

160224 PC MINERALS (PHUMANI)

Department of Mineral Resources

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**BRIEFING TO THE PORTFOLIO COMMITTEE
ON THE 2ND QUARTERLY REPORT FROM
JULY – SEPTEMBER 2015**

24 FEBRUARY 2016



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MANDATE

Constitutional mandate

- The department's mandate is found in section 24 of the Constitution of South Africa (Act No. 108 of 1996).

Legislative mandate

- Mineral and Petroleum Resources Development Act (Act No. 28 of 2002) and the Mine Health and Safety Act (Act No. 29 of 1996) provide the regulatory framework for the promotion and regulation of the industry, as well as the equitable access to and the sustainable development of the nation's mineral resources and related matters.

Policy mandate

- The Minerals and Mining Policy for South Africa (White Paper published in October 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.

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MISSION AND VALUES

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.

Values

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

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OVERALL DEPARTMENTAL PERFORMANCE

- The Department has a total of 104 targets for the year.
 - Only 83 of those targets were due for the second quarter, and of these 67 were achieved, which represents a 81% achievement.

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ANALYSIS PER ECONOMIC CLASSIFICATION

Compensation of employees	548,440	268,699	267,888		811	0.30%	48.85%
Goods and Services	251,661	140,552	155,688		-15,136	-10.77%	61.86%
Operational	221,920	125,682	146,160		-20,478	-16.29%	65.86%
Office Accommodation	29,741	14,870	9,528		5,342	35.92%	32.04%
Capital payments	11,522	4,427	5,358		-931	-21.03%	46.50%
Financial Transactions	-	-	2,906		-2,906	0.00%	0.0%
Transfer Payments	826,919	529,755	492,976		36,779	6.94%	59.62%
TOTALS							



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PROGRAMME 2: MINE HEALTH AND SAFETY

Purpose

Execute the Department's mandate to safeguard the health and safety of the mine workers and people affected by mining activities.

Objective

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

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HIGHLIGHTS – MINE HEALTH AND SAFETY

Commodity	Fatalities		% Change in actual Fatalities
	1 Jan – 30 Sept 2014	1 Jan – 30 Sept 2015	
Gold	39	28	-28
Platinum	10	14	40
Coal	8	5	-38
Other	13	9	-31
Total	70	56	-20





HIGHLIGHTS – MINERAL REGULATION

Saving Jobs in the Mining Industry

- Responding to shedding of jobs within the mining industry, a mining leadership session of organised business; organised labour and Government (DMR, and DoL) was convened to address the potential job losses in the mining industry.
- Stakeholders identified interventions that to be implemented to save jobs or minimise job losses, as well as ameliorate impact on affected employees.
- A stakeholder declaration supported by all stakeholders was signed on 31 August 2015, accompanied by a milestone plan.

