

DEPARTMENT OF MINERAL RESOURCES



2016/17

ANNUAL REPORT



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



ANNUAL REPORT 2016/17

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A

GENERAL INFORMATION



I. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ ACRONYMS

AEMFC	African Exploration Mining and Finance Corporation	EMDP	Executive Management Development Programme
ADGS	Auditor-General South Africa	EMRI	Environmental mineral resource inspector
AIDS	Acquired Immune Deficiency Syndrome	ESEID	Economic Sectors Employment and Infrastructure Development Cluster
AMCU	Association of Mineworkers and Construction Union	GCC	Government Certificate of Competency
AMD	Acid mine drainage	GDP	Gross domestic product
AMDP	Advanced Management Development Programme	GG	Government Garage
AMV	African Mining Vision	GIS	Geographic Information System
APP	Annual Performance Plan	HDSA	Historically disadvantaged South Africans
B-BBEE	Broad-based Black Economic Empowerment	HIV	Human Immunodeficiency Virus
BCC	Benguela Current Commission	HOA	Home owners' allowance
CAR	Central African Republic	HR	Human Resources
CEF	Central Energy Fund	HRD	Human Resource Development
CGS	Council for Geoscience	HySA	Hydrogen South Africa
CIOM	Chief Inspector of Mines	IAA	Internal Audit Activity
CIP	Compulsory Induction Programme	ICT	Information and Communication Technology
CoE	Centre of Excellence	IDC	Industrial Development Corporation
COIDA	Compensation of Occupational Injuries and Disease Act	IESBA	International Ethics Standards Board for Accountants
CoGHSTA	Department of Corporate Governance, Human Settlements and Traditional Affairs	IPAP	Industrial Policy Action Plan
DEA	Department of Environmental Affairs	ISA	International Standards on Auditing
DHA	Department of Home Affairs	KOSH	Klerksdorp, Orkney, Stilfontein and Hartbeesfontein
DIRCO	Department of International Relations and Cooperation	LRA	Labour Relations Act
DMR	Department of Mineral Resources	MANCO	Management Committee
DPP	Director of Public Prosecutions	MBAP	Minerals Beneficiation Action Plan
DPSA	Department of Public Service and Administration	MCCF	Mine Crime Combating Forum
DST	Department of Science and Technology	MCS	Modified Cash Standard

MHSA	Mine Health and Safety Act
MHSC	Mine Health and Safety Council
MHSI	Mine Health and Safety Inspectorate
MIGDETT	Mining Industry Growth, Development and Employment Task Team
MinCoSA	Mining Company of South Africa
Mintek	Council for Mineral Technology Research
MTEF	Medium-term Expenditure Framework
MTSF	Medium-term Strategic Framework
MP	Member of Parliament
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
N/A	Not applicable
NATJOC	National Joint Operation Centre
NCOP	National Council of Provinces
NEMA	National Environmental Management Act
NIHL	Noise-induced Hearing Loss
NPA	National Prosecuting Authority
NRF	National Revenue Fund
NSDS	National Skills Development Strategy
OHS	Occupational Health and Safety
ODMWA	Occupational Diseases in Mines and Works Act
PAA	Public Audit Act
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PASA	Petroleum Agency South Africa
PFMA	Public Finance Management Act
PGM	Platinum Group Metals
PICC	Presidential Infrastructure Coordinating Commission

PILLIR	Policy and Procedure for Incapacity Leave and Ill-health Retirement
PPE	Personal protective equipment
PROVJOCS	Provincial Joint Operation Centre
PSCBC	Public Service Coordinating Bargaining Council
PSETA	Public Service Sector Education and Training Authority
PSHA	Probabilistic Seismic Hazard Assessment
SADC	South African Development Community
SADPMR	South African Diamond and Precious Metals Regulator
SAMRAD	South African Mineral Resources Administration System
SAMSHA	Substance Abuse and Mental Health Services Administration
SANDF	South African National Defence Force
SANMAP	South African Nearshore Mapping Programme
SANSN	South African National Seismograph Network
SAPS	South African Police Service
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SDT	State Diamond Trader
SLA	Service Level Agreement
SLP	Social and Labour Plans
SMS	Senior Management Service
SOE	State-Owned Entity
SMME	Small, medium and micro enterprise
TB	Tuberculosis
The dti	Department of Trade and Industry
The Hawks	Directorate for Priority Crime Investigation
UIF	Unemployment Insurance Fund
WFDB	South African State Bourse
WSP	Workplace Skills Plan

3. FOREWORD BY THE MINISTER



Mr Mosebenzi Zwane, MP
Minister of Mineral
Resources

South Africa mines approximately 53 minerals and accounts for 96% of the global reserves of the Platinum Group Metals (PGMs), 74% of chrome, 32% of manganese, 26% of vanadium and 11% of gold reserves.

This has allowed South Africa to establish itself as a world leader in mining. We must ensure that our mineral wealth can and must be translated into investment and job creation. Mining contributes to 7.9% of gross domestic product (GDP) and employs almost 460 000 people directly. The industry is making a significant contribution to the economic activity and development of other industries, especially the manufacturing industry.

After several years of stagnant and volatile commodity prices, we are looking forward to new and sustained demand and profitability in the sector. The sector has long been a pillar of economic growth and development in South Africa, and is set to cushion the broader economy from a slowdown this year.

Multitudes of studies have been done on our mineral endowment as a country. It is estimated that the value of our non-energy minerals is in the excess of US\$2.4 trillion, making us the wealthiest mining jurisdiction if one excludes petroleum and oil resources. We are committed to reversing the historic trend of this mineral wealth being exported as raw ore, while we import manufactured products from those same export destinations. This is essentially an exportation of jobs and economic value.

We need to increase the level of the beneficiation of strategic minerals in a way that will align those efforts with our industrial development and economic growth imperatives. This means implementing the value chain focus on enhancing the value of exports, stimulating investment in manufacturing, and creating opportunities for sustainable employment creation.

While there has been some improvement in local sales and investment and in research and development for local beneficiation, this would be strengthened by the review of the Mining Charter, which provides for an 11% beneficiation offset against ownership requirements for broad-based black economic empowerment (B-BBEE) shareholders. We also need to strengthen the socio-economic transformation element, which advocates for the inclusion of black people in the country's economic structures, the diversification of our economy, as well as ownership.

We are aware that our aspirations of mineral beneficiation and a growing manufacturing sector cannot be achieved without security of energy supply. In this regard, we pride ourselves that the Council for Mineral Technology Research (Mintek) and the African Exploration Mining and Finance Corporation (AEMFC) have successfully completed the demonstration of a new sensor-sorting-based process for the upgrading of low-grade coal. This process is aimed at meeting the specifications for electricity generation. This demonstration plant, operating in excess of 100 tonnes per hour, is located at the AEMFC's Vlakfontein mine. It demonstrated that the laboratory-scale success that Mintek experienced can be replicated on a mine scale. Mintek has started marketing this valuable process to other coal mines.

At the Diamond Indaba held in September 2016, we engaged stakeholders in the jewellery and diamond value chain on beneficiation. I am confident that, through such engagements, the State Diamond Trader (SDT) will be in good stead to refine its programmes to support beneficiation as it prepares to celebrate its ten-year anniversary in 2017.

The Department of Mineral Resources (DMR) remains committed to the two mutually reinforcing goals of meaningful transformation and the growth of the mining sector. It will continue to use the regulatory tools at its disposal – the Mineral and Petroleum Resources Development Act (MPRDA) and the Mining Charter – to drive growth and transformation in the sector.

In the 2016/17 financial year, the Department continued to support Parliament in its processing of the Mineral and Petroleum Resources Development Amendment Bill. It also continued to engage stakeholders in ensuring shared commitment to the transformation of the sector. Additionally, it engaged in numerous consultations with stakeholders, including organised business and labour, mining communities and academia in the review of the broad-based socio-economic transformation of the mining industry, the Mining Charter. We are confident that the revised Charter will be a reflection of that qualitatively and quantitatively strong consultation process. We urge all stakeholders to comply with the final Mining Charter when it is gazetted to ensure the long-term sustainability of the sector. It is in our interest to see more black people, youth and women employed in decent mining work, owning and operating mining assets, and growing their business as suppliers, service providers and beneficiaries of the mining and minerals industry. In 2017/18, we will strengthen our transformation programme through a focus on new entrants throughout the mining value chain, and provide support for our junior and emerging miners.

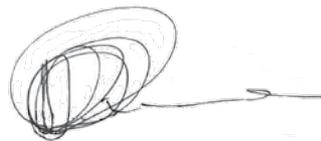
The Department and its entities have continued to efficiently and effectively manage the funds allocated to it in such a manner that it can accomplish the objectives of government. We entered the year under review with the Department and five of its entities having received unqualified audits, and we continue to strive for sound financial management.

The Department continues to pay its suppliers within 10 to 20 days, which is well within the government-wide

standard of 30 days. We remain committed to ensuring that state procurement is used to support and grow small- and medium-sized enterprises, and promote transformation.

Government continues to lead the drive to ensuring that the work created and existing in mining is decent in nature. Central to this is the quest for zero harm in our mines. All mineworkers must be and feel safe, and their families should feel confident that they will return home safely every day. In 2016, we saw the lowest number of fatalities ever recorded in our mining sector since the start of mining in South Africa. However, we remain gravely concerned about the number of our people who are still losing their lives in our mining industry. I want to congratulate all mining companies that have not recorded any fatalities for the whole of 2016. These companies give us hope that indeed our goal of zero harm is possible. In 2017, we will see more targeted mine inspections and audits to assist those mines that did not make it to the list to ultimately have no fatalities recorded in their respective operations. Health and safety is a shared responsibility between the Department, as a regulator, mine executives, investors, management and the workers themselves.

South Africa's mining industry remains a key driver for job creation, transformation, inclusive economic growth and development. Therefore, we all need to continue to work together as industry stakeholders to ensure that mining continues to contribute meaningfully to the country's GDP, employment creation, tax and export revenues



Mr Mosebenzi Zwane, MP
Minister of Mineral Resources
Date: 23 August 2017

4. DEPUTY MINISTER STATEMENT



Mr Godfrey Oliphant, MP
Deputy Minister of Mineral Resources

The mining industry is a cornerstone of South Africa's modern economy. It has, in the last few years, experienced a number of challenges, both exogenous and endogenous.

The industry, however, now looks to be on the precipice of resurgence locally and globally. This is an opportunity to realise immediate gains in economic activity and employment, while solidifying the transformation of our sector through the MPRDA and the Mining Charter as amended. The sustainability and radical economic transformation of this industry, as well as its growth, are not and can no longer be seen to be mutually exclusive. In order to maximise the competitiveness of our country's mineral wealth, we need to look at increasing the investment base, local consumption and access to markets of our minerals.

In achieving the above, we should also be mindful of ensuring the health and safety of all mineworkers while we continue to employ cost-efficient ways of sustaining the industry for the present and future generations. It is for this reason that our focus in the past year was on the long-term impact of mining towards uplifting the socio-economic conditions of all South Africans.

Government is addressing the plight of many former mineworkers living without their full pension benefits and struggling with complications from diseases and injuries sustained while working in the mine. In 2016, we hosted a tripartite Compensation Summit through the Mine Health and Safety Council. The Summit included representatives from Southern African Development Community (SADC) countries (Mozambique, Swaziland and Lesotho). Following the Summit, research was commissioned that entailed a gap analysis of the two legislations: the Occupational Diseases in Mines and Works Act (ODMWA)

and the Compensation for Occupational Injuries and Diseases Act (COIDA) that govern compensation in South Africa.

We have also rolled out a comprehensive programme aimed at addressing these challenges faced by former mineworkers. During the period under review, R204 million was paid to 5 296 South African beneficiaries, compared to the R79 million paid to 1 766 beneficiaries in the previous financial year. Furthermore, an amount of R76 million was paid to 2 053 claimants from neighbouring countries. An 18% increase of completed medical assessments on former mineworkers was recorded from 15 318 in the 2015/16 financial year to 18 145 in the 2016/17 financial year.

Parallel to this, Operation Ku-Riha, launched in partnership with the Department of Health, the Department of Labour, the Chamber of Mines and the labour unions, is proceeding well in its efforts to ensure that over R1.5 billion in compensation is paid to mineworkers who suffer from occupational lung diseases.

One of the major challenges over the years has been to trace former mineworkers who are based in rural villages and have little knowledge of their benefits. This has potentially led to illegal entities collecting the historical employment information of former mineworkers at a fee. However, the Department of Health has developed a database of former mineworkers that covers both the demographic details and medical records of former mineworkers. This database covers 700 000 claimant

records and will assist all agencies across government to track and trace persons with unclaimed benefits.

To enrich the database, discussions started with the Chamber of Mines to cover the current workforce of 500 000 mineworkers. In support of the above initiative, the Department hosted former mineworkers izimbizo in the Free State and Northern Cape. Through its concerted efforts, a new one-stop service centre, funded by the Global Fund for AIDS, TB and Malaria, was opened in Mafeteng, Lesotho. Some of the services rendered at these centres include health and rehabilitation services, social services, compensation services and facilitating access to other benefits (Unemployment Insurance Fund (UIF) claims, Provident Fund claims and pensions).

The health and safety of our mineworkers remains one of most important aspects of the Department to sustain and move the mining industry forward. It is for this reason that the DMR continues to work together with all relevant mining industry stakeholders to ensure the health and safety of all mineworkers. I would, however, like us to recall the tragic accident at Lily Mine near Barberton, Mpumalanga, in February 2016, and continue with our collective efforts to ensure the recovery of the three missing employees and that the mine resumes its operation, if at all feasible.

In 2016, we noted with concern the lives lost in illegal mining operations in Pongola in KwaZulu-Natal, and the challenges we faced in our efforts to address illegal mining as criminals innovated to adapt our interventions. The continued loss of life and theft of resources through illegal mining activities remains a cause of concern for the Department as it presents a major risk for the safety of communities in and around mining areas, the employees of legal mining operations and the sustainable development of the country.

As a Department, we remain undeterred and steadfast in our efforts to continue to work in collaboration with law enforcement and the relevant government departments, mining companies, unions and municipalities in implementing measures to prevent these illicit activities. In addition, we will continue to implement legislation that promotes the closure, rehabilitation and sealing of open shafts and holes to assist in preventing illegal mining through legitimate and licensed operations. In the 2017/18 financial year, I want to urge members of the public to come forward and report suspicious activities for law enforcement agencies to investigate and ensure that perpetrators face the full might of the law. We want to step

up the prevention programme by ensuring that we target the markets, middlemen and syndicates, and not just the vulnerable and highly visible illegal miners themselves.

In the interest of developing and enhancing synergies through joint efforts, we continue to be committed to the African Agenda 2063, the African Mining Vision (AMV) and solidarity with our neighbours, and the global South.

We have placed great emphasis on building relations with the Central African Republic (CAR). As a member of the economic cluster to sustaining peace dividends, it is our responsibility to ensure that we contribute to Africa and the world's peace and security through diplomatic channels and other means. In this regard, I headed a delegation to the capital city of Bangui from 16 to 23 October 2016. The delegation included representatives of the South African Diamond and Precious Metals Regulator (SADPMR), the Petroleum Agency South Africa (PASA) and Mintek.

Following our visit, we hosted a delegation of officials of the Ministry of Mines and Hydrology on a technical tour of all our relevant state agencies and the Council for Geoscience (CGS), and also hosted them at the Mining Indaba. The key focus of these efforts was to assess the needs of the CAR in post-conflict economic reconstruction and development, and to make tangible and practical the intent and willingness of South Africa to be a strategic partner in this regard. We have identified quick wins in our collaboration, and have laid the foundation for long-term relations.

It is only through our efforts and devotion that we will succeed in protecting the interests of all stakeholders, and thereby ensure the sustainability of the South African mining and minerals industry. With your commitment, we can raise the standards for our country to remain the preferred foreign investment destination of choice. I am also confident that we will remain strongly committed, as government, to collaborate with all stakeholders in order to move the mining industry forward for the benefit of all South Africans.



Mr Godfrey Oliphant, MP
Deputy Minister of Mineral Resources
Date: 23 August 2017

5. REPORT OF THE ACCOUNTING OFFICER



Adv. T Mokoena

**Director-General:
Department of Mineral
Resources**

It is my pleasure to present the 2016/17 annual report of the Department of Mineral Resources. The Department continued to deliver on its mandate, as tabled in its Annual Performance Plan (APP).

As highlighted in Part B of this report, there were a number of successes and challenges, but I remain confident and optimistic about the future of this department and the mining industry.

Sector performance

The mining industry remains a key contributor to government's objectives as indicated in the National Development Plan (NDP) and the Medium-term Strategic Framework (MTSF), as tabled in Parliament, particularly Outcome 4 (Decent employment through inclusive growth), Outcome 6 (An efficient, competitive and responsive economic infrastructure network) and Outcome 10 (Protect and enhance our environmental assets and natural resources). Therefore, the success of the industry is critical to ensuring a better life for all South Africans.

Transformation remains a central tenet of government. In this regard, the Department leads the implementation of transformation through the Mining Charter, whose 10-year assessment of implementation progress was concluded in 2015. The findings of this assessment have been used to strengthen the efficacy of this transformation instrument and constituted a basis for the draft review of the Mining Charter that has been published for public comment. The reviewed charter, which emphasised the importance of effective ownership, is a requisite instrument to effect the meaningful integration of black people into the mainstream economy.

The resilience of the mining industry has largely contained the potential for significant job losses, in line with the global employment performance in other jurisdictions.

Accordingly, a Declaration for Saving Jobs was developed and adopted by key industry stakeholders. Job creation and retention strategies were subsequently developed to elaborate on the mechanisms for giving effect to the declaration. The Department is closely monitoring the employment performance in the industry, as well as driving the implementation of the declaration to contain job losses as far as possible.

Regulatory framework

The mining industry remains the foundation of the country's economy and is central to achieving government's objectives, as expressed in the NDP and the MTSF. The Department facilitates transformation in the mining sector through the development and review of relevant legislation. Notable progress has been made with the review of legislative instruments such as the MPRDA, the MHSA and the AEMFC Bill, as well as the review of the Mining Charter. A detailed account of the progress made thus far is outlined in the performance information on Programme 4 in Part E of this report.

Health and safety

Health and safety in the South African mining industry remains a challenge, although there has been a downward trend over the past 20 years. The number of mining incidents during the period under review is a reminder that more collaborated efforts between government, industry and labour are required in ensuring that "every mineworker returns from work unharmed every day, striving for zero harm".

Overview of the financial results of the Department

Departmental receipts

The Department's main source of revenue is the prospective fees that are levied in terms of the MPRDA. The tariff policy remained the same during the period under review. The prospecting fee revenue is classified as rent in land.

Departmental receipts	2016/17			2015/16		
	Estimate	Actual amount collected	(Over)/under-collection	Estimate	Actual amount collected	(Over)/under-collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sales of scrap, waste, arms and other used current goods	1	1	-	-	-	-
Sale of goods and services other than capital assets	9 289	10 147	(858)	6 277	6 486	(209)
Fines, penalties and forfeits	424	990	(566)	2 244	847	1 397
Interest, dividends and rent on land	18 014	23 883	(5 869)	25 672	22 268	3 404
Financial transactions in assets and liabilities	2 430	3 052	(622)	209	162	47
Total	30 157	38 072	(7 915)	34 402	29 763	4 639

The departmental revenue for the 2016/17 financial year is estimated at R30.2 million. Collection up to the period ending 31 March 2017 amounted to R37.7 million against final projected revenue of R30.2 million.

The actual collection is higher than projected due to efficiency in collection. The other contributing factor is the environmental levies that were not included in the projections for the 2016/17 financial year. All the fees collected by the Department are paid over to the National Revenue Fund (NRF).

Programme expenditure

The budget allocated per programme was utilised effectively to deliver on the mandate of the Department. As reflected on the appropriation statement, virement amounting to R57 434 million was applied in terms of section 43(1) of the Public Finance Management Act of 1999, Act No. 1 of 1999 (PFMA). The funds shifted from programmes were used mainly to fund the shortfall on office accommodation. The details of the shifted funds and the reasons for these shifts are outlined below:

Virement for 2016/17		
Shifting funds from	R'000	Reasons
Mineral Regulation	(10 609)	Savings on goods and services as a result of a delay in the filling of vacant posts, which had an impact on administrative costs and a delay in the implementation of activities planned for the 2016/17 financial year.
Mineral Policy and Promotion	(46 825)	Savings on goods and services as a result of a delay in the filling of vacant posts, which had an impact on administrative costs.
Total	(57 434)	
Administration	51 910	To cater for the shortfall on operating leases and legal services that were more than anticipated.
Mine Health and Safety	5 524	To cater for compensation of employees, which was more than anticipated during the 2016/17 financial year, and travelling costs associated with the inspection of mines.
Total	57 434	

Future plans of the Department

The Department will continue to implement the Strategic Plan of 2014–2019 as tabled. The Strategic Plan focuses on, among others, promoting investment in the mineral and upstream petroleum sector beneficiation. Radical socio-economic transformation and shale gas exploration, and strengthening and improving the alignment of plans of the state-owned entities (SOEs) will become a priority. The downward budget deficit on the compensation of employees postdates the departmental strategic planning, during which delivery commitments were advanced on the basis of human capital availability, including the prospects of filling posts within a reasonable period of time. Accordingly, the budget decision has a material effect on the ability of the Department to deliver on the commitment to fill positions within the prescribed turnaround times. The Department has since identified certain posts as priorities, while continuing to engage with the Department of Public Service and Administration (DPSA) and National Treasury to ensure that the service delivery commitment is not negatively impacted on.

Supply chain management

The Department has efficient supply chain management (SCM) processes in place. This is evidenced by the

continuous payment of its suppliers within 10 to 20 days, which is below the government-wide standard of 30 days. The Department will continue to implement the reviewed procurement regulations to support small business development.

Acknowledgement and appreciation

I would like to thank the officials of the Department for their efforts and support throughout the year. The oversight bodies have been a constant source of support and guidance for the implementation of internal control systems and service delivery commitments. Lastly, I would like to acknowledge the guidance and leadership provided by the Minister and Deputy Minister of Mineral Resources during the year under review.



Adv. T Mokoena
Director-General
Department of Mineral Resources
Date: 23 August 2017

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

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Modified Cash Standard and the relevant frameworks and guidelines issued by National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, performance information, human resources information and financial affairs of the Department for the financial year ended 31 March 2016.

Yours faithfully



Adv. T. Mokoena
Accounting Officer
Date: 23 August 2017

7. STRATEGIC OVERVIEW

7.1 Vision 2017

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

7.2 Vision 2030

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

7.3 Mission

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

7.4 Values

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

8. LEGISLATIVE AND OTHER MANDATES

8.1 Constitutional mandate

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

8.2 Legislative Mandate

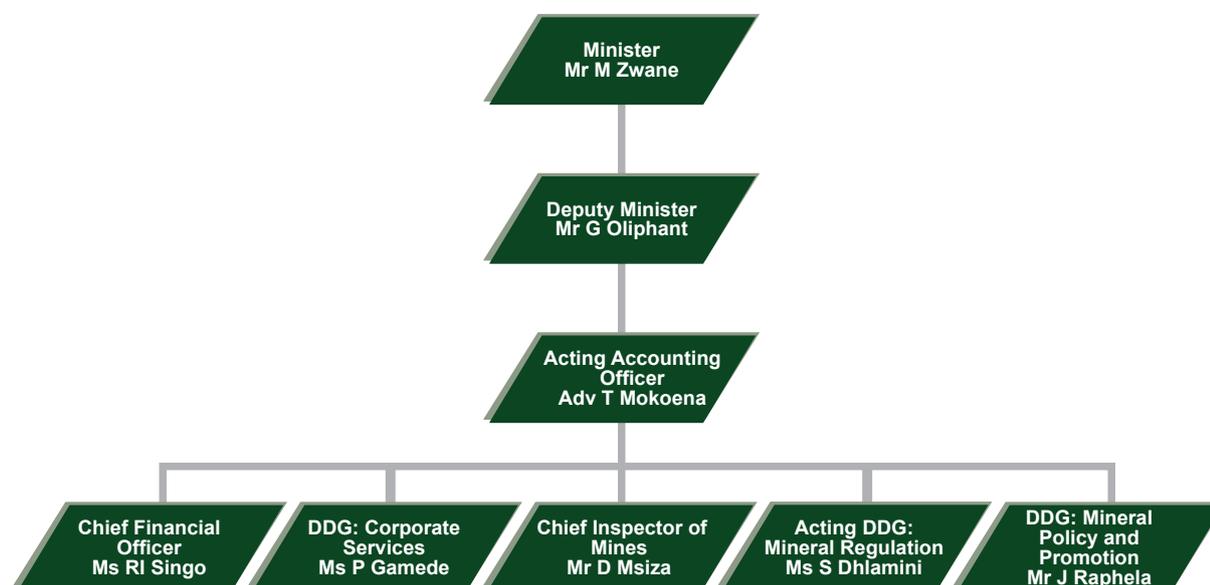
The principal acts driving the work of the Department are the Mineral and Petroleum Development Act (Act No. 28 of 2002) (MPRAD) and the Mine Health and Safety Act (Act No. 29 of 1996) (MHSA). The two acts provide the regulatory framework for the promotion

and regulation of the mining, minerals and petroleum industry. It also provides a regulatory framework for ensuring the equitable access to and sustainable development of the nation's mineral resources and related matters.

8.3 Policy mandate

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

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

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

Name of entity	Legislative mandate	Financial relationship	Nature of operations
Mine Health and Safety Council (MHSC)	Established in terms of section 42(1) of the Mine Health and Safety Act, Act No. 29 of 1996	Co-funding in terms of the establishment act	Research and advisory function to the Minister in terms of mine health and safety, as well as promoting a culture of health and safety in the mining industry
Council for Mineral Technology Research	Established in terms of the Mineral Technology Act, Act No. 30 of 1989.	Co-funding in terms of the establishment act	Provides research, development and technology that fosters the development of business in the mineral and mineral products industries
Council for Geoscience	Established in terms of the Geoscience Act, Act No. 100 of 1993.	Co-funding in terms of the establishment act	Development and maintenance of the national geosciences knowledge infrastructure for both the onshore (land) and offshore (oceans) environments of South Africa
South African State Diamond and Precious Minerals Regulator	Established in terms of the Diamond Act, 1986, as amended, and the Precious Metals Act, Act No. 37 of 2005.	Co-funding in terms of the establishment act	Regulation of the diamond, platinum and gold sectors
State Diamond Trader	Established in terms of the Diamond Act, Act No. 56 of 1986	Co-funding in terms of the establishment act	Promotes equitable access to and beneficiation of diamond resources, addresses distortions in the diamond industry and corrects historical market failures to develop and grow South Africa's diamond cutting and polishing industry



B

PERFORMANCE INFORMATION



I. REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

The Auditor-General South Africa (AGSA) currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The conclusion on the audit of the annual performance report is included in the report to management, with no material findings being reported

under the report on the audit of the annual performance report heading in the report on other legal and regulatory requirements section of the Auditor's Report.

