



2019/20 ANNUAL REPORT



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



**DEPARTMENT OF
MINERAL RESOURCES
VOTE NO. 29**

**ANNUAL REPORT
2018/2019 FINANCIAL YEAR**

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PART A ● ● ●

GENERAL INFORMATION



I. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

4IR	Fourth Industrial Revolution
AGSA	Auditor-General South Africa
AIDS	Acquired Immune Deficiency Syndrome
APP	Annual Performance Plan
BAS	Basic Accounting System
CGS	Council for Geoscience
CIOM	Chief Inspector of Mines
CSIR	Council for Scientific and Industrial Research
DDG	Deputy Director-General
DEEC	Diamond Exchange and Export Centre
DEFF	Department of Environment, Forestry and Fisheries
DMR	Department of Mineral Resources
DMRE	Department of Mineral Resources and Energy
DPME	Department of Performance Management and Evaluation
DPSA	Department of Public Service and Administration
EMP	Environmental Management Programme
EPWP	Expanded Public Works Programme
GCC	Government Certificate of Competency
GDIP	Geoscience Data and Information Policy

GDP	Gross domestic product
GDV	Government Diamond Valuator
GRAP	Generally Recognised Accounting Practices
HDI	Historically disadvantaged individual
HDSA	Historically disadvantaged South Africans
HIV	Human Immunodeficiency Virus
HOA	Homeowner's Allowance
HR	Human Resources
HRD	Human Resource Development
IAA	Internal Audit Activity
ICT	Information and Communication Technology
IESBA	International Ethics Standards Board for Accountants
ISA	International Standards of Auditing
ISBN	International Standard Book Number
LED	Local economic development
MCS	Modified Cash Standard
MEC	Member of the Executive Committee
MHSC	Mine Health and Safety Council
MHSI	Mine Health and Safety Inspectorate

MIGDETT	Mining Industry Growth, Development and Employment Task Team
MINTEK	Council for Mineral Technology Research
MISS	Minimum Information Security Standards
MLA	Mineral Laws
MMCC	Mine Manager's Certificate of Competency
MPAT	Management Performance Assessment Tool
MPRDA	Mineral and Petroleum Resources Development Act
MPSA	Minister of Public Service and Administration
MQA	Mining Qualifications Authority
MSCC	Mine Surveyor's Certificate of Competency
MSP	Master Systems Plan
MTEF	Medium-term Expenditure Framework
NEMA	National Environmental Management Act
NPA	National Prosecuting Authority
NRF	National Revenue Fund
NSDS	National Skills Development Strategy
NVS	National Vetting Strategy
PAA	Public Audit Act
PAIA	Promotion of Access to Information Act
PASA	Petroleum Agency SA

PERSAL	Government Employee Salary System
PFMA	Public Finance Management Act
PGM	Platinum Group Metals
PSC	Personnel suitability check
PSETA	Public Service Sector Education and Training Authority
PMDS	Performance Management and Development System
PSCBC	Public Service Coordinating Bargaining Council
REE	Rare Earth Element
SADPMR	South African Diamond and Precious Metals Regulator
<i>SAMI</i>	<i>South African Mining Industry</i>
SAPS	South African Police Service
SCOPA	Standing Committee on Public Accounts
SDT	State Diamond Trader
SITA	State Information Technology Agency
SLA	Service Level Agreement
SLP	Social and Labour Plan
SMME	Small, medium and micro enterprise
SMS	Senior Management Service
TB	Tuberculosis
WSP	Workplace Skills Plan

3. FOREWORD BY THE MINISTER



Mr SG Mantashe, MP
Minister of Mineral Resources and Energy

South Africa's mining industry is one of the country's key economic sectors. Over the years, it has contributed to the national goal of growing the economy and creating jobs in order to counter the developmental challenges of inequality, poverty and unemployment.

The latest data indicates that the sector contributes about 7.5% to the gross domestic product (GDP), 30% to export earnings and over 450 000 to direct jobs. The impact of mining on the economy is clearly evident. While 2018 was a relatively challenging year in terms of mining production and therefore GDP, an improvement was seen in the second quarter of 2019 in terms of production. The sector expanded by 14.4% in the quarter, contributing 1.0 percentage points to GDP.

With the Minerals and Energy portfolio now under one Ministry, the Department of Mineral Resources (DMR) will be able to harness the synergies of these two critical sectors of the economy. It must also ensure – among other things – that a reliable, secure electricity supply makes a positive contribution to the growth of mining and other energy-intensive sectors of the economy.

When I joined the Department of Mineral Resources in 2018, I set out to resolve a number of immediate challenges, including the need to ensure policy and regulatory certainty for the mining sector. With the finalisation of the Mining Charter and the decision to separate legislation regulating minerals from that of the upstream petroleum sector, we have been able to achieve this objective.

The Mining Charter of 2018 is the result of an extensive consultation process with industry stakeholders to achieve the growth, competitiveness and transformation of the mining industry. A draft Upstream Petroleum (Oil and Gas) Bill is being developed, and is due to be subjected to public participation, Cabinet and parliamentary processes. It is envisaged that this Bill will be finalised in the 2019/20 financial year. In respect to mining, the Mineral and Petroleum Resources Development Act of 2002 (MPRDA) (the Principal Act) continues to apply.

This is evidenced by the latest rankings of the Fraser Institute's annual global survey of mining jurisdictions released in March 2019, which ranks South Africa 56 out of 83 countries surveyed in terms of the attractiveness of its mining policies. The country's standing has improved by 25 points from 81 out of 91 in 2017. In terms of investment attractiveness, the country improved its place, moving up five points from the previous year when it was ranked 48 out of 91 countries. The country now stands at 43 out of 83.

In 2018, mining investments in the country totalled over R45 billion, resulting in the creation of about 4 000 jobs. Some of the investments made by the sector include R21.8 billion by Vedanta Resources in the Northern Cape, Sasol's R14 billion mine replacement programme at Shondoni and Impumelelo in Mpumalanga, and Exxaro's R3.3 billion mine investment in Belfast, Mpumalanga. Other investments came from the lead and zinc, coal, diamonds, copper, heavy mineral sands and manganese sectors. These investments affirm the sector as a sunrise industry, with great potential going forward into the future.

For the period 2018 to 2020, an estimated 60 mining projects are in the pipeline in exploration, expansion, new mines and processing plants, with an estimated investment value of R110.1 billion and projected employment estimated at 32 000 employees. These attest to the stability of the policy and regulatory environment, and South Africa still being considered an attractive destination for mining investment.

The Department is also in the process of conducting research on creating a dedicated legislative regime for artisanal and small-scale miners. The research will include a comparative study of selected African mining jurisdictions to identify similarities, differences, strengths, weaknesses and opportunities.

Policy certainty alone will not result in the desired investment for the industry. It is for this reason that the Department is decisively investing in the Geoscience Mapping Programme, through the Council for Geoscience (CGS). The Council will enhance geological mapping knowledge and fast-track the delineation of new mineral targets, and quantify the extent of mineralisation, which will be used to foster the sustainable development of the mining industry well into the future. Similarly, the Department is investing in the upgrading of its online licensing system to further improve the ease of doing business in the country.

The Department's efforts to improve relations with stakeholders in the sector have resulted in the signing of the Mining Leadership Compact, which sets the tone for a strategy that will seek to attain Vision 2030 to make South Africa a competitive mining jurisdiction. Social partners have agreed to develop and implement a detailed strategy for the sector with ambitious and achievable targets for investment, growth,

transformation and employment that will have a positive socioeconomic impact for the country.

Mine health and safety remains a key priority. The Department is of the firm view that production should not come before the health and safety of mineworkers. Its efforts have led to a sustainable downward trend in occupational diseases, injuries and fatalities over the years.

The year 2018 saw a total of 81 fatalities being reported versus 90 in 2017. This translates to a 10% improvement in the number of fatalities year on year. The platinum sector recorded a commendable decrease of 59% in the number of fatalities reported. There has also been a 12% decrease in the number of injuries, from 2 669 in 2017 to 2 350 in 2018. In terms of occupational diseases, a decrease of 3% has been recorded, from 4 632 cases in 2016 to 4 483 cases in 2017.

The year under review has been both challenging and exciting for me as I continue to ensure that South Africa has a globally competitive, sustainable and meaningfully transformed mining industry. To achieve this, we require all hands on deck from the Department and its social partners.

I wish to thank all the officials of Team DMR for their commitment in executing our mandate and getting a clean audit in the process. I wish to commend the leadership in the Department and in the sector for their dedication in ensuring that the sector continues to strive towards transformation, growth and making sure that all South Africans derive sustainable benefit from our mineral wealth.



Mr SG Mantashe, MP
Minister of Mineral Resources and Energy
31 March 2019

4. DEPUTY MINISTER'S STATEMENT



Ms B Hlongwa, MP
Deputy Minister of Mineral Resources and Energy

As a country with a substantial amount of untapped mineral resources, we have a unique opportunity to use our minerals as a catalyst to accelerate economic growth and further move South Africa's economy forward. We remain committed to a policy environment that is stable and creates much-needed certainty.

South Africa has over 120 years of formalised mining, which has resulted in socioeconomic benefits for our people, as well as increased economic growth. Despite its massive economic gains, mining remains a dangerous labour activity due to the harsh working conditions, which continuously pose a threat to the health and safety of workers and the long-term sustainability of the sector.

We remain committed to ensuring the health and safety of all mineworkers by implementing the enforcement measures contained in the Mine Health and Safety Act, Act No 29 of 1996, as mining is not only about minerals, but more importantly about the people who turn the investment by mining companies into wealth for our communities. We will continue to work with all stakeholders in the tripartite alliance to ensure that every mineworker returns home from work unharmed every day.

Over the years, the sector has made significant strides in ensuring the health and safety of mineworkers. We are encouraged that, in 2018, the sector recorded only 81 fatalities, an improvement on 2017 when 90 fatalities were reported. We are of the view that prevention is better than cure and that compensation should be a last resort. The prevention interventions for occupational lung diseases, especially that of dust control, are core to the Department's legislative framework to promote health and safety.

The Department will continue to work with the Department of Labour and the Department of Health, as well as former mineworkers, to ensure that they are compensated (in the form of medical compensation, pensions and provident funds) for contracting any diseases because of mining. I am delighted that, in this regard, a R5 billion project to compensate former mineworkers is currently underway in partnership with the Department of Health. I look forward to work being done in implementing the reviewed

guidelines on the prevention of occupational lung diseases by the Mine Health and Safety Council (MHSC) working with mining stakeholders. In relation to the tragic Lily Mine accident that saw Pretty Nkambule, Solomon Nyirenda and Yvonne Mnisi being trapped underground when the lamproom in which they were working collapsed, the Department will continue to support all efforts to ensure that the container is found so that their families and loved ones can have closure and operations can resume.

The need to prioritise women, youth and people with disabilities remains a core mandate for government now more than ever in the development of the country. Central to this mandate is the need to ensure job creation, skills development and sustainable economic growth. The meaningful participation of women, youth and people with disabilities is key for the sector to be sustainable and globally competitive.

It is for this reason that the Department has vigorously set out regulations and plans, and is committed to centrally positioning its role to advance the involvement of these groupings. The Mining Charter, gazetted in 2018 and currently being implemented, makes it possible for youth, women and people with disabilities to contribute meaningfully to our economy.

The Department will work harder to ensure policy changes to create an enabling environment for women and youth alike to not only have access to employment opportunities, but mainly to participate meaningfully in the sector to become owners and captains of industry.

The advent of the Fourth Industrial Revolution (4IR) provides a platform to technologically transform the sector and further reskill workers, thereby creating jobs.

It is thus our responsibility as the Regulator to move with the times and embrace such technology as a means of finding sustainable and economic solutions.

The judgments of the Constitutional Court and North Gauteng High Court on the Lesethleng Village and Xolobeni Village communities have further highlighted the importance of community engagement and consultations. The Department will continue to proactively engage communities to ensure the full participation of all stakeholders in the sector.

Monitoring the impact of mining in terms of adherence to social and labour plans and their implementation remains a priority going forward. Mining and labour-sending areas must derive sustainable benefit from mining. Having recently joined the Department, I wish to acknowledge the work done by Team DMR in ensuring that all South Africans derive sustainable benefits from our mineral wealth and moving this key economic sector forward. More work still needs to be done in delivering on our mandate. I am confident that we will work harder to improve the lives of South Africans with the leadership and dedicated officials in the Department.



Ms B Hlongwa, MP
Deputy Minister of Mineral Resources and Energy
31 March 2019

5. REPORT OF THE ACCOUNTING OFFICER



Adv TS Mokoena
Accounting Officer
Department of Mineral Resources

It is my pleasure to present the 2018/19 annual report of the Department of Mineral Resources. The Department continued to deliver on its mandate as tabled in its Annual Performance Plan (APP).

Overview of the Department's operations

The Department's mandate is to ensure the transparent and efficient regulation of the development of South Africa's mineral resources and minerals industry to meet national objectives and bring optimum benefit to the nation. The Department's programmes are aimed at growing the country's economy and ensuring inclusive growth.

The Department is also responsible for the oversight of the following research and regulatory entities:

- **Council for Geoscience:** This entity gathers, compiles, develops and publishes world-class geoscience data, knowledge and products, and renders geoscience-related services to the South African public and industry.
- **Council for Mineral Technology Research:** This entity conducts fundamental research and development in efficient mineral processing technologies and value-added products and services.
- **Mine Health and Safety Council:** This entity provides various services. In the main, it advises the Minister of Mineral Resources and Energy on occupational health and safety in the mines; promotes a culture of health and safety in the mining industry; and advises the mining industry through the Minister of Mineral Resources and Energy.
- **South African Diamond and Precious Metals Regulator:** This entity ensures competitiveness, sustainable development and job creation in the diamond and precious metals industry, transformation, equitable access to resources for local beneficiation and ensures industry compliance with legislation.
- **State Diamond Trader:** This entity provides equitable access by historically disadvantaged South Africans to the diamonds of the Republic in order to promote the diamond beneficiation industry.

Sector performance

Producing more than 50 mineral commodities, South Africa remains a critical mining jurisdiction for investors. Most deposits that are being exploited were discovered through antique methods. Exploration using modern-day technology thus has a huge

potential to discover more economic deposits. The mineral resources and reserves that are still beneath the soil of the Republic are estimated at R2.5 trillion. This makes South Africa a highly prospective and critical mining jurisdiction for mining.

Following the poor performance of the mining industry, the Department will commence with an exercise to unpack the challenges with a view to come up with plausible interventions to bring back the shine to the mining sector. It will look into a myriad of interventions, ranging from short-term to long-term interventions. It is envisaged that, although the mining sector is influenced by global developments, domestic interventions and smarter interventions will be able to alleviate or minimise the adverse global pressures on the local industry to ensure that the industry is sustained through difficult times.

The Department will continue to conduct the Karoo Deep Drilling and the Geo-environmental Baseline Programme in Beaufort-West through its state-owned entities, the Council for Geoscience and Petroleum Agency SA. This programme seeks to better understand the potential impacts of geo-resource exploration activities on the Karoo geo-environment (minerals, gas, deep groundwater and geothermal impacts).

This investigative programme strengthens government's position to use science-based evidence as a fulcrum for the deployment of policy and must therefore be factored into substantiating regulations that are developed to protect the environment and groundwater resources from potential pollution if or when shale gas is ultimately confirmed and exploited.

Aimed to cover various environmental impacts of public concern and to quantify the gas content from deep boreholes, research commenced with a baseline study, followed by the drilling of five shallow observation wells with two additional monitoring wells completed by June 2018. As a result of the drilling process, freshwater resources were uncovered, and high-yielding boreholes were handed over to Beaufort-West Municipality in an effort to address the water crisis in the area.

The Karoo Deep Drilling Programme is now ready to move to the drilling of the deep stratigraphic research borehole (a vertical borehole of 3 500 m) in order to better understand the impact any geo-resource exploration activities could have on the Karoo geo-environment. Furthermore, the programme will undertake a 2D seismic survey to ascertain the sub-surface geology prior to the drilling of the deep hole. Engagements are underway between the CGS and the Department of Environment, Forestry and Fisheries (DEFF) in an attempt to solicit the necessary environmental authorisation before the drilling of the deep vertical borehole can commence.

The Hydraulic Fracturing Monitoring Committee, an interdepartmental committee led by DMR, will continue to monitor the various investigative studies aimed at establishing the shale gas potential in the Karoo Basin.

The Department has, as a requirement of the National Environmental Management Act (NEMA) of 1998, developed, reviewed and gazetted the Department's Environmental Management Plan (EMP) during 2018/19. NEMA requires the Department to prepare an environmental implementation plan within five years of this Act coming into operation, and at intervals of not more than five years thereafter. The aim of the EMP is to assess how the Department's policies, programmes, plans and decisions are considering environmental management. This EMP, as approved by the Minister of Environment, Forestry and Fisheries, confirms that the Department follows NEMA principles through various procedures and processes that have been put in place, as well as plans to improve on these.

Health and safety

Health and safety remains a key area of concern, and one that requires consistent priority attention by all the social partners in the mining sector. The year under review was a challenging one, which saw 18 mineworkers being killed in three separate disasters over a period of three months.

However, by the end of the period under review, it was encouraging to see an improvement in health and safety, which included a 19% improvement on the overall fatalities reported year on year. There was also a 10% improvement on the number of injuries, and a 30% reduction in the number of occupational diseases reported. The long-term sustainability of mining is not only dependant on its growth, competitiveness and transformation, but also on how well its workforce is cared for and kept safe.

While seismic and gravity-induced fall-of-ground accidents remain the highest contributor to mine fatalities, the Department, in collaboration with the MHSC, CGS and the Council for Scientific and Industrial Research (CSIR), organised labour, employers, as well as industry experts in rock engineering and seismology, is paying special attention to the issue of seismicity.

In response to government's priority of education, skills development and training, with more focus on initiatives to combat seismic and gravity-induced fall-of-ground accidents, the Department, in collaboration with the Mining Qualifications Authority (MQA), has identified 40 learners (including the targeted unemployed youth and graduates) to be trained in the fields of rock engineering and seismology.

The mining sector has set itself the goal of zero harm by 2020. This implies that, after 2020, there should be no fatalities in the sector. This requires a significant step up in our efforts. It is in all our interests to ensure a significant and sustained improvement in the health and safety of mineworkers. As the Regulator, we will play our part in monitoring and enforcing compliance with the law and urge our social partners to play their part to realise the overarching objective of ensuring that every mineworker returns home unharmed, every single day.

Overview of the Department's financial results

The primary sources of departmental revenue are fees charged for prospecting, licensing, environmental applications and the marking of exam papers, and fines and penalties on environmental authorisations, mining activities and appeals lost. The departmental revenue for the 2018/19 financial year was estimated at R40.3 million, with prospecting fees and environmental application fees representing 66.9% and 20.6% respectively. Collection up to the period ending 31 March 2019 was R33.7 million, which was R7 million below the projected revenue of R40.3 million, mainly due to a decrease in the collection of prospecting fees classified under rent on land, and under collection of license fees and environment applications, due to the temporary closure of the Mpumalanga Regional Office.

Overview of the financial results of the Department

Departmental receipts

Departmental receipts	2018/19			2017/18		
	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	2	1	-	1	1	-
Sale of goods and services other than capital assets	12 002	11 181	821	11 355	11 723	-368
Fines, penalties and forfeits	883	1 872	-989	859	1 294	-435
Interest, dividends and rent on land	27 038	18 752	8 286	25 580	23 575	2 005
Financial transactions in assets and liabilities	386	1 890	-1 504	2 457	2 400	57
Total	40 311	33 696	6 614	40 252	38 993	1 259

The budget allocated per programme was utilised effectively to deliver on the Department's mandate. As reflected in the Appropriation Statement, virement amounting to R15.617 million was applied in terms of section 43(1) of the Public Finance Management Act, 1999 (Act 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 this are outlined below.

Virement applied

Virement was applied to the outlined economic classes in accordance with the following table.

Shifted from			To			Comment
Programme	Economic classification	Amount R'000	Programme	Economic classification	Amount R'000	
Administration	Compensation of Employees	-1 400	Mine Health and Safety	Compensation of Employees	1 400	To cover compensation of employees
Mine Health and Safety	Goods and Services	-745	Administration	Goods and Services	745	To cover goods and services (operating leases)
Mineral Regulations	Goods and Services	-3 968	Administration	Goods and Services	3 968	To cover goods and services (operating leases)
Mineral Policy and Promotion	Goods and Services	-9 365	Administration	Goods and Services	9 365	To cover goods and services (operating leases and computer services)
Mine Health and Safety	Machinery and Equipment	-139	Mineral Regulations	Machinery and Equipment	139	To cover shortfall on capital assets (other machinery and equipment)
Total		-15 617			15 617	

Programme expenditure

The Department obtained a clean audit in the 2018/19 financial year. This improved performance is attributed to continuous efforts by the Department to ensure sound financial management. The Department improved its control environment by ensuring sound management of financial resources. This is displayed by the clean audit and healthy expenditure management environment recorded by the Auditor-General in the 2018/19 financial year's audit. The accruals of the Department decreased from R7.8 million in 2017/18 to R3.6 million in 2018/19.

Programme	2018/2019			2017/2018		
	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
Administration	361 649	354 470	7 179	362 906	362 470	436
Mine Health and Safety	209 053	208 477	576	203 687	203 657	30
Mineral Regulation	389 277	388 775	502	370 392	370 104	288
Mineral Policy and Promotion	930 682	928 401	2 281	842 464	842 464	2010
Total	1 890 661	1 880 123	10 538	1 779 449	1 776 685	2 764

Unauthorised, fruitless and wasteful expenditure

The Department did not incur any unauthorised or fruitless and wasteful expenditure during the current reporting period. An amount of R3 086 000 has been reported under Note 31 of the annual financial statement, being a reportable figure relating to a historical contract reported during 2017/18.

Future plans of the Department

The President announced the merger of the Department of Mineral Resources and the Department of Energy, to be known as the Department of Mineral Resources and Energy (DMRE) with a single budget from 1 April 2020. The future plans of the new department will be outlined at the new department's strategic planning session. Prior to the announcement of the merger of the Department of Mineral Resources and the Department of Energy, DMR had started a process of improving its information and communication technology (ICT) systems to ensure that ICT is a strategic enabler of the Department's business. It is envisaged that this project will continue into the future, having been informed by the 2020–2025 Strategic Plan.

Public-private partnerships

The Department did not enter into any public-private partnership agreements.

Discontinued activities

The Department did not identify any activities to be discontinued.

New or proposed activities

The Department did not identify any new activities for the future.

Supply chain management

The departmental supply chain management processes that are in place are reviewed continuously and continue to deliver optimal results. This is evidenced by the payment of suppliers within six days from submission of invoices (2018/19), which is up from nine days in 2017/18, which is a standard that is way ahead of the government-wide standard of 30 days. The Department will continue to implement the reviewed procurement regulations to support small, medium and micro enterprises (SMMEs).

Gifts and donations from non-related parties

The Department did not receive any gifts or donations in kind from a non-related party during the financial year.

New or proposed activities

The Department did not seek PFMA exemptions or request to deviate from any of the PFMA's provisions or National Treasury Regulations.

Events after the reporting date

There were no reportable events (adjusting or non-adjusting) after the reporting date.

Preparation of the financial statements

The financial statements were prepared in accordance with National Treasury's prescripts and in accordance with the timeframes. The reported amounts were reconciled to the financial systems prior to submission to National Treasury. The financial statements were reviewed by the Audit and Risk Committee and approved by the Accounting Officer.

Acknowledgements or appreciation

I would like to take this opportunity to acknowledge the contribution and commitment of the staff and executive management in the attainment of the goals contained in this annual report. I also acknowledge Team DMR's efforts of continued pursuit in contributing to economic growth, the transformation of the mining sector and protecting the environment and the lives of mineworkers and affected communities. The goals were achieved despite ongoing court challenges to the legislative instruments.

Conclusion

In conclusion, I hereby submit the departmental annual report for the period ended 31 March 2019.

Approval

The annual financial statements for the 2018/19 financial year have been approved by the Accounting Officer.



Adv TS Mokoena
Director-General
Department of Mineral Resources
31 March 2019

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 (in 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 2019.

Yours faithfully

A handwritten signature in black ink, appearing to read 'T.S. Mokoena', is written over a light blue grid background.

