

Department of Mineral Resources

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PRESENTATION TO THE PORTFOLIO COMMITTEE ON MINERAL RESOURCES ON THE 2016/ 17 ANNUAL PERFORMANCE PLAN (APP)

5 April 2016



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REPUBLIC OF SOUTH AFRICA

OUTLINE OF THE PRESENTATION

1. Strategic overview.
 - Mandate, vision and mission.
 - Situational analysis.
 - Overview of the 2016-2017 budget and MTEF estimates.
2. Programme and sub-programme plans.
 - Strategic objectives , annual and quarterly targets.
3. Links to other plans.
 - Public entities.
4. Conclusion.



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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.



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VISION

Vision 2030

A leader in the transformation of South Africa through economic growth and sustainable development by 2030.

Vision 2019

A global competitive, sustainable and meaningful transformed mining and mineral sector.



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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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SITUATIONAL ANALYSIS

Sector performance:

- The mining industry remains the foundation of the country's economy and will be central to achieving government's objectives as expressed in the National Development Plan (NDP) and the nine point plan.
- The Depressed global economic environment continues to create challenges in the industry and will affect overall performance of the industry including job creation and investment in the industry.



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SITUATIONAL ANALYSIS

Sector performance:

The following milestones have been achieved:

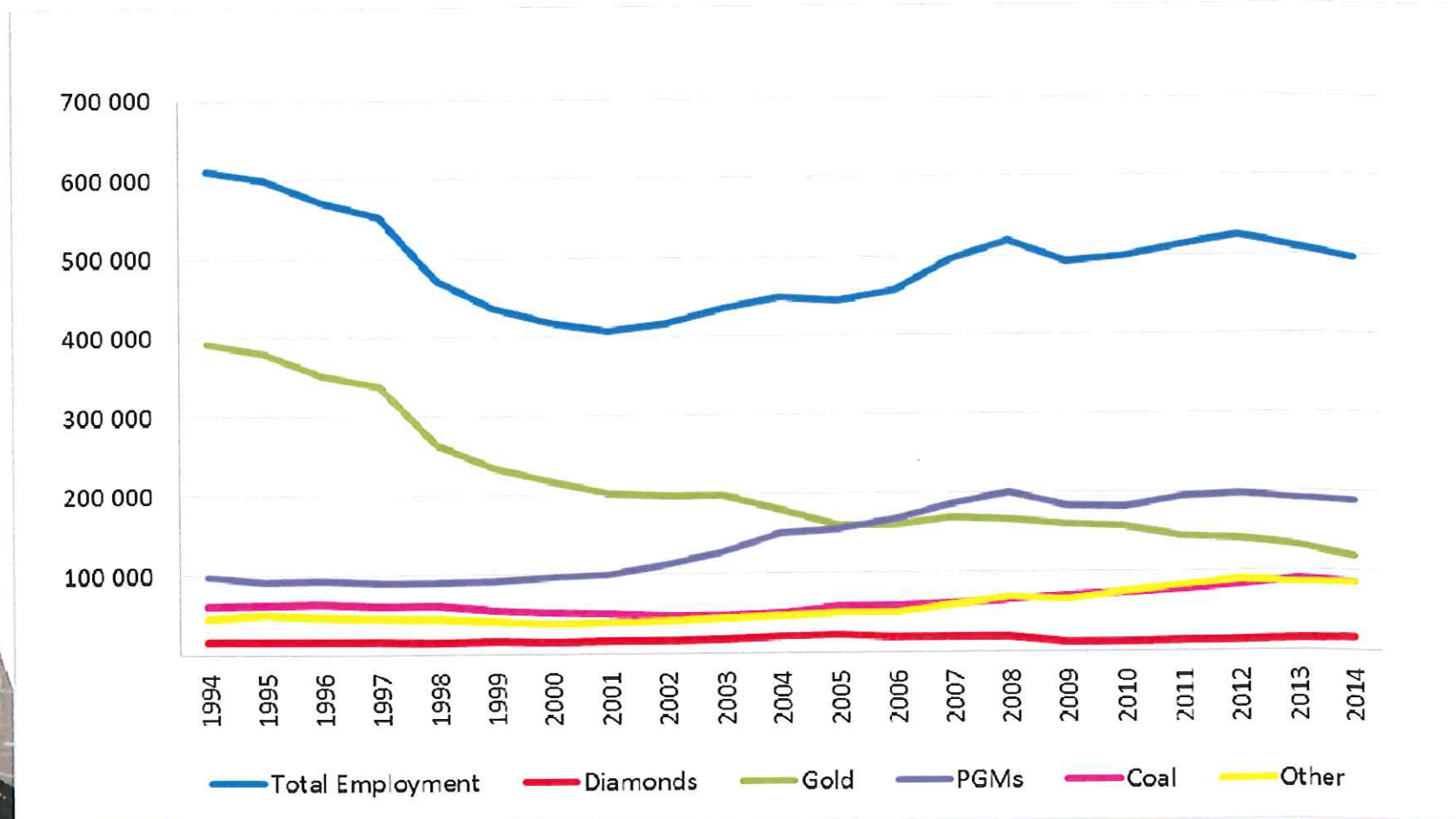
- Gross fixed capital formation in the mining industry increased from R18 billion in 2004 to R87 billion in 2014.
- Foreign direct investment in the mining industry grew considerably, from R112 billion in 2004 to R377 billion in 2014.
- Employment in the mining industry grew from 448 909 in 2004 to 495 592 in 2014 (tentative data for 2015 is about 477 321, at end of quarter 3).
- Whilst more still needs to be done, employment of women in the mining industry is steadily increasing, from well below 1% across all levels to marginally above 10% in 2014.
- Gross sales of primary minerals appreciated from R125.3 billion in 2004 to R395 billion in 2014.



