

DEPARTMENT:

MINERALS AND ENERGY

ANNUAL REPORT 2006/ 07

VOTE 30

BP Sonjica, MP
Minister of Minerals and Energy

Minister, I have the honour to present to you the Department of Minerals and Energy's annual report for the 2006/7 financial year.



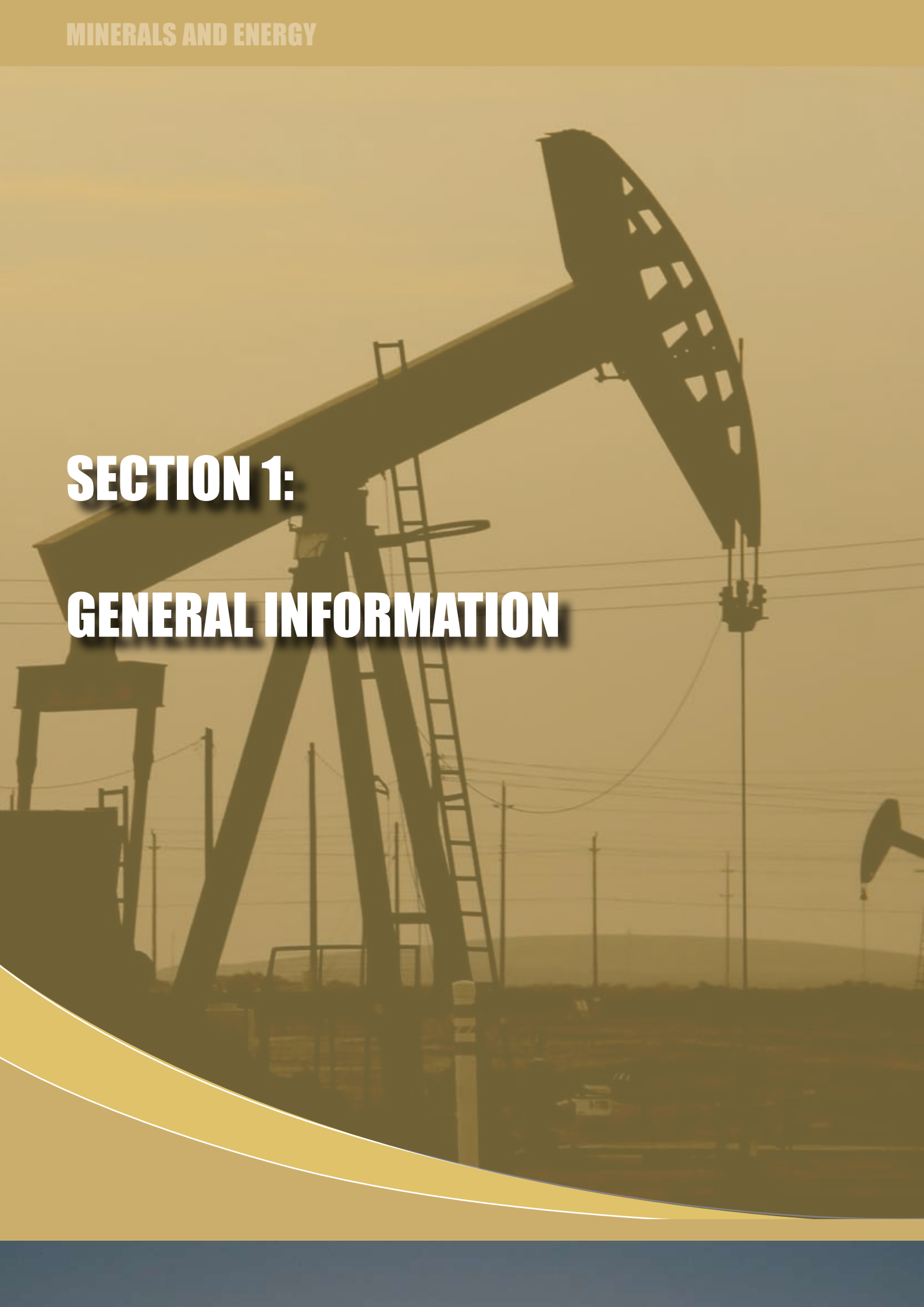
Adv Sandile Nogxina
Director General



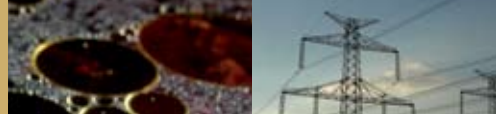


Table OF CONTENTS

1. GENERAL INFORMATION	4
Vision and Mission	5
Legislative Mandate	5
Public Entities Reporting to the Minister of Minerals and Energy	6
Director General's Overview	7
Departmental Publications and Key Documents	11
Message from the Minister	13
Information on the Ministry	16
2. PROGRAMME PERFORMANCE	17
Programme Overview	18
Strategic Overview and Key Policy Developments for 2006/7 Financial Year	19
Overview of Service Delivery and Organisation Development	
Programme 1: Administration	26
Programme 2: Promotion of Mine Health and Safety	32
Programme 3: Mineral Regulation	42
Programme 4: Mineral Policy and Promotion	47
Programme 5: Hydrocarbons and Energy Planning	50
Programme 6: Electricity and Nuclear	56
Programme 7: Associated Services	70
3. REPORT OF THE AUDIT COMMITTEE	82
4. ANNUAL FINANCIAL STATEMENTS	85
Report of the Accounting Officer	87
Report of the Auditor-General	102
Accounting Policies	106
Appropriation Statement	114
Detail per programme	116
Notes to the appropriation Statement	124
Statement of Financial Performance	127
Statement of Financial Position	128
Statement of changes in net Assets	129
Cash flow Statement	130
Notes to the Annual Financial Statements	131
Disclosure Notes to the Annual Financial Statements	139
Annexures	145
5. HUMAN RESOURCE MANAGEMENT	163

The background of the page is a sepia-toned photograph of an oil pumpjack. The pumpjack is the central focus, shown in silhouette against a hazy, light-colored sky. Its long, curved arm extends from the left towards the right, ending in a counterweight. The structure is supported by a tripod-like base. In the background, other pumpjacks and utility poles are visible, creating a sense of an oil field. The overall mood is industrial and somewhat somber due to the monochromatic color scheme.

SECTION 1:
GENERAL INFORMATION



VISION

World class minerals and energy sectors through sustainable development.

MISSION

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

LEGISLATIVE MANDATE

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

PUBLIC ENTITIES REPORTING TO THE MINISTER OF MINERALS AND ENERGY

- **The Mine Health and Safety Council**, established in terms of Section 42(1) of the Mine Health and Safety Act, NO. 29 of 1996. The Council has the responsibility of advising the Minister of Minerals and Energy on health and safety at mines, promote a culture of health and safety in the mining industry and annually consider an overall programme for relevant health and safety research.
- **Council for Mineral Technology (Mintek)** was established in terms of the Mineral Technology Act (30 of 1989). Mintek provides research, development and technology that foster the development of businesses in the mineral and mineral products industries.
- **The Council for GeoScience**, established in terms of the Geoscience Act, no 100 of 1993, is the national agency that is tasked with the systematic development and maintenance of the national geoscience knowledge infrastructure for both the onshore (land) and offshore (oceans) environment of South Africa.
- **The National Electricity Regulator** was established in terms of the Electricity Act, 1987, as amended. The role of the regulator was to regulate the electricity industry to meet the requirements of existing and future customers. Its key functions were to approve the prices, at which electricity is sold, and to set standards for the quality of supply and service and monitor these. It also licensed all generators, transmitters and distributors of electricity in South Africa until the National Energy Regulator Act, 2004 (Act No 40 of 2004) established a single energy regulator for electricity, piped-gas and petroleum pipeline industries, known as the **National Energy Regulator (NERSA)**. The new regulator was launched in November 2005.
- **The National Nuclear Regulator** was established in terms of the National Nuclear Regulator Act, 1999. The purpose of the Regulator is to provide for the protection of persons, property and the environment against nuclear damage, through the establishment of safety standards and regulatory practices.
- **CEF (Pty) Ltd** is a private company, incorporated in terms of the Companies Act and governed by the Central Energy Fund Act, No 38 of 1977. The CEF group operates in the energy sector and consists of five operating subsidiaries with commercial, strategic, regulatory and development roles. It also manages, on agency basis, the strategic crude oil stock for the country.
- **The South African Nuclear Energy Corporation (NECSA)** The Nuclear Energy Act, 1999, mandates NECSA to undertake and promote research and development in the field of nuclear energy and radiation science.
- **The South African Diamond Board (SADB)** established in terms of the Diamonds Act, No 56 of 1986, provides a regulatory function including control of possession, the purchase and sale, the processing and the export of diamonds.
- **The Electricity Distribution Industry Holdings (Pty) Ltd (EDIH)** was created for the sole purpose of executing the Department's strategic objective of restructuring the electricity distribution industry outlined in the White Paper on Energy Policy of 1998. The company is to restructure the existing electricity distribution entities into six financially viable regional electricity distribution companies (REDs)



DIRECTOR GENERAL'S OVERVIEW

We started our second year of ensuring the monitoring and implementation of our transformation policies with plans to review and improve our capacity to deliver on the Department's mandate. Plans to ensure security and quality of energy supply, improve our oversight with regard to the industries' compliance to the Mining and Fuels Charters, develop and implement programmes and structures that will support SMMEs and promote the participation of women in these sectors, focus on youth development programmes, and, improve oversight and monitoring of state owned entities reporting to the Minister of Minerals and Energy.

Energy

During the year under review, the energy sector was very topical. We saw a number of challenges in both fuel and electricity supplies. Taking these into cognisance, we had to conduct an assessment of both the internal and external environments in order to establish the required strategic focus into the future. Our task was to ensure that there are measures in place to secure energy sources that will power the economy of this country into the future. This meant that a robust Integrated Energy Plan that will look both in the short and long term needs, needed to be developed. The plan would indicate the energy sources available to us and those that will need to be developed in future. The plan also looks at our strategic stock policy (for both crude oil and petroleum products) and the adequacy of electricity power supply. By the end of the financial year, significant progress had been made towards the development of the integrated energy plan which will be Tabled in Cabinet early next year.



The implementation of the Integrated National Electrification Programme continued in earnest during the year under review. Challenges of poor and the absence of bulk infrastructure, especially in rural areas, have put a strain on the performance of the programme. During the year under review, an amount of R282 million had to be channelled from electricity connections towards bulk infrastructure, resulting in a reduced number of connections planned for the year. (Detailed figures included under Programme Performance)

With regard to electricity distribution, Cabinet approved the final boundaries of regional electricity distributors (REDs) in November 2006. As per this Cabinet decision, six REDs are to be formed as public entities and they will be regulated according to the PFMA and the Electricity Regulation Act. In response, the Department has since initiated the formation of an intergovernmental task team to coordinate the process of the formation of these REDs. The task team will look at the finalisation of the EDI Restructuring Bill.

The introduction of biofuels as another option in our energy mix is part of our response strategy to security of energy supply as well as to the climate change challenge facing the world. During the year, the department led an inter-departmental team tasked by Cabinet to develop the national biofuels strategy. The process of consultation generated a lot of interest. As at the end of the year, a lot of ground had been covered and the biofuels strategy is expected to be published next year. The final strategy will take into account all stakeholder comments received during the consultation process.

The transformation of the petroleum industry still remains high on our agenda. The commencement of licensing under the Petroleum Products Amendment Act this year has given us leverage to begin to deal effectively with the promotion of transformation of the liquid fuels sector. The licensing of petroleum activities started with over 12 500 applications received, mostly in the last week of the conversion period, which closed on the 17th of September 2006. The process of evaluation of applications has begun in earnest and we are expecting to issue all licences by the end of the next financial year.

The guidelines for import and export of petroleum products were also revised to allow more South Africans, specifically the Historically Disadvantaged South Africans (HDSAs), to import or export finished petroleum products. In allowing HDSAs to import finished products, a balance between promotion of local refining and opening up of the importation of finished products had to be struck.

Mining

Transformation and sustainable development within the mining industry is being achieved through a rigorous implementation of the MPRDA and the Mining Charter.

At the beginning of the financial year industry raised concerns regarding the turnaround time for the processing of mining applications. This was at the time when the Department was experiencing backlogs in the processing of applications mainly due to the capacity at regional offices that could not match the growing number of applications received by the Department. The review of the Mineral Regulation Branch structure(s) – (i.e the branch responsible for the implementation of the MPRDA) gave the Department the opportunity to introduce appropriate and effective implementing and monitoring structures. With the commitment of all concerned and the channelling of additional resources to the regional offices, these backlogs were eliminated within the first six months of the financial year.

In late 2006, there were also concerns raised that South Africa's mining industry was experiencing an investment decline during the time of a commodity boom. This lack of direct investment in the sector resulted in us at the department together with the Chamber of Mines and the National Union of Mine workers conducting a desktop study that gave us an indication as to what were the main causes of such a lack of investment. The joint study indicated some of the causes, being;

- Fluctuation in the exchange rate which affects mine planning mainly;
- Geographical location of South Africa compared to its competitors in that most of the commodities in South Africa are mined far inland;
- Promotion of beneficiation in South Africa when its competitors are eager to continue supplying raw material;
- The advent of democracy has made South African companies to be global and therefore can invest anywhere and not necessarily in South Africa only;
- The regulatory framework; and
- The lack of infrastructure development.

As a follow up to the study, a stakeholder's workshop will be held in June 2007 to work on a mining investment strategy which will be presented to the July Cabinet Lekgotla.

While pillars of the Mining Charter are equally important, it is through the Human Resources Development and Employment Equity pillars that a contribution towards the Joint Initiative on Priority Skills Acquisition (JIPSA) can be made by the mining industry. Some of the mining companies have already committed themselves in their approved social and labour plans to achieve these pillars. The Department is also observing a paradigm shift where mining companies are committing millions of rands in the procurement of goods and services from BEE's. The Department will continue to monitor and ensure that the beneficiaries are indeed BEE's and not Fronting BEE's.



In response to the challenges created by the non-rehabilitated mines, the Department has developed a database and a ranking system that would assist in the prioritisation of mines that need urgent attention. More than 30% of the identified mines are ownerless and therefore become Government's responsibility to close and rehabilitate in the interest of the neighbouring communities.

Capacity

One of the Department's objectives for the year under review was to assess its capacity to deliver on its mandate and to restructure itself internally so as to provide a support service to its line function. The structure of Corporate Services was revised to be in line with the departmental strategy and this was followed by the appointment of a Deputy Director-General in charge of all support service functions of the Department, excluding Finance, Supply Chain Management and Information Management functions. The latter functions are grouped under the Office of the Chief Financial Officer, who also reports to the Head of the Department in line with the provisions of the Public Finance Management Act. The Mine Health and Safety Inspectorate was also restructured in line with the Cabinet decision and implementation is scheduled to commence next year.

Following the July 2006 Cabinet Lekgotla decision, the Department together with the Department of Public Service and Administration embarked on an assessment of the capacity of the department to deliver on its mandate with specific attention to the Mining and Petroleum licensing processes. A report on the outcome of the aforementioned was presented to Cabinet via the Governance and Administration Cluster, with specific recommendations that were approved by Cabinet for implementation during the ensuing financial year.

The Department has continued to administer skills development programmes through, amongst others;

- The Malaysian Scholarship: -A programme that has delivered yet positive results during the year under review. In Total, sixty-two South African students have benefited from the Scholarship programme and seventeen who have completed their Engineering and Information Technology/Systems Degrees are now permanently employed in the country, the majority being at PETROSA, followed by SITA.
- The Internship Programme: -Since the commencement of the Internship programme during 1999, up until April 2007, in Total 392 participants have benefited from the programme and 75 Interns have been appointed permanently to the fixed establishment of the Department, while the majority of the remaining interns has been employed elsewhere in the public service and the private sector. We have revised the conditions in our departmental internship policy to ensure that we give as many candidates as we possibly can, an opportunity to participate in this programme. The monthly allowance or stipend given to Interns has also been improved to make better provision for their basic necessities and their day to day needs during their Internship term.

The variety and uniqueness of State Owned Entities reporting to the Minister of Minerals and Energy poses a great challenge with regard to the department's oversight role. Last year our Minister held her first annual strategic workshop with the Chairpersons and CEOs of these entities as well as the Department's representatives on SOE boards, where challenges and future plans were outlined. Among these was the alignment of the Government, Department and SOEs strategies going forward.

One of the commitments made was to capacitate the monitoring processes within the Department. The revised structure for the Strategy, Risk and Monitoring Chief Directorate (previously known as the Compliance Office) has been finalised and the plan is to have this component fully complimented within the first half of 2007/8.

Budget Performance

The Department received a budget allocation of R2 635 100 000 (2005/6 - R2 252 371 000) for the year under review. The Total amount spent was R2 607 673 000 (2005/6 – R2 172 405 000). This represents an under spending of 1, 04 percent. The unspent amount is due to vacancies and delays experienced in the payment of renewable energy subsidies as a result of applicants not concluding their applications on time.

In conclusion, I would like to take this opportunity to again welcome the new Minister of Minerals and Energy, Minister Sonjica and express our appreciation and gratitude for her leadership and guidance over the past few months she has been with us; with a promise of continued support from myself and the Department. I would also like to thank the members of the DME Family, including the minerals and energy State Owned Entities for their dedication, commitment and hard work.



Adv Sandile Nogxina
Director General: Department of Minerals and Energy



DEPARTMENTAL PUBLICATIONS AND KEY DOCUMENTS – 2006/07

Reviews

- 23rd Edition of South Africa's Mineral Industry (SAMI) 2005/2006
- Invest in an Intense and Diverse Mineral Industry 2006

Information Circulars

MB Bulletin Trimester

Vol 19 Issue 1 of 3 2006

Vol 19 Issue 2 of 3 2006

Vol 19 Issue 3 of 3 2006

Directories

- D1/2007: Operating Mines and Quarries and Mineral Processing Plants in the Republic of South Africa
- D2/2007: Operating and Developing Coal Mines in South Africa
- D4/2006: Salt Producers in South Africa
- D6/2006: Platinum-group Metal Mines in SA
- D7/2006: South African Diamond Handbook and Operating Diamond Mines Directory
- D8/2006: Ferrous Mineral Commodities produced in SA
- D10/2006: Producers of Nonferrous Metal Commodities produced in SA
- D12/2006: Operating and Developing Black Economic Empowerment Mining Companies
- D14/2006: Producers of Sand and Aggregate in SA

Statistics

- Minerals - South Africa: Statistical Tables 1984 – 2005
- Mineral Production and Sales Statistics (Monthly and Annually)



Bulletins/ Reports

- R39/2006 Investment in South Africa's Mineral Sector
- R40/2006 Possible Financial Sources for Small to Junior Empowerment Mining Companies
- R52/2006 South African Ferroalloy production Trends 1995 – 2004
- R53/2006 Review of the Dimension Stone Industry 2006
- R54/2006 An Analysis of the impact of a third Player on South Africa's Manganese industry 2006
- R56/2007 Provision of Export Facilities for BEEs at the Richards Bay Coal Terminal
- R57/2007 Uranium: Future Sources (South Africa)
- R58/2007 Overview of SA Aluminium Industry
- R59/2007 An Analysis of SA's Mining Contribution to the National Economy

Handbook

- H1/2006 South African Ferroalloy Handbook, 2006
- H2/2006 South African Precious Metals Handbook



MESSAGE FROM THE MINISTER

The firm foundation of transformative policies generated over the years since the advent of our democratic dispensation has provided the Department with a solid platform to place emphasis on implementation and monitoring the impact of our policies going forward.

Security of energy supply

The Department has security of energy supply as one of its key mandates. The recent energy crises in the country, both in the petroleum and electricity sectors has been as a result of the inadequacy of some of the demand and supply plans put in place years ago. In the case of petroleum products, this assertion is supported by both the Moerane Commission (an investigation into the fuel shortages of last year) instituted by my predecessor, Minister Lindiwe Hendricks and the Strategic Stock Supply and Management Study conducted during the year (to look into the existing liquid fuels strategic stocks policy).



When one considers the results of the above investigation and the study, and given the rate at which our economy is growing, one cannot afford to employ the same planning methods that proved to be successful in the past. As a result, the department is in the process of consolidating the planning activities under a dedicated unit in order to avoid the repetition of what happened in the past. Also in response to the recommendations, the Department has since established the Fuel Strategic Supply Task Team (FSSTT) together with the oil industry. The team is in the process of identifying current and future supply constraints and formulate options to resolve them. Improvements on the levels of both the commercial and strategic stock will also be looked at.

In January this year I participated in the inaugural Joint Oil Data Initiative (JODI) held for the first time on the African soil. The birth of JODI emanated from the 7th International Energy Forum meeting held in Saudi Arabia, November 2000, on the realisation of the negative impact of the unusually high volatile oil prices on economies of nations around the world, especially on non-producing countries like ours. The workshop provided training for participating countries on data collection and analysis. The Directorate Energy Planning and Development within the Department, collects and submits monthly data for South Africa to the United Nations and this information also contributes to our planning process.

Minerals policy developments

The Mining and the Minerals Policy is based on the principles of the Freedom Charter which entrenched the principle that the mineral wealth beneath the soil belongs to the people of South Africa, and therefore, that ownership thereof shall be transferred to the people as a whole, with government as the custodian. The mineral wealth is indeed, being transferred to the people of South Africa, through the implementation of the Mineral and Petroleum Resources Development Act (MPRDA).

The MPRDA has opened doors for the substantial and meaningful participation of Blacks in the exploration and exploitation of mineral resources. It enshrines equal access to the country's mineral resources irrespective of race, gender and creed. Bearing witness to the opportunities that this legislation has presented is the growing number of dynamic women participating in the mining industry. The MPRDA, through Social and Labour Plans, has already started to bring about meaningful transformation and development of the communities where these mining activities take place, as well as the labour sending areas. Over this past year, the companies have committed to housing projects, building of schools, clinics etc.

Early next year we will be presenting to Cabinet the long awaited Mineral and Petroleum Resources Development Amendment Bill. These amendments are mainly of a technical nature and do not bring any fundamental changes to the MPRDA.

Mining developments

Our agenda of transforming the mining sector is on track. During the year, we convened full EXCO meetings in five provinces in an effort to bolster unity of purpose with our provincial offices and staff, as well as bring government closer to the people. We also conducted provincial road-shows geared towards engaging our stakeholders on the impact of our major policies. The provincial road-shows were a fore-runner to the successful international road-shows undertaken in November 2006. We took the initiative to embark on the international road-shows to enhance common understanding and synergy with our stakeholders aimed at thwarting perceptions of negative investor sentiments in the mining sector.

The department also hosted the annual Mining Week in September 2006 and the Northern Cape Mining Indaba in August 2006. The Mining Week was held in conjunction with the Electra Mining Africa Show and was organized under the auspices of the Minerals and Mining Promotion Implementing Structure (MMPIS) of the Sector Partnership Committee (SPC). The Mining Week event consisted of three one-day conferences, (i) the Mining Summit, (ii) Mining Promotion in Southern Africa and (iii) the mining chapter of the Technology for Women in Business (TWIB) day. As part of the conference there was a jewellery fabrication workshop and exhibitions by nine small scale miners.

The Northern Cape Mining Indaba was as a response to community concerns that were raised in the Presidential Imbizo of early 2006 in Namaqualand. The purpose of the indaba was to address those community concerns such as retrenchments, skills development, also look into general challenges facing the mining sector in Northern Cape and promote opportunities for expansion and investment in beneficiation. The Indaba was a success as most stakeholders in the mining industry in the Northern Cape were represented and were able to engage with government on their challenges. The Department has since worked on the recommendations from the Indaba. While some of the issues are on-going, there are matters such as those of infrastructure shortages for the ferrous mining sector that have already been sorted out.

The Department also hosted the fourth African Mining Partnership meeting, with twenty-eight African countries represented, including Ministers from nineteen countries. China, Chile and Canada were also represented. The meeting evaluated the progress made on the identified projects and recommended that member States increase the level of urgency in achieving the objectives of the projects. The meeting agreed on the following:

- a) All African mining States to lobby their parliaments and EU member States to ensure that the Registration, Evaluation and Administration of Chemicals (REACH) protocol does not impact negatively on the African continent;
- b) Member States to begin putting in place mineral beneficiation strategies to mitigate the effects of REACH on certain mineral commodities; and



- c) The need to strengthen relations between the AMP and the African Union (AU).

Women empowerment

Our efforts to mainstream gender empowerment in the mining industry were duly rewarded as exemplified by the revitalisation of the South African Women in Mining Association (SAWIMA). A rigorous and vigorous process of engagement (albeit incomplete and ongoing) with a number of provincial structures of SAWIMA has already culminated in the official launch of the national offices of SAWIMA in Johannesburg.

The agenda of women empowerment and development including meaningful participation of women en masse in the minerals and energy sectors is assured when women's organisations like SAWIMA and Women in Energy South Africa (WOESA) have sound administrative and financial base to organize each other and mobilize resources. Our partnership with SAWIMA and WOESA during the women's month campaign added impetus to the mobilisation of women in the minerals and energy sectors. The campaign culminated in the highly successful women's sectoral march to the Union Building on 25 August 2006.

Beneficiation of our minerals remains a major thrust of our strategic intervention in transforming the mining industry as well as creating jobs and imparting of skills. In pushing back the frontiers of patriarchy and marginalization of women and youths, the DME founded Kgabane Project has thus far trained in excess of 400 women in jewellery manufacturing since its inception. In unlocking opportunities for women participation in the beneficiation of our minerals, already 30 female students have taken benefit of training in jewellery manufacturing over a period of six months in China. Our emphasis on implementation on the front of minerals beneficiation and youth empowerment, has already resulted in the training of 35 youths: 20 in Gauteng and 15 in the Western Cape, in computer aided design (cad) in jewellery manufacturing during the period under review. I also had the privilege to launch the Youth in Energy and Mining (YEM) which serves as a vehicle to mobilize the participation of youth in the sectors of energy and mining. YEM's existence and success can only augur well for the future of our sectors and country.

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

B. Sonjica, MP
Minister of Minerals and Energy

Information on the Ministry

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

- The Minerals and Petroleum Resources Development Amendment Bill
- Amendments to Section 76 of the Electricity Regulation Act

Ministerial visits abroad

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

International Visits Undertaken By The Minister And The Director General (On Behalf Of The Minister) June 2006 To April 2007

Date	Venue	Event	Participation
06 Jun 2006	Qatar, United Arab Emirates	Inauguration Ceremony of SASOL Oryx-GTL	Minister
08 Jun 2006	Malabo, Equatorial Guinea	Opening of PETROSA Offices.	Minister, DME officials and PetroSA officials
29 June 2006	Mozambique	Heads of State Economic Bilateral Forum	Minister and DME officials
3 to 4 Jul 2006	Guinea	Official working visit by the President.	Minister, private business, DME officials and institutions
4 to 5 Jul 2006	Niger	State visit by the President.	Minister, DME officials, institutions
17 -18 Jul 2006	La Paz, Bolivia	Official working visit.	Minister and DME officials
11 – 14 Sept 2006	Brasilia, Brazil	IBSA Summit	Minister and DME officials
16 - 21 Sept 2006	Austria Vienna	Attendance of IAEA conference	Minister, DME officials, private business and institutions
10 –15 Nov 2006	China, Beijing	DME International Road show	Minister, DME officials, private business and Institutions
15 – 18 Nov 2006	Canada – Toronto and Vancouver	DME International Road show	Minister, DME officials, private business and Institutions
21-27 Nov 2006	United Kingdom and Switzerland	International Road show on the South African Mining legislation	DG, DME officials and Mining companies
28 - 29 Nov 2006	Calgary, Canada- flight cancelled due to snow storm	African Economic Development Conference - deliver a paper on behalf of the Deputy President	Minister, DME officials
29 Nov – 1 Dec 2006	Maryland, USA	Participation in the Africa Oil and Gas Forum: Expectations and reality	Minister and DME officials
26 -28 Feb 2007	Mauritania	Official working visit	Minister, DME officials and institutions
3 – 7 Mar 2007	Toronto, Canada	Prospectors and Developers Association of Canada (PDAC)	Minister, NW Premier, DME officials, private business and Institutions
13-15 Mar 2007	Riyadh, Saudi Arabia	State visit by President	Minister and DME officials
28 – 30 Mar 2007	Maputo, Mozambique	Forum of Energy Ministers of Africa (FEMA)	Minister and DME officials

SECTION 2:

PROGRAMME PERFORMANCE



PROGRAMME OVERVIEW

Voted Funds (2006/07)

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
	R2 548 272	R2 635 100	R2 607 675	R27 425
Responsible Minister	Minister of Minerals and Energy			
Administering Department	Department of Minerals and Energy			
Accounting Officer	Director-General of Minerals and Energy			

Aim of the Vote

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

KEY MEASURABLE OBJECTIVES

Strategic objectives

At the 2005/6 annual strategic planning session, the Department identified the following strategic objectives in support of its revised mission and vision. These strategic objectives were reconfirmed at the beginning of 2006/7.

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



STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2006/07 FINANCIAL YEAR:

Mining

Implementation of the Diamond Amendment Act, the Second Diamond Amendment Act and the Precious Metals Act

Both the Diamond Amendment and the Precious Metals Regulations were finalised during the financial year 2006/07, after broad consultations with stakeholders. The Diamond Amendment Act, the Second Diamond Amendment Act and the Precious Metals Act, will be implemented upon promulgation by the State President in the new financial year. The implementation plans for the State Diamond Trader (SDT) and the South African Diamonds and Precious Metals Regulator (SADPR), including funding issues, staffing and their classification were rolled out, resulting in DeBeers offering the services of Diamdel to the State Diamond Trader and the Diamond Bourse of South Africa offering the Bourse to be utilised as the Diamond Exchange and Export Centre. The South African Diamonds and Precious Metals Regulator will replace the current South African Diamonds Board. The Board members of the SDT and the Regulator were ratified by Cabinet during the year and all processes are in place for the operation of these entities in 2007/08.

Mine Health and Safety – Policy and Legislation

The Mine Health and Safety Inspectorate as a state representative in the Mine Health and Safety Council's tripartite structures has provided advice to the Minister on the continued development of a revised regulatory framework for the industry. Acceptance of these recommendations led to the promulgation of new regulations and guidelines for mandatory codes of practice at mines. The following Mine Health and Safety Act Regulations were completed during the reporting period:

- Under Water Mining
- Winding Engine Drivers and Onsetters
- Water Storage and Pumping
- Orepasses and Drawpoints
- Exit certificate and record of hazardous work
- Emergency preparedness and response
- Process Plants
- Regulation 28.12.A (Recognition of MQA Qualification for acceptance to M/O and MMC of Competency)
- Flammable Gas Regulations

Guidelines for mandatory codes of practice approved during the reporting period are for:

- Diving operations procedure manual for Underwater Mining Operations
- Design, development/construction, safe operation and maintenance of draw points, tipping points, rock passes and box fronts
- Safe Operation of Monorail Systems
- Combat Rockmass Failure Accidents in Massive Mining Operations
- Emergency preparedness and Response

Energy

The draft Biofuels Industry Strategy

In December 2005, Cabinet approved the investigation towards the development of a biofuels industry in South Africa. Cabinet authorised the formation of a national biofuels task team, which consisted of eleven government departments, Industrial Development Corporation and the Central Energy Fund. As at the end of the financial year, the Department of Minerals and Energy had completed a nationwide stakeholder consultation process on the draft biofuels industry strategy. The draft strategy has taken into account all stakeholder commitments received during the consultation process. This strategy will act as a catalyst for the growth of the industry. It is envisaged that the biofuels industry would meet 75% of the renewable energy target as outlined in the White Paper of Renewable Energy. This exercise has stimulated a lot of interest, as it, apart from contributing to security of energy supply, also addresses the climate change challenges facing the world.

Clean Energy

Energy and Environment: The Department has to ensure that response measures to a clean environment and to climate change (mitigation) are properly directed and carried out with a national focus and in line with sustainable development principles. Such measures should also take cognisance of the fact that South Africa is a developing country. Within the international political and negotiation context, South Africa is currently not required to reduce its emissions of greenhouse gases, however, this needs to be tracked against developments that might have implications on the Second Commitment Period (Post 2012 regime of the Kyoto Protocol). The implication is that the country needs to proactively move towards a cleaner development path through a strategy to support diversification towards a less carbon intensive energy economy. To deal with this, the Department has in place policies and strategies that are in line with climate change mitigation and environmentally sound cleaner energy technologies; for example the Clean Development Mechanism of the Kyoto Protocol, investments in renewables, energy efficiency and biofuels.

OVERVIEW OF SERVICE DELIVERY AND ORGANISATIONAL ENVIRONMENT FOR 2006/07

Licensing of petroleum activities

The Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003) – (PPAA) came into effect on the 17th March 2006. Among others, the object of the Act is to promote the advancement of historically disadvantaged South Africans and to promote an efficient manufacturing, wholesaling and retailing petroleum industry. To this end the Act requires that all retailers, wholesalers and manufacturers be licensed. In the reporting year the Department of Minerals and Energy received an influx of conversion licence applications as the Act provides for persons who, at the time of commencement of the PPAA were engaged in the petroleum activities to be considered licensed as long as they applied within a period of six months from the date of commencement of the Act. A number of new applications were also received. To assist with the processing of the envisaged number of applications, a licensing system – Petroleum Products Amendment Licensing System (PPALS) was designed and commissioned. Although the plan was to have a fully functioning system by end of 2006, only two thirds of the system has been completed to date due to capacity problems experienced by the Company contracted to develop the system. The outstanding system functionality does not affect capturing and processing of licences but it limits the capability of the system to produce reports.

Monitoring of compliance with the Petroleum Products Act - Inspectors who will enforce and monitor compliance with the Petroleum Products Act have been appointed. The responsibility of the inspectors, amongst others, will be to monitor compliance with the conditions of licensing and to further ensure that the fuel specifications and standards of petroleum products sold in South Africa meet the required promulgated standards.



Sustainable development through mining research programme

Considering the extent of environmental damage caused by mining in South Africa, the Department has entered into a five-year agreement with the CSIR, Council for Geoscience and Mintek to find solutions for long-term rehabilitation and environmental management. The need for a national strategy to address derelict and ownerless mines is evident in more than 8 000 entries made in the database for derelict and ownerless mines in South Africa. A ranking system has been developed to prioritize the rehabilitation of these mines and a dedicated Geographic Information System, and environmental decision-making and environmental auditing systems have been finalized to strengthen environmental enforcement. These systems will be integrated with the existing National Mining Promotion System (NMPS).

Service Delivery Improvement Plan (SDIP)

As part of intensifying the implementation of the Batho Pele programmes, the department has developed the Service Delivery Improvement Plan (SDIP), in accordance with the Public Service Regulations 2001. The implementation of the SDIP will take effect from the 2007/2008 financial year onwards, and henceforth there will be continuous consultation with all institutions that are tasked with compliance monitoring, monitoring and evaluation such as the Public Service Commission and Treasury. The approved SDIP and service standards as submitted to the Department of Public Service and Administration will amongst others be used as a basis for assessment of the performance of the Department of Minerals and Energy.

Integrated Human Resource Management and Development System (My HR System)

The Department has, in line with the objective of reviewing HR processes and systems for the enhancement of service delivery, developed an integrated and computerised Human Resource System, with the following objectives:

- To manage performance appraisal in a consultative, supportive and non-discriminatory manner;
- To link employee development processes with the strategic plans as well as the business plans for staff development;
- To align the Strategic plan, Vision and the Mission of the Department with the objectives of the individual directorates within the department;
- To effectively manage the leave process in line with the Departmental Management Guidelines on leave of Absence through interface with PERSAL; and
- To facilitate Human Resource Management Reporting via a dashboard reporting system.

The system will be implemented with effect from 01 April 2007 and will enhance HR management within the Department and will provide information on HR matters as and when required for management decision-making purposes.

Resignations and appointment during 2006/7

Ms May Hermanus, the Chief Inspector of Mines (Deputy Director General: Mine Health and Safety Branch) resigned from the Department at the end of March 2006. The new Chief Inspector of Mines; Mr T Gazi was appointed on 1 March 2007 as well as Ms T Zungu, the Deputy Director General: Corporate Services. The head of Internal Audit, Mr T Mofokeng was appointed in November 2006. No other key personnel within the Department resigned during this period.

Rollovers and virements between the main appropriation allocations for 2006/7 – details listed as part of the Annual Financial Statements for the year.

DEPARTMENTAL RECEIPTS AND PAYMENTS

Departmental receipts

The main sources of receipts for the Department are royalties and prospecting fees collected from mining companies. Projected revenue over the MTEF period is expected to increase from R120, 832 million in 2006/07 to an estimated R146, 8 million in 2008/09.

During the 2006/07 financial year actual revenue recoveries were more than anticipated. Revenue recoveries during the reporting period mainly consist of royalty payments received from individual mines. Revenue increased sharply during December 2006 with the receipt of non-departmental revenue in the form of proceeds of R466.511 million in respect of the sale of assets of the Lebowa Minerals Trust (LMT). The mentioned receipt is a once-off receipt and was surrendered to National Revenue Fund via the normal SARS process for surrendering of monthly revenue funds.