Refer to page 88 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

2.1.1 Mine Health and Safety Inspectorate

Human resource development

The DMR, in partnership with the Mining Qualifications Authority (MQA), had previously placed 50 learner inspectors at the respective mines for two years of mine experiential training. Some of the learners resigned due to better career prospects, leaving 45 learner inspectors in the programme. Subsequently, 38 of the learner inspectors were placed in inspector training at various regional offices and have registered for their Government Certificate of Competency (GCC) examinations in their respective disciplines. Twelve passed their respective examinations during the course of the financial year. Seven of the 45 also enrolled for the Bachelor of Technology degree at the University of Johannesburg during the current academic year, of which six have completed their degrees.

The Mine Health and Safety Inspectorate (MHSI), in collaboration with the MQA, invested in 17 bursary holders. The students are pursuing mining-related qualifications at different tertiary institutions, including electrical (heavy current), mechanical, mining engineering and mine surveying qualifications. Fifteen of the 17 completed their qualifications during the course of the financial year.

Current health and safety performance

It is worth noting that 2016 was the safest year ever for the mining sector, with the lowest number of fatalities (73) recorded during the financial year, continuing a trend that started in 2013, when the mining sector recorded fatalities of less than 100. The trend had historically been over 100 fatalities per annum. Furthermore, the number of injuries reported decreased by 9% from 3 139 in 2015 to 2 846 in December 2016.

There was also a reduction in the number of occupational diseases reported by the mining sector. The decline is encouraging, as the mining sector has been reporting a high number of occupational diseases, more specifically tuberculosis (TB), silicosis and noise-induced hearing loss (NIHL).

While we recognise the improvement, we are greatly concerned that some mineworkers sadly still experience loss of life, as well as injuries and occupational diseases in the sector. Hence, the Department will continue to collaborate with all the stakeholders to ensure that the health and safety of the mineworkers is safeguarded.

Mine Health and Safety Tripartite Summit

The Mine Health and Safety Tripartite Summit, hosted by the DMR and the MHSC, was held during November 2016. The mining sector came together during the Summit to critically assess how the sector has performed, in line with milestones and targets set in 2014. Subsequently, the stakeholders identified and agreed on initiatives that will be implemented to achieve the goal of zero harm.

2.1.2 Mineral Regulation Branch

The following targets were not achieved:

- The number of jobs created through social and labour plans (SLP) due to the performance of the mining sector, which can be attributed to declining commodity prices.
- The percentage turnaround adherence to prescribed timeframes due to more submissions being referred back to the regional offices for itemisation on financial provision of SLP projects and rehabilitation.
- The percentage of environmental complaints closed or referred to authorities due to the unit stabilising as

the newly appointed officials were settling in and doing more to address complaints.

- The implementation of enforcement procedures to collect area prospecting fees due to the misalignment between the technical description measure and the performance verification template.
- The percentage implementation of the Management Action Plan (internal audit) due to some management action plans being carried over to the first quarter of the 2017/18 financial year.

The One Environmental System, in terms of which the Department will implement the National Environmental Management Act, as amended (NEMA), was successfully implemented on 8 December 2014. As a result, the Department spent R2 570 472 training 124 officials who are now designated environmental mineral resource inspectors (EMRIs).

The DMR has joined other government agencies, including law enforcement agencies, to come up with integrated solutions to stop and manage the illegal mining of chrome around Sekhukhune.

A forum, co-chaired by the DMR and the South African Police Service (SAPS), was established to facilitate and augment existing efforts to stop and control the illegal mining (the Office of the Premier, the Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) of the Limpopo provincial government, legal holders of rights, DMR and SAPS are represented in that forum).

Operations have been ongoing and heavy-duty machines were seized, including trucks carrying chrome. The drivers/operators were arrested for questioning to enable SAPS Crime Intelligence to get to the real owners or those who hired them. To date, 33 people have been arrested, more than 20 machines have been seized, and some of the cases are in court.

The collaboration with law enforcement agencies is not limited to Sekhukhune, but is ongoing in other provinces as well.

2.1.3 Mineral Policy and Promotion Branch

Despite the recent challenges faced by the mining industry, there has been positive performance, such as the continued increase in the gross fixed capital formation within the mining industry from R87 billion in 2014 to R93 billion in 2016. Gross sales of primary minerals appreciated from R375 billion in 2014 to R424 billion in 2016. The upswing in commodity prices and the resurgence of Chinese demand for commodities provided a platform for the industry to enter a growth trajectory that will pull the industry out of the slump of the last couple of years.

South Africa's mining industry continues to play an economic and socio-economic role in the country's

development. In the last couple of years, the mining industry has performed poorly due to factors such as low economic growth in major commodities in the export destinations of our minerals and low commodity prices. The contribution of the primary minerals' export sales percentage to the country's total export value of goods also decreased from 27.7% to 25.6%. Furthermore, South Africa's total mining employment declined. The total employment declined by 38 279 employees between 2014 and 2016. The sector that was the hardest hit was PGMs with 15 987 job losses, followed by ferrous metals with 11 119 job losses and iron ore with 5 307.

However, during this period, PGMs' export sales recorded a positive performance, increasing by 2.9% from R82.9 billion in 2015 to R85.3 billion in 2016. The weakening rand against the dollar also boosted sales revenue in rand terms. Despite the slow economic recovery globally, newly committed and expansion investment in mineral-related projects in South Africa amounted to R463.1 billion in 2015, of which 97.5% was for primary minerals and 2.5% was recorded for processed mineral products.

These paint a picture that, despite a myriad of challenges that the sector faces, there is hope that the country will remain among the favoured investment destinations, as it is open for business.

The October 2016 platinum wage agreement signed by the Association of Mineworkers and Construction Union (AMCU) with the three major platinum producers represented a significant step in the continuation and strengthening of relationships built between the labour unions and mining companies since the signing of the Presidential Framework Agreement for a Sustainable Mining Industry in 2013. The successful conclusion of the negotiations provided a solid foundation of ensuring stability in the sector and contributed immensely towards the recovery in the mining industry.

Mine Crime Combating Forums (MCCFs) have been established in nine clusters where mining activities occur. The activities of these forums include awareness campaigns and engagement with local chiefs and mine owners.

There is continuous monitoring of strikes and demonstrations with direct involvement of the Provincial Joint Operation Centres (PROVJOCS) and the National Joint Operation Centre (NATJOC). There is also a noticeable reduction in illegal labour marches and protests. However, there are some elements of violence and intimidation – nonetheless, these are substantially less than in previous years.

Illegal mining stakeholder forums have been established, consists of mining companies, unions and government (the South African Police Service (SAPS), the Directorate

for Priority Crime Investigation (the Hawks), the South African National Defence Force (SANDF), the DMR, the Department of Home Affairs (DHA) and the municipalities).

Although the industry experienced a number of retrenchments during the course of 2016, the intervention measures, as outlined in the “10-point Plan” of ensuring compliance with section 52 of the MPRDA and section 189 of the Labour Relations Act (LRA) ensured that job losses were minimised.

2.2 Organisational environment

During the period under review, the Department continued in its quest to improve efficiency and the turnaround time in rendering the various services in each branch, although emphasis was given to the line branches, especially Mineral Regulation. To this end, the Department, in partnership with the DPSA, implemented an operations management framework and methodology, which yielded positive results, especially in the shortening of turnaround times on some of the processes taking place at regional office level. Moreover, the capacity to implement the operations management and methodology has been built to the extent that the Department will be able, although in instalments, to continue to inculcate a culture of efficiency and shortening of turnaround times.

The Department established a full-fledged Enforcement Unit for the purposes of enforcing mining legislation. So far, 23 positions have been filled in this unit.

2.3 Key policy developments and legislative changes

2.3.1 Mineral and Petroleum Resources Development Amendment Bill

In November 2016, the Parliament’s Portfolio Committee on Mineral Resources adopted its report on the MPRDA Bill, recommending to the National Assembly that the National Council of Provinces (NCOP) and provincial legislatures must conduct meaningful public participation on the Bill as per the President’s referral letter of January 2015.

The National Assembly approved the report and directed that the NCOP and provincial legislatures must, accordingly, consult meaningfully with their constituencies on the Bill to satisfy the constitutional requirement of public participation on Bills. Therefore, all nine provincial legislatures were required to conduct meaningful public consultations on the MPRDA Bill. All provinces thus hosted provincial briefings on the Bill.

Seven of the nine provinces (Mpumalanga, Gauteng, Western Cape, Limpopo, Free State, Northern Cape and KwaZulu-Natal) held public participation sessions on the Bill, while two provinces (North West and Eastern Cape) will host these sessions at the beginning of the 2017/18 financial year. The Department is providing support to all provinces and attended all provincial briefings and public participation processes.

2.3.2 The Mining Company of South Africa (MinCoSA) Bill

The Department developed the Draft Bill, 2015, informed by a Cabinet decision taken in 2010 mandating the Minister of Mineral Resource to develop modalities to give effect to the hiving off of the AEMFC from the Central Energy Fund (CEF) as a “stand alone” entity.

The objects of the Bill are, among others, to establish the AEMFC legislatively as a state-owned mining company and to manage the state’s permits, rights and interest acquired and exercised in terms of the MPRDA.

The Mining Company of South Africa (MinCoSA) Bill was published for public comment on 22 January 2016 for a period of 60 days. The public comment period closed on 22 March 2016.

The Department has considered all submissions received and revised the Bill accordingly. The revised Bill was presented to the Directors-General Economic Sectors Employment and Infrastructure Development Cluster (ESEID) for consideration. The Cluster raised concerns on the possible conflict of interest of the Bill as it stands, as well as on the work of hiving off the AEMFC from the Department of Energy to the DMR, as the nucleus of MinCoSA.

An interdepartmental task team has been convened to work on modalities of the hive-off and this process is almost complete. It is envisaged that the Bill will be introduced to Parliament before the end of the 2017/18 financial year.

2.3.3 The Mining Charter

The DMR continued with consultations on the Mining Charter during the 2016/17 financial year, subsequent to the reviewed Mining Charter that was gazetted in April 2016 for public comment. Although the consultation process was due for completion in March 2017, further consultations had to be undertaken to ensure understanding from all stakeholders. The consultation process is almost complete and all substantive inputs that are received will be considered for inclusion in the final document for gazetting early in the 2017/18 financial year.

3. STRATEGIC OUTCOME-ORIENTED GOALS

Outcome 4: Decent employment through inclusive growth

The Department contributed to Outcome 4 by working with the Presidential Infrastructure Coordinating Commission (PICC) for the development of infrastructure that will support productive investment and growth. It also supported the dti to implement the Minerals Beneficiation Action Plan (MBAP). The Department is also amending the MPRDA to provide the regulatory basis to provide for the following:

- The security of mineral supplies intended for local beneficiation
- The classification of minerals as strategic

The MPRD Amendment Bill has been referred to the NCOP for provincial briefings and consultations. All provinces completed their public consultations on the Bill. The Department continues to provide support in the processing of this legislation, which is a key contributor to providing regulatory certainty within the mining industry. Going forward, the Department is poised to play a more prominent role in the implementation of beneficiation programmes, as part of promoting economic growth, and mineral and petroleum resource development in the country.

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

The government, through the NDP and the MTSF process, has emphasised the importance of ensuring a sustainable local coal supply for the country's energy requirements. This commodity currently plays a vital role in meeting South Africa's primary energy needs, as well as in the economy in general. It is recognised that coal contributes to the economy, not only to supply energy, but through the generation of export revenue, contributing to the GDP and employment. The prioritisation of the resources required to finalise the MPRDA and the Mining Charter led to the coal policy being deferred to the 2017/18 period.

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

Appointment of compliance inspectors in terms of NEMA

The Department successfully implemented the One Environmental System on 8 December 2014. The Department has spent R2 570 472 on training EMRIs. This training was conducted in collaboration with the University

of Pretoria and 124 officials had completed their training by the end of December 2016.

The Minister has designated officials in terms of NEMA who have completed their training, together with newly recruited officials who already have EMRI training from the Department of Environmental Affairs (DEA). The regional offices have been empowered in terms of NEMA to conduct compliance inspections.

- All regional managers and deputy directors are designated Grade 1 EMRIs
- Assistant directors are designated Grade 3 EMRIs

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

Rehabilitation of derelict and ownerless mines

During the 2016/17 financial year, the Department managed to rehabilitate 45 derelict and ownerless mines through the CGS and Mintek. These sites are spread across Gauteng, KwaZulu-Natal, Limpopo and Mpumalanga.

Acid mine drainage

The Department, through the CGS, is implementing interventions to address acid mine drainage (AMD) as part of protecting and enhancing our environmental assets and natural resources.

The pumping of water from the mine voids in the Central Basin, which extends from Roodepoort to Boksburg, continued from June 2014. The water level at South West Vertical Shaft, where acid mine water is being pumped, is now 100 m below the surface. Two submersible pumps are operating at the shaft, pumping at a rate of 72 Mℓ per day. The water level drop rate is 10 cm per day. The water treatment plant on the old Randfontein Estates Gold Mine is currently treating approximately 30 Mℓ per day of mine water from the Western Basin. The pumping of the increased volume to the treatment plant had the desired effect of lowering the water table in the mine void.

The water level in the Eastern Basin continues to rise at approximately 20 cm per day. A pumping facility and water treatment plant, similar to the plant at South West Vertical Shaft, was constructed for the Eastern Basin at Grootvlei No 3 Shaft and the abovementioned water treatment plant was completed in November 2016.

4. PERFORMANCE INFORMATION BY PROGRAMME

During the 2016/17 financial year, the activities implemented by the Department were within the following programmes:

- Programme 1: Administration (Corporate Services and Financial Administration)
- Programme 2: Mine Health and Safety
- Programme 3: Mineral Regulation
- Programme 4: Mineral Policy and Promotion

4.1 Programme 1: Corporate Services

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

It has the following subprogrammes: Human Resource Administration and Practices, Human Resource Planning, Organisational Development, Human Resource Development, Employment Relations Management, Legal Services, Communication, Special Projects and Auxiliary Support Services.

4.1.1 Human Resource Administration and Practices

The purpose of this directorate is to manage relationships with the Department's business units on human resource (HR) matters.

This entails recruitment and selection, service benefits, performance management and development systems, physical integration of new employees, managing conditions of service and implementation of Policy and Procedure for Incapacity Leave and Ill-health Retirement (PILLIR).

The following policies were developed to improve the business processes in the directorate, as well as to enforce compliance:

- Performance Management and Development System Policy
- Recruitment and Selection Policy

During the financial year, the directorate organised a ceremony where employees received awards for long service and outstanding performance. A total of 126 employees received their long service awards (for 10, 15, 20, 25, 30 and 35 years of service) and 27 employees were awarded special awards in the following categories: Employee of the Year, Rising Star, Mentorship, Ubuntu and Innovators. There was also a Women Manager Award.

4.1.2 Human Resource Planning

The main purpose of this component of the Department is to manage HR-related planning, systems, functions, branding, marketing and policies. The progress report on the reviewed integrated HR Plan for the Department was submitted to the DPSA during the 2016/17 financial year.

A new action plan for the 2016/17 financial year was also submitted to the DPSA. An HR Advisory Committee was established to identify and address capacity-related problems that may have a negative impact on the service delivery requirements of the Department. The Advisory Committee meets on a monthly basis.

A new employment equity plan was developed and affirmative action measures to address employment equity were identified and will be communicated to all role players. The Department's Employment Equity Report was also submitted to the Department of Labour.

Senior managers successfully disclosed their financial interests for the 2016/17 financial year and the directorate submitted the disclosures to the Public Service Commission on the due date.

4.1.3 Organisational Development

The purpose of the Directorate: Organisational Development is to provide a comprehensive organisational development service to the Department. The directorate embarked on various projects, which included the implementation of the Operations Management and Methodology Framework to ensure efficiency in the Department. One of the directorate's biggest achievements is the success in standardising some processes of the regional offices, a step toward improvement, excellence in service delivery and possible automation, which will be taken care of by the Chief Directorate: Information Management System in due course.

4.1.4 Human Resource Development

The main purpose of Directorate: Human Resource Development is to address skills challenges through training and development programmes that ensure a supply of employees with the required skills to meet the departmental strategic needs, as well as the needs of the South African economy. For the 2016/17 financial year, the directorate achieved the following:

- The Department enrolled 24 supervisors and managers for the Advanced Management Development Programme (AMDP) and the Emerging Management Development Programme (EMDP) at the National School of Government for three months. Delegates submitted a portfolio of evidence and are waiting for their assessment outcomes.
- Twenty-six new entrants (employees) in the Department were enrolled for the Compulsory Induction Programme (CIP) Module 1. Their probation periods have been confirmed.
- Thirty officials were enrolled for the Environmental Management Inspection course at the University of Pretoria for three months.
- Fifty-eight officials were awarded bursaries to further their studies in mining and mineral-related studies for the 2016/17 academic year.
- Fifty-seven interns were recruited and placed in an internship programme for 12 months, ending in August 2017.
- The Department implemented 76% of the Workplace Skills Plan (WSP). Out of 635 employees planned to be trained, only 484 were trained. Courses implemented included the GCC, Project Management, Computer, Records Management, Mentorship Programme, Office Management and Minutes Taking.
- Nine internal bursary holders successfully completed their qualifications in the following fields: Honours degree in Environmental Management, BCom in Transport and Logistics, BA in Community Development, BTech in Business Administration, BTech in Human Resource Development, BTech in Information Management and National Diploma in Public Management.

4.1.5 Employment Relations Management

The main aim of the Directorate: Employment Relations Management is to maintain sound labour relations through collective bargaining, management of discipline, disputes and grievances and also to ensure that the wellbeing of employees are catered for through implementation of employee health and wellness programmes.

During the 2016/17 financial year, 19 disciplinary cases and 11 grievances were finalised. Five disputes were finalised and were in favour of the Department. Twelve policies were adopted at the Departmental Bargaining Chamber and approved by the employer.

The directorate conducted workshops on financial management and the management of disputes, grievances and misconduct at all regional offices and Head Office. It must be mentioned that the conducting of the above workshops resulted in a decrease in the number of disciplinary and misconduct cases in the Department.

In addition to the above, eight employee health and wellness programmes were implemented during the financial year.

4.1.6 Legal Services

The Chief Directorate: Legal Services consists of two directorates: the Directorate: Mineral Legal Services, and the Directorate: Legal and Support (Mine Health and Safety). The chief directorate provides the Department with comprehensive legal support services, which include legal opinions and advice, assistance with legal drafting, litigation management, the handling of administrative appeals and assistance with enquiries and investigations. The chief directorate also assists with the monitoring and implementation of the Promotion of Access to Information Act (PAIA), Act No. 2 of 2000, and the Promotion of Administrative Justice Act (PAJA), Act No. 3 of 2000. Furthermore, the chief directorate assists with debt collection, as well as the determination of culpability of officials in cases of lost or damaged property. The chief directorate also facilitates the certification and signing of international agreements between the Department and third parties.

Despite the Constitutional Court's finding in favour of the Department that the transitional arrangements of the MPRDA with regard to unused old order rights is constitutional and does not amount to expropriation, a certain litigant persists with litigation against the Department on this issue. However, the Department continues to successfully defend these claims which seek to reverse the gains of transformation. Further improvement in processes have resulted in the target of 80% for timeous responses to appeals, litigation, PAIA requests and opinions being exceeded by 3% in the 2016/17 reporting period. Having regard to the large influx of work and the limited human resources, this is a remarkable achievement.

Conducting inquiries and investigations

Legal Services' introduction of a new process in conducting investigations and inquiries has resulted in tremendous improvement to the quality, completion time and recommendations made to the Director of Public Prosecutions by the MHSI.

Instructions on non-compliance

Through Legal Services' intervention, there is also a major improvement in the quality of enforcement instructions (section 55 notices and section 54 instructions of the MHSA) issued by the MHSI. The improvement is evident from the decreased number of appeals to the Chief Inspector of Mines (CIOM) against inspectors' decisions.

4.1.7 Communication

The Chief Directorate: Communication is responsible for providing efficient and effective communication services in

line with the DMR's mandate, mission, vision and values, while bearing in mind the context and environment of the minerals and mining industry. Working together with the management of the Department, the chief directorate leads the Department's communication efforts in support of its overall objectives.

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

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

- Profile and promote the objectives, policies and programmes of the Department.
 - Sustain public confidence in government's ability to deliver on its mandate through the Department's programmes.
 - Build the reputation and brand of the Department.
 - Demonstrate how the Department is contributing to government's priorities, including the creation of decent jobs and sustainable communities through mining regulatory interventions.
 - Help the mining industry to understand the Department's policies and programmes, especially as they relate to transformation and promote local beneficiation of raw materials.
 - Communicate South Africa's mining legislative and regulatory framework, including licensing processes.
 - Market South Africa and the mining industry abroad and build consensus on South Africa's reputation as a viable destination for foreign investment.
 - Build the Department's capacity to communicate coherently and effectively with all stakeholders.
- Develop appropriate and ethical networks and relationships with stakeholders that enhance the image of the Department.

During the financial year, the chief directorate developed a Communication Strategy that has been approved and will be implemented. It aims to do the following:

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

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

4.1.8 Special Projects

The chief directorate is currently placed within the Corporate Services branch and is responsible for special programmes and outreach projects targeting vulnerable groups, such as youth, women and persons with disabilities. The objective of Special Programmes and Outreach seeks to promote meaningful transformation through skills development and training in mining-related fields and the implementation of projects for the benefit of communities.

The effectiveness of programmes is, at times, impacted on by partnerships with external stakeholders, such as mining companies, departmental state-owned entities and other relevant stakeholders.

During the year under review, the chief directorate continued to encourage education and skills development among young people. This saw the component reaching out to rural and urban areas in Mpumalanga, the Free State, KwaZulu-Natal and Gauteng. This was all in a bid to encourage learners to study Mathematics and Physical Science at high school to enable them to take up technical careers such as mining engineering at tertiary institutions. The DMR also engages government financing institutions such as the National Student Financial Aid Scheme (NSFAS) and Eduloan so as to inform students about possible funding opportunities and their requirements to empower them to pursue their career of choice after Grade 12.

Career Guidance Programme

Ten career guidance programmes were presented in the 2016/17 financial year, facilitated by the Chief Directorate Special Programmes and Outreach in Mpumalanga, Free State, Gauteng and KwaZulu-Natal, targeting learners from grades 10 to 12 studying Mathematics and Physical Science.

Projects implemented to target vulnerable groups

- SMME workshop targeting youth in Westonaria.
- Facilitated the building of four classrooms at Silimela Primary School, Engcobo.
- The delivery of groceries benefiting 20 families of learners at St Vincent School for the Deaf.
- Facilitated a workshop in mining for young women scholars in partnership with the MHSC.
- Two entrepreneurship projects at Kamhleshwa Village and Siyathuthuka Township in Mpumalanga.
- Business management training for youth entrepreneurs and cooperatives in Nkomazi Local Municipality.
- The solicitation of bursaries for learners studying at universities and technical colleges as an ongoing project.

4.1.9 Auxiliary Support Services

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

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

- Government Garage vehicles (pool vehicles)
- Departmental vehicles for the Minister and Deputy Minister
- Subsidised motor vehicles
- Shuttle service

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

Records Management manages records within the Department according to the records management principles contained in the National Archives and Records Service Act. The unit keeps and maintains all records of legal and historical transactions for the Department.

It provides and manages courier services within the Department and also ensures the implementation, maintenance and management of the departmental file plan. It also manages postal services, as well as mail distribution within the Department.

The 2016/17 financial year has been a very successful year with the directorate developing a service catalogue with defined turnaround times for all services rendered and entering into service level agreements with eight service providers.

PROGRAMME 1: ADMINISTRATION

Branch: Corporate Services							
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
Contribute to skills development	Number of mining career awareness initiatives	21	18	20	2	Over-achieved due to external career guidance invitations.	
	Number of bursaries acquired and recipients identified to study towards mining-related qualifications	21	20	25	5	Over-achieved due to additional bursaries that were committed by mining companies during Learners Focus Week.	
Sustainably develop vulnerable groups	Number of identified projects facilitated for vulnerable groups	7	7	7	0		
Communicate DMR programmes with internal and external stakeholders	Implement DMR Communication Strategy	100%	100%	100%	0		
Provide adequate facilities for effective service delivery	Percentage of facilities aligned to business needs	95%	94%	95%	1	Over-achieved due to the unexpected Polokwane refurbishment completed, which was ear- marked for later in the financial year.	
Develop, review and improve internal processes, guidelines and procedures	Number of policies and guidelines developed and/or reviewed	6	4	5	1	Over-achieved due to the urgent need to review the Performance Management and Development Strategy (PMDS) Policy, as well as the Recruitment and Selection Policy, and the Language Policy in accordance with legislation from DPSA.	
	Number of improved processes/re-engineered	17	15	17	2	Over-achieved due to the initiative through the DPSA's Operations Management Framework process.	
Provide professional legal support and advisory service to the Ministry and the Department	Percentage of timeous responses to opinions, appeals, enquiries, agreements and litigations	86	80	83	3	Over-achieved due to an improvement in Legal Services (Mine Health and Safety) as a result of a reduced workload for the financial year and also an improvement due to PAIA.	

Branch: Corporate Services							
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
Improve turnaround times	Percentage adherence to defined turnaround times	100%	100%	100%	0		
	Percentage adherence to service level agreement (SLA)	100%	100%	100%	0		
Ensure implementation of national strategies	Number of vetting files completed	120	120	120	0		
	Percentage of pre-employment screening requests processed	100%	100%	100%	0		
	Percentage of service providers and contractors screening requests processed	100%	100%	100%	0		
	Number of health, safety and wellness programmes implemented	8	8	8	0		
	Number of gender equality strategic plans implemented	9	10	10	0		
	Number of actions implemented to ensure submission of performance agreements	n/a	4	4	0		
Ensure compliance with legislation (HR and occupational health and safety (OHS))	Human Resource Development (HRD) Plan/ WSP submitted to DPSA, the Public Service Sector Education and Training Authority (PSETA) and the MQA within the prescribed timeframes	100%	100%	100%	0		
	Number of actions implemented to ensure submission of financial disclosures	n/a	5	5	0		

Branch: Corporate Services						
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
Attract, develop and retain skills	Number of HRD initiatives aligned to the National Skills Development Strategy (NSDS) goals implemented	17	18	18	0	
	Maintain the vacancy rate at an acceptable level (10%)	14	≤10%	6.4	-3.6	Over-achieved due to the abolishment of some of the posts.
	Number of affirmative action measures implemented	4	4	4	0	
Promote corporate governance	Percentage implementation of management action plans (internal audit)	100%	100%	100%	0	
	Percentage implementation of management action plans (external audit)	67%	100%	100%	0	
	Percentage adherence to compliance framework	100%	100%	100%	0	
	Percentage implementation of risk management plans	89%	100%	94%	-6	not achieved due to Auxiliary not reviewing the Terms of Reference of the Transport Advisory Committee. Terms of Reference will be reviewed on 30 June 2017.

Strategy to overcome areas of under-performance

The measure percentage implementation of risk management plans was not achieved due to the Transport Advisory Committee members not having been nominated in 2016/17 to establish the Committee. The Transport Advisory Committee has since been established in the first quarter of 2017/18. The strategy to overcome under-performance in future would be to monitor processes and procedures to be followed, especially where the activities of the preceding year would have a bearing in the activities of the following year.

