

DEPARTMENT OF MINERAL RESOURCES



ANNUAL REPORT: 2011-2012



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



DEPARTMENT OF MINERAL RESOURCES

ANNUAL REPORT

2011/2012

Ms Susan Shabangu, MP
Minister of Mineral Resources

I have the honour of submitting the Annual Report of the Department of Mineral Resources for the period 1 April 2011 to 31 March 2012.

A handwritten signature in black ink, appearing to read 'Thibedi Ramontja', positioned above a horizontal line.

Dr Thibedi Ramontja
31 May 2012

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VISION AND MISSION

VISION 2014

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

VISION 2025

A leader in the transformation of South Africa through economic growth and sustainable development by 2025.

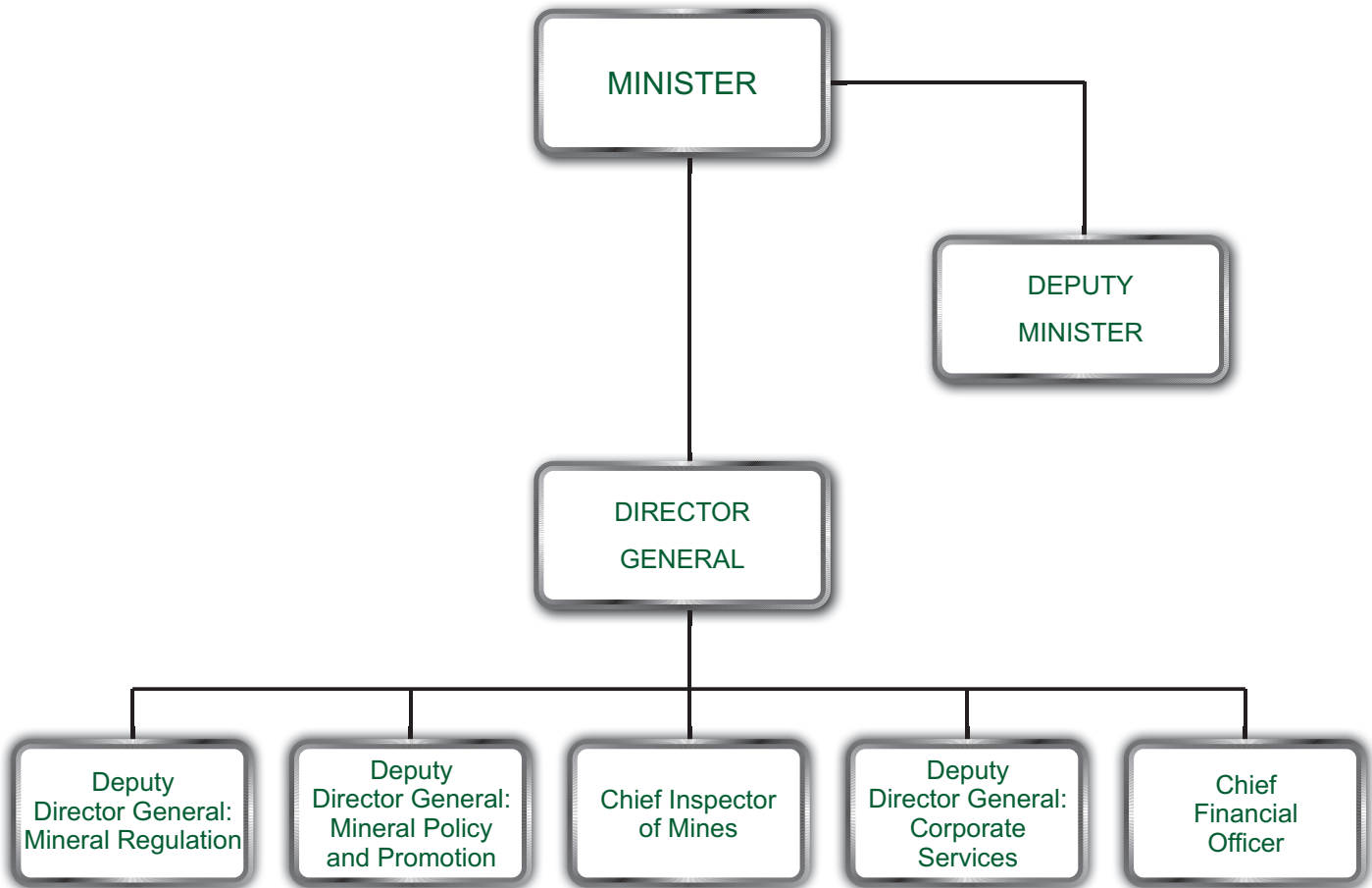
MISSION

Promote and Regulate the Minerals and Mining Sector for transformation, growth, development and ensure that all South Africans derive sustainable benefit from the country's mineral wealth.

VALUES

- ☒ Batho Pele
- ☒ Ethics
- ☒ Honesty
- ☒ Integrity
- ☒ Accountability
- ☒ Professionalism
- ☒ Ubuntu

ORGANISATIONAL STRUCTURE



LEGISLATIVE MANDATE

The Minerals and Petroleum Resources Development Act, 28 of 2002, provides the regulatory framework for equitable access to and sustainable development of the nation's mineral resources and related matters which the Department is tasked with regulating.

PUBLIC ENTITIES REPORTING TO THE MINISTER OF MINERAL RESOURCES

All entities submit their own Annual Reports which are tabled together with the DMR's Annual Report. A summary of the entities reporting to the Minister of Mineral Resources is below:

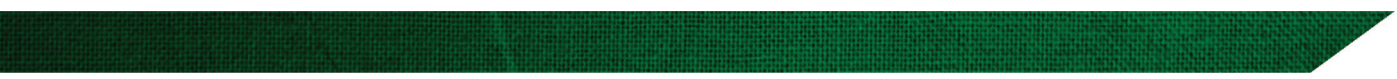
1. *The Mine Health and Safety Council (MHSC)*, established in terms of Section 42(1) of the Mine Health and Safety Act, No. 29 of 1996. The Council has the responsibility of advising the Minister of Mineral Resources on health and safety at the mines, to promote a culture of health and safety in the mining industry and annually to consider an overall programme for relevant health and safety research.

The Mine Health and Safety Council (MHSC) is a public entity that is mandated, in terms of the MSHA, to advise the Minister of Mineral Resources on Occupational Health and Safety in the South African Mining Industry through developing OHS research programmes, development of and review of regulations, standards, occupational health and safety policies, procedures and promotion to minimise the occupational health and safety risk in the sector.

2. *The Council for Mineral Technology Research (MINTEK)* was established in terms of the Mineral Technology Act (30 of 1989). MINTEK provides research, development and technology that foster the development of businesses in the mineral and mineral products industries.

3. *The Council for Geoscience (CGS)* established in terms of the Geoscience Act, no 100 of 1993, is the national agency tasked with the systematic development and maintenance of the national geosciences knowledge infrastructure for both the onshore (land) and offshore (oceans) environment of South Africa.

4. *The South African Diamond and Precious Metals Regulator (SADPMR)* was established in terms of the Diamonds Act 1986 as amended and the Precious Metals Act, 37 of 2005. The South African Diamond Board ceased to exist on 30 June 2007 and the South African Diamond and Precious Metals Regulator came into effect on 1 July 2007. The Regulator took over the mandate, current functions, staff and all assets and liabilities of the Diamond Board. The Diamond Bourse of South Africa was incorporated into the Regulator with all its staff, assets and liabilities. The Regulator is responsible for the regulation of the diamond, platinum and gold sectors. The Regulator is funded in terms of the Precious Metals Act, 37 of 2005, through a state grant, as opposed to the Board which generated its own funding from levies and licence fees of sight holders.



5. *The State Diamond Trader* was established in terms of the Diamond Act, 56 of 1986, as amended, to fulfil the following main functions: to promote equitable access to and beneficiation of diamond resources, address distortions in the diamond industry and correct historical market failures to develop and grow South Africa's diamond cutting and polishing industry. The State Diamond Trader commenced its operations in September 2007.



Minister Susan Shabangu

MINISTER'S STATEMENT

We present the Department's Annual Report for 2011-2012 having been given directives by President Zuma in his 2011 State of the Nation Address.

In that Address on 10 February 2011, President Zuma emphasized his administration's commitment to work harder to build a strong developmental state which "responds to the needs and aspirations of the people, and which performs better and faster".

The President said: "This year, 2011, shall be a year of action."

Indeed the Department during this period undertook what it had set out in its Strategic Plan for the 2011/12 financial year and we are proud to report on progress made.

South Africa has the biggest endowment of some of the world's most important minerals such as the platinum group metals, manganese and chrome, among others. Mining is the backbone of South Africa's economy and our contribution to the fiscus can only be underestimated to the detriment of the country's socio-economic development. The New Growth Path has put mining at the core of economic growth and the recently announced infrastructure programme seeks to unlock mining opportunities in various areas of the country.

Notwithstanding the current global economic challenges the mining industry has an opportunity to ensure that South Africa and its people benefit from the wealth of resources beneath the soil. Whilst the pace of recovery remains uncertain, we have been working, and will continue to work, toward positioning the South African mining and minerals industry to ensure that it is ready to take full advantage of the inevitable upswing in the economy.

Our Department has been working together with business and labour to remove the obstacles that stand in the way of sustainable growth. In this regard the Department is implementing the strategy for the sustainable growth and meaningful transformation of the South African mining industry. We are also developing measures to streamline licensing processes relating to mining environmental issues to improve turnaround times.

During the reporting period the Department undertook vigorous work in reviewing the regulatory framework. Amendments to the Mineral and Petroleum Resources Development Act are at advanced stages and should be tabled in Cabinet soon.

At the same time, we have joined hands with our stakeholders to ensure meaningful transformation of the industry. These two elements – sustainable growth and meaningful transformation - will define the future of the industry. As a result of the audits we have established that compliance with the requirements of the Mining Charter were very low. I must emphasise that these are not negotiable.

Mining communities have to be empowered to ensure that mining activities in their areas do indeed contribute to sustainable development; accordingly the Department through audits has looked into the composition of Social and Labour Plans (SLPs) to ensure that host communities and mine labour sending areas see the benefits of mining operations. We will be working harder with local government structures, to make sure that SLPs complement the Integrated Development Plans (IDPs) of municipalities and, in so doing, address the developmental agenda of the said communities and areas.

The Beneficiation Strategy was adopted by Cabinet in July 2011 and the country now has a policy on mineral beneficiation. The Department has already begun work on developing implementation plans on the related value chains. This work has been prioritised, as beneficiation is one of the key job creation drivers identified by government.

As we focus our energies on getting the sector to grow, Mine Health and Safety remains our top priority and to this end we developed and implemented new programmes that will help to stem the tide of deaths and injuries in our mines. We have also placed more emphasis on occupational health. We are pleased by the resolutions of the recent Mine Health and Safety Summit which also has escalated occupational health for the industry.

During the period under review the Department enhanced research and development in the fields of geosciences, mineral beneficiation, mine health and safety through collaboration with the Council for Geosciences, Mintek and the Mine Health and Safety Council. We also continued to promote and regulate the diamond and precious metals industries through the work of the SA Diamond and Precious Metal Regulator and the State Diamond Trader. During this reporting period, as part of enhancing state participation in the mining industry, Cabinet approved the establishment of African Exploration Mining and Finance Corporation (AEMFC) as the nucleus of the state owned mining company. The process of hiving off AEMFC from the Central Energy Fund group of companies will continue during the 2012/13 financial year.

As President Zuma put it, "government must work faster, harder and smarter". Along with our partners in the industry and in civil society as a whole, we will live up to government's objective and show that indeed 'together, we can do more'.

It is my pleasure to table the Department of Mineral Resources Annual Report



Ms Susan Shabangu, MP
Minister of Mineral Resources



**Deputy Minister
Godfrey Oliphant**

MESSAGE FROM THE DEPUTY MINISTER

It is indeed my pleasure to support the Department as it presents its 2011/2012 Annual Report. We table this report very much alive to the fact that the South African public has high expectations of the Department.

The Department during this period indeed worked with speed on its strategic priorities and responded to various sector issues that arose.

Managing rehabilitation of Derelict and Ownerless Mines

Following approval of the strategy for the management of derelict and ownerless mine sites, a rehabilitation procedure manual was developed to assist with the process of rehabilitation. Three sites were rehabilitated during the financial year under review and ten sites are planned for next financial year.

Mine Health and Safety

The health and safety track record in the mining industry continues to cause great concern. As part of our occupational health and safety improvement strategy we will continue with our efforts, together with our tripartite stakeholders, to address skills development and implement the 2011 Mine Health and Safety Summit commitments in the mining sector.

We are currently looking at proposals which, among other things, suggest that there should be inspectors who focus only on inspections and audits; and an investigative unit responsible for health and safety investigations/inquiries. These proposals will come into effect once financial issues are addressed.

We will continue with our stance that if mines cannot mine safely they should not mine at all until effective measures are implemented to safeguard the health and safety of employees.

The **Mine Health and Safety Act (MHSA)** is currently being reviewed to strengthen enforcement provisions; simplify the administrative system for issuing of fines; reinforce offences and penalties; substitute and remove ambiguities and also effect certain amendments to ensure consistency with the Mineral and Petroleum Resources Development Act (MPRDA). These amendments will serve before Cabinet to obtain approval for submission to Parliament.

As directed by President Jacob Zuma, we shall continue to work tirelessly to provide services to the South African people and put all our energies in building the mining sector as it is key to economic development and job creation in the country.

I would like to commend the Director-General, Dr. Thibedi Ramontja, for his enthusiastic attitude since taking over the administrative reins in the Department.

A handwritten signature in black ink, appearing to be 'G. Oliphant', written in a cursive style.

Mr Godfrey Oliphant, MP
Deputy Minister of Mineral Resources



Director-General
Dr Thibedi Ramontja

ACCOUNTING OFFICER'S OVERVIEW

It is my pleasure to present the Annual Report of the Department of Mineral Resources for the 2011/2012 financial year.

The mining industry's performance for the 2011 period declined after the initial significant recovery in 2010, following the global economic and financial crisis in 2009. To this extent, in 2011 the aggregated extraction rate contracted by a nominal 0.1% relative to the preceding year. This performance confirms our view that the expected recovery has run into some headwinds, and that there are still obstacles to overcome before the next commodities boom can begin in earnest. In 2011, total mining employment grew by 3% relative to 2010, with women employment growing by a further 11%. Total employment in mining reached 513 000, breaking through the 500 000 mark for the first time since the pre-financial crisis employment figure of 518 700 in 2008.

National Mining Sector Strategy

The Department, under the auspices of the Mining Industry Growth Development and Employment Task Team (MIGDETT), developed a mining sector strategy and during the 2011 / 12 financial year the DMR has been working on implementing recommendations from the strategy through various working committees. The committees have been tasked to look into areas such as job creation, infrastructure, exploration, innovation, human resource development, transformation and climate change as pertaining to the sustainability of the mining sector.

This has highlighted the vast amount of work to be achieved if progress is to be made in sustainably growing and meaningfully transforming the mining sector. In the coming financial year the Department through MIGDETT will be taking some of the working committee recommendations forward.

Mineral Beneficiation Strategy

Following an extensive consultation process, the beneficiation strategy for the minerals industry of South Africa was tabled before Cabinet and approved in June 2011, for adoption as the country's policy.

Subsequent to the approval of the strategy, Cabinet mandated the Department to develop implementation plans for the five pilot value chains highlighted in the strategy. Two value chain implementation plans have been developed and approved by Cabinet, which are for the iron and steel value chain and the energy commodities value chain.

Legislative Framework

The review of the Minerals and Petroleum Resources Development Act is underway. This is aimed at improving the current construct of the Act to remove ambiguities, make provision for consultation, enhance penalties and streamline the licensing processes - including providing for regulation of the environment in minerals and mining.

The Department has successfully concluded consultations with communities in Kuruman in the Northern Cape, Mokopane in Limpopo, Delmas in Mpumalanga and Brits in the North West to solicit public comments and views on the objectives of the review of the regulatory framework. The inputs received from these interactions will be incorporated into the MPRDA amendments and will be submitted to Cabinet for consideration.

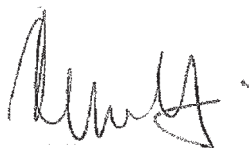
South African Mineral Resources Administration System (SAMRAD)

The online application system known as SAMRAD, launched on 18 April 2011, is now operational and, like any new system, problems that are encountered are treated as and when they are identified. Currently well over 3 500 applications have been successfully lodged on the new system. Applications are now being lodged remotely through the Department's website into a system designed to ensure transparency, reduce the margin of error and ensure a consistent systematic approach to evaluations and decision making regarding the awarding of rights.

Conclusion

Having joined the Department in November 2011 I would firstly like to thank my predecessor Adv. Nogxina and wish him the best in his future endeavours. I would also like to thank the Minister, Deputy Minister of Mineral Resources and staff for extending me such a warm welcome.

I commend all members of the DMR team on their fortitude and commitment to ensuring that we progress in efforts to achieve our goals and objectives.



Dr Thibedi Ramontja
Director General: Department of Mineral Resources

DEPARTMENTAL PUBLICATIONS AND KEY DOCUMENTS – 2011/12

Information Circulars

MB Bulletin Trimester

Vol 24 Issue 1 of 3 2011
Vol 24 Issue 2 of 3 2011
Vol 24 Issue 3 of 3 2011

Directories

D1/2012: Operating Mines and Quarries and Mineral Processing Plants in the Republic of South Africa
D2/2011: Operating and Developing Coal Mines in SA
D3/2012: Operating Gold Mines in SA
D6/2012: Platinum-group Metal Mines in SA
D9/2011: Producers of Dimension Stone in SA

Statistics

Minerals - South Africa: Statistical Tables 1989 – 2010
Mineral Production and Sales Statistics (Monthly and Annually)

Bulletins/ Reports

R51/2012: An Overview of current Platinum Metal Exploration Projects and new Mine Developments
R90/2011: SA Silicon Industry Developments
R91/2012: Future Role of Catalytic Converters Industry in downstream value add SA's Platinum Metals
R92/2011: SA Ferroalloys Production Trends – 10 year period

OVERALL PERFORMANCE

2.1.1 VOTED FUNDS (2011/12)

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over / Under Expenditure R'000
	1,036,212	1,038,965	1,029,435	9,530
Responsible Minister	Minister of Mineral Resources			
Administering Department	Department of Mineral Resources			
Accounting Officer	Director-General of Mineral Resources			

2.1.2 AIM OF VOTE

The aim of the Department of Mineral Resources is to 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.

2.1.3 STRATEGIC OUTCOME ORIENTED GOALS

At the 2011/12 strategic planning session, the Department developed the strategic outcomes, listed below, in support of our mission and vision. The session was also used to anchor our mission, vision and strategies to the broad government imperatives of creating meaningful employment, poverty eradication, transformation of the minerals and mining sector, sustainable and equitable use of our mineral wealth and creating a service oriented department committed to upholding corporate governance and financial stewardship

STRATEGIC OUTCOME 1	Increased investment in the minerals and mining sector
Outcome Statement	Promote and facilitate an increase in mining activity and value addition to mineral resources extracted in the Republic.
STRATEGIC OUTCOME 2	Improve the health and safety conditions in the mining sector.
Outcome Statement	Provide a framework to manage health and safety risks, enforce compliance and promote best practice in the mining sector.
STRATEGIC OUTCOME 3	Achieve equitable and sustainable benefit from mineral resources.
Outcome Statement	<ol style="list-style-type: none"> 1. Promote sustainable resource management and contribute to skills development and the creation of meaningful/sustainable jobs. 2. Contribute to the reduction of adverse environmental impacts from mining.
STRATEGIC OUTCOME 4	Transform the minerals sector.
Outcome Statement	Redress past imbalances through broader participation in the minerals sector, direct intervention in communities and an increase in BEE and SMME participation, which includes women, the youth and the disabled.
STRATEGIC OUTCOME 5	Create an efficient, effective and development-oriented department
Outcome Statement	Attract, develop and retain appropriate skills and ensure the optimal utilisation of resources through implementing risk management strategies and promoting sound corporate governance.

2.1.4 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2011/12

Mine Safety

The safety track record in the South African mining industry continues to be a matter of great concern to the Department although the mining industry has in the last year managed to record a year-on-year reduction in fatalities due to mine accidents. During 2011 a total of 123 mine workers were reported dead as compared to 127 in 2010, which translate to about 3% improvement on the actual numbers of mine workers that died year on year. However, when comparing fatality frequency rates per million hours worked between 2010 and 2011, there has been an 8% improvement from 0.12 to 0.11. Major gold and platinum mines are the main contributors of accidents and loss of life.

Fall of Ground (FOG) and Transportation and Mining accidents are the largest accident categories. The concern in the area of fatalities is that there is a decrease in the total number of fall of ground accidents but this is still the largest contributor to fatalities in the South African mining industry. The transport and mining fatalities have increased by about 3%, from 37 in 2010 to 38 in 2011. This area will require attention from the branch in the coming year.

Disaster-type Accidents

For the first time in 5 years, there has not been a mine disaster accident. A mine disaster accident is a single event that results in the death of four or more people.

HIV/AIDS and Occupational Health

The DMR, through the MHSC, commissioned a study to review the status of HIV/AIDS and TB in the mining industry. The findings resulted in commitments and the development of the TB and HIV Action plan with the aim of improving the situation regarding the two diseases. The principals representing State, Employers and Organised Labour assembled at the Health and Safety summit held in November 2011 and agreed to the commitments and Action plan developed in an effort to curb the scourge of these diseases in the mines.

Health and Safety improvement measures

The branch will continue with the implementation of measures to enhance health and safety within the mining sector. These include enforcing the provisions of the legislation through inspections, Ministerial Group Audits and issuing compliance instructions where necessary.

In terms of Occupational health, the chief directorate Occupational Health will be working closely with council committees to ensure that the commitments made at the summit are implemented. The commitments made at the summit talk to prevention of noise induced hearing loss, silicosis, TB and HIV as these are major diseases in the mining industry causing ill health.

The directorate Occupational Health is also working closely with the Department of Health as was noted during World TB day, held on the 24th March 2012, whereby the focus was TB in the mining industry. The Republic's Deputy President, Minister of Mineral Resources as well as Minister of Health and other stakeholders gave speeches relating to TB.

Mining employees have heeded the call to test for TB and HIV in an endeavour to improve the management of these diseases as was noted by the number of people who tested on that day.

South African Mineral Resources Administration System (SAMRAD)

During April 2011 the Department launched the online mining licence application system, SAMRAD. To date well over 3 500 applications have been successfully lodged remotely through the Department's website. The system is designed to ensure transparency, reduce the margin of error and ensure a consistent systematic approach to evaluation of and decisions regarding the awarding of rights. The process of cleaning up system data aimed at migrating it into the new system has now been done. The Department is now giving priority to processing legitimate old order rights applications in the system and will ensure that conversions yield positive results.

The Department will continue to search for ways to upgrade the system to ensure that South Africa remains an attractive and competitive mining jurisdiction.

Integrated licensing system

A fragmented regulatory and mining licensing system has long been identified as one of the impediments to investments and therefore the competitiveness of the South African mining industry. The current timeframes for obtaining a mining right, water use licence and an environmental authorization are not aligned, which results in prolonged processes and unnecessary delays. As a result the DMR, and the Departments of Environment and Water Affairs are currently reviewing the regulatory framework in an effort to put in place an integrated licensing system. It is envisaged that the streamlined licensing process will ensure compliance by right holders with the various pieces of legislation, create certainty in the regulatory framework, expedite the licensing process and ultimately strengthen the constitutional imperative of security of tenure. The previous extension of the moratorium in Mpumalanga was due to the complex nature of environmental challenges in that province. It culminated in over 41 Rights that are located in Wakkerstroom and Chrissiesmeer being identified as those belonging to the category of environmentally sensitive areas and consequently action has been taken to prohibit mining within those areas.

Restriction on the Allocation of Lapsed Rights

At the Mining Indaba in February 2012 the Minister announced that the issue of rights that are either being revoked or are lapsing will be addressed. The announcement coincided with a notice in the Government Gazette of the previous day inviting submissions with regard to the intention to introduce a new system for the auctioning of rights. After due consideration the Minister decided to issue a proclamation in the Government Gazette to, forthwith, invite applications on revoked or lapsed rights, in accordance with rules that are aligned to the MPRDA.

Litigation cases and their impact on transformation

Whilst reaping the fruits of transformation brought about by the MPRDA, the Department is concerned that the recent court decision with regard to certain litigation matters will have the unintended consequence of reversing the gains of transformation in the mining industry. The Department has a historic obligation to ensure that transformation and competitiveness in the sector is not compromised.

Mining Charter

The mining industry has been called upon to implement fully all the provisions contained in the scorecard of the Mining Charter. Audits that were conducted by the Department have revealed that the level of compliance is not what it should be - such as, amongst other things, low levels of implementation of employment equity by some mining companies, low level of women representation at senior management level especially in decision making structures, fronting especially by women on behalf of men, companies that change approved Social and Labour Plans without appropriate consent from the Department and without consulting communities, suppliers of capital goods to the mining industry who are mostly reluctant to transform and transfer skills to BEE entities, and usage of expired BEE verification certificates.

Procurement

Since procurement is one of the critical pillars of the Mining Charter the Department is concerned about the manner in which the entire procurement value chain is being managed in the mining industry. It is disturbing that procurement opportunities for BEE entities are reduced to mundane and peripheral issues such as catering, cleaning and gardening services, while these entities are excluded from sustainable core activities such as capital goods, services (such as transport) as well as consumable goods.

Social and Labour Plans

Social Labour Plans are an essential instrument in the hands of the democratic State to ensure that communities benefit from mining operations. Gaps have been identified in the proper alignment of projects with Integrated Development Plans and consultation with communities. Consequently this is increasingly becoming an area of conflict between communities and mining companies.

State Owned Mining Company

Subsequent to the Cabinet's decision to establish a state owned mining company and the endorsement of the African Exploration Mining and Finance Corporation (AEMFC) to operate as a nucleus for this entity, Cabinet further approved the model and the hiving off of AEMFC from the Central Energy Fund's Group of Companies. The Department is working with the Department of Energy, the Central Energy Fund, AEMFC and National Treasury to enable AEMFC to operate as a stand-alone public entity. AEMFC, at its Vlakfontein mine, is now in production for its off take agreement with ESKOM and is about to undertake a second project which will produce 4.6 million tonnes of coal per annum over 33 years, and creating almost 1 000 jobs.

Shale gas

Following Cabinet's 2011 decision to investigate concerns relating to the exploitation of shale gas, a report is expected to be tabled at Cabinet by end of July 2012.

2.1.5 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2011/12

During the second quarter of 2011/2012 the Department experienced a significant change which arose from the retirement of the former Director General after having served the Department for 13 years. This gap was, however, filled by the appointment of the new Director-General in November 2011.

2.1.6 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES FOR THE 2011/12 FINANCIAL YEAR:

The Mineral and Petroleum Resources Development Act (MPRDA) and the Mine Health and Safety Act (MHSA) Amendment Bills have been drafted and the process of submission to Cabinet will be concluded in 2012/13.

