**	**40 311**	**42 648**	**45 206**	**31.8%**	**100.0%**

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

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

Subprogramme R million	Audited outcome 2014/15	Audited outcome 2015/16	Audited outcome 2016/17	Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expen-diture/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate 2018/19	Medium-term expenditure estimate 2019/20	Medium-term expenditure estimate 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expen-diture/ Total (%) 2017/18 - 2020/21
Ministry	26.5	33.1	35.1	28.1	1.9%	8.9%	27.3	30.7	31.3	3.8%	8.5%
Corporate Services	159.3	180.3	187.8	145.1	-3.1%	48.9%	125.2	137.3	147.5	0.6%	40.3%
Department Management	17.3	15.6	12.5	21.8	8.0%	4.9%	30.1	24.1	24.2	3.6%	7.3%
Financial Administration	84.4	95.4	93.5	97.6	5.0%	27.0%	96.8	102.9	109.6	3.9%	29.5%
Internal Audit	12.2	12.4	10.6	14.5	6.0%	3.6%	12.9	13.8	14.3	-0.6%	4.0%
Office Accommodation	15.5	22.3	21.5	32.9	28.5%	6.7%	34.8	36.7	38.8	5.6%	10.4%
Total	**315.2**	**359.1**	**361.1**	**339.9**	**2.5%**	**100.0%**	**327.0**	**345.5**	**365.7**	**2.5%**	**100.0%**
Change to 2017 Budget estimate				22.2			(7.5)	(11.0)	(14.3)		
Economic classification											
Current payments	**304.1**	**348.4**	**349.6**	**325.8**	**2.3%**	**96.6%**	**312.0**	**329.6**	**349.0**	**2.3%**	**95.5%**
Compensation of employees	148.1	161.0	162.3	179.7	6.7%	47.3%	186.9	199.8	213.9	6.0%	56.6%
Goods and services[1]	156.0	187.4	187.4	146.1	-2.2%	49.2%	125.1	129.8	135.2	-2.5%	38.9%
of which:											
Audit costs: External	*5.3*	*6.5*	*6.2*	*5.0*	*-1.9%*	*1.7%*	*4.9*	*5.2*	*5.5*	*3.2%*	*1.5%*
Computer services	*16.8*	*23.0*	*24.3*	*17.8*	*1.9%*	*6.0%*	*17.9*	*18.9*	*19.9*	*3.8%*	*5.4%*
Operating leases	*75.0*	*93.6*	*88.8*	*52.0*	*-11.5%*	*22.5%*	*36.0*	*38.9*	*41.9*	*-7.0%*	*12.2%*
Property payments	*3.5*	*5.6*	*6.3*	*6.2*	*20.4%*	*1.6%*	*7.2*	*7.6*	*8.0*	*9.1%*	*2.1%*
Travel and subsistence	*15.2*	*21.5*	*20.0*	*19.9*	*9.3%*	*5.6%*	*18.9*	*19.5*	*15.1*	*-8.8%*	*5.3%*
Training and development	*2.2*	*2.4*	*3.4*	*5.9*	*38.6%*	*1.0%*	*5.8*	*6.1*	*6.4*	*3.0%*	*1.8%*
Transfers and subsidies[1]	**4.9**	**1.8**	**2.9**	**3.4**	**-12.0%**	**0.9%**	**3.6**	**3.8**	**4.0**	**5.9%**	**1.1%**
Departmental agencies and accounts	1.4	–	1.7	1.8	8.7%	0.4%	2.0	2.1	2.2	6.1%	0.6%
Households	3.5	1.8	1.2	1.5	-24.3%	0.6%	1.6	1.7	1.8	5.6%	0.5%

