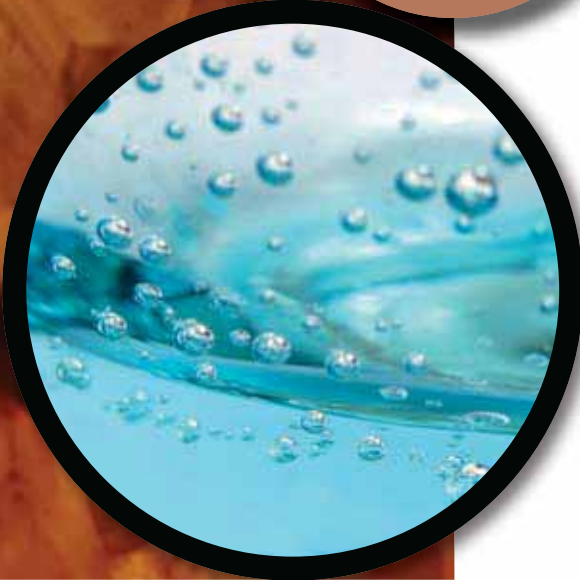


annual report



2007 | 08



the dme

Department:
Minerals and Energy
REPUBLIC OF SOUTH AFRICA

DEPARTMENT: MINERALS AND ENERGY

**ANNUAL REPORT
2007/8**

**Min BP Sonjica, MP
Minister of Minerals and Energy**

Minister, I have the honour to present to you the Department of Minerals and Energy's annual report for the 2007/8 financial year.



**Adv Sandile Nogxina
Director General**

Table of Contents

1. GENERAL INFORMATION	4
Vision and Mission	5
Legislative Mandate	5
Public Entities Reporting to the Minister of Minerals and Energy	6
Director General's Overview	8
Departmental Publications and Key Documents	11
Information on the Ministry	12
Message from the Minister	12
2. PROGRAMME PERFORMANCE	16
Strategic Overview and Key Policy Developments for 2007/8 Financial Year	18
Overview of Service Delivery and Organisation Development	20
Programme 1: Administration	26
Programme 2: Promotion of Mine Health and Safety	49
Programme 3: Mineral Regulation	63
Programme 4: Mineral Policy and Promotion	69
Programme 5: Hydrocarbons, Energy Planning and Clean Energy	76
Programme 6: Electricity and Nuclear	90
Programme 7: Associated Services	105
3. REPORT OF THE AUDIT COMMITTEE	117
4. ANNUAL FINANCIAL STATEMENTS	120
Management Report	122
Report of the Auditor-General	135
Appropriation Statement	138
Statement of Accounting Policies and Related Matters	141
Notes to the Appropriation Statement	148
Income Statement (statement of financial performance)	151
Balance Sheet (statement of financial position)	152
Statement of changes to Net Assets	153
Cash Flow statement	154
Notes of the Annual Financial Statements	163
Disclosure notes to the Annual Financial Statements	172
Annexures	179
5. HUMAN RESOURCE MANAGEMENT	196



General Information

VISION

World-class minerals and energy sectors through sustainable development

MISSION

To regulate and promote the minerals and energy sectors for the benefit of all.

LEGISLATIVE MANDATE

Provision of services for effectual transformation and governance of minerals and energy industries for economic growth and development, thereby improving the quality of life

PUBLIC ENTITIES REPORTING TO THE MINISTER OF MINERALS AND ENERGY

- **The Mine Health and Safety Council**, established in terms of Section 42(1) of the Mine Health and Safety Act, No. 29 of 1996. The Council has the responsibility of advising the Minister of Minerals and Energy on health and safety at the mines, promote a culture of health and safety in the mining industry and annually consider an overall programme for relevant health and safety research.
- **Council for Mineral Technology Research (Mintek)** was established in terms of the Mineral Technology Act (30 of 1989). Mintek provides research, development and technology that foster the development of businesses in the mineral and mineral products industries.
- **The Council for Geoscience (CGS)**, established in terms of the Geoscience Act, no 100 of 1993, is the national agency that is tasked with the systematic development and maintenance of the national geosciences knowledge infrastructure for both the onshore (land) and offshore (oceans) environment of South Africa.
- **The National Energy Regulator of South Africa (NERSA)** derives its mandate from the National Energy Regulator Act, Act No. 40 of 2004, which establishes NERSA as the competent authority for electricity regulation (in terms of the Electricity Regulation Act, no. 4 of 2006), gas regulation (in terms of the Gas Act, no. 48 Of 2001) and petroleum pipelines regulation (in terms of Petroleum Pipelines Act, no. 60 of 2003) in South Africa. NERSA derives its revenues by imposing prescribed levies on regulated industries. In this regard, the following Acts govern the imposition of such levies:
 - Gas Regulator Levies Act, Act no. 75 of 2002
 - Petroleum Pipelines Levies Act, Act no. 28 of 2004; and
 - Section 5B of the Electricity Act, Act no. 41 of 1987.
- **The National Nuclear Regulator (NNR)** was established in terms of the National Nuclear Regulator Act, 1999 (Act. No. 47 of 1999). The purpose of the Regulator is to provide for the protection of persons, property and the environment against nuclear damage, through the establishment of safety standards and regulatory practices.
- **CEF (Pty) Ltd** is a private company, incorporated in terms of the Companies Act and governed by the Central Energy Fund Act, No 38 of 1977. The CEF group of companies operates in the energy sector and is made up of entities with commercial, strategic, licensing and development roles. The group consists of five operating subsidiaries – PetroSA, iGas, Petroleum Agency SA, Oil Pollution Control South Africa (OPCSA), and SFF. CEF also manages, on an agency basis, the strategic crude oil stock for the country. PetroSA, is involved in the exploration for oil and gas onshore and offshore South Africa, as well as the rest of Africa; the production of environmentally friendly petroleum fuels and petrochemical products from gas and condensate at its synfuels refinery outside Mossel Bay; and the management of oil storage facilities. SFF manages South Africa's strategic reserves of crude oil. OPCSA provides oil prevention, control, and clean-up services, mainly in South Africa ports and coastal areas, in terms of South Africa's National Environmental Management Act (NEMA). PASA manages the promotion and licensing of oil and gas exploration, development and production in South Africa and the coastal areas offshore South Africa as part of creating a viable upstream oil industry in the country. iGas acts as the official agent of the South African Government for the development of the hydrocarbon gas industry, comprising natural gas (LNG) and petroleum gas (LPG), in South Africa.

- **The South African Nuclear Energy Corporation (NECSA)** The Nuclear Energy Act, (Act No. 46 of 1999), mandates NECSA to undertake and promote research and development in the field of nuclear energy and radiation science. NECSA is also responsible for the following institutional obligations on behalf of the state: decommissioning and decontamination of past strategic nuclear facilities; management of nuclear waste disposal on a national basis; application of radiation technology for scientific and medical purposes; operation of the SAFARI-1 nuclear reactor; operation of the Pelindaba site and accompanying services; and execution of the safeguards function.
- **The South African Diamond and Precious Metals Regulator (SADPMR)** was established in terms of the Diamonds Act 1986 as amended and, the Precious Metals Act, 37 of 2005. The South African Diamond Board ceased to exist on 30 June 2007 and the South African Diamond and Precious Metals Regulator came into effect on 1 July 2007. The Regulator took over the mandate, current functions, staff and all assets and liabilities of the Diamond Board. The Diamond Bourse of South Africa was incorporated into the Regulator with all its staff, assets and liabilities. The Regulator is responsible for the regulation of the diamond, platinum and gold sectors. The Regulator is funded in terms of the Precious Metals Act, 37 of 2005, through a state grant, as opposed to the Board which generated its own funding from levies and licence fees of sight holders.
- **The Electricity Distribution Industry Holdings (Pty) Ltd (EDIH)** was created for the sole purpose of executing the Department's strategic objective of restructuring the electricity distribution industry outlined in the White Paper on Energy Policy of 1998. The company is to restructure the existing electricity distribution entities into six financially viable regional electricity distribution companies (REDs).
- **The State Diamond Trader** was established in terms of the Diamond Act, Act number 56 of 1986, as amended, to fulfil the following main functions: to promote equitable access to and beneficiation of diamond resources, address distortions in the diamond industry and correct historical market failures to develop and grow South Africa's diamond cutting and polishing industry. The State Diamond Trader commenced its operations in September 2007 and was officially launched by the Director General, Advocate Sandile Nogxina, on behalf of the Minister of Minerals and Energy on 29 February 2008.
 - All entities submit their own Annual Report to the Minister, which are then tabled together with the DME's Annual Report. A summary of the entities performance is listed under Programme 7: Associated Services later in this report.

DIRECTOR GENERAL'S OVERVIEW

Minister, we have come to the end of the 2007/8 financial year, a year that has been marked by various challenges in both the energy and mining sectors, a year that has also seen a number of achievements for our department, and most importantly, a year that has seen your guidance, leadership and commitment see us through.

It is therefore, my pleasure to present to you the Department of Minerals and Energy's performance report for the 2007/8 financial year.

ENERGY

Security of energy supply

The need to secure the supply of energy in our country will continue as our economy grows. We have sought to address the security of energy supply challenge in a comprehensive and integrated manner, through the revision of the National Energy Bill. The bill is more than securing supply, it is also about understanding the demand and ensuring appropriate plans to meet the demand.

The bill seeks to provide a legal framework that enables the Minister of Minerals and Energy to establish mechanisms to address energy research, the introduction of renewable energy and the general energy security concerns. It is through this bill that we will ensure that sufficient stocks of primary energies are maintained for both electricity and liquid fuels.

Electricity

Our livelihoods and the country's economy have all been affected by the electricity challenges presented to us this year. One cannot help but be proud of how South Africans have risen to the electricity challenge and played their individual roles in ensuring that this challenge does not aggravate into a serious crisis.

Although the country has not experienced load-shedding or power cuts post January 2008, we are not out of the proverbial woods yet. We will continue to work with other sectors of government and civil society to urge all South Africans to continue conserving energy in order to improve Eskom's reserve margin and reduce the demand by 3 000 MW .

Significant progress has been made to ensure the improvement in the quality of electricity by creating responsive governmental and stakeholder based structures and systems to manage the electricity power emergency. We recognise that the solution will be found in integrating both the short, medium and long term interventions initiated both at private and public sector levels.

The implementation of the Integrated National Electrification Programme continued during the year. Challenges of poor or absence of bulk infrastructure, especially in rural areas, have put a strain on the performance of the programme. As a result an amount of R335 million had to be channelled from electricity connections to the provision of bulk infrastructure. The total planned connections were reduced by approximately 74 000, with 149 112 connections achieved for the year. (This excludes connections that were funded during 2004/5, 2005/6 and 2006/7 which were realised in 2007/8 financial year).

Notwithstanding the termination of contract negotiations with AES Consortium, the first IPP project will be concluded next year, to bring 1000MW of Open Cycle Gas Turbine plants to Coega (Eastern Cape) and Avon (KwaZulu Natal) Eskom is also looking at introducing a base load power plant under the regulatory and policy oversight of NERSA and DME respectively.



Hydrocarbons

By the end of the financial year, the country was experiencing a steady increase in the petrol price as a result of the soaring international crude oil prices. The Department has evaluated option to deal with the price increase, however, our efforts met with limited success as the major contributing factors for the high oil price are geopolitics and the speculative activity prevailing in this sector. We have been able, we believe, to maintain a healthy balance between the vagaries of securing a reasonable profit and our fundamental responsibility to look after the interests of the motorist and the public at large.

The Petroleum Compliance Monitoring and Enforcement unit within the Department was established with effect from 01 November 2006. to date, inspectors have been appointed in all the nine provinces. The main objective of this unit is to monitor and enforce compliance to the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003). The function amongst others includes the enforcement of licensing conditions and Regulations regarding the Fuel Specifications and Standards.

Clean and Renewable Energy

The introduction of biofuels is part of our response strategy to improve energy security, promote clean transportation fuels, address the climate change challenge facing the world and also facilitate rural economic development. The country's biofuels strategy was approved in December 2007. The implementation plan will be communicated to the public via road shows that will take place mid 2008 nationally. This implementation plan will include the licensing criteria and financial mechanism.

Mining

The financial year 2007/08 saw reports of Chinese production of gold exceeding South Africa's, marking a historic change in over a century of gold production in the country. While these reports had not been unexpected, given the protracted decline in gold production since 1986, they are a painful reminder that natural resources have a limited span. It is for this reason that we are engaging all stakeholders in the industry to vigorously drive and implement our beneficiation strategy. This strategy will enable the country to extend the scope of the mining industry beyond its natural life and ensure that the much needed investment and jobs are created. The Beneficiation Strategy will be finalized in 2008/9 and an implementation plan with action plans will be put in place thereafter.

Development in South Africa's mining industry must be located within the international context. The hovering economic recession in the United States of America has created global economic instability, the extent of which has essentially been cushioned by the economic growth of the far eastern giants, namely China and India. The mining industry has not been completely immune to this slow-down in economic growth, albeit we view it as a short-term correction and believe the fundamentals remain sound for further demand growth for the bulk of the mineral commodities the country possesses. Following reports indicative of declining investment in the country's mining industry in 2006, a stakeholders' workshop was held in June 2007 to confirm the reports and more importantly, to collectively find means of addressing challenges thereof.

The safety track record on the mines continues to be a subject of great concern to us. The Minister, working together with the Chief Inspector of Mines, has been dealing with the unacceptably high level of fatalities that continue to plague the mining sector fourteen years into our democracy. More than 70 workers have died in the period under review in the mining industry, which had become accustomed to a particular culture for more than a century. Accordingly, we shall table, early next year, amendments to the Mine Health and Safety Act in order to ensure that we impose heavier penalties on the offenders as well as strengthen the enforcement provisions in our law. The results of the audit commissioned at the instruction of the President should provide us with adequate information to deal with this matter.

During the year, we have seen a noticeable improvement in the turnaround time for mining applications. The quality of applications together with the social labour plan proposals has also improved, indicating that the industry has moved closer and working with us in improving the lives of our people.

Preparations for the 2010 FIFA World Cup

The Department continues to participate in the 2010 FIFA World Cup preparations. We participate in the Technical Co-ordinating Committee, the Inter-Ministerial Committee on 2010, the Host City Forum and a number of other preparatory committees. Our role is to ensure the provision of uninterrupted supply, quality and security of electricity and liquid fuel during the games. We have also signed a Memorandum of Understanding with the Local Organising Committee on the implementation mechanism.

Department capacity

The Department is facing serious human resource capacity constraints in most of the branches. This was also highlighted by the Vulindlela Capacity Assessment report presented to Parliament in 2007. The main causes identified include; shortage of technical skills in the labour market, inability to retain skilled personnel and insufficient accommodation. An Integrated Human Resource Plan for the period 2007 to 2012 has since been developed and approved in January 2008 in an effort to address these constraints.

Early next financial year, part of our head office personnel in Pretoria will be relocating to the Lakefield Office Park in Centurion. This is a temporary measure (18 – 24 months) which has been necessitated by the growth of the Department. 234 Visagie Street in Pretoria will remain the Department's official head office. I am hopeful that in my annual report next year, I will be able to announce the Department's new permanent address.

Lastly, I would like to extend a word of thanks to all at the Department of Minerals and Energy, your sterling efforts towards the achievement of our goals have not gone unnoticed. The success of the Department would not have been possible without your continued commitment and dedication.



Adv. Sandile Nogxina
Director General: Department of Minerals and Energy

DEPARTMENTAL PUBLICATIONS AND KEY DOCUMENTS – 2007/08

Reviews

- 24th Edition of South Africa's Mineral Industry (SAMI) 2006/2007
- Invest in an Intense and Diverse Mineral Industry 2008

Information Circulars

MB Bulletin Trimester
Vol 20 Issue 1 of 3 2007
Vol 20 Issue 2 of 3 2007
Vol 20 Issue 3 of 3 2007

Information on Small-scale Mining Sector, Vol 1 Issue 1 2008

Directories

- D1/2008: Operating Mines and Quarries and Mineral Processing Plants in the Republic of South Africa
- D2/2008: Operating and Developing Coal Mines in South Africa
- D3/2008: Operating and Developing Gold Mines in South Africa
- D5/2007: South African Mineral Beneficiators
- D6/2007: Platinum-group Metal Mines in SA
- D8/2008: Ferrous Mineral Commodities produced in SA
- D9/2008: Producers of Dimension Stone in South Africa
- D10/2007: Producers of Nonferrous Metal Commodities produced in SA
- D12/2007: Operating and Developing Black Economic Empowerment Mining Companies
- D14/2008: Producers of Sand and Aggregate in SA

Statistics

- Minerals - South Africa: Statistical Tables 1985 – 2006
- Mineral Production and Sales Statistics (Monthly and Annually)

Bulletins/ Reports

- R51/2006 An Overview of current platinum-group metal exploration projects and new mine developments in South Africa
- R57/2007 The Uranium Industry
- R58/2008 Overview of the South African Sand & Aggregate Industry
- R59/2008 An Analysis of SA's Mining Contribution to the National Economy
- R60/2008 The impact of Chrome Ore Exports on the local Ferrochrome Industry
- R61/2007 Historical Diamond production (South Africa)
- R62/2007 Structure of the Salt Industry in South Africa
- R63/2007 An Overview of SA Zircon Industry and the role of BEE
- R64/2007 Mineral Abrasives in South Africa
- R65/2007 Nepheline Mineral Production in South Africa
- R66/2007 An Overview of Value Systems of selected Ferrous Mineral Commodities
- R68/2008 An Overview of Current Gold Exploration Projects and new mine developments in South Africa
- R69/2008 Overview of SA Mineral Based Fertilizer Industry

Handbook

- H3/2008 South African Steel Producers Handbook

INFORMATION ON THE MINISTRY

MESSAGE FROM THE MINISTER

Unlike any other context, this year's Annual Report stretches into the penultimate year of our impending third democratic polls. This period does not only signal the completion of tenure of office for our current government but also prepares ground for the smooth transition of the new government post the 2009 elections. Our transformative policies have ensured the continuity of government services and propelled our Department to place emphasis on implementation and monitoring the impact of our policies going forward.

Security of energy supply

The Department has security of energy supply as one of its key mandates. The energy crises in the petroleum and electricity sectors highlighted our country's vulnerability to energy supply. The recent electricity crisis in the country arose largely as a result of an imbalance between the supply and demand of electricity which culminated in the erosion of the reserve margin of Eskom's generators. In line with Cabinet decision, the Department is leading the campaign of the Power Conservation Programme and the National Electricity Response Team in order to ameliorate the negative impacts of the crisis on the economic and social sectors. To date 45 of the biggest businesses have signed the Energy Efficiency Accord with us as part of a commitment to meet the energy efficiency savings targets. Furthermore, we have embarked on a number of Energy Imbizos country-wide with the intention to sensitize communities about the importance of saving energy and using Energy sparingly.

In January this year I participated in the inaugural Joint Oil Data Initiative (JODI) held on African soil. The birth of JODI emanated from the 7th International Energy Forum meeting held in Saudi Arabia, November 2000. The workshop provided training for participating countries on data collection and analysis. The Directorate Energy Planning and Development within the Department collects and submits monthly data for South Africa to the United Nations. The Strategic Stock Supply and Management study conducted during the year in the wake of the Moerane Commission Report indicated that a change is necessary to compel the industry to keep a certain level of stocks for both commercial and strategic purposes.

The negative impact of the unusually high volatile oil prices on economies of nations around the world, especially on non-producing countries like ours reinforced the necessity for energy security including energy planning. Traditionally, planning has been done in silos by different components within the Department. This untenable situation was turned around and rectified as evidenced by the dedicated focus on planning to guarantee security of energy supply.

The crafting of the Energy Security Masterplan in August 2007 which embedded the Liquid Fuels Masterplan and the Electricity Masterplan in November 2007, both of which were later adopted by Cabinet, attested to the leadership exercised by the Department in guiding the energy sector and safeguarding our economy against the vagaries of energy supply and demand.

Mineral policy developments

Our continued efforts to create an enabling environment for the mining industry to grow have continued to bear fruit in the past year. There were earlier reports indicative of declining investments in the country's mining industry. An all inclusive indaba was held in the middle of last year to verify the reports and more importantly to collectively proffer solutions. I am delighted to report that investments in the sector have since been reported to be growing significantly, exceeding 30% compared to the previous year. This further confirms our commitment to ensure sustainable growth in the industry.



Employment in the industry experienced a prolonged downward turn, following declining gold production since the latter 1980's. It is comforting to further report that employment trends have started to turn upward, with a further upside potential in years ahead. The figures have breached the half a million mark last year, following the promulgation of the new legislative framework.

Development in South Africa's mining industry must be located within the international context. The hovering economic recession in the United States of America has created global economic instability, the extent of which has essentially been cushioned by the economic growth of the far eastern giants, namely China and India.

Mining developments

The number of applications received from HDSAs and the rights that have been granted to them has increased significantly indicating that our agenda to transform the mining sector is on track. These developments also indicate that the provincial and international road-shows that we embarked upon in the last financial year geared towards engaging our stakeholders with respect to the impact of our major policies, were a success.

The South African Diamonds and Precious Metals Regulator (SADPMR) and the State Diamond Trader (SDT) were officially launched in February 2008, although they had already begun operating as such by Proclamation in August 2007. Their establishment signalled a number of significant changes in the regulation of the diamonds and precious metals and heralded a new era where the SDT began to sell rough diamonds to those South Africans who were previously excluded for so long. The two newly established entities are a product of the department's commitment towards maximising value addition of our country's mineral resources with particular reference to diamonds and precious metals.

The Department hosted the fifth African Mining Partnership meeting with great aplomb, with twenty-one African countries represented, including Ministers from fourteen countries. Canada, Communities and Small Scale Mining (CASM) Africa, Europe Geological Surveys (EuroGeoSurveys), Southern East African Mineral Centre SEAMIC and United Nations Economic Commission for Africa (UNECA) were also represented. The meeting noted that the Exclusive Economic Zones (EEZ) project that was led by South Africa was completed and preliminary reports were submitted to 13 coastal countries for implementation and that the recommendations of the HRD project were awaiting implementation. Due to limited progress on some projects, the recommendation for the establishment of a permanent Secretariat for the AMP based in South Africa, amongst others, was adopted:

Empowerment of Vulnerable Groups

The Department hosted the Women in Mining Colloquium from 8-9 November 2007 to deliberate on issues and challenges facing women in the mining sector. The colloquium provided a platform for dialogue as well as the exchange of experiences and information pertinent to women in mining. From 2006 up until March 2008, the Department ran a sustainable development project where women and the youths were targeted for training and skills development in beneficiation, mining and rehabilitation. The mining communities in Griekwastad, Prieska and Kuruman were given training on the dangers of asbestos, rehabilitation of asbestos mines and beneficiation of semi precious stones. Training in the Free State and Limpopo focused on crushing of waste rocks to produce aggregates for the construction industry. Approximately 173 beneficiaries were trained, 54% of which were male and 46% female.

We have initiated training interventions in niche areas of beneficiation particularly stone setting in jewellery manufacturing to alleviate the shortage of skilled labourers in the jewellery manufacturing industry. The third group of trainees in the Jewellery Manufacturing Programme with China is back and has already been placed with jewellery companies in South Africa. Another group from the Western Cape, again under the auspices of the Department, received training in China from September 2007 until January 2008. The DME in partnership with the Mining Qualification Authority (MQA) facilitated training on Computer Aided Design for twelve students and this was done parallel to the Design Indaba Expo that took place in Cape Town in February 2008.

The department is also pleased with the outcomes of its pilot project on careers in mining, which it conducted in partnership with resident industry protagonists in one of the poorest areas in the North-West Province in August 2007. This initiative culminated in four Grade 11 learners being offered an opportunity to study earth-sciences upon completion of their matriculation this year. The Department lent its full support to the 3 day conference hosted by the South African Young Professionals (SAYPS) during the month of November 2007. The conference served to provide a platform for the youth in the nuclear sector to discuss and establish the mechanisms to ensure that the emerging nuclear programme can be sustained by the youth.

Driven by the imperatives of the principle of accountability which is enshrined in our Constitution and imbued by a deep sense of humility, it is gratifying to acknowledge the contributions of the entire staff complement of DME under the leadership of the Director General in compiling this report. It is equally important to appreciate the full support of all our stakeholders in the Department's efforts to advance the struggle to ensure that the people of South Africa share in the minerals and energy sectors of our country.

A handwritten signature in black ink, appearing to read 'BP Sonjica', written in a cursive style.

Min BP Sonjica, MP
Minister of Minerals and Energy

The Minister of Minerals and Energy submitted the following bills during the year under review

- Mineral and Petroleum Resources Development Amendment Bill
- Geoscience Amendment Bill

Ministerial visits abroad

Visits abroad undertaken by Minister: Ms Buyelwa Sonjica (and the Director General: Adv Sandile Nogxina on behalf of the Minister)

INTERNATIONAL VISITS UNDERTAKEN BY THE MINISTER AND THE DIRECTOR GENERAL (ON BEHALF OF THE MINISTER) – APRIL 2007 TO MARCH 2008

DATE	VENUE	EVENT	PARTICIPATION
2 – 3 April 2007	Nuankort, Mauritania	Minister's working visit	Minister and DME officials
4 – 5 April 2007	Dar Es Salaam, Tanzania	Presidential Economic Forum	Minister and DME officials
20 – 21 April 2007	Berlin, Germany	EU/G8 Conference on Energy Efficiency	Minister and DME officials
30 April 2007	Luanda, Angola	Meeting of ADPA Council of Ministers	Minister and DME officials
20 - 26 May 2007	Hanoi, Vietnam	State visit by Deputy President	Minister, Institutions and DME officials
19 – 21 June 2007	Cotonou, Benin	APPA meeting of Ministers	DG represented Minister accompanied by DME officials
5 – 8 July 2007	Minsk, Belarus	The launch of the SA/Belarus ITEC	Minister, DME officials and private business
13 – 16 July 2007	Oslo, Norway	Technical visit to Norway	Minister and DME officials
21 August 2007	DRC	SA/DRC BI-National Cooperation	Minister, DME officials, private business and institutions
24 – 25 August 2007	Abuja, Nigeria	African Mining Partnership Mid Term Review	Minister and DME officials
9 – 11 September 2007	Windhoek, Namibia	Working visit to Namibia	Minister and DME officials
17 - 20 September 2007	Vienna, Austria	IAEA Annual General Conference	Minister, Institutions and DME officials
1-7 March 2008	California and Washington	Washington International Renewable Energy Conference(WIREC)	Minister, PetroSA and DME officials

The background features a collection of metallic spheres of various sizes, some appearing to be made of a dark, reflective material like tungsten, and others that are lighter and more matte. Below the spheres is a cluster of glowing orange crystals, possibly quartz or a similar mineral, which are illuminated from within, creating a bright, warm glow. The overall composition is abstract and scientific.

PROGRAMME PERFORMANCE

Programme Overview

Voted Funds (2007/08)

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
	R2 966 113	R2 974 937	R2 947 367	R27 570
Responsible Minister	Minister of Minerals and Energy			
Administering Department	Department of Minerals and Energy			
Accounting Officer	Director-General of Minerals and Energy			

Aim of the Vote

The aim of the Department of Minerals and Energy is to formulate and implement an overall minerals and energy policy in order to ensure the optimum utilisation of mineral and energy resources.

KEY MEASURABLE OBJECTIVES

Strategic objectives

At the 2007/8 annual strategic planning session, the Department re-affirmed the following strategic objectives in support of the revised mission and vision. The session was also used to anchor our mission, vision and strategies to broad government imperatives of poverty eradication, transformation of our economy and society, social justice reconstruction and development.

1. **Actively contribute to sustainable development** - Contributing to infrastructure development and economic growth, increased investment in the minerals and energy sectors in South Africa, increasing beneficiation of minerals, increasing access to modern energy carriers and reducing the impact of mining and energy activities on the environment and public health.
2. **Redress past imbalances and bridging the gap between the first and second economies** - Through promoting broader participation in the minerals and energy sectors, direct intervention in communities, increased BEE and SMME participation inclusive of women, the youth and the disabled within the minerals and energy sectors.
3. **Implementing minerals and energy economic policies and legislation** - Ensuring orderly and equitable exploitation of minerals and energy, promoting internationally competitive prices and security of energy supply.
4. **Govern the minerals and energy sectors to be healthier, cleaner and safer** - Implementing monitoring and maintenance of effective policies and relevant legislation to mining and energy sectors by embarking on promotional and regulatory activities and programmes that will sustain and improve the industries' health and safety standards.
5. **Review and develop appropriate structures, processes, systems and skills as well as the maintenance thereof** - Alignment of structures, appropriate skills, processes and systems to enable effective and efficient implementation and execution of policy and legislation that is aimed at achieving the key objectives of the Department.

STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2007/08 FINANCIAL YEAR:

Mining

This year we introduced the **Mineral and Petroleum Resources Development Amendment** Bill to Parliament on the (20th of June 2007), but the Bill did not proceed further than the NCOP, as it was referred back to the Parliamentary Portfolio Committee on Minerals and Energy to afford the Department of Environmental Affairs and Tourism an opportunity to make submission on the Bill pertaining to the regulation of environmental management system. After thorough consultation between the DME and DEAT, the following were agreed upon to achieve alignment of environmental management requirements in the MPRDA of 2002 and in the National Environmental Management Act (NEMA) of 1998:

- That one environmental management system be followed in South Africa;
- That the Minister of Minerals and Energy be the responsible authority implementing environmental matters in terms of NEMA, 1998, as it relates to prospecting, mining, exploration, production and related activities on a prospecting, mining, exploration and production area;
- That the Minister of Environmental Affairs and Tourism be the appeal authority on all environmental authorisations issued in terms of NEMA, 1998. and
- That both NEMA and MPRDA needed to be amended to give effect to the agreement made by the Ministers.

The **Geoscience Amendment Bill** also introduced this year, aims to align the Geoscience Act of 1993 with the MPRDA and expand the functions of the Council for Geoscience. The Bill was introduced to Cabinet in January 2008, but was referred back for further consultation with other departments. The consultation process is still in progress.

During 2008/9 the Department will be reviewing the **Mining and Minerals Policy** to take into account the impact that the policy had on social, economic and environmental aspect and also align the said policy with existing government policies

The **Mine Health and Safety** Inspectorate as a state representative in the Mine Health and Safety Council's tripartite structures has provided advice to the Minister on the continued development of a revised regulatory framework for the industry. Acceptance of these recommendations led to the promulgation of new regulations and guidelines for mandatory codes of practice at mines. Of the 76 topics (initially identified) for legislation and reviewed only 3 topics are currently still outstanding. The status of the outstanding topics is depicted in the table below:

Topic	Current status
-Shafts and Winders -Chapter 10 and remaining -Offshore Installations	Outstanding and under consideration within the Tripartite committees.

Promulgated Legislation

Within the Mine Health and Safety Inspectorate, the following Regulations were approved by the Minister and gazetted during February 2008.

- Conveyor Belts
- Hazardous Location
- General Machinery Regulations
- Water Storage and Pumping Regulations
- Fires and explosions
- Draw Points
- Flammable Gas Explosions

Guidelines

The following guidelines were completed and the printing and distribution process is almost finalised.

- The Code of Practice for Emergency Preparedness and Response;
- A Diving Operations Procedure Manual for Underwater Mining Operations;
- Code Of Practice For The Design, Development/ Construction, Safe Operation And Maintenance Of Draw Points, Tipping Points, Rock Passes And Box Fronts.

Energy

The Electricity Regulation Amendment Bill was adopted by Parliament to be an Act in 2007. Regulations on the procedure to be followed in expropriating land on behalf of a licensee came into effect in February 2008. **The Free Basic Alternative Energy policy** came into effect in April 2007 facilitating the provision of free basic alternative energy to un-electrified indigent households. The draft **Electricity Pricing Policy** was completed and submitted to Cabinet for approval in March 2008.

The **REDs Establishment Bill** was tabled to Cabinet in February 2008 and the Cabinet recommended Constitutional Amendment which the Department is presently pursuing.

In December 2007, Cabinet approved the **Biofuels Industrial Strategy** for the development of a biofuels industry in South Africa. This strategy will act as a catalyst for the growth of the industry. The strategy outlines the development of **a minimum of 2%** (400 million litres per annum) biofuels industry in the next five years using 1st generation technology. Due to rising concern on food security, maize which is staple food crop, was excluded and the use of Jathropha has been prohibited for its toxicity and other environmental reasons. The biofuels feedstocks will mainly be derived from the underutilised agricultural production areas and the focus will be the use of surplus agricultural production. It is envisaged that the bio-fuels industry would meet 35% of the renewable energy target as outlined in the White Paper of Renewable Energy.

To deal with climate change and other negative impacts on the environment, the Department has in place policies and strategies that are in line with climate change mitigation, environmentally sound and cleaner energy technologies. For example, the promotion of the Clean Development Mechanism of the Kyoto Protocol and investments in renewable, biofuels and energy efficiency. The departments is also in the process of gazetting its 2nd Edition of the Environmental Management Plan which outlines plans and programmes related to security and protection of the environment, including responsibilities that are aimed at the achievement of sustainable development objectives.

The department has to ensure that measures to a clean environment and to climate change (mitigation) are properly directed and carried out with a national focus and in line with the objectives of sustainable development. The department recognises that the country requires to proactively move towards a cleaner development path through a strategy to support diversification towards a less carbon intensive energy economy, and it is striving towards that goal.

The Nuclear Energy Policy was drafted and released for public comments, and the comments have been reviewed. The policy provides a framework for the development of an extensive nuclear programme. A Cabinet Memorandum on the revised Draft Nuclear Energy Policy has been completed. Final Cabinet approval is expected in the next financial year.

OVERVIEW OF THE SERVICE DELIVERY AND ORGANISATIONAL ENVIRONMENT FOR 2007/08

Licensing of petroleum activities

The implementation of the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003) – (PPAA) promotes an efficient and sustainable manufacturing, wholesaling and retailing petrol industry by facilitating an environment conducive to efficient and commercially justifiable investment in the industry thus creating employment opportunities. The office of the Controller of Petroleum Products has to date received and captured 13 580 license applications of which approximately 3981 applications have been processed. The recent approval of 18 additional permanent petroleum licensing analyst posts will yield a positive impact in managing the high volumes of applications received. In February of each year the Licensing Directorate receives annual information/submissions from all licensed activities as required by regulations made under the PPAA. This information is used to monitor compliance by the licencees.

The design and development of the Petroleum Products Amendment Licensing System (PPALS) has been finalised. However, due to IT infrastructure constraints, the system is not yet operational. It is envisaged that the system will be implemented once the DME IT platform is upgraded next year.

Compliance Monitoring and Enforcement of the Petroleum Products Amendment Act (PPAA)

Inspectors have been relocated to the regional offices to increase visibility nationwide. A total of 564 sites have been randomly inspected for the financial year ended 2007/2008. Three additional posts have been approved through the Branch structuring process to enable the unit to deal with, amongst others, the monitoring and enforcement of fuel specifications. This will assist in easing the capacity constraints experienced within the Unit. Appointments will be finalised no later than end of the second quarter of the 2008/2009 financial year.

Energy Efficiency

The DME has taken a lead in terms of running energy efficiency communication and awareness campaigns in partnership with the National Energy Efficiency Agency and GCIS. Furthermore, the department in collaboration with the South African Bureau of Standards (SABS), is working on the following standards:

- Standard for energy efficiency building (SANS204) – out for public comments
- Energy Efficiency labelling for light motor vehicle- the label will be launched by the Minister in the middle of 2009.
- Standard for energy efficiency in industrial motors- the draft is expected to be completed by Nov 2008
- A working group for non-utility boilers' standard has been established and currently working on the development of new EE standard.
- Standards for white appliances (washing machines, dish washers and tumble driers) are under revision

Lack of energy efficiency legislation and regulations together with the approval process from the International Electro technical Commission (IEC) has delayed the processes of completing and enforcing EE standards in time. Inadequate human resources and lack of sufficient

funding from the MTEF budget has also hampered the functioning of the directorate in terms of delivery on EE projects. However human resource shortage will be address through the restructuring process.

Service Delivery Improvement Plan (SDIP)

As part of intensifying the implementation of the Batho Pele programmes, the department has developed the Service Delivery Improvement Plan (SDIP), in accordance with the Public Service Regulations 2001. The implementation of this plan is done as part of our continuous consultations with all institutions that are tasked with compliance monitoring, monitoring and evaluation such as the Public Service Commission and Treasury. The approved SDIP and service standards as submitted to the Department of Public Service and Administration will amongst others be used as a basis for assessment of the performance of the Department of Minerals and Energy.

DEPARTMENTAL RECEIPTS AND PAYMENTS

The main sources of receipts for the Department are royalties, surface rental and prospecting fees collected from mining companies. Royalties, surface rental and prospecting fees represented on average 92 percent of the total annual departmental revenue from the 2004/05 to 2007/08 financial years, except in 2006/7 financial year wherein transfers received contributed 72 percent of the revenue. The significant drop between 2006/7 and 2007/8 can be attributed to the receipt of non-departmental revenue of R466.5 million during 2006/7 from the sale of assets from the Lebowa Minerals Trust. This once-off receipt was surrendered to the National Revenue Fund via the normal South African Revenue Services Process of surrendering monthly revenue funds.

Actual revenue recoveries for the reporting period were more than anticipated, mainly due to an increase in the receipt of royalties payments received from individual mines. Receipts in respect of royalties and prospecting fees accounted for 92% of the Department's total revenue for the 2007/08 financial year.

Departmental receipts

	2004/05 Actual R'000	2005/06 Actual R'000	2006/07 Actual R'000	2007/08 Target R'000	2007/08 Actual R'000	% Deviation from target R'000
Tax receipts	-	-	-	-	1,161	-
Sales of goods and services	8,819	2,509	1,812	2,497	2,199	-12
Sale of scrap, waste	3	3	-	1	4	300
Transfers received	-	-	466,511	-	-	-
Fines, penalties, forfeits	229	276	458	61	217	256
Interest, dividends, rent	102,262	129,803	188,515	130,477	244,126	87
Sale of capital assets	-	-	-	-	-	-
Financial transactions	2,459	1,020	242	178	20,598	11,472
TOTAL	113,772	133,611	657,538	133,214	268,306	101

Summary of Expenditure per Programme

Programmes	Voted for 2007/08 R'000	Roll-overs and adjustments R'000	Virements R'000	Total Voted R'000	Actual Expenditure R'000	Variance R'000
Programme 1: Administration	175,252	4,350	6,265	185,867	185,792	0.04%
Programme 2: Promotion of Mine Health and Safety	124,845	-3,000	-9,340	112,505	104,283	7.31%
Programme 3: Mineral Regulation	151,847	5,240	-18,155	138,932	137,800	0.81%
Programme 4: Mineral Policy and Promotion	70,140	-	3,473	73,613	73,554	0.08%
Programme 5: Hydrocarbons, Energy Planning and Clean Energy	52,600	-266	2,701	55,035	52,453	4.69%
Programme 6: Electricity and Nuclear	57,970	2,500	9,454	69,924	69,841	0.12%
Programme 7: Associated Services	2,333,459	-	-	2,333,459	2,318,043	0.66%
Mintek	124,569			124,569	124,569	0.00%
Necsa	388,256			388,256	388,256	0.00%
National Nuclear Regulator	18,029			18,029	18,029	0.00%
SA Diamond & Precious Metals Regulator	20,000			20,000	20,000	0.00%
Geoscience	107,755			107,755	107,755	0.00%
Assistance to Mines	39,006			39,006	39,006	0.00%
EDI Holdings Company	65,934			65,934	65,934	0.00%
National Electrification Programme	1,569,910			1,569,910	1,554,494	0.00%
Special Functions (Theft & Losses)			5,602	5,602	5,602	0.98%
TOTAL	2,966,113	8,824	-	2,974,937	2,947,367	0.93%
Assistance to Mines	39,006			39,006	39,006	0.00%

MTEF TRANSFERS TO THE STATE OWNED ENTITIES REPORTING TO THE MINISTER OF MINERALS AND ENERGY

Name of the Institution	Amount transferred R'000
The South African Nuclear Energy Corporation Ltd (NECSA)	388,256
Council for Mineral Technology Research (Mintek)	124,569
The National Nuclear Regulator (NNR)	18,029
Council for Geoscience (CGS)	107,755
Mine Health and Safety Council (MHSC)	4,674
Electricity Distribution Industry Holdings (EDIH) Pty Ltd	65,934
SA Diamond & Precious Metals Regulator	20,000
TOTAL	729,217

OTHER TRANSFERS TO SOE's REPORTING TO THE MINISTER OF MINERALS AND ENERGY

Name of the Institution	Reason for Transfer	Amount Transferred R'000
Council for Geosciences (CGS)	Small-Scale Mining Projects	22,889
Council for Geosciences (CGS)	Implementation of prevention of water inflow solution	14,867
Council for Geosciences (CGS)	Mine Environmental Research and Development	8,440
Council for Mineral Technology Research (Mintek)	Mine Environment Research and Development	3,715
TOTAL		49,911

TRANSFERS TO OTHER ORGANISATIONS:

Name of the Institution	Project	Amount transferred R'000
Eskom	Integrated National Electrification Programme	1,018,083
Various Municipalities	Integrated National Electrification Programme	462,492
Council for Scientific and Industrial Research (CSIR)	Mine Environmental Research and Development	3,800
Bethlehem Hydro (Pty) Ltd	Renewable Energy Subsidy Scheme	682
Southern Stream Energy Resources	Non-grid electrification	9,919
(Eskom) Roshcon (Pty) Ltd	Non-grid electrification	64,000
Grootvlei Proprietary Mines (Pty) Ltd	State assistance to mines – pumping of water from under ground holdings	12,000
East Rand Proprietary Mines (Pty) Ltd.	State assistance to mines – pumping of water from under ground holdings	12,139
Renewable Hydro Technologies	Renewable Energy Subsidy Scheme	525
METHCAP SPV1 (Pty) Ltd	Renewable Energy Subsidy Scheme	2,100
TOTAL		1,585,740

The Integrated National Electrification Programme is aimed at providing financial support in the form of transfer payments and conditional grants to achieve universal access to electricity. This programme consists of transfer payments to ESKOM, Municipalities and non-grid service providers for grid and non-grid electricity connections at schools, clinics and households

The assistance to mines sub programme provides assistance to marginal mines for the pumping of extraneous water from underground holdings and also provides research and strategic solutions to address the ingress of water into underground holdings, in the Witwatersrand area.

CONDITIONAL GRANTS

Overview of conditional grants

The table below provides a summary of the type of grants, total allocations, and the transfer trends for 2007/8:

Schedule 6A: National Electrification Programme

Province	Total allocation - R'000	Total transfers - R'000
Western Cape	38,441	38,441
Northern Cape	6,237	6,237
Eastern Cape	86,243	86,243
Mpumalanga	35,272	35,272
Limpopo	47,299	46,164
North West	34,070	33,870
Kwazulu Natal	80,638	80,638
Free State	46,621	42,621
Gauteng	93,006	93,006
Total	467,827	462,492

Schedule 7: National Electrification Programme

Province	Total allocation - R'000	Total transfers - R'000
Western Cape	25,710	25,710
Northern Cape	17,078	17,078
Eastern Cape	311,266	311,266
Mpumalanga	86,028	86,028
Limpopo	140,962	140,962
North West	87,105	87,105
Kwazulu Natal	294,529	294,529
Free State	13,478	13,478
Gauteng	41,923	41,923
Total	1,018,083	1,018,083

The activities of the Department of Minerals and Energy are organised into the following seven programmes:

Programme 1: Administration

Programme 2: Promotion of Mine Health and Safety

Programme 3: Mineral Regulation

Programme 4: Mineral Policy and Promotion

Programme 5: Hydrocarbons, Energy Planning and Clean Energy

Programme 6: Electricity and Nuclear

Programme 7: Associated Services

PROGRAMME 1: ADMINISTRATION

Purpose: To provide administration support to the Ministry and the Department of Minerals and Energy.