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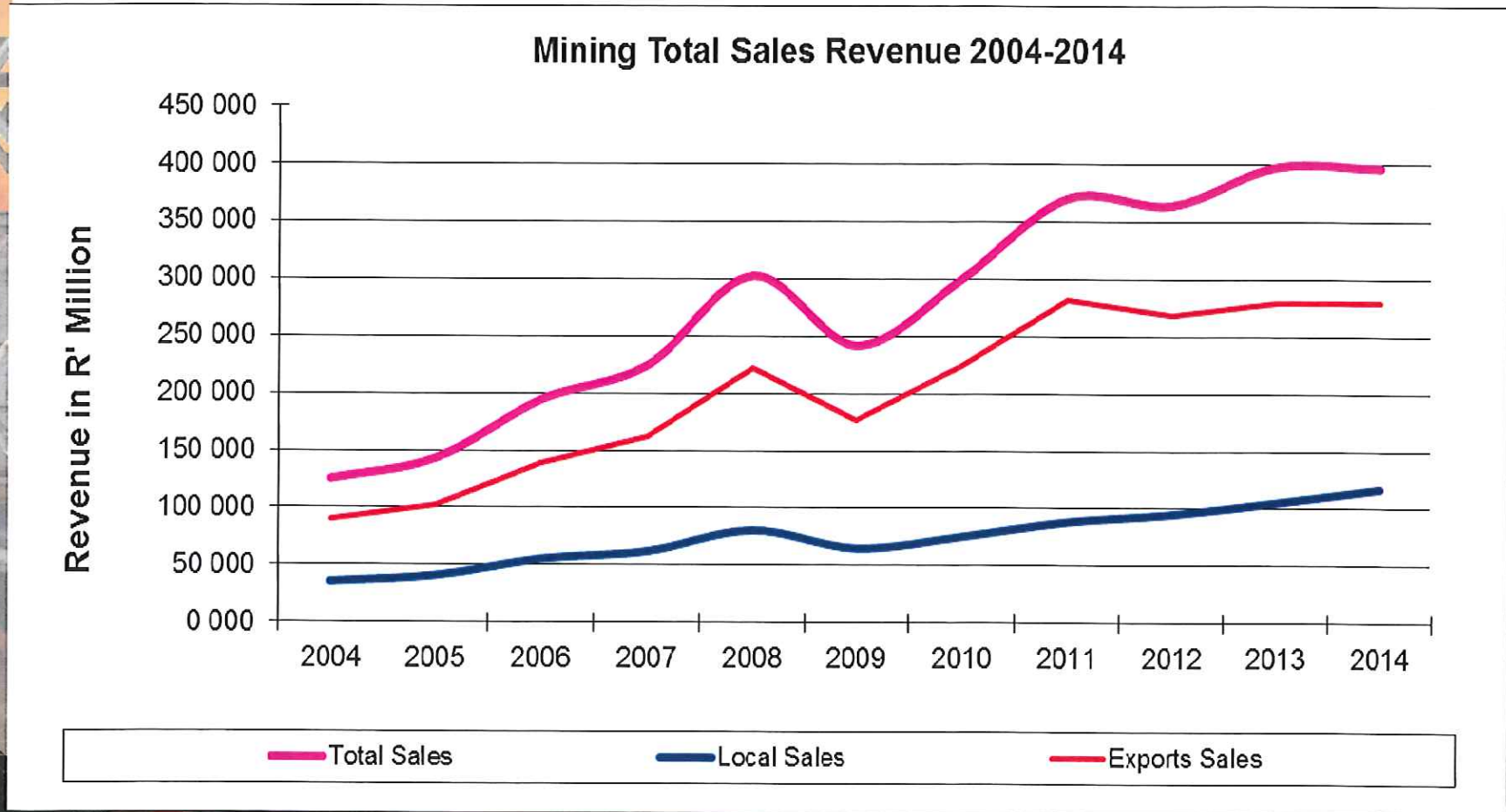
PERFORMANCE OF THE MINING INDUSTRY



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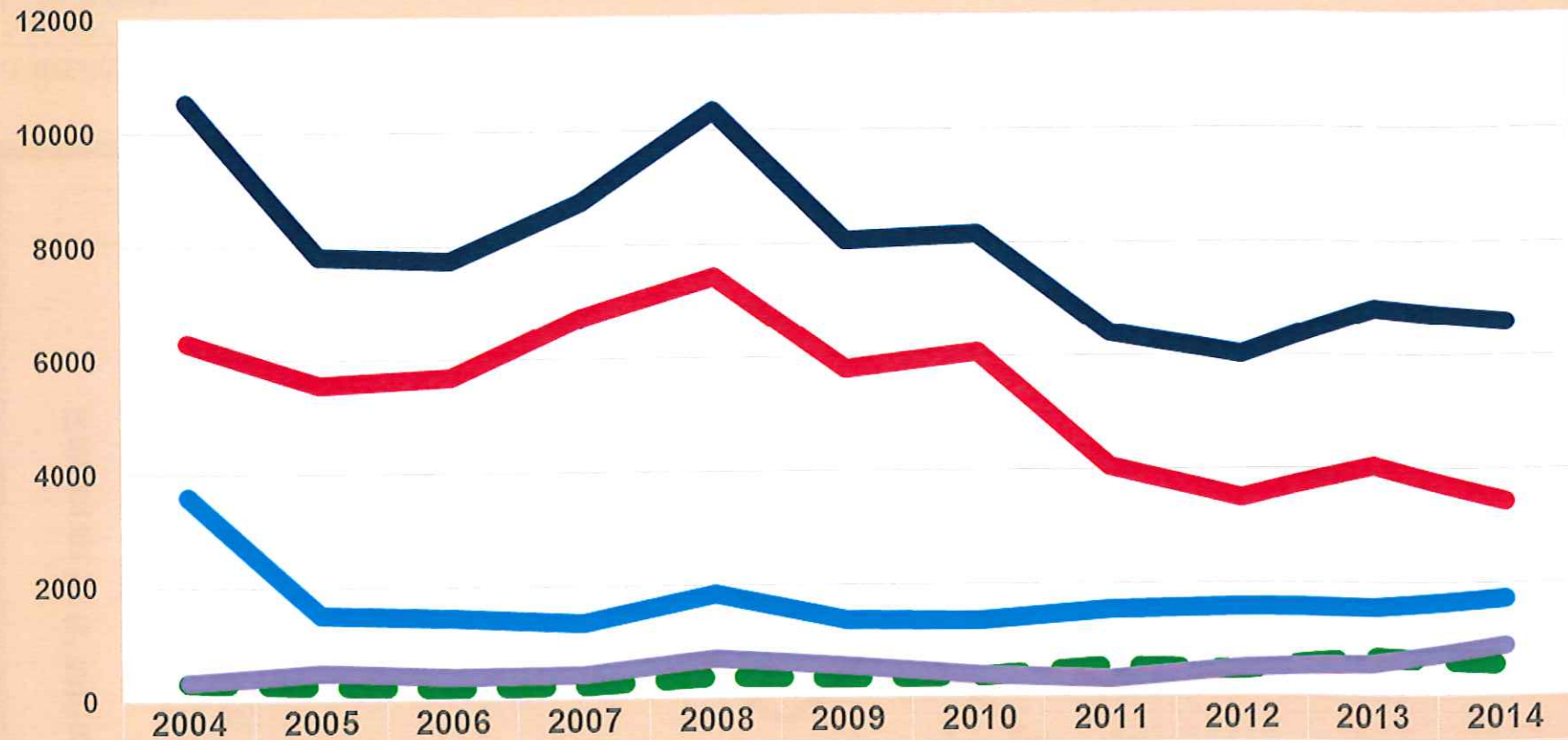
PERFORMANCE OF THE MINING INDUSTRY



