

Speaking notes for Comrade Hilda Nyambi ANC (MP) during National Assembly Budget Vote debate Mineral Resources No 29

7 May 2015

Focus area: Transformation of the Mining Sector

The essence of the transformation of the minerals and mining sector is centred around key policy pillars that have come about as a result of the efforts of the ANC government to transform a sector that has historically been steeped under the influence of colonial production relations and an apartheid political economy which benefitted from the colonial production relations.

Countries that have liberated themselves from the yoke of colonial and narrow national oppression and who are endowed with mineral wealth know full well that on taking power one of the major challenges that remain is to deal with the entrenched influence of mineral resources on the economy and related mining activities.

The legal complexities of what the ANC government inherited in 1994 in the minerals and mining Sector can be found in other Africa countries who at the dawn of liberation had to make strategic and critical choices on how to transform a sector that contributes so much to the political economy of those countries endowed with mineral wealth.

We are no different and yet what in this budget vote debate what we are tasked to do is evaluate what still needs to be done and how the actual vote can contribute to the further implementation of policy and regulatory instruments which can transform the minerals and mining sector with all the contradictions and complexities that go with transforming the minerals and mining sector.

Practically what does this mean. The essence of the transformation of the minerals and mining sector is hinged around the following.

Firstly the Presidential led Framework Agreement for a Sustainable Mining Industry, which has led to significant stabilisation in the mining industry. This was a conscious decision that was undertaken to ensure enhanced stability in the mining industry.

No country that derives such a percentage of its revenue from mineral wealth would work proactively to ensure stability in that key sector.

Secondly is to create a legislative framework for the State Owned Mining Company and that this must be fast-tracked. We have had the debates and we are clear about the scope of the operations of such a state owned mining company, where it should operate and which strategic minerals it should focus on. This mirrors what other countries have done in safeguarding their mineral wealth and ensuring the appropriate revenue is generated in the beneficiation and sale of such wealth.

Thirdly continued support for research institutions across the entire value chain to stimulate investment in exploration and mining, and thereby improving performance of the industry is critical. The objective reality is that our minerals and mining sector operates in the market economy and the survival of our sector depends on how we are able to compete with countries whose orientation may be very different from our own.

Fourthly the current restructuring in the mining industry creates an opportunity to increase the participation of Black industrialists in the mining sector. The thrust of ANC policy on Broad Based Black Economic Empowerment seeks to ensure that at the core of driving the radical economic

transformation phase is the re-industrialisation of the country in which black industrialists are found at the centre of this process and not just reflected in share ownership, but as owners of the means of production.

Fifthly through an appropriate legislative framework ensure increased state participation in mining and upstream petroleum sectors to advance the developmental objectives of the State.

Sixthly in recognition that the mining and minerals sectors are distinctively different from the oil and gas industry new legislation will be required in the short term to deal with this reality.

And lastly beneficiation must be a principal driver of the mineral resources sector and greatly influence the re-industrialisation of the country.

These are the pillars of the transformation strategy for the minerals and mining sector and will require the active support of the legislative sector.

The budget vote on Minerals Resources must be evaluated within this context especially over the Medium Term Strategic Framework.

The Freedom Charter states that "The people shall share in the country's wealth, and that the mineral wealth beneath the soil, shall be transferred to the ownership of the people as a whole".

This was the ANC's vision at the dawn of democracy in 1994, as reflected in the Reconstruction and Development Programme (RDP) is that "We must seek the return of private mineral rights to the democratic government in line with the rest of the world"

The ANC 2014 Elections Manifesto, sets out priorities for government for the next five years with the need to accelerate economic growth along an inclusive and sustainable path, creation of jobs and decent work and ensuring black participation in the ownership, control and management of the economy.

The Mining Charter is an instrument designed to effect sustainable growth and meaningful transformation of the mining industry. Through this the ANC aims to facilitate meaningful economic participation of historically disadvantaged South Africans in the mining and minerals industry; promote skills development; promote employment and advance the socio-economic welfare of mining communities, promoting beneficiation of South Africa's mineral commodities and promoting a sustainable development and growth in the mining industry.

These were addressed through the amendment of the Mining Charter, to pave a way of meaningful economic participation of the historically disadvantaged South Africans. However, concerns remain over the slow pace in the implementation of the Charter.

During his NEC January 8th Statement in 2015, President Jacob Zuma, has acknowledged that and stated that "the ANC commits itself to continue working with our people to ensure that there is enhanced benefit from this ownership. This year, we must finalise the amendments to the applicable laws to ensure that mineworkers and mining communities share, much more equitably, in South Africa's mineral wealth."