4.2 Programme I.1: Financial Administration

Purpose: To enable the Department to deliver on its mandate by providing strategic support management services and administrative support to it and the Ministry. It has the following sub-programmes: Finance (Financial Planning and Management Accounting, Expenditure Management, Supply Chain Management) and Information Management (Information Technology and Systems Development and Maintenance).

Strategic objectives, performance indicators, planned targets and actual achievements

The branch has successfully implemented the planned targets to support the strategic objective of the Department as follows:

Provision of efficient services to internal and external stakeholders

The Department recorded an improvement in payment of invoices in that all invoices were paid within 30 days for the 2016/17 financial year. The Department's average payment period of invoices is 12 days and all accruals recorded were less than 30 days. The Office of the Chief Information Officer has ensured that the systems are available 98.8% of the time.

This was done through continued monitoring of incidents, managing service levels with third parties and implementing corrective measures. In addition, all statutory reports were submitted on time and all turnaround times were met in delivering the finance, and information and communication technology (ICT) services.

Implement processes and systems

The branch ensured that the Department's ICT goals were aligned to support the strategic objectives of the Department through the implementation of the system master plans. Some of the initiatives completed were the licensing system integration strategy and the enforcement of ICT governance.

Manage financial resources

The Department managed the financial resources effectively with no new cases of irregular expenditure reported for the period under review.

Promote corporate governance

The branch successfully implemented the Risk, Internal and External Audit Action Plan. This resulted in the Department receiving a clean audit for the 2016/17 financial year. The Department will strive to sustain the status through continuous improvement of controls in the finance, SCM and ICT areas.

PROGRAMME 1: ADMINISTRATION

Branch: Financial Administration							
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
Provide efficient services to internal and external stakeholders	Percentage system availability	99.99%	95%	98.81%	3.81	Reason for variance: The target had taken system downtime into account, but none experienced any during the period under review.	
	Percentage achievement of SLA	86.11%	95%	97.28%	2.28	Reason for variance: The target had taken capacity challenge into account, but managed to subsist with the current resources.	
	Customer Satisfaction Index (1-5)	3.2	3.5	2.07	-1.43	Partially achieved due to the below-target scores allocated as per the survey results. However, there is a 0.13 improvement as compared to the third quarter survey results of 1.94. The branch scored below the set target of 3.5 in all areas as per the survey results.	
Provide efficient services to internal and external stakeholders	Percentage of financial reports delivered on schedule	100%	100%	100%	0		
	Percentage of suppliers paid within 30 days	92.5%	100%	100%	0		
Implement processes and systems	Percentage implementation of the Master Systems Plan	100%	100%	100%	0		
	Percentage variance on allocated budget	0	≤2%	0.5	-1.5		
Manage financial resources	Number of incidents of irregular expenditure	0	0	0	0		
	Percentage implementation of asset management plan	N/A	100%	100%	0		

Branch: Financial Administration						
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
Promote corporate governance	Percentage implementation of management action plans (internal audit)	100%	100%	100%	0	
	Percentage implementation of management action plans (external audit)	100%	100%	100%	0	
	Percentage adherence to compliance framework	100%	100%	100%	0	
	Percentage implementation of ICT governance initiatives	N/A	100%	100%	0	
	Percentage implementation of risk management plans	100%	100%	100%	0	

Strategy to overcome areas of under-performance

The target on the customer satisfaction survey was not achieved. The problem areas have been identified, and improvement plans will be developed and implemented to improve performance on this target.

Changes to planned targets

The target for the customer satisfaction survey measure was adjusted from 4 to 3 for future reporting. The change was decided on the basis of the scale that is used to identify performance on this measure. Performance on the customer satisfaction survey is measured on a five-point scale. Therefore, the target was adjusted to the midpoint of the scale.

Linking performance with budgets

Sub-programme expenditure

Sub-programme	2016/17			2015/16		
	Final appropriation	Actual expenditure	(Over)/ under-expenditure	Final appropriation	Actual expenditure	(Over)/ under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	33 822	35 123	-1 301	33 076	33 076	-
Corporate Services	186 177	187 841	-	178 593	180 307	(1 714)
Department Management	16 707	12 457	4 250	15 568	15 567	1
Financial Administration	93 704	93 536	168	97 077	95 431	(1 646)
Internal Audit	10 901	10 609	292	12 437	12 370	67
Office Accommodation	21 485	21 484	1	22 316	22 316	-
Total	362 796	361 050	1 746	359 067	359 067	-

4.3 Programme 2: Mine Health and Safety

Purpose: To ensure the safe mining of minerals under healthy working conditions.

It has the following subprogrammes: Mine Health and Safety (regions) and Governance Policy and Oversight.

Strategic objectives, performance indicators, planned targets and actual achievements

The branch's significant achievements and contribution to the strategic outcome- orientated goals of government during the period under review include a 25% reduction in the number of occupational diseases reported by the mining sector, a 6% decline in the number of injuries and 100% adherence to prescribed timeframes for CIOM appeals. Further, the Department contributed to skills development by issuing a total of 177 GCCs in the field of mining, engineering and surveying.

Branch: Mine Health and Safety Inspectorate						
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
Promote health and safety	Percentage reduction in occupational fatalities	7%	20%	3%	17	There were 79 fatalities recorded between April 2015 and March 2016 and 77 between April 2016 and March 2017.
	Percentage reduction in occupational injuries	-9%	20%	-6%	14	There was a decrease in injuries between 2015 and 2016. There were 3 046 injuries reported between April 2015 and March 2016 and 2 865 between April 2016 and March 2017.
	Percentage reduction in occupational diseases (including TB)	37%	10%	-25%	-15	Significant improvement on TB and silicosis cases reported between April 2015 and March 2016 of (4 696) when compared with the cases reported between April 2016 and March 2017 (3 531).
	Percentage of investigations completed (initiated vs. completed)	85%	80%	85%	5	Over-achieved due to an improvement in the availability of witnesses during this quarter. The number of investigations initiated was 992 and the number completed was 841.
	Percentage inquiries completed (initiated vs. completed)	100%	80%	78%	-2	Under-achieved due to the unavailability of witnesses. The number of enquiries initiated was 41 and the number completed was 32.
	Number of inspections conducted (cumulative)	7 539	8 000	9 363	1 363	Over-achieved due to the extra inspections that were conducted to reduce accidents.
	Number of audits conducted (cumulative), individual audits included	466	396	506	110	Over-achieved due to an extra audit carried out to reduce fall-of-ground accidents.
Contribute to skills development	MHSI annual report	1	1	1	0	
	Number of tripartite workshops conducted	71	40	67	27	Over-achieved due to the request from stakeholders (unions and employers) for more workshops.
	Percentage implementation of certificate of competency model to improve pass rate	100%	100%	100%	0	

Branch: Mine Health and Safety Inspectorate						
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
Implement SLAs	Percentage adherence to existing SLAs	100%	100%	100%	0	
	Percentage of identified internal processes developed, reviewed and implemented	100%	100%	100%	0	
Develop and review internal processes	Percentage adherence to prescribed timeframes for medical appeals	95%	80%	81%	1	There were 42 appeals received and 34 appeals completed. The over-achievement is due to the quicker finalisation of files as interns were used to assist the officials.
	Percentage adherence to prescribed timeframes for Chief Inspector of Mines (CIOM) appeals	100%	100%	100%	0	
	Percentage adherence to prescribed timeframes for MPRDA applications	103%	100%	72%	-28	There were 2 167 applications processed within the prescribed timeframe as opposed to 3 030 received. Under-achieved due to the unavailability of applicants for inspections, especially land-use and closure.
Improve turnaround times	Percentage adherence to prescribed timeframes for administrative tasks	98%	80%	80%	0	
	Percentage implementation of management action plans (internal audit)	75%	100%	55%	-45	There were 11 findings, six of which were implemented and five were not implemented.
Promote corporate governance	Percentage implementation of management action plans (external audit)	100%	100%	100%	0	
	Percentage adherence to compliance framework	100%	100%	100%	0	
	Percentage implementation of risk management plans	100%	100%	75%	-25	There were four items, three of which were implemented and one was not implemented.

Strategy to overcome areas of under-performance

The Department will continue to engage its social partners, including company CEOs and organised labour, to ensure that the health and safety of the workers in the industry are prioritised.

The DMR will also monitor and enforce compliance to health and safety measures at mines by conducting group audits and inspections to ensure compliance with the legal provisions.

The Department is enhancing its capacity to monitor compliance by training 45 learner inspectors. Thirty-eight learner inspectors have been placed for inspector training at various regional offices and have registered for the GCC examinations in their respective disciplines. Twelve passed their respective examinations during the course of the financial year. Seven of the 45 also enrolled for the BTech degree at the University of Johannesburg during the current academic year. Of these, six have completed their degrees.

Linking performance with budgets

Sub-programme expenditure

Sub-programme	2016/17			2015/16		
	Final appropriation	Actual expenditure	(Over)/under-expenditure	Final appropriation	Actual expenditure	(Over)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Governance Policy and Oversight	47 395	46 430	965	44 916	44 913	3
Mine Health and Safety (regions)	143 045	143 127	-82	126 593	126 593	-
Total	190 440	189 557	883	171 509	171 506	3

4.4 Programme 3: Mineral Regulation

Purpose: To regulate the minerals and mining sector to promote economic growth, employment, transformation and sustainable development.

Mineral Regulation is also responsible for the administration of prospecting and mining rights licensing and compliance with the MPRDA, including environmental management compliance by mines.

It has the following subprogrammes: Mineral Regulation and Administration, and Management Mineral Regulation.

Strategic objectives, performance indicators, planned targets and actual achievements

In terms of turnaround times, the targets are now being consistently achieved. With the implementation of the One Environmental System, which has significantly improved the ability of the Department to effectively adjudicate applications for environmental authorisation, the performance in this regard is expected to improve even further.

Branch: Mineral Regulation						
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
Promote job creation	Number of jobs created through mining	6 528	7 000	6 511	-489	The commodity prices are affecting the creation of jobs within the mining industry.
	Number of SLP development projects implemented	120	120	164	44	Over-achieved due to increased monitoring.
	Number of black industrialists created through procurement	5	5	5	0	
Promote sustainable resource use and management	Percentage of compliant, renewed prospecting rights	N/A	100%	100%	0	
	Percentage of closure certificates issued in line with the regulatory framework	100%	100%	100%	0	
Reduce state environment liability and financial risk	Percentage of statutory notices or orders issued to remedy inadequate financial provision	100%	100%	100%	0	

Branch: Mineral Regulation						
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
Implement transformation policies/legislation	Number of consultations or engagements and conflict management with communities or stakeholder and the mining industry	341	150	342	192	Over-achievement is due to more focus being directed at community consultations or engagements to address community concerns or issues.
	Number of industry workshops conducted	15	9	14	5	Over-achieved due to more industry workshops being done on procurement as per the Mining Charter.
	Number of rights and permits granted and/ or issued to historically disadvantaged South Africans (HDSA)- controlled entities	204	150	175	25	Over-achieved due to more rights/ permits issued to HDSAs being finalised.
Improve turnaround times	Percentage adherence to prescribed timeframes	71.8%	70%	49%	-21	Not achieved due to National Licensing Committee having to defer some submissions back to regions for itemisation of SLP projects and rehabilitation.

Branch: Mineral Regulation							
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
Monitor and enforce compliance	Number of environmental verification inspections conducted	1 889	1 275	1 465	190	Over-achieved due to more unplanned inspections being done, which were addressing environmental complaints.	
	Number of legal compliance (mineral laws and SLP) verification inspections conducted	502	150	264	114	Over-achieved due to more inspections for renewal applications being done.	
	Number of mine economics verification inspections conducted	595	425	501	76	Over-achieved due to more inspections for renewal applications being done.	
	Number of SLP verification inspections	270	212	275	63	Over-achieved due to increased monitoring of rights issued and verifying compliance with terms and conditions of the mining rights issued.	
	Percentage of statutory notices or orders issued to remedy environmental non-compliance	N/A	100%	100%	0		
	Percentage of investigations finalised and cases handed over to the National Prosecuting Authority (NPA)	N/A	50%	100%	50	All three complaints received during the third quarter warranted prosecution after investigations were finalised.	
	Percentage of environmental complaints closed or referred to authorities	N/A	60%	56%	-4	Not achieved due to the unit stabilising as the appointed officials were settling in and doing more to address complaints.	
	Percentage implementation of enforcement procedures to collect arrear prospecting fees	100%	95%	23%	-72%	Not achieved due to the misalignment between the technical description measure and the performance verification template.	

Branch: Mineral Regulation						
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
Promote corporate governance	Percentage adherence to compliance framework	100%	100%	100%	0	
	Percentage implementation of Management Action Plan (external audit)	100%	100%	100%	0	
	Percentage implementation of Management Action Plan (internal audit)	84%	100%	50%	-50	Not achieved due to the response on the management action plan being to address the outstanding 50% by the end of the first quarter of the 2017/18 financial year.
	Percentage implementation of risk management plans	100%	100%	100%	0	

Strategy to overcome areas of under-performance

- Number of jobs created through mining: Due to commodity prices, jobs have been affected and companies have been retrenching. The Department has recognised that it does not have direct control over job creation, but it will improve turnaround times to issue mining rights so that section 11 can be used to create an environment for mining companies to be able to sustain jobs.
- Percentage adherence to prescribed timeframes: The branch will have Licensing Committee meeting at least once a month to promote investment in the country and improve turnaround times.
- Percentage implementation of enforcement procedures to collect arrear prospecting fees: The branch will ensure that its revenue collection procedures are aligned with those of the Financial Administration branch and implement them accordingly.
- Percentage implementation of Management Action Plan (internal audit): Management will ensure timeous response to all queries and findings to ensure that all management actions are addressed.
- Percentage of environmental complaints closed or referred to authorities: The branch will ensure that the process of engaging with the competent authorities improves.

Linking performance with budgets

Sub-programme expenditure

Sub-programme	2016/17			2015/16		
	Final appropriation	Actual expenditure	(Over)/under-expenditure	Final appropriation	Actual expenditure	(Over)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Mineral Regulation and Administration	189 809	189 809	31	178 737	179 572	(835)
Management Mineral Regulation	17 163	15 775	1 388	16 972	16 137	835
South African Diamond and Precious Metal Regulator	53 205	53 205	-	50 527	50 527	-
Total	260 177	258 758	1 419	246 236	246 236	-

4.5 Programme 4: Mineral Policy and Promotion

Purpose: To formulate mineral-related policies and legislation, and help promote the mining and minerals industry of South Africa to attract investors.

Its subprogrammes are Mining and Mineral Policy, Mineral Promotion and International Coordination, Economic Advisory Services and Mine Environmental Management.

Strategic objectives, performance indicators, planned targets and actual achievements.

Shale gas

The Department has been engaged in the implementation of the shale gas communication strategy, which was launched through the Minister's community radio phone-in session with 60 community-based radio stations all over South Africa on 21 February 2017. The Minister announced that the Department would be rolling out community engagement sessions, particularly in the three affected provinces of the Northern Cape, Eastern Cape and Western Cape. He emphasised the need to work together on this aspect for the growth and development of South Africa through mineral and petroleum exploration and exploitation.

Three shale gas izimbizo were held in the affected provinces. These were held in Cradock (Eastern Cape), Richmond (Northern Cape) and Beaufort West (Western Cape).

The izimbizo were aimed at strengthening public knowledge in the area of shale gas development to provide relevant information on the process, while indicating government's stance and measures that have been put in place to

mitigate negative impacts and to ensure that positive socio-economic benefits can be realised. The Department will work together with the affected provinces on further developments to address the exploitation of shale gas in the country.

The DMR is working together with its state-owned entities (SOEs), the CGS and PASA, to evaluate shale gas and conduct new research initiatives, including an investigation into the occurrence of near-surface hydrocarbon. This measure contributes to Outcome 6 in terms of diversification of energy sources for the country.

Beneficiation

The DMR supports the key action programmes of the Industrial Policy Action Plan (IPAP) through the following:

- Amendments to section 26 of the MPRDA to ensure that local production of key minerals is secured for domestic manufacturing at cost-competitive prices at prescribed qualities, quantities and timelines.
- Amendment of the Mining Charter's procurement element, which is intended to support and grow the local manufacturing sector of mining goods and services. This will support the Resource Capital Goods Development Strategy. This is done to derive more value from the exploitation of the country's minerals by requiring mining rightholders to set aside a specified percentage of their procurement budget for locally manufactured mining goods and services.

The DMR is also supporting the Industrial Development Corporation (IDC) in its development of a strategy to

develop a local fuel cells manufacturing industry, which is a key action programme of IPAP.

International engagements

On the international relations front, the Department continues to forge closer cooperation with other states and non-states alike. It is important that our country benefits from its mineral resource endowment. In the past year, it strengthened its collaboration with advanced economies such as Canada, China, the European Union and Japan. With regard to the latter, the Department signed a technical cooperation agreement in the margins of the Mining Indaba in February 2017. Its aim is to create mutual relationships in areas where we believe our country can no longer afford to grow on the back of supplying raw minerals to other nations exclusively, but

where it expressly calls for a shift to mineral value chain integration. This will be achieved through cooperation and investments in South Africa's downstream mineral development industries, effective manufacturing and beneficiation, as well as the production of goods and the supply of requisite services.

In line with South Africa's foreign policy, the Department's focus is Africa. It collaborates with other states on the continent within frameworks such as the African Mining Vision and the SADC Protocol on Mining. It intensified cooperation with Angola, the Central African Republic and Nigeria, providing technical cooperation and assistance to our brothers and sisters to realise economic benefits from mining. It also wishes to learn from their experiences in the area of upstream oil and gas development as the Department seeks to conquer new frontiers of petroleum development.

Branch: Mineral Policy and Promotion							
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
Facilitate transformation in the mining and minerals sector	Number of legislative instruments reviewed and/or amended	2	5	4	-1	Not achieved. Only four legislative instruments were reviewed. The Mining Charter has not been finalised as planned. The Mining Charter will be gazetted by the end of April 2017.	
Promote investment in the mining sector	Number of investment promotion events, forums or workshops (cumulative)	N/A	55	60	5	Over-achieved due to unscheduled MPRDA public hearings.	
	Number of publications	14	17	23	6	Over-achieved due to increased focus on water management research.	
Promote investment in the mining sector	Percentage implementation of shale gas action plan instruments	N/A	100%	100%	0		
	Number of small, medium and micro enterprises (SMME)s supported	125	80	103	23	Over-achieved due to stakeholder requests for project support.	
	Number of social dialogues (including the President-led Framework and Mining Industry Growth, Development and Employment Task Team (MIGDETT))	9	8	8	0		
Promote investment in the mining sector	Percentage implementation of mining Operation Phakisa initiatives	100%	100%	0	-100	Not applicable. The DMR is unable to implement these initiatives due to external factors. The initiatives will be implemented in the next financial year.	
	Percentage implementation of ocean economy Operation Phakisa plans	100%	100%	100%	0		
Manage and implement minerals resources diplomacy with other countries and institutions	Number of international strategic partnerships (bi- and multilateral agreements) signed	N/A	3	7	4	Over-achieved due to external factors.	

Branch: Mineral Policy and Promotion						
Strategic objective	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
Promote sustainable resource use and management	A review of Department's Environmental Management Plan	N/A	1	1	0	
	Number of reports developed on mine closure and derelict and ownerless mines	N/A	4	4	0	
	Number of derelict and ownerless mine sites rehabilitated	50	45	45	0	
	Number of technical partnerships implemented with SOEs	5	5	5	0	
	Number of internal business processes developed or reviewed	1	1	1	0	
Develop and review internal process	Percentage adherence to timeframes	97.3%	95%	100%	5	Over-achieved due to improved response time for correspondences
	Percentage adherence to compliance framework	100%	100%	100%	0	
Promote corporate governance	Percentage implementation of Management Action Plan (external audit)	100%	100%	100%	0	
	Percentage implementation of Management Action Plan (internal audit)	100%	100%	100%	0	
	Percentage implementation of risk management plans	100%	100%	78%	22	Some 78% of risk management plans have been achieved. Seven action plans were implemented (nine planned actions = 78%), Verification source: Risk Management Report. Action plans could not be implemented due to a reprioritisation of projects.

Strategy to overcome areas of underperformance

The Branch did not achieve on two of its measures: legislative instruments reviewed or amended, and risk implementation plans. To mitigate the under-performance, the Branch will only plan on measures that are within its control, given that most of the legislative instruments have to go through Parliament for approvals where delays may be experienced.

There is a need to ensure that all risk management plans that are planned are implemented to avoid increasing the Department's exposure to risk. The areas of under-performance under the risk management measure are linked to the measure of legislative instruments reviewed or amended, and therefore the same mitigation strategy will apply.

Linking performance with budgets

Sub-programme expenditure

Sub-programme	2016/17			2015/16		
	Final appropriation	Actual expenditure	(Over)/under-expenditure	Final appropriation	Actual expenditure	(Over)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	26 546	26 409	137	18 183	18 143	40
Mineral Policy	28 195	28 087	108	19 219	19 219	-
Mineral Promotion	49 496	48 769	727	53 101	53 085	16
Assistance to Mines	-	-	-	-	-	-
Council for Geoscience	378 598	378 598	-	342 914	342 914	-
Council for Mineral Technology	356 416	356 416	-	414 742	414 742	-
Economic Advisory Services	4 632	4 019	613	3 958	3 958	-
Mine Environmental Management	11 781	9 438	2 343	9 613	9 611	2
Total	855 664	851 736	3 928	861 730	861 672	58

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity
Council for Mineral Technology	<p>Fundamental research and development in efficient mineral processing technologies and value-added products and services.</p> <ul style="list-style-type: none"> To ensure competitiveness, sustainable development and job creation in the diamond and precious metals industry To ensure the effective transformation of the diamond and precious metals sectors. To ensure equitable access to resources for local beneficiation To ensure compliance with the legislative requirements To improve organisational capacity for maximum execution for excellence 	R356 416	R356 416
South African Diamond and Precious Metals Regulator	<p>Various services are provided by the entity. The major services are the following:</p> <ul style="list-style-type: none"> Advising the Minister of Mineral Resources on occupational health and safety in the mines Promoting a culture of health and safety in the mining industry Advising the mining industry through the Minister of Mineral Resources 	R53 205	R53 205
Mine Health and Safety Council	<p>Various services are provided by the entity. The major services are the following:</p> <ul style="list-style-type: none"> Advising the Minister of Mineral Resources on occupational health and safety in the mines Promoting a culture of health and safety in the mining industry Advising the mining industry through the Minister of Mineral Resources 	0	0
Council for Geoscience	To gather, compile, develop and publish world-class geoscience data, knowledge and products, and to render geoscience-related services to the South African public and industry.	R378 598	R378 598
State Diamond Trader	To provide equitable access to the diamonds of the Republic and to promote the diamond beneficiation industry	R200	R200

5.2 Achievements of the public entities

5.2.1 Council for Mineral Technology

Mintek received a transfer of R356 416 000 from the DMR for the 2016/17 financial year. Its strategic achievements during the year under review can be summarised as follows:

- Mintek continued to implement the Derelict and Ownerless Mines Project on behalf of the DMR with a new three-year contract taking effect on 1 April 2016. During the year under review, Mintek completed four projects: Masaneng, Buisvlei North and Buisvlei South in the Northern Cape, and Motsane in Limpopo.
- Mintek conducted a number of training activities, including the second Department of Science and Technology (DST)-funded Non-aligned Movement Training Programme on Mineral Beneficiation. Under this programme, 19 fellows from 13 Non-aligned Movement member countries attended a three-month fellowship at Mintek, where they were trained in a number of aspects of minerals processing. The year also saw three groups attend training on various aspects of uranium processing funded by the International Atomic Energy Agency. A number of other training interventions were undertaken in support of international bilateral agreements.
- Mintek continued with its programme for creating economically sustainable businesses and jobs in rural and marginalised communities. Thanks to an agreement with and funding from the MQA, Mintek was able to significantly increase the number of trainees to 312 in 2016/17. They were trained over a period of six months in theoretical and practical aspects of surface mining. The programme was specifically focused on unemployed former mineworkers, and the majority of the trainees were female.
- The Urban Mining Project saw its first commercial demonstration in the form of the Reflaut demonstration plant at the South Deep Mine in Randfontein. The demonstration showed that it is technically and economically possible to recover residual gold, uranium and heavy metals from old mine dumps and render the resulting tailings environmentally acceptable.
- The development of technologies for recycling electronic waste, including the treatment of printed circuit boards and the recycling of cathode ray tubes continued. Collaborative activities include a study conducted for the DST as one of the deliverables of South Africa's 10-year Waste Research, Development and Innovation Roadmap and participation in collaborative European Union research activities related to e-waste treatment.
- Mintek continued with its activities addressing acid mine drainage and other mining-derived effluents. The Savmin AMD treatment demonstration plant in Randfontein was operated during the year to further develop and optimise both the Savmin process and the treatment costs. In addition, a number of other technologies were employed to supplement the Savmin process in providing a technically viable solution to cleaning up and rehabilitating the Robinson Lake site in Randfontein, which is heavily contaminated with uranium and heavy metals.
- The X-ray transmission sensor-based sorting demonstration plant was successfully operated at the Vlakfontein Coal mine and proved the technical viability of the technology to upgrade low-grade coal to Eskom specifications and to produce small quantities of high-grade coal products. The demonstration plant was the final phase in the three-year technical programme.
- The Hydrogen South Africa (HySA) programme continued during the year, and a number of products are approaching the commercialisation phase. In an effort to facilitate coordination within the programme and to maximise the chances of commercial implementation, DST decided to form a HySA Programme Office responsible for the management of all HySA activities. Mintek agreed to host the office, which commenced operating on 1 November 2016. All HySA activities are now coordinated through the office rather than via DST. One of the first products to commence commercialisation is the Mintek/UCT-developed membrane electrode assemblies.

5.2.2 South African Diamond and Precious Metals Regulator

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

- **Research on the establishment of the Bourse:** The Board of the SADPMR approved the concept document on the establishment of a state bourse in May 2016. The SADPMR is currently in the second phase of consulting with relevant stakeholders, such as the World Federation of Diamond Bourses on the establishment and viability of the State Bourse in South Africa (WFDB). The WFDB met with the Board's Technical Committee and expressed its support of this initiative.
- **Transformation:** The Board reiterated its objective of driving government's transformation agenda. The work of the SADPMR in this regard is monitored by the Board through its Licensing Committee. The Licensing Committee has resolved to capacitate the SADPMR's transformation team so that the entity could meet its transformation targets. The SADPMR has, however, made strides in enforcing transformation in the

industry. Through regulator consultations and follow-up inspections, most license-holders are compliant with the requirements of the Mining Charter.