2.1.7 DEPARTMENTAL REVENUE AND EXPENDITURE

DEPARTMENTAL RECEIPTS AND PAYMENTS

DEPARTMENTAL RECEIPTS	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	Deviation From Target
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Sales of goods and services	3, 362	5, 638	5, 512	2, 167	2, 784	2, 559	225
Fines, penalties, forfeits	218	112	382	531	846	665	181
Interests, dividends, rent	244, 126	256, 089	210, 791	68, 676	42 , 246	89, 388	(47, 142)
Sales of capital assets	-	-	-	-	-	8	(8)
Financial transactions	20, 599	2, 808	459	626	548	564	(16)
TOTAL	268, 305	264, 647	217, 144	72, 000	46, 424	93, 184	(46, 760)

2.1.8 DEPARTMENTAL EXPENDITURE

MINERAL RESOURCES Programmes (Branches)		ORIGINAL BUDGET (ENE)	ROLL- OVER OF FUNDS	VIREMENT AFTER AENE	SHIFTING AENE	SHIFTING AFTER AENE	TOTAL BUDGET	ACTUAL EXPEND- ITURE	VARIANCE	% VARIANCE
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	%
1	Administration	247 ,940	-	-	-	18, 000	265 ,940	257 ,600	8 ,340	3.14%
	Ministry	3 ,494	-	367	20	-	3 ,881	3 ,881	-	0.00%
	Management	28 ,517	-	(3 ,658)	1 ,442	(258)	26 ,043	26 ,046	-	0.00%
	Corporate Services	191 ,827	-	3 ,291	(1 ,462)	8 ,402	202 ,058	193 ,715	8 ,340	4.13%
	Office Acom. (Public Works)	24 ,102	-	-	-	9 ,856	33 ,958	33 ,958	-	0.00%
2	Promotion of Mine Safety and Health	147 ,501	-	(6 ,082)	-	-	141 ,419	141 ,252	167	0.12%
	Governance Policy and Oversight	46 ,600	-	(934)	-	635	46 ,301	46 ,234	67	0.14%
	Mine Health and Safety Regions	100 ,901	-	(5 ,148)	-	(635)	95 ,118	95 ,018	100	0.11%
3	Mineral Regulation	160 ,368	-	22 ,239	1 ,789	-	184 ,396	184 ,396	-	0.00%
	Management	7 ,682	-	3 ,119	-	2 ,157	12 ,958	12 ,958	-	0.00%
	Mineral Regulation and Administration	113 ,312	-	19 ,120	1 ,789	(2 ,157)	132 ,064	132 ,064	-	0.00%
	South African Diamond & Precious Metal	39 ,374	-	-	-	-	39 ,374	39 ,374	-	0.00%
4	Mineral Policy and Promotion	480 ,403	-	(16 ,157)	964	(18 ,000)	447 ,210	446 ,187	1 ,023	0.23%
	Management	10 ,453	-	2 ,496	500	-	13 ,449	13 ,449	-	0.00%
	Mineral Policy	8 ,943	-	853	1 ,579	-	11 ,375	10 ,636	739	6.50%
	Mineral Promotion	57 ,133	-	(5 ,377)	(1,320)	-	50 ,436	50 ,409	27	0.05%
	Economic Advisory Services	2 ,702	-	280	-	-	2 ,982	2 ,725	257	8.62%
	Mine Environmental Management	31 ,811	-	(14 ,409)	205	-	17 ,607	17 ,607	-	0.00%
	Council for Geoscience	154 ,405	-	-	-	-	154 ,405	154 ,405	-	0.00%
	Assistance to Mines	18 ,000	-	-	-	(18 ,000)	-	-	-	0.00%
	Council for Mineral Technology	196 ,956	-	-	-	-	196 ,956	196 ,956	-	0.00%
TOTAL EXPENDITURE		1 ,036 ,212	-	-	2 ,753	-	1 ,038 ,965	1 ,029 ,435	9 ,530	0.92%

2.1.9 MTEF TRANSFERS TO THE STATE OWNED ENTITIES REPORTING TO THE MINISTER OF MINERAL RESOURCES

Name of Institution	Amount Transferred
	R '000
Council for Mineral Technology (MINTEK)	166 ,956
Council for Geoscience (CGS)	137 ,512
Mine Health and Safety Council (MHSC)	5 ,288
South African Diamond and Precious Metals Regulator (SADPMR)	39 ,374
TOTAL	349 ,130

OTHER TRANSFERS TO THE STATE OWNED ENTITIES REPORTING TO THE MINISTER OF MINERAL RESOURCES

Name of Institution	Reason for Transfer	Amount Transferred
		R '000
Industrial Development Corporation of South Africa	Small Scale Mining	23 ,298
Council for Mineral Technology (MINTEK)	Rehabilitation of Ownerless and Derelict Mines	30 ,000
Council for Mineral Technology (MINTEK)	Implementation of the Water Ingress programme	16 ,893
TOTAL		70 ,191

2.1.10 PUBLIC ENTITIES

THE COUNCIL FOR MINERAL TECHNOLOGY RESEARCH (MINTEK)

MINTEK is South Africa's national science council for mineral research and development, established in terms of the Mineral Technology Act of 1989, reporting to the Minister of Mineral Resources. MINTEK strives, through innovative research and development and technology transfer, to be a global leader in mineral and metallurgical innovation.

Due to the now entrenched culture of cost saving coupled with the strong demand for commercial work, in spite of global economic uncertainties, MINTEK has remained cash positive this year as compared to the previous two years where in 2010/11 MINTEK posted a surplus of only R1,4million and a loss of R2,7 million in 2011/12. Throughout the year, MINTEK has managed to record a better than budgeted for income, mainly due to unexpected work received, benefits received from prior research work in the form of licence fees and rescheduling of contract research work.

Firm orders to conduct two large pilot smelting tests in the Bay 1 DC arc furnace smelting facility involving the smelting of 300 tons and 100 tons of concentrate were completed while Anglo American Platinum has committed R23-million towards a capital cost (totalling R44-million) for the construction of an atomisation plant to be built in MINTEK's Bay 2 pilot plant. The atomisation plant is a further development of the successful ConRoast technology. Once commissioned the Atomisation Plant will be run in conjunction with the Bay 2 furnace and drying plant for a period of 2 years treating Anglo American Platinum's revert tailings material from their platinum smelters. The material will be processed on a toll treatment basis which will enable MINTEK to start a process of rehiring some of the 39 workers who were retrenched during the financial slump.

MINTEK has signed a memorandum of understanding with Veolia Water Solutions & Technologies aimed at advancing its SAVMIN process, which is aimed at treating acid mine drainage waters. This is after MINTEK had re-engineered and improved the process. The collaboration with Veolia will allow MINTEK to demonstrate and potentially commercialise this technology.

MINTEK also undertook an extensive programme of tests using a large range of Platreef PGM samples as part of the on-going research into the use of sensor based sorting. This is expected to develop benchmark data for the various ore types and has significant potential to lower the cut-off grade of Platreef deposits, significantly enhancing the available resources.

An R&D priority over the next 10 to 20 years is to establish an African 'hub' at MINTEK around the refining of rare earth elements (REEs). REEs have been afforded strategic mineral status by many countries due to their use in many high-tech, 'green' technologies, their limited supply in high concentrations, and increasing concerns regarding future security of supply from China (the leading global producer of rare earth oxides (REOs)). Due to their similarity in terms of chemical properties, particularly amongst the lanthanoid elements, the processing and refining of REEs is a highly capital- and technology-intensive activity. The industry is also characterised by long start-up times, limited recycling potential, and a very narrow/concentrated supply chain.

MINTEK is one of the leaders in rare earth metallurgy, having patented treatment processes for rare earth production and successfully run pilot plant scale operations over the last 25 years. MINTEK has also developed separation and refining processes for REE salts from gypsum tailings, which were successful at pilot plant level, with the product range including high purity cerium and europium oxides (95% to 98%), neodymium oxide as well as mixtures of light, medium and heavy oxides. Commercial exploitation was dropped for want of scale (the project required a minimum of 2 000 tons of feedstock per year and the resource was of too low a grade to achieve that). Current market dynamics and the presence of high concentrations of REEs at the Steenkampskraal Mine in the Western Cape and Wigu Hill in Tanzania, present an opportunity for MINTEK to resume R&D activities related to identifying additional treatment and refining processes, broadening the product range and increasing product purities to suit market requirements. In the short-term such activities will be undertaken in partnership with Montero Mining, which is currently developing the Wigu Hill exploration project.

The Small Scale Mining and Beneficiation division of MINTEK, which specifically deals with the promotion of the mineral economies of rural and marginalised communities through technical assistance and skills development, was audited by the Mining Qualifications Authority (MQA) and full accreditation was extended to 12 July 2014 for four training courses, namely Jewellery Design Level 4, Jewellery Manufacturing Level 2-4, Jewellery Setting Level 4 and Small Scale Mining. A project was initiated during the year, where 15 learners were trained at the Jewellery Workshop at MINTEK and another 15 learners at a site in Thabazimbi. In total 165 learners have been trained by this division and 145 jobs were created through SMME development during the 2011/12 year. During 2011/12, 3 SMMEs were created and all 3 are still in existence. During 2010/11, 4 were created and all 4 are still in existence which is a 100% success rate. Prior to this, 32 of the 46 (70%) SMMEs created are still in existence.

MINTEK continues to participate in the DMR's beneficiation strategy of 10 identified mineral commodities and has participated in two technical reports on steel inputs (Chrome, Iron Ore) and Autocatalytic Converters and Diesel particulates in the Platinum industry. MINTEK is also engaging with the Department of Trade and Industry (DTI) on project implementation and has already forwarded a list of project proposals to date to be evaluated by the DTI team.

The DMR's derelict and ownerless mines rehabilitation programme continued this financial year and MINTEK, together with the DMR team, has reached milestone agreements with communities on the go-ahead of projects in Heuningvlei where they finalised the scope. Taking this into account and building on the experience of the concluded projects, the projects going forward are expected to be concluded by the end of the three-year contract between MINTEK and the DMR. For the mines rehabilitation project, in total during 2011/12, 115 temporary jobs were created, all within the Northern Cape Province. It is anticipated that during 2012/13, a further 260 temporary jobs will be created within the Northern Cape and Limpopo Provinces, with the bulk of the jobs being created in the Northern Cape.

MINTEK creates permanent employment for approximately 15 to 20 new graduates in terms of its in-house bursary programme for undergraduate and post-graduate studies as part of the skills development objective, especially taking into account the dearth of skills in the mining and minerals processing industries. However it has been noted that MINTEK loses such graduates on average four years after their assumption of employment at the organisation. MINTEK has therefore devised a strategy to deal with this

challenge, which include the graduates development programme and management programmes that are currently ongoing whilst continuing with interventions at high school level which encourage scholars to do Mathematics and Science.

MINTEK is presently supporting the Artisan Development programme that is a joint government job creation initiative within the Minerals and Mining sectors. Under this programme, the UIF and MQA in support of the government's overall job creation strategy had an overall target to place 1000 learners in this programme during 2011/12, and, of this, 70% must be unemployed or retrenched learners who have contributed to UIF during the previous employment and meet the minimum admission requirement for N2 engineering or mathematics and science grade 12, and 30% must be unemployed learners directly from FET colleges. MINTEK was awarded a grant for 11 candidates. Currently, 4 of the candidates are unemployed and 7 are employed within MINTEK. The grant currently covers only the training costs for the full duration of the learnership. MINTEK will continue to offer practical training to this group as a pilot with the hope of increasing the numbers of learners in the future if the current programme becomes a success.

MINTEK unfortunately suffered a total of 7 Lost Time Incidents during 2011/12. This has caused an increase in the Lost Time Injury Frequency Rate (LTIFR) to reach the MINTEK target of one which is unfortunate. Of major concern is that most of the incidents reported were not directly related to the working environment, for example lost time injury due to a bee sting. The Health Incident Frequency Rate (HIFR) remained at 0. The External Client Dissatisfaction Frequency Rate (CDFR), at 13, exceeds the target of 10 but is a decrease over the previous quarter. Significant effort continues to be expended in assessing the root causes of the dissatisfaction and we are steadily increasing the number of external clients being surveyed. MINTEK remains compliant with all its ISO standards.

The National Union of Mineworkers membership were on strike at MINTEK for salary increase between 16 November and 08 December 2011. On 8 December 2011 MINTEK and the union officials signed the wage agreement for the period 2011 to 2012 and also agreed to terminate the protected strike. The "no work no pay" principle was applied to the striking employees and NUM members ended up accepting the offer that management had originally put on the table.

THE COUNCIL FOR GEOSCIENCE (CGS)

During the past year the CGS has elevated the Strategic Water Management Project (SWMP) that started with the Witwatersrand Area to a national level. The new project will also look at environmental impacts from past and current mining activities nationwide. The sources and impacted areas of the country are classified into geo-environmental provinces of which there are 13 in South Africa. The investigative studies include remote-sensing, hydrogeology, hydrology, water quality monitoring (chemistry and AMD), Eco-toxicology, physical hazard assessment, geophysics and GIS tasks. During 2011/12 the Olifants and the Komati-Crocodile River catchment areas have been investigated. Field work in respect of all tasks listed above as well as a technical report have been completed for the Olifants River catchment area. A technical report on the AMD of Komati-Crocodile catchment area will be completed during the 2012/13 year.

A report and database on the coal resources and reserves of South Africa has been completed by the CGS. The project is of paramount importance to the nation regarding the management of future energy needs and coal export initiatives as well as the identification of new coal resources. Significant resources were also devoted to the generation of an industrial minerals inventory for South Africa because of its potential for value addition. The prioritisation of industrial minerals for commodity analysis will depend on factors such as the current value of the mineral commodity and its application nationally and internationally. The geoscience information produced by the Council on, for instance, building and construction materials, and agricultural and industrial minerals, can facilitate the production of the raw materials necessary to house, feed and clothe the people of South Africa.

The CGS is developing programmes on strategic minerals which are defined as metals critical to industry and which have a ready market either inside or outside South Africa. Examples of strategic metals include: Indium, REE, uranium, Lithium, etc, and their potential replacements. The objectives of the project include, amongst others, the discovery and recovery modalities of rare earth element deposits in South Africa. Deposits from the Kalahari Manganese Field, carbonatite rocks and Bushveld-age granites and rhyolites have been identified as potential sources of rare earth elements.

The CGS along with the South African Centre for Carbon Capture and Storage (SACCCS) has been looking at the financial feasibility, geological feasibility, legal requirements and a geographical information management system for carbon capture and storage (CCS) in South Africa. The CGS is in charge of assessing the effective storage capacity of the Zululand and Algoa basins. The investigations form a critical requirement of the South African Roadmap for CCS which undertakes to carry-out CO₂ Test Injection in South Africa by 2016.

The CGS is part of the Working Group in charge of providing technical assistance and geoscience information to the Ministerial Task Team pertaining to Shale gas and hydraulic fracturing in the Karoo in South Africa. The Working Group has completed a report that will be presented to the DG and the Minister of DMR.

Work being undertaken by the CGS in support of a Probabilistic Seismic Hazard Analysis (PSHA) for the proposed nuclear site at Thyspunt constitute of two parts; geological field investigations and a PSHA following the Level 3 methodology published by the Senior Seismic Hazard Assessment Committee (SSHAC) in the United States. Information collected in the vicinity of the Thyspunt nuclear site and possible surrounding seismotectonic sources includes data on the regional geology and tectonic setting, neotectonic setting, geophysical and catalogue data, and recurrence calculations. Good progress has been made with the field data collection. The CGS Nuclear Geohazards Group involved in this work received official ISO accreditation for their quality management systems.

During the year, the Council for Geoscience (CGS) was busy constructing seismograph stations in the Klerksdorp-Orkney-Stilfontein-Hartebeesfontein (KOSH) region. These stations were constructed in order to expand the South African National Seismograph Network into this region for monitoring the seismicity and conducting research focused on minimising the risk to the lives of miners. In addition to the stations, a data centre was established to accommodate the large amounts of data to be transmitted to the CGS offices in real time from the stations and to automatically locate any earthquakes which may occur.

These real time locations, as well as the analyst reviewed locations will be available to the Department of Mineral Resources for their perusal on their own dedicated data centre.

The CGS acts as the Secretariat for the Local Organising Committee for IGC 35. This major International Congress will be held at the Cape Town International Conference Centre from 27 August to 4 September 2016. During the past year a Section 21 (not for profit) Company has been registered to act as a legal person for the conference. A Professional Congress Organiser was also appointed to help with organizing the event.

The CGS focuses on skills development to ensure that the organisation's objectives of productivity, global recognition, competitive skills, motivated staff, scientific innovation and leadership excellence are achieved by enhancing the skills of the people in the organisation. The CGS recognises the need for mapping geologists and, on joining the organisation, young geoscientists embark on a one-year mapping programme before they are permanently placed in the CGS operational units. During the past year a field school was held at the Legalametse Nature Reserve in Limpopo. Six young geologists, which included two MQA interns and two geologists from the Geological Survey of Namibia, took part.

The Geoscience Amendment Act (Act No. 16 of 2010) was signed into law by the President on 3 December 2010. This Act makes it mandatory for all geological information to be submitted to the CGS as it is generated, including information such as prospecting and mining, exploration, geotechnical, borehole cores, seismological events, etc. Furthermore, the Act creates a National Geohazards Advisory Authority whereby state authorities will be obliged to seek the advice of the CGS in respect of geohazards affecting development and infrastructure. These geohazards include phenomena related to undermining, slope stability, seismicity and dolomitic land. The National Geohazards Authority will initially focus on the management of risk to state authorities by sinkholes and subsidences that threaten development and infrastructure on dolomitic land. Should the advice provided by the CGS result in a grievance, an appeal procedure is allowed for in the new Act.

The amended act also allows the CGS to do mineral exploration. (In this regard the CGS will start a new programme addressing exploration and mining promotion in mineral and energy sectors).

THE MINE HEALTH AND SAFETY COUNCIL (MHSC)

The Mine Health and Safety Council (MHSC) is a public entity that is mandated, in terms of the MHSA, to advise the Minister of Mineral Resources on Occupational Health and Safety in the South African Mining Industry through developing OHS research programmes, development of and review of regulations, standards, occupational health and safety policies, procedures and promotion to minimise the occupational health and safety risk in the sector.

In the year of 2011, the focus of the research programmes remained, similar to that of the previous year, on the achievement of the OHS Summit milestones. Council operations continued to implement programmes in line with set goals and targets and held an Occupational Health and Safety Summit “**Zero Harm through Action**” on the 17th and 18th of November 2011.

The two day event was well attended by the turnout of stakeholders (principals and members) over the two days. Each of the principals of the stakeholders addressed the summit attendees. In addition a keynote address was given by the Minister of Health on the first day of the conference. The final day culminated in the principals of the three stakeholder groupings signing the following documents and pledges:

- Reaffirmation of the 2008 Summit Action Plan
- The Culture Transformation Framework and Implementation Plan
- High-Level Agreement on the establishment of the Centre of Excellence
- Recommendations on HIV/AIDS and TB in the South African Mining Sector

The emphasis and focus is now on the implementation of the various outcomes to provide impetus to the theme **“ZERO HARM THROUGH ACTION”**.

Over and above this activity, the focus has remained on delivering against the research projects and other operational activities of the MHSC. The completed projects cover the critical areas of the OHS milestones (viz. Silicosis, Noise Induced Hearing Loss and Falls of Ground). Other significant projects that were completed are the Fitness for Work, Workers' Incapacity due to ill-Health and Personal Protective Equipment for Women. The outcomes of these research projects have been compiled with advisory notes and been developed for submission to the Ministry.

SOUTH AFRICAN DIAMOND AND PRECIOUS METALS REGULATOR (SADPMR)

In the year under review, the SADPMR has been very aggressive in ensuring compliance with the diamond and precious metals legislation. Compliance inspections targets, particularly with the diamond licensees, have been exceeded. This was due to the fact that the Regulator has to assess the compliance status of existing licences. A series of workshops have also been held throughout the country to inform and educate the industry about the role that the diamond and precious metal industry can contribute to government's key priorities, particularly to the creation of jobs.

Pursuant to its objectives to promote beneficiation, the SADPMR has moved to new premises towards the end of last year. These premises are spacious, modern and have adequate security for business. In the new premises the Diamond Exchange and Export Centre (DEEC) has been doubled in size to accommodate more clients and to render efficient services to the industry. During this year, the Government Diamond Valuator has been very efficient and effective in assisting the State Diamond Trader to purchase 10% of goods offered by the diamond producers. No disputes were experienced during the verification stages and this has improved access and availability of diamonds to the beneficiaries.

On the international front, the Kimberley Process (KP) nominated South Africa to serve as Deputy Chair for the year 2012. This means that South Africa will be the Chair of KP in 2013. It must be remembered that the KPCS was implemented in the year 2003, and 2013 will therefore mark the 10th anniversary for the KP, making South Africa the first country to chair KP for the second time.

Going forward, the Regulator in its forthcoming plan will focus on ensuring security of supply for raw materials, skills and entrepreneurial development, as well as access to markets, particularly for the small players. This plan will ensure growth in beneficiation, thereby creating jobs in the diamond and precious metal industries.

STATE DIAMOND TRADER (SDT)

The State Diamond Trader (SDT) continued to grow its revenues despite the softening of the diamond markets globally. This has meant that its continued operation as a going government concern and business was strengthened and provided the opportunity for it to implement its growth programmes.

The number of historically disadvantaged clients who traded with the SDT grew steadily and this is attributable to the continued buying programme of the SDT coupled with its other programmes that facilitate support for these clients.

This growth of revenues and that of trading HDSA clients contributed to the outcome of economic development as well as the strengthening of the beneficiation imperatives of the Department.

The SDT was able to start the process of permanently filling the positions approved on its HR structure as a result of the stability created by the strengthening revenues. Three such positions were filled and these are critical to its operations.

The training of Diamond Valuers continued and four new trainees were recruited and trained at significant cost to the SDT. Of the first four trainees that were employed in the 2010/11 year, two have become permanently employed and this has showed a return on the investment made by the SDT.

These contribute to the outcome 5 of “a skilled and capable workforce to support an inclusive growth path” as jobs were thereby created and skills developed. These are also critical in the attainment of the economic development outcome.

These also contribute towards the achievement of outcome 12 “an efficient, effective and development oriented public service and empowered workforce”.

2.1.11 CONDITIONAL GRANTS AND EARMARKED FUNDS

The Department does not have conditional grants or earmarked funds

2.1.12 ASSET MANAGEMENT PLAN

Refer to notes 30 to 32 of the Annual Financial Statements

2.2 PROGRAMME PERFORMANCE

The activities of the Department of Mineral Resources are organized in the following programmes:

Programme 1:	Administration
Programme 2:	Promotion of Mine Health and Safety
Programme 3:	Mineral Regulation
Programme 4:	Mineral Policy and Promotion

PROGRAMME 1: ADMINISTRATION

Purpose:

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

CORPORATE SERVICES BRANCH

Headed by the Deputy Director-General: Corporate Services, the Branch consists of four Chief Directorates:

- Human Resources Management
- Legal Services
- Communication
- Special Projects and Programmes

Chief Directorate: Human Resource Management (HRM)

The Chief Directorate: HRM services is responsible for rendering a management support service to the Department. It provides services relating to organisational development, human resource planning and policy, human resource administration and practices, human resource development as well as employee relations management to line function components. The CD: HRM services' primary focus is on capacity building with the view to ensuring alignment between the Departmental service delivery imperatives and its new mandates and strategic priorities.

Organisational Development

The main purpose of this Directorate is to provide a comprehensive organisational development service to the Department.

The Directorate has successfully managed change that resulted from the implementation of the new structure. The Directorate has successfully re-aligned the structure of various components. With regard to job evaluation, 271 posts were evaluated. The Job Evaluation policy was also reviewed and implemented.

The Directorate further managed to visit all Regional Offices to re-align the administrative functions and to assist with challenges.

Human Resource Planning and Policy

This Directorate was established in 2010 resulting from the restructuring and repositioning of the Directorate: Human Resources in the Department; however, the Director position is still unfunded and hence the functions are managed from the Directorate: Human Resource Administration and Practices. The focus of this Directorate is to manage the development, maintenance and implementation of HR planning and policy as well as the branding of HR in the Department. In this regard the Directorate developed an Integrated Human Resource Plan as well as the Employment Equity Plan for the Department which will be reviewed annually. Numerical targets and goals were set for all branches and incorporated into the Strategic Plan of the Department. Approval was also granted for the establishment of an Employment Equity Committee that will assist, among others, with monitoring and reporting on the Department's representivity profile and the achievement of targets and goals. The Directorate is in the process of reviewing its Employment Equity policy with a view to make the work place more accessible for people from designated groups, including people with disabilities. In the new financial year an effort will be made to implement the recommendations emanating from the exit interview analysis in order to reduce the staff turnover rate. Human Resource functions will also be monitored and evaluated on a continuous basis to ensure that Human Resources deliver a service that is valued by our clients.

Human Resource Administration and Practices

The main purpose of this Directorate is to manage relationships with Mineral Resources business units' partners on human resources matters and administration. This entails recruitment and selection, facilitating competency-based assessments and individual performance evaluations through the Performance Management and Development System (PMDS), managing service conditions and the implementation of Policy and Procedure for Incapacity Leave and Ill-health Retirement (PILIR). The Directorate managed to reduce the number of repeated audit findings especially on leave management. Performance bonuses and pay progressions for all staff below SMS level were implemented during the second quarter of the 2011/12 financial year. Vacancy rate was reduced from 17.7% to 13% in this financial year and this also includes the appointment of the Head of the Department (Director-General). The Directorate is also in the process of reviewing most of the policies to improve service delivery.

Human Resource Development

The mandate of the Human Resource Development Directorate in terms of the Skills Development Act (SDA), the National Human Resource Development Strategy (NHRDS), the National Skills Development Strategy (NSDS) and the Departmental HRD Implementation Plan is to address skills challenges through training and development programmes that can ensure that there is a supply of employees with the required skills set (i.e. scarce/critical skills), to meet the Departmental strategic needs as well as the needs of the South Africa economy. This is essential in ensuring that the economy as a whole achieves improved performance to enhance service delivery. To deliver on its mandate, the Directorate is responsible for the development and implementation of the Departmental HRD strategy and Workplace Skills Plan.

Highlights in this regard included a number of generic and technical programmes, ranging from mass inductions, middle management development, executive development programme and government certificate of competency (GCC). The Directorate also successfully administered the bursary schemes (both internally and externally focused), as well as internship programmes for Mineral Policy and Promotion, Mineral Regulation and Mine Health and Safety as well as Corporate Services..

The Department has entered into a memorandum of understanding with the Mining Qualifications Authority and the MQA funded 55 bursaries during the 2011/2012 financial year for a period of 4 years.

Employee Relations Management

This is a Directorate aimed at managing employee relations, collective bargaining and employee wellness. The employment relations sub-directorate finalised all disciplinary and grievance cases within the prescribed timeframes. One arbitration case was handled and ruled in favour of the Department. In terms of wellness, Employee Relations Management is in the process of establishing a wellness centre as one of the initiatives for implementing Health and Wellness programmes in line with the Employee Health and Wellness Strategic Framework for the Public Service. The plan is to implement all four pillars of the above-mentioned strategy. Flu vaccination and health risk assessments, including HIV/AIDS voluntary testing (VCT), were carried out in all regional offices as well as Head Office.

Security Risk Management

The main purpose of this Directorate is to ensure effective security risk management services, the focus being on vetting and security operations. The main achievement of the Directorate was the full implementation and functionality of the vetting strategy in the Department.

Chief Directorate: Legal Services

The Chief Directorate: Legal Services focuses on ensuring the provision of professional legal support and advisory services to the Ministry and the Department.

The Chief Directorate: Legal Services provides the Department with comprehensive legal support services, including legal opinions and advice, assistance with legal drafting, litigation management, handling of administrative appeals and assistance with Inquiries and investigations. The Chief Directorate also assists with monitoring and implementation of the Promotion of Access to Information Act (PAIA), No. 2 of 2000 and the Promotion of Administrative Justice Act, No. 3 of 2000. Furthermore, the Chief Directorate assists in 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.

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

Challenges

Legal services has had severe capacity challenges during the last few years. The increase in appeals and litigation is difficult to manage and is of major concern; however, it is believed that this should primarily be addressed at line function level, because an increase in capacity at Legal Services alone will not address

the course of the problem which relates to the nature and extent of administrative decision-making within the DMR. Cooperation from Regional Offices with regard to the furnishing of records in both appeals and litigation cases remains a challenge and measures are being put in place to improve the situation.

Achievements

Although there was a constant increase in appeals and litigation, the component nevertheless managed to improve on the turn around time with regard to the finalizing of appeals.

Branches are still appreciative of the value of the Chief Directorate which managed to assist those Branches who required services with the drafting of legislation. Other Branches have specifically requested the Chief Directorate: Legal Services to provide legal guidance and assistance to its officials with regard to administrative decision making processes.

Chief Directorate: Communication

The objective of the Chief Directorate: Communications is to develop, implement and manage communication strategies for the Department for both internal and external stakeholders, including the media. Its core mandate entails rendering 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 mining industry. The role of the Directorate is critical to the success of the Department. Working in tandem with all senior managers, the Directorate leads the Department's communication effort in support of the overall objectives of the Department. 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, library, knowledge management services, switchboard and reception services. Since the split of the DME, the Chief Directorate has embarked on a project of restructuring the Directorate: Communications to ensure that it is appropriately capacitated to provide communications services. The restructuring will further consolidate the unit and reasserts communication as central to all of DMR's programmes and policies. Such an approach will also apply to international communication and the marketing of the Department abroad.

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 interventions;
- 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 could enhance the image of the Department.

The unit has in the last year achieved improved media relations through a proactive approach in engaging with media houses.

Presidential Hotline

The Chief Directorate: Communications also hosts the function of public liaison services, dealing with Presidential Hotline queries and other public complaints received. The DMR Presidential Hotline call resolution is at 96% with calls mainly on Mine Health and Safety, Mineral Rights and Social & Labour Plans.

Chief Directorate: Special Projects and Programmes

The Chief Directorate: Special Projects/Programmes plays a significant role in addressing the issues of transformation in the mining sector and facilitating the mainstreaming of gender and youth in the mining industry. The situation of girls and women continues to be a challenge and in order to address these problems and to aggressively grow the economy the Department is efficiently developing programmes that enhance participation of women, youth and persons with disabilities in mining.

The Chief Directorate thus focuses on increasing skills in the mining and minerals industries particularly amongst poor and disadvantaged youth. During the previous year the Chief Directorate continued to engage stakeholders namely; the Provincial Departments of Education, mining companies and schools and communities particularly creating career awareness with focus on mining related studies.

During 2011 the career awareness programme was escalated to another level whereby the Minister of Mineral Resources enlisted the commitment of mining companies to support her initiative of providing financial support to promote the education of girl learners at tertiary institutions. About thirteen (13) mining companies made their commitment to support the noble endeavour.

This initiative culminated in a Roundtable Discussion for young girl learners and mining company representatives hosted by the Minister of Mineral Resources. The event had the following theme ***"Mentorship: Professional Women in the Minerals Sector Shaping Young Girls for Economic Empowerment"***.

