



STRATEGIC *Plan*



**mineral &
petroleum resources**

Department:
Mineral and Petroleum Resources
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF MINERAL AND
PETROLEUM RESOURCES

2025-2030 STRATEGIC PLAN



**mineral &
petroleum resources**

Department:
Mineral and Petroleum Resources
REPUBLIC OF SOUTH AFRICA



INTRODUCTION

Since the discovery of mineral resources in 1884, South Africa has established itself as a critical player in the global economy. Our nation's significance on the world stage has been anchored by its rich deposits of mineral resources, particularly gold, iron ore, platinum group metals (PGMs), and chrome. These resources have been instrumental in driving South Africa's development, supporting both our infrastructure and economic structure.

The mining sector continues to be a key driver of our economy. Today, the industry employs nearly 72,000 women out of a workforce of 475,500, representing 15% of the total. While this percentage may appear modest, it reflects remarkable progress, considering that prior to 1998, legal barriers prevented women from working in the sector entirely.

Historically, the mining and petroleum industries were un-transformed, with race playing a heightened role in limiting opportunities. The majority of South Africans served as dispensable labour, working at the back end of production to enhance operational profit at lower costs. Since the democratic breakthrough, our government has undertaken the responsibility of transforming the sector to reflect South Africa's demographics. The development of the Mineral and Petroleum Resources Development Act (MPRDA) and the Mining Charter was a direct response to the historical state of the industry.

As the Department of Mineral and Petroleum Resources, serving as the custodian of the nation's mineral wealth on behalf of all South Africans through the MPRDA of 2000. While the MPRDA is currently under review, it remains our guiding framework, alongside other policies, in driving transformation in the mining sector.

The industry's future is being reshaped through policy imperatives such as the Upstream Petroleum Resources Development Act (UPRDA), Petroleum Products Act etc.

The department has faced challenges, like any other sector, including those posed by

geopolitical and internal factors. Given that the mining sector is driven by the benchmarking of price volatility, the fiscal year under review has seen sectors such as coal and PGM experiencing operational revenue challenges. This, compounded by issues within Transnet Freight Rail, has led to a decline in sector performance, resulting in some mining companies retrenching their labour force. Efforts to engage with the mining sector to explore alternatives to protect the labour force, as they have direct relations with the government.

The department, in collaboration with our stakeholders, has played a crucial role in protecting the mining and petroleum sectors while prioritising sustainability in line with the pursuit of the Sustainable Development Goals (SDGs). Additionally, ESG principles, technology, and digitalisation remain central to our legislative framework, such as the MPRDA.

SUSTAINABILITY AND DEVELOPMENT

South Africa's mining industry must now navigate dual imperatives: building economies of scale while advancing sustainability goals. Both listed and non-listed companies are committed to carbon neutrality and net-zero targets, focusing on reducing Scope 1 and Scope 3 emissions through improvements in transportation and product development mechanisms. This shift has led us to rethink our strategy in deploying an energy mix approach that balances economic benefits with trade-offs in other sectors.

However, sustainability must be balanced with national development and responsible mineral

resource exploitation. South Africa continues to generate 85% of its electricity from coal. Meanwhile, the industry's contribution to GDP increased from R219 billion in 2012 to R444 billion in 2023, translating to 6.3% of GDP. The economic span of the mining industry is tremendous, supplementing economic growth and job creation. As Minister Gwede Mantashe has emphasised, the mining sector remains a core driver of our economy, dismissing concerns of a decline in the industry.

The department's strategy does not disregard governance and environmental responsibilities. Instead, we are integrating ESG principles, which are vital for sustainable economic growth. The latest Mining Charter emphasises higher Black ownership and community involvement. Aligning Broad-Based Black Economic Empowerment (B-BBEE) strategies with ESG goals attracts sustainable investment and ensures regulatory compliance.

The department is actively engaged in promoting sustainable development through energy diversification, particularly by exploring the potential of green hydrogen. We are also rigorously monitoring engagement between mining houses and local communities to ensure mining operations deliver tangible benefits. The Social and Labour Plan fosters cooperation between local communities and mining houses to achieve these objectives.

GOVERNANCE

Governance is fundamental to the function of government and the public sector. The department strongly advocates for good governance by fostering ethical leadership, accountability, and fairness. Governance is defined as "the act or process of governing or overseeing the control and direction of something." Leadership, in turn, requires setting direction, creating alignment, and maintaining commitment. However, governance is not solely the responsibility of departmental leadership, including the Director-General; it is an obligation shared by all departmental staff.

Governance remains a critical component in ensuring that the department meets its objectives

within the legal framework while minimising risks. The department has implemented a Fraud Prevention Plan to minimise irregularities, malpractices, and fraudulent activities. Leadership and management are responsible for maintaining good corporate governance, characterised by the ethical values of responsibility, accountability, fairness, and transparency.

The department remains committed to achieving unqualified audits, extending this commitment to our State-Owned Companies (SOCs). Under the financial review period, we successfully attained an unqualified audit outcome. Guided by the Public Financial Management Act, we will continue working hand in hand with the Director-General's office to ensure the implementation of good governance throughout our five-year strategic plan.

HEALTH AND SAFETY

The South African mining industry remains deeply committed to achieving Zero Harm, a principle that guides our safety strategy and operational decisions. In 2024, the industry recorded its lowest number of fatalities to date, with 42 deaths—a 24% reduction from the 55 fatalities in 2023. This marks a 14% improvement over the previous best of 49 fatalities in 2022. Serious injuries also declined by 17%, from 2,100 in 2023 to 1,746 in 2024. While these improvements indicate progress, we acknowledge that one fatality is one too many. This is the great milestone since the democratic dispensation.

The primary contributors to fatalities remain fall-of-ground incidents, trackless mobile machinery accidents, and general operational risks. The industry has also made significant progress in improving occupational health outcomes. Occupational diseases decreased by 16.5%, from 2,233 in 2022 to 1,864 in 2023. However, the rise in work-related disease fatalities, particularly tuberculosis, remains a concern to the sector and the department through Mine Health and Safety Inspectorate is working relentlessly to safeguard the health and safety of mine employees and communities affected by mining operations.

PETROLEUM INDUSTRY

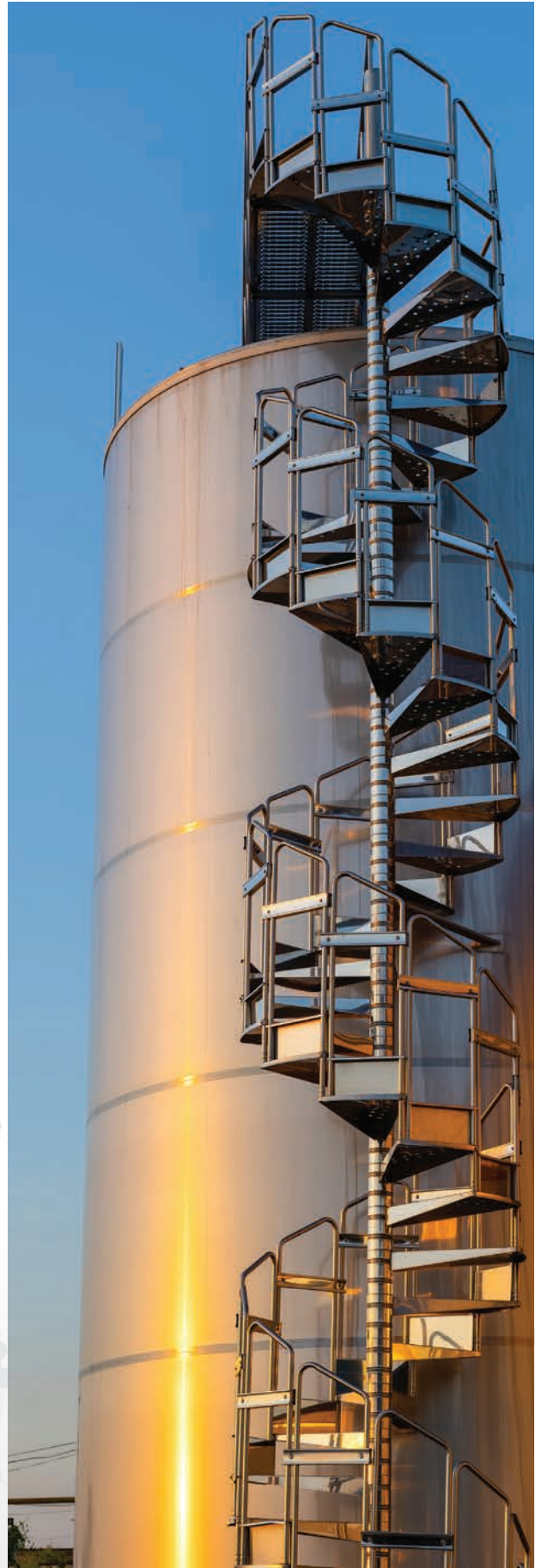
The department plays a crucial role in the petroleum sector, taking significant strides toward forming a consolidated petroleum industry. Under the FY 2024/2025 review period, the Central Energy Fund has made substantial progress in establishing the South African National Petroleum Company (SANPC). This follows President Cyril Ramaphosa's 2020 announcement that the government would establish the SANPC to oversee and regulate the sector. The Cabinet has approved the operationalisation strategy, and by FY 2025/2026, the SANPC should reach an operational milestone.

The establishment of SANPC is central to the commercial sustainability objectives of the Central Energy Fund (CEF). Its operationalisation is guided by four key objectives: improving profitability, increasing market share, enhancing productivity, and stabilising the group through restructuring. Additionally, the department is working diligently to strengthen inspection processes in the petroleum sector to mitigate irregularities in both branded and unbranded retail businesses.

DIGITAL AND TECHNOLOGY

Digital technology is key to driving efficiency within the department and the mining sector. Mining is expected to become safer as we move toward Zero Harm, supported by technology and digitalisation in critical business areas. Employee tracking and tracing systems will optimise work cycles, while advanced data-driven processing models will maximise returns and operational margins.

The department is also investing in the digital transformation of business operations and systems. The deployment of the new cadastral system will be a game changer, expediting the processing of prospecting and mineral rights applications while reducing application bottlenecks. This modernisation is expected to enhance investment prospects and stimulate economic growth in the sector.



OFFICIAL SIGN OFF

It is hereby certified that this Strategic Plan for 2025 to 2030:

- 1) Was developed by the management of the Department of Mineral and Petroleum Resources, under the guidance of the Minister for Mineral and Petroleum Resources, Mr SG Mantashe.
- 2) Takes into account the relevant policies, legislation, and other mandates for which the Department of Mineral and Petroleum Resources is responsible.
- 3) Accurately reflects the impact and outcomes which the Department of Mineral and Petroleum Resources will endeavour to achieve over the period 2025 to 2030.



Ms Hilda Mhlongo
DDG: Corporate Services

Date:



Mr Tseliso Maqubela
DDG: Mineral and Petroleum Regulation

Date:



Ms Ntokozi Nzimande
DDG: Policy Development and Investment Promotions

Date:



Mr David Msiza
DDG: Mine Health and Safety

Date:



Adv Mmadikeledi Moloto
DDG: Compliance and Enforcement

Date:



Ms Thobile Mbatha
Head Official Responsible for Plannings

Date:



Ms Yvonne Chetty
Chief Financial Officer

Date:



Mr Jacob Mbele
Director General

Date:

APPROVED BY:



Ms Phumzile Mgcina ,MP
Deputy Minister – Mineral and Petroleum Resources

Date:

Mr SG Mantashe , MP
Minister of Mineral and Petroleum Resources

Date:

TABLE OF CONTENTS

INTRODUCTION	3
OFFICIAL SIGN OFF	6
BACKGROUND AND CONTEXT TO THE STRATEGIC PLAN	8
PART A: OUR MANDATE	9
1. CONSTITUTIONAL MANDATE	10
2. LEGISLATIVE AND POLICY MANDATE	10
Legislative Mandate	10
Policy Mandate	11
3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PERIOD	12
4. RELEVANT COURT RULINGS	14
PART B: OUR STRATEGIC FOCUS	15
5. OUR VISION	16
6. OUR MISSION	16
7. OUR VALUES	16
8. SITUATIONAL ANALYSIS	17
8.1 External Environment Analysis	17
8.2 Internal Environment Analysis	47
PART C: MEASURING OUR PERFORMANCE	57
9. INSTITUTIONAL PERFORMANCE INFORMATION	58
9.1 Strategic Context	58
9.2 Alignment to Medium Term Development Plan 2024 - 2029	60
9.3 Measuring the Impact	61
9.4 Measuring the Outcomes	61
10. KEY RISKS	76
11. PUBLIC ENTITIES	79
PART D: TECHNICAL INDICATOR DESCRIPTIONS	87
ANNEXURES TECHNICAL INDICATOR DESCRIPTIONS	88

BACKGROUND AND CONTEXT TO THE STRATEGIC PLAN

Post the May 2024, elections which was followed by Cabinet announcement of the reorganisation of Government, the President proclaimed the separation of Mineral and Petroleum Resources from Energy and Electricity. Through Proclamation No. 179 of 2024, published in Government Gazette No. 51140 on 27 August 2024, there was a separation of electricity and energy functions from the Department of Mineral Resources and Energy (DMRE), and assignment of responsibility for mining, petroleum, and mineral resources to the Department of Mineral and Petroleum Resources (DMPR).

This separation and creation of DMPR provides an opportunity to streamline and a creation of a regulatory environment that will grow the mining industry with greater focus on encouraging investments and harmonisation

of legislation. This aligns with key national policy and planning frameworks, including the National Development Plan (NDP) Vision 2030, the Medium-Term Development Plan and the Government's objectives of re-industrialisation. The department will provide leadership and positioning the Minerals and Petroleum Sectors to drive inclusive economic growth, job creation, alleviate poverty and inequality in South Africa.

This 2025–2030 Strategic Plan serves as a roadmap, outlining the department's mandate, strategic focus and priorities, desired five-year results, and implementation approach. The Department is committed to collaborative governance, ensuring alignment across national, provincial, and municipal structures including partnership with the industry and communities to create a transparent, efficient, and accountable mining and petroleum sector.





Part

Our Mandate

1. CONSTITUTIONAL MANDATE

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

MANDATE OVERVIEW

The Department of Mineral and Petroleum Resources is responsible for promoting the sustainable growth, transformation, and regulation of the mining, mineral, and petroleum sectors in South Africa. This includes fostering a conducive environment for investment while ensuring compliance with relevant legislation.

2. LEGISLATIVE AND POLICY MANDATE

LEGISLATIVE MANDATE

The following legislation regulates the mineral resources and energy sector and reflects the legislative measures that the DMPR has instituted to execute its obligation:

i) The Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended

This Act sets out the legislative framework for manufacturing, wholesaling and retailing of petroleum products. The PPA regulates the downstream value chain of the petroleum products sector and the purpose of introducing a licensing regime in 2003 was to transform the sector and bring in new players into the industry. To date the PPA has been amended six times.

ii) The Central Energy Fund Act (Act No. 38 of 1977), as amended

This Act provides for the payment of certain moneys into the Central Energy Fund (CEF) and for the utilisation and investment thereof; the imposition of a levy on fuel and for the utilisation and investment thereof; the control of the affairs of the Central Energy Fund (Proprietary) Limited by

a board of directors; for the keeping of records of all transactions entered into for account of the CEF or the Equalisation Fund and of certain other transactions; the investigation, examination and auditing of the books, accounts and statements kept and prepared in connection with the said transactions; and the submission of a report to Parliament relating to the said investigation, examination and auditing. It also provides for matters connected with the Act.

iii) The Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)

This Act provides for the establishment of a national regulatory framework for petroleum pipelines; a Petroleum Pipelines Regulatory Authority as the custodian and enforcer of the national regulatory framework; and matters connected therewith.

iv) The Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004)

This Act provides for imposition of levies by the Petroleum Pipelines Regulatory Authority and matters connected therewith.

v) The Liquid Fuel and Oil Repeal Act, 1993 (Act No. 20 of 1993)

This Act repealed the Liquid Fuel and Oil Act, 1947 (Act No. 49 of 1947) and the Liquid Fuel and Oil Amendment Act, 1960 (Act No. 17 of 1960).

vi) The National Environmental Management Act, 1999 (Act No. 107 of 1999)

This Act has a direct impact on legislative and other measures to reduce carbon emissions, improve energy efficiency and mitigate the impact of generation/refinement and the use of energy on the environment.

vii) The Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)

This Act makes provision for access to, and sustainable development of mineral and petroleum resources and matters connected therewith.

viii) Upstream Petroleum Resources Development Act, 2024 (Act 23 of 2024)

The Act seeks to separate petroleum provisions which have been an appendage to the mineral provisions as currently contained in the MPRDA and to regulate and address matters that are peculiar to the upstream petroleum sector. It further seeks to amongst others provide for state participation in the development of petroleum resources, participation of black persons, drive the acceleration of exploration activities, as well as create an enabling environment to attract investment in the upstream petroleum sector.

ix) The Diamonds Act, 1986 (Act No. 56 of 1986)

The Diamonds Act, 1986, was amended through the Diamonds Amendment Acts, 2005 (Act No. 29 of 2005 and Act No. 30 of 2005). The rationale for the amendments was to increase access to rough diamonds for jewellery manufacturing in South Africa; maintain security of supply of rough diamonds; promote the beneficiation industry in South Africa thus creating jobs; and increase participation throughout the diamond value chain.

x) The Diamond Export Levy Act of 2007

The purpose of the Act is to impose an export levy on unpolished diamonds, but not synthetic diamonds. The act also allows for offsets with respect to that levy.

xi) The Precious Metals Act, 2005 (Act No. 37 of 2005)

The Act provides for acquisition, possession, smelting, refining, beneficiation, use and disposal of precious metals. Precious

metals include gold and the platinum group metals. Silver has been excluded from the definition of precious metals.

POLICY MANDATE

NDP Vision 2030: The National Development Plan Vision 2030 is South Africa's long-term vision for economic transformation and inclusive growth. Given their contributions to GDP, employment, and industrialisation, the mining and petroleum industries are critical to achieving the NDP's objectives. It establishes a strategic framework for South Africa's growth, with an emphasis on poverty eradication, job creation, and economic sustainability. It also envisions a competitive, modernised, and ecologically responsible mining and petroleum industry that contributes to national growth and development.

Medium-Term Development Plan (MTDP): The MTDP outlines short- to medium-term (3-5-year) plans for achieving the NDP 2030's long-term goals. It serves as a strategic framework that complements South Africa's wider National Development Plan (NDP) Vision 2030 by driving economic development, industrialisation, and transformation. The mining and petroleum industries, with their contributions to GDP, job creation, infrastructure development, and energy security, are crucial to accomplishing the MTDP's objectives.

District Development Model: The District Development Model (DDM) strives to improve service delivery, economic growth, and spatial transformation at the district level. It is designed to integrate planning, budgeting, and the implementation at all levels of government (national, provincial, and municipal) in order to encourage inclusive growth, eradicate poverty, reduce inequality, and drive inclusive economic growth. The mining and petroleum sectors constitute key economic drivers in the country, and the DDM ensures that their benefits reach the communities through Integrated Infrastructure Development, Social and Economic Transformation, Environmental Management, and Mine Rehabilitation.

3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PERIOD

Over the five-year planning period, the institutional policies and strategies are centred around three core priorities:

- 1) **Drive Inclusive Growth and Job Creation:** This priority focuses on addressing unemployment, particularly among historically disadvantaged individuals (HDIs), by investing in skills development, vocational training, and supporting small and medium enterprises (SMEs). It also emphasises the need to increase investment in exploration and infrastructure to boost the mining and petroleum sectors and improve regulatory frameworks to ensure equitable access to resources for all.
- 2) **Reduce Poverty and Tackle High Cost of Living:** This priority aims to alleviate poverty by implementing a comprehensive economic strategy focused on empowering HDIs, reducing the cost of doing business, stabilising the energy sector, and providing targeted financial assistance to low-income households.
- 3) **Build a Capable, Ethical, and Developmental State:** This priority focuses on enhancing government efficiency, transparency, and accountability. It includes revitalising refinery manufacturing capabilities, implementing anti-corruption measures, streamlining the upstream sector, investing in capacity building and ethical development, and fostering public-private partnerships to fund critical projects.

Various institutional policies and strategies translate national and sectoral priorities into actionable programmes, ensuring that effective regulation of the mining sector, investment in infrastructure, and sector transformation objectives are effectively implemented. These policies will also

address gaps in existing frameworks, provide tools for reforms required to ensure the department's ability to deliver on national priorities over the 2025–2030 period.

- 1) **Petroleum Sector Development Plan:** The department concluded a vulnerability assessment study on security of supply of liquid fuels. The purpose of the study was amongst others to determine the impact of crude oil refinery closures and the ability of import infrastructure to handle imports in the interim. The study also identified vulnerabilities along the petroleum supply value chain which has an impact on security of supply. The results are used to inform the Development of the Petroleum Sector Development Plan.
- 2) **Critical Minerals Strategy:** The department is in the final stages for the development of the SA's Critical Mineral Strategy. This strategy will inform SA's strategy to secure long-term economic growth and maximise value from critical mineral resources, South Africa must prioritise investment in exploration, Research & Development (R&D), local processing and beneficiation, infrastructure and strategic partnerships to establish advanced mineral processing capabilities. By implementing this strategy, South Africa can create a self-sustaining industrial base that generates high-value products, supports downstream industries, and fosters higher rates of job creation.

Advanced processing capabilities will position the country as a global player in critical mineral value chains, particularly in emerging sectors such as renewable energy technologies, electric vehicles, green hydrogen and advanced manufacturing.

To achieve this, public and private sectors must collaborate on targeted investments into new mining projects, processing plants, technical expertise, and innovation ecosystems, ensuring that South Africa transition from being largely a supplier of raw materials to a hub for innovative

intermediate and end-use products. This approach will not only boost economic resilience but also enhance the country's competitiveness in international markets, aligning with national development goals and regional integration efforts.

- 3) **Artisanal and Small-Scale mining:** The Department is currently implementing the artisanal and small-scale mining (ASSM) policy approved in March 2022. The policy seeks to formalise and enable the ASSM industry to operate optimally and ensure that the sector is sustainable and contributes to the economy through taxes, job creation and royalties. The policy promotes operations that are undertaken in an environmentally responsible manner, without undermining the health, safety and security of other people. This policy has since been supplemented by creation of a fund that provide financial support to qualifying ASSMs. Integrating Artisanal and Small-Scale Mining into the formal economy will increase security in the mining sector and create a path towards more stable incomes for miners. It will also ensure safer and more environmentally sustainable mining practices are utilised.
- 4) **Public-Private Partnership Framework for Petroleum infrastructure Investments:** The department will review the Public-Private Partnership Framework to improve investor confidence, streamline approval processes, and ensure regulatory certainty for private sector participation in petroleum projects. The revised framework will focus on risk-sharing models for infrastructure investment for new and old refining local refining capacity, storage facilities and pipeline infrastructure
- 5) **Exploration fund to support emerging miners:** In 2022, the Department approved the Exploration Strategy and Implementation Plan with the aim of achieving a 5% share of the global exploration expenditure by 2030. As part of this strategy, the Department collaborated with industry partners to identify initiatives

for attracting investments in exploration. Considering the identified challenges in funding early-stage exploration, the establishment of a dedicated junior exploration fund, in partnership with the IDC, is a crucial step towards achieving the goals outlined in the Exploration Strategy and Implementation Plan. This fund is pivotal for the growth and sustainability of the mining industry and for fostering inclusivity and opportunities for Historically Disadvantaged South Africans in the realm of junior exploration. DMRE and IDC initial commitment to contribute R400 million to the Fund with an objective to invite private sector participation for the next funding calls.

- 6) **Government Commitment to Local Beneficiation:** The South African government promotes local mineral beneficiation through the Mineral and Petroleum Resources Development Act (2002).

Key provisions include:

- a) The **Minister of Mineral Resources** is responsible for advancing mineral beneficiation within the country.
- b) The **Minister, acting on advice from the Board and in consultation with the Minister of Trade, Investment and Competition**, may promote beneficiation of a particular mineral, if deemed economically viable.
- c) **Individuals or entities** seeking to beneficiate minerals, whether mined locally or internationally, may only do so after written notice and in consultation with the Minister.

- 7) **Shale Gas Research in South Africa:** The Petroleum Agency of South Africa (PASA) has launched a shale gas research project to address uncertainties and assumptions surrounding shale gas exploration. This initiative, funded by the DMPR, aims to equip the government with scientific insights for informed decision-making.

Key objectives include collecting and analysing geological data on the Karoo Basin, establishing an environmental baseline, estimating recoverable gas reserves in the Whitehill and Prince Albert Formations, assessing geo-environmental impacts, including groundwater dynamics, contamination risks, and seismic interference.

The PASA project will serve as a baseline study for future research and contribute to refining petroleum exploration regulations, guided by NEMA environmental standards.

4. RELEVANT COURT RULINGS

Relevant Court Judgments in the 2024/2025 Financial Year

Case Name:	Gensinger and Neave CC and others v Minister of Mineral Resources and Energy and others (2024) JDR 1553 (SCA)
Citation:	2024 JDR 1553 (SCA)
Judgement date:	15 April 2024
Summary:	The Supreme Court of Appeal considered whether site and retail license holders are directly affected by the Controller of Petroleum Products' decision to grant licenses to applicants in the same area. They also examined whether appeals against new licenses would suspend the decision until the Minister decides on the matter.
Court Decision:	The Supreme Court (SCA) ruled that existing site and retail license holders are directly affected by the Controller's decision to approve new licenses. The right to appeal to the Minister is not derived from the Controller's decision but from its impact on the appellants' interests. An internal appeal lodged by a directly affected person suspends the Controller's decisions pending finalisation. Those granted licenses cannot act on the decision while an internal appeal is pending. The Controller's office is implementing measures to ensure adherence to the judgment. An application to the Constitutional Court for leave to appeal was dismissed in July 2024.

Case Name:	Minister of Mineral Resources and Energy and Others v Sustaining the Wild Coast NPC and Others (Case no 58/2023; 71/2023; 351/2023)
Citation:	[2024] ZASCA 84
Judgement date:	3 June 2024
Summary:	The Makhanda High Court ruled that Impact and Shell's exploration right was unlawfully granted due to failure to inform and consult affected communities, disregarding their rights to food, livelihoods from the ocean, spiritual and cultural rights, and climate change impacts. The High Court set aside the exploration right entirely.
Court Decision:	The SCA suspended the order to set aside Shell's exploration right, pending a decision by the Department on Impact Africa decision and Shell's third renewal application. The remedy was to allow consultation during the renewal process. Leave to appeal to the CC has not been granted, but also not refused, and applicants are invited to pursue their applications and appeals, following the CC's standard approach.



B

Part

Our Strategic Focus



5. OUR VISION

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



6. OUR MISSION

To regulate, transform and promote the minerals and petroleum sectors, to drive inclusive economic growth, job creation and ensure that all South Africans derive sustainable benefit from the country's mineral wealth.



