



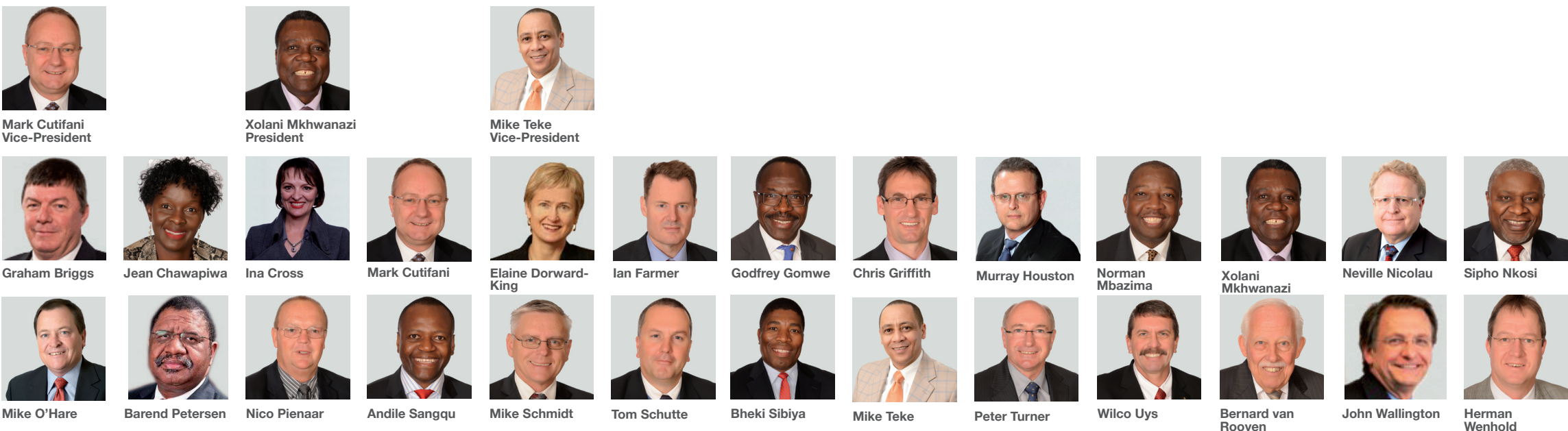
ANNUAL REPORT 2012



Chamber of Mines of South Africa
Putting South Africa First



The Council



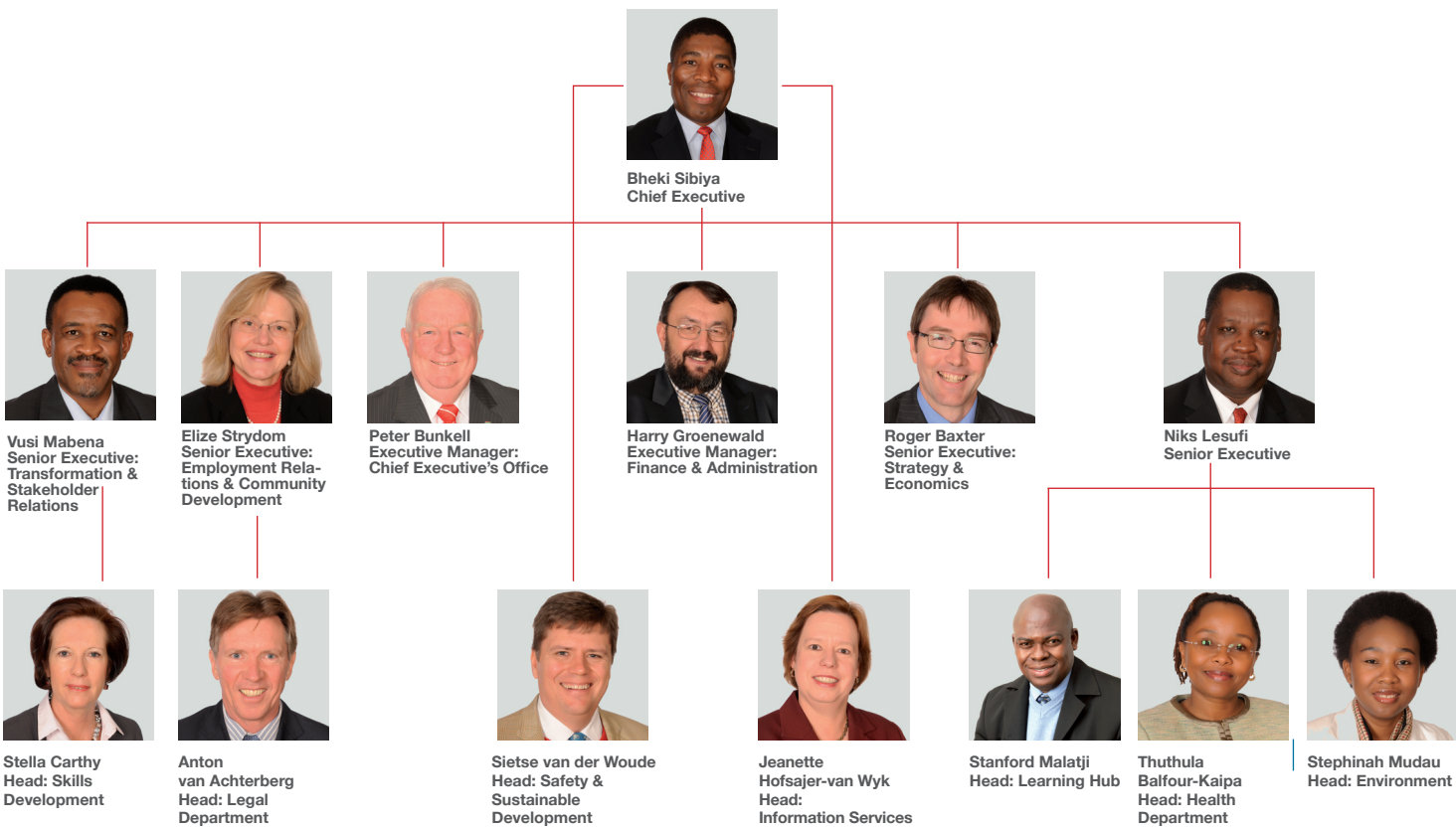
Gold Producers' Committee



Collieries' Committee



Chamber Management



Abbreviations


- ABET – Adult basic education and training
ASGISA – Accelerated Shared Growth Initiative for South Africa
ATR – Annual Training Report
BBBEE – Broad based black economic empowerment
BRIC – Brazil, Russia, India and China
BUSA – Business Unity South Africa
Capex – Capital expenditure
CDO – Collateralised Debt Obligation
CPIX – Consumer price index
DEAT – Department of Environmental Affairs and Tourism
DME – Department of Minerals and Energy
DOF – Direct-on-filter
DWA – Department of Water Affairs and Forestry
EBIT – Earnings before interest and taxes
EBITDA – Earnings before interest taxes, amortisation and dividends
ECSA – Engineering Council of South Africa
EIA – Environmental Impact Assessment
ETFs – Electronically traded funds
ETQA – Education and training quality assurer
FFR – Fatality frequency rate
FLC – Foundational Learning Certificate
FOB – Free on board
FOR – Free on rail
FSU – Former Soviet Union
GDP – Gross domestic product
ICMM – International Council on Mining and Metals
IDEX – International Diamond Exchange
IFR – Industries Forum on Radiation
ILO – International Labour Organisation
IPP – Independent power producers
IR – Infra-red
IUCN – The World Conservation Union
JIPSA – Joint Implementation on Priority Skills Acquisition
JSE – Johannesburg Securities Exchange
MDA – Mineworkers Development Agency
MEM – Mine environmental management
MESDA – Mining Industry Employment and Skills Development Agency
MIASA – Mining Industry Associations of Southern Africa
MHSA – Mine Health and Safety Act
MHSC – Mine Health and Safety Council
MMDB – Mining and Minerals Development Board
MOSH – Milestones on Occupational Safety and Health
MPRDA – Mineral and Petroleum Resources Development Act
MQA – Mining Qualifications Authority
MRS – Mine Rescue Services
MYPD – Multi-Year Price Determination
NBI – National Business Initiative
NC(V) – National Certificate (Vocational)
NEMA – National Environmental Management Act
NEM:AQA – National Environmental Management: Air Quality Act
NEPAD – New Economic Partnership for Africa's Development
NERSA – National Energy Regulator of South Africa
NERT – National Electricity Response Team
NGO – Non-governmental organisation
NIOSH – National Institute of Occupational Safety and Health of the United States
NAFTA – North American Free Trade Agreement
NIP – National Infrastructure Plan
NNR – National Nuclear Regulator
NQA – National Qualification Framework
NSA – National Skills Authority
NSACE – National Stakeholder Advisory Council on Electricity
NSDS – National Skills Development Strategy
NUM – National Union of Mineworkers
OECD – Organisation for Economic Co-operation and Development
OEL – Occupational exposure limit
PDA – Personal digital assessments
Pgms – Platinum group metals
PMO – Programme Management Office
PWC – PricewaterhouseCoopers
QCTO – Quality Council for Trade and Occupation
RBCT – Richards Bay Coal Terminal
RCS – Respirable crystalline silica
REACH – Registration, Evaluation and Authorisation of Chemicals
ROW – Rest of the World
SADC – Southern African Development Community
SAPS – South African Police Service
SARS – South African Revenue Service
SAQA – South African Qualifications Authority
SCEM – Standing Committee on Environmental Management
SDM – Sustainable Development through Mining
SIMRAC – Safety in Mines Research Advisory Committee
TB – Tuberculosis
TFR – Transnet Freight Rail
THRIP – Technology for Human Resources in Technology Programme
UASA – United Association of South Africa
UNECA – United Nations Economic Commission for Africa
USGS – United States Geological Survey
US\$ – United States dollar
WISA – Water Institute of Southern Africa
WSP – Workplace Skills Plan
YoY – Year-on-year
XRD – X-ray diffraction

Acknowledgements


Printed by Business Print, Pretoria



INTRODUCTION: PUTTING SOUTH AFRICA FIRST




We, the citizens of South Africa, have the opportunity, now, to think first about the prosperity of the country rather than fulfilling personal or specific stakeholder objectives.




The Chamber of Mines, in particular, has committed itself to “Putting South Africa First” in its dealings with its members, government, organised labour, communities, investors and any other party interested in the mining industry.

Adopting the credo of “Putting South Africa First” will go a long way to get the mining industry’s house in order by addressing all current challenges for the future growth of the industry and subsequently the economy of South Africa.



The 2011 – 2012 Annual Report of the Chamber of Mines reflects on the challenges faced by the mining industry and points out various ways in which these were dealt with successfully in collaboration with all our stakeholders.





Content

INSIDE FRONT COVER	STRUCTURE OF THE CHAMBER
1	CHAMBER MEMBERS
2	CHIEF EXECUTIVE'S REVIEW
6	COMMUNICATIONS
10	ECONOMIC POLICY REVIEW
18	ENVIRONMENT POLICY
28	HEALTH
34	LABOUR POLICY & COMMUNITY DEVELOPMENT
42	THE LEARNING HUB
48	LEGAL ISSUES
54	SAFETY & SUSTAINABLE DEVELOPMENT
60	SKILLS DEVELOPMENT
66	MINING LEKGOTLA
68	INTERIM FINANCIAL INFORMATION
INSIDE BACK COVER	ABBREVIATIONS

Chamber Members

FINANCIAL CORPORATIONS

Anglo American Corporation plc.
Rio Tinto

Siyanda Resources (Pty) Ltd

BASE METALS/MINERALS & EXPLORATION COMPANIES

Black Mountain Mining (Pty) Ltd
Imerys South Africa (Pty) Limited
Richards Bay Minerals
Vametco Mineral Corporation (Pty) Limited

CHROME MINING

Samancor Chrome

COAL MINING

Anglo Operations Limited, Anglo Coal Division
BHP Billiton Energy Coal south africa limited
Coal of Africa
Continental Coal Ltd
Exxaro Resources Limited
Jindal Africa
Kangra Group (Pty) Limited
Kuyasa Mining (Pty) Limited
Optimum Coal
Sasol Mining (Pty) Limited
Siyanda Coal (Pty) Limited (t/a Koornfontein Mines)
Springlake (Shanduka)
Total Coal South Africa
Tweewaters Fuel (Pty) Limited
Umcebo Mining (Pty) Limited
VMICL Mining SA (Pty) Ltd

Xstrata Coal South Africa

CONTRACTOR & SERVICE COMPANIES

Murray and Roberts (Cementation) (Pty) Limited
Basil Read

Grinaker

Redpath (Subsidiary of Deilmann-Haniel GmbH)

Shaft Sinkers (Pty) Limited

DIAMOND MINING

De Beers Consolidated Mines Limited

Petra Diamonds

Trans Hex Group Limited

FLUOROSPAR MINING

Vergenoeg Mining Company

GOLD MINING

AngloGold Ashanti Limited
Barrick Africa
DRD Gold
Giyane Gold South Africa Pty Ltd
Gold Fields Limited
Harmony Gold Mining Company Limited
Rand Gold and Exploration Limited

IRON ORE MINING

Amava Mining Investments
Grenac Trading Pty Ltd
Kumba Iron Ore Limited

MANGANESE

BHP Billiton (SA) Limited

Delta Mining Consolidated Limited

Tshipi e Ntle Manganese Mining

PLATINUM MINING

Anglo American Platinum Corporation Limited
Impala Platinum Limited
Lonmin Platinum Limited
Northam Platinum
Royal Bafokeng Platinum
Wesizwe Platinum
Xstrata Alloys of South Africa

OTHER MEMBERS

African Rainbow Minerals (Gold) Limited
Corobrick (Pty) Limited
Palabora Mining Company Limited
Pegmin Pty Ltd - Pegmatite Mining Operation
PPC (Pretoria Portland Cement)

ASSOCIATIONS

Aggregate and Sand Producers Association of South Africa
Clay Brick Association Limited
South African Mining Contractors Association
South African Diamond Producers' Organisation

SUSPENDED OPERATIONS

Douglas Colliery Limited
Pamodzi Gold
Ridge Mining



Message from the Chief Executive

Most will agree that 2011 was an eventful year, resounding with the calls for nationalisation which sparked a national debate and sorely tested the lobbying and advocacy functions of the Chamber of Mines. The repercussions and developments that evolved from this controversial topic further assured the Chamber's attention and participation on these events and discussions for much of the year.

Deliberations at regular meetings of the Chamber's Council – the organisation's highest decision making body – during the course of 2012 were dominated by the nationalisation issue and specifically, the research conducted by the specially appointed African National Congress (ANC) committee to investigate state Intervention in the minerals sector (SIMS). Most significantly, from a Chamber of Mines perspective, the SIMS committee, having examined circumstances and conditions in nine different global jurisdictions, concluded that the nationalisation of South Africa's mining sector was neither a viable nor a practical policy option to be pursued by the ruling party.

This was a verdict that corresponded with the consistent anti-nationalisation approach adopted by the Chamber of Mines and it was given additional impetus at the ANC's national policy conference held in June, when delegates agreed that wholesale nationalisation was not an appropriate instrument to advance economic transformation or to overcome the debilitating socio-economic hardships caused by poverty, inequality and unemployment.

These social conditions, commonly identified as South Africa's "evil triplets", are unacceptable scourges that inhibit developmental progression. In agreement with Government, the Chamber and its members are vigorously committed to the short term curtailment

of these abject circumstances and their eventual eradication.

The mining industry, as represented by the Chamber, is acutely aware of the widespread expectation that it should be playing a more effective role in efforts to alleviate the deleterious situation that is such a blight on the quality of life of such a large number of South Africa's people. It is overwhelmingly accepted, particularly if operating in the correct enabling environment, that the industry has considerable capacity to enlarge its existing input. The willingness of the Chamber and its members to achieve this objective is reflected in their adoption of the principle of "putting South Africa first" as their cardinal strategic objective.

Following the ANC's national policy conference and the Chamber's in-principle acceptance of the resolutions that emerged, a high-level engagement with members of the ruling party was requested by the Chamber. The purpose of the engagement was to reaffirm the mining sector's support for ANC and Government efforts to achieve beneficial national socio-economic policy objectives and to illustrate that the Chamber and its members are prepared to co-operate and to assist in finding solutions to the challenges that are confronting the country. The meeting with leading members of the ANC took place in Johannesburg on Tuesday 14 August and produced a number of positive outcomes, one of them being the establishment of collaborative structures in which constructive dialogue can take place and generate mutually beneficial results for both South Africa and its world class mining industry.

A key objective that emerged from the industry's deliberations with the ANC is to consolidate our country's profile as the foremost industrial and commercial democracy on the continent of Africa and to revitalise global confidence in a nation that is secure and stable and which presents excellent investment potential. During the past year there have been some encouraging indications from Government that it recognises the mining sector's ability to contribute positively to growth, development and economic transformation in South Africa.

President Jacob Zuma, in his state of the nation address presented to Parliament on 9 February, made clear Government's commitment to the promotion of a favourable and globally competitive mining sector. Emphasising the significant profile of the industry in

the new growth path as one of the country's major job drivers, President Zuma said Government intended to position the industry to attract investment and achieve industrial growth and transformation.

As part of the infrastructure plan to be overseen by the Presidential Infrastructure Co-ordinating Commission, Mr Zuma unveiled intentions to develop and integrate rail, road and water infrastructure in the province of Limpopo. These initiatives, which enjoy the enthusiastic support of the Chamber, are intended to unlock the enormous mineral belt of coal, platinum, palladium, chrome and other minerals in order to facilitate increased mining as well as enhance the beneficiation of minerals.

The positive presidential mining sector announcements reinforce what is reflected in the National Development Plan which was finalised towards the end of 2011 by the National Planning Commission. The work done by the Commission asserts that South Africa can benefit greatly from Asia's demand for mineral commodities. To do so, as acknowledged in the report, will require improvements in water, transport and energy infrastructure as well as providing greater policy and regulatory certainty to investors. This will enable the mining sector to deploy the skills, resources, know-how and capital that are available and concomitantly assure Government increased tax revenue.

The National Planning Commission stresses the need for South Africa to write a different story in the years



"A key objective that emerged from the industry's deliberations with the ANC is to consolidate our country's profile as the foremost industrial and commercial democracy on the continent of Africa..."

ahead. The Chamber and its members fully endorse the sentiments expressed in both the state of the nation address and the National Development Plan. They are willing to be enthusiastic participants in the composition of our country's new narrative which the Commission suggests will need to address major constraints that currently impede mining industry

"The socio-economic development and job creation expectations highlighted by President Zuma and the National Planning Commission are eminently achievable on the understanding that there is successful co-operative engagement between the industry, Government, organised labour and other pivotal stakeholders."

growth. The constraints flagged by the Commission include uncertainties over ownership, tax treatment and allocation of mineral rights, the availability of electricity and the availability, cost and efficiency of transport networks.

Also included in the work done by the Commission is the expression of a national aspiration to create a caring South African society. This is a goal that resonates strongly with all Chamber member mining companies who are unanimously committed to a caring, fair and equitable working environment where the dignity of all employees is systematically preserved by adherence to universal standards of human decency.

The socio-economic development and job creation expectations highlighted by President Zuma and the National Planning Commission are eminently achievable on the understanding that there is successful co-operative engagement between the industry, Government, organised labour and other pivotal stakeholders. President Zuma expressed support for well considered collaborative processes in his observation that Government alone cannot solve the challenges facing the country and that by working together solutions will be found.

It is this spirit and adherence to the ANC's inspirational slogan: "Together we can do more", that will guide the Chamber and its members in their ongoing engagements with representatives of the ruling party, and in fulfilling the commitments that were formulated and agreed to at the afore-mentioned

bilateral meeting of 14 August.

All members of the Chamber support these co-operative processes and are confident that they will deliver the positive outcomes needed to optimise mining industry performance and realise the aspirations expressed by President Zuma and the objectives contained in the new growth path and National Development Plan.

While there are grounds for satisfaction with some of the developments that have taken place in the public policy arena, there are some "headwinds" that concern the Chamber. These are the vitally important issues of safety, the ongoing European recession, and lower levels of economic growth in China, all of which have the potential to curb progress in South Africa.

Despite heightened awareness and strengthened workplace commitment, the number of fatalities in the industry are not reducing sufficiently to meet the "zero harm" milestones that were agreed to by tripartite stakeholders in 2003. The Chamber and all its members share the grief of the friends and families who have lost their loved ones in the work environment and the industry is uncompromising in its approach that deaths and injuries in the workplace will not be tolerated at any level.

Unabated efforts continue in the identification and adoption of interventions and processes aimed at halting the loss of lives. As part of its "zero harm" crusade the Chamber stands firm on the maxim that every employee has the right to return home unharmed at the end of every working day. The revised Mining Charter, the provisions of which were endorsed by tripartite stakeholders earlier this year, now includes health and safety stipulations to ensure that these critical issues form part of the industry's transformation agenda. Additionally, the recently adopted Culture Transformation Framework provides a critical angle to specific safety-related matters such as the payment of production bonuses, the apportionment of blame, and the need for leadership.

Intimately linked to the leadership proposals, the chief executives of various Chamber member companies have established a forum which has as its cardinal objective the elimination of fatalities. With membership confined exclusively to chief executives, the forum is not intended to develop new standards or commitments but rather to concentrate on the faster and more effective delivery of existing commitments.

Practical assistance will come from the Chamber's Mine Occupational Safety and Health (MOSH) Learning Hub which is dedicated to the identification and adoption of leading practices as well as assisting mining companies to extract value from pockets of excellence that exist at different localities throughout the industry.

All of these initiatives, combined into dynamic and effective programmes of action, will be instrumental in reducing injuries and fatalities.

Mining industry safety and health occupied a prominent position on the agenda of the Chamber's first Mining Lekgotla held at the Gallagher Convention Centre in Midrand on 5 and 6 June 2012. With the support and endorsement of the Chamber's council, the Lekgotla was held in co-operation with the Department of Mineral Resources (DMR) and the National Union of Mineworkers (NUM). The Lekgotla was attended by more than 500 delegates and the response indicates that it was an overwhelming success.

My motivation for developing the Mining Lekgotla proposal was based on the unacceptable reality that South Africa, one of the world's major mining countries, did not have a pre-eminent event exclusively focused on the business of mining. There is the well established Cape Town-based Mining Indaba but this is a gathering that has a dominant international focus and is held in a city that is distinctly remote from where our country's major mining activity takes place.

In addition to the subjects of safety and health, the Mining Lekgotla sessions were devoted to a variety of different issues that are significant to the domestic industry. Among them were competitiveness, climate change, global warming, sustainable mining, democracy, and youth and future mining leadership. There was also an executive power breakfast where

attention was devoted to identifying the key defining forces that impact on mining in South Africa. It is my belief that in the absence of anything comparable, the Mining Lekgotla has excellent potential to occupy an evident gap in the South African mining sector's consultative and engagement landscape.

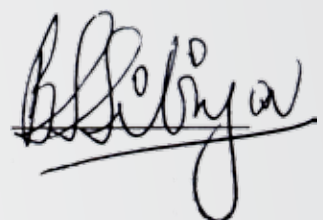
With the support of its founding sponsors, the Chamber will seek to organise the Mining Lekgotla on a regular, annual basis and strive to ensure that it becomes the most notable interactive event on the mining industry calendar.

I made reference earlier to "headwinds" that may hinder the performance of mining companies that are members of the Chamber of Mines. Both Europe and China are big markets for South African mineral commodities and the European recession and China's stuttering economic growth have been accompanied by diluted levels of demand. The platinum mining sector has been particularly affected by a declining European automobile manufacturing industry which has decreased demand for platinum catalytic converters.

These developments have brought with them an urgent requirement for the Chamber to scrutinise its budgetary provisions to ensure that financial demands on its members are kept within strictly controlled and affordable specifications. To achieve these critical objectives, I have initiated an austerity programme that will be implemented to moderate and control expenditure by all of the Chamber's operational cost centres.

While ensuring that the Chamber does not become an unmanageable financial encumbrance for its members, the austerity measures will be introduced in a manner that will not attenuate the organisation's invaluable intellectual chemistry which for so many years has been the singularly significant attribute that has enabled the Chamber to so consistently and so successfully represent and promote the best interests of the vast majority of South Africa's mining companies.

"With the support of its founding sponsors, the Chamber will seek to organise the Mining Lekgotla on a regular, annual basis and strive to ensure that it becomes the most notable interactive event on the mining industry calendar."



