



**VOTE
29**

MINERAL RESOURCES



**BUDGET
2017**
**ESTIMATES
OF NATIONAL
EXPENDITURE**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2017

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2017 is 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 Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, personnel data and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and the entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. Summary data tables at the end of each vote contain data on infrastructure, provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

A separate 2017 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2017 ENE Overview contains a narrative explanation and budget-wide summary tables; a description of the budgeting approach; and it 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	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	317.7	303.6	3.4	10.8	334.5	356.5
Mine Health and Safety	189.4	182.6	6.2	0.7	196.5	210.6
Mineral Regulation	364.6	221.5	143.0	–	379.9	398.9
Mineral Policy and Promotion	907.7	139.0	768.6	0.2	995.8	884.0
Total expenditure estimates	1 779.4	846.7	921.1	11.7	1 906.7	1 850.0
Executive authority	Minister of Mineral Resources					
Accounting officer	Director General of Mineral Resources					
Website address	www.dmr.gov.za					

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

Vote purpose

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

Mandate

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

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

Selected performance indicators

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of occupational health and safety inspections, and mine audits conducted per year	Mine Health and Safety	Outcome 4: Decent employment through inclusive growth	9 919	9 078	8 005	8 396	8 396	8 396	8 396
Number of mining rights and permits granted or issued to historically disadvantaged South Africans per year	Mineral Regulation		192	203	204	150	150	150	150
Number of industry workshops on compliance issues conducted per year	Mineral Regulation		12	16	15	9	9	9	9
Number of social and labour plan verification inspections per year	Mineral Regulation		285	268	270	250	212	212	212
Number of environmental verification inspections per year	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 868	1 856	1 889	1 500	1 275	1 275	1 275
Number of mine economics verification audits per year	Mineral Regulation	Outcome 4: Decent employment through inclusive growth	546	520	595	500	425	425	425
Number of publications per year	Mineral Policy and Promotion		13	15	14	17	12	12	12

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of legislative instruments reviewed and amended per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	2	4	2	5	5	5	5
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion		28	50	50	45	45	45	45
Number of small, medium and micro enterprises (SMMEs) supported (new and established) per year	Mineral Policy and Promotion	Outcome 7: Comprehensive rural development and land reform	81	87	125	80	80	80	80
Number of investment promotion events/forums/workshops per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	-1	30	38	55	55	46	46

1. No historical data available.

Expenditure analysis

Over the MTEF period, the department will focus on accelerating transformation and empowerment in the mining sector by: eradicating barriers to the socioeconomic development of mining communities; providing technical support to beneficiation projects; increasing the participation of small-scale miners; and fostering greater value chain integration. Further focus areas include ensuring the health and safety of miners and mining communities, protecting and rehabilitating the environment, ensuring the best use of mineral resources, and attracting investment in the minerals and upstream petroleum sectors.

The department's entities are an important part of how it fulfils its mandate. Transfers to entities, including Council for Geoscience and the Council for Mineral Technology, account for 50.1 per cent of the department's total budget allocation of R5.5 billion over the medium term. Transfers are set to increase to R921.1 million in 2017/18 due to additional allocations through the economic competitiveness support programme for the Council for Mineral Technology's water and energy efficiency projects, and the Council for Geoscience's digital information system, equipment and facilities.

Expenditure on compensation of employees accounts for 33 per cent of the total budget. This is due to the labour-intensive nature of the department's work, particularly with regards to enforcement, compliance monitoring, and the inspections of mines across the country. Cabinet-approved budget reductions on spending on compensation of employees amounts to R6.4 million in 2017/18, R6.8 million in 2018/19 and R7.2 million in 2019/20, reducing the compensation ceiling to R572.8 million in 2017/18, R598 million in 2018/19 and R643.6 million in 2019/20. As a result, a number of non-critical vacant posts have been temporarily frozen, and redeployments and retirement strategies have been implemented. Personnel numbers are expected to decrease from 1 122 in 2016/17 to 1 040 in 2019/20, as the department fills only posts that are critical to achieving its mandate.

Transforming the mining sector

The department will facilitate transformation in the mining and minerals sector through developing and reviewing relevant legislation. Over the medium term, a mining industry transformation strategy will be developed, based on the revised mining charter, and implemented in consultation with mining stakeholders. Mining rights and permits will be granted to 450 historically disadvantaged South Africans, and 636 social and labour plan verification inspections will be conducted over the medium term. The department will also monitor and enforce compliance with the statutory obligations of the Broad-Based Socioeconomic Empowerment Charter for the South African Mining Industry. As transformation forms part of the overall activities of the department, the expenditure for these services is included in the compensation of employees and goods and services budget.

Over the medium term, the department aims to support 240 SMMEs, particularly those involved in small-scale mining, by providing financial and technical support. An estimated budget of R91.5 million has been set aside for this, with a view to create decent employment and sustainable small businesses.

Ensuring the health and safety of miners and mining communities

The department strives towards ensuring the health and safety of mineworkers and mining communities, particularly those in and around old mining operations. To achieve this, focus will be placed on monitoring and evaluating occupational health programmes at mines. The department will consolidate and define occupational health functions to address challenges in health surveillance and monitoring at mines, and cooperate with other

public agencies to promote occupational health and safety. Through the Mine Health and Safety Council the department monitors the implementation of commitments, and the 2014 Mine Health and Safety Tripartite Summit action plan, which ensures that every mineworker returns home unharmed. To ensure that the department meets these targets, the *Mine Health and Safety* programme has been allocated R596.5 million over the medium term.

The department aims to eradicate illegal mining through stakeholder forums established in Mpumalanga, Free State, Gauteng, Northern Cape, and another forum will be established in Limpopo in 2017. The purpose of stakeholder forums (which include miners, the Chamber of Mines, workers and government representatives) is to implement a segmented approach to enforcement, and efforts to ensure compliance. These measures include: promoting legitimate mining activities; sealing off holes and old mining shafts; policing and law enforcement; conducting training workshops for all stakeholders; and rehabilitating illegal mining sites.

Comments obtained from mine stakeholders through the review of mine health and safety legislation will be taken into account when drafting new legislation. This will allow the reviewed legislation to incorporate best practices; monitor the implementation of commitments made at the Mine Health and Safety Council's tripartite summit; and support initiatives dealing with illegal mining and other mining-related safety matters, especially blasting operations near residential areas and any other structures that should be protected.

Protecting the environment

The department is responsible for conducting mine inspections to enforce the industry's compliance with the National Environment Management Act (1998). Over the medium term, the department expects to conduct 3 825 environmental verification inspections, and issue statutory notices and orders in cases of non-compliance. The *Mineral Regulation* programme is tasked with these duties, and is allocated a budget of R364.6 million in 2017/18, R379.9 million in 2018/19 and R398.9 million in 2019/20. This accounts for 19.5 per cent of the department's total budget.

As part of the safety and environmental goal policy, the rehabilitation of derelict and ownerless mines is one of the department's key activities. Over the MTEF period, 135 sites are set to be rehabilitated at an estimated cost of R540 million. From April 2017, through the Council for Geoscience, the department will be participating in the expanded public works programme to rehabilitate mines. The programme is expected to create 88 job opportunities, and an additional R3.2 million is allocated to accelerate rehabilitation activities.

Using mineral resources effectively

Exploration for onshore and offshore oil and gas resources, and their optimal development, contributes to the department's medium-term focus of ensuring the best utilisation of mineral resources. The Petroleum Agency South Africa regulates exploration and production activities, and is the custodian of the national petroleum exploration and production database. The agency funds its activities from the sale of data and reserves accumulated from its exploration work. Cabinet-approved budget reductions of R60 million in 2017/18, R70 million in 2018/19, and R80 million in 2019/20 have been made in the *Mineral Regulation* programme on transfers to the agency.

As the custodian of South Africa's petroleum data, the agency will conduct research, source data, and enhance and store such data on a world-class data management platform. The platform ensures that quality data is accessible for potential and existing operators. The agency will evaluate South African oil and gas reserves (including shale gas) to determine prospects, and attract oil and gas investment into South Africa.

Attracting investment

In addition to attracting investment through oil and gas, the department is planning 147 promotional and awareness activities for local and foreign investment over the medium term. A total of 36 marketing or research publications and reports will be published with the aim of unlocking investment in South Africa's mining and petroleum sectors. The reports and publications will contain information on mining and mineral economics, and South African mining products and their export potential. The *Mineral Promotion and International Coordination* subprogramme, within the *Mineral Policy and Promotion* programme, is allocated R239.1 million over the medium term to facilitate investment awareness activities.

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			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	271.5	282.3	308.6	284.2	297.6	315.2	293.2	308.9	359.1	310.9	345.8	345.8	114.6%	107.6%
Programme 2	163.7	163.7	153.2	168.0	172.0	167.5	175.8	184.4	171.5	184.9	189.9	189.9	98.5%	96.1%
Programme 3	222.7	211.9	205.5	231.4	236.7	237.7	260.4	263.7	246.2	270.8	265.1	265.1	96.9%	97.7%
Programme 4	735.9	735.9	719.9	787.8	769.2	754.8	889.0	881.5	861.7	902.5	868.3	868.3	96.7%	98.5%
Total	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.2	1 618.5	1 638.5	1 638.5	1 669.1	1 669.1	1 669.1	100.3%	99.9%
Change to 2016 Budget estimate														
Economic classification														
Current payments	747.9	708.1	684.8	742.3	744.3	739.8	806.1	800.1	805.2	831.4	863.9	863.9	98.9%	99.3%
Compensation of employees	435.0	444.1	435.3	476.8	492.0	484.6	528.4	548.4	526.3	572.1	564.4	564.4	99.9%	98.1%
Goods and services	312.9	264.0	249.6	265.6	252.3	255.2	277.7	251.7	279.0	259.2	299.5	299.5	97.1%	101.5%
Transfers and subsidies	630.1	669.9	688.5	717.9	719.4	723.7	800.9	826.9	819.7	824.1	791.6	791.6	101.7%	100.5%
Departmental agencies and accounts	315.1	321.1	321.1	340.8	347.3	347.3	377.8	394.8	393.4	433.5	433.5	433.5	-	-
Public corporations and private enterprises	313.7	345.7	364.7	375.8	370.9	370.9	421.8	430.8	423.7	389.1	356.6	356.6	101.0%	100.8%
Households	1.2	3.0	2.7	1.3	1.3	5.6	1.4	1.4	2.6	1.4	1.4	1.4	229.8%	172.1%
Payments for capital assets	15.9	15.9	13.9	11.0	11.8	11.7	11.5	11.5	10.6	13.6	13.6	13.6	95.7%	94.4%
Buildings and other fixed structures	3.2	1.8	0.1	2.8	3.8	2.9	2.9	2.5	1.1	3.9	3.9	3.9	62.8%	67.1%
Machinery and equipment	12.7	14.1	13.8	8.2	8.0	7.2	8.6	8.9	9.3	9.8	9.8	9.8	102.1%	98.5%
Software and other intangible assets	-	-	-	-	-	1.6	-	0.1	0.1	-	-	-	-	1 299.2%
Payments for financial assets	-	-	0.0	-	-	-	-	-	2.9	-	-	-	-	-
Total	1 393.8	1 393.8	1 387.2	1 471.3	1 475.5	1 475.2	1 618.5	1 638.5	1 638.5	1 669.1	1 669.1	1 669.1	100.3%	99.9%

Expenditure estimates

Table 29.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Mine Health and Safety								
3. Mineral Regulation								
4. Mineral Policy and Promotion								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	345.8	7.0%	21.5%	317.7	334.5	356.5	1.0%	18.8%
Programme 2	189.9	5.1%	11.1%	189.4	196.5	210.6	3.5%	10.9%
Programme 3	265.1	7.8%	15.5%	364.6	379.9	398.9	14.6%	19.5%
Programme 4	868.3	5.7%	51.9%	907.7	995.8	884.0	0.6%	50.7%
Total	1 669.1	6.2%	100.0%	1 779.4	1 906.7	1 850.0	3.5%	100.0%
Change to 2016 Budget estimate				(67.8)	82.1	(88.9)		

Table 29.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2018/19	2019/20		
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Current payments	863.9	6.9%	50.1%	846.7	886.5	947.8	3.1%	49.2%
Compensation of employees	564.4	8.3%	32.6%	572.8	598.0	643.6	4.5%	33.0%
Goods and services	299.5	4.3%	17.6%	273.9	288.5	304.2	0.5%	16.2%
Transfers and subsidies	791.6	5.7%	49.0%	921.1	1 007.8	889.2	4.0%	50.1%
Departmental agencies and accounts	433.5	10.5%	24.2%	430.9	461.5	392.3	-3.3%	23.8%
Public corporations and private enterprises	356.6	1.0%	24.6%	488.8	544.7	495.2	11.6%	26.2%
Households	1.4	-21.9%	0.2%	1.5	1.6	1.7	5.5%	0.1%
Payments for capital assets	13.6	-5.0%	0.8%	11.7	12.4	13.0	-1.5%	0.7%
Buildings and other fixed structures	3.9	28.9%	0.1%	1.8	2.0	2.1	-18.9%	0.1%
Machinery and equipment	9.8	-11.5%	0.6%	9.8	10.4	11.0	3.9%	0.6%
Total	1 669.1	6.2%	100.0%	1 779.4	1 906.7	1 850.0	3.5%	100.0%