7. OUR VALUES

The service delivery approach of the DMPR is guided by its value system that is summarised in the table below:

Batho-Pele (Sotho for "People First")	Represents a DMPR that is service orientated, strives for excellence in service delivery, commits to continuous service delivery improvement for the achievement of a better life for all, and seeks to include all citizens through services and programmes
Ethics	Represents our moral principles as reflected by the Code of Conduct for Public Servants, i.e. what we understand, know about and mean when we resolve what is right and what is wrong.
Honesty	Represents a facet of moral character and denotes positive, virtuous attributes such as integrity, truthfulness and straightforwardness along with the absence of lying, cheating or theft.
Integrity	Represents consistency of actions, values, methods, measures, principles, expectations and outcomes and is regarded as the honesty and truthfulness or accuracy of one's actions
Accountability	Represents the acknowledgment and assumption of responsibility for our actions, decisions, policies, administration and governance
Professionalism	Represents workers who enjoy considerable work autonomy and are commonly engaged in creative and intellectually challenging work that requires impressive competence in a particular activity
Ubuntu	Represents our interconnectedness and our approach that is open, available and affirming of others.
My Public Servant – My Future (We belong, We care, We serve)	Represents public servants at the centre of delivering quality services to the citizens in line with the dictates of the Constitution of the Republic of South Africa.

8. SITUATIONAL ANALYSIS

8.1 EXTERNAL ENVIRONMENT ANALYSIS

MINING

BACKGROUND

The global demand for critical minerals is on the rise, largely driven by the energy transition towards renewable sources and the increasing adoption of technologies such as electric vehicles (EVs) and energy storage systems. This shift presents South Africa with a significant opportunity to position itself as a leader in supplying essential minerals like lithium, cobalt, and platinum, which are crucial for the production of batteries and other clean energy technologies. However, this demand also brings competition from other mineral-rich countries, necessitating that South Africa enhance its exploration and production capabilities to remain competitive on the global stage.

Geopolitical forces, including trade dynamics and international regulations, significantly impact the operations and export potential of the mining sector. For instance, tensions between major economies can lead to changes in trade policies that affect the flow of minerals. Additionally, global environmental standards are increasingly influencing mining practices, pushing countries to adopt more sustainable and responsible mining operations to meet international expectations.

Regional connectivity is becoming increasingly crucial as South Africa seeks to integrate its mining operations with neighbouring economies. By fostering regional partnerships, South Africa can enhance its economic resilience and create value chains that benefit multiple countries within the Southern African Development Community (SADC). This collaborative approach can lead to shared infrastructure projects, improved logistics, and a more robust regional economy.

Environmental concerns in neighbouring countries can impact cross-border mining operations. For example, stringent environmental regulations in one country may

necessitate that South African mining companies adapt their practices to comply with these standards when operating in or exporting to those regions. As environmental awareness grows, companies must prioritise sustainable practices to mitigate negative impacts on local ecosystems and communities.

The mining sector in South Africa faces numerous challenges, including electricity constraints, which have become a significant barrier to operational efficiency. Frequent power outages and rising electricity costs can hinder production capabilities and increase operational expenses, making it difficult for mining companies to maintain profitability in a competitive global market.

Logistical issues, such as inadequate transport infrastructure and delays in the movement of goods, further complicate the mining landscape. These challenges can lead to increased costs and reduced competitiveness, as companies struggle to transport minerals from remote locations to ports for export.

Culture of non-compliance to health safety regulations by some mining companies often lead to mine accidents and ill-health amongst mineworkers. These unsafe practices are causes of mine injuries, diseases and deaths and sometimes lead to production stoppages, lost revenue, compensation costs, as well as investor distrust in the mining industry.

Illegal mining poses a considerable threat to formal operations, impacting safety, environmental integrity, and community relations. The proliferation of illegal mining activities not only undermines the economic viability of legitimate operations but also leads to environmental degradation, as unregulated mining practices often disregard environmental protections. Moreover, the social implications of illegal mining can strain relationships between mining companies and local communities, as issues of safety and resource access become contentious.

GLOBAL VIEW

There are four distinct, yet interrelated, mega trends will shape our long-term strategic horizon and the requirement for resources for South Africa. These trends can be summated as follows:

Trend 1: Energy Transitions

Decarbonisation efforts to combat the effects of human induced climate change. Global shift in energy mix to reduce GHG to net-zero over the coming years. Countries looking to limit temperature rise to less than 1,5 - 2°C and to ensure a 66% chance of achieving such an outcome, the globe needs to reach net zero emissions by 2050. This shift is increasing the demand for low carbon energy alternatives. There is also a mixed level of action amongst countries towards the achievement of net zero, demonstrating a divergence of implementation according to local context.

Impact: Role of natural endowments

- The demand for critical minerals is outpacing available supply, driving competition for resources. Traditional energy carriers will still play significant role over the long term as we drive towards a transition.

Trend 2: Technology

Ongoing cycles of disruptive technological innovation, which are Increasing in frequency and amplitude. Current wave of innovation concerns “smart” technology and the data infrastructure that empowers it.

Impact: Disruptive technologies - The digitalisation of economies is increasing the demand for both materials and energy. Those which can benefit and create value from resources competitively, will secure a strategic position.

Trend 3: Demographics

Globally, fertility rates are declining, yet Africa still maintains significant growth potential over the long term.

Disparities across our populations will shape the cities the future and our ability to unlock our human capital potential.

Impact: Urbanisation - Rising demand for primary materials as the need for urban infrastructure development intensifies. The realisation of our potential will require affordable and accessible resources to fuel development

Trend 4: Geopolitics

As nations seek to further establish their sovereignty, we are shifting between globalism, regionalism and nationalism (Middle East, Ukraine/Russia). The established rules of engagement are being tested, as both alliances and rivalries evolve in new world.

Impact: Trade and Investment - As the status quo shifts, developing relationships will be met with great expectation and resistance. Expanding tensions will reshape strategic partnerships as countries re-evaluate risk and reward.

REGIONAL VIEW

The African region possesses a significant share of strategic resources which are essential for the global economy.

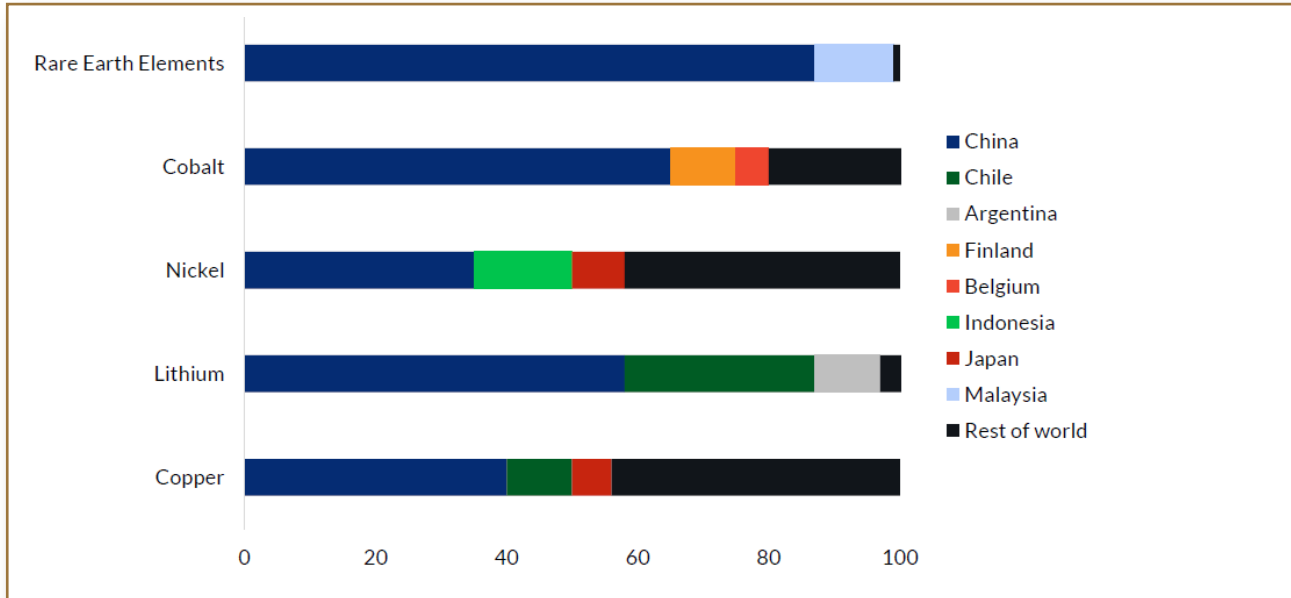
Lithium, Cobalt, Manganese, Copper, Chrome, Graphite, Rare Earths, etc. are critical renewable and storage inputs with major deposits in Africa. Investment is required to unlock these key resources for the African market and develop the corridors to move materials in bulk to ports for trade. Furthermore, there is a geopolitical conundrum around the role of the continent. i.e. Does Africa remain as raw material providers? Or does it promote and invest in beneficiation to create sustainable domestic value within the countries endowed with these minerals?

African countries can leverage regional development initiatives (incl. AfCFTA and key transport corridors) to unlock value for local value chains. This requires the development of local capacity to benefit competitively as we would be competing with markets with

sustainable manufacturing infrastructure (i.e. China and Europe). The region requires capital to transform our resources to value added materials, competitively.

The graph below shows that China dominates global beneficiation of raw materials.

Global Shares of Processed Minerals, 2019



Source: IEA; Zero Carbon Analytics

China's Dominance in Global Beneficiation of raw materials: Between 2005 and 2015, Chinese investment in Africa's mining sector surged 25-fold, giving Chinese firms control over 41% of cobalt extraction in the DRC and 28% of copper in the DRC and Zambia. However, Africa's share of global mineral investment declined from 15% in 2014 to 8% in 2023, due to factors like governance challenges, inadequate geological surveys, and infrastructure deficits.



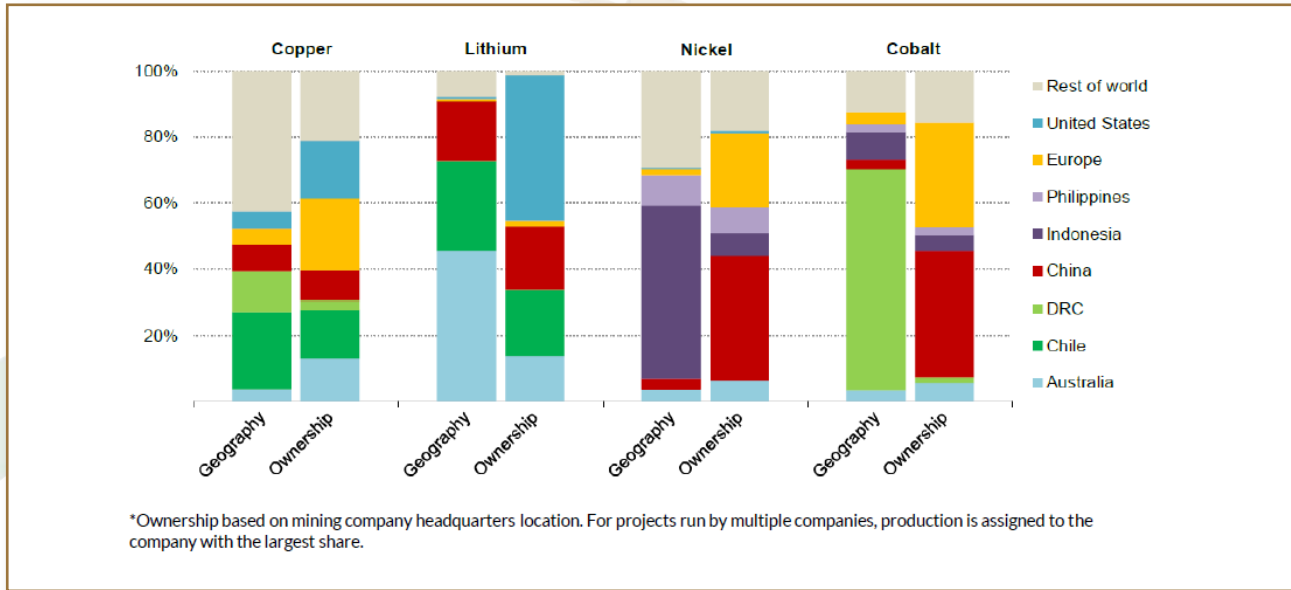
To boost investment, African countries are implementing policies to promote local beneficiation:

- Ghana – Approved a policy for local lithium production and extraction management.
- Namibia – Banned the export of lithium concentrate to encourage local processing.
- Angola – Developing partnerships for local mining and processing facilities.

Addressing the imbalance between mineral sources and ownership remains crucial for Africa's resource autonomy.

The asymmetry between the sources of minerals versus the ownership of the minerals being produced is demonstrated in the figure below.

Mining Concentration by Geography and Ownership*



Source: IEA Outlook for Key Energy Transition Minerals

The figure above shows that China, the United States, and Europe dominate ownership in the green minerals sector, despite having limited geographic participation. China has and continues to develop critical refinery infrastructure for these raw materials in a bid to further concentrate ownership and their market power

The need for critical green minerals highlights the intense geopolitical competition among world superpowers. This is prompting a new sphere of competition for resources that will shape the balance of geopolitical power going forward.

Thus, Africa needs to intentionally leverage platforms that drive regional integration to amplify our collective interests. These platforms include:

- **SADC and SACU:** Both have made progress in regional integration, but challenges remain in the areas of non-tariff barriers, infrastructure, and revenue sharing

- **AfCFTA:** This relatively new agreement has the potential to transform Africa's economy, but its success depends on removing trade barriers, harmonising regulations, and developing regional infrastructure

The Key strategies for unlocking value from mineral and petroleum resources: Prioritising regional value chains, facilitating investment flows, addressing non-tariff barriers, and strengthening regional institutions

This will yield regional benefits which brings significant value for growth of the sectors in the following ways:

- 1) **Market Development:** Regional Partnerships create a unified market, providing access to larger scale of market for minerals
- 2) **Regional Value Chain:** Encouraging the development of a regional value chain where mineral resources are processed and manufactured within Africa and attracting investment.
- 3) **Regional Harmonisation:** Harmonised Regulatory Frameworks providing scope for inter-Africa collaboration on the resource development.



DOMESTIC VIEW – SOUTH AFRICA

Mining Contribution | Summary Overview

The overview of the mining contribution to the South African economy from 2020 – 2023 is summarised in Figure 1. In this figure, the contribution is presented using six indicators; namely, mining production value, employment created contribution in taxes to fiscus, contribution to gross domestic product (GDP), total primary sales and mineral exports. These contributions are summarised as follows:

- **Mining Production Value:** From 2020 to 2023, on average, there has been a steady increase in mining production value from R0.91 trillion in 2020, followed by an increase to R1 Trillion in 2021. In 2022, there was an increase to R1.2 trillion, followed by a slight dip to R1.1 Trillion in 2023. However, as already stated, on average in this 3-year time span, the mining production value is showing a steady increase.
- **Contribution to Employment:** The mining contribution to mining has also shown a steady increase in this three-year period. In 2020, the mining industry employed 452 866 people, followed by an increase to 458 954 people in 2021, 469 353 people in 2022, and the rising to 477 000 people in 2023.
- **Contribution to the Fiscus in Terms of Taxes:** Similar to the two indicators above, the same increasing trend continued where contribution in taxes to the country increased from R15.2 billion in 2020, to R78.1 billion in 2021. In 2022 the contribution increased to R73.6 billion followed by R89.9 billion in 2023.
- **Contribution to GDP:** This indicator contributed R353.2 billion in 2020, followed by R480.9 in 2021. The value increased to R483.3 in 2022. However, there was a decrease in 2023, where the contribution decreased to R425.6 billion.
- **Total Primary Sales:** Total primary sales also showed a steady increase from 2020 to 2022; but there was a decrease

in 2023. The year-to-year values were R609.1 billion (2020), R849.6 billion (2021), R883.5 billion (2022) and there was a decrease to R786.2 billion in 2023.

- Mineral Exports:** A similar trend to Total Primary Sales was also seen for the mineral exports where there was a steady increase from 2020 to 2022, followed by a slight decrease in 2023. The year-to-year values were R577 billion (2020), R841.6 billion (2021), R882.8 billion (2022) and a decrease to R781.6 billion in 2023.

In summary, two (2) indicators showed a steady increase in this 3-year span (i.e. employment created contribution in taxes to fiscus). The remaining four (4) indicators (i.e. mining production value, contribution to gross domestic product (GDP), total primary sales and mineral exports) showed a steady increase in the years 2020 to 2022, followed by slight decreases in 2023.



Figure 1: South African Mining Contribution (2020 – 2023)

EXPLORATION TRENDS | GLOBALLY AND LOCALLY

Overview of South Africa's Major Geological Formations

South Africa has the largest reserves of Platinum-group metals (PGMs; 88%), Manganese (80%), Chromite (72%) and Gold (13%) known reserves

in the world, as seen in Figure 2. It is ranked second in Titanium minerals (10%), Zirconium (25%), Vanadium (32%), Vermiculite (40%) and Fluorspar (17%). In addition, the country contains 17% of the world's antimony reserves. At current production rates, South Africa's PGM, coal and gold reserves are projected to last for the next 250 years, 200 years and 27 years, respectively.

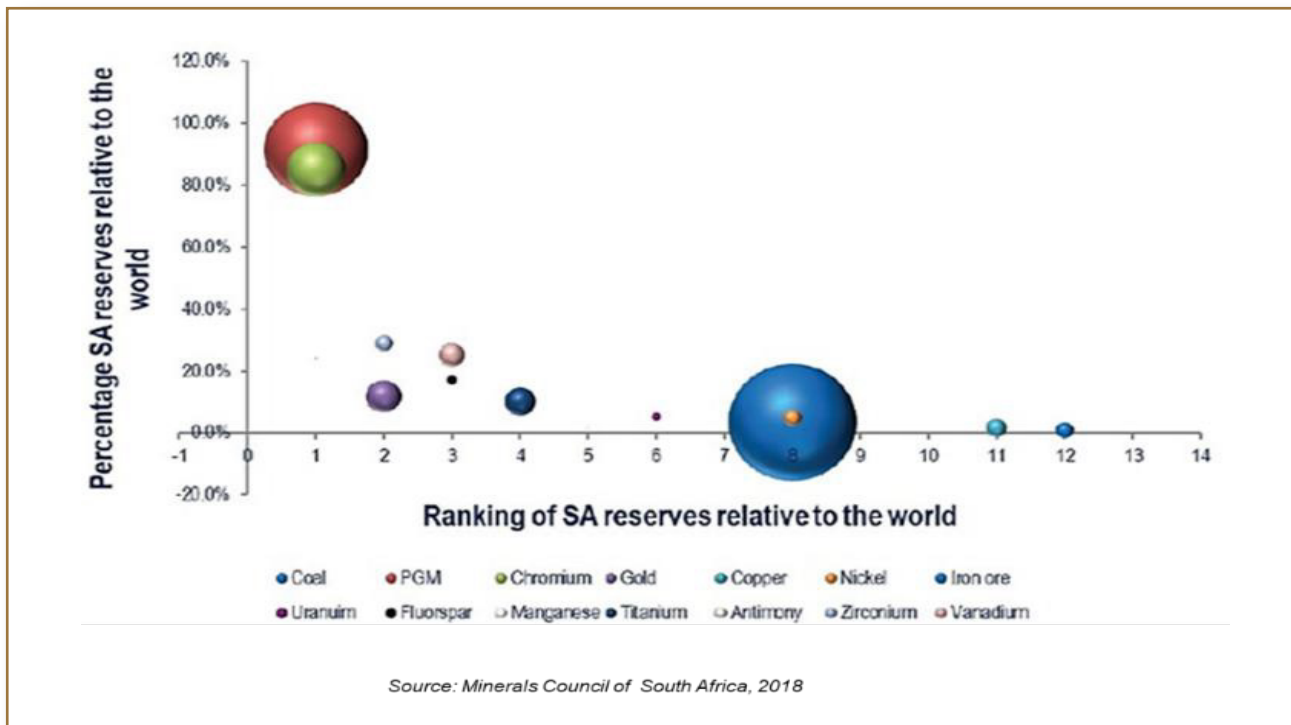


Figure 2: South African Major Geological Formations



Summary Overview | Global Exploration Trends

The global mining exploration budgets rose in 2022, with the scramble for 'green metals' such as lithium leading the pack in terms of growth, see Figure 3. Global exploration spending

reached \$12.8 billion in 2023, and South Africa set itself a target of capturing 5% of global exploration spending. The survey found that SA had attracted just 0.8% of global exploration budgets in 2022 and 0.92% of global exploration budgets in 2023.

Annual Nonferrous Exploration Budgets, 1997-2023

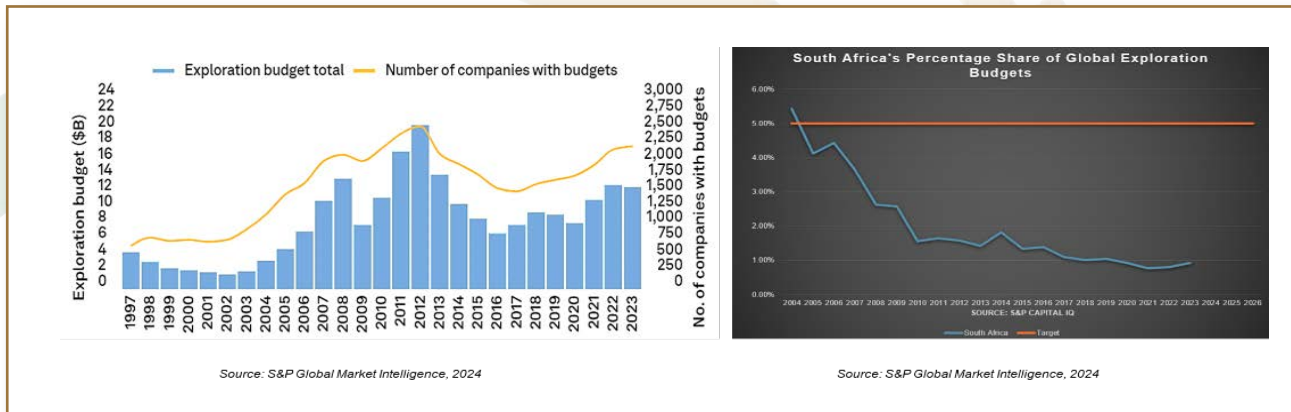


Figure 3: Global Exploration Budgets (1997-2023)

Transition Metals — specifically copper, nickel and lithium posted strong exploration budget growth (see Figure 4). Copper budget rose by 12% to \$3.12 billion, the highest year-over-year increase since 2014, and the third consecutive year of double-digit percentage growth. Lithium budgets were the most noteworthy, increasing by 77% year over year to \$829.6 million. Nickel budgets rose by 19% year over year with a budget of \$732.2 million.

Gold Still Accounts for the Largest Share of Global Budgets

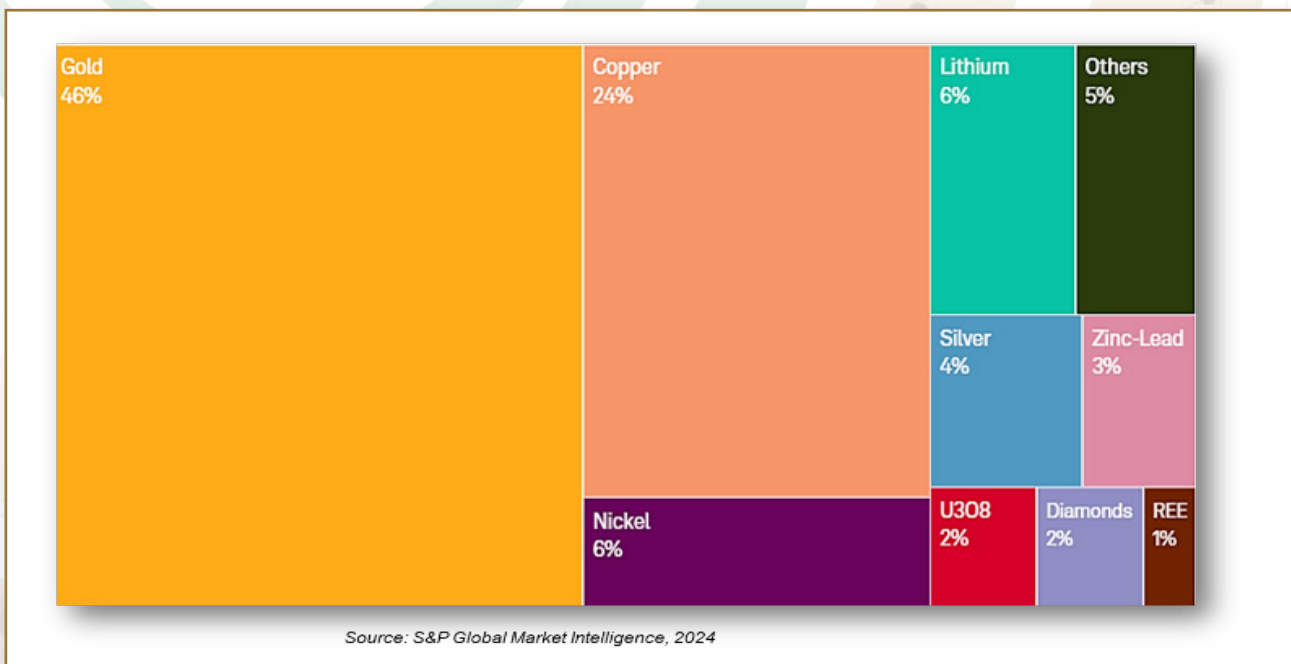


Figure 4: Saturation of global budget share by commodity

Summary Overview | South Africa Exploration Trends

South African exploration spending reached \$117.4 million, less than 1% of global exploration spending in 2023 (see Figure 5). South Africa's share of global exploration dollars has been consistently below 1% for three consecutive years and nowhere near the more than 5% two decades ago. Despite the year-over-year development capital increases, exploration budgets have lagged lately, with the 2023 budget of \$117.4 million only being a third of the 2012 peak of \$322.5 million.