The event was graced with the presence of the Minister of Women, Children and People with Disabilities, who delivered a speech on ***“access and participation of women and girls in STEM (Science, Technology, Engineering and Mathematics) including the promotion of women's equal access to full employment and decent work”***.

One of the young women participants has recently obtained an Honours Degree in Geology and she has been gainfully employed at the Council for Geoscience as an intern.

To this end about twenty one (21) girl learners were selected as per the commitments made by mining companies, and all the girls have been admitted to various tertiary institutions pursuing mining related studies.

The Chief Directorate also coordinates a career guidance programme known as the Learners Focus Week for all youths particularly from rural and disadvantaged areas.

During the previous year the focus was on the following provinces; Mpumalanga, KwaZulu Natal, Limpopo and North West. The Learners are encouraged to do research regarding envisaged problems they visualize in their communities as a result of mining practices. This also encourages the aspect of innovation and invention.

Two of the top matriculation learners from the Limpopo Province had been participants of the Learners Focus Week Programme and were granted bursaries by the Mining Qualifications Authority (MQA). In July the Department facilitated yet another successful International Volunteer Day famously known as Mandela Day. The Department volunteered at the Bophelong Stimulation Centre for Disabled Children at Siyathemba Township in Balfour, Mpumalanga Province. The highlight was the offer by the Great Basin Gold mine to build a proper centre for the disabled children at Siyathemba Township, Balfour, in Mpumalanga.

The Component has also facilitated information sessions in the communities regarding policies and services rendered by the Department. The Component has also encouraged the development of projects through cooperatives in the rural and developing areas.

PROGRAMME 1: CORPORATE SERVICES

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Communicate the DMR policies and programmes among internal and external stakeholders	Develop and Implement a new website and intranet	1	1	0	Achieved, Verification Source: Sign-off certificate, Updated website.	
	Number of media engagements held	23	5	18	Achieved, Verification Source: Media Reports.	
	Number of opinion pieces placed by DMR	0	8	-8	Not achieved, no opinion pieces were received from branches.	Line function has committed to write opinion pieces on their expert areas.
	Number of positive or balanced news items (published / broadcast)	195	80	115	Achieved, Verification Source: Media Statements, Advisories, Media Conferences, Media Clippings, Media Register, Editorials.	
	Number of perception surveys conducted	0	1	-1	Not achieved, measure cannot be undertaken due to financial constraints.	Measure to be omitted in the next financial year.
Contribute to Skills Development	Number of public participation programmes	14	4	10	Achieved, Verification Source: Report	
	Mining career awareness initiatives	15	8	7	Achieved, Verification Source: Report	
	Mining career awareness initiatives (special projects)	4	4	0	Achieved, Verification Source: Attendance Register Reports	

PROGRAMME 1: CORPORATE SERVICES

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Drive transformation policies	Number of women mainstreaming projects initiated	12	4	8	Achieved, Verification Source: Project Reports.	
	Women in Mining Strategy approved	0	1	-1	Not achieved, Women strategy still in the development phase	The women in mining strategy will be completed on 30 Sept. 2012
Sustainably develop vulnerable groups	Number of projects led by vulnerable groups	6	2	4	Achieved, Verification Source: Report	
	Number of workshops and information sessions for vulnerable groups	9	4	5	Achieved, Verification Source: Reports, Attendance Registers, Agenda	
Develop, review and improve internal processes/ guidelines/ procedures	Number of Guidelines reviewed/ developed	2	1	1	Achieved, Verification Source: Intranet.	
	Number of policies developed / reviewed	14	3	11	Achieved, Verification Source: DBC Minutes; Intranet.	
	Number of SLAs implemented	0	1	-1	Not achieved, delays in information gathering.	Reach agreement with clients in terms of service delivery statements and obtain approval for implementation on 31 May 2012.

PROGRAMME 1: CORPORATE SERVICES

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Ensure implementation of the National Vetting Strategy	Number of SLAs implemented	60	80	-20	Not achieved, reliance upon SSA to provide information related to document checks.	The Department is in the process of procuring the Personnel Suitability Checks (PSC) solution. The process will finish on 31 May 2012.
	Percentage of new employees screened	100	100	0	Achieved, Verification Source: Acknowledgement of receipts.	
	Percentage of service providers and contractors screened	100	100	0	Achieved, Verification Source: Acknowledgement of receipts.	
Implement PMDS effectively	Percentage of performance agreements signed within the prescribed period	89	100	-11	Not achieved, non commitment by SMS members.	Disciplinary action taken against those who did not comply.
Provide professional legal support and advisory service to Ministry and Department	Percentage timeous response to opinions, appeals and litigations	68	75	-7	Not achieved, lack of capacity compared to volume of appeals. Response time from line function. Response time from State Attorney.	Filling of vacancies, review of work processes and implementation of EDMS during 1 st quarter of 2012.

PROGRAMME 1: CORPORATE SERVICES

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Attract, develop and retain skills	Reduction in staff turnover rate	0	1	-1	Not achieved, No control over contract expiry, death and retirement:	Plan accordingly in the next financial year and implement recommendations as per exit interview analysis compiled by HR
	Improve numbers for identified EE categories.	32	80	-48	Not achieved, Measure developed before the development of the department EE Plan, hence no proper alignment was done.	Measure to be aligned with department EE Plan in the next financial year.
	Number of HRD initiatives implemented	8	10	-2	Not achieved, lack of human capacity.	To be implemented in the next financial year.
Facilitate management and leadership development	Number of management programmes implemented	2	2	0	Achieved, Verification Source: Attendance Registers	
	Number of managers completed management courses	45	12	33	Achieved, Verification Source: Training Report.	

PROGRAMME 1: CORPORATE SERVICES

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Filling of funded vacancies	Reduction in vacancy rate	18	50	-32	Not achieved: The Department experienced an increase in terminations during this quarter. Although number of posts were filled during this quarter but due to the fact that the Department experienced an increase in termination the vacancy rate did not change, hence the increase of 0.8% in vacancy rate.	Fill all advertised posts within four months of being vacant.
Align budget to strategy	Percentage budget allocated to branch priorities	100	80	20	Achieved, Verification Source: Spending Plan	
Manage Cost effectively	Percentage variance (under spending) on allocated budget for goods and services	-10.27	5	-15.27	Not achieved, the final virement or shifting was not effected during time of reporting.	The branch will align their spending according to their spending plans and review quarterly.
	Reduction in wasteful, fruitless and irregular expenditure	18	60	-42	Not achieved, Service was rendered without an order.	Written or verbal warnings were given to responsible officials.

PROGRAMME 1: CORPORATE SERVICES

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Maximise utilisation of resources	Percentage reduction in the number of branches assets disposed of prior to the end-of-lifespan	100	15	85	Not achieved, in March 2010/2011 Corporate Services had no losses, in March 2011/2012 Corporate Services had two assets loss worth R40 830 which means there is a 100% increase in assets loss.	To minimize losses in our branch SCM will workshop all managers on 30 June 2012.
	Comply with PFMA	100	100	0	Achieved, Verification Source: Compliance Framework Report.	
Promote Corporate Governance	Percentage executive of fraud prevention and enterprise Risk Management Plans	57	100	-43	Not achieved, Risk assessments were done late.	Action plan will be implemented in the next financial year.
	Percentage reduction in repeat audits findings on internal audit follow-up report	-16	30	-46	Not achieved, 1 out of 6 management action plan was implemented for this quarter.	Management action plan will be implemented in the next financial year.

PROGRAMME 1.1: CHIEF FINANCIAL OFFICE

Purpose: The purpose of the Branch: Chief Financial Office is to provide strategic and administrative support services to the Ministry and the Department. Headed by the Chief Financial Officer, the Branch consists of the following components:

Chief Directorate: Finance and Supply Chain Management

The Chief Directorate: Finance and Supply Chain Management is responsible for the finance, budget and supply chain management processes and made up of the following directorates:

Financial Planning and Management Accounting which is responsible for coordinating the budget processes, managing revenue and reporting of all financial matters including annual financial statements and other reports prescribed by the PFMA;

Expenditure Management which focuses on ensuring that payments to service providers/suppliers, interdepartmental claims, salary and other allowances as well as transfers to state owned entities are done on time and within a controlled environment to ensure compliance with relevant policies and prescripts;

Supply Chain Management which is primarily responsible for managing demand, acquisition of goods and services, logistics, contract as well as assets management for the Department.

Chief Directorate: Information Management

This Chief Directorate's primary focus is to provide a communication technology platform that supports business needs which are aligned to the strategic objectives of the Department. It is made up of two directorates, namely:

Information Technology which provides information technology – infrastructure and networks, and

System Development and Maintenance which focuses on the development and maintenance of application systems.

Achievements

Budget and expenditure

The Department recorded a 0.92% under-spending on allocated budget for 2011/2012 which is far below the 5% threshold set by National Treasury. This was realised through effective and continuous monitoring processes that were implemented during the year.

The process of compiling the 2012/13 budget and ENE chapter for the Department was also completed during the year under review.

All Branches have compiled and submitted their spending plans which were used as a basis for projecting the monthly expenditure.

Information and Communication Technology issues

In an effort to address the revenue management issues which have been bases for audit qualification for the past two years, the Department has successfully developed and implemented the Revenue Management System. This enabled proper capturing, computation and reporting of departmental receivables during the 2011/12 financial year.

Policies and procedures

In pursuit of consistency and to eliminate non-compliance, various policies were developed, approved and implemented during the year. Parallel to the development of these policies, procedures were also developed. Existing policies and procedures were also reviewed in order to align them with current standards.

Service delivery/turnaround times

The Branch has achieved 91.9 percent adherence to defined turnaround times regarding services rendered within the Branch as per the Branch service catalogue that was developed previously. Seven (7) service level agreements were also concluded with various vendors and implemented during 2011/12.

Compliance matters

Cases of non-compliance with the procurement procedures decreased significantly with only a few cases of irregular expenditure reported. These were achieved by putting the following measures in place:

- Improved liaison with the National Treasury Supply Chain Management Norms and Standard Component,
- Consistent reporting of suspected irregular expenditure to Managers for investigation and for taking necessary disciplinary measures against the transgressor.
- Quarterly reporting of performance against the irregular expenditure measures to Programme Managers.
- Establishment of the Bid Specification Committee and identification of commodities that require pre-qualification which shortens procurement processes thereby eliminating irregular expenditure.

The long term vision for the Department in this regard is to eliminate the non-compliance entirely.

The Department continued to compile a monthly compliance certificate as required by the National Treasury. The level of compliance against a target of 100% was recorded at 98%.

The Department also complied with National Treasury's invoice payment reporting requirement whereby departments report on invoice status. This measure was introduced by National Treasury in February 2012 and aimed at encouraging departments to improve turnaround times in processing the suppliers' invoices.

PROGRAMME 1.1: CHIEF FINANCIAL OFFICE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Educate and empower stakeholders	Percentage reduction in number of queries and complaints raised due to lack of information	100	10	90	Achieved : Verification Source: Query Management System Generated Report	
	Percentage reduction in non-compliance with internal processes	56	50	6	Achieved: Verification Source: Irregular Expenditure Report	
Improve service delivery	Customer Satisfaction Index conducted	3.15	3	0.15	Achieved: Verification Source: Customer Satisfaction Survey Report	
	Percentage adherence to defined turnaround times	91.9	80	11.9	Achieved: Verification Source: Service Catalogue	
	Percentage spent on targeted group	51.3	40	11.3	Achieved: Verification Source: BEE Spend Report	

PROGRAMME 1.1: CHIEF FINANCIAL OFFICE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Provide adequate facilities for effective service delivery	Percentage alignment of facilities with business needs	50	50	0	Achieved: Verification Source: Progress Report on Implementation Plan	
	Number of ICT monitoring tools procured	1	1	0	Achieved: Verification Source: Monitoring tool deployed.	
Provide ICT systems	Percentage availability of information system	98.1	90	8.1	Achieved: Verification Source: System Availability Report	
	Percentage of reports submitted within prescribed timeframes	92.9	90	2.9	Achieved: Verification Source: Reporting Calendar	
Align ICT with business objectives	Approved master system plan	1	1	0	Achieved: Verification Source: Approved Master System Plan	
	Number of integrated systems implemented	1	1	0	Achieved: Verification Source: Minutes of the ICT Committee Meeting	
	Percentage reduction in licensing costs	0	10	-10	Not achieved: Pending finalization of software asset register.	Software Asset Register is in a process of being finalised and will be finalised by 30 April 2012.

PROGRAMME 1.1: CHIEF FINANCIAL OFFICE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Implement policies, processes and procedures	Number of approved policies implemented	12	4	8	Achieved: Verification Source: Approved Submission	
	Number of approved processes & procedures implemented	11	4	7	Achieved: Verification Source: Published Processes on the Intranet	
Improve turnaround times	Number of processes with improved turnaround times	8	6	2	Achieved: Verification Source: Report on turnaround times for processes identified for improvement	
	Number of SLA's signed	7	6	1	Achieved: Verification Source: Signed SLAs.	
	Percentage improvement in turn-around times	47	10	37	Achieved: Verification Source: Service Catalogue	
Attract, develop and retain Skills	Number of HRD initiatives implemented	5	5	0	Achieved: Verification Source: Training Report	
	Percentage reduction in staff turnover rate	2	5	-3	Not achieved: No control over contract expiry, death and retirement.	Plan accordingly in the next financial year and implement

PROGRAMME 1.1: CHIEF FINANCIAL OFFICE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Facilitate management and leadership development	Number of managers completed management courses	5	5	0	Achieved: Verification Source: Training Report	
Fill funded vacancies	Percentage reduction in vacancy rate	79	50	29	Not achieved, due to increase in the number of vacancies. Verification Source: Persal Report	Fill vacancies within prescribed time frame.
Align budget with strategy	Percentage budget allocated to branch priorities	100	80	20	Achieved: Verification Source: Spending Plans	
Manage costs effectively	Percentage of spending plans implemented	98.41	100	-1.59	Not achieved, because shifting cannot be prohibited as budget has to be aligned with changes in business needs	The branch will review target to accommodate necessary changes in the next financial Annual Performance Plan
	Percentage reduction in wasteful, fruitless and irregular expenditure	86	60	26	Achieved: Verification Source: Irregular Expenditure Register	
	Percentage variance (under spending) on allocated departmental budget for goods and service	0.92	5	-4.08	Achieved: Verification Source: Expenditure Control Report	

PROGRAMME 1.1: CHIEF FINANCIAL OFFICE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Maximize utilization of resources	Percentage reduction in the number of departmental assets disposed of prior to the end-of-lifespan	-99	5	-104	Achieved: Verification Source: Asset Loss Register	
	A-G Report	0	0	0	AG Report not due as yet.	AG Report will only be available by July 2012.
Promote corporate governance	Percentage execution of fraud prevention and Risk Management Plans	87	100	-13	Not achieved: The Risk Assessment Plans were not completed on time	Risk assessment plans will be completed on time and risk management plans will be implemented as planned in the next financial year.
	Percentage reduction in repeat audit findings on internal audit report	29	30	-1	Not Achieved: The ICT Change Control Policy could not be approved and implemented due to the disruptions in leadership within the ICT environment.	The ICT Change Control Policy will be approved and implemented in the next financial year.
	Suspense and control accounts cleared within set target (in days)	86	45	41	Achieved: Verification Source: BAS Report EM	Majority of the accounts will be cleared during 2011/2012 year end process.
	Zero balance on key control accounts cleared as prescribed	100	100	0	Achieved: Verification Source: BAS Report	

PROGRAMME 2: PROMOTION OF MINE HEALTH AND SAFETY

Purpose:

To execute the Department's statutory mandate to safeguard the health and safety of the mine employees and people affected by mining activities.

Measurable Objective:

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

Service Delivery

Staffing

The establishment of the Inspectorate provides for 398 posts of which 304 are funded. Of these posts 251 are filled and 147 are vacant. The demographics of the Inspectorate as on 31 March 2012 was as follows:

GENDER	African	White	Asian	Coloured	Total
Male	104	58	0	0	162
Female	71	15	0	3	89

Human Resource Development

During the reporting period, the inspectorate continued to develop the skill and knowledge base of its staff as follows:

- One hundred and seven officials attended WITS training on the following modules:
 - Inspections, audits and investigation methods;
 - Mine Health and Safety Act Legal enforcement Part 1;
 - Mine Health and Safety Act Legal enforcement Part 2; and
 - Principles of Occupational Health and hygiene Part 1.

The training will continue during the next financial year, with the training set out for the rest of the year.

- Eight staff members attended WITS Executive Development Programme.
- Seventeen staff members attended other administrative and technical courses.

A total of nineteen Engineering Assistant Inspectors were placed in various Regional offices of the Department as from 01 August 2010. This was after completion of their practical underground training in preparation for acceptance as candidates for Government Certificate of Competency (GCC).

A total of four Assistant Inspectors out of nineteen are already in possession of their GCC. They are in the process of being permanently absorbed within the Department as part of the human resource capacity pool from whom the Department may recruit.

The other fourteen are at various stages towards acquisition of Government Certificate of Competency (GCC). Some have already been accepted as candidates to write GCC examinations. Some have already acquired one of the two required subjects to be a holder of a GCC. Some are towards the final stages in terms of acquisition of the necessary subjects for acceptance as GCC candidates and commencing with their GCC examination attempts. Only one Assistant Inspector has resigned from the Department thus far and has been offered employment by the industry prior to acquisition of GCC.

The Department had also invested in nineteen bursary holders of whom six have finished their qualifications. They are busy with their practical underground training experience at Goldfields Business and Leadership Academy (GFBLA) in preparation for acceptance as GCC candidates. They are at different stages of completing their training with one being expected to complete training in October 2012. He will then be placed within one of the Regional offices of the Department for Inspector training.

The Department is expecting four of the bursary holders currently studying to complete their qualifications at the end of the current academic year (2012). The other two are expected to complete their studies in 2013. The other bursary holders have breached their contracts for various reasons including not making satisfactory progress in their studies and also being recruited by the industry on completion of their studies which is becoming a major challenge for the Department.

Key Policy Development and Legislative Changes

The Amendment of the Mine Health and Safety Act (Act 29 of 1996) (MHSA) is underway. Consultations with affected parties were done during 2011 and further consultations will continue until 2012. It is envisaged that the amendments will be adopted and approved during the 2012/13 financial year.

The review of the Mine Health and Safety Act seeks:

- To strengthen enforcement provisions;
- To streamline the administrative processes;
- To deal with offences and reinforce and penalties;
- To remove ambiguities in certain definitions and expressions; and
- To harmonize the Act with other laws, in particular the Mineral and Petroleum Resources Development Act, 2002 (MPRDA).

Both the Enforcement and Administrative Fine Guidelines have been reviewed, amended and approved during the 2010/2011 financial year to assist in strengthening the enforcement function of the Mine Health and Safety Inspectorate.

TABLE 1:
Actual Fatalities and Rates (per million hours worked) per Region

REGION	2010	Fatality Rate	2011	Fatality Rate	% Change in Rates
All mines	127	0.12	123	0.11	-8.33
Western Cape	0	0	0	0.00	0
Northern Cape	4	0.06	3	0.04	-33.33
Free State	22	0.27	17	0.21	-22.22
Eastern Cape	0	0	0	0.00	0.00
KwaZulu Natal	3	0.12	2	0.08	-33.33
Mpumalanga	13	0.08	18	0.10	25.00
Limpopo	11	0.11	9	0.08	-27.27
Gauteng	29	0.14	28	0.14	0.00
Klerksdorp	14	0.09	12	0.07	-22.22
Rustenburg	31	0.14	34	0.14	0

* Provisional figures because statistics may change due to late reporting and subsequent deaths

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

This table indicates that there has been an 8% decrease in the fatality rates at all mines for the period under review. There were two regions that succeeded to have a fatal free year, namely Western Cape and Eastern Cape. Gauteng region maintained the same number of fatalities. Mpumalanga Region had an increase in fatality rates of 25%.

TABLE 2:

Actual reportable Injuries and rates (per million hours worked) per region

REGION	2010	Injury Rate	2011	Injury Rate	% Change in Rates
All mines	3438	3.25	3299	3.00	-7.69
Western Cape	13	0.96	21	1.49	55.21
Northern Cape	63	0.92	61	0.77	-16.30
Free State	388	4.69	374	4.68	-0.21
Eastern Cape	2	0.52	5	1.09	109.62
KwaZulu Natal	29	1.1	36	1.49	35.45
Mpumalanga	304	1.85	297	1.59	-14.05
Limpopo	255	2.43	226	2.05	-15.64
Gauteng	617	2.87	722	3.57	24.39
Klerksdorp	439	2.73	431	2.52	-7.59
Rustenburg	1328	5.98	1126	4.77	-20.19

* Provisional figures because statistics may change due to late reporting and subsequent deaths

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

Table shows that there has been an improvement of about 8% on injury rates. There has been an increase in injuries in Western Cape, Eastern Cape, KwaZulu-Natal and the Gauteng regions while the other regions show a decrease.

TABLE 3:

Actual fatalities and rates (per million hours worked) per commodity

COMMODITY	2010	Fatality Rate	2011	Fatality Rate	% Change in Rates
All mines	127	0.12	123	0.11	-8.33
Gold	62	0.20	51	0.17	-15.00
Platinum	34	0.09	37	0.09	0.00
Coal	12	0.07	12	0.07	0.00
Diamonds	4	0.15	3	0.11	-26.67
Copper	1	0.14	1	0.14	0.00
Chrome	3	0.09	5	0.14	55.56
Iron ore	3	0.06	0	0.00	-100.00
Manganese	1	0.07	2	0.13	85.71
Other	7	0.07	12	0.12	71.43

* Provisional figures because statistics may change due to late reporting and subsequent deaths

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

In terms of the major commodities the gold diamond and iron ore sectors have registered a reduction in fatality rate of 15%, 27% and 100% respectively during the period under review. However, it is a concern that the coal and platinum could only manage to remain the same.

TABLE 4:
Number of fatalities for all mines per classification - 2010 to 2011

INJURY CLASSIFICATION	2010 Fatalities	2011 Fatalities	% Change
Fall of ground	48	39	-18.75
Machinery	3	5	66.67
Transportation and mining	37	38	2.70
General	20	25	25.00
Conveyance accidents	1	3	200.00
Electricity	3	4	33.33
Fires	5	0	-100.00
Explosives	5	4	-20.00
Heat sickness	2	2	0.00
Miscellaneous	3	3	0.00
Total	127	123	-3.15

* Provisional figures because statistics may change due to late reporting and subsequent deaths

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

There has been a 19% improvement regarding fall of ground fatalities, from 48 to 39 during 2011. Also, there has been a reduction in explosives and fires of about 100% and 20% respectively during the period under review. Although there was an improvement in the above there was an increase in all the other classifications. This is an indication that more attention needs to be given to the areas with potential for such accidents occurring in the mining industry.

TABLE 5:

Actual reportable Injuries and rates (per million hours worked) per commodity

REGION	2010	Injury Rate	2011	Injury Rate	% Change in Rates
All mines	3438	3.25	3299	3.00	-7.69
Gold	1379	4.36	1498	5.07	16.28
Platinum	1515	4.08	1283	3.20	-21.57
Coal	273	1.73	241	1.44	-16.76
Diamonds	50	2.04	42	1.58	-22.55
Copper	19	2.61	19	2.66	1.92
Chrome	84	2.78	71	1.99	-28.42
Iron ore	18	0.44	20	0.39	-11.36
Manganese	17	1.36	13	0.82	-39.71
Other	82	0.83	112	1.12	34.94

* Provisional figures because statistics may change due to late reporting and subsequent deaths

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

Whilst reportable injury rates in platinum (22%), coal (17%), diamonds (23%), chrome (28%), iron ore (11%) and manganese (40%) rates dropped, it is of concern that the other commodities registered an increase.

Service Delivery Achievements

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

PROGRAMME 2: MINE HEALTH AND SAFETY INSPECTORATE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Contribute to Skills Development	Number of examination commission meetings held	11	10	1	Achieved Verification Source: Registers	
	Percentage increase in certificate of competency issued	15	10	5	Achieved Verification Source: certificates issued.	
	Percentage of Examination board meetings held	100	100	0	Achieved Verification Source: Attendance registers.	
	Percentage of investigations completed	81.25	80	1.25	Achieved Verification Source: Investigation reports	
Promote Health and Safety	Percentage reduction in occupational injuries, fatalities, diseases and dangerous occurrences	15	20	-5	Not Achieved The number of fatalities was higher than planned.	The Inspectorate will concentrate on the enforcement of legislation during inspections and audits in the next financial year.
	Annual performance report prepared	1	1	0	Achieved. Verification source: Cover page of Annual Performance Report, CIOM signature, Cabinet Memo.	
	Enforcement guideline implemented	1	1	0	Achieved. Verification Source: Section 54 instruction report	

PROGRAMME 2: MINE HEALTH AND SAFETY INSPECTORATE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Promote Health and Safety	Information workshops conducted	36	36	0	Achieved. Verification Source: Registers.	
	Legislative framework reviewed	1	1	0	Achieved. Verification Source: Draft Bill	
	Number of audits conducted	473	396	77	Achieved. Verification Source: Audit Reports	
	Number of inspections conducted	8161	8000	161	Achieved. Verification Source: Inspection Reports	
	Percentage of enquiries completed	83.5	70	13.5	Achieved. Verification Source: Section 72 reports	
	Quarterly OHS newsletters published	4	4	0	Achieved. Calculation: Count Verification Source: Cover page for newsletter quarter 1 to quarter 4	
Develop and Review Internal Processes	Percentage of identified internal processes developed, implemented and reviewed.	100	100	0	Achieved. Verification Source: Cover pages of reports.	
	Percent of identified procedures and guidelines implemented	100	100	0	Achieved. Verification Source: Guideline for offshore installation	

PROGRAMME 2: MINE HEALTH AND SAFETY INSPECTORATE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Implement Service Level Agreements (SLAs)	Number of SLAs implemented	2	2	0	Achieved. Calculation: Count. Verification Source: Signed contracts.	
	Percentage adherence to SLAs	100	100	0	Achieved. Verification Source: Copies of invoices	
Improve Turnaround Time	Percentage of administrative tasks completed	114	100	14	Achieved. Verification Source: Regional control registers.	
	Percentage of appeals completed	76	100	-24	Not Achieved. Due to lack of communication between the Department and medical experts.	The Inspectorate will improve communication with medical experts in the next financial year.
	Percentage of MPRDA applications completed	93	100	-7	Not Achieved. Because of Resolution 3 and shortage of staff are causes.	The Department has applied for exemption from DPSA on Resolution 3 and awaiting outcome. The Inspectorate will continue with advertising and fill in the vacant positions in the next financial year.

PROGRAMME 2: MINE HEALTH AND SAFETY INSPECTORATE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Improve Turnaround Time	Percentage improvements in adherence to prescribed time frames	78	80	-2	Not achieved, Due to Resolution 3 and shortage of staff.	The Department has applied for exemption from DPSA on Resolution 3 and awaiting outcome, and will continue with recruitment and retention strategies to improve the status.
	Improved percentages for identified EE categories	35	80	-45	Not achieved, Measure developed before the development of the Departmental EE Plan, hence no proper alignment was done.	Measure to be aligned with the departmental EE Plan in the next financial year.
Attract, develop and retain skills	Number of HRD initiatives implemented	15	10	5	Achieved. Verification Source: Attendance registers or list of officials	
	Reduction in staff turnover rate	-3	1	-4	Not Achieved. Due to Resolution 3 and shortage of staff.	The Department has applied for exemption from DPSA on Resolution 3 and awaiting outcome & the Inspectorate will continue with recruitment and retention strategies to improve the status

PROGRAMME 2: MINE HEALTH AND SAFETY INSPECTORATE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Facilitate Management and Leadership development	Number of management programmes implemented	2	2	0	Achieved: Verification Source: Training Reports.	
	Number of managers completed management courses	9	12	-3	Not Achieved. The inspectorate (MHS) could not get all scheduled managers (12) to attend "Management Training Courses" as planned; because 3 of them were appointed by the Department by the time the training in question was already in progress.	The Inspectorate will encourage more managers to attend management development programmes in the next financial year.
Fill funded vacancies	Number of HRD initiatives implemented	5	30	-25	Not Achieved. There was a 5% change in the vacancy rate	Resolution 3 and shortage of staff is cause of this problem, but we will continue with recruitment and retention strategies to improve the status. The Department has applied for exemption from DPSA on Resolution 3 and awaiting outcome.
	% budget allocated to branch priorities	100	80	20	Achieved: Verification Source: Spending Plans	
Align Budget to Strategy						

PROGRAMME 2: MINE HEALTH AND SAFETY INSPECTORATE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Manage Costs effectively	Percentage variance (under spending) on allocated branch budget for goods and services	6.22	5	1.22	Not Achieved. The final virement or shifting was not effected during the time of reporting.	The Branch will align spending with the spending plans and review alignment quarterly
	Reduction in waste, fruitless and irregular expenditure cases	75	60	15	Achieved. Verification Source: Irregular expenditure report of MHSI.	
Maximise utilisation of Resources	Percentage reduction in the number of branch assets disposed of prior to the end-of-lifespan	62	15	47	Achieved. Verification Source: Asset loss register	
Promote corporate governance	Comply with PFMA	86	100	-14	Not achieved. The underspending under total budget due to vacancies was the cause of the under-achieving in this measure. The current vacancy rate is 20%.	The Inspectorate will continue with advertising and filling in the vacant positions in the next financial year.
	Percentage execution of fraud prevention and enterprise Risk Management Plans	88	100	-12	Not Achieved. 34 action items of which 30 were implemented and 4 are still outstanding. Verification source: Risk Management Monitoring report.	The Inspectorate will finalize the 4 outstanding issues by the next financial year.

PROGRAMME 2: MINE HEALTH AND SAFETY INSPECTORATE

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Promote corporate governance (Cont.)	Percentage reduction in repeat audit findings in internal audit follow-up report	-33	30	-63	Not Achieved. Due to non-submission of the declaration form for quarter 3 and incorrect reporting.	The inspectorate will ensure that declaration forms are submitted on time. Regions will be workshopped on the reporting system in May 2012 to improve the accuracy of information that is submitted on a monthly basis.

PROGRAMME 3: MINERAL REGULATION

Purpose:

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

Programme Objective:

To regulate the minerals and mining sectors into one that competitively contributes to the transformation of the mining industry and to equitable sustainable development in the country.

Mining Environment

Through the Mineral Regulation Branch the environmental impact of mining and prospecting must be properly regulated and managed if the Department is to ensure that mining takes place in a responsible manner. Mining and prospecting activities affect environmental regulation by more than one Department, and accordingly, through engagement between the affected Departments, the Mineral Regulation Branch can report that significant strides have been made towards the achievement of an integrated licensing system that will ensure a one-stop shop approach to regulation.

The adequacy of financial provision for mine rehabilitation has also been found to be a concern in the case of old order rights in terms of the MPRDA, and to remedy this, the Mineral Regulation Branch intends using the provisions of item 10 of the Transitional arrangements to systematically bring all old order environmental programmes in line with the MPRDA over the next three years.

Administrative Process

The Mineral Regulation Branch has since started implementing the online application system known as SAMRAD which had been launched by the Minister on 18 April 2011. The Branch is mindful of the fact that there were initial teething problems with the submission of applications. These were addressed as and when they were identified and currently well over 3,500 applications have been successfully lodged in the new system. Applications are now being lodged remotely through the Department's website into a system designed to ensure transparency, reduce the margin of error and ensure a consistent systemic approach to the evaluation and decisions regarding rights applied for.

Moratorium in Mpumalanga

The moratorium on applications for prospecting rights in Mpumalanga Regional Office was indeed lifted at the end of September 2011 as announced by the Minister last year. When the Minister lifted the moratorium, the Mineral Regulation Branch intended to implement a new process that would be applicable to prospecting and mining rights that have either lapsed or been revoked. The prescribed consultation process is being followed and the Mineral Regulation Branch is currently processing the results of those consultations for the Minister's consideration before final decision can be made.

Mining Licensing and Job Creation

Mining has been identified as a key growth sector and the Department has therefore pro-actively convened stakeholders in the industry to discuss the relevant issues through tripartite engagement. Action steps have been identified to optimize the sector's extractive capacity, and to attract investment and job creation potential as reported last year. According to the Department's provisional statistics, industry employment is currently growing at some 18 000 jobs per annum. This is despite the fact that no compromises are being made on compliance and the application requirements for mining rights which have grown in number from less than 1 000 when the MPRDA took effect in 2004, to approximately 1 500 now.

Communities in mining areas

Mining companies have to contribute to the socio-economic development of the communities in which they operate and the labour sending areas. The Social and Labour Plan is the tool that is used to plough back into communities. As we all know, every right that is granted should, as one of the granting criteria, have a Social and Labour Plan (SLP) that would, among other things, contribute towards improving the quality of life.

Government recognizes efforts by companies which have contributed to these communities through SLPs. The Mineral Regulation Branch can proudly report that some companies are making a positive impact through implementation of the SLP, whereas there are still areas where a lot of work needs to be done before communities benefit from the contribution and qualitative impact made by mining companies. It is imperative that the act of contributing towards the development of communities should be guided by the needs and priorities of the communities concerned. The Mineral Regulation Branch realized that constant consultation and engagement by role players within the mining industry is crucial in ensuring that sustainable communities are built.

Monitoring and Compliance

Constant monitoring has been done by the Mineral Regulation Branch and generally set targets have been exceeded, while most companies have complied; however, there are still areas of concern.

PROGRAMME 3: MINERAL REGULATION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Implement transformation policies / legislation	Number of consultations/ engagements with communities	79	50	29	Achieved: Verification sources (Attendance register and/minutes)	
	Number of industry workshops conducted	34	27	7	Achieved: Verification sources (Attendance register, agenda and/or minutes)	
	Number of new HDSEA entrants supplying the mining industry	235	200	35	Achieved: Verification sources (Procurement Inspection report and Annual Report)	
	Number of rights issued to new HDSEA entities	82	27	55	Achieved: Verification sources (Issued rights, shareholders or JV agreements)	
Promote job creation	Number of new Local Economic Development (LED) projects created through SLP	34	76	-42	Not Achieved: Companies have been found not to have implemented LED projects. Remedial measures have been put in place. (statutory instructions)	More focus will be placed on Mining Charter Compliance inspections in the next financial year.

PROGRAMME 3: MINERAL REGULATION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Promote job creation (Cont.)	Number of new SMME development projects implemented by mining companies	20	40	-20	Not Achieved: Companies have been found not to have implemented LED projects. Remedial measures have been put in place. (statutory instructions)	More focus will be placed on Mining Charter Compliance inspections in the next financial year.
	Number of potential jobs created through issuing of new mining rights	17023	14000	3023	Achieved: Verification sources (Mining Rights granted, approved SLP and MWP, Inspection reports and /or Annual reports)	
Promote sustainable resource use and management	Percentage of approved Environmental Management Plans relative to rights issued	100	100	0	Achieved: Verification sources (Issued Mining rights, Prospecting rights, Mining Permits, approved EMP)	
	Percentage of approved Social and Labour Plans relative to rights issued	100	100	0	Achieved: Verification sources (Issued Mining rights, Approved SLPs)	
	Percentage of evaluated work programmes relative to rights issued	100	100	0	Achieved: Verification sources (MWP, PWP, issued rights (PR/MR).	

PROGRAMME 3: MINERAL REGULATION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Reduce state environmental liability and financial risk	Identify rights and/or mines with inadequate financial provision for rehabilitation	629	90	539	Achieved: Verification source (Type of financial provision and inspection reports)	
	Percentage of mines issued with closures without residual state liability	100	100	0	Achieved: Verification sources: Closure certificates	
Improve turnaround times	Number of guidelines implemented	8	8	0	Achieved: Verification sources (Approved guidelines)	
	Percentage adherence to mining titles internal processes	31.3	95	-63.7	Not Achieved: Provision of access to information on SAMRAD as editing of information on NMPS is no longer available.	Awaiting the roll out of SAMRAD for viewing purposes (Samrad will be rolled out by end of the next financial year)
	Percentage adherence to prescribed time frames (issuing)	78	100	-22	Not Achieved: due to SAMRAD backlog in Regions	The Branch is in the process of eradicating backlog on applications lodged on Samrad by end of the next financial year.

PROGRAMME 3: MINERAL REGULATION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Improve turnaround times (Cont.)	Percentage adherence to prescribed time frames (granting/refusing)	18	95	-82	Not Achieved: SAMRAD backlog	The Branch is in a process of eradicating backlog on applications lodged on SAMRAD by end of the next financial year.
	Percentage of revenue collected	52	80	-28	Not Achieved: Not all prospecting right holders have paid their prospecting fees.	PAJA is being effected.
Monitor and enforce compliance	Conduct legal compliance inspections	164	65	99	Achieved: Verification sources (Inspection reports)	
	Number of environmental management plan/programme inspections	1898	1740	158	Achieved: Verification sources (Inspection reports)	
	Number of mining charter inspections (SLP and BEE)	259	160	99	Achieved: Verification sources (Inspection reports)	
	Number of mining work programme/ prospecting work programme inspection (ME)	541	650	-109	Not achieved: Inspections were restricted due to budget constraints	Align inspection plans to budget in 2012/2013 financial year

PROGRAMME 3: MINERAL REGULATION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Attract, develop and retain skills	Number of HRD initiatives implemented	2	10	-8	Not achieved, due to budget constraints	The branch will align its budget to HRD strategic measure in the next financial year.
	Percentage improved percentages for identified EE targets	22	80	-58	Not achieved, Measure developed before the development of the departmental EE Plan, hence no proper alignment was done.	Measure to be aligned with the departmental EE Plan in the next financial year.
	Percentage reduction in staff turnover rate	0.2	1	-0.8	Not achieved because the mining industry poaches the specialist in various areas.	Introduction of professional band in the next financial year (2013/2014)
Facilitate management and leadership development	Number of implemented management programmes	2	2	0	Achieved: Verification source: Attendance registers and Training reports	
	Number of trained and developed managers	13	12	1	Achieved. Verification Source: Attendance registers and Training reports	
Fill funded vacancies	Reduction in vacancy rate	51	50	1	Achieved: Verification Source: Persal Reports	

PROGRAMME 3: MINERAL REGULATION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Align Budget to Strategy	Percentage budget allocated to branch priorities	100	80	20	Achieved: Verification sources Spending plan	
	Percentage Reduction in wasteful, fruitless and irregular expenditure	100	60	40	Achieved: Verification Source: Irregular Expenditure Register or Fruitless & Wasteful Register	
Manage Costs effectively	% variance (under spending) on allocated branch budget for goods and services.	-6.18	5	-11.18	Not Achieved: The final virement /shifting was not effected during the reporting time	The branch will align their spending according to their spending plans and review quarterly
	Percentage reduction in the number of branch assets disposed of prior to the end-of-lifespan	-100	15	-115	Not achieved due to the moving of assets from office to office eg. chairs	Regular updating of the asset register which will take place in the beginning of the financial year 2012/2013
Promote corporate governance	Percentage execution of fraud prevention and Risk Management Plans	69	100	-31	Not Achieved: (Due to lack of a funded compliance and enforcement component)	Implementation of the approved compliance structure after funding.
	Percentage reduction in repeat audit findings in the internal audit follow-up report	38	30	8	Achieved: Verification source, Internal Audit Reports	
	PFMA compliance	100	100	0	Achieved: Verification source, Compliance certificate	

PROGRAMME 4: THE MINERAL POLICY AND PROMOTION BRANCH

Purpose:

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

Measurable objective:

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

Service Delivery and Objectives

The mining industry's performance for the 2011 period declined after the initial significant recovery demonstrated in 2010, following the global economic and financial crisis in 2009. To this extent, in 2011 the aggregated extraction rate contracted by a nominal -0.1% relative to the preceding year. This performance confirms our view that the expected recovery has run into some headwind, and that there are still obstacles to be overcome before the next commodities boom can begin in earnest. In 2011, total mining employment grew by 3% relative to 2010, with women employment growing by a further 11%. Total employment in mining reached 513 000, breaking through the 500 000 mark for the first time since the pre-financial crisis employment figure of 518 700 in 2008.

The Department under the auspices of the Mining Industry Growth Development and Employment Task Team (MIGDETT) developed a mining sector strategy and have been working on implementing recommendations from the strategy through various working committees. The Committees have been tasked to look into areas such as job creation, infrastructure, exploration, innovation, human resource development, transformation and climate change issues as pertaining to the sustainability of the mining sector. This process has indicated the vast amount of work that still needs to be done if progress is to be made in sustainably growing and meaningfully transforming the mining sector.

Following an extensive consultation process, the beneficiation strategy for the minerals industry of South Africa was tabled before Cabinet and approved in June 2011, for adoption as policy. Subsequent to the approval of the strategy, Cabinet mandated the Department to develop implementation plans for the five pilot value chains highlighted in the strategy. Two value chain implementation plans have been developed and approved by Cabinet, which are for the iron and steel value chain and the energy commodities value chain. The remaining implementation plans for the three value chains will be finalized during the next financial year.

The Department successfully concluded consultations with communities in Kuruman in the Northern Cape, Mokopane in Limpopo, Delmas in Mpumalanga and Brits in the North West to solicit public comments and views on the objectives of the review of the regulatory framework. The inputs received from these interactions will be incorporated into the MPRDA amendments which will be tabled for Parliamentary processes during the next financial year.

These interactions assisted in informing the Department's policy impact study which is meant to assess the impact of current policies and legislation on the mining sector.

The Minister recently approved the Sustainable Development in Mining Strategy and the Mine Environmental Management (MEM) Guideline Series documents, which include the following: a mine closure guideline, a guideline for monitoring and performance assessment and guidelines on the content scoping, environmental impact assessment and environmental management programme to facilitate a better understanding, interpretation and successful implementation of the MPRDA.

Following the approval of the strategy for the management of derelict and ownerless mine sites, a rehabilitation procedure manual was developed to assist with the process of rehabilitation. A total of three projects were completed during the 2011/12 financial year, one project in the Northern Cape and two in the Gauteng province. During inspections of mine sites completed during the last financial year in the Northern Cape, two open shafts were discovered that had to be closed off. The closure of these shafts at the Bestwell and Jebolo asbestos mine sites add to the achievements for this programme for the year. Two other sites GaLotolo and Lokaleng in Kuruman were near completion as at the end of the March 2012 with only the re-vegetation of the sites outstanding. Because this can only be done in springtime, the projects will only be fully completed in September 2012. For the 2012/13 financial year twelve mine sites will be rehabilitated.

PROGRAMME4: MINERAL POLICY AND PROMOTION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Ensure transformation in the mining and minerals sector	Legislative framework to effect transformation	2	2	0	Achieved. Verification Source: Draft Bill.	
	Policy impact study on investment	1	1	0	Achieved Verification Source: Research Report.	
Promote Investment in the Mining Sector	Beneficiation strategy Implementation plan development	2	1	1	Achieved Verification Source: Implementation Plan documents.	
	Number of economic strategic partnerships implemented	2	2	0	Achieved. Verification Sources: Progress Report.	
	Number of publications	12	1	11	Achieved. Verification Sources: Completed publications.	
	Number of SMME's supported	85	67	18	Achieved. Verification Source: Monitoring and evaluation reports.	
	Number of technical strategic partnerships	5	5	0	Achieved. Verification Source: 2 Progress Reports and 3 MOAs.	

PROGRAMME4: MINERAL POLICY AND PROMOTION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Promote Sustainable Resources Use and Management	Framework for environmental management developed	1	1	0	Achieved. Verification Source: Framework documents	
	Number of derelict and ownerless mine sites rehabilitated	3	10	-7	Not Achieved. There are capacity problems in the Mine Closure Directorate and also challenges with the management of projects by the appointed service provider. In some projects delays are caused by objections from the communities.	For the other 7 sites contractors have been appointed and work will be completed by the end of 2012/13. The branch has intervened to resolve the challenges with the poor performance of the implementing agent. Furthermore additional arrangements have been made to have CGS on board to assist the Department with the determination of the state's contingent liability and planning for the rehabilitation work.
Develop and review internal processes	Number of internal business processes developed/ reviewed	5	5	0	Achieved. Verification Source: Internal business process manual.	

PROGRAMME4: MINERAL POLICY AND PROMOTION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Improve Turnaround Time	Percentage adherence to prescribed time frames	90	90	0	Achieved. Verification Source: Registers.	
	Improve percentage for identified EE categories	22	80	-58	Not achieved. Measure developed before the development of the Departmental EE Plan, hence no proper alignment was done.	Measure to be aligned with the developmental EE Plan in the next financial year
	Number of HRD initiatives implemented	10	10	0	Achieved Verification Source: Training Reports.	
Attract develop and retain skills	Reduction in Staff Turnover rate	4	1	3	Achieved. Verification Source: Statistics from Persal Report.	
Facilitate management and leadership development	Number of management programmes implemented	2	2	0	Achieved Verification Source: Training Report and Attendance register.	
	Number of managers completed management courses	9	20	-11	Not achieved. 9 managers attended the Executive Development Course. The other 11 (9 attended Labour Relations Course, 2 attended the Anti Corruption Course).	The Branch will work together with HRD to ensure that managers attend actual management courses and not general courses

PROGRAMME4: MINERAL POLICY AND PROMOTION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Fill funded vacancies	Reduction in vacancy rate	-63	50	-113	Not Achieved. The vacancy rate did not change from the third quarter; it remains at 11%. Therefore a 0% reduction.	Processes are in place to fill 5% of the posts currently and other vacant positions will be advertised in early 2012/13
Align Budget to Strategy	% budget allocated to branch priorities	100	80	20	Achieved: Verification Source: Spending Plans	
Manage costs effectively	% of variance (underspending) in allocated branch budget for goods and services	5.92	5	0.92	Achieved: Expenditure control report	
	Reduction in wasteful, fruitless and irregular expenditure	-100	60	-160	Not Achieved. The Branch incurred two cases of irregular expenditure during the year, which indicates an increase rather than a reduction in irregular expenditure.	Remedial action has been implemented against the responsible officials and the Branch will host awareness workshops for officials to reduce irregular expenditure during the next financial year.

PROGRAMME4: MINERAL POLICY AND PROMOTION

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Maximise utilization of resources	Percentage reduction in the number of branch assets disposed of prior to the end-of-lifespan	-100	15	-115	Not Achieved. The Branch incurred an asset loss through the loss of a laptop in April 2011.	The Branch will ensure a reduction in asset loss by implementing a loss management procedure during the next financial year.
	Percentage execution of fraud prevention and enterprise risk management plans	43	100	-57	Not Achieved. The Branch has implemented 43% of the risk action plan, 36% partially implemented and 21% not implemented.	The outstanding and partially implemented risks will be fully implemented during the next financial year.
Promote corporate governance	Percentage reduction in repeat audit findings in internal audit follow up report	-75	30	-45	Not Achieved. The Branch has a 75% increase on repeat audit findings. From the 20 audit findings, 5 have been fully implemented, 5/20 x 100 = 25%. Therefore 75% outstanding.	The outstanding audit findings will be fully implemented during the next financial year
	PFMA compliance	71	100	-29	Not Achieved. The Branch underspent during the year and incurred irregular expenditure.	The Branch will improve and comply with all the PFMA measures during the next financial year.





ANNUAL FINANCIAL STATEMENTS

FOR THE DEPARTMENT
OF MINERAL RESOURCES
FOR THE YEAR ENDED
31 MARCH 2012



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REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2012

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance:

The Audit Committee, which consists of three (3) members listed hereunder, meets at least four (4) times per annum as per its approved charter. During the current year six (6) meetings were held. The attendance was as follows:

AUDIT COMMITTEE NAME OF MEMBER	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Mr. S Sithole (Chairperson)	6	6
Dr DP van der Nest	6	6
Ms Z Musamirapamwe	6	4

Audit Committee Responsibility

The Audit Committee reports that it has, during the year under review, adopted the reviewed Audit Committee Charter in line with the requirements of Sections 38(1) (a) and 77 of the Public Finance Management Act, Act no. 1 of 1999 and Treasury Regulation 3.1. The Audit Committee further reports that it has satisfied its responsibilities for the year and has conducted its affairs in compliance with its charter.

The effectiveness of internal control

The Department has designed the system of internal control to provide cost effective assurance that its goals will be economically, effectively and efficiently achieved. From the various reports of the internal auditors, recommendations were made to management to address issues as reported. The Audit Committee has also reviewed the activities of the Compliance Office which, amongst others, include risk management and performance information. The Audit Committee was also satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer during the year under review.

Accordingly, with the exception of the reported deficiencies and deviations, we can report that the system of internal control over financial reporting for the period under review was adequate, effective and efficient.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed the Department's compliance with legal and regulatory provisions;
- Reviewed significant adjustments resulting from the audit;
- Reviewed the Department's Half-yearly Financial Statements;
- Reviewed the Department's state of readiness report for the annual regularity audit; and
- Reviewed the Department's Annual Financial Statements.

Internal Audit

The Audit Committee reviewed and approved the Department's Internal Audit Charter, which adequately establishes Internal Audit's purpose, authority, and responsibility.

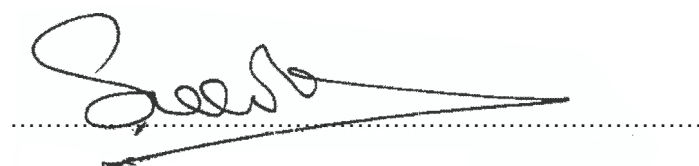
In line with the requirements of the PFMA, the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and the King III Report on Corporate Governance, Internal Audit provided both the assurance and consulting services on the risk management, governance, and control processes, the outcome of which was presented to both the Audit Committee and management. The Audit Committee reviewed the quarterly reports of internal auditors to ensure the internal audit activity's effectiveness.

The Audit Committee is satisfied that the internal audit function operated effectively, in line with its approved Charter, and that it addressed the risks pertinent to the Department in its audits.

Auditor-General

The Audit Committee reviewed the Auditor-General's report and management letter and further met with the Auditor-General to ensure that there are no unresolved issues. The Committee has taken notice of the deficiencies in the system of internal control reported by the Auditor-General and such have been referred to the Accounting Officer for resolution. The Committee will monitor the progress on the resolution of these deficiencies.

The Audit Committee, thus, accepts the Auditor-General's report on the Annual Financial Statements, and is of the opinion that the Audited Financial Statements, read together with the report of the Auditor-General, be accepted.



Chairperson of the Audit Committee
Date: 20 September 2012

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2012

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

During the year under review, the Department engaged in developing new internal and administrative processes, policies and procedures so that it can respond positively to its business needs. Existing policies, processes and procedures were also reviewed and aligned with current standards.

In response to the issues reported by the Auditor-General, the Department developed action plans to address those issues. In order to promote accountability, progress on implementation of these action plans was reported to the Executive Committee on a weekly basis where necessary and timely interventions were made. Some of the major interventions made included amongst others the following:

- Development and implementation of the Revenue Management System which is capable of accurately calculating interest and raising debtors;
- Facilitating and obtaining legal opinion on the treatment of outstanding royalties and subsequent payment of revenue collected into the National Revenue Fund;
- Appointment of an Actuary to conduct the valuation of the potential liability for the Derelict and Ownerless Mines.

During the year under review, an amount of R7,905 million was recorded as irregular expenditure. Though there is a slight decrease from the R7,974 million reported in 2010/11, an amount of R7,613 million relates to irregular expenditure incurred in 2010/11 after the operating lease had to be restructured to finance lease as per the Auditor-General's recommendation. Of the two cases recurring from 2010/11, one of them recognised the portion that was paid before the restructuring exercise was implemented as irregular while the full amount paid for the other case was reported as investigation is still underway. Effectively, an amount incurred as irregular expenditure in 2011/12 is R292 thousands. The Department is committed to continue enforcing measures implemented to eliminate cases of irregular expenditure.

SPENDING OUTLOOK

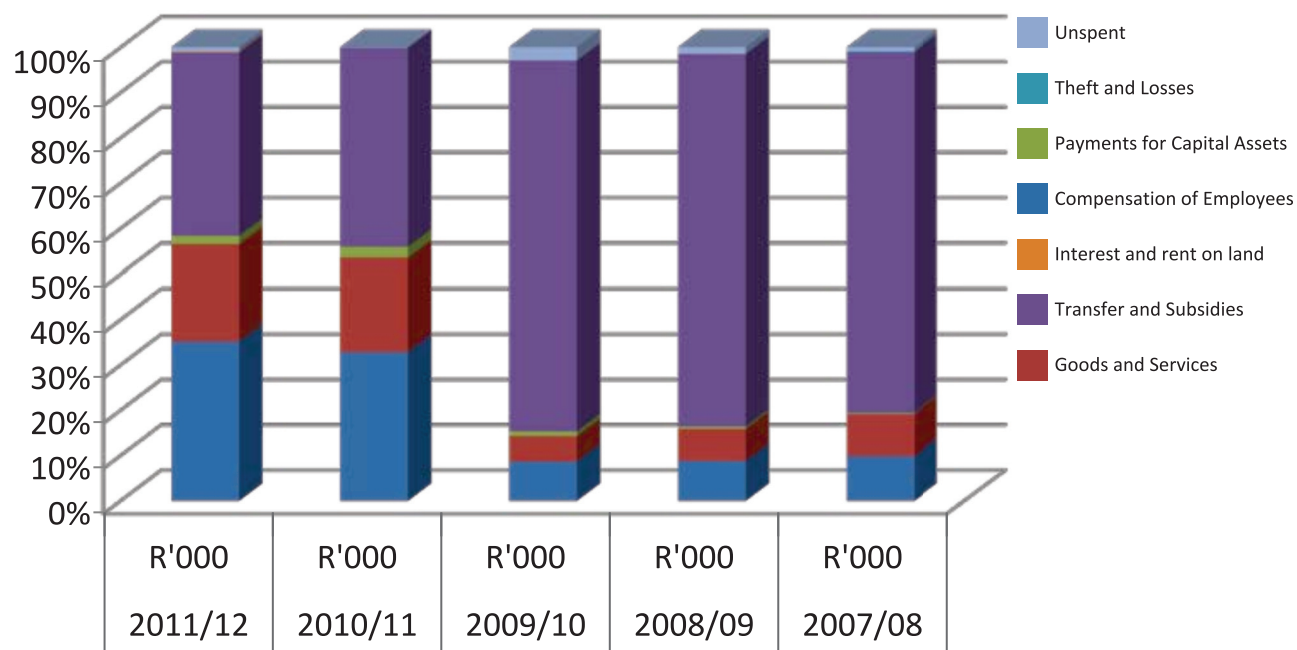
During the 2011/12 financial year, the Department was appropriated a total budget of R1,038,965 billion. An amount of R364,917 million was allocated towards Compensation of Employees of which R364,562 million which represents 99.9% was spent; R231,814 million was allocated towards acquisition of Goods and Services and Devolution of budget for Public Works respectively of which R222,639 million which represents 96.0% was spent; 100% of the R18,558 million allocated towards acquisition of Capital Assets was fully spent; R420,837 million allocated to Public and Private Corporation was transferred in full (100%) while R209 thousands and R2,630 million were allocated and spent on write offs and Interest and Rent on Land respectively.

The table below illustrates the utilisation of voted funds per economic classification from 2007/8 to 2011/12

Table and graph for voted funds:

UTILISATION OF VOTED FUNDS	2011/12	2010/11	2009/10	2008/09	2007/08
	R '000	R '000	R '000	R '000	R '000
Compensation of Employees	364, 562	326, 457	403, 323	330, 089	290, 561
Goods and Services	222, 639	200, 013	263, 475	269, 408	277, 222
Payments for Capital Assets	18, 558	28, 347	48, 690	18, 855	7, 470
Transfer and Subsidies	420, 837	438, 120	3, 828, 303	3, 111, 061	2, 366, 512
Theft and Losses	209	50	925	593	5, 602
Interest and rent on land	2, 630	1, 710	-	-	-
Total Spent	1,029,435	994,697	4,544,716	3,730,006	2,947,367
Unspent	9,530	1,145	137,288	56,235	27,570
Totals (Budget)	1,038,965	995,842	4,682,004	3,786,241	2,974,937
% under spending of vote	0.92%	0.11%	2.93%	1.49%	0.93%

UTILISATION OF VOTED FUNDS



R420,837 million which constitutes 40.51% of the total budget was transferred to Public Corporations and Agencies under the Minister's control while the remainder of R618,128 million (59.49%) was allocated to Departmental Programmes.

R364, 917 million of the total budget allocated to the Departmental Programmes was for Compensation of Employees. This was not limited to compensation for employees who are in the Departmental permanent structure but also included costs associated with contractual employees, internship and learnership programmes.

An amount of R222,639 million including devolution of Public Works funds was used against the budget of R231,814 million to defray costs of Goods and Services acquired for the realisation of the Departmental Programmes' objectives during 2011/12. Travel and Subsistence expenditure increased from R55 million to R58 million due to increase in mining inspections that had to be conducted during the reporting period. Communication expenditure also increased from R11 million to R14 million due to the on-line application system implemented during the year. Notable reduction on Consultants and Contractors expenditure from R18 million to R16 million was also recorded while decrease on Inventory from R9 million to R5,5 million was also noted. This was due to costs containments measures that remain in force.

TABLE FOR ANALYSIS OF UNSPENT FUNDS 2011/12

ANALYSIS OF UNSPENT FUNDS	2011/12		
	BUDGET	UNSPENT	VARIANCE
	R '000	R '000	%
Compensation of Employees	364,917	355	0.10%
Goods and Services	231,814	9,175	3.96%
Capital Payments	18,558	-	0.00%
Financial Transactions	209	-	0.00%
Transfer Payments	420,837	-	0.00%
Interest	2,630	-	0.00%
Available Budget	1,038,965	9,530	0.92%

The Department recorded 0.92% under spending. This is attributable to the following factors:

- R2,361 million accruals – being outstanding invoices for 2011/12 included in the accrual schedule that would have been paid if invoices were timeously received and reconciled. The balance of accruals amounting to R28,534 relates to invoices received in March payments of which are only due in April 2012 and therefore do not affect the under spending realised.
- R2,723 million relates to ICT projects which were not completed on time and consequently could not be paid during the financial year as planned.
- R4,453 million relates to operating lease contracts which could not be paid in March 2012 due to delays by the Service Provider to submit invoices. The invoices were subsequently paid in the 2012/13 financial year.