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

Economic classification R million	Audited outcome 2014/15	2015/16	2016/17	Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expen-diture/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate 2018/19	2019/20	2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expen-diture/ Total (%) 2017/18 - 2020/21
Payments for capital assets	**6.2**	**8.8**	**8.4**	**10.8**	**20.5%**	**2.5%**	**11.4**	**12.0**	**12.7**	**5.6%**	**3.4%**
Buildings and other fixed structures	2.0	1.1	0.2	1.8	-2.1%	0.4%	2.0	2.1	2.2	5.8%	0.6%
Machinery and equipment	2.7	7.6	8.3	8.9	49.9%	2.0%	9.5	10.0	10.5	5.6%	2.8%
Software and other intangible assets	1.6	0.1	–	–	-100.0%	0.1%	–	–	–	–	–
Payments for financial assets	**–**	**0.0**	**0.1**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**315.2**	**359.1**	**361.1**	**339.9**	**2.5%**	**100.0%**	**327.0**	**345.5**	**365.7**	**2.5%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**21.4%**	**21.9%**	**21.7%**	**19.1%**	**–**	**–**	**17.3%**	**17.1%**	**17.1%**	**–**	**–**
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**1.2**	**–**	**1.7**	**1.8**	**14.8%**	**0.3%**	**2.0**	**2.1**	**2.2**	**6.1%**	**0.6%**
Mining Qualifications Authority	1.2	–	1.7	1.8	14.8%	0.3%	2.0	2.1	2.2	6.1%	0.6%

1. *Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.*

Programme 2: Mine Health and Safety

Programme purpose

Ensure the safe mining of minerals under healthy working conditions.

Objectives

- Promote mine health and safety over the medium term by:
  - implementing the occupational, health and safety improvement strategy and enforcement guidelines to reduce occupational fatalities and injuries by 20 per cent
  - reducing occupational diseases by 10 per cent
  - conducting ongoing investigations, and 8 396 occupational health and safety inspections and mine audits per year.
- Contribute to skills development in the mining sector by conducting ongoing implementation, monitoring and evaluation of the certificate of government competency examination.
- Improve health care turnaround times in the mining sector by 2020/21, by:
  - ensuring 80 per cent adherence to prescribed timeframes for resolving medical appeals
  - ensuring 100 per cent adherence to timeframes for appeals to the chief inspector of mines
  - ensuring 100 per cent adherence to timeframes for applications in terms of the Mineral and Petroleum Resources Development Act (2002).