Goods and services expenditure trends and estimates

Table 29.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Administrative fees	2 629	2 115	2 618	3 590	10.9%	1.0%	5 317	5 669	5 861	17.7%	1.8%
Advertising	3 504	1 055	846	10 189	42.7%	1.4%	5 054	5 343	5 635	-17.9%	2.2%
Minor assets	335	262	1 614	3 295	114.3%	0.5%	6 668	7 275	7 671	32.5%	2.1%
Audit costs: External	6 885	5 280	6 465	5 175	-9.1%	2.2%	4 997	5 285	5 581	2.5%	1.8%
Bursaries: Employees	1 793	992	979	1 266	-11.0%	0.5%	1 553	1 631	1 717	10.7%	0.5%
Catering: Departmental activities	1 183	510	1 528	1 761	14.2%	0.5%	2 885	3 040	3 207	22.1%	0.9%
Communication	14 999	14 577	13 723	13 571	-3.3%	5.3%	8 164	8 625	9 097	-12.5%	3.4%
Computer services	18 020	21 825	23 446	33 637	23.1%	8.9%	23 126	23 385	24 666	-9.8%	9.0%
Consultants: Business and advisory services	5 845	14 778	5 461	8 038	11.2%	3.2%	13 223	14 047	14 804	22.6%	4.3%
Legal services	9 218	7 900	6 476	2 966	-31.5%	2.5%	3 065	3 226	3 402	4.7%	1.1%
Contractors	1 155	2 990	1 875	31 057	199.6%	3.4%	31 082	32 912	34 737	3.8%	11.1%
Agency and support/outsourced services	95	13	-	5	-62.5%	-	3	3	3	-15.7%	-
Entertainment	3	-	-	6	26.0%	-	159	169	73	130.0%	-
Fleet services (including government motor transport)	6 041	6 595	10 503	5 778	-1.5%	2.7%	7 099	7 491	7 995	11.4%	2.4%
Inventory: Clothing material and accessories	-	-	-	1 531	-	0.1%	30	32	33	-72.2%	0.1%
Inventory: Food and food supplies	13	16	16	67	72.7%	-	137	144	154	32.0%	-
Inventory: Materials and supplies	383	581	67	919	33.9%	0.2%	1 006	1 066	1 121	6.8%	0.4%
Inventory: Medical supplies	20	1	2	41	27.0%	-	73	76	80	25.0%	-
Consumable supplies	1 379	2 302	1 740	2 676	24.7%	0.7%	3 736	3 953	4 167	15.9%	1.2%
Consumables: Stationery, printing and office supplies	4 088	3 949	4 683	9 160	30.9%	2.0%	10 925	11 505	12 117	9.8%	3.7%
Operating leases	91 088	75 514	94 177	54 309	-15.8%	29.1%	33 976	35 943	37 954	-11.3%	13.9%
Rental and hiring	-	13	1 002	6	-	0.1%	14	15	15	35.7%	-
Property payments	4 694	4 137	5 860	4 843	1.0%	1.8%	6 996	7 381	7 763	17.0%	2.3%
Travel and subsistence	59 302	55 731	71 021	68 577	5.0%	23.5%	68 337	71 993	76 003	3.5%	24.4%
Training and development	3 006	4 736	5 410	11 256	55.3%	2.3%	9 256	9 807	10 297	-2.9%	3.5%
Operating payments	11 216	24 293	12 883	14 451	8.8%	5.8%	11 601	12 223	12 893	-3.7%	4.4%
Venues and facilities	2 657	4 989	6 581	11 336	62.2%	2.4%	15 419	16 250	17 129	14.8%	5.2%
Total	249 551	255 154	278 976	299 506	6.3%	100.0%	273 901	288 489	304 175	0.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 29.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	298 466	319 520	358 408	396 629	9.9%	45.4%	395 441	424 038	352 744	-3.8%	43.5%
Mining Qualification Authority	-	1 216	-	1 716	-	0.1%	1 840	1 973	2 083	6.7%	0.2%
Public Service Sector Education and Training Authority	-	214	-	-	-	-	-	-	-	-	-
Mine Health and Safety Council	5 035	5 197	-	-	-100.0%	0.3%	6 162	6 519	6 884	-	0.5%
South African Diamond and Precious Metal Regulator	44 824	47 810	50 527	53 205	5.9%	6.5%	55 865	59 105	62 415	5.5%	6.4%
Council for Geoscience	248 607	265 083	307 881	341 708	11.2%	38.5%	330 574	265 394	280 256	-6.4%	33.7%
Economic competitiveness and support package: Council for Geoscience (digital information system; buildings; equipment and facilities)	-	-	-	-	-	-	-	90 000	-	-	2.5%
Expanded Public Works Programme: Derelict and ownerless mines	-	-	-	-	-	-	1 000	1 047	1 106	-	0.1%
Capital	22 625	27 756	35 033	36 890	17.7%	4.0%	35 414	37 468	39 566	2.4%	4.1%
Council for Geoscience	22 625	27 756	35 033	36 890	17.7%	4.0%	35 414	37 468	39 566	2.4%	4.1%
Households											
Social benefits											
Current	2 679	3 126	1 762	1 166	-24.2%	0.3%	1 224	1 295	1 368	5.5%	0.1%
Employee social benefits	2 679	3 126	1 762	1 166	-24.2%	0.3%	1 224	1 295	1 368	5.5%	0.1%
Households											
Other transfers to households											
Current	20	2 475	833	280	141.0%	0.1%	294	311	328	5.4%	-
Employee Ex-gratia payments	20	120	20	280	141.0%	-	294	311	328	5.4%	-
Other transfers to households	-	2 355	813	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Subsidies on products and production											
Current	308 772	320 775	371 138	315 352	0.7%	43.5%	339 510	391 013	338 990	2.4%	38.4%
Industrial Development Corporation of South Africa	-	-	8 893	200	-	0.3%	28 805	30 476	32 183	443.9%	2.5%
Mintek	308 772	320 775	362 145	315 152	0.7%	43.2%	310 705	290 537	306 807	-0.9%	33.9%
State Diamond Trader	-	-	100	-	-	-	-	-	-	-	-
Economic competitiveness and support package: Mintek (equipment and facilities; research and development; efficiency projects)	-	-	-	-	-	-	-	70 000	-	-	1.9%
Capital	55 937	50 079	52 597	41 264	-9.6%	6.6%	56 551	59 831	63 182	15.3%	6.1%
Mintek	55 937	50 079	52 597	41 264	-9.6%	6.6%	56 551	59 831	63 182	15.3%	6.1%
Public corporations and private enterprises											
Subsidies on products and production											
Current	-	-	-	-	-	-	92 693	93 866	93 042	-	7.7%
Petroleum Agency South Africa	-	-	-	-	-	-	87 138	87 989	86 836	-	7.3%
Various institutions: Water management solutions subsidies for marginal mines	-	-	-	-	-	-	5 555	5 877	6 206	-	0.5%
Total	688 499	723 731	819 771	791 581	4.8%	100.0%	921 127	1 007 822	889 220	4.0%	100.0%

Personnel information

Table 29.6 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
		Actual 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		Number of funded posts	Number of posts additional to the establishment	Unit cost	Number	Cost	Unit cost	2017/18			2018/19			2019/20			2016/17 - 2019/20		
								Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Mineral Resources																			
Salary level			1 125	526.3	0.5	1 122	564.4	0.5	1 067	572.8	0.5	1 044	598.0	0.6	1 040	643.6	0.6	-2.5%	100.0%
1 – 6			276	62.8	0.2	272	64.0	0.2	270	69.2	0.3	271	75.4	0.3	270	81.3	0.3	-0.2%	25.3%
7 – 10			548	214.7	0.4	557	232.9	0.4	526	233.7	0.4	519	248.3	0.5	517	267.4	0.5	-2.5%	49.6%
11 – 12			219	159.4	0.7	209	167.2	0.8	187	162.1	0.9	173	162.7	0.9	172	175.2	1.0	-6.3%	17.3%
13 – 16			82	89.5	1.1	84	100.2	1.2	84	107.8	1.3	81	111.6	1.4	81	119.7	1.5	-1.2%	7.7%
Programme			1 125	526.3	0.5	1 122	564.4	0.5	1 067	572.8	0.5	1 044	598.0	0.6	1 040	643.6	0.6	-2.5%	100.0%
Programme 1			362	161.0	0.4	351	166.4	0.5	341	174.3	0.5	335	183.1	0.5	334	197.1	0.6	-1.6%	31.9%
Programme 2			291	141.5	0.5	308	158.9	0.5	277	151.0	0.5	268	156.1	0.6	267	167.9	0.6	-4.7%	26.2%
Programme 3			363	162.7	0.4	356	172.7	0.5	347	180.8	0.5	340	189.9	0.6	339	204.3	0.6	-1.6%	32.3%
Programme 4			109	61.0	0.6	107	66.3	0.6	102	66.7	0.7	101	69.0	0.7	100	74.2	0.7	-2.2%	9.6%

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

2. Rand million.

Departmental receipts

Table 29.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate		Revised estimate		Average growth rate (%)		Medium-term receipts estimate			Average growth rate (%)		Average: Receipt item/ Total (%)	
	2013/14	2014/15	2015/16	2016/17	2016/17	2013/14	2016/17	2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20		
Departmental receipts	109 034	46 207	29 763	30 157	18 859	-44.3%	100.0%	29 733	31 488	33 272	20.8%	100.0%				
Sales of goods and services produced by department	2 415	3 230	6 486	9 288	5 026	27.7%	8.4%	9 846	10 426	11 010	29.9%	32.0%				
Sales by market establishments of which:	499	482	478	468	232	-22.5%	0.8%	496	525	555	33.7%	1.6%				
Market establishment: Rental parking: Covered and open	499	482	478	468	232	-22.5%	0.8%	496	525	555	33.7%	1.6%				
Administrative fees of which:	1 356	2 232	5 428	8 123	4 484	49.0%	6.6%	8 611	9 119	9 628	29.0%	28.1%				
Application fees in relation to the Minerals and Petroleum Resources Development Act (2002)	1 330	2 031	1 084	3 244	2 005	14.7%	3.2%	3 439	3 642	3 849	24.3%	11.4%				
Requested information: Access to Information Act (2000)	26	24	23	25	14	-18.6%	-	27	28	30	28.9%	0.1%				
Environmental authorisation application fees	-	177	4 321	4 854	2 465	-	3.4%	5 145	5 449	5 749	32.6%	16.6%				
Other sales of which:	560	516	580	697	310	-17.9%	1.0%	739	782	827	38.7%	2.3%				
Services rendered: Commission on insurance and garnishee	175	183	210	219	111	-14.1%	0.3%	232	246	260	32.8%	0.7%				
Services rendered: Marking of exam papers	365	295	345	450	187	-20.0%	0.6%	477	505	534	41.9%	1.5%				
Services rendered: Photocopies and faxes	17	36	24	28	12	-11.0%	-	30	31	33	40.1%	0.1%				
Replacement of security cards	3	2	1	-	-	-100.0%	-	-	-	-	-	-				
Sales of scrap, waste, arms and other used current goods	1	-	-	1	1	-	-	1	1	1	-	-				
of which:																
Sales: Waste paper	1	-	-	1	1	-	-	1	1	1	-	-				
Fines, penalties and forfeits	1 115	1 117	847	424	232	-40.7%	1.6%	449	476	503	29.4%	1.5%				
Interest, dividends and rent on land	104 938	31 755	22 268	18 014	11 292	-52.4%	83.5%	19 094	20 221	21 374	23.7%	63.5%				
Interest	88	57	28	74	43	-21.2%	0.1%	78	83	88	27.0%	0.3%				
Rent on land	104 850	31 698	22 240	17 940	11 249	-52.5%	83.4%	19 016	20 138	21 286	23.7%	63.2%				
Sales of capital assets	-	1 360	-	-	-	-	0.7%	-	-	-	-	-				
Transactions in financial assets and liabilities	565	8 745	162	2 430	2 308	59.9%	5.8%	343	364	384	-45.0%	3.0%				
Total	109 034	46 207	29 763	30 157	18 859	-44.3%	100.0%	29 733	31 488	33 272	20.8%	100.0%				