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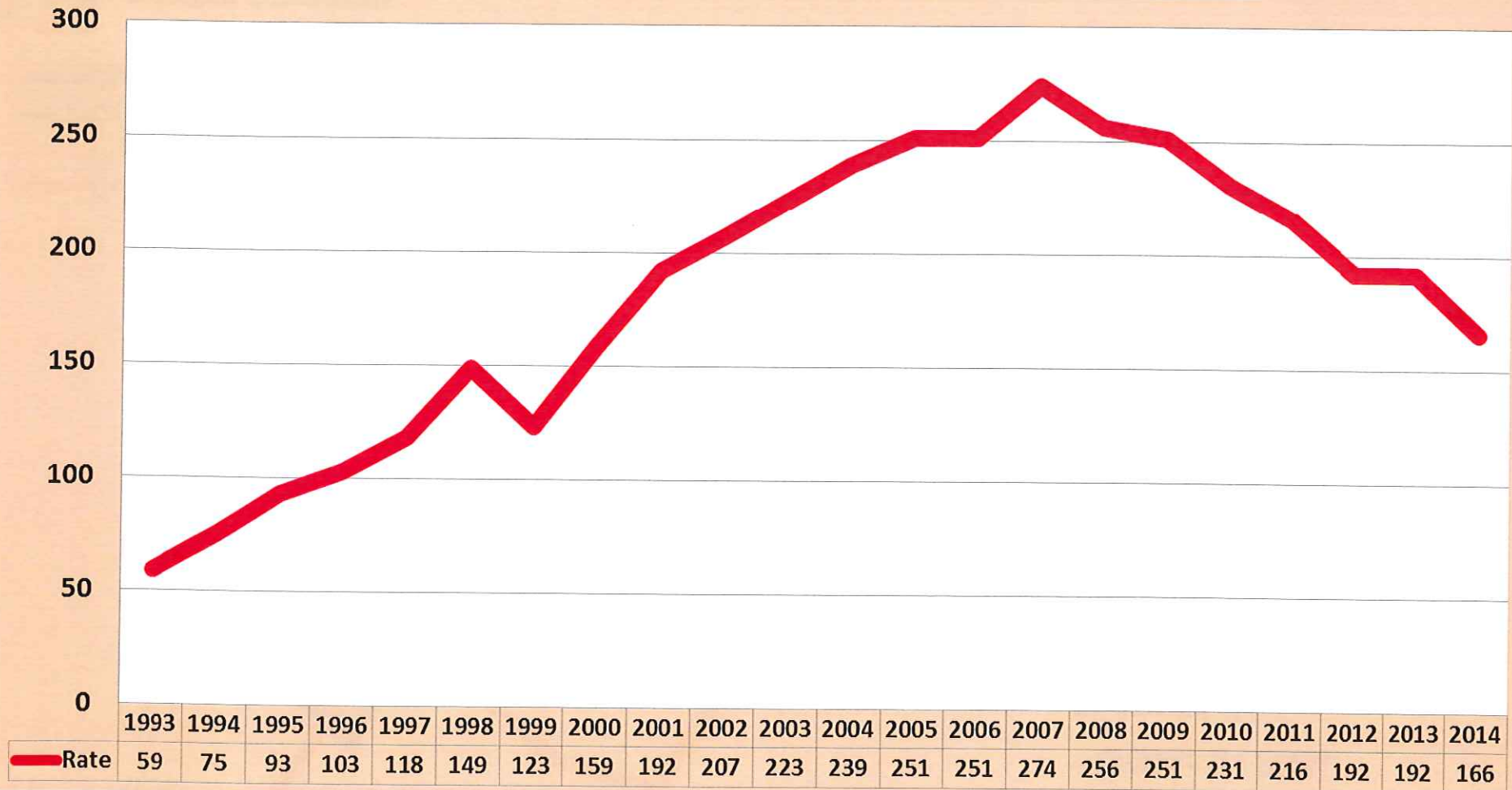
OCCUPATIONAL DISEASES BY COMMODITY



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Post-mortem Reports: Prevalence of TB 1993 to 2014