Address by the Honourable Nkosi Zwelivelile Mandela delivered at the Mineral Resources Budget Debate, Vote No 29, Parliament of the Republic of South Africa

7 May 2015

Honourable Speaker,
Minister of Mineral Resources, Honourable Adv Ngoako Ramatlhodi,
Ministers and Deputy Ministers present;
Members of the Portfolio Committee on Mineral Resources;
Fellow members of Parliament;
Ladies and gentlemen;

I am honoured to contribute to the Debate on Vote 29: Mineral Resources. I commend the Minister of Mineral Resources, Advocate Ngoako Ramatlhodi, Deputy Minister Godfrey Oliphant, and the department on their sterling work, and assure them of our unwavering support.

As we prepare to celebrate the anniversary of the Freedom Charter adopted on 26 June 1955, we are proud of the progress we have made.

Sixty years ago those gathered in Kilptown proclaimed with one voice for all the world to know that: 'South Africa belongs to all who live in it... the mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole'.

Back then, the prospects for such freedom and ownership rights by the majority of our people were a distant dream. How far we have journeyed.

Today, the overwhelming majority of our people live in conditions vastly different from what they were, even 10 years ago. Ownership of the mineral wealth beneath our soil has been transferred to the state on behalf of the people, as articulated in the Freedom Charter. This, all due to the sterling work of the Department of Mineral Resources - and despite the challenges the sector has faced in recent years.

We are proud of South Africa's pre-eminent position in the "Mineral Resources World", a position we have earned through our experience, expertise and technological innovations.

We are a world leader in the industry - but we are deeply cognizant of the heavy price paid and the sacrifices made by tens of thousands of our compatriots in order for us to achieve this lofty position... many of whom are yet to fully taste the fruits of their toil.

As the successors of Dr Walter Benson Rubusana, who founded the South African Native Congress that was transformed into our proud national organization in 1912, we know that since our inception we had the support of King Letsie (Lesotho), Queen Labotsibeni (Swaziland), Kgosi Khama III (Botswana), and King Lewanika (Zambia) - for whom my father was named.

We remember this history at a time of deep concern over xenophobia and criminal attacks on foreign nationals.

We dedicate these words today to the many generations of fellow Africans from all over Southern Africa - from Mozambique, Lesotho, Malawi, Zambia, Tanzania, Swaziland, Botswana and Namibia, and other lands - who slogged deep below the surfaces of this beautiful land of ours, often in perilous conditions, to extract the mineral wealth in return for paltry wages. At the loss of their family lives and their dignity.

It would be inhuman for us to be silent spectators as criminals strip these sisters and brothers of their dignity, one again. The burden of history weighs heavy upon us to acknowledge that the economy of this country owes part of its success to the contributions of our fellow Africans.

Today, we celebrate an industry committed first and foremost to the dignity, honour and freedom of mineworkers, and a deep respect for their contribution to the economy of South Africa and the well-being of all its people.

This, too, Minister, is a tribute to your and our government's dogged determination to ensure that the occupational health and safety of mineworkers is treated with the utmost priority in a pervading culture of zero harm. To do any less would take us back to the dark days when black lives were dispensable, and the treatment meted out to our grandfathers who worked the mines was despicable and reprehensible in the extreme.

How different it is today, to have a government willing to intervene through its legislative, regulatory and oversight prerogatives to ensure compliance with global industry best practices. A government that is intent on spreading the benefits of our mineral resources to all.

We thank God that the days of a worker from my village, Mvezo Komkhulu, returning from a lifetime of service to a humble thatched hut - to eke out the remaining years of his life, often suffering the pains and sicknesses of decades of abusive hard labour - are gone.

We shall work closely with the Department to ensure realisation of the strategic goal of sharing equitably in South Africa's mineral wealth. To this end we are mindful of the critical role the Mineral Regulation Programme plays to "regulate the minerals and mining sector to promote economic development, employment and ensure transformation and environmental compliance".

Honourable Speaker, we must emphasise that the progress we have made does not blind us to the work still lying ahead.

It is the responsibility of this house - and in particular, the relevant portfolio committee - to ensure not only full legal compliance, but also that companies embrace their historic responsibility as partners in the transformation of our society. We are mindful, Honourable Minister, of your view that mining companies could do more, and we support your call for the MPRD Amendment Bill to be reconsidered.

Honourable Speaker: We must continue to endeavour to attract foreign direct investment (FDI), and support the work of the Mineral Policy and Promotion Programme.

South Africa has an unparalleled resource base that should be very attractive to foreign direct investment. Developing mineral resources is expensive, and we must do all that we can to contribute to creating positive global perceptions of our investment environment.

While we push hard to attract new investment, it is critical that improved measures are implemented to ensure safe and healthy working conditions for all.

It is our considered view that much more can be done by the Mine Health and Safety Council (MHSC) to give effect to this important priority. We are, however, encouraged by the safety council's plans to invest in a "Centre of Excellence" to conduct research, health and safety training and education.

