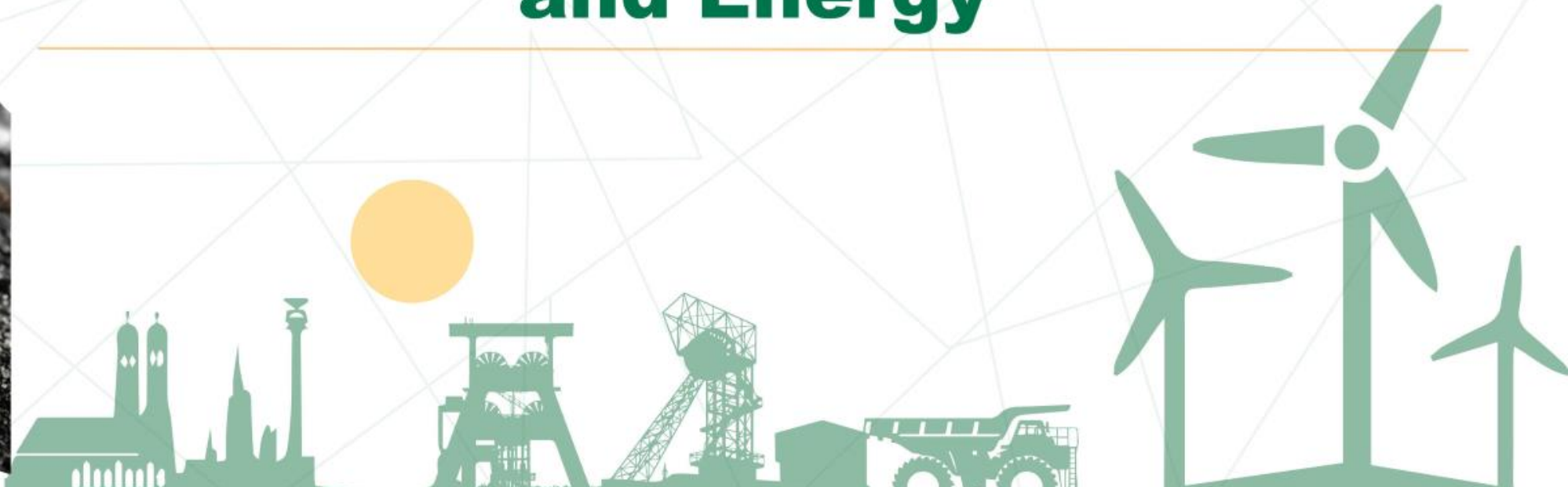


# Department of Mineral Resources and Energy



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# PRESENTATION TO THE PORTFOLIO COMMITTEE ON MINERAL RESOURCES AND ENERGY ON THE DMRE LICENSING REGIME

DATE: 17 AUGUST 2021



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# INTRODUCTION

- On 3<sup>rd</sup> March 2021, the Committee was briefed by the Department of Mineral Resources and Energy (DMRE) on the:
  - License application process;
  - Types licenses issued by the Department;
  - Licence application backlog; and
  - Turnaround plan to address the backlog and application process.
- The Department committed to address the licence application backlog in affected regional.
- The Committee directed the Department to:
  - Implement its backlog turnaround plan to eradicate the license application backlog within three months;
  - Present an improved plan for the South African Mineral Resources Administration's (SAMRAD's) online application system within six months; and
  - The above should be included in 2021/22 Annual Performance Plan.

# PROGRESS UPDATE ON CLEARING MINING LICENSE BACKLOG

- The Department started implementing the turnaround plan in Mpumalanga regional office which has the highest backlog.
- The Department is pleased to report that:
  - The above matters two directives have been included in the Annual Operational Plan (AOP). They may be escalated to the Annual Performance Plan after the Strategic Planning Session;
  - The procurement of an online application system is underway; and
  - Clearing of the backlog is work in progress - not much progress has been made.