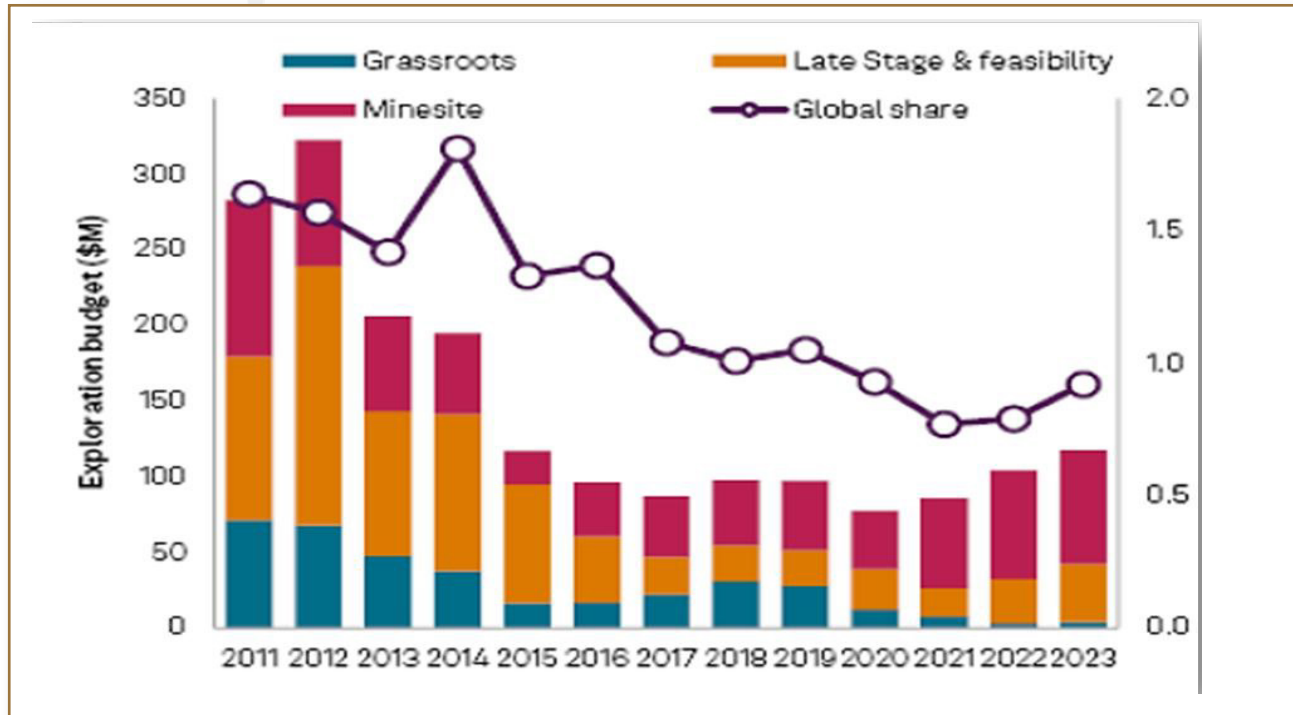
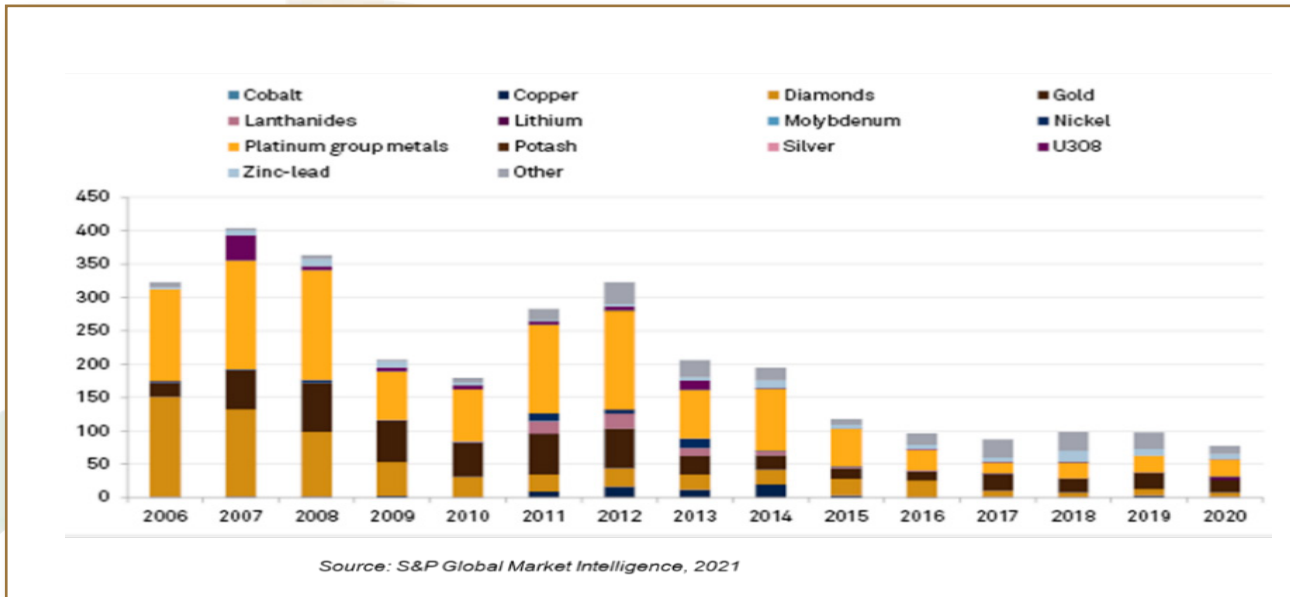


Figure 5: SA Exploration Trends. (Source: S&P Global Market Intelligence, 2024)



South Africa Non-Ferrous Exploration Budgets (\$)

- The total funds raised by junior and intermediate companies in 2023 was USD11.62-billion (down 4% from 2022), with juniors' exploration budgets sitting at USD5.6-billion (down by 5% since 2022).
- South Africa's Department of Mineral and Petroleum Resources (DMPR) **established a R400-million fund to support exploration by junior miners over a number of years.**
- In 2019 the SA government set itself a target to attract 5% of global exploration spending within 5 years.
- This means that by next year SA should attract about US\$636m or R12bn in annual investment to achieve the target



- up from the current US\$117 m or R1.9bn.

Figure 6: SA Non-Ferrous Exploration Budgets

National Economy | Gross Fixed Exploration Capital Formation

Although mining exploration has declined between 2015-2023, **gross fixed capital formation (investment in plant and machinery) increased by 17,33%** during the same period (see Figure 7). The **2023 development capital investment in South Africa** witnessed a **continued recovery**, up 133% to a five-year high of \$1,985.5 million from \$1,068.4 million in 2020, supported by investment in gold and PGMs.

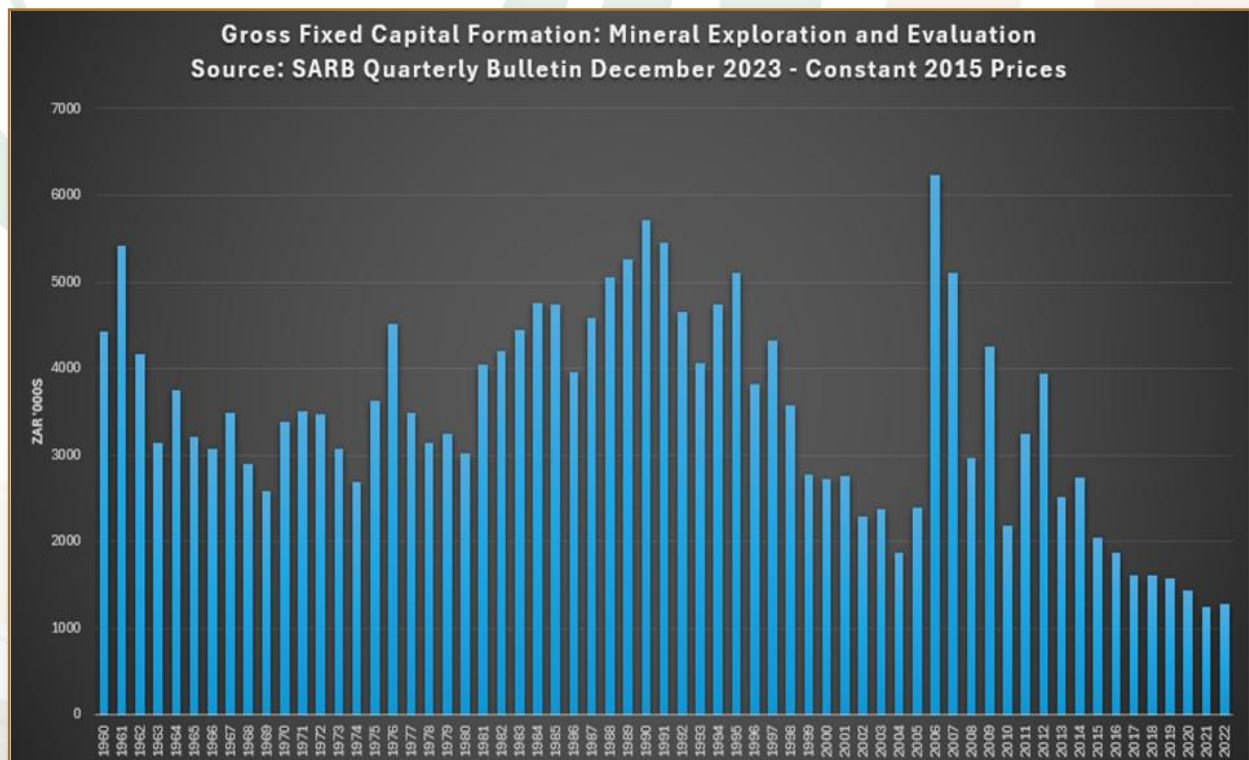


Figure 7: Gross Fixed Exploration Capital Formations.

(Source: AmaranthCX (www.amaranthcx.co.za), (2023)

Development Projects in South African Mining

The majority of South Africa's **late-stage (construction) development projects** are concentrated in the **Limpopo** (PGMs, vanadium and diamonds) and **Northwest** (PGMs), **Gauteng** and **Free State** (gold) and **Mpumalanga** (gold, lead and zinc) provinces (see Figures 8 and 9).

Some of the key active late stage and producing mines as presented below:

1) **Venetia Underground Project (VUP):**

This is operated by De Beers. The Venetia mine recently transitioned from an open-pit operation to an

underground mine, with production expected to ramp up fully by 2026. It is projected to extend the mine's life to 2046, generating millions of carats of diamonds annually (De Beers, 2024).

2) **Mogalakwena Mine:** Mogalakwena is expanding its power infrastructure, with plans to generate renewable energy by 2024 (MINING.COM).

3) **Mponeng Mine:** Operated by Harmony Gold, the mine continues to expand underground to reach deeper gold-bearing zones (MINING.COM).

South Africa's pipeline is healthy due to PGMs, gold (Au), coal and lead (Pb) projects.

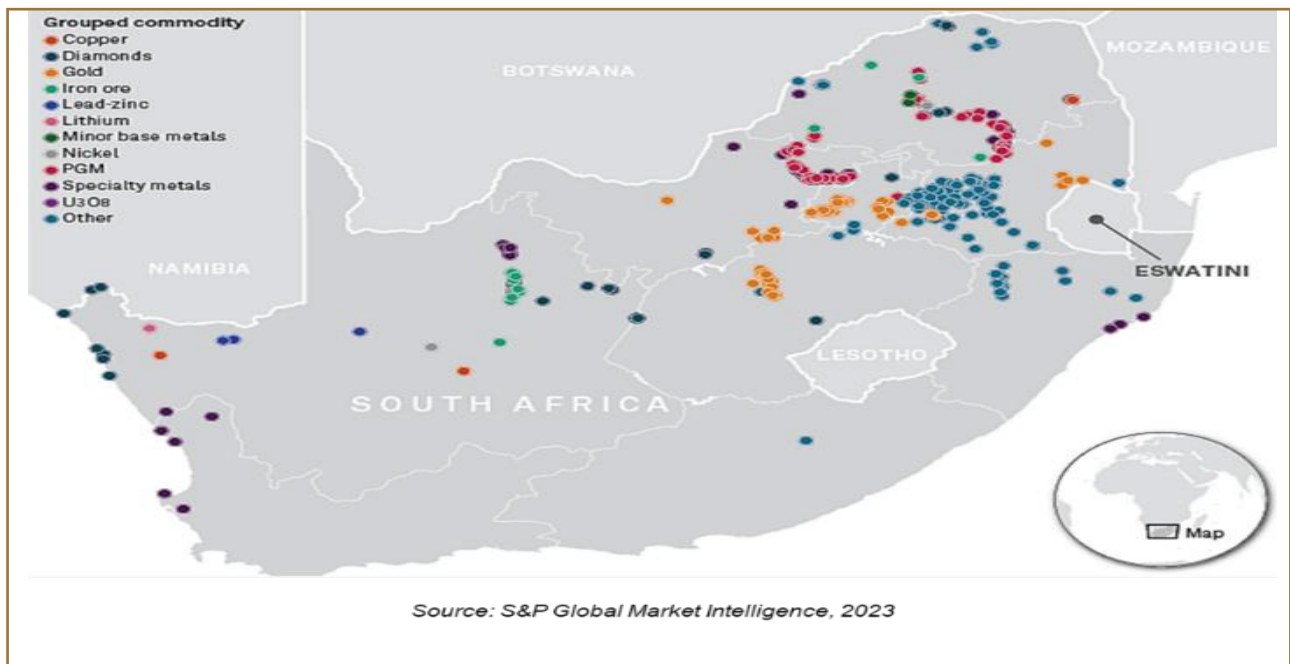


Figure 8: Saturation of Development Projects in SA Mining

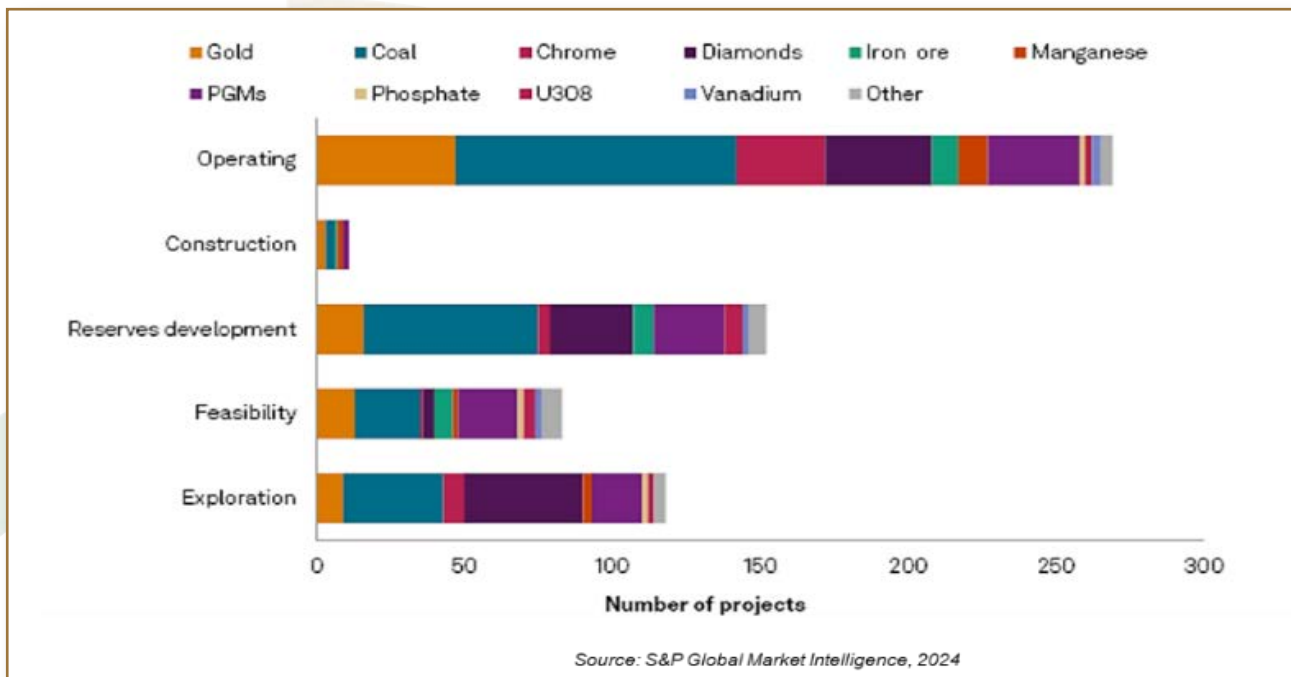


Figure 9: South African Development Projects

MINING PRODUCTION AND PERFORMANCE

Mining Production | South Africa (various commodities)

The total mining production decrease by 9.4 percentage points between 2015 and 2023 (see Figure 10). The decrease in total mining production was widespread and mainly led by production of gold and diamonds. The production of coal, PGMs and iron ore declined slightly, while the production of chromium realised positive growth in the same period. The decline is largely attributable to a number of factors such as bottlenecks in transport and ports logistics infrastructure as well as in electricity supply.

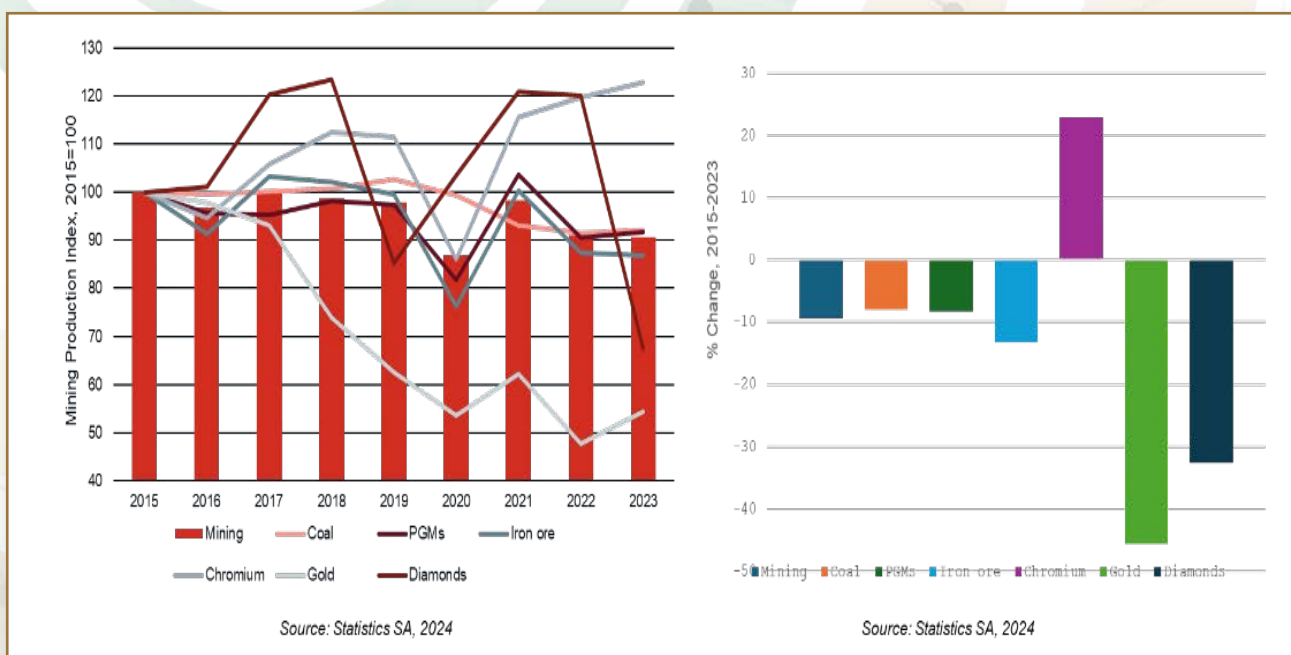


Figure 10: South African Mining Production (Various Commodities)

Total mining production increased slightly to 387 million tonnes in 2023 from 385 million tonnes in 2022 (see Figure 11). Total mining production reached a peak of 423 million tonnes in 2019. Total mining production was **0.4% higher in 2023** compared with 2022. The 0.4% increase in annual mining production was preceded by a decrease of 7.2% in 2022 and an increase of 12.7% in 2021.

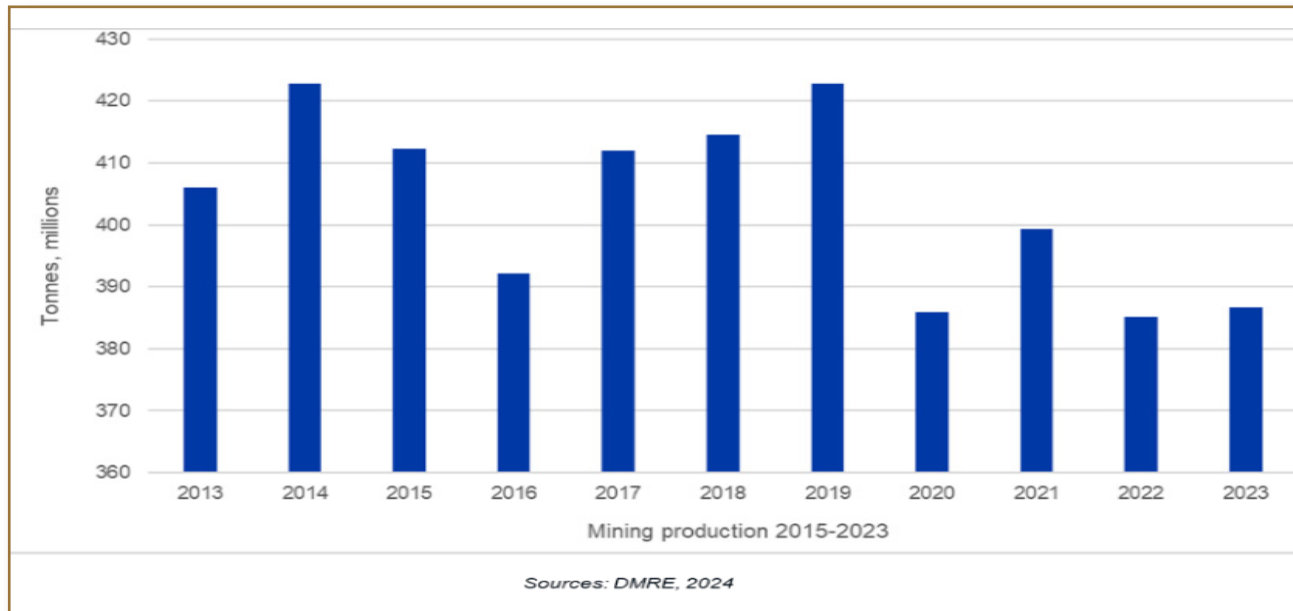


Figure 11: Total South African Mining Production



National Economy | Mining Sales (various commodities)

Mining sales of PGMs and Coal realised the biggest average sales between 2015 and 2023. Of the sampled minerals, chromium realised the least average sales between 2015 and 2023 together with iron ore and gold, in the same period (see Figure 12).

There was an increase in mining sales and revenue of 152.8 percent between 2015 and 2018. Subsequently, PGMs realised a spike in growth of sales in 2021 while growth in the rest of the minerals increased steadily between 2015 and 2023. Mining industry realised the challenges of power disruptions by Eskom as well as inadequate rail and port services provided by Transnet, which constrained export sales coupled with lower commodity prices, in particular, export prices of PGMs and Coal.

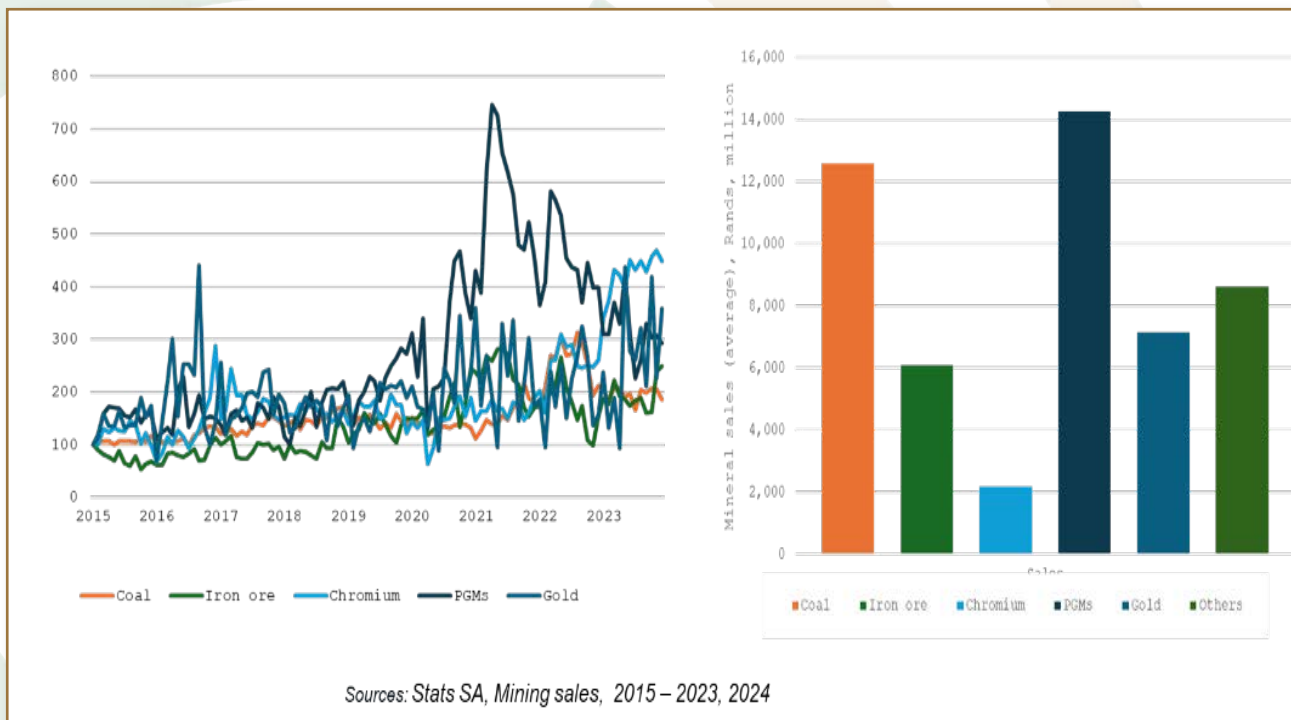


Figure 12: South African Mining Sales (Various Commodities)

Total Mining Sales | South Africa

South Africa's mining production increased slightly to 386.7 million tonnes in 2023 from 399.2 in 2022. Mining production was volatile between 2013 and 2023 peaking at 422.9 million tonnes in 2014 and 2019 (see Figure 13).

The country's mining production underperformed between 2020 and 2023 due to a combination of factors, including supply chain disruptions during the onset of Covid-19 in 2020 as well as the lower commodity prices in some key mining subsectors which culminated in declining mining production and exports. The challenges of power disruptions by Eskom as well as inadequate rail and port services provided by Transnet also constrained South Africa's mining production in the same period.

