

# Department of Mineral Resources

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## FOLLOW UP BRIEFING TO THE PARLIAMENT PORTFOLIO COMMITTEE ON MINERAL RESOURCES

15 APRIL 2015



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# INTRODUCTION

- On 18 March 2015 the DMR presented its Annual Performance Plan and the Department was subsequently requested to brief the Committee on some specific issues
- The Department programmes are aligned to National Development Plan and also respond to the State of the Nation Address
- The specific issues are as follows:



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# PRESENTATION OUTLINE

- Technical Regulations for Oil and Gas
- Progress in illegal mining
- Rehabilitation of derelict and ownerless mines
- Women in Mining Strategy
- Mining Charter Assessments
- Legislative Roadmap for Mineral Resources
- Commemoration for ex-mineworkers
- SAMRAD – Cadastral System
- Learner Inspector Programme – Mine Health and Safety
- Environmental Inspectors – Mineral Regulations



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# TECHNICAL REGULATIONS FOR OIL AND GAS

## Progress

- Following the development of the Technical Regulations, DMR embarked on a process to develop a Communication Strategy on shale gas development.
- The strategy is aimed at creating awareness in respect of shale gas and hydraulic fracturing with a strategic outlook of creating understanding amongst South Africans.
- The strategy communicates government's decision to develop shale gas resources and further highlights the prospects of development benefits as well as measures to mitigate environmental risks associated with shale gas exploration and development.



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## TECHNICAL REGULATIONS FOR OIL AND GAS cont...

- The strategy was presented to Cabinet and has since been referred back to the Department for more consultation within government in structures such as the DG's cluster as well as the related Inter Ministerial Committee for further enrichment.
  - Further extensive consultation resulted in the amendment of Technical Regulations for the development of Petroleum Resources in order to explicitly state that the Astronomy Programme is protected in terms of the Astronomy Advantage Act No. 21 of 2007
- The Inter-Departmental Task Team as well as the DG cluster have endorsed the strategy and the Regulations for further processing.
- Once the necessary approvals are granted the DMR will commence with community consultations intended for May/June 2015 and finalise the Regulations immediately there after



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# ILLEGAL MINING

- The response is grouped into 5 focus areas:
  - Promotion of Legitimate Mining and Sealing of Holes
  - Law Enforcement and Forensic Analysis
  - Legislative Review
  - Immigration Laws
  - Training and Workshops



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# ILLEGAL MINING: PROMOTION OF LEGIMATE MINING AND SEALING OF HOLES (1)

## *Promotion of legitimate mining*

- The Department promotes legitimate mining and removal of exposed minerals where necessary.
  - The Department issued a mining permit to conduct mining operations in the East Rand, where illegal mining activities were taking place. Accordingly, mining operations have commenced in the area.
  - Also, the outcrop and sub-outcrop was mined successfully in an area that had high illegal mining activities in Riverlea outside the Roodepoort area.



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# ILLEGAL MINING: PROMOTION OF MINING AND SEALING OF HOLES (2)

## *Sealing of Holes*

- The Department has progressively closed or sealed 141 open shafts or open holes that have been identified
- The Mine Health and Safety Council will be conducting a study on the effective methodology for preventing access to underground workings.
- Also, there is sharing of information with respect to current effective sealing methodology through the Provincial Illegal Mining Forums.



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## ILLEGAL MINING: LAW ENFORCEMENT AND FORENSIC ANALYSIS (3)

- SAPS Forensic Science Laboratory (FSL) conducts forensic analysis on gold bearing material (GBM) samples referred to by law enforcement and the mines and a fingerprinting database is also kept of the sample results – ongoing
- Funding will be requested from National Treasury for CGS and Mintek to acquire specialised laboratory equipment to assist SAPS and the for the CGS to implement the Geoscience Amendment Act in respect of geohazards. This will be done during the forthcoming MTEF round – June/July 2015.



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## ILLEGAL MINING: LAW ENFORCEMENT AND FORENSIC ANALYSIS (3)

- Some regional courts also accept the Gold Bearing Material evaluation reports done by the Essay Laboratories of mining companies.
- The South African Precious Metals and Diamond Regulator conducts inspections at both new and existing diamond and precious metals business premises to ensure compliance to the law by licence holders.



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## ILLEGAL MINING: LAW ENFORCEMENT AND FORENSIC ANALYSIS (4)

- The law enforcement agencies continue with the disruptive operations. The Department of Home Affairs also participates in the operations – Ongoing.
- The police recently seized gold worth around R20 million following coordinated raids on several properties in Ekurhuleni, the Johannesburg CBD, and Limpopo. This is in addition to the seizure of gold worth R53 million during the period September to December 2014.
- A total of six Prevention of Organised Crime Act (POCA) involving crime syndicates were at a prosecutorial phase during the third quarter.
- 105 illegal miners and 27 employees were arrested for assisting the illegal miners to enter the underground workings of the mine.