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 29.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand					2013/14 - 2016/17					2016/17 - 2019/20	
Ministry	28 229	26 482	33 076	23 407	-6.1%	8.4%	27 513	28 650	32 514	11.6%	8.3%
Corporate Services	151 195	159 318	180 307	152 322	0.2%	48.4%	123 920	129 984	143 655	-1.9%	40.6%
Department Management	17 127	17 285	15 567	18 749	3.1%	5.2%	20 324	27 212	22 451	6.2%	6.6%
Financial Administration	76 448	84 442	95 431	105 918	11.5%	27.3%	98 903	100 417	106 840	0.3%	30.4%
Internal Audit	11 785	12 199	12 370	14 101	6.2%	3.8%	14 179	13 419	14 301	0.5%	4.1%
Office Accommodation	23 788	15 494	22 316	31 317	9.6%	7.0%	32 883	34 790	36 738	5.5%	10.0%
Total	308 572	315 220	359 067	345 814	3.9%	100.0%	317 722	334 472	356 499	1.0%	100.0%
Change to 2016				34 946			(4 363)	(4 270)	(4 916)		
Budget estimate											
Economic classification											
Current payments	294 847	304 127	348 430	331 695	4.0%	96.3%	303 585	319 476	340 684	0.9%	95.6%
Compensation of employees	136 282	148 080	161 003	166 377	6.9%	46.0%	174 250	183 090	197 130	5.8%	53.2%
Goods and services ¹	158 565	156 047	187 427	165 318	1.4%	50.2%	129 335	136 386	143 554	-4.6%	42.4%
of which:											
Minor assets	243	151	1 589	2 778	125.3%	0.4%	6 039	6 620	6 977	35.9%	1.7%
Computer services	15 952	16 803	23 016	28 326	21.1%	6.3%	16 811	16 743	17 653	-14.6%	5.9%
Operating leases	88 818	75 033	93 643	53 407	-15.6%	23.4%	33 327	35 258	37 230	-11.3%	11.8%
Property payments	3 173	3 537	5 555	4 588	13.1%	1.3%	6 170	6 512	6 844	14.3%	1.8%
Travel and subsistence	17 989	15 249	21 507	19 768	3.2%	5.6%	20 379	21 644	22 835	4.9%	6.2%
Operating payments	3 904	4 325	4 964	7 113	22.1%	1.5%	5 691	6 000	6 322	-3.9%	1.9%
Transfers and subsidies¹	2 699	4 932	1 782	3 162	5.4%	0.9%	3 358	3 579	3 779	6.1%	1.0%
Departmental agencies and accounts	-	1 430	-	1 716	-	0.2%	1 840	1 973	2 083	6.7%	0.6%
Households	2 699	3 502	1 782	1 446	-18.8%	0.7%	1 518	1 606	1 696	5.5%	0.5%
Payments for capital assets	11 017	6 161	8 848	10 957	-0.2%	2.8%	10 779	11 417	12 036	3.2%	3.3%
Buildings and other fixed structures	92	1 952	1 140	3 852	247.2%	0.5%	1 830	1 954	2 056	-18.9%	0.7%
Machinery and equipment	10 925	2 657	7 571	7 105	-13.4%	2.1%	8 949	9 463	9 980	12.0%	2.6%
Software and other intangible assets	-	1 552	137	-	-	0.1%	-	-	-	-	-
Payments for financial assets	9	-	7	-	-100.0%	-	-	-	-	-	-
Total	308 572	315 220	359 067	345 814	3.9%	100.0%	317 722	334 472	356 499	1.0%	100.0%
Proportion of total programme expenditure to vote expenditure	22.2%	21.4%	21.9%	20.7%	-	-	17.9%	17.5%	19.3%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	1 430	-	1 716	-	0.2%	1 840	1 973	2 083	6.7%	0.6%
Mining Qualification Authority	-	1 216	-	1 716	-	0.2%	1 840	1 973	2 083	6.7%	0.6%
Public Service Sector Education and Training Authority	-	214	-	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	2 679	3 060	1 762	1 166	-24.2%	0.7%	1 224	1 295	1 368	5.5%	0.4%
Employee social benefits	2 679	3 060	1 762	1 166	-24.2%	0.7%	1 224	1 295	1 368	5.5%	0.4%
Households											
Other transfers to households											
Current	20	442	20	280	141.0%	0.1%	294	311	328	5.4%	0.1%
Employee Ex-gratia payments	20	120	20	280	141.0%	-	294	311	328	5.4%	0.1%
Other transfers to households	-	322	-	-	-	-	-	-	-	-	-

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

Personnel information

Table 29.9 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
Number of funded posts	Number of posts additional to the establishment	2015/16			2016/17			2017/18		2018/19			2019/20		2016/17 - 2019/20			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Administration		362	161.0	0.4	351	166.4	0.5	341	174.3	0.5	335	183.1	0.5	334	197.1	0.6	-1.6%	100.0%
Salary level																		
1 – 6		130	30.4	0.2	131	32.2	0.2	130	34.6	0.3	129	37.3	0.3	129	40.3	0.3	-0.5%	38.1%
7 – 10		152	60.0	0.4	152	65.3	0.4	143	65.3	0.5	143	70.7	0.5	142	76.0	0.5	-2.2%	42.6%
11 – 12		46	30.7	0.7	38	27.9	0.7	38	30.3	0.8	36	31.2	0.9	36	33.7	0.9	-1.8%	10.9%
13 – 16		34	39.9	1.2	30	41.0	1.4	30	44.1	1.5	27	43.9	1.6	27	47.1	1.7	-3.5%	8.4%

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 over the medium term by:
 - implementing the occupational health and safety strategy, and enforcement guidelines to reduce occupational fatalities by 20 per cent and occupational injuries by 20 per cent
 - reducing occupational diseases by 10 per cent
 - conducting ongoing investigations, and 8 396 inspections and audits per year.
- Contribute to skills development in the mining sector by conducting an ongoing review and implementation of the certificate of competency model developed with the Mining Qualifications Authority and universities.
- Improve health care turnaround times on an ongoing basis by:
 - ensuring 80 per cent adherence to prescribed timeframes for resolving medical appeals
 - ensuring 100 per cent adherence to timeframes for appeals to the chief inspector of mines
 - ensuring 100 per cent adherence to timeframes for applications in terms of the Mineral and Petroleum Resources Development Act (2002).

Subprogrammes

- Governance Policy and Oversight* develops policy and legislation to guide enforcement work; provides technical support to regional offices; chairs tripartite structures, which include the department, mining companies and labour; and facilitates HIV/AIDS awareness workshops 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 by providing examination services and professional advice.
- Mine Health and Safety Council* transfers funds on an annual basis to the Mine Health and Safety Council. The council is tasked with promoting a culture of health and safety in the mining industry.

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Governance Policy and Oversight	38 994	43 437	44 913	51 181	9.5%	26.2%	46 060	50 546	56 053	3.1%	25.9%
Mine Health and Safety Regions	109 191	118 858	126 593	138 692	8.3%	72.3%	137 179	139 452	147 711	2.1%	71.6%
Mine Health and Safety Council	5 035	5 197	-	-	-100.0%	1.5%	6 162	6 519	6 884	-	2.5%
Total	153 220	167 492	171 506	189 873	7.4%	100.0%	189 401	196 517	210 648	3.5%	100.0%
Change to 2016 Budget estimate				4 939			(1 679)	(1 768)	(1 897)		
Economic classification											
Current payments	147 381	160 109	168 609	188 743	8.6%	97.5%	182 550	189 269	202 994	2.5%	97.1%
Compensation of employees	119 775	134 060	141 529	158 934	9.9%	81.3%	150 975	156 050	167 915	1.8%	80.6%
Goods and services ¹	27 606	26 049	27 080	29 809	2.6%	16.2%	31 575	33 219	35 079	5.6%	16.5%
of which:											
Communication	2 502	1 957	1 252	1 529	-15.1%	1.1%	1 537	1 617	1 708	3.8%	0.8%
Computer services	633	311	125	553	-4.4%	0.2%	750	789	833	14.6%	0.4%
Consultants: Business and advisory services	1 077	166	514	1 305	6.6%	0.4%	1 784	1 876	1 981	14.9%	0.9%
Consumables: Stationery, printing and office supplies	590	849	796	1 952	49.0%	0.6%	1 908	2 008	2 121	2.8%	1.0%
Travel and subsistence	18 843	19 843	21 339	19 667	1.4%	11.7%	19 870	20 904	22 074	3.9%	10.5%
Venues and facilities	171	50	49	605	52.4%	0.1%	1 702	1 791	1 891	46.2%	0.8%
Transfers and subsidies¹	5 035	5 206	65	-	-100.0%	1.5%	6 162	6 519	6 884	-	2.5%
Departmental agencies and accounts	5 035	5 197	-	-	-100.0%	1.5%	6 162	6 519	6 884	-	2.5%
Households	-	9	65	-	-	-	-	-	-	-	-
Payments for capital assets	804	2 177	702	1 130	12.0%	0.7%	689	729	770	-12.0%	0.4%
Machinery and equipment	804	2 177	702	1 130	12.0%	0.7%	689	729	770	-12.0%	0.4%
Payments for financial assets	-	-	2 130	-	-	0.3%	-	-	-	-	-
Total	153 220	167 492	171 506	189 873	7.4%	100.0%	189 401	196 517	210 648	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	11.0%	11.4%	10.5%	11.4%	-	-	10.6%	10.3%	11.4%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5 035	5 197	-	-	-100.0%	1.5%	6 162	6 519	6 884	-	2.5%
Mine Health and Safety Council	5 035	5 197	-	-	-100.0%	1.5%	6 162	6 519	6 884	-	2.5%
Households											
Social benefits											
Current	-	9	-	-	-	-	-	-	-	-	-
Employee social benefits	-	9	-	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	-	-	65	-	-	-	-	-	-	-	-
Other transfers to households	-	-	65	-	-	-	-	-	-	-	-

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

Personnel information

Table 29.11 Mine Health and Safety personnel numbers and cost by salary level¹

Salary level	Number of posts estimated for 31 March 2017		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						2017/18	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)
			2015/16		2016/17		2017/18		2018/19		2019/20									
			Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost								
1 - 6	-	-	291	141.5	0.5	308	158.9	0.5	277	151.0	0.5	268	156.1	0.6	267	167.9	0.6	-4.7%	100.0%	
7 - 10	-	-	51	10.7	0.2	48	10.8	0.2	48	11.7	0.2	48	12.6	0.3	48	13.7	0.3	-	17.1%	
11 - 12	-	-	118	35.4	0.3	139	44.9	0.3	120	37.6	0.3	117	38.9	0.3	116	41.4	0.4	-5.9%	43.9%	
13 - 16	-	-	102	74.7	0.7	99	79.3	0.8	87	76.0	0.9	81	76.8	0.9	81	83.2	1.0	-6.5%	31.1%	
	-	-	20	20.7	1.0	22	24.0	1.1	22	25.8	1.2	22	27.7	1.3	22	29.7	1.3	-	7.9%	

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 growth, employment, transformation and sustainable development.

Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by increasing the number of rights issued by granting 450 mining rights to historically disadvantaged South Africans over the medium term.
- Promote job creation through the development of SMMEs by facilitating the implementation of 636 social and labour plan projects by mining companies through income-generating initiatives, over the medium term.
- Promote sustainable resource use and mine environmental management through the support of approved and evaluated work programmes, social and labour plans, and environmental management plans by conducting 27 industry workshops over the medium term.
- Monitor and enforce compliance with the statutory obligations of the Mineral and Petroleum Resources Development Act (2002) and the Broad Based Socioeconomic Charter for the South African Mining Industry by conducting 636 mining charter inspections and 3 825 environmental management inspections over the medium term.

Subprogrammes

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

Expenditure trends and estimates

Table 29.12 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2017/18	2018/19	2019/20			
R thousand											
Mineral Regulation and Administration	145 610	169 169	179 572	185 250	8.4%	71.2%	194 120	202 811	218 580	5.7%	56.9%
Management Mineral Regulation	15 087	20 680	16 137	26 672	20.9%	8.2%	27 454	29 964	31 035	5.2%	8.2%
South African Diamond and Precious Metals Regulator	44 824	47 810	50 527	53 205	5.9%	20.6%	55 865	59 105	62 415	5.5%	16.4%
Petroleum Agency South Africa	–	–	–	–	–	–	87 138	87 989	86 836	–	18.6%
Total	205 521	237 659	246 236	265 127	8.9%	100.0%	364 577	379 869	398 866	14.6%	100.0%
Change to 2016 Budget estimate				(5 659)			(62 011)	(72 152)	(82 309)		

Table 29.12 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)			
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18			2018/19	2019/20	2016/17 - 2019/20
	R thousand													
Current payments	159 817	186 727	195 467	211 324	9.8%	78.9%	221 535	232 734	249 572	5.7%	65.0%			
Compensation of employees	126 063	147 833	162 732	172 731	11.1%	63.8%	180 822	189 904	204 344	5.8%	53.1%			
Goods and services ¹	33 754	38 894	32 735	38 593	4.6%	15.1%	40 713	42 830	45 228	5.4%	11.9%			
of which:														
Communication	5 339	4 914	5 356	3 422	-13.8%	2.0%	3 075	3 235	3 415	-0.1%	0.9%			
Computer services	1 214	4 304	305	4 460	54.3%	1.1%	5 510	5 795	6 119	11.1%	1.6%			
Fleet services (including government motor transport)	1 981	1 760	2 695	2 019	0.6%	0.9%	2 609	2 744	2 898	12.8%	0.7%			
Consumables: Stationery, printing and office supplies	1 038	879	974	1 879	21.9%	0.5%	3 040	3 198	3 376	21.6%	0.8%			
Travel and subsistence	11 276	13 645	16 189	18 061	17.0%	6.2%	16 452	17 316	18 288	0.4%	5.0%			
Training and development	736	1 599	2 003	2 633	52.9%	0.7%	2 243	2 352	2 483	-1.9%	0.7%			
Transfers and subsidies¹	44 824	47 867	50 462	53 205	5.9%	20.6%	143 003	147 094	149 251	41.0%	35.0%			
Departmental agencies and accounts	44 824	47 810	50 527	53 205	5.9%	20.6%	55 865	59 105	62 415	5.5%	16.4%			
Public corporations and private enterprises	-	-	(65)	-	-	-	87 138	87 989	86 836	-	18.6%			
Households	-	57	-	-	-	-	-	-	-	-	-			
Payments for capital assets	880	3 065	306	598	-12.1%	0.5%	39	41	43	-58.4%	0.1%			
Buildings and other fixed structures	-	985	-	-	-	0.1%	-	-	-	-	-			
Machinery and equipment	880	2 080	306	598	-12.1%	0.4%	39	41	43	-58.4%	0.1%			
Payments for financial assets	-	-	1	-	-	-	-	-	-	-	-			
Total	205 521	237 659	246 236	265 127	8.9%	100.0%	364 577	379 869	398 866	14.6%	100.0%			
Proportion of total programme expenditure to vote expenditure	14.8%	16.1%	15.0%	15.9%	-	-	20.5%	19.9%	21.6%	-	-			