	2003/04	2004/05	2005/06	2006/07	2006/07	
	Actual	Actual	Actual	Target	Actual	% Deviation from target
	R'000	R'000	R'000	R'000	R'000	
Tax receipts	-	-	-	-	-	0.00%
Sales of goods and services	3,653	8,819	2,509	2,265	1,809	20.13%
Sale of scrap, waste	3	3	3	-	3	0.00%
Transfers received	-	-	-	-	466,511	0.00%
Fines, penalties, forfeits	1,832	229	276	58	458	-689.66%
Interest, dividends, rent	290,439	102,262	129,803	118,347	188,515	-53.22%
Sale of capital assets	-	-	-	-	-	0.00%
Financial transactions	1,529	2,459	1,020	162	242	-48.77%
Total	297,456	113,772	133,611	120,832	657,538	-438.23%



Summary of Expenditure per Programme

Programmes	Voted for 2006/07 R'000	Roll- overs and adjustments R'000	Virement R'000	Total Voted R'000	Actual Expenditure R'000	Variance R'000
Programme 1: Administration	151,106	-	4,602	155,708	152,653	1.96%
Programme 2: Promotion of Mine Health and Safety	117,210	-	(8,215)	108,995	105,130	3.55%
Programme 3: Mineral Regulation	160,044	(20,100)	(7,083)	132,861	129,289	2.69%
Programme 4: Mineral Policy and Promotion	51,359	20,100	5,096	76,555	75,323	1.61%
Programme 5: Hydrocarbons and Energy Planning	37,475	5,814	7,000	50,289	40,365	19.74%
Programme 6: Electricity and Nuclear	55,090	5,715	(1,535)	59,270	55,866	5.74%
Programme 7: Associated Services	1,975,988	75,299	-	2,051,287	2,048,914	0.12%
Special Functions (Theft & Losses)	-	-	135	135	135	0.00%
Total	2,548,272	86,828	-	2,635,100	2,607,675	1.04%

Mtef Transfers To The State Owned Entities Reporting To The Minister Of Minerals And Energy

Name of the Institution	Amount transferred R'000
The South African Nuclear Energy Corporation Ltd (NECSA)	356,353
Council for Mineral Technology Research (Mintek)	118,664
The National Nuclear Regulator (NNR)	14,742
Council for Geoscience (CGS)	93,100
Mine Health and Safety Council (MHSC)	4,452
Electricity Distribution Industry Holdings (EDIH) Pty Ltd	62,794
Total	650,105

Other Transfers To Soe's Reporting To The Minister Of Minerals And Energy

Name of the Institution	Reason for transfer	Amount Transferred R'000
Council for Geosciences (CGS)	Small-Scale Mining Projects	21,799
Council for Geosciences (CGS)	Sustainable development through mining research programme	9,300
Council for Mineral Technology Research (Mintek)	Sustainable development through mining research programme	5,365
Total		36,464

Transfers to other organizations:

Name of the Institution	Project	Amount transferred
		R'000
Eskom	Integrated National Electrification Programme*	893,165
Various Municipalities	Integrated National Electrification Programme*	390,734
Council for Scientific and Industrial Research (CSIR)	Sustainable development through mining research programme	5,335
Solar Vission (Pty) Ltd	Non-grid electrification	2,023
Southern Stream Energy Resources	Non-grid electrification	15,000
Eskom	Non-grid electrification	65,000
Grootvlei Proprietary Mines (Pty) Ltd	State assistance to mines – pumping of water from under ground holdings	13,800
East Rand Proprietary Mines (Pty) Ltd.	State assistance to mines – pumping of water from under ground holdings	18,739
Grootvlei Proprietary Mines (Pty) Ltd	Ingress water into under ground holdings (ERPM)	4,800
Bethlehem Hydro (Pty) Ltd	Renewable Energy Subsidy Scheme	293
South African Chamber Of Mines	Future of gold mining sector in South Africa Project	1,957
Total		1,410,846

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

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

CONDITIONAL GRANTS
Overview of conditional grants

The Table below provides a summary of the type of grant(s), Total allocations, and the transfer trends for 2006/7:

Schedule 6A & 7: National Electrification Programme

Province	Total allocation - R'000	Total transfers - R'000
Western Cape	64,064	64,024
Northern Cape	15,102	14,977
Eastern Cape	34,138	34,138
Mpumalanga	46,666	46,435
Limpopo	17,573	17,573
North West	29,264	29,264
Kwazulu Natal	78,506	78,506
Free State	23,573	23,573
Gauteng	82,244	82,244
Total	391,130	390,734



THE ACTIVITIES OF THE DEPARTMENT OF MINERALS AND ENERGY ARE ORGANISED IN THE FOLLOWING SEVEN PROGRAMMES:

Programme 1: Administration

Programme 2: Promotion of Mine Health and Safety

Programme 3: Mineral Regulation

Programme 4: Mineral Policy and Promotion

Programme 5: Hydrocarbons and Energy Planning

Programme 6: Electricity and Nuclear

Programme 7: Associated Services

PROGRAMME 1: ADMINISTRATION

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

SERVICE DELIVERY – ACHIEVEMENTS – OBJECTIVES AND INDICATORS

This programme includes the Corporate Services Branch (created March 2007), Chief Directorate: Office of the Chief Financial Officer, and Chief Directorate: Audit Service.

CORPORATE SERVICES BRANCH

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

The Corporate Services Branch consists of five Chief Directorates, namely: The Ministry; Management Services (Human Resources Management, Human Resource Development; Legal Services; Security Risk Management); Communications (Communication and International Co-ordination); Special Projects and Programmes; and the Compliance Office (Strategy, Risk Management and Monitoring).

The Ministry

This Chief Directorate provides for the Office of the Minister of Minerals and Energy, which includes Parliamentary and Ministerial support services.

Chief Directorate: Management Services

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

- *Human Resource and Efficiency Management*

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



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

- *Human Resource Development and Capacity Building*

The main purpose of the directorate is to build human resource capacity through training and development interventions. The Department has also intensified its planning around the use of accredited service providers and ensuring targeted training for technical and line function components. Significant sponsorships have been signed with Anglo Gold Ashanti for bursaries to middle managers to participate in the Management Development Programme provided by the University of Cape Town. The second sponsorship was signed with SASOL to sponsor two officials to study MBA degrees. The department also offers bursaries to internal staff members and currently there are 455 staff members who are on the bursary scheme.

- *Legal Services*

The Legal Services directorate provides a comprehensive legal support service to the department through the provision of legal opinions, assist with legal drafting, litigations, and ensuring the implementation of the Promotion of Access to Information Act (PAIA). The directorate also provides assistance in the determination of culpability of officials where official property has been lost or damaged by officials and render assistance to the Minister in respect of appeals lodged against the DME for decisions made in terms of Departmental legislation. The outcome of an assessment of the implementation of the PAIA process has compelled the department to review the implementation strategy, and to embark on conducting workshops in regional offices. The new strategy has improved the speedy finalisation of mining licenses and to stay within the legal time-frames as provided for in legislation.

Chief Directorate: Communication and International Co-ordination

This Chief Directorate comprises of the Communications Directorate and the International Co-ordination Directorate. The Chief Directorate was instrumental in organising the national and international road shows that the Department embarked on during the financial year. In addition to the benefits of networking and information sharing, the road shows addressed misconceptions around the implementation of the Minerals and Promotion Resources Development Act (MPRDA).

Communications

Communications is responsible for providing and implementing internal and external communication strategies for the Department. This includes media liaison, stakeholder relations, event management, outreach programmes, public education, publications, library services and other initiatives that enhance the image of the Department. With regard to media liaison, the Directorate uses print and electronic media to communicate the Department's programmes and to ensure flow of relevant information to external stakeholders.



In order to keep employees abreast of developments in the Department and in the minerals and energy sectors, the Directorate coordinates the production and distribution of the internal staff newsletter, Ntome Tsebe. The Directorate also facilitates the flow of information to employees through notice boards, the website, information sessions, special events and library services.

Through the Molato magazine, a regular publication that the Directorate coordinates and distributes, the Department shares information on mining and energy issues with external stakeholders such as captains of industry, academics and unionists.

International Co-ordination

The Department continues to participate in a number of international forums and meetings for the development and promotion of the minerals and energy sectors. The International Co-ordination directorate has participated and continues to create linkages on a number of bilateral, multilateral and trilateral mining and energy sector discussions. Participation in a number of African initiatives by the Department continues to grow steadily. The Department is an active participant in Southern African Development Community (SADC) and an active promoter of the NEPAD projects. We have hosted a number of foreign visitors in South Africa with a view of attracting foreign direct investments in the national minerals and energy sectors and also taken South African minerals and energy sector role players to a number of foreign countries with a view of creating opportunities and establishing business linkages and partnerships.

CHIEF DIRECTORATE: SPECIAL PROJECT AND PROGRAMMES

Since its establishment in 2001 the component facilitates outreach programmes and addresses issues on women and youth.

During the year under review the Department facilitated a career guidance programme for learners in Limpopo and Western Cape with the view of exposing the learners to the mining and energy sectors as well as promoting skills development in this sector.

The Component in its endeavour to encourage the participation of women in the mining and energy sectors organized a Technology for Women in Business Conference (DME-TWIB) as part of the commemorations of the women's month. This was planned parallel to the Mining Week and the DME-TWIB theme was "Engaging of Women in Technology for the Next 50 years".

As part of the Component's Outreach programme Special Projects participated in Information Sessions that were led by the Chairperson of the Minerals and Energy Portfolio Committee in all Provinces.

To further facilitate the participation of Women and Youth in the Minerals and Energy sectors, the Department saw the birth of yet another sector group during 2006, Youth in Energy and Mining (YEM), which serves as a vehicle to facilitate youth programmes, projects and also to reach out to as many youth in our country as possible.



Ministerial Road Shows

Through consultations and community outreach programmes, the department (Minister) went on provincial road shows that covered women who are interested in the sector and those who needed information on the opportunities that are available in the Mining and Energy sectors. Feedback received from during these sessions indicated how the mining companies are implementing the Social and Labour Plans and providing opportunities for the women. Among the challenges identified by the women, is that of assistance with funding, especially for new ventures.

The Compliance Office

This chief directorate is responsible for the department's strategic planning, risk management and fraud prevention, annual report, oversight and monitoring of State Owned Entities reporting to the Minister of Minerals and Energy as well as act as the department's focal point on corporate governance.

The 2005/6 Annual Reports for the department and its state owned entities together with the Department's 2006/07 – 2010/11 strategic plan were Tabled by the Minister on time. In September 2006 Minister Sonjica, who had just joined the department, hosted a strategic planning workshop with the Chairpersons and CEOs of these entities – giving the strategic direction to be taken by the minerals and energy group and emphasising the importance of alignment of the group's future plans.

Together with the entities and the department's management, this office has ensured that the strategic plans for the department and those of the individual SOEs are aligned to government priorities.

The entities' annual strategic plans, business plans, shareholder compacts (for schedule 2s and 3a), and budget proposals were each reviewed and recommended to the Director General and the Minister for approval by the department's review team. Delays with some of the approvals were mainly due to ongoing discussions between the department and the affected entities.

Together with the entities, this office has also ensured compliance with the administrative, financial and legal requirements as stated in the relevant legislation.

CHIEF DIRECTORATE: OFFICE OF THE CHIEF FINANCIAL OFFICER.

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

Supply Chain Management (SCM)

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

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

The re-engineering of policies and procedures within SCM is nearing completion stage, while the implementation of the re-designed policies is expected to take place in the 2007/08 financial period.

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

Information Management

During the year under consideration, the Information Technology Directorate completed a national rollout of upgraded computer operating systems to all Regions and Head Office; this included all servers and workstations. All out-of-warranty User workstations were replaced with new machines.

A centralised and managed printing solution was deployed at Head Office where the printer-per-workstation concept was replaced with a centralised and shared print / fax / scanning solution. The rollout of this concept to the Regions is being considered for the 2007/8 financial year. This project is aimed at managing consumables and reducing overall printing / faxing / scanning costs and provides a platform to support the rollout of certain additional systems.

A network audit and a reconfiguration of core operating systems functions was completed in preparation for a proposed server and architecture upgrade planned for Head Office for the 2007/8 financial year. This upgrade deemed necessary to cater for systems expansion, increased demand for processing power and the increased impact of internet-based applications and reporting.

A new staffing structure was approved and the respective job evaluations completed. Vacant posts were advertised.

Financial Planning and Management Accounting

The component closed off the financial systems and records of the Department for 2006/07 financial year on 18 April 2007, which was well within the prescribed deadline.

The proceeds from the Lebowa Minerals Trust (LMT) amounting to R463, 4 million were transferred to National Treasury on 12 July 2006 and a further R3, 07 million was transferred on 26 October 2006 as a final payment, and the LMT bank accounts were closed accordingly. A draft agreement between the DME (on behalf of the National Government) and the Provincial Government of Limpopo for the transfer of loans and projects to the value of about R3, 5 million has been sent to the province during the course of the financial year for their approval.

During the year the Board of Trustees of the DME Rehabilitation Trust decided that the trust administration agreement concluded with Sanlam be terminated, and the trust be administered in-house under this component. The process of effecting transfer is approaching finalisation with Sanlam having transferred an amount of R73 million to the DME in January 2007. The balance of the funds is expected at the beginning of the new financial year.

The component embarked on a project of re-engineering of policies and procedures to improve internal controls and overall adherence to financial legislation and regulations within the component and the Department as a whole. The process is still under way and should be completed and implemented around June 2007.



Expenditure Management

In order to improve compliance with PFMA, Treasury Regulations and other related legislation, the payment process was improved by the centralisation of invoice delivery point in order for the Department to meet its contractual obligations. The expenditure were correctly allocated and changes on the structure were effected in time. Internal controls were further improved by segregation of duties and the reconciliations were done in all relevant sections. Irregular and fruitless and wasteful expenditure incurred during the year were identified, recoveries made and other relevant remedial measures taken.

CHIEF DIRECTORATE: AUDIT SERVICES

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

The Chief Directorate is guided by a risk based internal audit plan that considers significant Departmental risks, changes in operations, management's concerns and covers the majority of the Department's operations. The Chief Directorate continued to offer value adding comments in the assignments that were conducted during the 2006/2007 financial year. It also continued to offer advice to management on controls, financial, compliance and governance matters.

The Chief Directorate reports functionally to the Audit Committee and administratively to the Director General and in striving to improve the quality of its functions, has conducted a Quality Self Assessment for compliance with the relevant standards. The function is preparing for an external quality assessment scheduled for the new financial period.

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

PROGRAMME 2: PROMOTION OF MINE HEALTH AND SAFETY

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

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

SERVICE DELIVERY

Human Resource Development

The finalization and implementation of the restructuring of the Mine Health and Safety Inspectorate (MHSI) is still pending following a revision of the structure by a Steering Committee appointed by the Director General.

In spite of challenges, the MHSI has during the reporting period, continued to develop the skills and knowledge of its staff members. A Total of 32 staff members within the MHSI were trained, comprising 17 managerial and administrative courses and 15 technical courses. Training is also geared towards addressing transformation issues that are a serious problem in the industry due to its job reservation legacy. The MHSI has also embarked on the process of addressing the skills shortages and past imbalances within the mining sector with the following interventions. A Bursary Scheme whereby 8 students (4 females and 4 males) from previously disadvantaged communities were offered bursaries to study towards engineering, surveying and mining was implemented this year. To provide graduates an opportunity to be employed and also to address the skills shortage within the MHSI, a Learner Inspectorate Programme is in the process of being developed. Various accredited training providers are to be requested to assist with this two-year internship programmes.

Staffing

The establishment of the Mine Health and Safety Inspectorate provides for 336 posts and the vacancy level is currently at 21%. The high vacancy rate is mainly due to problems with recruiting suitable mechanical and electrical engineers.

Since 1 April 2006 the MHSI lost 39 staff members due to resignations, transfers, retirements, etc. The job reservation legacy of the past resulted in a serious challenge to meet employment equity targets as clearly reflected at the end of the reporting period where women accounted for only 31% of the Total staff complement. Of these the majority is in junior positions whilst males account for 69% and are mostly in senior positions. However progress has been made in that women have been appointed as Principal Inspectors in two Regional offices of the MHSI.

Disaster-type accidents

The rate of mine disasters is on the decreased as compared to the previous periods. The decrease can be attributed too more efficient mine design, planning procedures and ore extraction methods. The MHSI has also launched extensive efforts to dramatically increase its capacity to conduct inquiries into such accidents; the result of these high level inquiries is that improved accident preventative measures have been introduced.



During the year amid the regression of rock related accidents from the previous year, there has been a decrease of rock related fatal accidents subsequent to the implementation of preconditioning and in-stope roof bolting. However, there is an alarming increase in fatal accidents (gold) other than rock related. During the year five in-stope workers were fatally injured. A magnitude 2.3 event caused the multiple fatalities in the Gauteng region and was seismic related. The inquiry into this disaster is still continuing.

Illegal and criminal miners remain one of the biggest threats to the employee's health and safety at the mines. Illegal miners access current operations through various means, in some cases, to the extent of threatening the mine's existence. SAPS intervention is playing an important role in providing safety and security.

Small-scale Mining

Since the promulgation of the Minerals and Petroleum Resources Development Act, 2004 (Act No. 28 of 2004), the issuing of mining permits to SMMEs has increased dramatically and has stretched the regulatory capacity of the Inspectorate.

In light of this development, the MHSI had to match this increasing activity by conducting more inspections on these types of operations and continue to offer training and assistance to small-scale miners. Most of these operations are concentrated in the diamond sector, and are thus located in the Northern Cape and Northwest Regions.

HIV/Aids and Occupational Health

The partnership of the Department of Minerals and Energy, Labour and Employers is committed to combating the HIV and AIDS epidemic in the Mining Industry. It is for this reason, that the Mining Industry Tripartite HIV and AIDS Committee will observe the 2007 World AIDS Day by holding an event on 1 December 2007.

The purpose of the event is to:

- encourage individuals/ mineworkers to become aware of their health status, including HIV status;
- reduce the further spread of HI Virus in the Mining Industry and the associated communities;
- reduce and manage the impact of HIV and AIDS on all stakeholders;
- reduce and manage the economic impact of HIV and AIDS in the Mining Industry;
- and improve supportive systems to those living with the virus and those affected.

The number of natural deaths of miners has increased as compared to 2005, it is "safe" to say that during the year under review a substantial number of employees opted for voluntary HIV testing and that the programmes for providing ARVs to the affected employees are gaining momentum.

Service Delivery achievements

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

MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM – TRM OUTP TARGET

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2006/2007	As at 31 March 2007
To actively contribute to sustainable development	Reduce impact of mining on public health and the environment	Survey Audit and inspection of rehabilitation sites of ownerless and derelict mines	% of planned rehabilitation sites signed off % Of rehabilitation sites audited	90% of working agreement	Achieved
	Specific Occupational Health and Safety problems addressed	Identify, investigate and address specific health and safety problems, e.g. mine water, criminal mining and burning coal mines	Number of cases identified % Of identified cases resolved/ addressed	100%	100% of cases are addressed
	Public Health and environmental hazards dealt with at source	Record of decision regarding mining/ prospecting authorisation processes	Turnaround time of applications	3 weeks	3 weeks
		Record of decision regarding environmental management plans	Turnaround time of applications	3 weeks	Time frames are being achieved
		Reduce public risk exposure	% Of mines with public risk management strategies	Identify 80% of sites with hazard implications Address 80% of these	100% of complaints received are being addressed
		Input to land usage developments	Turnaround time of applications	3 weeks	Time frames are being achieved



Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2006/2007	As at 31 March 2007
To redress past imbalances and bridging the gap between the first and the second economy	Sufficient and appropriate skills and human resource development strategies for the mining sector	Influence MQA to address the needs of the mining industry	Percentage of National Skills Development Strategy targets achieved	As per MQA Business Plan	<p>From the 12 NSDS indicators, the MQA exceeded 9 indicators and 3 not met.</p> <p>2 indicators not met due to low number of WSP/ ATRs not approved to do evaluation criteria not met.</p> <p>1 indicator not met due to the process that MQA is currently undertaking with regard to accreditation of institutions that manages the new venture creation qualification. Accreditation still underway.</p>
		Alignment of the Sector Skills Plan (MQA) for mineral programmes	Sector Skills Plan aligned and complete	As per MQA Business Plan	MQA Board and the Department of Labour in March 2006 approved the MQA Sector Skills Plan.
To implement minerals and energy economic policies and legislation	Alignment of DME State Owned Enterprises and Public Entities to government policy	Provide governance, oversight and support to MHSC (MRAC, MOHAC, SIMRAC, HR, Audit/ Risk) and MQA (ETQA, SGB, SSP, Learner ships, Audit, Finance, Risk and HR)	% Compliance to shareholder compact	100%	<p>Unqualified audit report achieved</p> <p>(This will only be verified after the AG has issued the MHSC Audit report for 2006/07)</p>
To govern the minerals and energy sectors to be healthier, safer and cleaner	Occupational diseases and injuries eliminated	Finalise and promulgate MHSAs regulations	Promulgated MHSAs regulations	100%	96% scheduled for completion by end of financial year

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2006/2007	As at 31 March 2007
		Monitor enforce compliance to MHSA and regulations	% Of planned audits performed % Reduction in injuries % Reduction in fatalities % Reductions of occupational diseases	80% of planned audits performed 20% reduction in injuries 20% reduction in fatalities 20% reduction of exposure to hazards causing occupational diseases	80% achieved Increased by 1.72% 0 % reduction (from 201 to 199) A serious problem with the SAMODD database, can not report on this
		Conduct investigations and/or enquiries	% Of investigations and/or enquiries completed Average days for completion % Of completed investigations and/or enquiries done according to set guidelines	100% of investigations performed 3months 100% compliance	Investigations 75% achieved Inquiries 59% achieved 3 months There was no way of measurement
		Conduct examinations for Certificates of Competency	Number of certificates issued % Of candidates examined	100% As required	6424 applicants 1609 Certificates issued
		Promote of implantation of research result	Number of workshops held on research results	20	33
		Ensure compliance with international obligations ILO176	% Compliance in defined areas	100%	100% achieved



Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2006/2007	As at 31 March 2007
		Participation in inter national forums and standard setting	Number of forums attended	20	
		Monitor, track and provide data on occupation health and safety	Disseminate statistics	Monthly	Average of 937 statistical reports circulated monthly
		Promote health and safety in the mining sector	Number of promotions held (workshops, seminars, expos)	Monthly newsletters and Regional Expo	Newsletter: 5674 Regional expos: 1 Workshops & Conferences: 489
To review, develop and maintain appropriate structure, systems and skills resources	An effect and efficient MHSI	Human resource development and capacity building e.g. Bursary scheme, Graduate development programme, Identification of mentors, coaches and understudies, Intern Programme	Number of vacancies Staff turnover Number of Bursars Number of graduates Number of mentors Number of Coaches Number of Understudies Number of Inters	10% Vacancy rate 10% Staff turnover Comply with DME EE Targets	21% vacancy rate (due to restructuring of MHSI) 13.5% staff turnover 8 Bursars (5 female, 3 male) Comply with DME EE Targets
		Align of systems between Branches	Database alignment	60%	0 % (Not achieved due to delay in upgrading of magic systems)
		Develop appropriate MIS	Occupational Hygiene database Occupational Medicine database Occupational Safety Web based data capturing	60%	URS developed but delay in implementation due to lack of resources

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets	Actual Performance
				2006/2007	As at 31 March 2007
	Alignment of processes, structures and systems to achieve objectives and mandates	Review organisational architecture and structure	Alignment of structure to meet objectives	80%	Revised Head Office structure to be approved by DG
		Integration of OHS Inspectorates (DME, DoL and DOH)	Alignment of structure to meet objectives	As DoL (Lead agent) Implementation Plan	Discussions ongoing
	Develop and retain appropriate skills	Develop a training programme	Improved skills profile	Develop training and development plan with set targets	MHSI HRD Programme has been approved by the DG in August 2006
		Develop retention and recruitment strategy	Monitor turnover rate	Develop and implement retention plan	HRD Programme includes a Bursary Scheme, Learner Inspector Programme as well as a Training & Development Plan for Inspectors

Table 1: Fatality rates per million hours worked per region

	Fatalities	Fatality rate	Fatalities	Fatality rate	% deviation #
	2005	2005	2006*	2006*	2005/2006
Western Cape	2	0.12	0	0	-100
Northern Cape	8	0.14	6	0.11	-21.43
Free State	25	0.25	27	0.28	12
Eastern Cape	0	0	2	0.39	100
Kwazulu Natal	4	0.20	1	0.05	-75
Mpumalanga	23	0.16	22	0.15	-6.25
Limpopo	10	0.14	9	0.12	-14.29
Gauteng	60	0.29	77	0.39	34.48
Northwest	69	0.19	55	0.14	-26.32
RSA	201	0.20	199	0.20	0

• provisional figures

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

**Table 2: Injury rates per million hours worked per region**

	Injuries	Injury rate	Injuries	Injury rate	% deviation #
	2005	2005	2006*	2006*	2005/2006
Western Cape	14	0.82	9	0.51	-37.8
Northern Cape	90	1.58	56	0.98	-37.97
Free State	695	6.84	693	7.11	3.95
Eastern Cape	4	0.84	13	2.56	204.76
Kwazulu Natal	22	1.12	17	0.80	-28.57
Mpumalanga	285	2.02	360	2.47	22.28
Limpopo	177	2.55	222	3.01	18.04
Gauteng	1107	5.36	1018	5.14	-4.1
Northwest	1591	4.36	1771	4.54	4.13
RSA	3985	4.06	4159	4.13	1.72

• provisional figures

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

Table 3: Fatality rates per million hours per commodity

	Fatalities	Fatality rate	Fatalities	Fatality rate	% deviation #
	2005	2005	2006*	2006*	2005/2006
Coal	16	0.13	19	0.16	23.08
Gold	105	0.31	113	0.34	9.68
Diamonds	7	0.16	4	0.09	-43.75
Copper	0	0.00	2	0.23	100
Chrome	6	0.35	2	0.12	-65.71
Iron Ore	2	0.12	2	0.11	-8.33
Granite DS	0	0.00	0	0.00	0
Limestone	5	0.50	5	0.48	-4.00
Platinum	47	0.14	40	0.11	-21.43
Clay	3	0.10	2	0.06	-40
Other Mines	10	0.17	10	0.16	-5.88
Total	201	0.20	199	0.20	0

• provisional figures

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

Table 4: Injury rates per million hours per commodity

	Injury	Injury rate	Injury	Injury rate	% deviation #
	2005	2005	2006*	2006*	2005/2006
Coal	181	1.48	250	2.05	38.51
Gold	2 338	6.85	2 311	7.02	2.48
Diamonds	69	1.55	44	1.02	-34.19
Copper	17	1.93	19	2.22	15.03

	Injury	Injury rate	Injury	Injury rate	% deviation #
	2005	2005	2006*	2006*	2005/2006
Chrome	52	3.08	52	3.13	1.62
Iron Ore	18	1.07	25	1.40	30.84
Granite DS	19	2.95	7	1.13	-61.69
Limestone	29	2.90	17	1.63	-43.79
Platinum	1 155	3.54	1 345	3.75	5.93
Clay	49	1.68	30	0.97	-42.26
Other Mines	58	0.98	59	0.95	-3.06
Total	3 985	4.06	4159	4.13	1.72

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

Table 5: Fatalities classification by casualty classification

	2005	2005	2006*	2006	% deviation #
	Fatalities	Fatality rate	Fatalities	Fatality rate*	
Fall of Ground	83	0.08	85	0.08	0
Machinery	9	0.01	15	0.01	0
Transportation and Mining	48	0.05	46	0.05	0
General	43	0.04	34	0.03	-25
Conveyance Accidents (Shaft/Winze)	2	0	2	0	0
Electricity (Not causing fire)	2	0	6	0.01	0
Fires	1	0	0	0	0
Explosives	8	0.01	5	0	0
Heat Sickness	2	0	0	0	0
Subsidence/caving	0	0	0	0	0
Miscellaneous (specify)	3	0	6	0.01	0
Total	201	0.20	199	0.20	0

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

Table 6: Injuries classification by casualty classification

	2005	2005	2006*	2006	% deviation #
	Injured	Injury rate	Injured	Injury rate*	
Fall of Ground	1 103	1.12	1 087	1.08	-3.57
Machinery	266	0.27	274	0.27	0
Transportation and Mining	767	0.78	873	0.87	11.54
General	1 668	1.70	1 772	1.76	3.53
Conveyance Accidents (Shaft/Winze)	21	0.02	22	0.02	0
Electricity (Not causing fire)	37	0.04	27	0.03	-25
Fires	10	0.01	11	0.01	0
Explosives	47	0.05	26	0.03	-40



	2005	2005	2006*	2006	% deviation #
	Injured	Injury rate	Injured	Injury rate*	
Heat Sickness	15	0.02	2	0	-100
Subsidence/caving	-	-	1	0	0
Miscellaneous (specify)	51	0.05	64	0.06	20
Total	3 985	4.06	4 159	4.13	1.72

• provisional figures

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

Table 7: Investigations and Inquiries 2006/2007

Region	Investigations	Investigations	Total	Inquires	Inquiries	Total	% Completed
	Initiated	Completed	Outstanding	Initiated	Completed	Outstanding	
Kwazulu-Natal	26	24	2	2	2	0	92 %
Limpopo	145	145	0	8	7	1	99 %
Mpumalanga	187	122	65	32	25	7	67 %
Free State	191	191	0	25	25	0	100 %
Gauteng	276	276	0	66	42	24	93 %
North West	1749	1637	112	53	35	18	92 %
Eastern Cape	3	1	2	2	2	0	60 %
Northern Cape	81	81	0	27	26	1	99 %
Western Cape	17	17	0	0	0	0	100 %
Total	2675	2494	181	215	164	51	92 %

The reasons for outstanding Investigations and Inquiries:

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

Table 8: Inspections and Audits 2006/2007

Region	Planned	Actual	Total %	Planned	Actual	Total %
	Inspections	Inspections	Compliance Inspections	Audits	Audits	Compliance Audits
Kwazulu-Natal	305	215	70 %	126	91	72 %
Limpopo	1026	697	68 %	615	503	82 %
Mpumalanga	1078	788	73 %	585	361	68 %
Free State	2268	2197	97 %	140	186	130 %
Gauteng	4419	3611	82 %	904	580	64 %
North West	3704	2078	56 %	1992	1203	60 %
Eastern Cape	600	591	98.5 %	48	48	100 %
Northern Cape	1910	1239	65 %	4	20	500 %
Western Cape	674	520	77 %	4	2	50 %
Total	15984	11936	74.7 %	4418	2994	67.7 %

PROGRAMME 3: MINERAL REGULATION

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

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

SERVICE DELIVERY OVERVIEW

The Mineral Regulation Branch completed its first year as a branch during the course of 2006. Its main function is the processing of applications for prospecting and mining rights to achieve transformation and sustainable development. By the end of March 2007, the Department had received 11447 applications, 1743 rejected, 2373 refused and 5301 granted, and the remaining are still in process.

Following the public concerns on the delays in the processing of mining applications, the department conducted an analysis of the situation and the results indicated that only 7% of the applications were delayed. The identified backlog was eliminated by the end of September 2006.

The processing of converting old order mining rights has been very slow, with only 24% of applications received being finalised. This has been due mainly to compliance challenges in respect of the Mining Charter. In order to improve the levels of compliance, a process of monthly workshops with mining companies, was commenced with in April 2006. Since September 2006, the service delivery has improved, all applications are now finalised within the prescribed time frames.



MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM – TERM OUTPUT TARGETS

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
Regulate the Industry to achieve Transformation	Increased number of HDSA & women participants	Processing applications for prospecting and mining rights	20% new rights granted to HDSAs	25% new rights granted to HDSA	<ul style="list-style-type: none"> More than 50% of rights were granted to HDSA.
		Develop women empowerment strategy	A women Empowerment Strategy Document	5 Women led companies	<ul style="list-style-type: none"> 49 women led companies.
	Improved level of compliance with all seven pillars of the Mining Charter	Inspection of rights granted	Number of inspections and quality of deals approved	50% on rights granted	<ul style="list-style-type: none"> At least 10% of inspections were conducted (re-prioritized to address applications backlog).
	Common understanding of transformation agenda	Develop guideline on Assessment of BEE contracts Conduct training on assessment of contracts	Guideline on Assessment of BEE deals developed Training conducted	BEE deals Assessment Guideline Achieved assessment skills	<ul style="list-style-type: none"> The development of the guideline is in process, further training is planned with a BEE assessment agency. Further training for staff. more sessions with industry including BEE's 13 BEE and Social and Labour Plans workshops were held. A BEE workshop was held in conjunction with SAMDA.
		Hold industry workshops on compliance issues	Number of workshops held	1 Industry w/shop 1 BEE Workshop	<ul style="list-style-type: none"> All work programmes are done within the time frames. Branch to finalise discussions with Council for Geoscience on record keeping analysis of mineral information. Inspection plans for 2007/08 are finalised and on site inspections will be conducted during the 07/08 financial year.
	Optimal utilization of mineral resources	Approval of mining and prospecting work programmes Conduct inspections of prospecting and mining operations	<ul style="list-style-type: none"> Number of rights granted vs number of operating mines/prospecting activities Extent to which holders of rights are hoarding mineral resources 	100% utilization of all granted rights 50% of inspections conducted	
Contribute towards Sustainable Development	Reduction of poverty around mining & labour sending areas	Identify socio-economic development needs of certain mining and labour sending areas Approval of Social & Labour Plan	Compendium of Socio-Economic Development needs of mining and labour sending areas numbers and quality of project implemented	All approved Social and Labour Plan Projects Implemented	<ul style="list-style-type: none"> The mining right holders have a year to conduct mining activities after the right has been issued. Inspections can only be carried out after commencement of mining activities; however the 07/08 inspection plan will address this challenge.

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
	Coordinated approach to local economic development	Align Social & Labour Plan approval with GOA, PGDS & IPDs	Extent of alignment of Social & Labour Plan to PGOA, PGDS & IDPs Improved coordination in addressing socio economic development issues in mining areas	At least 50% identified socio economic development needs of affected communities implemented	<ul style="list-style-type: none"> • Most projects are not aligned with GPOA, PGD's and IDP's. • Workshop is arranged in May to address challenges with relevant Departments.
Sound Environmental Management		Enforcement of environmental compliance Conduct internal environmental Audits	<ul style="list-style-type: none"> • 100% of inspections conducted • % of contraventions v # approved EMPs • Environmental related complaints v # approved EMPs • Extent of non-compliance with prescripts in each region 	100% Inspections conducted 100% compliance with approved EMPs Less than 10% of instruction and orders issued compared to number of approved EMPs	Due to capacity, most regional offices managed less than 50% of inspections.



Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
	Reduce Gov. Environmental liability	Rehabilitation of identified ownerless and derelict mines	100% of identified ownerless and derelict mines rehabilitated	100% of identified ownerless and derelict mines projects implemented	<p>86% of the identified ownerless and derelict mines projects were implemented.</p> <p>Osizweni was identified as one of the sites to be rehabilitated, however it was identified that the issues were more complex than anticipated.</p> <p>Social Issues- that area is rife with poverty and the community is mining coal in that specific site and for the department to move and rehabilitate the area, without providing an alternative was going to cause a major conflict. Consultation with the community as the Local municipality has to be done before the department can commence with the rehabilitation plan</p> <p>Safety Issues- there were major safety issues to be taken into consideration, certain households in the vicinity of the site had to relocate. Therefore further consultation with Mine Health and Safety and the local municipality had to be done.</p>
Review, develop and align administrative systems, processes and control for good Governance	Effective and efficient administration	Implementation of approval systems and controls	Extent to which approved systems & controls are being implemented	Unqualified IA and Auditor General reports in respect of all directorates	<p>All issues identified in the Audit report have been addressed.</p> <p>Continuous improvement of systems is maintained.</p>

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
	Improved turnaround time for processing applications	Processing applications within time frames	Number of documents submitted within prescribed timeframe	100% of decision taken into rights within the prescribed timeframes	<ul style="list-style-type: none"> 70% of decisions were taken within the prescribed timeframes. A lot of appeals and court cases were received and a number of applications could not be finalised before the appeals and court cases were dealt with, which affected the time frames. A number of mining rights conversions could not be finalised due to non compliance and the Act, does not have a provision that these applications can be refused. Due to security of tenure.
	Improved turnaround time for registration of rights and reducing of permits	Finalising registration & recordings within timeframes	Number of rights & permits submitted within prescribed time frames	100% registration of all prospecting and mining rights granted	<ul style="list-style-type: none"> 80% of rights received are registered within the time frames After the rights have been executed at the regional office, the applicant has to lodge the right for registration with the Mining Title Office. The obligation to lodge the right for registration lies with the applicant, which has been a challenge as the rights are not lodged within the specified time frames. A lot of rights lodged for registration are sent back to the clients as all the documents required for registration are not submitted.
		Identify existing technology which can improve service delivery	Extent to which technology is being utilized	Implementing approved technology	<ul style="list-style-type: none"> A need to have a bar coding system was identified. Implementation under discussion with the CFO.
Human Resources Development and capacity building	Appropriate human resource capacity	Identify vacancies and fill them	Vacancies filled within 3 months of posts becoming vacant	All vacancies filled and improved service delivery	<ul style="list-style-type: none"> Vacant post have been filled There is continuous improvement on filling post to meet the 3 months targets.
		Training of staff	Training of staff	Appropriate skills achieved	<ul style="list-style-type: none"> Continuous training and development needs are identified. Workshops were held with NMPS, Social and Labour Plan and Mineral Laws officials



PROGRAMME 4: THE MINERAL POLICY AND PROMOTION BRANCH

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

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

SERVICE DELIVERY

The Small Scale Mining Directorate has done much to bridge the gap between the two economies through SMME development. In the past financial year the Directorate has managed to assist 23 SMME projects via direct financial and technical assistance. It is estimated that at least 1000 jobs will be created via this endeavour which will do much towards alleviating poverty. In addition 16 Small Scale Mining information sessions were held across South Africa resulting in a considerable increase in new small scale mining project applications. The directorate has also published a booklet which introduces potential investors, who have an interest to form joint ventures with Small Scale mining operators, to viable SSM projects in the country. Jewellery fabrication businesses were funded for the first time, in 2006/07, and with time, we intend increasing our funding and support for the fabrication of value added products than mining projects, as jewellery projects are quick to set up and with portable skills and therefore have a higher impact on communities.

The DME has continued to support the Kgabane Jewellery Project and in the 2006/7 financial year funding was made available for the project to revamp their facilities in order to serve their trainees better. The first group of students that had gone to China for jewellery training came back and some have since been placed with local entrepreneurs and others with the Kgabane project. The second group of students, from the Northern Cape left for China during the course of the year. We have also enrolled students into an advance diamond jewellery management course in Antwerp, Belgium. Our intention is to be able to give such courses here in South Africa in the near future.

A policy to address water ingress and decanting problems was completed and through this the DME together with the Departments of Water Affairs and Forestry and Environmental Affairs and Tourism has achieved successes within the KOSH and Witwatersrand gold mining area. Here mining companies have collectively addressed the water ingress and decanting problems by establishing water utilities and water treatment plants where appropriate. A Site Inspection Audit Tool for environmental requirements has been developed in cooperation with the CSIR. The tool will help with the Standardization of the process of inspection and also train new officials on how to conduct environmental inspections and what questions to ask when conducting an inspection. It will also lessen and fast track the work of environmental officers when they carry out site visits.

Amendments to the MPRDA were approved by Cabinet in November 2006, and certified by the State Law Advisors in February 2007 after extensive consultations with the Department of Environmental Affairs and Tourism to harmonise environmental impact assessment (EIA) requirements in the Bill with that of NEMA, 1998. The Amendments will be introduced to Parliament early in 2007/08.

MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM - TERM OUTPUT TARGETS

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2006
Investment promotion	Increase in the number of new entrants by 10% in 2009 from the 2004/05 base	Promote investments in SA's mining industry Collect and publish industry promotion material Collect and distribute statistical information	Number of exhibitions/ Conferences Number of Publications, reports and directories distributed Submit monthly to stats SA	5 28 Ongoing	7 Exhibition/ Conferences held by March 2007. 43 directories and reports completed. 12 submissions done.
Bridging the gap between the two economies through SMME development	Partnerships between small and major players Sustainable SMMEs	Introduce SMME's to the majors Establish sustainable SMMEs in mining & beneficiation projects	Number of successful partnership Number of projects that survive for more than two years	1 15	None 18
Formulation of Mining and Mineral Policy to achieve transformation	A mining industry that represents the demographics of the country by 2014	Review and amend policies and legislation	Amended policies and legislation	Finalise Regulations for the Diamond Amendment Bill, the Precious Metals Bill and the Diamond Second Amendment Bill. Finalise policy on uranium mining. Finalise Amendments to the MPRDA	Completed Draft finalised. Amendments to the MPRDA Tabled in Parliament.
Contributes towards sustainable development	Sound environmental management practices	Actively contribute towards sustainable development	Address mine water ingress and pollution hot spots. Develop measures for implementation to strengthen environmental enforcement.	Implementation of projects	Transfer of pumping subsidies to marginalized gold mines has been completed for 2006/07, for projects to be implemented. Draft Strategy for Sustainable Development completed. Draft Sustainable Development indicators completed. Final draft guidelines on mine closure and EMP monitoring and performance assessment completed.



