

Vote 31

Mineral Resources

Adjusted budget summary

2010/11				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 030 016	995 842	(34 174)	–
<i>of which:</i>				
Current payments	607 263	576 919	(30 344)	–
Transfers and subsidies	408 681	408 721	–	40
Payments for capital assets	14 072	10 202	(3 870)	–
Executive authority	Minister of Mineral Resources			
Accounting officer	Director-General of Mineral Resources			
Website address	www.dme.gov.za			

Aim

The aim of the Department of Mineral Resources is to promote and regulate the minerals and mining sector for transformation, growth and development and ensure that all South Africans derive sustainable benefit from the country's mineral wealth.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2010/11 as published in the 2010 ENE	Achieved in the first six months of 2010/11 (April to September)	Changed estimate for 2010/11
As published in the 2010 ENE	Programme linked to the indicator	Outcome the indicator is linked to (if relevant)			
Number of occupational health and safety inspections and mine audits conducted per year	Promotion of Mine, Safety and Health	An efficient, competitive and responsive economic infrastructure network	12 700	2 382	–
Number of mining rights granted to historically disadvantaged South Africans per year	Mineral Regulation	An efficient, competitive and responsive economic infrastructure network	27	29	–
Number of women led companies licensed per year	Mineral Regulation	An efficient, competitive and responsive economic infrastructure network	18	8	–
Number of industry workshops on compliance issues per year	Mineral Regulation	An efficient, competitive and responsive economic infrastructure network	9	16	–
Number of charter inspections per year	Mineral Regulation	Environmental assets and natural resources that are well protected and continually enhanced	140	108	–
Number of environment inspection per year	Mineral Regulation	Environmental assets and natural resources that are well protected and continually enhanced	1 380	1 019	–
Number of publications completed per year	Mineral Policy and Promotion	An efficient, competitive and responsive economic infrastructure network	28	0	–

2010 Adjusted Estimates of National Expenditure

Indicator	Programme	Outcome	Annual performance		
			Projected for 2010/11 as published in the 2010 ENE	Achieved in the first six months of 2010/11 (April to September)	Changed estimate for 2010/11
As published in the 2010 ENE	Programme linked to the indicator	Outcome the indicator is linked to (if relevant)			
Number of exhibitions, conferences and workshops per year	Mineral Policy and Promotion	Create a better South Africa, and contribute to a better and safer Africa and world	15	2	-
Number of policies developed or reviewed per year	Mineral Policy and Promotion	An efficient, competitive and responsive economic infrastructure network	2	1	-
Number of new or existing small or medium mining enterprises supported per year	Mineral Policy and Promotion	An efficient, competitive and responsive economic infrastructure network	40	22	-

The number of occupational health and safety inspections and mine audits conducted in the first half of 2010/11 is significantly lower than the estimate for the year as a whole, because of capacity challenges in the regional offices.

The number of women led companies licensed in the first half of 2010/11 is significantly lower than the estimate for the year as a whole, because there were fewer applications than anticipated.

The number of publications completed is significantly lower in the first half of 2010/11 than the estimate for the year as a whole, because the department was focused on developing its strategy for the growth and transformation of the mining industry. This strategy will inform the department's work in the next half of the year, and estimates will be adjusted accordingly. The same applies to the number of exhibitions, conferences and workshops to attract investments.

Mid-year progress

The department aims to review two policies this year. The Geoscience Amendment Bill has been adopted by the parliamentary portfolio committee and will be tabled in Parliament before the end of 2010/11. The process of amending the Minerals and Petroleum Resources Development Act (2002) will be complete by the end of 2010/11, and will contribute to achieving an efficient, competitive and responsive economic infrastructure network (outcome 6).

The number of environment inspections is ahead of schedule in the first six months. The department is responsible for managing environmental impacts from mining related activities, which will contribute to the protection of South Africa's environment and natural resources (outcome 10).

Seven of the planned mineral promotional activities have been completed, including publications and regional workshops with people interested in the small scale mining sector. These activities are geared towards increasing investment in South Africa's mining sector, and will contribute to achieving an efficient, competitive and responsive economic infrastructure network (outcome 6).