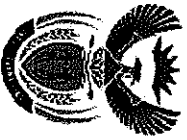
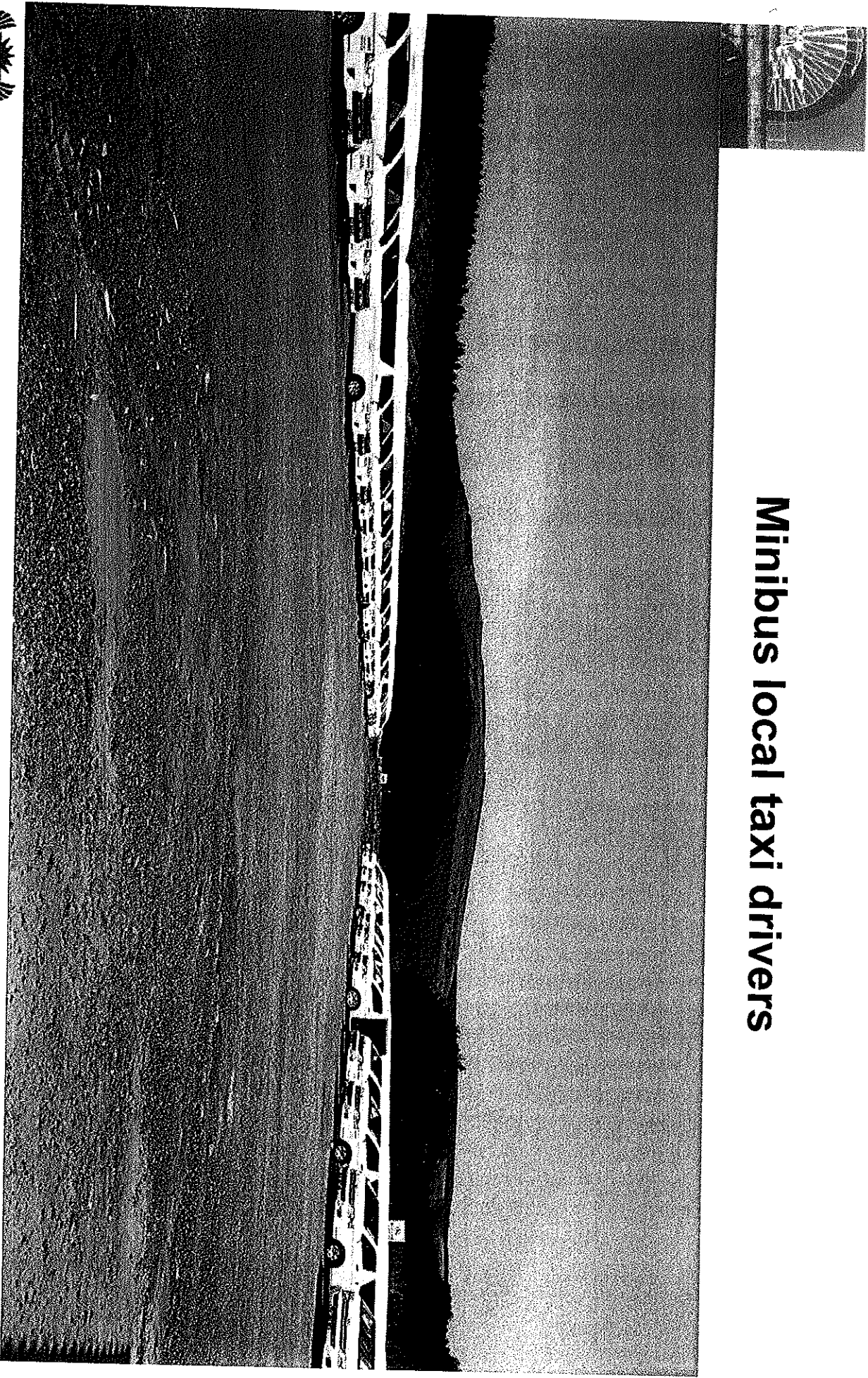
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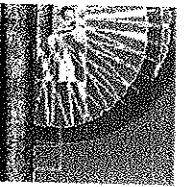