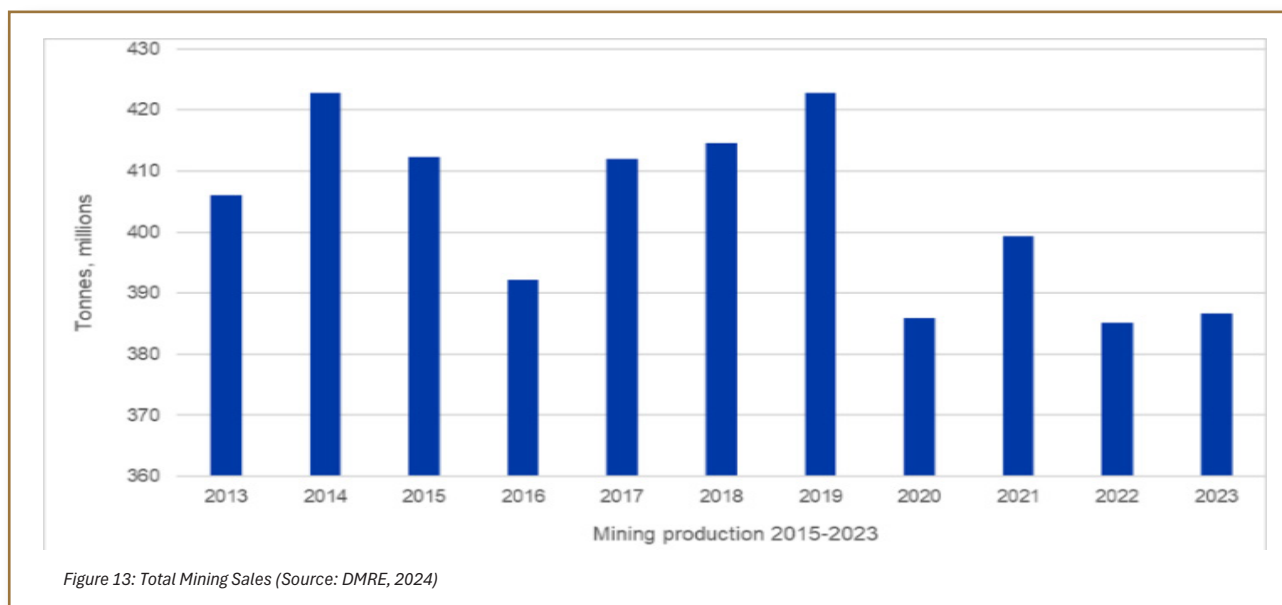


Figure 13: Total Mining Sales

(Source: DMRE, 2024)

Total Mining Exports | South Africa

The volume of mineral sales increased to 412.6 million tonnes in 2023 from 423.5 in 2022 (see Figure 14). Mineral sales decreased between 2020 and 2023, in line with the onset of the Covid-19 pandemic and the resulting value chain disruptions worldwide which negatively affected the minerals market. Mineral sales peaked in 2015 and 2019 at about 450.0 million tonnes, while the sales of minerals were lowest in 2020 at 411.9 million tonnes. Total value of mineral sales decreased to 735,033 billion rands in 2023. The value of mineral sales increased progressively from 2013 reaching a peak in 2022 at 839,003 billion rands in 2022. The decrease in mineral sales between 2020 and 2023 is attributed to the Russia-Ukraine war and the fall in commodity prices, over and above the onset of Covid-19 in 2021.

The volume of export was at its lowest in 2023 (in the period 2013-2023). However, it was stable between 2022 and 2023. While the **value of exports has been increasing from 2015 to 2022**, which was at its peak. Further, there was huge decrease from 2022 to 2023, the change in export prices played in huge role in this decline.

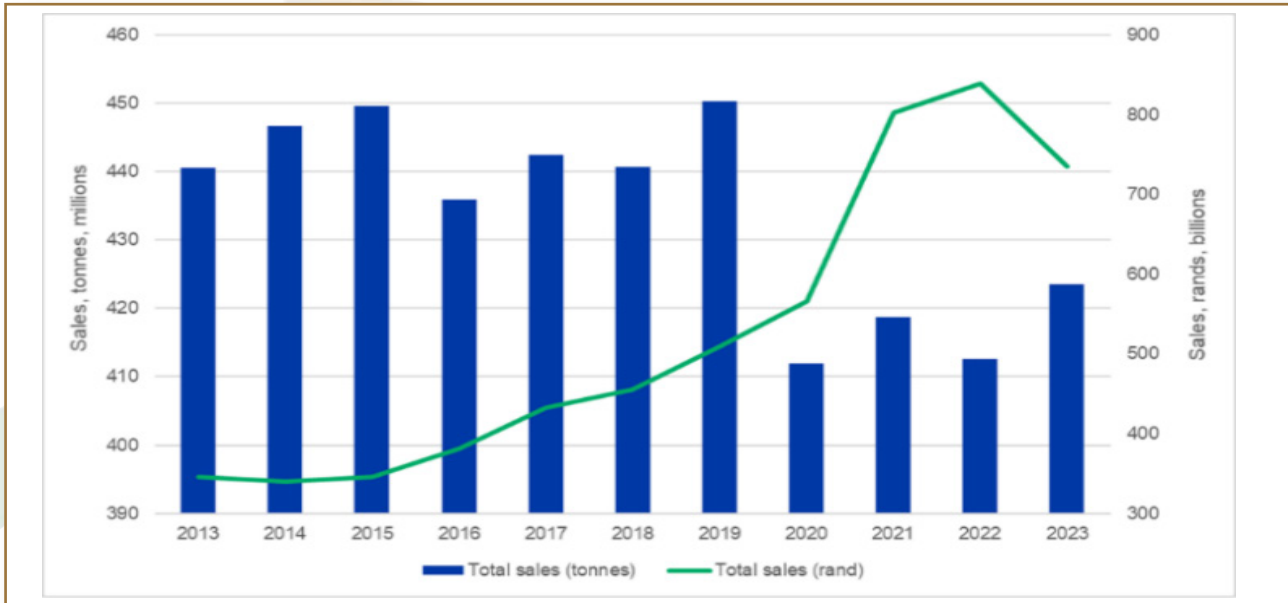


Figure 14: Total Mining Exports

(Source: DMRE, 2024)

National Economy | Mining Prices (various commodities)

There was an increase in commodity prices between 2015 and 2023 by 45 percentage points, while the price indexes increased by 64 percentage points (see Figure 15).

Consumer Price Index (CPI) and Producer Price Index (PPI) increased by 73 percentage points and 57 percentage points, respectively, between 2015 and 2023. Any rally in commodity and metals prices was eroded by the rising input in costs of, inter alia, **production inputs** and **wage indexation** to match rising cost of living of mining industry employees. This is indicated by the rising CPI and PPI indexes, respectively.

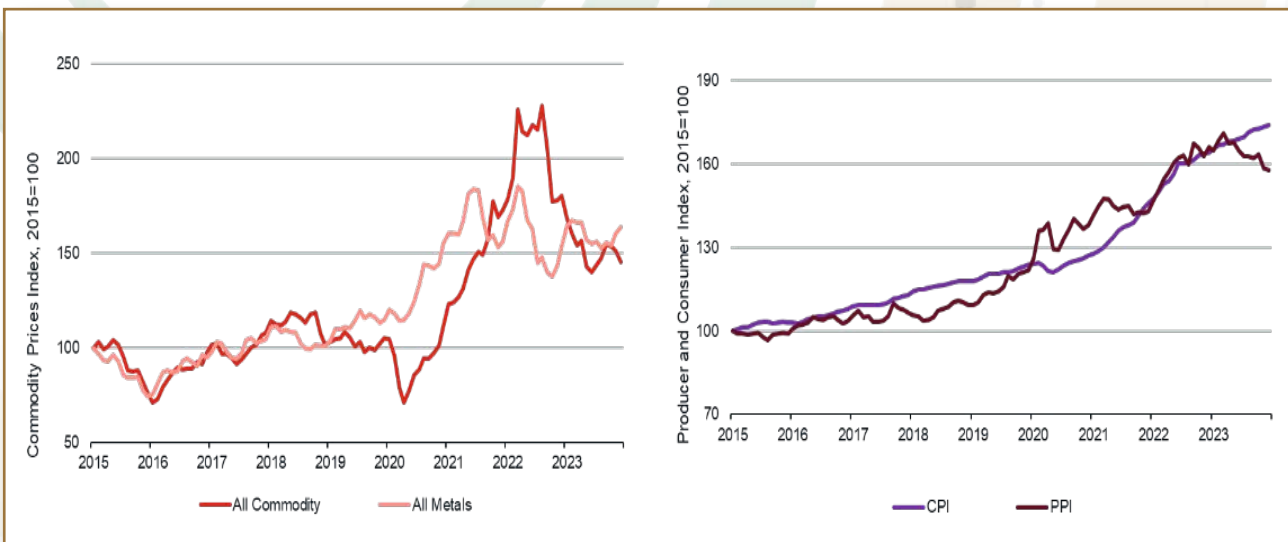


Figure 15: Mining Prices

(Source: Statistics SA, 2024)

National Economy | Gross Fixed Capital Formation

South Africa's Gross Fixed Capital Formation was 82,909.03 million rands in 2023. The indicator reached a peak in 2019 at 91,822.83 million rands. The average Gross Fixed Capital Formation averaged above 70,000.00 million rands between 2018 and 2023, while it realised little decrease during the Covid 19 period in 2020 and 2021 (see Figure 16). The smallest value of Gross Fixed Capital Formation was recorded in 2016 with the value of about 54,000.00 million.



Figure 16: Gross Fixed Capital Formation

(Source: Stats SA, 2024)

Employment Trends | Employment Numbers per Different Sectors

The employment situation is improving from the labour losses as a result of Covid-19 between 2020 and 2021 (see Figure 17). **The Mining industry was better able to save jobs during the crisis compared to the other sectors** where employment numbers have more than recovered in 2023 and are currently higher compared to 2019. The mining sector currently accounts for about **3.0 percent of total employment**, ahead of the Utilities sector.

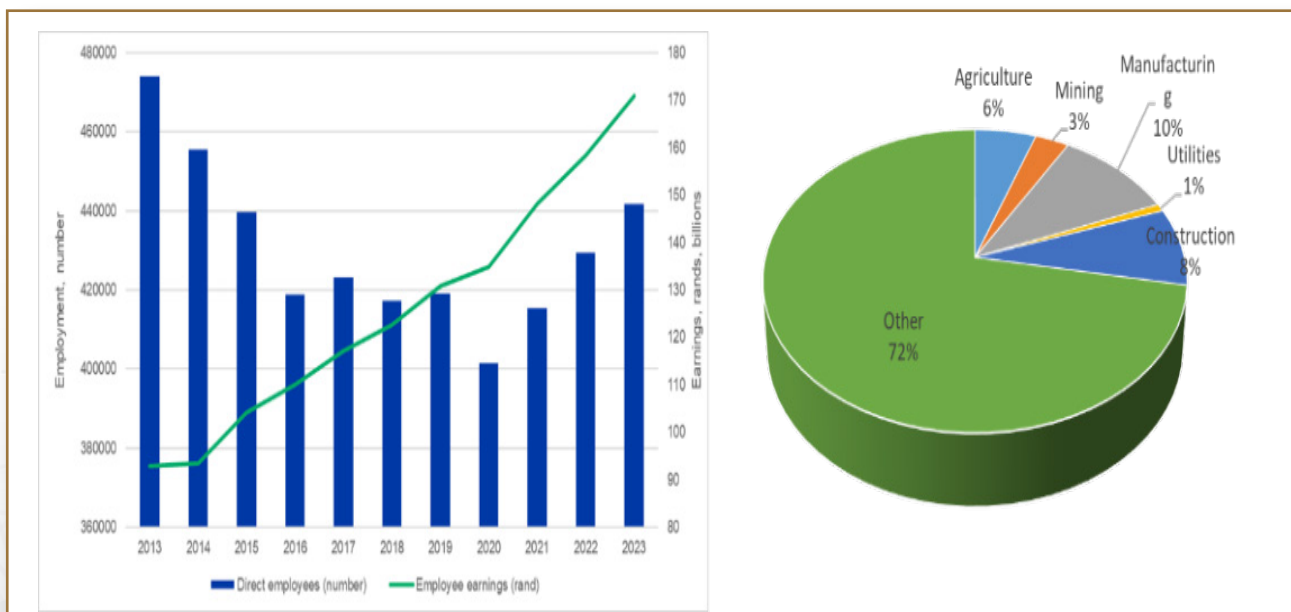


Figure 17: Employment Figures

(Source: Stats SA, Number of Employees, 2015 – 2024, 2024)

Total Mining Employment - South Africa

The mining industry is an important part of the South African economy. In 2022, a total of 475,561 people were employed by South Africa's mining industry (see Figure 18). This figure has remained relatively stable in recent years. The country's platinum group mines accounted for the largest share of overall mining employment in the year under review.

As of 2023, the industry contributed around 202.1 billion South African rand to the country's GDP and employed a total of 477,000 people. In 2023, women comprised 19% of the total full-time workforce. A survey of one year of reports from 12 of Minerals Council members across five commodities estimates that **mining companies spent more than R5.18 billion on training and development in a single financial year** with an estimated value of between R13,500 and R21,700 per full-time employee.



Figure 18: Total Mining Employment

(Source: DMRE, 2024)

Employment Trends in the Mining Industry

In 2023, PGMs, gold and coal sectors account for 78 percent of total mining industry employment, with PGMs being the leading sector in terms of employment (see Figure 19).

While gold was the top employing sector in 2000 with a share of 52 percent, employment in the gold sector has declined resulting in its share dropping to 20 percent in 2023.

Employment in PGMs and coal has increased significantly with the former increasing by a bigger amount, while **manganese, iron ore and chrome** have **registered over 200 percent increase in employment**.

However, in absolute terms, their job numbers have increased by much less compared to PGMs and coal.

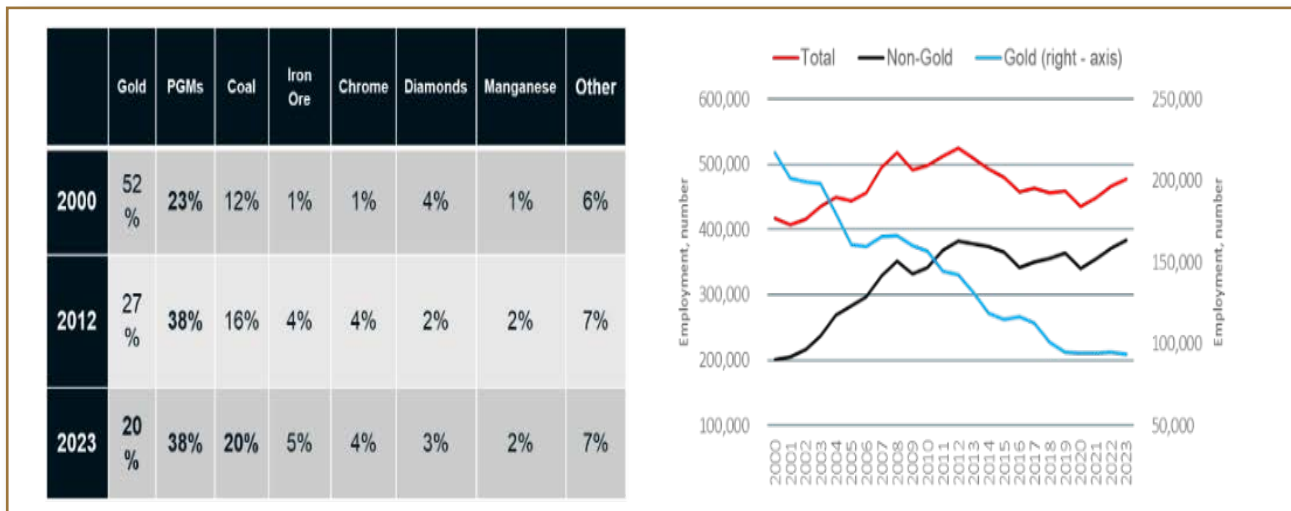


Figure 19: Employment Trends

(Source: DMRE, 2024)

CONCLUSION

Unlocking South Africa's mineral resources requires an integrated effort across all enabling dimensions.

South Africa Mineral Deposits

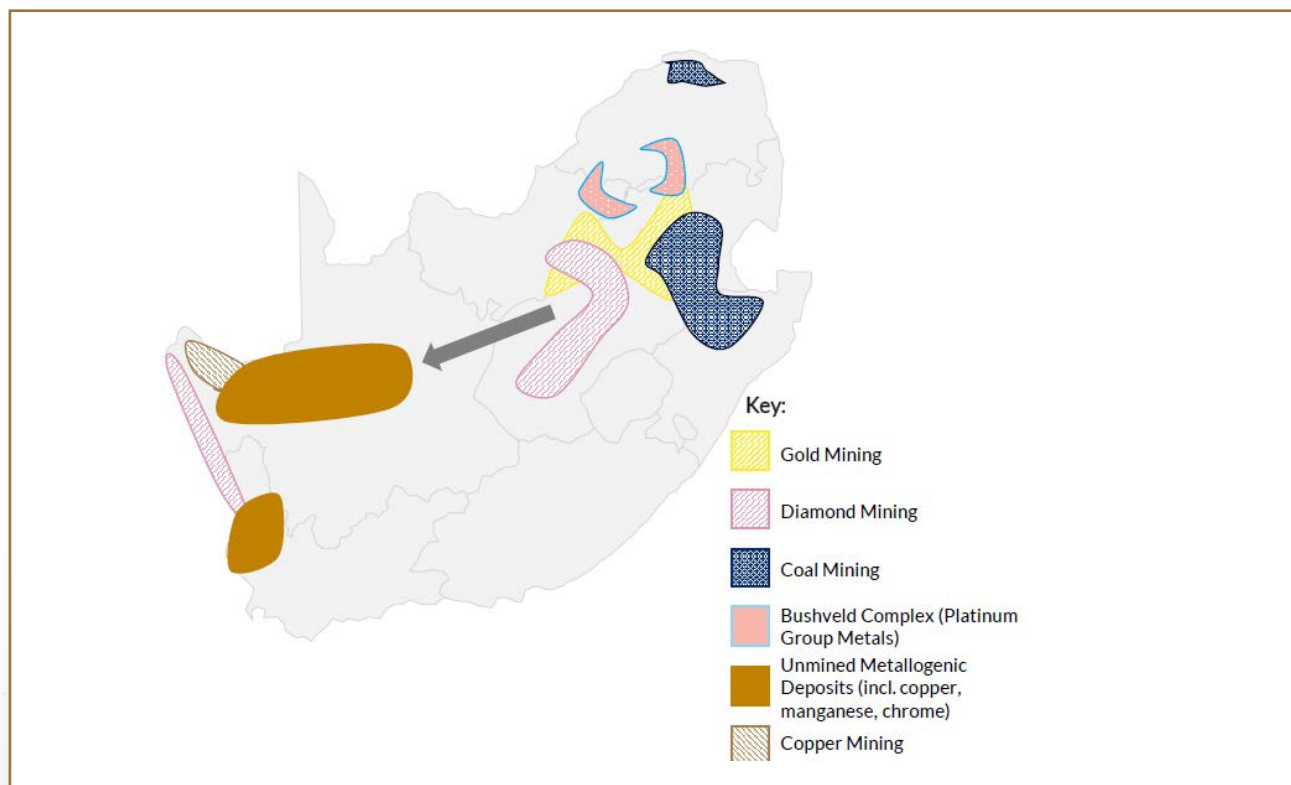


Figure 20: South Africa Mineral Deposits

(Source: SA Council for Geosciences | Mining Weekly | Mineral's Council South Africa)

With an endowment of key mineral resources, and a long history of mining, as well as the know-how to scale up exploration, extraction, and processing of minerals, South Africa's mining industry can continue to be a contributor to the country's economy. Much so with the emergence of critical minerals.

However, the sector has to overcome these following challenges:

- High capital costs in the mining value chain create significant barriers
- Established companies often have long-standing contracts with buyers, making it difficult for new entrants to secure contracts and gain markets
- Host communities often perceive mining companies as exploiting resources without contributing to local development
- Insufficient exploration funding (dropped from R3.9b in 2012 to R1.3b in 2022) and limited geological data hinder new mineral discoveries
- The westward shift of mining operations necessitates infrastructure
- development and a just transition for coal-dependent communities

Furthermore, the following key enabling dimensions should be addressed:

- Unlocking prospecting & exploration - Capital & Investment, Regional & Local Partnerships, Institutions & Governance and Policy, Legislative & Regulatory dimensions
- Beneficiation - Infrastructure, Institutions & Governance for R&D (e.g. Sanedi & Mintek)
- Junior mining enablement: Integrated effort across all enabling dimensions as it requires the creation of an enabling ecosystem.

PETROLEUM SECTOR

BACKGROUND

The global shift towards renewable energy sources is reshaping the petroleum landscape, with increasing pressure on fossil fuel dependency. Countries around the world are implementing policies aimed at reducing carbon emissions, which directly impacts the demand for oil and gas. As developed nations accelerate their transition to cleaner energy, South Africa must navigate the complexities of maintaining its petroleum sector while aligning with global sustainability goals.

International market fluctuations and geopolitical tensions, such as the ongoing conflict between Russia and Ukraine, have significant implications for oil prices and supply chains. These dynamics can lead to volatility in the petroleum market, impacting South Africa's ability to secure stable and affordable energy supplies. Furthermore, the country's reliance on imported petroleum products makes it vulnerable to global price shocks and supply disruptions, necessitating a strategic approach to energy security.

Collaboration with regional partners is essential for securing alternative energy sources and ensuring energy security amidst declining local gas reserves. South Africa's energy strategy must include partnerships with neighbouring countries to develop infrastructure that facilitates the import and export of energy resources, thereby enhancing regional energy security and stability.

Environmental regulations in the region may influence South Africa's petroleum exploration and production strategies. As neighbouring countries adopt stricter environmental policies, South Africa may need to adjust its practices to remain competitive and compliant. This could involve investing in cleaner technologies and practices that minimise environmental impacts, thereby aligning with regional sustainability goals.

The petroleum sector grapples with regulatory uncertainties, which deter investment and complicate operational planning. Ambiguities in new legislation and inconsistent policy enforcement create an unpredictable environment for companies looking to invest in exploration and production. This uncertainty can lead to delays in project approvals and increase the costs associated with compliance, ultimately affecting the sector's growth potential.

Infrastructure challenges, such as aging refineries and inadequate distribution systems, threaten the efficiency and reliability of petroleum supply in South Africa. The decline in local refining capacity has raised concerns about the country's ability to meet its domestic energy needs, prompting calls for revitalisation and investment in refining facilities. Additionally, the logistics of transporting petroleum products remain a critical issue, as outdated infrastructure can lead to inefficiencies and increased costs.

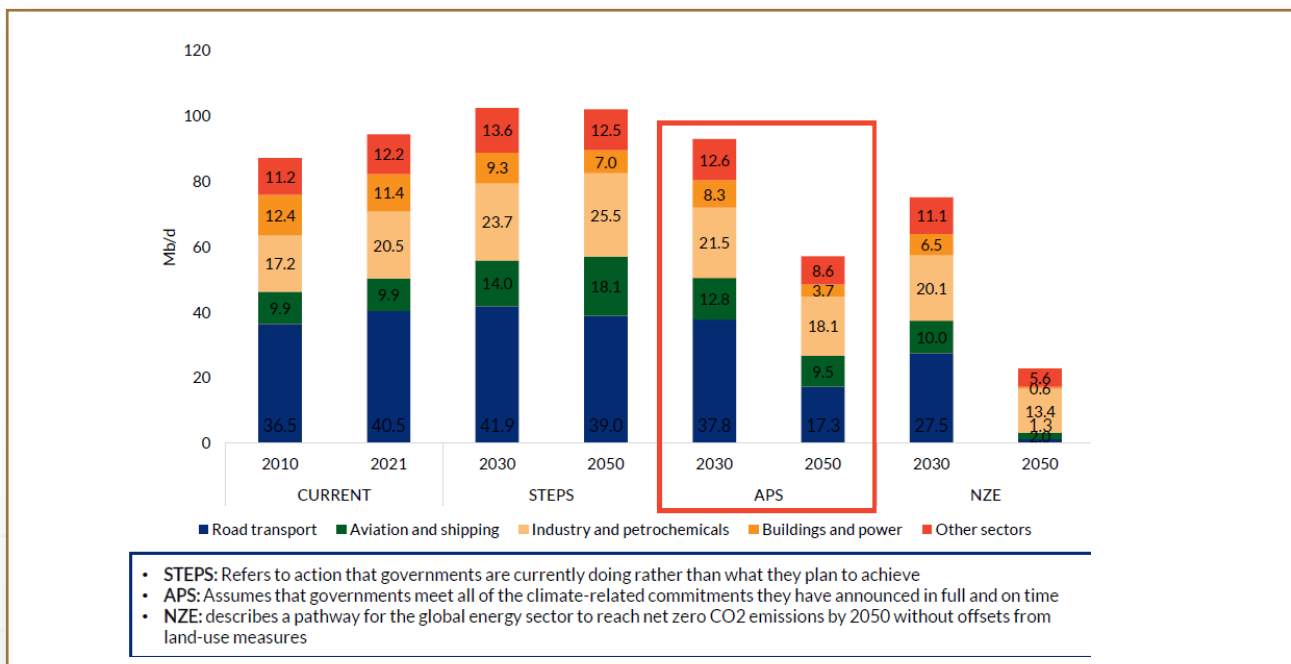
The rise of illicit activities, such as illegal fuel imports and blending, poses a significant threat to the formal petroleum sector.

These activities undermine government efforts to regulate the market and ensure quality control, leading to lost revenue and diminished public trust. Combating illegal practices requires a coordinated approach involving law enforcement and regulatory agencies to safeguard the integrity of the petroleum market.

GLOBAL VIEW

The world is projected to need 60 million barrels of oil per day in 2050 (Announced Pledges Scenario). The oil demand in road transport modes expected to fall sharply, with EVs accounting for more than 75% of passenger car and truck sales in 2050. More oil to be used in petrochemicals and aviation in 2050 than it was in 2022. Approximately 3% annual decline in oil well productivity means 40Mb/d of supply available in 2050. This will necessitate the discovery and development of new oil discoveries as there will be supply gap over the long term.

Global Liquid Fuel Demand by Scenario



Source: IEA World Energy Outlook 2023 STEPS: Stated Policies Scenario APS: Announced Pledges Scenario NZE: Net Zero Emissions by 2050, AIA International advisers Nov 2025.

With regards to refining capacity, the figure below shows that refineries worldwide are prioritising scale and switching flexibility to mitigate risk.