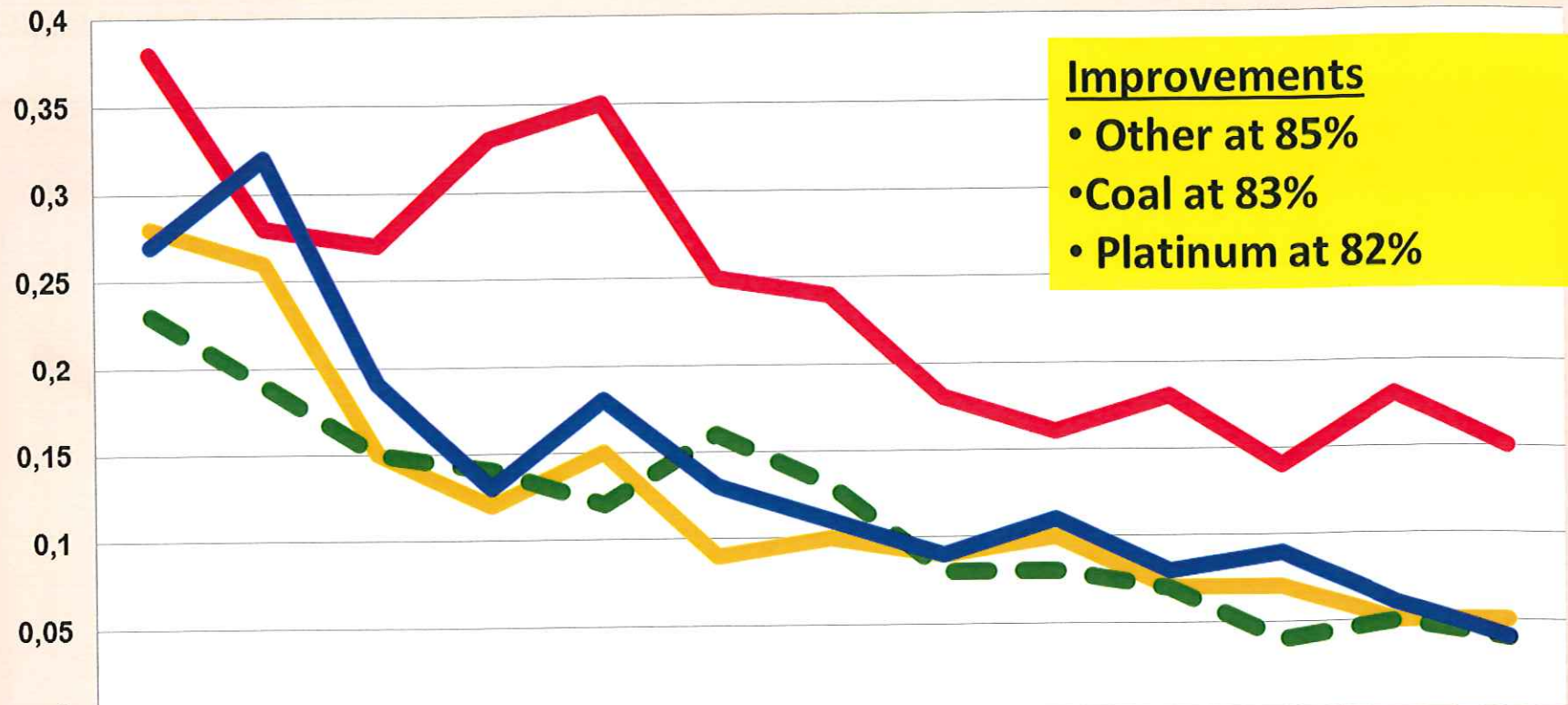


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***Source of Post-mortem Reports : NIOH Annual Pathology Reports**

Fatality Frequency Rate by Commodity 2003 – 2015*



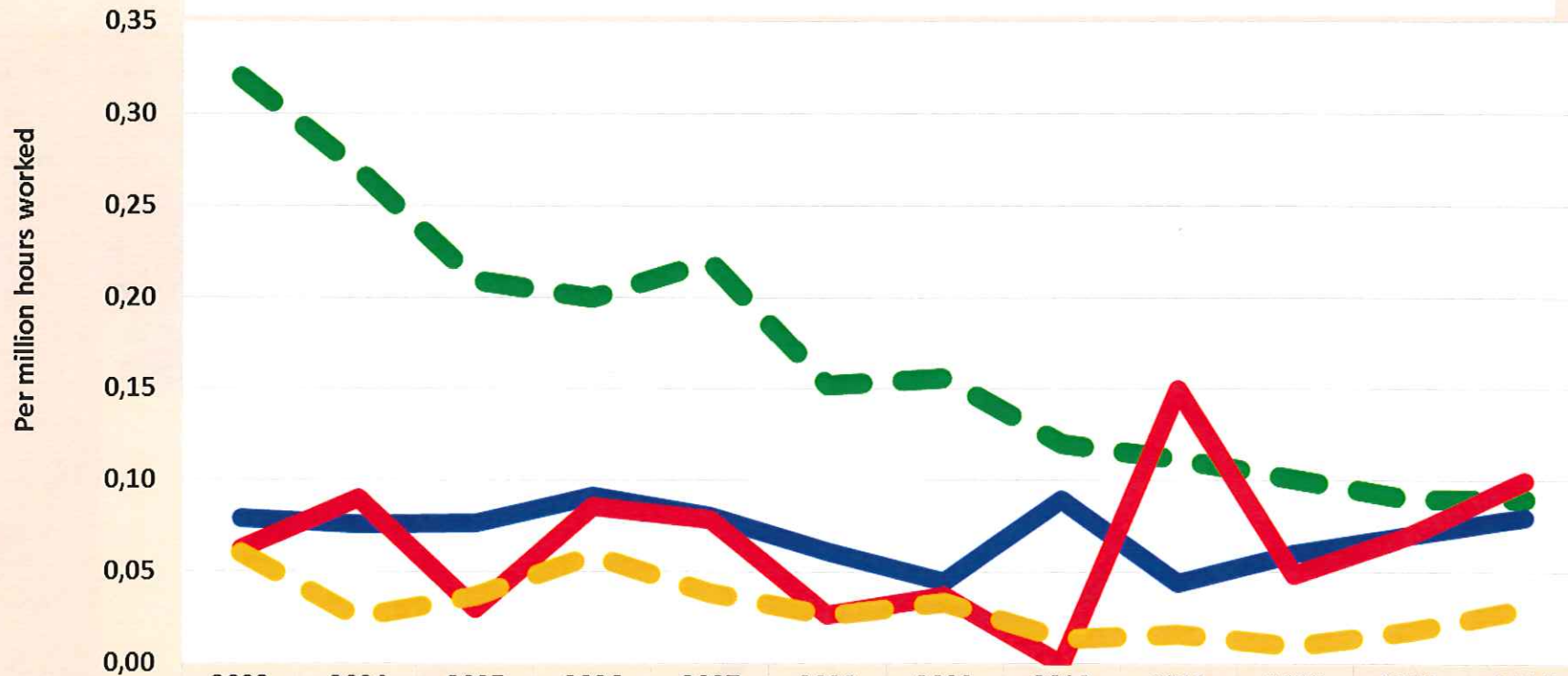
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | *2015 |
|-----------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| Gold | 0,38 | 0,28 | 0,27 | 0,33 | 0,35 | 0,25 | 0,24 | 0,18 | 0,16 | 0,18 | 0,14 | 0,18 | 0,15 |
| Platinum | 0,28 | 0,26 | 0,15 | 0,12 | 0,15 | 0,09 | 0,10 | 0,09 | 0,10 | 0,07 | 0,07 | 0,05 | 0,05 |
| Coal | 0,23 | 0,19 | 0,15 | 0,14 | 0,12 | 0,16 | 0,13 | 0,08 | 0,08 | 0,07 | 0,04 | 0,05 | 0,04 |
| Other | 0,27 | 0,32 | 0,19 | 0,13 | 0,18 | 0,13 | 0,11 | 0,09 | 0,11 | 0,08 | 0,09 | 0,06 | 0,04 |



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Comparison of Fatality Rates All Mines



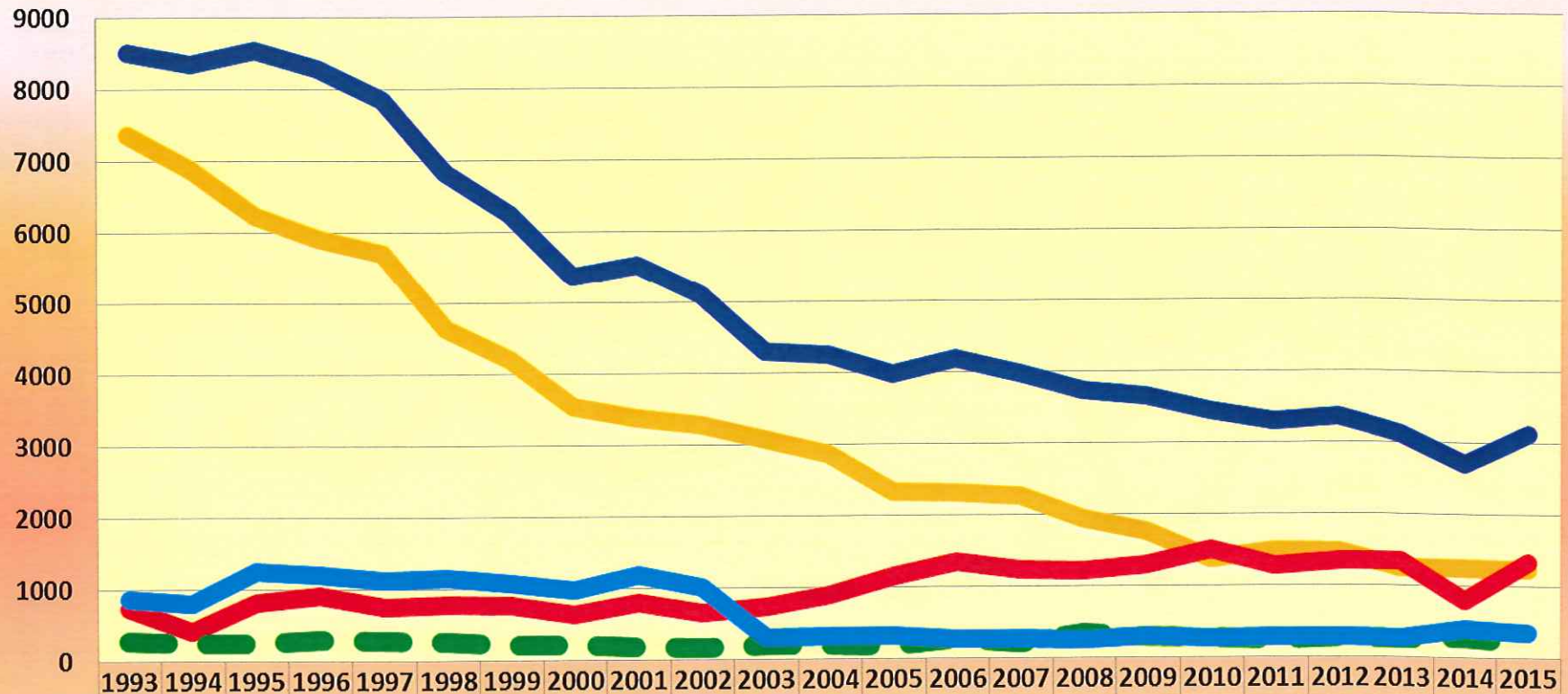
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| South Africa | 0,32 | 0,27 | 0,21 | 0,20 | 0,22 | 0,15 | 0,16 | 0,12 | 0,11 | 0,10 | 0,09 | 0,09 |
| USA | 0,08 | 0,08 | 0,08 | 0,09 | 0,08 | 0,06 | 0,04 | 0,09 | 0,04 | 0,06 | 0,07 | 0,08 |
| Canada (Ontario) | 0,06 | 0,09 | 0,03 | 0,09 | 0,08 | 0,03 | 0,04 | 0,00 | 0,15 | 0,05 | 0,07 | 0,10 |
| Australia | 0,06 | 0,02 | 0,04 | 0,06 | 0,04 | 0,03 | 0,03 | 0,01 | 0,02 | 0,01 | 0,02 | 0,03 |



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Mine Injuries by Commodity 1993 to 2015



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ORGANISATIONAL ENVIRONMENT

(Page 15)

| PROGRAMME | SUBPROGRAMME |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Administration | 1.1 Ministry 1.2 Corporate Services 1.3 Department Management 1.4 Financial Administration 1.5 Internal Audit |
| Mine Health and Safety Inspectorate | 2.1 Mine Health and Safety (Regions) 2.2 Governance Policy and Oversight |
| Mineral Regulation | 3.1 Mineral Regulation and Administration 3.2 Management Mineral Regulation |
| Mineral Policy and Promotion | 4.1 Mining and Minerals Policy 4.2 Mineral Promotion 4.3 Economic Advisory Services 4.4 Mine Environmental Management |



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OVERVIEW OF THE 2016-19 BUDGET

(Page 22-24)

| Programme | Audited Outcome | Adjusted Appropriation | Medium-Term Expenditure Estimates | | |
|---------------------------------------|------------------|------------------------|-----------------------------------|------------------|------------------|
| | R'000 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Programme 1 Administration | 315,220 | 308,870 | 310,868 | 322,085 | 338,742 |
| Programme 2 Mine Health and Safety | 167,492 | 184,431 | 184,934 | 191,080 | 198,285 |
| Programme 3 Mineral Regulation | 237,659 | 263,715 | 270,786 | 426,588 | 452,021 |
| Programme 4 Policy and Promotion | 754,786 | 881,526 | 902,489 | 907,491 | 835,546 |
| Total | 1,475,157 | 1,638.542 | 1,669,077 | 1,847,244 | 1,824,594 |



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OVERVIEW OF THE 2016-19 BUDGET

(Page 22-24)

| Economic classification | Audited Outcome | Adjusted Appropriation | Medium-Term Expenditure Estimates | | |
|-----------------------------|------------------|------------------------|-----------------------------------|------------------|------------------|
| | | | 2016/17 | 2017/18 | 2018/19 |
| R'000 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Compensation of Employees | 484,620 | 548,440 | 572,130 | 579,130 | 604,785 |
| Goods and services | 255,154 | 251,661 | 259,235 | 276,213 | 290,577 |
| Transfers and Subsidies | 723,731 | 826,919 | 824,090 | 980,127 | 916,775 |
| Payments for capital assets | 11,652 | 11,522 | 13,622 | 11,774 | 12,457 |
| Total | 1,475,157 | 1,638,542 | 1,669,077 | 1,847,244 | 1,824,594 |

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OVERVIEW OF THE 2016-19 BUDGET

(Page 25)

Expenditure trends:

The overall budget of the department increases at an annual average growth rate of 3.7% over the medium term:

- Mine Health and Safety increases by an annual growth rate of 2.4 % over the medium term which is partly due to the transfer payments to Mine Health and Safety Council which ceased in 2014/15 and will resume in 2017/18 and outer years.
- The Mineral Regulation budget increases by an annual average of 19.7%, this is attributed to the PASA additional allocation of R305.127 million.
- The Mineral Policy and Promotions decreases by 1.8% in 2018/19 as a result of the discontinuation of the Economic Support and Competitiveness Package (ESCP) allocations attributed to the Council for Geoscience and Mintek. (ESCP was a 5 year project ending 2018/19)



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OVERVIEW OF THE 2016-19 BUDGET

(Page 25)

Expenditure trends:

Compensation of employees will represent 34.3% (R572.130 million) of the 2016/2017 total budget of R1.669 billion and 32.9 % (R1.756 billion) of the R5.341 billion over the MTEF:

- The Mineral Regulation, Mine Health and Safety and Mineral Policy and Promotion programmes constitute 69.6% (R1.223 billion) of the total compensation of employees budget of R1.756 billion over the medium term.
- The higher contribution to compensation of employees is due to the labour intensive nature of inspections and technical expertise required for the job.



