



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

**REMARKS BY NQOBILE KHANYILE  
CHIEF DIRECTOR: COMPLIANCE  
MONITORING & ENFORCEMENT**

**ON THE OCCASION OF MINERAL RESOURCES  
COMPLIANCE & REPORTING CONFERENCE  
Gallagher Estate, Midrand, Johannesburg  
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First and foremost, I fully appreciate your invite to participate in this very important event where we are going to discuss a variety of pertinent issues under the umbrella topic of **mineral resources compliance and reporting**. As you already know very well, mining has not only been central to South Africa's economy historically but also continues to play a pivotal role. It is precisely for this reason that we, as the Department of Mineral Resources and Energy have declared with confidence that, contrary to doomsayers, **mining is in fact a sunrise industry sector going into the future**.

Statistic South Africa has recently published the second quarter report on South Africa economic growth, which shows a growth of **0,6 percent, which has once again helped us to stay clear fo the recession**. The mining industry makes a significant direct contribution to the country's Gross Domestic Product (GDP). In the first quarter of 2023, the mining industry grew by 0.9 percent to R200.1 billion from R198.3 billion that was achieved in the last quarter of 2022. In the **second quarter of 2023 the mining industry expanded by 0.1% which translates to a total of about R203.6 billion**. We've also learned from the STATS SA's Q2 report that the industry has also made a positive impact in employment by employing about 2000 people between March and June 2023.

Ladies and gentlemen, government has over the past years developed new policies, reviewed and amended existing regulatory and legislative framework to ensure optimal development of our natural resources.

**The Minerals and Petroleum Resources Development Act (MPRDA) of 2002**, vested the custodianship of mineral resources with the State. This gave effect to the internationally accepted right of the State to exercise sovereignty over all its mineral and petroleum resources.

Notwithstanding the tremendous progress achieved over the first phase of implementation of the **MPRDA that created an enabling environment for the growth and the basis for transformation of the industry**. South Africa's broader developmental objectives require a paradigm shift to allow development of the country's natural resources, especially solid minerals and petroleum, in a way that benefits our people, workers and investors alike.

Part of the critical aspect on national transformation is **the Social and Labour Plans**, of which we have noted excellent projects being delivered to our communities. It is imperative for mining companies to meaningfully consult with relevant stakeholders – municipalities, mine

communities, traditional authorities, and labour – in identifying the community development priorities that must be contained in the prescribed and approved SLPs.

We believe that for the mining industry to grow, **compliance with the regulatory framework must be fully embraced by the industry**, instead of complying merely to protect the social license.

According to the 2018 amended regulations of the MPRDA and the Mining Charter, mining companies are required to provide quarterly reporting to communities regarding their commitments and implementation of SLPs. **To this end, the department will be monitoring about 132 Social Labour Plans this financial year.**

Ladies and gentlemen as **DMRE we continue to emphasize the foremost importance of the health and safety of mineworkers. Health and safety continue to register incremental improvements.** The 49 fatalities recorded in 2022 were the lowest number on record. There has also been no mine disaster or an accident where five or more people lost their lives in the past three years. The work of the Department and its social partners is paying dividends with the goal of Zero Harm within reach.

While this is encouraging, we believe we can do better because we remain concerned that fatalities, injuries and occupational diseases are still occurring in the mining sector.

In order to ensure compliance to **Mine Health and Safety Act**, **this year we aim to conduct about 8000 inspections and audits**, and I am glad to share that to date we have already conducted 4 489 which indicates our capacity to exceed our annual target (of 8000), thus **ensuring that mineworkers operate in a healthy and safe environment**.

Ladies and gentlemen, **Illegal mining is on the rise in the country, it takes place at both ownerless (abandoned) and operating mines**. In our view illegal mining is a criminal activity that requires a cooperative approach from various stakeholders to fight it. And that is why we have joined hands with law enforcement agencies and other stakeholders in the Security Cluster to plan and execute operations aimed at stopping illegal mining on its tracks.

However, we know that to permanently eradicate illegal mining in our country, we need to **strengthen the laws** relating to the criminalisation of illegal mining. It does not help that when the police arrest illegal miners, they are given R1000 bail and allowed to go. This is a defeatist approach to a serious problem, hence revisiting the law is very important.

The DMRE will ensure that the programme to seal the derelict and ownerless mines continues unabated. We further urge the **operational mines to rehabilitate** the unused shafts and do so meaningfully by not just sealing on top but also fill the holes with rubble so that if people try to break the seal, they must find it difficult to go down the shaft.

Allow me to conclude by reminding you that the South African mining industry remains a sunrise industry that provides impetus for the development of various sectors of our economy, while playing a critical role in the country's endeavours to significantly reduce poverty and eliminate unemployment and inequality. I am confident that your wisdom will help us transform this industry for the benefit of all the people of South Africa and the economy.

**I thank you.**