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	44 824	47 810	50 527	53 205	5.9%	20.6%	55 865	59 105	62 415	5.5%	16.4%
South African Diamond and Precious Metal Regulator	44 824	47 810	50 527	53 205	5.9%	20.6%	55 865	59 105	62 415	5.5%	16.4%
Households											
Social benefits											
Current	-	57	-	-	-	-	-	-	-	-	-
Employee social benefits	-	57	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Current	-	-	-	-	-	-	87 138	87 989	86 836	-	18.6%
Petroleum Agency South Africa	-	-	-	-	-	-	87 138	87 989	86 836	-	18.6%

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

Personnel information

Table 29.13 Mineral Regulation personnel numbers and cost by salary level¹

Mineral Regulation	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 (%)	Average: Salary level/Total (%)			
			2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost
			Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost	
Salary level	-	-	363	162.7	0.4	356	172.7	0.5	347	180.8	0.5	340	189.9	0.6	339	204.3	0.6	-1.6%	100.0%
1 - 6	-	-	83	18.4	0.2	83	18.6	0.2	80	19.6	0.2	80	21.3	0.3	80	23.0	0.3	-1.2%	23.4%
7 - 10	-	-	225	96.9	0.4	217	100.7	0.5	217	109.1	0.5	211	114.2	0.5	211	123.6	0.6	-0.9%	61.9%
11 - 12	-	-	39	30.3	0.8	39	33.3	0.9	33	30.5	0.9	33	33.0	1.0	32	34.8	1.1	-6.4%	9.9%
13 - 16	-	-	16	17.1	1.1	17	20.1	1.2	17	21.6	1.3	16	21.4	1.3	16	22.9	1.4	-2.0%	4.8%

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, minerals and upstream petroleum sectors over the medium term by:
 - hosting 147 promotional and awareness activities or events for local and foreign investment
 - participating in local and international mining and petroleum conferences and events, engaging with stakeholders in various forums, and leading the implementation of key government priorities on behalf of the department
 - supporting 240 SMMEs, mainly small-scale mining projects
 - ensuring the full implementation of plans for developing the oceans economy (oil and gas) through Operation Phakisa
 - ensuring the full implementation of the shale gas action plan through consultations, advocacy, research, and promotional activities for shale gas exploration.
- Manage diplomatic imperatives and relations with foreign countries to benefit South Africa by establishing and implementing bilateral and multilateral partnerships for mining and upstream petroleum development on an ongoing basis.
- Promote the sustainable use and management of mineral resources over the medium term by:
 - participating in technical and strategic partnerships such as the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development; the Benguela Current Commission; and United Nations programmes
 - reviewing the departmental environmental management plan
 - reviewing and amending legislative instruments
 - rehabilitating and closing 135 derelict and ownerless mines.

Subprogrammes

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

mining industry growth, development and employment task team stakeholder forum, which researches and analyses the economic impact of the regulatory and legislative framework of the mining and minerals sector using regulatory impact assessments.

- *Mine Environmental Management* provides strategic guidance on mine environmental management and mine closure. This entails managing the rehabilitation of derelict and ownerless mines; and research on the impact of mining on water, air quality and the environment in general.

Expenditure trends and estimates

Table 29.14 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R thousand											
Management	12 240	10 715	18 143	27 000	30.2%	2.1%	31 163	32 744	34 777	8.8%	3.4%
Mineral Policy	23 964	32 186	19 219	18 139	-8.9%	2.9%	19 619	20 007	21 628	6.0%	2.2%
Mineral Promotion and International Coordination	37 159	37 086	53 085	47 867	8.8%	5.5%	75 615	79 306	84 195	20.7%	7.9%
Assistance to Mines	-	-	-	-	-	-	5 555	5 877	6 206	-	0.5%
Council for Geoscience	271 232	292 839	342 914	378 598	11.8%	40.1%	366 988	393 909	320 928	-5.4%	39.9%
Mintek	364 709	370 854	414 742	356 416	-0.8%	47.0%	367 256	420 368	369 989	1.3%	41.4%
Economic Advisory Services	3 329	2 753	3 958	4 862	13.5%	0.5%	4 390	4 491	4 866	-	0.5%
Mine Environmental Management	7 273	8 353	9 611	35 381	69.4%	1.9%	37 163	39 109	41 410	5.4%	4.2%
Total	719 906	754 786	861 672	868 263	6.4%	100.0%	907 749	995 811	883 999	0.6%	100.0%
Change to 2016 Budget estimate				(34 226)			258	160 265	268		
Economic classification											
Current payments	82 757	88 811	92 735	132 112	16.9%	12.4%	138 991	145 018	154 521	5.4%	15.6%
Compensation of employees	53 131	54 647	61 001	66 326	7.7%	7.3%	66 713	68 964	74 207	3.8%	7.6%
Goods and services ¹	29 626	34 164	31 734	65 786	30.5%	5.0%	72 278	76 054	80 314	6.9%	8.1%
<i>of which:</i>											
Advertising	2 517	328	380	8 965	52.7%	0.4%	3 799	3 989	4 212	-22.3%	0.6%
Consultants: Business and advisory services	3 070	4 135	4 325	3 138	0.7%	0.5%	6 504	6 838	7 221	32.0%	0.6%
Contractors	163	19	4	25 604	439.6%	0.8%	26 939	28 495	30 090	5.5%	3.0%
Travel and subsistence	11 194	6 994	11 986	11 081	-0.3%	1.3%	11 636	12 129	12 806	4.9%	1.3%
Operating payments	6 224	17 801	6 224	5 747	-2.6%	1.1%	4 422	4 657	4 918	-5.1%	0.5%
Venues and facilities	1 007	1 470	3 742	4 991	70.5%	0.3%	8 844	9 302	9 822	25.3%	0.9%
Transfers and subsidies¹	635 941	665 726	767 397	735 214	5.0%	87.5%	768 604	850 630	729 306	-0.3%	84.4%
Departmental agencies and accounts	271 232	292 839	342 914	378 598	11.8%	40.1%	366 988	393 909	320 928	-5.4%	39.9%
Public corporations and private enterprises	364 709	370 854	423 735	356 616	-0.7%	47.3%	401 616	456 721	408 378	4.6%	44.4%
Households	-	2 033	748	-	-	0.1%	-	-	-	-	-
Payments for capital assets	1 207	249	770	937	-8.1%	0.1%	154	163	172	-43.2%	-
Machinery and equipment	1 207	249	770	937	-8.1%	0.1%	154	163	172	-43.2%	-
Payments for financial assets	1	-	770	-	-100.0%	-	-	-	-	-	-
Total	719 906	754 786	861 672	868 263	6.4%	100.0%	907 749	995 811	883 999	0.6%	100.0%
Proportion of total programme expenditure to vote expenditure	51.9%	51.2%	52.6%	52.0%	-	-	51.0%	52.2%	47.8%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	248 607	265 083	307 881	341 708	11.2%	36.3%	331 574	356 441	281 362	-6.3%	35.9%
Council for Geoscience	248 607	265 083	307 881	341 708	11.2%	36.3%	330 574	265 394	280 256	-6.4%	33.3%
Economic competitiveness and support package: Council for Geoscience (digital information system; buildings; equipment and facilities)	-	-	-	-	-	-	-	90 000	-	-	2.5%
Expanded Public Works Programme: Derelict and ownerless mines	-	-	-	-	-	-	1 000	1 047	1 106	-	0.1%

Table 29.14 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Capital	22 625	27 756	35 033	36 890	17.7%	3.8%	35 414	37 468	39 566	2.4%	4.1%
Council for Geoscience	22 625	27 756	35 033	36 890	17.7%	3.8%	35 414	37 468	39 566	2.4%	4.1%
Households											
Other transfers to households											
Current	-	2 033	748	-	-	0.1%	-	-	-	-	-
Other transfers to households	-	2 033	748	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidiaries on products and production)											
Current	-	-	-	-	-	-	5 555	5 877	6 206	-	0.5%
Various institutions: Water management solutions subsidies for marginal mines	-	-	-	-	-	-	5 555	5 877	6 206	-	0.5%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidiaries on products and production)											
Current	308 772	320 775	371 138	315 352	0.7%	41.1%	339 510	391 013	338 990	2.4%	37.9%
Industrial Development Corporation of South Africa	-	-	8 893	200	-	0.3%	28 805	30 476	32 183	443.9%	2.5%
Mintek	308 772	320 775	362 145	315 152	0.7%	40.8%	310 705	290 537	306 807	-0.9%	33.5%
State Diamond Trader	-	-	100	-	-	-	-	-	-	-	-
Economic competitiveness and support package: Mintek (equipment and facilities; research and development; efficiency projects)	-	-	-	-	-	-	-	70 000	-	-	1.9%
Capital	55 937	50 079	52 597	41 264	-9.6%	6.2%	56 551	59 831	63 182	15.3%	6.0%
Mintek	55 937	50 079	52 597	41 264	-9.6%	6.2%	56 551	59 831	63 182	15.3%	6.0%

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

Personnel information

Table 29.15 Mineral Policy and Promotion personnel numbers and cost by salary level¹

Mineral Policy and Promotion	Number of posts estimated for 31 March 2017	Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		2015/16	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20											
Salary level		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
1-6	-	109	61.0	0.6	107	66.3	0.6	102	66.7	0.7	101	69.0	0.7	100	74.2	0.7	-2.2%	100.0%
7-10	-	12	3.2	0.3	10	2.5	0.2	12	3.3	0.3	14	4.2	0.3	13	4.4	0.3	9.1%	12.0%
11-12	-	53	22.3	0.4	49	22.0	0.4	46	21.7	0.5	48	24.4	0.5	48	26.4	0.6	-0.7%	46.6%
13-16	-	32	23.7	0.7	33	26.7	0.8	29	25.4	0.9	23	21.7	0.9	23	23.4	1.0	-11.3%	26.3%
	-	12	11.7	1.0	15	15.1	1.0	15	16.3	1.1	16	18.6	1.2	16	20.0	1.2	2.2%	15.1%

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

2. Rand million.

Entities¹

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 and to industry. The Geoscience Amendment Act (2010) extends the entity's functions to include providing 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 29.15 Council for Geoscience performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Customer satisfaction index per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	91%	86%	85%	65%	65%	65%	65%
Annual technical programme performance index ¹	Statutory projects	Outcome 4: Decent employment through inclusive growth	97%	76%	85%	80%	80%	80%	80%
Number of rural development project reports completed per year	Statutory projects		29	54	18	18	20	40	40
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	19	33	20	25	28	50	50
Number of regional and African development project reports completed per year	Foreign commercial		16	17	20	22	24	30	30
Number of projects with external collaborators completed per year	Foreign commercial	Outcome 4: Decent employment through inclusive growth	50	46	60	60	60	60	60
Number of geoscience papers and articles published per year	Local commercial	Outcome 10: Protect and enhance our environmental assets and natural resources	145	140	75	85	100	100	100

1. The index measures feedback on customer satisfaction levels received from clients on the performance of the technical programme.

Expenditure analysis

The council will focus over the medium term on: providing geoscience information, rehabilitating derelict and ownerless mines, and conducting research on the economic feasibility and environmental impacts of shale gas exploration. The council also aims to publish world-class products of geoscience knowledge, and to provide geoscience-related services to the South African public and to the mining sector. These activities are expected to increase employment and advance transformation in the mining sector, in support of the National Development Plan's goals to promote employment, infrastructure investment and an inclusive rural economy. The activities are in line with outcome 4 (decent employment through inclusive growth) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework.

The council generates its own revenue, projected at R161.7 million, or 11.3 per cent of total revenue, over the medium term. The revenue is generated from the fees the council charges for providing geological services, such as conducting research into minerals and energy development, and geoscience mapping. Providing geological services is labour intensive. As such, 55.5 per cent of the council's budget over the medium term is allocated for spending on compensation of employees. To provide capacity, the entity expects to recruit at least 56 researchers, professionals, technicians and administrative personnel over the medium term. This is expected to increase spending on compensation of employees, from R242.1 million in 2017/18 to R282.2 million in 2019/20.

To help the council improve its services, and the quality of its laboratory's analytical and research work, Cabinet has approved an additional allocation of R90 million through the economic competitiveness and support package in 2018/19. This additional allocation is for the council's digital information system; and improving, replacing, and safe proofing equipment and facilities.

¹ This section has been compiled with the latest available information from the entities concerned.