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OVERVIEW OF THE 2016-19 BUDGET

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Expenditure trends:

Goods and Services represents 15.5% (R259.235 million) of the 2016/2017 total budget of R1.669 billion and 15.5% (R825.661 million) of the R5.341 billion over the MTEF:

- The main cost driver is the subsistence and travelling costs which is 24.8% (R204.980 million) of the goods and services budget and this is mainly for monitoring compliance and inspections.
- Followed by operating leases at 13.3% (R110.083 million) of the total budget for goods and services. Included in the operating leases are office accommodation.
- Contractors represents 12 % (R99.209 million) of the total budget for goods and services.



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OVERVIEW OF THE 2016-19 BUDGET

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Expenditure trends:

Transfer Payments will constitute 49.4% (R824.090 million) of 2016/2017 total budget of R1.669 billion or 50.9% (R2.721 billion) of the of the R5.341 billion budget over the MTEF:

- Mine Health and Safety Council is funded under programme 2, there is no allocation for 2016/2017 but the baseline of R12.681 million is still maintained over the MTEF.
- The South African Diamond and Precious Metals Regulator is funded under programme 3, R53.205 million is allocated in 2016/2017 and R168.175 million over the MTEF
- The Petroleum Agency of South Africa was added in the MTEF under Programme 3. R305.127 million has been allocated over the MTEF commencing in 2017/18. Once the regulations are finalised the responsibility to report on PASA financial matters will rest with the Department.



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OVERVIEW OF THE 2016-19 BUDGET

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Expenditure trends:

Transfer Payments will constitute 49.4% (R824.090 million) of 2016/2017 total budget of R1.669 billion or 50.9% (R2.721 billion) of the of the R5.341 billion budget over the MTEF: **(Cont'd)**.....

The Council for Geoscience, Mintek and small scale mining transfers to IDC is funded under programme 4.

- R371 416 million is allocated in 2016/2017 and R1.069 billion over the MTEF for Mintek.
- R378.598 million is allocated in 2016/2017 and R1.052 billion over the MTEF for Council of Geo-science.
- R27.434 million is allocated in 2016/2017 and R86.712 million over the MTEF for IDC.



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OVERVIEW OF THE 2016-19 BUDGET

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Expenditure trends:

Capital expenditure will represent a small percentage of the 2016/2017 budget at 0.8% (R13.622 million) or 0.7% (R37.853 million) of R5.341 billion budget over the MTEF:

- The majority of the capital budget is under Programme 1.
- Machinery and equipment represents 67.8% (R25.679 million) of the total budget for capital assets; and those are computer hardware and systems (laptops and desktops).
- Building and other fixed structures represents 32.2% (R12.174 million) of the total budget. This relates to tenants installation for building at regional offices.



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PART B: PROGRAMME AND SUBPROGRAMME PLANS

PROGRAMME 1-4

Pages 27 -87 of the Annual Performance
Plan



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PROGRAMME 1

CORPORATE SERVICES

Pages (27 - 45)



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PROGRAMME 1 CORPORATE SERVICES

PURPOSE:

The provision of strategic support and management services to the Ministry and the Department of Mineral Resources.



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CORPORATE SERVICES STRATEGIC OBJECTIVES

1. Contribute to skills development.
2. Sustainable development of vulnerable groups.
3. Communicate DMR programmes with internal and external stakeholders.
4. Provide adequate facilities for effective service delivery.
5. Develop, review and improve internal processes/guidelines/procedures.
6. Provide legal support and advisory services.
7. Improve turnaround times.
8. Implement national strategies.
9. Comply with HR and Occupational Health and Safety legislative framework.
10. Attract, develop and retain skills.



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CORPORATE SERVICES

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------|
| Contribute to skills development. | 78 Mining career awareness initiatives. | 19 | 18 |
| | 83 bursaries acquired and recipients from poor backgrounds identified to study towards mining-qualifications. | 23 | 20 |
| Sustainable development of vulnerable groups. | 36 Facilitation of projects for women, youth and people with disabilities. | 6 | 7 |



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CORPORATE SERVICES

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------|-----------|
| Communicate DMR programmes with internal and external stakeholders. | 100% Implementation of the DMR's Communication Strategy. | New Measure | 100% |
| Provide adequate facilities for effective service Delivery. | 100% Facilities aligned with business needs. | 94% | 94% |
| Develop, review and improve internal processes/guidelines/procedures. | 28 Review existing policies and develop new ones. | 10 | 4 |
| | 75 Improved / re-engineering processes. | 15 | 15 |
| Legal support and advisory services. | 80% Timeous response to opinions, appeals, inquiries, agreements and litigation. | 84% | 80% |



CORPORATE SERVICES

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|--------------------------------|-----------------------------------------------------------------|-----------------------------------------------|-----------|
| Improve turnaround times. | 100% Adherence to Service Level Agreements. | 100% | 100% |
| | 100% Adherence to defined turnaround times. | 100% | 100% |
| Implement national strategies. | 100% Employee and contractor screening | 100% | 100% |
| | 540 Vetting Files Completed Vetting of employees. | 120 | 120 |
| | 40 Strategic Plans for Gender Equality implemented | New Measure | 10 |
| | 44 Employee Health, Safety and Wellness programmes implemented. | 20 | 8 |



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CORPORATE SERVICES

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------|
| Comply with HR and Occupational Health and Safety legislative framework. | 100% Human Resource Development Plan and Workplace Skills Plan (WSP) updated and submitted timeously. | 100% | 100% |
| | Actions implemented to ensure timeous submission of financial disclosures timeously. | New Measure | 5 |
| | Actions implemented to ensure timeous submission of Performance Agreements. | New Measure | 4 |



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CORPORATE SERVICES

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------|
| Attract, develop and retain skills. | Number of human resource development initiatives aligned to the National Skills Development Strategy (NSDS). | 14 | 18 |
| | 10% Maintain vacancy rate at acceptable level. | 14% | 10% |
| | 20 affirmative action measures implemented. | 4 | 4 |



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PROGRAMME 1

Financial administration
(pages 46-54)



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PROGRAMME 1

Financial Administration

PURPOSE:

The provision of strategic support and management services to the Ministry and the Department of Mineral Resources.



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FINANCIAL ADMINISTRATION STRATEGIC OBJECTIVES

1. Provide efficient services to internal and external customers.
2. Implement processes and systems.
3. Manage financial resources.
4. Promote corporate governance.



