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BUDGET 2015

ESTIMATES OF NATIONAL EXPENDITURE

VOTE 29

MINERAL RESOURCES



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2015

National Treasury

Republic of South Africa

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The 2015 Estimates of National Expenditure e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

Foreword

Some of the tough economic conditions occasioned by the 2008 to 2009 global financial crisis continue to plague most parts of the world: Economic growth remains sluggish, unemployment and inequality levels are elevated, while financial markets tend to reposition themselves substantially at the slightest sign of unsettling news. As an open economy, South Africa is highly susceptible to global economic developments, often disproportionately so. In the face of all of this, the 2015 Medium Term Expenditure Framework (MTEF) response provides for positive real growth in expenditure averaging 2.1 per cent per year. The annual budget reaches R1.6 trillion by 2017/18.

True to the commitment government made in the Medium Term Budget Policy Statement (MTBPS) in October 2014, the budget framework sets out departmental programmes and plans that fit within the broad expenditure envelope published last year. To keep our fiscal accounts firmly on a sustainable path, the MTBPS proposed a fiscal policy package that has trimmed overall spending by R25 billion, which is the combined amount for 2015/16 and 2016/17. Government spending does continue to surpass inflation after these adjustments in both years, but growth is marginally slower. In addition, for 2017/18, R45 billion is placed in an unallocated reserve to cushion our plans against unforeseeable eventualities. Further, to achieve our fiscal objectives, government has had to institute carefully selected tax measures too. These are implemented within the framework of a progressive tax system and have been informed by the work of the Davies Tax Committee. The tax proposals are set out in detail in chapter 4 of the Budget Review.

The process of realigning expenditure in response to the closing of the fiscal space is being actively managed, in the context of government's 2014-2019 medium term strategic framework. Some of our aspirations might take longer to realise. Within government's institutions, more urgent and essential existing programmes are being prioritised above other programmes that are reduced. The implementation of some newly proposed programmes will either be phased in over a longer period or, in some cases, possibly even delayed. Social sector spending and key infrastructure spending, as well as other key areas of spending, continue to grow in real terms.

In addition to the reprioritisation of government programmes, the policy frameworks and implementation methodology of programmes are being re-evaluated, with a focus on service delivery of programmes. In line with the 2013/14 National Treasury instruction on cost containment measures, financing programmes must entail a greater share of goods and services budgets being devoted towards core areas of service delivery. The focus of government programmes is being sharpened, both in terms of spatial distribution, and in terms of their nature and emphasis. Effectiveness and efficiency of expenditure is our guiding mantra.

The spending plans contained in the 2015 Budget do respond to our short term needs for economic growth. However, to achieve our ambition of faster growth, which we unquestionably need for pushing back the frontiers of unemployment, poverty and inequality, we must continue to strive towards shifting the composition of expenditure more towards investment, away from consumption. Institutional spending, as always, is being closely monitored, and the ongoing process of realignment continues. The details of the spending of national government departments and its entities are encompassed in the chapters of this publication.

All the expenditure and service delivery information contained in the chapters of this publication result from a wide ranging intergovernmental consultative process, leading to executive approval of reprioritised and realigned spending allocations. Many people have contributed to making this publication possible, particularly my colleagues in national departments and agencies. Their collaboration and understanding during the budget allocation and document drafting processes has been invaluable. Appreciation is also due to the dedicated team at National Treasury for the publication of this highly valuable resource.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of national Expenditure (ENE) publications provide comprehensive information on how budget resources are generated, how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the MTEF period. Key performance indicators are included for each national government vote and entity showing what the institutions aim to achieve by spending their budget allocations in a particular manner. This information provides Parliament and the public with the necessary tools to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

The 2015 ENE publications largely retain the scope of information presented in previous years' publications. For ease of comprehension, however, in the 2015 publications information is presented in a more succinct and concise manner in data tables and their accompanying explanatory narratives. The reader can thus more readily understand what each institution is planning to spend its budget on and what it aims to achieve. Each chapter in the abridged 2015 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote.

Compared to the abridged version of the 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

A separate 2015 ENE Overview e-publication is also available, which contains a description at the main budget non-interest spending level, summarising the ENE publication information across votes. The 2015 ENE Overview contains this narrative explanation and summary tables; a description of the budgeting approach; and also has a write-up on how to interpret the information that is contained in each section of the publications.

Mineral Resources

**National Treasury
Republic of South Africa**



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Vote 29

Mineral Resources

Budget summary

R million	2015/16				2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	293.2	280.2	2.7	10.3	307.2	325.7
Mine Health and Safety	175.8	175.2	–	0.6	186.3	201.8
Mineral Regulation	260.4	209.5	50.5	0.5	276.2	294.0
Mineral Policy and Promotion	889.0	141.2	747.7	0.1	915.2	911.2
Total expenditure estimates	1 618.5	806.1	800.9	11.5	1 684.9	1 732.6
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, public entities, donor funding, public private partnerships, conditional allocations 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 following:

- 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 the Minerals and Mining Policy for South Africa, which provides the framework for the transparent and efficient regulation of the mineral resources and mineral industry.

Selected performance indicators

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	8 020	8 632	9 919	8 396	8 396	8 396	8 396
Number of mining rights and permits granted and/or issued to historically disadvantaged South Africans per year ¹	Mineral Regulation		82	102	192	200	200	200	200
Number of industry workshops on compliance issues conducted per year	Mineral Regulation		34	25	12	9 ²	9	9	9
Number of social and labour plans inspections per year ³	Mineral Regulation		259	181	285	250	150	250	250
Number of environmental authorisation inspections per year	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 898	1 751	1 868	1 700	1 700	1 700	1 700
Number of mine economics verification audits per year ⁷	Mineral Regulation	Outcome 4: Decent employment through inclusive economic growth	541	480	546	500	500	500	500
Number of publications per year	Mineral Policy and Promotion		12	35	13	13	13	13	13
Number of legislative instruments reviewed and amended per year ⁴	Mineral Policy and Promotion		2	2	2	3	3	4	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	3	13	28	50 ⁵	50	50	50
Number of SMMEs supported (new and established) per year	Mineral Policy and Promotion	Outcome 7: Comprehensive rural development and land reform	85	72	81	67	88	88	88

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of consultations, and promotional and monitoring activities on shale gas exploration conducted per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	-6	-6	-6	20	10	10	10
Number of beneficiation promotional activities per year	Mineral Policy and Promotion		-6	-6	-6	30	20	15	15
Number of strategic partnerships per year	Mineral Policy and Promotion		7	7	8	7	10	10	10

1. The department does not have control over the number of eligible applications submitted. However, the targets over the medium term include all aspects in the definition of historically disadvantaged South Africans.
2. The decrease is due to the department's plan going forward to conduct one workshop per region.
3. This indicator replaces the previous 'number of mining charter inspections per year' indicator.
4. This indicator has been rephrased. It was previously named 'number of policies and regulations reviewed and amended per year'.
5. The target increased from 28 in 2013/14 to 50 in 2014/15 after the department received additional funding for that purpose.
6. There is no historical data as this is a new indicator measured from 2014/15 onwards.
7. This indicator refers to audits conducted by mine economists to ascertain the levels of mineral extraction occurring at mines.

Expenditure analysis

Over the medium term, the Department of Mineral Resources will contribute to achieving a stable regulatory framework in the mining sector as identified by the national development plan, as well as contributing more broadly to an equitable and inclusive economy. The department will be making key contributions to government's 2014-2019 medium term strategic framework, particularly to outcome 4 (decent employment through inclusive growth), outcome 6 (an effective, competitive and responsive economic infrastructure network) and outcome 10 (protect and enhance our environmental assets and natural resources).

Enforcing compliance with legislation and promoting sustainable resource use and management over the medium term is projected to cost R4.1 billion, or 81.4 per cent of the department's total budget. Ensuring the best utilisation of mineral resources is another medium term priority for the department.

Enforcing compliance with legislation

To increase the department's capacity for enforcing compliance with mining legislation, including carrying out occupational health and safety inspections, social and labour plans inspections, and environmental authorisation inspections, the department's staff is set to grow from 1 197 in 2015/16 to 1 209 in 2017/18. Compensation of employees is set to increase by 7.2 per cent over the medium term to cater for the 12 additional personnel. Compensation of employees drives overall departmental spending due to the labour intensive nature of inspections combined with requirements for considerable technical expertise, and it accounts for 33.7 per cent of the total departmental budget over the medium term. The *Mineral Regulations* and *Mine Health and Safety* programmes are set to take up the bulk of the R1.7 billion compensation of employees budget over the medium term.

The department received an additional allocation of R42 million over the medium term towards enforcing compliance with the Mineral and Petroleum Resources Development Act (2002). Among other enforcement activities, such as inspections, the department will be doing research and advocacy work on hydraulic fracturing in preparation for licensing shale gas exploration and for monitoring compliance with the regulations once the exploration starts. The department receives an additional R108 million over the period for this work. Shale gas exploration is expected to contribute to economic growth and job creation.

Health and safety inspections and audits will be carried out in compliance with the Mine Health and Safety Act (1996) to contribute to the target of a 20 per cent reduction in occupational fatalities and injuries and a 10 per cent reduction in occupational diseases per year over the medium term. Cabinet approved reductions amount to R73.6 million over the medium term and will be effected mainly on goods and services.

Promoting sustainable resource use and management

Government's 2014-2019 medium term strategic framework advocates for the protection and enhancement of environmental assets and natural resources. In line with this, the department aims to rehabilitate 150 derelict and ownerless mines over the medium term to limit the flow of acid mine water into the environment. This contaminated water from metal mines causes ecological harm and compromises human and animal health.

Expenditure on contractors is expected to increase by 23.1 per cent over the medium term to support the rehabilitation work, which requires technical expertise that the department does not have.

Through its transfers in the *Mineral Policy and Promotion* programme to the Council for Geoscience and the Council for Mineral Technology and Research, the department will support the research and development of efficient mineral processing technologies and the provision of advisory services on geohazards and geo-environmental pollution. The *Mineral Policy and Promotion* programme is the department's highest spending programme, accounting for 53.8 per cent of the total departmental budget over the medium term. The purpose of this spending is to attract investment through promoting South Africa's mining and petroleum sectors.

Ensuring the best utilisation of mineral resources

The department will strengthen its capacity to enforce compliance with the conditions of mining rights. The conditions include maximising employment, contributing to state finances, transforming the sector, and environmental stewardship.

In collaboration with the Department of Trade and Industry, the department is developing a comprehensive mineral beneficiation action plan to facilitate the expansion of beneficiation initiatives. Beneficiation, or value added processing, involves the transformation of a primary material (produced by mining and extraction processes) to a more finished product that has a higher export sales value. Each successive level of processing permits the product to be sold at a higher price.

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	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
Programme 1	247.9	247.9	257.6	238.9	257.3	295.3	271.5	282.3	308.6	284.2	297.6	297.6	111.2%	106.8%
Programme 2	147.5	147.5	141.3	154.5	150.6	140.7	163.7	163.7	153.2	168.0	172.0	172.0	95.8%	95.8%
Programme 3	160.4	162.2	184.4	180.1	187.8	191.4	222.7	211.9	205.5	231.4	236.7	236.7	103.0%	102.4%
Programme 4	480.4	481.4	446.2	595.6	579.9	546.3	735.9	735.9	719.9	787.8	769.2	769.2	95.5%	96.7%
Total	1 036.2	1 039.0	1 029.4	1 169.1	1 175.5	1 173.6	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.5	99.9%	99.6%
Change to 2014 Budget estimate											4.3			
Economic classification														
Current payments	587.6	588.8	589.8	602.6	613.6	623.8	747.9	708.1	684.8	742.3	744.3	744.3	98.6%	99.5%
Compensation of employees	377.6	380.4	364.6	401.9	402.3	395.9	435.0	444.1	435.3	476.8	492.0	492.0	99.8%	98.2%
Goods and services of which:	210.0	208.4	222.6	200.7	211.2	227.9	312.9	264.0	249.6	265.6	252.3	252.3	96.3%	101.8%
Administrative fees	3.7	4.0	2.6	3.4	3.4	2.8	3.4	3.1	2.6	3.7	3.6	3.6	82.2%	82.4%
Advertising	3.9	3.0	1.4	2.3	2.4	1.1	2.5	4.8	3.5	2.5	3.1	3.1	81.5%	69.0%
Assets less than the capitalisation threshold	0.8	1.3	0.5	3.5	9.7	1.2	3.5	2.9	0.3	2.6	2.4	2.4	42.2%	27.2%
Audit costs: External	4.2	4.2	4.8	3.9	3.9	5.2	4.2	4.4	6.9	5.0	4.3	4.3	122.5%	125.5%
Bursaries: Employees	3.6	3.2	2.7	3.0	3.1	2.8	2.8	2.3	1.8	2.3	1.7	1.7	77.4%	87.0%
Catering: Departmental activities	2.6	2.0	0.9	2.3	2.1	0.6	2.1	1.9	1.2	2.5	2.1	2.1	49.4%	57.5%
Communication	7.4	8.4	14.4	10.0	9.7	12.5	10.8	12.4	15.0	13.1	12.8	12.8	132.7%	126.4%
Computer services	21.4	23.6	21.4	17.5	17.5	23.3	27.9	19.9	18.0	22.0	24.8	24.8	98.5%	101.9%
Consultants and professional services:	7.5	5.8	2.1	5.5	4.0	1.7	4.3	10.6	5.8	8.0	18.8	18.8	111.9%	72.6%
Business and advisory services														
Consultants and professional services: Infrastructure and planning	26.4	25.7	0.1	10.0	6.7	-	-	-	-	0.1	0.0	0.0	0.3%	0.3%

