

# Uncertainly and unfulfilled promises leave mining industry in limbo

By Cheryl Phillips MP – DA Shadow Deputy Minister for Mineral Resources & Energy

House Chairperson,

To the families and friends of the people who have sadly lost their lives due to Covid-19, I would like to extend my sincere sympathy. To every frontline worker - thank you for your dedication and commitment. The response of the majority of the role players in the mining industry has been exemplary. You are helping to save lives and livelihoods and for that, we thank you.

The last twelve months have brought us yet another year of empty promises and wasted opportunities that have continued to leave the South African mining industry in limbo.

We have seen our president and ministers jetting off to meet with potential international investors. Although future investments are always reported as being imminent, very little, if any of this investment has materialised.

Certainty, reliability, and stability might sound boring but those are the nouns that need to be a part of the South African economic policy if we want to attract investment into our mining industry. It is often quoted that the only certainties in life are death and taxes. The mining industry needs certainty, otherwise, the death of the sorely needed taxes is inevitable. Changing the mining charter three times in less than 25 years, offers no certainty or stability whatsoever.

Cheaper, reliable energy or a new energy deal, is essential if we are to halt the closure of chrome smelters around the country and stop the attrition of jobs, yet this incapable state seems unable to overcome its paralysis and take decisive action to address the problem, or are they happy to pass the jobs and the tax income over to their Chinese masters?

Minister Mantashe committed to clean up the corruption in the department. This commitment resulted in a few people being fired and a handful of people arrested. With a payment made before a contract was signed, for a memorial that we haven't yet been able to find and an ex-employee of the department mining coal with a mining permit that doesn't seem to exist anywhere but in his own back pocket, to name but a few dodgy deals, it seems that we have experienced the hiss of a tame house cat, rather than the snarl from the tiger that we were expecting.

Department officials assured the committee that the processing of prospecting and mining rights will be sped up - with numerous applications outstanding for more than 5 years and complaints from applicants constantly reaching my colleagues and I, it appears that it might have sped the process up from dead slow to extremely slow. Only an incapable state would find this acceptable. The department must do better if they are serious about growing the mining industry. Get rid of the deadwood, the incompetent and corrupt employees, and allow those employees with a passion for mining to do their jobs efficiently and professionally.

It does our economy no good when staff members show total contempt and disrespect towards a company applying for a renewal of their beneficiation licence by literally sweeping their documents off the table - these are the very industries that we need in South Africa and the very investors that our president is trying to woo.

Flow through investment has worked well in Australia and Canada but unless the general stumbling blocks to investment are removed, there seems to be very little chance of a similar way of raising money in South Africa to help fund our junior miners.

The bodies of loved ones are still trapped in what once was Lily mine. This is not what a caring government would do. Instead of the ongoing mudslinging and court cases between interested and affected parties, let's commit to cutting spending on consultants, refreshments and business class air travel and use that money to make the best possible effort in the next 12 months to retrieve the trapped bodies and bring closure to the grieving families.

The DMRE spends millions on employing consultants and business advisors, yet the industry continues to decline. Isn't it time to ask role players in the mining industry how government can create an enabling environment for players in mining to grow the industry back into a vibrant sector of our economy, instead of paying consultants and business advisors who are clearly not making a positive difference. If the department worked with mining houses and junior miners, together they can grow the industry to the benefit of all South Africans. Successful Mining companies are generous mining companies.

The Democratic Alliance does not support this budget.