Strategic Objectives	Outcomes/Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2006
Comply with International obligations	Harmonisation of policies	<p>Provide service to the Kimberly process</p> <p>Mining Global Dialogue</p> <p>Regional African Cooperation and secretariat support</p>	<p>Reduction of illegal diamond trade</p> <p>Participate in Global Mining dialogue</p> <p>Number of AMP projects implemented</p>	<p>Maintains levels at 0%</p> <p>Implementation of projects</p> <p>Implementation of projects</p>	<ul style="list-style-type: none"> • Participation in the KPCS plenary in Botswana. • Engaged in Monitoring Working Group of the KP and attended Monitoring visits to several countries to ensure optimal compliance. No projects were allocated. DME officials were nominated to participate in Mineral Economics Outlook and Sustainable Development Committees Commission. • Organized and hosted the Annual AMP meeting and provide the Secretariat Service. • Participate in all projects as per the project plan. • Beneficiation (AMP) - hosted trainers from Mali and Ghana to train SA in Africa jewellery craft. • Engaged in diamond valuations training project proposed in the DRC. • The Ghanaians were in South Africa during March 2007 and they spent time at Mintek, SADB and the CGS as part of the Human Resources Development project.

PROGRAMME 5: HYDROCARBONS, ENERGY PLANNING AND CLEAN ENERGY

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

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

SERVICE DELIVERY

Regulatory Accounts Study: Methodologies for setting of petroleum products wholesale, distribution and retail margins were reviewed. The main purpose of the review is to remove hidden costs and cross subsidies between regulated and unregulated activities as well as between rural and urban Retail sites and prepare the sector for the eventual deregulation. It is only through appropriate identification and compensation of costs in the value chain that security of energy supply can be guaranteed through appropriate investments. The proposed approach envisaged development of regulatory accounts to set appropriate margins.

LPG Pilot projects: Due to continued consumer complaints about high LPG prices and the Department's desire to use LPG for electricity demand side management, an LPG pilot programme was initiated. The main purpose of these pilots is to identify appropriate supply chain that would give rise to correct LPG price, which would promote correct energy carrier choices. Correct energy carrier choices will result in increase security of energy supply and efficiency of energy utilisation. The first of four such pilots, which will be in Attredgeville, will, begin to run in the first quarter of the next financial year.

Low smoke fuels programme: The Department of Minerals and Energy initiated a Low-smoke Fuels Programme with Basa Njengo Magogo, which is essentially a technique that ignites coal fires from the top down. To date the technique has been demonstrated to over 82 000 households. A strategic plan for a national-rollout of this program has been completed. The governance system to coordinate this program to reach over 1 million households in 8 years has been developed. This includes measurements of the effectiveness of the technique, retention study and reinforcements.

Torbenite Project: As a long-term measure for the improvement of household air quality, a feasibility study on a Torbenite project, a project managed by one of our SOE's, has been completed and a pilot production project is being planned for the 2007/08 financial year. The project develops low smoke solid fuel from an oil rich type of coal known as torbenite. During the processing of torbenite to produce synthetic crude, a solid fuel that is produced as a by-product could be used by low income household as fuel for space heating and cooking. The solid fuel is expected to contain far low toxic emissions, whilst improving performance in terms of calorific value, ash content, etc.

Clean Development Mechanism (CDM): A sustainable development criterion has been developed and is used to review and approve projects. CDM projects in the energy sector are in the form of fuel switching, co-generation, renewable energy and energy efficiency. These projects reduce emissions generated in the energy sector and also contribute to sustainable development in the form of job creation, technology transfer and contribution to SA's renewable energy and energy efficiency targets. To date there are 45 projects reviewed, with a potential of reducing 6 mtCO₂ equivalents, 15 MW potential contribution to renewable energy targets and 43 MW potential contribution to energy efficiency target.



Energy Efficiency (EE) : The Department has continued implementing the Energy Efficiency Strategy in the areas of standards (Building Standard now ready for comment), promotion of EE awareness during EE Month, removal of barriers to new technology, and creation of funding avenues for projects.

Energy Information and publication: Energy data on all energy carriers was collected and released in 2004 (Energy Balances). The 2005 Energy Balances are due to be released by end April 2007. The 2005 Digest of SA Energy Statistics was published and distributed whilst the 2006 Digest is due by March 2007. Oil data was submitted on a monthly basis to Joint Oil Data Initiative (JODI). Subscription to World Markets Energy continued and kept colleagues informed about worldwide energy developments.

Tradable Renewable Energy Certification System (TRECS): There are basically three possible income revenue streams for renewable energy electricity generators: selling electricity through PPA into the grid; Carbon emission reductions (CERs) trading through CDM and issuing of Tradable Renewable Energy Certificate (TRECs). TREC is an electronic record that verifies the origin of energy from the registered renewable energy facilities. It provides a good opportunity for verification of financial support to registered renewable energy generators. A major advantage of TREC is that it can be traded worldwide and separately from the electricity grid infrastructure (no use of grid system charges or grid access problems). A workshop was held with renewable energy stakeholders on 18 January 2007 to present the findings of a Consultant study on TRECs to stakeholders. Report was approved end of March 2007. Further stakeholder consultation meetings are planned to take place during the month of May and June 2007.

Petroleum Licencing: More than 12000 licence applications were received within the first year of licensing operations. Regardless of the adequate preparations that were made in terms of the operational system and human resource, a back log was experienced due to the fact that applicants particularly major oil companies collected and brought their retailers applications in bulk and at the last minutes.

Beginning of 2007 also meant the submission of annual submission by applicants who are deemed to be licensed wholesalers. Resources have to be provided to deal with the annual information as was being submitted. More than 200 licenses have been issued to date, and there is a target of 1000 licences to be issued every month. Conversions licences are not negatively affected by lack of actual licences hence priority is given to applications for new licences and temporary licences.

Renewable Energy Finance and Subsidy Office: National Treasury approved the renewable energy subsidy scheme in September 2005. The scheme is administered by the DME Renewable Energy Finance and Subsidy Office (REFSO) which came into operation in October 2005. Criteria, procedures, guidelines and application forms are posted on the DME website. Thus far, 25 eligible projects have been registered, 9 on electricity with a capacity of 29 MW in Total and 16 on Biodiesel with a Total capacity of 474 260 kilolitres per annum. The Total subsidy required to fund the current registered projects is estimated at R 137 million. A subsidy contract to the value of R 975, 000 has been awarded to Bethlehem hydro project (small scale hydro with a capacity of 3.9 MW). This project is being constructed on the river banks of the Ash River in Bethlehem, Free State Province. Two more electricity projects with a Total subsidy value R 3.65 million are at an advanced stage

MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM – TERM OUTPUT TARGETS

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2006
<p>1. Actively contribute to sustainable development through energy interventions</p> <ul style="list-style-type: none"> Through introduction of renewable energies 	Greater share of renewable energy	Instruct the energy Regulator to license renewable energy power generators	Instruction	250 GWh	<p>25 GWh</p> <p>This is the data (25 GWh) for January to June 2006 and for July to December 2006 will be collected during the month of June and July 2007. Other organisations are not willing to disclose power production data, hence in June and July 2007 there will be visit to all Independent Power Producers around the country to explain the importance of data collection. Beside, currently there are few renewable energy projects that are operational and several projects that are at advance stage of development.</p>
<ul style="list-style-type: none"> Through energy efficiency 	Increased energy efficiency	Implement economic sector plans	Energy Savings PJ	45PJ	<p>The project to undertake the monitoring of targets will only commence in May 2007, but estimations indicate that approximately 40% of the target has already been achieved over the past 2 years.</p>
<ul style="list-style-type: none"> International environmental commitments 	Greater share of SA in CDM market	<ul style="list-style-type: none"> Promote CDM project development Regulate and Review projects submissions 	<p>Number of projects reviewed</p> <p>Emission reduction (tCO2e)</p> <p>R/E generated (MW)</p> <p>Energy Savings (EE) MW</p>	<p>20</p> <p>1m tCO2e</p> <p>10 MW</p> <p>10 MW</p>	<p>30</p> <p>6mtCO2e</p> <p>15 MW</p> <p>30MW</p>
	Negotiate and meet CDM related international cooperation agreements	<ul style="list-style-type: none"> International participation 	International interactions and negotiations. Presence at meetings & reports thereon	As required	4



Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2006
<p>2. Redress past imbalances & bridging the gap between the 1st and 2nd economies</p> <ul style="list-style-type: none"> Integrated Energy Centres 	Increased access to affordable energy	Plan and facilitate establishment of IeCs	Number of IeCs established	10 (revised target)	5
<ul style="list-style-type: none"> Modern energy (LPG, ethanol, biogas) 	Increased access to modern energy for low income households	Facilitate roll-out plan of LPG	No. of new "connections" by DME	30 000	No connections made due to delays in securing funding, approval of project proposal, and eventual appointment of contractor/s.
<ul style="list-style-type: none"> Transformation 	Deracialisation and gender equity in the petroleum sector	Promoting Liquid Fuels Charter compliance Publish annual report on progress of Liquid Fuels Charter	% charter compliance Document % of licenses issued to HDSA	20% 1 13	Evaluation could not be finalised on time due to delays in finalising industry 2006 financial figures. 1 Report Due to late submissions, licence evaluation not completed yet.
<ul style="list-style-type: none"> Supplier development 	Increased procurement by oil companies from BEEs	Licensing and petroleum products facilities Facilitate the establishment of the supplier Development Agency	% of oil industry procurement from BEE	8.0	3.28%
<ul style="list-style-type: none"> Skills shortages + HR Master plan 	Improved skills supply	Develop MOUs/ agreements with SETAs and Dept of Education	MOUs / Agreements	1	Transferred to SETA.
<ul style="list-style-type: none"> 3A. Implement energy economic policies and legislation 	Uninterrupted supply of fuel	Review strategic stocks policy	Strategic stocks policy report Strategic crude oil stocks in reserves	December 2006 10.65 million barrels	100% (Completed studies on strategic stocks policy and fuel supply FSSTT) 10.65 million barrels (reviewed strategic crude oil target)
<ul style="list-style-type: none"> Security of supply 	Quantification of coal reserves and resources	Conduct Audit	Audit report with tonnages	1 Report	40% of database completed. (Transferred to the Mineral Policy and Promotion Branch)
<ul style="list-style-type: none"> Integrated Energy Planning 	Informed policy and investment decisions on energy	Generate integrated energy plans	Published plan	IEP	Integrated energy plan will be developed once a new modelling system has been finalised. Market modelling system has been suspended in favour of a different modelling system

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2006
<ul style="list-style-type: none"> Energy Price Report & Energy Balances 	Energy information available to the public	Data collection, analyses and publication	Energy Balances, data and publications released. Joint Oil Data Initiative (JODI) data released.	Release 2004 Energy Balances and 2005 Digest of SA Energy Statistics by July 2006. Joint Oil Data Initiative (JODI) data released monthly.	Energy Balances and Digest released on time. JODI data was released monthly to UN.
<ul style="list-style-type: none"> Licensing of petroleum activities 	Operationalise Energy Information and Petroleum Licensing Systems Orderly and Equitable exploitation of energy	Design, procure and implement the system for licensing Monitoring, advocacy and intervention	Operational system live Ratio of licensed vs. unlicensed operations	Fully operational 80%	2/3 of Petroleum Products Act Licensing System is operational 5%
3B. Diversity of Supply Gas for power policy statement	Directive on Gas for Power Generation	Produce Policy Document	Policy Document	80% to be completed	80% complete [Framework has been drafted]
<ul style="list-style-type: none"> Gas Trade Agreements 	Cross border gas flow	Participate in Commissions	No. of bureaucratic caused interruptions to gas supply	0	Moz/SA Gas Commission meetings were successful Limited progress with Namibian Gas development
<ul style="list-style-type: none"> Internationally Competitive Energy Prices & tariffs 	Internationally competitive prices	International benchmarking	International price comparisons	December 2006	Not done
<ul style="list-style-type: none"> Energy Bill 	Efficient regulation of the energy sector	Drafting and consultation	Promulgated Act		



Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2006
•Alignment of SOEs (CEF, NER, NERI) to government policy	Advice to the minister on energy policy matters	Establish NEA committee	NEA Committee operational		After deliberation it was decided that the National Energy Advisory Committee is no longer necessary for the DME. It was provided for in the draft Energy Bill and was subsequently removed from the Energy Bill
	SOEs (CEF, NER, NERI) aligned to government policy	Board participation, shareholder compact supervision	Compact compliance	75%	A letter was sent from the Minister to all State Owned Enterprises to make energy efficiency part of their shareholders compact. So far 30 out of 177 SOE's have complied.
National Energy Regulator	Efficient regulation of the energy sector	Drafting and consultation	Promulgated Act		
	Transparent and predictable regulatory framework	1. Piped Gas regulations 2. Petroleum Pipelines regulations	% of required regulations drafted % of required regulations drafted	30% 30%	90% Piped Gas Regulations were signed off by the Minister 20%
4. To govern the energy sector to be cleaner, safer and healthier	Decrease particulates emissions from household coal fires	Basa Njengo Magogo	No. of promotions and programmes (cumulative)	40,000	82,000
• Cleaner Safer Fuels Household low smoke fuel	Decrease vehicular emissions and improve health	Facilitate and Promulgate regulations	Euro Standard liquid fuels	Report	Study commissioned with Medical Research Council. The study commenced on 01/04/2007
				1	Present DME with draft report of study on 01/08/2008. Communication strategy still outstanding.



PROGRAMME 6: ELECTRICITY AND NUCLEAR

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

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



MEASURABLE OBJECTIVES, KEY ACTIVITIES AND MEDIUM – TERM OUTPUT TARGETS

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
To Govern the electricity and nuclear sector to be safer and cleaner	Cleaner safer and healthier electricity and nuclear sector and secure nuclear installations	Formulation and Promulgation of Regulations required in terms of the NNR Act (Act No 47 of 1999)	Number of Safety Regulations	All Regulations Required in terms of NNR Act.	Published Regulations: *Prescribed contents for an annual public report on safety *Safety standards & regulatory practices *Prescribed manner of keeping a record of persons in accident defined area *Fees for nuclear authorizations (not published prior to financial year due to NNR inadequate recommendation) Drafted regulations still to be published: Format for application of a Certificate of Exemption Not published: *Regulations on Financial security for nuclear damage 2006/7FY - not published as NNR failed to make the necessary recommendation Completed
		Implementation of Nuclear Disaster Management Plan	Training of Emergency functionaries	All DME Nuclear Disaster Management functionaries to be re-trained by March 2007.	
		Servicing of International Nuclear Safety Obligations	Country Report in terms of Joint Convention on the Safety of Spent Fuel Management and the Safety of Radioactive Waste management	Country Report to be submitted as Required by IAEA.	Acceded to the Convention. Report due 2008

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
	Reduction of Nuclear liabilities	Implementation of the Nuclear Liabilities Management Plan Conduct Feasibility study on the Research Reactor Spent Fuel Take Back Programme Implementation of the Radioactive Waste Management Policy and Strategy	Annual Report on Liabilities discharged including expenditure. Feasibility Report and Recommendation on Way Forward. A Draft Bill on the National Radioactive Waste management Agency The National Committee on Radioactive Waste Management Draft Bill on the Radioactive waste management Fund	>90% of Budgeted funds expended on planned projects. 100% Completed	Completed Report reviewed & referred back to Necsca to address issues
	Effective National Nuclear Security framework	Conduct Electricity Safety Audits Implementation of revised Security framework Develop a Database of all key players in the supply of nuclear material and technology	Audit Report Implementation plans and Reports Database of all key players in the supply of nuclear material and technology	Develop Information System for Safety related incidents 25% complete 50% complete	Audits completed at all municipalities. Database is in place. 0% Complete. Design Basis Threat Document not yet established. 100% complete.
		Updating the data base Introduce the Design Basis Threat into the regulatory framework. Revision of Physical Protection measures in line with DBT Review of the DBT for continued relevance	Updated data base Upgraded Physical Protection Systems of Nuclear Facilities in terms of DBT requirements Upgraded Physical Protection Systems of Nuclear Facilities Reviewed DBT	- 60% complete - -	Ongoing. 0% complete DBT document not yet established. DBT document not yet established. DBT document not yet established



Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
Actively contribute to Sustainable development	Poverty Alleviation through increased access to modern Energy Carriers	Plan Implement and Oversee Integrated National Electrification Programme (INEP)	Number of Households, Schools and Clinics Electrified	215 000 Households, 1000 Schools and 50 Clinics	<p>The need to build bulk infrastructure to enable more connections has resulted in reduced connections which are as follows:</p> <p>Households 160 920</p> <p>Schools 926 (526 grid and 400 non-grid)</p> <p>Clinics 23</p> <p>Bulk Substations 13</p> <p>Actual connections as at 31 March 2007</p> <p>2006-7 projects</p> <p>Households 105 617</p> <p>Schools 369 (269 grid and 100 non-grid)</p> <p>Clinics 10</p> <p>Please note that the actual connections are subject to change because the March figures are not yet available.</p> <p>2005-6 roll over projects</p> <p>Households 43 411</p> <p>Schools 17</p> <p>2004-5 roll over projects</p> <p>Households 6 448</p> <p>The 2004-5 and 2005-6 projects have been included because the projects were completed in 2006-7 financial year and they were not reported in those respective years.</p>

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
		Evaluate the Socio impact of INEP	Monitor Coverage Index	Increase by 5%	0% the baseline study to be conducted in 2007/8.
			Consumption Concentration	Increased by 1%	0% the baseline study to be conducted in 2007/8.
			Monitor Reliability of Electricity	90% Plus uptime	The baseline study to be conducted in 2007/8.
			Number of jobs created through provision of infrastructure	5000 new jobs	Actual number of jobs created as at 28 February 2007 is 5255
			Number of learners trained	800 learners	Actual number of learnerships created as at 28 February 2007 is 1389
Private sector participation in the electricity sector		Facilitate Private sector participation	30% of New generation from private sector.	1000MW OCGT in Kwa-Zulu Natal and Eastern Cape tender award	RFP was released on the 7 th April 2006. Due to delay in reaching agreement with Eskom on apportionment of risk, re-negotiation with Eskom only concluded in February 2007. The Bids Submission Date was extended from September 2006 to end of April 2007. The EIA process for both sites is progressing well, and the actual date for Record of Decision is targeted for August 2007
Consolidation of the electricity distribution Industry		Facilitate the restructuring of the EDI	Number of REDs formed	5 additional REDs to be formed by end March 2007	<ul style="list-style-type: none"> The Cabinet approved on 25 October 2006 that six REDs be established as public entities. RED ONE license expired in December 2006. NERSA temporarily transferred the license to CCT for six months until rollout plan for the REDs is established. RED ONE was wound up by City of Cape Town. Busy developing the rollout plan for REDs establishment.



Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
		Monitor, evaluate and oversee the performance of REDs	Financially viable electricity distribution business	Regulation of REDs including monitoring of key performance indicators	Not done. Cabinet decision of the 25 October 2006 that six REDs be established as public entities. RED one was supposed to be monitored, not able to do so as the Shareholder (City of Cape) Town wound up the RED business.
	Security of Electricity Supply	Develop long term plan to meet demand with least cost options and align plan with Integrated Energy Plan	National Integrated Resource Plan	100% Completion	NIRP completion by May 2007.
		Develop an Import Policy	Policy document	100% completion by July 2006	Completion by May 2007
		Develop a contingency plan to deal with current generation challenges	Response Plan	Unforeseen events	Response plan includes: <ul style="list-style-type: none"> • Cogeneration • DSM • LP gas rollout in selected areas
	Orderly and equitable exploitation of energy resources	Development of nuclear policy for the nuclear fuel cycle	Policy Document	100% completion of the document	First draft completed in house-finalised draft to be submitted to Cabinet early 2007
		Promotion of new technologies (e.g. PBMR)	Menu of Technologies	50% complete	PBMR promotion not actioned as PBMR reports to DPE
Review of systems, skills, structures and maintenance thereof	Structures aligned to achievement of objectives	Develop a skills plan to implement the mandate	Revised workplace skills plan		

Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
	Adequate supply of skills to meet the needs of the electricity and nuclear sector.	Implement the Nuclear Sector skills plan	Number of Trainees in the Sector	A minimum of 60 Trainees in Tertiary institutions per Annum. DME to maintain significant percentage of Interns.	Done, 100 students Done, active Interns programme
		Conduct a skills audit in the electricity sector	Skills Audit Report	Complete skills audit	Phase one involving municipal skills for electrification completed. 100 technical officials have been identified for training and placement at municipalities.
	Enhanced Corporate Governance in the Public Entities	Strengthening of Competencies within the Boards of Public Entities	Audit Reports	100% compliance with relevant legislation	
	Compliance to Procedures and all other prescripts Governing the mandate of the Branch	Redefining and documenting of current work practices and processes	Developed and in some instance revised work procedures	60% Completion by Mar 2007.	
Implement Minerals and Energy Economic Policies and Legislation	Internationally competitive prices	Enhance existing pricing policies (Electricity pricing policy)	Overall Policy on Electricity prices	100% completion	Completion by July 2007
		Develop a set of robust regulations to govern the electricity industry	Electricity Regulations	50% of regulations complete (Identify critical regulations and finalise)	Regulations Completed: <ul style="list-style-type: none"> • Licensing and registration • Quality of supply



Strategic Objectives	Outcomes/ Impact	Key Activities	Measures	Targets 2006/2007	Actual Performance As at 31 March 2007
		Promulgation of Annual Regulations required in terms of NNR Act (Act No. 47 of 1999)	Regulation Published in the Government Gazette	2 Regulations as required prior to beginning of Financial Year	Published Regulations * Fees for nuclear authorisations. (not published prior to financial year due to NNR inadequate recommendation) Not published: • Regulations on Financial security for nuclear damage 2006/7 FY- not published as NNR failed to make the necessary recommendation.
		Develop and maintain a legal infrastructure that supports peaceful, safe and secure uses of nuclear energy	Number of Regulations promulgated under the Nuclear Energy Act.	100% Complete	0 % complete Not completed due to incapacity
Redressing past imbalances	Deracialisation and gender mainstreaming of the electricity and Nuclear sectors	Monitoring and evaluation of policies on Free Basic Energy	% Of qualifying beneficiaries have access to free basic electricity	75% of qualifying beneficiaries targeted and receiving FBE	71% Of qualifying beneficiaries have access to free basic electricity
		Increase women participation	Number of females in nuclear sector	5%	
	Broader participation within the electricity sector	Implementation of BEE policies		50% Compliant	The policy was implemented using the draft policy. Finalisation of BEE Policy was pending the harmonisation of the BEE Codes and PPPF Act. The Department will review the draft policy and align it with other Government BEE Policy in 2007/8.

SWITCH ON FUNCTIONS

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

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

For the 2006/07 financial year the department has conducted electrification Switch-On functions in the following areas: - KwaMbonambi Local Municipality (KZN), Greater Tzaneen and Bushbuckridge Local Municipality (Limpopo), Moqhaka, Setsoto and Mangaung Local Municipality (Free State), Nyandeni Local Municipality (Eastern Cape).

As part of its poverty alleviation strategy and social responsibility programme, the department has managed to donate computers, television sets, stoves, fridges, irons, kettles, groceries and educational materials to households and schools.

CONDITIONAL GRANTS

Overview of conditional grants

Schedule 6 and 7: Integrated National Electrification Programme

Province	Total allocation	Total Transfers	Total Expenditure
	R'000	R'000	R'000
Western Cape	53, 332	53, 332	33, 402
Northern Cape	30, 111	30, 111	26, 711
Eastern Cape	285, 505	285, 465	275, 770
Mpumalanga	89, 951	89, 834	61, 090
Limpopo	85, 954	85, 954	80, 817
North West	103, 318	103, 318	108, 793
KwaZulu Natal	245, 606	245, 606	218, 629
Free State	45, 165	45, 165	19, 477
Gauteng	132, 547	132, 547	72, 546
Total	1, 071, 489	1, 071, 332	897, 235



Grid Connections: households, schools and clinics

Province	Households	Households	Clinics	Clinics	schools	Schools
	Connections budgeted	Connections actual	Connections budgeted	Connections actual	Connections budgeted	Connections actual
Western Cape	11, 524	5, 645				
Northern Cape	6, 160	3, 529	1	0	6	3
Eastern Cape	24, 137	22, 308	11	7	196	81
Mpumalanga	11, 419	4, 674			88	19
Limpopo	15, 412	18, 592	8	3	65	27
North West	11, 995	4, 639	1	0	39	19
KwaZulu Natal	36, 940	33, 184	1	0	114	111
Free State	6, 522	4, 204			12	12
Gauteng	36, 811	8, 842	1	0	6	0
Total	160, 920	105, 617	23	10	526	272

NON-GRID SCHOOLS CONNECTIONS

Province	Schools connections	
	Budgeted	Actual
KwaZulu Natal	100	100
Eastern Cape	300	0
Total	400	100

The actual non grid schools connections for Eastern Cape has not been completed due to funds which were transferred on 01 April 2007. The funds were initially planned for the non grid household connections and they were later transferred to non grid schools.

Socio-economic Indicators for the Annual Report for 2006/7 Financial Year

The Total electrification expenditure to date for 2006/7 financial year was R897, 232 million, and about 63% (R560,861 million) of the Total electrification expenditure was utilized on the empowerment of the people of South Africa (See Table below). Out of R897, 232 million, R278, 197 million (31%) was spent on Black Economic Empowerment (BEE) Companies while R63, 369 million (7%) was allocated to Black women Owned Companies (BWO) and R219, 295 million (24%) went to Small Micro and Medium Enterprises (SMME). These figures reflect a positive commitment by the electrification programme towards the socio-economic upliftment of the Historically Disadvantaged South Africans, especially women.

In 2006/7 financial year a Total of 5255 jobs inclusive of 1590 from non-grid electrification of schools and clinics, were created through the electrification programme. This figure exceeds the target of 5217 by 38 and reports on increased number of jobs created are still being received from electrification implementing entities. It is worth noting that the figures are subject to change significantly by a huge margin. The target for learnerships during the 2006/7 financial year was 835. The achieved target to date is 1382. The Table below reflects expenditure patterns for BEE, BWO and SMME for 2006/7 financial year Socio-Economic Indicators for the 2006/7 financial year.

Province	BEE Expenditure to date	BWO Expenditure to date	SMME Expenditure to date	Total BEE/BWO/SMME Expenditure to date
Eastern Cape	77,202,042	7,492,909	53,891,722	138,586,673
Free State	1,058,101	1,428,984	6,196,366	8,683,451
Gauteng	20,943,741	6,402,766	13,413,655	40,760,162
Kwazulu/natal	17,508,215	11,331,864	19,114,856	47,954,935
Limpopo	10,721,285	9,520,640	30,638,128	50,880,053
Mpumalanga	8,426,677	5,414,361	18,807,972	32,649,010
North West	26,347,433	19,643,452	32,706,734	78,697,619
Northern Cape	27,884,114	2,133,693	13,092,612	43,110,419
Western Cape	88,105,244	0	31,432,998	119,538,242
Total	278,196,852	63,368,669	219,295,043	560,860,564

NUCLEAR OBLIGATIONS

Nuclear obligations under the National Nuclear Regulator Act

A Total of four Regulations were promulgated during this reporting period. Amongst these was the Regulation on Safety Standards and Regulatory Practices, which for the first time created certainty and transparency in as far as the nuclear safety standards in the country are concerned. The Minister also appointed a new Board of the Nuclear Regulator with Ms May Hermanus as Chairperson. A challenge was brought against the Minister on a regulation on the Control of development surrounding nuclear installations. The case will be finalised during the next reporting period.

Obligations under the Nuclear Energy Act

The Minister appointed a new Board of Directors for NECSA with Mr Manne Dipico as chairperson. The implementation of the revised and Cabinet-approved nuclear liabilities management Plan proceeded as planned. On radioactive waste, the implementation of the radioactive waste policy and strategy continued with the completion of the draft bill on the Radioactive Waste Management Agency. The Department also participated in a review of a feasibility report on the return of United States origin SAFARI-1 nuclear reactor spent nuclear fuel. This feasibility was conducted to assess the cost and benefits of returning used US origin research reactor nuclear fuel.

In terms of Nuclear Non-Proliferation obligations the accession to the Convention on Physical Protection of Nuclear Materials was submitted to Parliament for ratification. It is expected that it will be completed in the next financial year. A Total of 34 authorisations were issued related to acquisition, possession, transport, use, import and export of nuclear material. All exports were to countries that are NPT State parties and that have Safeguards Agreements with the IAEA. Consent was also given for the registration of one nuclear related patent.



On international obligations, South Africa acceded to the IAEA Joint Convention on the Safety of Spent Fuel Management and the Safety of Radioactive Waste Management. The Minister also signed with the Director General of the IAEA, the Revised Supplementary Agreement in connection with the provision of Technical Cooperation assistance to South Africa by the IAEA.

The implementation of the National Nuclear Disaster Management Plan which was approved in 2005 progressed through the training of DME nuclear disaster management functionaries. The Department continued with the overall supervision over the Koeberg Emergency Plan Steering and Oversight Committee. The Department also established a similar Committee for the Necsa Pelindaba site during this reporting period.

In order to ensure that there are adequate skills in the country, the Department together with industry roleplayers conducted a skills needs analysis during this year. The analysis demonstrated the need to accelerate skills development initiatives in the country. The IAEA conducted training courses in South Africa ranging from the Radiation Protection Course in conjunction with Wits University and a Nuclear Security Course. At the request of the Department, the US Department of Energy also conducted a workshop on Radiation Transport Risk Assessment. As part of the strategy to attract and retain skills, the Minister launched the South African Young Nuclear Professional Society during this financial year. This is a youth formation aimed at ensuring that skills are transferred from the older generation of experts to the younger generation. The Department's nuclear internship programme registered a number of successes with the majority of the interns gaining fulltime employment in the nuclear sector.

Sub Programme	Outputs	Performance measures	Target	Actual
Nuclear 2006/7	Regulations required under the NNIR Act (Act 47 of 1999)	Published regulations	All required regulations	Published Regulations : * Prescribed contents for an annual public report on safety * Safety standards & regulatory practices * Prescribed manner of keeping a record of persons in accident defined area * Fees for nuclear authorisations (not published prior to financial year due to NNR inadequate recommendation) Drafted regulations still to be published: Format for application of a Certificate of Exemption Not published: * Regulations on Financial security for nuclear damage 2006/7FY - not published as NNR failed to make the necessary recommendation Training of functionaries completed Establishment of Necsa Steering Committee completed Annual report on nuclear liabilities completed
	Implementation of National Nuclear Disaster Management Plan	Trained DME functionaries Established Necsa Emergency Plan Steering & Oversight Committee (EPSOC)	DME functionaries trained Established EPSOC	
	Implementation of Nuclear Liabilities Management Plan	Annual report on liabilities discharged including expenditure	Implemented Plan & Annual Report submitted to Minister	
	Conduct feasibility study on the research reactor spent fuel take back programme	Feasibility report and recommendation on way forward	Completed report	Report reviewed & referred back to Necsa to address issues



Sub Programme	Outputs	Performance measures	Target	Actual
	Nuclear security	Implementation of revised nuclear security framework Develop database of key role players in supply of nuclear material & technology Update database Introduce Design Basis Threat (DBT) into regulatory framework Revision of physical protection measures in line with DBT	25% complete 50% complete - 60% complete -	0% complete Design Basis Threat (DBT) document not yet established 100% completed Updated 0% complete DBT document not yet established DBT document not yet established
	Develop a Nuclear Policy for the nuclear fuel cycle	Policy document	100% completed	First draft completed in house – finalised draft to be submitted to Cabinet early 2007
	Promotion of new technologies (e.g. PBMR)	Menu of technologies	50% complete	PBMR promotion not actioned as PBMR reports to DPE
	Implement nuclear sector skills plan	Number of trainees	Minimum of 60 trainees in tertiary institutions Intern programme	Done, ~100 students Done, active Interns programme
	Develop and maintain a legal infrastructure That supports peaceful & secure use of nuclear energy	Number of regulations promulgated under the Nuclear Energy Act	100% complete	0% complete Not completed due to incapacity
	Increase woman participation in nuclear sector	Number of females in nuclear sector	5%	Target achieved

PROGRAMME 7: ASSOCIATED SERVICES

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

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

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

1. THE MINE HEALTH AND SAFETY COUNCIL (MHSC)

Mine Health and Safety Council functions in terms of the Mine Health and Safety Act (No 29 of 1996), to advise the Minister of Minerals and Energy on OHS legislation and research outcomes focused on ameliorating and promoting occupational health and safety at South African mines. During the period under review the Council posted a surplus of R5.7m (2005: Surplus of R13.8m), which is committed to research contracts entered into, but not yet commenced.

Achieving the OHS targets relating to the elimination of silicosis and NIHL, as determined by the industry at the 2003 MHSC Summit, still remains a major challenge which will continue to occupy the MHSC. The 2005 MHSC Summit evaluated the achievements on the targets to date.

Policy and Regulatory activities

The MHSC has provided advice to the Minister on the process to revise the regulatory framework for the South African mining industry. The following regulatory mechanisms were promulgated:

- mines are required to report additional information on occupational hygiene personal exposure such as dust, noise and heat.
- provide miners with an alternative access way to prevent miners from getting trapped in underground workings in the case of an emergency.
- focuses the design, installation, maintenance and authorisation of persons to safely operate scraper winch, mono rope and lifting equipment.
- guidelines for a mandatory code of practice to prevent fall of ground and slope instability in surface and underground mines. The MHSC approved a guideline for a mandatory code of practice for the safe design and operation on monorails and issued by the DME towards the end of 2005.

Research programme and outcomes

The overall cost of the research programme approved by the Minister, has increased by approximately 10 per cent, from R35.9 million in 2005 to R39.6 million in 2006. The nature and content of the 2005/6 Annual Research Programme focused on achieving the milestones with several long-term programmes undertaken to ensure continuity of research focus on:



- ongoing projects that aim to ameliorate rock falls by the piloting of more effective support systems and to include a long-term programme to manage rock burst risk;
- the strengthening of the technology transfer facility (Savuka) for the purpose of realising the potential benefits of past research.
- the elimination of silicosis project
- the mass prophylaxis for TB control (R4 million plus R70 million co-funded by the Bill and Melanie Gates Foundation)
- a major initiative under way to address the control of noise generation of mining equipment, especially rock drills in hard rock mines (provisionally at R30 million)
- the development of an industry-wide database to assist in risk assessment and the prevention of Noise Induced Hearing Loss (NIHL)

Occupational Health and Safety

Given the achievements to date in both areas of Silicosis and Noise Induced Hearing Loss, it is clear that efforts to achieve the milestones set for 2008 will have to be accelerated. Specific information on what is going on in industry need to be collected in addition to what the MHSC is doing.

On Safety - the industry targets are that improvement should be at 20% per annum to bridge the gap with what is happening internationally. However, the gold sector is lagging behind other sectors in the industry.

2. MINERAL TECHNOLOGY RESEARCH (MINTEK)

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

As a result of the unprecedented global commodities boom, Mintek is seeing a strong demand for its technologies and services. Africa remains a major producer of the world's most strategic minerals, and although relatively under-explored, accounts for a significant portion of the world's reserves, making it a highly attractive destination for exploration and mining investment.

Technical highlights

As a result of the upswing in the uranium market, Mintek has re-established itself as one of the country's foremost uranium test-work facilities, which complies with all the requisite permitting and regulations. Mintek played a significant role in the development and optimisation of the Dominion uranium project, South Africa's first new uranium producer in 25 years, as well as the Langer Heinrich project in Namibia. Both these projects began production in the year under review. Further work is being undertaken for uranium projects in South Africa, as well as Namibia, Malawi, the Democratic Republic of the Congo (DRC), and West Africa.

Exceptional growth has also been experienced in the piloting of copper, nickel, and cobalt recovery circuits for projects in southern and central Africa, with major campaigns completed for the Nkomati Nickel expansion in South Africa, and the Kalukundi and KOV projects in the DRC.



A bilateral agreement for general nano-scale R&D collaboration is being finalised with Japan's National Institute for Materials Science (NIMS).

Mintek played a prominent role in developing the cyanide code, which is now being maintained by the International Cyanide Management Institute (ICMI). Mintek is continuing its involvement as an auditor of gold mines in Africa in order to minimise the impact of cyanide on health and the environment. The new Cynoprobe and WAD Cynoprobe instruments, which are used for measuring cyanide concentrations in plant and environmental samples to minimise the discharge of cyanide into the environment, have been rapidly adopted by the gold mining industry world-wide.

Mintek is frequently called upon to support strategy and policy issues at all levels in South Africa, including participation in the New Partnership for Africa's Development (NEPAD) and the African Mining Partnership (AMP), through research into broad-based economic development issues around mining and minerals. A facilitation centre is being set up to assist government and industry, particularly small and medium-scale mining companies, to understand the impact of the European Union's REACH legislation on the movement of chemicals. A major project was undertaken on water-efficient processing technologies for the PGM industry in the water-scarce Limpopo Province, where a large number of potential new platinum mines are being developed.

Artisanal and Small-Scale Mining and Beneficiation

Mintek is growing its capacity to lead and support multiple initiatives in small-scale mining and beneficiation, and is well positioned to lead projects that will benefit economies on the African continent and support government initiatives to create employment in mining, manufacturing, and agriculture at the local and rural levels.

During 2006, a strategic marketing plan was formulated for the national and international craft market segments. A pilot plant was installed in Limpopo Province to manufacture soil ameliorant, and major field trial studies were commissioned at three centres. Nearly 800 artisanal and small-scale operators were trained in aspects of mining and beneficiation at Mintek and at satellite sites throughout the country. Projects on gypsum and gold were carried out in Nigeria and Tanzania respectively, and Mintek participated in the planning of the CASM (World Bank) technical annual conference in Madagascar.

Kgabane Jewellery Training

The jewellery training programme focuses on the manufacture of jewellery in South Africa, using indigenous skills and traditional designs. It also provides manufacturing and marketing support, as well as training, to poor rural and urban communities. The beneficiaries are women, the disabled and young people. New jewellery workshops were set up at Steelpoort (Mpumalanga), Botha's Hill and Mapumulo (KwaZulu-Natal), Mafikeng, Kuruman, Klerksdorp, Hoedspruit, and Groblersdal, and eight existing workshops were upgraded. Mintek also facilitated a platinum casting exhibition, in conjunction with the DME and Lonmin Platinum, at the bi-annual Electra Mining exhibition.