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FINANCIAL ADMINISTRATION

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|----------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------|-----------|
| Provide efficient services to internal and external customers. | 95% average systems availability. | 99.5% | 95%% |
| | 95% achievement of SLA. | 97.95% | 95% |
| | 3.5 average customer satisfaction score (1-5 index). | 3.4 | 3.5 |
| | 100% of financial reports delivered on schedule. | 99.26% | 100% |
| | 100% of suppliers paid within 30 days. | 99.57% | 100% |



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FINANCIAL ADMINISTRATION

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|----------------------------------|--------------------------------------------------------------|-----------------------------------------------|-----------|
| Implement processes and systems. | 100% implementation of the Master Systems Plan (cumulative). | 100% | 100% |



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FINANCIAL ADMINISTRATION

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|----------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------|
| Manage financial resources | ≤2% variance on allocated budget. | ≤2% variance | ≤2% variance |
| | Number of incidents of irregular expenditure (0). | One incidents of irregular expenditure | No incidents |
| | 100% implementation of asset management plan (revised target from reduction of disposal prior to end of lifespan). | 52.58% reduction in assets disposed off prior to end of lifespan. (Revised measure.) | 100% implementation of asset management plan. |



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FINANCIAL ADMINISTRATION

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|-------------------------------|-----------------------------------------------------------------|-----------------------------------------------|-----------|
| Promote corporate governance. | 100% implementation of management action plan (Internal Audit). | 100% | 100% |
| | 100% implementation of management action plan (External Audit). | 100% | 100% |
| | 100% adherence to compliance framework. | 100% | 100% |
| | 100% implementation of risk management plans. | 100% | 100% |
| | 100% Implementation of ICT Governance Initiatives. | New measure | 100% |



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PROGRAMME 2

MINE HEALTH AND SAFETY

Pages (54 - 62)



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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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MINE HEALTH AND SAFETY STRATEGIC OBJECTIVES

1. Promote Health and Safety.
2. Contribute to skills development.
3. Implement Service Level Agreements (SLAs).
4. Develop and review internal processes.
5. Improve turnaround times.
6. Promote corporate governance.



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MINE HEALTH AND SAFETY

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|----------------------------|---------------------------------------------------------------------------|-----------------------------------------------|-----------|
| Promote Health and Safety. | 20% Annual reduction in occupational fatalities. | 26% | 20% |
| | 20% Annual reduction in occupational injuries. | 14% | 20% |
| | 10% Annual reduction in occupational diseases (including TB). | 3% | 10% |
| | 80% of accident investigations to be completed (initiated vs. completed). | 90% | 80% |
| | 80% of accident inquiries to be completed (initiated vs. completed). | 67% | 80% |



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MINE HEALTH AND SAFETY

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|----------------------------|------------------------------------------------------|-----------------------------------------------|-----------|
| Promote Health and Safety. | 40000 Health and Safety Inspections to be conducted. | 8 555 | 8 000 |
| | 1980 Health and Safety Audits to be conducted. | 523 | 396 |
| | Annual MHS report to be submitted. | 1 | 1 |
| | 200 Tripartite workshops to be conducted. | 62 | 40 |



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MINE HEALTH AND SAFETY

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------|
| Contribute to skills development. | 100% Implementation of certificate of competency model to improve pass rate on the Government Certificate of Competency in mining. | 100% | 100% |
| Implement Service Level Agreements (SLAs). | 100% Implementation and adherence to existing SLAs. | 100% | 100% |
| Develop and review internal processes. | 100% of identified internal processes developed, reviewed and Implemented. | 100% | 100% |



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MINE HEALTH AND SAFETY

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|-----------------------------|-------------------------------------------------------------------------------|-----------------------------------------------|-----------|
| Improve Turnaround Times | 80% adherence to prescribed timeframes for medical appeals. | 127% | 80% |
| | 100% adherence to prescribed timeframes for Chief Inspector of Mines appeals. | 100% | 100% |
| | 100% adherence to prescribed timeframes for MPRDA applications. | 103% | 100% |
| | 80% adherence to prescribed timeframes for administrative tasks. | 88% | 80% |



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MINE HEALTH AND SAFETY

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|-------------------------------|-----------------------------------------------------------------|-----------------------------------------------|-----------|
| Promote Corporate governance. | 100% Implementation of Management Action Plan (Internal Audit). | 100% | 100% |
| | 100% Implementation of Management Action Plan (External Audit). | 100% | 100% |
| | 100% adherence to compliance framework. | 100% | 100% |
| | 100% implementation of risk management plans. | 100% | 100% |



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PROGRAMME 3 MINERAL REGULATION

This section can be read in conjunction with
pages 63-73 of the Tabled Annual
Performance Plan



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PURPOSE AND OBJECTIVE

Purpose

To regulate the minerals and mining sectors to ensure economic development, employment and ensure transformation and environmental compliance.

Objective

To transform the minerals and mining sectors into one that competitively contributes to the sustainable development in the country.



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MINERAL REGULATIONS STRATEGIC OBJECTIVES

1. Promote Job Creation.
2. Promote Sustainable Resource Use and Management.
3. Reduce State environmental liability and financial risk.
4. Implement transformation policies / legislation.
5. Monitor and enforce compliance.
6. Improve turnaround times.



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MINERAL REGULATIONS

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|--------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------|-----------|
| Promote job creation. | 600 Number of SLP development projects. | 133 | 120 |
| | 35 Number of Black Industrialist created through procurement. | New measure | 5 |
| | 35 000 Number of jobs created through mining. | 5338 | 7000 |
| Promote sustainable resource use and management. | 100 % of approved EA's relative to rights issued. | 100% | 100% |
| | 100% of approved SLP relative to rights issued. | 100% | 100% |
| | 100% of evaluated work programmes. | 100% | 100% |



MINERAL REGULATIONS

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|----------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------|-----------|
| Reduce State environmental liability and financial risk. | 100 % of closure certificates issued. | 100% | 100% |
| | 50 % of investigations finalised. | New measure | 50% |
| | 60% of environmental complaints closed/referred to competent authorities. | New measure | 60% |
| Implement transformation policies/legislation. | 750 number of consultation/engagements with communities. | 263 | 150 |
| | 750 number of rights/permits issued to HDSA. | 203 | 150 |
| | 45 number of Industry workshops conducted. | 16 | 9 |



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MINERAL REGULATIONS

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|---------------------------------|---------------------------------------------------------|-----------------------------------------------|-----------|
| Improved turn around times. | 70 % adherence to prescribed timeframes. | 70.4% | 70% |
| Monitor and enforce compliance. | 750 number of legal compliance inspections. | 253 | 150 |
| | 2125 number of work programmes inspections. | 520 | 425 |
| | 1060 number of SLP inspections. | 268 | 212 |
| | 6375 number of environmental authorisation inspections. | 1856 | 1275 |



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PROGRAMME 4

MINERAL POLICY AND PROMOTION

Pages (74-87)



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PROGRAMME 4

POLICY AND PROMOTION

PURPOSE:

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

OBJECTIVE

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



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POLICY AND PROMOTION STRATEGIC OBJECTIVE

1. Promote investment in the Mining, Minerals and Upstream Petroleum Sectors.
2. Manage and implement mineral resource diplomacy with other countries and institutions.
3. Promote sustainable resource use and management.
4. Facilitate transformation in the Mining Sector through development and review of relevant legislation.
5. Develop and review internal processes.
6. Improve turnaround times.