Subprogrammes

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

Expenditure trends and estimates

Table 29.10 Mine Health and Safety expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Governance Policy and Oversight	43.4	44.9	46.4	47.1	2.7%	25.2%	59.8	65.5	70.7	14.5%	28.5%
Mine Health and Safety Regions	118.9	126.6	143.1	140.9	5.8%	73.3%	140.5	148.7	159.5	4.2%	69.0%
Mine Health and Safety Council	5.2	–	–	6.2	5.8%	1.6%	4.8	5.1	5.4	-4.6%	2.5%
Total	**167.5**	**171.5**	**189.6**	**194.1**	**5.0%**	**100.0%**	**205.0**	**219.3**	**235.6**	**6.7%**	**100.0%**
Change to 2017 Budget estimate				4.7			8.5	8.6	10.0		
Economic classification											
Current payments	**160.1**	**168.6**	**188.4**	**187.3**	**5.4%**	**97.5%**	**199.5**	**213.4**	**229.4**	**7.0%**	**97.1%**
Compensation of employees	134.1	141.5	158.0	155.7	5.1%	81.5%	166.3	178.3	192.4	7.3%	81.1%
Goods and services[1]	26.0	27.1	30.3	31.6	6.6%	15.9%	33.2	35.1	37.0	5.4%	16.0%
of which:											
Communication	*2.0*	*1.3*	*2.9*	*1.6*	*-5.8%*	*1.1%*	*1.7*	*1.8*	*1.9*	*4.4%*	*0.8%*
Consultants: Business and advisory services	*0.2*	*0.5*	*1.4*	*1.8*	*119.4%*	*0.5%*	*2.0*	*2.1*	*2.2*	*7.4%*	*0.9%*
Consumables: Stationery, printing and office supplies	*0.8*	*0.8*	*0.9*	*1.9*	*31.7%*	*0.6%*	*2.9*	*3.0*	*3.2*	*18.3%*	*1.3%*
Travel and subsistence	*19.8*	*21.3*	*22.7*	*19.5*	*-0.5%*	*11.5%*	*20.2*	*21.3*	*22.5*	*4.8%*	*9.8%*
Training and development	*0.6*	*0.3*	*0.2*	*0.7*	*9.7%*	*0.3%*	*0.9*	*1.0*	*1.0*	*10.9%*	*0.4%*
Venues and facilities	*0.1*	*0.0*	*0.2*	*1.5*	*212.6%*	*0.2%*	*0.9*	*1.0*	*1.0*	*-12.7%*	*0.5%*
Transfers and subsidies[1]	**5.2**	**0.1**	**–**	**6.2**	**5.8%**	**1.6%**	**4.8**	**5.1**	**5.4**	**-4.6%**	**2.5%**
Departmental agencies and accounts	5.2	–	–	6.2	5.8%	1.6%	4.8	5.1	5.4	-4.6%	2.5%
Households	0.0	0.1	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	**2.2**	**0.7**	**0.3**	**0.7**	**-31.9%**	**0.5%**	**0.7**	**0.8**	**0.8**	**5.6%**	**0.4%**
Machinery and equipment	2.2	0.7	0.3	0.7	-31.9%	0.5%	0.7	0.8	0.8	5.6%	0.4%
Payments for financial assets	**–**	**2.1**	**0.9**	**–**	**–**	**0.4%**	**–**	**–**	**–**	**–**	**–**
Total	**167.5**	**171.5**	**189.6**	**194.1**	**5.0%**	**100.0%**	**205.0**	**219.3**	**235.6**	**6.7%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**11.4%**	**10.5%**	**11.4%**	**10.9%**	**–**	**–**	**10.8%**	**10.9%**	**11.0%**	**–**	**–**
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**5.2**	**–**	**–**	**6.2**	**5.8%**	**1.6%**	**4.8**	**5.1**	**5.4**	**-4.6%**	**2.5%**
Mine Health and Safety Council	5.2	–	–	6.2	5.8%	1.6%	4.8	5.1	5.4	-4.6%	2.5%

1. *Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.*

Programme 3: Mineral Regulation

Programme purpose

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

Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by increasing the number of rights issued to historically disadvantaged South Africans by 360 over the medium term.
- Contribute to the transformation of the mining sector by monitoring and enforcing compliance with procurement requirements to empower historically disadvantaged South Africans, as prescribed by the Broad-Based Socioeconomic Charter for the South African Mining Industry, on an ongoing basis.
- Promote job creation through the development of SMMEs by facilitating support to mining enterprises and local development projects through income generating projects annually.

- Promote the sustainable use of resources and the environmental management of mines by supporting approved and evaluated work programmes, social and labour plans, and environmental management plans by conducting 27 industry workshops over the medium term.
- Monitor and enforce compliance with the statutory obligations of the Mineral and Petroleum Resources Development Act (2002) and the Broad-Based Socioeconomic Charter for the South African Mining Industry by conducting 636 inspections and 3 825 environmental management inspections over the medium term.

Subprogrammes

- *Mineral Regulation and Administration* administers prospecting and mining rights and licensing; and monitors compliance with the Mineral and Petroleum Resources Development Act (2002), including the compliance of mines with environmental protection requirements.
- *Management Mineral Regulation* provides overall management of the programme. The subprogramme focuses on the alignment of the South African mineral resources administration system, ensuring that rights and licenses for mining, environmental authorisation and water use are granted within 300 days.
- *South African Diamond and Precious Metals Regulator* implements and enforces the provisions of the Precious Metals Act (2005).
- *Petroleum Agency South Africa* promotes exploration for onshore and offshore oil and gas resources, and their optimal development. The agency regulates exploration and production activities, and acts as the custodian of the national petroleum exploration and production database.

