



ANNUAL REPORT 2014/2015



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





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PART A: GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ADPA	Association of African Diamond Producing Countries	MINTEK	Council for Mineral Technology Research
AIDS	Acquired Immune Deficiency Syndrome	MTEF	Medium-term Expenditure Framework
AMD	Acid mine drainage	MTSF	Medium -Term Strategic Framework
APP	Annual Performance Plan	MP	Member of Parliament
CGS	Council for Geoscience	MPRDA	Mineral and Petroleum Resources Development Act
CIOM	Chief Inspector of Mines	MQA	Mining Qualifications Authority
CoE	Centre of Excellence	MWP	Mining Work Programme
COO	Chief Operating Officer	N/A	Not applicable
DEA	Department of Environmental Affairs	NDP	National Development Plan
DHET	Department of Higher Education and Training	NEDLAC	National Economic Development and Labour Council
DMR	Department of Mineral Resources	NEMA	National Environmental Act Management
D&O	Derelict and Ownerless	OHS	Occupational Health and Safety
DPSA	Department of Public Service and Administration	PAIA	Promotion of Access to Information Act
dti	Department of Trade and Industry	PAJA	Promotion of Administrative Justice Act
EDP	Executive Development Programme	PGM	Platinum Group Metals
EMP	Environmental Management Programme	PSETA	Public Service Sector Education and Training Authority
GDP	Gross domestic product	PWP	Prospecting Work Programme
HDSA	Historically disadvantaged South Africans	RPL	Recognition of prior learning
HIV	Human Immunodeficiency Virus	SLA	Service Level Agreement
HR	Human Resources	SLP	Social and Labour Plans
HRD	Human Resource Development	SMS	Senior Management Service
HRDS	Human Resource Development Strategy	SOE	State Owned Entity
ICT	Information and Communication Technology	SMME	Small, Medium and Micro Enterprise
IDP	Integrated Development Plan	TB	Tuberculosis
MBAP	Minerals Beneficiation Action Plan	TVET	Technical Vocational Education and Training
MHS	Mine Health and Safety	WSP	Workplace Skills Plan
MHSC	Mine Health and Safety Council		
MHSI	Mine Health and Safety Inspectorate		
MIGDETT	Mining Industry Growth, Development and Employment Task Team		

3. FOREWORD BY THE MINISTER



Adv Ngoako A. Ramatlhodi, MP
Minister of Mineral Resources

South Africa's mineral industry is built on the country's rich endowment of mineral resources. The country has for more than a century been, and remains a leading producer and supplier of a wide range of minerals. This industry, which employed 491 977 people, and which mined 53 different types of minerals, contributed 8.4% to the GDP and 11.3% to the gross fixed capital formation in the country for the year 2014. Its economic contribution has a significant multiplier effect through its linkages with other sectors, such as energy, manufacturing, services and transport.

The importance of the economic contribution that this sector makes, must, however be balanced with both the social and environmental responsibilities as enshrined in section 24 of our Constitution.

During the 2014/15 financial year, however, the industry experienced local and global challenges arising from the depressed world economic environment and falling commodity prices. The Department accordingly continued to play an important role in implementing the Framework Agreement for a Sustainable Mining Industry that is led by the President, and initiatives of the Inter-Ministerial Committee for Distressed Mining Towns.

Important progress has been made to promote peace and stability in the mining sector, as well as address housing challenges in prioritised mining communities.

The Department, furthermore, continued to engage with organised business and organised labour through the Mining, Growth, Development and Employment Task Team (MIGDETT) on various issues and initiatives aimed at stabilising the industry. One collaborative programme initiated during the reporting year was the establishment of a Coal Task Team that has been mandated to develop a coal policy for the country to ensure that we can sustainably exploit our coal resources.

The streamlining of the approval processes relating to mining, the environment and water use became necessary, to respond to the need to improve the ease of doing business in the mining sector. The streamlined process, known as the One Environmental System, was finalised and implemented on 8 December 2014, and will result in the necessary rights, authorizations and licences, for mining, the environment and water use respectively, being granted within 300 days.

In the area of skills development, the Department, in collaboration with its associated entities, continued to implement programmes to capacitate the Department's staff, and to improve skills in the mining industry. Examples of the programmes include the Certificate of Competency Examination model, which was provided in collaboration with the Mining Qualifications Authority (MQA), to enhance skills development and training of unemployed youth in portable and entrepreneurial skills.

The establishment of MQA regional offices within the rural Technical Vocational Education and Training (TVET) colleges in the Eastern Cape, Free State, Limpopo, Mpumalanga, Northern Cape and North West, will ensure that these opportunities are accessible to many more communities.

Other successes achieved during the year include the development of the Shale Gas Communication Strategy. The strategy is aimed at creating awareness over shale gas and hydraulic fracturing with the strategic outlook of creating a better understanding and wider consensus among South Africans. The strategy communicates Government's decision to develop its shale gas resources. This highlights the prospects of development benefits as well as the applicable measures that will be in place to mitigate any environmental risks that may be associated with shale gas exploration and development.

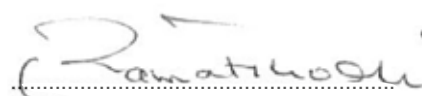
Government is resolute in its intention to diversify the economy of the country and to advance industrialisation. Consequently the Department has, during the reporting year, collaborated with the Department of Trade and Industry on the advancement of beneficiation, which is one of the points in the nine point announced by the State President, His Excellency President J G Zuma, to enhance the economic growth of the country.

The Mineral and Petroleum Resources Development Amendment Bill (MPRDA) was referred back to Parliament for further consideration, on two substantive and two process issues, which issues may prevent the Bill from passing the Constitutional muster. The Department has been engaging stakeholders on some of the pertinent issues in the Bill, including those relating to oil and gas that emanated from the Ocean Phakisa process. We are confident that the matters relating to the Bill will be finalised soon.

The Mining Charter reached its 10th year of implementation in 2014 and the Department proceeded to assess the industry's progress in achieving the Mining Charter targets. The findings from this process provide, among other things, the extent of transformation in the industry relative to the agreed milestones. The results will be used to inform the development of the Mining Strategy, following the Mining Phakisa to be held in October 2015.

During the reporting year, the Department held numerous engagements with the Portfolio Committee on Mineral Resources and the Select Committee on Land and Mineral Resources about the Department's work. I would like to extend my gratitude for the rigorous engagements and guidance provided during these sessions, which have ensured that the DMR delivers on its mandate and that it achieves its set goals.

I would also like to take this opportunity to thank the Department's leadership and staff, who have continued to work hard to ensure that the goals of Government, as outlined in the National Development Plan and Medium Term Strategic Framework, are achieved.



Adv N.A. Ramatlhodi, MP
Minister of Mineral Resources

4. DEPUTY MINISTER'S STATEMENT



Mr Godfrey Oliphant, MP
Deputy Minister of Mineral Resources

The discovery of diamonds near Kimberley in 1867 and subsequently gold on the Witwatersrand in 1886 changed South Africa's agrarian and pastoral economy to an industrialised one. Mining contributed to the economic growth of the country and the region but also left in its wake the migrant labour system which included workers from areas such as the Eastern Cape and labour sending countries such as Botswana, Lesotho, Mozambique and Swaziland. There was very high cost to the country in terms of environmental degradation and the burden of occupational diseases and injuries among ex-mineworkers caused by irresponsible past mining practice.

Mine work is inherently dangerous and, with poor health and safety conditions and overcrowding in mine hostels, it also contributed to a growing tuberculosis epidemic, especially among mineworkers in the gold mining sector. Although there have been significant improvements in the health and safety conditions at South Africa's mines, the Department of Mineral Resources is greatly concerned that fatalities, injuries and occupational diseases still occur in the sector. In this regard, the Department held a Mine Health and Safety Tripartite Summit during November 2014. At this Summit the current state of health and safety in mines was reviewed. New milestones were agreed upon to improve health and safety in the mining sector and signed off by all the stakeholders.

The Department remains firm in its commitment to ensure zero harm to mineworkers and neighbouring mining communities by implementing Health and Safety and Environmental Protection

measures. In addition we work hard to facilitate access by ex-mineworkers to social protection benefits such as compensation, unemployment insurance and pensions. During the 2014/15 financial year, the initiatives included the implementation of enforcement measures in line with the Mine Health and Safety Act, No 29 of 1996. Various tripartite workshops and Occupational Health and Safety campaigns were held to ensure that the mines remain vigilant in health and safety matters. The Department issued many section 54 instructions wherever necessary. The majority of these instructions addressed issues related to support (21%), machinery (15%), explosives (13%) and rail bound issues (11%).

The Department continues with activities covering the provision of health and compensation services to ex-mineworkers, especially in the labour sending areas in partnership with the Department of Health, the Chamber of Mines and trade unions, and improving access to other social protection benefits in partnership with the Department of Labour. Outreach and awareness activities were carried out in the Western Cape, Eastern Cape, Northern Cape, Mpumalanga and Gauteng. One Stop Service Centres were opened in April 2014 by the Department of Health supported by the DMR and the Department of Labour in Mthatha and Carletonville to provide health and compensation services for current and ex-mineworkers. Plans are underway to provide similar facilities in Burgersfort, Limpopo, and Kuruman, Northern Cape, in the 2015/16 financial year. Discussions are being held with neighbouring governments and development

partners for the provision of such facilities. Key to the delivery of services is the development of a database of current and ex-mineworkers to ensure follow-up and communication. Of note is the need for health professionals in the fields of occupational medicine, radiography, spirometry, audiometry and occupational therapy to provide clinical and diagnostic services for the mineworkers with occupational lung diseases and also rehabilitation after occupational injuries.

Additional interventions to enhance the lives and livelihoods of ex-mineworkers, their families and communities included the collaboration and support of agricultural projects in the Eastern Cape in partnership with the Department of Rural Development and Land Reform, and the Department of Agriculture, Forestry and Fisheries.

The Department and the Mine Health and Safety Council (MHSC) initiated a project to commemorate the mineworkers who lost their lives due to incidents in the mining sector. The project is being implemented in collaboration with relevant stakeholders to acknowledge the important contribution made by mineworkers in the development of our economy and realisation of democracy.

The Department is working closely with the Presidency and other departments on the Revitalisation of Distressed Mining Communities Initiative covering 15 mining towns and 12 labour sending areas. There are different work-streams covering Integrated and Sustainable Human Settlements, Improving the Working Conditions of Mineworkers, Socio-economic Development and Meaningful Contribution to the Development Trajectory of Mining Towns and Labour sending areas.

It is noteworthy that government has made substantial investments in many of the mining towns with the provision of housing, water and sanitation facilities as well as health facilities and schools. More needs to be done and the Mining Phakisa has the objective of building partnerships between government and key stakeholders in the mining sector so as to unlock investment and optimise the sector's positive developmental impacts on the economy and society.

Government will continue to implement the programme to revitalise the mining towns and to pursue the President-led Framework Agreement for a Sustainable Mining Industry. A total of R2.1 billion has been ring-fenced to address the housing situation in mining towns. Engagements with companies are continuing to enhance co-operation in addressing housing and related infrastructure in prioritised mining towns. There is also a need to accelerate environmental rehabilitation and develop better Post Mining Landscapes plus economic growth prospects spinoffs that may follow.

This year saw greater co-ordination between the Department, law enforcement agencies and other relevant departments and entities, to root out illegal mining. Challenges remain, however, and the Department and the relevant stakeholders will continue to implement measures ultimately to eliminate the illegal operations.

The Department applauds the work of the Council for Scientific and Industrial Research (CSIR) for co-ordinating and revitalising the focus on mining Research and Development (R&D). The CSIR has extensive technical expertise to offer the best mining solutions drawing on experts in information and communications technology, the environment, mine seismology, rock engineering, mechanical engineering and mathematical modelling, to name but a few.

The CSIR also manages Kloppersbos, the fires and explosion testing, training and research development facility, on behalf of the Department. The facility conducts research into the explosive characteristics of South African coals. It is one of five CSIR testing laboratories and it has been used to provide a full-scale surface-testing facility for the evaluation of underground explosion suppression systems; the flammability of conveyor belts; dust suppression systems for continuous mining; and similar investigations.

The focus on mining R&D, co-ordinated via the CSIR, remains paramount and is well aligned with the planned Mining Phakisa. A sustainable mining industry requires sustained investment in research and development. The democratic government continues to support and invest in mining research programmes at universities and in the four mining research institutions, namely, the Council for Geoscience, CSIR, Mintek, and the Mine Health and Safety Council.

I would like to take this opportunity to express my appreciation for all the co-operation and co-ordination among relevant stakeholders, associated institutions and entities, and the line function and support staff of the Department. Without these, the successes and achievements in the areas of occupational health and safety and access to social protection during the 2014/15 reporting period would not have been possible.



Mr G. Oliphant, MP
Deputy Minister of Mineral Resources

5. REPORT OF THE ACCOUNTING OFFICER



Dr Thibedi Ramontja

Director General: Department of Mineral Resources

Overview of the operations of the Department

It is my pleasure to present the Annual Report of the Department of Mineral Resources for the 2014/15 financial year. The Department has managed to successfully implement the tabled Annual Performance Plan in Parliament despite challenges encountered. The details relating to these achievements are in part B of this report. Below are the highlights of the performance and financial information.

Sector Performance

The mining industry is recovering from a five months strike in the previous period, and other labour relations challenges. The impact of this will continue to have an effect on the industry and strategies need to be implemented to ensure a sustainable industry. Despite these challenges, the projected outlook is positive and the industry should benefit from collaboration between, government, industry and labour.

The transformation of the industry remained a key focus for the period under review, which marked a decade of implementation of the Mining Charter. The Department conducted an assessment of progress in the implementation of the Mining Charter and will continue monitoring the extent of transformation in the next year.

As part of our commitment to skills development, the Department successfully implemented the reviewed Certificate of Competency Model and issued a total of 251 Government Certificate of Competency in the fields of mining, engineering and surveying.

Shale Gas

Processes of strengthening the legal framework governing shale gas development continued during the reporting period. In addition the Shale Gas Communication Strategy was developed.

Regulatory Framework

The MPRDA Bill has been taken through the Parliamentary process and extensive public consultations were conducted. The Bill is currently before Parliament to address the President's concerns, which include consultation with traditional authorities and community consultation through the National Council of Provinces.

As part of our continuous commitment to ensuring improved health and safety standards within the mines, the MHS Bill is serving before the National Economic Development and Labour Council (NEDLAC) for further consultation.

In addition, the Department has developed the African Exploration Mining and Finance Corporation (Pty) Ltd (AEMFC) Draft Bill 2015. Further consultations with affected stakeholders will take place.

Licensing

The Department implemented the "One Environmental System" to incorporate the requirements of the NEMA with effect from 8 December 2014. The effectiveness and

efficiency of this system will become evident in the next financial year.

Health and Safety

During the reporting period, the Department and the Mine Health and Safety Council hosted the Mine Health and Safety Tripartite Summit, with the objective of reviewing health and safety performance.

Overview of the financial results of the Department

Departmental receipts

Departmental receipts R thousand	2014/2015			2013/2014		
	Actual receipts			Audited Outcome		
	Estimate	Actual	(Over)/ Under Collection	Estimate	Amount Collected	(Over)/ Under Collection
Sale of goods and services produced by Department	2 627	3 230	603	2 554	2 415	139
Sales of scrap, waste, arms and other used current goods	2	-	-2	6	1	5
Fines, penalties and forfeits	924	1 117	193	1 226	1 115	111
Interest, dividends and rent on land	39 736	31 755	-7 981	37 064	104 938	-67 874
Sale of capital assets	-	1 360	1 360	0	0	-
Financial transactions in assets and liabilities	1 824	8 745	6 921	798	565	233
Total	45 113	46 207	1 094	41 648	109 034	-67 386

Revenue collection amounted to R46.207 million against the estimated R45.113 million for the 2014/15 financial year. The slight increase on projected revenue, against the actual, is mainly due to the disposal of assets. In comparison, revenue for 2013/14 was R109 034 against the estimated collection of R41 648. This was mainly due to Royalty payments which the Department continued to receive for old order mining rights.

Tariff Policy - Prospecting Fees

The Tariff policy remained the same during the period under review, as prescribed in the Mineral and Petroleum Resources Development Act 2002 (Act 28 of 2002) (MPRDA).

Programme expenditure

Programme Name R thousand	2014/2015			2013/2014		
	Final	Actual	(Over)/ Under	Final	Actual	(Over)/Under
	Appropriation	Expenditure	Expenditure	Appropriation	Expenditure	Expenditure
1. Administration	315,598	315,221	377	310,144	308,572	1,572
2. Promotion of Mine Safety and Health	167,497	167,492	5	153,998	153,220	778
3. Mineral Regulation	237,660	237,658	2	205,521	205,521	-
4. Mineral Policy and Promotion	754,786	754,786	-	724,186	719,906	4,280
Total	1,475,541	1,475,157	384	1,393,849	1,387,219	6,630

The actual expenditure against final appropriation improved from 99.52% in 2013/2014 to 99.97% in the year under review.

Virement/ rollovers

As reflected on the Appropriation Statement, virement amounting to R18.930 million was applied in terms of section 43(1) of the Public Finance Management Act, 1999 (Act 1 of 1999). The funds shifted from programmes were used mainly to fund the shortfall on office accommodation. The details of the shifted funds and the reasons thereof are as follows:

Shift funds from	R'000	Reasons
Mine Health and Safety	(4,504)	Savings on goods and services associated with training of learner inspectors.
Mineral Policy and Promotion	(14,426)	Savings on goods and services as a result of the delay in the finalisation of the Mining Charter assessment and payment of ADPA membership fees.
TOTAL	(18, 930)	

Shift funds to	R'000	Reasons
Administration	17,985	To cater for the payment of operating leases expenses associated with office accommodation.
Mineral Regulation	945	To cater for payment of leave gratuities to households.
TOTAL	18, 930	

Future plans of the Department

The Department will continue to implement the Medium Term Strategic Framework (MTSF) as tabled in Parliament, aligned with the Strategic Plan and Annual Performance Plan of the Department. In addressing the service delivery challenges, the Department has adopted a long-term view for the modernisation and re-engineering process. The services of the Government Technical Assistance Centre (GTAC) and the Council for Scientific and Industrial Research (CSIR) were commissioned to conduct diagnostics on the Department, and also, identify business improvement areas. The analysis, thus far, has confirmed the need for service delivery improvement, which involves alignment of the

organisational structure with new business demands to strengthen enforcement of the enabling legislations. The modernisation and re-engineering processes will be concluded in the 2015/2016 financial year. This project will assist a great deal in reducing the vacancy rate and personnel challenges in the Department.

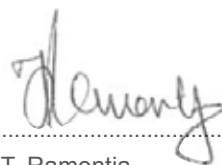
Supply chain management

The Department is committed to creating, maintaining and continually improving a fair, equitable, transparent, competitive and cost effective Supply Chain Management System, and ensuring that decisions that are made are consistent with the Supply Chain Management Framework, as prescribed. Cases of irregular expenditure and non-compliance with the Framework will be investigated and consequence management will be implemented.

Acknowledgement/s or Appreciation

I would like to thank the officials of the Department for their efforts throughout the year, not just for doing their jobs, but contributing to their workplace to make it such a great place to work in; and also, for giving it a splendid reputation for its values and its practices.

The Audit Committee has been a constant source of support and guidance for the implementation of internal control systems. Lastly, I would like to acknowledge the guidance and leadership provided by the Minister and the Deputy Minister during the year under review.



.....
 Dr. T. Ramontja
 Accounting Officer
 Department of Mineral Resources

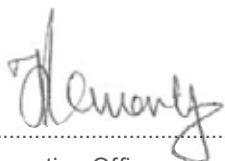
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2015.

Yours faithfully



Accounting Officer

Dr T. Ramontja

7. STRATEGIC OVERVIEW

7.1. Vision 2015

A globally competitive, sustainable and meaningfully transformed mining and minerals sector.

Vision 2030

A leader in the transformation of South Africa through economic growth and sustainable development.

7.2. Mission

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

7.3. Values

- Accountability
- Batho Pele (Putting people first)
- Ethics
- Honesty
- Integrity
- Professionalism
- Ubuntu

8. LEGISLATIVE AND OTHER MANDATES

• **Constitutional Mandate**

The Department of Mineral Resources derives its mandate from section 24 of the Constitution of South Africa, Act No. 108 of 1996.

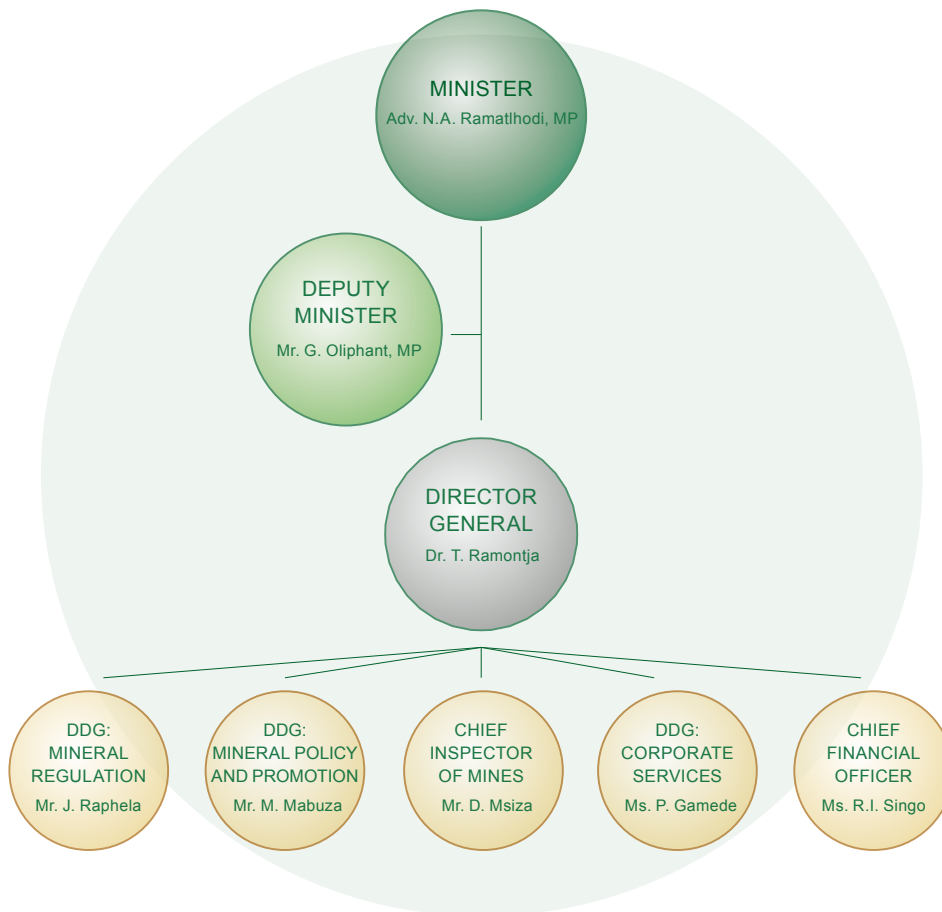
• **Legislative Mandate**

The principal acts driving the work of the Department are the Mineral and Petroleum Development Act (Act No. 28 of 2002) (MPRAD) and the Mine Health and Safety Act (Act No. 29 of 1996). The two Acts provide the regulatory framework for the promotion and regulation of the mining, minerals and petroleum industry. They also provide a regulatory framework for ensuring the equitable access to, and the sustainable development of the nation's mineral resources and related matters.

• **Policy Mandate**






The Minerals and Mining Policy for South Africa (White Paper, 1998) ensures the transparent and efficient regulation of the development of South Africa's mineral resources and mineral industry to meet national objectives and bring optimum benefit to the nation.

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

The information below indicates the entities that report to the Minister.

	Legislative Mandate	Financial Relationship	Nature of Operations
 MHSC <i>Mine Health and Safety Council (MHSC)</i>	Established in terms of section 42 (1) of the Mine Health and Safety Act, 29 of 1996.	Co-funding in terms of the Establishment Act.	Research and advisory function to the Minister in terms of mine health and safety, as well as promoting a culture of health and safety in the mining industry.
 MINTeK Specialists in mineral and metallurgical technology	Established in terms of the Mineral Technology Act, 30 of 1989.	Co-funding in terms of the Establishment Act.	Provides research, development and technology that fosters the development of business in the mineral and mineral products industries
 Council for Geoscience (CGS) Leaders in Applied Geoscience Solutions	Established in terms of the Geoscience Act, 100 of 1993.	Co-funding in terms of the Establishment Act.	Development and maintenance of the national geosciences knowledge infrastructure for both the onshore (land) and offshore (oceans) environments of South Africa.
 SOUTH AFRICAN DIAMOND AND PRECIOUS METALS REGULATOR	Established in terms of the Diamond Act, 1986, as amended, and the Precious Metals Act, 37 of 2005.	Co-funding in terms of the Establishment Act.	Regulation of the diamond, platinum and gold sectors.
 state diamond trader (SDT) REPUBLIC OF SOUTH AFRICA	Established in terms of the Diamond Act, 56 of 1986.	Co-funding in terms of the Establishment Act.	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.

A circular inset image showing a close-up of mineral resources. The top half shows a reddish-brown, granular material, possibly iron ore, with some darker, more crystalline structures. The bottom half shows a pile of dark, angular, metallic-looking fragments, likely coal or another mineral product. The background of the entire page is a green gradient with overlapping circular shapes.

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements of the auditor's report.

Refer to page 87 of the Report of the Auditor General, published as Part E: Financial Information. To be completed at finalisation of the Annual Report.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

2.1.1 Mine Health and Safety Inspectorate

Mining industry

During the reporting period the mining sector experienced unprecedented labour relations tension, which affected parts of the platinum and gold sectors. The platinum sector sustained a five-month-long strike in 2014, which further indicated the urgent need to systematically address some inherited structural weaknesses in the mining industry, key of which, is housing and living conditions of workers.

The Department will continue to support the tripartite process, which has been initiated by our President, His Excellency J G Zuma, whose mandate is to restore calm, order and confidence in the mining industry. The process has culminated in the development and implementation of a Framework Agreement for a Sustainable Mining Industry, which contains commitments made by stakeholders to address challenges in the industry.

Current Health and Safety performance

The health and safety track record in the South African mining industry remains a great challenge, although there has been a downward trend in the number of mine deaths year-on-year. Despite this downward trend, one death is still one too many. A total of 71 fatalities were reported during the financial year 2014/2015, which was the lowest ever recorded in the sector, compared to 96 during the previous 2013/2014 financial year. This achievement translates into

an improvement of 26% versus a target of 20% reduction on mine fatalities year-on-year.

The number of mine injuries reported declined by 16% against a target of 20% reduction in mine injuries year-on-year. The high number of injuries reported at our mines is as a result of repeat accidents; an increased number of routine inspections and audits is required to address this challenge.

There has also, been a 3% reduction in the number of occupational diseases that were reported, from 6 810 during 2013 to 6 577 in 2014. However, the Department is gravely concerned about the high number of occupational diseases reported by the sector, primarily Pulmonary TB, silicosis and noise-induced hearing loss.

The statistics also suggest that gold and platinum mines are the main contributors to loss of life, injuries and occupational diseases. Hence, more focus will also be directed in these commodities in future.

Human capital development

Skills development and education are crucial for addressing the triple challenges of unemployment, inequality and poverty. It is with this background in mind that the Department continues with the implementation of sustainable, integrated and comprehensively aligned human capital development strategies. The strategies are aimed at achieving sufficient and relevant skills in the mining sector. During the reporting period under review, the Department successfully implemented the reviewed Certificate of Competency Model and issued a total of 251 government certificates of competency, in the field of mining, engineering and surveying.

In collaboration with the Mining Qualifications Authority (MQA), the Department has embarked on a Learner Inspector Programme, where 50 unemployed graduates from previously disadvantaged backgrounds are placed at different mines to undergo a two-year experiential training. This training will assist the identified learners to qualify for the Government Certificate of Competency (GCC) examinations. On completion of this programme, and upon passing GCC examinations, learners are placed within the branch to become fully qualified inspectors.

Mine Health and Safety Tripartite Summit

The Department and the Mine Health and Safety Council, in collaboration with our social partners, hosted a landmark and very successful Mine Health and Safety Tripartite Summit, on 18 and 19 November 2014. The theme of the summit was, "Every mine worker returning from work unharmed every day, striving for zero harm".

The purpose of the Summit was to review the health and safety performance of the sector. The stakeholders agreed to new commitments, which are also aligned to the National Development Plan (NDP). The commitments include the implementation of the Centre of Excellence (CoE), elimination of fatalities, injuries and occupational lung diseases, as well as the reduction and prevention of TB and HIV/Aids infections.

Commemoration of ex-mineworkers

During the reporting period, the Department was involved in engagements with stakeholders on an initiative to commemorate mineworkers, who lost their lives during incidents in the mining sector. The commemorations will be done in collaboration with our stakeholders to honour the memory of those, who have lost their lives in mining-related incidents, also acknowledging the important role that mineworkers have played in shaping the economy and democracy of this country.

Amongst other things, we intend to ensure that where necessary, decent monuments are erected at the respective municipalities. The MHSC will also consider a documentary and whether the respective locations could be converted into heritage sites through consulting the National Heritage Council of South Africa.

As part of the commemoration programme, the Department will collaborate with the Department of Higher Education and Training (DHET) and other stakeholders through the Mining Qualifications Authority (MQA) on the facilitation of skills programmes to benefit the families of the ex-mineworkers and their communities.

Illegal mining

Illegal mining continues to be of great concern to the Department and it is committed to the eradication of this illicit activity. During the reporting period, the Department continued to collaborate with relevant institutions, including law enforcement agencies, to address this matter.

These activities are mainly taking place in Gauteng, the Free State, Mpumalanga and the Northern Cape. There are serious safety and security challenges associated with illegal mining and it also leads to loss of life, environmental degradation and a significant loss of revenue to the country and the mining sector.

The Department will continue collaborating with the relevant law enforcement agencies and social partners to implement remedial measures and strategies, as well as national co-ordination efforts to combat illegal mining activities across the country.

In this regard, the Department welcomes and commends the law enforcement agencies for arresting crime syndicates and the seizure of gold worth about R89 million during the period under review.

2.1.2 Mineral Regulation Branch

The Department continued to regulate the industry through the Mineral and Petroleum Resources Development Act. This involved issuing licences and undertaking inspections in the sector. Most targets relating to the Regulation Branch were achieved except for the number of jobs created through Social and Labour Plans (SLP), owing to the mining sector's performance, which declined, due to declining commodity prices. As for the allocation of rights, a target of 70% adherence to turnaround times was achieved.

During the year, the branch also implemented and/or launched the following projects:

- Social Labour Plan (SLP) projects in the North West (Royal Bafokeng) area;
- Visit to the Total Oil Rig project;
- The licensing activities of the Department saw the approval of 133 SLP development Projects;
- Upgrading of SAMRAD; and the
- Implementation of the Special Presidential Project (SPP).

The "One Environmental System", in terms of which the Department will implement the National Environmental Management Act, as amended (NEMA), was successfully implemented on 8 December 2014. The impact will become evident from the 2015/2016 financial year.

2.1.3 Mineral Policy and Promotion Branch

The industry experienced the longest strike ever, affecting the Platinum Group Metals (PGM) sector. This reduced the socio-economic development impact of the mining industry substantially. The Branch provided intensified support to the President-led "Framework Agreement for Sustainable Mining Industry", which sought to stabilise the industry and enhance social cohesion.

At the same time, the mining industry experienced depressed commodity prices. The sectors most affected included gold, PGM, coal and iron ore. Measures were developed and implemented to ensure that the local and international investment community continues to invest in the development of South Africa's mining industry. In this regard, engagements led by the Minister, spanned the United Kingdom, Canada, South Africa and the Far East.

The Branch is confronted with limited experience in dealing with evolving complexities affecting the mining industry due to general lack of experience and measures to attract and retain highly skilled officials. The branch is putting measures in place to position the Department broadly and the branch in particular as an employer of choice.

Shale Gas Development

The approval of the report on shale gas in South Africa by Cabinet in 2012 paved the way for the development of Regulations for Petroleum Exploration and Production, which were gazetted for public comment on the 15 October 2013. The Department engaged through a process of hearings with stakeholders regarding the technical aspect of the hydraulic fracturing process. This was motivated by the quality of submissions in this area, in order to strengthen and align the Regulations sufficiently with international best practice.

The Shale Gas Communication Strategy has been developed and approved by Cabinet for implementation. This strategy seeks to, inter alia, communicate the decision of government to develop shale gas in a responsible manner that mitigates risks to the environment and water resources, protects the national astronomy programme, communicates government's coordinated efforts in response to the concerns raised by interested and affected stakeholders, and communicates the possible benefit, if the prospect of shale gas is proven viable through exploration.

2.2 Service Delivery Improvement Plan

The Department has completed its Service Delivery Improvement Plan (SDIP), and the two services that were selected for improvement were:

- Improving the pass rate for the Government Competency Certificate; and
- Publish the South Africa's Mining Industry (SAMI) report as part of promoting investment in the South African mining sector.

Below is a summary of the highlights on the implementation of the service delivery improvement plan and achievements to date.

Government Competency Certificate

The Government Certificate of Competency (GCC) was identified as one of the areas for improvement. The Department requested the University of Johannesburg (UJ) to investigate the reasons for the poor pass rate and make recommendations for improvement. The investigative study was initiated in September 2013, and the report was finalised in December 2014.

A draft implementation plan has been developed to implement the recommendations of the study. The chairpersons of the various GCC Commission of Examiners assessed the recommendations and provided strategies to revise the current model in their respective GCC examinations within the stipulated time frames. A task team has been constituted to monitor progress, and will report regularly to the Mining Qualifications Authority Board and the Department.

The Department has, however, made significant strides in implementing the different areas identified in the SDIP, most notably the improvement of the pass rate. In 2013/14 the pass rate was between 10 - 16%; as at June 2014, it had increased to 30%.

Publish the South Africa's Mining Industry (SAMI) as part of promoting investment in the South African mining sector

The SAMI is an annual publication, which was selected for improvement in production and distribution. Although the plan is to publish the SAMI in November/December annually, current processes envisage publication in March annually. However, the branch is trying to fast track the process, so that the document is produced in November/December of each year.

The current document, which will be published, has been improved in the following ways:

- Available in a CD for easier distribution, especially during events, meetings and conferences; .
- The CD also includes other publications from the Department and not just the SAMI; and
- The printed version now includes a subscription form which users can complete to get future publications, and not have to wait for an event or meeting before getting the latest documents produced by the Department.

The gaps, which have been identified, such as providing email details, which readers can use to provide feedback, is also, being addressed. Another gap was distributing the publication to universities, especially schools of mining and geology.

The Department has begun this process by already distributing the last printed version to the University of Pretoria. In order to ensure that stakeholders access the SAMI more easily, the Department already distributes the SAMI to some embassies via the Department of Trade and Industry.

2.3 Organisational environment

During the 2014/2015 financial year, the Department experienced resignations at senior management level. For example, the strategic positions of Chief Director: Risk Management and State Owned Entities Oversight

became vacant. Nonetheless, the Department has already commenced with the process of filling these positions, key among these are the Chief Director: Mineral Regulation and Chief Director: Audit Services.

2.4 Key policy developments and legislative changes

2.4.1 Mineral and Petroleum Resources Development Act

Mineral and Petroleum Resources Development Act, No 28 of 2002 (MPRDA), was promulgated to introduce unprecedented reforms in the mining industry of South Africa. The Act has created an enabling environment to unlock optimal development of the mining industry, and vested custodianship of mineral resources with the State. This gave effect to the internationally accepted right of the State to exercise sovereignty over all its mineral and petroleum resources.

The purpose of the MPRDA is, inter alia, to ensure the sustainable utilization of South Africa's mineral and petroleum resources within a national environmental framework policy which primarily protects sensitive environments and the interests of affected communities, organizations and individuals, while promoting socio-economic development.

In the first decade of its promulgation, the MPRDA has created an enabling environment for the growth and the basis for transformation of the industry, in keeping with the changing socio-economic and political landscape in South Africa.

Significant strides have been made since the implementation of the MPRDA. However, there are still a number of challenges and the Department sought to address these through the Mineral and Petroleum Resources Development Amendment Bill, 2013. The key proposed amendments include the strengthening of the construct of the MPRDA to augment and further build on the first phase of regulatory reform; appropriately providing for optimal institutional support; enhancing transformation requirements; strengthening integrated licensing currently resident in various government departments; and providing for optimal contribution of the mining industry towards national development priorities, such as energy security and industrialisation. The Bill also seeks to bolster provisions, which promote mineral and petroleum resources development in a sustainable and equitable manner, for the benefit of all South Africans.

The Bill has been taken through the Parliamentary process. The President has subsequently, referred the Bill back to Parliament to address identified shortcomings that may

not pass Constitutional muster. The Bill is currently before Parliament to address the President's reservations, which include consultation with traditional authorities and insufficient community consultation by the National Council of Provinces.

2.4.2 Mine Health and Safety Act

The Mine Health and Safety Bill seeks to amend the Mine Health and Safety Act, No. 29 of 1996, as amended, so as to:

- Rationalise administrative processes;
- Review enforcement provisions;
- Reinforce offences and penalties;
- Amend certain definitions; and
- Provide for matters connected therewith.

Furthermore, the Bill proposes to amend the current obligation that an employer engages an occupational hygienist. Under the Bill, employers must appoint, on a part-time or full-time basis, a person qualified in occupational hygiene techniques to perform occupational hygiene services at the mine.

In the light of the challenges relating to health and safety and the urgent need to improve health and safety standards in order to further reduce fatalities, enhance the occupational health environment and improve working conditions, especially for women mine-workers, the amendment is essential. This will ensure the effective implementation, enforcement and improvement of such standards at mines.

The Bill is currently serving before the National Economic Development and Labour Council (NEDLAC) for further consultation and deliberation. The Department will seek Cabinet approval to introduce the Bill for tabling in Parliament, once the NEDLAC process is concluded.

2.4.3 African Exploration Mining Finance Company Draft Bill (AEMFC)

African Exploration Mining and Finance Corporation (Pty) Ltd (AEMFC) is a wholly owned subsidiary of the Central Energy Fund (Pty) Ltd (CEF), incorporated and registered in terms of the Companies Act. CEF is a wholly owned State Enterprise reporting to the Department of Energy as its shareholder on behalf of the State. The AEMFC was established in 1944 and was dormant until it was revitalized on 1 April 2007 with a mandate to secure South Africa's energy supply, primarily through the mining and supply of coal for electricity generation. The AEMFC is currently operating a coal mine in Mpumalanga Province and has healthy prospecting projects, spanning a number of important minerals to develop.

The Department has developed the African Exploration Mining and Finance Corporation (Pty) Ltd (AEMFC) Draft Bill 2015. This was informed by a Cabinet decision taken in 2010

mandating the Minister to develop modalities to give effect to the hiving off of African Exploration Mining and Finance Corporation (Pty) Ltd (AEMFC) from the Central Energy Fund (CEF) as a stand-alone entity.

The objects of the Bill are, among other things, to establish the AEMFC legislatively as a State Owned Mining Company, and to provide a clear mandate for the company.

The Department has consulted internally on the Draft Bill, in particular with the current AEMFC. The Bill has been presented to the Directors General Cluster and been pre-certified by the office of the Chief State Law Advisers as consistent with the Constitution. Further extensive consultation with all relevant stakeholders, interested and affected parties and relevant Government departments will be conducted once Cabinet approves the gazetting of the Draft Bill for public comment.

2.4.4 The Mining Charter

The Broad Based Socio-Economic Charter for the Mining Industry of South Africa (hereafter referred to as the Mining Charter) is a document that was established in terms of section 100 (2)(a) of the MPRDA, 28 of 2002 read with section 9 of the Constitution of the Republic of South Africa, Act 108 of 1996.

The Mining Charter was implemented to redress the imbalances of the past which prevented historically disadvantaged South Africans (HDSAs) from benefiting from the means of production.

The Mining Charter comprises the following elements that are to be assessed as per stipulated targets.

- Ownership;
- Procurement and enterprise development;
- Beneficiation;
- Human resource development;
- Mine communities development;
- Housing and living conditions;
- Sustainable development and growth of the mining industry; and
- Reporting - all mining companies are required to report their level of compliance with the Mining Charter.

In the light of the decade-long window for implementing the Mining Charter, the Department conducted an interim and baseline assessment of progress of implementation of the Mining Charter and produced a preliminary report in 2009.

During the reporting period, a second assessment covering the state of transformation of the mining industry after 10 years of implementation ended December 2014 was initiated.

3. STRATEGIC OUTCOME ORIENTED GOALS

Outcome 4 – Decent employment through inclusive growth

The Department contributed to Outcome 4 through working with the Presidential Infrastructure Co-ordinating Commission, for the development of infrastructure that will support productive investment and growth. It also supported the Department of Trade and Industry to implement an action plan relating to minerals beneficiation. The Department is also amending the MPRDA to provide the regulatory basis to provide for:

- Enhancement of security of mineral supplies intended for local beneficiation; and
- Classification of minerals as strategic.

During the 2014/15 financial year, the Minister resuscitated the Mining Growth, Development and Employment Task Team (MIGDETT) and restructured it for optimal results. Three working Committees were established.

They focused on industry stability, transformation, growth and competitiveness, and sustainable development. The Industry Stability Committee works closely with the President-led Framework Agreement on a Sustainable Mining Industry, with a focus on industrial relations, peace and stability, migrant labour, Ex-Mineworkers' Fund and housing and living conditions. This contributes to one of the actions under Outcome 4 – improving social and economic conditions in mining towns. The Department also, contributed to the work of the Inter-Ministerial Committee for the Revitalisation of Distressed Mining Communities, which was established in 2012 to address Part 3 of the Social Accord (SPP) - Addressing socio-economic challenges in mining districts and their labour sending areas.

The MIGDETT Sustainable Development Committee has four focus areas, namely, health and safety, environmental issues, skills development and job creation/job losses. The Committee works closely with the Mine Health and Safety Council (MHSC) on health and safety issues, and the Mining Qualifications Authority (MQA) on skills development.

The Department of Mineral Resources, with the assistance of other government departments and stakeholders, continues to support the implementation of the Framework Agreement for a Sustainable Mining Industry, led by the President, to ensure that the gains made thus far contribute towards sustaining peace, stability, investment and improving the living and working conditions of mineworkers.

Significant progress has been achieved collectively, since the implementation of the Framework Agreement, including the stabilisation of industrial relations, and the restoration of peace and stability in affected areas proximate to mining activities; improving social cohesion; continuous engagement with international and local investment communities to promote the industry, and commitments by all stakeholders to improve the living and working conditions of mineworkers.

The first-phase study undertaken on the Migrant Labour System will vastly assist in understanding the challenges faced by mineworkers and their families, communities around mining activities and communities in labour-sending areas.

As part of implementing action 8 of sub-outcome two, the Department has developed the Communication Strategy for Shale Gas. Working with other relevant departments, it has developed regulations for Petroleum Exploration and Production to address the following:

- Augment gaps identified in the current regulatory framework governing exploration and exploitation of petroleum resources, particularly in relation to hydraulic fracturing; and
- Prescribe good international petroleum industry practices and standards that will enhance the safe exploration and production of petroleum.

Outcome 6 – An efficient, competitive and responsive economic infrastructure network

Government, through the NDP and MTSF process, has emphasised the importance of ensuring sustainable local coal supply for the country's energy requirements. This commodity currently plays a vital role in meeting South Africa's primary energy needs, as well as in the economy in general. It is recognised that coal contributes to the economy, not only to supply energy, but through the generation of export revenue, contributes to GDP and employment. To ensure increased benefits of coal to the country as a whole, the Department of Mineral Resources was tasked to draft a coal policy.

A Coal Task Team was established under the auspices of MIGDETT, which consists of relevant State departments and the mining industry stakeholders, organised business and labour. The policy will address all aspects of the coal industry, the main objectives being to:

- Achieve domestic energy security;
- Ensure transformation within the coal industry;
- Reclaim South Africa's eminence in the coal industry; and
- Reflect on the environmental impact in respect of the stability of natural systems.

The coal policy will be finalised during the next financial year.

The Transformation, Growth and Competitiveness Committee, which is part of MIGDETT, was allocated six key focus areas, with priorities to revise the mining sector strategy and develop a coal policy for the country in line with vision 2030, as captured in the National Development Plan.

As indicated above, work on the coal policy is in progress, whilst the revision of the mining sector strategy was deferred for alignment with outcomes of the imminent Mining Phakisa. The Mining Phakisa is a Government initiative, aimed at identifying key constraints to investment and growth of the industry and the development of a shared long-term vision, growth strategy and transformation of the sector. Therefore, outcomes of this process, will inform the revision of the mining sector strategy.

Outcome 10 – Protect and enhance our environmental assets and natural resources

Appointment of Compliance Inspectors in terms of NEMA

The Department successfully implemented the “One Environmental System” on the 8 December 2014 and the results will become measurable during the 2015/2016 financial year. The Environmental Mineral Resource Inspector (EMRI) training was conducted in collaboration with the University of Pretoria, and 28 officials completed it at the end of January 2015.

The Minister has designated officials in terms of the National Environmental Management Act (NEMA), for those, who had completed the training, together with newly recruited officials, who already have the EMRI training from the Department of Environmental Affairs. The regional offices have been empowered, in terms of NEMA, to conduct compliance inspections, with each regional office having three officials attending the training:

- All regional managers and deputy directors are designated Grade 1 EMRIs,
- Security Risk Management officials are designated Grade 2 EMRIs, and
- Assistant directors are designated Grade 3 EMRIs.

The next training course for 60 officials, which will be held in collaboration with the University of Pretoria, is scheduled for the 2015/16 financial year.

The licensing process and allocation of rights has an indirect effect on economic growth through the ability for new mines to come on stream. However, the ability of these new rights to create employment depends on the prevailing economic climate.

Rehabilitation of Derelict and Ownerless Mines

The Department, during the 2014/2015 financial year, managed to rehabilitate 50 derelict and ownerless mines through the Council for Geoscience and Mintek. These sites are spread across four provinces, namely Gauteng, KwaZulu-Natal, Limpopo and Mpumalanga.

Acid Mine Drainage

The Department, through the Council for Geoscience, is implementing interventions to address acid mine drainage as part of protecting and enhancing our environmental assets and natural resources.

To this end Cabinet established an Inter-Ministerial Committee on Acid Mine Drainage, constituted by the Departments of Water and Sanitation, of Environmental Affairs, of Planning Monitoring and Evaluation, of Mineral Resources, of Science and Technology and the National Treasury, to consider appropriate interventions sought to mitigate the effects of AMD, with a focus on the Wits Basin.

Funding was secured to implement emergency interventions to reduce the mine water to below critical levels. Pumping and treatment facilities were installed at the Western Basin to neutralise acid water that was already decanting and to maintain acid mine water to well below the environmental critical level. Accordingly, the DMR has constructed the Florida Canal to prevent ingress of fresh surface water from entering underground workings.

The intervention is now saving 1 mega litres per day of fresh surface water, which is being diverted to the river system. Three more canals are being proposed, one in the East Rand, and two in the Central Wits Basin.

4. PERFORMANCE INFORMATION BY PROGRAMME

During the 2014/ 2015 financial year, the activities implemented by the Department were within the following programmes:

Programme 1: Administration (Corporate Services and Financial Administration)

Programme 2: Mine Health and Safety

Programme 3: Mineral Regulation

Programme 4: Mineral Policy and Promotion

Programme 1: Administration

4.1 Corporate Services

Purpose: To enable the Department to deliver on its mandate by providing strategic support, management services and administrative support to the Department and Ministry.

Chief Directorates and Directorates

4.1.1 Human Resource Administration and Practices

The purpose of this directorate is to manage relationships with the Department's business units on human resource matters. This entails recruitment and selection, service benefits, individual performance evaluation through the performance management and development systems (PMDS), physical integration of new employees, managing conditions of service, and implementation of Policy and Procedure for Incapacity Leave and Ill-health Retirement (PILLIR). The Directorate achieved a 100% submission of Performance Agreements during the 2014/2015 financial year. The following policies were developed to improve our business processes as well as to enforce compliance:

- Retention Policy; and
- Policy on Acting Appointments and Probation Policy.

During the financial year, the Directorate organised a ceremony where employees received awards for long service and outstanding performance. A total of 86 employees received awards ranging over 10, 15, 20, 25, 30 and 35 year intervals. An additional 24 employees received special awards in six categories: Ubuntu, Mentorship, Employee of the Year, Innovator, Rising Star and Woman Manager.

4.1.2 Human Resource Planning

The main purpose of this Directorate is to manage human resource-related planning, systems, functions, branding, marketing and policies within the Department.

During the 2014/15 financial year the Directorate successfully reviewed the integrated Human Resource Plan for the Department. The Directorate also established a task team on attraction, retention and employment, and to identify and address capacity-related problems that may have a negative impact on the service delivery requirements of the Department. The task team met quarterly.

A new Employment Equity Plan for the next five financial years was developed, and affirmative action measures to address employment equity were identified and incorporated into the Department's Annual Performance Plan. The Department's Employment Equity Report was submitted to the Department of Labour.