Adv TS Mokoena
Accounting Officer
Department of Mineral Resources
31 March 2019

7. STRATEGIC OVERVIEW

7.1. Vision

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

Vision 2030

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

7.2. Mission

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

7.3. Values

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

8. LEGISLATIVE AND OTHER MANDATES

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

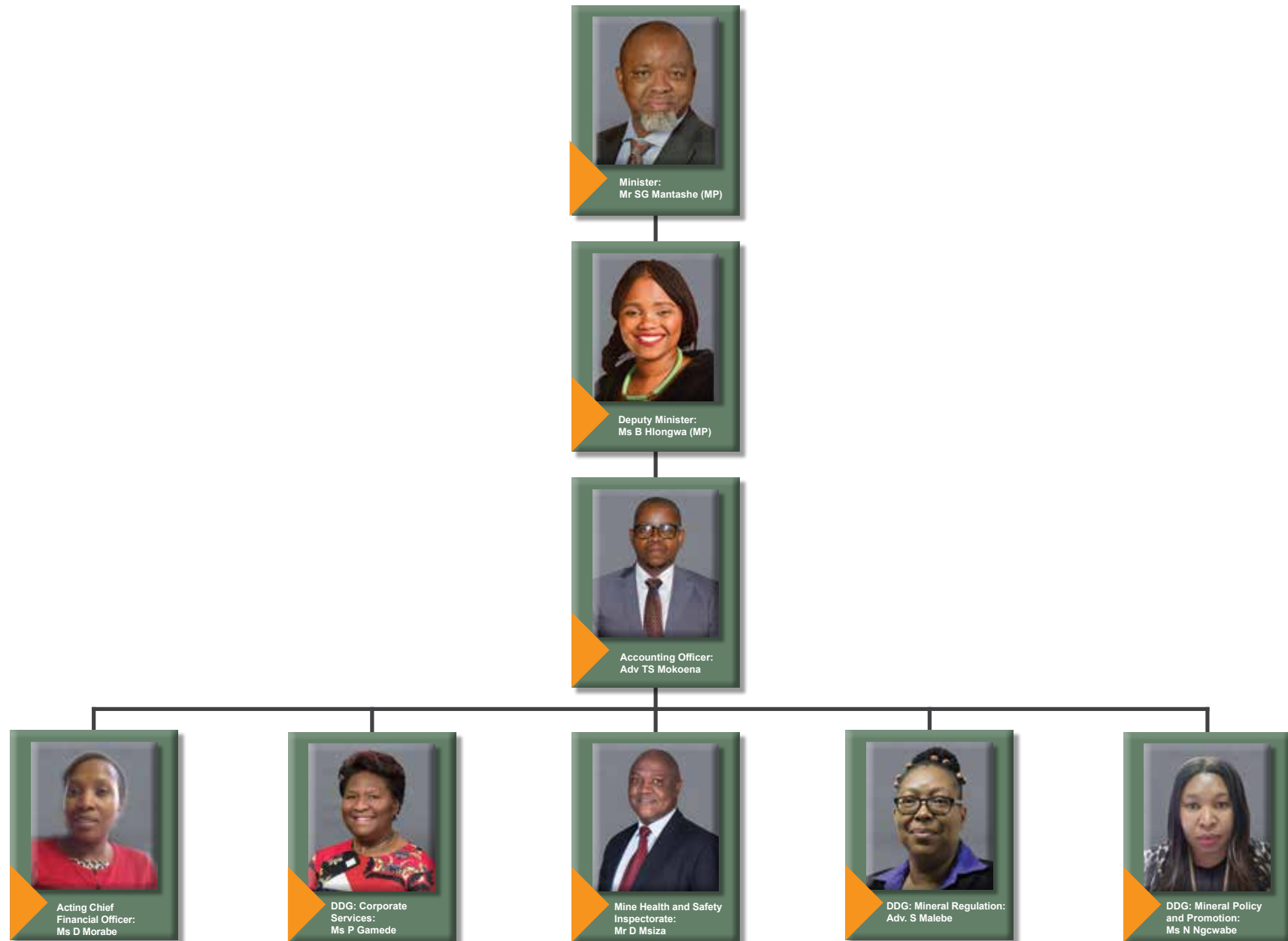
Legislative mandate

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

Policy mandate

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

9. ORGANISATIONAL STRUCTURE



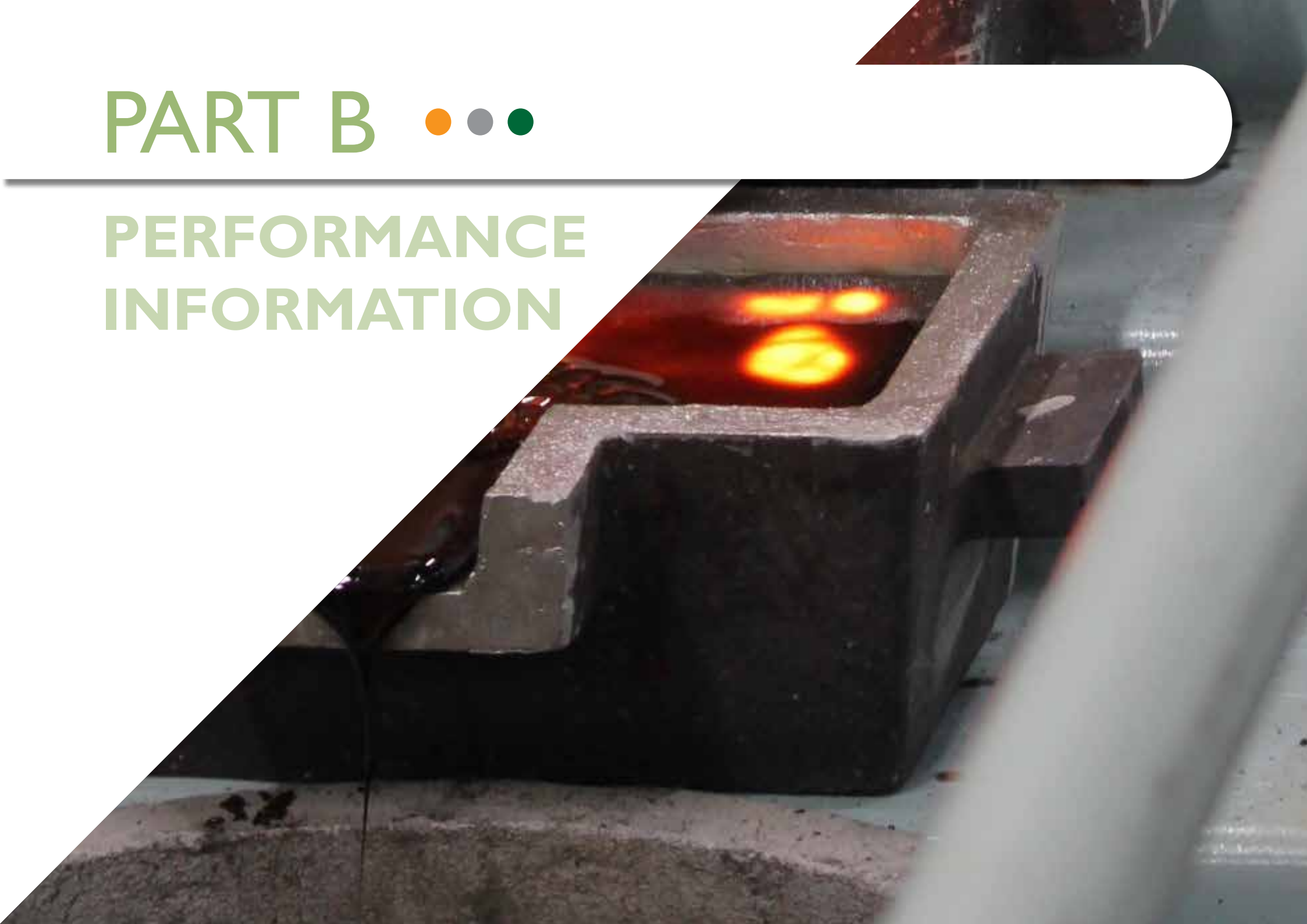
10. ENTITIES REPORTING TO THE MINISTER

The 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	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	Provides a 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	Develops and maintains the national geosciences knowledge infrastructure for both the onshore (land) and offshore (oceans) environments of South Africa.
South African 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	Regulates 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.

PART B ● ● ●

PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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 audit conclusion on the performance against predetermined objectives is included in the report to management, with material

findings being reported under the Predetermined objectives heading in the Report on other legal and regulatory requirements section of the Auditor's Report. Refer to page 96 of the Report of the Auditor-General, published in Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

2.1.1 Mine Health and Safety Inspectorate

Skills development

In response to government's priority of addressing the triple challenges of unemployment, inequality and poverty, skills development and education are crucial. It is against this background that the Mine Health and Safety Inspectorate continues with the implementation of its sustainable, integrated and comprehensively aligned human capital development strategies. These strategies are aimed at achieving sufficient and relevant skills within the Department and mining sector in general. During the period under review, the Inspectorate successfully implemented the Government Certificate of Competency model as follows:

Type of certificate	Certificates issued
Mine Engineer's Certificate (Electrical and Mechanical)	68
Mine Manager's Certificate	49
Mine Overseer's Certificate	104
Mine Surveyor's Certificate	7
Winding Engine Driver's Certificate	36

Current health and safety performance

Health and safety remain a key area of concern, and one that requires consistent priority attention by all the social partners in the mining sector. The year under review was a challenging one that saw 18 mineworkers being killed in three separate disasters over a period of three months. However, by the end of the period under review, it was encouraging to see an improvement in health and safety, which included a 19% improvement on overall fatalities reported year on year. There was also a 10% improvement in the number of injuries, as well as a 30% reduction in the number of occupational diseases reported.

In 2016, the sector saw the lowest ever number of fatalities on record, at 73. Unfortunately, there was a notable regression in 2017, with 90 fatalities, largely in the gold sector. It was therefore encouraging that, in 2018, it started to see a turnaround, with 81 fatalities reported, translating to a 10% improvement in the number of fatalities year on year.

The fatalities per commodity in 2018 were as follows: 40 in the gold sector, 12 in the platinum sector and nine in the coal sector, with the remainder of commodities accounting for 20 fatalities. These included diamond, chrome, copper and iron ore operations. The platinum sector showed a commendable decrease of 59% in the number of fatalities, from 29 in 2017.

The number of occupational diseases reported nationally has shown a decrease of 3% from 4 632 cases in 2016 to 4 483 cases in 2017. Cases of noise-induced hearing loss

increased from 966 in 2016 to 1 141 in 2017. An increase in silicosis cases was reported, from 635 in 2016 to 652 in 2017. However, a slight decrease in tuberculosis (TB) cases reported was noted, from 2 580 in 2016 to 2 247 in 2017.

The Department will continue to place great value on social partners, each playing their role and collectively working together to improve health and safety in the sector.

Stakeholder collaboration is critical. The Department, together with the MHSC, hosted the Mine Health and Safety Summit in October 2018. At this summit, robust discussions on pertinent causes of injuries, diseases and fatalities took place. Among others, critical topics for discussion included falls of ground, seismicity, noise, HIV/Aids and TB, the right to refuse dangerous work, occupational lung diseases, fires, explosions and the implementation of the Culture Transformation Framework.

The Department will continue to engage and collaborate with its social partners through the MHSC and the Regional Tripartite Forums.

In November 2018, the Inspectorate issued two directives to the South African mining industry. The first directive was issued to eliminate accidents related to fire, heat and oxygen deficiency, especially when persons gain access to abandoned or old mined-out underground areas at a mine.

The second directive was issued to eliminate accidents related to rock bursts and rock falls, specifically when pillar extraction or removal is performed at a mine. The Department will monitor and enforce compliance through inspections and audits to ensure the implementation of these directives.

As the Regulator, DMR will play its part in monitoring and enforcing compliance with the law and urge its social partners to play their part to realise the overarching objective of ensuring that every mineworker returns home unharmed, every single day.

2.1.2 Minerals Policy and Promotion

The Minerals Policy and Promotion Branch was able to achieve most of its targets. With regard to information dissemination, it exceeded its target of 17 publication by two. This is because the branch proactively scanned the investment environment and development in mineral commodities to compile timely research reports.

The Branch also participated in various opportune mining investment events to continue attracting investment into the mining industry of South Africa, where information and the message that South Africa is open for business continue to be disseminated. It was due to such services that the industry saw an increase in the number of investments coming to South Africa, valued at about R60 billion.

2.1.3 Mineral Regulation

The Mineral Regulation Branch completed its five-year programme during the 2018/19 financial year. During the year, most of the Branch's objectives were achieved, with the exception of the completion of a number of Social and Labour Plan (SLP) development projects.

This was due to resources being directed to the Mpumalanga Regional Office to assist in clearing the backlog, the number of jobs created through mining due to retrenchments across the mining industry, the number of approved SLPs published due to the finalisation of Mining Charter III during the last quarter of the financial year and complaints received versus inspected due to the backlog as most of the complaints that were inspected were from previous quarters.

During the year, the Branch identified the need to revise its organisational structure to improve service delivery by converting the Directorate: Licensing and Legal Compliance into the Directorate: Mine Community and Stakeholder Engagement. This was to ensure that engagements between the Department, communities, mining companies and stakeholders were enhanced to achieve stability within the Industry.

2.2 Service Delivery Improvement Plan

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Publishing of the South African Mining Industry (SAMI) as part of investment promotion	<ul style="list-style-type: none"> Investors Mining industry Institutions of higher learning 	Annual publication in March	Annual publication in November/December	<ul style="list-style-type: none"> Published by end of March Beneficiaries' list continues to increase Published annually in March Intention to publish in November
Government Competency Certificate	<ul style="list-style-type: none"> DMR MQA Mining industry Mining professionals 	Issuing certificates of competency to qualifying candidates	Candidates issued with certificates after meeting qualifying requirements	<ul style="list-style-type: none"> Examination results published in May and October for the Mine Manager's Certificate of Competency (MMCC) and the Mine Surveyor's Certificate of Competency (MSCC) Examination results published in June and November for engineers

Batho Pele arrangements with beneficiaries

Current/actual arrangements	Desired arrangements	Actual achievements
Publishing the South African Mining Industry as part of investment promotion		
Quality	Compliance with the requirements of the National Library of South Africa for an International Standard Book Number (ISBN), as well as the Statistics Act.	Compliance with the requirements of the National Library of South Africa for an ISBN, and adequately researched information, using statistical information compliant with the Statistics Act.
Consultation	Any communication with users of SAMI is communicated through the Department's website. SAMI contains a telephone number that users can call to communicate with the Department regarding SAMI.	A consultation platform is provided by publishing the Department's website address, telephone and fax numbers to allow for feedback and inputs.
Courtesy	The information contained in SAMI provides users with the current and past performance of the minerals and metals sector to inform their investment decision where applicable. While the greatest care has been taken in the compilation of SAMI, the Directorate: Mineral Economics does not hold itself responsible for any errors and omissions.	The information contained in SAMI is adequately researched, and quality edited by professionals before approval. Other publications produced by the Department are listed for users to subscribe to, using the prescribed form at the end of SAMI. While there is a disclaimer for omissions and errors, there has been no negative feedback.
Access	SAMI is distributed to the list of users of the publication included in the database. SAMI is also posted on the Department's website after it has been printed and published. It is available in hard copy and electronically on CD for any users of the document at DMR.	Achieved through formal and systematised distribution. However, there are more distribution platforms, such as giving the publication to one-on-one clients who meet with managers and also sending a few copies to South African embassies abroad, as well as other countries' embassies in South Africa.
Information	The information contained in the publication is collected from different mineral resources companies, mines and other institutions that hold such information. The information is reviewed, edited and approved by qualified staff members, which results in the final information being accurate and reliable. While the greatest care has been taken in the compilation of SAMI, the Directorate: Mineral Economics does not hold itself responsible for any errors or omissions.	The information is adequately researched from a huge pool of subscriptions, research material and other professional and reliable sources, and is quality edited by professionals before approval by the Director: Mineral Economics.

Current/actual arrangements	Desired arrangements	Actual achievements
Openness and transparency	The information contained in <i>SAMI</i> is a true reflection of the past performance of the South African mineral industry and the performance of the global mineral industry. Contact details of the Department are included in <i>SAMI</i> for public use if further clarity is required on the information contained in the publication.	Achieved and the information is for national and international public consumption and use.
Redress	The Minister of Mineral Resources and Energy may withdraw or amend any information contained in <i>SAMI</i> if the amendment or withdrawal is necessary or will result in accurate and reliable information being presented.	The Minister reserves the right to withdraw the publication.
Value for money	<i>SAMI</i> contains valuable information regarding the performance of the global minerals and metals industry, including South Africa. It also provides market trends of the minerals and metals sector. The information contained in <i>SAMI</i> gives users insights into the country's mineral sector and trends that can be used to make investment decisions.	The information provides true value for money.
Government Competency Certificate		
Consultation	Information relating to the Government Certificate of Competency (GCC) is available on the Department's website.	Examination information is available on the Department's website, via email, telephone and to walk-ins by the secretaries of the respective commissions.
Courtesy	Candidates are notified of acceptance or rejection of their applications primarily via mail. If the application has been rejected, the reasons for non-acceptance are stated on the rejection letter. Complaints from candidates are mainly received via email and are attended to speedily.	Each applying candidate receives the outcome of the application and areas for attention, if application, if unsuccessful. Candidates can engage in further correspondence for clarity, where necessary.
Access	All the information relating to the GCC is available on the Department's website.	Candidates can obtain the relevant examination information on the Department's website. Secretaries are available for consultation, where necessary.
Information	Information about the programme is made available on the Department's website, with the contact details of the relevant officials.	Information on the Department's website directs candidates to the relevant officials. A list with contact details of officials involved with the examination is available for perusal and use.
Openness and transparency	The results of all candidates are made available. Candidates are at liberty to apply for a remark. Appeals on the remark outcomes are explained to their supervisors with proof of the examination paper written by the candidate.	All examination results are made available, ensuring respect for privacy. Candidates can apply for a remark when they are dissatisfied with the outcome of examination.
Redress	The remark is performed upon receiving the request for a remark from the candidate. The candidate may appeal to the Chief Inspector of Mines for leniency on any requirement relating to the GCC.	Candidates who had applied for a remark can appeal if they are not happy with the subsequent remark outcome.
Value for money	After candidate have obtained the GCC, they will have the knowledge that will assist them to perform their duties effectively and efficiently and they will earn more money for their own account.	A knowledgeable candidate will have better life prospects (socially, economically, etc.). The mining industry will benefit with competent individuals who will contribute to ensuring that mining takes place under healthy and safe conditions.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Publishing SAMI as part of investment promotion	SAMI can be used as a critical part of investment attraction and decision making by investors.	SAMI continues to be one of the key tools in investment promotion and remains a key component of investment tools.
Government Competency Certificate	Examination results can be used as a measure of the supply and demand of competent individuals in the mining and minerals sector.	Reduction of accidents and fatalities through the employment of competent individuals. Mining that takes place under healthy and safe conditions.

Complaints mechanism

Current/actual information tools	Desired information tools	Actual achievements
Publishing SAMI as part of investment promotion	Publication indicates that complaints must be directed to a responsible official (Director: Mineral Economics) with a telephone number, fax number and the Department's website that contains up-to-date key contact numbers.	Mechanism in place and functional. The next SAMI will be revised to include: <ul style="list-style-type: none"> • Official responsible • Contact numbers of official (including contact numbers of the Office of the Director-General) • Email address • Website address
Government Competency Certificate	Complaints that are in writing are directed to the supervisors of the unit.	Manager attends to complaints with assistance from affected officials. A candidate who is still unhappy is directed to lay a complaint with the Senior Management of the Branch.

2.3 Organisational environment

During the 2018/19 financial year, an assessment was done to determine the projected annual cost of filled posts in each financial year over the Medium-term Expenditure Framework (MTEF) and the cost of vacant posts to be filled. The outcome of this assessment confirmed that not all posts could be funded from the available budget. The Department therefore embarked on a process of identifying critical vacant posts through inputs from programme managers. However, not all posts could be catered for as it would have resulted in a deficit. Management then took a decision to only honour those critical posts that negatively affected compliance with laws and regulations, and abolished the remaining posts from the Government Employee Salary System (PERSAL).

The latter resulted in a decline in the vacancy rate to below 10% for the 2018/19 financial year, but impacted negatively on the morale of employees who shouldered the additional workload for the Department to achieve its strategic outcomes.

Although it is foreseen that funding will always remain a challenge, positive contributions were made during the 2018/19 financial year with regard to business process mapping. Business process mapping will lay the foundation for automation and system integration, which is essential to enhance service delivery and alleviate some of the workload

2.4 Key policy developments and legislative changes

The service delivery environment has been impacted on by prominent ongoing litigation that continues to have an impact on the Department's ability to deliver on its transformative objectives. The regulatory status of the Mining Charter, intended as a tool for the transformation of the mining sector, is continuously being challenged in our courts. The Department and the Minerals Council of South Africa, formerly known as the Chamber of Mines, remain litigants in the ongoing legal dispute on the ownership targets contained in the Mining Charter and its enforceability. Apart from delaying the pace of transformation, the unresolved litigation contributes to the perception of legal uncertainty within the sector, which impacts negatively on the investment climate in South Africa.

The Broad-based Socioeconomic Empowerment Charter for the South African Mining and Minerals Industry (the Mining Charter 2018) was gazetted for implementation on 27 September 2018. The Mining Charter 2018 is the culmination of seven months of intensive engagements with stakeholders in the industry, which includes mining companies, investors, mining communities, labour, financial institutions, the legal fraternity and – ultimately – Cabinet. A variety of views, inputs and submissions were carefully considered. Therefore, the Charter represents consensus among stakeholders with which the Department has been involved in this process.

The Charter is an important contributory element in efforts aimed at stimulating the economy. It aims to create regulatory certainty, sustainable growth and a competitive and transformed mining industry. It is important to South Africa realising its long-term objectives of eliminating poverty, reducing inequality and creating jobs.

The Mining Charter Implementation Guidelines

The Mining Charter Implementation Guidelines of 2019 were gazetted for implementation in December 2018 to assist in compliance with the requirements of the Mining Charter. The Implementation Guidelines outline processes, procedures, forms and templates to be used by mining rights holders in the implementation of the Mining Charter 2018. The Implementation Guidelines were the result of extensive consultations with industry stakeholders. The Department also engaged in advocacy sessions with the implementers to popularise the gazetted Charter and Implementation Guidelines.

Withdrawal of the Mineral and Petroleum Resources Development Amendment Bill, 2013

The Mineral and Petroleum Resources Development Amendment Bill of 2013 sought to amend the Mineral and Petroleum Resources Development Act of 2002. The objects of the Bill were, among others, to provide for improved regulation of SLPs, enhanced sanctions, state participation in upstream petroleum resources, and mineral beneficiation. In 2018, the Minister announced that the Bill would be withdrawn from the Parliamentary processes. The withdrawal was informed by the fact that, although the Bill had been in this process since 2013, there was not sufficient time to finalise it before the dissolution of the fifth Parliament. The Principal Act continues to apply to create regulatory certainty.

The adoption of the Mining Charter is the achievement of another milestone in the implementation of the Minerals Beneficiation Strategy. In accordance with the recommendations of the Strategy, the procurement element of the Mining Charter has been strengthened to require the procurement of locally manufactured mining goods. This intervention will not only act as a demand driver for finished mining inputs, but also for intermediate goods – some of which will come from beneficiated minerals such as steel due to the local content requirement.

3. STRATEGIC OUTCOME-ORIENTED GOALS

Outcome 4: Decent employment through inclusive growth

During the year under review, the Department has facilitated the creation of 3 286 jobs through SLP development projects. As part of the licensing regime, the Department has continued to grant licenses to mining companies. This will contribute to socioeconomic development within the country.

A total of 107 local economic development (LED) projects were completed in the period under review. A few of these projects are listed below:

Province	Company	Projects	Category	Investment amount
Northern Cape	Assmang Limited	McGiver Enterprise Project in Khathu	Economic/business	R4 million
Mpumalanga	Seriti Mining (Pty) Ltd	Refuse trucks donated to Lekwa Local Municipality	Environment	R5 million
Limpopo	Sishen Iron Ore	Business hub in Thabazimbi	Economic/business	R1.5 million
Gauteng	Anglogold Ashanti Ltd	Wedela Agricultural project in Cartlonville	Agriculture	R6.9 million
Free State	Coppersunset (Pty) Ltd	Construction of Early Childhood Development Centre in Denysville	Education	R2.8 million

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

The Department contributes to environmental sustainability through the rehabilitation of derelict and ownerless mines. During the previous MTEF period, 208 mine sites were rehabilitated, with 20 shafts being closed off in 2018/19. The rehabilitation programme of derelict and ownerless mines creates temporary jobs for the affected nearby communities. In the last MTEF period, 768 work opportunities were created through partnerships with the Expanded Public Works Programme (EPWP) of the Department of Public Works.

Through Operation Phakisa, government is working on balancing conservation and the exploitation of marine mineral resources to grow the ocean economy in a sustainable manner. Furthermore, government will ensure that marine mining will be undertaken in an environmentally sustainable manner.

Government is also committed to ensuring that matters related to acid mine drainage are addressed and managed. To continue to grow the mining industry, the principle of sustainable development should be considered and implemented.

The Department issued 169 closure certificates during this financial year, where rehabilitation of the environment was completed according to the standards set out in NEMA and according to the approved environmental authorisations. In cases where non-compliance was identified, section 93 orders were issued. Due to the Department's zero-tolerance attitude towards non-compliance, those who were found to have transgressed were and are being dealt with in the appropriate manner.

4. PERFORMANCE INFORMATION BY PROGRAMME

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.

Sub-programmes

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.

Strategic objectives

- Contribution to skills development
- Sustainable development of vulnerable groups
- Communication of DMR programmes with internal and external stakeholders
- Provision of adequate facilities for effective service delivery
- Development, review and improvement of internal processes and procedures
- Provision of professional legal support and advisory services to the Ministry
- Improvement of turnaround times
- Ensuring the implementation of national strategies
- Compliance with legislation
- Attraction, development and retention of skills
- Promotion of corporate governance

Strategic objectives, performance indicators, planned targets and actual achievements

The Directorate: Auxiliary Services achieved 100% of its commitments for the 2018/19 financial year in line with the Strategic Plan. During this financial year, the Directorate further developed the departmental Facilities Management Strategy, which was approved. The Directorate successfully relocated the Northern Cape (Kimberley)

Regional Office. The Directorate significantly improved on the audit findings of the previous financial years.

The Chief Directorate: Communications successfully conducted communication and marketing campaigns on the reviewed Mining Charter.

Although there has been a constant increase in legal appeals and litigation, the Directorate: Legal Services is striving to improve on its turnaround time with regard to the finalisation of appeals. Despite the lack of capacity, both within the Chief Directorate and the Office of the State Attorney, litigation is managed adequately to safeguard the interests of the Department.

The Corporate Services Branch has further reviewed and improved internal processes and procedures. A total of 19 departmental processes were improved or re-engineered, allowing for optimal performance and ensuring that such processes are understood and consistently followed and applied. The improvement of business processes maximises process efficiency, thereby ensuring higher productivity and output.

The continuous screening of prospective candidates and vetting of employees gave rise to a workforce with integrity. The benefits were not only the acquisition of a skilled workforce, but also candidates who can deliver the mandate of the Department with integrity.

Procuring services from service providers involved in illicit activities will damage the image of the Department, which may result in business and the public losing confidence in it. The screening of service providers minimises the risk of reputational damage against the Department.

All departmental senior managers adhered to the call to disclose their financial interests for the previous financial year, as required by the Public Service Regulations. This contributes positively to the ethics of the Department.

PROGRAMME 1: ADMINISTRATION

Branch: Corporate Services										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Stakeholders	1. Contribute to skills development	1. Number of mining career awareness initiatives – Human Resource Development	19	21	20	9	11	11	-	
		2. Number of mining career awareness initiatives – Special Projects	-	-	-	10	11	13	2	Over-achievement is due to stakeholders' special requests to cover additional areas.
		3. Number of bursaries acquired, and recipients identified to study towards mining-related qualifications	23	21	25	45	40	67	27	Over-achievement is due to the additional allocation of bursaries by the MQA.
	2. Sustainably develop vulnerable groups	4. Number of identified projects facilitated for vulnerable groups (cumulative)	6	7	7	7	6	6	-	
	3. Communicate DMR programmes with internal and external stakeholders	5. Percentage implementation of the Internal Communications Strategy	N/A	N/A	N/A	100%	100%	100%	0%	
	4. Provide adequate facilities for effective service delivery	6. Percentage of facilities aligned with business needs	94%	95%	95%	95%	95%	95%	0%	
		7. Percentage implementation of Facilities Management Strategy	N/A	N/A	N/A	N/A	100%	100%	0%	
	5. Develop, review and improve internal processes, guidelines and procedures	8. Number of standard operating procedures developed	N/A	N/A	N/A	19	15	20	5	Over-achievement is due to a need to streamline unplanned processes within the Auxiliary Support Services Unit.
		9. Number of policies or guidelines developed and/or reviewed	10	6	5	14	9	9	-	

Branch: Corporate Services										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Internal Processes	5. Develop, review and improve internal processes, guidelines and procedures	10. Number of improved or re-engineered processes	15	17	17	19	15	19	4	Over-achievement is due to a need to streamline unplanned processes within the Auxiliary Support Services Unit.
	6 Provide professional legal support and advisory service to the Ministry and Department	11. Percentage of timeous response to opinions, appeals, enquiries, agreements and litigations	84%	86%	83%	81%	80%	87%	7%	Over-achievement is due to an improved turnaround time in the processing of Promotion of Access to Information Act (PAIA) requests.
	7. Ensure implementation of national strategies	12. Number of vetting files completed and submitted to State Security Agency	120	120	120	100	100	100	-	
	8. Ensure compliance with legislation (Human Resources and Occupational Health and Safety)	13. Percentage of pre-employment screening requests processed	100%	100%	100%	100%	100%	100%	0%	
		14. Number of actions implemented to ensure submission of financial disclosures	N/A	N/A	5	5	5	5	-	

Branch: Corporate Services										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Internal Processes	8. Ensure compliance with legislation (Human Resources and Occupational Health and Safety)	15. Percentage Human Resource Development (HRD) Plan/ Workplace Skills Plan (WPS) submitted to Department of Public Service and Administration (DPSA), Public Sector Education and Training Authority (PSETA) and MQA within the prescribed time frames	100%	100%	100%	100%	100%	100%	0%	
		16. Number of actions implemented to ensure submission of performance agreements	N/A	N/A	4	4	4	4	-	
		17. Maintain the vacancy rate at an acceptable level (10%)	14%	14%	6.40%	10.29%	10%	8%	-2%	The Department continues to fill funded vacancies to ensure that the vacancy rate is below the recommended threshold of 10% at any given time.
		18. Percentage of service providers' and contractors' screening requests processed	100%	100%	100%	100%	100%	100%	0%	
		19. Number of gender equality strategic plans implemented	N/A	9	10	8	8	8	-	
		20. Number of health, safety and wellness programmes implemented	20	8	8	8	8	8	-	
		10. Improve turnaround times	21. Percentage adherence to defined turnaround times	100%	100%	100%	100%	100%	100%	0%
	22. Percentage adherence to service level agreements	100%	100%	100%	100%	100%	100%	0%		
Culture, systems and people	11. Attract, develop and retain skills	23. Number of HRD initiatives aligned to National Skills Development Strategy (NSDS) goals implemented	14	17	18	17	17	17	-	

Branch: Corporate Services										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Financial Stewardship	12. Promote corporate governance	24. Percentage of fully implemented, agreed-upon management action plans (Internal Audit)	100%	100%	100%	100%	100%	100%	0%	
		25. Percentage of fully implemented, agreed-upon management action plans (External Audit)	100%	67%	100%	50%	100%	100%	0%	
		26. Percentage adherence to compliance framework	100%	100%	100%	100%	100%	100%	0%	
		27. Percentage implementation of risk management plans	97%	89%	94%	78%	100%	93%	-7%	Partially achieved, due to the inability to identify a service provider to provide training to the local moderating committee.