Science, engineering and technology (SET) promotion and development

Mintek provided engineers and technicians with intensive practical training through two important programmes, EngTrain and TechTrain, following the completion of their theoretical studies. These programmes enable engineers and technicians to gain a year's credit towards their PrEng qualification, and technical students to fulfil their diploma requirements. During 2006, five trainees from the MQA's Graduate Development Programme and 45 in-service trainees received training at Mintek.



3. ELECTRICITY DISTRIBUTION INDUSTRY HOLDINGS (EDIH)

EDI Holdings' performance in the financial year under review has been met by a plethora of challenges and constraints; despite this prohibitive climate the 2006/7 year clearly illustrates the determination of the organisation to provide leadership when faced with uncertainty, and to demonstrate the tremendous persistence it takes in ensuring that the benefits of the restructuring are realised. The restructuring of the Electricity Distribution Industry continues to be hampered by the lack of enabling legislation as well as inadequate funding for restructuring programmes and projects.

This performance report provides an overview of performance for the year under review, and pays particular attention to highlights of the year ended March 2007. The highlights detailed below are reflective of projects and milestones in the restructuring journey that have been successfully initiated and/or concluded in the past year.

Highlights

The RED establishment environment looks substantially more promising; the constraints that have caused the EDI Restructuring journey to be somewhat protracted to date, are well on their way to being resolved. The funding constraints have been resolved through the Multi Year Pricing Determination (MYPD) of R1,2bn as approved by the National Energy Regulator of South Africa (NERSA) in February 2006. Funding has been released to EDI Holdings and as a result multiple projects have been initiated and resuscitated. The constraints posed by the absence of enabling legislation are being addressed in the development of the EDI Restructuring Bill.

A Human Capital framework was developed for RED1 as a model for all the REDs, with specific grounding on RED specific Human Capital strategy, Change Management plan for REDs, a full menu of Human Capital policies, procedures and management resource kit; and operational REDs specific Labour Relations structures.

There are multiple challenges that lie ahead in the creation of REDs, however the EDI Holdings team, has consistently proven its resilience and its ultimate commitment to the realisation of the restructuring benefits.

4. THE COUNCIL FOR GEOSCIENCE (CGS)

The Council for Geoscience (CGS) was established in terms of the Geoscience Act (Act 100 of 1993), in order to promote mineral exploration and mining in South Africa, and to further research in geoscientific fields through amongst others geoscientific mapping.

Multi-National Collaboration

Compilation of SADC Geological Map

The compilation of the Council for Geoscience seamless geological map for SADC countries is very close to completion. This represents a bench mark geoscience product for the region and will contribute considerably in terms of mineral and groundwater exploration. The product shows the value and importance of geoscience organisations working in collaboration on a common geoscience theme. The map will be published in the 2007/8 financial year.

The Karoo Basin Correlation project

A collaborative geological program has been initiated between the Council for Geoscience, and the Botswana and Namibian Geological Surveys. The program involves the correlation of the Karoo rocks and could have important economic implications for the countries involved, as these rocks hosts a variety of minerals such as coal, industrial minerals and diamond-bearing Kimberlites. The project will also look at the ground water potential in these rock formations.

Stratigraphic correlation between the Karoo Supergroup of South Africa and the Gondwana Sequence of India

The South Africa-India Karoo correlation project will produce, in cooperation with the Geological Survey of India, a detailed correlation between the Karoo Supergroup of South Africa and the Gondwana Sequence of India in order to evaluate potential economic deposits, particularly of coal, of which both countries are dependent for power generation and for use in steel manufacture. Correlation of the Karoo-Gondwana strata will assist in identifying new exploration opportunities for other commodities such as uranium and heavy minerals, and will improve our understanding of Southern Hemisphere coal. This is the first attempt to correlate Karoo-type strata between East and West "Gondwanaland".

Exploration and Mineral Resources Development in South Africa

As part of a program to increase exploration activities in South Africa's mining industry and thereby contribute to accelerated economic growth of South Africa, the Council for Geoscience will expedite its geoscientific survey programs in respect of airborne geophysical and geochemical survey programs. The programs, which aim at identifying mineral target areas, have already borne fruit and a number of mineralized targets have been identified.

The CGS has also embarked on the assessment of South Africa's mineral resources. The project will provide the country with a proper base line of remaining resources in the country. The information generated will provide critical information on the future of the mining industry of South Africa.

Location of seismic events

As part of its mandate the Council for Geoscience continued to monitor seismic (earthquake) events in the country on a 24-hour basis. The Council for Geoscience upgraded the National Seismic Network System, part of which will be linked to the International Indian Ocean Tsunami Early Warning System.

Water ingress and pollution associated with gold mining in Gauteng

The project to address water related environmental legacies associated with more than 100 years of gold mining in the greater Gauteng area has progressed satisfactorily. The aim of the project is to, amongst others, reduce the ingress of surface water into mine workings in order to reduce pumping subsidies paid by government to certain mines. The project also aims at addressing the impact of decanting polluted mine water. In this regard preliminary recommendations in respect of necessary geohydrological models and recommendations have been finalized. During the current year, the DME, DST and Council for Geoscience will be commencing with a study on apportionment of liability to polluting mines.



The development of rare geoscience skills in South Africa

As part of the process of addressing shortage of rare skills, the CGS in collaboration with the Penn State University and Wits University has initiated a project known as the African Array. The project aims at establishing an interlinked seismic network on the African continent and will provide an opportunity to train young South Africans in the field of geophysics. In addition, during the past year, the CGS started a field geological mapping school, which aims at enhancing geological mapping skills of new geology graduates.

5. NATIONAL NUCLEAR REGULATOR (NNR)

The NNR was established in terms of the National Nuclear Regulator Act (Act No. 47 of 1999). Its mandate is to protect people, property and the environment against the harmful effects of ionizing radiation arising from the usage of radioactive material in the country.

During the reporting period, the NNR Board approved the proposed structure of the NNR as part of the overall restructuring process. The restructuring of the NNR is geared to appropriately respond to the challenges of an expanding nuclear industry so that the Regulator is better able to exercise its oversight function and also be able to build and maintain its technical capacity, notwithstanding competition for skills within the industry.

Retention and attraction of skilled personnel has continued to be a challenge for the Regulator in the year under review. It is expected that this challenge will continue in the next few years as a result of a strong economic growth. As a matter of priority, the NNR has proactively engaged in strengthening its in-house capacity, identifying strategic initiatives that will enable it to develop the technical expertise of its human resources, and also enhancing its ability to attract and retain scarce talent.

The NNR continued to work with international regulators and in this respect has signed a bilateral agreement with the Argentine Nuclear Regulatory Authority (ARN). This agreement allows for exchange of technical information and personnel between the two regulators. A number of agreements with other international regulators are currently under review and will be renewed before the end of the 2007/08 financial year.

Over the past few years, there has been a continuous downward trend in the number of workers exposed to doses higher than regulatory limits as a result of mining operations. During the previous financial year, over-exposure stood at 8 workers. The number of over-exposed individuals for the year under review is 2. The facility in question was directed by the Regulator to discontinue operations until corrective actions were taken. Whilst there was a decrease in the number of over exposures, it is not acceptable that there are still workers exposed to radiation above the regulatory limits. The NNR will continue enforcing standards and regulations to ensure that no over-exposures occur in facilities under authorisation.

*Regulatory enforcement actions taken by NNR**NNR regulatory self-assessment*

As part of the need to ensure that the NNR employs international best practice in its processes, it conducted a self-assessment on its regulatory infrastructure and practices, based on the International Atomic Energy Agency's Integrated Regulatory Review Service (IRRS) guidelines. The review highlighted recommendations for improvements and implementation will commence in the 2007/08 financial year.

During the year under review, the NNR took certain actions to enforce the legislation and its requirements.

Closure of non-complying mines by the NNR

Two mines were directed to discontinue operations as a result of their failure to comply with regulatory requirements and conditions of their authorisation. These facilities were ordered to shut down as continued operation would have compromised the safety of the workers from high levels of radiation due to radon. The mines were allowed to restart operations once compliance with regulatory requirements was achieved.

Enforcement action on a ship carrying radioactive material which docked without authorisation

A ship carrying Uranium Oxide, docked at the Durban Harbour without authorisation from the NNR in September 2006. The NNR immediately despatched an inspector to inspect the cargo and ensure that it was under safe conditions. The NNR instituted legal proceedings to have the company prosecuted for breach of the National Nuclear Regulator Act. The ship was subsequently impounded and the company successfully prosecuted.

6. THE SOUTH AFRICAN NUCLEAR ENERGY CORPORATION (Necsa)

Necsa during the past year gave attention to its strategic positioning against the background of the revival in the nuclear industry. This focused attention to the following two issues: assessing the extent of SA's potential involvement in the nuclear fuel cycle industry to provide Government with technical advice for the development of the new Nuclear Energy and Technology Strategy, and refocusing Necsa on its nuclear R&D mandate and reinvestment in this capacity.

At the heart of Necsa's activities lies the obligation to adhere to its nuclear R&D mandate as iterated in section 13 of the NEA. To initiate the regeneration of its nuclear R&D activities, the organisation was reconfigured according to best international practice. Necsa also expanded its portfolio of R&D activities by re-establishing a nuclear fuel cycle development group as well as a biosciences programme.

Collaboration with other local and foreign science and technology institutions aimed at leveraging R&D output is important for Necsa and the organisation entered into a number of agreements of which the following can be highlighted:

- An agreement with the Joint Institute of Nuclear Research (JINR), Dubna, Russia. The collaboration will be within the fields of neutron scattering and neutron activation analysis. The collaboration includes scientific visits, the introduction of new technologies at both institutes, as well as training of young South African scientists and technicians in the Russian Federation.



- Entering into an agreement with PBMR to coordinate and prioritize nuclear fuel research and development projects as well as the establishment of suitable expertise to be able to run sustainable R&D programmes

Human resource development

The introduction of a strategy to retain core technical staff brought more stability to the technical programmes and Necsa's turnover of technical staff declined from 22% in 2005/06 to 3% for 2006/07. Necsa's technical staff increased by 14%. In 2007/08 Necsa will focus on enrolling additional high level nuclear researchers and engineers.

The progress and sustainability of Necsa and the local nuclear industry requires addressing the challenge of developing a new generation of core nuclear scientists and skilled technical professionals. During the past year Necsa achieved its corporate target to spend 3, 5% of personnel budget on training and studies. Necsa also continued its involvement with learner ships and post-doctoral schemes and took over the management of the South African Nuclear Human Asset Research Programme (SANHARP). This is a bursary scheme provides for the training of science and engineering students and a Total of 175 students were enrolled to the scheme by the end of the 2006/07 financial year.

Necsa, as a nuclear institution is obliged to maintain high safety, health and environment standards. During the year under review, Necsa achieved all its SHE targets and no National Key Point security lapses were reported. This confirms that the investment in the upgrading Necsa's security system is successful.

During 2006/07 Necsa made good progress in laying the foundation to redirect and regenerate the organization to support the Government's future nuclear programmes and to exploit the significant opportunities in nuclear medicine, nuclear industrial applications and the biosciences field.

7. SOUTH AFRICAN DIAMOND BOARD (SADB)

The South African Diamond Board was established in 1986 in terms of the Diamonds Act, Act 56 of 1986. The SADB's main objectives include:

- a. Ensuring that the Diamond Resources of South Africa are exploited and developed in the best interest of South Africa
- b. Promoting sound development of diamond undertakings in South Africa, and
- c. Stopping the flow of "conflict diamonds" to the markets while protecting the legitimate diamond trade in accordance with the Kimberley Process as stipulated by the United Nations Security Council.

The implementation of the Diamond Amendment Act, the Second Diamond Amendment Act and the Precious Metals Act will usher in a more representative South African Diamonds and Precious Metals Regulator to replace the South African Diamond Board. The Diamond Exchange and Export Centre also to be introduced will monitor the export of diamonds, whilst the State Diamond Trader will make diamonds available solely to the diamond beneficiaries.

Kimberley Process Certification Scheme

The current country membership to the KPCS is forty five (45). Bulgaria and Romania have also joined the KPCS under the European Community umbrella.

South Africa together with Canada and the European Community facilitated a Technical Workshop for Alluvial Diamond Producers in February which South Africa hosted. African participants, the USA and Brazil attended.

Bilaterals

The SA Diamond Board was involved in bilateral talks with the Russian Embassy, The Vietnam embassy, the Democratic Republic of Congo as part of the Department of Minerals and Energy's technical team.

8. NATIONAL ELECTRICITY REGULATOR (NER) and NATIONAL ENERGY REGULATOR OF SOUTH AFRICA (NERSA).

NERSA is the regulatory authority established in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004) with the mandate to... "undertake the functions of the National Electricity Regulator as set out in the Electricity Act, 1987 (Act No. 41 of 1987), undertake the functions of the Gas Regulator as set out in the Gas Act, 2001 (Act No. 48 of 2001), undertake the functions of the Petroleum Pipelines Regulatory Authority as set out in the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) and to perform such other functions as may be assigned to it by or under these Acts".

NERSA's key functions are:

- Issuing of licences with conditions;
- Setting and/or approving tariffs and prices;
- Monitoring and enforcing compliance with licence conditions; and
- Dispute resolution including mediation, arbitration and the handling of complaints.

NERSA took on the regulation of the electricity industry on 17 July 2006 after the Minister of Minerals and Energy gazetted as such, as prescribed by the National Energy Regulator Act, 2004 (Act No. 40 of 2004). Among the highlights for the year under review, were: the Western Cape power outages report that was finalised and submitted to the Minister of Minerals and Energy; the submission to the Parliamentary Portfolio Committee on Minerals and Energy regarding the viability of the establishment of the National Regional Electricity Distributor (RED); a technical and economical evaluation of the MethCap license application for a cogeneration plant with send out capacity of 3.86 MW concluded and approved; finalisation of the first consultation paper for the next Multi-Year Price Determination process for the period 2009 to 2012; the final report of the Independent Technical Audits of the first eleven (11) Electricity Distributors was submitted.

With regards to the regulation of the piped-gas industry, NERSA developed rules regarding the processing of license applications. One hundred and ninety five (195) gas distribution, two (2) gas transmission, and one hundred and ninety six (196) gas trading licence applications were received in terms of the Gas Act. NERSA issued its first piped-gas licence on 1 September 2006. This was a distribution construction licence for the Roodekop area, issued to Sasol Gas Ltd. This licence is valid for 18 months, commencing 1 September 2006. Seven gas distribution construction licences were also issued, adding 10 MGJ gas sales by Sasol at a capital investment of approximately R40 million.



With regard to the petroleum pipelines industry, the main highlights were that NERSA developed rules regarding the processing of license applications. Sixty (60) licence applications have been received in terms of the Petroleum Pipelines Act. Petroleum Pipeline construction licences were awarded to Chevron Alrode and Chevron Waltloo. Approval of the Petroline license for the construction of a new petroleum pipeline from Maputo to Kendall and storage facilities; approval of one (1) Petronet pipeline system, one (1) Petronet storage facility, three (3) Sasol Oil storage facility, thirteen (13) Shell storage facility and nineteen BP storage facility licenses; and the setting of Petronet tariffs at the prevailing level taking into account the 8% volume growth.

9. CEF (PTY) LTD (CEF)

CEF, incorporated in terms of the Central Energy Fund Act, is mandated by the South African government to engage in the acquisition, exploration, generation, marketing and distribution of any energy form and to engage in research relating to the energy sector.

During the year, crude oil prices averaged \$64,1/bbl (2006: \$58,6/bbl) and the Rand weakened against the Dollar to R7,0/USD (2006: R6,38/USD). These factors had a positive impact on group revenues as a large portion of group revenues are Dollar denominated. The volatile crude oil price had a very positive effect on the demand for crude oil storage space and a knock-on effect was the increased demand for pollution control measures in Saldanha Bay. The trading environment, however, had a negative impact on input costs at PetroSA.

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

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

Security of Supply

The CEF Group has been active in a number of arenas concerning the security of supply of hydrocarbon fuels. Opportunities have been identified to continue the supply of gas to the Mossel Bay Refinery. These plans will be implemented after financial sustainability studies are complete. PetroSA is looking at the future production of liquid fuels from gas and coal in South Africa, and options are being studied in detail. The technology developed (Low temperature Fischer-Tropsch) at the Mossel Bay refinery can be used in all of the future coal or gas to liquid opportunities.

iGas (Sasol and the Mozambican Company) will be upgrading the Rompco pipeline to bring further Mozambican gas to South Africa. Some of this gas will be processed by Sasol in the Secunda refinery to form diesel and gasoline. This will occur in 2009 to 2010. If further gas is available in Mozambique the upgrades will continue from 2011 to 2015, when the gas pipeline will have reached its capacity. This gas will replace some liquid fuels and, in some instances, coal usage in the South African market.



The CEF Group (PetroSA, iGas and CEF) is preparing the relevant plans (engineering, legal and commercial) to enable a final investment decision, for an LNG Terminal and a 1600 MW Independent Power Producer Closed Cycle Gas Turbine at Coega, in the first quarter 2008. There is a reasonable chance that in 2010 this plant can operate first with liquid fuel.

There exists a potential to supply coal bed methane to more localized markets. This potential is presently being evaluated on a practical level, with the greatest chance of success being first in the Waterberg coal bed methane area. Thereafter the linking, by either gas pipelines or/and electricity transmission lines of the Botswana coal bed methane potential will add to a more regional energy sharing.

SFF has identified opportunities for strategic storage of oil and white products. This strategy is linked with the future import of white products and the creation of other centres of storage, such as at Coega, which will alleviate the long term bottle necks for white products at the Durban Harbour. The relevant refurbishment and construction can be completed within two to three years. The DME is co-ordinating the strategic stock issues with the relevant industries.

Import of liquid fuels can be handled adequately by the CEF Group for specific areas.

NEPAD Activities

The areas of co-operation by CEF within NEPAD are significant. PetroSA is engaged in oil and gas joint ventures, with a number of countries in Africa. There are future commercial opportunities with Angola's LNG production. There will also be future NEPAD LNG trading opportunities. The Mozambique to South Africa gas pipeline owned by iGas, the Mozambican Company CMG and Sasol, is the first large NEPAD cross border hydrocarbon energy project. The Mozambique gas is presently being used in a number of South African businesses. The construction and operation of pipelines will offer further opportunities for South Africa and the country needing such infrastructure.

CEF has established the National Energy Efficiency Agency to oversee the implementation of energy efficiency projects, thus lowering the cost of energy.

Activities this year led to an enhanced its regional co-operation arrangement with Namibia and Mozambique. The arrangement involves the storage and sharing of technical data relating to seismic activity. The three countries also co-operate closely in National Shelf Claim projects.

CEF has been very instrumental in the Bio-fuels Strategy initiatives.

Skills development

The Group continues to focus on investing in science, mathematics, technology and engineering studies, with primary beneficiaries coming from previously disadvantaged communities.

One of the focal areas for the year was to build internal Clean Development Mechanism expertise which will place CEF in a position to take advantage of the significant opportunities which we believe will realise in this area.

More than R50m has been invested in the building of schools, bursaries, technological and engineering studies at local and international institutions of higher learning. Another area of focus this year was the installation of internet-enabled computers in rural schools, mainly in the impoverished homelands of Limpopo and the Eastern Cape.

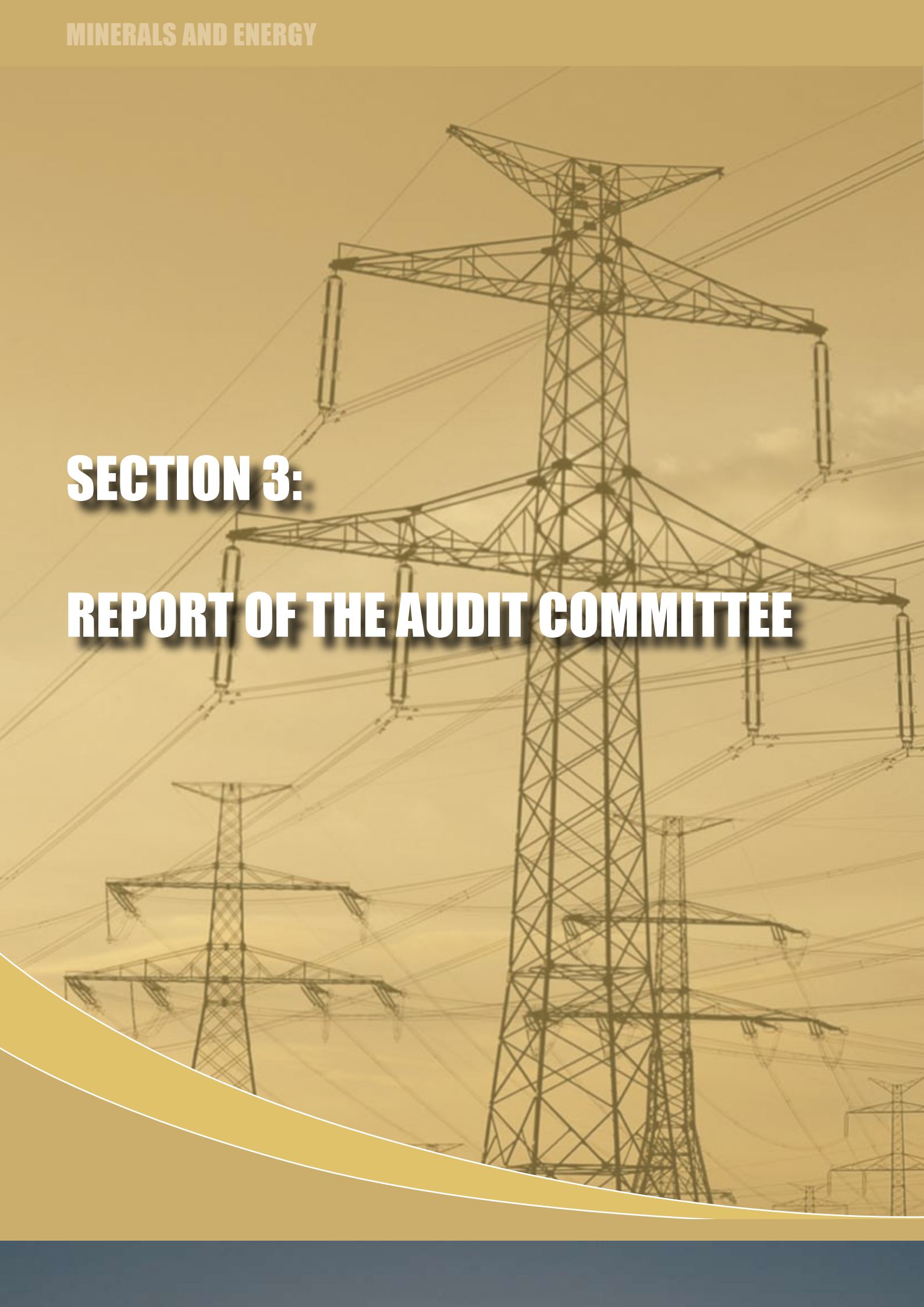


Research and development

CEF is responsible for stimulating a culture of innovation in energy Research and Development. Through various initiatives, CEF procures research from others, facilitates co-operation in the research community, commercialises innovation, and disseminates R&D results.

SECTION 3:

REPORT OF THE AUDIT COMMITTEE





Vote 30
Report of the Audit Committee
for the year ended 31 March 2007

We are pleased to present our report for the financial year ended 31 March 2007.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

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

Name of Member	Number of Meetings Attended
S Sithole (Chairperson)	5
EH Heyn	4
S Titus	2
DP van der Nest	4

AUDIT COMMITTEE RESPONSIBILITY

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

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

THE EFFECTIVENESS OF INTERNAL CONTROL

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



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

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

EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

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

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

Chairperson of the Audit Committee

Date: 28 August 2007

SECTION 4:

ANNUAL FINANCIAL STATEMENTS



CONTENTS

Report of the Accounting Officer	87
Report of the Auditor-General	102
Accounting Policies	106
Appropriation Statement	114
Detail Per Programme	116
Notes to the Appropriation Statement	124
Statement of Financial Performance	127
Statement of Financial Position	128
Statement of Changes in Net Assets	129
Cash Flow Statement	130
Notes to the Annual Financial Statements	131
Disclosures Notes to the Annual Financial Statements	139
Annexures	145



Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA.

1. GENERAL REVIEW OF THE STATE OF AFFAIRS

The commencement of the licensing under the Petroleum Products Amendment Act has given us leverage to begin to deal effectively with the transformation of the liquid fuels sector. It has become clear to us with the best of intentions real change can only come with proper legal mandates. During 2006, regulations under the Petroleum Products Amendment Act were promulgated. A licensing system for all petroleum activities was developed through the assistance of the Norwegian capacity building program (NORAD). In the first 6 months of operation, 12 040 licence applications were received which are now being processed and the implementation of the 'Petroleum Pipelines, Gas and the National Energy Regulator Acts', started in the latter part of 2005.

The Petroleum Product Acts Licensing System (PPALS) is being implemented with the establishment of the petroleum licensing and monitoring unit and the capacitating of the regional offices to deal with the licensing activities.

The shortages of fuel and electricity in 2006 highlighted the need for better planning in South Africa and the need for the formulation of better contingency and emergency plans. The Moerane Commission was constituted to investigate the fuel supply crisis, task teams were constituted to plan and understand supply constraints and patterns; the strategic stocks policy was also reviewed. The department is currently looking at implementing the recommendations of the Commission.

The Electricity Act came into effect on 1 August 2006. Electricity regulation by local authorities will be legislated separately during 2007 through the Electricity Regulation Amendment Bill. The draft National Energy Bill is currently under development. The bill introduces measures to promote the uptake of renewable energy, improve energy efficiency, address climate change and increase the use of environmentally-friendlier technologies; thus aligning South Africa's energy sector with international best practice.

The department continues to focus on building new bulk infrastructure; the refurbishment and rehabilitation of the existing electricity distribution infrastructure at local municipalities to ensure the reliability of supply and to accelerate the rate at which households are being electrified in order to achieve universal access by 2012.

In October 2006, Cabinet approved that Independent Power Producers (IPPs) build 1600 MW of base load power plant(s) in COEGA. Progress on the New Generation Capacity Project is on course having completed the Environmental Impact Assessment (EIA) studies, site assessments and selection studies and the issuing of a tender to short listed candidates. The minor delays that were previously encountered during the negotiation process will not have an adverse impact on the overall project timeframes.

The electricity distribution industry restructuring aimed at streamlining the sector and improving efficiency in service delivery continues. The restructuring process will result in a Total of six independently owned Regional Electricity Distributors (REDs) constituted as public entities and anchored by the six Metropolitan municipalities. Cabinet approved the final boundaries of REDs in November 2006. This is a significant milestone and forms the basis of electricity distribution industry restructuring. A business plan for the implementation of the six wall-to-wall REDs is now being developed.

A Bio-fuels Task Team was constituted to assist in developing a bio-fuels strategy, which will further assist the country with the development of cleaner and renewable transport fuels. The Energy Efficiency Accord, which the department



Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

has signed with a number of departments, will assist in promoting and increasing energy efficiency in public buildings, associated institutions and related private sector companies. The department remains involved in international negotiations on sustainable development, to follow up on the implementation of the Johannesburg Plan of Action and climate change issues on the implementation of the Kyoto Protocol.

Having developed the Nuclear Policy for South Africa, the Department is in the process of developing a Nuclear Strategy. Actions to implement the Radioactive Waste Management Policy & Strategy approved by Cabinet at the end of 2005 have commenced. The department has formally invited nominations to the National Committee on Radioactive Waste Management and the drafting of the bill on a National Waste Management Agency has commenced. The National Nuclear Disaster Management Plan was completed and approved in August 2005 and training of DME functionaries must still be done to ensure implementation of the Plan.

Significant progress has been made in the publication of important regulations under the NNR Act, amongst them regulations on safety standards and regulatory practices and regulations prescribing the content of an annual report on safety in the nuclear industry. The annual financial report to the Minister has indicated that the institutional obligations of the Minister regarding decommissioning and decontamination of nuclear facilities has been executed as per the approved programme and that the expenditure is accounted for.

During the reporting period the Mine Health and Safety Inspectorate underwent a restructuring process aimed at improving service delivery. All policy issues will be dealt with by a dedicated Chief Directorate, and all issues relating to occupational health and safety will be dealt with by a Specialist Unit.

The department has continued with the implementation of the MPRDA as a contribution towards deepening the transformation agenda. The capacity of the Mineral regulation branch to deliver on its mandate has been assessed and allocated 28% of the department's budget (excluding transfers) in this reporting period. The results of this intervention have borne some fruits as we eradicated the much talked about backlog in the processing of licence applications, in September 2006. The focus is now on enforcement activities to monitor the permit holders' discharge of their environmental management obligations as well as the social and labour plan commitments. In the next financial year we will be bringing certain amendments to the MPRDA to parliament, aimed at further streamlining the processing of applications.

Both the Diamond Amendment Act and the Precious Metals Act have created an enabling environment for the beneficiation of the country's mineral resources by broadening access to both rough diamonds and precious metals. The newly established Beneficiation Economics Directorate started to find its feet by continuing the support to existing jewellery and other emerging projects. Currently, the Directorate is developing a methodology of supporting new jewellery fabrication projects. Little progress was achieved in workshops that were conducted with the industry aimed at reaching consensus on baseline beneficiation levels. However, recommendations were made and incorporated into the Mineral and Petroleum Resources Royalty Bill that has been published for public comment.

To further encourage beneficiation of South Africa's mineral resources the department has entered into a series of discussions with the mining companies to define minimum beneficiation levels above which mining companies are to derive benefits if they encourage beneficiation to happen in the country. This is currently confined to the top ten strategic mineral commodities produced in the country.

The amendment of the Diamond Acts, the second amendment of the Diamond Act and the Precious Metals Act were promulgated and are expected to be implemented during 2007/08 with the listing of the State Diamond Trader and the Precious Metals and Diamond Regulator.



Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

Considering the extent of environmental damage caused by mining in South Africa, the Department has entered into a five-year agreement with the CSIR, Council for Geoscience and Mintek to find long-term solutions for rehabilitation and environmental management. The need for a national strategy for dealing with derelict and ownerless mines is evident in the more than 8 000 entries made in the database for derelict and ownerless mines in South Africa. A ranking system has been developed to prioritize the rehabilitation of these mines and a dedicated Geographic Information System, an environmental decision-making and environmental auditing systems have been finalized to strengthen environmental enforcement. These systems will be integrated with the existing National Mining Promotion System (NMPS).

In response to investor perceptions expressed in the media stating that the laws and policies governing this sector are not conducive for investment and hence the low growth of numbers of investors, the Department has undertaken road-shows overseas to understand and respond to the concerns of the stakeholders. The results of the road-shows were very positive and I remain convinced that the international and local community are committed to the transformation agenda of this country.

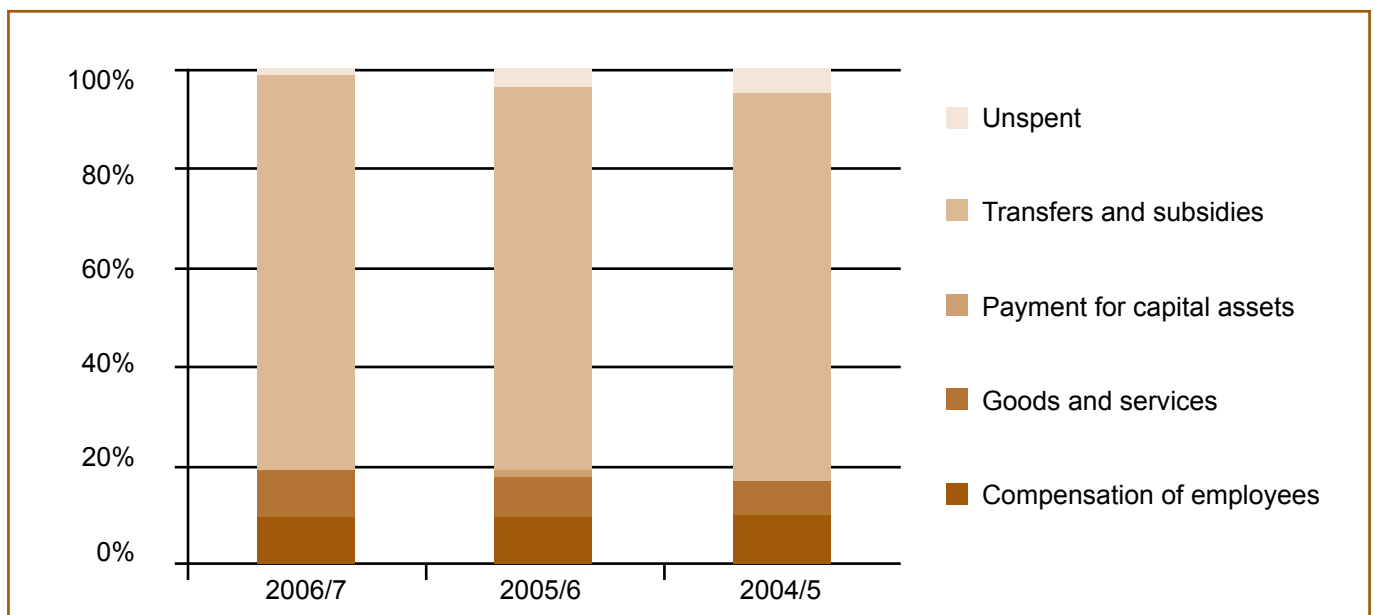
Approximately 70% of the departments Goods and Services budget was spent on BEEs and SMMEs and over the MTEF period we project to increase the spend to about 80% of the Total procurement spend.

In the 2006/ 7 financial year, the Department was allocated a Total budget of R2.6billion (2005/ 6 -R2.2billion).

As in the previous years, transfers and subsidies represent amounts transferred to public entities and other organisations associated with the Department, in accordance with various legislative requirements, including the Division of Revenue Act (DoRA) in respect of transfers made to municipalities. The amounts are detailed in the annexures.

The remainder of the budget is available to finance the programmes of the Department catering for compensation of employees, goods and services and the payment of capital assets.

The Table below shows the actual allocation of funds for three financial years including the current one.



Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

The Total unspent funds surrendered to National Treasury amount to R27m (2005/6 – R80m), of which about R10m has been requested to be rolled-over to cater for expenditure contracted for before year-end but whose supporting documents for claims of work were received late as well as to fund subsidies for Renewable Energy contracts.

Specifically contributing to the under-spending are:

- An amount of R9.9m in respect of the Renewable Energy Subsidy Scheme. This amount was not used as a result of the long timeframes attached to the approval process of applications for subsidies. The process currently takes more than 12 months from the date of issue of the Letter of Receipt (LoR) to the award of the subsidy due to administrative processes that have to be satisfied. The first Letter of Receipt was issued in December 2005. Important to note that this programme is industry driven and as such the disbursement of funds are dependant on the industry satisfying certain requirements.
- The unspent amounts under the category, compensation of employees, due to the high turnover of employees and the shortage of people with technical skills, in the market.

The amount of the unspent funds for the year was well within the targets permitted by National Treasury and lower than in the previous year; however the initiatives implemented in the previous year to curb any under-spending of funds continue to be strengthened through the costing of business plans and the preparation of detailed expenditure budgets. The actual expenditure is periodically monitored against these budgets and corrective action taken to address any deviations.

The increase in departmental revenue over the previous year is attributable to the boom in commodity prices experienced by the sector during the year and to factors relating to increased enforcement and auditing of returns.

An amount of R466.5m (2005/ 6 – RNIL) was received from the realisation of the investments held on behalf of the Lebowa Minerals Trust (LMT). This amount was transferred to the National Revenue Fund in accordance with the provisions of the act abolishing the trust (Abolition of Lebowa Minerals Trust Act 2000 (Act 67 of 2000)).

Expenditure

The amount under the item operating leases represents the devolved budget payments made to the Department of Public Works for the municipal services and rentals for office accommodation and for the rental of office equipment from other vendors.

The 2006/07 financial year was the first year that the budget was devolved from DPW and at this stage the Department has no direct control over the DPW charges, amounting to R 20.8m (2005/ 6 – RNIL).

The compensation of employees figure's marginal growth is mainly attributable to the annual salary inflation adjustments as the vacancy rate continues to be a cause for concern due to the general skills shortage experienced in the whole country.

An amount of R42.9m (2005/ 6- R9.1 m), included in the item Consultants, contractors and special services was spent on mine rehabilitation projects for ownerless and abandoned mines. The use of consultants to undertake rehabilitation work is the Department's strategy to mitigate project risks accruing to it; this is achieved by transferring these risks, through contractual obligations, to the parties best able to manage them. Additionally, as part of supporting preferential procurement, the Department recommends to the consultants that the non-technical work, like re-vegetation, fencing and clearing of ground be sub-contracted to the local communities.



Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

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

Arising from an increased number of tenders issued and the high staff turnover coupled with a vigorous drive to fill the posts in order to support service delivery, the cost of advertising increased, during the year. Included in this cost item is an amount of R7m which was incurred for Energy Efficiency mass media campaign.

The rate at which transfers were made to municipalities was negatively impacted by the capacity constraints experienced by them, leading to delays in the conclusion and implementation of agreements. The Department sought to assist the municipalities by recruiting 100 graduates and placing these trained personnel at the municipalities in an effort to speed up service delivery. To date almost all of the Annual Division of Revenue Act (DoRA) allocation has been paid over to the municipalities, the remainder will be released as evidence of implementation of the projects is received.

The MPRDA stipulates that all permit holders should provide suitable financial provision for the remediation of environmental damage as a result of the mining operations. In 2003, the Department formed a Trust to administer the cash financial provision and was administered by a third-party, however, during the year; the administration of the Department's Trust Fund was brought in-house in order to streamline its activities as well as facilitate the enforcement and compliance activities in accordance with the MPRDA. A dedicated component was set up to deal with all the affairs of the trust. The financial results of the Trust are disclosed on its separate annual report.

