

Vote 34

Mineral Resources and Energy

Adjusted budget summary

R thousand	2022/23			Adjusted appropriation
	Appropriation	Adjustments appropriation		
		Decrease	Increase	
Amount to be appropriated	10 345 671	(230 833)	303 698	10 418 536
<i>of which:</i>				
Current payments	2 068 376	–	303 698	2 372 074
Transfers and subsidies	8 263 833	(230 833)	–	8 033 000
Payments for capital assets	13 462	–	–	13 462
Executive authority	Minister of Mineral Resources			
Accounting officer	Director-General of Mineral Resources			
Website	www.dmr.gov.za			

Vote purpose

Regulate the minerals and mining sector for transformation, growth and development. Formulate energy policies, regulatory frameworks and legislation to ensure energy security, environmentally friendly carriers, and access to affordable and reliable energy.

Performance

Indicator	Programme	MTSF priority	Annual performance		
			Projected for 2022/23	Achieved in the first half of 2022/23 (April to September)	Changed target for 2022/23
Number of new petroleum retail site inspections per year	Minerals and Petroleum Regulation	Departmental mandate	1 500	847	–
Number of mining rights and permits granted or issued to historically disadvantaged South Africans per year	Minerals and Petroleum Regulation		120	123	–
Number of social and labour plan verification inspections per year	Minerals and Petroleum Regulation		212	116	–
Number of environmental verification inspections conducted per year	Minerals and Petroleum Regulation		1 275	677	–
Number of mine economic verification audits per year	Minerals and Petroleum Regulation		425	248	–
Number of mineral legislation compliance inspections conducted per year	Minerals and Petroleum Regulation		150	90	–
Number of derelict and ownerless mines rehabilitated per year	Programmes and Projects		3	1	–
Number of energy savings realised and verified from energy efficiency and demand-side management grant per year (terawatt hours)	Programmes and Projects		0.5TWh	0.414TWh	–
Number of shafts/holings sealed off per year	Mineral and Energy Resources Programmes and Projects		40	5	–
Number of additional households electrified with grid electrification per year	Programmes and Projects		Priority 5: Spatial integration, human settlements and local government	200 000	43 566
Number of bulk substations built per year	Programmes and Projects	2		1	–
Number of additional substations upgraded per year	Programmes and Projects	3		1	–
Kilometres of new medium voltage power lines constructed per year	Programmes and Projects	50		10.7	–
Kilometres of existing medium-voltage power lines upgraded per year	Programmes and Projects	50		0	–
Number of additional households electrified with non-grid electrification per year	Programmes and Projects	15 000		4 658	–

Progress

The department's progress on constructing new medium-voltage power lines and upgrading existing lines has been slow due to shortages of materials from suppliers. However, some suppliers have begun to receive stock, and it is anticipated that progress towards the achievement of these targets will improve in the second half of the year.

Adjusted estimates

Programme	2022/23								
	R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds		
Administration		729 612	–	–	–	–	–	–	729 612
Minerals and Petroleum Regulation		493 093	–	–	–	–	–	–	493 093
Mining, Minerals and Energy Policy Development		880 006	–	–	–	–	–	–	880 006
Mine Health and Safety Inspectorate		236 602	–	–	–	–	–	–	236 602
Mineral and Energy Resources		6 840 392	72 865	–	–	–	–	72 865	6 913 257
Programmes and Projects									
Nuclear Energy Regulation and Management		1 165 966	–	–	–	–	–	–	1 165 966
Total		10 345 671	72 865	–	–	–	–	72 865	10 418 536
Economic classification									
Current payments		2 068 376	71 865	–	231 833	–	–	303 698	2 372 074
Compensation of employees		1 037 127	–	–	–	–	–	–	1 037 127
Goods and services		1 031 249	71 865	–	231 833	–	–	303 698	1 334 947
Transfers and subsidies		8 263 833	1 000	–	(231 833)	–	–	(230 833)	8 033 000
Provinces and municipalities		2 341 872	1 000	–	–	–	–	1 000	2 342 872
Departmental agencies and accounts		605 176	–	–	–	–	–	–	605 176
Foreign governments and international organisations		28 386	–	–	4 481	–	–	4 481	32 867
Public corporations and private enterprises		5 285 992	–	–	(236 314)	–	–	(236 314)	5 049 678
Households		2 407	–	–	–	–	–	–	2 407
Payments for capital assets		13 462	–	–	–	–	–	–	13 462
Buildings and other fixed structures		2 416	–	–	–	–	–	–	2 416
Machinery and equipment		11 046	–	–	–	–	–	–	11 046
Total		10 345 671	72 865	–	–	–	–	72 865	10 418 536

1. Other adjustments include funds shifted within a vote following a function shift, funds shifted between votes, adjustments due to significant and unforeseeable economic and financial events, self-financing expenditure, and the use of funds in terms of section 16 of the Public Finance Management Act (1999).