- **Licenses:**
The SADPMR issued 599 diamond and precious metals licences, permits and certificates. Of these, 365 were diamond licences and 234 were precious metals licences. This is a significant decrease from the 875 licences that were issued in the previous financial year. The SADPMR attributes this decline to the overall decline in the diamond and jewellery manufacturing industries. It is for this reason that the Board requested the SADPMR to produce a turnaround SADPMR beneficiation strategy that will stimulate the industry again.
- **Inspections:**
During the year under review, the SADPMR managed to conduct 1 610 inspections in the diamond and precious metals industries. The purpose of the inspections was to ensure compliance with the provisions of the Diamond Act, 1986, as well as the Precious Metals Act, 2005. Some of the inspections included the unplanned or disruptive inspections that were conducted jointly with members of the SAPS. As a result of the cooperation, a number of arrests have been made in both the diamond and precious metals industries.
- **Facilitation of exports and imports:**
South Africa exported 10.6 million carats of rough diamonds valued at more than \$1.5 billion. This is an increase from the previous financial year's exports of 8.39 million carats. Imports were up by 495 542 carats to the value of \$430 402 580 carats. The processing of these imports and exports complied with the requirements of the Kimberley Process Certification Scheme.
- **Determination of fair market value:**
The entity successfully enforced the provision of the law by ensuring that the fair market value is conducted on all goods presented to the Diamond Exchange and Export Centre. For the year under review, no disputes were referred to the independent diamond valuator(s).

5.2.3 Mine Health and Safety Council

Centre of excellence

The business plan is currently being implemented for the Centre of Excellence (CoE), which was launched during the 2014 Occupational Health and Safety Summit, to be fully functional in 2017. The main rationale of the establishment of the CoE is to improve the effectiveness and efficiencies of conducting research and disseminating its outcomes to the mining industry and the public. The CoE is therefore envisaged to address the identified gaps, which included national OHS research capacity,

determining needs through broader consultation that will address pressing OHS challenges, the dissemination or adoption of outcomes by the mining industry, and enhanced training of the mineworkers in the industry.

Progress so far includes the following:

- **Implementation of operational plan for the CoE:**
The MHSC's Board approved the CoE business plan, including capacity audits to assess the status of readiness of primary research providers to partner with the MHSC in implementing the CoE. The MHSC is currently in the implementation phase for the CoE to be fully operational in 2017. This includes the reorganisation of MHSC office and Board structures to support the CoE, and also building the necessary capacity.
- **Hosting of the 2016 Summit:**
The year 2016 was a year of reflection by tripartite stakeholder leaders upon realising that industry was not meeting the 2014 milestones of decreasing fatalities by at least 20% year on year. Ahead of the MHSC's biennial OHS Summit, the tripartite leadership stakeholders gathered for a workshop hosted by MHSC at the Johannesburg Country Club in Auckland Park on 12 October 2016 to review industry's health and safety performance and its implications for the achievement of the 2014 milestones.

The 2016 Mine Health and Safety Tripartite Summit, hosted by the DMR and the MHSC, took place on 17 and 18 November 2016 at Gallagher Convention Centre in Midrand. It was attended by almost 500 delegates, the Summit achieved its objectives, with around 80% of delegates indicating their approval of the Summit and its programme, as a relevant platform or forum to engage on OHS matters.

The MHSC is piloting the implementation of a management information system to monitor and report on the implementation of the 2014 milestones to be reached by 2024.

- **The Summit outcomes of 2016:**
The OHS Summit was concluded on a high note with tripartite stakeholders recommitting themselves through the signing of a declaration that consisted of step- change or breakthrough actions for implementation. The five declared actions included the following items, which will also be monitored for implementation by the MHSC:

- Tripartite visible felt leadership and relationship building
- Trust deficit
- Communication
- Empowerment of supervisors and employee empowerment
- Annual company health and safety days

The principals stakeholders agreed to meeting biannually to reflect on OHS matters and review progress towards the achievement of the 2014 milestones.

Other MHSC initiatives as part of the implementation of the 2014 milestones included the following:

Commemoration of mine disasters

In remembrance of those who passed on due to disasters, the MHSC developed a programme to commemorate those who passed on during the disasters. The Coalbrook disaster was one of the worst mine disaster in South Africa. A large section of the Clydesdale Colliery, at the Coalbrook mine near Sasolburg, Free State, caved in and trapped 437 mineworkers 180 m underground. There were no survivors.

The accident was believed to have been caused by the disintegration of some 900 underground pillars, which cause a massive collapse. Around 1 000 miners were underground at the time. Only about half of them survived. After weeks of trying, no bodies were ever recovered and the shaft was abandoned and sealed with concrete. There have been over 100 mining disasters since mining started in South Africa, which have been recorded but not documented.

Two events have been planned for the mining disaster commemorations. One is planned to take place in Coalbrook (Metsimaholo Municipality) where a plaque will be unveiled in memory of those who lost their lives in the Coalbrook mining disaster. The second event will be held in Johannesburg. This will take the form of the unveiling of a central memorial wall in honour of all the mineworkers who lost their lives through mining disasters in South Africa.

Women in Mining 2015 Conference: implementation of outcomes

As part of implementation of the Culture Transformation Framework, the MHSC established a subcommittee of the Culture Transformation Advisory Committee to develop a programme of implementation for Women in Mining, which includes various initiatives to address challenges being experienced by women in the mining industry.

One of the initiatives addresses issue of personal protective equipment (PPE) relating to mines, implementing and providing PPE to women in mining as per the promulgated CIOM Guidelines, and the prevention of sexual harassment in the mining industry. The programme is being rolled out through campaigns conducted at regional tripartite forums. The pilot implementation workshop was held at Klerksdorp in the North West Region on the PPE promulgated guidelines for women in mining, and raising awareness on sexual harassment to empower women in mining to deal with harassment in the workplace. The

workshop was concluded with men signing a pledge and committing themselves to end sexual harassment towards women in mining. The programme will be rolled out to other regions, with the next regions targeted being Rustenburg and Limpopo during this financial year.

Bonus incentive model

Upon realising that there was a concern whereby mines were prioritising bonus pay-outs based mainly on productivity, disregarding an employee's performance on OHS, the MHSC commissioned a study to investigate how OHS could be integrated into bonus incentive schemes. The MHSC will be providing guidelines on how the mining industry can integrate OHS into various bonus systems by looking at various recommended models.

Small-scale guidelines

The MHSC conducted a gap analysis, which showed that small-scale mines experience difficulty in complying with the provisions of the MHSA. This resulted in the development of guidelines to assist small-scale mines to comply with the MHSA, with a simple set of procedures to follow that are all in line with international legislation as a benchmark. The guideline will be popularised at regional tripartite forums for implementation and will target small-scale mining associations as part of engagements in consultation with the DMR as an enforcement agency.

Promotion of OHS in the mining industry

- **Compensation Summit:**

In addressing the disparities brought about by the differences in the pay-out of benefits of the Compensation of Occupational Injuries and Disease Act (COIDA) and the Occupational Diseases in Mines and Works Act (ODMWA), the MHSC hosted a compensation Indaba. The observation is that COIDA is generally considered to be more generous in terms of compensation pay-outs and covers occupational injuries and diseases in all industries, including those from the mining sector that are not covered by ODMWA, such as NIHL.

The Summit was held under the theme "Access to equitable compensation services and fair social benefit protection for all workers" to ensure that there was greater awareness and focus on the compensation of mine workers in South Africa. Furthermore, a study to provide inputs into the legislative framework to ensure integrated compensation legislation has been finalised. The report will be submitted to the Department of Health and the Department of Labour, who are the custodians of the two current legislations being considered for integration.

- **Commemoration of TB and HIV/AIDS:**

In December each year, the MHSC commemorates World AIDS Day in remembrance of those who are

infected and affected by the scourge of HIV and AIDS in the mining industry and surrounding communities. Last year, the MHSC hosted the event in partnership with Richards Bay Minerals and other tripartite stakeholders at the Nzalabantu sportsfield in the Mfolozi Local Municipality in KwaZulu-Natal. The theme of the event was "It is in our hands to end HIV and TB in the South African mining industry". The event was well attended, with more than 2 500 participants from the mine and surrounding communities. Various service providers supported the event by providing HIV and AIDS counselling and testing facilities, male circumcision and various other tests for lifestyle diseases like diabetes and hypertension. The campaign was meant to encourage attendees to live a healthy lifestyle and know their HIV status. The next campaign is scheduled to take place in Rustenburg in December 2017.

- **Occupational Health Dialogue:**

The MHSC hosted a successful occupational health dialogue under the theme, "Occupational health beyond compliance, a healthier worker is a productive worker". Stakeholders reflected on resolutions of the previous dialogue to review progress made, and used it as a platform to gain new knowledge on occupational health that would assist them in dealing with challenges in the sector. In the current financial year, there will be more focus on the implementation of resolutions of the dialogue to improve occupational health in the mining industry, which has been neglected for many years, and contributes to more deaths compared to injuries sustained by miners, and causes more misery to labour-sending communities and increased burden to state resources, especially on health and social services.

Completed guidelines and regulations

The MHSC continues to advise the Minister of Mineral Resources on industry regulation. The various regulations, policies and guidelines that have been promulgated, or are due for promulgation, include the following:

- Guideline for Compilation of Mandatory Code of Practice for Prevention of Fires at Mines
- Guidance Note for the Implementation of Standard Threshold Shift in Medical Surveillance of Noise-induced Hearing Loss
- Guideline for Compilation of Mandatory Code of Practice for Risk-based Emergency Care on a Mine
- Policy on the Integrated Management and Reporting for HIV, AIDS, TB and Occupational Lung Disease in the South African Mining Industry
- Prevention of Fall of Ground Guidelines and Regulations
- Guideline for the Compilation of a Mandatory Code of Practice for an Occupational Health Programme on Personal Exposure to Airborne Pollutant

Celebrating 20 years of research excellence

Various programmes are in place as part of the celebration of the MHSC's 20 years of existence and providing a

platform for stakeholder engagement and advisor to the Minister of Mineral Resources on OHS matters. The celebrations will take place under the theme, "20 years of positive contribution to zero harm for mineworkers: pursuing research excellence".

5.2.4 Council For Geoscience

During the period under review, the CGS completed statutory projects in geoscience mapping, mineral and energy resources, environment and water, and engineering geoscience and geohazards.

Strategic achievements for the 2016/17 financial year include the following.

The CGS is mandated to gather, compile, interpret and disseminate geoscience knowledge for South Africa, as provided for in the Geoscience Act (as amended). The mandate of the CGS, as defined in the Act, can be summarised under the following main headings:

- **Geological research and knowledge management:**
The CGS investigates a wide range of surface and subsurface, onshore and offshore geoscience matters. These include, but are not limited to, geology, geochemistry, geophysics, engineering geology, economic geology, geohazards and geohydrology. The organisation performs these duties mainly through government funds and, to a lesser extent, through collaborations with private and public institutions, including institutions of higher learning. The CGS is responsible for the national custodianship of all geoscientific information and its dissemination to the necessary stakeholders, and the review of all geotechnical reports, as well as advising on infrastructure development in the country.
- **The management of several national geoscience facilities:**
These include the National Borehole Core Repository, the National Geoscience Heritage Collections (Geoscience Museum), the National Geoscience Library and the National Seismograph Network.
- **Advisory services:**
Based on findings obtained through its various functions, the CGS is mandated to advise its primary stakeholder, the Minister of Mineral Resources, on issues relating to mineral resources. In addition, the CGS serves as the national advisory authority to local, provincial, national and international authorities on geohazards and geo-environmental-related issues.
- **Specialised geoscientific services:**
The CGS is mandated to promote the development of mineral and upstream energy resources in the country. The organisation also conducts investigations and various prescribed services for both private and public-sector stakeholders.

- **Training and development:**

The CGS cooperates with education institutions in the promotion of research, training and development of scientists in the field of geoscience.

The statutory technical programme addresses many of the developmental needs of South Africa, as captured in the government's MTSF for 2014–2019, the Stakeholders' Declaration on Strategy for the Sustainable Growth and Meaningful Transformation of South Africa's Mining Industry of the DMR, and the Grand Challenges of the DST.

The CGS delivered on these developmental needs by addressing projects within the following fields:

- Multidisciplinary mapping focused on areas covered by the MTEF programmes in order to supplement and improve geoscientific information.
- A nearshore mapping programme was initiated by the CGS to study the entire South African continental shelf. New geophysical data will be collected in Table Bay, False Bay, the Table Mountain marine protected area and the southern Cape. The imperatives of the programme are linked to the mandate of the CGS, Operation Phakisa and to global standards in marine geophysics and hydrography. South African Nearshore Mapping Programme (SANMAP) is based on six focus areas, which include innovation in mapping, technological advancement, capacity-building and training, knowledge through research, data management and ocean governance.

Operational highlights

The scientific programme of the CGS comprises five projects of national importance and various other scientific research projects. These include the following:

- **Karoo Deep Drilling Project:**

The Karoo Deep Drilling Project seeks to establish a geo-environmental baseline for groundwater to obtain a better understanding of the prevailing environmental settings to contribute towards science-based policy and legislation governing the intended development of shale gas. The areas of investigation include water resources, seismicity, soil, the atmosphere and other aspects of the Karoo geo-environment. In this regard, geological and structural mapping has been completed and baseline monitoring has commenced.

- **Derelict and Ownerless Mines Project:**

The Derelict and Ownerless Mines Project identifies and rehabilitates derelict and ownerless mines resulting from the legacy of mining in South Africa. Through this project, 42 unsafe mine openings have been closed, thereby creating a safe environment to nearby communities. Furthermore, the maintenance of the derelict and ownerless mines database is continuing.

Hydrogeological investigation and geotechnical studies around the Witbank coal fields have been concluded. An assessment of derelict and ownerless mines in all nine provinces has been concluded.

The management of the Derelict and Ownerless Mines Project has progressed over several subtasks. For example, database development is progressing towards a better delineation of the extent of the problems resulting from derelict and ownerless mines in view of the ultimate quantification of the mine environmental liability. In addition, detailed work is carried out in respect of air quality studies aimed at mitigating the exposure of proximal communities to associated health hazards.

- **Mine Water Management Project:**

The Mine Water Management Project addresses the contamination of water resulting from the legacy of mining. The contamination is through processes such as acid mine drainage, with a particular focus on water ingress control into the gold and coal mines of South Africa, while making new proposals regarding mine water management to mitigate current impacts and limit future impacts. The project covered areas in the gold mines of the Witwatersrand, and the coal mines of Mpumalanga and KwaZulu-Natal.

The following important milestones were achieved:

- Scientific studies were undertaken to manage water ingress points in the East Rand goldfield area.
 - Engineering assessment studies were conducted to facilitate the reconstruction of an ingress control canal in the Van Rhyn area in Benoni.
 - Mining pollution hotspots were identified, and vulnerable groundwater and optimal treatment technologies were carried out in the coalfields.
 - Scientific research was conducted to facilitate the management and exploitation of mine residue deposits.
- **Stimulation of Investment in the Mining and Mineral Exploration Sectors Project:**
- The promotion of exploration and investment in the minerals industry is a large multidisciplinary programme covering a countrywide range of prospective areas, such as Namaqualand, the Kheiss terrane, the Karoo, the Tugela terrane, the Sabie-Barberton goldfields and the alluvial diamond fields of North West. The objective of this project is to stimulate investment in exploration and mining in South Africa by gathering new high-quality geoscience data and integrating multidisciplinary geological datasets to produce mineral prospectivity maps.

The following important milestones were achieved:

- A regional geochemical survey was conducted in Namaqualand, Northern Cape.

- Geoscience investigations were conducted of the alluvial diamond fields in the Vaal and Gariep River terraces.
 - A geochemical survey was conducted of stream sediments in the Prieska area.
 - A high-resolution airborne geophysical survey was conducted of the Kheiss terrane and the Karoo uranium province.
 - A geochemical soil survey was conducted of the Sabie-Barberton area in Mpumalanga.
 - Structural mapping was conducted of the Bushveld margin-Sabie-Barberton goldfields to identify potential new gold deposits.
 - Interpretation of remote sensing data was done to identify possible mineral exploration targets in areas around Sabie and the Bushveld Complex (both in the Eastern Limb and southwest of Rustenburg).
 - Geological investigation was conducted of potential mineral targets in the Tugela terrane (KwaZulu-Natal) and the Bushveld complex (Mpumalanga).
 - Geotechnical investigations were conducted to identify suitable industrial minerals (aggregate resources) for infrastructure development.
- **Seismic Microzonation of Johannesburg:**
The termination of water pumping associated with mining in the Witwatersrand area has resulted in increased seismicity. The aim of this project is to identify seismic hazardous zones and potential seismic hotspots within the Johannesburg and Klerksdorp, Orkney, Stilfontein and Hartbeesfontein (KOSH) areas to assist in the mitigation of earthquake damage. The project was concluded and a 3D integrated geographic information system (GIS) model has been developed.

Statutory projects

- **Marine Geological Mapping Project:**
SANMAP seeks to determine the feasibility of an offshore mapping programme for the entire South African continental shelf to contribute to the development of the oceans economy. In this regard, the collection of new high-resolution geophysical data was concluded in Table Bay and False Bay.
- **Uranium research project in the Springbok Flats Basin:**
This project aims to investigate the distribution, concentration, form and origin of uranium mineralisation within the Springbok Flats coalfield hosts and to determine if it contains exploitable quantities and qualities of uranium and coal. This will contribute to the achievement of the objectives of the South African government's beneficiation strategy of 2011. Results from this study on uranium in the upper coal zones of the Vryheid Formation and Volksrust mudstones were published in a peer-reviewed journal.

- **South African National Seismograph Network Project:**

The South African National Seismograph Network (SANSN) provides seismological data that is processed and analysed to obtain epicentre information on tectonic earthquakes, as well as other seismic sources, such as explosions and induced seismicity. Approximately 5 100 seismic disturbances were recorded during 2016, of which 750 were attributed to a tectonic origin (of them, 260 were located in South Africa), 690 resulted from explosions and 245 were the result of earthquakes of a distant origin.

- **Council for Geoscience Field School Project:**

This project aims to build geological mapping capacity. Nine geologists were trained at the field school, held in November 2016.

- **Comprehensive Nuclear Test Ban Treaty Project:**

The CGS operates and maintains the South African primary seismic and infrasound stations that form part of the international monitoring system. In addition, the CGS is involved in the operation and maintenance of one of the auxiliary seismic stations at the South African Antarctic base and assists with another auxiliary station at Sutherland.

5.2.5 State Diamond Trader

The core business of the SDT is to buy and sell rough diamonds in order to promote equitable access to and beneficiation of South Africa's diamond resources. Its main aim is to address distortions in the diamond industry and correct historical market failures to develop and grow South Africa's diamond cutting and polishing industry.

During the year under review, the SDT, through its engagements with producers, was able to buy greater quantities of diamonds that were suitable for the local industry. The number of carats sold has been increasing steadily year on year, with a 13% increase from the previous financial year. However, the real growth can be seen in the value sold, which increased by a considerable 57% in rand terms. This phenomenon has compensated, to some extent, for a vibrant trading market and a consistency in demand by its clients.

The SDT continued to provide opportunities for new entrants through its annual intake of new clients. In the year under review, 12 companies applied to become clients of the SDT. Only seven companies fully met the criteria. They were accepted and are now in the SDT's client database. At the end of the financial year, the SDT had 75 registered clients.

The Enterprise Development Programme was launched in 2016. This is a three-year programme in terms of which trainees undergo intensive diamond manufacturing, business management and diamond industry knowledge-based training.

This project is aimed at developing young people's entrepreneurial skills within diamond beneficiation in South Africa. Currently, the programme employs five groups of young historically disadvantaged South Africans. The programme has 17 trainees.

The SDT is in partnership with industry players to ensure the successful delivery of the programme.

6. DONOR FUNDS

6.1 Donor funds received

Donor fund 2016/17:

Name of donor	European Union
Full amount of the funding	R30 046 220
Period of the commitment	1 April 2014
Purpose of the funding	Microzonation Model of the City of Johannesburg
Expected outputs	<ul style="list-style-type: none"> Identify different geological entities within the City of Johannesburg in order to feed into the Probabilistic Seismic Hazard Assessment (PSHA), so that the PSHA will have accurate information to perform hazard calculations. Correct data is required for the PSHA so that the calculations produce acceptable results. Site grouping to obtain typical soil profiles that are easily incorporated into the PSHA calculations and liquefaction analyses. Site characterisation by conducting various tests to propose velocity models and to establish empirical relations for easy incorporation into the PSHA. Ground motion amplification factors for typical soil profiles, which can be easily incorporated into the PSHA calculations. Report of the Microzonation Model, which summarises the work done and assists the end users with implementing the model
Actual outputs achieved	The third and final year was dedicated to incorporating all the collected and analysed information into one model. The model is now complete, and plans to showcase the model to disaster management centres and municipalities are under way.
Amount received in current period	R13 265 000
Amount spent by the Department	R13 265 000
Reasons for the funds unspent	The project utilised all the funding
Monitoring mechanism by the donor	Progress reports were submitted to National Treasury.



C

GOVERNANCE



1. INTRODUCTION

Good governance plays a critical role in ensuring accountability in the use and management of state resources. It also leads to better decisions, helps the Department to meet its legislative responsibilities and importantly promotes public confidence.

2. RISK MANAGEMENT

Every institution in the private and public sector is faced with risks on a daily basis, and how they proactively and effectively address those risks is critical to their success in achieving the objectives of the organisation.

The management of risks is an integral part of good governance, and a significant component of business operations, as it is critical for the continued growth and sustainability of an organisation, as well as for the growth and development of our economy and society.

The Department has continued to ensure that risk management is embedded in the day-to-day operations of the Department as required by the Treasury Regulations. This is evidenced by the annual review of the departmental risk profiles, as well as the quarterly monitoring of plans put in place by respective branches to mitigate or reduce risks to acceptable levels.

The governance structures in the Department are the Risk Management Committee and the Audit Committee. They continue to play an oversight role in the risk management process. The introduction of the Ethics Office by the DPSA will further strengthen the management of ethics risks in the Department

3. FRAUD AND CORRUPTION

It is the position of the Department that fraud, corruption, maladministration or any other dishonest activities of a similar nature will not be tolerated, whether committed internally or by an external party. The DMR has vigorously pursued any parties who engage in such practices, by all legal means available, which include laying criminal charges, civil and administrative actions where applicable, and instituting internal disciplinary processes.

4. MINIMISING CONFLICT OF INTEREST

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

- The Senior Management Service (SMS) is required, on an annual basis, to disclose its financial interests.
- SMS members who do not comply are charged with misconduct according to the regulations.

- All employees were requested to sign declarations in terms of remunerative work outside employment. Employees are therefore well aware that they must obtain the Director-General's approval before embarking on any remunerative work outside employment.
- The Department also has a policy on remunerative work outside employment.

The DPSA is also in the process of finalising a new directive on ethics in the workplace, with emphasis on financial disclosures, gifts and remunerative work outside employment. Once the new directive is in place, the Directorate: Human Resource Planning and Policies will have to review its policies and procedures in this regard.

5. CODE OF CONDUCT

The Department is in the process of distributing an Explanatory Manual on the Code of Conduct for the Public Service to all DMR officials and is also conducting workshops. If an employee is in breach of the Code, disciplinary action will be taken against the employee in terms of the Public Service Coordinating Bargaining Council (PSCBC) Resolution 1 of 2003: Disciplinary Code and Procedures for the Public Service.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

7. PORTFOLIO COMMITTEES

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

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

8. SCOPA RESOLUTIONS

There were no SCOPA resolutions during the period under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no modifications to the report during the year under review.

10. INTERNAL CONTROL UNIT

During the year under review, the Unit compiled the annual financial statements, quarterly financial statements, interim financial statements and monthly compliance certificates. In addition, the Unit coordinated the activities of the Auditor-General, and monitored the clearance of suspense accounts in order to ensure that financial periods were closed on time and properly on the system.

The Unit also conducted compliance checks on the processed financial documents (payments and journals) with the aim of ensuring the completeness of the information captured on the BAS financial system and adherence to the departmental financial delegations.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The purpose of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. It helps the Department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Internal Audit Activity (IAA) intends to function in a manner that monitors that:

- risks are appropriately identified and managed;
- interaction with the various governance groups occurs as required;
- significant financial, managerial and operating information is accurate, reliable and timely;
- all the Department's assets are appropriately safeguarded and the existence of such assets, where applicable, can be verified;
- employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations;

- resources are acquired economically, used efficiently and adequately protected;
- programmes, plans and objectives are achieved;
- quality and continuous improvement are fostered in the Department's control process; and
- significant legislative or regulatory issues impacting on the Department are recognised and addressed appropriately.

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

The IAA will provide the Department with the following benefits:

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

The IAA provides both the oversight structures, such as the Audit Committee, and the relevant parliamentary structures with the required information for them to exercise their monitoring role.

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

- Financial audits: Chief Financial Officer branch
- Performance audits: All branches
- Operational audits: All branches
- Information and communication technology audit: Chief Financial Officer branch

Key activities and objectives of the Audit Committee

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

The primary objective of the Audit Committee is to assist the senior management of the Department to fulfil its responsibility relating to financial and operating reporting processes, the system of internal control, governance, risk management, audit process and monitoring compliance with applicable laws, regulations, relevant prescripts and directives.

The table below discloses relevant information on the Audit Committee members and their attendance of Audit Committee meetings:

Name	Qualifications	Internal or external	Date appointed	Date resigned	Number of meetings attended
Mr Stefaan Sithole	<ul style="list-style-type: none"> • CA (SA) • CIA • Postgraduate Diploma Business Programme – School of Business Leadership (SBL) • BAccountancy • BCom 	External	1 September 2004	31 July 2016	4
Prof DP van der Nest	<ul style="list-style-type: none"> • BCom (Accountancy) • Higher Education Diploma (Postgraduate) • BCom Hons (Economics) • MCom (Economics) • PhD Technologies 	External	1 September 2004	31 July 2016	4
Ms Zienzile Musamirapamwe	<ul style="list-style-type: none"> • MBA • Chartered Secretaries and Administrators (CSA) • Portfolio Management I and II 	External	1 September 2010	To date	4
Ms Sakekile Baduza	<ul style="list-style-type: none"> • Chartered Accountant South Africa (CA(SA)) • MCom (South African and International Taxation) • BCom (Accounting Sciences) Honours and Certificate in the Theory of Accounting 	External	1 November 2016	To date	0*
Ms Mpho Kgomongoe	<ul style="list-style-type: none"> • BCom 	External	1 March 2017	To date	0*

*No meetings of the Audit Committee were held between 1 November 2016 and 31 March 2017 due to the Department being in the process of recomposing the Audit Committee.

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a)(ii) 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, except that it has not reviewed changes in accounting policies and practices.

The effectiveness of internal control

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

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

Full audits

Social and Labour Plan, Service-level agreements, System Development Life Cycle Review, ICT Incidents and Problems Management, Revenue Management System Application Controls Review, Examinations, Review of Occupational Health and Safety Measures, Quarterly Performance Information Review (Quarter 1, Quarter 2 and Quarter 3), MPAT Review, Review of Interim Financial Statements.

Follow-up audits

Auditor-General Management Letter, Procurement, Quarterly Performance Information Review (Quarter

1 Audit Report, Quarter 2 Audit Report and Quarter 3 Audit Report), Occupational Health and Safety.

ITC governance was an areas of concern based on internal audit reports.

In-year management and monthly/quarterly report

The Department has reporting monthly and quarterly to National Treasury, as required by the PFMA.

Evaluation of financial statements

We have reviewed the annual financial statements prepared by the Department and provided our inputs.