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

		2006/07	2005/06
		R'000	R'000
Bank guarantees		5,792,729	2,125,079
Cash	#	253,797	53,963
Trusts		5,689,019	3,898,092
Total		11,735,545	6,077,134

Unaudited

Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

Virements

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

Shift funds from: -	R'000	Motivation
Programme 2: Promotion of Mine Health and Safety	8 215	Savings in compensation of employees and related expenditure due to high staff turnover
Programme 3: Mineral Regulation	27 183	Savings due to delays in the approval of mine rehabilitation tenders for non-compliance with procurement requirements
Programme 6: Electricity and Nuclear	1 535	To fund increased subsistence and travel expenditure due to promotional events and foreign visits in Programme 4
Total	36 933	
Shift funds to: -	R'000	Motivation
Programme 1: Administration	4 602	Higher than expected expenditure due to network maintenance and upgrading, re-engineering of policies and procedures and consumables inventory.
Programme 4: Mineral Policy and Promotion	25 196	Transfer payments to several public entities for sustainable development through mining projects
Programme 5: Hydrocarbons and Energy Planning	7 000	Implementation of the petroleum and gas licensing system and investigation into the fuel crisis
Programme : Special Functions, Sub-programme: Theft and losses	135	Irrecoverable departmental losses, written-off on the advice of the State Attorney
Total	36 933	

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 The mission of the Department of Minerals and Energy is to regulate and promote the minerals and energy sectors for the benefit of all. In order to achieve the above mission the department is split into five key programmes, amongst others, which are responsible for;

- executing the department's statutory mandate to protect the health and safety of the mine employees and people affected by mining activities – Promotion of Mine Health and Safety
- regulating the minerals and mining sector to achieve transformation and sustainable development – Mineral Regulation
- formulating mineral related policies and promote the mining and minerals industry of South Africa thus making it attractive to investors – Mineral Policy and Promotion
- promoting the sustainable use of energy resources through integrated energy planning and the appropriate promotion, including policy and regulation development of petroleum products, coal, gas renewable energy and energy efficiency – Hydrocarbons and Energy Planning



Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

- Ensuring the development, monitoring enhancement and implementation of policies governing the electricity and nuclear sectors and to support the achievement of universal access to electricity, including exercising oversight over state owned entities – Electricity and Nuclear.
- Support service mainly focussing on providing support service to the department

2.2 Tariff policy

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

Exploration fees

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

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

Exploitation fees (Royalties)

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

Mining or removal of diamonds during prospecting

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

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

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

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

Exploitation of construction materials: sand, stone and clay

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

Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

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

Year 1 – R1-00 per cubic meter

Year 2 – R1-05 per cubic meter

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

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

Minimum royalties

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

Petroleum products licensing fees

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

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

2.3 Inventory

The following represent the value of E class inventories on hand at 31 March 2007 using the average costing method

Description	2006/07	2005/06
	R'000	R'000
Printing	26	34
Stationery	117	72
Computer consumables	231	81
Other	4	2
Total	378	189



Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

3. CAPACITY CONSTRAINTS

Capacity constraints in the context of DME consist of the following:-

Accommodation Constraints

The current establishment has outgrown the office space currently available to adequately house it. Various options now have to be considered if the negative impact on service delivery and staff morale is to be averted.

Human Resources Constraints:

Skills Development still remains a top priority for the Department of Minerals and Energy due to the shifting of strategic focus of the department from policy development to implementation. The implementation of the Minerals and Petroleum Resources Development Act and the Petroleum Products Amendments Act resulted in a serious need for a new set of skills and working procedures due to the new Licensing function. There was also a call for the strengthening of the electricity function in the regions and a need to utilise nuclear power sources to address the country's electricity constraints.

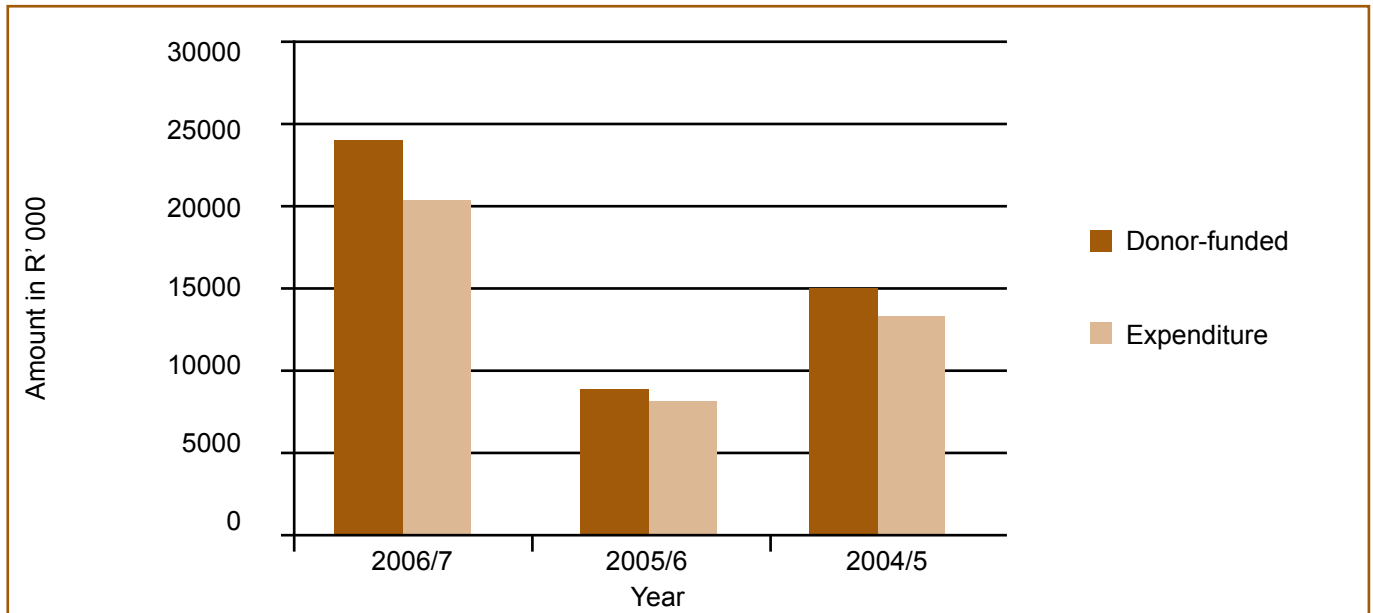
The above were further magnified by the following factors:

- Ineffective alignment of HR Planning with strategic objectives,
- Skills shortages in the country and lack of the implementation of the Learnership programme,
- Lack of funding to acquire additional resources,
- Lack of the provision of sufficient and enough office space to accommodate the approved strategically aligned organisation structure of the department,
- High turnover rate in the department as well as in the Public Service.
- Inability to attract and retain individuals with specialised skills in certain areas in the Department due to inequalities of remuneration packages between the Public and Private sectors,
- Difficulty in sourcing the right individuals with the relevant skills required.

During 2006/7 the above challenges have been investigated and addressed as follows:

- Participation in the Vulindlela Capacity Assessment process presented to Cabinet Legotla in January 2007,
- The Business Process Re-engineering of the Licensing function within the Department's Mineral Regulation as well as Hydrocarbons and Energy Planning branches,
- Initialising the elevation of the HR Planning function to a strategic level,
- Continued initiatives identified within the Scares Skills and Retention Committee,
- Implementation and expansion of Specialist and Professional positions within the Department, and
- The implementation of compulsory competency testing of all SMS candidates for SMS positions within the department,
- Significant reduction in the vacancy rate due to the shortening of the recruitment process from six months to two months,
- A special programme has been developed for the enhancement of Management Skills within the Department in collaboration with Wits University. The programme is scheduled to be implemented in 2007.

Vote 30
Report by the Accounting Officer
 for the year ended 31 March 2007



4. UTILISATION OF DONOR FUNDS

Of the donor funding available from the previous financial year, only R20 million was used in the current year, leaving an unspent balance of R702 000. This amount represents R509 000 received from the Danish Government for capacity building by the Designated National Authority and R193 000 received from Norway for the electricity sector policy capacity.

In the current year, an amount of R17.4 million was received from the Danish Government. The funds were utilised for the Cabeere Project (REFSO support) and the Darling Wind Farm Project. The funds were transferred, at year-end to CEF (Pty) Ltd for implementation of this project.

Of the R5.9million received from the Norwegian Government, R3million was utilised for the Petroleum sector policy and capacity.

Permission has been obtained to utilise the unspent balance as at 31 March 2007 to implement other related projects in the coming financial year.



Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

5. TRADING ENTITIES AND PUBLIC ENTITIES

National Energy Regulator of South Africa

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

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

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

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

National Nuclear Regulator

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

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

Council for Mineral Technology and Research

Mintek was established as a Science Council in terms of the Mineral Technology Act, 30 of 1989. Mintek's primary objective is research, development and technology transfer to promote mineral technology and to foster the establishment and expansion of mineral and associated industries.

In order to fulfil its mandate, Mintek will:

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

Vote 30**Report by the Accounting Officer
for the year ended 31 March 2007**

line with the socio-economic realities of South Africa today, whilst ensuring broad representation of our diverse cultures and peoples;

- Ensure that Mintek applies appropriate quality, environmental and safety programmes to comply with South African legislation.

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

Electricity Distribution Holdings Company

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

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

Nuclear Energy Corporation of South Africa

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

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

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

Central Energy Fund

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

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



Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

South African Diamond and Precious Metals Regulator

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

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

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

The SADPMR is to be funded from the fiscal budget.

Mine Health and Safety Council

The Council has been established in terms of section 41(1) of the Mine Health and Safety Act (1996) to advise the Minister on all occupational health and safety issues in the mining industry relating to legislation, research and promotion; review and develop legislation; promote health and safety in the mining industry; and oversee research on health and safety in the mining industry.

Council for Geoscience

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

- Carry out systematic geological, geophysical, geochemical, marine geoscience, metallogenic and engineering-geological mapping of South Africa and to compile and publish this information.
- Conduct basic geoscience research to understand present and past geological processes.
- Curate all geoscience data for South Africa, and facilitate public access to this data.
- Manage a number of geoscience facilities, including the National Geoscience Library, the National Geoscience Museum and a National Seismological Network.

Accountability arrangements

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

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

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

Transfer payments in respect of assistance to marginal mines in the form of pumping subsidies and ingress of water projects amounted to R37.3 million.

Vote 30
Report by the Accounting Officer
for the year ended 31 March 2007

7. CORPORATE GOVERNANCE ARRANGEMENTS

The Department has undertaken a project to re-engineer its finance-related policies and procedures to respond to the identified organisational risks and ensure continued compliance with all relevant legislation. The project is expected to be finalised and the policies implemented as from June 2008.

- The department has an Internal Audit function that is under the guidance, direction and supervision of a Chief Audit Executive. The internal audit function reports administratively to the Director-General and functionally to the Audit Committee. The internal audit function has been operational since 1999. The internal audit function obtains its mandate from the Internal Audit Charter and it operates in terms of an audit plan approved by the Audit Committee. The audit plan is produced from the results of the risk management processes, concerns expressed by management, changes in the Department's operations and other factors that may be considered necessary.
- The department has established an audit committee in terms of section 77 of the Public Finance Management Act. The audit committee is constituted by the majority of independent members who are neither in the employ of the organisation or in public service. The members of the Audit Committee have the requisite knowledge and competence to deal with financial, risk management, governance, ethical and other matters that come to the attention of the committee. During the financial period under review, the committee met six (6) times. Amongst the matters considered were the management letters received on the audits performed by the Auditor-General, review of the Annual Financial statements, reports of Internal Audit, risk management and compliance. The Audit Committee was satisfied that follow-up action is done whenever recommendations are presented in the reports.

During the year under review the Department Risk Management Committee and the Director General approved the department's risk management strategy which seeks to:

- Provide a useful framework that defines the essential tasks of Risk Management.
- Describe the Risk Management process that the Department has adopted.
- Obtain entity-wide consistency regarding the application of the process.
- Report risks consistently across the Department.
- Embed a common risk language across our business.

The purpose of a Risk Management process is to ensure that all significant risks that the Department is exposed to (whether at an executive, cluster, division, component or project level) are proactively identified and managed to acceptable levels on a continuous basis. The key drivers to embed such a process within our organisation are:

- The avoidance of unplanned impacts as a consequence of risks that take us by surprise;
- The need to protect the Department's reputation and image;
- To comply with the requirements of applicable laws and regulations;
- To ensure that we live the Department's values and comply with our code of conduct, and
- To foster a culture of responsible risk taking.

The Department's risk management strategy contains the Department's overall Risk Management policy, risk appetite and oversight structures.

Department went through a process of updating its risk register by holding workshops facilitated by consultants with managers from the different branches of the department. The result was an updated top risk register which has all the strategic objectives, linked to specific risks and allocated specific controls for each risk. All risk are allocated to risk owners and all controls allocated to control owners.



Vote 30
Report of the Accounting Officer
for the year ended 31 March 2007

Approval

The Annual Financial Statements set out on pages 106 to 162 have been approved by the Accounting Officer.

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

Advocate Sandile Nogxina

Director General

31 May 2007

Vote 30
Report of the Auditor-General
for the year ended 31 March 2007

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 30 DEPARTMENT OF MINERALS AND ENERGY FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Minerals and Energy which comprise the statement of financial position as at 31 March 2007, the appropriation statement, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 106 to 162.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the annual financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 647 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of



Vote 30
Report of the Auditor-General
for the year ended 31 March 2007

the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The Department of Minerals and Energy's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements.

Opinion

9. In my opinion the financial statements presents fairly, in all material respects, the financial position of the Department of Minerals and Energy as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting as determined by the National Treasury as set out in note 1.1 to the financial statements and in the manner required by the PFMA.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

10. Material corrections made to the financial statements submitted for audit
- The inclusion in cash and cash equivalents of the department's commercial bank account, which was previously disclosed under departmental revenue debtors, resulted in an increase of R7,1 million, there was a corresponding decrease in departmental revenue debtors.
 - The inclusion of disclosure note 28 regarding provisions for irrecoverable debts to the amount of R1,2 million in respect of staff debtors and R6 million in respect of receivables for departmental revenue.
 - The disclosure of "Other guarantees – CEF Foreign Banks" as reflected in note 19 decreased with R45 million due to a correction in the exchange rate calculation.

Vote 30
Report of the Auditor-General
for the year ended 31 March 2007

- The disclosure of a contingent liability in note 19.1 in respect of the decommissioning and decontamination of strategic nuclear facilities.
- The disclosure of an investment in respect of the Lebowa Minerals Trust that has not yet been transferred to the Limpopo Development Corporation (LimDev).

11. Information System Audit matters

- User account management of the transversal systems control environment:

An information systems audit of the management of user accounts on the BAS, PERSAL and LOGIS transversal systems was completed in June 2007.

The most significant control weaknesses identified were the following:

The processes followed to create new user accounts and to amend the rights of existing users were inadequate and had not been documented and approved.

12. Matters of interest

- Included in the department's voted funds is an allocation for the rehabilitation of derelict and ownerless mines. The department has included a contingent liability in disclosure note 19.1 to the annual financial statements for its obligation in this regard as it is still in the process of developing a strategy and quantifying the state's Total obligation for the rehabilitation of derelict and ownerless mines.

13. Delay in finalisation of audit report

- Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of affected departments. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006/07 financial year.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

14. I have audited the performance information as set out on pages 17 to 81.



Vote 30
Report of the Auditor-General
for the year ended 31 March 2007

Responsibility of the accounting officer

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

Responsibility of the Auditor-General

16. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.
17. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
18. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

19. No audit findings came to the fore.

APPRECIATION

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

G. J. Lourens for Auditor-General

Pretoria

28 August 2007



AUDITOR - GENERAL

Vote 30
Accounting Policies
for the year ended 31 March 2007

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 2 of 2006.

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. REVENUE

2.1 Appropriated funds

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

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

Unexpended appropriated funds are surrendered to the National Revenue Fund, unless approval has been given by



Vote 30
Accounting Policies
for the year ended 31 March 2007

the National Treasury to rollover the funds to the subsequent financial year. These approved rollover funds form part of retained funds in the annual financial statements. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

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

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

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

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

2.2.4 Interest, dividends and rent on land

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

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

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

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

Forex gains are recognised on payment of funds.

Vote 30
Accounting Policies
for the year ended 31 March 2007

2.2.7 Gifts, donations and sponsorships (transfers received)

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

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

2.3 Local and foreign aid assistance

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

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

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

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

3. EXPENDITURE

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

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.



Vote 30
Accounting Policies
for the year ended 31 March 2007

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

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

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

Forex losses are recognised on payment of funds.

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

3.5 Unauthorised expenditure

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

Vote 30
Accounting Policies
for the year ended 31 March 2007

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

3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

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

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

4. ASSETS

4.1 Cash and cash equivalents

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

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

4.2 Prepayments and advances

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

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.



Vote 30
Accounting Policies
for the year ended 31 March 2007

Provision for bad debts is made on long outstanding debts in terms of the annual age analysis review and the taking into cognisance the extent of the recovery efforts undertaken.

4.4 Investments

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

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

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary.

4.6 Inventory

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

4.7 Capital assets

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

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

5. LIABILITIES

5.1 Payables

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

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

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

Vote 30
Accounting Policies
for the year ended 31 March 2007

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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.

6. NET ASSETS

6.1 Capitalisation reserve

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

6.2 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.



Vote 30
Accounting Policies
for the year ended 31 March 2007

7. RELATED PARTY TRANSACTIONS

Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

Vote 30
Appropriation Statement
for the year ended 31 March 2007

Appropriation per programme									
	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Programme 1: Administration</i>									
Current payment	145,561	-	2,600	148,161	145,595	2,566	98.3	107,096	105,103
Transfers and subsidies	1,223	-	2	1,225	1,179	46	96.2	1,453	1,383
Payment for capital assets	4,322	-	2,000	6,322	5,879	443	93.0	6,671	5,093
<i>Programme 2: Mine Health and Safety</i>									
Current payment	112,270	-	(8,500)	103,770	100,195	3,575	96.6	103,209	94,331
Transfers and subsidies	4,546	-	285	4,831	4,822	9	99.8	4,429	4,428
Payment for capital assets	394	-	-	394	113	281	28.7	412	249
<i>Programme 3: Mineral Regulation</i>									
Current payment	139,851	(1,417)	(7,083)	131,351	128,181	3,170	97.6	49,821	47,729
Transfers and subsidies	93	850	-	943	858	85	91.0	111	106
Payment for capital assets	-	567	-	567	250	317	44.1	-	-
<i>Programme 4: Mineral Policy and Promotion</i>									
Current payment	28,612	(81)	4,123	32,654	31,463	1,191	96.4	65,332	54,085
Transfers and subsidies	42,847	56	958	43,861	43,826	35	99.9	67,352	66,355
Payment for capital assets	-	25	15	40	34	6	85.0	-	-
<i>Programme 5: Hydrocarbons and Energy Planning Management</i>									
Current payment	33,872	-	6,500	40,372	39,598	774	98.1	32,267	31,222
Transfers and subsidies	9,417	-	-	9,417	305	9,112	3.2	4,643	140
Payment for capital assets	-	-	500	500	462	38	92.4	-	-
<i>Programme 6: Electricity and Nuclear</i>									
Current payment	60,786	-	(1,635)	59,151	55,787	3,364	94.3	76,363	66,177
Transfers and subsidies	19	-	-	19	13	6	68.4	5,131	5,130
Payment for capital assets	-	-	100	100	66	34	66.0	-	-
<i>Programme 7: Associated Services</i>									
Transfers and subsidies	2,051,287	-	-	2,051,287	2,048,914	2,373	99.9	1,728,037	1,690,830
<i>Programme 8: Special Programme: Theft and Losses</i>									
Current payment	-	-	135	135	135	-	100.0	44	44
Total	2,635,100	-	-	2,635,100	2,607,675	27,425	99.0	2,252,371	2,172,405
Reconciliation with Statement of Financial Performance									
Add:									



Vote 30
Appropriation Statement
for the year ended 31 March 2007

Appropriation per programme							
	2006/07				2005/06		
Departmental receipts	657,538				133,611		
Local and foreign aid assistance received	23,242				7,253		
Actual amounts per Statements of Financial Performance (Total revenue)	3,315,880				2,393,235		
Add:							
Local and foreign aid assistance		20,331					8,109
Actual amounts per Statements of Financial Performance (Total expenditure)		2,628,006					2,180,514

Appropriation per economic classification									
	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Current payments</i>									
Compensation of employees	289,389	(22,375)	(15,583)	251,431	246,154	5,277	97.9	224,437	217,070
Goods and services	231,563	20,877	11,588	264,028	254,665	9,363	96.5	209,651	181,577
Financial transactions in assets and liabilities	-	-	135	135	135	-	100.0	44	44
<i>Transfers and subsidies</i>									
Provinces and municipalities	391,524	-	-	391,524	390,903	621	99.8	313,821	298,153
Departmental agencies and accounts	206,187	-	-	206,187	206,187	-	100.0	204,187	204,187
Public corporations and private enterprises	1,510,621	-	958	1,511,579	1,500,494	11,085	99.3	1,291,958	1,264,886
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,100	906	287	2,293	2,333	(40)	101.7	1,190	1,146
<i>Payments for capital assets</i>									
Buildings and other fixed structures	-	-	-	-	-	-	0.0	-	-
Machinery and equipment	4,716	592	2,615	7,923	6,446	1,477	81.4	5,903	4,266
Software and other intangible assets	-	-	-	-	130	(130)	0.0	1,180	1,076
Land and subsoil assets	-	-	-	-	228	(228)	0.0	-	-
Total	2,635,100	-	-	2,635,100	2,607,675	27,425	99.0	2,252,371	2,172,405

Vote 30
Detail per Programme
for the year ended 31 March 2007

Programme 1 Detail per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	847	-	-	847	845	2	99.8	949	924
1.2 Deputy Minister									
Current payment	688	-	-	688	215	473	31.3	657	649
1.3 Management									
Current payment	12,620	-	1,300	13,920	12,309	1,611	88.4	10,662	10,208
Transfers and subsidies	23	-	-	23	4	19	17.4	17	13
Payment for capital assets	-	-	100	100	88	12	88.0	-	13
1.4 Corporate Services									
Current payment	110,628	-	1,300	111,928	111,448	480	99.6	94,828	93,322
Transfers and subsidies	1,200	-	2	1,202	1,175	27	97.8	1,436	1,370
Payment for capital assets	4,322	-	1,900	6,222	5,791	431	93.1	6,671	5,080
1.5 Property Management									
Current payment	20,778	-	-	20,778	20,778	-	100.0	-	-
Total	151,106	-	4,602	155,708	152,653	3,055	98.0	115,220	
Programme 1									
Economic Classification									
Current payment									
Compensation of employees	64,131	(13,000)	-	51,131	50,739	392	99.2	46,488	45,592
Goods and services	81,430	13,000	2,600	97,030	94,856	2,174	97.8	60,608	59,511
Transfers and subsidies to:									
Provinces and municipalities	123	-	-	123	35	88	28.5	163	137
Public corporations and private enterprises	-	-	-	-	-	-	0.0	100	100
Households	1,100	-	2	1,102	1,144	(42)	103.8	1,190	1,146
Payment for capital assets									
Machinery and equipment	4,322	-	2,000	6,322	5,521	801	87.3	5,491	4,017
Software and other intangible assets	-	-	-	-	130	(130)	0.0	1,180	1,076
Land and subsoil assets	-	-	-	-	228	(228)	0.0	-	-
Total	151,106	-	4,602	155,708		3,055	98.0	115,220	



Vote 30
Detail per Programme
for the year ended 31 March 2007

Programme 2 Detail per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>2.1 Governance, Policy and Oversight</i>									
Current payment	38,283	-	(7,300)	30,983	47,929	(16,946)	154.7	41,308	34,209
Transfers and subsidies	4,480	-	185	4,665	4,681	(16)	100.3	4,277	4,274
Payment for capital assets	171	50	-	221	92	129	41.6	160	12
<i>2.2 Mine Health and Safety including Regions</i>									
Current payment	73,987	-	(1,200)	72,787	52,266	20,521	71.8	61,901	60,122
Transfers and subsidies	66	-	100	166	141	25	84.9	152	154
Payment for capital assets	223	(50)	-	173	21	152	12.1	252	237
Total	117,210	-	-	108,995	-	3,865	96.5	108,050	-
Programme 2 Economic Classification									
<i>Current payment</i>									
Compensation of employees	89,810	(2,500)	(8,500)	78,810	77,246	1,564	98.0	77,930	75,346
Goods and services	22,460	2,500	-	24,960	22,949	2,011	91.9	25,279	18,985
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	94	-	-	94	55	39	58.5	230	228
Departmental agencies and accounts	4,452	-	-	4,452	4,452	-	100.0	4,199	4,200
Households	-	-	285	285	315	(30)	110.5	-	-
<i>Payment for capital assets</i>									
Machinery and equipment	394	-	-	394	113	281	28.7	412	249
Total	117,210	-	-	108,995	-	3,865	96.5	108,050	-

Vote 30
Detail per Programme
for the year ended 31 March 2007

Programme 3 Detail per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>3.1 Management</i>									
Current payment	5,188	30,150	-	35,338	13,353	21,985	37.8	4,348	3,728
Transfers and subsidies	7	150	-	157	2	155	1.3	6	2
Payment for capital assets	-	100	-	100	68	32	68.0	-	-
<i>3.2 Mineral Regulation and Administration</i>									
Current payment	134,663	(31,567)	(7,083)	96,013	114,828	(18,815)	119.6	45,473	44,001
Transfers and subsidies	-	700	-	786	856	(70)	108.9	105	104
Payment for capital assets	86	467	-	467	182	285	39.0	-	-
Total	139,944	-		132,861		3,572	97.3	49,932	
Programme 3 Economic Classification									
<i>Current payment</i>									
Compensation of employees	73,486	(4,917)	(7,083)	61,486	59,941	1,545	97.5	37,322	36,526
Goods and services	66,365	3,500	-	69,865	68,240	1,625	97.7	12,499	11,203
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	93	-	-	93	40	53	43.0	111	106
Households	-	850	-	850	818	32	96.2	-	-
<i>Payment for capital assets</i>									
Machinery and equipment	-	567	-	567	250	317	44.1	-	-
Total	139,944	-		132,861		3,572	97.3	49,932	



Vote 30
Detail per Programme
for the year ended 31 March 2007

Programme 4 Detail per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Management									
Current payment	4,980	-	1,200	6,180	5,676	504	91.8	4,795	4,921
Transfers and subsidies	1,010	-	958	1,968	1,958	10	99.5	12	13
Payment for capital assets	-	-	15	15	11	4	73.3	-	-
4.2 Mineral Policy									
Current payment	4,247	(25)	(225)	3,997	3,679	318	92.0	35,981	26,433
Transfers and subsidies	20,009	-	-	20,009	20,002	7	100.0	45,726	45,730
Payment for capital assets	-	25	-	25	23	2	92.0	-	-
4.2 Mineral Promotion									
Current payment	19,385	(56)	3,148	22,477	22,108	369	98.4	24,556	22,731
Transfers and subsidies	21,828	56	-	21,884	21,866	18	99.9	21,614	20,612
Total	71,459	-	5,096	76,555		1,232	98.4	132,684	
Programme 4 Economic Classification									
Current payment									
Compensation of employees	21,846	(958)	-	20,888	20,020	868	95.8	33,693	32,556
Goods and services	6,766	877	4,123	11,766	11,443	323	97.3	31,639	21,529
Transfers and subsidies to:									
Provinces and municipalities	48	-	-	48	14	34	29.2	99	103
Departmental agencies and accounts	31,099	-	-	31,099	31,099	-	100.0	44,253	44,252
Public corporations and private enterprises	11,700	-	958	12,658	12,657	1	100.0	23,000	22,000
Households	-	56	-	56	56	-	100.0	-	-
Payment for capital assets									
Machinery and equipment	-	25	15	40	34	6	85.0	-	-
Total	71,459	-	5,096	76,555		1,232	98.4	132,684	

Vote 30
Detail per Programme
for the year ended 31 March 2007

Programme 5 Detail per subprogramme	2006/2007							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>5.1 Hydrocarbons and Energy Planning Management</i>									
Current payment	3,705	-	2,650	6,355	4,832	1,523	76.0	3,890	3,728
Transfers and subsidies	3	-	-	3	1	2	33.3	7	7
<i>5.2 Energy Planning</i>									
Current payment	17,458	(1,975)	-	15,483	15,305	178	98.9	16,059	16,411
Transfers and subsidies	9,408	-	-	9,408	300	9,108	3.2	4,622	121
Payment for capital assets	-	-	40	40	30	10	75.0	-	-
<i>5.3 Hydrocarbons</i>									
Current payment	12,709	1,975	3,850	18,534	19,461	(927)	105.0	12,318	11,083
Transfers and subsidies	6	-	-	6	4	2	66.7	14	12
Payment for capital assets	-	-	460	460	432	28	93.9	-	-
Total	43,289	-	7,000	50,289		9,924	80.3		31,362
Programme 5									
Economic Classification									
<i>Current payment</i>									
Compensation of employees	19,047	-	-	19,047	18,909	138	99.3	14,296	13,285
Goods and services	14,825	-	6,500	21,325	20,689	636	97.0	17,971	17,937
<i>Transfers and subsidies to</i>									
Provinces and municipalities	17	-	-	17	12	5	70.6	43	40
Public corporations and private enterprises	9,400	-	-	9,400	293	9,107	3.1	4,600	100
<i>Payment for capital assets</i>									
Machinery and equipment	-	-	500	500	462	38	92.4	-	-
Total	43,289	-	7,000	50,289		9,924	80.3		31,362



Vote 30
Detail per Programme
for the year ended 31 March 2007

Programme 6 Detail per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Electricity and Nuclear Management									
Current payment	3,747	950	-	4,697	4,341	356	92.4	4,681	3,879
Transfers and subsidies	2	-	-	2	2	-	100.0	7	7
Payment for capital assets	-	-	60	60	43	17	71.7	-	-
6.2 Electricity									
Current payment	41,756	2,700	(1,635)	42,821	41,749	1,072	97.5	62,375	54,649
Transfers and subsidies	14	-	-	14	9	5	64.3	5,030	5,028
Payment for capital assets	-	-	40	40	23	17	57.5	-	-
6.3 Nuclear									
Current payment	15,283	(3,650)	-	11,633	9,697	1,936	83.4	9,307	7,649
Transfers and subsidies	3	-	-	3	2	1	66.7	94	95
Total	60,805	-	-	59,270	55,866	3,404	94.3	-	71,307
Programme 6									
Economic Classification									
<i>Current payment</i>									
Compensation of employees	21,069	(1,000)	-	20,069	19,299	770	96.2	14,708	13,765
Goods and services	39,717	1,000	(1,635)	39,082	36,488	2,594	93.4	61,655	52,412
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	19	-	-	19	13	6	68.4	43	42
Departmental agencies and accounts	-	-	-	-	-	-	0.0	5,000	5,000
Public corporations and private enterprises	-	-	-	-	-	-	0.0	88	88
<i>Payment for capital assets</i>									
Machinery and equipment	-	-	100	100	66	34	66.0	-	-
Total	60,805	-	-	-	55,866	3,404	94.3	-	-

Vote 30
Detail per Programme
for the year ended 31 March 2007

Programme 7 Detail per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>7.1 Council for Mineral Technology Research</i>									
Transfers and subsidies	118,664	-	-	118,664	118,664	-	100.0	108,880	108,880
<i>7.2 NECSA Activities</i>									
Transfers and subsidies	300,173	-	-	300,173	300,173	-	100.0	214,066	214,066
<i>7.3 NECSA Decommissioning Projects</i>									
Transfers and subsidies	29,300	-	-	29,300	29,300	-	100.0	21,730	21,730
<i>7.4 NECSA Security</i>									
Transfers and subsidies	11,520	-	-	11,520	11,520	-	100.0	9,000	9,000
<i>7.5 NECSA Safari Reactor Conversion</i>									
Transfers and subsidies	15,360	-	-	15,360	15,360	-	100.0	12,000	12,000
<i>7.6 National Nuclear Regulator</i>									
Transfers and subsidies	14,742	-	-	14,742	14,742	-	100.0	5,417	5,417
<i>7.7 Council for Geoscience</i>									
Transfers and subsidies	93,100	-	-	93,100	93,100	-	100.0	86,078	86,078
<i>7.8 Electricity Distribution Holdings Company</i>									
Transfers and subsidies	62,794	-	-	62,794	62,794	-	100.0	59,240	59,240
<i>7.9 National Portion (Eskom)</i>									
Transfers and subsidies	893,165	-	-	893,165	893,165	-	100.0	783,469	783,469
<i>7.10 Conditional Grants to Local Governments</i>									
Transfers and subsidies	391,130	-	-	391,130	390,734	396	99.9	313,132	297,497
<i>7.11 Non-grid Electrification Service Providers</i>									
Transfers and subsidies	84,000	-	-	84,000	82,023	1,977	97.6	79,800	58,228
<i>7.12 Assistance to Mines</i>									
Transfers and subsidies	37,339	-	-	37,339	37,339	-	100.0	35,225	35,225
Total						2,373	99.9		



Vote 30
Detail per Programme
for the year ended 31 March 2007

Programme 7									
Economic Classification									
<i>Transfers and subsidies to:</i>									
Provinces and municipalities	391,130	-	-	391,130	390,734	396	99.9	313,132	297,497
Departmental agencies and accounts	170,636	-	-	170,636	170,636	-	100.0	150,735	150,735
Public corporations and private enterprises	1,489,521	-	-	1,489,521	1,487,544	1,977	99.9	1,264,170	1,242,598
Total						2,373	99.9		

Programme 8 Detail per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>8.1 Theft and Losses</i>									
Current payment	-	-	135	135	135	-	100.0	44	44
Total	-	-	135	135	135	-	100.0	44	44

Programme 8									
Economic Classification									
<i>Current payment</i>									
Financial transactions in assets and liabilities	-	-	135	135	135	-	100.0	44	44
Total	-	-	135	135	135	-	100.0	44	44

Vote 30
Notes to the Appropriation Statement
for the year ended 31 March 2007

1. DETAILS OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):

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

2. DETAILS OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

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

3. DETAILS ON FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

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

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

4.1 Per Programme	Final	Actual	Variance	Variance as a % of
	Appropriation	Expenditure		Final Appropriation
	R'000	R'000	R'000	%
Programme 1: Administration	155,708	152,653	3,055	1,96%
Programme 2: Promotion of Mine Health and Safety	108,995	105,130	3,865	3,50%
Programme 3: Mineral Regulation	132,861	129,289	3,572	2,69%
Programme 4: Mineral Policy and Promotion	76,555	75,323	1,232	1,61%
Programme 5: Hydrocarbons and Energy Planning	50,289	40,365	9,924	19,74%
Programme 6: Electricity and Nuclear	59,270	55,866	3,404	5,74%
Programme 7: Associated Services	2,051,287	2,048,914	2,373	0,12%
Theft and Losses	135	135	-	-
Total	2,635,100	2,607,675	27,425	1,04%

Per Economic classification	2006/07	2005/06
	R'000	R'000
Current payment:		
Compensation of employees	246,154	217,070
Goods and services	254,665	181,577
Financial transactions in assets and liabilities	135	44
Transfers and subsidies:		
Provinces and municipalities	390,903	298,153
Departmental agencies and accounts	206,187	204,188
Public corporations and private enterprises	1,500,494	1,264,886
Households	2,333	1,146
Payments for capital assets:		
Machinery and equipment	6,446	4,266
Software and other intangible assets	130	1,076
Land and subsoil assets	228	-
Total	2,607,675	2,134,405



Vote 30
Notes to the Appropriation Statement
for the year ended 31 March 2007

Programme 1: Administration

The under spending of 1, 96% under Programme 1: Administration is mainly due to outstanding order payments in respect of goods and services and the purchase of capital assets. Delays in delivery of goods, services and equipment resulted in the late receipt of invoices and subsequent payments being made in the 2007/08 financial year. The number of vacancies within the programme due to a high turn over of staff during the reporting period contributed to a decrease in payments associated with the compensation of employees and related subsistence, transport and administrative cost.

Programme 2: Promotion of Mine Health and Safety

The under spending of 3.5% under Programme 2: Promotion of Mine Health and Safety can be attributed to the high turn over of staff, the consequent high number of vacancies during the reporting period and problems experienced in retaining skilled personnel and filling of expert positions. Expenditure under this programme is mostly personnel driven and vacancies also contributed towards a decrease in subsistence, transport and related administrative expenditure associated with the functions performed by inspectors. The Inspectorate underwent a restructuring process during the 2006/07 financial year which was aimed at, amongst others to build organisational capacity and retaining skilled personnel. The newly approved organisational and staff structure will be implemented with effect from 1 April 2007.

Programme 3: Mineral Regulation

On 31 March 2007 the Mineral Regulation Branch reflected an under spending of 2.69%. Vacancies within the Branch during the reporting period resulted in an under spending of R1.5 million under the item compensation of employees. Delays experienced in finalising mine rehabilitation projects and consequent outstanding invoices also contributed to an under spending of R1.6 million under the item goods and services. An application was made in terms of Treasury Regulation 6.4 to roll funds of R7.3 million over to the 2007/08 financial year from savings under Programme 3 and other programmes to finalise outstanding mine rehabilitation project.

Programme 4: Mineral Policy and Promotion

The under spending under the Mineral Policy and Promotion Branch for the reporting period was R1.2 million which represents 1.61% of the Total budget allocated to this programme. The under spending mostly consists of an under spending of R0.9 million under the item compensation of employees that was caused by vacancies during the reporting period. The under spending of R0.3 million under the item goods and services only represent 0.4% of the Total under spending under the programme.

Programme 5: Hydrocarbons and Energy Planning

The under spending of R9.9 million (19.74%) under the Hydrocarbons and Energy Planning Branch mostly consists of transfer payments in respect of the Renewable Energy Subsidy Scheme. The under spending of R9.1 million represents 91.7% of the Total under spending under the programme and is due to the time frames attached to the application approval process for subsidies. The Department expects that the majority of subsidy contracts will come through in 2007. This is due to the fact that the 1st LoR's were only issued in December 2005 and the application for a subsidy contract takes in general longer than 12 months upon awarding of the LoR. This is mainly due to the fact that the project developer is responsible to obtain and finance all the applicable permits, licenses, EIA's before he can apply for a subsidy contract. An application was made in terms of Treasury Regulation 6.4 to roll funds of

Vote 30**Notes to the Appropriation Statement
for the year ended 31 March 2007**

R4.6 million over for the renewable energy subsidy scheme. In addition, a request was also made to roll funds of R1.2 million over under the item goods and services to finalise outstanding payments for several energy projects that were not finalised before 31 March 2007. The mentioned projects include an investigation into margins applicable to LP gas with the view of retail price regulation, investigation into fuel price smoothing techniques, service station industry retail margin investigation and viability and replication study for hybrid mini grids.

Programme 6: Electricity and Nuclear

On 31 March 2007 the Electricity and Nuclear Branch reflected an under spending of 5.74%. Vacancies within the Branch during the reporting period resulted in an under spending of R0.8 million under the item compensation of employees. Delays experienced in finalising payments before 31 March 2007 and consequent outstanding invoices also contributed to an under spending of R2.5 million under the item goods and services.

Programme 7: Associated Services

On 31 March 2007 the programme reflected an under spending of R2.4 million which represents only 0.12% of the Total budget allocation under this programme. During the 2006/07 financial year an amount of R84 million was allocated to non-grid electrification projects of which R82.023 million was paid to non-grid service providers. This left the Department with an under spending of R1.977 million which represents 2.4% of the Total budget allocated to non-grid electrification. During the reporting period an amount of R391.1 million was allocated in terms of the Division of Revenue Act (DORA) to municipalities for electrification projects. On 31 March 2007 actual payments to municipalities represented 99.9% of the Total budget allocation for municipalities and left the department with an under spending of R0.4 million.

