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Minerals Council urges government to evaluate effects of new bill

It worries that draft Mineral Resource Development Bill fails to encourage investment in local mining

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by JACOB WEBSTER



Picture: KENNY KATOMBE/REUTERS

Minerals Council SA has called on the government to publish an impact assessment of SA's new flagship mining policy as the draft Mineral Resources Development Bill of 2025 continues to draw industry backlash.

The draft bill, which represents the local mining sector's biggest regulatory overhaul since 2002, returned to the spotlight this week after its public comment period closed on Friday.

In a media briefing on Monday, the council warned that the bill failed to address declining investment in SA mining or to deal with ambiguity in the legal landscape.

To clear the air, the council suggested the department should make a socioeconomic impact assessment (SEIA) or regulatory impact assessment of the draft bill public, which may at least provide confidence that the government takes the environmental and social side-effects of its proposed policy shift seriously.

Last week, lobby group AgriSA accused the department of mineral & petroleum resources of not subjecting the draft bill to a SEIA, which is a requirement of all new legislation, policies and regulations under the SEIA system approved by cabinet in 2015.

AgriSA argued the draft bill overlooks environmental and social implications that would have been identified by a full SEIA, particularly in terms of the department's proposed artisanal mining permit regime.

The department told Business Day it had developed an initial SEIA, which was reviewed and approved by the department of planning, monitoring & evaluation but expressed no intention to make the assessment public.

The Minerals Council, whose members account for 90% of SA's annual mineral production, said its overarching concern was the draft bill's failure to encourage investment in the local mining industry. "The bill in its current form does not encourage investment and growth that can create jobs and drive further transformation," it said in a statement on Monday.

The council's primary concern is about SA's exploration expenditure, which plunged from a peak of R6.2bn in 2006 to just R781m last year, thanks partly to the department's poor track record of keeping up with applications for and transfers of mining and prospecting rights.

"The core of the challenge ahead is how to address the decline in exploration expenditure, the lifeblood of future mining activity. The global market for mining capital is competitive and currently SA is not attractive enough for large investment in exploration, despite our geological endowment," said Minerals Council CEO Mzila Mthenjane.

The council said it would continue to engage extensively with the department to ensure a mining regulatory environment conducive to investment, growth and job creation, but it would not negotiate the

bill in public, “to give the engagements with [the department] the best possible chance of success”.

With the period for public comment closed, the government will now consolidate submissions on the draft bill and prepare a revised draft for cabinet approval. The council noted this process could be lengthy, with further progress unlikely to be announced before 2026.

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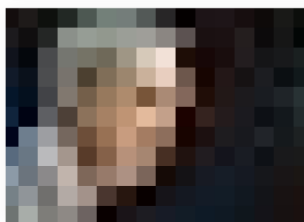
Period for public comment on the draft Mineral Resource Development Bill closed on Wednesday

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