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MINI PLENARY - NATIONAL ASSEMBLY

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PROCEEDINGS OF MINI-PLENARY SESSION OF NATIONAL ASSEMBLY

Members of the mini-plenary session met at Good Hope Chamber at 10:00.

House Chairperson Mr C T Frolick took the Chair and requested members to observe a moment of silence for prayer or meditation.

APPROPRIATION BILL

Debate on Vote 34 - Mineral Resources and Energy:

The MINISTER of MINERAL AND PETROLEUM RESOURCES: House Chairperson, Chairperson of the Portfolio Committee on Mineral and Petroleum Resources, Mikateko Golden Mahlaule, Deputy Minister of Mineral and Petroleum Resources, hon members, distinguished guests, it is an honour to table budget Vote No 34 of the Department of Mineral and Petroleum Resources before

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this august House. We are tabling the budget Vote during a difficult period in the global economy. A time when conflict rages in the Middle East, but with tremors felt far beyond the front lines and destabilising global energy supply.

We have undertaken to visit the Strait of Hormuz to see what is magical about this strait, a small passage of oil that destabilises the world.

In this era, where energy security is intrinsically linked to national stability, we cannot stand on the sidelines as passive observers. This budget is our strategic response to those geopolitical realities. A commitment of protecting livelihoods of our people, securing our energy future. Every day, working together with the National Treasury, we did introduce a temporary relief of reduction of fuel levy for the period of three months.

It is ending next month. It is temporary. It is not a permanent solution. While South Africa welcomes the intervention, we are fully aware that it is not a permanent solution. The reality confronting us is that South Africa remains overly dependent on imported refined petroleum

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products. That is a call on us to develop an upstream petroleum industry and expand our refining capacity. That is the solution.

Our refining capacity, if you take the two refineries in Sasol, they can only give us 40% of our needs. We need to explore oil and gas in our own shores. This is precisely why our sustained focus on developing the upstream petroleum industry and expanding our refining capacity remains correct to the strategy. If we do not do that, we will only realise how correct it is when there is a crisis, as it is the case now. We must deal with this when there is no crisis.

For this reason, it is important that we accelerate the processing of the South African National Petroleum Company Bill, which is in Parliament. That Bill establishes a petroleum champion for South Africa. We need it, and we can.

only realise its urgency when there is a crisis, as we are now. It goes with the Envisioned Upstream Petroleum Resource Development Act.

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While global fuel supply challenges persist, I would like to assure the people of South Africa that we have sufficient fuel supply in the country. There is not going to be any shortage of petroleum products in the country, not in the near future. We have secured our supply. It may be expensive, but you will get oil and diesel every time you go to the petrol station.

We will continue to monitor the supply situation and will ensure ongoing transparency in this regard. That is why we have called upon all of us to avoid panic communication where we communicate something that is not realistic.

Despite the prevailing global economic pressures, South Africa's mining sector continues to demonstrate resilience and remain a cornerstone of our economy. It is contributing 6,3% to the gross domestic product, GDP. We have not stated the amount of our contribution to foreign earnings, which is the strong point of mining. Mining is strong on foreign earnings. It must continue doing that. This growth in the GDP contribution shows the sectoral performance during the first three quarters of the year.

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Mining royalties collected totalled R11,8 billion. I would have loved to see that money going to the fund that will protect our future, but that is not my decision. However, we must also acknowledge the challenges confronting the sector. Rising electricity tariffs are a problem and place severe operational pressure on the mining industry.

Last year, we made a solemn commitment in this House that critical minerals and metal strategy would not become a document destined to gather dust in the shelves. We said it must become a shovel in the ground and a magnet for investment. Today, we are happy to share with you that the era of passive policy is over. We have moved decisively from blueprint to battlefield, aggressively actioning the framework to secure the seat in the head of the global critical mineral dialogue and transaction. We are at the centre of it. We are participating. We are leading it.

A key pillar of the strategy is geoscience mapping and exploration. Our Council for Geoscience, CGS, continues its high-resolution geoscientific data aimed at de-risking exploration and attracting investment. We have increased our national offshore mapping coverage from 5% to 20% in 2025/26

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years. The CGS will continue scaling its flexible programme across both onshore and offshore domains, with focused effort to generating and disseminating high-quality and pre-competitive geoscience data. This data can be accessed through a virtual call library. Just visit that, virtually, you will get the information.

Our commitment to transformation is not merely a policy statement but an active investment in the next generation industrial leaders. Through the Junior Mining Exploration Fund, capitalised at R400 million by us and Investment Tax Credit, ITC. We are now dismantling the barriers of entry in the industry. People are getting access to this money and they do exploration. First project in Bothaville is drilling for rare earth elements and it is doing exceptionally well. It is at the point of production.

The second project in Giyani is targeting copper, nickel and gold and is also nearing completion. This is a great demonstration of a government actively driving re-industrialisation and renewal of mining activity in South Africa.

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We are also pleased to share that the government-led programme sparked greater interest. For example, Anglo pledged R600 million to this fund. And PIC pledged R1,35 billion commitment for exploration activities. We have agreed with the PIC that this allocation will serve as a continuation fund providing seamless transaction for project pipeline emerging from the Junior Mining Exploration Fund. So, money is coming in into the fund. We are hoping that many more companies will actually contribute to this fund.

The second pillar of critical mineral strategy requires us to build a robust beneficiation and manufacturing capability to ensure value addition closer to the point of production. That is no longer a theory. Everybody accepts it as a realistic approach to beneficiation. However, ambition continues to be undermined by high cost of electricity. The reality is that South Africa cannot fully realise benefits of local beneficiation until the issue of affordable electricity is resolved.

We are quite happy that the Minister of Energy and Electricity did reduce prices for smelters and furnaces to a reasonable level and they are now reopening those closed furnaces and

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smelters. They are reopening smelters and furnaces and that to us is a bonus.

We must organise and modernise our policy and regulation as committed. The Mineral Resources Development Bill is currently before the Chief State Law Advisor for legal certification. Once it goes through there, it will be given to the Cabinet and then to Parliament. The Mine Health and Safety Amendment Bill seek to reduce mine accident and fatalities is ensuring that compliance becomes core business function rather than administrative exercise.

We have a target of zero harm. We can report here that in the year 2025, we improved the record of fatalities in the industry to 41 for the sector. And coal mining had two fatalities, which means that zero harm is a possibility. We checked manganese and ferrochrome. We discovered they both had one fatality. It means those are the sectors we must look at to actually realise zero harm as an objective. They can lead us in that regard. There was no fatality in the iron ore mines.

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Unfortunately, the platinum sector and the gold sectors still perform in a way that betray our efforts in a big way. We are paying attention to them, and we are working with them to reduce fatalities in the sector. No disaster type accident happened in the sector. But this year, the Ekapa Mine disaster where five fatalities were recorded is a matter of concern for us.

With regards to finances, we have been allocated R2,86 billion and R1,17 billion is transferred to public entities as follows. R70,6 million is going to SA Diamond and Precious Metal Regulator, R94,98 for Petroleum Agency, R666,9 Council for Geoscience, R326,7 for Mintec, R4,89 million Mine Health and Safety Council.

I was saying to the chief financial officer, CFO, you are a bank. You are transferring, you receive the money and you transfer it to entities. Nothing is left for us as corporations. At R23,48 million Rand went to mine rehabilitation research institute, R140,83 million went to rehabilitation of the little on Alex mines, and R49,1 million went to implementation of shale gas project. An amount of

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R33,83 million for the mine water ingress project and R31,13 million went to additional and small-scale mining.