These amount to R9,537 million which is equivalent to the unspent funds of R9,504 which will be surrendered to the National Revenue Fund on conclusion of the audit in terms of the PFMA should the roll-over request be approved by National Treasury.

VIREMENT:

The following virement approvals were granted by the Accounting Officer in terms of section 43(1) of the Public Finance Management Act, 1999 (Act 1 of 1999) to utilise savings under main divisions of the vote towards the defrayment of expenditure under other main divisions within the vote:

SHIFT FUNDS FROM	R'000	MOTIVATION
Programme 2: Promotion of Mine Safety and Health	6,082	The under spending relating to vacancies in respect of inspectorate posts as a result of shortage of skills and related subsistence and transport expenditure towards the Ministerial Group Audits.
Programme 4: Mineral Policy and Promotion	16,157	The under spending associated with the rehabilitation of ownerless and derelict mines project that did not realise as anticipated. Other contributing factor relates to the postponement of Public Participation Workshop on the amendment of the Mineral and Petroleum Resources Development Act (MPRDA) and the Mine Health and Safety Act (MHSA.)
Total	22,239	

SHIFT FUNDS FROM	R'000	MOTIVATION
Programme 3: Mineral Regulation	22,239	To fund high compensation of employees' expenditure which was more than anticipated during the financial year. Furthermore, projects that were started in the previous financial year were subsequently paid during the 2011/12 financial year.
Total	22,239	

2. SERVICE RENDERED BY THE DEPARTMENT:

2.1 The Mission

The mission of the Department of Mineral Resources is to promote and regulate the Minerals and Mining sector for transformation, growth, development and ensure that all South Africans derive sustainable benefit from the country's mineral wealth.

In order to achieve the above mission, the Department is split into four key programmes, which are responsible for amongst others the following:

- **Programme 1: Administration:**
Providing strategic management and administrative support services to the Ministry and the Department;
- **Programme 2: Promotion of Mine Health and Safety:**
Ensuring safe mining of minerals under healthy working conditions;
- **Programme 3: Mineral Regulation:**
Regulating the minerals and mining sector to promote economic growth, employment, transformation and sustainable development;
- **Programme 4: Mineral Policy and Promotion:**
Formulating mineral related policies and promoting the mining and minerals industry of South Africa thus making it attractive to investors

2.2 Tariff policy

Tariffs levied are determined by the terms and conditions stipulated in each contract.

Prospecting Fees

The prospecting fees were charged in terms of the Minerals Act, 1991 (Act 50 of 1991) where the State was the holder of the mineral rights before 1 May 2004. The approved rates, as from 1 April 2003, started at R3, 00/hectare for the first year and escalated at R1, 00/hectare for the maximum period of 5 years determined by a prospecting lease. For any renewal period, the fee doubled and escalated at R2, 00/hectare/year thereafter. For offshore exploration the same rates applied but for square kilometres. Due to the promulgation of the Mineral and Petroleum Resources Development Act, Act 28 of 2002 (MPRDA), new prescribed rates apply on all new prospecting rights granted including privately owned land as from 1 May 2004 – see regulation 76 of the new MPRDA. Rights already granted at the time of promulgation will continue with prospecting fees as set out above.

Exploitation Fees (Royalties)

Any new mining rights granted from 1 May 2004 carry no royalties until 1 March 2010 when the Royalty Bill came into effect. The royalties payable were levied on gross revenue and production exploited for various commodities based on the rate prescribed in the contract.

Minimum royalties

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

Collection of royalties from the holder of an old mining right or unconverted used old order rights remains the responsibility of the Department. The holder of a mining right would continue to pay state royalties in terms of and in accordance with the terms and conditions contained in that old order right.

Holders of new mining rights and holders of converted mining rights are to be treated in accordance with the Royalties Administration Act, 2008 which commenced on 1 March 2010. Since the Commissioner for the South African Revenue Service (SARS) is responsible for the administration of the Royalties Act, collection of royalties in terms of the Act remains the responsibility of SARS.

3. CAPACITY CONSTRAINTS

Strides were made during the year under review to address the capacity challenges that resulted from the split of the DME reported in the 2010/11 financial year. This involved filling of key positions amongst others those of Deputy Director Generals for Mineral Regulation, Mine Health and Safety, Corporate Services as well as the CFO. Other senior managers' positions were also filled within the CFO's office to strengthen leadership and to ensure adequate monitoring and supervision. This was to ensure that internal controls exist and are functioning effectively.

Inability of the Department to attract and retain professional staff such as Inspectors and Mineral Economists remained a challenge for the service delivery Programmes during the year under review. This was exacerbated by the fact that the Department competes with the industry for the same mix of skills. The implementation of Resolution 3 of 2009 of the Public Service Bargaining Council also aggravated this challenge and created structural problems in relation to reporting lines.

In addressing some of the capacity constraints, the Department continues with the implementation of training programmes identified in the Workplace Skills Plan including, amongst others, Project Management for Middle Management, Advanced Management Development Programme, Emerging Management Development Programme and Executive Development Programme.

4. UTILISATION OF DONOR FUNDS

The Department did not receive any donor funds during the period under review.

5. TRADING ENTITIES AND PUBLIC ENTITIES

The Department continues to monitor the performance of the entities under its control with specific reference to governance and financial management. This includes amongst others:

- Representation by the Department's official on the entities' Boards
- Compulsory quarterly reporting to the Department via the Chief Compliance Officer. The reports are properly reviewed and feedback on areas that needs improvement provided

The table below illustrates the performance of the entities reporting to the Minister of Mineral Resources in relation to the Auditor General's reports for 2010/11 financial year.

The reports demonstrate the effectiveness of the financial controls and monitoring systems that are in place. The Department continued with its oversight over these entities and, though the Auditor General's reports for 2011/12 are not finalised as yet, entities are expected to continue on this path.

ENTITY	SOURCE OF FUNDING	AUDIT OPINION	
		2010/11	2009/10
Council for Mineral Technology and Research (Mintek)	Own and government grant	Unqualified	Unqualified
South African Diamond and Precious Metals Regulator	Own and government grant	Unqualified	Unqualified
Mine Health and Safety Council (MHSC)	Own and government grant	Unqualified	Unqualified
Council for Geoscience (CGS)	Own and government grant	Unqualified	Unqualified
State Diamond Trader (SDT)	Own	Unqualified	Unqualified

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

RECIPIENT	2011/12 ACTUAL TRANSFER R'000	PURPOSE OF TRANSFER PAYMENT
Mine Health and Safety Council (MHSC)	5,288	Core Funding in terms of establishing Act
South African Diamond and Precious Metals Regulator	39,374	Core Funding in terms of establishing Act
Council for Geoscience (CGS)	154,405	R137,512 million -Core Funding in terms of establishing Act. R16,893 million - Research to prevent ingress of water into underground holdings
Council for Mineral Technology and Research (Mintek)	196,956	R166,956 million - Core funding in terms of establishing Act. R30 million -Mine Rehabilitation projects
Industrial Development Corporation of South Africa (Small Scale Mining)	23,298	Small scale mining projects

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department has not engaged in public private partnership arrangements.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The Department has continued to strengthen its checks and balance mechanisms so as to ensure compliance with the relevant legislative prescripts as well as corporate governance principles and practices.

The Department continues to minimise risks that it is exposed to by ensuring that all major risks are proactively identified, assessed and managed to acceptable levels. The Department's risk committee continued in its oversight role of risk management activities in the Department. A strategic risk assessment workshop was conducted in order to identify the array of risks the Department is exposed to. As a result of this exercise all branch risk profiles were developed and responsibilities for managing these risks were assigned to management and staff. Risk profiles developed from the assessment process are used to inform the Department's internal audit plans. The Department continued to implement its fraud prevention and anti corruption strategy which is in line with minimum anti corruption capacity requirements. The Department has also not had cases where conflict of interest was reported in its administrative processes.

The Department has an Internal Audit Activity that is under the guidance, direction and supervision of the Chief Audit Executive. The function is to be responsible for providing independent, objective assurance and consulting services that are aimed at adding value and thereby increasing the Department's opportunities towards the accomplishment of its objectives. The function is also to carry out its activities with proficiency and due professional care. In order to ensure its effectiveness and efficiency, it makes use of a systematic, disciplined approach so as to evaluate the adequacy, effectiveness, and efficiency of the Department's governance, risk management, and control processes.

To maintain its independence, the Internal Audit Activity appropriately reports administratively to the Accounting Officer and functionally to the Audit Committee. The Unit's authority includes unlimited access to all the staff, information, as well as properties of the Department. It obtains its mandate from the Internal Audit Charter, which was reviewed and approved in the reporting period. The Unit developed and obtained the approval of its plans, i.e. the annual plan as well as the rolling three-year strategic plan. The plans were based on key risks facing the Department and they also took into consideration other factors such as issues raised by Parliamentary oversight committees, the Auditor-General's prior year's reports, management's as well as the Audit Committee's requests, etc. The status of the progress on the performance of the audits on the annual plan was presented to the Audit Committee on a quarterly basis.

The audits conducted during the year were mainly compliance, information technology, performance and performance information, operational, and financial. The Unit also performed investigations that originated from management requests and those from other organs of the state such as the Presidential Hotline.

The Unit's operations are guided by the requirements set out in the legislative prescripts (e.g. the PFMA and the Treasury Regulations) and the standards set by the relevant professional bodies (e.g. the Institute of Internal Auditors).

The Department has established an Audit Committee in terms of Section 77 of the PFMA. The Committee consists of three (3) independent members. The members of the Audit Committee have the requisite knowledge and competence to deal with financial, risk management, governance, ethical and other matters that pertain to its responsibility. The Committee operated in line with its Charter, which was reviewed and approved in the reporting period. During the financial period under review, the Committee met six (6) times. The matters tabled for consideration by the Committee included the review of financial statements, performance information, the Auditor-General's management letters, reports and activities of the Internal Audit Activity and the Risk Management Office, and matters that relate to litigation against the Department, compliance with laws, regulations and policies.

9. DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

No activities were discontinued during the reporting period.

10. NEW / PROPOSED ACTIVITIES

The Department will continue with its current activities and no new activities will be added during the 2012/13 financial year.

11. ASSET MANAGEMENT

All assets procured during the year have been captured on the Assets Register. The Assets Register has also been successfully reconciled with the financial accounting system of the Department. Details of this item are presented in notes 30 to 32 in the Annual Financial Statements.

Adjustment on prior year figure for assets written off as losses has been effected. This was due to assets of R1,492 million that could not be located after the relocation which were eventually found during the verification process conducted during 2011/12.

12. INVENTORIES

Opening, movements and closing balances for inventories were properly captured and are reported accordingly in Annexure 5.

13. EVENTS AFTER THE REPORTING DATE

During April 2012, the Asset Forfeiture Unit reported that the legal issues relating to fraudulent payments made in 2007/08 financial year have been resolved. Consequently, R7,6 million sitting in the Disallowance Damages and Losses Account will be released to the Department during the 2012/13 financial year.

14. INFORMATION ON PREDETERMINED OBJECTIVES

A Quarterly Monitoring Report (QMR) on Performance Information is submitted to the Executive Authority through the Accounting Officer.

These quarterly reports highlight areas of concern for noting while also presenting interventions already in pursuit. Each Branch head submits performance information with a signed compliance declaration. The Branch of the Chief Compliance Officer (CCO) is responsible for analysis of performance information. This analysis examines performance across the Department in line with the approved strategic plan. The analysis concentrates on the completeness, reasonability and relevance of the reported information. The CCO then consolidates and forwards the report to Internal Audit for verification. At year-end, the consolidated report is made available to the Auditor-General for audit purposes and subsequently constitutes the performance information published in the Annual Report.

15. SCOPA RESOLUTIONS

Due to the modified audit report for the 2010/11 financial year, the Department appeared before SCOPA for hearing. Amongst other things that the SCOPA was concerned about, resolutions on issues tabled below were made:

SCOPA RESOLUTIONS		
REFERENCE TO PREVIOUS AUDIT REPORT AND SCOPA RESOLUTIONS	SUBJECT	FINDINGS ON PROGRESS
SCOPA hearing of 09 May 2012 relating to the 2010/11 Annual Financial Statements.	<p>Emphasis of Matters: Accruals which exceeded the 30 days payment terms.</p> <p>SCOPA's Resolution: Department to prepare the breakdown of what makes out the Accruals/list of suppliers affected for submission to SCOPA.</p>	Compilation of breakdown is in progress and will be ready for submission to SCOPA by 30 June 2012.
SCOPA hearing of 09 May 2012 relating to the 2010/11 Annual Financial Statements.	<p>Emphasis of Matters: Material Losses as a result of assets that could not be verified.</p> <p>SCOPA's Resolution: Management to improve on planning to ensure that relocation projects do not clash with the audit period. Provide assurance that reoccurrence of this will be prevented.</p>	<p>Some of the assets that could not be verified in 2010/11 and were reported as losses were found during the verification exercises conducted in 2011/12.</p> <p>Reconciliation to determine the net loss will be performed and matter reported to the Security Risk Management Component for further investigation.</p>
SCOPA hearing of 09 May 2012 relating to the 2010/11 Annual Financial Statements.	<p>Other Legal and Regulatory Requirements: Expenditure Management - Irregular Expenditure incurred</p> <p>SCOPA's Resolution: The Department to provide a report on status of the issues reported as still under investigation. Furthermore, the Department must establish the whereabouts of the employees who were not given sanctions because they had already left the DMR's employ by the time this irregularity was identified.</p>	Report in this regard is being prepared and will be ready by 30 June 2012.

16. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department has put in place mechanisms to address findings raised by the Auditor General's report for the 2010/11 financial year. This was aimed at addressing all matters that gave rise to the qualification, emphasis of matters, other legal and regulatory requirements.

PRIOR MODIFICATIONS TO AUDIT REPORTS		
NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING / RESOLVING THE MATTER
Receivable for Departmental Revenue, Payables and Provisions: Incorrect interest calculation and inability to clear the Departmental suspense accounts.	2009/10	<ul style="list-style-type: none"> The Revenue Management System was developed and implemented Revenue collected was deposited into the NRF thereby clearing the suspense accounts
Contingent Liability: Non disclosure of the Department's obligation for the rehabilitation of Derelict and Ownerless mines:	2010/11	Actuary report with estimates for rehabilitation costs was obtained.
Emphasis of Matter:		
1. Restatement of corresponding figures	2010/11	<ul style="list-style-type: none"> Training to educate staff on issues pertinent to reporting was conducted and clarity on certain issues in the guideline provided by National Treasury.
2. Material Losses	2010/11	<ul style="list-style-type: none"> Relocations Steering Committee has been established Process on handling of IT Equipment has been developed and implemented Loss Management Strategy was developed and workshops have been scheduled
3. Accruals exceeding the 30 days payment terms	2009/10	<ul style="list-style-type: none"> Expediting of invoices was enhanced and further process to improve turnaround time underway

PRIOR MODIFICATIONS TO AUDIT REPORTS		
NATURE OF QUALIFICATION, DISCLAIMER, ADVERSE OPINION AND MATTERS OF NON-COMPLIANCE	FINANCIAL YEAR IN WHICH IT FIRST AROSE	PROGRESS MADE IN CLEARING / RESOLVING THE MATTER
Other Legal and Regulatory Requirements: Expenditure Management: Irregular Expenditure	2010/11	<ul style="list-style-type: none"> The Procurement Policy was developed making recognition of National Treasury Instruction notes, circulars or any prescript compulsory Training on issues that needed clarity was done in conjunction with National Treasury
Other Matters: 1. Incomplete Commitments raised 2. Decentralised and Incomplete Contract Register	2010/11	<ul style="list-style-type: none"> Register for recording non-LOGIS commitments was developed at EM and non LOGIS commitments recorded. Contract Register was centralised at SCM and all contracts were recorded and reconciled monthly

17. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

National Treasury has recommended that the amount of R41 billion in respect of the State's liability in derelict and ownerless mines be treated as Contingent Liability.

18. INTERIM FINANCIAL STATEMENTS

Four Interim Financial Statements were submitted to National Treasury on time during the financial year.

19. OTHER

Included in the contingent liability note 19 is an amount of R35.736 million recorded for a claim of alleged damages for loss of profit filed by a claimant. Summons was issued on 6 September 2011 and the Department has filed Notice of Intention to Defend.

20. APPROVAL

The Annual Financial Statements set out on pages 103 to 161 have been approved by the Accounting Officer.


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Dr T Ramontja
Accounting Officer
31 May 2012

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.32

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Mineral Resources set out on pages 103 to 161, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and 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 of these financial statements in accordance with the departmental financial reporting framework prescribed by National Treasury 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 the Public Audit Act of South Africa, 2004 (Act No. 25 of 2001) (PAA), the General Notice issued in terms thereof and 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 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 2012 and its financial performance and cash flows for the year then ended in accordance with departmental financial reporting framework and the requirements of the PFMA.

Emphasis of matter

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

7. As disclosed in notes 2, 5.3, 6, 9, 16, 24, 29, 31.2 to the financial statements, the corresponding figures for 31 March 2011 have been restated as a result of an error discovered during 31 March 2012 in the financial statements of the Department of Mineral Resources at, and for the year ended, 31 March 2011.

Additional matters

I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

8. The supplementary information set out on pages 163 to 221 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Financial reporting framework

9. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they “present fairly”. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT

10. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 30 to 77 of the annual report.

12. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

13. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

14. I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

15. Of the total number of planned targets, 107 targets were achieved during the year under review. This represents 72% of total planned targets that were achieved during the year under review.

Compliance with laws and regulations

16. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements, performance and annual report

17. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 40(1) of the PFMA. Material misstatements of disclosure items identified by the auditors were subsequently corrected.

Expenditure management

18. Money owing by the department was not always paid within 30 days of receiving an invoice or statement, as required by section 38(1)(f) of the PFMA and TR 8.2.3.
19. Prepayments for goods or services (i.e. payments in advance of the receipt of the goods or services) other than where required by the contractual arrangements with the supplier was not avoided as required by TR 15.10.1.2 (c).

Revenue management

20. The accounting officer did not ensure that appropriate processes were developed and implemented to provide for the identification, collection, recording, and reconciliation of information about revenue, as required by Treasury Regulation 7.2.1 which led to material misstatements in receivables which had to be adjusted.
21. The accounting officer did not take effective and appropriate steps to collect all money due, as required by section 38(1)(c)(i) of the Public Finance Management Act and Treasury Regulations 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).

Human resources management

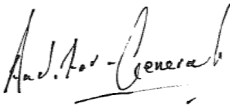
22. Employees received overtime compensation in excess of 30% of their monthly salaries, in contravention of Public Service Regulation I/V/D.2(d).
23. Employees acted in higher vacant posts for an uninterrupted period exceeding 12 months, in contravention of the Public Service Regulation 1/VII/B.5.3.

Internal Control

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the material findings on compliance with laws and regulations included in this report.

Financial and performance management

25. Lack of review and monitoring of the controls over the proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting
26. Lack of review and monitoring of the controls over the daily and monthly processing and reconciling of transactions
27. Lack of review and monitoring of the controls over the preparation of regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
28. There was a lack of review and monitoring of the controls to ensure compliance with applicable laws and regulations.


 Pretoria
 20 September 2012



APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

APPROPRIATION PER PROGRAMME									
APPROPRIATION STATEMENT	2011/12					2010/11			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R '000	R '000	R '000	R '000	R '000	R '000	%	R '000	R '000
1.ADMINISTRATION									
Current payment	235,619	16,600	(5,537)	246,682	238,342	8,340	96,6%	208,334	199,774
Transfers and subsidies	1,118	-	346	1,464	1,464	-	100,0%	1,128	467
Payment for capital assets	11,203	1,400	5,017	17,620	17,620	-	100,0%	18,382	26,466
Payment for financial assets	-	-	174	174	174	-	100,0%	21	20
	247,940	18,000	-	265,940	257,600	8,340		227,865	226,727
2.PROMOTION OF MINE SAFETY AND HEALTH									
Current payment	141,705	(40)	(5,714)	135,951	135,784	167	99,9%	131,635	131,702
Transfers and subsidies	5,288	40	10	5,338	5,338	-	100,0%	5,361	5,361
Payment for capital assets	508	-	(391)	117	117	-	100,0%	84	15
Payment for financial assets	-	-	13	13	13	-	100,0%	15	14
	147,501	-	(6,082)	141,419	141,252	167		137,095	137,092
3.MINERAL REGULATION									
Current payment	122,761	-	21,416	144,177	144,177	-	100,0%	146,222	146,079
Transfers and subsidies	39,374	-	2	39,376	39,376	-	100,0%	40,667	40,667
Payment for capital assets	22	-	799	821	821	-	100,0%	1,712	1,852
Payment for financial assets	-	-	22	22	22	-	100,0%	10	10
	162,157	-	22,239	184,396	184,396	-		188,611	188,608

APPROPRIATION PER PROGRAMME									
APPROPRIATION STATEMENT	2011/12					2010/11			
	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
4.MINERAL POLICY AND PROMOTION									
Current payment	88,708	(180)	(15,977)	72,551	71,528	1,023	98.6%	50,625	50,625
Transfers and subsidies	392,659	(18,000)	-	374,659	374,659	-	100.0%	391,625	391,625
Payment for capital assets	-	180	(180)	-	-	-		21	20
Payment for financial assets	-	-	-	-	-	-		-	-
TOTAL	481,367	(18,000)	(16,157)	447,210	446,187	1,023		442,271	442,270
TOTAL (brought forward)	1,038,965	-	-	1,038,965	1,029,435	9,530	99.1%	995,842	994,697
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				93,185				72,000	
Actual amounts per statement of financial performance (total revenue)				1,132,150				1,067,842	
Actual amounts per statement of financial performance (total expenditure)					1,029,435				994,697

APPROPRIATION PER ECONOMIC CLASSIFICATION

2011/12										2010/11	
	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	380,363	(7,488)	(7,958)	364,917	364,562	355	99.9%	326,505	326,457		
Goods and services	208,430	23,868	(484)	231,814	222,639	9,175	96.0%	210,311	*200,013		
Interest and rent on land	-	-	2,630	2,630	2,630	-	100.0%	-	*1,710		
TRANSFERS AND SUBSIDIES											
Departmental agencies and accounts	199,067	-	-	199,067	199,067	-	100.0%	215,177	215,177		
Public corporations and private enterprises	238,254	(18,000)	-	220,254	220,254	-	100.0%	222,449	222,449		
Households	1,118	40	358	1,516	1,516	-	100.0%	1,155	494		
PAYMENTS FOR CAPITAL ASSETS											
Buildings and other fixed structures	834	(750)	780	864	864	-	100.0%	7,610	17,059		
Machinery and equipment	10,579	2,230	4,255	17,064	17,064	-	100.0%	11,303	*10,148		
Software and other intangible assets	320	100	210	630	630	-	100.0%	1,281	1,140		
PAYMENTS FOR FINANCIAL ASSETS	-	-	209	209	209	-	100.0%	51	50		
Total	1,038,965	-	-	1,038,965	1,029,435	9,530	99.1%	995,842	994,697		

* Prior year figures for Goods and Services, Interest and rent on land and Machinery and equipment in respect of finance leases were restated.

2011/12										2010/11	
DETAILS PER SUB-PROGRAMME: ADMINISTRATION	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
	R '000	R '000	R '000	R '000	R '000	R '000	%	R '000	R '000		
1.1 MINISTRY											
Current payment	3,514	-	367	3,881	3,881	-	100.0%	2,631	2,672		
1.2 CORPORATE SERVICES											
Current payment	178,044	8,381	(2,657)	183,768	175,425	8,343	95.5%	162,436	158,555		
Transfers and subsidies	1,118	-	346	1,464	1,464	-	100.0%	1,068	467		
Payment for capital assets	11,203	21	5,428	16,652	16,652	-	100.0%	16,837	25,301		
Payment for financial assets	-	-	174	174	174	-	100.0%	21	20		
1.3 MANAGEMENT											
Current payment	29,959	(1,637)	(3,247)	25,075	25,078	(3)	100.0%	20,617	20,574		
Transfers and subsidies	-	-	-	-	-	-	-	60	-		
Payment for capital assets	-	1,379	(411)	968	968	-	100.0%	1,545	1,165		
1.4 OFFICE ACCOMMODATION	24,102	9,856	-	33,958	33,958	-	100.0%	22,650	17,973		
Current payment											
Total	247,940	18,000	-	265,940	257,600	8,340	96.9%	227,865	226,727		

2011/12										2010/11	
PROGRAM 1: ADMINISTRATION PER ECONOMIC CLASSIFICATION	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	119,576	-	(4,237)	115,339	115,151	188	99.8%	90,793	90,745		
Goods and services	116,043	16,600	(3,930)	128,713	120,561	8,152	93.7%	117,541	107,319		
Interest and rent on land	-	-	2,630	2,630	2,630	-	100.0%	-	1,710		
Transfers and subsidies											
Households	1,118	-	346	1,464	1,464	-	100.0%	1,128	467		
Payments for capital assets											
Buildings and other fixed structures	834	(750)	780	864	864	-	100.0%	7,610	17,059		
Machinery and equipment	10,049	2,150	3,927	16,126	16,126	-	100.0%	10,491	9,406		
Software and other intangible assets	320	-	310	630	630	-	100.0%	281	-		
Payments for financial assets	-	-	174	174	174	-	100.0%	21	21		
Total	247,940	18,000	-	265,940	257,600	8,340	96.9%	227,865	226,727		

2011/12										2010/11	
DETAILS PER SUB-PROGRAMME: PROMOTION OF MINE SAFETY AND HEALTH	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	40,804	635	(533)	40,906	40,839	67	99.8%	46,645	46,712		
Transfers and subsidies	5,288	-	-	5,288	5,288	-	100.0%	5,361	5,361		
Payment for capital assets	508	-	(406)	102	102	-	100.0%	-	-		
Payment for financial assets	-	-	5	5	5	-	100.0%	-	-		
2.2 MINE HEALTH AND SAFETY (REGIONS)											
Current payment	100,901	(675)	(5,181)	95,045	94,945	100	99.9%	84,990	84,990		
Transfers and subsidies	-	40	10	50	50	-	100.0%	-	-		
Payment for capital assets	-	-	15	15	15	-	100.0%	84	15		
Payment for financial assets	-	-	8	8	8	-	100.0%	15	14		
Total	147,501	-	(6,082)	141,419	141,252	167	99.9%	137,095	137,092		

2011/12								2010/11	
PROGRAMME 2: PROMOTION OF MINE SAFETY AND HEALTH PER ECONOMIC CLASSIFICATION	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	117,645	(7,488)	(9,613)	100,544	100,377	167	99.8%	102,562	102,561
Goods and services	24,060	7,448	3,899	35,407	35,407	-	100.0%	29,073	29,141
Transfers and subsidies to:									
Departmental agencies and accounts	5,288	-	-	5,288	5,288	-	100.0%	5,358	5,358
Households	-	40	10	50	50	-	100.0%	3	3
Payment for capital assets									
Machinery and equipment	508	-	(391)	117	117	-	100.0%	84	15
Payments for financial assets	-	-	13	13	13	-	100.0%	15	14
Total	147,501	-	(6,082)	141,419	141,252	167	99.9%	137,095	137,092

2011/12										2010/11	
DETAILS PER SUB-PROGRAMME: MINERAL REGULATION PER ECONOMIC CLASSIFICATION	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 & ADMINISTRATION											
Current payment	115,079	(2,157)	18,297	131,219	131,219	-	100.0%	137,288	137,144		
Transfers and subsidies	-	-	2	2	2	-	100.0%	24	24		
Payment for capital assets	22	-	799	821	821	-	100.0%	1,696	1,837		
Payment for financial assets	-	-	22	22	22	-	100.0%	10	10		
3.2 MANAGEMENT MINERAL REGULATION											
Current payment	7,682	2,157	3,119	12,958	12,958	-	100.0%	8,934	8,935		
Payment for capital assets	-	-	-	-	-	-	-	16	15		
3.3 SOUTH AFRICAN DIAMOND AND PRECIOUS METAL REGULATOR											
Transfers and subsidies	39,374	-	-	39,374	39,374	-	100.0%	40,643	40,643		
Total	162,157	-	22,239	184,396	184,396	-	100.0%	188,611	188,608		

2011/12								2010/11	
PROGRAMME 3: MINERAL REGULATION PER ECONOMIC CLASSIFICATION	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	100,666	-	4,382	105,048	105,048	-	100.0%	98,395	98,396
Goods and services	22,095	-	17,034	39,129	39,129	-	100.0%	47,827	47,683
Transfers and subsidies to:									
Departmental agencies and accounts	39,374	-		39,374	39,374	-	100.0%	40,643	40,643
Households			2	2	2	-	100.0%	24	24
Payment for capital assets									
Machinery and equipment	22	-	799	821	821	-	100.0%	712	712
Software and other intangible assets								1,000	1,140
Payments for financial assets	-	-	22	22	22	-	100.0%	10	10
Total	162,157	-	22,239	184,396	184,396	-	100.0%	188,611	188,608

