

Department of Mineral Resources

Select Committee on Land and Mineral Resources Briefing

2018 - 19 Budget Vote

DG – ADV T MOKOENA
DATE: 15 May 2018



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Department of Mineral Resources



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Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

2018/05/14

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PRESENTATION OUTLINE

1. Strategic overview
2. Department structure overview
3. 2016/17 Audited Performance Overview
4. 2018/19 Situational Analysis
5. Key Projects
6. Expenditure Growth Trends (Year-on-year)
7. 2018/19 APP Outline:
 - ☐ Programme 1.1: Corporate Services
 - ☐ Programme 1.1: Financial Administration
 - ☐ Programme 2: Mine Health and Safety Inspectorate (MHSI)
 - ☐ Programme 3: Mineral Regulation (MR)
 - ☐ Programme 4: Mineral Policy and Promotion (MPP)
8. Confirmation of 2018/19 Responsiveness to the 2018 State of the Nation Address



Strategic Overview

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.

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.

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.



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Strategic Overview

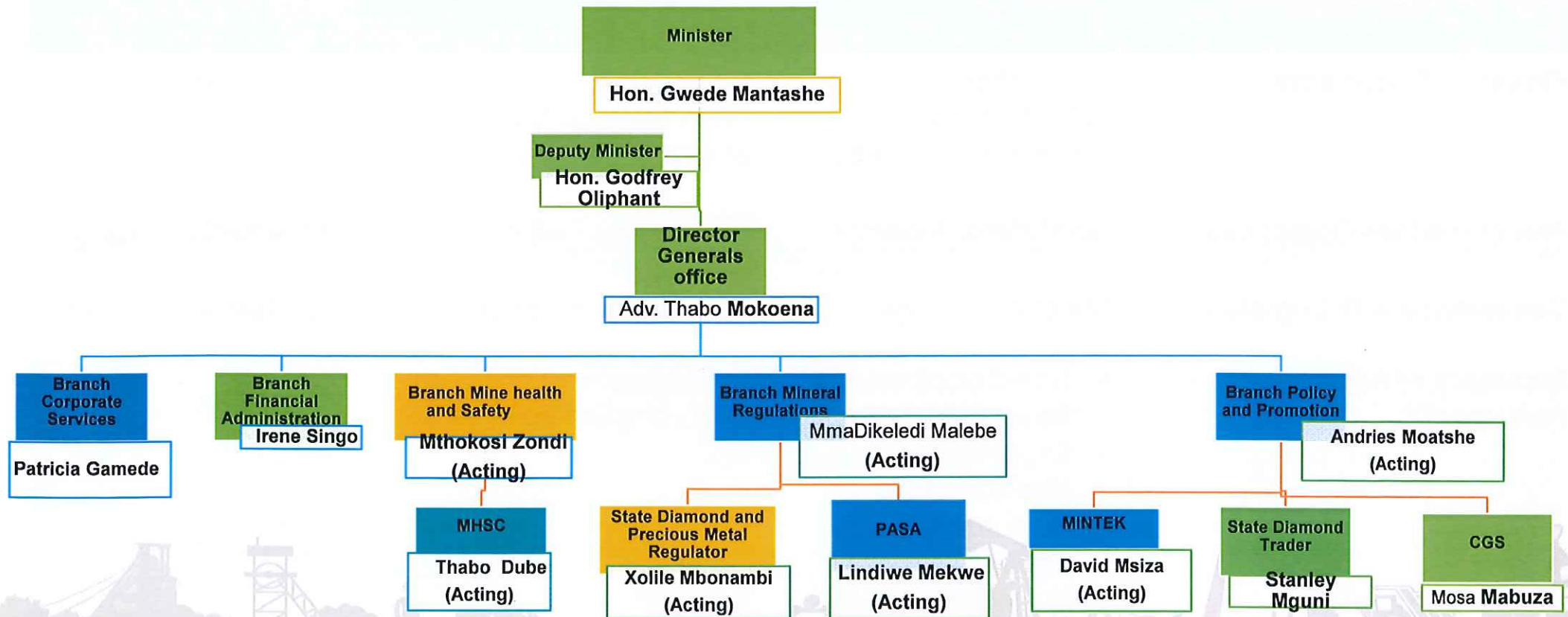
VISION	STRATEGIC GOALS / COUTCOMES
<p>A leader in the transformation of South Africa through economic growth and sustainable development by 2030</p> <p>A global competitive, sustainable and meaningful transformed mining and mineral sector by 2019</p>	<ul style="list-style-type: none"> ➤ Increased investment in the minerals, mining and petroleum sectors ➤ Transformed minerals sector ➤ Equitable and sustainable benefit from mineral resources ➤ Efficient, effective and development-oriented Department
<p>MADATE</p>	
<p>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.</p>	
<p>MISSION</p>	
<p>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.</p>	



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Department Structure Overview



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2016/17 Audited Performance Overview

External Audit Outcome	2014 - 15	2015 - 16	2016 - 17
Financial Statements	Unqualified (With Material Adjustments of AFS)	Unqualified (With Material Adjustments of AFS)	Unqualified
Predetermined Objectives	No Material Findings	No Material Findings	No Material Findings
Compliance with Legislation	Material Findings	No Material Findings	No Material Findings
Summary of Adjustment's / Finding(s)	<ul style="list-style-type: none"> • Non-Compliant AFS, Revenue & Leases • Expenditure Management • Procurement and Contract Management 	<ul style="list-style-type: none"> • Restatement of contingent liabilities, 	-



2016/17 AUDITED PERFORMANCE OVERVIEW

	Audited			Unaudited
Branches	31 March 2015	31 March 2016	31 March 2017	31 March 2018
Corporate Services	90.0%	76.0%	96.0%	92.6%
Financial Administration	64.3%	69.2%	92.9%	73.3%
Mine Health And Safety Inspectorate	86.4%	80.0%	70.0%	90.0%
Mineral Regulation	85.7%	90.5%	77.3%	74.1%
Mineral Policy and Promotion	85.7%	88.0%	84.2%	91.3%
Departmental Performance	84.3%	81.7%	84.0%	84.8%



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2018/19 Situational Analysis

PERFORMANCE DELIVERY ENVIRONMENT	ORGANISATIONAL ENVIRONMENT
<ul style="list-style-type: none"> Global Growth is firming as per the June 2017 Global Economic prospects released by the World Bank, Government 14-Point plan aimed at invigorating the economy has mining as one of the key pillars, Fixed Capital Formation in mining has been on the increase under MPRDA, from R18 billion in 2004 to R93 billion in 2016 (Source: SA ResBank) GDP contribution was 7.9% in 2016, a slight decrease from 8% in 2015, Mining Fatalities, Injuries and Occupational Diseases on a downward trend, Focus on transparent administration aimed at empowering historically disadvantaged South Africans and especially women in terms of the MPRDA, Revitalisation of Distressed Mining Communities and Labour sending areas aimed at addressing socio-economic challenges in mining districts, 	<ul style="list-style-type: none"> The department has embarked on a restructuring process which also involves business process mapping exercise, There will be effort to move with speed to recruit, develop and retain qualified and a diverse workforce, Budget cuts have negatively impacted on operations and in response the DMR will be re-organising and multi-skilling staff and job rotating, Regulatory uncertainty – strive towards eradication of perceived uncertainty Illegal Mining – fast track the rehabilitation of D&O mines and ensure that this sites don't become prone to illegal mining activities.
STRATEGIC GOALS	
<ol style="list-style-type: none"> Increased investment in the minerals, mining and petroleum sectors Transformed minerals sector Equitable and sustainable benefit from mineral resources Efficient, effective and development-oriented Department 	

2018/19 Situational Analysis

STRATEGIC GOALS

1. Increased investment in the minerals, mining and petroleum sectors
2. Transformed minerals sector
3. Equitable and sustainable benefit from mineral resources
4. Efficient, effective and development-oriented Department



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2018/19 KEY PROJECTS

1. Mine Rehabilitation
2. Enforcement and Compliance - **NEMA**
3. Enforcement and Compliance – **Inspections**
4. Computer Services
5. Shale Gas
6. Derelict and Ownerless Mines – Expanded Public Works
7. Water Ingress Project
8. Digital Information System
9. Geoscience Laboratory
10. Waste Scrap Reprocessing
11. Energy Efficiency Projects
12. Specialised Technology Development – Titaferous Magnetitive, Vanadium and Iron



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Expenditure Trends

PROGRAMME	AUDITED OUTCOME			REVISED ESTIMATE	MEDIUM-TERM EXPENDITURE ESTIMATE		
R 000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administration	315 220	359 067	361 050	339 931	327 000	345 454	365 734
Mine Health and Safety	167 492	171 506	189 557	194 146	205 037	219 266	235 557
Mineral Regulation	237 659	246 236	258 758	379 260	393 606	415 375	444 094
Mineral Policy and Promotion	754 786	861 672	851 736	866 112	965 018	1 035 882	1 094 338
Total	1 475 157	1 638 481	1 661 101	1 779 449	1 890 661	2 015 977	2 139 723
Year-on-Year Growth	11,07%	1,38%	7,12%	7,15%	6.25%	6.63%	6.14%



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Programme 1.1 – Corporate Services

DDG: CORPORATE SERVICES

Ms P Gamede



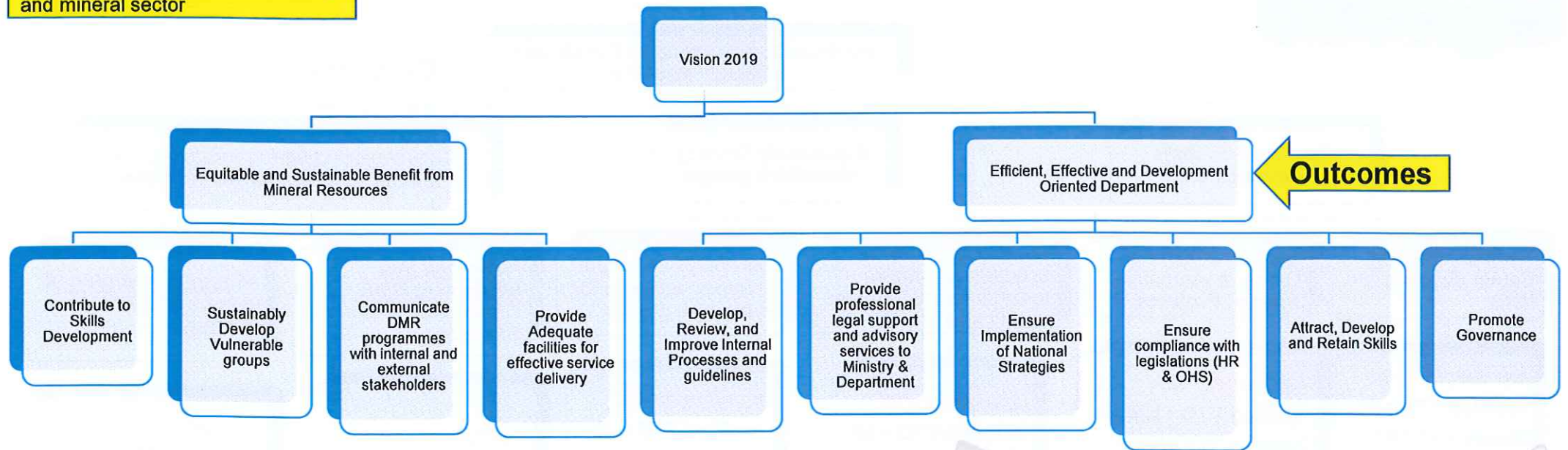
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Branch – Corporate Services (1 of 7)

Vision 2019

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

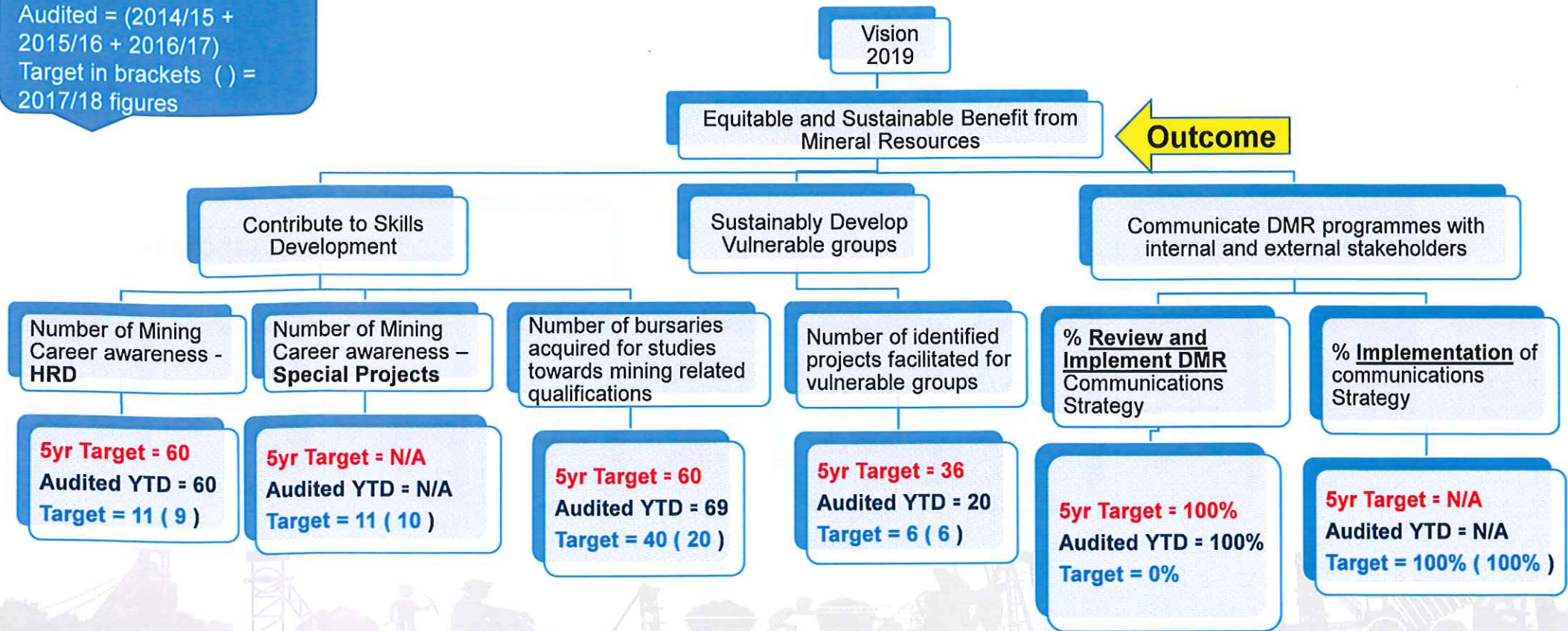


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Branch – Corporate Services (2 of 7)

NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures



Branch – Corporate Services (A)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and Sustainable Benefit from Mineral Resources	Contribute to Skills Development	Number of Mining Career awareness – HRD	30	Gauteng	11
				Limpopo	4
		Number of Mining Career awareness - SP	30	Mpumalanga	8
				Kwazulu-Natal	12
				Free State	7
				North West	5
				Northern Cape	0
				Eastern Cape	8
				Western Cape	5
				Total	60
COMMENT	As a result of limited resources it has proven difficult to be able cover all of the nine (9) Provinces in a year, and Special Programmes/Outreach is able to conduct mining career guidance information sessions as informed by requests from provinces.				