Let me conclude by expressing my appreciation to the work of the capable Deputy Minister. She is learning fast. And I said to her, you have gone to an underground mine in a coal mine, you must go to a deep coal mine now. That is part of learning. To the portfolio committee, difficult as it may sound sometimes, but you are quite helpful to what we do and our effort. I want to further acknowledge organised labour particularly the tripartite arrangement on health and safety matters.

I further want to thank the director-general and the department together with the entire team in the department for their commitment. Finally, I must thank Nolwandle my wife, for the support she gives me. Obviously, she deserves [Isithwalandwe] You do not stay with a mad man under one roof and do not become mad. [Time Expired.]

Mr M G MAHLAULE: Hon House Chair, hon Minister Mantashe and Deputy Minister Mgcina, hon members, this Budget Vote comes at a critical moment for South Africa's mining and energy

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sectors. These sectors remain central to industrialisation, economic growth, employment creation, export earnings and energy security. Yet they are so under immense pressure from declining exploration investment, illegal mining, infrastructure deterioration, energy insecurity, global commodity volatility and growing governance and fiscal constraints.

We have noted that the department has identified several important priorities for the year ahead. These include the review of the Mineral and Petroleum Resource Development Act, the roll-out of the Mining Cadastre System across all regions, the formalisation of artisanal and small-scale mining, rehabilitation of derelict and ownerless mines, promotion of mineral exploration and intensifying the fight against illegal mining. The committee welcomes the continued roll-out of the cadastral system. For many years, uncertainty and inefficiency in licensing processes discouraged investment and weakened confidence in the mining sector. A transparent and functional cadastral system is, therefore, essential for restoring investor confidence, improving regulatory certainty and strengthening governance. However, the committee remains

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deeply concerned about the state of illegal mining in South Africa.

Illegal mining has evolved beyond a regulatory challenge and now represents a national security threat. It undermines lawful economic activities, destroys infrastructure, deprives the state of revenue, and places lives at risk. South Africa's energy security remains fragile. The committee observed that the country continues to rely heavily on imported crude oil and refined petroleum products due to constrained domestic refining capacity. While refinery reinstatement plans and gas infrastructure projects are under discussion, the country remains vulnerable to global geopolitical market production. It is vulnerable to geopolitical shocks and supply disruptions.

The committee notes with concern that since 2009, Minister, fuel imports have grown by approximately 11% year-on-year relative to local market production, with total downstream demand reaching 24 billion litres in 2024. This trajectory confirms that the country's refining capacity crisis is structural rather than cyclical and that the closure of major refineries has left South Africa exposed to imported product

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margins, exchange rate volatility and the strategic preferences of multinational suppliers. Recent fuel volatility, driven partly by instability in the Middle East, has further intensified the cost-of-living crisis facing South Africans.

The committee, therefore, recommends that the department review the diesel pricing framework and expedite work towards a revised fuel pricing model aimed at cushioning consumers from severe month-to-month price fluctuations. Beyond short-term relief measures, the long-term answer to fuel volatility lies in the rebuilding of domestic refining capacity. With the rand projected to trade in a range of R17,10 to R18,10 to the US dollar over the medium term, every important litre transmits currency risk directly to households. Restoring large-scale refining at home is, therefore, not only an industrial priority but a structural pricing correction in favour of South African consumers.

The geopolitics surrounding oil represent a significant opportunity for African countries to strengthen regional integration and co-operation on energy security. The development of the Dangote Refinery in Nigeria is a case in

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point, demonstrating what can be achieved when African countries invest boldly in strategic energy infrastructure. Through the refinery, Nigeria has moved from being a net importer to becoming a net exporter of refined petroleum products, thereby enhancing its energy sovereignty and contributing to regional supply stability.

We are aware that plans are underway for Nigeria's Dangote Petroleum Refinery to construct large fuel storage facilities in Walvis Bay, Namibia, with a capacity to store at least 1,6 million barrels of gasoline and diesel. This development signals the growing importance of intra-African energy trade and regional fuel distribution networks. Speaking of Namibia, the pace of oil and gas exploration in that country has advanced at a level that stands in contrast to South Africa, where exploration activities are often delayed by prolonged litigation and objections from nongovernmental organisations that challenge nearly everything that has to do with major exploration initiatives.

While environmental protection remains important, there must also be a balanced approach that recognises the developmental and energy security needs of our country. African countries

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must collaborate on refining capacity, strategic storage, pipeline infrastructure, skills development, and cross-border energy trade. The future of Africa's energy security depends not on fragmented national approaches, but on stronger continental approaches and regional integration. The committee also considers the work the department has done on its entities. The Central Energy Fund Group, CEF Group, and its subsidiaries remain strategically important for national energy security.

However, several entities continue to face serious financial operational pressures, including liquidity constraints, governance challenges, and continued losses. The delays in operationalisation of the SA National Petroleum Company remain a strategic concern, particularly regarding governance, alignment, asset transfers, and commercial sustainability. In this regard, the committee acknowledges the acquisition of the SA Petroleum Refineries, Sapref, which yielded a net profit after tax of R1,769 billion in the 2024-25 financial year, and which represents a reinstated capacity of approximately 180 000 barrels per day, with a target expansion to between 350 000 and 400 000 barrels per day. However, the consolidated project pipeline of CEF Group requires R65,8 billion, of which

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R64,1 billion is anticipated to be raised through a strategic partnership. The committee cautions that this funding model carries a material strategic risk if private capital does not materialise on the projected scale or within the projected framework and recommends that detailed mitigation arrangements be tabled before Parliament. Equally, the committee remains concerned about the strategic stock framework. Legacy Strategic Fuel Fund, SFF, continues to hold strategic stock valued at R1,309 billion, with the Ministerial Policy Directive on a 90-day reserve still outstanding in operational terms.

The mandate relating to strategic stock will not transfer to the new entity during the planning horizon, meaning that the policy gap between directive and execution persists at the very moment that supply chain risks are intensifying. The committee, all in all, believes that South Africa possesses immense mineral and energy potential, but unlocking that potential requires policy certainty, capable institutions, regulatory efficiency and investment infrastructure. In conclusion, the Portfolio Committee on Mineral and Petroleum supports Budget Vote 34 and calls upon the department and its entities to implement our recommendations.

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Mr L D SELEPE: Hon House Chairperson, the MK Party rises as a government in waiting to give an honest account on Budget Vote 34 of Mineral and Petroleum Resources. South Africa is not a poor country; South Africa is a mismanaged mineral super power under the custodianship of a President who is constitutionally delinquent.

The budget seeks to manage the crises instead of transforming the sector. The committee itself admits that the department is severely understaffed and incapable of adequately monitoring more than 900 operating mines. Illegal mining has become a national security threat, involving heavily armed syndicates, collapsing infrastructure and loss of state revenue.

However, illegal mining did not emerge in a vacuum; it emerged because government abandoned mining communities, fails to rehabilitate derelict mines and allowed extraction without meaningful industrialisation. The rehabilitation backlog now stands between R35 billion and R45 billion. Mining companies extracted wealth while communities inherited poisoned water, unsafe shafts and unemployment. The MK Party believes this extracting colonial model must come to end.

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South Africa also faces a deepening energy vulnerability. The committee notes that the country remains heavily dependent on imported fuel and refined petroleum products, because domestic refining capacity has deteriorated. At the same time, ordinary South Africans are being crushed by escalating fuel prices, especially illuminating paraffin used by the poorest of the poor.

For millions of working-class families, paraffin is not a luxury; it is used for cooking, heating and lighting. When paraffin prices rise, hunger rises. When paraffin prices rise, poor families must choose between food and warmth. A democratic state cannot remain indifferent while energy poverty deepens amongst the poor. The delays surrounding South African National Petroleum Company, SANPC, PetroSA, an instability within the Central Energy Fund, CEF, group further expose the absence of coherent energy sovereignty.

