



ADVOCATES FOR TRANSFORMATION IN MINING

When Aubrey Lekwane, the CEO of the South African Mining Development Association (SAMDA), was interviewed, he had just returned from the company's annual general meeting.

One of the more pressing issues addressed at the meeting was the six-month moratorium on mining licences, as implemented by Minister of Minerals Susan Shabangu, from September 2010. The move was viewed as necessary to allow the department time to review existing licences and policies. The transformation, community development and environmental conditions of many licences have not been met. In addition, the department has recently suffered a number of embarrassing and highly contested cases of duplicated mining rights.

"SAMDA has submitted its comments to the ministry on the Mining Charter," says Lekwane of the organisation's involvement with the department. "There are specific issues that have been proposed and consolidated in the final gazette such as concern for the slow pace of transformation in the sector; the need to improve

certain definitions, and the need to improve consultation with local communities. SAMDA has also welcomed the introduction of the scorecard, which will be evaluated on an annual basis. Perhaps most pressing is the need for the sector to invest extensively in exploration and exploration finance. SAMDA will be devoting more effort to support exploration resources together with stakeholders as we view success in this area to be key for growth and long term job creation. We will be given the opportunity to give our input in various committees under the auspices of the Department of Mineral Resources.

"SAMDA is best positioned to develop the junior mining sector in South Africa as this will benefit and involve local people and resources in South Africa, whereas the big mining sector is focused more on production and export of raw materials.



SAMDA is best positioned to advocate compliance with national transformation objectives in the mining sector. We will continue to be aggressive on the need for transformation and will continue to lobby for developmental policy objectives in the sector through existing channels.”

The association has commissioned independent researchers to provide basic facts and figures on the implementation of the historic charter agreement from October 2002 to 2009. The outcome of the research will be discussed by SAMDA and shared among various stakeholders who have interest in the research.

In response to the role of nationalisation in influencing investor confidence, Lekwane is diplomatic. “There are many views and lots of misunderstandings. Although SAMDA does not have an official stance, domestic policies are clearly not in favour of nationalisation. Government intervention is, however, needed to ensure better redistributive mechanisms, effective participation of previously disadvantaged and growth.

“There are many strategic ways in which the state can increase its involvement, including the development of better transport infrastructure, energy infrastructure, water infrastructure and smart tax incentives to promote investment in exploration and beneficiation programmes.


“Given the high level of unemployment in South Africa, the potential for the mining sector to make a big contribution cannot be underestimated. Mining is unfortunately one of

the high risk businesses. If adequate measures for safety are not followed, people die, and the people who die are usually the breadwinners. We must therefore promote the highest level of safety standards and policies in the sector.

“At the same time, mining is an extractive business. If local economic linkages are not planned for and implemented early enough, the end results create deep poverty and under-development in our society and economy.

“SAMDA promotes implementation of our progressive policies to ensure that communities don’t suffer degradation. The market is crowded with businesses that do not exploit our extractive resources efficiently or taking the right steps to ensure environmental and social sustainability. We need to eradicate such conduct in the sector and instead attract businesses who embrace compliance ethics at the highest level possible.”

With the Mineral and Petroleum Resources Development Act under review, Lekwane is positive that government is taking correct measures to ensure that consistency and improved record keeping of all applicants and operators within our borders are upheld.

“It is inspiring to be a part of an association that strives for progressive transformation of mining policies and growth of the mining sector.” 

SAMDA

SAMDA is a not-for-profit organisation consisting mostly of members from junior and BEE mining companies, and a few from larger mining companies.

Its vision is to be a vehicle for the development of a vibrant and sustainable junior mining sector which contributes towards the growth and prosperity of the mining industry.



“SAMDA has always been aggressive on the need for transformation and will continue to lobby and give political input.”
– Aubrey Lekwane