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Branch – Corporate Services (B)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and Sustainable Benefit from Mineral Resources	Contribute to Skills Development	Number of bursaries acquired for studies towards mining related qualifications Number of bursaries acquired through (SP)	60	Gauteng	17
				Limpopo	16
				Mpumalanga	6
				Kwazulu-Natal	7
				Free State	6
				North West	3
				Northern Cape	2
				Eastern Cape	3
				Western Cape	0
				Total	60
COMMENT	Special Programmes/Outreach has been able to facilitate a total of 60 bursaries over a period of three years for learners from poor social background through support by mining companies and mine qualification authority (MQA).				



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Branch – Corporate Services (C)

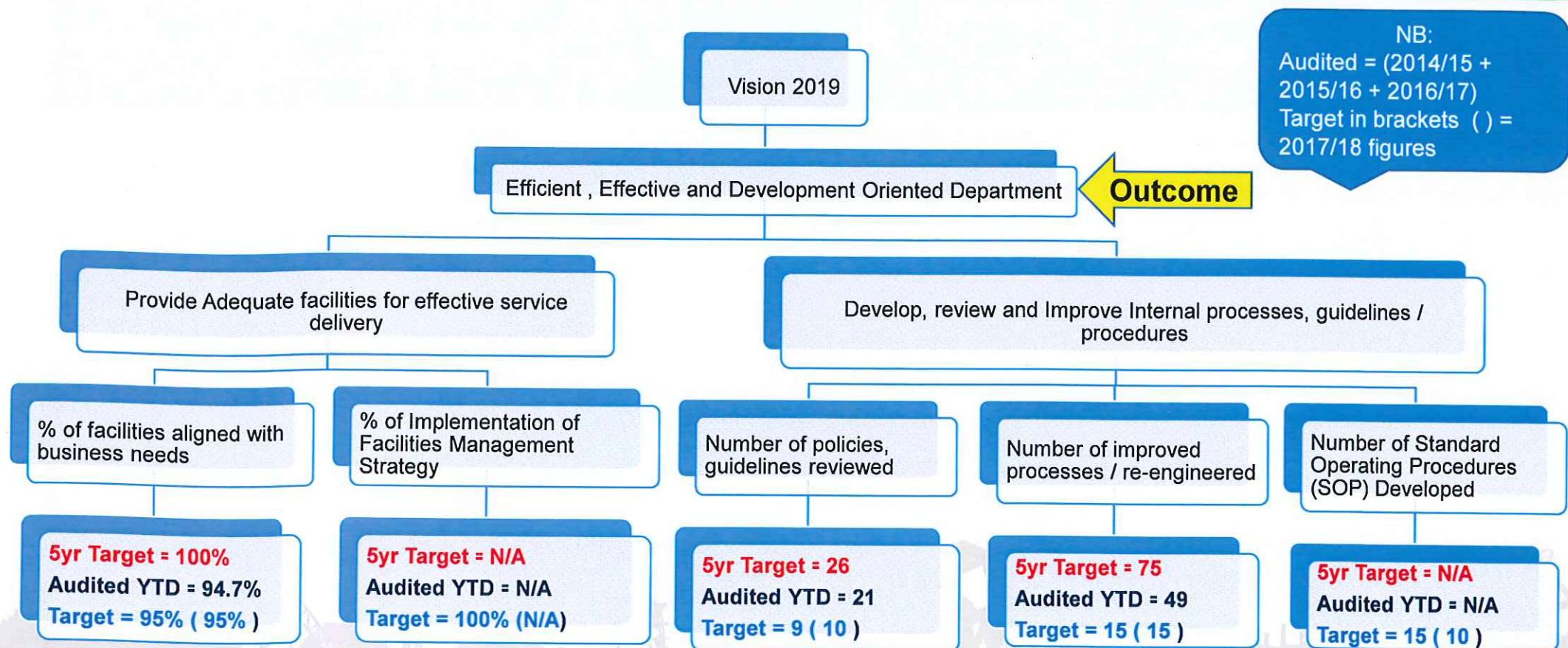
Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and Sustainable Benefit from Mineral Resources	Sustainably Develop Vulnerable groups	Number of identified projects facilitated for vulnerable groups (SP)	20	Gauteng	7
				Limpopo	0
				Mpumalanga	7
				Kwazulu-Natal	0
				Free State	0
				North West	0
				Northern Cape	3
				Eastern Cape	1
				Western Cape	2
				Total	20
COMMENT	Special Programmes/Outreach has delivered on 20 projects over a three period targeted for the benefit of poor communities in partnership with mining companies.				



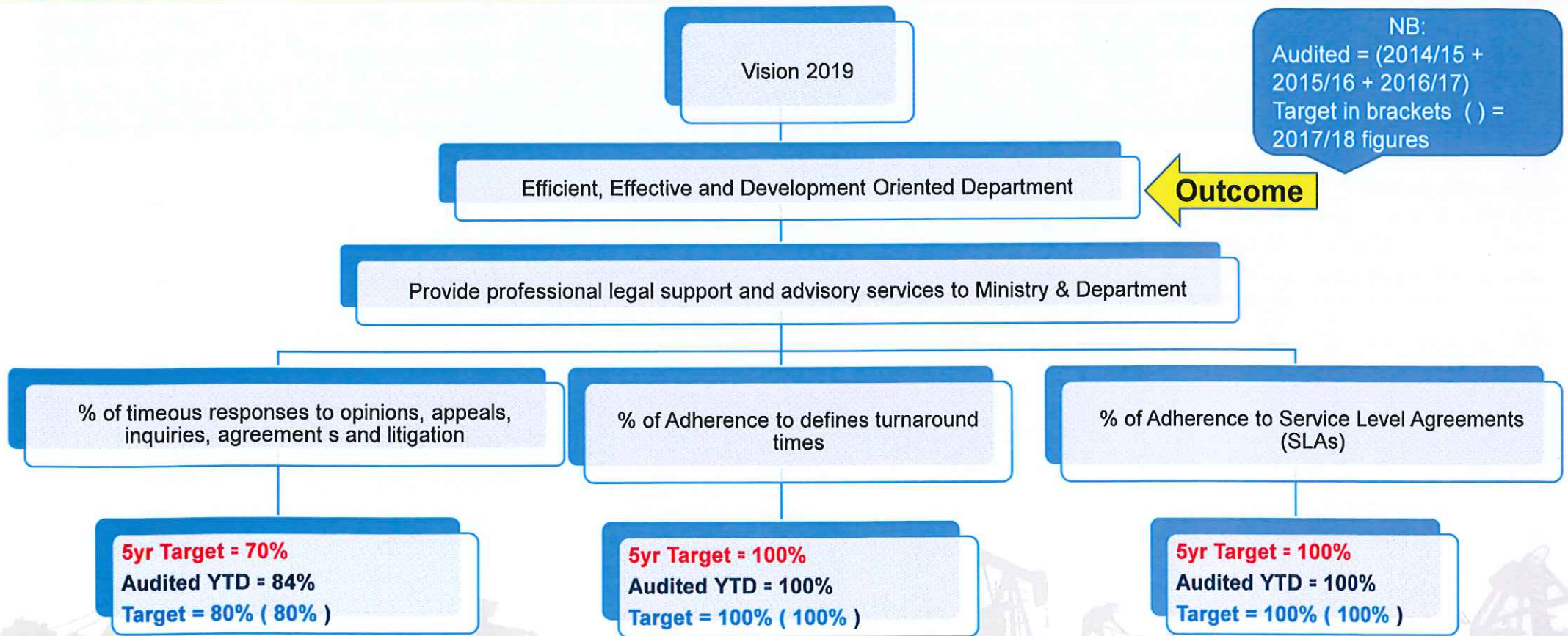
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Branch – Corporate Services (3 of 7)



Branch – Corporate Services (4 of 7)



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Branch – Corporate Services (D)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and Sustainable Benefit from Mineral Resources	Provide professional legal support and advisory services to Ministry & Department	% of timeous responses to opinions, appeals, inquiries, agreements and litigation	84% Or 84% = 677	Gauteng	58
				Limpopo	146
				Mpumalanga	154
				Kwazulu-Natal	62
				Free State	28
				North West	95
				Northern Cape	101
				Eastern Cape	14
				Western Cape	19
				Total	677 or 84%

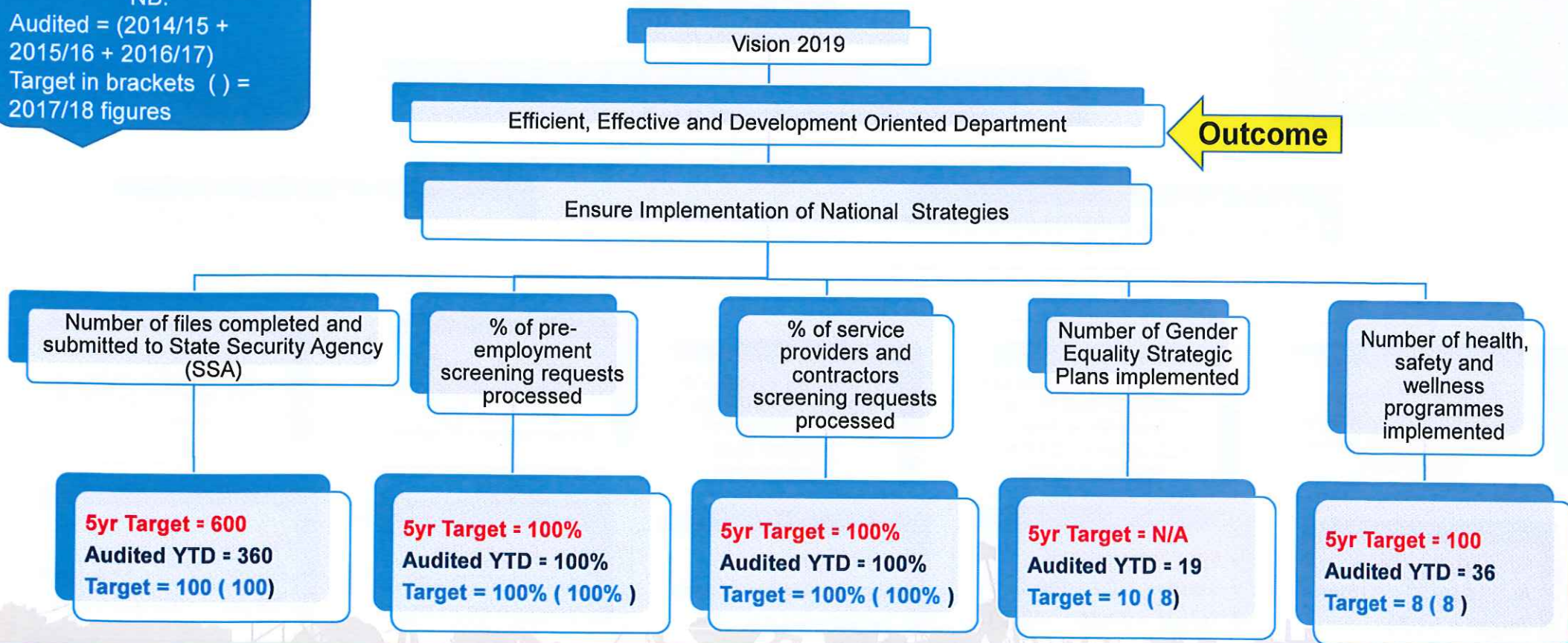


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Branch – Corporate Services (5 of 7)

NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures

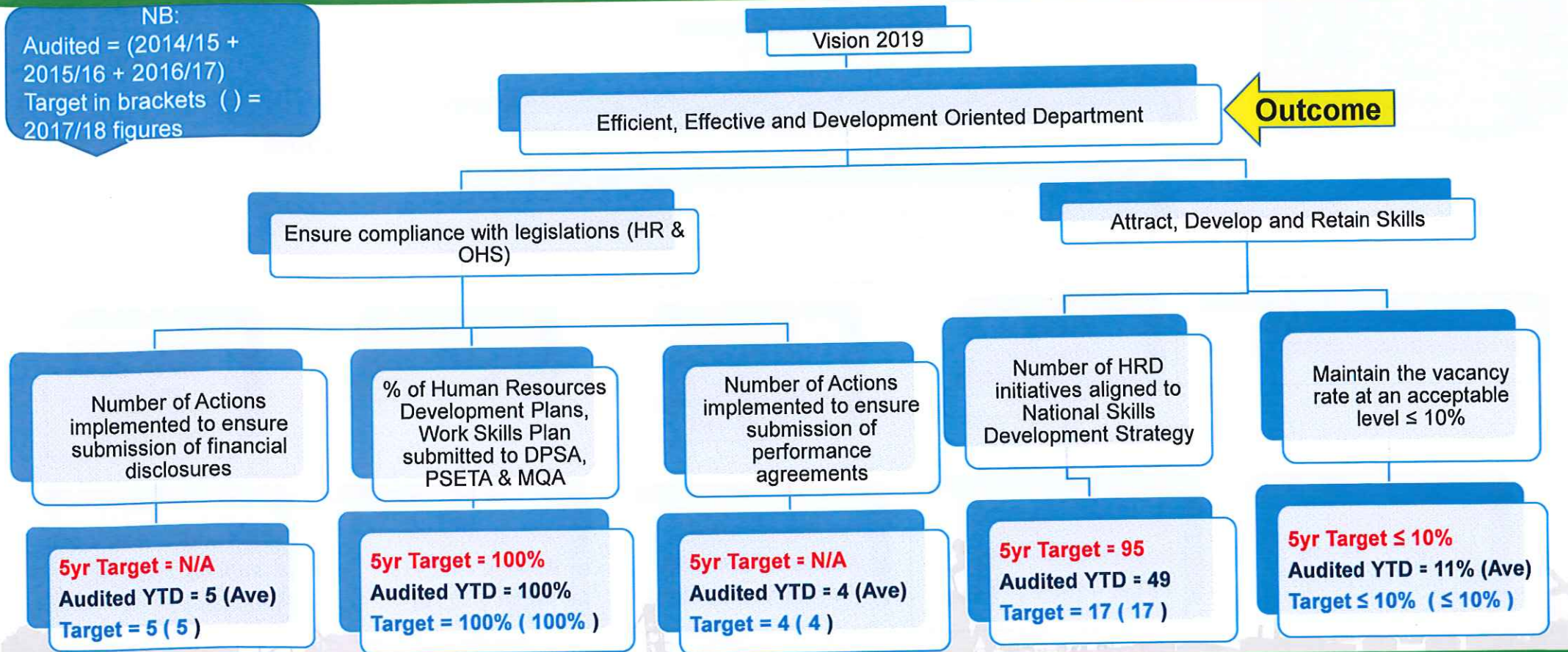


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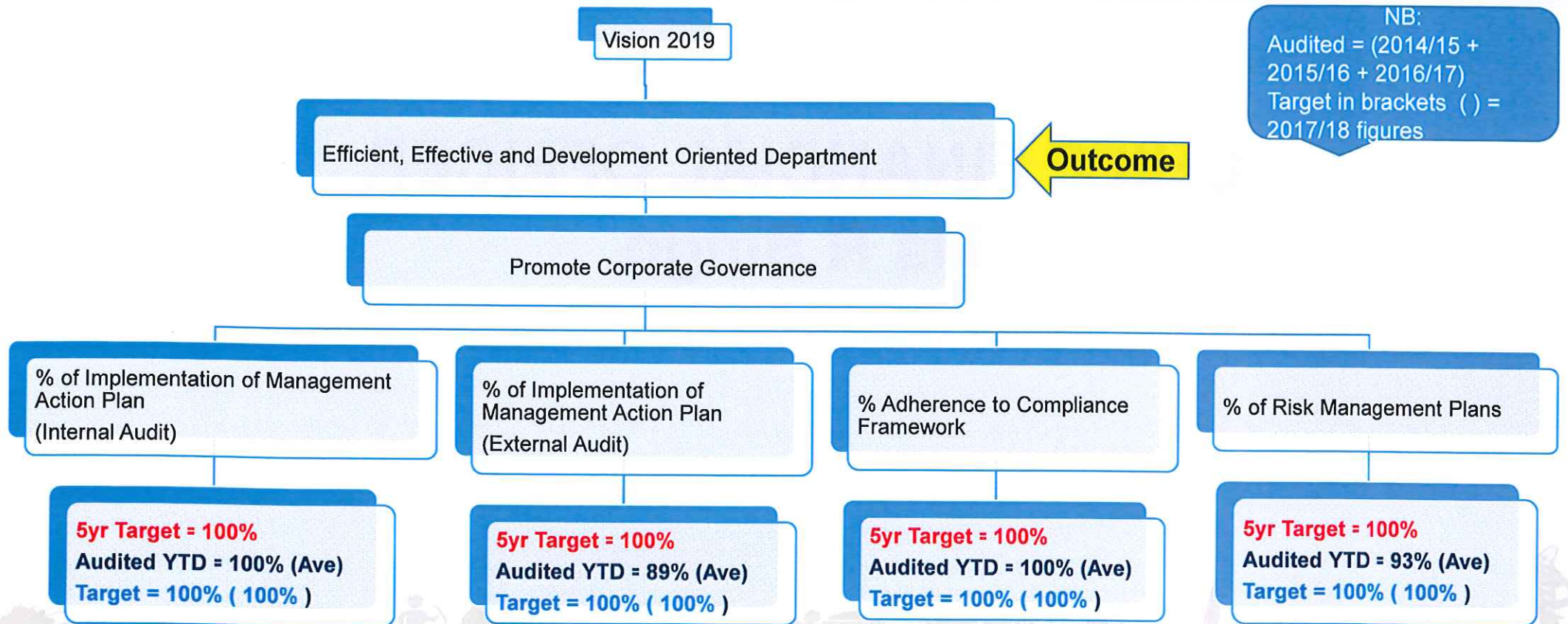
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Branch – Corporate Services (6 of 7)

NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures



Branch – Corporate Services (7 of 7)



Programme 1.2 – Financial Administration

CHIEF FINANCIAL OFFICER Ms R Singo



Branch – Financial Administration (1 of 4)

Vision 2019

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

VISION 2019

Efficient, Effective and
Development Oriented
Department

Outcome

Provide efficient
services to internal
and external
customers

Implement
processes and
systems

Manage Financial
Resources

Promote
Corporate
Governance

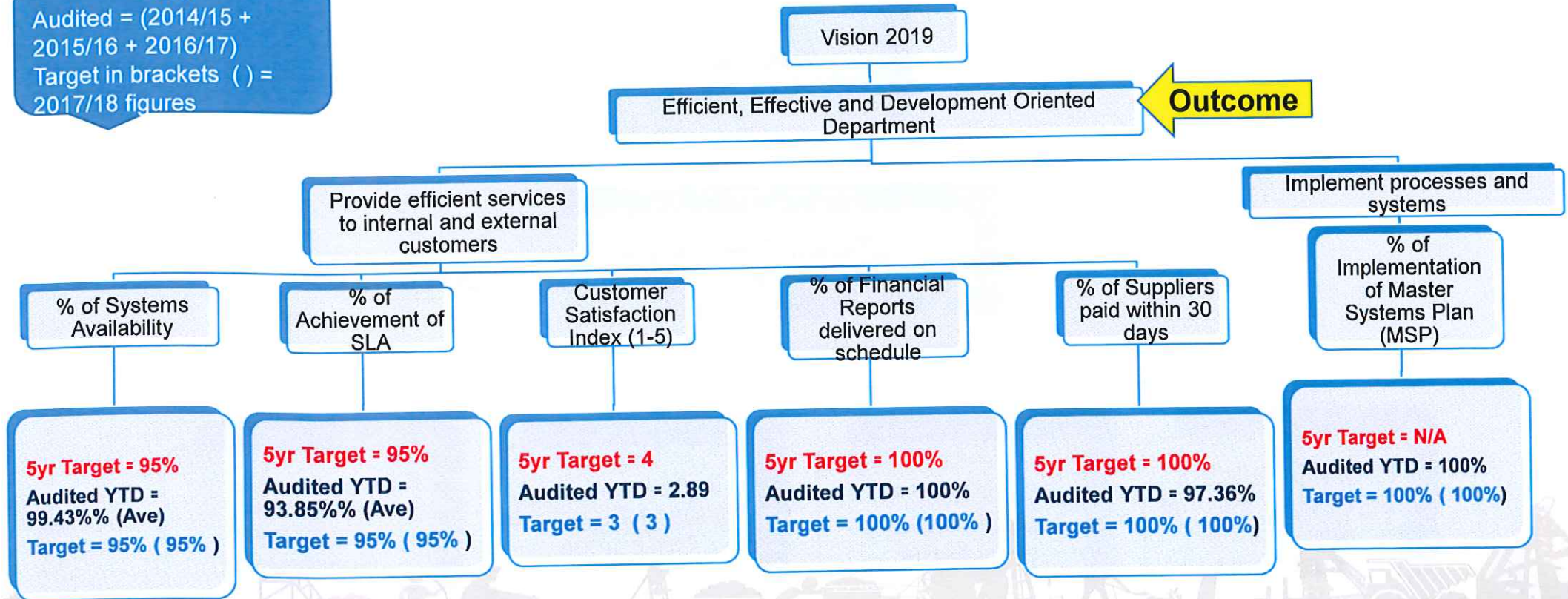


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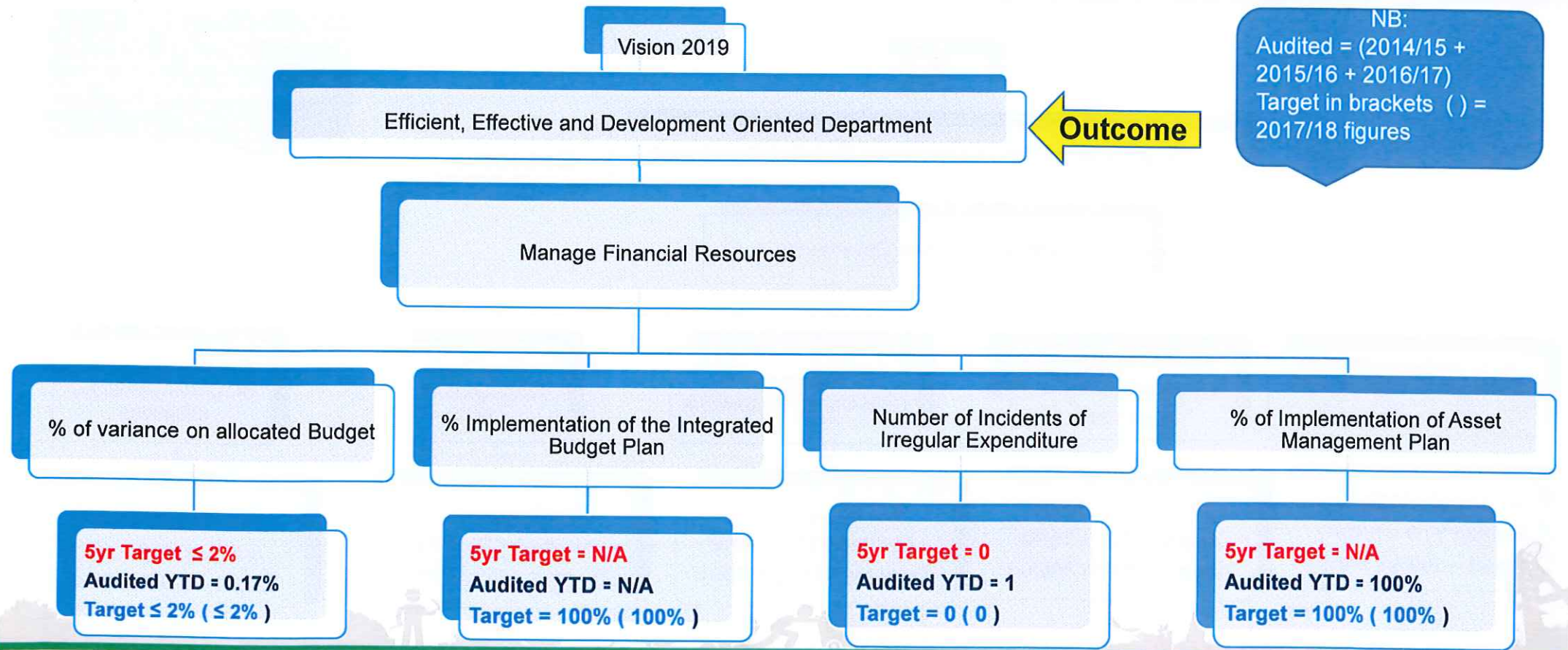
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Branch – Financial Administration (2 of 4)

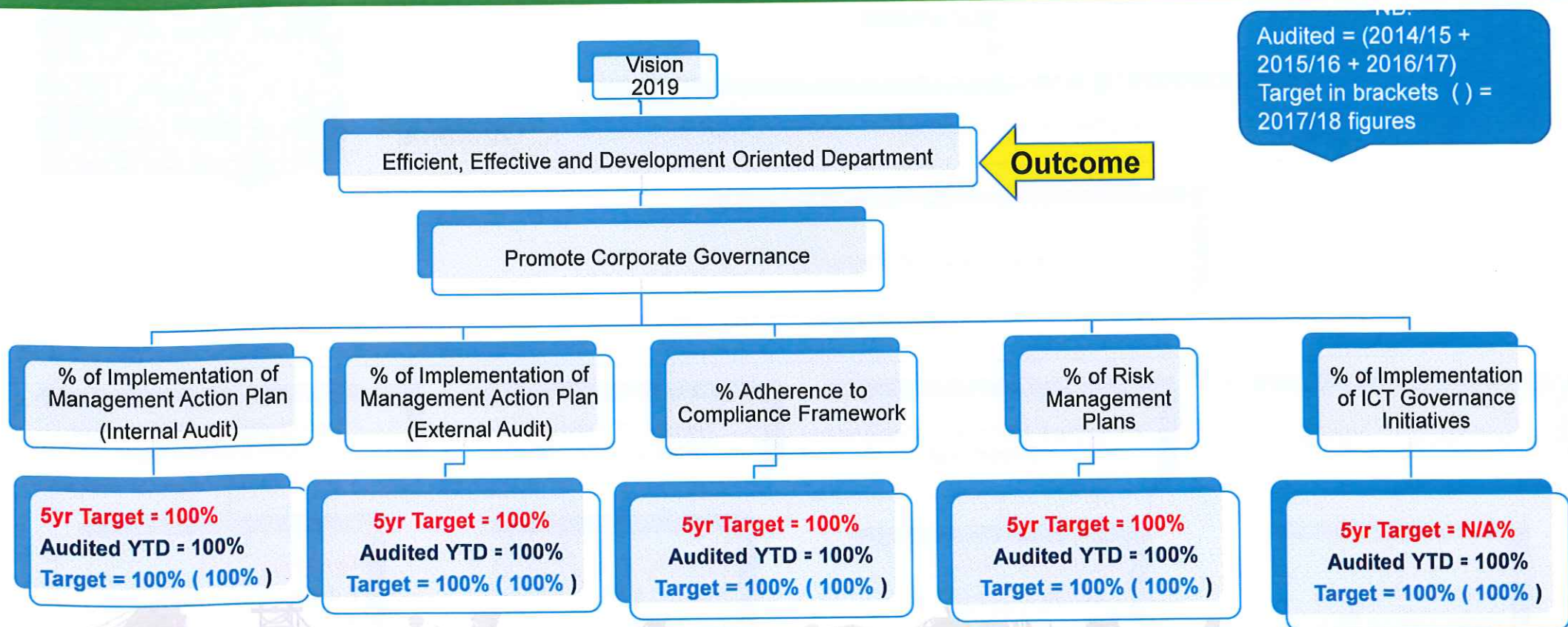
NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures



Branch – Financial Administration (3 of 4)



Branch – Financial Administration (4 of 4)



Programme 2: Mine health and Safety Inspectorate

**Acting Chief Inspector of Mines
Mr M Zondi**



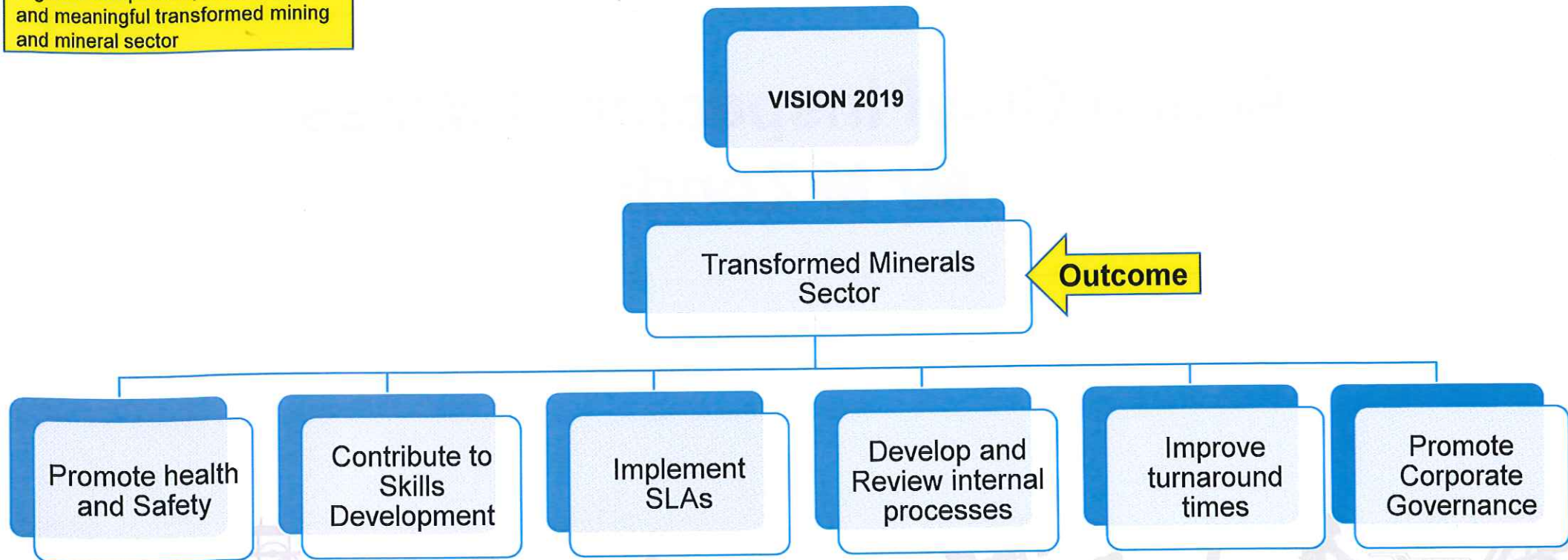
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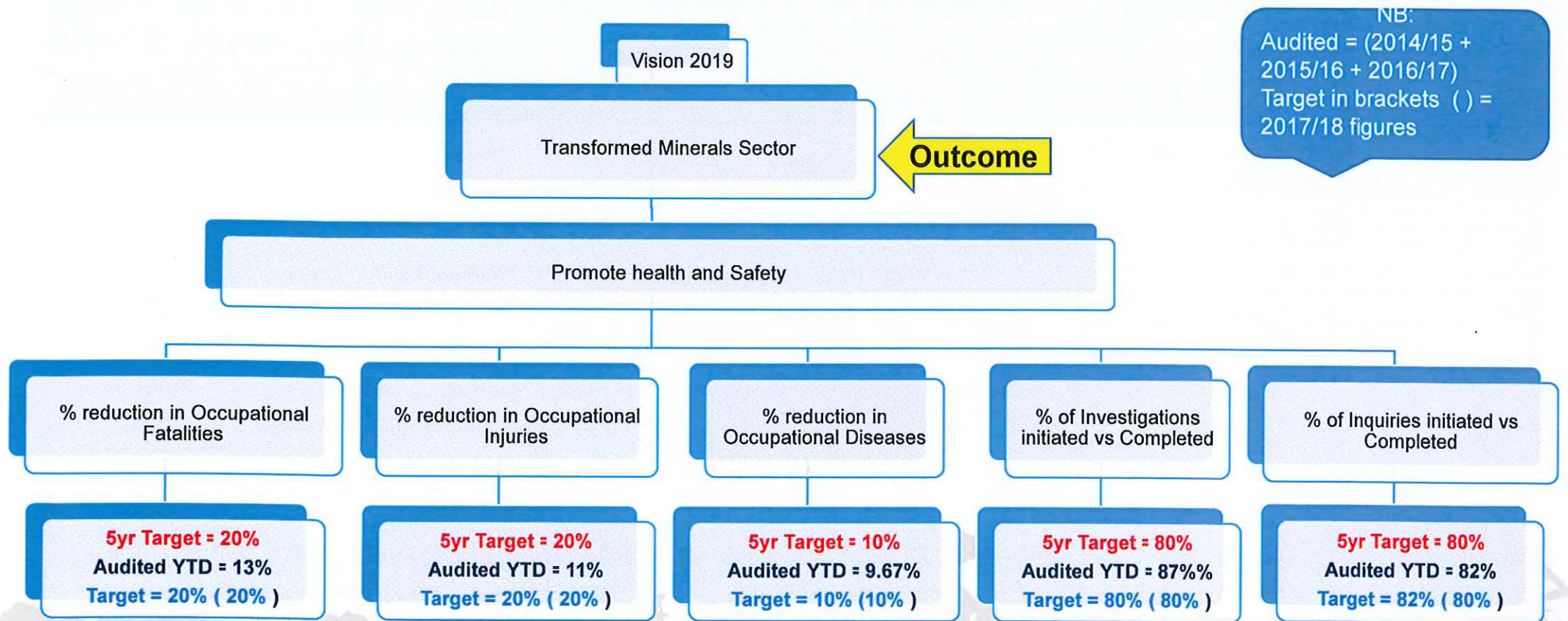
Branch – Mine Health and Safety (1 of 6)

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Branch – Mine Health and Safety (2 of 6)



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Branch – Mine Health and Safety (A)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Promote health and Safety	% reduction in Occupational Fatalities	13% (Three year Average)	Gauteng	51
				Limpopo	18
				Mpumalanga	18
				Kwazulu-Natal	4
				Free State	34
				North West	81
				Northern Cape	18
				Eastern Cape	1
				Western Cape	3
				TOTAL	228
COMMENT	A cumulative total number of 228 fatalities were reported over a three (3) year period, with 72 fatalities reported in 2014/15, 77 fatalities in 2015/16 and 79 fatalities in 2016/17. The reported figure of 228 incidences over a three-year period represents a 13% reduction in Occupational Fatalities.				



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Branch – Mine Health and Safety (B)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Promote health and Safety	% reduction in Occupational Injuries	11% (Three year Average)	Gauteng	2024
				Limpopo	538
				Mpumalanga	649
				Kwazulu-Natal	101
				Free State	831
				North West	4018
				Northern Cape	389
				Eastern Cape	11
				Western Cape	45
				TOTAL	8 606
COMMENT	<p>A total number of 8 606 incidences of Occupational Injuries were reported over a three (3) year period with 2 695 injuries reported in 2014/15, 3046 in 2015/16 and 2 865 in 2016/17.</p> <p>The reported figure of 8 606 over a three year period represents an average reduction of 11% in Occupational Injuries.</p>				

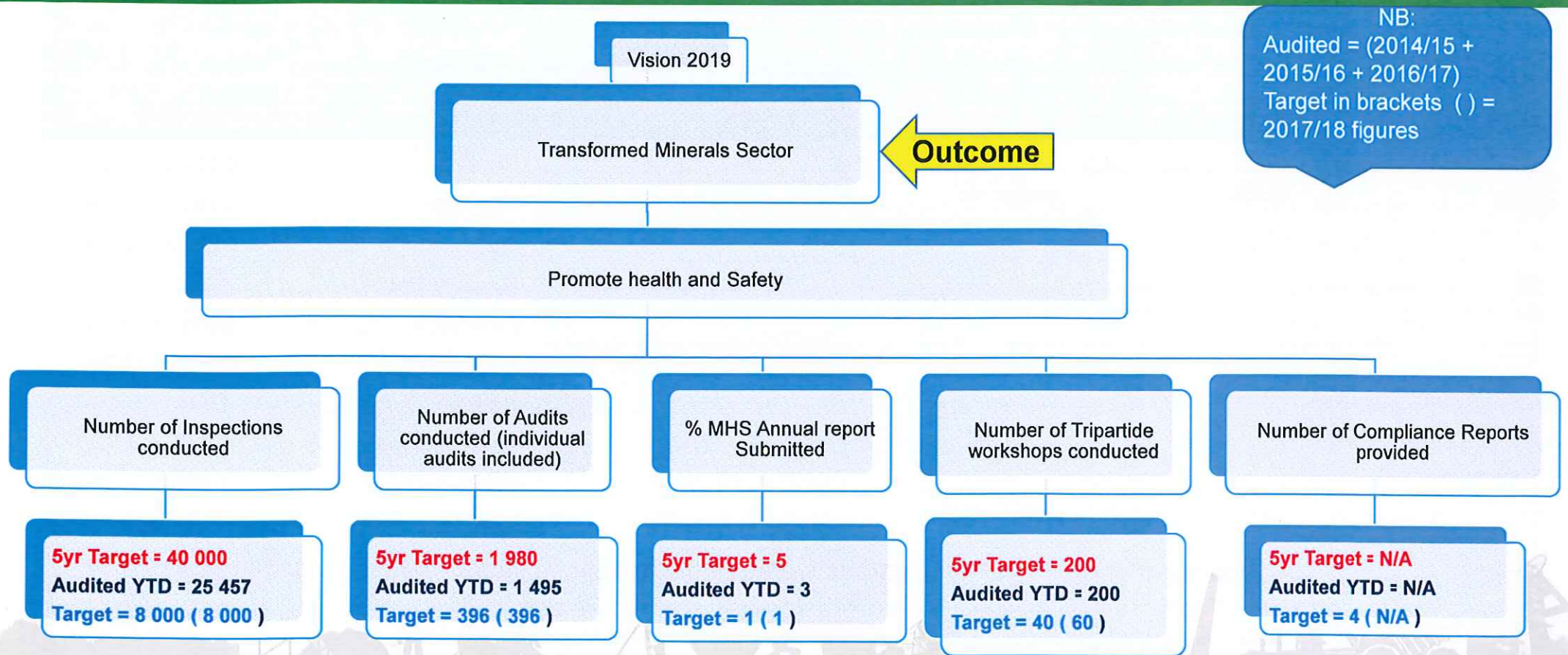


Branch – Mine Health and Safety (C)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Promote health and Safety	% reduction in Occupational Diseases	9.67% (Three year Average)	Gauteng	3 938
				Limpopo	724
				Mpumalanga	1 935
				Kwazulu-Natal	209
				Free State	3 407
				North West	6 639
				Northern Cape	816
				Eastern Cape	4
				Western Cape	77
				TOTAL	17 749
COMMENT	<p>A total number of 17 749 incidences of diseases were reported over a three (3) year period with 6 577 reported in 2014/15, 6 540 in 2015/16 and 4 632 in 2016/17.</p> <p>The reported figure of 17 749 over a three year period represents a reduction of 9.67% from baseline.</p>				



Branch – Mine Health and Safety (3 of 6)



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Branch – Mine Health and Safety (D)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Promote health and Safety	Number of Inspections conducted	25 457	Gauteng	4 569 or 17.9%
				Limpopo	2 758 or 10.8%
				Mpumalanga	3 071 or 12.1%
				Kwazulu-Natal	1 206 or 4.7%
				Free State	4 091 or 16.1%
				North West	5 002 or 19.6%
				Northern Cape	1 549 or 6.1%
				Eastern Cape	1 222 or 4.8%
				Western Cape	1 989 or 7.8%
				TOTAL	25 457
COMMENT	<p>A total number of 25 457 inspections were conducted over a three(3) year period, with 8 555 inspections conducted in 2014/15, 7 539 in 2015/16 and 9 363 in 2016/17.</p> <p>Total number of inspections conducted in the past 3 financial years =25 457</p>				