One of the most important sections of this report relates to beneficiation of critical minerals. South Africa continues to export raw minerals and only import finished industrial products at a far higher value that reproduce colonial dependency. The MK Party believes that South Africa must

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pursue a state-led beneficiation strategy anchored on a local manufacturing, industrialisation, skill development, and African value chain. The minerals of this country must benefit its people first.

The committee also highlights weak enforcement of social and labour plans. For many communities, social and labour plans have become public relations exercises instead of binding developmental obligations. Community remains without roads, clinics, water, and economic opportunities long after extraction has taken place. The MK Party believes that persistent social and labour plans noncompliance must trigger punitive sanctions, including suspension of mining rights where necessary.

We are equally concerned about failures in the administration of small scale and artisanal mining support programme. The department cannot continue announcing empowerment initiatives while emerging miners remain trapped in the delayed bureaucracy and complicated funding system. The MK Party calls for immediate audit on all small-scale funding programmes, including payment timelines and beneficiary selection and project outcomes.

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Secondly, a clear remedial plan to address mismanagement and ensure funds reach intended beneficiaries. Thirdly, a transparent monitoring mechanism involving communities and civil society. Fourthly, a future allocation that prioritise women, youth and people living with disabilities in line with the department's transformation mandate. The development of the previously disadvantaged communities cannot wait indefinitely.

The future global economy will be driven by the critical minerals, industrial capacity and energy sovereignty. South Africa cannot remain a supplier of raw materials to industrialise power abroad while our people remain poor. We must become industrial power ourselves. That requires a decisive break from the neoliberal extractive model that reduce the state into a licensing office while private capital externalise social and environment cost onto our people.

In conclusion, to support this budget in this current form will be tantamount to becoming a part of the collaboration that continues to sell out people of South Africa and surrender our mineral sovereignty to the neoliberal interests and the global capital.

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As the MK Party, we are saying, Minister, people of South Africa are waiting for transformation, and not transformation of existing companies. You cannot say you are transforming someone who stays in the suburbs. We want transformation for someone who stays in Soshanguve or Bojanala in the North West, not someone who stays in Sandton. That is not transformation but maintenance of the capitalist. We cannot allow that, Minister. As the MK Party, we cannot support this neoliberal budget. I thank you.

Mr S ZONDI: Hon House Chairperson, what do you do when you are traveling and realise you are going the wrong way? A sensible person turns back and readjusts the course. You figure out where you went wrong and correct the mistake. What you don't do, however, is double down to reach your destination and hope that you reach your destination. Doubling down on failure does not produce success. Yet, the appropriation of resources and insistence on funding stillborn projects under Vote 34 seeks to do justice. Double down on failure and hope for success via osmosis. I will elaborate.

When PetroSA proves to be a failure, like all state-owned companies with a large and unclear mandate, what does the

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Minister do? Does he turn back and readjust course? No, he doubles down on failure and creates an even larger state-owned company with an unclear mandate in the form of the South African National Petroleum Company, SANPC.

When it is pointed out repeatedly that SANPC was formed illegally before it got the necessary Public Finance Management Act, PFMA, concurrency from Treasury, instead of readjusting and correcting the error, what does the hon Minister do? He doubles down on failure and hopes for success.

When the hardworking men and women within the department flag the purchasing of South African Petroleum Refineries, SAPREF, for a symbolic R1, a failing asset with an exorbitant amount of historical environmental liability. What does the Minister do? He doubles down on failure and prays for success. He does the same on the Gazprom failed project. He does the same on the Equator Holdings failed project. It's a history of doubling down on failure and hoping for success. It's a legacy of plans, a litany of slogans, and a peculiar aversion to actual delivery.

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The department under your leadership, hon Minister, does not take South Africans seriously. You only need to look into the errors that are in the 2025-26 performance plan, which still speaks about completing a feasibility study for Global Liquefied Natural Gas to liquids process, which will be completed by 2020. We are in 2026. This is on the 2025-26 annual performance plan, APP, page 125. It's a small detail, but it reveals so much about the culture of your department. A culture of failure and doubling down at all costs.

The Western Cape has been successfully migrated to the new cadastral system after many delays, but it is still a rare moment of success for this department. That success is then, of course, followed up by a failure as the link to the new cadastral system has not been put on the landing site of the previous cadastral systems, despite my weekly pleas for this to be done. Another example of a department that does not take South Africans seriously.

Of the department's total allocation of R8,7 billion over the medium-term, R3,6 billion is marked for transfer to its entities. Amongst these entities is the failing PetroSA, which

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is being gutted of its financial assets to support SANPC, the Minister's pet project.

Section 34 of the Insolvency Act requires companies to alert their creditors of any movement of business assets to protect creditors from an unfair loss of monies owed. When PetroSA transferred its viable assets to SANPC, this process was not sufficiently done. So today, we call on all PetroSA creditors who are listening and watching today to exercise their constitutional right before PetroSA is left as a hollowed-out shell, unable to meet its financial commitments, thus unable to pay back the money it owes to them.

The South African National Petroleum Company projects an equity position of R2,1 billion by 2030. This is mainly due to the merger of the three entities, PetroSA, IGAS and the Strategic Fuel Fund. The South African National Petroleum Company, beyond the full merger, has no credible business case because its patent and founding legislation, the SANPC Bill, has not even been passed by Parliament. So why the rush in forming such a big entity? I will tell you why.

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It's a race to dump PetroSA's financially viable assets onto SANPC before PetroSA is liquidated, and it will happen. It almost happened with the South African Revenue Service, SARS, issue and it will happen again when the department fails to pay SARS according to the payment plan. It's a reactive strategy of doubling down on PetroSA's failure by building another PetroSA with a different name instead of fixing the real PetroSA.

This department is devoid of ideas. It lacks foresight and motivation required for a department with such an important mandate. We call on the Minister to initiate a full organogram review of his department to root out the source for underperformance. Vote 34 is another budget provision in a list of many that doubles down on failure and hopes for success. Minister, as I started my talk with a question, I will end it with the same question. Will you turn back from this direction of doubling down on failure and professionalise the department, ensuring that people are appointed on merit, not the colour of the t-shirt they wear? I thank you.

Mr M N PAULSEN: Good morning. I am presenting on behalf of the hon Natasha Ntlangwini, who is recovering from illness. I urge

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all of you to send flowers and cash donations to speed up the healing process.

The EFF moves for the wholesale rejection of the Budget Vote 34 report for the Department of Mineral and Petroleum Resources. This report documents the administrative neglect that finds the department presiding over the systematic evisceration of our mining sector. The primary failure of this department is its inability to sustain the mining industry's contribution to our national economy. The Saldanha Bay Terminal handles 60 million tonnes of iron ore every year, that gets exported overseas. We are not just exporting minerals; we are exporting jobs.

While the department speaks of growth, the sector's contribution to gross domestic product, GDP, has dropped from 6,3% in 2023 to just 6,1% in 2024. This decline is accompanied by a bloodletting of jobs with gross losses exceeding 13 000 positions across the sector in a single year. Despite the record-high gold prices, the department has failed to convert this windfall into sustainable growth, leaving real capital formation in mineral exploration at historic lows.

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The department's response to illegal mining, centred on Operation Vala Umgodi, is a failed strategy of policing and not participation by focusing on criminalisation of poverty-stricken zamazamas while failing to dismantle the sophisticated criminal syndicates controlling the value chain. The department is merely treating symptoms while the disease spreads. This approach ignores the 70% unemployment rate in many mining communities that drives this phenomenon.

