

11 February 2026

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The mining industry remains a foundational pillar to South Africa's economic architecture - driving industrialisation, socio-economic growth and job creation. Sustaining this paradigm calls for a predictable, coordinated and enabling policy environment across mining, environmental and climate change frameworks. While coherent policies are critical in facilitating responsible mining, decarbonisation, investment and global competitiveness, the industry is currently constrained by fragmented policies, complex permitting procedures and administrative inefficiencies. This dissonance undermines certainty and elevates investment risk.

This challenge presents a clear opportunity for an integrated, one-stop licensing system.

A coordinated licensing framework — covering mining, environmental, water and land-use approvals — would significantly reduce fragmentation and uncertainty. By replacing linear, department-by-department processes with coordinated parallel reviews, this would improve efficiency, reduce duplication and provide greater certainty to investors - while still upholding environmental and social safeguards.

On the other hand, there are strategic issues at the national level that call for partnerships.

Water is emerging as a strategic risk in the mining industry, as it is a key and invaluable input, with growing scarcity posing a threat to business sustainability. Mining activities are anchored to the spatial locations of mineral deposits, which are mainly found in watershed areas that experience water stress and cannot be transferred to areas with greater water supply, thus necessitating long-distance water movement.

The increasing demand across all industries, strict regulatory standards and deteriorating water supply for the population, have added pressure on mines to ensure a steady supply, as well as contribute to the local communities. Consequently, mining companies prioritise water resource protection in both quantity and quality, even where this constrains production - and are increasingly compelled to intervene through cross-sectoral partnerships to stabilise and maintain water systems.

In response, the mining industry has played a central role in major public-private water infrastructure initiatives - notably the Vaal Gamagara Water Supply Scheme in the Northern Cape and the Lebalelo Water User Association scheme in Limpopo. In this regard, Tebello will speak more to this issue.

On the climate change front, the mining sector requires climate policies that are balanced, proportionate and grounded in practical realities. A just energy transition must allow the sector to invest, compete and simultaneously decarbonise. The mining sector continues to progress energy-efficiency, technological improvements and sustainability-linked investments to reduce its climate and environmental footprint. Over 1.8GW of clean energy capacity has been introduced by the mining sector to support decarbonisation, energy security and cost stability. Additional capacity is challenged by capital access, technological constraints and transmission infrastructure; however, the mining industry is actively working with stakeholders to scale clean energy deployment.

It is against this backdrop that we are deeply concerned that South Africa's Carbon Budget and carbon tax instruments create the real risk of double taxation. Under the current design, companies will pay the standalone carbon tax, while also facing a punitive penalty of 640 rand per ton of CO<sub>2</sub> equivalents for emissions above their carbon budget — without an explicit override to prevent paying twice for the same emissions.

This would impose two layers of carbon pricing on the same activity, placing severe strain on mining operations already under cost pressure. This complicated and unnecessary mitigation system, in our view, needs to be addressed with urgency.

Finally, the EU's CBAM presents a parallel and urgent challenge. South Africa already operates a robust carbon pricing system, including carbon tax payments, regulated offsets and carbon budget penalties. Failure to adequately recognise these mechanisms under CBAM

would amount to double taxation at the border, diverting capital away from decarbonisation in South Africa and undermining competitiveness.

CBAM must not become protectionism dressed as climate ambition. With proper recognition and fair transitional arrangements, South Africa's mining sector can accelerate decarbonisation, while keeping mines open, protecting jobs and sustaining investment – utilising the resources it has at its disposal, including coal.

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