Expenditure trends and estimates

Table 29.11 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Mineral Regulation and Administration	169.2	179.6	189.8	199.2	5.6%	65.8%	206.8	224.5	242.0	6.7%	53.5%
Management Mineral Regulation	20.7	16.1	15.8	27.1	9.4%	7.1%	29.2	30.2	32.1	5.9%	7.3%
South African Diamond and Precious Metals Regulator	47.8	50.5	53.2	65.9	11.3%	19.4%	59.1	62.4	65.8	–	15.5%
Petroleum Agency South Africa	–	–	–	87.1	–	7.8%	98.4	98.3	104.1	6.1%	23.8%
Total	**237.7**	**246.2**	**258.8**	**379.3**	**16.9%**	**100.0%**	**393.6**	**415.4**	**444.1**	**5.4%**	**100.0%**
Change to 2017 Budget estimate				14.7			13.7	16.5	19.2		
Economic classification											
Current payments	**183.8**	**195.5**	**204.8**	**226.2**	**7.2%**	**72.2%**	**236.0**	**254.6**	**274.1**	**6.6%**	**60.7%**
Compensation of employees	147.8	162.7	173.2	186.5	8.1%	59.7%	193.2	209.4	226.4	6.7%	50.0%
Goods and services[1]	36.0	32.7	31.6	39.7	3.3%	12.5%	42.8	45.2	47.7	6.3%	10.8%
of which:											
Communication	*4.9*	*5.4*	*3.8*	*3.2*	*-13.8%*	*1.5%*	*2.7*	*2.8*	*3.0*	*-1.7%*	*0.7%*
Computer services	*1.4*	*0.3*	*0.5*	*4.5*	*46.5%*	*0.6%*	*6.8*	*7.2*	*7.6*	*19.4%*	*1.6%*
Fleet services (including government motor transport)	*1.8*	*2.7*	*3.4*	*2.7*	*15.4%*	*0.9%*	*1.8*	*1.9*	*2.0*	*-9.1%*	*0.5%*
Consumables: Stationery, printing and office supplies	*0.9*	*1.0*	*1.3*	*3.0*	*50.2%*	*0.5%*	*2.6*	*2.7*	*2.9*	*-1.0%*	*0.7%*
Travel and subsistence	*13.6*	*16.2*	*13.8*	*16.2*	*6.0%*	*5.3%*	*19.9*	*21.0*	*22.2*	*11.0%*	*4.9%*
Venues and facilities	*0.3*	*0.1*	*0.9*	*1.8*	*84.4%*	*0.3%*	*1.6*	*1.7*	*1.7*	*-0.1%*	*0.4%*

Table 29.11 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Transfers and subsidies[1]	**47.9**	**50.5**	**53.2**	**153.0**	**47.3%**	**27.1%**	**157.5**	**160.7**	**169.9**	**3.6%**	**39.3%**
Departmental agencies and accounts	47.8	50.5	53.2	65.9	11.3%	19.4%	59.1	62.4	65.8	–	15.5%
Public corporations and private enterprises	–	–	–	87.1	–	7.8%	98.4	98.3	104.1	6.1%	23.8%
Households	0.1	(0.1)	0.0	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	**6.0**	**0.3**	**0.6**	**0.0**	**-81.3%**	**0.6%**	**0.0**	**0.0**	**0.0**	**4.9%**	**–**
Buildings and other fixed structures	1.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Machinery and equipment	2.1	0.3	0.6	0.0	-73.4%	0.3%	0.0	0.0	0.0	4.9%	–
Software and other intangible assets	2.9	–	–	–	-100.0%	0.3%	–	–	–	–	–
Payments for financial assets	**–**	**0.0**	**0.2**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**237.7**	**246.2**	**258.8**	**379.3**	**16.9%**	**100.0%**	**393.6**	**415.4**	**444.1**	**5.4%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**16.1%**	**15.0%**	**15.6%**	**21.3%**	**–**	**–**	**20.8%**	**20.6%**	**20.8%**	**–**	**–**
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**47.8**	**50.5**	**53.2**	**65.9**	**11.3%**	**19.4%**	**59.1**	**62.4**	**65.8**	**–**	**15.5%**
South African Diamond and Precious Metal Regulator	47.8	50.5	53.2	65.9	11.3%	19.4%	59.1	62.4	65.8	–	15.5%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Current	**–**	**–**	**–**	**87.1**	**–**	**7.8%**	**98.4**	**98.3**	**104.1**	**6.1%**	**23.8%**
Petroleum Agency of South Africa	–	–	–	87.1	–	7.8%	98.4	98.3	104.1	6.1%	23.8%