Auditor-General's Report

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

- Key positions that have been vacant for a period of more than 12 months
- Financial statements submitted with misstatements
- Lack of periodic review of system controller activities

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



Sakekile Baduza
Chairperson of the Audit Committee
Department of Mineral Resources
Date: 31 July 2017



D

HUMAN RESOURCES



I. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

2.1 Overview of human resources in the Department

The Chief Directorate: Human Resources is responsible for rendering a management support service to the Department. It provides services relating to organisational development, HR planning and policy, HR administration and practices, HR development, employment relations as well as security risk management. The chief directorate's primary focus is on capacity building with a view to ensuring alignment between the departmental service delivery imperatives, mandate and strategic objectives.

2.2 The status of human resources in the Department

The Department recently conducted an organisational functional assessment in the Department and a report with recommendations on how to improve service delivery in the Department will soon be submitted to management for approval. Once approved, the report will dictate the way the Chief Directorate: Human Resource will plan and operate during the 2016/17 financial year.

2.3 HR priorities for the year under review and their impact

During the year under review the Chief Directorate: Human Resources committed itself to the following:

- Develop, review and improve on internal processes, guidelines and procedures
- Improve on turnaround times
- Ensure compliance with HR legislation and directives
- Facilitate management and leadership development
- Ensure a safe and healthy work environment
- Filling of funded vacancies
- Attract, develop and retain skills

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

A number of posts on the Department's organisational structure are unfunded. During the 2016/17 financial year, 142 vacant posts were abolished from the PERSAL system due to a lack of funds under the Department's compensation of employees' budget. As a result, service delivery for the past financial year was severely affected. Directorates are also overloaded with

additional responsibilities as the Department is trying to find ways to compensate for the staff shortages. An HR Advisory Committee was consequently established as a remedial measure to ensure the continuation of services, especially as far as the Department's scarce skills occupational classes are concerned, by advising on how the Department should manage its workforce within its compensation of employees' budget limit, including its headcount management.

2.5 Employee performance management

The performance of employees is monitored and assessed through the Performance Management and Development system. No major challenges are experienced. During the financial year, a new Policy on Performance Management and Development was developed, which will be implemented in 2017/18.

2.6 Employee wellness programmes

The Department has a well-established wellness centre and HIV/AIDS testing and counselling, TB screening, diabetics, body mass index, hypertension and cholesterol testing was conducted, as well as training and awareness campaigns. The Directorate: Employment Relations also appointed a service provider for the Employee Wellness Programme.

The department faced the following achievements and challenges during the period under review:

Achievements

- In partnership with the DPSA, the Directorate: Organisational Development finalised the OFA and a report with recommendations was approved by the Director-General. Recommendations were included in strategy documents, policies and plans to ensure implementation and monitoring.
- The DPSA assisted the Department to develop a service delivery model that consequently led to the mapping of the following four critical business processes:
 - Application for prospecting and mining rights
 - Application for mining permits
 - Application for mining rights
 - Application for land use or surface rights
- Organisational change of any magnitude is unlikely to be successful unless there are conscious efforts to change the behaviour of employees, as well as other unacceptable cultures in the Department. In essence, the Department needs to institutionalise change management to ensure that changes that are introduced are smoothly implemented and sustained until their benefits become practical to everyone. To institute change in the Department, a draft change management strategy has been developed, which, if

approved, will assist in bringing about the recognition, implementation and monitoring of change in the Department.

Challenges

Budget constraints impede the filling of posts on the approved organisational structure. As a result of the latter, a significant number of posts remained vacant and were subsequently abolished. The high cost of training and the inability to retain technical staff has, in the past years, resulted in a substantial loss of human capital investment. High levels of staff being “poached” by the industry for salaries far in excess of what government can offer was identified as a major challenge that could hamper service delivery.

Future HR Plan

- Continue to implement the recommendations of the OFA, as well as the operations management framework and methodology, as prescribed by the DPSA. Furthermore the Department will implement a Change Management Strategy and implementation plan upon endorsement by the Management Committee (MANCO).
- Establish a fully operational Career Assessment Centre for the assessment and diagnosis of human capital within the DMR. The focus will be on the identification of individual strengths and development areas on different managerial levels in order to diagnose development needs that will facilitate more effective job performance and/or career development and advancement. This, in turn, will contribute to the attainment of greater organisational success in the DMR and its goals.
- Establish an Ethics Committee and develop an ethics strategy that is inclusive of ethics risks and an action plan for the prevention of the identified risks. This strategy will ensure a high standard of professional ethics, and that services are provided impartially, fairly, equitably and without bias.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The Department must provide the following key information on its human resources. All the financial amounts must agree with the amounts disclosed in the annual financial statements. Provide reasons for any variances.

Please note that it is very important to follow the format and standards prescribed, to enable collation and comparison of information. If sub headings/tables are not applicable to the department, it should be stated that there is nothing to report on. Numbering of tables must not be changed and should be maintained as in the guidelines.

Include any other tables for HR if considered necessary by the department and required by any specific government oversight body. These additional tables must be included at the end of the standardised HR information.

3.1 Personnel-related expenditure

The following tables summarise the final audited personnel-related expenditure by programme and by salary bands. In particular, it provides an indication of the following: amount spent on personnel, and amount spent on salaries, overtime, homeowner’s allowances and medical aid.

Table 3.1.1: Personnel expenditure by programme for the period 1 April 2016 to 31 March 2017

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a percentage of total expenditure	Average personnel cost per employee (R'000)
Administration	361 050	162 257	3 441	2 191	45	129
Mine Health and Safety	189 557	158 030	230	1 375	83	125
Mineral Policy and Promotion	851 736	65 319	252	4 671	8	52
Mineral Regulation	258 758	173 194	969	0	67	137
Total	1 661 101	558 798	4 892	8 237	34	443

Table 3.1.2: Personnel costs by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Personnel expenditure (R'000)	Percentage of total personnel cost	Number of employees	Average personnel cost per employee (R'000)
02 Skilled (levels 3-5)	48 087	8.61%	204	236
03 Highly skilled production (levels 6-8)	105 248	18.83%	300	351
04 Highly skilled supervision (levels 9-12)	288 122	51.56%	446	646
05 Senior management (levels 13-16)	78 059	13.97%	72	1 084
11 Contract (levels 3-5)	423	0.08%	2	212
12 Contract (levels 6-8)	10 733	1.92%	37	290
13 Contract (levels 9-12)	16 601	2.97%	27	615
14 Contract (levels 13-16)	7 316	1.31%	6	1 219
19 Periodical remuneration	318	0.06%	52	6
20 Abnormal appointment	3 891	0.7%	116	34
Total	558 798	100%	1 262*	443

* The total number of employees is 1 094 when periodic remuneration (52) and abnormal appointment (116) are excluded from the total figure of 1 262.

Table 3.1.3: Salaries, overtime, home owner's allowance (HOA) and medical aid by programme for the period 1 April 2016 to 31 March 2017

Programme	Salaries		Overtime		HOA		Medical aid	
	Amount (R'000)	Salaries as a percentage of personnel costs	Amount (R'000)	Overtime as a percentage of personnel costs	Amount (R'000)	HOA as a percentage of personnel costs	Amount (R'000)	Medical aid as a percentage of personnel costs
Administration	121 455	73.3	2 828	1.7	4 095	2.5	6 943	4.2
Mine Health and Safety	124 690	70.5	0	0	2 593	1.5	4 355	2.5
Mineral Policy and Promotion	51 055	74.7	0	0	1 407	2.1	2 034	3
Mineral Regulation	128 713	70.6	126	0.1	4 571	2.5	8 363	4.6
Total	425 913	71.8	2 953	0.5	12 666	2.1	21 696	3.7

Table 3.1.4: Salaries, overtime, HOA and medical aid by salary band for the period 1 April 2016 to 31 March 2017

Programme	Salaries		Overtime		HOA		Medical aid	
	Amount (R'000)	Salaries as a percentage of personnel costs	Amount (R'000)	Overtime as a percentage of personnel costs	Amount (R'000)	HOA as a percentage of personnel costs	Amount (R'000)	Medical aid as a percentage of personnel costs
Abnormal appointment	3 872	95.6	0	0	0	0	0	0
Contract (levels 13-16)	6 280	83.3	0	0	28	0.4	0	0
Contract (levels 3-5)	321	67.8	0	0	0	0	0	0
Contract (levels 6-8)	8 907	71.4	0	0	28	0.2	277	2.2
Contract (levels 9-12)	13 926	74.9	0	0	135	0.7	283	1.5

Programme	Salaries		Overtime		HOA		Medical aid	
	Amount (R'000)	Salaries as a percentage of personnel costs	Amount (R'000)	Overtime as a percentage of personnel costs	Amount (R'000)	HOA as a percentage of personnel costs	Amount (R'000)	Medical aid as a percentage of personnel costs
Highly skilled production (levels 6–8)	74 283	69	863	0.8	4 037	3.8	7 067	6.6
Highly skilled supervision (levels 9–12)	222 580	71.8	645	0.2	4 365	1.4	8 525	2.8
Periodical remunerations	0	0	0	0	0	0	0	0
Senior management (levels 13–16)	64 620	77.7	0	0	1 274	1.5	930	1.1
Skilled (levels 3–5)	31 123	63.8	1 445	3	2 798	5.7	4 615	9.5
Total	425 913	71.8	2 953	0.5	12 666	2.1	21 696	3.7

3.2 Employment and vacancies

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

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

This information is presented in terms of three key variables: programme, salary band and critical occupations (see definition in notes below).

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

Table 3.2.1: Employment and vacancies by programme as on 31 March 2017

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administration, permanent	367	341	7.08	2
Mine Health and Safety, permanent	303	288	4.95	0
Mineral Policy and Promotion, permanent	112	105	6.25	0
Mineral Regulation, permanent	387	360	6.98	0
Total	1 169	1 094	6.42	2

Table 3.2.2: Employment and vacancies by salary band as on 31 March 2017

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (levels 1-2), permanent	2	0	0.0	0
Skilled (levels 3-5), permanent	209	204	2.39	0
Highly skilled production (levels 6-8), permanent	318	300	5.66	0
Highly skilled supervision (levels 9-12), permanent	478	446	6.69	0
Senior management (levels 13-16), permanent	90	72	20.0	0
Contract (levels 3-5), permanent	2	2	0.0	0
Contract (levels 6-8), permanent	37	37	0.0	0
Contract (levels 9-12), permanent	27	27	0.0	0
Contract (levels 13-16), permanent	6	6	0.0	2
Total	1 169	1 094	6.42	2

Table 3.2.3: Employment and vacancies by critical occupations as on 31 March 2017

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative-related, permanent	117	110	5.98	0
Agricultural, animal oceanography forestry and other sciences, permanent	1	1	0.0	0
Biologists botanists zoologists and related professional, permanent	120	107	10.83	0
Cartographers and surveyors, permanent	2	2	0.0	0
Client information clerks (switchboard, reception, information clerks), permanent	12	11	8.33	0
Communication and information-related, permanent	10	10	0.0	0
Economists, permanent	46	43	6.52	0
Engineering sciences-related, permanent	2	2	0.00	0
Finance and economics-related, permanent	10	8	20.0	0
Financial and related professionals, permanent	31	29	6.45	0
Financial clerks and credit controllers, permanent	15	13	13.33	0
General legal administration and related professionals, permanent	4	4	0.0	0
Head of Department/Chief Executive Officer, permanent	1	0	0.0	0
Human resources and organisational development and related professionals, permanent	31	29	6.45	0
Human resources clerks, permanent	15	15	0.0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Human resources-related, permanent	2	1	50.0	0
Information technology-related, permanent	9	8	11.11	0
Language practitioners interpreters and other communication, permanent	6	6	0.0	0
Legal-related, permanent	4	4	0.0	0
Librarians and related professionals, permanent	2	2	0.0	0
Library mail and related clerks, permanent	79	78	1.27	0
Logistical support personnel, permanent	10	9	10.0	0
Material-recording and transport clerks, permanent	30	28	6.67	0
Messengers porters and deliverers, permanent	4	4	0.0	0
Other administrative and related clerks and organisers, permanent	88	87	1.14	0
Other administrative policy and related officers, permanent	55	52	5.45	0
Other information technology personnel, permanent	26	24	7.69	0
Other machine operators, permanent	1	1	0.0	0
Other occupations, permanent	3	3	0.0	0
Risk management and security services, permanent	7	7	0.0	0
Safety health and quality inspectors, permanent	191	182	4.71	0
Secretaries and other keyboard operating clerks, permanent	81	78	3.7	0
Security officers, permanent	51	51	0.0	0
Senior managers, permanent	85	68	20.0	2
Trade/industry advisors and other related profession, permanent	18	17	5.56	0
Total	1 169	1 094	6.42	2

- Critical occupations are defined as occupations or subcategories within an occupation:
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available, but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS posts

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

Table 3.3.1: SMS post information as on 31 March 2017

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	Percentage of SMS posts filled	Total number of SMS posts vacant	Percentage of SMS posts vacant
Director-General/Head of Department	1	0	0%	1	100%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	25	16	64%	9	36%
Salary Level 13	72	59	82%	13	18%
Total	103	80	78%	23	22%

Table 3.3.2: SMS post information as on 30 September 2016

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	Percentage of SMS posts filled	Total number of SMS posts vacant	Percentage of SMS posts vacant
Director-General/Head of Department	1	0	0%	1	100%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	21	15	71%	6	29%
Salary Level 13	65	56	86%	9	14%
Total	93	77	83%	16	17%

Table 3.3.3: Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Director-General/Head of Department	1	0	1
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	6	0	6
Salary Level 13	11	0	11
Total	18	0	18

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.4: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 to 31 March 2017

Reasons for vacancies not filled within six months
The abovementioned posts were advertised and due to the fact that Department could not find suitable candidates, the posts were re-advertised and the process of filing them is underway.

3.4 Job evaluation

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

Table 3.4.1: Job evaluation by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Number of posts on approved establishment	Number of jobs evaluated	Percentage of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	Percentage of posts evaluated	Number	Percentage of posts evaluated
01 Lower skilled (levels 1-2)	2	0	0	0	0	0	0
02 Skilled (levels 3-5)	209	0	0	0	0	0	0
03 Highly skilled production (levels 6-8)	318	0	0	0	0	0	0
04 Highly skilled supervision (levels 9-12)	478	0	0	0	0	0	0
05 SMS Band A	63	0	0	0	0	0	0
06 SMS Band B	18	0	0	0	0	0	0
07 SMS Band C	6	0	0	0	0	0	0
08 SMS Band D	3	0	0	0	0	0	0
11 Contract (levels 3-5)	2	0	0	0	0	0	0
12 Contract (levels 6-8)	37	0	0	0	0	0	0
13 Contract (levels 9-12)	27	0	0	0	0	0	0
14 Contract Band A	5	0	0	0	0	0	0
17 Contract Band D	1	0	0	0	0	0	0
Total	1 169	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017

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

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 to 31 March 2017

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

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

Table 3.4.4: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017

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

Employees with a disability	0
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3.5 Employment changes

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

Table 3.5.1: Annual turnover rates by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Number of employees at beginning of period 1 April 2016	Appointments and transfers into the Department	Terminations and transfers out of the department	Turnover rate
Skilled (levels 3–5), permanent	239	2	9	3.8
Highly skilled production (levels 6–8), permanent	312	1	16	5.1
Highly skilled supervision (levels 9–12), permanent	418	6	14	3.3
Highly skilled supervision (levels 9–12), temporary	1	0	1	100
SMS Band A, permanent	54	0	2	3.7
SMS Band B, permanent	13	0	0	0
SMS Band B, temporary	1	0	0	0
SMS Band C, permanent	6	0	0	0
SMS Band D, permanent	2	0	0	0
Contract (levels 3–5), permanent	2	1	0	0
Contract (levels 6–8), permanent	39	10	1	2.6
Contract (levels 9–12), permanent	28	2	4	14.3
Contract Band A, permanent	6	0	1	16.7
Total	1 121	22	48	4.3

Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2016 to 31 March 2017

Critical occupation	Number of employees at beginning of period: April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative-related, permanent	114	0	6	5.3
Agricultural, animal, oceanography, forestry and other science, permanent	1	0	0	0
Biologists, botanists, zoologists and related professional, permanent	103	5	2	1.9
Cartographers and surveyors, permanent	2	0	0	0
Cleaners in offices workshops hospitals, etc., permanent	3	0	0	0
Client information clerks (switchboard, reception, information clerks), permanent	11	0	0	0
Communication and information-related, permanent	10	0	0	0
Communication and information-related, temporary	1	0	1	100
Economists, permanent	43	0	0	0
Engineering sciences-related, permanent	2	0	0	0
Finance and economics-related, permanent	8	1	2	25
Financial and related professionals, permanent	33	0	5	15.2
Financial clerks and credit controllers, permanent	14	2	2	14.3
General legal administration and related professionals, permanent	4	0	0	0
Human resources and organisational development and related professionals, permanent	32	0	3	9.4
Human resources clerks, permanent	15	0	0	0
Human resources-related, permanent	1	0	0	0
Information technology related, permanent	9	0	1	11.1
Language practitioners interpreters and other communication, permanent	6	0	0	0
Legal related, permanent	4	0	0	0
Librarians and related professionals, permanent	2	0	0	0
Library mail and related clerks, permanent	78	1	4	5.1
Logistical support personnel, permanent	11	0	1	9.1
Material-recording and transport clerks, permanent	30	0	1	3.3
Messengers, porters and deliverers, permanent	3	1	0	0
Other administrative and related clerks and organisers, permanent	90	0	3	3.3
Other administrative policy and related officers, permanent	54	0	1	1.9
Other information technology personnel, permanent	26	0	2	7.7
Other machine operators, permanent	1	0	0	0
Other occupations, permanent	3	0	0	0
Risk management and security services, permanent	7	0	0	0
Safety health and quality inspectors, permanent	182	10	7	3.8
Secretaries and other keyboard operating clerks, permanent	79	1	4	5.1
Security officers, permanent	51	0	0	0
Senior managers, permanent	69	1	2	2.9

Critical occupation	Number of employees at beginning of period: April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Senior managers temporary	1	0	0	0
Trade/industry advisors and other related professionals, permanent	18	0	1	5.6
Total	1 121	22	48	4.3

- Critical occupations are defined as occupations or subcategories within an occupation:
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3: Reasons why staff left the Department for the period 1 April 2016 to 31 March 2017

Termination type	Number	Percentage of total resignations
Death, permanent	5	10
Resignation, permanent	22	46
Expiry of contract, permanent	1	2
Expiry of contract, temporary	1	2
Dismissal: misconduct, permanent	1	2
Retirement, permanent	6	13
Transfers	12	25
Total	48	100

Table 3.5.4: Promotions by critical occupation for the period 1 April 2016 to 31 March 2017

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a percentage of employees by occupation	Progressions to another notch within a salary level	Notch progression as a percentage of employees by occupation
Administrative-related	114	1	0.88	77	67.54
Agricultural, animal, oceanography, forestry and other sciences	1	0	0.00	0	0.00
Biologists, botanists zoologists and related professional	103	11	10.68	78	75.73
Cartographers and surveyors	2	0	0.00	1	50.00
Cleaners in offices, workshops, hospitals, etc.	3	0	0.00	0	0.00
Client information clerks (switchboard, reception, information clerks)	11	0	0.00	8	72.73
Communication and information-related	11	0	0.00	5	45.45

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a percentage of employees by occupation	Progressions to another notch within a salary level	Notch progression as a percentage of employees by occupation
Economists	43	1	2.33	25	58.14
Engineering sciences-related	2	0	0.00	2	100.00
Finance and economics-related	8	2	25.00	6	75.00
Financial and related professionals	33	0	0.00	22	66.67
Financial clerks and credit controllers	14	0	0.00	9	64.29
General legal administration and related professionals	4	0	0.00	4	100.00
Human resources and organisational development and related professionals	32	0	0.00	25	78.13
Human resources clerks	15	0	0.00	11	73.33
Human resources-related	1	0	0.00	1	100.00
Information technology-related	9	0	0.00	5	55.56
Language practitioners, interpreters and other communication	6	0	0.00	4	66.67
Legal-related	4	0	0.00	2	50.00
Librarians and related professionals	2	0	0.00	2	100.00
Library, mail and related clerks	78	0	0.00	61	78.21
Logistical support personnel	11	0	0.00	8	72.73
Material-recording and transport clerks	30	0	0.00	20	66.67
Messengers porters and deliverers	3	0	0.00	2	66.67
Other administrative and related clerks and organisers	90	0	0.00	62	68.89
Other administrative policy and related officers	54	1	1.85	39	72.22
Other information technology personnel	26	0	0.00	17	65.38
Other machine operators	1	0	0.00	1	100.00
Other occupations	3	0	0.00	1	33.33
Risk management and security services	7	0	0.00	2	28.57
Safety, health and quality inspectors	182	1	0.55	97	53.30
Secretaries and other keyboard operating clerks	79	0	0.00	59	74.68
Security officers	51	0	0.00	29	56.86
Senior managers	70	0	0.00	22	31.43
Trade/industry advisors and other related professionals	18	0	0.00	11	61.11
Total	1 121	17	1.52	718	64.05

Table 3.5.5: Promotions by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Employees 1 April 2016	Promotions to another salary level	Salary bands promotions as a percentage of employees by salary level	Progressions to another notch within a salary level	Notch progression as a percentage of employees by salary bands
Skilled (levels 3–5), permanent	239	0	0.00	138	57.74
Highly skilled production (levels 6–8), permanent	312	1	0.32	221	70.83
Highly skilled supervision (levels 9–12), permanent	418	15	3.59	317	75.84
Highly skilled supervision (levels 9–12), temporary	1	0	0.00	0	0.00
Senior management (levels 13–16), permanent	75	0	0.00	27	36.00
Senior Management (levels 13–16), temporary	1	0	0.00	0	0.00
Contract (levels 3–5), permanent	2	0	0.00	0	0.00
Contract (levels 6–8), permanent	39	0	0.00	0	0.00
Contract (levels 9–12), permanent	28	1	3.57	15	53.57
Contract (levels 13–16), permanent	6	0	0.00	0	0.00
Total	1 121	17	1.52	718	64.05

3.6 Employment equity

Table 3.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unknown	0	0	0	0	1	0	0	0	1
Senior officials and managers	42	0	0	6	21	0	1	0	70
Professionals	130	1	2	7	146	2	3	5	296
Technicians and associate professionals	169	2	0	31	141	4	1	5	353
Clerks	75	2	0	1	200	16	0	16	310
Service shop and market sales workers	35	3	0	4	15	1	0	0	58
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Labourers and related workers	2	0	0	0	3	0	0	0	5
Total	454	8	2	49	527	23	5	26	1 094

Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	5	0	0	0	3	0	0	0	8
Senior management, permanent	36	0	0	5	23	0	0	0	64
Professionally qualified and experienced specialists and mid-management, permanent	215	4	2	31	181	1	4	8	446
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	77	1	0	5	184	16	0	17	300
Semi-skilled and discretionary decision making, permanent	79	3	0	1	115	5	0	1	204
Contract (top management), permanent	0	0	0	0	0	0	1	0	1
Contract (senior management), permanent	4	0	0	0	1	0	0	0	5
Contract (professionally qualified), permanent	11	0	0	7	8	1	0	0	27
Contract (skilled technical), permanent	26	0	0	0	11	0	0	0	37
Contract (semi-skilled), permanent	1	0	0	0	1	0	0	0	2
Total	454	8	2	49	527	23	5	26	1 094

Table 3.6.3: Recruitment for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, permanent	1	0	0	1	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	3	0	0	0	3	0	1	0	7
Semi-skilled and discretionary decision making, permanent	1	0	0	0	1	0	0	0	2
Contract (top management), permanent	0	0	0	0	0	0	1	0	1
Contract (skilled technical), permanent	7	0	0	0	3	0	0	0	10
Contract (semi-skilled), permanent	1	0	0	0	0	0	0	0	1
Total	13	0	0	1	7	0	2	0	22
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4: Promotions for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	0	0	0	0	1	0	0	0	1
Senior management, permanent	14	0	0	3	9	0	0	0	26
Professionally qualified and experienced specialists and mid-management, permanent	165	3	1	17	139	1	3	3	332

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	50	1	0	4	139	13	0	15	222
Semi-skilled and discretionary decision making, permanent	54	2	0	1	76	4	0	1	138
Contract (professionally qualified), permanent	6	1	0	5	4	0	0	0	16
Total	289	7	1	30	368	18	3	19	735
Employees with disabilities	4	0	0	2	2	0	0	0	8

Table 3.6.5: Terminations for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management, permanent	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management, permanent	6	0	0	1	4	1	0	1	13
Professionally qualified and experienced specialists and mid-management, temporary	0	0	0	1	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	5	0	0	0	11	0	0	1	17
Semi-skilled and discretionary decision making, permanent	5	0	0	0	4	0	0	0	9

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (senior management), permanent	1	0	0	0	0	0	0	0	1
Contract (professionally qualified), permanent	0	1	0	0	3	0	0	0	4
Contract (skilled technical), permanent	0	0	0	0	1	0	0	0	1
Total	18	1	0	2	24	1	0	2	48
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.6: Disciplinary action for the period 1 April 2016 to 31 March 2017

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
9	4	0	0	1	3	1	0	0	9

Table 3.6.7: Skills development for the period 1 April 2016 to 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	15	0	0	1	22	0	0	0	38
professionals	88	1	1	3	100	3	0	3	199
Technicians and associate professionals	35	0	0	8	50	0	0	2	95
Clerks	28	0	0	1	44	1	0	2	76
Service and sales workers	5	0	0	0	4	0	0	0	9
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Employees with disabilities	1	0	0	1	0	0	0	0	2
Total	172	1	1	14	220	4	0	7	419

3.7 Signing of performance agreements by SMS members

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

Table 3.7.1: Signing of performance agreements by SMS members as on 31 May 2016

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as percentage of total number of SMS members
Director-General/Head of Department	1	0	0	100%
Salary Level 16	0	0	0	100%
Salary Level 15	5	5	5	100%
Salary Level 14	13	13	12	92%
Salary Level 13	60	59	57	97%
Total	79	77	74	96%

Table 3.7.2: Reasons for not having concluded performance agreements for all SMS members as on 31 March 2017

Reasons
Lack of commitment from the affected managers.