MR. BHEKI SIBIYA

01 COMMUNICATIONS

As an organisation charged with representing the interests of its members, the communications activities of the Chamber of Mines of South Africa reflect the major issues of concern to the mining industry in South Africa. The Chamber's communications activities, therefore, cover a very broad range of policy issues with an impact on the mining industry. The Chamber of Mines does not, however, engage in issues related to the operations of its members. These remain the prerogative of individual companies.

While the communications department of the Chamber of Mines is the primary point of call on all communications matters, due to the representative nature of the organisation and the fact that the Chamber of Mines is staffed with professionals who are eminent specialists in their respective areas, communications activities become dispersed in accordance with the nature of the subject under discussion. Due to the complexity and specialisation of some of the issues, the role of the communications department has been the provision of specialist communication services.

Communications activities of the Chamber of Mines during the year under review were accordingly conducted through a number of platforms including direct stakeholder engagement, media engagement, publications and engagements through international forums. In addition to the various heads of departments, the office bearers of the Chamber of Mines: its president, Dr Xolani Mkhwanazi and his two vice-presidents, Mr Mark Cutifani and Mr Mike Teke, as well as the Chamber's chief executive, Mr Bheki Sibiyi were kept busy addressing a number of issues affecting the industry.

Stakeholder engagement

The stakeholders of the Chamber of Mines include various government ministries, organised labour, communities in which members of the Chamber of Mines operate, as well as where they source their labour.

Because of the nature of the Chamber of Mines, as a knowledge-intensive organisation, engagement with the various stakeholders is at times very specialised and technical. As a result, individual heads of department engage directly with stakeholders where such engagements are technical. In such cases, the communications department of the Chamber of Mines provides communications support services to the individual heads of department as well as the Chamber of Mines' office bearers. During the year under review, some of these engagements included environmental, occupational health and safety as well as community related issues. On the socio-economic front, the Chamber of Mines received a memorandum from the African National Congress' Youth League which marched to organisation's premises as part of its campaign for the nationalisation of mines. The march followed various attempts by the Chamber of Mines to meet with the leadership of the Youth League to share ideas on matters of common concern in line with the Chamber's commitment to put South Africa first. The Chamber of Mines also joined the National Union of Mineworkers on its march for

"The Chamber of Mines is one of the most visible industry associations in South Africa and as the 'voice of the South African mining industry' attracts a very large share of requests for its leadership to comment on matters of social and economic importance."

COMMUNICATIONS 01



Julius Malema leading an ANCYL march to the Chamber of Mines

improvement on health and safety in the mines as this is of critical importance to the mining industry.

Media engagement

The Chamber of Mines is one of the most visible industry associations in South Africa, and as the 'voice of the South African mining industry' attracts a very large share of requests for its leadership to comment on matters of social and economic importance.

Over the past year the Chamber of Mines played a prominent role in the debate on the nationalisation

of mines, particularly following the release of the report on state intervention in the minerals sector. In these and other issues the Chamber of Mines' chief executive was a key participant in radio and television discussions to present the view of the industry on the proposed policy interventions. Through such discourse the Chamber of Mines was able to neutralise some of the more disparaging comments directed at the mining industry.

Publications

Publications produced under the auspices of the

"In the year under review these special publications covered such topical issues as compliance with stipulations of the Mining Charter, and new initiatives to enhance safety in the workplace. These documents have greatly facilitated and supported the work of the Chamber's members."

Chamber of Mines serve as a platform for the industry to communicate with its stakeholders and the broader public. The communications department of the Chamber of Mines is responsible for a

number of publications in the form of annuals, periodicals and once-off issues. The publications are distributed through existing targeted mailing to a variety of stakeholders and are also made available at mining conferences such as the Mining Indaba and the Mining Lekgotla, which had its inaugural conference in 2012.

Annual publications, other than its annual report, produced by the Chamber include *Introduction to the Chamber*, which gives an overview of the Chamber of Mines, its operational structures and committees, and *Facts and Figures*, which provides statistical mining sector data, comments and analyses. *Facts and Figures* is invaluable in supporting decision-making by both Government and the private sector. It is a highly respected collection of mining data and statistics on the mining industry in South Africa, bringing together general mining industry information and product-specific data from a range of sources such as Statistics South Africa, the Minerals Bureau, South African Reserve Bank, mining houses and government departments.

The periodic publications produced by the Chamber



of Mines are *Mining* and *Mining News*. *Mining* is a quarterly journal and flagship Chamber publication which is targeted at selected local and international investment community members, financiers, policy and decision-makers in Government and elsewhere. *Mining News* continues to be the most widely distributed publication in the industry. It is a monthly newsletter intended for the mining industry's workforce to provide them with accessible information on developments in their industry.

Specific publications are produced by the Chamber's communications department for the benefit of its members. In the year under review these special publications covered such topical issues as compliance with stipulations of the Mining Charter, and new initiatives to enhance safety in the workplace. These documents have greatly facilitated and supported the work of the Chamber's members.

In addition to providing an electronic entry point to the mining industry as a whole, the Chamber of Mines' website (www.chamberofmines.org.za) provides up-to-date information for the organisation's stakeholders. Current and previous copies of the publications of the Chamber may also be obtained from the site.

Engagement through international forums

During the period under review, the Chamber of Mines has continued its membership in organisations that play a role in the international mining

policy framework, advocacy and lobbying. The Chamber of Mines of South Africa is a member of the International Council on Mining and Metals (ICMM) and the Mining Industry Association of Southern Africa (MIASA).

These memberships provide the Chamber with a first-hand source of current global and regional information that inform and advance its lobbying and advocacy activities in South Africa. They also enable the Chamber to access information on activities in other countries which may have a bearing on the mining industry in South Africa. Membership of these organisations provides a forum for the Chamber of Mines to have its concerns heard internationally. In 2012, the Chamber of Mines, as part of MIASA, engaged with the World Gold Council and contributed to the World Gold Council's conflict free gold standard. This document assures investors and other stakeholders that the gold produced under its guidelines neither fuels armed conflict nor funds armed groups or in any way contributes to human rights abuses associated with these conflicts. The document is a response to proposals by the Organisation for Economic Co-operation and Development countries to develop guidelines with requirements similar to the Dodd-Frank legislation of the United States of America.

As part of MIASA, the Chamber of Mines participated in the launch of a study into state participation in mining. The study, which drew on international experiences of nationalisation, informed the position of the Chamber of Mines in contesting the call for the nationalisation of mines in South Africa.

The Chamber of Mines of the Democratic Republic of Congo officially joined MIASA as the seventh member during the period under review.

Industry-wide engagement

In the past year the Chamber of Mines resuscitated the Industry Communications Committee which provides a forum for all communications professionals to share experiences and develop strategies on issues of interest to the mining industry. The committee has been successful in developing a shared understanding of issues and developing common positions to facilitate a process whereby the industry can "talk with one voice".

"As part of MIASA, the Chamber of Mines participated in the launch of a study into state participation in mining. The study, which drew on international experiences of nationalisation, informed the position of the Chamber of Mines in contesting the call for the nationalisation of mines in South Africa."

02 ECONOMIC POLICY REVIEW

State intervention in the minerals sector (SIMS)

2011 stands out as a year marked by social unrest and renewed calls for the nationalisation of mines. The current socio-economic crisis in SA is on a national scale. High unemployment, income inequality, slow land reform and poor service delivery are motivations for widespread protests and the likelihood of continued unrest in the country. These social evils and the discontent it engenders underpin the call for nationalisation, which is perceived to solve the issue of the inequitable distribution of wealth and provide increased employment opportunities, ultimately resulting in the economic emancipation that is so critically needed to remove millions of citizens from the debilitating grip of poverty. It was in light of these factors that the ruling ANC party appointed a team to research the practicality of nationalising the country's mines.

The Chamber of Mines reaffirmed the view it has always expressed, that nationalisation is not the antidote to South Africa's socio-economic problems and therefore will not achieve the developmental goals of the country. To provide empirical grounds for its position, however, the industry established a specialist committee on State Intervention in the Mineral Sector (SIMS) to investigate the role of mining in SA, and ways of enhancing its contribution to economic growth. The Chamber's investigation took into consideration mining industry initiatives in various jurisdictions and the conclusions from the research were presented to the ANC Transformation Committee for their consideration.

The ANC-sponsored research report was released in 2012 and contained numerous proposals, some more favourable to the industry than others. Reassuringly, however, the report came out firmly against mine nationalisation, although there were other recommendations of concern. These include a super-tax on mining profits (during periods of high commodity prices), export levies on raw minerals (to encourage local beneficiation) and taxes on the proceeds from selling mining rights. The ANC SIMS report also recommended

increased state involvement in the sector, via an enlarged state-owned mining company, and the designation of some minerals as "strategic", which could oblige producers to cut end-user prices (in the interests of wider economic development).

The industry welcomed the ANC research report, particularly its conclusion that the nationalisation of mines was not the answer to addressing the country's social woes, and the opportunity it offered to engage on all other proposals made in the document. "Putting South Africa First" is the cardinal strategic imperative of mining companies that are members of the Chamber of Mines, and it is on this foundation that the Chamber engages with all its stakeholders.

The report acknowledged the centrality of mining, which underlines the fact that, with the correct enabling environment and with relevant stakeholder collaboration, the mining industry has extensive potential to contribute to the alleviation of what have been identified as the "evil triplets" of poverty, inequality and unemployment. The mining sector's growth and global competitiveness is a pre-requisite to realise its true potential towards the country's developmental targets.

"The Industry welcomed the ANC research report, particularly its conclusion that the nationalisation of mines was not the answer to addressing the country's social woes, and the opportunity it offered to engage on all other proposals made in the document."

ECONOMIC POLICY REVIEW 02

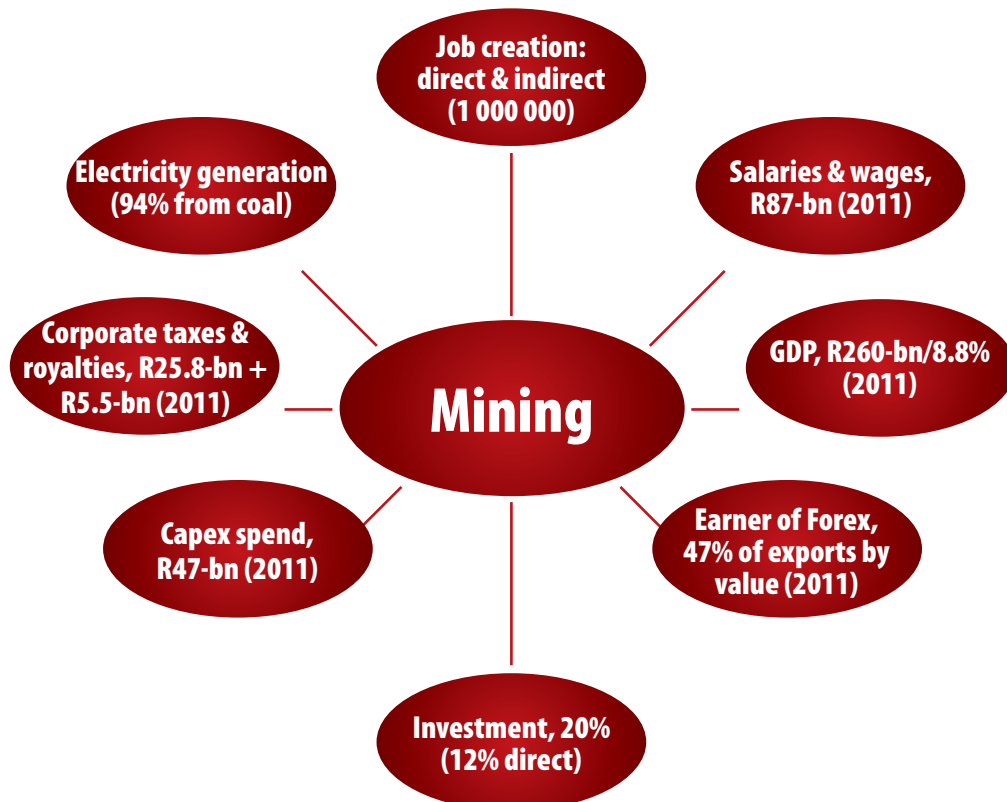
The Chamber of Mines SIMS Committee as well as industry leaders in their many engagements, highlighted the pivotal role of mining to the economy and the importance of sustainable business for the growth of the country and the resultant impact on development.

The mining industry's contribution to the national economy and development in South Africa continues to be considerable, as illustrated by the diagram below.

The South African mining industry, currently the fifth largest in the world, accounts for over 5% of South Africa's GDP. According to a recent study by Quantec & the IDC, the mining sector in 2012 helped to create

1 353 383 jobs in the South African economy, which can be segmented as follows:

- This accounts for 16.2% of the total formal non-agricultural employment in the country.
- Mining created 514 760 jobs directly and 838 623 jobs indirectly in the industries that either supply goods and services to the mining sector, use mining products for downstream value addition, or are related to the spending multipliers from mining and mining employees in the economy.
- The social multiplier of mining is very significant for South Africa. Given a dependency ratio of



The contribution of mining to the economy

“The social multiplier of mining is very significant for South Africa. Given a dependency ratio of about 10 to 1, it means that about 13 500 000 people were directly dependant on the 1 353 383 jobs created by the mining sector for their daily food.”

about 10 to 1, it means that about 13 500 000 people were directly dependant on the 1 353 383 jobs created by the mining sector for their daily food.

The mining sector plays a direct role in communities through its social responsibility programs:

- In 2011, the mining sector contributed about R1.3-billion to community development. This equated to about 1.4% of net profit before taxation, dividends and capital expenditure (or 21.7% of profit after taxation, dividends and capital expenditure). This has a significant impact on many communities.
- In 2011, the industry spent approximately R800-million on corporate social investment programs in

addition to its social and labour plans (SLP) and Mining Charter commitments. Part of this expenditure was channelled into education development, skills, community development projects and other social upliftment programmes.

- In 2011, the mining sector spent approximately R4.1-billion on skills development. In that year, 3178 employees completed learnership programs funded by the mining companies.
- In the past two years, the mining industry provided 10 224 students with bursaries and study assistance, of which 35% was focused on engineering, 10% on accounting, 12% on human resources and 5% on technical skills.
- The industry provides a substantial healthcare base and helps provide care to mine employees and their families.

Notwithstanding the substantial contribution by the mining sector to the fiscus and South African society, the Chamber of Mines and its members believe that more could be done through constructive partnerships.

Some of the most notable policy achievements in the mining industry have been through the Mining Industry Growth, Development and Employment Task Team (MIGDETT), an inclusive tripartite stakeholder structure.

The successes achieved through MIGDETT are reflective of the value of stakeholder collaboration in finding correct and sustainable solutions to the daunting challenges of



economic growth, job creation and poverty alleviation. Successful collaborative tripartite structures address the need to work together collectively to enhance the profile of South Africa as a preferred investment destination, positioned for sustainable growth, competitiveness and job creation in the long term, cannot be sufficiently emphasised..

Transport & Infrastructure

Coal

The transport of coal by road and rail remained a contentious issue and the Chamber continued its interaction with Transnet Freight Rail to improve the rail service to the mining industry.

During 2011 about 65.7 million ton of coal was delivered by rail to Richards Bay Coal Terminal, which is about 2.84 million ton more than the previous year. The improvement is attributed to improved operational management and maintenance carried out during a 20 day shut-down of the Richards Bay coal line during May and June 2011. Over the period January to June 2012, roughly 33.2 million ton of coal was railed to Richards Bay, promising a further increase on the previous year.

In a presentation to Chamber members, Transnet Freight Rail outlined its plans to improve its infrastructure and service to the coal mining industry. Transnet Freight Rail intends to increase deliveries to Richards Bay to 98 million ton per year, and coal delivered by rail to Eskom power stations from the current 7.3 million ton per year to 29.6 million ton per year by 2019.

Infrastructure improvements will include the construction of a rail link from Lothair through Swaziland to allow general freight to bypass the Overvaal tunnel on the coal line, and

the upgrading of the Waterberg line by increasing axle loads, constructing new passing loops and electrifying the Thabazimbi – Lephalale section. The capital expenditure involved is estimated at around R45 billion.

In the 2011/2012 financial year, approximately 35.5 million ton of coal was delivered to Eskom power stations by road. Eskom is implementing measures in cooperation with Transnet Freight Rail to reduce this tonnage. These measures include the construction of a heavy haul railway line from Ermelo to Majuba power station and the improvement of the railway line to Tutuka power station.

In the course of the last year a number of coal producers and Eskom continued to fund road maintenance and repairs in Mpumalanga. This was coordinated through the Road Maintenance Forum established under the auspices of the South African Colliery Managers Association.

Manganese

South Africa contains 80% of global manganese resources but produces only 27% of global production. The manganese deposits are situated in the remote Northern Cape, about 1 100 km from Port Elizabeth where the manganese terminal is located. Rail transport is therefore a critical part of the value chain.

In 2011 manganese exports amounted to no more than approximately 6.8 million ton due to constraints in the rail transport system and the terminal. Current rail capacity is 6.5 million ton per year while the capacity of the terminal is 5.5 million ton per year. Consequently, some manganese was transported by road and shipped through other South African harbours at great cost.

The Chamber of Mines engaged Transnet and the Department of Mineral Resources on this matter, arguing for the export of manganese via the Sishen-Saldanha railway line and the Port of Saldanha.

Both Transnet and the Department of Mineral Resources, however, continued to insist that manganese be exported through Port Elizabeth. Accordingly, Transnet announced plans to increase the capacity to 16 million ton per year by 2017. This will entail the upgrading of the railway line, the introduction of improved traction equipment and the relocation of the terminal from inside the Port Elizabeth harbour to the recently constructed Port of Ngqura, about 20 km to the north. The total cost will amount to R16.7-billion.

Coaltech Research Association

The Chamber continued its support of the Coaltech Research Association. The research activities undertaken

“Transnet Freight Rail intends to increase deliveries to Richards Bay to 98 million ton per year, and coal delivered by rail to Eskom power stations from the current 7.3 million ton per year to 29.6 million ton per year by 2019.”

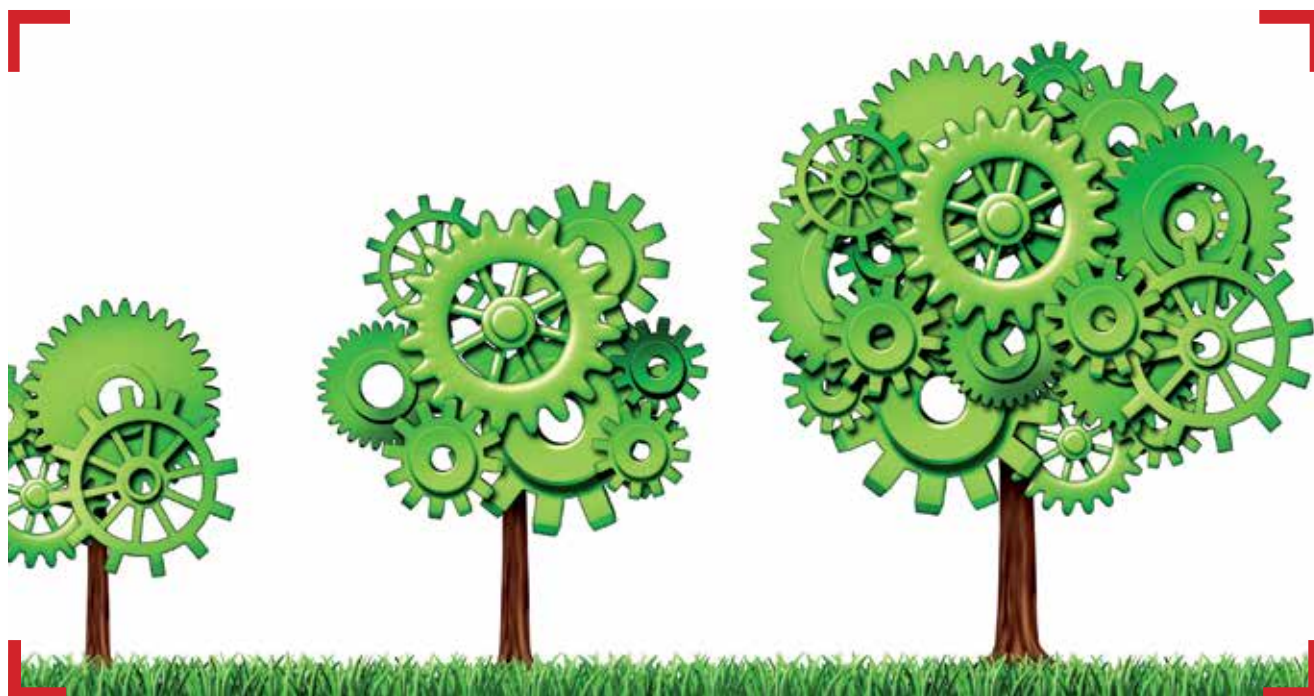
"The preliminary figure for total emissions is in the order of 4 Mt of CO₂e per annum. This figure is significantly lower than the 40Mt of CO₂e fugitive emissions from the South African coal mining industry as previously quoted in the government draft Green Paper."

during the year under review addressed the following issues of vital importance to the industry, namely the restoration of damaged wetlands and the construction of artificial wetlands, maximising the utilisation of all coal resources through beneficiation and mining methods, geology, rehabilitation and mine closure practices; and future mining practices.

The project on greenhouse gas emissions is nearing completion. The final report and submission to the

International Panel on Climate Change (IPCC) for accreditation of surface and abandoned mines as well as discard dumps emissions will be published soon. The preliminary figure for total emissions is in the order of 4 Mt of CO₂e per annum. This figure is significantly lower than the 40Mt of CO₂e fugitive emissions from the South African coal mining industry as previously quoted in the government draft Green Paper. Advantages of the latest figures for the South African Coal Industry are obvious. Furthermore, the project on limiting and mitigating the impact of coal mines on wetlands started towards the end of 2011 and is progressing well. The South African National Biodiversity institute (SANBI) is developing a database on all wetlands and the principles and methods to be used for offsite mitigation. This project will also involve the rehabilitation of a wetland and outcomes will include guidelines for this rehabilitation. Development of explosives to be used at high temperatures is completed and allows for new and safer explosives to be available to industry immediately. A pocket sized version of the guidelines on the prevention and control of spontaneous combustion at South African coal mines was completed and distributed to Chamber members. The guidelines will be very useful for personnel working at the coal front.

Coaltech also collaborated with the Chamber of Mines on an exhibition at the COP 17 conference held recently in Durban. General feedback is that the Chamber of Mines stand at the conference was of the highest standard and



the Chamber is privileged to have been part of the event.

In terms of coal processing, test work on dry de-stoning of raw coal with dual energy X-ray transmission sorting showed promising results. If implemented, this waterless process will also have a positive contribution on protecting the environment and scarce water resources.

Test work on large diameter cyclones proved these units to be very efficient. A Chinese 3-product cyclone was tested at a local colliery and preliminary results showed promising potential. Potential benefits for applying this type of technology are a reduced footprint (two processes in one stage) compared to conventional two stage coal plants, as well as decreased capital and operating costs. Further evaluation on the potential application of this technology is ongoing.

Coaltech continued to support a number of post graduate students at various tertiary institutions. During the year under review 19 Coaltech students pursued advanced degrees in geology, mining, coal processing and environmental control.

The total number of post graduate students who successfully graduated since Coaltech's inception in 1999 amounts to 89 at the end of 2011. Participation in Coaltech currently comprises 11 shareholders with full representation on the board and 10 associates who participate in specific areas only.

Electricity

Electricity supply

Electricity supply in South Africa remained constrained during the period under review. The Chamber of Mines persevered in its engagements with Eskom to

ensure that the mining industry received the best possible service under the prevailing circumstances. Mining companies supported Eskom by voluntarily reducing electricity consumption when the demand on the system was close to overload, and through the demand market participation programme. It is, however, clear that South Africa's electricity supply system will remain constrained for the next few years, and most critically in the immediate two years..

Eskom has recognised that the strategy of shifting maintenance is no longer sustainable and has committed to addressing the maintenance backlog. Accordingly major maintenance continued into the winter of 2012 despite the constrained supply. Eskom reported that the first generator at the new Medupi power station was expected to be commissioned during the last quarter of 2013. The boiler pressure test took place during June 2012. It is expected that the damaged generator at Duvha power station will return to service in late 2012.

Independent System and Market Operator Bill (ISMO)

The Independent System and Market Operator Bill was submitted to Parliament in April 2012. The objective of the Bill was to create the legal framework for the establishment of an independent company, the Independent System and Market Operator, that will be responsible for dispatching generators connected to the national grid. It will buy electricity from the generators and sell it to customers. The intention is to replace the current system operated by Eskom and eliminate the inherent conflict of interest between Eskom generators and generators owned and operated by other parties.