Strategy to overcome areas of underperformance

One of the key challenges is dependency on external stakeholders such as landlords and the Department of Public Works and Infrastructure in the process of procuring, leasing or maintaining office accommodation.

Of concern is the constant increase in legal appeals and litigation, which is difficult to manage given the limited capacity in the Department. It is, however, anticipated that the findings of a Ministerial Task Team on administrative practices in regional offices will identify and make recommendations to address the root causes of unnecessary appeals and litigation.

Sub-programme expenditure

Sub-programme	2018/2019			2017/2018		
	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	32 473	31 568	905	34 437	34 437	-
Corporate Services	190 471	187 276	3 195	181 999	181 823	176
Departmental Management	18 111	17 975	136	15 541	15 541	-
Financial Administration	90 062	88 982	1 080	97 901	97 641	260
Internal Audit	12 685	10 822	1 863	10 114	10 114	-
Office Accommodation	17 847	17 847	-	22 914	22 914	-
Total	361 649	354 470	7 179	362 906	362 470	436

4.2 Programme 1.1: Financial Administration

Purpose

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

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

- Provision of efficient services to internal and external stakeholders
- Implementation of processes and systems
- Management of financial resources
- Promotion of corporate governance

Strategic objectives, performance indicators, planned targets and actual achievements

The Branch provided efficient and effective services to internal and external customers in that the financial reports were delivered on time for financial decision making and suppliers were paid within 30 days, thus contributing towards the developmental policies of supporting small business enterprises.

The implementation of the System Master Plan will ensure that the information technology environment becomes a strategic enabler of business through the automation of business processes. The Branch ensured sound management of financial resources as the budget planning activities were integrated throughout the financial year, the asset management plan was successfully implemented and only 0.6% of the allocated budget was surrendered to National Treasury.

Although irregular expenditure is recorded for the 2018/19 financial year, there was no new incident of irregular expenditure recorded for the period under review, as the recorded amount pertains to a historical incident that took place in the 2014/15 financial year.

Branch: Financial Administration										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Customers/ Stakeholders	1. Provide efficient services to internal and external customers	1. Percentage system availability	99%	99%	99%	99%	95%	95%	0.0%	
		2. Percentage achievement of service level agreement	98%	86%	97%	93%	95%	94%	-1%	The reason for partial achievement is due to limited human resources within helpdesk
		3. Customer Satisfaction Index (1–5)	3.40	3.20	2.07	2.38	3	2.68	0.32	The lack of resources at helpdesk contributed to negative customer satisfaction rating
		4. Percentage of financial reports delivered on schedule	100%	100%	100%	100%	100%	100%	0%	
		5. Percentage of suppliers paid within 30 days	99.57%	92.50%	100.00%	99.12%	100%	100%	0%	
	2. Implement processes and systems	6. Percentage implementation of the Master Systems Plan (MSP)	100%	100%	100%	100%	100%	100%	0%	
Financial	3. Manage financial resources	7. Percentage implementation of asset management plan	N/A	N/A	100%	N/A	100%	100%	0%	
		8. Percentage variance on allocated budget	0.02%	0.00%	0.50%	0.20%	2%	0.50%	1.5%	
		9. Percentage implementation of the integrated budget plan	N/A	N/A	N/A	100%	100%	100%	0%	

Branch: Financial Administration										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Financial	3. Manage financial resources	10. Number of incidents of irregular expenditure	1	0	0	1	0	0	-	
	4. Promote corporate governance	11. Percentage of fully implemented, agreed-upon management action plans (Internal Audit)	100%	100%	100%	100%	100%	100%	0%	
		12. Percentage of fully implemented, agreed-upon management action plans (External Audit)	100%	100%	100%	100%	100%	100%	0%	
		13. Percentage adherence to compliance framework	100%	100%	100%	100%	100%	100%	0%	
		14. Percentage implementation of risk management plans	100%	100%	100%	100%	100%	100%	0%	
		15. Percentage implementation of ICT governance initiatives	N/A	N/A	100%	100%	100%	100%	0%	

Strategy to overcome areas of under-performance

The Branch fell short on improving turnaround times on the service level agreements and achieving on the customer satisfaction survey. This under-achievement is attributed to a staff shortage at the ICT service helpdesk. The Branch will appoint interns in the interim, while planning for a permanent solution to capacitate the unit.

Sub-programme expenditure

Sub-programme	2018/2019			2017/2018		
	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	32 473	31 568	905	34 437	34 437	-
Corporate Services	190 471	187 276	3 195	181 999	181 823	176
Departmental Management	18 111	17 975	136	15 541	15 541	-
Financial Administration	90 062	88 982	1 080	97 901	97 641	260
Internal Audit	12 685	10 822	1 863	10 114	10 114	-
Office Accommodation	17 847	17 847	-	22 914	22 914	-
Total	361 649	354 470	7 179	362 906	362 470	436

4.3 Programme 2: Mine Health and Safety

Purpose

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

Sub-programmes

Mine Health and Safety (Regions), and Governance Policy and Oversight.

Strategic objectives

- Promotion of health and safety
- Contribution to skills development
- Implementation of service level agreements (SLAs)
- Development and review of internal processes
- Improvement of turnaround time
- Promotion of corporate governance

Strategic objectives, performance indicators, planned targets and actual achievements

The Branch's significant achievements and contribution to the strategic outcomes-orientated goals of government during the period under review include a 30% reduction in the number of occupational diseases reported by the mining sector, a 19% reduction in the number of fatalities, a 10% reduction in the number of injuries, covering 99% of investigations completed, and 100% adherence to the prescribed timeframes for Chief Inspector of Mines (CIOM) appeals. Furthermore, the Department has contributed to skills development by issuing 264 GCCs.

Branch: Mine, Health and Safety Inspectorate										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/ over-achievement
			2014/15	2015/16	2016/17	2017/18				
Stakeholders	1. Promote health and safety (mine health and safety, and environmental management)	1. Percentage reduction in occupational fatalities	26%	11%	3%	1%	20%	19%	-1%	The reason for the under-achievement is due to increases in fall-of-ground accidents, fires and heat-related accidents (i.e. mine disasters).
		2. Number of compliance reports provided	N/A	N/A	N/A	N/A	4	4	0	
		3. Percentage reduction in occupational injuries	14%	13%	6%	13%	20%	10%	-10%	The reason for the under-achievement is due to increases in fall-of-ground accidents, fires and heat-related accidents (i.e. mine disasters).
		4. Percentage reduction in occupational diseases (including TB)	3%	1%	25%	13%	10%	30%	20%	Over-achievement is due to the positive impact of tripartite workshops, inspections, audits and awareness campaigns held to combat occupational diseases.
		5. Percentage of investigations initiated vs completed	90%	85%	85%	98%	80%	99%	19%	Over-achievement was mainly as a result of increased availability of witnesses

Branch: Mine, Health and Safety Inspectorate										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/ over-achievement
			2014/15	2015/16	2016/17	2017/18				
Stakeholders	1. Promote health and safety (mine health and safety, and environmental management)	6. Percentage of inquiries initiated vs completed	67%	100%	78%	84%	80%	68%	-12%	Non-achievement was as a result of increased fatalities.
		7. Number of inspections conducted	8 555	7 539	9 363	9 425	8 000	8 567	539	Over-achievement was due to the extra inspections that were conducted in an attempt to reduce accidents.
		8. Number of audits conducted (cumulative), individual audits included	523	466	506	527	396	475	79	Over-achievement was due to the extra inspections that were conducted in an attempt to reduce accidents.
		9. Mining and Health Safety Annual Report submitted	1	1	1	1	1	1	-	
		10. Number of tripartite workshops conducted	62	71	67	76	60	79	19	Over-achievement was due to the positive impact of tripartite workshops, inspections, audits and awareness campaigns held to combat occupational diseases.
	2. Contribute to skills development	11. Percentage adherence to GCC exams policy	100%	100%	100%	100%	100%	100%	0%	
Efficient, effective and development-orientated department (internal processes)	3. Implement SLAs	12. Percentage adherence to SLAs	100%	100%	100%	100%	100%	100%	0%	
	4. Develop and review internal processes	13. Percentage of identified internal processes developed and/or reviewed	100%	100%	100%	100%	100%	100%	0%	
	5. Improve turnaround times	14. Percentage adherence to prescribed timeframes for medical appeals	127%	95%	81%	80%	80%	87%	7%	Over-achievement was due to all the required documents and the specialists not being available to medically assess the appellants.
		15. Percentage adherence to prescribed timeframes for CIOM appeals	100%	100%	100%	100%	100%	100%	0%	
		16. Percentage adherence to prescribed timeframes for MPRDA applications	103%	100%	72%	99.87%	100%	98%	-2%	Partial achievement was due to applicants not being available to conduct site inspections.
		17. Percentage adherence to prescribed timeframes for administrative tasks	88%	98%	80%	91%	80%	88%	8%	Over-achievement was due to improved monitoring of administrative tasks.
6. Promote corporate governance	18. Percentage of fully implemented, agreed-upon management action plans (Internal Audit)	100%	100%	55%	100%	100%	100%	0%		

Branch: Mine, Health and Safety Inspectorate										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/ over-achievement
			2014/15	2015/16	2016/17	2017/18				
Efficient, effective and development-orientated department (internal processes)	6. Promote corporate governance	19. Percentage of fully implemented, agreed-upon management action plans (External Audit)	100%	100%	100%	100%	100%	100%	0%	
		20. Percentage adherence to compliance framework	100%	100%	100%	100%	100%	100%	0%	
		21. Percentage implementation of risk management plans	100%	100%	75%	100%	100%	100%	0%	

Strategy to overcome areas of underperformance

Stakeholder collaboration is critical in addressing all the above areas of underperformance, hence the Mine Health and Safety Inspectorate (MHSI), in collaboration with all key stakeholders in mining, hosted the Mine Health and Safety Summit in October 2018. Again, in November 2018, the MHSI issued two directives to all mines. The first directive was to eliminate fire, heat and oxygen deficiency-related accidents, especially when persons gain access to abandoned or old, mined-out areas underground at a mine. The second directive was to eliminate rock-burst and rockfall-related accidents, specifically with pillar extraction. Furthermore, workshops with the health and safety representatives to train and coach them in exercising their rights and powers, as stipulated in the Mine Health and Safety Act, will continue.

Sub-programme expenditure

Sub-programme	2018/2019			2017/2018		
	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	47 581	47 079	502	45 027	45 013	14
Mine Health and Safety Regions	156 669	156 595	74	152 498	152 482	16
Mine Health and Safety Council	4 803	4 803	-	6 162	6 162	-
Total	209 053	208 477	576	203 687	203 657	30

4.4 Programme 3: Mineral Regulation

Purpose

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

Sub-programmes

Mineral Regulation and Administration, and Management Mineral Regulation.

Strategic objectives

- Job creation
- Promotion of sustainable resources use and management
- Reduction of state environment liability and financial risk
- Implementation of transformation policies/legislation
- Improvement of turnaround time
- Monitoring and enforcement of compliance
- Promotion of corporate governance

Strategic objectives, performance indicators, planned targets and actual achievements

Job creation

In terms of section 11 of the MPRDA, the Department granted the cession of Exxaro's mining right for its Arnot coal mine to Arnot Opco, which will benefit its former employees who had been retrenched following the expiry of the coal supply agreement with Eskom. This transaction ensures that 50% shareholding will be held by Exxaro in Arnot coal mine to former Arnot Coal employees.

Monitoring and enforcement of compliance

Efforts to eradicate the illegal mining of chrome and Platinum Group Metals (PGMs) are continuing with law enforcement agencies and other relevant stakeholders. The Department views this in a very serious light as this leads to environmental degradation and loss of revenue for the country's fiscus.

A fine has also been issued in terms of section 24(G) of NEMA to a rights holder for non-compliance. The said company was found to have commenced with listed activities without an authorised environmental authorisation, and was duly fined a sum of R1.25 million.

PROGRAMME 3: MINERAL REGULATION

Branch: Mineral Regulation										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Stakeholders	1. Promote job creation	1. Number of SLP development projects completed	133	120	162	106	120	107	-13	Partial achievement was due to the office closure in Mpumalanga. Inspections in some of the regional offices were not conducted as resources were directed to assist in resolving the Mpumalanga backlog. Inspections have been deferred to Quarter 1 of 2019/20.
		2. Percentage of approved SLPs published	0%	0%	0%	0%	100%	0%	-100%	Non-achievement was due to delays in finalising Mining Charter III modalities on how mining companies should comply with the publications.
		3. Number of black industrialists created through procurement	N/A	5	5	10	10	10	-	
		4. Number of jobs created through mining	5 338	6 528	5 740	5 372	7 000	3 826	-3 174	Non-achievement was as a result of prevailing economic conditions. The Department will continue to engage with the mining industry on the job saving declaration signed with all relevant stakeholders.
	2. Promote sustainable resource use and management	5. Percentage of evaluated work programmes relative to rights issued considering the elements of sustainable development	100%	100%	N/A	100%	100%	100%	0%	
	3. Reduce state environmental liability and financial risk	6. Percentage of cases opened	N/A	N/A	N/A	100%	100%	100%	0%	
		7. Percentage of statutory notices/directives issued	N/A	N/A	N/A	33%	100%	90%	-10%	Over-achievement was due to the extra inspections that were conducted in an attempt to reduce accidents.
		8. Percentage of administrative fines issued	N/A	N/A	N/A	0%	100%	100%	0%	
		9. Percentage of complaints closed vs received	N/A	N/A	N/A	25%	100%	37%	-63%	Not achieved due to the Chief Directorate receiving more complaints, and as some complaints were carried over from the previous years. The Chief Directorate: Enforcement will speed up investigations of complaints received within 30-day time frame.

Branch: Mineral Regulation										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Stakeholders	3. Reduce state environmental liability and financial risk	10. Percentage of statutory notices/orders issued to remedy inadequate financial provision	100%	100%	100%	100%	100%	100%	0%	
		11. Percentage of statutory notices/orders issued to remedy environmental non-compliance	N/A	N/A	100%	100%	100%	100%	0%	
		12. Percentage of closure certificates issued in line with the regulatory framework	100%	100%	100%	100%	100%	100%	0%	
		13. Percentage of complaints received vs inspected	N/A	N/A	N/A	100%	100%	81%	-19%	Non-achievement was mainly as a result of complaints received during the last quarter that could not be attended to. These complaints will be attended to in Quarter 1 of 2019/20.
Internal Processes	4. Implement transformation policies/legislation	14. Number of rights and permits granted and/or issued to HDSA-controlled entities	203	204	175	178	120	183	63	Over-achievement was as a result of more initiatives that were directed at HDSA applications (prospecting and mining) to ensure that they are compliant with application requirements for both legislations (MPRDA and NEMA).
		15. Number of consultations/engagements and conflict management with communities/ stakeholder and the mining industry	263	341	342	306	150	527	377	Over-achievement was due to the regional offices attending to more engagement/complaints and consultations from communities, traditional leaders, interested and affected parties.
		16. Percentage compliance by mining industry	N/A	N/A	N/A	N/A	100%	0%	-100%	Non-achievement is as a result of delays in proving an aggregated result of the inspection outcomes.
		17. Number of industry workshops conducted	16	15	14	8	9	12	3	More industry workshops were conducted due to communities being workshopped on MPRDA processes, the Mining Charter and NEMA.
		18. Number of SLP inspections conducted	268	270	275	306	212	251	39	Over-achieved due to more inspections conducted to ensure that terms and conditions of mining rights are adhered to.

Branch: Mineral Regulation										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Internal Processes	4. Implement transformation policies/legislation	19. Number of legal compliance (Mineral Laws (MLA) and SLP) verification inspections conducted	253	502	264	212	150	155	5	More legal inspections were conducted due to enforcing compliance with terms and conditions of the rights.
	5. Monitor and enforce compliance	20. Number of Mine Work Programme/Prospecting Work Programme inspections conducted	595	501	487	425	407	384	-41	Inspections could not be finalised due to closure of some regional offices during the year, resulting in deferment to Quarter 1 of 2019/20.
		21. Percentage implementation of enforcement procedures to collect arrears prospecting fees	N/A	100%	23%	100%	100%	100%	0%	
		22. Number of environmental compliance inspections conducted	1 856	1 889	1 465	1 583	1 275	1 502	227	More inspections were conducted due to application for renewals and closure certificates. These applications warranted inspections to establish the level of compliance with all applicable legislations. (MPRDA and NEMA).
		23. Percentage adherence to timeframe committed to the Department of Performance Management and Evaluation (DPME)	70%	72%	49%	23%	70%	15%	-55%	Under-achieved due to the current backlog of applications that are serving before the licensing committee.
Financial Stewardship	6. Promote corporate governance	24. Percentage of fully implemented, agreed-upon management action plans (Internal Audit)	100%	100%	50%	50%	100%	100%	0%	
		25. Percentage of fully implemented, agreed-upon management action plans (External Audit)	100%	100%	100%	100%	100%	100%	0%	
		26. Percentage adherence to compliance framework	100%	100%	100%	100%	100%	100%	0%	
		27. Percentage implementation of risk management plans	94%	100%	100%	88%	100%	100%	0%	

Strategy to overcome areas of under-performance

- Number of jobs created through mining:**
 Due to the current economic situation, the creation of jobs has been affected in the mining industry. The Department has no control over job creation.
- SLP development projects completed:**
 The Branch will intensify inspections in the coming financial year to ensure that inspections that were postponed due to some resources (officials) being diverted to the Mpumalanga Office are done.
- Complaints received versus inspected:**
 The Chief Directorate will ensure that all complaints received are attended to within the 30-day turnaround time frame.
- Percentage of approved SLPs published:**
 The MPRDA Regulations and Mining Charter III were finalised during Quarter 4 of the financial year. By then it was too late to publish the approved SLPs.
- Number of Mine Work Programme/Prospecting Work Programme inspections conducted:**
 The Branch will intensify inspections in the coming financial year to ensure that inspections that were postponed due to some resources (officials) being diverted to the Mpumalanga Office are done.

Sub-programme expenditure

Sub-programme	2018/2019			2017/2018		
	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	211 186	210 922	264	202 270	202 178	92
Management Mineral Regulation	20 547	20 309	238	15 119	14 923	196
South African Diamond and Precious Metals Regulator	59 105	59 105	-	65 865	65 865	-
Petroleum Agency SA	98 439	98 439	-	87 138	87 138	-
Total	389 277	388 775	502	370 392	370 104	288

4.5 Programme 4: Mineral Policy and Promotion

Purpose

To develop mining, minerals and upstream petroleum industries' policies and promote investment and development of these industries.

Sub-programmes

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

Strategic objectives

- Facilitation of transformation in the mining and minerals sector
- Promotion of investment in the mining sector
- Management and implementation of mineral resources diplomacy with other countries and institutions
- Promotion of sustainable resources use and management
- Development and review of internal processes
- Improvement of turnaround times
- Promotion of corporate governance

Strategic objectives, performance indicators, planned targets and actual achievements

Small-scale mining

The strategic objective of SMME support is to contribute to economic growth, poverty reduction and job creation. The Branch supports the development of sustainable small-scale mining businesses, especially among historically disadvantaged communities who seek entrance into South Africa's mining sector. The over-achievement on the measure "support to SMMEs" is a reflection of the public demand for the intervention to promote entry into the minerals sector and also the Department's efforts to streamline processes to provide technical, financial and social support to the small-scale mining sector. This largely includes refining systems, approach and support mechanisms to alleviate constraints and remove barriers to entry faced by SMMEs in the minerals sector.

Recognising the reduction in budget allocations and constraints, the emphasis of the small-scale mining support strategy will be on community-based projects where the impact of any intervention will be felt broadly as opposed to allocating scarce resources for the benefit of a few. Therefore, any reduction in the number of projects

supported annually (targets) merely confirms that the main focus area in the promotion of investment will be on high-impact projects.

Shale gas

The 2018/19 financial year concluded with the successful drilling of two monitoring holes, coupled with a suite of downhole geophysical surveys and hydrogeological tests. A technical report, which includes all the work done since project inception, was compiled and completed at the end of the financial year.

This financial year, the Karoo Deep Drilling Programme started with the preparation of the environmental authorisation process for deep drilling (3.5 km). For the purposes of research in the Karoo Basin, the drilling of a 3.5 km vertical stratigraphic borehole will be undertaken before the investigations can be concluded.

In parallel with liaison between CGS and DEFF on guidance on the authorisation process, the Karoo Deep Drilling team has also engaged with the Karoo Research Initiative on its experience during their drilling of the two deep boreholes in Tankwa Karoo and Willowvale to ensure that all aspects of the study are considered.

The 2D seismic surveying will be conducted to ascertain the subsurface geology prior to the drilling of the deep hole. The CGS does not have the necessary equipment to conduct this exercise and will therefore have to tender for these services.

Operation Phakisa for the Oceans Economy

The Department is the Delivery Unit of the Offshore Oil and Gas Exploration focus area. As such, it is the primary department responsible for the offshore oil and gas exploration sector. The primary objective of the Offshore Oil and Gas Exploration Laboratory is to create an enabling environment for the sector and for investment promotion through the drilling of research or investigative wells.

Under the theme of Operation Phakisa, the Department, in partnership with other departments and state-owned entities, is overseeing the implementation of various initiatives within the planned aim of creating an enabling environment in the offshore oil and gas sector for accelerated investment promotion and job creation.

In order to provide the necessary legislative clarity and stability within the sector, the Department is in the process of developing a separate oil and gas legislation (the Petroleum Bill).

The Department aims to publish the Draft Bill before the end of the 2019/20 financial year. Furthermore, through the state-owned Petroleum Agency SA (PASA), the Department has developed a capacity building plan for the Regulator (PASA), aimed at ensuring the efficient and effective regulation of the oil and gas sector.

This plan is ready for implementation and is aimed at improving government's ability to play an oversight role in the sector.

Mine environmental management

During the financial year under review, the Branch produced the following reports on mine closure and the management of derelict and ownerless mines:

- The National Mine Closure Strategy gives recommendations on a paradigm shift in approaching the closure of mines, such as a new policy framework that takes cognisance of the impacts beyond the current requirements for physical environmental remediation. In developing a new framework, the National Mine Closure Strategy should be premised on an integrated understanding of the direct and indirect, vertical and lateral linkages of current or past mining activity or the use of post-mining land.
- The Integrated Rehabilitation Monitoring Strategy aims to assess activities and the level of environmental pollution in and within a 10 km radius of derelict and ownerless asbestos mines.
- The Valuation of Rehabilitation Liability (Derelict Asbestos Mines) Strategy gives an indication of the state's contingent liability with regard to derelict and ownerless asbestos mines.

The following reports were also produced as mine environmental tools:

- *Ocean and Coastal Mining*: This report looks at ways of using primary seabed data to expand knowledge of underwater heritage resources and strengthening the confidence with which the impacts of offshore mining on heritage resources are predicted, and how this can be used as an environmental assessment tool. The benefits of using primary geophysical and geotechnical data, as part of the environmental impact assessment, to inform the coastal and offshore heritage impact assessment are well established.
- *Co-existence of mining and the environment*: The use of biophysical data and pollution vulnerability maps created under the Proactive Solutions task can be used to show areas that are especially susceptible to pollution. These maps can be produced by combining information on groundwater availability, mineral occurrences and potential environmental problems associated with mineral occurrences. They not only highlight the most likely mining-associated pollution locations in respect of a specific commodity, but also how much groundwater there is in the area. For example, a high incidence of groundwater near a mine indicates a higher risk associated with pollution by-products.

Biodiversity supports and maintains certain ecosystem services, such as water purification, soil nitrification and flood regulation. Taking these ecosystem services into account could provide more comprehensive information on the possible indirect and long-term impacts of land use changes, not only on biodiversity, but also on human wellbeing. The inclusion of ecosystem services provides a more inclusive approach.