Programme 1: Administration

Subprogramme		2022/23								
		Adjustments appropriation								
		Amounts announced in the budget								
R thousand	Appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation		
Ministry	37 046	-	-	-	-	-	-	37 046		
Departmental Management	40 235	-	-	-	-	-	-	40 235		
Audit Services	21 517	-	-	-	-	-	-	21 517		
Financial Administration	94 879	-	-	-	-	-	-	94 879		
Corporate Services	378 700	-	-	-	-	-	-	378 700		
Office Accommodation	157 235	-	-	-	-	-	-	157 235		
Total	729 612	-	-	-	-	-	-	729 612		
Economic classification										
Current payments	711 529	-	-	-	-	-	-	711 529		
Compensation of employees	327 867	-	-	-	-	-	-	327 867		
Goods and services	383 662	-	-	-	-	-	-	383 662		
Transfers and subsidies	5 527	-	-	-	-	-	-	5 527		
Departmental agencies and accounts	3 120	-	-	-	-	-	-	3 120		
Households	2 407	-	-	-	-	-	-	2 407		
Payments for capital assets	12 556	-	-	-	-	-	-	12 556		
Buildings and other fixed structures	2 416	-	-	-	-	-	-	2 416		
Machinery and equipment	10 140	-	-	-	-	-	-	10 140		
Total	729 612	-	-	-	-	-	-	729 612		

Programme 2: Minerals and Petroleum Regulation

Subprogramme		2022/23								
		Adjustments appropriation								
		Amounts announced in the budget								
R thousand	Appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation		
Minerals and Petroleum Management	14 753	-	-	-	-	-	-	14 753		
Mineral Regulation and Administration	366 182	-	-	-	-	-	-	366 182		
Environmental Enforcement and Compliance	21 286	-	-	-	-	-	-	21 286		
Petroleum Compliance Monitoring, Enforcement and Fuel Pricing	27 690	-	-	-	-	-	-	27 690		
Petroleum Licensing and Fuel Supply	63 182	-	-	-	-	-	-	63 182		
Total	493 093	-	-	-	-	-	-	493 093		
Economic classification										
Current payments	332 582	-	-	-	-	-	-	332 582		
Compensation of employees	278 841	-	-	-	-	-	-	278 841		
Goods and services	53 741	-	-	-	-	-	-	53 741		
Transfers and subsidies	160 511	-	-	-	-	-	-	160 511		
Departmental agencies and accounts	62 894	-	-	-	-	-	-	62 894		
Foreign governments and international organisations	3 333	-	-	-	-	-	-	3 333		
Public corporations and private enterprises	94 284	-	-	-	-	-	-	94 284		
Total	493 093	-	-	-	-	-	-	493 093		

Programme 3: Mining, Minerals and Energy Policy Development

Subprogramme		2022/23							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds	Other adjustments		
Mining, Minerals and Energy Policy Development Management	64 583	-	-	(867)	-	-	-	(867)	63 716
Minerals and Petroleum Policy	25 166	-	-	1 881	-	-	-	1 881	27 047
Nuclear, Electricity and Gas Policy	19 081	-	-	(1 615)	-	-	-	(1 615)	17 466
Economic Analysis and Statistics	49 335	-	-	(3 966)	-	-	-	(3 966)	45 369
Economic Growth, Promotion and Global Relations	705 494	-	-	5 110	-	-	-	5 110	710 604
Mineral and Energy Planning	16 347	-	-	(543)	-	-	-	(543)	15 804
Total	880 006	-	-	-	-	-	-	-	880 006
Economic classification									
Current payments	198 423	-	-	(4 481)	-	-	-	(4 481)	193 942
Compensation of employees	106 221	-	-	-	-	-	-	-	106 221
Goods and services	92 202	-	-	(4 481)	-	-	-	(4 481)	87 721
Transfers and subsidies	681 583	-	-	4 481	-	-	-	4 481	686 064
Departmental agencies and accounts	355 761	-	-	-	-	-	-	-	355 761
Foreign governments and international organisations	867	-	-	4 481	-	-	-	4 481	5 348
Public corporations and private enterprises	324 955	-	-	-	-	-	-	-	324 955
Total	880 006	-	-	-	-	-	-	-	880 006

Programme 4: Mine Health and Safety Inspectorate

Subprogramme		2022/23							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Special appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds		
Mine Health and Safety Management	10 099	-	-	-	-	-	-	-	10 099
Mine Health and Safety Regions	212 453	-	-	-	(198)	-	-	-	212 255
Occupational Health	14 050	-	-	-	198	-	-	-	14 248
Total	236 602	-	-	-	-	-	-	-	236 602
Economic classification									
Current payments	230 979	-	-	-	-	-	-	-	230 979
Compensation of employees	194 995	-	-	-	-	-	-	-	194 995
Goods and services	35 984	-	-	-	-	-	-	-	35 984
Transfers and subsidies	4 717	-	-	-	-	-	-	-	4 717
Departmental agencies and accounts	4 717	-	-	-	-	-	-	-	4 717
Payments for capital assets	906	-	-	-	-	-	-	-	906
Machinery and equipment	906	-	-	-	-	-	-	-	906
Total	236 602	-	-	-	-	-	-	-	236 602

Programme 5: Mineral and Energy Resources Programmes and Projects

Subprogramme	2022/23								
	R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds		
Programmes and Projects Management	6 104	–	–	–	–	–	–	–	6 104
Integrated National Electrification Programme	6 037 629	29 045	–	–	–	–	–	29 045	6 066 674
Programmes and Projects Management Office	67 157	–	–	–	–	–	–	–	67 157
Electricity Infrastructure and Industry Transformation	120 204	–	–	–	–	–	–	–	120 204
Energy Efficiency Projects	250 464	43 820	–	–	–	–	–	43 820	294 284
Renewable Energy Projects	158 660	–	–	–	–	–	–	–	158 660
Environmental Management Projects	200 174	–	–	–	–	–	–	–	200 174
Total	6 840 392	72 865	–	–	–	–	–	72 865	6 913 257
Economic classification									
Current payments	557 161	71 865	–	236 314	–	–	–	308 179	865 340
Compensation of employees	101 191	–	–	–	–	–	–	–	101 191
Goods and services	455 970	71 865	–	236 314	–	–	–	308 179	764 149
Transfers and subsidies	6 283 231	1 000	–	(236 314)	–	–	–	(235 314)	6 047 917
Provinces and municipalities	2 341 872	1 000	–	–	–	–	–	1 000	2 342 872
Departmental agencies and accounts	81 072	–	–	–	–	–	–	–	81 072
Foreign governments and international organisations	1 726	–	–	–	–	–	–	–	1 726
Public corporations and private enterprises	3 858 561	–	–	(236 314)	–	–	–	(236 314)	3 622 247
Total	6 840 392	72 865	–	–	–	–	–	72 865	6 913 257

Programme 6: Nuclear Energy Regulation and Management

Subprogramme	2022/23								
	R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds		
Nuclear Energy Management	4 574	–	–	–	–	–	–	–	4 574
Nuclear Safety and Technology	1 149 557	–	–	–	–	–	–	–	1 149 557
Nuclear Non-proliferation and Radiation Security	11 835	–	–	–	–	–	–	–	11 835
Total	1 165 966	–	–	–	–	–	–	–	1 165 966
Economic classification									
Current payments	37 702	–	–	–	–	–	–	–	37 702
Compensation of employees	28 012	–	–	–	–	–	–	–	28 012
Goods and services	9 690	–	–	–	–	–	–	–	9 690
Transfers and subsidies	1 128 264	–	–	–	–	–	–	–	1 128 264
Departmental agencies and accounts	97 612	–	–	–	–	–	–	–	97 612
Foreign governments and international organisations	22 460	–	–	–	–	–	–	–	22 460
Public corporations and private enterprises	1 008 192	–	–	–	–	–	–	–	1 008 192
Total	1 165 966	–	–	–	–	–	–	–	1 165 966

Details of adjustments to the 2022 Estimates of National Expenditure

Roll-overs – R72.865 million

Programme 5: Mineral and Energy Resources Programmes and Projects

R28.045 million is rolled over to finalise non-grid projects through the integrated national electrification programme, R43.82 million is rolled over to finalise payments to service providers for the solar water heater programme, and R1 million is rolled over to finalise 50 electrification connections for households in the Dikgatlong municipality.

Virements and shifts within the vote

Programmes

1. Administration
2. Minerals and Petroleum Regulation
3. Mining, Minerals and Energy Policy Development
4. Mine Health and Safety Inspectorate
5. Mineral and Energy Resources Programmes and Projects
6. Nuclear Energy Regulation and Management

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(4 481)	Programme 3		4 481
Goods and services	Operating payments, travel and subsistence, venues and facilities ¹	(2 400)	Foreign governments and international organisations	Membership fees ¹	2 400
	Administrative fees, advertising, travel and subsistence ¹	(765)	Foreign governments and international organisations	Membership fees ¹	765
	Administrative fees, advertising, catering, travel and subsistence ¹	(1 316)	Foreign governments and international organisations	Membership fees ¹	1 316
Shifts within the programme as a percentage of the programme budget		0.5%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 5		(236 314)	Programme 5		236 314
Public corporations and private enterprises	Reclassification of funds ¹	(2 812)	Goods and services	Business and advisory services ¹	2 812
	Reclassification of funds ¹	(233 502)	Goods and services	Business and advisory services ¹	233 502
Shifts within the programme as a percentage of the programme budget		3.5%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(240 795)			240 795

1. National Treasury approval has been obtained.

Expenditure outcome for 2021/22 and mid-year expenditure for 2022/23

Programme	2021/22						2022/23			
	Adjusted appropriation	Outcome				Adjusted appropriation/ Total (%)	Actual expenditure			
		Apr 21 - Sep 21	Apr 21 - Sep 21 % of adjusted appropriation	Apr 21 - Mar 22	Apr 21 - Mar 22 % of adjusted appropriation		Apr 22 - Sep 22	Apr 22 - Sep 22 % of adjusted appropriation		
R thousand										
Administration	625 919	251 042	40.1	562 544	89.9	729 612	7.0	279 613	38.3	
Minerals and Petroleum Regulation	542 762	248 960	45.9	526 858	97.1	493 093	4.7	254 112	51.5	
Mining, Minerals and Energy Policy Development	803 932	474 337	59.0	768 722	95.6	880 006	8.4	444 555	50.5	
Mine Health and Safety Inspectorate	235 517	103 051	43.8	205 351	87.2	236 602	2.3	106 624	45.1	
Mineral and Energy Resources Programmes and Projects	5 922 140	1 998 281	33.7	5 716 621	96.5	6 913 257	66.4	1 903 122	27.5	
Nuclear Energy Regulation and Management	1 111 194	1 014 385	91.3	1 123 441	101.1	1 165 966	11.2	1 072 440	92.0	
Total	9 241 464	4 090 056	44.3	8 903 537	96.3	10 418 536	100.0	4 060 466	39.0	
Economic classification										
Current payments	1 913 525	624 880	32.7	1 829 775	95.6	2 372 074	22.8	748 131	31.5	
Compensation of employees	1 037 124	480 385	46.3	977 955	94.3	1 037 127	10.0	492 386	47.5	
Goods and services	876 401	144 495	16.5	851 820	97.2	1 334 947	12.8	255 745	19.2	
Transfers and subsidies	7 308 475	3 464 810	47.4	7 066 680	96.7	8 033 000	77.1	3 310 480	41.2	
Provinces and municipalities	2 224 031	662 000	29.8	2 223 031	100.0	2 342 872	22.5	618 777	26.4	
Departmental agencies and accounts	566 664	452 521	79.9	565 439	99.8	605 176	5.8	395 508	65.4	
Foreign governments and international organisations	31 510	344	1.1	29 452	93.5	32 867	0.3	4 576	13.9	
Public corporations and private enterprises	4 483 944	2 344 927	52.3	4 241 871	94.6	5 049 678	48.5	2 288 545	45.3	
Households	2 326	5 018	215.7	6 887	296.1	2 407	0.0	3 074	127.7	
Payments for capital assets	19 464	366	1.9	6 790	34.9	13 462	0.1	1 855	13.8	
Buildings and other fixed structures	2 286	–	–	184	8.0	2 416	0.0	115	4.8	
Machinery and equipment	17 178	281	1.6	6 606	38.5	11 046	0.1	1 652	15.0	
Software and other intangible assets	–	85	–	–	–	–	–	88	–	
Payments for financial assets	–	–	–	292	–	–	–	–	–	
Total	9 241 464	4 090 056	44.3	8 903 537	96.3	10 418 536	100.0	4 060 466	39.0	

Expenditure trends

Total expenditure in 2021/22 was R8.9 billion, 96.3 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2021/22 was R4.1 billion, 44.3 per cent of the adjusted appropriation, whereas expenditure in the first half of 2022/23 was R4.1 billion, 39 per cent of the adjusted appropriation of R10.4 billion. Compared to the first half of 2021/22, expenditure over the same period in 2022/23 decreased

by R29.6 million, 0.7 per cent. This was mainly due to a decrease in transfers to the Council for Geoscience for the rehabilitation of mines and water ingress projects as implementation agreements are yet to be finalised.

Departmental receipts

R thousand	2021/22					2022/23				
	Adjusted estimate	Outcome			Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts		
		Apr 21 - Sep 21	Apr 21 - Sep 21 % of adjusted estimate	Apr 21 - Mar 22				Apr 21 - Mar 22 % of adjusted estimate	Apr 22 - Sep 22	Apr 22 - Sep 22 % of adjusted estimate
Departmental receipts	116 271	82 243	70.7	100 018	86.0	48 907	48 991	100.0	19 688	40.2
Sales of goods and services produced by department	16 408	7 967	48.6	16 633	101.4	16 619	16 628	33.9	9 409	56.6
Sales of scrap, waste, arms and other used current goods	1	–	–	0	7.7	1	–	–	–	–
Fines, penalties and forfeits	1 402	434	31.0	1 715	122.3	1 423	1 495	3.1	1 493	99.9
Interest, dividends and rent on land	27 690	4 877	17.6	13 179	47.6	28 105	28 107	57.4	6 903	24.6
Transactions in financial assets and liabilities	70 770	68 965	97.4	68 491	96.8	2 759	2 761	5.6	1 883	68.2
Total	116 271	82 243	70.7	100 018	86.0	48 907	48 991	100.0	19 688	40.2

Revenue trends

Mid-year revenue in 2021/22 was R82.2 million, 70.7 per cent of the adjusted estimate, whereas revenue for the first half of 2022/23 was R19.7 million, 40.2 per cent of the adjusted estimate of R49 million. Compared to the first half of 2021/22, revenue over the same period in 2022/23 decreased by R62.6 million, 76.1 per cent. This was mainly due to Eskom returning unspent funds for the implementation of the solar water heater programme to the National Revenue Fund in 2021/22.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	Appropriation	2022/23							Adjusted appropriation
		Adjustments appropriation						Total adjustments appropriation	
		Roll-overs	Unforeseeable /Unavoidable	Virements and shifts	Amounts announced in the budget	Declared unspent funds	Other adjustments		
Mining, Minerals and Energy Policy Development									
Foreign governments and international organisations									
Current	–	–	–	4 481	–	–	–	4 481	4 481
Association of African Diamond Producing Countries	–	–	–	4 481	–	–	–	4 481	4 481

Summary of changes to transfers and subsidies per programme (continued)

		2022/23								
		Adjustments appropriation								
		Amounts announced in the budget					Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts						
Mineral and Energy Resources Programmes and Projects										
Provinces and municipalities										
Municipalities										
Municipal bank accounts										
Capital	2 118 668	1 000	–	–	–	–	–	1 000	2 119 668	
Integrated national electrification programme grant	2 118 668	1 000	–	–	–	–	–	1 000	2 119 668	
Public corporations and private enterprises										
Public corporations										
Other transfers										
Current	2 812	–	–	(2 812)	–	–	–	(2 812)	–	
Mintek: Expanded public works programme	2 812	–	–	(2 812)	–	–	–	(2 812)	–	
Public corporations and private enterprises										
Private enterprises										
Other transfers										
Capital	233 502	–	–	(233 502)	–	–	–	(233 502)	–	
Various institutions: Integrated national electrification programme	233 502	–	–	(233 502)	–	–	–	(233 502)	–	

Summary of changes to conditional grants: Local government

		2022/23								
		Adjustments appropriation								
		Amounts announced in the budget					Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Unforeseeable /Unavoidable	Virements and shifts						
Mineral and Energy Resources Programmes and Projects	2 341 872	1 000	–	–	–	–	–	1 000	2 342 872	
Integrated national electrification programme grant	2 118 668	1 000	–	–	–	–	–	1 000	2 119 668	

