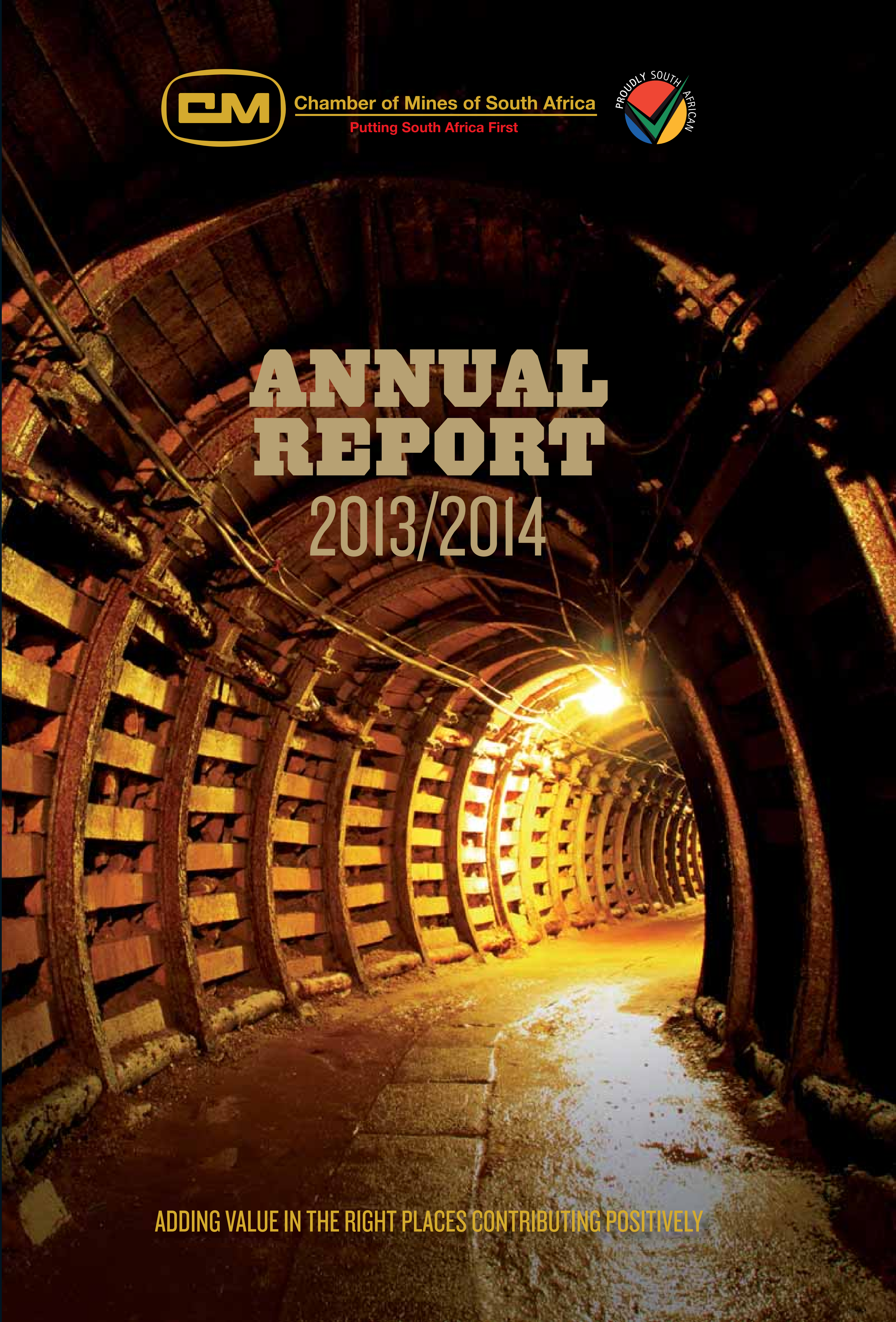


Chamber of Mines of South Africa

Putting South Africa First

PROUDLY SOUTH AFRICAN

ANNUAL REPORT 2013/2014

ADDING VALUE IN THE RIGHT PLACES CONTRIBUTING POSITIVELY

ADDING VALUE

IN THE RIGHT PLACES CONTRIBUTING POSITIVELY

ABOUT THE CHAMBER OF MINES: PUTTING SOUTH AFRICA FIRST

Vision

To create, in partnership with key stakeholders, a conducive policy, legislative and operating environment that facilitates a doubling of real mining investment in the mining sector by 2030. This will be a material positive game-changing outcome for achieving the country's economic growth, developmental and transformation vision as elucidated in the NDP.

Mission

To play a leadership role in enabling the mining sector to get back onto the front foot with the specific long-term purpose of creating an enabling environment for doubling real mining investment by 2030. The Chamber needs to be the most capable and respected mining advocacy organisation that works in trust based problem-solving partnerships with key stakeholders to engineer this positive turnaround.

CONTENTS

ADDING VALUE IN THE RIGHT PLACES

As backbone to the South African economy, mining has been the fore runner to many industries and continues to be a key catalyst to many sideline economies.

EXPLORATION

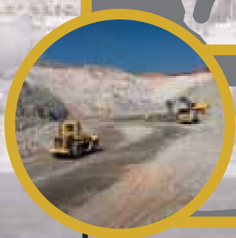
MOST MINING COMPANIES INCREASED THEIR EXPLORATION BUDGETS IN **2012.** THIS TREND WAS NOT SUSTAINED IN 2013.

DEVELOPMENT

CAPEX IN 2013 AMOUNTED TO **R53 billion**

MINING

R188 BILLION WAS SPENT ON PURCHASES AND OPERATING COSTS SUCH AS TIIMBER, STEEL, EXPLOSIVES, ELECTRICITY, TRANSPORT AND UNIFORMS **(R154 billion in 2012)**



PROCESSING

THE SOUTH AFRICAN MINING INDUSTRY'S TOTAL INCOME IN 2013, USING QUARTERLY UNADJUSTED DATA, WAS ESTIMATED AT R546.1 BILLION (R497 BILLION IN 2012), WHILE EXPENDITURE AFTER ACCOUNTING FOR DEPRECIATION AND IMPAIRMENTS WAS R549.9 BILLION (R488BILLION IN 2012).

In the past decade, the mining sector has contributed just over R2.4 trillion to the country's GDP and R2.4 trillion to the country's export earnings, in real money terms.




In 2013 the mining sector accounted for 8.3% of GDP directly, on a nominal basis (2012: 8.6%). Although this is a downward trend from the industry's peak some decades ago (from 21% contribution to GDP in 1970), the mining industry nevertheless continues to make a valuable contribution to the South African economy, most notably in terms of foreign exchange earnings, employment and economic activity. Nominal mining GDP of R279.7 billion was recorded in 2013, up from R270.2 billion in 2012.

JSE

R16.3 billion

WAS PAID ON INTEREST, UP FROM R14.BILLION PAID IN 2O12

NUMBER OF EMPLOYEES AND EARNINGS

	EMPLOYMENT NUMBERS IN SA MINING INDUSTRY	% OF TOTAL NO. OF EMPLOYEES	TOTAL EMPLOYEE EARNINGS (Rmillion)
GOLD	131 591	25.8	23904.9
P.G.M.	191 261	37.5	37709.1
IRON ORE	21 145	4.1	4845.1
MANGANESE	9 866	1.9	1948.5
DIAMONDS	13 547	2.7	2869.7
COAL	87 768	17.2	18933.6
AGGREGATE AND SAND	7 579	1.5	941.4

PRODUCT

NEARLY 100% OF SOUTH AFRICA'S CEMENT AND BUILDING AGGREGATES ARE MADE LOCALLY AND 80% OF THE COUNTRY'S STEEL IS MADE LOCALLY FROM LOCALLY MINED IRON ORE, CHROME, MANGANESE AND COOKING COAL, USING FURNACES THAT ARE 95% POWERED BY ELECTRICITY FROM COAL FIRED POWER STATIONS

GDP

2012/2014 IS

R6.4 billion

MINING INDUSTRY ALSO CONTRIBUTED TO THE NATIONAL FISCUS THROUGH ROYALTIES AND TAXES, HAVING PAID R5.6 BILLION IN 2011/2012 AND R5.02 BILLION IN 2012/2014 IS R6.4 BILLION

Total primary mineral sales exports increased by 4% in 2013 to a total of R279.5 billion from R269 billion in 2012. This accounted for 30.5% of South Africa's total merchandise exports.

STRUCTURE OF THE CHAMBER

THE COUNCIL

As at end of reporting period 9 July 2013 to December 2014

M Teke
(President)

Ms KT Kweyama
(Vice President)

G Briggs
(Vice President)

A Bam

M Cutifani

P Dunne

J Evans

N Froneman

T Goodlace

C Griffith

G Heale

N Holland

MJ Houston

B Magara

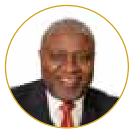
N Mbazima

Dr. X Mkhwanazi

D Matlou

R Moodley

M Mothoa



SA Nkosi

M O'Hare

B Peterson

S Phiri

N Pienaar

N Pretorius

A Sangqu

MP Schmidt

B Sibiya

PW Steenkamp

S Venkatakrishnan

GOLD PRODUCERS' COMMITTEE

Mike O'Hare
Ken Matthysen
Peter Turner
Tom Smith
Charles Symons
Richard de Villiers
Wayne Robinson

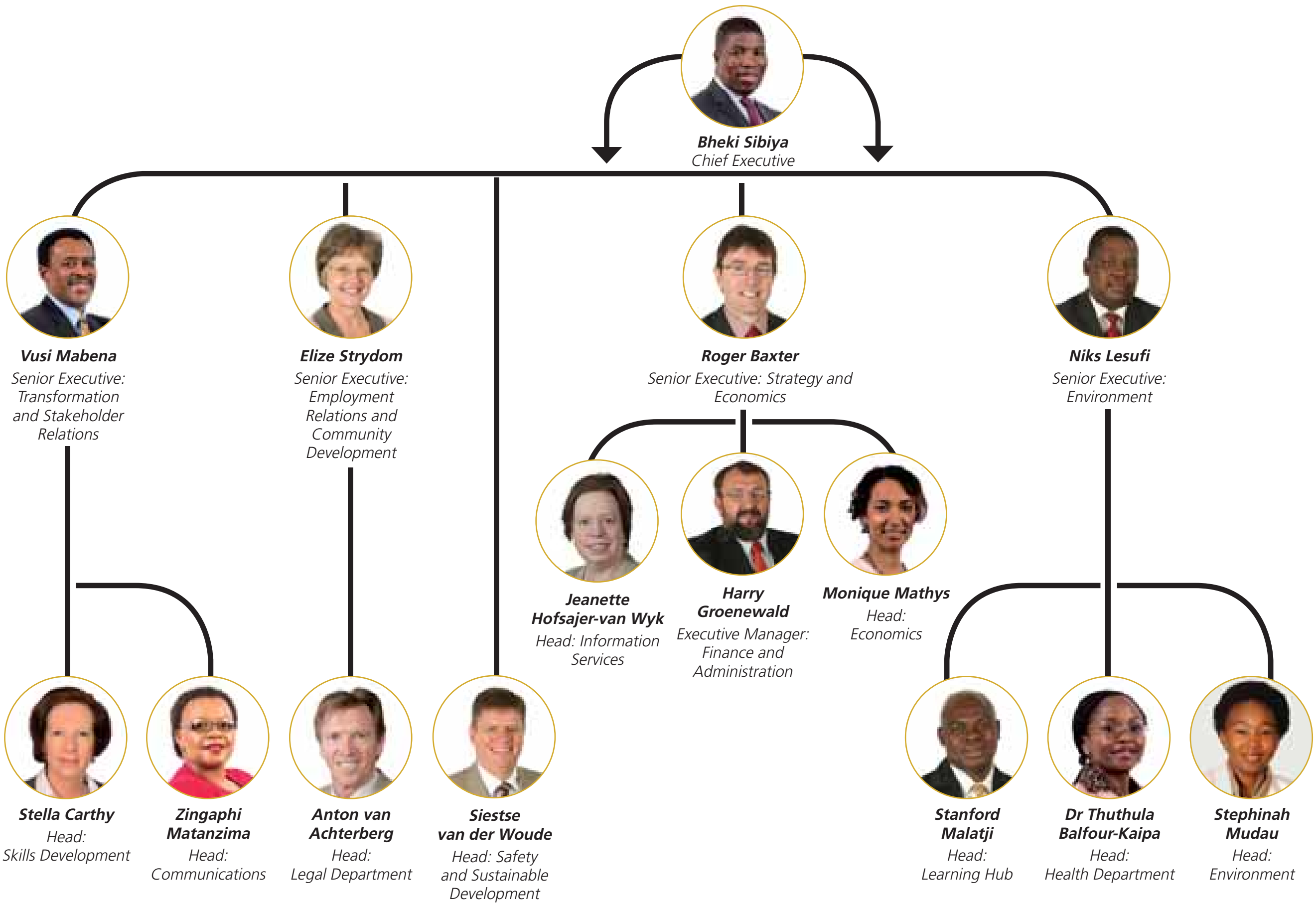
COLLIERIES' COMMITTEE

Wilco Uys
Praveer Tripathi
Themba Masondo
Riaan van der Merwe
Johan Heystek
Dr Nombasa Tsengwa
Arun Narain
Vusi Khumalo
Iñaki Pitarque
Ayanda Bam
Andy McLeod
Koos Jordaan
Zirk van der Bank
Pierre Jordaan
Mzwandile Nombewu
Stefan Venter

As at end of reporting period 9 July 2013 to December 2014

CHAMBER MANAGEMENT

As at end of reporting period 9 July 2013 to December 2014



PLATINUM LEADERS FORUM
NATIONAL DEVELOPMENT PLAN COMMITTEE
DIAMOND LEADERSHIP FORUM
CEO ELIMINATION OF FATALITIES TASK TEAM
CHAMBER OF MEMBERS COORDINATING COMMITTEE
CHAMBER LEGACY COMMITTEE

FOREWORD BY THE PRESIDENT OF THE CHAMBER OF MINES

MIKE TEKE, PRESIDENT OF THE CHAMBER OF MINES OF SOUTH AFRICA

The financial year under review was indeed a challenging one for the Chamber of Mines and the industry as a whole. The labour relations environment following the Marikana tragedy has indeed brought a relative sense of unease in the sector and the investment community.

This was coupled with negative commodity prices and falling demand the year saw marked decline in company performance. This negative sentiment was worsened by the energy crisis experienced by the country.

Whilst the industry kept to its promise of co-operating with government and being in constant conversation with government, we still face structural challenges which require concerted efforts and dedication to resolve them.

One underpinning challenge for the mining sector is to remain competitive. In all engagements with stakeholders both nationally and internationally we have been seeking solutions that will answer the question, how do we maintain our competitive edge and become the "best mining investment address"?

During this reporting period we saw the Mineral and Petroleum Resources Development Act being amended and subsequently going through to Parliament. Whilst concerns have been raised by various stakeholders particularly the oil and gas sector the Chamber of Mines maintained the belief that it negotiated the best positions on the areas of the Act that would have compromised the industry in the long term. In this regard we continued to urge and work with government.

As the industry awaits the long awaited Mining Charter Review, we remain committed to transformation. We implore government to undertake a comprehensive assessment that will indeed be a basis of curving a new path on how the sector can better drive the transformation agenda.

Our commitment to driving solutions we have been encouraged by the spearheading of the Framework Agreement on a sustainable mining industry by President Jacob Zuma and we continued to provide valuable inputs on all interventions at this level.

As we prepare for another year we expect government to provide a stable, predictable and equitable policy environment that promotes long-term investment. Such an environment can only assist business in assessing business opportunities on a more informed basis and can then shorten the period before investment becomes productive.

We need a growing mining industry that will contribute meaningfully to the economic growth of the country and in turn realise employment for the people of this country.

The Mine Health and Safety Summit was again a resounding success and a clear indication that when the tripartite spirit prevails the South African mining industry can achieve great things. The reduction in fatalities and the marked improvement on occupational health is commendable but we have not rested on our laurels. The launch of the Centre of Excellence is also an achievement and a demonstration that we seek to do more and invest more on ensuring that we achieve Zero Harm and that every worker returns home safe and unharmed everyday.

We look forward to accelerated work on the proposed Mining LAB as driven through the office of the Minister in the Presidency as this will pave the way to a focused mining strategy for the country and begin to unlock the opportunities that exist to realise the much needed economic growth in the country.

The Chamber of Mines and its member companies remain committed to Putting South Africa First!

Mike Teke
President:
Chamber of Mines of South Africa

CHIEF EXECUTIVE'S REVIEW

BHEKI SIBIYA, CHIEF EXECUTIVE OF THE CHAMBER OF MINES OF SOUTH AFRICA

The Chamber of Mines faced several critical challenges on behalf of its members during the year under review. Critical amongst these was the amendment of the Minerals and Petroleum Resources Development Act, the information collation for the Mining Charter Assessment process and the Chamber's input to the Davies Taxation Committee. The long crippling strike in the platinum sector and the continuous decline in commodity prices, together with market value of most mining companies, were amongst the other key headwinds that the mining industry had to contend with.

During this period, the South African mining industry also faced operational challenges in particular the continuing electricity crisis. In this regard the Chamber has engaged extensively with Eskom to ensure that its member companies, which are amongst the intensive energy users in the country, understand the problems that Eskom is facing and how they could assist in managing national electricity demand. Mining companies have made a significant contribution by further reducing their demand over and above operating mines at 10% electricity demand reduction in the previous year. This collaborative approach, although it contributed to reduced production, clearly demonstrated the mining industry's commitment to finding solutions to resolve the electricity challenges that the country is facing.

Continuing in the spirit of tripartism, the Chamber of Mines, together with its founding members, namely the Department of Mineral Resources and the National Union of Mineworkers hosted a successful Mining Lekgotla in 2014. The mature and constructive engagement with our stakeholders has indeed demonstrated that industry and stakeholders are committed to getting the mining industry back to its optimal contribution as a key driver of the economy in the country.

During this period we forged ahead on ensuring that we recommit ourselves to Zero Harm and we are indeed proud to have been able to reach a new milestone of reducing fatalities in the industry. The loss of any life is a cause for concern and we are certain that the industry is well on course and is committed to achieving the milestones agreed to and signed at the Mine Health and Safety Summit.

We encouraged our members to persist in being good corporate citizens by ensuring that we improve our guidelines on various aspects of environmental management. In this way we continued to demonstrate that mining can be undertaken in a responsible manner. The process for acquiring the different important environmental authorisations remains a challenge. To resolve this challenge, we look forward to our engagement with government eventually to create a one-stop-shop on environmental approvals as this can only contribute to regulatory certainty and predictability. Regulatory certainty is critical in getting the South

African mining industry to improve its competitive edge as a preferred mining investment jurisdiction.

As a mandate driven organisation, the Chamber held a special strategic conference with its Council and other leading members to develop a new set of strategic goals that would assist the Chamber to realign itself with the industry and streamline its internal operational systems. This will ensure that the Chamber plays its strategic advocacy role to the benefit of all its members.

The Chamber has always looked for different ways of continually engaging with its various stakeholders and the public over and above sparsely spread once-off meetings. In an attempt to reach out to the public the Chamber embarked on a groundbreaking social media space campaign which is successfully being used constantly to share information with communities on the contribution of mining to the daily lives of South Africans. We pride ourselves in leading the way in the social media space as the MINE campaign won a Silver Loerie Award for its creative use of technical content.

Bheki Sibiya
Chief Executive:
Chamber of Mines of South Africa

MINING IS THE BACKBONE OF THE SA ECONOMY

SA MINING CONTRIBUTION ON UPPER END COMPARED TO GLOBAL PEERS

ECONOMIC CONTRIBUTION OF:

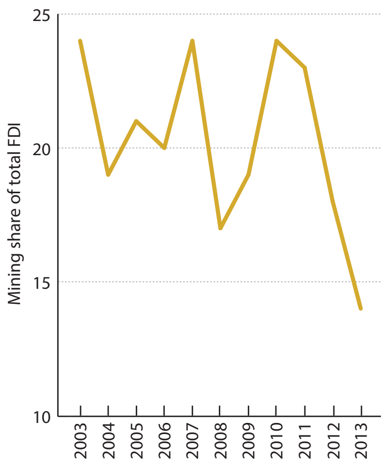
	LOW- AND MIDDLE-INCOME NATIONS GLOBALLY	SOUTH AFRICA*
FOREIGN DIRECT INVESTMENT (FDI) Mining FDI often dominates the total flow of FDI in low-income economies that have only limited other attractions for international capital	**60% – 90%** OF TOTAL FDI	**15% – 25%** OF TOTAL FDI
EXPORTS Mineral exports can rapidly rise to be a major share of total exports in low-income agrarian economies even when starting from a low base	**30% – 60%** OF TOTAL EXPORTS	**30% – 35%** OF TOTAL EXPORTS
GOVERNMENT REVENUE Mineral taxation has become a very significant source of total tax revenues in many low-income economies with limited tax-raising capacity	**3% – 20%** OF GOVERNMENT REVENUES	**30% – 35%** OF GOVERNMENT REVENUES
NATIONAL INCOME (GDP AND GNI) Modern-day mineral processing technology is sophisticated and highly capital intensive; locations are centralised as a result and most upstream value addition takes place outside the mine-host country	**3% – 10%** OF TOTAL NATIONAL INCOME	**8%** OF TOTAL NATIONAL INCOME
EMPLOYMENT Mine employment on its own is usually small relative to the total national labour force	**1% – 2%** OF TOTAL EMPLOYMENT	**8% – 15%** OF TOTAL EMPLOYMENT

Source: ICMM

** Chamber of Mines based on five year averages*

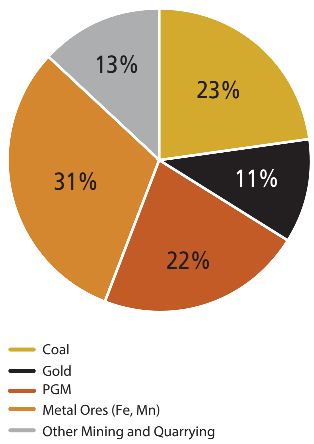
SA ECONOMIC GROWTH AND INVESTMENT FROM MINING SECTOR STEADFAST DESPITE WEAK GLOBAL COMMODITY PRICES

SA Mining at 14% of total SA foreign direct investment



Source: IMF WEO, October 2012

Sector contribution to mining GDP



Overview

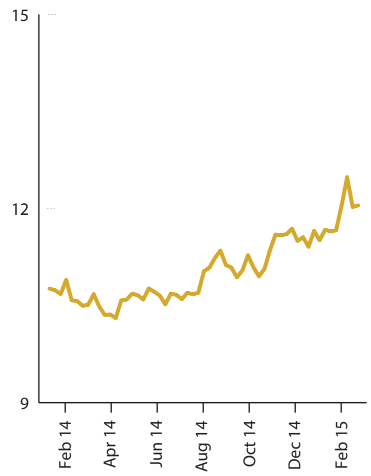
South Africa remains an integral part of both the South African economy and global metals mining industry. This was reconfirmed in the 2014 ICMM Investment in mining report which identified South Africa as the seventh most significant mining nation in the world. As backbone to the South African economy, mining has been a forerunner to many industries and continues to be a key catalyst to many sideline economies.

Traditionally mining has accounted for a significant portion of capital flows into the country which improves the capital account of the balance of payments. Mineral exports as a % of total SA merchandise exports remains significant at 26% in 2014 (30% average over three years to 2014), despite declining commodity prices and production disruptions. Through pension funds and life assurance contributions many South Africans have their retirement savings invested in the mining sector. At the end of 2014 mining shares constituted 18.7% of the total value of the JSE based on market cap (down from 30% in 2010). For the three years 2011 to 2014, the shareholder returns to investors through dividend payments were 3.7% (R9.4bn) of total expenditure, the average tax received by the state (including royalties) 5.7% (R23bn) of total expenditure and remuneration received by employees amounting to 22% (R115bn) of total expenditure. Despite falling profitability of the industry, government tax collections have been supplemented by the R25 billion additional tax revenues from the royalty bill (2010 – 2014), increasing average annual tax collections by 30% over the last three years. However, since 2010 there has been a significant decline in mining revenue and investors are demanding increased shareholder returns. Weakening commodity prices across South African mining sectors and increased external mining disruptions, has resulted in the reduction of the mining sectors' profitability. During 2014, average cash operating margins (before capital expenditure) averaged 20%. However, currently 30% of mining operations are loss-making, as a result of weak commodity prices. The reduction in mining share prices are indicative of shareholders being unsatisfied with the returns on their investment relative to the risk involved in investing in mining equities. Over the last five years (to March 2015), the South African mining sector equity values has had a negative return to shareholders of 6.4%, compared to a positive return to the All Share JSE equity index of 12.7% over the same period.

Although South Africa as a mining country is positioned favourably on most metrics, compared to international peers, it falls short in the area of FDI. The mining industry contributes 14% to FDI in 2013, down from 25% in 2010. The potential for this to improve is hampered by the escalation of a labour, electricity and regulatory challenges. The downgrade of the SA debt rating during 2014, places it, on average just within the investment grade rating. Further downgrades would place it at risk of being sub-investment grade or junk status. This would have the effect of placing further pressure on an already struggling national budget. For the mining sector, it would increase financing costs, increase the companies cost of capital and reduce funding availability for growth. The Eskom credit downgrade to junk status, added to the state-owned utilities woes and as continued load shedding continues, the economy remains sluggish. The National Budget review indicated that GDP growth forecasts for

MINING IS THE BACKBONE OF THE SA ECONOMY (CONTINUED)

Rand/USD exchange rate



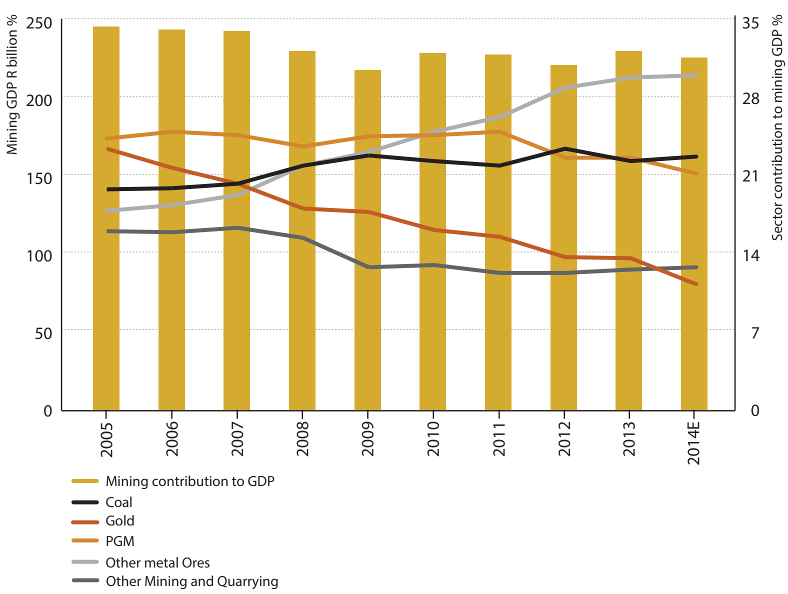
South Africa could be as low as 1%, without recovery in electricity generation. The overall GDP outlook from government for the next few years of 2% to 2.5% is well below the government's National Development Plan and will place pressure on business, especially employment and capital investment.

For the year under review, 2014 will forever leave a mark in the economic landscape for mining, as the protracted strike action in the PGM industry sent ripples through the South African economy. Mining contribution to SA GDP in 2014 was at 7.6%, despite the challenges faced. The diversified commodity exposure of the rich resources endowments of South Africa presents portfolio benefits of lower prices off-setting higher ones. However, 2014 saw even this benefit eliminated, as for the first time since the 2008/2009 world financial crisis, most USD commodity prices were at multi-year lows. Iron ore was the last one to fall end 2014, but the impacts of its spectacular decline are still filtering through the effected companies. The future impact of this must be considered in the light of iron ore's increasing GDP contribution over the last decade. Together with coal, it was the only commodity grouping increasing its contribution and off-setting other sector declines.

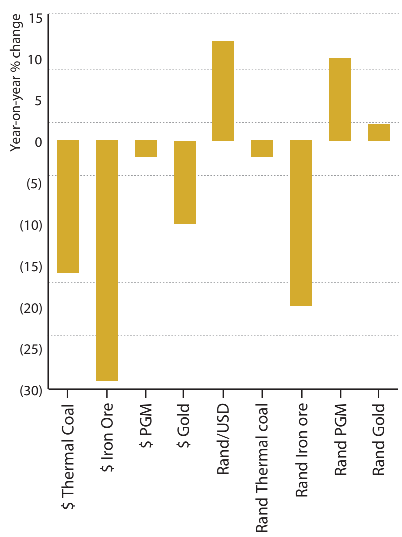
Rand commodity prices for 2014

During 2014, the slowdown in commodity demand and prices were felt by all commodity markets impacted by South African miners. This slowdown was driven by Chinese commodity demand growth which slowed down in most sectors, with steel demand (and so iron ore) most severely impacted. The US recovery in economic growth provided some buffer for precious metals and base metals, but was not sufficient to off-set the Chinese slowdown. The Rand exchange rate provided a buffer, depreciating against the Dollar by 12%, with an average of R10.82/Dollar for the 2014 year. The Rand in 2015 continued to depreciate, averaging 3% weaker for the first quarter of 2015, as the R12/Dollar level has been breached. Overall for 2014, Rand commodity prices for the key export sectors, PGM, gold, iron ore and coal, changed by –20% to +10%, a very mediocre performance.

SA Mining GDP

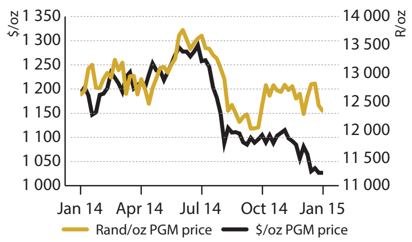
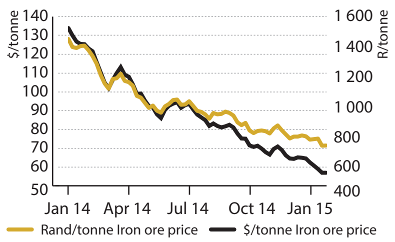
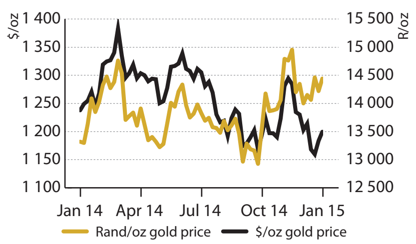
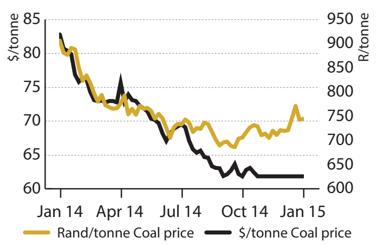


Commodity prices for 2014



SA MINING INDUSTRY HAS UNIQUE COMMODITY DIVERSIFICATION ACROSS PRECIOUS, BULK AND ENERGY MATERIALS

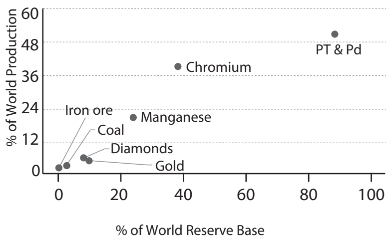
Global commodity prices impact on SA mining industry

	% Contribution: * Mineral sales vs total SA exports ¤ SA production vs global ~ SA reserves vs global	Commodity pricing during 2014 – Rand commodity price of 2014 average compared to 2013 average	2015 YTD and outlook
PGM	* 27 ¤ 55 ~ 96	Rand PGM* prices increased c. 10% yoy 	PGM prices had a volatile start to 2015. At 28 March 2015, spot Rand PGM prices drifting lower (–4% year to date). However, Dollar PGM prices are down 7% year to date, at US$1 022/ounce for the basket.
Iron ore	* 21 ¤ 2 ~ 1	Rand iron ore price declined by (20)% yoy 	Iron ore prices have continued the downward trend in 2015. At 28 March 2015, spot Rand iron ore prices were significantly lower (–12% year to date). However, Dollar iron ore prices are down –15% year to date, at US$56/tonne.
Gold	* 19 ¤ 5 ~ 11	Rand gold price flat at +2% yoy 	Gold prices have also had a very volatile start to 2015. At 28 March 2015, spot Rand gold prices was relatively flat (+2% year to date). Dollar gold prices are flat year to date, at US$1 199/ounce.
Coal	* 19 ¤ 3 ~ 3	Rand thermal coal export price declined (3)% yoy 	Thermal coal prices had a better start to 2015. At 28 March 2015, spot Rand coal prices were trending higher (+2% year to date). However, it remains below the 2014 year average, at US$62/tonne currently.