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# ILLEGAL MINING: LEGISLATION REVIEW AND NHTL CONSULTATION

- The Department requested legal advice from the State Law Adviser on the legislation to criminalize this form of illegal mining activities. The advice was subsequently provided and will be included in the law once the MPRDA Bill is referred back to the Department for consideration.
- Although consultation is currently taking place, the reviewed MPRDA aims to further strengthen consultation with communities regarding mining licensing. Also, the referral of the MPRDA Bill by the President to the National Home of Traditional Leaders (NHTL) will assist in addressing their concerns.
- The National Coordination Strategic Management Team (NCSMT) has also established a Legislative Task Team to improve legislation to make prosecutions more effective and to ensure harsher sentences can be imposed on those found guilty.



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## ILLEGAL MINING: IMMIGRATION LAWS

- The problem of illegal immigration is dealt with holistically as it relates to an array of security related treats in the country.
- The Department of Home Affairs recently convened a workshop with other relevant Departments to engage on immigration laws.
- One of government's priorities has also been driving the process of establishing the Border Management Agency (BMA) which will be key in addressing all security threats emanating from the border environment including illegal immigration and other cross border crime.



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# ILLEGAL MINING: TRAINING WORKSHOPS

- SAPS Visible Policing has, in consultation with all relevant parties, drafted Directives for all police units including those at police stations on how to deal with illegal mining related cases.
- SAPS visible Policing is also running in-house awareness campaigns on the subject of illegal mining for police officials.
- The SAPS has also produced posters on gold, platinum and diamonds to assist police officials based in police stations to identify these materials.
- The Strategic Management Team has also been engaged in a process of developing an integrated Training Manual meant to be incorporated into various departments' training programmes. The manual will guide the training of police officials who deal with all levels of the value chain.



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# REHABILITATION OF DERELICT AND OWNERLESS MINES

## Actuarial report on estimated state liability for D&O mines

- The DMR embarks on a programme of determining the estimated extent of liability for derelict and ownerless mines on an annual basis.
- Services of an Actuary was sought for the purpose of calculating such estimates
- The 2013/2014 report reflects that the total estimated present value of the closure costs is R47.1 billion of which R2.1 billion is for asbestos mines.
- The 2014/2015 report will be concluded post closure of the financial year.
- The report is expected to be available by 31 May 2015, upon which it is a subject of audit by the Auditor General.



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## WOMEN IN MINING STRATEGY

- In terms of the 2013/ 2014 Annual Report, the Department reported that inputs from the consultative process will be incorporated by 31 March 2015.
- The final Strategy will be available by end of July 2015.
- The Strategy is informed by the Constitution and other relevant legislative framework.
- The South African mining industry is still very much male dominated. The objective of this strategy is therefore to ensure that women participation in the industry is meaningful.
- The DMR Women Strategy is based on the emphasis of both skills and enterprise development as a strategic focus.
- The Strategy also incorporate the work that is done by the State Owned Entities reporting to the Minister.



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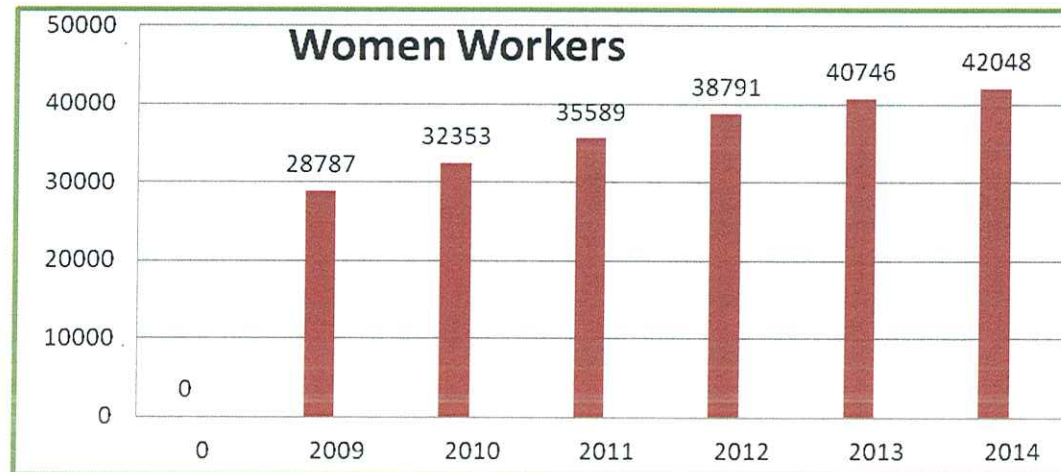
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# WOMEN IN MINING STRATEGY

## SITUATIONAL ANALYSIS

- The Department has done a situation analysis which reveals that the number of women in the industry has increased steadily from 2009 to 2014 and it stood at 42 048 in total.
- While this is relatively small, it represents a start that has to be built on.



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## MINING CHARTER AUDIT 2009 TO 2014

- In terms of the reporting requirements inscribed in the Mining Charter, the 2014 progress on implementation of this transformation tool is 31 March 2015.
- The DMR engaged with stakeholders through the MIGDETT Transformation Task team and secured an earlier submission.
- The participating members of MIGDETT headed the call for an earlier submission, in order to allow sufficient time for processing of the data.
- However, some of the right holders generally not participating in the MIGDETT process made submissions on the 31<sup>st</sup> March 2015. As a result, only an interim report was released on the 31<sup>st</sup> March.
- The MPRDA provides for orders to be issued against non-compliance



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## 2015 DMR LEGISLATIVE ROADMAP

### The Mineral and Petroleum Resources Development Amendment Bill, 2013 (MPRDA Bill), 2013:

- The Bill has been referred back to Parliament for further consideration on two substantive and two process issues that may challenge the Bill from meeting the Constitutional muster.
- The DMR stands ready to provide necessary technical support to parliament in processing the Bill during this financial year.

### The Mine Health and Safety Amendment Bill, 2015:

- DMR intends to introduce the Mine Health and Safety Amendment Bill for tabling in Parliament in 2015. The Bill is currently serving before NEDLAC for consideration and will be submitted to Cabinet for approval, thereafter the Bill will be submitted to Parliament.



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## 2015 DMR LEGISLATIVE ROADMAP cont...

### African Exploration Mining and Finance Corporation Bill, 2015 (AEMFC) (SOMCO):

- DMR intends to introduce the AEMFC in 2015. The Bill has been pre-certified by the State Law advisors and will be submitted to Cabinet for approval, thereafter the Bill will be submitted to Parliament.



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# Commemoration for ex-mineworkers

- The National Union of Mineworkers (NUM) brought to our attention the existence of unknown mineworkers graveyard outside hostels in Mpumalanga province. In this regard, a task team involving the new mine owners was established to implement measures including the tracing of all the names of the deceased workers. The aim is to implement the identified tasks by the end of December 2015.
- The DMR and tripartite stakeholders have initiated a programme to commemorate ex mineworkers. Amongst others, we intend to commemorate the past mine disasters and where necessary ensure that decent monuments are erected. We will also be engaging with the Department of Arts and Culture and the Heritage Council on whether the locations could be converted into heritage sites.



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# SAMRAD

## Benchmarking -

- To guide the development of the system, study tours were undertaken to Canada (Ottawa), and Australia (Western Government and Brisbane City) to look at their electronic systems and the outcomes were used to inform the format of SAMRAD.
- A project plan was developed with clear milestones and this is being implemented.

## Monitoring of the system -

- ❖ The Department has mechanism in place to monitor performance of SAMRAD and ensure that it is always 95% available.
- ❖ Queries from the public are logged and addressed on a daily basis.



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## SAMRAD cont...

### Monitoring of the system cont...

- A Departmental ICT Steering Committee which monitors implementation of all ICT projects.
- Periodic meetings of super users are convened at least quarterly for monitoring and continuous training of officials, to enhance the performance and success of the system in order for them to provide the appropriate support.



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# LEARNER INSPECTOR PROGRAMME

- The Department has, in collaboration with the Mining Qualifications Authority (MQA), embarked on a learner inspector programme, where 50 unemployed graduates from previously disadvantage background have been placed at different mines to undergo a two year experiential training to assist them to qualify for the Government Certificate of Competency (GCC) examinations.
- The graduates have qualifications in mine surveying, occupational hygiene, electrical, mining and mechanical engineering.
- On completion of this programme and upon passing GCC examinations, their chances of possible employment at mines or becoming fully qualified inspectors are enhanced.



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# INSPECTORS FOR ENVIRONMENTAL ISSUES

- The creation of skills capacity (to augment the existing skills) within the Department where all 102 Mine Environmental Management officials underwent training in areas of Air Quality Management; Waste Management; Basic Environmental Impact Assessment (EIA); and Biodiversity in Mining, amongst others. This programme is implemented in partnership with the Department of Environmental Affairs.
- Further to that, 30 officials underwent EMRI (Environmental Mineral Resource Inspector) training at the University of Pretoria. The training was successfully completed at the end of January 2015.



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## INSPECTORS FOR ENVIRONMENTAL ISSUES cont...

- During the current year an additional 60 officials will receive EMRI training.
- The plan is to train all the Environmental Management officials of the Department to ensure successful implementation of the integrated licensing system, before end of 2016.



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## Conclusion.

- The Department will continue to implement its programmes as outlined in the APP and the strategy. The programmes are two pronged Promote and Regulate the Industry
- Programmes will be implement by forging partnerships with SOE and tripartite partners - through MIGDETT and other structures
- We value the Committee advises and we will be available to share with you progress in respect of DMR and its entities programmes.



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**THANK YOU**



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