To ensure that there is a joint effort between the Corporate Services Branch and line function, the Directorate signed an Operational Level Agreement with Branch Heads, where agreement was reached on the type and quality of service required for the achievement of strategic objectives.

Senior Managers successfully disclosed their financial interests for the 2014/15 financial year and the Directorate submitted the disclosures to the Public Service Commission before the due date.

4.1.3 Organisational Development

The purpose of the Directorate: Organisational Development is to provide a comprehensive organisational development service to the Department. The Directorate embarked on various projects, which included the mapping and re-engineering of processes to ensure efficiency in the Department. The structures of various components in the Department were re-aligned to ensure optimal utilisation of employees. One of the biggest achievements was the establishment of the Compliance and Enforcement Chief Directorate within the Mineral Regulation Branch. The reason for the creation of this Chief Directorate is to comply with the requirements of the National Environmental Management Act (NEMA).

Furthermore, the Directorate embarked on a project with the Department of Public Service and Administration to conduct an Organisational Functional Assessment (OFA) in the Department to identify shortcomings in our processes, in order to improve service delivery.

4.1.4 Human Resource Development

The main purpose of the Directorate: Human Resource Development is to address skills challenges through training and development programmes that ensure a supply of employees with the required skills to meet the departmental

strategic needs, as well as the needs of the South African economy. For the 2014/2015 financial year, the Directorate achieved the following:

- The Department enrolled twenty (20) managers for the Executive Development Programme (EDP) at Wits Business School for six months, of whom nineteen (19) have successfully completed the programme;
- Departmental middle women managers are enrolled for the Accelerated Development Programme (ADP) with the National School of Government for 12 months as part of the Departmental Women Empowerment Strategy. The total number of enrolled officials is nineteen (19);
- Fifty two (52) new entrants (employees) in the Department were enrolled for the Compulsory Induction Programme (CIP) Module and their probation periods have been confirmed;
- Thirty (30) officials were enrolled for the Environmental Management Inspection course at the University of Pretoria for three months. 28 out of 30 officials were found competent;
- Eighty four (84) officials were awarded bursaries to further their studies in mining and mineral related studies for the 2015 - 2016 academic year;
- Forty (40) interns were recruited and placed in an internship programme for 12 months ending August 2015;
- The Department implemented 46% of the Workplace Skills Plan. Courses implemented include: Mine Manager Certificate of Competency, Project Management, Computers, Records Management, Mentorship Programme, Office Management ;
- Six (6) internal bursary holders successfully completed their qualifications in the following fields: National Diploma in Public Management, BTech: Public Management, BTech: Business Management, BTech: Human Resource Management, National Diploma: Road and Transport Management, and Post Graduate Diploma in Accounting Sciences. In addition, twenty two (22) external bursary holders completed their qualifications in the following fields: four (4) Mining Engineering, one (1) Mine Surveying, five (5) Geology, four (4) Chemical Engineering, three (3) Metallurgical Engineering, one (1) Electrical Engineering, one (1) Mechanical Engineering. Of these bursary holders, 19 have been placed on an internship programme within the mines.

4.1.5 Employment Relations Management

The main aim of the Directorate: Employment Relations Management is to maintain sound labour relations through collective bargaining, management of discipline, disputes and grievances and also to ensure that the wellbeing of employees is catered for through the implementation of Employee Health and Wellness Programmes.

During the financial year 2014/2015, nineteen (19) disciplinary cases and eleven (11) grievances were finalised. Four (4) disputes were finalised and three (3) of these were in favour of the Department whereas one (1) was resolved through settlement in conciliation. Five (5) policies and a guideline were adopted at the Departmental Bargaining Chamber and approved by the employer.

The Directorate conducted workshops on sexual harassment, Road Accident Fund, Ergonomics and Stress Management in all regional offices and Head Office. Twenty (20) Employee Health and Wellness Programmes were implemented during the financial year. It must be mentioned that the above workshops resulted in a decrease in the number of disciplinary cases in the Department.

4.1.6 Legal Services

The Chief Directorate: Legal Services consists of two Directorates, namely Directorate: Mineral Legal Services and Directorate: Legal and Support - Mine Health and Safety.

The Chief Directorate provides the Department with comprehensive legal support services, which include legal opinions and advice, assistance with legal drafting, litigation management, handling of administrative appeals and assistance with enquiries and investigations.

The Chief Directorate also, assists with the monitoring and implementation of the Promotion of Access to Information Act (PAIA), No. 2 of 2000, and the Promotion of Administrative Justice Act (PAJA), No. 3 of 2000. Furthermore, the Chief Directorate assists with debt collection as well as the determination of culpability of officials in cases of lost or damaged property. The Chief Directorate also, facilitates the certification and signing of international agreements between the Department and third parties.

Despite the Constitutional Court's finding in favour of the Department that the transitional arrangements of the MPRDA with regard to unused old order rights is constitutional and does not amount to expropriation, certain litigants persist with litigation against the Department on this issue. However, the Department continues to successfully defend these claims, which seek to reverse gains made in terms of transformation.

Further improvement in processes have resulted in the target of 70% for timeous responses to appeals, litigation, PAIA requests and opinions being exceeded by 7% in the 2014/2015 reporting period. Considering the large amount of new work and the limited human resources, this is a remarkable achievement.

Conducting inquiries and investigations

The new process introduced in conducting investigations and inquiries has resulted in tremendous improvement to the quality, completion time and recommendations for the Director of Public Prosecutions. The improvement is evident from the increased number of prosecutions recommended to the Director of Public Prosecutions.

Instructions on non-compliance

Through Legal Services Mine Health and Safety Inspectorate (MHSI) intervention, there is also a major improvement in the quality of enforcement instructions (Section 55 notices and Section 54 instructions of the Mine Health and Safety Act) issued by the Mine Health and Safety Inspectorate.

4.1.7 Communication

The Chief Directorate is responsible for providing efficient and effective communication services in line with the DMR's mandate, mission, vision and values, whilst bearing in mind the context and environment of the minerals and mining industry. Working together with the management of the Department, the Chief Directorate spearheads the Department's communication efforts in support of its overall objectives.

It is also charged with supporting the Minister, Deputy Minister, Director General and line function branches in media management, branding, marketing, public relations, internal communications, publications services, information, knowledge management services, switchboard and reception services.

The Department's communication and stakeholder relations are driven by the need to:

- Profile and promote the objectives, policies and programmes of the Department;
- Sustain public confidence in Government's ability to deliver on its mandate through the Department's programmes;
- Build the reputation and brand of the Department;
- Demonstrate how the Department is contributing to government's priorities, including the creation of decent jobs and sustainable communities through mining regulatory intervention;
- Help the mining industry to understand the Department's policies and programmes, especially as they relate to transformation and promote local beneficiation of raw materials;
- Communicate South Africa's mining legislative and regulatory framework, including licensing processes;
- Market South Africa and the mining industry abroad and

build consensus on South Africa's reputation as a viable destination for foreign investment;

- Build the Department's capacity to communicate coherently and effectively with all stakeholders; and
- Develop appropriate and ethical networks and relationships with stakeholders that enhance the image of the Department.

During the financial year under review, the Chief Directorate developed a Communication Strategy, which will be implemented. It aims to:

- Communicate South Africa's mining legislative and regulatory framework to all DMR stakeholders;
- Proactively profile the programmes of the Minister, Deputy Minister and Department, and promote its vision, mission and strategic objectives;
- Educate and inform South Africans on the DMR mandate; and
- Review and strengthen internal communication.

The Chief Directorate hosts the function of public liaison services, which deals with Presidential Hotline queries received from the general public. Through the Directorate's facilitation, the departmental Presidential Hotline call resolution stands at 98%.

4.1.8 Special Projects

The purpose of the Chief Directorate is to promote transformation, skills development and training in mining-related fields and implementation of projects that focus on women, children, youth and persons with disabilities.

During the year under review, the Chief Directorate continued to encourage education and skills development among young people. This saw the Chief Directorate reaching out to rural and urban areas in the Eastern Cape, Free State, North West, KwaZulu-Natal and Gauteng. This is all in a bid to encourage learners to study Mathematics and Physical Science at high school to enable them to take up technical careers such as mining engineering at tertiary institutions.

This programme would not be effective without the support and partnership with stakeholders in the mining sector such as the mining companies, the Department of Mineral Resources state owned entities, namely Mintek, Mining Qualifications Authority and the Council for Geoscience.

The DMR also engages with government financing institutions such as the National Student Financial Aid Scheme (NSFAS) and Eduloan to inform the students about possible funding opportunities and the requirements, to empower them to pursue their career of choice, post Grade 12.

Career Guidance Programme

Seven career guidance programmes were conducted in the 2014/2015 financial year facilitated by the Chief Directorate: Special Programmes/Outreach in Eastern Cape, Free State, Gauteng, KwaZulu-Natal and North West, targeting learners from grade 10 to 12 studying Mathematics and Physical Science.

Projects implemented targeting vulnerable groups

The following are projects that were implemented targeting vulnerable groups:

- Manganese Project at Kgalagadi Manganese in the Northern Cape;
- Skills development for Youth Artisans' Programme at Sasol Mine;
- Building of Balfour Stimulation Centre for children with disabilities;
- Sivos Training Skills Development Centre project for the youth.
- Project for bursaries for students at Madibogo in the North West Province;
- Vegetable Garden Project at Re-Bafenyi Home Care Centre, Atteridgeville, Pretoria;
- Bursaries for learners studying at Universities and Technical Colleges as an on-going project; and
- Papendorp Beneficiation in Salt Project – a prospecting mining licence was approved.

4.1.9 Auxiliary Support Services

The responsibilities of the Directorate entail providing support services in transport, facilities and records management to the Department.

Transport Management serves, manages and supports the Department with transport to deliver and achieve its strategic objectives through the provision of reliable and safe vehicles for the Ministry and all DMR qualifying officials.

The types of transport include the following:

- Government garage vehicles (pool vehicles);
- Departmental vehicles for Minister and Deputy Minister;
- Subsidised motor vehicles; and
- Shuttle Service.

Facilities Management provides adequate, efficient and safe office accommodation as well as the building maintenance for DMR Head office and Regional offices.

Records Management manages records within the Department according to records management principles contained in the NARS Act. The unit keeps and maintains all records of legal and historical transactions for the Department. It provides and manages courier services within the Department, and also, ensures the implementation, maintenance and management of the Departmental File Plan. It also, manages postal services as well as mail distribution within the Department.

The 2014/15 financial year has been successful with the Directorate developing a Service Catalogue with defined turnaround times for all services rendered, as well as entering into Service Level Agreements with eight service providers.

Programme 1: Administration

Branch: Corporate Services						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Contribute to skills development	Number of mining career awareness initiatives.	18	14	19	5	The over achievement is due to the branch undertaking its outreach Programme. The branch identified two (2) schools in the rural areas of Eastern Cape, and was also invited by the Provincial Department of Education to conduct career guidance in mining-related fields in Dundee, Newcastle and Pietermaritzburg.
	Number of bursaries acquired and recipients identified to study towards mining- related qualifications.	35	20	23	3	The over achievement is due to the branch soliciting bursaries from mining companies; eight (8) bursaries were offered. The branch also solicited internships from Sasol Mining; ten (10) were offered. During the Learners' Focus Week programme the programme was offered five (5) bursaries by the Mining Qualifications Authority.
Sustainably develop vulnerable groups	Number of identified projects facilitated for vulnerable groups.	4	6	6	0	

Programme 1: Administration (continued)

Branch: Corporate Services						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Communicate DMR programmes with internal and external stakeholders	Number of media and stakeholder engagements held.	40	25	33	8	The over achievement is due to the implementation of projects on behalf of the Department's line functions and the executive authority (both Minister and Deputy Minister); more projects were identified in addition to what the branch planned to execute for the year.
	Number of public participation programmes implemented,	17	10	16	6	The over achievement is due to the implementation of projects on behalf of the Department's line functions and the executive authority (both Minister and Deputy Minister); more projects were identified in addition to what the branch planned to execute for the year.
	Number of positive and balanced news (published/ broadcast) items from DMR-initiated activities.	153	40	125	85	The over achievement is due to the implementation of projects on behalf of the Department's line functions and the executive authority (both Minister and Deputy Minister); more projects were identified in addition to what the branch planned to execute for the year.
	Percentage of branch inputs received and updated on the website and intranet	100%	100%	100%	0	
	Percentage implementation of the Internal Communication Strategy	100%	20%	100%	80%	Over achievement is due to more projects falling within the Internal Communication Strategy were briefed in for the branch to assist with implementation.
	Provide adequate facilities for effective service delivery	Percentage of facilities aligned to business needs	88%	90%	94%	4%

Programme 1: Administration (continued)

Branch: Corporate Services						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Develop, review and improve internal processes/ guidelines/ procedures	Number of policies/ guidelines developed and/ or reviewed	8	10	10	0	
	Number of improved processes/re-engineered	7	15	15	0	
	Number of operational level agreements (OLAs) reviewed	1	1	1	0	
Provide professional legal support and advisory service to the Ministry and the Department	Percentage of timeous responses to opinions, appeals, enquiries, agreements and litigation	87%	70%	84%	14%	Over achieved as a result of measures put in place to improve efficiency.
Improve turnaround times	Percentage adherence to defined turnaround times.	100%	100%	100%	0	
	Percentage adherence to SLA.	100%	100%	100%	0	
Ensure implementation of national strategies	Number of vetting files completed	122	120	120	0	
	Percentage of pre-employment screening requests processed.	100%	100%	100%	0	
	Percentage of service providers and contractors screening requests processed.	100%	100%	100%	0	
	Number of health and wellness programmes implemented.	21	20	20	0	

Programme 1: Administration (continued)

Branch: Corporate Services						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Ensure compliance with legislation (HR and OHS)	Percentage of financial disclosures submitted within the prescribed period.	100%	100%	100%	0	
	Number of posts evaluated.	448	120	120	0	
	Human Resource Development (HRD) Plan/ Workplace Skills Plan (WSP) submitted to Department of Public Service and Administration (DPSA), the Public Service Sector Education and Training Authority (PSETA) and the Mining Qualifications Authority (MQA) within the prescribed timeframes.	n/a	100%	100%	0	
	Percentage of performance agreements signed within the prescribed period.	97%	100%	100%	0	

Programme 1: Administration (continued)

Branch: Corporate Services						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Attract, develop and retain skills	Number of HRD initiatives aligned to the National Skills Development Strategy goals implemented.	13	15	14	-1	Due to RPL being put on hold for the entire public service.
	Maintain the vacancy rate at an acceptable level (10%).	2%	≤10%	14%	-4%	Due to a high number of promotions and transfers to other government departments in the last few months of the year.
	Number of affirmative action measures implemented.	n/a	4	4	0	
Promote corporate governance	Percentage implementation of management action plans (internal audit)..	50%	100%	100%	0	
	Percentage implementation of management action plans (external audit).	100%	100%	100%	0	
	Percentage adherence to Compliance Framework.	100%	100%	100%	0	
	Percentage implementation of Risk Management Plans.	76%	100%	97%	3%	Attributed to Legal Services appointing a tracing agent.

Strategy to overcome areas of under performance

The target for the measure on the number of HRD initiatives aligned to the National Skills Development Strategy goals implemented had to be readjusted downwards due to one of the initiatives, which is Recognition of Prior Learning programme, being put on hold for the entire public service.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	26,482	26,480	2	28,361	28,229	132
Corporate Services	159,501	159,321	180	152,167	151,195	972
Department Management	17,286	17,285	1	17,208	17,127	81
Financial Management	84,634	84,442	192	76,453	76,448	5
Internal Audit	12,201	12,199	2	11,787	11,785	2
Office Accommodation	15,494	15,494	-	24,168	23,788	380
Total	315,598	315,221	377	310,144	308,572	1,572

4.2 Programme 1.1: Financial Administration

Purpose:

To enable the Department to deliver on its mandate by providing strategic support management services and administrative support to the Department and the Ministry.

The sub programme Financial Administration consists of the following Chief Directorates:

- Finance and Supply Chain and Management, responsible for the Financial Accounting, Management Accounting and Supply Chain Management process; and
- Information Management, which is responsible for Enterprise Architecture, Information Technology and System Development and Maintenance.

The branch has successfully co-ordinated the implementation of Management Action Plans relating to the Auditor-General's Report. The combined assurance offered by Internal Audit and Risk Management Unit has contributed positively on the audit outcomes for the year under review, evidenced by the number of audit findings, which have been reduced drastically compared to the previous reporting period.

The Finance and Supply Chain Management Unit reviewed the financial management processes and made improvements to current methods. Although there were some technical interpretation challenges that resulted in adjustment to submitted financial statements, the unit has ensured that official accounting records are up to date, accurate, and complete, and that they provide timely financial information for decision-making. Turnaround times for the payment of suppliers have improved from 98% in 2013/2014 to 99.57% in 2014/2015. The budget variance for the year was just below .03%.

The Office of the Chief Information Officer implemented the Corporate Governance of Information and Communication Technology (ICT) Policy Framework and the Master System Plan.

The framework and plan have ensured alignment of the ICT goals to the Department's strategic objectives, and optimum business value in the implementation of ICT projects. The Information Management Unit has ensured that the core systems are available at all times to avoid disruption of core services.

Programme 1: Administration

Branch: Financial Administration						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Provide efficient services to internal and external stakeholders	Percentage system availability.	98%	95%	99.5%	4.5%	The target had taken into account systems downtime. However, very little downtime was experienced during the year under review.
	Percentage achievement of SLA.	n/a	90%	98.46%	8.46%	The target had taken into account capacity challenges; these have since been resolved.
	Customer satisfaction index (1-5)	3.35	4	3.4	-0.6	The branch scored below the set target in all 4 areas surveyed. The branch will strive to improve on all services in the next financial year because it achieved a low score.
	Percentage of financial reports delivered on schedule.	n/a	100%	100%	0	
	Percentage of suppliers paid within 30 days.	98%	100%	99.57%	-0.43%	Of the 233 invoices received, only 232 were paid due to budget constraints.
Implement processes and systems	Score achieved in the Financial Management Capability Maturity Model assessed by National Treasury.	n/a	3	n/a	n/a	National Treasury experienced a delay in developing the Financial Management Capability Maturity Model.
	Percentage implementation of the Master Systems Plan.	100%	95%	100%	5%	Activities implemented did not have financial constraints, and capacity challenges, which were taken into account during planning phase, were subsequently resolved. Initiatives that had no budget allocation were moved to the next financial year.

Programme 1: Administration (continued)

Branch: Financial Administration						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Manage financial resources	Percentage variance on allocated budget	0%	≤ 2%	0.02%	-1.98%	
	Number of incidents of irregular expenditure	50%	0	1	-1	Certain prescripts were implemented incorrectly. Measures will be put in place in the next financial year to ensure that this never happens again.
	Percentage reduction in assets disposed of prior to end-of-lifespan	100%	100%	52.58%	- 47.42%	Assets with the book value of R23 947.47 were disposed of prior to end-of-lifespan in 2013/2014, and assets with the book value of R11 356.58 were disposed of prior to end-of-lifespan in 2014/2015 for the period under review, due to losses incurred.
Promote corporate governance	Percentage implementation of management action plans (internal audit)	100%	100%	100%	0	
	Percentage implementation of Management Action Plans (external audit).	69%	100%	100%	0	
	Percentage adherence to Compliance Framework.	100%	100%	100%	0	
	Percentage implementation of Risk Management Plans.	93%	100%	100%	0	

Strategy to overcome areas of under performance

In ensuring that 100% of invoices are paid within 30 days invoice payment management of commitments were improved. Physical security was installed in the Head Office building; The Department will continue to raise awareness with regard to losses in and outside the Department. Service improvement standards will also be developed to improve internal customer satisfaction.

The measure on the “score achieved’ in the Financial Management Capability Maturity Model assessed by National Treasury, could not be achieved because of National Treasury delays in developing the model. Therefore, the target will be reported as not yet due, because the reasons for its non-implementation were beyond the Department’s control.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	26,482	26,480	2	28,361	28,229	132
Corporate Services	159,501	159,321	180	152,167	151,195	972
Departmental Management	17,286	17,285	1	17,208	17,127	81
Financial Administration	84,634	84,442	192	76,453	76,448	5
Internal Audit	12,201	12,199	2	11,787	11,785	2
Office Accommodation	15,494	15,494	-	24,168	23,788	380
Total	315,598	315,221	377	310,144	308,572	1,572

Programme 2: Mine Health and Safety

The purpose of the programme is to ensure the safe mining of minerals under healthy working conditions.

Sub-programmes

- Mine Health and Safety (Regions)
- Governance Policy and Oversight

Strategic objectives, performance indicators, planned targets and actual achievements

Despite all the external factors which affected the work of the Department, the branch went the extra mile and implemented more focused action plans to deal with these prevailing challenges. At end of the financial year under review, the branch managed to catch up with all backlogs and achieved an overall 91% of all targets of its Annual Performance Plan.

Programme 2: Mine health and safety

Branch: Mine Health and Safety Inspectorate

Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Promote health and safety	Percentage reduction in occupational fatalities.	16%	20%	26%	6%	A total of 71 fatalities were reported during 2014/2015, compared to 96 during 2013/2014. This achievement translates to an improvement of about 26%. Calculation: $(71-96) / 96 * 100 = 26\%$. Verification Source: Summary of fatalities. The reason for over achievement was due to the intense monitoring and evaluation of mines through enforcement measures and engagement with stakeholders.
	Percentage reduction in occupational injuries.	28%	20%	14%	- 6%	The number of mine injuries reported reduced by 14% against a target of 20% reduction in mine injuries year-on-year. The reason for partial achievement under this measure is because the information captured in the system is still provisional; it needs to be “cleaned up” to remove duplications. Calculation: $(2686 - 3136)/3136 * 100 = -14\%$ improvement.
	Percentage reduction in occupational diseases (including TB)	n/a	10%	3%	-7%	The reason for partial Achievement on this measure is due to the increased number of annual medical reports submitted this year. The number of submissions of annual medical reports by the mines increased from 761 in 2013 to 836 in 2014. Calculation: $6\ 577 - 6\ 810 / 6\ 810 \times 100 = -3\%$.

Programme 2: Mine health and safety (continued)

Branch: Mine Health and Safety Inspectorate						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Promote health and safety (continued)	Percentage of investigations completed (initiated vs. completed)	87%	80%	90%	10%	The majority of the regions managed to catch up with their backlogs, which were as a result of the strike in the platinum belt. Initiated 1 959 v/s 1 766 completed. Calculations: $(1\ 766/1959) \times 100 = 90\%$
	Percentage inquiries completed (initiated vs. completed)	88%	80%	67%	-13%	The reason for non achievement was due to the strike action in the platinum belt, which made it difficult to get access to witnesses. This delayed the finalisation of the inquiries planned. Initiated 89 v/s completed 60. Calculation: $(60/89) \times 100 = 67\%$
	Number of inspections conducted (cumulative)	9 446	8 000	8 555	555	The reason for over achievement was due to the intensifying of monitoring and evaluation of mines through conducting inspections and implementation of relevant enforcement measures.
	Number of audits conducted (cumulative), individual audits included.	473	396	523	127	The reason for over achievement was due to the intensification of monitoring and evaluation of mines through conducting of audits and implementation of relevant enforcement measures.
	Percentage adherence to the enforcement guideline	100%	100%	100%	0	
	MHS annual report	1	1	1	0	
	Legislative framework reviewed.	100%	1	1	0	

Programme 2: Mine health and safety (continued)

Branch: Mine Health and Safety Inspectorate						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Promote health and safety (continued)	Number of tripartite workshops conducted.	62	40	62	22	The tripartite workshops have been increased to improve co-operation between stakeholders in identifying best practices on the mines, which would result in the improved health and safety of mineworkers.
Contribute to skills development	Percentage implementation of certificate of competency model to improve pass rate.	n/a	100%	100%	0	
Implement SLAs	Percentage adherence to existing SLAs.	100%	100%	100%	0	
Develop and review internal processes	Percentage of identified Internal processes developed, reviewed and implemented.	100%	100%	100%	0	

Programme 2: Mine health and safety (continued)

Branch: Mine Health and Safety Inspectorate						
Strategic Objective	Performance Indicator	Actual Achievement 2013/ 2014	Planned Target 2014/ 2015	Actual Achievement 2014/ 2015	Deviation from planned target to Actual Achievement for 2014/ 2015	Comment on deviations
Improve turnaround times	Percentage adherence to prescribed timeframes for medicals appeals.	96%	80%	127%	47%	The reason for over achievement under this measure is because of the backlog from the previous year. The backlog has been dealt with it.
	Percentage adherence to prescribed timeframes for CIOM appeals.	100%	100%	100%	0	
	Percentage adherence to prescribed timeframes for MPRDA applications.	96%	100%	103%	3%	The reason for slight over achievement under this measure is because of the backlog in the last month of reporting. The entire backlog has been dealt with.
	Percentage adherence to prescribed timeframes administrative tasks.	100%	80%	88%	8%	The reason for over achievement was due to the processing of backlog administrative tasks in both Survey department and Rustenburg region. All these administrative tasks were still within the prescribed timeframes.
Promote corporate governance	Percentage implementation of Management Action Plans (internal audit).	33%	100%	100%	0	
	Percentage implementation of management action plans (external audit).	100%	100%	100%	0	
	Percentage adherence to Compliance Framework.	100%	100%	100%	0	
	Percentage implementation of Risk Management Plans.	100%	100%	100%	0	

Strategy to overcome areas of under performance

The Department will implement the 2015/2016 Annual Performance Plan (APP), which also includes the implementation of the Occupational Health and Safety Improvement Strategy to reduce fatalities, injuries and occupational diseases. Also, the Department will, through the Mine Health and Safety Council,

monitor the implementation of the 2014 Mine Health and Safety Tripartite Summit commitments and Action Plan. The Summit commitments include the elimination of fatalities, injuries and occupational lung diseases; reduction and prevention of TB, HIV/Aids infections; the implementation of the Culture Transformation Framework (CTF) and Centre of Excellence (CoE), which has already been launched.

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Governance policy and oversight	48,636	48,634	2	44,807	44,029	778
Mine Health and Safety (Regions)	118,861	118,858	3	109,191	109,191	-
TOTAL	167,497	167,492	5	153,998	153,220	778

Programme 3: Mineral Regulation

The purpose of this programme is to regulate the minerals and mining sector to promote economic growth, employment, transformation and sustainable development. Mineral Regulation is also responsible for the administration of prospecting and mining rights licensing and compliance with the MPRDA, including environmental management compliance by mines.

Sub-programmes

- Mineral Regulation and Administration; and
- Management Mineral Regulation

Strategic objectives, performance indicators, planned targets and actual achievements

In terms of turnaround times, significant improvement is being realised and with the implementation of the One Environmental System, which will significantly improve the ability effectively to adjudicate applications, more improvement is expected.

Deep water well drilling by Total South Africa (Pty) Ltd

As part of promoting oil and gas exploration Total South Africa (Pty) Ltd commenced drilling Brulpadda-1AX deep water well off the South Coast of South Africa during the 2014/2015 financial year. Drilling was, however, later suspended due to the technical difficulties experienced by the Eirik Laude Rig. Total is currently undertaking further technical studies that will enable successful drilling operation in the future.

Processing of shale gas applications

The Department issued a directive in terms of section 39(5)

of the MPRDA to shale gas applicants i.e. Bundu Gas and Oil (Pty) Ltd, Shell South Africa BV and Falcon Oil and Gas Limited, directing them to review and augment Environmental Management Programmes submitted in support of shale gas applications, and undertake public consultation processes with interested and affected parties and communities. Shell opted to defer the process of reviewing and augmenting the EMPRs until the legislative and regulatory framework governing Petroleum Exploration and Production is promulgated. Bundu and Falcon carried out the review and submitted the revised EMPRs and consultation results. The respective applications are being processed.

Strengthening of SAMRAD

As part of improving efficiencies within the SAMRAD system, additional infrastructure was developed with the procurement of virtual servers and increase of bandwidth between Regional Offices and SITA. A user-friendly GIS platform was deployed making land search easier for the public and integration or sharing information with other state organs.

A number of Social and Labour Plans, with a contribution to improving housing and living conditions of mineworkers, were implemented. This is in line with the Mining Charter imperatives of converting; examples include the Royal Bafokeng and Groot Geluk. The Department has integrated implementation of the Special Presidential Package within its internal operations. To this end, affected regions of Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and North West have developed models for implementation of this package. This is leading to the alignment of Social and Labour Plans of mines with Integrated Development Plans (IDPs) of district municipalities. The impact thereof will be reported in the next annual report.

Programme 3: Mineral regulation

Branch: Mineral Regulation						
Strategic Objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Promote job creation	Number of indirect jobs created through SLP.	n/a	7 000	5 338	-1 662	Reported results include only jobs created through SLP. Only cases verified by inspections are reported. The deviation is largely due to the poor global economic situation and declining mineral prices.
	Number of SLP development projects implemented	n/a	120	133	13	Industry increased performance to meet 2014 targets.
Promote sustainable resource use and management	Percentage of approved EMPs relative to rights issued considering the elements of sustainable development	n/a	100%	100%	0	
	Percentage of approved SLPs relative to rights issued considering the elements of sustainable development	n/a	100%	100%	0	
	Percentage of evaluated work programmes relative to rights issued considering the elements of sustainable development	100%	100%	100%	0	

Programme 3: Mineral regulation (continued)

Branch: Mineral Regulation						
Strategic Objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Reduce state environment liability and financial risk	Percentage Closure Certificates issued in line with the regulatory framework.	100%	100%	100%	0	
	Percentage of orders issued to remedy inadequate financial provision.	100%	100%	100%	0	
Implement transformation policies/ legislation	Number of consultations/ engagements and conflict management with communities/ stakeholder and the mining industry.	260	230	263	33	The variance is due to the high demand from communities for the Department to intervene in issues between themselves and the mines.
	Number of HDSA entrants supplying the mining industry	825	1000	1003	3	
	Number of industry workshops conducted.	12	9	16	7	The variance is due to Mining Charter assessment, which required additional communication forums.
	Number of rights and permits granted and/ or issued to HDSA-controlled entities.	192	200	203	3	
Improve turnaround times	Percentage adherence to prescribed timeframes.	74.59%	70%	70.4%	0.4%	

Programme 3: Mineral regulation (continued)

Branch: Mineral Regulation						
Strategic Objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Monitor and enforce compliance	Number of environmental authorisation inspections conducted.	1868	1700	1856	156	The variance is due to complaints from the public, and to enforce compliance.
	Number of legal compliance inspections.	276	250	253	3	The variance is due to complaints from the public and to enforce compliance.
	Number of Mining Work Programme (MWP)/ Prospecting Work Programme (PWP) inspections.	546	500	520	20	The variance is due to complaints received from the public and to enforce compliance.
	Number of SLP inspections.	285	150	268	118	The variance based on requests from the public and the special drive to address the Special Presidential Package.
Monitor and enforce compliance	Percentage of revenue collected.	84.06%	90%	86.6%	-3.4%	The relatively low collections in January and February 2015 suggest that the 30 and 60 day remedial measures implemented did not leave sufficient time for overdue amounts to be collected in the last quarter.
Promote corporate governance	Percentage adherence to Compliance Framework	100%	100%	100%	0	
	Percentage implementation of Management Action Plan (external audit)	100%	100%	100%	0	
	Percentage implementation of Management Action Plan (Internal audit).	33%	100%	100%	0	
	Percentage implementation of Risk Management Plans.	100%	100%	94%	6%	

The Department will implement the Annual Performance Plan (APP) in 2015/16. This will include implementation of monitoring and enforcement of compliance to capture the number of jobs that are created through mining related

activities. Lessons learnt from the implementation of the Revenue Management System will be used to strengthen the collection of prospecting fees, thereby improving performance on this measure.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2014/2015			2013/2014		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Mineral Regulation and Administration	169,170	169,168	(2)	145,610	145,610	-
Management Mineral Regulation	20,680	20,680	-	15,087	15,087	-
South African Diamond and Precious metal Regulator	47,810	47,810	-	44,824	44,824	-
TOTAL	237,660	237,658	(2)	205,521	205,521	-

Programme 4: Mineral Policy and Promotion

The purpose of this programme is to formulate mineral-related policies and legislation, and help promote the mining and minerals industry of South Africa to attract investors.

Sub-programmes

- Mineral Policy;
- Mineral Promotion;
- Economic Advisory Services; and
- Mine Environmental Management

During the period under review, the Branch completed the amendments to the MPRDA, although the Bill was later referred back to Parliament to address a handful of concerns that may not pass the Constitutional muster.

The completion of the Bill, as well as the assessment of the Mining Charter, are significant milestones for the Department and the country as they lay the foundation for the transformation of the mining industry, which in turn, impacts on the transformation and growth of the economy.

The MPRDA Bill is currently before Parliament to address the identified concerns, which include consultations with

traditional authorities and insufficient community consultation by the National Council of Provinces.

The results of the Mining Charter assessment report, which was in progress during the reporting period, will inform the basis upon which the Charter will then be reviewed in the 2015/16 financial year.

The branch also concluded the draft Mine Health and Safety Amendment Bill during the period under review; the Bill is currently a subject of consultation through NEDLAC.

The Department, with the support of relevant departments, has been working continuously to deliver on the implementation of the Framework Agreement for a Sustainable Mining Industry as led by the President. As stated earlier in the report, significant progress has been achieved since the implementation of the Framework Agreement, including the stabilisation of the industrial relations; restoration of peace and stability in affected areas proximate to mining activities, and continuous engagement with international and local investment communities to promote the mining industry.

Programme 4: Mineral policy and promotion

Branch: Mineral Policy and Promotion						
Strategic Objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Facilitate transformation in the mining and minerals sector	Number of policies and regulations reviewed and amended.	n/a	4	4	0	
	Number of policy impact study reports on investment produced.	2	2	2	0	
Promote investment in the mining sector	Number of beneficiation promotional activities.	n/a	30	30	0	
	Number of consultations, promotional activities and monitoring on shale gas exploration.	n/a	20	11	-9	The outstanding consultations were subject to the approval of the Shale Gas Communication Strategy.
	Number of engagements convened with coal stakeholders.	n/a	4	6	2	The variance is due to an increase in the frequency of meetings intended for the development of a national coal policy.
	Number of publications.	13	13	15	2	The variance is due earlier than anticipated completion of reports and some outstanding reports from 2013/14.
	Number of reports detailing progress in implementing the Beneficiation Framework and efficacy of elements.	n/a	1	0	-1	No report developed. DMR is no longer the lead department in implementing the beneficiation action plan and therefore cannot report on progress as this process is now led by the DTI.

Programme 4: Mineral policy and promotion (continued)

Branch: Mineral Policy and Promotion						
Strategic Objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Promote investment in the mining sector	Number of reports on Interventions to facilitate strategic state participation in mining and upstream petroleum development.	n/a	1	1	0	
	Number of SMME's supported.	81	67	87	20	More SMMEs were supported due to public demand.
	Number of social dialogues with stakeholders.	n/a	4	8	6	There were more dialogues due to the resuscitation of MIGDETT meetings by the Minister.
	Number of strategic partnerships.	9	7	7	0	
Promote sustainable resource use and management	Framework for Mining Environmental Management developed.	1	4	4	0	
	Number of derelict and ownerless mine sites rehabilitated.	28	50	50	0	
	Number of technical partnerships implemented with SOEs.	n/a	3	3	0	
Promote sustainable resource use and management	Revised Mining Strategy for sustainable growth and meaningful transformation.	n/a	0	n/a	n/a	
Develop and review internal process	Number of internal business processes developed/ reviewed.	2	2	2	0	

Programme 4: Mineral policy and promotion (continued)

Branch: Mineral Policy and Promotion						
Strategic Objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Improve turnaround times	Percentage adherence to timeframes.	95%	95%	100%	5%	Due to improvements in the processing of correspondence received.
Promote corporate governance	Percentage adherence to Compliance Framework.	100%	100%	100%	0	
	Percentage implementation of Management Action Plan (external audit).	100%	100%	100%	0	
	Percentage implementation of Management Action Plan (internal audit).	50%	100%	100%	0	
	Percentage implementation of Risk Management Plans.	94%	100%	88%	-12%	Other risk treatment plans are dependent on the approval of the MPRDA, which has now been sent back to Parliament.

Strategy to overcome areas of under performance

Areas of underperformance, such as consultations and related activities on shale gas exploration, will be implemented during the 2015/16 financial year as the Shale Gas Communication Strategy was approved by Cabinet late in the financial year. The Regulations for Petroleum Exploration and Production have been gazetted to enable the passage for exploration of shale gas to begin in earnest.

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	10,718	10,715	3	12,240	12,240	-
Mineral Policy	32,186	32,186	-	23,980	23,964	16
Mineral Promotion	37,104	37,086	18	41,399	37,159	4240
Assistance to Mines	-	-	-	-	-	-
Council for Geoscience	292,839	292,839	-	271,232	271,232	-
Council for Mineral Technology	370,854	370,854	-	364,709	364,709	-
Economic Advisory services	2,646	2,753	(107)	3,350	3,329	21
Mine Environmental Management	8,439	8,353	86	7,276	7,273	3
Total	754,786	754,786	-	724,186	719,906	4,280

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity
Council for Mineral Technology (MINTEK)	Fundamental research and development in efficient mineral processing technologies and value added products and services.	R 370 854 000.00	R 260 882 262.91
South African Diamond and Precious Metals Regulator (SADPMR)	<ul style="list-style-type: none"> To ensure competitiveness, sustainable development and job creation in the diamond and precious metals industry. To ensure effective transformation of the diamond and precious metals sectors. To ensure equitable access to resources for local beneficiation. To ensure compliance with the legislative requirements. To improve organisational capacity for maximum execution for excellence. 	R47 210 000.00	R47 210 000.00
Mine Health and Safety Council (MHSC)	<p>Various services are provided by the entity with the major services being:</p> <ul style="list-style-type: none"> Advising the Minister of Mineral Resources on Occupational Health and Safety in the Mines Promoting the culture of Health and Safety in the Mining Industry Advising the mining industry through the Minister of Resources 	R 5 197 000.00	R5 197 000.00
Council for Geoscience (CGS)	Gather, compile, develop and publish world-class geoscience data, knowledge and products, and to render geoscience-related services to the South African public and industry.	R292 839 000.00	R246 030 000.00
State Diamond Trader (SDT)	Provide equitable access to the diamonds of the RSA. Promotion of the diamond beneficiation industry	Nil	Nil

5.2 Achievements of the public entities

5.2.1 MINTEK

Mintek received a transfer of R370 854 000.00 from the Department of Mineral Resources for the 2014/15 financial year, and it was used to implement the following programmes/ projects.

Strategic achievements of Mintek in the 2014/2015 financial year

The strategic achievements that were recorded during the financial year 2014/2015 are summarised below:

- a) Mintek continued to implement the “Derelict and Ownerless Mines” project on behalf of the DMR, which is aimed at rehabilitating derelict and ownerless mines. During the year under review, Mintek completed a total of four projects, one in each of the following provinces: KwaZulu-Natal; Northern Cape; Limpopo and Eastern Cape.

- b) Mintek launched two training and beneficiation centres during the financial year as part of the MTEF funded Northern Cape Gemstone Project. The project objectives are to create economic opportunities and sustainable jobs for the local communities by increasing the value that can be derived from gemstones found in the area. The first Centre was launched in Prieska in a partnership that involved the National Youth Development Agency (NYDA). The second Centre in Upington has been established in partnership with the ZF Mgcawu District Municipality, Khara Hais Local Municipality, together with the support of the Mining Qualifications Authority (MQA) and the Rotary Club of Upington. Both projects are strongly supported by the Premier of Northern Cape and provincial government.

In total, Mintek’s programme for creating economically sustainable businesses and jobs in rural and marginalised communities resulted in the creation of 116 new jobs and five new businesses, which include pottery businesses in Evaton, Gauteng and Prieska, Northern Cape; glass beads businesses in Prieska, Northern Cape and Evaton, Gauteng, and a jewellery business in Northern Cape.

- c) In a similar initiative that aims to improve the lives of communities, Mintek developed and commissioned a furnace that uses coal as a source of energy to assist potters, who are located in rural areas, and therefore, do not have a steady supply of power that is critical in drying their products. The furnace was transferred to a group of potters in the area of Letebejane of the Sekhukhune district municipality in the Limpopo Province to help increase productivity and the quality of their products.
- d) The Urban Mining project also started recording notable outputs during 2014/2015. An estimated 1.2 tons of e-waste, including computer waste was treated. The main intention of the project is to develop appropriate technologies to process e-wastes in various forms. If successful, Mintek could be a “business incubator” and assist start-ups in the early stages of their business cycles.
- e) The Mintek-developed SAVMIN™ technology to treat acid mine drainage has the potential to cost-effectively remove heavy metals and sulphates from acid mine drainage. A large pilot plant was completed and is being operated in association with Veolia, one of the world’s largest water treatment companies. If successful, the technology will be investigated for incorporation in the process operations of operating gold and coal mines.
- f) The construction of the MTEF-funded Rare Earth Elements (REE) pilot plant has been completed. The facility will significantly improve the capability of Mintek to evaluate REE mine opportunities, with an eventual vision for a central South Africa refinery that can facilitate the development of REE mines in Southern Africa, as well as downstream high technology REE manufacturing enterprises.
- g) The National Cleanroom was successfully commissioned during the 2014/15 financial year and will be officially launched in the next financial year. The facility is situated at Mintek’s Nanotechnology Innovation Centre (NIC). It will allow researchers to control moisture, temperature, pressure and particles in the laboratory, while manufacturing test kits for the rapid diagnostics of communicable diseases. This world-class infrastructure is expected to significantly increase the capacity to discover, test and develop new methods of material and device fabrication.
- h) Mintek has concluded a manufacturing agreement with an international chemical producer to produce its Nicksyn™ reagent, which improves nickel recovery, on an industrial scale. A mine project feasibility study, which includes use of Mintek’s proprietary Nicksyn™ reagent, is currently underway.
- i) The financial year 2014/2015 also saw the commissioning of Mintek’s software-based FloatStar Grade Recovery Optimiser (FSGRO) for flotation control at Northam’s Booyendal platinum concentrator in Mpumalanga. The FloatStar Grade Recovery Optimiser makes use of PGM grade measurements supplied by the South African developed BlueCube MQi slurry analyser. This is the first implementation of FSGRO using the BlueCube MQi on a PGM plant.
- j) Several collaborative projects were established when Mintek played host to the first International Symposium on Macro-and Supra-molecular Architectures and Materials (MAM) on African soil, which was attended by international delegates from more than 30 different countries. Mintek also played a key role in South Africa’s first hosting of the 21st quadrennial meeting of the International Mineralogical Association (IMA) – IMA2014. The event attracted over 800 delegates from 50 countries.

5.2.2 South African Diamond and Precious Metals Regulator

During the year under review, the SADPMR has achieved the following:

- a) *Research on the establishment of the Bourse*
More was achieved than mandated to the CEO by producing a draft concept on the establishment of the State Bourse. The research and benchmark studies were completed last year in the following countries Antwerp in Belgium, Shanghai in China, Dubai Diamond Exchange in Dubai and the Russian Federation. These countries are key from the 27 bourses registered with the World Federation of Diamond Bourses. The concept document was produced and submitted to the Board of Directors for their consideration.
- b) *Transformation*
The basis for the transformation agenda is the provisions in the Mining Charter. The board approved the Transformation Plan, which is implemented by the Transformation team in order to monitor progress on ownership, Human Resource Development, procurement and Employment Equity.

The creation of the transformation team exposed companies that were misrepresenting their compliance with the Charter requirements. Corrective measures are starting to take shape after serious warnings of possible suspension or revoking of licences that were issued to defaulters.

c) *Inspections*

During the year under review, the Regulator managed to conduct 1 438 inspections in the diamond and precious metals industries. The purpose of the inspections was to ensure compliance with the provisions of the Diamond Act, 1986, as well as the Precious Metals Act, 2005. Some of the inspections included unplanned/disruptive inspections conducted jointly with members of the South African Police Services. As a result of the co-operation, a number of arrests have been made in both the diamond and precious metals industries.

d) *Facilitation of exports and imports*

The Regulator facilitated diamond exports of 10 395 743.00 carats to the value of \$1 708 052 527.00, rough diamond imports of 682 068.00 carats valued at \$511 619 909.00, polished exports of 160 599.00 carats to the value of \$933 888 697 and polished imports totalling 173 990 carats valued at \$475 746 778. The processing of these imports and exports complied with the requirements of the Kimberley Process Certification Scheme.

e) *Determination of fair market value*

The entity successfully enforced the provision of the law by ensuring that the fair market value is conducted on all goods presented to the Diamond Exchange and Export Centre. For the year under review, there were no cases of disputes that were referred to the Independent Diamond Valuator(s).

5.2.3 *Mine Health and Safety Council*

The entity has managed to strengthen the tripartite relationship (organised labour, organised business and the State), which in turn helped increase the focus on Occupational Health and Safety in the mining sector. Included in achievements was the provision of eight legislative advice reports to the Minister on:

- Guideline for the compilation of a Mandatory Code of Practice (COP) for the Management of Cyanide;
- Guideline for the compilation of a Mandatory Code of Practice (COP) for the Management of Thermal Stress;
- Guidance Note for Medical Practitioners on Lung Function;
- Guidelines for the Compilation of a Mandatory Code of Practice on the Rights to Refuse Dangerous Work and Leave Dangerous Working Place;
- Explosive Regulations;
- Mines Rescue Services Regulations.
- Review of MHSC Levy Model Report; and
- Personal Protective Equipment for Women Guideline.

In addition to the above, the focus for the MHSC in the 2014/15 financial year was to improve the culture of occupational health and safety in the mining sector through

the development of advisory reports to the Minister of Mineral Resources and various research projects on the following:

- Advisory note on lessons learned on Occupational Health and Safety Milestone Reporting and Monitoring;
- Advisory note on Mining Charter Guidance document;
- Advisory note on the promotional material for Prevention of Sexual Harassment in the South African Mining Industry;
- Advisory note on Explore Policy Options to reduce negative impact of migration on mine workers;
- Advisory note to Allow the Mining Sector Health Care Workers' access to all DoH Electronic TB and Manual Registers;
- Advisory note on Re-examine the Return to Risk Work of Miners with HIV/Aids, TB and Silicosis;
- Advisory note on Investigating the capacity and possibility of mine hospitals extending services to the communities;
- Advisory note on Noise controls on mine machines;
- Advisory note on Safety and Security impacting women in the South African Mining Industry; and
- Advisory note on Research programme per 2016/17 financial year.

During the 2014/15 financial year, the MHSC has finalised the projects mentioned below which will be disseminated to the industry as part of the MHSC Knowledge and Technology Transfer:

- Noise Controls for Mining Equipment;
- Monitoring behaviour change related to adoption of leading practices;
- Safety & security challenges impacting women in the mining industry; and
- Iyashisa Game as part of Thermal Stress Management initiative.
- Summit Handbook, detailing the history of the Mine Health and Safety Council, "Road to Zero Harm".

As part of its mandate for 2014, the MHSC hosted the Occupational Health and Safety (OHS) Summit in 2014, where tripartite stakeholders reviewed the performance of OHS and develop action plans to improve the OHS performance in the South African Mining Industry. 2014 was also the reporting year on progress made in the last ten years on the target set for the milestones to improve OHS.

The Centre of Excellence was officially launched at the 2014 Occupational Health and Safety Summit. The MHSC will be conducting quick-win research projects under the Centre of Excellence.

Four research institutions mentioned below have partnered with the MHSC to conduct research projects under the

CoE. Ten quick-win projects addressing currently pressing challenges facing the mining industry have been identified and are currently in various stages of implementation:

- University of the Witwatersrand (WITS);
- University of Pretoria (UP);
- Council for Scientific and Industrial Research (CSIR); and
- National Institute of Occupational Health (NIOH).

5.2.4 Council for Geoscience

Completion of statutory projects under the four thrusts (programmes) such as:

- Geoscience mapping;
- Mineral and energy resources;
- Environment and water; and
- Engineering geoscience and geohazards.

Major Services Rendered by the Council for Geoscience (CGS)

- Conduct basic geoscience research, systematic reconnaissance (geological, geophysical, geochemical and metallogenic) mapping and documentation of the geology within the territorial boundaries of South Africa;
- The collection, archiving and management of all geoscience data and information/knowledge on South Africa.
- Manage a number of national geoscience facilities on behalf of the country;
- Provide geoscience data and products to external clients, both nationally and internationally.
- Provide ad hoc advice to the Government on Geoscience matters to enable informed and scientifically based decisions on the use of the earth's surface and earth's resources, within the territory of South Africa,
- Mineral resource assessments, target generation for various commodities, ore body characterisation, ore deposit modelling and resource estimations, and production of custom made minerals maps;
- Geoenvironmental modelling, engineering, geological/geotechnical mapping and investigations and data evaluation, Core and percussion borehole logging and soil profiling;
- Drilling services for geotechnical and environmental investigations;
- Consulting and contract research in hydrogeology field for ground water resource assessment focusing on regional aquifers and groundwater characterisation, environmental management, water resource protection programmes, groundwater contamination and water resource management;
- Management of Acid Mine Drainage (AMD) and prevention of water ingress;

- Rehabilitation and best management options for mine residue deposits (tailing dams and waste rock dumps.);
- Management of Derelict and Ownerless (D&O) mines;
- Geohazard assessments and classification, environmental due diligence and risk assessments and pollution investigations (air, water, soil and sediment);
- Marine geophysical surveying and harbour development surveys; and
- Analytical Laboratory Services (mineralogical analysis, petrographical analysis, XRF, and wet chemistry).

Strategic achievements for 2014/15

The Council for Geoscience (CGS) is mandated to gather, compile, interpret and disseminate geoscience knowledge for South Africa, as provided for by the Geoscience Act (Act No. 100 of 1993) and its Amendment Act (Act No. 16 of 2010). With this mandate, the Council for Geoscience follows a business model which allows for both statutory activities and commercial activities for financial gain.

The statutory technical programme addresses many of the developmental needs of South Africa, as captured in the government's National Development Plan (NDP) 2030, the Stakeholders' Declaration on Strategy for the Sustainable Growth and Meaningful Transformation of South Africa's Mining Industry of the Department of Mineral Resources, the Grand Challenges of the Department of Science and Technology, and the government's National System of Innovation. The Council for Geoscience delivered on these developmental needs by addressing projects within the following fields:

Geoscience mapping

Multidisciplinary mapping focused on previous areas covered by the Medium Term Expenditure Framework (MTEF) programmes in order to supplement and improve the geoscientific information of the Northern Cape at 1: 50 000-scale. The specific sheets investigated for producing geological mapping were: 2821CA Kanoneiland, 2821CB Trooilapspan, 2821CC Piet Rooisberg, 2821CD Klipbakke, 2820DB Keimoes and 2820DD Koekoeb. Marine geological mapping was carried out in order to understand the availability of sediment as a mineable commodity for aggregates and building sand and the examination of possible mineral resources on the South African continental shelf.

Minerals and energy resources

The CGS is involved in the establishment of a national geoscience and mining research and development programme and leads the implementation of the South African geoscience research priorities, mainly geometallurgy

and advanced geoscience data gathering. The initiative is in agreement with the requirements of the Advanced Metals Initiative (AMI), a flagship programme of the Department of Science and Technology. The programme facilitates research, development and innovation across the whole value chain in the field of advanced metals.

The assessment of potential coalbed methane gas resources in the Perdekop area in the Mpumalanga Province was performed using parameters such as the deep coal seams, coal seam porosity, coal seam thickness, coal seam type, coal seam maturation and the volatile matter of the coals.

The CGS continued to act as a member of the working group tasked with assisting the Department of Mineral Resources to draft the Regulatory Framework for hydraulic fracturing for the production of shale gas in South Africa.

The shale gas potential of the resources in the Whitehill and Collingham Formations of the Ecca Group were investigated by comparing the known shale gas deposits to the Karoo deposits and all available information, including the geology and geophysics and borehole logs was integrated into a database.

The offshore mineral resources of the Western Cape Province were re-assessed using new methodologies within the regions surrounding Saldanha Bay (West Coast) and Mossel Bay (South Coast), which had shown potential from past reconnaissance studies and onland indicators.

Environmental and water

Street dust and health risk assessments of the Krugersdorp and Delmas areas were performed by assessing the air pollution impact that is caused by street dust and by highlighting the associated potential health effects. This was done by determining the chemistry and mineral contents of street dust and the particle sizes of dust in the Krugersdorp and Delmas areas.

Within the Witwatersrand Strategic Water Management Project, areas of water ingress into the underground workings and implementable measures to reduce ingress have been identified. In addition, the Grootvlei and Florida canals have been constructed, with canals in the Central Basin at Durban Deep, New Canada and ERPM having reached the design and permitting stage.

The geochemical analysis of potential harmful trace elements (PHTEs) in the groundwater of Greater Giyani was performed by assessing the concentration levels of potential harmful trace elements (PHTEs) and their spatial distribution patterns in borehole water in the greater Giyani area of Limpopo.

The potential associated human health risks were also assessed. The project team working on the management of Derelict and Ownerless (D&O) mines in South Africa visited and ranked about 2 778 sites during the year under review. Since 2012, approximately 5 088 (85 %) of the total D&O mines in South Africa have been visited and ranked. The remaining 940 sites will be visited in 2015.

The impact of climate change on two river systems in the W55 catchment in the Mpumalanga Province was assessed through a hydrochemical study in the W55 and W56 catchments to determine the physicochemical characteristics, controls on water chemistry and groundwater/surface water interaction has been carried out by analysing 63 water samples.

Engineering geoscience and geohazards

The CGS was involved in the initial phase of the microzonation of Johannesburg and utilised a multidisciplinary approach in addressing the project. The engineering geology, geophysics and geology aspects of the project were initiated, which, together with the local Johannesburg based network of 12 seismograph stations, as well as the 28 seismograph stations within the South African National Seismograph Network, will feed into the final model for disaster management purposes.

The remote sensing and geohazards project integrated and co-ordinated geographic information technology with special emphasis on the application of remote sensing activities and spatial data to firstly, identify areas at risk of potential disasters. Secondly, to develop a framework for the practical assessment of the hazard, associated vulnerability and risk. The project successfully produced a database and atlas of the known geohazards in South Africa.

A dynamic 3D Model of the KOSH (Klerksdorp, Orkney, Stilfontein and Hartbeesfontein) area where the large magnitude 5.5 earthquake occurred on 5 August 2014, was created with the objective to identify whether or not the removal of material in the mines may cause additional shear stress at depth along a plane of weakness.

The CGS continues to monitor the seismicity in and around South Africa through the South African National Seismograph Network, which recorded natural earthquakes that measured less than 4 on the local magnitude scale for the year 2014.

The most significant mining-related earthquake in South Africa measured $M_L \sim 5.5$ and occurred in the Orkney gold mining area on 5 August 2014. The earthquake caused one fatality and severely damaged houses in the Orkney and outlying areas. A full investigation was done and a report compiled after the area had been visited by scientists of the Council for Geoscience.

In addition, the Council for Geoscience successfully managed a number of national facilities on behalf of the country, including the following:

- Seismograph network and infrasound observatory, which monitor the earthquakes and other sonic disturbances within the country;
- Borehole core repository, which provides a comprehensive national collection of valuable geoscientific material;
- Geoscientific databases, of which the Council for Geoscience is the custodian;
- Geoscience museum, which provides information to the public;
- Geoscience library and bookshop, which provide both international and local geoscientific publications and maps to the public; and
- Geoscience analytical facility, which is available for the analysis of geoscientific material.

5.2.5 State Diamond Trader

Promotion of the Diamond Industry

The State Diamond Trader focused on two broad areas in 2014/15: access to international markets, and enterprise development.

Access to International Markets

In March 2014, seventeen (17) diamonds and jewellery manufacturers participated in the Hong Kong Pavilion. This number grew to twenty (20) diamond and jewellery manufacturers in March 2015. Participation of diamond beneficiaries in international pavilions will assist the State Diamond Trader to increase access to profitable markets for its clients and, in turn, promote the growth of the local beneficiation industry.

Enterprise Development (Pilot Project)

The State Diamond Trader partnered with a company in the diamond industry which is one of its large clients and entered into a Memorandum of Understanding to develop new entrepreneur entrants into the diamond beneficiation industry. Five enterprise development trainees are currently on this programme.

6. CONDITIONAL GRANTS

6.1. *Conditional grants and earmarked funds received/ paid*

The Department did not administer any conditional grants.

7. DONOR FUNDS

7.1. *Donor Funds Received 2014/15 Financial Year*

Name of donor	European Union
Full amount of the funding	3,710,000
Period of the commitment	1 April 2014
Purpose of the funding	Microzonation model of Johannesburg
Expected outputs	Project still ongoing
Actual outputs achieved	Project still ongoing
Amount received in current period (R'000)	3,710,000
Amount spent by the Department (R'000)	1,938,000
Reasons for the funds unspent	The project will be finalised during 2015/16 financial year.
Monitoring mechanism by the donor	Reports are being submitted to the donor.

8. CAPITAL INVESTMENT

8.1. *Capital investment, maintenance and asset management plan*

The Department does not have any long-term infrastructure and other capital plans. The assets of the Department are managed in line with the Asset Management Policy.



PART C: GOVERNANCE

1. INTRODUCTION

The Department continued to be committed to maintaining the highest standard of governance in its management of public finances and resources. The risk management and internal audit services were fully functional during the financial year.

2. RISK MANAGEMENT

The Department continued to maintain the highest standards in increasing its prospects of success in pursuit of achievement of its objectives, through embedding and maintaining a formalised, efficient and effective Enterprise Wide Risk Management system.

The Department has proven consistency in this regard, by once again achieving the highest score level on the Department of Planning Monitoring and Evaluation Assessment through MPAT in the area of Risk Management.

The above has been driven and enabled through the following:

- The Risk Management Policy, emphasising the Department's commitment to Enterprise Wide Risk Management aligned to the principles of good corporate governance as supported by PFMA;
- The Risk Management Strategy that guides management and staff in identification, assessing, evaluating, treating, monitoring and communicating risks associated with business operations;
- The Risk Management Committee and Audit Committee which provide oversight, guidance and independently monitor the effectiveness of risk management;
- Risk assessments are continuously conducted to update the risk profile of the Department to ensure alignment with the current environment; plans to mitigate the risks identified are monitored on a quarterly basis and reported at Departmental Management Meetings (MANCO); and
- The Department has strived to ensure that the risk management process is incorporated in the strategic planning as well as performance monitoring of the Department.

In ensuring the integration of risk management with other functions of the Department, the Risk Management Unit, in conjunction with Audit Services, is in the process of developing a comprehensive Combined Assurance Plan.

3. FRAUD AND CORRUPTION

Significant progress has been made in the implementation of the Departmental Anti-Fraud and Corruption Strategy and Whistle Blowing Policy.

This has been achieved through the following:

- Creating awareness about the available avenues for officials to report allegations of fraud and corruption. This has been done via:
 - Joint workshops with the Special Investigation Unit residing within Audit Services;
 - Posters at strategic areas within the Department;
 - Intranet; and
 - Maintenance of the fraud and corruption risk registers.

The Department will strive to promote the culture of zero tolerance towards fraud and corruption. Upon finalisation of an investigation conducted by Audit, disciplinary action will be taken against the official if Audit so recommends. The case will also be referred to Security Risk Directorate to process criminal charges, where necessary.

4. MINIMISING CONFLICT OF INTEREST

The Department has introduced the following measures to curb conflict of interest.

- Senior Management Service (SMS) are required on an annual basis to disclose their financial interests:
- SMS members who do not comply are charged with misconduct according to the regulations:
- All employees were requested to sign declarations in terms of remunerative work outside employment. Employees are therefore well aware that they must obtain Director-General's approval before embarking on any remunerative work outside employment: and
- The Department also has a policy on remunerative work outside employment.

The Department of Public Service and Administration is also in the process of finalising a new directive on ethics in the workplace with emphasis on financial disclosures, gifts and remunerative work outside employment.

Once the new directive is in place, the Directorate HR Planning and Policies will have to review its policies/procedures in this regard.

5. CODE OF CONDUCT

The Department is distributing an Explanatory Manual on the Code of Conduct for the Public Service to all DMR officials and is also conducting workshops.

If an employee is in breach of the Code, disciplinary action will be taken against the employee in terms of the PSCBC Resolution 1 of 2003: disciplinary Code and Procedures for the Public service.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

No	Nature of Condition	Effects
1.	Slippery staircases	Slipping hazard to employees
2.	Poor provision of thermal requirements	Sick building syndrome
3.	Poor provision of extraction system	Accumulation of toxic or obnoxious gases; TB and other communicable diseases.
4.	Poor provision of lighting	Headaches, glare, body pains, (Ergonomic conditions)
5.	Poor provision of emergency evacuation systems	Loss of life, injury to staff and visitors
6.	Non-compliance to statutes	Financial loss and/or conviction of management

7. PORTFOLIO COMMITTEES AND SELECT COMMITTEES

The Department had numerous engagements with the Portfolio Committee on Mineral Resources and the Select Committee on Land and Mineral Resources in line with their programmes.

Matters the Department was engaged with ranged from its Strategic Plan, the annual report and other specific areas, which the committees deemed appropriate and which were within the mandate of the Department. All the questions and issues raised were addressed on an ongoing basis.

8. SCOPA RESOLUTIONS

There were no SCOPA resolutions to be implemented in the year under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no modifications on the Annual Financial Statement for the prior period. Material adjustment on the financial statement related mainly to Revenue Receivable which has since been resolved. The Department continue to monitor internal control to ensure reliable financial reporting.

10. INTERNAL CONTROL UNIT

During the year being reported on, the unit compiled the Annual Financial Statement, the quarterly interim Financial Statements and the monthly compliance certificates. In addition the unit co-ordinated the activities of the Auditor-General, and monitored the clearance of suspense accounts in order to ensure that financial periods are closed on time and properly on the system.

The unit also conducted compliance checks on processed financial documents, that is, payments and journals with the aim of ensuring the completeness of information captured on the BAS financial system and adherence to the Departmental Financial Delegations.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The purpose of internal auditing is to provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. It helps the Department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal Audit Activity (IAA) intends to function in a manner to monitor that:

- Risks are appropriately identified and managed;
- Interaction with the various governance groups occurs as required;
- Significant financial, managerial, and operating information is accurate, reliable, and timely;
- All the Department's assets are appropriately safeguarded and the existence of such assets, where applicable, can be verified;
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately protected;
- Programmes, plans, and objectives are achieved;
- Quality and continuous improvement are fostered in the Department's control process; and
- Significant legislative or regulatory issues impacting on the Department are recognised and addressed appropriately.

The primary objective of Internal Audit is to assist the Accounting Officer (AO) and the Audit Committee (AC) in the effective discharge of their responsibilities. Internal Audit will provide independent analyses, appraisals, recommendations, counsel and information concerning the activities reviewed, with a view to improving accountability and performance.

The IAA will provide the Department with the following benefits:

- The regular presence of internal auditors helps to protect the Department's assets by deterring fraud, waste, and abuse;
- Input from internal auditors helps employees to improve their overall job performance and adherence to established controls; and
- The IAA helps to keep the Department accountable to the public by reviewing and reporting on adherence to established policies and procedures, laws, and the effectiveness, economy, and efficiency of operations.

The IAA provides both the oversight structures such as the AC and relevant Parliamentary structures with required information for them to exercise their monitoring role.

Internal Audit performed the following audit work during the year under review:

- Financial Audits: Chief Financial Officer branch;
- Performance Audits: all branches;
- Operational Audits: all branches; and

- Information Communication Technology Audit: Chief Financial Officer Branch.

Key Activities and Objectives of the Audit Committee

The Audit Committee (AC) is a non-executive committee in an advisory capacity to the Accounting Officer (AO), primarily responsible for oversight over the Department's governance, control and risk management processes.

The primary objective of the AC is to assist the senior management of the Department in fulfilling their responsibility relating to financial and operating reporting processes, the system of internal controls, governance, risk management, audit process and monitoring compliance with applicable laws, regulations, relevant prescripts and directives.

Attendance of Audit Committee meetings by Audit Committee members:

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	Date appointed	Date Resigned	No. of Meetings attended
Mr. Stefaan Sithole	<ul style="list-style-type: none"> • CA (SA) • CIA • Post Graduate Diploma Business Programme –SBL • B Accountancy • B COMM 	External	01/09/2004	To date	6
Prof. DP van der Nest	<ul style="list-style-type: none"> • B COM (ACCOUNTACY) • Higher Education Diploma (Post Graduate) • B COM HONS (Economics) • M COM (Economics) • Doctor Technologies 	External	01/09/2004	To date	7
Ms. Zienzile Musamirapamwe	<ul style="list-style-type: none"> • MBA • Chartered Secretaries & Administrators (CSA) • Portfolio Management I and II 	External	01/09/2010	To date	7

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2015.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act 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, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

Full Audits

- Data Privacy, ICT Infrastructure Capacity and Performance Management, Receivables for Prospecting fees, Annual Report Review, Recruitment and Retention, User Accounts management, Asset management, Management of Performance Assessment (MPAT) Review, Audit of Performance Q1, Audit of Performance Q2, Audit of Performance Q3, Leave Payouts Verification, Half yearly Financial Statements, AG Management letter, Mineral Licensing – Prospecting rights, Environmental Management Programme, Security Risk Management, Annual Report Review, Application Controls Review: Contract Management System.

Follow-up Audits

- Rehabilitation of Derelict and Ownerless mines, Labour Relations, Inspections and Admin fines.

In-Year Management and Monthly/Quarterly Report

The Department has reported monthly and quarterly to the National Treasury as is required by the PFMA.

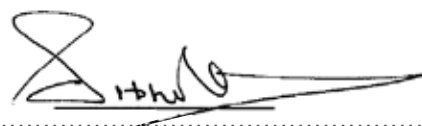
Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the Department.

Auditor-General's Report

We have reviewed the Department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Mr. S. Sithole
Chairperson of the Audit Committee
Department of Mineral Resources
Date: 31/08/2015



**PART D:
HUMAN RESOURCE MANAGEMENT**

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister of the Public Service and Administration for all Departments in the public service. It is also provided for in terms of the Public Service Regulations, Chapter 1, Part 111 J.3 and J.4.

2. OVERVIEW OF HUMAN RESOURCES

The Chief Directorate: Human Resources is responsible for rendering a strategic human resource support service to the Department. The Chief Directorate has shifted away from just providing support, to becoming a strategic partner with all branches in the Department in order to ensure efficient service delivery by branches, as this depends to a large extent on the state of their human resources.

Its primary focus is capacity building with a view to ensuring alignment between the departmental service delivery imperatives and its mandate and strategic objectives.

During the year under review the Chief Directorate: HR committed itself to the following strategic objectives:

- Human Resources Planning,
- Organisational Design,
- Organisational development (Organisational culture and change management),
- Employee Wellness,
- Human Resources Development,
- Systems and information Incapacity,
- Human Resource Marketing,
- Employment Equity,
- Develop, review and improve internal processes/ guidelines/procedures,
- Ensure implementation of national strategies,
- Ensure compliance with HR and Occupational Health and Safety legislation, and
- Attract, develop and retain skills.

The human resource priorities identified mainly form part of the Department's Annual Performance Plan (APP) and Human Resource Plan (HRP). Through quarterly reviews and reporting to the DPSA on the implementation of the HR Plan, Persal reports and other relevant data are analysed to determine the impact of these priorities.

The Department has also, established a task team that is responsible for looking into the areas of attraction and retention of skills and Employment Equity. It is also tasked with developing action plans in areas that need improvement.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce

The Integrated Human Resource Plan for the Department was reviewed and published. The Attraction and Retention Strategy that was developed during 2013/14 was eventually approved during the financial year. In order to implement this critical policy, as well as the Action Plan that was derived from the strategy, a task team was developed comprising representatives from all branches.

Amongst other responsibilities, the task team is responsible for ensuring that issues pertaining to attraction and retention are addressed collectively. In addition, the Department entered into a partnership with the Mining Qualifications Authority (MQA) for the allocation of bursaries for students wishing to follow mining as a career in order to increase the pool of engineers for future addressing of scarce skills attraction.

The Department is also performing a bi-annual exit analysis to determine the reasons why staff are leaving the Department. In the forthcoming financial year, the Department will improve on this process to make it more effective.

Employee performance management.

The Department continues to implement a Performance Management and Development System for both staff members below salary level 12, as well as members of the senior management service (SMS).

Employee Wellness Programmes.

The departmental Wellness Centre continues to run efficiently with the services of a qualified medical practitioner, who services the Department twice a week.

Highlight achievements and challenges faced by the Department, as well as future human resource plans /goals.

The Chief Directorate: HR developed the following policies/ guidelines which are currently under implementation:

- Occupational Health and Safety Policy;
- Productivity Management Policy;
- Wellness Policy;
- HIV/Aids Policy;
- Guidelines on the management of cases;
- Leave Policy;
- Policy on Acting Appointments;
- Probation Policy; and an
- Employment Equity Plan.

Challenges faced by the Department

The Department is currently experiencing a very high vacancy rate, which has a negative impact on its ability to achieve its strategic objectives.

Issues pertaining to organisational culture and change management need to be addressed as these could lead to an unhappy workforce and high staff turnover if left unattended. Due to the technical nature of the Department, it has a number of scarce and critical occupations. An increase in the turnover under these occupations could be devastating for the Department, since Mine Health and Safety Inspectors are already being poached by the Mining Industry for salaries exceeding those offered by the Department.

The Department has a relatively young workforce which implies that employees get frustrated easily, especially if they are not being developed or given adequate responsibilities. Although these younger generation employees have the necessary technical skills, they sometimes lack proper supervisory and management skills. Management development courses are costly and mostly require employees to be out of the office for long duration. This could have an impact on the time it will take to fully equip these employees for the posts to which they have been appointed.

The lack of proper Human Resources (HR) Management support systems result in the HR component spending excessive amounts of time compiling reports to management on HR trends, progress and performance. The absence of such management systems makes decision making in HR matters at all levels, difficult.

Although the Department has made good progress with regard to gender representation, major shortcomings exist with regard to race; especially in so far as Indian and Coloured representation are concerned. The Department also needs to take action to appoint people with disabilities and the percentage of women in Senior Management needs to improve.

Although the Department has successfully identified its skills shortages, especially scarce skills, budget constraints resulted in some training programmes not being implemented. A number of bursary applicants were informed in the 2014/15 financial year that their applications were unsuccessful due to a lack of funding. The Department also has an important role to fulfil during the 2015/16 financial year in so far as the development of women is concerned. A number of gender equality strategies must be developed and implemented. This will require additional funding.

Future HR Plans/goals

Human Resources will always continue to improve on its existing practices, but during 2015/16 emphasis will be placed on the following:

- Linking the Department's human resources with its strategic objectives for purposes of improving organisational performance;
- Establishing a greater coherence between the different human resource practices;
- Placing and emphasis on especially the strategic partner and change agent roles of human resources; and
- Ensuring that the execution of human resource practices becomes part of the day-to-day work and responsibilities of line managers.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. *Personnel related expenditure*

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel; and
- Amount spent on salaries, overtime, homeowner's allowances and Medical Aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	311,810	148,085	2,208	13,356	47.5	133
Mine Health and Safety	167,487	134,064	562	991	80	120
Mineral Policy and Promotion	752,753	54,647	1,599	6,995	7.3	49
Mineral Regulation	237,601	147,831	367	4,339	62.2	133
Total as on Financial Systems (BAS)	1,475,252	484,627	4,736	25,681	32.9	435

Table 3.1.2 Personnel costs by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (Levels 3-5)	38,684	7.5	186,879	517,475
Highly skilled production (Levels 6-8)	88,784	17.2	283,655	517,475
Highly skilled supervision (Levels 9-12)	253,339	49	566,754	517,475
Senior management (Levels 13-16)	70,844	13.7	944,587	517,475
Contract (Levels 1-2)	954	0.2	0	517,475
Contract (Levels 3-5)	1,412	0.3	117,667	517,475
Contract (Levels 6-8)	4,068	0.8	226,000	517,475
Contract (Levels 9-12)	20,474	4	568,722	517,475
Contract (Levels 13-16)	7,512	1.5	1,252,000	517,475
Periodical Remuneration	281	0.1	8,265	517,475
Abnormal Appointment	1,447	0.3	36,175	517,475
TOTAL	487 799	94.3	410 605	517 475

Table 3.1.3 Salaries, overtime, home owners allowance and Medical Aid by programme for the period 1 April 2014 and 31 March 2015

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	111 658	73.7	2 444	1.6	3 752	2.5	5 379	3.6
Mineral Policy and Promotion	42 643	74.4	2	0	1 271	2.2	1 523	2.7
Mineral Regulation	110 908	70.3	127	0.1	3 631	2.3	6 004	3.8
Promotion of Mine Safety and Health	106 779	70.7	4	0	2 174	1.4	3 176	2.1
TOTAL	371 988	71.9	2 577	0.5	10 828	2.1	16 082	3.1

Table 3.1.4 Salaries, overtime, home owners allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 3-5)	25 904	65.9	999	2.5	2 140	5.4	3 268	8.3
Highly skilled production (Levels 6-8)	63 511	70.2	787	0.9	3 087	3.4	4 813	5.3
Highly skilled supervision (Levels 9-12)	193 643	70.9	728	0.3	3 830	1.4	6 660	2.4
Senior management (Levels 13-16)	58 226	77.6	0	0	1 439	1.9	923	1.2
Contract (Levels 1-2)	938	91	16	1.6	0	0	0	0
Contract (Levels 3-5)	1 031	71.7	3	0.2	69	4.8	27	1.9
Contract (Levels 6-8)	3 104	75.4	43	1	130	3.2	133	3.2
Contract (Levels 9-12)	17 855	76.5	0	0	123	0.5	259	1.1
Contract (Levels 13-16)	6 365	84	0	0	11	0.1	0	0
Periodical Remuneration	0	0	0	0	0	0	0	0
Abnormal Appointment	1 410	95.3	0	0	0	0	0	0
TOTAL	371 987	71.9	2 576	0.5	10 829	2.1	16 083	3.1

3.2. Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme;
- Salary band; and
- Critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2015

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	426	373	12.4	6
Administration, Temporary	1	1	0	0
Mineral Policy and Promotion, Permanent	125	108	13.6	1
Mineral Regulation, Permanent	414	365	11.8	3
Promotion of Mine Safety & Health Permanent	323	267	17.3	13
TOTAL	1 289	1 114	13.6	23

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2015

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled (Levels 3-5), Permanent	234	207	11.5	1
Highly skilled production (Levels 6-8), Permanent	355	312	12.1	5
Highly skilled production (Levels 6-8), Temporary	1	1	0	0
Highly skilled supervision (Levels 9-12), Permanent	531	447	15.8	1
Senior management (Levels 13-16), Permanent	96	75	21.9	0
Contract (Levels 3-5), Permanent	12	12	0	10
Contract (Levels 6-8), Permanent	18	18	0	4
Contract (Levels 9-12), Permanent	36	36	0	1
Contract (Levels 13-16), Permanent	6	6	0	1
TOTAL	1 289	1 114	13.6	23

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2015

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related:Permanent	133	115	13.5	2
Agriculture animal oceanography forestry and other sciences: Permanent	1	1	0	0
Biologists botanists zoologists and related professional: Permanent	115	101	12.2	1
Cartographers and surveyors: Permanent	2	2	0	0
Cleaners in offices workshops hospitals etc.: Permanent	4	3	25	0
Client information clerks(switchboard receptionist inform clerks):Permanent	13	12	7.7	1
Communication and information related: Permanent	10	9	10	0
Communication and information related: Temporary	1	1	0	0
Economists,:Permanent	50	43	14	0
Engineering sciences related, Permanent	2	2	0	0
Finance and economics related:Permanent	11	9	18.2	0
Financial and related professionals: Permanent	42	36	14.3	0
Financial clerks and credit controllers: Permanent	21	17	19	1
Food services aids and waiters: Permanent	1	1	0	0
General legal administration and related professionals,:Permanent	4	4	0	0
Head of Department/Chief Executive Officer: Permanent	1	1	0	0
Human resources & organisational development and related profession,:Permanent	35	34	2.9	0
Human resources clerks,: Permanent	15	15	0	0

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2015 (continued)

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Human resources related: Permanent	2	2	0	0
Information technology related,;Permanent	10	7	30	0
Language practitioners interpreters and other communicators,;Permanent	7	6	14.3	0
Legal related,;Permanent	7	5	28.6	0
Librarians and related professionals: Permanent	3	2	33.3	0
Library mail and related clerks:Permanent	88	78	11.4	3
Logistical support personnel: Permanent	13	12	7.7	0
Material-recording and transport clerks: Permanent	33	26	21.2	0
Messengers porters and deliverers,;Permanent	4	3	25	0
Other administrators and related clerks and organisers: Permanent	99	91	8.1	3
Other administrative policy and related officers,;Permanent	69	57	17.4	0
Other information technology personnel,;Permanent	34	31	8.8	2
Other machine operators,;Permanent	1	1	0	0
Other occupations: Permanent	4	3	25	0
Risk management and security services: Permanent	8	6	25	0
Safety health and quality inspectors,;Permanent	199	157	21.1	3
Secretaries and other keyboard operating clerks,;Permanent	89	84	5.6	4
Security officers: Permanent	51	51	0	2
Senior managers: Permanent	89	69	22.5	1
Trade/industry advisers and other related profession, Permanent	18	17	5.6	0
Total	1 289	1 114	13.6	23

3.3. Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. They also provide information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes, and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director General/ Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	23	16	70%	7	30%
Salary Level 13	68	53	78%	15	22%
TOTAL	98	76	78%	22	22%

Table 3.3.2 SMS post information as on 30 September 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	24	15	63%	9	37%
Salary Level 13	68	54	79%	14	21%
TOTAL	98	75	77%	23	23%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2014 and 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	24	15	63%	9	37%
Salary Level 13	69	56	81%	13	19%
TOTAL	99	77	78%	22	22%

3.4. Job evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provide statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job evaluation by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Contract (Levels 3-5)	12	0	0	0	0	0	0
Contract (Levels 6-8)	18	0	0	0	0	0	0
Contract (Levels 9-12)	36	0	0	0	0	0	0
Contract (Band A)	3	0	0	0	0	0	0
Contract (Band B)	1	0	0	0	0	0	0
Contract (Band D)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	234	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	356	30	8.4	29	96.7	0	0
Highly skilled supervision (Levels 9-12)	531	87	16.4	30	34.5	0	0
Senior Management Service Band A	68	5	7.4	0	0	0	0
Senior Management Service Band B	21	1	4.8	1	100	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
TOTAL	1 289	123	9.5	60	48.8	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts. Some of the posts that have been upgraded may be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015

Gender	African	Asian	Coloured	White	Total
Female	25	0	1	1	27
Male	12	0	0	0	12
Total	37	0	1	1	39
Employees with a Disability	1	0	0	0	1

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 and 31 March 2015

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	Not applicable
None	0	0	0	Not applicable
Total	0			
Percentage of Total Employment	0			
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2014 and 31 March 2015

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

3.5. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations. (See definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Number of employees at beginning of period 1 April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Skilled (Levels 3-5): Permanent	203	25	13	6.4
Highly skilled production (Levels 6-8): Permanent	311	21	25	8
Highly skilled production (Levels 6-8): Temporary	1	0	0	0
Highly skilled supervision (Levels 9-12): Permanent	465	34	38	8.2

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015 (continued)

Salary band	Number of employees at beginning of period 1 April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Senior Management Service Band A: Permanent	51	1	5	9.8
Senior Management Service Band B: Permanent	15	1	2	13.3
Senior Management Service Band C: Permanent	5	0	0	0
Senior Management Service Band C: Temporary	1	0	0	0
Senior Management Service Band D: Permanent	2	0	1	50
Senior Management Service Band D: Temporary	0	1	1	0
Contract (Levels 3-5): Permanent	6	7	2	33.3
Contract (Levels 6-8): Permanent	9	8	12	133.3
Contract (Levels 9-12): Permanent	38	8	13	34.2
Contract (Band A): Permanent	3	1	1	33.3
Contract (Band B): Permanent	1	1	1	100
Contract (Band C): Permanent	1	0	1	100
Contract (Band D): Permanent	1	1	0	0
TOTAL	1 113	109	115	10.3

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015

Critical occupation	Number of employees at beginning of period April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related: Permanent	118	9	13	11
Agriculture animal oceanography forestry and other sciences: Permanent	1	0	0	0
Biologists botanists zoologists & related professional: Permanent	94	25	5	5.3
Cartographers and surveyors: Permanent	2	0	0	0
Cleaners in offices workshops hospitals etc.: Permanent	9	0	2	22.2
Client inform clerks (switchboard reception inform clerks), Permanent	12	1	0	0
Communication and information related, Permanent	10	0	2	20
Communication and information related, Temporary	1	0	0	0
Economists: Permanent	42	2	3	7.1
Engineering sciences related, Permanent	3	0	1	33.3
Finance and economics related: Permanent	11	0	2	18.2
Financial and related professionals: Permanent	36	6	7	19.4
Financial clerks and credit controllers: Permanent	17	5	4	23.5
Food services aids and waiters: Permanent	3	0	0	0
General legal administration & rel. professionals, Permanent	6	0	1	16.7

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015 (continued)

Critical occupation	Number of employees at beginning of period April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Head of Department/chief executive officer, Permanent	1	0	0	0
Human resources & organisational development & relate profession, Permanent	30	2	1	3.3
Human resources clerks: Permanent	13	2	0	0
Human resources related: Permanent	2	0	0	0
Information technology related: Permanent	9	0	2	22.2
Language practitioners interpreters and other communicators: Permanent	5	1	1	20
Legal related, Permanent	6	0	1	16.7
Librarians and related professionals: Permanent	2	0	0	0
Library mail and related clerks, Permanent	66	9	2	3
Logistical support personnel: Permanent	11	2	1	9.1
Material-recording and transport clerks: Permanent	23	4	3	13
Messengers porters and deliverers: Permanent	3	2	0	0
Other administrator & related clerks and organisers, Permanent	92	5	8	8.7
Other administrative policy and related officers: Permanent	67	0	9	13.4
Other information technology personnel: Permanent	24	8	13	54.2
Other machine operators: Permanent	1	0	0	0
Other occupations: Permanent	3	1	1	33.3
Risk management and security services: Permanent	6	0	0	0
Safety health and quality inspectors: Permanent	166	10	17	10.2
Secretaries and other keyboard operating clerks: Permanent	86	5	5	5.8
Security officers: Permanent	48	4	1	2.1
Senior managers, Permanent	66	5	9	13.6
Senior managers: Temporary	1	0	1	100
Trade/industry advisers and other related profession: Permanent	17	1	0	0
TOTAL	1 113	109	115	10.3

The table below identifies the major reasons why staff left the Department.

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2014 and 31 March 2015

Termination Type	Number	% of Total Resignations
Death: Permanent	5	4.3
Resignation, Permanent	44	38.3
Expiry of contract: Permanent	21	18.3
Expiry of contract, Temporary	1	0.9
Discharged due to ill health, Permanent	2	1.7
Retirement, Permanent	8	7
Transfer to other Public Service Departments	34	29.6
TOTAL	115	100
Transfer to other Public Service Departments		
Other		
Total		
Total number of employees who left as a % of total employment	10.3	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2014 and 31 March 2015

Occupation	Employees 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	118	5	4.2	79	66.9
Agriculture animal oceanography forestry and other science	1	0	0	1	100
Biologists botanists zoologists and related professional	94	21	22.3	37	39.4
Cartographers and surveyors	2	0	0	2	100
Cleaners in offices workshops hospitals etc.	9	0	0	3	33.3
Client information? clerks(switchboard receptionist inform clerks)	12	0	0	8	66.7
Communication and information related	11	1	9.1	7	63.6
Economists	42	2	4.8	26	61.9
Engineering sciences related	3	0	0	3	100
Finance and economics related	11	0	0	8	72.7
Financial and related professionals	36	2	5.6	30	83.3
Financial clerks and credit controllers	17	0	0	10	58.8
Food services aids and waiters	3	0	0	1	33.3
General legal administration and related professionals	6	1	16.7	2	33.3
Head of Department/Chief Executive Officer	1	0	0	0	0
Human resources and organisational development and related profession	30	0	0	19	63.3
Human resources clerks	13	1	7.7	8	61.5
Human resources related	2	0	0	0	0
Information technology related	9	0	0	3	33.3
Language practitioners interpreters and other communicators	5	1	20	3	60
Legal related	6	0	0	3	50
Librarians and related professionals	2	0	0	2	100
Library mail and related clerks	66	1	1.5	12	18.2
Logistical support personnel	11	3	27.3	5	45.5
Material recording and transport clerks	23	3	13	15	65.2
Messengers porters and deliverers	3	0	0	1	33.3

Table 3.5.4 Promotions by critical occupation for the period 1 April 2014 and 31 March 2015 (continued)

Occupation	Employees 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Other administrators and related clerks and organisers	92	0	0	59	64.1
Other administrative policy and related officers	67	0	0	29	43.3
Other information technology personnel.	24	2	8.3	12	50
Other machine operators	1	0	0	0	0
Other occupations	3	1	33.3	0	0
Risk management and security services	6	1	16.7	5	83.3
Safety health and quality inspectors	166	9	5.4	77	46.4
Secretaries and other keyboard operating clerks	86	0	0	71	82.6
Security officers	48	0	0	38	79.2
Senior managers	67	5	7.5	35	52.2
Trade/industry advisers and other related profession	17	0	0	13	76.5
TOTAL	1 113	59	5.3	627	56.3

Table 3.5.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015

Salary Band	Employees 1 April 20YY	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5): Permanent	203	2	1	96	47.3
Highly skilled production (Levels 6-8): Permanent	311	10	3.2	217	69.8
Highly skilled production (Levels 6-8): Temporary	1	0	0	0	0
Highly skilled supervision (Levels 9-12): Permanent	465	38	8.2	259	55.7
Senior management (Levels 13-16): Permanent	73	8	11	42	57.5
Senior management (Levels 13-16): Temporary	1	0	0	0	0
Contract (Levels 1-2): Permanent	0	0	0	0	0
Contract (Levels 3-5), Permanent	6	0	0	1	16.7
Contract (Levels 6-8): Permanent	9	0	0	5	55.6
Contract (Levels 9-12): Permanent	38	1	2.6	7	18.4
Contract (Levels 13-16): Permanent	6	0	0	0	0
TOTAL	1 113	59	5.3	627	56.3

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers: Permanent	42	1	0	7	22	0	0	0	72
Professionals: Permanent	140	1	2	8	151	2	2	5	311
Professionals: Temporary	0	0	0	1	0	0	0	0	1
Technicians and associate professionals: Permanent	144	3	0	45	136	5	1	7	341
Clerks: Permanent	83	2	0	2	202	16	0	18	323
Service and sales workers, Permanent	34	3	0	4	15	1	0	0	57
Plant and machine operators and assemblers: Permanent	1	0	0	0	0	0	0	0	1
Elementary occupations: Permanent	2	0	0	0	6	0	0	0	8
TOTAL	446	10	2	67	532	24	3	30	1 114
Employees with disabilities	5	0	0	2	3	0	0	0	10

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management: Permanent	5	0	0	0	2	0	0	0	7
Senior Management: Permanent	35	1	0	7	25	0	0	0	68
Professionally qualified and experienced specialists and mid-management: Permanent	215	4	2	37	175	2	3	9	447
Skilled technical and academically qualified workers, junior management, supervisors, foremen: Permanent	79	1	0	5	192	15	0	20	312
Skilled technical and academically qualified workers, junior management, supervisors, foremen: Temporary	0	0	0	1	0	0	0	0	1
Semi-skilled and discretionary decision making: Permanent	85	3	0	2	110	6	0	1	207
Contract (Top Management): Permanent	2	0	0	0	0	0	0	0	2
Contract (Senior Management): Permanent	3	0	0	0	1	0	0	0	4
Contract (Professionally qualified): Permanent	10	1	0	15	9	1	0	0	36
Contract (Skilled technical): Permanent	8	0	0	0	10	0	0	0	18
Contract (Semi-skilled): Permanent	4	0	0	0	8	0	0	0	12
TOTAL	446	10	2	67	532	24	3	30	1 114

Table 3.6.3 Recruitment for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management: Temporary	1	0	0	0	0	0	0	0	1
Senior Management: Permanent	0	0	0	0	3	0	0	0	3
Professionally qualified and experienced specialists and mid-management: Permanent	11	1	0	3	13	0	2	0	30
Skilled technical and academically qualified workers, junior management, supervisors, foremen: Permanent	10	0	0	0	15	0	0	0	25
Semi-skilled and discretionary decision making: Permanent	11	0	0	0	13	0	0	0	24
Contract (Top Management): Permanent	1	0	0	0	0	0	0	0	1
Contract (Senior Management): Permanent	2	0	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	2	0	0	1	4	1	0	0	8
Contract (Skilled technical),:Permanent	2	0	0	0	6	0	0	0	8
Contract (Semi-skilled): Permanent	2	0	0	0	5	0	0	0	7
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0
TOTAL	42	1	0	4	59	1	2	0	109
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management: Permanent	3	0	0	0	0	0	0	0	3
Senior Management: Permanent	24	1	0	6	15	0	0	1	47
Professionally qualified and experienced specialists and mid-management: Permanent	143	2	2	19	124	1	0	6	297
Skilled technical and academically qualified workers, junior management, supervisors, foremen: Permanent	47	1	0	4	147	12	0	16	227
Semi-skilled and discretionary decision making: Permanent	39	2	0	2	54	0	0	1	98
Contract (Professionally qualified): Permanent	0	0	0	7	1	0	0	0	8
Contract (Skilled technical), Permanent	3	0	0	0	2	0	0	0	5
Contract (Semi-skilled): Permanent	0	0	0	0	1	0	0	0	1
TOTAL	259	6	2	38	344	13	0	24	686
Employees with disabilities	3	0	0	2	1	0	0	0	6

Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management: Temporary	1	0	0	0	1	0	0	0	2
Senior Management: Permanent	2	0	0	0	4	0	0	1	7
Professionally qualified and experienced specialists and mid-management: Permanent	18	1	0	4	11	0	0	2	36
Skilled technical and academically qualified workers, junior management, supervisors, foremen: Permanent	11	0	0	0	14	0	0	1	26
Semi-skilled and discretionary decision making: Permanent	5	0	0	0	9	0	0	0	14
Contract (Top Management): Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management): Permanent	2	0	0	0	0	0	0	0	2
Contract (Professionally qualified): Permanent	2	0	0	8	1	1	0	1	13
Contract (Skilled technical), Permanent	5	0	0	0	7	0	0	0	12
Contract (Semi-skilled): Permanent	1	0	0	0	1	0	0	0	2
Contract (Unskilled): Permanent	0	0	0	0	0	0	0	0	0
TOTAL	47	1	0	12	49	1	0	5	115
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2014 to 31 March 2015

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
TOTAL	9	0	0	0	8	0	1	1	19

Table 3.6.7 Skills development for the period 1 April 2014 to 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	36	1	0	3	24	1	0	1	66
Professionals	104	1	0	1	73	0	1	1	181
Technicians and Associate Professionals	40	0	0	0	49	0	0	0	89
Clerks		2	0	0	55	2	0	1	60
Service and Sales Workers	39	0	0	1	3	1	0	0	44
Skilled Agriculture and Fishery Workers	5	0	0	0	0	0	0	0	5
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
TOTAL	224	4	0	5	204	4	1	3	445
Employees with disabilities	0	0	0	1	0	0	0	0	1

3.7. Signing of Performance Agreements by SMS members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented in the table.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 30 August 2014

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director General/ Head of Department	1	1	1	100%
Salary Level 16	0	0	0	100%
Salary Level 15	5	5	5	100%
Salary Level 14	23	15	15	100%
Salary Level 13	67	52	52	100%
TOTAL	96	73	73	100%

3.8. Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African Female	346	529	65.4	3,408	9,850
African Male	257	441	58.3	3,403	13,241
Asian Female	0	3	0	0	0
Asian Male	2	2	100	47	23,494
Coloured Female	16	24	66.7	126	7,871
Coloured Male	8	10	80	104	12,988
Total Blacks Female	362	556	65.1	3,534	9,762
Total Blacks Male	267	453	58.9	3,554	13,310
White Female	36	30	120	412	11,458
White, Male	58	65	89.2	1,173	20,220
Employees with a disability	5	10	50	78	15,612
TOTAL	728	1114	65.4	8,751	12,020

Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 to 31 March 2015

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Skilled (Levels 3-5)	110	207	53.1	427	3,882	1.1
Highly skilled production (Levels 6-8)	240	313	76.7	1,601	6,671	1.8
Highly skilled supervision (Levels 9-12)	313	447	70	4,973	15,888	2
Contract (Levels 3-5)	2	12	16.7	8	4,000	0.6
Contract (Levels 6-8)	6	18	33.3	32	5,333	0.8
Contract (Levels 9-12)	23	36	63.9	430	18,696	2.1
Periodical Remuneration	0	34	0	0	0	0
Abnormal Appointment	0	40	0	0	0	0
TOTAL	694	1 107	62.7	7 471	10 765	1.8

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2014 to 31 March 2015

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	91	115	79.1	1,215	13,352
Agriculture animal oceanography forestry and other sciences	1	1	100	6	6,000
Biologists botanists zoologists and related professional	43	101	42.6	546	12,698
Cartographers and surveyors	2	2	100	14	7,000
Cleaners in offices workshops hospitals etc.	4	3	133.3	11	2,750
Client inform clerks(switchboard reception information clerks)	9	12	75	36	4,000
Communication and information related	8	10	80	119	14,875
Economists	34	43	79.1	544	16,000
Engineering sciences related	3	2	150	59	19,667
Finance and economics related	9	9	100	203	22,556
Financial and related professionals	29	36	80.6	265	9,138
Financial clerks and credit controllers	11	17	64.7	67	6,091
Food services aids and waiters	1	1	100	5	5,000
General legal administration and related professionals	2	4	50	31	15,500
Head of Department/Chief Executive Officer	0	1	0	0	0
Human resources and organisational development and related profession	24	34	70.6	301	12,542
Human resources clerks	9	15	60	54	6,000
Human resources related	0	2	0	0	0
Information technology related	4	7	57.1	54	13,500
Language practitioners interpreters and other communicators	4	6	66.7	26	6,500
Legal related	3	5	60	51	17,000
Librarians and related professionals	2	2	100	14	7,000
Library mail and related clerks	20	78	25.6	92	4,600
Logistical support personnel	6	12	50	37	6,167
Material recording and transport clerks	15	26	57.7	73	4,867
Messengers porters and deliverers	1	3	33.3	3	3,000
Other administrators and related clerks and organisers	71	91	78	398	5,606
Other administrative policy and related officers	33	57	57.9	291	8,818
Other information technology personnel.	14	31	45.2	85	6,071
Other machine operators	1	1	100	4	4,000
Other occupations	0	3	0	0	0
Risk management and security services	5	6	83.3	55	11,000
Safety health and quality inspectors	115	157	73.2	2,151	18,704
Secretaries and other keyboard operating clerks	68	84	81	449	6,603
Security officers	42	51	82.4	180	4,286
Senior managers	31	69	44.9	1,128	36,387
Trade/industry advisers and other related profession	13	17	76.5	184	14,154
TOTAL	728	1 114	65.4	8 751	12 021

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 to 31 March 2015

Salary band	Beneficiary Profile			Cost		% of SMS Wage Bill	Personnel Cost SMS (R'000)
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee		
Band A	28	58	48.3	1,012	36,143	2	51,823
Band B	5	14	35.7	214	42,800	1.3	16,661
Band C	1	5	20	54	54,000	0.8	6,895
Band D	0	4	0	0	0	0	0
TOTAL	34	81	42	1 280	37 647.1	1.7	75 379

* The performance rewards in this report does not include the performance rewards paid on the BAS System.

3.9. Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2014 and 31 March 2015

Salary band	01 April 2014		31 March 2015		Change		Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
	Number	% of total	Number	% of total	Number	% Change			
Highly skilled supervision (Levels 9 -12)	1	100	0	0	-1	0	1	1	0
Periodical Remuneration	0	0	1	100	1	0	1	1	0
TOTAL	1	100	1	100	0	0	1	1	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015

Salary band	01 April 2014		31 March 2015		Change		Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
	Number	% of total	Number	% of total	Number	% Change			
Other occupations	0	0	1	100	1	0	1	1	0
Technicians and associated professionals	1	100	0	0	-1	0	1	1	0
TOTAL	1	100	1	100	0	0	1	1	0

3.10. Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2014 to 31 December 2014

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)	1281	84.9	173	20	7	813	858	1088
Highly skilled production (Levels 6-8)	1997	81.3	262	30.4	8	2,052	858	1624
Highly skilled supervision (Levels 9-12)	2317.5	82.3	326	37.8	7	4,594	858	1907
Senior management (Levels 13-16)	369	81.6	51	5.9	7	1,229	858	301
Contract (Levels 3-5)	20	85	7	0.8	3	11	858	17
Contract (Levels 6-8)	82	82.9	14	1.6	6	71	858	68
Contract (Levels 9-12)	119.5	90.4	22	2.5	5	231	858	108
Contract (Levels 13-16)	22	100	3	0.3	7	121	858	22
Total	6 208	82.7	858	99.4	7	9 122	858	5 135

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014

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)	562	100	5	15.6	112	372	562	32
Highly skilled production (Levels 6-8)	387	100	10	31.3	39	385	387	32
Highly skilled supervision (Levels 9-12)	554	99.8	15	46.9	37	1,042	553	32
Senior management (Levels 13-16)	140	100	1	3.1	140	449	140	32
Contract (Levels 6-8)	5	100	1	3.1	5	4	5	32
TOTAL	1 648	99.9	32	100	52	2 252	1 647	32

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Skilled (Levels 3-5)	4138	20	212
Highly skilled production (Levels 6-8)	6752	20	335
Highly skilled supervision (Levels 9-12)	9777.25	20	478
Senior management (Levels 13-16)	1652	20	81
Contract (Levels 3-5)	86	7	12
Contract (Levels 6-8)	198	10	20
Contract (Levels 9-12)	721.92	16	46
Contract (Levels 13-16)	62	12	5
TOTAL	2 3387.17	20	1 189

Table 3.10.4 Capped leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2014	Total number of capped leave available at 31 December 2014	Number of Employees as at 31 December 2014
Highly skilled production (Levels 6-8)	8	3	3	18	1085	62
Highly skilled supervision (Levels 9-12)	100	9	11	28	2064	75
Senior management (Levels 13-16)	11	2	6	25	557	22
TOTAL	119	14	9	23	3706	159

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payout for the period 1 April 2014 and 31 March 2015

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2014/15 due to non-utilisation of leave for the previous cycle	168	4	42 000
Capped leave payouts on termination of service for 2014/15	2,855	58	49 224
Current leave payout on termination of service for 2014/15	637	50	12 740
Total	3 660	112	32 679

3.11. HIV/Aids and Health Promotion Programmes

Table 3.11.1 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
None	Not applicable
None	Not applicable

Table 3.11.2 Details of Health Promotion and HIV/Aids Programmes

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.	Yes		Director: Employment Relations Management, Mr SS Hlongwane.
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the 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.	Yes		Wellness Unit, Three (3) employees.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		The Department has outsourced Employee Assistance Programme (EAP) services with Health Choices.
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.	Yes		Mr C Mabena (Chairperson), Ms S Chamane, Mr J Mafale, Mr A Eagar (Organised Labour), Ms O Sedibe, E Sesaletse, R Khalishwayo and D Morabe.
5. Has the Department reviewed its employment policies and practices 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.	Yes		Health Productivity Management, Occupational Health Safety, HIV/ Aids and Wellness Policy.
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.	Yes		The Employee Health and Wellness Policies guide and protect HIV positive employees.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		The Department conducts Health Risk assessment twice per year.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		No	

3.12. Labour relations

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	2	11%
Written warning	9	47%
Final written warning	2	11%
Suspended without pay	2	11%
Fine	0	0%
Demotion	0	0%
Dismissal	1	5%
Not guilty	2	11%
Case withdrawn	1	5%
TOTAL	19	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015

Type of misconduct	Number	% of total
Fraud	2	11%
Non-compliance	9	47%
Misuse of government property	2	11%
Dereliction of duties	5	26%
Late coming	1	5%
TOTAL	19	100%

Table 3.12.4 Grievances logged for the period 1 April 2014 and 31 March 2015

Grievances	Number	% of Total
Number of grievances resolved	11	85%
Number of grievances not resolved	2	15%
TOTAL NUMBER OF GRIEVANCES LODGED	13	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2014 and 31 March 2015

Disputes	Number	% of Total
Number of disputes upheld	3	75
Number of disputes dismissed	0	
Number of dispute settled at conciliation	1	25
TOTAL NUMBER OF DISPUTES LODGED	4	

Table 3.12.6 Strike action for the period 1 April 2014 and 31 March 2015

Total number of person working days lost	0
Total cost(R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2014 and 31 March 2015

Number of people suspended	7
Number of people whose suspension exceeded 30 days	7
Average number of days suspended	60
Cost (R'000) of suspensions	R456 284.07

3.13. Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	25	0	11	0	11
	Male	46	0	19	0	19
Professionals	Female	148	0	189	0	189
	Male	150	0	180	0	180
Technicians and associate professionals	Female	153	0	124	0	124
	Male	206	0	86	0	86
Clerks	Female	226	0	133	0	133
	Male	82	0	66	0	66
Service and sales workers	Female	15	0	10	0	10
	Male	39	0	29	0	29
Skilled agriculture and fishery workers	Female	0	0	0	0	579
	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	1	0	0	0	0
Elementary occupations	Female	12	0	10	0	10
	Male	4	0	4	0	4
Gender sub totals	Female	579	0	477	0	477
	Male	528	0	384	0	384
TOTAL		1 107	0	861	0	861

Table 3.13.2 Training provided for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	25	0	18	8	26
	Male	46	0	28	12	40
Professionals	Female	148	0	54	21	75
	Male	150	0	77	29	106
Technicians and associate professionals	Female	153	0	29	20	49
	Male	206	0	13	27	40
Clerks	Female	226	0	29	29	58
	Male	82	0	25	16	41
Service and sales workers	Female	15	0	6	0	6
	Male	39	0	3	1	4
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	1	0	0	0	0
Elementary occupations	Female	12	0	0	0	0
	Male	4	0	0	0	0
Gender sub totals	Female	579	0	136	78	214
	Male	528	0	146	85	231
TOTAL		1 107	0	282	163	445

3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2014 and 31 March 2015

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	0

3.15. Utilisation of consultants

The following tables relate information on the utilisation of consultants by the Department. In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a Department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a Department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Appointment of E-Sek Technology Solutions to Cascade the 2014-19 strategic plan and review the 2015/16 Annual Performance Plan for the Department.	4	3 months	R 483,360.00
Appointment of Ennovate to implement, customise and support the ERP X3 Management Information System to the Department for a period of three years.	2	3 years	R 1,946,889.08
Appointment of Entsika Consulting Services to render project management services to the Department for a period of 4 months.	2	4 months	R 1,404,434.40
Appointment of Eratis Technologies to assist with the development of Mining Charter Management Information System for a period of three months.	1	3 months	R 176,700.00
Appointment of Matlotlo Group Pty Ltd to review the methodologies applied to produce the Mining Charter scorecard in the Department of Mineral Resources.	3	1 month	R 342,000.00
Appointment of KPMG to recalculate debtors balances for the royalties and prospecting fees in the Department.	53	6 months	R 8,215,548.00
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in rand
6	65	875	R 12,568,931.48

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015

Project title	Percentage ownership by HDI groups
Appointment of E-Sek Technology Solutions to Cascade the 2014-19 strategic plan and review the 2015/16 Annual Performance plan for the Department	51% black ownership
Appointment of Ennovate to implement, customise and support the ERP X3 management information system to the Department for a period of three years	0%
Appointment of Entsika Consulting Services to render project management services to the Department for a period of 4 months	100% black ownership
Appointment of Eratis Technologies to assist with the development of Mining Charter Management information system for a period of three months	100% black ownership
Appointment of Matlotlo Group Pty Ltd to review the methodologies applied to produce the mining Charter scorecard in the Department of Mineral Resources	100% black ownership
Appointment of KPMG to recalculate debtors balances for the royalties and prospecting fees in the Department	77.27% black ownership



PART E: FINANCE INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF MINERAL RESOURCES

for the year ended 31 March 2015

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1. REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to Parliament on vote no. 32:
Department of Mineral Resources

Report on the financial statements

Introduction

1. I have audited the financial statements of the Department of Mineral Resources set out on pages 90 to 138, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Mineral Resources as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

8. As disclosed in note 31.1 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of an error discovered during 31 March 2015 in the financial statements of the Department of Mineral Resources at, and for the year ended, 31 March 2014.

Additional matter

Unaudited supplementary schedules

9. The supplementary information set out on pages 134 to 138 does not form part of the financial statements and is presented as additional information. I have not audited these schedule (s) and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2015:

- Programme: Mine Health and Safety on pages 36 to 41
- Programme: Mineral Regulation on pages 41 to 45
- Programme: Mineral Policy and Promotion on pages 45 to 48

12. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

15. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Mine Health and Safety
- Mineral Regulation
- Mineral Policy and Promotion

Additional matter

16. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

Achievement of planned targets

17. Refer to the annual performance report on 24 to 48 for information on the achievement of the planned targets for the year

Compliance with legislation

18. I performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Financial statements, performance and annual reports

19. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (a) of the Public Finance Management Act.

20. Material misstatements of revenue, lease commitments and leave provision identified by the auditors in the submitted financial statement were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

21. The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by section sections 38(1)(c)(ii) and 39(1)(b) of the PFMA.

Procurement and contract management

22. The preference point system was not applied in some procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and Treasury Regulations 16A6.3(b).

23. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury regulation 16A8.3.

Internal control

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control

deficiencies that resulted in the findings on non-compliance with legislation included in this report.

Financial and performance management

25. Management did not prepare regular, accurate and complete financial reports as the financial statements contained misstatements that were subsequently corrected.

26. Management did not adequately monitor compliance with applicable laws and legislations.

Auditor-General.

.....
Auditor-General
Pretoria
31 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPROPRIATION STATEMENT

for the year ended 31 March 2015

APPROPRIATION PER PROGRAMME								
2014/15							2013/14	
	Adjusted Appropriation	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
1. Administration								
Current payment	286,615	17,785	304,400	304,125	275	99.9%	295,243	294,847
Transfers and subsidies	2,743	2,189	4,932	4,934	(2)	100.0%	2,699	2,699
Payment for capital assets	8,255	(1,989)	6,266	6,162	104	98.3%	12,193	11,017
Payment for financial assets	-	-	-	-	-	-	9	9
	297,613	17,985	315,598	315,221	377	99.9%	310,144	308,572
2. Promotion of Mine Safety and Health								
Current payment	166,208	(6,094)	160,114	160,109	5	100.0%	147,381	147,381
Transfers and subsidies	5,197	9	5,206	5,206	-	100.0%	5,035	5,035
Payment for capital assets	596	1,581	2,177	2,177	-	100.0%	1,582	804
Payment for financial assets	-	-	-	-	-	-	-	-
	172,001	(4,504)	167,497	167,492	5	100.0%	153,998	153,220
3. Mineral Regulation								
Current payment	186,132	(2,294)	183,838	183,836	2	100.0%	159,817	159,817
Transfers and subsidies	47,810	57	47,867	47,867	-	100.0%	44,824	44,824
Payment for capital assets	2,773	3,182	5,955	5,955	-	100.0%	880	880
Payment for financial assets	-	-	-	-	-	-	-	-
	236,715	945	237,660	237,658	2	100.0%	205,521	205,521
4. Mineral Policy and Promotion								
Current payment	105,385	(16,574)	88,811	88,811	-	100.0%	82,778	82,757
Transfers and subsidies	663,693	2,033	665,726	665,726	-	100.0%	640,181	635,941
Payment for capital assets	134	115	249	249	-	100.0%	1,226	1,207
Payment for financial assets	-	-	-	-	-	-	1	1
	769,212	(14,426)	754,786	754,786	-	100.0%	724,186	719,906
Total	1,475,541	-	1,475,541	1,475,157	384	100.0%	1,393,849	1,387,219

APPROPRIATION STATEMENT

for the year ended 31 March 2015

	2014/15		2013/14	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	46,207		109,034	
Aid assistance	1,938		-	
Actual amounts per statement of financial performance (total revenue)	1,523,686		1,502,883	
Add: Aid assistance		1,938		
Actual amounts per statement of financial performance (total expenditure)		1,477,095		1,387,219

APPROPRIATION PER ECONOMIC CLASSIFICATION								
	2014/15						2013/14	
	Adjusted Appropriation	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
Current payments								
Compensation of employees	491,996	(7,367)	484,629	484,619	10	100.0%	435,288	435,251
Goods and services	252,344	3,079	252,534	252,262	272	99.9%	249,931	249,551
Transfers and subsidies								
Departmental agencies and accounts	347,276	-	347,276	347,278	(2)	100.0%	321,091	321,091
Public corporations and private enterprises	370,854	-	370,854	370,854	-	100.0%	368,949	364,709
Households	1,313	4,288	5,601	5,601	-	100.0%	2,699	2,699
Payments for capital assets								
Buildings and other fixed structures	3,792	(756)	3,036	2,939	97	96.7%	785	92
Machinery and equipment	7,966	756	7,164	7,163	1	100.0%	15,096	13,816
Software and other intangible assets	-	-	4,447	4,441	6	99.6%	-	-
Payments for financial assets	-	-	-	-	-	-	10	10
Total	1,475,541	-	1,475,541	1,475,157	384	100.0%	1,393,849	1,387,219

APPROPRIATION STATEMENT

for the year ended 31 March 2015

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2014/15							2013/14	
	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
Current payments									
Compensation of employees	153,583	-	(5,498)	148,085	148,079	6	100.0%	136,298	136,282
Goods and services	133,032	-	23,283	156,315	156,046	269	99.9%	158,945	158,565
Transfers and subsidies									
Departmental agencies and account	1,430	-	-	1,430	1,432	(2)	100.1%	-	-
Households	1,313	-	2,189	3,502	3,502	-	100.0%	2,699	2,699
Payments for capital assets									
Buildings and other fixed structures	2,792	-	(742)	2,050	1,953	97	95.3%	785	92
Machinery and equipment	5,463	(1,558)	(1,247)	2,658	2,657	1	100.0%	11,408	10,925
Software and other intangible asset	-	1,558	-	1,558	1,552	6	99.6%	-	-
Payments for financial assets	-	-	-	-	-	-	-	9	9
Total	297,613	-	17,985	315,598	315,221	377	99.9%	310,144	308,572

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Detail per sub-programme	2014/15						2013/14	
	Adjusted Appropriation	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
<i>1.1 Ministry</i>								
Current payment	25,434	324	25,758	25,756	2	100.0%	28,078	28,078
Payment for capital assets	174	228	402	402	-	100.0%	278	146
Payment for financial assets	-	-	-	-	-	-	5	5
Transfer and subsidies	-	322	322	322	-	100.0%	-	-
<i>1.2 Corporate Services</i>								
Current payment	112,140	40,030	152,170	152,085	85	99.9%	145,264	145,248
Transfers and subsidies	2,743	1,867	4,610	4,612	(2)	100.0%	2,699	2,699
Payment for capital assets	3,710	(980)	2,721	2,624	97	96.4%	4,200	3,244
Payment for financial assets	-	-	-	-	-	-	4	4
<i>1.3 Departmental Management</i>								
Current payment	24,429	(7,598)	16,831	16,830	1	100.0%	16,944	16,944
Payment for capital assets	48	407	455	455	-	100.0%	264	183
<i>1.4 Financial Administration</i>								
Current payment	83,372	(1,335)	82,037	81,852	185	99.8%	69,293	69,293
Payment for capital assets	4,332	(1,735)	2,597	2,590	7	99.7%	7,160	7,155
<i>1.5 Internal Audit</i>								
Current payment	12,807	(697)	12,110	12,108	2	100.0%	11,496	11,496
Payment for capital assets	-	91	91	91	-	100.0%	291	289
Payment for financial assets							-	-
<i>1.6 Office Accommodation</i>								
Current payment	28,433	(12,939)	15,494	15,494	-	100.0%	24,168	23,788
Total	297,613	17,985	315,598	315,221	377	99.9%	310,144	308,572

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Program 2 Economic classification	2014/15						2013/14	
	Adjusted Appropriation	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
Current payments								
Compensation of employees	133,554	510	134,064	134,060	4	100.0%	119,775	119,775
Goods and services	32,654	(6,604)	26,050	26,049	1	100.0%	27,606	27,606
Transfers and subsidies to:								
Departmental agencies and accounts	5,197	-	5,197	5,197	-	100.0%	5,035	5,035
Households		9	9	9	-	100.0%		
Payment for capital assets								
Machinery and equipment	596	1,581	2,177	2,177	-	100.0%	1,582	804
Payments for financial assets							-	-
Total	172,001	(4,504)	167,497	167,492	5	100.0%	153,998	153,220

Detail per sub-programme	2014/15							2013/14	
	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
2.1 Governance policy and oversight									
Current payment	47,868	(2,447)	(3,057)	42,364	42,362	2	100.0%	38,267	38,267
Transfers and subsidies	5,197	-	-	5,197	5,197	-	100.0%	5,035	5,035
Payment for capital assets	596	-	479	1,075	1,075	-	100.0%	1,505	727
2.2 Mine Health and Safety (Regions)									
Current payment	118,340	2,447	(3,037)	117,750	117,747	3	100.0%	109,114	109,114
Transfer and subsidies	-	-	9	9	9	-	100.0%	-	-
Payment for capital assets	-	-	1,102	1,102	1,102	-	100.0%	77	77
Total	172,001	-	(4,504)	167,497	167,492	5	100.0%	153,998	153,220

APPROPRIATION STATEMENT

for the year ended 31 March 2015

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION								
Program 3 Per Economic classification	2014/15						2013/14	
	Adjusted Appropriation	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
Current payments								
Compensation of employees	150,043	(2,210)	147,833	147,833	-	100.0%	126,063	126,063
Goods and services	36,089	(84)	36,005	36,003	2	100.0%	33,754	33,754
Transfers and subsidies								
Departmental agencies and accounts	47,810	-	47,810	47,810	-	100.0%	44,824	44,824
Households	-	57	57	57	-	100.0%	-	-
Payments for capital assets								
Machinery and equipment	1,773	307	2,080	2,080	-	100.0%	880	880
Building and other fixed structures	1,000	(14)	986	986	-	100.0%	-	-
Software and other Intangible assets		2,889	2,889	2,889	-	100.0%	-	-
Total	236,715	945	237,660	237,658	2	100.0%	205,521	205,521

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Detail per sub-programme	2014/15							2013/14	
	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
3.1 Mineral Regulation and Administration									
Current payment	165,016	(95)	1,166	166,087	166,085	2	100.0%	145,330	145,330
Transfers and subsidies	-	-	57	57	57	-	100.0%	-	-
Payment for capital assets	2,773	-	253	3,026	3,026	-	100.0%	280	280
Payment for financial assets								-	-
3.2 Management Mineral Regulation									
Current payment	21,116	(2,794)	(571)	17,751	17,751	-	100.0%	14,487	14,487
Payment for capital assets	-	2,889	40	2,929	2,929	-	100.0%	600	600
3.3 South African Diamond and Precious metal Regulator									
Transfers and subsidies	47,810	-	-	47,810	47,810	-	100.0%	44,824	44,824
Total	236,715	-	945	237,660	237,658	2	100.0%	205,521	205,521

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
Program 4 Per Economic classification	2014/15							2013/14	
	Adjusted Appropriation	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	
Current payments									
Compensation of employees	54,816	(169)	54,647	54,647	-	100.0%	53,152	53,131	
Goods and services	50,569	(16,405)	34,164	34,164	-	100.0%	29,626	29,626	
Transfers and subsidies									
Departmental agencies and accounts	292,839	-	292,839	292,839	-	100.0%	271,232	271,232	
Public corporations and private enterprises	370,854	-	370,854	370,854	-	100.0%	368,949	364,709	
Households	-	2,033	2,033	2,033	-	100.0%	-	-	
Payments for capital assets									
Machinery and equipment	134	115	249	249	-	100.0%	1,226	1,207	
Payments for financial assets	-	-	-	-	-	-	1	1	
Total	769,212	(14,426)	754,786	754,786	-	100.0%	724,186	719,906	

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Detail per sub-programme	2014/15						2013/14	
	Adjusted Appropriation	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
4.1 Management								
Current payment	12,777	(2,335)	10,442	10,439	3	100.0%	12,088	12,088
Payment for capital assets	-	48	48	48	-	100.0%	152	152
Transfer and subsidies	-	228	228	228	-	100.0%	-	-
4.2 Mineral Policy								
Current payment	39,185	(7,064)	32,121	32,121	-	100.0%	23,774	23,774
Payment for capital assets	-	65	65	65	-	100.0%	206	190
4.3 Mineral Promotion								
Current payment	41,447	(6,269)	35,178	35,160	18	99.9%	36,589	36,589
Transfers and subsidies	-	1,805	1,805	1,805	-	100.0%	4,240	-
Payment for capital assets	-	121	121	121	-	100.0%	569	569
Payment for financial assets	-	-	-	-	-	-	1	1
4.4 Council for Geoscience								
Transfers and subsidies	292,839	-	292,839	292,839	-	100.0%	271,232	271,232
4.5 Council for Mineral Technology								
Transfers and subsidies	370,854	-	370,854	370,854	-	100.0%	364,709	364,709
4.6 Economic Advisory Services								
Current payment	2,811	(165)	2,646	2,753	(107)	104.0%	3,111	3,090
Payment for capital assets	134	(134)	-	-	-	-	239	239
4.7 Mine Environmental Management								
Current payment	9,165	(741)	8,424	8,338	86	99.0%	7,216	7,216
Payment for capital assets	-	15	15	15	-	100.0%	60	57
Total	769,212	(14,426)	754,786	754,786	-	100.0%	724,186	719,906

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2015

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed on note 6 Transfers and subsidies, disclosure and Annexure 1 (B,D and J) to the Annual Financial Statements.

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

There were no amounts exclusively voted in the year under review.

3. Detail on payments for financial assets

There were no amounts written off during the year under review, this has been discussed under note 5 of the Annual Financial Statements.

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

There were no material variances on the voted funds

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
REVENUE			
Annual appropriation	1	1,475,541	1,393,849
Departmental revenue	2	46,207	109,034
Aid Assistance		1,938	-
TOTAL REVENUE		1,523,686	1,502,883
EXPENDITURE			
Current expenditure			
Compensation of employees	3	484,619	435,251
Goods and services	4	252,262	249,551
Total current expenditure		736,881	684,802
Transfers and subsidies			
Transfers and subsidies	6	723,733	688,499
Aid Assistance		1,938	-
Total transfers and subsidies		725,671	688,499
Expenditure for capital assets			
Tangible assets	7	10,102	13,908
Intangible assets	7	4,441	-
Total expenditure for capital assets		14,543	13,908
Payments for financial assets	5	-	10
TOTAL EXPENDITURE		1,477,095	1,387,219
SURPLUS/(DEFICIT) FOR THE YEAR		46,591	115,664
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		384	6,630
Annual appropriation	11	384	6,630
Departmental revenue and NRF Receipts	12	46,207	109,034
SURPLUS/(DEFICIT) FOR THE YEAR		46,591	115,664

STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
ASSETS			
Current assets		11,419	45,808
Cash and cash equivalents	8	774	36,951
Prepayments and advances	9	214	179
Receivables	10	10,431	8,678
TOTAL ASSETS		<u>11,419</u>	<u>45,808</u>
LIABILITIES			
Current liabilities		7,084	43,306
Voted funds to be surrendered to the Revenue Fund	11	384	6,630
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	1,907	36,027
Payables	14	136	649
Bank overdraft	13	4,657	
TOTAL LIABILITIES		<u>7,084</u>	<u>43,306</u>
NET ASSETS		<u>4,335</u>	<u>2,502</u>
Represented by:			
Recoverable revenue		4,335	2,502
TOTAL		<u>4,335</u>	<u>2,502</u>

STATEMENT OF CHANGES

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
Recoverable revenue			
Opening balance		2,502	2,370
Transfers:		1,833	132
Debts revised		(65)	(41)
Debts recovered (included in departmental receipts)		(234)	(309)
Debts raised		2,132	482
Closing balance		<u>4,335</u>	<u>2,502</u>
Total		<u>4,335</u>	<u>2,502</u>

CASH FLOW STATEMENT

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,523,686	1,502,883
Annual appropriated funds received	1	1,475,541	1,393,849
Departmental revenue received	2	46,093	108,946
Interest received	2.3	57	88
Aid assistance received		1,938	-
Net increase in working capital		(2,301)	(1,086)
Surrendered to Revenue Fund		(86,957)	(79,686)
Current payments		(736,881)	(684,802)
Payments for financial assets		-	(10)
Transfers and subsidies paid		(725,671)	(688,499)
Net cash flow available from operating activities	15	(29,484)	48,800
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(14,543)	(13,908)
Proceeds from sale of capital assets		1,360	-
Net cash flows from investing activities		(13,183)	(13,908)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		1,833	132
Net cash flows from financing activities		1,833	132
Net increase/(decrease) in cash and cash equivalents		(40,834)	35,024
Cash and cash equivalents at beginning of period		36,951	1,927
Cash and cash equivalents at end of period	16	(3,883)	36,951

ACCOUNTING POLICIES

for the year ended 31 March 2015

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 Going concern

The financial statements have been prepared on a going concern basis.

3 Presentation currency

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

4 Rounding

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

5 Comparative information

5.1 *Prior period comparative information*

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.

5.2 *Current year comparison with budget*

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

ACCOUNTING POLICIES

for the year ended 31 March 2015

6 Revenue

6.1 *Appropriated funds*

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

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

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

6.2 *Departmental revenue*

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

The significant part of departmental revenue is made up of prospecting fees.

Prospecting fees - the fees payable for prospecting as defined by the MPRDA.

6.3 *Accrued departmental revenue*

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

7 Expenditure

7.1 *Compensation of employees*

7.1.1 *Salaries and wages*

Salaries and wages are recognised in the statement of financial performance on the date of payment.

7.1.2 *Social contributions*

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

ACCOUNTING POLICIES

for the year ended 31 March 2015

7.2 *Other expenditure*

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

7.3 *Accrued expenditure payable*

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.

7.4 *Leases*

7.4.1 *Operating leases*

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

7.4.2 *Finance leases*

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

8 *Aid Assistance*

8.1 *Aid assistance received*

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

8.2 *Aid assistance paid*

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

ACCOUNTING POLICIES

for the year ended 31 March 2015

9 Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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.

10 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

11 Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

12 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

13 Payables

Loans and payables are recognised in the statement of financial position at cost.

14 Capital Assets

14.1 *Immovable capital assets*

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

ACCOUNTING POLICIES

for the year ended 31 March 2015

14.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

14.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

15 Provisions and Contingents

15.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

15.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

ACCOUNTING POLICIES

for the year ended 31 March 2015

15.3 *Contingent assets*

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department

15.4 *Commitments*

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash

16 *Unauthorised expenditure*

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament with funding and the related funds are received; or
- approved by Parliament without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

17 *Fruitless and wasteful expenditure*

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

18 *Irregular expenditure*

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

ACCOUNTING POLICIES

for the year ended 31 March 2015

19 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

20 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

21 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 recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received

22 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. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

23 Inventories

At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and replacement value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

1. Annual Appropriation

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

	2014/15		2013/14
	Final Appropriation	Actual Funds Received	Appropriation received
	R'000	R'000	R'000
Administration	315,598	315,598	310,144
Promotion of Mine Safety and Health	167,497	167,497	153,998
Mineral Regulation	237,660	237,660	205,521
Mineral Policy and promotion	754,786	754,786	724,186
Total	1,475,541	1,475,541	1,393,849

2. Departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Sales of goods and services other than capital assets	2.1	3,230	2,416
Fines, penalties and forfeits	2.2	1,117	1,115
Interest, dividends and rent on land	2.3	31,755	104,938
Sale of capital assets	2.4	1,360	-
Transactions in financial assets and liabilities	2.5	8,745	565
Total revenue collected		46,207	109,034
Departmental revenue collected		46,207	109,034

2.1 Sales of goods and services other than capital assets

	2014/15 R'000	2013/14 R'000
Sales of goods and services produced by the department	3,230	2,415
Sales by market establishment	482	497
Administrative fees	2,232	1,356
Other sales	516	562
Sales of scrap, waste and other used current goods	-	1
Total	3,230	2,416

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

2.2 Fines, penalties and forfeits

	2014/15 R'000	2013/14 R'000
Penalties	1,117	1,115
Total	1,117	1,115

2.3 Interest, dividends and rent on land

	2014/15 R'000	2013/14 R'000
Interest	57	88
Rent on land	31,698	104,850
Total	31,755	104,938

2.4 Sale of capital assets

	2014/15 R'000	2013/14 R'000
Tangible assets		
Machinery and equipment	1,360	-
Total	1,360	-

2.5 Transaction in financial assets and liabilities

	2014/15 R'000	2013/14 R'000
Receivables	298	561
Other receipts including Recoverable Revenue	*8,447	4
Total	8,745	565

*During the current financial year R8,447 000.00 was received from Mining rights license holders for royalty which is administered by South African Revenue Services. These amounts were paid over to the National Revenue Fund.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

3. Compensation of employees

3.1 Salaries and Wages

3.2	2014/15 R'000	2013/14 R'000
Basic salary	335,181	301,001
Performance award	9,152	7,413
Service Based	176	179
Compensative/circumstantial	8,733	6,525
Periodic payments	197	131
Other non-pensionable allowances	71,684	66,139
Total	<u>425,123</u>	<u>381,388</u>

3.2 Social contributions

	2014/15 R'000	2013/14 R'000
Employer contributions		
Pension	43,311	38,434
Medical	16,112	15,367
Bargaining council	73	62
Total	<u>59,496</u>	<u>53,863</u>
Total compensation of employees	<u>484,619</u>	<u>435,251</u>
Average number of employees	<u>1,136</u>	<u>1,138</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

4 Goods and services

		2014/15	2013/14
	Note	R'000	R'000
Administrative fees		2,115	2,630
Advertising		1,055	3,504
Minor assets	4.1	261	334
Bursaries (employees)		992	1,793
Catering		508	1,185
Communication		14,578	14,997
Computer services	4.2	18,939	18,019
Consultants: Business and advisory services		25,679	5,847
Legal Fees		-	9,218
Contractors		-	1,155
Agency and support/ outsourced services		-	95
Entertainment		-	3
Audit cost – external	4.3	5,280	6,885
Fleet services		6,594	6,040
Inventory	4.4	600	103
Consumables	4.5	6,247	5,781
Operating leases		75,514	90,421
Property payments	4.6	4,137	5,362
Rental and hiring		12	-
Travel and subsistence	4.7	55,732	59,301
Venues and facilities		4,991	2,657
Training and development		4,736	3,006
Other operating expenditure	4.8	24,292	11,215
Total		<u>252,262</u>	<u>249,551</u>

4.1 Minor Assets

	2014/15	2013/14
	R'000	R'000
Tangible assets		
Machinery and equipment	261	334
Total	<u>261</u>	<u>334</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

4.2 Computer services

	2014/15	2013/14
	R'000	R'000
SITA computer services	5,130	7,515
External computer service providers	13,809	10,504
Total	<u>18,939</u>	<u>18,019</u>

4.3 Audit cost – External

	2014/15	2013/14
	R'000	R'000
Regularity audits	5,280	6,885
Total	<u>5,280</u>	<u>6,885</u>

4.4 Inventory

	2014/15	2013/14
	R'000	R'000
Food and food supplies	17	14
Materials and supplies	582	69
Medical supplies	1	20
Total	<u>600</u>	<u>103</u>

4.5 Consumables

	2014/15	2013/14
	R'000	R'000
Consumable supplies	2,301	1,693
Uniform and clothing	1,190	1,096
Household supplies	350	409
IT consumables	62	30
Other consumables	699	158
Stationery, printing and office supplies	3,946	4,088
Total	<u>6,247</u>	<u>5,781</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

4.6 Property payments

	2014/15	2013/14
	R'000	R'000
Property maintenance and repairs	20	21
Other	4,117	5,341
Total	<u>4,137</u>	<u>5,362</u>

4.7 Travel and subsistence

	2014/15	2013/14
	R'000	R'000
Local	49,824	46,594
Foreign	5,908	12,707
Total	<u>55,732</u>	<u>59,301</u>

4.8 Other operating expenditure

	2014/15	2013/14
	R'000	R'000
Professional bodies, membership and subscription fees	17,534	6,843
Resettlement costs	4,503	1,868
Other	2,255	2,504
Total	<u>24,292</u>	<u>11,215</u>

5 Payments for financial assets

	2014/15	2013/14	
Note	R'000	R'000	
Other material losses written off	5.1	-	10
Total	<u>-</u>	<u>10</u>	

5.1 Other material losses written off

	2014/15	2013/14
	R'000	R'000
Nature of losses		
Government Garage and Car Rental accidents	-	8
Debts written off	-	2
Total	<u>-</u>	<u>10</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

6 Transfers and subsidies

		2014/15	2013/14
	Note	R'000	R'000
Departmental agencies and accounts	Annex 1B	347,278	321,091
Public corporations and private enterprises	Annex 1D	370,854	364,709
Households	Annex 1G	5,601	2,699
Total		723,733	688,499

7 Expenditure for capital assets

		2014/15	2013/14
	Note	R'000	R'000
Tangible assets		10,102	13,908
Buildings and other fixed structures	30	2,938	92
Machinery and equipment	27	7,164	13,816
Intangible assets		4,441	-
Software	29	4,441	-
Total		14,543	13,908

7.1 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds	Total
	R'000	R'000
Tangible assets	10,102	10,102
Buildings and other fixed structures	2,938	2,938
Machinery and equipment	7,164	7,164
Intangible assets	4,441	4,441
Software	4,441	4,441
Total	14,543	14,543

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

7.2 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Total R'000
Tangible assets	13,908	13,908
Buildings and other fixed structures	92	92
Machinery and equipment	13,816	13,816
Total	13,908	13,908

7.3 Finance lease expenditure included in Expenditure for capital assets

	2014/15 R'000	2013/14 R'000
Tangible assets	-	8,416
Machinery and equipment	-	8,416
Total	-	8,416

8 Cash and cash equivalents

	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account	-	1,973
Cash on hand	71	71
Investments (Domestic)	703	34,907
Total	774	36,951

9 Prepayments and advances

	2014/15 R'000	2013/14 R'000
Travel and subsistence	214	179
Total	214	179

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

10 Receivables

	Note	2014/15				2013/14
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total	R'000 Total
Claims recoverable	10.1 Annex 4	1,782	-	-	1,782	1,868
Recoverable expenditure	10.2	3	-	2,914	2,917	2,917
Staff debt	10.3	2,180	829	2724	5,732	3,893
Total		3,965	829	5,638	10,431	8,678

10.1 Claims recoverable

	2014/15 R'000	2013/14 R'000
National departments	1,782	1,868
Total	1,782	1,868

10.2 Recoverable expenditure (disallowance accounts)

	2014/15 R'000	2013/14 R'000
Disallowance damages and losses	2,914	2,914
Salary tax debt	-	3
Salary reversal control	3	-
Total	2,917	2,917

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

10.3 Staff debt

	2014/15 R'000	2013/14 R'000
Cell phone	86	19
Contract	66	60
Disallowance	1,946	1,410
Study debt	3,250	1,999
Subsidised vehicles	256	250
Telephone	42	84
Dinners	72	71
GG Car	14	-
Total	5,732	3,893

11 Voted funds to be surrendered to the Revenue Fund

	2014/15 R'000	2013/14 R'000
Opening balance	6,630	1,891
As restated	6,630	1,891
Transfer from statement of financial performance (as restated)	384	6,630
Paid during the year	(6,630)	(1,891)
Closing balance	384	6,630

12 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	2014/15 R'000	2013/14 R'000
Opening balance	36,027	4,788
As restated	36,027	4,788
Transfer from Statement of Financial Performance (as restated)	46,207	109,034
Paid during the year	(80,327)	(77,795)
Closing balance	1,907	36,027

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

13 Bank overdraft

	2014/15	2013/14
Note	R'000	R'000
Consolidated Paymaster General Account	4,657	-
Total	<u>4,657</u>	<u>-</u>

14 Payables – current

	2014/15	2013/14
Note	R'000	R'000
Clearing accounts	14.1 212	93
Other payables	14.2 (76)	556
Total	<u>136</u>	<u>649</u>

14.1 Clearing accounts

	2014/15	2013/14
	R'000	R'000
Salary pension funds	3	10
Salary income tax	209	82
Salary bargaining councils	-	1
Total	<u>212</u>	<u>93</u>

14.2 Other payables

	2014/15	2013/14
	R'000	R'000
Disallowance miscellaneous	(78)	511
Salary reversal control	-	45
Sal: Tax debt	2	-
Total	<u>(76)</u>	<u>556</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

15 Net cash flow available from operating activities

	2014/15 R'000	2013/14 R'000
Net surplus/(deficit) as per Statement of Financial Performance	46,591	115,664
Add back non cash/cash movements not deemed operating activities	(76,075)	(66,864)
(Increase)/decrease in receivables – current	(1,753)	2,626
(Increase)/decrease in prepayments and advances	(35)	(70)
Increase/(decrease) in payables – current	(513)	(3,642)
Proceeds from capital assets	(1,360)	-
Expenditure on capital assets	14,543	13,908
Surrenders to Revenue Fund	(86,957)	(79,686)
Net cash flow generated by operating activities	<u>(29,484)</u>	<u>48,800</u>

16 Reconciliation of cash and cash equivalents for cash flow purposes

	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General account	(4,657)	1,973
Cash on hand	71	71
Cash with commercial banks (Local)	703	34,907
Total	<u>(3,883)</u>	<u>36,951</u>

17 Contingent liabilities and contingent assets

17.1 Contingent liabilities

	Note	2014/15 R'000	2013/14 R'000
Liable to			
Claims against the department	Annex 3B	140,916	143,013
Environmental rehabilitation liability	Annex 3B	1,824,017	1,844,913
Other	Annex 3B	25,881	10,088
Total		<u>1,990,814</u>	<u>1,998,014</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

18 Commitments

	2014/15 R'000	2013/14 R'000
Current expenditure		
Approved and contracted	5,493	14,558
Approved but not yet contracted	11,397	-
	<u>16,890</u>	<u>14,558</u>
Capital expenditure		
Approved and contracted	129	230
Approved but not yet contracted	297	-
	<u>426</u>	<u>230</u>
Total Commitments	<u>17,316</u>	<u>14,788</u>

19 Accruals and payables not recognised

	2014/15 R'000			2013/14 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	27,207	14,457	41,664	23,968
Capital assets	2,005	-	2,005	294
Total	<u>29,212</u>	<u>14,457</u>	<u>43,669</u>	<u>24,262</u>

	2014/15 R'000	2013/14 R'000
Listed by programme level		
Administration	26,158	5,789
Promotion of Mine Safety and Health	3,210	2,339
Mineral Regulation`	5,635	4,631
Mineral Policy and Promotion	8,666	11,503
Total	<u>43,669</u>	<u>24,262</u>

	Note	2014/15 R'000	2013/14 R'000
Confirmed balances with other departments	Annex 5	8,653	481
Total		<u>8,653</u>	<u>481</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

20 Employee benefits

	2014/15 R'000	2013/14 R'000
Leave entitlement	18,982	14,746
Service bonus (Thirteenth cheque)	13,135	11,645
Performance awards	7,267	6,529
Capped leave commitments	5,978	6,480
Total	<u>45,362</u>	<u>39,400</u>

Included in the above leave entitlement balance are employees with a negative leave balance amounting to R477,741.12. This is mainly caused by the employees taking leave at the beginning of the financial year.

21 Lease commitments

21.1 Operating leases expenditure

	Buildings and other fixed structures	Machinery and equipment	Total
2014/15			
Not later than 1 year	-	194	194
Later than 1 year and not later than 5 years	-	247	247
Total lease commitments	<u>-</u>	<u>441</u>	<u>441</u>

	Buildings and other fixed structures	Machinery and equipment	Total
2013/14			
Not later than 1 year	35,140	606	35,746
Later than 1 year and not later than 5 years	-	126	126
Later than five years	-	-	-
Total lease commitments	<u>35,140</u>	<u>732</u>	<u>35,872</u>

	2014/15 R'000	2013/14 R'000
Rental earned on sub-leased assets	482	497
Total	<u>482</u>	<u>497</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

22 Accrued departmental revenue

	2014/15	2013/14
	R'000	R'000
Interest, dividends and rent on land	100,707	150,366
Sales of capital assets	-	393
Total	<u>100,707</u>	<u>150,759</u>

22.1 Analysis of accrued departmental revenue

	2014/15	2013/14
	R'000	R'000
Opening balance	150,759	105,339
Adjustment	6,795*	-
Less: amounts received	(31,755)	(60,457)
Add: amounts recognised	50,908	105,877
Less: amounts written-off	(76,000)	-
Closing balance	<u>100,707</u>	<u>150,759</u>

*Refer to Note 31

22.2 Accrued department revenue written off

	2014/15	2013/14
	R'000	R'000
Nature of write off		
Royalties	76,000	-
Total	<u>76,000</u>	<u>-</u>

22.3 Impairment of accrued departmental revenue

	2014/15	2013/14
	R'000	R'000
Estimate of impairment of accrued departmental revenue	37,079	104,611
Total	<u>37,079</u>	<u>104,611</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

23 Irregular expenditure

23.1 Reconciliation of irregular expenditure

	2014/15 R'000	2013/14 R'000
Opening balance	16,790	24,890
Add: Irregular expenditure – relating to current year	260	1,567
Less: Prior year amounts condoned	-	(9,667)
Irregular expenditure awaiting condonation	<u>17,050</u>	<u>16,790</u>

Analysis of awaiting condonation per age classification

Current year	260	1,567
Prior years	16,790	15,223
Total	<u>17,050</u>	<u>16,790</u>

23.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
Procurement processes not followed	Under investigation	260
Total		<u>260</u>

24 Related party transactions

Details of transactions with Public Entities are disclosed in the Annexures to the Annual Financial Statements.

Entity	Nature of related party relationship
Council for Geoscience	An entity under the control of Minister
Mintek	
South African Diamond and Precious Metals Regulator	
Mine Health and Safety Council	
State Diamond Trader	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

25 Key management personnel

	No. of Individuals	2014/15 R'000	2013/14 R'000
Political office bearers	3	3,851	3,822
Officials:			
Level 15 to 16	7	9,437	8,774
Level 14	20	16,960	17,216
Total		<u>30,248</u>	<u>29,812</u>

26 Impairment: other

	2014/15 R'000	2013/14 R'000
Impairment on recorded receivables	5,717	3,933
Impairment on claims receivables	1,457	-
Total	<u>7,174</u>	<u>3,933</u>

27 Provisions

	2014/15 R'000	2013/14 R'000
Environmental liability	199,646	327,437
Long service awards	25	92
Total	<u>199,671</u>	<u>327,529</u>

27.1 Reconciliation of movement in provisions – 2014/15

	Environmental Liability R'000	Long service awards R'000	Total provisions R'000
Opening balance	327,437	92	327,529
Provisions raised (Movement)	(127,791)	(67)	(127,858)
Closing balance	<u>199,646</u>	<u>25</u>	<u>199,671</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

27.2 Reconciliation of movement in provisions – 2013/14

	Environmental Liability and Long Service Awards R'000
Opening balance	245,954
Increase in provision	81,575
Closing balance	<u>327,529</u>

28 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	64,416	10,953	1,380	73,989
Transport assets	4,609	879	1,364	4,124
Computer equipment	28,244	6,014	16	34,242
Furniture and office equipment	27,826	3,951	-	31,777
Other machinery and equipment	3,737	109	-	3,846
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	<u>64,416</u>	<u>10,953</u>	<u>1,380</u>	<u>73,989</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

28.1 Additions

	Cash	Non-cash	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	7,164	879	2,910	10,953
Transport assets	-	879	-	879
Computer equipment	3,869	-	2,145	6,014
Furniture and office equipment	3,186	-	765	3,951
Other machinery and equipment	109	-	-	109
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	7,164	879	2,910	10,953

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	1,360	20	1,380	
Transport assets	1,360	4	1,364	1,360
Computer equipment	-	16	16	
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1,360	20	1,380	1,360

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

28.3 Movement for 2013/14

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	46,257	(399)	18,616	58	64,416
Transport assets	3,245	-	1,364	-	4,609
Computer equipment	24,662	(399)	4,031	50	28,244
Furniture and office equipment	14,845	-	12,989	8	27,826
Other machinery and equipment	3,505	-	232	-	3,737
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	46,257	(399)	18,616	58	64,416

28.3.1 Prior period error

	Note	2013/14 R'000
Relating to 2013/14		(399)
Correction of 2013/2014 computer equipment opening balance		(399)
Total		<u>(399)</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

28.4 Minor assets

	Machinery and equipment	Total
	R'000	R'000
Opening balance	18,717	18,717
Additions	255	255
TOTAL MINOR ASSETS	18,972	18,972

	Machinery and equipment	Total
Number of minor assets at cost	12834	12834
TOTAL NUMBER OF MINOR ASSETS	12834	12834

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Machinery and equipment	Total
	R'000	R'000
Opening balance	12,149	12,149
Prior period error	93	93
Additions	6,475	6,475
TOTAL MINOR ASSETS	18,717	18,717

28.4.1 Prior period error

	2013/14
Note	R'000
Nature of prior period error	
Relating to 2013/14	93
Adjustment to opening balance	93

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

29 Intangible Capital Assets

	Opening balance R'000	Additions R'000	Closing Balance R'000
Software	6,452	4,441	10,893
TOTAL INTANGIBLE CAPITAL ASSETS	6,452	4,441	10,893

29.1 Additions

	Cash R'000	Total R'000
Software	4,441	4,441
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	4,441	4,441

29.2 Movement for 2013/14

	Opening balance R'000	Disposals R'000	Closing Balance R'000
Software	7,452	1,000	6,452
TOTAL INTANGIBLE CAPITAL ASSETS	7,452	1,000	6,452

30 Immovable Tangible Capital Assets

	Opening balance R'000	Additions R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	48,173	2,937	51,110
Other fixed structures	48,173	2,937	51,110
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	48,173	2,937	51,110

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

30.1 Additions

	Cash R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	2,937	2,937
Other fixed structures	2,937	2,937
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	<u>2,937</u>	<u>2,937</u>

30.2 Movement for 2013/14

	Opening balance R'000	Additions R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	48,081	92	48,173
Other fixed structures	48,081	92	48,173
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	<u>48,081</u>	<u>92</u>	<u>48,173</u>

31 Prior period errors

31.1 Correction of prior period errors

The department had incorrectly calculated the departmental revenue receivables on prospecting fees. The revenue receivable is now corrected retrospectively and certain comparative figures have been restated as disclosed in Note 21 to the financial statements. The net effect of the error is as follows:

	Note	2013/14 R'000
Accrued departmental revenue		
Increase in Accrued departmental revenue		5,515
Increase in Impairment on accrued departmental revenue		1,280
Net effect		<u>6,795</u>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	Transfer Allocation				Transfer		2013/14
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Council for Geo-Science	296,549	-	-	296,549	292,840	99%	271,232
Mine Health and Safety Council	5,197	-	-	5,197	5,197	100%	5,035
SA Diamond and Precious Metals Regulator	47,210	-	-	47,210	47,810	100%	44,824
Mining Qualifications Authority	1,216	-	-	1,216	1,216	100%	-
Public Sector SETA	214	-	-	214	215	100%	-
	350,386	-	-	350,386	347,278		321,091

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	Transfer Allocation				Expenditure				2013/14
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Council for Mineral Tech (Mintek)	370,854	-	-	370,854	370,854	100%	50,079	320,775	364,709
TOTAL	370,854	-	-	370,854	370,854	100%	50,079	320,775	364,709

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	Transfer Allocation				Expenditure		2013/14
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employer S/Ben:Leave Gratuity	3,126	-	-	3,126	3,126	100%	2,799
Claims Against State (Cash)	2,355	-	-	2,355	2,355	100%	-
Donations and Gifts (Cash)	120	-	-	120	120	100%	20
Total	5,601	-	-	5,601	5,601		2,819

ANNEXURE 1I

STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Closing Balance R'000
Received in cash					
European Donor	Transfer to Council for Geoscience	-	1,938	1,938	-
TOTAL		-	1,938	1,938	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

Nature of gift, donation or sponsorship	2014/15 R'000	2013/14 R'000
Payments made as an act of grace to household	120	20
TOTAL	120	20

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of Liability	Opening Balance 1 April 2014 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Closing Balance 31 March 2015 R'000
Claims against the department	143,013	902	2,999	140,916
Claims against the department				
Subtotal	143,013	902	2,999	140,916
Environmental Liability				
Environmental Liability	1,844,913	-	20,896	1,824,017
Subtotal	1,844,913	-	20,896	1,824,017
Other				
Simrac contracts	8,127	26,736	11,725	23,138
Special projects	1,961	6,974	6,192	2,743
Subtotal	10,088	33,710	17,917	25,881
TOTAL	1,998,014	34,612	41,812	1,990,814

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

ANNEXURE 4 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Energy	-	-	1,662	1,678	1 662	1 678
Department of Arts and Culture	-	-	-	34	-	34
Department of Higher Education and Training	-	-	49	49	49	49
Department of Public Works	-	-	-	14	-	14
South African Police Services	-	-	-	22	-	22
Office of the Premier North West	-	-	-	74	-	74
Department of Agriculture, Environment Affairs and Rural Development	-	-	-	1	-	1
Office of the Premier Gauteng	-	-	25	-	25	-
Department of Environmental Affairs	-	-	11	-	11	-
Department of Agriculture and Rural Development KZN	-	-	24	-	24	-
Department of Agriculture and Rural Development	-	-	11	-	11	-
TOTAL	-	-	1,782	1,872	1 782	1 872

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000

DEPARTMENTS

Current

Department of Justice	2,634	481	-	-	2,634	481
Department of Public Works	3,215	-	-	-	3,215	-
Gauteng Government Garage	2,717	-	-	-	2,717	-
Gauteng Provincial Government	19	-	-	-	19	-
Department of Correctional Services	33	-	-	-	33	-
Department of Women, children and people with disabilities	28	-	-	-	28	-
Limpopo Province	7	-	-	-	7	-
Total	8,653	481	-	-	8,653	481

ANNEXURE 6

INVENTORIES

Inventory	Quantity	2014/15		2013/14	
		Quantity	R'000	Quantity	R'000
Opening balance	77,864	432	100,887	546	
Add/(Less): Adjustments to prior year balance	-	-	(3,700)	(6)	
Add: Additions/Purchases – Cash	121,827	4,028	142,910	3,890	
(Less): Disposals	(28)	-	-	-	
(Less): Issues	(122,768)	(3,931)	(162,233)	(4,006)	
Add/(Less): Adjustments	-	(6)	-	8	
Closing balance (Before Weighted Average Variance)	76,895	523	-	-	
Add/ Less Weighted Average Variance	-	10	-	-	
Closing balance (After Weighted Average Variance)	76,895	533	77,864	432	



DEPARTMENT OF MINERAL RESOURCES

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