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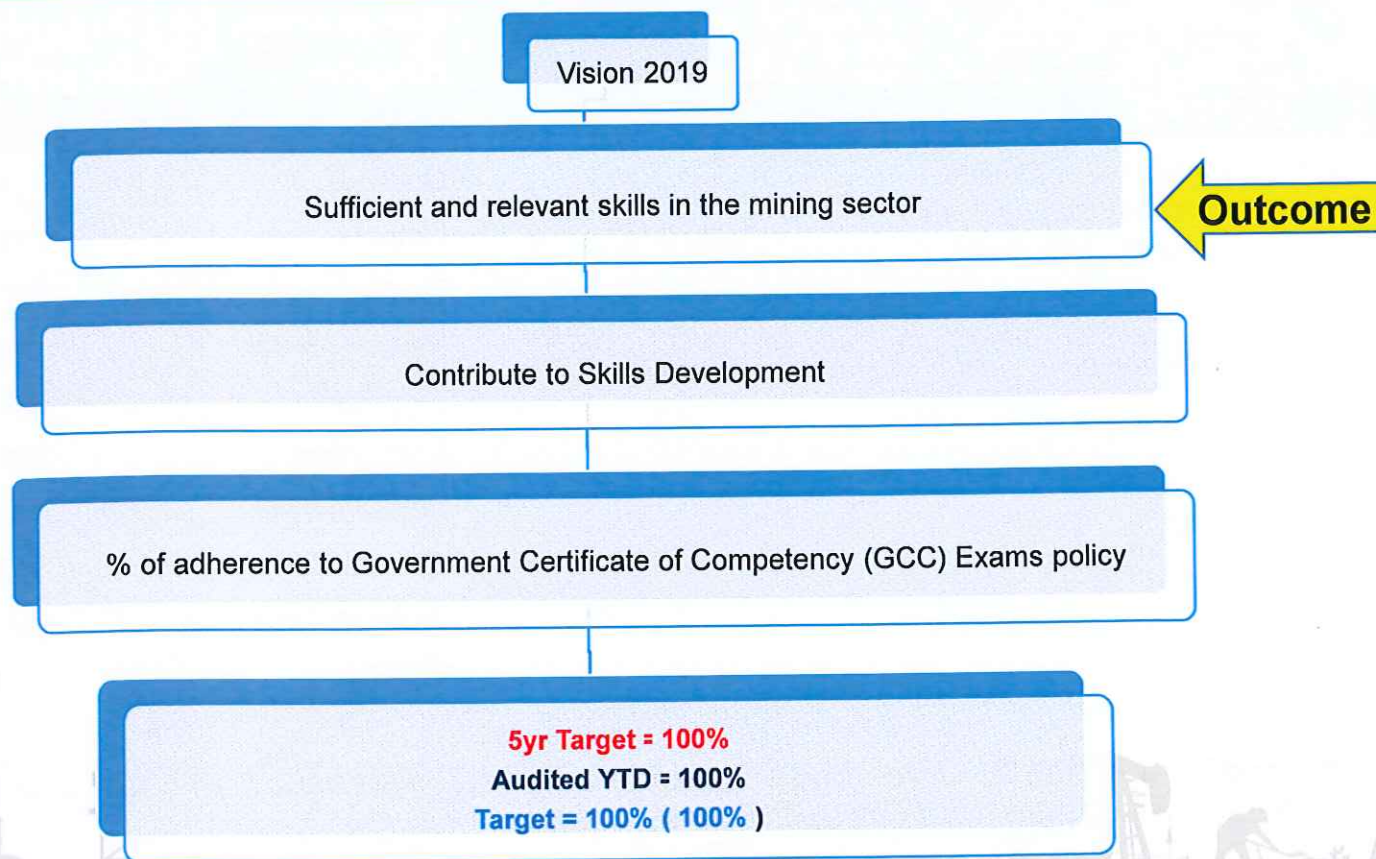
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Branch – Mine Health and Safety (E)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Promote health and Safety	Number of Audits conducted (individual audits included)	1 495	Gauteng	139 or 9.3%
				Limpopo	153 or 10.2%
				Mpumalanga	182 or 12.2%
				Kwazulu-Natal	128 or 8.6%
				Free State	169 or 11.3%
				North West	283 or 18.9%
				Northern Cape	145 or 9.7%
				Eastern Cape	139 or 9.3%
				Western Cape	157 or 10.5%
				TOTAL	1 495
COMMENT	<p>A total number of 1 495 Audits were conducted over a three(3) year period, with 524 audits conducted in 2014/15, 465 in 2015/16 and 506 in 2016/17 financial years.</p>				



Branch – Mine Health and Safety (4 of 6)



NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures



Branch – Mine Health and Safety (5 of 6)

NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures

Vision
2019

Efficient, Effective and Development Oriented
Department

Outcome

Implement
SLAs

%
adherence
to SLAs

5yr Target = 100%
Audited YTD = 100%
Target = 100% (100%)

Develop and review internal
processes

% of identified internal
processes developed
or reviewed

5yr Target = 100%
Audited YTD = 100%
Target = 100% (100%)

% of adherence to
prescribed timeframes
for medical appeals

5yr Target = 80%
Audited YTD = 101%
Target = 80% (80%)

% of adherence to
prescribed
timeframes for
CIOM appeals

5yr Target = 100%
Audited YTD = 100%
Target = 100% (100%)

Improve Turnaround
times

% of adherence to
prescribed
timeframes for
MPRDA Applications

5yr Target = 100%
Audited YTD = 92%
Target = 100% (100%)

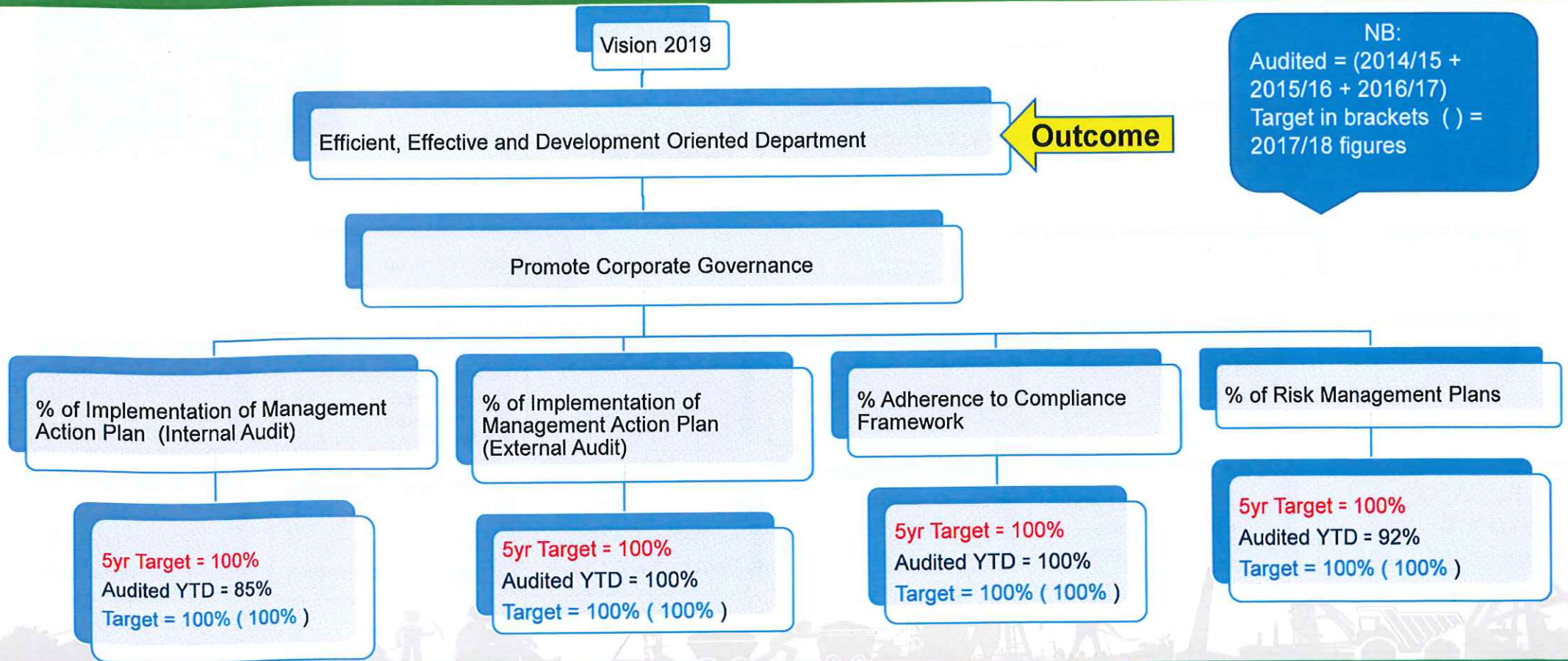
% of adherence to
prescribed
timeframes for
Administrative tasks

5yr Target = 80%
Audited YTD = 89%
Target = 80% (80%)



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Branch – Mine Health and Safety (6 of 6)



Programme 3 – Mineral Regulation

Acting DDG: Mineral Regulation Adv M Malebe



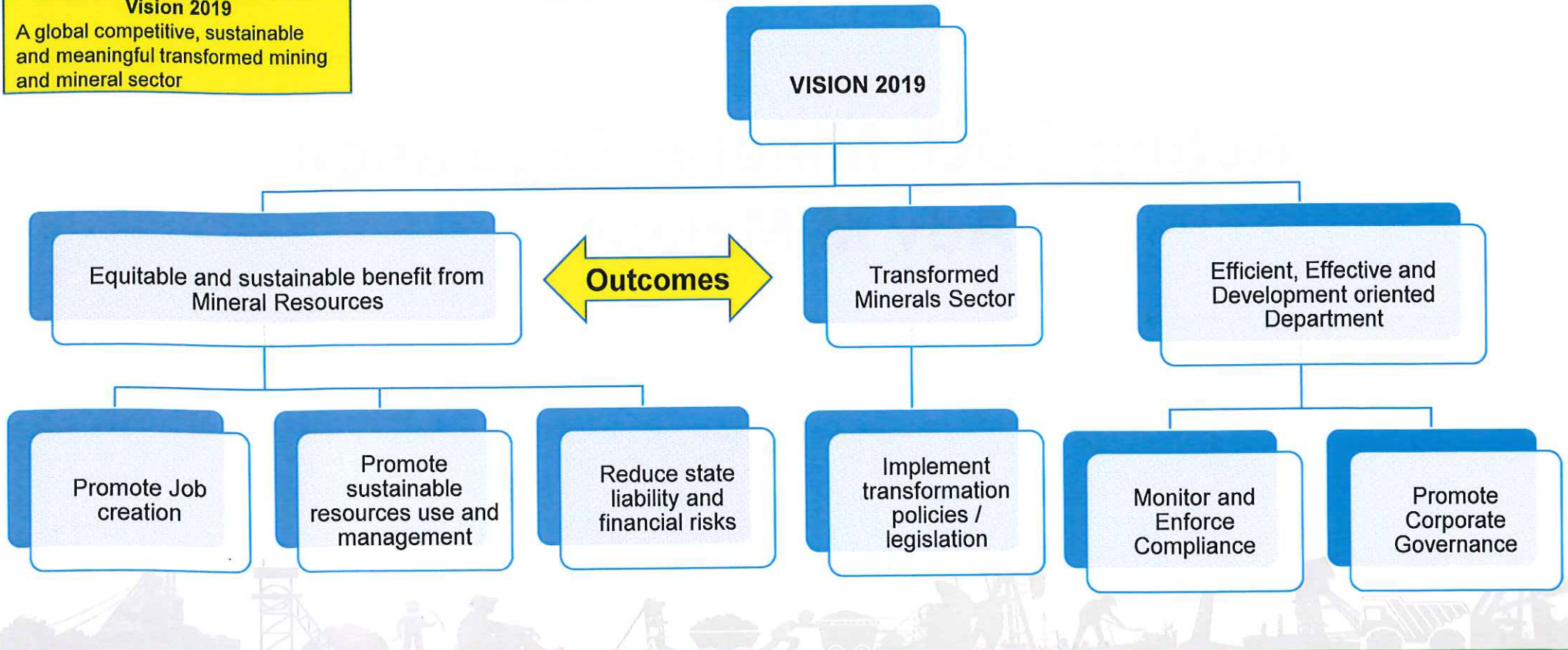
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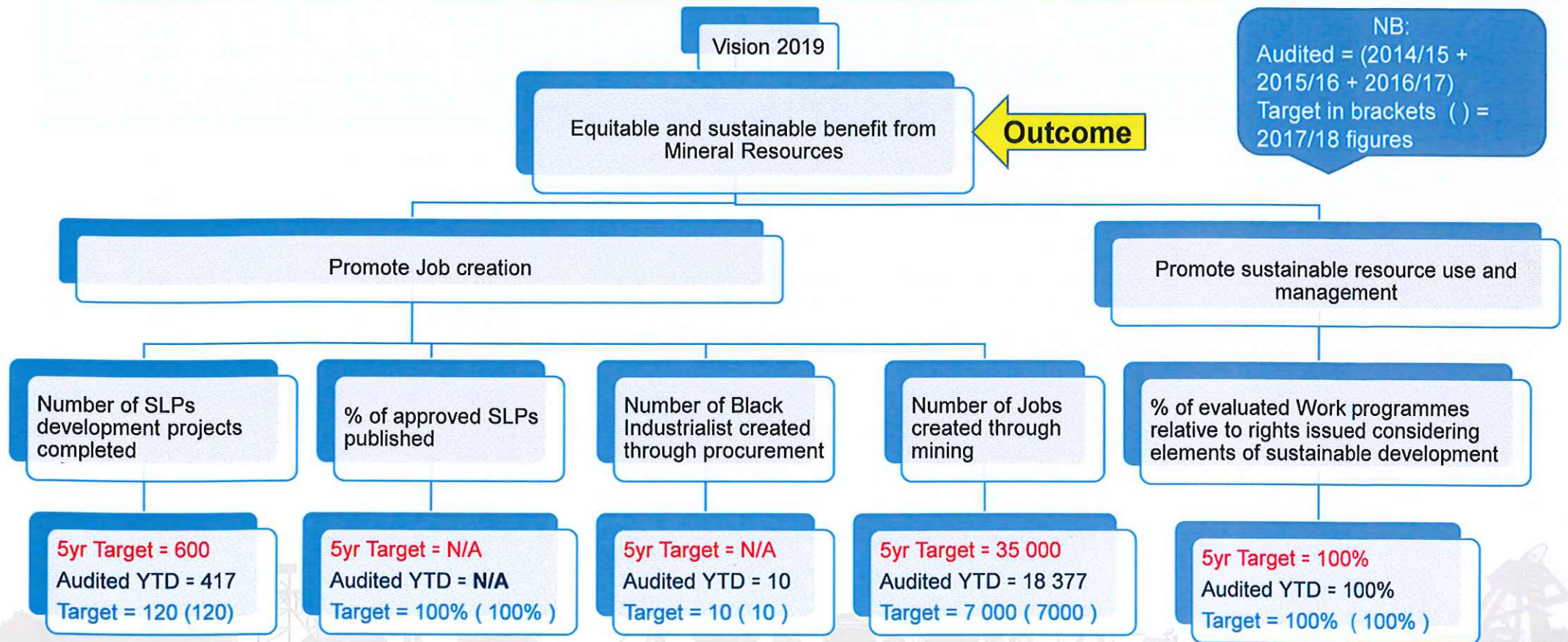
Branch – Mineral Regulation (1 of 7)