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2017

Reasons
Disciplinary actions were taken
The affected managers will also not receive performance incentives if funds are available

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8 Performance rewards

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

Table 3.8.1: Performance rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	Percentage of total within group	Cost (R'000)	Average cost per employee
African, female	449	526	85.36	5 770.64	12 852.49
African, male	352	450	78.22	5 140.93	14 604.90
Asian, female	2	5	40.00	28.93	14 466.36
Asian, male	2	2	100.00	54.00	26 999.16
Coloured, female	20	23	86.96	197.82	9 890.80
Coloured, male	9	8	112.50	111.61	12 401.24
Total Blacks, female	471	554	85.02	5 997.39	12 733.58
Total Blacks, male	363	460	78.91	5 306.54	14 618.56
White, female	27	26	103.85	348.90	12 922.12
White, male	47	47	100.00	1 095.49	23 308.23
Employees with a disability	7	7	100.00	93.39	13 340.78
Total	915	1 094	83.64	12 841.70	14 034.79

Table 3.8.2: Performance rewards by salary band for personnel below SMS for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary profile			Cost		Total cost as a percentage of the total personnel expenditure
	Number of beneficiaries	Number of employees	Percentage of total within salary bands	Cost (R'000)	Average cost per employee	
Skilled (levels 3–5)	192	204	94.12	1 214.05	6 323.15	2.52
Highly skilled production (levels 6–8)	273	300	90.83	2 773.71	10 179.13	1.15
Highly skilled supervision (levels 9–12)	401	446	89.91	7 542.64	18 809.58	0.42
Contract (levels 3–5)	0	2	0.00	0.00	0.00	0
Contract (levels 6–8)	0	37	0.00	0.00	0.00	0
Contract (levels 9–12)	20	27	72.22	290.27	14 885.48	1.95
Total	885	1 016	87.11	11 820.66	13 356.83	2.51

Table 3.8.3: Performance rewards by critical occupation for the period 1 April 2016 to 31 March 2017

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	Percentage of total within occupation	Cost (R'000)	Average cost per employee
Administrative-related	99	110	90.00	1 698.56	17 157.18
Agricultural, animal oceanography, forestry and other sciences	0	1	0.00	0.00	0.00
Biologists, botanists zoologists and related professional	91	107	84.58	1 405.25	15 527.67
Cartographers and surveyors	2	2	100.00	22.42	11 207.81
Client information clerks (switchboard, reception, information clerks)	10	11	90.91	62.11	6 211.38
Communication and information-related	8	10	80.00	149.40	18 674.49
Economists	36	43	83.72	663.28	18 424.43
Engineering sciences-related	2	2	100.00	54.00	26 999.16
Finance and economics-related	7	8	87.50	130.12	18 587.86
Financial and related professionals	28	29	96.55	324.15	11 576.78
Financial clerks and credit controllers	13	13	96.15	97.22	7 777.52
General legal administration and related professionals	4	4	100.00	70.75	17 688.02
Human resources and organisational development and related professionals	29	29	100.00	454.57	15 674.99
Human resources clerks	14	15	93.33	123.50	8 821.07
Human resources-related	1	1	100.00	12.19	12 187.35
Information technology-related	7	8	87.50	133.54	19 076.49
Language practitioners, interpreters and other communication	5	6	83.33	69.16	13 831.49
Legal related	4	4	100.00	94.85	23 712.24

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	Percentage of total within occupation	Cost (R'000)	Average cost per employee
Librarians and related professionals	2	2	100.00	19.54	9 769.85
Library, mail and related clerks	72	78	91.67	493.94	6 908.28
Logistical support personnel	9	9	100.00	97.82	10 868.77
Material-recording and transport clerks	23	28	82.14	175.13	7 614.14
Messengers, porters and deliverers	2	4	50.00	12.16	6 078.45
Other administrative and related clerks and organisers	86	87	98.28	687.81	8 044.53
Other administrative, policy and related officers	46	52	87.48	606.62	13 335.24
Other information technology personnel	19	24	79.17	228.41	12 021.59
Other machine operators	1	1	100.00	5.54	5 536.95
Other occupations	1	3	33.33	6.62	6 619.95
Risk management and security services	3	7	42.86	40.52	13 507.72
Safety health and quality inspectors	130	182	71.43	2 801.18	21 547.51
Secretaries and other keyboard operating clerks	71	78	91.03	651.97	9 182.71
Security officers	51	51	100.00	336.87	6 605.32
Senior managers	25	68	36.76	849.52	33 980.73
Trade/industry advisors and other related profession	15	17	88.24	254.59	16 972.92
Total	915	1 094	83.64	12 841.70	14 034.79

- Critical occupations are defined as occupations or sub-categories within an occupation:
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available, but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Table 3.8.4: Performance-related rewards (cash bonus), by salary band for SMS for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary profile			Cost		Total cost as a percentage of the total personnel expenditure
	Number of beneficiaries	Number of employees	Percentage of total within salary bands	Cost (R'000)	Average cost per employee	
Band A	26	56	46.43	810.55	31 175.13	0.01
Band B	3	13	23.08	100.07	33 356.40	0.01
Band C	1	6	16.67	110.41	110 408.70	0.01
Band D	0		0.00	0.00	0.00	0.00
Total	30	78	38.46	1 021.03	34 034.38	0.01

3.9 Foreign workers

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

Table 3.9.1: Foreign workers by salary band for the period 1 April 2016 to 31 March 2017

Salary band	1 April 2016		31 March 2017		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage change
Other	1	100	1	100	0	0
Total	1	100	1	100	0	0

Table 3.9.2: Foreign workers by major occupation for the period 1 April 2016 to 31 March 2017

Major occupation	1 April 2016		31 March 2017		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage change
Other occupations	1	100	1	100	0	0
Total	1	100	1	100	0	0

3.10 Leave utilisation

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

Table 3.10.1: Sick leave for the period 1 January 2016 to 31 December 2016

Salary band	Total days	Percentage days with medical certification	Number of employees using sick leave	Percentage of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Contract (levels 13–16)	32	65.63	2	.22	16	108.00
Contract (levels 3–5)	4	25	3	.33	1.33	2.00
Contract (levels 6–8)	45	28.89	18	2	2.5	61.00

Salary band	Total days	Percentage days with medical certification	Number of employees using sick leave	Percentage of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Contract (levels 9–12)	85	63.53	15	1.66	5.67	179.00
Highly skilled production (levels 6–8)	2 463	52.17	279	30.93	8.83	3 045.00
Highly skilled supervision (levels 9–12)	2 631	55.64	347	38.47	7.58	6 206.00
Senior management (levels 13–16)	349	49.57	46	5.1	7.59	1 387.00
Skilled (levels 3–5)	1 783	58.5	192	21.29	9.29	1 345.00
Total	7 392	54.84	902	100	8.2	12 334.00

Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2017

Salary band	Total days	Percentage days with medical certification	Number of employees using disability leave	Percentage of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Highly skilled production (levels 6–8)	8	100	1	20	8	10.00
Highly skilled supervision (levels 9–12)	30	100	2	40	15	69.00
Skilled (levels 3–5)	84	100	2	40	42	66.00
Total	122	100	5	100	24.4	146.00

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

Table 3.10.3: Annual leave for the period 1 January 2016 to 31 December 2016

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Contract (levels 13–16)	81	7	11.57
Contract (levels 3–5)	67	13	5.15
Contract (levels 6–8)	328	39	8.41
Contract (Levels 9–12)	487	33	14.76
Highly skilled production (levels 6–8)	7 027	337	20.85

Highly skilled supervision (levels 9–12)	9 996	464	21.54
Senior management (levels 13–16)	1 614	77	20.96
Skilled (levels 3–5)	4 682	231	20.27
Total	24 282	1 201	20.22

Table 3.10.4: Capped leave for the period 1 January 2016 to 31 December 2017

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2016
Highly skilled production (levels 6–8)	9	4	2.17	17.9
Highly skilled supervision (levels 9–12)	95	17	5.59	24.5
Senior management (levels 13–16)	0	0	0	23.6
Skilled (levels 3–5)	9	3	3	24.02
Total	113	24	4.69	22.1

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

Table 3.10.5: Leave payouts for the period 1 April 2016 to 31 March 2017

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave payouts on termination of service for current financial year	990	36	27.494
Current leave payout on termination of service for current financial year	319	21	15.167
Leave payout for current financial year due to non-utilisation of leave for the previous cycle	17	1	17.363
Total	1 326	58	22.856

3.11 HIV/AIDS and health promotion programmes

Table 3.11.1: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
None	None

Table 3.11.2: Details of health promotion and HIV/AIDS programmes (tick the applicable boxes and provide the 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.	Yes		Director: Employment Relation Management, Mr SS Hlongwane
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The Department has an Employee Wellness Unit
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	Yes		The Department has outsourced an Employee Assistance Programme (EAP) and recently launched a fitness programme and a pre-retirement 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.	Yes		Martha Muthathi, Mathapelo Kenosi, Lungi Mondela, Gabi Khanyile, Chrizelle Farmer, Andrew Kolobe, Musa Zikhali, Zimkita Tyala, Zukiswa Kheswa, Sandra Ntlenzi, Anna Charlie and Olivia Mabuza
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		HIV/AIDS Policy and Wellness Policy were reviewed and adopted.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The Department has created a none discriminatory work environment, dealing with HIV testing, confidentiality and disclosure, dealing with dismissals, and managing grievance procedures.
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved.	Yes		Reduction of stigma and discrimination, uptake of VCT during wellness days, sharing results and joining support groups.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The Department is using the DPSA's System Monitoring Tool.

3.12 Labour relations

Table 3.12.1: Collective agreements for the period 1 April 2016 to 31 March 2017

Subject matter	Date
None	None

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

Table 3.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2016 to 31 March 2017

Outcomes of disciplinary hearings	Number	Percentage of total
Final written warning	3	33.3%
Written warning	2	22.2%
Demotion	1	11.1%
Suspension without pay	1	11.1%
Case dismissed	2	22.2%
Total	9	100%

Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 to 31 March 2017

Type of misconduct	Number	Percentage of total
Dereliction of duties	1	11%
Unprofessional behaviour/insubordination	3	33%
Misuse of GG vehicles	1	11%
Submission fraudulent claim/fraud	2	22%
Absenteeism	2	22%
Total	9	100%

Table 3.12.4: Grievances logged for the period 1 April 2016 to 31 March 2017

Grievances	Number	Percentage of total
Resolved	14	74%
Unresolved	5	26%
Total	19	100%

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2016 to 31 March 2017

Disputes	Number	Percentage of total
Number of disputes upheld	0	0%
Number of disputes dismissed	5	100%
Total number of disputes lodged	5	100%

Table 3.12.6: Strike actions for the period 1 April 2016 to 31 March 2017

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

Table 3.12.7: Precautionary suspensions for the period 1 April 2016 to 31 March 2017

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	60
Cost (R'000) of suspensions	192 671.32

3.13 Skills development

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

Table 3.13.1: Training needs identified for the period 1 April 2016 to 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	26	0	11	0	11
Legislators, senior officials and managers	Male	55	0	16	0	16
Professionals	Female	239	0	123	0	123
Professionals	Male	233	0	119	0	119
Technicians and associate professionals	Female	148	0	89	0	89
Technicians and associate professionals	Male	124	0	82	0	82
Clerks	Female	160	0	106	0	106
Clerks	Male	83	0	38	0	38
Service and sales workers	Female	36	0	16	0	16
Service and sales workers	Male	18	0	35	0	35
Skilled agriculture and fishery workers	Female	0	0	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
Craft and related trades workers	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
Plant and machine operators and assemblers	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
Elementary occupations	Male	0	0	0	0	0
Subtotal	Female	609	0	345	0	345
	Male	513	0	290	0	290
Total		1 122	0	635	0	635

Table 3.13.2: Training provided for the period 1 April 2016 to 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	26	0	17	0	17
Legislators, senior officials and managers	Male	55	0	14	0	14
Professionals	Female	239	37	101	0	138
Professionals	Male	233	23	99	0	122
Technicians and associate professionals	Female	148	0	56	0	56
Technicians and associate professionals	Male	124	0	36	0	36
Clerks	Female	160	0	52	0	52
Clerks	Male	83	0	25	0	25
Service and sales workers	Female	36	0	5	0	5
Service and sales workers	Male	18	0	14	0	14
Skilled agriculture and fishery workers	Female	0	0	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
Craft and related trades workers	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
Plant and machine operators and assemblers	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
Elementary occupations	Male	0	0	0	0	0
Subtotal	Female	609	37	231	0	268
	Male	513	23	188	0	211
Total		1 122	120	419	0	479

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1: Injury on duty for the period 1 April 2016 to 31 March 2017

Nature of injury on duty	Number	Percentage of total
Required basic medical attention only	1	11
Temporary total disablement	7	78
Permanent disablement	0	0
Fatal	1	11
Total	9	100

3.15 Utilisation of consultants

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

- The rendering of expert advice
- The drafting of proposals for the execution of specific tasks
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a Department

Table 3.15.1: Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in rand
Appointment of Ngubane to perform application control audit in the DMR for a period of two months	4	2 months	179 815,20
Appointment of William Radcliffe to compile the job losses report in the mining industry and to make recommendations on how to curb these losses from taking place on behalf of the DMR	2	3 months	492 800,00
Appointment of Letsema Consulting and Advisory Pty Ltd to facilitate strategic planning session and review the 2014-2019 strategic plan and 2017-2018 APP of the DMR	1	4 months	475 454,68
Appointment of Moneo Professionals (Pty) Ltd to support the South African Mineral Resources Administration System (SAMRAD) and Substance Abuse and Mental Health Services Administration (SAMSHA) online system for a period of three months	1	3 months	246 240,00
Appointment of Enovate Solution Integrators (Pty) Ltd for the support and maintenance of revenue management system for a period of four months	2	4 months	168 245,76
Appointment of Moneo Professionals (Pty) Ltd to support SAMRAD and SAMSHA online system for a period of 18 months	1	18 months	1 008 000,00
Appointment of QEDO Intelligence Disruption to provide maintenance and support on the SAGE X3 revenue management system for a period of 36 months	2	36 months	1 654 535,81
Appointment of Ncube Incorporated Attorneys to assist with commercial negotiation for the draft review of the B-BBEE Charter for South African mining and mineral industry, 2016 for a period of two months	1	2 months	17 100,00
Total	14	72 months	4 242 191,45

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in rand
8	14	72 months	4 242 191,45

Table 3.15.2: Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2016 to 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of Ngubane to perform application control audit in the DMR for a period of two months	89% black ownership	0	4
Appointment of William Radcliffe to compile the job losses report in the mining industry and to make recommendations on how to curb these losses from taking place on behalf of the DMR	26% black ownership	0	2
Appointment of William Radcliffe to compile the job losses report in the mining industry and to make recommendations on how to curb these losses from taking place on behalf of the DMR	26% black ownership	0	2
Appointment of Letsema Consulting and Advisory (Pty) Ltd to facilitate the strategic planning session and review of the 2014-2019 strategic plan and 2017-2018 APP of the DMR	51% black ownership	0	1
Appointment of Enovate Solution Integrators (Pty) Ltd for the support and maintenance of revenue management system for a period of four months	51% black ownership	0	2
Appointment of Moneo Professionals (Pty) Ltd to support the SAMRAD and SAMSHA online system for a period of 18 months	100% black ownership	0	1
Appointment of QEDO Intelligence Disruption to provide maintenance and support on the SAGE X3 revenue management system for a period of 36 months	51% black ownership	0	2
Appointment of Ncube Incorporated Attorneys to assist with commercial negotiation for the draft review of the B-BEE Charter for South African mining and mineral industry 2016 for a period of two months	89% black ownership	0	1

Table 3.15.3: Report on consultant appointments using donor funds for the period 1 April 2016 to 31 March 2017

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in rand
N/A	N/A	N/A	N/A
Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in rand
N/A	N/A	N/A	N/A

Table 3.15.4: Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2016 to 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

3.16 Severance packages

Table 3.16.1: Granting of employee initiated severance packages for the period 1 April 2016 to 31 March 2017

Salary band	Number of applications received	Number of applications referred to the MPSA*	Number of applications supported by the MPSA*	Number of packages approved by Department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
Total	0	0	0	0

* MPSA: Minister of Public Service and Administration



F

FINANCIAL INFORMATION



REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2017

Report of the Auditor-General to Parliament on Vote 29: Department of Mineral Resources

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Mineral Resources set out on pages 92 to 144, which comprise the Appropriation Statement, Statement of Financial Position as at 31 March 2017, and the Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flow Statement for the year then ended, as well as the Notes to the Financial Statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Mineral Resources as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the Department in accordance with the Code of Ethics for professional accountants of the International Ethics Standards Board for Accountants (IESBA), together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 145 to 148 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the Accounting Officer for the financial statements

8. The Accounting Officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the Accounting Officer is responsible for assessing the Department of Mineral Resources ability to continue as a going concern, disclosing, as applicable, matters relating to a going concern and using the going concern basis of accounting unless there is an intention either to liquidate the Department or to cease operations, or there is no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings, but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2: Mine Health and Safety	30–33
Programme 3: Mineral Regulation	33–38
Programme 4: Mineral Policy and Promotion	38–42

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Mine Health and Safety
- Programme 3: Mineral Regulation
- Programme 4: Mineral Policy and Promotion

Other matters

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

Achievement of planned targets

18. Refer to the Annual Performance Report on pages 20 to 42 for information on the achievement of the planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Adjustment of material misstatements

19. I identified material misstatements in the Annual Performance Report submitted for auditing. These material misstatements were on the reported performance information of Mine Health and Safety, Mineral Regulation, and Mineral Policy and Promotion. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the Department with specific matters in key legislation. I performed procedures to identify findings, but not to gather evidence to express assurance. I did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Other information

21. The Department of Mineral Resources' Accounting Officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the Annual Performance Report that have been specifically reported on in the auditor's report.

22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the Annual Performance Report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation. However, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor General

Pretoria

Date: 31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the Department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements, as described in the auditor’s report, I also did the following:
 - Identified and assessed the risks of material misstatement of the financial statements whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that was sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud was higher than for one resulting from error, as fraud might involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtained an understanding of internal control relevant to the audit in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department’s internal control.
 - Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Officer.
 - Made a conclusion on the appropriateness of the Accounting Officer’s use of the going-concern basis

of accounting in the preparation of the financial statements. I also concluded, based on the audit evidence obtained, whether a material uncertainty existed related to events or conditions that might cast significant doubt on the DMR’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a Department to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represented the underlying transactions and events in a manner that achieved fair presentation.

Communication with those charged with governance

3. I communicated with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identified during my audit.
4. I also confirmed to the Accounting Officer that I complied with the relevant ethical requirements regarding independence, and communicated all relationships and other matters that might reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

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DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	R'000			R'000	R'000	R'000	%	R'000	R'000
Current payments	863 874	1 361	-45	865 190	858 580	6 610	99.2%	806 085	805 241
Compensation of employees	564 368	-	-	564 368	558 799	5 569	99.0%	526 271	526 265
Salaries and wages	490 406	742	-	491 148	487 366	3 782	99.2%	458 058	459 704
Social contributions	73 962	-742	-	73 220	71 433	1 787	97.6%	68 213	66 561
Goods and services	299 506	1 361	-45	300 822	299 781	1 041	99.7%	279 814	278 976
Administrative fees	3 590	55	-117	3 528	3 248	280	92.1%	3 353	2 618
Advertising	10 189	-2 235	-499	7 455	5 453	2 002	73.1%	2 242	846
Minor assets	3 295	-1 180	-	2 115	968	1 147	45.8%	3 132	1 608
Audit costs: External	5 175	650	-	5 825	6 247	-422	107.2%	4 411	6 465
Bursaries: Employees	1 266	-	-	1 266	1 234	32	97.5%	1 354	979
Catering: Departmental activities	1 761	33	-	1 794	951	843	53.0%	2 306	1 534
Communication (goods and services)	13 571	-1 650	-18	11 903	17 281	-5 378	145.2%	12 924	13 723
Computer services	33 637	-3 455	-2 900	27 282	26 872	410	98.5%	17 877	23 446
Consultants: Business and advisory services	8 038	-282	-407	7 349	8 237	-888	112.1%	6 427	5 461
Legal services	2 966	1 730	5 541	10 237	11 213	-976	109.5%	6 462	6 476
Contractors	31 057	-19 146	-7 856	4 055	1 057	2 998	26.1%	3 324	1 875
Agency and support/outsourced services	5	-	-	5	-	5	-	27	-
Entertainment	6	-2	-	4	-	4	-	83	-
Fleet services (including government motor transport)	5 778	3 808	-	9 586	10 518	-932	109.7%	8 615	10 503
Inventory: Clothing material and accessories	1 531	-452	-	1 079	53	1 026	4.9%	122	-
Inventory: Food and food supplies	67	-	-	67	19	48	28.4%	34	16

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Materials and supplies	919	671	-	1 590	218	1 372	13.7%	459	67
Inventory: Medical supplies	41	-25	-	16	2	14	12.5%	35	2
Consumable supplies	2 676	904	-452	3 128	2 063	1 065	66.0%	2 526	1 740
Consumable: Stationery, printing and office supplies	9 160	-721	-81	8 358	4 673	3 685	55.9%	7 810	4 683
Operating leases	54 309	5 916	12 402	72 627	89 325	-16 698	123.0%	86 126	94 177
Property payments	4 843	1 035	-	5 878	6 259	-381	106.5%	5 330	5 860
Travel and subsistence	68 577	5 246	-1 083	72 740	68 383	4 357	94.0%	74 079	71 021
Training and development	11 256	-801	-1 445	9 010	4 892	4 118	54.3%	7 233	5 410
Operating payments	14 451	9 716	-500	23 667	23 740	-73	100.3%	13 591	12 883
Venues and facilities	11 336	1 306	-2 630	10 012	6 643	3 369	66.4%	9 388	6 581
Rental and hiring	6	240	-	246	232	14	94.3%	544	1 002
Transfers and subsidies	791 581	-	-	791 581	791 316	265	100.0%	820 087	819 706
Departmental agencies and accounts	433 519	-	-	433 519	433 519	-	100.0%	393 669	393 441
Departmental agencies (non-business entities)	433 519	-	-	433 519	433 519	-	100.0%	393 669	393 441
Public corporations and private enterprises	356 616	-	-	356 616	356 616	-	100.0%	423 963	423 735
Public corporations	356 616	-	-	356 616	356 616	-	100.0%	423 963	423 735
Subsidies on products and production (pc)	356 616	-	-	356 616	356 616	-	100.0%	423 963	423 735

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	1 446	-	-	1 446	1 181	265	81.7%	2 455	2 530
Social benefits	1 166	-	-	1 166	1 059	107	90.8%	1 441	1 762
Other transfers to households	280	-	-	280	122	158	43.6%	1 014	768
Payments for capital assets	13 622	-2 450	-151	11 021	9 919	1 102	90.0%	11 522	10 626
Buildings and other fixed structures	3 852	-3 699	-	153	153	-	100.0%	1 512	1 140
Other fixed structures	3 852	-3 699	-	153	153	-	100.0%	1 512	1 140
Machinery and equipment	9 770	1 249	-151	10 868	9 766	1 102	89.9%	9 872	9 349
Transport equipment	-	3 272	-	3 272	3 262	10	99.7%	214	-
Other machinery and equipment	9 770	-2 023	-151	7 596	6 504	1 092	85.6%	9 658	9 349
Software and other intangible assets	-	-	-	-	-	-	-	138	137
Payment for financial assets	-	1 089	196	1 285	1 286	-1	100.1%	848	2 908
Total	1 669 077	-	-	1 669 077	1 661 101	7 976	99.5%	1 638 542	1 638 481

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 1: Administration

		2016/17							2015/16	
		Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme										
1. Ministry		23 407	10 415	-	33 822	35 123	-1 301	103.8%	33 076	33 076
2. Corporate Services		152 322	16 722	17 133	186 177	187 841	-1 664	100.9%	178 593	180 307
3. Department Management		18 749	-2 042	-	16 707	12 457	4 250	74.6%	15 568	15 567
4. Financial Administration		105 918	-12 063	-151	93 704	93 536	168	99.8%	97 077	95 431
5. Internal Audit		14 101	-3 200	-	10 901	10 609	292	97.3%	12 437	12 370
6. Office Accommodation		31 317	-9 832	-	21 485	21 484	1	100.0%	22 316	22 316
		345 814	-	16 982	362 796	361 050	1 746	99.5%	359 067	359 067

		2016/17							2015/16	
		Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments		331 695	1 511	17 133	350 339	349 626	713	99.8%	346 693	348 430
Compensation of employees		166 377	-	-	166 377	162 257	4 120	97.5%	160 701	161 003
Salaries and wages		142 241	742	-	142 983	141 159	1 824	98.7%	138 564	140 365
Social contributions		24 136	-742	-	23 394	21 098	2 296	90.2%	22 137	20 638
Goods and services		165 318	1 511	17 133	183 962	187 369	-3 407	101.9%	185 992	187 427
Administrative fees		1 084	174	-	1 258	1 219	39	96.9%	1 348	1 110
Advertising		790	1 358	-	2 148	2 701	-553	125.7%	1 494	413
Minor assets		2 778	-1 153	-	1 625	939	686	57.8%	2 820	1 583
Audit costs: External		5 175	650	-	5 825	6 247	-422	107.2%	4 411	6 465
Bursaries: Employees		1 200	-	-	1 200	1 234	-34	102.8%	1 269	979

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Economic classification	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	915	34	-	949	642	307	67.7%	1 806	1 071
Communication (goods and services)	7 493	-1 973	-	5 520	8 457	-2 937	153.2%	5 273	5 935
Computer services	28 326	-4 123	-	24 203	24 342	-139	100.6%	16 902	23 016
Consultants: Business and advisory services	3 595	-329	-	3 266	2 191	1 075	67.1%	3 863	816
Legal services	649	-	4 731	5 380	5 207	173	96.8%	2 645	2 628
Contractors	5 112	-3 204	-	1 908	837	1 071	43.9%	2 835	1 659
Agency and support/outsourced services	5	-	-	5	-	5	-	22	-
Entertainment	-	-	-	-	-	-	-	53	-
Fleet services (including government motor transport)	3 196	3 402	-	6 598	6 397	201	97.0%	5 777	7 218
Inventory: Clothing material and accessories	1 512	-463	-	1 049	53	996	5.1%	3	-
Inventory: Food and food supplies	67	-	-	67	19	48	28.4%	34	16
Inventory: Materials and supplies	876	680	-	1 556	213	1 343	13.7%	406	62
Inventory: Medical supplies	40	-25	-	15	2	13	13.3%	34	2
Consumable supplies	1 166	455	-	1 621	935	686	57.7%	1 272	770
Consumable: Stationery, printing and office supplies	4 147	-233	-	3 914	2 084	1 830	53.2%	4 025	2 353
Operating leases	53 407	6 000	12 402	71 809	88 798	-16 989	123.7%	85 302	93 643
Property payments	4 588	1 271	-	5 859	6 258	-399	106.8%	4 778	5 555
Travel and subsistence	19 768	1 686	-	21 454	19 968	1 486	93.1%	24 032	21 507
Training and development	7 417	-674	-	6 743	3 441	3 302	51.0%	4 137	2 424
Operating payments	7 113	-2 055	-	5 058	2 397	2 661	47.4%	6 324	4 964
Venues and facilities	4 893	-7	-	4 886	2 585	2 301	52.9%	4 583	2 711
Rental and hiring	6	40	-	46	203	-157	441.3%	544	527

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Economic classification	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	3 162	-	-	3 162	2 895	267	91.6%	1 935	1 782
Departmental agencies and accounts	1 716	-	-	1 716	1 716	-	100.0%	228	-
Departmental agencies (non-business entities)	1 716	-	-	1 716	1 716	-	100.0%	228	-
Households	1 446	-	-	1 446	1 179	267	81.5%	1 707	1 782
Social benefits	1 166	-	-	1 166	1 059	107	90.8%	1 441	1 762
Other transfers to households	280	-	-	280	120	160	42.9%	266	20
Payments for capital assets	10 957	-1 621	-151	9 185	8 418	767	91.6%	9 591	8 848
Buildings and other fixed structures	3 852	-3 699	-	153	153	-	100.0%	1 512	1 140
Other fixed structures	3 852	-3 699	-	153	153	-	100.0%	1 512	1 140
Machinery and equipment	7 105	2 078	-151	9 032	8 265	767	91.5%	7 941	7 571
Transport equipment	-	3 272	-	3 272	3 262	10	99.7%	214	-
Other machinery and equipment	7 105	-1 194	-151	5 760	5 003	757	86.9%	7 727	7 571
Software and other intangible assets	-	-	-	-	-	-	-	138	137
Payment for financial assets	-	110	-	110	111	-1	100.9%	848	7
Total	345 814	-	16 982	362 796	361 050	1 746	99.5%	359 067	359 067