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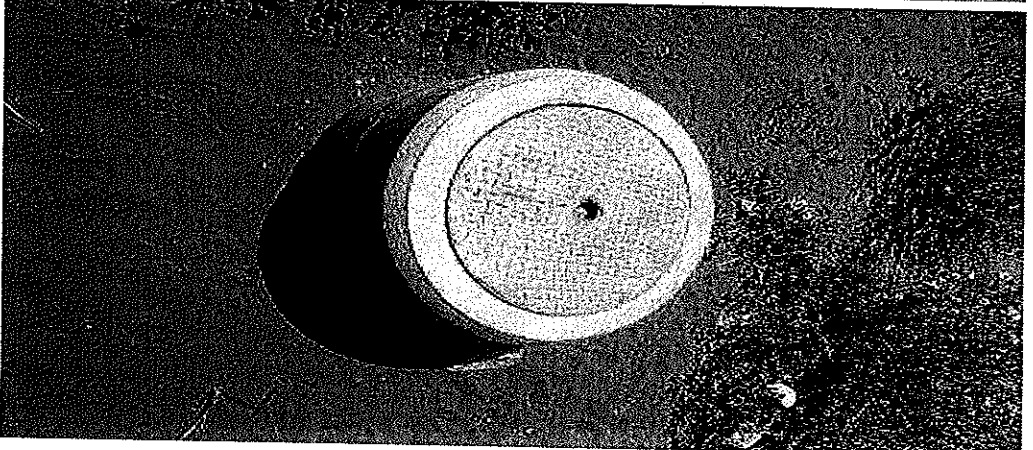
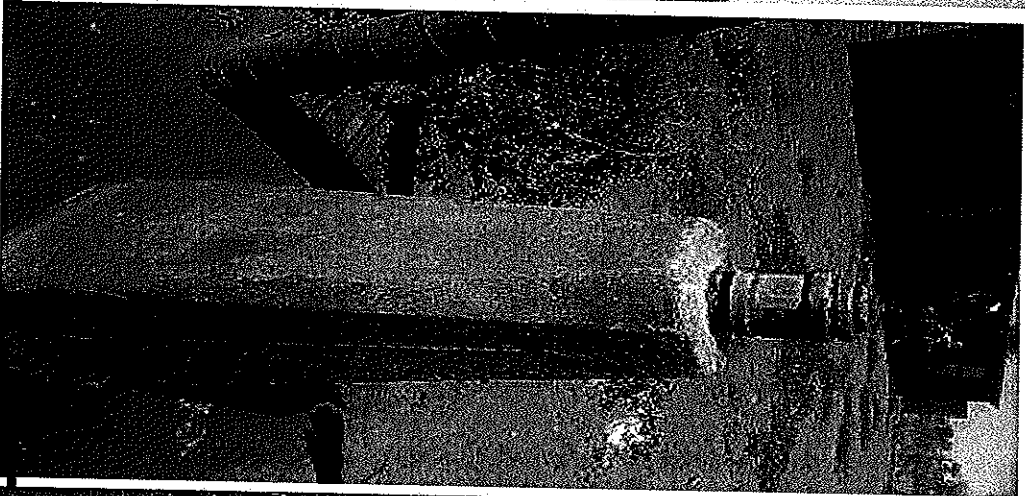
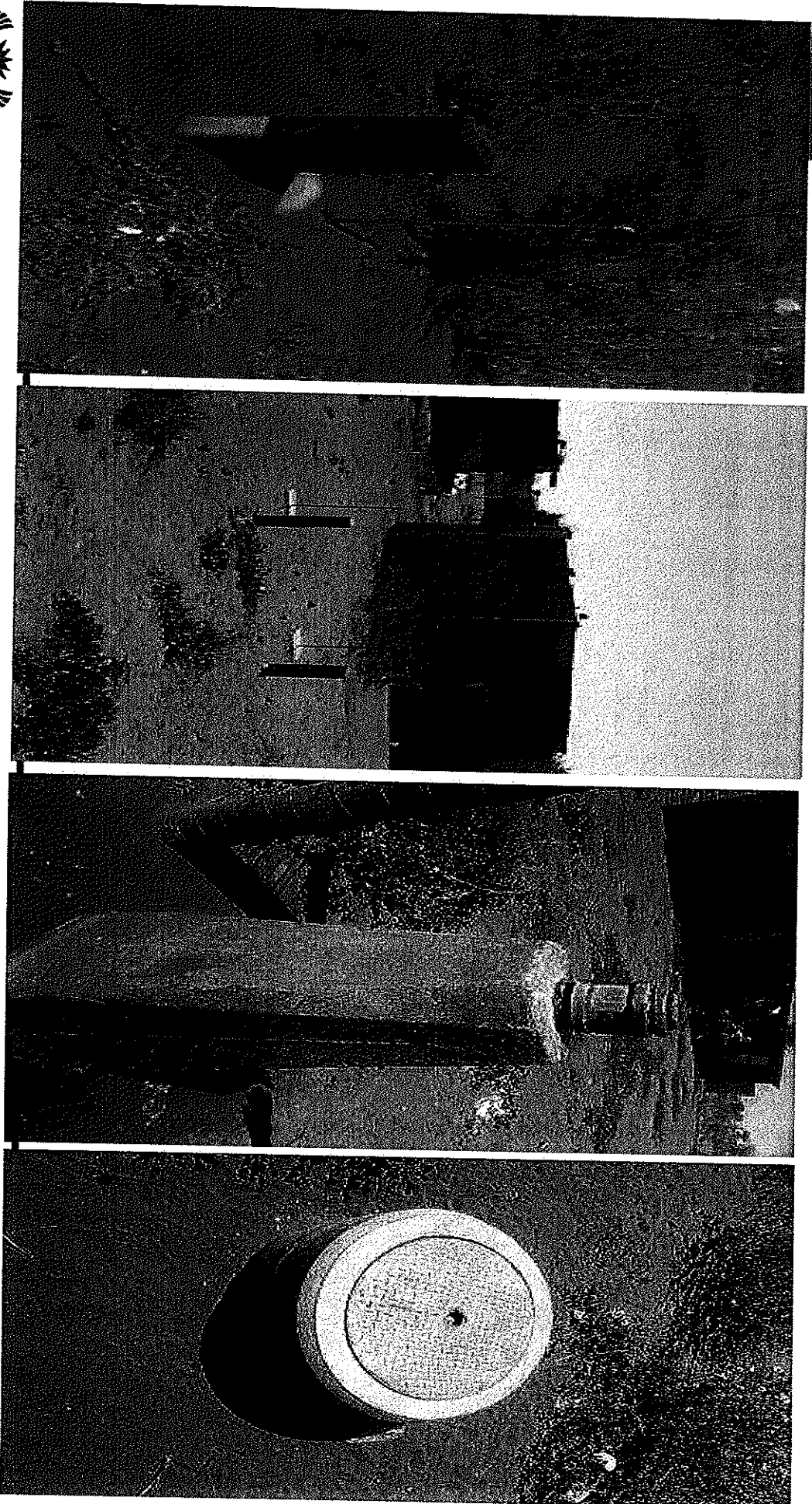
Minibus local taxi drivers