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Branch – Mineral Regulation (2 of 7)



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Branch – Mineral Regulation (A)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and sustainable benefit from Mineral Resources	Promote Job creation	Number of SLPs development projects completed	417	Eastern Cape	24
				Free State	49
				Gauteng	33
				Kwa Zulu Natal	32
				Limpopo	98
				Mpumalanga	55
				Northern Cape	57
				North West	53
				Western Cape	16
				TOTAL	417



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Branch – Mineral Regulation (B)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and sustainable benefit from Mineral Resources	Promote Job creation	% of approved SLPs published	0% (Zero) Published 47 SLP approved during 2017/18 FY	Gauteng	0
				Limpopo	2
				Mpumalanga	0
				Kwazulu-Natal	0
				Free State	6
				North West	19
				Northern Cape	6
				Eastern Cape	4
				Western Cape	10
				Total	47
COMMENT	New Measure introduced in 2017/18. No SLPs were published for the period under review, the department is currently exploring optimal modalities to publish or make approved SLPs available to the public				



Branch – Mineral Regulation (C)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Right Holder Procurement Spent
Equitable and sustainable benefit from Mineral Resources	Promote Job creation	Number of Black Industrialist created through procurement	10	R341 371 608



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Branch – Mineral Regulation (C)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and sustainable benefit from Mineral Resources	Promote Job creation	Number of Black Industrialist created through procurement	10	Gauteng	0
				Limpopo	2
				Mpumalanga	2
				Kwazulu-Natal	0
				Free State	1
				North West	5
				Northern Cape	0
				Eastern Cape	0
				Western Cape	0



Branch – Mineral Regulation (C)

Black Industrialist (BI) created through procurement

Right Holder	Black Industrialists created through procurement	Commodity supplied	Procurement Spend
Lonmic Plc	Phakwe Mining Services (Pty) Ltd	Development, sweeping, vamping and white area mining	R52 236 134.99
Maseve PGM	Engineer and Labour Hire cc	Mining Labour/Machine Rental	R51 061 820.47
Impala Platinum Mines	Reagetswe Trading 125 cc	Drop raising & associated Equipping	R77 071 449.28
Impala Platinum Mines	Pro Soil Distributors Projects (Pty) Ltd	Spillage Management cleaning of conveyors	R42 417 158.45
Impala Platinum Mines	Sebetsa Trading (Pty) Ltd	HDPE pipes	R26 073 150.12
Anglo Coal (New Vaal)	Mpho the Big Trading and Projects cc	HDPE pipes	R10 582 305.00
Anglo Coal (Greenside, Zibulo)	Rammy Trading Projects cc	Belt Extension and building underground ventilation walls	R24 049 905.00
Anglo Coal (Greenside, Khwezela)	Mphikeleli Building and Civils cc	Plant Maintenance	R15 505 855.00
Anglo American Platinum (Mogalakwena Mine)	JCB Gearvest (Pty) Ltd	Refurbishments of Bucket and Bowls Repairs	R22 350 838.00
Anglo American Platinum (Modikwe Mine)	Tjatjapa/ Khulong Ya Hwashi Joint Venture	Refurbishments of Pumps & Motors	R20 022 992.01



Branch – Mineral Regulation (D)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and sustainable benefit from Mineral Resources	Promote Job creation	Number of Jobs created through mining	18 377	Eastern Cape	591
				Free State	3 567
				Gauteng	800
				Kwa Zulu Natal	1 978
				Limpopo	1 945
				Mpumalanga	2 319
				Northern Cape	4 218
				North West	2 254
				Western Cape	705
				Total	18 377



mineral resources

Department:
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Branch – Mineral Regulation (E)

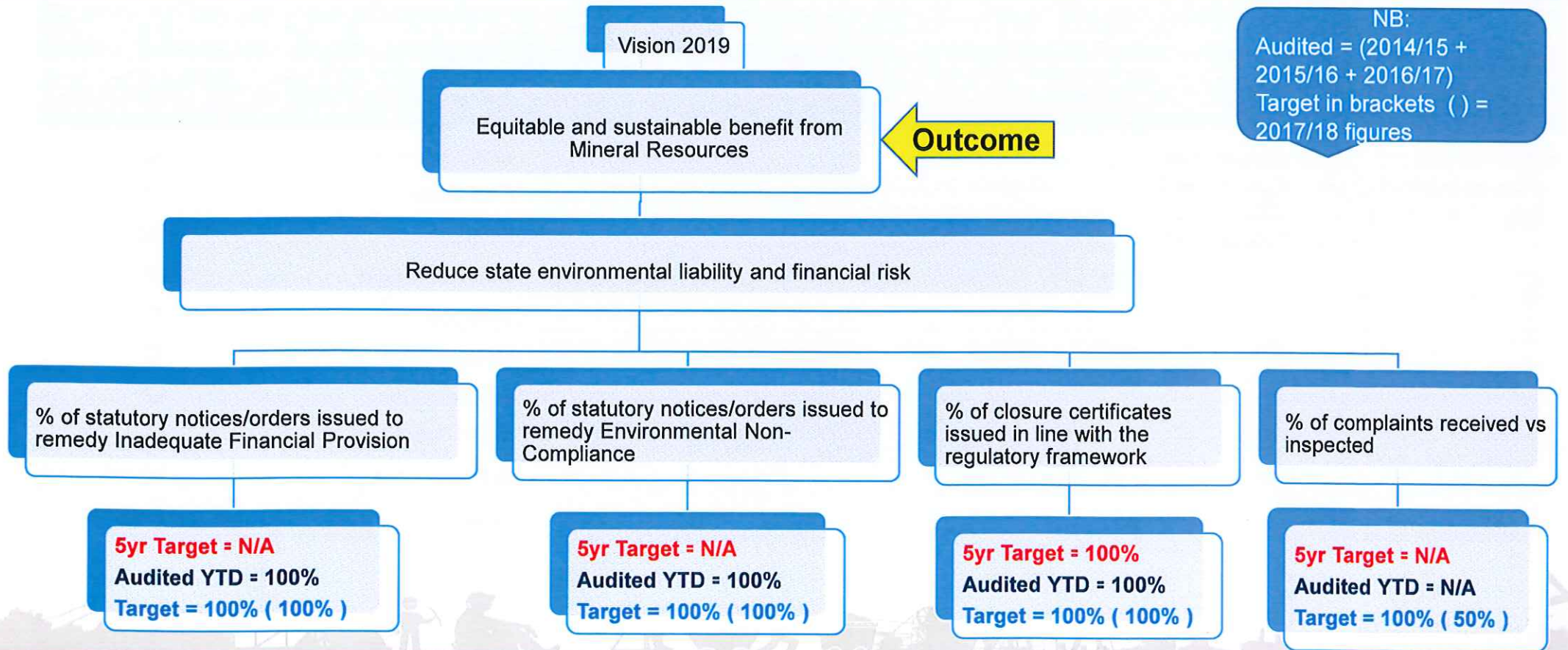
Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and sustainable benefit from Mineral Resources	Promote sustainable resource use and management	% of evaluated Work programmes relative to rights issued considering elements of sustainable development	100%	Eastern Cape	21
				Free State	57
				Gauteng	38
				Kwa Zulu Natal	55
				Limpopo	50
				Mpumalanga	215
				Northern Cape	93
				North West	165
				Western Cape	23
				Total	717 or 100%



mineral resources

Department:
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Branch – Mineral Regulation (3 of 7)



mineral resources

Department:
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REPUBLIC OF SOUTH AFRICA

Branch – Mineral Regulation (F)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and sustainable benefit from Mineral Resources	Reduce state environmental liability and financial risk	% of statutory notices/orders issued to remedy Inadequate Financial Provision	100%	Eastern Cape	42
				Free State	13
				Gauteng	268
				Kwa Zulu Natal	65
				Limpopo	192
				Mpumalanga	72
				Northern Cape	68
				North West	56
				Western Cape	50
				Total	826 or 100%



Branch – Mineral Regulation (G)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and sustainable benefit from Mineral Resources	Reduce state environmental liability and financial risk	% of statutory notices/orders issued to remedy Environmental Non-Compliance	100%	Eastern Cape	1
				Free State	5
				Gauteng	65
				Kwa Zulu Natal	49
				Limpopo	15
				Mpumalanga	19
				Northern Cape	15
				North West	1
				Western Cape	23
				Total	193 or 100%



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

Branch – Mineral Regulation (H)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Equitable and sustainable benefit from Mineral Resources	Reduce state environmental liability and financial risk	% of closure certificates issued in line with the regulatory framework	100%	Eastern Cape	29
				Free State	142
				Gauteng	22
				Kwa Zulu Natal	48
				Limpopo	63
				Mpumalanga	24
				Northern Cape	95
				North West	71
				Western Cape	25
				Total	519 or 100%



Branch – Mineral Regulation (4 of 7)

Vision 2019

Equitable and sustainable benefit from Mineral Resources

Outcome

NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures

Reduce state environmental liability and financial risk

% of cases opened

% of statutory notices/directives issued

% of Admin Fines Issued

% of complaints Closed vs Received

5yr Target = N/A
Audited YTD = N/A
Target = 100% (100%)

5yr Target = N/A
Audited YTD = N/A
Target = 100% (100%)

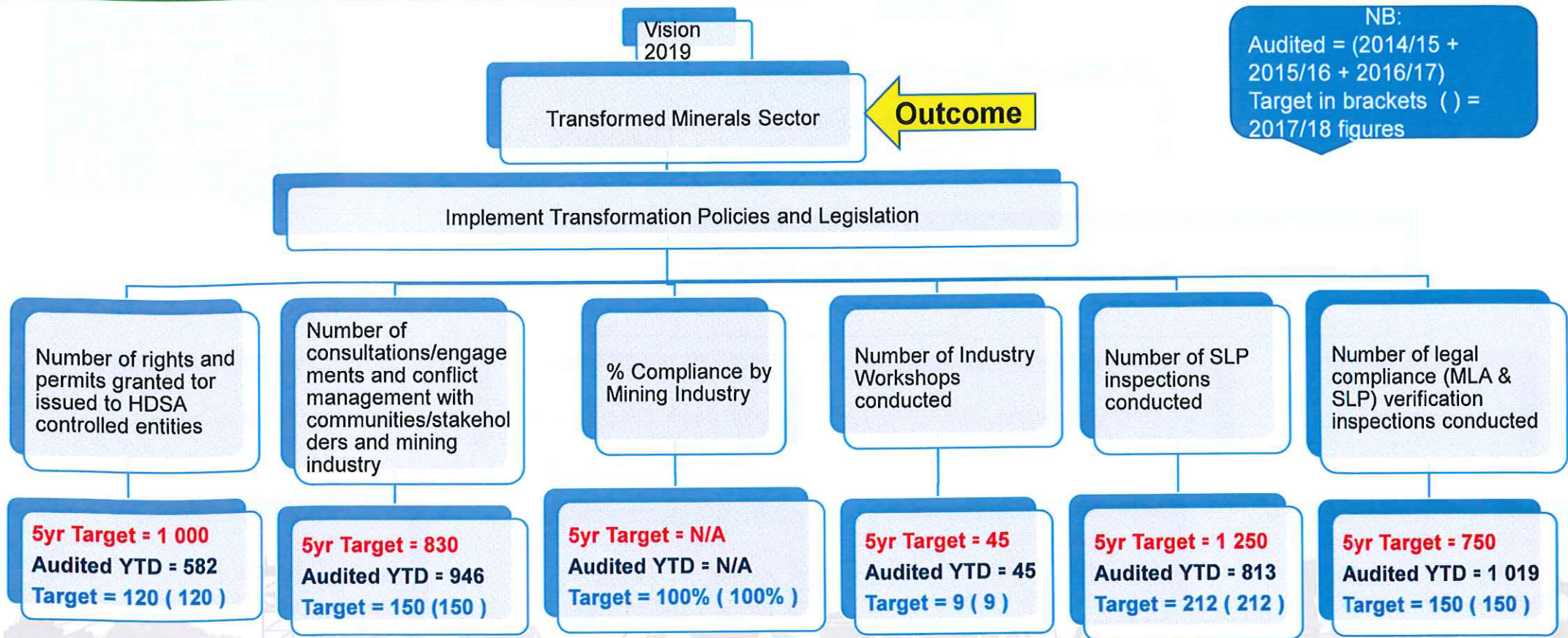
5yr Target = N/A
Audited YTD = N/A
Target = 100% (100%)

5yr Target = N/A
Audited YTD = N/A
Target = 100% (100%)



mineral resources
Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

Branch – Mineral Regulation (5 of 7)



NB:
Audited = (2014/15 + 2015/16 + 2016/17)
Target in brackets () = 2017/18 figures