CORPORATE SERVICES BRANCH

The Branch provides strategic management and administrative support service to the Department and the Ministry.

Headed by the DDG: Corporate Services, the Corporate Services Branch consists of five Chief Directorates, namely: (i) Management Services (Human Resources Management, Human Resource Development; Legal Services and Security Risk Management); (ii) Communication (Communication and International Co-ordination); (iii) Special Projects and Programmes; (iv) Strategy, Risk and Monitoring and (v) the Ministry (administratively).

SERVICE DELIVERY – ACHIEVEMENTS – OBJECTIVES AND INDICATORS

Chief Directorate: Management Services

The Chief Directorate provides management support services to the department regarding human resource and efficiency management, human resource development and capacity building, legal support services and security risk management. During the year under review, the Chief Directorate has provided support services to line function components with a focus on restructuring and capacity building, thus aligning service delivery to new mandates and revised strategic priorities. A Service Delivery Improvement Plan was also developed as required in terms of the Public Service Regulations and in line with the Cabinet decision of revitalizing Batho Pele. The plan was submitted to DPSSA on target and was implemented with effect from 01 April 2007.

Human Resource and Efficiency Management

This Directorate focuses on the provision of an integrated human resource management support service, which entails recruitment and selection, facilitating competency based assessments, facilitating performance evaluation of employees through the Performance Management and Development System (PMDS), managing service conditions, employment relations management and implementing PILAR, Employee Assistance Programmes, etc. A considerable effort was expended to recruit and retain employees for amongst others, to implement the new legislative frameworks for mining and petroleum. As can be deduced from the previous year's annual report, there has been a comparatively slight reduction in the total staff turn-over rate of the whole Department, when compared to the other years. The staff turn-over rate of the whole Department as at the end of the financial year was 16% and for 2005/06 was 18%.

Employment Equity is one of the key focus areas for the Department as required in terms of the Employment Equity legislation. As at the end of the reporting period, employment equity in terms of race stood at 79% Black against 21% White and in terms of Gender: 32% females, at both Senior and Middle Management levels. The biggest challenge for the Department still remains the recruitment and retention of employees with scarce skills, who are continuously being offered better salaries and conditions of service by the private Sector companies, the intention being to comply with their employment equity targets. The recruitment of disabled persons has also remained a challenge for the Department during this reporting period.

Human Resource Development and Capacity Building

The main purpose of the directorate is to build human resource capacity through training and development interventions. The Department

Programme I

has intensified its planning around the use of accredited service providers and ensuring targeted training for technical, line function and administrative components. Achievements include but are not limited to:

- Departmental bursaries to internal staff members.
- Executive Development Programme for Senior Managers with Wits Business School.
- Anglo Gold Ashanti for bursaries for middle managers to participate in the Management Development Programme, as provided by the University of Cape Town.
- SASOL Oil Company sponsorship for officials to study for MBA degrees.

Legal Services

The Legal Services directorate provides a comprehensive legal support service to the department through the provision of legal opinions and advise, assist with legal drafting, litigations, and ensuring the implementation of the Promotion of Access to Information Act (PAIA) as well as the Promotion of Administrative Justice Act. The directorate also provides assistance in the determination of culpability of officials where official property has been lost or damaged by officials and render assistance to the Minister in respect of appeals lodged against the DME for decisions made in terms of Departmental legislation. The outcome of an assessment of the implementation of the PAIA process has compelled the department to review its implementation strategy, and to embark on conducting workshops in regional offices. The new strategy has improved the speedy finalisation of mining licenses and to stay within the legal time-frames as provided for in the appropriate legislation. By the end of the year under review, the Department had completed the revised structure of this directorate – to enable it to meet the demand for its services.

Security Risk Management

The Security Risk Management directorate is responsible for the implementation of the National Government Minimum Information and Security Standard (MISS), National Vetting Strategy, Protection of Information Act 84 of 1982 and other security related legislation. The directorate also coordinates the Minerals and Energy Security Management Forum (where all DME associated institution's security managers meet and discuss security strategies related to the Minerals and Energy portfolio) and also serves as a nodal point between the DME and state security agencies. By the end of the year under review the Department had completed the revised structure of this directorate so as to ensure that it is enabled to deal with the personnel security risk in response to the National Vetting Strategy.

Chief Directorate: Communication and International Co-ordination

Communication Directorate

The Communication Directorate is responsible for the provision and implementation of internal and external communication strategies for the Ministry and the department. This includes media liaison, stakeholder relations, event management, co-ordinating marketing advertising and media campaigns. The section is also responsible for organising outreach programmes, public education, publication services, library services and other initiatives that contribute to the enhancement of the department's reputation and image.



Delegates attending African Mining Partnership organised by DME

Programme I

Media liaison

Through its media liaison service, the Directorate uses print and electronic media to communicate the department's programmes as well as ensuring the constant flow of relevant information to the external stakeholders, both domestically and internationally. This is done through the drafting and issuing of media releases, media statements, and media advisories, and the co-ordination of press conferences.

The Directorate is tasked with the responsibility of providing efficient media monitoring and conducting media analysis on the newsworthy issues about the minerals and energy sector globally. It is the Communication Directorate's task to develop and implement innovative media plans for strategic intervention purposes.

Publications

The Directorate publishes and co-ordinates the production and distribution of a number of news bulletins and published material, such as the internal staff newsletter Ntome Tsebe, the Quarterly DNA News bulletin, and the Mine Health and safety news bulletin. It also co-ordinates the production of the departmental documents such as Annual Reports and Strategic plans. Communication facilitates the coordination of information from branches which will form part of the Government's year book published annually by GCIS.

Molato is an external stakeholder publication that the Directorate co-ordinates. Its aim is to create and maintain awareness of the Department's value-added capabilities, positively influence awareness of the Department's policies and objectives, stimulate progressive discussion and debate within the mining and energy sectors, and accord industry and labour a forum to engage with its stakeholders. This publication is targeted at Cabinet Ministers, members of parliament, decision-makers in the mining and energy sectors, potential foreign investors and black empowerment forums and other interested parties.

Internal liaison

The Directorate facilitates the dissemination of information to internal employees, at both head office and regional offices through the medium of notice-boards, news bulletins, conducting of educational information sessions, website (internet/ intranet) and internal library service.

International Co-ordination Directorate

International Coordination has experienced a tremendous increase in its workflow in the last years due to the increasing role that South Africa plays in International Affairs, mainly in the Developing World particularly African Countries. The Department continues to participate in a number of international meetings and forums for the development and promotion of the minerals and energy sector. There has been a steady increase or growth of DME participation in regional and continental initiatives.



The visit to South Africa by H.E. Mr Akira Amari, Minister of Economy, Trade and Industry (METI) of Japan.

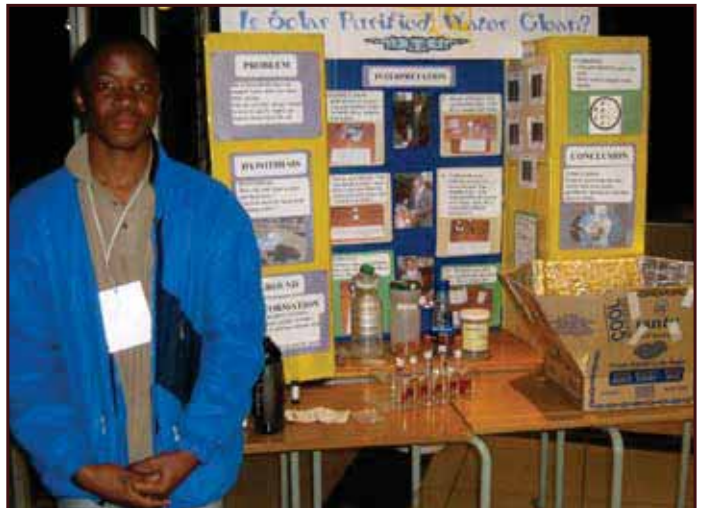
Programme I

There are also increasing responsibilities for the Department of Minerals and Energy (DME), emanating from the role South Africa plays in regional, international and multilateral institutions, such as Southern African Development Community (SADC), African Union (AU), European Union and NEPAD. The DME involvement in the trilateral body such as IBSA (India - Brazil - South Africa group) has increased, particularly due to the increase commitment of government to develop bio-diesel with Brazil being a leading producer and developer of bio-diesel in the world. The Department has hosted a number of foreign visitors in South Africa with a view to attracting foreign direct investments in the national minerals and energy sector. There have been a number of international visits by the Minister, the Director General, DME senior managers, officials and stakeholders to strategic with a view of creating opportunities and establishing business linkages and partnerships.

Chief Directorate: Special Project and Programmes

The Chief Directorate continues to prioritize the government strategic objective of addressing issues that affect vulnerable groups namely; women and the youth.

Since its establishment in 2001 the component facilitates outreach programmes and addresses issues on women and youth. During September 2007 the Component hosted a Children's Energy Summit parallel to the Energy Summit held at Sandton City to review the White Paper on Energy Policy. The Children's Energy Summit was undertaken in partnership with the office on the Rights of the Child at the Presidency. During these parallel processes, women and children had an opportunity to make an input into the Energy Policy Review process.



The Department hosted the Women in Mining Colloquium from 8-9 November 2007 to deliberate on issues and challenges facing the active participation of women in the mining sector. The colloquium provided the platform for dialogue as well as the exchange of experiences and information pertinent to women in mining. From 2006 up until March 2008 the DME ran a sustainable development project where women and the youth were targeted for training and skills development in beneficiation, mining and rehabilitation. The mining communities in Griekwastad, Prieska and Kuruman were given training on the dangers of asbestos, rehabilitation of asbestos mines and beneficiation of semi precious stones.



In line with the Department's objective of redressing past imbalances, the Component is committed to be champions in the economic liberation of our youth through education, training and skills development of our young people.

Learners Focus Week

To ensure active participation of the youth in the minerals and energy sectors the Department has entered into a Memorandum of Understanding with Umsobomvu Fund. This has enabled the Department to collaborate with government established institutions for youth development. With the involvement of Umsobomvu, Eskom and the Department, Eskom has absorbed over approximately 70 qualified electricity interns in some of its plants.

Programme I

The Minister has engaged with the CEO of Umsobomvu regarding strengthening of creation of opportunities for Youth in Energy and Mining (YEM) and to proactively assist the youth in energy and mining.

Also during the year under review the Department facilitated the Learners Focus Weeks (Career Guidance) for learners in Grades 10 – 12 from all the provinces and these were hosted in KZN, Mpumalanga, Northwest and Northern Cape. Finally in March 2008 this programme was hosted in Worcester in the Western Cape. These career guidance programmes are enthusiastically undertaken in partnership with the Provincial Departments of education and the DME's SOEs to encourage learners to study mathematics, science and technology subjects. This is with the view of exposing them to a wide variety of careers in the mining and energy fields.

Strategy, Risk & Monitoring Chief Directorate (The Compliance Office)

This office is responsible for facilitating and co-ordinating the Department's strategic planning, risk management, fraud prevention and annual reporting. In addition to being the Department's focal point on corporate governance it is also responsible for monitoring compliance by the Department and its State Owned Entities, as well as exercising oversight over such entities.

The Department and its Public Entities' 2006/7 Annual Reports and the Department's 2007/ 8 - 2009/10 Strategic Plan were tabled by the Minister in Parliament on time. Together with the public entities, this office has ensured compliance with the administrative, financial and legal requirements as stated in the relevant pieces of legislation (PFMA and its Treasury Regulations, the founding Act for each of the entities, and the Companies' Act (where applicable)).

Corporate Governance

With regard to corporate governance, public entities/state-owned entities reporting to the Minister of Minerals and Energy are governed by the Public Finance and Management Act, which is government's broader strategy to improve financial management in the public sector; the Protocol on Corporate Governance in the Public Sector (a government guideline on how state-owned entities need to implement corporate governance); as well as the King Report II on Corporate Governance for South Africa. Corporate governance is key to the Department as it creates an environment of good conduct, improved internal controls, risk management and better corporate culture. The boards of these entities have the responsibility to set strategic direction, oversee the entity and implementation of good governance. It is through transparency that the shareholder/Minister can hold the board to account.

The public entities' annual strategic plans, business plans, shareholder compacts (for scheduled 2s and 3a) and their budget proposal were reviewed and approved by the Minister. Delays in the approval of some of the documentation were due to ongoing discussions between the Department and the entities concerned to ensure alignment of the entities strategies to government priorities.

The Ministry

This Chief Directorate provides (Parliamentary and Ministerial support services) to the Office of the Minister of Minerals and Energy.

CHIEF DIRECTORATE: OFFICE OF THE CHIEF FINANCIAL OFFICER.

This Chief Directorate is headed by the Chief Financial officer, and in compliance with the PFMA, the CFO reports directly to the Director General.

This office consists of the following directorates; Supply Chain Management, Information Management, Financial Planning and Management Accounting, and Expenditure Management.

Supply Chain Management (SCM)

Supply Chain Management is primarily responsible for providing an acquisitions, logistics and asset management service to the DME. This directorate is further responsible for the provision of adequate facilities, including accommodation, transport and records management services to the Department.

In order to operate in accordance with the Supply Chain Management Framework and to improve efficiency, the SCM directorate was restructured during the 2006/07 financial period. The majority of vacancies created during the restructuring process were filled through the absorption of current staff while the remaining vacancies were advertised.

The re-engineering of policies and procedures within SCM is nearing completion stage while the implementation of the re-designed policies is expected to take place in the 2008/09 financial period.

With regard to the promotion of BEE and other targeted groups in terms of procurement spend, the Department has managed to channel approximately 69% of its spend towards the target BEE groups.

Information Management

During the year under consideration, the Information Technology Directorate upgraded the Head Office server environment to Storage Area Network architecture to provide for additional capacity both on storage and processing capability. The Voice over Internet Protocol telephone system was also upgraded with new switching technology to ensure a higher availability of telephone connectivity within the DME.

The server environment was also upgraded with an integrated backup solution all protected from power fluctuations by an Un-interrupted Power Supply System.

The Regional printing, faxing and scanning capacity was improved with the completion of the rollout of additional machines.

A project was launched to address the network carrying capacity and Internet response times with a view to providing a better service for all DME users. This network project also addressed architecture and security objectives within ICT. This project is due for fruition in 2008.

Network management tools were also acquired to assist with overall configuration, management and monitoring of the network.

Financial Planning and Management Accounting

The component closed off the financial systems and records of the Department for 2007/8 financial year on 18 April 2008, which was well within the prescribed deadline.

Programme I

The internal control and reporting unit within the component has played its role in ensuring implementation of minimum financial controls and enforced compliance with regulations and legislation in terms of reporting requirements within the financial environment. However, the ultimate goal is to roll out the internal control function to the rest of Chief Financial Office.

The Department had through the adjusted estimates (AENE), transferred a function relating to the mass communication campaign on second economy interventions, to the Government Communication and Information System (GCIS), a sum of R250 000.

The hand over process of the Rehabilitation Trust Administration from Sanlam to the Department which commenced during 2006/7 was finalised during the year under review. The department has procured a financial system for the administration of the Trust funds which will ultimately enable us to produce financial statements and provide effective reporting on the trust matters.

Expenditure Management

During the year under review the Department was defrauded of R15 081 824.69 through transactions made on the Basic Accounting System (BAS), which is the transversal system used by the state. External people with user rights that superseded the legitimate settings of the Departmental System Controller gained access on the transversal system, modified profiles, captured and approved fraudulent transactions between the 19th of December 2007 and the 04th of January 2008. The matter was reported to the South African Police Services on 10 January 2008. Due to the seriousness of this matter, the services of forensic auditors were sought. The outcome of the forensic audit resulted in an amount of R5 531 609.49 being identified as potential loss to the Department. R1 900 652.32 has since being recovered from various financial institutions. R7 649 562.88 identified as recoverable is in the process of being refunded by affected financial institutions.

The Component has since reviewed its internal control measures within the payment process which will enable early detection of external transactions made. Enhancement of security around BAS transversal system in order to minimise access and vulnerability will also be made possible on the implementation of new standard chart of accounts (SCOA) from April 2008 wherein all BAS users will be reviewed and their profile scrutinised before they are loaded on to the new version.

In order to improve compliance with the Public Finance Management Act (PFMA), Treasury Regulations and other related legislation, the payment process was improved by the centralisation of invoice delivery point in order for the Department to meet its contractual obligations. The expenditure was correctly allocated and changes on the structure were effected in time. Internal controls were further improved by segregation of duties and the reconciliations were done in all relevant sections. Transfers to state owned entities were effected after receiving certificates of assurance that management and internal control systems are implemented effectively, efficiently and in a transparent manner. Irregular and fruitless and wasteful expenditure incurred during the year were identified, recoveries made and other relevant remedial measures taken, as indicated under the Financial Statements of this report.

CHIEF DIRECTORATE: AUDIT SERVICES

The Chief Directorate: Audits Services has been established to render assurance and consulting services to the Department. The Chief Directorate operates in accordance with the Internal Audit Charter as approved by the Audit Committee. The Chief Directorate's main purpose is to provide an independent, objective assurance and consulting services designed to add value to and improve the Department's operations. The Chief Directorate assists the Department to accomplish its strategic objectives by bringing a systematic, disciplined approach in the evaluation and improvement of risk management, control and governance processes.

The Chief Directorate is guided by a risk based internal audit plan which is a collaborated effort between Audit Services and the Strategy, Risk and Monitoring functions that considers significant Departmental risks, changes in operations, management's concerns, follow up on implementation of issues raised by the Office of the Auditor General and covers the majority of the Department's operations. The Chief

Programme I

Directorate continued to offer value adding recommendations and opinions in the assignments that were conducted during the 2007/2008 financial year. It also continued to offer assurance and consulting services to the department on controls, financial, information technology, performance, compliance and governance matters.

The Chief Directorate reports functionally to the Audit Committee and administratively to the Accounting Officer and in striving to improve the quality of its functions, has conducted a Quality Assurance Review for compliance with the relevant standards.

Coordination efforts are still being pursued between the Chief Directorate, the Office of the Auditor General and other assurance providers rendering operational inspections and verifications functions within the Department.

Programme I

PROGRAMME 1: CORPORATE SERVICES

PURPOSE: "To provide a comprehensive corporate support service to the Department and the Ministry"

STRATEGIC OBJECTIVE	OUTCOMES/ IMPACT	KEY ACTIVITIES	MEASURES	TARGETS	ACTUAL PERFORMANCE AS AT
				2007/8	31 MARCH 2008
Actively contribute to sustainable development	Full compliance with DME mandate	Ensure alignment of SOEs' strategic plans to those of the DME	Realigned Strategic Plans of SOEs to the DME's Strategic Plan	By 30 June 2007	All the schedule 3A strategic plans and budgets were submitted to the Minister and recommended for approval. All the schedule 2&3B Corporate plans and Shareholder compacts were submitted to the Minister on time for approval, except for the State Diamond Trader, which was granted extension to 11 April 2008.
		Finalise and implement the SOE Monitoring Strategy	Approved SOE Monitoring Strategy	31 May 2007	Revised implementation date October 2008.
			Reports reviewed and approved	Quarterly	October performance reviewed. Last quarter outstanding.
	Improved image of DME	Implement a Communications Strategy	Updated and approved communication plan	From 01 April 2007	Achieved
	Improved investment in the minerals and energy sectors	Develop and Implement International Relations Strategy and Plan	Approved International Relations Plan	By April 2007	Not achieved. Still under review for finalisation 2008/9.
			Implemented International Relations Strategy and Plan	By April 2007	Not achieved. Still under review for finalisation 2008/9.
Actively contribute to sustainable development	Improved employees' skills and competency levels	Review and update HRD strategy and plan	Approved HRD strategy and plan	1 April 2007	Completed

Programme I

STRATEGIC OBJECTIVE	OUTCOMES/ IMPACT	KEY ACTIVITIES	MEASURES	TARGETS	ACTUAL PERFORMANCE AS AT
				2007/8	31 MARCH 2008
			Implemented HRD plan	1 April 2007	<p>1. HRD ANNUAL REPORT 2007-2008</p> <p>735 DME Officials at various occupational class levels have been trained on various Training and Development Programmes. The Programmes include: Executive Development Programme, Orientation Programme, Financial Management Programme (PFMA), Project Management, Contract Management, Mining and Mineral related courses, Environmental and Energy related programmes, Human Resource and Administration related programmes and other Technical training related courses.</p>
					<p>2. Learnership Programme</p> <p>The Learnership Programme has been implemented. Eight Learnerships have been identified. Those Learnerships are: Information Technology, Technical Support (NQF 4), Internal Audit (NQF 7), Public Administration (NQF 4), Community Development (NQF 4), Project Management (NQF 5), Public Sector Accounting (NQF 5), National Certificate in Electrical Engineering (Distribution) (NQF 4) and National Certificate in Electrical Engineering (Electrical Construction) (NQF 4).</p>

Programme I

STRATEGIC OBJECTIVE	OUTCOMES/ IMPACT	KEY ACTIVITIES	MEASURES	TARGETS	ACTUAL PERFORMANCE AS AT
				2007/8	31 MARCH 2008
					<p>Due to Financial Constraints, the Department has prioritised to commence with the implementation of only three Learnerships this year. These Learnerships are:</p> <ul style="list-style-type: none"> • Internal Audit - 4 Learners • Project Management - 20 Learners • Public Administration- 20 Learners <p>Learners on the Internal audit have been placed in the programme with effect from the 1st April 2008.</p> <p>Internship Programme</p> <ul style="list-style-type: none"> • 253 Interns have been appointed for the 2007/2008 financial year. Part of this total number is 75 INEP Training Programme interns who are placed within municipalities. 28 Interns are placed with Gold Fields, and 2 Interns are placed with MINTEK.

Programme I

STRATEGIC OBJECTIVE	OUTCOMES/ IMPACT	KEY ACTIVITIES	MEASURES	TARGETS	ACTUAL PERFORMANCE AS AT
				2007/8	31 MARCH 2008
					<p>Bursaries</p> <ul style="list-style-type: none"> 125 bursaries have been granted to both Internal and external recipients. For 2007/2008 financial year 117 bursaries have been granted to the DME employees. Furthermore, 8 South African citizens have been granted DME bursaries to further studies in Nuclear and Radiation Science. <p>Malaysian Scholarship Programme</p> <ul style="list-style-type: none"> Currently, thirty seven (37) students are participating in the programme. They are furthering their studies in Electrical Engineering, Information Systems and Information Technology. Eleven students will be graduating in August 2008. The total number of students who have graduated since the programme commenced in 1999, is 48. <p>Sasol Project</p> <p>5 South Africans (2 from DME) have been granted donor funded bursaries to further their studies in BSc Chemical Engineering.</p> <p>Financial Expenditure:</p> <p>A total amount of R 4, 996, 592 has been spent on training Programmes for 2007/2008 financial year.</p> <p>A total amount of R14, 381,626. paid interns stipend.</p> <p>A total amount of R1, 667,542 paid Bursary Schemes.</p> <p>Total Expenditure R16, 049,168</p>

Programme I

STRATEGIC OBJECTIVE	OUTCOMES/ IMPACT	KEY ACTIVITIES	MEASURES	TARGETS	ACTUAL PERFORMANCE AS AT
				2007/8	31 MARCH 2008
Actively contribute to sustainable development and redress past imbalances and bridging the gap between the first and second economies	Improved participation of targeted groups	Develop and implement a DME strategy and policy for targeted groups	Approved Strategy	31 September 2007	Development of a Strategy for the Youth is in progress. Special Projects Directorate facilitated a workshop on Youth Development with stakeholders on 13 March 2008. An outline for the strategy document was developed. Revised target date is end of May 2008. The Gender Policy not completed.
			Implemented Strategy	-	Once strategy is approved
			Evaluated Strategy	-	Six months after strategy is implemented
Redress past imbalances and bridging the gap between the first and second economies	Transformed workforce reflecting national demographics	Implementation of the Employment Equity Plan	Annual Targets met	Submit figure to DoL by 31 October 2007	<ul style="list-style-type: none"> • Targets are met, with exception of women in management, and disability. • DoL submission date met.
Implement minerals and energy economic policies and legislation	Effective Knowledge Management within DME	Develop and implement a Knowledge Management Strategy	Approved Knowledge Management Strategy	March 2008	Strategy moved to the 2008/9 financial year due to lack of capacity.
			Implemented Strategy	-	

Programme I

STRATEGIC OBJECTIVE	OUTCOMES/ IMPACT	KEY ACTIVITIES	MEASURES	TARGETS	ACTUAL PERFORMANCE AS AT
				2007/8	31 MARCH 2008
Review and develop appropriate structures, processes, policies, systems and skills as well as the maintenance thereof	Enhanced service delivery	Review and develop appropriate organisational structures that support the Strategy	Approved Implementation Plan	30 April 2007	Plan approved April 2007
			Implementation Plan executed	Identified Branches by April 2008	Finalised
	DME capacitated to deliver on its mandate	Implement identified DME projects of the Vulindlela Capacity Assessment Outcomes	Approved Implementation Plan	March 2007	Approved
			Monthly Progress Reports (G&A and EXCO)	Monthly	Completed
	Adequate supply of skills to meet the needs of the electricity and nuclear sector	Formulate a National Nuclear Skills Development Strategy for the expanded Nuclear Programme	Approved draft strategy for consultation	31 July 2007	<p>The national strategy was not finalised as consultations with stakeholders have still not been completed. In the interim, the Department established an annual bursary scheme to allocate 10 bursaries to South African youths to study postgraduate studies in nuclear and radiation science.</p> <ul style="list-style-type: none"> • 2 bursaries have been allocated for 2008/9. • 8 will be allocated in the 2009 financial year.

Programme I

1.1. SUB-PROGRAMME: CFO OFFICE

PURPOSE: "To provide a comprehensive financial, supply chain and information management service to the Department and the Ministry"

STRATEGIC OBJECTIVE	OUTCOMES/ IMPACT	KEY ACTIVITIES	MEASURES	TARGETS	ACTUAL PERFORMANCE AS AT
				2007/8	31 MARCH 2008
Actively contribute to sustainable development		Effective and efficient Financial and Supply Chain Management System	- Business Plans aligned to budgets	80%	Not achieved as MTEF process was finalised prior to the Departmental planning process. The budget bids submitted to National Treasury were therefore not informed by Departmental plans. Not much was achieved in respect of budget reprioritisation processes.
			- Expenditure aligned to spending plans		Subsequently, the actual spending was not aligned to plans, but the anomalies on spending were addressed through the virement process.
			Reduction in the level of under/ over spending	Less than 4% under expenditure	Achieved, 1% under spending was recorded at 31 March 2008.
			A clean audit report Compliance with PFMA and PPPFA	Maximum of two areas of emphasis	To be reported on completion of audit
			Increased participation by target groups in procurement	70% maintained	Not Achieved. The high level of IT infrastructure procurement, which was sourced through transversal contract, where some of the companies were non-BEE. The delays in the approval and implementation of the PPP have resulted in the distorted figures.
		Effective and efficient Financial and Supply Chain management system	Safer working environment	June 2007	Partially achieved
			- Approved accommodation plan		
			Implementation plan	July - Ongoing	Different approach taken for a new accommodation

Programme I

STRATEGIC OBJECTIVE	OUTCOMES/ IMPACT	KEY ACTIVITIES	MEASURES	TARGETS	ACTUAL PERFORMANCE AS AT
				2007/8	31 MARCH 2008
Actively contribute to sustainable development		Provide effective and efficient IT Systems, infrastructure capabilities and performance.	Master System Plan (MSP) developed and implemented	Development – June 2007	Achieved MSP developed. Head Office ICT architecture plan implemented. In progress for 2008-9.
			Annual review of MSP	Implementation – Phased Approach from July 2007	Implementation 60% achieved Head Office ICT infrastructure (servers, configurations, desktops, printers) completed. Second phase comprising networks and Regional ICT infrastructure was initiated. MSP update due in July 2008.
Redress past imbalances and bridging the gap between the first and second economies	Past economic imbalances redressed	Develop a BBBEE and SMME internal policy	Approved policy	May 2007	Partially Achieved. Policy in draft. Can only be finalised once amendments to the PPPFA are made to align it to the BBBEE Act. NT has started the process of repealing the PPPFA and making provisions for BBBEE in the amended PFMA.

2007/8 SERVICE DELIVERY IMPROVEMENT PLANS (SDIP) CFO OFFICE

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD	ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
Pay Creditors invoices within 30 days on receipt of invoice	External and internal stakeholders	Quantity:	Quantity:	Valid invoices received from suppliers were processed or sent back for further attention within 30 days of receipt
		40 days	Within 30 days	
		Quality:	Quality:	
		• Consultation	• Consultation	Questionnaire Survey
		• Access	• Access	e-mail; telephone
		• Courtesy	• Courtesy	Complaints desk
		• Open and Transparent	• Open and Transparent	Explain delays; Annual Report
		• Information	• Information	Template for submissions
		• Redress	• Redress	Via complaints desk
		• Value for Money	• Value for Money	Better @ same cost
		Time:	Time:	End March 2008
		Cost:	Cost:	Within budget
Human Resources:	Human Resources:			

Programme I

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD		ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
Pay BEE suppliers within 14 days on receipt of invoice	External and internal stakeholders	Quantity:	30 days	Quantity:	Within 14 days	Valid invoices received from BEE suppliers were processed or sent back for further attention within 14 days of receipt.
		Quality:		Quality:		
		• Consultation	Reactive: telephone e-mail	• Consultation	Survey	
		• Access	e-mail; telephone	• Access	e-mail; telephone	
		• Courtesy	Ad hoc	• Courtesy	Complaints desk	
		• Open and Transparent	Explain delays	• Open and Transparent	Explain delays; Annual Report	
		• Information	Ad hoc	• Information	Template for Submissions	
		• Redress	Ad hoc	• Redress	Via complaints desk	
		• Value for Money	Within budget	• Value for Money	Better @ same cost	
		Time:	End March 2007	Time:	End March 2008	
Cost:	Within budget	Cost:	Within budget			
Human Resources:	Human Resources:	Human Resources:	Human Resources:			

Programme I

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD		ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
Effective follow-up of unauthorised, irregular, fruitless and wasteful expenditure and recover within the year of occurrence	External and internal stakeholders	Quantity:	> 1 year	Quantity:	Within 1 year	The Register of Irregular Expenditure was maintained consistently, and cases recorded will be treated in line with requirements of the practice note issued by National Treasury. Cases of Fruitless and Wasteful Expenditure were identified, recorded and journalised for recovery.
		Quality:		Quality:		
		• Consultation	Reactive: phone; e-mail	• Consultation	Survey	
		• Access	e-mail; telephone	• Access	e-mail; telephone	
		• Courtesy	Ad hoc	• Courtesy	Complaints desk	
		• Open and Transparent	Explain delays	• Open and Transparent	Explain delays; Annual Report	
		• Information	Ad hoc	• Information	Template for Submissions	
		• Redress	Ad hoc	• Redress	Via complaints desk	
		• Value for Money	Within budget	• Value for Money	Better @ same cost	
		Time:	End March 2007	Time:	End March 2008	
Cost:	Within budget	Cost:	Within budget			
Human Resources:	Human Resources:	Human Resources:	Human Resources:			

Programme I

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD		ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
Update IT Architecture Plan	Other units or components within the DME	Quantity:	IT PLAN with rollout in 9 regions	Quantity:	Monitor implementation as per strategy	Phase 1 – Head Office achieved. Phase 2 – Network and Regional ICT upgrade in progress. Phase 2 not completed due to size of project, lack of resources and budgetary constraints.
		Quality:		Quality:		Stable Head Office processing environment achieved.
		• Consultation	Workshops, Memos	• Consultation	As is, additional Customer Satisfaction Survey	Partially achieved. Benefits to regions will be measured after network and regional ICT upgrade is complete.
		• Access	Intranet; E-mails	• Access	Intranet; E-mails	Achieved.
		• Courtesy	Complaints made at meetings	• Courtesy	Address complaints through structured help desk	Achieved.
		• Open and Transparent	Ad hoc	• Open and Transparent	EXCO and MANCO feedback	Achieved
		• Information	Ad hoc	• Information	Full information	Information and communication to be addressed in 2008-9.
		• Redress	Ad hoc	• Redress	Via help desk and Ad Hoc	Achieved.
		• Value for Money	Within budget	• Value for Money	Within budget	Over-budget due to vast technology upgrade necessary.
		Time:	Circulate docs 3 days before meetings	Time:	Circulate docs 6 days before meetings	
		Cost:	Within budget	Cost:	Within budget	Over-budget due to vast technology upgrade necessary.
		Human Resources:		Human Resources:		14

Programme I

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD		ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
Development of SDM policies, processes and procedures	Directorates within DME	Quantity:	50% complete	Quantity:	100% complete	Achieved
		Quality:	Reduce errors by 20%	Quality:	Reduce errors by 40%	
		• Consultation	Meetings; one-on-ones	• Consultation	Workshops, Meetings; one-on-ones	Achieved
		• Access	Meetings; telephone	• Access	Meetings; telephone	
		• Courtesy	Complaints Desk	• Courtesy	Analyse complaints	
		• Open and Transparent	MANCO report	• Open and Transparent	MANCO report	
		• Information	Reports; Meetings; Briefing Sessions	• Information	Reports; Meetings; Briefing Sessions	Achieved
		• Redress	Ad-hoc	• Redress	Analyse complaints	
		• Value for Money	Within budget	• Value for Money	Faster delivery with fewer staff	Partially achieved
		Time:	End March 2007	Time:	End March 2008	
Cost:	Within Budget	Cost:	Within Budget			
Human Resources:	13	Human Resources:	17			

Programme I

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD		ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
The management and development of new systems	Directorates within DME	Quantity:	2 systems developed	Quantity:	Complete all users' requests and maintain systems	Electrification 80%, PPALS 80% PMDS 100%
		Quality:		Quality:		Electrification is not 100% completed because of lapsed BAC submission period by electrification.
		• Consultation	Meetings, websites and SITA Forums	• Consultation	Meetings, websites and SITA Forums	Not achieved because resources resigned and not replaced
		• Access	Visits, faxes, post and e-mail	• Access	Visits, faxes, post and e-mail	Achieved
		• Courtesy	Ad hoc complaints	• Courtesy	Complaints and Help Desk	Achieved
		• Open and Transparent	MANCO report	• Open and Transparent	MANCO report	Achieved
		• Information	Intranet; information sessions and workshops	• Information	Intranet; information sessions and workshops	Achieved. All submitted information for update had been done accordingly.
		• Redress		• Redress		
		• Value for Money		• Value for Money		
		Time:		Time:		
Cost:		Cost:				
Human Resources:		Human Resources:				

Programme I

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD	ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
The management and development of new systems	Directorates within DME	• Redress	• Redress	
		• Value for Money	• Value for Money	
		Time:	Time:	
		Cost:	Cost:	
		Human Resources:	Human Resources:	

Programme 2

PROGRAMME 2: PROMOTION OF MINE HEALTH AND SAFETY

PURPOSE: Execute the Departments statutory mandate to safeguard the health and safety of the mine employees and people affected by mining activities

MEASURABLE OBJECTIVE: Reduce mining-related deaths, injuries and ill health, through the formulation of national policy and legislation, the provision of advice, and application of systems that monitor, audit and enforce compliance in the mining sector.

SERVICE DELIVERY

The establishment of the Mine Health and Safety Inspectorate provides for 338 positions. As at the end of the year under review, the vacancy rate was at 27% (92 vacancies). Since 1 April 2007, the MHSI lost 42 staff members due to resignations, transfers and retirements. The job reservation legacy of the past resulted in a serious challenge to meet employment equity targets. Women accounted for 35.9% of the total staff complement (an improvement of 31% from 2006/7). Of these, the majority is in junior positions, but progress has been made in that women have been appointed in senior positions in the MHSI.

Human Resource Development

The restructuring of the Mine Health and Safety Inspectorate (Head Office) was implemented on 28 May 2007, after being approved by the Director General. During the reporting period, the Mine Health and Safety Inspectorate (MHSI) continued to develop the skills and knowledge of its staff members in order to meet the new challenges that were necessitated by the restructuring process. 56 Staff members within the MHSI were trained comprising 39 managerial and administrative courses and 17 technical courses.



Minister addressing media after Mponeng Mine accident

The MHSI has also embarked on the process of addressing the skills shortages and past imbalances within the mining sector with the following interventions.

- Twenty-three Learner Inspectors (10 female and 13 male) have been appointed, and they commenced with their two-year training internship programme on 1 August 2007. They are placed at the Gold Fields Academy, which has entered into a Service Level Agreement with the Department.
- The Director General has also approved the request to fund eight more bursaries to study towards engineering, surveying, mining and occupational hygiene. Hence the Mine Health and Safety Inspectorate's total number of bursary holders will increase from the current eight (5 female and 3 male) to sixteen, once new bursary holders have been selected. (The Bursary Scheme was implemented during the previous reporting period).

Programme 2

The demographics of the MHSI as at 31 March 2008 was as follows:

Gender	African	White	Asian	Coloured	Total
Male	92	60	2	3	157
Female	64	21	0	3	88

Disaster-type accidents

There is a 28% year-on-year reduction on rock-related fatalities in the gold sector. However, the platinum sector experienced an increase of about 36% regarding fall of ground fatalities. It has also been noted with concern that the number of contractor employees fatalities in the platinum sector increased from 26 % in 2006 to 36% during the reporting period.

The President, Mr. Thabo Mbeki, ordered the Department of Minerals and Energy to conduct health and safety audits at all mines in South Africa. The results of which will be released in the 2008/9 financial year.

There has been a decrease in rock related fatal accidents subsequent to the implementation of preconditioning and in-stope roof bolting. However, there is an alarming increase in fatal accidents, other than rock related fatalities, in the gold sector.

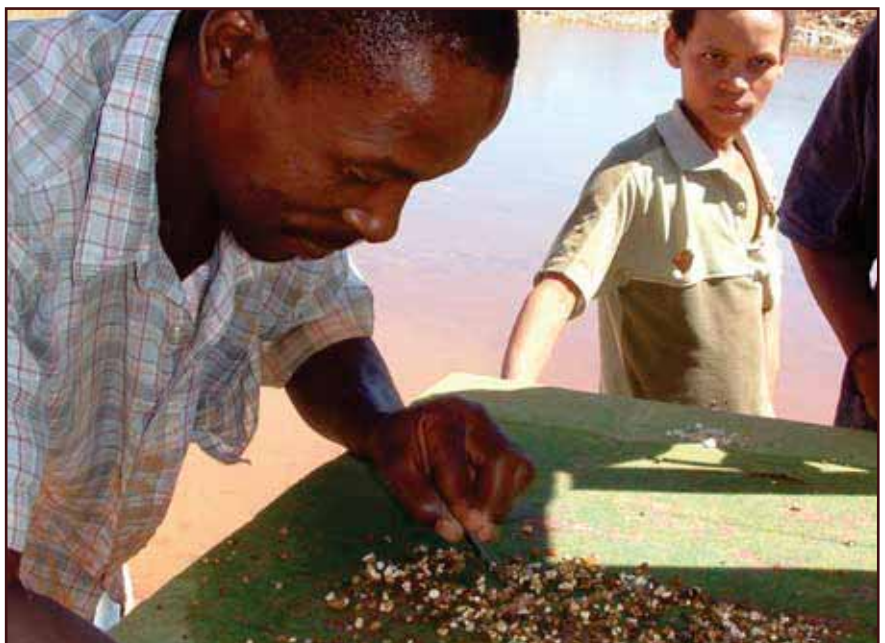
Illegal and criminal miners remain one of the biggest threats to the health and safety of employees at mines. Illegal miners access current operations through various means. South African Police Services (SAPS) intervention is playing an important role in providing safety and security of the workers. Twenty-three illegal miners were found dead in the Harmony St. Helena operation in the Free State and during the past two years as many as twenty illegal miners died underground in the Barberton area in Mpumalanga.

Small-scale Mining

Since the promulgation of the Minerals and Petroleum Resources Development Act, 2004 (Act No. 28 of 2004), the issuing of mining permits to SMMEs has increased dramatically, and has stretched the regulatory capacity of the Inspectorate. In light of this development, the MHSI has had to match this increasing activity by conducting more inspections on these types of operations, and to continue to offer training and assistance to small-scale miners. Most of these operations are concentrated in the diamond sector, and are thus located in the Northern Cape and Northwest Regions.

HIV/Aids and Occupational Health

TB and the effects of HIV and AIDS and noise-induced hearing loss are the main occupational health challenges faced by the mining industry. The large mines have mainly been implementing



Small-scale Mining diamond sorting

Programme 2

awareness and wellness programmes to improve on the current status. Most of the mines are administering anti-retroviral medication to boost the health status of infected workers. The effort made and level of success achieved by these mines is commendable, and all the mines are encouraged to develop and implement similar programmes.

The partnership of the Department of Minerals and Energy, Labour and Employers is committed to combating the HIV and AIDS epidemic in the Mining Industry. It is for this reason, that the Mining Industry Tripartite HIV and AIDS Committee have observed the 2007 World AIDS Day, and therefore held an event on 1 December 2007. The purpose of the event was to encourage individuals/mineworkers to become aware of their health status, including HIV status, reduce the further spread of HI Virus in the Mining Industry and the associated communities, reduce and manage the impact of HIV and AIDS on all stakeholders, reduce and manage the economic impact of HIV and AIDS in the Mining Industry and improve supportive systems to those living with the virus and those affected.



Small-scale Mining diamond mining

During the year under review, a substantial number of employees opted for voluntary HIV testing and the programmes for providing ARV's to the affected employees are gaining momentum.

Although there is still a challenge in achieving the health milestones, various initiatives and strategies have been implemented in a number of mines in most of the regions. The initiatives are aimed at ensuring compliance to limits of both noise and silica hazards encountered at mines.

Regional working groups have been formed and maintained by the Inspectorate, to support and monitor progress made by the mines on the health milestones.

Programme 2

Service Delivery Achievements

The MHSI strategic plan and achievements during the reporting period are outlined in the table below. This is an account of progress achieved by the end of the reporting period against the annual targets set for achieving the DME's strategic objectives.

MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM – TERM OUTPUT TARGET

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
Actively contribute to sustainable development	Reducing the impact of mining and energy activities on the environment and public health	Conduct volumetric surveys on rehabilitation sites of abandoned mines and mines destined for closure	% of requests dealt with in specified timeframe (4 weeks)	80% surveys	100 %
		Investigate and address Health and Safety related complaints	% of cases investigated and resolved within a specified timeframe (4 weeks)	100%	86 %
		Processing of (and conduct inspections where necessary) mining/prospecting rights/permits applications	% of requests handled within allotted timeframes (4 weeks)	100%	91 %
		Evaluation of Environmental Management Programmes	% of requests handled within allotted timeframes (4 weeks)	100%	89 %
		Evaluation of land use applications (township developments)	% of requests handled within allotted timeframes (4 weeks).	100%	95 %

Programme 2

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
Govern the minerals and energy sectors to be healthier, cleaner and safer	Sustain and improve health and safety standards in the mining industry	Occupational Health and Safety (OHS) policy formulation and development	Number of OHS policy papers developed and fed into the tripartite process.	100%	18 %
		Monitor compliance with the Mine Health and Safety Act, 1996 (MHSA) and regulations – routine inspections	% of planned inspections conducted	100% as planned	67 %
			% planned audits conducted	100% as planned	68 %
		Conduct accident investigations	% of investigations completed in 4 weeks	100%	80 %
		Conduct accident enquiries	% of enquiries completed in 12 weeks	100%	59 %
		Conduct examinations for Certificates of Competency	% of planned examination boards conducted	100%	109 %
		Promote the implementation of research results	Number of best practice documents developed and distributed	100%	19 %
		Participation in international forums and standard setting	Number of forums attended	20	<ul style="list-style-type: none"> • Symposium on Rock Mechanics, Australia • Workshop on Emergency Preparedness and Mine Rescue Services, China
		Collection and dissemination of OHS information	Availability of accurate safety information	Monthly/ Annually	<ul style="list-style-type: none"> • System shortfalls are being experienced
		Promote health and safety	Number of promotions held (workshops, seminars, expos and OHS summits)	108 newsletters and Bi-annual regional expos	92 % of exhibitions and events 95 % of regional newsletters 113 % participation

Programme 2

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
		Liaison with key State organs	Regular meetings with Judiciary, Department of Labour, Department of Health, and State pathologists.	One meeting quarterly.	<p>Meetings attended:</p> <p>Mpumalanga.</p> <ul style="list-style-type: none"> • Association of Mine Managers • South African Colliery Managers Association • South African Colliery Engineers Association • Mining Summit <p>Eastern Cape.</p> <ul style="list-style-type: none"> • Director: Public Prosecutions. • Department of Labour (Memorandum of Understanding between Department of Labour and the Department of Minerals and Energy) <p>Gauteng:</p> <ul style="list-style-type: none"> • Government Task Team (GTT) on Mine Closure and Water Management. • Regional Mining Development and Environment Committee (RMDEC)

Programme 2

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
					<p>Free State:</p> <ul style="list-style-type: none"> • SAPS Explosives Unit • Regional Prosecutors at the South African National Defence Force <p>Policy Unit:</p> <ul style="list-style-type: none"> • Department of Labour. • Department of Health. • South African Bureau of Standards (SABS). • Council for Scientific and Industrial Research (CSIR). • National Institute of Occupational Health (NIOH). • South African Society for Occupational Medicine (SASOM). <p>Specialist Unit:</p> <ul style="list-style-type: none"> • Department of Labour • Advisory Council for Occupational Health and Safety (ACOSH)

Programme 2

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance	
				2007 / 2008	as at 31 March 2008	
Review and develop appropriate structures, processes, policies, systems and skills as well as the maintenance thereof	Aligned structures and appropriate skills, processes and systems to enable the effective and efficient implementation and execution of policy and legislation that is aimed at achieving the key objectives of the Department	Implement the Human Resources Development framework for the Mine Health and Safety Inspectorate	Number studying towards addressing scarce skills	In line with budget received	8 Students – bursary holders	
			Number of Interns			17 Interns
			Number of Learnerships			23 Learnerships at Goldfields
			Improved skill profile			100%
		Implement alternative short-term measures to address vacancies and skill gaps	Employ contractors	20% of staff complement	16%	
		Develop operational policies, procedures and guidelines	Key operational policies and procedures developed and implemented	50%	40 %	
		Facilitate the integration of all mining OHS systems and improve knowledge management	% of operational systems in place from identified needs	50% completed	<ul style="list-style-type: none"> Appointed Gijima as the consultant; and is currently behind schedule because of challenges experienced within SDM. 	

Programme 2

TABLE 1: Fatality rates per million hours worked per region

	2006		2007*		Rates
	Fatalities	Fatality rates	Fatalities	Fatality rates	% change
All mines	200	0.20	220	0.21	5.00
Western Cape	0	0.00	4	0.22	100.00
Northern Cape	6	0.11	10	0.14	27.27
Free State	27	0.28	20	0.21	-25.00
Eastern Cape	2	0.39	1	0.20	-48.72
Kwazulu Natal	2	0.09	6	0.27	200.00
Mpumalanga	22	0.15	23	0.15	0.00
Limpopo	9	0.12	9	0.11	-8.33
Gauteng	77	0.39	80	0.37	-5.13
North West	55	0.14	68	0.17	17.68

• provisional figures

(-) a negative figure denotes a decrease in frequency rate

TABLE 2: Injury rates per million hours worked per region

	2006		2007*		Rates
	Injuries	Injury rates	Injuries	Injury rates	% change
All mines	4169	4.14	3867	3.62	-12.56
Western Cape	9	0.51	17	0.95	86.27
Northern Cape	56	0.98	68	0.98	0.00
Free State	697	7.15	697	7.43	3.92
Eastern Cape	13	2.56	3	0.61	-76.17
Kwazulu Natal	23	1.09	18	0.81	-25.69
Mpumalanga	360	2.47	316	2.07	-16.19
Limpopo	222	3.01	150	1.77	-41.20
Gauteng	1018	5.14	912	4.27	-16.93
North West	1771	4.54	1686	4.11	-9.47

• provisional figures

(-) a negative figure denotes a decrease in frequency rate

Programme 2

TABLE 3: Fatality rates per million hours per commodity

	2006		2007*		Rates
	Fatalities	Fatality rate	Fatalities	Fatality rate	% change
All mines	200	0.20	220	0.21	5.00
Gold	114	0.35	115	0.34	-2.86
Platinum	40	0.11	53	0.14	27.27
Coal	20	0.16	15	0.12	-25.00
Diamonds	3	0.07	12	0.28	300.00
Copper	2	0.23	1	0.12	-47.83
Chrome	2	0.12	4	0.19	58.33
Iron ore	2	0.11	4	0.13	18.18
Manganese	0	0.00	0	0.00	0.00
Other	17	0.17	16	0.15	-11.76

• provisional figures

(-) a negative figure denotes a decrease in frequency rate

TABLE 4: Injury rates per million hours per commodity

	2006		2007*		Rates
	Injuries	Injury rates	Injuries	Injury rates	% change
All mines	4169	4.14	3867	3.62	-12.56
Gold	2316	7.04	2239	6.67	-5.26
Platinum	1344	3.74	1180	3.05	-18.45
Coal	253	2.08	183	1.44	-30.77
Diamonds	45	1.04	54	1.24	19.23
Copper	19	2.22	19	2.21	-0.45
Chrome	52	3.13	53	2.48	-20.77
Iron ore	25	1.40	17	0.55	-60.71
Manganese	8	1.12	5	0.72	-35.71
Other	107	1.04	117	1.09	4.81

• provisional figures

(-) a negative figure denotes a decrease in frequency rate

Programme 2

TABLE 5: Fatalities classification by casualty classification

	Fatalities				
	Actual		Rates		Rates % change
	2006	2007*	2006	2007*	
All mines	200	220	0.20	0.21	5.0
Fall of ground	86	76	0.09	0.07	-22.2
Machinery	15	19	0.01	0.02	100
Transportation and mining	46	47	0.05	0.04	-20.0
General	35	50	0.03	0.05	66.7
Conveyance accidents	2	5	0	0	0
Electricity	6	4	0.01	0	-100
Fires	0	0	0	0	0
Explosives	5	8	0	0.01	0
Subsidence/caving	0	1	0	0	0
Heat sickness	0	1	0	0	0
Diving sickness	0	1	0	0	0
Miscellaneous	5	8	0	0.01	0

• provisional figures

(-) a negative figure denotes a decrease in frequency rate

Programme 2

TABLE 6: Injuries classification by casualty classification

	Injuries				
	Actual		Rates		Rates % change
	2006	2007*	2006	2007*	
All mines	4169	3867	4.14	3.62	-12.6
Fall of ground	1092	950	1.09	0.89	-18.3
Machinery	275	286	0.27	0.27	0.0
Transportation and mining	871	787	0.87	0.74	-14.9
General	1780	1671	1.77	1.56	-11.9
Conveyance accidents	22	28	0.02	0.03	50.0
Electricity	27	36	0.03	0.03	0.0
Fires	11	6	0.01	0.01	0.0
Explosives	25	37	0.02	0.03	50.0
Subsidence/caving	1	0	0	0	0.0
Heat sickness	2	12	0	0.01	0.0
Diving sickness	0	0	0	0	0.0
Miscellaneous	63	54	0.06	0.05	-16.7

- provisional figures
- # (-) a negative figure denotes a decrease in frequency rate

Table 7: Investigations and Inquiries 2006/2007

Region	Investigations Initiated	Investigations Completed	Total Outstanding	Inquires Initiated	Inquiries Completed	Total Outstanding	% Completed
Kwazulu-Natal	16	12	4	5	4	1	76.3%
Limpopo	157	120	37	8	6	2	76.4%
Mpumalanga	432	482	0 (+50)	23	28	0 (+5)	112.1%
Free State	190	141	49	20	20	0	76.7%
Gauteng	276	276	0	84	29	55	84.7%
North West	1721	1373	348	59	25	34	78.5%
Eastern Cape	1	1	0	1	1	0	100%
Northern Cape	81	81	0	27	22	5	95.4%
Western Cape	24	44	0 (+20)	5	5	0	169%
TOTAL	2898	2530	438	232	140	97	85.3%

The reasons for outstanding Investigations and Inquiries:

- unavailability of witnesses
- collection of evidence
- logistical problems regarding legal representatives

Programme 2

Table 8: Inspections and Audits 2006/2007

Region	Planned Inspections	Actual Inspections	Total % Compliance Inspections	Planned Audits	Actual Audits	Total % Compliance Audits
Kwazulu Natal	541	279	51.6%	244	168	68.9%
Limpopo	1115	861	77.2%	561	517	92.2%
Mpumalanga	1548	822	53.1%	858	397	46.3%
Free State	2512	1955	77.8%	119	116	97.5%
Gauteng	3468	1792	51.7%	205	199	97.1%
North West	1682	1112	66.1%	48	67	139.5%
Eastern Cape	500	431	86.2%	44	91	206.8%
Northern Cape	1910	1239	64.9%	36	92	255.6%
Western Cape	456	303	66.44	48	45	93.8%
TOTAL	13732	8794	64.04%	2163	1692	78.2%

The reasons for outstanding Inspections and Audits:

- Presidential Audits

MINE HEALTH AND SAFETY INSPECTORATE SERVICE DELIVERY IMPROVEMENT PLANS

OTHER MINES, MINE HEALTH AND MINE SURVEYING

PURPOSE: "Execute the Department's statutory mandate to protect the health and safety of the mine employees and people affected by mining activities"

KEY SERVICE	SERVICE BENEFICIARY	TARGETS	CURRENT STANDARD		DESIRED STANDARD		ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATING FROM TARGETS
			Planned	Actual	Planned	Comments	
Cleaner, healthier and safe sector	Mining Industry	Improvement in fatality and injury frequency rates. 2013 Milestone: Levels equivalent to international benchmarks.	Planned 20% decrease in fatality rates per annum in the entire sector	Number of Inspections	Zero harm	More focus on dealing with fall of ground accidents is yielding desired results and a 20% decrease from that accident class was realised.	For the first time since 2002, the year on year number of actual fatalities increased again – from 200 in 2006, (the lowest in the history of the industry), to 220 in 2007, an increase of 10%.
			Data collection for benchmarking still being sorted out	Through officials at the Head Office	No new infections	Collection and analysis of data are problematic and progress in achieving required results is slow.	Gijima was appointed as the consultant and is currently behind schedule because of challenges experienced within SDM.
Monitor compliance and intervene to reduce accidents and injuries		Inspection: Monitoring of compliance to requirements	80% of planned as per capacity	84 %		More effort being applied by various regions in monitoring and enforcing compliance	67 % Capacity constraints were experienced by the MHSI.
			80% of planned as per capacity.	100%		More effort being applied by the various regions in monitoring of management systems, especially for the small-scale miners	68 % Capacity constraints were experienced by the MHSI.
		Investigations finalised within 1 month of occurrence	80%	71%		Collection of evidence takes longer due to lack of proper facilities like "Hansard" service	80 % Capacity constraints were experienced by the MHSI.

PROGRAMME 3: MINERAL REGULATION

PURPOSE: To regulate the minerals and mining sector to achieve transformation and sustainable development.

PROGRAMME OBJECTIVE: To transform the minerals and mining sector into one that competitively contributes to the sustainable development in the country.

SERVICE DELIVERY OVERVIEW

The Mineral Regulation Branch completed its first year as a branch during the 2006/7 financial year. Its main function is the processing of applications for prospecting and mining rights to achieve transformation and sustainable development. By the end of March 2008, the Department had received 15884 applications, 12844 accepted, 2599 rejected, 3893 granted, 2420 refused and 4529 Issued.

The processing of converting old order mining rights still remains a challenge as it has been very slow, with only 24% of applications received being finalised. This has been due mainly to compliance challenges in respect of the Mining Charter. In order to improve the levels of compliance, a process of monthly workshops with mining companies, was commenced with in April 2006.

The MPRDA has opened doors for the substantial and meaningful participation of HDSAs in the mining sector. With the continuing implementation of the MPRDA and the Mining Charter, we have seen an increase in the number of women participating in this industry (although a lot still needs to be done). We have also noted meaningful development on the communities where mining activities take place as well as in the labour sending areas. The most significant transactions approved recently saw the creation of Black owned companies. Anglo Platinum sold majority stake in Lebowa Platinum Mines to Anooraq, an HDSA controlled company. Meaning that the former Lebowa Platinum Mines (Pty) Ltd is, as a result of this transaction, a black owned and controlled platinum mine. This makes Anoorap the third largest producer of platinum in South Africa. Furthermore, Anglo Platinum sold its 22% shareholding in Northam to Mvelaphanda Resources, making Northam a black owned and controlled mine. Anglo Platinum also sold 50% of its stake in the De Brochen Project to Mvelaphanda making this project to be 100% HDSA controlled. In relation to coal, Anglo Operations through Anglo Coal, facilitated the creation of a new coal company, Anglo Inyosi Coal, wherein HDSA own 26% of its equity.

Kgalagadi Manganese is 80% owned by an empowerment company, Kalahari Resources. It will be developing a mine and a Sinter plant at Hotazel in the Northern Cape. A number of community projects have been approved, wherein communities are holders of mining rights.

The Mineral Regulation branch is also tasked with reducing the governmental environmental liability and significantly reducing the pollution impacts emanating from the unrehabilitated derelict and ownerless mines. 13 projects were approved with the budget of R55 Million. The focus was on Asbestos mines because of the potential health hazards. Physical rehabilitation of these mines is conducted in conjunction with an awareness programme to ensure that all relevant stakeholders understand and take ownership of the programme. This is done through different engagements i.e Project Implementation Committee, relevant government departments and Public meetings with the nearby communities. A total of four hundred and twenty five (425) jobs were created through the thirteen (13) projects implemented. These exclude the jobs created by the Asbestos Coordinator. Three hundred and ten (310) were women.

The projects fall within poverty stricken communities. Seven contractors from Kgalagadi District Municipality were appointed to undertake the construction of gabion water control structures, fencing and re-vegetation of mines with the intention of appointing more for the future.

Programme 3

Skills Transfer

Technical skills were transferred to the contractors with the assistance of the Asbestos Coordinator. A Civil Engineering Technician was present on a daily basis, assisting with the interpretation of rehabilitation plans. This has further improved the contractors administrative skills depicted in improved work programme developments.

The branch has improved a lot in terms of enforcing compliance, wherein the past financial year, we have conducted 10% of the planned inspections. The past financial year saw us achieving our targets with 1865 environmental inspections conducted which saw the cancellation of rights for those companies who are not complaint with the terms and conditions of their rights.

National Mining Promotion System

The NMPS is a vital tool in the processing of applications, as new applications are entered into the NMPS at the Regional office and spatial information is loaded into the system before a decision to accept or reject an application can be taken, which ensures that rights are not granted on existing rights. Mining Titles office also uses the NMPS as a reference point before rights can be registered. The first three months in the "New Year" the system was not functional due to server problems, which caused some delays in the acceptance and rejection of applications and registration of rights.



The processing of converting old order mining rights still remains a challenge

Programme 3

MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM – TERM OUTPUT TARGETS

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Regulate the Industry to Achieve Transformation	Increased number of HDSA and women participants	Processing applications for prospecting and mining rights	Number of new rights granted to HDSAs	27 new HDSA entities licensed	90 HDSA entities were licensed.
			Number of women-led companies licensed	18 women-led entities licensed	22 prospecting rights granted to women-led companies.
		Hold workshops for HDSAs and women on compliance issues	Number of workshops held	9 workshops	9 workshops were held.
	Improved level of compliance with all seven pillars of the Mining Charter	Inspection of rights granted	Number of charter compliance inspections conducted	160 inspections (Charter and SLP)	65 charter inspections conducted.
	Common understanding of transformation agenda	Develop a BEE Assessment Tool	BEE Assessment Tool implemented	BEE Assessment Tool	The tool was not developed. It was agreed between the branches that this activity be moved to Mineral Policy and Promotion.
		Conduct training on assessment of tool	Number of training sessions	11 training sessions	13 training sessions held.
		Hold industry workshops on compliance issues	Number of industry workshops held	1 workshop	1 workshop

Programme 3

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Contribute towards Sustainable Development	Sustainable development through mineral resources	Develop Guidelines to evaluate mining and prospecting work programmes	Guidelines developed	Guidelines implemented	Guidelines developed.
		Evaluate mining and prospecting work programmes	% of mining and prospecting work programmes evaluated	Not less than 90% work programmes evaluated	All programmes are evaluated in terms of the project plan.
		Conduct inspections of prospecting and mining operations	Number of inspections conducted	302 inspections	320 inspections conducted.
	Reduction of poverty around mining and labour sending areas	Develop a Poverty Impact Assessment Tool	Poverty Impact Assessment Tool	Poverty Impact Assessment Tool	The development of the Poverty Impact Assessment Tool is in process. This activity was completed by Mineral Policy and Promotion branch.
		Monitor compliance with the social and labour plans	Number of inspections conducted	160 inspections (Charter and SLP)	65 charter inspections conducted.
	Integrated local economic development	Align SLP's approval with IDPs/LEDs	% of SLPs aligned to IDPs/LEDs	Not less than 80% SLPs evaluated	8 workshops with mining companies, unions and municipalities were held to align SLPs with IDPs.
	Sound environmental management practice	Conduct environmental inspections	Number of inspections conducted	1380 inspections	1200 inspections conducted.
	Reduced Governmental environmental liability	Rehabilitation of ownerless and derelict mines	Number of ownerless and derelict mines project completed.	13 Projects	12 projects advertised.
		Develop guidelines to assess financial provision	Assessment Guideline on Regulation 53(1)(d).	Assessment tool	Tool already developed and is being implemented.

Programme 3

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Review, develop and align administrative systems, processes and control for good Governance	Effective and efficient administration	Implementation of approval systems and controls	Internal audits reports	Unqualified IA and Auditor General reports in respect of all directorates	Audit template completed on monthly basis.
			AG Management Letter	-	All the approved administrative systems and controls are implemented.
		Monthly stock-taking	Monthly audit report	-	Monthly stocktaking.
	Consistent turnaround time for processing applications	Processing of applications within prescribed timeframes	100% of applications processed within the timeframes	No backlog	All applications processed within a 14 day period. All submissions to grant/refuse submitted within the project plan timeframes. (Excluding sec 9 applications - which await the decision of first application and applications under review/appeal). During January to March 2008, the National Mining Promotion System (NMPS) was not functional. This is the system that the Regions use to capture and load spatial data of new applications, therefore for three months Regions could not capture applications electronically; spatial data is vital in that it is used to identify overlaps.

Programme 3

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
	Improved security of tenure of rights and permits	Registration of rights	Number of days to effect registration	30 working days	Rights lodged for registration are registered within 30 days. The non-functionality of the NMPS also affected the registrations of rights, as they use the NMPS to verify information submitted for registration.
		Recording of permits	Number of days to effect recording	14 working days	Permits lodged for recording, are recorded within 14 days.
Review and develop appropriate structures, processes, policies, systems and skills as well as the maintenance thereof	Human Resources Development and capacity building	Review the structures and make recommendations	Reviewed structure	Regional offices finalised structures	Structure and recommendations submitted to Human Resources.
		Submit report to Corporate Services	Report submitted to Human Resources	30 April 07	Report submitted.
		Conduct staff training workshops	Number of training workshops conducted	6 training workshops	6 training workshops were held.

Programme 4

PROGRAMME 4: THE MINERAL POLICY AND PROMOTION BRANCH

Purpose: To formulate mineral related policies and promote the mining and minerals industry of South Africa thus making it attractive to investors.

Programme Objective: Through research, provide relevant information that will enhance global competitiveness, review policies and formulate legislation in order to achieve transformation and attract new investment into South Africa's minerals industry.

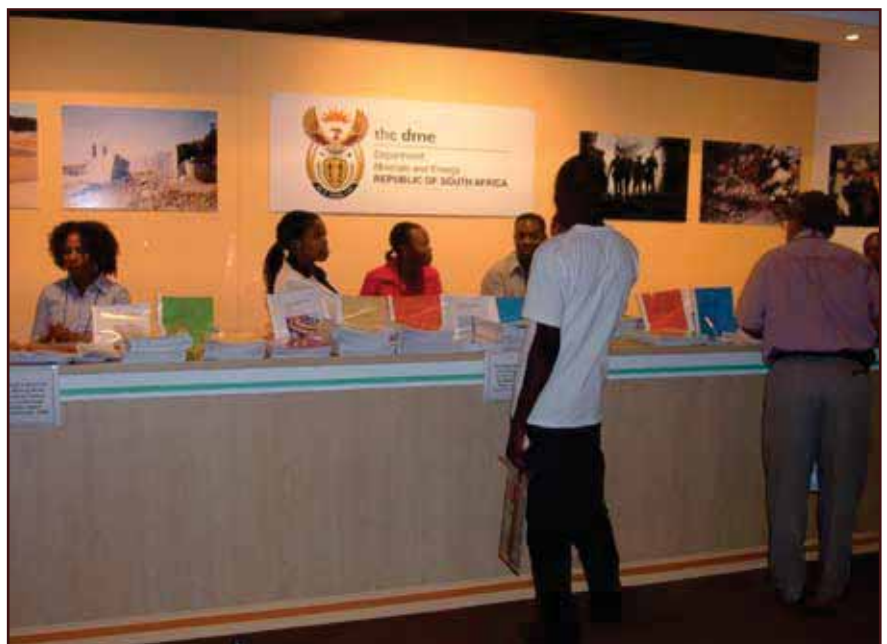
Service Delivery:

The Branch has continued to support the SMME sector through small scale mining and beneficiation projects, although with some challenges. During 2007/08, 38 SMMEs were supported via financial and technical assistance. The Small Scale Mining Directorate has over the past financial year received a lot of applications from the public which posed a challenge in that there is currently a shortage of service providers to carry out feasibility studies for the new projects and offer financial and business skills for the existing projects in order to make them sustainable. These challenges will be addressed during the next financial year through the appointment of more service providers and working closely with the Mining Qualification Authority (MQA) for training clients on site.

During the financial year feasibility studies were concluded for sixteen viable beneficiation projects, including the Olifantsfontein Jewellery Cluster, which is a Private Public Partnership Project. This cluster comprises of a profit driven jewellery design and manufacturing facility, internship training for post-graduates as well as an incubation system for SMME development. The cluster will provide a secure environment with the necessary infrastructure and technical support where the trainees and SMMEs will benefit from the centralised services. The Department has continued to support the Kgabane Jewellery Project, with R 2,8m transferred to the project in 2007/08 for advanced training, product development and marketing. The project is currently unable to expand its capacity to meet the requirements of the Department, so to enhance its role, a process has begun to transfer it to Mintek.

The **South African Diamonds and Precious Metals Regulator (SADPMR)** and the **State Diamond Trader (SDT)** were officially launched in February 2008. With the launch of the two entities, the Branch saw an increase in enquiries and applications in relation to diamond cutting and polishing projects. On average twenty enquiries are received per week. This increased awareness of the beneficiation industry, has resulted in a challenge to closely monitor the projects hence collaboration between all the three spheres of government including government development finance institutions is essential.

The Branch introduced the Mineral and Petroleum Resources Development Amendment (MPRDA) Bill to Parliament on the 20th of June 2007, but the Bill did not proceed further than the NCOP, as it was referred back to the Parliamentary Portfolio Committee on Minerals and Energy to afford the Department



DME exhibition promoting the Minerals Industry

Programme 4

of Environmental Affairs and Tourism an opportunity to make submission on the Bill pertaining to the regulation of environmental management system. After thorough consultation between the DME and DEAT, the following were agreed upon to achieve alignment of environmental management requirements in the MPRDA, 2002 and in the NEMA, 1998:

- That one environmental management system be followed in South Africa;
- That the Minister of Minerals and Energy be the responsible authority implementing environmental matters in terms of NEMA, 1998, as it relates to prospecting, mining, exploration, production and related activities on a prospecting, mining, exploration and production area; and
- That the Minister of Environmental Affairs and Tourism be the appeal authority on all environmental authorisations issued in terms of NEMA, 1998.
- That both NEMA and MPRDA needed to be amended to give effect to the agreement made by the Ministers.

The Geoscience Amendment Bill aims to align the Geoscience Act with the MPRDA and expand the functions of the Council for Geoscience. The Bill was introduced to Cabinet in January 2008, but was referred back for further consultation with other departments. The consultation process is in progress.

During the next financial year the Branch will be reviewing the Mining and Minerals Policy to take into account the impact that the policy had on social, economic and environmental aspect and also align the policy with existing government policies.

The Branch embarked on a project that started in 2006/07 and ended in 2007/08, to close unsafe shafts or mining holings in the Witwatersrand Basin. Most of these shafts were located within the informal settlements, and posed serious health and safety risks to the communities around them as there had been reports of people falling into these mine shafts. Since the start of the project 108 shafts were closed and about 50 local community members were employed in this project. The Department has had challenges with enforcement and monitoring that the industry complies with environmental requirements for mining. As a result the following system and tool have been put in place:

- (a) Environmental Decision Support System (EDSS), and
- (b) Site Inspection Assistant Tool (SIAT)

The system and tool will assist with the speedy processing of applications and effective decision making when it comes to approvals of environmental matters in the mining sector.

The Branch has crafted strategies to mitigate major challenges faced during the 2006/07 financial year. These intervention strategies include, increasing the pool of professional band positions, in order to extend the career development path of technical experts. The funding of SSME projects is currently under review, with the intention of expediting support for projects. Acquisition of additional resources, both systems and human capital, is currently being sought to ensure effective delivery against set targets.

Programme 4

MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM - TERM OUTPUT TARGETS

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Enhanced global competitiveness of South Africa's mining and mineral industry	Increased investment in the Mining Sector	Promotion through Exhibitions	Number of Exhibitions	6	8
		Promotion through Publications and Directories	Number of reports and directories	29	36
		Conduct general economic analyses	Number of analyses completed	12	15
		Collect and distribute mineral statistics to Stats SA	Monthly Submission	12	12
		Engage in international obligations	Number of obligations (AMP, KPCS, Bilaterals, and Global dialogue) engaged in	4	8
	Increase Beneficiation of Minerals	Define and gazette beneficiation baseline levels for commodities	Number of commodities defined	7	5 defined and to be gazetted, pending MPRD Amendments
		Develop a beneficiation strategy	Strategy document	1	Draft Strategy submitted to Cabinet

Programme 4

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Contribute towards sustainable development	Enable the mining industry to contribute optimally to SD	Develop, implement and monitor compliance SD strategy	Compliance to SD requirements as per WSSD outcomes	Complete implementation Plan	Completed
	Reduce negative impact of derelict and ownerless mines	Develop a strategy for rehabilitation of derelict and ownerless mines	Strategy document	Complete strategy	Completed
	Reduce cumulative impacts from mining	Develop mining and closure strategies	Completed strategy documents	5 mining basins	5 Draft Strategies completed. Forwarded for specialist review, after which it will be finalised. Reasons: Strategies are very comprehensive and a worldwide first. DWAF identified some research gaps in geochemical information.
	Reduce cumulative water impacts from mining	Develop strategies for the water ingress programme	Complete strategy	Medium-term strategy	Draft Strategy completed. Forwarded for specialist review after which it will be finalised. Reasons: DWAF identified some gaps in geochemical information.
Redress past imbalances and bridging the gap between the first and second economies	Partnerships between small and major players	Introduce SMME to majors	Number of successful partnerships	2	One partnership is ready for implementation in 2008/09.
	Sustainable SMMEs	Establish sustainable SMMEs in SSM, jewellery fabrication and clay product manufacturing	Number of SMMEs supported	30	38 SSME's were supported and 25 are awaiting capitalisation.

Programme 4

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Develop and review policies to ensure transformation and attract investment	A mining industry that represents the demographics of the country by 2014	Develop/review or amend policies and legislations	Number of policies and legislations	3	<p>Diamonds Amendment Regulations and the Precious Metals Regulations have been completed and gazetted.</p> <p>Geoscience Amendment Bill was completed and introduced to Cabinet. It has been referred back for further consultation.</p> <p>MPRDA Bill completed and introduced to the Parliamentary Portfolio Committee (PPC) on Minerals and Energy and to National Council of Provinces. The Bill was referred back for harmonisation of environmental legislation.</p>

MINERAL POLICY AND PROMOTION BRANCH SERVICE DELIVERY PLANS 2007/ 8

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD	ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATING FROM TARGETS
Promote Investment in the Minerals and Mining Industry of South Africa.	Prospective investors, Public, Government departments, DME, DME associated institutions, Mining industry, opinion formers.	<p>Quantity:</p> <p>28 publications 5 exhibitions/ conferences Beneficiation strategies 5 SME establishment (facilitation)</p> <p>Quality:</p> <p>Relevant content in publications and Optimal Business Development strategies</p> <p>• Consultation</p> <p>Meetings/workshops, road-shows</p> <p>• Access</p> <p>Written, telephonic, visits, e-communication</p> <p>• Courtesy</p> <p>Open and Transparent</p> <p>Information</p> <p>Redress</p> <p>Value for Money</p> <p>Time:</p> <p>Annually</p> <p>Within budget</p> <p>Cost:</p> <p>Human Resources:</p> <p>Current staff</p>	<p>Quantity:</p> <p>28 publications 5 exhibitions/ conferences Beneficiation strategy 5 SME establishment (facilitation)</p> <p>Quality:</p> <p>Relevant content and commodity value chain integration in publications and Optimal Business development strategies</p> <p>Meetings/workshops, road-shows</p> <p>• Consultation</p> <p>• Access</p> <p>Written, telephonic, visits, website, e-communication</p> <p>• Courtesy</p> <p>Open and Transparent</p> <p>Information</p> <p>Redress</p> <p>Value for Money</p> <p>Time:</p> <p>Annually</p> <p>Within budget</p> <p>Cost:</p> <p>Human Resources:</p> <p>4 additional members to be appointed</p>	<p>36 publications, 8 exhibitions/ conferences</p> <p>Beneficiation baseline levels have been defined for 5 commodities and will be gazetted pending MPRD Amendments.</p> <p>Relevant content and Commodity value chain integration in publications and Optimal Business development strategies completed.</p> <p>Meetings/workshops, road-shows</p> <p>Written, telephonic, visits, website, e-communication</p> <p>Internet</p> <p>Increase involvement and coordination</p> <p>Over budget due to unplanned international trips</p> <p>Posts are still being job evaluated with a view to include them in the 2009/2010 – 2011-2012 MTEF process</p>

Programme 4

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD	ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATING FROM TARGETS
To develop new Mineral Policies and review and amend existing policies and legislation in order to encourage investment into Mining and Mineral Industry of South Africa.	Prospective investors, Public, Government departments, DME, DME associated institutions, Mining industry, opinion formers.	Quantity: 2 legislations	Quantity: 2 legislations	MPRDA Bill referred back from Parliament for further engagement with DEAT. Agreement has been reached with DEAT and parliamentary process re started. The Geoscience Amendment Bill was referred back by Cabinet for further consultations with other departments and the process has begun.
		Quality: • Consultation	Quality: • Consultation	
		• Access	• Access	Public comments, workshops and meetings
		• Courtesy	• Courtesy	Written, telephonic, visits, emails
		• Open and Transparent	• Open and Transparent	
		• Information	• Information	Annual Report
		• Redress	• Redress	Internet, Acts and mining policies
		• Value for Money	• Value for Money	Internet, Acts and mining policies
		Time: Annually	Time: Annually	Annual - completed
		Cost: Within budget	Cost: Within budget	Over budget because of the unplanned trips to Cape Town on the MPRDA issues.
Human Resources: Current staff	Human Resources: Current staff	Human Resources: 2 additional members to be appointed	1 additional member to be appointed	

Programme 5

PROGRAMME 5: HYDROCARBONS, ENERGY PLANNING AND CLEAN ENERGY

PURPOSE: To promote the sustainable use of energy resources through integrated energy planning and the appropriate promotion, including policy and regulation development, of petroleum products, coal gas, renewable energy and energy efficiency.

PROGRAMME OBJECTIVE: Integrated energy planning leading the sustainable use of South Africa's energy resources, internationally competitive energy prices and increase in energy efficiency through the development and implementation of appropriate energy policy and regulation.

SERVICE DELIVERY

Regulatory Accounts Study: The Department is reviewing methodologies for setting of petroleum products wholesale, distribution and retail margins. The main purpose of the review is to remove hidden costs and cross subsidies between regulated and unregulated activities and prepare the sector for the eventual deregulation. It is only through appropriate identification and compensation of costs in the value chain that security of energy supply can be guaranteed through appropriate investments. The proposed approach envisaged the development of regulatory accounts to set appropriate margins. This project is expected to be completed by the end of 2008.

Integrated Energy Centres Programme: One of the many approaches that the Department has developed with the aim of addressing energy poverty through deliberate interventions in the 2nd economy, is the Integrated Energy Centres (leCs) programme. An Integrated Energy Centre (leC) is a one-stop energy shop, owned and operated by the community Cooperative and organised as a community project. The Department is partnering with relevant stakeholders, private sector, municipalities and communities in establishing the Integrated Energy Centres. This is a public private partnership (PPP) venture. PetroSA, has joined Sasol and Total South Africa as our partners in this regard. There are six (6) leCs that are operational since the Department initiated this programme a few years ago, and others are at different stages of development.



Launch of Integrated Energy Centre (leC) in Eastern Cape

Safe Paraffin Appliance Pilot Project: The Department, through CEF, has commissioned an external organisation to conduct a safe paraffin appliance pilot project in selected areas. The main aim of the project is to test the robustness and safety of newly designed, table height, paraffin stoves to minimise incidences associated with the handling and usage of the paraffin fuel and related appliances. The results of the pilot study would feed into the SABS paraffin stove standards that are currently under review.

Integrated Household Energy Strategy: The outcomes of the safe paraffin appliance pilot project would provide valuable information that could be incorporated into the integrated household energy strategy. The process of developing the strategy has commenced.

Programme 5

Energy Information and publication: Energy data on all energy carriers was collected and the 2005 Energy Balances were released. The 2006 Energy Balances are due to be released by end April 2008. The 2006 Digest of SA Energy Statistics and 2005 Energy Price Report was published and distributed whilst the 2006 Digest and Energy Price Report is due by December 2008. Oil data was submitted on a monthly basis to Joint Oil Data Initiative (JODI). Subscription to World Markets Energy continued and kept colleagues informed about worldwide energy developments.

LPG Pilot projects: Due to continued consumer complaints about high LPG prices and the Department's desire to use LPG for electricity demand side management, an LPG pilot programme was initiated. The main purpose of these pilots is to identify appropriate supply chain that would give rise to correct LPG price, which would promote correct energy carrier choices. Correct energy carrier choices will result in increase security of energy supply and efficiency of energy utilisation. The Department has launched two pilot projects in Tshwane and Mpumalanga. The Atteridgeville, Tshwane project aimed to connect 20 000 households but to date more than 18 252 household have been connected. The Thembisile, Mpumalanga pilot project has connected over 8 616 households. A total of 26 868 have been connected to LPG and 3132 are still outstanding. The LPG uptake is on the increase and the households are keen to use LPG. The Department has developed draft regulations in respect of the maximum retail price of LPG supplied to residential customers. The objective of the regulation is to regulate LPG price to make it more affordable for households. The LPG regulation will be promulgated during 2008/9 financial year.



Launch of the Atteridgeville LPG Pilot Project

Petroleum Licensing: By March 2008 approximately 13 580 Petroleum License applications were received. We have subsequently processed 3 981 license applications; issued 980 license certificates and analysed a further 3001 license applications. Regardless of the adequate preparations that were made in terms of the operational system and human resource, a back log was experienced due to the fact that applicants particularly major oil companies collected and brought their retailers applications in bulk and at the last minutes. Management has since constructed a plan to eliminate all backlogs and process applications efficiently.

Petroleum Compliance Monitoring: The inception of the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003) placed more focus on the need to monitor compliance and the enforcement thereof. The Act makes the Minister of Minerals and Energy a custodian of fuels specifications, which will continually be improved in support of better air quality in South Africa. The compliance component, which emerged with the operationalisation of the Act seeks to ensure adherence to the promulgated fuels specifications and other conditions of licences.

The year had its own share of challenges, however not without any successes. Regional presence of the inspectorate unit has successfully been implemented in all nine provinces. The visibility of Inspectors in the regions has without a doubt improved overall compliance and has enhanced confidence by the public. However, more still needs to be done in the endeavour to achieve the objectives of licensing and service delivery to the people of this country. This can only be achieved through constant and continuous improvement to our implementation of Batho-Pele principles.

Programme 5

Clean Energy

The awareness and interest in energy efficiency in the country has increased significantly. Evidence to this is the continuous interest by big business on signing EE accords as an indication for their commitment to savings targets. Quite significant energy savings have been achieved due to the number of EE interventions implemented in different sectors. However this cannot be quantified due to lack of proper monitoring systems.

The South Africa's Designated National Authority (DNA) within the Department is in its third year of operation. The main functions of DNA are to regulate and promote Clean Development Mechanism (CDM) activities in South Africa. In its evaluation process, the DNA uses an established approval procedure and criteria that looks at the social, economical and environmental contribution of CDM projects.

During the year under review the DNA received and reviewed 40 project proposals, 13 of these are registered with the CDM Executive Board. These projects have a potential of reducing 43631 mtCO₂equivalent per annum, 22962 MW potential contributions to the renewable energy target and 221 MW potential contribution to the energy efficiency target. The DNA also implemented CDM awareness raising and capacity building at national, provincial and local government levels. Consequently 5 sectoral, 4 provincial, 1 national workshops and 1 international exhibition were held.

Tradable Renewable Energy Certification System (TRECS): There are basically three possible income revenue streams for renewable energy electricity generators: selling electricity through PPA into the grid; Carbon emission reductions (CERs) trading through CDM and issuing of Tradable Renewable Energy Certificate (TRECs). TREC is an electronic record that verifies the origin of energy from the registered renewable energy facilities. It provides a good opportunity for verification of financial support to registered renewable energy generators. A major advantage of TREC is that it can be traded worldwide and separately from the electricity grid infrastructure (no use of grid system charges or grid access problems)

The South African National Tradable Renewable Energy Certificate Team (SANTRECT) was formed to facilitate and coordinate the establishment of Issuing Body (IB) in South Africa. The IB will be responsible for registering, issuing, trade and transfer and redeem certificate. The SANTRECT is in a process of developing the constitution, domain protocol and a business plan for IB. Once the constitution has been developed and finalised, IB will be established.

Programme 5

MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM – TERM OUTPUT TARGETS

Strategic Objectives	Outcomes / Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
Actively contribute to sustainable development	Contributing to infrastructure development and economic growth, increased investment in the energy sector in South Africa, increasing access to modern energy carriers	Enable access to LPG	Appropriate regulatory framework	Appropriate Price Methodology- March 2008	Two very successful pilots were conducted in Atteridgeville and Thembisile, culminating in the publication of draft LPG price regulations.
		Promote energy efficiency awareness in identified sectors	Number of campaigns	1 sector campaign per annum + campaigns during energy efficiency month	A national energy efficiency program has been developed and information dissemination has been undertaken. The project started in January and it is currently continuing. Funding is the main barrier to implementation.
Actively contribute to sustainable development	Reducing the impact of energy activities on the environment and public health	Evaluate and Monitor CDM Activities	Number of CDM projects reviewed and approved	100% of received projects within agreed time frame	85 projects have been reviewed and approved by the DNA; this number includes the PINs and PDDs. A total of 14 projects have been approved by the CDM executive board and a total of 107 projects in the process of being approved by the executive board.
		Promote carbon trading in RSA	Number of workshops	1 per province and sector	<p>These workshops have been implemented and a number of provinces have already completed workshops. Four workshops have been held in provinces and a number of sectoral projects have been completed. We have covered all the provinces, as these were follow-ups to the previous years. The intention is to repeat the consultations in all these provinces.</p> <p>Through these workshops and consultations, the DNA is able to identify and address barriers to CDM investment. Consequently, barriers related to legislation such as MFMA and the taxation of CDM were identified and addressed in collaboration with the National Treasury.</p> <p>The DNA also represents SA at international forums to promote local SA capability to handle CDM projects.</p>

Programme 5

Strategic Objectives	Outcomes / Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
		Outlaw energy inefficient appliances	Phase out energy inefficient appliances	Promulgated Regulations	Changes to the electricity regulations have been done and comments we provided by the Energy Efficiency section
		Monitor progress towards the achievement of the renewable energy targets	Number of GWh generated	250 GWh	This target could not be achieved, the problem is the development of the RE projects by developers, there is still little interest on investing on these projects mainly due to the low electricity tariffs.
Actively contribute to sustainable development	Contributing to infrastructure development and economic growth, increased investment in the energy sector in South Africa, increasing access to modern energy carriers	Promote renewable energy uptake	Number of Workshops and Promotions material in 9 provinces	1 per province and sector	We have undertaken the consultations and conducted two workshops per province, a total of 5 provinces were done. Other provinces were deferred to the 2008/9 financial year.
		Subsidize renewable energy projects	Number of projects subsidized projects	3	To date 3 projects were subsidised, we are currently in process of finalising contract negotiation on the 4th project, the main challenge is still the finalization of project documents from the developers
		Finalise the Biofuels Industry Strategy	Approved Biofuels Industry Strategy	Approved Biofuels Industry Strategy	The strategy was approved and an implementation plan is being developed.
		Develop Biofuels Industry Regulations	Promulgated Biofuels Industry Regulations	-	The draft implementation plan was completed and the licensing criterion as per the Petroleum Act has been finalised.
		Develop interventions to increase renewable energy uptake	Feed-in tariffs	-	To avoid duplications the Department is working with NERSA on the feed-in-tariff study.
		Develop interventions to increase renewable energy uptake	Tradable RE Certificates	2 Certificates	The Issuing Body which will be responsible for issuing the certificates has not been established yet, as a result no certificates were issued to date.

Programme 5

Strategic Objectives	Outcomes / Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
		Participate in multi-lateral forums.	Number of international interactions and negotiations.	5	We have participated in a number of Multilateral meetings behalf of the DME, amongst others key meetings attended include the COP meeting in Bali 2007, IBSA trilateral meeting summit and the G8 + 5 energy meeting
		Participate in bi-lateral meetings.	Number of interactions.	10	This was done; a number of bilateral meetings were engaged in, which included the RSA-Japan bilateral meeting, Germany, Norway, and USA.
		Establish the entities created by Energy Act (NEEA and SANERI).	Fully operational the entities created by Energy Act	NEEA	NEEA has been established but due to funding constraints it was unable to appoint the required staff to be fully operational.
Redress past imbalances and bridging the gap between the first and second economies	Through promoting broader participation in the energy sector, direct intervention on communities, increased BEE and SMME participation and deracialising of and gender equity within the energy sector	Develop petroleum procurement regulations	Promulgate Procurement Regulations	Promulgate Procurement Regulations	Project has been put on hold.
		Monitor compliance with LFI Charter	Approved Annual BEE Report	Approved Annual BEE Report	Project has been put on hold.
		Provide energy information and advisory services	Number of people contacts	5 000	An average of 450 per month has been achieved. License queries dominate.
		Implement appropriate measures to address identified energy needs	Number of Interventions	5	Ratlou leC (NW) completed. Qunu, Qamata, Amajuba and Mbizana leC's are at different stages of development. Delays are due to EIA approval and Land Ownership processes.

Programme 5

Strategic Objectives	Outcomes / Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
Implement minerals and energy economic policies and legislation	Orderly and equitable exploitation of energy, promoting internationally competitive prices and security of energy supply	Develop Pipeline Regulations	Promulgated Regulations	Promulgated regulations	Promulgated
		Develop Gas Regulations	Promulgated Regulations	Promulgated Regulations	Promulgated
		Finalise Energy Act	Promulgated Act	Promulgated Act	The National Energy Bill was not promulgated due to it having to be extensively revised to incorporate inputs from the Energy Security Master plans, as well as the Parliamentary Portfolio Committee and other government departments. The draft Bill is in the process of being submitted to Cabinet for consideration

Programme 5

Strategic Objectives	Outcomes / Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
		Establish the entities created by Energy Act (NEEA, DNA, SANERI, NEPI, REFSO)	Fully operational the entities created by Energy Act	NEEA	Still awaiting promulgation of the National Energy Bill.
		Develop Regulations pertaining to Energy Act	Draft Regulations	-	Still awaiting promulgation of the National Energy Bill.
		Develop LFIP	Approved LFIP	Approved LFIP - July 2007	
		Integrate LFIP and NIRP3	Approved Energy Infrastructure Master Plan	Approved Energy Infrastructure	Energy Security Master Plans (Electricity and Liquid Fuels) were finalised and submitted to Cabinet for approval. Cabinet approved the Master Plans.
		Develop an integrated energy plan	Approved Integrated Energy Plan	-	The DME is in the process of implementing the Energy Security Master Plans (electricity and liquid fuels). The National Energy Bill will provide DME with a clear mandate to develop integrated energy plans.
		Issuing and renewal of all licenses	Number of licenses issues	1,000 per month	The target could not be met due to capacity problems. We are in the process of recruiting more staff.
		Capturing and processing of annual information	Number of submissions captured	1,000 per month	0 – The system does not allow for the capturing and processing of the annual returns now, however we are in the process of implementing a new PPALS system.

Programme 5

Strategic Objectives	Outcomes / Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
Implement minerals and energy economic policies and legislation	Orderly and equitable exploitation of energy, promoting internationally competitive prices and security of energy supply	Monitoring of licensing conditions	No. of licensee site inspection	30 sites per month (in total)	564 sites have been inspected to date (68 for March 2008).
		Monitoring compliance of fuel specifications and standards	No. of sampled sites taken	5 samples sites per month	Due to budgetary constraints, compliance monitoring of fuel specifications have not taken off.
		Enforcement	% of cases successfully prosecuted	50%	7 charges have been laid to date. Of the 7 charges laid, none are at a court process level, all are pending SAPS investigation.
		Set Monthly petroleum regulations	Monthly regulation submission	1 per month	Implemented to be submitted on the first Wednesday of every Month.
		Implementation of Regulatory Accounting system	Fully functional regulatory accounting system	Fully functional regulatory system	Tender evaluations were completed and a consultant would have been appointed in May 2008. Delays occurred due to prolonged discussions with industry regarding the signing of confidentiality agreements.
		Collect and publish energy statistics	Number of energy data publications	3 per annum	The Energy Digest and Energy Price Report were published. A decision was taken not to publish the Key Energy Digest at this stage.
		Organise major energy industry promotional event.	Annual Energy Summit	1	An Energy Summit took place on 25-27 September 2007 to review the Energy White Paper. The DME Summit was opened by the Minister of Minerals and Energy and it was attended by over 600 delegates.

Programme 5

Strategic Objectives	Outcomes / Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
Govern the minerals and energy sectors to be healthier, cleaner and safer	Implementing, monitoring and maintenance of effective policies and relevant legislation in conjunction with SOEs to ensure a healthier, cleaner and safer energy sector	Align SOE's strategic objectives to those of DME	No. of engagements	1 per month per SOE	PetroSA and CEF (completed)
		Review role of SOEs	Revised and approved Mandate	PetroSA	Completed – PetroSA had an approved strategic plan with specific projects presented to DME.
	Embarking on promotional and regulatory activities and programmes that will sustain and improve the industries health and safety standards	Conduct a paraffin appliances safety campaign.	Number of campaigns	1	This was delayed due to the unavailability of local paraffin stove manufacturers in line with the pilot project specifications.

Programme 5

Strategic Objectives	Outcomes / Impact	Key Activities	Measures	Targets	Actual Performance
				2007 / 2008	as at 31 March 2008
Review and develop appropriate structures, processes, policies, systems and skills as well as the maintenance thereof <ul style="list-style-type: none"> • • • • 	Alignment of structures, appropriate skills, processes, policies and systems to enable effective and efficient implementation and execution of policy and legislation that is aimed at achieving the key objectives of the DME	Conduct skills audit and requirements gap analysis	Skills Audit Report	One	Skills Audit was done for the Branch.
		Implement Skills report recommendation	Successful completion of all recommended training and development interventions	-	In progress
		Enhance regional presence to promote service delivery	Approved and manned regional structure	Structure approved	Regional Management Structure approved.
		Review and develop an appropriate structure for HEPCE	Approved and manned HEPCE structure	Structure approved	Structure has been approved for the Energy Planning Chief Directorate. Petroleum Controller Structure still pending approval
		Develop NIEPS	Operational NIEPS	-	The NIEPS has changed to National Integrated Energy Modelling System (NIEMS). The Terms of Reference for NIEMS have been finalised and the system will be procured through CEF with the financial assistance of PETROSA
		Develop a national energy database and information system	Operational NEDIS system	Operational NEDIS system	The NEDIS system has been replaced by NIEMS.

HYDROCARBONS, ENERGY PLANNING AND CLEAN ENERGY BRANCH SERVICE DELIVERY IMPROVEMENT PLANS 2007/8

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD		ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
Providing funding through Renewable Energy Finance and Subsidy Office (REFSO) to Entrepreneurs and BEEs	Entrepreneurs applying for funding for Renewable Energy Projects	Quantity: • Consultation	R 292 500 Press release Website	Quantity: • Consultation	Budget - R 975 000 Roadshows to make more people aware - 9 roadshows, 1 per province. To have a renewable energy month.	We have undertaken the consultations and held two workshops per province, in 5 provinces. In the other provinces we had to cancel due to poor attendance and low interest.
		• Access	Through Officials at the Head Office	• Access	Plan to have at least 2 regional offices as a start and to involve municipalities	
		• Courtesy	Telephonically, Face to Face	• Courtesy		
		• Open and Transparent	Clear application procedure	• Open and Transparent		
		• Information	Project information dissemination Help Desk	• Information		
		• Redress	Past imbalances	• Redress	Projects must be aimed especially at people who did not have access to energy in rural areas. Need to work closely with INEP to ensure that people are provided with access to energy without delay. It is also important to interact with them to ensure that they understand that the DME is working hard to realise this goal.	

Programme 5

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD	ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
		<ul style="list-style-type: none"> • Value for Money 	<ul style="list-style-type: none"> • Value for Money 	<p>This target could not be achieved. The problem is the development of the RE projects by developers; there is still little interest in investing in these projects, mainly due to the low electricity tariffs.</p>
Issue licences for Petroleum Products	Petroleum Manufacturing, Wholesale and Retail Industry	<ul style="list-style-type: none"> • Value for Money 	<ul style="list-style-type: none"> • Consultation 	<p>Increase electricity target mix by 10 000 GWh. 10 000 GWh is the National Target to be achieved in 2013. It is evident that the department needs to push hard to achieve this target. Only subsidised installed capacity. R 5.147 million is allocated to REFSO in 2007/08, R 5.406 million for 2008/09 and R 5.678 million for 2009/10.</p>
		<ul style="list-style-type: none"> • Value for Money 	<ul style="list-style-type: none"> • Consultation 	<p>12 000 licences must be issued by the end of the financial year 31/03/2007</p>
		<ul style="list-style-type: none"> • Value for Money 	<ul style="list-style-type: none"> • Consultation 	<p>Granted licences: 2450 Issued licences: 900 Refused licences: 200 Licenses processed: 3550</p>
		<ul style="list-style-type: none"> • Value for Money 	<ul style="list-style-type: none"> • Consultation 	<p>None achieved to date due to budget constraints.</p>
		<ul style="list-style-type: none"> • Value for Money 	<ul style="list-style-type: none"> • Consultation 	<p>Office space availability in the regions remains a challenge.</p>

Programme 5

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD	ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
		<p>Courtesy</p> <p>Development of guidelines. Help desk.</p> <p>• Open and Transparent</p> <p>• Information</p> <p>• Redress</p> <p>• Time</p> <p>• HR</p>	<p>Courtesy</p> <p>• Open and Transparent</p> <p>• Information</p> <p>• Redress</p> <p>• HR</p>	<p>Helpdesk guidelines developed. Full training provided to Helpdesk team and this is ongoing.</p> <p>None achieved to date due to budget constraints.</p> <p>PPAA, regulations and guidelines to import/export published on website.</p> <p>System not implemented due to challenges in the installation thereof.</p> <p>Recruitment of personnel is pending the completion of the restructuring process.</p> <p>Recruitment of personnel is pending the completion of the restructuring process.</p>
		<p>• Open and Transparent</p> <p>• Information</p> <p>• Redress</p> <p>• Time</p> <p>• HR</p>	<p>• Open and Transparent</p> <p>• Information</p> <p>• Redress</p> <p>• HR</p>	<p>None achieved to date due to budget constraints.</p> <p>PPAA, regulations and guidelines to import/export published on website.</p> <p>System not implemented due to challenges in the installation thereof.</p> <p>Recruitment of personnel is pending the completion of the restructuring process.</p> <p>Recruitment of personnel is pending the completion of the restructuring process.</p>
		<p>• Information</p> <p>• Redress</p> <p>• Time</p> <p>• HR</p>	<p>• Information</p> <p>• Redress</p> <p>• HR</p>	<p>PPAA, regulations and guidelines to import/export published on website.</p> <p>System not implemented due to challenges in the installation thereof.</p> <p>Recruitment of personnel is pending the completion of the restructuring process.</p> <p>Recruitment of personnel is pending the completion of the restructuring process.</p>
		<p>• Information</p> <p>• Redress</p> <p>• Time</p> <p>• HR</p>	<p>• Information</p> <p>• Redress</p> <p>• HR</p>	<p>PPAA, regulations and guidelines to import/export published on website.</p> <p>System not implemented due to challenges in the installation thereof.</p> <p>Recruitment of personnel is pending the completion of the restructuring process.</p> <p>Recruitment of personnel is pending the completion of the restructuring process.</p>

PROGRAMME 6: ELECTRICITY AND NUCLEAR

PURPOSE: To ensure development, monitoring, enhancement and implementation of policies governing the electricity and nuclear sectors and to support the achievement of universal access to electricity, including the exercising of oversight over the relevant State controlled entities.

MEASURABLE OBJECTIVE: To ensure a well managed efficient, safe and cost effective electricity and nuclear industry in South Africa, through policy, legislation and regulations. Achieving increased access to electricity and globally competitive electricity prices within a safe, clean and healthy industry.

SERVICE DELIVERY

The total allocation for electrification was R 1,569 billion for both grid and non grid during the year under review. The targets set for grid electrification: households 150 000 connections, schools 700 connections and all clinics. For the financial year under review 187,925 household connections were achieved, 948 schools were connected of which 200 were done with non grid technologies as well as all the backlogs regarding clinics were eradicated.

Nine (9) out of the ten (10) planned bulk substations for the year, were completed, with the anticipated completion date of the tenth substation set at October 2008.



Switch on at Fetakgomo (Limpopo)

The Department of Minerals and Energy, through its Electrification Policy Development & Management Directorate is responsible for organizing and co-coordinating official electrification switch-on functions and related ceremonies on behalf of the Department.

The purpose of conducting these ceremonies is to evaluate the department's electrification progress and to give local communities an opportunity to interact with the Department of Minerals and Energy on issues that relate to electrification and any other issue that falls within the Department's mandate. In addition, the department also ensures that the socio-economic and social benefits are achieved through the electrification programme.

For the 2007/8 financial year the department has conducted electrification Switch-On functions in the following areas: - Swellendam (WC) and Fetakgomo (Limpopo) to talk to Martin.

Programme 6

CONDITIONAL GRANTS

Overview of conditional grants

Schedule 6 and 7: Integrated National Electrification Programme

Province	Total Allocation - R'000	Total Transfers - R'000	Total Expenditure - R'000
Western Cape	64,151	64,151	76,760
Northern Cape	23,316	50,948	30,786
Eastern Cape	397,510	397,509	373,053
Mpumalanga	121,301	121,300	66,537
Limpopo	188,261	187,126	193,610
North West	121,175	93,342	120,569
KwaZulu Natal	375,167	375,167	312,288
Free State	60,099	56,099	37,884
Gauteng	134,929	134,929	92,171
Total	1,485,910	1,480,575	1,303,663

Grid Connections: Households, Schools and Clinics

Province	Household Connections Budgeted	Household Connections Actual	Clinic Connections Budgeted	Clinic Connections Actual	School Connections Budgeted	School Connections Actual
Eastern Cape	35,142	36,251	122	39	99	233
Free State	9,002	8,896	0	0	30	31
Gauteng	24,761	30,707	1	0	0	1
KwaZulu Natal	40,301	40,525	5	0	206	181
Limpopo	36,865	33,389	5	4	149	195
Mpumalanga	11,216	9,477	0	5	2	71
North West	14,474	13,806	3	0	0	32
Northern Cape	4,666	5,356	0	3	1	3
Western Cape	8,721	9,518	0	0	0	1
Total	185,148	187,925	136	51	487	748

Non-Grid Schools and Clinics Connections

Province	School Connections Budgeted	School Connections Actual	Clinic Connections Budgeted	Clinic Connections Actual
Eastern Cape	200	200	112	112
Total	200	200	112	112

Programme 6

Socio-economic Indicators for the Annual Report for 2007/8 Financial Year

Out of the total electrification expenditure for the 2007/8 financial year about 63% (R 894 million) of the total electrification expenditure was utilized on the empowerment of the people of South Africa (See table below). Out of R894 million, R462, 295 million (52%) was spent on Black Economic Empowerment (BEE) Companies, R163, 789 million (35%) of that BEE expenditure was spent on Black Women Owned Companies (BWO) and R431, 664 million (48%) went to Small Micro and Medium Enterprises (SMME). These figures reflect a positive commitment by the electrification programme towards the socio-economic upliftment of the Historically Disadvantaged South Africans, especially women.

In 2007/8 financial year a total of 5594 jobs were created through the electrification programme. This figure exceeds the target of 5000 by 594. The total number of jobs created comprises of 479 women, 146 disabled and 3 661 youth. The target for learnerships during the 2007/8 financial year was 800. The achieved target to date is 1 599. The table below reflects expenditure patterns for BEE, BWO and SMME for 2007/8 financial year.

Socio-Economic Indicators for the 2007/8 financial year

PROVINCE	BEE Expenditure to date	BWO Expenditure to date	SMME Expenditure to date	TOTAL BEE/BWO/SMME Expenditure to date
EASTERN CAPE	150,201,037	66,665,072	81,084,905	231,285,942
FREE STATE	6,755,096	2,279,542	14,945,642	21,700,738
GAUTENG	34,182,065	4,351,336	41,223,625	75,405,690
KWAZULU/NATAL	122,948,925	50,291,200	117,202,945	240,151,870
LIMPOPO	76,643,208	26,658,973	29,759,586	106,402,794
MPUMALANGA	15,955,045	1,604,381	33,193,106	49,148,151
NORTHERN CAPE	44,391,720	7,531,037	59,320,539	103,712,259
NORTH WEST	6,803,490	1,474,040	9,363,374	16,166,864
WESTERN CAPE	4,414,422	2,933,168	45,570,049	49,984,471
Total	462,295,008	163,788,749	431,663,771	893,958,779

NUCLEAR OBLIGATIONS

Nuclear obligations under the National Nuclear Regulator Act

During this reporting period several cooperative agreements signed between the NNR and a number of counterparts, as required by the NNR Act, were published. Also published were the regulations on the format of application for a Nuclear Installation Licence, or a Certificate of Registration or Exemption.

Obligations under the Nuclear Energy Act

Implementation of the Radioactive Waste Management Policy and Strategy continued during this reporting period. The National Committee on Radioactive Waste Management held its first meeting in January 2008 where the formal terms of reference were discussed and a training programme agreed upon. The National Radioactive Waste Management Agency Draft Bill was finalized and approved by Cabinet in March 2008.

The annual financial report indicated that Necsa continued to discharge the Decommissioning and Decontamination of past strategic nuclear facilities liability on behalf of the Minister as approved by Cabinet in the Nuclear Liabilities Management Plan.

In terms of Nuclear Non-Proliferation obligations the accession to the Convention on Physical Protection of Nuclear Materials was ratified

Programme 6

on 17 September 2007. The Minister deposited the instrument of ratification to the Director General of the IAEA during the 51st Annual General Conference of the IAEA. A total of 34 authorisations were issued related to acquisition, possession, transport, use, import and export of nuclear material. The Zangger Committee annual returns were submitted confirming that no export from South Africa of nuclear material and equipment to Non-Nuclear Weapon States not party to the NPT Treaty, has taken place during the period 1 January to 31 December 2007

The draft Nuclear Energy Policy and Strategy was published for comment and comments were considered. The preliminary technical feasibility study on the conversion and enrichment of natural uranium to low enriched uranium was conducted and the outcome will inform the nuclear fuel strategy. The Department will develop a nuclear communication strategy in the 2008/9 financial year.



Delegates during one of the Women in Nuclear South Africa (WINSA) conferences

Skills development initiatives

In 2007 the Department's Nuclear and Radiation Science bursary programme was approved. The first intake of students was enrolled for the 2008 academic year. The Regional Post-Graduate Educational Course (PGEC) on Radiation Protection and on the Safe Use of Radiation Sources was conducted in conjunction with Wits University. The course took place from July to Nov 2007. Twenty students participated, fourteen from the rest of the continent and six from RSA. Nuclear Security Courses that were hosted included the National Training Course on Vital Area Identification and the Regional Training Course on the Response to Unauthorised Acts involving Nuclear and other Radioactive material. The nuclear security courses were part of the Integrated Nuclear Security Support Plan for South Africa that was established by the IAEA and South Africa with the objective of enhancing the physical security at different nuclear installations.

Obligations under the Disaster management Act

Implementation of the National Nuclear Disaster Management Plan continued as planned. DME functionaries have been trained and the Koeberg and Necsa Emergency Planning, Steering and Oversight Committees are functioning as expected.

Programme 6

MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM – TERM OUTPUT TARGETS

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
To govern the electricity and nuclear sector to be safer and cleaner	Safer electrical installations	Conduct Electricity Safety Audits on new households, schools and clinics	Audit Reports	50% of all new projects audited.	68% of the new projects have been audited. The total number of projects audited is 424 out of 624.
		Develop an Information System for safety related incidents	Database for safety related incidents	Completed March 2008	
	Cleaner safer and healthier electricity and nuclear sector and secure nuclear installations	Implementation of Nuclear Disaster Management Plan in terms of the Disaster Management Act. Development of procedures and training of functionaries.	Procedures and number of trainees	Procedures completed and functionaries trained	Completed
	Cleaner, safer and healthier electricity and nuclear sector and secure nuclear installations	Overseeing of nuclear disaster management at national level	All arrangements and plans to be in place	Arrangements 100% completed	Completed
		Servicing of International Nuclear Safety Obligations	All reports submitted	Country reports to be submitted as required by conventions	Completed

Programme 6

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Actively contribute to sustainable development	Universal access through increased access to modern Energy Carriers	Plan, implement and oversee Integrated National Electrification Programme (INEP)	Number of Households, Schools and Clinics electrified	150 000 households, 700 schools and all clinics electrified	<p>The need to build bulk infrastructure to enable more connections has resulted in reduced connections, which are as follows:</p> <p>Households - 185,148 Schools - 690 (490 grid and 200 non-grid) Clinics - all Bulk Substations - 10 (Actual connections as at 31 March 2008)</p> <p>2007-8 projects Households - 149,112 Schools - 755 (555 grid and 200 non-grid) Clinics - 163 (51 grid and 112 non-grid)</p> <p>2006-7 projects Households - 35,837 Schools - 193 Clinics - 0</p> <p>2004-5 roll over projects Households - 447</p> <p>Overall Connections Achieved in 2007-8: Households - 187 925 Schools - 948 Clinics - 163 Substations - 9</p> <p>The 2004-5, 2005-6 and 2006-7 projects have been included because the projects were completed in the 2007-8 financial year, and they were not reported in those respective years.</p>
		Preparation of integrated infrastructure planning	Bulk substations	10	9 were completed and the remaining one was delayed. The completion date is set for October 2008.

Programme 6

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Review and develop appropriate structures, processes, policies, systems and skills as well as the maintenance thereof	Support municipalities to enhance capacity to deliver on the provision of electricity	Develop a skills plan to implement the mandate	Assistance Plan Number of staff seconded to municipalities	Plan Completed 100 staff members	Completed 30% of the students have been absorbed by the service providers, and the contracts of the remaining 70% have been extended until June 2008. INEP is engaging DPLG in terms of assisting municipalities that need capacity.
	Adequate supply of skills to meet the needs of the electricity and nuclear sector	Formulate a National Nuclear Skills Development Strategy for the expanded Nuclear Programme	Strategy document in place	Completed	Not completed, Terms of Reference for the Development of the National Strategy for Training, Skills Development, Acquisition and Retention for the Nuclear Energy and Nuclear Science Research and Development Sector approved. Submission for Request for Proposals submitted to BAC.in March 2008.
		Implementation of the current Nuclear Skills Plan	Number of Trainees in the Sector	60 trainees	75 Trained
		Conduct a skills audit in the electricity sector	Skills Audit Report	Completed skills audit	
	Strategy for skills development		-		
	Enhanced Corporate Governance in the Public Entities	Strengthening of Competencies within the Boards of Public Entities	Statutory requirements	Compliance with relevant legislation	DME represented on SOE boards
Compliance to Procedures and all other prescripts governing the mandate of the Branch	Redefining and documenting of current work practices and processes	Work procedures	Completed March 2008	Inputs on the processes and procedures were submitted to the Compliance Office.	

Programme 6

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Redress past imbalances and bridging the gap between the first and second economies	Gender mainstreaming of the electricity and nuclear sector	Increase women participation	Percentage of females in the electricity and nuclear sector	20%	
	Broader participation within the electricity sector	Finalise a sector specific BEE policy aligned to the Statutory requirements	Sector specific BEE policy	Policy Completed (By end March 2008)	Not done. DTI and NT are still undergoing a process of harmonising their legislation.
	Poverty Alleviation through increased access to modern Energy Carriers	Evaluation of the Socio impact of INEP	Coverage Index	Baseline study	Baseline Study Report
			Consumption Concentration	Baseline study	Baseline Study Report
	Poverty Alleviation through increased access to modern Energy Carriers	Evaluation of the Socio impact of INEP	Monitor Reliability of Electricity	Baseline study	Baseline Study Report
			Number of jobs created through provision of infrastructure	5000 new jobs sustained	5594 Job Creation end March 2008 report
			Number of learners trained	800 learners	1599 Learners end March 2008 report
	Well informed stakeholders	Development of a comprehensive capacity building and communication strategy on nuclear issues	Comprehensive strategy document	Plan completed (by end of financial year)	The document could not be finalised. DPE proposed that an Integrated Communication Strategy be developed. The strategy will be developed in 2008/9 financial year.
			Implementation Plan	Plan completed (by end of financial year)	

Programme 6

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Implement minerals and energy economic policies and legislation	Security of Electricity Supply	Develop long term plan to meet demand with least cost options and align plan with Liquid fuels plan	National Integrated Resource Plan	Plan completed (by end of financial year)	Electricity Masterplan approved by Cabinet in December 2007.
		Develop a contingency plan to deal with current generation challenges	Response Plan	Plan completed (by end of financial year)	Completed National Electricity Response Plan.
		Develop regulations in terms of the Electricity Regulation Act no.4 of 2006	Licensing, quality of supply, new generation capacity regulations in place (incorporating new power stations, and co-generation) Demand side management and energy efficiency	Regulation promulgated and operational Regulation promulgated and operational	Completed
	Security of supply	Development of national nuclear fuel supply strategy	Strategy document	Strategy Completed	The strategy could not be finalised due to a lack of resources.
		Development of nuclear policy for the nuclear fuel cycle	Policy Document	Policy Completed	Completed
		Conduct a techno-economic feasibility study on conversion and enrichment of natural uranium to low enriched uranium	Completed study	Completed	Not completed. NECSA's preliminary report is under review.
		Effective nuclear non-proliferation framework	Develop and maintain a legal infrastructure that supports peaceful, safe and secure uses of nuclear energy	Number of Regulations promulgated under the Nuclear Energy Act.	Regulation Completed

Programme 6

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
Implement minerals and energy economic policies and legislation	Reduction of Nuclear Liabilities	Implementation of the Nuclear Liabilities Management Plan	Annual Report on Liabilities discharged including expenditure.	Completion of the annual plan as agreed with NECSA.	Completed
	Predictable electricity pricing regime	Review existing pricing practices	Overall Policy on electricity prices	Policy Completed	Draft Policy done and sent to Cabinet for approval.
	Effective management of Radioactive waste	Implementation of the Radioactive Waste Management Policy and Strategy	Radioactive A Draft Bill on the National Radioactive Waste Management Agency	Completed Draft submitted to Cabinet (June 2007)	The Draft has been completed but not yet submitted to Cabinet, due to stakeholder review process.
			The National Committee on Radioactive Waste Management Draft Bill on the Waste management	Functional NCRWM	Completed

Programme 6

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance				
				2007/2008	as at 31 March 2008				
Implement minerals and energy economic policies and legislation	Effective management of Radioactive waste	Implementation of the Radioactive Waste Management Policy and Strategy	Draft Bill on the Radioactive Waste Management Fund	Completed Draft (March 2008)	Not yet completed – initial drafting indicated the need for further considerations				
	Implementation of the NNR Act	Regulations on annual fees for nuclear authorisations	Number of Safety Regulations published	-	Not completed. The request of more information was not honoured on time by the NNR.				
		Regulations on financial security for nuclear damage			Not completed due to no recommendation received from NNR.				
	Secure nuclear material and installation	Introduce the DBT into the regulatory framework.	Number of Regulations promulgated under the Nuclear Energy Act.	Regulations Completed	-	Not completed. DBT still to be finalised. The directorate is awaiting the Threat Assessment Information from one of the stakeholders.			
						Revision of Physical Protection measures in line with DBT	Upgraded Physical Protection Systems of Nuclear Facilities	-	
						Review of the DBT for continued relevance	Reviewed DBT	-	
Consolidation of the Electricity Distribution Industry	EDI restructuring legislation	Legislation	Number of REDs formed	Legislation certified and in the parliamentary process	Draft legislation tabled at Cabinet in September 2007. It was returned for further consultation.				
	Facilitate the restructuring of the EDI								

Programme 6

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2007/2008	as at 31 March 2008
		Develop and maintain a legal infrastructure that supports peaceful, safe and secure uses of nuclear energy	Number of Regulations promulgated under the Nuclear Energy Act.	6 regulations promulgated	4 Regulations have been drafted. The directorate is in the process of finalising drafting of the remaining 2.
	Private sector participation in the electricity sector	Facilitate Private sector participation	30% of new generation from private sector.	1000MW OCGT in Kwa-Zulu Natal and Eastern Cape tender award	Target date could not be met due to challenges faced by the preferred bidder. Other options are being explored.
	Updated Act	Amendment of the nuclear energy act 46 of 99	Draft Amendment	Draft completed	This was put on hold pending the finalisation of the Nuclear Energy Policy that is out for public comment.
	Service Obligation	Nuclear Non-proliferation obligations under the Nuclear Energy Act	Processed applications	100% processing of applications	36 Authorities (13 Imports, 17 Exports and 6 Possessions) have been processed.

ELECTRICITY AND NUCLEAR SERVICE DELIVERY PLANS 2007/8

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2006/7)	DESIRED STANDARD (2007/8)	ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
<p>Alleviate poverty through increased access to modern Energy Carriers</p>	<p>Households, schools and clinics</p>	<p>Quantity: 160 000 households, 450 schools and 30 clinics</p>	<p>Quantity: 200 000 households, 800 schools and 50 clinics</p>	<p>The need to build bulk infrastructure to enable more connections has resulted in reduced connections, which are as follows: Households - 185,148 Schools - 690 (490 grid and 200 non-grid) Clinics - All Bulk Substations - 10 Actual connections as at 31 March 2008 2007-8 projects Households - 149,112 Schools - 755 (555 grid and 200 non-grid) Clinics - 163 (51 grid and 112 non-grid) 2006-7 projects Households - 35,837 Schools 193 Clinics - 0 2004-5 roll over projects Households -447 Overall Connections Achieved in 2007-8: Households - 187 925 Schools - 948 Clinics - 163 Substations - 9 The 2004-5, 2005-6 and 2006-7 projects have been included because the projects were completed in the 2007-8 financial year, and they were not reported in those respective years.</p>
		<p>Quality: Audited</p>	<p>Quality: Audit</p>	

Programme 6

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2006/7)	DESIRED STANDARD (2007/8)	ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
		<ul style="list-style-type: none"> • Consultation 	<ul style="list-style-type: none"> • Consultation 	
		<ul style="list-style-type: none"> • Access 	<ul style="list-style-type: none"> • Access 	
		<ul style="list-style-type: none"> • Courtesy 	<ul style="list-style-type: none"> • Courtesy 	
		<ul style="list-style-type: none"> • Open and Transparent 	<ul style="list-style-type: none"> • Open and Transparent 	
		<ul style="list-style-type: none"> • Information 	<ul style="list-style-type: none"> • Information 	
		<ul style="list-style-type: none"> • Redress 	<ul style="list-style-type: none"> • Redress 	
		<ul style="list-style-type: none"> • Value for Money 	<ul style="list-style-type: none"> • Value for Money 	
		Time:	Time:	
		Cost:	Cost:	
		Human Resources:	Human Resources:	
		50	50	
		<ul style="list-style-type: none"> IDP, Eskom, Municipalities 	<ul style="list-style-type: none"> IDP, Eskom, Municipalities 	
		<ul style="list-style-type: none"> Email, telephone 	<ul style="list-style-type: none"> Email, telephone 	
		<ul style="list-style-type: none"> Ad hoc 	<ul style="list-style-type: none"> Ad hoc 	
		<ul style="list-style-type: none"> Provincial workshops 	<ul style="list-style-type: none"> Provincial workshops 	
		<ul style="list-style-type: none"> Ad hoc 	<ul style="list-style-type: none"> Ad hoc 	
		<ul style="list-style-type: none"> Ad hoc 	<ul style="list-style-type: none"> Ad hoc 	
		Unspent fund by Municipality	Budgeted	
		End March 2007	End March 2008	
		Unspent funds by Municipality	Budgeted	
		50	50	

Programme 6

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2006/7)		DESIRED STANDARD (2007/8)		ACTUAL PERFORMANCE AS AT 31 MARCH 2008 AND REASONS FOR DEVIATION FROM TARGETS
Facilitate Private Sector participation in the electricity sector	South Africa	Quantity:	1 000MW	Quantity:	1 000MW	Financial Close not reached. Procurement process with AES terminated.
		Quality:		Quality:		
		• Consultation	Eskom	• Consultation	Eskom	
		• Access	Email, telephone, Meeting	• Access	Email, telephone, meeting	
		• Courtesy	Ad hoc	• Courtesy	Ad hoc	
		• Open and Transparent	Meetings	• Open and Transparent	Meetings	
		• Information	Ad hoc	• Information	Ad hoc	
		• Redress	Ad hoc	• Redress	Ad hoc	
		• Value for Money		• Value for Money		
		Time:	End March 2007	Time:	End March 2008	
Cost:		Cost:				
Human Resources:	8	Human Resources:	8			

PROGRAMME 7: ASSOCIATED SERVICES

Purpose: To provide services in support of the Department's mandate through funded and non-funded statutory bodies and organizations.

Measurable Objectives: Enhance the Department's objectives through policies and directives, promoting its legislative mandate and leading to the creation of an environment conducive to sustainable development, investment and the improvement of the quality of life of all South Africans.

(Detailed performance reports are on the individual entities' annual reports)

1. THE MINE HEALTH AND SAFETY COUNCIL (MHSC)

Mine Health and Safety Council functions in terms of the Mine Health and Safety Act (No 29 of 1996), to advise the Minister of Minerals and Energy on OHS legislation and research outcomes focused on ameliorating and promoting occupational health and safety at South African mines.

Important work under the Elimination of Silicosis Programme has been concluded, including research on, inter alia, identifying biomarkers as indicators of high crystalline silica exposure; dust measurements, reporting and engineering controls; baseline silicosis exposure for all occupations, and awareness activities, including the production and distribution of comics and booklets.

The Elimination of Noise Induced Hearing Loss (NIHL) research is ongoing and includes work on baseline measurements of noise and dust in gold, coal and platinum mines. Projects to provide engineering solutions to reduce NIHL in mineworkers is underway, including work on a Quiet Rock Drill prototype and lowering noise levels at source. Underground testing of the Quiet Rock Drill should be finalised by June 2008.

Research on the Elimination of Rockbursts investigates current methods and best practices to identify new approaches to the rockburst hazard, and evaluates new concepts in rockburst management.

The Rockfall Elimination Programme shows exciting new development into tools for early warning rockfall monitoring. The research also investigates rockfall supports and current legislative practices.

Other successful research outcomes for the period include updated information about the probability of Detaching Hooks opening, and a Personal Safety Device prototype, which is currently being tested underground.

COMMUNICATIONS HIGHLIGHTS

The MHSC considered and promoted mine health and safety at various events, including the Mini Indaba on Rockbursts and Seismicity, a "Day for Women in Mining", and at the MHSC Biennial Summit.

Information and knowledge was shared by means of a variety of communications media including MHSC books, newsletters, press releases and advertorials. MHSC CD 6 includes new final research reports not previously published. Two new books were published, namely the Handbook on Mine Occupational Hygiene Measurements and the Introduction to Safety Practice in South African Mines.

The Mini Indaba on Rock-Related Accidents was held in September 2007. Recommendations focussed on aspects relating to research and implementation; people and skills development; legislation and systems. These are being implemented as part of the 2008/9 research programme, and within the context of a restructuring process within the MHSC.

The Fifth MHSC Biennial Summit was held in October 2007 and its theme was, 'Working together towards zero harm'. Discussions resulted in recommendations aimed at reducing rock-related accidents and deaths; the need to develop further best practice technology transfer; to align the research budget with the urgent needs of the mining industry; to implement a Milestone Achievement Plan within the sector; to reduce the average fatality rate in 2007 and 2008 by 33% year on year, and to significantly reduce silica dust exposure to workers.

LEGISLATIVE REVISIONS

During February 2008 the Minister approved and gazetted the following Regulations under the Mine Health and Safety Act (MHSA):

- Chairlifts
- Lifts
- Vessels under Pressure
- Electrical
- Conveyor Belts
- Hazardous Locations
- General Machinery
- Flammable Gas regulations
- Water Storage and Pumping

THE MHSC RESTRUCTURING PROCESS

The MHSC appointed a consulting company to review its policies and procedures, devise a functional structure and provide job descriptions and performance agreements for senior managers. The outcome has resulted in the establishment of critical positions for a Chief Executive Officer, a Chief Research and Operations Officer and a Chief Financial Officer.

2. MINERAL TECHNOLOGY RESEARCH (MINTEK)

Mintek, South Africa's national organisation for research, development and beneficiation of minerals, was established in terms of the Mineral Technology Act, No 30 1989. Mintek strives, through innovative research and development, to be a global leader in the field of mineral and metallurgical research and development and technology transfer.

Global presence

Mintek has continued to be a global leader of choice in mineral processing. This is proven by the continued interest in metallurgical test work conducted by Mintek, at its Randburg site, for commercial clients who are developing projects outside of South Africa. In the 2007/8 financial year, this work amounted to just less than R100 million, which is 38 per cent of all commercial work undertaken. This test work was conducted for projects in ten African countries, of which the majority were in Namibia (uranium), Gabon (niobium), the DRC, Zambia, and Botswana (copper, nickel, and cobalt projects). In addition, test work was completed for projects in 21 other countries, the most important being in Kazakhstan (nickel and chromium), United States of America (cobalt), Iran (copper), Canada (platinum group metals), Switzerland (smelting of waste materials), and Australia (gold and aluminium).

Energy Sustainability

The electricity shortage in South Africa has put a strain on processing plants. Mineral processing plants and furnaces consume large amounts of energy. In this regard, Mintek is making significant contributions towards energy efficiency and sustainability. In the area of energy efficiency, Mintek has improved its Dry Cell (DC) arc smelting technology for the production of ferrochrome from chromite fines in order to reduce the electrical power consumed per ton of metal produced. This technology is expected to be used soon commercially. In the area of

Programme 7

energy sustainability, Mintek has performed the metallurgical test work for a number of uranium projects in South Africa, Namibia, Malawi and Australia, as it is anticipated that uranium will play a critical role in the energy sector.

SMME Development

Mintek's units responsible for SMME development have set up new bead making units near Rustenburg in the North West Province and at Nqutu near Dundee in KZN. These units were supplied with equipment, technical training and business skills. As a result of Mintek's SMME development assistance one of the existing bead making projects from O'Kiep in the Northern Cape won an award aimed at entrepreneurial woman crafters, which they will use to increase their product range, their market and the number of employees. RBR Mining was formed near Brits by three women, the company cuts and polishes granite waste, turning it into useful lifestyle products that can be marketed. Mintek in partnership with mining companies, Shanduka Coal, Xstrata Coal, and the Mbashe municipality set up, five new rural small and micro jewellery enterprises in the Eastern Cape and the Northern Cape. At these new sites, fifty beneficiaries are set to benefit in terms of skills transfer and enterprise development. Support to the existing twenty-five enterprises continued by way of skills transfer, product design, production support and market testing and distribution. Approximately two hundred people benefited from this.

Skills development

Mintek has established relationships with the education departments of the North West and the Limpopo provincial governments, whereby 25-30 Grade 11 and 12 girl learners from each province are provided with an opportunity to undertake a limited period of job shadowing at Mintek during the school holidays. The programme encourages black girl learners to take up studies in the area of minerals and metallurgy, thereby addressing the sector's transformation imperatives. The top-performing Grade 12 learners are provided with Mintek bursaries, and 6 girl learners, as recommended by the MEC's office of the North West Education Department, have received bursaries in 2008. Mintek is to expand the programme in 2008 to the Western Cape, where an effort will be made to attract coloured students as there are very few coloured people working at Mintek.

3. ELECTRICITY DISTRIBUTION INDUSTRY HOLDINGS (EDIH)

EDI Holdings business strategy remains premised on the four strategic pillars, namely Providing thought leadership and strategic advice on the electricity distribution industry, Ensuring the efficient creation of the six wall to wall REDs, Ensuring that the REDs deliver on the national objectives of EDI reform and Become the catalyst and champion of the EDI restructuring process through proactive and continuous advocacy.

The EDIH track record in the period under review, as well as its strategies and plans for the future, bear testimony to its stated mission to restructure, transform and consolidate the electricity distribution industry into an efficient, viable and sustainable one.

Policy Environment:

DME, with the assistance of EDI Holdings, was able to complete the EDI Restructuring Bill, which has been tabled in Cabinet. Upon tabling the Bill to Cabinet, it was decided that the Bill together with Regulations, be served at the same time. It is expected that matters dealing with regulatory requirements will be completed in the first half of the 2008/09 financial year. These include:

- Corporate matters relating to REDs (e.g. Capital structure and shareholding)
- Preparatory stages prior to transfer of assets (e.g. ring fencing and due diligence exercises)
- Participation of Municipalities in the REDs (e.g. model service delivery agreements prescribing regulations of service)

Programme 7

- The basis on which ESKOM will dispose of their assets in the REDs
- Valuation methodologies in respect of electricity undertakings.

An exemption to the Municipal Systems Act (MSA) Section 14 was granted to the municipalities to ensure that municipalities are able to negotiate the transfer of their electricity distribution assets to the REDs in the interim. National Treasury has since started drafting the Asset Transfer Framework for public comment. A draft framework was tabled at the joint Portfolio Committee of Minerals and Energy, as well as the Provincial and Local government for consideration. This process is still ongoing.

The Municipal Fiscal Powers and Functions (MFPF) Act dealing with outstanding Section 229 of the Constitution of the Republic of South Africa is in the process of completion. This process entails the following:

- The manner in which the National Government, through the Minister of Finance, will exercise its policy oversight role, regulatory role and authorisation role in respect of municipal surcharges, and taxes other than property rates and user charges.
- Regulate the manner in which the Minister of Finance, a municipality, group of municipalities or organised local government may initiate a municipal tax or taxes.

Financial Management

EDI Holdings financial management for the financial year ending 31 March 2008 is testimony to the unrivalled focus and commitment to excellence in the financial management focus.

- The restructuring MYPD budget funding through NERSA and Eskom's agreement for the collection of the restructuring funds on behalf of EDI Holdings, started flowing into EDI Holdings investment account during the last quarter of the 2006/07 financial year. As at the end of March 2008, R260m was received from ESKOM in respect of this agreement, and invested with the Reserve Bank. An amount of R17m was received as interest on the balance of the capitalised investment. A total expenditure of R33m was incurred and funded through the restructuring budget during the latter part of the 2007/08 financial year.
- Corporate expenditure funded through the Government grant totalling R67.5m was received during the 2007/08 financial year. Of this amount, R65.3m was utilised to defray operating expenses related to the restructuring project overheads.
- Of the total restructuring budget amount of R480m, against actual expenditure of R33m, the excessive variance of R447 is largely due to the delayed restructuring activities which depended upon the availability of funding, conclusion of service provider contracts, and other legislative compliance issues which are now under way.
- The year end variance of R1m on the total corporate budget of R67m bears testimony to the financial control mechanism put in place to monitor and manage the total budget allocations as per the strategic business plans.

EDI Holdings has positioned itself to dealing with challenges that may arise from time to time, through engagement forums created. The wires, retail and business process and systems, and the Transitional Labour Regional Support (TLRS) national forums are operative.

Electricity Distribution Industry (EDI) is part of the broader Electricity Supply Industry (ESI) value chain. Challenges experienced in generation filter through to the distribution.

4. THE COUNCIL FOR GEOSCIENCE (CGS)

The CGS has recognized that for over 100 years it has mapped the country in terms of its terrestrial territory during which geological, geophysical, metallogenic and geochemical information was collected and depicted in the form of maps. This core responsibility of the CGS has underpinned the mineral exploration industry as well as land-use development issues facing the country. However, South Africa's knowledge of its seabed, which represents an area of 1,5 million km² (South Africa's land area is 1,2 million km²) is almost unknown. The seabed is known to contain many resources such as phosphate, manganese, gas hydrate, aggregates, carbonate for cement and even base metals. The seabed also comprises many environments in which our fish stocks are sustained. It is also an area in which increasing interest is being shown from which to produce renewable sources of energy. There is little doubt in stating that the very large area of seabed belonging to the country represents the next frontier for exploration. In recognition of this, the CGS has embarked on a programme of activities to highlight the importance of the country to invest and embark on a systematic offshore mapping programme. The CGS will be making submissions to relevant organs of State in this regard in the next financial year.

The CGS has significantly increased its level of services to Eskom as part of its New Build Programme of increased electricity generation. The CGS is pleased to be involved in this strategically important area of activity for the country, and it expects even greater involvement in assisting Eskom in the future. On this note, the CGS has decided that where necessary, the CGS will realign its operations in order to ensure that it will provide its full commitment to Eskom.

Considerable progress was made in reviewing the role of the organisation in addressing the development needs facing the country. This was done in recognition of the need for the CGS to play an increasing role in assisting the process of land and infrastructural development such that the impact of geohazards is minimised.

The CGS has completed the first phase in upgrading five stations of the South African National Seismograph Network and sending data in real-time from these stations to an International Data Center (IDC) as part of South Africa's contribution towards the establishment of the Indian Ocean Tsunami Warning System (IOTWS). The CGS also reached out during the year to promote IOTWS preparedness and awareness programmes as part of an educational effort. This initiative falls within the framework and objectives of Working Group 6 of the Intergovernmental Coordination Group.

The ongoing small-scale mining programme of the CGS, in partnership with the Department of Minerals and Energy since 2005, continued. The objective of the programme is to assist in the elimination of barriers to entry and to facilitate access to the mainstream mining industry of South Africa. Emphasis is also placed on increasing wealth in a sustainable manner, especially for rural communities. By the end of the financial year ended 31 March 2008, 171 projects had been approved for technical investigation and purchase of equipment under the auspices of the Small-Scale Mining Programme.

The CGS has begun work on GIS-based predictive mineral deposit mapping, using the extensive in-house databases including geology, structures, geochemistry, remote sensing imagery and geophysics, together with other data sources, to generate mineral potential/predictive maps of various metallogenic regions throughout South Africa. It is hoped that potential target areas identified through this technique will assist towards promoting the small-scale mining sector and other minerals industry in South Africa, particularly the growth of new opportunities. A copper potential map of two sheets has, so far, been completed in the copper rich district in the Limpopo Province. The project will continue to study the gold potential of the greenstone belts in South Africa.

Considerable investment has been made in recapitalising scientific equipment of the CGS, varying from geophysical, geochemical equipment and the building of a dedicated near-shore survey vessel. Investment has also been made into IT infrastructure with the modernisation of email and back-up servers and the improvement of bandwidth. The CGS is in the process of finalising the procurement of a multi-purpose drilling rig to assist with required drilling and sampling work related to the assessment of mineral deposits under the Department of Minerals and Energy Small-Scale Mining Programme. This will enhance the capability of the CGS to conduct such assessments and to fast track the

Programme 7

possible development of new small-scale mining operations under the initiative.

An important and innovative development for the country has been the CGS's involvement in the compilation of a carbon dioxide geological storage atlas. Carbon Capture and Storage (CCS) is one of the recognized mitigation measures for the lowering of greenhouse gas emissions. Assessment of the potential for CCS in South Africa requires a detailed investigation into locating and characterising potential carbon geological-storage sites. The CGS, along with the Petroleum Agency of South Africa, is tasked with the compilation of this atlas, which has been sponsored by SASOL, Eskom, PetroSA, Anglo American plc and the South African National Energy Research Institute (SANERI).

Important progress has been made on the compilation of the first seamless geological map for the SADC region. This represents a benchmark geoscience product for the region, and it will contribute significantly to mineral and ground water exploration. The map is expected to be published in July 2008.

The Witwatersrand Water Ingress Project that the CGS has been conducting on behalf of the Department of Minerals and Energy, relating to the problem of mine water in the Witwatersrand gold mining area, has reached a critical juncture, with the completion of a draft strategy document for the management of ingress and decant of mine water in gold mines in the Witwatersrand and Klerksdorp –Orkney - Stilfontein -Hartbeesfontein (KOSH) areas. This draft strategy is still to be widely distributed for public participation, before it is refined and adopted as an official Government strategy document for implementation.

The CGS won the bid on behalf of South Africa to host the International Association of Seismology and Physics of the Earth's Interior (IASPEI) 2009, which will be held at the Cape Town International Convention Centre. This is the first IASPEI General Assembly to be held in Africa, and is endorsed by the Minister of Minerals and Energy, International Council for Science, the Geological Society of South Africa and the South African Geophysical Association.

In terms of international collaboration, the CGS has been involved in two projects with India. One is to produce a metallogenic and tectonic framework linking peninsular India with eastern/southern Africa. The second project focuses on coal resources and the associated geology between India and South Africa. South Africa, through the CGS, has also forged a strong scientific and institutional collaborative relationship with Algeria, by assisting them in restructuring, developing and implementing a new Geological-Survey type institution for the country. A corroborative project with the two Japanese institutions-JOGMEC and AIST is currently in progress as part of the Japan-SA JIPSA Programme, and focuses on the assessment of Rare Earth Elements in South Africa. An agreement between the CGS and the Korea Institute of Geoscience & Mineral Resources (KIGAM) is at an advanced stage, and focuses on the scientific study of selected alkaline and carbonatite deposits and their associated mineralisation in South Africa.

Challenges facing the Council for Geoscience for the period 2008/9

A key challenge facing the CGS is the difficult issue of staff turnover, especially amongst the scientific staff. The shortage of geologists nationally and internationally, which is largely driven by a worldwide expansion in the oil, gas and minerals industry has resulted in a great demand for geoscientists by the industry. In particular, young geoscientists are highly mobile in the job market and this has led to difficulties in retaining them at the CGS.

5. NATIONAL NUCLEAR REGULATOR (NNR)

The National Nuclear Regulator (NNR) is established in terms of the National Nuclear Regulator Act, Act 47 of 1999, which came into effect on 20 February 2000. The facilities and actions regulated by the NNR are diverse, including the operation of nuclear power reactors, research reactors, nuclear fuel fabrication, nuclear technology applications and the mining and processing of uranium and other radioactive ores.

Programme 7

The mandate of the NNR is to provide for the protection of persons, property and the environment against nuclear damage through, the establishment of safety standards and regulatory practices; the exercise of regulatory control over nuclear installations, vessels propelled by nuclear power or having radioactive material, capable of causing nuclear damage on board and any action capable of causing nuclear damage, to which the NNR Act applies; through the issue of nuclear authorisations and the provision of assurance of compliance thereto; ensuring that provisions for nuclear emergency planning are in place: acting as the national competent authority in connection with the International Atomic Energy Agency's Regulations for the Safe Transport of Radioactive Material.

The NNR is also mandated to Advise the Minister of Minerals and Energy on matters falling within its purview and fulfil national obligations in respect of international legal instruments concerning nuclear safety.

During this reporting period the NNR focused on making further changes to improve every aspect of the organisation's business within the framework of current legislation. The NNR is challenged in sustaining an appropriate level of in-house technical capacity (engineers and scientists) to deliver on its core business. The expanding nuclear programme, introduction of new technologies such as the PBMR and the proposed New Build Programme and resurgence in uranium mining, bring yet further increased competition for scarce skills. To address the challenges faced, the NNR has proactively engaged in strengthening its in-house capacity and has launched strategic initiatives such as:

- restructuring to achieve greater responsiveness and improved service delivery;
- improved pipeline sourcing and talent management for recruitment, retention and development of technical expertise;
- establishment of partnerships with technical support organisations;
- Improved international cooperation and liaison, enabling NNR specialists to extend their knowledge through participation in international forums and scientific visits;
- Concluding of bilateral agreements with international nuclear regulators (Argentina, Canada, France, Sweden, and USA) for technical cooperation and exchange.

The NNR also contributed actively to South Africa's national capacity building programmes in the nuclear field.

A vital aspect of the work and functions of the NNR is that of communication with stakeholders and outreach initiatives to the public. In this respect, cooperative governance agreements between the NNR and several government departments were concluded. The NNR also conducted numerous public and public body outreach programmes during the reporting period.

In general, the NNR authorisation holders demonstrated compliance to the conditions of authorisation and in particular the dose limits for workers and members of the public. Where non-compliance with the conditions of authorisation was identified, the NNR has initiated enforcement actions. Enforcement actions are designed to respond to non-compliances with specified conditions and requirements. The enforcement actions are commensurate with the seriousness of the non-compliance, and may take the form of written warnings, penalties, curtailment of operations, suspension of the authorisation, or ultimately withdrawal of the authorisation. In all cases, the holder of the authorisation is required to:

- Remedy the non-compliance
- To perform a thorough investigation in accordance with an agreed timescale and
- To take all necessary measures to prevent recurrence.

The strategic priorities of the NNR include:

- Continuing to develop, review and implement appropriate regulatory policies, practices and effective compliance monitoring by strengthening the analytical verification capability and capacity of the NNR Laboratory; strengthening the regulatory enforcement regime; and strengthening the NNR's regulatory research programmes in support of the regulatory process.
- Improving stakeholder confidence in South Africa's nuclear regulatory system through the implementation of an enhanced communications

Programme 7

policy to improve public understanding of the issues relating to the nuclear sector; providing accurate and timely information about the safety performance of authorisation holders to stakeholders; and enhancing the efficacy and frequency of face-to-face stakeholder engagement processes.

- Improving and strengthening internal business processes, aligned to best practice and responsive to environmental dynamics through the implementation of an integrated management system to ensure excellence in internal business processes, sound financial administration and good corporate governance; and
- Attracting, developing and retaining staff to maximise internal capacity through the use of an innovative talent management strategy to achieve a high quality, diverse work force with the skills needed to achieve the NNR's vision; reducing the NNR reliance on external technical support by building capacity within the organisation; realignment of policies, procedures and practices to advance the transformation imperative; and ensuring a sustainable safety assessment capability in order to conduct safety assessment reviews for the granting or otherwise of authorisations for new actions and the approval of changes to existing actions.

6. THE SOUTH AFRICAN NUCLEAR ENERGY CORPORATION (NECSA)

In preparing Necsa for the new era in the South African nuclear industry and the role that Necsa will fulfill in the bigger picture, the corporation focused on capacity development, and nuclear fuel cycle development commercial activities.

The highlights of 2007/08 financial year were the successful completion of the pre-feasibility studies for the re-establishment of a nuclear fuel cycle capability for South Africa to support Eskom's expanded power generation programme; and the financial performance of the Necsa group's commercial activities.

Nuclear Fuel Cycle Programme

The Nuclear Energy Policy and Strategy states that "In order to implement a sustainable nuclear programme and obtain all the potential economic benefits South Africa shall endeavor to implement, or obtain interests in the complete nuclear fuel cycle" (section 13). The policy further envisages that Necsa will be encouraged to participate in the uranium value chain and beneficiation thereof, which includes the uranium conversion, enrichment and fuel fabrication components.

The pre-feasibility studies on all the components of the fuel cycle were completed in March 2008 as scheduled; and delivered the following outputs:

- Confirmation regarding the viability of an NFC programme for SA, assuming that a nuclear generation capacity of 20GW be installed over the next two decades
- A much improved understanding of the technological, commercial and techno-political aspects of the nuclear fuel cycle
- Identification of options for the different fuel cycle components.

The pre-feasibility study has provided us with an informed platform for extended interaction with the Government and other stakeholders, the initiation of more detailed engineering studies and the first experimental projects.

Necsa Nuclear R&D Activities

Nuclear R&D is the heart of Necsa's institutional mandate and it stands to play a central role in the R&D required for the expansion of nuclear activities in South Africa.

Programme 7

With its focus on capacity building, Necsa expanded its R&D horizons by investigating the linkages between nuclear technology and fast growing fields of nano-science, and of biosciences and technology. A strategy for Nuclear Technology in Medicine and the Biosciences Initiative (NTeMBI) was completed, and awaits implementation by its stakeholders.

R&D infrastructure was upgraded and an important milestone was the development and commissioning of the neutron velocity selector for the small angle neutron scattering (SANS) facility at SAFARI-1. A highly advanced X-ray residual stress analysis instrument was also commissioned, complementing existing neutron diffraction stress analysis capabilities.

Technology Inventions

Six new systems were invented, developed and completed during the year; and the following two systems merit special mention:

- The development and construction of a highly versatile experimental hot cell. This hot cell will significantly reduce the cost and development time of new radioisotopes.
- The development and construction of a commercial scale facility for the production of Xenon difluoride. This is the first commercial plant for the production of this highly valuable product, in the world.

Commercial Performance

Necsa achieved growth of 18% of its sales of goods and services delivered to external clients. The NTP Radioisotopes (Pty) Ltd subsidiary made a big contribution in this regard by exceeding its sales budget for the past year by 21%.

Future Challenges

- Necsa experienced relatively high turnover of its technical staff, and retention strategies will be devised to normalise the situation.
- The regeneration of the Necsa site and infrastructure still remains a big challenge.
- The establishment of fuel facilities for the production of LEU fuel for SAFARI-1 also remains a challenge.

7. SOUTH AFRICAN DIAMOND AND PRECIOUS METALS REGULATOR (SADPMR)

The year 2007 was a watershed year for the South African Diamond and Precious Metals Regulator. Three pieces of legislations, namely the Diamond Amendment Act, 2005, the Diamond Second Amendment Act 2005, and the Precious Metals Act 2005, were promulgated on 1 July 2007, broadening the mandate of the Regulator to include precious metals regulation. This mandate will ensure that beneficiation in the jewellery industry is accelerated.

As part of its broader mandate, the Regulator established the Diamond Export Exchange Centre (DEEC) on 14 January 2008. The D.E.E.C is hosting diamond tenders for different mines, as well as from independent licensees, for the export as well as the local market. Up to the end of March this year, 396 parcels, 526 viewers and 93 197 carats of rough diamonds were handled by the DEEC.

The Diamond Export Levy Act will be effective as from 1 September 2008 and consultations with the South African Receiver of Revenue (SARS) are currently underway to put mechanisms in place to collect the diamond export levies.

According to the new Diamonds Act, all old order diamond licenses and permits have to be converted by 1 June 2008. To date 70 percent of licenses have been processed and the remaining 30 percent are awaiting SARS and police clearance certificates.

On the precious metals side, the transaction-based prescribed registers to be submitted by precious metal licensees and permit holders (in terms of the Precious Metals Act, 2005) are currently being distributed to all holders. The deadline for conversion of the old order licenses and permits is 1 June 2009.

The attraction and retention of skills is a major challenge for the Regulator and in order to deal with this problem the Regulator has recruited 8 (eight) interns to be trained in various occupations.

The Regulator also initiated a joint research project with Mintek on the fingerprinting of diamonds, a project which will be of added value to the Kimberley Process Certification Scheme.

8. NATIONAL ENERGY REGULATOR OF SOUTH AFRICA (NERSA).

NERSA experienced a number of highlights during 2007/08. These highlights are grouped in industry specific regulatory highlights, cross cutting regulatory highlights and governance highlights.

Electricity Industry Regulation Highlights

- The Energy Regulator approved Eskom's generation licence application for Medupi and return to service licence application for Komati and Grootvlei power stations as a result of the electricity supply challenges that the country has been experiencing, this also necessitated the establishment of an Ad Hoc Committee of the Energy Regulator to evaluate Eskom's load shedding. In order to assist the Subcommittee in finalising its report on Eskom's load shedding, a NERSA Load Shedding Task Team was established comprising seven (7) works streams. Eskom's proposal for modification of the Demand Side Management and Energy Efficiency (DSMEE) framework was also assessed during the period under review, and the Regulator also approved the industry risk assessment and mitigation strategies during this period. The Energy Regulator announced its final determination on Eskom's electricity price increase application and Municipal Electricity Tariff guideline and benchmarks for 2008/9 on 20 December 2007.

Piped-Gas Industry Regulation Highlights

The Gas Regulations came into effect during the year under review, and the draft compliance mechanism for piped-gas licensees was also completed. The Regulator held public hearings regarding Sasol's application for the operation of existing gas distribution facilities in eighty four (84) areas in Gauteng, Mpumalanga and the Free State and the trading in gas in these areas. NERSA also held public hearings on Transnet Limited's licence application for the operation of an existing gas transmission facility from Secunda to Durban, i.e. the "Lilly" Pipeline.

Petroleum Pipeline Industry Regulation Highlights

The Energy Regulator awarded Transnet Pipelines a licence to construct a New Multiple Product Pipeline from Durban to Johannesburg on 20 December 2007. The final draft document of the Petroleum Pipeline Compliance Mechanism Framework was submitted by the consultants. The Regulator also approved the establishment of a joint NERSA/DME task team on the security of supply infrastructure and the review of the Draft Petroleum Pipelines Regulations. The Tariff Methodology for the Petroleum Pipeline Industry was approved by the Energy Regulator during the year under review.

9. CEF (PTY) LTD (CEF)

CEF, incorporated in terms of the Central Energy Fund Act, is mandated by the South African government to engage in the acquisition,

Programme 7

exploration, generation, marketing and distribution of any energy form and to engage in research relating to the energy sector.

CEF's activities are housed within CEF (Proprietary) Limited itself and its six active subsidiaries:

- The Petroleum Oil and Gas Corporation of South Africa (Pty) Ltd (PetroSA)
- South African Agency for Promotion of Petroleum Exploration and Exploitation (Pty) Ltd (Petroleum Agency SA)
- The South African Gas Development Company (Pty) Ltd (iGas)
- Oil Pollution Control South Africa (Association incorporated under Section 21) (OPCSA)
- South African National Energy Research Institute (Pty) Ltd (SANERI)
- SFF Association (Association incorporated under Section 21) (SFF).

The current mandate for the CEF group is in terms of a Ministerial Directive, which was issued to CEF by the Minister of Minerals and Energy in December 2003.

Security of Supply

The CEF Group continues to be active in a number of arenas promoting the security of energy supply.

iGas (the South African Gas Development Company) in conjunction with Sasol and the Mozambican government company are making strides in increasing the volume of gas transported through the Rompco pipeline from Mozambique to South Africa. A compressor station is scheduled for construction in Komatipoort soon.

The engineering planning for a 2400 megawatt power plant at Coega has been completed and the project is ready to move into construction phase. The engineering is also complete for a gas transportation pipeline to Mossel Bay.

The current power emergency has sparked additional interest in gas exploration and production. In the year under review, the Petroleum Agency SA issued 20 exploration rights for the Karoo Basin for conventional gas and coal-bed methane.

African Exploration and Finance Corporation (Pty) Ltd, which was in its first year of operation as a company mandated by the DME to hold all exploration and mineral rights, has made inroads in acquiring mineral assets with the SADC region and has formed joint ventures to advance its objectives of being a major regional player.

As part of its research and human capital development programme, Saneri issued 19 Master's degree bursaries and 14 PhD bursaries. Some 29 energy research projects were approved with a total budget of R28, 4million.

On the renewable energy front, the waste gas to electricity project at PetroSA has been commissioned and the plant is fully functional.

The United Nations Solar Water Heating Project was formally closed after five years of intensive study. The key findings support the establishment of a viable solar water heating industry.

The Basa Njengo Magogo project, which is intended to enhance clean coal use, was rolled out in collaboration with the Johannesburg City Council to 10 000 households in the Alexander township.

STRATEGIC OBJECTIVES FOR 2008/9

For CEF, the focus in 2008/2009 will be primarily on the finalisation of the low smoke fuel project; on completion of the bio fuels research and commercial development; to generate electricity as envisaged with the Darling Wind Farms; to continue exploiting landfill gas opportunities within the different municipal boundaries; and to seek a stronger collaboration with the new institutions of Energy Efficiency Agency and SANERI.

A very significant intervention will be the establishment of the CEF Carbon Division expected to be generating income in the 2008/9 financial year.

As a group, the consolidated efforts of all companies are to ensure long-term sustainability whilst fulfilling the mandates received from the shareholder.

9. STATE DIAMOND TRADER (SDT)

The SDT was in full operational trading for only three months for the year ending 31 March 2008. The SDT had its first trading with the first shipment of goods purchased / rough diamonds, on the week beginning 7 January 2008 at R19.9million. It took five weeks to sell all the goods that were purchased in that cycle. Cycle 2 came about with the purchase of goods on the week beginning 18 February 2008 and it took four weeks to sell all the goods. Cycle 3 started with the purchase of goods on the week beginning 17 March 2008 and by period end 31 March 2008 there had been no sales recorded.

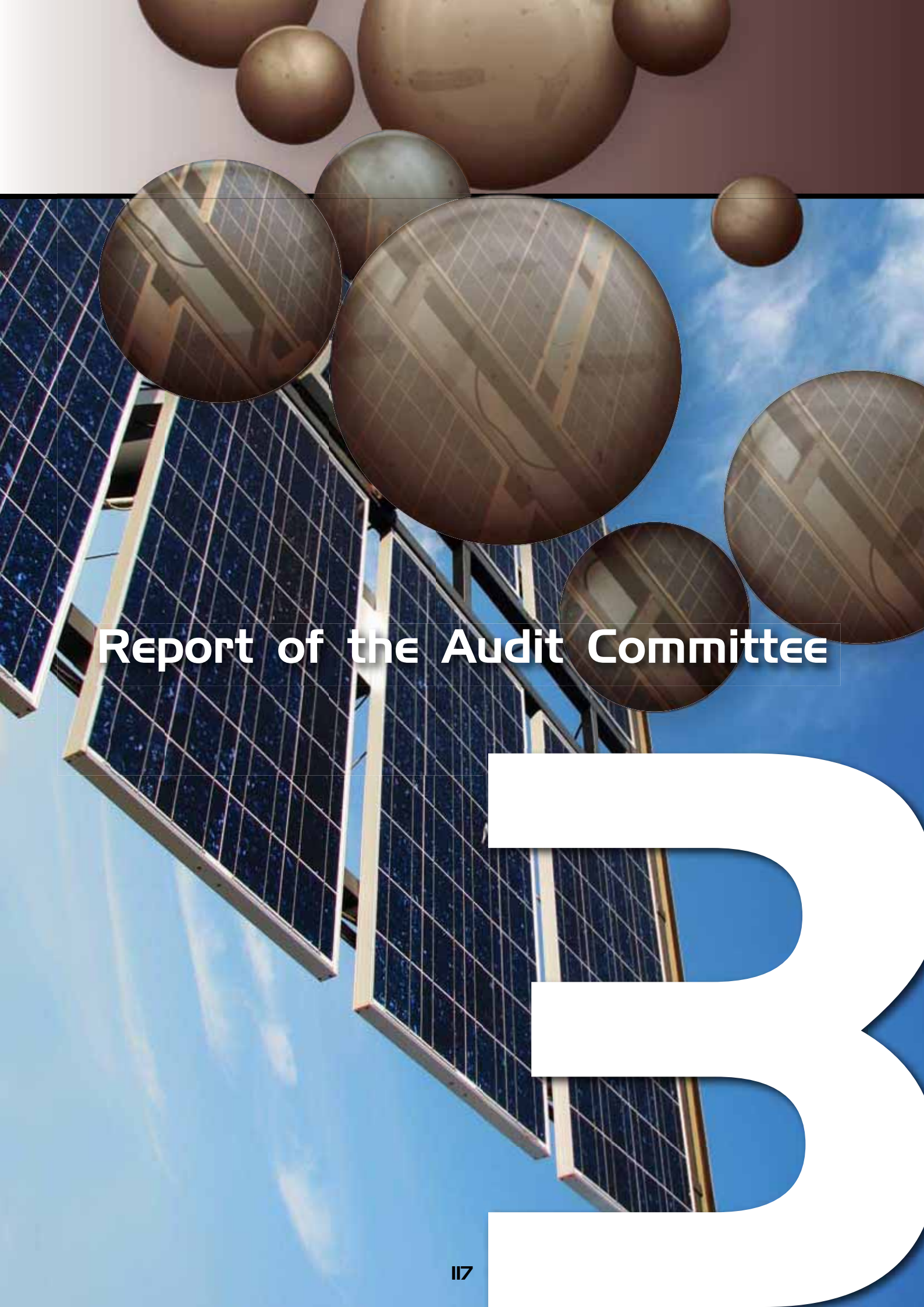
SDT is in line with the budget and corporate plan in terms of both forecasted purchases and also operational targets, including the targeted margins. However, the sales are behind schedule by one month as only two cycles of sales were effected before 31 March 2008 instead of three cycles as per the budget.

This is due to the challenges experienced with the third cycle sales, as the market demand decreased due to the customers (polishers and cutters) having enough goods to work on and fewer customers to sell to after the December season. Also, the biggest market of the finished product is the United States, who is actually returning some polished and cut diamonds (or jewellery) that they cannot sell after the December season. With the rise in necessities like food, crude oil, and the economic crisis associated with the sub-prime lending in the US, there has been a decrease in the jewellery demand.

SDT achieved sales of R48million for the period end 31 March 2008 and had an inventory of about R23million at hand. SDT sold to just more than 60 of its total clients as at 31 March 2008. One of the major challenges for the SDT is to be able to buy up to 10% of produce and also to buy only the desirable goods. At present that is not happening, due to limited funding and a run off mine concept. As our customer base is growing, so is the demand, and therefore we might not be able to supply some of our customers as a result.

Compliance with PFMA and Treasury Regulations

SDT as a new entity listed under the Schedule B of the PFMA, is in the process of implementing its plan to be in full compliance with the PFMA and Treasury Regulations. The Policies and Procedures being drafted still need to go through the approval process by the relevant committees and the Board of Directors.



Report of the Audit Committee

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Vote 29
Report of the Audit Committee
for the year ended 31 March 2008

We are pleased to present our report for the financial year ended 31 March 2008.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets at least 4 (four) times per annum as per its approved terms of reference. During the current year 6 (six) meetings were held.

Name of Member	Number of Meetings Attended
S Sithole (Chairperson)	6
EH Heyn	6
DP van der Nest	5

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13**.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

Management is committed to the maintenance of effective internal control systems in the Department. Internal Audit has assisted by providing reports identifying corrective action, where appropriate, and suggesting enhancements to the controls and processes audited. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the management report of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was satisfactory.

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.

The Audit Committee is satisfied with the content and quality of monthly management reports prepared and issued by the Accounting Officer and the Department during the year under review.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Chief Financial Officer representing the Accounting Officer;
- reviewed the Auditor-General's management report and management's response thereto;
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's Report on the Annual Financial Statements, and is of the opinion that the audited annual financial statements be accepted and read together with this report of the Auditor-General.

Vote 29
Report of the Audit Committee
for the year ended 31 March 2008

The " Other Matters " reported by the Auditor General where not all accepted by management. The Committee will ensure that these matters are attended to and resolved to the satisfaction of all parties.



Chairperson of the Audit Committee

Date: 25 July 2008.



Annual Financial Statements

4

Table of Contents

Report of the Accounting Officer	122
Report of the Auditor-General	135
Appropriation Statement	138
Notes to the Appropriation Statement	148
Statement of Financial Performance	151
Statement of Financial Position	152
Statement of Changes in Net Assets	153
Cash Flow Statement	154
Accounting Policies	155
Notes to the Annual Financial Statements	163
Disclosures Notes to the Annual Financial Statements	172
<i>Annexures</i>	
Annexure 1A	178
Annexure 1B	182
Annexure 1C	183
Annexure 1D	184
Annexure 1E	185
Annexure 1F	186
Annexure 1G	187
Annexure 1H	188
Annexure 2A	189
Annexure 2B	190
Annexure 3A	191
Annexure 3B	193
Annexure 4	194
Annexure 5	195

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

1. General review of the state of financial affairs

Energy plays a major role in the lives of all people in the world and it remains a strategic resource for sustainable development in South Africa. It is a key strategic sector of the South African economy underpinning the growth and developmental objectives set out by Government. Over the next few years, the country is expected to continue to experience sustained growth in energy demand, driven by growth in the industrial, mining, transport, commercial and domestic consumer sectors.

The accelerated implementation of our energy policies saw the Department developing the Energy Master Plan for South Africa covering both the Liquid Fuels Sector as well as the Electricity sector. The Liquid Fuels Master Plan enjoined the department to prioritise planning and develop an Energy modelling system. On the other hand, the electricity master plan led to the determination of an acceptable electricity reserve margin, which would allow for proper and focused investments into growing and sustaining the electricity infrastructure into the future. A review of the assumptions underpinning our Energy Positions was also conducted through the Energy Summit and these were found to be sound and still valid. Consequent to this, there are no new policies that needed to be developed. The sustained economic growth that the country experienced over time coupled with supply constraints led to power shortages that the country experienced at the beginning of the 2008 year. In response, Cabinet approved the implementation of a national response plan, whose main thrust is power conservation. The message straddling through all our policy interventions is the need for consumers to change their behaviour around efficient utilisation of power, demand side management, and benefits for the future. The implementation of the power conservation programme is coordinated via the National Electricity Response Team (NERT), which address various demand and supply issues pertinent to availability of electricity in South Africa.

The diversification of energy sources with a focus on attracting new investments in power generation continues to receive priority attention. During the year under review, we finalised the process of awarding tenders to the successful Independent Power Producer (IPP) to build 1000MW of Open Cycle Gas Turbine plants in the Coega industrial development zone (IDZ) in Eastern Cape and at Avon in Kwazulu Natal. The process experienced problems relating to the financing model for the project. I am however confident that a breakthrough will be made, so that implementation can commence in earnest.

The implementation of the Integrated National Electrification Programme with the aim of achieving universal by 2012, remain a priority for the Department, despite electricity supply constraints facing the country. During the year under review, we achieved universal access with regard to clinics using both grid and non- grid and we continued to connect households and schools, as well as development of bulk infrastructure.

As part of our Energy Policy, we developed the draft Nuclear Energy Policy and Strategy which is aimed at guiding the expanded nuclear build programme and addresses the issue of investment in uranium beneficiation. The policy aims to ensure that uranium outputs from our mines are used firstly to satisfy South Africa's own energy requirements. The Department expects to finalise this policy document during the 2008/09 financial year.

In pursuit of our implementation of the Renewable Energy White Paper, we developed the Bio Fuels strategy, which is cognisant of the need to strike a delicate balance between food security and objectives of energy security. The implementation of this policy would commence once the implementation plan is finalised during the 2008/09 period. We will continue to explore other renewable energy projects, because it is through diversification of sources that we can ensure a proper energy mix and ensure security of supply in a sustainable manner.

The Department continued to strengthen the Hydrocarbons and Energy Planning component by restructuring and capacitating the branch to enable it to execute its responsibilities. Key amongst these was the creation of additional capacity needed to execute licensing activities. This was considered imperative so as to strengthen economic regulatory activities, with an objective of ensuring security of energy supply.

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2007

To this end, various wholesale, HDSA wholesale and retail licences were processed and decisions taken in this regard. Challenges identified during this process were the sophisticated nature of fronting by some applicants, complex nature of some deals, as well as challenges with compliance with SMMEs. The Department also experienced a challenge with retaining skills amongst experienced regulators due to the market conditions, wherein there is a mismatch between demand and supply of scarce skills. Having said that, we are confident that scarce skills and retention strategies that we have put in place as well as our other HRD initiatives will see us through these challenging times.

To enable us to correctly regulate the price of LP Gas, we successfully rolled-out a Pilot Project in the Tshwane and Thembisile Municipality areas, which covered over 27 000 households. The pilot's key area of focus was to achieve amongst others, the promotion of LPG as an appropriate household energy for thermal purposes with a long-term view of converting consumers to natural gas as and when natural gas becomes available throughout the country. The preliminary results have confirmed our long held view that the current LP Gas retail prices are way too high. To remedy this, we gazetted in March 2008 draft regulations for public comment on pricing of LPGas.

Over three years since the implementation of the MPRD Act, we have experienced the reduction in the number of applications lodged in respect of various categories of mining. Of particular note was the increase in the number of appeals and administrative reviews, where decisions taken in the context of a regulatory framework were challenged. During the same period, we also experienced an increase in the number of litigation matters, which in turn exerted pressure on our legal services component. Despite the deadline of conversions of old order rights looming large in 2009, the Department experienced a decline with the number of conversions. Despite these challenges, the sustained growth of the mining industry and its competitiveness bear testimony to the predictability and security of tenure, provided by our legal framework. In addition to this, our experience gained thus far, has enabled us to ramp up the implementation of the programme to rehabilitate ownerless and derelict mines, in a sustainable manner.

The Department is still committed to implementing programmes aimed at poverty alleviation and SMME development. To this end, we are finalising the development of a beneficiation strategy for South Africa. The lessons learnt from the implementation of Small Scale mining in the past three years, have revealed a need to conduct a review of the manner in which implementation was done in the past. This review and implementation would be finalised in the next reporting cycle. The establishment of State Diamond Trader and State Diamond and Precious Metals Regulator signalled a major milestone in the implementation of the beneficiation drive.

Having said that, the Department is very much worried about the poor safety record of the mining industry. During the same period, the mining industry experienced some of mining industry's worst disasters leading to the President ordering a comprehensive audit of safety on all mines in South Africa. This audit is underway and its results would be communicated during the 2008/09 period. To strengthen enforcement and improve prosecutions rate, a process of amending the Mine Health and Safety Act has been initiated. Internally, the recruitment and retention of experienced staff has proved to be a major challenge. Steps that we have taken to address this challenge include the implementation of our HRD strategy for the Inspectorate, as well as developing long term plans for the Inspectorate drawing from international best practices.

Outlook of Departmental spend

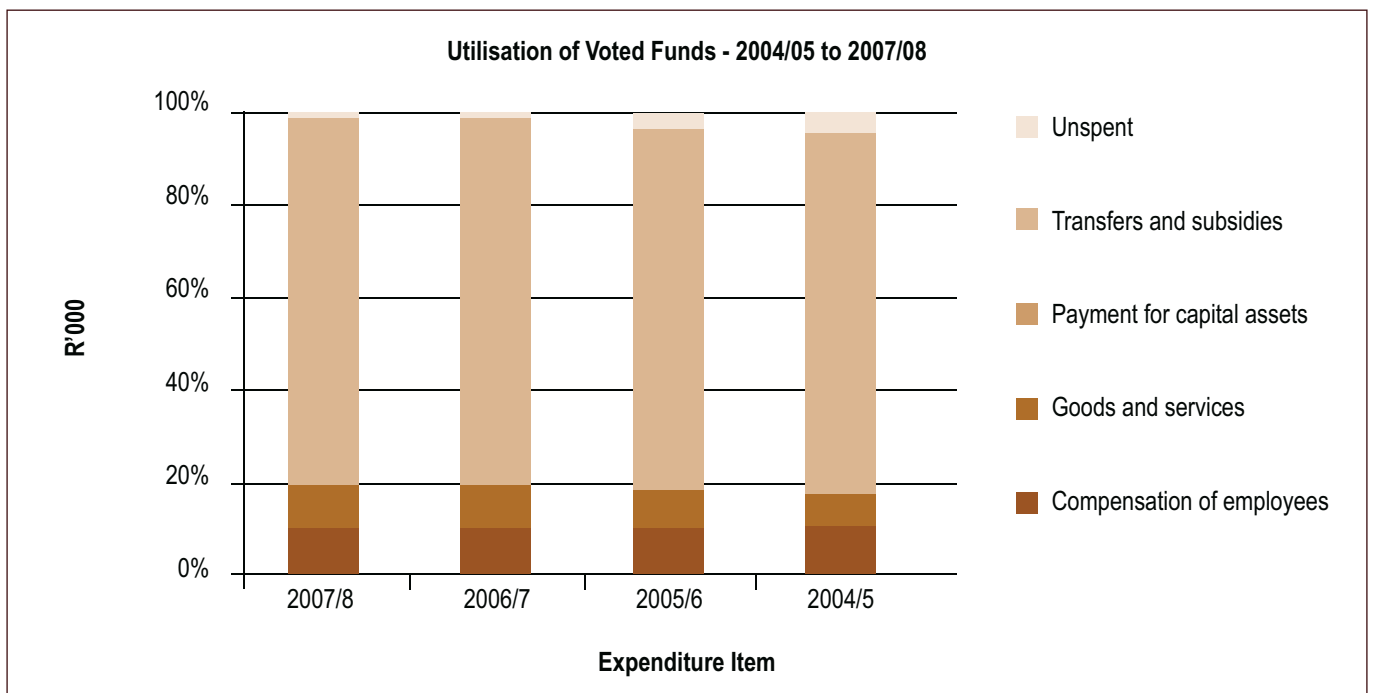
Of the R2, 974 billion budget for 2007/8, the department spent R291 million towards Compensation of Employees, R276 million on purchasing of Goods and services, transferred R2, 366 billion to public entities and private and public corporations, R8 million towards acquisition of Capital Assets, and write off of losses amounting to R5, 6 million .

Bulk of the DME budget is appropriated for transfer to public entities and other organizations associated with the Department including the transfers to municipalities that are regulated by the Division of Revenue Act. The details and specific amounts are annexed in this document.

The table below plots the comparison on budget utilization per economic classification for four financial years including the year under review.

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

UTILISATION OF VOTED FUNDS				
	2007/08	2006/07	2005/06	2004/05
	R'000	R'000	R'000	R'000
COMPENSATION OF EMPLOYEES	290,561	246,154	217,070	190,783
GOODS AND SERVICES	277,222	254,665	181,577	134,878
PAYMENT FOR CAPITAL ASSETS	7,470	6,804	5,342	5,084
TRANSFER AND SUBSIDIES	2,366,512	2,099,917	1,768,372	1,527,719
THEFT AND LOSSES	5,602	135	44	204
UNSPENT	27,570	27,425	79,966	86,475
TOTALS (BUDGET)	2,974,937	2,635,100	2,252,371	1,945,143
% UNDER SPENDING OF VOTE	0.93%	1.04%	3.55%	4.45%



In this reporting period, the Department recorded an under spending of R27, 6 million and this represents 0.93 percent of the budget. This indicates that strategies that the department employed in ensuring optimal utilisation of the vote are beginning to bear some fruits, for the consecutive years, it then registered less than 1 per cent under spending. Of these unspent funds, R4.472 million has been requested for roll-over in order to fund services already contracted before the end of the financial year in respect of Renewable Energy Subsidy Scheme contracts and technical audits performed by Eskom in respect of the Integrated National Electrification Programme.

The under-spending is attributed to the following:

- R5.3 million could not be transferred to some municipalities in respect of Grid Electrification programme owing to incomplete projects
- Non-grid electrification projects budget was also under spent by R10 million.
- An amount of R2, 5m in respect of the Renewable Energy Subsidy Scheme. This amount was not used as a result of the long timeframes attached to the approval process of applications for subsidies. It is important to note that this programme is industry driven and as such the disbursement of funds are dependant on the industry satisfying certain requirements.
- The remainder of unspent amounts are in the category, compensation of employees, due to the high turnover of employees and the shortage of people with technical skills, in the market.

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

Three weeks into the new year, we discovered a fraud case involving several millions of rands. Thanks to the efficacy of our internal controls and systems, we were able to detect this matter timeously. The fraud case was a result of a work of syndicates that have been targeting government departments, through illegally accessing financial transversal systems and creating fictitious payments. Through our swift intervention, and cooperation with financial institutions we have managed to intercept some payments, make some arrests, and assisted the law enforcement agencies to make some breakthrough which is helping to solve some of the cases that had hit other government departments. Internally some of the officials who are suspected of having played a role in this case, are on suspension pending finalisation of this matter. Since this fraud case has been discovered, we have reviewed our internal procedures relating to reconciliations and found them to be adequate.

The department continues to reap the rewards that are associated with the boom in the mineral sector through huge royalty collections and the strengthened compliance audit and enforcement measures that have yielded good returns.

Analysis of Departmental Expenditure

The departmental expenditure is mostly characterised by the transfers the Department make to Eskom and municipalities in respect of the Electrification Programme. Since the DME initiative of strengthening the human capacity at municipalities through the introduction of university graduates to assist in administrative and other matters, the timeliness of process of concluding contracts and agreements improved and subsequently the total amounts transferred.

The budget for compensation of employees grows at marginal rates that are explained by the annual salary inflation adjustments as the vacancy rate continues to be a cause for concern due to the general skills shortage experienced in the whole country.

The revamp of IT infrastructure and related services undertaken during the year under review was one of inevitable expenditure that the department had to incur to upgrade the technology in the department.

To advance and further show the department's commitment in securing energy supply, the New Generation Capacity project aimed at the procurement of independent power producers (IPP's) was through reprioritisation policy (as it remained unfunded in 2008 MTEF) made a provision of R12.3 million which was expended during the reporting period.

An amount of R 35 million, included in the item Consultants, contractors and special services was spent on mine rehabilitation projects for ownerless and abandoned mines. The use of consultants to undertake rehabilitation work is the Department's strategy to mitigate project risks accruing to it; this is achieved by transferring these risks, through contractual obligations, to the parties best able to manage them. Additionally, as part of supporting preferential procurement, the Department recommends to the consultants that the non-technical work, like re-vegetation, fencing and clearing of ground be sub-contracted to the local communities.

The increase in travel and subsistence costs can be attributed to increased official overseas trips to further promote the understanding of the newly enacted legislation and the increased travel in conducting inspections in the enforcement of the MPRDA.

Arising from an increased number of tenders issued and the high staff turnover coupled with a vigorous drive to fill the posts in order to support service delivery, the cost of advertising increased, during the year. Included in this cost item is an amount of R12, m which was incurred for Energy Efficiency mass media campaign.

The MPRDA stipulates that all permit holders should provide suitable financial provision for the remediation of environmental damage as a result of the mining operations. In 2003, the Department formed a Trust to administer the cash financial provision and was administered by a third-party, however, during the year; the administration of the Department's Trust Fund was brought in-house in order to streamline its

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

activities as well as facilitate the enforcement and compliance activities in accordance with the MPRDA. A dedicated component was set up to deal with all the affairs of the trust. The financial results of the Trust are disclosed on its separate annual report.

The funds held for provision for rehabilitation purposes from existing mines are:

		2007/8 R'000	2006/7 R'000
Bank guarantees	#	10,455,519	5,792,729
Cash	#	256,116	253,797
Trusts	#	3,983,557	5,689,019
Total		14,695,192	11,735,545
# Unaudited			

Virement:

The virement approval in terms of section 43(1) of the Public Finance Management Act, 1999 (Act 1 of 1999), to utilise programme savings towards the defrayment of excess expenditure under other programmes within the vote were as follows: -

Shift funds from: -	R'000	Motivation
Programme 2: Promotion of Mine Health and Safety	9,340	Under spending in respect of compensation of employees and related subsistence and transport expenditure due to high staff turnover and consequent high vacancy rate
Programme 3: Mineral Regulation	12,553	Savings due to delays in the approval and implementation of mine rehabilitation tenders and the number of vacancies that resulted in an under spending under the item compensation of employees
TOTAL	21,893	
Shift funds to: -	R'000	Motivation
Programme 1: Administration	6,265	Higher than expected expenditure due to the revamping of information technology infrastructure, network maintenance, increased expenditure on consumables inventory due to the expansion of the organisational and staff structure
Programme 4: Mineral Policy and Promotion	3,473	Higher than anticipated subsistence and transport expenditure due to international commitments and funding for the Kgabane Project
Programme 5: Hydrocarbons and Energy Planning	2,701	Implementation of the petroleum controller licensing and regulatory functions and consequent higher than anticipated subsistence and transport expenditure associated with new functions
Programme 6: Electricity and Nuclear	9,454	Expenditure associated with the New Generation Capacity Project aimed at the procurement of independent power producers (IPP's) which remained unfunded after the 2007MTEF process and appointment of 100 interns to assist municipalities with capacity to implement projects
TOTAL	21,893	

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

2. Services rendered by the department

- 2.1 The Department of Minerals and Energy is responsible for regulating and promoting the minerals and energy sectors for the benefit of all. In order to achieve the above mission the department is split into five key programmes, amongst others, which are responsible for;
- executing the department's statutory mandate to protect the health and safety of the mine employees and people affected by mining activities – Promotion of Mine Health and Safety
 - regulating the minerals and mining sector to achieve transformation and sustainable development – Mineral Regulation
 - formulating mineral related policies and promote the mining and minerals industry of South Africa thus making it attractive to investors – Mineral Policy and Promotion
 - promoting the sustainable use of energy resources through integrated energy planning and the appropriate promotion, including policy and regulation development of petroleum products, coal, gas renewable energy and energy efficiency – Hydrocarbons and Energy Planning
 - ensuring the development, monitoring enhancement and implementation of policies governing the electricity and nuclear sectors and to support the achievement of universal access to electricity, including exercising oversight over state owned entities – Electricity and Nuclear.
 - support service mainly focussing on providing support service to the department

2.2 Tariff policy

Tariffs are levied in terms of the Minerals Act, 1991 (Act 50 of 1991), for State owned Mineral Rights. The tariffs are predetermined and approved by National Treasury. Prospecting fees and royalties are globally competitive and do not inhibit the initiation of new mining industry projects.

Exploration fees

Exploration fees were charged in respect of the Minerals Act, 1991 (Act 50 of 1991) where the State was the holder of the mineral rights before 1 May 2004. The approved rates, as from 1 April 2003, started at R3, 00/hectare for the first year and escalated at R1, 00/hectare for the maximum period of 5 years determined by a prospecting lease. For any renewal period, the fee doubled and escalated at R2, 00/hectare/year thereafter. For offshore exploration the same rates applied but for square kilometres.

Due to the promulgation of the Mineral and Petroleum Resources Development Act, Act 28 of 2002 (MPRDA), new prescribed rates apply on all new prospecting rights granted including private owned land as from 1 May 2004 – see regulation 76 of the new MPRDA. Rights already granted at the time of promulgation, will continue with prospecting fees as set out above.

Exploitation fees (Royalties)

Royalties payable are 1% of gross revenue (free on mine) for all minerals and 5% of gross revenue for diamonds for existing rights. Any new mining rights granted from 1 May 2004 carry no royalties until the Royalty Bill, with different gross revenue rates set for different minerals, is promulgated (expected time of promulgation ± 2009).

Mining or removal of diamonds during prospecting

The current level of 5 per cent of gross revenue will remain in force for existing rights.

Exploitation of all precious and base minerals (excluding all sand, stone and clay used for construction purposes).

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

A royalty of 1% of gross revenue/value free on mine of the mineral content in ore removed, or a saleable product, as determined by a “bona fide, arms length” transaction is payable for existing rights as at 1 May 2004.

In the absence of a bona fide arms length transaction (free on mine), the revenue/value of the mineral content in ore removed, or a saleable product, will be the market price as determined by the Minerals Bureau at the relevant time.

Exploitation of construction materials: sand, stone and clay

Where sand, stone or clay is being removed for commercial purposes, the following royalties were payable from 1 April 2004 until such time as the new Royalty Bill becomes applicable:

In the case of short-term (two year) permission, the royalties are:

Year 1 – R1-00 per cubic meter

Year 2 – R1-05 per cubic meter

In the case of longer-term permissions (five years) and mineral leases (existing rights), the relevant royalty will start at R1-00 per cubic meter for the first year, escalating at the rate of R0-05 per cubic meter per year for a period of five years.

Where a local authority is removing material for road and general maintenance, or for upgrading townships, or for any purpose that may be considered as being “RDP”, a token royalty will be payable in the amount of R180-00 per year, escalating at R15-00 per annum. This amount will be reviewed on a five yearly basis.

Minimum royalties

Minimum royalties are payable, as a “deposit”, in advance. Whether mining takes place or not in any specific year, the State will receive a measure of a return for any “mining permission” granted. Minimum royalties, as always, may be offset against actual royalties payable. The general formula for the determination of minimum royalties is “ten” percent of the average annual royalties payable in terms of the business plan submitted.

Petroleum products licensing fees

The following fees are charged in terms of the Petroleum Products Amendment Act No. 58 of 2003

Site licence fee	R 1,000
Retail licence fee	R 500
Annual retail licence fee	R 500
Temporary retail licence fee	R 500
Duplicate licence fee	R 500
Site licence transfer fee	R 500
Amendment licence fee	R 500

2.3 Inventories

The following represent the value of E class inventories on hand at 31 March 2008 using the average costing method

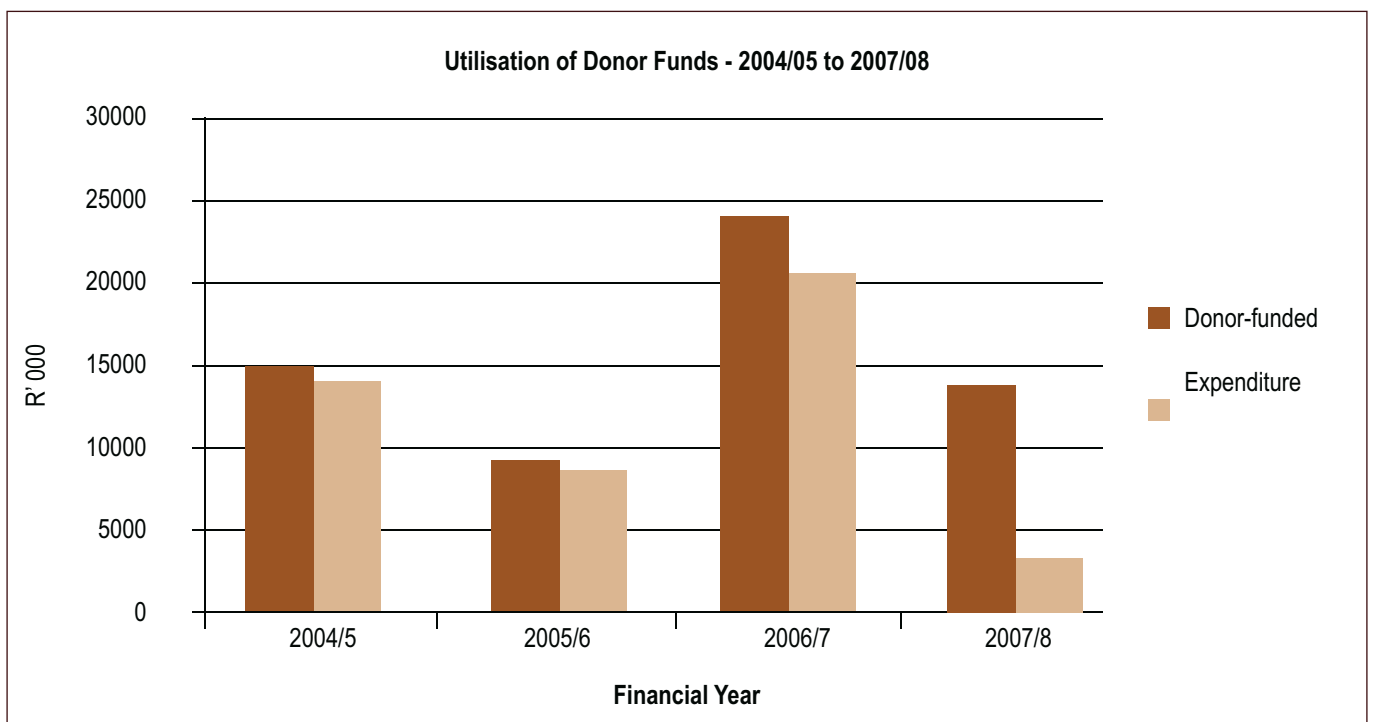
Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

Description	2007/08 R'000	2006/07 R'000
Printing	22	26
Stationery	164	117
Computer consumables	634	231
Other	9	4
Total	829	378

3. Capacity constraints

During the period under review, we experienced serious capacity challenges overall. The Department continues to experience high staff turnover leading to an almost 100% replacement of the entire department every three years, which is not a sustainable position. Having said that, I need to indicate that we also accelerated our HRD interventions, as well as management training programmes. During the period under review, we institutionalised management training programmes that are intended to ensure that all members of the Senior Management Service undergo compulsory training on the management of people and projects. This is in part the outcome of our annual management barometer audit that indicated deficiencies on this front. Programmes relating to Executive Management Development as well as strengthening the middle management layer within the Department are receiving attention. Further, programmes relating to conversion of scarce skills areas into professional bands are also receiving attention. We will finalise the conversion of energy specialists during the 2008/09 period.

4. Utilisation of donor funds



Departmental donor funds mainly consist of grants received in terms of bilateral agreements signed between South African, the Norwegian and Danish Governments. Donor funds of R3.63 million was carried over from the 2006/07 financial year and mainly consisted of funding

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

to capacitate the Designated National Authority (DNA) (R577 000-00) and funding in respect of the South African Energy Sector Policy Research and Capacity Development Programme (RSA-3001) (R2.86 million).

During the 2007/08 financial year, an additional amount of R800 000-00 was received from the DNA project which brought the available funding for the reporting period to R1.38 million. On 31 March 2008, an amount of R716 000-00 was utilised which represents 51.9% of available funds. Donor support for the project is expected to draw to a close during the 2008/09 financial year.

In the current year, an additional amount of R2.529 million was received from the Norwegian Government for the RSA-3001 programme which brought the available funding for the reporting period to R5.387 million. R2.604 million was disbursed in terms of the approved business plan.

The process of obtaining the permission for rolling over the unspent funds is underway.

5. Trading entities and public entities

National Energy Regulator of South Africa

National Energy Regulator of South Africa (NERSA) was created in terms of the National Energy Regulator Act, 2004 to also undertake the functions of Gas Regulator and Petroleum and Pipelines Regulatory Authority.

NERSA's mandate is anchored on four pieces of legislation: National Energy Regulator Act, 2004 (Act No. 40 of 2004); Electricity Regulation Act, 2006 (Act No. 4 of 2006); Gas Act, 2001 (Act No. 48 of 2001); and Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).

NERSA is responsible for the necessary regulatory functions in the energy industry. Some of the regulatory functions include processing licence applications, setting tariffs, setting conditions of supply and standards, investigating complaints and mediating or arbitrating in disputes. It also promotes BEE and competition in the industries of the three energy sectors.

NERSA is funded mostly from levies on the regulated industries introduced in terms of legislation.

National Nuclear Regulator

The core business of the National Nuclear Regulator (NNR) is defined in the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999). The NNR was set up to regulate nuclear activities and, among other things, develops safety standards and regulatory practices for the protection of persons, property and the environment against nuclear damage.

NNR is funded mostly from levies on the regulated industries introduced in terms of legislation.

Council for Mineral Technology and Research

Mintek was established as a Science Council in terms of the Mineral Technology Act, 1989 (Act No. 30 of 1989). Mintek's primary objective is research, development and technology transfer to promote mineral technology and to foster the establishment and expansion of mineral and associated industries.

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

In order to fulfil its mandate, Mintek will:

- Promote beneficiation of minerals and mineral products through competitive and innovative mineral and metal process technology and equipment;
- strengthen South Africa's position as an exporter of mineral processing equipment, process design as well as control and optimisation systems, through the formation of consortia, strategic alliances and joint ventures with industry;
- develop and implement regional strategies for the mineral beneficiation sector, concentrating on value addition,
- capacity building and broad-based development through mineral-based anchor projects;
- develop technologies appropriate to the local artisanal and small scale mining (ASSM) industry with the aim of expanding the industry and of lowering entry barriers and develop training modules for ASSM, initiate poverty alleviation programmes and support the growth of Small, Medium and Micro Enterprises (SMMEs) in the mineral sector;
- transform Mintek's internal and external business processes and the workforce profile to ensure that it is in line with the socio-economic realities of South Africa today, whilst ensuring broad representation of our diverse cultures and peoples;
- Ensure that Mintek applies appropriate quality, environmental and safety programmes to comply with South African legislation.

The Council's income is derived mainly from commercial activities such as sales of its deep-mining research, technology developments and patents and royalties it receives on existing research. Transfers by the state to Mintek (including capital funding) increased from R82, 4 million in 2003/04 to R118, 7 million in 2006/07 and are expected to increase over the MTEF to R 137, 4 million in 2009/10. Since 2005/06, the amounts include VAT.

Electricity Distribution Holdings Company

The EDIH was created as a vehicle to facilitate the restructuring of the electricity distribution following the recommendations set out in the White Paper on Energy, published in 1998. In 2003, the organisation was incorporated as EDI Holdings (Pty) Ltd in terms of the PFMA and the Company's Act.

Funding is raised through a tariff surcharge included in the NERSA approved ESKOM Multi-Year Price Determination (MYPD), which will be received from ESKOM as the sole collection agents, and will be managed through a transparent and independent mechanism.

Nuclear Energy Corporation of South Africa

The Nuclear Energy Corporation of SA (NECSA) has been incorporated in terms of the Nuclear Energy Act No.46 of 1999. Its main functions are:

- To undertake and promote research and development in the field of nuclear energy and radiation sciences and technology and subject to the Safeguards Agreement, to make these generally available;
- To process source material, special nuclear material and restricted material and to reprocess source material and nuclear material; and
- To co-operate with any person or institution in matters falling within these functions subject to the approval of the Minister.

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

In addition to its research mandate, NECSA is also responsible for the following institutional obligations on behalf of the state: decommissioning and decontamination of past strategic nuclear facilities; management of nuclear waste disposal on a national basis; application of radiation technology for scientific and medical purposes; operation of the SAFARI-1 nuclear reactor; operation of the Pelindaba site and accompanying services; and execution of the safeguards function.

Central Energy Fund

The Central Energy Fund (Pty) Ltd (CEF) was registered in 1976 and is mandated by the Central Energy Fund Act (1977) to engage in the acquisition, exploration, generation, marketing and distribution of any energy form and engage in research relating to the energy sector. Its mission is to actively pursue economically viable energy development in Africa.

The CEF does not receive funding from the fiscus. The CEF Group's activities which are a separate legal entity from the CEF are funded out of reserves, debt funding and dividends from its subsidiaries. The CEF can impose a levy on fuel manufactured, distributed or sold for the benefit of the Equalisation Fund controlled by the CEF Group.

South African Diamond and Precious Metals Regulator

The SA Diamond Board was established in terms of the Diamond Act, 1986 (Act No. 56 of 1986 as amended). The South African Diamond and Precious Metals Regulator (SADPMR) are to replace the South African Diamond Board.

The establishment of the South African Diamond and Precious Metals Regulator encompassing diamonds, platinum, group metals and gold resulted in the dissolution of the South African Diamond Board at the end of the 2006/07 financial year.

Both the Diamond Amendment Act and the Precious Metals Act have ushered in a new era in the regulation of the minerals industry in the country by creating an enabling environment for the beneficiation of the country's mineral resources by widening access to rough diamonds and precious metals.

The SADPMR is funded from the fiscal budget.

Mine Health and Safety Council

The Council has been established in terms of section 41(1) of the Mine Health and Safety Act, 1996 (Act No.29 of 1996) to advise the Minister on all occupational health and safety issues in the mining industry relating to legislation, research and promotion; review and develop legislation; promote health and safety in the mining industry; and oversee research on health and safety in the mining industry.

Council for Geoscience

The Council for Geoscience was established in terms of the Geoscience Act, 1993 (Act No. 100 of 1993). This Act also established the mandate and national responsibilities of the Council for Geoscience (CGS). The Geoscience Act, 1993 (Act No. 100 of 1993) mandates the Council for Geoscience to:

- Carry out systematic geological, geophysical, geochemical, marine geoscience, metallogenic and engineering-geological mapping of South Africa and to compile and publish this information.
- Conduct basic geoscience research to understand present and past geological processes.

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

- Curate all geoscience data for South Africa, and facilitate public access to this data.
- Manage a number of geoscience facilities, including the National Geoscience Library, the National Geoscience Museum and a National Seismological Network.

Accountability arrangements

The Boards of all the public entities are appointed by the Minister of Minerals and Energy. These entities conclude a shareholder compact with the Minister and submit their strategic plans and budgets for ministerial approval, annually.

6. Organisations to whom transfer payments have been made

For a list of entities to which transfer payments have been made in accordance with the approved transfers in the relevant Appropriation Act, see Annexure 1 of the Annual Financial Statements.

Transfer payments in respect of assistance to marginal mines in the form of pumping subsidies and ingress of water projects amounted to R24, 1 million, subsidies defrayed to various entities in support of Renewable Energy projects amounted to R3.1 million and Council for Scientific and Industrial Research (CSIR) received R3.8 million to undertake a mine environmental research and development project.

7. Corporate governance arrangements

The process which the Department commenced in 2006/7 financial year of re-engineering its finance-related policies and procedures to respond to the identified organisational risks and ensure continued compliance with all relevant legislation progressed successfully and both in time and budget.

- The department has an Internal Audit function that is under the guidance, direction and supervision of a Chief Audit Executive. The internal audit function reports administratively to the Director-General and functionally to the Audit Committee. The internal audit function has been operational since 1999. The internal audit function obtains its mandate from the Internal Audit Charter and it operates in terms of an audit plan approved by the Audit Committee, the charter underwent a review process which the Accounting Officer approved during the reporting period. The reviewed plan covered activities in respect of all the programmes in the department. The audits conducted during the year included operational, information technology, performance and other agreed upon procedures.
- The department has established an audit committee in terms of section 77 of the Public Finance Management Act. The audit committee is constituted by a majority of independent members who are neither in the employ of the organisation or in public service. The members of the Audit Committee have the requisite knowledge and competence to deal with financial, risk management, governance, ethical and other matters that come to the attention of the committee. During the financial period under review, the committee met six (6) times. The matters tabled for consideration by the committee included review of financial statements, Auditor-General management letters, reports of internal audit activity and risk management and matters that related to compliance with laws, regulations and policies.

The department continues its endeavours to minimise risks that the department is exposed to by ensuring that all risks are proactively identified and managed to acceptable levels. The department has maintained a strategic risk register from the risk assessment interviews held (in the previous year) with senior management wherein subsequent interventions and controls (with responsibility and accountability assigned) were derived for addressing the residual risks exceeding the departmental risk appetite. The process was cascaded to operational level, wherein,

Vote 29
Report by the Accounting Officer
for the year ended 31 March 2008

risk assessments workshops were held with middle/management for development of risk profile covering the strategic, operational, and financial and information technology risks for integration of risk management into departmental day to day activities.

In its efforts to enhance the functioning of the Department's risk management systems, the department appointed the Director: Strategy and Risk Management to drive and implement the Departmental risk management strategy which contains overall risk management policy, risk appetite and oversight structures and for advancement of the existing prevention plan into an integrated anti corruption and fraud prevention strategy.

8. Approval

The Annual Financial Statements set out on pages 138 to 195 have been approved by the Accounting Officer.



Advocate Sandile Nogxina

Director General

31 July 2008

Vote 29

Report of the Auditor-General to Parliament on the Financial Statements and Performance Information of the Department of Minerals and Energy for the year ended 31 March 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Minerals and Energy which comprise the appropriation statement, statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in equity and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes and the accounting officer's report as set out on pages 139 to 178.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used;
 - reasonableness of accounting estimates made by management; and
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of Department of Minerals and Energy as at 31 March 2008, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements and in the manner required by the PFMA.

Vote 29

Report by the Auditor-General to Parliament on the Financial Statements and Performance Information for the year ended 31 March 2008

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Matters of governance

10. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The entity had an audit committee in operation throughout the financial year.	X	
• The audit committee operates in accordance with approved, written terms of reference.	X	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	X	
Internal audit		
• The entity had an internal audit function in operation throughout the financial year.	X	
• The internal audit function operates in terms of an approved internal audit plan.	X	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.1.2.	X	
Other matters of governance		
The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA).	X	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		X
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		X
The prior year's external audit recommendations have been substantially implemented.	X	

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

11. I have reviewed the performance information as set out on pages 16 to 116.

Responsibility of the accounting officer for the performance information

12. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.

Vote 29

Report by the Auditor-General to Parliament on the Financial Statements and Performance Information for the year ended 31 March 2008

14. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
15. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

16. The assistance rendered by the staff of the Department of Minerals and Energy during the audit is sincerely appreciated.

Pretoria
31 July 2008



AUDITOR - GENERAL

Vote 29
Appropriation Statement
for the year ended 31 March 2008

Appropriation per programme									
	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme 1: Administration									
Current payment	169,692	-	6,210	175,902	177,450	(1,548)	100.9	148,161	145,595
Transfers and subsidies	1,165	-	55	1,220	981	239	80.5	1,225	1,179
Payment for capital assets	8,745	-	-	8,745	7,361	1,384	84.2	6,322	5,879
2. Programme 2: Promotion of Mine Safety and Health									
Current payment	116,757	-	(9,455)	107,302	99,451	7,851	92.7	103,770	100,195
Transfers and subsidies	4,674	-	115	4,789	4,789	-	100	4,831	4,822
Payment for capital assets	414	-	-	414	43	371	10.4	394	113
3. Programme 3: Mineral Regulation									
Current payment	157,087	-	(13,486)	143,601	142,469	1,132	99.2	131,351	128,181
Transfers and subsidies	-	-	902	902	902	-	100	943	858
Payment for capital assets	-	-	31	31	31	-	100	567	250
4. Programme 4: Mineral Policy and Promotion									
Current payment	31,761	-	3,377	35,138	35,080	58	99.8	32,654	31,463
Transfers and subsidies	38,379	-	83	38,462	38,462	-	100	43,861	43,826
Payment for capital assets	-	-	13	13	12	1	92.3	40	34
5. Programme 5: Hydrocarbons and Energy Planning									
Current payment	46,504	-	2,671	49,175	49,117	58	99.9	40,372	39,598
Transfers and subsidies	5,830	-	6	5,836	3,313	2,523	56.8	9,417	305
Payment for capital assets	-	-	24	24	23	1	95.8	500	462
6. Programme 6: Electricity and Nuclear									
Current payment	60,470	-	9,430	69,900	69,818	82	99.9	59,286	55,922
Transfers and subsidies	-	-	24	24	23	1	95.8	19	13
Payment for capital assets	-	-	-	-	-	-	0	100	66
7. Programme 7: Associated Services									
Transfers and subsidies	2,333,459	-	-	2,333,459	2,318,042	15,417	99.3	2,051,287	2,048,914
TOTAL	2,974,937			2,974,937	2,947,367	27,570	99.1	2,635,100	2,607,675
Reconciliation with Statement of Financial Performance									
Add:									
Departmental revenue				268,305				657,538	
Local and foreign aid assistance received				3,330				23,242	
Actual amounts per Statements of Financial Performance (Total revenue)				3,246,572				3,315,880	
Add:									
Local and foreign aid assistance					3,321				20,331
Actual amounts per Statements of Financial Performance (Total expenditure)					2,950,688				2,628,006

Vote 29
Appropriation Statement
for the year ended 31 March 2008

Appropriation per economic classification									
	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Current payments</i>									
Compensation of employees	317,453	-	(22,326)	295,127	290,561	4,566	98.5	251,431	246,154
Goods and services	264,818	-	15,471	280,289	277,222	3,067	98.9	264,028	254,665
Financial transactions in assets and liabilities	-	-	5,602	5,602	5,602	-	100	135	135
<i>Transfers and subsidies</i>									
Provinces and municipalities	467,827	-	15	467,842	462,507	5,335	98.9	391,524	390,903
Departmental agencies and accounts	262,148	-	-	262,148	262,148	-	100	206,187	206,187
Public corporations and private enterprises	1,652,367	-	20	1,652,387	1,639,783	12,604	99.2	1,511,579	1,500,494
Households	1,165	-	1,150	2,315	2,074	241	89.6	2,293	2,333
<i>Payments for capital assets</i>									
Buildings and other fixed structures	-	-	-	-	-	-	0	-	-
Machinery and equipment	7,659	-	(632)	7,027	5,272	1,755	75.0	7,923	6,446
Biological or cultivated assets	-	-	-	-	-	-	0	-	-
Software and other intangible assets	1,500	-	700	2,200	2,198	2	99.9	-	130
Land and subsoil assets	-	-	-	-	-	-	0	-	228
Total	2,974,937	-	-	2,974,937	2,947,367	27,570	99.1	2,635,100	2,607,675

Vote 29
Appropriation Statement
for the year ended 31 March 2008

Programme 1 Detail per sub programme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>1.1 Minister</i>									
Current payment	895	-	-	895	1,083	(188)	121.0	847	845
<i>1.2 Deputy Minister</i>									
Current payment	478	-	(100)	378	-	378	0	688	215
<i>1.3 Management</i>									
Current payment	15,529	-	(1,310)	14,219	14,453	(234)	101.6	13,920	12,309
Transfers and subsidies	-	-	-	-	-	-	0	23	4
Payment for capital assets	-	-	-	-	27	(27)	0	100	88
<i>1.4 Corporate Services</i>									
Current payment	130,266	-	7,620	137,886	141,418	(3,532)	102.6	111,928	111,448
Transfers and subsidies	1,165	-	55	1,220	981	239	80.4	1,202	1,175
Payment for capital assets	8,745	-	-	8,745	7,334	1,411	83.9	6,222	5,791
<i>1.5 Property Management</i>									
Current payment	22,524	-	-	22,524	20,496	2,028	91.0	20,778	20,778
TOTAL	179,602	-	6,265	185,867	185,792	75	100.0	155,708	152,653

Programme 1 Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Current payment</i>									
Compensation of employees	70,662	-	(1,840)	68,822	68,868	(46)	100.1	51,131	50,739
Goods and services	99,030	-	8,050	107,080	108,581	(1,501)	101.4	97,030	94,856
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	-	-	15	15	15	-	100	123	35
Households	1,165	-	40	1,205	967	238	80.2	1,102	1,144
<i>Payment for capital assets</i>									
Machinery and equipment	7,245	-	(700)	6,545	5,163	1,382	78.9	6,322	5,521
Software and other intangible assets	1,500	-	700	2,200	2,198	2	99.9	-	130
Land and subsoil assets	-	-	-	-	-	-	0	-	228
Total	179,602	-	6,265	185,867	185,792	75	100	155,708	152,653

Vote 29
Detail per Programme
for the year ended 31 March 2008

Programme 2 Detail per sub programme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>2.1 Governance Policy and Oversight</i>									
Current payment	41,319	-	(5,855)	35,464	31,552	3,912	89	30,983	47,929
Transfers and subsidies	4,674	-	2	4,676	4,676	-	100	4,665	4,681
Payment for capital assets	180	-	-	180	31	149	17.2	221	92
<i>2.2 Mine Health and Safety (Regions)</i>									
Current payment	75,438	-	(3,600)	71,838	67,899	3,939	94.5	72,787	52,266
Transfers and subsidies	-	-	113	113	113	-	100	166	141
Payment for capital assets	234	-	-	234	12	222	5.1	173	21
TOTAL	121,845	-	(9,340)	112,505	104,283	8,222	92.7	108,995	105,130

Programme 2 Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Current payment</i>									
Compensation of employees	92,372	-	(9,315)	83,057	79,604	3,453	95.8	78,810	77,246
Goods and services	24,385	-	(140)	24,245	19,848	4,397	81.9	24,960	22,949
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	-	-	-	-	-	-	0	94	55
Departmental agencies and accounts	4,674	-	-	4,674	4,674	-	100	4,452	4,452
Households	-	-	115	115	114	1	99.1	285	315
<i>Payment for capital assets</i>									
Machinery and equipment	414	-	-	414	43	371	10.4	394	315
Total	121,845	-	(9,340)	112,505	104,283	8,222	92.7	108,995	105,130

Vote 29
Detail per Programme
for the year ended 31 March 2008

Programme 3 Detail per sub programme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>3.1 Management</i>									
Current payment	5,266	-	2,240	7,506	7,087	419	94.4	35,338	13,353
Transfers and subsidies	-	-	3	3	3	-	100	157	2
Payment for capital assets	-	-	11	11	12	(1)	109.1	100	68
<i>3.2 Mineral Regulation and Administration</i>									
Current payment	151,821	-	(15,726)	136,095	135,382	713	99.5	96,013	114,828
Transfers and subsidies	-	-	899	899	899	-	100	786	856
Payment for capital assets	-	-	20	20	19	1	95	467	182
TOTAL	157,087	-	(12,553)	144,534	143,402	1,132	99.2	132,861	129,289

Programme 3 Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Current payment</i>									
Compensation of employees	75,430	-	(7,986)	67,444	66,512	932	98.6	61,486	59,941
Goods and services	81,657	-	(11,102)	70,555	70,355	200	99.7	69,865	68,240
Interest and rent on land	-	-	-	-	-	-	0	-	-
Financial transactions in assets and liabilities	-	-	5,602	5,602	5,602	-	100	-	-
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	-	-	-	-	-	-	0	93	40
Households	-	-	902	902	902	-	100	850	818
<i>Payment for capital assets</i>									
Machinery and equipment	-	-	31	31	31	-	100	567	250
Total	157,087	-	(12,553)	144,534	143,402	1,132	99.2	132,861	129,289

Vote 29
Detail per Programme
for the year ended 31 March 2008

Programme 4 Detail per sub programme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>4.1 Management</i>									
Current payment	5,102	-	270	5,372	5,330	42	99.2	6,180	5,676
Transfers and subsidies	-	-	-	-	-	-	0	1,968	1,958
Payment for capital assets	-	-	-	-	-	-	0	15	11
<i>4.2 Mineral Policy</i>									
Current payment	5,644	-	(738)	4,906	4,889	17	99.7	3,997	3,679
Transfers and subsidies	15,490	-	-	15,490	15,490	-	100	20,009	20,002
Payment for capital assets	-	-	13	13	12	1	92.3	25	23
<i>4.3 Mineral Promotion</i>									
Current payment	21,015	-	3,845	24,860	24,861	(1)	100	22,477	22,108
Transfers and subsidies	22,889	-	83	22,972	22,972	-	100	21,884	21,866
TOTAL	70,140	-	3,473	73,613	73,554	59	99.9	76,555	75,323

Programme 4 Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Current payment</i>									
Compensation of employees	23,447	-	(1,340)	22,107	22,084	23	99.9	20,888	20,020
Goods and services	8,314	-	4,717	13,031	12,996	35	99.7	11,766	11,443
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	-	-	-	-	-	-	0	48	14
Departmental agencies and accounts	30,889	-	-	30,889	30,889	-	100	31,099	31,099
Public corporations and private enterprises	7,490	-	-	7,490	7,490	-	100	12,658	12,657
Households	-	-	83	83	83	-	100	56	56
<i>Payment for capital assets</i>									
Machinery and equipment	-	-	13	13	12	1	92.3	40	34
Total	70,140	-	3,473	73,613	73,554	59	99.9	76,555	75,323

Vote 29
Detail per Programme
for the year ended 31 March 2008

Programme 5 Detail per sub programme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>5.1 Hydrocarbons and Energy Planning Management</i>									
Current payment	4,231	-	2,025	6,256	5,218	1,038	83.4	6,355	4,832
Transfers and subsidies	-	-	-	-	-	-	0	3	1
<i>5.2 Energy Planning</i>									
Current payment	19,510	-	2,300	21,810	22,145	(335)	101.5	15,483	15,305
Transfers and subsidies	5,830	-	-	5,830	3,308	2,522	56.7	9,408	300
Payment for capital assets	-	-	24	24	23	1	95.8	40	30
<i>5.3 Hydrocarbons</i>									
Current payment	22,763	-	(1,654)	21,109	21,754	(645)	103.1	18,534	19,461
Transfers and subsidies	-	-	6	6	5	1	83.3	6	4
Payment for capital assets	-	-	-	-	-	-	0	460	432
TOTAL	52,334	-	2,701	55,035	52,453	2,582	95.3	50,289	40,365

Programme 5 Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Current payment</i>									
Compensation of employees	30,830	-	(4,445)	26,385	26,357	28	99.9	19,047	18,909
Goods and services	15,674	-	7,116	22,790	22,760	30	99.9	21,325	20,689
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	-	-	-	-	-	-	0	17	12
Public corporations and private enterprises	5,830	-	-	5,830	3,308	2,522	56.7	9,400	293
Households	-	-	6	6	5	1	83.3	-	-
<i>Payment for capital assets</i>									
Machinery and equipment	-	-	24	24	23	1	95.8	500	462
Total	52,334	-	2,701	55,035	52,453	2,582	95.3	50,289	40,365

Vote 29
Detail per Programme
for the year ended 31 March 2008

Programme 6 Detail per sub programme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>6.1 Electricity and Nuclear Management</i>									
Current payment	4,666	-	1,050	5,716	5,148	568	90.0	4,697	4,341
Transfers and subsidies	-	-	-	-	-	-	0	2	2
Payment for capital assets	-	-	-	-	-	-	0	60	43
<i>6.2 Electricity</i>									
Current payment	39,799	-	13,100	52,899	53,630	(731)	101.4	42,956	41,884
Transfers and subsidies	-	-	4	4	3	1	75	14	9
Payment for capital assets	-	-	-	-	-	-	0	40	23
<i>6.3 Nuclear</i>									
Current payment	16,005	-	(4,720)	11,285	11,040	245	97.8	11,633	9,697
Transfers and subsidies	-	-	20	20	20	-	100	3	2
TOTAL	60,470	-	9,454	69,924	69,841	83	99.9	59,405	56,001

Programme 6 Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Current payment</i>									
Compensation of employees	24,712	-	2,600	27,312	27,136	176	99.4	20,069	19,299
Goods and services	35,758	-	6,830	42,588	42,682	(94)	100.2	39,082	36,488
Financial transactions in assets and liabilities	-	-	-	-	-	-	0	135	135
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	-	-	-	-	-	-	0	19	13
Public corporations and private enterprises	-	-	20	20	20	-	100	-	-
Households	-	-	4	4	3	1	75	-	-
<i>Payment for capital assets</i>									
Machinery and equipment	-	-	-	-	-	-	0	100	66
Total	60,470	-	9,454	69,924	69,841	83	99.9	59,405	56,001

Vote 29
Detail per Programme
for the year ended 31 March 2008

Programme 7 Detail per sub programme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Council for Mineral Technology Research									
Transfers and subsidies	124,569	-	-	124,569	124,569	-	100	118,664	118,664
7.2 South African Nuclear Energy Corporation (Activities)									
Transfers and subsidies	284,383	-	-	284,383	284,383	-	100	300,173	300,173
7.3 South African Nuclear Energy Corporation (Decommissioning Projects)									
Transfers and subsidies	80,033	-	-	80,033	80,033	-	100	29,300	29,300
7.4 South African Nuclear Energy Corporation (Security)									
Transfers and subsidies	10,217	-	-	10,217	10,217	-	100	11,520	11,520
7.5 South African Nuclear Energy Corporation (Safari Reactor Conversion)									
Transfers and subsidies	13,623	-	-	13,623	13,623	-	100	15,360	15,360
7.6 National Nuclear Regulator									
Transfers and subsidies	18,029	-	-	18,029	18,029	-	100	14,742	14,742
7.7 Council for Geoscience									
Transfers and subsidies	107,755	-	-	107,755	107,755	-	100	93,100	93,100
7.8 Electricity Distribution Industry Holdings Company									
Transfers and subsidies	65,934	-	-	65,934	65,934	-	100	62,794	62,794
7.9 National Electrification Programme (Conditional Grants to Municipalities)									
Transfers and subsidies	467,827	-	-	467,827	462,492	5,335	98.9	391,130	390,734
7.10 National Electrification Programme (National Portion-Eskom)									
Transfers and subsidies	1,018,083	-	-	1,018,083	1,018,083	-	100	893,165	893,165
7.11 National Electrification Programme (Non-Grid Electrification Service Providers)									
Transfers and subsidies	84,000	-	-	84,000	73,919	10,081	88	84,000	82,023
7.12 Assistance to Mines									
Transfers and subsidies	39,006	-	-	39,006	39,005	1	100	37,339	37,339
7.13 South African Diamond and Precious Metals Regulator									
Transfers and subsidies	20,000	-	-	20,000	20,000	-	100	-	-
TOTAL	2,333,459	-	-	2,333,459	2,318,042	15,417	99.3	2,051,287	2,048,914

Vote 29
Detail per Programme
for the year ended 31 March 2008

Programme 7 Economic Classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	467,827	-	-	467,827	462,492	5,335	98.9	391,130	390,734
Departmental agencies and accounts	226,585	-	-	226,585	226,585	-	100	170,636	170,636
Public corporations and private enterprises	1,639,047	-	-	1,639,047	1,628,965	10,082	99.4	1,489,521	1,487,544
Total	2,333,459	-	-	2,333,459	2,318,042	15,417	99.3	2,051,287	2,048,914

Vote 29
Notes to the Appropriation Statement
for the year ended 31 March 2008

1. Details of Transfers and Subsidies as per Appropriation Act (after virement)

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-E) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement)

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 1:Administration	185,867	185,792	75	0.04%
Programme 2:Promotion of Mine Health and Safety	112,505	104,283	8,222	7.31%
Programme 3:Mineral Regulation	144,534	143,402	1,132	0.78%
Programme 4:Mineral Policy and Promotion	73,613	73,554	59	0.08%
Programme 5: Hydrocarbons and Energy Planning	55,035	52,453	2,582	4.69%
Programme 6:Electricity and Nuclear	69,924	69,841	83	0.12%
Programme 7: Associated Services	2,333,459	2,318,042	15,417	0.66%
Total	2,974,937	2,947,367	27,570	0.93%

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payment:				
Compensation of employees	295,127	290,561	4,566	1.55%
Goods and services	280,289	277,222	3,067	1.09%
Financial transactions in assets and liabilities	5,602	5,602	-	0.0%
Transfers and subsidies:				
Provinces and municipalities	467,842	462,507	5,335	1.14%
Departmental agencies and accounts	262,148	262,148	-	0.0%
Public corporations and private enterprises	1,652,387	1,639,783	12,604	0.76%
Households	2,315	2,074	241	10.41%
Payments for capital assets:				
Machinery and equipment	7,027	5,272	1,755	24.97%
Software and other intangible assets	2,200	2,198	2	0.09%
Total	2,974,937	2,947,367	27,570	0.93%

Vote 29
Notes to the Appropriation Statement
for the year ended 31 March 2008

Programme 1: Administration

The under spending of 0.04% under Programme 1: Administration is mainly due to outstanding orders payments in respect of payments for capital assets that resulted in actual spending being R238 000-00 less than anticipated. Expenditure associated with gratuities and benefits payable to officials on retirement also contributed to the under spending. Actual expenditure on the items compensation of employees and goods and services were higher than anticipated and can be attributed to the disbursement of higher than anticipated subsistence and transport expenditure, payments associated with the revamping of the Department's IT infrastructure.

Programme 2: Promotion of Mine Health and Safety

The Mine Health and Safety Inspectorate's budget is mostly personnel driven due to the nature of inspections, monitoring and reporting functions performed. The high turn-over of staff during the financial year and consequent high vacancy rate directly impacts on the inspectorate's expenditure associated with the compensation of employees and the item goods and services which mostly consist of subsistence and transport expenditure. An under spending of 7.31% (R8.22 million) consequently realised at year end.

Programme 3: Mineral Regulation

The under spending of 0.78% under the Mineral Regulation Branch is mostly due to vacancies within the branch during the reporting period and expenditure in respect of mine rehabilitation projects that were less than anticipated. Expenditure of R5.602 million was also allocated to this programme to cater for financial losses written off across all programmes during the 2007/08 financial year.

Programme 4: Mineral Policy and Promotion

On 31 March 2008 the Mineral Policy and Promotion Branch reflected an under spending of R59 000-00 (0.08%) that can be attributed to lower than anticipated expenditure under the item compensation of employee and the item goods and services.

Programme 5: Hydrocarbons and Energy Planning

The under spending of 4.69% (R2.58 million) under the Hydrocarbons and Energy Planning Branch mostly consists of transfer payments in respect of the Renewable Energy Subsidy Scheme. The under spending of R2.52 million represents 97.6% of the total under spending under this programme and can be attributed to the time frames attached to application and approval process before contracts are finalised and the first disbursements are made in terms of the predetermined milestones. An application was submitted to National Treasury to roll an amount of R2.52 million over to the 2008/09 financial year to finalise outstanding contract obligation.

Programme 6: Electricity and Nuclear

On 31 March 2008 the Electricity and Nuclear Branch reflected an under spending of 0.12% and is due to vacancies within the Directorate. During the reporting period an amount of R5.1 million was re-allocated to this programme from various other programmes to cater for expenditure associated with the appointment of 100 interns at municipalities to assist with the implementation of electrification programmes. In addition, an amount of R6.5 million was re-allocated to this programme under the item goods and services to cater for expenditure in respect of the New Generation Capacity Project that were aimed at the procurement of independent power producers.

Programme 7: Associated Services

The under spending of 0.66% under Programme 7: Associated Services is due to an under spending associated with the Integrated National Electrification Programme. During the 2007/08 financial year an amount of R84 million was allocate to the non-grid electrification projects

Vote 29
Notes to the Appropriation Statement
for the year ended 31 March 2008

of which R73.92 million were disbursed to non - grid service providers. This left the department with an under spending of R10.08 million. During the reporting period an amount of R467.8 million was allocated to municipalities in terms of the Division of Revenue Act (DORA) for electrification projects. On 31 March actual expenditure was R462.49 million that left the department with an under spending of R5.3 million due to the fact that municipalities were not able to implement and finalise projects before year-end.

Vote 29
Statement of Financial Performance
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1	2,974,937	2,635,100
Departmental revenue	2	268,305	657,538
Local and foreign aid assistance	3	3,330	23,242
TOTAL REVENUE		3,246,572	3,315,880
EXPENDITURE			
Current expenditure			
Compensation of employees	4	290,561	246,154
Goods and services	5	277,222	254,665
Financial transactions in assets and liabilities	6	5,602	135
Local and foreign aid assistance	3	3,321	20,331
Total current expenditure		576,706	521,285
Transfers and subsidies	7	2,366,512	2,099,917
Expenditure for capital assets			
Machinery and equipment	8	5,272	6,446
Software and other intangible assets	8	2,198	130
Land and subsoil assets	8		228
Total expenditure for capital assets		7,470	6,804
TOTAL EXPENDITURE		2,950,688	2,628,006
SURPLUS/(DEFICIT) FOR THE YEAR		295,884	687,874
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	14	27,570	27,425
Departmental Revenue	15	268,305	657,538
Local and foreign aid assistance	3	9	2,911
SURPLUS/(DEFICIT) FOR THE YEAR		295,884	687,874

Vote 29
Statement of Financial Position
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		130,951	63,578
Fruitless and wasteful expenditure	9	56	
Cash and cash equivalents	10	118,289	60,779
Prepayments and advances	11	330	269
Receivables	12	12,276	2,530
Non-current assets		2,205	2,205
Investments	13	2,205	2,205
TOTAL ASSETS		133,156	65,783
LIABILITIES			
Current liabilities		130,090	63,039
Voted funds to be surrendered to the Revenue Fund	14	27,570	27,425
Departmental revenue to be surrendered to the Revenue Fund	15	98,599	31,963
Payables	16	279	18
Local and foreign aid assistance unutilised	3	3,642	3,633
TOTAL LIABILITIES		130,090	63,039
NET ASSETS		3,066	2,744
Represented by:			
Capitalisation reserve		2,205	2,205
Recoverable revenue (Staff and other debts recovered)		861	539
TOTAL		3,066	2,744

Vote 29
Statement of Changes in Net Assets
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
Capitalisation Reserves			
Opening balance		2,205	2,205
Closing balance		2,205	2,205
Recoverable revenue			
Opening balance		539	409
Transfers:			
Debts raised		322	130
Closing balance		861	539
TOTAL		3,066	2,744

Vote 29
Cash Flow Statement
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3,246,572	3,315,880
Annual appropriated funds received	1	2,974,937	2,635,100
Departmental revenue received	2	268,305	657,538
Local and foreign aid assistance received	3	3,330	23,242
Net (increase)/decrease in working capital		(9,602)	(467)
Surrendered to Revenue Fund		(229,094)	(707,863)
Current payments		(576,706)	(521,285)
Transfers and subsidies paid		(2,366,512)	(2,099,917)
Net cash flow available from operating activities	17	64,658	(13,652)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(7,470)	(6,804)
Net cash flows from investing activities		(7,470)	(6,804)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		322	130
Net cash flows from financing activities		322	130
Net increase/(decrease) in cash and cash equivalents		57,510	(20,326)
Cash and cash equivalents at the beginning of the period		60,779	81,105
Cash and cash equivalents at end of period	18	118,289	60,779

Vote 29
Accounting Policies
for the year ended 31 March 2008

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act No. 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

Vote 29
Accounting Policies
for the year ended 31 March 2008

2.2 Statutory Appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the statement of financial performance.

Unexpended statutory appropriations are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.3 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.3.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.3.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.3.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.3.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

Vote 29
Accounting Policies
for the year ended 31 March 2008

2.3.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.3.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

2.4 Direct Exchequer receipts

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

2.5 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the statement of financial position

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

2.6 CARA Fund assistance

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the statement of financial performance.

Any unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.

Vote 29
Accounting Policies
for the year ended 31 March 2008

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance¹.

All other payments are classified as current expense.

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

¹ This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects

Vote 29 Accounting Policies for the year ended 31 March 2008

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

Vote 29
Accounting Policies
for the year ended 31 March 2008

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party. Receivables outstanding at year-end are carried in the statement of financial position at cost.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Vote 29 Accounting Policies for the year ended 31 March 2008

Loans that are outstanding at year-end are carried in the statement of financial position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.8 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset should be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 29 and 30 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Bank overdraft

The bank overdraft is carried in the statement of position at cost.

5.4 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.6 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Vote 29
Accounting Policies
for the year ended 31 March 2008

5.7 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.8 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.9 Lease commitments

Lease commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

6. *Receivables for departmental revenue*

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. *Net Assets*

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

8. *Related party transactions*

Specific information with regards to related party transactions is included in the disclosure notes.

9. *Key management personnel*

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

Vote 29
Notes to the Annual Financial Statements
for the year ended 31 March 2008

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds)

	Final Appropriation R'000	Actual Funds Received R'000	Appropriation received 2006/07 R'000
Administration	185,867	185,867	155,708
Promotion of Mine Safety and Health	112,505	112,505	108,995
Mineral Regulation	144,534	144,534	132,861
Mineral Policy and Promotion	73,613	73,613	76,555
Hydrocarbons and Energy Planning	55,035	55,035	50,289
Electricity & Nuclear	69,924	69,924	59,405
Associated Services	2,333,459	2,333,459	2,051,287
Total	2,974,937	2,974,937	2,635,100

2. Departmental revenue

Description

	Note	2007/08 R'000	2006/07 R'000
Sales of goods and services other than capital assets	2.1	3,362	1,812
Fines, penalties and forfeits		218	458
Interest, dividends and rent on land	2.2	244,126	188,515
Financial transactions in assets and liabilities	2.3	20,599	242
Transfer received	2.4		466,511
Departmental revenue collected		268,305	657,538

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	3,358	1,809
Sales by market establishment	3,358	1,809
Sales of scrap, waste and other used current goods	4	3
Total	3,362	1,812

2.2 Interest, dividends and rent on land

Interest	22	29
Rent on land	244,104	188,486
Total	244,126	188,515

Vote 29
Notes to the Annual Financial Statements
for the year ended 31 March 2008

2.3 Financial transactions in assets and liabilities

Nature of recovery

	Note	2007/08 R'000	2006/07 R'000
Other Receipts including Recoverable Revenue		20,599	242
Total		20,599	242

2.4 Transfers received

Lebowa Mineral Trust		-	466,511
Total		-	466,511

3. Local and foreign aid assistance

Assistance received in cash: Other

Foreign			
Opening Balance		3,633	722
Revenue		3,330	23,242
Expenditure		(3,321)	(20,331)
Current		(3,321)	(20,331)
Closing Balance		3,642	3,633
Total assistance			
Opening Balance		3,633	722
Revenue		3,330	23,242
Expenditure		(3,321)	(20,331)
Current		(3,321)	(20,331)
Closing Balance		3,642	3,633
Analysis of balance			
Local and foreign aid unutilised		3,642	3,633
Closing balance		3,642	3,633

Vote 29
Notes to the Annual Financial Statements
for the year ended 31 March 2008

4. Compensation of employees

4.1 Salaries and Wages

	Note	2007/08 R'000	2006/07 R'000
Basic salary		186,328	164,357
Performance award		7,733	5,104
Service Based		12,889	10,740
Compensative/circumstantial		2,848	3,201
Periodic payments		14,376	5,172
Other non-pensionable allowances		32,205	27,892
Total		256,379	216,466

4.2 Social contributions

4.2.1 Employer contributions

Pension		24,046	20,979
Medical		10,102	8,678
Bargaining council		34	31
Total		34,182	29,688
Total compensation of employees		290,561	246,154
Average number of employees		1,123	1,048

Vote 29
Notes to the Annual Financial Statements
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
5. Goods and services			
Advertising		18,288	11,310
Attendance fees (including registration fees)		1,337	2,646
Bank charges and card fees		192	177
Bursaries (employees)		1,668	1,053
Catering		2,485	-
Communication		12,910	11,720
Computer services		9,483	10,005
Consultants, contractors and special services		75,624	90,962
Courier and delivery services		554	595
Drivers' licences and permits		28	12
Entertainment		-	2,620
External audit fees	5.1	2,447	2,169
Equipment less than R5000		2,346	3,607
Inventory	5.2	4,845	5,062
Legal fees		5,728	2,142
Maintenance, repairs and running costs		8,005	2,600
Medical Services		246	216
Municipal Services		2,139	
Operating leases		23,427	25,059
Personnel agency fees		-	37
Photographic services		55	46
Plant flowers and other decorations		19	32
Printing and publications		1,288	942
Professional bodies and membership fees		10,404	5,975
Resettlement costs		2,330	2,162
Subscriptions		436	368
Storage of furniture		42	210
Taking over of contractual obligations		-	33
Owned and leasehold property expenditure		1,328	966
Translations and transcriptions		175	194
Transport provided as part of the departmental activities		26	3
Travel and subsistence	5.3	73,376	64,868
Venues and facilities		10,818	4,094
Protective, special clothing & uniforms		206	698
Training & staff development		4,967	2,082
Total		277,222	254,665

5.1 External audit fees

Regularity audits	2,345	1,956
Performance audits	75	29
Other audits	27	184
Total	2,447	2,169

Vote 29
Notes to the Annual Financial Statements
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
5.2 Inventory			
Domestic consumables		88	208
Fuel, oil and gas		17	13
Laboratory consumables		12	
Other consumables		16	22
Stationery and printing		4,685	4,817
Medical supplies		27	2
Total		4,845	5,062
5.3 Travel and subsistence			
Local		50,089	43,488
Foreign		23,287	21,380
Total		73,376	64,868
6. Financial transactions in assets and liabilities			
Material losses through criminal conduct		5,532	-
Theft	6.1	5,532	-
Debts written off	6.2	70	135
Total		5,602	135
6.1 Debts written off			
Nature of debts written off			
Transfer to debts written off			
Government Garage and car rental accidents		25	102
Other Debts		45	33
Total		70	135
6.2 Detail of theft			
Detail of theft			
Fraudulent payments made to the following companies:			
Tsobis		262	-
De Beers Fuel		2,338	-
Mmboyi Constructions		61	-
Sasol Nitro		547	-
First Fortune Investment		2,099	-
Imports for Africa		225	-
Total		5,532	-

Vote 29
Notes to the Annual Financial Statements
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
7. Transfers and subsidies			
Provinces and municipalities	Annex 1A & 1B	462,507	390,903
Departmental agencies and accounts	Annex 1C	262,148	206,187
Public corporations and private enterprises	Annex 1D	1,639,783	1,500,494
Households	Annex 1E	2,074	2,333
Total		2,366,512	2,099,917

8. Expenditure for capital assets

Machinery and equipment	29	5,272	6,446
Land and subsoil assets	29		228
Software and other intangible assets		2,198	130
Computer software	30	2,198	130
Total		7,470	6,804

9. Fruitless and wasteful expenditure

9.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	-	26
Fruitless and wasteful expenditure – current year	56	
Current expenditure	56	
Amounts condoned	-	(26)
Current expenditure	-	(26)
Fruitless and wasteful expenditure awaiting condonement	56	-

9.2 Analysis of Current Year Fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2007/08 R'000
Hotel booking made and non arrival	Case not finalized	3
Late cancellation of catering	Case not finalized	1
CE at UP course cancellation fee	Case not finalized	52
Total		56

Vote 29
Notes to the Annual Financial Statements
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
10. Cash and cash equivalents			
Consolidated Paymaster General Account		57,412	60,733
Disbursements		(30)	(5)
Cash on hand		51	51
Cash with commercial banks (Local)		60,856	
Total		118,289	60,779

11. Prepayments and advances

Staff advances	330	269
Total	330	269

12. Receivables

	Note	Less than one year	One to three years	Older than three years	Total	Total
Staff debtors	12.1	1,464	468	1,147	3,079	1,778
Other debtors	12.2	8,781	294		9,075	618
Intergovernmental receivables	Annex 4	76	46		122	134
Total		10,321	808	1,147	12,276	2,530

12.1 Staff Debtors

	Note	2007/08 R'000	2006/07 R'000
Debtors		3,079	1,778
Total		3,079	1,778

Vote 29
Notes to the Annual Financial Statements
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
12.2 Other debtors			
Disallowance :Damages and Losses		7,972	320
Clearing accounts: Sal-Motor Finance Deductions		3	-
Private Telephones		-	6
Salary Deduction Disallowance		-	29
Clearing accounts: Sal-Income Tax		892	65
Mineral Rights Claim Licence		35	35
Clearing accounts: Sal-Medical Aid		3	2
Clearing accounts: Sal-Tax Debt		1	1
Disallowance: Dishonoured Cheques		3	-
Claims recoverable from Public Entities		5	5
Salary Recoverable		145	137
Disallowance Miscellaneous		-	18
Clearing accounts: Housing		16	-
Total		9,075	618

Note: The total of other debtors for the prior year has been restated from R752, 000 to R618, 000 due to an amount of R134, 000 for inter-departmental receivables that was moved to Annexure 4 as per National Treasury template.

13. Investments

Non-Current			
Shares and other equity			
South African Nuclear Shares		2,205	2,205
Total		2,205	2,205

14. Voted funds to be surrendered to the Revenue Fund

Opening balance		27,425	79,966
Transfer from Statement of Financial Performance		27,570	27,425
Paid during the year		(27,425)	(79,966)
Closing balance		27,570	27,425

15. Departmental revenue to be surrendered to the Revenue Fund

Opening balance		31,963	2,322
Transfer from Statement of Financial Performance		268,305	657,538
Paid during the year		(201,669)	(627,897)
Closing balance		98,599	31,963

Vote 29
Notes to the Annual Financial Statements
for the year ended 31 March 2008

16. Payables – current

Description	Notes	30 Days	30+ Days	2007/08	2006/07
		R'000	R'000	Total R'000	Total R'000
Clearing accounts	16.1	279	-	279	18
Total		279	-	279	18

16.1 Clearing accounts

Description	Note	2007/08 R'000	2006/07 R'000
Salary: Pension Funds		6	4
Salary: Reversal Control		84	14
Disallowance Miscellaneous		188	-
Private Telephone		1	-
Total		279	18

17. Net cash flow available from operating activities

Net surplus as per Statement of Financial Performance	295,884	687,874
Add back non cash/cash movements not deemed operating activities	(231,226)	(701,526)
(Increase) in receivables – current	(9,746)	(624)
(Increase) in prepayments and advances	(61)	211
(Increase) in other current assets	(56)	26
Increase in payables – current	261	(80)
Expenditure on capital assets	7,470	6,804
Surrenders to Revenue Fund	(229,094)	(707,863)
Net cash flow generated by operating activities	64,658	(13,652)

18. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	57,412	60,733
Disbursements	(30)	(5)
Cash on hand	51	51
Cash with commercial banks (Local)	60,856	-
Total	118,289	60,779

Vote 29
Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2008

19. Contingent liabilities

Liable to	Nature	Note	2007/08 R'000	2006/07 R'000
Motor vehicle guarantees	Employees	Annex 3A	578	869
Housing loan guarantees	Employees	Annex 3A	801	1,333
Other guarantees		Annex 3A	262,472	355,742
Claims against the department		Annex 3B	2,658	6,034
Other departments (interdepartmental unconfirmed balances)		Annex 5	477	147
Environmental rehabilitation liability		Annex 3B	-	-
Other		Annex 3B	18,371	28,912
Total			285,357	393,037

- 19.1 Potential Liabilities in respect of the environmental rehabilitation comprises of two scenarios: potential liabilities arising from derelict and ownerless mines, where no provision was made by the miner for the rehabilitation of the environment. The responsibility for rehabilitation of these sites reverts to the state. During 2007/8, the department finalised the process of quantifying the State's potential liability for derelict and ownerless mines. Owing to the fact that it has not been possible to do a detailed assessment of the environmental and safety conditions of all ~6000 mines in the database of D&O Mines, and also for the fact that it would not be practical to obtain a detailed cost estimate for rehabilitation of these mines, a number of assumptions had to be made to enable the estimation of the rehabilitation costs. The outcome of the quantification process reveals that the cost associated with the sites could be approximately R30 billion rand. The basis of costing did not include potential alternatives to rehabilitation such as development of abandoned mines into tourist attractions, productive non-mining land use on mine sites, re-issuance of mining permit or rights etc, such developments on these mines will change the potential liability by the state. The other scenario relates to potential liabilities arising from the Miner's inability to restore the environment back to its original state subsequent to mining activities – where provision was made either through a trust fund, bank guarantees or cash guarantees.
- 19.2 The department has a potential liability arising from decontamination and decommissioning process. In terms of the Nuclear Liabilities Management (NLM) Plan, the liability was valued at R1, 8 billion for decommissioning and decontamination liability. This valuation was performed during 2004/05. The department has developed a policy procedure for management of Nuclear liabilities and in terms of which the reassessment of the liability should be conducted every five years or a shorter period if so required by the Minister. The National Treasury has since set aside R1, 8 billion for such liability and R80 million was transferred to NECSA for this purpose

20. Commitments

	Note	2007/08 R'000	2006/07 R'000
Current expenditure			
Approved and contracted		40,678	40,243
Capital expenditure			
Approved and contracted		803	1,686
Total Commitments		41,481	41,929

Vote 29
Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2008

21. Accruals

	30 Days R'000	30+ Days R'000	2007/08 Total R'000	2006/07 Total R'000
Listed by economic classification				
Goods and services	778	351	1,129	6,564
Machinery and equipment	27	-	27	190
Total	805	351	1,156	6,754
		Note	2007/08 R'000	2006/07 R'000
Listed by programme level				
Administration			660	3,729
Promotion of Mine Health and Safety			16	62
Mineral Regulation			19	2,332
Mineral Policy and Promotion			7	186
Hydrocarbons and Energy Planning			241	334
Electricity and Nuclear			213	111
			1,156	6,754
Confirmed balances with Departments		Annex 3	2,162	-

22. Employee benefits

Leave entitlement	7,660	3,419
Thirteenth cheque	7,197	6,011
Performance awards	7,019	6,284
Capped leave commitments	10,629	11,058
Total	32,505	26,772

23. Lease Commitments

Operating leases

2007/2008	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	23,542	147	23,689
Later than 1 year and not later than 5 years	-	21,112	38	21,150
Total present value of lease liabilities	-	44,654	185	44,839

Vote 29
Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2008

2006/2007	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	976	466	1,442
Later than 1 year and not later than 5 years	-	3,010	200	3,210
Total present value of lease liabilities	-	3,986	666	4,652

24. Receivables for departmental revenue

	Note	2007/08 R'000	2006/07 R'000
Interest, dividends and rent on land		7,034	9,672
Sales of capital assets		-	60
Total		7,034	9,732

25. Irregular Expenditure

Reconciliation of Irregular Expenditure

Opening Balance	-	7
Less: Amounts condoned	-	
Current expenditure	-	(7)
Closing Balance	-	-

26. Related party transactions

Entity	Nature of Relationship	Type of Transactions	Elements of Transactions
Council for Geoscience	Associated institution under control of the Department	Transfers	Implementation of water Management Solutions – R14.867 million Small Scale Mining Development Fund – R22.889 million Sustainable development through mining research programme – R8 million
Mintek	Associated institution under control of the Department	Kgabane Project	Financial assistance for production and advanced training, product development, training of new groups, new facilities and rolling out an interim sales plan. - R2.8million
		Transfers	Sustainable development through mining research programme – R3.690 million

Vote 29
Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2008

Revenue paid	Note	2007/08 R'000	2006/07 R'000
Sales of goods and services other than capital assets		2,800	8,031
Transfers		49,446	36,464
Total		52,246	44,495

27. Key management personnel

	No. of Individuals		
Political office bearers (provide detail below)			
Minister and Director General	2	2,055	2,007
Deputy Director General and CFO	8	5,028	4,311
Total		7,083	6,318

28. Provisions

	Note		
Potential irrecoverable debts			
Staff debtors		1,325	1,288
Other debtors		269	27
Interest, Dividends and Rent on Land		5,216	6,058
Total		6,810	7,373

29. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	15,984		5,272		21,256
Computer equipment	9,275	-	4,184	-	13,459
Furniture and office equipment	6,676	-	1,088	-	7,764
Other machinery and equipment	33	-	-	-	33
LAND AND SUBSOIL ASSETS	228				228
Land	228	-	-	-	228
TOTAL TANGIBLE ASSETS	16,212	-	5,272	-	21,484

Vote 29
Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2008

29.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value/R1 R'000	Cost R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT					
Computer equipment	4,184	-	-	-	4,184
Furniture and office equipment	1,088	-	-	-	1,088
Other machinery and equipment					
TOTAL	5,272	-	-	-	5,272

29.2 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	9,810	7,111	(937)	15,984
Transport assets	937	-	(937)	-
Computer equipment	5,658	3,617	-	9,275
Furniture and office equipment	3,182	3,494	-	6,676
Other machinery and equipment	33	-	-	33
LAND AND SUBSOIL ASSETS	-	228	-	228
Land	-	228	-	228
TOTAL TANGIBLE ASSETS	9,810	7,339	(937)	16,212

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance R'000	Current Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	917	-	2,198	-	3,115
OTHER INTANGIBLES	199	-	-	-	199
TOTAL INTANGIBLE ASSETS	1,116	-	2,198	-	3,314

Vote 29
Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2008

30.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value/R1 R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	2,198	-	-	-	2,198
TOTAL	2,198	-	-	-	2,198

30.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	901	16	-	917
OTHER INTANGIBLES	85	114	-	199
TOTAL	986	130	-	1,116

31. Financial Transactions in Assets and Liabilities

Other losses written off

	Note	2007/08	2006/07
Laptops		37	-
Computer CPU		8	-
Total		45	-

32. Lebowa Minerals Trust

The Department is in the process of transferring the remaining assets to Limpopo Provincial Government.

Notes to the Annual Financial Statements
for the year ended 31 March 2008ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
ABAQULUSI	8,000	-	(8,000)	-	-	0.0	-	-	-	4,900
ALBERT LUTHULI	3,119	-	(3,119)	-	-	0.0	-	-	-	5,663
BEAUFORT WEST	2,220	-	-	2,220	2,220	100.0	2,220	1,080	48.6	6,159
BLOUBERG	11,863	-	(7,000)	4,863	4,863	100.0	4,863	2,314	47.6	7,905
BLUE CRANE ROUTE	2,400	-	-	2,400	2,400	100.0	2,400	300	12.5	360
BREEDER RIVER WINELANDS	552	-	(403)	149	149	100.0	149	-	-	600
BREEDER VALLEY	2,772	-	-	2,772	2,772	100.0	2,772	3,600	129.9	700
BUFFALO CITY	21,323	-	(1,440)	19,883	19,883	100.0	19,883	22,164	111.5	15,200
CAPE AGULHAS	-	-	-	-	-	0.0	-	-	-	216
CITY OF JOHANNESBURG	22,500	-	3,200	25,700	25,700	100.0	25,700	15,642	60.9	33,000
CITY OF TSHWANE	37,400	-	15,000	52,400	52,400	100.0	52,400	21,190	40.4	28,600
CITY OF CAPE TOWN	15,052	-	-	15,052	15,052	100.0	15,052	15,070	100.1	5,314
DELMAS	-	-	-	-	-	0.0	-	-	-	1,859
DIPALESENG	2,162	-	(2,162)	-	-	0.0	-	-	-	3,822
DRAKENSTEIN	464	-	-	464	464	100.0	464	464	100.0	500
EKURHULENI	20,000	-	(16,000)	4,000	4,000	100.0	4,000	-	-	15,594
ELUNDINI	6,000	-	-	6,000	6,000	100.0	6,000	6,000	100.0	6,700
EMALAHLENI MP312	1,152	-	-	1,152	1,152	100.0	1,152	1,549	134.5	3,000
EMNAMBITHI-LADYSMITH	2,500	-	(400)	2,100	2,100	100.0	2,100	-	0.0	2,000
EMTHANJENI	-	-	-	-	-	0.0	-	-	-	400
ENDUMENI	1,500	-	(700)	800	800	100.0	800	-	0.0	2,000
ETHEKWINI	47,500	-	-	47,500	47,500	100.0	47,500	55,182	116.2	38,606
GA-SEGONYANA	1,800	-	(1,800)	-	-	0.0	-	-	-	3,600
GOVAN MBEKI	-	-	-	-	-	0.0	-	-	-	2,500
GREATER TZANEEN	1,120	-	-	1,120	1,120	100.0	1,120	1,056	94.3	4,478
INKWANCA	-	-	-	-	-	0.0	-	-	-	540
KAROO HOOGLAND	-	-	-	-	-	0.0	-	-	-	40
KHARA HAIS	1,888	-	125	2,013	2,013	100.0	2,013	267	13.3	2,375
KING SABATA DALINDYEBO	10,000	-	5,500	15,500	15,500	100.0	15,500	12,000	77.4	11,700
KLERKSDORP	-	-	-	-	-	0.0	-	-	-	2,264

Vote 29
Annexures to the Annual Financial Statements
for the year ended 31 March 2008

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07 Division of Revenue Act
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
KOUGA	-	-	-	-	-	0.0	-	-	-	1,800
KWADUKUZA	7,000	-	-	7,000	7,000	100.0	7,000	3,854	55.1	6,000
LEKWA	1,235	-	6,310	7,545	7,545	100.0	7,545	50	0.7	8,201
LESEDI	5,000	-	-	5,000	5,000	100.0	5,000	3,738	74.8	4,000
LETSEMENG	-	-	-	-	-	0.0	-	-	-	800
LUKHANJI	1,800	-	(1,800)	-	-	0.0	-	-	-	1,500
MAFUBE	-	-	-	-	-	0.0	-	-	-	11,000
MAKHADO	1,517	-	1,135	2,652	1,517	100.0	1,517	1,148	75.7	217
MANGAUNG	13,213	-	10,000	23,213	23,213	100.0	23,213	11,183	48.2	4,000
MBOMBELA	35,000	-	(35,000)	-	-	0.0	-	-	-	2,560
MERAFONG CITY	5,400	-	-	5,400	5,400	100.0	5,400	720	13.3	1,000
METSIMAHOLO	12,000	-	-	12,000	12,000	100.0	12,000	7,487	62.4	7,500
MOGALE CITY	-	-	-	-	-	0.0	-	-	-	1,050
MOGALAKWENA	1,800	-	-	1,800	1,800	100.0	1,800	512	28.4	3,773
MOSSEL BAY	-	-	-	-	-	0.0	-	-	-	1,600
MSUKALIGWA	1,152	-	2,800	3,952	3,952	100.0	3,952	2,199	55.6	1,000
MSUNDUZI	-	-	-	-	-	0.0	-	-	-	4,000
NELSON MANDELA	22,834	-	(5,000)	17,834	17,834	100.0	17,834	13,324	74.7	21,000
NAMA KHOI	460	-	-	460	460	100.0	460	333	72.4	1,152
NKOMAZI	-	-	-	-	-	0.0	-	-	-	9,082
OUDESTHOORN	-	-	-	-	-	0.0	-	-	-	500
OVERSTRAND	3,352	-	-	3,352	3,352	100.0	3,352	800	23.9	1,500
POLOKWANE	13,839	-	3,000	16,839	16,839	100.0	16,839	720	4.3	1,200
POTCHEFSTROOM	12,602	-	-	12,602	12,602	100.0	12,602	-	0.0	8,000
RUSTENBERG	9,668	-	4,000	13,668	13,668	100.0	13,668	13,663	100.0	3,000
SOL PLAATJE	-	-	-	-	-	0.0	-	-	0.0	2,450
STELLENBOSCH	1,332	-	-	1,332	1,332	100.0	1,332	-	0.0	4,880
STEVE TSHWETE	2,079	-	8,826	10,905	10,906	100.0	10,906	1,900	17.4	1,387
THEEWATERSKLOOF	-	-	-	-	-	0.0	-	-	0.0	3,055
TOKOLOGO	-	-	-	-	-	0.0	-	-	0.0	273
TSOLWANA	1,232	-	-	1,232	1,232	100.0	1,232	-	0.0	360
ULUNDI	-	-	-	-	-	0.0	-	-	0.0	3,500

Vote 29
Annexures to the Annual Financial Statements
for the year ended 31 March 2008

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
UMJINDI	2,079	-	6,000	8,079	8,079	100.0	8,079	309	3.8	4,361
UMNGENI	5,000	-	(656)	4,344	4,344	100.0	4,344	-	0.0	3,340
UMTSHEZI	3,000	-	(1,200)	1,800	1,800	100.0	1,800	1,711	95.1	4,160
WITZENBERG	1,000	-	(1,000)	-	-	0.0	-	-	0.0	1,500
CENTRAL KAROO	-	-	-	-	-	0.0	-	-	0.0	360
IKAI GARIB	1,104	-	-	1,104	1,104	100.0	1,104	1,239	112.2	360
KNYSNA	776	-	554	1,330	1,330	100.0	1,330	762	57.3	1,154
KOUKAMA	-	-	-	-	-	0.0	-	-	0.0	2,664
HESSEQUA	1,108	-	(1,108)	-	-	0.0	-	-	0.0	2,800
BITOU	2,220	-	-	2,220	2,220	100.0	2,220	1,552	69.9	600
DIKGATLONG	-	-	-	-	-	0.0	-	-	0.0	1,000
AMAHLATI	-	-	356	356	356	100.0	356	-	0.0	2,200
EMAKHAZENI	3,639	-	-	3,639	3,639	100.0	3,639	1,869	51.4	3,000
MATZIKAMA	1,108	-	(608)	500	500	100.0	500	300	60.0	2,700
MOOI MPOFANA	-	-	-	-	-	0.0	-	-	0.0	10,000
PHOKWANE	-	-	-	-	-	0.0	-	-	0.0	2,500
SIYANCUMA	-	-	-	-	-	0.0	-	-	0.0	1,100
KGETLENGRVR	17,000	-	(17,000)	-	-	0.0	-	-	0.0	15,000
BAVIAANS	3,574	-	-	3,574	3,574	100.0	3,574	2,404	67.3	-
BERGRIVIER	1,000	-	-	1,000	1,000	100.0	1,000	650	65.0	-
CAMDEBOO	1,500	-	-	1,500	1,500	100.0	1,500	1,524	101.6	-
CEDEBERG	1,000	-	2,000	3,000	3,000	100.0	3,000	890	29.7	-
CITY MATLOSANA	2,400	-	-	2,400	2,200	100.0	2,200	978	44.5	-
EMFULENI	4,286	-	-	4,286	4,286	100.0	4,286	-	0.0	-
GEORGE	678	-	-	678	678	100.0	678	-	0.0	-
ELIAS MOTSOLEDI	1,656	-	(920)	736	736	100.0	736	-	0.0	-
HANTAM	230	-	-	230	230	100.0	230	230	100.0	-
HIBISCUS CST	4,000	-	-	4,000	4,000	100.0	4,000	3,564	89.1	-
INGWE	-	-	5,800	5,800	5,800	100.0	5,800	-	0.0	-
KAMIESBERG	2,200	-	-	2,200	2,200	100.0	2,200	844	38.4	-
KANNALAND	-	-	3,000	3,000	3,000	100.0	3,000	-	0.0	-
KHAI-MA	230	-	-	230	230	100.0	230	101	43.9	-

Vote 29
Annexures to the Annual Financial Statements
for the year ended 31 March 2008

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
GREATER KOKSTAD	-	-	3,000	3,000	3,000	100.0	3,000	-	0.0	-
LAINGSBERG	-	-	208	208	208	100.0	208	-	0.0	-
MAKANA	1,584	-	2,500	4,084	4,084	100.0	4,084	6,584	161.2	-
MALETSWAI	1,800	-	5,000	6,800	6,800	100.0	6,800	6,800	100.0	-
MALUTIA PHOFU	4,600	-	-	4,600	4,600	100.0	4,600	3,888	84.5	-
MATJHABENG	920	-	4,000	4,920	920	18.7	920	434	47.2	-
NDLAMBE	1,080	-	2,000	3,080	3,080	100.0	3,080	3,580	116.2	-
NEWCASTLE	-	-	1,050	1,050	1,050	100.0	1,050	-	0.0	-
NGWATHE	1,888	-	-	1,888	1,888	100.0	1,888	227	12.0	-
NOKENG TSA TAIMANE	-	-	1,000	1,000	1,000	100.0	1,000	-	0.0	-
NQUTHU	2,000	-	(356)	1,644	1,644	100.0	1,644	1,027	62.5	-
NXUBA	4,000	-	-	4,000	4,000	100.0	4,000	4,000	100.0	-
SWARTLAND	1,000	-	-	1,000	1,000	100.0	1,000	223	22.3	-
THABAZIMBI	788	-	-	788	788	99.9	788	99	12.6	-
THULAMELA	-	-	18,500	18,500	18,500	100.0	18,500	6,103	33.0	-
UMHLATHUZE	2,000	-	(400)	1,600	1,600	100.0	1,600	800	50.0	-
MATATIELE	1,000	-	(1,000)	-	-	0.0	-	-	0.0	-
UMUZIWABANTU	3,000	-	(3,000)	-	-	0.0	-	-	0.0	-
UMLALAZI	1,000	-	(1,000)	-	-	0.0	-	-	0.0	-
PIXLEY KA SEME	416	-	(416)	-	-	0.0	-	-	0.0	-
SIYATHEMBA	1,180	-	(1,180)	-	-	0.0	-	-	0.0	-
KGATELOPELE	350	-	(350)	-	-	0.0	-	-	0.0	-
SALDANHA BAY	1,752	-	(1,752)	-	-	0.0	-	-	0.0	-
RANDFONTEIN	714	-	(94)	620	620	100.0	620	-	0.0	-
PRINCE ALBERT	164	-	-	164	164	100.0	164	73	44.5	-
	467,826	-	-	467,826	462,492	100.0	462,492	272,274	58.2	390,734

Annexures to the Annual Financial Statements
for the year ended 31 March 2008

**ANNEXURE 1B
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2006/07 Total Available	
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality
NKANGALA	-	-	-	-	-	-	-	-	-	9
FRANCES BAARD DISTRICT MUNICIPALITY	-	-	-	-	-	-	-	-	-	7
CAPRICORN DISTRICT MUNICIPALITY	-	-	-	-	-	-	-	-	-	6
TSHWANE METROPOLITAN MUNICIPALITY	15	-	-	15	15	100	15	15	100	100
GREATER JHB METROPOLITAN MUNICIPALITY	-	-	-	-	-	-	-	-	-	18
SOUTHERN DISTRICT COUNCIL	-	-	-	-	-	-	-	-	-	9
CAPE METROPOLITAN COUNCIL	-	-	-	-	-	-	-	-	-	3
LEJWELEPUTSWA DISTRICT MUNICIPALITY	-	-	-	-	-	-	-	-	-	7
UMZINYATHI DISTRICT MUNICIPALITY	-	-	-	-	-	-	-	-	-	5
NELSON MANDELA METROPOL MUB	-	-	-	-	-	-	-	-	-	5
	15	-	-	15	15	-	15	15	-	169

Vote 29

Annexures to the Annual Financial Statements
for the year ended 31 March 2008ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2006/07 Final Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Council for Geoscience	153,511	-	-	153,511	153,511	100	124,199
National Nuclear Regulation	18,029	-	-	18,029	18,029	100	14,742
Electricity Distribution Industry	65,934	-	-	65,934	65,934	100	62,794
Mine Health and Safety Council	4,674	-	-	4,674	4,674	100	4,452
South African Diamond Board	20,000	-	-	20,000	20,000	100	-
TOTAL	262,148	-	-	262,148	262,148	100	206,187

Annexures to the Annual Financial Statements
for the year ended 31 March 2008ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers									
Eskom	1,018,083	-	-	1,018,083	1,018,083	100.0	1,018,083	-	893,165
South African Nuclear Energy Corporation Ltd	388,256	-	-	388,256	388,256	100.0	8,933	379,323	356,353
CSIR	3,800	-	-	3,800	3,800	100.0	-	3,800	5,335
Council for Mineral Technology	128,259	-	-	128,259	128,259	100.0	11,798	116,461	124,029
Total	1,538,398			1,538,398	1,538,398		1,038,814	499,584	1,378,882
Private Enterprises									
Transfers									
Solar Vision (Pty) Ltd	-	-	-	-	-	0.0	-	-	2,023
East Rand Proprietary Mines	12,139	-	-	12,139	12,139	100.0	-	12,139	18,739
Grootvlei Proprietary Mines	12,000	-	-	12,000	12,000	100.0	-	12,000	18,600
Southern Stream Energy Resources	9,919	-	-	9,919	9,919	100.0	9,919	-	15,000
South African Chamber of Mines	-	-	-	-	-	0.0	-	-	1,957
Eskom (no-grid electrification)	64,000	-	-	64,000	64,000	100.0	64,000	-	65,000
Bethlehem Hydro (Pty) Ltd	682	-	-	682	682	100.0	-	682	293
South African Young Nuclear Professional Society	-	-	20	20	20	100.0	-	20	-
Renewable Hydro (Pty) Ltd	525	-	-	525	525	100.0	-	525	-
Methcap SPV1 (Pty) Ltd	2,100	-	-	2,100	2,100	100.0	-	2,100	-
Total	101,365		20	101,385	101,385		73,919	27,466	121,612
TOTAL	1,639,763	-	20	1,639,783	1,639,783		1,112,733	527,050	1,500,494

Vote 29
Annexures to the Annual Financial Statements
for the year ended 31 March 2008

**ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2006/07 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Transfers							
H/H Employees benefits	1,097	-	1,110	2,207	2,007	89.3	2,320
Claims against the state	68	-	-	68	27	39.7	13
Act of grace households	-	-	40	40	40	100.0	-
Total	1,165	-	1,150	2,315	2,074		2,333

Annexures to the Annual Financial Statements
for the year ended 31 March 2008ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	PURPOSE	NATURE OF GIFTS, DONATIONS OR SPONSORSHIPS	2007/08	2006/07
			R'000	R'000
Received in kind				
Goldfields	DME budget vote speech to National Assembly (400 people)	Finger lunch	-	22
Goldfields	DME budget vote speech to National Assembly (400 people)	Dinner	-	18
Petro SA	DME budget vote speech to National Assembly (400 people)	Dinner	-	58
Total commercials	DME budget vote speech to National Assembly (400 people)	Dinner	-	25
Petro SA	DME budget vote speech to National Assembly (400 people)	Entertainment (Basadi women of jazz)	-	46
Eskom	DME budget vote speech to National Assembly (400 people)	Entertainment (Basadi women of jazz)	-	26
Petro SA	DME budget vote speech to National Assembly (400 people)	Entertainment	-	5
Eskom	DME budget vote speech to NCOP (150 people)	Cocktail function	-	19
African rainbow minerals	DME budget vote speech to NCOP (150 people)	Golf shirts	-	20
Xtrata	Youth celebration	Promotional materials	70	-
Anglo platinum	DME Women's Day & 10 th anniversary of women in mining	T-Shirts & Hats	195	-
SA Diamonds & Precious Metals Regulator	DME Women's Day & 10 th anniversary of women in mining	Gifts	15	-
Anglo Platinum	Youth celebration	Entertainment, Refreshments and Gifts	92	-
Matla coal	Safety function – Pi Mpumalanga	Torch	1	-
Leppan Beech	Safety Function – Pi Mpumalanga	Gifts	1	-
TOTAL			374	239

Vote 29
Annexures to the Annual Financial Statements
for the year ended 31 March 2008

**ANNEXURE 1G
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING		REVENUE		EXPENDITURE		CLOSING	
		BALANCE	R'000	R'000	R'000	R'000	R'000	BALANCE	R'000
Received in cash									
Danish Government	Designated National Authority	509		800		716		593	
Danish Government	Cabaree Project (REFSO) Support	73		-		-		73	
Norwegian Government	Electricity Sector Policy Capacity	193		-		89		104	
Norwegian Government	Petroleum Sector Policy Capacity (New Energy Project)	2,858		2,529		2,515		2,872	
TOTAL		3,633		3,329		3,320		3,642	

Annexures to the Annual Financial Statements
for the year ended 31 March 2008ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT
OF GRACE FOR THE YEAR ENDED 31 MARCH 2008

NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
	R'000	R'000
Paid in cash		
Payments made as an act of grace to households	40	-
Donation made to the South African Young Nuclear Professional Society	20	-
TOTAL	60	-
Made in kind		
Donations made to Bophelong Hospice		
Cupboard Stationery Wood	1	-
Round Table	1	-
High Back Chair	1	-
Table	3	-
Steel Cabinet	1	-
Cabinet with window display	1	-
Cabinet with window display	1	-
Chair High back	1	-
2 Computer Stands	1	-
Total	11	-

Annexures to the Annual Financial Statements
for the year ended 31 March 2008ANNEXURE 2A
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES AS AT 31 MARCH 2008

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 07/08	% Held		Number of shares held	Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed Yes/No
			2007/08	06/07		2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	
National Public Entity												
Nuclear Energy Corporation of South Africa	Schedule 2	100.0	100.0		2,205	2,205	2,205	31,491	(5,002)	36,493	99,447	No
CEF (Pty) Ltd	Schedule 2	100.0	100.0		1	-	-	21,967,082	18,848,539	3,092,271	3,015,064	
Electricity Distribution Industry Holdings Company (Pty) Ltd	Schedule 3A	100.0	100.0		100	-	-	13,187	11,453	1,733	(1,946)	No
Total					2,306	2,205	2,205	# 22,011,760	18,854,990	3,130,497	3,112,565	

Restated to reflect the published values on the audited financial statements of the entities.

Annexures to the Annual Financial Statements
for the year ended 31 March 2008**ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2008**

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
		2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Controlled entities									
Nuclear Energy Corporation of South Africa	Nuclear Technology Development	2,205	2,205	31,491	(5,002)	-	-	-	-
CEF (Pty) Ltd	Oversee a diverse number of subsidiaries in the Energy Sector	-	-	21,967,082	18,848,539	-	-	-	-
Electricity Distribution Industry Holdings Company (Pty) Ltd	Facilitate the restructuring of the electricity distribution	-	-	13,187	11,453	-	-	-	-
Total		2,205	2,205	22,011,760	# 18,854,990	-	-	-	-

Restated to reflect the published values on the audited financial statements of the entities.

Vote 29

Annexures to the Annual Financial Statements
for the year ended 31 March 2008ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2007	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/ released during the year	Revaluations	Closing balance 31 March 2008	Guaranteed interest for year ended 31 March 2008	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
Stannic	Motor vehicles	1,192	869	542	833	-	578	-	-
	Sub total	1,192	869	542	833	-	578	-	-
	Housing								
ABSA	Housing	544	485	59	259	-	285	-	-
Ithala	Housing	11	11	-	-	-	11	-	-
First Rand	Housing	253	253	-	86	-	167	-	-
FNB former Saambou	Housing	57	57	-	17	-	40	-	-
Nedbank	Housing	185	185	-	53	-	132	-	-
Old mutual	Housing	161	161	-	28	-	133	-	-
Standard	Housing	181	181	-	148	-	33	-	-
	Sub total	1,392	1,333	59	591	-	801	-	-
	Other								
ABSA	NECSA	20,000	20,000	-	-	-	20,000	-	-
	Sub total	20,000	20,000	-	-	-	20,000	-	-
	Total	22,584	22,202	601	1,424	-	21,379	-	-

Annexures to the Annual Financial Statements
for the year ended 31 March 2008ANNEXURE 3A (continued)
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2007	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2008	Guaranteed interest for year ended 31 March 2008	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Other								
European investment Bank	Foreign Loan	278,543	125,086	-	37,623	12,017	99,480	7,075	-
European investment Bank	Foreign Loan	414,837	79,840	-	56,032	5,823	29,631	3,572	-
Deutsche Bank	Foreign Loan	1,290,044	-	-	-	--	-	-	-
Deutsche Bank	Foreign Loan	403,254	130,816	-	45,613	10,262	95,465	7,249	-
ABN AMRO Bank	Foreign Loan	297,474	-	-	-	-	-	-	-
	Total	2,684,152	335,742	-	139,268	28,102	224,576	17,896	-

Vote 29
Annexures to the Annual Financial Statements
for the year ended 31 March 2008

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2008**

Nature of Liability	Opening Balance 01/04/2007 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/reduced during the year R'000	Liabilities recoverable/(Provide details hereunder) R'000	Closing Balance 31/03/2008 R'000
Claims against the department	6,034	118	(3,494)		2,658
Other					
Simrac	28,912	-	(10,541)		18,371
Total	34,946	118	(14,035)	-	21,029

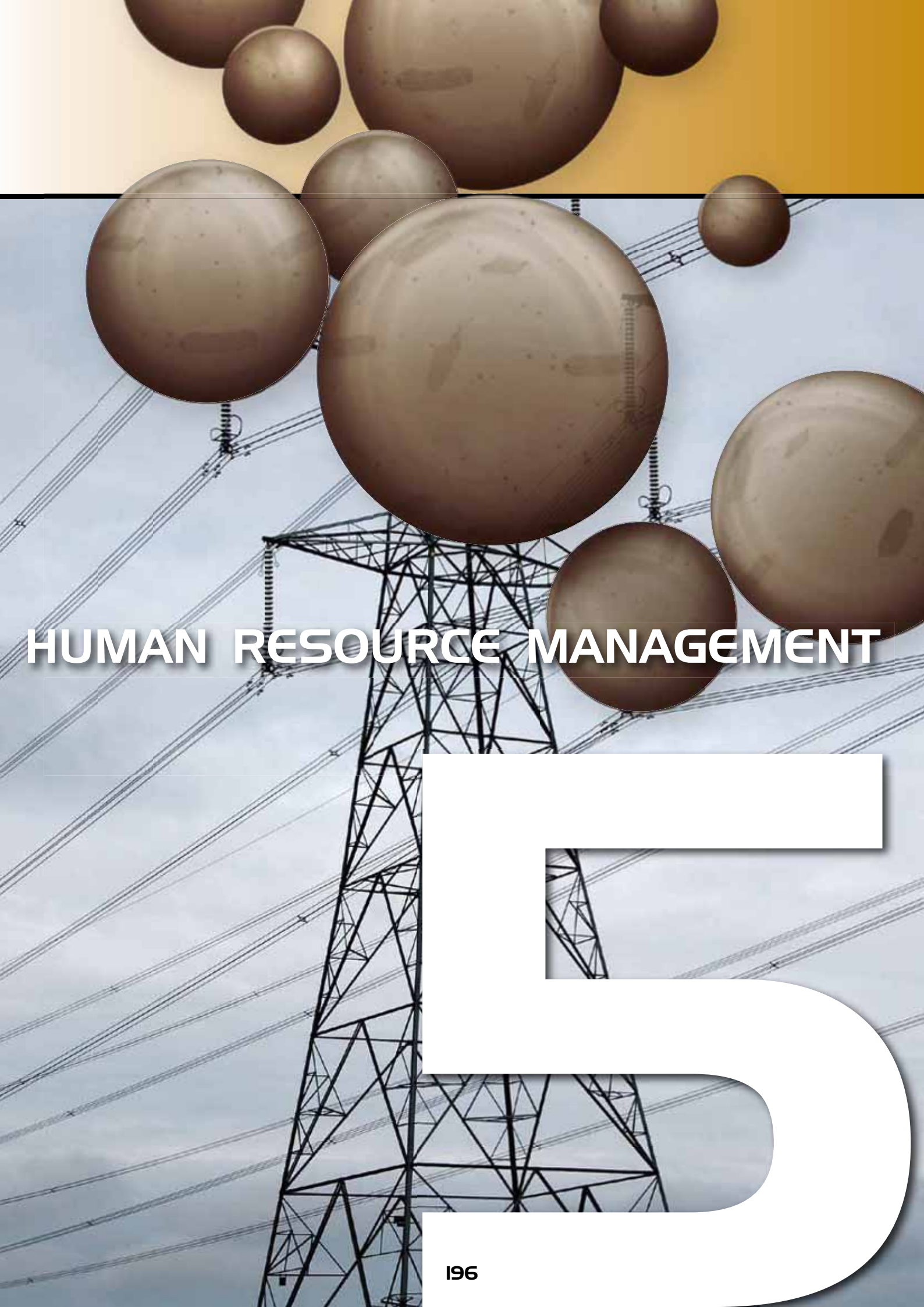
Annexures to the Annual Financial Statements
for the year ended 31 March 2008**ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000
Department						
Department of Housing	-	-	20	18	20	18
Department of Water Affairs	-	-	46	114	46	114
Public Service Commission	-	-	-	1	-	1
National Department of Health	-	-	-	1	-	1
NPA	-	-	1	-	1	-
Department of Labour	-	-	23	-	23	-
Department of Justice	-	-	5	-	5	-
Department of Local Government	-	-	1	-	1	-
Department of Social Development	-	-	20	-	20	-
Department of Education	-	-	5	-	5	-
Department of Arts & Culture	-	-	1	-	1	-
Sub Total			122	134	122	134
Other Government Entities						
Independent Development Trust	-	-	2,585	2,355	2,585	2,355
Sub Total			2,585	2,355	2,585	2,355
TOTAL			2,707	2,489	2,707	2,489

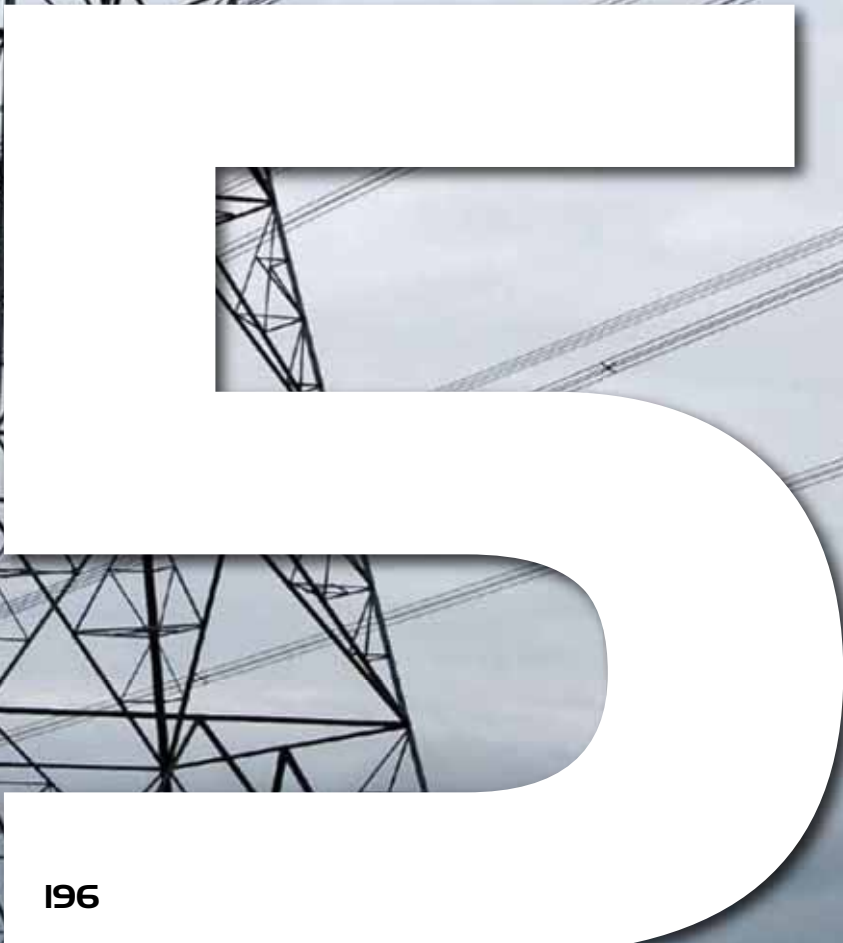
Vote 29
Annexures to the Annual Financial Statements
for the year ended 31 March 2008

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000
DEPARTMENTS						
Current						
Gauteng Provincial Administration: Public Transport, Roads and Works	297	-	-	123	297	123
Department of Transport	-	-	-	24	-	24
Department of Justice	75	-	-	-	75	-
Western Cape Department of Transport	27	-	52	-	79	-
Department of Public Works	1,318	-	425	-	1,743	-
Department of Foreign Affairs	445	-	-	-	445	-
Total	2,162	-	477	147	2,639	147



HUMAN RESOURCE MANAGEMENT



HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 1.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration -prg1	185,795	68,888	3,081	7,542	37.07%	201	342
Promotion of Mine Safety & Health -prg2	104,283	79,604	1,531	1,508	76.33%	329	242
Mineral Regulation -prg3	137,780	66,512	-	35,142	48.27%	222	300
Mineral Policy & Promotion -prg4	73,554	22,084	3	2,900	30.02%	266	83
Hydrocarbons & Energy Plan -prg5	52,453	26,357	171	3,987	50.25%	280	94
Electricity and Nuclear -prg6	69,841	27,136	180	24,545	38.85%	352	77
Associated Services -prg7	2,318,043	-	-	-	0	0	0
Denmark	716	-	-	701	0	0	0
Norway	2,604	-	-	1,263	0	0	0
Theft and losses	5,602	-	-	-	0	0	0
Z=Total as on Financial Systems (BAS)	2,950,671	290,561	4,966	77,588	9.85%	255	1138

TABLE 1.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Skilled (Levels 3-5)	23,612	7.6	83,435	310,446	283
Highly skilled production (Levels 6-8)	38,737	12.5	154,948	310,446	250
Highly skilled supervision (Levels 9-12)	154,960	49.9	329,702	310,446	470
Senior management (Levels 13-16)	49,141	15.8	540,011	310,446	91
Contract (Levels 3-5)	1,322	0.4	110,167	310,446	12
Contract (Levels 6-8)	2,710	0.9	225,833	310,446	12
Contract (Levels 9-12)	2,611	0.8	186,500	310,446	14
Contract (Levels 13-16)	3,909	1.3	651,500	310,446	6
Periodical Remuneration	382	0.1	3,381	310,446	113
Abnormal Appointment	14,341	4.6	32,817	310,446	437
TOTAL	291725	94	172823	310446	1688

TABLE 1.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration -prg1	44306	55.74%	1191	1.50%	1468	1.85%	2594	3.26%	79,491
Promotion of Mine Safety & Health -prg2	50756	61.42%	54	0.07%	945	1.14%	2694	3.26%	82,643
Mineral Regulation -prg3	43979	43.26%	720	0.71%	907	0.89%	2560	2.52%	101,654
Mineral Policy & Promotion -prg4	14924	59.73%	171	0.68%	484	1.94%	897	3.59%	24,987
Hydrocarbons & Energy Plan -prg5	18215	59.69%	24	0.08%	454	1.49%	748	2.45%	30,515
Electricity and Nuclear -prg6	14149	27.28%	9	0.02%	205	0.40%	609	1.17%	51,861
Associated Services -prg7	0	0	0	0	0	0	0	0	0
Denmark	0	0	0	0	0	0	0	0	0
Norway	0	0	0	0	0	0	0	0	0
Theft and losses	0	0	0	0	0	0	0	0	0
TOTAL	186329	50.20%	2169	0.58%	4463	1.20%	10102	2.72%	371151

TABLE 1.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Skilled (Levels 3-5)	16584	68.6	580	2.4	693	2.9	1752	7.2	24169
Highly skilled production (Levels 6-8)	27970	70.2	606	1.5	765	1.9	2106	5.3	39833
Highly skilled supervision (Levels 9-12)	106860	63.4	739	0.4	1828	1.1	4964	2.9	168502
Senior management (Levels 13-16)	28236	54.5	0	0	1097	2.1	1068	2.1	51823
Contract (Levels 3-5)	1017	75.4	92	6.8	25	1.9	15	1.1	1348
Contract (Levels 6-8)	2237	81.7	14	0.5	15	0.5	45	1.6	2737
Contract (Levels 9-12)	1866	65.6	10	0.4	18	0.6	16	0.6	2844
Contract (Levels 13-16)	2220	55.4	0	0	34	0.8	38	0.9	4008
Periodical Remuneration	0	0	0	0	0	0	0	0	660
Abnormal Appointment	0	0	0	0	0	0	0	0	14523
TOTAL	186990	60.2	2041	0.7	4475	1.4	10004	3.2	310447

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 2.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration, Permanent	397	342	13.9	22
Hydrocarbons and Energy, Permanent	131	94	28.2	0
Electricity and Nuclear	88	77	12.5	2
Mine safety & health, Permanent	327	242	26	11
Mineral Policy and Promotion, Permanent	97	83	14.4	1
Mineral Regulation	365	300	17.8	9
TOTAL	1405	1138	19	45

TABLE 2.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Skilled (Levels 3-5), Permanent	332	292	12	4
Highly skilled production (Levels 6-8), Permanent	310	250	19.4	15
Highly skilled supervision (Levels 9-12), Permanent	602	459	23.8	7
Senior management (Levels 13-16), Permanent	117	93	20.5	1
Contract (Levels 3-5), Permanent	13	13	0	12
Contract (Levels 6-8), Permanent	9	9	0	3
Contract (Levels 9-12), Permanent	17	17	0	1
Contract (Levels 13-16), Permanent	5	5	0	2
TOTAL	1405	1138	19	45

TABLE 2.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative office workers, Permanent	1	1	0	0
Administrative related, Permanent	93	76	18.3	2
Biologists botanists zoologists & rel professional, Permanent	100	77	23	2
Cleaners in offices workshops hospitals etc., Permanent	18	16	11.1	0
Client inform clerks(switchb receipt inform clerks), Permanent	10	9	10	0
Communication and information related, Permanent	9	8	11.1	0
Computer programmers, Permanent	4	3	25	0
Computer system designers and analysts, Permanent	4	4	0	0
Economists, Permanent	40	33	17.5	0
Finance and economics related, Permanent	27	22	18.5	0
Financial and related professionals, Permanent	17	16	5.9	3
Financial clerks and credit controllers, Permanent	21	19	9.5	1
Food services aids and waiters, Permanent	8	6	25	0
General legal administration & rel. professionals, Permanent	5	4	20	1
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources & organisat developm & relate prof, Permanent	36	32	11.1	0
Human resources clerks, Permanent	17	16	5.9	6
Human resources related, Permanent	10	8	20	0
Information technology related, Permanent	6	4	33.3	0
Language practitioners interpreters & other commun, Permanent	5	5	0	0
Legal related, Permanent	2	1	50	0
Librarians and related professionals, Permanent	3	1	66.7	0
Library mail and related clerks, Permanent	63	54	14.3	4
Light vehicle drivers, Permanent	1	1	0	0
Logistical support personnel, Permanent	14	11	21.4	0
Material-recording and transport clerks, Permanent	41	35	14.6	1
Messengers porters and deliverers, Permanent	8	6	25	0
Natural sciences related, Permanent	136	98	27.9	0

HR Oversight - Table 2

Other administrat & related clerks and organisers, Permanent	99	88	11.1	5
Other administrative policy and related officers, Permanent	83	72	13.3	1
Other information technology personnel., Permanent	10	8	20	2
Other machine operators, Permanent	3	3	0	0
Other occupations, Permanent (Political Office Bearers)	2	1	50	0
Safety health and quality inspectors, Permanent	215	151	29.8	10
Secretaries & other keyboard operating clerks, Permanent	112	96	14.3	4
Security officers, Permanent	52	50	3.8	0
Senior managers, Permanent	111	88	20.7	3
Trade/industry advisers & other related profession, Permanent	18	14	22.2	0
TOTAL	1405	1138	19	45

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 3.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Contract (Levels 3-5)	16	5	31.3	1	20	0	0
Contract (Levels 6-8)	9	11	122.2	0	0	0	0
Contract (Levels 9-12)	17	1	5.9	0	0	0	0
Contract (Band A)	2	0	0	0	0	0	0
Contract (Band B)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	329	32	9.7	11	34.4	0	0
Highly skilled production (Levels 6-8)	309	17	5.5	9	52.9	4	23.5
Highly skilled supervision (Levels 9-12)	594	100	16.8	6	6	4	4
Senior Management Service Band A	83	23	27.7	0	0	0	0
Senior Management Service Band B	26	3	11.5	0	0	0	0
Senior Management Service Band C	7	1	14.3	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Other	9	0	0	0	0	0	0
TOTAL	1405	193	13.7	27	14	8	4.1

TABLE 3.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	24	0	0	2	26
Male	20	0	3	3	26
Total	44	0	3	5	52
Employees with a Disability	0	0	0	0	0

TABLE 3.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Human resources & organisat developm & relate prof, Permanent	1	9	10	Retention	1138
Library mail and related clerks, Permanent	1	4	7	Retention	1138
Total	2				
Percentage of Total Employment	0.2				1138

TABLE 3.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	1	0	0	0	1
Total	2	0	0	0	2
Employees with a Disability	0	0	0	0	0

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 4.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate	Employment Gain Rate	Deviation
Skilled (Levels 3-5), Permanent	245	75	36	14.7	30.6	15.9
Highly skilled production (Levels 6-8), Permanent	246	44	34	13.8	17.9	4.1
Highly skilled supervision (Levels 9-12), Permanent	474	52	89	18.8	11	-7.8
Senior Management Service Band A, Permanent	51	6	7	13.7	11.8	-1.9
Senior Management Service Band B, Permanent	17	2	4	23.5	11.8	-11.7
Senior Management Service Band C, Permanent	12	0	2	16.7	0	-16.7
Senior Management Service Band D, Permanent	1	0	0	0	0	0.0
Contract (Levels 3-5), Permanent	23	22	4	17.4	95.7	78.3
Contract (Levels 6-8), Permanent	24	8	9	37.5	33.3	-4.2
Contract (Levels 9-12), Permanent	7	10	3	42.9	142.9	100.0
Contract (Band A), Permanent	7	0	3	42.9	0	-42.9
Contract (Band B), Permanent	1	0	0	0	0	0.0
Contract (Band C), Permanent	1	1	0	0	100	100.0
TOTAL	1109	220	191	17.2	19.8	2.6

TABLE 4.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2007)	Appointments	Terminations	Turnover Rate	Employment Gain Rate	Deviation
Administrative related, Permanent	76	12	15	19.7	15.8	-3.9
Biologists botanists zoologists & rel professional, Permanent	70	16	9	12.9	22.9	10
Cleaners in offices workshops hospitals etc., Permanent	22	0	2	9.1	0	-9.1
Client inform clerks(switchb receipt inform clerks), Permanent	11	2	1	9.1	18.2	9.1
Communication and information related, Permanent	5	3	2	40	60	20
Computer programmers, Permanent	1	2	0	0	200	200
Computer system designers and analysts, Permanent	2	2	1	50	100	50
Economists, Permanent	30	7	9	30	23.3	-6.7
Finance and economics related, Permanent	8	1	2	25	12.5	-12.5
Financial and related professionals, Permanent	18	8	4	22.2	44.4	22.2

HR Oversight - Table 4

Financial clerks and credit controllers, Permanent	20	5	4	20	25	5
Food services aids and waiters, Permanent	4	2	0	0	50	50
General legal administration & rel. professionals, Permanent	3	0	0	0	0	0
Head of department/chief executive officer, Permanent	1	0	0	0	0	0
Human resources & organisat developm & relate prof, Permanent	30	4	10	33.3	13.3	-20
Human resources clerks, Permanent	21	8	5	23.8	38.1	14.3
Human resources related, Permanent	11	0	2	18.2	0	-18.2
Information technology related, Permanent	2	1	2	100	50	-50
Language practitioners interpreters & other communi, Permanent	5	0	0	0	0	0
Legal related, Permanent	2	2	0	0	100	100
Librarians and related professionals, Permanent	3	0	1	33.3	0	-33.3
Library mail and related clerks, Permanent	50	10	7	14	20	6
Light vehicle drivers, Permanent	1	0	0	0	0	0
Logistical support personnel, Permanent	6	3	0	0	50	50
Material-recording and transport clerks, Permanent	15	16	0	0	106.7	106.7
Messengers porters and deliverers, Permanent	11	2	1	9.1	18.2	9.1
Natural sciences related, Permanent	110	13	24	21.8	11.8	-10
Other administrat & related clerks and organisers, Permanent	82	19	4	4.9	23.2	18.3
Other administrative policy and related officers, Permanent	61	8	3	4.9	13.1	8.2
Other information technology personnel., Permanent	11	2	3	27.3	18.2	-9.1
Other machine operators, Permanent	3	0	0	0	0	0
Other occupations, Permanent	1	0	0	0	0	0
Safety health and quality inspectors, Permanent	171	25	46	26.9	14.6	-12.3
Secretaries & other keyboard operating clerks, Permanent	93	24	14	15.1	25.8	10.7
Security officers, Permanent	41	14	3	7.3	34.1	26.8
Senior managers, Permanent	81	7	15	18.5	8.6	-9.9
Trade/industry advisers & other related profession, Permanent	27	2	2	7.4	7.4	0
TOTAL	1109	220	191	17.2	19.8	2.6

TABLE 4.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	10	5.2	0.9	191	1109
Resignation, Permanent	100	52.4	9	191	1109
Expiry of contract, Permanent	12	6.3	1.1	191	1109
Discharged due to ill health, Permanent	1	0.5	0.1	191	1109
Dismissal-misconduct, Permanent	6	3.1	0.5	191	1109
Retirement, Permanent	10	5.2	0.9	191	1109
Transfers to other Government Departments	52	27.2	4.7	191	1109
TOTAL	191	100	17.2	191	1109

Resignations as % of Employment 17.2

TABLE 4.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2007)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	75	17	22.7	23	30.7
Appraisers-valuers and related professionals	1	0	0	0	0
Auxiliary and related workers	1	0	0	0	0
Biologists botanists zoologists & rel professional	70	10	14.3	7	10
Cleaners in offices workshops hospitals etc.	22	1	4.5	0	0
Client inform clerks(switchb receipt inform clerks)	11	0	0	5	45.5
Communication and information related	5	0	0	3	60
Computer programmers.	1	0	0	0	0
Computer system designers and analysts.	2	1	50	0	0
Economists	30	9	30	13	43.3
Finance and economics related	8	6	75	2	25
Financial and related professionals	18	3	16.7	6	33.3
Financial clerks and credit controllers	20	1	5	7	35
Food services aids and waiters	4	0	0	0	0
General legal administration & rel. professionals	3	2	66.7	0	0
Head of department/chief executive officer	1	0	0	0	0
Human resources & organisat developm & relate prof	30	8	26.7	7	23.3
Human resources clerks	21	3	14.3	1	4.8

Human resources related	11	5	45.5	8	72.7
Information technology related	2	2	100	0	0
Language practitioners interpreters & other commun	5	1	20	3	60
Legal related	2	0	0	1	50
Librarians and related professionals	3	1	33.3	0	0
Library mail and related clerks	50	5	10	25	50
Light vehicle drivers	1	0	0	1	100
Logistical support personnel	6	1	16.7	2	33.3
Material-recording and transport clerks	15	5	33.3	2	13.3
Messengers porters and deliverers	11	0	0	0	0
Natural sciences related	110	9	8.2	34	30.9
Other administrat & related clerks and organisers	82	5	6.1	44	53.7
Other administrative policy and related officers	61	10	16.4	19	31.1
Other information technology personnel.	11	2	18.2	1	9.1
Other machine operators	3	0	0	0	0
Other occupations	1	0	0	0	0
Safety health and quality inspectors	170	15	8.8	55	32.4
Secretaries & other keyboard operating clerks	93	3	3.2	27	29
Security officers	41	11	26.8	19	46.3
Senior managers	81	16	19.8	33	40.7
Trade/industry advisers & other related profession	27	0	0	8	29.6
TOTAL	1109	152	13.7	356	32.1

TABLE 4.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2007)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Skilled (Levels 3-5), Permanent	245	21	8.6	88	35.9
Highly skilled production (Levels 6-8), Permanent	246	28	11.4	67	27.2
Highly skilled supervision (Levels 9-12), Permanent	474	78	16.5	164	34.6
Senior management (Levels 13-16), Permanent	81	22	27.2	35	43.2
Contract (Levels 3-5), Permanent	23	0	0	0	0
Contract (Levels 6-8), Permanent	24	1	4.2	0	0
Contract (Levels 9-12), Permanent	7	2	28.6	1	14.3
Contract (Levels 13-16), Permanent	9	0	0	1	11.1
TOTAL	1109	152	13.7	356	32.1

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 5.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	40	0	2	42	13	24	0	0	24	0	79
Professionals, Permanent	278	7	5	290	82	241	2	2	245	34	651
Clerks, Permanent	73	4	0	77	1	190	17	0	207	41	326
Service and sales workers, Permanent	30	1	0	31	4	14	0	0	14	1	50
Plant and machine operators and assemblers, Permanent	2	0	0	2	0	0	0	0	0	0	2
Elementary occupations, Permanent	5	1	0	6	0	24	0	0	24	0	30
TOTAL	428	13	7	448	100	493	19	2	514	76	1138

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	0	1	3	1	0	0	1	0	5

TABLE 5.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	4	0	0	4	1	3	0	0	3	0	8
Senior Management, Permanent	41	0	2	43	11	26	0	0	26	3	83
Professionally qualified and experienced specialists and mid-management, Permanent	207	6	4	217	77	152	1	0	153	23	470
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	77	2	0	79	3	116	4	2	122	46	250
Semi-skilled and discretionary decision making, Permanent	83	5	0	88	3	175	14	0	189	3	283
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	2	0	0	2	1	2	0	0	2	0	5
Contract (Professionally qualified), Permanent	6	0	1	7	4	3	0	0	3	0	14
Contract (Skilled technical), Permanent	4	0	0	4	0	7	0	0	7	1	12
Contract (Semi-skilled), Permanent	3	0	0	3	0	9	0	0	9	0	12
TOTAL	428	13	7	448	100	493	19	2	514	76	1138

TABLE 5.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	5	0	0	5	0	3	0	0	2	0	8
Professionally qualified and experienced specialists and mid-management, Permanent	29	1	0	16	0	22	0	0	16	0	52
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	24	0	0	16	0	20	0	0	13	0	44
Semi-skilled and discretionary decision making, Permanent	28	0	0	23	0	47	0	0	44	0	75
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	5	0	1	6	4	0	0	0	0	0	10
Contract (Skilled technical), Permanent	4	0	0	4	0	3	0	0	3	1	8
Contract (Semi-skilled), Permanent	9	0	0	9	0	13	0	0	13	0	22
TOTAL	105	1	1	80	4	108	0	0	91	1	220

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
No data	0	0	0	0	0	1	0	0	0	0	0

TABLE 5.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	4	0	0	4	0	3	0	0	3	0	7
Senior Management, Permanent	22	0	2	24	5	18	0	0	18	3	50
Professionally qualified and experienced specialists and mid-management, Permanent	124	3	3	130	42	57	1	0	58	13	243
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	28	1	0	29	1	39	4	1	44	21	95
Semi-skilled and discretionary decision making, Permanent	31	1	0	32	3	62	9	0	71	3	109
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	1	0	0	1	0	2	0	0	2	0	3
Contract (Skilled technical), Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	211	5	5	221	51	182	14	1	197	40	509

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	0	1	2	1	0	0	1	0	4

TABLE 5.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	1	0	1	1	0	3
Senior Management, Permanent	4	0	1	5	3	2	0	0	2	0	10
Professionally qualified and experienced specialists and mid-management, Permanent	50	5	2	46	22	10	0	1	6	6	96
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	11	0	0	5	0	9	1	0	7	2	23
Semi-skilled and discretionary decision making, Permanent	13	0	0	6	0	24	1	0	7	1	39
Unskilled and defined decision making, Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Senior Management), Permanent	2	0	0	2	1	0	0	0	0	0	3
Contract (Professionally qualified), Permanent	0	0	0	0	3	0	0	0	0	0	3
Contract (Skilled technical), Permanent	3	0	0	3	0	6	0	0	6	0	9
Contract (Semi-skilled), Permanent	2	0	0	2	0	2	0	0	2	0	4
TOTAL	86	5	3	70	29	55	2	2	32	9	191

Employees with disabilities	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

TABLE 5.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total	Not Available
Disciplinary action	30	1	0	31	5	29	1	0	29	0	66
TOTAL	30	1	0	31	5	29	1	0	29	0	66

TABLE 5.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	36	0	3	39	11	32	0	0	32	3	156
Professionals	25	1	1	27	0	12	0	0	12	0	78
Technicians and Associate Professionals	62	3	0	65	18	30	0	0	30	4	212
Clerks	15	0	0	15	2	48	9	0	57	6	152
Service and Sales Workers	10	1	0	11	1	5	0	0	5	2	35
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0	0	0
TOTAL	148	5	4	157	32	127	0	0	136	15	624
Employees with disabilities	0	0	0	0	1	0	0	0	0	0	1

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 6.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	149	492	30.3	1,650	11,071
African, Male	143	427	33.5	2,614	18,281
Asian, Female	1	2	50	6	5,935
Asian, Male	4	7	57.1	74	18,482
Coloured, Female	14	19	73.7	91	6,498
Coloured, Male	10	13	76.9	121	12,131
Total Blacks, Female	164	513	32	1,746	10,649
Total Blacks, Male	157	447	35.1	2,809	17,895
White, Female	70	76	92.1	739	10,561
White, Male	90	97	92.8	2,152	23,908
Employees with a disability	6	5	120	75	12,439
TOTAL	487	1138	42.8	7,522	15,446

TABLE 6.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Skilled (Levels 3-5)	96	283	33.9	397	4,135
Highly skilled production (Levels 6-8)	102	250	40.8	665	6,520
Highly skilled supervision (Levels 9-12)	235	470	50	4,431	18,855
Contract (Levels 3-5)	0	12	0	0	0
Contract (Levels 6-8)	0	12	0	0	0
Contract (Levels 9-12)	2	14	14.3	42	21,000
Periodical Remuneration	0	113	0	0	0
Abnormal Appointment	0	437	0	0	0
TOTAL	435	1591	27.3	5535	12724

TABLE 6.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	31	80	38.8	486	15,677
Auxiliary and related workers	0	1	0	0	0
Biologists botanists zoologists & rel professional	10	74	13.5	86	8,600
Cleaners in offices workshops hospitals etc.	0	17	0	0	0
Client inform clerks(switchb receipt inform clerks)	8	11	72.7	33	4,125
Communication and information related	4	5	80	86	21,500
Computer programmers.	0	2	0	0	0
Computer system designers and analysts.	0	4	0	0	0
Economists	12	30	40	185	15,417
Finance and economics related	4	11	36.4	70	17,500
Financial and related professionals	6	20	30	67	11,167
Financial clerks and credit controllers	8	20	40	49	6,125
Food services aids and waiters	0	4	0	0	0
General legal administration & rel. professionals	1	5	20	6	6,000
Head of department/Executive officer	2	2	100	175	87,500
Human resources & organisat developm & relate prof	8	29	27.6	144	18,000
Human resources clerks	3	21	14.3	22	7,333
Human resources related	6	8	75	175	29,167
Information technology related	0	2	0	0	0
Language practitioners interpreters & other commun	4	6	66.7	27	6,750
Legal related	1	2	50	21	21,000
Librarians and related professionals	1	2	50	5	5,000
Library mail and related clerks	25	59	42.4	108	4,320
Light vehicle drivers	1	1	100	5	5,000
Logistical support personnel	3	8	37.5	22	7,333
Material-recording and transport clerks	4	31	12.9	23	5,750
Messengers porters and deliverers	0	9	0	0	0
Natural sciences related	43	105	41	826	19,209
Other administrat & related clerks and organisers	58	84	69	306	5,276
Other administrative policy and related officers	23	67	34.3	206	8,957
Other information technology personnel.	1	12	8.3	17	17,000
Other machine operators	1	1	100	3	3,000
Other occupations	0	1	0	0	0
Safety health and quality inspectors	101	151	66.9	2,191	21,693
Secretaries & other keyboard operating clerks	45	101	44.6	254	5,644
Security officers	18	50	36	75	4,167

TABLE 6.3 - Performance Rewards by Critical Occupation (continued)

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Senior managers (no professionals included)	43	75	57.3	1,583	36,814
Trade/industry advisers & other related profession	12	27	44.4	266	22,167
TOTAL	487	1138	42.8	7522	15446

TABLE 6.4 - Performance Related Rewards (Cash Bonus) by Salary Band for level 13 to 16 (inclusive of professionals)

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of Level 13 - 16 Wage Bill	Personnel Cost level 13 - 16 (R'000)
Band A	33	68	48.5	1,088	3,297	3.2	34,154
Band B	14	20	70	561	4,007	4.2	13,397
Band C	4	8	50	210	5,250	3	6,969
Band D	1	1	100	127	12,700	9.7	1,311
TOTAL	52	97	53.6	1986	3819.2	3.6	55831

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 7.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning of Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled supervision (Levels 9-12)	1	33.3	1	50	0	0	3	2	-1
Contract (Levels 13-16)	1	33.3	0	0	-1	100	3	2	-1
Periodical Remuneration	1	33.3	1	50	0	0	3	2	-1
TOTAL	3	100	2	100	-1	100	3	2	-1

TABLE 7.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning of Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Other occupations (Periodical)	1	33.3	1	50	0	0	3	2	-1
Professionals and managers	1	33.3	0	0	-1	100	3	2	-1
Technicians and associated professionals	1	33.3	1	50	0	0	3	2	-1
TOTAL	3	100	2	100	-1	100	3	2	-1

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 8.1 - Sick Leave for Jan 2007 to Dec 2007

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Skilled (Levels 3-5)	1744	86.8	209	27.3	8	392	765	1514
Highly skilled production (Levels 6-8)	1115	78.9	174	22.7	6	433	765	880
Highly skilled supervision (Levels 9-12)	1913	85.1	305	39.9	6	1,867	765	1628
Senior management (Levels 13-16)	275	85.1	51	6.7	5	544	765	234
Contract (Levels 3-5)	26	80.8	8	1	3	6	765	21
Contract (Levels 6-8)	33	66.7	11	1.4	3	14	765	22
Contract (Levels 9-12)	46	95.7	3	0.4	15	60	765	44
Contract (Levels 13-16)	10	30	4	0.5	3	19	765	3
TOTAL	5162	84.2	765	100	7	3335	765	4346

TABLE 8.2 - Disability Leave (Temporary and Permanent) for Jan 2007 to Dec 2007

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	233	100	6	66.7	39	52	233	9
Highly skilled supervision (Levels 9-12)	17	100	2	22.2	9	20	17	9
Senior management (Levels 13-16)	2	100	1	11.1	2	4	2	9
TOTAL	252	100	9	100	28	76	252	9

TABLE 8.3 - Annual Leave for Jan 2007 to Dec 2007

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Skilled (Levels 3-5)	4888	17	293
Highly skilled production (Levels 6-8)	5110	19	272
Highly skilled supervision (Levels 9-12)	10620	19	554
Senior management (Levels 13-16)	1728	18	97
Contract (Levels 3-5)	115	9	13
Contract (Levels 6-8)	138	9	16
Contract (Levels 9-12)	116	13	9
Contract (Levels 13-16)	111	16	7
TOTAL	22826	18	1261

TABLE 8.4 - Capped Leave for Jan 2007 to Dec 2007

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2007	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2007	Number of Employees as at 31 December 2007
Skilled (Levels 3-5)	32	5	28	6	1966	69
Highly skilled production (Levels 6-8)	18	2	21	9	2040	99
Highly skilled supervision (Levels 9-12)	130	7	39	20	6813	175
Senior management (Levels 13-16)	5	5	40	1	1517	38
TOTAL	185	5	32	36	12336	381

TABLE 8.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2007/08 due to non-utilisation of leave for the previous cycle	168	29	5793
Capped leave payouts on termination of service for 2007/08	939	118	7958
Current leave payout on termination of service for 2007/08	662	89	7438
TOTAL	1769	236	7496

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 9.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
* N/A	N/A
* Note that no DME employee is at high risk of contracting HIV & related diseases.	

TABLE 9.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		George Mnguni
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		We have a Wellness Programme under which we have an HIV/AIDS Programme with an HIV positive coordinator manger
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		The Department has outsourced an EAP programme
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		We have Wellness Committee members in Head Office and all the Regional Offices
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		We have last reviewed in 2006
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		We have an HIV/AIDS policy in place
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		We are currently conducting VCT in all our offices. We have done 3 and left with 6 Offices
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		X	

HR Oversight - Table IO

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 10.1 - Collective Agreements

Subject Matter	Date
Bursary Policy	2/21/08
Policy on Acceptance	8/23/08
Substance and travel allowance Policy	29-Nov-07
Debt Management Policy	29-Nov-07
Job Evaluation and Job Eescription Policy	8-Feb-21
Resettlement Policy	7-Aug-23
Special leave Policy	7-Aug-23
Policy on remunerative work outside the Public Service	7-Aug-23

TABLE 10.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total
Corrective counselling	1	1.52%
Verbal Warning	3	4.55%
Written warning	19	28.79%
Final written warning	26	39.39%
suspension without pay	7	10.61%
Demotion	0	0.00%
Dismissal	6	9.09%
Not quilty	3	4.55%
Case withdrawn	1	1.52%
TOTAL	66	

HR Oversight - Table IO

TABLE 10.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
Uauthorised absenteeism	9	13.8	65
Fruad	2	3.1	65
Misuse of GG vehicle	3	4.6	65
Late coming	3	4.6	65
Fraudulent claims	1	1.5	65
Refusal to obey lawful instruction	1	1.5	65
Misrepresentation	2	3.1	65
Sexual harassment	1	1.5	65
Abuse of official fixedline	1	1.5	65
Theft of beverages	29	44.6	65
Failure to follow procurement procedure	2	3.1	65
Misappropriation of state funds	2	3.1	65
Dishonesty	1	1.5	65
Unbecoming behaviour towards supervisors	1	1.5	65
Negligence in preventing leakage of examination paper	1	1.5	65
Failure to submit log sheet	1	1.5	65
Leaving computer on	1	1.5	65
Faluire to submit the AMP	1	1.5	65
Unprofessional behaviour	3	4.6	65
TOTAL	65	100	65
	1 case withdrawn		

TABLE 10.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total	Total
Resolved	19	57.6	33
Unresolved	7	21.2	33
Pending	7	21.2	33
TOTAL	33	100	33

TABLE 10.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	2	100
TOTAL	2	

TABLE 10.6 - Strike Actions

Strike Actions	
Total number of person working days lost	106
Total cost(R'000) of working days lost	43
Amount (R'000) recovered as a result of no work no pay	34

HR Oversight - Table IO

TABLE 10.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	3
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	152
Cost (R'000) of suspensions	276

HR Oversight - Table II

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 11.1 - Training Needs identified

Occupational Categories	Gender	Employment as at end of Period	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	28	0	20	8	28
	Male	56	0	43	10	53
Professionals	Female	126	0	40	8	48
	Male	120	0	40	9	49
Technicians and associate professionals	Female	151	0	70	19	89
	Male	252	0	100	90	190
Clerks	Female	250	0	29	100	129
	Male	78	0	11	10	21
Service and sales workers	Female	15	0	0	2	2
	Male	36	0	0	18	18
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	0	1	1
Elementary occupations	Female	24	0	0	14	14
	Male	6	0	0	7	7
Gender sub totals	Female	594	0	159	151	310
	Male	550	0	194	145	339
Total		1144	0	353	296	649

TABLE 11.2 - Training Provided

Occupational Categories	Gender	Employment as at end of Period	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	28	0	35	2	37
	Male	56	0	50	0	50
Professionals	Female	126	0	12	0	12
	Male	120	0	27	0	27
Technicians and associate professionals	Female	151	0	34	0	34
	Male	252	0	83	0	83
Clerks	Female	250	0	63	0	63
	Male	78	0	17	0	17
Service and sales workers	Female	15	0	7	0	7
	Male	36	0	12	0	12
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	0	0	0
Elementary occupations	Female	24	0	0	0	0
	Male	6	0	0	0	0
Gender sub totals	Female	594	0	151	2	153
	Male	550	0	189	0	189
Total		1144	0	340	2	342

HR Oversight - Table 12

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 12.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	

The DME did not have any reported injury on duty cases for the financial year.

HR Oversight - Table B

HR OVERSIGHT - APRIL 2007 to MARCH 2008 - Department of Minerals and Energy

TABLE 13.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Appointment of a consultant for modelling and re-engineering of business process for the Directorates: SDM & IM	3	6 Months	R 1,293,216.00
Appointment of a contractor to provide monitoring technology communication service.	2	24 Months	R 1,269,640.00
Appointment of contractor for the demonstration of the "Basa Njogo Magogo" project to 15 000 low income household in other areas.	3	24 Months	R 900,000.00
Appointment of a contractor for the job evaluation of posts for the Department for a period of two years	3	24 Months	R 850,000.00
Development of centralised database system for the Mine and Health and Safety inspectorate using Web Based approval and technologies.	3	2 Months	R 2,715,845.00
The development and implemantation of the National intergrated energy modelling system.	1	24 Months	R 7,100,419.00
Renewal of existing Business Connexion contract for Systems Development and maintenance on a month to month basis for six months (Obtained through SITA contract - Tender 348	1	6 Months	R 415,926.72
The re-implementation of the Intenda Solutions suite (Proquire & Proquote System)	1	10 Months	R 638,074.50
Appointment of a consultant to provide assistance and Training in Implementing the performance management and development system within DME	1	12 Months	R 615,600.00
Appointment for a consultant to assist in the Electricity Policy Analysis and regulationon the developmentof the Electricity pricing policy for South Africa	1	8 Months	R 912,000.00
Procurement of resources to assist with survey device software that would enable Electricity Directorate to the impact assessment of the electrification programme in the identified rural areas	2	2 Months	R 301,151.52
Procurement of the services of a Database Administrator and a Magic consultant / Resource for a period of twelve months.	1	12 Months	R 623,808.00
Procurement of a project management services for the execution of various projects in the SDM and IT Directorates.	4	12 Months	R 3, 099,686.40
The procurement of the service of a business analyst consultant resource for a period of twelve months	1	12 Months	R 766,080.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
	14	27	R 21,501447.14

HR Oversight - Table B

TABLE 13.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Appointment of a consultant for modelling and re-engineering of business process for the Directorates: SDM & IM	0%	0%	0
Appointment of a contractor to provide monitoring technology communication service.	0%	0%	1
Appointment of contractor for the demonstration of the “Basa Njogo Magogo” project to 15 000 low income household in other areas.	100%	100%	1
Appointment of a contractor for the job evaluation of posts for the Department for a period of two years	10.80%	10.80%	3
Development of centralised database system for the Mine and Health and Safety inspectorate using Web Based approval and technologies.	0%	0%	3
The development and implementation of the National integrated energy modelling system.	100%	100%	1
Renewal of existing Business Connexion contract for - Systems Development and maintenance on a month to month basis for six months (Obtained through SITA contract - Tender 348	25%	25%	0
The re-implementation of the Intenda Solutions suite (Procore & Proquote System)	36%	36%	1
Appointment of a consultant to provide assistance and Training in Implementing the performance management and development system within DME	0%	0%	1
Appointment for a consultant to assist in the Electricity Policy Analysis and regulation on the development of the Electricity pricing policy for South Africa	0%	0%	0
Procurement of resource devices with survey questionnaire software that would enable Electrification Directorate to the impact assessment of the electrification programme in the identified rural areas	25%	25%	2
Procurement of the services of a Database Administrator and a Magic consultant / Resource for a period of twelve months.	0%	0%	0
Procurement of a project management services for the execution of various projects in the SDM and IT Directorates.	0%	0%	1
The procurement of the service of a business analyst consultant resource for a period of twelve months	0%	0%	0



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**RP: 229/2008
ISBN: 978-0-621-38135-1**