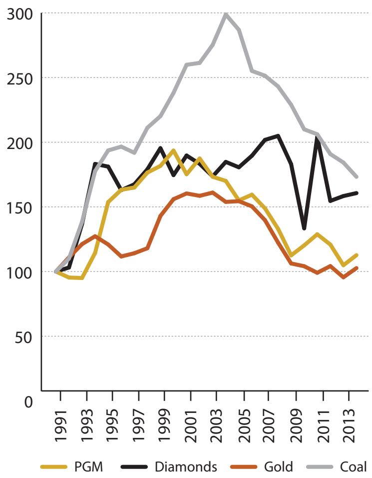
Source: CoM Economics department analysis, Bloomberg, SBG Securities.
**PGM is Platinum, palladium and rhodium.*
^Thermal coal is based on API4 (Richards Bay Coal Terminal price).

MINING IS THE BACKBONE OF THE SA ECONOMY (CONTINUED)

SA commodity market share (2013)

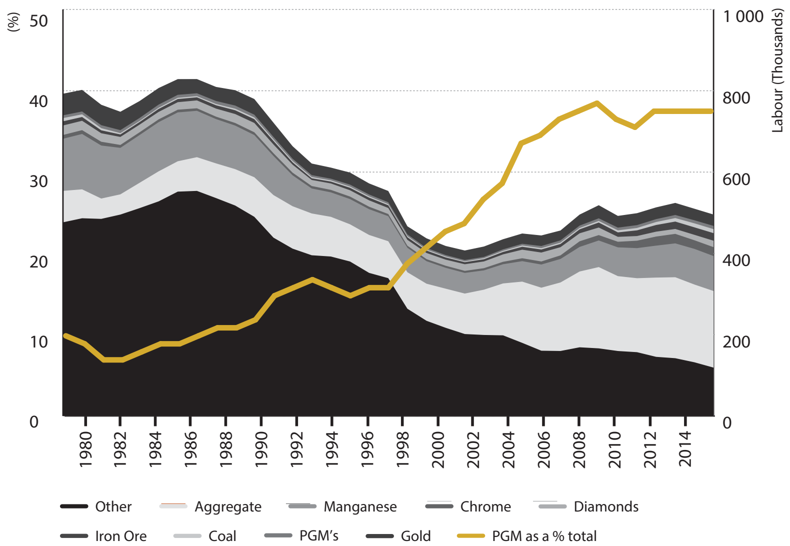


Productivity (units produced/labour)



(Index to 100 in 1990)

Mining sector employment



Industry operational performance

Employment, production and productivity

The close link between employment, production and labour provides the levers for a sustainable and globally competitive mining sector. Ultimately, a growing sector, encourages employment growth. However, South Africa's mining industry can be considered a mature industry which necessitates increased efficiencies, modernisation and improved productivity to shift it up the growth curve and down the global cost curve. South Africa's share of global production for most sectors has reduced over the last decade, however, it remains a significant player in the global mining space. PGM market share is high at 55% of world production, with chrome and manganese significant at 42% and 23% respectively in 2013. Gold, coal, diamonds and iron-ore market share all fall below the 10% threshold of production market share.

With production and market share for most sectors has been stagnant and declining, employment in the sector has been flat to lower. In 2014, the mining sector employed 496 thousand employees directly, or 6% of total formal non-agricultural employment in South Africa. Productivity in South Africa, across sectors has been poor over the last decade. Although, there has not been a significant decline for gold, PGM and diamonds, the absence of improved productivity, in light of significant real wage increases, reduces the ability of the South African mining industry to effectively compete internationally. Work stoppages due to supply shortages, strike action and safety stoppages, all significantly reduce the ability of the industry to maximise return from its physical capital (and capital investment.) Other operational factors has contributed as well to the productivity decline such as lowering grades, increased depth of mining, unexpected geological occurrences and extreme weather conditions. The Chamber continues to work with all stakeholders to reduce occurrence of stoppages with a view to ensure maximum productivity and value from the industry for all stakeholders. Across the largest mining sectors, productivity levels remain low by historic levels. Relative productivity is a function of specific sector dynamics highlighted in the sector specific discussions that follow.

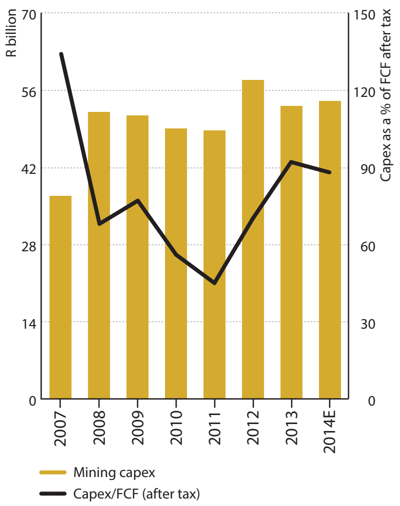
Rising costs and slowing capital expenditure

Capital expenditure remains at a relatively high level in the mining sector averaging R55 billion per annum over the three years 2012 to 2014. It has slowed from the R59 billion peak in 2012, but remains above pre-2012 levels. Although, expansionary or growth capital expenditure is declining, maintenance or stay-in-business capital spend levels

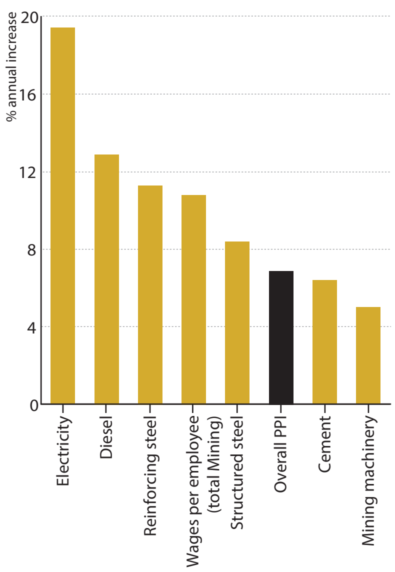
COST INFLATION IN THE SECTOR, REMAINS AT UNSUSTAINABLY HIGH LEVELS. HOWEVER WITH THE DECLINE IN OIL PRICE IN 2014, SOME REPRIEVE HAVE BEEN EXPERIENCED IN THE LATTER PART OF 2014

remain high. Into 2015, more companies are announcing that even maintenance capital spend may need to be reviewed as cash flows are significantly depressed. This is seen in the increased capital to free cash flow level, currently being experienced by the sector, from 40% in 2011 to 80% estimate in 2014.

Capital expenditure



SA Mining cost inflation (2008-2014)



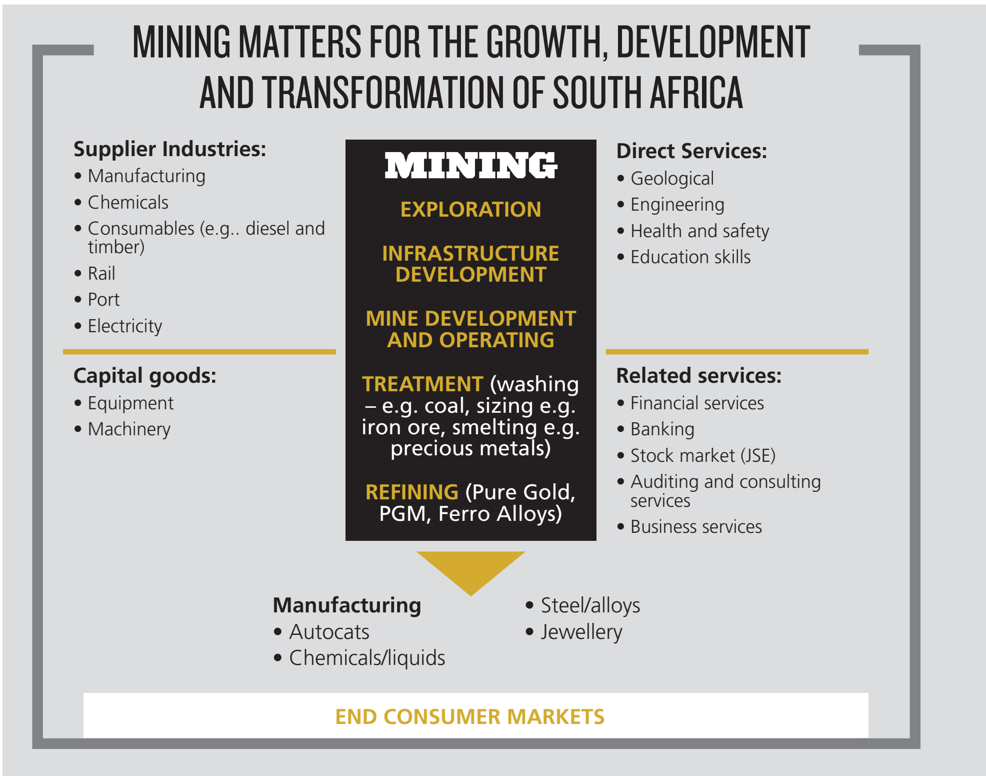
Cost inflation in the sector, remains at unsustainably high levels. However with the decline in oil price in 2014, some reprieve have been experienced in the latter part of 2014. Larger portion of the cost components however, remain above CPI. The largest increasing component was electricity, increasing some 19%, and this trend is likely to remain at these high double-digit levels. South Africa in general has mature mining operations with limited growth in volumes to offset such steep cost inflation. Modernisation of the industry to ensure its sustainable growth into the future.

Mining backbone linking into a greater value chain: Indirect benefits

The South African mining sector indirectly creates economic value and jobs, greater than its direct contribution. Based on the 2012 independent study, the indirect benefits has numerous multiplier effects into the economy of 2.3x on GDP and 2.6x on employment. In addition, given that employees in the mining sector have an average dependant ratio of 1:10, significantly more people are receiving benefit from their employment in the sector.

Over the past 130 years, the mining industry has provided the critical mass for the development of a number of industries including:

- Financial services (mining highly capital intensive)
- Energy sector (coal for power stations, gas-to-liquids)
- Engineering services (significant infrastructure development



MINING IS THE BACKBONE OF THE SA ECONOMY
(CONTINUED)

- Construction (through development of mines)
- Retailers (through wages to employees)
- Equipment manufacturers (machinery and materials employed in mining process)
- Supplier industries (chemicals, timber, safety gear)
- Water services (collaboration in water services in outlying communities

Policy focus areas for 2015

Sharing the mineral wealth of South Africa with all its people and ensuring transformation of the industry remains critical. Investors, government and labour working collaboratively to create platforms for growth remains key. Below are highlights of policy focus areas within the economics area for 2015:

Project Phakisa and mining labs

- Planned for 2015 a focus for all players to work together and present an action plan for growth and transformation which encourages investment
- Aimed for second half 2015

MIGDETT tripartite revived (Mining Industry Growth, Development and Transformation Task team)

- Tripartite between government, labour and business
- Focus on Coal Policy development in light of strategic mineral debate security of supply and competitiveness
- Also on Mining Charter process: The mining industry has made significant strides in achieving the transformation targets set by government. Mining Charter processes in 2015 critical for ensuring continued transformation while growing the sector. Declaratory order seeks to bring clarity regarding the continuing consequences issue.

President's framework agreement:

- In August 2013, the stakeholders developed a "Framework Agreement for a Sustainable Mining Industry" under the leadership of the country's Deputy-President. This is now being driven by His Excellency President Zuma.

The focus of the DP's Mining dialogue process is to:

- Stabilise the industrial relations environment. Promote law and order. Investigate the key negative issues in the migrant labour system (and to propose solutions)
- Get the mining industry back on track from an investment and growth perspective.

MPRDA amendment bill

- Legislation, regulation and policies should ensure an appropriate cost-benefit assessment and that it does not compromise on ensuring that value is unlocked across the mining sectors
- Development pricing debate remains a focus area for the Chamber

Nedlac task team – minimum wage and strike action committee

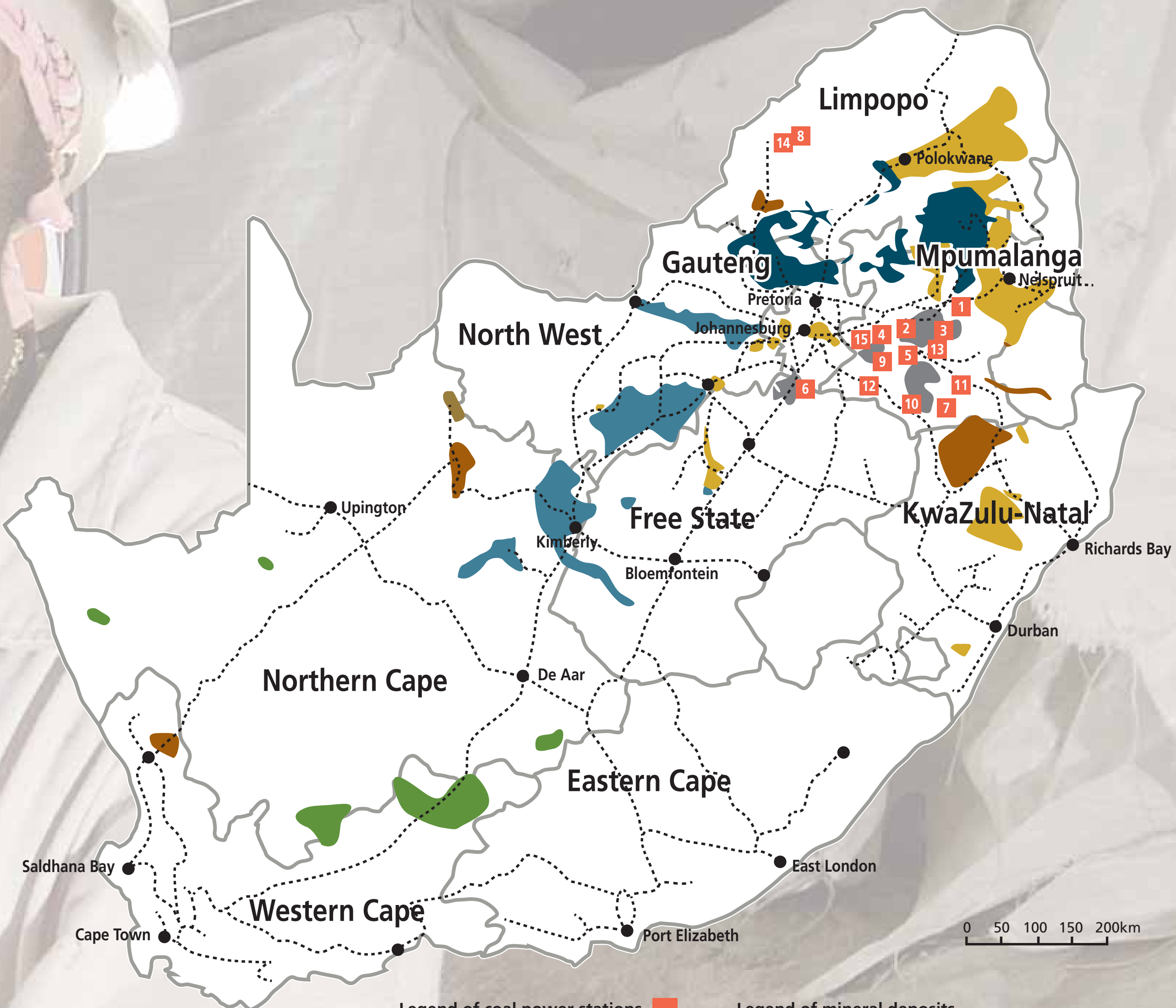
- Terms of reference has been agreed
- Unlikely to have any positive legislative amendments to benefit this year's wage negotiations process

Electricity supply disruption

- Chamber remains focussed on ensuring limited further disruptions due to curtainments and objecting to tariff increases. Through the "war room" and with organisations such as Energy Intensive User Group and Business Utility South Africa, the Chamber remains engaged.
- NERSA submission on proposed tariff revisions

Infrastructure and energy

South African key mineral deposit and infrastructures



Legend of coal power stations

1. Arnot
2. Duvha
3. Hendrina
4. Kendal
5. Kriel
6. Lethabo
7. Majuba
8. Matimba
9. Malta
10. Tutuka
11. Camden
12. Grootvlei
13. Komati
14. Medupi
15. Kusile

Legend of mineral deposits

- Diamond
- Iron
- Uranium
- Coal
- PGM
- Manganese
- Gold

Source: Chamber of mines, ●

----- Railway

MINING IS THE BACKBONE OF THE SA ECONOMY (CONTINUED)

Transport economic regulator

- Centralised 'NERSA' equivalent for water and rail infrastructure
- Holistic cost impact assessment welcomed
- Pricing transparency and consistency key

Electricity supply

During the period under review the electricity supply system remained in a constrained state. The situation was exacerbated by delays in the construction work at the Medupi power station, a fatal accident during construction at the Ingula Pump Storage scheme and the collapse of a coal silo at the Dhuva power station, and the strike.

Eskom had abandoned the philosophy of "keeping the lights on" as it had resulted in damage to the system and plant. In terms of this philosophy the only maintenance was essentially breakdown maintenance. Consequently some major incidents occurred resulting in emergencies. Eskom has now resumed normal maintenance and planned to restore plant availability to 85% over five years.

Until recently Eskom depended entirely on industrial customers to reduce demand during generation emergencies. During 2014 demand reductions were also extended to domestic consumers through rotational load shedding. It is expected that the electricity supply system will remain constrained until 2019.

During the 2013/2014 financial year the mining industry consumed some14,1% of the 217 903 GWh of electricity sold by Eskom. During this period Eskom burned 122 400 000 ton of coal. At the start of the 2014/2015 year Eskom coal stocks remained above the target of 42 days.

During 2014 the following engagements on electricity supply has taken place:

- A senior delegation from Eskom met the Chamber's Council to discuss matters of mutual interest. Issues discussed included the electricity supply crisis, Eskom's deteriorating plant availability and coal supply to power stations.
- The Chamber participated as part of a Business Unity South Africa (BUSA) delegation in a meeting with the Minister of Public Enterprises. Issues discussed included Eskom's supply availability, the new build and timeframes for completion and commissioning, coal supply issues, Eskom's financial sustainability and the sourcing of power from independent power producers. The meeting took place in a spirit of openness and transparency. The Minister made it clear that she regarded the meeting as an extremely important one and that in her view a sound relationship with BUSA and its constituencies, including the other business formations and industry associations, was a priority for her.
- The Chamber was represented on the Executive Council of the National Economic Development and Labour Advisory Council (Nedlac) when it met with the Minister of Energy. The Minister acknowledged that the energy sector had been an impediment to economic growth in the country and that radical interventions were necessary to turn things around. Over the past three years, the situation in the energy sector had progressively deteriorated to the extent that, unless some drastic action was taken, the energy problems were likely to affect other aspects of the South African economy adversely. The Minister proposed a package of short, medium and long-term interventions to rectify the situation.

Rail Transport and port

Efficient and affordable rail transport is essential for a successful bulk commodity mining sector, e.g. coal, iron ore and manganese ore. In its endeavours to attain a satisfactory rail transport service for its members the Chamber interacted with Transnet Freight Rail (TFR) and the Department of Transport (DoT) during the period under review.

The Chamber's major concern was that the railway to Richards Bay was only able to transport some 70 Mt of coal per year while the capacity the Richards Bay Coal Terminal (RBCT) was 91 Mt per year.

TFR reported that it had purchased 200 new wagons and 100 new locomotives that would be delivered by February 2015 as part of its R201 billion rail overhaul.

The single line through the Overvaal tunnel on route to Richards Bay was currently the most critical. TFR was planning a railway line through Swaziland to bypass the Overvaal tunnel. The Swaziland line, once fully constructed, would increase the rail capacity to about 102 Mt per year.

The route had been agreed upon after extensive considerations due to the mountainous terrain of the route. Bi-lateral agreements between South Africa and Swaziland had been entered into. Geotechnical studies were being carried out to ensure that the ground was stable for the laying of the rail line. Once these

studies had been completed construction would commence and should be completed by 2019.

Officials from the DoT consulted with the Chamber on possible policy positions for inclusion in an envisaged Green Paper on Rail Policy.

The DoT recognised that the South African railway system had deteriorated to the point where it was no longer able to compete effectively against other transport modes in delivering their rightful share of the national freight- and passenger transport task; and unable to support South Africa's export into the global market. The situation was exacerbated by a lack of policy direction, appropriate institutional frameworks and a strategic approach to govern major new rail investment decisions.

A national rail policy was required to steer the various role players towards a consistent strategic reform to ensure the future sustainable development of the rail industry over a realistic time period and in an affordable manner.

The Chamber welcomed the approach and agreed to participate in consultations when the envisaged green paper was issued for comment.

Currently the terminal capacity significantly exceeds the rail capacity.

South African coal producers have the following export facilities available to them:

Rail

Transnet Freight Rail (TFR) lines from the Mpumalanga Highveld to Maputo, Richards Bay and Durban. During 2013 the line to Richards Bay delivered 70,8 million ton to the Richards Bay Coal Terminal (RBCT).

Coal terminals

Terminal	Location	Capacity (t/a)
Richards Bay Coal Terminal	Port of Richards Bay	91 000 000
Navitrade (Grindrod)	Port of Richards Bay	3 000 000
Grindrod Terminal de Carvão da Matola	Port of Maputo	7 500 000
Transnet	Port of Durban	2 000 000

Research and Initiatives

Rescue drill

During November 2011 the Collieries Committee agreed to provide funds for the acquisition of the Schramm T130XD drill and the Schramm T685WS drill with ancillary equipment. The cost was to be borne by the Chamber's coal producing members who operated underground collieries with contributions being determined by the number of persons employed in the underground operations. The total cost of the acquisition eventually amounted to R65,675 million. The contract with the supplier of the new rescue drill was signed later in 2011.

On arrival in South Africa the Schramm T130XD drill was homologated to South African road going vehicle specifications and delivered to the Rescue Drilling Unit in eMalahleni during July 2013.

After crew training the Schramm T130DX drill was tested by drilling two holes at Goedehoop Colliery during October 2013. During the January and February 2014 the new rescue winder and rescue capsule were also tested in these holes.

The rescue drill was introduced to the public during a launch function on 18 February 2014 at Goedehoop Colliery.

The major feature of the function was a simulated rescue using the new rescue winder and rescue capsule.

Since its launch the Schramm T130XD rescue drill has drilled three further training holes at Sigma, Matla and Greenside Collieries.

Coaltech Research Association NPC

The Chamber continued its close involvement in the Coaltech Research Association NPC.

During the period of review Coaltech completed a number innovative projects:

- A wetland damaged by farming and polluted water from industrial and mining operations was restored successfully. This proved that it was possible to restore damaged wetlands.
- A freeze desalination pilot plant demonstrated that it was possible to treat brine resulting from reverse osmosis plants to recover additional clean water and reduce the final residue to manageable quantities. Coaltech is currently evaluating three different freeze desalination technologies.
- At the request of coal producers Coaltech undertook an investigation into best practices for the design and construction of explosion resistant seals in underground collieries.
- A basin analysis of the Springbok Flats coal field that provided the first holistic structural description of this coal deposit.

Work continued on the investigation of water efficient coal treatment processes.

MINING IS THE BACKBONE OF THE SA ECONOMY (CONTINUED)

Currently there is a focus on a dry dense medium separation process.

Coaltech always endeavoured to involve post graduate students in its research projects. Since its inception in 1999 to 2014 100 students received post-graduate degrees by working on Coaltech projects.

This includes, amongst others, two post doctorates, 18 PhD and 62 MSc degrees.

Coal export initiative

During 2013 the Chamber became aware of plans to construct another coal export terminal in Richards Bay despite the fact that the current facilities at Richards Bay Coal Terminal (RBCT) were not fully utilised. After discussions with the management of RBCT, coal exporters, Transnet Freight Rail (TFR) and Eskom a meeting of the major role players in the coal export value chain was convened to discuss the matter. The objective is to facilitate an increase in coal exports by improving the utilisation of the facilities in the export value chain.

Emerging miners are catered for by the Quattro scheme administered by UBU Logistics on behalf of the Department of Mineral Resources. This scheme provides emerging miners with export capacity of 4 Mt/year through RBCT.

The Chamber convened a meeting of the major participants in the coal export value chain, namely Eskom, RBCT, Grindrod, TFR, Transnet Port Terminals, UBU Logistics and the South African Mining Development Association (SAMDA). The meeting was chaired by the President of the Chamber, Mr M Teke.

The meeting expressed general support for open discussion by all present and Mr Teke proposed further discussions with non-disclosure agreements, if necessary, by the parties and due consideration of competition issues. The Department of Public Enterprises and the Department of Mineral Resources were to be consulted and invited to a future meeting as they were important stakeholders.

This initiative has the potential to facilitate the improved utilisation of facilities and enhance the opportunities for coal exports while ensuring a sufficient supply of coal for domestic use. The initiative and its expected outcomes could be applicable to other mineral export value chains as well.

Private sector participation in railway infrastructure and operations

At a meeting of the Transnet Policy Forum, which was also attended by the Chamber of Mines' Chief Executive and Chief Operating Officer, as well as a representative from Business Leadership South Africa, a discussion ensued on private sector participation in the Transnet capital expansion plans and the Market Demand Strategy programme. The Forum resolved that such participation would enhance the growth potential in the South African mining sector. Consequently the Private Sector Participation (PSP) Task Team was mandated to consider the exact modalities, develop key common outputs to support PSP development and to strengthen communication between public sector and the private mining sector.

The PSP Task Team comprises representatives from Transnet, Department of Public Enterprises, the Chamber of Mines, Business Leadership South Africa and the coal, iron ore and manganese sectors.

After four work sessions the PSP Task Team prepared the "PSP Framework" that described the broad private sector participation design parameters and proposed a risk-based approach for the conceptualisation and design of private sector participation transactions. Subsequently the Framework was developed further by applying the principles and approaches to identify and conceptualise a range of possible private sector participation transactions using, as an example, the coal logistics system from Botswana through the Waterberg coal field to Richards Bay. This revealed a number of potential transactions.

The Framework, and detailed further analysis of each of the identified opportunities were presented to the Transnet Policy on 21 May 2014 where it was agreed that the participants in the PSP Task Team should share the outcomes of the process with their principals to obtaining support for further engagement through the PSP Task Team, and the scoping of detailed transactions. Consequently the Council of the Chamber endorsed the Framework and the process in continuing.

THE RICHARDS BAY COAL TERMINAL (RBCT) ACHIEVED A RECORD-BREAKING 70.2 MILLION TONS **OF COAL IN 2013**

EMPLOYMENT RELATIONS

Industrial relations

The Chamber's Employment Relations Department strives to make a positive contribution to the creation and maintenance of a stable labour relations environment in the mining industry, and to create practical and sustainable value for key mining industry stakeholders in the employment relations sphere, through *inter alia*:

- promoting and fostering solid relationships with key stakeholders, in particular government and labour;
- providing a credible platform for knowledge sharing and dissemination in critical areas that have a potential impact on employment relations in the mining industry and in South Africa generally; and
- be the trusted voice of the mining industry on employment relations related policy and legislative matters.

Wage negotiations

The Employment Relations Department conducts wage negotiations on behalf of most of the Chamber's Gold and Coal members.

In respect of both Gold and Coal, two-year wage agreements were concluded in 2011. As these agreements were to expire on 30 June 2013, the unions tabled their respective demands for new agreements during the first half of 2013. By July 2013 Gold and Coal wage negotiations were in process.

Gold wage negotiations

The Chamber conducted wage negotiations on behalf of AngloGold Ashanti, Harmony, Sibanye, Gold Fields, Pan African Resources, Rand Uranium and Village Main Reef. The unions that participated in the wage negotiations were the National Union of Mineworkers (NUM), the Association of Mineworkers and Construction Union (AMCU), UASA and Solidarity.

The negotiations were concluded on 10 September 2013 when NUM, UASA and Solidarity signed a wage agreement with the Chamber. The wage agreement was thereafter extended to AMCU and its members in terms of a provision of the Labour Relations Act No 66 of 1995 (LRA) which provided that a wage agreement concluded by the unions representing the majority of employees in the workplace can be extended to the minority union and its members.

The parties concluded a two-year agreement. The wage increment for the first year was 8% (for entry level employees, operators and rock drill operators) and 7.5% for the rest of the employees. The increment in the second year was 7.2% and 6.7% respectively for the two groupings of employees. The living-out allowance of R1 640 per month (payable to those employees who had opted not to live in accommodation on the mines) was increased by R180 in year one and a further R180 in year two and currently amounts R2 000 per month.

In January 2014, AMCU gave notice of intended strike action not only against certain Chamber Platinum members but also against three of the Chamber's Gold members. (In the case of the Gold members, AMCU argued that the law did not allow the Chamber to extend the 2013 – 2015 wage agreement to AMCU and its members.) The Chamber applied on an urgent basis for and obtained an interim interdict against AMCU prohibiting it from engaging in strike action. The interim order was made final by the Labour Court later in 2014. AMCU thereafter endeavoured to appeal directly against the Labour Court order to the Constitutional Court but it declined to hear AMCU's appeal on the basis that AMCU first had to appeal to the Labour Appeal Court. AMCU thereafter lodged an appeal to the Labour Appeal Court. The appeal will be considered by the Court during 2015.

Coal wage negotiations

Negotiations commenced much later than in previous years, with the first meeting taking place on 22 July 2013.
The Chamber conducted wage negotiations on behalf of Anglo American Thermal Coal, Exxaro Coal Mpumalanga, Kangra Coal, Kuyasa Mining, Msobo Coal, Optimum Coal Mine, Koornfontein Mines and Glencore Coal South Africa. The unions that participated in these negotiations were the National Union of Mineworkers, UASA and Solidarity.

For the first time some of the wage demands in respect of entry level employees were couched in Rand rather than in percentages and were R7 000 and R8 000 for surface and underground entry level employees respectively. These demands would have translated in a minimum increase of 40% on the basic wage. The demands in respect of the other categories of employees ranged between 10% and 18%.

The parties deadlocked and the unions referred the dispute to the Commission for Conciliation, Mediation and Arbitration (CCMA). After several facilitated sessions the CCMA issued a certificate of non-resolution. The parties nevertheless managed to conclude a two-year wage agreement on 30 September 2013 without strike action.

The wage increases for the first year ranged between 7.5% and 9.5% for entry level employees; and 7.5% and 8.5% for

IN 2013, THE NUMBER OF PEOPLE EMPLOYED IN THE LOCAL COAL MINING INDUSTRY INCREASED BY 5.3% TO 87 768, WITH EMPLOYEES EARNING R18.9 BILLION IN SALARIES AND WAGES, UP FROM R17.4 BILLION IN 2012

the other categories. The wage increases for the second year were between 7.5% and 8.5%. The housing and living-out allowances increased between 7.5% and 10%.

In terms of the wage agreement the parties agreed to engage in an independently facilitated process to explore and find common ground on the composition of the bargaining unit and disability cover. The facilitated process took place during 2014. Unfortunately, the parties did not manage to reach agreement on these issues.

Platinum wage negotiations

Following the Marikana tragedy of 16 August 2012, the Ministers of Mineral Resources and of Labour established a multistakeholder task team to *inter alia* explore the possibility of future central level negotiations along the lines of the Chamber Gold and Coal negotiations. All the stakeholders except AMCU agreed to conduct wage negotiations under the auspices of the Chamber. However, as AMCU was the majority union, the companies were left with little alternative but to agree to continue the past practice of conducting wage negotiations at company level.

The wage negotiations conducted separately at Anglo Platinum, Impala Platinum and Lonmin with AMCU commenced in June 2013 and deadlocked in December 2013. In January 2014, AMCU gave notice of strike action against these three companies and a five-month protected strike ensued. Separate three-year wage agreements were concluded in June 2014.

The Chamber Platinum companies have resumed their efforts to move towards central level negotiations by 2016 when the three-year agreement expires.

Employee indebtedness

It is commonly accepted that employee indebtedness was one of the contributing factors of the 2012 Marikana tragedy. The Framework Agreement for a Sustainable Mining Industry concluded in July 2013 under the chairmanship of the (then) Deputy President, Mr Motlanthe, provided that employers had to inform their employees of emolument attachment orders (commonly referred to as garnishee orders) when creditors presented these orders to companies for deduction from employees' salaries. It was envisaged that this would enable employees to determine the legitimacy of these orders.

During the 2013 Gold wage negotiations, AMCU tabled a demand that employee indebtedness had to be investigated and addressed. The companies agreed to this demand and the 2013 – 2015 Gold wage agreement contains a clause which provides that the Chamber Gold companies and the unions would create a joint task team to address the issue.

The joint task team was established in 2014. The companies investigated the extent of the problem and found that between 6% to 16% of their employees had emolument attachment orders against them. In addition, the companies spent a lot of time and money on investigating the legality of emolument attachment orders obtained against employees.

Measures have been put in place to increase the financial literacy of mineworkers and also to counsel them on how to manage their existing debt. The unions at operational level were involved in discussions on the content of the training and counselling. In some instances the programmes have been rolled out to visiting wives, wives in the

EMPLOYMENT RELATIONS (CONTINUED)

labour-sending areas and schools in the mining communities.

Safety of women working underground

Following some incidents where the safety of women working underground had been compromised, it was agreed at the beginning of 2014 to set up a Chamber multi-commodity task team to allow the companies to share information on the steps that they had taken to ensure the safety and security of women working underground. During the various engagements of this task team in 2014, best practice was shared on:

- Personal Protective Equipment (PPE) for women;
- ablution facilities;
- matters pertaining to the pregnancy of female employees;
- arrangements for first aid for women;
- physical safety;
- measures to address discrimination, perceptions and stereotypes in respect of women working underground; and
- the development of female talent.