While the department purports to monitor social and labour plans, community-led audits expose a crisis of developmental theft. On average, only 23% of promised social labour projects are completed, and barely 24% of committed funds translate into tangible benefits. This leaves over R284 million unaccounted for across just 11 audited sites, funds meant for water, schools, and clinics that have effectively vanished.

The 2025 Mineral and Petroleum Resources Development Act, MPRDA, Amendment Bill, which this Budget supports - and you mentioned, Minister - represents a major regression in accountability. The Bill deletes the requirement for annual social labour plan reporting and narrows the definition of interested and affected parties to those with a direct

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interest. This is a deliberate attempt to silence nongovernmental organisations, NGOs, community-based organisations, and downstream residents who suffer from environmental degradation but lack formal land title. By sidestepping the requirement for free, prior, and informed consent on customary land, the department is ignoring Constitutional Court precedents such as Baleni and Maledu judgments.

The report's focus on transformation is a façade that can best be described as transformation without teeth. The proposed amendments to section 100 replace binding targets with ministerial discretion, making ownership and local procurement benchmarks non-binding and revocable at will. This creates a regulatory vacuum that facilitates elite capture while failing to provide material redress for 80% of the population still on the margins of economic production.

Minister, you mentioned that South Africa remains heavily reliant on imported fuel, but we must not forget it is this ANC government that tried to sell 10 million barrels of fuel reserves for \$28 a barrel in 2015 to Glencore. We will mention Glencore later because there seems to be a relationship

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between this criminal ANC and Glencore. Budget Vote 34 supports a legislative framework that legalises theft by expropriating historic mine dumps, criminalising the poor through securitised regulation, and betraying the constitutional rights of mining-affected communities. Minister, here is a burning question that you must answer today when you come back here, and if you do not, then on 4 November, voters must express their disgust with the ANC. Why is South Africa selling coal to apartheid Israel, coal that powers the war machine that is killing Palestinians? We call upon all South Africans, especially the youth, who want the vast mineral wealth to serve the interests of all South Africans, to go out and register to vote for the EFF on 4 November 2026. Thank you very much.

Ms B E MACHI: Hon Chairperson, mining has played a fundamental role in shaping South Africa's history, culture, and economic activity. The IFP welcomes the department's commitment to ensuring that the mineral and petroleum industries have a positive impact on our country through inclusive job creation and economic growth. We also welcome the increase in the Mine Health and Safety Inspectorate budget, which has grown by roughly 13% over the last fiscal year, rising from

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R276 million to R289 million. We strongly believe that when it comes to the health and wellbeing of South Africa's workers, no expense should be spared.

Miners have historically been the backbone of our country's economic activity, but also one of its most neglected demographics. It is the government's responsibility to ensure that miners do not have to compromise their health to perform their jobs. We urge the department to maintain its focus on health and safety regulations by allocating sufficient resources to the inspectorate.

We have consistently maintained that women and other underrepresented groups must be included in valuable industries like mining and fuel. For this reason, we welcome the Council for Mineral Technology's decision to enforce targeted recruitment of women and Black professionals. Similarly, we are pleased to hear of the Enterprise Development programme established by the SA Diamond and Precious Metals Regulator, SADPMR. This initiative also aims to encourage women and historically disadvantaged groups to become active players in the mining sector. However, we urge the department to take further practical action. We strongly

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believe that all South Africans should benefit from the value of our country's natural resources.

More resources must be funnelled into programmes that encourage women and other vulnerable groups to participate in the mining industry. We know the department's goal of improving long-term fuel security but urge them to channel funds into stabilising the short-term fuel supply. Fuel is an essential resource. It allows South Africans to get to work, travel to see their families, and everything in between. It is the driver of our social and economic lives, and the government must do everything possible to ensure that fuel prices do not disrupt South Africans' daily lives. We call for unnecessary fuel levies to be cut and for the industry to be regulated so that prices remain affordable for everyday citizens. Ultimately, the IFP supports Budget Vote 34. We remain committed to protecting workers' safety and ensuring fuel security nationwide. Thank you, Chairperson.

Ms M L MATHOPA: Hon House Chair and hon members, the PA supports Budget Vote 34 because we believe in South Africa minerals and petroleum resources must benefit the people of this country first. Our mineral wealth cannot continue

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enriching a connected few while mining communities remain trapped in poverty, unemployment and undeveloped. As a responsible partner in the Government of National Unity, GNU, the PA supports a mining and petroleum sector that creates jobs, drives industrialisation, strengthens energy security and delivers meaningful community upliftment.

However, our support comes with a clear expectation of accountability and delivery. In many mining towns such as Orkeny, Stillfontein, Bojanala and Carltonville, communities continue to live with the painful realities of cracked houses, damaged infrastructure, sinkholes, dust pollution and poor service delivery while mining activities continue around them. These communities deserve dignity, proper compensation and meaningful development.

IsiXhosa:

Mphathiswa, ndithetha nje nawe, uholo wendlela u-N12 uvaliwe kuba kukho imingxuma emikhulu evelayo.

English:

The PA believes social and labour plans must be properly enforced to communities to see tangible benefits such as

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roads, clinics, housing support, skills development and sustainable economic opportunities. Transformation in the sector must be genuine, broad-based, and community-centred and not limited to politically connected elites. Illegal mining continues to threaten lives, damage infrastructure, and undermine the economy.

The PA supports stronger law enforcement interventions and tougher action against criminal syndicates operating in affected mining areas. Hon House Chair, the PA supports Budget Vote 34 because South Africa's mineral wealth must finally work for all South Africans through fairness, accountability, development and economic inclusion.

IsiXhosa:

Mphathiswa, ndikuvile ukhankanya ukonyuka kwamaxabiso ombane kodwa ndicela uyijonge nale yokunyuka kwamaxabiso amafutha eenqwelo. Enkosi.

Dr W J BOSHOFF: Hon House Chair, hon Minister and fellow members, I think the central question one has to ask about this whole portfolio and this whole budget is whether South Africa demands the confidence which is needed to invest money

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in a long-term framework. It has been recently said by the President that corporate South Africa sits on something like R1,3 trillion. I am not sure about the exact number of cash which it does not invest. That is not mentioning even countries or institutions abroad who may or may not decide to invest in South Africa especially in South African mining industry.

Now, I think of factors which undermine the confidence needed to do long-term investment. Let us look at the shale gas which is touted as a possible solution to South Africa's fluid fuel problem. There are still questions about safety whether the natural resource in terms of land and groundwater will remain untouched or whether the state has a capacity to look after that. We look at the disclosure of refineries. We look at illegal mining with whom corporate investors have to compete with. These people do not have health and safety standards which do not have to comply to all the regulatory demands. In this situation illegal miners competing with formal miners might not be worth it.

Therefore, we do not get the exploration that we actually expect. It has been said by many speakers from both sides of

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the House that exploration actually does not meet the expectation. We have experienced the closure of smelters. It means that South Africa is increasingly becoming a short-term investment destination for mining. The Northern Cape gets a lot of the investment and that is because the mining is a rather simple open-cast mining in contrast with a very deep-level capital-intensive mining in some other sectors.

Those resources, manganese and iron ore from my own province, are just exported in an unrefined form. That definitely creates a problem. Then I have also understood from somebody who is very well positioned in that terms, that the Namibian government and the Namibian petroleum export sector want to export some of their gas across South Africa to Secunda and also to Saldanha but they do not get interest in South Africa for the erection. Well, I do not know if you erect pipelines or if you lay it down. It all seems a little bit like a pun to me in any case.