In comment submitted and presented to the Parliamentary Portfolio Committee on Energy, the Chamber expressed support in principle for the establishment of the envisaged Independent System and Market Operator. The Chamber has long envisaged a situation where access to the electricity grid is available to all generators of electricity who comply with the required technical criteria. In such a situation a system operator is needed to ensure that the supply and demand for electricity is balanced with an adequate reserve margin to allow for unplanned outages. A market operator is necessary to ensure that consumers who are not contracted to specific generators obtain an adequate supply. The Chamber viewed the establishment of a market operator as a way of mitigating the potential for conflict of interest that currently exists, as well as the first step towards the creation of a market driven electricity supply industry with generation and distribution entities competing in their respective sectors.

"Eskom has recognised that the strategy of shifting maintenance is no longer sustainable and has committed to addressing the maintenance backlog. Accordingly major maintenance continued into the winter of 2012 despite the constrained supply."

“Generally, municipal distributors are performing poorly. Many municipal distribution systems are subject to frequent outages due to inadequate and poorly maintained infrastructure. In addition, municipalities are using electricity sales to augment their incomes with tariffs that far exceed the cost of supply.”

concern to the Chamber was that the Bill was not clear on whether or not the envisaged Independent System and Market Operator will own the national grid. Without any explicit provision on this matter, ownership of the grid will remain with Eskom. While it is possible for a system operator to control a grid without owning it, it is placed in an invidious position if the owner of the grid is also the major generator of electricity. The Independent System and Market Operator can only be truly independent if the ownership and maintenance of the transmission grid is in the hands of an entity that is itself independent from any electricity generator. The Chamber was also concerned

that certain clauses in the Bill will preclude independent generators from using the national transmission power system to convey electricity to their direct customers in terms of bilateral agreements.

Electricity distribution

The current structure of the electricity supply industry is as follows:

- Generation comprising mostly Eskom generators with a small number of municipal and private generators.
- Transmission which is currently owned and managed by Eskom. There is, however, a process underway to establish an independent system and market operator.
- Distribution comprising Eskom distributors and a large number of municipal distributors. Most large mining operations are Eskom customers.

Generally, municipal distributors are performing poorly. Many municipal distribution systems are subject to frequent outages due to inadequate and poorly maintained infrastructure. In addition, municipalities are using electricity sales to augment their incomes with tariffs that far exceed the cost of supply.

Until recently, Government policy was to restructure the electricity distribution into 6 regional electricity distributors. The regional distributors were to undertake all electricity distribution, such as the conveyance and sales of electricity at voltages of 132 kV and below.



The only exception to this arrangement was industrial customers that consumed 100 GWh or more per year. These customers were to be allowed a choice of supplier, which, at that stage, meant that they could continue to buy electricity directly from Eskom.

The planned restructuring of the electricity distribution industry was not realised. After years of debate and consultations Cabinet eventually decided in December 2010 to terminate the restructuring and discontinue the process of creating the regional electricity distributors. The Department of Energy was to review the whole electricity value chain with a view to developing a holistic approach to revitalise electricity infrastructure and energy security, as well as the financial requirements.

A major obstacle to the planned restructuring was that municipalities have, in terms of Section 156 of the Constitution, executive authority in respect of, and the right to administer, electricity reticulation. They could therefore not be compelled to relinquish their electricity undertakings.

Recently, the Portfolio Committee on Energy and the Portfolio Committee on Cooperative Governance and Traditional Affairs invited institutions, organisations and interested individuals to make submissions relating to the possible restructuring of the electricity distribution industry. This appears to be the start of a new initiative to restructure the electricity distribution industry.

The Chamber submitted its position that any electricity distributor should be:

- A publicly owned, independent entity governed in accordance with the Companies Act of 2008.

- Regulated by the National Energy Regulator of South Africa in terms of the Electricity Regulation Act.
- Managed professionally.
- Financially viable and sustainable; any profits made should be used to maintain and extend electricity distribution infrastructure.

Rescue drill

Shortly after the Coalbrook disaster in 1960, when 437 underground personnel lost their lives after a major fall of roof, the coal producing members of the Chamber of Mines provided funding for the acquisition of a rescue drill. The purpose was to maintain a drill that could drill holes to rescue personnel trapped in underground collieries. The availability of the rescue drilling equipment has since its acquisition been an important assurance factor in the underground collieries. The current drill with its ancillary equipment was purchased in 1976 for R2.6-million. At that time the required equipment was not available "off the shelf" and the drill was manufactured for the South African coal mining industry utilising the best available technology and practices available at the time. The design of this equipment is now outdated and, despite the good work invested in maintaining it, it has become obsolete.

In 2011 the Chamber's Collieries Committee initiated a process to identify a suitable replacement rescue drill and ancillary equipment. The committee concluded that the best available drills were the Schramm T130DX drill for rescue holes and the Schramm T685WS for pilot holes.

It also emerged that, in addition to a new rescue drill and pilot drill, other items were required to ensure safe and successful rescue operations, namely:

- An improved portable rescue winder to replace the existing one
- New rescue capsules incorporating communication, additional safety measures and the capability of being lowered into a rescue hole drilled at an angle
- A new borehole camera probe.

In November 2011 the Collieries Committee agreed to fund the acquisition of the Schramm drills and ancillary equipment. The cost of the whole package amounted to R58 663 000. The orders have been placed and the new equipment is expected to be in service in early 2013.

"In November 2011 the Collieries Committee agreed to fund the acquisition of the Schramm drills and ancillary equipment. The cost of the whole package amounted to R58 663 000. The orders have been placed and the new equipment is expected to be in service in early 2013."

03 ENVIRONMENT POLICY

In the year under review the mining industry has continued to struggle with issues of overlapping environmental governance. The recent Constitutional Court judgement in the Maccsand case added little clarity to the matter. The ruling was that the National Environmental Management Act (NEMA) is applicable to mining and related activities, irrespective of companies having complied with the environmental requirements of the Mineral and Petroleum Resources Development Act (MPRDA). The judgement also confirmed that mining activities have to comply with the Land Use Planning Ordinance (LUPO) of the Western Cape, despite being granted authority to the mine under the MPRDA legislation.

In an attempt to streamline the environmental regulatory process, the authorities of both the Department of Environmental Affairs (DEA) and the Department of Mineral Resources (DMR) are in the process of developing an integrated environmental authorisation system that will alleviate the administrative burden currently faced by the mining industry. The review of the legislation will take into consideration the requirements of both the MPRDA and NEMA, to result in the adoption of an integrated licensing system.

In the 2011/2012 financial year, the Chamber, through the South African Mining Biodiversity Forum (SAMBF), has continued in its efforts to encourage the cooperation of stakeholders from industry, conservation bodies and Government to improve biodiversity conservation, management and performance in the mining industry within the auspices of the South African legislative framework and beyond.

The Chamber of Mines played a pivotal role during an African regional expert meeting on "Managing the impacts of development activities and resource extraction in and around world heritage properties in the Africa region". This was hosted by the African World Heritage Fund in partnership with UNESCO, World Heritage Centre and the government of South

Africa, and was held in South Africa in May 2012.

The Chamber plays an active role in government programmes aimed at implementing solutions towards the management of acid mine drainage in South Africa. The Chamber also serves on the intergovernmental task team that reports to the Acid Mine Drainage Inter-ministerial Committee (IMC) that was formed to develop short, medium and long term solutions to AMD challenges in the Witwatersrand basin.

South Africa hosted the UN Framework Convention on Climate Change's (UNFCCC) 17th Session of Conference of Parties (COP-17) in Durban during November – December 2011. At this forum the Chamber and its members exhibited measures and initiatives to mitigate the impacts of climate change within the South African mining industry. The Chamber also participated in the UN Commission on Sustainable Development Rio+20 conference that was held in Rio de Janeiro, Brazil, in June 2012.

The Chamber's environmental department participated in most initiatives that dealt with environmental issues in the mining industry, and provided expert and specialist input into many legislative and policy proposals in

"The Chamber of Mines played a pivotal role during an African regional expert meeting on 'Managing the impacts of development activities and resource extraction in and around World Heritage properties in the Africa region'."

ENVIRONMENT POLICY 03



2011/12. The main vehicle for such interaction is the Chamber's Environmental Policy Committee (EPC) that consists of environmental specialists from the mining groups of the Chamber members. It represents the single most senior environmental management grouping in the mining industry in South Africa.

In addition to engaging with Government on environmental management policy and water issues, the Chamber continues to liaise with a wide range of stakeholders in the mining industry, from community organisations concerned about the environmental impacts of mining, to specialist groups undertaking studies into various aspects of mining environmental management.

Policy, legislation and development

The Chamber provides specialist input on

environmental matters through its participation in task teams, government project steering committees, and public hearings of portfolio committees on environmental programmes. In addition, the Chamber contributes to Business Unity South Africa (BUSA), NEDLAC, National Business Initiative (NBI), non-governmental organisations, academic organisations and to legislative proposals in the National Assembly and the National Council of Provinces.

National Waste Management Strategy

Cabinet approved the National Waste Management Strategy on 9 November 2011. Following from this, the Portfolio Committee on Water and Environmental Affairs in Parliament invited stakeholders' comments on the implementation of the National Waste Management Strategy (NWMS). Subsequent to the

“The Chamber and its members have contributed to the various versions of the draft NWRS strategy document, focusing on issues relating to water security, water conservation, regulatory framework and water quality management.”

submission, the Chamber of Mines attended and presented at the parliamentary public hearings on the implementation of the NWMS on 29 and 30 May 2012.

The mining industry contended that waste as defined under the NEM: Waste Act does not include residue deposits and stockpiles as these are regulated by the MPRDA. Furthermore, the definition of waste in the NEM: Waste Act should be revised to avoid legislative conflict over certain by-products which in terms of the definition in the MPRDA and the NWMS

are construed as waste, thus being subjected to the requirements in terms of the NEM: Waste Act. Also, the proposed regulatory model for waste management in South Africa should not only focus on non-compliance by industry and the punitive measures associated with it, but should propose a holistic regulatory regime which encompasses a wide range of instruments for all sectors, be it industry or domestic.

It is equally necessary that the NWMS be aligned to other related policies such as the National Climate Change Response Policy and beneficiation strategy. The applicability of both the MPRDA and NEM: Waste Act, however, should be clearly contextualised to avoid unmanageable administrative and operational obligations to the mining sector.

The revision of the National Water Resource Strategy

The Chamber continued to take part in the review of the National Water Resources Strategy (NWRS) initiated by the Department of Water Affairs (DWA) since the 2010/2011 reporting period. In terms of Section 59(4) (b) of the National Water Act, No. 36 of 1998 (NWA), the NWRS must be reviewed every five years. The NWRS provides a framework for the protection, use, development, conservation, management and control



of water resources for the entire country within defined water management areas.

The Chamber and its members have contributed to the various versions of the draft NWRS strategy document, focusing on issues relating to water security, water conservation, regulatory framework and water quality management. The document is expected to be gazetted for public comment in August 2012.

Classification of significant water resources

The Department of Water Affairs (DWA) undertook a study to classify significant water resources in the Vaal, Olifants and Olifants-Doorn, Limpopo, Crocodile (West) and Marico water management areas (WMA). The classification of South African water resources is mandated by the National Water Act (NWA) (No. 36 of 1998), Chapter 3, regarding the protection of water resources. The purpose of this classification of water resources will help in maintaining the desired state of water resources and will take into account the social, economic, ecological and environmental landscape in a catchment in order to assess the costs and benefits associated with use versus protection of a water resource.

The involvement of the Chamber in this process has been very important to the mining industry in ensuring that the industry is not compromised and that related projects, such as the reconciliation strategy for the Olifants River Water Supply System, are aligned with the study.

"The Chamber of Mines has identified the need for a report on the status of Environmental Planning and Management for South African Mining. Such a report will provide a broad overview on the current state of affairs in environmental management and planning in the mining industry."

National Environmental Management Laws Amendment Bill

The Department of Environmental Affairs (DEA) published the National Environmental Management Laws Amendment Bill 2011, in *Government Gazette* no 34558 for public comment. Subsequently, the minister of Water and Environmental Affairs on 4 May 2012 introduced and tabled before Parliament the National Environmental Management Laws Amendment Bill. This bill perpetuates the predicament of overlapping legislation in the mining industry by proposing that mining and related activities be regulated in terms of NEMA and its specific environmental management acts, whilst environmental issues in the mining industry are still regulated according to the MPRDA. The duplication of regulatory requirements adversely impacts on the mining industry from an administrative (application for authorisations) and operational (compliance) perspective. Furthermore, the bill suggests that the minister of Environmental Affairs may issue a notice in the *Gazette*, prohibiting or restricting the granting of an environmental authorisation by the competent authority, which would imply that the provincial heads can override the decisions made by other authorities, including the minister of Mineral Resources in terms of the MPRDA.

In addition to expressing its concerns over the conflicting regulatory framework, the Chamber of Mines objected to the implementation of stricter penalties with increased administrative fines. The bill seeks to provide improved coherence but it is unclear what has informed the enormous increase in administrative fines from R1-million to R5-million. The mining industry would want to understand the motivation behind such enormous punitive measures.

State of environmental planning and management in the mining industry

The Chamber of Mines has identified the need for a report on the status of environmental planning and management for South African mining. Such a report will provide a broad overview on the current state of affairs in environmental management and planning in the mining industry, thus assisting the Chamber in its advocacy and lobbying functions, as well as enabling its members to make informed decisions concerning environmental sustainability in the mining industry. The report is also intended to provide information on the status quo, management practices employed (best practices), challenges and recommendations,

“Since the establishment of the Inter Ministerial Committee and the subsequent report which details measures for tackling AMD in the Witwatersrand basin, the Chamber has been engaging robustly with the Department of Water Affairs, Department of Mineral Resources and other key stakeholders.”

and the mining industry’s efforts to optimise the environment. The project is still at the formative stage, which entails the selection of sample mines according to specific criteria and the drafting of questionnaires for data collection across all

commodities and for all operational locations by Chamber members.

Environmental legacies, including acid mine drainage (AMD)

Since the establishment of the Inter Ministerial Committee and the subsequent report which details measures for tackling AMD in the Witwatersrand basin, the Chamber has been engaging robustly with the Department of Water Affairs, Department of Mineral Resources and other key stakeholders in trying to establish areas of collaboration in the management of AMD. In this regard the Chamber of Mines and the affected mining companies have participated in the steering committees set up to drive the implementation of the short, medium and long term plans to deal with AMD. A number of short-term solutions have already been implemented, such as the upgrading of the treatment plant at the Gold One premises in the western basin, and starting preparatory work in the central basin for the implementation of medium to long term solutions.



Implementation of the National Environmental Management: Air Quality Act

The National Environmental Management: Air Quality Act, NEM: AQA No. 39 of 2004, came into effect on 1 April 2010. Subsequent to the minister of Environmental Affairs' stated intention to declare the Waterberg area a priority area in terms of Section 18(1) of the National Environmental Management: Air Quality Act, a final declaration of the Waterberg area as a priority area was published in the *Government Gazette* on 15 June 2012. This area has been perceived as the next eMalahleni in terms of expected increase in mining activities, especially for coal. The department is therefore exercising a precautionary principle to avoid a perceived scourge in pollution as is the case in the eMalahleni area. The Chamber of Mines and other interested and affected parties have been invited to sit in the multi-stakeholder reference group that will oversee the development of an air quality management plan (AQMP) for the priority area. The Department of Economic Development, Environment and Tourism in Limpopo (LEDET) has initiated the development of the provincial Air Quality Management Plans (AQMP) and representatives from the mining industry participated in the initial stakeholder consultations.

The Chamber was also part of the SABS technical working group established to develop emissions standards for small boilers – a Department of Environmental Affairs initiative – to promulgate these as regulations under the NEM: Air Quality Act. The mining industry will have another opportunity to make inputs on the draft regulations once these are gazetted for public comment.

"The Chamber of Mines and other interested and affected parties have been invited to sit in the multi-stakeholder reference group that will oversee the development of air quality management plan (AQMP) for the priority area."

Implementation of National Environmental Management: Waste Act

With the promulgation of NEMA and its associated regulations, (those of 2006 and 2010) as well as specific environmental management acts such as the National Environmental Management: Waste Act (NEMWA), the minister of Water and Environmental Affairs published a notice in the gazette on 11 November 2011 of her intention to prescribe the fee structure schedule pertaining to the applications for environmental authorisations and waste management licences.

The following are, inter alia, the issues facing the mining industry:

- Whether or not the proposed application fee is for an entire project that might consist of various listed activities, or whether it is the various authorisations applied for within that project.
- The application fee is very high and not consistent with application fees for permits/licences/authorisations in other environment related statutes.

A response from the department on this matter is still awaited.

The Department of Environmental Affairs (DEA) published proposed norms and standards for the remediation of contaminated land and regulations for site assessment reports on 19 March 2012. As with the National Waste Management Strategy, the proposed regulations will present the mining industry with challenges concerning the definition of contaminated land, especially in industrial sites, and the extent of soil remediation that will be required within these industrial sites. This is in addition to mining company requirements under the MPRDA to undertake rehabilitation of their surrounding physical environment.

Furthermore, these regulations do not take into consideration the existence of other legislative tools such as the National Nuclear Regulator Act which deals with contamination resulting from other contaminants not listed in the proposed DEA regulations. The Chamber of Mines submitted inputs to the department and awaits Government's feedback on the issues raised.

“The Chamber of Mines participated in a workshop on 26-28 July 2011 in KwaZulu Natal hosted by the Endangered Wildlife Trust’s (EWT) African Crane Conservation Programme. The purpose of the workshop was to initiate the development of a Biodiversity Management Plan for each of South Africa’s three crane species.”

In collaboration with the Department of Environmental Affairs, the Chamber has embarked on a process of developing the South African mining and biodiversity good practice guideline, called *Mainstreaming biodiversity into mining*. The purpose of the guideline is to provide mine and Government environmental officials with a comprehensive guide on the type and status of SA’s biodiversity, and to inform them of good management practices relative to biodiversity during all stages of mining, to ensure that biodiversity issues are managed appropriately by the mining industry. The guideline document will be published jointly by the departments of Environmental Affairs and Mineral Resources and the Chamber of Mines.

The development of a crane biodiversity management plan

Mining and biodiversity

The Chamber has been instrumental in the affairs of the South Africa Mining Biodiversity Forum, by playing a leadership and coordination role.

The Chamber of Mines participated in a workshop on 26-28 July 2011 in KwaZulu Natal, hosted by the Endangered Wildlife Trust’s (EWT) African Crane Conservation Programme. The purpose of the workshop was to initiate the development



of a biodiversity management plan for each of South Africa's three crane species (the Blue, Grey Crowned and Wattled cranes). The initiative was in line with the norms and standards of the biodiversity management plan for species, which is outlined by the DEA in *Gazette* No. R214 of March 2009, and falls within the National Environmental Management: Biodiversity Act (Act 10 of 2004). This draft document will be presented to the department towards the end of 2012.

Regional expert meeting on “Managing the impacts of development activities and resource extraction in and around world heritage properties in the Africa region”

The Chamber delivered a keynote address at the regional expert meeting on “Managing the impacts of development activities and resource extraction in and around world heritage properties in the Africa region”, hosted by the African World Heritage Fund in partnership with UNESCO, World Heritage Centre and the government of South Africa.

This meeting was convened to address the conflicting interests of conservation and development needs in Africa, and a position paper with recommendations on how to practice and balance the conservation of Africa's heritage, while at the same time stimulating development, will be presented at an International Conference on World Heritage and Sustainable Development in South Africa on 26 – 29 September 2012.

“As part of ongoing collaboration between the Chamber of Mines and the Department of Water Affairs (DWA), a guideline document on water conservation and water demand management (WCWDM) in the mining industry was finalised and published in December 2011.”

Water conservation and demand management in the mining industry

As part of ongoing collaboration between the Chamber of Mines and the Department of Water Affairs (DWA), a guideline document on water conservation and water demand management (WCWDM) in the mining industry was finalised and published in December 2011. The guideline document will facilitate the implementation of regulatory requirements contained in the proposed WC/DM regulations under the National Water Act. The guideline will also assist the DWA and the mining industry to assess, plan and manage the WC/DM and improve water efficiency in the sector. The Chamber, in collaboration with the DWA, has also embarked on a process of setting WCWDM targets for the mining sector. To this end, a project proposal has been finalised between the two institutions, and a service provider will be appointed in July 2012 to undertake this work.

Implementation of the National Climate Change Policy

The South African government launched the White Paper on National Climate Change Policy in November 2011 prior to hosting the United Nations Framework Convention on Climate Change (UNFCCC) COP17 in Durban. This policy addresses South Africa's commitments under the latter convention as part of developing nations and also formulates local imperatives to mitigate the impacts of global climate change. The measures that are under discussion between Government and stakeholders include, inter alia:

- Updating the national greenhouse gas (GHG) inventory.
- Development of a monitoring, reporting and verification system.
- Development of a national carbon budget.
- Carbon tax policy.

Updating of the national GHG inventory

The Chamber of Mines has forwarded GHG data to the DEA which has formulated it into different reports that will ultimately be published as part of the national inventory.

“The Chamber of Mines represents the mining industry at the Water Sector Leadership Group (WSLG) established by the Department of Water Affairs. A key focus area of the WSLG in 2011 has been the review of the NWRS, COP17 and the recommendations on water issues in the National Planning Commission diagnostic report.”

Development of a monitoring, reporting and verification (MRV) system

This system is intended for users to report GHG emissions on-line and is in compliance with the

reporting requirements under the UNFCCC. The intention is also to align this reporting with the air emissions reporting under the NEM: Air Quality Act through the South African Air Quality Information System (SAAQIS).

Development of a national carbon budget

The national climate change policy provides for a national carbon budget (NCB) that will be determined by a multi-stakeholder forum under the leadership of the DEA.

Carbon tax policy

National Treasury is leading the discussions around the development of this policy. One of the issues being explored is the alignment of the NCB and the proposed carbon tax policy.

Water Sector Leadership Group

The Chamber of Mines represents the mining industry at the Water Sector Leadership Group (WSLG) established by the Department of Water Affairs. A key focus area of the WSLG in 2011 has been the review of the NWRS, COP17 and the recommendations on



water issues in the National Planning Commission diagnostic report.

Radiation issues in the mining industry

During the year under review, the Chamber engaged the National Nuclear Regulator (NNR) on special case mines, authorisation fees, certificate of authorisation and remediation of the Wonderfonteinspruit.

Water Institute of South Africa, Mine Water Division (WISA MWD)

In 2011, the Chamber participated in most of the programmes and activities of WISA MWD, which includes the planning and hosting of a symposium staged in October, and a proposal for capacity building in Government on mine water management.

United Nations Framework Convention for Climate Change

The Chamber of Mines attended the UNFCCC Seventeenth Conference of Parties (COP 17), held in December 2011 in Durban.

The conference resulted in the adoption of 19 COP decisions and 17 CMP decisions. These outcomes cover a wide range of topics, notably:

1. The establishment of a second commitment period under the Kyoto Protocol, a decision

on long-term cooperative action under the Convention, and the operationalisation of the Green Climate Fund.

2. An agreement to continue negotiations through long-term cooperative actions, based on a comprehensive decision that covers other major emitters and a number of growing economies.
3. The Durban Platform for Enhanced Action, which commits all parties to a process for a global mitigation regime starting in 2020, with the negotiations on that commitment period to be concluded by 2015.

International Council for Mining and Metals

The Chamber of Mines is a member of the International Council for Mining and Metals (ICMM), which is aimed at improving sustainable development performance in the mining and metals industry. Member companies have made a public commitment to improve their sustainability performance and are required to report against their progress on an annual basis.

United Nations Commission on Sustainable Development RIO+20 Conference

One of the highlights of the year for the Chamber was participating in the Rio+20 conference in Brazil, in June 2012.

Many stakeholders had high expectations that the conference would launch new processes and significantly alter the international framework for sustainable development. There were hopes for the establishment of a new high commissioner for future generations, upgrading the UN environment programme to the status of a specialised agency, and establishing concrete targets and a "roadmap" for the green economy. The Rio+20 outcome document was considerably more modest and some criticised the document for missing an opportunity to boldly redirect sustainable development actions.

Civil society also expressed a vote of no confidence in the document in that it does not make reference to human and indigenous rights, suggesting that the document is incomplete if it does not address challenges faced by indigenous people.

"In 2011, the Chamber participated in most of the programmes and activities of WISA MWD, which includes the planning and hosting of a symposium staged in October, and a proposal for capacity building in Government on mine water management."

04 HEALTH

This report outlines key developments in the health sector within the mining industry and in the country.

Regrettably, no statements can be made regarding the status of health in the industry as no statistics have been released by the Department of Mineral Resources (DMR) on occupational diseases. This is an unfortunate situation and it is hoped that the data will be available soon.

The current report covers developments in the policy environment such as the national health insurance, TB, HIV and AIDS and silicosis, work done on health by the Mine Health and Safety Council (MHSC), the latest developments on compensation for occupational disease and injuries, and the Ex-Mineworker Project.

Policy and regulatory environment

The National Health Insurance (NHI) is still the most significant development in the South African health sector. The Department of Health (DOH) released the Green Paper on National Health Insurance Policy on 11 August 2011. The Green Paper proposes the establishment of a NHI over 14 years. The basic principles of the NHI are universal access to healthcare, pooling of funds, and a single payer system administered by a government-owned, publicly administered entity.

Contributions to the NHI would be through the fiscus, employers and individuals and all citizens and permanent residents would qualify for a comprehensive benefit package. There would be no co-payments except in exceptional circumstances.

The Chamber's response to the Green Paper on the NHI was in line with the response by Business Unity South Africa (BUSA).

The approach followed in the proposed NHI Policy is well within the recommendations made by the World Health Organisation (WHO) for achieving universal coverage.

The implications for the industry concern revenue collection and provision of services. The issue with

revenue collection is the contribution that will be required from employers, whereas provision of services relates to the extent to which employers will be involved in service provision.

Employers will, in the long-term, have to split funding and provision for health services as this is a fundamental principle of the NHI.

One of the issues in the NHI Green Paper is the status of occupational health services, which forms a major part of the mining industry's provision of health services. Occupational health services have never been a priority for Government and are poorly developed in the country. There is very little mention of these services in the Green Paper, a fact that was brought to Government's attention as the services are vital for business and productivity.

The years 2012 – 2016 are dedicated for improvements to the public health sector and piloting of the NHI. Government has identified ten pilot districts and industry has offered to participate in pilots whenever it is required.

"The National Health Insurance (NHI) is still the most significant development in the South African health sector. The Department of Health (DOH) released the Green Paper on National Health Insurance Policy on 11 August 2011. The Green Paper proposes the establishment of a NHI over fourteen (14) years."

HEALTH 04

**TB, HIV and AIDS and silicosis**

The industry continues with its efforts on the control of TB, HIV and silicosis.

TB reviews

A major initiative that commenced in 2010 is that of TB reviews. The Department of Mineral Resource's Guidance Note on TB Control Programmes recommends that companies conduct annual internal reviews (audits) of their TB programmes and 5-yearly reviews by an external agent. The Mine Health and Safety Council developed a tool for conducting TB reviews and the Health Policy Committee (HPC) decided in 2010 that all companies should conduct annual audits using the TB review tool. Comprehensive reports are submitted annually to Council, the Gold Producer's Committee (GPC), and the

Departments of Health (DOH) and Mineral Resources (DMR). In 2011 it was decided to include external reviews alongside the internal review audits.

Chamber members were requested to conduct internal TB reviews by the end of December 2011, while a consultant was used to conduct an external review of TB programmes in selected companies. The external reviews included representatives from stakeholders such as the DOH and DMR. All the sites of three major gold companies and one site of Anglo Platinum were evaluated.

The consultant produced a report on the three gold companies (available on the Chamber's website). A total of seven sites were reviewed: two each from Anglo Gold Ashanti and Goldfields and three from Harmony.

"Overall there was an improvement in performance in 2011, compared to 2010. Areas of good or excellent performance were: Directly Observed Treatment Short Course (DOTS), laboratory, pharmacy and radiology."

The key findings were the following:

1. Overall there was an improvement in performance in 2011, compared to 2010. Areas of good or excellent performance were: Directly Observed Treatment Short Course (DOTS), laboratory, pharmacy and radiology.
2. Variations in performance between different sites within the same company was noted and this requires

that companies study the reports and institute measures to support sites where there are weak TB programmes.

3. Performance on set national targets – indicated in brackets – varied but was good overall:
 - i. Bacteriological coverage on new cases (100%) – Five sites (62.5%) achieved rate >90%.
 - ii. Cure rate for new smear positive cases (85%) – Five sites (62.5%) achieved rate > 85%.
 - iii. Death rate for new cases (5%) – Six (75%) sites achieved the target.
 - iv. Transferred out (10%) – Six (75%) sites achieved the target.

Areas of concern were:

1. Very limited involvement of employee representatives in policy formulation.
2. No formalisation of relationship with local DOH.
3. Incomplete or incorrect recording on the TB register with use of company electronic systems that do not produce the required TB performance indicators.
4. Patient transfer form not used, no communication



with referral clinics and poor provision for post TB treatment assessment.

5. Sub-optimal TB case finding at occupational health and primary health care facilities and missed opportunities to detect TB among patients who died.

Key recommendations were:

1. Involvement of employee representatives in development and signing-off on TB policies.
2. Formalising the relationship between the DOH and companies through MOUs.
3. Improved referral systems and follow-up.
4. Improvements to recording in the TB register and access to the DOH's electronic TB register.
5. Mortality meetings should be held to review all post-mortem reports from the National Institute for Occupational Health.
6. The Chamber should set up a database on TB indicators.

The Chamber's Council accepted the recommendations in the report for implementation by the Chamber and individual Chamber members. A key intervention will be the promotion of leading practices identified during the reviews and a TB interest group established late in 2011, will be used as the vehicle for adoption of the leading practices.

The Chamber will continue to support companies in conducting internal TB reviews and external reviews will

commence in the platinum sector in 2012.

Collaboration with the Department of Health (DOH)

Collaboration with the Department of Health (DOH) has improved as has the relationship between the Chamber and national, provincial and district offices of the DOH. Two initiatives on which the Chamber and the DOH collaborated, were the SADC Declaration on HIV in the Mining Industry and World TB Day.

SADC Declaration on TB in the Mining Industry

The SADC Declaration on TB in the Mining Industry is the outcome of a meeting of SADC health ministers held in November 2011. The ministers agreed on the need for a declaration which focuses attention and action on TB, HIV and AIDS and silicosis in the mining industry in southern Africa. The Chamber actively participated in the technical team that drafted the document and in the SADC meeting of health and labour ministers held in Luanda, Angola, in April 2012.

The key contributions by the Chamber were on the need to distinguish between occupational and non-occupational diseases and the obligations of employers regarding prevention, treatment and compensation for occupational diseases. The need to facilitate access to health services and to provide these where possible is also emphasised in the declaration.

World TB Day (WTBD)

WTBD is commemorated worldwide on 24 March each year. The Chamber collaborated with the DOH in hosting the day at a Gold Fields mine in East Driefontein Sports Complex, Carletonville. The Deputy President, Kgalema Motlanthe and the ministers of health and mineral resources, Aaron Motsoaledi and Susan Shabangu, attended the event.

A total of 6 500 miners (from Gold Fields, Harmony and Anglo Gold Ashanti) and community members attended the event where the main focus was testing for TB and HIV and AIDS. In his keynote address, the Deputy President urged the industry to consider implementing the following:

1. Gene Xpert to strengthen active case finding.
2. Annual TB screening and HIV testing of all employees.
3. Extending access to mine hospital services to surrounding communities.
4. Conversion of medical facilities in mines to multidrug-resistance TB (MDR-TB) wards.

"Collaboration with the Department of Health (DOH) has improved as has the relationship between the Chamber and national, provincial and district offices of the DOH. Two initiatives on which the Chamber and the DOH collaborated were the SADC Declaration on HIV in the Mining Industry and World TB Day."

“Employers continue to participate in the tripartite Mine Health and Safety Council (MHSC), with four members drawn from the Chamber and one from the South African Mining Development Agency (SAMDA). The main task of the Council is to advise the Minister of Mineral Resources on occupational health and safety legislation and on research outcomes aimed at improving and promoting occupational health and safety in South African mines.”

The Mining Industry TB and HIV Advisory Committee (MITHAC) under the MHSC is exploring the feasibility of these suggestions.

MHSC

MHSC summits

Employers continue to participate in the tripartite Mine Health and Safety Council (MHSC), with four members drawn from the Chamber and one from the

South African Mining Development Agency (SAMDA). The main task of the Council is to advise the minister of Mineral Resources on occupational health and safety legislation and on research outcomes aimed at improving and promoting occupational health and safety in South African mines.

In November 2011, the Council held its health and safety summit in conjunction with the TB, HIV and AIDS summit. The last health and safety summit was held in 2008 while the last HIV and AIDS summit was in 2006.

The outcomes of the health and safety summit are recorded in a report of the safety department of the Chamber. The report focusses on the outcomes of the TB, HIV and AIDS summit.

Following a review of the status of TB and HIV and AIDS, stakeholders, including the Chamber, agreed on a set of commitments to improve and eradicate HIV and AIDS, TB and silicosis in the mining industry. Some of the commitments are:

1. Explore policy options to reduce the negative impact of migration on mine workers.
2. Ensure that the renewal and issuing of new mining licences are subject to applicants incorporating



Pictured: Deputy President Kgalema Motlanthe in centre, Minister of Health, Aaron Motsoaledi on left, and Deputy Chair of SANAC, Mr Mark Heywood on right.

strategic and operational plans on HIV and AIDS and TB.

3. Promote access to prevention services for TB and HIV to surrounding communities.
4. Implement a referral system to ensure access to continued treatment beyond employment (nationally and across borders).
5. Establish a national repository on employee health information that will be available to all relevant and approved authorities, including the ministries of health and labour in SADC.

The MHSC, through the Mining Industry TB and HIV and AIDS Committee (MITHAC), is monitoring the implementation of these summit commitments.

Guidelines and research approved by MHSC

In the past year, the MHSC approved the guideline on the compilation of a mandatory Code of Practice (COP) for an occupational health programme for noise. This was a tripartite effort and is meant to improve the management of noise in the workplace.

Two health related research projects were approved by the MHSC, one on thermal stress awareness and another on noise induced hearing loss and silicosis prevention audit tools for use in all commodities in the South African mining industry. Both are available from the MHSC as a board game on thermal stress and as an audit tool.

“In the past year, the MHSC approved the Guideline on the Compilation of a Mandatory Code of Practice (COP) for an occupational health programme for Noise. This was a tripartite effort and is meant to improve the management of noise at the workplace.”

Compensation

The industry continues to function under two statutes for compensation of occupational injuries and disease. The Occupational Diseases in Mines and Works Act, No.78 of 1973, amended (ODMWA), governs compensation for occupational lung diseases. Occupational injuries are compensated for under the Compensation for Occupational Injuries and Diseases Act, no 130 of 1993 (COIDA).

Amendments to ODMWA were mooted through the tripartite Advisory Committee on ODMWA, but since January 2012 there has been little movement from the Compensation Commissioner to take forward discussions on the amendments.

Amendments to COIDA are also at an early stage of discussion, with a proposed chapter on rehabilitation, re-integration and return to work of workers with occupational diseases and injuries. Discussions on these amendments will be tabled through the Compensation Board, BUSA and NEDLAC.

Ex-Mineworker project

As one of its objectives, this project aims to establish ten benefit examination sites, each funded for two years. Other elements of the project are socio-economic projects in areas surrounding each site, and support to the administration of the Department of Health's Medical Bureau for Occupational Diseases (MBOD and Compensation Commissioner for Occupational Lung Diseases (CCOD).

Following the establishment of the Nongoma site in 2008, Mthatha and Butterworth were identified as sites in 2010. The Mthatha site is functional, but sees ex-miners only once a week due to staffing constraints (radiographers) while the Butterworth site has not been completed.

The Free State and North West provinces were supported in 2011 and these provinces have a different model that supports four existing sites in each province. Equipment and other support has been provided and both provinces will be assessed on the increase in number of ex-miners.

An evaluation of the Nongoma site and the flow of submissions through the Department of Health is underway and will inform improvements or adjustments to the delivery model used by the project.

05 LABOUR POLICY & COMMUNITY DEVELOPMENT

The Chamber's Industrial Relations Service (IRS) had three key mining-related focus areas in 2012, namely, the implementation of the gold and coal wage agreements that were concluded in 2011, the establishment of a bargaining council for the mining industry, and community development. It also dealt with several broader issues such as the amendments to labour legislation and the Broad-Based Black Economic Empowerment Act.

Implementation of the 2011 wage agreements in gold and coal

The Chamber conducts wage negotiations on behalf of its members in the gold and coal mining industries. In respect of gold, the Chamber in 2011 negotiated on behalf of AngloGold Ashanti, Gold Fields, Harmony and Rand Uranium. The coal companies represented by the Chamber were Anglo American Thermal Coal, Delmas Coal, Exxaro Coal Mpumalanga, Kangra Coal, Optimum Coal and Xstrata Coal SA. The three unions that are party to the wage agreements are the NUM, UASA – The Union, and Solidarity.

The agreements concluded in 2011 were two-year agreements so the next round of negotiations will only take place in 2013.

Implementation of the 2011 Gold Wage Agreement

Last year, employers and recognised unions in the gold mining industry agreed, as part of the 2011 wage agreement, to co-design new working arrangements aimed at more effective use of assets, in response to falling production levels.

The NUM, Solidarity, UASA-The Union, and the Chamber of Mines established a task team that has met several times this year with an independent facilitator. The parties are exploring a range of measures aimed at extracting ore in more viable ways to benefit the employees, the gold mining industry and the country. They are also committed to ensuring that asset optimisation measures do not compromise safety or

working conditions. The task team will also examine global best practice in this regard.

Both the Chamber and the unions see the framework agreement as a significant breakthrough that has the potential to improve the sustainability of the gold mining industry in South Africa.

A task team established under the auspices of the Chamber, is considering appropriate entry levels for the gold industry. There has been promising and positive engagement on this issue and a process to take the matter further has been agreed upon.

In the 2011 round of negotiations, considerable prominence was given to the issue of youth development. IRS is currently gathering information on the companies' youth development strategies. Once collated, this information will be presented to the unions.

During the year under review attention has also been given to:

"The Chamber's Industrial Relations Service (IRS) had three key mining-related focus areas in 2012, namely, the implementation of the gold and coal wage agreements that were concluded in 2011, the establishment of a bargaining council for the mining industry, and community development."

LABOUR POLICY & COMMUNITY DEVELOPMENT 05



- Strengthening the company or mine level forums that deal with issues of women in mining.
- Improving employment protection in the case of going-concern transactions.
- Containing medical costs.
- Encouraging home ownership amongst employees.
- The MQA's bursary schemes.
- Death benefit compensation.
- Employment protection for going-concern transactions.
- Home ownership.

2011 Coal wage negotiations

Joint consideration by the Chamber and the unions has taken place on the subject of the recognition of prior learning. Engagement has also taken place with the Mining Qualifications Authority (MQA). It has been agreed that the parties will consider whether the MQA should be requested to undertake any additional work in this area and, if so, to decide how this work can be monitored to ensure effective implementation. The work of the task team is on-going.

The following issues has also been taken under consideration:

Implementation of previous wage agreements

Museums and monuments

The discussions regarding the establishment of a mining museum and the design for a mining monument that will be erected in the mining towns around the country have been on-going for some time. During the 2011 wage negotiations, the parties reaffirmed their commitment to this process and undertook to work together to ensure that the envisaged virtual mining museum that will be placed on the internet is operational before the end of the year and that the first phase of the actual museum project will be completed by the third quarter of 2012.

“During the latter part of 2011 all the parties agreed that the artist Andile Maswangelwa should be commissioned to produce the first mining monument. The unions felt very strongly that the monument should be a lifelike depiction of a miner and not an abstract representation of the mining industry. The artist was commissioned with this brief and the first monument has been completed.”

During the latter part of 2011 all the parties agreed that the artist Andile Maswangelwa should be commissioned to produce the first mining monument. The unions felt very strongly that the monument should be a lifelike depiction of a miner and not an abstract representation of the mining industry. The artist was commissioned with this brief and the first monument has been completed. This is a twice life size depiction of a driller. Attention is now being given to identifying a site where the monument will be erected. Once this site has been identified there will be an unveiling ceremony attended by representatives of the companies and the unions.

Personal protective equipment for women

In the 2009 wage agreements in both gold and coal, it was agreed to refer the matter of protective clothing for women working underground to a task team (the original NUM demand had related to the provision of underwear for women). A task team was established and met on a number of occasions. However, the task team could not reach agreement as to whether underwear for female underground employees could be classified as Personal Protective Equipment (PPE). It was agreed, therefore, that the Chamber and the unions would submit a joint request to the MHSC for research on this subject. The MHSC agreed to this request, but broadened the scope of the research to include all PPE for women in the mining industry.

The main recommendations stemming from the research are as follows:

- A recommendation to set minimum standards for providing undergarments for women workers.
- A requirement to set minimum standards for compliance with the provision of PPE for women in mining to be developed as a primary output.
- A recommendation that since the industry does not currently design PPE for women in mining, an additional study to facilitate the design of such PPE could be beneficial.

The MHSC has released its final research report on the



study into PPE for women in the South African mining industry. The research was undertaken by Professor Lindiwe Zungu of UNISA. The report will be the subject of discussion at a MHSC workshop on a date still to be determined.

Chamber of Mines strategic plan

During 2012 the Chamber's Council approved a new strategic plan for the organisation. The main theme underpinning the strategic plan is the need for the mining industry to play a bigger role in contributing to South Africa's future. Given this, the Chamber's "slogan" has been changed from "serving the mining industry since 1889" to "Putting South Africa First".

The industrial relations and community development department has been assigned the responsibility to deal with the following:

- Restoring human dignity and the upliftment of mine employees.
- Accommodation.
- The appointment of black people at executive level.
- Youth development.
- Assisting local municipalities to deliver basic services.
- Implementation of wage agreements.
- The establishment of a bargaining council.
- Implementation of the framework agreement on the optimisation of mining assets.
- Advocacy at BUSA and NEDLAC.

"The process of finalising the constitution for the bargaining council for the mining industry is well advanced. The last significant matter that needs to be resolved is the recognition criteria for unions to become party to the bargaining council."

Bargaining council

The process of finalising the constitution for the bargaining council for the mining industry is well advanced. The last significant matter that needs to be resolved is the recognition criteria for unions to become part of the bargaining council. Initially, the NUM, Solidarity and UASA-The Union, will all be founding members of the bargaining council in respect of gold and coal for an agreed period. On expiry of the sunset clause, however, these unions will have to meet the constitutional criteria and give proof of their representativeness in the various commodities.

At first, the bargaining council will comprise three sub-councils for gold, coal and mining contracting companies that will conduct separate negotiations on salaries and conditions of employment. It is the intention, however, that further sub-councils will be established for the other commodities over time.

Once the constitution for the bargaining council has been finalised, the Chamber and the unions will jointly request the minister to establish the bargaining council and the legal process as stipulated in the Labour Relations Act will begin.

A further issue that needs to be addressed regarding the bargaining council, is the apparent overlaps between the Chamber contractor members' definition of mining contracting, and the civil engineering industry's concept of a bargaining council for the civil engineering industry. A joint objection to the proposed scope of the civil engineering bargaining council was submitted to the Department of Labour by the Chamber and the unions. The Department referred the matter to the NEDLAC Demarcation Committee for a ruling.

Community development

Collaborative efforts between the Chamber's coal member companies gained momentum during 2012, following a decision by the Chamber's Collieries Committee to establish a Coal Producers Community Development Forum to support the Chamber's vision of "Putting South Africa First". This Forum is aimed at coordinating the efforts of member companies in implementing corporate social investment and local economic development programmes in host communities and labour sending areas.

Terms of reference for the Forum are currently under consideration and it is envisaged that these will be finalised soon. The Forum is looking at potential

“Each year a number of meetings are scheduled to bring together the principals from the NUM and the Chamber. The intention is to discuss topical issues and also to allow the parties to build a sustainable and on-going relationship. It is felt that there should be more frequent and open engagement on issues that affect the mining industry as a collective.”

strategic partnerships with other organisations and institutions outside the mining industry with a view to deriving maximum impact and benefit for communities.

Interaction between the Chamber and NUM principals

Each year a number of meetings are scheduled to bring together the principals from the NUM and the Chamber. The intention is to discuss topical issues and also to allow the parties to build a sustainable and on-going relationship. It is felt that there should be more frequent and open engagement on issues that affect the mining industry as a collective. Further, the parties need a different content to their engagements, and also a different mindset. The mining industry faces many

challenges. Overcoming such challenges will stand a greater chance of success if the parties work together on collective solutions.

Amendments to labour legislation

IRS has been involved in the formulation of the BUSA positions on the amendments to South Africa's existing labour legislation and on the new Employment Services Bill. It has also been an active participant in the NEDLAC negotiations on the proposed amendments, with the Senior Executive: Employee Relations, serving as the chief negotiator in respect of the negotiations on the collective bargaining provisions in the Labour Relations Amendment Bill.

Labour Relations Amendment Bill and Basic Conditions of Employment Amendment Bill

The Labour Relations Amendment Bill and the Basic Conditions of Employment Amendment Bill are currently before Parliament. BUSA has submitted written comments on both bills to the Portfolio Committee on Labour.

BUSA has identified, in both bills, areas of significant concern, which were raised during the negotiations at the NEDLAC, but remain unresolved. In respect of these proposals, there are extensive areas of disagreement between the social partners, and BUSA is of the view that their impact on job creation, business and the economy has apparently, to-date, been largely ignored by the sponsors and supporters of the bills.

BUSA has called for a regulatory impact assessment



(RIA) to be conducted before the bills are approved, an approach that is endorsed by the Chamber. In 2010, the bills were assessed against an initial RIA, and many high impact areas that were not originally covered in the 2010 bills appear in the bills currently before parliament but have not yet been assessed.

BUSA has expressed the view that the proposals contained in the two bills will:

- Inevitably result in work concentrating among fewer people.
- Make the law more complex – harder to understand for employers, workers and for the inspectorate to enforce.
- Create significant burdens for the CCMA and labour courts.
- Result in fundamental restructuring in employment.
- Create excessive administration and punitive outcomes for business – resulting in risk and uncertainty, contrary to the requirements of sustainable enterprises, both small and large – particularly in the current economic climate.

In its submission, BUSA highlighted three specific areas of concern, all of which it believes will result in job losses and increase the cost of employment. Firstly, BUSA cautions against the provisions that seek to provide atypical employees – who have been engaged for longer than six months and who earn less than R183 000 per annum – with the same pay, benefits and general treatment as permanent workers. BUSA has argued that atypical labour has a legitimate place in the

labour market and that atypical positions are important gateways to full-time or permanent employment. Secondly, BUSA deals with the amendment that accords the minister the power to provide increases in sectoral determinations on actual rates of pay, as opposed to minimum rates of pay as is currently the case. BUSA points out that this amendment was not subject to investigation in the 2010 RIA. It has called for this provision to be subject to a comprehensive RIA to determine the extent to which its proposed benefits can be expected to materialise, and whether the costs imposed on the economy can be justified. Thirdly, BUSA comments on the amendments that extend the rights of minority unions, provisions that were also not included in the 2010 RIA. BUSA argues that these provisions will weaken collective bargaining and have the potential to generate conflict not only between business and labour, but also between different unions.

BUSA also deals with the following issues in respect of which it has serious concerns:

- The extension of minority agreements to non-parties.
- Limitations and risks on restructuring and retrenchment.
- Picketing rules applying to third parties.
- Non-standard employment time periods and temporary employment services' deeming provisions.
- Prohibited conduct.
- Sectoral determinations to set thresholds for organisational rights.
- Compliance and enforcement.

BUSA recently commissioned Chris Darroll, Chief Executive of the SBP, and Professor Neil Rankin of the University of the Witwatersrand to conduct an independent economic impact analysis on selected areas of the draft bills. The researchers found that the amendments will place a burden on the business community for uncertain benefits, and will have a particularly negative impact on small business. They also find that the amendments will fail to move South Africa closer to the path of job creating growth and, on the contrary, will result in a significant loss of jobs and a constriction of the business environment. The impact analysis report was annexed to BUSA's submission to Parliament.

"IRS has been involved in the formulation of the BUSA positions on the amendments to South Africa's existing labour legislation and on the new Employment Services Bill. It has also been an active participant in the NEDLAC negotiations on the proposed amendments, with the Senior Executive: Employee Relations."

“The Chamber was involved in formulating BUSA’s positions on the B-BBEE Amendment Bill, and participated in the NEDLAC negotiations on the proposed amendments.”

Employment Services Bill & Employment Equity Amendment Act

The NEDLAC negotiations on the Employment Services Bill and Government’s proposed amendments to the Employment Equity Act have been concluded. The legal drafters are currently finalising the bills for sign-off by the NEDLAC parties, whereafter the bills and the NEDLAC report on these bills will be sent to Cabinet.

Originally, section 8 of the Employment Services Bill focused only on the employment of foreign workers who have skills that cannot be sourced in South Africa. The section as it read then, did not make provision for the employment of unskilled foreign workers in terms

of international treaties between South Africa and a number of the SADC countries. The Department of Labour has amended the Bill and it now acknowledges the regulation of the employment of unskilled foreign workers by the Department of Home Affairs in terms of the Immigration Act and international treaties.

Negotiations were completed during the first week of July on the Employment Equity Amendment Bill and the parties reached agreement on most issues with the exception of the issues of compliance and enforcement (sections 36-40, including sections 20 and 21 as direct referrals to the Labour Court) and the usage of annual turnover as the basis for the calculation of fines in respect of some offences. However, business did manage to persuade the Department of Labour to limit fines based on turnover to only a number of offences and the Labour Court will have to consider any reasonable grounds raised by the employer for non-compliance.

Broad-Based Black Economic Empowerment (B-BBEE) Amendment Bill

The Chamber was involved in formulating BUSA’s positions on the B-BBEE Amendment Bill, and participated in the NEDLAC negotiations on the proposed amendments. The Chamber’s major concern with the proposed amendments relates to the so-called trumping provision contained in clause 3 of the Amendment Bill.



In terms of the trumping provision in the B-BBEE Amendment Bill, the B-BBEE Act and its codes would trump any transformation provisions in the MPRDA and the Mining Charter where those differ from provisions in the B-BBEE Act and its codes. This could impact on existing ownership transactions concluded in terms of the Mining Charter and accepted by the DMR as a basis for a mining right. It would be unfair and damaging to investor sentiment retrospectively to require a different basis (i.e. the terms of the relevant code of the B-BBEE Act) for acceptance. The revised Mining Charter has a target date of 2014, at which time it is commonly understood that the DMR, Chamber and all other stakeholders will reassess transformational progress made and determine what needs to be put in place to achieve the ultimate objective of sustainable and real transformation.

The Chamber's position on the trumping provision is that it should not apply to the mining industry, as the industry already has a transformation charter (Mining Charter) which was recently reviewed.

The Chamber sought meetings with the DMR, and the Department of Trade and Industry (dti) in order to articulate the industry's concern in this regard. The NEDLAC negotiations have been concluded and the NEDLAC report is due to be finalised. The Chamber will continue to engage with key stakeholders to seek a solution acceptable to all the parties.

Other interaction

Business Unity South Africa (BUSA) & NEDLAC

IRS has continued to be involved in both the BUSA and NEDLAC structures. Dr Elize Strydom chairs

the BUSA Standing Committee on Social Policy and serves on its Management Committee. Mr Phillemon Motlhamme serves on the BUSA Standing Committee on Transformation and Ms Corinna Gardner is one of the employer representatives on the NEDLAC Labour Market Chamber, and also a Chamber representative on the BUSA Standing Committee on Social Policy.

Judicial Services Commission

In terms of the Labour Relations Act, NEDLAC, together with the Judicial Services Commission, makes recommendations regarding the appointment of judges to the labour courts. Each of the social partners is represented by a single representative. The business representative is Dr Elize Strydom, the Chamber's Senior Executive: Employee Relations.

TEBA Development

Dr Strydom also serves on the board of TEBA Development. Since IRS is charged with community development as one of its main focus areas, it is important that there be linkages with TEBA Development.

Assistance to Chamber members

In addition to providing a collective bargaining service, the Chamber's IRS produces a quarterly *Labour Policy Digest* which provides information on topical labour policy issues. The IRS also makes its members aware of new policy and legislative developments in the industrial relations arena. It develops, and mandates, industry positions on these issues that are fed into national debates, either directly on behalf of the mining industry or through BUSA on behalf of employers collectively.

The Chamber's Labour Policy Committee, and its specialist task teams, are administered by IRS. These structures provide forums for industrial relations practitioners in the mining industry to meet, share information and develop policies that will improve the environment in which the mining industry operates.

First female senior executive at the Chamber of Mines

Dr Elize Strydom, formerly the Chamber's Industrial Relations Adviser, has been promoted to the position of Senior Executive: Employee Relations. She is the first woman to be appointed to such a senior position in the history of the Chamber of Mines. Dr Strydom has assumed responsibility for the industrial relations and legal departments.

"In addition to providing a collective bargaining service, the Chamber's IRS produces a quarterly *Labour Policy Digest* which provides information on topical labour policy issues. The IRS also makes its members aware of new policy and legislative developments in the industrial relations arena."

06 THE LEARNING HUB

The Learning Hub is tasked to encourage mining companies to learn from the pockets of excellence that exist within the mining industry. This is achieved through a MOSH Leading Practice Adoption System which involves identifying, documenting, (and demonstrating, where necessary) and facilitating widespread adoption of leading practices with the greatest potential to reduce the major risks in health and safety. This work was undertaken by adoption teams in areas of dust, noise, falls of ground and transport and machinery, with assistance from the Learning Hub secretariat and the involvement of the mining industry. This report is structured to review performance in terms of successes and challenges at three levels, namely leading practice adoption, secretariat, and industry involvement.

Leading practice adoption

Adoption teams are responsible for identifying leading practices and facilitating their widespread adoption by the mines where they are applicable. During the reporting period the focus was on the following leading practices and processes:

Noise

Hearing Protection Device, Training and Awareness Tool (HPDTAS Tool) is meant to enable occupational hygienists to select the correct HPD per occupation based on noise exposures. The tool includes noise and frequency measurements on all occupations in the mining industry and all available HPDs locally, and it gives a clear indication whether the HPD is fit for purpose. On the other hand, the training and awareness material includes two DVDs, training manuals for trainers and comic strip booklets available in four official languages (English, Xhosa, Sotho and Zulu). The DVDs cover various aspects – an explanation on the effects of noise, compensation issues, hearing protection devices and their usage, and care and maintenance. Various interactive platforms were used to engage with mining houses and other key stakeholders, such as the Engineering, Procurement and Construction Management (EPCMs) and Original

Equipment Manufacturers (OEMs). As a result, unions and senior occupational health personnel representing sixteen mining houses, were exposed to the importance of this leading practice. This led to the training of one hundred and thirty health and safety representatives.

High level consensus has been reached with the industry to implement an effective and better aligned application of noise related leading practices. This renewed focus puts more emphasis on the elimination of noise sources and the implementation of world-class policies.

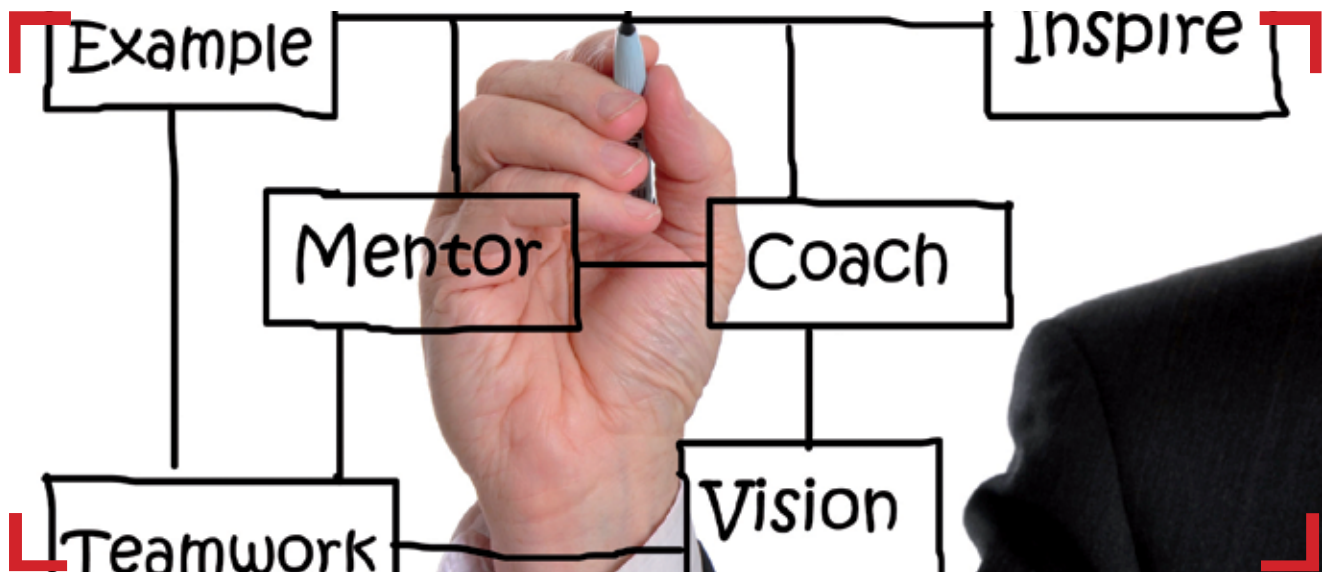
Some of the challenges experienced in this area include low adoption rate, absence of an industry adoption team, and sharing attention with other safety and occupational health challenges such as TB & HIV/AIDS, dust, fatigue and falls of ground.

Dust

There was a low rate of adoption of the footwall and sidewall treatment as a simple leading practice, and of the previous leading practice, the foggers systems/

“High level consensus has been reached with the industry to implement an effective and better aligned application of noise related leading practices. This renewed focus puts more emphasis on the elimination of noise sources and the implementation of world-class policies.”

THE LEARNING HUB 06



mist sprays, as evidenced by the discontinuation of the interactive platforms of interest group and community of practice for adoption, used to facilitate widespread adoption.

An industry-wide dust workshop was held during the second half of the reporting period, to review the potential leading practices which were identified in 2008. Five priority leading practices were identified: Tip multi-filtration system at Harmony Gold's Phakisa mine, In-stope and water blast at AngloGold Ashanti's Kopanang mine, Scraper winch cover at Gold Fields' Beatrix mine, administration system at Xstrata Alloy's Rietvlei, and Continuous miner fogger system at Sasol Mining.

The recent formation of a representative industry adoption team was a critical milestone, as this is crucial to the success of the adoption of dust related leading practices. A new leading practice – quantitative assessment on fixed point sampling, that provides understanding and pro-activeness in dust control management – was initiated. This is considered a primary practice as it will enable management to

proactively manage dust at source. The new leading practice is the result of a combination of Mine Health and Safety Council's SIMRAC research 030603 Track B – Environmental and Engineering controls, and AngloGold Ashanti's Kopanang mine. A dust expert model is being developed which indicates that dust control requires a multi-faceted and multi-disciplinary approach.

The challenges in this area include the slow pace and progress of adoption, difficulty in finding effective practices, and difficulty in convincing role players that occupational lung diseases should be on a par with safety.

Falls of ground

Over 6 500 crews from 65 mines have been trained on Diligent Entry Examination and Making Safe, which concerns the use and installation of nets with bolts in mines with narrow tabular ore bodies. The demonstration project was completed at Harmony Gold's Kusaalethu mine and introduced to the industry in early February 2012. Subsequently, a community of practice for adoption (COPA) was established with

“The transport and machinery adoption team was accepted as a permanent member of the Consulting Mechanical and Electrical Engineers (CM&EE) Committee, thus creating an opportunity for a unified understanding on most transport and machinery issues.”

the participation of 23 mines. Having piloted Trigger Action Response Plan (TARP) at Xstrata Alloys Kroondal Chrome mine, this leading practice was demonstrated at Harmony Gold's Joel mine in preparation for its promotion to the industry in July 2012. A site visit was made to Kroondal chrome mine to view and assess the Trigger Action Response Plan for rock related hazards in practice in the underground workings of the mine. TauTona mine was also visited to view the call centre where control over safe declaration and related hazardous situations are being actively reported and monitored on a seven-day and 24-hour basis. Of interest, too, was a virtual reality computer graphics company where e-learning material and virtual reality programmes are generated to augment rock related hazard identification programmes.

Transport and machinery

The demonstration of the Proximity Detection Systems commenced at BECSA's Khutala Colliery. The

demonstration project was delayed due to a number of challenges that provided valuable lessons for the future widespread adoption of the leading practice. Some of the difficulties experienced were late delivery of materials, lack of continuity or consistency in membership and leadership of the mine adoption project team, little involvement from human resources professionals and organisational change teams, complications arising from technology “tweaking” or customisation, machinery related fatality and unfavourable mining ground conditions such as a dyke. A majority of mines chose implementation rather than adoption, which led to increasing misalignment, misinformation, inability to differentiate the leading practice from research and development activities, and confusion about what the Proximity Detection System leading practice is. To this end, a day of learning for the hard rock sector was held in May 2012 to determine the extent of implementation, share experiences and develop short term plans for the adoption of Proximity Detection Systems.

Additional interactive sessions were held with principal inspectors, heads of engineering and other key role players in the engineering and related fields. It was encouraging to see the significant progress made at Anglo American Platinum's Tumela mine, which is the source mine for the hard rock rail bound equipment. A discussion platform was created for the industry to engage on topical issues and discuss challenges and solutions for mud rush chute. The transport and machinery adoption team was accepted as a permanent member of the Consulting Mechanical and Electrical Engineers (CM&EE) Committee, thus creating an opportunity for a unified understanding on most transport and machinery issues.



Some of the challenges experienced during this reporting period include the delayed demonstration project, inadequate understanding by most members of the engineering fraternity of the MOSH initiative and fundamental process and poor integration of MOSH leading practices into most individual mining company initiatives relating to health and safety.

Secretariat

This is a review of the strategic secretariat and operational support provided to the adoption teams in leading the change to zero harm.

Monitoring and evaluation

An independent evaluation study of the MOSH system was completed and was followed by a strategic planning workshop that dealt with the observations and/or recommendations made by the study. The outcomes of the study indicated that:

- MOSH has succeeded in breaking down the traditional hierarchical and inter-company barriers which were identified as key obstacles to safety improvement efforts.
- It has helped to dramatically raise the profile and awareness of occupational health and safety issues in the industry.
- It entails practical work – it is not just a paper-based exercise – it is founded on sound principles.
- There is a need to clarify the strategy and objectives of the MOSH adoption system in order to avoid differences in expectations among stakeholders and role players.
- The MOSH adoption process should be shortened.

- The communication and stakeholder engagement process ought to be strengthened.
- A comprehensive industry wide direct enquiry on health and safety beliefs is necessary.
- MOSH tools should be simplified.

The second annual review workshop was held in early February 2012 and was attended by 52 industry participants. Its purpose was to consolidate the responses to the recommendations made in the independent evaluation study report and confirm the strategies for the future that were developed during the strategic planning session held in November 2011.

A process to redesign and reposition the MOSH portal and/or website as an essential and user-friendly communication channel has started with the development of detailed functional specifications.

Monitoring and evaluation is an important management tool. To this end, a monitoring and evaluation framework is in the process of being developed to track the quality of key performance areas and key performance indicators at input, output and outcome levels.

Behaviour change

Among behaviour change activities have been the implementation of behavioural plans as part of the respective leading practice adoption processes of the various adoption teams such as transport & machinery's demonstration project at Khutala Colliery, Falls of Ground's Community of Practice for Adoption meetings for Nets with Bolts and Trigger Action Response Plan, facilitation of workshops for the dust adoption team and involvement in the planning for the source and demonstration phases of the quantitative assessment on fixed point sampling. Strategically, this relates to building an industry-wide capacity to use the mental model methodology of behaviour change. The almost total absence of human resources practitioners' involvement in the MOSH processes contributes to the lack of capacity and understanding of mental modeling methodology. To address this problem, a workshop was held for senior HR representatives to involve this group more in the MOSH adoption processes.

Some of the challenges in this area are that behavioural plans are not properly implemented by line managers and technical people on the mines, the unavailability of a suitable quantitative measurement tool to measure behavior change both before and after adoption, and lack of HR involvement in the MOSH activities.

Governance structures

The role of the MOSH Task Force has been redefined to

"The role of the MOSH Task Force has been redefined to focus solely on Learning Hub issues and its membership has been reviewed to strengthen it and ensure the right level of seniority and credibility of representatives."

“A Memorandum of Understanding (MOU) was initiated as part of the outcomes of the health and safety summit to strengthen the working relationships between the Learning Hub and the Mine Health and Safety Council. Both the Chamber Council and the MHSC Board have approved the MOU.”

focus solely on Learning Hub issues and its membership has been reviewed to strengthen it and ensure the right level of seniority and credibility of representatives. The frequency of meetings has been increased from quarterly to bi-monthly. The tripartite Learning Hub Advisory Committee is fully functional and represents all stakeholders (organised labour, Government, employers and independent health and safety experts). Each adoption team continues to hold meetings with the respective adoption team sponsors, who are strategically placed as members of the Chamber Council. The formation of a sponsors' forum to create leadership alignment is still a priority. Three of the potential four industry adoption teams are fully functional.

Resourcing and capacity

Ideally, secondments are key to the operational success of the MOSH initiative and its success is dependent on the commitment of mining companies to provide support and resources to the Learning Hub. Due to instability created by the short two-year secondment period and the long lead time it takes to secure a secondment, a longer period of up to five years was approved that is also supported by the flexibility to use other parallel resourcing options such as retirees and external consultants. All new people that have joined the Learning Hub during this reporting period have gone through a comprehensive training and capacity building programme on both the technical MOSH adoption system and the soft skills. The vacancy rate within both Learning Hub secretariat and adoption teams is 20% and 25%.

The area of concern is dust, transport and machinery. A process is underway involving industry HR practitioners to recruit MOSH trainees for future talent pipeline. However, it is foreseen that the current cost pressures experienced by the platinum and other mining sectors will have a potentially negative impact on the implementation of the Learning Hub programme.

Partnerships

A Memorandum of Understanding (MOU) was initiated as part of the outcomes of the health and safety summit to strengthen the working relationships between the Learning Hub and the Mine Health and Safety Council. Both the Chamber Council and the MHSC board have approved the MOU.



Mining Charter reporting guidance

As part of the process to improve the quality of Mining Charter reporting on health and safety, leading practice investigation tools were developed and published for use by mining companies in the areas of proximity detection systems, footwall and sidewall treatment, nets with bolts, hearing protection device selection tools, and training and awareness.

Industry involvement and participation

Various interactive platforms, such as regional tripartite forums, technical committees, Mining Professional Associations' events, company or mine visits, conferences, presentations, meetings and workshops were used as avenues for strategic communication, stakeholder engagement and to raise awareness and create greater visibility around the different Learning Hub initiatives.

Mosh events & meetings attendance

The MOSH initiative is 'for industry, by industry'. To this end, attendance and participation in MOSH events and meetings by people of suitable levels of seniority and credibility, is of paramount importance and reflects the extent of industry ownership of the MOSH initiative. A total of eight MOSH events were held and attended by close to 423 industry representatives. Furthermore, the Learning Hub actively participated in seven exhibitions, namely: MineSafe2011, SACEPA 2012, CoalSafe 2012, MTE Gold Fields, MTE Lonmin, MTE Witbank, MMPA 2012. On average, attendance at MOSH industry team and related meetings was 53%. Despite these figures, the challenge, in most cases, is that people attending

Table 1: Number of delegates per MOSH event

ITEM	ORGANISING UNIT	NATURE OF INDUS-TRY EVENT	DATE HELD	NUMBER OF DELEGATES
1	Monitoring & Evaluation	The second annual MOSH review workshop.	February 2012	52
2	Transport and Machinery	Day of Learning for Proximity Detection Systems in Hard Rock Sector	May 2012	40
3	Behaviour Change	Mud Rush Discussion Human Resources Workshop	June 2012	37
4	Falls of ground	Post Demonstration for Nets with Bolts	June 2012	59
5	Dust	Nets with Bolts Community of Practice for Adoption (COPA)	February 2012	105
6	Learning Hub Secretariat	An industry workshop to review and re-prioritise potential leading practices Strategic Planning Session	Ongoing	50
			February 2012	60
			November 2011	20
TOTAL				423

Table 1: % Attendance of meetings by industry

ITEM	NATURE OF MEETING	FREQUENCY OF MEETINGS	% ATTENDANCE
1	Transport and Machinery Industry Team	6 weekly	60
2	Dust Industry Team	Quarterly	80
3	Falls of Ground Industry Team	Monthly	40
4	Learning Hub Advisory Committee	Quarterly	47
5	MOSH Task Force	Bi-monthly	37

these events and meetings do not give feedback to their principals and other critical in-company structures, leading to misinformation and non-alignment of MOSH developments. Tables 1 and 2 above provide more detail on specific MOSH events and meetings.

07 LEGAL ISSUES

Overlap between the MPRDA and other legislation: The Macsand case

The issue of the overlap between the MPRDA and two other pieces of legislation, was dealt with in a Constitutional Court (CC) judgment in April 2012. There were two issues before the CC for consideration. The first issue was the relationship between town planning ordinances (in this case specifically the Land Use Planning Ordinance (LUPO) of the Western Cape) and the MPRDA. The CC found that while the MPRDA governs mining, LUPO regulates the use of land. Any overlap does not constitute an impermissible intrusion by one sphere of Government into the area of another because spheres of Government do not operate in sealed compartments. When there is overlap, neither sphere is intruding into the functional area of another. Each sphere is exercising power within its own competence. In this context the constitution obliges these spheres of Government to cooperate with one another in mutual trust and good faith, and to co-ordinate actions taken with one another. There is nothing in the MPRDA suggesting that LUPO will cease to apply to land upon the granting of a mining right or permit. Section 23(6) of the MPRDA provides that a mining right is subject, amongst others, to any relevant law, which phrase covers not only laws regulating mining.

The CC judgement confirms that the consent of local authorities in the Cape Province (and other provinces that have similar ordinances to the Cape) is required for mining activities, where the local land use determination (zoning) does not allow for mining, despite the company having obtained the necessary authorisation in terms of the MPRDA. It should be noted, however, that not all municipal zoning schemes are the same and, before one will know whether or not one needs to apply for rezoning for mining purposes, one will have to look at the relevant scheme to see whether or not it allows for mining to take place.

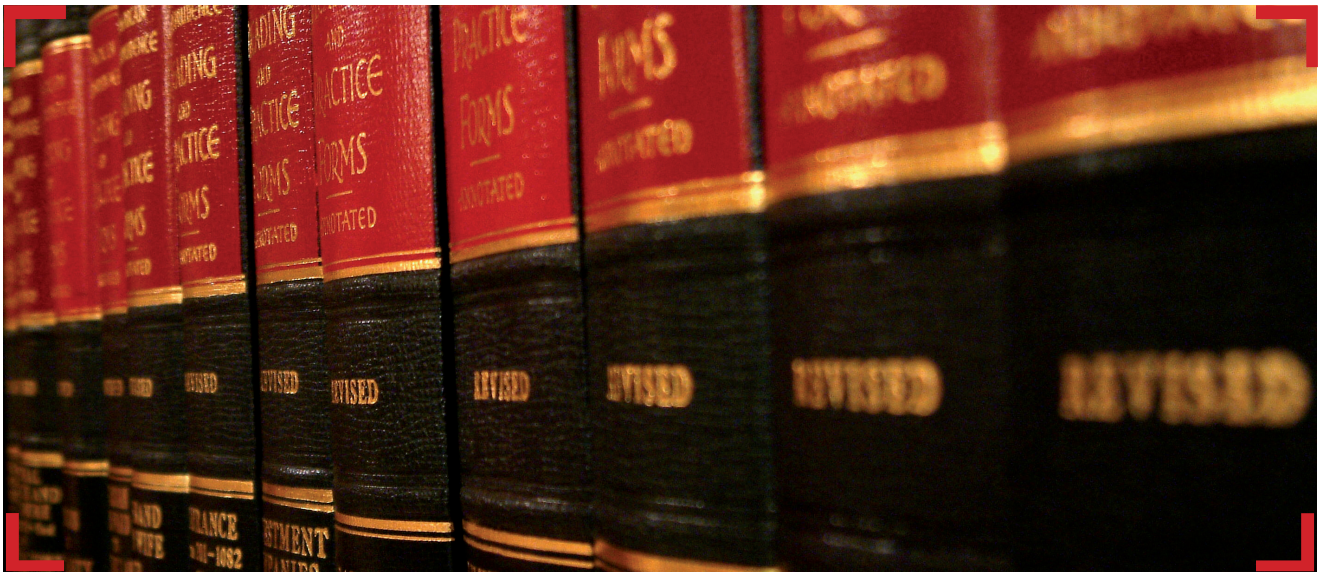
The second issue before the CC was the applicability of NEMA to mining activities. In this regard, the CC referred to section 24C(2A) of NEMA which requires that the DMR

minister must be identified as the competent authority (for granting environmental authorisations) for mining and related activities and said that in terms of that provision it is only the DMR minister who is competent to grant (environmental) authorisations in respect of these activities. The CC noted that since the repeal of the listed activities on which the Cape High Court had based its interdict, no listed activities relating to mining have been put into force.

As far as the applicability of NEMA to mining activities is concerned, the CC judgement provides very little clarity. The CC seemed to conclude that, because it is only the DMR minister who is competent to grant (environmental) authorisations (under NEMA) in respect of mining and related activities, the NEMA issue is not of great consequence. However, section 24C(2A) of NEMA is not yet operative. It will only become operative when the MPRDA Amendment Act of 2008 comes into force. Because of this provision not being operative and the very fact that activities which can also be carried out at a mine have been identified under NEMA as requiring environmental authorisation before they can be performed, the present conflict was brought to the courts to resolve. It now seems that until another court resolves the matter or the two

"The Constitutional Court found that while the MPRDA governs mining, LUPO regulates the use of land. Any overlap does not constitute an impermissible intrusion by one sphere of Government into the area of another because spheres of Government do not operate in sealed compartments."

LEGAL ISSUES 06



departments involved agree to a solution, the current uncertainty will remain. The Chamber understands that the two departments have revived discussions in this regard and may have reached some form of agreement.

Shortfall in the ODMWA Compensation Fund

In November 2010, the Chamber applied to the North Gauteng High Court for a declaratory order as to whether or not the Compensation Commissioner may include, in the levy to be paid by any specific mine under the Occupational Diseases in Mines and Works Act (ODMWA), any amount that is intended to be used for funding benefits payable to:

- Ex-mine workers who had never worked at that mine.
- Ex-mine workers who used to work at the mine, but no longer works at the mine.

In May 2011, a judgment dismissed the Chamber's application. The judge concluded that the Compensation Commissioner has authority under ODMWA to address a historical or actuarial deficit in the Compensation Fund in the manner in which he proposed to do, i.e. by increasing

the levy payable by current mines and works to cover the shortfall in respect of all ex-mine workers.

The Supreme Court of Appeal (SCA)

The Chamber appealed to the SCA and the SCA judgement was handed down on 31 May 2012. The SCA pointed out that in terms of ODMWA, the Compensation Commissioner was required to keep four accounts, i.e. the state account, the mines account, the works account and the research account. The research account is funded by a separate levy and is irrelevant for purposes of the judgement. The state account must be debited with those costs set out in the relevant section (Section 69), the mines and works accounts must be debited with the costs of payments made to persons found to be suffering from a compensatable disease contracted after the commencement of ODMWA at, or in connection with, a controlled mine or works respectively. The SCA pointed out that it did not have the full actuarial valuation, only the portions it had reflected in the valuation of the overall fund and not of the individual accounts. It was accepted by all parties (and the SCA) that mine owners and works owners may not be levied to make good a deficit in the

"At a workshop in November 2010 the DMR tabled a document with its proposed amendments to the MSHA and in December 2010 the Chamber submitted comments to the DMR on the proposed amendments. Another exchange with the DMR on proposed amendments and comments thereon took place within the MHSC in January and February 2011."

state account, nor may mine owners be levied to make good any deficit in the works account or works owners to make good any deficit in the mines account.

The SCA found that the Compensation Commissioner was entitled to classify mines as a group and determine the levy according to the category of mineral that they mined (as is currently done), and once levies have been paid to the fund the moneys may be used to pay all claims irrespective of the mine from which the claim emanates.

The SCA judgement does not mean that employers must fund the entire shortfall in the ODMWA fund. The SCA held that owners of risk mines are responsible only for the shortfall in the mines account, while owners of risk works are responsible only for the shortfall in the works account. This means that the state is responsible to fund:

1. Compensation payments to persons who worked at mines or works that had not been declared risk mines or works.

2. Any amount which is due to the commissioner by an owner of a controlled mine or controlled works which the commissioner is unable to recover from that owner.
3. Any loss in any account of the compensation fund suffered through the negligence, dishonesty or other act or omission of any person in the service of the state.

Mines currently operating are thus only liable to fund the cost of anticipated compensation of their current employees and the shortfall in respect of ex-employees of all currently operating mines, with the latter liability now having to be shared amongst all the currently operating mines.

It would appear that neither of the actuarial reports of 2003 and 2006 distinguishes between the various accounts in determining the shortfall. It follows that further actuarial valuations would have to be done to determine the shortfall in each account.

Following the SCA decision, the Chamber has written a letter to the Compensation Commissioner asking, in the light of the judgement, that a proper audit of all the accounts and an actuarial valuation of the fund and its different accounts be done.

Amendments to the Mine Health and Safety Act (MHSA)

In September 2010, the DMR held a workshop at which various stakeholders, including the Chamber, were given an opportunity to make presentations on their proposed amendments to the MHSA. At a workshop in November 2010, the DMR tabled a document with its proposed amendments to the MSHA and in December 2010 the



Chamber submitted comments to the DMR on the proposed amendments. Another exchange with the DMR on proposed amendments and comments thereon took place within the MHSC in January and February 2011. Thereafter, the industry was constantly advised that the DMR was working on the amendments.

In March 2012, it came to the Chamber's attention that the DMR was holding regional workshops on its proposed amendments to the MHSA. The Chamber obtained from the DMR its latest proposals in May 2012, and noted that there were various differences between the earlier proposals and the latest ones.

The DMR also advised the Chamber that the workshops would be held in the various regions during June and July 2012. It has also been agreed by the MHSC that the DMR would consult the MHSC on the proposed amendments after all the regional workshops. Thereafter, the DMR still has to take the proposed Amendment Bill through some internal government processes.

The Chamber is preparing comments on the DMR proposals and will be submitting these by the end of August 2012.

Shafts and winders regulations

Following an extensive process lasting several years, proposed new shafts and winders regulations were submitted to the MHSC stakeholders in 2010. After various further rounds of consultation with industry led by the Chamber, the regulations were finally approved by the MRAC in May 2012 and the MHSC in June 2012. The regulations have specifically been amended to include minimum performance standard, where appropriate. The regulations now need to be approved by the minister, whereafter they will be published in the *Government Gazette*.

"Following an extensive process lasting several years, proposed new shafts and winders regulations were submitted to the MHSC stakeholders in 2010. After various further rounds of consultation with industry led by the Chamber, the regulations were finally approved by the MRAC in May 2012 and the MHSC in June 2012."

Enforcement Guideline (Section 54 stoppages)

At a MIGDETT meeting in January 2012, concerns were raised regarding the application of the enforcement guideline (in particular, the increased issuing of Section 54 stoppages). At this meeting a task team was established to investigate the increase of Section 54 stoppages, whether these were justified or not and determine the unintended consequences of increased Section 54 stoppages. The Chamber approached its member companies for specific information on the enforcement actions to help with the investigation.

The MIGDETT principals met in July 2012 to discuss the Section 54 Task Team Report. The principals approved the recommendations in the report and recommended that an independent expert be appointed to assist with the implementation of the recommendations. It was further agreed that the MHSC had to implement the recommendations in accordance with an implementation plan and that regular feedback should be provided to the MIGDETT principals.

Restriction under the MPRDA on the granting of certain new authorisations

In a government notice published in May 2011, the DMR invited representations on a proposed imposition of a restriction under the MPRDA on the granting of new reconnaissance permissions, prospecting rights, mining rights and mining permits in respect of any land on which such rights have lapsed. The minister intended to put such lapsed rights up for tender in terms of certain provisions of the MPRDA. The Chamber submitted comments on the notice that indicated its concern that the notice did not satisfy various criteria in the applicable section of the MPRDA: that implementation of the proposed course of action would have various unintended negative consequences that the sections in the MPRDA – in terms of which the rights would be put up for auction – were unconstitutional and that the proposed course of action would give rise to various practical difficulties or uncertainties. Following a meeting with the DMR in June 2011, the Chamber submitted, at the request of the DMR, a letter summarising the Chamber's concerns and comments on the notice, as well as suggestions on how these concerns could be addressed.

In February 2012, the DMR again published a notice in the *Government Gazette* inviting stakeholders to comment on the proposed restriction. This time most of the Chamber's concerns had been addressed. The Chamber sent a letter to the DMR highlighting its remaining concerns, the most important of which related to land

“Following the introduction of the DMR’s online application system for mineral rights (the SAMRAD system) various “teething problems” were being experienced by Chamber members. Matters seemed not to be improving and in April 2012 the Chamber held a meeting with the DMR to discuss its members’ concerns.”

where an abandonment is undertaken instead of a cession of part of a prospecting right or part of a mining right to enable the proposed acquirer to lodge an application in respect of such abandoned part.

DMR’s online application system

Following the introduction of the DMR’s online application system for mineral rights (the SAMRAD system), various “teething problems” were experienced by Chamber members. Matters seemed not to be improving and in April 2012 the Chamber held a meeting with the DMR to discuss its members’ concerns.

The DMR explained the challenges that it had faced in implementing the system. Apparently the major problem had been that the time lines for implementing the various phases and functionalities of the system had been too

ambitious. The DMR had launched various internal processes aimed at improving the system in the next three to four months. An internal DMR task team had also been formed to monitor progress and was meeting twice a month. The DMR expressed the view that about 80% of the Chamber’s concerns would be addressed by the interventions and changes the DMR was busy with. The DMR was apparently busy testing an improved, simplified version of the SAMRAD system and indicated that they would invite the industry to a presentation before it was finalised. The DMR also agreed that workshops on the system could be held in the regions later in the year where both DMR regional personnel and industry representatives were present.

Spatial Planning and Land Use Management Bill, 2012

On 26 April 2012, the minister of rural development and land reform gave notice of an intention to introduce the abovementioned Bill in the National Council of Provinces. The Bill will replace existing national legislation dealing with spatial planning and land use management, particularly the Removal of Restrictions Act, The Physical Planning Act of 1967, the Physical Planning Act of 1991, and the Development Facilitation Act of 1995. The final Act will apply to the entire Republic of South Africa and will also regulate municipal and provincial planning.

In essence, the Bill envisages spatial development frameworks to be drawn up at national, provincial and municipal level in accordance with the development principles set out in the Bill. The Bill requires that the spatial development frameworks prepared by different spheres of Government must be coordinated, aligned and be in



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

Welcome to the DMR online application portal

DMR Website

Help

FAQs

Contacts

USER LOGIN

Username

Password

Login

[Create new login](#)

WELCOME TO SAMRAD ONLINE

SAMRAD ONLINE is the South African Mineral Resources Administration System where the general public can view the locality of applications, rights and permits made or held in terms of the Mineral and Petroleum Resources Development Act (Act 28 of 2002), (The MPRDA), and where applications in terms thereof can be submitted electronically.

To access these services, please register as a user, create a password in the space provided, and thereafter follow the prompts.



harmony with each other and, once adopted, inform the exercise of any discretion or any decision taken in terms of the Bill or any other law dealing with land use. Processes are prescribed for public participation in and comments on the development of all the spatial development frameworks at the three different governmental levels. The Bill requires the national spatial development framework to be reviewed at least once every five years. The Chamber's major concern with the Bill is that it does not take into account the uniqueness of the mining industry, that minerals are location bound, that mining is a national competence in terms of the constitution, and the economic and social benefits that flow from mining.

As requested, the Chamber submitted comments on the Bill to the department on 25 May 2012. The Bill was subsequently introduced into the National Council of Provinces in July 2012 and interested parties were requested to submit comments on the Bill to the National Council of Provinces by 10 August 2012. The Chamber submitted comments as requested and asked to make an oral presentation during the hearings on the Bill.

Trustees appointed to industry retirement funds

The Chamber nominates employer trustees to the boards of six mining industry retirement funds, with combined assets in excess of R77-billion. The Chamber, with the boards of trustees and administrators of the funds, continues to engage with Government, trade unions, industry forums and local communities on various matters of concern to them, including the reform of the retirement fund industry by the Department of Social Development and National Treasury.

"As co-sponsors of the fund with the NUM, the Chamber continues to be vigilant on behalf of its members in its review of rule changes and governance structures at the fund. Members of the Chamber make up the majority of participating employers in and employer contributions to this R19-billion fund."

Mines 1970's pension and provident funds

The Chamber administers the Mines 1970's pension and provident funds, which were converted to unclaimed benefits funds in 2009. With effect from 1 January 2004, the Mines 1970 Pension Fund declared a surplus distribution to members in terms of the Pension Funds Act, which is ongoing. New sets of rules were adopted for each of the funds during 2011 to reflect their unclaimed benefits status. The funds' assets are invested for growth and protection against market volatility. An investment strategy was adopted early in 2012 and the funds' investments are being rebalanced in accordance with the strategy. A new tracing agreement was entered into in 2012 and it is hoped that more beneficiaries will be traced once the transfer of the funds' database to the NMG system is completed.

Mineworkers provident fund

The fund is making good progress in addressing the backlog of claims, but more requires to be done during the forthcoming year. Self-administration has not been without its challenges, but the trustees are taking steps to address these and it is hoped that the administration functions will improve in the near future.

As co-sponsors of the fund with the NUM, the Chamber continues to be vigilant on behalf of its members in its review of rule changes and governance structures at the fund. Members of the Chamber make up the majority of participating employers in and employer contributions to this R19-billion fund.

Retirement reform

The minister of Finance in his 2012 budget speech, announced that a series of discussion papers would be released during the course of the year dealing with the reform of the retirement industry. The aim is to promote retirement savings as most South Africans do not save adequately for retirement and very few of the country's workers belong to a retirement fund.

National Treasury released the first discussion paper in May 2012, which contained an overview of the proposals announced in the budget. The Chamber Social Security Task Team submitted comments to Treasury at the end of July 2012. The Chamber broadly supports the proposals but requested that consultations be held, particularly with regard to the future of industry and company funds in light of Government's proposals regarding a mandatory statutory fund and the future of provident funds.

08 SAFETY & SUSTAINABLE DEVELOPMENT

In 2011 there were a total of 123 mine deaths in South African mine operations. This equates to a 3% reduction compared to 2010. The Chamber deeply mourns the loss of these lives and regrets the grief it causes the families left behind. The Chamber will continue to work tirelessly with other stakeholders to ensure that each mine worker returns home unharmed every day.

Safety performance

Safety performance remained unaltered at 0.12 in 2011. The industry has, however, achieved a 54% improvement over the last nine years since the 2013 health and safety targets and milestones were agreed to.

The graphs below and on the opposite page show the performance of gold and non-gold against the milestones.

Mining Charter

Mining companies experienced many challenges when they had to report on the health and safety elements of the Mining Charter for the first time in 2010.

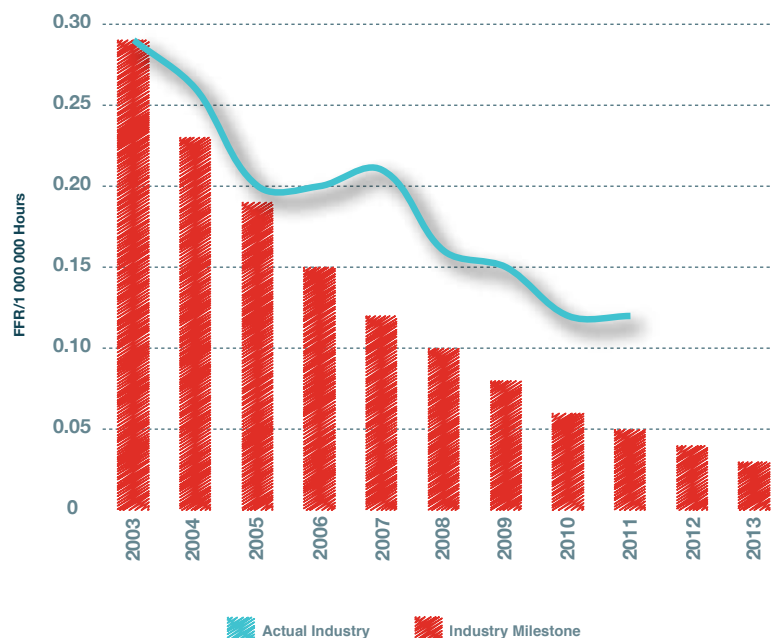
To ensure that companies understood what was expected of them on the health and safety elements of the Charter, the

Chamber further supported the industry in various ways, including:

1. Developing a guidance document to assist with the completion of the health and safety section of the Charter, and producing an addendum of supporting documentation to show stakeholders that the industry is serious about health, safety and transformation. The guidance was made accessible to all companies by posting it on the Chamber's website. The document included tools for investigating leading practices and research findings.
2. Communicating the existence of this guidance document through various forums, among them Chamber structures, structures of the Association of Mine Managers of South Africa, and those of the South African Collieries Managers' Association.
3. Establishing a help-line that companies could contact to assist with their reporting.

Companies representing 88% of the industry, as measured by number of employees, submitted their reports. Table 1 (p. 56) shows the aggregate industry results on the various health and safety Charter requirements.

Figure 1: Fatality Frequency Rate – Industry milestone vs actual



SAFETY & SUSTAINABLE DEVELOPMENT 08



Figure 2: Gold Fatality Frequency Rate vs Milestones

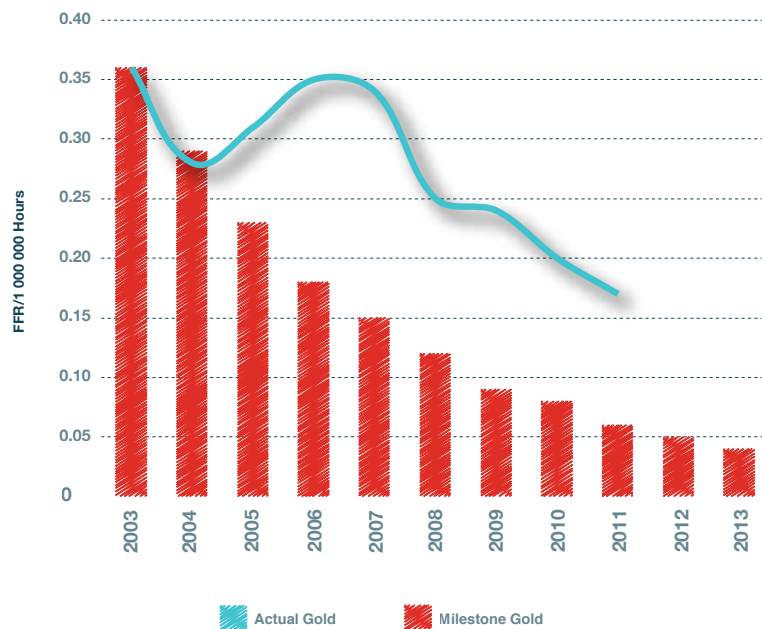


Figure 3: Non-gold Fatality Frequency Rate vs Milestones

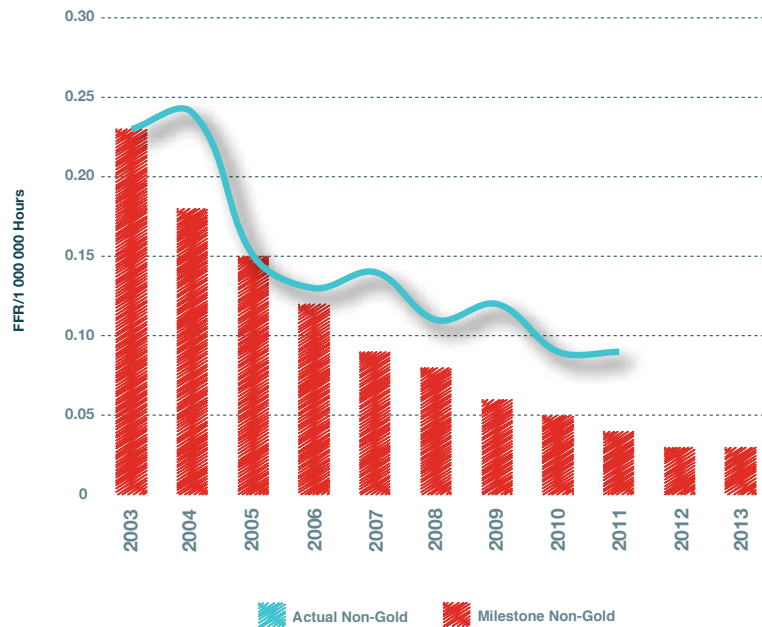


Table 1

CHARTER ELEMENT	TARGET 2011	2011 CORRECTED AVERAGES WEIGHTED BY NUMBER OF EMPLOYEES
7.1 Implement Culture Transformation Framework	Not Applicable for 2011 Reporting Period	Not Applicable
7.2 Train of 8% of employees as OHS Reps	2% of employees = 100%	2% of employees = 100% Source: MQA
7.3 Investigate Leading Practices from MOSH Learning Hub	100%	95%
7.4 Investigate R&D from Mine Health and Safety Council	100%	88%
7.5 Occupational Health Reporting	100%	98%
7.6 Adherence on HIV/AIDS and TB guidelines	100%	94%
Average	100%	95%

Source: Company reports unless otherwise specified

Table 2

CHARTER ELEMENT	INDUSTRY PERFORMANCE: YES/NO & VALID REASON (REPRESENTED BY % OF EMPLOYEES)
2. OHS Reps: Plans for 8% of employees (40 000 for industry) trained by 2014	72%
3.1 Leading Practices (LP's): Nets with Bolts	76%
3.2 LP's: HPD Selection & Training Tools	81%
3.4 LP's: Footwall & Sidewall Treatment	88%
3.5 LP's: Proximity Detection Systems	79%
4.1 R&D: Enhancing support in Bushveld Complex	76%
4.2 R&D: NIHL & Silicosis Audit Tool	67%
4.3 R&D: Thermal Stress	59%
5. Occ. Health Reports Submitted	82%
6.1 HIV/AIDS/TB Signed Policies	71%
6.2 TB Reviews	78%
Report on HIV and AIDS Counseling and Testing Update	80%

Source: Company reports unless otherwise specified

Whilst the quality of the reports was good, there were a few errors in some of the scores. To improve the accuracy of the industry report, the Chamber liaised with the reporting companies to more closely investigate the results that had been submitted. After uncovering and correcting a number of errors, the accuracy of the reports was considerably improved. Records of these corrections are maintained for quality verification purposes.

Table 2 (p. 56) shows an overview of the industry's further plans to deliver on the Mining Charter commitments.

The reporting process enabled a number of positive developments in the industry. Among these the Charter reporting:

1. Considerably raised the level of awareness on all the health and safety issues in the Mining Charter.
2. Considerably enhanced the commitment to adopt leading practices from the MOSH Learning Hub.
3. Facilitated the adoption of Mine Health and Safety Council (MHSC) research.
4. Broke down functional silos and led to a more integrated approach to management of health and safety in individual mining companies.

Culture Transformation Framework for the South African Mining Sector

Based on the extensive study conducted by the MHSC on the cultural factors influencing health and safety in the mining industry, a culture transformation framework was developed and was approved by the minister of Mineral Resources and other stakeholder principals at the Tripartite Health and Safety Summit on 18 November 2011. Six months after the approval of the culture transformation framework, all mining companies were expected to:

1. Do a gap analysis between the company's systems/programmes and the minimum standards identified in the culture transformation framework.
2. By the end of 2012, adjust their systems/programmes accordingly to address the gaps identified in the gap analysis.

The culture transformation framework (CTF) consists of five prioritised pillars, including leadership, accident investigation systems, production bonuses, leading practice adoption systems and elimination of discrimination.

Mining companies representing 92% of the industry workforce submitted their gap analysis reports to the Chamber. Subsequently, the Chamber reviewed and consolidated all the gap analyses reports from the mining companies into an industry report. The value of the report is that it:

1. Highlights the way in which the companies' current

systems/programmes meet the minimum standards of the five pillars of the culture transformation framework.

2. Reveals the gaps identified in the companies' gap analyses and provides action plans to address the gaps.
3. Identifies existing leading practices across the five pillars of the culture transformation framework.
4. Reveals areas of research.
5. Identifies the lessons learnt from the gap analysis exercise.
6. Highlights challenges faced by companies and ways in which the Chamber can be of assistance.

