

**WELCOMING ADDRESS BY DR CON FAUCONNIER, VICE PRESIDENT  
OF THE CHAMBER OF MINES OF SOUTH AFRICA AT THE MINING  
AND SUSTAINABLE DEVELOPMENT CONFERENCE  
INDABA HOTEL, SANDTON  
3 NOVEMBER 2003**

**Introduction**

*Greetings and Acknowledgements*

One of the greatest challenges facing the mining industry is the creative integration of mining as an economic activity with the imperatives of environmental integrity and social concerns. This conference, under the theme '**From Talk to Action**', will attempt to take forward the gains that have been achieved through the:

- Global Mining Initiative(GMI);
- Mining, Minerals and Sustainable Development(MMSD), and the
- Johannesburg Plan of implementation adopted at the WSSD in 2002.

The mining industry has played a significant role in the development of South Africa. In the last quarter of the nineteenth century, South Africa experienced a mining revolution. The large-scale mining of high value commodities, first diamonds and then gold and coal launched South Africa into industrialisation and paved the way for the emergence of our modern economy.

South Africa produced 55 different minerals from 713 mines and quarries and exported mineral commodities to 87 countries in 2000. While fuelling the economic growth of the country, the mining industry's activities have also had social and environmental impacts within the communities and ecosystem in which it operates. This, together with perceived decline in economic contribution by the sector, has raised questions about the industry's continued and overall contribution to South African society. In short, how the industry will contribute to the sustainable development of South Africa's society and economy.

During the last decade sustainable development has evolved from an esoteric concept to a key principle embraced by many corporations, government agencies, and non-governmental organisations. It is traditionally defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Though economic, environmental and social issues merit attention in their own right, sustainable development suggests that these issues should be examined collectively rather in isolation in a decision making process.

*Sustainable Development is about ensuring a better quality of life for everyone, now and for generations to come.*

There are a number of issues associated with sustainable development that present significant challenges to the continued growth of the mining industry in South Africa. These issues include:

- *Environmental concerns* such as potential climate change due to greenhouse gases; degradation and depletion of natural resources; waste management, bio-diversity loss and pollution due to abandoned/derelict and ownerless mine sites.
- *Socio-economic concerns* such as poverty, unemployment, capacity of social services, skills shortage, occupational health and currency volatility
- *Legislative and policy framework concerns* such as some of the proposed environmental legislation that mistakenly assumes that the environment and mining are incompatible; proposed royalty legislation that imposes steep royalties on revenue rather than on profits, and legislation that creates uncertainty about the conversion of mineral rights.

While there will always be trade-offs among different concerns, sustainable development encourages long term decision making that will balance and advance all of these interests.

## **Sustainable Development: Environmental challenges**

There are a number of environmental management challenges that face the mining industry. Mining impacts on the biophysical environment are inherent in the nature of the activity. Thus the mining sector is under constant public pressure to demonstrate commitment to responsible environmental management. Mining uses large quantities of water, energy and timber, and generates a large proportion of the waste stream in South Africa. The scale of these impacts resulted in the Chamber championing the introduction of the Environmental Management Programme Reports (EMPR) process as best practice before they were even required by legislation. This became the forerunner of the current Environmental Impact Assessment process, and was the first mandatory environmental management requirement introduced in South Africa. Currently the mining industry is building on this pioneering work through the widespread adoption of the ISO 14001 system and improved environmental management.

The Chamber is committed to continuing with multi-stakeholder dialogue around environmental issues:

- The Chamber provides the secretariat for the Gauteng Mining Pollution Forum – an initiative by the Gauteng Department of Agriculture, Conservation, Environment

and Land Affairs to address environmental degradation as a result of mining related activities;

- The Chamber has initiated a Consultative Forum on Mining and the Environment with environmental NGO's and community groups. The aim of the forum is to assist in conflict resolution; encourage public participation and partnerships; and build trust between communities and the mining industry.
- In consultation with the National Nuclear Regulator, the Chamber is implementing a project to clean up metal scrap yards where radioactive contaminated materials were disposed. The Chamber did this despite the fact that the responsible parties could not be traced.

Later on in the conference, the Chamber will present a proposal about how government, environmental NGO's and the mining industry can co-operate in addressing the issue of abandoned, derelict and ownerless mine sites.

### **Sustainable Development: Socio-economic challenges**

South Africa remains a global producer in the world of minerals. For example, in 2002, in total world mineral production terms, South Africa contributed 60% of PGM's, 15.3% of gold, 8.2% of diamonds, 5.7% of coal and 2.7% of aluminium.

The industry has generated wealth in direct and indirect ways, but there is a growing perception that there is a mismatch of opportunities and problems. The wealth often seems to be created locally but the benefits felt far away from the communities and the environments that felt the adverse impacts of mining. The challenge facing the mining industry is to ensure that local communities become part of the long chain of beneficiaries of mining activities. Later on in the afternoon, a member company of the Chamber of Mines will make a presentation of how the company implements sustainable development across a range of operating conditions.

The mining industry is the main sector, besides agriculture, that hires large numbers of unskilled workers. The mining industry is, therefore, in a very unique position to contribute substantially to the development of the country's human capital. Mining companies not only devote substantial resources to vocational and job specific training, they also contribute extensively to the increase in national literacy through ABET programs; and to the development of key skills through mining bursary financial schemes and the Mining Education Trust Fund.

The mining industry has not been immune to the threat posed by the HIV/AIDS pandemic. Later on this morning, the Chamber will present developments that are taking place in managing this challenge. Mining companies have

also committed themselves, in partnership with each other and other stakeholders to ongoing research in improving safety in mines, and reducing the risk of exposure to toxic substances and conditions which may result in occupational diseases.

The Chamber, by its very nature as a lobby organisation will continue to engage government and other stakeholders to create an enabling environment where the legislative and policy framework encourages continued contribution of the mining industry to sustainable development in South Africa.

In conclusion, I wish to quote from former President Mandela's speech delivered at Annual General Meeting of the Chamber in 1994:

*“ The South African mining industry is entering a new exciting era. It has the opportunity to deal with new challenges in conditions that allow it to draw on the skills, the imagination and determination of all. The mining industry, by virtue of the place it occupies in our economy, is in a position to make special contribution to the transformation of our society, which should have as its central objective, improving the quality of life of all its citizens”*

I hope that the deliberations here today and tomorrow, will be useful in further moving our industry from **“talk to action”** and positioning the mining industry as an essential cog in sustainable development. END