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Provision of water and sanitation



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HIGHLIGHTS – MINERAL REGULATION

Monitoring and enforcing compliance

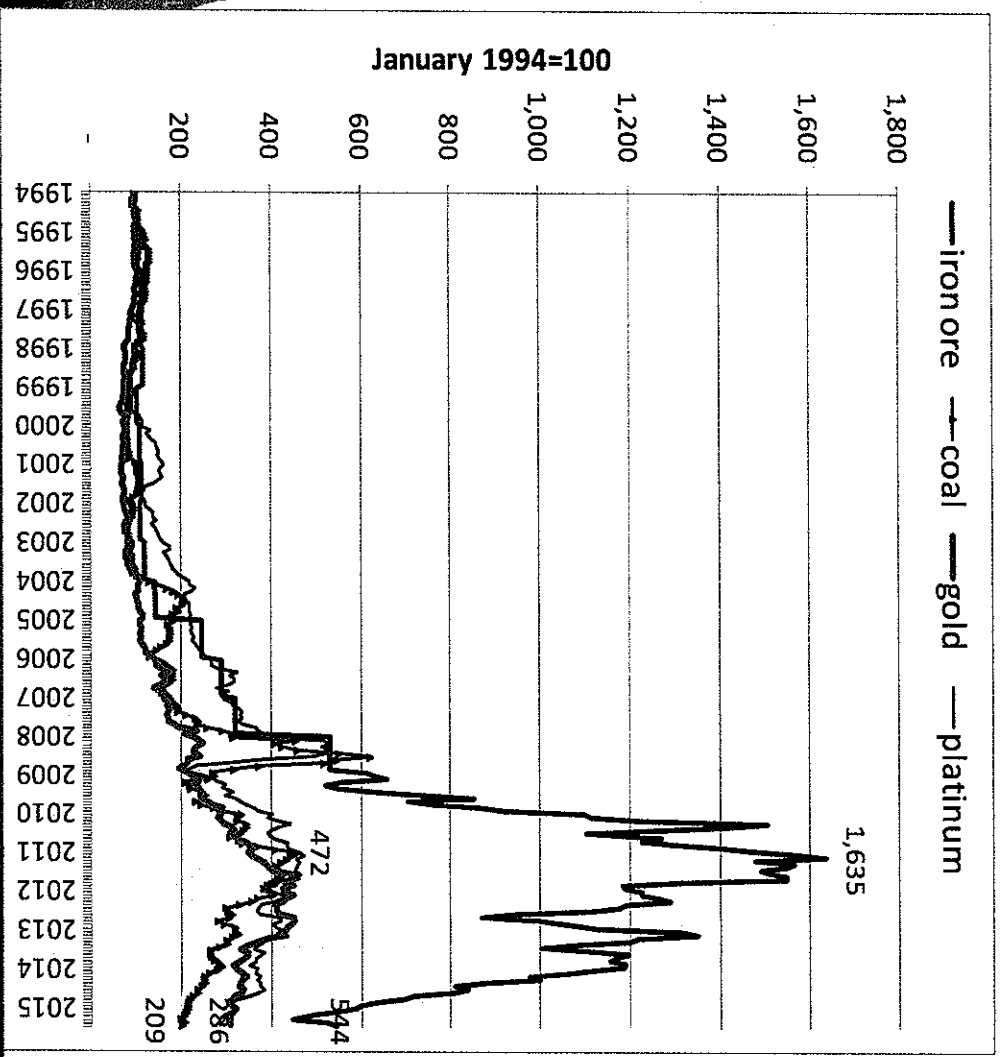
- A total of 936 Mine Environmental Management verification inspections were conducted against a target of 1200.
- A total of 201 Legal compliance verification inspections were conducted against a target of 160.
- A total of 166 Social and Labour Plan verification inspections were conducted, against a target of 75.
- To address shortfalls, thirty (30) officials completed the Environmental Mineral Resources Inspector (EMRI) training at University of Pretoria and their results will be reported in Quarter 3. Additional thirty wrote their final examinations and are awaiting results.

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MINERAL PRICE TRENDS



Source: TIPS

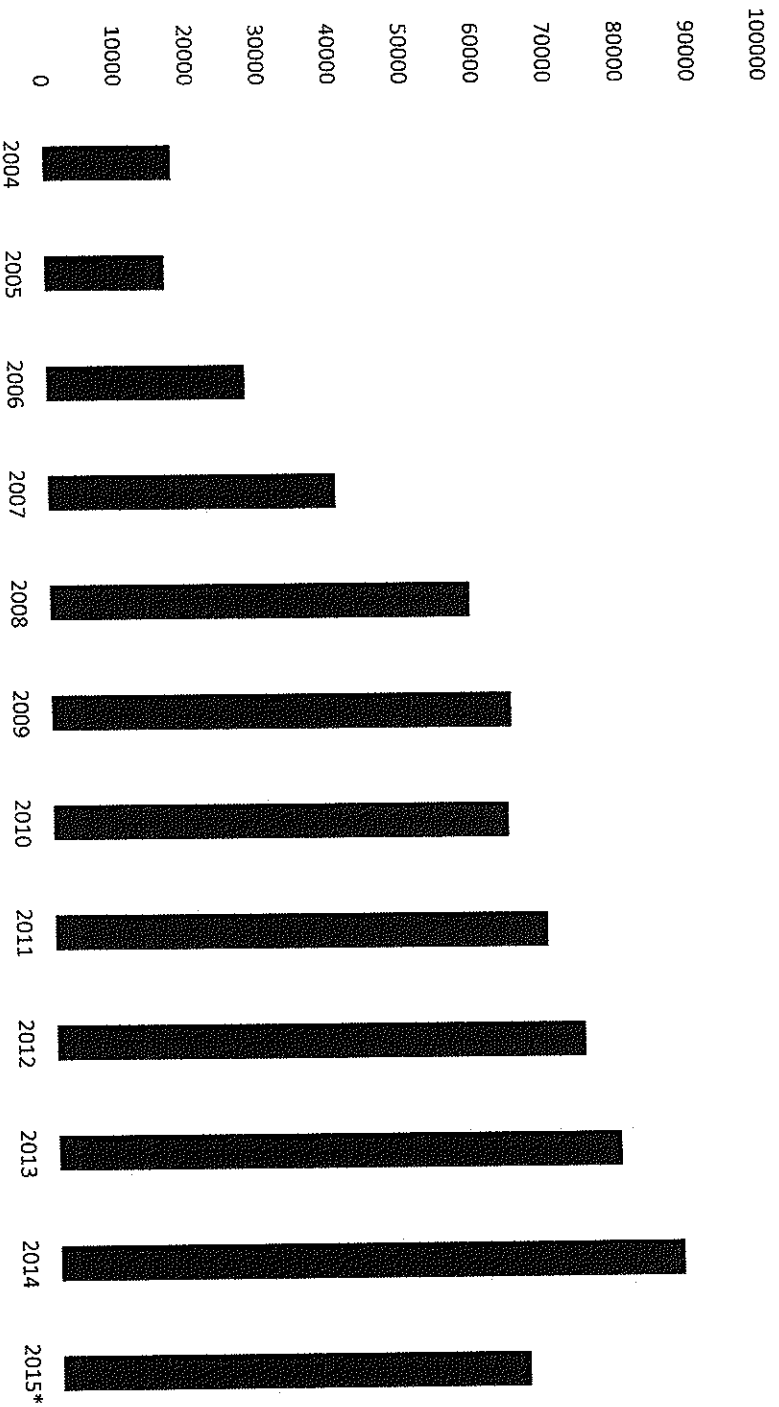
- January 2015 to December 2015:
 - Iron ore price fell by 21%
 - Coal price fell by 20%
 - Platinum price fell by 31%
 - Gold price fell by 15%



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INVESTMENT INTO SECTOR

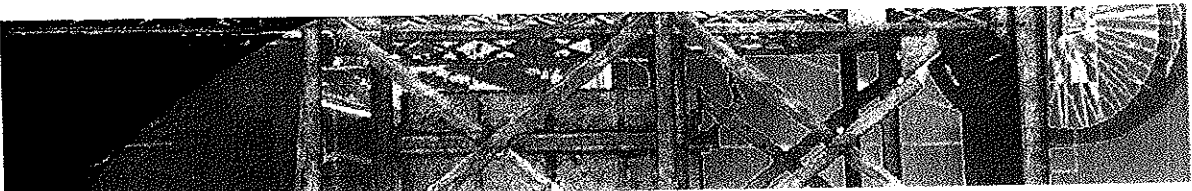
Gross fixed capital formation in Mining



Cumulative quarterly investment up to September 2015 (R65 Billion)
Source: South African Reserve



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HIGHLIGHTS – MINERAL POLICY AND PROMOTION

Promote investment in mining and petroleum sectors

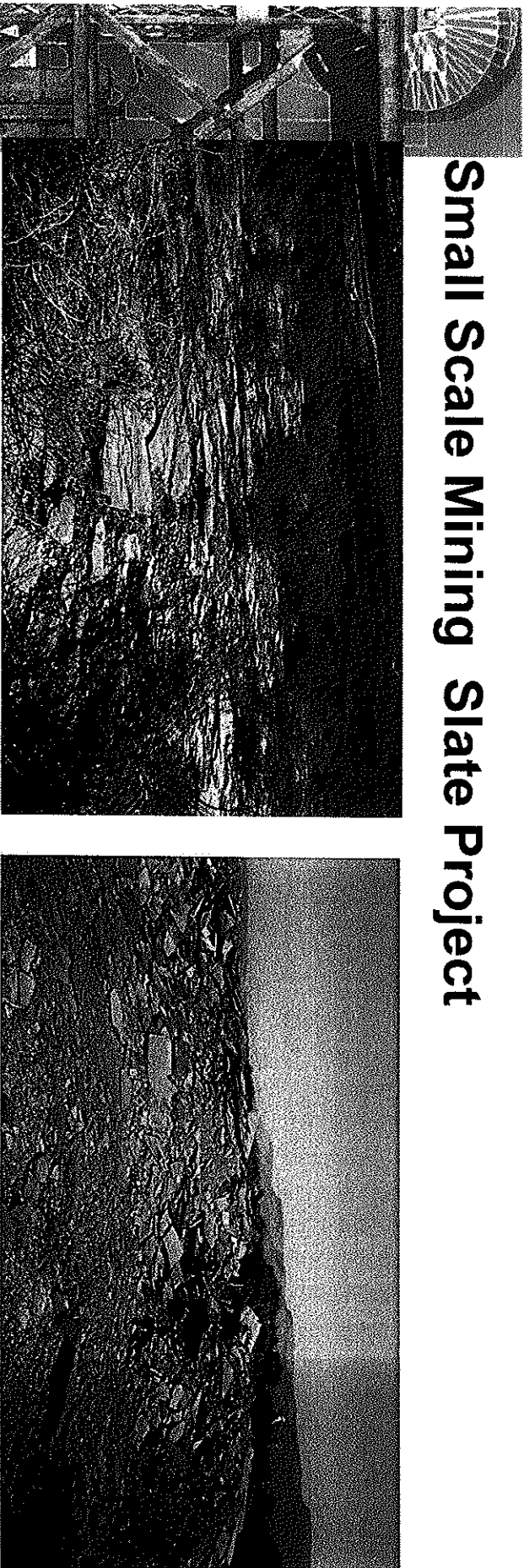
- % Implementation of Ocean Economy Operation Phakisa Plans – target 100%, achieved 100%.
- Number of beneficiation promotional activities - target 8, achieved 8.
- Number of publications – target 1, achieved 5.
- Number of consultations on shale gas exploration – target 2, achieved 2.
- Number of social dialogues (including the President led Framework Agreement & MIGDETT) –target 4, achieved 9.