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

Programme 4: Mineral Policy and Promotion

Programme purpose

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

Objectives

- Promote investment in the mining, minerals and upstream petroleum sectors over the medium term by:
  - hosting 138 promotional and awareness activities or events for local and foreign investors
  - participating in local and international mining and petroleum conferences and events, engaging with stakeholders in various forums, and leading the implementation of key government priorities on behalf of the department
  - releasing 36 publications
  - providing factors of production such as mine equipment and training to 240 SMMEs, mainly for small-scale mining projects
  - ensuring the full implementation of plans to develop the oceans economy (oil and gas) through Operation Phakisa
  - ensuring the full implementation of the shale gas action plan through consultations, advocacy, research and promotional activities for shale gas exploration.
- Manage diplomatic imperatives and relations with foreign countries to benefit South Africa by establishing and implementing bilateral and multilateral partnerships for mining and upstream petroleum development on an ongoing basis.

- Promote the sustainable use and management of mineral resources over the medium term by:
  - participating in technical and strategic partnerships such as the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development; the Benguela Current Commission; and United Nations programmes
  - reviewing the departmental environmental management plan
  - reviewing and amending 9 legislative instruments
  - rehabilitating and closing 135 derelict and ownerless mines.

Subprogrammes

- *Management* provides overall management for the programme.
- *Mineral Policy* develops new policies, reviews existing policies, and amends legislation to promote investment growth and achieve transformation in the mining, minerals and upstream petroleum sectors. This entails conducting research, organising consultations with stakeholders, attending parliamentary hearings on related bills, and gazetting the bills once they are assented to. This subprogramme also represents the department in international and regional forums such as the Kimberley Process certification scheme, the African Diamond Producers Association, and the Pan African Mineral Development Company.
- *Mineral Promotion and International Coordination* promotes mineral development and advises on trends in the mining industry to attract additional investment. This subprogramme conducts promotional activities, including the production of various publications, participates in mining conferences, and supports the implementation of national mineral beneficiation initiatives.
- *Assistance to Mines* prevents the uncontrolled movement of water into and out of underground mine openings and holdings. This entails providing subsidies to marginal mines to pump extraneous water from underground mine openings; and researching, developing and implementing strategic solutions for mine water management, including managing the decanting of contaminated water.
- *Council for Geoscience* transfers funds annually to the Council for Geoscience.
- *Mintek* transfers funds annually to Mintek.
- *Economic Advisory Services* undertakes macroeconomic research to analyse economic trends and produce departmental reports to inform and advise the minister and departmental management; and participates in activities to transform the mining and minerals industry and enhance competitiveness. This entails leading and convening the meetings of the mining industry growth, development and employment task team stakeholder forum, which researches and analyses the economic impact of the regulatory and legislative framework of the mining and minerals sector using regulatory impact assessments.
- *Mine Environmental Management* provides strategic guidance on the environmental management and closure of mines. This entails managing the rehabilitation of derelict and ownerless mines; and research on the impact of mining on water, air quality and the environment in general.