2011/12										2010/11	
DETAILS PER SUB-PROGRAMME: MINERAL POLICY AND PROMOTION	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		
4.1 MANAGEMENT											
Current payment	10,953	-	2,496	13,449	13,449	-	100.0%	17,413	17,413		
Payment for capital assets	-	-	-	-	-	-		16	15		
4.2 MINERAL POLICY											
Current payment	10,522	(60)	913	11,375	10,636	739	93.5%	4,907	4,907		
Payment for capital assets	-	60	(60)	-	-	-		1	1		
4.3 MINERAL PROMOTION											
Current payment	32,515	-	(5,377)	27,138	27,111	27	99.9%	25,298	25,298		
Transfers and subsidies	23,298	-	-	23,298	23,298	-	100.0%	23,609	23,609		
Payment for capital assets	-	-	-	-	-	-		4	4		
4.4 ASSISTANCE TO MINES											
Transfers and subsidies	18,000	(18,000)	-	-	-	-	-	3,000	3,000		
4.5 COUNCIL FOR GEOSCIENCE											
Transfers and subsidies	154,405	-	-	154,405	154,405	-	100.0%	169,176	169,176		

2011/12										2010/11	
DETAILS PER SUB-PROGRAMME: MINERAL POLICY AND PROMOTION	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		
4.6 COUNCIL FOR MINERAL TECHNOLOGY											
Transfers and subsidies	196,956	-	-	196,956	196,956	-	100.0%	195,840	195,840		
4.7 ECONOMIC ADVISORY SERVICES											
Current payment	2,702	-	280	2,982	2,725	257	91.4%	-	-		
4.8 MINE ENVIRONMENTAL MANAGEMENT											
Current payment	32,016	(120)	(14,289)	17,607	17,607	-	100.0%	3,007	3,007		
Payment for capital assets	-	120	(120)	-	-	-	-	-	-		
Total	481,367	(18,000)	(16,157)	447,210	446,187	1,023	99.8%	442,271	442,270		

2011/12								2010/11	
PROGRAMME 4: MINERAL POLICY AND PROMOTION PER ECONOMIC CLASSIFICATION	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	42,476	-	1,510	43,986	43,986	-	100.0%	34,755	34,755
Goods and services	46,232	(180)	(17,487)	28,565	27,542	1,023	96.4%	15,870	15,870
Transfers and subsidies to:									
Departmental agencies and accounts	154,405	-	-	154,405	154,405	-	100.0%	169,176	169,176
Public corporations and private enterprises	238,254	(18,000)	-	220,254	220,254	-	100.0%	222,449	222,449
Payment for capital assets									
Machinery and equipment	-	80	(80)	-	-	-	-	16	15
Software and other intangible assets	-	100	(100)	-	-	-	-	-	-
Payments for financial assets									
	-	-	-	-	-	-	-	5	5
Total	481,367	(18,000)	(16,157)	447,210	446,187	1,023	99.8%	442,271	442,270

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-C) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

1. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):

4.1 PER PROGRAMME	Final Appropriation R '000	Actual Expenditure R '000	Variance R '000	Variance as % of final appropriation R '000
Programme 1: Administration	265,940	257,600	8,340	3%
Programme 2: Promotion of Mine Safety and Health	141,419	141,252	167	0%
Programme 3: Mineral Regulation	184,396	184,396	0	0%
Programme 4: Mineral Policy and Promotion	447,210	446,187	1,023	0%
Total	1,038,965	1,029,435	9,530	0.9
4.2 PER ECONOMIC CLASSIFICATION				
Current payments				
Compensation of employees	364,917	364,562	356	0.10%
Goods and services	231,814	222,639	9,175	3.96%
Interest and rent on land	2,630	2,630	-	0.00%
Transfers and subsidies				
Departmental agencies and accounts	199,067	199,067	-	0.00%
Public corporations and private enterprises	220,254	220,254	-	0.00%
Households	1,516	1,516	-	0.00%
Payments for capital assets				
Buildings and other fixed structures	864	864	-	0.00%
Machinery and equipment	17,064	17,064	-	0.00%
Software and other intangible assets	630	630	-	0.00%
Payments for financial assets				
	209	209	-	0.00%
Total	1,038,965	1,029,435	9,530	0.92%

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Programme 1: Administration

The under-spending of R8.4 million is attributable to the procurement of goods and services in cases where orders were placed but some of the contracts were not completed on time as planned while delays in receiving invoices from the suppliers of goods and services also contributed. The Administration Branch disbursed R257.6 million which represent 97 percent of its total budget allocation of R265.9 million.

Programme 2: Mine Health and Safety

Mine Health and Safety disbursed R141.3 million which represents 99.88 percent of its total budget of R141.4 million. The programme's budget is personnel driven due to the nature of inspections, monitoring and reporting functions performed. Due to high vacancy rate within the branch, an amount R6.1 million was allocated to other branches to cater for over expenditure.

Programme 3: Mineral Regulation

As at 31 March 2012, Mineral Regulation Branch had spent R184 million which represents 100 percent of its total budget allocation for the 2011/12 financial year. The Branch was allocated an additional amount of R22.2 million from other Branches as part of virement to cater for higher than anticipated expenditure.

Programme 4: Mineral Policy and Promotion

Mineral Policy and Promotion Branch disbursed R446.2 million which represents 99.77 percent of its total budget allocation of R447.2 million. The under-spending can be attributable to the postponement of Public Participation workshops on the amendment of the Mineral and Petroleum Resources Development Act (MPRDA) and the Mine Health and Safety Act (MHSA). An amount of R16.2 million was reallocated to other branches to cater for higher than anticipated expenditure.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2012**

PERFORMANCE	NOTE	2011/2012 R '000	2010/2011 R '000
REVENUE			
Annual appropriation	1	1,038,965	995,842
Departmental revenue	2	93,185	72,000
TOTAL REVENUE		1,132,150	1,067,842
EXPENDITURE			
Current expenditure			
Compensation of employees	4	364,562	326,457
Goods and services	5	222,639	200,013
Interest and rent on land	6	2,630	1,710
Total current expenditure		589,831	528,180
Transfers and subsidies			
Transfers and subsidies	8	420,837	438,120
Total transfers and subsidies		420,837	438,120
Expenditure for capital assets			
Tangible capital assets	9	17,928	27,207
Software and other intangible assets	9	630	1,140
Total expenditure for capital assets		18,558	28,347
Payments for financial assets	7	209	50
TOTAL EXPENDITURE		1,029,435	994,697
SURPLUS/(DEFICIT) FOR THE YEAR		102,715	73,145
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		9,530	1,145
Annual appropriation		9,530	1,145
Departmental revenue and NRF Receipts	14	93,182	72,000
SURPLUS/(DEFICIT) FOR THE YEAR		102,715	73,145

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2012

POSITION	NOTE	2011/2012 R '000	2010/2011 R '000
ASSETS			
Current assets		28,456	58,196
Cash and cash equivalents	10	9,383	37,493
Prepayments and advances	11	89	40
Receivables	12	18,984	20,663
TOTAL ASSETS		28,456	58,196
LIABILITIES			
Current liabilities		26,327	57,144
Voted funds to be surrendered to the Revenue Fund	13	9,530	1,145
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	3,097	44,180
Bank overdraft	15	10,722	-
Payables	16	2,978	11,819
TOTAL LIABILITIES		26,327	57,144
NET ASSETS		2,129	1,052
		2011/2012	2010/2011
		R '000	R '000
Represented by:			
Recoverable revenue		2,129	1,052
TOTAL		2,129	1,052

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2012**

NET ASSETS	NOTE	2011/2012 R '000	2010/2011 R '000
Capitalisation Reserves			
Opening balance		-	2,205
Transfers:			
Movement in Equity		-	(2,205)
Closing balance		-	-
Recoverable revenue			
Opening balance		1,052	1,062
Transfers:		1,077	(10)
Debts revised		(23)	(10)
Debts recovered (included in departmental receipts)		(619)	-
Debts raised		1,719	-
Closing balance		2,129	1,052
TOTAL		2,129	1,052

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

CASH FLOW		2011/2012	2010/2011
	NOTE	R '000	R '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,132,142	1,067,842
Annual appropriated funds received	1.1	1,038,965	995,842
Departmental revenue received	2	93,177	72,000
Net (increase)/decrease in working capital		(7,211)	11,594
Surrendered to Revenue Fund		(135,413)	(239,452)
Surrendered to RDP Fund/Donor		-	(63)
Current payments		(589,831)	(528,180)
Payments for financial assets		(209)	(50)
Transfers and subsidies paid		(420,837)	(438,120)
Net cash flow available from operating activities	17	(21,359)	(126,429)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(18,558)	(28,347)
Proceeds from sale of capital assets	2.4	8	-
(Increase)/decrease in investments		-	2,205
Net cash flows from investing activities		(18,550)	(26,142)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		1,077	(2,215)
Net cash flows from financing activities		1,077	(2,215)
Net increase/(decrease) in cash and cash equivalents		(38,832)	(154,786)
Cash and cash equivalents at beginning of period	18	37,493	192,279
Cash and cash equivalents at end of period		(1,339)	37,493

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2012

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2012

2. Revenue

2.1 Appropriated funds

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

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

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

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2012

2.5 Aid assistance

Aid assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

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

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2012

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

3.3 Interest and rent on land

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

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

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

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2012

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

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

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable, it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority, it is treated as an asset until it is recovered or written off as irrecoverable.

4. Assets

4.1 Cash and cash equivalents

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

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.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2012

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

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

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

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

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2012

4.8.1 Movable assets

Initial recognition

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

All assets acquired prior to 1 April 2002 are included in the register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.8.3 Intangible assets

Initial recognition

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

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the department.

Maintenance is expensed as current “goods and services” in the statement of financial performance.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2012

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

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

5.5 Accruals

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

5.6 Employee benefits

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

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2012

5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

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

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises 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/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Annual Appropriation

	Final Appropriation	Actual Funds Received	2011/2012 Funds not requested/ not received	2010/2011 Appropriation received
1.1 Annual Appropriation				
Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments	R '000	R '000	R '000	R '000
(Voted funds):				
Administration	265,940	265,940	-	227,865
Promotion of Mine Safety and Health	141,419	141,419	-	137,095
Mineral Regulation	184,396	184,396	-	188,611
Mineral Policy and Promotion	447,210	447,210	-	442,271
Total	1,038,965	1,038,965	-	995,842

		2011/2012	2010/2011
Departmental Revenue	Note	R '000	R '000
Sales of goods and services other than capital assets	2.1	2,560	2,167
Fines, penalties and forfeits	2.2	665	531
Interest, dividends and rent on land	2.3	89,388	#68,676
Sales of capital assets	2.4	8	-
Transactions in financial assets and liabilities	2.5	564	626
Departmental revenue collected		93,185	72,000

2010/11 financial year figure was restated

	2011/2012	2010/2011
2.1 Sales of goods and services other than capital assets	R '000	R '000
Sales of goods and services produced by the department	2,559	2,159
Sales by market establishment	392	309
Administrative fees	1,608	1,353
Other sales	559	497
Sales of scrap, waste and other used current goods	1	8
Total	2,560	2,167

	2011/2012	2010/2011
2.2 Fines, penalties and forfeits	R '000	R '000
Penalties	665	531
Total	665	531

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

	2011/2012	2010/2011
	R '000	R '000
2.3 Interest, dividends and rent on land		
Interest	195	170
Rent on land	*89,193	#68,506
Total	<u>89,388</u>	<u>68,676</u>

*the amount consists of prospecting fees and royalty received

#2010/11 financial year figure was restated

	2011/2012	2010/2011
	R '000	R '000
2.4 Sale of capital assets		
Tangible assets		
Machinery and equipment	8	-
Total	<u>8</u>	<u>-</u>

	2011/2012	2010/2011
	R '000	R '000
2.5 Transactions in financial assets and liabilities		
Receivables	467	382
Other Receipts including Recoverable Revenue	97	244
Total	<u>564</u>	<u>626</u>

	2011/2012	2010/2011
	R '000	R '000
3. Aid Assistance		
3.1 Aid assistance received in cash from RDP		
Foreign		
Opening Balance	-	63
Surrendered to the RDP	-	(63)
Closing Balance	<u>-</u>	<u>-</u>

	2011/2012	2010/2011
	R '000	R '000
3.2 Total Assistance		
Opening Balance	-	63
Surrendered / Transferred to retained funds	-	(63)
Closing Balance	<u>-</u>	<u>-</u>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

4. Compensation of employees	2011/2012	2010/2011
	R '000	R '000
4.1 Salaries and Wages		
Basic salary	248,912	217,268
Performance award	24,167	23,608
Service Based	597	1,074
Compensative/circumstantial	4,462	7,211
Periodic payments	39	187
Other non-pensionable allowances	39,525	36,311
Total	317,702	285,659
4.2 Social contributions	2011/2012	2010/2011
	R '000	R '000
Employer contributions		
Pension	32,936	28,875
Medical	13,866	11,868
Bargaining council	58	55
Total	46,860	40,798
Total compensation of employees	364,562	326,457
Average number of employees	1,077	1,076
5. Goods and services	2011/2012	2010/2011
	Note	R '000
Administrative fees		2,894
Advertising		1,661
Assets less than R5,000		862
Bursaries (employees)	5.1	2,118
Catering		855
Communication		11,181
Computer services	5.2	19,602
Consultants, contractors and agency/outsourced services	5.3	18,371

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

5. Goods and services	Note	2011/2012	2010/2011
<i>Continued</i>		R '000	R '000
Entertainment		158	176
Audit cost – external	5.4	4,838	3,740
Inventory	5.5	5,552	9,003
Operating leases		82,271	64,147
Property payments	5.6	2,361	3,406
Travel and subsistence	5.7	57,643	54,667
Venues and facilities		2,483	2,282
Training and staff development		3,083	1,790
Other operating expenditure	5.8	4,278	3,258
Total		222,639	200,013

5.1 Assets less than R5, 000	2011/2012	2010/2011
	R '000	R '000
Tangible assets	513	850
Machinery and equipment	513	850
Intangible assets	-	12
Total	513	862

5.2 Computer services	2011/2012	2010/2011
	R '000	R '000
SITA computer services	7,754	8,197
External computer service providers	13,639	11,405
Total	21,393	19,602

5.3 Consultants, contractors and agency / outsourced services	2011/2012	2010/2011
	R '000	R '000
Business and advisory services	2,109	6,522
Infrastructure and planning	108	5,835
Legal costs	12,643	3,861
Contractors	1,255	1,688
Agency and support/outsourced services	2	*465
Total	16,117	18,371

* Prior year figures for Agency and support / outsourced services in respect of finance leases were restated.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

5.4 Audit Cost - External	2011/2012	2010/2011
	R '000	R '000
Regularity audits	4,838	3,618
Performance audits	-	122
Total	4,838	3,740

5.5 Inventory	2011/2012	2010/2011
	R '000	R '000
Learning and teaching support material	19	29
Food and food supplies	71	-
Fuel, oil and gas	161	48
Other consumable materials	1,144	1,112
Materials and supplies	277	3,545
Stationery and printing	3,880	4,269
Total	5,552	9,003

5.6 Property payments	2011/2012	2010/2011
	R '000	R '000
Municipal services	-	1,415
Other	2,361	1,991
Total	2,361	3,406

5.7 Travel and subsistence	2011/2012	2010/2011
	R '000	R '000
Local	48,022	47,171
Foreign	9,621	7,496
Total	57,643	54,667

5.8 Other operating expenditure	2011/2012	2010/2011
	R '000	R '000
Learnerships	-	8
Professional bodies, membership and subscription fees	753	650
Resettlement costs	1,176	1,609
Other	2,349	*991
Total	4,278	3,258

* Prior year figures for Other - insurance cost in respect of finance leases were restated.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

6. Interest and rent on land	2011/2012	2010/2011
	R '000	R '000
Interest paid	2,630	*1,710
Total	2,630	1,710

* Prior year figures for Interest paid in respect of finance leases were restated.

7. Payments for financial assets	Note	2011/2012	2010/2011
		R '000	R '000
Other material losses written off	7.1	-	15
Debts written off	7.2	209	35
Total		209	50

7.1 Other material losses written off	2011/2012	2010/2011
	R '000	R '000
Nature of losses		
Government Garage and Car Rental Accidents	-	15
Total	-	15

7.2 Debts written off	2011/2012	2010/2011
	R '000	R '000
Nature of debts written off		
Bad debts written off	209	35
Total	209	35

8. Transfers and subsidies	2011/2012	2010/2011
	Note	R '000
Departmental agencies and accounts	Annex 1A	199,067
Public corporations and private enterprises	Annex 1B	220,254
Households	Annex 1C	1,516
Total		420,837

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

9. Expenditure for capital assets

	2011/2012	2010/2011
	R '000	R '000
Tangible assets	17,928	27,207
Buildings and other fixed structures	864	17,059
Machinery and equipment	17,064	*10,148
Software and other intangible assets	630	1,140
Computer software	630	1,140
Total	18,558	28,347

* Prior year figures for Machinery and equipment were restated.

9.1 Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds	Aid assistance	Total
	R '000	R '000	R '000
Tangible assets	17,928	-	17,928
Buildings and other fixed structures	864	-	864
Machinery and equipment	17,064	-	17,064
Software and other intangible assets	630	-	630
Computer software	630	-	630
Total	18,558	-	18,558

9.2 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds	Aid assistance	Total
	R '000	R '000	R '000
Tangible assets	27,207	-	27,207
Buildings and other fixed structures	17,059	-	17,059
Machinery and equipment	10,148	-	10,148
Software and other intangible assets	1,140	-	1,140
Computer software	1,140	-	1,140
Total	28,347	-	28,347

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

10. Cash and cash equivalents	2011/2012	2010/2011
	R '000	R '000
Consolidated Paymaster General Account (excluding Outstanding payments: dom and Sal: Persal EBT control acc: dom)	6,619	37,044
Cash on hand	71	71
Investments – Local (Cash with commercial banks)	2,693	378
Total	9,383	37,493

11. Prepayments and advances	2011/2012	2010/2011
	R '000	R '000
Travel and subsistence	89	40
Total	89	40

12. Receivables	Less than one year R '000	One to three years R '000	Older than three years R '000	2011/2012 Total R '000	2010/2011 Total R '000
Claims recoverable <i>12.1 Annex 3</i>	1,281	5,502	-	6,783	9,410
Recoverable expenditure <i>12.2</i>	1,141	7,564	-	8,705	8,754
Staff debt <i>12.3</i>	1,805	603	1,088	3,496	2,499
Total	4,227	13,669	1,088	18,984	20,663

12.1 Claims recoverable	Note	2011/2012	2010/2011
		R '000	R '000
National departments	<i>Annexure 3</i>	6,783	9,410
Total		6,783	9,410

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

12.2 Recoverable expenditure (disallowance accounts)	2011/2012	2010/2011
	R '000	R '000
Disallowance Damages and Losses	7,641	7,676
Sal: Reversal Control	10	-
Sal: Tax Debt	21	53
Sal: Income Tax	1,033	1,018
Sal: Deduction Disallowance Account	-	7
Total	8,705	8,754

12.3 Staff debt	2011/2012	2010/2011
	R '000	R '000
Cellphone	23	28
Contract	73	68
Disallowance	1,370	1,430
Study debt	1,616	369
Subsidised vehicle	338	492
Telephone	61	112
Subsistence and Travel expenses	15	-
Total	3,496	2,499

13. Voted funds to be surrendered to the Revenue Fund	2011/2012	2010/2011
	R '000	R '000
Opening balance	1,145	137,288
Transfer from statement of financial performance	9,530	1,145
Paid during the year	(1,145)	(137,288)
Closing balance	9,530	1,145

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	2011/2012	2010/2011
	R '000	R '000
Opening balance	44,180	74,344
Transfer from Statement of Financial Performance	93,185	72,000
Paid during the year	(134,268)	(102,164)
Closing balance	3,097	44,180

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

15. Bank Overdraft	2011/2012	2010/2011
	R '000	R '000
Consolidated Paymaster General Account	10,772	-
(Outstanding payments: dom and Sal: Persal EBT control acc: dom)		
Total	10,772	-

16. Payables – current	Note	2011/2012	2010/2011
		R '000	R '000
Clearing accounts	16.1	3	2
Other payables	16.2	2,975	#11,817
Total		2,978	11,819

#2010/11 financial year figure was restated due to reconciliation done during the year under review

16.1 Clearing accounts	2011/2012	2010/2011
	R '000	R '000
Sal: Pension Funds	3	1
Sal: Medical Aid	-	1
Total	3	2

16.2 Other payables	2011/2012	2010/2011
	R '000	R '000
Disallowance Miscellaneous	2,975	11,783
Sal: Reversal Control	-	34
Total	2,975	11,817

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

17. Net cash flow available from operating activities	2011/2012	2010/2011
	R '000	R '000
Net surplus/(deficit) as per Statement of Financial Performance	102,715	73,145
Add back non cash/cash movements not deemed operating activities	(124,074)	(199,574)
(Increase)/decrease in receivables – current	1,679	(6,083)
(Increase)/decrease in prepayments and advances	(49)	5,862
Increase/(decrease) in payables – current	(8,841)	11,815
Proceeds from sale of assets	(8)	-
Expenditure on capital assets	18,558	28,347
Surrenders to Revenue Fund	(135,413)	(239,452)
Surrenders to RDP Fund/Donor	-	(63)
Net cash flow generated by operating activities	(21,359)	(126,429)

18. Reconciliation of cash and cash equivalents for cash flow purposes	2011/2012	2010/2011
	R '000	R '000
Consolidated Paymaster General account	(4,103)	37,044
Cash on hand	71	71
Cash with commercial banks (Local)	2,693	378
Total	(1,339)	37,493

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

These amounts are not recognised in the Annual Financial Statements
and are disclosed to enhance the usefulness of the Annual Financial Statements.

19. Contingent liabilities		2011/2012	2010/2011
	Note	R '000	R '000
Liable to Nature Claims against the Department	<i>Annex 2A</i>	77,509	41,773
Other Departments (interdepartmental unconfirmed balances)	<i>Annex 4</i>	52	1,021
Environmental rehabilitation liability (See Annexure 2A)	<i>Annex 2A</i>	3,105,440	-
Other	<i>Annex 2A</i>	9,248	31,520
Total		3,192,249	74,314

20. Commitments		2011/2012	2010/2011
Current expenditure		R '000	R '000
Approved and contracted		10,224	70,728
		10,224	70,728
Capital expenditure		3,774	2,784
Approved and contracted		3,774	2,784
Total Commitments		13,998	73,512

21. Accruals			2011/2012	2010/2011
			R '000	R '000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	28,534	2,361	30,895	37,738
Capital assets	-	-	-	385
Total	28,534	2,361	30,895	38,123

		2011/2012	2010/2011
Listed by economic classification		R '000	R '000
Administration		28,484	34,449
Promotion of Mine Safety and Health		99	491
Mineral Regulation		1,382	1,780
Mineral Policy and Promotion		930	1,403
Total		30,895	38,123

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

21. Accruals - Cont

	2011/2012	2010/2011
	Note R '000	R '000
Confirmed balances with other departments	Annex 4 19,006	32,407
Confirmed balances with other government entities	Annex 4 -	-
Total	19,006	32,407

22. Employee benefits

	2011/2012	2010/2011
	R '000	R '000
Leave entitlement	11,388	7,423
Service bonus (Thirteenth cheque)	9,461	8,564
Performance awards	5,474	4,898
Capped leave commitments	9,024	8,899
Total	35,347	29,784

23. Lease commitments

23.1 Operating leases expenditure	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R '000	R '000	R '000	R '000	R '000
Not later than 1 year	-	-	49,592	358	49,950
Later than 1 year and not later than 5 years	-	-	83,135	106	83,241
Total lease commitments	-	-	132,727	464	133,191

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R '000	R '000	R '000	R '000	R '000
Not later than 1 year	-	-	48,695	521	49,216
Later than 1 year and not later than 5 years	-	-	137,353	304	137,657
Total lease commitments	-	-	186,048	825	186,873

	Note	2011/2012	2010/2011
		R '000	R '000
Rental earned on sub-leased assets	2.1	392	309
Total		392	309

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

23.2 Finance leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2011/2012	R '000	R '000	R '000	R '000	R '000
Not later than 1 year	-	-	-	12,770	12,770
Later than 1 year and not later than 5 years	-	-	-	7,985	7,985
Total lease commitments	-	-	-	20,755	20,755
LESS: finance costs	-	-	-	(1,747)	(1,747)
Total present value of lease liabilities	-	-	-	19,008	19,008

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2010/2011	R '000	R '000	R '000	R '000	R '000
Not later than 1 year	-	-	-	9,846	9,846
Later than 1 year and not later than 5 years	-	-	-	23,469	23,469
Total lease commitments	-	-	-	33,315	33,315
LESS: finance costs	-	-	-	(5,810)	(5,810)
Total present value of lease liabilities	-	-	-	27,505	27,505

24. Receivables for Departmental Revenue

	2011/2012	2010/2011
	R '000	R '000
Interest, dividends and rent on land	760,924	*609,192
Sales of capital assets	#393	393
Total	761,317	609,585

*Prior year figures were restated due to reconciliation done during the year under review.

#This was proceeds of sale for auctioned assets that were supposed to be received from the auctioneer. The matter has been forwarded to Legal Services for legal actions to be taken against the Auctioneer as they defaulted.

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

24.1 Analysis of receivables for Departmental Revenue

	2011/2012	2010/2011
Note	R '000	R '000
Opening balance	609,585	-
Less: amounts received	(89,193)	(68,506)
Add: amounts recognised	240,925	678,091
Closing balance	761,317	609,585

*Prior year figures were restated due to reconciliation done during the year under review.

25. Irregular expenditure

	2011/2012	2010/2011
	R '000	R '000
Opening balance	7,224	-
Add: Irregular expenditure – relating to prior year	120	-
Add: Irregular expenditure – relating to current year	7,905	7,974
Less: Amounts condoned	(810)	(619)
Less: Amounts recoverable (not condoned)	-	(131)
Irregular expenditure awaiting condonation	14,439	7,224

Analysis of awaiting condonation per age

Current year	2,679	*3,125
Prior years	3,125	-
Total	5,804	3,125

*Prior year figures were restated.