Adjusted Estimates of National Expenditure 2010

Programme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand							
1. Administration	239 042	-	-	-	(15 343)	(15 343)	223 699
2. Promotion of Mine Safety and Health	145 865	-	-	-	(3 795)	(3 795)	142 070
3. Mineral Regulation	215 925	5 000	-	-	(8 571)	(3 571)	212 354
4. Mineral Policy and Promotion	429 184	-	-	-	(11 465)	(11 465)	417 719
Total	1 030 016	5 000	-	-	(39 174)	(34 174)	995 842
Economic classification							
Current payments	607 263	5 000	-	3 830	(39 174)	(30 344)	576 919
Compensation of employees	352 344	-	-	(2 912)	(5 290)	(8 202)	344 142
Goods and services	254 919	5 000	-	6 742	(33 884)	(22 142)	232 777

R thousand	2010/11							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
Economic classification								
Transfers and subsidies	408 681	-	-	40	-	40	408 721	
Departmental agencies and accounts	182 506	-	-	-	-	-	182 506	
Public corporations and private enterprises	225 120	-	-	-	-	-	225 120	
Households	1 055	-	-	40	-	40	1 095	
Payments for capital assets	14 072	-	-	(3 870)	-	(3 870)	10 202	
Machinery and equipment	14 072	-	-	(3 870)	-	(3 870)	10 202	
Total	1 030 016	5 000	-	-	(39 174)	(34 174)	995 842	

Programme 1: Administration

R thousand	2010/11							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
Subprogramme								
Minister	1 816	-	-	-	(8)	(8)	1 808	
Management	25 839	-	-	-	(1 286)	(1 286)	24 553	
Corporate Services	188 737	-	-	-	(14 049)	(14 049)	174 688	
Office Accommodation	22 650	-	-	-	-	-	22 650	
Total	239 042	-	-	-	(15 343)	(15 343)	223 699	
Economic classification								
Current payments	224 394	-	-	3 854	(15 343)	(11 489)	212 905	
Compensation of employees	109 221	-	-	(1 200)	(3 589)	(4 789)	104 432	
Goods and services	115 173	-	-	5 054	(11 754)	(6 700)	108 473	
Transfers and subsidies	1 055	-	-	40	-	40	1 095	
Households	1 055	-	-	40	-	40	1 095	
Payments for capital assets	13 593	-	-	(3 894)	-	(3 894)	9 699	
Machinery and equipment	13 593	-	-	(3 894)	-	(3 894)	9 699	
Total	239 042	-	-	-	(15 343)	(15 343)	223 699	

Programme 2: Promotion of Mine Safety and Health

R thousand	2010/11							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
Subprogramme								
Governance Policy and Oversight	46 904	-	-	-	(1 220)	(1 220)	45 684	
Mine Health and Safety (Regions)	98 961	-	-	-	(2 575)	(2 575)	96 386	
Total	145 865	-	-	-	(3 795)	(3 795)	142 070	
Economic classification								
Current payments	140 028	-	-	-	(3 795)	(3 795)	136 233	
Compensation of employees	114 007	-	-	(1 712)	999	(713)	113 294	
Goods and services	26 021	-	-	1 712	(4 794)	(3 082)	22 939	
Transfers and subsidies	5 358	-	-	-	-	-	5 358	
Departmental agencies and accounts	5 358	-	-	-	-	-	5 358	
Payments for capital assets	479	-	-	-	-	-	479	
Machinery and equipment	479	-	-	-	-	-	479	
Total	145 865	-	-	-	(3 795)	(3 795)	142 070	

Programme 3: Mineral Regulation

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Management	5 788	–	–	–	(287)	(287)	5 501
Mineral Regulation and Administration	169 494	5 000	–	–	(8 284)	(3 284)	166 210
South African Diamond and Precious Metal Regulator	40 643	–	–	–	–	–	40 643
Total	215 925	5 000	–	–	(8 571)	(3 571)	212 354
Economic classification							
Current payments	175 282	5 000	–	(24)	(8 571)	(3 595)	171 687
Compensation of employees	91 318	–	–	–	(870)	(870)	90 448
Goods and services	83 964	5 000	–	(24)	(7 701)	(2 725)	81 239
Transfers and subsidies	40 643	–	–	–	–	–	40 643
Departmental agencies and accounts	40 643	–	–	–	–	–	40 643
Payments for capital assets	–	–	–	24	–	24	24
Machinery and equipment	–	–	–	24	–	24	24
Total	215 925	5 000	–	–	(8 571)	(3 571)	212 354

