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PORTFOLIO COMMITTEE ON FINANCE, ECONOMIC DEVELOPMENT & TOURISM

Ref 16.6.2.3.8

Hon OJ Sefako
Chairperson: Select Committee on Land and Mineral Resources

NEGOTIATING MANDATE

Name of the Bill: Mineral and Petroleum Resources Development Amendment Bill

Number of the Bill: [B15D-2013]

Date of deliberation: 23 May 2017

Vote of the Legislature: **The Portfolio Committee on Finance, Economic Development & Tourism votes in favour of the Bill**

Hon F Makatong

ACTING Chairperson: Portfolio Committee on Finance, Economic Development & Tourism

2017-05-23

Negotiating Mandate



Ref 16.6.2.3.8

PORTFOLIO COMMITTEE ON FINANCE, ECONOMIC DEVELOPMENT & TOURISM

NEGOTIATING MANDATE ON THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT AMENDMENT BILL BILL [B15D- 2013]

1. INTRODUCTION

The Acting Chairperson of the Portfolio Committee on Finance, Economic Development & Tourism Hon F Makatong tables the Committee's draft Report on the *Mineral and Petroleum Resources Development Amendment Bill [B15D-2013]*, as adopted by the Portfolio Committee on 23 May 2017.

2. PROCESS FOLLOWED

- 2.1 The Speaker of the Northern Cape Provincial Legislature has on receipt of the Bill referred the *Mineral and Petroleum Resources Development Amendment Bill [B15D-2013]*, to the Portfolio Committee on Finance, Economic Development & Tourism.
- 2.2 On the 2nd March 2017, the Portfolio Committee received a briefing on the Bill from the Department of Mineral Resources officials namely Mr S Ngobese and Mr. T Maluleke.
- 2.3 The Portfolio Committee resolved, to hold public hearings on the referred Bill in all the five (5) regions of the Province, to solicit the views of the affected stakeholders with regard to the *Mineral and Petroleum Resources Development Amendment Bill*. Stakeholders were invited widely.
- 2.4 The public hearings were held on the 4 and 5 April 2017 in the following districts as per the Committee resolution:
 1. Namakwa – Port Norlloth and Aggenys
 2. JTGaetsewe –Deben

3. Frances Baard – Kimberley
4. Pixley ka Seme – Douglas
5. ZF Ngcawu - Postmasburg

3. INPUTS FROM THE STAKEHOLDERS

1. Reporting on the implementation of allocations of social and labour plans of mines is not forthcoming and municipalities request that they should be in control of implementation of the funds.
2. Mining houses must be held liable for rehabilitation of the mining area.
3. The Bill must make provision for disabled persons to form part of the process.
4. Bill must be more direct in addressing Social and Labour Plans and what the responsibilities are of the mines vs. local government.
5. Regulations must be included with indicators that will address specific timeframes to mine, and development of areas to ensure economic empowerment in the area. If timeframes are not met, it should result in the retraction of such mining license.
6. It is crucial that regulations must also include stakeholder communication between the established committees and the affected communities.
7. Approval of the Social and Labour Plans of mines must be done at provincial level and not by the Minister because this process takes too long.
8. The IDP as well as the SLP must be transparent in terms of revenue division, owners and royalties.
9. The Bill must ensure that the previously disadvantaged communities benefit from these amendments.
10. Inputs from municipalities and the community must first be sought prior to the advertisement and allocation of a permit considering that land must be made available by a municipality.
11. There must be monitoring and evaluation mechanisms put in place with regard to SLP implementation.
12. The Bill must consider the environmental impact in an area where mining licences are to be awarded.
13. The Bill is silent on the monitoring and evaluation of SLP's.
14. There is no beneficiation directed towards local community.
15. The Bill must promote the ownership of mines by local communities, and Increase the 26% to 30%.

4. WRITTEN INPUTS ON THE BILL

Written submissions were sought from the community including verbal engagements. Written submissions were received from:

1. MACUA: Mining Affected Communities United in Action and WAMUA: Women Affected by Mining United in Action
2. ActionAid South Africa Country Program
3. FAMSA Kimberley and Progressive People Forum
4. Chamber of Mines South Africa

5. COMMITTEE INPUTS ON THE BILL

The Committee considered inputs received during the public hearing and those that are not relevant can be referred to the relevant department as they were not related to the Bill. Some were similar the Committee observations.

6. COMMITTEE OBSERVATIONS:

- 6.1 The Bill is silent on emerging miners.
- 6.2 1% for beneficiation is far too little.
- 6.3 The discretion of the Minister of the Mineral Resources is very wide.
- 6.4 Approval of mineral rights and permits is currently the sole prerogative of the Minister.
- 6.5 The unlimited right of mining houses to source labour.

7. COMMITTEE RECOMMENDATIONS

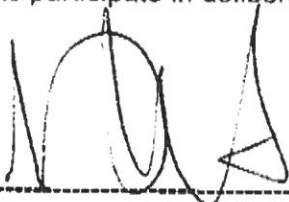
The Committee therefore recommends that:

- 7.1 The Bill should be explicitly clear on the emerging miners, for support and protection as well.
- 7.2 The beneficiation percentage from the minerals should be increased to the maximum, to benefit the communities
- 7.3 The Minister's discretion should be limited in order to avoid the abuse of those powers.
- 7.4 Approval of mining rights and permits must be done in consultation with the Minister of the DMR and provincial government.
- 7.5 Labour sending areas be defined and stipulate that a fixed percentage of the labour force be local communities of the area in close proximity with the mine.

8. COMMITTEE ADOPTION OF THE BILL

The Committee adopted this negotiating mandate duly signed by the Acting Chairperson of the Committee, Hon F Makatong.

The Committee recommends to the House to mandate the Permanent Delegates to participate in deliberations at the negotiating stage to support the Bill.



ACTING COMMITTEE CHAIRPERSON
HON F MAKATONG

2017-05-23