PROGRAMME 4: MINERAL POLICY AND PROMOTION

Branch: Mineral Policy and Promotion										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Stakeholders	1. Promote investment in the mining sector and upstream petroleum sectors	1. Number of publications	15	14	23	14	17	19	2	Over-achievement was as a result of additional reports that responded to the latest developments in the mining industry.
		2. Number of investment promotion events, forums and workshops	N/A	N/A	60	56	46	46	-	
		3. Percentage implementation of Operations Phakisa's Ocean Economy Plan	N/A	100%	100%	80%	100%	100%	0%	
		4. Number of SMMEs supported	87	125	103	96	80	82	2	Over-achieved due to request for support from the public.
		5. Number of social dialogues with stakeholders (including the President-led Framework and Mining Industry Growth, Development and Employment Task Team (MIGDETT))	8	9	8	4	2	4	2	Over-achieved due to engagements with stakeholders on developing a mining sector strategy.
		6. Percentage implementation of shale gas action plan instruments	N/A	N/A	100%	100%	100%	67%	33%	Under-achievement was a result of an inability to hold meetings due to delays in the Hydraulic Fracturing Monitoring Committee.
		7. Number of reports detailing progress in implementing the Beneficiation Framework	N/A	N/A	N/A	N/A	1	1	-	
		8. Number of reports reviewing the identification of minerals critical for national developmental imperatives and designation of the quantities and qualities	N/A	N/A	N/A	1	1	1	-	
		9. Number of reports to monitor and develop trends	N/A	N/A	N/A	N/A	1	1	-	
	2. Manage and implement minerals resources diplomacy	10. Number of international strategic partnerships implemented	N/A	N/A	7	3	7	7	-	
	3. Promote sustainable resource use and management	11. Number of technical partnerships implemented with state-owned entities and governmental organisations (cumulative)	3	5	5	5	5	5	-	

Branch: Mineral Policy and Promotion										
Perspective	Objective	Measures	Actual achievement				Current (2018/19)	Actual (2018/2019)	Variance	Reason for under-/over-achievement
			2014/15	2015/16	2016/17	2017/18				
Stakeholders	3. Promote sustainable resource use and management	12. A review of the Department's Environmental Management Plan	N/A	N/A	1	1	1	1	-	
		13. Number of reports developed on mine closure, and derelict and ownerless mines	N/A	N/A	4	5	3	3	-	
		14. Number of derelict and ownerless mine sites rehabilitated	50	50	45	43	45	20	-25	z
		15. Number of mine environmental management tools developed	N/A	N/A	N/A	3	2	2	-	
	4. Integrated and aligned environmental efforts	16. Number of engagements with relevant departments	N/A	N/A	N/A	4	4	8	4	Over-achieved due to request from stakeholder department to increase frequency of meetings and ensure implementation of deliverables.
	5. Facilitate transformation in the mining and minerals sector	17. Number of legislative instruments developed, reviewed and amended	4	2	4	1	3	3	-	
Internal Processes	6. Develop and review internal processes	18. Number of internal business processes developed or reviewed	2	1	1	1	1	1	-	Over-achieved due to more inspections conducted to ensure that terms and conditions of mining rights are adhered to.
	7. Improve turnaround times	19. Percentage adherence to timeframes	100%	97%	100%	100%	95%	97%	2%	Over-achieved due to improved management controls.
Financial Stewardship	8. Promote corporate governance	20. Percentage of fully implemented, agreed-upon management action plans (Internal Audit)	100%	100%	100%	100%	100%	100%	0%	
		21. Percentage of fully implemented, agreed-upon management action plans (External Audit)	100%	100%	100%	100%	100%	100%	0%	
		22. Percentage adherence to compliance framework	100%	100%	100%	100%	100%	100%	0%	
		23. Percentage implementation of risk management plans	88%	100%	78%	100%	100%	54%	-46%	

Sub-programme expenditure

Sub-programme	2018/2019			2017/2018		
	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	17 375	17 077	298	25 121	23 934	1 186
Mineral Policy	24 562	23 834	728	18 299	18 223	76
Mineral Promotion and International Coordination	47 912	47 580	332	43 879	43 869	10
Assistance to Mines	-	-	-	-	-	-
Council For Geoscience	405 983	405 983	-	366 988	366 988	
MINTEK	420 368	420 368	-	367 256	367 256	
Economic Advisory Services	2 767	2 544	223	3 718	3 388	330
Mine Environmental Management	11 715	11 015	700	17 203	17 203	408
Total	930 682	928 401	2 281	842 464	840 454	2 010

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 R'000
Council for Mineral Technology Research (MINTEK)	<ul style="list-style-type: none"> Fundamental research and development in efficient mineral processing technologies and value-added products and services. 	420 368	420 368
South African Diamond and Precious Metals Regulator	<ul style="list-style-type: none"> Ensure competitiveness, sustainable development and job creation in the diamond and precious metals industry. Ensure the effective transformation of the diamond and precious metals sectors. Ensure equitable access to resources for local beneficiation. Ensure compliance with the legislative requirements. Improve organisational capacity for maximum execution of excellence. 	59 105	59 105
Mine Health and Safety Council	<ul style="list-style-type: none"> Advise the Minister of Mineral Resources and Energy on occupational health and safety in mines. Promote a culture of health and safety in the mining industry. Advise the mining industry through the Minister of Mineral Resources and Energy. 	4 803	4 803
Council for Geoscience	<ul style="list-style-type: none"> Gather, compile, develop and publish world-class geoscience data, knowledge and products, and render geoscience-related services to the South African public and industry. 	405 983	405 983
State Diamond Trader	<ul style="list-style-type: none"> Provide equitable access to the diamonds of the Republic and promote the diamond beneficiation industry. 	-	-
Petroleum Agency SA	<ul style="list-style-type: none"> Promote onshore and offshore exploration for, and production of petroleum. Receive, evaluate and make recommendations to the Minister on applications for reconnaissance permits, technical cooperation permits and exploration and production rights for petroleum. Monitor and report to the DMR in respect of compliance with such permits or rights. Receive, maintain, store, interpret, evaluate, add value to and disseminate or deal in all geological or geophysical information relating to petroleum. 	98 439	98 439

5.2 Achievements of the public entities

5.2.1 MINTEK

MINTEK's total income increased by 6.6%, from R527 million in 2017/18 to R562 million in 2018/19, mainly due to an increase in conditional grant funding and the baseline allocation. Due to the subdued economy and a mining industry that continues to be under severe strain, income generated from commercial transactions, such as products and services, declined slightly by 1.2%, from R171 million in 2017/18 to R169 million in 2018/19.

The entity maintained a healthy income-to-expenditure ratio, ensuring that it remains sustainable. The increase in total expenditure was kept within inflation to ensure that it does not negate the gains accruing from income growth. Total expenditure rose by 4.3% from R534 million in 2017/18 to R556.6 million in 2018/19. Employee costs remained practically constant, mainly as a result of the declining headcount as it works towards maintaining a core to support staff ratio that befits a research and technology development entity.

Net surplus for the year increased from a restated net deficit of R5.85 million in 2017/18 to a surplus of R5.45 million in 2018/19. This is mainly attributable to reclassification adjustments due to the newly adopted Generally Recognised Accounting Practices (GRAP).

Technical performance and scientific outputs

Significant levels of effort were dedicated to refocusing organisational resources in pursuit of MINTEK's mandate and core business during the year. Despite the lacklustre performance of the mining industry amid subdued commodity prices, MINTEK's overall research, development and technology programme continued to deliver sterling results in respect of the planned activities for the year.

To mention but a few, the long-term investments made in the rare earth element (REE) technology and refining facilities are showing signs of bearing fruit in the immediate future. MINTEK's ultimate aim is to stimulate an REE sector in South Africa that can stand its own globally, and produce rare earth magnets that are used in a number of emerging applications. MINTEK has developed and patented the PyEarth™ process for the extraction of REEs from iron-rich rare earth deposits, and is currently running a project that is investigating the application to process a Namibian rare earth ore deposit. It is the closest step towards commercialising the process, and MINTEK's engineers are quite excited about the prospects of full commercialisation, especially its application to secondary industries.

The commercialisation of the point-of-care diagnostics kits that MINTEK developed using gold nanoparticles is another source of great pride for the organisation. The diagnostics kits are used for the detection of HIV, malaria and TB, and are currently being used in five of the nine provinces.

MINTEK's technologies continue to have an impact on industries both locally and across the globe. One of these is Minstral Furnace Control, which is still in demand 25 years after the first installation. This year, MINTEK's engineers and scientists installed the technology on a furnace for a plant located in India. The engineers also implemented advanced process control at a mine in India, a system that drives efficiencies and maximises productivity on milling and flotation circuits for a client. The Minfurn™ was installed in two gold operations during the year – one in Zimbabwe and the other locally. The installation was a major breakthrough for MINTEK, given that the furnaces were last purchased by a client over two decades ago. Minfurn™ has helped gold mines to reduce power consumption, and the carbon regeneration quality is consistently high.

5.2.2 Council for Geoscience

During this financial year, CGS obtained a clean audit after 16 consecutive years of unqualified audits.

The geoscience mapping programme is progressing well in its implementation, with 45 maps published during the period under review. The multidisciplinary approach to mapping in a systematic manner seeks to identify new mineralising systems that will contribute towards the nation securing at least 5% of the global exploration budget in the short term.

The organisation attained a technical performance of 94% during the year under review. It has finalised its much awaited Geoscience Data and Information Policy (GDIP), which is intended to avail geological information to society in a transparent and an orderly manner. The CGS was declared a national key point by the Minister of Police, Mr Bheki Cele, which affirms its strategic role in the Republic of South Africa.

For the first time in its history, the CGS produced a seamless onshore and offshore geological map for the Cape South Coast, which shows the extension of the geology from Cape Agulhas to Plettenberg Bay and from the Langeberg Mountain to 130 m below mean sea level. During the year under review, the CGS published 26 peer-reviewed articles, which is testament to the commitment to scientific excellence by our scientists and its advancement to the body of knowledge of geoscience and its relevance to resolving societal challenges.

The organisation hosted the third Geoscience Technical Conference, which took place at the CSIR International Convention Centre in Pretoria from 11 to 12 February 2019. It was during this conference that Prof Maarten de Wit was honoured for his significant contribution to South Africa's geology, transformation and the inspiration he has been to students and those he has led to postgraduate degrees.

The year also witnessed the official launch of the new digital 1:1 000 000-scale geological map of South Africa, which provides access to South Africa's geological information on a greater scale. The map has been published on the CGS website and interest in the map arises from the geoscientific community in South Africa and abroad.

Overall, gender representation at the end of the financial year was at parity. Management is working hard to ensure the same parity is attained in strategic positions. It is worth noting that 44% of CGS's scientific staff is female. The CGS is a proud employer of a young workforce, with 50% of the current staff complement being between the ages of 24 and 38.

In line with the core value of creating a learning organisation, the organisation spent R3 million on short- and long-term training, 65% of which was allocated to scientific training.

5.2.3 Mine Health and Safety Council

The MHSC and its tripartite stakeholders launched the Centre of Excellence at the Occupational Health and Safety Summit in 2014. The establishment of the Centre of Excellence was to address the challenge of inadequate implementation of occupational health and safety research outcomes from various thematic areas through adoption by the South African mining industry. The Centre of Excellence is now fully capacitated and functional. In its first year of operation, the Centre of Excellence has achieved an impressive 80% of its strategic objectives, which is a considerable performance output for a new business unit.

A business plan for the implementation of Phase 2 of the Centre of Excellence, which is focused on upskilling mine workers on occupational health and safety matters, has been completed and will be implemented during the 2019/20 financial year in close collaboration with the MQA.

The 4IR presents both a variety of risks and opportunities for the MHSC. A workshop was held to unpack the impact of 4IR developments to leverage and exploit the opportunities presented and effectively manage the related risks.

The focus of the workshop was to develop interventions and initiatives that the MHSC would deploy in its efforts to address occupational health and safety challenges in the South African mining industry in terms of its mandate and research approach.

The MHSC is mandated to host a biannual Occupational Health and Safety Tripartite Summit to reflect on the South African mining industry's occupational health and safety performance and the implementation of previous summit milestones. The MHSC successfully hosted the 2018 Occupational Health and Safety Summit, which was well attended by tripartite stakeholders and other relevant stakeholders in the South African mining industry. The purpose of the Summit was to review the progress made since the previous Summit held in 2016, mainly focusing on occupational health and safety performance improvement on the milestones set in 2014. While the improvement was noted, it was agreed that, in the spirit of achieving zero harm by 2024, a considerable amount of effort is still required to realise the goal.

In 2017, the South African mining industry experienced an increase in fatalities related to falls of ground and seismic disasters. The Parliamentary Portfolio Committee requested the MHSC to effectively deal with the concerning trajectory of falls of ground and seismicity incidents, and to derive solutions for implementation by the South African mining industry. The MHSC established a Falls of Ground Task Committee with two sub-task teams, namely the Rockfalls Task Team and the Rockburst Task Team. One of the identified challenges that contributed to the increase in falls of ground and seismicity-related accidents and fatalities was the shortage of critical skills in seismology and rock engineering. To build capacity in these critical skills, the MHSC, in collaboration with the MQA and the CGS, funded the training programme on Rock Engineering and Seismicity with the enrolment of 40 mostly unemployed graduates for Rock Engineering and 11 for Seismology. The programme was developed in collaboration with the University of the Witwatersrand and the University of Pretoria.

5.2.4 South African Diamond and Precious Metals Regulator

The South African Diamond and Precious Metals Regulator (SADPMR) managed to sustain an unqualified audit outcome, with repeat audit findings reduced from five to one.

There were no material misstatements identified on the annual financial statements of 2018/19, and the creditors-payment period improved significantly with the debt collection period also improving from 51 days to 42 days. In 2018/19 the SADPMR reported a surplus of R10.8 million compared to the R5.6 million of the 2017/18 financial year.

The SADPMR facilitates the exporting, importing and trading of diamonds, and has access to commercially sensitive information about gold, platinum and all its related

metals. These activities exposed the SADPMR to the risks that are usually associated with banks and the retail sector; hence, security is one of the priorities in the strategy.

To reduce the risks against the entity, the SADPMR has implemented risk-mitigating measures that are aligned to Minimum Information Security Standards (MISS) and the National Vetting Strategy (NVS), i.e. security screening/vetting, personnel suitability checks (PSC) and contingency planning.

Rough diamond trade

The Diamond Exchange and Export Centre (DEEC) facilitated the trade of 5.9 million carats valued at approximately US\$989 million, which reflects an increase in the volume of carats offered locally when compared to 3.8 million carats in 2018. South Africa exported 10.6 million carats of rough diamonds valued at more than US\$1.4 billion. This indicates a 700 000 carat increase from 9.8 million carats valued at US\$1.3 billion reported in 2017.

Rough diamond exports

Rough diamonds were mainly exported to the top five recipients: Botswana, the United Arab Emirates, the European Union, Israel and India, with a combined total of 6.3 million carats at a value of US\$1.3 billion.

Rough diamond imports

In 2018, South Africa imported 496 000 carats of rough diamonds valued at more than US\$501 million. This is an increase in the trade of rough diamonds of more than 105 000 carats imported into the country compared to 391 000 carats in 2017.

Polished diamond exports

A total of 116 970 carats of polished diamonds were exported, valued at approximately US\$999 million. This is a decrease of 4.18% in the volume of diamond exports received compared to the previous financial year, where there was an increase of 4.22%. The decline is related to the overall decline in diamond beneficiation, which was impacted on by the high prices of rough diamonds.

Polished diamond imports

South Africa processed a total of 149 639 carats of polished diamond imports valued at approximately US\$392 million. There was a decrease of 5.62% in the volume of diamonds declared during the period under review, when compared to the increase

in the previous financial year of 7.45%. The decrease is due to the decline in polished diamond sales globally, which impacted on trade in polished diamonds in South Africa.

Synthetic diamonds imports

South Africa received and cleared over 62 million carats of synthetic diamonds powder valued at approximately US\$4 million. The synthetic diamond powder was imported for the purposes of manufacturing diamond tools. This is more than a 50% decline on synthetic diamonds imported compared to 157 million carats in the 2017/18 financial year.

Government diamond valuation

The Government Diamond Valuator (GDV) provides valuation services related to diamond exports, imports and production offered to the State Diamond Trader (SDT) by producers in terms of the Diamond Act of 1986. The GDV valued 9.8 million carats of rough diamonds at a value of US\$1.1 billion in the 2018/19 financial year. This indicates a slight decline of 138 000 carats compared to 10 million carats in the 2017/18 financial year. The decline was as a result of the ongoing rehabilitation and revamping of Venetia Mine, which contributes about 40% of South Africa's diamond production. This will not be a permanent decline in production since it is estimated that when the mine is back at normal operation, annual production will be boosted by two million carats.

Licensing

The Regulator issued 822 diamond and precious metals licences, permits and certificates in the 2018/19 financial year. Of these, 622 were diamond licences and 200 were precious metals licences, compared to 592 overall diamond and precious metals licences issued in the previous year.

Transformation

Transformation of the industry remained the focus of the SADPMR, with an increase from 81 to 97 verification inspections in comparison to the previous financial year, in line with the conditions of the Mining Charter. This can be attributed to the added capacity within the Transformation Unit, which enabled the unit to conduct more inspections within the diamond and precious metals industry.

Inspections

A total of 2 167 inspections were conducted during the 2018/19 financial year to ensure compliance with legislation relating to new applications and existing licensees for both diamonds and precious metals.

5.2.5 State Diamond Trader

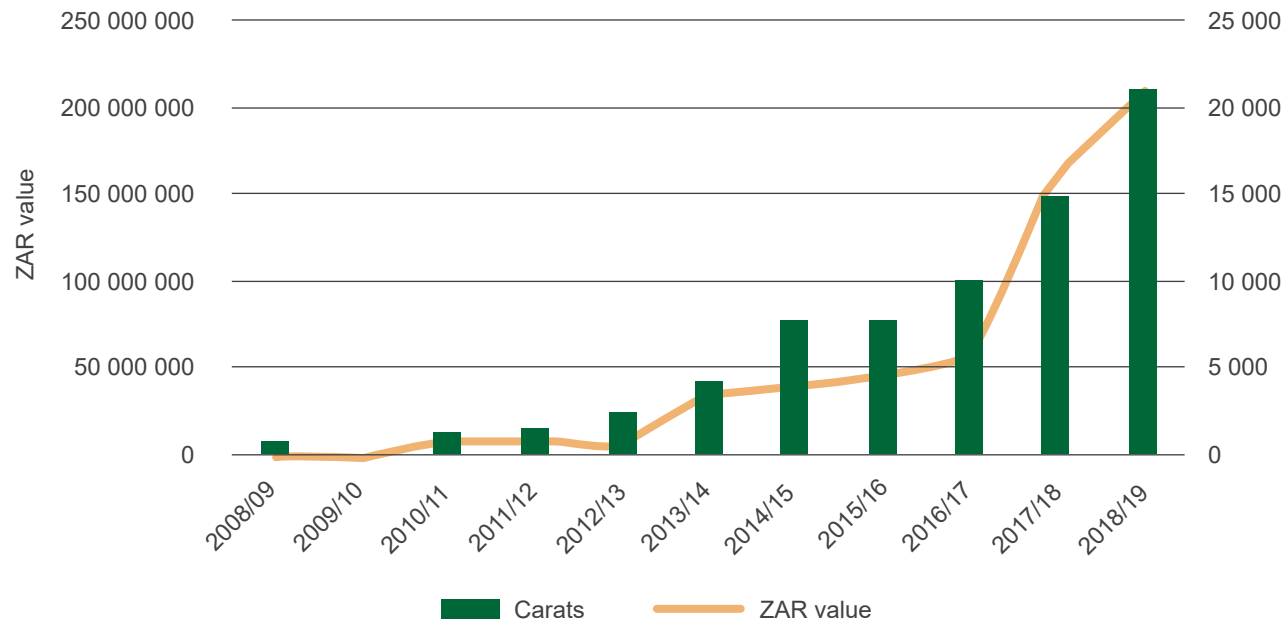
The value of rough diamonds inspected during the period under review increased to US\$1,148 billion, compared to the US\$1,216 billion inspected in the 2017/18 financial year. The carats/volume inspected decreased to 9,873 million as compared to the 10 million inspected in the 2017/18 financial year. The average price per carat also decreased from US\$122 per carat in 2017/18 to US\$116 per carat for 2018/19.

The value of purchases decreased by 19% to R602 million for 2018/19, compared to R742 million for the 2017/18 financial year. Although the value of purchases decreased, the volume purchased increased by 8% to 126,562 carats in 2018/19 compared to 116,880 carats in the 2017/18 financial year. This is attributed to the type

of diamonds purchased and the special purchasing model. The number of purchases made from producers increased from 67 in 2017/18 to 124 for the period under review.

Sales to historically disadvantaged South Africans (HDSAs) increased significantly from 15 000 carats in 2017/18 to 20 000 carats in 2018/19. In rand terms, the growth increased from R163 million to R210 million. The participation of HDSAs in the diamonds beneficiation industry has taken great strides since the SDT started its operations, as can be noted in the graph below. The entity is encouraged by the growth seen in 2018/19 as it continues to forge ahead with its mission to be the catalyst for inclusive growth.

Sales to historically disadvantaged South Africans over the past 11 years



Hong Kong Jewellery and Gem Fair South African Pavilion

The SDT facilitated its second National Pavilion at the Hong Kong Jewellery and Gem Fair in Hong Kong, partnering with the DMR, SADPMR, De Beers and, of course, its clients, who showcased their products at the show. The SDT continues to enjoy the support of the office of the Consulate-General in Hong Kong, Mr Madoda Ntshinga. Ten South African exhibitors showcased their finest and most beautiful stones and sold diamonds worth over R41 million. The SDT will be going to Hong Kong in September 2019/20 with another group of clients to attend the same show and anticipates even greater success.

5.3 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with section 38(1)(j) of PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
N/A						

The table below reflects the transfer payments that were budgeted for in the period 1 April 2018 to 31 March 2019, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A				

5.4 Capital investment, maintenance and Asset Management Plan

Infrastructure projects	2017/18			2016/17		
	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
New and replacement assets	0	0	0	0	0	0
Existing infrastructure assets	0	0	0	0	0	0
- Upgrades and additions	0	0	0	0	0	0
- Rehabilitation, renovations and refurbishments	0	0	0	0	0	0
- Maintenance and repairs	0	0	0	0	0	0
Infrastructure transfer	0	0	0	0	0	0
- Current	0	0	0	0	0	0
- Capital	0	0	0	0	0	0
Total	0	0	0	0	0	0

PART C



GOVERNANCE



1. INTRODUCTION

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

2. RISK MANAGEMENT

The Department has an approved risk management policy and strategy in place, which was formulated using the Public-sector Risk Management Framework and the Management Performance Assessment Tool (MPAT) standards. The Risk Management Policy emphasises the Department's commitment to enterprise-wide risk management, aligned to the principles of good corporate governance, as supported by the PFMA, whereas the Risk Management Strategy guides management and staff in identifying, assessing, evaluating, treating, monitoring and communicating risks associated with the organisation.

Risk assessments are continuously conducted to update the Department's risk profile to ensure alignment with the current environment. Plans to mitigate the risks identified are monitored on a quarterly basis and are reported at departmental management meetings. The Department strives to ensure that risk management processes are incorporated into the Department's strategic planning, as well as its performance monitoring.

In providing oversight to the risk management system, the Department has appointed an independent combined Risk and Audit Committee, which provides oversight and guidance, and independently monitors the effectiveness of the Department's risk management systems and mitigates unacceptable levels of risk.

3. FRAUD AND CORRUPTION

The fight against fraud and corruption is informed by the Department's policy of zero tolerance. This policy is implemented through the Department's Anti-fraud and Corruption Strategy, which is built on four pillars to fight fraud and corruption: prevention, detection, investigation and reporting. The implementation of the pillars is clearly articulated in the Anti-fraud and Corruption Implementation Plan, which is reviewed annually. The plan entails some of the following activities:

- Creating awareness through workshops about the available avenues for officials to report allegations of fraud and corruption

- Vetting new officials and service providers conducting business with the Department
- Installing posters at strategic areas at both the Head Office and the regional offices
- Disseminating articles through the intranet
- Maintaining fraud and corruption risk registers
- Working side by side with internal and external audit

In support of the Anti-fraud and Corruption Strategy, the Department has an approved Whistle-blowing Policy with processes that are designed to promote anonymous whistle-blowing and guarantee the protection of whistle-blowers against reprisals.

The policy also provides mechanisms or avenues for officials to make confidential disclosure about suspected fraud and corruption. These avenues are as follows:

- Confidential whistle-blowing to the head of Internal Audit, the Special Investigation Unit, the Director-General and/or to the Prescribed Regulator (the whistle-blower should also report to the prescribed regulator in cases where it is suspected that the Director-General is implicated in the matter reported).
- Anonymous whistle-blowing: suspicion is reported to the National Anti-fraud and Corruption Hotline (0800 701 701).

Reported allegations are investigated internally, referred to the South African Police Service (SAPS) or the National Prosecuting Authority (NPA), and/or are referred to a disciplinary committee.

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. Members of the SMS who do not comply are charged with misconduct according to the regulations.
- The Department also has a policy on remunerative work outside employment.
- 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 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 distributed the Explanatory Manual on the Code of Conduct for the Public Service to all the Department's officials and conducted workshops. If an employee is in breach of the Code, disciplinary action will be taken against the employee in terms of Public Service Coordinating Bargaining Council (PSCBC) Resolution 1 of 2003: Disciplinary Code and Procedures for the Public Service.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Description/ nature	Effects on the Department
1. Education and training	<ul style="list-style-type: none"> Increase in injuries or diseases, reduction in productivity, increased absenteeism (lost time due to injuries) and presentism (being present at work, but not being productive).
2. Medical surveillance (selected tasks, e.g Inspectors of Mines, security personnel)	<ul style="list-style-type: none"> Physical effects (circadian rhythm: disturbance of sleep-wake cycle), stress, fatigue; psychological effects (anger, frustration, depression, etc.); behavioural consequences (poor communication, withdrawal syndrome, etc.). Financial loss through management of injuries, diseases or fatalities.
3. Conducting hazard identification and risk assessment	<ul style="list-style-type: none"> Non-compliance to occupational hygiene standards leading to injuries and diseases. Communicable litigation against the Department.
4. Checking and engaging in corrective actions: <ul style="list-style-type: none"> Conducting inspections Incident investigations 	<ul style="list-style-type: none"> Non-compliance notices against the Department and financial loss. Financial loss and absenteeism due to recurrence of the incident.

7. PORTFOLIO COMMITTEES

The Department has had numerous engagements with the Portfolio Committee on Mineral Resources and the Select Committee on Land and Mineral Resources in line with the programmes of both committees. Both committees engaged the Department on a range of issues, including the Annual Performance Plan, quarterly performance reports and annual reports, as well as other areas that the Committee deemed appropriate within the mandate of the Department. All questions and issues raised by the committees were addressed.

8. SCOPA RESOLUTIONS

There were no Standing Committee on Public Accounts (SCOPA) resolutions during the period under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no modifications during the period under review.

10. INTERNAL CONTROL UNIT

During the period under review, the Internal Control Unit compiled the annual financial statements, quarterly 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 properly and on time.

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 Basic Accounting System (BAS) financial system and adherence to the Department's financial delegations.

II. INTERNAL AUDIT AND RISK COMMITTEES

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

- 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.
- 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 and Risk 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 protect the Department's assets by deterring fraud, waste and abuse.
- Input from internal auditors helps employees improve their overall job performance and adherence to established controls.
- The IAA helps 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 and Risk Committee, and 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
- ICT audit: Chief Financial Officer Branch

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

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

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

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	Number of meetings attended
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	N/A	1 November 2016	October 2018	1
Ms Zienzile Musamirapamwe	<ul style="list-style-type: none"> MBA Chartered Secretaries and Administrators (CSA) Portfolio Management I and II 	External	N/A	1 September 2010	18 July 2018	0
Ms Mpho Kgomongoe	<ul style="list-style-type: none"> BCom degree 	External	N/A	1 March 2017	To date	5
Mr Luyanda Mangquku	<ul style="list-style-type: none"> Chartered Account CA(SA) MBL Honours in Accounting Science BCompt degree 					
Ms Zanele Monnakgotla	<ul style="list-style-type: none"> Masters in Finance LLM in Taxation LLB BCom 	External	N/A	1 March 2019	To date	4

12. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is proud to present its report for the financial year ended 31 March 2019.