25.2 Details of irregular expenditure – current year

<u>Incident</u>	<u>Disciplinary steps taken/criminal proceedings</u>	2010/2011 R '000
Approval not obtained prior delivery of goods/service	Warning	209
Approval not obtained prior delivery of goods/service	No sanctions were necessary	74
Approval not obtained prior delivery of goods/service	No sanction: Other	9
Restructuring of the operating lease to finance lease	Request for condonation sent to National Treasury	2,679
Correct Procurement procedures not followed	Under investigation	4,934
Total		7,905

25.3 Details of irregular expenditure condoned

<u>Incident</u>	<u>Condoned by (condoning authority)</u>	2010/2011 R '000
Approval not obtained prior delivery of goods/service	Accounting Officer	810
		810

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

25.4 Details of irregular expenditures under investigation	2010/2011
Incident	R '000
Procurement procedures not followed	8,635
Total	8,635

26. Fruitless and wasteful expenditure	2011/2012	2010/2011
	R '000	R '000
26.1 Reconciliation of fruitless and wasteful expenditure		
Fruitless and wasteful expenditure – relating to current year	-	4
Less: Amounts transferred to receivables for recovery	-	(4)
Fruitless and wasteful expenditure awaiting condonement	-	-

27. Related party transactions	2011/2012	2010/2011
	R '000	R '000
Payments made		
Transfers	46,893	62,671
Total	46,893	62,671

ENTITY	NATURE OF RELATIONSHIP	NATURE OF RELATIONSHIP	AMOUNT TRANSFERRED R'000
Council for Geoscience	An entity under the control of Minister	Witwatersrand water ingress project	16,893
Mintek	An entity under the control of Minister	Mine rehabilitation project	30,000

28. Key management personnel	2011/2012	2010/2011
	R '000	R '000
Political office bearers (Minister and Deputy Minister)	3,473	2,427
Officials:		
Level 15 to 16	8,074	6,798
Level 14	17,148	14,393
Total	28,695	23,618

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

29. Provisions	2011/2012	2010/2011
	R '000	R '000
Debtors	1,088	685
Interest, dividends, rent on land	434,232	#311,133
Environmental liability	171,936	*170,291
Total	607,256	482,109

#2010/11 financial year figure was restated due to reconciliation done during the year under review

*Prior year figures restated

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Curr. Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R '000	R '000	R '000	R '000	R '000
MACHINERY AND EQUIPMENT	29,455	2,634	7,410	(2,126)	37,373
Transport assets	1,200	-	1,729	-	2,929
Computer equipment	17,528	655	3,353	(1,372)	20,164
Furniture and office equipment	9,107	467	2,292	(754)	11,112
Other machinery and equipment	1,620	1,512	36	-	3,168
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	29,455	2,634	7,410	(2,126)	37,373

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R '000	R '000	R '000	R '000	R '000
MACHINERY AND EQUIPMENT	17,064	10	(9,368)	(296)	7,410
Transport assets	1,729	-	-	-	1,729
Computer equipment	8,588	10	(4,935)	(310)	3,353
Furniture and office equipment	6,705	-	(4,433)	20	2,292
Other machinery and equipment	42	-	-	(6)	36
TOTAL ADDITION TO MOVABLE TANGIBLE CAPITAL ASSETS	17,064	10	(9,368)	(296)	7,410

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

30.2 Disposals**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R '000	R '000	R '000	R '000
MACHINERY AND EQUIPMENT	18	2,108	2,126	8
Transport assets	-	-	-	-
Computer equipment	18	1,354	1,372	8
Furniture and office equipment	-	754	754	-
Other machinery and equipment	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	18	2,108	2,126	8

30.3 Movement for 2010/11**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Opening balance	Additions	Disposals	Closing balance
	R '000	R '000	R '000	R '000
MACHINERY AND EQUIPMENT	51,480	5,815	(27,840)	29,455
Transport assets	1,990	-	(790)	1,200
Computer equipment	27,027	3,490	(12,989)	17,528
Furniture and office equipment	19,347	2,307	(12,547)	9,107
Other machinery and equipment	3,116	18	(1,514)	1,620
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	51,480	5,815	(27,840)	29,455

30.4 MINOR ASSETS						
MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2012						
30.4 MINOR ASSETS	Specialised military assets R '000	Intangible assets R '000	Heritage assets R '000	Machinery and equipment R '000	Biological assets R '000	Total R '000
Opening balance	-	-	-	12,925	-	12,925
Curr. Year Adjustments to Prior Year balances	-	-	-	197	-	197
Additions	-	-	-	588	-	588
Disposals	-	-	-	(1,294)	-	(1,294)
TOTAL MINOR ASSETS	-	-	-	12,416		12,416
Number of minor assets at cost	-	-	-	16,014	-	16,014
TOTAL NUMBER OF MINOR ASSETS	-	-	-	16,014	-	16,014

30.4 MINOR ASSETS						
MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2011						
30.4 MINOR ASSETS	Specialised military assets R '000	Intangible assets R '000	Heritage assets R '000	Machinery and equipment R '000	Biological assets R '000	Total R '000
Opening balance	-	-	-	21,621	-	21,621
Curr. Year Adjustments to Prior Year balances	-	-	-	2,328	-	2,328
Additions	-	-	-	815	-	815
Disposals	-	-	-	(11,839)	-	(11,839)
TOTAL MINOR ASSETS	-	-	-	12,925		12,925

31. INTANGIBLE CAPITAL ASSETS					
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012					
31. INTANGIBLE CAPITAL ASSETS	Opening balance R '000	Current Year Adjustments to prior year balances R '000	Additions R '000	Disposals R '000	Closing Balance R '000
COMPUTER SOFTWARE	5,450	1,372	630	-	7,452
TOTAL INTANGIBLE CAPITAL ASSETS	5,450	1,372	630	-	7,452

31.1 ADDITIONS					
ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012					
31.1 ADDITIONS	Cash R '000	Non-Cash R '000	(Development work in progress – current costs) R '000	Received current year, not paid (Paid current year, received prior year) R '000	Total R '000
COMPUTER SOFTWARE	630	-	-	-	630
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	630	-	-	-	630

31.2 MOVEMENT FOR 2010/11				
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011				
31.2 MOVEMENT FOR 2010/11	Opening balance R '000	Additions R '000	Disposals R '000	Closing balance R '000
COMPUTER SOFTWARE	*6,932	1,140	(2,622)	5,450
TOTAL INTANGIBLE CAPITAL ASSETS	6,932	1,140	(2,622)	5,450

* Opening balance for 2010/11 was changed due to change in reporting format.

32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Curr. Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R '000	R '000	R '000	R '000	R '000
BUILDINGS AND OTHER FIXED STRUCTURES	46,809	-	864	-	47,673
Other fixed structures	46,809	-	864	-	47,673
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	46,809	-	864	-	47,673

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments) R '000	Received current, not paid (Paid current year, received prior year) R '000	Total
	R '000	R '000	R '000	R '000	R '000
BUILDINGS AND OTHER FIXED STRUCTURES	864	-	-	-	864
Other fixed structures	864	-	-	-	864
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	864	-	-	-	864

32.2 Movement for 2010/11

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R '000	R '000	R '000	R '000
BUILDINGS AND OTHER FIXED STRUCTURES	2,829	43,980	-	46,809
Other fixed structures	2,829	43,980	-	46,809
LAND AND SUBSOIL ASSETS	228	-	(228)	-
Land	228	-	(228)	-
TOTAL IMMOVABLE TANGIBLE ASSETS	3,057	43,980	(228)	46,809

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

ANNEXURE 1A - STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		TRANSFER
DEPARTMENT/ AGENCY/ ACCOUNT	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appro priation Act
	R '000	R '000	R '000	R '000	R '000	%	R '000
Council for Geoscience	154,405	-	-	154,405	154,405	100%	136,505
Mine Health and Safety Council	5,288	-	-	5,288	5,288	100%	5,358
South African Diamond and Precious Metals Regulator	39,374	-	-	39,374	39,374	100%	40,643
	199,067	-	-	199,067	199,067		182,506

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012									
ANNEXURE 1B STATEMENT OF TRANSFERS / SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES									
NAME OF PUBLIC CORPORATION / PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2010/2011
	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									
Transfers									
Mintek	196,956	-	-	196,956	196,956	100%	19,696	177,260	195,840
Industrial Development Corporation of South Africa	23,298	-	-	23,298	23,298	100%	-	23,298	23,609
Mining Companies	18,000	-	(18,000)	-	-	-	-	-	35,671
Total	238,254	-	(18,000)	220,254	220,254		19,696	200,558	255,120

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

ANNEXURE 1C STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R '000	R '000	R '000	R '000	R '000	%	R '000
Transfers							
H/H Empl S/Ben: Leave Gratuity	1,058	-	333	1,391	1,391	100%	471
H/H Claims Against State (Cash)	-	-	5	5	5	100%	3
H/H Donations&Gifts (Cash)	60	-	60	120	120	100%	20
Total	1,118	-	398	1,516	1,516		494

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012				
ANNEXURE 1D STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED				
NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11	
Received in kind		R '000		R '000
Department of Sports and Recreation	Assistive device system	-	-	39
Kalahari Resources	Stakeholder engagement	60	-	-
Great Basin Gold	Stakeholder engagement	60	-	-
Exxaro	Stakeholder engagement	60	-	-
African Rainbow Minerals	Stakeholder engagement	80	-	-
Optimum Coal	Stakeholder engagement	30	-	-
Motjoli Resources	Stakeholder engagement	20	-	-
TOTAL		310		39

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

ANNEXURE 1E STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP		2011/12	2010/11
Made in kind		R '000	R '000
Donations made to Institutions under the auspices of the Department of Education (Western Cape, North West and Free State)			
Furniture and Office equipment		-	30
Computers		-	1,027
Subtotal		-	1,057
Remissions, refunds and payments made as an act of grace			
Payments made as an act of grace to households		120	20
Payments made as an act of grace		-	19
Subtotal		120	39
Total		120	1,096

ANNEXURE 2A STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

NATURE OF LIABILITY	LIABILITIES INCURRED DURING THE YEAR	R '000	LIABILITIES INCURRED DURING THE YEAR	R '000	LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR	R '000	LIABILITIES RECOVERABLE (PROVIDE DETAILS HEREUNDER)	R '000	CLOSING BALANCE 31 MARCH 2012
Claims against the department									
Claims against the department	41,773		35,736		-		-		77,509
Subtotal	41,773		35,736		-		-		77,509
Environmental Rehabilitation Liability#									
Environmental Rehabilitation Liability	-		3,105,440		-		-		3,105,440
Subtotal	-		3,105,440		-		-		3,105,440
Other									
Simrac Contracts	31,520		14,910		37,182		-		9,248
Subtotal	31,520		14,910		37,182		-		9,248
TOTAL	73,293		3,156,086		37,182		-		3,192,197

#There are a further 5930 abandoned mines that have been identified in which the Department does not have current obligation to rehabilitate. However, the Department shall, on an annual basis, assess possible risks and depending on the availability of funds, may rehabilitate identified mines.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

ANNEXURE 3 CLAIMS RECOVERABLE

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	R '000	31/03/2011	R '000	31/03/2011	R '000	31/03/2011
Department	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Department of Agriculture – Pietermaritzburg	-	-	-	57	-	57
Department of Education – Gauteng	-	-	40	15	40	15
Department of Public Works, Roads and Transport - Mmabatho	-	-	-	20	-	20
Department of Energy	-	-	6,720	8,994	6,720	8,994
Mine Health and Safety	-	-	-	314	-	314
Government Communications	-	-	7	-	7	-
Department of Water Affairs	-	-	15	10	15	10
Department of Agriculture, Forestry and Fisheries	-	-	1	-	1	-
TOTAL	-	-	6,784	9,410	6,783	9,410

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012							
ANNEXURE 4 INTER-GOVERNMENT PAYABLES							
GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		
	R '000	31/03/2011	R '000	31/03/2011	R '000	31/03/2012	R '000
DEPARTMENTS	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2011
Current							
Department of Justice	2,491	1,547	-	-	2,491	-	1,547
Department of Public Works	15,205	30,442	-	-	15,205	-	30,442
Department of Energy	-	-	-	1,021	-	-	1,021
Office of the Premier – Western Cape	20	-	-	-	20	-	-
Department of Public Transport, Roads and Works	-	394	-	-	-	-	394
Office of the Presidency	36	24	-	-	36	-	24
Department of Economic Development	17	-	-	-	17	-	-
Department of Health – North West Province	1	-	-	-	1	-	-
Palama	280	-	52	-	332	-	-
Department of Roads and Transport - Gauteng (Gfleet)	935	-	-	-	935	-	-
South African Police Services	21	-	-	-	21	-	-
Total	19,006	32,407	52	1,021	19,058	1,021	33,428

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

ANNEXURE 5 INVENTORY

INVENTORY	QUANTITY	2011/12 R '000	QUANTITY	2011/12 R '000
Opening balance	106,881	3,710	72,769	3,493
Add/(Less): Adjustments to prior year balance	(34,112)	(218)	(7)	(10)
Add: Additions/Purchases - Cash	175,430	3,650	125,963	3,756
Add: Additions - Non-cash	1,256	-	35,942	-
(Less): Disposals	-	-	(26,417)	(296)
(Less): Issues	(181,280)	(5,149)	(100,209)	(3,186)
Add/(Less): Adjustments	(21)	(1,054)	(1,160)	(47)
Closing balance	68,154	939	106,881	3,710

The background features abstract, flowing, wavy lines in shades of gold, brown, and green, creating a sense of movement and depth. A horizontal bar at the top consists of a gold segment on the left and a dark green segment on the right.

HUMAN RESOURCE MANAGEMENT

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mineral Resources

Service Delivery

TABLE 1.1 - MAIN SERVICE FOR SERVICE DELIVERY IMPROVEMENT AND STANDARDS				
MAIN SERVICES	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	STANDARD OF SERVICE	ACTUAL ACHIEVEMENT AGAINST STANDARDS
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

TABLE 1.2 - CONSULTATION ARRANGEMENTS FOR CUSTOMERS			
TYPE OF ARRANGEMENT	ACTUAL CUSTOMER	POTENTIAL CUSTOMER	ACTUAL ACHIEVEMENTS
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

TABLE 1.3 - SERVICE DELIVERY ACCESS STRATEGY	
ACCESS STRATEGY	ACTUAL ACHIEVEMENTS
N/A	N/A
N/A	N/A

TABLE 1.4 - SERVICE INFORMATION TOOL	
TYPE OF INFORMATION TOOL	ACTUAL ACHIEVEMENTS
N/A	N/A
N/A	N/A

TABLE 1.5 - COMPLAINT MECHANISM	
COMPLAINT MECHANISM	ACTUAL ACHIEVEMENTS
N/A	N/A
N/A	N/A

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mineral Resources

Expenditure

TABLE 2.1 - PERSONNEL COSTS BY PROGRAMME, 2011/12							
PROGRAMME	TOTAL VOTED EXPENDITURE R '000	COMPEN- SATION OF EMPLOYEES EXPEND- ITURE R '000	TRAINING EXPEND- ITURE R '000	PROFESS- IONAL AND SPECIAL SERVICES R '000	COMPEN- SATION OF EMPLOYEES AS PERCENT- AGE OF TOTAL EXP- ENDITURE	AVERAGE COMPEN- SATION OF EMPLOYEES COST PER EMPLOYEE R '000	EMPLOY- MENT
Administration	257, 585	115, 151	2, 628	1, 991	45	104	1108
Mineral Policy and Promotion	446, 187	43, 986	30	1	10	40	1108
Mineral Regulation	184, 395	105, 048	221	-	57	95	1108
Promotion of Mine Health and Safety	141, 253	100, 377	204	116	71	91	1108
Total as on Financial Systems (BAS)	1 ,029, 419	364, 561	3, 083	2, 108	35	329	1108

TABLE 2.2 - PERSONNEL COSTS BY SALARY BAND, 2011/12					
SALARY BANDS	COMPENSATION OF EMPLOYEES COST R '000	PERCENTAGE OF TOTAL PERSONNEL COST FOR DEPARTMENT	AVERAGE COMPENSATION COST PER EMPLOYEE (R)	TOTAL PERSONNEL COST FOR DEPARTMENT INCLUDING GOODS AND TRANSFERS R '000	NUMBER OF EMPLOYEES
Skilled (Levels 3-5)	30, 875	7.9	140, 341	389, 142	220
Highly skilled production (Levels 6-8)	67, 254	17.3	219, 068	389, 142	307
Highly skilled supervision (Levels 9-12)	176, 896	45.5	431, 454	389, 142	410
Senior management (Levels 13-16)	59, 546	15.3	773, 325	389, 142	77
Contract (Levels 1-2)	2, 181	0.6	87, 240	389, 142	25
Contract (Levels 3-5)	701	0.2	175, 250	389, 142	4
Contract (Levels 6-8)	3, 299	0.8	173, 632	389, 142	19
Contract (Levels 9-12)	19, 424	5	451, 721	389, 142	43
Contract (Levels 13-16)	4, 246	1.1	1, 415, 333	389, 142	3
Periodical Remuneration	346	0.1	6, 070	389, 142	57
TOTAL	364,768	93.7	313,106	389, 142	1165

TABLE 2.3 - SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME, 2011/12									
PROGRAMME	SALARIES R '000	SALARIES AS % OF PERSON- NEL COST	OVERTIME R '000	OVER- TIME AS % OF PERSON- NEL COST	HOA R '000	HOA AS % OF PERSON- NEL COST	MEDICAL ASS. R '000	MEDICAL ASS. AS % OF PERSON- NEL COST	TOTAL PERSON- NEL COST PER PROGRA- MME R '000
Mineral Policy and Promotion	33,648	74.2	72	0.2	1,211	2.7	1,450	3.2	45,332
Mineral Regulation	78,395	69.6	235	0.2	2,790	2.5	4,786	4.3	112,564
Administration	85,332	73.1	1,836	1.6	3,397	2.9	4,907	4.2	116,667
Promotion of Mine Health and Safety	79,750	69.6	15	0	1,934	1.7	2,716	2.4	114,573
Total	277, 125	71.2	2,158	0.6	9,332	2.4	13,859	3.6	389,136

TABLE 2.4 - SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND, 2011/12								
SALARY BANDS	SALARIES	SALA- RIES AS % OF PERSON- NEL COST	OVER- TIME AS % OF PERSON- NEL COST	HOA	HOA AS % OF PERSON- NEL COST	MEDICAL ASS.	MEDICAL ASS. AS % OF PERSON- NEL COST	TOTAL PERSON- NEL COST PER SALARY BAND
	R '000		R '000		R '000		R '000	R '000
Skilled (Levels 3-5)	20,362	65	613	2	1,930	2,879	9.2	31,330
Highly skilled production (Levels 6-8)	47,861	69.7	712	1	2,511	4,188	6.1	68,666
Highly skilled supervision (Levels 9-12)	134, 823	70.7	697	0.4	3,106	5,280	2.8	190,777
Senior management (Levels 13-16)	49, 116	76.3	0	0	1,383	958	1.5	64,358
Contract (Levels 1-2)	2,168	95.6	0	0	0	0	0	2,267
Contract (Levels 3-5)	513	69.2	33	4.5	38	8	1.1	741
Contract (Levels 6-8)	2,548	76.3	51	1.5	115	83	2.5	3,341
Contract (Levels 9-12)	16, 122	70.7	52	0.2	195	458	2	22,815
Contract (Levels 13-16)	3,618	84.4	0	0	53	6	0.1	4,289
Periodical Remuneration	0	0	0	0	0	0	0	557
Total	277,131	71.2	2,158	0.6	9,331	13,860	3.6	389,141

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Mineral Resources

Employment and Vacancies

TABLE 3.1 - EMPLOYMENT AND VACANCIES BY PROGRAMME, 31 MARCH 2012				
PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Mineral Policy and Promotion, Permanent	129	109	15.5	2
Mineral Regulation, Permanent	368	342	7.1	4
Administration, Permanent	452	377	16.6	21
Administration, Temporary	3	3	0	2
Promotion of Mine Health and Safety, Permanent	321	251	21.8	8
Total	1273	1082	15	37

TABLE 3.2 - EMPLOYMENT AND VACANCIES BY SALARY BAND, 31 MARCH 2012					
SALARY BAND	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT	
Skilled (Levels 3-5), Permanent	255	220	13.7	6	
Highly skilled production (Levels 6-8), Permanent	353	306	13.3	8	
Highly skilled production (Levels 6-8), Temporary	1	1	0	0	
Highly skilled supervision (Levels 9-12), Permanent	502	409	18.5	4	
Highly skilled supervision (Levels 9-12), Temporary	1	1	0	1	
Senior management (Levels 13-16), Permanent	92	76	17.4	1	
Senior management (Levels 13-16), Temporary	1	1	0	1	
Contract (Levels 3-5), Permanent	3	3	0	2	
Contract (Levels 6-8), Permanent	19	19	0	12	
Contract (Levels 9-12), Permanent	43	43	0	2	
Contract (Levels 13-16), Permanent	3	3	0	0	
TOTAL	1273	1082	15	37	

TABLE 3.3 - EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD, 31 MARCH 2012

CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Administrative related, Permanent	121	105	13.2	3
Administrative related, Temporary	1	1	0	1
Agriculture, animal, oceanography, forestry & other scientific professionals, Permanent	2	2	0	0
Biologists, botanists, zoologists & related professional, Permanent	78	71	9	1
Cartographers and surveyors, Permanent	3	1	66.7	0
Cleaners in offices workshops hospitals etc., Permanent	17	16	5.9	0
Client inform clerks(switchboard, reception, information clerks), Permanent	13	11	15.4	1
Communication and information related, Permanent	11	9	18.2	0
Communication and information related, Temporary	1	1	0	0
Economists, Permanent	47	42	10.6	0
Engineering sciences related, Permanent	6	3	50	0
Finance and economics related, Permanent	11	9	18.2	0
Financial and related professionals, Permanent	37	36	2.7	7
Financial clerks and credit controllers, Permanent	21	19	9.5	1
Food services aids and waiters, Permanent	3	3	0	0
General legal administration & related professionals, Permanent	3	3	0	0
Head of Department/chief executive officer, Permanent	1	1	0	0

TABLE 3.3 - EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD, 31 MARCH 2012				
CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Human resources & organisational development & related professionals, Permanent	38	29	23.7	0
Human resources clerks, Permanent	16	14	12.5	1
Information technology related, Permanent	11	9	18.2	0
Language practitioners interpreters & other communication personnel Permanent	7	4	42.9	0
Legal related, Permanent	6	3	50	0
Librarians and related professionals, Permanent	3	3	0	2
Library mail and related clerks, Permanent	61	54	11.5	2
Logistical support personnel, Permanent	15	14	6.7	0
Material-recording and transport clerks, Permanent	37	30	18.9	2
Messengers porters and deliverers, Permanent	11	10	9.1	0
Natural sciences related, Permanent	0	0	0	0
Other administrative & related clerks and organisers, Permanent	100	90	10	3
Other administrative policy and related officers, Permanent	68	63	7.4	0
Other information technology personnel, Permanent	34	27	20.6	3
Other machine operators, Permanent	2	1	50	1
Other occupations, Permanent	5	4	20	1

TABLE 3.3 - EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD, 31 MARCH 2012					
CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT	
Risk management and security services, Permanent	12	6	50	0	0
Safety health and quality inspectors, Permanent	208	152	26.9	5	5
Secretaries & other keyboard operating clerks, Permanent	100	90	10	2	2
Security officers, Permanent	50	48	4	0	0
Senior managers, Permanent	93	79	15.1	2	2
Senior managers, Temporary	1	1	0	1	1
Trade/industry advisers & other related profession, Permanent	19	18	5.3	0	0
TOTAL	1273	1082	15	37	37

Job Evaluation

TABLE 4.1 - JOB EVALUATION 1 APRIL 2011 TO 31 MARCH 2012

SALARY BAND	NUMBER OF POSTS	NUMBER OF JOBS EVALUATED	PERCENTAGE OF POSTS EVALUATED	NUMBER OF POSTS UPGRADED	PERCENTAGE OF UPGRADED POSTS EVALUATED	NUMBER OF POSTS DOWN-GRADED	PERCENTAGE OF DOWN-GRADED POSTS EVALUATED
Contract (Levels 3-5)	3	0	0	0	0	0	0
Contract (Levels 6-8)	19	0	0	0	0	0	0
Contract (Levels 9-12)	43	1	2.3	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Contract (Band B)	1	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	255	22	8.6	8	36.4	0	0
Highly skilled production (Levels 6-8)	354	75	21.2	0	0	0	0
Highly skilled supervision (Levels 9-12)	503	163	32.4	0	0	2	1.2
Senior Management Service Band A	64	10	15.6	0	0	0	0
Senior Management Service Band B	22	0	0	0	0	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	1273	271	21.3	8	3	2	0.7

**TABLE 4.2 - PROFILE OF EMPLOYEES WHOSE POSITIONS WERE
UPGRADED DUE TO THEIR POSTS BEING UPGRADED, 1 APRIL 2011 TO 31 MARCH 2012**

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	24	0	0	1	25
Male	28	0	1	5	34
Total	52	0	1	6	59
Employees with a Disability	0	0	0	0	0

**TABLE 4.3 - EMPLOYEES WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED
BY JOB EVALUATION, 1 APRIL 2011 TO 31 MARCH 2012 [I.T.O PSR 1.V.C.3]**

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION	NO OF EMPLOYEES IN DEPT
Language practitioners interpreters & other communication personnel, Permanent	1	7	8	RETENTION	1082
Safety health and quality inspectors, Permanent	1	12	12	RETENTION	1082
Total	2				1082
Percentage of Total Employment	0.2%				

TABLE 4.4 - PROFILE OF EMPLOYEES WHOSE SALARY LEVEL EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION, 1 APRIL 2011 TO 31 MARCH 2012 [I.T.O. PSR 1.V.C.3]						
BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL	
Female	0	0	0	0	0	0
Male	1	0	0	1	2	2
Total	1	0	0	1	2	2
Employees with a Disability	0	0	0	0	0	0

Employment Changes

TABLE 5.1 - ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012				
SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2011)	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Skilled (Levels 3-5), Permanent	219	27	20	9.1
Highly skilled production (Levels 6-8), Permanent	275	42	23	8.4
Highly skilled supervision (Levels 9-12), Permanent	379	41	39	10.3
Highly skilled supervision (Levels 9-12), Temporary	1	1	0	0
Senior Management Service Band A, Permanent	52	2	2	3.8
Senior Management Service Band A, Temporary	0	1	0	0
Senior Management Service Band B, Permanent	13	3	1	7.7
Senior Management Service Band B, Temporary	1	0	0	0
Senior Management Service Band C, Permanent	4	0	2	50
Senior Management Service Band D, Permanent	3	0	0	0
Contract (Levels 3-5), Permanent	15	0	1	6.7
Contract (Levels 6-8), Permanent	17	6	5	29.4
Contract (Levels 9-12), Permanent	50	11	4	8
Contract (Band A), Permanent	1	1	1	100
Contract (Band B), Permanent	2	1	3	150
Contract (Band D), Permanent	0	1	1	0
TOTAL	1032	137	102	9.9

TABLE 5.2 - ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2011)	APPOINT- MENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFER OUT OF THE DEPARTMENT	TURNOVER RATE
Administrative related, Permanent	96	12	5	5.2
Administrative related, Temporary	1	0	0	0
Agriculture, animal, oceanography, forestry & other scientific professionals, Permanent	2	0	0	0
Biologists, botanists, zoologists & related professional, Permanent	76	4	11	14.5
Cartographers and surveyors, Permanent	2	0	1	50
Cleaners in offices workshops hospitals etc., Permanent	16	1	1	6.3
Client inform clerks(switchboard, reception, information clerks), Permanent	11	1	2	18.2
Communication and information related, Permanent	7	2	0	0
Communication and information related, Temporary	0	1	0	0
Economists, Permanent	42	1	1	2.4
Engineering sciences related, Permanent	3	0	0	0
Finance and economics related, Permanent	8	2	2	25
Financial and related professionals, Permanent	25	11	2	8
Financial clerks and credit controllers, Permanent	17	7	3	17.6
Food services aids and waiters, Permanent	3	1	1	33.3
General legal administration & related professionals, Permanent	3	0	0	0
Head of Department/chief executive officer, Permanent	1	1	0	0

TABLE 5.2 - ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2011)	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFER OUT OF THE DEPARTMENT	TURNOVER RATE
Human resources & organisational development & related professionals, Permanent	30	3	3	10
Human resources clerks, Permanent	18	0	1	5.6
Information technology related, Permanent	7	4	0	0
Language practitioners interpreters & other communication personnel, Permanent	3	1	1	33.3
Legal related, Permanent	3	0	0	0
Librarians and related professionals, Permanent	3	0	0	0
Library mail and related clerks, Permanent	56	9	9	16.1
Logistical support personnel, Permanent	14	1	3	21.4
Material-recording and transport clerks, Permanent	25	6	4	16
Messengers porters and deliverers, Permanent	12	0	0	0
Natural sciences related, Permanent	0	0	0	0
Other administrative & related clerks and organisers, Permanent	88	5	5	5.7
Other administrative policy and related officers, Permanent	61	6	3	4.9
Other information technology personnel, Permanent	14	11	2	14.3
Other machine operators, Permanent	1	0	1	100
Other occupations, Permanent	7	0	0	0

TABLE 5.2 - ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012

OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2011)	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFER OUT OF THE DEPARTMENT	TURNOVER RATE
Risk management and security services, Permanent	5	4	1	20
Safety health and quality inspectors, Permanent	152	21	20	13.2
Safety health and quality inspectors, Temporary	1	0	0	0
Secretaries & other keyboard operating clerks, Permanent	80	12	7	8.8
Security officers, Permanent	49	2	2	4.1
Senior managers, Permanent	72	7	10	13.9
Senior managers, Temporary	0	1	0	0
Trade/industry advisers & other related professionals, Permanent	18	0	1	5.6
TOTAL	1032	137	102	9.9

TABLE 5.3 - REASONS WHY STAFF ARE LEAVING THE DEPARTMENT					
TERMINATION TYPE	NUMBER	PERCENTAGE OF TOTAL RESIGNATIONS	PERCENTAGE OF TOTAL EMPLOYMENT	TOTAL	TOTAL EMPLOYMENT
Death, Permanent	8	7.8	0.8	102	1032
Resignation, Permanent	46	45.1	4.5	102	1032
Expiry of contract, Permanent	8	7.8	0.8	102	1032
Transfers, Permanent	34	33.3	3.3	102	1032
Dismissal-misconduct, Permanent	2	2	0.2	102	1032
Retirement, Permanent	4	3.9	0.4	102	1032
TOTAL	102	100	9.9	102	1032
Resignations as % of Employment = 10%					

TABLE 5.4 - PROMOTIONS BY CRITICAL OCCUPATION					
OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2011)	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A PERCENTAGE OF EMPLOYMENT	PRO-GRESSIONS TO ANOTHER NOTCH WITHIN SALARY LEVEL	NOTCH PRO-GRESSIONS AS A PERCENTAGE OF EMPLOYMENT
Administrative related	103	11	10.7	62	60.2
Agriculture, animal, oceanography, forestry & other scientific professionals	2	0	0	2	100
Biologists, botanists, zoologists & related professionals	76	3	3.9	51	67.1
Cartographers and surveyors	2	0	0	2	100
Cleaners in offices, workshops, hospitals etc.	16	0	0	16	100
Client inform clerks (switchboard, reception, information clerks)	11	0	0	7	63.6
Communication and information related	8	0	0	5	62.5
Economists	42	1	2.4	24	57.1
Engineering sciences related	3	0	0	2	66.7
Finance and economics related	9	2	22.2	3	33.3
Financial and related professionals	25	5	20	5	20
Financial clerks and credit controllers	17	4	23.5	1	5.9
Food services aids and waiters	3	0	0	0	0
General legal administration & related professionals	3	0	0	3	100
Head of Department/chief executive officer	1	0	0	0	0
Human resources & organisational development & related professionals	31	3	9.7	18	58.1