# NUMBER OF LICENCES ADJUDICATED SINCE MARCH 2021

- PROSPECTING RIGHTS APPLICATIONS

- New: 438
- Renewals: 69
- Section 11: 09
- Section 102: 04



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# NUMBER OF LICENCES ADJUDICATED SINCE MARCH 2021

- **MINERAL RIGHTS APPLICATIONS**

- New: 34
- Renewals: 14
- Section 11: 19
- Section 102: 15
- SLP Section 102: 47



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# UPDATE PROGRESS PER PROVINCE: EASTERN CAPE

Mining Right Outstanding in March 2021	Mining Right Outstanding in July 2021	Prospecting Right Outstanding in March 2021	Prospecting Right Outstanding in July 2021	Mining Permits Outstanding in March 2021	Mining Permits Outstanding in July 2021	Cessions (Section 11) Outstanding in March 2021	Cessions (Section 11) Outstanding in July 2021	Renewals Outstanding in March 2021	Renewals Outstanding in July 2021
18	11	26	17	141	73	0	0	10	10





# UPDATE PROGRESS PER PROVINCE: FREE STATE

Mining Right Outstanding in March 2021	Mining Right Outstanding in July 2021	Prospecting Right Outstanding in March 2021	Prospecting Right Outstanding in July 2021	Mining Permits Outstanding in March 2021	Mining Permits Outstanding in July 2021	Cessions (Section 11) Outstanding in March 2021	Cessions (Section 11) Outstanding in July 2021	Renewals Outstanding in March 2021	Renewals Outstanding in July 2021
8	5	20	5	29	8	0	2	7	6



# UPDATE PROGRESS PER PROVINCE: GAUTENG

Mining Right Outstanding in March 2021	Mining Right Outstanding in July 2021	Prospecting Right Outstanding in March 2021	Prospecting Right Outstanding in July 2021	Mining Permits Outstanding in March 2021	Mining Permits Outstanding in July 2021	Cessions (Section 11) Outstanding in March 2021	Cessions (Section 11) Outstanding in July 2021	Renewals Outstanding in March 2021	Renewals Outstanding in July 2021
16	9	48	89	0	83	8	4	38	46



# UPDATE PROGRESS PER PROVINCE: KWA-ZULU NATAL

Mining Right Outstanding in March 2021	Mining Right Outstanding in July 2021	Prospecting Right Outstanding in March 2021	Prospecting Right Outstanding in July 2021	Mining Permits Outstanding in March 2021	Mining Permits Outstanding in July 2021	Cessions (Section 11) Outstanding in March 2021	Cessions (Section 11) Outstanding in July 2021	Renewals Outstanding in March 2021	Renewals Outstanding in July 2021
3	6	105	78	95	24	12	3	29	4



# UPDATE PROGRESS PER PROVINCE: LIMPOPO

Mining Right Outstanding in March 2021	Mining Right Outstanding in July 2021	Prospecting Right Outstanding in March 2021	Prospecting Right Outstanding in July 2021	Mining Permits Outstanding in March 2021	Mining Permits Outstanding in July 2021	Cessions (Section 11) Outstanding in March 2021	Cessions (Section 11) Outstanding in July 2021	Renewals Outstanding in March 2021	Renewals Outstanding in July 2021
44	14	536	475	474	268	50	44	100	76



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# UPDATE PROGRESS PER PROVINCE: MPUMALANGA

Mining Right Outstanding in March 2021	Mining Right Outstanding in July 2021	Prospecting Right Outstanding in March 2021	Prospecting Right Outstanding in July 2021	Mining Permits Outstanding in March 2021	Mining Permits Outstanding in July 2021	Cessions (Section 11) Outstanding in March 2021	Cessions (Section 11) Outstanding in July 2021	Renewals Outstanding in March 2021	Renewals Outstanding in July 2021
47	0	1001	803	551	971	32	3	68	25



# UPDATE PROGRESS PER PROVINCE: NORTH WEST

Mining Right Outstanding in March 2021	Mining Right Outstanding in July 2021	Prospecting Right Outstanding in March 2021	Prospecting Right Outstanding in July 2021	Mining Permits Outstanding in March 2021	Mining Permits Outstanding in July 2021	Cessions (Section 11) Outstanding in March 2021	Cessions (Section 11) Outstanding in July 2021	Renewals Outstanding in March 2021	Renewals Outstanding in July 2021
45	34	389	209	180	71	66	49	194	158



