MINERALS COUNCIL
SOUTH AFRICA

MEDIA STATEMENT

THE MINERALS COUNCIL SOUTH AFRICA WELCOMES HEALTH MINISTER'S SUPPORT OF WORK DONE ON BEHALF OF MINEWORKERS WITH OCCUPATIONAL LUNG DISEASES

Johannesburg, 20 March 2024. The Minerals Council South Africa welcomes comments by Health Minister Dr Joe Phaahla in support of the continued collaboration between the Minerals Council and the National Department of Health in expediting the certification and payment of medical benefits payable to current and former mineworkers with compensable occupational lung diseases.

Minister Phaahla also acknowledged the constructive and positive role the Minerals Council has played in ensuring that victims of occupational lung diseases or their dependants are timeously compensated.

"We look forward to further engagements with Minister Phaahla and his department to continue improving and strengthening the compensation processes," says Mzila Mthenjane, CEO of the Minerals Council.

Under the Occupational Diseases in Mines and Works Act (ODMWA), the medical assessments and certification of occupational lung diseases are done by the Medical Bureau of Occupational Diseases (MBOD) which falls under the National Department of Health.

The Compensation Commissioner for Occupational Diseases (CCOD), also under the National Department of Health, has the responsibility for the payment of compensation for occupational lung diseases in eligible current and former mineworkers.

ODMWA covers occupational diseases affecting the lungs of mineworkers. There are an estimated two million current and former mineworkers. The mining industry currently employs more than 470,000 people.

The Minerals Council has assisted, through a voluntary levy paid by its members, in improving the functions and operational efficiencies of MBOD and CCOD to expedite and improve the processes to finalise claims for the benefit of ill mineworkers and mining companies. However, delays in implementing proposed amendments to ODMWA is delaying the translation of this voluntary levy into a statutory levy.

Prior to the Minerals Council's intervention in 2019, a lack of capacity in terms of specialised personnel, funding, administration systems and infrastructure had led to a build-up of significant backlogs, inadequate medical services to mineworkers and slow payment rates to beneficiaries. Numerous attempts by the Minerals Council, organised labour and the government since 2009 were unsuccessful in improving the operational efficiencies, service delivery and governance of the MBOD and CCOD.

One of the key constraints identified is the legislative inability of the Compensation Commissioner to charge cost-reflective levies that included administrative and health care costs.

The Board of the Minerals Council agreed in 2019 to fund the operational enhancements and functionality of the MBOD and CCOD through a Board-agreed, voluntary, cost-reflective levy paid annually by its members.

"The health and safety of employees in the mining sector is our priority. We are committed to alleviating and preventing the negative impact of mining legacy issues such as compensation for occupational lung diseases," says Mr Mthenjane.

Since 2019 and including 2024, the Minerals Council has paid more than R600 million to support the MBOD and CCOD on behalf of its members.

The levies are paid by the Minerals Council on behalf of its members while waiting for the National Department of Health to finalise legislative amendments to ODMWA to enable the Compensation Commissioner to charge cost-reflective levies that will continue to provide current and ex-mineworkers with meaningful benefits.

Through the implementation of cost-reflective levies and the installation of a modern, efficient digital compensation claims management system and a master database, the Minerals

Council's intervention has resulted in payments of R1.1 billion paid to beneficiaries in the past five years compared to R2.4 billion paid in the previous 23 years.

The finalisation of claims has more than doubled to an average of nearly 8,000 a year during the past five years compared to an annual average of 3,700 in the previous 23 years. The value of benefit payments has increased by 33% since 2018.

The Compensation Fund's capital has grown to R5 billion in 2022 from R1.8 billion a decade earlier despite the increased number of claims resulting from more efficient and expedited processes, and higher value payouts to beneficiaries. The processing of submissions to the MBOD was reduced to 90 days from 500 days.

The Minerals Council's intervention has saved its members R1 billion in levy payments since 2019 through the adjusted levies based on the actuarial valuation of the Compensation Fund.

The corporate governance of the MBOD and CCOD has improved, with timely annual reports and financial statements to parliament and clean audit outcomes by the Auditor General for 2021/22 and 2022/23.

The Minerals Council strives to ensure #MiningMatters for all.

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