Table 29.2 Vote expenditure trends by programme and economic classification

Economic classification	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Consultants and professional services:	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory services														
Consultants and professional services:	0.1	0.4	12.6	0.9	3.4	9.2	5.7	0.7	9.2	0.8	0.8	0.8	423.8%	608.6%
Legal costs														
Contractors	2.9	2.0	1.3	4.0	2.9	1.6	75.9	26.7	1.2	40.5	4.3	4.3	6.7%	23.1%
Agency and support/outsourced services	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.1	127.3%	66.1%
Entertainment	0.7	0.4	0.2	0.4	0.3	0.0	0.3	0.3	0.0	0.1	0.1	0.1	19.7%	24.8%
Fleet services (including government motor transport)	-	-	-	0.7	1.0	0.7	5.7	5.8	6.0	4.9	5.3	5.3	105.2%	98.7%
Inventory: Clothing material and accessories	-	-	-	-	-	-	0.0	0.0	-	0.5	0.3	0.3	62.8%	98.1%
Inventory: Food and food supplies	0.0	0.2	0.1	0.3	0.5	0.2	0.1	0.1	0.0	0.1	0.1	0.1	65.6%	40.3%
Inventory: Fuel, oil and gas	0.1	0.1	0.2	-	-	-	-	-	-	-	-	-	173.1%	121.1%
Inventory: Learner and teacher support material	0.2	0.1	0.0	0.2	0.2	0.0	-	-	-	-	-	-	11.7%	16.7%
Inventory: Materials and supplies	0.3	0.5	0.3	0.9	0.6	0.2	0.6	0.6	0.4	0.7	1.2	1.2	83.0%	69.3%
Inventory: Medical supplies	-	0.1	-	0.0	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	91.2%	40.4%
Inventory: Other supplies	-	-	1.1	-	1.7	1.1	-	-	-	-	-	-	-	135.8%
Consumable supplies	1.3	1.5	-	1.4	-	-	2.8	3.0	1.4	2.8	2.9	2.9	51.6%	57.6%
Consumables: Stationery, printing and office supplies	3.9	5.7	3.9	5.3	6.2	2.8	7.3	8.7	4.1	9.1	9.3	9.3	78.4%	67.1%
Operating leases	41.1	40.6	82.3	34.6	42.0	85.6	51.3	52.6	91.1	42.3	42.1	42.1	177.8%	169.8%
Property payments	0.6	1.7	2.4	7.7	4.4	3.2	5.1	6.8	4.7	5.7	5.8	5.8	84.3%	85.8%
Travel and subsistence	59.4	56.2	57.6	61.2	62.8	61.8	69.3	68.3	59.3	69.9	68.8	68.8	95.3%	96.7%
Training and development	6.6	7.2	3.1	7.1	7.0	2.3	8.3	7.9	3.0	6.9	6.2	6.2	50.7%	51.6%
Operating payments	4.8	5.8	4.3	8.3	9.7	4.3	13.2	13.9	11.2	14.5	26.1	26.1	112.7%	82.7%
Venues and facilities	6.2	4.7	2.5	6.2	5.7	3.7	5.5	5.9	2.7	5.1	5.3	5.3	61.7%	65.3%
Interest and rent on land	-	-	2.6	-	0.2	-	-	-	-	-	-	-	-	1675.2%
Transfers and subsidies	438.4	438.4	420.8	560.3	541.8	525.1	630.1	669.9	688.5	717.9	719.4	719.4	100.3%	99.3%
Departmental agencies and accounts	199.1	199.1	199.1	266.5	269.1	269.1	315.1	321.1	321.1	340.8	347.3	347.3	101.3%	100.0%
Public corporations and private enterprises	238.3	238.3	220.3	292.6	271.5	253.5	313.7	345.7	364.7	375.8	370.9	370.9	99.1%	98.6%
Households	1.1	1.1	1.5	1.2	1.2	2.4	1.2	3.0	2.7	1.3	1.3	1.3	164.5%	119.9%
Payments for capital assets	10.1	11.7	18.6	6.1	20.1	24.5	15.9	15.9	13.9	11.0	11.8	11.8	159.3%	115.7%
Buildings and other fixed structures	-	0.8	0.9	-	3.4	0.4	3.2	1.8	0.1	2.8	3.8	3.8	86.0%	52.6%
Machinery and equipment	10.1	10.6	17.1	6.1	15.9	24.1	12.7	14.1	13.8	8.2	8.0	8.0	169.4%	129.7%
Software and other intangible assets	-	0.3	0.6	-	0.8	-	-	-	-	-	-	-	-	58.9%
Payments for financial assets	-	-	0.2	-	-	0.2	-	-	0.0	-	-	-	-	-
Total	1 036.2	1 039.0	1 029.4	1 169.1	1 175.5	1 173.6	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.5	99.9%	99.6%

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 (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2014/15	2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	
Programme 1	297.6	6.3%	22.9%	293.2	307.2	325.7	3.0%	18.8%
Programme 2	172.0	5.3%	12.0%	175.8	186.3	201.8	5.5%	11.3%
Programme 3	236.7	13.4%	16.1%	260.4	276.2	294.0	7.5%	16.4%
Programme 4	769.2	16.9%	49.0%	889.0	915.2	911.2	5.8%	53.5%
Total	1 475.5	12.4%	100.0%	1 618.5	1 684.9	1 732.6	5.5%	100.0%
Change to 2014 Budget estimate				19.3	20.8	36.3		
Economic classification								
Current payments	744.3	8.1%	52.2%	806.1	915.8	973.2	9.3%	52.8%
Compensation of employees	492.0	9.0%	33.3%	528.4	566.6	605.3	7.2%	33.7%
Goods and services	252.3	6.6%	18.8%	277.7	349.2	367.9	13.4%	19.2%
<i>of which:</i>								
Administrative fees	3.6	-3.1%	0.2%	4.4	4.7	5.0	10.9%	0.3%
Advertising	3.1	1.0%	0.2%	3.6	3.9	4.3	11.7%	0.2%
Assets less than the capitalisation threshold	2.4	20.8%	0.1%	2.2	2.2	2.3	-0.4%	0.1%
Audit costs: External	4.3	1.1%	0.4%	4.8	4.8	5.0	4.6%	0.3%
Bursaries: Employees	1.7	-18.5%	0.2%	1.9	2.0	2.1	6.1%	0.1%
Catering: Departmental activities	2.1	0.9%	0.1%	2.6	2.8	2.9	11.1%	0.2%
Communication	12.8	15.2%	1.1%	13.5	13.5	14.1	3.3%	0.8%
Computer services	24.8	1.7%	1.7%	24.3	23.1	24.7	-0.2%	1.5%
Consultants and professional services: Business and advisory services	18.8	48.3%	0.6%	7.9	8.1	8.5	-23.4%	0.7%
Consultants and professional services: Infrastructure and planning	0.0	-96.6%	0.0%	1.1	1.3	1.6	1075.2%	0.1%
Consultants and professional services: Legal costs	0.8	30.6%	0.6%	0.9	0.9	0.9	5.2%	0.1%
Contractors	4.3	28.9%	0.2%	44.7	109.9	115.3	199.2%	4.2%
Agency and support/outourced services	0.1	177.0%	0.0%	0.1	0.1	0.1	0.8%	0.0%
Entertainment	0.1	-33.9%	0.0%	0.1	0.2	0.2	7.5%	0.0%
Fleet services (including government motor transport)	5.3	-	0.2%	5.1	5.4	5.6	2.3%	0.3%
Inventory: Clothing material and accessories	0.3	-	0.0%	0.4	0.4	0.4	11.6%	0.0%
Inventory: Food and food supplies	0.1	-29.2%	0.0%	0.1	0.1	0.1	2.5%	0.0%
Inventory: Materials and supplies	1.2	38.0%	0.0%	0.7	0.8	0.8	-13.7%	0.1%
Consumable supplies	2.9	25.3%	0.1%	3.0	3.1	3.3	4.4%	0.2%
Consumables: Stationery, printing and office supplies	9.3	18.0%	0.4%	9.1	9.2	9.6	1.2%	0.6%
Operating leases	42.1	1.2%	5.9%	40.2	42.6	45.6	2.7%	2.6%
Property payments	5.8	50.8%	0.3%	5.7	6.1	6.4	3.2%	0.4%
Travel and subsistence	68.8	6.9%	4.9%	74.0	75.3	78.5	4.5%	4.6%
Training and development	6.2	-5.1%	0.3%	4.8	5.0	5.2	-5.8%	0.3%
Operating payments	26.1	65.4%	0.9%	15.1	16.0	16.8	-13.6%	1.1%
Venues and facilities	5.3	4.2%	0.3%	7.2	7.8	8.7	17.6%	0.4%
Transfers and subsidies	719.4	17.9%	46.5%	800.9	757.8	747.7	1.3%	46.5%
Departmental agencies and accounts	347.3	20.4%	22.4%	377.8	412.2	412.5	5.9%	23.8%
Public corporations and private enterprises	370.9	15.9%	23.9%	421.8	344.1	333.6	-3.5%	22.6%
Households	1.3	5.5%	0.2%	1.4	1.4	1.5	5.0%	0.1%
Payments for capital assets	11.8	0.1%	1.4%	11.5	11.3	11.8	0.0%	0.7%
Buildings and other fixed structures	3.8	65.7%	0.1%	2.9	3.1	3.2	-5.2%	0.2%
Machinery and equipment	8.0	-9.0%	1.2%	8.6	8.2	8.5	2.4%	0.5%
Total	1 475.5	12.4%	100.0%	1 618.5	1 684.9	1 732.6	5.5%	100.0%

Personnel information

Table 29.4 Vote personnel numbers and cost by salary level and programme¹

Programmes			Number and cost ² of personnel posts filled / planned for on funded establishment															Number				
Number of posts estimated for 31 March 2015																		Average growth rate (%)	Salary level/total: Average (%)			
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate									2014/15 - 2017/18				
			2013/14			2014/15			2015/16			2016/17			2017/18							
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Mineral Resources			1 182	65		1 103	435.3	0.4	1 180	492.0	0.4	1 197	528.4	0.4	1 203	566.6	0.5	1 209	605.3	0.5	0.8%	100.0%
Salary level																						
1 – 6	290	56	271	48.4	0.2	290	54.9	0.2	292	61.5	0.2	292	65.2	0.2	292	67.8	0.2	292	67.8	0.2	0.2%	24.3%
7 – 10	564	7	508	169.9	0.3	562	202.5	0.4	570	221.5	0.4	574	237.4	0.4	578	253.3	0.4	578	253.3	0.4	0.9%	47.7%
11 – 12	244	1	244	140.6	0.6	244	151.6	0.6	249	161.7	0.6	251	175.0	0.7	253	190.2	0.8	253	190.2	0.8	1.2%	20.8%
13 – 16	84	1	80	76.3	1.0	84	83.0	1.0	86	83.8	1.0	86	89.1	1.0	86	93.9	1.1	86	93.9	1.1	0.8%	7.1%
Programme	1 182	65	1 103	435.3	0.4	1 180	492.0	0.4	1 197	528.4	0.4	1 203	566.6	0.5	1 209	605.3	0.5	1 209	605.3	0.5	0.8%	100.0%
Programme 1	401	17	365	136.3	0.4	399	153.6	0.4	399	156.9	0.4	399	166.9	0.4	399	178.7	0.4	399	178.7	0.4	–	33.3%
Programme 2	283	20	274	119.8	0.4	283	133.6	0.5	283	143.8	0.5	283	154.6	0.5	283	162.7	0.6	283	162.7	0.6	–	23.6%
Programme 3	386	20	355	126.1	0.4	386	150.0	0.4	403	167.4	0.4	409	180.9	0.4	415	194.4	0.5	409	180.9	0.4	2.4%	33.7%
Programme 4	112	8	109	53.1	0.5	112	54.8	0.5	112	60.3	0.5	112	64.1	0.6	112	69.5	0.6	112	69.5	0.6	–	9.4%

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

2. Rand million.

Departmental receipts

Table 29.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ total: Average (%)
	2011/12	2012/13	2013/14					2014/15	2011/12 - 2014/15	2015/16		
Departmental receipts	93 185	93 363	109 034	45 113	53 394	-16.9%	100.0%	118 351	124 860	131 479	35.0%	100.0%
Sales of goods and services produced by department	2 559	4 156	2 415	2 627	2 557	–	3.3%	2 557	2 698	2 842	3.6%	2.5%
Sales by market establishments	392	2 465	499	505	483	7.2%	1.1%	487	514	541	3.9%	0.5%
of which:												
Market establishment: Rental parking: Covered and open	392	462	499	505	483	7.2%	0.5%	487	514	541	3.9%	0.5%
Market establishment: Rental of other machinery and equipment	–	2 003	–	–	–	–	0.6%	–	–	–	–	–
Administrative fees	1 608	1 137	1 356	1 624	1 611	0.1%	1.6%	1 585	1 673	1 761	3.0%	1.5%
of which:												
Application fees in relation to the Mineral and Petroleum Resources Development Act (2000)	1 586	1 105	1 330	1 602	1 585	–	1.6%	1 565	1 650	1 737	3.1%	1.5%
Requested information: Promotion of Access to Information Act (2000)	22	32	26	22	26	5.7%	–	20	23	24	-2.6%	–

Table 29.5 Departmental receipts by economic classification

Departmental receipts	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/total: Average (%)
	2011/12	2012/13	2013/14					2014/15	2015/16	2016/17		
R thousand												
Other sales	559	554	560	498	463	-6.1%	0.6%	485	511	540	5.3%	0.5%
of which:												
Services rendered:	139	157	175	176	180	9.0%	0.2%	172	181	191	2.0%	0.2%
Commission on insurance and garnishee												
Services rendered: Marking of exam paper	395	374	365	272	236	-15.8%	0.4%	265	280	295	7.7%	0.3%
Services rendered: Photocopies and faxes	21	20	17	46	44	28.0%	-	45	47	50	4.4%	-
Replacement of security cards	4	3	3	4	3	-9.1%	-	3	3	4	10.1%	-
Sales of scrap, waste, arms and other used current goods	1	1	1	2	7	91.3%	-	2	2	2	-34.1%	-
of which:												
Sales: Scrap	-	-	-	1	1	-	-	1	1	1	-	-
Sales: Waste paper	1	1	1	1	6	81.7%	-	1	1	1	-45.0%	-
Fines, penalties and forfeits	665	1 206	1 115	924	1 227	22.7%	1.2%	1 213	1 280	1 348	3.2%	1.2%
Interest, dividends and rent on land	89 388	87 158	104 938	39 736	46 610	-19.5%	94.0%	112 411	118 593	124 878	38.9%	94.0%
Interest	195	157	88	62	56	-34.0%	0.1%	175	184	194	51.3%	0.1%
Rent on land	89 193	87 001	104 850	39 674	46 554	-19.5%	93.9%	112 236	118 409	124 684	38.9%	93.9%
Sales of capital assets	8	-	-	-	-	-100.0%	-	-	-	-	-	-
Transactions in financial assets and liabilities	564	842	565	1 824	2 993	74.4%	1.4%	2 168	2 287	2 409	-7.0%	2.3%
Total	93 185	93 363	109 034	45 113	53 394	-16.9%	100.0%	118 351	124 860	131 479	35.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 29.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Ministry	23 225	24 458	28 229	25 608	3.3%	8.8%	25 580	27 148	28 727	3.9%	8.7%
Corporate Services	86 266	123 369	151 195	118 584	11.2%	41.4%	110 680	116 888	123 575	1.4%	38.4%
Department Management	15 478	17 414	17 127	24 477	16.5%	6.4%	20 573	21 851	23 143	-1.9%	7.4%
Financial Administration	88 937	87 518	76 448	87 704	-0.5%	29.4%	92 648	95 134	101 570	5.0%	30.8%
Internal Audit	9 736	13 292	11 785	12 807	9.6%	4.1%	14 001	14 884	15 777	7.2%	4.7%
Office Accommodation	33 958	29 203	23 788	28 433	-5.7%	10.0%	29 741	31 317	32 883	5.0%	10.0%
Total	257 600	295 254	308 572	297 613	4.9%	100.0%	293 223	307 222	325 675	3.0%	100.0%
Change to 2014 Budget estimate				13 439			(3 548)	(7 303)	(6 738)		
Economic Classification	238 342	275 057	294 847	286 615	6.3%	94.5%	280 240	293 958	311 763	2.8%	95.8%
Current payments											
Compensation of employees	115 151	127 690	136 282	153 583	10.1%	46.0%	156 852	166 894	178 734	5.2%	53.6%
Goods and services	120 561	147 367	158 565	133 032	3.3%	48.3%	123 388	127 064	133 029	-	42.2%
of which:											
Administrative fees	1 144	1 014	1 106	1 112	-0.9%	0.4%	1 144	1 180	1 236	3.6%	0.4%
Advertising	910	673	665	1 752	24.4%	0.3%	1 238	1 264	1 322	-9.0%	0.5%
Assets less than the capitalisation threshold	483	1 171	243	1 488	45.5%	0.3%	1 806	1 846	1 932	9.1%	0.6%
Audit costs: External	4 838	5 153	6 885	4 344	-3.5%	1.8%	4 811	4 773	4 975	4.6%	1.5%
Bursaries: Employees	1 038	1 377	609	1 625	16.1%	0.4%	1 756	1 849	1 942	6.1%	0.6%
Catering: Departmental activities	570	332	828	1 048	22.5%	0.2%	1 397	1 454	1 524	13.3%	0.4%
Communication	8 325	5 149	5 825	4 897	-16.2%	2.1%	5 629	5 734	5 997	7.0%	1.8%
Computer services	17 002	19 790	15 952	19 345	4.4%	6.2%	15 857	15 797	16 471	-5.2%	5.5%
Consultants and professional services: Business and advisory services	1 991	1 311	1 532	7 215	53.6%	1.0%	6 348	6 403	6 688	-2.5%	2.2%
Consultants and professional services: Legal costs	157	287	671	370	33.1%	0.1%	387	408	428	5.0%	0.1%
Contractors	1 047	1 403	823	2 998	42.0%	0.5%	2 749	2 885	3 028	0.3%	1.0%
Agency and support / outsourced services	-	22	-	80	-	-	73	77	81	0.4%	-
Entertainment	155	2	2	60	-27.1%	-	63	67	71	5.8%	-
Fleet services (including government motor transport)	-	659	3 703	3 142	-	0.6%	2 904	3 049	3 201	0.6%	1.0%