Programme 8: Theft and Losses

An amount of R0.1 million is allocated to the Programme as a provision for losses incurred and written off across all other programmes during the financial year.



Vote 30
Statement of Financial Performance
for the year ended 31 March 2007

	Notes	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	2,635,100	2,252,371
Departmental revenue	2	657,538	133,611
Local and foreign aid assistance	3	23,242	7,253
Total REVENUE		3,315,880	2,393,235
EXPENDITURE			
Current expenditure			
Compensation of employees	4	246,154	217,070
Goods and services	5	254,665	181,577
Financial transactions in assets and liabilities	6	135	44
Local and foreign aid assistance	3	20,331	8,109
Total current expenditure		521,285	406,800
Transfers and subsidies	7	2,099,917	1,768,372
Expenditure for capital assets			
Machinery and equipment	8	6,446	4,266
Software and other intangible assets	8	130	1,076
Land and subsoil assets	8	228	-
Total expenditure for capital assets		6,804	5,342
Total EXPENDITURE		2,628,006	2,180,514
SURPLUS FOR THE YEAR		687,874	212,721
Reconciliation of Surplus for the year			
Voted Funds	14	27,425	79,966
Departmental Revenue	15	657,538	133,611
Local and foreign aid assistance	3	2,911	(856)
SURPLUS FOR THE YEAR		687,874	212,721

Vote 30
Statement of Financial Position
at 31 March 2007

	Notes	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		63,578	83,517
Fruitless and wasteful expenditure	9	-	26
Cash and cash equivalents	10	60,779	81,105
Prepayments and advances	11	269	480
Receivables	12	2,530	1,906
Non-current assets			
Investments	13	2,205	2,205
Total ASSETS		65,783	85,722
LIABILITIES			
Current liabilities		63,039	83,108
Voted funds to be surrendered to the Revenue Fund	14	27,425	79,966
Departmental revenue to be surrendered to the Revenue Fund	15	31,963	2,322
Payables	16	18	98
Local and foreign aid assistance unutilised	3	3,633	722
Total LIABILITIES		63,039	83,108
NET ASSETS		2,744	2,614
Represented by:			
Capitalisation reserve		2,205	2,205
Recoverable revenue		539	409
Total		2,744	2,614



Vote 30
Statement of Changes in Net Assets
for the year ended 31 March 2007

	2006/07	2005/06
	R'000	R'000
Capitalisation Reserves	2,205	2,205
Recoverable revenue		
Opening balance	409	1,207
Transfers	130	(798)
Debts written off	-	(894)
Debts raised	130	96
Closing balance	539	409
Total	<u>2,744</u>	<u>2,614</u>

Vote 30
Cash Flow Statement
for the year ended 31 March 2007

	Notes	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3,315,880	2,393,235
Annual appropriated funds received	1.1	2,635,100	2,252,371
Departmental revenue received	2	657,538	133,611
Local and foreign aid assistance received	3	23,242	7,253
Net (increase)/decrease in working capital		(467)	130
Surrendered to Revenue Fund	17	(707,863)	(139,225)
Current payments		(521,285)	(406,800)
Transfers and subsidies paid	7	(2,099,917)	(1,768,372)
Net cash flows available from operating activities	17	(13,652)	78,968
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(6,804)	(5,342)
Decrease in loans		-	894
Net cash flows from investing activities		(6,804)	(4,448)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		130	(798)
Increase/(decrease) in non-current payables		-	(25)
Net cash flows from financing activities		130	(823)
Net (decrease)/increase in cash and cash equivalents		(20,326)	73,697
Cash and cash equivalents at the beginning of the period		81,105	7,408
Cash and cash equivalents at end of period	18	60,779	81,105



Vote 30
Notes to the Annual Financial Statements
for the year ended 31 March 2007

1. ANNUAL APPROPRIATION

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for the Departments

	Final Appropriation 2006/07 R'000	Actual Funds Received 2006/07 R'000	Appropriation received 2005/06 R'000
Administration	155,708	155,708	115,220
Promotion of Mine Health and Safety	108,995	108,995	108,050
Mineral Regulation	132,861	132,861	49,932
Mineral Policy and Promotion	76,555	76,555	132,684
Hydrocarbons and Energy Planning	50,289	50,289	36,910
Electricity and Nuclear	59,270	59,270	81,494
Associated Services	2,051,287	2,051,287	1,728,037
Special Programme: Theft and losses	135	135	44
Total	2,635,100	2,635,100	2,252,371

2. DEPARTMENTAL REVENUE TO BE SURRENDERED TO REVENUE FUND

Description

	Notes	2006/07 R'000	2005/06 R'000
Sales of goods and services other than capital assets	2.1	1,812	2,513
Fines, penalties and forfeits		458	276
Interest, dividends and rent on land	2.2	188,515	129,800
Financial transactions in assets and liabilities(Unallocated Credits)	2.3	242	1,022
Transfer received (LMT)	2.4	466,511	-
Departmental revenue collected		657,538	133,611

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department			
Sales by market establishment		1,809	2,513
Sales of scrap, waste and other used current goods		3	-
Total		1,812	2,513

2.2 Interest, dividends and rent on land and buildings

Interest		29	-
Rent on land and buildings		188,486	129,800
Total		188,515	129,800

Vote 30
Notes to the Annual Financial Statements
for the year ended 31 March 2007

	2006/07	2005/06
	R'000	R'000

2.3 Financial transactions in assets and liabilities

Nature of recovery

Other Receipts including Recoverable Revenue	242	1,022
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2.4 Transfers received

Lebowa Minerals Trust	466,511	-
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3. LOCAL AND FOREIGN AID ASSISTANCE

3.1 Assistance received in cash

Foreign

Opening Balance	722	1,578
Add Revenue	23,242	7,253
Less Expenditure	-	-
Current	(20,331)	(8,109)
Net surplus/deficit for the year	2,911	(856)
Closing Balance	3,633	722

4. COMPENSATION OF EMPLOYEES

4.1 Salaries and Wages

Basic salary	164,357	144,559
Performance award	5,104	4,188
Service Based	10,740	10,843
Compensative/circumstantial	3,201	3,071
Periodic payments	5,172	3,034
Other non-pensionable allowances	27,892	24,120
Total	216,466	189,815

4.2 Social contributions

4.2.1 Employer contributions

Pension	20,979	18,552
Medical	8,678	8,674
Bargaining council	31	29
Total	29,688	27,255
Total compensation of employees	246,154	217,070
Average number of employees	1,048	960



Vote 30
Notes to the Annual Financial Statements
for the year ended 31 March 2007

	Notes	2006/07 R'000	2005/06 R'000
5. GOODS AND SERVICES			
Advertising		11,310	2,666
Attendance fees (including registration fees)		2,646	1,789
Bank charges and card fees		177	152
Bursaries (employees)		1,053	1,003
Communication		11,720	11,027
Computer services		10,005	5,893
Consultants, contractors and special services		90,962	70,395
Courier and delivery services		595	345
Drivers' licences and permits		12	21
Entertainment		2,620	1,848
External audit fees	5.1	2,169	2,145
Equipment less than R5000		3,607	2,968
Inventory	5.2	5,062	3,774
Legal fees		2,142	1,371
Maintenance, repairs and running costs		2,600	1,091
Medical Services		216	131
Operating leases		25,059	2,276
Personnel agency fees		37	124
Photographic services		46	264
Plant flowers and other decorations		32	14
Printing and publications		942	1,034
Professional bodies and membership fees		5,975	5,119
Resettlement costs		2,162	1,612
Subscriptions		368	431
Storage of furniture		210	31
Taking over of contractual obligations		33	286
Owned leasehold property expenditure		966	754
Translations and transcriptions		194	368
Transport provided as part of the departmental activities		3	13
Travel and subsistence	5.3	64,868	53,551
Venues and facilities		4,094	5,420
Protective, special clothing & uniforms		698	731
Training & staff development		2,082	2,930
Total		254,665	181,577

5.1 External audit fees

Regulatory audits	1,956	2,077
Performance audits	29	68
Other audits	184	-
Total	2,169	2,145

Vote 30

Notes to the Annual Financial Statements
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
5.2 Inventory			
Domestic consumables		208	167
Fuel, oil and gas		13	14
Laboratory consumables		-	2
Other consumables		22	29
Stationery and printing		4,817	3,548
Medical supplies		2	14
Total		5,062	3,774
5.3 Travel and subsistence			
Local		43,488	38,226
Foreign		21,380	15,325
Total		64,868	53,551
6. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES (LOSSES)			
Debts written off	6.1	135	44
6.1 Debts written off			
Nature of debts written off			
Transfer to debts written off			
Government garage and car rental accidents		102	26
State guarantees		-	16
Salary overpayments and Leave without pay		-	1
Other debts		33	1
Total		135	44
6.2 Irrecoverable amounts written off			
Loan to Glencairn Mines		-	894
6.3 Other Material losses			
Cellphones		-	71
Laptops		-	22
		-	93



Vote 30
Notes to the Annual Financial Statements
for the year ended 31 March 2007

	Notes	2006/07 R'000	2005/06 R'000
7. TRANSFERS AND SUBSIDIES			
Provinces and municipalities	Annex 1A & 1B	390,903	298,153
Departmental agencies and accounts	Annex 1C	206,187	204,187
Public corporations and private enterprises	Annex 1D	1,500,494	1,264,886
Households	Annex 1E	2,333	1,146
Total		2,099,917	1,768,372
8. EXPENDITURE FOR CAPITAL ASSETS			
Machinery and equipment	29	6,446	4,266
Land and subsoil assets	29	228	-
Software and other intangible assets	30	130	1,076
Total		6,804	5,342
9. FRUITLESS AND WASTEFUL EXPENDITURE			
9.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		26	32
Amounts condoned			
Current expenditure		(26)	-
Transfer to receivables for recovery (not condoned)		-	(6)
Fruitless and wasteful expenditure awaiting condonement		-	26
10. CASH AND CASH EQUIVALENTS			
Consolidated Paymaster General Account		60,733	81,203
Cash receipts		-	3
Disbursements		(5)	(152)
Cash on hand		51	51
Total		60,779	81,105
11. PREPAYMENTS AND ADVANCES			
Travel and subsistence		269	403
Prepayments		-	72
Advances paid to other entities		-	5
Total		269	480

Vote 30
Notes to the Annual Financial Statements
for the year ended 31 March 2007

		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
12.RECEIVABLES						
Staff debtors	12.1	460	905	413	1,778	1,449
Other debtors	12.2	618	-	-	618	383
Intergovernmental receivables	Annex 4	134	-	-	134	74
Total		1,212	905	413	2,530	1,906

12.1 Staff Debtors

	Notes	2006/07 R'000	2005/06 R'000
Debtors		1,778	1,449

12.2 Other debtors

National Treasury		-	51
Council for Geoscience		-	312
Disallowance: Damages and losses		320	-
Claims recoverable from National Departments		116	-
Private telephone		6	-
Salary deduction disallowance		29	-
Clearing accounts: Sal-income Tax		65	-
Mineral Rights Claim Licence		35	-
Clearing accounts: Sal-Medical Aid		2	-
Clearing accounts: Sal-Tax debt		1	-
Claims recoverable from Gauteng		18	-
Claims recoverable from Public Entities		5	-
Salary recoverable		137	-
Salary tax debt		-	2
Disallowance Miscellaneous		18	18
Total		752	383

13.INVESTMENTS

Non-Current

Shares and other equity

South African Nuclear Shares	Annex 2A, 2B	2,205	2,205
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Vote 30
Notes to the Annual Financial Statements
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
14. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND		
Opening balance	79,966	6,475
Transfer from Statement of Financial Performance	27,425	79,966
Paid during the year	(79,966)	(6,475)
Closing balance	27,425	79,966

15. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

Opening balance	2,322	1,461
Transfer from Statement of Financial Performance	657,538	133,611
Paid during the year	(627,897)	(132,750)
Closing balance	31,963	2,322

16. PAYABLES – CURRENT

Description

	Note	30 Days R'000	30+ Days R'000	2006/07 Total	2005/06 Total R'000
Clearing accounts	16.1	18	-	18	98

16.1 Clearing accounts

Description

Salary: Pension funds	4	90
Salary: Medical aid	-	7
Salary: Finance and other institutions	-	1
Salary: Reversal control	14	-
Total	18	98

Vote 30

Notes to the Annual Financial Statements
for the year ended 31 March 2007

	Notes	2006/07 R'000	2005/06 R'000
17. NET CASH FLOWS AVAILABLE FROM OPERATING ACTIVITIES			
Net surplus as per Statement of Financial Performance		687,874	212,721
Non cash/cash movements not deemed operating activities		(701,526)	(133,753)
(Decrease)/increase in receivables – current		(624)	145
(Decrease)/increase in prepayments and advances		211	(73)
(Decrease)/increase in other current assets		26	(1)
(Decrease)/increase in payables – current		(80)	59
Surrenders to Revenue Fund	*	(707,863)	(139,225)
Expenditure on capital assets		6,804	5,342
Net cash flows generated by operating activities		(13,652)	78,968

*Table A

Departmental revenue paid during the year	15	(627,897)	(132,750)
Voted funds surrendered during the year	14	(79,966)	(6,475)
Total		(707,863)	(139,225)

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

Consolidated Paymaster General account		60,733	81,203
Cash receipts		-	3
Disbursements		(5)	(152)
Cash on hand		51	51
Total		60,779	81,105



Vote 30
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2007

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

		Notes	2006/07 R'000	2005/06 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 3A	869	1,173
Housing loan guarantees	Employees	Annex 3A	1,333	1,817
Other Guarantees	(NECSA)	Annex 3A	20,000	20,000
Other guarantees	CEF Foreign banks	Annex 3A	335,742	441,350
Claims against the department		Annex 3B	6,034	11
Other departments (interdepartmental unconfirmed balances)		Annex 5	147	1,356
Other		Annex 3B	28,912	27,048
Total			393,037	492,755

19.1 Potential liabilities in respect of the environmental rehabilitation comprises of two scenarios: potential liabilities arising from derelict and ownerless mines, where no provision was made by the miner for the rehabilitation of the environment. The responsibility for rehabilitation of these sites reverts to the state. The process of identifying and quantifying costs associated with these sites is still underway. The other scenario relates to potential liabilities arising from the Miner's inability to restore the environment back to its original state subsequent to mining activities – where provision was made either through a trust fund, bank guarantee or cash guarantee.

19.2 The department has a potential liability arising from decontamination and decommissioning process. The National Treasury has set aside R1,526 Billion to provide for such liability.

20. COMMITMENTS

Current expenditure		
Approved and contracted	40,243	22,875
Capital expenditure		
Approved and contracted	1,686	15,635
Total Commitments	41,929	38,510

Vote 30
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2007

	30 Days R'000	30+ Days R'000	Total 2006/07 R'000	Total 2005/06 R'000
21. ACCRUALS				
Listed by economic classification				
Goods and services	6,564	-	6,564	5,081
Machinery and equipment	190	-	190	284
Total	6,754	-	6,754	5,365

21.1 Accruals

	2006/07 R'000	2005/06 R'000
Listed by programme level		
Administration	3,729	2,393
Promotion of Mine Health and Safety	62	106
Mineral Regulation	2,332	183
Mineral Policy and Promotion	186	176
Hydrocarbons and Nuclear	334	405
Electricity and Nuclear	111	2,102
	6,754	5,365

22. EMPLOYEE BENEFITS

Leave entitlement	3,419	5,261
Thirteenth cheque	6,011	5,928
Performance awards	6,284	5,105
Capped leave commitments	11,058	12,485
Total	26,772	28,779

23. LEASE COMMITMENTS
23.1 Operating leases

2006/2007	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year		976	466	1,442
Later than 1 year and not later than 5 years	-	3,010	200	3,209
Total present value of lease liabilities	-	3,986	666	4,651



Vote 30
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2007

2005/2006	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	-	464	402	866
Later than 1 year and not later than 5 years	-	1,856	383	2,239
Total present value of lease liabilities	-	2,320	785	3,105

24. RECEIVABLES FOR DEPARTMENTAL REVENUE

	2006/07 R'000	2005/06 R'000
Interest, dividends and rent on land	9,672	64,530
Sales of capital assets	60	-
	9,732	64,530

25. IRREGULAR EXPENDITURE

25.1 Reconciliation of irregular expenditure

Opening balance	7	7
Less: Amounts condoned		
Current expenditure	(7)	-
Irregular expenditure awaiting condonement		
Current expenditure	-	7
Closing Balance	-	7

26. RELATED PARTY TRANSACTIONS

Entity	Nature of Relationship	Type of Transactions	Elements of Transactions
CEF (pty) Ltd	Associated institution under control of the department	Refund of the Director's Fees of R1,231 million paid during 2006/2007 financial year	In terms of section 1(7) of the Central Energy Fund Act, 1977 (Act 38 of 1997), remuneration of a director (excluding a director in full time service of the State), and the cost transport facilities or other benefits afforded to him in respect of his service as a director, shall be paid out of monies appropriated by Parliament for such purpose.
Council for Geoscience	Associated institution under control of the department	Transfer	Small-scale mining projects – R21,799 million Sustainable Development through mining research programme R9,3 million

Vote 30
Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2007

Entity	Nature of Relationship	Type of Transactions	Elements of Transactions
Mintek	Associated institution under control of the department	Transfer	Sustainable development through mining research programme R5,365million
		Kgabane project	Upgrading of equipment for the Kgabane project aimed at capacitating the existing community-based jewellery businesses Kgabane Project –R1.8 million
Electricity Distribution Industry Holdings	Associated institution under control of the department	Consulting and Professional Services – EDIH Restructuring Bill	EDI Restructuring Bill – R 5 million

	2006/07 R'000	2005/06 R'000
Revenue paid		
Sales of goods and services other than capital assets	8,031	1,268
Transfers	36,464	57,252
Total	44,495	58,520

27. KEY MANAGEMENT PERSONNEL

	No. of Individuals		
Minister, Deputy Minister and Director General Officials	3	2,007	2,678
DDG's and CFO #	7	4,311	3,662
Total		6,318	6,340

For consistency with the previous year principle of reporting remuneration of Executive Managers reporting to the Director General, the previous year figure was restated.

28. PROVISIONS

Potential irrecoverable debts		
Staff debtors	1,288	974
Other debtors	27	27
Interest, dividends and rent on land	6,058	-
Total	7,373	1,001

Had the basis of accounting used in preparation of the Annual Financial Statements been any other than cash accounting, the above figures would have been disclosed in the Statements of Financial Performance and Position.



Vote 30

*Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2007*

29. TANGIBLE CAPITAL ASSETS*Movement in Tangible Capital Assets per Asset Register for the Year Ended 31 March 2007*

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT					
Transport assets	937	-	-	(937)	-
Computer equipment	4,338	1,320	3,617	-	9,275
Furniture and office equipment	1,474	1,708	3,494	-	6,676
Other machinery and equipment	140	(107)	-	-	33
	6,889	2,921	7,111	(937)	15,984
LAND AND SUBSOIL ASSETS					
Land	-	-	228	-	228
Total Tangible Assets	6,889	2,921	7,339	(937)	16,212

29.1 Additions to Tangible Capital Assets per Asset Register for the Year Ended 31 March 2007

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT					
Computer equipment	3,617	-	-	-	3,617
Furniture and office equipment	3,494	-	-	-	3,494
Other machinery and equipment	-	-	-	-	-
	7,111	-	-	-	7,111
LAND AND SUBSOIL ASSETS					
Land	228	-	-	-	228
Total	7,339	-	-	-	7,339

29.2 Movement in Tangible Capital Assets per Asset Register for the Year Ended 31 March 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Transport assets	-	937	-	937
Computer equipment	-	4,338	-	4,338
Furniture and office equipment	-	1,474	-	1,474
Other machinery and equipment	-	140	-	140
Total Tangible Assets	-	6,889	-	6,889

Vote 30
**Disclosure Notes to the Annual Financial Statements
for the year ended 31 March 2007**
30. INTANGIBLE CAPITAL ASSETS
Movement in Intangible Capital Assets per Asset Register for the Year Ended 31 March 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
Computer Software	1,248	(347)	16		917
Other Intangible Assets		85	114		199
	1,248	(262)	130	-	1,116

30.1 Additions to Intangible Capital Assets per Asset Register for the Year Ended 31 March 2007

	Cash	Non-Cash	(Development work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
Computer Software	16				16
Other Intangible Assets	114				114
	130	-	-	-	130

30.2 Movement in Intangible Capital Assets per Asset Register for the Year Ended 31 March 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	-	1,248	-	1,248

31. LEBOWA MINERALS TRUST

During 2006/2007 financial period, the Department closed all the accounts opened on behalf of LMT and surrender all the funds to the National Revenue Fund.

The department is in the process of transferring the loan to BIZ Africa for an amount of R3,7 million to LIMDEV as recommended by the Minister of Finance.



Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFERS			SPENT			2005/06 Division of Revenue Act R'000
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality		
ABAQULUSI	3,500	-	1,400	4,900	4,900	100.0	4,900	240	4,9	1,550	
ALBERT LUTHULI	1,500	-	4,277	5,777	5,663	98.0	5,663	1,500	26,5	-	
BEAUFORT WEST	392	-	5,767	6,159	6,159	100.0	6,159	1,892	30,7	6,110	
BELA BELA	2,400	-	(2,400)	-	-	0.0	-	-	0,0	130	
BERGRIVIER	300	-	(300)	-	-	0.0	-	-	0,0	1,125	
BLOUBERG	5,500	-	2,405	7,905	7,905	100.0	7,905	4,149	52,5	7,005	
BLUE CRANE ROUTE	2,520	-	(2,120)	400	360	90.0	360	-	0,0	1,380	
BREEDE RIVER	1,600	-	(1,000)	600	600	100.0	600	232	38,7	1,168	
WINELANDS											
BREEDE VALLEY	700	-	-	700	700	100.0	700	887	126,5	400	
BUFFALO CITY	13,000	-	2,200	15,200	15,200	100.0	15,200	10,719	70,5	12,150	
CAMDEBOO	1,000	-	(1,000)	-	-	0.0	-	-	0,0	289	
CAPE AGULHAS	216	-	-	216	216	100.0	216	-	0,0	-	
CADERBERG	1,500	-	(1,500)	-	-	0.0	-	-	0,0	-	
CITY JOHANNESBURG	33,000	-	-	33,000	33,000	100.0	33,000	9,078	27,5	22,950	
CITY TSHWANE	25,000	-	3,600	28,600	28,600	100.0	28,600	12,166	42,5	8,989	
CITY OF CAPE TOWN	16,000	-	(10,686)	5,314	5,314	100.0	5,314	4,159	78,3	20,000	
DELMAS	1,500	-	476	1,976	1,859	94.1	1,859	1,601	86,1	-	
DIPALESENG	2,083	-	1,739	3,822	3,822	100.0	3,822	-	0,0	1,050	
DRAKENSTEIN	500	-	-	500	500	100.0	500	500	100	-	
EDUMBE	-	-	-	-	-	0.0	-	-	0,0	-	
EKURHULENI	15,594	-	-	15,594	15,594	100.0	15,594	10,447	67,0	3,000	
ELUNDINI	5,700	-	1,000	6,700	6,700	100.0	6,700	5,900	88,1	1,900	
EMALAHLENI EC136	620	-	(620)	-	-	0.0	-	-	0,0	680	
EMALAHLENI MP312	2,000	-	1,000	3,000	3,000	100.0	3,000	3,583	119,4	-	
EMNAMBITHI-LADYSMITH	2,000	-	-	2,000	2,000	100.0	2,000	1,803	90,2	2,974	
EMTHANJENI	400	-	-	400	400	100.0	400	400	100	464	
ENDUMENI	2,000	-	-	2,000	2,000	100.0	2,000	1,325	66,3	-	

Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFERS			SPENT			2005/06 Division of Revenue Act R'000
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		
ETHEKWINI	37,500	-	1,106	38,606	38,606	100.0	38,606	42,035	108,9	25,000	
GARIEP	720	-	(720)	-	-	0.0	-	-	0,0	1,550	
GA-SEGONYANA	2,500	-	1,100	3,600	3,600	100.0	3,600	3,600	100,0	3,200	
GEORGE	1,000	-	(1,000)	-	-	0.0	-	-	0,0	1,500	
GOVAN MBEKI	4,500	-	(2,000)	2,500	2,500	100.0	2,500	1,314	52,6	1,653	
GREATER TZANEEN	3,000	-	1,478	4,478	4,478	100.0	4,478	1,620	36,2	4,567	
HANTAM	-	-	-	-	-	0.0	-	-	0,0	-	
INKWANCA	540	-	-	540	540	100.0	540	38	7,0	2,781	
INXUBA YETHEMBA	-	-	-	-	-	0.0	-	-	0,0	1,412	
KAROO HOOGLAND	40	-	-	40	40	100.0	40	40	100	-	
KGATELOPELE	-	-	-	-	-	0.0	-	-	0,0	-	
KHAI-MA	180	-	(180)	-	-	100.0	-	-	0,0	186	
KHARA HAIS	2,500	-	-	2,500	2,375	95.0	2,375	4,174	175,7	2,337	
KING SABATA	1,700	-	10,000	11,700	11,700	100.0	11,700	8,000	68,4	8,000	
DALINDYEBO	4,000	-	(1,736)	2,264	2,264	100.0	2,264	851	37,6	4,300	
KLERKSDORP	-	-	-	-	-	0.0	-	-	0,0	-	
KNYSTAD	-	-	(3,000)	-	-	0.0	-	-	0,0	2,000	
KOKSTAD	3,000	-	-	-	-	0.0	-	-	0,0	2,000	
KOUGA	1,800	-	-	1,800	1,800	100.0	1,800	1,596	88,7	2,000	
KWADUKUZA	6,000	-	-	6,000	6,000	100.0	6,000	3,139	52,3	3,000	
LAINGSBURG	170	-	(170)	-	-	0.0	-	-	0,0	-	
LANGEBERG	-	-	-	-	-	0.0	-	-	0,0	-	
LEKWA	8,115	-	86	8,201	8,201	100.0	8,201	2,666	32,5	5,720	
LEKWA-TEEMANE	-	-	-	-	-	0.0	-	-	0,0	-	
LESEDI	4,000	-	-	4,000	4,000	100.0	4,000	2,094	52,4	3,000	
LETSEMENG	800	-	-	800	800	100.0	800	849	106,1	400	
LICHTENBURG	-	-	-	-	-	0.0	-	-	0,0	-	
LUKHANJI	1,500	-	-	1,500	1,500	100.0	1,500	-	0,0	6,800	



Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFERS			SPENT			2005/06 Division of Revenue Act R'000
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality		
						%			%		
MADIBENG	2,500	-	(2,500)	-	-	0.0	-	-	0.0	1,650	
MAFUBE	11,000	-	-	11,000	11,000	100.0	11,000	566	5.1	310	
MAKHADO	3,000	-	(2,783)	217	217	100.0	217	19	8.8	7,141	
MALETSWAI	1,800	-	(1,800)	-	-	0.0	-	-	0.0	-	
MALUTI A PHOFUNG	1,000	-	(1,000)	-	-	0.0	-	-	0.0	17,263	
MANGAUNG	4,000	-	-	4,000	4,000	100.0	4,000	383	9.6	5,000	
MBOMBELA	2,000	-	560	2,560	2,560	100.0	2,560	160	6.3	1,815	
MERAFONG CITY	5,500	-	(4,500)	1,000	1,000	100.0	1,000	-	0.0	-	
METSIMAHOLO	7,500	-	-	7,500	7,500	100.0	7,500	-	0.0	1,000	
MIDVAAL	-	-	-	-	-	0.0	-	-	0.0	-	
MKHONDO	2,000	-	(2,000)	-	-	0.0	-	-	0.0	2,000	
MODIMOLLE	-	-	-	-	-	0.0	-	-	0.0	2,767	
MOGALE CITY	1,050	-	-	1,050	1,050	100.0	1,050	350	33.3	-	
MOGALAKWENA	3,600	-	173	3,773	3,773	100.0	3,773	2,373	62.9	1,590	
MOQHAKA	2,060	-	(2,060)	-	-	0.0	-	-	0.0	1,620	
MORETELE	-	-	-	-	-	0.0	-	-	0.0	-	
MOSSEL BAY	1,600	-	-	1,600	1,600	100.0	1,600	-	0.0	1,900	
MSUKALIGWA	1,000	-	-	1,000	1,000	100.0	1,000	918	91.8	-	
MSUNDUZI	4,000	-	-	4,000	4,000	100.0	4,000	648	16.2	4,009	
NELSON MANDELA	21,000	-	-	21,000	21,000	100.0	21,000	20,511	97.7	7,049	
NAMA KHOI	1,152	-	-	1,152	1,152	100.0	1,152	1,268	110.1	450	
NIDLAMBE	1,080	-	(1,080)	-	-	0.0	-	-	0.0	195	
NEWCASTLE	-	-	-	-	-	0.0	-	-	0.0	1,240	
NGWATHE	-	-	-	-	-	0.0	-	-	0.0	1,931	
NKOMAZI	1,500	-	7,582	9,082	9,082	100.0	9,082	1,356	14.9	2,950	
NKONKOBÉ	-	-	-	-	-	0.0	-	-	0.0	4,837	
NXUBA	3,600	-	(3,600)	-	-	0.0	-	-	0.0	2,325	
OU DSTHOORN	500	-	-	500	500	100.0	500	-	0.0	1,020	

Vote 30
Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFERS		SPENT			2005/06 Division of Revenue Act R'000	
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality
OVERSTRAND	500	-	1,000	1,500	1,500	100.0	1,500	1,500	100	400
POLOKWANE	1,200	-	-	1,200	1,200	100.0	1,200	200	16,7	-
POTCHEFSTROOM	5,000	-	3,000	8,000	8,000	100.0	8,000	7,476	93,5	-
PRINCE ALBERT	480	-	(480)	-	-	0.0	-	-	0.0	835
RANDFONTEIN	2,016	-	(2,016)	-	-	0.0	-	-	0.0	-
RUSTENBURG	3,000	-	-	3,000	3,000	100.0	3,000	2,436	81,2	6,780
SALDANHA BAY	1,500	-	(1,500)	-	-	0.0	-	-	0.0	300
SOL PLAATJE	2,000	-	450	2,450	2,450	100.0	2,450	1,750	71,4	1,200
STELLENBOSCH	800	-	4,080	4,880	4,880	100.0	4,880	800	16,4	700
STEVE TSHWETE	5,000	-	(3,613)	1,387	1,387	100.0	1,387	1,766	127,3	3,032
SWARTLAND	400	-	(400)	-	-	0.0	-	-	0.0	-
SWELLENDAM	300	-	(300)	-	-	0.0	-	-	0.0	1,892
THEEWATERSKLOOF	500	-	2,555	3,055	3,055	100.0	3,055	1,200	39,3	-
TOKOLOGO	550	-	(277)	273	273	100.0	273	273	100	-
TSOLWANA	360	-	-	360	360	100.0	360	-	0.0	600
UBUNTU	-	-	-	-	-	0.0	-	-	0.0	100
ULUNDI	3,500	-	-	3,500	3,500	100.0	3,500	1,723	49,2	9,006
UMHLATHUZE	-	-	-	-	-	0.0	-	-	0.0	-
UMJINDI	7,100	-	(2,739)	4,361	4,361	100.0	4,361	-	0.0	3,000
UMNGENI	3,340	-	-	3,340	3,340	100.0	3,340	-	0.0	2,655
UMSOBOMVU	-	-	-	-	-	0.0	-	-	0.0	-
UMTSHEZI	3,800	-	360	4,160	4,160	100.0	4,160	3,716	89,3	1,002
VENTERSDORP	-	-	-	-	-	0.0	-	-	0.0	2,480
WITZENBERG	1,500	-	-	1,500	1,500	100.0	1,500	727	48,5	-
CENTRAL KAROO	-	-	360	360	360	100.0	360	-	0.0	1,240
GAMMAGARA	1,500	-	(1,500)	-	-	0.0	-	-	0.0	700
IKWEZI	-	-	-	-	-	0.0	-	-	0.0	78
INGWE	-	-	-	-	-	0.0	-	-	0.0	4,100



Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFERS			SPENT			2005/06	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act	R'000	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	%	
IKAL! GARIB	1,200	-	(840)	360	360	100.0	360	82	22,8	1,000	22,8	
KNYSNA	200	-	954	1,154	1,154	100.0	1,154	737	63,9	565	63,9	
KOUKAMMA	2,664	-	-	2,664	2,664	100.0	2,664	-	0,0	2,000	0,0	
HESSEQUA	1,000	-	1,800	2,800	2,800	100.0	2,800	3,722	132,9	423	132,9	
MAKANA	1,584	-	(1,584)	-	-	0,0	-	-	0,0	627	0,0	
NALA	-	-	-	-	-	0,0	-	-	0,0	1,000	0,0	
BITOU	600	-	-	600	600	100.0	600	189	31,5	500	31,5	
RICHMOND	-	-	-	-	-	0,0	-	-	0,0	3,500	0,0	
WEST COAST	-	-	-	-	-	0,0	-	-	0,0	3,500	0,0	
WESTONARIA	-	-	-	-	-	0,0	-	-	0,0	1,500	0,0	
DIKGATLONG	1,000	-	-	1,000	1,000	100.0	1,000	890	89,0	-	89,0	
WESTONARIA	6,000	-	(6,000)	-	-	0,0	-	-	0,0	-	0,0	
AMAHLATI	-	-	2,200	2,200	2,200	100.0	2,200	-	0,0	-	0,0	
EMAKHAZENI	3,000	-	-	3,000	3,000	100.0	3,000	1,673	55,8	-	55,8	
EMFULENI	2,000	-	(2,000)	-	-	0,0	-	-	0,0	-	0,0	
KANNALAND	500	-	(500)	-	-	0,0	-	-	0,0	-	0,0	
MATZIKAMA	1,500	-	1,200	2,700	2,700	100.0	2,700	1,500	55,6	-	55,6	
MOOI MPOFANA	-	-	10,000	10,000	10,000	100.0	10,000	-	0,0	-	0,0	
NOKENG TSA TAIMANE	1,000	-	(1,000)	-	-	0,0	-	-	0,0	-	0,0	
PHOKWANE	2,500	-	-	2,500	2,500	100.0	2,500	1,490	59,6	-	59,6	
PIXLEY KA SEME	504	-	(504)	-	-	0,0	-	-	0,0	-	0,0	
SIYANCUMA	-	-	1,100	1,100	1,100	100.0	1,100	-	0,0	-	0,0	
KGETLENGRVR	15,000	-	-	15,000	15,000	100.0	15,000	15,080	100,5	-	100,5	
Total	391,130	-	-	391,130	390,734	98	390,734	220,079	56,3	297,497	56,3	

The balance which remained not transferred at year end was a result of funds that were allocated to certain municipalities who surrendered the funding due to their inability to execute the projects subsequent to the gazetting process. The anomaly on amounts spent by municipalities as compared to funds transferred by the Department is as a result of the 3 months timing difference on financial year-ends between the municipalities and the department.

Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 1B
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFERS			SPENT			2005/06 Total Available R'000
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %		
NKANGALA DIST COUNCIL	9	-	-	9	9	100.0	9	9	100.0	28	
FRANCES BAARD DIST MUN	7	-	-	7	7	100.0	7	7	100.0	41	
CAPRICORN DIST MUN	6	-	-	6	6	100.0	6	6	100.0	24	
TSHWANE METROPOLITAN MUN	100	-	-	100	100	100.0	100	100	100.0	432	
GREATER JHB METROPOLITAN COUNCIL	18	-	-	18	18	100.0	18	18	100.0	79	
SOUTHERN DIST COUNCIL	9	-	-	9	9	100.0	9	9	100.0	34	
CAPE METROPOLITAN COUNCIL	3	-	-	3	3	100.0	3	3	100.0	11	
LEJWELEPUTSWA DIST MUN	7	-	-	7	7	100.0	7	7	100.0	8	
UMZINYATHI DIST MUNICIPALITY	5	-	-	5	5	100.0	5	5	100.0	19	
NELSON MANDELA METROPOL MUN	5	-	-	5	5	100.0	5	5	100.0	13	
Total	169	-	-	169	169	100.0	169	169	100.0	689	



Vote 30
Annexures to the Annual Financial Statements
 for the year ended 31 March 2007

ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION						TRANSFER		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act		
	R'000	R'000	R'000	R'000	R'000	%	R'000		
Council for Geoscience	114,899	-	9,300	124,199	124,199	100.0	130,331		
National Nuclear Regulator	14,742	-	-	14,742	14,742	100.0	5,417		
Electricity Distribution Industry	62,794	-	-	62,794	62,794	100.0	64,240		
Mine Health and Safety Council	4,452	-	-	4,452	4,452	100.0	4,199		
Total	196,887	-	9,300	206,187	206,187	100.0	204,187		

Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2005/06 Appropriation Act R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000	Current R'000	
Public Corporations									
Transfers									
Eskom	893,165	-	-	893,165	893,165	100	893,165	-	783,469
South African Nuclear Energy Corporation Ltd	281,054	-	75,229	356,283	356,353	100	43,879	312,474	256,796
Council for Scientific and Industrial Research	-	-	5,335	5,335	5,335	100	-	5,335	14,000
Council for Mineral Technology	118,664	-	5,365	124,029	124,029	100	11,236	112,793	116,880
Sub-Total	1,292,883	-	85,929	1,378,812	1,378,882		948,280	430,602	1,171,145
Private Enterprises									
Transfers									
Solar Vision (Pty)Ltd	2,023	-	-	2,023	2,023	100	2,023	-	15,754
Nuon Raps Utility(Pty)Ltd	-	-	-	-	-	-	-	-	24,271
Kwazulu Energy Services Company	-	-	-	-	-	-	-	-	16,435
East Rand Proprietary Mines	18,739	-	-	18,739	18,739	100	-	18,739	11,000
Grootvlei Proprietary Mines	18,600	-	-	18,600	18,600	100	-	18,600	11,000
Murray and Roberts	-	-	-	-	-	-	-	-	13,225
Ilitha	-	-	-	-	-	-	-	-	884
Shine the Way	-	-	-	-	-	-	-	-	884
Donations to private enterprises	-	-	-	-	-	-	-	-	288
Southern Stream Energy Resources	15,000	-	-	15,000	15,000	100	15,000	-	-
South African Chamber of Mines	-	-	1,957	1,957	1,957	100	-	1,967	-
Eskon (non-grid electrification)	65,000	-	-	65,000	65,000	100	65,000	-	-
Betlehem Hydro (Pty) Ltd	293	-	-	293	293	100	-	293	-
Sub-Total	119,655	-	1,957	121,612	121,612		82,023	39,599	93,741
Total	1,412,538	-	87,886	1,500,424	1,500,494		1,030,303	470,201	1,264,886



Vote 30
Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS
HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE			2005/06 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	%	
Transfers								
H/H Employee benefits	1,100	-	1,193	2,293	2,320	101.2	1,136	
Donations & Gifts to Household – Cash	-	-	-	-	-	-	10	
Claims against the state	-	-	-	-	13	-	-	
Total	1,100	-	1,193	2,293	2,333	-	1,146	

Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Donations in kind			
De Beers	Contribution towards Christmas party	-	60
Seekers	Contribution towards Christmas party	-	9
ARM Gold	Contribution towards Christmas party	-	23
Pelewane Investment	Contribution towards Christmas party	-	15
Anglo Platinum	Transportation Learners Focus Week guests	-	30
Xstrata	Payment of transport and accommodation for the launch of South African Small Scale Mining Chamber	-	385
Anglo Platinum	Payment of catering for the launch of South African Small Scale Mining Chambers	-	50
Standard Bank	African Mining Partnership Conference	-	300
	NRC (Canada)	-	100
Anglo American	Accommodation for African Mining Partnership Conference	-	90
Eskom	Braai, 10 girl learner Scholarships and 2 Computers	-	50
Total	T-Shirts, Bags, Pencils, Water bottle and R20 000,00 for two disadvantaged schools	-	90
Sasol	Awards Dinner , T-Shirts, Water bottles and R20 000,00 for two disadvantaged schools	-	160
Foskor	Executive bags	-	10
De Beers	Executive bags and T-Shirts	-	10
Chieta	Writing Pads	-	2
Sharp Electronics	Electronic diaries ,pens, pencils and tracksuits tops	-	10
Gold Fields	Finger Lunch	22	-
Gold Fields	Dinner	18	-
Petro SA	Dinner	58	-
Total Commercials	Dinner	25	-
Petro SA	Entertainment (Basadi women of jazz)	46	-
Eskom	Entertainment (Basadi women of jazz)	26	-
Petro SA	Entertainment (fancy galada videographer)	5	-
Eskom	Cocktail function	19	-
African Rainbow Minerals	Golf shirts	20	-
Total		239	1,394



Vote 30

*Annexures to the Annual Financial Statements
for the year ended 31 March 2007*

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

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
Danish Government	Designated National Authority capacity building	528	-	19	509
Danish Government	Cabeere Project (REFSO) Support	-	335	262	73
Danish Government	Darling Wind Farm Project	-	17,049	17,049	-
Norwegian Government	Electricity sector policy capacity	194	-	1	193
Norwegian Government	Petroleum sector policy and capacity	-	5,858	3,000	2,858
Total		722	23,242	20,331	3,633

Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 2A
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES AS AT 31 MARCH 2007

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 06/07	% Held 05/06	Number of shares held		Cost of investment		Net Asset value of investment		Profit/ (Loss) for the year		Losses guaranteed
				2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	
National Public Entity												
Nuclear Energy Corporation of South Africa Ltd	Schedule 2	100.0	100.0	2,205	2,205	2,205	2,205	836	(106,568)	102,599	(3,297)	-
CEF (Pty) Ltd	Schedule 2	100.0	100.0	1	-	-	18,910,235	15,879,632	3,023,003	2,907,795	-	-
Electricity Distribution Industry Holdings Company (Pty) Ltd	Schedule 3A	100.0	100.0	100	-	-	11,453	-	(1,946)	(71)	-	-
Total				2,306	2,306	2,205	18,922,524	15,773,064	3,123,656	2,904,427	-	-



Vote 30
Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2007 (CONTINUED)

Name of Public Entity	Nature of business	Cost of investment		Net Asset Value of investment		Amounts owing to Entities		Amounts owing by Entities	
		2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
		R'000		R'000		R'000		R'000	
Controlled entities									
Nuclear Energy Corporation of South Africa	Nuclear Technology Development	2,205	2,205	836	(106,568)	-	-	-	-
CEF (pty) Ltd	Oversee a diverse number of subsidiaries in the Energy Sector	-	-	18,910,235	15,892,838	-	-	-	-
Total		2,205	2,205	18,911,071	15,786,270	-	-	-	-

Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2006 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced/ released during the year R'000	Currency revaluations R'000	Closing balance 31 March 2007 R'000	Guaranteed Interest for year ended 31 March 2007 R'000	Realised losses not recoverable R'000
Stannic	Motor vehicles		1,173	118	422	-	869		
Total			1,173	118	422	-	869		
ABSA	Housing		647	109	271	-	485		
Ifhala	Housing		11	-	-	-	11		
First Rand	Housing		292		39	-	253		
FNB	Housing		87		30	-	57		
Nedbank	Housing		225		40	-	185		
Old Mutual	Housing		275		114	-	161		
Standard	Housing		280	33	132	-	181		
Sub-Total			1,817	142	626	-	1,333		
ABSA	NECSA		20,000	-	-	-	20,000		
Total			22,990	260	1,048	-	22,202		



Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 3A
STATEMENT OF FOREIGN GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount		Opening balance 1 April 2006	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Currency revaluations	Closing balance 31 March 2007	Guaranteed interest for year ended 31 March 2007	Realised losses not recoverable
		R'000	R'000							
European Investment Bank	Foreign Loan	250,172		142,252	-	36,461	19,295	125,086	6,940	-
European Investment Bank	Foreign Loan	372,585		118,237	-	54,302	15,904	79,840	8,319	-
Deutsche Bank	Foreign Loan	1,158,651		-	-	-	-	-	-	-
Deutsche Bank	Foreign Loan	362,182		155,791	-	44,586	19,611	130,816	9,020	-
ABN AMRO Bank	Foreign Loan	267,176		25,070	-	26,239	1,169	-	671	-
Total		2,410,766		441,350	-	161,588	55,979	335,742	24,950	-

Vote 30

Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening	during the year			Liabilities recoverable (Provide details hereunder)	Closing
	Balance 01/04/2006 R'000	Liabilities incurred R'000	Liabilities paid/ cancelled/ reduced R'000	Liabilities recoverable R'000		Balance 31/03/2007 R'000
Claims against the department	11	6,023	-	-	-	6,034
Other						
SIMRAC Contracts	27,048	2000	(136)	-	-	28,912
Total	27,059	8,023	(136)	(136)	-	34,946



Vote 30

*Annexures to the Annual Financial Statements
for the year ended 31 March 2007*

**ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Housing	-	-	18	-	18	-
Gauteng Provincial Administration	-	-	-	11	-	11
Presidency	-	-	-	3	-	3
National Department of Agriculture	-	-	-	1	-	1
Foreign Affairs	-	-	-	10	-	10
GSSC	-	-	-	22	-	22
Provincial and Local Government	-	-	-	14	-	14
G.T: Agriculture Conservation and Environment	-	-	-	9	-	9
Department of Water Affairs	-	-	114	-	114	-
Public Service Commission	-	-	1	-	1	-
National Department of Health	-	-	1	-	1	-
	-	-	134	70	134	70
Other Government Entities						
SARS	-	-	-	401	-	401
Independent Development Trust	-	-	2,355	-	2,355	-
Total	-	-	2,489	471	2,489	471

Vote 30

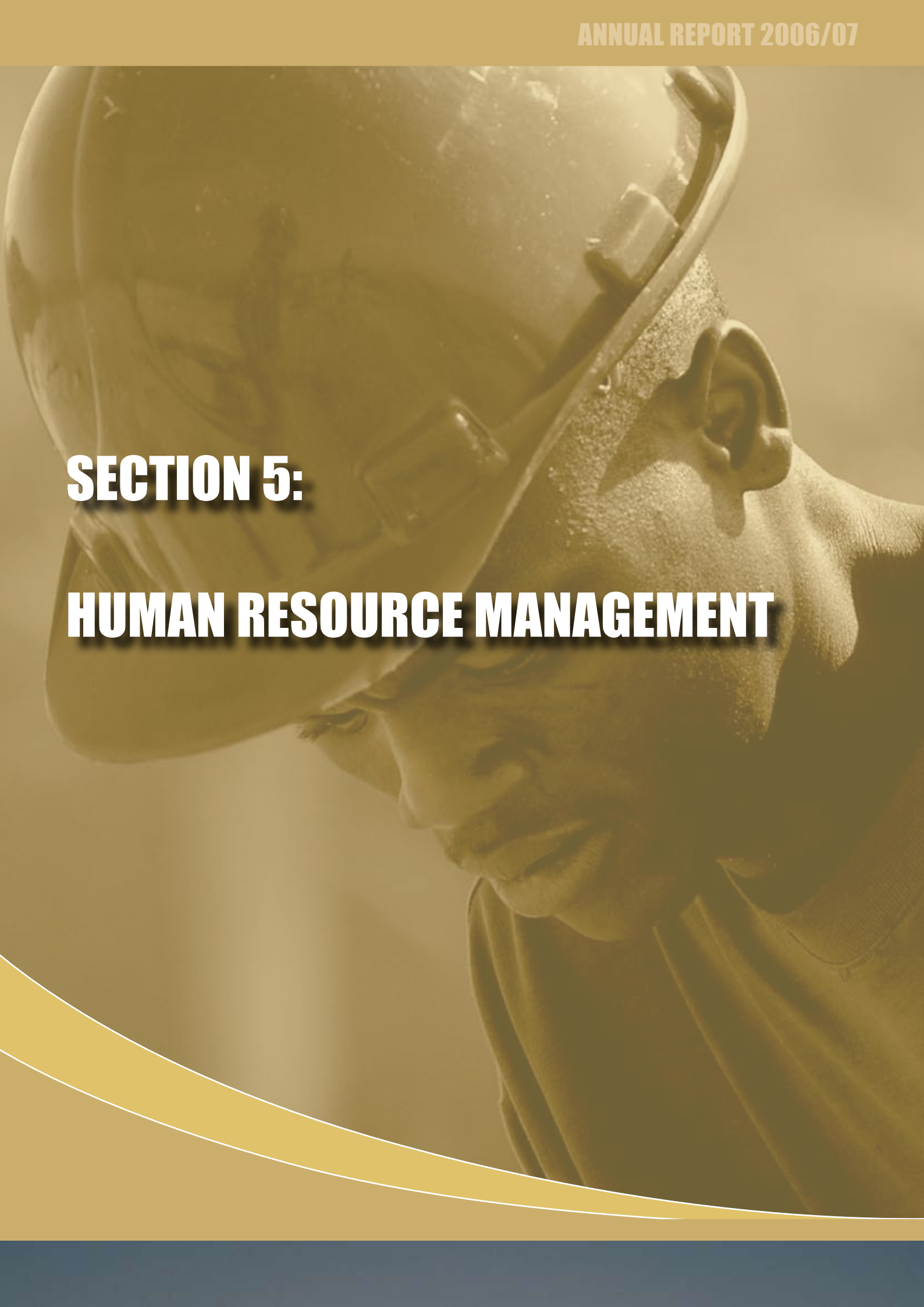
Annexures to the Annual Financial Statements
for the year ended 31 March 2007

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Department of Foreign Affairs	-	-	-	1,117	-	1,117
Department of Justice	-	42	-	135	-	177
SAMDI	-	-	-	1	-	1
Gauteng Provincial Administration:DOT	-	435	123	-	123	435
Western Cape Provincial Government	-	13	-	103	-	116
The Presidency	-	10	-	-	-	10
Department of Agriculture	-	3	-	-	-	3
Department of Transport	-	-	24	-	24	-
Total	-	503	147	1,356	147	1,859

SECTION 5:

HUMAN RESOURCE MANAGEMENT



HR OVERSIGHT - APRIL 2006 to MARCH 2007 - Department of Minerals and Energy
Table 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
<i>Mine Health And Safety</i>				
Develop and maintain an effective policy, legislative and enforcement framework	Mine Employers, Mine Employees State Departments, Tripartite structures, SABS, SANAS, MQA.	Members of the public, Other Mining Countries, Manufacturers.	Contribute to the development of a national health and safety policy in line with MH&S Legislation. Tripartite relationship properly managed Problem solving techniques in place.	Draft policy document and legislation Report back and advice were given to principals as required Necessary mandates obtained Communications with stakeholders maintained within mandate MHSC and MQA annual reports have been completed Problems between the MHSC and the DME related to levy fund and governance have been contained and are being addressed. Problems related to governance within the MHSC office have been contained and are being addressed Problems related to financial controls in the MQA have been contained and have been addressed. Research proposals concerning occupational Hygiene and environmental Engineering have been reviewed and revised.



Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
			<p>Develop business plan for the MHSI and produce annual report as required by the MHSI</p> <p>Ongoing monitor and implement business plan</p> <p>Financial system control in place.</p> <p>Oversee HRD policy, training, career pathing and appointments</p>	<p>Strategic plan development is underway taking necessary cognizance of the Councils advisory and facilitation role.</p> <p>MHSI business plan developed and approved as planned.</p> <p>Annual report produced and distributed as planned.</p> <p>Review and revision of strategy, plan and budget as per MTEF cycle. Implemented and monitored as planned.</p> <p>Corrective action taken as necessary. Budget controlled. Under spending due to staff vacancies.</p> <p>Staffing plan developed with inputs from DCIOMS</p> <p>Have overseen the developments of job descriptions, qualifications and appointment levels aligned as planned. These are based on independent assessments of MHSI staffing issues. Deficiencies amongst MHSI managers to oversee and address HRD related issues identified. Plan to provide dedicated support in progress.</p> <p>Learnership programme in development.</p> <p>MRAC process monitored</p>

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
			Monitor development of legislation and take steps to correct problems as necessary	
Position Minerals and Energy for global competitiveness	Mine Employers, Mine Employees, SABS, SANAS.	Other mining countries, SABS, ILO Office, Public.	Adherence to best practice models.	Incorporated into legislation and policies approved as planned. Formal mechanism to benchmark and identify international best practice in place.
Govern sectors to be safe and healthy	Mine Employers, Mine Employees State Departments, Tripartite structures, SABS, SANAS, MQA.	Mine Employers, Mine Employees State Departments, Tripartite structures, SABS, SANAS, MQA.	Inspectorate responds to current concerns and trends appropriately	Enforcement plan developed on basis on performance for 2002/ 2003 regional office. Enforcement strategies specific to each sub-sector: gold, platinum, coal and other mines in development. Major developments to which a response/ appropriate action was developed: <ul style="list-style-type: none"> - Silicosis law suite - Beatrix inquiry recusal threat - Mponeng disaster enquiry outcome - ERPM flooding risk - HIV/ AIDS legal case - HIV/ AIDS Summit focus area - Outputs of review of mining industry and the inspectorate MHSI content on DME website as current as possible Information also posted on other websites, namely SIMRAC and Chamber of Mines Monthly newsletters produced and distributed in regions. Award scheme operating as planned.



Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
			<p>MHSI website is current and updated daily</p> <p>Awareness promoted through newsletters, workshops, campaigns, award schemes, meetings, etc.</p>	<p>OHS Promotion related meetings/ conferences addressed by CIOM are in excess of 20</p> <p>Annual report distributed to stakeholders, all registered mines, parliamentary portfolio members and MPs</p> <p>Legislation and guidelines on web. Regional office reports closely monitored to check adequacy of actions taken</p> <p>Advice sought and offered as necessary</p> <p>Actions taken include closure of workplaces, mostly temporarily, instructions to take correction actions and administrative fines.</p> <p>Monitored on basis of regional accident reports and monthly reports</p> <p>Inspection and audit targets generally met in all regions.</p> <p>Gaps identified in addressing occupational health hazards.</p> <p>Workshops for inspectors in progress.</p> <p>Necessary support provided in major inquiries</p> <p>Gaps identified in medical appeal process.</p> <p>Development of enforcement policy under way.</p> <p>Inquiry manual finalized.</p> <p>Needs scoped and submitted to IM.</p> <p>Action plan developed.</p> <p>Funds transferred.</p> <p>Monitoring in progress</p> <p>Raised at EXCO to facilitate co-operation</p> <p>SITA currently developing programme from scratch.</p>

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
				Contingency plan being developed in event of non-delivery by SITA.
			Take effective steps to improve fatal and reportable accidents Monitor enforcement activities and take necessary steps to address gaps Databases improved, developed and integrated	
Redress past imbalances and social inequity, and support cross-cutting initiatives	Mine Employers, Mine Employees, MQA, Other State Departments, Public	Small scale mining enterprises, Learners, Training providers (e.g. Universities, etc.)	Support development of capacity and appropriate services for small scale mines Oversee and support training opportunities in the mining sector	MHSI strategy in development. Development of training standards and material in progress. Delivery of training supported through NSF funding. Draft of Mining School business plan available and under consideration by DOE. Mechanisms for delivery of training at regional level under investigation. Support from stakeholders obtained. MQA/ NSF funding secured. Executive Preparation Programme for HDI's launched and 1st round of students near completion of courses. 42 learnerships and one skills programme have been registered by the MQA in line with industry priorities. Training underway.



Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
				The following national certificates were issued by the MHSI during the 2003/2004 financial year:
				<ul style="list-style-type: none"> - Mine Manager's Certificate of Competency: 75 - Mine Overseer's Certificate of Competency: 245 - Mine Surveyor's Certificate of Competency: 4 <p>Work is in progress to hand over administration of all certificates to MQA. Databases are being developed as 1st step.</p> <p>A number of meetings of HIV/ AIDS Tripartite Committee have taken place and the technical sub-committee met several times in preparation for the Summit.</p> <p>HIV/ AIDS Summit held on 30 April 2003. Well attended by stakeholders including various Cabinet Ministers, Premiers of Provinces, Members of Executive Councils, Presidents and General Secretaries of Labour Unions and Presidents and CEOs of mining houses.</p> <p>Cossa court case related issues referred to Committee for attention.</p>
			Support initiatives to combat HIV/ AIDS in industry	
<i>Energy</i>				
Policy Development	Minister Industry	Users	Legislation Regulation	Draft Pipelines Regulations, Gas Regulations signed off by the Minister
Integrated Energy Centres (IeCs) X 4, one in KZN and the other in NC	Communities	Communities	N/A	N/A
Implementing the National Energy Efficiency Strategy for South Africa	All energy consumers and producers	Industrial, Commercial, Transport, Residential sectors of South Africa	a 15% reduction in energy consumption by 2015 which amounts to 29 petajoules in 2015	The target for the first year was 2.8 petajoules. It is estimated that 40% of the target has been achieved but all reports have not been received yet.

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Policy Development; Environmental Policy; Black economic Empowerment	Minister; Oil Industry; NGO's; BEE companies	New BEE entrants; New oil companies	Adherence to Legislation; Empowerment programs; Cleaner and safer fuels	Draft Petroleum Pipelines Regulations Annual Empowerment Audit
Support: petroleum and gas regulatory issues	Oil and gas companies	N/A	Full access	Draft Petroleum Pipelines Regulations
Support: price regulatory and station development issues	Fuel retail sector	N/a	Full access	Open access maintained
Information relating to the petroleum sector	Public	N/a	Full access in respect of information	Open access maintained
Administrative support service	Minister and Departmental management	N/a	As directed	As directed
<i>Mineral Development</i>				
Provide through research, relevant information that will enhance global competitiveness and attract new investment.	Mining Companies; Small Scale Miners, Investors	Government; Public	Promote investment in South Africa's mining industry through exhibitions and conferences. Collection and timeous distribution industry statistical information Provide Services to the Kimberly process office	Participated in 1 conference and 3 internationally acclaimed exhibitions 9 directories, and 11 special reports were completed Information supplied monthly to STATS S.A Successful implementation of the Certification scheme



Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
	DME	Investors; Public	Provide an electronic management system, and spatial mineral-economic information through the National Mining Promotion System	Development of Phase 1, which is the licensing system was completed
To increase entrepreneurial investment activity in the Mineral Industry	Small Scale Miners	New Entrants	<p>Encourage the development of Small Scale mining Operations</p> <p>Provide continued support to existing small scale mining projects</p> <p>Identify new projects in consultation with the regional committees</p>	<p>A model was developed to address the needs identified during the pilot phase</p> <p>Supported 13 projects which were at different levels of development</p> <p>Ongoing process focusing on legalizing economic viable illegal operations</p>
Regulate the minerals and mining industry to achieve transformation	<p>Established Mining Companies</p> <p>Small Scale Miners</p>	New entrants to mining sector	<p>Development of mineral resources on a sustainable basis:</p> <ul style="list-style-type: none"> · Work programmes 	<p>All applications to mine or prospect on State owned minerals were evaluated to determine economic viability and to ensure that the applicant has the financial and technical expertise to mine or prospect optimally. Site inspections held to verify royalty payments owed to the State and compliance with the terms and conditions as per agreements. Valuations for transfer duty, estate valuation and effective values as requested by SARS.</p>
			<ul style="list-style-type: none"> · Inspections 	

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
			<ul style="list-style-type: none"> · Provide assistance to marginal mines · Royalty payment inspections · Mine valuation for tax purposes 	
Maintaining effective and efficient administrative systems and controls	Industry DME Auditor General		Proper administrative systems and controls in place and implemented Administrative guidelines and procedures in place. Address all adverse findings by the Auditor-General Capturing royalties in the royalty system Ensure compliance with legislative framework in the processing of applications	Effective systems have been developed and implemented in all the regional offices. Procedures for the processing of all applications have been developed and adhered to at all regional offices. All the regional offices have adequately addressed adverse findings by the Auditor-General. All the standard state contracts have been captured in the system, only few contracts are still active as most companies have applied for the conversion of their old order mining rights. Capacity has been strengthened, particularly in the regional offices to reduce the turn around time for applications New work processes designed to ensure efficient processing of applications both at regional offices and] at head office
			Preparing for Conversion of Old order rights into new order rights	The verification of existing rights has been completed.
				Industry and Internal workshops have been held to provide information on the conversion process



Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
			Ensure the effective collection of outstanding royalties	Outstanding royalties have been identified and measures have been taken to collect such royalties. EMP's for operating mines have been processed
			Approval of EMP within specified time EMP Auditing and ensuring the adequacy and validity of Financial Provision Development of relevant legislation and supporting regulations	Regular inspections are done The regulations supporting the Minerals and petroleum Development Act completed
Effectual management and control of mineral resource utilization to sustainable development (socio-economic development and environment)	Mine-Workers, Ex-Mine Workers, Mining companies, Cabinet	Hosting communities Sending communities Investors	Co-ordinate training of ex-mineworkers for integration into other areas of economy Management of Downscaling and retrenchments	300 ex-mineworkers have commenced training 30 ABET Learnership Providers commenced training Over 5000 jobs have been saved with the intervention of the Department Minerals and Mining Development Board was established and ratified by cabinet on 23 March 2004

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
			Establishment of legislative enforcement framework	
			Provide social and labour plan information to maintain stakeholder awareness	<p>Social and Labour Plan Regulations and Guidelines have been finalized</p> <p>13 assessment workshops on social and Labour Plan and BEE assessment were conducted with industry players to ensure common understanding of the transformation agenda.</p> <p>Represented DME at external forums – Sector Skills Planning Committee, ABET Adhoc Committee, SPC</p>
Lay a foundation for environmental sustainable development in the mining industry.	<p>Mining companies.</p> <p>Professional environmental practitioners.</p>	<p>National and international investors.</p> <p>Partnerships with international countries, parastatal Organizations, NGOs and CBOs.</p>	<p>Co-ordinate implementation of WSSD resolutions for mining :</p> <p>1) within the Branch</p> <p>2) within the national process established by DEAT; and</p> <p>3) via a dedicated strategy within the mining industry.</p>	Implementation of WSSD outcomes for mining in accordance with the Johannesburg Plan of Implementation and timeframes provided.
	Relevant Government departments on national, provincial and local level			



Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
	DME Regional Offices	Other relevant Government departments.	Strengthening of environmental enforcement and compliance in the mining industry through the implementation of strategies, systems and measures.	Compliance to legislative requirements in terms of MPRDA, 2002
	DEAT and the 9 Provincial Environmental departments. DME DME Regional offices	All other relevant Government department on national, provincial or local level. Other relevant Government departments. Partnerships with mining industry and parastatal or research organizations. Other Government departments.	Strengthen co-operative Governance through MOUs between DME and other relevant Government departments to assist DME in strengthening of environmental enforcement. Develop database of all abandoned and ownerless mines/dumps in SA. Manage mine pollution hotspots in SA through the:	To comply with the principles of co-operative governance in terms of the Constitution and to ensure harmonization of environmental legislation and policies. Rehabilitation of abandoned and ownerless mines in accordance with priorities with safety, health and environmental risks and hazards have been addressed to achieve resolutions in the Johannesburg Plan of Implementation. Environmental risks and hazards have been addressed to achieve resolutions in Johannesburg Plan of Implementation. Mine pollution, mining waste and degradation have been addressed in order to achieve resolutions and outcomes in the WSSD Johannesburg Plan of Implementation.
			1) identification of gold, coal, platinum and other mining pollution hotspots;	

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
			2) manage pollution and degradation in accordance with specific standards/ norms;	
		Mining industry.	3) develop strategic closure plans to ensure that operational mines within hotspots implement closure plans accordingly.	
<i>Mineral Policy And Promotion</i>				
Investment Promotion	Mining Companies; Small scale miners; Investors	Public	Promote investment in South Africa's mining industry through exhibitions and conferences. Publish industry promotional material Collection and timeous distribution industry statistical information Provide services to the Kimberly Process office	Participated in 3 Conferences and 4 internationally acclaimed exhibitions 40 directories and reports completed Information supplied monthly to STATS S.A Successful implementation of the Certification Scheme
Bridging the gap between the two economies through SMME development	Small Scale Miners, SMMEs	Public	Encourage the development of Small Scale mining operations and beneficiation projects	Provide technical and financial assistance to new projects



Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
			Provide continued support to existing small scale mining projects	Supported 18 projects which were at different levels of development
			Identify new projects in consultation with the regional committees	Ongoing process focusing on legalizing economic viable illegal operations
Formulate mining and mineral policy to achieve transformation	Industry, Public	Other government Departments	Review and amend legislation and policies	Ongoing process - Regulations for the Diamond Amendment Bill, the Precious Metals Bill and the Diamond Secondment Bill have been completed. Amendments to the MPRDA have been Tabled in Parliament.
Contributes towards sustainable development	Industry, Public	New entrants to mining sector	Have sound environmental management practises Administrative guidelines and procedures in place. Address all adverse findings by the Auditor-General Capturing royalties in the royalty system	Mine water ingress and pollution has been addressed through giving pumping subsidies to marginalized gold mines A draft strategy for sustainable development has been completed. Final draft guidelines on mine closure and EMP monitoring and performance assessment completed. Procedures for the processing of all applications have been developed and adhered to at all regional offices. All the regional offices have adequately addressed adverse findings by the Auditor-General. Most standard state contracts have been captured in the system.
Regulate the industry to achieve transformation and compliance with legislative framework	Industry	BEE Companies	Promote equitable access to mineral assets	Existing permits and licenses have been categorized to allow the DME to provide access to new entrants.
				Discussions with the members of the public have been held to inform them about the availability of minerals in the different regions.

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
			Ensure compliance with legislative framework in the processing of applications	Capacity has been strengthened, particularly in the regional offices to reduce the turn around time for applications New work processes designed to ensure efficient processing of applications both at regional offices and at head office
			Preparing for Conversion of Old order rights into new order rights Ensure the effective collection of outstanding royalties Approval of EMP within specified time EMP Auditing and ensuring the adequacy and validity of Financial Provision Development of relevant legislation and supporting regulations	The verification of existing rights has been completed. Industry and Internal workshops have been held to provide information on the conversion process Outstanding royalties have been identified and measures have been taken to collect such royalties. EMP's for operating mines have been processed Regular inspections are done The regulations supporting the Minerals and petroleum Development Act completed
Effectual management and control of mineral resource utilization to sustainable development (socio-economic development and environment)	Mine-Workers, Ex-Mine Workers, Mining companies, Cabinet	Hosting communities Sending communities Investors	Co-ordinate training of ex-mineworkers for integration into other areas of economy	300 ex-mineworkers have commenced training



Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
				30 ABET Learnership Providers commenced training
			Management of Downscaling and retrenchments Establishment of legislative enforcement framework	Over 5000 jobs have been saved with the intervention of the Department Minerals and Mining Development Board was established and ratified by cabinet on 23 March 2004 Social and Labour Plan Regulations and Guidelines have been finalized
			Provide social and labour plan information to maintain stakeholder awareness	Social and Labour Plan Presentations and advise given – BHP Billiton, Anglo Gold, Anglo Coal, Anglo Plats. Gold Fieds, Ingwe, Impala, Lonmin, Harmony, Sasol, Placer Dome etc. Represented DME at external forums – Sector Skills Planning Committee, ABET Adhoc Committee, SPC
Lay a foundation for environmental sustainable development in the mining industry.	Mining companies. Professional environmental practitioners. Relevant Government departments on national, provincial and local level.	National and international investors. Partnerships with international countries, parastatal organizations, NGOs and CBOs.	Co-ordinate implementation of WSSD resolutions for mining : 1) within the Branch; 2) within the national process established by DEAT; and 3) via a dedicated strategy within the mining industry.	Implementation of WSSD outcomes for mining in accordance with the Johannesburg Plan of Implementation and timeframes provided.

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
	DME Regional Offices	Other relevant Government departments. Mining industry.	Strengthening of environmental enforcement and compliance in the mining industry through the implementation of strategies, systems and measures.	Compliance to legislative requirements in terms of MPRDA, 2002
	DEAT and the 9 Provincial Environmental departments.	All other relevant Government department on national, provincial or local level.	Strengthen co-operative Governance through MOUs between DME and other relevant Government departments to assist DME in strengthening of environmental enforcement.	To comply with the principles of co-operative governance in terms of the Constitution and to ensure harmonization of environmental legislation and policies.
	DME DME Regional offices	Other relevant Government departments. Partnerships with mining industry and parastatal or research organizations. Other Government departments.	Develop database of all abandoned and ownerless mines/dumps in SA. Manage mine pollution hotspots in SA through the:	Rehabilitation of abandoned and ownerless mines in accordance with priorities with safety, health and environmental risks and hazards have been addressed to achieve resolutions in the Johannesburg Plan of Implementation. Mine pollution, mining waste and degradation have been addressed in order to achieve resolutions and outcomes in the WSSD Johannesburg Plan of Implementation.



Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
		Mining industry.	1) identification of gold, coal, platinum and other mining pollution hotspots; 2) manage pollution and degradation in accordance with specific standards/norms;	
			3) develop strategic closure plans to ensure that operational mines within hotspots implement closure plans accordingly.	
<i>Electricity And Nuclear</i>				
Formulation and promulgation of Regulations required in terms of the NNR ACT	NNR		Number of regulations	Published regulations and drafted regulations still to be published.
Plan, implemented and oversee Integrated National Electrification Programme (INEP)				Actual connections:
Evaluate the socio-economic of INEP				Households 105 617, schools 926 (526 grid and 100 non-grid) and 10 clinics
	Members of the community	Municipalities and Eskom	Households, schools and clinics connection	
Implementation of Electricity policies and regulations				5255 jobs and 1382 learnerships were created.
				Electricity Regulation Act, Electricity Regulation

	Members of the community	Municipalities and Eskom	Numbers of jobs and learnerships created	Amendment Bill, Free basic alternative Energy policy and Electricity Regulations on licensing, registrations and expropriation have been approved
	Municipalities and members of the public		Regulations and policies	

Table 1.2 Service Delivery - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
<i>Mine Health And Safety</i>			
Tripartite negotiations in statutory committees.	Mine Employers,	Members of the Public,	Minister is advised on education and training, and health and safety matters.
			Legislation/policies are developed and published.
		Other mining Countries, Manufactures.	
	Mine Employers		
Normal other (e-mail, telephone, etc.)			
	State Departments, Tripartite structures, SABS, SANAS,		
Informal consultation	MQA.		
<i>Energy</i>			
Workshops, Correspondence, Publications	Coal & Gas Industries	N/A	Policy Development Workshops, Letters, Publications
ISRDP, IDP meetings and community gatherings	Communities	Communities	The leC concept well received and Municipalities and communities embraced and supported the initiative
Interactive consultation using all communication channels and processes	As outlined above	N/a	Maintained high level of interactive consultation
Consultations			Agreement with Treasury on shared savings
Meetings			



Audits			Cabinet Memorandum on energy efficiency in government buildings approved
Workshops, correspondence,	Oil and Gas industry	New BEE companies	¼ meetings with Minister and SAPIA governors
Publications, Regular meetings			
Interactive consultation using all communication channels and processes	As outlined above	N/a	Maintained high level of interactive consultation
Mineral Development			
Tripartite Structure (NSC Implementation Structures)	Mine Employers		Monthly meetings held and annual meeting of the principles also held
	Mine Employees		
	Government Departments		
Publications	Industry	New Investors	Participated in 1 conference and 3 internationally acclaimed exhibitions
Conferences/ Exhibitions	Industry		Industry workshops held on strategic minerals
Meetings and Interactive consultation			Meetings and Interactive consultation held on a daily basis to provide information and handle queries from the industry, other government departments and the public
<i>Electricity And Nuclear Branch</i>			
Workshops, correspondence,	Eskom and Municipalities	Nil	Policy Development Workshops, Letters, Publications
Publications, Regular			
ISDRP, IDP meetings and community gathering	Communities	Communities	Participation of the community and municipalities in the planning process of electrification projects
Interactive Consultation using all communication channels and processes	As outlined above	N/A	Maintained high level of interactive consultation

Table 1.3 Service Delivery - Service Delivery Access Strategy

Access Strategy	Actual Achievements
<i>Mineral Health And Safety</i>	
On site Inspections	Inspection reports on status of health and safety standards at mines. Agreements/clarifications of processes.
Off site consultation	
<i>Energy</i>	
	Gas Regulations, Draft Pipelines Regulations
Legislation, Regulations	
Legislation, Regulations; Industry agreements	Annual BEE Audit,
Access strategy employing all channels of communication	Open access maintained
Access Strategy employing all channels of communication	Open access maintained
Mineral Development	The Minerals and Petroleum Resources development Act
Publications of legislation	
Distribution of information material at exhibitions and Head Office	Directories and reports distributed at international events and at head office
Inspections on site Consultations with applicants /holders of rights	Regular inspections held to ensure compliance with the law
<i>Electricity And Nuclear</i>	
On site technical audits	Technical audit report
	Agreement s/ clarification of processes.

**Table 1.4 Service Delivery - Service Information Tool**

Type of Information Tool	Actual Achievements
<i>Mineral Health And Safety</i>	
DME Website –MHSI section	MHSI content on DME website as current as possible Safety statistics available on website
	Information also posted on other websites, namely MHSC and Chamber of Mines
	Legislation and guidelines on website
Annual Reports(DME/MHSI/ MHSC	Annual reports distributed to stakeholders, all registered mines, parliamentary portfolio members and MPs
	OHS Promotion related meetings/ conferences addressed by CIOM are in excess of 20
	HIV/AIDS Summit held on 30 April 2003. Purpose of summit was to share experience, enhance coordination, review progress and reaffirm commitment to the nation 5- years strategic plan.
Meetings, conferences,	Mine Health and Safety Summit held on 24 October 2003. Agreement reached and commitments from all stakeholders on setting of health and safety targets for the industry.
<i>Summits, Workshops, Etc.</i>	
	Mine Health and safety Inspectorate Brochure and Flyer developed and distributed.
	Monthly newsletters produced and distributed in regions.
Brochures, Flyers and Newsletters	
<i>Energy</i>	
All mediums of interaction including personal contact	Open access maintained
Mineral Development	
Mail (Publications)	
Exhibitions/	
Workshops/Public	
Gatherings	
DME Website	
Meetings	
Mineral Policy and Promotion	
Mail (Publications)	
Exhibitions/ Workshops/Public gatherings	
DME Website	
Meetings	

Table 1.5 Service Delivery - Complaint Mechanism

Complaint Mechanism	Actual Achievements
<i>Mine Health And Safety</i>	
Issues dealing with site	Report to Regional Principal Inspectors via various means (Telephone, letters, faxes, e-mail, etc.)
Specific issues	Complaints directed to appropriate sections at Head Office, also via various means (Telephone, letters, faxes, e-mail, etc.)
Issues of a generic/National nature	
Mineral Development	
Mineral Development issues	Complaints can be directed to Regional managers or appropriate.
Mineral Policy and Promotion	
All complaints	Complaints can be directed to Regional managers or appropriate Programme managers at Head Office in writing or via the telephone.