TABLE 5.4 - PROMOTIONS BY CRITICAL OCCUPATION					
OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2011)	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A PERCENTAGE OF EMPLOYMENT	PRO-GRESSIONS TO ANOTHER NOTCH WITHIN SALARY LEVEL	NOTCH PRO-GRESSIONS AS A PERCENTAGE OF EMPLOYMENT
Human resources clerks	18	2	11.1	3	16.7
Human resources related	0	0	0	1	0
Information technology related	7	1	14.3	3	42.9
Language practitioners interpreters & other communication personnel	3	2	66.7	1	33.3
Legal related	3	0	0	3	100
Librarians and related professionals	3	0	0	3	100
Library mail and related clerks	56	2	3.6	35	62.5
Logistical support personnel	14	2	14.3	4	28.6
Material-recording and transport clerks	25	4	16	13	52
Messengers porters and deliverers	12	0	0	7	58.3
Natural sciences related	1	0	0	0	0
Other administrative & related clerks and organisers	88	1	1.1	56	63.6
Other administrative policy and related officers	61	1	1.6	38	62.3
Other information technology personnel	14	4	28.6	5	35.7
Other machine operators	1	1	100	0	0
Other occupations	7	0	0	0	0
Risk management and security services	6	4	66.7	3	50
Safety health and quality inspectors	155	8	5.2	88	56.8

TABLE 5.4 - PROMOTIONS BY CRITICAL OCCUPATION					
OCCUPATION	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2011)	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A PERCENTAGE OF EMPLOYMENT	PRO- GRESSIONS TO ANOTHER NOTCH WITHIN SALARY LEVEL	NOTCH PRO- GRESSIONS AS A PERCENTAGE OF EMPLOYMENT
Secretaries & other keyboard operating clerks	80	4	5	29	36.3
Security officers	49	2	4.1	40	81.6
Senior managers	59	11	18.6	49	83.1
Trade/industry advisers & other related professionals	18	0	0	13	72.2
TOTAL	1032	78	7.6	595	57.7

TABLE 5.5 - PROMOTIONS BY SALARY BAND

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD (APRIL 2011)	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A PERCENTAGE OF EMPLOYMENT	PROGRESSIONS TO ANOTHER NOTCH WITHIN SALARY LEVEL	NOTCH PROGRESSIONS AS A PERCENTAGE OF EMPLOYMENT
Skilled (Levels 3-5), Permanent	219	10	4.6	152	69.4
Highly skilled production (Levels 6-8), Permanent	275	21	7.6	118	42.9
Highly skilled supervision (Levels 9-12), Permanent	379	35	9.2	247	65.2
Highly skilled supervision (Levels 9-12), Temporary	1	0	0	0	0
Senior management (Levels 13-16), Permanent	72	11	15.3	49	68.1
Senior management (Levels 13-16), Temporary	1	0	0	0	0
Contract (Levels 3-5), Permanent	15	0	0	0	0
Contract (Levels 6-8), Permanent	17	0	0	0	0
Contract (Levels 9-12), Permanent	50	1	2	29	58
Contract (Levels 13-16), Permanent	3	3	0	0	0
Total	1032	78	7.6	595	57.7

Employment Equity

**TABLE 6.1 - TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES)
PER OCCUPATIONAL CATEGORY (SASCO) AS ON 31 MARCH 2012**

OCCUPATIONAL CATEGORIES	MALE					FEMALE					TOTAL
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	
Legislators, senior officials and managers, Permanent	34	1	0	35	9	25	0	0	25	1	70
Legislators, senior officials and managers, Temporary	1	0	0	1	0	0	0	0	0	0	1
Professionals, Permanent	117	1	2	120	10	129	1	0	130	9	269
Professionals, Temporary	0	0	0	0	1	0	0	0	0	0	1
Technicians and associate professionals, Permanent	153	2	0	155	60	118	4	0	122	9	346
Technicians and associate professionals, Temporary	0	0	0	0	1	0	0	0	0	0	1
Clerks, Permanent	79	2	0	81	2	184	16	0	200	24	307
Service and sales workers, Permanent	32	3	0	35	4	15	0	0	15	0	54
Plant and machine operators and assemblers, Permanent	1	0	0	1	0	0	0	0	0	0	1
Elementary occupations, Permanent	12	0	0	12	0	19	0	0	19	0	31
Other, Permanent	0	0	0	0	0	1	0	0	1	0	1
Total	429	9	2	440	87	491	21	0	512	43	1082

**TABLE 6.1 - TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES)
PER OCCUPATIONAL CATEGORY (SASCO) AS ON 31 MARCH 2012**

	MALE					FEMALE					TOTAL
	AFRICAN	COLOUR- ED	INDIAN	TOTAL BLACKS	WHITE	AFRICAN	COLOUR- ED	INDIAN	TOTAL BLACKS	WHITE	
Employees with disabilities	3	0	0	3	2	1	0	0	1	0	6

**TABLE 6.2 - TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES)
PER OCCUPATIONAL BANDS AS ON 31 MARCH 2012**

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL		
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	AFRICAN	COLOUR-ED	INDIAN		TOTAL BLACKS	WHITE
Top Management, Permanent	4	0	0	4	0	3	0	0	3	0	7
Senior Management, Permanent	32	1	0	33	9	26	0	0	26	1	69
Senior Management, Temporary	0	0	0	0	1	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	186	3	2	191	53	149	2	0	151	14	409
Professionally qualified and experienced specialists and mid-management, Temporary	1	0	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	82	2	0	84	6	177	11	0	188	27	305
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	1	0	0	0	0	0	1

**TABLE 6.2 - TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES)
PER OCCUPATIONAL BANDS AS ON 31 MARCH 2012**

OCCUPATIONAL BANDS	MALE					FEMALE					TOTAL
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	
Semi-skilled and discretionary decision making, Permanent	89	3	0	92	2	118	7	0	125	1	220
Unskilled and defined decision making, Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Professionally qualified), Permanent	20	0	0	20	15	7	1	0	8	0	43
Contract (Skilled technical), Permanent	10	0	0	10	0	9	0	0	9	0	19
Contract (Semi-skilled), Permanent	3	0	0	3	0	0	0	0	0	0	3
Total	429	9	2	440	87	491	21	0	512	43	1082

TABLE 6.3 - RECRUITMENT FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012

OCCUPATIONAL BANDS	MALE						FEMALE				TOTAL
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	
Senior Management, Permanent	3	0	0	3	0	2	0	0	2	0	5
Senior Management, Temporary	1	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	23	0	0	23	5	13	0	0	13	0	41
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	1	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14	1	1	16	0	26	0	0	26	0	42
Semi-skilled and discretionary decision making, Permanent	5	1	0	6	0	19	2	0	21	0	27
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	1	0	1	0	0	1	0	2

TABLE 6.3 - RECRUITMENT FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012										
OCCUPATIONAL BANDS	MALE					FEMALE				
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE
Contract (Professionally qualified), Permanent	7	0	0	7	2	2	0	0	2	0
Contract (Skilled technical), Permanent	3	0	0	3	0	3	0	0	3	0
Total	58	2	1	61	8	66	2	0	68	0
										137

TABLE 6.4 - PROMOTIONS FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012											
OCCUPATIONAL BANDS	MALE						FEMALE				
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE		AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE
Top Management, Permanent	2	0	0	2	0		0	0	0	0	0
Senior Management, Permanent	25	0	0	25	12		20	0	0	20	1
Professionally qualified and experienced specialists and mid-management, Permanent	128	2	2	132	30		110	2	0	112	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	47	2	0	49	0		78	7	0	85	5
Semi-skilled and discretionary decision making, Permanent	67	4	0	71	2		87	1	0	88	1
Contract (Professionally qualified), Permanent	20	0	0	20	5		5	0	0	5	0
Total	289	8	2	299	49		300	10	0	310	18
676											

	MALE						FEMALE				
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE		AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE
Employees with disabilities	1	0	0	2	2		1	0	0	1	0
4											

TABLE 6.5 - TERMINATIONS FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012

OCCUPATIONAL BANDS	MALE				FEMALE					TOTAL	
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS		WHITE
Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Senior Management, Permanent	4	0	0	4	0	1	0	0	1	0	5
Professionally qualified and experienced specialists and mid-management, Permanent	20	1	0	21	6	10	0	0	10	1	38
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14	1	1	16	0	9	0	0	9	2	27
Semi-skilled and discretionary decision making, Permanent	3	1	0	4	0	5	1	0	6	1	11
Contract (Top Management), Permanent	3	0	0	3	0	0	0	0	0	0	3
Contract (Senior Management), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	4	0	0	4	0	5	0	0	5	0	9
Contract (Skilled technical), Permanent	1	0	0	1	0	4	0	0	4	0	5

TABLE 6.5 - TERMINATIONS FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012											
OCCUPATIONAL BANDS	MALE					FEMALE					TOTAL
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	
Contract (Semi-skilled), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
Total	52	3	1	56	6	35	1	0	36	4	102

TABLE 6.6 - DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012											
DISCIPLINARY ACTION	MALE					FEMALE					TOTAL
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE	
Total	10	0	0	10	2	4	4	0	4	2	18

TABLE 6.7 - SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012											
OCCUPATIONAL CATEGORIES	MALE						FEMALE				
	AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE		AFRICAN	COLOUR-ED	INDIAN	TOTAL BLACKS	WHITE
Legislators, Senior Officials and Managers	19	0	0	19	4		12	0	0	12	1
Professionals	44	9	1	54	11		28	6	2	36	11
Technicians and Associate Professionals	30	4	2	36	7		16	7	0	23	6
Clerks	13	0	0	13	0		22	11	0	33	8
Service and Sales Workers	0	0	0	0	0		0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0		0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0		0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0		0	0	0	0	0
Elementary Occupations	0	0	0	0	0		0	0	0	0	0
Total	106	13	3	122	22		78	24	2	104	26
Employees with disabilities	0	0	0	0	0		0	0	0	0	0

Performance Rewards

TABLE 7.1 - PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY, 1 APRIL 2011 TO 31 MARCH

DEMOGRAPHICS	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
African, Female	294	491	59.9	2,581	8,779
African, Male	259	429	60.4	2,949	11,386
Asian, Male	2	2	100	39	19,500
Coloured, Female	12	21	57.1	82	6,833
Coloured, Male	7	9	77.8	52	7,462
Total Blacks, Female	306	512	59.8	2,663	8,703
Total Blacks, Male	268	440	60.9	3,040	11,343
White, Female	33	43	76.7	341	10,333
White, Male	63	87	72.4	1,173	18,619
Employees with a disability	5	6	83.3	41	8,200
TOTAL	670	1082	61.9	7,217	10,772

**TABLE 7.2 - PERFORMANCE REWARDS BY SALARY BAND FOR
PERSONNEL BELOW SENIOR MANAGEMENT SERVICE, 1 APRIL 2011 TO 31 MARCH 2012**

SALARY BAND	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
Skilled (Levels 3-5)	161	220	73.2	619	3, 845
Highly skilled production (Levels 6-8)	152	307	49.5	974	6, 408
Highly skilled supervision (Levels 9-12)	299	410	72.9	4, 152	13, 886
Contract (Levels 3-5)	0	3	0	0	0
Contract (Levels 6-8)	0	19	0	0	0
Contract (Levels 9-12)	27	43	62.8	332	12, 296
Periodical Remuneration	0	57	0	0	0
TOTAL	639	1059	60.3	6,077	9,510

TABLE 7.3 - PERFORMANCE REWARDS BY CRITICAL OCCUPATION, 1 APRIL 2011 TO 31 MARCH 2012

CRITICAL OCCUPATIONS	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
Administrative related	72	106	67.9	898	12, 472
Agriculture, animal, oceanography forestry & other scientific personnel	2	2	100	17	8, 500
Biologists, botanists, zoologists & related professionals	54	71	76.1	640	11, 852
Cartographers and surveyors	2	1	200	15	7, 500
Cleaners in offices, workshops, hospitals etc.	16	16	100	49	3, 063
Client inform clerks (switchboard, reception, information clerks)	7	11	63.6	25	3, 571
Communication and information related	7	10	70	90	12, 857
Economists	25	42	59.5	378	15, 120
Engineering sciences related	2	3	66.7	39	19, 500
Finance and economics related	5	9	55.6	82	16, 400
Financial and related professionals	6	36	16.7	67	11, 167
Financial clerks and credit controllers	4	19	21.1	20	5, 000
Food services aids and waiters	0	3	0	0	0
General legal administration & related professionals	3	3	100	40	13, 333
Head of Department/chief executive officer	0	1	0	0	0

TABLE 7.3 - PERFORMANCE REWARDS BY CRITICAL OCCUPATION, 1 APRIL 2011 TO 31 MARCH 2012

CRITICAL OCCUPATIONS	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
Human resources & organisational development & related professionals	22	29	75.9	226	10, 273
Human resources clerks	10	14	71.4	40	4, 000
Information technology related	5	9	55.6	59	11, 800
Language practitioners interpreters & other communication personnel	3	4	75	18	6, 000
Legal related	3	3	100	51	17, 000
Librarians and related professionals	1	3	33.3	5	5, 000
Library mail and related clerks	40	54	74.1	160	4, 000
Logistical support personnel	4	14	28.6	28	7, 000
Material-recording and transport clerks	15	30	50	59	3, 933
Messengers porters and deliverers	7	10	70	24	3, 429
Natural sciences related	0	0	0	0	0
Other administrative & related clerks and organisers	67	90	74.4	355	5, 299
Other administrative policy and related officers	39	63	61.9	346	8, 872
Other information technology personnel	8	27	29.6	51	6, 375
Other machine operators	1	1	100	3	3, 000
Other occupations	0	4	0	0	0

TABLE 7.3 - PERFORMANCE REWARDS BY CRITICAL OCCUPATION, 1 APRIL 2011 TO 31 MARCH 2012					
CRITICAL OCCUPATIONS	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
Rank: Unknown	0	1	0	0	0
Risk management and security services	3	6	50	26	8,667
Safety health and quality inspectors	115	152	75.7	1,748	15,200
Secretaries & other keyboard operating clerks	37	90	41.1	211	5,703
Security officers	42	48	87.5	160	3,810
Senior managers	29	79	36.7	1,103	38,034
Trade/industry advisers & other related professionals	14	18	77.8	180	12,857
TOTAL	670	1082	61.9	7,213	10,766

TABLE 7.4 - PERFORMANCE RELATED REWARDS (CASH BONUS) BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE, 1 APRIL 2011 TO 31 MARCH 2012							
SMS BAND	NUMBER OF BENEFICIARIES	TOTAL EMPLOYMENT	PERCENTAGE OF TOTAL EMPLOYMENT	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)	PERCENTAGE OF SMS WAGE BILL	PERSONNEL COST SMS (R'000)
Band A	17	54	31.5	573	33, 706	1.4	41, 245
Band B	9	18	50	406	45, 111	2.5	15, 966
Band C	3	5	60	124	41, 333	2.5	4, 913
Band D	0	3	0	0	0	0	0
TOTAL	29	80	36.3	1, 103	38, 035	1.8	62, 124

Foreign Workers

TABLE 8.1 - FOREIGN WORKERS BY SALARY BAND									
SALARY BAND	EMPLOY- MENT AT 1 APRIL 2011	PERCENT- AGE OF TOTAL	EMPLOY- MENT AT 31 MARCH 2012	PERCENT- AGE OF TOTAL	CHANGE IN EMPLOY- MENT	PERCENT- AGE OF TOTAL	TOTAL EMPLOY- MENT AT 1 APRIL 2011	TOTAL EMPLOY- MENT AT 31 MARCH 2012	TOTAL CHANGE IN EMPLOY- MENT
Highly skilled supervision (Levels 9-12)	1	100	1	50	0	0	1	2	1
Periodical Remuneration	0	0	1	50	1	100	1	2	1
TOTAL	1	100	2	100	1	100	1	2	1

TABLE 8.2 - FOREIGN WORKERS BY MAJOR OCCUPATION									
SALARY BAND	EMPLOY- MENT AT 1 APRIL 2011	PERCENT- AGE OF TOTAL	EMPLOY- MENT AT 31 MARCH 2012	PERCENT- AGE OF TOTAL	CHANGE IN EMPLOY- MENT	PERCENT- AGE OF TOTAL	TOTAL EMPLOY- MENT AT 1 APRIL 2011	TOTAL EMPLOY- MENT AT 31 MARCH 2012	TOTAL CHANGE IN EMPLOY- MENT
Other occupations	0	0	1	50	1	100	1	2	1
Technicians and associated professionals	1	100	1	50	0	0	1	2	1
TOTAL	1	100	2	100	1	100	1	2	1

Leave utilisation for the period 1 January 2011 to 31 December 2011

TABLE 9.1 - SICK LEAVE FOR JAN 2011 TO DEC 2011								
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)	1348	86.4	171	21.7	8	454	789	1164
Highly skilled production (Levels 6-8)	1949	86	238	30.2	8	1, 099	789	1676
Highly skilled supervision (Levels 9-12)	1812.5	83.8	282	35.7	6	2, 452	789	1519
Senior management (Levels 13-16)	328	89.3	52	6.6	6	923	789	293
Contract (Levels 3-5)	4	100	2	0.3	2	1	789	4
Contract (Levels 6-8)	45	84.4	10	1.3	5	25	789	38
Contract (Levels 9-12)	102	94.1	21	2.7	5	134	789	96
Contract (Levels 13-16)	10	80	3	0.4	3	44	789	8
TOTAL	5598.5	85.7	779	98.7	7	5132	789	4798

TABLE 9.2 - DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR JAN 2011 TO DEC 2011								
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)	270	100	2	28.6	135	94	270	7
Highly skilled production (Levels 6-8)	83	100	2	28.6	42	44	83	7
Highly skilled supervision (Levels 9-12)	140	100	3	42.9	47	248	140	7
TOTAL	493	100	7	100	70	386	493	7

TABLE 9.3 - ANNUAL LEAVE FOR JAN 2011 TO DEC 2011			
SALARY BAND	TOTAL DAYS TAKEN	AVERAGE DAYS PER EMPLOYEE	NUMBER OF EMPLOYEES WHO TOOK LEAVE
Skilled (Levels 3-5)	4132	18	229
Highly skilled production (Levels 6-8)	5957.92	19	319
Highly skilled supervision (Levels 9-12)	8313.92	19	439
Senior management (Levels 13-16)	1573	19	84
Contract (Levels 3-5)	47	8	6
Contract (Levels 6-8)	219	12	18
Contract (Levels 9-12)	723	16	46
Contract (Levels 13-16)	51	7	7
TOTAL	21016.84	18	1148

TABLE 9.4 - CAPPED LEAVE FOR JAN 2011 TO DEC 2011							
SALARY BAND	TOTAL DAYS OF CAPPED LEAVE TAKEN	AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE	AVERAGE CAPPED LEAVE PER EMPLOYEE AS AT 31 DECEMBER 2011	NUMBER OF EMPLOYEES WHO TOOK CAPPED LEAVE	TOTAL NUMBER OF CAPPED LEAVE AVAILABLE AT 31 DECEMBER 2011	NUMBER OF EMPLOYEES AS AT 31 DECEMBER 2011	
Skilled (Levels 3-5)	9	5	24	2	906	37	
Highly skilled production (Levels 6-8)	29	7	16	4	1085	70	
Highly skilled production (Levels 6-8)	127	7	41	17	3782	92	
Highly skilled supervision (Levels 9-12)	22	7	43	3	1239	29	
TOTAL	187	7	31	26	7012	228	

TABLE 9.5 - LEAVE PAYOUTS				
SALARY BAND	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PAYMENT PER EMPLOYEE R	
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle	393	18	21, 833	
Capped leave payouts on termination of service for 2011/12	564	31	18, 194	
Current leave payout on termination of service for 2011/12	120	52	2, 308	
TOTAL	1, 077	101	10, 663	

TABLE 10.1 STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE		
UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV & RELATED DISEASES (IF ANY)		KEY STEPS TAKEN TO REDUCE THE RISK
N/A		N/A
N/A		N/A

10.2 Details of Health Promotion and HIV/AIDS Programmes

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.

Y



2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.



N

2 Assistant Directors and 1 Employee Wellness Practitioner reporting under Employment Relations. There is no annual budget specifically allocated to the programme. The programme is utilizing the annual budget of Employment Relations.

3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.



N

Services provided by Employee Wellness Programme:

1. *Counselling services (Trauma, Debriefing, Crisis Management, Work-related and Personal Problems)*
2. *Health and Productivity Management (prevention, intervention, awareness, education, risk assessment and support)*
3. *Wellness Management (physical, social, emotional, spiritual and intellectual wellness of employees)*
4. *HIV and Aids and TB Management (prevention, treatment, care and support ,human and legal rights)*
5. *Safety, Health ,Environment, Risk and Quality Management (occupational hygiene, special facilities, lighting, ventilation, sanitation and risk assessment)*

The Department has outsourced an EAP service provider which provides counselling for the Employees and their immediate families and also refers them if necessary to the relevant institution.

Labour Relations

TABLE 11.1 - COLLECTIVE AGREEMENTS	
SUBJECT MATTER	DATE
Sexual Harassment Policy	Jun-11
S&T Policy	Jun-11
Transport Policy	Feb-11
Employment Equity Plan	Mar-11
External Bursary Policy	Jun-11
Talent management strategy	Mar-11
Strike Management Policy	Oct-11
Smoking Policy	Oct-11
Fixed Line Management Policy	Sep-11
Information & Communication Technology (ICT) Usage Policy	Oct-11
Job Descriptions and Job Evaluation Policy	Apr-11
Policy on working hours and working arrangement	Nov-11
Remunerative work outside public service	Nov-11
Policy on Secondment to and from the Department of Mineral Resource	Nov-11

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.


☐ N

NAMES OF COMMITTEE MEMBERS:	REPRESENTING EMPLOYEES EMPLOYED AT:
Lethlogolo Mokwena	Head Office
Chris Makama	
Tefo Phahla	
Belinda Radise	Welkom Office
Bonang Kesilwe	
Mduduzi Hlope	Rustenburg Office
Audrey Matau	
Piet Mashiyane	
Loyt Mashinini	
Dipotso Mthunywa	Witbank Office
Mpho Maphutha	
Gabi Khanyile	
Rhofhiwa Manenzhe	
Martha Muthathi	Braamfontein Office
Mathapelo Mailula	
Violet Bopape	
Julia Kgwele	Limpopo Office
Taole Masoko	
Winnie Ramphela	
Nontsindiso Tolwana	Klerksdorp Office
Zimkhitha Tyala	
Natasha Williams	Port Elizabeth Office
Lungi Mondani	Cape Town Office
Khathu Mphaphuli	

NAMES OF COMMITTEE MEMBERS:	REPRESENTING EMPLOYEES EMPLOYED AT:
Nkosazana Maseko	Kimberley Office
Sibonele Mkhize	
Musa Zikhali	
Musa Zikhali	KwaZulu Natal Office
Sibonele Mkhize	

5. Has the Department reviewed the employment policies and practices of your Department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.


☐ N

Integrated Employee Health 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.


☐ N

The Department conducts VCT during March-April and September every year

7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.


☐ N

The Department has more than 100 known cases of people living with HIV in the Department, and we have established support groups in 5 of our regional offices.

8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.


☐ N

Health screenings (Health Risk Assessment, Flu-Vaccination and VCT) are conducted twice a year. Conduct awareness, Conduct workshops

TABLE 11.2 - MISCONDUCT AND DISCIPLINE HEARINGS FINALISED		
OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	PERCENTAGE OF TOTAL
Correctional counselling	0	0%
Verbal Warning	0	0%
Written warning	36	69%
Final written warning	5	10%
Suspended without pay	2	4%
Fine	0	0%
Demotion	2	4%
Dismissal	3	6%
Not guilty	0	0%
Case withdrawn	4	8%
TOTAL	52	100%

TABLE 11.3 - TYPES OF MISCONDUCT ADDRESSED AND DISCIPLINARY HEARINGS

TYPE OF MISCONDUCT	NUMBER	PERCENTAGE OF TOTAL
Corruption	4	8%
Assault	2	4%
Government Vehicle	2	4%
Absenteeism	2	4%
Disclosure Of Confidential Information	1	2%
Theft	2	4%
Negligence	2	4%
Report for duty under the influence of alcohol	1	2%
Intimidation	1	2%
Irregular Expenditure	1	2%
Fraud	1	2%
Poor Management	1	2%
Derelection Of Duties	1	2%
Non Compliance	24	47%
Financial Disclosure Of Information	6	12%
TOTAL	51	100%

TABLE 11.4 - GRIEVANCES LODGED

NUMBER OF GRIEVANCES ADDRESSED	NUMBER	PERCENTAGE OF TOTAL
Grievances resolved	12	63%
Grievances not resolved	7	37%
TOTAL	19	100%

TABLE 11.5 - DISPUTES LODGED		
NUMBER OF DISPUTES ADDRESSED	NUMBER	PERCENTAGE OF TOTAL
Disputes Upheld	2	67%
Disputes Dismissed	1	33%
TOTAL	3	100%

TABLE 11.6 - STRIKE ACTIONS	
STRIKE ACTIONS	
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 11.7 - PRECAUTIONARY SUSPENSIONS	
PRECAUTIONARY SUSPENSIONS	
Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	60
Cost (R'000) of suspensions	21

Skills Development

TABLE 12.1 - TRAINING NEEDS IDENTIFIED						
OCCUPATIONAL CATEGORIES	GENDER	EMPLOYMENT	LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	0	0	14	0	14
	Male	0	0	23	0	23
Professionals	Female	0	0	108	0	108
	Male	0	0	138	0	138
Technicians and associate professionals	Female	0	0	9	0	9
	Male	0	0	11	0	11
Clerks	Female	0	0	126	0	126
	Male	0	0	34	0	34
Service and sales workers	Female	0	0	26	0	26
	Male	0	0	15	0	15
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	7	0	7
	Male	0	0	2	0	2
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	290
	Male	0	0	0	0	223
TOTAL		0	0	513	0	513

TABLE 12.2 - TRAINING PROVIDED

OCCUPATIONAL CATEGORIES	GENDER	EMPLOYMENT	LEARNERSHIPS	SKILLS PROGRAMMES & OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers	Female	0	0	13	0	13
	Male	0	0	21	0	21
Professionals	Female	0	0	33	12	45
	Male	0	0	41	18	59
Technicians and associate professionals	Female	0	0	11	16	27
	Male	0	0	35	10	45
Clerks	Female	0	0	24	21	45
	Male	0	0	9	4	13
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
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	0	0	0	6	6
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	81	49	130
	Male	0	0	106	38	144
TOTAL		0	0	187	87	274

Injury On Duty

TABLE 13.1 - INJURY ON DUTY		
NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	0	0
Temporary Total Disablement	1	100
Permanent Disablement	0	0
Fatal	0	0
Total	1	

Utilisation of consultants

TABLE 14.1 - REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS				
PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND	
Appointment of Praxis IT Solutions for the provision of Technical Support to the Department of Mineral Resources Regional Offices	1	200	R 1, 425, 600.00	
Appointment of Waymark Infotech to provide Network Analysis in the Department of Mineral Resources for a period of six weeks.	1	480	R 305, 805.00	
Appointment of IRCA PTY for the support and maintenance of the South African Mining Registration and Administration (System)	5	120	R 1, 983, 600.00	
Appointment of Macman's to develop a Website for the Department of Mineral Resources	2	240	R 386, 460.00	
Appointment of Moila Business Enterprise to provide two business analysts and one project manager on a six months basis.	3	186	R 1, 072, 512.00	
Appointment of Maxima Global for Compiling, Analyzing, and Reconciling Registers and the Data on Financial Provision for Remediation of Environmental Damage.	12	62	R 500, 000.00	

TABLE 14.2 - ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, I.T.O. HDIS

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Appointment of Praxis IT Solutions for the provision of Technical Support to the Department of Mineral Resources Regional Offices	30%	30%	0
Appointment of Waymark Infotech to provide Network Analysis in the Department of Mineral Resources for a period of six weeks.	64%	64%	1
Appointment of IRCA PTY for the support and maintenance of the South African Mining Registration and Administration (System)	0%	0%	3
Appointment of Macman's to develop a Website for the Department of Mineral Resources	100%	100%	1
Appointment of Moila Business Enterprise to provide two business analysts and one project manager on a six months basis.	100%	100%	3
Appointment of Maxima Global for Compiling, Analyzing, and Reconciling Registers and the Data on Financial Provision for Remediation of Environmental Damage.	100%	100%	12

TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION: WORK DAYS	TOTAL CONTRACT VALUE IN RAND
6	24	1374	R 5, 673, 977.00

TABLE 14.3 - REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS				
PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	DONOR AND CONTRACT VALUE IN RAND	
N/A	N/A	N/A	N/A	N/A

TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION: WORK DAYS	TOTAL CONTRACT VALUE IN RAND	

TABLE 14.4 - ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, I.T.O. HDIS				
PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT	
N/A	N/A	N/A	N/A	N/A

[illegible]

[illegible]

[illegible]



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