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Small Scale Mining Slate Project

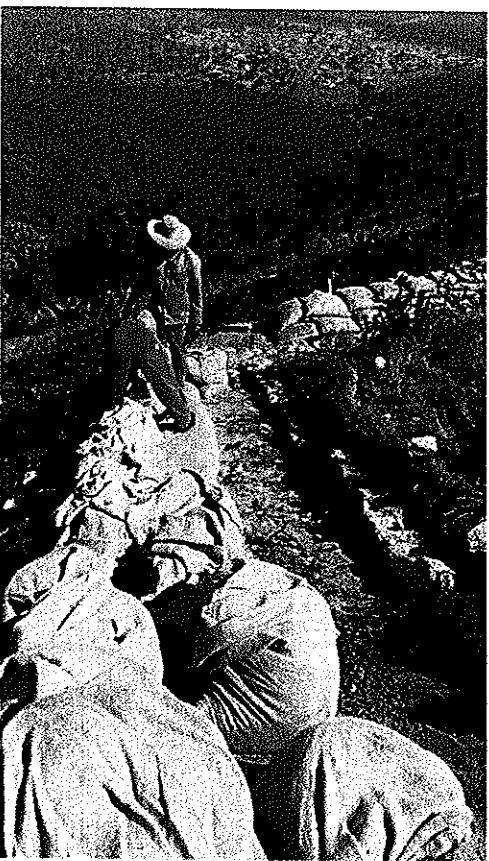
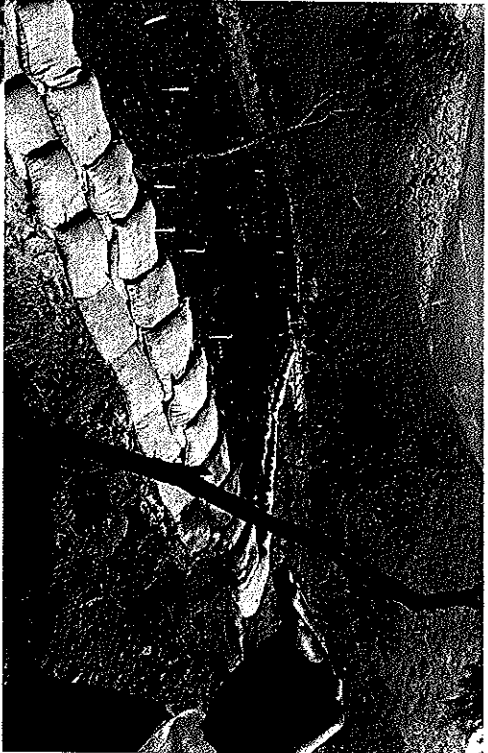
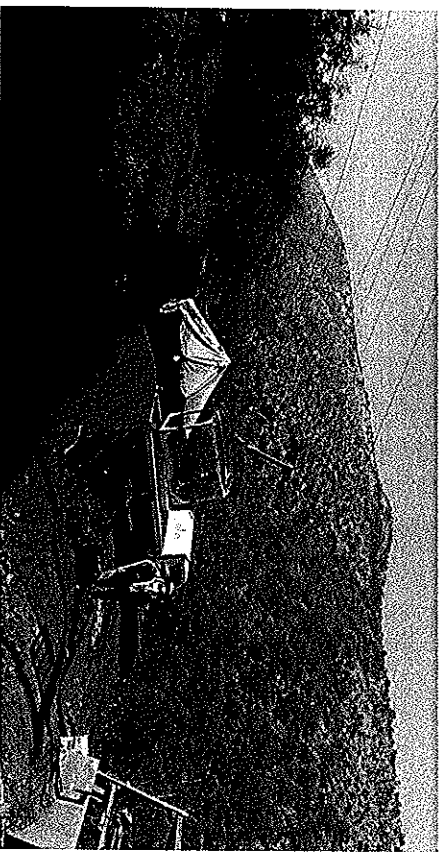
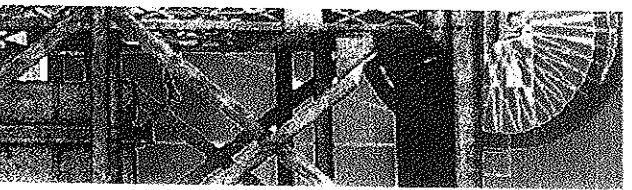


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HIGHLIGHTS – MINERAL POLICY AND PROMOTION



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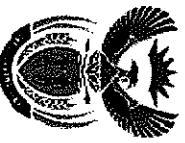
Internal Processes

- Percentage adherence to timeframes, target 95%, achieved 100%
- Percentage adherence to compliance framework – target 100%, achieved 100%
- Percentage implementation of Risk Management Plans – target 100%, achieved 100%

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HIGHLIGHTS – CORPORATE SERVICES

Communicate DMR programmes with stakeholders

Media and Stakeholder engagements held - 6 Projects

- Learner Focus Week - Gauteng.
- Small Scale Mining Conference - Northern Cape, Kwa-Zulu Natal.
- Occupation Health and Safety Women in Mining Conference -Gauteng.
- Internal Women's Day Event - 7 August 2015.
- SLP handover of Manthe Primary School - North West.

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HIGHLIGHTS – CORPORATE SERVICES

Implementation of National strategies

100 % of pre-employment screening requests processed

- The target was achieved through the screening of shortlisted DMR candidates.