Table 29.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/Total: Average (%)
	R thousand										
<i>Inventory: Clothing material and accessories</i>	–	–	–	8	–	–	8	9	9	4.0%	–
<i>Inventory: Food and food supplies</i>	45	118	13	74	18.0%	–	77	81	85	4.7%	–
<i>Inventory: Fuel, oil and gas</i>	160	–	–	–	-100.0%	–	–	–	–	–	–
<i>Inventory: Learner and teacher support material</i>	14	10	–	–	-100.0%	–	–	–	–	–	–
<i>Inventory: Materials and supplies</i>	249	146	64	817	48.6%	0.1%	595	618	648	-7.4%	0.2%
<i>Inventory: Medical supplies</i>	–	38	20	42	–	–	44	46	48	4.6%	–
<i>Inventory: Other supplies</i>	343	385	–	–	-100.0%	0.1%	–	–	–	–	–
<i>Consumable supplies</i>	–	–	782	1 478	–	0.2%	1 436	1 502	1 577	2.2%	0.5%
<i>Consumables: Stationery, printing and office supplies</i>	3 683	1 674	2 132	4 053	3.2%	1.0%	4 041	4 145	4 338	2.3%	1.4%
<i>Operating leases</i>	51 828	76 983	88 818	40 680	-7.8%	22.3%	33 028	34 633	36 346	-3.7%	11.8%
<i>Property payments</i>	1 667	2 265	3 173	4 738	41.7%	1.0%	4 538	4 997	5 247	3.5%	1.6%
<i>Travel and subsistence</i>	18 804	21 312	17 989	20 411	2.8%	6.8%	22 485	22 707	23 758	5.2%	7.3%
<i>Training and development</i>	2 628	1 537	1 604	3 557	10.6%	0.8%	3 057	3 138	3 260	-2.9%	1.1%
<i>Operating payments</i>	2 229	2 589	3 904	4 960	30.6%	1.2%	5 357	5 735	6 020	6.7%	1.8%
<i>Venues and facilities</i>	1 251	1 958	1 222	2 724	29.6%	0.6%	2 545	2 652	2 781	0.7%	0.9%
<i>Rental and hiring</i>	–	9	–	14	–	–	15	15	16	4.6%	–
<i>Interest and rent on land</i>	2 630	–	–	–	-100.0%	0.2%	–	–	–	–	–
Transfers and subsidies	1 464	2 438	2 699	2 743	23.3%	0.8%	2 683	2 851	3 020	3.3%	0.9%
Departmental agencies and accounts	–	–	–	1 430	–	0.1%	1 310	1 405	1 502	1.7%	0.5%
Households	1 464	2 438	2 699	1 313	-3.6%	0.7%	1 373	1 446	1 518	5.0%	0.5%
Payments for capital assets	17 620	17 741	11 017	8 255	-22.3%	4.7%	10 300	10 413	10 892	9.7%	3.3%
Buildings and other fixed structures	864	408	92	2 792	47.8%	0.4%	2 920	3 075	3 229	5.0%	1.0%
Machinery and equipment	16 126	17 333	10 925	5 463	-30.3%	4.3%	7 380	7 338	7 663	11.9%	2.3%
Software and other intangible assets	630	–	–	–	-100.0%	0.1%	–	–	–	–	–
Payments for financial assets	174	18	9	–	-100.0%	–	–	–	–	–	–
Total	257 600	295 254	308 572	297 613	4.9%	100.0%	293 223	307 222	325 675	3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	25.0%	25.2%	22.2%	20.2%	–	–	18.1%	18.2%	18.8%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	1 384	2 356	2 679	1 059	-8.5%	0.6%	1 107	1 166	1 224	4.9%	0.4%
Employee social benefits	1 384	2 356	2 679	1 059	-8.5%	0.6%	1 107	1 166	1 224	4.9%	0.4%
Households											
Other transfers to households											
Current	80	82	20	254	47.0%	–	266	280	294	5.0%	0.1%
Employee ex gratia payments	80	82	20	254	47.0%	–	266	280	294	5.0%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	–	1 430	–	0.1%	1 310	1 405	1 502	1.7%	0.5%
Mining Qualification Authority	–	–	–	1 216	–	0.1%	1 310	1 405	1 502	7.3%	0.4%
Public Service Sector Education and Training Authority	–	–	–	214	–	–	–	–	–	-100.0%	–

Personnel information

Table 29.7 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2013/14		2014/15		2015/16		2016/17		2017/18								
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Salary level	401	17	365	136.3	0.4	399	153.6	0.4	399	156.9	0.4	399	166.9	0.4	399	178.7	0.4	–	100.0%
1 – 6	139	16	129	22.7	0.2	139	25.9	0.2	139	28.9	0.2	139	30.5	0.2	139	31.8	0.2	–	34.8%
7 – 10	182	–	156	50.7	0.3	180	60.2	0.3	180	62.9	0.3	180	67.4	0.4	180	72.3	0.4	–	45.1%
11 – 12	46	–	44	26.6	0.6	46	30.8	0.7	46	29.9	0.6	46	32.2	0.7	46	35.0	0.8	–	11.5%
13 – 16	34	1	36	36.3	1.0	34	36.8	1.1	34	35.2	1.0	34	36.8	1.1	34	39.7	1.2	–	8.5%

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

2. Rand million.

Programme 2: Mine Health and Safety

Programme purpose

Ensure the safe mining of minerals under healthy working conditions.

Objectives

- Promote mine health and safety by:
 - conducting 8 396 inspections and audits and implementing the occupational health and safety strategy in order to reduce occupational fatalities by 20 per cent and occupational injuries by 20 per cent, over the medium term
 - reducing occupational diseases of mine workers by 10 per cent over the medium term.
- Contribute to skills development in the mining sector by conducting an ongoing review and implementation, of the certificate of competency model developed together with the Mining Qualifications Authority and universities.
- Improve health care turnaround times by:
 - ensuring 80 per cent adherence to prescribed timeframes for resolving medical appeals
 - ensuring 90 per cent adherence to timeframes for appeals to the Chief Inspector of Mines and 80 per cent adherence to timeframes for applications in terms of the Mineral and Petroleum Resources Development Act (2002) over the medium term.

Subprogrammes

- *Governance Policy and Oversight* develops policy and draft 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 workshops on awareness in the mining 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 in key responsibilities on mines.
- *Mine Health and Safety* transfers funds on an annual basis to the Mine Health and Safety Council.

Expenditure trends and estimates

Table 29.8 Mine Health and Safety expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R thousand											
Governance Policy and Oversight	40 946	39 081	38 994	48 464	5.8%	27.6%	50 736	54 439	57 993	6.2%	28.8%
Mine Health and Safety Regions	95 018	97 103	109 191	118 340	7.6%	69.1%	125 104	131 870	137 681	5.2%	69.7%
Mine Health and Safety Council	5 288	4 531	5 035	5 197	-0.6%	3.3%	–	–	6 162	5.8%	1.5%
Total	141 252	140 715	153 220	172 001	6.8%	100.0%	175 840	186 309	201 836	5.5%	100.0%
Change to 2014 Budget estimate				4 031			(1 889)	(2 625)	1 552		
Economic classification											
Current payments	135 784	133 961	147 381	166 208	7.0%	96.1%	175 217	185 653	194 985	5.5%	98.1%
Compensation of employees	100 377	106 052	119 775	133 554	10.0%	75.7%	143 839	154 640	162 681	6.8%	80.8%
Goods and services	35 407	27 909	27 606	32 654	-2.7%	20.4%	31 378	31 013	32 304	-0.4%	17.3%
of which:											
Administrative fees	537	370	325	609	4.3%	0.3%	729	770	752	7.3%	0.4%
Advertising	330	222	246	445	10.5%	0.2%	517	498	512	4.8%	0.3%
Assets less than the capitalisation threshold	11	5	26	415	235.4%	0.1%	197	201	208	-20.6%	0.1%
Bursaries: Employees	1 629	1 453	1 184	55	-67.7%	0.7%	60	46	48	-4.4%	–
Catering: Departmental activities	42	38	28	213	71.8%	0.1%	142	149	151	-10.8%	0.1%
Communication	1 020	2 043	2 502	2 186	28.9%	1.3%	1 864	1 926	2 023	-2.5%	1.1%
Computer services	897	954	633	668	-9.4%	0.5%	658	698	736	3.3%	0.4%
Consultants and professional services:	116	317	1 077	1 338	125.9%	0.5%	1 464	1 547	1 622	6.6%	0.8%
Business and advisory services											
Consultants and professional services:	108	–	–	–	-100.0%	–	–	–	–	–	–
Infrastructure and planning											

Table 29.8 Mine Health and Safety expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
	R thousand										
Consultants and professional services:	–	405	125	134	–	0.1%	142	150	161	6.3%	0.1%
Legal costs	–	–	–	–	–	–	–	–	–	–	–
Contractors	174	168	163	403	32.3%	0.1%	279	292	305	-8.9%	0.2%
Agency and support/outourced services	–	–	–	5	–	–	5	5	6	6.3%	–
Entertainment	–	4	1	36	–	–	39	42	42	5.3%	–
Fleet services (including government motor transport)	–	–	111	131	–	–	154	164	169	8.9%	0.1%
Inventory: Clothing material and accessories	–	–	–	277	–	–	334	354	369	10.0%	0.2%
Inventory: Food and food supplies	12	19	–	–	-100.0%	–	–	–	–	–	–
Inventory: Fuel, oil and gas	1	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Learner and teacher support material	4	20	–	–	-100.0%	–	–	–	–	–	–
Inventory: Materials and supplies	1	2	314	75	321.7%	0.1%	99	105	112	14.3%	0.1%
Inventory: Medical supplies	–	–	–	3	–	–	–	–	–	-100.0%	–
Inventory: Other supplies	320	304	–	–	-100.0%	0.1%	–	–	–	–	–
Consumable supplies	–	–	48	319	–	0.1%	284	295	311	-0.8%	0.2%
Consumables: Stationery, printing and office supplies	105	331	590	2 278	178.9%	0.5%	2 073	1 958	2 044	-3.5%	1.1%
Operating leases	12 575	2 790	476	282	-71.8%	2.7%	364	387	405	12.8%	0.2%
Property payments	–	11	–	11	–	–	12	13	14	8.4%	–
Travel and subsistence	16 706	17 459	18 843	20 005	6.2%	12.0%	19 139	18 596	19 296	-1.2%	10.5%
Training and development	204	159	409	943	66.6%	0.3%	914	968	1 018	2.6%	0.5%
Operating payments	522	681	334	1 203	32.1%	0.5%	1 204	1 276	1 333	3.5%	0.7%
Venues and facilities	93	154	171	620	88.2%	0.2%	705	573	667	2.5%	0.3%
Transfers and subsidies	5 338	4 531	5 035	5 197	-0.9%	3.3%	–	–	6 162	5.8%	1.5%
Departmental agencies and accounts	5 288	4 531	5 035	5 197	-0.6%	3.3%	–	–	6 162	5.8%	1.5%
Households	50	–	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	117	2 067	804	596	72.1%	0.6%	623	656	689	5.0%	0.3%
Machinery and equipment	117	2 067	804	596	72.1%	0.6%	623	656	689	5.0%	0.3%
Payments for financial assets	13	156	–	–	-100.0%	–	–	–	–	–	–
Total	141 252	140 715	153 220	172 001	6.8%	100.0%	175 840	186 309	201 836	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	13.7%	12.0%	11.0%	11.7%	–	–	10.9%	11.1%	11.6%	–	–
Details of transfers and subsidies											
Households	–	–	–	–	–	–	–	–	–	–	–
Social benefits	–	–	–	–	–	–	–	–	–	–	–
Current	7	–	–	–	-100.0%	–	–	–	–	–	–
Employee social benefits	7	–	–	–	-100.0%	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–	–	–	–
Other transfers to households	–	–	–	–	–	–	–	–	–	–	–
Current	43	–	–	–	-100.0%	–	–	–	–	–	–
Other transfers to households	3	–	–	–	-100.0%	–	–	–	–	–	–
Gifts and donations	40	–	–	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–	–	–
Departmental agencies (non-business entities)	–	–	–	–	–	–	–	–	–	–	–
Current	5 288	4 531	5 035	5 197	-0.6%	3.3%	–	–	6 162	5.8%	1.5%
Mine Health and Safety Council	5 288	4 531	5 035	5 197	-0.6%	3.3%	–	–	6 162	5.8%	1.5%

Personnel information

Table 29.9 Mine Health and Safety personnel numbers and cost by salary level¹

Mine Health and Safety	Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Salary level	283	20	274	119.8	0.4	283	133.6	0.5	283	143.8	0.5	283	154.6	0.5	283	162.7	0.6	–	100.0%
1 – 6	52	12	46	8.5	0.2	52	10.1	0.2	52	11.2	0.2	52	11.9	0.2	52	12.4	0.2	–	18.4%
7 – 10	88	7	89	29.9	0.3	88	32.4	0.4	88	36.2	0.4	88	38.7	0.4	88	40.4	0.5	–	31.1%
11 – 12	124	1	121	65.2	0.5	124	72.8	0.6	124	78.6	0.6	124	84.8	0.7	124	90.6	0.7	–	43.8%
13 – 16	19	–	18	16.2	0.9	19	18.2	1.0	19	17.9	0.9	19	19.3	1.0	19	19.2	1.0	–	6.7%

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

2. Rand million.

Programme 3: Mineral Regulation

Programme purpose

Regulate the minerals and mining sector to promote economic development, employment, and ensure transformation and environmental compliance.

Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by granting a total of 600 mining rights and permits to historically disadvantaged South Africans over the medium term.
- Contribute to the transformation of the mining sector by monitoring and enforcing compliance with procurement requirements that relate to 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 implementation and support of small, medium and micro enterprises (SMMEs) by facilitating the implementation of 360 enterprises and local development projects by mining companies over the medium term.
- Promote sustainable resource use and mine environmental management by evaluating and approving work programmes, social and labour plans, and environmental management plans, and 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 550 legal compliance inspections and 5 100 environmental management inspections, over the medium term.

Subprogrammes

- *Mineral Regulation and Administration* administers prospecting and mining rights, licensing, and compliance with the Mineral and Petroleum Resources Development Act (2002), including environmental protection requirements.
- *Management Mineral Regulation* provides overall management of the programme. This subprogramme is responsible for, among other things, the development of the South African mineral resources administration system and implementing the National Environmental Management Act (1998).
- *South African Diamond and Precious Metals Regulator* transfers funds on an annual basis to the South African Diamond and Precious Metals Regulator.

Expenditure trends and estimates

Table 29.10 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14		2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	
R thousand											
Mineral Regulation and Administration	132 064	140 517	145 610	167 789	8.3%	71.6%	169 594	178 837	188 430	3.9%	66.0%
Management Mineral Regulation	12 958	9 277	15 087	21 116	17.7%	7.1%	40 322	44 123	49 662	33.0%	14.5%
South African Diamond and Precious Metals Regulator	39 374	41 601	44 824	47 810	6.7%	21.2%	50 527	53 205	55 865	5.3%	19.4%
Total	184 396	191 395	205 521	236 715	8.7%	100.0%	260 443	276 165	293 957	7.5%	100.0%
Change to 2014 Budget estimate				5 350			15 245	16 205	18 907		
Economic classification											
Current payments	144 177	148 048	159 817	186 132	8.9%	78.0%	209 457	222 923	238 053	8.5%	80.3%
Compensation of employees	105 048	114 385	126 063	150 043	12.6%	60.6%	167 435	180 921	194 385	9.0%	64.9%
Goods and services	39 129	33 663	33 754	36 089	-2.7%	17.4%	42 022	42 002	43 668	6.6%	15.3%
of which:											
Administrative fees	542	337	443	446	-6.3%	0.2%	471	541	509	4.5%	0.2%
Advertising	51	58	76	342	88.6%	0.1%	405	423	432	8.1%	0.2%
Assets less than the capitalisation threshold	13	53	54	342	197.4%	0.1%	128	135	137	-26.3%	0.1%
Bursaries: Employees	-	-	-	12	-	-	33	35	35	42.9%	-
Catering: Departmental activities	198	73	182	617	46.1%	0.1%	791	828	807	9.4%	0.3%

Table 29.10 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18
	R thousand										
Communication	4 595	4 239	5 339	4 308	-2.1%	2.3%	4 551	4 274	4 361	0.4%	1.6%
Computer services	2 998	1 886	1 214	4 137	11.3%	1.3%	7 082	5 787	6 653	17.2%	2.2%
Consultants and professional services: Business and advisory services	-	-	166	150	-	-	-	-	-	-100.0%	-
Consultants and professional services: Legal costs	-	8 206	8 139	293	-	2.0%	321	336	340	5.1%	0.1%
Contractors	15	11	6	820	279.5%	0.1%	32	34	35	-65.1%	0.1%
Agency and support / outsourced services	2	1	-	-	-100.0%	-	-	-	-	-	-
Entertainment	3	-	-	32	120.1%	-	46	48	46	12.9%	-
Fleet services (including government motor transport)	-	-	1 981	1 682	-	0.4%	1 769	1 860	1 932	4.7%	0.7%
Inventory: Clothing material and accessories	-	-	-	22	-	-	41	44	49	30.6%	-
Inventory: Food and food supplies	8	20	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	27	11	5	329	130.1%	-	33	34	35	-52.6%	-
Inventory: Other supplies	435	436	-	-	-100.0%	0.1%	-	-	-	-	-
Consumable supplies	-	-	476	834	-	0.2%	974	1 012	1 035	7.5%	0.4%
Consumables: Stationery, printing and office supplies	52	461	1 038	1 816	226.9%	0.4%	1 832	1 894	1 938	2.2%	0.7%
Operating leases	13 100	1 913	777	673	-62.8%	2.0%	3 009	2 944	3 282	69.6%	0.9%
Property payments	694	907	835	1 044	14.6%	0.4%	1 123	1 066	1 101	1.8%	0.4%
Travel and subsistence	15 477	13 650	11 276	15 896	0.9%	6.9%	17 334	18 587	18 767	5.7%	6.6%
Training and development	221	392	736	920	60.9%	0.3%	486	507	529	-16.8%	0.2%
Operating payments	592	902	754	792	10.2%	0.4%	1 013	1 068	1 115	12.1%	0.4%
Venues and facilities	106	107	257	582	76.4%	0.1%	548	545	530	-3.1%	0.2%
Transfers and subsidies	39 376	41 604	44 824	47 810	6.7%	21.2%	50 527	53 205	55 865	5.3%	19.4%
Departmental agencies and accounts	39 374	41 601	44 824	47 810	6.7%	21.2%	50 527	53 205	55 865	5.3%	19.4%
Households	2	3	-	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	821	1 729	880	2 773	50.0%	0.8%	459	37	39	-75.9%	0.3%
Buildings and other fixed structures	-	-	-	1 000	-	0.1%	-	-	-	-100.0%	0.1%
Machinery and equipment	821	1 729	880	1 773	29.3%	0.6%	459	37	39	-72.0%	0.2%
Payments for financial assets	22	14	-	-	-100.0%	-	-	-	-	-	-
Total	184 396	191 395	205 521	236 715	8.7%	100.0%	260 443	276 165	293 957	7.5%	100.0%
Proportion of total programme expenditure to vote expenditure	17.9%	16.3%	14.8%	16.0%	-	-	16.1%	16.4%	17.0%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	2	3	-	-	-100.0%	-	-	-	-	-	-
Other transfers to households	2	3	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	39 374	41 601	44 824	47 810	6.7%	21.2%	50 527	53 205	55 865	5.3%	19.4%
South African Diamond and Precious Metal Regulator	39 374	41 601	44 824	47 810	6.7%	21.2%	50 527	53 205	55 865	5.3%	19.4%

Personnel information

Table 29.11 Mineral Regulation personnel numbers and cost by salary level¹

Mineral Regulation	Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	386	20	355	126.1	0.4	386	150.0	0.4	403	167.4	0.4	409	180.9	0.4	415	194.4	0.5	2.4%	100.0%
1 - 6	86	20	84	15.0	0.2	86	16.3	0.2	88	18.5	0.2	88	19.7	0.2	88	20.5	0.2	0.8%	21.7%
7 - 10	241	-	212	71.7	0.3	241	90.2	0.4	249	100.5	0.4	253	108.1	0.4	257	115.9	0.5	2.2%	62.0%
11 - 12	42	-	45	27.0	0.6	42	27.8	0.7	47	30.8	0.7	49	34.1	0.7	51	38.0	0.7	6.7%	11.7%
13 - 16	17	-	14	12.4	0.9	17	15.7	0.9	19	17.7	0.9	19	19.0	1.0	19	20.0	1.1	3.8%	4.6%

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

2. Rand million.

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 and upstream petroleum sectors by:
 - growing the sector through 50 beneficiation promotional activities for local and foreign investment over the medium term
 - ensuring 100 per cent implementation of the plans for developing the ocean economy (oil and gas) through Operation Phakisa over the medium term
 - engaging in 30 consultation, advocacy, research, and promotional activities for shale gas exploration over the medium term
 - producing 39 publications with various state owned entities, which will inform investors on how to invest in the country's mining and petroleum sectors, over the medium term
 - establishing and implementing 30 partnerships, including memoranda of understanding with research institutions, other government departments and agencies, over the medium term
 - supporting 240 small scale mining projects over the medium term.
- Ensure transformation and competitiveness in the mining sector by:
 - implementing the mining sector strategy over the medium term
 - constantly identifying barriers to growth in investment in the mining industry and intervening where necessary, over the medium term.
- Promote sustainable resource use and management by:
 - promoting a lower carbon economy drive through the continuous rehabilitation and closure of 150 derelict and ownerless mines over the medium term
 - implementing 15 technical partnerships on the strategic mine water research programme and derelict and ownerless mines rehabilitation programmes with state owned enterprises over the medium term
 - reviewing the mining sector strategy for sustainable growth and meaningful transformation to ensure alignment with the national development plan over the medium term.
- Facilitate transformation in the mining and minerals sector over the medium term by:
 - developing 6 policy impact study reports on investment in the sector
 - reviewing and amending the Mine Health and Safety Regulations Act (1996)
 - developing regulations for the state owned mining company
 - assessing the Broad Based Socioeconomic Charter for the South African Mining Industry to ensure that previously disadvantaged South Africans participate in the economy through mining while ensuring mine workers health and safety.

Subprogrammes

- *Management* provides overall management to the programme.
- *Mineral Policy* develops new policies, reviews existing policies and amends legislation to promote investment growth and achieve transformation in the mining industry. This entails research to develop and revise policies, consultation with stakeholders, attending parliamentary hearings on related bills, and gazetting the bills once they are assented to. It also represents the department in regional and international forums such as the Kimberley Process certification scheme, the African Mineral and Producers Association, and the Pan African Mining and Development Company.
- *Mineral Promotion and International Coordination* promotes mineral development and advises on trends in the mining industry to attract additional investment. This subprogramme also pursues promotional activities

geared towards encouraging investment into the sector through publications, participation in mining conferences and providing support for national initiatives to beneficiate minerals.

- *Assistance to Mines* transfers funds to prevent 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.
- *Council for Geoscience* transfers funds on an annual basis to the Council for Geoscience.
- *Council for Mineral Technology* transfers funds on an annual basis to the Council for Mineral Technology.
- *Economic Advisory Services* undertakes research, and participates in activities to promote transformation and enhance competitiveness in the mining industry. This entails the mining industry growth, development and employment task team stakeholder forum, which has been tasked with analysing the economic impact of the regulatory and legislative framework of the mining and minerals sector.
- *Mine Environmental Management* provides guidance on mine environmental management and mine closure by managing the rehabilitation of derelict and ownerless mines.

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 (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Management	13 449	10 759	12 240	12 777	-1.7%	2.0%	25 372	27 937	33 228	37.5%	2.9%
Mineral Policy	10 636	14 061	23 964	39 185	54.4%	3.5%	18 776	19 510	20 593	-19.3%	2.8%
Mineral Promotion and International Coordination	50 409	34 267	37 159	41 447	-6.3%	6.6%	69 341	72 760	76 775	22.8%	7.5%
Assistance to Mines	–	–	–	–	–	–	5 000	5 275	5 555	–	0.5%
Council for Geoscience	154 405	223 006	271 232	292 839	23.8%	37.9%	325 914	357 627	348 978	6.0%	38.0%
Council for Mineral Technology	196 956	253 531	364 709	370 854	23.5%	47.8%	390 742	311 416	299 287	-6.9%	39.4%
Economic Advisory Services	2 725	4 073	3 329	2 945	2.6%	0.5%	3 522	4 851	5 103	20.1%	0.5%
Mine Environmental Management	17 607	6 581	7 273	9 165	-19.6%	1.6%	50 369	115 793	121 637	136.8%	8.5%
Total	446 187	546 278	719 906	769 212	19.9%	100.0%	889 036	915 169	911 156	5.8%	100.0%
Change to 2014				(18 570)			9 488	14 527	22 583		
Budget estimate											
Economic classification											
Current payments	71 528	66 738	82 757	105 385	13.8%	13.2%	141 187	213 270	228 377	29.4%	19.8%
Compensation of employees	43 986	47 787	53 131	54 816	7.6%	8.0%	60 314	64 113	69 513	8.2%	7.1%
Goods and services	27 542	18 951	29 626	50 569	22.5%	5.1%	80 873	149 157	158 864	46.5%	12.6%
of which:											
Administrative fees	403	1 039	755	1 466	53.8%	0.1%	2 019	2 228	2 455	18.8%	0.2%
Advertising	97	193	2 517	537	76.9%	0.1%	1 414	1 713	2 021	55.5%	0.2%
Assets less than the capitalisation threshold	7	4	12	108	148.9%	–	42	44	46	-24.8%	–
Bursaries: Employees	–	–	–	40	–	–	42	44	46	4.8%	–
Catering: Departmental activities	53	110	145	210	58.2%	–	304	343	382	22.1%	–
Communication	465	1 068	1 333	1 398	44.3%	0.2%	1 487	1 605	1 734	7.4%	0.2%
Computer services	496	645	221	673	10.7%	0.1%	745	779	821	6.9%	0.1%
Consultants and professional services: Business and advisory services	–	42	3 070	10 108	–	0.5%	134	140	147	-75.6%	0.3%
Consultants and professional services: Infrastructure and planning	–	–	–	1	–	–	1 053	1 335	1 623	1075.2%	0.1%
Consultants and professional services: Legal costs	12 487	301	283	–	-100.0%	0.5%	–	–	–	–	–
Contractors	18	6	163	84	67.1%	–	41 682	106 651	111 929	1000.4%	7.5%
Agency and support/outsourced services	–	–	95	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	–	246	311	–	–	311	328	343	3.3%	–
Inventory: Food and food supplies	7	14	–	5	-10.6%	–	–	–	–	-100.0%	–
Inventory: Materials and supplies	–	–	–	17	–	–	–	–	–	-100.0%	–
Inventory: Other supplies	43	16	–	(2)	-136.0%	–	–	–	–	-100.0%	–
Consumable supplies	–	–	73	262	–	–	297	324	353	10.4%	–
Consumables: Stationery, printing and office supplies	41	325	328	1 091	198.5%	0.1%	1 183	1 240	1 306	6.2%	0.1%
Operating leases	4 768	3 877	1 017	505	-52.7%	0.4%	3 798	4 676	5 564	122.5%	0.4%
Property payments	–	–	686	–	–	–	–	–	–	–	–
Travel and subsistence	6 656	9 403	11 194	12 441	23.2%	1.6%	15 034	15 387	16 686	10.3%	1.7%
Training and development	30	247	257	770	195.0%	0.1%	337	353	372	-21.5%	0.1%
Operating payments	936	153	6 224	19 139	173.5%	1.1%	7 569	7 920	8 339	-24.2%	1.2%
Venues and facilities	1 035	1 508	1 007	1 405	10.7%	0.2%	3 422	4 047	4 697	49.5%	0.4%
Transfers and subsidies	374 659	476 537	635 941	663 693	21.0%	86.7%	747 709	701 752	682 625	0.9%	80.2%
Departmental agencies and accounts	154 405	223 006	271 232	292 839	23.8%	37.9%	325 914	357 627	348 978	6.0%	38.0%
Public corporations and private enterprises	220 254	253 531	364 709	370 854	19.0%	48.7%	421 795	344 125	333 647	-3.5%	42.2%

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

Economic classification	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R thousand											
Payments for capital assets	–	2 999	1 207	134	–	0.2%	140	147	154	4.7%	–
Machinery and equipment	–	2 999	1 207	134	–	0.2%	140	147	154	4.7%	–
Payments for financial assets	–	4	1	–	–	–	–	–	–	–	–
Total	446 187	546 278	719 906	769 212	19.9%	100.0%	889 036	915 169	911 156	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	43.3%	46.5%	51.9%	52.1%	–	–	54.9%	54.3%	52.6%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	152 905	210 506	248 607	265 083	20.1%	35.3%	290 881	320 737	313 564	5.8%	34.2%
Council for Geoscience	152 905	210 506	248 607	265 083	20.1%	35.3%	290 881	320 737	313 564	5.8%	34.2%
Capital	1 500	12 500	22 625	27 756	164.5%	2.6%	35 033	36 890	35 414	8.5%	3.9%
Council for Geoscience	1 500	12 500	22 625	27 756	164.5%	2.6%	35 033	36 890	35 414	8.5%	3.9%
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	200 558	204 146	308 772	320 775	16.9%	41.7%	352 412	280 004	271 541	-5.4%	35.1%
Industrial Development Corporation	23 298	–	–	–	-100.0%	0.9%	26 053	27 434	28 805	–	2.4%
Council for Mineral Technology	177 260	204 146	308 772	320 775	21.9%	40.7%	326 359	252 570	242 736	-8.9%	32.8%
Capital	19 696	49 385	55 937	50 079	36.5%	7.1%	64 383	58 846	56 551	4.1%	6.6%
Council for Mineral Technology	19 696	49 385	55 937	50 079	36.5%	7.1%	64 383	58 846	56 551	4.1%	6.6%
Private enterprises											
Private enterprises - subsidies on products and production											
Current	–	–	–	–	–	–	5 000	5 275	5 555	–	0.5%
Marginal mines	–	–	–	–	–	–	5 000	5 275	5 555	–	0.5%

Personnel information

Table 29.13 Mineral Policy and Promotion personnel numbers and cost by salary level¹

Mineral Policy and Promotion	Number of posts estimated for 31 March 2015	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number			
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
				2013/14		Unit Cost	2014/15		Unit Cost	2015/16		2016/17		2017/18				2014/15 - 2017/18	
Salary level	112	8	109	53.1	0.5	112	54.8	0.5	112	60.3	0.5	112	64.1	0.6	112	69.5	0.6	–	100.0%
1 – 6	13	8	12	2.3	0.2	13	2.6	0.2	13	2.9	0.2	13	3.1	0.2	13	3.2	0.2	–	11.6%
7 – 10	53	–	51	17.6	0.3	53	19.7	0.4	53	21.9	0.4	53	23.2	0.4	53	24.7	0.5	–	47.3%
11 – 12	32	–	34	21.8	0.6	32	20.2	0.6	32	22.4	0.7	32	23.9	0.7	32	26.6	0.8	–	28.6%
13 – 16	14	–	12	11.4	0.9	14	12.3	0.9	14	13.1	0.9	14	14.0	1.0	14	15.1	1.1	–	12.5%

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

2. Rand million.

Public entities and other agencies

Council for Geoscience

Mandate

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 as well as the industry. The Geoscience Amendment Act (2010) extends the entity's functions to include the provision of advisory services relating to geohazards and geo-environmental pollution, and to be the custodian of all geoscience information related to the South African mining industry.

Selected performance indicators

Table 29.14 Council for Geoscience performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of satisfied customers (of total customers who completed satisfaction questionnaire) per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	89%	88%	91%	85%	85%	85%	85%
Annual technical programme performance index ¹	Statutory projects	Outcome 4: Decent employment through inclusive economic growth	85%	92%	97%	85%	85%	85%	85%
Number of rural development project reports completed per year	Statutory projects		30	29	29	14	14	18	20
Number of geoscience maps, map explanations and related manuscripts published in-house per year	Statutory projects	Outcome 10: Protect and enhance our environmental assets and natural resources	40	34	19	18	20	20	28
Number of regional and African development project reports completed per year	Foreign commercial		22	22	16	27	20	22	24
Number of projects with external collaborators completed each year	Foreign commercial	Outcome 4: Decent employment through inclusive economic growth	45	45	50	55	60	60	60
Number of geoscience papers and articles published each year	Local commercial	Outcome 10: Protect and enhance our environmental assets and natural resources	81	115	145	76	75	85	100

1. Measures feedback received from clients on the performance of the technical programme.

Expenditure analysis

In line with outcome 10 of government's 2014-2019 medium term strategic framework (protect and enhance our environmental assets and natural resources), the Council for Geoscience's focus will be on increasing growth and contributing to a meaningful transformation in the mining industry through the provision of geoscience information for South Africa. It will do this by: broadening the scientific expertise of the council; providing more direct top level management expertise and scientific leadership in the organisation; prioritising engineering, geology and physical geo-hazards, environmental and chemical geo-hazards, and water resource assessment protection; facilitating investment in the mining industry; encouraging initiatives that contribute to rural development and poverty eradication; developing innovative products, system and services; building scientific, managerial and administrative skills and capacity; and contributing to socioeconomic transformation.

The management and implementation of the rehabilitation of derelict and ownerless mines project received an additional allocation of R5 million in 2014/15 for 11 dangerous mine holdings that required immediate attention, bringing the total investment for this project to R89 million over the medium term. In addition, R273 million is allocated over the medium term for an airborne geophysical survey, sampling, soil analysis, and data processing for rare earth elements in base and precious metals in the bushveld. All these activities will contribute towards the national development plan's focus on employment, infrastructure and the creation of an inclusive rural economy through the promotion of investment in the mining industry. These activities will also contribute to outcome 4 (decent employment through inclusive economic growth), outcome 5 (a skilled and capable workforce to support an inclusive growth path) and outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium term strategic framework.

The council will receive additional funding of R108 million over the medium term for the exploration of shale gas. The additional allocation will assist with the research and advocacy work for hydraulic fracturing in preparation for compliance and monitoring for shale gas explorations. This will ensure economic growth and job creation in line with the national development plan's vision, as it will also promote investment in the minerals sector. The research will aim to restrict the impact of geo-environmental challenges linked to potential exploitation of shale gas in South Africa, with special reference to the Karoo.

To improve health and safety and protect the environment, the council will spend R91 million over the medium term on the water ingress project to provide solutions for decanting and intensifying measures to reduce acid mine drainage water. This will contribute to the national development plan's emphasis on environmental sustainability and resilience, as well as the creation of an inclusive rural economy.

The council generates its revenue mainly from fees earned for providing geological services, such as research on minerals, energy development and geoscience mapping. The council expects to generate revenue of R242.8 million from geological services provided, which accounts for 18.9 per cent of its total revenue over the medium term. This will contribute to the funding the council's operations and overheads. In addition, an operational grant will be received from the Department of Mineral Resources amounting to R1 billion over the medium term.

The council's revenue decreased from R102.9 million in 2012/2013 to R63.9 million in 2013/14 due to commercial activities with Eskom coming to an end. However, total revenue is expected to increase to R411.2 million through transfers from the department over the medium term due to the water ingress project, which will continue as a project funded by a conditional allocation, and additional funding received for the exploration of shale gas.

The increase in revenue will cater for projects such as the implementation of amendments to the Geoscience Act (1993) in 2010, which extends the council's functions to include the provision of advisory services relating to geohazards and geo-environmental pollution, and to be the custodian of all geoscience information related to the South African mining industry. The increased revenue will also cater for the hosting of the 35th International Geological Congress in South Africa in 2016 to stimulate investment in the mining industry. The acquisition of technical and scientific equipment needed to make the council a leading earth science provider and the establishment a national skills centre for carbon dioxide geological storage are other initiatives that will be prioritised.

In implementing the Geoscience Amendment Act (2010), the council will need to recruit at least 56 researchers, professionals, technicians and administrative personnel due to the labour intensive nature of the research conducted. This will empower the council to be the custodian of all geotechnical data and information relating to exploration and mining, and will enable it to compile a macro geotechnical risk profile for the country. However, with the current allocation, the council will be able to increase its personnel numbers by only 20 to reach 453 in 2017/18. As a result, expenditure on compensation of employees is expected to increase by 7.2 per cent over the medium term.

Programmes/objectives/activities

Table 29.15 Council for Geoscience expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%) 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	155 979	198 487	190 594	209 962	10.4%	62.2%	231 539	245 613	225 936	2.5%	56.4%
Statutory projects	21 021	56 092	117 916	98 378	67.3%	22.5%	108 428	127 854	138 490	12.1%	29.1%
Foreign commercial	3 951	8 543	6 746	9 505	34.0%	2.3%	10 352	11 387	12 526	9.6%	2.7%
Local commercial	43 871	46 974	18 457	41 952	-1.5%	13.0%	45 736	49 145	55 340	9.7%	11.8%
Total	224 822	310 096	333 713	359 797	17.0%	100.0%	396 055	433 999	432 292	6.3%	100.0%

Statements of historical financial performance and position

Table 29.16 Council for Geoscience statements of historical financial performance and position

Statement of financial performance									Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	70 125	94 099	75 356	102 905	83 546	63 930	90 885	66 958	102.5%
Sale of goods and services other than capital assets	67 500	79 365	72 600	87 340	79 896	40 453	87 846	63 919	88.1%
of which:									
Sales by market establishment	67 500	79 365	72 600	87 340	79 896	40 453	87 846	63 919	88.1%
Other non-tax revenue	2 625	14 734	2 756	15 565	3 650	23 477	3 039	3 039	470.7%
Transfers received	152 905	157 070	221 150	223 006	265 232	271 232	287 839	292 839	101.8%
Total revenue	223 030	251 169	296 506	325 911	348 778	335 162	378 724	359 797	102.0%
Expenses									
Current expenses	221 830	224 822	295 306	310 096	348 778	333 713	378 725	359 797	98.7%
Compensation of employees	131 312	128 468	140 504	160 312	160 289	160 498	172 787	182 787	104.5%
Goods and services	76 573	77 590	139 474	133 715	173 314	155 232	189 067	157 733	90.6%
Depreciation	13 938	18 755	15 321	16 058	15 168	17 487	16 831	19 236	116.8%
Interest, dividends and rent on land	7	10	7	12	7	496	40	40	910.2%

Table 29.16 Council for Geoscience statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R thousand	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Transfers and subsidies	1 200	–	–	–	–	–	–	–	–
Total expenses	223 030	224 822	295 306	310 096	348 778	333 713	378 725	359 797	98.6%
Surplus/(Deficit)	–	26 347	1 200	15 815	–	1 449	(1)	–	–
Statement of financial position									
Carrying value of assets	188 571	188 139	169 931	197 175	156 110	194 163	202 688	209 689	110.0%
<i>of which:</i>									
Acquisition of assets	2 556	9 776	1 000	18 798	40 095	19 741	73 035	27 756	65.2%
Inventory	–	5	–	5	–	5	5	5	400.0%
Receivables and prepayments	32 702	33 980	37 040	47 815	43 800	16 190	50 546	17 809	70.6%
Cash and cash equivalents	95 703	173 393	122 925	207 418	118 924	225 845	143 453	183 453	164.3%
Total assets	316 976	395 517	329 896	452 413	318 834	436 203	396 692	410 956	124.4%
Accumulated surplus/(deficit)	190 906	227 595	201 243	333 276	190 906	334 726	190 906	334 726	159.0%
Capital and reserves	–	–	6 411	–	–	–	–	–	–
Capital reserve fund	–	–	80 342	–	77 676	–	–	–	–
Deferred income	83 008	58 274	–	86 076	–	74 589	94 214	49 773	151.6%
Trade and other payables	25 759	9 124	23 000	9 709	23 132	11 493	18 435	10 331	45.0%
Provisions	17 303	17 515	18 900	23 352	27 120	15 395	18 126	16 126	88.9%
Derivatives financial instruments	–	83 009	–	–	–	–	75 011	–	110.7%
Total equity and liabilities	316 976	395 517	329 896	452 413	318 834	436 203	396 692	410 956	124.4%

Statements of estimates of financial performance and position**Table 29.17 Council for Geoscience statements of estimates of financial performance and position**

Statement of financial position								
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R thousand	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	66 958	-10.7%	26.7%	73 501	80 692	88 594	9.8%	18.9%
Sale of goods and services other than capital assets	63 919	-7.0%	22.1%	70 311	77 342	85 076	10.0%	18.1%
<i>of which:</i>								
Sales by market establishment	63 919	-7.0%	22.1%	70 311	77 342	85 076	10.0%	18.1%
Other non-tax revenue	3 039	-40.9%	4.6%	3 190	3 350	3 518	5.0%	0.8%
Transfers received	292 839	23.1%	73.3%	325 914	357 627	348 978	6.0%	81.1%
Total revenue	359 797	12.7%	100.0%	399 415	438 319	437 572	6.7%	100.0%
Expenses								
Current expenses	359 797	17.0%	100.0%	396 055	433 999	432 292	6.3%	100.0%
Compensation of employees	182 787	12.5%	51.9%	186 148	204 763	225 239	7.2%	49.3%
Goods and services	157 733	26.7%	42.0%	189 667	207 985	184 739	5.4%	45.6%
Depreciation	19 236	0.8%	6.0%	20 198	21 207	22 268	5.0%	5.1%
Interest, dividends and rent on land	40	59.1%	0.0%	42	44	46	4.5%	–
Total expenses	359 797	17.0%	100.0%	396 055	433 999	432 292	6.3%	100.0%
Surplus/(Deficit)	–	-100.0%	–	3 360	4 320	5 280	–	–
Statement of financial position								
Carrying value of assets	209 689	3.7%	46.7%	218 468	241 182	242 782	5.0%	55.1%
<i>of which:</i>								
Acquisition of assets	27 756	41.6%	4.5%	35 033	36 890	35 415	8.5%	8.2%
Inventory	5	–	0.0%	5	5	5	–	0.0%
Receivables and prepayments	17 809	-19.4%	6.8%	19 590	21 550	23 705	10.0%	5.0%
Cash and cash equivalents	183 453	1.9%	46.5%	173 453	157 475	146 245	-7.3%	39.9%
Total assets	410 956	1.3%	100.0%	411 516	420 212	412 737	0.1%	100.0%
Accumulated surplus/(deficit)	334 726	13.7%	72.3%	334 726	334 726	334 726	–	80.9%
Deferred income	49 773	-5.1%	15.7%	51 198	61 371	54 342	3.0%	13.1%
Trade and other payables	10 331	4.2%	2.4%	9 943	8 943	8 974	-4.6%	2.3%
Provisions	16 126	-2.7%	4.3%	15 649	15 172	14 695	-3.1%	3.7%
Total equity and liabilities	410 956	1.3%	100.0%	411 516	420 212	412 737	-4.7%	100.0%

Personnel information

Table 29.18 Council for Geoscience personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Council for Geoscience		344	160.5	0.5	433	182.8	0.4	438	186.1	0.4	450	204.8	0.5	453	225.2	0.5	7.2%	100.0%	
Salary level	433	324	344	160.5	0.5	433	182.8	0.4	438	186.1	0.4	450	204.8	0.5	453	225.2	0.5	7.2%	100.0%
1 – 6	122	13	34	5.2	0.2	122	15.1	0.1	122	15.1	0.1	122	15.3	0.1	122	15.5	0.1	0.9%	27.5%
7 – 10	206	206	235	87.5	0.4	206	75.0	0.4	211	78.3	0.4	220	84.6	0.4	222	94.0	0.4	7.8%	48.4%
11 – 12	49	49	62	50.3	0.8	49	31.6	0.6	49	31.6	0.6	51	35.9	0.7	51	39.0	0.8	7.3%	11.3%
13 – 16	52	52	12	15.2	1.3	52	52.8	1.0	52	52.8	1.0	53	59.8	1.1	54	66.6	1.2	8.1%	11.9%
17 – 22	4	4	1	2.4	2.4	4	8.3	2.1	4	8.3	2.1	4	9.2	2.3	4	10.1	2.5	6.6%	0.9%

1. Rand million.

Council for Mineral Technology

Mandate

The mandate of the Council for Mineral Technology, as set out in the Mineral Technology Act (1989), is to maximise the value derived from South Africa's mineral resources. To this end, the council develops appropriate and innovative technology for transfer to industry, and provides industry with test work, and consultancy, analytical and mineralogical services.

Selected performance indicators

Table 29.19 Council for Mineral Technology performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of technology transfers per year	Enhance the council's visibility and credibility to all stakeholders	Entity mandate	- ¹	1	1	1	2	2	2
Number of discoveries in terms of the Intellectual Property Rights Act (2008) per year	Enhance the council's visibility and credibility to all stakeholders		1	7	11	10	10	10	10
Number of analytical and mineralogical methods and services developed per year, evidenced by reports	Research and develop efficient mineral processing technologies and value added products and services	Outcome 10: Protect and enhance our environmental assets and natural resources	13	11	13	11	11	11	11
Number of new technologies developed per year, under Science Vote funding, evidenced through internal reports	Research and develop efficient mineral processing technologies and value added products and services		62	53	65	45	39	39	39
Number of new technologies developed through commercial funding per year	Research and develop efficient mineral processing technologies and value added products and services		4	3	5	0 ²	1	0 ²	0 ²
Number of prototypes per year	Research and develop efficient mineral processing technologies and value added products and services		5	5	5	6	5	5	5
Number of applications developed for precious, ferrous and base metals in the areas of: biomedicine (HIV and AIDS, cancer, malaria); catalysis (chemical processing, fuel cells, environmental); nanotechnology (water, health); and physical metallurgy (research and development, and metallurgical industry support) per year	Research and develop efficient mineral processing technologies and value added products and services		5	14	18	12	16	16	18
Number of metallurgical processes and products for base, light (titanium, magnesium) and ferrous metals per year	Research and develop efficient mineral processing technologies and value added products and services		2	7	10	8	8	8	8
Number of technologies adapted or developed relevant to small scale mining per year	Promote the mineral based economies of rural and marginalised communities		Outcome 7: Comprehensive rural development and land reform	2	2	2	2	2	2

Table 29.19 Council for Mineral Technology performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of people trained in glass bead, jewellery, pottery and small scale mining per year	Promote the mineral based economies of rural and marginalised communities	Outcome 5: A skilled and capable workforce to support an inclusive growth path	165	184	151	140	120	130	130
Total percentage spend on training expressed as a percentage of payroll	Build world class research and development excellence by developing human organisational skills		1.8%	2%	2.1%	2%	2.5%	3%	3%
Percentage performance contracts done and signed (for each employee) per year	Build world class research and development excellence by developing human organisational skills		100%	100%	100%	100%	100%	100%	100%
Number of external reports on the development of water efficient processes and flow sheets per year	Research and develop efficient mineral processing technologies and value added products and services	Outcome 10: Protect and enhance our environmental assets and natural resources	3	3	1	3	4	4	4
Number of postgraduate bursars in part time bursary programme per year ¹	Build world class research and development excellence by developing human organisational skills	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	64	55	51	51	51	51
Number of candidates employed in work integrated learning, studentship and internship programmes per year ³	Build world class research and development excellence by developing human organisational skills		48	45	103	60	60	60	60

1. Indicator measured from 2012/13 onwards, hence no historical data.

2. The council expects to develop new technologies once every 3 years from 2015/16 onwards.

3. Indicator revised to better explain what programmes candidates are employed for.

Expenditure analysis

In line with outcome 5 (a skilled and capable workforce to support an inclusive growth path) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium term strategic framework, the focus of the Council for Mineral Technology over the medium term will be on research and development in efficient mineral processing technologies, research and development in energy minerals, and the promotion of beneficiation through adding value to raw commodities.

The council will: conduct research to maximise the utilisation of finite ore resources; alleviate poverty and create employment; add value to mineral and metal products; promote the transition from a resource dominated economy to a knowledge based economy; focus on strategic areas of research and development to keep the council and South Africa at the forefront of technological innovation; operate effectively in the global environment; satisfy the demands of a knowledgeable customer base; generate high economic returns for national and regional economies through its technical programmes; focus on skills development and educational initiatives through its social programmes; and nurture self-sustaining local economies in areas of South Africa where smaller mineral extraction and beneficiation enterprises have the capability to generate broad based employment and wealth.

As per the shareholder compact, about 50 per cent of the council's effort is focused on programmes that include research and development activities, advanced and special metals, acid mine drainage, and water treatment research to protect water resources. These activities will be supported by an allocation of R290 million in 2016/17.

The allocation received for the rehabilitation of derelict and ownerless mines focuses on the national development plan's priorities of creating a safer environment for all. This will be achieved by rehabilitating areas where the earth is affected by asbestos to make it safer for people to live in those environments. The council will continue with research to enhance extraction techniques involving hydrometallurgy, pyrometallurgy and biotechnology. Accessing and processing low grade and complex ore bodies, residues and exposed rocks will also be prioritised.

Expenditure on goods and services is expected to increase over the medium term due to additional funding of R261 million for research on the treatment of water from acid mine drainage, the rehabilitation of derelict and ownerless mines, the establishment of a precious gemstone facility in Northern Cape, waste and scrap reprocessing, and the building of a pilot plant for processing rare earth elements. These projects directly relate to outcome 11 of government's 2014-2019 medium term strategic framework (create a better South Africa, a better Africa and a better world).

Expenditure on compensation of employees comprises 52.5 per cent (R295.1 million) of the council's total expenditure in 2014/15, due to the labour intensive nature of research and project work, with consultants mainly used for maintenance of the campus (security, garden services, canteen costs and IT support). Spending on compensation of employees over the medium term is expected to increase from R301 million in 2015/16 to R313.2 million in 2017/18. Increased expenditure on personnel has positively affected the quality and quantity of research outputs, such as an increased number of technical reports and registered patents, and more technology becoming available on the commercial market. The number of posts is expected to increase from 885 in 2014/15 to 948 in 2017/18 to enable the council to carry out more research work, and increase profits from commercial revenue.

Revenue for the council is mainly generated from the provision of services, products and contracted research to commercial companies. Total revenue of R598.3 million is anticipated in 2015/16, and is directly related to the execution of projects or research, which is expected to continue over the medium term.

Due to the lack of work in 2011/12 in the pyrometallurgy division, 30 positions were frozen. This resulted in a loss of revenue for that plant. Some of the employees were subsequently re-employed in 2013/14, when the council signed a two-year agreement with Anglo American Platinum, which involved the installation of atomising equipment to an existing drying and smelting plant. The contract ended in October 2014. This will reduce the number of contract employees from 920 in 2015/16 to 905 in 2017/18. The council will, however, first consider other alternatives for these employees, depending on the uptake of commercial activities.

Programmes/objectives/activities

Table 29.20 Council for Mineral Technology expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Administration	19 613	22 683	22 836	26 627	10.7%	4.9%	29 150	26 873	27 411	1.0%	4.9%
Enhance the council's visibility and credibility to all stakeholders	21 106	31 493	22 377	26 627	8.1%	5.5%	29 150	26 873	27 411	1.0%	4.9%
Research and develop efficient mineral processing technologies and value added products and services	196 125	226 826	223 769	296 095	14.7%	50.4%	291 501	268 733	274 108	-2.5%	50.7%
Promote the mineral based economies of rural and marginalised communities	58 838	68 048	67 131	79 882	10.7%	14.7%	87 450	80 620	82 232	1.0%	14.8%
Uphold good governance practices	39 225	45 365	44 754	53 254	10.7%	9.8%	58 300	53 747	54 822	1.0%	9.9%
Build world class research and development excellence by developing human organisational skills	58 838	68 048	67 131	79 882	10.7%	14.7%	87 450	80 620	82 232	1.0%	14.8%
Total	393 743	462 462	447 998	562 367	12.6%	100.0%	583 001	537 466	548 216	-0.8%	100.0%

Statements of historical financial performance and position

Table 29.21 Council for Mineral Technology statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2011/12 - 2014/15	
Revenue									
Non-tax revenue	292 661	310 918	268 495	286 025	354 498	268 590	294 670	297 991	96.1%
Sale of goods and services other than capital assets	278 833	272 708	257 592	259 343	335 376	244 285	277 427	282 436	92.1%
of which:									
Sales by market establishment	278 833	272 708	257 592	259 343	335 376	244 285	277 427	282 436	92.1%
Other non-tax revenue	13 828	38 210	10 902	26 682	19 122	24 305	17 243	15 555	171.5%
Transfers received	155 492	126 262	179 000	192 511	200 411	196 771	256 057	276 779	100.2%
Total revenue	448 153	437 180	447 495	478 536	554 909	465 361	550 727	574 770	97.7%
Expenses									
Current expenses	445 938	393 743	441 138	462 462	518 639	447 998	502 438	562 367	97.8%
Compensation of employees	255 924	248 088	259 874	245 812	252 489	260 740	279 180	295 114	100.2%
Goods and services	172 975	129 927	165 424	198 980	254 466	166 560	204 712	244 752	92.8%
Depreciation	17 039	13 049	15 840	14 607	11 684	17 513	18 546	19 401	102.3%
Interest, dividends and rent on land	-	2 679	-	3 063	-	3 184	-	3 100	-
Total expenses	445 938	393 743	441 138	462 462	518 639	447 998	502 438	562 367	97.8%
Surplus/(Deficit)	2 215	43 437	6 356	16 074	36 270	17 363	48 290	12 403	-

Table 29.21 Council for Mineral Technology statements of historical financial performance and position

Statement of financial position									Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Carrying value of assets	228 493	260 411	259 823	248 399	270 418	215 464	253 456	215 116	92.8%
<i>of which:</i>									
Acquisition of assets	30 366	70 518	23 610	60 624	42 385	42 016	61 412	49 366	141.0%
Investments	199 000	274 493	213 557	255 294	324 193	333 244	339 153	339 909	111.8%
Inventory	7 188	5 467	6 510	5 551	5 740	4 491	5 740	4 581	79.8%
Receivables and prepayments	37 089	45 739	33 649	45 464	45 739	55 005	45 739	46 373	118.7%
Cash and cash equivalents	4 735	30 806	5 533	13 072	5 533	38 578	5 533	8 515	426.4%
Taxation	-	502	502	460	502	-	460	-	65.7%
Total assets	476 505	617 418	519 574	568 240	652 125	646 782	650 082	614 494	106.5%
Accumulated surplus/(deficit)	235 580	276 328	246 604	293 757	337 425	312 474	343 536	324 754	103.8%
Capital and reserves	107 564	131 591	131 780	130 237	128 883	128 883	127 529	127 529	104.5%
Deferred income	75 000	116 812	89 112	70 582	119 312	123 288	110 952	90 952	101.8%
Trade and other payables	21 516	64 090	24 435	43 953	35 008	52 131	35 008	41 253	173.7%
Provisions	36 845	28 598	27 643	29 711	31 497	30 006	33 057	30 006	91.7%
Total equity and liabilities	476 505	617 419	519 574	568 240	652 125	646 782	650 082	614 494	106.5%

Statements of estimates of financial performance and position**Table 29.22 Council for Mineral Technology statements of estimates of financial performance and position**

Statement of financial position								
	Revised estimate	Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)
R thousand	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	297 991	-1.4%	60.1%	303 951	310 342	321 549	2.6%	54.5%
Sale of goods and services other than capital assets	282 436	1.2%	54.6%	288 085	293 846	304 723	2.6%	51.6%
<i>of which:</i>								
Sales by market establishment	282 436	1.2%	54.6%	288 085	293 846	304 723	2.6%	51.6%
Other non-tax revenue	15 555	-25.9%	5.6%	15 866	16 495	16 825	2.7%	2.9%
Transfers received	276 779	29.9%	39.9%	294 372	231 911	231 911	-5.7%	45.5%
Total revenue	574 770	9.5%	100.0%	598 323	542 253	553 460	-1.3%	100.0%
Expenses								
Current expenses	562 367	12.6%	100.0%	583 001	537 466	548 216	-0.8%	100.0%
Compensation of employees	295 114	6.0%	56.7%	301 019	307 039	313 180	2.0%	54.6%
Goods and services	244 752	23.5%	39.2%	259 284	207 534	211 749	-4.7%	41.3%
Depreciation	19 401	14.1%	3.5%	19 598	19 793	20 187	1.3%	3.5%
Interest, dividends and rent on land	3 100	5.0%	0.7%	3 100	3 100	3 100	-	0.6%
Total expenses	562 367	12.6%	100.0%	583 001	537 466	548 216	-0.8%	100.0%
Surplus/(Deficit)	12 403	-34.2%	-	15 322	4 787	5 243	-24.9%	-
Statement of financial position								
Carrying value of assets	215 116	-6.2%	38.6%	216 580	222 655	222 172	1.1%	35.4%
<i>of which:</i>								
Acquisition of assets	49 366	-11.2%	9.2%	51 834	54 426	54 426	3.3%	8.5%
Investments	339 909	7.4%	49.1%	346 927	344 285	330 483	-0.9%	55.0%
Inventory	4 581	-5.7%	0.8%	4 581	4 581	4 581	-	0.7%
Receivables and prepayments	46 373	0.5%	7.9%	46 373	46 373	46 373	-	7.5%
Cash and cash equivalents	8 515	-34.9%	3.7%	8 515	8 515	8 515	-	1.4%
Total assets	614 494	-0.2%	100.0%	622 976	626 409	612 124	-0.1%	100.0%
Accumulated surplus/(deficit)	324 754	5.5%	49.4%	337 094	341 881	347 124	2.2%	54.6%
Capital and reserves	127 529	-1.0%	21.2%	126 175	124 821	123 467	-1.1%	20.3%
Deferred income	90 952	-8.0%	16.3%	88 756	88 756	70 582	-8.1%	13.7%
Trade and other payables	41 253	-13.7%	8.2%	41 253	41 253	41 253	-	6.7%
Provisions	30 006	1.6%	4.8%	29 698	29 698	29 698	-0.3%	4.8%
Total equity and liabilities	614 494	-0.2%	100.0%	622 976	626 409	612 124	-7.3%	100.0%

Personnel information

Table 29.23 Council for Mineral Technology personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2013/14			2014/15			2015/16		2016/17		2017/18								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2014/15 - 2017/18				
Council for Mineral Technology		963	963	790	260.7	0.3	885	295.1	0.3	963	301.0	0.3	956	307.0	0.3	948	313.2	0.3	2.0%	100.0%
Salary level	963	963	790	260.7	0.3	885	295.1	0.3	963	301.0	0.3	956	307.0	0.3	948	313.2	0.3	2.0%	100.0%	
1 – 6	325	325	214	23.9	0.1	309	34.7	0.1	325	36.5	0.1	318	36.8	0.1	310	37.2	0.1	2.3%	33.7%	
7 – 10	398	398	364	98.4	0.3	364	109.2	0.3	398	114.7	0.3	398	116.7	0.3	398	119.6	0.3	3.1%	41.5%	
11 – 12	159	159	137	70.6	0.5	137	78.3	0.6	159	73.4	0.5	159	73.8	0.5	159	74.3	0.5	-1.8%	16.3%	
13 – 16	80	80	74	65.5	0.9	74	70.4	1.0	80	73.9	0.9	80	77.1	1.0	80	79.3	1.0	4.0%	8.4%	
17 – 22	1	1	1	2.3	2.3	1	2.5	2.5	1	2.6	2.6	1	2.7	2.7	1	2.8	2.8	5.0%	0.1%	

1. Rand million.

Mine Health and Safety Council

Mandate

The Mine Health and Safety Council was established in terms of the Mine Health and Safety Act (1996). The council 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. The council operates through the tripartite partnership between organised labour, employers and the Departments of Health and Labour are also involved at the Council.

Selected performance indicators

Table 29.24 Mine Health and Safety Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past		Current	Projections			
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of skills development projects per year ¹	Promote Mine Health and Safety Council programmes in the mining industry	Outcome 4: Decent employment through inclusive economic growth	-1	5	5	5	5	5	0
Number of scheduled advice processes with the minister per year	Provide advice reports that influence performance in mining health and safety		6	8	5	5	6	7	8
Number of engagements with stakeholders per year	Strengthen tripartite partnerships		2	5	5	5	6	7	8
Number of recommendations (legislative) submitted for promulgation through focused research per year	Provide advice reports that influence performance in mining health and safety		6	6	6	6	6	6	6
Number of research programmes and reviews conducted per year	Become a knowledge leader in mine health and safety by conducting focused research		18	10	10	10	12	14	16

1. Indicator measured from 2012/13 onwards, hence no historical data.

Expenditure analysis

The Mine Health and Safety Council, through the Mine Health and Safety Act (1996), as amended, undertakes research to provide solutions to the occupational health and safety challenges faced by the mining industry. Furthermore, the council reviews the mining industry regulatory framework to ensure a stable regulatory framework in the mining industry as envisaged in the national development plan. This is supported by outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth), with attention paid to stabilising the labour market by addressing the root causes of workplace conflict in mining, and through improving miners' working and living conditions.

The council's focus over the medium term will be on achieving these objectives, which entails expenditure on technology transfers and the implementation of research outcomes to improve health and safety records at mines through the promotion of occupational health and safety in mines.

Increased expenditure on compensation of employees between 2013/14 and 2014/15 was due to the filling of vacant posts. The increase in personnel contributed to the council achieving 81.8 per cent of its set objectives, which included contributions to a number of legislative topics and advisory notes developed and submitted to the Minister of Mineral Resources. Spending on compensation of employees is expected to continue to increase

over the medium term due to improvements in conditions of service. Over the medium term, there will be increased spending on technology transfer, which is done through road shows and the electronic media.

Expenditure on goods and services over the medium term is expected to be the council's main cost driver, constituting 54.5 per cent of total expenditure as all research conducted is outsourced from other institutions. In 2014/15, R49.6 million was allocated to research, of which R8.5 million was used to fund the summit agreements on occupational health and safety standards, and HIV and AIDS and tuberculosis. There will be a drive to implement the objectives arising from these agreements over the medium term, with expenditure on research estimated to be at an all-time high of R67.2 million in 2015/16, R50.3 million in 2016/17 and R50.7 million in 2017/18.

The reduction of the transfer from the Department of Mineral Resources of R5.6 million in 2015/16 and R5.9 million in 2016/17 will be absorbed by cost containment measures, such as reducing the number of health and safety meetings held externally, which will reduce travel allowances to mines and subsequently not affect service delivery. Collaborative mine visits and workshops will be conducted to reduce costs.

The council mainly generates its revenue from levies received from mining companies in accordance with the Mine Health and Safety Act (1996). This revenue assists the council to fund research to sustain and improve health and safety performance in the mining industry, and to significantly reduce fatalities, injuries and occupational diseases. The budgeted levy income for 2014/15 is R70.3 million. Levies are determined by calculating the operational and administrative expenditure needed to meet the council's mandate.

Revenue is expected to increase to R96.3 million over the medium term at an average rate of 4.6 per cent per year, and the related expenditure is planned in such a way that it does not exceed budgeted revenue. The council has budgeted for a surplus over the medium term as a result of commitments to research contracts that extend over one financial period. The surplus will be used to conduct research on safety and health issues in mines.

Programmes/objectives/activities

Table 29.25 Mine Health and Safety Council expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%) 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	-	-	34 550	23 554	-	22.0%	27 937	28 467	29 246	7.5%	35.1%
Promote a health and safety culture in the mining industry	7 954	4 776	4 941	5 909	-9.4%	10.6%	5 422	5 748	6 035	0.7%	7.4%
Provide advice reports that influence performance in mining health and safety	10 840	4 776	4 840	8 405	-8.1%	12.8%	10 785	8 720	8 875	1.8%	11.8%
Strengthen tripartite partnerships.	12 964	15 102	4 840	14 501	3.8%	21.3%	7 112	7 538	7 916	-18.3%	11.8%
Become a knowledge leader in mine health and safety by conducting focused research	16 742	22 234	4 841	19 472	5.2%	28.6%	15 553	16 487	17 311	-3.8%	22.1%
Promote Mine Health and Safety Council programmes in the mining industry	-	-	4 841	8 381	-	4.7%	8 800	9 328	9 794	5.3%	11.7%
Total	48 500	46 888	58 853	80 222	18.3%	100.0%	75 609	76 288	79 177	-0.4%	100.0%

Statements of historical financial performance and position

Table 29.26 Mine Health and Safety Council statements of historical financial performance and position

Statement of financial position									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	70 865	63 987	62 762	68 806	68 478	75 676	69 919	78 798	105.6%
Sale of goods and services other than capital assets	55 838	55 295	56 062	60 421	63 453	65 820	66 151	70 296	104.3%
<i>of which:</i>									
Administrative fees	1 348	–	–	–	–	–	–	–	–
Sales by market establishment	54 490	55 295	56 062	60 421	63 453	65 820	66 151	70 296	104.9%
Other non-tax revenue	15 027	8 692	6 700	8 385	5 025	9 856	3 768	8 502	116.1%
Transfers received	5 288	5 288	4 370	4 531	5 035	5 035	5 197	5 197	100.8%
Total revenue	76 153	69 275	67 132	73 337	73 513	80 711	75 116	83 995	105.3%
Expenses									
Current expenses	76 153	48 500	57 257	46 888	65 489	58 853	67 877	80 222	87.9%
Compensation of employees	14 153	12 157	23 547	14 186	24 725	20 375	25 930	29 527	86.3%
Goods and services	60 637	34 398	32 071	29 182	38 239	34 833	37 997	46 924	86.0%
Depreciation	1 363	1 945	1 639	3 520	1 650	3 645	3 950	3 771	149.7%
Interest, dividends and rent on land	–	–	–	–	875	–	–	–	–
Total expenses	76 153	48 500	57 257	46 888	65 489	58 853	67 877	80 222	87.9%
Surplus/(Deficit)	–	20 775	9 875	26 449	8 024	21 858	7 239	3 773	–
Statement of financial position									
Carrying value of assets	1 852	10 723	8 077	9 602	1 194	8 863	1 015	4 546	277.9%
<i>of which:</i>									
Acquisition of assets	1 363	8 620	6 700	2 431	2 125	3 261	2 231	3 886	146.5%
Inventory	–	153	–	97	–	183	–	97	–
Receivables and prepayments	14 732	3 691	7 988	4 143	2 464	3 341	2 341	2 766	50.6%
Cash and cash equivalents	101 342	144 259	132 379	170 823	88 437	195 108	96 251	142 701	156.0%
Total assets	117 926	158 826	148 443	184 665	92 095	207 495	99 607	150 110	153.1%
Accumulated surplus/(deficit)	106 361	139 117	145 449	166 800	85 672	187 152	92 912	138 484	146.7%
Finance lease	–	80	123	36	101	16	108	17	44.9%
Trade and other payables	7 069	17 200	1 970	14 876	4 532	11 321	4 707	3 869	258.6%
Provisions	1 892	2 429	901	2 953	1 790	2 195	1 880	2 212	151.5%
Managed funds (e.g. poverty alleviation fund)	–	–	–	–	–	6 811	–	5 479	–
Derivatives financial instruments	2 604	–	–	–	–	–	–	49	1.9%
Total equity and liabilities	117 926	158 826	148 443	184 665	92 095	207 495	99 607	150 110	153.1%

Statements of estimates of financial performance and position

Table 29.27 Mine Health and Safety Council statements of estimates of financial performance and position

Statement of financial position								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	78 798	7.2%	93.4%	81 025	86 341	90 101	4.6%	96.9%
Sale of goods and services other than capital assets	70 296	8.3%	81.9%	73 694	78 155	82 063	5.3%	87.6%
<i>of which:</i>								
Sales by market establishment	70 296	8.3%	81.9%	73 694	78 155	82 063	5.3%	87.6%
Other non-tax revenue	8 502	-0.7%	11.6%	7 331	8 186	8 038	-1.9%	9.3%
Transfers received	5 197	-0.6%	6.6%	–	–	6 162	5.8%	3.1%
Total revenue	83 995	6.6%	100.0%	81 025	86 341	96 263	4.6%	100.0%
Expenses								
Current expenses	80 222	18.3%	100.0%	75 609	76 288	79 177	-0.4%	100.0%
Compensation of employees	29 527	34.4%	31.7%	31 003	32 864	34 507	5.3%	41.1%
Goods and services	46 924	10.9%	62.7%	41 024	40 200	41 607	-3.9%	54.5%
Depreciation	3 771	24.7%	5.6%	3 582	3 224	3 063	-6.7%	4.4%
Total expenses	80 222	18.3%	100.0%	75 609	76 288	79 177	-0.4%	100.0%
Surplus/(Deficit)	3 773	-43.4%	–	5 416	10 053	17 086	65.4%	–
Statement of financial position								
Carrying value of assets	4 546	-24.9%	4.8%	4 774	5 060	5 313	5.3%	5.0%
<i>of which:</i>								
Acquisition of assets	3 886	-23.3%	2.7%	2 900	3 205	3 405	-4.3%	3.3%
Inventory	97	-14.1%	0.1%	102	108	114	5.5%	0.1%
Receivables and prepayments	2 766	-9.2%	2.0%	2 904	3 078	3 232	5.3%	3.0%
Cash and cash equivalents	142 701	-0.4%	93.1%	112 339	86 668	61 020	-24.7%	91.9%
Total assets	150 110	-1.9%	100.0%	120 119	94 914	69 679	-22.6%	100.0%

Table 29.27 Mine Health and Safety Council statements of estimates of financial performance and position

Statement of financial position		Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2014/15				2011/12 - 2014/15	2015/16	2016/17		
R thousand									
Accumulated surplus/(deficit)	138 484	-0.2%	90.1%	110 501	83 754	57 115	-25.6%	88.6%	
Finance lease	17	-40.3%	0.0%	17	17	18	1.9%	0.0%	
Trade and other payables	3 869	-39.2%	6.7%	4 711	5 632	6 568	19.3%	5.5%	
Provisions	2 212	-3.1%	1.4%	2 322	2 462	2 593	5.4%	2.4%	
Managed funds (e.g. poverty alleviation fund)	5 479	-	1.7%	2 516	2 994	3 328	-15.3%	3.4%	
Derivatives financial instruments	49	-	0.0%	52	55	57	5.2%	0.1%	
Total equity and liabilities	150 110	-1.9%	100.0%	120 119	94 914	69 679	-9.0%	100.0%	

Personnel information

Table 29.28 Mine Health and Safety Council personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost			2017/18		Unit Cost		
Mine Health and Safety Council		53	53	53	20.4	0.4	46	29.5	0.6	45	31.0	0.7	45	32.9	0.7	45	34.5	0.8	5.3%	100.0%
Salary level																				
1 – 6	23	23	22	5.8	0.3	13	2.9	0.2	13	2.8	0.2	13	3.0	0.2	13	3.2	0.2	3.5%	28.7%	
7 – 10	20	20	19	5.5	0.3	14	9.0	0.6	14	9.3	0.7	14	10.1	0.7	14	10.8	0.8	6.4%	30.9%	
11 – 12	6	6	8	4.9	0.6	8	6.8	0.8	8	7.3	0.9	8	7.6	1.0	8	7.9	1.0	5.4%	17.7%	
13 – 16	4	4	4	4.2	1.0	11	10.8	1.0	10	11.7	1.2	10	12.1	1.2	10	12.5	1.2	4.9%	22.6%	

¹ Rand million.

South African Diamond and Precious Metals Regulator

Mandate

The South African Diamond and Precious Metals Regulator was established in terms of section 3 of the Diamonds Act (1986), as amended. The regulator's mandate is to implement and enforce the provisions of the Diamonds Act (1986), the Precious Metals Act (2005), the Diamond Export Levy (Administration) Act (2007) and the Diamond Export Levy Act (2007).

Performance indicators

Table 29.29 South African Diamond and Precious Metals Regulator performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of reductions in repeat audit findings per year	Administration	Outcome 12: An efficient, effective and development oriented public service	6	2	- ¹	5	5	5	5
Number of human resource plan pillars implemented per year ²	Administration		- ²	5	5	5	5	5	5
Number of engagements with internal and external stakeholders per year	Administration		12	12	12	12	12	12	12
Number of clients accessing the Diamond Export and Exchange Centre per year	Diamond trade		1 100	1 200	1 250	1 400	1 500	1 600	1 700
Number of beneficiators accessing the Diamond Export and Exchange Centre tenders per year ²	Diamond trade		- ²	179	179	130	140	150	160
Number of skills initiatives facilitated for the industries per year ²	Diamond trade	Outcome 4: Decent employment through inclusive economic growth	- ²	2	2	4	4	4	4
Number of licences issued to enable diamond and precious metals trade in accordance with the legislative timeframes per year	Regulatory compliance		348	425	650 ³	250	300	300	300
Number of new entrepreneurs assisted per year ²	Regulatory compliance		- ²	5	6	5	8	10	10

Table 29.29 South African Diamond and Precious Metals Regulator performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of beneficiation licences issued per year	Regulatory compliance	Outcome 4: Decent employment through inclusive economic growth	155	98	112	50	50	50	50
Number of inspections conducted per year	Regulatory compliance		965	1 400	1 400	1 300	1 300	1 300	1 300

1. No target available for 2013/14 due to inactivity.

2. Indicator measured from 2012/13 onwards, hence no historical data.

3. 2013/14 was a renewal period for licences issued in 2008/09.

Expenditure analysis

The South African Diamond and Precious Metals Regulator will support the national development plan's vision and outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth) by focusing on increasing growth and providing meaningful transformation of the diamond and precious metals industry. It will do this over the medium term through issuing and renewing licences related to beneficiation, dealing, research, trading house, and refining.

To ensure competitiveness and sustainable job creation in the diamond and precious metals industry, the regulator's expenditure on compensation of employees relating to inspections, audits, and facilitating rough and polished diamond tenders is expected to increase from R12 million to R13.5 million over the medium term. Expenditure relating to goods and services for travel and subsistence, purchase of registers and Kimberley Process certificates is expected to increase from R4.1 million to R4.6 million.

In line with the regulator's policy to transform the diamond and precious metals industry, expenditure on compensation of employees over the medium term is expected to increase by 8.1 per cent. This is mainly due to the labour intensive nature of issuing licences and carrying out compliance inspections and audits. The number of licences issued over the medium term to enable diamond and precious metals trade in accordance with the legislative timeframes is expected to increase from 250 in 2014/15 to 300 in 2017/18.

In creating a stable regulatory framework in the diamond and precious metals industry, expenditure on goods and services, mainly on travel and subsistence, is expected to increase to R23.3 million over the medium term. This expenditure will include facilitating tenders in the Diamond Exchange and Export Centre, as well as effectively conducting 3 900 inspections for diamond and precious metals licensees over the medium term.

The regulator's revenue is derived from a combination of transfer payments from the Department of Mineral Resources (57.2 per cent of the projected revenue over the medium term) and from the sale of services in the form of licences, penalties, certificates, permits, service fees and books (the remaining 42.8 per cent). Revenue is expected to increase by 6 per cent over the medium term due to an anticipated increase in the number of users of the Diamond Exchange and Export Centre, as well as a revised fee structure. The increase in revenue will fund operational expenditure including as leases, consumables and legal costs, and the acquisition of technical and IT equipment.

Spending on compensation of employees increased in 2014/15 due to vacant posts being filled and improved conditions of service. This increase in expenditure was also a result of a strategic drive to attract and retain a skilled workforce to implement the regulatory framework to positively affect the quality and quantity of compliance audits/inspections, increase the transactions in the Diamond Export and Exchange Centre, and provide technical reports for the diamond industry.

As a result of the focus on regulation and transformation issues, the number of personnel in the regulator is expected to increase from 107 in 2013/14 to 114 by 2017/18. The increase in personnel will contribute to the regulator achieving 95 per cent of its set objectives, which include promoting equitable access to resources for local beneficiation, transforming the diamond and precious metals sectors, and enforcing compliance with legislative requirements. At the end of September 2014, the regulator had 12 vacant posts due to natural attrition. The regulator aims to fill these posts over the medium term.