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Sub-programme 1.1: Ministry	2016/17							2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	23 214	10 400	-	33 614	35 082	-1 468	104.4%	32 894	33 072	
Compensation of employees	13 462	4 300	-	17 762	17 642	120	99.3%	16 391	16 260	
Goods and services	9 752	6 100	-	15 852	17 440	-1 588	110.0%	16 503	16 812	
Payments for capital assets	193	-	-	193	26	167	13.5%	182	-	
Machinery and equipment	193	-	-	193	26	167	13.5%	182	-	
Payment for financial assets	-	15	-	15	15	-	100.0%	-	4	
Total	23 407	10 415	-	33 822	35 123	-1 301	103.8%	33 076	33 076	
Sub-programme 1.2: Corporate Services	2016/17							2015/16		
Economic classification	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	145 085	16 695	17 133	178 913	180 840	-1 927	101.1%	174 259	176 686	
Compensation of employees	78 010	1 210	-	79 220	79 528	-308	100.4%	73 180	74 481	
Goods and services	67 075	15 485	17 133	99 693	101 312	-1 619	101.6%	101 079	102 205	
Transfers and subsidies	3 162	-	-	3 162	2 895	267	91.6%	1 935	1 782	
Departmental agencies and accounts	1 716	-	-	1 716	1 716	-	100.0%	228	-	
Households	1 446	-	-	1 446	1 179	267	81.5%	1 707	1 782	
Payments for capital assets	4 075	-	-	4 075	4 078	-3	100.1%	2 399	1 839	
Buildings and other fixed structures	3 852	-3 699	-	153	153	-	100.0%	1 512	1 140	
Machinery and equipment	223	3 699	-	3 922	3 925	-3	100.1%	887	699	
Payment for financial assets	-	27	-	27	28	-1	103.7%	-	-	
Total	152 322	16 722	17 133	186 177	187 841	-1 664	100.9%	178 593	180 307	

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Sub-programme 1.3: Department Management	2016/17										2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure				
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	
Economic classification													
Current payments	18 688	-2 050	-	16 638	12 449	4 189	74.8%	15 407	15 406				
Compensation of employees	12 462	-310	-	12 152	7 986	4 166	65.7%	11 528	11 527				
Goods and services	6 226	-1 740	-	4 486	4 463	23	99.5%	3 879	3 879				
Transfers and subsidies	-	-	-	-	-	-	-	-	-				
Payments for capital assets	61	-	-	61	-	61	-	158	158				
Machinery and equipment	61	-	-	61	-	61	-	158	158				
Payment for financial assets	-	8	-	8	8	-	100.0%	3	3				
Total	18 749	-2 042	-	16 707	12 457	4 250	74.6%	15 568	15 567				
Sub-programme 1.4: Financial Administration	2016/17										2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure				
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	R'000
Economic classification													
Current payments	99 650	-10 500	-	89 150	89 353	-203	100.2%	89 472	88 672				
Compensation of employees	51 757	-2 900	-	48 857	48 832	25	99.9%	49 500	48 634				
Goods and services	47 893	-7 600	-	40 293	40 521	-228	100.6%	39 972	40 038				
Payments for capital assets	6 268	-1 621	-151	4 496	4 125	371	91.7%	6 760	6 759				
Machinery and equipment	6 268	-1 621	-151	4 496	4 125	371	91.7%	6 622	6 622				
Software and other intangible assets	-	-	-	-	-	-	-	138	137				
Payment for financial assets	-	58	-	58	58	-	100.0%	845	-				
Total	105 918	-12 063	-151	93 704	93 536	168	99.8%	97 077	95 431				

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APPROPRIATION STATEMENT for the year ended 31 March 2017

Sub-programme 1.5: Internal Audit	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	13 741	-3 202	-	10 539	10 418	121	98.9%	12 345	12 278
Compensation of employees	10 686	-2 300	-	8 386	8 269	117	98.6%	10 102	10 101
Goods and services	3 055	-902	-	2 153	2 149	4	99.8%	2 243	2 177
Payments for capital assets	360	-	-	360	189	171	52.5%	92	92
Machinery and equipment	360	-	-	360	189	171	52.5%	92	92
Payment for financial assets	-	2	-	2	2	-	100.0%	-	-
Total	14 101	-3 200	-	10 901	10 609	292	97.3%	12 437	12 370

Sub-programme 1.6: Office Accommodation	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	31 317	-9 832	-	21 485	21 484	1	100.0%	22 316	22 316
Goods and services	31 317	-9 832	-	21 485	21 484	1	100.0%	22 316	22 316
Total	31 317	-9 832	-	21 485	21 484	1	100.0%	22 316	22 316

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APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 2: Mine Health and Safety

		2016/17						2015/16		
		Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification		R'000	R'000	R'000	R'000	R'000		R'000	R'000	
Sub-programme										
1. Governance Policy and Oversight		51 181	-3 768	-18	47 395	46 430	965	98.0%	44 916	44 913
2. Mine Health and Safety Regions		138 692	3 768	585	143 045	143 127	-82	100.1%	126 593	126 593
Total		189 873	-	567	190 440	189 557	883	99.5%	171 509	171 506

		2016/17						2015/16		
		Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification		R'000	R'000	R'000	R'000	R'000		R'000	R'000	
Current payments		188 743	-26	522	189 239	188 377	862	99.5%	170 807	168 609
Compensation of employees		158 934	-	-	158 934	158 029	905	99.4%	142 565	141 529
Salaries and wages		141 993	-	-	141 993	139 666	2 327	98.4%	126 757	125 709
Social contributions		16 941	-	-	16 941	18 363	-1 422	108.4%	15 808	15 820
Goods and services		29 809	-26	522	30 305	30 348	-43	100.1%	28 242	27 080
Administrative fees		455	-71	-	384	207	177	53.9%	337	188
Advertising		233	-131	-	102	69	33	67.6%	89	30
Minor assets		159	-22	-	137	13	124	9.5%	113	12
Bursaries: Employees		6	-	-	6	-	6	-	42	-
Catering: Departmental activities		113	-44	-	69	42	27	60.9%	74	27
Communication (goods and services)		1 529	344	-18	1 855	2 874	-1 019	154.9%	1 685	1 252

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APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17						2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Payments for capital assets	1 130	-829	-	301	280	21	93.0%	702	702
Machinery and equipment	1 130	-829	-	301	280	21	93.0%	702	702
Other machinery and equipment	1 130	-829	-	301	280	21	93.0%	702	702
Payment for financial assets	-	855	45	900	900	-	100.0%	-	2 130
Total	189 873	-	567	190 440	189 557	883	99.5%	171 509	171 506

	2016/17						2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme 2.1: Governance Policy and Oversight									
Economic classification									
Current payments	50 253	-3 517	-18	46 718	45 794	924	98.0%	44 625	44 227
Compensation of employees	39 825	-591	-	39 234	38 330	904	97.7%	36 849	36 889
Goods and services	10 428	-2 926	-18	7 484	7 464	20	99.7%	7 776	7 338
Transfers and subsidies	-	-	-	-	-	-	-	-	65
Households	-	-	-	-	-	-	-	-	65
Payments for capital assets	928	-856	-	72	31	41	43.1%	291	291
Machinery and equipment	928	-856	-	72	31	41	43.1%	291	291
Payment for financial assets	-	605	-	605	605	-	100.0%	-	330
Total	51 181	-3 768	-18	47 395	46 430	965	98.0%	44 916	44 913

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APPROPRIATION STATEMENT for the year ended 31 March 2017

Sub-programme 2.2: Mine Health and Safety Regions	2016/17							2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	138 490	3 491	540	142 521	142 583	-62	100.0%	126 182	124 382	
Compensation of employees	119 109	591	-	119 700	119 699	1	100.0%	105 716	104 640	
Goods and services	19 381	2 900	540	22 821	22 884	-63	100.3%	20 466	19 742	
Payments for capital assets	202	27	-	229	249	-20	108.7%	411	411	
Machinery and equipment	202	27	-	229	249	-20	108.7%	411	411	
Payment for financial assets	-	250	45	295	295	-	100.0%	-	1 800	
Total	138 692	3 768	585	143 045	143 127	-82	100.1%	126 593	126 593	

Programme 3: Mineral Regulation

Programme 3: Mineral Regulation	2016/17							2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Sub-programme										
1. Mineral Regulation and Administration	185 250	3 207	1 352	189 809	189 778	31	100.0%	178 737	179 572	
2. Management Mineral Regulation	26 672	-3 207	-6 302	17 163	15 775	1 388	91.9%	16 972	16 137	
3. South African Diamond and Precious Metals Regulator	53 205	-	-	53 205	53 205	-	100.0%	50 527	50 527	
Total	265 127	-	-4 950	260 177	258 758	1 419	99.5%	246 236	246 236	

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APPROPRIATION STATEMENT for the year ended 31 March 2017

Economic classification	2016/17							2015/169	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	211 324	-50	-5 101	206 173	204 781	1 392	99.3%	195 250	195 467
Compensation of employees	172 731	-	464	173 195	173 194	1	100.0%	162 005	162 732
Salaries and wages	148 554	-	464	149 018	149 155	-137	100.1%	139 261	140 039
Social contributions	24 177	-	-	24 177	24 039	138	99.4%	22 744	22 693
Goods and services	38 593	-50	-5 565	32 978	31 587	1 391	95.8%	33 245	32 735
Administrative fees	592	-109	-	483	300	183	62.1%	393	296
Advertising	201	-36	-	165	136	29	82.4%	96	23
Minor assets	262	-17	-	245	15	230	6.1%	126	11
Bursaries: Employees	60	-	-	60	-	60	-	1	-
Catering: Departmental activities	386	37	-	423	81	342	19.1%	122	73
Communication (goods and services)	3 422	-131	-	3 291	3 760	-469	114.3%	4 564	5 356
Computer services	4 460	-558	-2 900	1 002	469	533	46.8%	331	305
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-194
Legal services	1 628	1 863	810	4 301	4 916	-615	114.3%	2 718	2 715
Contractors	48	-31	-	17	6	11	35.3%	76	10
Entertainment	-	-	-	-	-	-	-	23	-
Fleet services (including government motor transport)	2 019	365	-	2 384	3 448	-1 064	144.6%	2 404	2 695
Inventory: Materials and supplies	29	-2	-	27	5	22	18.5%	40	5
Inventory: Medical supplies	-	-	-	-	-	-	-	1	-
Consumable supplies	775	483	-452	806	593	213	73.6%	705	557
Consumable: Stationery, printing and office supplies	1 879	125	-	2 004	1 278	726	63.8%	1 352	974
Operating leases	14	-	-	14	-	14	-	135	92
Property payments	250	-236	-	14	1	13	7.1%	395	292
Travel and subsistence	18 061	-1 439	-1 623	14 999	13 807	1 192	92.1%	17 165	16 189

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APPROPRIATION STATEMENT for the year ended 31 March 2017

Economic classification	2016/17						2015/169		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as a percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Training and development	2 633	-56	-1 400	1 177	969	208	82.3%	1 786	2 003
Operating payments	1 027	-35	-	992	926	66	93.3%	693	1 254
Venues and facilities	847	-273	-	574	877	-303	152.8%	119	79
Transfers and subsidies	53 205	-	-	53 205	53 207	-2	100.0%	50 527	50 462
Departmental agencies and accounts	53 205	-	-	53 205	53 205	-	100.0%	50 527	50 527
Departmental agencies (non-business entities)	53 205	-	-	53 205	53 205	-	100.0%	50 527	50 527
Households	-	-	-	-	2	-2	-	-	-65
Other transfers to households	-	-	-	-	2	-2	-	-	-65
Payments for capital assets	598	-	-	598	569	29	95.2%	459	306
Machinery and equipment	598	-	-	598	569	29	95.2%	459	306
Other machinery and equipment	598	-	-	598	569	29	95.2%	459	306
Payment for financial assets	-	50	151	201	201	-	100.0%	-	1
Total	265 127	-	-4 950	260 177	258 758	1 419	99.5%	246 236	246 236

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Sub-programme 3.1: Mineral Regulation and Administration	2016/17							2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	184 842	3 285	1 201	189 328	189 324	4	100.0%	178 702	179 331	
Compensation of employees	163 360	-	391	163 751	163 750	1	100.0%	152 245	153 182	
Goods and services	21 482	3 285	810	25 577	25 574	3	100.0%	26 457	26 149	
Transfers and subsidies	-	-	-	-	2	-2	-	-	-	
Households	-	-	-	-	2	-2	-	-	-	
Payments for capital assets	408	-118	-	290	261	29	90.0%	35	240	
Machinery and equipment	408	-118	-	290	261	29	90.0%	35	240	
Payment for financial assets	-	40	151	191	191	-	100.0%	-	1	
Total	185 250	3 207	1 352	189 809	189 778	31	100.0%	178 737	179 572	

Sub-programme 3.2: Management Mineral Regulation	2016/17							2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	26 482	(3 335)	(6 302)	16 845	15 457	1 388	91.8%	16 548	16 136	
Compensation of employees	9 371	-	73	9 444	9 444	-	100.0%	9 760	9 550	
Goods and services	17 111	(3 335)	(6 375)	7 401	6 013	1 388	81.2%	6 788	6 586	
Transfers and subsidies	-	-	-	-	-	-	-	-	(65)	
Households	-	-	-	-	-	-	-	-	(65)	
Payments for capital assets	190	118	-	308	308	-	100.0%	424	66	
Machinery and equipment	190	118	-	308	308	-	100.0%	424	66	
Payment for financial assets	-	10	-	10	10	-	100.0%	-	-	
Total	26 672	(3 207)	(6 302)	17 163	15 775	1 388	91.9%	16 972	16 137	

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	2016/17						2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Transfers and subsidies	53 205	-	-	53 205	53 205	-	100.0%	50 527	50 527
Departmental agencies and accounts	53 205	-	-	53 205	53 205	-	100.0%	50 527	50 527
Total	53 205	-	-	53 205	53 205	-	100.0%	50 527	50 527

Programme 4: Mineral Policy and Promotion

	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Sub-programme									
1. Management	27 000	162	-616	26 546	26 409	137	99.5%	18 183	18 143
2. Mineral Policy	18 139	12 191	-2 135	28 195	28 087	108	99.6%	19 219	19 219
3. Mineral Promotion and International Coordination	47 867	3 112	-1 483	49 496	48 769	727	98.5%	53 101	53 085
4. Council for Geoscience	378 598	-	-	378 598	378 598	-	100.0%	342 914	342 914
5. Council for Mineral Technology	356 416	-	-	356 416	356 416	-	100.0%	414 742	414 742
6. Economic Advisory Services	4 862	22	-252	4 632	4 019	613	86.8%	3 958	3 958
7. Mine Environmental Management	35 381	-15 487	-8 113	11 781	9 438	2 343	80.1%	9 613	9 611
Total	868 263	-	-12 599	855 664	851 736	3 928	99.5%	861 730	861 672

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Economic classification	2016/17							2015/169	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	132 112	-74	-12 599	119 439	115 796	3 643	96.9%	93 335	92 735
Compensation of employees	66 326	-	-464	65 862	65 319	543	99.2%	61 000	61 001
Salaries and wages	57 618	-	-464	57 154	57 386	-232	100.4%	53 476	53 591
Social contributions	8 708	-	-	8 708	7 933	775	91.1%	7 524	7 410
Goods and services	65 786	-74	-12 135	53 577	50 477	3 100	94.2%	32 335	31 734
Administrative fees	1 459	61	-117	1 403	1 522	-119	108.5%	1 275	1 024
Advertising	8 965	-3 426	-499	5 040	2 547	2 493	50.5%	563	380
Minor assets	96	12	-	108	1	107	0.9%	73	2
Bursaries: Employees	-	-	-	-	-	-	-	42	-
Catering: Departmental activities	347	6	-	353	186	167	52.7%	304	363
Communication (goods and services)	1 127	110	-	1 237	2 190	-953	177.0%	1 402	1 180
Computer services	298	1 776	-	2 074	2 061	13	99.4%	475	-
Consultants: Business and advisory services	3 138	-15	-407	2 716	4 671	-1 955	172.0%	2 359	4 325
Legal services	50	-	-	50	584	-534	1 168.0%	-	-
Contractors	25 604	-15 864	-7 856	1 884	7	1 877	0.4%	67	4
Fleet services (including government motor transport)	263	125	-	388	404	-16	104.1%	351	400
Inventory: Clothing material and accessories	15	15	-	30	-	30	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	5	-
Consumable supplies	230	-33	-	197	101	96	51.3%	222	37
Consumable: Stationery, printing and office supplies	1 182	-139	-81	962	432	530	44.9%	1 084	560
Operating leases	446	-	-	446	490	-44	109.9%	426	345
Property payments	-	-	-	-	-	-	-	150	13
Travel and subsistence	11 081	3 077	-	14 158	11 908	2 250	84.1%	12 063	11 986

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Economic classification	2016/17						2015/169		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	747	25	-45	727	252	475	34.7%	837	674
Operating payments	5 747	11 983	-500	17 230	20 080	-2 850	116.5%	6 153	6 224
Venues and facilities	4 991	2 013	-2 630	4 374	3 012	1 362	68.9%	4 484	3 742
Rental and hiring	-	200	-	200	29	171	14.5%	-	475
Transfers and subsidies	735 214	-	-	735 214	735 214	-	100.0%	767 625	767 397
Departmental agencies and accounts	378 598	-	-	378 598	378 598	-	100.0%	342 914	342 914
Departmental agencies (non-business entities)	378 598	-	-	378 598	378 598	-	100.0%	342 914	342 914
Public corporations and private enterprises	356 616	-	-	356 616	356 616	-	100.0%	423 963	423 735
Public corporations	356 616	-	-	356 616	356 616	-	100.0%	423 963	423 735
Subsidies on products and production (pc)	356 616	-	-	356 616	356 616	-	100.0%	423 963	423 735
Households	-	-	-	-	-	-	-	748	748
Other transfers to households	-	-	-	-	-	-	-	748	748
Payments for capital assets	937	-	-	937	652	285	69.6%	770	770
Machinery and equipment	937	-	-	937	652	285	69.6%	770	770
Other machinery and equipment	937	-	-	937	652	285	69.6%	770	770
Payment for financial assets	-	74	-	74	74	-	100.0%	-	770
Total	868 263	-	-12 599	855 664	851 736	3 928	99.5%	861 730	861 672

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Sub-programme 4.1: Management	2016/17							2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	26 909	-39	-616	26 254	26 124	130	99.5%	17 383	17 242	
Compensation of employees	9 374	-	-	9 374	9 243	131	98.6%	8 363	8 363	
Goods and services	17 535	-39	-616	16 880	16 881	-1	100.0%	9 020	8 879	
Transfers and subsidies	-	200	-	200	200	-	100.0%	748	848	
Public corporations and private enterprises	-	200	-	200	200	-	100.0%	-	100	
Households	-	-	-	-	-	-	-	748	748	
Payments for capital assets	91	-	-	91	84	7	92.3%	52	52	
Machinery and equipment	91	-	-	91	84	7	92.3%	52	52	
Payment for financial assets	-	1	-	1	1	-	100.0%	-	1	
Total	27 000	162	-616	26 546	26 409	137	99.5%	18 183	18 143	

Sub-programme 4.2: Mineral Policy	2016/17							2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	18 031	12 179	-2 135	28 075	28 075	-	100.0%	19 138	19 138	
Compensation of employees	10 501	144	-	10 645	10 645	-	100.0%	9 812	9 813	
Goods and services	7 530	12 035	-2 135	17 430	17 430	-	100.0%	9 326	9 325	
Payments for capital assets	108	-	-	108	-	108	-	81	81	
Machinery and equipment	108	-	-	108	-	108	-	81	81	
Payment for financial assets	-	12	-	12	12	-	100.0%	-	-	
Total	18 139	12 191	-2 135	28 195	28 087	108	99.6%	19 219	19 219	

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17						2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	47 076	3 296	-1 483	48 889	48 330	559	98.9%	43 456	42 999
Compensation of employees	34 161	-144	-	34 017	33 778	239	99.3%	31 764	31 765
Goods and services	12 915	3 440	-1 483	14 872	14 552	320	97.8%	11 692	11 234
Transfers and subsidies	200	-200	-	-	-	-	-	9 221	8 893
Public corporations and private enterprises	200	-200	-	-	-	-	-	9 221	8 893
Payments for capital assets	591	-44	-	547	379	168	69.3%	424	424
Machinery and equipment	591	-44	-	547	379	168	69.3%	424	424
Payment for financial assets	-	60	-	60	60	-	100.0%	-	769
Total	47 867	3 112	-1 483	49 496	48 769	727	98.5%	53 101	53 085

	2016/17						2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	378 598	-	-	378 598	378 598	-	100.0%	342 914	342 914
Departmental agencies and accounts	378 598	-	-	378 598	378 598	-	100.0%	342 914	342 914
Total	378 598	-	-	378 598	378 598	-	100.0%	342 914	342 914

	2016/17						2015/16		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	356 416	-	-	356 416	356 416	-	100.0%	414 742	414 742
Public corporations and private enterprises	356 416	-	-	356 416	356 416	-	100.0%	414 742	414 742
Total	356 416	-	-	356 416	356 416	-	100.0%	414 742	414 742

Sub-programme 4.3: Mineral Promotion and International Coordination

Sub-programme 4.5: Council for Geoscience

Sub-programme 4.6: Council for Mineral Technology

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2017

Sub-programme 4.7: Economic Advisory Services									
Economic classification	2016/17					2015/16			
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as a percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 715	-	-252	4 463	3 851	612	86.3%	3 941	3 941
Compensation of employees	4 063	-	-207	3 856	3 688	168	95.6%	3 495	3 495
Goods and services	652	-	-45	607	163	444	26.9%	446	446
Payments for capital assets	147	22	-	169	168	1	99.4%	17	17
Machinery and equipment	147	22	-	169	168	1	99.4%	17	17
Total	4 862	22	-252	4 632	4 019	613	86.8%	3 958	3 958

Sub programme 4.8: Mine Environmental Management									
Economic classification	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	35 381	-15 510	-8 113	11 758	9 416	2 342	80.1%	9 417	9 415
Compensation of employees	8 227	-	-257	7 970	7 965	5	99.9%	7 556	7 556
Goods and services	27 154	-15 510	-7 856	3 788	1 451	2 337	38.3%	1 851	1 850
Payments for capital assets	-	22	-	22	21	1	95.5%	196	196
Machinery and equipment	-	22	-	22	21	1	95.5%	12	196
Payment for financial assets	-	1	-	1	1	-	100.0%	-	-
Total	35 381	-15 487	-8 113	11 781	9 438	2 343	80.1%	9 613	9 611

DEPARTMENT OF MINERAL RESOURCES • VOTE 29 **NOTES TO THE APPROPRIATION STATEMENT** for the year ended 31 March 2017

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

Detail of these transactions can be viewed in the note on transfers and subsidies, disclosure notes and Annexure 1 (B, D and G) to the annual financial statements.

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

Detail of these transactions can be viewed in Note 1 (Annual Appropriation) to the annual financial statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on payments for financial assets to the annual financial statements.

4. Explanations of material variances from amounts voted (after virement):

There were no material variances on the voted fund.

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	1 669 077	1 638 542
Departmental revenue	2	38 072	29 763
Aid assistance	3	13 265	16 615
TOTAL REVENUE		1 720 414	1 684 920
EXPENDITURE			
Current expenditure			
Compensation of employees	4	558 798	526 265
Goods and services	5	299 784	278 976
Total current expenditure		858 582	805 241
Transfers and subsidies			
Transfers and subsidies	7	791 316	819 706
Aid assistance	3	11 493	14 843
Total transfers and subsidies		802 809	834 549
Expenditure for capital assets			
Tangible assets	8	9 917	10 489
Intangible assets	8	-	137
Total expenditure for capital assets		9 917	10 626
Payments for financial assets	6	1 286	2 908
TOTAL EXPENDITURE		1 672 594	1 653 324
SURPLUS/(DEFICIT) FOR THE YEAR		47 820	31 596
Reconciliation of net surplus/(deficit) for the year			
Voted funds		7 976	61
Annual appropriation		7 976	61
Departmental revenue and NRF receipts	2	38 072	29 763
Aid assistance	3	1 772	1 772
SURPLUS/(DEFICIT) FOR THE YEAR		47 820	31 596

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

STATEMENT OF FINANCIAL POSITION as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		16 804	20 245
Cash and cash equivalents	9	10 643	12 760
Prepayments and advances	10	88	305
Receivables	11	6 073	7 180
TOTAL ASSETS		16 804	20 245
LIABILITIES			
Current liabilities		13 049	15 977
Voted funds to be surrendered to the Revenue Fund	12	7 976	61
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	13	749	3 148
Payables	14	2 552	10 996
Aid assistance repayable	3	1 772	1 772
TOTAL LIABILITIES		13 049	15 977
NET ASSETS		3 755	4 268
Represented by:			
Recoverable revenue		3 755	4 268
TOTAL		3 755	4 268

DEPARTMENT OF MINERAL RESOURCES • VOTE 29**STATEMENT OF CHANGES IN NET ASSETS** for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
Recoverable revenue			
Opening balance		4 268	4 335
Transfers:		(513)	(67)
Irrecoverable amounts written off	6.2	-	-
Debts revised		(1 466)	(438)
Debts recovered (included in departmental receipts)		(1 118)	(189)
Debts raised		2 072	560
Closing balance		3 755	4 268
TOTAL		3 755	4 268

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

CASH FLOW STATEMENT as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 720 414	1 684 920
Annual appropriated funds received	1.1	1 669 077	1 638 542
Departmental revenue received	2	37 807	29 735
Interest received	2.3	265	28
Aid assistance received	3	13 265	16 615
Net (increase)/decrease in working capital		(7 120)	14 020
Surrendered to Revenue Fund		(40 529)	(28 906)
Surrendered to RDP Fund/donor		(1 772)	-
Current payments		(858 582)	(805 241)
Payments for financial assets		(1 286)	(2 908)
Transfers and subsidies paid		(802 809)	(834 549)
Net cash flow available from operating activities	15	8 319	27 336
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(9 917)	(10 626)
Net cash flows from investing activities		(9 917)	(10 626)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(513)	(67)
Net cash flows from financing activities		(513)	(67)
Net increase/(decrease) in cash and cash equivalents		(2 117)	16 643
Cash and cash equivalents at beginning of period		12 760	(3 883)
Cash and cash equivalents at end of period	16	10 643	12 760

DEPARTMENT OF MINERAL RESOURCES • VOTE 29 ACCOUNTING POLICIES for the year ended 31 March 2017

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the Department's primary and secondary information.

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

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Comparative information

5.1 Prior-period comparative information

Prior-period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior-period financial

statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

5.2 Current year comparison with budget

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

6. Revenue

6.1 Appropriated funds

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

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

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

6.2 Departmental revenue

Departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the Statement of Financial Position.