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Management	10.7	18.1	26.4	31.5	43.2%	2.6%	22.3	23.3	24.5	-8.1%	2.6%
Mineral Policy	32.2	19.2	28.1	20.0	-14.7%	3.0%	20.0	21.6	23.1	4.9%	2.1%
Mineral Promotion and International Coordination	37.1	53.1	48.8	47.8	8.9%	5.6%	71.8	76.7	82.1	19.7%	7.0%
Assistance to Mines	–	–	–	–	–	–	5.9	6.2	6.5	–	0.5%
Council for Geoscience	292.8	342.9	378.6	367.0	7.8%	41.4%	386.3	495.8	523.1	12.5%	44.7%
Mintek	370.9	414.7	356.4	367.3	-0.3%	45.3%	420.4	370.0	390.3	2.1%	39.1%
Economic Advisory Services	2.8	4.0	4.0	4.5	17.8%	0.5%	4.5	4.9	5.2	5.0%	0.5%
Mine Environmental Management	8.4	9.6	9.4	28.1	49.8%	1.7%	33.9	37.3	39.5	12.1%	3.5%
Total	**754.8**	**861.7**	**851.7**	**866.1**	**4.7%**	**100.0%**	**965.0**	**1 035.9**	**1 094.3**	**8.1%**	**100.0%**
Change to 2017 Budget estimate				(41.6)			(30.8)	151.9	160.2		
Economic classification											
Current payments	**88.8**	**92.7**	**115.8**	**131.7**	**14.0%**	**12.9%**	**129.3**	**139.0**	**147.7**	**3.9%**	**13.8%**
Compensation of employees	54.6	61.0	65.3	68.8	8.0%	7.5%	71.2	77.6	82.9	6.4%	7.6%
Goods and services[1]	34.2	31.7	50.5	62.9	22.6%	5.4%	58.1	61.4	64.8	1.0%	6.2%
of which:											
Administrative fees	*0.3*	*1.0*	*1.5*	*3.7*	*121.5%*	*0.2%*	*3.6*	*3.8*	*4.0*	*3.4%*	*0.4%*
Catering: Departmental activities	*0.1*	*0.4*	*0.2*	*2.0*	*185.2%*	*0.1%*	*2.8*	*2.8*	*2.9*	*13.7%*	*0.3%*
Contractors	*0.0*	*0.0*	*0.0*	*17.8*	*878.0%*	*0.5%*	*22.7*	*24.3*	*26.1*	*13.6%*	*2.3%*
Rental and hiring	*0.0*	*0.5*	*0.0*	*5.8*	*1696.7%*	*0.2%*	*2.0*	*2.0*	*2.1*	*-29.1%*	*0.3%*
Travel and subsistence	*7.0*	*12.0*	*11.9*	*12.2*	*20.4%*	*1.3%*	*10.5*	*11.0*	*11.6*	*-1.7%*	*1.1%*
Operating payments	*17.8*	*6.2*	*20.1*	*7.6*	*-24.6%*	*1.6%*	*7.6*	*8.0*	*8.5*	*3.4%*	*0.8%*
Transfers and subsidies[1]	**665.7**	**767.4**	**735.2**	**734.2**	**3.3%**	**87.1%**	**835.5**	**896.7**	**946.4**	**8.8%**	**86.2%**
Departmental agencies and accounts	292.8	342.9	378.6	367.0	7.8%	41.4%	386.3	495.8	523.1	12.5%	44.7%
Public corporations and private enterprises	370.9	423.7	356.6	367.3	-0.3%	45.5%	449.2	400.9	423.3	4.9%	41.4%
Households	2.0	0.7	–	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	**0.2**	**0.8**	**0.7**	**0.2**	**-14.8%**	**0.1%**	**0.2**	**0.2**	**0.2**	**5.5%**	**–**
Machinery and equipment	0.2	0.8	0.7	0.2	-14.8%	0.1%	0.2	0.2	0.2	5.5%	–
Payments for financial assets	**–**	**0.8**	**0.1**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**754.8**	**861.7**	**851.7**	**866.1**	**4.7%**	**100.0%**	**965.0**	**1 035.9**	**1 094.3**	**8.1%**	**100.0%**
Proportion of total programme expenditure to vote expenditure	**51.2%**	**52.6%**	**51.3%**	**48.7%**	**–**	**–**	**51.0%**	**51.4%**	**51.1%**	**–**	**–**
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	**265.1**	**307.9**	**341.7**	**331.6**	**7.7%**	**37.4%**	**348.8**	**456.3**	**481.4**	**13.2%**	**40.8%**
Council for Geoscience	265.1	307.9	341.7	330.6	7.6%	37.3%	257.8	455.2	480.2	13.3%	38.5%
Council for Geoscience: Economic competitiveness and support package	–	–	–	–	–	–	90.0	–	–	–	2.3%
Council for Geoscience: Expanded public works programme	–	–	–	1.0	–	–	1.0	1.1	1.2	5.3%	0.1%
Capital	**27.8**	**35.0**	**36.9**	**35.4**	**8.5%**	**4.1%**	**37.5**	**39.6**	**41.7**	**5.6%**	**3.9%**
Council for Geoscience	27.8	35.0	36.9	35.4	8.5%	4.1%	37.5	39.6	41.7	5.6%	3.9%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Current	**–**	**–**	**–**	**–**	**–**	**–**	**5.9**	**6.2**	**6.5**	**–**	**0.5%**
Various institutions: Water management solutions subsidies for marginal mines	–	–	–	–	–	–	5.9	6.2	6.5	–	0.5%

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

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expen-diture/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expen-diture/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	**320.8**	**371.0**	**315.2**	**310.7**	**-1.1%**	**39.5%**	**383.5**	**331.5**	**350.1**	**4.1%**	**34.7%**
Industrial Development Corporation	–	8.9	–	–	–	0.3%	23.0	24.7	26.5	–	1.9%
Mintek	320.8	362.1	315.2	310.7	-1.1%	39.3%	290.5	306.8	323.7	1.4%	31.1%
Mintek: Economic competitiveness and support package	–	–	–	–	–	–	70.0	–	–	–	1.8%
Capital	**50.1**	**52.6**	**41.3**	**56.6**	**4.1%**	**6.0%**	**59.8**	**63.2**	**66.7**	**5.6%**	**6.2%**
Mintek	50.1	52.6	41.3	56.6	4.1%	6.0%	59.8	63.2	66.7	5.6%	6.2%

1. *Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.*

Entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Council for Geoscience** was established in terms of the Geoscience Act (1993). Its principal mandate is to develop and publish world class geoscience knowledge products and to provide geoscience related services to the South African public and to industry. The council’s total budget for 2018/19 is R414.2 million.
- **Mintek** develops appropriate and innovative technology for transfer to the minerals industry, and provides the industry with test work; and consultancy, analytical and mineralogical services. The council’s total budget for 2018/19 is R553.5 million.
- The **Mine Health and Safety Council** was established in terms of the Mine Health and Safety Act (1996) and is mandated to advise the Minister of Mineral Resources on occupational health and safety at mines, develop legislation, conduct research and liaise with other statutory bodies on matters relating to occupational health and safety at mines. The council’s total budget for 2018/19 is R124.9 million.
- The **South African Diamond and Precious Metals Regulator** was established in terms of section 3 of the Diamonds Act (1986), as amended. It is mandated to regulate control over the possession, purchase, sale, processing and export of diamonds; and the regulation of precious metals. The regulator’s total budget for 2018/19 is R109.4 million.
- The **State Diamond Trader** is mandated to buy and sell rough diamonds to promote equitable access to diamonds and the local beneficiation of diamond resources. Its revenue is generated by means of selling rough diamonds to clients, mainly diamond polishers and cutters. The entity’s total budget for 2018/19 is R563.3 million.