Number of vetting files completed

- The target was achieved through the completion and submission of a cumulative total of 60 vetting files to the State Security Agency by Vetting Fieldwork Unit of the Department.

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HIGHLIGHTS – CORPORATE SERVICES

Implementation of National Strategies

Number of Wellness Programmes

The target was achieved through the following programmes:

- An awareness on male breast cancer was conducted .
- Health Risk Assessment Programmes (HRA's) and Tests were conducted at Head Office and regional offices in September 2015. Practitioners (dentist, optometrist, physiotherapist and orthopedist), Nurses from Government Medical aid, and Dietician.
- The following tests were conducted:
 - Cholesterol, Hypertension, Sugar diabetes/glucose.
 - Body mass index.
 - HIV and AIDS counselling and testing.

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HIGHLIGHTS – CORPORATE SERVICES

Attract, develop and retain skills

Number of affirmative action measures implemented

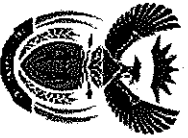
- The target was achieved through the Database of candidates from designated groups.

Maintain the vacancy rate at an acceptable level (10%)

- The vacancy rate for the second quarter was reported at 14% against a target of 10%. Measures will be put in place to reduce the vacancy rate.

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HIGHLIGHTS – CORPORATE SERVICES

Contribute to skills development

HRD - Number of mining career awareness initiatives

- The target was achieved through career awareness in the following universities, 13 awareness initiative were conducted as follows:
 1. Durban University of Technology.
 2. Mangosuthu University.
 3. UNISA Durban Campus.
 4. UNISA East London Campus.
 5. UNISA Main Campus.
 6. UNISA Nelspruit Campus.
 7. UNISA Parrow Campus.
 8. UNISA Polokwane Campus.

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HIGHLIGHTS – CORPORATE SERVICES

Legal Support

% timeous response to opinions, appeals, enquiries, agreements and litigations

- The target for the second quarter was 80% and 91% was achieved.
- Total requests received for the quarter were 264.
- Total timeous responses to requests received were 241 (91% of 264) against a target of 211 (80% of 264).

Requests were on the following:

- Opinions.
- Appeals.
- Inquiries.
- Agreements.
- Litigations.

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HIGHLIGHTS – CORPORATE SERVICES

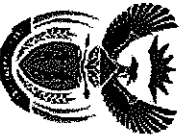
Sustainably develop vulnerable groups

Number of identified projects facilitated for vulnerable groups

- The target was achieved through the following projects:
 - Mandela Day at Siyazigabisa Youth Centre in Tembisa.
 - Jindal Women Personal Protective Sewing project.

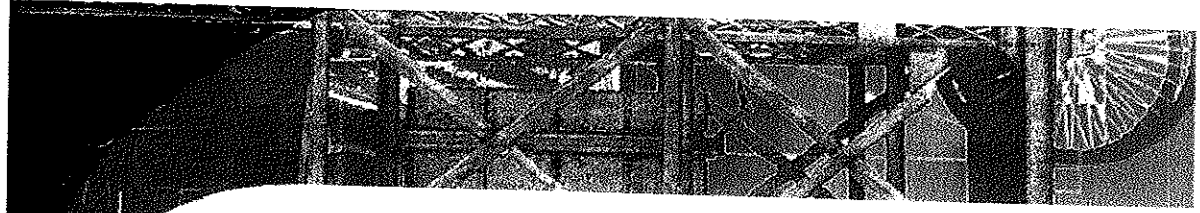
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HIGHLIGHTS – CORPORATE SERVICES