Table 3 provides a summary of gap analysis reports indicating the manner in which the companies' current systems/programmes meet the minimum standards across the five pillars of the CTF.

Table 3 (p. 58) shows that:

- a. The biggest gap identified is on bonuses and performance incentives (Pillar 3) whereby, on average, 23% of the industry meets the minimum standards. None of this 23% met the first two [(a) and (b)] minimum standards of the bonuses and performance incentives pillar.
- b. The second biggest gap identified is on elimination of discrimination (Pillar 5) with 49% of the industry meeting the minimum standards of this pillar. Within this pillar, the biggest gaps are that 3% of the industry conducts culturally-awareness processes and 45% conducts regular diversity audits.
- c. The third biggest gap is on leadership (Pillar 1), with 64% of the industry meeting the minimum standards of this pillar. Within this pillar, the biggest gap is that 44% of the industry has an annual performance assessment.
- d. The fourth biggest gap is on leading practices (Pillar 4), with 65% of the industry meeting the minimum standards of this pillar. The biggest gap identified within this pillar is that 57% of the industry monitors progress with the adoption of leading practices.
- e. The fifth biggest gap identified is on accident investigation system risk management (Pillar 2), focusing on accident investigation. 67% of the industry meets the minimum standards of this pillar. Within this pillar, the biggest gap is that 32% of the industry reported that their accident investigation systems provide a distinction between different types of human error.

In their gap analysis reports, the companies have noted their plans and strategies through which they seek to address the gaps identified across the five pillars of the culture transformation framework.

Table 3: Industry Culture Transformation Framework (CTF) Gap Analysis Report by Pillar Minimum Standards (With Industry Employee Averages)

CTF PILLARS AND MINIMUM STANDARDS	YES	PARTLY	NO
1. Leadership	64%	12%	25%
(a) Annual performance assessment	44%	4%	52%
(b) Leadership development at all levels	88%	10%	2%
(c) Visible felt leadership programme enabled by freeing time	50%	23%	27%
(d) Programme to effectively engage and empower workers	73%	10%	17%
2. Risk management – accident investigation	67%	4%	29%
(a) Distinction between different types of human error	32%	0%	68%
(b) Explicit consideration of organisational factors	82%	6%	12%
(c) Regular evaluation of corrective measures	87%	7%	6%
3. Bonus and performance incentives	23%	44%	33%
(a) Enhances safe and healthy production	0%	100%	0%
(b) Combine leading and lagging health and safety indicators	0%	31%	69%
(c) Regular evaluation – is it understood and regarded as fair?	70%	0%	30%
4. Leading practices	65%	8%	27%
(a) Support sector level initiatives on adoption	73%	13%	14%
(b) Objective investigation	71%	13%	15%
(c) Leadership support at all levels	67%	4%	28%
(d) Involvement of those affected by adoption	61%	4%	35%
(e) Adequate training, technical support and resources	58%	12%	30%
(f) Monitoring of progress	57%	3%	40%
5. Elimination of discrimination	49%	20%	30%
(a) Diversity management a competence requirement at all levels	53%	23%	24%
(b) Focal point on diversity management	55%	22%	23%
(c) Regular diversity audits	45%	4%	51%
(d) Culturally-sensitive way to deal with and mourn fatalities	86%	5%	9%
(e) A culturally-sensitive health awareness process	3%	67%	30%
(f) An understanding that serious injuries have a serious impact	53%	1%	45%

Source: Company reports unless otherwise specified

A number of positive factors have transpired from the companies' completion of culture transformation gap analysis reports, and the Chamber's facilitation of the completion of gap analysis by mining companies. These positive attributes include the following:

1. The culture transformation framework (CTF) is being taken seriously by mining companies. 92% of industry workforce submitted reports.
2. There is clear indication of action plans to address the gaps identified.
3. The gap analysis on the CTF has broken silos between the various departments, with HR, health and safety, General Managers and CEOs' offices taking lead roles and working together.
4. The CTF has prompted companies to realise strategically the value of culture change programmes on the improvement of health and safety performance, transformation issues and overall organisational effectiveness.
5. There are leading practices that already exist in various companies on certain minimum standards of the five pillars of the CTF for knowledge sharing and adoption.

6. The Chamber's communication strategy has raised awareness about the CTF and what is expected of mining companies.

Following on from the request made by member, a one-day workshop on zero harm operations bonus is planned for the second half of 2012. At the workshop a selected number of companies will present and share information with other mining companies on what they are doing to address the gaps identified in their production bonus systems.

The Chamber's proposal for a baseline study on the CTF has been approved. The baseline study will be conducted during the second half of 2012 and aims to identify leading practices and challenges associated with the CTF.

Arrangements are also underway to ensure that the leadership assessment tool is piloted to the heads of South African operations by the end of 2012. To this end, The Chamber has developed a reporting template for the mining companies to provide feedback to the Chamber on their experiences of completing the piloted leadership assessment tool.

Capacity building

The industry committed to train 40 000 employees and union stewards through the occupational health and safety representatives course by 2014. Companies are expected to report on the progress of this training in their Mining Charter submission. According to the company Charter reports, between 2009 and 2011 over 14 000 employees were trained according to the MQA accredited 10 day skills programme. Companies have made plans to accelerate this training to ensure that the 2014 target is achieved.

The Chamber and its social partner, labour, had extensive discussions on ways in which the quality of the OHS representatives training can be improved to ensure that the training of 40 000 employees and shop stewards is not only a technical exercise. It is imperative that the training

makes an effective and visible contribution to improving OHS performance in the workplace, rather than being a requirement to be met for reporting purposes only. To this end, a joint labour and employer project proposal has been developed to improve the OHS impact of OHS representatives training.

The multi-million project to develop learning material for rock engineering is nearing completion. Through the MQA, Paper 1 and 2 of the material have been finalised. Paper 1 was used in the piloting of the full-time training of rock engineering. It is noteworthy that this is the first time that learning material for rock engineers has been developed and completed, and that rock engineering personnel were made available to undergo the full time training process.

Research and development

The industry continues to invest in research into health and safety through the Mine Health and Safety Council. Over the years, millions of rands have been spent on numerous research projects, all of which have led to a better understanding of health and safety in the workplace.

The Mining Charter was a major influence in the adoption of the research. To meet the expectations of the Mining Charter, companies had to investigate the research that was completed during 2011, for adoption by the company. On one project involving support systems in the Bushveld Complex mines, the Mine Health and Safety Council assisted the Chamber in adopting the outcomes of this research, making it the first collaborative effort in this regard.

Falls of ground, rockfalls and seismicity continue to be the main contributors to fatalities in the industry, hence the MHSC research programmes on these areas. The three safety related projects that will be completed in 2012 for the Mining Charter investigation purposes, are all rock-related and the Chamber will support the industry with adoption of the outcomes of these projects as they apply to the mining companies.

Arrangements are underway for the development of the Centre of Excellence through the Mine Health and Safety Council. As per the high level tripartite agreement on the Centre, a stakeholder study tour is being undertaken. The Centre is aimed at conducting world class research, building research capacity and facilitating the implementation of research outcomes for the mining sector.

Sustainable development

In the 2010 MIGDETT Stakeholders' Declaration, stakeholders agreed to develop a Mining Vision 2030 that is aligned with sustainable development principles.

The Chamber commissioned the Centre for Sustainability in Mining and Industry to do work in preparation for broader consultation on these matters. The Centre reviewed companies' reports and engaged with various principals on these issues.

"The industry continues to invest in research into health and safety through the Mine Health and Safety Council. Over the years, millions of rands have been spent on numerous research projects, all of which have led to a better understanding of health and safety in the workplace."

09 SKILLS DEVELOPMENT

Advocacy and lobbying

The skills development unit has continued to play a leading role in representing the interest of the mining industry and business as a whole on matters affecting education and skills development. The year 2012 has been another busy year in addressing policy and legislative changes introduced by the Department of Higher Education and Training. Chamber officials led the business delegation at NEDLAC in negotiating a number of proposed changes to the Skills Development Act with its related skills development regulations.

The lobbying role of the Chamber was extended to active participation as board member, nominated by BUSA at the Quality Council for Trades and Occupation. The Chamber also formed part of the business delegation that negotiated the Skills Accord and Basic Education Accords at the NEDLAC tripartite platform, represented by the leadership of Government, labour and business. These accords led to agreements on targets to be achieved on artisan development and the contribution of business toward the improvement of basic education in South Africa.

Green Paper on post school education and training

At the beginning of 2012, the Department of Higher Education and Training released a Green Paper on post school education and training for comment. The Chamber developed a position on the Green Paper over a number of sessions with employers. This position was also fed into and influenced the BUSA process to develop a position on the Green Paper and its submission. The main issues that Chamber raised in respect of the Green Paper are:

Purpose of a Green Paper

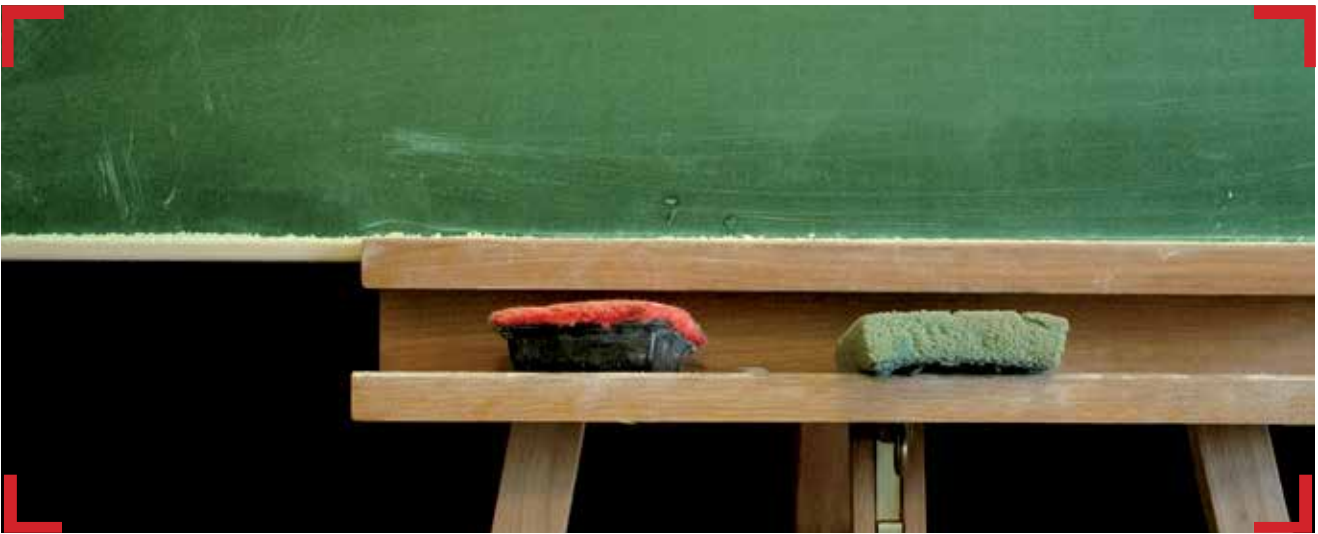
- The Green Paper highlights a number of problems with the post school system but fails to give a clear vision for a post school system in South Africa.
- "Post school" is not clearly defined as more than half

of learners exiting school and entering the "post school" area lack basic literacy and numeracy skills and need to acquire these skills they did not achieve in the school system before they can be successfully trained.

- The poor quality of basic education is not addressed and the responsibility for this poor quality becomes that of the "post school" system.
- A number of new institutions are suggested – community education and training centres and public adult learning and training centres are proposed. Their purpose and those of the existing, albeit poorly functioning, further education and training colleges is not clearly differentiated.
- The funding of the proposed one and a half million people in universities and four million in further education and training colleges is not addressed.
- A plan to obtain reliable skills development data for skills planning purposes is absent.
- Workplace based learning, which is a key component in the post school system, is not addressed.

"The lobbying role of the Chamber was extended to active participation as board member, nominated by BUSA at the Quality Council for Trades and Occupation. The Chamber also formed part of the business delegation that negotiated the Skills Accord and Basic Education Accords at the NEDLAC tripartite platform, represented by the leadership of Government, labour and business."

SKILLS DEVELOPMENT 09



- It appears expansion in public tertiary institutions is a priority, rather than fixing the quality in these institutions.

The Department of Higher Education is considering submissions received before a White Paper is released.

Artisan development

Through the Human Resources Development Council an Artisan and Technician Development Technical Task Team (ATD TTT) has been established, to focus on artisan training and to implement a common national artisan system across all sectors. Among its functions the ADT TTT must:

- Facilitate the implementation of targets for artisan training.
- Develop a single funding model for all artisan trades applicable to all sectors.
- Develop an artisan recognition of prior learning (RPL).
- Identify priority artisan and technician occupations required for economic growth.
- Identify workplace training opportunities.
- Establish a national database of artisans.

Chamber officials are involved in the ADT TTT and its working groups.

The ADT TTT has almost finalised a common funding model for all artisans and across all sectors, investigating ways of setting realistic targets and identify priority areas, developing a pilot project to conduct RPL on artisan aides – with a view to them becoming artisans – investigating ways of establishing a data base for artisans, and publishing a streamlined list of national artisan trades.

Artisan aides

There has been pressure from labour to give artisan aides the opportunity to achieve artisan status through the recognition of prior learning and top up training. The definition of artisan aides has been problematic as the skills for this job ranges from illiterate employees with few basic skills to literate semi skilled people who operate just below artisan level. The term “artisan aide” is used loosely and covers maintenance staff, handyman and artisan helper. Through its Education Advisory Committee, the Chamber has used the Occupational Framework of Occupations classification to describe the skills of the employees who operate at a level just below an artisan, and who would be eligible to undergo RPL and gap training to become artisans. Employers have also agreed

“ABET continues to be a focus area in skills development in the mining industry. During 2011, the focus has been on improving the quality of ABET. The MQA considered a programme and funding to upgrade the qualifications of ABET teachers. The MQA also introduced external examinations for ABET.”

to a separate funding grant from the MQA to support the training required to upgrade artisans.

Phasing out of Fanakalo

Research was conducted by the Mining Qualifications Authority (MQA) on the use of Fanakalo in the mining sector, and the final research report was endorsed by Government, labour and employers of the MQA board in 2010. The MQA has not yet considered the recommendations in detail, nor have they formulated a plan of action to address the phasing out of Fanakalo in the industry. However, a number of mining companies have taken the initiative and have developed and are implementing programmes to phase out Fanakalo within their companies. Through the Education Advisory Committee, these companies have the opportunity to share their successes and problems with other Chamber

members in respect of phasing out Fanakalo in their companies.

Adult Basic Education and Training (ABET)

ABET continues to be a focus area in skills development in the mining industry. During 2011, the focus has been on improving the quality of ABET. The MQA considered a programme and funding to upgrade the qualifications of ABET teachers. The MQA also introduced external examinations for ABET.

In spite of the importance of ABET in the industry, each year the grant that the MQA sets aside for ABET is underspent for a variety of reasons. For the 2011/2012 financial year, the ABET grant was 75% underspent. One of the reasons is the administrative burden placed on employers to be able to receive a grant from the MQA. Another is that many learners do not attract a grant if they are taught by centres that are accredited with other reputable bodies but not accredited by the MQA. Such problems result in the MQA's report on the progress in ABET being compromised, and an accurate picture of ABET in the mining industry is therefore not available. Employers are lobbying to change the MQA grant criteria for payments and administrative requirements for ABET learners to receive a grant.

Skills Development Act – Grant regulations

The minister of Higher Education and Training released draft grant regulations in terms of the Skills Development Act for comment. These regulations refer to the 1% of payroll skills development levy paid by employers to SARS for skills development. Currently, employers can claim 50% of the levy back if they submit a Workplace



Skills Plan and Annual Training Report to their Sector Education and Training Authority. The draft regulations propose that the 50% is reduced to 40% and that the 10% is allocated to employers who train in professional, vocational, technical and academic learning programmes. Labour, at the NEDLAC negotiations held to consider these draft regulations, subsequently proposed that the 40% be reduced to 20%.

Currently, the Workplace Skills Plan is drawn up in consultation with labour. The draft regulations propose that labour must approve the Workplace Skills Plan. The proposed regulation will allow labour to hold employers to ransom and make demands that, unless met by employers, the Workplace Skills Plans will not be signed off. In such cases employers in the mining industry stand to lose substantial amounts of money. These draft regulations and comments are currently being considered by the Department of a Higher Education and Training.

Scarce skills

Through the Workplace Skills Plan, companies report, inter alia, on scarce skills. The Mining Qualifications Authority conducts an analysis of the Workplace Skills Plan each year. In terms of scarce skills, the analysis of the Workplace Skills Plan reveals that there is a 1.6% shortage of skills in both the professional occupational group and the technicians and trade workers occupational group. This translates into 308 and 856 people respectively for each of these occupational groups. These figures are too low to be deemed a shortage of skills in these two key occupational categories. However, there appears to be a serious shortage, both in the industry and nationally in these two particular occupational categories. The Chamber is investigating this in terms of ways of reporting shortages, accuracy of data

“In terms of scarce skills, the analysis of the Workplace Skills Plan reveals that there is a 1.6% shortage of skills in both the professional occupational group and the technicians and trade workers occupational group. This translates into 308 and 856 people respectively for each of these occupational groups.”

and interpretation and definition of shortage of skills to determine if there is a skills shortage and if so, the nature of the shortage of skills.

Quality Council for Trades and Occupations (QCTO)

The Quality Council for Trades and Occupations is one of three quality councils in South Africa. The others are Umalusi – responsible for quality assurance in schools and further education and training colleges – and the Council for Higher Education, responsible for quality assurance in universities and universities of technology. A Chamber official represents business in the council of the QCTO.

The QCTO was established by the Skills Development Amendment Act, 2008, and was launched in February 2010. There have been many teething problems in its establishment which are gradually being overcome. A CEO and a number of key staff members have been appointed to begin with the work of the QCTO. A number of internal and external policies have been developed to allow for a framework within which the QCTO can function. About 100 qualifications are being designed according to the QCTO model, with a focus on workplace experience and learning, for implementation in 2013. Assessment bodies are also being established in order to provide the necessary quality assurance measures for QCTO qualifications.

Foundational Learning Competence (FLC)

The QCTO has agreed that all occupational qualifications at National Qualification Framework (NQF) Levels 3 and 4 will require a foundational learning competence. The FLC consist of communication (in English) and numeracy skills at NQF Level 2. These skills give the learner the cognitive ability to be able to cope with the occupational learning at these NQF levels, as well as giving the learner the reading, writing and numeracy skills that are required in the world of work at these occupational levels. A number of successful pilots have been conducted in the mining industry that have influenced the direction of the FLC.

The FLC is currently in the process of being registered on the National Qualifications Framework. The Independent Examinations Board has been appointed as the Assessment Quality Partner for the FLC.

Mining Qualifications Authority (MQA)

The MQA is a tripartite body with equal representation from Government, labour and employers and is responsible for education and training and the quality thereof in the mining and minerals sector. The Chamber is the convenor for employers in the MQA. The Chamber ensures all

“The Chamber is still co-ordinating the development of MQA learning materials through the Learning Materials Development Project.

At the end of this reporting period, 1638 unit standards had been allocated to accredited training providers for learning material development across the different disciplines.”

employer positions in the MQA board and its committees are filled with a spread of members representing commodities mined and mining methods used. Employers represented in MQA bodies play a leading role to assist the MQA to achieve its objectives.

During the 2011/12 financial year the following learners completed learning programmes:

- 2 487 – Non-artisan learnerships
- 1 419 – Artisan learning programmes
- 81 – MQA bursars
- 36 791 – Skills programmes

The MQA had a budget of R288-million for grants for learning programmes and projects for 2011/12. The budget was 38% under spent, mainly in the ABET and artisan grants. The MQA has programmes to support the National Skills Development Strategy and the Mining Charter. Other programmes the MQA has supported during the year are providing learners with work experience and internships, support of further education and training colleges, assisting disabled learners, assisting learners with management skills, occupational health and safety representative training, mine inspector training, learning material development, standard setting, quality assurance and research.

Learning materials

The Chamber is still co-ordinating the development of MQA learning materials through the Learning Materials Development Project.

At the end of this reporting period, 1638 unit standards had been allocated to accredited training providers for learning material development across the different disciplines.

Table 1: Total quantities in number of unit standard based learning packs approved by the technical review groups as at July 2012

DISCIPLINE	AS AT JULY 2011	AS AT JULY 2012
Analytical services	56	56
Cement lime and aggregates	41	44
Diamond processing	65	88
Engineering	468	524
Geology	14	23
Jewellery manufacturing	63	68
Metallurgy	311	319
Underground coal mining	32	32
Underground hard rock mining	108	108
Surface mining	76	76
Occupational hygiene	9	9
Occupational safety	24	24
Rock engineering	92	99
Surveying	32	39
Small scale mining	7	7
Other	14	14
Total	1412	1530

Although the budget for the MQA financial year was achieved, the quantities of learning material over the past few months has had to be controlled due the lengthy MQA process for procurement for the development of learning materials.

Rock engineers material development

The Chamber also co-ordinated the development

of the level 5 rock engineering learning material for use by candidates studying towards the level 5 rock engineering certificate. The material was developed to assist in increasing the number of rock engineers that get qualified in the next few years. A pilot group of candidates was trained full time, using the material developed. It is envisaged that more candidates will be trained using the material as they progress through the full programme.

Quality Council for Trades and Occupations (QCTO) learning material development

Historically, industry developed and used learning material that was developed per unit standard as indicated in the table above. With the onset of QCTO qualifications, the learning material will be quite different in that there will be three components to the learning requirements. These will be the knowledge components, the practical skills components and the workplace experience components. It is envisaged that a lot of work will be required to develop learning material for the

knowledge components. The Chamber is in the process of investigating how this could best be developed if the necessary budget is obtained from the MQA.

Chamber of Mines certificates

At the beginning of 2012, the Chamber took over the administration of the Chamber of Mines examinations that was hosted at UNISA for a number of years. The process was successful with no problems registered at the new Chamber examination centres. To help candidates to be properly prepared for the rock engineering examinations, the MQA funded and released the learning material for these examinations. The table above shows the number of candidates who successfully completed the Chamber of Mines examinations compared to the previous years.

The Chamber continues to facilitate the eventual hand-over of these examinations to the MQA or the various tertiary institutions where applicable. As at the end of 2012, the target for the complete hand over of these examinations was 2018.

Table 2: Total quantities of certificates in number of learning packs

NAME OF CERTIFICATE	AS AT JULY 2010	AS AT JULY 2011	AS AT JULY 2012
Certificate in Advanced Mine Surveying	29	57	70
Certificate in Advanced Mine Valuation	41	88	102
Certificate in Advanced Rock Engineering	3	1	11
Certificate in Basic Mine Sampling	272	125	141
Certificate in Basic Mine Surveying	163	134	130
Certificate in Elementary Mine Sampling	126	100	90
Certificate in Elementary Mine Surveying	150	114	130
Certificate in Mine Environmental Control/ Occupational Hygiene	16	71	19
Certificate in Mine Survey Draughting		25	
Certificate in Radiation Protection Monitoring Screening	260	70	125
Certificate in Rock Mechanics	11	10	27
Certificate in Strata Control	55	49	79
Intermediate Certificate in Mine Environmental Control/ Occupational Hygiene	87	18	32
Certificate in Mine Survey Draughting	26	6	22
Practical Certificate in Mine / Environmental Control	3		
Total	1242	868	978

10 MINING LEKGOTLA

The Mining Lekgotla is conceptualised as an annual scenario-based platform for strategic conversation among the key stakeholders in the mining sector. It is envisioned as an iconic conference that attracts national and international thought leaders to discuss topical issues in mining in South Africa and Africa. The Lekgotla is a partnership between the Chamber of Mines, the Department of Mineral Resources and the National Union of Mineworkers and had eleven (11) founding members, as listed below:

- Anglo American
- AngloGold Ashanti
- BHP Billiton
- Ernst and Young
- Eskom
- Exxaro
- Goldfields
- Lonmin
- Xstrata

The inaugural Mining Lekgotla was held on 5-6 June 2012 in Gallagher Estate, Johannesburg. Stephane Garelli, a world authority on competitiveness, was the keynote speaker. Other noteworthy speakers were the President of the Chamber, Dr Xolani Mkhwanazi, the minister of Mineral Resources, Ms Susan Shabangu, the Secretary General of the ANC, Mr Gwede Mantashe, Chief Executive Officer of Anglo American, Ms Cynthia Carroll, President of the NUM, Mr Senzeni Zokwana, and an entrepreneur, Prof Gunter Pauli

The overarching theme for the plenary session was competitiveness, but other topics were explored, notably climate change, women in mining and youth. An important session was held on sustainable mining and democracy and sought to explore contentious issues such as the nationalisation of mines. Other sessions included an executive breakfast and a gala dinner.