They do not get the necessary interest from the South African side to get the pipelines across our own territory. It all comes down to a point where we say South Africa definitely has a potential to use mining as a source and an engine for

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economic growth and for social upliftment but it seems as if we would rather export it with the least possible trouble just to get the shorter money to sustain a welfare state. I thank you.

Mr R A P TROLLIP: Hon House Chairperson, South Africa's mineral and petroleum sector should be a powerful engine for economic growth, investment and job creation. Instead, under the stewardship of Minister Mantashe over the past eight years, it has become defined by uncertainty, policy delays, declining refining capacity, rising fuel costs and weakening investor confidence. The crisis in the sector is not only due to the war in Iran and the closure of the Strait of Hormuz it is due to mismanagement.

Ordinary South Africans are paying the price every month. Families, commuters and businesses are hit with increasingly unaffordable fuel and commuting costs. These increases do not only affect motorists but they also drive up the cost of food, transport and electricity across the economy. At a time when millions are already struggling with the cost of living, government has failed to cushion and secure our fuel reserves

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and cushion South Africans from rising fuel prices or to provide long-term energy certainty.

We have still not recovered from the controversial and criminal sale by our former Minister Tina Joemat-Pettersson of R10,3 million barrels of strategic crude oil resources at a substantial and unauthorised by Treasury discount of \$28 to \$29 a barrel. The Department itself admits that South Africa remains heavily dependent on imported crude oil and refined petroleum products because of our domestic refining capacity has been allowed to collapse.

Several refineries have closed in recent years. This is a national vulnerability crisis and South Africa now imports roughly 75% of its liquid fuel requirements, exposing us to a global geopolitical instability, exchange rate volatility and supply disruptions.

IsiXhosa:

Kulapho kufele khona ithole.

English:

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At the same time, illegal mining continues to spiral out of control, costing the economy billions, undermining legitimate mining operations and endangering lives. Yet the Department admits it lacks the inspectorate capacity to monitor more than 900 operating mines effectively. This is simply unacceptable. A Department tasked with regulating one of the country's most strategic industries cannot remain understaffed, under capacitated and reactive to a situation which is tantamount to surrendering the strategic sector to the illicit economy that leeches our economy and starves the fiscus of desperately needed revenue.

Minister, you also have a constitutional responsibility to protect the environment, yet the illicit and licit mining sector continue to ignore rehabilitation and responsible mining responsibilities at the peril of our environment. Action SA is concerned by the continued delays in implementing a modern mining cadastral system. Investors need certainty, transparency and efficiency in the issuing of mining rights and permits. Instead, South Africa remains trapped in a bureaucratic dysfunction while competing mining jurisdictions such as Namibia attract exploration investment that should have come here but has not.

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Are there no key performance indicators, KPIs, and key performance areas, KPAs for Ministers in this Government of National Unity, GNU, government? We are deeply concerned at the deteriorating performance and financial position of entities such as PetroSA, Alexkor and the broader Central Energy Group. Billions of rands are promised for refinery reinstatement and infrastructure plans, yet firm funding commitments remain absent. For this reason and the fact that the Lilly Mine victims remain entombed in the sunken shaft and that the business rescue plan is yet to address this. The mine's operational future which are core dependent 10 years after that tragedy ...

IsiXhosa:

... asokuze siluxhase olu hlahlomali ningabakhuphanga ooSolomon, Pretty noNyirende. Enkosi.

The DEPUTY MINISTER OF MINERAL AND PETROLIUM RESOURCES: House Chairperson; Minister of Minerals and Petroleum Resources, Mr Gwede Mantashe; Chairperson of the Portfolio Committee of Minerals and Petroleum Resources, hon Mikateko Mahlaule, hon members; distinguished guests, it is an honour and privilege to engage with this House on this important occasion. This

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Budget Vote provides an opportunity to account to the people of South Africa on the work we continue to undertake in advancing and transforming the mineral and petroleum sectors.

We trust that members of this House will use this platform to engage constructively on the mandates entrusted to us by the people of South Africa, rather than resorting to grandstanding for narrow political point-scoring, at a time when our country requires unity of purpose, and practical solutions to social economic challenges facing our people. There can be no room for conduct that seems to frustrate progress and undermine development.

During the previous financial year's Budget Votes, we committed ourselves to advancing deliberate interventions aimed at expanding the participation of historical disadvantaged South Africans, strengthening beneficiation and industrialisation, and ensuring environmental sustainability through the rehabilitation of derelict and ownerless mines.

Today, we rise to account to the people on the progress we have made, together with our entities in implementing these commitments. With our efforts to expand participation of

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historical disadvantaged South Africans in the industry, we are beginning to yield meaningful results through the Artisanal and Small-Scale Mining Fund.

We are steadily advancing our objective of ensuring that the mineral wealth of our country contributes direct towards job creation, economic inclusion and improved livelihood of our people. We are therefore pleased to share that during the 2025-26 financial year, 20 projects were considered for financial assistance amounting to R59 7 million. This support covered capital equipment funding as well as financial provision for rehabilitation guarantees.

As part of our initiatives to expand the fund, we are engaging with the Ministry of Small Business Development to determine the most effective partnership strategies for supporting artisanal and small-scale miners aligning with their existing programmes.

Our industry's competitiveness hinges on high quality human capital. Understanding that effective human capital requires investment in training and development, we are working closely with the Mining Qualifications Authority to transform our

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training programmes by shifting the focus from employment training to executive leadership development. We aim to create a robust pipeline of leaders capable of steering a global competitive mining industry forward, and further updates on this programme will be shared in due course.

Our commitment to environmental rehabilitation continues to produce tangible outcomes. Through the Derelict and Ownerless Mines Programme, Mintek has made significant progress in closing dangerous mine shafts and rehabilitating asbestos mines. During the previous financial year, practical completion was achieved on three major asbestos rehabilitation projects, while we are entering the construction phase of the fourth projects.

An additional 40 derelicts and ownerless shafts were successfully sealed in Gauteng. During the current financial year, Mintek will intensify efforts to complete ongoing asbestos rehabilitation projects in Limpopo and Mpumalanga, while additional rehabilitation in the Northern Cape continues. Furthermore, the next phase of shaft closing operations will target further 40 shafts across Mpumalanga, Limpopo, Gauteng and Kwa-Zulu-Natal.

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During the 2025-26 financial year, Mintek also advanced a strategic, important initiative that speaks direct to South Africa's priorities of beneficiation, industrialisation, environmental sustainability and inclusive economic growth. Through its Coal Reimagined Programme, Mintek has begun repositioning coal fly ash and coal discard materials not just as waste products of the energy economy, but as a potential source of industrial value, innovation and economic opportunity.

This work has laid an important technical foundation for the recovery of rare earth elements and vanadium from coal-derived materials. At the same time, it has also opened pathways for the development of ash-based products for use in infrastructure, construction and broader industrial application.

The Council for Geoscience has also continued to advance the characterisation of geological formation suitable for the safe and permanent storage of carbon dioxide, with particular focus on a pilot site in Mpumalanga located near major emission sources. This work has established a credible technical

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foundation for the implementation of carbon capture utilisation and storage known as CCUS.

Building on this progress, the Council for Geoscience has now transitioned the programme into implementation readiness, including the conclusion of procurement processes and the mobilisation of strategic funding and technical partnerships. This positions the programme to move into a pilot-scale injection phase during 2026-27 financial year.

The diamond industry continues to operate under difficult global market conditions. Despite these challenges, the State Diamond Trader continues to advance its foreign purchase strategy aimed at diversifying sources of rough diamond supply beyond our borders. The entity has progressed the strategy of purchasing rough diamonds from Botswana with the intention of improving availability of suitable rough diamonds for local clients, support domestic beneficiation and strengthen the entity's ability to respond to supply constraints in the markets.

