

https://dspace.org/

Transformation of the mining sector of South Africa: strategies beyond the life of the Mining Charter in 2014

Madolo, Nokuhle Vencentin

2015-05-07
http://hdl.handle.net/10539/17662

Downloaded from a DSpace repository. https://dspace.org/

ANNEXURE A

BROAD BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY

The elements of the Charter

The elements of the Charter are ordered in terms of priority. The reason being that transformation of the mining sector has in the past been invariably focused on only two elements, that being, ownership and management control. Whilst BEE's main aim is to increase the number of HDSA's who manage and control the country's economy, with the intention of redressing past injustices, the ownership and management objectives do not exclusively meet the holistic objectives of transformation of the mining sector.

The elements are:

- Human Resources Development
- Advancement of women in the mining industry
- Sustainable development and growth of the mining industry
- Employment Equity in the mining sector
- Beneficiation of minerals in the mining sector
- Ownership and joint venture
- Mine Community Development
- Housing and living conditions
- Procurement and Enterprise Development
- Consultation, Monitoring, Evaluation and Reporting

1. Human Resources Development

The mining industry agenda must be underpinned by an aggressive human resources development plan, which can be expressed as short term (1-10 years) and long term (10-20 years). The mining industry is highly technical and needs educated people who have the requisite knowledge and skills to operate in it. It is through effective education in key skills that the sector can develop. Stakeholders shall work together to ensure that skills shortage experiences in the mining industry is addressed in the following manner:

(i) Mandatory and free primary education for all South Africans, as good and early education is paramount and informs future capabilities.- (Long term)

(ii) Increasing substantially the teaching of mathematics and science, especially in rural schools.- (Long term)

(iii) Increasing significantly the number of HDSA's in executive and senior management of mining companies.

2. Advancement of women in the mining industry

Gender equality in the mining industry is not only about social justice, but is a critical source of competitive advantage for the industry. To ensure that legislative intervention achieves the desired

results and culture change, the DMR needs to create a new Directorate of Women in Mining, to drive this agenda. The creation of the Directorate will ensure that the ministry and industry have a principal advisor dealing with only women issues and thus achieving better outcomes for women in mining.

The sector shall ensure that:

(i) There are more women in leadership position
(ii) Promotion of gender diversity by taking into consideration the physical needs and special needs of women in the sector.
(iii) Provision of relevant and necessary support services to the DMR

3. **Sustainable Development and Growth of the mining industry**

Sustainable growth has to be the foundation for all mining operations. Mineral resources are finite and the lifespan is dependent on the depletion rate and global demand for mineral commodities will continue. South Africa stands to benefit from this.

The goal into the future in the mining sector in the country should be to create new businesses, rather than just new jobs, in a way that is ecologically sustainable and benefits accrue to all South Africans. The creation of new businesses for current demand and beyond mine life is the way to address the high youth unemployment.

The mining industry shall strive to ensure sustainable development and growth of the mining industry by embarking on the following:

(i) Creation of Mining Institute to educate young people on business entrepreneurship to start and run their own businesses
(ii) Creation of a joint approach by all stakeholders to ensure the development and sustainability of mining communities through contributions to new business development, seed capital, education and job skilling;
(iii) Establishment of a multi stakeholder task team to look into the continuous rehabilitation of mines to ensure effective environmental rehabilitation, health and safety of communities within mine proximity.

4. Employment Equity in the mining sector

The mining industry has traditionally been very labour intensive. Consideration should be given of the fact that technological advancements have brought about changes in the skills required in the sector and medium to long term needs have to be met. This shall be achieved by the following:

(i) Implementation of an aggressive education and skills development plan;
(ii) Implementing equity requirement as set out in the revised charter;
(iii) Addressing the gender disparity in terms of educational background, to increase the executive talent pool;

5. Beneficiation of minerals in the mining sector

The beneficiation of minerals should be aligned to the national industrialization programme and thus enhance quality and quantity of exports in addition to meeting local needs. This would ensure the diversification of the economy.

The following need to be done.

(i) Growth of the manufacturing sector to be accelerated;

(ii) Identification of mining related capital goods to take advantage of procurement undertaken by mining companies and facilitating higher levels of local content;

(iii) Co-operation between industry and government to leverage and enhance the National Development Strategy and Sector Skills Plans for required skills.

6. Ownership and joint venture

To achieve the broader transformation objectives of the mining charter, the government and mining companies, ownership remains one of the central mechanisms for effecting meaning integration of HDSAs into the mainstream economy.

The following need to be done:

(i) Government has to participate directly in the establishment and operation of mining enterprises;

(ii) Make available readily accessible and usable geological information;

(iii) Make available data of local partners to enter into joint ventures with;

(iv) Promote development of local junior companies.

7. Mine Community Development

This Charter recognizes that Community Development is an important component of mining operations and should not be viewed as a charitable initiative.

The following need to be done:

(i) Link commitments made by mining companies in their SLP to the IDP of municipals.

(ii) For new ventures replace the SLP with CDA to ensure effective transfer of social and economic benefits to the community.

(iii) Ensure implementation of the CDA addresses matters relevant to the community and must provide for the community participation in the planning, implementation, management and monitoring of projects as stipulated in the agreements

(iv) Ensure that the CDA are reviewed every 5 years or less to take into consideration emerging issues and address challenges

8. Housing and living conditions

This Charter recognizes that decent housing and living conditions are paramount to the well-being of the employees. Anything short of that would be a scathing indictment to the industry, as inhumane conditions are unacceptable.

The following need to be done:

(i) Continuous improvement of housing conditions of employees

(ii) Complete removal of informal settlements

9. Procurement and Enterprise Development

This Charter recognizes local procurement forms an important part of the country's drive for economic development and the drive to promote BEE.

The following need to be done:

(i) At design stage, unpack input requirements at each stage of the value chain that will determine entry points for HDSAs supplies;

(ii) Implement deliberate policies and programs to create capacity amongst HDSA to support local productions of what is mostly imported;

(iii) Prescribe local content of local goods and services.

10. Consultation, Monitoring, Evaluation and Reporting

This Charter recognizes that consultation, monitoring, evaluating and reporting are useful and very important for identifying strengths and weaknesses in implementation. This must be done on a continuous basis and not wait for a time span of say five years to do so. The results of all information gathered can be fed directly back to the planning process and effective changes can be made to ensure that progress is made toward effective delivery of objectives and problems can be identified and dealt with as they arise and changing environment can be accommodated.

The following need to be done:

(i) An independent verification agency is appointed to determine progress and thus eradicate conflicting reports of compliance from both government and industry.

(ii) Quantitative and qualitative methods for collecting and analysing information to give clear recognition of within and between major, junior and small scale mining operations.