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MINERAL POLICY AND PROMOTION

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------|-----------|
| Promote investment in the mining and upstream petroleum sectors. | 88 publications / reports. | 15 | 17 |
| | 248 investment promotion events/ forums/ workshops. | New Measure | 55 |
| | 100% Implementation of Ocean Economy Operation Phakisa Plans. | New Measure | 100% |
| | 400 of SMME's supported. | 87 | 80 |
| | 40 Social dialogues . | 8 | 8 |



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MINERAL POLICY AND PROMOTION

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/2017 |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------|
| Promote investment in the mining and upstream petroleum sectors. | % Implementation of Mining Phakisa Initiatives. | New Measure | 100% |
| | 100% Implementation of Shale Gas Action Plan Instruments (i.e. Consultation, promotional activities and monitoring). | New Measure | 100% |
| Manage and implement the Mineral Resources Diplomacy with other countries and institutions. | 15 international strategic partnerships, i.e. bi- and multilateral agreements signed. | New Measure | 3 |



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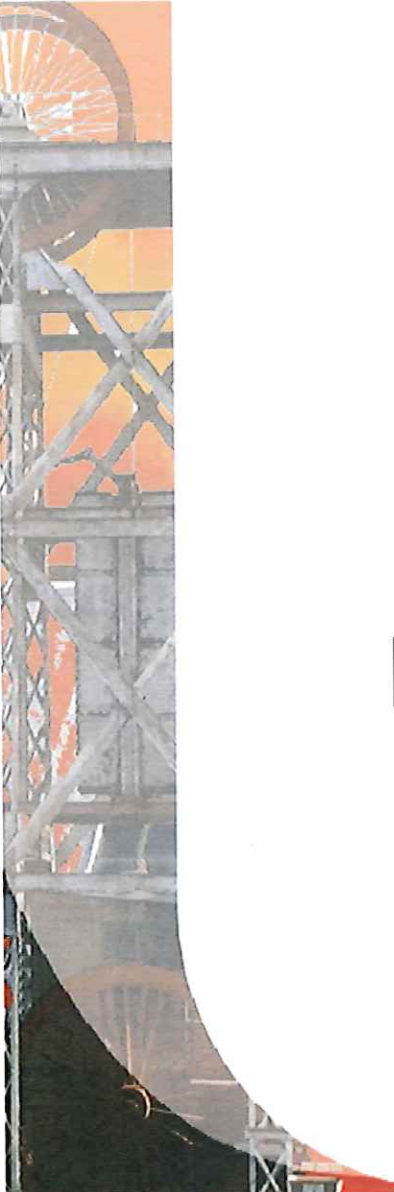
MINERAL POLICY AND PROMOTION

STRATEGIC OBJECTIVES AND ANNUAL TARGETS

| OBJECTIVE | FIVE YEAR TARGET 2014-2019 | ACHIEVED TO DATE (2014/2015 AUDITED) | 2016/20 17 |
|--------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------|---------------|
| Promote Sustainable Resource Use and Management. | 25 technical and strategic partnerships implemented. | 3 | 5 |
| | Review Departmental Environmental Management Plan Annually. | New Measure | 1 |
| | 17 Reports developed on Mine Closure and Derelict & Ownerless mines. | New Measure | 4 |
| | 250 derelict and ownerless sites rehabilitated. | 50 | 45 |
| | 17 Legislative Instruments Reviewed and Amended. | N/A | 5* |

* MHSA Bill / AEMFC Bill / MPRDA Bill finalization / Mining Charter Amendment / PASA Bill / Relevant Regulations.





LINKS TO OTHER PLANS PUBLIC ENTITIES Pages (130 – 136)



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PUBLIC ENTITIES

PURPOSE

To provide related services that support the Department's mandate through funded and non-funded statutory bodies and organisations.

OBJECTIVE

Enhance the Department's ability to achieve its objectives through policies that promote its legislative mandate and lead to the creation of an environment conducive to investment and the improvement of the quality of South African lives.



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PUBLIC ENTITIES

| Name of entity | Legislative mandate | 2016/2017 budget (R'000) |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| The Mine Health and Safety Council (MHSC). | The MHSC functions in terms of the Mine Health and Safety Act, (Act No. 29 of 1996) to advise the Minister of Mineral Resources on occupational health and safety legislation and research outcomes focused on ameliorating and promoting occupational health and safety at South African mines. | R nil |
| The Council for Mineral Technology Research (MINTEK). | Established in terms of the Mineral Technology Act, Act No. 30 of 1989, to fulfil the following main functions: <ul style="list-style-type: none"> • Undertake research, development and technology transfer to promote mineral technology. • Foster the establishment and expansion of industries in the field of minerals and related products. | R 371 416 |



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PUBLIC ENTITIES

| Name of entity | Legislative mandate | 2016/2017 budget (R'000) |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| The Council for Geoscience (CGS). | Established in terms of the Geoscience Act (Act No. 100 of 1993) to develop and publish world-class geoscience knowledge products and render related services to industry and South African public. | R378 598 |
| The South African Diamond and Precious Metals Regulator (SADPMR). | Established in terms of the Diamond Act of 1986 as amended and the Precious Metals Act (Act No.37 of 2005) to administer the following legislation: <ul style="list-style-type: none"> • Diamond Act of 1986 (as amended) • Precious Metals Act of 2005 • Diamond Export Levy Act of 2007, in collaboration with the South African Revenue Service (SARS) | R53 205 |
| The State Diamond Trader. | Established in terms of the Diamond Act (Act No. 56 of 1986) as amended, to promote equitable access to and beneficiation of diamond resources and grow South Africa's diamond cutting and polishing industry. | Not funded by appropriation |



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Key Focus Areas

- We are providing the regulatory certainty, predictability and sharpening the following legislative instruments:
 - MPRDA Bill, MHSA Bill, AEMFC Bill, PASA Bill and Mining Charter review.
- Accelerate the implementation of the one environment system as part of an integrated mining permitting system.
- Continuous monitoring and enforcement of compliance.
- Support SMMEs through the payment of suppliers within 30 days.



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CONCLUSION

- The Department is committed to continue with the journey of ultimately achieving the vision of a globally competitive, sustainable and transformed mining and mineral sector through the implementation of the APP and maintaining good governance principles.
- We will continue to collaborate with all stakeholders in the implementation of the APP.



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THANK YOU.



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