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## **Keynote Address**

**By Ms Buyelwa Sonjica, MP, Minister of Water and Environmental Affairs**  
**At the Official launch of Optimum Coal's Water treatment plant at Optimum Colliery,**  
**Pullenshope, Mpumalanga**  
**9 June 2010**

Programme Director

Provincial Chairperson of CoGTA

Honourable Members of Parliament and the Provincial Legislature

Her Worship, the Executive Mayor of Steve Tshwete Municipality, Cllr Manhlekgeng Mahlangu

Mayors and Councillors

Directors-General and Heads of Departments

Chairman of the Board, Dr. Sivi Gounden and Board Members of Optimum Coal

Our Host and CEO of Optimum Coal, Mr Mike Teke

Mr. Roger Jardine, CEO Aveng Group

Members of the Media

Distinguished Guests

Ladies and Gentlemen

The Mpumalanga Province is blessed with a diverse natural resources' endowment encompassing minerals, agriculture, forestry, scenic vistas and nature reserves. These resources have provided the critical foundation upon which the growth and development of the economy has evolved, largely through various upstream, downstream and sidestream linkages.

Mining in South Africa is a finite and dwindling asset, yet it is contributing significantly to the economic growth and development of the country. Mpumalanga Province is home to the richest coal fields in South Africa and coal is by far the single largest product in volume and values, and by the same token its single largest export.

Mpumalanga accounts for around 80% of South African coal production and exports account for approximately 30% of that production. Coal mining, apart from the export benefits, also supports the power generation of the province, where about 70% of South Africa's electricity is currently being generated.

Contributions to the Gross Domestic Products (GDP) figures indicate that the Mpumalanga mining activities contributed about R20 billion (at constant 2005) during the 2008 period. This contribution placed the Mpumalanga Province at the third position with North West and Limpopo provinces contributing about R26 billion and R23 billion respectively. Comparatively, Mpumalanga mining sector's value contribution towards the production of the country is larger than the Gauteng and other remaining provinces' contributions.

The National Water Act introduced the concept of Integrated Water Resource Management (IWRM). This includes all aspects of the water resource including water quality, water quantity and the aquatic ecosystem quality. Water Resource Management is a national competency as water respects no boundaries and must be allocated in the interest of the nation as a whole. Nevertheless, we are committed to enabling full stakeholder participation in local water management issues and this will essentially be done through the mandate of the Inkomati Catchment Management Agency and the six Water User Associations that have been established in both the Olifants and Inkomati Water Management Areas. I remain confident that that through these processes of establishing Catchment Management Agencies and Water User Associations, we will have the full participation of affected stakeholders.

The Department remains committed to taking action against unlawful water use. We need to discourage unlawful acts for the benefit of all that depend on our scarce water resources. We are working closely with the South African Police Service and the Public Prosecutors in the Directorate of Public Prosecutions to address water crimes that threaten the security of supply to lawful water users. We are indeed working hard to ensure that the polluter pays principle comes to the fore.

Water has been identified as being of paramount concern in the mining industry as it is a direct user of about 6% of South Africa's available water and contributes significantly to the pollution of our water

resources in the province and elsewhere. The Department of Water Affairs (DWA) has recognised the significant risk that mining is placing on the water resources not only of Mpumalanga but the country, as a whole. Programme Director, I cannot over-emphasise the imperative of the mining sector's contribution to the socio-economic development of communities in the province and the growth of the economy of Mpumalanga without negating the environmental surroundings.

The Environmental Protection Agency has previously rated the ecological risk associated with mining waste as second "only to global warming and stratospheric ozone depletion". In its March 2008 Emerging Issues Paper, the Department of Environmental Affairs and Tourism warned that long-term effects of acid mine drainage (AMD) could persist for "several hundred years." These effects range from the threats to our water resources, soil and ecosystems, as well as the potential to directly affect the livelihoods of our people who depend on food from their gardens or small farms to survive. It also affects commercial agricultural production, our wildlife reserves and tourism industry.

Government welcomes the initiatives of many mining houses to ameliorate the impacts of acid mine drainage (AMD) through the use of membranes and other technologies. It is appreciated that these technologies are expensive in terms of capital and operating costs. It is also appreciated that they can address large areas of contaminated water close to large urban areas that can purchase the water.

The Olifants River System is one of the major rivers in South Africa impacted upon by Acid Mine Drainage as a result of the extensive coal mine operations that have historically taken place in this catchment. The Optimum Water Reclamation Plant will therefore go a long way in ensuring that the impact of Acid Mine Drainage is minimised in the Olifants Water Management Area.