MANDELA DAY – 24 JULY 2015 AT SIYAZIGABISA YOUTH CENTRE



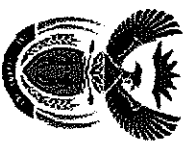
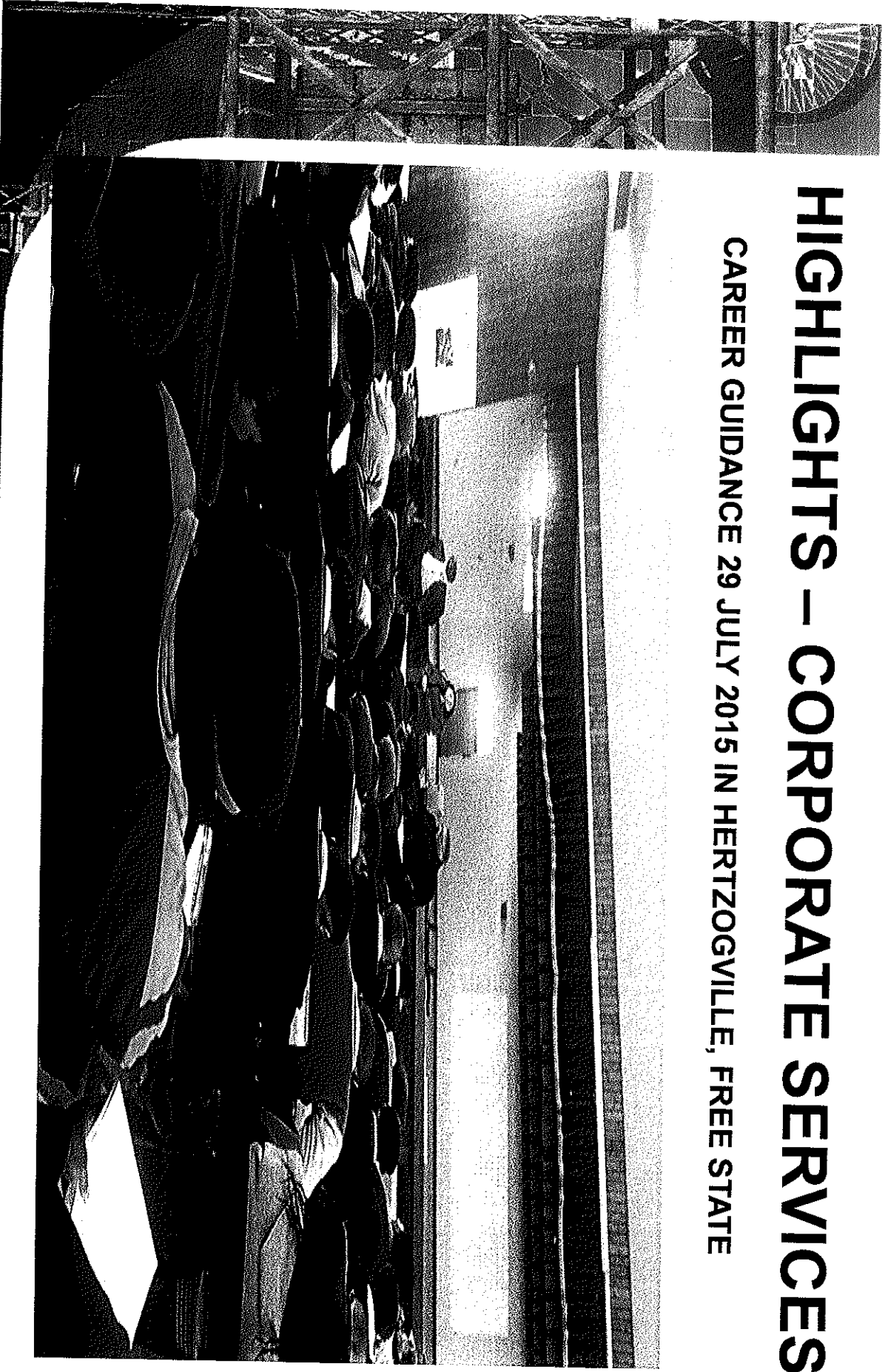
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HIGHLIGHTS – CORPORATE SERVICES

CAREER GUIDANCE 29 JULY 2015 IN HERTZOGVILLE, FREE STATE



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HIGHLIGHTS – CORPORATE SERVICES

CAREER EXHIBITION 15 SEPTEMBER 2015 IN SECUNDA, MPUMALANGA



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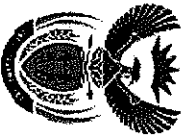


HIGHLIGHTS – FINANCIAL ADMINISTRATION

- The focus for the year is to ensure improvement of financial management processes and also to ensure that optimum business value is realised from ICT related investment.
- The Strategic objectives to be achieved are as follows:
 - The provision of efficient services to internal and external customers.
 - Efficient and effective Implementation of processes and systems.
 - Efficient and effective management of financial resources.
 - Promotion of Corporate Governance.

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HIGHLIGHTS – FINANCIAL ADMINISTRATION

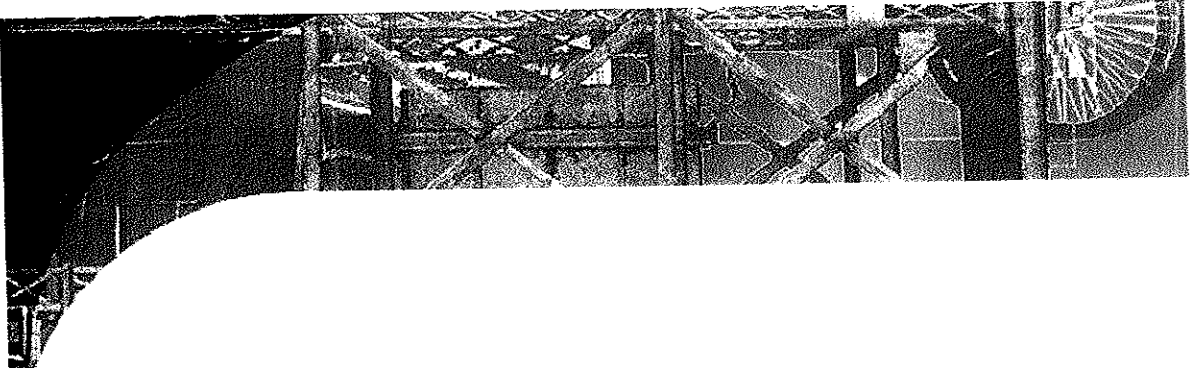
MANAGE FINANCIAL RESOURCES

- Efficient and effective management of financial resources was done through monitoring of budget, irregular expenditure and asset management.
 - There were no irregular expenditure incidents reported during the period.
 - Percentage variance on allocated budget was within the target.
 - Assets disposed off prior to end of lifespan was reduced by 62.35 percent. The department continues to raise awareness relating to physical security of asset management.

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THANK YOU.

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