Over the medium term, R125 million is allocated for the council's activities to rehabilitate derelict and ownerless mines. The council's activities in this regard include developing a comprehensive spatial database, conducting investigations to identify high-priority sites, and developing plans for sites earmarked for rehabilitation. Additionally, the Department of Mineral Resources will be transferring R3.1 million to the entity over the medium term, through the expanded public works programme for the rehabilitation of derelict and ownerless mines. These activities are expected to contribute to reaching government's goal of rehabilitating 150 derelict and ownerless mine sites over the medium term. An amount of R6.8 million over the medium term is budgeted for research into the water ingress project, and to provide solutions for decanting and acid mine drainage water.

The council also plans to spend R83.2 million over the medium term conducting research on shale gas exploration. The research aims to identify ways to limit any potential negative environmental impacts linked to the exploitation of shale gas in the Karoo.

Additional research activities over the medium term amounts to R68.7 million. These include conducting airborne geophysical surveys, sampling, soil analysis, and data processing for rare earth elements in base and precious metals in the Bushveld area of Mpumalanga. The council also expects to increase the number of geoscience maps, map explanations and related manuscripts published in-house to 50 per year over the medium term.

Programmes/objectives/activities

Table 29.16 Council for Geoscience expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Administration	190 594	231 716	181 995	276 584	13.2%	54.3%	241 249	267 960	240 266	-4.6%	55.3%
Statutory projects	117 916	114 376	134 786	235 745	26.0%	36.0%	125 104	127 914	85 562	-28.7%	29.7%
Foreign commercial	6 746	8 851	10 352	11 387	19.1%	2.3%	12 526	13 277	13 239	5.2%	2.8%
Local commercial	18 457	12 045	45 736	49 145	38.6%	7.4%	55 340	58 660	61 945	8.0%	12.3%
Total	333 713	366 988	372 869	572 861	19.7%	100.0%	434 219	467 811	401 012	-11.2%	100.0%

Statements of historical financial performance and position

Table 29.17 Council for Geoscience statements of historical financial performance and position

	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
R thousand									
Revenue									
Non-tax revenue	83 546	66 255	90 885	59 078	43 191	84 135	47 350	63 036	102.8%
Sale of goods and services other than capital assets	79 896	40 453	87 846	36 309	40 380	36 883	44 388	44 388	62.6%
<i>of which:</i>									
<i>Sales by market establishment</i>	79 896	40 453	87 846	36 309	40 380	36 883	44 388	44 388	62.6%
Other non-tax revenue	3 650	25 802	3 039	22 769	2 811	47 252	2 962	18 648	918.6%
Transfers received	265 232	271 232	287 839	292 839	451 511	342 914	378 598	509 825	102.4%
Total revenue	348 778	337 487	378 724	351 917	494 702	427 049	425 948	572 861	102.5%
Expenses									
Current expenses	348 778	333 713	378 725	366 988	494 702	372 869	425 948	572 861	99.9%
Compensation of employees	160 289	160 498	172 787	176 843	196 148	201 794	211 840	227 526	103.5%
Goods and services	173 314	155 232	189 067	170 869	278 314	154 609	192 857	324 084	96.5%
Depreciation	15 168	17 487	16 831	19 236	20 198	16 424	21 207	21 207	101.3%
Interest, dividends and rent on land	7	496	40	40	42	42	44	44	466.8%
Total expenses	348 778	333 713	378 725	366 988	494 702	372 869	425 948	572 861	99.9%
Surplus/(Deficit)	-	3 774	(1)	(15 071)	-	54 180	-	-	-

Table 29.17 Council for Geoscience statements of historical financial performance and position

Statement of financial position								Average: Outcome/ Budget (%)	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Carrying value of assets	156 110	195 227	202 688	222 570	236 417	228 958	259 131	259 131	106.0%
<i>of which:</i>									
Acquisition of assets	(40 095)	(19 741)	(46 060)	(31 741)	(35 033)	(40 565)	(36 890)	(36 890)	81.6%
Inventory	–	5	5	5	5	5	5	5	133.3%
Receivables and prepayments	43 800	16 190	50 546	22 253	19 590	31 183	21 550	21 550	67.3%
Cash and cash equivalents	118 924	225 845	143 453	251 937	173 453	312 519	157 475	157 475	159.7%
Total assets	318 834	437 267	396 692	496 765	429 465	572 665	438 161	438 161	122.8%
Accumulated surplus/(deficit)	190 906	333 746	190 906	336 242	352 675	390 422	352 675	352 675	130.0%
Capital reserve fund	77 676	–	–	–	–	–	–	–	–
Deferred income	–	72 265	94 214	112 867	51 198	125 188	61 371	61 371	179.7%
Trade and other payables	23 132	11 846	18 435	25 844	9 943	34 109	8 943	8 943	133.6%
Provisions	27 120	19 410	18 126	21 812	15 649	22 946	15 172	15 172	104.3%
Derivatives financial instruments	–	–	75 011	–	–	–	–	–	–
Total equity and liabilities	318 834	437 267	396 692	496 765	429 465	572 665	438 161	438 161	122.8%

Statements of estimates of financial performance and position**Table 29.18 Council for Geoscience statements of estimates of financial performance and position**

Statement of financial performance								Average: Expenditure/ Total (%)
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R thousand	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue								
Non-tax revenue	63 036	-1.6%	16.8%	67 231	73 902	80 084	8.3%	15.6%
Sale of goods and services other than capital assets	44 388	3.1%	9.7%	48 796	53 676	59 207	10.1%	11.3%
<i>of which:</i>								
Sales by market establishment	44 388	3.1%	9.7%	48 796	53 676	59 207	10.1%	11.3%
Other non-tax revenue	18 648	-10.3%	7.1%	18 435	20 226	20 877	3.8%	4.3%
Transfers received	509 825	23.4%	83.2%	366 988	393 909	320 928	-14.3%	84.4%
Total revenue	572 861	19.3%	100.0%	434 219	467 811	401 012	-11.2%	100.0%
Expenses								
Current expenses	572 861	19.7%	100.0%	434 219	467 811	401 012	-11.2%	121.2%
Compensation of employees	227 526	12.3%	47.5%	242 090	261 887	282 156	7.4%	55.5%
Goods and services	324 084	27.8%	47.8%	169 815	183 825	95 520	-33.5%	39.7%
Depreciation	21 207	6.6%	4.6%	22 268	22 051	23 286	3.2%	4.8%
Interest, dividends and rent on land	44	-55.4%	–	46	48	51	4.8%	–
Total expenses	572 861	19.7%	100.0%	434 219	467 811	401 012	-11.2%	100.0%
Surplus/(Deficit)	–	(1)		–	–	–	–	
Statement of financial position								
Carrying value of assets	259 131	9.9%	47.1%	260 731	262 907	287 402	3.5%	61.2%
<i>of which:</i>								
Acquisition of assets	(36 890)	23.2%	-6.6%	(35 415)	(17 400)	(17 400)	-22.2%	-6.1%
Inventory	5	–	–	5	–	5	–	0.0%
Receivables and prepayments	21 550	10.0%	4.6%	23 705	24 650	27 115	8.0%	5.5%
Cash and cash equivalents	157 475	-11.3%	48.2%	146 245	146 245	131 620	-5.8%	33.3%
Total assets	438 161	0.1%	100.0%	430 686	433 802	446 142	0.6%	100.0%
Accumulated surplus/(deficit)	352 675	1.9%	73.2%	352 675	361 292	361 292	0.8%	81.7%
Deferred income	61 371	-5.3%	18.8%	54 342	49 851	60 220	-0.6%	12.9%
Trade and other payables	8 943	-8.9%	4.0%	8 974	8 647	9 517	2.1%	2.1%
Provisions	15 172	-7.9%	4.1%	14 695	14 012	15 113	-0.1%	3.4%
Total equity and liabilities	438 161	0.1%	100.0%	430 686	433 802	446 142	0.6%	100.0%

Personnel information

Table 29.19 Council for Geoscience personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)				
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20			
Salary level	433	433	421	201.8	0.5	424	227.5	0.5	425	242.1	0.6	425	261.9	0.6	425		282.2	0.7	7.4%
Council for Geoscience																			
1 – 6	116	116	109	19.7	0.2	111	23.0	0.2	112	24.4	0.2	112	26.4	0.2	112	28.5	0.3	7.4%	26.3%
7 – 10	216	216	212	88.7	0.4	213	96.4	0.5	213	106.2	0.5	213	115.4	0.5	213	125.0	0.6	9.0%	50.1%
11 – 12	59	59	59	44.8	0.8	59	55.0	0.9	59	59.6	1.0	59	65.1	1.1	59	70.3	1.2	8.5%	13.9%
13 – 16	41	41	40	46.1	1.2	40	49.9	1.2	40	48.6	1.2	40	51.4	1.3	40	54.6	1.4	3.0%	9.4%
17 – 22	1	1	1	2.5	2.5	1	3.1	3.1	1	3.4	3.4	1	3.6	3.6	1	3.7	3.7	5.6%	0.2%

1. Rand million.

Mintek

Mandate

The mandate of Mintek, as set out in the Mineral Technology Act (1989), is to maximise the value derived from South Africa's mineral resources. To this end, Mintek develops appropriate and innovative technology for transfer to the minerals industry, and provides the industry with services such as testing and selecting materials.

Selected performance indicators

Table 29.20 Mintek performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Number of discoveries in terms of the Intellectual Property Rights from Publicly Financed Research and Development Act (2008) per year	Enhance visibility and credibility to all stakeholders	Outcome 12: An efficient, effective and development-oriented public service	11	15	14	21	23	23	23
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		65	87	91	75	75	75	75
Number of new technologies developed through state grant funding 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	8	6	6	6	6
Number of prototypes for commercial products per year	Research and develop efficient mineral processing technologies and value added products and services		4	5	5	2	2	2	2
Number of applications developed for various metals per year ¹ .	Research and develop efficient mineral processing technologies and value added products and services	Outcome 2: A long and healthy life for all South Africans	18	20	17	18	18	18	18
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	2
Number of people trained in value added beneficiation relevant to rural and marginalised communities per year	Promote the mineral-based economies of rural and marginalised communities		151	141	67	100	100	100	100
Number of external reports relating to 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	1	6	5	4	4	4	4
Number of postgraduate bursars in part-time bursary programme per year	Develop human capital and organisational skills to build world-class research and development excellence	Outcome 5: A skilled and capable workforce to support an inclusive growth path	55	85	74	38	20	20	20
Number of candidates employed in work-integrated learning, studentship and internship programmes per year	Develop human capital and organisational skills to build world-class research and development excellence	Outcome 10: Protect and enhance our environmental assets and natural resources	103	167	148	60	60	60	60

1. This indicator measures applications developed for precious, ferrous, and base metals in the areas of: Biomedicine, (HIV, cancer, malaria), Catalysis (chemical processing, fuel cells, environmental), Nanotechnology (water, health), Physical metallurgy research and development and metallurgical industry support.

Expenditure analysis

Mintek's main activities planned over the medium term include research on water treatments to protect water resources, the rehabilitation of derelict and ownerless mines, the development of technology for the treatment of acid mine drainage, and the promotion of value-added downstream beneficiation. These activities support the National Development Plan, and 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.

Mintek's total budget over the medium term is R1.7 billion. Transfers from the department accounts for 53.1 per cent of the entity's total budget, R281.6 million in 2017/18, R323.9 million in 2018/19, and R287.1 million in 2019/20. The entity generates revenue from commercial companies that purchase its products, services and contracted research. This revenue is expected to increase from R228.5 million in 2017/18 to R243.8 million in 2019/20.

Through the economic competitiveness and support package, an amount of R70 million in 2017/18 has been allocated to Mintek to perform research on the environmental impact of water wastage, and research on water and energy efficiency projects. Accessing water and energy is an essential part of operations for most mining projects but companies are facing unreliable power supply from the grid, rising energy costs, and water scarcity and sustainability issues. The research is expected to reduce these water accessibility and usage challenges faced by mining projects.

Over the medium term R160 million is allocated for work related to the rehabilitation of derelict and ownerless mines, including the necessary research; and its implementation, which is outsourced to subcontractors. Over the last four years Mintek has successfully executed 19 mine rehabilitation projects, and is expected to contribute to the department's target of rehabilitating 150 derelict and ownerless mine sites over the medium term.

Mintek is a research organisation and is reliant on personnel. Expenditure on compensation of employees accounts for 63.2 per cent of the entity's budget but personnel numbers are expected to remain relatively constant over the medium term, at 790. Expenditure on personnel will grow from R342.1 million in 2017/18 to R352.4 million in 2019/20 due to inflation adjustments.

Programmes/objectives/activities

Table 29.21 Mintek expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	22 185	24 283	25 650	26 302	5.8%	5.0%	26 820	28 689	27 091	1.0%	5.0%
Enhance visibility and credibility to all stakeholders	22 185	24 283	25 650	26 302	5.8%	5.0%	26 820	28 689	27 091	1.0%	5.0%
Research and develop efficient mineral processing technologies and value added products and services	221 849	242 832	256 502	263 015	5.8%	50.0%	268 198	286 888	271 306	1.0%	50.0%
Promote the mineral based economies of rural and marginalised communities	66 555	72 850	76 950	78 905	5.8%	15.0%	80 459	86 066	81 272	1.0%	15.0%
Uphold good governance practices	44 370	48 566	51 300	52 603	5.8%	10.0%	53 640	57 378	54 181	1.0%	10.0%
Develop human capital and organisational skills to build world class research and development excellence	66 555	72 850	76 950	78 905	5.8%	15.0%	80 459	86 066	81 272	1.0%	15.0%
Total	443 699	485 664	513 003	526 030	5.8%	100.0%	536 396	573 775	542 213	1.0%	100.0%

Statements of historical financial performance and position

Table 29.22 Mintek 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	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		
Revenue									
Non-tax revenue	354 498	264 751	294 670	270 708	242 910	231 274	247 767	249 223	89.1%
Sale of goods and services other than capital assets	335 376	244 285	277 427	234 088	222 342	191 677	226 788	222 216	84.0%
<i>of which:</i>									
<i>Sales by market establishment</i>	335 376	244 285	277 427	234 088	222 342	191 677	226 788	222 216	84.0%
Other non-tax revenue	19 122	20 466	17 243	36 620	20 568	39 597	20 979	27 007	158.8%
Transfers received	200 411	196 771	256 057	232 565	289 543	295 526	356 416	288 096	91.9%
Total revenue	554 909	461 522	550 727	503 273	532 453	526 800	604 183	537 319	90.5%
Expenses									
Current expenses	518 639	443 699	502 438	485 664	519 760	513 003	475 018	526 030	97.6%
Compensation of employees	252 489	255 747	279 180	318 586	307 507	312 225	313 657	335 354	106.0%
Goods and services	254 466	170 001	204 712	152 675	198 521	184 692	147 491	172 875	84.5%
Depreciation	11 684	14 766	18 546	10 216	13 732	12 657	13 869	15 501	91.9%
Interest, dividends and rent on land	–	3 184	–	4 187	–	3 429	–	2 300	–
Total expenses	518 639	443 699	502 438	485 664	519 760	513 003	475 018	526 030	97.6%
Surplus/(Deficit)	36 270	17 823	48 290	17 610	12 693	13 797	129 165	11 289	
Statement of financial position									
Carrying value of assets	270 418	215 464	253 456	209 011	197 565	231 895	197 565	231 895	96.7%
<i>of which:</i>									
<i>Acquisition of assets</i>	(48 554)	(42 016)	(68 601)	(37 155)	(45 375)	(59 696)	(47 644)	(39 082)	84.7%
Investments	324 193	333 244	339 153	437 848	446 927	457 658	446 927	467 592	108.9%
Inventory	5 740	4 491	5 740	5 517	5 517	7 002	5 517	7 002	106.7%
Receivables and prepayments	45 739	55 005	45 739	52 839	53 922	40 308	53 922	40 308	94.6%
Cash and cash equivalents	5 533	38 578	5 533	7 652	7 652	18 590	7 652	18 590	316.3%
Taxation	502	–	460	–	–	–	–	–	–
Total assets	652 125	646 782	650 082	712 867	711 583	755 454	711 583	765 388	105.7%
Accumulated surplus/(deficit)	337 425	312 474	343 536	326 658	339 351	341 809	342 655	353 097	97.9%
Capital and reserves	128 883	128 883	127 529	127 528	126 174	149 837	124 820	148 483	109.3%
Deferred income	119 312	123 288	110 952	164 665	157 981	169 870	156 031	169 870	115.3%
Trade and other payables	35 008	52 131	35 008	64 351	58 241	67 135	58 241	67 135	134.5%
Provisions	31 497	30 006	33 057	29 665	29 835	26 803	29 835	26 803	91.2%
Total equity and liabilities	652 125	646 782	650 082	712 867	711 583	755 454	711 583	765 388	105.7%

Statements of estimates of financial performance and position

Table 29.23 Mintek statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)		Average: Expenditure/Total (%)
		2013/14	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20	
Revenue									
Non-tax revenue	249 223	-2.0%	50.4%	256 007	264 835	273 342	3.1%	46.9%	
Sale of goods and services other than capital assets	222 216	-3.1%	44.3%	228 460	236 737	243 839	3.1%	41.9%	
<i>of which:</i>									
<i>Sales by market establishment</i>	222 216	-3.1%	44.3%	228 460	236 737	243 839	3.1%	41.9%	
Other non-tax revenue	27 007	9.7%	6.1%	27 547	28 098	29 503	3.0%	5.0%	
Transfers received	288 096	13.6%	49.6%	281 599	323 868	287 091	-0.1%	53.1%	
Total revenue	537 319	5.2%	100.0%	537 606	588 703	560 433	1.4%	100.0%	
Expenses									
Current expenses	526 030	5.8%	100.0%	536 396	573 775	542 213	1.0%	107.0%	
Compensation of employees	335 354	9.5%	62.0%	342 061	345 482	352 392	1.7%	63.2%	
Goods and services	172 875	0.6%	34.7%	176 332	210 088	171 434	-0.3%	33.5%	
Depreciation	15 501	1.6%	2.7%	15 656	15 813	15 971	1.0%	2.9%	
Interest, dividends and rent on land	2 300	-10.3%	0.7%	2 346	2 392	2 416	1.7%	0.4%	
Total expenses	526 030	5.8%	100.0%	536 396	573 775	542 213	1.0%	100.0%	
Surplus/(Deficit)	11 289	–	–	1 210	14 928	18 220	17.3%	–	
Statement of financial position									
Carrying value of assets	231 895	2.5%	30.9%	231 895	231 895	231 895	–	30.3%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(39 082)	-2.4%	-6.2%	(40 254)	(41 462)	(43 535)	3.7%	-5.4%	
Investments	467 592	12.0%	58.7%	467 592	467 592	467 592	–	61.1%	
Inventory	7 002	16.0%	0.8%	7 002	7 002	7 002	–	0.9%	
Receivables and prepayments	40 308	-9.8%	6.6%	40 308	40 308	40 308	–	5.3%	
Cash and cash equivalents	18 590	-21.6%	3.0%	18 590	18 590	18 590	–	2.4%	
Total assets	765 388	5.8%	100.0%	765 388	765 388	765 388	–	100.0%	

Table 29.23 Mintek statements of estimates of financial performance and position

	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R thousand								
Accumulated surplus/(deficit)	353 097	4.2%	46.4%	354 307	356 602	373 156	1.9%	46.9%
Capital and reserves	148 483	4.8%	19.3%	147 129	145 775	144 421	-0.9%	19.1%
Deferred income	169 870	11.3%	21.7%	170 014	169 073	153 873	-3.2%	21.7%
Trade and other payables	67 135	8.8%	8.7%	67 135	67 135	67 135	-	8.8%
Provisions	26 803	-3.7%	4.0%	26 803	26 803	26 803	-	3.5%
Total equity and liabilities	765 388	5.8%	100.0%	765 388	765 388	765 388	-	100.0%

Personnel information

Table 29.24 Mintek personnel numbers and cost by salary level

Council for Mineral Technology	Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)			
			2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost			Unit cost		
Salary level	330 804	796	741	312.2	0.4	796	335.4	0.4	796	342.1	0.4	790	345.5	0.4	790	352.4	0.4	1.7%	100.0%
1 – 6	34 405	248	221	35.1	0.2	248	39.0	0.2	248	39.9	0.2	248	40.7	0.2	248	41.4	0.2	2.0%	31.3%
7 – 10	120 480	332	311	113.6	0.4	332	120.5	0.4	332	122.7	0.4	329	123.9	0.4	329	126.5	0.4	1.6%	41.7%
11 – 12	114 243	171	162	102.7	0.6	171	114.2	0.7	171	116.6	0.7	168	116.8	0.7	168	119.1	0.7	1.4%	21.4%
13 – 16	58 783	44	46	58.2	1.3	44	58.8	1.3	44	60.0	1.4	44	61.2	1.4	44	62.4	1.4	2.0%	5.5%
17 – 22	2 893	1	1	2.8	2.8	1	2.9	2.9	1	3.0	3.0	1	3.0	3.0	1	3.0	3.0	1.3%	0.1%

1. Rand million.

Mine Health and Safety Council

Mandate

The Mine Health and Safety 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 Department of Mineral Resources.

Selected performance indicators

Table 29.25 Mine Health and Safety Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Administration	Administration	Outcome 4: Decent employment through inclusive growth	34 550	43 267	3 556	5 721	22 006	24 495	23 329
Promote and communicate council programmes to improve occupational health and safety awareness	Promote a health and safety culture in the mining industry	Outcome 2: A long and healthy life for all South Africans	5	5	3	6	6	6	5
Implement and maintain information, knowledge and record management systems to support staff and stakeholders	Become a knowledge leader in mine health and safety by conducting focused research	Outcome 12: An efficient, effective and development-oriented public service	5	6	10	9	9	6	5
Become a knowledge leader in mine health and safety by conducting research	Become a knowledge leader in mine health and safety by conducting focused research		6	9	6	6	6	6	5
Promote council programmes in the mining industry	Strengthen tripartite partnerships	Entity mandate	10	11	11	9	9	6	5

Expenditure analysis

The Mine Health and Safety Council's main activity over the medium term will be directing research that addresses the root causes of workplace conflict in mining, and the working and living conditions of miners. The council also promotes health and safety in the mining sector. The council has agreements with four institutions that conduct research on its behalf: the Centre for Scientific and Industrial Research, the National Institute for Occupational Health, the University of Pretoria and the University of the Witwatersrand. An amount of R42.9 million is budgeted in 2017/18 for research towards the Mining Centre of Excellence. Additional costs for projects, including travel and subsistence, will be funded from the R1.4 million retained cash surplus from

2015/16. Spending on goods and services accounts for 68 per cent of the entity's budget over the medium term, mainly contributed by the institutions related to the establishment of the Mining Centre of Excellence. The centre is set to be completed in 2017/18.

The council routinely issues advisory notes on the health and safety of mineworkers, and provides tools to monitor behavioural change in the industry. The entity also implements the commitments and action plans made at the mine health and safety tripartite summit in August 2016, to ensure that every mineworker returns home unharmed.

The council generates 89.8 per cent of its revenue from levies on mining companies, while transfers from the department account for less than 2 per cent of its total revenue. The projected levy income is R75.1 million each year over the medium term, compared to R75.3 million in 2015/16 and R70.4 million in 2014/15. This is due to increased mine closures and retrenchments, resulting from the current global and domestic economic conditions affecting the mining industry.

The council promote health and safety by hosting promotional events, such as the Women in Mining Conference, the occupational health and safety dialogue, regional tripartite forums, Commemoration of Mine Disasters, and World AIDS Day and World TB Day commemorations. An amount of R66 million has been set aside for these activities over the medium term.

Table 29.26 Mine Health and Safety Council expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	34 550	43 267	3 556	5 721	-45.1%	31.1%	22 006	24 495	23 329	59.8%	14.5%
Promote a health and safety culture in the mining industry	4 941	1 948	18 904	27 702	77.7%	12.4%	28 758	19 062	18 168	-13.1%	17.1%
Provide advice reports that influence performance in mining health and safety	4 840	8 404	18 903	27 702	78.9%	14.5%	28 759	19 062	18 168	-13.1%	17.1%
Strengthen tripartite partnerships	4 840	4 923	18 904	27 270	77.9%	13.3%	28 758	19 062	18 167	-12.7%	17.1%
Become a knowledge leader in mine health and safety by conducting focused research	4 841	9 880	18 904	27 270	77.9%	15.0%	28 758	19 062	18 167	-12.7%	17.1%
Promote mine health and safety council programmes in the mining industry	4 841	5 914	18 904	27 270	77.9%	13.6%	28 758	19 062	18 168	-12.7%	17.1%
Total	58 853	74 336	98 075	142 935	34.4%	100.0%	165 797	119 805	114 167	-7.2%	100.0%

Statements of historical financial performance and position

Table 29.27 Mine Health and Safety Council 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	Average: Outcome/Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2013/14 - 2016/17	
Revenue									
Non-tax revenue	68 478	75 676	69 919	89 404	140 226	89 144	137 258	83 608	81.2%
Sale of goods and services other than capital assets	63 453	65 820	66 151	70 431	75 108	75 305	75 108	75 108	102.4%
of which:									
Sales by market establishment	63 453	65 820	66 151	70 431	75 108	75 305	75 108	75 108	102.4%
Other non-tax revenue	5 025	9 856	3 768	18 973	65 118	13 839	62 150	8 500	37.6%
Transfers received	5 035	5 035	5 197	5 197	-	-	-	-	100.0%
Total revenue	73 513	80 711	75 116	94 601	140 226	89 144	137 258	83 608	81.7%
Expenses									
Current expenses	65 489	58 853	67 877	74 336	127 000	98 075	142 935	142 935	92.8%
Compensation of employees	24 725	20 375	25 930	26 896	31 526	30 009	34 985	34 985	95.8%
Goods and services	38 239	34 833	37 997	43 616	91 441	64 563	103 728	103 728	90.9%
Depreciation	1 650	3 645	3 950	3 824	4 033	3 503	4 222	4 222	109.7%
Interest, dividends and rent on land	875	-	-	-	-	-	-	-	-
Total expenses	65 489	58 853	67 877	74 336	127 000	98 075	142 935	142 935	92.8%
Surplus/(Deficit)	8 024	21 858	7 239	20 265	13 226	(8 931)	(5 677)	(59 327)	

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

Statement of financial position									Average:
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget (%)
R thousand	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Carrying value of assets	1 194	8 863	1 015	6 825	5 572	7 207	7 265	7 265	200.5%
<i>of which:</i>									
Acquisition of assets	(2 125)	(3 261)	(2 231)	(2 138)	(2 900)	(1 888)	(3 205)	(3 205)	100.3%
Inventories	–	183	–	77	78	168	150	150	253.5%
Receivables and prepayments	2 464	3 341	2 341	2 464	1 515	2 750	8 614	8 614	115.0%
Cash and cash equivalents	88 437	195 108	96 251	216 274	157 263	215 396	183 012	183 012	154.3%
Total assets	92 095	207 495	99 607	225 640	164 428	225 521	199 041	199 041	154.5%
Accumulated surplus/(deficit)	85 672	187 152	92 912	207 315	153 129	207 315	182 661	182 661	152.5%
Capital reserve fund	–	–	–	6 591	–	–	–	–	–
Finance lease	101	16	108	596	–	–	–	–	292.8%
Trade and other payables	4 532	11 321	4 707	8 102	2 056	12 319	6 110	12 792	255.9%
Provisions	1 790	2 195	1 880	3 036	2 355	5 887	3 588	3 588	153.0%
Managed funds (e.g. poverty alleviation fund)	–	6 811	–	–	6 888	–	6 682	–	50.2%
Total equity and liabilities	92 095	207 495	99 607	225 640	164 428	225 521	199 041	199 041	154.5%

Statements of estimates of financial performance and position**Table 29.28 Mine Health and Safety Council statements of estimates of financial performance and position**

Statement of financial performance									Average:
	Revised estimate	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/Total (%)	
R thousand	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	83 608	3.4%	97.1%	83 005	81 475	80 863	-1.1%	98.3%	
Sale of goods and services other than capital assets	75 108	4.5%	82.6%	75 108	75 108	75 108	–	89.8%	
<i>of which:</i>									
Sales by market establishment	75 108	4.5%	82.6%	75 108	75 108	75 108	–	89.8%	
Other non-tax revenue	8 500	-4.8%	14.5%	7 897	6 367	5 755	-12.2%	8.5%	
Transfers received	–	-100.0%	2.9%	1 839	1 977	1 930	–	1.7%	
Total revenue	83 608	1.2%	100.0%	84 844	83 452	82 793	-0.3%	100.0%	
Expenses									
Current expenses	142 935	34.4%	100.0%	165 797	119 805	114 167	-7.2%	163.0%	
Compensation of employees	34 985	19.7%	31.5%	37 782	39 672	37 690	2.5%	28.3%	
Goods and services	103 728	43.9%	64.1%	123 499	74 700	71 316	-11.7%	68.0%	
Depreciation	4 222	5.0%	4.5%	4 516	5 433	5 161	6.9%	3.7%	
Total expenses	142 935	34.4%	100.0%	165 797	119 805	114 167	-7.2%	100.0%	
Surplus/(Deficit)	(59 327)	(2.0)		(80 953)	(36 353)	(31 374)	-19.1%		
Statement of financial position									
Carrying value of assets	7 265	-6.4%	3.5%	58 946	56 678	53 844	95.0%	32.6%	
<i>of which:</i>									
Acquisition of assets	(3 205)	-0.6%	-1.2%	(3 405)	(3 405)	(3 405)	2.0%	-2.3%	
Inventories	150	-6.4%	0.1%	157	165	157	1.5%	0.1%	
Receivables and prepayments	8 614	37.1%	2.1%	9 045	9 497	9 022	1.6%	6.3%	
Cash and cash equivalents	183 012	-2.1%	94.3%	114 217	70 983	38 311	-40.6%	61.0%	
Total assets	199 041	-1.4%	100.0%	182 365	137 323	101 334	-20.2%	100.0%	
Accumulated surplus/(deficit)	182 661	-0.8%	91.4%	165 885	120 020	84 895	-22.5%	88.5%	
Trade and other payables	12 792	4.2%	5.2%	12 456	13 078	12 425	-1.0%	8.8%	
Provisions	3 588	17.8%	1.7%	4 024	4 225	4 014	3.8%	2.8%	
Total equity and liabilities	199 041	-1.4%	100.0%	182 365	137 323	101 334	-20.2%	100.0%	

Personnel information**Table 29.29 Mine Health and Safety Council personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2017			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
			2015/16	2016/17	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20						
Mine Health and Safety Council			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	63	61	64	30.0	0.5	63	35.0	0.6	64	37.8	0.6	67	39.7	0.6	64	37.7	0.6	2.5%	100.0%
1 – 6	10	10	10	0.5	0.0	10	1.4	0.1	10	1.5	0.1	10	1.5	0.2	10	1.6	0.2	5.0%	15.5%
7 – 10	35	33	36	11.6	0.3	34	13.5	0.4	35	14.9	0.4	38	15.9	0.4	37	16.0	0.4	5.8%	55.8%
11 – 12	11	11	11	9.9	0.9	11	9.2	0.8	11	9.8	0.9	11	10.3	0.9	10	10.2	1.0	3.4%	16.7%
13 – 16	6	6	6	5.7	1.0	7	8.7	1.2	7	9.2	1.3	7	9.5	1.4	6	7.5	1.3	-4.9%	10.5%
17 – 22	1	1	1	2.3	2.3	1	2.2	2.2	1	2.4	2.4	1	2.4	2.4	1	2.4	2.4	3.3%	1.6%

1. Rand million.

South African Diamond and Precious Metals Regulator

Mandate

The South African Diamond and Precious Metals Regulator is a Schedule 3A public entity in terms of the Public Finance Management Act (1999). The regulator was established in terms of section 3 of the Diamonds Act (1986). Its mandate is to implement and enforce 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).

Selected performance indicators

Table 29.30 South African Diamond and Precious Metals Regulator performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of human resource plan pillars implemented per year	Administration	Outcome 12: An efficient, effective and development-oriented public services	5	5	5	5	5	5	12
Number of engagements with internal and external stakeholders per year	Administration		12	12	12	12	12	12	12
Number of clients visiting the Diamond Export and Exchange Centre per year	Diamond trade	Outcome 4: Decent employment through inclusive growth	1 250	3 522	3 550	3 560	3 570	3 580	3 590
Number of benefactors accessing Diamond Export and Exchange Centre tenders per year	Diamond trade		179	176	287	185	190	195	200
Number of skills initiatives facilitated for the industries per year	Diamond trade		2	5	5	5	5	5	5
Percentage of disputes on valuations regarding fair market value lodged	Diamond trade		0 ¹	0 ¹	0 ¹	<2%	<2%	<2%	<2%
Number of new licences issued within 60 working days based on completeness of the applications per year	Regulatory compliance		650	136	154	155	160	170	175
Number of new entrepreneurs assisted per year	Regulatory compliance		6	7	8	9	10	11	12
Number of beneficiation licences issued per year	Regulatory compliance		112	63	63	64	65	66	67
Number of inspections conducted per year	Regulatory compliance		1 400	1 444	1 444	1 446	1 448	1 449	1 450

1. No disputes were lodged.

Expenditure analysis

Over the medium term, the South African Diamond and Precious Metals Regulator will focus on improving regulation and transformation in the precious metals industry. This will be achieved through: providing regulatory management, in respect of issuing licenses; conducting diamond valuations; carrying out compliance inspections; performing audits; and facilitating tenders for rough and polished diamonds. These activities will ensure competitiveness, sustainable development, and job creation in the diamond and precious metal industry. The regulator also ensures compliance with the Diamond Precious Metals legislative requirements. The expenditure to deliver these activities will increase from R34.2 million in 2017/18 to R38 million in 2019/20.

Over the medium term, the regulator derives 55.2 per cent of its revenue from transfers from the Department of Mineral Resources. Transfers increase by an average of 5.5 per cent over the medium term, from R55.9 million in 2017/18 to R62.4 million in 2019/20, and is used for the entities operations. The remaining 39.6 per cent will be derived from providing services such as issuing permits, licenses, and certificates. Revenue generated by the entity is expected to increase from R40.3 million in 2017/18 to R45.1 million in 2019/20, caused by an inflow of new entrants into the diamond industry. The regulator expects to issue 198 beneficiation licences over the medium term.

Over the medium term the regulator will be improving the quality and conditions of services provided by increasing the personnel numbers, from 131 in 2016/17 to 135 by 2019/20. This is expected to increase expenditure on personnel from R70.5 million in 2016/17 to R84.9 million in 2019/20. Spending on

compensation of employees accounts for 76.5 per cent of the regulator's budget over the medium term. Contractual obligations, including operating leases, the tender activities of the Diamond Exchange and Export Centre, and overseeing inspections for diamond and precious metals licensees, is expected to increase this expenditure. Over the medium term 4 347 inspections are planned.

The regulator aims to establish a precious metals bourse in the Gauteng industrial development zone. The bourse will expand the regulators services and objectives by promoting the beneficiation of South Africa's diamond and precious metals. This compliments and feeds into the jewellery manufacturing precinct, which will also be established within the industrial development zone.

Programmes/objectives/activities

Table 2931 South African Diamond and Precious Metals Regulator expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	48 125	62 446	56 597	61 028	8.2%	63.5%	64 796	68 619	72 462	5.9%	65.5%
Diamond trade	18 130	12 204	10 840	13 585	-9.2%	15.3%	13 797	14 611	15 429	4.3%	14.1%
Regulatory compliance	19 660	17 986	19 367	18 723	-1.6%	21.2%	20 175	21 365	22 562	6.4%	20.3%
Total	85 915	92 636	86 804	93 336	2.8%	100.0%	98 768	104 595	110 453	5.8%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	23 864	36 249	34 440	39 742	38 147	42 568	41 398	41 398	116.0%
Sale of goods and services other than capital assets	20 524	32 980	33 350	34 442	36 353	36 302	37 653	37 653	110.6%
<i>of which:</i>									
<i>Sales by market establishment</i>	20 524	32 980	33 350	34 442	36 353	36 302	37 653	37 653	110.6%
Other non-tax revenue	3 340	3 269	1 090	5 300	1 794	6 266	3 745	3 745	186.4%
Transfers received	44 824	44 824	45 878	47 810	50 527	50 527	53 205	53 205	101.0%
Total revenue	68 688	81 073	80 318	87 552	88 674	93 095	94 603	94 603	107.2%
Expenses									
Current expenses	68 596	85 915	72 570	92 535	88 318	86 676	93 215	93 215	111.0%
Compensation of employees	48 732	49 392	52 109	59 008	67 574	64 608	70 535	70 535	101.9%
Goods and services	18 080	34 924	18 817	32 488	20 719	22 031	19 852	19 852	141.1%
Depreciation	1 733	1 548	1 610	1 004	-	-	2 828	2 828	87.2%
Interest, dividends and rent on land	51	51	34	35	25	37	-	-	111.8%
Transfers and subsidies	92	-	97	101	121	128	121	121	81.2%
Total expenses	68 688	85 915	72 667	92 636	88 439	86 804	93 336	93 336	111.0%
Surplus/(Deficit)	-	(4 842)	7 651	(5 084)	235	6 291	1 267	1 267	
Statement of financial position									
Carrying value of assets	1 633	12 158	10 327	14 311	13 258	12 454	14 396	14 396	134.6%
<i>of which:</i>									
<i>Acquisition of assets</i>	(1 876)	(4 747)	(800)	(3 166)	(3 061)	(733)	(1 055)	(1 055)	142.8%
Inventory	56	636	56	480	450	318	558	558	177.9%
Receivables and prepayments	1 015	2 805	979	3 720	2 970	6 645	3 262	3 262	199.8%
Cash and cash equivalents	11 550	18 317	6 659	20 229	17 450	29 347	19 273	19 273	158.7%
Non-current assets held for sale	38 394	23 265	34 911	21 685	23 426	14 574	24 731	24 731	69.4%
Total assets	52 648	57 181	52 932	60 425	57 554	63 338	62 220	62 220	107.9%
Accumulated surplus/(deficit)	48 891	48 855	48 891	43 771	50 143	49 589	55 763	55 763	97.2%
Finance lease	725	198	690	185	634	57	542	542	37.9%
Deferred income	35	152	15	-	17	-	19	19	198.8%
Trade and other payables	997	5 481	1 136	5 959	4 760	4 789	3 890	3 890	186.6%
Provisions	2 000	2 006	2 200	10 121	2 000	8 682	2 006	2 006	278.0%
Derivatives financial instruments	-	489	-	389	-	221	-	-	-
Total equity and liabilities	52 648	57 181	52 932	60 425	57 554	63 338	62 220	62 220	107.9%

Statements of estimates of financial performance and position

Table 29.33 South African Diamond and Precious Metals Regulator statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/Total (%)
Revised estimate	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
R thousand								
Revenue								
Non-tax revenue	41 398	4.5%	44.9%	46 068	48 786	51 518	7.6%	44.8%
Sale of goods and services other than capital assets	37 653	4.5%	39.7%	40 290	42 667	45 056	6.2%	39.6%
<i>of which:</i>								
<i>Sales by market establishment</i>	37 653	4.5%	39.7%	40 290	42 667	45 056	6.2%	39.6%
Other non-tax revenue	3 745	4.6%	5.2%	5 778	6 119	6 462	19.9%	5.2%
Transfers received	53 205	5.9%	55.1%	55 865	59 105	62 415	5.5%	55.2%
Total revenue	94 603	5.3%	100.0%	101 933	107 891	113 933	6.4%	100.0%
Expenses								
Current expenses	93 215	2.8%	99.9%	98 633	104 452	110 302	5.8%	121.8%
Compensation of employees	70 535	12.6%	67.8%	75 919	80 398	84 901	6.4%	76.5%
Goods and services	19 852	-17.2%	30.6%	20 375	21 577	22 785	4.7%	20.8%
Depreciation	2 828	22.2%	1.5%	2 339	2 477	2 616	-2.6%	2.5%
Transfers and subsidies	121	-	0.1%	135	143	151	7.7%	0.1%
Total expenses	93 336	2.8%	100.0%	98 768	104 595	110 453	5.8%	100.0%
Surplus/(Deficit)	1 267	(2)		3 165	3 296	3 480	40.0%	
Statement of financial position								
Carrying value of assets	14 396	5.8%	21.9%	13 174	12 904	13 084	-3.1%	22.3%
<i>of which:</i>								
<i>Acquisition of assets</i>	(1 055)	-39.4%	-4.1%	(1 740)	(1 844)	(1 956)	22.8%	-2.8%
Inventory	558	-4.3%	0.8%	470	580	350	-14.4%	0.8%
Receivables and prepayments	3 262	5.2%	6.7%	3 520	3 391	3 477	2.2%	5.7%
Cash and cash equivalents	19 273	1.7%	35.7%	20 550	19 911	20 337	1.8%	33.4%
Non-current assets held for sale	24 731	2.1%	34.8%	23 251	20 355	22 286	-3.4%	37.7%
Total assets	62 220	2.9%	100.0%	60 965	57 141	59 534	-1.5%	100.0%
Accumulated surplus/(deficit)	55 763	4.5%	81.4%	53 499	50 625	52 416	-2.0%	88.5%
Finance lease	542	39.9%	0.4%	375	397	382	-11.0%	0.7%
Deferred income	19	-50.0%	0.1%	21	22	21	3.4%	0.0%
Trade and other payables	3 890	-10.8%	8.3%	4 870	3 765	4 471	4.7%	7.1%
Provisions	2 006	-	9.3%	2 200	2 332	2 244	3.8%	3.7%
Total equity and liabilities	62 220	2.9%	100.0%	60 965	57 141	59 534	-1.5%	100.0%

Personnel information

Table 29.34 South African Diamond and Precious Metals Regulator personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost	
South African Diamond and Precious Metals Regulator		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	6.4%	100.0%	
Salary level	131	131	134	64.6	0.5	131	70.5	0.5	132	75.9	0.6	133	80.4	0.6	135	84.9	0.6		
1-6	11	11	14	1.3	0.1	11	1.3	0.1	11	1.3	0.1	11	1.4	0.1	11	1.4	0.1	2.5%	8.3%
7-10	95	95	94	34.9	0.4	95	40.7	0.4	95	44.6	0.5	95	47.7	0.5	97	48.5	0.5	6.0%	71.9%
11-12	12	12	12	8.5	0.7	12	9.1	0.8	12	9.8	0.8	13	10.5	0.8	13	12.3	0.9	10.8%	9.4%
13-16	13	13	14	19.9	1.4	13	19.5	1.5	14	20.2	1.4	14	20.8	1.5	14	22.7	1.6	5.2%	10.4%

1. Rand million.

State Diamond Trader

Mandate

The State Diamond Trader is defined in terms of the Diamonds Amendment Act (2005). Its mandate is to facilitate equitable access to South Africa's rough diamond resources, promote local beneficiation, undertake research, develop a client base, contribute to the growth of the local diamond beneficiation industry, and develop efficient means to market diamonds not suitable for local beneficiation.

Selected performance indicators

Table 29.35 State Diamond Trader performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of diamond producers who sold rough diamonds to the State Diamond Trader per year	Administration	Outcome 4: Decent employment through inclusive growth	12	12	14	19	19	19	19
Number of State Diamond Trader clients per year	Administration		46	50	47	98	116	116	116
Number of diamond production inspections per year	Administration		134	145	136	130	130	130	130
Number of trainees employed by the State Diamond Trader per year	Administration		10	10	4	10	10	10	10

Expenditure analysis

The State Diamond Trader will contribute to the growth of the local diamond beneficiation industry, and increase sales of rough diamonds to new entrants and historically disadvantaged South Africans. This will contribute to the National Development Plan and is in line with outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework. Over the medium term the State Diamond Trader will focus on buying unpolished diamonds from local producers and selling them to diamond processors, and promoting the diamonds industry. This activity is expected to develop and maintain trade relations with other diamond-producing countries in Africa, and contribute to the sustainable development of the local diamond beneficiation sector.

The trader will grow the local diamond beneficiation industry through the establishment of the incubation programme for small, medium and micro enterprises. The aim of the incubation is to develop skills and create sustainable jobs in the manufacturing and jewellery sectors.

Goods and services accounts for 97.3 per cent of the entity's total budget over the medium term. An amount of R528 million has been set aside for the purchase and sales of rough diamonds. Over the medium term, the entity has 390 diamond production inspections planned, and will participate in local and international diamond trade shows. This contributes to an increase in expenditure on goods and services, from R545.8 million in 2017/18 to R578.7 million in 2019/20.

The trader expects to establish partnerships for the expansion of Jewellex Africa, a business exhibition for the industry, and to implement a marketing strategy to facilitate access to international and local exhibitions for clients. In order to promote the industry over the medium term, the trader plans to hold promotional activities around the country, and look into the viability of a diamond ambassador for South Africa. The entity will also investigate the feasibility of establishing a Diamonds South Africa brand. The establishment of these partnerships are expected to increase travel and subsistence at an estimated cost of R2 million per year.

The trader earns its own revenue from the sale of rough diamonds. Revenue over the medium term is expected to increase, from R559.4 million in 2017/18 to R593.8 million in 2019/20. Over the medium term, the trader will maintain personnel numbers at 23, including 3 trainees employed and trained as diamond valuers. Expenditure on compensation of employees accounts for 2.4 per cent of the entity's total budget.

Programmes/objectives/activities

Table 2936 State Diamond Trader expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	556 409	401 869	560 852	611 652	3.2%	100.0%	561 210	563 310	594 855	-0.9%	100.0%	
Total	556 409	401 869	560 852	611 652	3.2%	100.0%	561 210	563 310	594 855	-0.9%	100.0%	

Statements of historical financial performance and position

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

Statement of financial performance									
R thousand	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	Revised estimate	2013/14 - 2016/17	
Revenue									
Non-tax revenue	569 237	556 587	569 832	396 418	571 056	557 724	631 275	611 652	90.6%
Sale of goods and services other than capital assets	568 297	554 864	568 297	394 321	566 871	552 514	626 642	610 377	90.6%
<i>of which:</i>									
Administrative fees	–	–	–	–	–	92 096	–	–	–
Sales by market establishment	568 297	554 864	568 297	394 321	566 871	460 418	626 642	610 377	86.7%
Other non-tax revenue	940	1 723	1 535	2 097	4 185	5 210	4 633	1 275	91.3%
Transfers received	–	4 092	–	4 276	–	–	–	–	–
Total revenue	569 237	560 679	569 832	400 694	571 056	557 724	631 275	611 652	91.0%
Expenses									
Current expenses	566 297	556 409	561 752	401 869	562 716	560 852	611 652	611 652	92.5%
Compensation of employees	6 067	5 215	10 669	7 252	11 708	9 774	13 036	13 036	85.0%
Goods and services	556 874	549 990	548 768	393 182	550 643	549 557	597 223	597 223	92.7%
Depreciation	324	468	479	382	–	300	–	–	143.2%
Interest, dividends and rent on land	3 032	736	1 836	1 053	365	1 221	1 393	1 393	66.5%
Total expenses	568 830	556 409	561 752	401 869	562 716	560 852	611 652	611 652	92.4%
Surplus/(Deficit)	407	4 270	8 080	(1 175)	8 340	(3 128)	19 623	–	–
Statement of financial position									
Carrying value of assets	1 273	1 610	3 621	1 370	3 621	1 071	3 621	3 621	63.2%
<i>of which:</i>									
Acquisition of assets	–	(47)	–	(238)	(240)	–	(254)	(254)	109.1%
Inventory	38 352	4 978	38 352	20 786	31 352	24 095	18 702	20 786	55.7%
Receivables and prepayments	80	1 605	209	5 186	186	437	186	186	1 121.6%
Cash and cash equivalents	35 327	46 466	28 795	23 779	45 246	22 444	45 246	25 098	76.2%
Taxation	–	–	5 120	–	4 952	104	4 934	4 934	33.6%
Total assets	75 032	54 659	76 097	51 121	85 357	48 151	72 689	54 625	67.5%
Accumulated surplus/(deficit)	38 467	50 355	31 709	49 180	38 683	46 113	26 015	26 015	127.3%
Borrowings	32 818	–	43 721	–	43 721	–	43 721	25 657	15.6%
Trade and other payables	3 747	4 304	667	1 941	2 953	2 038	2 953	2 953	108.9%
Total equity and liabilities	75 032	54 659	76 097	51 121	85 357	48 151	72 689	54 625	67.5%

Statements of estimates of financial performance and position

Table 29.38 State Diamond Trader statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
Revenue									
Non-tax revenue	611 652	3.2%	99.6%	561 210	563 310	594 855	-0.9%	100.0%	
Sale of goods and services other than capital assets	610 377	3.2%	99.1%	559 424	561 639	593 822	-0.9%	99.8%	
<i>of which:</i>									
Sales by market establishment	610 377	3.2%	94.9%	559 424	561 639	593 822	-0.9%	99.8%	
Other non-tax revenue	1 275	-9.6%	0.5%	1 786	1 671	1 033	-6.8%	0.2%	
Total revenue	611 652	2.9%	100.0%	561 210	563 310	594 855	-0.9%	100.0%	
Expenses									
Current expenses	611 652	3.2%	100.0%	561 210	563 310	594 855	-0.9%	113.3%	
Compensation of employees	13 036	35.7%	1.7%	14 028	14 730	14 859	4.5%	2.4%	
Goods and services	597 223	2.8%	98.1%	545 761	547 238	578 741	-1.0%	97.3%	
Interest, dividends and rent on land	1 393	23.7%	0.2%	1 421	1 342	1 255	-3.4%	0.2%	
Total expenses	611 652	3.2%	100.0%	561 210	563 310	594 855	-0.9%	100.0%	
Surplus/(Deficit)	–	(1)	–	–	–	–	–	–	
Statement of financial position									
Carrying value of assets	3 621	31.0%	3.6%	3 621	3 831	3 831	1.9%	7.0%	
<i>of which:</i>									
Acquisition of assets	(254)	75.5%	-0.3%	(269)	(301)	–	-100.0%	-0.4%	
Inventory	20 786	61.0%	34.5%	20 786	20 786	20 786	–	39.2%	
Receivables and prepayments	186	-51.2%	3.6%	186	197	197	1.9%	0.4%	
Cash and cash equivalents	25 098	-18.6%	56.0%	20 279	24 047	24 047	-1.4%	43.9%	
Taxation	4 934	–	2.3%	4 934	5 220	5 220	1.9%	9.6%	
Total assets	54 625	-0.0%	100.0%	49 806	54 081	54 081	-0.3%	100.0%	
Accumulated surplus/(deficit)	26 015	-19.8%	82.9%	45 665	48 314	48 314	22.9%	79.5%	
Borrowings	25 657	–	11.7%	1 188	2 643	2 643	-53.1%	14.8%	
Trade and other payables	2 953	-11.8%	5.3%	2 953	3 124	3 124	1.9%	5.7%	
Total equity and liabilities	54 625	–	100.0%	49 806	54 081	54 081	-0.3%	100.0%	

Personnel information

Table 29.5 State Diamond Trader personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		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 (%)	Average: Salary level/Total (%)	
		2015/16			2016/17			2017/18			2018/19			2019/20					2016/17 - 2019/20
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
State Diamond Trader		23	9.8	0.4	23	13.0	0.6	23	14.0	0.6	23	14.7	0.6	19	14.9	0.8	4.5%	100.0%	
Salary level	23	23	23	9.8	0.4	23	13.0	0.6	23	14.0	0.6	23	14.7	0.6	19	14.9	0.8	4.5%	100.0%
1 – 6	1	1	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	5.3%	4.6%
7 – 10	16	16	16	5.0	0.3	16	5.7	0.4	16	6.0	0.4	16	6.3	0.4	12	6.0	0.5	2.0%	68.0%
11 – 12	2	2	2	1.5	0.7	2	1.6	0.8	2	1.7	0.8	2	1.8	0.9	2	1.9	0.9	5.3%	9.2%
13 – 16	3	3	3	1.2	0.4	3	3.5	1.2	3	3.9	1.3	3	4.1	1.4	3	4.3	1.4	7.4%	13.7%
17 – 22	1	1	1	2.0	2.0	1	2.1	2.1	1	2.2	2.2	1	2.3	2.3	1	2.4	2.4	5.3%	4.6%

1. Rand million.

Additional table: Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate 2016/17	Medium-term expenditure estimate	
							2013/14	2014/15		2015/16	2017/18
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	–

BUDGET 2017

ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

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