Audit and Risk Committee responsibility

The Audit and Risk 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. It also reports that it has adopted appropriate formal terms of reference as its Audit and Risk 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 raised with the Department. Together, we intend to improve and strengthen the processes.

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

Full audits

- Software Management Audit
- MPAT Review
- Performance Information Review: Quarter 1, 2 and 3
- Active Directory Review
- Human Resource Development Processes
- Risk Management Process
- Application Controls Review: Revenue Management
- Review of Financial Provisions
- Review of Mineral Licensing Process and Assets Management

Follow-up audits

- Information Security Governance
- Auditor-General Management Letter
- ICT Service Continuity Review
- Inspection Process on Mine Health and Safety Inspectorate
- Travel and Subsistence Allowance
- Inspection Process on Mineral Licensing

The following were areas of concern:

- Insufficient funding to sustain the Department.
- ICT is one of many units in the Department that is concerning: some of the systems are obsolete, and need to be updated and/or new systems acquired, which requires funding.
- The process of reporting accurate, complete and valid information is still an area of concern. However, we are pleased to say that there have been some tangible improvements compared to the previous year.
- As a Department, we need to have a fair balance between the performance of the Department and internal controls in place.

In-year management and monthly/quarterly report

The Department has been reporting monthly and quarterly to National Treasury as is 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. The Audit and Risk 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.



Mpho Mahlangu
Chairperson of the Audit and Risk Committee
Department of Mineral Resources
31 March 2019

PART D



HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The Chief Directorate: Human Resources (HR) 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 services.

A lack of funding resulted in a number of posts being abolished during the 2018/19 financial year, resulting in service delivery being compromised in certain areas. Human capital is one of the most important resources any organisation can have. If employees are happy with all or most of their working conditions, they become valuable assets to an organisation. If they are dissatisfied, they become a huge liability. A high turnover rate results in additional costs to the Department because of advertisements and recruitment expenses, and also the loss of skilled and experienced employees. Furthermore, if a person is recruited from another province, the costs increase because of resettlement expenditure. Training costs may also escalate as new employees have to be trained. Moreover, the Department needs to show improvement as far as compliance to the Department's Employment Equity Plan is concerned.

However, under the current economic conditions, it is highly unlikely that the Department will receive additional funding from National Treasury. During the year under review, the Chief Directorate: Human Resources committed itself to the following:

Organisational design

The Department continued to implement the Operations Management Framework and Methodology, as prescribed by the DPSA by assisting the Department to standardise and align its processes to attain efficiency and effectiveness.

Employment equity

Compared to the economically active population group, progress has been slow in improving the representation of Coloured, Indian and White females in the Department. Another concern is with regard to the representation of women and people with disabilities in senior management positions in the Department.

While the Department has recently re-established an Employment Equity Committee to assist the Department to address its employment equity gaps, affirmative action measures will have to be implemented to fast-track the representation of these designated groups in the Department.

Policy development and implementation

The Chief Directorate: Human Resources Management has contributed significantly to policy development and implementation. For the year under review, a number of policies were developed and implemented.

Employee wellness

The realisation of the DMR's vision, as well as the goal of the 2030 National Development Plan, hinges on healthy employees. It is on this basis that the Chief Directorate: Human Resources has intensified the implementation of integrated employee wellness; hence, during the year under review, the following workshops were presented:

- Financial Wellness Management
- Wellness Health Risk Management
- Compensation for Occupational Injuries and Diseases Act (Occupational Health and Safety)
- Retirement workshop

Ethics

Ethical conduct and leadership have been identified as among the expectations from the side of the DMR for the growth and competitiveness of the minerals and mining industry. The Chief Directorate: Human Resources has inculcated ethical conduct among its employees and managers through educational efforts and appropriate systems, which have yielded positive results.

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

The Department will start to align its HR Plan to the new strategic outcomes of the Department, emanating from the strategic planning session, to ensure that capacity is built. In addition, emphasis will be placed on the correct placement of staff in line with operational requirements, which may, in certain areas, result in the reskilling of staff.

Employee Performance Management

The performance of employees is monitored and assessed through the Performance Management and Development System (PMDS), and no major challenges are experienced. However, some employees and managers still appear to understand PMDS only from the perspective of cash awards and salary increments, and miss out on its importance towards departmental high performance. The Chief Director: Human Resources intends to make efforts to improve managers' understanding and management of employee performance.

Employee Wellness Programme

The Department has a well-established Wellness Centre. HIV/Aids testing and counselling, TB screening, diabetics and body mass index measurement, hypertension and cholesterol testing was conducted, as well as training and awareness campaigns.

Achievements

- The Department was 100% compliant in respect of the submission of financial disclosures for SMS for the period under review.

- A number of business processes were mapped, and standard operating procedures developed, which will hopefully have a positive effect on service delivery.
- The Office of the Public Service Commission successfully conducted workshops on the Code of Conduct for SMS members and elements of misconduct.

Challenges

Budget constraints impede the filling of posts on the approved organisational structure. The high costs of training and the inability to retain technical staff has, in the past years, resulted in substantial loss of human capital investment. High levels of staff being "poached" by 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

The Department will commence to realign its HR Plan with the new strategic objectives emanating from the Strategic Plan. The Department will further continue with the mapping of business processes. To this end, assistance will be provided to regional offices to standardise their processes to attain efficiency and effectiveness. Emphasis will further be placed on the automation of the processes mapped, which will alleviate some of the workload and make reporting easier.

The Directorate: Human Resources Management will continue with robust skills development programmes to strengthen and grow the talent of the current workforce, particularly around scarce skills.

Focus will be placed on the filling of critical posts, employment equity and staff retention to ensure that there is a noticeable improvement in these areas.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel-related expenditure

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

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances (HOA) and medical aid

Table 3.1.1: Personnel expenditure by programme for the period 1 April 2018 and 31 March 2019

Programme	Total voted expenditure (R'000)	Personnel expenditure (R'000)	Expenditure (R'000)	Special services expenditure (R'000)	Personnel expenditure as a percentage of total expenditure	Average personnel cost per employee (R'000)
Administration	354 470	180 133	2 376	1 438	51	554 255
Mine Health and Safety	208 477	171 111	407	263	82	665 802
Mineral Policy and Promotion	928 401	67 708	368	194	7	698 021
Mineral Regulation	388 775	192 189	57	0	49	570 294
Total	1 880 123	611 141	3 208	1 895	33	601 517

Table 3.1.2: Personnel costs by salary band for the period 1 April 2018 and 31 March 2019

Salary bands	Personnel expenditure (R'000)	Percentage of personnel cost	Number of employees	Average compensation cost per employee (R)
Skilled (levels 3–5)	48 456	8	177	273 760
Highly skilled production (levels 6–8)	120 723	20	300	402 410
Highly skilled supervision (levels 9–12)	330 528	54	428	772 261
Senior management (levels ≥13)	79 200	13	64	1 237 498
Contract (levels 3–5)	458	0	2	228 951
Contract (levels 6–8)	9 027	2	20	451 353
Contract (levels 9–12)	13 595	2	19	715 530
Contract (Levels ≥13)	9 155	2	6	1 525 837
Total	611 141	100	1016	601 517

Table 3.1.3: Salaries, overtime, homeowner's allowance and medical aid by programme for the period 1 April 2018 and 31 March 2019

Programme	Salaries		Overtime		Homeowner's allowance		Medical aid	
	Salaries (R'000)	Salaries as percentage of personnel cost	Overtime (R'000)	Overtime as percentage of personnel cost	HOA (R'000)	HOA as a percentage of personnel cost	Medical aid (R'000)	Medical aid as a percentage of personnel cost
Administration	157 021	87	3 941	2	4 241	2	7 395	4
Mine Health and Safety	150 612	88	41	0	2 410	1	4 996	3
Mineral Policy and Promotion	59 300	88	242	0	1 464	2	2 244	3
Mineral Regulation	164 689	86	235	0	4 921	3	9 806	5
Total	531 622	87	4 459	1	13 036	2	24 441	4

Table 3.1.4: Salaries, overtime, homeowner's allowance and medical aid by salary band for the period 1 April 2018 and 31 March 2019

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Salaries (R'000)	Salaries as a percentage of personnel cost	Overtime (R'000)	Overtime as a percentage of personnel cost	HOA (R'000)	HOA as a percentage of personnel cost	Medical aid (R'000)	Medical aid as a percentage of personnel cost
Skilled (levels 3–5)	36 278	78	1 652	4	2 701	6	4 860	10
Highly skilled production (levels 6–8)	98 549	85	1 622	1	4 527	4	8 318	7
Highly skilled supervision (levels 9–12)	294 470	88	1 129	0	4 513	1	9 821	3
Senior management (levels ≥ 13)	73 024	92	0	0	1 111	1	901	1
Contract (levels 3–5)	429	82	0	0	0	0	0	0
Contract (levels 6–8)	8 002	76	15	0	32	0	306	3
Contract (levels 9–12)	12 324	88	41	0	91	1	197	1
Contract (Levels ≥ 13)	8 545	97	0	0	62	1	37	0
Total	531 622	87	4 459	1	13 036	2	24 441	4

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 additional to the establishment.

This information is presented in terms of three key variables:

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

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post 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 2019

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administration, permanent	362	325	10	4
Mine Health and Safety, permanent	279	257	8	0
Mineral Policy and Promotion, permanent	102	97	5	0
Mineral Regulation, permanent	363	337	7	0
Total	1 106	1 016	8	4

Table 3.2.2: Employment and vacancies by salary band as on 31 March 2019

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Skilled (levels 3–5), permanent	188	177	6	0
Highly skilled production (levels 6–8), permanent	316	300	5	0
Highly skilled supervision (levels 9–12), permanent	473	428	10	0
Senior management (levels ≥13), permanent	82	64	22	0
Contract (levels 3–5), permanent	2	2	0	0
Contract (levels 6–8), permanent	20	20	0	1
Contract (levels 9–12), permanent	19	19	0	1
Contract (levels ≥13), permanent	6	6	0	2
Total	1 106	1 016	8	4

Table 3.2.3: Employment and vacancies by critical occupations as on 31 March 2019

Critical occupations	Number of posts on the approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related, permanent	118	106	10	1
Agricultural, animal, oceanography forestry and other sciences, permanent	1	1	0	0
Biologists, botanists, zoologists and related professional, permanent	107	100	7	0
Cartographers and surveyors, permanent	1	1	0	0
Client information clerks (switchboard, reception, information clerks), permanent	8	8	0	0
Communication and information related, permanent	11	9	18	1
Economists, permanent	44	39	11	0
Finance and economics related, permanent	10	7	30	0
Financial and related professionals, permanent	34	28	18	0
Financial clerks and credit controllers, permanent	15	11	27	0
General legal administration and related professionals, permanent	4	4	0	0
Head of Department/Chief Executive Officer, permanent	1	1	0	0
HR and organisational development and related professional, permanent	31	31	0	0
HR clerks, permanent	13	12	8	0
HR related, permanent	1	1	0	0
Information technology related, permanent	9	8	11	0
Language practitioners, interpreters and other communication, permanent	6	6	0	0
Legal related, permanent	5	5	0	0
Librarians and related professionals, permanent	2	2	0	0
Library, mail and related clerks, permanent	78	76	3	0
Logistical support personnel, permanent	9	8	11	0
Material-recording and transport clerks, permanent	26	25	4	0
Messengers, porters and deliverers, permanent	3	3	0	0
Other administration and related clerks and organisers, permanent	97	91	6	0
Other administrative policy and related officers, permanent	50	48	4	0
Other information technology personnel, permanent	26	22	15	0
Other occupations, permanent	3	3	0	0
Risk management and security services, permanent	8	8	0	0

Critical occupations	Number of posts on the approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Safety health and quality inspectors, permanent	170	155	9	0
Secretaries and other keyboard operating clerks, permanent	73	72	1	0
Security officers, permanent	50	48	4	0
Senior managers, permanent	75	60	20	2
Trade/industry advisers and other related professionals, permanent	17	17	0	0
Total	1 106	1 016	8	4

Notes:

- The core classification, as prescribed by the DPSA, should be used for the completion of this table.
- 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.

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 the advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1: SMS post information as on 31 March 2019

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	1	100	0	100
Salary Level 16	1	1	100	0	100
Salary Level 15	6	5	83	1	17
Salary Level 14	19	16	84	3	16
Salary Level 13	60	48	80	12	20
Total	87	71	82	16	18

Table 3.3.2: SMS post information as on 30 September 2018

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	1	100	0	100
Salary Level 16	1	1	100	0	100
Salary Level 15	6	6	100	0	100
Salary Level 14	20	15	75	5	25
Salary Level 13	65	47	72	18	2
Total	93	70	75	23	25

Table 3.3.3: Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

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	0	0	0
Salary Level 16	0	0	0
Salary Level 15	1	0	0
Salary Level 14	5	2	0
Salary Level 13	18	6	0
Total	24	8	0

Table 3.3.4: Reasons for not having complied with the filling of funded vacant SMS posts advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2018 and 31 March 2019

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within 12 months
Two posts out of the 16 vacant posts were pending disputes and for the other 14 posts, the recruitment and selection process was underway.

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 3.3.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2018 and 31 March 2019

Reasons for vacancies not being advertised within six months
None

Reasons for vacancies not being filled within six months
None

Notes:

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or Head of Department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4. Job evaluation

The following table 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 2018 and 31 March 2019

Salary band	Number of posts on the approved establishment	Number of jobs evaluated	Percentage of posts evaluated by salary band	Posts upgraded		Posts downgraded	
				Number	Percentage of posts evaluated	Number	Percentage of posts evaluated
Skilled (levels 3–5)	188	0	0	0	0	0	0
Highly skilled production (levels 6–8)	316	2	1	2	100	0	0
Highly skilled supervision (levels 9–12)	473	62	12	60	97	0	0
Senior Management Service Band A	57	0	0	0	0	0	0
Senior Management Service Band B	18	0	0	0	0	0	0
Senior Management Service Band C	5	3	60	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Contract (levels 3–5)	2	0	0	0	0	0	0
Contract (levels 6–8)	20	0	0	0	0	0	0
Contract (levels 9–12)	19	0	0	0	0	0	0
Contract Band A	2	0	0	0	0	0	0
Contract Band B	1	0	0	0	0	0	0
Contract Band C	1	0	0	0	0	0	0
Contract Band D	2	0	0	0	0	0	0
Total	1 106	67	6	62	93	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their posts 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 2018 and 31 March 2019

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	1	0	3
Male	17	0	0	0	17
Total	19	0	1	0	20
Employees with a disability	0	0	0	0	0

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 2018 and 31 March 2019

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	None
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 2017 and 31 March 2018

Total number of employees whose salaries exceeded the grades determined by job evaluation	None
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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 2017 and 31 March 2019

Salary band	Number of employees at beginning of period 1 April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Skilled (levels 3–5), permanent	198	6	9	5
Highly skilled production (levels 6–8), permanent	291	4	8	3
Highly skilled supervision (levels 9–12), permanent	439	3	24	6
Senior Management Service Band A, permanent	44	1	6	14

Salary band	Number of employees at beginning of period 1 April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Senior Management Service Band B, permanent	14	0	0	0
Senior Management Service Band C, permanent	4	1	2	50
Senior Management Service Band D, permanent	2	0	0	0
Contract (levels 3–5), permanent	3	0	0	0
Contract (levels 6–8), permanent	30	2	3	10
Contract (levels 9–12), permanent	20	5	3	15
Contract Band A, permanent	2	0	0	0
Contract Band B, permanent	3	1	0	0
Contract Band D, permanent	1	0	0	0
Total	1 051	23	55	5

Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2018 and 31 March 2019

Occupation	Number of employees at the beginning of period 1 April 2018	Appointments and transfers into the Department	Terminations and Transfers out of the Department	Turnover rate
Administrative related, permanent	111	1	6	5
Agricultural, animal, oceanography, forestry and other sciences, permanent	1	0	0	0
Biologists, botanists zoologists and related professional, permanent	104	0	4	4
Cartographers and surveyors, permanent	2	0	1	50
Client information clerks (switchboard reception information clerks), permanent	11	0	0	0
Communication and information related, permanent	9	1	1	11
Economists, permanent	41	0	2	5
Engineering sciences related, permanent	2	0	0	0
Finance and economics related, permanent	6	1	0	0
Financial and related professionals. permanent	28	2	2	7
Financial clerks and credit controllers, permanent	11	4	3	27
General legal administration and related professionals, permanent	4	0	0	0
Head of Department/Chief Executive Officer, permanent	1	0	0	0
HR and organisational development and related professions, permanent	28	2	0	0
HR clerks, permanent	14	0	2	14

Occupation	Number of employees at the beginning of period 1 April 2018	Appointments and transfers into the Department	Terminations and Transfers out of the Department	Turnover rate
HR related, permanent	1	0	0	0
Information technology related, permanent	8	0	0	0
Language practitioners, interpreters and other communication, permanent	6	0	0	0
Legal related, permanent	5	0	0	0
Librarians and related professionals, permanent	2	0	0	0
Library, mail and related clerks, permanent	77	2	3	4
Logistical support personnel, permanent	8	0	1	13
Material-recording and transport clerks, permanent	27	1	1	4
Messengers, porters and deliverers, permanent	5	0	0	0
Other administration and related clerks and organisers, permanent	84	0	3	4
Other administrative policy and related officers, permanent	50	0	1	2
Other information technology personnel, permanent	24	0	3	13
Other machine operators, permanent	1	0	0	0
Other occupations, permanent	3	0	0	0
Risk management and security services, permanent	7	1	0	0
Safety health and quality inspectors, permanent	167	4	12	7
Secretaries and other keyboard-operating clerks, permanent	77	0	0	0
Security officers, permanent	49	1	2	4
Senior managers, permanent	61	3	8	13
Trade/industry advisers and other related professions, permanent	16	0	0	0
Total	1 051	23	55	5

Notes:

- The core classification, as prescribed by the DPSA, should be used for completion of this table.
- 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.

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 2018 and 31 March 2019

Termination type	Number	Percentage of total resignations
Death, permanent	3	6
Resignation, permanent	37	67
Expiry of contract, permanent	1	2
Discharged due to ill health, permanent	2	4
Dismissal-misconduct, permanent	3	6
Retirement, permanent	4	7
Transfers	5	9
Total	55	100

Table 3.5.4: Promotions by critical occupation for the period 1 April 2018 and 31 March 2019

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a percentage of employees by occupation	Progressions to another notch within salary level	Notch progressions as a percentage of employees by occupation
Administrative related	111	1	1	37	33
Agricultural, animal, oceanography, forestry and other sciences	1	0	0	0	0
Biologists, botanists, zoologists and related professionals	104	1	1	74	71
Cartographers and surveyors	2	0	0	1	50
Client information clerks (switchboard, reception, information clerks)	11	0	0	4	36
Communication and information related	9	0	0	3	33
Economists	41	1	2	25	61
Engineering sciences related	2	0	0	0	0
Finance and economics related	6	2	33	0	0
Financial and related professionals	28	6	21	16	57
Financial clerks and credit controllers	11	0	0	2	18
General legal administration and related professionals	4	0	0	3	75
Head of Department/Chief Executive Officer	1	0	0	0	0
HR and organisational development and related professions	28	2	7	12	43
HR clerks	14	0	0	10	71
HR related	1	0	0	1	100
Information technology related	8	0	0	1	13
Language practitioners, interpreters and other communication	6	0	0	4	67

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a percentage of employees by occupation	Progressions to another notch within salary level	Notch progressions as a percentage of employees by occupation
Legal related	5	0	0	3	60
Librarians and related professionals	2	0	0	1	50
Library, mail and related clerks	77	0	0	65	84
Logistical support personnel	8	1	13	6	75
Material-recording and transport clerks	27	0	0	23	85
Messengers, porters and deliverers	5	0	0	1	20
Other administration and related clerks and organisers	84	0	0	51	61
Other administrative policy and related officers	50	1	2	35	70
Other information technology personnel.	24	0	0	8	33
Other machine operators	1	0	0	0	0
Other occupations	3	0	0	1	33
Risk management and security services	7	2	29	3	43
Safety health and quality inspectors	167	3	2	56	34
Secretaries and other keyboard-operating clerks	77	0	0	28	36
Security officers	49	1	2	10	20
Senior managers	61	7	12	35	57
Trade/industry advisers and other related profession	16	0	0	7	44
Total	1 051	28	3	526	50

Table 3.5.5: Promotions by salary band for the period 1 April 2018 and 31 March 2019

Salary band	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a percentage of employees by salary band	Progressions to another notch within salary level	Notch progressions as a percentage of employees by salary band
Skilled (levels 3–5), permanent	198	1	1	111	56
Highly skilled production (levels 6–8), permanent	291	5	2	169	58
Highly skilled supervision (levels 9–12), permanent	439	12	3	205	47
Senior management (levels ≥13), permanent	64	8	13	40	63
Contract (levels 3–5), permanent	3	0	0	0	0
Contract (levels 6–8), permanent	30	0	0	0	0
Contract (levels 9–12), permanent	20	2	10	1	5
Contract (levels ≥13), permanent	6	0	0	0	0
Total	1 051	28	3	526	50

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 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	118	0	2	6	144	3	3	5	281
Technicians and associate professionals	155	2	0	18	133	4	1	4	317
Labourers and related workers	3	0	0	0	1	0	0	0	4
Service shop and market sales workers	33	2	0	4	16	1	0	0	56
Clerks	70	2	0	1	194	13	0	15	295
Senior officials and managers	38	0	0	4	21	0	0	0	63
Total	417	6	2	33	509	21	4	24	1 016
Employees with disabilities	4	0	0	2	1	0	0	0	7

Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	3	0	0	0	3	0	0	0	6
Senior management, permanent	32	0	0	4	22	0	0	0	58
Professionally qualified and experienced specialists and mid-management, permanent	204	3	2	23	182	2	4	8	428
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	83	1	0	5	182	14	0	15	300
Semi-skilled and discretionary decision making, permanent	63	2	0	1	106	4	0	1	177
Contract (top management), permanent	3	0	0	0	0	0	0	0	3
Contract (senior management), permanent	2	0	0	0	1	0	0	0	3
Contract (professionally qualified), permanent	14	0	0	0	4	1	0	0	19
Contract (skilled technical), permanent	11	0	0	0	9	0	0	0	20
Contract (semi-skilled), permanent	2	0	0	0	0	0	0	0	2
Total	417	6	2	33	509	21	4	24	1 016

Table 3.6.3: Recruitment for the period 1 April 2018 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	1	0	0	0	1	0	0	0	2
Senior management, permanent	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, permanent	2	0	0	0	5	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	1	0	0	0	4	0	0	0	5
Semi-skilled and discretionary decision making, permanent	4	0	0	0	1	0	0	0	5
Not available, permanent	1	0	0	0	0	0	0	0	1
Contract (professionally qualified), permanent	1	0	0	0	0	0	0	0	1
Contract (skilled technical), permanent	1	0	0	0	0	0	0	0	1
Total	12	0	0	0	11	0	0	0	23
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4: Promotions for the period 1 April 2018 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	0	0	0	0	2	0	0	0	2
Senior management, permanent	25	0	0	2	19	0	0	0	46
Professionally qualified and experienced specialists and mid-management, permanent	106	2	0	8	95	1	3	2	217
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	46	1	0	4	104	7	0	12	174
Semi-skilled and discretionary decision making, permanent	35	2	0	0	72	3	0	0	112
Contract (professionally qualified), permanent	3	0	0	0	0	0	0	0	3
Total	215	5	0	14	292	11	3	14	554
Employees with disabilities	3	0	0	2	1	0	0	0	6

Table 3.6.5: Terminations for the period 1 April 2018 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	0	0	0	0	2	0	0	0	2
Senior management, permanent	5	0	0	0	1	0	0	0	6
Professionally qualified and experienced specialists and mid-management, permanent	12	0	0	2	11	0	0	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	1	1	0	0	6	0	0	0	8
Semi-skilled and discretionary decision making, permanent	5	0	0	0	3	1	0	0	9
Contract (professionally qualified), permanent	1	0	0	0	1	0	0	0	2
Contract (skilled technical), permanent	3	0	0	0	0	0	0	0	3
Total	27	1	0	2	24	1	0	0	55

Table 3.6.6: Disciplinary action for the period 1 April 2018 to 31 March 2019

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	7	0	0	0	3	0	0	0	10

Table 3.6.7: Skills development for the period 1 April 2018 to 31 March 2019

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	40	0	0	4	26	0	0	0	70
Professionals	190	4	2	11	211	3	4	7	432
Technicians and associate professionals	109	0	0	16	132	8	0	5	270
Clerks	64	2	0	1	140	10	0	12	229
Service and sales workers	29	2	0	4	12	1	0	0	48
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
Total	432	8	2	36	521	21	4	24	1 049
Employees with disability	0	0	0	0	0	0	0	0	0

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 2018

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as a percentage of total number of SMS members
Director-General/ Head of Department	1	1	0	0%
Salary Level 16	0	0	0	0%
Salary Level 15	3	3	2	67%
Salary Level 14	15	15	11	73%
Salary Level 13	46	46	40	90%
Total	65	65	53	82%

Notes:

In the event of a national or provincial election occurring within the first three months of a financial year, all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2018.

Table 3.7.2: Reasons for not having concluded performance agreements for all SMS members as on 31 March 2019

Reasons
Lack of commitment from the affected managers.

Notes:

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

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2019

Reasons
None

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 2018 to 31 March 2019

Demographics	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	Percentage of total within group	Cost (R'000)	Average cost per beneficiary (R)
African, female	204	508	40	3 796	18 607
African, male	138	413	33	3 131	22 690
Asian, female	2	4	50	44	22 005
Asian, male	2	2	100	78	38 965
Coloured, female	7	21	33	68	9 734
Coloured, male	1	6	17	17	16 702
Total black, female	213	533	40	3 908	18 347
Total black, male	141	421	34	3 226	22 878
White, female	12	24	50	199	16 591
White, male	16	31	52	542	33 859
Employees with a disability	5	7	71	116	23 299
Total	387	1 016	38	7 991	20 649

Table 3.8.2: Performance rewards by salary band for personnel below SMS for the period 1 April 2018 to 31 March 2019

Demographics	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	Percentage of total within group	Cost (R'000)	Average cost per beneficiary (R)
Skilled (levels 3–5)	56	177	32	438	7 814
Highly skilled production (levels 6–8)	141	300	47	1 680	11 913
Highly skilled supervision (levels 9–12)	155	428	36	4 146	26 749
Contract (levels 3–5)	0	2	0	0	0
Contract (levels 6–8)	2	20	10	20	10 161
Contract (levels 9–12)	0	19	0	0	0
Total	354	946	37	6 284	17 751

Table 3.8.3: Performance rewards by critical occupation for the period 1 April 2018 to 31 March 2019

Demographics	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	Percentage of total within group	Cost (R'000)	Average cost per beneficiary (R)
Financial clerks and credit controllers	7	11	64	75	10 732
HR clerks	5	12	42	56	11 204
Security officers	5	48	10	45	8 980
Human resources and organisational development and related professions	15	31	48	273	18 168
Messengers, porters and deliverers	0	3	0	0	0
Risk management and security services	3	8	38	72	24 159
Safety, health and quality inspectors	46	155	30	1608	34 946
Logistical support personnel	6	8	75	80	13 260
Finance and economics related	1	7	14	8	8 000
Other administration and related clerks and organisers	35	91	39	338	9 651
Other occupations	0	3	0	0	0
Legal related	4	5	80	175	43 668
Agricultural, animal, oceanography, forestry and other sciences	0	1	0	0	0
Financial and related professionals	21	28	75	297	14 131
Administrative related	23	106	22	567	24 634
Biologists, botanists, zoologists and related professional	40	100	40	771	19 276
Communication and information related	5	9	56	85	17 031
Secretaries and other keyboard-operating clerks	39	72	54	480	12 316
Library, mail and related clerks	19	76	25	172	9 039
HR related	1	1	100	11	11 257
Trade/industry advisers and other related professions	7	17	41	157	22 424
Head of Department/Chief Executive officer	0	1	0	0	0
Language practitioners interpreters and other communication	5	6	83	52	10 380
General legal administration and related professionals	1	4	25	41	41 065
Material-recording and transport clerks	17	25	68	171	10 088
Other administrative policy and related officers	12	48	25	171	14 242
Senior managers	29	60	48	1 281	44 186

Demographics	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	Percentage of total within group	Cost (R'000)	Average cost per beneficiary (R)
Client information clerks (switchboard, reception, information clerks)	3	8	38	20	6 800
Economists	22	39	56	759	34 505
Cartographers and surveyors	1	1	100	17	16 702
Other information technology personnel.	10	22	46	145	14 489
Information technology related	3	8	38	58	19 194
Librarians and related professionals	1	2	50	7	7 342
Total	387	1 016	38	7 991	20 649

Notes:

- The core classification, as prescribed by the DPSA, should be used for completion of this table.
- 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 2018 to 31 March 2019

Demographics	Beneficiary profile			Cost			
	Number of beneficiaries	Number of employees	Percentage of total within group	Cost (R'000)	Average cost per beneficiary (R)	Percentage of SMS wage bill	Personnel cost SMS (R'000)
Band A	20	45	44	883	44 165	2	55 674
Band B	9	16	56	502	55 722	2	21 524
Band C	4	5	80	123	30 632	2	7 789
Band D	0	4	0	0	0	0	8 516
Total	33	70	47	1 507	45 677	2	93 503

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 2018 and 31 March 2019

Salary band	1 April 2018		31 March 2019		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2: Foreign workers by major occupation for the period 1 April 2018 and 31 March 2019

Salary band	1 April 2018		31 March 2019		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
Other	0	0	0	0	0	0
Total	0	0	0	0	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 2018 to 31 December 2018

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)	10	90	2	0	5	37
Contract (levels 3–5)	2	100	1	0	2	2
Contract (levels 6–8)	73	95	12	2	6	98
Contract (levels 9–12)	47	98	9	1	5	110
Highly skilled production (levels 6–8)	1 723	75	244	31	7	2 443
Highly skilled supervision (levels 9–12)	2 000	77	307	40	7	5 478
Senior management (levels 13–16)	257	79	40	5	6	1 084
Skilled (levels 3–5)	1 082	76	161	21	7	945
Total	5 194	77	776	100	7	10 198

Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

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)
Contract (levels 6–8)	20	100	1	2	20	24
Highly skilled production (levels 6–8)	145	100	14	33	10	208
Highly skilled supervision (levels 9–12)	270	100	14	33	19	778
Senior management (levels 13–16)	15	100	1	2	15	69
Skilled (levels 3–5)	71	100	12	29	6	60
Total	521	100	42	100	12	1 139

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires the 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 2018 to 31 December 2018

Salary band	Total days taken	Average days per employee	Number of employees who took leave
Contract (levels 13–16)	74	11	7
Contract (levels 3–5)	24	8	3
Contract (levels 6–8)	617	19	33
Contract (levels 9–12)	275	11	24
Highly skilled production (levels 6–8)	7 880	25	310
Highly skilled supervision (levels 9–12)	11 312	26	443
Senior management (levels 13–16)	1 648	24	70
Skilled (levels 3–5)	4 713	24	199
Total	26 543	24	1 089

Table 3.10.4: Capped leave for the period 1 January 2018 to 31 December 2018

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2018
Contract (levels 13–16)	0	0	0	0
Contract (levels 3–5)	0	0	0	0
Contract (levels 6–8)	0	0	0	0
Contract (levels 9–12)	0	0	0	0
Highly skilled production (levels 6–8)	7	2	4	54
Highly skilled supervision (levels 9–12)	27	7	4	61
Senior management (levels 13–16)	0	0	0	17
Skilled (levels 3–5)	13	5	3	21
Total	47	14	3	153

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

Table 3.10.:5 Leave payouts for the period 1 April 2018 and 31 March 2019

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Annual – discounting with resignation (work days)	1 470	37	39 730
Annual – gratuity: death, retirement or medical retirement (work)	453	9	50 333
Capped – gratuity: death, retirement or medical retirement (work)	200	4	50 000
Total	2 123	50	

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 Relations Management, Mr Steven Hlongwane
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of 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		Five employees. The annual budget of Employee Health and Wellness is included in the budget of the Directorate: Employment Relations Management
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements or services of this programme.	Yes		Education and Support programmes, on-site screening prevention, stress management and lifestyle programmes
4. Has the Department established (a) committee(s) as contemplated in Part VI E5(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		Mathapelo Kenosi, Ntombizodwa Zayo, Gladys Jantjies, Chrizelle Farmer, Zukiswa Keswa, Marsia Otto, Lungi Mondela, Tshepo Mtsele, Olivia Mabuza, Letlhogonolo Mokwena, Sibongile Cele, Mphatheleni Khomola
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 or practices so reviewed.		No	
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		Confidentiality and reasonable accommodation

Question	Yes	No	Details, if yes
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	Yes		More people are open about their status and most of them are taking antiretrovirals.
8. Has the Department developed measures or indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures or indicators.		No	

3.12 Labour relations

Table 3.12.1: Collective agreements for the period 1 April 2018 and 31 March 2019

Total number of collective agreements	None
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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 2018 and 31 March 2019

Outcomes of disciplinary hearings	Number	Percentage of total
Dismissal	3	30
Suspension without pay	2	20
Written warning	5	50
Total	10	100

Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019

Type of misconduct	Number	Percentage of total
Non-compliance with compliance	1	10
Theft	1	10
Soliciting bribes from clients	1	10
Insolence	1	10
Misused of GG vehicle	1	10
Non-disclosure of financial interest	5	50
Total	10	100

Table 3.12.4: Grievances logged for the period 1 April 2018 and 31 March 2019

Grievances	Number	Percentage of total
Number of grievances resolved	12	100
Number of grievances not resolved	0	0
Total number of grievances lodged	12	100

Table 3.12.5: Disputes logged with councils for the period 1 April 2018 and 31 March 2019

Disputes	Number	Percentage of total
Number of disputes upheld	1	100
Number of disputes dismissed	0	0
Total number of disputes lodged	1	100

Table 3.12.6: Strike actions for the period 1 April 2018 and 31 March 2019

Total number of person working days lost	0
Total costs of 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 2018 and 31 March 2019

Number of people suspended	4
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	60
Cost of suspension (R'000)	380 310,96

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 2018 and 31 March 2019

Occupational categories	Gender	Number of employees as at 1 April 2018	Training needs identified at the beginning of reporting period			Total
			Learnerships	Skills programmes and other short courses	Other forms of training	
Legislators, senior officials and managers	Female	26	0	5	0	5
	Male	44	0	5	0	5
Professionals	Female	225	0	132	22	154
	Male	207	0	128	20	148
Technicians and associate professionals	Female	145	0	96	1	97
	Male	125	0	67	1	68
Clerks	Female	162	0	98	0	98
	Male	67	0	42	0	42
Service and sales workers	Female	13	0	14	8	20
	Male	35	0	34	4	40
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender subtotals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		1 049	0	621	56	677

Table 3.13.2: Training provided for the period 1 April 2018 and 31 March 2019

Occupational categories	Gender	Number of employees as at 1 April 2018	Training provided			Total
			Learnerships	Skills programmes and other short courses	Other forms of training	
Legislators, senior officials and managers	Female	26	0	26	0	26
	Male	44	0	33	0	33
Professionals	Female	225	0	83	22	105
	Male	207	0	70	20	90
Technicians and associate professionals	Female	145	0	63	0	63
	Male	125	0	79	1	80
Clerks	Female	162	0	68	8	76
	Male	67	0	18	4	22
Service and sales workers	Female	13	0	10	0	10
	Male	35	0	28	0	28
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender subtotals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		1 049	0	478	55	533

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 2018 and 31 March 2019

Nature of injury on duty	Number	Percentage of total
Required basic medical attention only	251	99.2
Temporary total disablement	2	0.8
Permanent disablement	0	0
Fatal	0	0
Total	253	100

3.15 Utilisation of consultants

The following tables relates to 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:

- (a) The rendering of expert advice
- (b) The drafting of proposals for the execution of specific tasks
- (c) The execution of a specific task that 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 2018 and 31 March 2019

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in rand
None	0	0	0
Total	0	0	0

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in rand
None	0	0	0

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2018 and 31 March 2019

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0

Table 3.15.3: Report on consultant appointments using donor funds for the period 1 April 2018 and 31 March 2019

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in rand
None	0	0	0

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in rand
None	0	0	0

Table 3.15.4: Analysis of consultant appointments using donor funds, in terms of HDIs for the period 1 April 2018 and 31 March 2019

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0

3.16 Severance packages

Table 3.16.1: Granting of employee-initiated severance packages for the period 1 April 2018 and 31 March 2019

Salary band	Number of applications received	Number of applications referred to the Minister of Public Service and Administration (MPSA)	Number of applications supported by MPSA	Number of packages approved by Department
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
SMS Band A	0	0	0	0
SMS Band B	0	0	0	0
SMS Band C	0	0	0	0
SMS Band D	0	0	0	0
Total	0	0	0	0

PART E

FINANCIAL INFORMATION



I. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO 29: DEPARTMENT OF MINERAL RESOURCES for the year ended 31 March 2019

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 96 to 153, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, 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 2019, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (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 this auditor's report.
4. I am independent of the Department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) and 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 codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Irregular expenditure

7. As disclosed in Note 31 to the financial statements, the Department incurred irregular expenditure of R3 086 000 due to not following proper procurement processes.

Other matters

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 150 to 153 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 on them.

Responsibilities of the Accounting Officer for the financial statements

10. 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.
11. 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 the appropriate governance structure either intends to liquidate the Department or to cease operations, or has no realistic alternative but to do so.

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

12. 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

14. 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.
15. 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 measures 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.
16. 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 2019:

Programmes	Pages in the annual performance report
Programme 2 : Mine Health and Safety	35–37
Programme 3: Mineral Regulation	38–42
Programme 4: Mineral Policy and Promotion	43–46

17. 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.

18. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:

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

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 28 to 47 for information on the achievement of planned targets for the year and explanations provided for the under-/over-achievement of a significant number of targets.

Adjustment of material misstatements

21. 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, and Mineral Regulation. 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 THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

22. 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.

23. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

24. The 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 and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. 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.
26. 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.
27. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

28. 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 on it. I did not identify any significant deficiencies in internal control.

Other reports

29. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the Department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
30. An independent consultant investigated reported irregular, fruitless and wasteful expenditure, contingent liability and contingent asset at the request of the Department, which covered the period January 2008 to 31 December 2018. The investigation was concluded on 27 April 2019 and resulted in the identification of possible irregular, fruitless and wasteful expenditure incurred by the Department in the current and prior financial periods.

Auditor - General

Pretoria
31 July 2019



Annexure: Auditor-General's responsibility for the audit

For the year ended 31 March 2019

1. As part of an audit in accordance with the ISA, 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 this Auditor's Report, I also do the following:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Officer.
 - Conclude 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 conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Department'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 this Auditor's Report. However, future events or conditions may cause a department to cease continuing as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Officer.

Communication with those charged with governance

3. I communicate 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 identify during my audit.
4. I also confirm to the Accounting Officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

2. ANNUAL FINANCIAL STATEMENTS

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Appropriation per programme

Voted funds and direct charges	2018/19							2017/18	
	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as percentage of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000		R'000	R'000	R'000	R'000	R'000
Programme									
1. Administration	335 000	-	26 649	361 649	354 470	7 179	98.0%	362 906	362 470
2. Mine Health and Safety	205 037	-	4 016	209 053	208 477	576	99.7%	203 687	203 657
3. Mineral Regulation	393 606	-	-4 329	389 277	388 775	502	99.9%	370 392	370 104
4. Mineral Policy and Promotion	957 018	-	-26 336	930 682	928 401	2 281	99.8%	842 464	840 454
Total	1 890 661	-	-	1 890 661	1 880 123	10 538	99.4%	1 779 449	1 776 685

	2017/18		2016/17	
Reconciliation with Statement of Financial Performance				
Departmental receipts	33 693		38 912	
NRF receipts	-		-	
Aid assistance	-		-	
Actual amounts per Statement of Financial Performance (total revenue)	1 924 354		1 818 361	
Add				
Aid assistance		-		-
Prior year unauthorised expenditure approved without funding				
Actual amounts per Statement of Financial Performance expenditure		1 880 123		1 776 685

Appropriation per economic classification

Economic classification	2018/19						2017/18		
	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	Percentage	R'000	R'000
Current payments	871 058	-	13 419	884 477	877 999	6 478	99.3%	869 918	867 276
Compensation of employees	617 628	-	-900	616 728	611 141	5 587	99.1%	590 665	588 355
Salaries and wages	540 320	-2 911	-900	536 509	531 622	4 887	99.1%	514 165	512 575
Social contributions	77 308	2 911	-	80 219	79 519	700	99.1%	76 500	75 780
Goods and services	253 430	-	14 319	267 749	266 858	891	99.7%	279 253	278 921
Administrative fees	6 142	-3 016	-714	2 412	2 410	2	99.9%	2 484	2 484
Advertising	2 429	-1 339	-	1 090	1 090	-	100.0%	5 813	5 813
Minor assets	4 831	-4 612	-	219	217	2	99.1%	1 509	1 482
Audit costs: External	4 924	40	1 424	6 388	6 388	-	100.0%	7 013	7 013
Bursaries: Employees	1 973	-334	-	1 639	1 612	27	98.4%	1 248	1 246
Catering: Departmental activities	4 002	-748	-31	3 223	3 221	2	99.9%	1 482	1 432
Communication (Goods and Services)	8 582	-1 681	-	6 901	6 898	3	100.0%	12 719	12 706
Computer services	25 480	-1 186	-223	24 071	24 070	1	100.0%	23 850	23 850
Consultants: Business and advisory services	5 512	-2 391	-1 224	1 897	1 895	2	99.9%	2 134	2 134
Legal services	4 097	7 219	-	11 316	11 315	1	100.0%	13 561	13 561
Contractors	10 004	-1 681	-1 000	7 323	7 404	(81)	101.1%	4 562	4 481
Agency and support / outsourced services	10	-10	-	-	-	-	-	3	-
Entertainment	164	-164	-	-	-	-	-	10	5
Fleet services (including government motor transport)	6 395	1 993	3 649	12 037	12 034	3	100.0%	10 657	10 657
Consumable supplies	3 991	-1 928	-	2 063	2 061	2	99.9%	2 305	2 251
Consumable: Stationery, printing and office supplies	10 895	-6 082	-496	4 317	4 315	2	100.0%	3 887	3 887
Operating leases	44 449	16 774	21 978	83 201	82 931	270	99.7%	88 638	88 614
Property payments	8 039	-1 217	-75	6 747	6 746	1	100.0%	6 562	6 562

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
 APPROPRIATION STATEMENT for the year ended 31 March 2019

Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Travel and subsistence	70 099	11 765	-6 342	75 522	75 515	7	100.0%	69 141	69 141
Training and development	8 751	-4 913	-626	3 212	3 208	4	99.9%	4 749	4 749
Operating payments	11 035	-5 504	-	5 531	4 893	638	88.5%	9 724	9 654
Venues and facilities	9 516	-1 900	-	7 616	7 612	4	99.9%	6 084	6 081
Rental and hiring	2 110	915	-2 001	1 024	1 023	1	99.9%	1 118	1 118
Transfers and subsidies	1 007 253	-	-14 071	993 182	992 866	316	100.0%	896 862	896 740
Departmental agencies and accounts	471 864	-	-	471 864	471 744	120	100.0%	440 855	440 733
Departmental agencies (non-business entities)	471 864	-	-	471 864	471 744	120	100.0%	440 855	440 733
Public corporations and private enterprises	533 783	-	-14 971	518 812	518 807	5	100.0%	454 394	454 394
Public corporations	435 344	-	-14 971	420 373	420 368	5	100.0%	367 256	367 256
Subsidies on products and production (public corporations)	14 976	-	-14 971	5	-	5	-	-	-
Other transfers to public corporations	420 368	-	-	420 368	420 368	-	100.0%	367 256	367 256
Private enterprises	98 439	-	-	98 439	98 439	-	100.0%	87 138	87 138
Subsidies on products and production (private enterprises)	98 439	-	-	98 439	98 439	-	100.0%	87 138	87 138
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 606	-	900	2 506	2 315	191	92.4%	1 613	1 613
Social benefits	1 295	-	900	2 195	2 183	12	99.5%	1 573	1 573
Other transfers to households	311	-	-	311	132	179	42.4%	40	40
Payments for capital assets	12 350	-	-	12 350	8 606	3 744	69.7%	12 669	12 669
Buildings and other fixed structures	1 954	-500	-	1 454	636	818	43.7%	263	263
Buildings	1 954	-500	-	1 454	636	818	43.7%	263	263
Machinery and equipment	10 396	500	-	10 896	7 970	2 926	73.1%	11 614	11 614
Transport equipment	1 720	-	-	1 720	932	788	54.2%	1 595	1 595
Other machinery and equipment	8 676	500	-	9 176	7 038	2 138	76.7%	10 019	10 019
Software and other intangible assets	-	-	-	-	-	-	-	792	792
Payment for financial assets	-	-	652	652	652	-	100.0%	-	-
Total	1 890 661	-	-	1 890 661	1 880 123	10 538	99.4%	1 779 449	1 776 685

Programme I: Administration

	2018/19							2017/18	
	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	Percentage	R'000	R'000
Sub-programme									
1. Ministry	27 276	1 644	3 553	32 473	31 568	905	97.2%	34 437	34 437
2. Corporate Services	133 175	33 212	24 084	190 471	187 276	3 195	98.3%	181 999	181 823
3. Department Management	30 050	-8 767	-3 172	18 111	17 975	136	99.2%	15 541	15 541
4. Financial Administration	96 793	-8 900	2 169	90 062	88 982	1 080	98.8%	97 901	97 641
5. Internal Audit	12 916	-246	15	12 685	10 822	1 863	85.3%	10 114	10 114
6. Office Accommodation	34 790	-16 943	-	17 847	17 847	-	100.0%	22 914	22 914
Total	335 000	-	26 649	361 649	354 470	7 179	98.0%	362 906	362 470

Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	320 004	-	25 665	345 669	341 929	3 740	98.9%	350 107	349 800
Compensation of employees	186 927	-	-3 300	183 627	180 133	3 494	98.1%	170 064	170 045
Salaries and wages	163 258	-	-2 900	160 358	157 023	3 335	97.9%	148 099	148 063
Social contributions	23 669	-	-400	23 269	23 110	159	99.3%	21 965	21 982
Goods and services	133 077	-	28 965	162 042	161 796	246	99.8%	180 043	179 755
Administrative fees	1 656	-377	-	1 279	1 276	3	99.8%	1 103	1 196
Advertising	1 268	-753	-	515	515	-	100.0%	624	588
Minor assets	3 182	-2 986	-	196	194	2	99.0%	1 461	1 439
Audit costs: External	4 924	40	1 424	6 388	6 388	-	100.0%	7 013	7 013
Bursaries: Employees	1 833	-194	-	1 639	1 612	27	98.4%	1 248	1 246
Catering: Departmental activities	1 496	-574	-	922	920	2	99.8%	747	708
Communication (Goods and Services)	3 473	-1 909	-	1 564	1 561	3	99.8%	8 656	8 606
Computer services	17 814	1 142	745	19 701	19 701	-	100.0%	23 091	23 091
Consultants: Business and advisory services	1 898	-374	-84	1 440	1 438	2	99.9%	1 615	1 596
Legal services	520	-261	-	259	258	1	99.6%	691	691

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
 APPROPRIATION STATEMENT for the year ended 31 March 2019

Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Contractors	2 068	-1 484	-	584	667	-83	114.2%	382	367
Agency and support / outsourced services	10	-10	-	-	-	-	-	3	-
Entertainment	159	-159	-	-	-	-	-	5	5
Fleet services (including government motor transport)	2 660	154	3 649	6 463	6 461	2	100.0%	6 145	6 168
Consumable supplies	1 973	-1 067	-	906	904	2	99.8%	1 164	1 150
Consumable: Stationery, printing and office supplies	4 694	-2 762	-	1 932	1 930	2	99.9%	2 002	2 003
Operating leases	44 123	17 065	21 978	83 166	82 896	270	99.7%	88 150	88 150
Property payments	7 188	-441	-	6 747	6 746	1	100.0%	6 562	6 562
Travel and subsistence	19 222	1 365	1 253	21 840	21 837	3	100.0%	20 652	20 467
Training and development	5 839	-3 460	-	2 379	2 376	3	99.9%	4 066	4 057
Operating payments	3 203	-2 172	-	1 031	1 029	2	99.8%	1 869	1 844
Venues and facilities	3 764	-761	-	3 003	2 999	4	99.9%	2 592	2 595
Rental and hiring	110	-22	-	88	88	-	100.0%	202	213
Transfers and subsidies	3 579	-	900	4 479	4 168	311	93.1%	3 453	3 331
Departmental agencies and accounts	1 973	-	-	1 973	1 853	120	93.9%	1 840	1 718
Departmental agencies (non-business entities)	1 973	-	-	1 973	1 853	120	93.9%	1 840	1 718
Households	1 606	-	900	2 506	2 315	191	92.4%	1 613	1 613
Social benefits	1 295	-	900	2 195	2 183	12	99.5%	1 573	1 573
Other transfers to households	311	-	-	311	132	179	42.4%	40	40
Payments for capital assets	11 417	-	-	11 417	8 289	3 128	72.6%	9 346	9 339
Buildings and other fixed structures	1 954	-500	-	1 454	636	818	43.7%	263	263
Buildings	1 954	-500	-	1 454	636	818	43.7%	263	263
Machinery and equipment	9 463	500	-	9 963	7 653	2 310	76.8%	8 291	8 284
Transport equipment	1 720	-	-	1 720	932	788	54.2%	1 595	1 595
Other machinery and equipment	7 743	500	-	8 243	6 721	1 522	81.5%	6 696	6 689
Software and other intangible assets	-	-	-	-	-	-	-	792	792
Payment for financial assets	-	-	84	84	84	-	100.0%	-	-
Total	335 000	-	26 649	361 649	354 470	7 179	98.0%	362 906	362 470

Sub-programme 1.1: Ministry									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	27 061	1 644	3 553	32 258	31 568	690	97.9%	34 252	34 252
Compensation of employees	17 598	1 852	-	19 450	18 765	685	96.5%	19 203	19 222
Goods and services	9 463	-208	3 553	12 808	12 803	5	100.0%	15 049	15 030
Payments for capital assets	215	-	-	215	-	215	-	185	185
Machinery and equipment	215	-	-	215	-	215	-	185	185
Total	27 276	1 644	3 553	32 473	31 568	905	97.2%	34 437	34 437

Sub-programme 1.2: Corporate Services									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	125 177	33 212	23 138	181 527	180 905	622	99.7%	174 825	174 771
Compensation of employees	80 620	8 042	-	88 662	88 263	399	99.5%	82 781	82 782
Goods and services	44 557	25 170	23 138	92 865	92 642	223	99.8%	92 044	91 989
Transfers and subsidies	3 579	-	900	4 479	4 168	311	93.1%	3 453	3 331
Departmental agencies and accounts	1 973	-	-	1 973	1 853	120	93.9%	1 840	1 718
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 606	-	900	2 506	2 315	191	92.4%	1 613	1 613
Payments for capital assets	4 419	-	-	4 419	2 157	2 262	48.8%	3 721	3 721
Buildings and other fixed structures	1 954	-500	-	1 454	636	818	43.7%	263	263
Machinery and equipment	2 465	500	-	2 965	1 521	1 444	51.3%	3 414	3 414
Software and other intangible assets	-	-	-	-	-	-	-	44	44
Payment for financial assets	-	-	46	46	46	-	100.0%	-	-
Total	133 175	33 212	24 084	190 471	187 276	3 195	98.3%	181 999	181 823

Sub-programme 1.3: Department Management									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	30 050	-8 767	-3 195	18 088	17 952	136	99.2%	15 481	15 481
Compensation of employees	24 761	-8 978	-3 300	12 483	12 351	132	98.9%	10 302	10 280
Goods and services	5 289	211	105	5 605	5 601	4	99.9%	5 179	5 201
Payments for capital assets	-	-	-	-	-	-	-	60	60
Machinery and equipment	-	-	-	-	-	-	-	60	60
Payment for financial assets	-	-	23	23	23	-	100.0%		
Total	30 050	-8 767	-3 172	18 111	17 975	136	99.2%	15 541	15 541

Sub-programme 1.4: Financial Administration									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	90 010	-8 900	2 169	83 279	82 850	429	99.5%	92 557	92 304
Compensation of employees	53 957	-1 845	-	52 112	51 695	417	99.2%	49 518	49 502
Goods and services	36 053	-7 055	2 169	31 167	31 155	12	100.0%	43 039	42 802
Payments for capital assets	6 783	-	-	6 783	6 132	651	90.4%	5 344	5 337
Machinery and equipment	6 783	-	-	6 783	6 132	651	90.4%	4 596	4 589
Software and other intangible assets				-	-	-	-	748	748
Total	96 793	-8 900	2 169	90 062	88 982	1 080	98.8%	97 901	97 641

Sub-programme 1.5: Internal Audit									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	12 916	-246	-	12 670	10 807	1 863	85.3%	10 078	10 078
Compensation of employees	9 991	929	-	10 920	9 059	1 861	83.0%	8 260	8 259
Goods and services	2 925	-1 175	-	1 750	1 748	2	99.9%	1 818	1 819
Payments for capital assets	-	-	-	-	-	-	-	36	36
Machinery and equipment	-	-	-	-	-	-	-	36	36
Payment for financial assets	-	-	15	15	15	-	100.0%	-	-
Total	12 916	-246	15	12 685	10 822	1 863	85.3%	10 114	10 114

Sub-programme 1.6: Office Accommodation									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	34 790	-16 943	-	17 847	17 847	-	100.0%	22 914	22 914
Goods and services	34 790	-16 943	-	17 847	17 847	-	100.0%	22 914	22 914
Total	34 790	-16 943	-	17 847	17 847	-	100.0%	22 914	22 914

Programme 2: Mine Health and Safety

	2018/19							2017/18	
	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	Percentage	R'000	R'000
Sub-programme									
1. Governance Policy and Oversight	59 782	-11 453	-748	47 581	47 079	502	98.9%	45 027	45 013
2. Mine Health and Safety Regions	140 452	11 453	4 764	156 669	156 595	74	100.0%	152 498	152 482
3. Mine Health and Safety Council	4 803	-	-	4 803	4 803	-	100.0%	6 162	6 162
Total	205 037	-	4 016	209 053	208 477	576	99.7%	203 687	203 657

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2019

Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	199 505	-	3 693	203 198	203 119	79	100.0%	196 138	196 108
Compensation of employees	166 286	-	4 900	171 186	171 111	75	100.0%	165 879	165 879
Salaries and wages	146 113	73	4 500	150 686	150 612	74	100.0%	146 398	146 398
Social contributions	20 173	-73	400	20 500	20 499	1	100.0%	19 481	19 481
Goods and services	33 219	-	-1 207	32 012	32 008	4	100.0%	30 259	30 229
Administrative fees	428	-167	-	261	261	-	100.0%	265	220
Advertising	327	-327	-	-	-	-	-	-	-
Minor assets	133	-123	-	10	10	-	100.0%	24	22
Catering: Departmental activities	215	-188	-	27	27	-	100.0%	240	238
Communication (Goods and Services)	1 738	-655	-	1 083	1 083	-	100.0%	495	532
Computer services	750	-709	-	41	40	1	97.6%	-	-
Consultants: Business and advisory services	1 964	-694	-1 007	263	263	-	100.0%	484	469
Legal services	750	-74	-	676	676	-	100.0%	749	749
Contractors	250	-108	-	142	141	1	99.3%	195	174
Entertainment	5	-5	-	-	-	-	-	5	-
Fleet services (including government motor transport)	812	-435	-	377	377	-	100.0%	341	318
Consumable supplies	583	-131	-	452	452	-	100.0%	468	454
Consumable: Stationery, printing and office supplies	2 676	-1 890	-	786	786	-	100.0%	644	650
Operating leases	55	-20	-	35	35	-	100.0%	61	44
Property payments	2	-2	-	-	-	-	-	-	-
Travel and subsistence	20 264	6 963	-200	27 027	27 027	-	100.0%	25 704	25 813
Training and development	914	-506	-	408	407	1	99.8%	180	176
Operating payments	544	-168	-	376	375	1	99.7%	277	254
Venues and facilities	809	-761	-	48	48	-	100.0%	117	116
Rental and hiring	-	-	-	-	-	-	-	10	-
Transfers and subsidies	4 803	-	-	4 803	4 803	-	100.0%	6 162	6 162
Departmental agencies and accounts	4 803	-	-	4 803	4 803	-	100.0%	6 162	6 162
Departmental agencies (non-business entities)	4 803	-	-	4 803	4 803	-	100.0%	6 162	6 162
Payments for capital assets	729	-	-139	590	93	497	15.8%	1 387	1 387
Machinery and equipment	729	-	-139	590	93	497	15.8%	1 387	1 387
Other machinery and equipment	729	-	-139	590	93	497	15.8%	1 387	1 387
Payment for financial assets	-	-	462	462	462	-	100.0%	-	-
Total	205 037	-	4 016	209 053	208 477	576	99.7%	203 687	203 657

Sub-programme 2.1: Governance Policy and Oversight									
Economic classification	2018/19						2017/18		
	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	Percentage	R'000	R'000
Current payments	59 053	-11 433	-1 007	46 613	46 608	5	100.0%	44 043	44 029
Compensation of employees	46 712	-7 937	-	38 775	38 774	1	100.0%	37 742	37 742
Goods and services	12 341	-3 496	-1 007	7 838	7 834	4	99.9%	6 301	6 287
Payments for capital assets	729	-20	-139	570	73	497	12.8%	984	984
Machinery and equipment	729	-20	-139	570	73	497	12.8%	984	984
Payment for financial assets	-	-	398	398	398	-	100.0%	-	-
Total	59 782	-11 453	-748	47 581	47 079	502	98.9%	45 027	45 013

Sub-programme 2.2: Mine Health and Safety Regions									
Economic classification	2018/19						2017/18		
	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	Percentage	R'000	R'000
Current payments	140 452	11 433	4 700	156 585	156 511	74	100.0%	152 095	152 079
Compensation of employees	119 574	7 937	4 900	132 411	132 337	74	99.9%	128 137	128 137
Goods and services	20 878	3 496	-200	24 174	24 174	-	100.0%	23 958	23 942
Payments for capital assets	-	20	-	20	20	-	100.0%	403	403
Machinery and equipment	-	20	-	20	20	-	100.0%	403	403
Payment for financial assets	-	-	64	64	64	-	100.0%	-	-
Total	140 452	11 453	4 764	156 669	156 595	74	100.0%	152 498	152 482

Sub-programme 2.3: Mine Health and Safety Council									
Economic classification	2018/19						2017/18		
	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	Percentage	R'000	R'000
Transfers and subsidies	4 803	-	-	4 803	4 803	-	100.0%	6 162	6 162
Departmental agencies and accounts	4 803	-	-	4 803	4 803	-	100.0%	6 162	6 162
Total	4 803	-	-	4 803	4 803	-	100.0%	6 162	6 162

Programme 3: Mineral Regulation

	2018/19							2017/18	
	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	Percentage	R'000	R'000
Sub-programme									
1. Mineral Regulation and Administration	206 711	4 863	-388	211 186	210 922	264	99.9%	202 270	202 178
2. Management Mineral Regulation	29 351	-4 863	-3 941	20 547	20 309	238	98.8%	15 119	14 923
3. South African Diamond and Precious Metals Regulator	59 105	-	-	59 105	59 105	-	100.0%	65 865	65 865
4. Petroleum Agency South Africa	98 439	-	-	98 439	98 439	-	100.0%	87 138	87 138
Total	393 606	-	-4 329	389 277	388 775	502	99.9%	370 392	370 104

Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	236 021	-	-4 543	231 478	230 977	501	99.8%	216 264	215 969
Compensation of employees	193 191	-	-500	192 691	192 189	502	99.7%	185 913	185 631
Salaries and wages	168 641	-2 985	-500	165 156	164 688	468	99.7%	159 544	159 497
Social contributions	24 550	2 985	-	27 535	27 501	34	99.9%	26 369	26 134
Goods and services	42 830	-	-4 043	38 787	38 788	-1	100.0%	30 351	30 338
Administrative fees	500	-149	-	351	352	-1	100.3%	327	290
Advertising	268	-160	-	108	108	-	100.0%	97	133
Minor assets	1 447	-1 434	-	13	13	-	100.0%	19	17
Catering: Departmental activities	528	489	-	1 017	1 017	-	100.0%	165	165
Communication (Goods and Services)	2 880	297	-	3 177	3 177	-	100.0%	3 474	3 474
Computer services	6 831	-1 534	-968	4 329	4 329	-	100.0%	759	759
Legal services	1 327	2 944	-	4 271	4 271	-	100.0%	4 625	4 625
Contractors	32	16	-	48	48	-	100.0%	41	1
Fleet services (including government motor transport)	2 543	2 334	-	4 877	4 877	-	100.0%	3 843	3 843
Consumable supplies	984	-355	-	629	629	-	100.0%	616	602
Consumable: Stationery, printing and office supplies	2 277	-1 373	-	904	904	-	100.0%	893	886
Operating leases	5	-5	-	-	-	-	-	7	-
Property payments	589	-514	-75	-	-	-	-	-	-

Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Travel and subsistence	19 558	883	-3 000	17 441	17 441	-	100.0%	14 249	14 330
Training and development	899	-842	-	57	57	-	100.0%	189	188
Operating payments	602	104	-	706	706	-	100.0%	769	747
Venues and facilities	1 560	-1 164	-	396	396	-	100.0%	278	278
Rental and hiring	-	463	-	463	463	-	100.0%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	157 544	-	-	157 544	157 544	-	100.0%	153 003	153 003
Departmental agencies and accounts	59 105	-	-	59 105	59 105	-	100.0%	65 865	65 865
Departmental agencies (non-business entities)	59 105	-	-	59 105	59 105	-	100.0%	65 865	65 865
Public corporations and private enterprises	98 439	-	-	98 439	98 439	-	100.0%	87 138	87 138
Private enterprises	98 439	-	-	98 439	98 439	-	100.0%	87 138	87 138
Subsidies on products and production (pe)	98 439	-	-	98 439	98 439	-	100.0%	87 138	87 138
Payments for capital assets	41	-	139	180	179	1	99.4%	1 125	1 132
Machinery and equipment	41	-	139	180	179	1	99.4%	1 125	1 132
Other machinery and equipment	41	-	139	180	179	1	99.4%	1 125	1 132
Payment for financial assets	-	-	75	75	75	-	100.0%	-	-
Total	393 606	-	-4 329	389 277	388 775	502	99.9%	370 392	370 104

Sub-programme 3.1: Mineral Regulation and Administration									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	206 670	4 903	-575	210 998	210 734	264	99.9%	201 203	201 105
Compensation of employees	179 881	890	-500	180 271	180 007	264	99.9%	174 527	174 442
Goods and services	26 789	4 013	-75	30 727	30 727	-	100.0%	26 676	26 663
Payments for capital assets	41	-40	112	113	113	-	100.0%	1 067	1 073
Machinery and equipment	41	-40	112	113	113	-	100.0%	1 067	1 073
Payment for financial assets	-	-	75	75	75	-	100.0%	-	-
Total	206 711	4 863	-388	211 186	210 922	264	99.9%	202 270	202 178

Sub-programme 3.2: Management Mineral Regulation									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	29 351	-4 903	-3 968	20 480	20 243	237	98.8%	15 061	14 864
Compensation of employees	13 310	-890	-	12 420	12 182	238	98.1%	11 386	11 189
Goods and services	16 041	-4 013	-3 968	8 060	8 061	-1	100.0%	3 675	3 675
Payments for capital assets	-	40	27	67	66	1	98.5%	58	59
Machinery and equipment	-	40	27	67	66	1	98.5%	58	59
Total	29 351	-4 863	-3 941	20 547	20 309	238	98.8%	15 119	14 923

Sub-programme 3.3: South African Diamond and Precious Metals Regulator									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Transfers and subsidies	59 105	-	-	59 105	59 105	-	100.0%	65 865	65 865
Departmental agencies and accounts	59 105	-	-	59 105	59 105	-	100.0%	65 865	65 865
Total	59 105	-	-	59 105	59 105	-	100.0%	65 865	65 865

Sub-programme 3.4: Petroleum Agency South Africa									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Transfers and subsidies	98 439	-	-	98 439	98 439	-	100.0%	87 138	87 138
Public corporations and private enterprises	98 439	-	-	98 439	98 439	-	100.0%	87 138	87 138
Non-profit institutions	-	-	-	-	-	-	-	-	-
Total	98 439	-	-	98 439	98 439	-	100.0%	87 138	87 138

Programme 4: Mineral Policy and Promotion

	2018/19							2017/18	
	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	Percentage	R'000	R'000
Sub-programme									
1. Management	22 294	-1 785	-3 134	17 375	17 077	298	98.3%	25 121	23 935
2. Mineral Policy	20 007	4 524	31	24 562	23 834	728	97.0%	18 299	18 223
3. Mineral Promotion and International Coordination	63 806	3 403	-19 297	47 912	47 580	332	99.3%	43 879	43 869
4. Assistance to Mines	-	-	-	-	-	-	-	-	-
5. Council for Geoscience	405 983	-	-	405 983	405 983	-	100.0%	366 988	366 988
6. Mintek	420 368	-	-	420 368	420 368	-	100.0%	367 256	367 256
7. Economic Advisory Services	4 491	-180	-1 544	2 767	2 544	223	91.9%	3 718	3 388
8. Mine Environmental Management	20 069	-5 962	-2 392	11 715	11 015	700	94.0%	17 203	16 795
Total	957 018	-	-26 336	930 682	928 401	2 281	99.8%	842 464	840 454

Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	115 528	-	-11 396	104 132	101 974	2 158	97.9%	107 409	105 399
Compensation of employees	71 224	-	-2 000	69 224	67 708	1 516	97.8%	68 809	66 800
Salaries and wages	62 308	1	-2 000	60 309	59 299	1 010	98.3%	60 124	58 617
Social contributions	8 916	-1	-	8 915	8 409	506	94.3%	8 685	8 183
Goods and services	44 304	-	-9 396	34 908	34 266	642	98.2%	38 600	38 599
Administrative fees	3 558	-2 323	-714	521	521	-	100.0%	789	778
Advertising	566	-99	-	467	467	-	100.0%	5 092	5 092
Minor assets	69	-69	-	-	-	-	-	5	4
Bursaries: Employees	140	-140	-	-	-	-	-	-	-
Catering: Departmental activities	1 763	-475	-31	1 257	1 257	-	100.0%	330	321
Communication (Goods and Services)	491	586	-	1 077	1 077	-	100.0%	94	94
Computer services	85	-85	-	-	-	-	-	-	-
Consultants: Business and advisory services	1 650	-1 323	-133	194	194	-	100.0%	35	69

DEPARTMENT OF MINERAL RESOURCES • VOTE 29
APPROPRIATION STATEMENT for the year ended 31 March 2019

Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Legal services	1 500	4 610	-	6 110	6 110	-	100.0%	7 496	7 496
Contractors	7 654	-105	-1 000	6 549	6 548	1	100.0%	3 944	3 939
Fleet services (including government motor transport)	380	-60	-	320	319	1	99.7%	328	328
Consumable supplies	451	-375	-	76	76	-	100.0%	57	45
Consumable: Stationery, printing and office supplies	1 248	-57	-496	695	695	-	100.0%	348	348
Operating leases	266	-266	-	-	-	-	-	420	420
Property payments	260	-260	-	-	-	-	-	-	-
Travel and subsistence	11 055	2 554	-4 395	9 214	9 210	4	100.0%	8 536	8 531
Training and development	1 099	-105	-626	368	368	-	100.0%	314	328
Operating payments	6 686	-3 268	-	3 418	2 783	635	81.4%	6 809	6 809
Venues and facilities	3 383	786	-	4 169	4 169	-	100.0%	3 097	3 092
Rental and hiring	2 000	474	-2 001	473	472	1	99.8%	906	905
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	841 327	-	-14 971	826 356	826 351	5	100.0%	734 244	734 244
Departmental agencies and accounts	405 983	-	-	405 983	405 983	-	100.0%	366 988	366 988
Departmental agencies (non-business entities)	405 983	-	-	405 983	405 983	-	100.0%	366 988	366 988
Public corporations and private enterprises	435 344	-	-14 971	420 373	420 368	5	100.0%	367 256	367 256
Public corporations	435 344	-	-14 971	420 373	420 368	5	100.0%	367 256	367 256
Subsidies on products and production (public corporations)	14 976	-	-14 971	5	-	5	-	-	-
Other transfers to public corporations	420 368	-	-	420 368	420 368	-	100.0%	367 256	367 256
Payments for capital assets	163	-	-	163	45	118	27.6%	811	811
Machinery and equipment	163	-	-	163	45	118	27.6%	811	811
Other machinery and equipment	163	-	-	163	45	118	27.6%	811	811
Payment for financial assets	-	-	31	31	31	-	100.0%	-	-
Total	957 018	-	-26 336	930 682	928 401	2 281	99.8%	842 464	840 454



Sub-programme 4.1: Management									
Economic classification	2018/19						2017/18		
	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	Percentage	R'000	R'000
Current payments	22 223	-1 785	-3 134	17 304	17 032	272	98.4%	24 963	23 777
Compensation of employees	10 726	-	-	10 726	10 455	271	97.5%	10 542	9 357
Goods and services	11 497	-1 785	-3 134	6 578	6 577	1	100.0%	14 421	14 420
Payments for capital assets	71	-	-	71	45	26	63.4%	158	158
Machinery and equipment	71	-	-	71	45	26	63.4%	158	158
Total	22 294	-1 785	-3 134	17 375	17 077	298	98.3%	25 121	23 935

Sub-programme 4.2: Mineral Policy									
Economic classification	2018/19						2017/18		
	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	Percentage	R'000	R'000
Current payments	20 007	4 524	-	24 531	23 803	728	97.0%	18 070	17 993
Compensation of employees	11 615	-	-	11 615	11 237	378	96.7%	11 998	11 921
Goods and services	8 392	4 524	-	12 916	12 566	350	97.3%	6 072	6 072
Payments for capital assets	-	-	-	-	-	-	-	229	230
Machinery and equipment	-	-	-	-	-	-	-	229	230
Payment for financial assets	-	-	31	31	31	-	100.0%	-	-
Total	20 007	4 524	31	24 562	23 834	728	97.0%	18 299	18 223

Sub-programme 4.3: Mineral Promotion and International Coordination									
Economic classification	2018/19						2017/18		
	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	Percentage	R'000	R'000
Current payments	48 812	3 403	-4 326	47 889	47 580	309	99.4%	43 584	43 574
Compensation of employees	33 873	923	-	34 796	34 777	19	99.9%	33 841	33 840
Goods and services	14 939	2 480	-4 326	13 093	12 803	290	97.8%	9 743	9 734
Transfers and subsidies	14 976	-	-14 971	5	-	5	-	-	-
Public corporations and private enterprises	14 976	-	-14 971	5	-	5	-	-	-
Payments for capital assets	18	-	-	18	-	18	-	295	295
Machinery and equipment	18	-	-	18	-	18	-	295	295
Total	63 806	3 403	-19 297	47 912	47 580	332	99.3%	43 879	43 869

Sub-programme 4.5: Council for Geoscience									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Transfers and subsidies	405 983	-	-	405 983	405 983	-	100.0%	366 988	366 988
Departmental agencies and accounts	405 983	-	-	405 983	405 983	-	100.0%	366 988	366 988
Total	405 983	-	-	405 983	405 983	-	100.0%	366 988	366 988

Sub-programme 4.6: MINTEK									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Transfers and subsidies	420 368	-	-	420 368	420 368	-	100.0%	367 256	367 256
Public corporations and private enterprises	420 368	-	-	420 368	420 368	-	100.0%	367 256	367 256
Total	420 368	-	-	420 368	420 368	-	100.0%	367 256	367 256

Sub-programme 4.7: Economic Advisory Services									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	4 491	-180	-1 544	2 767	2 544	223	91.9%	3 694	3 364
Compensation of employees	3 652	2	-1 000	2 654	2 431	223	91.6%	3 554	3 228
Goods and services	839	-182	-544	113	113	-	100.0%	140	136
Payments for capital assets	-	-	-	-	-	-	-	24	24
Machinery and equipment	-	-	-	-	-	-	-	24	24
Total	4 491	-180	-1 544	2 767	2 544	223	91.9%	3 718	3 388

Sub programme 4.8: Mine Environmental Management									
Economic classification	2018/19							2017/18	
	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	Percentage	R'000	R'000
Current payments	19 995	-5 962	-2 392	11 641	11 015	626	94.6%	17 098	16 691
Compensation of employees	11 358	-925	-1 000	9 433	8 808	625	93.4%	8 874	8 454
Goods and services	8 637	-5 037	-1 392	2 208	2 207	1	100.0%	8 224	8 237
Payments for capital assets	74	-	-	74	-	74	-	105	104
Machinery and equipment	74	-	-	74	-	74	-	105	104
Total	20 069	-5 962	-2 392	11 715	11 015	700	94.0%	17 203	16 795

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) 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):*

4.1 Per programme

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a percentage of final appropriation
Administration	361 649	354 470	7 179	2.0%

The variance is mainly on compensation of employees and capital assets due to the delay in filling vacancies and delivery of security and IT equipment.

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a percentage of final appropriation
Mine Health and Safety	209 053	208 477	576	0.3%

The variance is due to underspending on capital assets due to a delay in the delivery of IT equipment.

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a percentage of final appropriation
Mineral Regulation	930 682	928 401	502	0.1%

The variance is on compensation of employees due to the delay in filling vacancies and delivery of IT equipment and payments of capital assets.

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a percentage of final appropriation
Mineral Policy and Promotion	930 682	928 401	2 281	0.2%

The variance is mainly on compensation of employees, payments of capital assets and the delay in filling the vacant position, including the delivery of IT equipment.

4.2 Per economic classification

	Final appropriation	Actual expenditure	Variance	Variance as a percentage of final appropriation
	R'000	R'000	R'000	Percentage
Current payments				
Compensation of employees	616 728	611 141	5 587	0.9%
Goods and services	267 749	266 858	891	0.3%
Interest and rent on land				
Transfers and subsidies				
Departmental agencies and accounts	471 864	471 744	120	0.0%
Public corporations and private enterprises	518 812	518 807	5	0.0%
Households	2 506	2 315	191	7.6%
Payments for capital assets				
Buildings and other fixed structures	1 454	636	818	56.3%
Machinery and equipment	10 896	7 970	2 926	26.9%
Payments for financial assets	652	652	-	0.0%

Compensation of employees has an allocated budget of R616.7 million, of which 99.1% was utilised for the 2018/19 financial year and resulted in underspending due to delays in the filling of funded vacant positions.

	Note	2018/19 R'000	2017/18 R'000
REVENUE			
Annual appropriation	1	1 890 661	1 779 449
Statutory appropriation	2	-	-
Departmental revenue	3	33 693	38 912
National Revenue Fund (NRF) receipts			
Aid assistance	4	-	-
TOTAL REVENUE		1 924 354	1 818 361
EXPENDITURE			
Current expenditure			
Compensation of employees	5	611 141	588 355
Goods and services	6	266 858	278 921
Total current expenditure		877 999	867 276
Transfers and subsidies			
Transfers and subsidies	9	992 866	896 740
Total transfers and subsidies		992 866	896 740
Expenditure for capital assets			
Tangible assets	10	8 606	11 877
Intangible assets	10	-	792
Total expenditure for capital assets		8 606	12 669
Unauthorised expenditure approved without funding	11		
Payments for financial assets	8	652	-
TOTAL EXPENDITURE		1 880 123	1 776 685
SURPLUS/(DEFICIT) FOR THE YEAR		44 231	41 676
Reconciliation of net surplus/(deficit) for the year			
Voted funds		10 538	2 764
Annual appropriation		10 538	2 764
Departmental revenue and NRF receipts	19	33 693	38 912
SURPLUS/(DEFICIT) FOR THE YEAR		44 231	41 676

	Note	2018/19 R'000	2017/18 R'000
ASSETS			
Current assets			
		10 353	1 330
Unauthorised expenditure	11	-	-
Cash and cash equivalents	12	10 260	1 057
Other financial assets	13	-	-
Prepayments and advances	14	17	34
Receivables	15	76	239
Non-current assets			
		6 072	5 924
Investments	16	-	-
Receivables	15	6 072	5 924
Other financial assets	13	-	-
TOTAL ASSETS		16 425	7 254
LIABILITIES			
Current liabilities			
		12 970	3 915
Voted funds to be surrendered to the Revenue Fund	18	10 538	2 764
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	19	1 617	951
Payables	21	815	200
Non-current liabilities			
Payables	22	-	-
TOTAL LIABILITIES		12 970	3 915
NET ASSETS		3 455	3 339
Represented by:			
Recoverable revenue		3 455	3 339
TOTAL		3 455	3 339

	Note	2018/19 R'000	2017/18 R'000
Recoverable revenue			
Opening balance		3 339	3 755
Transfers:		116	(416)
Irrecoverable amounts written off	8.3	-	-
Debts revised		(81)	(240)
Debts recovered (included in departmental receipts)		(385)	(830)
Debts raised		582	654
Closing balance		3 455	3 339
TOTAL		3 455	3 339

	Note	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 924 354	1 818 361
Annual appropriated funds received	1.1	1 890 661	1 779 449
Departmental revenue received	3	33 617	38 723
Interest received	3.3	76	189
Net (increase)/decrease in working capital		647	(2 388)
Surrendered to Revenue Fund		(35 791)	(46 688)
Surrendered to RDP Fund/donor		-	(1 772)
Current payments		(877 999)	(867 276)
Payments for financial assets		(652)	-
Transfers and subsidies paid		(992 866)	(896 740)
Net cash flow available from operating activities	23	17 693	3 497
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	10	(8 606)	(12 669)
Net cash flows from investing activities		(8 606)	(12 669)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		116	(416)
Net cash flows from financing activities		116	(416)
Net increase/(decrease) in cash and cash equivalents		9 203	(9 588)
Cash and cash equivalents at beginning of period		1 057	10 646
Cash and cash equivalents at end of period	24	10 260	1 057

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 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 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. *Foreign currency translation*

Cash flows arising from foreign currency transactions are translated into South African rand using the spot exchange rates prevailing at the date of payment or receipt.

6. *Comparative information*

6.1 **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.

6.2 **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.

7. *Revenue*

7.1 **Appropriated funds**

Appropriated funds comprise 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 or from the relevant Revenue Fund at the reporting date is recognised as a payable or receivable in the Statement of Financial Position.

7.2 **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.

7.3 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.

Accrued tax revenue (and related interest and/or penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the Department's debt write-off policy.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 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.

8.2 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.

8.3 Accrued expenditure payable

Accruals and payables not recognised are recorded in the notes to the annual financial statements at cost at the reporting date.

8.4 Leases

8.4.1 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 annual financial statements.

8.4.2 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 annual 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.

9. Aid assistance

9.1 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 annual 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.

9.2 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.

10. 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.

11. 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.

12. 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.

13. Investments

Investments are recognised in the Statement of Financial Position at cost.

14. Financial assets

14.1 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 asset.

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.

14.2 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 annual financial statements.

15. Payables

Payables recognised in the Statement of Financial Position are recognised at cost

16. Capital assets

16.1 Immovable capital assets

Immovable assets reflected in the asset register of the Department are recorded in the notes to the annual financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition.

Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to the annual financial statements.

16.2 Movable capital assets

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

Where the cost of movable capital assets cannot be determined 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.

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the annual 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 annual 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.

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

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 Project costs: work-in-progress

Expenditure of a capital nature is initially recognised in the Statement of Financial Performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the Department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17. Provisions and contingents

17.1 Provisions

Provisions are recorded in the notes to the annual 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.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the annual 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.

17.3 Contingent assets

Contingent assets are recorded in the notes to the annual 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.

17.4 Commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the annual 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.

18. Unauthorised expenditure

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

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- 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.

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the annual 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 annual 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.

20. Irregular expenditure

Irregular expenditure is recorded in the notes to the annual 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 it are provided in the note.

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

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

21. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with Modified Cash Standard 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 the Modified Cash Standard requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with the Modified Cash Standard 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.

22. 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 annual financial statements.

23. Principal-agent arrangements

The Department does not have any principal arrangement with any other department or entities.

24. Departures from the Modified Cash Standard requirements

The Department did not depart from the MCS requirements when preparing primary and secondary information.

25 Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the Statement of Financial Position for the first time in the current reporting period.

Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the national or provincial Revenue Fund when the underlying asset is disposed of, and the related funds are received.

26 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 or provincial Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

27 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 or Member of the Executive Committee (MEC) are recorded in the notes to the annual 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 annual financial statements.

28 Inventories

At the date of acquisition, inventories are recognised at cost in the Statement of Financial Performance.

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

Inventories are subsequently measured at the lower of cost and net realisable value or, where intended for distribution (or consumed in the production of goods for distribution), at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

29 Public-private partnerships

Public-private partnerships are accounted for based on the nature and/or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the public-private partnership agreement, the parties to the agreement, and the date of its commencement, together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the Department, are recorded in the notes to the annual financial statements.

30 Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the note on Employee benefits.

1. Annual appropriation

1.1 Annual appropriation

	2018/19			2017/18	
	Final appropriation	Actual funds received	Funds not requested/not received	Final appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	361 649	361 649	-	362 906	339 931
Mine Health and Safety	209 053	209 053	-	203 687	194 146
Mineral Regulation	389 277	389 277	-	370 392	379 260
Mineral Policy and Promotion	930 682	930 682	-	842 464	866 112
Total	1 890 661	1 890 661	-	1 779 449	1 779 449

3. Departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	11 180	11 642
Fines, penalties and forfeits	3.2	1 872	1 294
Interest, dividends and rent on land	3.3	19 076	23 576
Sales of capital assets	3.4	-	-
Transactions in financial assets and liabilities	3.5	1 565	2 400
Transfer received	3.6	-	-
Total revenue collected		33 693	38 912
Less: Own revenue included in appropriation	19		
Departmental revenue collected		33 693	38 912

3.1 Sales of goods and services other than capital assets

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services produced by the Department	3	11 180	11 642
Sales by market establishment		433	453
Administrative fees		10 029	10 518
Other sales		718	671
Sales of scrap, waste and other used current goods		-	-
Total		11 180	11 642

3.2 Fines, penalties and forfeits

	Note	2018/19	2017/18
	3	R'000	R'000
Fines		1 002	635
Penalties		870	659
Total		1 872	1 294

3.3 Interest, dividends and rent on land

	Note	2018/19	2017/18
	3	R'000	R'000
Interest		76	189
Rent on land		19 000	23 387
Total		19 076	23 576

3.5 Transactions in financial assets and liabilities

	Note	2018/19	2017/18
	3	R'000	R'000
Receivables		1 565	2 400
Total		1 565	2 400

4. Aid assistance

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		–	1 772
Paid during the year		–	(1 772)
Closing balance		–	–

5. Compensation of employees

5.1 Salaries and wages

	Note	2018/19	2017/18
		R'000	R'000
Basic salary		423 427	404 405
Performance award		7 991	12 431
Service based		11	128

	2018/19 R'000	2017/18 R'000
Compensative/circumstantial	7 150	5 999
Periodic payments	3 132	3 535
Other non-pensionable allowances	89 911	86 077
Total	531 622	512 575

5.2 Social contributions

	2018/19 R'000	2017/18 R'000
Employer contributions		
Pension	54 986	52 435
Medical aid	24 441	23 258
Unemployment Insurance Fund	-	-
Bargaining Council	92	87
Official unions and associations	-	-
Insurance	-	-
Total	79 519	75 780
Total compensation of employees	611 141	588 355
Average number of employees	1 017	1 069

6. Goods and services

	2018/19 R'000	2017/18 R'000
Administrative fees	2 410	2 484
Advertising	1 090	5 813
Minor assets	217	1 482
Bursaries (employees)	1 612	1 246
Catering	3 221	1 432
Communication	6 898	12 706
Computer services	24 070	23 850
Consultants: Business and advisory services	1 895	2 134
Legal services	11 315	13 561
Contractors	7 404	4 481
Entertainment	-	5
Audit cost – external	6 388	7 013

	Note	2018/19 R'000	2017/18 R'000
Fleet services		12 034	10 657
Inventory	6.4	-	-
Consumables	6.5	6 376	6 138
Operating leases		82 931	88 614
Property payments	6.6	6 746	6 562
Rental and hiring		1 023	1 118
Travel and subsistence	6.7	75 515	69 141
Venues and facilities		7 612	6 081
Training and development		3 208	4 749
Other operating expenditure	6.8	4 893	9 654
Total		266 858	278 921

6.1 Minor assets

	Note	2018/19 R'000	2017/18 R'000
Tangible assets		217	1 482
Buildings and other fixed structures		-	-
Machinery and equipment		217	1 482
Intangible assets		-	-
Software		-	-
Total		217	1 482

6.2 Computer services

	Note	2018/19 R'000	2017/18 R'000
State Information Technology Agency (SITA): computer services	6	7 074	7 176
External computer service providers		16 996	16 674
Total		24 070	23 850

6.3 Audit cost – External

	Note	2018/19 R'000	2017/18 R'000
Regularity audits	6	6 388	7 013
Total		6 388	7 013

6.5 Consumables

Consumable supplies
Uniform and clothing
Household supplies
IT consumables
Other consumables
Stationery, printing and office supplies
Total

Note	2018/19	2017/18
6	R'000	R'000
	2 061	2 251
	1 432	1 336
	326	262
	10	168
	293	485
	4 315	3 887
	6 376	6 138

6.6 Property payments

Other
Total

Note	2018/19	2017/18
6	R'000	R'000
	6 746	6 562
	6 746	6 562

6.7 Travel and subsistence

Local
Foreign
Total

Note	2018/19	2017/18
6	R'000	R'000
	68 946	60 940
	6 569	8 201
	75 515	69 141

6.8 Other operating expenditure

Professional bodies, membership and subscription fees
Resettlement costs
Other
Total

Note	2018/19	2017/18
6	R'000	R'000
	2 704	7 275
	698	847
	1 491	1 532
	4 893	9 654

8. Payments for financial assets

Other material losses written off
Debts written off
Total

Note	2018/19	2017/18
	R'000	R'000
8.1	652	–
8.2	–	–
	652	–

This is departmental debts written off in terms of the debt policy, prescription act and legal opinion from Legal Services.

8.1 Other material losses written off

	Note	2018/19 R'000	2017/18 R'000
Nature of debts written off			
Bad debt written off	8	652	–
Total debt written off		652	–

This is departmental debts written off in terms of the debt policy, prescription act and legal opinion from Legal Services for officials who left the Department and could not be traced.

9. Transfers and subsidies

	Note	2018/19 R'000	2017/18 R'000
Departmental agencies and accounts	Annexure 1B	471 744	440 733
Public corporations and private enterprises	Annexure 1D	518 807	454 394
Households	Annexure 1G	2 315	1 613
Total		992 866	896 740

All transfer of payments represents funds transferred to public entities. See Annexure 1B, 1D and 1G.

10. Expenditure for capital assets

	Note	2018/19 R'000	2017/18 R'000
Tangible assets		8 606	11 877
Buildings and other fixed structures	41	636	263
Machinery and equipment	39	7 970	11 614
Intangible assets		–	792
Software	40	–	792
Total		8 606	12 669

The Department did not buy or purchase any software as at 31 March 2019.

10.1 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	8 606	–	8 606
Buildings and other fixed structures	636	–	636
Machinery and equipment	7 970	–	7 970
Intangible assets	–	–	–
Software	–	–	–
Total	8 606	–	8 606

The Department did not buy or purchase any software as at 31 March 2019

10.2 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	11 877	–	11 877
Buildings and other fixed structures	263	–	263
Machinery and equipment	11 614	–	11 614
Intangible assets	792	–	792
Software	792	–	792
Total	12 669	–	12 669

12. Cash and cash equivalents

Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster-General Account	9 415	(680)
Cash on hand	72	72
Investments (domestic)	773	1 665
Total	10 260	1 057

14. Prepayments and advances

	Note	2018/19 R'000	2017/18 R'000
Travel and subsistence		17	34
Total		17	34

15. Receivables

	Note	2018/19			2017/18		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	15.1	-	1 827	1 827	12	1 457	1 469
Recoverable expenditure	15.3	76	-		7	99	106
Staff debt	15.4	-	4 245	76	220	4 368	4 588
Total		76	6 072	4 245	239	5 924	6 163

15.1 Claims recoverable

	Note	2018/19 R'000	2017/18 R'000
National departments	15 and Annexure 4	1 827	1 457
Provincial departments		-	12
Total		1 827	1 469

15.3 Recoverable expenditure (disallowance accounts)

	Note	2018/19 R'000	2017/18 R'000
Disallowance damages and losses	15	76	98
Salary tax debt		-	8
Total		76	106

15.4 Staff debt

	Note	2018/19 R'000	2017/18 R'000
	15		
Contract		61	61
Salary over-payment		768	758
Leave without pay		137	193
Study debt (bursary)		2 923	3 124
Subsidised vehicle		149	181
Cellular debt		4	-
Losses and damages		47	117
Government Garage car		55	51
Other (subsistence and travel)		49	49
Tax debt		52	54
Total		4 245	4 588

15.6 Fruitless and wasteful expenditure

	Note	2018/19 R'000	2017/18 R'000
	15		
Opening balance			
Less amounts recovered		6 135	6 135
Less amounts written off		-	-
Transfers from Note 32: Fruitless and wasteful expenditure		3 229	-
Interest		-	-
Total		9 364	6 135

The 2017/18 figures were adjusted due to fruitless expenditure relating to the previous financial year.

15.7 Impairment of receivables

	Note	2018/19 R'000	2017/18 R'000
Estimate of impairment of receivables		4 692	4 560
Total		4 692	4 560

18. Voted funds to be surrendered to the Revenue Fund

	Note	2018/19 R'000	2017/18 R'000
Opening balance		2 764	7 978
Prior-period error	18.2	-	-
As restated		2 764	7 978
Transfer from Statement of Financial Performance (as restated)		10 538	2 764
Paid during the year		(2 764)	(7 978)
Closing balance		10 538	2 764

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

	Note	2018/19 R'000	2017/18 R'000
Opening balance		951	749
Prior-period error	19.1	-	-
As restated		951	749
Transfer from Statement of Financial Performance (as restated)		33 693	38 912
Paid during the year		(33 027)	(38 710)
Closing balance		1 617	951

21. Payables – Current

	Note	2018/19 R'000	2017/18 R'000
Clearing accounts	21.2	815	200
Total		815	200

21.1 Clearing accounts

	Note	2018/19 R'000	2017/18 R'000
Salary bargaining council		-	1
Salary income tax		771	162
Salary pension funds		29	37
Salary reversal control		15	-
Total		815	200

15. Net cash flow available from operating activities

	Note	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance		44 231	41 676
Add back non-cash/cash movements not deemed operating activities		(26 538)	(38 179)
(Increase)/decrease in receivables		15	(90)
(Increase)/decrease in prepayments and advances		17	54
(Increase)/decrease in other current assets			-
Increase/(decrease) in payables – current		615	(2 352)
Proceeds from sale of capital assets		8 606	12 669
Surrenders to Revenue Fund		(35 791)	(46 688)
Surrenders to RDP Fund/Donor		-	(1 772)
Net cash flow generated by operating activities		17 693	3 497

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

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster-General account		9 415	(680)
Cash on hand		72	72
Cash with commercial banks (local)		773	1 665
Total		10 260	1 057

25. Contingent liabilities and contingent assets

25.1 Contingent liabilities

	Note	2018/19 R'000	2017/18 R'000
Liable to nature			
Claims against the Department	Annexure 3B	140 790	97 467
Intergovernmental payables (unconfirmed balances)	Annexure 5	7 443	2 442
Environmental rehabilitation liability	Annexure 3B	1 705 327	1 860 559
Other	Annexure 3B	-	10 032
Total		1 853 560	1 970 500

The environmental rehabilitation liability comprises derelict and ownerless mines that have been earmarked by the Department for rehabilitation depending on availability of funds. There was an increase of departmental cases that amount to R43 million.

25.2 Contingent assets

	Note	2018/19 R'000	2017/18 R'000
Nature of contingent asset			
Lease contract in dispute		–	4 122
Total		–	4 122

The contingent assets relate to a possible refund on contingent liability raised on an unauthorised lease agreement contract that the third party considers binding regardless of the terms and conditions of the contract relating to billing not being adhered to.

26. Commitments

	Note	2018/19 R'000	2017/18 R'000
Current expenditure			
Approved and contracted		25 302	31 666
		25 302	31 666
Capital expenditure			
Approved and contracted		261	109
		261	109
Total commitments		25 563	31 775

27. Accruals and payables not recognised

27.1 Accruals

	2018/19			2017/18
	30 days R'000	30+ days R'000	Total R'000	Total R'000
Listed by economic classification				
Goods and services	4 201	–	4 201	7 094
Capital assets	–	–	–	118
Total	4 201	–	4 201	7 212

	Note	2018/19 R'000	2017/18 R'000
Listed by programme level			
Administration		3 753	4 147
Mine Health and Safety		34	371
Mineral Regulation		269	1 634
Mineral Policy and Promotion		145	1 060
Total		4 201	7 212

27.2 Payables not recognised

	2018/19			2017/18
	30 days R'000	30+ days R'000	Total R'000	Total R'000
Listed by economic classification				
Goods and services	35 633	–	35 633	635
Capital assets	–	–	–	–
Total	35 633	–	35 633	635

	Note	2018/19 R'000	2017/18 R'000
Listed by programme level			
Administration		26 118	632
Mine Health and Safety		3 547	3
Mineral Regulation		4 656	–
Mineral Policy and Promotion		1 312	–
Total		35 633	635

Included in the above totals are the following:

	Note	2018/19 R'000	2017/18 R'000
Confirmed balances with other departments	Annexure 5	–	8 540
Total		–	8 540

28. Employee benefits

	Note	2018/19 R'000	2017/18 R'000
Leave entitlement		24 562	26 425
Service bonus (13th cheque)		16 870	16 184
Performance awards		9 251	8 860
Capped leave commitments		5 714	5 685
Other		-	-
Total		56 397	57 154

Included in the above leave entitlement balance are employees with a negative leave balance amounting to R742 010,37. This is mainly caused by employees taking leave at the beginning of the financial year 2019/20.

29. Lease commitments

29.1 Operating leases

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2018/19					
Not later than one year	-	-	-	8 358	8 358
Later than one year and not later than five years	-	-	-	11 484	11 484
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	19 842	19 842
	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2017/18					
Not later than one year	-	-	20 539	3 428	23 967
Later than one year and not later than five years	-	-	-	3 205	3 205
Later than five years	-	-	-	-	-
Total lease commitments	-	-	20 539	6 633	27 172

The Department does not have any commitments for leased building since it is on month-to-month contracts.

30. *Accrued departmental revenue*

	Note	2018/19 R'000	2017/18 R'000
Interest, dividends and rent on land		203 364	183 187
Total		203 364	183 187

30.1 Analysis of accrued departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Opening balance		183 187	157 811
Less: Amounts received		18 653	23 379
Add: Amounts recognised		38 830	48 755
Total		203 364	183 187

30.3 Impairment of accrued departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Estimate of impairment of accrued departmental revenue		113 110	88 438
Total		113 110	88 438

31. *Irregular expenditure*

31.1 Reconciliation of irregular expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance		9 894	-
Prior-period error		-	-
As restated		9 894	-
Add: Irregular expenditure – relating to prior year		-	6 802
Add: Irregular expenditure – relating to current year		3 086	3 456
Less: Prior year amounts condoned		-	(364)
Closing balance		12 980	9 894

31.2 Analysis of awaiting condonation per age classification

	Note	2018/19	2017/18
		R'000	R'000
Current year		3 086	3 092
Prior years		9 894	6 802
Total		12 980	9 894

Details of irregular expenditure relating to current year

	2018/19 R'000
Payment of office accommodation (the incident is regarded as criminal conduct and further investigation is being conducted to determine who the responsible official is from whom the amount should be recovered for the expenditure incurred by the Department)	3 086
Total	3 086

The irregular expenditure for the current year relates to previous contracts reported during the 2017/18 financial year.

32. Fruitless and wasteful expenditure

32.1 Reconciliation of fruitless and wasteful expenditure

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		6 135	-
Prior period error		-	-
Fruitless and wasteful expenditure – relating to prior year		3 229	6 135
Total		9 364	6 135

Analysis of current expenditure relating to prior-year wasteful expenditure

	2018/19 R'000
Fruitless and wasteful expenditure – relating to prior year (under investigation)	3 229
Total	3 229

32.2 Analysis of awaiting resolution per economic classification

	Note	2018/19 R'000	2017/18 R'000
Current		1 577	1 577
Capital		7 787	4 558
Total		9 364	6 135

33. Related-party transactions

	Note	2018/19 R'000	2017/18 R'000
Revenue received			
Transfers		990 551	885 127
Total		990 551	885 127

34. Key management personnel

	Number of individuals	2018/19 R'000	2017/18 R'000
Political office bearers			
Officials:	2	4 379	4 390
Level 15–16	8	9 344	11 110
Level 13–14	65	72 993	18 954
Level 12 acting on level 13	15	5 861	-
Total		92 577	34 454

In 2017/18, the key management personnel was updated in terms of the Modified Cash Standard, which starts from Level 14 upwards, and in 2018/19 was prepared on the basis of the amended Modified Cash Standard, which gives the Department the power to determine the level of an official who participates on the role of leading, controlling and directing (DMR starts from Level 13).

37. Provisions

	Note	2018/19 R'000	2017/18 R'000
Environmental liability		297 599	326 058
Long-service awards		260	323
Departmental legal cases		-	110
Total		297 859	326 491

37.1 Reconciliation of movement in provisions – 2018/19

	Environmental liability R'000	Long-service awards R'000	Departmental legal cases R'000	Total provisions R'000
Opening balance	297 599	323	–	297 922
Increase in provision	-	260	–	260
Settlement of provision	-	(323)	–	(323)
Unused amount reversed			–	
Reimbursement expected from third party	-	-	–	-
Change in provision due to change in estimation of inputs	-	-	–	-
Closing balance	297 599	260	–	297 859

Reconciliation of movement in provisions – 2017/18

	Environmental liability R'000	Long-service awards R'000	Departmental legal cases R'000	Total provisions R'000
Opening balance	336 806	186	-	336 992
Increase in provision	-	137	110	247
Change in provision due to change in estimation of inputs	(10 748)	-	-	(10 748)
Closing balance	326 058	323	110	326 491

39. Movable tangible capital assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	88 396	–	8 334	160	96 570
Transport assets	6 901	–	932	-	7 833
Computer equipment	40 905	–	5 493	160	46 238
Furniture and office equipment	35 209	–	194	-	35 403
Other machinery and equipment	5 381	–	1 715	-	7 096
Total movable tangible capital assets	88 396	–	8 334	160	96 570

39.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash	Non-cash	(Capital work in progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	7 970			364	8 334
Transport assets	932	–	–	–	932
Computer equipment	5 493	–	–	–	5 493
Furniture and office equipment	280	–	–	(86)	194
Other machinery and equipment	1 265	–		450	1 715
Total additions to movable tangible capital assets	7 970	–	–	364	8 334

39.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
Machinery and equipment		160	160	
Transport assets				
Computer equipment		160	160	
Total movable tangible capital assets		160	160	

39.3 Movement for 2017/18

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	78 622	-	11 733	1 959	88 396
Transport assets	5 306	-	1 595	-	6 901
Computer equipment	35 054	-	7 771	1 920	40 905
Furniture and office equipment	33 605	-	1 643	39	35 209
Other machinery and equipment	4 657	-	724	-	5 381
Total movable tangible capital assets	78 622	-	11 733	1 959	88 396

39.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	17 766	-	17 766
Value adjustments	-	-	-	432	-	432
Additions	-	-	-	217	-	217
Disposals	-	-	-	-	-	-
Total minor assets	-	-	-	18 415	-	18 415

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	16 760	-	16 760
Additions	-	-	-	1 481	-	1 481
Disposals	-	-	-	475	-	475
Total minor assets	-	-	-	17 766	-	17 766

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	10 490	-	10 490
Number of minor assets	-	-	-	10 490	-	10 490

40. Intangible capital assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	4 113	-	-	-	4 113
Total intangible capital assets	4 113	-	-	-	4 113

40.3 Movement for 2017/18

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	3 321	-	792	-	4 113
Total intangible capital assets	3 321	-	792	-	4 113

41 Immovable tangible capital assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Building and other fixed structures	52 435	-	636	-	53 071
Other fixed structures	52 435	-	636	-	53 071
Total immovable tangible capital assets	52 435	-	636	-	53 071

41.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash	Non-cash	(Capital work in progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Building and other fixed structures	636	–	–	–	636
Other fixed structures	636	–	–	–	636
Total immovable tangible capital assets	636	–	–	–	636

40.3 Movement for 2017/18

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Building and other fixed structures	52 403	–	32	–	52 435
Other fixed structures	52 403	–	32	–	52 435
Total immovable tangible capital assets	52 403	–	32	–	52 435

45 Inventories

45.1 Inventories for the year ended 31 March 2019

	Major category of inventory	Major category of inventory	Major category of inventory	Major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	310	–	–	–	310
Add/(less): Adjustments to prior-year balances	10	–	–	–	10
Add: Additions/purchases – cash	4 684	–	–	–	–

	Major category of inventory R'000	Major category of inventory R'000	Major category of inventory R'000	Major category of inventory R'000	Total R'000
Add: Additions – non-cash	–	–	–	–	
(Less): Disposals	–	–	–	–	
(Less): Issues	(4 713)	–	–	–	(4 713)
Add/(less): Received current, not paid (paid current year, received prior year)	–	–	–	–	
Add/(less): Adjustments	72	–	–	–	72
Closing balance before weighted average price variance	363	–	–	–	363
Less weighted average price variance	(5)	–	–	–	(5)
Closing balance	358	–	–	–	358

	Major category of inventory R'000	Major category of inventory R'000	Major category of inventory R'000	Major category of inventory R'000	Total R'000
Opening balance	4	–	–	–	4
Add/(less): Adjustments to prior-year balances	356	–	–	–	356
Add: Additions/purchases – cash	4 348	–	–	–	4 348
Add: Additions – non-cash	–	–	–	–	
(Less): Disposals	(4 493)	–	–	–	(4 493)
(Less): Issues	95	–	–	–	–
Add/(less): Received current, not paid (paid current year, received prior year)	–	–	–	–	
Add/(Less): Adjustments	–	–	–	–	–
Closing balance	310	–	–	–	310

Annexure 1B: Statement of transfers to departmental agencies and accounts

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION 2018/19				TRANSFER 2018/19		2017/18
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	Percentage of available funds transferred	Final appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Council for Geoscience	405 983	–	–	405 983	405 983	100	366 988
South African Diamond and Precious Metal Regulator	59 105	–	–	59 105	59 105	100	65 865
Mining Qualification Authority	1 973	–	–	1 973	1 973	94	1 840
Mine Health and Safety Council	4 803	–	–	4 803	4 803	100	6 162
Total	471 864	–	–	471 864	471 864	98.5	440 855

Annexure 1D: Statement of transfers/subsidies to public corporations and private enterprises

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION 2018/19				TRANSFER 2018/19			2017/18	
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	Percentage of available funds transferred	Capital	Current	Final appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public corporations									
Transfers	425 368	–	–	425 368	425 368		57 476	362 892	367 256
Mintek	420 368	–	–	420 368	420 368		57 476	362 892	367 256
Industrial Development Corporation of South Africa	5 000	–	–	5 000	5 000	100	-	-	-
Total	425 368	–	–	425 368	425 368	98.8	57 476	362 892	367 256
Subsidies									
Total									
Private enterprises	98 439	–	–	98 439	98 439		-	98 439	87 138
Transfers	98 439	–	–	98 439	98 439	100.0%	-	98 439	87 138
Petroleum SA									
Subsidies									
Total	98 439	–	–	98 439	98 439	100.0%	-	98 439	87 138
TOTAL	523 807	–	–	523 807	518 807	99.0%	57 476	461 331	454 394

Annexure 1G: Statement of transfer to households

	TRANSFER ALLOCATION 2018/19				TRANSFER 2018/19		2017/18
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	Percentage of available funds transferred	Final appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Leave gratuity (employer service benefits)	2 195	–	–	2 195	2 183	99%	1 573
Claims against the state (cash)	–	–	–	–	92		–
Donations and gifts (cash)	311	–	–	311	40	13%	40
Subsidies							
TOTAL	2 506	–	–	2 506	2 315		1 613

Annexure 1J: Statement of gifts, donations and sponsorships made

NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/19 R'000	2017/18 R'000
Made in kind		
Payments made as an act of grace to household	40	40
Total	40	40

Annexure 3B: Statement of contingent liabilities as at 31 March 2019

NATURE OF LIABILITY	Opening balance 1 April 2018 R'000	Liabilities incurred during the year R'000	Opening balance 1 April 2017 R'000	Liabilities paid/ cancelled/reduced during the year R'000	Closing balance 31 March 2018 R'000
Claims against the Department	139 354	1 436	–	–	140 790
Subtotal	139 354	1 436	–	–	140 790
Environmental liability	1 705 327	–	–	–	1 705 327
Other	1 705 327	–	–	–	1 705 327
Total	1 844 681	1 436	–	–	1 846 117

Annexure 4: Claims Recoverable

	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2018/19	
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 Amount	Receipt date up to six working days after year end	Amount R'000
GOVERNMENT ENTITY								
Department								
Department of Energy	-	-	1 827	1 457	1 827	1 457	-	-
Department of Transport, Safety and Liaison	-	-	-	12	-	12	-	-
Total	-	-	1 827	1 469	1 827	1 469		

Annexure 5: Inter-government payables

	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2018/19	
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 Amount	Receipt date up to six working days after year end	Amount R'000
GOVERNMENT ENTITY								
Departments								
Current	-	-	-	-	-	-	-	-
Department of Justice and Constitutional Development	-	343	141	-	141	343		
Department of Public Works	-	5 888	4 335	-	4 335	8 330		
Gauteng Government Garage	-	2 301	2 904	-	2 904	2 301		
Department of Social Development	-	8	-	-	-	8		
Office of the Public Service Commission	-	-	7	-	7	-		
South African Police Services	-	-	56	-	56	-		
Subtotal	-	8 540	7 443	-	7 443	10 982		
Non-current								
Subtotal								
TOTAL	-	8 540	7 443	2 442	7 443	10 982		

Annexure 6: Inventories

INVENTORY

Opening balance
Add/(less): Adjustments to prior-year balance
Add: Additions/purchases – cash
Add: Additions – Non-cash
(Less): Disposals
(Less): Issues
Add/(less): Received current, not paid (paid current year, received prior year)
Add/(less): Adjustments
 Closing balance before weighted average price variance
Add/less weighted average price variance
Closing balance

Note	Quantity	2018/19	Quantity	2017/18
	R'000	R'000	R'000	R'000
	50 892	310	155	4
	-	10	58 348	356
	99 710	4 684	94 666	4 348
	-	-	-	-
	-	-	-	-
	(109 679)	(4 713)	(102 401)	(4 493)
	-	-	-	-
	-	72	124	95
	<hr/> 40 923	<hr/> 363	<hr/> 50 892	<hr/> 310
	<hr/> -	<hr/> (5)	<hr/> -	<hr/> -
	<hr/> 40 923	<hr/> 358	<hr/> 50 892	<hr/> 310

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