Global Mega Refineries

Name	Location	Owner	Capacity (bpd)
Jamnagar Refinery	Gujarat, India	Reliance Industries	1 240 000
Carbon and Amuay Refineries	Paraguana Refinery Complex Venezuela	Petróleos de Venezuela (PDVSA)	971 000
Ulsan Refinery Complex	South Korea	SK Energy	840 000
Ruwais Refinery	Abu Dhabi	Abu Dhabi National Oil Company (ADNOC)	837 000
Yeosu Refinery	Jeollanam, South Korea	GS Caltex (Chevron and GS Energy)	800 000
Onsan Refinery	Ulsan, South Korea	Operated by the S-Oil Corporation Inc and owned by Saudi Arabian Oil	669 000
Motiva refinery	Port Arthur, Texas, USA	Motiva	640 000
Al-Zour Refinery	Kuwait	Kuwait Integrated Petroleum Industries Co	615 000
Singapore Refinery	Jurong Island, Singapore	ExxonMobil	605 000

Source: IQPC

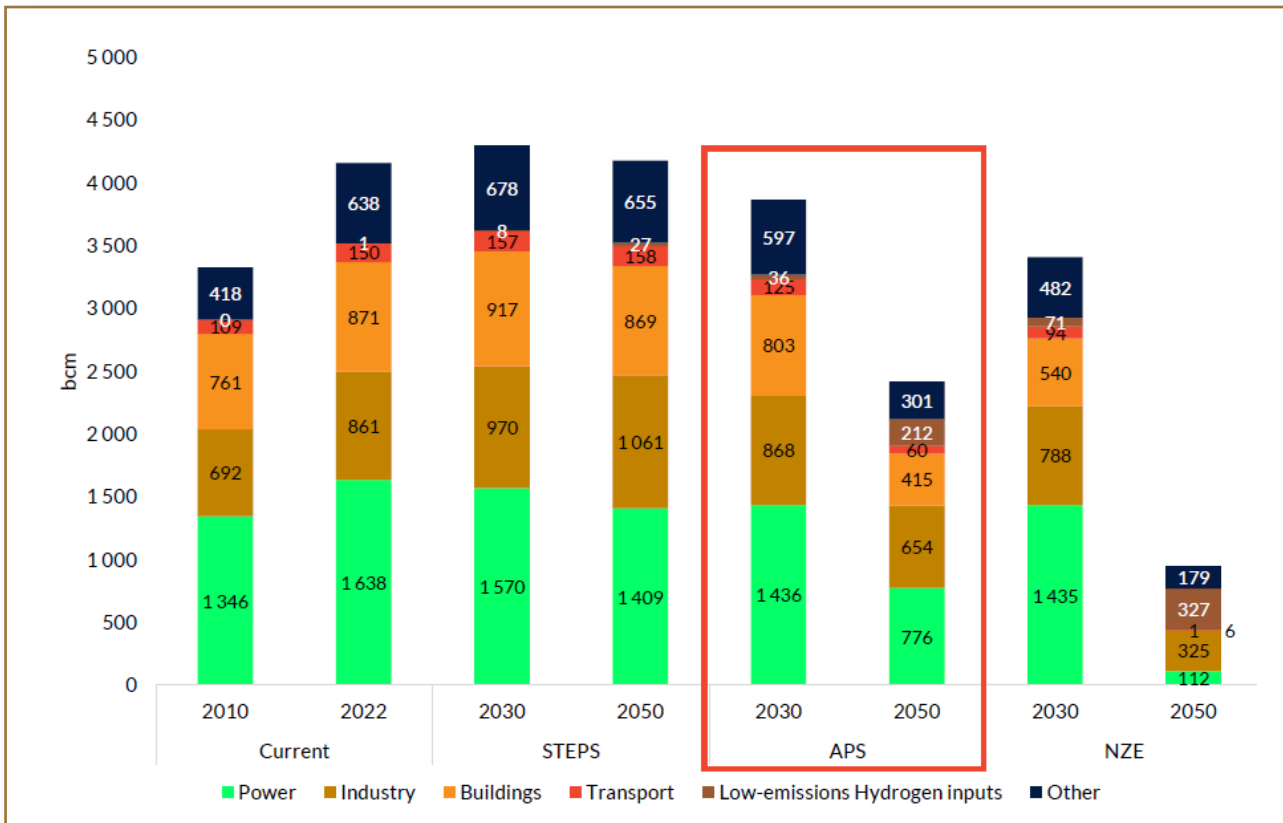
The following insights can be drawn from the information stated above:

- Global refining capacity is expected to reach 103.8 million bpd in 2023
- By region, Asia has the highest number of new refinery project at 149 followed by Africa with 77 projects and Middle East with 74 projects
- Most new refinery projects consist of mega refineries with capacities above 500 000bpd, providing economies of scale

- Modern refineries can switch production between different fuels depending on demand without significant impact on their economics

With regards to natural gas utilisation is expected to remain significant, driven by higher gas use in industry. Exploration remains key.

Natural Gas Demand by Scenario



Source: IEA World Energy Outlook 2023 STEPS: Stated Policies Scenario APS: Announced Pledges Scenario NZE: Net Zero Emissions by 2050

Key insights, as given by the Africa International Advisers, show the following:

- Aggressive Announced Pledges Scenario transition predicts ~2500 bcm demand in 2050. This demand is largely supported by high gas use in industry and power generation.
- Gas plays an increased role in power generation to backup variable renewable energy
- Gas utilisation in industry expected to remain high due to increased need for petrochemicals and cleaner forms of heat
- The expansion of green hydrogen is anticipated over the long term which may offset other heat sources including natural gas

DOMESTIC VIEW – SOUTH AFRICA

South Africa has a well-developed petroleum industry involved in importing, producing and distributing petroleum products for its domestic market and abroad. Petroleum products play a critical role in South Africa, supporting the smooth functioning of the economy and enabling people to go about their daily lives.

Petroleum can be used as a fuel and as a feedstock for products across many sectors in the economy: petrol for transportation; diesel for transportation and equipment, and for electricity generation during peak periods; kerosene jet fuel for powering jet engines of aircraft; illuminating paraffin for lights and cooking; Liquid Petroleum Gas (“LPG”) for heating, cooking, industrial processes and agriculture; bitumen for paving and construction; lubricants for vehicle and machinery lubrication; fuel oil for powering merchant ships and for industrial steam and hot water boilers.

South Africa consumes more than 25 billion litres of petroleum products each year, facilitated by imports and its three operational refineries. The country boasts 3,800 kilometres of pipeline for transporting crude oil and fuel products, along with approximately 5,200 retail petrol stations, depending on definition employed.

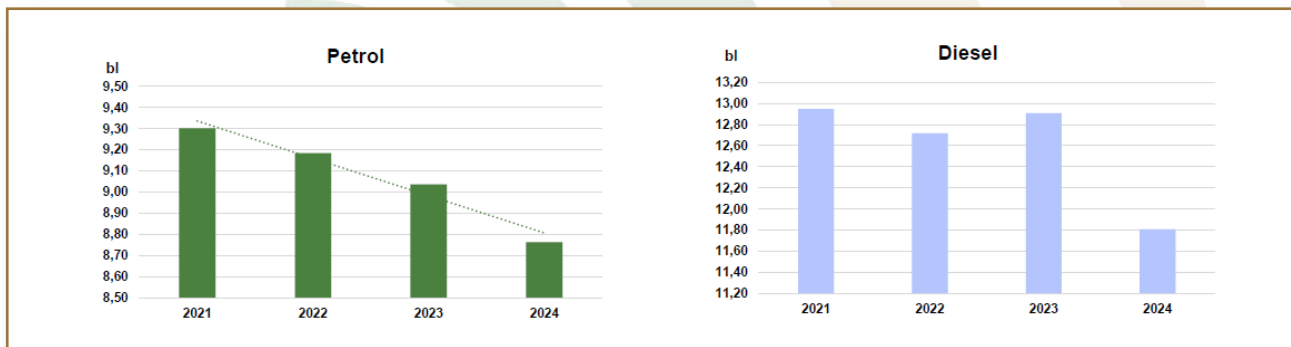
According to FTI consulting quarter 4, 2004 report commissioned by FAISA published the following stats:

petroleum industry supported R163 billion (3.2%) in gross domestic product ("GDP"),

247,772 jobs, and R94 billion in capital. The study found that: The industry directly contributed R139 billion in GDP, for every R1 contributed directly to GDP, a further R1.59 was supported elsewhere in the economy.

The industry supported 1.5% of total employment. For every one job in the industry, a further 1.52 jobs were supported elsewhere in the economy. For every R1 of capital investment, the industry added another R1.5 to GDP.

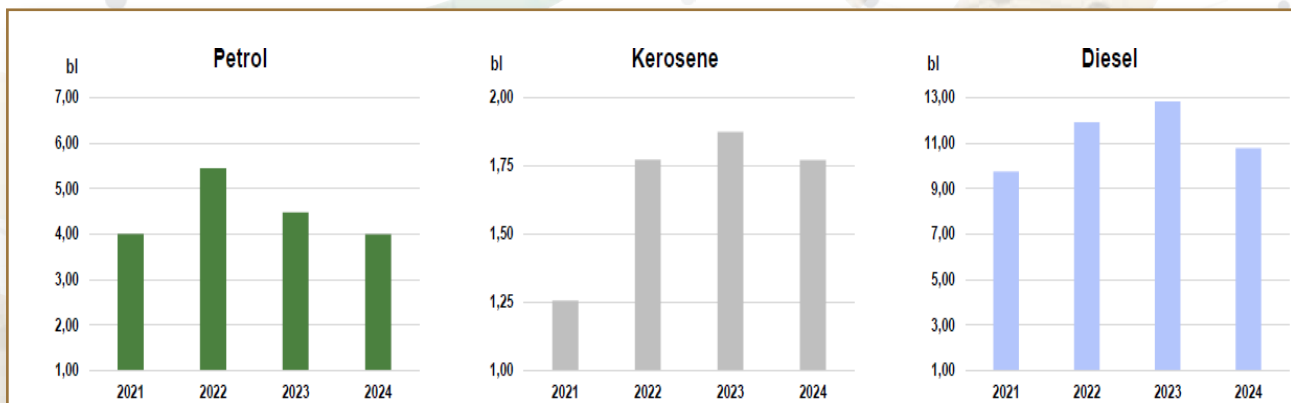
Demand for Petroleum Products in South Africa



Source: FAISA, 2025

Insights on the SA demand for Petroleum Products

Petrol demand continues to trend downward – sales for 2024 show a 3% decline from 2023 demand. The Long-term trend (since 2010) shows CAGR (Compound Annual Growth Rate) of -2% a decrease of 3 bl over the period. This decline expected to continue. The Petrol demand is down despite increase in passenger vehicles since 2010 of ~70%. This is attributable to technology improvements which will be accelerated by increased uptake of NEVs, hybrids. Diesel demand significantly dropped by 8.5% from 2023 records. The Long-term trend (since 2010) shows CAGR of +0.9%. The drop from 2023 is largely attributable to improvement in the Eskom EAF requiring less use of the OCGTs. The true demand for long term is estimated at 0.9%.



Source: FAISA

Petrol Imports

The Imports of petrol down 11% in line with reduced demand. 95% of petrol imports through Durban with the majority of the balance through Cape Town and then Mossel Bay.

Kerosene Imports

The Imports of kerosene (marked / unmarked) still at very high levels with almost all unmarked kerosene through Durban. Marked kerosene imports in Durban only recorded for Nov / Dec 2024.

The jet fuel market is showing signs of recovery as aviation kerosene imports increased by 6% from 2023.

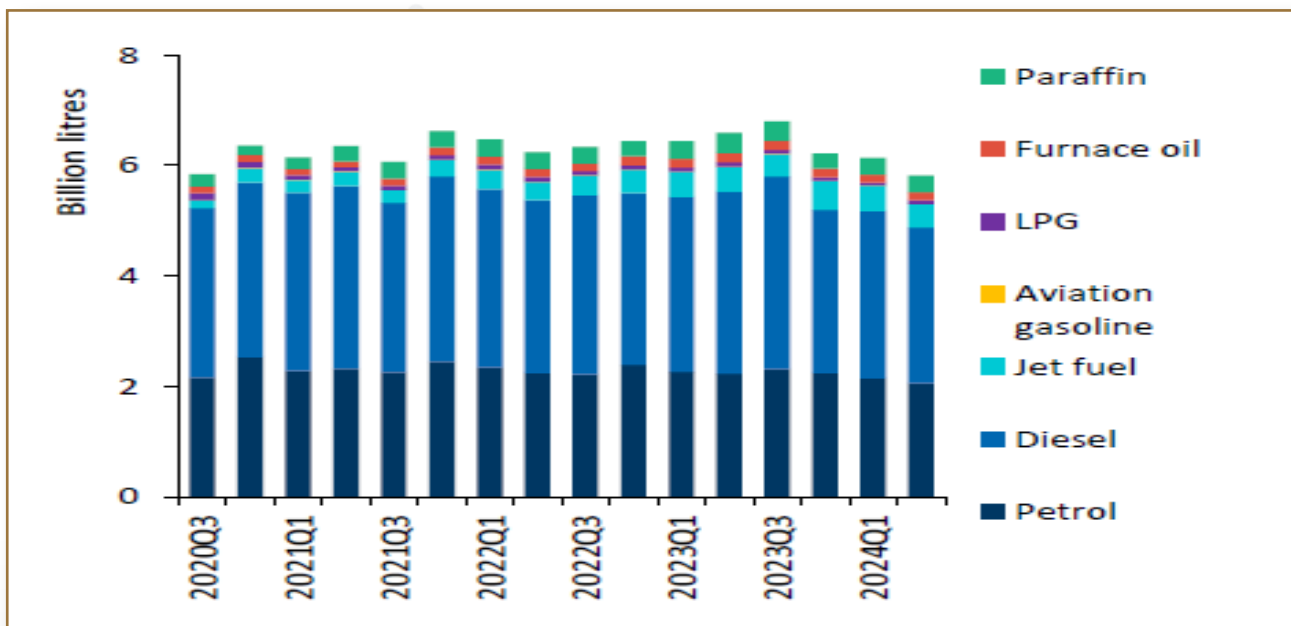
Diesel Imports

The Imports of diesel declined 16% in line with reduced demand mostly due to Eskom's improved EAF. 74% of imports through Durban majority of the balance through Cape Town, Mossel Bay. Richards Bay and Lebombo.

The demand for petroleum products is influenced by a wide range of factors, including but not limited to:

- **Economic factors:** Economic growth, income levels, fuel prices and government policies.
- **Population factors:** Population growth, population density and urbanisation.
- **Transportation factors:** The number of vehicles, fuel efficiency, public transport infrastructure and technology.
- **Other factors:** Weather, technology, environmental impact and geopolitical events.

The figure below illustrates the consumption of different petroleum products in South Africa over time. In 2024 Q2, petrol accounted for 35% and diesel for 49% of total consumption. Notably, overall consumption has declined steadily since 2023 Q3, driven by decreases in petrol, diesel, and jet fuel usage.

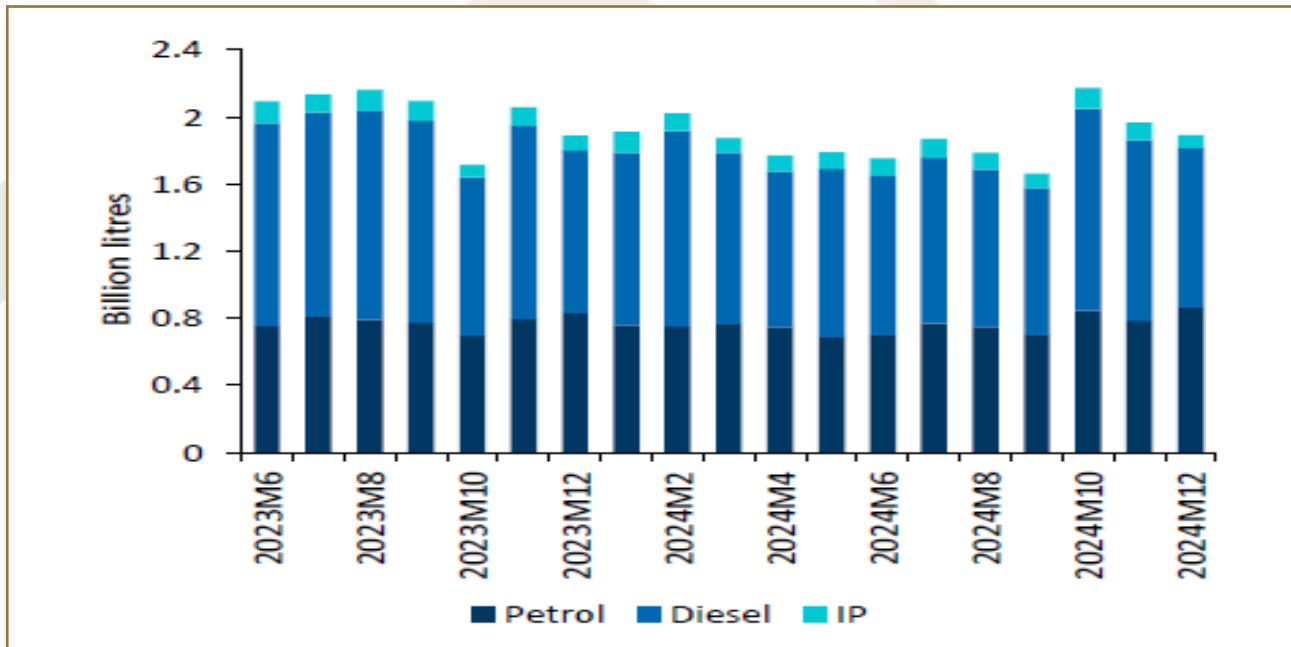


Source: DMRE Economics Statistics, FTI consulting

Demand for petroleum products is concentrated in the inland region and especially Gauteng. According to the most recent available data, in 2022, the inland provinces accounted for 52% of local petrol, diesel and kerosene consumption, while KZN accounted for 19%, and the other coastal provinces for 29%.

Supply of Petroleum Products in South Africa

To meet demand, products are supplied either locally through refineries, which utilise crude and coal to liquid to manufacture refined products, or through imports. As reported by FAISA, the graph below reflects the reported estimated quarterly volumes of the large oil companies in South Africa, which account for the bulk of volumes.



Source: FAISA Q4, 2024 Quarterly Report

Price of Petroleum Products

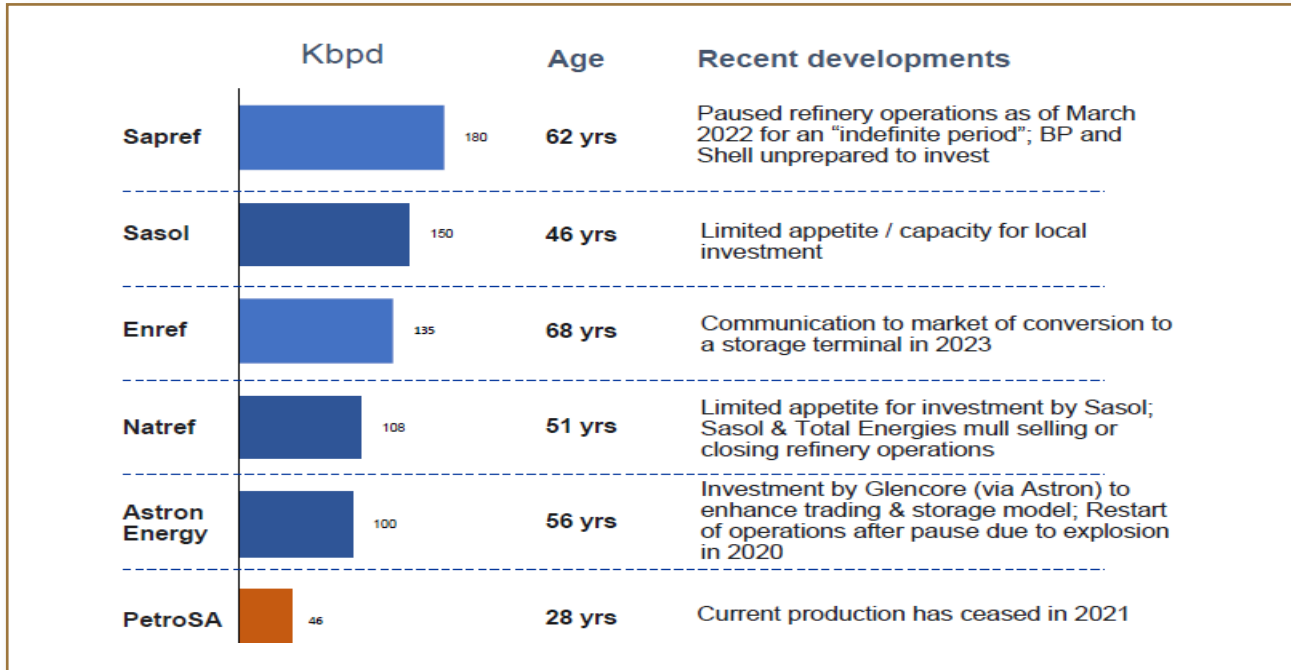
The Department regulates the maximum wholesale price of diesel and the retail (pump) price of petrol, by grade and location. The regulated prices are made up of several international and domestic price components:

Basic fuel price ("BFP" – 47%): Market-related cost to import products and transport them to South Africa.

- **Taxes and levies (29%):** Fuel Tax, road accidents fund, petroleum pipelines, customs and excise tax, tracer dye (diesel), equalisation fund (petrol).
- **Zone differential:** Recovery mechanism for costs incurred to transport the product to a specific zone.
- **Secondary storage and distribution charges:** Secondary supply chain cost incurred.
- **Wholesale Regulatory Accounting System ("RAS") margin:** Fixed maximum monetary margin earned for conducting wholesale activities.
- **Retail RAS margin (petrol only):** Fixed retail profit margin based on the actual costs incurred

South Africa's Refining Capacity

South Africa's local refining capacity has diminished with no signals of revitalisation due to the challenging operating environment. The figure below shows that only 35% of SA refinery design capacity available, with no new refining capacity expected.



Source: CEF Group Strateg

This shows a decline of around 50% from 2018 to 2024, due to the closure and mothballing of some coastal refineries, such as the PetroSA gas-to-liquids refinery in Mossel Bay and the Enref crude refinery in Durban.

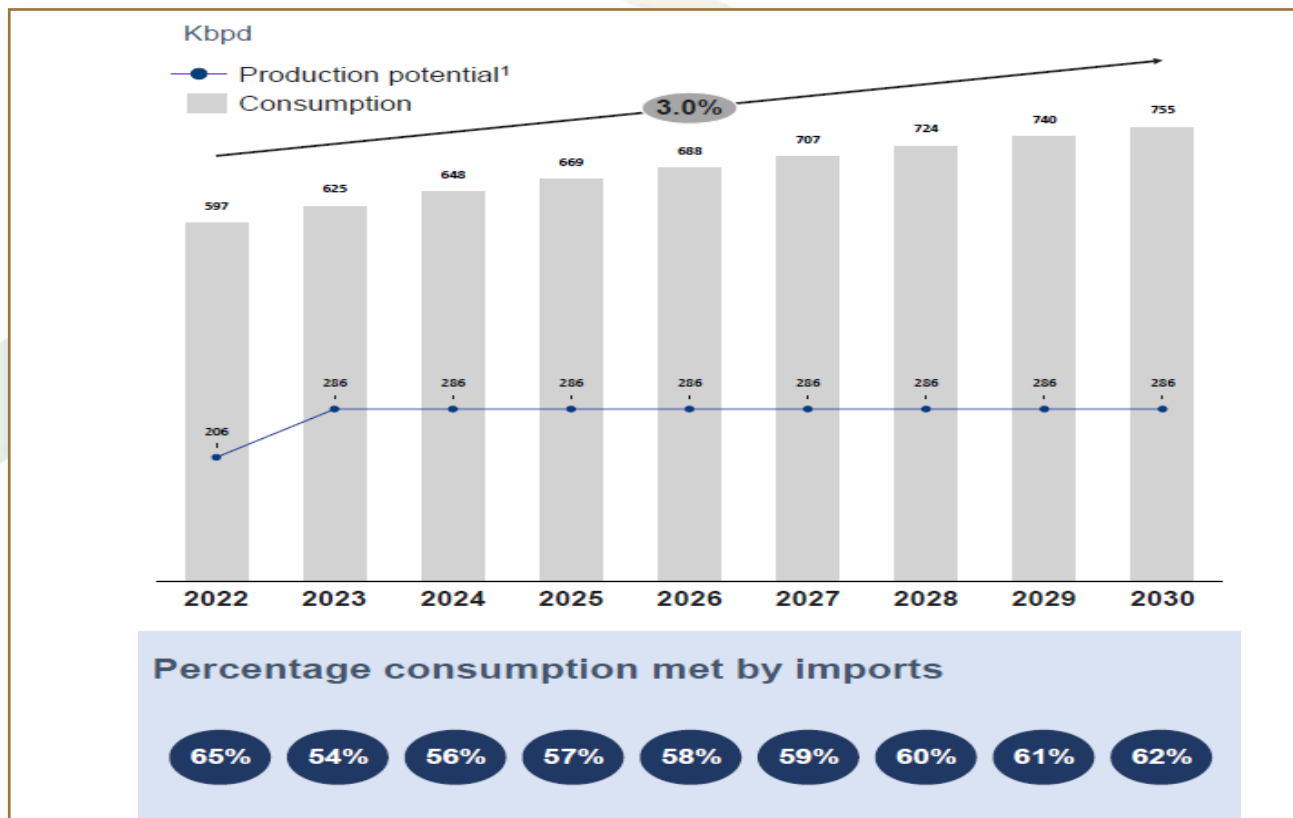
The Sapref crude refinery in Durban also remains mothballed and has been acquired by the state-owned Central Energy Fund ("CEF") in May 2024. The Sapref refinery will require significant investment to become operational and meet environmental standards.

The South African National Petroleum Company ("SANPC") Bill gave effect to Cabinet's decision

to establish a state-owned company to ensure security of supply and development of the sector with the introduction of modern, cleaner products and renewable components improving the energy mix.

With reduced refining capacity, South Africa now relies on a single refinery in Cape Town and two inland refineries, one of which uses coal as its primary input. Therefore, the imports of refined product into South Africa have generally increased over time.

SA Refined Product Consumption vs Production



Source: CEF Group Strategy

This has resulted in SA becoming increasingly reliant on liquid fuel imports, as refined product consumption continues to grow which runs the risk of weakening the trade balance and national income of the country.

It could further stifle innovation and diversification of the energy mix, which can create new opportunities for economic growth and employment in low-carbon sectors.

Through its SOEs, Government has an increasing role to ensure that investment in local refining capacity is increased.



Domestic Gas Reserves

South Africa is potentially endowed with oil and gas. The Petroleum Agency SA (PASA) estimates that the country holds 27 billion barrels (bbls) and 60 trillion cubic feet (tcf) of prospective oil and gas resources on the south, west, and east coasts (figure 1). The estimate for the onshore exceeds 200 tcf of prospective shale gas resources, biogenic gas, and coal bed methane.