The Department of Water Affairs supports initiatives such as this one, where polluted mine water is turned to beneficial use by ensuring that the communities around the Steve Tshwete Local Municipality benefit from the potable water from the Optimum Water Treatment Plant. This is one of the major reasons that informed our decision-making on the authorisation of the Water Use License.

As you might know the other Department I am responsible for, the Department of Environmental Affairs has a vision for South Africa to be a prosperous and equitable society living in harmony with its natural resources. This is not just a Constitutional mandate but also a human right. We are champions that lead sustainable development of our environment, through promoting the conservation and sustainable use of our natural resources to enhance economic growth; this definitely cannot exclude but on the contrary, must include water.

Water is the most crucial element to sustain life and equally, a precious commodity that needs to be treasured. In South Africa, the entire month of June is dedicated to our environment as the National Environment Month. It is thus fitting that this plant is launched in this month, as a milestone to show that mining can bring value in more ways than the obvious mining product and tax revenue. You must also assist to sustain the water future in a region where clean water has come under such pressure.

It is also a known fact that other than the Acid Mine Drainage challenges, the Olifants Water Management Area is under stress on the availability of water, hence the DWA embarked on the Olifants River Water Resources Development Project, which is an initiative to ensure that water becomes available to the users in the Water Management Area.

The Department also did a study on the Integrated Water Resource Management Plan for the Olifants Water Management Area and some of the recommendations of the report were that the Olifants River does not have assimilative capacity for salt loads to be added into the system and thus salts must be removed from the system. This initiative is in line with the direction that DWA is taking.

The Olifants River Forum (ORF) has initiated a three-year, multi-disciplinary study to pin-point the pollution sources in the Upper Olifants River catchment for purposes of making strong recommendations towards its remediation and restoration. It is empowering that these forums are actively engaged in constructive solutions and actions to address the challenges that we face due to our mining legacy.

The DWA is aware of the fact that some of the municipalities in the Province (Water Services Authorities) are faced with serious challenges with regards to water supply to their consumers. It is absolutely critical that our resources and support programmes are integrated to ensure that these Municipalities are able to perform their functions as Water Services Authorities.

Capacity gaps will have to be dealt with but Municipalities must ensure that sufficiently skilled people are employed to deliver quality water services to their consumers. We all are also aware that some municipalities in the Province are experiencing problems with the management of sewage treatment works and water purification plants. I must emphasize that it is the responsibility of each Water Service Authority to ensure proper planning, budgeting and management of such infrastructure to prevent service delivery breakdowns and pollution incidents. The private sector has a role to play in supporting municipalities as it is the case with the Optimum Colliery.

The Department has completed the refurbishment of the Brugspruit Waste Water Treatment Works in Emalahleni and the project has cost over R10 million. The Brugspruit plant is designed to neutralise 5ml/day of high TDS (Total Dissolved Solids) acid water from Southern and Northern sewers to improve the water quality around the Farrobank area in Emalahleni.

The Olifants water resources are constrained and mine water reclamation is accepted as a viable water resource especially for local communities. The Department has also started looking at upgrading the Brugspruit plant to supply portable water to Emalahleni which can be added to the current Anglo reclamation plant supplying water to the Emalahleni local municipality.

As a very successful and growing Broad-Based Black Economic Empowerment (BBBEE) coal mining company, Optimum Coal must play a significant and very important role in providing a crucial element of our sustainable future, namely sustainable energy. Energy is often heralded as the lifeblood of the economy. However, the generation of energy often comes at a price and with significant environmental impact. I believe that as a developing country we still need to generate energy from the coal we have in order to address the still existent energy poverty in the country.

It is therefore a responsibility of all mining companies to minimise the negative impact that mining can have on the environment and the people around our mines. One such impact is that on the water resources in and around the footprint of mining operations.

The Optimum Coal Water Reclamation Plant and your investment of R600 million in building the plant is a fine example of South African business realising its responsibility to use water well and then stepping up to provide real water solutions in a sustainable manner. I applaud Optimum Coal for your significant investment in this world-class project to build this significant asset.

My closing remark is that other mining houses should follow the example of Optimum and Anglo in ensuring that their closure strategies include, amongst others, the treatment of Acid Mine Drainage. We must also ensure that the utilization of water resources supports the government objective of a better life for all.

Access to clean water is a basic right. Living within a clean environment is also a basic right. I applaud you in your efforts to contribute towards this national priority. I want Optimum Colliery to be leaders in sustainable development. As the Minister of Mineral resources said in the recent Green Economy Summit and I quote her: “we must mine sustainably”. I do support her statement and believe we can do it.

I thank you.