The Centre of Excellence's "Quick Wins Projects" will grow our understanding of the impact of technology on people, and provide important research results on underground and surface communication systems, rockmass conditions, independent support testing capabilities, continuous dust monitoring and suppressing, missing persons locator systems, and collision management systems.

Honourable members: We are further encouraged by the opportunities to promote investment in mineral beneficiation, the plans to develop the ocean economy (oil and gas) through Operation Phakisa, and support for small-scale mining projects.

These developments reflect the commitment in the ANC's Elections Manifesto to investing in infrastructure that unlocks economic opportunities and creates jobs. For those on the other side of the house who may not have had the opportunity to read it, the manifesto said: We will invest in infrastructure that can unlock the vast mineral wealth of the country, create jobs and support the local beneficiation of minerals for the benefit of South Africans.

Honourable Speaker, we must ensure that all institutions subject to the provisions and mandates of the department promote the goals of transformation and community beneficiation.

In this regard, we will be watching with baited breath to see the extent MINTEK will leverage its activities and research in water treatment, the rehabilitation of derelict and ownerless mines, the establishment of a precious gemstone facility in Northern Cape, waste and scrap reprocessing, and the building of a pilot plant for rare earth elements.

The Council for Geoscience continues to play an important role, and will assist with the research and advocacy work for hydraulic fracturing in preparation for compliance and monitoring for shale gas explorations.

The Council is doubling its efforts to improve health and safety and protect the environment, and will be focusing in the medium term on solutions to reduce acid mine drainage water.

Honourable Speaker: Research by the South African Diamond and Precious Metals Regulator indicates that the decline of the jewellery manufacturing industry could be arrested by the creation of a state Bourse to stimulate the sector. We look forward to progress in this matter.

Finally, let me conclude with these sage words from uTatankhulu President Mandela, uttered in a speech to the Parliament of the Republic of Ireland, in July 1990. Words that are apposite to our mining industry, and to all who gave their blood, sweat and tears to build it...

"It could have been that our own hearts had turned to stone. But we understood that the oppression dehumanises the oppressor as it hurts the oppressed. We understood that to emulate the barbarity of the tyrant would also transform us into savages. We knew that we would sully and degrade our cause if we allowed that it should, at any stage, borrow anything from the practices of the oppressor."

Thank you!

Hon S Luzipo Chairperson: PC on Mineral Resourcesbudget Vote 29 - Mineral Resources

7 May 2014

Madam Speaker
Members of the Portfolio Committee on Mineral Resources
Honourable Members
Invited guests
Ladies and gentlemen

Madam speaker, during the month of May we celebrate Africa Day, an event marked across the

continent, which recognizes our collective achievements and resilience. "We are Africa" indeed. The incidents of xenophobia that we have seen in recent weeks are therefore unfortunate and regrettable. The mining industry was built on labour sourced not only from South Africa, but from other parts of the continent, particularly the SADC region. They are therefore not strangers in our country. They have lived for decades amongst us, and have been integrated into our communities. The Portfolio Committee on Mineral Resources condemns the attacks on foreign nationals and we call on all South Africans to do the same. In the Mining Industry we must uphold and ensure that migrant workers are treated the same with dignity and humanly, regardless of their country of origin.

One of the stalwarts of our movement, Walter Sisulu, died on this month, on the 5th May 1993. We are indebted to him and many others like him, who gave their lives to the fight against racial oppression. We must carry their legacy forward, and ensure that this sector, as one of the main contributors in this economy, benefits and changes the lives of our people for the better.

Madam speaker, as the Committee on Mineral Resources, we have had the privilege of engaging with the Department on various occasions. I therefore stand before the House today better informed than I was a year ago when I assumed my responsibility as Chairperson of the Portfolio Committee on Mineral Resources.

Departmental Programmes

Madam Speaker, the Committee on Mineral Resources believes that accountability is the distinguishing characteristic of a democratic government. Democracy remains just an idea if those in power cannot be held accountable in public for their acts or omissions.

Guided by our oversight responsibilities, the Mineral Resources Portfolio Committee has scrutinised the strategic plan, annual performance plan and Annual Report of the Department, and is convinced that programmes that the Department is embarking on will improve service delivery for the achievement of a better quality of life for all citizens, in particular amongst social partners.

History of Mineworkers

Madam speaker, as we commemorate our twenty one years of freedom and democracy, we should not lose sight of the immeasurable contributions made by workers and in general, the working class of this country in building the country's economy. We should continue to pay tribute to the millions who fought for a truly democratic South Africa. We salute the many who sacrificed so much so that all South Africans could enjoy rights of citizenship in their own country. They understood quite well that workplace struggles cannot be separated from the overall struggle for national liberation.