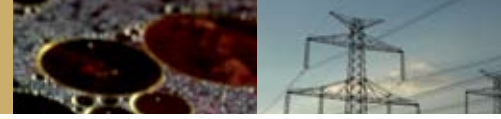


Table 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration -prg1	155,708	50,739	2,079	6,341	32.58%	139.77	363
Associated services -prg7	2,051,287	0	0	0	0	0	0
Electricity and nuclear -prg6	59,270	19,299	-	20,055	32.56%	327.10	59
Hydrocarbons & energy plan -pr	50,289	18,909	-	11,375	37.60%	300.14	63
Mineral policy & promotion -pr	132,861	59,941	-	42,892	45.11%	881.48	68
Mineral regulation -prg3	76,555	20,020	-	2,866	26.15%	68.56	292
Promot mine safety & health -pr	108,995	77,246	3	7,432	70.87%	294.83	262
Theft and losses	135	-	-	-	0.00%	0.00	0
Z=Total as on Financial Systems (BAS)	2,635,100	246,154	2,082	90,961	9.34%	222.36	1107

Table 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	1,147	0.4	0	264,154	0
Skilled (Levels 3-5)	16,981	6.4	68,749	264,154	247
Highly skilled production (Levels 6-8)	33,530	12.700	135,749	264,154	247
Highly skilled supervision (Levels 9-12)	137,382	52	291,064	264,154	472
Senior management (Levels 13-16)	41,637	15.8	514,037	264,154	81
Contract (Levels 1-2)	8	0	0	264,154	0
Contract (Levels 3-5)	1,257	0.5	62,850	264,154	20
Contract (Levels 6-8)	1,666	0.6	69,417	264,154	24
Contract (Levels 9-12)	3,256	1.2	465,143	264,154	7
Contract (Levels 13-16)	4,032	1.5	448,000	264,154	9
Periodical Remuneration	208	0.1	1,552	264,154	134
Abnormal Appointment	5,050	1.9	12,753	264,154	396
Total	246154	93.2	150369	264,154	1637



Table 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration -prg1	33,349	65.72	1,001	1.97	678	1.34	1,822	3.59	50,739
Associated services -prg7	-	0.00	-	0.00	-	0.00	-	0.00	-
Electricity and nuclear -prg6	12,442	64.46	-	0.00	177	0.92	523	2.71	19,299
Hydrocarbons & energy plan -pr	13,019	68.85	12	0.06	316	1.67	487	2.58	18,909
Mineral regulation -prg3	40,466	67.50	784	1.30	552	0.92	2,346	3.91	59,941
Mineral Policy and promotion	13,647	68.16	194	0.96	272	1.35	741	3.70	20,020
Promot mine safety & health -pr	51,432	66.58	12	0.01	602	0.77	2,759	3.57	77,246
Theft and losses	-	0.00	-	0.00	-	0.00	-	0.00	-
Total	164,355	66.77	2,003	0.81	2,597	1.06	8,678	3.53	246,154

Table 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (000)
Lower skilled (Levels 1-2)	835	43.900	11	0.6	25	1.3	71	3.7	1901
Skilled (Levels 3-5)	12318	83.7	411	2.8	221	1.5	1101	7.5	14710
Highly skilled production (Levels 6-8)	24655	70.2	479	1.4	385	1.1	1687	4.8	35103
Highly skilled supervision (Levels 9-12)	95485	69.300	931	0.7	1226	0.9	4660	3.4	137846
Senior management (Levels 13-16)	23994	54.6	0	0	696	1.6	1069	2.4	43916
Contract (Levels 1-2)	6	25	0	0	0	0	0	0	24
Contract (Levels 3-5)	925	72.600	158	12.4	0	0	6	0.5	1274
Contract (Levels 6-8)	1401	83.800	10	0.6	0	0	10	0.6	1671
Contract (Levels 9-12)	2374	42.7	3	0.1	21	0.4	31	0.6	5561
Contract (Levels 13-16)	2362	56.900	0	0	23	0.6	43	1	4148
Total	164355	66.800	2003	0.8	2597	1.1	8678	3.5	246154

Table 3.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration, Permanent	374	363	2.9	27
Electricity & Nuclear, Permanent	104	59	43.3	0
Hydrocarbons & Energy plan, Permanent	133	63	52.6	5
Mine safety & health, Permanent	313	262	16.3	15
Mineral Promotion, Permanent	87	68	21.8	0
Mineral development, Permanent	403	292	27.5	15
Total	1414	1107	21.7	62

Table 3.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	18	12	33.3	0
Skilled (Levels 3-5), Permanent	298	241	19.1	13
Highly skilled production (Levels 6-8), Permanent	312	244	21.8	15
Highly skilled supervision (Levels 9-12), Permanent	624	470	24.7	10
Senior management (Levels 13-16), Permanent	102	80	21.6	1
Contract (Levels 3-5), Permanent	19	19	0	13
Contract (Levels 6-8), Permanent	19	19	0	5
Contract (Levels 9-12), Permanent	14	14	0	2
Contract (Levels 13-16), Permanent	8	8	0	3
Total	1414	1107	21.7	62



Table 3.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	91	69	24.2	1
Agricul animal oceanography forestry & other scien, Permanent	4	4	0	0
Auxiliary and related workers, Permanent	2	0	100	0
Biologists botanists zoologists & rel professional, Permanent	150	103	31.3	5
Cleaners in offices workshops hospitals etc., Permanent	23	16	30.4	0
Client inform clerks(switchb receipt inform clerks), Permanent	8	7	12.5	0
Communication and information related, Permanent	8	5	37.5	0
Computer programmers., Permanent	4	2	50	0
Computer system designers and analysts., Permanent	4	4	0	1
Economists, Permanent	46	42	8.7	0
Engineering sciences related, Permanent	15	12	20	0
Engineers and related professionals, Permanent	1	1	0	0
Finance and economics related, Permanent	25	21	16	0
Financial and related professionals, Permanent	22	15	31.8	2
Financial clerks and credit controllers, Permanent	29	17	41.4	1
Food services aids and waiters, Permanent	12	10	16.7	0
General legal administration & rel. professionals, Permanent	4	2	50	0
Head of department/chief executive officer, Permanent	2	2	0	0
Human resources & organisat developm & relate prof, Permanent	36	32	11.1	2
Human resources clerks, Permanent	17	17	0	5
Human resources related, Permanent	15	13	13.3	0
Information technology related, Permanent	5	3	40	0
Language practitioners interpreters & other commun, Permanent	7	6	14.3	1
Legal related, Permanent	2	2	0	0
Librarians and related professionals, Permanent	3	3	0	0
Library mail and related clerks, Permanent	41	34	17.1	3
Light vehicle drivers, Permanent	6	6	0	1
Logistical support personnel, Permanent	13	9	30.8	0
Material-recording and transport clerks, Permanent	35	20	42.9	0
Messengers porters and deliverers, Permanent	10	8	20	0
Natural sciences related, Permanent	96	73	24	0
Other administrat & related clerks and organisers, Permanent	94	85	9.6	4
Other administrative policy and related officers, Permanent	86	61	29.1	3
Other information technology personnel., Permanent	8	8	0	2

Other machine operators, Permanent	4	4	0	0
Other occupations, Permanent	2	1	50	0
Risk management and security services, Permanent	2	0	100	0
Safety health and quality inspectors, Permanent	210	160	23.8	14
Secretaries & other keyboard operating clerks, Permanent	108	93	13.9	1
Security officers, Permanent	43	40	7	12
Senior managers, Permanent	104	83	20.2	4
Statisticians and related professionals, Permanent	1	1	0	0
Trade/industry advisers & other related profession, Permanent	16	13	18.8	0
Total	1414	1107	21.7	62

Table 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	18	4	22.2	1	25	0	0
Contract (Levels 3-5)	19	0	0	0	0	0	0
Contract (Levels 6-8)	19	0	0	0	0	0	0
Contract (Levels 9-12)	14	0	0	0	0	0	0
Contract (Band A)	5	0	0	0	0	0	0
Contract (Band B)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	298	68	22.8	11	16.2	0	0
Highly skilled production (Levels 6-8)	312	77	24.7	23	29.9	4	5.2
Highly skilled supervision (Levels 9-12)	624	89	14.3	20	22.5	0	0
Senior Management Service Band A	70	12	17.1	0	0	0	0
Senior Management Service Band B	24	2	8.3	0	0	0	0
Senior Management Service Band C	7	1	14.3	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	1414	253	17.9	55	21.7	4	1.6

This figure includes vacant posts



Table 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	15	0	0	6	21
Male	14	0	2	6	22
Total	29	0	2	12	43
Employees with a Disability	0	0	0	1	1

Table 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Admin and Related	1	11	12	retention	989
Admin and Related	1	9	10	retention	989
Secretaries & other	1	4	6	retention	989
Natural Science & Related	1	13 (first notch)	13 (6th notch)	retention	989
Natural Science & Related	1	8	10	retention	989
Finance and Economics	1	11	12	retention	989
Total	6				
Percentage of Total Employment	0.61%				

Table 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR .V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	2	3
Male	3	0	0	0	3
Total	6	0	0	2	6
Employees with a Disability	0	0	0	0	0

Table 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	18	4	22.2	1	25	0	0
Contract (Levels 3-5)	19	0	0	0	0	0	0
Contract (Levels 6-8)	19	0	0	0	0	0	0
Contract (Levels 9-12)	14	0	0	0	0	0	0
Contract (Band A)	5	0	0	0	0	0	0
Contract (Band B)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	298	68	22.8	11	16.2	0	0
Highly skilled production (Levels 6-8)	312	77	24.7	23	29.9	4	5.2
Highly skilled supervision (Levels 9-12)	624	89	14.3	20	22.5	0	0
Senior Management Service Band A	70	12	17.1	0	0	0	0
Senior Management Service Band B	24	2	8.3	0	0	0	0
Senior Management Service Band C	7	1	14.3	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	1414	253	17.9	55	21.7	4	1.6

This figure includes vacant posts

Table 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	15	0	0	6	21
Male	14	0	2	6	22
Total	29	0	2	12	43
Employees with a Disability	0	0	0	1	1



Table 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Admin and Related	1	11	12	retention	989
Admin and Related	1	9	10	retention	989
Secretaries & other	1	4	6	retention	989
Natural Science & Related	1	13 (first notch)	13 (6th notch)	retention	989
Natural Science & Related	1	8	10	retention	989
Finance and Economics	1	11	12	retention	989
Total	6				
Percentage of Total Employment	0.60%				

Table 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR .V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	2	3
Male	3	0	0	0	3
Total	6	0	0	2	6
Employees with a Disability	0	0	0	0	0

Table 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	40	0	1	2.5
Skilled (Levels 3-5), Permanent	188	62	21	11.2
Highly skilled production (Levels 6-8), Permanent	235	71	34	14.5
Highly skilled supervision (Levels 9-12), Permanent	426	72	75	17.6
Senior Management Service Band A, Permanent	47	10	10	21.3
Senior Management Service Band B, Permanent	18	0	4	22.2
Senior Management Service Band C, Permanent	5	1	1	20
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	1	0	1	100
Contract (Levels 3-5), Permanent	13	18	12	92.3
Contract (Levels 6-8), Permanent	3	25	1	33.3
Contract (Levels 9-12), Permanent	7	12	3	42.9
Contract (Band A), Permanent	4	6	2	50
Contract (Band B), Permanent	1	1	1	100
Total	989	278	166	16.8

Table 5.2 - Annual Turnover Rates By Critical Occupation

Occupation	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	49	8	20	40.8
Agricul animal oceanography forestry & other scien, Permanent	0	1	0	0
Auxiliary and related workers, Permanent	2	0	6	*300
Biologists botanists zoologists & rel professional, Permanent	66	58	7	10.6
Cartographers and surveyors, Permanent	1	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	18	0	1	5.6
Client inform clerks(switchb receipt inform clerks), Permanent	7	2	1	14.3
Communication and information related, Permanent	6	0	0	0
Computer programmers., Permanent	0	1	0	0
Computer system designers and analysts., Permanent	1	3	0	0
Economists, Permanent	38	19	6	15.8
Engineering sciences related, Permanent	10	0	3	30
Engineers and related professionals, Permanent	1	0	0	0
Finance and economics related, Permanent	21	4	1	4.8
Financial and related professionals, Permanent	11	6	0	0
Financial clerks and credit controllers, Permanent	13	6	3	23.1
Food services aids and waiters, Permanent	9	0	0	0
General legal administration & rel. professionals, Permanent	2	1	0	0
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources & organisat developm & relate prof, Permanent	16	7	2	12.5
Human resources clerks, Permanent	13	11	0	0
Human resources related, Permanent	11	4	5	45.5
Information technology related, Permanent	8	2	8	100
Inspectors of apprentices works and vehicles, Permanent	1	0	0	0
Language practitioners interpreters & other commun, Permanent	4	1	1	25
Legal related, Permanent	2	0	0	0

*SCM restructured and new posts were created since 1 April 2006 and existing employees moved to the new posts therefore a 300% turnover



Occupation	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate
Librarians and related professionals, Permanent	2	0	0	0
Library mail and related clerks, Permanent	37	6	4	10.8
Light vehicle drivers, Permanent	4	1	0	0
Logistical support personnel, Permanent	6	8	4	66.7
Material-recording and transport clerks, Permanent	12	6	0	0
Messengers porters and deliverers, Permanent	14	2	1	7.1
Natural sciences related, Permanent	52	16	6	11.5
Other administrat & related clerks and organisers, Permanent	91	9	10	11
Other administrative policy and related officers, Permanent	70	24	12	17.1
Other information technology personnel., Permanent	1	3	1	100
Other machine operators, Permanent	5	0	0	0
Other occupations, Permanent	3	0	0	0
Rank: Unknown, Permanent	2	0	0	0
Risk management and security services, Permanent	5	0	2	40
Safety health and quality inspectors, Permanent	177	25	32	18.1
Secretaries & other keyboard operating clerks, Permanent	84	23	7	8.3
Security officers, Permanent	35	8	6	17.1
Senior managers, Permanent	70	11	15	21.400
Statisticians and related professionals, Permanent	1	0	0	0
Trade/industry advisers & other related profession, Permanent	7	2	2	28.6
Total	989	278	166	16.8

Table 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment at the beginning of the period
Death, Permanent	6	3.6%	0.6%	166	989
Resignation, Permanent	71	42.7%	7.1%	166	989
Expiry of contract, Permanent	18	10.8%	1.8%	166	989
Discharged due to ill health, Permanent	2	1.2%	0.2%	166	989
Dismissal-misconduct, Permanent	2	1.2%	0.2%	166	989
Retirement, Permanent	9	5.4%	0.9%	166	989
Severance	9	5.4%	0.9%	166	989
Transfers	49	29.5%	4.9%	166	989
Total	166	100.0%	16.7%	166	989

Resignations as % of Employment 0.168

Table 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2006)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	49	22	44.9	16	32.7
Agricul animal oceanography forestry & other scien	0	1	0	1	0
Auxiliary and related workers	2	0	0	0	0
Biologists botanists zoologists & rel professional	66	10	15.2	5	7.6
Cartographers and surveyors	1	0	0	1	100
Chemists	0	0	0	2	0
Cleaners in offices workshops hospitals etc.	18	0	0	8	44.4
Client inform clerks(switchb receipt inform clerks)	7	0	0	4	57.1
Communication and information related	6	0	0	1	16.7
Computer system designers and analysts.	1	0	0	0	0
Economists	38	5	13.2	15	39.5
Engineering sciences related	10	0	0	21	210
Engineers and related professionals	1	0	0	0	0
Finance and economics related	21	2	9.5	6	28.6
Financial and related professionals	11	3	27.3	2	18.2
Financial clerks and credit controllers	13	4	30.8	7	53.8
Food services aids and waiters	9	0	0	4	44.4
General legal administration & rel. professionals	2	2	100	1	50
Head of department/chief executive officer	1	0	0	1	100
Human resources & organisat developm & relate prof	16	8	50	8	50
Human resources clerks	13	6	46.2	3	23.1
Human resources related	11	3	27.3	5	45.5
Information technology related	8	0	0	0	0
Inspectors of apprentices works and vehicles	1	0	0	0	0
Language practitioners interpreters & other commun	4	0	0	1	25
Legal related	2	1	50	0	0
Librarians and related professionals	2	0	0	1	50
Library mail and related clerks	37	1	2.7	15	40.5
Life sciences related	0	1	0	0	0
Light vehicle drivers	4	0	0	2	50
Logistical support personnel	6	1	16.7	2	33.3
Material-recording and transport clerks	12	3	25	3	25
Messengers porters and deliverers	14	0	0	4	28.6
Natural sciences related	52	15	28.8	15	28.8



Occupation	Employment at Beginning of Period of Period (April 2006)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Other administrat & related clerks and organisers	91	3	3.3	43	47.3
Other administrative policy and related officers	70	8	11.4	20	28.6
Other information technology personnel.	1	1	100	1	100
Other machine operators	5	0	0	2	40
Other occupations	3	1	33.3	1	33.3
Rank: Unknown	2	0	0	0	0
Risk management and security services	5	0	0	3	60
Safety health and quality inspectors	177	10	5.6	46	26
Secretaries & other keyboard operating clerks	84	5	6	12	14.3
Security officers	35	3	8.6	12	34.3
Senior managers	70	9	12.9	24	34.3
Statisticians and related professionals	1	0	0	0	0
Trade/industry advisers & other related profession	7	0	0	10	142.9
Total	989	128	12.9	328	33.2
Total PROMOTIONS	456				

Table 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period of Period (April 2006)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	40	0	0	16	40
Skilled (Levels 3-5), Permanent	188	10	5.3	71	37.8
Highly skilled production (Levels 6-8), Permanent	235	31	13.2	59	25.1
Highly skilled supervision (Levels 9-12), Permanent	426	73	17.1	153	35.9
Senior management (Levels 13-16), Permanent	71	14	19.7	28	39.4
Contract (Levels 1-2), Permanent	1	0	0	0	0
Contract (Levels 3-5), Permanent	13	0	0	0	0
Contract (Levels 6-8), Permanent	3	0	0	0	0
Contract (Levels 9-12), Permanent	7	0	0	1	14.3
Contract (Levels 13-16), Permanent	5	0	0	0	0
Total	989	128	12.9	328	33.2

Table 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total	Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	38	0	3	41	15	26	0	1	27	1	84	
Professionals, Permanent	278	11	6	295	105	210	2	3	215	37	652	
Clerks, Permanent	45	2	0	47	1	166	18	0	184	45	277	
Service and sales workers, Permanent	29	1	0	30	4	8	0	0	8	1	43	
Plant and machine operators and assemblers, Permanent	7	1	0	8	0	0	0	0	0	0	8	
Elementary occupations, Permanent	13	2	0	15	0	27	1	0	28	0	43	
Total	410	17	9	436	125	437	21	4	462	84	1107	

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total	Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Total Blacks	Female, White	Total
Employees with disabilities	4	0	0	4	5	1	0	0	1	1	11	

Table 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total	Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Total Blacks	Female, White	Total
Top Management, Permanent	6	0	0	6	1	4	0	0	0	4	0	11
Senior Management, Permanent	31	0	3	34	11	21	0	1	22	3	70	
Professionally qualified and experienced specialists and mid-management, Permanent	211	10	6	227	102	113	1	1	115	28	472	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	75	2	0	77	3	112	4	2	118	49	247	
Semi-skilled and discretionary decision making, Permanent	62	5	0	67	3	157	16	0	173	4	247	
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1	
Contract (Senior Management), Permanent	4	0	0	4	2	2	0	0	2	0	8	
Contract (Professionally qualified), Permanent	2	0	0	2	3	2	0	0	2	0	7	
Contract (Skilled technical), Permanent	6	0	0	6	0	18	0	0	18	0	24	
Contract (Semi-skilled), Permanent	12	0	0	12	0	8	0	0	8	0	20	
Total	410	17	9	436	125	437	21	4	462	84	1107	



Table 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Senior Management, Permanent	7	0	0	7	1	2	0	0	2	0	10
Professionally qualified and experienced specialists and mid-management, Permanent	45	1	0	45	7	18	0	0	18	1	72
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	31	0	0	31	0	39	0	1	40	0	71
Semi-skilled and discretionary decision making, Permanent	23	0	0	23	0	38	1	0	38	0	62
Contract (Senior Management), Permanent	4	0	0	4	1	2	0	0	2	0	7
Contract (Professionally qualified), Permanent	6	0	0	6	1	5	0	0	5	0	12
Contract (Skilled technical), Permanent	6	0	0	6	0	19	0	0	19	0	25
Contract (Semi-skilled), Permanent	11	0	0	11	0	7	0	0	7	0	18
Total	133	1	0	133	10	131	1	1	132	1	278

Employee with disabilities	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

no disabled person was recruited in 2006/7

Table 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total	Blacks	White	Female, African	Female, Coloured	Female, Indian	Female, Total	Blacks	White	Total
Top Management, Permanent	4	0	0	4	0	0	2	0	0	2	0	0	6
Senior Management, Permanent	17	0	2	19	6	7	7	0	1	8	3	3	36
Professionally qualified and experienced specialists and mid-management, Permanent	106	8	3	117	39	56	0	0	1	57	13	13	226
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	17	2	0	19	2	46	4	0	0	50	19	19	90
Semi-skilled and discretionary decision making, Permanent	24	1	0	25	2	45	4	1	1	50	4	4	81
Unskilled and defined decision making, Permanent	4	0	0	4	0	12	0	0	0	12	0	0	16
Contract (Professionally qualified), Permanent	1	0	0	1	0	0	0	0	0	0	0	0	1
Total	173	11	5	189	49	168	8	3	179	39	456		

Total of both promotion/progressions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total	Blacks	White	Female, African	Female, Coloured	Female, Indian	Female, Total	Blacks	White	Total
Employees with disabilities	0	0	0	0	0	2	0	0	0	0	0	0	2

Table 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total	Blacks	White	Female, African	Female, Coloured	Female, Indian	Female, Total	Blacks	White	Total
Top Management, Permanent	0	1	0	1	0	0	0	0	0	0	0	0	1
Senior Management, Permanent	3	1	0	4	7	3	0	0	0	3	0	0	14
Professionally qualified and experienced specialists and mid-management, Permanent	29	2	0	29	24	19	0	0	1	19	0	0	75
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	1	0	5	0	21	1	1	1	22	6	6	34
Semi-skilled and discretionary decision making, Permanent	7	0	0	2	0	10	1	1	1	5	2	2	21
Unskilled and defined decision making, Permanent	1	0	0	1	0	0	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	2	0	0	2	1	0	0	0	0	0	0	0	3
Contract (Professionally qualified), Permanent	0	0	0	0	3	0	0	0	0	0	0	0	3



Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total	Male, Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total	Female, Blacks	Female, White	Total
Contract (Skilled technical), Permanent	0	0	0	0	0	0	1	0	0	1	1	0	1
Contract (Semi-skilled), Permanent	10	0	0	10	0	0	2	0	0	2	2	0	12
Contract (Unskilled), Permanent	0	0	0	0	0	0	1	0	0	1	1	0	1
Total	56	5	0	54	35	57	2	3	53	8	166		

Employees with disabilities	Male, African	Male, Coloured	Male, Indian	Male, Total	Male, Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total	Female, Blacks	Female, White	Total
	1	0	0	1	0	0	0	0	0	0	0	0	1

Table 6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total	Male, Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total	Female, Blacks	Female, White	Total
	34	1	1	34	5	9	3	0	0	12	2	55	

Table 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total	Male, Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total	Female, Blacks	Female, White	Total
Legislators, Senior Officials and Managers	3	0	0	3	0	2	0	0	0	0	0	1	6
Professionals	17	0	1	18	2	20	0	0	0	20	5	45	
Technicians and Associate Professionals	35	1	0	36	29	23	0	0	0	23	17	105	
Clerks	9	0	0	9	1	54	6	0	0	60	3	73	
Service and Sales Workers	12	1	0	13	3	2	0	0	0	2	1	19	
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	1	0	0	1	0	0	0	0	0	0	0	0	1
Elementary Occupations	2	0	0	2	0	9	0	0	0	9	0	0	11
Total	79	2	1	82	35	110	6	0	116	27	260		
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	129	436	29.6	800	6,199
African, Male	118	408	28.9	1,427	12,096
Asian, Female	4	4	100	51	12,873
Asian, Male	5	9	55.6	69	13,768
Coloured, Female	10	21	47.6	32	3,227
Coloured, Male	13	17	76.5	162	12,427
Total Blacks, Female	143	461	31	883	6,178
Total Blacks, Male	136	434	31.3	1,658	12,189
White, Female	71	84	84.5	476	6,710
White, Male	112	122	91.8	1,869	16,685
Employees with a disability	3	6	50	13	4,178
Total	465	1107	42	4,899	10,535

Table 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Skilled (Levels 3-5)	93	247	37.7	231	2,484
Highly skilled production (Levels 6-8)	102	247	41.3	452	4,431
Highly skilled supervision (Levels 9-12)	227	472	48.1	2,946	12,978
Contract (Levels 3-5)	0	20	0	0	0
Contract (Levels 6-8)	0	24	0	0	0
Contract (Levels 9-12)	5	7	71.4	66	13,200
Periodical Remuneration	0	134	0	0	0
Abnormal Appointment	0	396	0	0	0
Total	427	1,547	27.6	3,695	8,653

Excludes SMS but includes Periodicals and Abnormal Appointments



Table 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	25	73	34.2	262	10,480
Agricul animal oceanography forestry & other scien	1	17	5.9	6	6,000
Appraisers-valuers and related professionals	2	2	100	36	18,000
Auxiliary and related workers	1	1	100	3	3,000
Biologists botanists zoologists & rel professional	1	54	1.9	6	6,000
Cartographers and surveyors	1	1	100	5	5,000
Chemists	1	3	33.3	7	7,000
Cleaners in offices workshops hospitals etc.	9	19	47.4	16	1,778
Client inform clerks(switchb receipt inform clerks)	3	9	33.3	8	2,667
Communication and information related	1	5	20	6	6,000
Computer programmers.	0	1	0	0	0
Computer system designers and analysts.	0	2	0	0	0
Domest build& helpers clean sweep and launders	1	3	33.3	10	10,000
Economists	20	29	69	245	12,250
Engineering sciences related	9	10	90	159	17,667
Engineers and related professionals	0	1	0	0	0
Finance and economics related	3	11	27.3	47	15,667
Financial and related professionals	2	15	13.3	11	5,500
Financial clerks and credit controllers	7	21	33.3	24	3,429
Food services aids and waiters	5	7	71.4	9	1,800
General legal administration & rel. professionals	0	3	0	0	0
Head of department/chief executive officer	1	1	100	73	73,000
Human resources & organisat developm & relate prof	8	29	27.6	59	7,375
Human resources clerks	3	18	16.7	13	4,333
Human resources related	6	12	50	67	11,167
Information technology related	2	2	100	23	11,500
Language practitioners interpreters & other commun	3	6	50	15	5,000
Legal related	1	2	50	16	16,000
Librarians and related professionals	2	3	66.7	9	4,500
Library mail and related clerks	18	37	48.6	56	3,111
Light vehicle drivers	2	5	40	5	2,500

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Logistical support personnel	2	5	40	9	4,500
Material-recording and transport clerks	6	16	37.5	18	3,000
Messengers porters and deliverers	6	14	42.9	10	1,667
Natural sciences related	28	105	26.7	321	11,464
Other administrat & related clerks and organisers	55	83	66.3	186	3,382
Other administrative policy and related officers	28	64	43.8	165	5,893
Other information technology personnel.	1	11	9.1	5	5,000
Other machine operators	2	3	66.7	4	2,000
Other occupations	0	1	0	0	0
Risk management and security services	3	4	75	30	10,000
Safety health and quality inspectors	107	161	66.5	1,554	14,523
Secretaries & other keyboard operating clerks	37	93	39.8	153	4,135
Security officers	8	39	20.5	20	2,500
Senior managers	35	82	42.7	1,094	31,257
Statisticians and related professionals	0	1	0	0	0
Trade/industry advisers & other related profession	9	23	39.1	135	15,000
Total	465	1,107	42	4,900	10,538

Table 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	24	60	40	640	2,667	2.2	29,516
Band B	7	18	38.9	248	3,543	2.0	12,254
Band C	6	11	54.5	243	4,050	4.7	5,134
Band D	1	1	100	73	7,300	6.3	1,161
Total	38	90	42.2	1204	3168.4	2.5	48,065

**Table 8.1 - Foreign Workers by Salary Band**

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled supervision (Levels 9-12)	1	50	1	25	0	0	2	4	2
Contract (Levels 13-16)	0	0	1	25	1	50	2	4	2
Periodical Remuneration	1	50	2	50	1	50	2	4	2
Total	2	100	4	100	2	100	2	4	2

Table 8.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Other occupations	1	50	2	50	1	50	2	4	2
Professionals and managers	1	50	1	25	0	0	2	4	2
Technicians and associated professionals	0	0	1	25	1	50	2	4	2
Total	2	100	4	100	2	100	2	4	2

Table 9.1 - Sick Leave for Jan 2006 to Dec 2006

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)	1150	80.6	156	23.4	7	236	668	927
Highly skilled production (Levels 6-8)	1070	79.7	171	25.6	6	395	668	853
Highly skilled supervision (Levels 9-12)	1685	83.9	285	42.7	6	1,577	668	1413
Senior management (Levels 13-16)	216	84.7	37	5.5	6	421	668	183
Contract (Levels 3-5)	22	77.3	6	0.9	4	5	668	17
Contract (Levels 6-8)	13	100	5	0.7	3	5	668	13
Contract (Levels 9-12)	35	91.4	6	0.9	6	39	668	32
Contract (Levels 13-16)	27	92.6	2	0.3	14	39	668	25
Total	4218	82.1	668	100	6	2717	668	3463

Table 9.2 - Disability Leave (Temporary and Permanent) for Jan 2006 to Dec 2006

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)	454	99.3	18	36.7	25	92	451	49
Highly skilled production (Levels 6-8)	286	99	16	32.7	18	98	283	49
Highly skilled supervision (Levels 9-12)	334	100	13	26.5	26	379	334	49
Senior management (Levels 13-16)	9	100	2	4.1	5	12	9	49
Total	1083	99.4	49	100	22	581	1077	49

Table 9.3 - Annual Leave for Jan 2006 to Dec 2006

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	27	14	2
Skilled (Levels 3-5)	4140.24	16	254
Highly skilled production (Levels 6-8)	4388.92	17	257
Highly skilled supervision (Levels 9-12)	8905	17	529
Senior management (Levels 13-16)	1391	16	89
Contract (Levels 3-5)	68	5	13
Contract (Levels 6-8)	86	5	18
Contract (Levels 9-12)	158	13	12
Contract (Levels 13-16)	101	13	8
Total	19265.16	16	1182

This is higher than the actual number of employees as at 31 March 2007 due to the fact that employees that left the DME but took leave during the period were also included.



Table 9.4 - Capped Leave for Jan 2006 to Dec 2006

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2006	Number of Employees as at 31 December 2006
Skilled (Levels 3-5)	62	9	30	7	2456	83
Highly skilled production (Levels 6-8)	35	3	23	12	2452	108
Highly skilled supervision (Levels 9-12)	80	5	38	16	7674	203
Senior management (Levels 13-16)	11	3	44	4	1830	42
Total	188	5	33	39	14412	436

Table 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle	261	30	8700
Capped leave payouts on termination of service for 2006/07	830	107	7757
Current leave payout on termination of service for 2006/07	519	71	7310
Total	1610	208	7740

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
Employees are not at risk of contracting HIV/AIDS in the workplace	

Table 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mrs. Ansie Botha Director: HRM
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Ms S.V. Chamane is an HIV/AIDS co-ordinator
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		The Department has outsourced EAP to ICCAS and we have a wellness management programme
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The committee has representatives from all the Regional offices.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		All the policies go through a Forum with Representatives from Labour organisations, to ensure amongst others that they do not discriminate against any HIV positive employees.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		The Department has a policy in place
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		An internal HIV/AIDS co-ordinator and an EAP service serve as a resource.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		X	There are indicators that the department has set, however we are considering acquiring a tool that would be utilised for monitoring the impact of programmes.

**Table 11.1 - Collective Agreements**

Subject Matter	Date
1. Cellular Telephone Policy	29-Mar-07
2. Learnership Policy	14-Mar-07
3. Internship Policy	14-Mar-07
4. Resettlement Expenditure Policy	29-Mar-07
5. Special Leave Policy	29-Mar-07

Table 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total
Correctional counselling	2	3.6
Verbal warning	3	5.5
Written warning	7	12.7
Final written warning	6	10.9
Suspended without pay	1	1.8
Fine	0	0.0
Demotion	0	0.0
Dismissal	4	7.3
Not guilty	2	3.6
Case withdrawn	0	0.0
Suspended without pay	1	1.8
Total	26	100.0

Table 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total
Absenteeism from work without authorisation	7	10.0
Issuing permits, certificates without proper procedure	2	2.9
Inclusion of additional amounts without DG's authorisation	1	1.4
Accepting donations and sponsorship	0	0.0
Fruitless expenditure	0	0.0
Inappropriate behaviour	2	2.9
Theft	3	4.3
Alleged racism	1	1.4
Poor work performance	6	8.6
Failure to carry out instructions without just reasonable cause	4	5.7
Unauthorised use of GG vehicle	4	5.7
Damage of GG vehicle	1	1.4
Insubordination	3	4.3
Forgery and fraud	3	4.3
Under the influence of alcohol	0	0.0
Negligence	3	4.3
Damage to property	1	1.4
Misuse of hired vehicle	0	0.0
Pending Cases	29	41.4
Total	70	100.0

Table 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total
Resolved	11	20.4
Not resolved	4	7.4
Pending	39	72.2
Total	54	

Table 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of Total
Upheld	0	0
Dismissed	0	0
Pending	4	100
Total	4	

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	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	180
Cost (R'000) of suspensions	R 60,179.34

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	28	0	13	0	13
	Male	56	0	18	0	18
Professionals	Female	252	0	46	0	46
	Male	400	0	136	0	136
Technicians and associate professionals	Female	0	0	51	0	51
	Male	0	0	93	0	93
Clerks	Female	230	0	269	0	269
	Male	48	0	143	0	143
Service and sales workers	Female	9	0	0	0	0
	Male	34	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	8	0	0	0	0
Elementary occupations	Female	28	0	0	0	0
	Male	14	0	0	0	0
Gender sub Totals	Female	547	0	379	0	379
	Male	560	0	390	0	390
Total		1107	0	769	0	769

**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	28	0	8	0	8
	Male	56	0	28	0	28
Professionals	Female	252	0	53	0	53
	Male	400	0	160	0	160
Technicians and associate professionals	Female	0	0	82	0	82
	Male	0	0	66	0	66
Clerks	Female	230	0	162	0	162
	Male	48	0	32	0	32
Service and sales workers	Female	9	0	0	0	0
	Male	34	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	8	0	0	0	0
Elementary occupations	Female	28	0	23	0	23
	Male	14	0	9	0	9
Gender sub Totals	Female	547	0	328	0	328
	Male	560	0	296	0	296
Total		1107	0	623	0	623

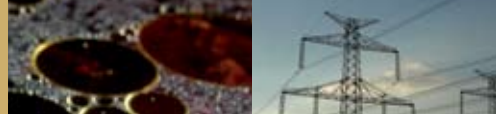
Table 13.1 - Injury on Duty

Nature of injury on duty	Number	% of Total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	

No injuries on duty reported

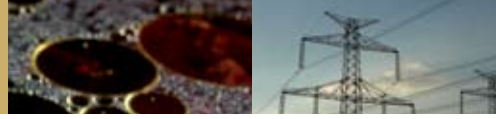
Table 14.1 - Report on consultant appointments using appropriated funds

APPOINTMENT OF CONSULTANTS - 2006/2007 REPORT							
CONTRACT NUMBER	CATEGORY	DESCRIPTION	SUPPLIER	% PAID TO NON-BEE	Total number of consultants that worked on the project	Duration: Work days	TOTAL AMOUNT
ME-575	Consulting Services	Appointment of a consultant for the re- engineering of policies and procedures for the Directorates: SCM and Finance	Akanani Consulting	0.00%	7	8 months	R 1,600,000.00
ME-563	Consulting Services	Appointment of a contractor for the viability and replication of the Hluleka and Lucingweni hybrid mini-grid pilot projects	Tsebo Resources	42.00%	3	2 months	R 457,600.00
ME-571	Consulting Services	Information regarding the status and inter- linkage of SA's coal industry and determining it's strength and weaknesses	BluePrint Ply Ltd	62.80%	4	6 months	R 499,890.00
ME-572	Consulting Services	Appointment of a contractor to demonstrate the "BASA NJENGO MAGOGO" technology in areas other than orange farm, Diepsloot or Tembisa	Mayibuye Chemical	0.00%	Numerous	6 months	R 853,860.00
ME-573	Consulting Services	Appointment of a contractor to re-visit the Tembisa area and evaluate retention and sustainability of "Basa Njengomagogo" method and recommend re-inforcement	Business Enterprise at Pretoria University	100.00%	5	6 months	R 173,280.00
ME-569	Consulting Services	Appointment of a contractor to determine the functions and responsibilities of certified engineers on mines	Growth Laboratory	0.00%	4	12 months	R 487,920.00



ME-591	Consulting Services	Appointment of ERC (UCT) to do modelling for nitergrated Energy Planning Plan 2	Energy Research Centre	0.00%	Numerous	6 months	R 171,000.00
ME-583	Consulting Services	Appointment of a project co-ordinator to assist with the implementation of the socio-economic impact study of the INEP programme	Dikepolana Resource Consortium	0.00%	Numerous	3 months	R 2,200,000.00
ME-584	Consulting Services	Appointment of a contractor to review the sustainable development criteria and development of monitoring plan and procedure for evaluation projects eligible for CDM in South Africa	Tokiso Dispute Settlement Consortium	49.70%	5	6 months	R 496,475.70
ME-588	Consulting Services	Appointment of a contractor to conduct the Employee Assistant Programme (EAP) for the DME for a period of 2 years	The Careways Group	74.00%	Numerous	2 years	R 526,680.00
ME-581	Consulting Services	Appointment of a contractor to develop and report on a "smoothing mechanism" for South African fuel prices	Iklwa Structured Financial Products	10.00%	2	2 years	R 497,952.00
ME-594	Consulting Services	Appointment of consultants for compilation updating and maintenance of an asset management system under emergency delegation	Combined System Group		Numerous	4 months	R 996,300.72
ME-590	Consulting Services	Appointment of a contractor to undertake project research in support of the establishment of a national standard for Energy efficiency in commercial and public buildings in South Africa	DAH JV	100.00%	3	6 months	R 494,890.00

ME-609	Consulting Services	Appointment of a consultant to provide guidance on taxation approach and implications on CDM projects	Deloitte & Touche	100.00%	4	6 months	R 499,027.00
ME-610	Consulting Services	Appointment of a contractor to conclude the 2005/2006 retail margin investigation	Small Business Bureau	100.00%	Numerous	3 months	R 295,055.00
ME-622	Consulting Services	Appointment of a facilitator to assist in the departmental and corporate services strategic session	Yarona	0.00%	6	4 months	R 497,213.28
GRAND TOTAL							R 10,747,143.70



Contract Number	Project Title	% Ownership By Hdi	% Management By Hdi	No Of Cons. From Hdi That Worked On The Project
ME-575	Appointment of a consultant for the re-engineering of policies and procedures for the Directorates: SCM and Finance	100.00%	100.00%	5
ME-563	Appointment of a contractor for the viability and replication of the Hluleka and Lucingweni hybrid mini-grid pilot projects	58.00%	58.00%	2
ME-571	Information regarding the status and inter-linkage of SA's coal industry and determining its strength and weaknesses	37.20%	37.20%	2
ME-572	Appointment of a contractor to demonstrate the "BASAJENGO MAGOGO" technology in areas other than orange farm, Diepsloot or Tembisa	100.00%	100.00%	Numerous
ME-573	Appointment of a contractor to re-visit the Tembisa area and evaluate retention and sustainability of "Basa Njengomagogo" method and recommend re-inforcement	0.00%	0.00%	0
ME-569	Appointment of a contractor to determine the functions and responsibilities of certified engineers on mines	100.00%	100.00%	1
ME-591	Appointment of ERC (UCT) to do modelling for nitergrated Energy Planning Plan 2	0.00%	0.00%	Numerous

ME-583	Appointment of a project co-ordinator to assist with the implementation of the socio-economic impact study of the INEP programme	100.00%	100.00%	100.00%	Numerous
ME-584	Appointment of a contractor to review the sustainable development criteria and development of monitoring plan and procedure for evaluation projects eligible for CDM in South Africa	50.30%	50.30%	50.30%	1
ME-588	Appointment of a contractor to conduct the Employee Assistant Programme (EAP) for the DME for a period of 2 years	26.00%	26.00%	26.00%	Numerous
ME-581	Appointment of a contractor to develop and report on a "smoothing mechanism" for South African fuel prices	90.00%	90.00%	90.00%	2
ME-594	Appointment of consultants for compilation updating and maintenance of an asset management system under emergency delegation				Numerous
ME-590	Appointment of a contractor to undertake project research in support of the establishment of a national standard for Energy efficiency in commercial and public buildings in South Africa	0.00%	0.00%	0.00%	0
ME-609	Appointment of a consultant to provide guidance on taxation approach and implications on CDM projects	0.00%	0.00%	0.00%	0
ME-610	Appointment of a contractor to conclude the 2005/2006 retail margin investigation	0.00%	0.00%	0.00%	0
ME-622	Appointment of a facilitator to assist in the departmental and corporate services strategic session	100.00%	100.00%	100.00%	6