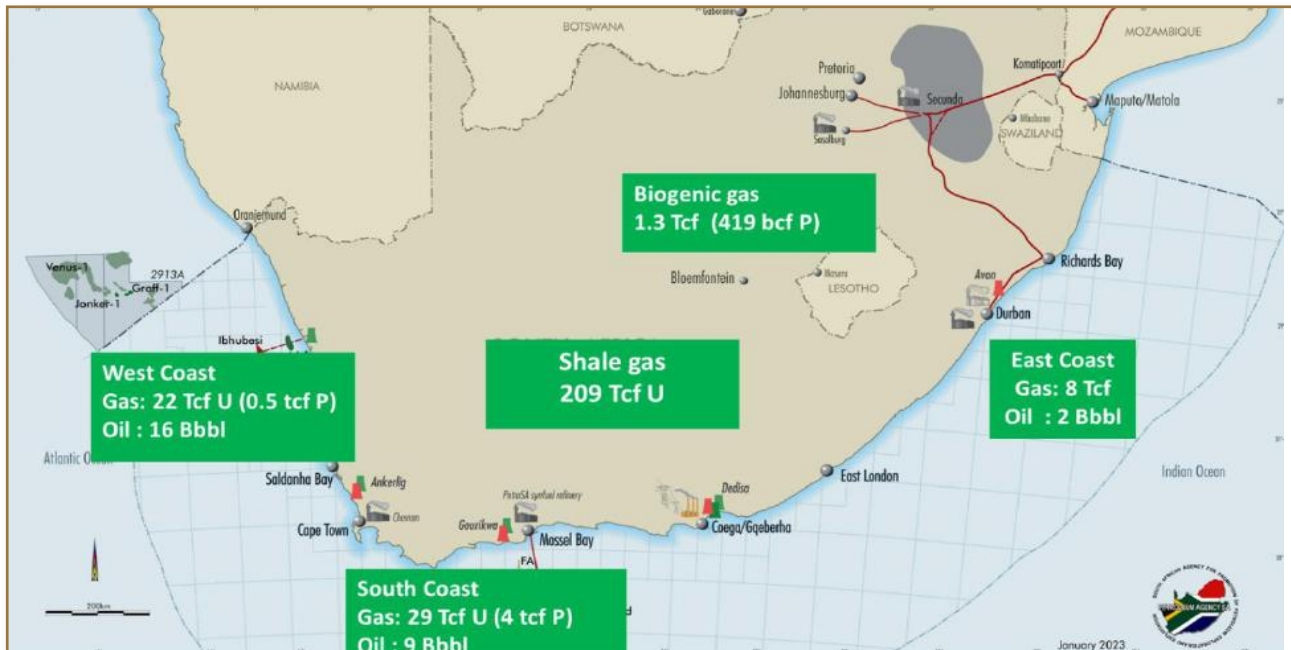


Figure 20: Prospective Oil and Gas Resources on the South, West and East Coasts

South Africa is endowed with significant oil and gas resources that can fundamentally reshape the economy.

The gas potential outlined above is very significant from a national energy security perspective. The CEF Group/PetroSA Gas to Liquids Refinery (GTL) in Mossel Bay, which produces petrol, diesel, jet fuel, paraffin, and liquefied petroleum gas (LPG) as the main products was sustained with 1.5 tcf of gas over 28 years from 1992 to 2020. Furthermore, the 865km gas import pipeline from Mozambique to the Sasol

The Secunda Gas-to-Liquids Refinery was built on the back of 3.5 tcf of gas discovered in the Pande and Temane fields. Those fields are still in production 18 years later, since first gas in 2004, and are expected to decline by 2026.

At least US\$1billion (R18billion) has been invested in the South African upstream petroleum sector over the last 10years. This is a relatively small investment quantum compared to normal investments in the upstream petroleum sector This is largely as a result of litigations against oil and gas, such as the halting of these is mic acquisition by Shell and Impact. Regulatory alignment is required to boost sector investments.

Liquified Petroleum Gas Market (LPG)



Source: FAISA

LPG market has grown steadily from 2019 with a 57% increase in demand (CAGR +9.5%) in 2024. The exports rose by 108% to SACU, Zimbabwe, Zambia and Mozambique. Following shutdown of refineries, imports filled the gap and more evident from steep rise from 2019 to 2024.

Challenges relate to compliance in the sector that require a wholistic resolution by Government and the sector to address the following:

- Illegal filling of cylinders by non-compliant operators presenting serious HSSE risks for operators and consumers
- Underfilling / short filling of cylinders by unscrupulous operators resulting in customers being short changed

To the end, ongoing conversation with the sector to ensure that more effort from all parties to promote LPG required to meet objective of doubling demand and address the challenges of illicit trading

CONCLUSION

The external environmental impacts on both the mining and petroleum sectors in South Africa are shaped by a complex interplay of global dynamics, regional collaborations, and local challenges. Addressing these impacts through strategic planning, regulatory reforms, and community engagement is essential for sustainable growth and development in these critical industries. By fostering partnerships, enhancing infrastructure, and committing to sustainable practices, South Africa can strengthen its position as a competitive player in the global mining and petroleum markets while ensuring that the benefits of these resources are shared equitably among its citizens.

8.2 INTERNAL ENVIRONMENT

The Department of Mineral and Petroleum Resources is undergoing institutional establishment following its separation from the DMRE and adding of State-owned entities previously residing at Department of Public Enterprises (DPE).

Given this reorganisation, the department is following a structured transition process to build organisational capacity, policy coherence, financial sustainability, regulatory effectiveness and a high-performance organisation culture required to ensure that the Department provides the leadership required in the sectors it regulates.

ORGANISATIONAL STRUCTURE

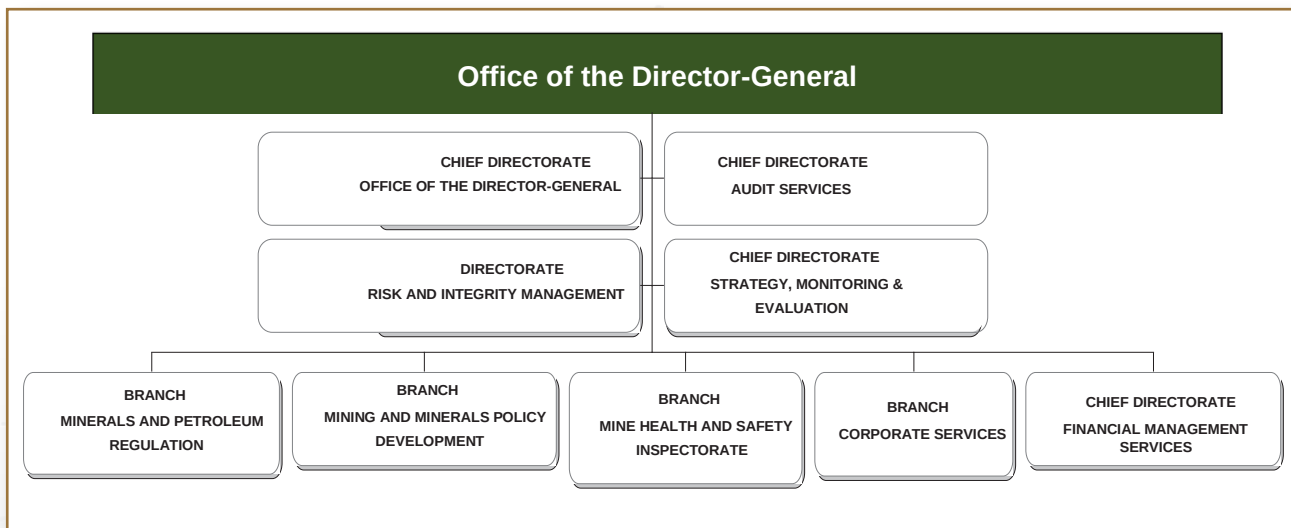
During the 2024/25 financial year, a National-Macro-Organisation-of-Government (NMOG) process commenced bringing about the division of the DMRE into two new departments, the Department of Mineral and Petroleum Resources (DMPR) and the Department of Electricity and Energy (DEE).

The department is structured around four core budget programmes, each with distinct branches and chief directorates responsible

for specific functional areas. The institutional structure aligns with the department's strategic objectives and mandate, ensuring that:

- 1) Development of the Minerals and Petroleum Sectors are well-coordinated.
- 2) Mining and Petroleum infrastructure investments are efficiently managed.
- 3) To enforce compliance of environmental regulations and other policies governing the Mineral and Mining sectors
- 4) Regulatory oversight and policy developments are streamlined.
- 5) The health and safety of employees and communities where mines operate is enforced

The approved start-up structure will be reviewed and aligned with the approved strategic plan to ensure the capacity to deliver on the mandate of the DMPR. In the interim, the DMPR will continue to explore and embark on various interventions to improve the efficiency and effectiveness of the organisation within its baseline allocations and will creatively and ensure that human capital is effectively utilised



The department's five budget programmes and institutional branches are structured as follows:

Budget Programme	Programme Purpose	Branches/ Chief Directorates
Programme 1: Administration	Provide strategic leadership, management	• Chief Directorate: Ministerial and Parliamentary Services • Chief Directorate: Office of the Director-General: • Chief Directorate: Audit Services • Chief Directorate: Strategy Monitoring and Evaluation • Directorate: Risk and Integrity Management
Programme 1: Corporate Services	Provide support services to the department	• Human Resource Management • Auxiliary Support and Security Management • Legal Services • Communication Management
Programme 1: Financial Management	Ensure sound financial Management in the Department	• Chief Directorate: Financial Management Services
Programme 2: Mineral and Petroleum Regulation	To regulate the Mining and Petroleum Industry	• Chief Directorate: Mineral Regulation and Administration (Northern Regions) • Chief Directorate: Mineral Regulation and Administration (Northwestern Regions) • Chief Directorate: Mineral Regulation and Administration (Central Regions) • Chief Directorate: Petroleum Licensing and Fuel Supply • Chief Directorate: Mineral Compliance and Enforcement
Programme 3: Mine Health and Safety	To ensure Health and safety of employees and communities around mine	• Chief Directorate: Western and Coastal Regions • Chief Directorate: Central, Coastal and Northeastern Regions • Chief Directorate: Technical Support, Central and Coastal Regions • Chief Directorate: Occupational Health
Programme 4: Mining and Minerals Policy Development	Formulate, maintain and implement integrated minerals and petroleum policies to promote and encourage investment in the mining and petroleum industries	• Chief Directorate: Mineral and Petroleum Policy • Chief Directorate: Economic Analysis and Statistics • Chief Directorate: Economic Growth, Promotion and Global Relations

HUMAN RESOURCE MANAGEMENT

The Department of Mineral and Petroleum Resources (DMPR) must develop a robust human resource strategy to align with the evolving dynamics of the mining and petroleum sectors in South Africa. This strategy will focus on building a skilled, diverse, and innovative workforce capable of driving the department's objectives in the context of global megatrends and local challenges.

Noting the impact of the recent Presidential proclamations of splitting the Department of Mineral Resources and Energy into the Department of Mineral and Petroleum Resources and the Department of Electricity and Energy, greater focus will be placed on ensuring that a culture of high performance and service delivery is actively built. This culture will be centred around the Batho-Pele principles aimed at ensuring that Government is intentional in improving the lives of South Africans.

To achieve this, the first strategic goal is skills development and capacity building. The DMPR will implement targeted training programmes in collaboration with educational institutions to address skills shortages in critical areas such as geosciences, engineering, and environmental management. Additionally, mentorship initiatives will be developed to support young professionals and historically disadvantaged individuals (HDIs) in the sector, resulting in a skilled workforce that meets industry demands and enhances local beneficiation.

The second goal emphasises diversity and inclusion. The department will review and focus on the implementation of policies to promote gender equality and the inclusion of underrepresented groups in the workforce, alongside awareness programmes to foster a culture of diversity and inclusion. This approach aims to create a more diverse workforce that reflects the demographics of South Africa and promotes equitable access to opportunities.

Talent acquisition and retention form the third strategic goal. While the public sector is experiencing cost pressures that necessitate

cost containment in all areas including the compensation of employees, the DMPR will develop an organisational culture of high performance and offers progressive career development pathways to attract top talent while implementing employee engagement initiatives to retain skilled professionals. This focus on job satisfaction and career growth will lead to reduced turnover rates and a stable workforce capable of supporting long-term departmental goals.

Innovation and technological advancement are also crucial. The DMPR plans to invest in training programmes focusing on emerging technologies relevant to the mining and energy sectors, such as automation, AI, and renewable energy technologies. By fostering a culture of innovation and encouraging employees to participate in research and development initiatives, the department aims to build a workforce that is adaptable and prepared to leverage new technologies for improved operational efficiency.

Health, safety, and well-being constitute another priority. The DMPR will prioritise health and safety training programmes to ensure compliance with industry standards and regulations, alongside implementing wellness programmes that promote mental and physical well-being among employees. This commitment will create a safe and healthy work environment that enhances productivity and employee morale.

Finally, collaboration and stakeholder engagement are essential for the strategy's success. The DMPR will strengthen partnerships with industry stakeholders, including mining companies, educational institutions, and government agencies, to align training programmes with market needs. Engaging with local communities will ensure that the department's initiatives are responsive to their needs and contribute to local economic development, enhancing collaboration that supports the department's strategic objectives and fosters community trust.

The implementation timeline for this strategy spans five years. In the first year (2025), the DMPR will launch skills development and

diversity initiatives and establish partnerships with educational institutions. The second year (2026) will focus on implementing talent acquisition strategies and wellness programmes, alongside beginning innovation and technology training. By the third year (2027), the effectiveness of programmes will be evaluated, and adjustments will be made while expanding stakeholder engagement efforts. The fourth year (2028) will prioritise retention strategies and career development pathways, continuing to promote health and safety initiatives. Finally, in the fifth year (2029), the DMPR will assess overall progress and impact on departmental goals and prepare for the next strategic planning cycle based on lessons learned.

In conclusion, the DMPR's human resource strategy for the next five years aims to build a capable, ethical, innovative workforce that can effectively navigate the complexities of the mining and petroleum sectors. By focusing on skills development, diversity, talent retention, and collaboration, the department will enhance its capacity to drive economic growth and contribute to South Africa's prosperity.

BUDGET PROGRAMMES

Over the medium term, the department will focus on ensuring transformation in and the regulation of the mining and petroleum sectors; enforcing,

monitoring and evaluating compliance with mine health and safety requirements; rehabilitating derelict and ownerless mines; promoting investment in the mining sector; and improving efficiency and transparency in the granting of mining rights, permits and licences through the implementation of a cadastre mining licensing system. This is intended to oversee a mining sector that prioritises the welfare of its human resources and the environment and ensures that South Africa has an adequate supply of liquid fuels to maintain economic activity and prevent disruptions.

Of the department's total allocation of R8.7 billion over the medium term, an estimated 40.9 per cent (R3.6 billion) is for transfers to its entities, which carry out a significant portion of its functions. Due to the labour-intensive nature of the department's work, which requires inspections to be conducted to ensure that mining companies comply with legislative requirements, expenditure on compensation of employee's accounts for an estimated 32.2 per cent (R2.8 billion) of the total budget over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 3.1 per cent, from R903.7 million in 2024/25 to R990.8 million in 2027/28.



The table below provides a summary of the funding over the MTEF:

VOTE 34: MINERAL AND PETROLEUM RESOURCES		2021/22	2022/23	2023/24	2024/25		2025/26	2026/27	2027/28
		Audited outcome	Audited outcome	Audited outcome	Main appropriation	Adjusted Appropriation	Indicative baseline	Indicative baseline	Planning baseline
Rand thousand		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Programmes									
Administration		481 177	553 848	575 206	598 325	598 325	605 707	630 572	654 870
Minerals and Petroleum Regulation		755 112	729 498	744 569	951 130	951 130	791 274	830 028	870 419
Mine Health and Safety Inspectorate		205 351	218 097	229 153	239 072	239 072	239 085	250 860	263 134
Mining and Minerals Policy Development		723 522	802 850	963 307	1 137 217	1 149 308	1 223 571	1 155 343	1 208 294
Total for Programmes		2 165 162	2 304 293	2 512 235	2 925 744	2 937 835	859 637	2 866 803	2 996 717



INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

ICT Strategy and 5 Year Digitisation Roadmap

The state of ICT infrastructure has been deteriorating over a period of 10 years, due to lack of funding. To address key challenges, the DMPR will adopt a holistic approach focusing on People, Processes, and Technology. This includes:

- Integrating business and support processes to streamline operations.
- Implementing ICT governance and enterprise architecture to enhance efficiency.
- Modernising infrastructure to develop a secure, integrated digital platform that offers a one-stop service/solution for managing the entire mineral and petroleum resource life cycle.
- Building data warehousing for data mining and business intelligence to improve decision-making.

The goal is to provide a user-friendly digital interface for government, industry, and communities, promoting investment and regulatory compliance.

The DMPR's digitisation will enhance operational efficiency by:

- Optimising licensing processes to reduce turnaround times and costs of doing business.
- Enhancing policymaking through data-driven insights.
- Encouraging investment and fostering a transparent regulatory environment aligned with global best practices.

Digitisation is essential for economic growth, social equity, and environmental sustainability. To achieve this, the DMPR must prioritise ICT development and ensure adequate financial resources are allocated to modernising its systems.

CURRENT STATE OF ICT INFRASTRUCTURE

1) Infrastructure

- End of life/required but non-existent:** this means that either the technology is required at the specific location, but it does not exist. Alternatively, the product exists but it has reached the end of life, and it is no longer supported by the manufacturer. DMPR needs to address this deficiency or the constraint as soon as possible and such replacements and/enhancements must be in the list of initiatives.
- Near end of life / Insufficient infrastructure:** this means that the product does exist and it's about to reach the end of life in less than a year or there is a partial deployment of the required product(s) at the location. DMPR needs to have a plan on how the deficiency or constraint will be addressed in a short term.
- Supported by the manufacturer:** this means that the relevant technology together with the associated product(s) have been properly deployed and the products are still under manufacturers support and/or extended support. DMR does not need to act on these technologies other than continuing with normal support and maintenance.

For the DMPR to fully realise the benefits of VoIP technology, a review of WAN bandwidth across all regions, including Head Office, is essential. Bandwidth limitations may be a key factor behind the performance issues reported. Additionally, several servers and devices are still running outdated operating systems that are no longer supported by Microsoft. This presents a security risk, as they cannot be updated with the latest threat prevention software.

Upgrading these systems is critical to ensuring a secure and resilient ICT environment.

Expected Outcomes of the Digitisation of the DMPR (Funding remains a key dependence towards the modernisation journey)

OUTCOME	INITIATIVE	TIMELINE
1. Increased Efficiency	i) Modernisation of Infrastructure ii) Build capable DMPR through training on digital skills iii) Build corporate Governance skill iv) Implement Enterprise Architecture Practice v) Automate and Integrate business processes	Y1
2. Improved regulation and compliance by the industry – this will deal with mining charter reporting, production stats, health incidents, illegal mining)	i) Modernise and integrate applications ii) Implement Enterprise Document Management iii) Implement digitalisation iv) Implement modern workplace	Y2 - Y4
3. Data-Driven Decision Making (Effective and proactive policy development and promotion)	i) Implement data warehousing ii) Implement BI, reporting and analytics	Y3 -Y5
4. Sustainable Development	i) Build Realtime interface to the licencing partners / stakeholder to improve turnaround time ii) Build efficient platforms for stakeholders to interface with DMPR	Y3
5. Improved Transparency and stakeholder management	Build efficient platforms for stakeholders to interface with DMPR	Y3

Stakeholder Management

The Department of Mineral and Petroleum Resources operates within a complex and rapidly evolving external environment, shaped by global and domestic dynamics what require careful and intricate assessment of its stakeholders to ensure that the stakeholders are kept informed, and can proactively contribute towards the shaping of the sectors.

The external environment analysis provides an evidence-based assessment of key trends, risks, and opportunities informing the department's policy direction, priorities, regulatory approach, and stakeholder engagements over the 2025–2030 planning period.

STAKEHOLDER NAME	STRATEGIC OUTCOME	ENGAGEMENT RESULTS	METHOD OF ENGAGEMENTS	TIMING	RESPONSIBILITY
Nedlac	Enhanced economic accessibility for all by eliminating unnecessary levies and implementing supportive policies.	Consult with Nedlac to endorse and support DMPR legislative and policy proposals	Meetings	Quarterly	ODG, MMEPD
PORTFOLIO COMMITTEES OF PARLIAMENT	Enhanced economic accessibility for all by eliminating unnecessary levies and implementing supportive policies.	Consult with Parliamentary Portfolio Committees to endorse and support DMPR legislative and policy proposals	Briefing of Portfolio Committees	Monthly	ODG
CABINET	Enhanced economic accessibility for all by eliminating unnecessary levies and implementing supportive policies.	Briefing Cabinet on DMPR policies and strategies for their endorsement and support	Cabinet briefings	Monthly	ODG/MMEPD
Economic Sectors, Investment, and Infrastructure Development Cluster	Enhanced economic accessibility for all by eliminating unnecessary levies and implementing supportive policies.	Consult with Parliamentary Portfolio Committees to endorse and support DMPR legislative and policy proposals	Consult the ESIE Cluster to support and endorse DMPR policies and strategies	Monthly	ODG/MMEPD
NATJOINTS	Safer communities and increased confidence	Collaborative effort to curb the scourge of illegal mining	Meetings	Weekly	Compliance & Enforcement
Minerals Council of South Africa	Enhanced economic accessibility for all by eliminating unnecessary levies and implementing supportive policies. Increased exploration spending leading to job creation and economic growth. Improved public trust and reduced inefficiencies through a culture of compliance and digitalisation of government processes.	Consult MCS on legislation and policy issues pertaining to mining as the body representing the mining sector in South Africa.	Meetings	As and when needed	MMEPD/MHS/MPR
Municipalities	Revived local refining capacity and economic growth with a target for the SANPC refinery to secure final investment by 2025.	Municipalities to support efforts by DMPR to revive refineries located within their municipalities	Meeting	Monthly	MPR

STAKEHOLDER NAME	STRATEGIC OUTCOME	ENGAGEMENT RESULTS	METHOD OF ENGAGEMENTS	TIMING	RESPONSIBILITY
Other Departments (DFFE, the dtic, DSI, etc)	Alignment of policies to support the achievements of the Energy Efficiency Targets	To ensure there is alignment of policies required for improvement of energy efficiency	Cooperation and Involvement	Annually	P&P
	Increased employment through skills development programmes, vocational training, and support for SMMEs.	Engagement will be in terms of identification of rare skills in government and industry	Workshops Meetings	Quarterly	CS
	A capable and ethical workforce through improved professional skills and enhanced talent pipeline.				
National School of Governance	A skilled workforce aligned with industry demands through partnerships with academic institutions				
	A capable and ethical workforce through improved professional skills and enhanced talent pipeline.	NSG is vital as it conducts training courses for public servants, which is critical for increasing skills in the public service, which impacts on service delivery.	Meetings	Quarterly	CS
State Information Technology Agency	A skilled workforce aligned with industry demands through partnerships with academic institutions				
	Improved public trust and reduced inefficiencies through a culture of compliance and digitalisation of government processes.	Provide ICT support to the DMPR, including facilitation of ICT procurement	Meetings	Weekly As and when needed.	CS
SOEs	Established conditional agreements for long-term supply linked to new refinery developments.	To ensure SOEs help the department deliver on its mandate and strategic objectives	Meetings	Weekly/ Monthly	CS/MHS/ MMEPD/MPR/ P&P
	Reduced red tape and improved time-to-market for projects declared as a priority				
	Revived local refining capacity and economic growth with a target for the SANPC refinery to secure final investment by 2025.				

STAKEHOLDER NAME	STRATEGIC OUTCOME	ENGAGEMENT RESULTS	METHOD OF ENGAGEMENTS	TIMING	RESPONSIBILITY
Traditional Authorities	Enhanced community engagement leading to improved public trust and support for initiatives.	To empower traditional authorities about their role in implementation of MPRDA, PPA, UPRDA and other related legislation	Workshops	Monthly	MCSEM/MMHS
	Equitable access for historically disadvantaged individuals (HDIs) through lifting the moratorium on petroleum rights and competitive bidding for exploration and production.				
Mine communities	Enhanced community engagement leading to improved public trust and support for initiatives.	To empower Mine Communities about the benefits of legislation such as MPRDA, PPA, UPRDA and other related legislation	Workshops	Quarterly	MCSEM/MMHS
	Equitable access for historically disadvantaged individuals (HDIs) through lifting the moratorium on petroleum rights and competitive bidding for exploration and production				
Private Sector Investors	Investment in sector projects to ensure economic growth, re-industrialisation local beneficiation	To solicit inputs that will drive the necessary reforms for increased investments and bankability of projects, de-risking of the SA ensuring SA is an investable destination.	Roadshows, round table discussions, bilateral engagements etc	Periodically	EXCO
		Growing of the exploration fund crowding in private investment to increase exploration in SA from 1% to 5%			



Part

Measuring our Performance

9. INSTITUTIONAL PERFORMANCE INFORMATION

9.1 STRATEGIC CONTEXT

MINING

During the previous planning period, the DMPR's focus on mining involved several critical initiatives:

- 1) **Establishment of Clear Strategic Priorities:** The DMPR identified strategic priorities that guided its efforts, including a focus on critical minerals, redefining the scope of mining, promoting sustainable practices, and enhancing accountability and community engagement.
- 2) **Enhanced Collaboration and Stakeholder Engagement:** The department actively engaged with industry representatives, community organisations, and regulatory bodies to develop actionable strategies that address the needs of all stakeholders, fostering a shared responsibility for the sector's success.
- 3) **Commitment to Sustainable Practices:** Significant strides were made in promoting sustainable practices within mining, including initiatives aimed at minimising environmental impacts and ensuring that mining activities positively contribute to local communities.
- 4) **Implementation of Community Engagement Initiatives:** The DMPR recognised the importance of community involvement in shaping policies and practices, fostering open dialogue to build trust and support for mining activities.

KEY ACCOMPLISHMENTS

The DMPR achieved several significant accomplishments in the mining sector during the previous planning period:

1. **Redefining Mining:** The DMPR shifted perceptions of mining from solely gold extraction to recognising the significance of

minerals like lithium, cobalt, and rare earth elements in technological advancements and the transition to renewable energy.

2. **Regional Connectivity and Value Chains:** The DMPR focused on building value chains that connect and benefit African economies, moving away from a historical focus on exporting raw minerals to fostering regional partnerships that enhance economic resilience.
3. **Implementation of Regulatory Reforms:** Regulatory reforms were introduced to streamline the permitting process for mining operations, making compliance easier while ensuring environmental protections are upheld.
4. **Promotion of Local Economic Development:** The DMPR emphasised local economic development initiatives linked to mining activities, encouraging companies to invest in local communities, create jobs, and support local businesses.
5. **Governance, Policy, and Oversight:** The MHS is responsible for statutory inspections and audits, enforcement of the Mine Health and Safety Act (MHSA), and conducting investigations at South African mines.
6. **Inspection and Audit Plans:** A total of 8,000 inspections and audits are planned annually, translating to 40,000 over the period 2025-2030. The branch aims to complete 80% of all accident investigations initiated each financial year.
7. **Addressing Health and Safety:** Initiatives are designed to ensure a safe and healthy workforce, which is crucial for sustainable economic growth. Unsafe practices lead to injuries, diseases, and deaths, undermining economic goals and eroding trust in the mining industry.
8. **Skills Development:** The MHS branch administers the Government Certificate of Competency (GCC), contributing to skills development in the sector. This includes various certifications for mine managers, engineers, surveyors, and operators.

The DMPR acknowledges the contributions of various stakeholders, including:

1. **Industry Partners:** Collaboration with mining companies and technology providers has been instrumental in driving innovation and improving operational practices.
2. **Government Agencies:** Support from other governmental departments has facilitated the successful implementation of policies and initiatives aimed at enhancing the mining sector.
3. **Community Stakeholders:** Engagement with local communities and advocacy groups has ensured that the DMPR remains responsive to the needs and concerns of those affected by mining practices.

PETROLEUM

OVERVIEW OF PETROLEUM SECTOR

The petroleum sector is crucial for South Africa's energy landscape, accounting for a significant portion of the country's energy sources. The DMPR's focus on petroleum involves addressing the unique challenges and opportunities presented by this sector to ensure its sustainable growth. As global energy demands evolve, the DMPR aims to position South Africa as a competitive player in the petroleum market while ensuring environmental and social responsibilities are met.