Key messages from the Lekgotla were the necessity for policy certainty to stimulate investment, the dire state and need to address youth unemployment, skills development and community development.

The aim was to host an event for 500 delegates, and in total 738 delegates attended. The overall assessment by delegates was that the Mining Lekgotla was a success.

A distinguishing feature of the Mining Lekgotla

"The Mining Lekgotla is conceptualised as an annual scenario-based platform for strategic conversation among the key stakeholders in the mining sector. It is envisioned as an iconic conference that attracts national and international thought leaders to discuss topical issues in mining in South Africa and Africa."

MINING LEKGOTLA 10



is scenario development. As part of the scenario development process, delegates participated in the rating of key driving forces (KDFs) for the mining industry. Work done during the Lekgotla will be augmented by a scenario development programme that uses officials from the key stakeholders and the founding sponsors. Selected industry stakeholders are being interviewed to solicit their inputs on what they deem to be key driving forces in

the industry. A scenario building team has been established and a draft of the scenarios is expected in the first quarter of 2013, with the final scenarios presented at the 2013 Mining Lekgotla.

The 2013 Mining Lekgotla will be held on 27-29 August 2013 in the Sandton Convention Centre, Johannesburg and the theme will be growth and investment towards global competitiveness.

11 INTERIM FINANCIAL INFORMATION

The following reports and statements are presented

69	EXECUTIVE COUNCIL'S RESPONSIBILITY FOR FINANCIAL REPORTING
70	INDEPENDENT AUDITOR'S REPORT
71	BALANCE SHEET
71	INCOME STATEMENT
72	STATEMENT OF CHANGES IN EQUITY
72	CASH FLOW STATEMENT
73	ACCOUNTING POLICIES
74	NOTES TO THE INTERIM FINANCIAL INFORMATION

CHAMBER OF MINES OF SOUTH AFRICA

INTERIM FINANCIAL INFORMATION

for the 12-month period ended 30 June 2012

Executive council's responsibility for financial reporting

The Executive Council of the Chamber of Mines of South Africa (hereafter 'the Chamber') is responsible for the maintenance of adequate accounting records and preparation and integrity of the interim financial information for the 12 month period ended 30 June 2012.

The Chamber has changed its year end from 30 June of each year to 31 December of each year. The interim financial information has been prepared for the 12 month period ended 30 June 2012. Financial statements will be prepared for the 18 month period ended 31 December 2012.

The interim financial information has been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The Chamber's independent external auditors, Deloitte & Touche, have reviewed the interim financial information and their unmodified review report appears on page 70.

The interim financial information has been prepared on a going concern basis. Nothing has come to the attention of the Executive Council to indicate that the Chamber will not remain a going concern for the foreseeable future.

Approval of interim financial information

The interim financial information as set out on pages 71-80 were approved by the Executive Council on 12 September 2012 and are signed on their behalf by:



Dr X Mkhwanazi
President



Mr B L Sibiyi
Chief Executive

INDEPENDENT AUDITOR'S REPORT to the members of the Chamber of Mines of South Africa

Introduction

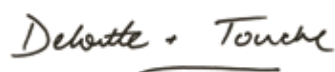
We have reviewed the accompanying balance sheet of Chamber of Mines of South Africa as at 30 June 2012 and the income statement, statement of changes in equity and cash flow statement for the 12 month period then ended, as set out on pages 71 to 80. Management is responsible for the preparation and presentation of the interim financial information in accordance with South African Statements of Generally Accepted Accounting Practice. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with South African Statements of Generally Accepted Accounting Practice.

A handwritten signature in dark ink that reads "Deloitte + Touche". The signature is written in a cursive, flowing style.

Deloitte & Touche

Per: A J Zoghby

Partner

12 September 2012

BALANCE SHEET

as at 30 June 2012

	NOTES	2012 R	2011 R
ASSETS			
Non-current assets			
Equipment	1	693 169	601 825
Other investments		320 665	348 057
Investments	2	18 632 592	23 270 959
		<u>19 646 426</u>	<u>24 220 841</u>
Current assets			
Accounts receivable	3	31 675 512	28 333 672
Bank and cash	4	6 853 871	16 450 798
		<u>38 529 383</u>	<u>44 784 470</u>
TOTAL ASSETS		<u>58 175 809</u>	<u>69 005 311</u>
FUNDS AND LIABILITIES			
Funds			
Accumulated funds		6 521 247	6 521 247
Project funds	5	22 413 129	27 051 896
		<u>28 934 376</u>	<u>33 573 143</u>
Current liabilities			
Accounts payable	6	25 396 902	31 586 067
Short term loan	7	3 844 531	3 846 101
		<u>29 241 433</u>	<u>35 432 168</u>
TOTAL FUNDS AND LIABILITIES		<u>58 175 809</u>	<u>69 005 311</u>

INCOME STATEMENT

for the 12-month period ended 30 June 2012

	NOTES	2012 R	2011 R
Revenue	8	71 824 818	50 464 840
Other income	9	10 345 739	5 646 608
Administrative and operating costs	10	<u>(83 360 246)</u>	<u>(57 061 410)</u>
Deficit before depreciation		<u>(1 189 689)</u>	<u>(949 962)</u>
Depreciation		<u>(198 005)</u>	<u>(334 936)</u>
Operating deficit		<u>(1 387 694)</u>	<u>(1 284 898)</u>
Interest income		1 387 694	1 284 898
Project income	5	6 705 000	20 850 000
Project expenditure	5	<u>(11 343 767)</u>	<u>(21 630 661)</u>
(Decrease) / Increase in project funding		<u>(4 638 767)</u>	<u>(780 661)</u>

STATEMENT OF CHANGES IN EQUITY

for the 12-month period ended 30 June 2012

	NOTES	PROJECT FUNDS	ACCUMULATED FUNDS	TOTAL FUNDS
Balance at 1 July 2010		27 832 557	6 521 247	34 353 804
Decrease in project funding for the year		-	(780 661)	(780 661)
Transfer from project funds		(780 661)	780 661	-
Balance at 30 June 2011		27 051 896	6 521 247	33 573 143
Decrease in project funding for the year		-	(4 638 767)	(4 638 767)
Transfer to project funds		(4 638 767)	4 638 767	-
Balance at 30 June 2012	5	<u>22 413 129</u>	<u>6 521 247</u>	<u>28 934 376</u>

CASH FLOW STATEMENT

for the 12-month period ended 30 June 2012

	NOTES	2012 R	2011 R
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash (outflow) / inflow from operating activities	11	(15 333 639)	2 793 601
Cash (utilised in) generated by operating activities		<u>(15 333 639)</u>	<u>2 793 601</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to equipment		(289 349)	(36 181)
Investment income		1 387 694	1 284 898
Decrease / (Increase) in investments		4 638 367	(347 081)
Net cash inflow from investing activities		<u>5 736 712</u>	<u>901 636</u>
NETT MOVEMENT IN CASH AND CASH EQUIVALENTS		(9 596 927)	3 695 237
CASH AND CASH EQUIVALENTS at beginning of the period		<u>16 450 798</u>	<u>12 755 561</u>
CASH AND CASH EQUIVALENTS at end of the period	12	<u>6 853 871</u>	<u>16 450 798</u>

ACCOUNTING POLICIES

for the 12-month period ended 30 June 2012

ACCOUNTING POLICIES

Accounting policies

The principal accounting policies and basis of accounts used are in all material respects consistently applied. The interim financial information have been prepared in accordance with the historic basis, except for certain financial instruments which are stated at fair value.

Revenue recognition

Revenue represents contributions from members, administration fees and interest income. Contributions are recognised when invoiced and consist of contributions for operating costs and capital expenditure, collected in-line with the yearly approved budget. Administration fees are earned in respect of services provided to associated entities. Interest income is accrued on an effective yield basis.

Project income

Project income represents contributions from members for specific projects.

Project expenditure

Project expenditure relates to expenditure incurred on projects approved by the Executive Council.

Equipment

Equipment is stated at historical cost less depreciation. Depreciation is calculated using the straight line method so as to write off the cost of each asset less its residual value over its estimated useful life.

The rates of depreciation used are:

Motor vehicles	5 years
Computer equipment	3 years
Furniture and fittings	5 years

Investments

Unlisted investments comprise shares in related companies and are stated at cost. Other investments comprise monies invested to fund liabilities and projects which are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short term deposits. The carrying amount of these assets approximates fair value. Credit risk is limited as the counter parties are financial institutions with high credit ratings.

Financial instruments

Financial assets and financial liabilities are recognised on the Chamber's balance sheet when the Chamber has become a party to contractual provisions of the instruments. Trade receivables and payables are stated at their nominal value. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

Retirement benefits

The policy of the Chamber, subject to the rules of the Chamber of Mines Retirement Fund, is to provide retirement benefits for its employees. Payments to the defined contribution fund are expensed as they fall due.

The Chamber of Mines does not have a post retirement medical aid liability as this liability has been fully funded.

Other investments

Other investments consists of gold coins and medallions. These investments are valued at the lower of cost or net realisable value.

Management judgements

In the process of applying the Chamber accounting policies, the most significant judgements made by management relate to the following:

- revaluation of the useful lives and residual value estimations of assets and,
- the bad debt provision.

Impairment

An annual impairment review of assets is carried out by comparing the net book value of the assets with their recoverable amount. Recoverable amounts are based on the higher of the value in use and the fair value less costs to sell. Value in use is determined by applying a discount rate to the anticipated pre tax cash flow for the remaining useful life of the asset.

Where the recoverable amount is less than the net book value, the impairment is charged against income to reduce the carrying amount of the affected assets to recoverable amounts. The revised carrying amounts are amortised on a systematic basis over the remaining useful life of such affected assets.

Provisions

Provisions are recognised where the Chamber has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an overflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

NOTES TO THE INTERIM FINANCIAL INFORMATION

for the 12-month period ended 30 June 2012

	COST R	ACCUMULATED DEPRECIATION R	NET BOOK VALUE R		
1. EQUIPMENT					
	2012				
	Motor vehicles	654 657	438 486	216 171	
	Computer equipment	1 245 912	1 068 508	177 404	
	Furniture and fittings	795 787	496 193	299 594	
		2 696 356	2 003 187	693 169	
	2011				
	Motor vehicles	873 097	686 877	186 220	
	Computer equipment	1 181 611	957 612	223 999	
	Furniture and fittings	619 429	427 823	191 606	
		2 674 137	2 072 312	601 825	
	2012				
	Reconciliation of movement:				
		MOTOR VEHICLES R	COMPUTER EQUIPMENT R	FURNITURE AND FITTINGS R	TOTAL R
	Net book value at beginning of period	186 220	223 999	191 606	601 825
Additions	48 690	64 302	176 357	289 349	
Depreciation	(18 739)	(110 897)	(68 369)	(198 005)	
Net book value at end of period	216 171	177 404	299 594	693 169	
2011					
Reconciliation of movement:					
	MOTOR VEHICLES R	COMPUTER EQUIPMENT R	FURNITURE AND FITTINGS R	TOTAL R	
Net book value at beginning of period	695 972	52 085	152 523	900 580	
(Disposals) / Additions	(291 991)	229 849	98 323	36 181	
Depreciation	(217 761)	(57 935)	(59 240)	(334 936)	
Net book value at end of period	186 220	223 999	191 606	601 825	

NOTES TO THE INTERIM FINANCIAL INFORMATION

for the 12-month period ended 30 June 2012

	2012 R	2011 R
2. INVESTMENTS		
Rand Mutual Assurance Company Ltd	80	80
4 shares @ R20 (2011: 4 shares @ R20 each)		
Executive valuation R 80 (2011: R 80)		
Incentive Scheme	400	-
	<u>480</u>	<u>80</u>
Term Deposits:		
Disaster Relief fund	740 000	740 000
State Of The Environment	1 194 325	-
Mining Vision 2030	412 875	-
Long Service Award Scheme	250 000	-
Amendments To The MPRD and MHSA and related legislation	280 000	-
TB & HIV/AIDS Advocacy	(18 156)	-
Chamber Of Mines Certificate Administration	1 540 748	-
Museum	803 400	-
Monument Project	82 860	-
Improving Representation of Chamber of Mines	437 901	-
United Nations Convention on Climate Change COP17	(226 970)	-
CEO Round Table	123	-
Epidemiology Study for Former Mine Workers	6 824 896	10 144 362
Generic Water Conservation	340 040	340 040
Mining Industry Occupational Safety & Health Project (MOSH)	-	4 378 301
Guidelines on Environmental Management in Mining	6 900	248 400
Creation of Bargaining Council	274 127	387 423
Subvention of Salaries	2 459 638	3 107 586
Development of Closure Strategies	700 000	700 000
Global Instruments on Climate Change	188 571	244 575
Chamber Management Information System	250 000	250 000
International Council on Mining and Metallurgy (ICMM)	278 697	278 697
Information Pack on Mining Sensitive / Protected Areas	300 000	300 000
Management of Acid Mine Drainage	1 127 593	863 231
Creation of Development 'Vehicle' for the Mining Industry	330 309	58 095
ODMWA	(676 314)	480 169
Financial Assistance with Ownership Element of Mining Charter	230 549	250 000
MBOD/CCOD	500 000	500 000
	<u>18 632 592</u>	<u>23 270 959</u>
3. ACCOUNTS RECEIVABLE		
Accounts receivable – members	28 176 947	27 086 552
Accounts receivable – non members	2 971 048	1 995 186
Total accounts receivable	<u>31 147 995</u>	<u>29 081 739</u>
Other receivables	1 350 318	41 107
	<u>32 498 313</u>	<u>29 122 845</u>
Less: Provision for doubtful debts	<u>(822 801)</u>	<u>(789 173)</u>
	<u>31 675 512</u>	<u>28 333 672</u>
4. BANK AND CASH		
Cash at bank	4 594 670	8 738 058
Cash on call	20 891 311	30 983 619
Amounts classified under investments	<u>(18 632 110)</u>	<u>(23 270 879)</u>
Bank and cash	<u>6 853 871</u>	<u>16 450 798</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

for the 12-month period ended 30 June 2012

		2012 R	2011 R
5. PROJECT FUNDS			
Disaster Relief		740 000	740 000
State Of The Environment		1 194 325	-
Balance at 30 June 2011	-		
Received	1 300 000		
Expenditure	(105 675)		
Balance as at 30 June 2012	<u>1 194 325</u>		
Epidemiology Study for Former Mine Workers		6 824 896	10 144 362
Balance at 30 June 2011	10 144 362		
Received	-		
Expenditure	(3 319 466)		
Balance as at 30 June 2012	<u>6 824 896</u>		
Chamber Management Information System		250 000	250 000
Balance at 30 June 2011	250 000		
Expenditure	-		
Balance as at 30 June 2012	<u>250 000</u>		
Project funding recovery		3 781 017	3 781 017
Balance at 30 June 2011	3 781 017		
Severance Bonus Paid	-		
Balance as at 30 June 2012	<u>3 781 017</u>		
<i>This amount primarily relates to the recovery from the Chamber's insurers, of irregular expenditure that occurred in previous financial years. This funding recovery will be utilised for future projects.</i>			
Generic Water Conservation		340 040	340 040
Balance at 30 June 2011	340 040		
Expenditure	-		
Balance as at 30 June 2012	<u>340 040</u>		
Global Instruments on Climate Change		188 571	244 575
Balance at 30 June 2011	244 575		
Received	-		
Expenditure	(56 004)		
Balance as at 30 June 2012	<u>188 571</u>		
Information Pack on Mining Sensitive / Protected Areas		300 000	300 000
Balance at 30 June 2011	300 000		
Expenditure	-		
Balance as at 30 June 2012	<u>300 000</u>		
International Council on Mining and Metallurgy (ICMM)		278 697	278 697
Balance at 30 June 2011	278 697		
Received	-		
Expenditure	-		
Balance as at 30 June 2012	<u>278 697</u>		

NOTES TO THE INTERIM FINANCIAL INFORMATION

for the 12-month period ended 30 June 2012

	2012 R	2011 R
5. PROJECT FUNDS (continued)		
Management of Acid Mine Drainage	1 127 593	863 231
Balance at 30 June 2011	863 231	
Received	800 000	
Expenditure	(535 638)	
Balance as at 30 June 2012	<u>1 127 593</u>	
Review Guideline for Calculating the Quantum for Closure Costs	700 000	700 000
Balance at 30 June 2011	700 000	
Expenditure	-	
Balance as at 30 June 2012	<u>700 000</u>	
Subvention of salaries	2 459 638	3 107 586
Balance at 30 June 2011	3 107 586	
Received	-	
Expenditure	(647 948)	
Balance as at 30 June 2012	<u>2 459 638</u>	
Mining Industry Occupational Safety & Health Project (MOSH)	-	4 378 301
Balance at 30 June 2011	4 378 301	
Received	-	
Expenditure	(4 378 301)	
Balance as at 30 June 2012	<u>-</u>	
Guidelines on Environmental Management in Mining	6 900	248 400
Balance at 30 June 2011	248 400	
Expenditure	(241 500)	
Balance as at 30 June 2012	<u>6 900</u>	
Creation of the Bargaining Council	274 127	387 423
Balance at 30 June 2011	387 423	
Expenditure	(113 296)	
Balance as at 30 June 2012	<u>274 127</u>	
Financial Assistance with Ownership Element of Mining Charter	230 549	250 000
Balance at 30 June 2011	250 000	
Expenditure	(19 451)	
Balance as at 30 June 2012	<u>230 549</u>	
Creation of Development "Vehicle" for the Mining Industry	330 309	58 095
Balance at 30 June 2012	58 095	
Received	300 000	
Expenditure	(27 786)	
Balance as at 30 June 2012	<u>330 309</u>	
CEO Round Table	123	-
Balance at 30 June 2011	-	
Received	575 000	
Expenditure	(574 877)	
Balance as at 30 June 2012	<u>123</u>	
ODMWA	(676 314)	480 169
Balance at 30 June 2011	480 169	
Expenditure	(1 156 483)	
Balance as at 30 June 2012	<u>(676 314)</u>	
MBOD/CCOD	500 000	500 000
Balance at 30 June 2011	500 000	
Expenditure	-	
Balance as at 30 June 2012	<u>500 000</u>	

NOTES TO THE INTERIM FINANCIAL INFORMATION

for the 12-month period ended 30 June 2012

		2012 R	2011 R
5. PROJECT FUNDS (continued)			
Mining Vision: 2030		412 875	-
Balance at 30 June 2011	-		
Received	600 000		
Expenditure	(187 125)		
Balance as at 30 June 2012	<u>412 875</u>		
Long Service Award Scheme	-	250 000	-
Balance at 30 June 2011	-		
Received	250 000		
Expenditure	-		
Balance as at 30 June 2012	<u>250 000</u>		
Amendments to the MPRDA and MHSA and related legislation	-	280 000	-
Balance at 30 June 2011	-		
Received	280 000		
Expenditure	-		
Balance as at 30 June 2012	<u>280 000</u>		
TB and HIV/AIDS Advocacy	-	(18 156)	-
Balance at 30 June 2011	-		
Received	200 000		
Expenditure	(218 156)		
Balance as at 30 June 2012	<u>(18 156)</u>		
COM Certificate Administration	-	1 540 748	-
Balance at 30 June 2011	-		
Received	200 000		
Additional Income	1 889 540		
Expenditure	(548 792)		
Balance as at 30 June 2012	<u>1 540 748</u>		
Museum	-	803 400	-
Balance at 30 June 2011	-		
Received	1 000 000		
Expenditure	(196 600)		
Balance as at 30 June 2012	<u>803 400</u>		
Monument Project	-	82 860	-
Balance at 30 June 2011	-		
Received	300 000		
Expenditure	(217 140)		
Balance as at 30 June 2012	<u>82 860</u>		
Improving Representation of Chamber of Mines	-	437 901	-
Balance at 30 June 2012	-		
Received	600 000		
Expenditure	(162 099)		
Balance as at 30 June 2012	<u>437 901</u>		
United Nations Convention on Climate Change COP17	-	(226 970)	-
Balance at 30 June 2011	-		
Received	300 000		
Expenditure	(526 970)		
Balance as at 30 June 2012	<u>-226 970</u>		
		<u>22 413 129</u>	<u>27 051 896</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

for the 12-month period ended 30 June 2012

	2012 R	2011 R
6. ACCOUNTS PAYABLE		
Accounts payable – members	687 744	-
Accounts payable – non-members	21 162 689	26 624 162
Accruals	3 546 469	4 961 905
	<u>25 396 902</u>	<u>31 586 067</u>
7. SHORT TERM LOAN		
Chamber of Mines Building Company (Proprietary) Limited <i>This loan is unsecured, interest free and payable on demand.</i>	<u>3 844 531</u>	<u>3 846 101</u>
8. REVENUE		
Contribution from members	<u>71 824 818</u>	<u>50 464 840</u>
9. OTHER INCOME		
Administration fees	2 008 191	1 863 919
Other income	8 337 548	3 782 688
	<u>10 345 739</u>	<u>5 646 608</u>
10. ADMINISTRATIVE AND OPERATING EXPENDITURE		
Auditors' remuneration	300 000	289 760
- Current year	300 000	289 760
- Other services	-	-
Staff costs	60 351 021	41 531 574
Operating costs	22 709 225	15 240 076
	<u>83 360 246</u>	<u>57 061 410</u>
11. RECONCILIATION OF INCREASE IN PROJECT FUNDING FOR THE PERIOD TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
(Decrease) in project funding for the year	(4 638 767)	(780 661)
Adjustment for :		
Depreciation	198 005	334 936
Interest received	(1 387 694)	(1 284 898)
Operating funding before working capital changes	<u>(5 828 456)</u>	<u>(1 730 623)</u>
Working capital changes		
(Increase) in accounts receivable	(3 341 840)	(9 352 535)
(Decrease) / Increase in accounts payable	(6 189 165)	13 846 594
Decrease in loans	(1 570)	(1 841)
Decrease in inventory	27 392	32 006
	<u>(9 505 183)</u>	<u>4 524 224</u>
Net cash inflow/ (outflow) from operating activities	<u>(15 333 639)</u>	<u>2 793 601</u>
12. CASH AND CASH EQUIVALENTS		
Bank and cash	<u>6 853 871</u>	<u>16 450 798</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION for the 12-month period ended 30 June 2012

13. FINANCIAL INSTRUMENTS

The organisation's non-derivative instruments consist of cash deposits with banks, accounts receivable and payable and loans from group companies.

Currency risk management

The organisation is not exposed to currency risk, other than the translation of its foreign bank account balance.

Categories of financial instruments

The financial assets of the Chamber consists of investments, accounts receivable and cash and cash equivalents. These are considered loans and receivables for both 2012 and 2011 financial periods. The financial liabilities consists of accounts payables (excluding accruals) and short term loans. These are considered financial liabilities at amortised cost for both 2012 and 2011 financial periods.

Interest rate risk management

The organisation adopts a policy of regularly reviewing interest rate exposure and maintains both fixed and floating rate borrowings.

Credit risk management

Management has a credit risk policy in place and exposure to credit risk is monitored on an ongoing basis. Provision is made for specific doubtful debts, and at the period end management did not consider there to be any material credit risk exposure that was not provided against. Reputable financial institutions are used for investing and cash handling purposes.

The movement in provision for doubtful debts is analysed as follows:

	2012 R	2011 R
Balance at the beginning of the period	(789 173)	(509 555)
Provision increase for the period	(33 628)	(279 618)
	<u>(822 801)</u>	<u>(789 173)</u>

Fair values

The carrying amounts of the financial assets and liabilities carried on the balance sheet approximate their values at the end of the period.

Capital risk management

The Chamber manage their capital to ensure they will be able to continue as a going concern. The capital structure consist mainly of accumulated and project funds.

14. SUBSEQUENT EVENTS

As at the date of signing the interim financial information, there were no significant or material post balance sheet events which would require adjustments to or disclosure of in the interim financial information.

15. TAXATION

The Chamber of Mines of South Africa is exempt under section 10 (1) (d) of the Income Tax Act.

THE CHAMBER OF MINES OF SOUTH AFRICA

5 Hollard Street, Johannesburg 2001 | PO Box 61809, Marshalltown 2107
Tel: 011 498 7100 | Fax: 011 498 7320 | www.chamberofmines.co.za