In this regard, Honourable Minister we support the Department for ensuring that we commemorate and honour the memory of mineworkers who have lost their lives in mining-related incidents, and acknowledging the important role that mineworkers have played in shaping our economy as a country.

Madam speaker, although we understand the economic conditions in which the industry operates, the Committee is concerned about the possible job losses that are currently being projected and as the committee we remain open to make our contribution to assist in mitigating against such an occurrence.

Enforcing compliance with legislation

Madam speaker, we have taken note of the Estimate of National Expenditure Report which indicates

that an additional R42 million was allocated to the Department over the medium term towards compliance with the Mineral and Petroleum Resource Development Act (2002).

The allocation will go a long way in ensuring that the Department has adequate capacity and skills to ensure compliance with the relevant Acts and also improve the turnaround times of granting prospecting and mining rights to 180 and 300 days respectively.

In South Africa, mining takes place within communities, and largely on communal land. There are current regulatory frameworks that places an obligation to mining companies to convert or upgrade hostels into family units and facilitate home ownership.

Through our oversight in the North-West and Northern Cape provinces, we have noted some progress in respect of housing for mineworkers and we commend those companies that are honouring their commitment in this regard. However, we are aware that a number of mineworkers still do not have decent accommodation and we welcome the initiative announced by the President to address housing in mining towns.

Among other enforcement activities are health and safety inspections and audits that are carried out in compliance with the Mine and Health and Safety Act (1996). The Department has targeted to reduce the mine fatalities, injuries and occupational diseases. Hence, it is heartening to hear the Minister indicating that 2014 was the safest year ever for the mining sector with the lowest fatalities recorded.

Madam speaker, the fall-of-ground and transport accidents have historically been the major cause of loss of life in the sector. Thus, it is encouraging that there has been a 22% and 44% reduction in the number of actual fall-of-ground and transport fatalities respectively for the period between 2013 and 2014.

The Committee will continue to monitor the department's activities to ensure that every mineworker ultimately return from work unharmed every day.

Public entities and agencies reporting to the Department

Council for Geoscience

We are pleased to note that the Council for Geoscience continuous to focus on research activities that will attract investment into the exploration sector. Support should be given to this entity as it is the foundation of the mining in the country.

Council for Mineral Technology

As the committee we have noted progress being made by Mintek in developing innovative technology for transfer to the industry. This includes beneficiation projects that support the development the development of small business in the fields of ceramic and jewellery manufacturing and sales. We further welcome their commitment to address the issue of gender imbalances as well as commend the approach to build their own internal capacity through various academic support systems.

South African Diamond and Precious Metals Regulator

Madam speaker, The South African diamond and precious Metals Regulator plays an important role in increasing growth and meaningful transformation of the Diamond and Precious metals industry through the issuing of licenses. This includes the control over possession, purchase and sale, the

processing and export of diamond and precious metals. We note with appreciation the work the regulator does in protecting the integrity of South African diamond industry, especially in respect of the Kimberly Process Certification Scheme.

State Diamond Trader

Madam speaker, despite the on-going uncertainty in the global economic environment, the State Diamond Trader continues to strive to be “a leading catalyst for the transformation of a sustainable diamond beneficiation industry”.

Honourable members, despite the fact that the State Diamond Trader does not get funding from the Vote, we are pleased to note that the entity continues to drive the transformation agenda. To this end, in conjunction with the Department of Trade and Industry, the State Diamond Trader managed to take a group of historically disadvantaged entrepreneurs to the Hong Kong Gem and Jewellery show in March 2014 where they showcased their products and marketed their businesses to an international audience.

The Minister has already spoken about the Diamond Indaba which is scheduled for later this year. We look forward to our participation in it.

Mine Health and Safety Council

Honourable members, we are encouraged by the mining sector's November 2014 Tripartite Summit commitments which will be implemented through the Mine Health and Safety Council. The commitments include the elimination of fatalities, injuries, occupational lung diseases, reduction and prevention of TB, HIV & AIDS infections as well as the implementation of the Centre of Excellence.

The Centre of Excellence will also ensure that there is more focus on the implementation of the research outcomes.

In Conclusion

In order to improve on its licensing mandate through transformation, SAMRAD system must be able to deal with the beneficiation of ordinary South Africa, in particular those who have been historically disadvantaged. South Africa is a country that has a bad historic past, where the majority had been denied participation in the economy, in particular mining, except labour under inhuman and slavery conditions. We must encourage employers to just comply with the 26% requirement for HDSA but rather improve to such on voluntary basis.

Lastly the Department cannot delay any longer the women in mining strategy.

Madam Speaker, I hereby support the tabling of this Budget before the House for support.

I thank you.