The Mine Health and Safety Council continues to play an important role in strengthening health and safety within the

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mining industry. The council's work remains focused on generating the knowledge, guidance and practical interventions required to improve working conditions in mines and supports the sector's commitment towards the achievement of zero harm.

The Central Energy Fund, CEF, continues to play a critical role as government's strategic energy development platform in advancing energy security, infrastructure investment and South Africa's transitions towards a more diversified and sustainable energy system. During the previous financial year, CEF achieved a historical milestone through the awarding of the Ministerial Section 79 Directive that is enabling strategic access to Island View.

This intervention positions CEF at the centre of South Africa's fuel importation, storage, and distribution system, thereby strengthening national energy security and enhancing the country's ability to respond to future supply disruptions.

Furthermore, CEF continues to address declining domestic refining capacity through the advancement of the South African National Petroleum Company, SANPC's refinery strategy. This work remains critical in reducing South Africa's reliance on

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imported refined petroleum products and ensuring long-term security of supply.

As government, we will remain committed to building a mining and petroleum sector that is transformed, competitive, inclusive, safe and environmentally sustainable. Working together with all stakeholders, we are confident that we can advance and develop an agenda that places the interest of South Africa first. Thank you very much.

Mr W M THRING: Hon House Chairperson, the ACDP notes that this Budget Vote of some R2,8 billion comes at a critical time for South Africa's economy with low, jobless GDP growth. Our nation is richly endowed with mineral wealth, yet the sector continues to underperform, due to regulatory uncertainty, infrastructure failures, illegal mining, weak enforcement capacity and insufficient beneficiation.

Mining remains central to exports, investments, employment, but South Africa is losing competitiveness to other mining jurisdictions, because investors require certainty, efficiency and transparency. Delays in mining rights approvals, inconsistent policy implementation, threats of litigation and

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regulatory backlogs continue to discourage exploration and long-term investment.

The ACDP has raised concerns about the escalating crisis of illegal mining. Criminal syndicates are undermining law operations, destroying infrastructure, threatening communities and depriving the state of billions in lost revenue. This cannot continue unchecked. At the same time, mining communities too often remain trapped in poverty, while wealth is extracted from their regions. The ACDP posits that transformation must deliver meaningful participation and real economic opportunities for all South Africans.

The ACDP calls for a revision of the total fuel levy in South Africa. The General Fuel Levy, Road Accident Fund and Carbon Fuel Levy must be aligned to the struggles and lived realities of millions of South Africans struggling to make ends meet because of the volatility in the fuel sector. As Kingdom builders, the ACDP proposes the following solutions : one, a modernised and streamlined licensing system through transparent digital platforms with strict turnaround times for mining and exploration applications; two, intensifying the fight against illegal mining through stronger law enforcement

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co-ordination; three, review the total fuel levy to lessen the burden on households, businesses, and the broader economy; four, don't talk beneficiation, prioritise it, so that South Africa creates jobs, industrial growth, and sustainable development through its mineral resources.

South Africa's mineral wealth must serve all our people through responsible governance, environmental stewardship, inclusive growth and economic justice. Thank you.

Mr V ZUNGULA: Thank you, Chair. Greetings to the Minister, the Department and all hon members. The lack of capacity to fulfil the mandate of both the Minerals and Petroleum Resources, is a worrying factor. The department itself has a 2026-27 allocation that reflects a marginal decrease of 0,1%, indicating a constrained fiscal environment despite expanded responsibilities in petroleum regulation and enforcement.

Therefore, expecting the Mineral Resource Development and Diamond Bills is important for this sector and these have been consistently delayed. Mine Health and Safety Inspectorate continues to be underfunded and under-resourced, so they will continue to be reactionary rather than effectively conduct

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enforcement of mine health and safety provision on operating mines.

The inspectorate now largely relies on complaints and response to workers and communities only after incidents and fatalities, and will continue as long as it remains underfunded and under-resourced. The community must also play its part and process the Mine Health and Safety Bill as soon as possible to provide inspectorate with more comprehensive powers.

The DMPR's current funding model is financially unsustainable. The limited growth in transfers from the DMPR combined with short to medium term diamond market conditions raises serious concerns about the entities ... [Interjections.]

The CHAIRPERSON (Ms C Labuschagne): Hon Zungula, can you just take a seat please? Can the person on the virtual platform please put your phone on silent or mute your microphone? Thank you. Hon Zungula, you can continue.

Mr V ZUNGULA: The limited growth in transfers from the DMPR combined with weak short- to medium-term diamond market

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conditions raises serious concerns about the entity's ability to fulfil its mandate in the near future unless urgent intervention is undertaken.

The department knows and has the ability to address the fees in the diamond regulation, which would provide the regulator with the agency required to regulate an important sector, and this must be done with agency because the survival of the DMPR depends on it. South Africa must lead the co-operation and integration of energy security in the continent.

It is deeply troubling how exploration activities are undermined by foreign funded NGOs by litigation and objections. We know that these foreign funded NGOs do not have our national interests at heart, and we are trying to do as much as possible to frustrate South Africa from being a self-reliant and independent country when it comes to energy.

Hence, we need, as a country, to really focus on ensuring that we are able to have our own mechanisms of ensuring that we are able to undertake exploration in a manner that is environmentally friendly but at the same time advancing our national interests. Therefore, it is critical that the

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department must embark on a long-term solution to these threats as other countries are progressing with oil and gas exploration. I thank you.

Mr J R B LORIMER: Chair, the mining industry continues to add value through generally improved mineral and metals prices, but we need to go further and ask the question: Is the industry performing to its potential? The mining industry has declined since 1994 in terms of the number of people employed - about 300,000 fewer jobs, in terms of real production volumes and in terms of contribution to GDP.

In the 1980s, mining's share of GDP was as high as 21%. Now it is at 6,3%. Inflation adjusted mining GDP is now smaller than in 1994. 20 years ago, South Africa attracted nearly 5% of world expenditure on mineral exploration. Now it is less than 1%. That's hardly a successful industry. The Bureau for Economic Research says the decline in the mining industry has been caused largely by policy and regulatory constraint rather than by geological exhaustion.

The Bureau singles out persistent uncertainty regarding BEE targets. It says the uncertainty caused by the successive

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versions of the mining charter has been replaced by anxiety over the Mineral Resources Development Amendment Bill. On top of that, there's the fear that any investment could be expropriated without compensation. Why invest in any big project in South Africa when the ANC has given itself the legislative space to seize it?

That view is supported by the respected Fraser Institute, which now regularly has South Africa in the bottom-10 in its desirability index for investment because of South Africa's mining policy. The Fraser rankings run two separate indices: One for perceptions of mineral potential; and one for the country's mining laws. Unsurprisingly, miners are more optimistic about South Africa's geology than they are about its mining laws.

When he was appointed to his position, the Minister said he would lift our ratings on the Fraser Index. That hasn't happened: I think because he fundamentally does not understand what it would take to make South Africa a desirable destination for mining investment; or perhaps he does understand but doesn't care.

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When 30% of any project has to be handed over to BEE owners before it even begins, that amounts to a tax on capital. Make something more expensive and you get less of it. We have less capital available to grow the industry. It may interest this meeting to know that South Africa is not even on Mr Dangote's list of the top 10 investable economies in Africa.

So, when the President told parliament last week that BEE did not retard economic growth, it seems he had not read the facts. There is a fundamental disagreement in this house between those who accept the facts and those who don't. The ANC and its derivative parties have a two-stage argument. The first stage is that everything is going well with mining and most problems arise from matters beyond our control.

