



**MINERAL RESOURCES AND ENERGY
REPUBLIC OF SOUTH AFRICA**

**REMARKS BY THE HONOURABLE
MINISTER OF MINERAL RESOURCES AND ENERGY
MR GWEDE MANTASHE**

**PARLIAMENTARY DEBATE ON ILLEGAL MINING
08 SEPTEMBER 2022**

Speaker of the National Assembly,

Deputy Speaker of the National Assembly

Ministers and Deputy Minister

Honourable members

There is no doubt that our country is plagued by illegal mining, which if not managed will reach crisis proportions. This criminal activity is in contravention of our laws and forms part of many other economic related crimes that are afflicting our society.

Included in these economic crimes are theft of copper cables through the wanton vandalization of electricity infrastructure at the national and local level. This also extends to electricity infrastructure of mining companies and that of State-Owned Companies that assist in evacuating minerals.

Illegal mining is associated with very serious crimes such as illicit financial flows and high levels of violence including Gender Based Violence and Femicide. Furthermore, we have witnessed human trafficking, smuggling of weapons, and explosives linked to this crime.

Historically, illegal mining was associated with derelict and ownerless mines, however, it is now having an impact on operational and licensed mines. It is estimated that the South African economy and the mining sector lost approximately R49 billion in 2019 to illegal mining. It is further estimated that mining companies spend over R2 billion on security just to prevent these illicit activities.

Exports of minerals mined legally are also affected due to cable theft on the Transnet network as trains carrying minerals to the various ports are being disrupted.

Honourable members, we must always resist the temptation of equating illegal mining to artisanal and small-scale mining. Artisanal mining is a formalised economic activity usually undertaken by citizens or documented inhabitants of a country. It must be clear that once an individual illegally enters our country and engages in illegal economic activity, such an individual cannot be sanitised through being issued with a small-scale mining licence. Let us disabuse ourselves of that notion. Illegal miners

are foot soldiers of criminal syndicates and must be dealt with like any other economic saboteur.

It is becoming clear that Illegal mining is run by syndicates with a direct linkage to illegal migration. Recent arrests by the South African Police Service (SAPS) showed that those apprehended are in the majority undocumented illegal immigrants. If unchecked, illegal mining could be an existential threat to the sector.

REHABILITATION OF MINES

Mining of precious resources has been happening in our nation for over a century following the discovery of diamond in Kimberley and gold in Johannesburg between 1800s.

As a consequence of this, most of these mines are derelict and ownerless. This democratically elected government is confronted by this challenge, which not only perpetuates illegal mining, but pose a threat to the environment and remain a danger to the lives of human beings. There are about six thousand one hundred (6100) derelict and ownerless mines, of which the State has taken responsibility for their rehabilitation to safeguard our environment.

It is estimated that it would cost over R49 billion to rehabilitate these mines. The Department of Mineral Resources and Energy (DMRE) receives R140 million per annum for the rehabilitation of mines. With this allocation, we can only rehabilitate at least 3 mines and seal off 40 shafts per year. The Department has prioritised the rehabilitation of former asbestos mines because of the health hazards of asbestosis causing lung ailments, with a total of 270 derelict and ownerless asbestos mines.

Mintek has through the implementation of the derelict and ownerless mine rehabilitation programme sealed 135 holings in the Eastern, Central, and Western Basins in Gauteng over a three-year period. We intend to seal 20 holings within the current financial year, prioritising the Krugersdorp area.

We must appreciate that it would take a long time to completely rehabilitate all these mines at this rate, due to budget constraints, security threats to officials executing this programme.

There are mines under “care and maintenance” which cannot be quantified as they are moving targets. Holders of these mining rights are compelled by the law to submit or provide financial provision for rehabilitation using either the trust fund, financial guarantee, and cash. The state is the beneficiary of these funds. In the event that a mining right holder fails to fulfil their rehabilitation obligation, the state shall utilise these funds for rehabilitation of the affected area. However, in an event that the state is satisfied with the rehabilitation of the affected mine, the fund may be transferred back to the holder in full or part, thereof can be retained by the state.

To ensure that holders of operational mines undertake their activities in an environmentally sustainable manner, the law promotes concurrent rehabilitation. This cradle to grave approach prioritises environmental remediation simultaneously with extraction of minerals. However, it has been proven to be practical to do concurrent rehabilitation in open cast mining as opposed to underground mining.

ACTIONS TAKEN TO DEAL WITH ILLEGAL MINING

It is our considered view that illegal mining is a criminal activity which must be dealt with within the prescripts of the law. Hence, we have been engaging with the Ministry of Police to establish a specialised police unit to deal with this criminal activity.

The DMRE and SAPS have been working closely to design this specialised unit. I can confirm that there is now alignment between the two Departments on how this unit should look like and operate. The Ministry of Police will at an appropriate time make the necessary announcements regarding the establishment of this unit.

However, I can safely say to this august house that the unit is expected to be multi-disciplinary and will draw in skills from other Departments. It will need to have the ability to detect, combat and investigate these crimes.

As we welcome the ongoing arrests of illegal miners in our country, allow me to remind you, honourable members, that we all have a legal, constitutional, and moral duty to protect our national interests.

Artisanal and Small-Scale Mining

Our nation is endowed with vast natural resources with huge economic potential, which must be exploited for the benefit of the majority of its citizens, blacks in general, and Africans in particular, who remain in endless poverty, unemployment, and are subjected to inequality.

Recognising the need to exploit these minerals and ensure that they are not sterilised, the Department has, in March this year, finalised and published the Policy on Artisanal and Small-Scale Mining for implementation. The Policy is aimed at formalising artisanal and small-scale mining and enabling economic activity primarily for citizens. It caters for legally documented individuals.

In the last three years, Mintek has trained 630 miners to operate as artisanal miners in 4 provinces, namely, Gauteng, Mpumalanga, Northern Cape, and North-West. Currently, the entity is training 200 women to also operate as artisanal and small-scale miners under the DMRE women diggers programme.

Our support for artisanal and small-scale mining must not be misconstrued as support for illegal mining. We support mining for as long as it is done within the prescripts of our laws. Therefore, artisanal mining programmes will continue to enjoy our full support as the DMRE as part of broadening participation in mining, including the crucial participation of women and the youth.

CONCLUSION

Honourable members, allow me to remind you that illegal mining is a threat to national security, government authority and socio-economic development. Hence, government has opted for a multifaceted approach in dealing with this scourge to defend the integrity and sovereignty of our state.

Let me reassure you, honourable members, that this government remains committed to ensuring that the illegal mining in our country is reduced and ultimately eliminated. To do this, we must arrest, prosecute, and convict both the flies (illegal miners) and tigers (leaders of these syndicates).

I thank you.