Branch – Mineral Regulation (I)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Implement Transformation Policies and Legislation	Number of rights and permits granted for issued to HDSA controlled entities	582	Eastern Cape	54
				Free State	28
				Gauteng	25
				Kwa Zulu Natal	52
				Limpopo	115
				Mpumalanga	147
				Northern Cape	80
				North West	68
				Western Cape	13
				Total	582



mineral resources

Department:
Mineral Resources
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Branch – Mineral Regulation (J)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Implement Transformation Policies and Legislation	Number of consultations/engagements and conflict management with communities/stakeholders and mining industry	946	Eastern Cape	79
				Free State	48
				Gauteng	294
				Kwa Zulu Natal	42
				Limpopo	124
				Mpumalanga	91
				Northern Cape	83
				North West	130
				Western Cape	55
				Total	946



mineral resources

Department:
Mineral Resources
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Branch – Mineral Regulation (K)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Implement Transformation Policies and Legislation	Number of Industry Workshops conducted	45	Eastern Cape	6
				Free State	11
				Gauteng	4
				Kwa Zulu Natal	3
				Limpopo	4
				Mpumalanga	4
				Northern Cape	7
				North West	4
				Western Cape	2
				Total	45



mineral resources

Department:
Mineral Resources
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Branch – Mineral Regulation (L)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Implement Transformation Policies and Legislation	Number of SLP inspections conducted	813	Eastern Cape	91
				Free State	83
				Gauteng	126
				Kwa Zulu Natal	87
				Limpopo	67
				Mpumalanga	97
				Northern Cape	91
				North West	82
				Western Cape	89
				Total	813
COMMENT	See Slide below for: detailed outline of SLP Inspections compared to Number of Mines and Number of Section 93 Orders issued per province				



Branch – Mineral Regulation (L) (Continued)

Outcome	Strategic Objective	Measure	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)	Number of Mines per Region	Number of section 93 orders issued (2016/17 F/Y)
Transformed Minerals Sector	Implement Transformation Policies and Legislation	Number of SLP inspections conducted	Eastern Cape	91	79	3
			Free State	83	57	11
			Gauteng	126	182	16
			Kwa Zulu Natal	87	353	52
			Limpopo	67	16	110
			Mpumalanga	97	170	17
			Northern Cape	91	154	3
			North West	82	65	15
			Western Cape	89	135	2
			TOTAL	813	1 211	229



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

Branch – Mineral Regulation (M)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Transformed Minerals Sector	Implement Transformation Policies and Legislation	Number of legal compliance (MLA & SLP) verification inspections conducted	1 019	Eastern Cape	70
				Free State	71
				Gauteng	153
				Kwa Zulu Natal	72
				Limpopo	255
				Mpumalanga	160
				Northern Cape	100
				North West	66
				Western Cape	72
				Total	1 019



mineral resources

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Branch – Mineral Regulation (M) (Continued)

Outcome	Strategic Objective	Measure	3 yr Audited Result
Transformed Minerals Sector	Implement Transformation Policies and Legislation	Number of legal compliance (MLA & SLP) verification inspections conducted	1 019

COMMENT

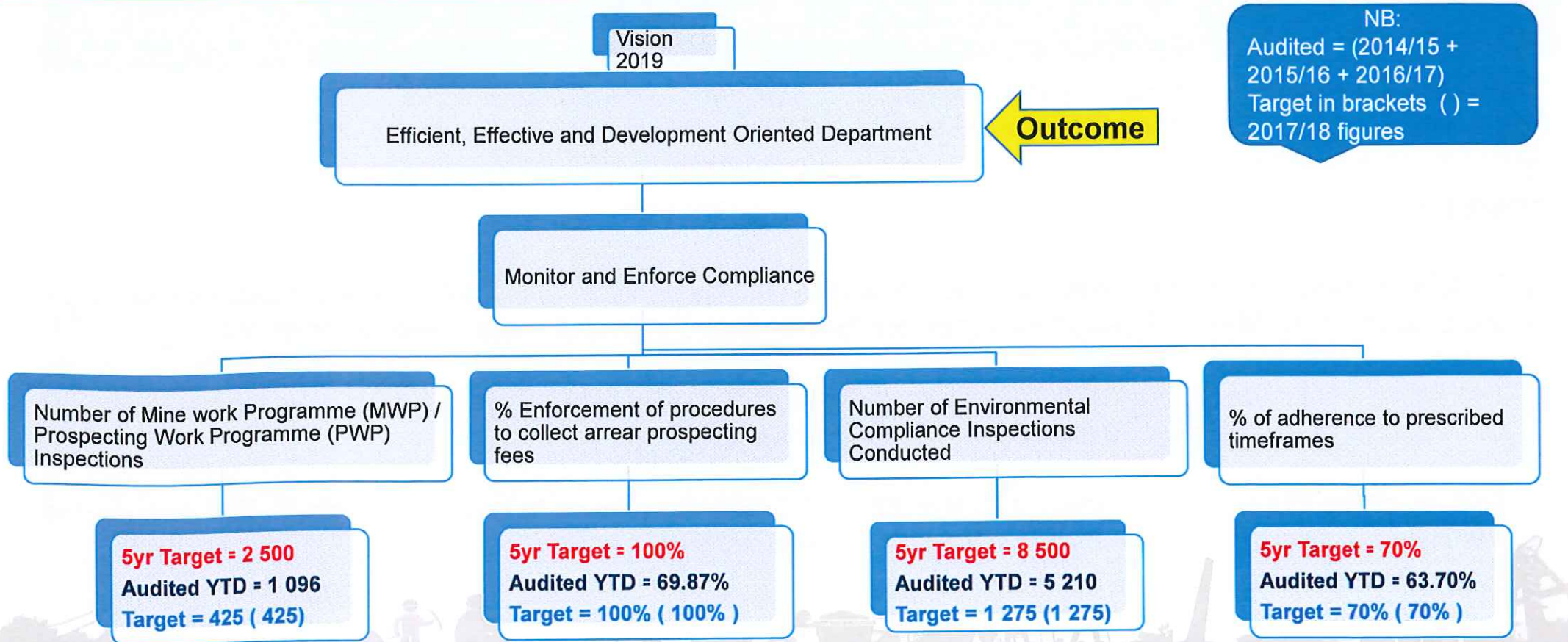
1. To date, training has been provided for ninety four (94) officials at a cost of R 2,975 million for capacity building in the Environmental Mineral Resources Inspectors (EMRI) aimed at proper implementation of NEMA.
2. The department currently manages to inspect an average of 813 mines against total of 1 211 mines representing 63.12% coverage (see slide 60 above for regional distribution).
3. To date, of the 813 mines inspected, a total of **229 or 28.17%** were found to be Non-Compliant. The department has instituted appropriate action against Section 93 defaulters.



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Department:
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Branch – Mineral Regulation (6 of 7)



Branch – Mineral Regulation (N)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Efficient, Effective and Development Oriented Department	Monitor and Enforce Compliance	Number of Mine work Programme (MWP) / Prospecting Work Programme (PWP) Inspections	1 096	Eastern Cape	79
				Free State	117
				Gauteng	130
				Kwa Zulu Natal	82
				Limpopo	142
				Mpumalanga	148
				Northern Cape	156
				North West	148
				Western Cape	94
				Total	1 096



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Department:
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Branch – Mineral Regulation (0)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Efficient, Effective and Development Oriented Department	Monitor and Enforce Compliance	% Enforcement of procedures to collect arrear prospecting fees	69.87%	Eastern Cape	18
				Free State	124
				Gauteng	67
				Kwa Zulu Natal	93
				Limpopo	111
				Mpumalanga	369
				Northern Cape	164
				North West	198
				Western Cape	22
				Total	1 166 or 69.87%



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Branch – Mineral Regulation (P)

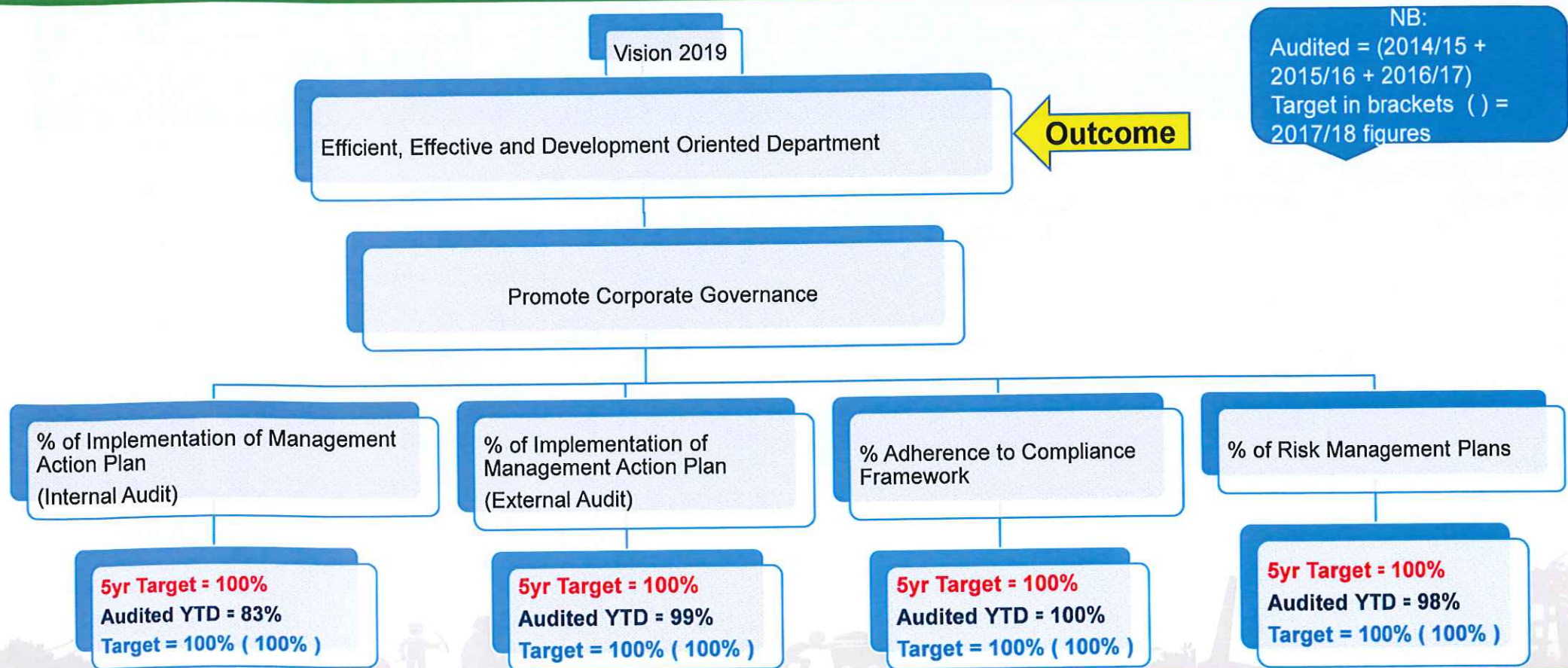
Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Efficient, Effective and Development Oriented Department	Monitor and Enforce Compliance	Number of Environmental Compliance Inspections Conducted	5 210	Eastern Cape	527
				Free State	554
				Gauteng	535
				Kwa Zulu Natal	452
				Limpopo	682
				Mpumalanga	647
				Northern Cape	577
				North West	782
				Western Cape	454
				Total	5 210



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Branch – Mineral Regulation (7 of 7)



Programme 3 – Mineral Policy and Promotion

Acting DDG: Mineral Policy and Promotion Mr A Moatshe



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Branch – Mineral Policy & Promotion (1 of 7)

Vision 2019

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

VISION 2019

Increased Investment in the Mineral and Mining Petroleum Sectors

Equitable and sustainable Benefit from Mineral Resources

Transformed Minerals Sector

Efficient, Effective and Development oriented Department

Outcomes

Promote Investment in the mining, minerals and upstream petroleum sectors

Manage and manage Mineral Resources Diplomacy

Promote sustainable resources use and management

Integrated and aligned environmental efforts

Facilitate transformation in the mining and minerals sector

Develop and review internal processes

Improve Turnaround Times

Promote Corporate Governance



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Branch – Mineral Policy & Promotion (2 of 7)

Vision 2019

Increased Investment in the Mineral and Mining
Petroleum Sectors

Outcome

NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures

Promote Investment in the Mining, Minerals and Upstream Petroleum
Sectors

Number of
Publications

5yr Target = 65
Audited YTD = 52
Target = 13 (17)

Number of Investment
promotion
events/forums/workshops

5yr Target = N/A
Audited YTD = 60
Target = 46 (55)

% of Implementation of
Oceans Economy
Operation Phakisa Plan

5yr Target = N/A
Audited YTD = N/A
Target = 100% (100%)

Number of SMMEs
Supported

5yr Target = 375
Audited YTD = 315
Target = 80 (80)

Number if social
dialogues with
Stakeholders

5yr Target = 20
Audited YTD = 25
Target = 2 (2)



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Branch – Mineral Policy & Promotion (A)

Outcome	Strategic Objective	Measure	3 yr Audited Result (only 2016/17)	Breakdown by Region	Audited3 Year Result by Region (Regional impact)
Increased Investment in the Mineral and Mining Petroleum Sectors	Promote Investment in the Mining, Minerals and Upstream Petroleum Sectors	Number of Investment promotion events/forums/workshops	60	LP	1
				NW	2
				EC	2
				FS	1
				MP	1
				NC	1
				KZN	1
				Non-SSM Workshops incl International engagements	51
				Total	60
COMMENT	This is a revised measure, where it was decided in 2016/17 to combine all measures on investment promotion into one. From the above 9 SSM Workshops, the balance of 51, includes international conferences and engagements, beneficiation engagements and legislative stakeholder consultations and advocacy sessions.				

Branch – Mineral Policy & Promotion (B)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Audited 3 Year Result by Region (Regional Impact)
Increased Investment in the Mineral and Mining Petroleum Sectors	Promote Investment in the Mining, Minerals and Upstream Petroleum Sectors	Number of SMMEs Supported	315	Gauteng	22
				Limpopo	33
				Mpumalanga	50
				Kwazulu-Natal	48
				Free State	23
				North West	29
				Northern Cape	55
				Eastern Cape	37
				Western Cape	18
				Total	315
COMMENT	NB: The targets for the Departmental support to SMME's on an annual basis are linked to availability of resources and the general time it takes to develop a mining enterprise through the value chain. Also, taken into account are the different stages of developing a mining business which requires varying skills including negotiating with affected communities.				

Selection Criteria for SMME support

Selection Criteria for support

- Small scale mining provides an entry point for PDSA
- Applicants have genuine difficulty to provide technical and financial expertise
- Legal entrepreneurs but sub-optimal operations
- Illegal Small Scale Miners with goal to legalise
- There must exist an orebody with economic value
- Giving effect to Broad-based Socio- Economic Empowerment
- Sustainable (economics, health, safety, environment)



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SMME & SSM SUPPORT

Support for Small Scale Mining

- SSM projects are at varying stages of development and therefore the success rate has to be broken down in terms of level of support.
- The intervention or support has to cover the entire value-chain of mine development (ie Exploration, Development, Production and Mine Closure)

Capitalised Projects over 10 yrs	Total Number of Projects	Operational Projects	% of Projects Still Operational
Number of Capitalised Projects	40	17	42.5%

Reasons for closure of projects

- Depletion of resource,
- Lack of skills
- Market access
- The success rate of small-scale miners supported by the department reflects the general sustainability rate for SMME's across all sectors of the economy.
- Start up enterprises generally face challenges in climbing a sustainability path



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SMME & SSM SUPPORT (Continued)

Impact of Support for Small Scale Mining

Branch: Mineral Policy and Promotion

Performance Indicator	Actual 2014/15	Actual 2015/16	Actual 2016/17
Number of operational projects	18	17	17
Jobs	180	170	170
% Projects Still Operational	45%	45%	42.5%



Branch – Mineral Policy & Promotion (C)

Outcome	Strategic Objective	Measure	3 yr Audited Result
Increased Investment in the Mineral and Mining Petroleum Sectors	Promote Investment in the Mining, Minerals and Upstream Petroleum Sectors	Number of social dialogues with Stakeholders	25
COMMENT	The social dialogues include: <ul style="list-style-type: none"> • Meetings of MIGDETT, • The Framework Agreement for a Sustainable Mining Industry (was led from the Presidency), and • Meetings are held between the 3 stakeholders: Government, Business and Labour. 		



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Branch – Mineral Policy & Promotion (3 of 7)

NB:

Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures

Vision
2019

Increased Investment in the Mineral and
Mining Petroleum Sectors

Outcome

Promote Investment in the Mining, Minerals and Upstream
Petroleum Sectors

Manage and Implement
Mineral Resources Diplomacy

% of
Implementation of
Shale Gas action
plan instruments

5yr Target = N/A
Audited YTD = N/A
Target = 100% (100%)

Number of reports
detailing progress in
implementation of
Beneficiation Framework

5yr Target = N/A
Audited YTD = N/A
Target = 1 (N/A)

Number of reports reviewing the
identification of Minerals Critical
for National Developmental
imperatives and designation of
the quantities and qualities
required

5yr Target = N/A
Audited YTD = N/A
Target = 0 (1)

Number of reports to monitor
and develop trends

5yr Target = N/A
Audited YTD = N/A
Target = 0 (1)

Number of Strategic
Partnerships
implemented

5yr Target = N/A
Audited YTD = 7
Target = 7 (3)



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Branch – Mineral Policy & Promotion (D)

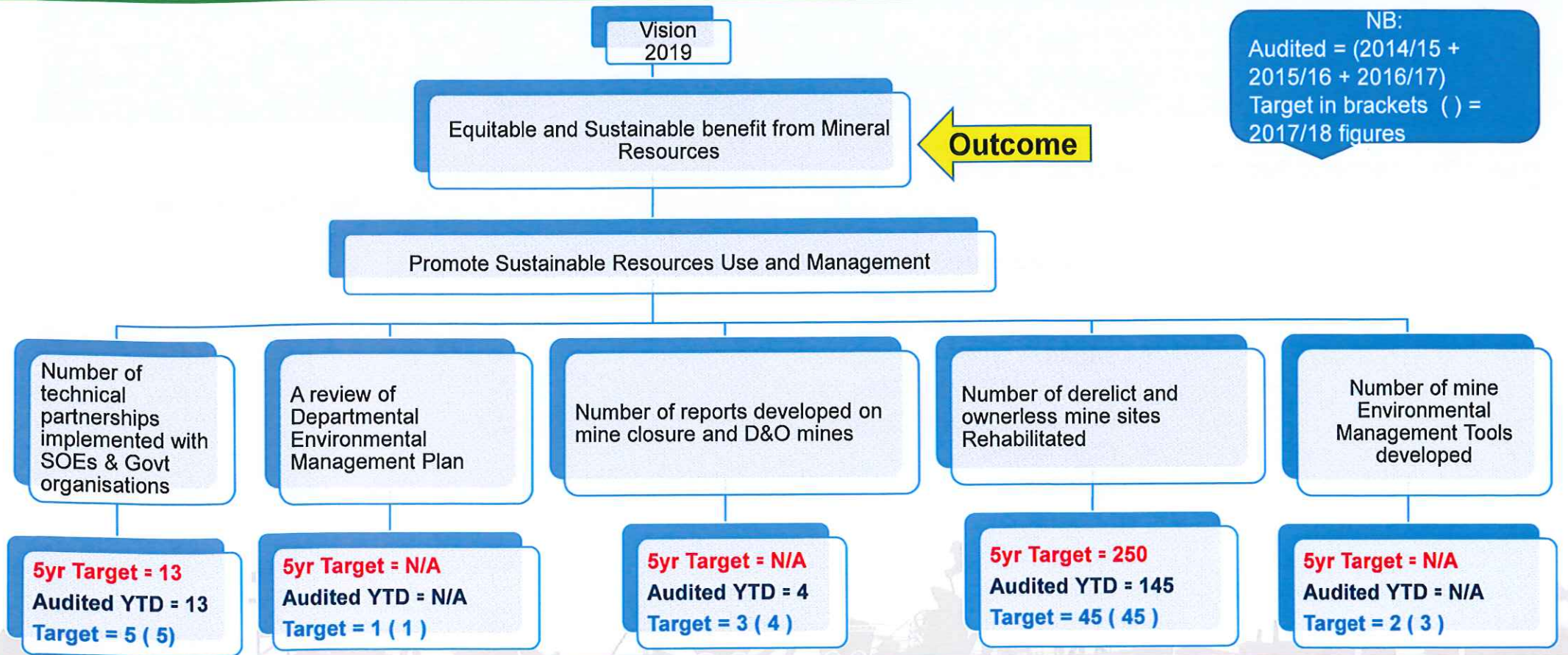
Outcome	Strategic Objective	Measure	3 yr Audited Result (only 2016/17)
Increased Investment in the Mineral and Mining Petroleum Sectors	Manage and Implement Mineral Resources Diplomacy	Number of Strategic Partnerships implemented	7 (NB: 2016/17 FY Only)
COMMENT	<p>Revised Measure (2016/17 FY)</p> <p>The partnerships include:</p> <ul style="list-style-type: none"> • Japan, • Russia (ITEC & PGM), • China (Binational Commission & Mining Value Chain), • Nigeria and • Lesotho. 		



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Branch – Mineral Policy & Promotion (4 of 7)



NB:
Audited = (2014/15 + 2015/16 + 2016/17)
Target in brackets () = 2017/18 figures



Branch – Mineral Policy & Promotion (E)

Outcome	Strategic Objective	Measure	3 yr Audited Result
Equitable and Sustainable benefit from Mineral Resources	Promote Sustainable Resources Use and Management	Number of technical partnerships implemented with SOEs & Govt organisations	13
COMMENT	<p>These are partnerships with:</p> <ol style="list-style-type: none"> 1. Council for GeoScience on Rehabilitation of D & O sites and on Mine Water Management; 2. Mintek on D & O sites; 3. Benguela Current Commission and with associations on mine closure, and on issues of sustainable development 		



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Branch – Mineral Policy & Promotion (F)

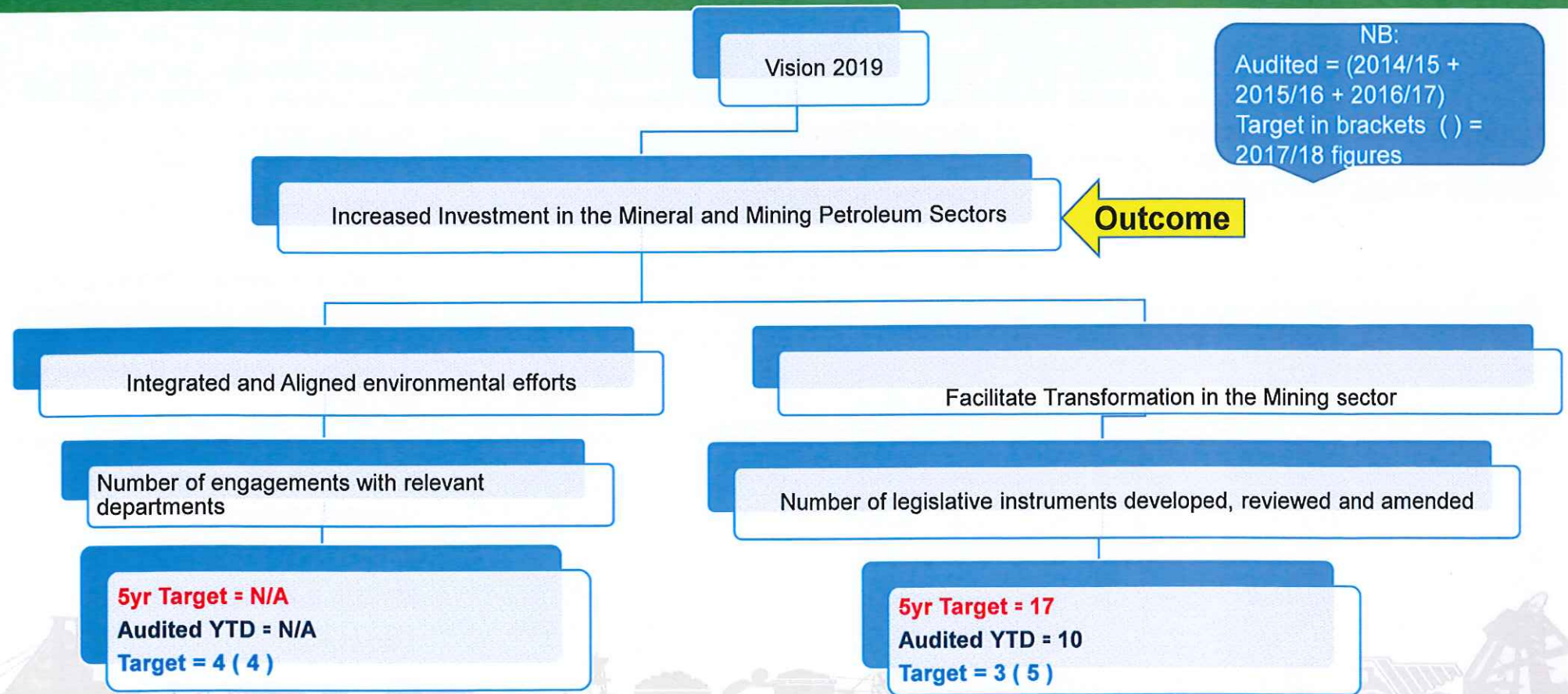
Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Region	Commodity 1	Commodity 2
Equitable and Sustainable benefit from Mineral Resources	Promote Sustainable Resources Use and Management	Number of derelict and ownerless mine sites Rehabilitated	145	Gauteng	39 Gold Mine Sites	
				Limpopo	45 Gold Mine Sites	6 Asbestos Mine Sites
				Mpumalanga	21 Clay Mining Sites	22 Gold Mine Sites
				Kwazulu-Natal	2 Asbestos Mine Sites	
				North West	8 Manganese Mine Site	
				Northern Cape	2 Asbestos	



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Branch – Mineral Policy & Promotion (5 of 7)



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Branch – Mineral Policy & Promotion (G)

Outcome	Strategic Objective	Measure	3 yr Audited Result	Breakdown by Legislative Instrument
Increased Investment in the Mineral and Mining Petroleum Sectors	Facilitate Transformation in the Mining sector	Number of legislative instruments developed, reviewed and amended	10	Guideline for Management of Medical Incapacity due to ill -health
				Guideline for Minimum Standard of Fitness to Perform Work on a Mine
				Guideline on Right to Refuse Dangerous Work and Leave Dangerous Working Places
				Guideline for Personal Protective Equipment for Women
				African Exploration Mining and Finance Corporation Bill
				Gazetted Mining Charter
				MPRDA Bill
				MPRDA Regulations Draft Document
				Inputs on NEMA Regulations
				Mine Health and Safety Bill



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Branch – Mineral Policy & Promotion (6 of 7)

Vision 2019

Efficient, Effective and Development Oriented Department

Outcome

NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures

Develop and Review Internal Processes

Number of internal business processes
developed / reviewed

5yr Target = 10
Audited YTD = 4
Target = 1 (1)

Improve Turnaround times

% adherence to timeframes

5yr Target = 95%
Audited YTD = 99%
Target = 95% (95%)



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Branch – Mineral Policy & Promotion (7 of 7)

Vision 2019

Efficient, Effective and Development Oriented Department

Outcome

NB:
Audited = (2014/15 +
2015/16 + 2016/17)
Target in brackets () =
2017/18 figures

Promote Corporate Governance

% of Implementation of Management
Action Plan
(Internal Audit)

5yr Target = 100%
Audited YTD = 100%
Target = 100% (100%)

% of Implementation of Management
Action Plan
(External Audit)

5yr Target = 100%
Audited YTD = 100%
Target = 100% (100%)

% Adherence to Compliance
Framework

5yr Target = 100%
Audited YTD = 100%
Target = 100% (100%)

% of Risk Management Plans

5yr Target = 100%
Audited YTD = 89%
Target = 100% (100%)



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Confirmation of 2018/19 APP responsiveness to 2018 SoNA

During his 2018 State of the Nation Address (**SoNA**), The Honourable President Ramaphosa committed to the nation that amongst other things, as a country we will in the immediate future endeavour to:

1. Resolve the **Mining Charter** Impasse,
2. Contribute to **Economic Growth** through Mining,
3. Promote **Mining Investment** in South Africa,
4. Promote **Sustainable Mining**,
5. Continue to **Transform the Mining Industry** through transparent implementation of legislation (MPRDA),
6. Promote **Health and Safety** across the mining sector,

The department has since ensured that the approved and tabled 2018/19 Annual Performance Plan brings to life the commitments of the State President as outlined in the slides that follow below:



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Thank You



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