Migrant labour

The various labour and social issues pertaining to migrant labour were acknowledged as contributing factors to the August 2012 Marikana tragedy. The Framework Agreement for a Sustainable Mining Industry concluded in July 2013 by all stakeholders under the chairmanship of the (then) Deputy President, Mr Motlanthe, provided that government, business and labour would work together to transform the migrant labour system.

The Technical Task Team (in which the Employment Relations Department represents the Chamber) seized with the implementation of the Framework Agreement established a multi-stakeholder task team under the chairmanship of the Department of Performance Monitoring and Evaluation (DPME). Researchers were contracted to provide a picture of the migrant labour system in the North West Province and elements of continuity and changes since 1994. They were also tasked to evaluate the main negative impacts of the system for employees, labour relations and productivity.

The research consisted of a review of available research material on the issue of migrant labour, company and regulatory reports, data obtained from interviews with focus employee groups in the Platinum belt and labour-sending areas and from interviews with employment relations executives of a number of the Chamber's Platinum members.

In December 2014, the researchers presented their second draft report to the task team for consideration and comment. The researchers *inter alia* found that mining employees usually earned twice the median wage of other employees in the mining towns and that conflict was not mainly rooted in pay but rather in a combination of unusually poor living and working conditions of most miners. In the informal settlements, municipal and social services were far below national norms. Furthermore, social facilities and especially schools were in short supply. The researchers also found during their focus group interviews with employees that they were "unusually frustrated on the job".

The researchers will present their final report to the Technical Task Team in January 2015. The Technical Task Team will thereafter compile a report (which would indicate whether or not they support the findings and proposals of the researchers) for the President and other principals to consider at one of their 2015 quarterly meetings.

Housing and accommodation

Collaboration with the Department of Human Settlements

In July 2014 the Chamber's Office Bearers held a meeting with the Minister of Human Settlements and agreed to improve their partnership on their rolling out efforts to human settlements in key mining areas. These engagements culminated in the Chamber's Employment Relations Department being one of the key participants in the National Human Settlements Indaba held on 16 and 17 October 2014.

The objective of the Indaba was to review the Social Housing Contract that was signed in 2005. The central message of the Chamber's speech at the Indaba was that partnership and collaboration were critical for effective and sustainable programmes aimed at addressing the country's human settlement challenges. The Chamber identified the key constraints impeding the delivery of sustainable human settlements in mining towns and proposed the establishment of a multi-stakeholder mining-specific working group to tackle these constraints.

At the end of the Indaba the various stakeholders signed a new compact entitled the "Social Contract for the Development of Sustainable Human Settlements". The new compact represented an expression of intent and commitment by the stakeholders to work towards addressing the human settlements challenges confronting South Africa. In respect of mining towns, it was aimed at supporting and complementing the Special Presidential

Package for the Revitalisation of Distressed Mining Towns of December 2012.

The stakeholders committed to work together to deliver the following in the next five years:

- 1.5 million housing opportunities, including 110 000 affordable housing opportunities for the so-called gap market, and 70 000 affordable rental opportunities; and
- basic services and infrastructure in 2 000 informal settlements.

The Chamber committed in the Social Contract to do the following:

- promote the sustainable development approach in the Mining Charter, including support for local entrepreneurs involved in housing;
- interact at mine and/or regional level on an ongoing basis with local and district municipalities to ensure that there was an alignment and integration in the development of towns and housing units;
- improve the standard of accommodation for mineworkers, including the upgrading and conversion of hostels into family units and other types of housing units in an economically feasible manner;
- work with other key stakeholders to develop measures to facilitate the utilisation of accommodation-related allowances for acquiring decent housing;
- promote home ownership and other forms of tenure for all employees; and to
- make agreed land available where appropriate and feasible for housing development and facilitate access to mortgage loans and other funding mechanisms with a view to improving access to affordable housing options.

Continuous engagement is taking place with the department to finalise the establishment of the Mining Working Group and to begin the process of addressing the identified constraints.

Community development

During the period under review the Coal Producers' Community Development Forum continued their efforts to promote collaboration and partnership between the Chamber Coal mining companies in the planning and implementation of community development and local economic development projects.

The following three workstreams were established, each looking at a particular project aimed at benefiting communities, and especially the youth.

Skills Development Hub

The objective of the Skills Development Hub is to provide a range of study career prospects and work-based learning opportunities for the youth, as well as opportunities to qualify as artisans.

The Hub will have integrated services such as a training centre, trade test centre, support centre and accommodation for learners and educators.

Engagements are taking place between the participating mines, the Mpumalanga Provincial Government, the Department of Education and a number of training institutions with a view to partnering in the establishment of the Hub.

Mathematics, Science and Technology Academy (MSTA)

This project is intended to provide in-service training to Mathematics, Science and Technology teachers to upgrade their content knowledge as well as academic and professional qualifications.

The MSTA will address the following within the Mpumalanga Province:

- shortage of qualified educators in Mathematics, Science and Technology (MST);
- lack of content knowledge and outdated teaching practices;
- poor quality of passes in MST;
- decline in uptake by learners in MST related subjects at school; and the
- need to strengthen teachers' academic competence to deal with the complexities of the new curriculum.

The above will be done through, amongst others, the development of MST teaching and learning materials, research on ways to improve learner and teacher performance in maths and science and support and monitoring of satellite schools. This project is also being planned in partnership with the Provincial Government and the Department of Education. A Memorandum of Understanding (MoU) has already been signed by the partners and a detailed scope of work has been completed.

Bursary Support Scheme

The project is aimed at reducing the skills shortage in Mpumalanga by increasing the number of students that are supported through bursaries. An MoU has been signed by all the key roleplayers and the mining companies have agreed to increase the bursary intake. The project team has quantified the current contributions of the various stakeholders and a database of qualifying and needy students has been established.

EMPLOYMENT RELATIONS (CONTINUED)

Labour Policy Committee

The Employment Relations Department oversees and coordinates the Chamber's Labour Policy Committee (LPC) a forum that comprises senior industrial relations and human resources managers from Chamber members across all the commodities, including mining contracting companies.

This forum seeks to influence policy and legislation affecting the mining industry through advocacy initiatives, engagements and participation in relevant debates and processes. The LPC develops and mandates industry positions on relevant issues, which in turn feed into national debates and processes, either directly or through other structures such as Business Unity South Africa (BUSA).

The following are among the workshops the Employment Relations Department organised for LPC members during the period under review:

Employment relations lessons learnt from the recent mining strikes

- Given the developments and changes in the employment relations environment in 2013 and 2014 it was agreed that the LPC would hold a workshop on some of the challenges that had emerged, share experiences, distil the lessons that could be learnt and identify issues that required attention so as to ensure greater workplace peace and stability in the industry.
- The workshop took place on 1 October 2014. The issues raised evoked extensive discussions amongst the delegates. Members identified and agreed on employment related issues that needed to be addressed and the Employment Relations Department will give consideration to ways in which to achieve this.

Future models for collective bargaining

Following renewed calls by the Minister of Labour and the National Union of Mineworkers (NUM) for the establishment of a bargaining council for the mining industry, the LPC conducted a workshop to determine what could be the most appropriate negotiations model for the Chamber and its members. The workshop discussed the merits of a statutory bargaining council, voluntary centralised bargaining and company level bargaining models and developed an industry view.

Ideological landscape within which employment relations are conducted

In preparation for 2015 and the many challenges that the employment relations arena would hold for LPC members, a workshop entitled "Ideological landscape within which employment relations are situated" was held on 25 November 2014. The workshop was well attended by Chamber members. The keynote speakers were Professor Steven Friedman and Mr Gideon du Plessis of Solidarity.

Statutory benefits following an occupational injury or disease

Because of the range of statutes involved in providing benefits following an occupational injury or disease and the very technical and complicated methods for calculating such benefits, workers are often left confused about and distrusting of the benefits they receive. The Chamber and unions consequently agreed that all parties would be enriched if they received information about the statutory benefits that were available to employees in terms of current legislation. As a result, joint information sharing sessions led by an expert was held in November 2014 during which benefits in terms of the Compensation for Occupations Injuries and Diseases Act No 130 of 1993, the Occupational Diseases in Mines and Works Act No 78 of 1993, the Road Accident Fund Act No 56 of 1996 and the Unemployment Insurance Act No 63 of 2001 were discussed.

IN JULY 2014 THE CHAMBER'S OFFICE BEARERS HELD A MEETING WITH THE MINISTER OF HUMAN SETTLEMENTS AND AGREED TO IMPROVE THEIR PARTNERSHIP ON THEIR ROLLING OUT EFFORTS TO HUMAN SETTLEMENTS IN KEY MINING AREAS

Participation in BUSA and Nedlac

In the execution of the Employment Relations Department's advocacy and lobbying functions, the members of the department were involved in Business Unity South Africa's (BUSA) Standing Committee on Social Policy and various task teams of this committee (e.g. the Labour Legislation task team) and the National Employment Development and Labour Committee (Nedlac) specifically its Labour Market Committee (LMC).

During 2014, the Labour Relations Amendment Act, 2014 and the Employment Services Act were promulgated. The Labour Relations Amendment Act, 2014 once it comes into operation through a notice by the President in the Government Gazette, will make provision for trade unions that are sufficiently representative to ask the CCMA to afford them organisational rights.

Transformation of the labour relations environment

In the President's State of the Nation Address of 17 June 2014, the President called for social partners to deliberate on the state of the labour relations environment and in particular to address low wages, wage inequalities, violent as well as protracted strikes. This had to be done in the format of an Indaba under the auspices of Nedlac and stewardship of the Deputy President.

Business Unity of South Africa (BUSA) established a task team to participate in the Indaba and in the processes which would flow from the Indaba. Members of the Chamber's Employment Relations Department formed part of the BUSA task team and participated in the crafting of the so-called Ekurhuleni declaration which was signed by all the stakeholders at the Indaba held on 4 November 2014.

A multi-stakeholder Technical Task Team has been created to implement the various objectives set out in the Declaration. It will commence its work in January 2015. Of particular importance for BUSA, including the mining industry would be the introduction of measures to address violent as well as protracted strikes. It is expected that organised labour's main focus during the Nedlac negotiations would be on the introduction of a national minimum wage.

TRANSFORMATION REPORT

The mining industry is on the spotlight of the transformation agenda of the entire country. The real social licence to operate a mine in South Africa is measured by the extent to which a mining company is successful in meeting the targets set in the Mining Charter. The Mining Charter was enforced in 2004 and amended in 2010 to ensure that meaningful transformation takes place in the mining industry.

The year 2014 is a milestone year in which the mining companies should demonstrate the progress they have made in meeting the targets set in the 2010 Amended Mining Charter through an assessment by the Department of Mineral Resources (DMR). Members of the Chamber in particular have always participated in determining the targets at the initial charter as well as when it was revised in 2010 by all the stakeholders. All members of the Chamber have demonstrated their commitment to meeting their charter obligations by putting transformation structures in place at company level coupled with employing full-time transformation specialists whose function is to ensure that the charter objectives are set and followed through with appropriate actions to ensure that targets are achieved as expected.

The Chamber has over the past years collated the annual returns on charter performance that were sent by its members to the DMR. For this reason and its observation of the reports that have been duly submitted to the DMR, the Chamber is confident that its members have complied with most of their obligations and even exceeded the targets set for some of the elements of the Charter. The achievements of the members against the set targets that are yet to be confirmed by the DMR are as follows:

- All members of the Chamber were able to submit their annual reports to the DMR by 30 March each year for the 10 years.
- Companies have met the 26% ownership target set to be transferred to BEE entrepreneurs and transferred about R570 billion to BEE companies over this period.
- The target set for housing and living conditions of workers has been most challenging for the mining industry but 92% of the members of the Chamber have met and exceeded the target of converting 100% of their hostels into decent single rooms or family units. Some companies have exceeded this target by introducing affordable housing schemes for their employees and communities living around mines. The conversion process will continue beyond the 2014 milestone year until all employees live in their wholly owned houses.
- The Procurement and Enterprise Development Element required companies to spend a percentage of their procurement on BEE entities on three subcategories of expenditure. Most members of the Chamber performed as follows on these subcategories:
  - Capital goods: all members exceeded the 40% set target.
  - Services: 76% of the members met and exceeded the 70% set target
  - Consumable goods: All members of the Chamber met and exceeded the set target of 50%.
  - Multinational suppliers contribution to the social fund: less than 10% of the Chamber members met the target of 0.5% of procurement value. This was because there were proper guidelines on how the target would be monitored, therefore each company applied its own criteria that may be disputed by the DMR.
- Employment equity: Companies had to ensure that HDSAs represent 40% of all their managerial positions from top management to junior management including people with core skills. All members of the Chamber have met and exceeded this target.
- Human resources development: Over 95% of the members of the Chamber have exceeded the target of spending 5% of payroll on skills development excluding the mandatory skills development levy.
- Mine community development: This target is linked to the Social and Labour Projects that companies agree to implement in their surrounding communities as well as the labour-sending areas communities. Over 80% of the members of the Chamber are implementing more than 100% of their social and labour plans as agreed and most of these projects are either complete or are in progress.
- Sustainable development and growth: This category is divided into three subcategories and the members of the Chamber have performed as follows on each of these categories:
  - Nearly all members have met the requirement of implementing the approved EMPs.
  - All members are implementing the agreed tripartite action plan on health and safety. The progress and achievements on health and safety milestones is testimony to this achievement.
  - All the members of the Chamber utilise the South African-based research facilities for analysis of samples across the mining value.

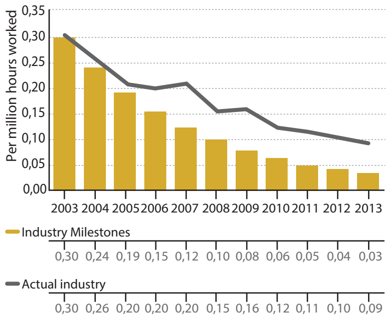
COMPANIES HAVE MET THE 26% OWNERSHIP TARGET SET TO BE TRANSFERRED TO BEE ENTREPRENEURS AND EVEN TRANSFERRED ABOUT R570 BILLION TO BEE COMPANIES OVER THIS PERIOD.

Apart from meeting the obligations of the Mining Charter the Chamber supports the Transformation Agenda by running special assistance programmes for new entrants in the mining industry who are members of the Chamber. Chamber has set up a special Emerging Miners desk where new HDSA members of the Chamber are given special advice on the challenges they encounter as they try to continue with their business of mining. The Chamber has also started a flagship mentorship programme for these emerging miners using retired mining executives at no cost to the respective emerging companies.

Members of the Chamber of Mines regard transformation as an ongoing process and are committed to continue to work with the DMR and other key stakeholders to ensure that the mining industry achieves a level of transformation that is in line with the transformation agenda of the country.

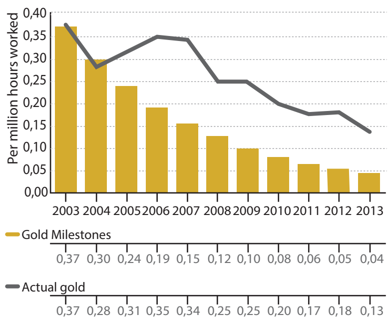
SAFETY AND SUSTAINABLE DEVELOPMENT

FIGURE 1: Industry fatality frequency rate versus milestones



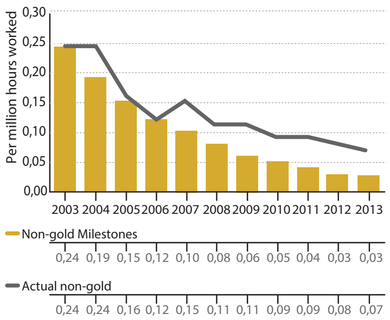
Source: Department of Mineral Resources (DMR).

FIGURE 2: Gold fatality frequency rate versus milestones



Source: Department of Mineral Resources (DMR).

FIGURE 3: Non-gold fatality frequency rate versus milestones



Source: Department of Mineral Resources (DMR)

Industry safety performance

In 2014, there were 84 fatalities in the South African mining industry compared to 93 fatalities in 2013. 2014 fatalities were reduced by 10% compared to 93 fatalities reported in 2013. 2014 marked the second year in which fatalities have been reduced below hundred in the history of the South African mining industry. It was also the seventh consecutive year in which the industry reduced fatalities. It is more encouraging that there has been a 22% reduction in the number of actual fall of ground fatalities (FoG) from 32 in 2013 to 25 in 2014. Similarly, there has been a 55% reduction in the number of transportation fatalities from 31 in 2013 to 14 in 2014. However, general accidents are a cause for concern as they were larger contributors of accidents in 2014 at 35%.

The Chamber remains committed to Zero Harm. The 84 fatalities that occurred in 2014 are still unacceptable, but Government, organised labour and employers through the Mine Health and Safety Council (MHSC) deserve recognition for their tireless efforts for the significant progress that has been made in the reduction of fatalities during the 20 years of democracy from **482** in **1994** to **247** in **2004** and to **84** in **2014**.

The Chamber will continue to collaborate with other stakeholders to effectively implement the 2014 health and safety milestones and actions to ensure that every mineworker returns from work unharmed every day.

2013 occupational health and safety milestones

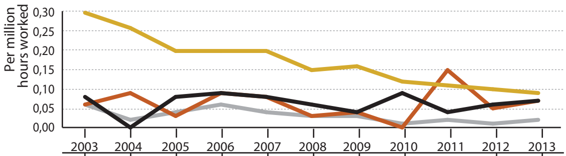
In 2003, government, organised labour and employers concluded what can be called a social compact on Zero Harm through the Mine Health and Safety Council (MHSC). We agreed that every mine employee should return from work every day unharmed by improving our performance by 20% per year and being world-class by 2013. The graphs on left show the performance of the industry, gold and non-gold sectors against the milestones. Although all commodities still fell short of the milestones in 2013, the industry has achieved a 70% improvement over the last 10 years whereas the gold sector reduced its fatality rate by 65% and the non-gold sector by 71%.

Our safety performance against international benchmarks

An analysis of the South African mining industry's safety performance against the international benchmarks, including Australia, the US and Canada's Ontario, has shown that our coal mines are safer than the US coal mines and that our platinum mines have a lower fatality rate than underground mines in North America. Some of our large coal mines recorded fatality-free year performances during 2014. These remarkable improvements give us hope that it is possible to have fatality-free operations despite the fact that we have tougher operating conditions than anywhere else in the world.

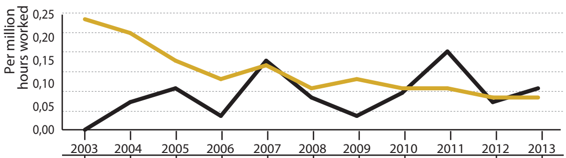
2014 FATALITIES WERE **REDUCED BY 10%** COMPARED TO 93 FATALITIES REPORTED IN 2013

FIGURE 4: South Africa fatality frequency rate versus Australia, Canada and USA fatality frequency rates



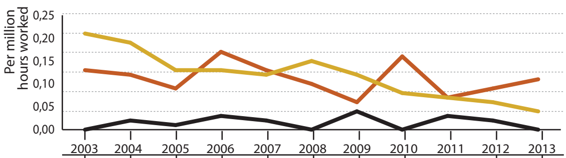
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
South Africa	0,30	0,26	0,20	0,20	0,20	0,15	0,16	0,12	0,11	0,10	0,09
USA	0,08	0,08	0,08	0,09	0,08	0,06	0,04	0,09	0,04	0,06	0,07
Canada (Ontario)	0,06	0,09	0,03	0,09	0,08	0,03	0,04	0,00	0,15	0,05	0,07
Australia	0,06	0,02	0,04	0,06	0,04	0,03	0,03	0,01	0,02	0,01	0,02

FIGURE 5: South Africa platinum fatality frequency rates versus USA and Canada underground metalliferous fatality frequency rates



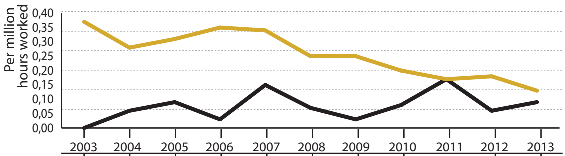
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
South African platinum sector	0,24	0,21	0,15	0,11	0,14	0,09	0,11	0,09	0,09	0,07	0,07
Combined USA & Canada underground metalliferous	0,00	0,06	0,09	0,03	0,15	0,07	0,03	0,08	0,17	0,06	0,09

FIGURE 5: South Africa coal fatality frequency rate versus Australia and USA coal fatality frequency rates



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
South Africa coal	0,21	0,19	0,13	0,13	0,12	0,15	0,12	0,08	0,07	0,06	0,04
Australia Coal	0,00	0,02	0,01	0,03	0,02	0,00	0,04	0,00	0,03	0,02	0,00
USA Coal	0,13	0,12	0,09	0,17	0,13	0,10	0,06	0,16	0,07	0,09	0,11

FIGURE 6: South Africa gold fatality frequency rate versus USA and Canada underground metalliferous fatality frequency rates



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
South African gold mining	0,37	0,28	0,31	0,35	0,34	0,25	0,25	0,20	0,17	0,18	0,13
Combined USA & Canada (Ontario) underground metalliferous mines	0,00	0,06	0,09	0,03	0,15	0,07	0,03	0,08	0,17	0,06	0,09

SAFETY AND SUSTAINABLE DEVELOPMENT (CONTINUED)

Compliance with the Mining Charter

As a result of the revision of the Charter in 2010, the Chamber of Mines put a system in place to monitor the industry performance against the Mining Charter expectations. Part of the system includes the development of the Mining Charter guidance document to assist companies to accurately prepare their charter reports.

The guidance document also ensures consistency in the reports received.

In the period under review, the Chamber received a total of 41 charter reports from companies.

The report reflects 80% of the industry as measured by number of employees at work. They also indicate an increase of 8% from the 37 reports received in the last reporting period. The table below shows the aggregate industry results on the various health and safety charter requirements:

Charter element	2012	Target 2013	2013 actual performance	Actual performance against target
7.1 Implement Culture Transformation Framework	100%	75% implementation	70% implementation	93%
7.2 Train 8% of employees as OHS Reps	100%	6% of employees	5% (MQA) 7% (companies)	100%
7.3 Investigate Leading Practices from MOSH Learning Hub	97%	100%	99%	99%
7.4 Investigate R&D from Mine Health and Safety Council	94%	100%	99%	99%
7.5 Occupational Health Reporting	99%	100%	99%	99%
7.6 Adherence on HIV/AIDS and TB guidelines	99%	100%	99%	99%
Average	**98%**	**100%**		**98%**

The table shows that the average industry performance has been maintained from the previous year's remarkable performance. There has been further improvement on the investigation of the MOSH Learning Hub leading practices and MHSC research outcomes.

The overall quality of the company reports improved to 77% in 2013 against 72% in 2012. The quality of the reports was further improved as necessary. Any errors that were identified were corrected as necessary through engagements with the reporting companies to discuss the nature of the errors. The Chamber maintains records of such engagements.

The reporting process enabled a number of positive developments in the industry. These include increased awareness of the MOSH leading practices and the Mine Health and Safety Council Research. The industry not only adopted the leading practices and research, but for the first time, the progress on the adoption of both the leading practices and research outcomes could be quantified. The table on the following page shows the industry progress on the adoption of leading practices that were promoted in the previous reporting periods:

Monitoring indicator: Entry examination and making safe (FOG) (Information representing 97% of the industry)	Industry progress 2013
1. Training of crews on the entry examination and making safe leading practice	7 047
2. Total number of crews trained	6 619
3. Total number of crews that complied 100% to the leading practice standard during the last inspection in 2013	5 973
4. Industry progress on training of the crews	93%
5. Industry progress on 100% compliance to the leading practice standard	90%
Monitoring indicator: Netting with bolting (FOG) (Information representing 97% of the industry)	
6. Total number of working places in which nets with bolts should be installed	5 445
7. Total number of working places in which nets with bolts have been installed	5 144
8. Total number of working places that complied 100% to the leading practice standard during the last inspection in 2013	4 570
9. Industry progress on installation of nets with bolts	94%
10. Industry progress on 100% compliance to the leading practice standard	88%
Monitoring indicator: Triggered action response plan (FOG) Information representing 88% of the industry	
11. Total number of panels in your mine in which TARP should be rolled out	2 061
12. Total number of panels in your mine in which TARP has been rolled out	1 586
13. Industry progress on rolling out TARP	77%
Monitoring indicator: HPD selection tool & training and awareness (noise) Information representing 92% of the industry	
14. Total number of employees that should be trained	189 300
15. Total number of employees that have been trained	181 665
16. Total number of employees that complied 100% to the leading practice standard during the last inspection in 2013	128 725
17. Industry progress on training of employees on the leading practice training and awareness material	96%
18. Industry progress on 100% compliance to the leading practice standard	71%
Monitoring indicator: Footwall and sidewall treatment (dust) (Information representing 87% of the industry)	
19. Total kilometres that should be treated	303 087
20. Total kilometres that have been treated	281 456
21. Total kilometres that complied 100% to the leading practice standard during the last inspection in 2013	273 653
22. Industry progress on treatment of kilometres	93%
23. Industry progress on 100% compliance to leading practice standard	97%
Monitoring indicator: Fogger/Mist sprays (dust) (Information representing 96% of the industry)	
24. Number of units required	365
25. Number of units installed	260
26. Total number of units that complied 100% to the leading practice standard during the last inspection in 2013	254
27. Industry progress on installation of required units	71%
28. Industry progress on 100% compliance to the leading practice standard	98%

SAFETY AND SUSTAINABLE DEVELOPMENT (CONTINUED)

Monitoring indicator: Proximity detection system (T&M) coal underground electrical production machinery (Information representing 87% of the industry)	Industry progress 2013
29. Number of sections that should adopt the leading practice functionalities	172
Number of sections that adopted the leading practice functionalities:	
30. Number of sections that adopted: VTP Warn pedestrian and equipment operator	52
31. Industry progress on the adoption of functionality: VTP Warn pedestrians and equipment operator	30%
32. VTP: Slow down vehicles	35
33. Industry progress on the adoption of functionality: VTP slow down vehicles	20%
34. VTP: Stop vehicles	35
35. Industry progress on the adoption of: functionality VTP stop vehicles	20%
Monitoring indicator: Proximity detection system (T&M) hardrock railbound equipment (Information representing 92% of the industry)	
33. Number of levels that should adopt	530
34. Number of levels that adopted VTV: Warn operators	524
35. Industry progress on the adoption of: functionality VTV warn operators	99%
36. VTV: Vehicle to fixed beacon	127
37. Industry progress on the adoption of functionality: VTV Vehicle to fixed beacon	24%
38. VTB: Vehicle to mobile beacons	71
39. Industry progress on the adoption of functionality: VTB Vehicle to mobile beacons	13%
40. VTV: Guard communications systems	465
41. Industry progress on the adoption of functionality: VTV Guard communication systems	88%
42. VTV: Remote signalling	348
43. Industry progress on the adoption of functionality: VTV Remote signalling	66%
44. VTV: Remote control	315
45. Industry progress on the adoption of PDS: VTV Remote control	59%
Monitoring indicator: Proximity detection system (T&M) hardrock trackless mobile machinery (Information representing 88% of the industry)	
40. Number of units that should be adopted	2 153
41. Number of units adopted VTV: Only warn	1 679
42. Industry progress on the adoption of functionality: VTV Only warn	78%
43. VTV: Warn operator	1 709
44. Industry progress on the adoption of functionality: VTV Warn operator	79%
45. Fixed and mobile beacons	737
46. Industry progress on the adoption of functionality: Fixed and mobile beacons	34%

As can be seen in the table, the industry experienced challenges in the adoption of the PDS leading practice. These related to the interpretation of the leading practice functionalities and technical challenges relating to the maturity of the technology. The Chamber's efforts to address these challenges and improve the adoption of the PDS technology are ongoing.

GOVERNMENT ORGANISED LABOUR AND EMPLOYERS TROUGH THE MINE HEALTH AND SAFETY COUNCIL (MHSC) DESERVE RECOGNITION FOR THEIR TIRELESS EFFORTS FOR THE SIGNIFICANT PROGRESS THAT HAS BEEN MADE IN THE REDUCTION OF FATALITIES DURING THE 20 YEARS OF DEMOCRACY FROM 482 IN 1994 TO 247 IN 2004 AND 84 IN 2014

Transforming the industry OHS culture

In line with the Culture Transformation Framework (CTF), developed by the Mine Health and Safety Council (MHSC) and approved by stakeholder principals at the 2011 Health and Safety Summit, we are changing our accident investigation methods to reduce blame, modifying our bonuses to enhance Zero Harm production and are putting more emphasis on leadership being visible in the operations.

Health and safety leadership assessment

Following on from the piloted health and safety leadership assessment tool piloted to Heads of South African Operations in 2012, in the second half of 2013, the Chamber facilitated the roll-out of the health and safety leadership assessment tool (LAT) to E-Band management level. The annual health and safety leadership assessment relates to minimum standard (a) of Pillar 1 of the Culture Transformation Framework (CTF) which is part of the health and safety provisions of the Mining Charter – *i.e. an annual performance assessment of our Zero Harm leadership that evaluates whether we do what we committed to do in the 2008 Tripartite Action Plan on Health and Safety.*

To assist the mining companies in rolling out the leadership assessment tool, the Chamber developed a feedback template through which the mining companies provided their feedback on the following five (5) areas: *confidentiality, involvement of immediate supervisor and other members of assessment groups, the effectiveness, value of the leadership assessment and recommendations on further roll-out through the industry (for example, to company D-Band level).* Furthermore, the mining companies were asked to indicate in their feedback reports how they found the assessment indicating: *a) what worked well, b) what were the problems experienced and c) the recommendations to deal with problems.*

On 31 January 2014, 25 mining companies representing 62% of the industry workforce submitted their feedback reports to the Chamber. Subsequently, the Chamber reviewed and consolidated all the 25 feedback reports from the mining companies into an industry report.

Table 1 on the next page provides a summary of industry feedback report on the rolled-out health and safety leadership assessment tool to E-Band management level.

This report highlighted the following:

a) 25 companies representing 62% of industry workforce rolled out the leadership assessment tool (LAT) to E-Band Management. This indicated a significant support of the leadership assessment by the mining companies and the importance of leaders to "walk the health and safety talk" in the workplace.

b) 100% found the LAT valuable.

c) The LAT was found to have greatly improved from the previous version that was piloted to the Heads of South African Operations in 2012.

d) The problems and recommendations suggested by the mining companies had to do with the process of administering the tool rather than the quality of the content of the tool.

e) The process of administering the tool was found to be time consuming given the larger population on E-Band Management level.

In light of the new health and safety milestones, the Chamber has advised the mining companies to ensure that they revise and adapt their action plans on the minimum standards of this CTF pillar as per the 2014 Summit agreements. The mining companies are expected to report progress made on this CTF requirement to the MHSC.

SAFETY AND SUSTAINABLE DEVELOPMENT (CONTINUED)

Summary of submitted feedback reports on the rolled out leadership assessment tool (LAT) to E-Band Management

CTF pillars and minimum standards	Yes	No
1. Confidentiality		
(a) Worked well	99%	1%
(b) Problems	41%	59%
(c) Recommendations	50%	50%
2. Involvement of supervisor and other assessment groups		
(a) Worked well	100%	0%
(b) Problems	47%	53%
(c) Recommendations	50%	50%
3. Effectiveness of LAT		
(a) Worked well	66%	34%
(b) Problems	40%	60%
(c) Recommendations	60%	40%
4. Value of LAT		
(a) Worked well	91%	9%
(b) Problems	8%	92%
(c) Recommendations	33%	67%
5. Further roll-out		
(a) Recommendations	28%	72%

CEO Elimination of Fatalities Team

To further emphasise the importance of leading by examples and OHS leadership, the Chamber's CEO Elimination of Fatalities Team continues to lead health and safety and share experiences from the top to effectively address the key health and safety challenges. The objectives of the team are to:

a) Develop a model for industry leadership at CEO level.

b) Model leadership behaviours to demonstrate commitment and expectations.

c) Share experiences and help each other deal with and solve key challenges.

d) Establish working protocols with industry stakeholders and community.

e) Monitor and agree adjustments to industry models to suit needs.

The team will continue to focus on fall of ground and transportation accidents since they remain biggest contributors to fatalities.

Capacity building

At the Tripartite Health and Safety Summit of 2008, the industry made a commitment to train 40 000 employees (including shop stewards) on the 10-day MQA accredited health and safety representatives course by the end of 2014. The mining companies' Mining Charter reports show that a total of 30 609 employees have already been trained between 1 January 2009 and 31 December 2013. In the last reporting period, the industry had trained 22 513 employees between 1 January 2009 and 31 December 2012. This meant that on average 6 121 employees were trained annually. The Chamber emphasised to companies the need to bolster their efforts in order to ensure that the target of 40 000 is achieved. Mining companies accordingly put plans in place to fast track the pace of training. In 2013 the industry efforts paid off in that a total of 8 096 employees were trained.

The need to improve the quality of the training remains one of the Chamber's main priorities to ensure that the training impacts positively on the industry health and safety performance. To this end, the Mine Health and Safety Council (MHSC) commissioned a study to improve the quality of this training. It is envisaged that the study will be completed by the end of 2015.

The multi-million MQA-supported project to develop learning material for training of rock engineers was completed at the end of 2014. Subsequent to the successful pilot of Paper 1 in the full-time training of rock engineers, full-time training courses are currently being offered on Papers 1, 2 and 3. This progress is noteworthy given that for the first time, universities in the country could access the learning material for rock engineering training.

Research and development

The industry continues to invest in research on health and safety through the MHSC. The MHSC funds approximately R40 million annually on fundamental research, applied research and technology transfer.

The charter's expectations to investigate and adopt MHSC research outcomes have improved the awareness of MHSC research by the mining companies. By the end of 2013, three research projects from the MHSC had to be adopted and monitored on a continuous basis.

The table below shows the industry progress in the adoption of the research outcomes for the three MHSC completed projects:

Monitoring indicator: SIM060201 Track B: A risk-based approach to enhancing support systems in Bushveld Complex Underground Mines (Information provided by 94% of the industry)	Industry progress 2013 Phase 1
1. Number of shafts which should get necessary tools and equipment for data acquisition	37
2. Number of shafts got necessary tools and equipment for data acquisition	36
Industry progress	97%
3. Number of shafts which should have completed data collection	22
4. Number of shafts which have completed data collection	17
Industry progress	77%
5. Number of shafts which should procure licences for block failure analysis tool	32
6. Number of shafts which have procured licences for block failure analysis tool	32
Industry progress	100%
7. Number of shafts whose joint data should be processed to obtain inputs for the support scenario analysis	37
8. Number of shafts whose joint data has been processed to obtain inputs for the support scenario analysis	16
Industry progress	43%
9. Number of shafts which should have evaluated current support scenarios and assessed the outcomes	25
10. Number of shafts have evaluated current support scenarios and assessed the outcomes	8
Industry progress	32%
11. Number of rock engineers who require training on the concepts of risk analysis	76
12. Number of rock engineers who have been trained on the concepts of risk analysis	51
Industry progress	67%
13. Number of shafts which should interpret the outcomes of support scenario evaluation in terms of consequential injury and cost risk by RiskEval	28
14. Number of shafts which have interpreted the outcomes of support scenario evaluation in terms of consequential injury and cost risk by RiskEval	6
Industry progress	21%
Overall industry progress	62%

SAFETY AND SUSTAINABLE DEVELOPMENT (CONTINUED)

Monitoring indicator: SIM100301 Minimising Seismic Risk in Platinum Mines (Information Provided by 100% of the industry)	Industry progress 2013 Phase 2
1. Number of shafts where seismic risk exists	12
Industry progress	
2. Number of persons who should be trained on seismicity, its causes, indicators, how its risks should be managed, etc.	188
3. Number of persons who have been trained on seismicity, its causes, indicators, how its risks should be managed, etc.	182
Industry progress	96%
4. Number of shafts which should have seismic monitoring and reporting systems that should comply with monitoring and reporting related specs, objectives and measures as per the R&D recommendations	17
5. Number of shafts which have seismic monitoring and reporting systems that should comply with monitoring and reporting related specs, objectives and measures as per the R&D recommendations	3
Industry progress	18%
6. Number of shafts for which third-party assessments of current seismic monitoring systems should be conducted by experts to evaluate compliance to guidelines	17
7. Number of shafts for which third-party assessments of current seismic monitoring systems were conducted by experts to evaluate compliance to guidelines	10
Industry progress	59%
Monitoring Indicator: SIM040204 evaluation of shotcrete performance (Information Provided by 88% of the industry)	
1. Number of rock engineers who should be trained on the use of shotcrete	68
2. Number of rock engineers who have been trained on the use of shotcrete	29
Industry progress	43%
3. Number of shafts whose shotcrete should comply with the design recommended on the R&D	50
4. Number of shafts whose shotcrete complies with the design recommended on the R&D	45
Industry progress	90%
5. Number of shafts in which review of the implementation of the shotcrete design method should be conducted	36
6. Number of shafts in which review of the implementation of the shotcrete design method has been conducted	21
Industry progress	58%

It can be noted from the table above that adoption of the research outcomes was generally slow. The labour strikes experienced in the platinum sector contributed to the slow progress.

SAFETY IS ONE AREA THAT BEST AMPLIFIES WHAT AMAZING THINGS CAN BE ACHIEVED WHEN WORKING TOGETHER

The project on the establishment of the Centre of Excellence through the MHSC was completed in 2014. The Principal Tripartite Stakeholders launched the Centre of Excellence at the MHSC Summit which took place in November 2014. To date, the scopes of the 10 quick-win projects which will be commissioned under the Centre of Excellence have been concluded. It is envisaged that the business plan and capacity audit of the Centre of Excellence will be completed by 2016. The centre is aimed at conducting world-class research, building research capacity and facilitating the implementation of research outcomes for the mining sector.

2014 health and safety milestones

At the Mine Health and Safety Summit held on 18 – 19 November 2014, the tripartite stakeholders (i.e. employers, government and organised labour) reviewed the health and safety performance of the mining sector and subsequently agreed on a new set of health and safety milestones with clear roles and responsibilities for each stakeholder to ensure that every mineworker returns from work unharmed every day. The following commitments were made at the 2014 Summit:

a) Elimination of fatalities and injuries.

b) Rehabilitation of mine workers injured in the line of duty.

c) Elimination of occupational lung diseases including silicosis, pneumoconiosis and coal workers' pneumoconiosis.

d) Elimination of noise-induced hearing loss.

e) Reduction and prevention of TB, HIV and AIDS infections in line with the National Strategic Plan.

f) Integration and simplification of compensation systems.

g) Implementation of the approved Culture Transformation Framework including a programme to deal with concerns on Women in Mining and the Rights of Workers.

h) Launching and implementing the Centre of Excellence which will focus on research and capacity building of mineworkers.

The Chamber is very encouraged by the bold milestones and concrete actions that all stakeholders committed to achieve by working together. The Chamber regards health and safety as a critical value from the CEOs to all levels in the companies. The milestones will not limit employers from doing more if it will save the lives of our workers. The establishment of the Centre of Excellence will lead the sector efforts on promoting innovation through research and training of mineworkers.

The Chamber will continue to be on the "front foot" and lead by example through effective collaboration with other stakeholders in our quest for Zero Harm. The Chamber is proud to be part of the tripartite collaboration which has been the cornerstone of our health and safety efforts – As Mr Cutifani said during his Mining Lekgotla speech in 2013 – "safety is one area that best exemplifies what amazing things can be achieved when we work together".

MINING INDUSTRY OCCUPATIONAL SAFETY AND HEALTH LEARNING HUB (MOSH)

Introduction

The good work of the MOSH Learning Hub continues to be recognised and supported by all the tripartite stakeholders. Essentially, this work entails encouraging 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, (where necessary demonstrating) 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 direct involvement of the mining industry.

Review of performance in this reporting period 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 facilitating the identification of leading practices and facilitating their widespread adoption by the mines where they are most applicable. During the reporting period the focus was on the following leading practices and processes:

Noise

Continuous interaction with the mining houses has resulted in 63 shafts/ operations from seven mining houses adopting the Hearing Protection Devices Training and Awareness Selection Tool (HPD_TAS). It needs to be noted that hearing protection devices must be supplied to employees for as long as noise levels in any area of work area within the mining industry has not been reduced to below 85dBA, either through reasonably practicable noise control engineering measures or administrative control practices. Furthermore, these devices reduce the emission of noise on the human hearing mechanism in order to limit the risk of the noise-induced hearing loss (NIHL), and must be properly used by employees at all times when in a noisy working environment. The adoption rate is currently at 83% and mines are on target to achieve the 90% target set by the CEO Elimination of Fatalities Team.

A scientific evaluation and verification was carried out and completed on three potential leading practices, i.e Otoacoustic Emissions (OAE), Silenced Lashing Unit, and Custom Moulded Hearing Protection Device Management System. This verification exercise concluded that the proposed leading practices still needed more research and development work which is beyond the scope of the MOSH system.

Other noise initiatives

Firstly, the noise team led and facilitated the creation of the Industry-wide Buy and Maintain Quiet Initiative (IBMQI). In simple terms, this is a standing decision from mining companies to procure new equipment and/or machinery and maintain existing ones so that they comply with specific noise emission requirements. To date, this initiative has been formalised through the establishment of a working group spearheaded by health and safety representatives from the relevant Chamber Technical Committees, namely, the Group Environmental Engineers and the Consulting Mechanical and Electrical Engineers. The critical activities to be executed by this working group include the following:

a) Creation of credible and scientific noise database.

b) Establish "stretch" noise emission targets per machine/equipment.

c) Develop a framework for a standardised way of measuring noise at source.

d) Develop a framework for engaging OEMs and suppliers.

Secondly, the noise team initiated a survey of close to 90 000 pieces of equipment from 115 participating shafts/operations representing 10 large mining houses. The results of the survey was used to create a noise database that immensely assisted the mining industry in coming up with the 2024 noise milestones which were eventually signed off by the tripartite partners during the MHSC Health and Safety Summit which was held in November 2014.

Dust

Two simple leading practices, namely, the Multi-Stage Filtration System at Harmony Gold's Phakisa Mine and the Winch Cover at Sibanye Gold's Beatrix Mine were introduced to the industry during an adoption workshop which was held in July 2013. Initially the adoption progress was slow due to intensive leadership and behavioural change communication necessary to sustain adoption as well as the difference in the scraper winches across operations that required pilot

TWO SIMPLE LEADING PRACTICES, NAMELY, THE MULTI-STAGE FILTRATION SYSTEM AT HARMONY GOLDS PHAKISA MINE AND THE WINCH COVER AT SIBANYE GOLD'S BEATRIX MINE WERE INTRODUCED TO THE INDUSTRY DURING AN ADOPTION WORKSHOP WHICH WAS HELD IN JULY 2013

testing. To date, an interest group for adopting mines was formed and a significant adoption progress has been made as follows:

Simple leading practices	Number of participating mines	Units required	Units installed	MOSH adoption rate	Employees directly affected
Multi-Stage Filtration Systems	16	388	271 (70%)	78%	64 606 Underground employees
Winch Covers	17	3 736	2 290 (61%)	77%	70 Scraper Winch Operators

Other dust initiatives

Firstly, the source mine report for a new leading practice relating to Real Time Monitoring of Dust Engineering Controls at Anglo Gold Ashanti's Kopanang Mine has been completed and is being peer reviewed. It is envisaged that this practice would benefit all employees underground where real-time engineering controls are in place and whose principle of operation is to provide information on the efficiencies of engineering controls on a real-time basis affording timeous response to remedy the faulty controls and thus reducing overexposures. Over time, Kopaning mine has been able to follow trends to on higher risk controls and area.

Secondly, the variation of this leading practice is the tripping of coal tipping at Anglo American Coal's New Vaal to allow for remedial action on the engineering controls. Equally, the source mine report has been completed and is being peer reviewed. The principle of real-time monitoring has been generally accepted as the way to move towards Zero Harm by the employers during the Dust Dialogue Workshop which were held in November 2014. It also needs to be noted that one of the quick-win projects of the Centre of Excellence has some resemblance to this leading practice.

Lastly, both the Development Water blast and the Telescopic Water Sprays were identified as potential simple leading practices were subjected to scrutiny as per the MOSH process, however they were put on hold to allow the industry ample time to embed the adoption of the Multi-Stage Filtration Systems and Winch Covers referred to above.

MINING INDUSTRY OCCUPATIONAL SAFETY AND HEALTH LEARNING HUB (MOSH) (CONTINUED)

Falls of ground

Consolidation of the following existing leading practices continued in earnest as manifested in increased adoption rate and attendance at the industry team meetings which are now held on bi-monthly basis:

Leading Practices	Number of Participating Mines	Crews Trained	MOSH Adoption Rate	Employees Directly Affected	Remarks
Entry Examination & Making Safe	74	6 900	98%	67 080	Assistance continue to been given to late starters.
Nets with Bolts (Stoping Areas)	47	2 848	97%	56 987	
Trigger Action Response Programme (TARP)	49	797	64%	42 850	A process has commenced to integrate this practice with the Entry Examination & Making Safe as agreed with as agreed with the Adoption Team Sponsor.

Other falls of ground initiatives

Firstly, in November 2013, high level mining decision makers attended an industry planning workshop where Drilling and Blasting Practices as well as In-stope Illumination were identified as potential leading practice for further investigation, however the latter has since been proven non-existent. As part of the investigations, a highly successful day of learning workshop was held in November 2014 on drilling and blasting where its business imperative was affirmed. It is expected that a further analysis of the discussions and outcomes will be presented in the form of a position paper to guide the way forward in this regard.

Secondly, the team has conducted preliminary investigations into Ledging Practices and reported accordingly to the CEO Elimination of Fatalities. Further detailed work in this regard is expected to continue in the first half of 2015.

Thirdly, the team has been adequately visible in Regional Tripartite Forums meetings and continued to run highly successful communities of practice for adoption in three different regions, namely: Central region, Eastern Limb/ Limpopo (Burgersfort) region, and Northern Cape (Kimberly) region.

Lastly, training materials for supervisory leadership and crews were developed with assistance from the Behaviour Change Specialist and are being rolled out extensively.

Transport and machinery

The year was marked by renewed enthusiasm by all the sectors and thus was seen as a momentous and very successful for the transport and machinery team. Firstly, the team engaged earnestly with selected members of the MOSH Task Force representing large mining houses which saw the coal, platinum and gold sectors seriously starting with rollout of the Proximity Detection Systems (PDS) leading practice. Secondly, the team had a new adoption team sponsor, namely, Mr Themba Mkhwanazi (CEO of Anglo American Coal) who provided renewed vigor resulting in very positive impact on its focus, including presentation to the CEO Elimination of Fatalities.

Thirdly, the team provided valuable input and proposals to the work of the Consulting Mechanical and Electrical Engineers with regards to the soon to be promulgated TMM regulations and its implications for the industry, particularly as it relates to the challenges it poses for stopping diesel machines.

Fourthly, the team's focus on engagements with specific mining companies including but not limited to Lonmin Platinum, Harmony Gold, Impala Platinum, Anglo American Coal, and AngloGold Ashanti to assist them with their Portfolio of Evidence for quality adoption was met with positive responses which led to a marked improvement in the rollout of the PDS leading practice as depicted:

THE TEAM ENGAGED EARNESTLY WITH SELECTED MEMBERS OF THE MOSH TASK FORCE REPRESENTING LARGE MINING HOUSES WHICH SAW THE COAL, PLATINUM AND GOLD SECTORS SERIOUSLY STARTING WITH ROLLOUT OF THE PROXIMITY DETECTION SYSTEMS (PDS) LEADING PRACTICE

Sector	Number of participating mines	Number of installations	MOSH adoption rate	Percentage installation of PDS system	Remarks
Coal electrical machines	15 (4 mining houses)	134 sections	20%	46%	There has been a marked improvement following a slow uptake, largely due to lack of supplier capacity
Hard rock track bound equipment	72 (7 mining houses)	692 levels and 3 015 locos	23%	37%	Focus has largely been on guard communication and loco-to-loco detection. Beacon detection to be considered in the next phase
Hard rock trackless mobile machines	27 (8 mining houses)	2 583 machines	0%	83%	The sector implemented practice before it was identified as a leading practice.

Other transport and machinery initiatives

The following are some of the additional critical initiatives that were undertaken:

- Decided to continue the rollout of the PDS leading practice while identifying and finalising, to an acceptable level, opportunities for linkages to a number of other related projects.
- Presented a detailed Expert Risk Model for the open cast sector during which the delegates decided on the need to focus on traffic management as a potential leading practice for further investigation including the need to develop scenario-based standards for different aspects of traffic management.
- Initiated and developed a MOSH competence training programme for the engineering fraternity for which a pilot session was held for selected operations and it provided a case study that built knowledge and competence on the MOSH adoption system.
- Persuaded, led and guided the industry to continue with adoption in light of the prevailing "wait and see approach" given the regulatory uncertainties regarding the stopping and slowing of diesel machines which is not part of the functional definition of the leading practice.

Secretariat

The Learning Hub secretariat continues to play a strategic facilitator role in leading the change to Zero Harm including the provision of operational support to the adoption teams through monitoring and evaluation, behaviour change processes.

Monitoring and evaluation

Focus was placed on the continuous review and implementation of the Monitoring and Evaluation Framework to make it more userfriendly and to ensure quality outputs and proper tracking of leading practice adoption progress. Furthermore, a proposal for independent verification was developed and supported by the MOSH Task Force to improve the quality of adoption. This was eventually presented to the CEO Elimination of Fatalities which decided that the principles of the proposal should be used only by individual companies when conducting self-assessments in preparation of external verification exercises by the MHSC and/or the DMR. The effectiveness of the communities of practice for adoption (COPA) was evaluated on a quarterly basis and the Portfolio of Evidence for adoption was introduced as a tool to guide and improve adoption quality. Guidelines on the development of baseline measurements were developed for use by adoption teams when starting adoption projects at the mines. The MOSH portal was reviewed and it is now functional and userfriendly with limited areas for improvement particularly relating to uploading of adoption team data. Finally, the MOSH Leading Practice Adoption System Handbook was also revised and simplified for userfriendliness.

Behaviour change

There is a growing realisation throughout the industry that successful implementation of behavioural dimensions of adoption is more challenging than the technical part, i.e. the actual practice. Therefore, the need for general 'MOSH behavioural competence'

MINING INDUSTRY OCCUPATIONAL SAFETY AND HEALTH LEARNING HUB (MOSH) (CONTINUED)

became increasingly evident. Against this backdrop, and arguably the most exciting development during this period under review is the commencement of a process to develop plans to instil desired behaviour beyond the scope of particular leading practices. Up to now, MOSH behavioural plans were and still are leading practice specific and therefore not impacting on health and safety outside these practices. Conversely, it is envisaged that widespread and general MOSH behavioural competence will have a much wider impact. To this end, Leadership through Behaviour Management (LBM) is being developed as a behavioural leading practice in its own right entailing a management style that will support the philosophy as set out in the Culture Transformation Framework.

A research project on the development of a tool to be used to monitor behaviour change is at an advanced stage. Other activities in this area include continuous support provided to the adoption team and the development of the animation video and brochure for strategic communication.

Adoption vs implementation

Operationally, behaviour change activities focused on helping the industry to understand the difference between 'adoption' and 'implementation'.

The difference between "adoption" and "implementation" in the context of MOSH was clarified and continues to be an area of focus to create a common understanding among all the roleplayers. In the MOSH philosophy, great emphasis should be placed on the implementation of behavioural communication and leadership behaviour plans when a leading practice is put into operation at a site. Where these plans were drawn up and used in terms of the prescribed MOSH methodology together with the required technical specifications and procedures of the leading practice, the leading practice should be regarded as having been adopted. In contrast, if the behavioural aspects were not addressed as required and only the practice has been transferred, the practice should be regarded as having been "implemented" and not "adopted", thus the operation in question cannot claim to have adopted the leading practice when reporting in terms of the Mining Charter or the Culture Transformation Framework.

Leadership through Behaviour Change Management

Leadership behaviour recognises that people in leadership positions cannot "not-communicate". Everything that they say or do, including what they do not say, or do not do, is a form of communication. Leaders' behaviour thus has a profound influence on the behaviour of those they lead. The leadership behaviour concept is based on this simple realisation. In practical terms leaders need to identify the actions (behaviours) needed for a successful outcome. They then need to identify and put in place those things that will enable these actions to be successfully performed (antecedents) by the employees concerned. They must then observe or otherwise monitor performance of these actions and then say or do things that discourage, correct, improve or reinforce the observed (consequences).

Implementation of the above in relation to a leading practice should be relatively straight forward. First, leaders must ensure that the detail of the job is clearly described. Second, they must provide employees with the necessary training, equipment, work environment and support structures to do the job. Thirdly, they must recognise and reward good performance, but also ensure appropriate consequences for undesirable performance.

The identification and investigation of the "Leadership through Behaviour Change Management" leading practice unfolded in earnest with the establishment of an industry Behaviour Interest Group which would hold several workshops to identify pockets of excellence in effective leadership behaviors; to identify the barriers to the adoption of these behaviours; and to suggest measures to overcome these barriers. Investigations included presentations and visits by members of the behaviour interest group to mines and interviews or direct enquiries with managers and employees alike. A concerted effort was made to ensure alignment with behaviours identified from previous surveys, workshops and the generic MOSH behaviour plans. Furthermore, the Antecedent Behaviour and Consequences (ABC) model provided the basis for the design of this leading practice. Mines with excellent health and safety records would be approached to share their successes and critical factors that contributed to their exceptional health and safety performance over an extended period of time where such successes could be attributed to behavioural issues.

Furthermore, the behavioural interest group started with development of an expert model which entails four key themes, namely: Change Management, Consequence Management, MOSH Behavioural Tools Competence (direct

enquiry and mental model construction), and Behavioural Communication and Leadership Behaviour ToolBox were identified. This process also included engagements with key roleplayers in the field of people practices and professional development like at the Association of Human Resources Practitioners, South African Board of Personnel Practitioners, Education Advisory Committee of the Chamber of Mines, etc.

Behavioural Survey Instrument

The MOSH Learning Hub provided much needed support towards the timely completion of the development of a tool that will be used to measure behaviour change by adopting mines. The project was identified by the Learning Hub and approved by the Mine Health Safety Council. The nature of the support include the following:

- Provision of contacts details for adopting mines
- Guidance that the focus of the research should be limited to adopting mines
- Guidance that the results of the literature review should be ratified with the outcomes of the generic leadership behaviour and behaviour communications plans completed from the previous MOSH work.

The project update report by the contractor indicated that a total of 289 employees from the gold sector were interviewed and that 70% of these were general workers, 24% were supervisors and 6% were managers. The study recommended that there should be training of leadership behaviours and that regular feedback should be provided and that the frequency of monitoring behaviour change could still be decided upon by the Learning Hub. The MOSH Task Force members suggested that the sample should be extended to include employees from the platinum, coal, open pit and other sectors; the proposed instrument should be peer reviewed; the final research report should provide clear details on how the study was conducted, who the interviewers were, time and of day of the study, venue impact, languages used, formula used to determine the sample size and its statistical significance, use of technology to conduct the survey, the limitation of the study, and details of the benchmarks conducted with other industries.

Adoption Team Support

Assistance was provided to adoption teams in the development of supervisory and team behavioural communication training process for specific leading practices as well as sharing the principles of behaviour communication at communities of practice for adoption gatherings and role clarification for mine level adoption teams. Other support work would include review of the leadership behaviour and behavioural communication plans per adoption area, and finalising a tool for the direct inquiry training programme.

Key actions required

The following key actions are critical in the process of identifying and investigating a leadership behavioural change leading practice:

i) Reviewing and agreeing envisaged concept of leadership behaviour management leading practice.

ii) Identifying, planning and undertaking basic development work.

iii) Arranging access to adequate resources including involvement of the human resources fraternity in the interest group proceedings.

iv) Agreeing on expert model.

v) Identifying particular skills for inclusion as antecedents
   - Dialogue skills
   - Coaching skills
   - Other critical skills.

vi) Obtaining in principle mandate from industry through the MOSH Task Force and CEO Elimination of Fatalities Team.

vii) Identifying willing first adoption/ demonstration mine.

viii) Conducting industry-wide direct enquiry process.

ix) Developing required behaviour change and leadership behaviour plans.

x) Preparing draft leading practice adoption guide.

xi) Securing adoption of leadership behaviour management leading practice at first-adopter mine.

xii) Establishing a community of practice for adoption and facilitate widespread adoption.

MINING INDUSTRY OCCUPATIONAL SAFETY AND HEALTH LEARNING HUB (MOSH) (CONTINUED)

Key lessons learnt

The following were some of the key lessons learnt in the process of identifying and investigating a leadership behavioural change leading practice:

a) There is lack of behavioural expertise and change management capacity at both mine level and mine adoption team level.

b) Available behavioural expertise is not knowledgeable about MOSH approach.

c) Adopting MOSH principles can and should have different manifestations.

d) Change is a journey and one should meet people where they are and take them forward.

e) Paperwork should not be put before people work – it should provide structure for people work.

Strategic communication

The communication materials utilised by the Learning Hub were reviewed and found not adequate enough. In that there has been a struggle to get the message across. In an effort to identify the most effective means of communication, the services of a professional service provider were enlisted and developed various communication materials including voice-over animation video and brochure on the principles and "what" part of the MOSH adoption process. The materials were highly commended and used at during the MineSafe conference and have since been uploaded on the MOSH website and shared at other industry forums and events.

Governance structures

The roles and responsibilities of individual and the collective members of the MOSH Task Force were approved. Its membership includes representation from the AMMSA Council. However, the level of seniority and attendance of some representatives continue to be a concern. The interactions between the representatives of the MOSH Task Force and the Adoption Team Sponsors were held as strategic discussions on issues critical for the effectiveness of the MOSH initiative.

Two new Adoption Team sponsors, namely: Mr Terence Goodlace for Dust and Mr Themba Mkhwanazi for Transport and Machinery came on board during this reporting period. The active involvement and leadership displayed by the Adoption Team sponsors has assisted in elevating MOSH issues on the agenda of principal committees such as the Chamber Council and CEO Elimination of Fatalities. The Learning Hub Advisory Committee which was established as a consultative tripartite forum representing stakeholders (namely: organised labour, government, employers and independent health and safety experts) continues to provide a platform for a high level tripartite engagement.

Furthermore, each Adoption Team continues to hold meetings with the respective industry team members, Adoption Team sponsors and collectively as the MOSH Adoption Team supported by the Learning Hub Secretariat. Reporting to the CEO Elimination of Fatalities team has helped to elevate leading practice adoption issues in particular those related to health.

Resourcing and capacity

The replacement of the Behaviour Change Specialist who resigned with someone on a consulting basis alleviated the probable negative impact of the resignation. A process to fill the position on a permanent basis is underway.

Several conferences, workshops and skills training courses were attended by staff locally and internationally.

A team building and strategic planning workshop was held which culminated in the following vision and key strategic thrusts:

Vision: To be a leading and widely accepted change agent for achieving Zero Harm.

Strategic thrusts

- Review MOSH products and methodologies
- Branding and marketing
- Driving industry ownership
- Turbo-charge the Learning Hub (capacity building, enhancing effectiveness and enhancing efficiency)

Partnerships, industry involvement and participation

The MOSH Learning Hub was well represented and played an active role in various interactive platforms such as regional tripartite forums, technical committees, Mining Professional Associations' events, company or mine visits, conferences, presentations, meetings, workshops. These platforms were used as ways of increasing MOSH brand visibility, improved stakeholder engagement and to raise awareness on Learning Hub initiatives. Furthermore, the Learning Hub continued to play an active role as a valued member of the organising committee as an exhibitor for both MineSafe and CoalSafe conferences and had an exhibition stand at the International Mine Ventilation Society Conference. Input was given in the development of Mining Charter reporting guidance documents on health and safety, in particular those related to leading practices promoted for adoption.

THE **active involvement and leadership** DISPLAYED BY THE ADOPTION TEAM SPONSORS HAS ASSISTED IN ELEVATING MOSH ISSUES ON THE AGENDA OF PRINCIPAL COMMITTEES SUCH AS THE CHAMBER COUNCIL AND CEO ELIMINATION OF FATALITIES

A non-confrontational, collaborative, educational and interactive engagement was held with the Technical Unit of the DMR and it provided a platform for future discussions on issues of common interest including a standard protocol for the adoption of new leading practices in the sector. Furthermore, the participation of small mining companies in the adoption process continues to an issue of great importance and a decision has been taken to participate in a collaborative research project in partnership with Mintek and the Centre of Sustainability in Mining and Industry at Wits University.

MOSH events and meetings attendance

A brochure was developed using the article on MOSH Adoption System and it forms the basis for a common MOSH presentation, a tool to simplify the MOSH process and it is used to increase awareness and understanding of the MOSH principles and processes. The MOSH Learning Hub held 19 (2013: 11) events through which it drove industry participation and ownership in the true sense of the MOSH being an initiative by industry for industry. Tables 1 and 2 below provide more details on specific MOSH events and meetings, respectively. Over 1 160 (2013: 698) industry representatives participated in these events. On the other hand, attendance at MOSH industry team and related meetings, has improved to 70% (2013: 59%), on average.

TABLE 1: Number of delegates per industry MOSH event

Item	Organising unit	Nature of industry event	Date held	Number of delegates
1	Transport and machinery	Hard Rock Industry Work Session	April 2014	43
		Coal Industry Work Session	April 2014	6
		Open Pit/Cast Planning Workshop	September 2014	72
		MOSH Competence Pilot Training	October 2014	10
		Combined Industry Workshop for Coal, Hard Rock and Open Pit Sectors	December 2014	13
2	Falls of ground	Industry Strategic Planning Workshop	November 2013	54
		Community of Practice for Adoption (COPA) for Central Region	Ongoing	80
		Community of Practice for Adoption (COPA) for Eastern Limb Region	Ongoing	30
		Community of Practice for Adoption (COPA) for Northern Cape Region	Ongoing	25
		Day of Learning on Drilling and Blasting	November 2014	160
3	Dust	Interest Group Meeting for Mines Adopting the Multistage Filtration Systems and Winch Cover Simple Leading Practices	Monthly	82
		Dust Industry Dialogue	November 2014	75
		Colliery Dust Risk Story and Expert Modelling Workshop	October 2014	12
4	Noise	Hearing Protection Devices (HPD_TAS) Community of Practice for Adoption	Quarterly	44
	Noise	In-house Company Level Hearing Protection Devices (HPD_TAS) Community of Practice for Adoption	Ongoing	360 representing nine mining houses
		Industry Team Workshop	October 2013	42
		Industry Buy and Maintain Quiet Initiative (IMBQI) Workshop	August 2013	16
		Industry Buy and Maintain Quiet Initiative (IMBQI) Working Group	April, Aug and Oct 2014	19
5	Learning Hub Secretariat	Learning Hub Secretariat Strategic Planning Workshop	May 2014	18
Total				1 161

MINING INDUSTRY OCCUPATIONAL SAFETY AND HEALTH LEARNING HUB (MOSH) (CONTINUED)

% attendance of meetings by industry

Item	Nature of meeting	Date	% attendance
1	Transport and Machinery Industry Team for Coal	6 weekly	50
	Transport and Machinery Industry Team for Open Pit	6 weekly	10
	Transport and Machinery Industry Team for Hard Rock	6 weekly	90
	Transport and Machinery COPA for Hard Rock	6 weekly	80
2	Dust Industry Team – Hard Rock	Quarterly	95
	Dust Industry Team – non Hard Rock	Quarterly	85
3	Learning Hub Advisory Committee	Quarterly	75
4	Falls of Ground Industry Team	Bi-monthly	68
5	Noise Industry Adoption Team	Quarterly	60
6	MOSH Task Force	Bi-monthly	55
7	MOSH Adoption Team	Monthly	98

HEALTH

The Health Department's objective is to provide policy advise to Chamber member companies.

Introduction

2014 was an eventful year for the Health Department. The review of the old occupational health and safety milestones as well as the adoption of new milestones that run till 2024 were the most significant development. Tripartism triumphed as all stakeholders signed off on the new milestones at the industry Summit in November. The new milestones provide renewed impetus to the sector to strive more in achieving Zero Harm.

Other issues that also dominated the landscape were; amendments to legislation, TB in the Mines and supporting initiatives to improve access to compensation for occupational lung diseases.

Policy and legislative environment

The mining health sector is governed through legislation from three departments, Mineral Resources (DMR), Health (DOH) and Labour (DOL).

Occupational health is the core business of mining and is regulated by the DMR through the Mine Health and Safety Act. The MHSA is currently undergoing amendments which could be completed in 2015. Through the Mine Health and Safety Council (MHSC) the Chamber was involved in discussions on the amendments and the DMR submitted a bill to Nedlac for review by social partners. It is expected that Parliament will consider the amendments in 2015.

In 2014, the DOL submitted a bill to Nedlac, amending the Occupational Health and Safety Act (OHSA). This Act does have reference in the mining sector as non-mining workplaces such as offices, factories (smelters) fall under this legislation. The Chamber is part of the team representing business in the review of the OHSA. It is expected that the bill will be considered by Parliament in 2015.

The DOL submitted a bill to Nedlac amending the Compensation for Occupational Diseases and Injuries Act (COIDA) but this was later withdrawn. Major changes were proposed in the amendments and the Chamber participated in the discussions through the COIDA Board.

The DOH initiated amendments to the Occupational Diseases in Mines and Works Act (ODMWA) and the Advisory Committee to the Compensation Commissioner for ODMWA held a session on the amendments. The amendments proposed were substantive and aimed to align ODMWA closer to COIDA. Further discussions are expected in 2015 but the likelihood of a bill being completed in 2015 is not high as ODMWA is a very complex piece of legislation.