# UPDATE PROGRESS PER PROVINCE: NORTHERN CAPE

Mining Right Outstanding in March 2021	Mining Right Outstanding in July 2021	Prospecting Right Outstanding in March 2021	Prospecting Right Outstanding in July 2021	Mining Permits Outstanding in March 2021	Mining Permits Outstanding in July 2021	Cessions (Section 11) Outstanding in March 2021	Cessions (Section 11) Outstanding in July 2021	Renewals Outstanding in March 2021	Renewals Outstanding in July 2021
57	61	265	570	172	185	60	39	257	250



# UPDATE PROGRESS PER PROVINCE: WESTERN CAPE

Mining Right Outstanding in March 2021	Mining Right Outstanding in July 2021	Prospecting Right Outstanding in March 2021	Prospecting Right Outstanding in July 2021	Mining Permits Outstanding in March 2021	Mining Permits Outstanding in July 2021	Cessions (Section 11) Outstanding in March 2021	Cessions (Section 11) Outstanding in July 2021	Renewals Outstanding in March 2021	Renewals Outstanding in July 2021
10	8	28	18	21	4	10	9	20	20





# CHALLENGES

- Disruptions caused by Covid-19 closures and also directives on the percentage of employees at premises
- Inability to move staff around given Covid related fears and logistical arrangements
- Connectivity from use of desktops to Laptops has to be phased in
- Inadequate staffing to deal with the volume of work



# INTERVENTIONS

- Re-skill personnel from DOE and encourage multi-skilling within the Branch
- Finalizing recruitment process to fill critical and vacant positions
- Improved ability to work remotely. Conversion of use of desktops to laptops will be phased in.
- Institute consequence Management where necessary to improve accountability
- Temporary assignment of personnel from WC and FS to assist with Northern Cape backlog.
- Relocating mineral regulation office in Gqeberha to EL to be more central and minimize travel to site and time out of office
- Procurement of the online licensing system.



# SAMRAD UPDATE

- Commenced with the procurement process of a new modern IT system through the State Information Technology Agency (SITA)
- Appointment of a service provider expected to be completed by end of October 2021
- The procured system is expected to:
  - Simplify and improve efficiency in rendering of services to investors in the mining industry and the public
  - Ensure provision of reliable and precise information on the location of exploration and mining rights
  - Provide a technology layer that is responsive and allows for modern workplace functionality, transparency, easily accessible by the users and to ensure compliance with our legislation
  - Reduce the turnaround time in the process of granting exploration and mining rights
  - Enhance investment in the mining sector and to grow the economy
  - Provide a seamless interface for investors through the licensing value chain
  - Provide a one-stop-shop solution where services rendered by the DMRE can be accessed, monitored and maintained



# PETROLEUM LICENSING



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# APPLICATIONS FINALISED - 01 MARCH TO 04 AUGUST 21

Licensing Type	Granted	Refused	Accepted	Total
Site and Retail [NTI]	30	26	67	123
Retail [COH]	102	28	108	238
Wholesale	492	124	432	1048
Manufacturing	0	1	1	2
Temp	6	8	19	33
<b>Total</b>	<b>630</b>	<b>187</b>	<b>627</b>	<b>1444</b>
<b>Applications Processed</b>		<b>817</b>		



# CHALLENGES

- COVID pandemic and associated restrictions prevent full staff complement to be present in the office to receive, process and analyse applications timeously.
- Rotational and staggered staff attendance in Covid-19 Regulations has unintended consequences on the turnaround time of applications.
- Departmental/ Office closures for decontamination due to positive cases affect the turnaround time of applications.
- High volume of application e.g., Change of Hands (financial distress) selling retail businesses, and wholesale applications.



# INTERVENTIONS

- Introduction of overtime work during weekends have assisted in processing applications.
- PPALS system update will enable regional offices to transmit applications to the Head Office online with effect from 27 August 2021.
- This will improve operational efficiencies as:
  - Quick turnaround time by reducing the time it takes to transfer a physical applications from the regional office to HQ via post or courier would be reduced;
  - Prompt update of application process; and
  - Quick decision making process.



# Thank You



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