When you gently introduce them to the fact that social engineering has a cost and the cost is the loss of significant investment, they shift to the second stage of their argument where they say the costs are justified. They say we may be losing business, but we have to have more BEE because too many black people are too poor.

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Indeed, but you don't change that by making a few people fabulously wealthy. You change it by allowing growth that will get many into work and allowing them to build careers. Growth, rapid growth of mining should be all we care about, but it is not what the ANC cares about. It could be argued that there was a time for BEE.

At the turn of the century, mining companies knew there had to be change. In those days, mining companies seeking permission to operate would go to Luthuli House and get handed a piece of paper on which were written names of people who were going to be their empowerment partners.

The companies went off and involved those names in their businesses and were duly licensed. The willingness of mining companies to accept that is gone. However, what has BEE delivered? Recently, Professor William Gumede released a 10-year-old report that was compiled by Sizwe Ntsaluba Gobodo and Rand Merchant Bank and commissioned by the then Chamber of Mines.

The report gave a factual evaluation of how much mining wealth had been transferred due to BEE. The chamber wanted to show

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that it met empowerment targets by transferring at least 26% of ownership to empowered people. The report found at that stage, at least 28% and up to 38% of mining wealth was in the hands of historically disadvantaged individuals that amounted to over R280 billion 10 years ago. It is much more now!

The media appeared shocked by the disclosure that around 60% of that wealth had gone to a group of just 46 highly empowered individuals. Around 29% had gone to community structures. The rest had been transferred to employee share ownership schemes. The imbalance against the general good may seem scandalous but remember that the ANC unblushingly wanted the last version of the mining charter to stipulate 20% BEE ownership to BEE entrepreneurs, 5% workers and 5% to communities. That is 66% of the allocation to entrepreneurs.

Could there be clearer evidence that the ANC wants money for the connected few and others are a mere afterthought? Today, there is no longer a glaring ownership disparity, and the ANC has proved that whatever deal it offers the industry does not end its demands for a bigger and bigger handover to BEE interests.

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The consequence is that major mining investors are no longer interested in accepting the losses that BEE demands, so they stay away. We have a major mineral endowment, but we need investment to unlock it. When investment does not come, tens of thousands of our people remain unemployed. We could turn that around by opening the industry to growth and yet we don't. It is clear we can either have a rapidly growing industry, or we can continue with BEE.

President Ramaphosa and Minister Mantasha think BEE has produced good outcomes. Question is: For who? Who do we care about? Fewer than 100 repeatedly empowered individuals or thousands of people sitting unemployed because the industry can't grow?

The Minister needs to debate me on facts, not attack me personally as he often does when we discuss this subject. Even better, he should commission a fresh independent report on the flows of benefits from BEE and try and use those facts to convince the nation that the good of the few is worth the sacrifice of the many. Thank you.

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Ms F HASSAN: Chairperson, I'm going to rise on the established protocol. The opposition has had their say, now let the record reflect what we as the ANC actually stand for and what this budget is trying to build. We do not come to this podium to paper over the cracks. We come to name them, to own the plan, to fix them and to defend a vision that goes further than anything offered from the opposition benches or any political party in the last 30 years of commentary from the sidelines.

South Africa sits on one of the most extraordinary mineral endowments on earth. And yet, after decades of mining that generated enormous wealth, too many of those workers who extracted it and the communities above it have seen far too little of it. And this is not an accident. It is a structural inheritance of colonialism and apartheid. It is exactly what this ANC-led government must and will continue to dismantle.

Mining's Gross Value Add, hon Lorimer, reached R477 billion in 2025 and yes, it is 6,3% of GDP. This sector is the foundation on which an industrial future must be built, and it is a question whether we have the resolve to build on it. And as the ANC we say yes. This budget must and will prove it.

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Earlier this year while debating the state of the nation address, I said that if we remain in extracting and exporting raw minerals, we are not building a democratic or inclusive economy. We are managing a colonial one. And the Minister has confirmed that the era of passive policy is over. The ANC agrees and we intend to hold our government to that standard.

In 2019, the national onshore geological mapping coverage set below 5%. Today, under an ANC-led government, it stands at 20. And that is real progress that belongs to Council for Geoscience, CGS, to scientists, into the public investment that made it possible. The Virtual Core Library puts that data into the hands of investors and explorers and that coverage alone may not create jobs, but investment unlock does, and we want to see that number in rands, projects and exploration activity.

The ANC did not just talk about unblocking junior mining. We capitalised a fund of R400 million from the department and the Industrial Development Corporation, IDC, and put it to work. Thirteen projects already on the ground from Bothaville in the Free State drilling for rare earth elements, to Gyani targeting copper, nickel and gold. And to the opposition who

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stands here and tells us that our government lacks the capacity to drive industrialization, look at those coordinates on the map. Look at the drill in the ground. Look at what happened when the state led with conviction.

Anglo American pledged a further R600 million to the fund, bringing it to R1 billion, and it was the Public Investment Corporation, PIC, that committed R1,3 billion as a continuation to keep the pipeline flowing. This is not charity from the private sector. This is what state-led industrialization looks like when it is done right, and it is the ANC that has built the conditions that made it possible.

When the geopolitical conflict sent shockwaves through global energy supply chains, the ANC heard the cries of our people, taxi drivers facing impossible operating costs, agricultural players watching input costs spirals and households already stretched absorbing fuel price shock after shock. It was the ANC-led department, working with National Treasury that acted through Ministers Mantashe and Minister Godongwana who intervened with a temporary reduction in the fuel levy, cushioning the burden for millions of South Africans, myself included. We acknowledge that this may be a temporary relief,

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not a structural solution, and that is why we welcome the review of the fuel pricing adjustment framework that has now just gone to Cabinet. And it is why rebuilding domestic refining capacity is not just an ideological preference, it is an economic necessity and there is nothing neoliberal about this approach is MK would have you think.

Minister, thank you for assuring this House and the South African public that we have sufficient fuel supply to meet demand and that our supply remains stable. We welcome that assurance and we welcome that level of transparency on the record and in this House. It is what keeps our consumers calm and our investors confident.

South Africa has experienced 11% year-on-year growth in fuel imports as our chairperson said. We also spoke about total downstream demand that's reached 24 billion litres annually. Every litre imported is priced in US dollars and every rand that weakens becomes a fuel price increase that hits the taxi driver, the spaza shop owner, the nurse driving to a night shift. The structural cause is clear. The lost domestic refining capacity and that structural solution is also clear, and we've posited through Central Energy Fund, CEF.

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The SA National Petroleum Company, SANPC, has only just come to the portfolio committee, and we commit to carrying it out further with complete urgency. I want to address the elephant in the room, and that is the Central Energy Fund and its entities, not just because the opposition is spoken about it, but because the people whose energy security demands depend on it. And I want the record to reflect the difference between criticism and alternatives. The opposition will not tell you that the answer to rebuilding domestic refining capacity is a state anchor, strategic partnerships and enforceable timelines. This is what SANPC is for.

The acquisition of SA Petroleum Refineries, SAPREF, was not a mistake, as some members, hon Trollip and ActionSA would want you to think. It was a strategic decision to prevent the permanent loss of domestic refining capacity. The refinery was acquired far below fair value, but it also recognised a gain of R1,77 billion on the balance sheet. And it was a targeted capacity that will increase from 180 000 to 350 000 barrels per day. This is the architecture of energy sovereignty. What is the opposition's answer to that? sell it, leave it derelict or import forever? We, as the ANC say, fund it properly, govern it properly, and build it out. And as the ANC, we do

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not run from accountability. We pour resources into finding solutions. We demand specifics and we set deadlines and track delivery.