6.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the Notes to the Financial Statements when:

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

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

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

ACCOUNTING POLICIES for the year ended 31 March 2017

Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the Department's debt write-off policy

7. Expenditure

7.1 Compensation of employees

7.1.1 Salaries and wages

Salaries and wages are recognised in the Statement of Financial Performance on the date of payment.

7.1.2 Social contributions

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

Social contributions made by the Department in respect of former employees are classified as transfers to households in the Statement of Financial Performance on the date of payment.

7.2 Other expenditure

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

7.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the Notes to the Financial Statements when the goods are received or, in the case of services, when they are rendered to the Department or, in the case of transfers and subsidies, when they are due and payable.

Accrued expenditure payable is measured at cost.

7.4 Leases

7.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the Statement of Financial Performance on the date of payment. The operating lease commitments are recorded in the Notes to the Financial Statements.

7.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment.

The finance lease commitments are recorded in the Notes to the Financial Statements and are not apportioned between the capital and interest portions.

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

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

8. Aid assistance

8.1 Aid assistance received

Aid assistance received in cash is recognised in the Statement of Financial Performance when received. In-kind aid assistance is recorded in the Notes to the Financial Statements on the date of receipt and is measured at fair value.

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

8.2 Aid assistance paid

Aid assistance paid is recognised in the Statement of Financial Performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the Statement of Financial Position.

9. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the Statement of Financial Position.

Bank overdrafts are shown separately on the face of the Statement of Financial Position as a current liability.

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.

DEPARTMENT OF MINERAL RESOURCES • VOTE 29 ACCOUNTING POLICIES for the year ended 31 March 2017

10. Prepayments and advances

Prepayments and advances are recognised in the Statement of Financial Position when the Department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.

11. Loans and receivables

Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.

12. Financial assets

12.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

12.2 Impairment of financial assets

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

13. Payables

Loans and payables are recognised in the Statement of Financial Position at cost.

14. Capital assets

14.1 Immovable capital assets

Immovable capital assets are initially recorded in the Notes to the Financial Statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined

reliably, the immovable capital assets are measured at fair value for recording in the asset register. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

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

14.2 Movable capital assets

Movable capital assets are initially recorded in the Notes to the Financial Statements at cost. Movable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

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

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

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

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

14.3 Intangible assets

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

Internally generated intangible assets are recorded in the Notes to the Financial Statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value, and where fair value cannot be determined, the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the Office of the Auditor-General) may be recorded at R1.

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

ACCOUNTING POLICIES for the year ended 31 March 2017

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

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

15. Provisions and contingents

15.1 Provisions

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

15.2 Contingent liabilities

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

15.3 Contingent assets

Contingent assets are recorded in the Notes to the Financial Statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

15.4 Commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the Notes to the Financial Statements

when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities, thereby incurring future expenditure that will result in the outflow of cash.

16. Unauthorised expenditure

Unauthorised expenditure is recognised in the Statement of Financial Position until such time as the expenditure is either:

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

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

17. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the Notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the Notes to the Financial Statements when it is resolved or transferred to receivables for recovery.

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

18. Irregular expenditure

Irregular expenditure is recorded in the Notes to the Financial Statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impracticable to determine, in which case reasons for this are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

ACCOUNTING POLICIES for the year ended 31 March 2017

to receivables for recovery or not condoned and is not recoverable.

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

19. Changes in accounting policies, accounting estimates and errors

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

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

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

20. Events after the reporting date

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

21. Recoverable revenue

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

22. Related-party transactions

A related-party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related-party transactions within the portfolio of the Minister/MEC are recorded in the Notes to the Financial Statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the Notes to the Financial Statements.

23 Inventories (effective from date determined in a Treasury Instruction)

At the date of acquisition, inventories are recorded at cost price in the Statement of Performance.

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

1. Annual appropriation

1.1 Annual appropriation

Included are funds appropriated in terms of the Appropriation Act and the Adjustments Appropriation Act for national departments (voted funds):

	2016/17			2015/16	
	Final appropriation R'000	Actual funds received R'000	Funds not requested/ not received R'000	Final appropriation R'000	Appropriation received R'000
Administration	362 796	362 796	-	359 067	359 067
Mine Health and Safety	190 440	190 440	-	171 509	171 509
Mineral Regulation	260 177	260 177	-	246 236	246 236
Mineral Policy and Promotion	855 664	855 664	-	861 730	861 730
Total	1 669 077	1 669 077	-	1 638 542	1 638 542

2. Departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services other than capital assets	2.1	10 149	6 486
Fines, penalties and forfeits	2.2	990	847
Interest, dividends and rent on land	2.3	23 881	22 268
Transactions in financial assets and liabilities	2.4	3 052	162
Departmental revenue collected		38 072	29 763

2.1 Sales of goods and services other than capital assets

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the department	2	10 147	6 486
Sales by market establishment		473	478
Administrative fees		9 073	5 428
Other sales		602	580
Sales of scrap, waste and other used current goods		1	-
Total		10 149	6 486

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

2.2 Fines, penalties and forfeits

	Note	2016/17	2015/16
	2	R'000	R'000
Fines		120	-
Penalties		870	847
Total		990	847

2.3 Interest, dividends and rent on land

	Note	2016/17	2015/16
	2	R'000	R'000
Interest		265	28
Rent on land		23 616	22 240
Total		23 881	22 268

2.4 Transactions in financial assets and liabilities

	Note	2016/17	2015/16
	2	R'000	R'000
Receivables		3 052	162
Total		3 052	162

3. Aid assistance

	Annexure	2016/17	2015/16
		R'000	R'000
Opening balance		1 772	-
Aid assistance received		13 265	16 615
Aid assistance utilised	1I	(11 493)	(14 843)
Paid during the year	1I	(1 772)	-
Closing balance		1 772	1 772

3.1 Analysis of balance

	Annexure	2016/17	2015/16
		R'000	R'000
Aid assistance utilised	1I	1 772	1 772
Closing balance		1 772	1 772

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

4. Compensation of employees

4.1 Salaries and wages

	Note	2016/17	2015/16
	4	R'000	R'000
Basic salary		383 493	358 064
Performance award		12 998	13 615
Service based		316	177
Compensative/circumstantial		8 744	8 999
Periodic payments		49	77
Other non-pensionable allowances		81 765	78 772
Total		487 365	459 704

4.2 Social contributions

	Note	2016/17	2015/16
	4	R'000	R'000
Employer contributions			
Pension		49 616	46 382
Medical		21 735	20 102
Bargaining council		82	77
Total		71 433	66 561
Total compensation of employees		558 798	526 265
Average number of employees		1 108	1 131

5. Goods and services

	Note	2016/17	2015/16
		R'000	R'000
Administrative fees		3 248	2 618
Advertising		5 453	846
Minor assets	5.1	968	1 608
Bursaries (employees)		1 234	979
Catering		951	1 534
Communication		17 281	13 723
Computer services	5.2	26 872	23 446
Consultants: Business and advisory services		8 237	5 454
Legal services		11 213	6 476
Contractors		1 057	1 875
Audit cost – external	5.3	6 247	6 465
Fleet services		10 518	10 503
Inventory	5.4	292	85
Consumables	5.5	6 737	6 430
Operating leases		89 325	94 177
Property payments	5.6	6 259	5 860

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
Rental and hiring		232	1 002
Travel and subsistence	5.7	68 383	71 021
Venues and facilities		6 643	6 581
Training and development		4 892	5 410
Other operating expenditure	5.8	23 742	12 883
Total		299 784	278 976

5.1 Minor assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets			
Machinery and equipment	5	968	1 608
Total		968	1 608

5.2 Computer services

	Note	2016/17 R'000	2015/16 R'000
SITA computer services	5	8 578	7 947
External computer service providers		18 294	15 499
Total		26 872	23 446

5.3 Audit cost – External

	Note	2016/17 R'000	2015/16 R'000
Regularity audits	5	6 247	6 465
Total		6 247	6 465

5.4 Inventory

	Note	2016/17 R'000	2015/16 R'000
Clothing material and accessories	5	53	-
Food and food supplies		19	16
Materials and supplies		218	67
Medical supplies		2	2
Total		292	85

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

5.5 Consumables

	Note	2016/17	2015/16
	5	R'000	R'000
Consumable supplies		2 063	1 740
Uniform and clothing		1 380	1 240
Household supplies		274	258
IT consumables		59	34
Other consumables		352	208
Stationery, printing and office supplies		4 672	4 690
Total		6 737	6 430

5.6 Property payments

	Note	2016/17	2015/16
	5	R'000	R'000
Property maintenance and repairs		60	3
Other		6 199	5 857
Total		6 259	5 860

5.7 Travel and subsistence

	Note	2016/17	2015/16
	5	R'000	R'000
Local		55 902	57 141
Foreign		12 481	13 880
Total		68 383	71 021

5.8 Other operating expenditure

	Note	2016/17	2015/16
	5	R'000	R'000
Professional bodies, membership and subscription fees		20 093	6 591
Resettlement costs		1 740	3 294
Other		1 909	2 998
Total		23 742	12 883

6. Payments for financial assets

	Note	2016/17	2015/16
		R'000	R'000
Material losses through criminal conduct		-	2 908
Theft	6.3	-	2 882
Other material losses	6.1	-	26
Debts written off	6.2	1 286	-
Total		1 286	2 908

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

6.1 Other material losses

	Note 6	2016/17 R'000	2015/16 R'000
Nature of other material losses			
Incident: Disciplinary steps taken			
Irrecoverable debts: Bad debts written off		-	26
Total		-	26

6.2 Debts written off

	Note 6	2016/17 R'000	2015/16 R'000
Nature of debts written off			
Bad debt written off		1 286	-
Total debt written off		1 286	-

6.3 Details of theft

	Note 6	2016/17 R'000	2015/16 R'000
Nature of theft			
Hacking of Department system in 2008		-	2 882
Total theft		-	2 882

7. Transfers and subsidies

	Note	2016/17 R'000	2015/16 R'000
Departmental agencies and accounts	Annex 1B	433 519	393 441
Public corporations and private enterprises	Annex 1D	356 616	423 735
Households	Annex 1G	1 181	2 530
Total		791 316	819 709

8. Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets			
Buildings and other fixed structures	30	153	1 140
Machinery and equipment	28	9 764	9 349
Intangible assets			
Software	29	-	137
Total		9 917	10 626

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

8.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds
	R'000
Tangible assets	9 917
Buildings and other fixed structures	153
Machinery and equipment	9 766
Intangible assets	-
Software	-
Total	9 917

8.2 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds
	R'000
Tangible assets	10 489
Buildings and other fixed structures	1 140
Machinery and equipment	9 349
Intangible assets	137
Software	137
Total	10 626

9. Cash and cash equivalents

	Note	2016/17	2015/16
		R'000	R'000
Consolidated Paymaster-General Account		10 262	12 522
Cash on hand		71	71
Cash with commercial banks (Local)		310	167
Total		10 643	12 760

10. Prepayments and advances

	Note	2016/17	2015/16
		R'000	R'000
Travel and subsistence		88	305
Total		88	305

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

11. Receivables

	Note	2016/17			2015/16		
		Current R'000	Non- current R'000	Total R'000	Current R'000	Non- current R'000	Total R'000
Claims recoverable	11.1	-	1 457	1 457	48	1 457	1 505
Recoverable expenditure	11.2	76	-	76	9	-	9
Staff debt	11.3	193	4 347	4 540	2 682	2 984	5 666
Total		269	5 804	6 073	2 739	4 441	7 180

11.1 Claims recoverable

	Note	2016/17 R'000	2015/16 R'000
National departments	11 and Annex 4	1 457	1 505
Total		1 457	1 505

11.2 Recoverable expenditure (disallowance accounts)

	Note	2016/17 R'000	2015/16 R'000
Disallowance damages and losses	11	76	8
Salary tax debt		-	1
Total		76	9

11.3 Staff debt

	Note	2016/17 R'000	2015/16 R'000
Cellphone	11	-	14
Contracts		67	98
Disallowance		-	2 073
Study debt		2 990	3 095
Subsidised vehicle		176	259
Telephone		-	17
Dinners		56	89
GG Car		47	16
Other		1 143	5
Tax debt		61	-
Total		4 540	5 666

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

11.4 Impairment of receivables

	Note	2016/17 R'000	2015/16 R'000
Estimate of impairment of receivables		5 804	4 443
Total		5 804	4 443

12. Voted funds to be surrendered to the Revenue Fund

	Note	2016/17 R'000	2015/16 R'000
Opening balance		61	384
As restated		61	384
Transfer from statement of financial performance (as restated)		7 976	61
Voted funds not requested/not received	1.1		-
Paid during the year		(61)	(384)
Closing balance		7 976	61

13. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund

	Note	2016/17 R'000	2015/16 R'000
Opening balance		3 145	1 904
As restated		3 145	1 904
Transfer from statement of financial performance (as restated)		38 072	29 763
Paid during the year		(40 468)	(28 522)
Closing balance		749	3 145

14. Payables – current

	Note	2016/17 R'000	2015/16 R'000
Clearing accounts	14.1	2 517	285
Other payables	14.2	35	10 711
Total		2 552	10 996

14.1 Clearing accounts

	Note	2016/17 R'000	2015/16 R'000
Salary pension funds		104	53
Salary income tax		2 412	229
Salary bargaining council		-	3
Salary garnishee order		1	-
Total		2 517	285

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

14.2 Other payables

	Note	2016/17	2015/16
	14	R'000	R'000
Disallowance miscellaneous		-	10 661
Salary reversal control		35	50
Total		35	10 711

15. Net cash flow available from operating activities

	Note	2016/17	2015/16
		R'000	R'000
Net surplus as per Statement of Financial Performance		47 820	31 596
Add back non-cash/cash movements not deemed operating activities		(39 504)	(4 260)
(Increase)/decrease in receivables – current		1 107	3 251
(Increase)/decrease in prepayments and advances		217	(91)
Increase/(decrease) in payables – current		(8 444)	10 860
Expenditure on capital assets		9 917	10 626
Surrenders to Revenue Fund		(40 529)	(28 906)
Surrenders to RDP Fund/Donor		(1 772)	-
Voted funds not requested/not received		-	-
Net cash flow generated by operating activities		8 316	27 336

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

	Note	2016/17	2015/16
	14	R'000	R'000
Consolidated Paymaster-General account		10 262	12 522
Cash on hand		71	71
Cash with commercial banks (Local)		310	167
Total		10 643	12 760

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

	Note	2016/17 R'000	2015/16 R'000
Liable to	Nature		
Claims against the Department	Annex 3B	5 609 311	5 596 311
Environmental rehabilitation liability	Annex 3B	1 701 279	1 723 769
Total		7 310 590	7 320 080

The environmental rehabilitation liability comprises derelict and ownerless mines that have been earmarked by the Department to rehabilitate depending on the availability of funds.

18. Commitments

	Note	2016/17 R'000	2015/16 R'000
Current expenditure			
Approved and contracted		8 667	2 181
Approved but not yet contracted		-	7 665
		8 667	9 846
Capital expenditure			
Approved and contracted		-	-
Approved but not yet contracted		152	211
		152	211
Total Commitments		8 819	10 057

19. Accruals and payables not recognised

	2016/17 R'000			2015/16 R'000
	30 Days	30+ Days	Total	Total
Listed by economic classification				
Goods and services	9 397	-	9 397	22 340
Capital assets	-	-	-	1 681
Total	9 397	-	9 397	24 021

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

19.1 Accruals

	Note	2016/17 R'000	2015/16 R'000
Listed by programme level			
Administration		5 516	18 706
Mine Health and Safety		1 077	1 853
Mineral Regulation		715	2 573
Mineral Policy and Promotion		2 089	889
Total		9 397	24 021

19.2 Payables not recognised

	2016/17 R'000			2015/16 R'000
	30 Days	30+ Days	Total	Total
Listed by economic classification				
Goods and services	846	-	846	1 311
Capital assets	-	-	-	8
Total	846	-	846	1 319

	Note	2016/17 R'000	2015/16 R'000
Listed by programme level			
Administration		194	1 232
Mine Health and Safety		599	39
Mineral Regulation		4	42
Mineral Policy and Promotion		49	6
Total		846	1 319

	Note	2016/17 R'000	2015/16 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	1 615	5 191
Total		1 615	5 191

DEPARTMENT OF MINERAL RESOURCES • VOTE 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

20. Employee benefits

	Note	2016/17 R'000	2015/16 R'000
Leave entitlement		25 080	17 610
Service bonus (thirteenth cheque)		15 192	13 994
Performance awards		12 116	7 867
Capped leave commitments		5 837	5 633
Total		58 225	45 104

Included in the above leave entitlement balance are employees with a negative leave balance amounting to R491 935.09. This is mainly caused by employees taking leave at the beginning of the financial year.

21. Lease commitments

21.1 Operating leases expenditure

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2016/17			
Not later than 1 year	40 721	249	40 970
Later than 1 year and not later than 5 years	-	34	34
Total lease commitments	40 721	283	41 004

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2015/16			
Not later than 1 year	37 705	340	38 045
Later than 1 year and not later than 5 years	40 721	261	40 982
Total lease commitments	78 426	601	79 027

	Note	2016/17 R'000	2015/16 R'000
Rental earned on sub-leased assets	2	473	478
Total		473	478

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

22. Accrued departmental revenue

Note	2016/17 R'000	2015/16 R'000
Interest, dividends and rent on land	157 811	128 973
Total	157 811	128 973

22.1 Analysis of accrued departmental revenue

Note	2016/17 R'000	2015/16 R'000
Opening balance	128 973	100 707
Less: Amounts received	23 616	22 240
Add: Amounts recognised	52 454	50 506
Total	157 811	128 973

22.2 Impairment of accrued departmental revenue

Note	2016/17 R'000	2015/16 R'000
Estimate of impairment of accrued departmental revenue	67 696	46 949
Total	67 696	46 949

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

Note	2016/17 R'000	2015/16 R'000
Opening balance	-	17 050
As restated	-	17 050
Add: Irregular expenditure – relating to prior year	-	52
Add: Irregular expenditure – relating to current year	-	428
Less: Prior year amounts condoned	-	(17 102)
Less: Current year amounts condoned	-	(428)
Closing balance	-	-

24. Related-party transactions

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

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

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25. Key management personnel

	Number of individuals	2016/17 R'000	2015/16 R'000
Political office bearers	2	4 222	4 437
Level 15 to Level 16	7	10 564	10 197
Level 14	15	15 764	17 988
Total		30 550	32 622

26. Impairment (other than receivables, accrued departmental revenue, loans and investments)

	Note	2016/17 R'000	2015/16 R'000
Impairment of recorded receivables		-	2 985
Total		-	2 985

27. Provisions

	Note	2016/17 R'000	2015/16 R'000
Environmental liability		336 806	332 647
Long service awards		186	151
Total		336 992	332 798

The provision for environmental rehabilitation liability comprised derelict and ownerless mines that have been earmarked by the Department to rehabilitate depending on the availability of funds in terms of MTEF.

27.1 Reconciliation of movement in provisions – 2016/17

	Environmental liability R'000	Long-service awards R'000	Total provisions R'000
Opening balance	332 647	151	332 798
Increase in provision	4 159	35	4 194
Closing balance	336 806	186	336 992

Reconciliation of movement in provisions – 2015/16

	Environmental liability R'000	Long-service awards R'000	Total provisions R'000
Opening balance	199 646	25	199 671
Increase in provision	133 001	126	133 127
Closing balance	332 647	151	332 798

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

28. Movable tangible capital assets

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	70 788	8 077	243	78 622
Transport assets	2 046	3 260	-	5 306
Computer equipment	31 775	3 432	153	35 054
Furniture and office equipment	32 597	1 098	90	33 605
Other machinery and equipment	4 370	287	-	4 657
Total movable tangible capital assets	70 788	8 077	243	78 622

28.1 Additions

Additions to movement in movable tangible capital assets per asset register for the year ended 31 March 2017.

	Cash R'000	Received current, not paid (paid current year, received prior year) R'000	Total R'000
Machinery and equipment	9 766	(1 689)	8 077
Transport assets	3 260		3 260
Computer equipment	5 113	(1 681)	3 432
Furniture and office equipment	1 106	(8)	1 098
Other machinery and equipment	287		287
Total movable tangible capital assets	9 766	(1 689)	8 077

28.2 Disposals

Disposals of movement in movable tangible capital assets per asset register for the year ended 31 March 2017.

	Non-cash disposal R'000	Total disposals R'000
Machinery and equipment	243	243
Computer equipment	153	153
Furniture and office equipment	90	90
Total movable tangible capital assets	243	243

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

28.3 Movement for 2015/16

Movement in movable tangible capital assets per asset register for the year ended 31 March 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Machinery and equipment	75 067	7 186	11 465	70 788
Transport assets	4 615	-	2 569	2 046
Computer equipment	34 242	4 390	6 857	31 775
Furniture and office equipment	31 777	2 785	1 965	32 597
Other machinery and equipment	4 433	11	74	4 370
Total movable tangible capital assets	75 067	7 186	11 465	70 788

28.4 Minor assets

Movement in minor assets per asset register for the year ended 31 March 2017

	Machinery and equipment R'000	Total R'000
Opening balance	16 120	16 120
Additions	968	968
Disposals	(328)	(328)
Total minor assets	16 760	16 760

	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	-	-
Number of minor assets at cost	9 789	9 789
Total minor assets	9 789	9 789

Minor assets

Movement in minor assets per the asset register for the year ended as at 31 March 2016

	Machinery and equipment R'000	Total R'000
Opening balance	18 956	18 956
Additions	1 401	1 401
Disposals	4 237	4 237
Total minor assets	16 120	16 120

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	6	6
Number of minor assets at cost	9 858	9 858
Total minor assets	9 864	9 864

28.5 Movable assets written off

	Machinery and equipment R'000	Total R'000
Assets written off	2	2
Total movable assets written off	2	2

29. Intangible capital assets

Movement in intangible capital assets per asset register for the year ended 31 march 2017

	Opening balance R'000	Disposals R'000	Closing Balance R'000
Software	11 030	7 709	3 321
Total intangible capital assets	11 030	7 709	3 321

29.1 Disposals

Disposals of intangible capital assets per asset register for the year ended 31 March 2017

	Non-cash disposal R'000	Total disposals R'000
Software	7 709	7 709
Total movable tangible capital assets	7 709	7 709

29.2 Movement for 2015/16

	Opening balance R'000	Disposals R'000	Closing balance R'000
Software	10 893	137	11 030
Total intangible capital assets	10 893	137	11 030

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

30. Immovable tangible capital assets

	Opening balance R'000	Disposals R'000	Closing Balance R'000
Buildings and other fixed structures			
Other fixed structures	52 250	153	52 403
Total intangible capital assets	<u>52 250</u>	<u>153</u>	<u>52 403</u>

30.1 Additions

	Non-cash disposal R'000	Total disposals R'000
Building and other fixed structures		
Other fixed structures	153	153
Total additions to immovable tangible capital assets	<u>153</u>	<u>153</u>

30.2 Movement for 2015/16

	Opening balance R'000	Disposals R'000	Closing Balance R'000
Buildings and other fixed structures			
Other fixed structures	51 110	1 140	52 250
Total intangible capital assets	<u>51 110</u>	<u>1 140</u>	<u>52 250</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE IB STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Department/agency/account	Transfer allocation				Transfer		2015/16
	Adjusted appropriation R'000	Roll-overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Percentage of available funds transferred %	Appropriation Act R'000
Council for Geoscience	378 598	-	-	378 598	378 598	100%	342 914
South African Diamond and Precious Metals Regulator	53 205	-	-	53 205	53 205	100%	50 527
Mining Qualification Authority	1 716	-	-	1 716	1 716	100%	-
Total	433 519	-	-	433 519	433 519	-	393 441

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

Name of public corporation/ private enterprise	Transfer allocation				Expenditure			2015/16	
	Adjusted Appropriation R'000	Roll-overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Percentage of available funds transferred %	Capital R'000	Current R'000	Appropriation Act R'000
Public Corporations	-	-	-	-	-	-	-	-	-
MINTEK	356 416	-	-	356 416	356 416	100.0%	58 846	297 570	414 742
Industrial Development Corporation	-	-	-	-	-	-	-	-	8 893
State Diamond Trader	200	-	-	200	200	100.0%	-	200	100
Total	356 616	-	-	356 616	356 616	-	58 846	297 770	423 735

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

ANNEXURE IG
STATEMENT OF TRANSFER TO HOUSEHOLDS

Households	Transfer allocation				Expenditure		2015/16
	Adjusted appropriation R'000	Roll-overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Percentage of available funds transferred %	
Transfers	-	-	-	-	-	-	-
Leave gratuity (employer service benefits)	1 059	-	-	1 059	1 059	100.0%	1 107
Claims against state (cash)	2	-	-	2	2	100.0%	748
Donations and gifts (cash)	120	-	-	120	120	100.0%	20
Total	1 181	-	-	1 181	1 181		1 875

ANNEXURE II
STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Paid back on/by 31 March R'000	Closing balance R'000
Received in cash						
European donor	Transfer to Council for Geoscience	1 772	13 265	11 493	1 772	1 772
Total		1 772	13 265	11 493	1 772	1 772

ANNEXURE IJ
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2016/17 R'000	2015/16 R'000
Made in kind		
Payments made as an act of grace to household	120	20
Total	120	20

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

Nature of liability	Opening balance 1 April 2016 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing balance 31 March 2017 R'000
Claims against the department					
Claims against the department	5 596 311	49 336	-36 336	-	5 609 311
Subtotal	5 596 311	49 336	-36 336	-	5 609 311
Environmental liability					
Environmental liability	1 723 769	-	-22 490	-	1 701 279
Subtotal	1 723 769	-	-22 490	-	1 701 279
Total	7 320 080	49 336	-58 826	-	7 310 590

ANNEXURE 4
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding 31/03/2017 R'000	Unconfirmed balance outstanding 31/03/2017 R'000	Total 31/03/2017 R'000	Confirmed balance outstanding 31/03/2016 R'000	Unconfirmed balance outstanding 31/03/2016 R'000	Total 31/03/2016 R'000
Department						
Department of Energy	-	1 457	1 457	1 457	-	1 457
Free State Department of Human Settlements	-	-	-	48	-	48
Total	-	1 457	1 457	1 505	-	1 505

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000
Departments						
Current						
Department of Justice	792	1 154	-	-	792	1 154
Department of Public Works	168	1 893	-	-	168	1 893
Gauteng Government Garage	655	1 501	-	-	655	1 501
DIRCO		643	-	-	-	643
Total	1 615	5 191	-	-	1 615	5 191

ANNEXURE 6
INVENTORIES

Inventory	Note	2016/17		2015/16	
		Quantity R'000	R'000	Quantity R'000	R'000
Opening balance		32 345	258	76 895	533
Add/(less): Adjustments to prior year balance		-	7	-	-
Add: Additions/Purchases – Cash		8 409	1 500	22 607	2 958
Add: Additions – Non-cash		-	-	90	-
(Less): Disposals		-	-	-	-
(Less): Issues		(10 318)	(1 521)	(55 142)	(3 199)
Add/(less): Adjustments		(30 281)	(240)	(12 105)	(65)
Closing balance		155	4	32 345	258

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