

Road Pavement Forum

Aspasa on Borrow Pits, Illegal Mining & Diesel Rebates

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Presented by: Nico Pienaar



BORROW PITS



- Document developed by Aspasa called Road Building, Borrow Pits, Construction Material & Quarries

“Affects on the Commercial Quarry Industry”

- Document can be obtained from Aspasa – office@aspasa.co.za
- Levelling of playing fields is important to the industry
- This is result of Road Pavement Forum meeting held in November 2012 and resolution passed.

To create a common understanding of the impacts of current legislation on borrow pits approval/usage amongst all public and private sector stakeholders operating in road delivery.

To raise the concerns of the road industry with DMR and DEA and to identify and agree on appropriate approaches to enable road authorities to fulfil their mandates”

- Further resolution passed in Cape Town on 7 & 8 March 2013.

“With respect to the planned negotiation with DMR and other bodies on the issue of Borrow Pits, that Aspasa be included in the exercise, and that Aspasa be tasked to work together with the COTO Road Materials Committee to resolve this critical issue’.

BORROW PITS cont.

- When first resolution was accepted it was “assumed” that Aspasa was being by-passed, therefore adjustment in next resolution.
- Aspasa has viewed this issue in a serious light as a lot of pressure is being put on the Formal Industry to comply with legislation.
- The question asked was:

“Will this resource be available and at what costs, financial, environmental and social”?

- Some recommendations to be made for all role players extracting this mineral
 - Best Practices
 - Minimum rehabilitation standards
 - Mine planning
- Part of this “Aspasa” document includes:
 - South African Pavement Engineering Manual, Chapter 8, Material Sources will be followed (See SANRAL – dates January 2013 – Version 1)
www.nra.co.za/content/SAPEM_Chapter_8
 - Environmental Management of Quarries

ILLEGAL MINING

- Illegal mining in SA is widespread
- Illegal mining is a criminal activity
- In aggregate and sand industry illegal mining does take place
- The strict regulation of borrow pits will bring stability to legal operations
- Municipalities, some road builders, other infrastructure like dams also use practice to “just dig”
- Many unregulated excavations are found. This is disastrous on the Environment, surrounding communities as well as the economy.
- There is a need for “Borrow Pits”, but operations must be done legally.
- Competition Commission has interviewed Aspasa on the issue of unfair competition of illegal mining and borrow pits. Aspasa document has been shared with Commission.

ILLEGAL MINING cont.



- DMR has started reporting on fatalities at Borrow Pits. First one in the Free State. DMR overseas “mining”
- Fines on levies to MHSC will be paid by companies who “mine” and cause deaths
- Aspasa has successfully challenged SARS on the Diesel Rebate for the mining of Aggregate and Sand. See next subject.

DIESEL REBATES

- Early in 2013 – SARS stopped allowing diesel rebates for aggregate and sand mining
- SARS argued not a mineral but a material and only used for road building
- Aspasa has lodged documents with high court
- SARS and Treasury backed down
- On 13 December 2013 – Customs & Excise Act 1964, amendments to schedule 6 was published
- Summary:
 - Part 3 of Schedule 6 was retrospective effective from 1 January 2011
 - Includes/allows “Operations for the recovery of mineral being mined, for those minerals including the recovery of salts but not including any post-recovery or post-mining processing of these minerals.

DIESEL REBATES cont.

- “The refund of levies in respect of the mining of sand, stone, rock, soil (other than topsoil), clay, gravel and limestone applies only if mined from a quarry”.
- Big portion of logbooks included
- All mining for the above minerals have to be registered with SARS for Royalty Act. Under certain threshold are not taxed.