Programme 4: Mineral Policy and Promotion

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Management	16 629	–	–	–	(3 518)	(3 518)	13 111
Mineral Policy	9 061	–	–	–	(1 953)	(1 953)	7 108
Mineral Promotion	55 875	–	–	–	(3 634)	(3 634)	52 241
Assistance to Mines	35 671	–	–	–	–	–	35 671
Council for Geoscience	136 505	–	–	–	–	–	136 505
Council for Mineral Technology	165 840	–	–	–	–	–	165 840
Economic Advisory Services	4 628	–	–	–	(1 069)	(1 069)	3 559
Mine Environmental Management	4 975	–	–	–	(1 291)	(1 291)	3 684
Total	429 184	–	–	–	(11 465)	(11 465)	417 719
Economic classification							
Current payments	67 559	–	–	–	(11 465)	(11 465)	56 094
Compensation of employees	37 798	–	–	–	(1 830)	(1 830)	35 968
Goods and services	29 761	–	–	–	(9 635)	(9 635)	20 126
Transfers and subsidies	361 625	–	–	–	–	–	361 625
Departmental agencies and accounts	136 505	–	–	–	–	–	136 505
Public corporations and private enterprises	225 120	–	–	–	–	–	225 120
Total	429 184	–	–	–	(11 465)	(11 465)	417 719

Details of adjustments to Estimates of National Expenditure 2010**Roll-overs – R5 million**

Programme 3: Mineral Regulation

R5 million has been rolled over for the rehabilitation of derelict and ownerless asbestos mines.

Virements and shifts

Programmes

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

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1			Programme 1		
Compensation of employees	Reduction on salaries and wages	(1 200)	Goods and services	For foreign travel for the minister	1 200
Goods and services	Reduction on cell phone contract, and travel and subsistence	(40)	Households	Act of grace payment to the family of a deceased staff member	40
Machinery and equipment	Reduction on computers	(3 894)	Goods and services	For leasing computers	3 894
Percentage of programme budget		2.1%			
Programme 3			Programme 3		
Goods and services	Reduction on travel and subsistence; and accommodation	(24)	Machinery and equipment	For office equipment	24
Percentage of programme budget		0.0%			
Total		(5 158)			
					5 134

Other adjustments – R39.174 million

Adjustments due to significant and unforeseeable economic and financial events

An additional R9.3 million is allocated for higher personnel remuneration increases than the main budget provided for, including the increased housing allowance, as follows.

Programme 1: Administration

R2.822 million

Programme 2: Promotion of Mine Safety and Health

R3.062 million

Programme 3: Mineral Regulation

R2.444 million

Programme 4: Mineral Policy and Promotion

R972 000

Function shifts

R48.474 million has been transferred to the Department of Energy following the shift of the energy function, as follows:

Programme 1: Administration

R14.098 million

Programme 2: Promotion of Mine Safety and Health

R6.857 million

Programme 3: Mineral Regulation

R11.015 million

Programme 4: Mineral Policy and Promotion

R16.504 million

Funds shifted within a vote to follow a function shift within the same vote

Programme 4: Mineral Policy and Promotion

R4.067 million has been received from programme 1 following the shift of the international coordination function.