As mentioned above, there are major amendments underway to the legislative environment regarding health and safety and the fragmentation between three departments adds complexity to the matter.

There were no major changes to health system legislation in 2014, with the long awaited White Paper on the National Health Insurance (NHI) not being published, and the regulations on the Certificate of Need under the National Health Act 2003 being published but later withdrawn. These two pieces of legislation will have a significant impact on how companies provide health services into the future and the policy uncertainty is regrettable.

Sector performance on occupational health

The year under review was very significant for the sector as it reviewed the 2003 – 2013 Health and Safety Milestones. Data thus far indicates that there have been improvements in occupational health over the past decade.

Judge Leon of the Leon Commission wrote in 1995 that;

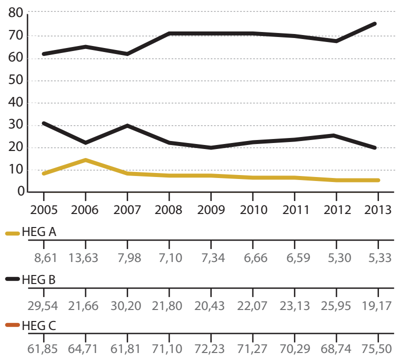
"On balance it appears that there is no conclusive evidence of a downward trend in the incidence or prevalence of any of the diseases of major".

This was the challenge for the industry when the 2003 Milestones were adopted. According to data presented by the Chief Inspector of Mines during the Mine Health and Safety Summit in November 2014, the total number of reported occupational diseases declined from 18 371 in 2003 to 6 810 in 2013. This is a decline from 4.2/1 000 to 1.3/1 000 when total employment figures of 435 620 in 2003, and 510 097 in 2013 are taken into account.

THE TOTAL NUMBER OF REPORTED OCCUPATIONAL DISEASES DECLINED FROM 18 371 IN 2003 TO **6 810 in 2013**

FIGURE 1: Percentage performance on airborne pollutants exposure

(Source: Department of Mineral Resources, 2014)



2005 – 2013 Airborne Pollutants Exposures

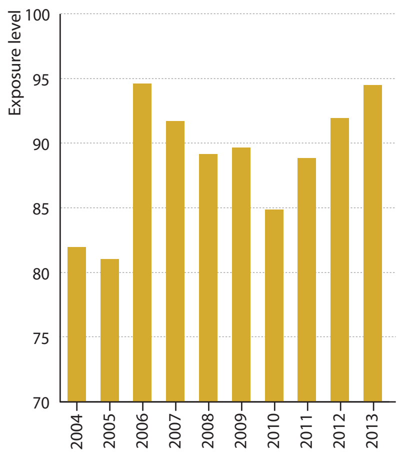
Exposure classification bands A = Exposures ≥ the OEL or mixture of exposures ≥ 1

B = 50% of the OEL ≤ exposures > OEL or 0.5 ≤ mixtures of exposures < 1

C = 10% of the OEL ≤ exposures < 50% of the OEL or 0.1 ≤ mixtures of exposures < 0.5

FIGURE 2: Percentage Performance on the 2003 Respirable Crystalline Silica Milestone Exposures

(Source: Department of Mineral Resources, 2014)

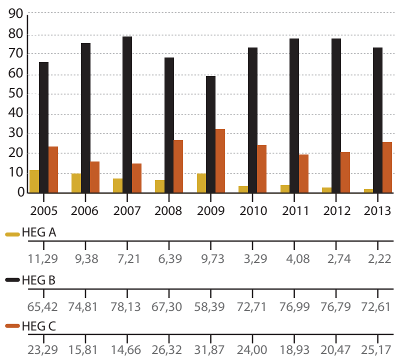


The DMR releases occupational health statistics in its DMR Inspectorate Annual Report. The statistics for 2013/2014 were derived from occupational hygiene measurements as conducted by the mining companies and annual medical reports submitted to the department. Below are extracts from the report.

HEALTH (CONTINUED)

FIGURE 3: Percentage exposure to noise per classification band

(Source, DMR 2014)



Occupational hygiene/ ventilation

Airborne pollutants

The annual general airborne pollutants data (Figure 1) has proven that the mining industry is committed towards investing more resources to substantially reduce the airborne pollutants exposure against an increase in number of employees within the mining environment. The mining industry has always been committed to strive towards the overall airborne pollutants exposure being at or below the Homogenous (HEG) classification band C.

There was an improvement of 14% from 2005 to 2013 on the HEG classification band C, which implies that the employees' overexposure are being reduced within the mining environment. Generally, an overexposure to airborne pollutants remained high at 24.5% of overexposures in the A and B classification bands, however if compared to the 2012 data, the overexposure to airborne pollutants reduced 3% of overexposures in the A and B classification bands.

Percentage Performance on the Airborne Pollutants Exposures

Since the inception of the respirable crystalline silica milestone in 2003, the mining industry has strived to prevent exposures to respirable crystalline silica dust, which is indicated by an improvement (Figure 2) on previous page. However, the mining industry committed itself in 2003 that, *"By December 2008, 95% of all exposure measurement results will be below the occupational exposure limit for respirable crystalline silica of 0.1mg/m3 (these results are individual readings and not average results)"* and this commitment was not achieved as the mining industry only conformed by **94.6%** in 2013.

More efforts are still required to further prevent the respirable crystalline silica exposures in order to eliminate future silicosis cases.

Noise exposure measurements

The DMR did not report directly on the milestone, which is the total noise emitted by all machinery should be less than 110dB (A). However, the MOSH Noise team conducted a noise survey with assistance from the Group Environmental Engineers in order to determine conformance to the noise milestone and as per Table 1 below, the mining industry has improved on reducing noise exposure by controlling noise emission from the sources.

TABLE 1: Percentage machinery emitting noise exceeding a specific value

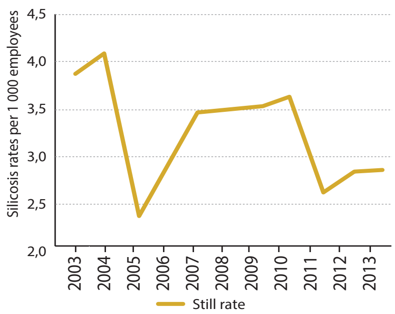
(Source: MOSH, 2014)

Commodity	Equipment noise levels			
	100 dB(A)	105 dB(A)	107 dB(A)	110dBA (Current)
Industry	57%	45%	40%	10%
Gold	65%	45%	35%	< 5%
Platinum Mechanised	47%	35%	30%	12%
Platinum Conventional	71%	50%	40%	15 – 20 %
Coal	20%	<15%	10%	< 5%
Iron	36%	30%	20%	5%

As a results of noise exposures being controlled from the noise sources, the exposures in HEG A classification band improved by 9.07% since 2003 to 2013 (Figure 3).

FIGURE 5: THE NUMBER OF NOISE INDUCED HEARING LOSS CASES REDUCED BY 79.2% SINCE 2003 TO 2013

FIGURE 4: **Over a 10-year period silicosis rates have shown a slight decrease over time. Silicosis rates from 2003 – 2013**
(Source DMR, 2014)



Occupational medicine

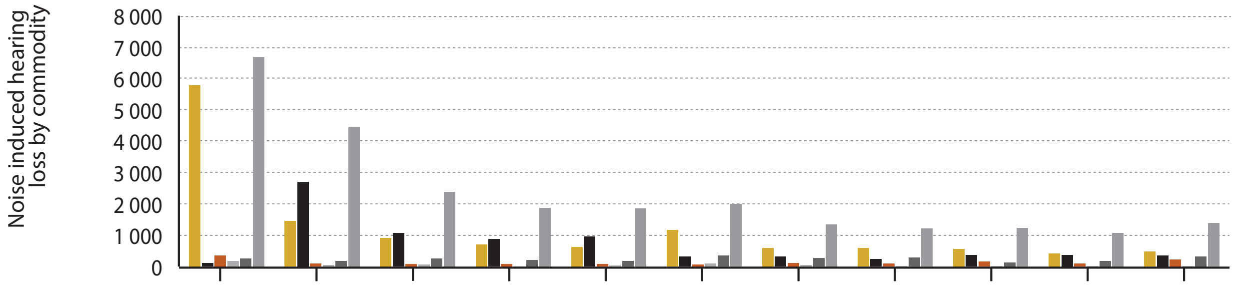
Occupational medicine statistics

Reporting on occupational diseases has improved progressively in the industry. From 564 annual medical reports (AMR) submitted to the DMR in 2010 this grew to 761 AMRs in 2013. A new reporting tool, the DMR 164 was introduced in 2013 and good data was also collected from these, following a pilot by the Chamber. Data from both sources will be presented.

There was generally a slight increase in occupational diseases from 2012 to 2013. See table 2 on the next page.

Most TB cases in the mining industry are classified as occupational. HIV is not an occupational disease but TB and HIV will be reported on together for ease of reference, particularly as the worsening of the TB epidemic over the past 10 years was mainly attributable to HIV.

FIGURE 5: **The number of noise induced hearing loss cases reduced by 79.2% since 2003 to 2013.** Number of NIHL Cases per commodity
(Source, DMR 2014)



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gold	5 783	1 447	911	705	626	1 159	597	590	560	422	471
Platinum	105	2 701	1 065	874	952	318	312	237	367	368	354
Coal	357	92	85	83	73	69	117	93	158	95	230
Diamond	178	52	66	3	23	102	52	10	11	10	14
Other	256	169	253	210	172	346	265	282	132	180	320
Total	6 679	4 461	2 380	1 875	1 846	1 994	1 343	1 212	1 228	1 075	1 389

HEALTH (CONTINUED)

TABLE 2: Occupational diseases reported from the AMRS per region: 2012 and 2013

Region	2012 Sil	2013 Sil	2012 PTB	2013 PTB	2012 Sil+TB	2013 Sil+TB	2012 NIHL	2013 NIHL	2012 CWP	2013 CWP	2012 Asb	2013 Asb	2012 Other	2013 Other	2012 Total	2013 Total
Eastern Cape	0	2	1	0	0	0	0	0	0	0	0	0	0	0	1	2
Free State	583	483	635	775	65	51	203	170	0	0	0	2	52	106	1 538	1 587
Gauteng	321	309	455	646	38	3	193	173	0	0	0	0	42	74	1 049	1 205
KwaZulu-Natal	4	6	65	65	0	0	22	15	9	1	0	1	58	1	158	89
Limpopo	10	6	58	45	0	0	84	132	4	8	11	0	7	4	174	195
Mpumalanga	79	41	318	335	2	1	140	308	71	111	3	6	58	70	671	872
Northern Cape	4	0	43	39	2	0	44	151	0	1	0	0	9	6	102	197
North West: Klerksdorp	141	362	353	403	18	93	19	96	0	0	0	0	183	165	714	1 119
North West: Rustenburg	278	220	901	940	1	1	366	339	2	4	5	1	28	25	1 581	1 530
Western Cape	0	1	9	7	0	0	4	5	0	0	0	0	1	1	14	14
Total	**1 420**	**1 430**	**2 838**	**3 255**	**126**	**149**	**1 075**	**1 389**	**86**	**125**	**19**	**10**	**438**	**452**	**6 002**	**6 810**

Exposure classification band:

Heg A = Exposures ≥ 105 Heg B = Exposures 85 ≤ 105 Heg C = Exposures ≤ 82

Interesting patterns emerged from the reports submitted to the Chamber and DMR on the DMR 164, see Table 3.

TABLE 3: TB and HIV testing in 2014

Indicator	Total Industry		Chamber members	
	Number	Percentage (%)	Number	Percentage (%)
Counselled for HIV	299 151	71	255 296	81
Tested for HIV	192 557	64	162 533	51
Screened for TB	308 403	73	265 822	84
Diagnosed with TB	3 593	1	3 105	1
Total employees	423 032	100	315 328	100

(Source: DMR and Chamber of Mines, 2014)

Counselling for HIV and screening for TB were much higher in Chamber companies. The new milestone for both these indicators is 100% indicating that more work will need to be done.

Tuberculosis and HIV/AIDS

TB reviews in the coal industry – 2013

2013 was the third year that the Chamber commissioned external reviews of TB programmes in member companies. The first external reviews were conducted in 2011 in the gold sector and these were repeated in platinum in 2012. In 2013, similar reviews were conducted in the coal sector. The results of the reviews were submitted to the Chamber Collieries committee, Chamber Council and to the Ministers of Health and Mineral Resources. The Mine Health and Safety Council will in future conduct the external reviews.

The findings in the reviews were similar in some aspects to those in gold and platinum and were the following:

a) There were limitations within the coal sector in the provision of comprehensive services as per DOH and DMR guidelines.

b) There was limited evidence of the involvement of employees in the review and adoption of policies on TB.

c) Although the TB policies of companies state that contract workers are treated in the same way as permanent employees, this was not the case in some instances.

d) TB registers were not optimally used by some mine health facilities, especially where the registers were replaced by electronic patient information systems developed by the mining companies and which did not include all variables that are in the registers.

e) TB screening using the TB Cough questionnaire was not optimally used at all points of interface between patients and health care workers.

TB treatment outcomes revealed a TB incidence rate of 605/100 000 in 2011 and 568/100 000 in 2012. These rates are below the South African average of 983/100 000 in 2011.

The treatment success rate ranged from 80% – 100% with a simple average of 88.6%. The national target is 85%. The death rate ranged from 0% – 12.8% with a simple average of 6%. The national target is 5%.

Some of the recommendations of the report include the following:

a) Further strengthening employee representation in the adoption and monitoring the implementation of TB policies through Health and Safety Committees.

b) Ensuring adherence to policies on the management of contract workers at all times, and providing the necessary referrals to outside and public health services providers where appropriate.

c) Implementing TB screening on all patients at all points of interface or when consulting with health professionals.

Chamber position/standard on TB management and contractors

The management of TB in contractors has always been a weak area for the industry with TB Reviews (audits) conducted annually from 2010 highlighting the lack of comprehensive TB management for this subsector. The Chamber conducted a survey on provision of TB services to contractors. The results of the survey showed that the majority of companies were providing similar services for permanent employees and contractors and the gaps to be filled in equalising the provision of TB services were not huge.

The Chamber thus took a decision in 2014 that:

a) The management and treatment of TB for long-term contractors should be similar to that of permanent employees.

b) Companies review their protocols to ensure full implementation of the position/standard by the end of 2014.

This is a momentous decision and will enhance provision of care and health of contractors and improve the control of TB on the mines.

SADC regional initiative on TB in mining

The Chamber has been collaborating with the DOH and DMR on TB in mining. As part of the implementation of the SADC Declaration on TB in the Mines, ten (10) SADC countries have submitted a concept note to access funds from the Global Fund against AIDS, TB and Malaria (GFATM). Should this be successful, it will unlock significant funds and a Regional Coordinating Mechanism (RCM) on which the Chamber participates has been established.

Mine Health and Safety Council

The MHSC is a tripartite structure established as per the provisions in the MHSA. It has the following committees that employer representatives serve on:

a) Mining Industry Occupational Health Advisory Committee (MOHAC).

b) Mining industry TB and HIV Advisory Committee (MITHAC).

c) Safety in Mines Research Advisory Committee (SIMRAC).

d) Culture Transformation Advisory Committee (CTAC).

HEALTH (CONTINUED)

The following guideline was finalised and approved by MHSC in 2013/2014:

- Guidance note for lung function testing

The guideline is intended to assist OMP on the measurement of lung function and the provide guidance on decision-making on fitness to work.

SIMRAC

The following are the occupational health research projects that were finalised in 2014:

- Project SIM 130904 "*Train delegates to play Iyashisa game.*"

The MHSC commissioned research, which recommended that utilisation of a board game as a training material for mine employees will improve learning of work knowledge regarding the identification, prevention and management of heat stress related conditions. To this end, the Iyashisa board game was developed.

- Project SIM 120501 "Noise Controls for Mining Equipment".

The above project was approved in order to:

- Demonstrate and evaluate the use of basic sound attenuation techniques on a specimen mining machinery, and the mining machinery chosen to be a CDC640 Scrubber.
- Demonstrate and evaluate the developed above and below ground measurement standards.
- Demonstrate and evaluate the Finite Element Model (FEM) based underground sound projection methodology.

The outcomes of this research project will assist in the development of the "Buy Quiet and Maintain Initiative" as OEMs will be subjected to their products being in line to the above ground noise standards.

The following are the Occupational health research projects that have been awarded for 2015/2016 financial year

a) Feasible methodologies to aid escape in poor visibility.

b) The impact of HIV and ARVs on the Auditory Pathways.

c) SIM 140801 "Adverse health impacts associated with dust emissions from mine tailings – Year 3."

d) Development of a South African Minimum Standard on Ground Vibration, Noise, Air blast and fly Rock Near Surface Structures to be Protected.

MHSC Occupational Health Summit and the new milestones

The Mine Health and Safety Council (MHSC), as per the mandate of the Mine Health and Safety Act of 1996 as amended, must at least every two years arrange and coordinate a tripartite summit to review the state of health and safety. This summit was the 10th anniversary of the 2003 Occupational Health and Safety milestones and built on the significant progress made by the tripartite stakeholders in striving for the target of Zero Harm to ensure that every mineworker returns home from work unharmed every day.

The following are the new Milestones on health and safety for the industry:

Elimination of occupational lung diseases:

- By December 2024, 95% of all exposure measurement results will be below the milestone level for respirable crystalline silica of 0.05 mg/m^3 (these results are individual readings and not average results).
- By December 2024, 95% of all exposure measurement results will be below the milestone level for platinum dust respirable particulate of 1.5 mg/m^3 (<5% crystalline silica) (these results are individual readings and not average results).
- By December 2024, 95% of all exposure measurement results will be below the milestone level for coal dust respirable particulate of 1.5 mg/m^3 (<5% crystalline silica) (these results are individual readings and not average results).
- Using present diagnostic techniques, no new cases of silicosis, pneumoconiosis, coal worker's pneumoconiosis will occur amongst previously unexposed individuals *("previously unexposed individual" are those unexposed to mining dust prior to December 2008 i.e. equivalent to a new persons who entered the industry in 2009).*

Elimination of noise-induced hearing loss

- By December 2024, the total operational or process noise emitted by any equipment must not exceed a milestone sound pressure level of 107 dB(A). (This milestone of the sound pressure levels will be verified by initiatives under the CoE and MOSH and reviewed in 2016).
- By December 2016, no employee's Standard Threshold Shift (STS) will exceed 25 dB from the baseline when averaged at 2000, 3000 and 4000 Hz in one or both ears.

THE CHAMBER HAS BEEN COLLABORATING WITH THE DOH AND DMR ON TB IN MINING. AS PART OF THE IMPLEMENTATION OF THE SADC DECLARATION ON TB IN THE MINES, TEN (10) SADC COUNTRIES HAVE SUBMITTED A CONCEPT NOTE TO ACCESS FUNDS FROM THE GLOBAL FUND AGAINST AIDS, TB AND MALARIA (GFATM)

Prevention of TB and HIV/AIDS

- By December 2024, the TB incidence rate should be at or below the National TB incident rate.
- 100% of employees should be offered HCT annually with all eligible employees linked to an ART programme as per the NSP.

Chamber initiatives by Group Environmental Engineers (GEE)

Occupational hygiene/ventilation peer to peer audits

On 30 July 2013, the CEO's Elimination of Fatalities Task Team considered and approved the recommendation for the Group Environmental Engineers Committee (employers' Occupational Hygiene and Ventilation subcommittee under the Chamber of Mines) to conduct the peer to peer audits amongst each other as part of the initiative to eradicate the silicosis and noise induced hearing loss. The *Group Environmental Engineers* developed and approved an occupational hygiene/ventilation audit protocol which was scoped to focus on Occupational Hygiene/Ventilation Management System related to Noise and Dust (Risk based/ commodity based) exposure. The peer to peer audits were conducted from February – July 2014, and the final results were presented to the CEO Elimination of Fatalities Task Team on 24 October 2014.

International Mine Ventilation Congress 2014

The Chamber of Mines participated in hosting "The International Mine Ventilation Congress 2014" (IMVC) as a sponsor. The congress was hosted by the Mine Ventilation Society of South Africa at Sun City from 2 to 4 August 2014. The Chamber of Mines also exhibited the MOSH Learning Hub material (i.e. dust and noise) at IMVC. A technical session on "carbon monoxide exposure limits" was organised at the IMVC by the Group Environmental Engineers as there were challenges with implementing the "carbon monoxide exposure limits" within the South African mining industry. Subsequent to this technical workshop at the IMVC, the COM hosted an internal Carbon Monoxide exposure limits workshop, and a position paper was develop for MOHAC's consideration.

Carbon monoxide exposure challenges

The mining industry is encountering challenges to implement and comply with the MHSA requirements in relation to carbon monoxide. As a result of these challenges, the Group Environmental Engineers under the Chamber of Mines with experts from National Institute for Occupational Health (NIOH) hosted a workshop on 21 October 2014. Key issues were identified and a request was tabled to MOHAC on the to consider the key issues and find solutions.

Compensation for occupational lung diseases

Compensation for occupational lung diseases is administered by the DOH through ODMWA. The Chamber participates in two committees established under ODMWA, the Advisory Committee and the Risk Committee. There have been challenges for some time regarding the administration of ODMWA and the Chamber has been supporting the DOH where this is possible. This section reports on developments regarding the committee work and progress with the Ex-Mineworker Project.

Advisory Committee

During 2014 the committee reviewed amendments proposed by the Compensation Commissioner to ODMWA. The amendments were substantive and it was agreed that more technical work needed to be done to inform the amendments. It is expected that the impetus on this work will pick up in 2015.

Risk Committee

The work of the committee stopped in August 1996 and was then reactivated by the Minister of Health in October 2004. In 2007 discussions were underway on the risk determination method but these were never concluded. The committee restarted its work in February 2014 and the last meeting was held in August 2014. Substantive issues on the table are the definition of "Risk Shifts, the Risk Determination Method and the process for a mine to obtain a de-controlled status.

Ex-Mineworker Project

The Ex-Mineworker Project is a collaboration between the Chamber, DOH and National Union of Mineworkers (NUM) and covered the following broad areas:

- The establishment of occupational health centres at identified government hospitals to provide benefit medical examinations to former mineworkers.
- The strengthening of the certification and compensation claims process at the Medical Bureau for Occupational Diseases (MBOD) and the Compensation Commissioner for Occupational Diseases (CCOD).
- The promotion of sustainable economic projects.

HEALTH (CONTINUED)

Benefit examination sites were established in Nongoma and Mthatha and services were strengthened in North West and Free State. The business model for the project was adjusted in 2013 and a One Stop Service Centre was established in Carletonville in 2014. The project provided R4.7 million for infrastructure and equipment while staffing to the value of R1.7 million was provided by AngloGold Ashanti, Harmony Gold and Sibanye Gold. The site has high levels of patronage from ex-mineworkers.

The project also supported the CCOD in the verification of 200 000 files and the assessment of their IT systems. The verification process was completed and will assist the CCOD in being able to produce a credible valuation of the Compensation Fund. The assessment of the IT system was also completed and recommendations were made on its improvement. The Chamber will continue to support the CCOD in 2015.

BENEFIT EXAMINATION SITES WERE ESTABLISHED IN NONGOMA AND MTHATHA AND SERVICES WERE STRENGTHENED IN NORTH WEST AND FREE STATE. A ONE STOP SERVICE CENTRE WAS ESTABLISHED IN CARLETONVILLE IN 2014. THE PROJECT PROVIDED **R4.7 MILLION** FOR INFRASTRUCTURE

ENVIRONMENTAL POLICY

Introduction

The Environmental Department is charged with the responsibility of ensuring environmental issues are dealt with in a manner that enhances our members' contribution to sustainable development and ensures that environmental risks to the viability of the mining industry are identified and managed. This department act as the premier representative of the mining sector in environmental policy initiatives and lead discussions and development of position papers to assist policy formulation and implementation in the field of mining, general environmental management, water-related issues, waste management, air quality and sustainable development. Most importantly, the department lead and participate in policy level discussions with mining companies and other stakeholders and provide guidance and strategic leadership on mine environmental management policy issues, mine closure and sustainable development.

The development of the regulatory regime to allow the move towards one environmental system in the mining industry took centre stage during 2013/2014.This process is aimed at developing an integrated licensing system to streamline environmental authorisations address and fragmentation environmental regulatory requirements for regulating environmental issues in the mining industry. This system enables the Minister at the Department of Mineral Resources (DMR) to be the competent authority for regulating environmental issues as far as mining and related activities in terms of the NEMA. Of great disappoint for the mining industry and the Chamber of Mines (COM) during the review period is the inclusion of Mine Residue Deposits and Stockpile (MRDS) under the National Environmental Management: Waste Amendment Act NEMWAA), 2014. The Chamber has been engaging government i.e. Department of Environmental Affairs (DEA) and the Department of Minerals Resources (DMR) tirelessly to find win-win solutions to dealing with the consequences of managing MRDS as waste in terms of the Waste Act.

On the other hand, the Chamber of Mines had various engagements with the Parliamentary Portfolio Committees and the Department of Mineral Resources on the published Mineral and Petroleum Resources Development Amendment Bill 2013, with a view to discuss the Chamber of Mines' submission on this Bill and most importantly to ensure a smooth transition from the MPRDA to National Environmental Management Act (NEMA) and the alignment thereof.

With the publication of the National Water Resource Strategy 2 (NWRS2) in 2013 by the Department of Water and Sanitation (DWS), previously called the Department of Water Affairs, the mining industry together with broader business represented by Business Unity South Africa (BUSA) contributed in the process of developing sectoral implementation plans. Another major policy development in the water sector in 2014 was the approval by Cabinet of the National Water Policy Positions. The intention of this policy document is to *inter alia* ultimately provide a national water policy that will address all matters within the entire water value chain including water supply and sanitation services.

ENVIRONMENTAL POLICY (CONTINUED)

The development of policy measures to facilitate the implementation of the Climate Change Response Policy continued to be a major part of policy development during the period under review. Thus, the COM and its members took part in the DEA's stakeholder engagements on the development of Desired Emission Reduction Outcomes (DEROs), Mix of Measures and sectoral Carbon Budgets. Cabinet approved the Mitigation Potential Analysis Report that investigated various mitigation opportunities in key sectors of the economy including the mining industry for business and industry to take up in their respective greenhouse gas emission reduction efforts. This project further provided the projection of National GHG emissions into the future. The announcement by the Minister of Finance in his Budget Speech of the delay in implementation of the Carbon Tax Policy was seen as a progressive move to allow for alignment of related policy developments at DEA with the proposed Carbon Tax Policy. The COM together with broader business sectors emphasised the need for these policies developed by National Treasury and DEA to be aligned as they have a common objective which is primarily to lower the greenhouse gases emissions.

The COM is playing an active role in ensuring sustainable water resources management in the mining industry through entering into partnership with the DWS on various aspects of water resources management and ensuring optimal implementation of various water policies i.e the National Water Act (NWA). Amongst these initiatives is the collaboration with DWS to develop water conservation and water demand management targets in the mining industry. The Chamber of Mines also continued to engage with stakeholders from industry, conservation bodies and government, to provide opportunities for cooperation aimed at improving biodiversity conservation, management and performance in the mining industry within the auspices of South African legislative framework and beyond. With this, the Chamber of Mines, in collaboration with the South African Mining Biodiversity Forum (SAMBF) continued training interested and affected parties on the implementation of the South African Mining Biodiversity Guideline.

Developments on the Minamata Convention on Mercury, is of great interest for the mining industry, taking into cognisance the implication that this convention might have negative implications on the SA gold mining industry due to incorrect data reported to the UN, thus the Chamber has been engaging DEA in this regard.

During the year under review, the Chamber's Environmental department participated in most initiatives that dealt with environmental issues of concern to the mining industry, (i.e climate change, biodiversity management, air quality management, water resources management, waste management etc), and provided expert and specialist input to many legislative and policy initiatives undertaken during 2013/14. The main vehicle for such interaction is the Chamber's Environmental Policy Committee (EPC) which 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 government on environmental management policy, environmental sustainability 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 development

The Chamber and the mining industry provide specialist input on environmental matters through its participation on task teams; government project steering committees; BUSA; Nedlac; National Business Initiative (NBI); in public hearings of portfolio committees on environmental programmes; non-governmental organisations, bilaterals with government department academic organisations and in legislative proposals in the National Assembly and the National Council of Provinces.

NEARLY ALL MEMBERS HAVE **MET THE REQUIREMENT** OF IMPLEMENTING THE APPROVED EMP'S

Mineral and Petroleum Resources and Development Amendment Bill

The Chamber of Mines had several engagements with the Parliamentary Portfolio Committee on Mineral Resources and the DMR to discuss areas of concern highlighted in its submission. The COM submission dealt with the following issues amongst others:

- Environmental issues, and further alignment with NEMA and the NWA as per integrated licensing process.
- Invitation for applications.
- Transferability of interests in listed and unlisted company holders of rights.
- Transfers of parts of rights.
- Rejection of applications if prior application has been accepted, etc.

A deliberate effort was made to present the Chamber's submission in three parts, Part A giving an economics overview of some aspects of the Bill; Part B containing submissions on key issues arising from the Bill; and Part C reflecting submissions on technical wording issues. This was so in part to also highlight the consistency of issues raised by the mining industry throughout the various consultation stages of the Bill.

National Environmental Management (NEM) Laws Amendment Bill, 2013

The Minister of Environmental Affairs published several notices with regards to the National Environmental Management Laws Amendment Bill (NEMLA), to enable the amendment of related environmental management legislations including NEMA and NEM: Waste Act.

Of key strategic importance to the mining industry in relation to the amendment of the NEM: Waste Act through the NEMLA Bill is the classification of MRDS as hazardous waste. Consequently, this amendment enables the regulation of MRDS in terms of the NEM: Waste Amendment Act, thus empowering the Minister of Environmental Affairs to develop regulations on the management of MRDS. On the other hand, in line with the integrated licensing system the Minister of Mineral Resources would be the competent authority to implement regulations and policies, which would also include implementation of the entire waste legislation i.e. issuance of licences for waste management activities involving residue deposits and stockpiles.

The Chamber also attended the joint briefing session of the Portfolio Committees of Water and Environment and Mineral Resources on the 29 January 2014, which was aimed at discussing the NEMLA Bill in relation to the agreement between the Department of Mineral Resources and Water and Affairs on the alignment of environmental function for mining and related activities. This would entail that all environment-related aspects would be regulated through one system which is the National Environmental Management Act, 1998 and that all environmental provisions would be repealed from the Mineral and Petroleum

ENVIRONMENTAL POLICY (CONTINUED)

Resources Development Act, 2002. Furthermore, it was mentioned at this meeting that the agreement on the integrated licensing system as articulated in both the NEMA and the MPRDA will come into force on 8 December 2014.

Subsequently, in the latter part of 2014 the Minister of Environmental Affairs published a plethora of regulations in terms NEMA in the government notice for comment. These included the following regulations:

- Environmental Impact Assessment (EIA) regulations.
- National Appeals regulations.
- Regulations pertaining to the financial provision for the rehabilitation, closure and post closure of prospecting, exploration, mining or production operations.

These regulations intended to effect the "Agreement", reached between the Minister responsible for Mineral Resources and Minister responsible for Water and Environmental Affairs titled One Environmental System for the country with respect to mining. This agreement included *inter alia:*

That all environmental related aspects would be regulated through one environmental system under the principal Act and that all environmental provisions would be repealed from the Mineral and Petroleum Resources Development Act, 2002.

That the Minister responsible for Water and Environmental Affairs sets the regulatory framework and norms and standards, that the Minister responsible for Mineral Resources will implement the provisions of the Act and the subordinate legislation as far as it relates to prospecting, exploration, mining or operations.

Implementation of National Environmental Management: Waste Act

The National Environmental Management: Waste Amendment Bill was passed by the National Assembly for public consultations in March 2014. The Chamber of Mines argued during these consultations that section 4(1)(b) of the NEM: Waste Act was not part of the amendment process and it excludes residue deposits and stockpiles from provisions of the Waste Act. However, it was discovered through a bilateral consultation with DEA that the exclusion in section 4(1)(b) of the Waste Act was deleted through the amendment of the NEMLA Bill after the public consultation process.

Consequently, the Chamber of Mines initiated few engagements to try and resolve this unfortunate legislative development through initiating an internal legal process to assess the possibility of taking the DEA on a Constitutional review of the Waste Act. Also, the Chamber of Mines on its own engaged with the department to highlight the technical, economic and legal implications brought about by the latest amendment of the Act in as far as regulating MRDS as waste. These implications include:

- Regulation of residue deposits and stockpiles in terms of the Waste Act undermines the objects of the MPRDA, which classify this as a resource, with the potential for reclamation.
- There is a widespread beneficial use of the MRDS currently practised in the mining industry.
- It will be technically inappropriate to regulate residue deposits and stockpile as waste because of the compliance requirements from the Department of Water and Sanitation
- Additional misaligned and overlapping/duplication licensing requirements as per NEMWAA i.e. waste management licences, multiple requirements etc.

Parallel to this engagement with DEA and as part of a business-wide concern the Chamber of Mines also joined forces with BUSA to try and resolve this matter.

Eventually, all parties accepted that a legislative amendment to resolve industry/business issue would take long therefore in the meantime all parties concerned should focus their energies on the implementation of the Act with its shortcomings. Consequently, all affected stakeholders have been engaging the department in the development of enabling regulations to implement the Act. The following regulations are currently through a public consultation process:

- Proposed regulations to exclude a waste stream or a portion of a waste stream from the definition of waste.
- Proposed regulations regarding the planning and management of residue stockpiles and residue deposits from a prospecting, mining, exploration or production operation.

On the other hand, the Chamber of Mines is part of the BUSA – Waste Industry Forum formed during the period under review. The forum is chaired by the Department of Environmental Affairs and it is intended to look at matters affecting the implementation of the Act.

National Water Act

The Chamber observed the approval to and publication of the National Water Amendment Act No 27 of 2014 (NWAA) by the President of the Republic of South Africa on 2 June 2014 and was effective from 2 September 2014.

The areas of great interest for the mining industry in the amendment of the National Water Act No 36 of 1998 are as follows but are not limited to:

- Amendment of section 41 which deals with water use licence applications and seeks to align and integrate the process with prospecting and mining applications.
- The Minister responsible for Water Affairs will be the appeal authority for internal appeals emanating from WUL applications for mineral resources authorisations.
- Insertion of section 163A provides that there must be concurrence with Minister of Mineral Resources to amend the Agreement titled "One Environmental System".

The Minister of Water and Environmental Affairs in August 2013 published, Updated Policy Positions to Overcome the Water Challenges of Our Developmental State to Provide for Improved Access to Water, Equity and Sustainability.

Albeit, the Chamber of Mines including other stakeholders made extensive comments during the review of the National Water Resource Strategy 2, the department asserted that the strategy is limited in that it does not address water supply and sanitation services. Therefore, the policy review was intended to *inter alia* ultimately provide a national water policy that will address all matters within the entire water value chain.

In the stakeholder workshop arranged by the then Department of Water Affairs (and now department of Water and Sanitation i.e. DWS) in October 2013 the Chamber of Mines and other stakeholders raised concerns around the security of supply and the unintended consequences of the proposed policy positions on issues relating to use it or lose it principle, ban on water trading, etc. Ultimately, the DWS announced that policy position review document was approved by Cabinet in December 2013.

Implementation of the National Water Resource Strategy 2

The strategy was finally approved by Cabinet and published in June 2013 after extensive and intense stakeholder consultations that the Department of Water and Sanitation (DWS) had conducted.

Subsequent to the approval of the strategy the DWS undertook further stakeholder consultations to proactively involve stakeholders especially in sectors to collectively develop sectoral implementation plans of the NWRS2. In this regard the Chamber of Mines with its members also made contributions to the mining industry NWRS2 implementation plan.

Classification of Significant Water Resources

The classification of South Africa's water resources is required by the National Water Act, No 36 of 1998. The year under review saw the completion of the Crocodile (West), Marico, Mokolo and Matlabas, and Upper Vaal in terms of the Water Resource Classification System (WRCS) process. The Chamber has throughout the classification process actively participated at the project steering committees. The ultimate goal of the study is the implementation of the WRCS and the selection of one of three Management Classes (MCs) for the identified integrated Units of Analysis (IUAs) which will then be translated into resource quality objectives (RQOs) that will specify the actual targets and ranges for maintenance of a specific class of water resource in the WMA study area. The MCs will essentially describe the desired condition of the resource, and conversely, the degree to which it can be utilised by considering the economic, social and ecological goals from an integrated water resource management perspective. The MCs will, therefore, ensure that a balance is maintained between the need to protect and sustain water resources on one hand and the need to develop and use them on the other.

Waste Discharge Charge System

The DWS envisages that the Waste Discharge Charge System (WDCS) will be an integral part of the holistic water quality management of a particular catchment with a particular focus on the regional/catchment approach. The WDCS strategy will encompass both the point and the non-point sources of pollution control with the intention to effectively manage catchment's water quality problems.

The functioning of Catchment Management Agencies (CMA) is a prerequisite for the implementation of the WDCS, and in the instances where the CMA has not been established the Department of Water and Sanitation will implement the system. The department had planned to implement the WDCS in 2014, however this did not take place.

In a stakeholder meeting convened by DWS, the Chamber of Mines together with other stakeholders objected to the inclusion of the WDCS in the pricing strategy before the finalisation of the fundamental WDCS policy matters.

ENVIRONMENTAL POLICY (CONTINUED)

Draft National Water Pricing Strategy

The Minister of Water and Sanitation, with the concurrence of the Minister of Finance, is mandated by the National Water Act No 36 of 1998, to develop and revise the pricing and charges for any water use within the framework of the existing government policy in order to meet the needs of the country. The existing pricing strategy was gazetted in 2007 and new challenges emerged since the start of its implementation.

The Department of Water and Sanitation embarked in a process of revising the strategy and also to ensure alignment with NWRS2. DWS convened a stakeholders' meeting on 30 October 2014 to discuss the revision of the pricing strategy.

During the latter stakeholder meeting, the Chamber of Mines raised a concern that it was not given an opportunity to participate in the committee that was set up to develop the strategy and also to comment on the draft strategy. Sector consultations were still ongoing and the DWS was open for a further engagement with the mining sector but initiatives should be driven from the industry. The Chamber is anticipating to gazette the final Water Pricing Strategy in May 2015.

Implementation of the National Environmental Management: Air Quality Act

The Department of Environmental Affairs published for comment amendments to the National Environmental Management: Air Quality Act (NEM:AQA) No. 39 of 2004. Key to these amendments was the introduction of an administrative fine. The Chamber of Mines contended that albeit the amendments provides for a procedure and criteria for the determination of the latter fine the actual procedure and criteria for the determination of fines had not been published.

There was also an inconsistency between the proposed amendments and section 24G(2A) of NEMA whereby an administrative fine not exceeding R1 million has been provided for which is significantly lower than the proposed amendment.

The department also published regulations declaring greenhouse gases as priority air pollutants thereby requiring emitters to monitor and report the latter emissions. Together with this declaration regulations were also published for the development of pollution prevention plans by business and industry with respect to greenhouse gas emissions, namely:

- The National Atmospheric Emissions Information System.

The mining industry together with other emitters is expected to report any atmospheric emission through an electronic system. Thus, the department published the regulations proposing the management and the reporting of air pollutants and greenhouse gases through the internet-based national atmospheric emissions information system (NAEIS) which is part of the South African Air Quality Information System (SAAQIS). Although the development of the NAEIS was initially meant for section 21 i.e. listed activities under the NEM: Air Quality Act the DEA has also promulgated dust regulations that requires reporting by the rest of the mining industry. During the year under review, the Chamber of Mines arranged a training session for mining industry personnel and lately hosted DEA on an information sharing session with the EPC regarding the implementation of the NAEIS.

Implementation of the National Climate Change Policy

The Department of Environmental Affairs and the Department of National Treasury specifically continued to engage stakeholders on the implementation of the National Climate Change Response Policy (NCCRP). During the year under review the Minister of Finance in his last national budget speech made an announcement that the implementation of the carbon tax will be delayed by a year and will only be implemented in 2016.

The Chamber also participated at the process to develop the Mitigation Options that was adopted and approved by Cabinet during the first quarter of 2014.

The Department of Environmental Affairs hosted a stakeholder workshop to introduce the initiation of a project that will determine the Carbon Budget, Desired Emission Reduction Outcomes (DEROs) and Mix of Measures (MoM) in July 2014. The National Climate Change Response Strategy (NCCRS) provides in section 6 the definition of DEROs and the MoM at the sector and subsector level of the economy in the overall approach to mitigation.

The implementation of this project in 2015 will prioritise the development of sector Carbon Budgets however

this will be preceded by the signing of non-disclosure agreements (NDAs) by every operation that will be included in the project.

Status of Environmental Planning and Management in the Mining Industry

The Chamber of Mines finalised a project of compiling a report on the status of Environmental Planning and Management for South African Mining. This project initiated an investigation on various environmental aspects with the aim to assess the status quo of the mining industry with regard to its current practice and to also subsequently recommend actions across the full range of environmental aspects, including water management.

This project was undertaken parallel to the Mine Drainage project which focused more detail on the water management issues facing the mining industry and the subsequent actions to be undertaken by the mining industry to optimise water resources management.

Mining and biodiversity

The Chamber of Mines during the period under review continued to collaborate with the government and other stakeholder on the development of measures to protect and conserve biodiversity. For instance, in the published Norms and Standards for Biodiversity Management Plans for Ecosystems (BMP-E) most of the issues raised by the Chamber of Mines with the department have been considered and addressed. Amongst others the Chamber's initial concerns on the criteria for selection and delineation of the ecosystems for BMP-E and for the relevant provincial government department assuming the leading role and getting involved throughout entire process from initiation, development, implementation, monitoring and to evaluation of the BMP-E, have been addressed.

Furthermore, the Chamber of Mines proactively engaged DEA on matters that involved the declaration of protected areas by authorities without prior or proper consultation with affected parties. At this engagement meetings it has been agreed that the Chamber of Mines, together with DEA, Mpumalanga province, DWS and DMR should collaborate in developing a strategy to deal with broader issues pertaining to mining in protected areas especially in Mpumalanga.

Water Conservation and Demand Management in the Mining Industry

The Chamber of Mines in collaboration with the Department of Water and Sanitation continued with the project to develop the WCWDM target/benchmarks during the period under review. The main objective of the project is to document a methodology that can be used by mines to set water use efficiency target, together with key indicators that should be used for water target setting. The project also include the development of a framework that will support both the regulatory and mining sector implementation of WC/WDM by providing practical procedures to implement WC/WDM measures to enable targets/benchmarks to be met.

The project is expected to be completed in early 2015.

Water Sector Leadership Group

The Chamber of Mines continued to represent the mining industry at the Water Sector Leadership Group (WSLG) established by the Department of Water Affairs. The Chamber is a standing member of the Executive Committee of the WSLG and its established working groups. The WSLG provides a platform for dialogue, planning, reflection and monitoring of water sector policy, legislation, strategies and programmes towards improving sector performance and directly contributing towards improved co-ordination of planning. During the year under review the WSLG focused its energy to reviewing its mandate ensuring that it is aligned with the new mandate of DWS.

Radiation issues in the mining industry

It is ultimately the responsibility of both government and the mining industry to ensure national interests in the broadest way, taking into cognisance the economic, social, and environmentally perspective. Hence, it is within this context that the mining industry (through the Chamber of Mines) and the NNR (as the regulator) had continual engagement to discuss issues pertaining to radiation to ensure an integrated and structured way of addressing issues. During the year under review, the Chamber engaged on authorisation fees, regulation of radiation matters and remediation of radioactive contaminated areas such as the Wonderfonteinspruit.

ENVIRONMENTAL POLICY (CONTINUED)

Water Institute of South Africa, Mine Water Division

Over the years the Chamber has been a standing member of the management committee of the Water Institute (WISA) Mine Water Division (MWD), which is aimed at improving the practice, status and professionalism of water management in the mining industry.

The main objectives of this division include exchange of information, encouraging co-operation between the division and other groups with an interest in mine water, engendering in mine management a proactive approach to mine water problems and challenges, identifying information, technology, research, development and implementation needs.

In 2014, the Chamber participated at various WISA MWD programmes and activities, which includes the planning and hosting of a symposium staged in October, proposal for capacity building for government on mine water management and also formation of the WISA MWD Working Groups which will act as a tool to facilitate the improved delivery of the division on strategic goals set. The Working Groups are not aimed at replacing the WISA MWD responsibilities or function, but is rather a mechanism to extend the reach of the committee.

International Council for Mining and Metals

The Chamber of Mines as a member of the International Council for Mining and Metals (ICMM), continued to support ICMM's mandate to strengthen social and environmental performance in the mining and metals industry.

The Chamber also participated at various ICMM's activities including the following amongst others:

- The development of the practical guide to catchment-based water management which defines responsible water stewardship for the mining industry. This offers a comprehensive approach to managing water around mining and metals operations, in guidance that details the priorities of all water users throughout the water catchment, as well as the water usage of the operation itself:
- Mining contribution to sustainable development.
- Community development and strengthening relationships with indigenous people contributing to the adoption of the Minamata Convention, a UN treaty that controls the risks relating to the manufacture and use of mercury, the first international convention dealing with a metal.

SKILLS DEVELOPMENT

Advocacy and lobbying

The Skills Development Unit represents the interests of the mining industry and business, generally, on matters affecting education and skills development in the national arena. Chamber officials are represented on statutory bodies such as the National Skills Authority, the Quality Council for Trades and Occupation, Umalusi and the Human Resources Development Council. Chamber officials are also members of a number of Ministerial Task Teams established by the Minister of Higher Education and Training ranging from foundational learning, technical and vocational colleges and their course offerings, artisan training to reviewing skills systems.

The Chamber is the convenor for employers in the Mining Qualifications Authority and is active in all levels at the MQA. Through lobbying and active involvement, the Chamber is able to influence many of the decisions and direction of the MQA.

Chamber officials are active members at BUSA in areas affecting skills development and play a leading role in business mandates on skills development.

Mining qualifications authority

The Chamber plays an important role in the tripartite Mining Qualifications Authority, together with organised labour and government. The Mining Qualifications Authority is the Sector Educations and Training Authority for the mining industry and supports skills development in sector and disburses the Skills Development Levy.

Language Policy

The MQA approved a Language Policy in 2001 which was reviewed in 2008. The review led to research being undertaken regarding the phasing out of Fanakalo to inform a new Language Policy. The updated policy, which has not yet been approved by the MQA, provides a framework for the use of language for skills development in the mining industry. The policy promotes multilingualism and the phasing out of Fanakalo. It is suggested that the Minister of Mineral Resources should publish the Language Policy as a regulation. However, with the changing landscape of organised labour, the relevance of this draft of the Language Policy is questioned as AMCU appears to support the use of Fanakalo.

Budget

Through the Skills Development Levy, the MQA received some R900 million in the 2013/14 financial year. A portion of this is paid to companies that submit an Annual Training Report and a Workplace Skills Plan and the bulk of the levy is for Discretionary Grants and projects. For the 2014/15 financial year this amounted to R843 360 000. The grants with the largest amount of money allocated are as follows:

Bursaries	R120 400 000
Work experience and internships	R222 825 000
Artisan development	R265 505 000
Non-artisan learnerships	R131 523 000

Mainly because of inefficiencies in the system of the MQA, the Discretionary Grants and Projects are usually underspent. The Chamber meets regularly with MQA officials to resolve problems relating to payments and to exert pressure on the MQA to spend this budget. MQA forecasts anticipates that 80% of the discretionary budget will be spent in their 2014/15 year.

Management Information System

A key component of the MQA is its Management Information System (MIS) which is necessary for, *inter alia*, paying out of grants and keeping learner and certification data. The MIS has been ailing for some time and has negatively impacted on the MQA's ability to pay its discretionary grant and manage accurate learner records. The MQA Board approved funds for a new provider to design and maintain the MIS. The MQA has decided to change the MIS, one module at a time, rather than to introduce a new system at once. The module with which they are beginning deals with the submission, collation and analysis of the Workplace Skills Plan and Annual Training Report. Employers have played a vital role in determining the specifications for this module and testing it. This module is planned to go live in early 2015 and it is anticipated that the submission of the Workplace Skills Plan and Annual Training Report will be effective and efficient in 2015.

Rockbreaking Qualifications and the Blasting Certificate

For some time labour and government have been agitating in the MQA to bring back the Blasting Certificate that was replaced by the Rockbreaking Qualifications. The process to resolve this issue has been long and arduous. One of the problems that bedevilled the process was the interpretation of issuing a Licence to Practice by the government. It was finally agreed that the industry should revert back to the Blasting Certificate to enable the government to issue a Licence to Practice. However, before a Licence to Practice may be issued, a person must be deemed competent – and this may well be the Rockbreaking Qualification. Government is to lead the team to determine what competencies are required before a Licence to Practice may be issued.

Government Certificate of Competency Analysis

For many years, the pass rate of the government Certificate of Competency has been a concern because of the low

THROUGH THE SKILLS DEVELOPMENT LEVY, THE MQA RECEIVED SOME R900 MILLION IN THE 2013/14 FINANCIAL YEAR

pass rates. An average of current pass rates is as follows

Managers	23%
Survey	20%
Ventilation	26%
Engineers	23%
Rock Engineering	20%

The pass rate for overseers is not available. The MQA was requested to conduct an investigation into these low pass rates. The investigation revealed that there is no generic root cause for the low pass rate. However, reasons identified are: poorly prepared candidates, lack of suitable or any learning materials, ill-defined or no syllabus, quality of training courses, lack of suitable mentors and support from managers.

The MQA Board has approved the report on the investigation into the poor pass rate for the GCC and has referred the recommendations to a standing committee to develop a plan to implement improvements.

Shortage of Skills and Employment Trends Analysis

One of the requirements of the Workplace Skills Plan is for employers to report on scarce skills. The MQA collates this data and publishes a scarce skills list for the sector. The scarce skills list also feeds into a national process that results in a scarce skills list for South Africa being available. The overall shortage in the mining and minerals sector for the past few years has been in the region of 1% of the total number employed in the sector and in 2013/14 the shortage was reported as 5 328 which equates to 1%. The shortage of managers as a broad occupation group is 11%, professionals and technicians is 2% and trade workers is 3%. The biggest shortages according to a detailed occupation list are: mining engineer – 11%, electrical engineer – 15%, metallurgical engineer – 12% and mechanical engineer – 6%.

The MQA carries out an analysis of the Workplace Skills Plans and Annual Training Reports as well as identifying trends that are emerging since the analysis of these documents began in 2001. Some of the trends highlighted in 2013/14 are:

- Skills Development Levy (1% of wagebill) paid by employers in 2013/14 was R769 186 652.
- The employment per subsector is PGM 32%, gold 24%, coal 11%, diamond 2%, other mining 19%, services incidental to mining 6%, and CLAS 2%.
- Females represent 12% of the workforce – up from 4,3% in 2002.
- The age distribution of managers, professionals, technicians and trade workers falls within the norm and does not represent an aging workforce.
- 20% of the workers have an educational qualification below National Qualifications Framework Level 1 – which could be used as a benchmark for literacy. In 2004 this was reported at 60,7% and in 2011 reported as 30%. Those with National Qualifications Framework Level 4 (matric and equivalent) has increased from 14,2% to 30% in 2014.
- The percentage of employees who received training in 2013/14 was 64%.
- The number of artisans who qualified in the mining industry in 2013 was 1 827.

Technical and Vocational Education and Training (TVET) Colleges

TVET Colleges (previously FET Colleges) serve an important role in training young people and the mining industry relies on TVET Colleges to provide the theory for apprentices.

Over the past decade or so the quality and pass rate of these colleges has deteriorated. The mining industry has made a decision to be actively involved in TVET Colleges focusing initially on having representation on College Councils and assisting with lecturer development. To this end, the Chamber had discussions with the Department of Higher Education and Training regarding nominations which is the only industry to have done so. A number of mining industry representatives have been nominated onto College Councils.

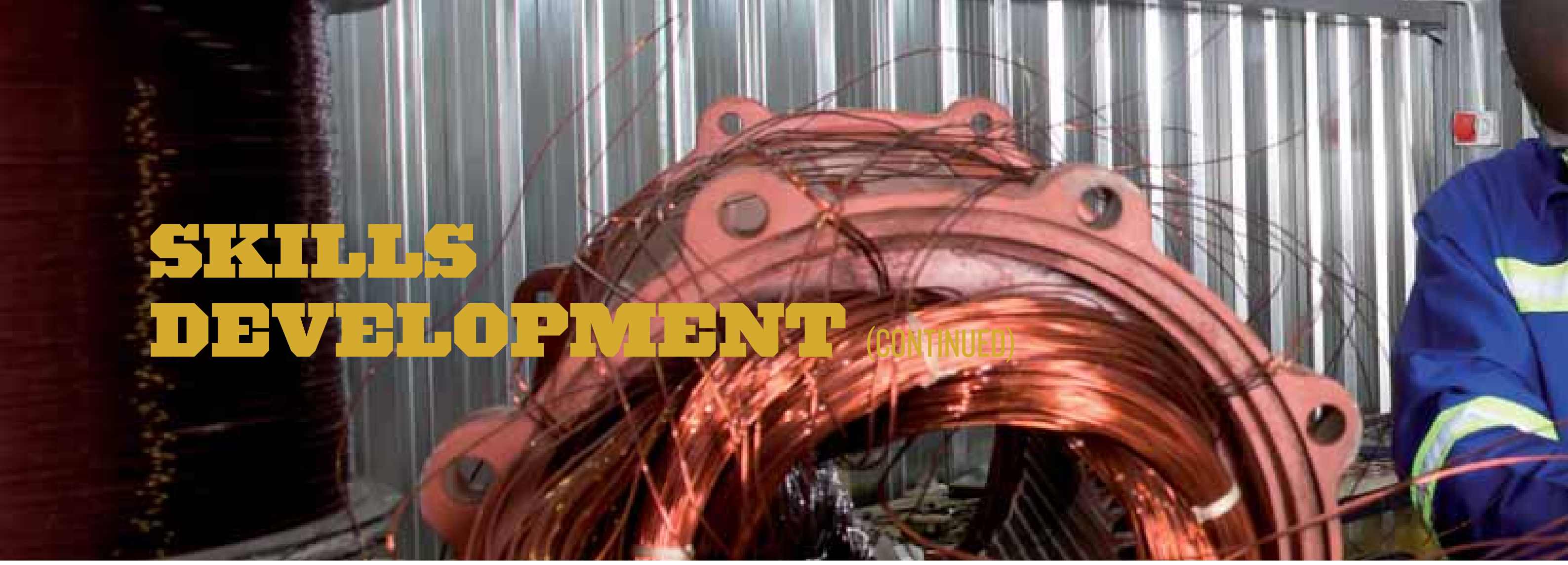
Occupational AET

ABET – now referred to as Adult Education and Training – has for many years been taught in the mining industry. Labour argues that the "T" or training has been neglected in AET and has suggested that the training component of AET can be catered for by allowing AET students to complete relevant N courses at the TVET Colleges. This should allow students with a NQF Level 4 AET qualification and an N certificate to enter into learning for an occupational qualification. Labour refers to this as Occupational AET and this model is being considered by the industry.

Quality Council for Trades and Occupations

The Quality Council for Trades and Occupations (QCTO) is one of three quality councils in South Africa – the others being Umalusi for schools and the Council for Higher Education for Universities and Universities of Technology. A Chamber official represents business on the QCTO.

The QCTO has finalised its qualifications sub-framework which allows for occupational qualifications and part qualifications. The intention is for the QCTO to focus on delivery and quality of qualifications but to minimise the number of qualifications developed.



SKILLS DEVELOPMENT (CONTINUED)

The qualification sub-framework steers away from a heavy handed approach to quality assurance. The QCTO intends to perform some of the functions that were traditionally performed by quality assurance bodies so that these bodies can be more focused and concentrate on implementation of qualifications.

The QCTO has designed and registered 23 qualifications on the National Qualifications Framework and the focus will be on implementing the trade qualifications in 2015. The QCTO is also combining the N4, N5 and N6 certificates into a diploma.

National Skills Authority

The National Skills Authority is a statutory body established to advise the Minister of Higher Education and Training on skills development issues. A Chamber official is one of the business representatives on the National Skills Authority.

The National Skills Authority term of office ended in June 2014. Through Business Unity South Africa, nominations for another term of the National Skills Authority were made to the Minister of Higher Education and Training and a Chamber official was nominated. A new National Skills Authority has not yet been appointed by the Minister.

SETA Grant Regulations

The Sector Education and Training Authority (SETA) Grant Regulations which determine how the SETA grants are spent were legally challenged by Business Unity South Africa in 2013. The mandatory grant, which was 50% of the Skills Development Levy that was paid to employers, was reduced to 20% and is the main change brought about by these regulations. The legal process has continued throughout 2014 and a court date has been set for February 2015 to settle the matter.

National Senior Certificate for Adults

A National Senior Certificate for Adults (NASCA) has been registered on the National Qualifications Framework at Level 4, which is equivalent to a matric. It is designed to provide opportunities for people who are out of school and who have limited or no access to continuing education and training opportunities. The NASCA has four subjects which may be achieved in one sitting or achieved separately but within six years. A minimum of 50% will be required to pass. Students do not have to enrol for tuition and may do self-study but must register for examinations through an accredited examination centre. There are no entrance requirement but only people who are not at school and are 18 or older may register for the examinations. People who achieve the required pass marks will be eligible to apply for entrance to a university.

Strategic Infrastructure Projects (SIPS)

The Departments of Higher Education and Training and Economic Development released a report on "Skills for and through SIPs" based on the National Infrastructure Plan. There are 18 SIPs of which four are relevant to the mining industry.

These are:

- SIP1 – Unlocking the Northern Mineral belt with Waterberg as the catalyst (coal and platinum).
- SIP3 – South Eastern node and corridor development (manganese rail and smelter).
- SIP 4 – Unlocking the economic opportunities in NW Province (roads, rail, bulk water treatment for mining and others).
- SIP5 – Saldanha – Northern Cape development corridor (rail and port expansion for iron ore production).

The Chamber has assisted to identify the occupations and training required for the SIPs.

White Paper on Post School Education

A White Paper on Post School Education was published in January 2014. The White Paper establishes the basis on which the Department of Higher Education and Training will develop concrete plans up to 2030. It intends to address the growth in skills development provision which is not enough to meet the demand and which is not sufficiently diverse. It acknowledges that quality is weak with high repetition and dropout rates; weak linkages between educational institutions and the workplace with insufficient employer involvement in training; and weak data systems.

The White Paper intends to expand headcount enrolments for 2030 as follows:

- 1,6 million in public universities (from approximately 940 000)
- 2,5 million in TVET Colleges (from 650 000)
- 1,0 million in community colleges (from 265 000)
- 0,5 million in private institutions

The college system will comprise the following:

- Technical and Vocational Education and Training (TVET) Colleges (previously FET Colleges)
- Proposed community colleges
- Agricultural colleges
- Other (non-DHET) public colleges
- Private FET Colleges
- South African Institute for Vocational and Continuing Education and Training (SAIVCET)

The focus on the mandatory grant (20% of the skills development levy) will be on gathering accurate data on sector

THE PERCENTAGE OF EMPLOYEES WHO RECEIVED TRAINING IN 2013/14 WAS **64%** AND THE NUMBER OF ARTISANS WHO QUALIFIED IN 2013 WAS **1 827**

skills needs. Skills planning at sector and national level will be improved. SETAs and the National Skills Fund will fund skills development capacity in public education and training institutions. Programmes for training current and potential workers should be funded by the SETA's discretionary grants.

Learning materials

The learning material project that is co-ordinated by the Chamber has started to shift focus. In the past few years, the effort has been on developing learning and assessment guides for individual unit standards.

At the end of this reporting period, learning material for 1 710 unit standards had been submitted to the MQA for use by the MQA accredited training providers.

The current focus is now to develop modules for the individual knowledge subjects and practical modules for the occupational qualifications that are being developed through the Quality Council for Trades and Occupations (QCTO).

The process to develop these knowledge subjects and practical modules for each occupation is more rigorous than was previously done with the unit standards. The knowledge subjects are far more detailed and a lot of content is presented in the theory of each knowledge subject. This level of detail required for these knowledge subjects is time consuming to develop and then needs to be approved by technical experts. To date the areas for occupations that had material developed, or is being developed are: mines rescue service worker, Goldsmith, strata control, ventilation, sampling and surveying.

It is forecast that further development will take place in most of these areas for the next financial year. In addition to these areas currently being developed, it is anticipated that some of the traditional trades will also have material developed/updated for use by the industry.

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 takeover process was successful with no problems registered at the new Chamber controlled examination centres. The number of candidates sitting for these examinations has become steady as there is no significant growth. In order to assist candidates to be properly prepared for the Rock engineering examinations the MQA funded and released the first learning material for these examinations. The table below shows the number of candidates who successfully completed the Chamber of Mines examinations when compared to the previous years.

The Chamber is continuing with facilitating the eventual handover of these examinations to the Mining Qualifications Authority or the various tertiary institutions where applicable. The target for the complete hand over of these examinations is 2018.

Name of Certificate	As at July 2010	As at July 2011	As at July 2012	As at July 2013	As at Dec 2014
Certificate in Advanced Mine Surveying	29	57	70	58	91
Certificate in Advanced Mine Valuation	41	88	102	66	75
Certificate in Advanced Rock Engineering	3	1	11	3	4
Certificate in Basic Mine Sampling	272	125	141	63	164
Certificate in Basic Mine Surveying	163	134	130	142	156
Certificate in Elementary Mine Sampling	126	100	90	73	64
Certificate in Elementary Mine Surveying	150	114	130	88	141
Certificate in Mine Environmental Control	16	71	19	8	29
Certificate in Radiation Protection Monitoring Screening	260	70	125	109	181
Certificate in Rock Mechanics	11	10	27	25	25
Certificate in Strata Control	55	49	79	64	96
Intermediate Certificate in Mine Environmental Control	87	18	32	48	51
Certificate in Mine Survey Draughting	26	31	22	40	30
Practical Certificate in Mine/Environmental Control	3				
Total	**1 242**	**868**	**978**	**787**	**1 107**

STAKEHOLDER AND PUBLIC ENGAGEMENT

The Chamber Communication Unit exists to provide strategic communications support to the Chamber and the industry. In the year under review the Chamber Communications unit embarked on various projects that sought to increase the Chamber's public visibility and also increase its share of voice on all issues that are mining related and have been in the public discourse.

The 2013/2014 financial year saw the Chamber Social Media tools evolving into greater content sharing platforms rooted in sharing facts about the South African mining industry and initiating conversations with the online community. The campaign is driven by three objectives: Make mining relevant by demonstrating real contribution to peoples' lives, create a platform for conversation and voices to be heard and to share Informative, positive and engaging content.

These platforms are ideal media forums for fostering public debate and opinion of mining in South Africa. The Facebook campaign has performed very well from the outset, reaching almost 7 000 by the end of July 2013, which approximates a target of 22 500 per post. The campaign on Twitter took off more slowly but has proved very successful as well. The content used in the digital campaign was based on four pillars:

- What's yours is mined.
- Good news nuggets.
- Mine facts.
- Tools of the trade.

Our Facebook campaign grew from 10 000 fans in the 2012/2013 period to 15 094 Fans in the 2013/2014 period.

As part of our media engagement the Chamber managed to attract extensive media coverage for the 2013 Mining Lekgotla 2013 total media coverage of the Lekgotla, including print, broadcast and online, amounted to R4.9 million worth when converted to advertising spend. Given the hostile mining environment at the time of the Lekgotla, the coverage was highly successful. The Lekgotla "trended" on social media and reached 15 million followers with an OTS (opportunity to see), and amounted to R3.4 million worth of advertising opportunities using #Mining Lekgotla.

As a way to benchmark the relevance of our social media content and how we use the platforms as an engagement medium we entered one of South Africa's prestigious media competitions namely the Loerie Awards. The Chamber's "What is Mined" campaign won a Silver Loerie.

The period under review saw the Chamber Communications launch a new stakeholder engagement channel named the Chamber Roundtable Sessions. The objective of these sessions is to lead conversations with different stakeholders on various issues impacting on the mining industry and also share the work that the industry does to contribute to the development of the country. During this period the Chamber hosted two such sessions the first targeting media and public opinion shapers. The second was targeted at commodity market commentators and investment analysts.

As a lobby institution the Chamber of Mines realises the importance to engage all spheres of government to ensure that these understand what industry is doing and to further strengthen partnerships and collaboration. To this end, the Chamber hosted the Parliamentary Portfolio Committees that have some extent of oversight on the mining industry. The aim of the session was to give an overview of what the mining industry is about and also begin a conversation with lawmakers to exchange views and ideas.

The period under review also saw the Chamber host the Eastern Cape government led by Premier Phumulo Masualle and several of his provincial cabinet members. The Eastern Cape as the major labour-sending area to Chamber member companies requires that the Chamber facilitates constructive engagement with the provincial government for better and strengthened relations.

As we continue to ensure that the Chamber of Mines is positioned as the "preferred" source of all things mining, we undertook a complete overhaul of the Chamber website. Linked to this the unit also undertook a process of developing Fact Sheets on various topics that continue to attract public discourse like: illegal mining, labour relations, health and safety.

Mining Industry Association of Southern Africa

During 2014 as part of our international relations effort we successfully provided secretariat duties to the Mining Industry Association of Southern Africa. During this period we convened two meetings. Member countries got an opportunity to visit the Richards Bay Coal Terminal in Richards Bay, KwaZulu-Natal to get a firsthand account about Africa's largest coal terminal as this has a direct impact on the Southern African Development

THE PERIOD UNDER REVIEW SAW THE CHAMBER COMMUNICATIONS LAUNCH A NEW STAKEHOLDER ENGAGEMENT CHANNEL NAMED THE CHAMBER ROUNDTABLE SESSIONS. THE OBJECTIVE OF THESE SESSIONS IS TO LEAD CONVERSATIONS WITH DIFFERENT STAKEHOLDERS ON VARIOUS ISSUES IMPACTING ON THE MINING INDUSTRY AND ALSO SHARE THE WORK THAT THE INDUSTRY DOES TO CONTRIBUTE TO THE DEVELOPMENT OF THE COUNTRY

Community (SADC) energy needs. The second meeting was hosted by the Botswana Chamber of Mines and saw a visit to the Debswana Diamond Facility in Gaborone.

During the period under review representatives from MIASA participated in the Ministerial Symposium held during the Mining Indaba during February 2014 and the Mining Lekgotla during August 2014.

The President of MIASA, accompanied by Chamber the Chamber of Mines of South Africa met with the Executive Secretary of the Southern African Development Community to discuss regional policy issues pertaining to the mining sector.

In partnership with the Department of Mineral Resources the Chamber of Mines participated in the Mexico Mining Convention in Acapulco, Mexico. The conference afforded the Chamber an opportunity to understand the mining industry of another developing country and as part of the government to government discussions was able to identify how the country handles small scale mining and emerging miners. It presented an opportunity for inter-country investment possibilities both on mining and mining related services.

Mining Indaba

Having realised the need to influence the annual Mining Indaba held in Cape Town, the Chamber of Mines during this period partnered with the institution to host the African Ministerial Symposium. The 2014 Symposium saw the Chairperson of the African Union Commission, Dr Nkosazana Dlamini-Zuma address an audience of more than 20 African mining Ministers on the AU's Africa Mining Vision. For the Chamber of Mines this was critical as we seek to dovetail the industry's efforts on positioning mining as a mainstay sector and for it to remain critical in driving economic growth in the continent.

Mining Lekgotla

The Mining Lekgotla is the premier mining sector think tank event run as a partnership between key stakeholders in the mining industry, the Chamber of Mines, Department of Mineral Resources and the National Union of Mineworkers.

Its principal objective when launched in June 2012 was to provide a platform for strategic conversations between key participants in the South African mining industry, and other roleplayers. Through the Lekgotla, roleplayers interact with thought-leaders in confronting critical issues, risks, social pressures and opportunities faced by the mining sector.

The Lekgotla is mainly sponsored by mining companies, with a few non-mining companies also contributing. The themes for the 2012 and 2013 Mining Lekgotla's were; "Global Competitiveness" and "Competitiveness and Transformation for Growth", respectively.

The 2014 Mining Lekgotla was the third one and took place from 13 – 14 August 2014, at Gallagher Convention Centre. A total of eight hundred and thirty-four (834) delegates attended the two-day event. The delegates ranged from leaders in the industry, representatives from partners, junior miners, the communities and youth.

THE THEMES FOR THE 2012 AND 2013 MINING LEKGOTLA'S WERE; "GLOBAL COMPETITIVENESS" AND "COMPETITIVENESS AND TRANSFORMATION FOR GROWTH", RESPECTIVELY

The theme for the Lekgotla was "Building on the Contribution of Mining Since the Advent of Democracy". This was in line with the celebration of 20 years of democracy in the country. The event was addressed by many high-profile speaker, the most prominent being the Chair of the African Union, Dr Nkosazana Dlamini-Zuma; Minister of Mineral Resources Advocate Ngoako Ramatlhodi; Minister of Small Business Development, Ms Lindiwe Zulu, Minister of Women, Ms Susan Shabangu and Deputy Minister in the Department of Mineral Resources, Mr Godfrey Oliphant. The key sessions/ topics were:

- Transformation and the Mining Charter
- Women in Mining
- Mining Community Development
- Industrial Relations
- Youth Empowerment
- Africa Mining Vision
- Infrastructure for Industrialisation
- Industrialisation toward Beneficiation

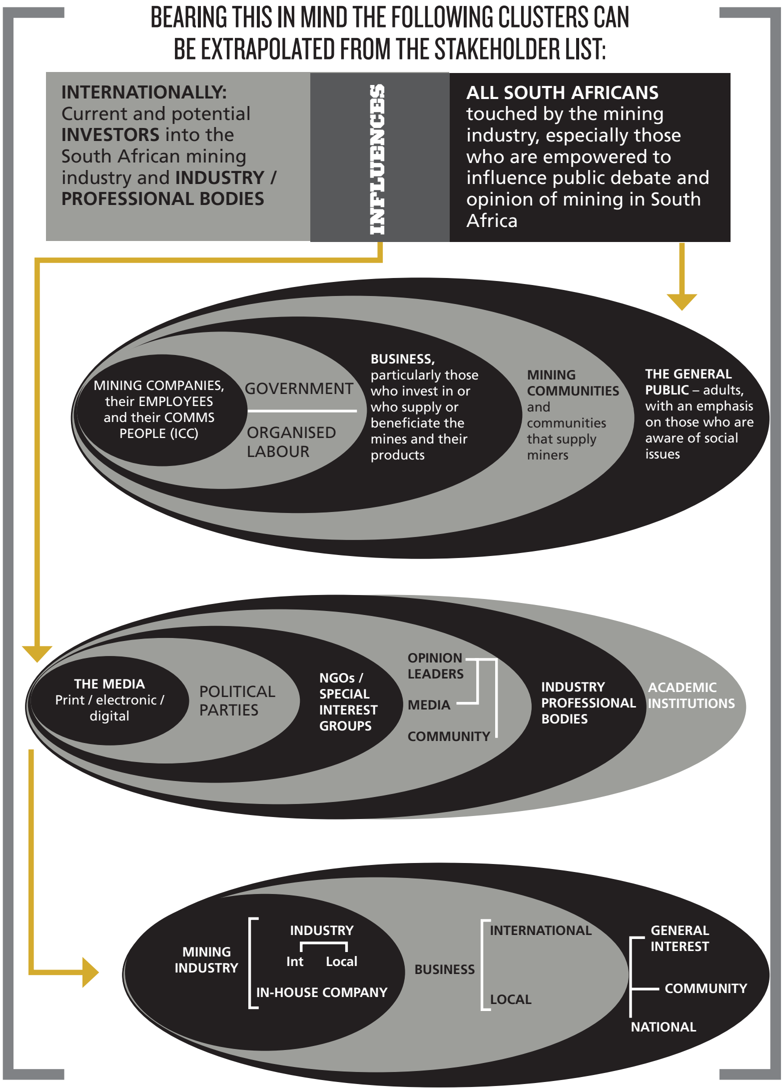
A list of key outcomes submitted to MIGDETT in 2014 include:

Key issues	Recommendations by participants during sessions	Roles and responsibility
Restoring confidence in the industry		All stakeholders
Acceleration on transformation (all elements) particularly: • Ownership • Housing and living condition • EE, including WIM • Procurement • Skills development • Effective monitoring of the Charter	• Fast track implementation of the Mining Charter to advance the transformation agenda. • The implementation of the career development guidance, mentorship and creation of opportunities for women in the mining industry. This should also encapsulate grooming young female professionals for management executive positions in the mining companies. • It was suggested that the Mining Charter should be amended to include development and sustained presence of women in the industry, which should serve as a benchmark for the empowerment of women through all industries. This should also be extended to broader economic policy to secure women's participation in the mainstream of the economy. • The development of a mining youth chamber was recommended as a means of involving the youth in finding solutions to these matters. • Partnerships with FET colleges were required in order to increase the skills of the youth. • The youth have to be integrated in all the mining structures of the mining industry, such as ownership, management, providing services etc. • Youth portal to be utilised to inform the youth about matters pertaining to the mining industry. • It was suggested that regional dialogue sessions should be developed, rather than meeting nationally, as there are mines in the different geographical regions. • The youth formations need to be brought together in order to have a unified voice on matters relating to youth development.	Mining right holders and DMR
Stability of the operating environment: • IR (Living conditions, Living wage, Executive Pay, Parity • Community participation and development (incl. labour sending areas)	• Partnership between mining companies and municipalities to enable proper implementation of IDPs and SLPs. • Consultations between mining companies and communities must be at decision making level in order to address the needs of the community and reach meaningful consensus. • Issues like minimum wage, national wage policy and employee ownership will have to be looked at. • Existing structures such as NEDLAC and MIGDETT should be revived and made to function. • There should be employment creation through skills development and alternative livelihoods across the value chain. • Disparities in the industry need to be addressed. • There should be greater partnership between all parties.	All stakeholders
Addressing legacy issues (welfare of current and ex-miners, environment, migrant labour system)	• Fast track pension pay-outs, occupational disease benefits.	COMSA, DOH, Pension Funds
Alignment and implementation of Africa Mining Vision, NDP	• Limit the exports of raw minerals in support of industrialisation drive/mineral beneficiation in the continent. • Invest in the following: infrastructure development, skills development, sufficient mapping across the continent, mining community development and health, safety and living conditions of mine workers. • The continent takes advantage of existing opportunities such as the World Bank funding programme mineral exploration.	Government
Infrastructure for economy and communities: • Mainstream mining infrastructure into the economy and social infrastructure for communities	• There was a strong consensus on the need for a more collaborative approach on the development of energy, mining and infrastructure. • Clear policy, legislation and regulation was cited as an enabler for unlocking economic growth potential through a sustainable multipurpose infrastructure development within the mining and transport sectors. • The country must use infrastructural development as a vehicle for job creation. In order to remain competitive, workforce productivity and efficiency need to be turned around, by upgrading labour intensive skills.	Mining right holders and Government
Industrialisation/ Beneficiation: • Need to accelerate and support beneficiation	• A strong emphasis on collaboration (public private partnerships), as well as a proposal for a metals exchange in order for the country to become a price setter of commodities. • Also the need to quantify industrialisation and beneficiation.	All stakeholders

STAKEHOLDER RELATIONS

The purpose of the Stakeholder Relations function of the Chamber is to engage with the various stakeholders of the Chamber and demonstrate the mining industry's positive contribution to everyone's everyday life.

The role of Stakeholder Relations has become part of the core of the lobby and advocacy function of the Chamber of Mines, especially in the two years. As the mining industry experienced serious and continuing headwinds in investment decline because of global recession, the Marikana tragedy, the protracted damaging strike in the Platinum Group Metals, the amendments to the MPRDA and the expected outcome of the assessment of progress by the DMR on mining companies on achievement of the set targets of the of the 2012 Amended Mining Charter, the Stakeholder Relations Unit played a key role in maintaining good relations with the various stake holders at the same time working hard at maintaining a positive profile of the Mining Industry in South Africa. In its function of representing its members, the Chamber needs to ensure that it maintains good relations with the various stakeholders even when sometimes engagements are robust because of extremely different or opposing positions on certain issues affecting the mining industry.



Due to the many challenges that the industry was facing the Chamber embarked on an extensive stakeholder mapping exercise and further developed specific actions related to the identified stakeholders. The Chamber's key stakeholders emerged out of the following mapping model on the left.

Specific actions aimed at improving relations with each of the identified stakeholders were successfully implemented. A special focus on bringing the key government departments and parliament closer to the Chamber yielded good results although there is room for improvement. After the national elections, the Chamber had to start establishing relationship with newly elected Parliamentary Portfolio Committee (PPC) members of the key portfolios that deal with the mining industry namely, PPCs on Minerals, Environment, Health, Finance and Labour. A special event was organised in Cape Town to meet these PPC members and this was followed with special meeting with the chairpersons of all these committees. The Chamber now boosts a vibrant report with the PPC on Mineral Resource. The Chamber has also invited the new PPC on Minerals on a tour of the various mines to expose them to the

STAKEHOLDER RELATIONS (CONTINUED)

real challenges that the mining industry is facing at operational level.

Apart from the special focus on PPC members the Chamber worked hard at improving the relationship it has with the Department of Mineral Resources (DMR). Although the relationship between the DMR and the Chamber is sometimes characterised by tension there is a strong realisation by both parties that it is imperative to work in collaboration with one another to find amicable resolutions in the interest of the industry and the economy of the country.

In response to the ruling party's discussions on a number of policies that would have implications for the mining industry and having proposed these to government for consideration and change of legislation. The Chamber realised that it was important to engage with the ruling party to influence their debates for the benefit of the mining industry but also to demonstrate the contribution of the mining industry in the economy to the ruling party. The Chamber set up a special committee on the National Development Plan (NDP) that set itself to raise the profile of the various projects that are implemented by mining companies at different communities. Through its chairperson the NDP Committee regularly met with various key leaders of the ruling party to share mining industry projects. Some of these projects included:

- Capacity building of municipalities by mining companies;
- Mining industry contribution to the government's human settlement strategy;
- Contribution to Enterprise and Community Development;
- Supporting the Department of Higher Education and Training in improving the Governance of Technical and Vocation Education and Training Colleges; and
- Supporting members in dealing with the indebtedness of employees.

The Chamber continues to be put under pressure by various stakeholders including community groupings by marching to the Chamber to present company specific complaints or grievances. The Stakeholder Relations Unit plays a critical role in receiving these memoranda and directing to the relevant platforms or companies to address them accordingly. In this reporting year the unit received five memoranda of demands and grievances from various groupings through a march to the Chamber but also prevented one march from taking place against one of its members.

Stakeholder Relations continues to play a critical for the Chamber and its members. It contributes to the creation of a vision of a mining industry that is respected because people understand its contribution to the economy and the broader community now and into the future.

LEGAL

Briefly stated, the main purpose of the Legal Department is to provide or co-ordinate the legal advice necessary for the Chamber to act on behalf of its members in promoting, opposing or influencing legislative and other measures affecting its members' interests. The focus is on constructive policies that are consistent with the national interest.

This purpose is achieved by a number of varied activities. These involve the preparation and making of submissions both written and oral on behalf of the Chamber. In some cases legal content takes up the major part of the submission, in others it is a necessary but not predominant part. This simply recognises that in order for the Chamber's lobbying and advocacy activities to be successful, they cannot be confined within the circle of a single discipline. Both politically and intellectually, our lobbying and advocacy is necessarily polycentric. This is especially true of the topics focused on in the MIGDETT process.

In addition, Legal Services also provides an in-house legal service to the Chamber and its employees.

MPRDA Amendment Act

The MPRDA Amendment Act (MPRDA AA) was passed by the National Assembly and the National Council of Provinces in April 2014 and was then forwarded to the State President for his signature. At the time of writing this report it was still unknown whether the State President was going to sign the MPRDA AA or refer it back to parliament. The MPRDA AA was the product of considerable engagement between the Chamber and the DMR/Parliament, and was to all intents and purposes acceptable to the Chamber and its members.

The area of most public discussion and consternation was the section 86A oil and gas component, which provided for a 20% free-carried interest of the State and gave the State the option to further participation in the remaining 80% in the form of either acquisition at an agreed price or production sharing agreements.

The Chamber is of the view that the MPRDA AA should be signed by the State President and brought into force, but that section 86A should not be brought into force pending a further amendment bill on this section. The Chamber has lobbied widely for this position, including meeting with the DMR Minister and sending a letter to the State President.

A summary of the key issues that were resolved is as follows:

Beneficiation and related matters (section 26): It was agreed that:

a) the Minister would be able to designate minerals and mineral products to ensure security of supply for internal strategic purposes and for local beneficiation (in consultation with the affected sector);

b) every producer of designated minerals would have to offer to local beneficiators a certain percentage of its production of mineral or mineral products in prescribed quantities, qualities and timelines at mine gate price or another agreed price. (Prescribed means prescribed by regulation);

c) "mine gate price" means the price (excluding VAT) of the mineral or mineral product when it leaves the mine or mine processing site, excluding charges such as transport and delivery charges to the local beneficiator;

d) no person, other than a producer (or an associated company of such producer)

LEGAL (CONTINUED)

in respect of its own production and who has complied with paragraph b, may export designated minerals or mineral products without the Minister's prior written approval; and

e) the Minister will be required to consult with affected stakeholders before designating minerals and mineral products and before determining the percentages, quantities, qualities and timelines that have to be offered to local beneficiators.

Replacement of the current "first-come first-served" licensing system with a Ministerial invitation system: It was agreed that:

a) the current "first-come first-served" licensing system will be replaced with a Ministerial invitation system;

b) the invitation system will allow for third parties to approach the Minister and request that she invite applications in respect of identified minerals and land; and

c) the Minister, when processing applications, would be obliged to give preference to an application lodged by a person who had approached her as contemplated in b) above.

Ministerial approval for changes in shareholding of companies: It was agreed:

a) as far as a change of controlling interest in a listed company is concerned, that Ministerial approval would be required prior to such changes. However, the DMR would build into the regulations the specific criteria and time-scale for the approval to be provided; and

b) as far as unlisted companies are concerned, that the regulations would set out when Ministerial consent would be required for a change in shareholding.

Section 102(2) extension of areas and addition of shares: It was agreed that:

a) the limitation on extending an area or portion with no more than an area for which the right had been granted, would not apply where the purpose of the extension was to consolidate adjoining rights. (The process of consolidation would be dealt with in regulations, e.g. amendments of: SLPs, environmental authorisations, mining works programmes.

The new provision that would have compelled the Minister to refuse the granting of a mining right if it would lead to a concentration of rights: The Chamber managed to persuade the DMR that equitable access to mineral rights is already captured in section 9 and section 2(c) and that therefore this provision was not needed. The DMR thus agreed that this provision be deleted.

Environmental legislation: It was agreed that:

a) environmental issues in the mining industry would be regulated under NEMA, but the DMR would be the implementing authority. Appeals would be heard by the NEMA Minister;

b) the DMR would liaise with the Department of Environmental Affairs to ensure there is alignment between the different pieces of legislation, including transitional timeframes and commencement of the legislation;

c) the DMR would engage with the Department of Environmental Affairs to ensure that residue deposits and stockpiles are regulated under NEMA and not under the NEMA Waste Act; (The Chamber has recently learnt that despite the efforts of the Chamber and the DMR, the Department of Environmental Affairs has kept the definition of "waste stockpile", which means additional regulatory duplication for the mining sector); and

d) regarding the retention for 20 years of financial provision for pre-closure liabilities, it was agreed that individual evaluation should be possible on both the amount and the period and that no fixed period should be set out in the Act.

(See also the section in the annual report dealing with environmental matters for further developments.)

Residue stockpiles and residue deposits: It was agreed that:

a) mining companies with historical residue stockpiles in their existing mining right area would merely need to amend their mining work programme to include such stockpiles in future;

b) for historical residue stockpiles outside an existing mining right area, the owner would have an exclusive right for a two-year period within which to apply for a mining right or mining permit; and

c) in respect of any residue stockpile (outside an existing mining right area) for which no owner applies for a mining right or mining permit within the two-year period, the right to the minerals within such dumps would revert to the State and the DMR could then grant new rights. The original owners' statutory liabilities in respect of environmental liabilities for such dump would still remain. The regulations would have to provide for the transfer of some or all of such obligations when a new right is granted.

ABOUT 70% OF ALL ARRESTED ILLEGAL MINERS ARE ILLEGAL IMMIGRANTS, MOSTLY FROM LESOTHO, MOZAMBIQUE AND ZIMBABWE. ILLEGAL MINING ACTIVITIES AND ORGANISED CRIME ARE INTER-RELATED

Sanctions and penalties: It was agreed that:

a) there was a need to align the processes in sections 47 and 93 to ensure that there was a fair process before a right was cancelled. The DMR undertook to revise these provisions.

Socio-economic requirements: It was agreed that:

a) the proposed new section 23(2)(b), which would have empowered the Minister to direct the holders of mining rights to address the socio-economic challenges in an area or mining community, be deleted. (The provision was apparently aimed at optimising the contribution of mining companies to socio-economic development and not at increasing the burden on mining companies. The aim was to ensure that SLP spend was more coordinated, achieved maximum impact and was aligned with the developmental plans of district municipalities); and

b) the matter could be dealt with in the regulations.

Draft Mine Health and Safety Bill, 2013

The above draft Bill was published in the Government Gazette on 15 November 2013. As requested in the Gazette, the Chamber submitted written comments to the DMR on 11 February 2014. The Mine Health and Safety Council (MHSC) also held a workshop with the DMR on 11 February at which the draft Bill was discussed and various amendments proposed.

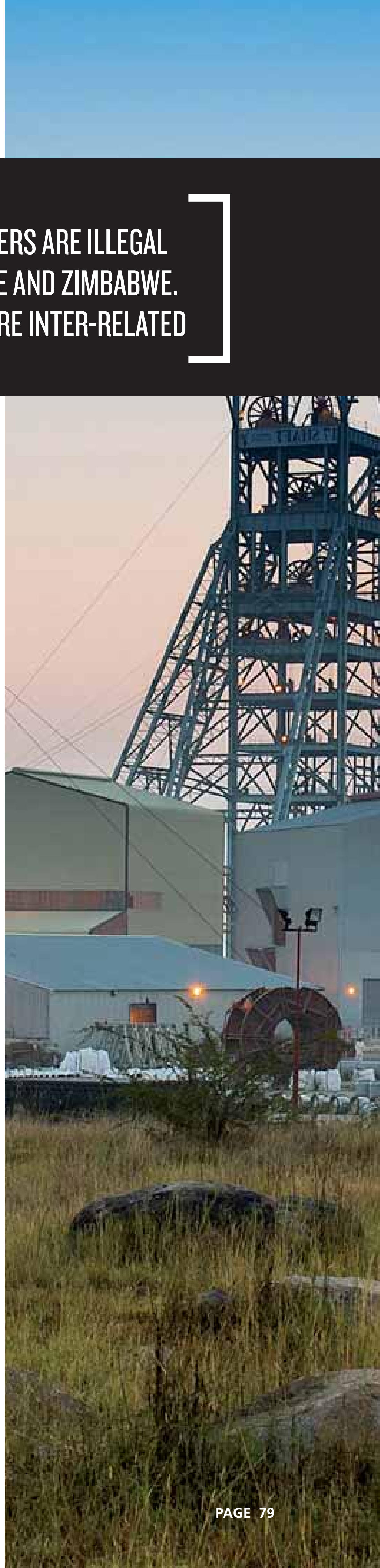
Nothing further transpired for most of 2014 in relation to the draft Bill. On 27 November 2014 the Chamber was advised by BUSA, which had earlier that day been similarly advised by Nedlac, that the Minister of Mineral Resources had written to Nedlac advising that the State Law Advisor had indicated that the MHSA Amendment Bill ought to be tabled at Nedlac (before introduction into Parliament). The DMR Minister had requested that the Bill be fast tracked in Nedlac. A Nedlac task team will be established to deal with the Bill. It is anticipated that the task team will start it meetings in January 2015.

Having regard to the Bill sent to Nedlac it appears that some of the Chamber's concerns raised in our comments in February last year have been addressed, but many have not. The Chamber will be taking the lead, from an employer perspective, in the Nedlac task team that will consider the Bill.

Spatial Planning and Land Use Management Act (SPLUMA): draft regulations

SPLUMA was passed by Parliament in 2013 and gazetted in August of that year. It has not been brought into force as the regulations required for its implementation have not been finalised. Prior to the passing of the relevant Bill in Parliament, the Chamber had engaged the Department of Rural Development and Land Reform (DRDLR) and parliament regarding the Chamber's concerns with the Bill, but the Chamber's concerns were not addressed.

The DRDLR published draft regulations in terms of SPLUMA in the Government Gazette on 4 July 2014 and invited comments on the draft regulations by 4 September. At a meeting on 2 September 2014 between the Chamber and the DRDLR, the DRDL referred to the Chamber's previous submissions, expressing the view that some of the



LEGAL (CONTINUED)

concerns raised by the Chamber during the public hearings could be remedied in the regulations. The DRDLR urged the Chamber to become involved and assist them to finalise the regulations. The Chamber subsequently provided detailed written comments to the DRDLR, also covering environmental issues, and has had further interactions with it. The Chamber also pointed out that the DRDLR should also consult with the DMR, DEA and other government departments involved in regulating mining and related activities, to get a clear understanding of all the regulatory constraints on the mining industry.

Due to lack of comments from other stakeholders, the deadline for comments on the draft regulations was extended twice. At the time of writing it was uncertain to what extent the Chamber's comments would be included in the final regulations, but interaction with the DRDLR in this regard will continue.

Mine Health and Safety Act (MHSA): regulations and guidelines

In terms of the MHSA, the Mining Regulation Advisory Committee (MRAC) advises the Mine Health and Safety Council (MHSC) on proposed new regulations or guidelines for mandatory codes of practice (CoP) and on changes to existing ones. In turn, the MHSC advises the DMR Minister on these matters (amongst others). The employer representatives on both MRAC and the MHSC consist solely of Chamber nominees.

Towards the end of 2014 regulations on Refuge Bays and Health Incident Reports were published as well as guidelines for mandatory codes of practice on the Safe Use of Conveyor Belt Installations for the Transportation of Mineral, Material or Personnel and on Risk-based Fatigue Management at Mines. Topics under consideration or recently completed by MRAC include the DMR's National Policy on Enforcement, the MHSC Levy Model, Hydraulic Fracturing regulations, a guideline on Accident Investigations, a guideline on the Right to Refuse Dangerous Work, Explosives regulations and Mines Rescue Services regulations.

Illegal mining and related matters

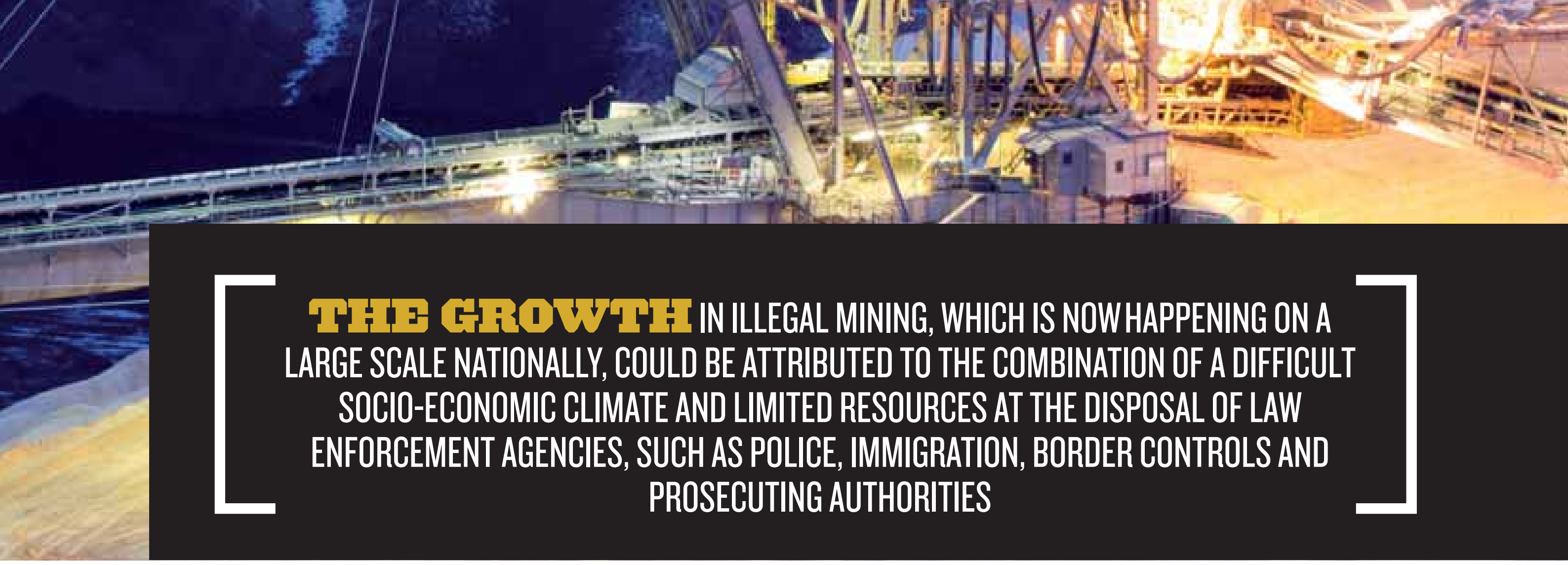
The problems of illegal mining, other theft of precious metals and diamonds and theft of mining equipment have not abated, but rather seem to be on the increase. Of major concern is that illegal miners are becoming more aggressive, use more force and violence, are often heavily armed and operate in large groups, sometimes of up to 150 persons. In addition, the illegal miners set ambushes and booby traps for employees, security and rival groups of illegal miners. There is also an increasing level of violence, gang war and intimidation by illegal miners.

The growth in illegal mining, which is now happening on a large scale nationally, could be attributed to the combination of a difficult socio-economic climate and limited resources at the disposal of law enforcement agencies, such as police, immigration, border controls and prosecuting authorities. Poverty, unemployment and large numbers of illegal immigrants in South Africa, are contributing to higher crime levels in general, including in illegal mining. About 70% of all arrested illegal miners are illegal immigrants, mostly from Lesotho, Mozambique and Zimbabwe. Illegal mining activities and organised crime are inter-related. Very often, illegal mining is spearheaded by illegal mining syndicates operating in South Africa. These syndicates are professionally run and very well organised.

Illegal mining has a serious detrimental financial impact on the State, employees, companies, the mining sector and the country because of loss of revenue, taxes, employment opportunities, capital expenditure, exports, foreign exchange earnings, procurement, etc. It also presents a serious risk to the sustainability of the industry and its ability to contribute to a meaningful future for all South Africans. Current estimates by security experts are that the value of gold and PGM theft could be between 5% to 10% of annual South African production, which production in 2013 was just over R72 billion for gold and just under R63 billion for PGM.

Illegal miners present a major risk to themselves and to the health and safety of the employees of legal mining operations, often threatening them and their families to assist in the crime. The illegal miners also steal explosives, diesel, copper cables and other equipment from mines and make illegal electricity connections from the mine's electricity infrastructure. Any interruption of the mine's electricity supply could create significant risks to the mine's ventilation system underground and to the ability to hoist persons out from underground, particularly in cases of emergency.

Illegal mining destroys the social fabric of mining communities because of, amongst others: the bribery of workers to gain access to mines and to secure food and other supplies; the threats and violence against workers and management; and the high number of illegal miners in the communities around the mines. It has long ago been recognised that the only way to deal with the problem is to focus on



THE GROWTH IN ILLEGAL MINING, WHICH IS NOW HAPPENING ON A LARGE SCALE NATIONALLY, COULD BE ATTRIBUTED TO THE COMBINATION OF A DIFFICULT SOCIO-ECONOMIC CLIMATE AND LIMITED RESOURCES AT THE DISPOSAL OF LAW ENFORCEMENT AGENCIES, SUCH AS POLICE, IMMIGRATION, BORDER CONTROLS AND PROSECUTING AUTHORITIES

both the supply and demand side of illegal mining, i.e. all levels of the syndicates need to be addressed. While local police and mine security deal with the lower levels, the Chamber of Mines, the SAPS and various other SA government structures through the National Coordinating Strategic Management Team (NCSMT) and DMR for example are working hand-in-hand with international agencies, such as the United Nations Interregional Crime and Justice Research Institute (UNICRI), European police, Interpol and international embassies, to identify and deal with upper levels, which constitute the buyer market. Various forums have been established to address the different challenges. A comprehensive fact sheet on illegal mining can be found on the Chamber's website.

Trustees appointed to Industry Retirement Funds

The Chamber nominates employer trustees to the boards of five mining industry Retirement Funds, with combined assets in excess of R90 billion. The Sentinel Retirement Fund, following on the successful merger of the MEPF and Sentinel Retirement Funds in July 2013, has become one of the largest self-administered, defined-contribution, Umbrella Funds in South Africa actively managing assets of approximately R80 billion as at 30 June 2014.

A strategic decision was taken during 2014 to market the Sentinel Retirement Fund outside its traditional operating environment of the mining industry.

A number of opportunities are currently being explored and are expected to be implemented during the course of 2015.

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.

The Minister of Finance, in his 2014 budget speech, made further announcements with regard to broad retirement reform initiatives. Towards the end of 2014 the Minister of Finance announced that certain aspects of retirement reform would be delayed pending the resolution of the concerns of the various stakeholders through the Nedlac process.

Mines 1970 Unclaimed Benefits Preservation Pension and Provident Funds ("the funds")

As at 1 January 2013 the funds had a total of 69 071 lapsed members (unclaimed benefits) comprised of 11 712 Pension Fund and 57 539 Provident Fund members. The total value of the unclaimed benefits is R650 million.

During 2014 a comprehensive tracing initiative was implemented in terms of which it is intended to trace former members or the beneficiaries of deceased members within five years. Four major tracing agents were contracted by the Funds to locate the missing beneficiaries and tremendous success has been achieved in tracing former members and beneficiaries.

During the period January 2014 to December 2014 (inclusive) these tracing agents have been able to identify some 18 400 potential beneficiaries. Out of the 18 400, 9 898 have been identified as being deceased. Of the 9 898 deceased beneficiaries the funds have already been able to identify some 1 765 family members of the deceased mineworkers and application forms have been sent to them for completion and submission. Of the 6 730 "live" members also identified during the same period – all have been provided with application forms for completion and submission. Of the 8 495 application forms sent out to both living and deceased members' families, some 4 095 completed applications have already been received by the Fund Administrators. Of the 4 095 applications received 1 155 cases were finalised by 31 December 2014 and paid out. The total amount paid to date is R15.3 million.