OVERALL FOCUS DURING THE PREVIOUS PLANNING PERIOD

During the previous planning period, the DMPR's focus on petroleum included several key initiatives:

- 1) **Elevating Petroleum as a Strategic Focus:** The DMPR made concerted efforts to elevate petroleum as a core component of its strategic focus. This included the separation of the Petroleum Development Act from mining legislation, allowing for a more dedicated approach to addressing the unique challenges and opportunities presented by the petroleum sector.

- 2) **Addressing Unique Challenges:** The department recognised the need to focus on the specific challenges faced by the petroleum sector, including regulatory hurdles, environmental concerns, and community engagement issues. The DMPR aimed to create a conducive environment for investment while ensuring that environmental safeguards are in place.
- 3) **Enhancing Research and Development:** The DMPR encouraged research and development initiatives aimed at improving extraction technologies and reducing environmental impacts. By fostering innovation within the petroleum sector, the department sought to enhance efficiency and sustainability.
- 4) **Building International Partnerships:** The DMPR actively sought to establish international partnerships to share knowledge and best practices in petroleum exploration and production. These partnerships are essential for enhancing South Africa's capabilities and competitiveness in the global petroleum market.

KEY ACCOMPLISHMENTS

The DMPR achieved several key accomplishments in the petroleum sector:

- 1) **Separation of the Petroleum Development Act:** This legislative change marked a pivotal moment for the DMPR, allowing the department to treat petroleum as a standalone strategic sector. This separation enabled a more focused and strategic approach to addressing petroleum issues, facilitating better regulatory oversight and industry engagement.
- 2) **Commitment to Sustainable Practices:** The DMPR emphasised the importance of sustainable practices within the petroleum sector, ensuring that extraction and management activities minimise environmental impacts and contribute positively to local communities. These included initiatives aimed at implementing best practices for environmental management and community engagement.

- 3) **Stakeholder Engagement:** The DMPR actively engaged with stakeholders in the petroleum sector to align its objectives with industry needs and community aspirations. Regular consultations and workshops were held to gather input from various stakeholders, ensuring that policies reflect the interests of all parties involved.
- 4) **Promotion of Local Content Initiatives:** The DMPR advocated for local content initiatives within the petroleum sector, encouraging companies to source goods and services locally. This approach aims to stimulate economic growth in local communities and create jobs while ensuring that the benefits of petroleum development are shared more broadly.
- 5) **Implementation of Safety Standards:** The DMPR introduced stringent safety standards and regulations to ensure the safety of workers and the environment in petroleum operations. These standards are crucial for maintaining public trust and ensuring that the sector operates responsibly.

In its ongoing efforts, the DMPR acknowledges several key factors that are essential for achieving its strategic goals:

- 1) **Importance of Collaboration:** The department recognises that effective collaboration with various stakeholders, including government entities, private sector partners, and local communities, is essential for achieving its strategic objectives. Collaborative efforts enhance the department's ability to address complex challenges and leverage opportunities within the sector.
- 2) **Stakeholder Contributions:** The department values the input and expertise of stakeholders in shaping its policies and initiatives. Recognising that diverse perspectives are crucial for developing effective strategies, the DMPR actively seeks feedback and collaboration from various stakeholders to inform its decision-making processes.

- 3) **Commitment to Continuous Improvement:** The DMPR is dedicated to ongoing evaluation and refinement of its processes and policies. This commitment ensures that the department remains responsive to the evolving needs of the sector and the communities it serves. By fostering a culture of continuous improvement, the DMPR aims to enhance its effectiveness and impact.

9.2 ALIGNMENT TO MEDIUM-TERM DEVELOPMENT PLAN 2024-2029

The MTDP 2024–2029 aligns with the goals and objectives of the NDP and the minimum programme of priorities of the GNU. The NDP remains South Africa's long-term country plan towards 2030 and is aligned with its international commitments. The MTDP 2024–2029 is the medium-term development plan towards the achievement of the NDP, replacing the Medium-Term Strategic Framework (MTSF) by aligning with international naming conventions and emphasising development outcomes.

Government has set five goals for the next five years, which are:

- A dynamic, growing economy.
- A more equal society, where no person lives in poverty.
- A capable state delivering basic services to all citizens.
- A safe and secure environment; and
- A cohesive and united nation.

To achieve these goals, the MTDP 2024-2029 identifies three Strategic Priorities which will be implemented across the state:

- 1) **Strategic Priority 1:** Drive inclusive growth and job creation. It focuses on rapid, inclusive and sustainable economic growth to create jobs and serves as the Apex Priority.
- 2) **Strategic Priority 2:** Reduce poverty and tackle the high cost of living. It aims to reduce poverty and tackle the high cost of

living and ensure that social assistance is leveraged for local economic development.

- 3) **Strategic Priority 3:** Build a capable, ethical and developmental state. It aims to build a capable ethical and developmental state, which is critical for the success of the other two Strategic Priorities. The rights of Women, Youth and Persons with Disabilities (WYPD) must be mainstreamed across all three priorities.

These three Strategic Priorities, with a set of policy choices and priority interventions, will be implemented across all government and overseen and monitored by the centre of government. This approach aims to focus effort and resources behind an ambitious but achievable set of goals that can drive delivery while presenting a clear vision for the society we want to create. While they do not displace other programmes and commitments, they are essential to the economic growth agenda and should be prioritised for immediate implementation. This approach also requires collaboration with non-state role players, including business, labour and civil society.

As outlined in the NDP and the GNU Statement of Intent, this MTDP 2024–2029 presents the priority interventions that are required to address the most critical challenges confronting South Africa over the next five years. The overriding priority is to achieve more rapid, inclusive and sustained economic growth while implementing interventions to address poverty and inequality. These interventions will consider the imperative of fiscal consolidation and the need to carefully prioritise limited resources and improve efficiency to achieve the outcomes identified.

Success will be achieved by prioritising and implementing priorities and ensuring that the objectives are met through effective oversight. The three Strategic Priorities in this plan are interrelated and interlinked. Strengthening the capability of the state will support economic growth, which will in turn increase the resources available, allowing expansion of social protection and other forms of support. The interventions outlined in this plan must be implemented in full to achieve these goals over the next five years.

9.3 MEASURING THE IMPACT

Impact statement

Positioning the Minerals and Petroleum Sectors to drive inclusive economic growth, job creation, alleviate poverty and inequality in South Africa.

9.4 MEASURING OUTCOMES

Over the Medium-term period until 2030, the Department will focus on 5 Strategic Priorities that will support the Department's six (6) strategic outcomes which are aligned with the objectives espoused in the Medium-Term Development Plan (MTDP). This strategic planning period aims to align and further implement the initiatives embarked on in the MTSF2019/2024.

Therefore, the strategic outcomes for this planning phase will be linked and ensure that the following STRATEGIC PRIORITIES are achieved.

1. **Promote investment in the mining and petroleum sectors** by creating an enabling policy and regulatory environment, facilitating exploration activities, and enhancing beneficiation and value addition of mineral and petroleum resources.
2. **Accelerate the transformation of the mining and petroleum sectors** by promoting equitable access to mineral and petroleum resources, advancing the participation of historically disadvantaged groups, especially Women and Youth, and implementing social and labour plans to improve the living conditions of mine workers and communities.

3. **Ensure environmental sustainability** by enhancing environmental compliance and enforcement, and rehabilitating derelict and ownerless mines.
4. **Promote regional integration and cooperation in the mining and petroleum sectors** by participating in regional and continental initiatives, such as the African Mining Vision, the Southern African Development Community (SADC) Protocol on Mining
5. **Strengthen institutional capacity and governance** by enhancing organisational performance, ensuring sound financial

management, developing human capital, fostering stakeholder engagement, and leveraging information and communication technologies.

By focussing on the above-mentioned priorities, the department efforts will be focused to achieve six specific outcomes towards positioning the Minerals and Petroleum Sectors to drive inclusive economic growth, job creation, alleviate poverty and inequality in South Africa.



STRATEGIC OUTCOME 1:

A COHERENT, ALIGNED AND ENABLING MINING AND PETROLEUM POLICY ENVIRONMENT

DMPR Priority 1: **Promote investment in the mining and petroleum sectors**

This outcome aligns to MTDP Priority 1: **INCLUSIVE GROWTH AND JOB CREATION**

MTDP Outcome: Enabling environment for investment and improved competitiveness through structural reforms

MTDP Outcome: Sustainable and enabling economic policy environment

As South Africa works towards a well-coordinated mining and petroleum policy and planning framework that ensures long-term energy (petroleum products) security, economic growth, and environmental sustainability. The department will drive integrated petroleum sector development and the reviewing of key policies such as the MPRDA and the Diamond act, and the development of shale gas to create the necessary enabling environment for inclusive economic growth. Strengthening evidence-based decision-making using mining data and geological data and forecasting models which will be supported by Council for Geoscience Serve which serve as the national custodian of all geoscientific information and prospecting information relating to the earth, the marine environment and geomagnetic space.

The Department will be supported by the South African Diamond and Precious Metals Regulator and the Petroleum Agency South Africa to ensure alignment and cohesion for promoting exploration for onshore and offshore oil and gas resources and their optimal development.

STRATEGIC OUTCOME 2:

INCREASED INVESTMENT IN PETROLEUM INFRASTRUCTURE AND MINERAL EXPLOITATION

DMPR Priority 1: **Promote investment in the mining and petroleum sectors**

This outcome aligns to MTDP Priority 1: **INCLUSIVE GROWTH AND JOB CREATION**

MTDP Outcome: Enabling environment for investment and improved competitiveness through structural reforms

Also aligns to Priority 3: **REDUCE POVERTY AND TACKLE THE HIGH COSTS OF LIVING**

MTDP Outcome: Reduce poverty and improved livelihoods

South Africa pursues increased investment in mining and petroleum infrastructure and investment in local refineries. expanded the national grid and advanced new energy technologies. The department will achieve this by mobilising concessional finance for infrastructure, strengthening public-private partnerships, through SOEs revive and refurbish local petroleum refining capacity, increase mineral exploration to 5% in line with global standards and create an enabling environment for up-stream oil and gas exploration.

The Department will be supported by the Central Energy Fund's subsidiary PETROSA and the newly established South African National Petroleum Company (SANPC). The Development and

investment in the Petroleum sector have been informed by the vulnerability study which has shown that investment in petroleum infrastructure is prioritised. This includes investment in the refining infrastructure, storage facilities and pipeline infrastructure. Ensuring investment of this infrastructure requires coordinated efforts between government entities including SOEs reporting to another Department. Greater focus should be made towards developing a coherent approach that includes private-public partnerships.

STRATEGIC OUTCOME 3:

INCREASED INDUSTRIALISATION THROUGH BENEFICIATION AND LOCALISATION TO SUPPORT ECONOMIC GROWTH

DMPR Priority 1: **Promote investment in the mining and petroleum sectors**

This outcome aligns to MTDP Priority 1: **INCLUSIVE GROWTH AND JOB CREATION**

MTDP Outcomes: Increased employment opportunities, Re-industrialisation, localisation and beneficiation; Increased employment opportunities

South Africa aims to develop and accelerate the implementation of strategies and projects that will focus on re-industrialisation. To attain the 5% economic growth that creates sustainable jobs, SA must focus on localisation and beneficiation of minerals at source. This also includes greater investment in upstream oil and gas; and minerals exploration for future prospects. To this end, the Department will focus on growing the exploration fund and finalise the critical minerals strategy and its implementation plan which will be the blueprint for developing value chains to market and provide a compass for necessary collaborations.

The focus on processing of minerals in South Africa instead of exporting raw commodities is a central component to economic growth and re-industrialisation of the back of the country's natural resources.

The Department will be supported by Mintek through research, development and technology transfer, to promote mineral technology, and to foster the establishment and expansion of industries in the field of minerals and products derived therefrom.

Greater collaboration with other Government Departments such as the Department of Energy and Electricity in its role of ensuring that cost of electricity is minimised to support beneficiation and energy security is restored in long term. The Department of Trade Industry and Competition remains critical in ensuring that the trade policies that this government adopts supports and ensures ease of doing business in SA and lastly the National Treasury provides fiscal support and incentives that drives investments in our Country.

STRATEGIC OUTCOME 4:

ELIMINATE THE MINING LICENSING BACKLOG

DMPR Priority 1: **Promote investment in the mining and petroleum sectors**

This outcome aligns to MTDP Priority 1: **INCLUSIVE GROWTH AND JOB CREATION**

MTDP Outcome: Enabling environment for investment and improved competitiveness through structural reforms

As South Africa's pursues mining and petroleum sectors that are transparent, competitive, and conducive to private investment, guaranteed security of tenor for investments, the department will drive fast track the implementation of a web-based transparent mining and petroleum licensing system.

To finalise the processing of a mining right (from acceptance to finalisation) on average considers the environmental authorisation process. The EIA authorisation process can take over 270 days if there are no objections. Due to the backlog, the department will also take 90-120 days to then process the complete application. This is largely due to inefficiencies in the system caused by lack on an integrated online system.

To this end, department has appointed a service provider for the design, implementation, maintenance and support of a cadastre mining licensing system, which manages and records information about mining licences, permits and mineral rights. This system will replace the current South African mineral resources administration database and is expected to become operational in 2025/26. Ultimately, it will increase transparency and efficiency in the application and processing of mining rights, permits and licences; improve access to information; and shorten processing times, thereby increasing investment.

STRATEGIC OUTCOME 5:

A TRANSFORMED MINING AND PETROLEUM SECTORS

Priority 1: **Accelerate the transformation of the mining and petroleum sectors**

This outcome aligns to MTDP Priority 1: **INCLUSIVE GROWTH AND JOB CREATION**

MTDP Outcome: Enabling environment for investment and improved competitiveness through structural reforms

Accelerating transformation in the mining sector remains a key priority. To facilitate this, over the medium term, the department will monitor and enforce compliance with the Mineral and Petroleum Resources Development Act (2002) by issuing a targeted mining licences to historically disadvantaged South Africans and conducting a targeted social and labour plan inspections and mine economic inspections. Social and labour plans commit companies to investing in the upgrading of human settlements and skills development for mineworkers and surrounding communities, in line with regulation 46 of the act.

To enforce compliance with regulatory standards in the petroleum sector, the department plans to inspect petroleum retail sites per year over the period ahead.

STRATEGIC OUTCOME 6:

IMPROVED STATE OF GEOLOGY INFRASTRUCTURE

DMPR Priority 4: **Ensure environmental sustainability**

This outcome aligns to MTDP Priority 3: **BUILD A CAPABLE, ETHICAL AND DEVELOPMENT STATE**

MTDP Outcome: A capable and professional public service, safer communities and increased confidence

Through its public entity Mintek, the department aims to protect the environment and rehabilitate derelict and ownerless mine sites, including asbestos sites. The department also expects to conduct environmental verification management inspections over the same period to ensure compliance with the National Environmental Management Act (1998).

In partnership with by the Council for Geoscience and Mintek, the Department will also ensure that acid mine drainage and water ingress projects are executed

STRATEGIC OUTCOME 7:

STRENGTHENED REGIONAL INTEGRATION AND STRATEGIC PARTNERSHIPS IN GLOBAL MARKETS AND COMMUNITIES

DMPR Priority 4: **Promote regional integration and cooperation in the mining and petroleum sectors**

MTDP Priority 1: **INCLUSIVE GROWTH AND JOB CREATION**

MTDP Outcomes: Attaining regional energy security

MTDP Outcomes: Increased employment opportunities, Re-industrialisation, localisation

As expressed in the 2025 G20 South African Presidency theme of fostering solidarity, equity and sustainable developments, South Africa pursues regional cooperation and continental integration for the implementation of common Strategies an attainment of Africa Union's 2063 Agenda and the African Green Minerals Strategy implementation which position African minerals as essential to achieving the continents development goals and contributing to resilient African economies and equity.

The focus will include crafting of a collaborative strategy with communities to support development in the areas of mining; and oil and gas for sustainable economic development.

Partnering with all the SOEs as implementation agents of the department in implementing the projects agreed to in the memorandums of understanding in the mineral and petroleum sectors.

STRATEGIC OUTCOME 8:

A CAPABLE, HIGH-PERFORMING, AND DIGITALLY ENABLED ORGANISATION

DMPR Priority 5: **Strengthen institutional capacity and governance**

This outcome aligns with MTDP Priority 3: **A CAPABLE, ETHICAL, AND DEVELOPMENTAL STATE - INSTITUTIONAL PERFORMANCE.**

MTDP Outcome: A capable and professional public service, Skills for the economy; Science and technology innovation

The Department of Mineral and Petroleum Resources will be a well-governed, digitally advanced, and high-performing organisation, ensuring effective policy oversight and service delivery. The department will finalise its institutional structure; build technical and regulatory capacity; modernise digital systems; and enhance gender equity, youth participation, and workforce transformation. This also includes financial prudence and fostering an ethical culture through anti-corruption initiatives.

Collaboration with academics and SITA will be key to ensure that the Department leads and influences the development of skills for the minerals and petroleum sectors.

Management recognises that for the Department to provide cutting edge, innovative and transformative leadership to the industry, it first needs to ensure that its workforce is empowered, well trained and equipped. This will be actively and intentionally pursued as the Department rebuilds itself post the splitting. Greater focus will be made towards ensuring that the organisational structure is fit for purpose, that adequate resources are made available to deliver on key priorities, that support structures that enforce collaboration and service delivery are affected.



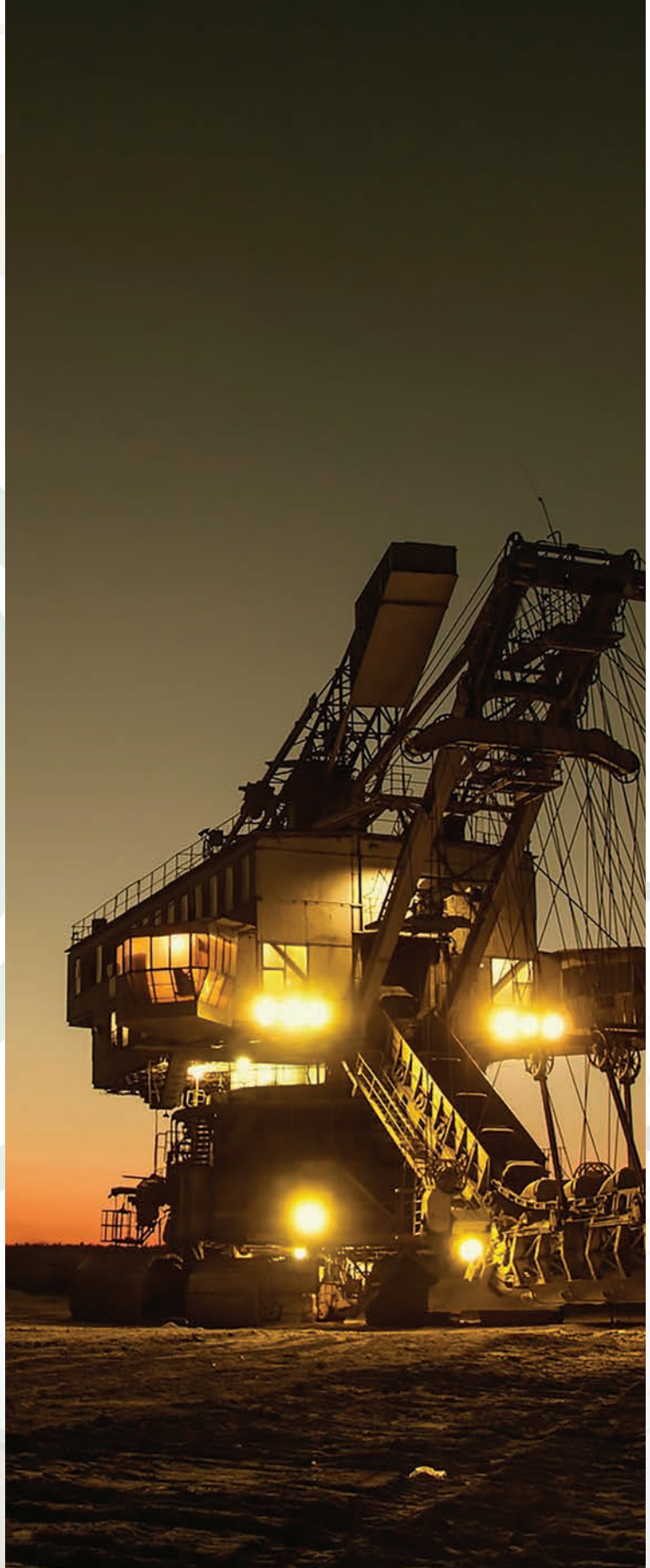
PROGRESS TOWARDS THE OUTCOMES WILL BE TRACKED AND ASSESSED AS FOLLOWS:

Fully aligned to MTDP indicators and targets where the Department of Mineral and Petroleum Resources is the lead – to avoid duplicate reporting, with an outcome to direct institutional excellence added.

STRATEGIC PRIORITY	STRATEGIC OUTCOME	STRATEGIC OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET (2030)	Enablers
Promote investment in the mining and petroleum sectors by creating an enabling policy and regulatory environment, facilitating exploration activities, and enhancing beneficiation and value addition of mineral and petroleum resources.	1. A COHERENT AND ENABLING MINING AND PETROLEUM POLICY ENVIRONMENT	% legislations and policy instruments reviewed	Number of policies reviewed compared to outstanding	100% legislations and policy instruments reviewed	Evidence based policy making
	2. INVESTMENT IN PETROLEUM INFRASTRUCTURE TO ENSURE SECURITY OF SUPPLY AND MINERAL EXPLORATION TO ENABLE ECONOMIC EXPLOITATION	Number of local refineries in operation	2 local refineries in operation	4 local refineries operational	Finalisation of the Petroleum Development Plan
	3. INDUSTRIALISATION THROUGH BENEFICIATION AND LOCALISATION TO SUPPORT ECONOMIC GROWTH	Number of local chrome smelters operational % increase in the share of global expenditure in exploration of minerals	7 local chrome smelters operational Less than 1% in the share of global expenditure in exploration of minerals	10 local chrome smelters operational 5% increase in the share of global expenditure in exploration of minerals	Finalisation of incentives and support for the revival of smelters Credible geological information Increase in funding for exploration activities
	4. ELIMINATE THE MINING LICENSING BACKLOG	Average number of days to finalise licensing post applications post the environmental authorisation approvals	90 days to finalise the licensing applications post the environmental authorisation approvals	60 days to finalise the licensing applications post the environmental authorisation approvals	Online mining licensing system Streamlined authorisation processes

STRATEGIC PRIORITY	STRATEGIC OUTCOME	STRATEGIC OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET (2030)	Enablers
Accelerate the transformation of the mining and petroleum sectors by promoting equitable access to mineral and energy resources, advancing the participation of historically disadvantaged groups, especially Women and Youth, and implementing social and labour plans to improve the living conditions of mine workers and communities.	5. A TRANSFORMED MINING AND PETROLEUM SECTORS	Number of jobs enabled in mining and petroleum sectors	FY23/24 audited results	58 000 jobs enabled in the mining and petroleum sectors	Issuing of mining and petroleum rights and permits
		Number of Artisanal and small-scale miners supported	FY23/24 audited results	100 artisanal and small-scale minerals supported	Funding allocation
		% Improvement in mine health and safety compliance	FY23/24 DMRE Annual Report	80% improvement in mine health and safety compliance	Compliance inspections and issuing of directives
		% Improvement in implementation of SLPs within timeframes	FY23/24 Annual Report	100% implementation of approved SLPs within timeframes	Collaborations between local government, mining companies and the department
Ensuring environmental sustainability by promoting the development and deployment of clean technologies, enhancing environmental compliance and enforcement, and rehabilitating derelict and ownerless mines.	6. IMPROVED STATE OF GEOLOGICAL INFRASTRUCTURE	Number of mine openings sealed under the derelict and ownerless mine programme	FY23/24 audited results	200 mine openings under the derelict and ownerless mine programme sealed	Funding allocation
Promote regional integration and cooperation in the mining and petroleum sectors by participating in regional and continental initiatives, such as the African Mining Vision, the Southern African Development Community (SADC) Protocol on Mining	7. STRENGTHENED REGIONAL INTEGRATION AND STRATEGIC PARTNERSHIPS IN GLOBAL MARKETS	Number of regional and international structures participated in for the development of mineral and petroleum sector	4 regional and international structures participated in for the development of mineral and petroleum sector	5 regional and international structures participated in for the mineral and petroleum sector	Economic diplomacy

STRATEGIC PRIORITY	STRATEGIC OUTCOME	STRATEGIC OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET (2030)	Enablers
Strengthen institutional capacity and governance by enhancing organisational performance, ensuring sound financial management, developing human capital, fostering stakeholder engagement, and leveraging information and communication technologies	8. A CAPABLE, HIGH-PERFORMING, AND DIGITALLY ENABLED ORGANISATION	Obtain clean audit outcome	Unqualified with findings (FY23/24)	Clean Audit outcome	Improved internal controls
		% of business processes automated in line with the approved digital strategy	New focus area	70% of business processes automated in line with the approved digital strategy	Funding allocation from NT
		% implementation of WSP to improve skills within the Department	New plan to be developed for DMPR	90% implementation of WSP	Collaborations with SETA



THE CONTRIBUTION OF OUTCOMES TOWARDS THE ACHIEVEMENT OF MEDIUM-TERM DEVELOPMENT PLAN.

- 1) The outcomes of the Department of Mineral and Petroleum Resources (DMPR) are instrumental in achieving the objectives outlined in the Medium-Term Development Plan, as well as aligning with the institution's mandate and the priorities of women, children, and people with disabilities. By focusing on economic growth, job creation, and poverty alleviation, the DMPR directly contributes to national development goals. The strategic initiatives undertaken by the department aim to foster inclusive growth that benefits historically disadvantaged groups, ensuring equitable access to opportunities within the mining and petroleum sectors.
- 2) Furthermore, the department's commitment to Science, Technology, and Innovation (STI) is crucial for enhancing productivity and sustainability in these industries. By integrating advanced technologies and innovative practices, the DMPR not only improves operational efficiencies but also positions South Africa as a competitive player in the global market. This approach supports the development of a capable, ethical, and developmental state, reinforcing the government's objectives of promoting social equity and environmental sustainability.
- 3) In summary, the DMPR's outcomes are aligned with provincial priorities and national frameworks, effectively addressing the needs of vulnerable populations while driving economic transformation and ensuring the responsible management of natural resources. Through collaborative efforts and strategic planning, the department aims to create a resilient and inclusive economy that uplifts all South Africans and priorities of women, children and people with disabilities, provincial priorities, and Science Technology and Innovation.

THE CONTRIBUTION BY DPMR SOES TOWARDS THE ACHIEVEMENT OF MEDIUM-TERM DEVELOPMENT PLAN.

The mining and petroleum industries are critical for the economic growth, job creation and transformation objectives of the country. A lack of investment in mining, together with poor economic performance, has adverse implications along the mining and minerals value chain. The role of SOEs is therefore increasingly important to drive and implement programmes that ensure economic growth.

Research in mining is critical to support targeted outcomes, and the DMPR will pursue options to expand the mandates of the respective State-Owned Enterprises (SOEs) to support this research. This will contribute to an increase in the competitiveness of the South African mining industry, enabling the country to be accessible to and compete in regional and global markets. Investment in research is also required to address the lack of innovation and the impact on mining beneficiation and skills development that could hinder progress to improve the country's manufacturing capability.

COUNCIL FOR GEOSCIENCE (CGS)

The CGS contribution towards the achievement of its mining sector's vision as follows:

- ✓ Explore sustainable funding for the CGS's vision
- ✓ Intensification of the business development efforts
- ✓ Align the Geoscience Technical Programme to Government and DPMR priorities and fully implement the integrated approach
- ✓ Implement the framework to de-risk and catalyse exploration
- ✓ Expand and strengthen the geoscience diplomacy programme
- ✓ Attract, develop and retain requisite skills

- ✓ Continuous implementation of the integrated communication and stakeholder relations strategy
- ✓ Institute a technical amendment to the Geoscience Act to provide for unimpeded access to land, in line with international best practice for geological surveys.

MINE HEALTH AND SAFETY COUNCIL (MHSC)

The MHSC will contribute towards the achievement of the vision in the following manner.

1) Health Focus

- ✓ Address health risks like OLDs, NIHL, thermal stress, musculoskeletal disorders, and ergonomics.
- ✓ Tackle emerging health issues (e.g., climate change impacts, mental health, non-communicable diseases – diabetes, hypertension, depression).
- ✓ Implement risk-based medical surveillance and holistic disease reporting.
- ✓ Strengthen management of hygiene overexposures and align with National Strategic Plan on TB, HIV, and AIDS.
- ✓ Leverage technology (e.g. OHIMS) for tracking and managing health data effectively.

2) Women in Mining:

- ✓ Address health and safety issues specific to women in mining, including gender-based violence and femicide (GBVF).

3) Safety Focus:

- ✓ Target high-risk focus areas: Falls of Ground, Trackless Mobile Machines, Shafts/Winders, and Fires & Explosives
- ✓ Address emerging risks, including illegal mining, human-machine interactions, and incident classification.

- ✓ Focus on early entry examination, worker security, and preventive safety strategies.

4) Culture Transformation:

- ✓ Advance the Culture Transformation Framework (CTF) to enhance safety culture.
- ✓ Drive change management, encourage innovative monitoring/reporting, and adapt to a changing mining landscape

5) Technology Advancement:

- ✓ Facilitate safe adoption of technology to predict and mitigate health and safety risks.
- ✓ Identify and address legislative gaps hindering modernisation efforts.
- ✓ Proactively adapt to new risks from mechanisation and process optimisation.

6) Centre of Excellence (COE):

- ✓ Launch Phase 2 CoE initiatives (4IR integration, training centres, and establishment of research chairs to strengthen research capacity).

CENTRAL ENERGY FUND GROUP (CEF)

The CEF contribution towards the achievement of its mining and petroleum sector's vision as follows:

1) Security of Liquid Fuel Supply

a. Liquid Fuel Importation & Manufacturing

The focus will be on the following:

- Importation of liquid fuel molecules
- Investment into new refining capacity
- Build Trading Capabilities

b. Oil & Gas Resources

- Development of upstream oil and gas resources offshore and onshore
- Active Upstream investment drive.

- c. Liquid Fuels Infrastructure: Development of transmission and import infrastructure

2) Security of Power Supply

- a. *Gas Aggregation*: Aggregating gas demand across potential GTP and fuel initiatives to source molecules
- b. *Gas Transmission Infrastructure*: Development of gas importation and transmission infrastructure
- c. *Gas-to-Power Generation*: Supporting investments towards gas to power generation capacity
- d. *Research and Development*: Exploring and developing the beneficiation enabling renewables, policy enablement and large-scale residential renewable programmes
- e. *Supply of coal*: Continue to prioritise the supply of coal to Eskom in support of security of energy supply & development of new mining opportunities

3) Supporting JET1

- f. *Research & Policy Development*: Driving policy development and regulations to enable the development of new technologies
- g. *Energy Resource Development*: Development of alternative energy resources locally and internationally to enable energy security (Biofuels & Hydrogen studies)
- h. Promotion of Transitory Mineral Exploration and Development
 - Critical Minerals Strategy Input and support the execution components.
 - Strategic partnerships for exploration of strategic mineral deposits
 - Battery minerals and other minerals

- 4) **Skills Investments**: Active training and development of Group workforce and investments into STEM priorities linked to sector future

ALEXKOR

The Alexkor contribution towards the achievement of its mining sector's vision as follows: Alexkor's vision for the mining sector is that employment should be created through ethical, competitive, progressive and forward-looking mining operations which creates a range of low to high skilled jobs and uses its technological skills to provide training and expand, during and post-mining, economic development opportunities in the area which will alleviate poverty and yield a return which will lessen inequality in the community.

CONTRIBUTING FACTORS TOWARDS ALLEVIATING POVERTY AND JOB CREATION

- ✓ Enterprise development programmes that will benefit the Richtersveld businesses for local economy. Implement an ED programme that is future fit (focus on existing and future service needs such as agriculture, Mariculture, tourism, etc.). Formulate strategic partnership with Northern Cape Economic Development Agency, & provincial Development Finance Institutions. This will ensure emerging local businesses can sustainably trade with Alexkor for state procurement.
- ✓ Enhance Supplier Development programmes to assist start-up/Emerging service providers especially women, youth and people with disabilities to grow their businesses to create jobs & other economic opportunities.
- ✓ Enhance youth development; through training and development programmes to upskill the unemployed youth in our region. Training & development fund from existing revenue for future skills.
- ✓ Project Development: to generate construction materials (granite, gravel and building sand) for the future development of the Boegoe Bay Project.
- ✓ Enhance Social Development Project through local community-based programmes

THE STATE DIAMOND TRADER (SDT)

The SDT contribution towards the achievement of its mining sector's vision as follows:

The State Diamond Trader advances equitable access to South Africa's diamond resources, thereby strengthening the beneficiation industry's contribution to economic growth through the following:

- ✓ Directly providing access to beneficiating market by supplying diamonds: Since its inception, SDT has supplied 454,764.34 carats of rough diamonds to 165 companies.
- ✓ Facilitating training to broaden the pool of active beneficiating market: To date, over 30 aspiring entrepreneurs have been trained, with five establishing their own businesses and ten young HDSAs employed in technical roles by SDT clients.
- ✓ Promoting access to local and international markets including participation at the Hong Kong show, which has driven significant foreign investment in South African beneficiated goods.

THE SOUTH AFRICAN DIAMOND AND PRECIOUS METALS REGULATOR (SADPMR)

The SADPMR contribution towards the achievement of its mining sector's vision as follows:

1. **Competitiveness:**

- ✓ Striving to be a leader in the global market (DEE)
- ✓ Efficient turn-around times for processing of applications
- ✓ Ensure diamonds are traded at a fair market price
- ✓ Disclosure of lab-grown/ synthetic diamonds
- ✓ Ensure sound development of diamond and precious metals business
- ✓ Embracing technology to ensure tracking and tracing of diamonds and precious metals

2. **Inclusivity and transformation**

- ✓ Economic participation by designated groups (HDI, youth etc)
- ✓ Facilitating involvement of new entrants in the diamond and precious metals value chains through skills development

3. **Compliance:**

- ✓ Compliance to the KPCS
- ✓ Strategic stakeholder interactions to combat illicit trading
- ✓ Monitoring and enforcement to ensure compliance through inspections and audits

4. **Equitable Access**

- ✓ Access to diamonds at the DEEC
- ✓ Verify the 10% allocation by producers to the State Diamond Trader (SDT)

5. **Job creation**

- ✓ Policy or Legislative Proposal to promote job creation and beneficiation in the Diamond and Precious Metals Industries
- ✓ Sound development of businesses in South Africa

THE MINTEK

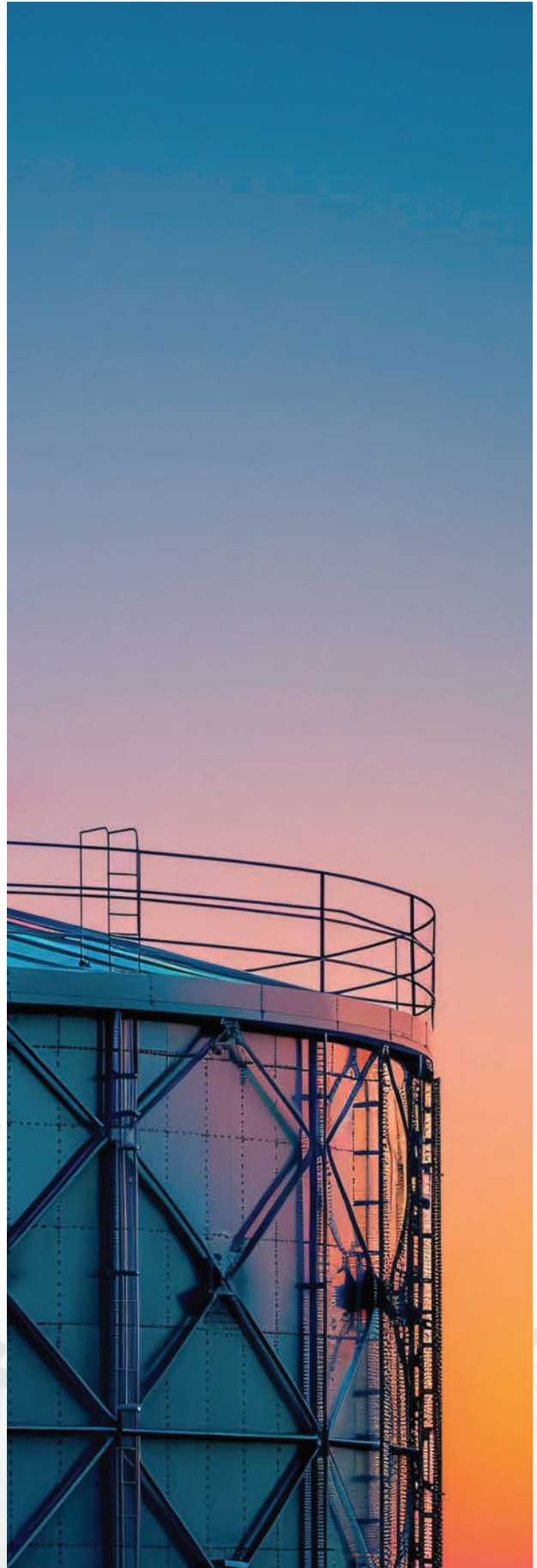
The MINTEK contribution towards the achievement of its mining sector's vision as follows:

Through research, development and technology transfer to promote mineral technology, and to foster the establishment and expansion of industries in the field of minerals and products derived therefrom, Mintek will continue to focus on the research and development following:

- ✓ Mineral Production Productivity and Efficiency
- ✓ Waste and Secondary Resources
- ✓ Beneficiation and Value Chain Extension
- ✓ Industry 4.0 (Digital Technologies)

For the industry – Mintek, continues to lead innovation toward the attainment of the following:

- ✓ Revival of the Ferroalloys Industry in South Africa
- ✓ Integrated Solutions for Mine Effluent & Mine Impacted Water
- ✓ Energy Storage as an Enabler of the Just Energy Transition
- ✓ Revitalising South Africa's Iron Ore Industry
- ✓ Electro-Chemical Sensor Programme
- ✓ Incubating Fuel Cell Manufacturing at Mintek



10. KEY RISKS

STRATEGIC OUTCOME	KEY RISKS	MITIGATION
1. A coherent, aligned and enabling mining and petroleum policy environment	- Fragmented process to develop the mining and petroleum policies - Slow adoption of data-driven policy making, leading to reactive policymaking - Policy uncertainty - Lack of Stakeholder alignment for policy development	- Streamline intergovernmental policy consultation processes - Partner with data collection agencies such as CSIR to develop accurate data repository and tools for data modelling and forecasting - Active stakeholder engagement
2. A transformed mining and petroleum sectors	- Inadequate and ineffective compliance enforcement tools - Lack of stakeholder engagement in relation to transformation efforts Inequitable Distribution of Benefits: HDIs may not receive fair access to opportunities created by lifting the moratorium on petroleum rights. Community Resistance: Local communities may oppose exploration activities if not adequately consulted Lack of Transparency: Failure to communicate effectively with the public can lead to distrust and exploitation Negative Public Perception: Misinformation or negative experiences may impact community support	- Enhancing regulatory transparency, fast-tracking the implementation of online mining licensing system - Review of the MPRDA - Proactive stakeholder engagement in relation to transformation efforts Transparent Bidding Processes: Ensure competitive bidding is transparent and includes provisions for HDIs. Community Engagement Initiatives: Foster ongoing dialogue with communities to address concerns and build trust. Regular Communication: Establish consistent communication channels to keep the community informed about initiatives and developments. - Feedback Mechanisms: Implement systems for community feedback to address concerns and adjust initiatives accordingly - Targeted Outreach Campaigns: Implement marketing strategies to raise awareness and encourage participation in training programmes
3. Investment in petroleum infrastructure to ensure security of supply and mineral exploration to enable economic exploitation	Uncertainty in the investment climate due to policy inconsistencies, lengthy approval processes, and slow regulatory decision making.	Streamline and address policy inconsistencies and Introducing time-bound investment approval processes

STRATEGIC OUTCOME	KEY RISKS	MITIGATION
4. Industrialisation through beneficiation and localisation to support economic growth	- No clear framework for public-private partnership for petroleum infrastructure - Lack of a coherent strategy that clearly articulates the contribution of the mining and petroleum industries towards localisation and value addition. - Lack of coordination and streaming of programmes offered to investors to incentivise local manufacturing and value addition in SA. This is NT lets discuss - High cost of doing business (high costs of administered prices – electricity, fuel and lack of incentives) Lets discuss	- Simplify regulations and provide clear guidelines to facilitate investment. - Finalisation and implementation of the Critical Minerals strategy supported by the key departments and industry - Clear mapping of value chains to inform the required investment friendly environment. Value chains are done in the strategy
5. Eliminate Mining License backlog	Lack of a transparent, efficient and streamlined licensing process leading to Long and protracted processing of licensing applications	Implementation of online mining licensing system
6. Improve state of geological infrastructure	- Illegal mining as an outcome of unrehabilitated mining sites - Poor health on communities close to old mines	- Review and update mine closure strategy - Enforce mining rehabilitation requirements prior to closure - Solicit funding from NT to address D&O
7. Strengthened regional integration and strategic partnerships in global markets	Regional and Global partnerships - Potential lack of alignment and consensus amongst regional states on key efforts required to attain Africa's Agenda 2023 - Geopolitical tensions affecting trade policies and global alignment on strategic matters	Regional and Global Partnerships - Strengthening regional policy harmonisation efforts to ensure that SA pursues regional cooperation and continental integration for the implementation of common Strategies and attainment of Africa Union's 2063 Agenda and the African Green Minerals Strategy implementation - Proactive and Regular engagements on critical and priority matters for the country
8. Capable, high-performing, and digitally enabled organisation	- Shortages of technical expertise in planning, regulation, and development of tools for evident based policy making - Slow adoption of technical solutions to digitise the mining and petroleum sector regulation and oversight.	- Expanding the department's workforce development strategy, establishing partnerships with academic institutions, and attracting highly skilled professionals through targeted recruitment strategies. - Fast-tracking the implementation of e-licensing systems and rolling out automated compliance tracking systems.

STRATEGIC OUTCOME	KEY RISKS	MITIGATION
	• Lack of funding to deploy modern digital infrastructure to improve department processes and record keeping • Lack of funding to fill critical and core positions • Constrained fiscus to fund a fit for purpose organisational structure	• Organisational restructuring and training/ re-skilling • Digital enhancement of business capabilities



11. PUBLIC ENTITIES

NAME OF PUBLIC ENTITY	MANDATE	OUTCOMES	CURRENT ANNUAL BUDGET (R'000)
Central Energy Fund (CEF)	The Mandate of CEF is derived from the CEF Act (No 38 of 1977) and the Ministerial directives issued thereafter. The mandate is in essence to contribute to the security of energy supply for the country.	• Increase import volumes and add more trading skills • Leverage the Strategic Fuel Fund (SFF) balance sheet and infrastructure for (heavy) condensate optimal sourcing • Leverage strategic partnerships to extend gas production from known PetroSA discoveries - source gas from the Brulpadda discovery and also consider acquiring an equity interest in the block • Source Liquefied natural gas (LNG) from the Coega Hub Project and G-G supply options • Complete a feasibility study for infrastructure requirements and commercial viability for the LNG supply to the gas-to-liquids (GTL) process will be completed by December 2020.	R55 273 394
Council for Geoscience (CGS)	The Council for Geoscience (CGS) is one of the National Science Councils of South Africa and is the legal successor of the Geological Survey of South Africa, which was formed in 1912 by the amalgamation of 3 former Surveys, the oldest of which - the Geological Commission of the Cape of Good Hope - was founded in 1895. The Geoscience Act, Act 100 of 1993, as amended, established the CGS in its present form. • Serve as the national custodian of ALL geoscientific information and prospecting information relating to the earth, the marine environment and geomagnetic space.	• Develop a long-term sustainable funding model that balances its mandate with commercial business • Establish continuous engagement with National Treasury to advance the value proposition of investment in geosciences, as well as develop an aggressive commercial business development strategy in SA and abroad.	R761 040

NAME OF PUBLIC ENTITY	MANDATE	OUTCOMES	CURRENT ANNUAL BUDGET (R'000)
	- The systematic onshore and offshore geoscientific mapping of South Africa - Basic geoscience research into the nature and origin of rocks - The collection and curation of all geoscience data and act as a National Geoscience Repository - The compilation and development of comprehensive and integrated geoscience knowledge and information, such as geology, geophysics, geochemistry, engineering geology, economic geology, geochronology, palaeontology, geohydrological aquifer systems, geotechnical investigations, marine geology, geomagnetism, seismology, geohazards, environmental geology and other related disciplines - Promote the search for, and exploitation of, any minerals in the Republic	- Fast-track the implementation of the Geoscience Technical Programme (GTP) to catalyse investment in exploration. The goal is to ensure the long-term sustainable funding model that sustains the impact of the geosciences in South Africa. - Full implementation of an Enterprise Resource Plan that integrates all business activities within the CGS. This includes developing an integrated operating model. Implement data policy guidelines together with the installation of suited technological infrastructure, in line with the ICT governance framework and data architecture - Full implementation of the integrated and multidisciplinary geoscience mapping programme (IMMP), annual recapitalisation plan, and job evaluation and exploration of a sustainable funding model - Become a streamlined government business - conduct a detailed analysis of functional duplication of geosciences within the DMPR entities and streamline such activities to an entity with a legislated mandated for geosciences - Pursue the full implementation of legislation provisions: Technical amendment of the Geoscience Act, finalisation of the Geoscience Act Regulations and implementation of the geoscience data-sharing model for PR and MR holders	

NAME OF PUBLIC ENTITY	MANDATE	OUTCOMES	CURRENT ANNUAL BUDGET (R'000)
	- Bring to the notice of the Minister any information in relation to the prospecting for and mining of mineral resources, which is likely to be of use or benefit to the Republic. - Promote the search for and the exploitation of any minerals in the Republic - Study (i) the distribution and nature of mineral resources and (ii) geo-environmental aspects of past, current and future mineral exploitation - Study the use of the surface and the subsurface of the land and the seabed, and from a geoscientific viewpoint advise government institutions and the general public on the judicious and safe use thereof with a view to facilitate sustainable development - Develop and maintain the National geoscientific library, the National geoscientific information centre, the National borehole core depository, the National geophysical and geochemical test sites, the National geoscience museum, the National seismological network and the National geoscience analytical facility - Conduct investigations and render prescribed specialised services to public and private institutions - Render geoscience knowledge services and advice to the State.	Other resolutions include the full installation of Governance structures, the appointment of the CGS Board, maintenance of a fully capacitated EXCO and implementation of a Leadership Talent Management programme	

NAME OF PUBLIC ENTITY	MANDATE	OUTCOMES	CURRENT ANNUAL BUDGET (R'000)
Council for Mineral Technology (MINTEK)	The objects of Mintek are through research, development and technology transfer, to promote mineral technology, and to foster the establishment and expansion of industries in the field of minerals and products derived therefrom.	- Work on a strategic realignment that covers all the identified areas: from the alignment of the entire organisation to the mandate as articulated in the Mineral Technology Act to engagements with customers and industry in particular - Align research and technology development operations to meet industry needs - Finalise the medium to long term Mintek Strategy, as well as launch the strategy and embark on a stakeholder engagement campaign to socialise them with the new strategic direction of the organisation. - Conclude the operating model, as well as the macro-organisational structure. In preparation for this develop a series of position papers focusing on reviving and stimulating specific sectors within the minerals and mining space, which will make a meaningful contribution to the economy - Monitor the implementation of and reporting on the SET Human Development Programme aimed primarily at developing skills, capacity and capabilities in science, engineering and technology, from junior level through to senior researcher levels.	R686 004
State Diamond Trader (SDT)	- State – owned entity established in 2007 in terms of section 14 of the Diamond Act 56 of 1986 to operate in the diamond industry to support and facilitate growth in local diamond beneficiation. - SDT Mandate is to: - Buy and sell rough diamonds for local beneficiation.	- A transformed and inclusive diamond beneficiation industry that ensures an increased black ownership and participation in the sector. - A capable workforce and developmental industry - A knowledge- based and innovative organisation.	R761 337 840

NAME OF PUBLIC ENTITY	MANDATE	OUTCOMES	CURRENT ANNUAL BUDGET (R'000)
	• promote equitable access to and beneficiation of the country's diamond resources. • Grow SA diamond cutting and polishing industry by increasing HDSA for beneficiation, • Address distortion created by excluding previously disadvantaged groups from economic participation (transform diamond industry). • Purchase up to 10% of the run of mine from SA producers. • Sell to registered customers through an application and approved process.	• Improve corporate performance accountability and transparency • A financially viable and sustainable entity.	
Mine Health and Safety Council (MHSC)	• Advise the Minister on all occupational health and safety issues in the mining industry including legislation, research and promotion. • Review and develop legislation for recommendation to the Minister (Focus on Regulations). • Oversee research in relation to health and safety in the mining industry. • Liaise with other bodies concerned with health and safety issues (MQA, State Departments and various Stakeholders). • Promote health and safety culture in the mining industry.	• Focus on revenue diversification by developing and implementing the revenue generation strategy, outlining diverse revenue streams. • Develop a 4IR implementation strategy • Build a capacity scope that will include the employees of the MHSC, members of Council and its Advisory Committees • Implement the promotion and dissemination strategy for target audiences, and build internal capacity within MHSC to improve turn-around times on MHSC processes, and research outcomes that incorporate changes in technology and development / enhancement of safety tool • Awareness that will result in reducing health and safety-related incidents, and enhanced skills and internal capacity within the MHSC. • Develop a 4IR implementation strategy	R130 336 216

NAME OF PUBLIC ENTITY	MANDATE	OUTCOMES	CURRENT ANNUAL BUDGET (R'000)
		- Build a capacity scope that will include the employees of the MHSC, members of Council and its Advisory Committees - Implement the promotion and dissemination strategy for target audiences, and build internal capacity within MHSC to improve turn-around times on MHSC processes, and research outcomes that incorporate changes in technology and development / enhancement of safety tool - Awareness that will result in reducing health and safety-related incidents, and enhanced skills and internal capacity within the MHSC. - Appoint the Social and Ethics Committee to focus on Procurement and Contract Management improvements and appoint a dedicated Compliance Officer & Appointment of Compliance Officer, and improve continuous Review and Monitoring efforts	
Alexkor Limited (ALEXKOR)	- Object of Alexkor is mining of alluvial diamonds on land along rivers, beaches and in the sea on the northwest coast of South Africa. - Alexkor focuses on unlocking shareholder value while delivering sustainable socio-economic upliftment for the Richtersveld community (RVC). - Alexkor and the Pool and Sharing Joint Venture (PSJV is unincorporated entity) are two distinct and separate entities but operate interdependently.	- To support the South African government's national development plan by optimising natural resources for economic growth. - By maintaining a secure environment for realisation of the local economic potential such as: - ensuring reliable security measures – collaborative effort between SAPS SANDF (when circumstances require) and the mines.	R108 158 702

NAME OF PUBLIC ENTITY	MANDATE	OUTCOMES	CURRENT ANNUAL BUDGET (R'000)
	The business of the PSJV is the mining of diamonds from the pooled marine and land mining rights in the Alexander Bay - Port Nolloth area.	- deploying private security resources to aid police work & investigations in addressing illegal mining activities - creating a secure business environment crucial for the future Boegoe Bay Harbour and Green Hydrogen Project which is to commence construction in the next 3 years.	
South African Diamond and Precious Metal Regulator (SADPMR)	- The South African Diamond and Precious Metals Regulator was established in term of the Diamond Act, 56 of 1986, as amended and the Precious Metals Act, 36 of 2005. - The South African Diamond and Precious Metals Regulator is responsible for the regulation of diamonds, gold and platinum group metals.	Effective, efficient and development-orientated regulator - Increased participation of BBBEE suppliers - Financial Sustainability Strategy - ensured compliance of Performance Management and Development System - improved Turnaround time on procurement - safe and secured work environment in line with the health and safety requirements - implemented employee wellness programme - promoted SADPMR brand - provided effective and efficient legal support to the SADPMR - Ensured sound Corporate Governance - promoted SADPMR brand - provided effective and efficient legal support to the SADPMR - Ensured sound Corporate Governance Compliance to legislation by SADPMR licensees verified fair market value of diamonds	R128 620 008

NAME OF PUBLIC ENTITY	MANDATE	OUTCOMES	CURRENT ANNUAL BUDGET (R'000)
		- ensured equitable access of diamonds in the DEEC - reduced illicit trading in the Diamond and Precious Metals Industry - Job creation, skills development and value addition to diamond and precious metal industries - precious metals licenses issued within legislated timeframes - diamond and Precious Metals Licenses issued to HDP's including women, youth and people with disabilities - formulated and implemented SADPMR beneficiation strategy plan - trained new entrants in diamond planning, marking, sorting, valuation and pricing - formulated and implemented SADPMR beneficiation strategy plan - Transformation in the diamond and precious metals industries - assessment of the extent of transformation in the diamond and precious metals industries - new Enterprise development/ partnership projects created, monitored and maintained	



Part

Technical Indicator Descriptions

ANNEXURES TO THE STRATEGIC PLAN

ANNEXURE A: NSDF AND THE DISTRICT DELIVERY MODEL



mineral & petroleum resources

Department:
Mineral and Petroleum Resources
REPUBLIC OF SOUTH AFRICA

71 Trevenna Campus
Cnr Meintjies & Francis Baard Streets
Sunnyside, Pretoria
0001

Tel: +27 12 444 3000

Private Bag X59
Arcadia
Pretoria
0001

Website: www.dmpr.gov.za