Expenditure for 2009/10 and preliminary expenditure for 2010/11

Programme	2009/10 Expenditure outcome					2010/11 Preliminary expenditure		
	Adjusted appropriation	Apr 09 - Sep 09	% of adjusted appropriation	Apr 09 - Mar 10	% of adjusted appropriation	Adjusted appropriation	Apr 10 - Sep 10	% of adjusted appropriation
R thousand								
1.Administration	183 151	99 607	54.4	174 644	95.4	223 699	117 498	52.5
2.Promotion of Mine Safety and Health	133 027	62 756	47.2	138 543	104.1	142 070	64 600	45.5
3.Mineral Regulation	202 480	54 403	26.9	190 008	93.8	212 354	80 011	37.7
4.Mineral Policy and Promotion	406 469	254 502	62.6	398 609	98.1	417 719	191 600	45.9
Total	925 127	471 268	50.9	901 804	97.5	995 842	453 709	45.6
Economic classification								
Current payments	507 952	225 718	44.4	464 806	91.5	576 919	252 751	43.8
Compensation of employees	287 619	136 307	47.4	292 640	101.7	344 142	159 542	46.4
Goods and services	220 333	89 411	40.6	172 166	78.1	232 777	93 209	40.0
Transfers and subsidies	408 475	239 309	58.6	395 829	96.9	408 721	195 144	47.7
Departmental agencies and accounts	178 209	96 502	54.2	178 207	100.0	182 506	97 228	53.3
Public corporations and private enterprises	229 287	142 612	62.2	217 266	94.8	225 120	97 610	43.4
Households	979	195	19.9	356	36.4	1 095	306	27.9
Payments for capital assets	8 700	6 159	70.8	40 500	465.5	10 202	5 790	56.8
Buildings and other fixed structures	–	–	0.0	19 121	0.0	–	361	0.0
Machinery and equipment	7 557	5 289	70.0	20 465	270.8	10 202	5 429	53.2
Software and other intangible assets	1 143	870	76.1	914	80.0	–	–	0.0
Payments for financial assets	–	82	–	669	–	–	24	–
Total	925 127	471 268	50.9	901 804	97.5	995 842	453 709	45.6

Main expenditure trends for the first half of 2010/11

Total expenditure for 2009/10 was 97.5 per cent of the 2009/10 adjusted appropriation. Expenditure in the first six months of 2010/11 was R453.7 million, or 45.6 per cent of the adjusted appropriation of R995.8 million for the year as a whole. In comparison, mid-year expenditure in 2009/10 was R471.3 million, or 50.9 per cent of the 2009/10 adjusted appropriation. Expenditure in the first six months of 2010/11 decreased by R17.6 million or 3.7 per cent, compared to expenditure in the first six months of 2009/10.

The main expenditure decrease compared to 2009/10 is because the transfer payment to the Industrial Corporation of South Africa for small scale mining was not made, due to delays associated with the project's administration.

Departmental receipts

R thousand	2009/10					2010/11			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted estimate	Apr 09 - Mar 09	Apr 09 - Mar 10 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate
Departmental receipts	161 847	67 174	41.5	212 715	131.4	205 596	99 033	44 565	45.0
Sales of goods and services produced by department	1 176	760	64.6	1 056	89.8	1 196	2 728	1 382	50.7
Sales of scrap, waste, arms and other used current goods	1	1	100.0	27	2 700.0	1	11	6	54.5
Fines, penalties and forfeits	169	98	58.0	382	226.0	144	470	233	49.6
Interest, dividends and rent on land	160 172	66 213	41.3	210 791	131.6	203 858	95 055	42 591	44.8
Transactions in financial assets and liabilities	329	102	31.0	459	139.5	397	769	353	45.9
Total	161 847	68 687	41.5	212 715	131.4	205 596	99 033	44 565	45.0

Main departmental revenue trends for the first half of 2010/11

Departmental revenue collection in the first six months of 2010/11 was R44.6 million, or 45 per cent of the adjusted revenue estimate of R99 million for the year as a whole. In comparison, mid-year revenue collection in 2009/10 was R68.7 million, or 41.5 per cent of the 2009/10 adjusted estimate. Departmental revenue collection in the first six months of 2010/11 decreased by R24.1 million or 35.1 per cent, compared to revenue in the first six months of 2009/10.

The main revenue decrease compared to 2009/10 is due to fewer charges made for the administrative functions of the department and a decrease in rent on department land.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
1. Administration							
Households							
Other transfers to households							
Current	-	-	-	40	-	40	40
Act of grace	-	-	-	40	-	40	40