It is the ANC actually that directed PetroSA to submit a project implementation schedule within 30 days, identifying every financial milestone, responsible pattern and consequence. And it is the ANC that gave CEF and SANPC 60 days to submit a merger operationalization milestone plan. We are not armchair critics, we are the oversight authority and we are using it. These are not requests, they are directives.

I want to take some time to deal with transformation. Hon Lorimer has posited something that's fundamentally incorrect. Transformation in the mining sector is not a favour. It is a legal obligation, a moral imperative and an economic necessity. The DA will tell you that transformation is holding the sector back. We say the very opposite. The absence of genuine transformation held the sector back for a century and continues to limit its potential today. An industry that excludes the majority from ownership, management and the value per chain is not a competitive industry, it is a colonial one.

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The Mining Charter had to be legislated precisely because the market which you so vigorously defend never volunteered it. The Mineral and Petroleum Resources Development Act, MPRDA, in its previous form had to be enacted because the private sector never offered it and historically disadvantaged ownership targets. The Social and Labour Plan SLP, and Women in Mining commitments were not red tape. They are instruments through which the sector must pay back what a century of exclusion took. They are the condition under which mining earns its social licence in a democratic South Africa and this condition is non-negotiable. The ANC will not apologise for it and we will insist harder.

The opposition is very skilled in identifying problems and they have named every problem that this very portfolio committee has identified weeks ago, before this debate even began. We didn't need them to find it. We found them first. We named them first, and we are the ones with the plan to fix them. But I will give them credit, they are consistent.

Consistent in identifying problems that the government is already fixing; consistent in naming crises that the committee has already interrogated and consistent in arriving late to a conversation that the ANC has already started. But here's the

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thing about arriving late, you don't get to rewrite the history of who built what. Naming a problem is not governing.

So we asked directly and we want an answer. Under your model, who rebuilds refining capacity? The private sector has had more than 30 years. Who funds R45 billion derelict mine rehabilitation backlogs? Who enforces beneficiation? Who protects the Richtersveld community when contractors walk away? Here is what the ANC has done while the opposition was composing your criticism. We built Mintek, we built the CGS, we enacted the MPRDA, we established the Mine Health and Safety Council, we enacted the Upstream Petroleum Resources Development Act, UPRDA, and we have established SANPC. We have also initiated the Junior Mining Council. Our conviction was credible enough that even Anglo American put that money on the ground.

The opposition did not build the cadastral system which we are now rolling out across eight different regions. And they did not develop the critical mineral strategy. They did not create the legislative framework through which 2470 mining rights and permit applications have been finalised this year. The ANC did, every single one of them.

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Before I close with this last minute, we've come here to perform the role of the sweeper and let the sweepers job leave nothing on the floor. Forty-one fatalities, the lowest in recorded history. Mapping coverage has increased from 5% to 20%, 13 exploration projects, the cadastral system in eight regions, and the SANPC Bill which has now reached the portfolio committee.

The opposition may have come here to score points, but we as the ANC came to account for what has been done and what remains unfinished and for what we must still deliver. Those are not the same exercise and the people watching know the difference. But the people watching are still in our communities. Still seeing those trucks leave heavy with all and return with nothing. Still sending their children to schools without sufficient science labs from SLPs. Still walking on unpaved roads for the same reason. Their waiting must end, not with patience but with policy; not with promises but with legislation, aspiration and accountability; no licence without beneficiation; no mineral right without a social labour plan; and no industrial future with the youth and women at the centre. As the ANC, we support Budget Vote 34. I thank you.

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The CHAIRPERSON (Ms C Labuschagne): The next speaker is the hon Minister of Minerals and Petroleum Resources, Minister Mantashe. Hon Minister, the time indicated on the speaker's list is four minutes. Hon Minister, you went over your time in your initial speech. You went for 16 minutes, I was informed. Therefore, one minute has been deducted at the end of your speech.

The MINISTER of MINERAL AND PETROLEUM RESOURCES: On a point of order, I will say.

The CHAIRPERSON (Ms C Labuschagne): Hon Minister, you went over your time in your initial speech. You went for 60 minutes. I was informed. Therefore, one minute has been deducted at the end of your speech.

The MINISTER of MINERAL AND PETROLEUM RESOURCES: Okay, let me use the four minutes. Let me first explain the fact that before 1994, black South Africans had no access to the economy. I worked in the mine for 14 years. It was 14 times one. I didn't have something called experience. I didn't have anything called experience. So, it will be difficult for a

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person with a beneficiary of apartheid to understand the value of BEE.

You will actually not understand it. I understand it. I was a miner with matric. I couldn't get my ... [Inaudible.] certificate because of the colour of my skin. So, it was reserved for a certain person, which was a white male. So, people who are not subjected to that will not understand it.

So, we're going to walk a long distance with the deal to talk about the BEE. And even talk about, ... The point I am making, including the question of over-reliance the private sector. The refining capacity that we are talking about today, hon Trollip, is a risk we took by giving refining capacity to the private sector. When it blasted, an engine left. Shell and BP left Saphref because the private sector is not under full control of the state.

So, this thing of being ... [Inaudible] to the state owning is actually a risk you are undertaking. A weak state is an irritation to the private sector. A strong state is complementary to the private sector. Once you understand that, we will not be obsessed about the state not owning anything. A

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strong state will complement the private sector. And that goes to the question of levels in taxes.

All levels in taxes are a duty of the National Treasury. All levels in taxes are the duty of the national treasure. When I go and beg them to cut levels by R3 a litre, I have to go to them and actually negotiate with them. Because levels in taxes are the function of the national treasure. I would have answered to a number of things, but the time is not allowed.

One of the other debates that we should have in the House is to counter environment and economy. Ecology and economy are not opposites. They must complement each other. They must work together. You must have economic activity to be able to find ecology. If you say you stop economic activity because of political ecology, you are committing a functional mistake. So, that debate we owe it to this committee in the longest of time.

Now, let me tell you about coal. Coal is not sold to Israel. It's not sold to Israel. Coal is sold to Israel.

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Ms F HASSAN: Chair, I want to rise on a point of order on Rule 66 for members not to be interrupted.

The CHAIRPERSON (Ms C Labuschagne): Member, that is no point of order. The interruption should not drown out the Minister. It didn't drown out the Minister.

The MINISTER of MINERAL AND PETROLEUM RESOURCES: Coal is not sold to Israel. No, listen. If you don't listen, you will not hear. You better listen so that you can hear. Coal is a business. It is sold to everybody. The bigger part of the coal ...

The CHAIRPERSON (Ms C Labuschagne): No, it is not your business. Order! Order! Order! Hon member, you cannot interrupt in that way. You have to put up your hand for a point of order. Hon Minister, please continue.

The MINISTER of MINERAL AND PETROLEUM RESOURCES: I have already gone over to make my time. But the reality is that coal...

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The CHAIRPERSON (Ms C Labuschagne): Hon Minister, I will not tolerate this behaviour. Please, behave.

The MINISTER of MINERAL AND PETROLEUM RESOURCES: It is sold to a buyer. Wherever it is. That is why a bigger part of our coal go to the east. Thank you.

The CHAIRPERSON (Ms C Labuschagne): Do you want to leave the Chamber? Then please, obey the Rules of this Chamber. Members are reminded that two debates are scheduled simultaneously for 14:00 today. The Social Development Budget Vote 19 debate will be held in the Good Hope Chamber, while the Public Service and Administration Budget Vote 11 debate, including the National School of Government Budget Vote 7 and Public Service Commission Budget Vote 12, will take place in Committee Room M46.

Debate concluded.

The mini-plenary session rose at 11:43.