Programmes/objectives/activities

Table 29.30 South African Diamond and Precious Metals Regulator expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%) 2011/12 - 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	61 126	72 351	48 310	47 419	-8.1%	79.3%	52 089	55 110	57 255	6.5%	59.3%
Diamond trade	-	-	18 130	11 218	-	8.9%	16 116	17 083	18 108	17.3%	17.3%
Regulatory compliance	-	-	19 660	19 173	-	11.9%	20 234	21 448	22 734	5.8%	23.4%
Total	61 126	72 351	86 100	77 810	8.4%	100.0%	88 439	93 641	98 097	8.0%	100.0%

Statements of historical financial performance and position

Table 29.31 South African Diamond and Precious Metals Regulator statements of historical financial performance and position

R thousand	Budget		Audited outcome		Budget		Audited outcome		Budget estimate 2014/15	Revised estimate	Outcome/Budget Average (%) 2011/12 - 2014/15
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15					
Revenue											
Non-tax revenue	29 123	7 978	21 525	28 652	23 864	36 451	34 440	34 440			98.7%
Sale of goods and services other than capital assets	27 223	3 981	19 321	25 403	20 524	33 505	33 350	33 105			95.6%
<i>of which:</i>											
<i>Sales by market establishment</i>	27 223	3 981	19 321	25 403	20 524	33 505	33 350	33 105			95.6%
Other non-tax revenue	1 900	3 997	2 204	3 249	3 340	2 946	1 090	1 335			135.1%
Transfers received	39 485	39 374	40 990	41 601	44 824	44 824	45 878	47 810			101.4%
Total revenue	68 608	47 352	62 515	70 253	68 688	81 275	80 318	82 250			100.4%
Expenses											
Current expenses	68 529	61 126	62 430	72 351	68 596	86 100	72 570	77 713			109.2%
Compensation of employees	49 415	41 254	45 158	48 706	48 732	49 392	52 109	59 175			101.6%
Goods and services	17 040	17 330	15 426	21 799	18 080	34 924	18 817	18 514			133.5%
Depreciation	2 020	2 472	1 794	1 794	1 733	1 733	1 610	-			83.8%
Interest, dividends and rent on land	54	70	52	52	51	51	34	24			103.1%
Transfers and subsidies	79	-	85	-	92	-	97	97			27.5%
Total expenses	68 608	61 126	62 515	72 351	68 688	86 100	72 667	77 810			109.1%
Surplus/(Deficit)	-	(13 774)	-	(2 098)	-	(4 825)	7 651	4 440			-
Statement of financial position											
Carrying value of assets	17 177	10 655	10 994	11 057	1 633	11 730	10 327	10 327			109.1%
<i>of which:</i>											
<i>Acquisition of assets</i>	11 434	8 085	1 091 140	4 455	2 771 007	4 747	2 936	4 798			0.6%
Investments	-	-	-	-	-	36	-	-			-
Inventory	56	100	77	298	56	636	56	56			444.9%
Receivables and prepayments	1 547	652	874	2 323	1 015	2 805	979	979			153.1%
Cash and cash equivalents	60 155	11 355	2 196	12 951	11 550	18 317	6 659	6 659			61.2%
Non-current assets held for sale	-	41 244	42 289	38 426	38 394	23 264	34 911	34 911			119.2%
Total assets	78 935	64 006	56 430	65 055	52 648	56 788	52 932	52 932			99.1%
Accumulated surplus/(deficit)	74 004	55 795	48 891	53 697	48 891	48 872	48 891	48 891			93.9%
Finance lease	-	309	868	118	725	198	690	690			57.6%
Deferred income	1 132	62	60	-	35	35	15	15			9.0%
Trade and other payables	2 987	5 940	5 411	8 640	997	5 561	1 136	1 136			202.0%
Provisions	-	1 900	1 200	2 600	2 000	2 122	2 200	2 200			163.4%
Derivatives financial instruments	812	-	-	-	-	-	-	-			-
Total equity and liabilities	78 935	64 006	56 430	65 055	52 648	56 788	52 932	52 932			99.1%

Statements of estimates of financial performance and position

Table 29.32 South African Diamond and Precious Metals Regulator statements of estimates of financial performance and position

R thousand	Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%) 2011/12 - 2014/15	Medium-term estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%) 2014/15 - 2017/18
				2015/16	2016/17	2017/18		
Revenue								
Non-tax revenue	34 440	62.8%	36.1%	38 147	40 436	42 232	7.0%	42.8%
Sale of goods and services other than capital assets	33 105	102.6%	31.5%	36 353	38 534	40 846	7.3%	41.0%
<i>of which:</i>								
<i>Sales by market establishment</i>	33 105	102.6%	31.5%	36 353	38 534	40 846	7.3%	41.0%
Other non-tax revenue	1 335	-30.6%	4.6%	1 794	1 902	1 386	1.3%	1.8%
Transfers received	47 810	6.7%	63.9%	50 527	53 205	55 865	5.3%	57.2%
Total revenue	82 250	20.2%	100.0%	88 674	93 641	98 097	6.0%	100.0%

Selected performance indicators

Table 29.34 State Diamond Trader performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of diamond producers who sold rough diamonds to the State Diamond Trader per year	Sale of rough diamonds	Outcome 4: Decent employment through inclusive economic growth	8	9	12	19	19	19	19
Number of State Diamond Trader clients per year	Sale of rough diamonds		102	42 ¹	46	73	88	98	116
Number of diamond production inspections per year	Sale of rough diamonds		69	126 ²	134	130	130	130	130
Number of trainees employed by the State Diamond Trader per year	Administration		7	5	10	10	10	10	10

1. Decrease is due to the removal of a number of clients from the State Diamond Trader's register in 2012/13, as some clients were not actively engaged in their business in 2012/13 and were unable to comply with the requirements of the State Diamond Trader.

2. The large increase is attributed to an increase in the number of diamonds produced in the country in 2012/13.

Expenditure analysis

The State Diamond Trader will contribute to the growth of the local diamond beneficiation industry and increasing sales of rough diamonds to historically disadvantaged South African beneficiaries to ensure the industry and the beneficiaries themselves are developed efficiently and effectively over the medium term. This, in turn, will contribute to the national development plan's vision and outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth). The entity will also develop and maintain trade relations with other diamond producing countries in Africa, and contribute to the sustainable development of the local diamond beneficiation sector by purchasing unpolished diamonds from local producers and selling them to diamond processors.

Interventions to achieve the entity's objectives include the issuance of the Diamond Pipeline Guide, which will make the necessary information on diamonds available to the public, as well as the holding of a diamond indaba in 2015, which will be combined with the launch of a small diamond manufacturers forum.

The entity has established an incubation programme for SMMEs to beneficiate diamonds and thereby encourage enterprise in the diamond industry. The continued successful participation of identified participants will ultimately result in the creation of an established and sustainable medium to large enterprise. This long term approach to developing skills and a professional ethos underpins sustainable job creation in the manufacturing and jewellery sectors.

The entity generates revenue through the sale of rough diamonds and donations. It does not receive an allocation from the Department of Mineral Resources. Revenue is expected to increase by 5.9 per cent over the medium term to reach R673.6 million in 2017/18, and will be used to fund the entity's operational costs, as budgeted for according to the anticipated purchase and sales of rough diamonds, amounting to R545.1 million.

Spending in this organisation is predominantly driven by compensation of employees, which is expected to increase over the medium term due to personnel numbers rising from 18 in 2013/14 to 26 in 2017/18. Travel costs are set to increase over the medium term, due to 390 planned diamond production inspections, as well as participation in local and international diamond trade shows.

Some expenditure provided for internally will focus on activities to improve the profitability of the entity's operations; provide support to clients; implement and maintain administrative systems, procedures and controls; and enforce compliance with legislation.

Programmes/objectives/activities

Table 29.35 State Diamond Trader expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	428 137	416 103	554 690	557 729	9.2%	100.0%	562 716	611 652	561 210	0.2%	100.0%	
Total	428 137	416 103	554 690	557 729	9.2%	100.0%	562 716	611 652	561 210	0.2%	100.0%	

Statements of historical financial performance and position

Table 29.36 State Diamond Trader statements of historical financial performance and position

Statement of financial position									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	584 000	434 744	569 151	413 400	569 237	556 587	569 832	567 649	86.0%
Sale of goods and services other than capital assets	584 000	433 054	568 297	411 463	568 297	554 864	568 297	563 373	85.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	584 000	433 054	568 297	411 463	568 297	554 864	568 297	563 373	85.8%
Other non-tax revenue	-	1 690	854	1 937	940	1 723	1 535	4 276	289.2%
Transfers received	-	6 307	-	7 889	-	4 093	-	-	-
Total revenue	584 000	441 051	569 151	421 289	569 237	560 680	569 832	567 649	86.8%
Expenses									
Current expenses	569 197	428 137	567 491	416 103	566 297	554 690	561 752	557 729	86.4%
Compensation of employees	-	7 168	8 694	7 360	6 067	5 215	10 669	8 639	111.6%
Goods and services	568 368	418 969	555 441	406 659	556 874	548 271	548 768	548 068	86.2%
Depreciation	829	334	324	440	324	468	479	-	63.5%
Interest, dividends and rent on land	-	1 666	3 032	1 644	3 032	736	1 836	1 022	64.2%
Total expenses	569 197	428 137	570 401	416 103	568 830	554 690	561 752	557 729	86.2%
Surplus/(Deficit)	14 803	12 914	(1 250)	5 186	407	5 990	8 080	9 920	-
Statement of financial position									
Carrying value of assets	3 443	2 121	1 123	1 840	1 273	1 610	3 621	3 621	97.2%
<i>of which:</i>									
<i>Acquisition of assets</i>	1 424	1 781	-	2 121	1 898	1 841	-	505	188.1%
Inventory	-	6 726	37 352	15 164	38 352	4 978	38 352	31 362	51.1%
Receivables and prepayments	-	971	80	224	80	1 605	209	186	809.2%
Cash and cash equivalents	-	31 952	35 946	24 707	35 327	46 466	28 795	45 246	148.3%
Taxation	-	-	11 796	5 016	-	-	5 120	5 120	59.9%
Total assets	3 443	41 770	86 297	46 951	75 032	54 659	76 097	85 535	95.0%
Accumulated surplus/(deficit)	-	40 900	20 677	46 085	38 467	50 355	31 709	38 861	193.9%
Capital and reserves	-	-	17 274	-	-	-	-	-	-
Borrowings	-	-	44 256	-	32 818	-	43 721	43 721	36.2%
Trade and other payables	3 443	870	4 090	866	3 747	4 304	667	2 953	75.3%
Total equity and liabilities	3 443	41 770	86 297	46 951	75 032	54 659	76 097	85 535	95.0%

Statements of estimates of financial performance and position estimates

Table 29.37 State Diamond Trader statements of estimates of financial performance and position

Statement of financial position									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Revenue									
Non-tax revenue	567 649	9.3%	99.0%	571 056	631 275	673 568	5.9%	100.0%	
Sale of goods and services other than capital assets	563 373	9.2%	98.5%	566 871	626 642	668 057	5.8%	99.2%	
<i>of which:</i>									
<i>Sales by market establishment</i>	563 373	9.2%	98.5%	566 871	626 642	668 057	5.8%	99.2%	
Other non-tax revenue	4 276	36.3%	0.5%	4 185	4 633	5 511	8.8%	0.8%	
Total revenue	567 649	8.8%	100.0%	571 056	631 275	673 568	5.9%	100.0%	
Expenses									
Current expenses	557 729	9.2%	100.0%	562 716	611 652	561 210	0.2%	100.0%	
Compensation of employees	8 639	6.4%	1.5%	11 708	12 533	15 856	22.4%	2.1%	
Goods and services	548 068	9.4%	98.2%	550 643	598 864	545 068	-0.2%	97.8%	
Interest, dividends and rent on land	1 022	-15.0%	0.3%	365	255	286	-34.6%	0.1%	
Total expenses	557 729	9.2%	100.0%	562 716	611 652	561 210	0.2%	100.0%	
Surplus/(Deficit)	9 920	-8.4%		8 340	19 623	112 358	124.6%		
Statement of financial position									
Carrying value of assets	3 621	19.5%	4.0%	3 621	3 621	3 621	-	4.3%	
<i>of which:</i>									
<i>Acquisition of assets</i>	505	-34.3%	3.2%	240	-	-	-100.0%	0.2%	
Inventory	31 362	67.1%	23.5%	31 352	18 702	38 352	6.9%	35.2%	
Receivables and prepayments	186	-42.4%	1.5%	186	186	186	-	0.2%	
Cash and cash equivalents	45 246	12.3%	66.8%	45 246	45 246	45 246	-	54.3%	
Taxation	5 120	-	4.2%	4 952	4 934	4 934	-1.2%	6.0%	
Total assets	85 535	27.0%	100.0%	85 357	72 689	92 339	2.6%	100.0%	
Accumulated surplus/(deficit)	38 861	-1.7%	83.4%	38 683	26 015	45 665	5.5%	44.0%	
Borrowings	43 721	-	12.8%	43 721	43 721	43 721	-	52.5%	
Trade and other payables	2 953	50.3%	3.8%	2 953	2 953	2 953	-	3.5%	
Total equity and liabilities	85 535	27.0%	100.0%	85 357	72 689	92 339	5.5%	100.0%	

Personnel information

Table 29.38 State Diamond Trader personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
State Diamond Trader		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	17	17	18	5.2	0.3	20	8.6	0.4	24	11.7	0.5	26	12.5	0.5	26	15.9	0.6	22.4%	100.0%
1 – 6	8	8	8	1.1	0.1	7	2.6	0.4	9	3.1	0.3	9	1.4	0.2	9	1.6	0.2	-14.9%	35.4%
7 – 10	6	6	7	1.5	0.2	10	2.4	0.2	11	3.7	0.3	11	4.0	0.4	11	6.4	0.6	39.2%	45.1%
11 – 12	1	1	1	–	–	1	0.8	0.8	1	0.9	0.9	2	1.5	0.8	2	1.7	0.8	28.1%	6.1%
13 – 16	1	1	1	1.4	1.4	1	1.0	1.0	2	2.1	1.1	3	3.5	1.2	3	3.8	1.3	53.8%	9.1%
17 – 22	1	1	1	1.2	1.2	1	1.8	1.8	1	2.0	2.0	1	2.1	2.1	1	2.3	2.3	8.7%	4.2%

¹ Rand million.

Additional table

Table 29.A Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate		
							2011/12	2012/13		2013/14	2015/16	2016/17
R thousand Foreign In cash European Union	Microzonation model of Johannesburg for seismic risk prediction	Mineral Policy and Promotion	36 months	22 063	Compensation of employees	Carry out a seismic hazard assessment of Johannesburg at bedrock; investigate the surface geology of Johannesburg to identify its soil layer distribution; and calculate the seismic hazard of Johannesburg at the surface	-	-	3 010	10 008	9 045	-
European Union	Microzonation model of Johannesburg for seismic risk prediction	Mineral Policy and Promotion	36 months	1 047	Goods and services	Carry out a seismic hazard assessment of Johannesburg at bedrock; investigate the surface geology of Johannesburg to identify its soil layer distribution; and calculate the seismic hazard of Johannesburg at the surface	-	-	60	887	100	-
European Union	Microzonation model of Johannesburg for seismic risk prediction	Mineral Policy and Promotion	36 months	6 890	Machinery and equipment	Carry out a seismic hazard assessment of Johannesburg at bedrock; investigate the surface geology of Johannesburg to identify its soil layer distribution; and calculate the seismic hazard of Johannesburg at the surface	-	-	630	3 905	2 355	-
Total				30 000			-	-	3 700	14 800	11 500	-

Photos provided by GCIS.



BUDGET 2015

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA