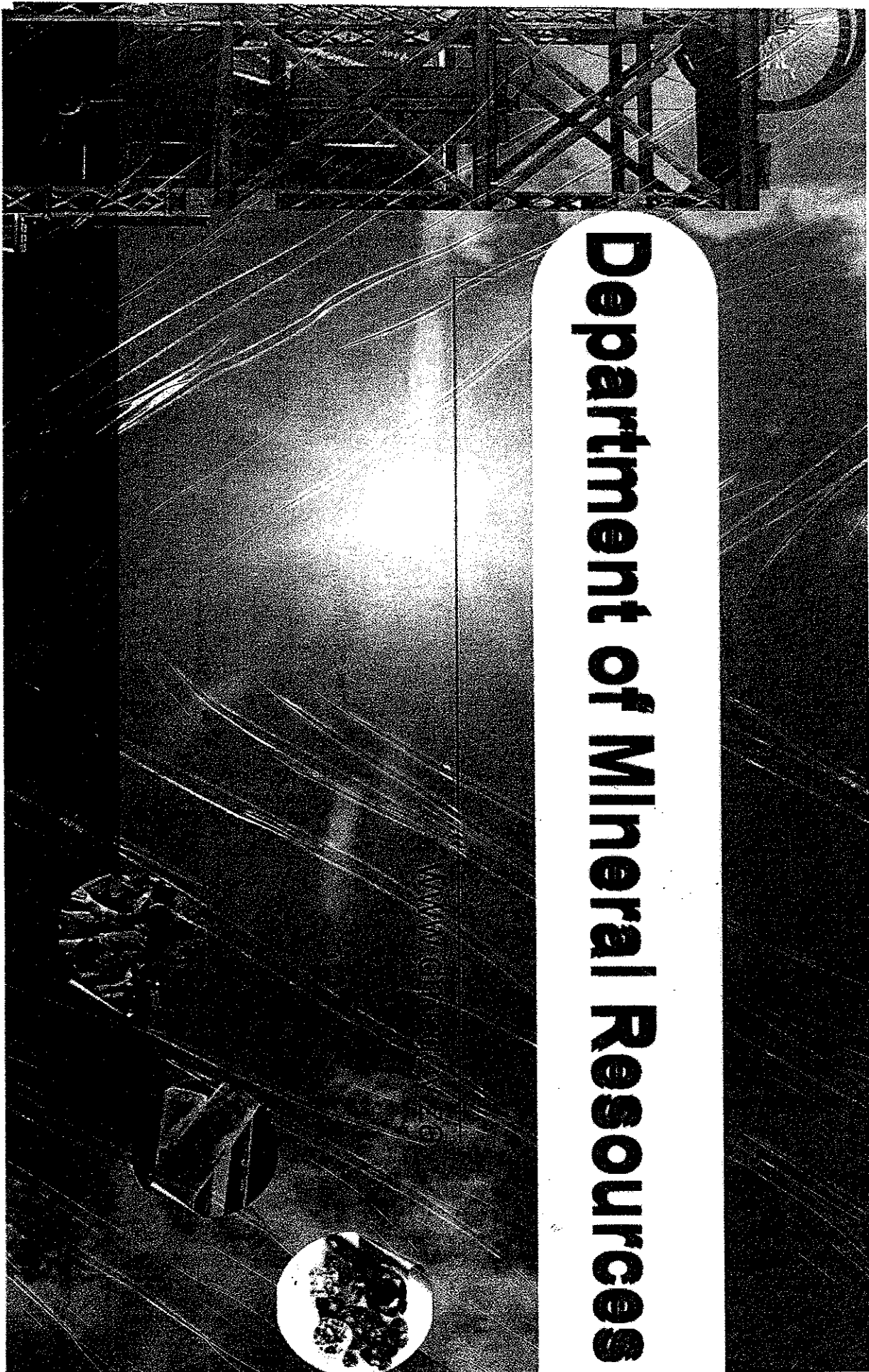


130423 EC economic

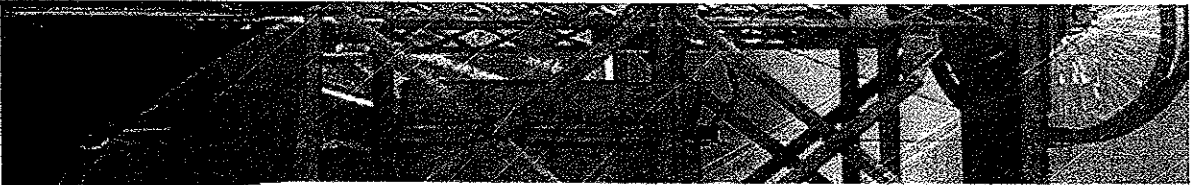


Department of Mineral Resources



mineral resources
Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

S



DEPARTMENT OF MINERAL RESOURCES

SELECT COMMITTEE ON ECONOMIC DEVELOPMENT DISCUSSION OF THE MINERAL RESOURCES 2013 / 14 ANNUAL PERFORMANCE PLAN

DATE 23 APRIL 2013

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

Programme 1.1 - Financial Administration



Presentation Outline

1. Budget & spending outlook
2. Resource plan per programme
3. Expenditure estimate analysis
4. Resource plan per economic classification
5. Branch strategic objectives
6. Conclusion

**PLEASE READ IN CONJUNCTION WITH PGS 6 – 9
and 28 – 33 OF TABLED ANNUAL
PERFORMANCE PLAN**

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





DMR 2012/13 BUDGET & 2013/14 SPENDING OUTLOOK

- The total budget for DMR is R1,394 billion for 2013/14 financial year.
 - This represents an average growth of 10.8% from 2009/10 to 2012/13 and is projected to grow by 11.7 % on average over medium term.
 - The funding is shared between the departmental programmes and entities under the control of DMR ministry accounting for 54.9 % and 45.1 % respectively.
 - Level of under spending maintained far below 5% - 2012/13 financial year registered 0.35* % under spending.
- * unaudited**

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



DMR RESOURCE PLAN : PER PROGRAMME

Name	Actual Expenditure					Projections					
	2009/10	2010/11	2011/12	2012/13 (unaudited)	2013/14	2014/15	2015/16	Change to 2012			
Admin	159,342	226,727	257,600	293,119	271,459	276,680	289,895				
MHS	132,029	137,092	141,252	140,523	163,731	171,414	179,759				
MR	179,543	188,608	184,396	191,546	222,729	234,815	249,116				
MPP	382,931	442,270	446,187	546,235	735,930	808,382	900,476				
Total	853,844	994,697	1,029,435	1,171,423	1,393,849	1,491,291	1,619,246				
Change to 2012					94,796	130,123	195,465				

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



Expenditure estimates analysis


- The overall expenditure is expected to increase in real terms from R1.394 billion in 2013/14 to R1.619 billion in 2015/16 at an average rate of 11.7% per annum.
- The increase is attributable to additional funding received over the MTEF in respect of the following:
 1. R102.2 million for improved conditions of service for the Department and Public Entities
 2. Economic support and competitiveness packages for the Council for Geoscience and Council for Mineral Technology – R18 million

Medium Term Expenditure Framework

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





Expenditure estimates analysis (cont..)

3. R81 million for waste scrap reprocessing and sensor based sorting projects
4. R160 million for the rehabilitation of derelict and ownerless mines
5. R59 million for the implementation of the National Environmental Management Act and upgrading of the South African Mineral Resources Administration System

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





Expenditure estimates analysis per programme

Administration

- Expenditure is expected to increase from R257.3 million in 2012/13 to R289.9 million in 2015/16 at an average rate of 4.1% over the MTEF period.
- The increase is attributable to inflationary adjustments.

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





Expenditure estimates analysis per programme

Mine Health and Safety Inspectorate

Expenditure is expected to increase from R150.6 million in 2012/13 to R179.8 million in 2015/16 at an average rate of 6.1% per annum. The increase relates to the additional allocation for inflation related adjustments.

Mineral Regulation

Over the MTEF expenditure is expected to increase from R187.8 million in 2012/13 to R249.1 million in 2015/16 at an average rate of 9.9%. The increase relates to additional funding received for the NEMA implementation and the SAMRAD upgrade (R59m).

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





Expenditure estimates analysis per programme

Mineral Policy and Promotion

- Expenditure is expected to increase from R579.9 million in 2012/13 to R900.5 million in 2015/16 at an average rate of 15.8% per annum.
- The increase is attributable to the new allocation for the rehabilitation of derelict and ownerless mines (R160m) and economic support and competitiveness package for the Council for Geoscience and Council for Mineral Technology – (R18m)

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



DMR RESOURCE PLAN: PER ECONOMIC CLASSIFICATION

	Actual expenditure					Projections				
	2009/10	2010/11	2011/12	2012/13 (unaudited)	2013/14	2014/15	2015/16			
	R'000	R'000	R'000	R'000	R'000	R'000	R'000			
Current payments	425,373	528,180	589,831	625,344	747,889	797,252	844,289			
Compensation of employees	275,084	326,457	364,562	395,914	435,020	462,771	490,755			
Goods and services	150,288	200,013	222,639	227,877	312,869	334,481	353,584			
Interest and Rent on Land	-	1,710	2,630	1,553	-	-	-			
Financial Assets	674	50	209	192	-	-	-			
Transfers and subsidies	395,830	438,120	420,837	525,110	630,079	682,934	763,341			
Capital assets	31,968	28,347	18,558	20,777	15,881	11,105	11,616			
Total	853,844	994,697	1,029,435	1,171,423	1,393,849	1,491,291	1,619,246			

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





DMR RESOURCE PLAN: PER ECONOMIC CLASSIFICATION

- Compensation of Employees budget has increased in line with an inflationary adjustment.
- The increase in goods and services budget for 2013/14 is attributable to new funding for Rehabilitation of Ownerless and Derelict Mines, NEMA implementation and SAMRAD upgrade

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





DMR RESOURCE PLAN: PER ECONOMIC CLASSIFICATION

The transfers and subsidies budget has increased by 20% owing to new funding obtained for waste scrap processing and sensor based sorting projects (MINTEK) and economic support and competitiveness package for DMR entities.

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



(Adding 2%)

1. Stakeholder perspective

Provide reliable and timely information

- Number of reports submitted within prescribed timeframes

Improve service delivery

- Number of defined turnaround times adhered to
- Customer satisfaction index (1-5 index) on OLA

Educate and empower stakeholders

- % reduction in number of complaints
- % reduction in non compliance with internal processes



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





Stakeholder perspective cont'd

Provide ICT Systems

- % reduction in the number of calls logged due to system response time

Promote transformation policies

- % of suppliers' invoice paid in 30 days

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



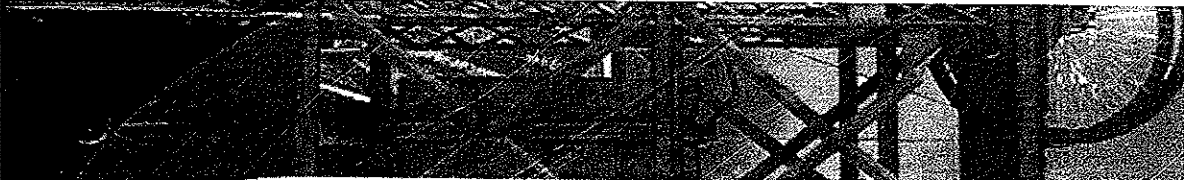


2. Internal Processes

- **Implement Policies, processes and procedures**
 - Number of approved policies implemented
 - Number of approved processes and procedures implemented
- **Improve Turnaround times**
 - Number of processes with improved turnaround times
 - % improvement in turn around times
- **Align ICT to business objectives**
 - % implementation of MSP (Master System Plan) *ICT strategy*

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



3. Learning and growth

- **Facilitate management and leadership development**
 - number of managers completed management courses
- **Fill funded vacancies**
 - % reduction in vacancies *- ext interviews*
- **Attract, develop and retain skills**
 - Improved numbers in terms of identified EE categories
 - % reduction in staff turn over rate
 - Number of Human Resource Development initiatives implemented

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



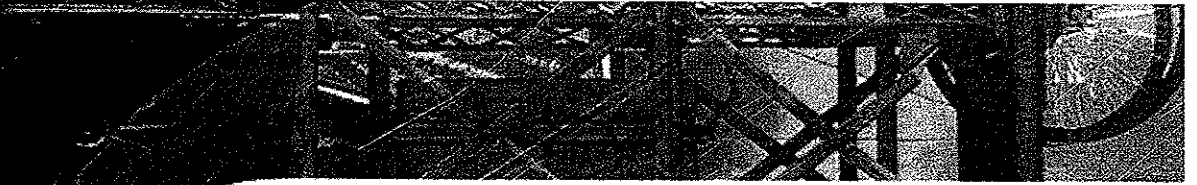
4. Financial

- **Maximise utilisation of resources** *(Tighter management policy)*
 - % reduction in the number of branch assets disposed prior to the end of life span
- **Align budget to strategy**
 - % changes made to the original allocated budget
- **Manage costs effectively**
 - % variance on allocated budget
 - % reduction in irregular expenditure cases
- **Promote Corporate Governance**
 - % of fully implemented agreed upon management action plans (Internal Audit)
 - % of fully implemented agreed upon management action plans (External Audit)
 - % adherence to compliance framework
- **% implementation of risk management plans**

mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





THANK YOU



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA