



President: 2018-2019

# Reflecting on 25 years of democracy and the mining industry

## Alastair Stuart Macfarlane

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As President of the Southern African Institute of Mining and Metallurgy, reflecting on 25 years in the mining industry since our transition to democracy in 1994 is an honour, and it is also a reality that this is but an exciting part of the SAIMM journey, which began in 1894. This year the Institute celebrates 125 years, having started life as the Chemical and Metallurgical Society of South Africa, which was formed after 14 chemists and metallurgists met on 24th March 1894 in Johannesburg to form a society and elect a council.

After the dark days of apartheid, and before liberation, it became increasingly clear from the late 1980s that something exciting was about to happen. It was clear from the speech by FW de Klerk that a monumental shift in direction was on the horizon. This, and then the subsequent euphoria after the democratic elections, created great hope for the country, as well as for the industry.

However, translation of democratization into the industry proved to be difficult, due to many legacy issues in terms of work structure, work practices, migrant labour, and legislation, coupled with an industrial relations environment that was driven by politicization.

This created the need for major structural changes, and led to the unbundling of large corporate institutions, and the development of a new Minerals Policy, and the enactment of the Minerals and Petroleum Development Act.

Subsequently, the Mine Health and Safety Act and the establishment of the tripartite organizations such as the Mining Qualifications Authority and the Mine Health and Safety Council created the atmosphere for dialogue, and this undoubtedly was instrumental in the remarkable improvements that we have seen in mine health and safety since 1994.

These improvements were also supported by significant research work that was done into rock engineering design, especially the development of seismic monitoring systems and sequential grid mining

for deep-level gold mines, which has resulted in a significant improvement in terms of the effects on mine seismicity.

However, it has not all been all plain sailing. Rapidly escalating costs and declining productivity have had a devastating effect on our production output, as mines became more marginal in the gold sector in particular. This was also impacted by sluggish prices in gold and platinum in the 1980s, until economic respite for the mining industry when the 'super cycle' kicked in during 2009, and lasted through to 2014.

The super cycle did little for productivity improvement generally, unless a bottom line metric is used (influenced by metal price and exchange rate).

This meant that after the cycle ended, difficult days appeared, with a sudden increase in mine closures and retrenchments, and the devastating impact of the 5-month long platinum industry strike in 2014. The Marikana massacre on 16 August 2012 represented one of the darkest days of the industry, and the wounds have still not healed.

During these times, the industry also felt the effects of State capture, and relationships between certain parties in the industry reached an all-time low. We all feel betrayed and at the same time full of bewilderment that such manipulation and destruction could happen on our collective watch.

So where do we find ourselves now? During 2015 a landmark event occurred in our industry, which was the Mining Phakisa. This multi-stakeholder event focused on reviving the contribution of mining to gross domestic product, by focussing on key workstreams. This was a milestone event more in terms of process than outcome, as it created genuine dialogue on very difficult issues.

Since the election of our current President, President Cyril Ramaphosa, and a new Minister in the Department of Mineral Resources, a 'new dawn' has emerged which is epitomized by dialogue and transparency, and a collective desire to make the industry work.

It is estimated that South Africa still possesses mineral resources worth US\$2.5 trillion, with 16 commodities ranked in the top 10 internationally. Despite this, local gold production has decreased from 605 ton in 1994 to 133 ton in 2014, with a loss of 273 152 jobs over the twenty-year period. This apparent dichotomy is explained by the economic reality that much of what we have left in the ground is deep, low grade, and/or expensive to extract. Additionally, much still has to be explored, and all these effects require us to leverage our collective will and collaborative efforts to find solutions, through research and development, to open margins and attract investment for the sustainability of our great industry.

Our mining industry has also, over the last 25 years, had to move from a purely profit-based, internal and shareholder focus to become a more engaged and complete corporate citizen, in terms of community engagement and environmental protection, involving an ever-widening group of stakeholders. This the industry continues to do, as it moves voluntarily beyond mere compliance. Our Institute has had to change to be able to provide platforms for dialogue on issues such as these, and to concentrate increasingly on issues that are more of a socio-economic nature than a purely technical one.

Internally, our Institute has constantly had to conduct self-examination to ensure transformation, inclusion, and diversity to reflect the demographics of the country and to celebrate this transition. Despite having made significant progress in these areas, there is still much to be done.

Supporting this work, and in addressing the issues of career and professional development of our members, the Young Professionals Council was formed, which has contributed significantly to the needs and expectations of our younger members. Our Scholarship Trust Fund has so far helped needy students to the extent of some R3 million in the support of their studies.

A significant change to the Institute occurred in 2006, when it became the 'Southern African Institute of Mining and Metallurgy', reflecting the reach to branches in Botswana, Namibia, the Democratic Republic of Congo, Zambia, and Zimbabwe, making it a truly international Institute.

Meanwhile, challenges continue to unfold, but those such as the current electricity and energy crisis will only be solved through collaboration and transparency, and a desire to solve these problems together, and the Institute will continue to play a constructive role in creating the platform for dialogue that will find solutions to these challenges.

These have been an exciting 25 years, and we can all be proud of our individual, corporate, and institutional efforts that have brought us to where we are, despite the challenges along the way, and to create a bright future for the next 25 years.

The Southern African Institute of Mining and Metallurgy is proud of its contribution in these 25 years, as well as the preceding 100 years, and will continue to support our industry and our members, not only in South Africa, but across the Southern African region. \*

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