Other tracing initiatives already started are direct communication with attorneys representing communities in mining areas such as Welkom and Klerksdorp. Communication structures have also been set up with the Government of Malawi to facilitate claims from former mineworkers in that country. A similar process is currently underway with the Government of Zimbabwe. With regard to other foreign countries (Mozambique, Lesotho, Botswana and Swaziland) communication processes are being handled by TEBA. Additional tracing methodologies such as advertising in local and regional newspapers plus possible radio adverts are due to commence in the latter half of 2015.

Mineworkers' Provident Fund (MPF)

The MPF launched a multi-pronged unclaimed benefits strategy in 2014 to trace missing beneficiaries. Roadshows were also conducted in South Africa and SADC countries to complement the tracing initiatives. Monthly meetings with representatives of the various mines were introduced and have proved to be beneficial in improving communication with members. The objective is to pay all unclaimed benefits within three months of the person being traced.

LEGAL (CONTINUED)

At the beginning of 2014 there were 65 849 unclaimed benefits. The objective was to trace 30 000 beneficiaries by the end of 2014. Unfortunately this target was not met.

The rules of the Fund are being comprehensively amended and it is hoped that this process will be completed by the end of June 2015.

There is a challenge in filling the vacancies for employer nominated trustees and alternate trustees and the FSB has expressed concern regarding this governance issue. Employers are urged to consider the appointment and funding of independent trustees to represent their interests in the board.

In terms of the rules of the fund AMCU are entitled to two trustees and two alternate trustee positions on the board.

Mining industry employee indebtedness

The Chamber has established a Task Team on employee indebtedness which commenced work and conducted a number of meetings with various stakeholders and consulted with various bodies to determine the most appropriate approach in identifying the extent of the problem and formulating solutions. In 2014 the mining companies concentrated on conducting audits of the emoluments attachment orders (EOAs) issued against their employees in order to determine not only the extent of indebtedness amongst their employees but also to investigate whether or not there had been reckless lending by certain providers of credit. The auditing process took up most of the year to conduct but during the course of the year the Chamber also formulated some potential solutions and circulated them to members for comment. The proposed solutions were also discussed with Treasury representatives and their input was obtained.

The National Credit Act was amended in 2014. The Chamber had furnished comments on the proposed amendments. In September 2014 the Draft Revised Affordability Assessment Guidelines and additional amendments to the Credit Providers Code to Combat over Indebtedness was published for comment. The Chamber submitted comments to the Credit Ombudsman regarding these guidelines. A technical report on the consumer insurance market in South Africa was released by Treasury and the FSB on 3 July 2014. Treasury and the FSB believe that there are abuses in the consumer credit insurance market and they called for submissions from businesses offering consumer credit insurance. This report formed part of a wider initiative taken by government to deal with the problem of household overindebtedness and to ensure that consumers are treated fairly by financial sector providers.

In August draft National Credit Regulations for Affordability Assessment and regulations for the amendment of regulations for matters relating to the functions of the National Consumer Tribunal and rules for the conduct of matters before the National Consumer Tribunal were published for comment. The regulations are aimed at minimising the risk of over indebtedness in the future by enhancing reckless lending controls under the National Credit Act. The Chamber submitted comments on chapter 3 of the regulations which deal with the criteria to conduct affordability assessments as this is an aspect that impacts most severely on mine employees.

Further meetings were held with Treasury in August 2014 to update them on the developments of the mining industry and to discuss the recent developments on the regulatory side. Treasury were advised that most of the mining companies had introduced literacy training programmes for their employees and had employed agents to audit the emolument orders issued against the employers wages. Discussions also took place as to whether there would be support by Treasury for the Chamber to suggest a "haircut" be applied to the financial credit providers having regard to the 10% "haircut" that had been applied by the Reserve Bank in respect of the failure of African Bank, should it be proven by the mining industry that certain of these financial institutions had recklessly granted loans to employees. There seems to be tentative support for this approach.

An extensive discussion took place regarding the practices of the mashonisas (unregistered micro finance lenders) and Treasury highlighted that the National Regulator had the authority to deal with mashonisas as they were unregistered credit providers and urged the mining industry to report the mashonisas to the NCR so that action could be taken against them. In this regard it is recommended that the mining industry, with the assistance of the various unions, collaborate with the appropriate regulatory authorities to find a solution to address this issue because it is fundamentally important that formal and informal lending abuses are addressed in order to resolve the over indebtedness in employee households.

A Cabinet Task Team was established at the end of 2013 to deal with household indebtedness and in accordance with the Cabinet request, Treasury and dti

> AT THE END OF 2014 MOST OF THE COMPANIES HAD SUBMITTED THE INFORMATION RELATING TO THE EXTENT OF INDEBTEDNESS **BY THEIR EMPLOYEES**

officials are meeting on a monthly basis to discuss measures to assist over-indebted households and minimise the risk of over indebtedness in the future. There is an oversight committee and a technical task team which reports to Cabinet on progress made. During September the Chamber was advised that the Department of Justice would be brought on board to draft legislation regarding debt collectors and extending and strengthening the law to apply to legal firms, setting norms and standards for the EAOs issued for credit and investigating simpler and lower-cost insolvency arrangements for lower and middle-income persons. It is hoped that this legislation is passed in the first half of 2015.

As a result of the advocacy process by the Chamber and the representatives of Treasury it is pleasing to note that Magistrates in some courts are becoming more involved in checking and the authorising EAOs. At the end of 2014 most of the companies had submitted the information relating to the extent of indebtedness by their employees. Once all the information is collated it is anticipated that a half day meeting will be arranged for representatives of the employers to meet to discuss their successes and lessons learnt regarding this process and hopefully agree on a strategy moving forward and identifying the most appropriate solution to be pursued by the industry in resolving this matter.

Social security and retirement reform

The Minister of Finance, in his 2014 budget speech, made further announcements with regard to broad retirement reform initiatives. In June 2014 the Draft Laws Taxation's Amendment Bill was circulated for comment and dealt with a number of changes to the rules and the threshold that applies to the tax deductible contributions to retirement savings that will come into effect, particularly a prescribed methodology was also proposed to determine a notional employer contribution of members of defined pension funds. The notional employer contribution will be a fringe benefit that is taxed in the hands of the employee and will be included in the total pension contribution amount to calculate whether the individual is still below the allowable monthly and annual limits.

In August 2014 the Draft Taxation Laws Amendment Bill proposed legislative provisions for the tax free accounts proposal (exclusion of tax free interest from normal interest income thresholds and provisions for exemption of tax free savings dividends from dividend tax). The regulations that will inform the use of tax free accounts were published at the end of October 2014. The tax free savings accounts will become effective on 1 March 2015.

Towards the end of 2014 the Minister of Finance announced that certain aspects of retirement reform would be delayed pending the resolution of the concerns of the various stakeholders through the Nedlac process. The annuitisation of Provident Funds has been further postponed to 1 March 2017. Another important amendment which comes into operation on 1 March 2015 is the retirement fund accrual date. The definition of retirement date has been amended and now provides that the retirement date for a member of any approved fund will be the date on which the member elects to retire in terms of the rules of the fund. In terms of this amendment the date on which the lump sum benefit shall be deemed to accrue to the member is no longer dependent on

THE CHAMBER DEVELOPED A COMPREHENSIVE SUBMISSION TO THE DTC WHICH IT PRESENTED TO THE DTC AT A FORMAL MEETING ON 16 SEPTEMBER 2014

the normal retirement age, but is the date on which the election of the individual takes place. The effect of this amendment is that individuals may extend their own date of retirement, by choosing when they will start receiving their retirement benefit.

The tax deductions for employer/member contributions to retirement funds are limited to the highest of 27.5% of taxable income or "remuneration". An overall tax deduction of R350 000 will be applied to contributions over and above 27.5%. This amendment has been postponed to 1 March 2017 if consultations with Nedlac are not successful by the end of June 2016.

The notional employer contribution benefits for members of defined benefit pension funds will be a fringe benefit which is taxable in the hands of the employee. The formula to be prescribed by regulation has also been delayed to 1 March 2016. The minimum tax free amount which was proposed to be increased from R75 000 to R150 000 may be further postponed to 1 March 2017 depending on consultations at Nedlac.

Tax-free transfers between Funds will come into operation from 1 March 2015.

Davies Taxation Committee (DTC)

In 2014 the Davis Taxation Committee was established and its task is to conduct a comprehensive process of reviewing the contribution of the country's taxation system, to the country's growth and development. The Government of South Africa's tax policy framework and its role in supporting the objectives of inclusive growth, employment, development and fiscal sustainability is evident. Special reference was made in the terms of reference to mining, namely, the DTC will consider whether the current tax regime is appropriate, taking account of the following:

a) The agreement between government, labour and business to ensure that the mining sector contributes to growth and job creation, remains a competitive investment proposition, and all roleplayers contribute to better work and working conditions.
b) The challenges facing the mining sector, including low-commodity prices, rising costs, falling outputs and declining margins, as well as its current contribution to tax revenue.

The Chamber developed a comprehensive submission to the DTC which it presented to the DTC at a formal meeting on 16 September 2014. The document is intended to make a positive contribution to the discussion about the mining taxation system and its role in enabling the mining sector to contribute to achieving the vision and objectives of the countries National Development Plan.

The Chamber Task Team on the Davis Taxation Committee has also responded to various questions from members of the DTC, one of which was the issue around transfer pricing and profit sharing. The Chamber engaged the services of Deloitte to furnish an urgent opinion, on transfer pricing and profit shifting in the extractive industry. Meetings have also been held with representatives of the World Bank, the IMF and the G20 Study Group. The Chamber continues to engage with the Davis Taxation Committee and it is hoped that the outcome of the engagement will be positive.

CHAMBER OF MINES OF SOUTH AFRICA

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

CONTENTS

THE REPORTS AND STATEMENTS SET OUT BELOW COMPRISE THE CONSOLIDATED FINANCIAL STATEMENTS PRESENTED TO THE COUNCIL

THE FOLLOWING SUPPLEMENTARY INFORMATION DOES NOT FORM PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AND IS UNAUDITED

COUNCIL'S RESPONSIBILITIES AND APPROVAL

The Council of the Chamber of Mines of South Africa (hereafter "the Chamber") is responsible for the maintenance of adequate accounting records, the preparation and integrity of the consolidated financial statements and related information.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards for small and medium-sized entities. The Group's independent external auditors, Deloitte & Touche, have audited these consolidated financial statements and their unqualified report appears on page 87.

The consolidated financial statements are prepared on a going-concern basis. Nothing has come to the attention of the Council to indicate that the Group will not remain a going concern for the forseeable future.

The consolidated financial statements set out on pages 88 to 104 were approved by the Council on 18 March 2015 and were signed on its behalf by:

Mr B Sibiya
Chief executive

Mr M Teke
President

INDEPENDENT AUDITOR'S REPORT

To the members of Chamber of Mines of South Africa

We have audited the consolidated and separate financial statements of the Chamber of Mines of South Africa and its subsidiary as set out on pages 88 to 104, which comprise the consolidated and separate statements of financial position as at 31 December 2014, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The Council's responsibility for the financial statements

The Chamber's Council is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and as required by section 98 of the Labour Relations Act No. 66 of 1995 and for such internal control as the council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial positions of the Chamber of Mines of South Africa and its subsidiary as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small to Medium Entities and as required by section 98 of the Labour Relations Act No. 66 of 1995.

Deloitte & Touche

Deloitte & Touche
Registered Auditor

Per: **AJ Zoghby**
Partner

18 March 2015

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		Group		Company	
	Notes	**2014 R**	2013 R	**2014 R**	2013 R
ASSETS					
Non-current assets					
Property, plant and equipment	1	**856 159**	581 902	**856 159**	581 902
Intangible assets	2	**114 621**	–	**114 621**	–
Other investments		**236 703**	268 732	**236 703**	268 732
Deferred tax	17	**4 459**	9 102	**–**	–
Investments and term deposits	3	**16 124 154**	17 523 009	**18 205 531**	19 604 386
		17 336 096	18 382 745	**19 413 014**	20 455 020
Current assets					
Trade and other receivables	4	**18 731 491**	12 634 118	**18 199 475**	12 690 905
Cash and cash equivalents	5	**49 097 805**	23 773 446	**45 576 793**	23 298 991
		67 829 296	36 407 564	**63 776 268**	35 989 896
Total assets		**85 165 392**	54 790 309	**83 189 282**	56 444 916
EQUITY AND LIABILITIES					
Capital and reserves					
Project funds	6	**19 905 090**	21 303 947	**19 905 090**	21 303 947
Retained income		**9 763 600**	6 779 725	**8 302 624**	8 302 624
		29 668 690	28 083 672	**28 207 714**	29 606 571
LIABILITIES					
Current liabilities					
Trade and other payables	7	**52 593 242**	16 296 976	**52 487 016**	16 272 102
Current tax payable		**558 405**	–	**–**	–
Loans from related parties	8	**2 345 055**	10 409 661	**2 494 552**	10 566 243
		55 496 702	26 706 637	**54 981 568**	26 838 345
Total equity and liabilities		**85 165 392**	54 790 309	**83 189 282**	56 444 916

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

		Group		Company	
	Notes	**2014 R**	2013 R	**2014 R**	2013 R
Revenue	9	**94 855 050**	87 110 575	**85 388 243**	82 889 340
Other income	10	**1 569 656**	14 065 834	**2 498 088**	14 065 834
Administrative and operating expenditure	11	**(94 392 786)**	(102 635 145)	**(89 391 705)**	(96 381 809)
Depreciation, amortisation and impairments		**(307 584)**	(263 537)	**(307 584)**	(263 537)
Operating profit/(loss)		**1 724 336**	(1 722 273)	**(1 812 958)**	309 828
Interest received		**1 822 587**	1 471 649	**1 812 958**	1 471 549
Profit/(loss) before taxation		**3 546 923**	(250 624)	**–**	1 781 377
Taxation	15	**(563 048)**	9 102	**–**	–
Profit/(loss) for the year		**2 983 875**	(241 522)	**–**	1 781 377
Project income	6	**14 525 000**	13 713 454	**14 525 000**	13 713 454
Additional project income	6	**4 105 017**	4 003 186	**4 105 017**	4 003 186
Project expenditure	6	**(20 028 874)**	(19 699 287)	**(20 028 874)**	(19 699 287)
(Decrease)/increase in project funding		**(1 398 857)**	(1 982 647)	**(1 398 857)**	(1 982 647)
Total comprehensive income/(loss) for the year		**1 585 018**	(2 224 169)	**(1 398 857)**	(201 270)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Project funds R	Accumulated funds R	Total funds R
Group				
Balance at 1 January 2013		23 286 594	7 021 247	30 307 841
Loss for the year		–	(241 522)	(241 522)
Decrease in total comprehensive income for the year		–	(1 982 647)	(1 982 647)
Total comprehensive loss for the year		–	(2 224 169)	(2 224 169)
Transfer (from)/to project funds		(1 982 647)	1 982 647	–
Balance at 1 January 2014		**21 303 947**	**6 779 725**	**28 083 672**
Profit for the year		**–**	**2 983 875**	**2 983 875**
Decrease in total comprehensive income for the year		**–**	**(1 398 857)**	**(1 398 857)**
Total comprehensive income for the year		**–**	**1 585 018**	**1 585 018**
Transfer (from)/to project funds		**(1 398 857)**	**1 398 857**	**–**
Balance at 31 December 2014	6	**19 905 090**	**9 763 600**	**29 668 690**
Company				
Balance at 1 January 2013		23 286 594	6 521 247	29 807 841
Profit for the year		–	1 781 377	1 781 377
Decrease in total comprehensive income for the year		–	(1 982 647)	(1 982 647)
Total comprehensive income for the year		–	(201 270)	(201 270)
Transfer (from)/to project funds		(1 982 647)	1 982 647	–
Balance at 1 January 2014		**21 303 947**	**8 302 624**	**29 606 571**
Decrease in total comprehensive income for the period		**–**	**(1 398 857)**	**(1 398 857)**
Transfer (from)/to project funds		**(1 398 857)**	**1 398 857**	**–**
Balance at 31 December 2014	6	**19 905 090**	**8 302 624**	**28 207 714**

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

		Group		Company	
	Notes	2014 R	2013 R	2014 R	2013 R
Cash flows from operating activities					
Cash generated from operations	12	**22 799 379**	9 910 349	**19 762 451**	11 517 367
Net cash from operating activities		**22 799 379**	9 910 349	**19 762 451**	11 517 267
Cash flows from investing activities					
Purchase of property, plant and equipment	1	**(531 812)**	(254 553)	**(531 812)**	(254 553)
Purchase of other intangible assets	2	**(164 650)**	–	**(164 650)**	–
Decrease/(increase) in investments		**1 398 855**	1 982 647	**1 398 855**	(98 730)
Interest received		**1 822 587**	1 471 649	**1 812 958**	1 471 649
Net cash from investing activities		**2 524 980**	3 199 743	**2 515 351**	1 118 366
Total cash movement for the year		**25 324 359**	13 110 092	**22 277 802**	12 635 633
Cash at the beginning of the year		**23 773 446**	10 663 354	**23 298 991**	10 663 358
Total cash at end of the year	5	**49 097 805**	23 773 446	**45 576 793**	23 298 991

CONSOLIDATED ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2014

Accounting policies

The principal accounting policies and basis of accounts used are in all material respects consistently applied. The annual financial statements have been prepared in accordance with the historic cost basis, except for certain financial instruments which are stated at fair value and these policies conform with International Financial Reporting Standards for small and medium-sized entities.

Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the organisation and entity controlled by the organisation (its subsidiary). Control is achieved where the organisation has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of the subsidiary is attributed to the owners of the organisation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiary to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

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 of specific projects.

Project expenditure

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

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which are as follows:

Item	Average useful life
Furniture and fixtures	**5**
Motor vehicles	**5**
Computer equipment	**3**
Computer software	**2**

Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group 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.

Impairment of assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

Retirement benefits

The policy of the Group, 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.

Provisions

Provisions are recognised where the Group 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.

Other investments

Other investments consists of gold coins and medallions. These investments are valued at amortised cost.

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.

New and revised standards in issue not yet adopted

At the date of authorisation of these financial statements, the following new and revised standards and/or amendments to the standards were in issue but not yet effective:

Standard	Effective date
IFRS 1 First-time Adoption of International Financial Reporting Standards	**2014/06/30**
IFRS 2 Share-based Payments	**2015/06/30**
IFRS 3 Business Combinations	**2014/06/30**
IFRS 7 Financial Instruments: Disclosures	**2015/06/30**
IFRS 8 Operating Segments	**2015/06/30**
IFRS 9 Financial Instruments	**TBC**
IFRS 10 Consolidated Financial Statements	**2014/12/31**
IFRS 11 Joint Arrangements	**2014/06/30**
IFRS 12 Disclosure of Interests in Other Entities	**2014/12/31**
IFRS 13 Fair Value Measurement	**2014/06/30**
IAS 16 Property, Plant and Equipment	**2015/06/30**
IAS 19 Employee Benefits	**2014/06/30**
IAS 24 Related Party Disclosures	**2015/06/30**
IAS 27 Consolidated and Separate Financial Statements	**2015/06/30**
IAS 32 Financial Instruments Presentation	**2014/12/31**
IAS 36 Impairment of Assets	**2014/06/30**
IAS 38 Intangible Assets	**2015/06/30**
IAS 39 Financial Instruments: Recognition and Measurement	**2015/06/30**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. Property, plant and equipment

	2014			2013		
	Cost/ valuation R	**Accumulated depreciation and impairments R**	**Carrying value R**	Cost/ valuation R	Accumulated depreciation and impairments R	Carrying value R
Group						
Furniture and fixtures	**1 143 476**	**(754 578)**	**388 898**	991 644	(627 837)	363 807
Motor vehicles	**592 327**	**(525 357)**	**66 970**	592 327	(496 656)	95 671
Computer equipment	**1 757 513**	**(1 357 222)**	**400 291**	1 377 532	(1 255 108)	122 424
Total	**3 493 316**	**(2 637 157)**	**856 159**	2 961 503	(2 379 601)	581 902
Company						
Furniture and fixtures	**1 143 476**	**(754 578)**	**388 898**	991 644	(627 837)	363 807
Motor vehicles	**592 327**	**(525 357)**	**66 970**	592 327	(496 656)	95 671
Computer equipment	**1 757 513**	**(1 357 222)**	**400 291**	1 377 532	(1 255 108)	122 424
Total	**3 493 316**	**(2 637 157)**	**856 159**	2 961 503	(2 379 601)	581 902

Reconciliation of property, plant and equipment – 2014	**Opening balance R**	**Additions R**	**Depreciation R**	**Total R**
Group				
Furniture and fixtures	**363 807**	**151 832**	**(126 741)**	**388 898**
Motor vehicles	**95 671**	**–**	**(28 701)**	**66 970**
Computer equipment	**122 424**	**379 980**	**(102 113)**	**400 291**
	581 902	**531 812**	**(257 555)**	**856 159**
Company				
Furniture and fixtures	**363 807**	**151 832**	**(126 741)**	**388 898**
Motor vehicles	**95 671**	**–**	**(28 701)**	**66 970**
Computer equipment	**122 424**	**379 980**	**(102 113)**	**400 291**
	581 902	**531 812**	**(257 555)**	**856 159**

2. Intangible assets

	2014			2013		
	Cost/ valuation R	**Accumulated amortisation R**	**Carrying value R**	Cost/ valuation R	Accumulated amortisation R	Carrying value R
Group						
Computer software	**164 650**	**(50 029)**	**114 621**	–	–	–
Company						
Computer software, other	**164 650**	**(50 029)**	**114 621**	–	–	122 424

Reconciliation of intangible assets – 2014	**Opening balance R**	**Additions R**	**Amortisation R**	**Total R**
Group				
Computer software	**–**	**164 650**	**(50 029)**	**114 621**
Company				
Computer software	**–**	**164 650**	**(50 029)**	**114 621**

3. Investments and term deposits

	Group		**Company**	
	2014 R	2013 R	**2014 R**	2013 R
Investments				
Rand Mutual Assurance Company Ltd				
4 shares @ R20 each (2013: 4 shares @ R20 each)	**80**	80	**80**	80
Mining Lekgotla (Pty) Ltd	**–**	–	**2 081 377**	2 081 377
	80	80	**2 081 457**	2 081 457

Business combinations **Subsidiaries acquired**	**Date of acquisition**	**Proportion of voting equity interests acquired %**	**Initial consideration transferred R**
Mining Lekgotla Pty Ltd	2013/07/02	100	300 000

The principal activity of Mining Lekgotla is the holding of annual events and developing scenarios for mining. Mining Lekgotla Pty Ltd was acquired in the prior year so as to continue the expansion of the Group's activities. No equity contributions were made to Mining Lekgotla during 2014 (2013: R1 781 377).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

3. Investments and term deposits (continued)

	Note	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Term deposits					
Marikana		**421 879**	485 741	**421 879**	485 741
State of the Environment		**19 270**	49 270	**19 270**	49 270
Long Service Award Scheme		**–**	436 052	**–**	436 052
Amendments to the MPRDA		**25 486**	27 507	**25 486**	27 507
TB & HIV/AIDS Advocacy		**259 256**	364 344	**259 256**	364 344
Chamber of Mines Certificates		**4 544 957**	3 477 641	**4 544 957**	3 477 641
Museum		**803 400**	803 400	**803 400**	803 400
Monument		**242 001**	242 001	**242 001**	242 001
Improving Representation		**367 749**	797 084	**367 749**	797 084
Setting of Water Conservation and Demand		**938 463**	2 313 040	**938 463**	2 313 040
Management Targets for the Mining Sector Stakeholder Engagement Project		**79 811**	137 094	**79 811**	137 094
Health and Safety: Implementation of Mining Charter		**15 840**	91 189	**15 840**	91 189
Epidemiology Study for Former Mine Workers		**2 609 432**	4 020 924	**2 609 432**	4 020 924
Generic Water Conservation		**–**	163 232	**–**	163 232
10th International Mine Ventilation Congress		**–**	63 414	**–**	63 414
Guidelines on Environmental Management in Mining		**–**	6 900	**–**	6 900
Creation of Bargaining Council		**960 277**	1 000 319	**960 277**	1 000 319
Subvention of Salaries		**1 481 331**	742 127	**1 481 331**	742 127
Development of Closure Strategies		**–**	4 160	**–**	4 160
Strategic Communication		**476 363**	126 944	**476 363**	126 944
Chamber Management Information		**213 520**	213 520	**213 520**	213 520
International Council on Mining and Metallurgy ("ICMM")		**204 579**	278 697	**204 579**	278 697
Information Pack on Mining Sensitive/Protected Areas		**34 066**	188 436	**34 066**	188 436
Management of Acid Mine Drainage		**293 991**	508 991	**293 991**	508 991
Development of Vehicle for Mining Industry		**411 458**	207 577	**411 458**	207 577
Making ODMWA a Working Project		**481 384**	570 653	**481 384**	570 653
Ownership Element of Mining		**19 186**	202 672	**19 186**	202 672
2014 Unforseen Legal Expenses		**439 815**	–	**439 815**	–
Mentoring of new Head of the Chamber's Legal Dept		**445 000**	–	**445 000**	–
H&S Milestone Analysis and Mining Charter Facilitation		**335 560**	–	**335 560**	–
Total term deposits	6	**16 124 074**	17 522 929	**16 124 074**	17 522 929
Total investments and term deposits		**16 124 154**	17 523 009	**18 205 531**	19 604

Term deposits represents funds received in advance from members to finance the execution of special projects. The funds are invested in risk free call deposit accounts with Absa Bank.

4. Trade and other receivables

	Group		Company	
	2014 **R**	2013 R	**2014** **R**	2013 R
Trade receivables – Members	**14 252 411**	10 355 128	**14 252 411**	10 355 128
Trade receivables – Non-members	**1 047 085**	1 100 205	**1 104 845**	1 212 831
VAT	**2 300 857**	881 656	**2 149 417**	825 817
Other receivables	**1 472 601**	545 146	**1 034 265**	545 146
Allowance for doubtful debts	**(341 463)**	(248 017)	**(341 463)**	(248 017)
	18 731 491	12 634 118	**18 199 475**	12 690 905

The average credit period is 60 days. No interest is charged on trade receivables. The organisation has recognised an allowance for doubtful debts of 100% against all receivables over 120 days which are considered to be irrecoverable. Allowance for doubtful debts are recognised against trade receivables between 60 and 120 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Only 5% of trade receivables over 90 days have been provided for as doubtful debts in the current period. The reason being that 95% of trade receivables consists of members contributions invoices which have been approved by the Council members upon acceptance of the yearly budget thus these trade receivables have been committed and pre-approved by the Council members for payment. For this reason these trade receivables are not seen as impaired or irrecoverable for the Chamber.

Trade receivables disclosed above include amounts (see below for age analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable

	Group		Company	
	2014 **R**	2013 R	**2014** **R**	2013 R
Age of receivables that are past due but not impaired				
90 – 120 days	**1 840 100**	4 157 029	**1 840 100**	4 157 029

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

5. Cash and cash equivalents

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Cash and cash equivalents consist of:				
Cash at bank	**9 314 090**	1 725 191	**5 793 078**	1 250 736
Cash on call	**29 028 849**	39 571 184	**29 028 849**	39 571 184
World Platinum Investment Council	**26 878 940**	–	**26 878 940**	–
Amounts classified under investments	**(16 124 074)**	(17 522 929)	**(16 124 074)**	(17 522 929)
	49 097 805	23 773 446	**45 576 793**	23 298 991

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 counterparties are financial institutions with high credit ratings.

6. Project funds

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Balance at beginning of period	**21 303 947**	23 286 594	**21 303 947**	23 286 594
Project income	**14 525 000**	13 713 454	**14 525 000**	13 713 454
Additional project income	**4 105 017**	4 003 186	**4 105 017**	4 003 186
Project expenditure	**(20 028 874)**	(19 699 287)	**(20 028 874)**	(19 699 287)
Closing balance	**19 905 090**	21 303 947	**19 905 090**	21 303 947

Refer to Appendix A on page 105 for a detailed breakdown.

7. Trade and other payables

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Trade payables – members	**98 615**	1 492 093	**98 615**	1 492 093
Trade payables – non-members	**19 013 718**	13 238 025	**18 907 493**	13 213 150
Accruals	**1 979 666**	1 566 858	**1 979 665**	1 566 859
World Platinum Investment Council	**31 501 243**	–	**31 501 243**	–
	52 593 242	16 296 976	**52 487 016**	16 272 102

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Accruals

Accruals are recognised when the Group has a present obligation (legal or constructive) as a result of a past due event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset where it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

8. Loans from related parties

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Chamber of Mines Buliding Company Limited	**2 345 055**	10 409 661	**2 345 055**	10 409 661
Mining Lekgotla (Pty) Ltd	**–**	–	**149 497**	156 582
	2 345 055	10 409 661	**2 494 552**	10 566 243

The above loans are unsecured, interest free and payable on demand.

The Chamber of Mines Building Company is the registered owner of the building the Chamber of Mines occupy and is leased for an unspecified period. In lieu of rent, the Chamber bears all the expenses related to the insurance, rates and taxes and maintenance of the building.

A fuel cell was installed by the Building Company in the building during 2014 with commissioning in the first quarter of 2015. As part of the financing of the fuel cell, the Chamber received from the IDC a loan in 2015 which is utilised to offset a portion of the loan with the Building Company.

9. Revenue

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Contribution from members	**85 388 243**	82 889 340	**85 388 243**	82 889 340
Revenue from Mining Lekgotla	**9 466 807**	4 221 235	**–**	–
	94 855 050	87 110 575	**85 388 243**	82 889 340

10. Other income

Administration fees	**1 029 559**	2 316 879	**1 957 991**	2 316 879
Other income	**540 097**	11 748 955	**540 097**	11 748 955
	1 569 656	14 065 834	**2 498 088**	14 065 834

11. Administrative and operating expenditure

Auditors' remuneration				
– Current period	**735 606**	421 560	**645 306**	421 560
Staff costs	**3 680 991**	4 097 332	**3 697 596**	4 051 131
Operating costs	**89 976 189**	98 116 253	**85 048 803**	91 909 118
	94 392 786	102 635 145	**89 391 705**	96 381 809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

12. Cash generated from operations

	Group		Company	
	2014 **R**	2013 R	**2014** **R**	2013 R
Total comprehensive (loss)/profit for the period	**2 148 066**	(2 233 271)	**(1 398 857)**	(201 270)
Adjustments for:				
Depreciation and amortisation	**307 584**	263 537	**307 584**	263 537
Loss on sale of assets	**–**	30 061	**–**	30 061
Interest received – investment	**(1 822 587)**	(1 471 649)	**(1 812 958)**	(1 471 549)
Other non-cash items	**32 029**	25 967	**32 029**	25 967
Changes in working capital:				
Trade and other receivables	**(6 097 373)**	8 155 143	**(5 508 570)**	7 598 355
Trade and other payables	**36 296 266**	(822 776)	**36 214 914**	(847 653)
Loans from related parties	**(8 064 606)**	5 963 337	**(8 071 691)**	6 119 919
	22 799 379	9 910 349	**19 762 451**	11 517 367

13. Financial instruments

The organisation's financial instruments consist of cash deposits with banks, trade and other receivables and trade and other payables 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, trade and other receivables and cash and cash equivalents. These are considered loans and receivables for both 2014 and 2013 financial years and carried at amortised cost. The financial liabilities consists of trade and other payables (excluding accruals) and loans from related parties. These are considered financial liabilities at amortised cost for both 2014 and 2013 financial years.

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 year-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.

	Group		Company	
	2014 **R**	2013 R	**2014** **R**	2013 R
Movement in allowance for doubtful debts				
Balance at the beginning of the year	**(248 017)**	(1 411 498)	**(248 017)**	(1 411 498)
Provision raised for the period	**(86 387)**	–	**(86 387)**	–
Provision decreased for the period	**–**	556 670	**–**	556 670
Provision utilised for the period	**84 941**	746 415	**84 941**	746 415
Provision recovered for the period	**(92 000)**	(139 604)	**(92 000)**	(139 604)
Balance at the end of the year	**(341 463)**	(248 017)	**(341 463)**	(248 017)

13. Financial instruments (continued)

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Included in the allowance for doubtful debts are individually impaired trade receivables amounting to nil (31 December 2013: nil) which have been placed under liquidation. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Age of receivables that are past due but not impaired				
90 – 120 days	**–**	–	**–**	–

Fair values

The carrying amounts of the financial assets and liabilities carried on the statement of financial position approximate their values at the end of the year.

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. Events after the reporting period

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

15. Taxation

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Major components of the tax expense/(income)				
Current				
Local income tax – current period	**558 405**	–	**–**	–
Deferred				
Originating and reversing temporary differences	**4 643**	(9 102)	**–**	–
	563 048	(9 102)	**–**	–
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	**3 546 923**	(250 624)	**–**	1 781 377
Tax at the applicable tax rate of 28% (2013: 28%)	**993 138**	–	**–**	498 786
Tax effect of adjustments on taxable income				
Effect of expenses that are not deductible in determining taxable profit	**26 693**	–	**–**	–
Deferred tax asset not raised	**4 643**	(9 102)	**–**	–
Tax losses carried forward	**(461 426)**	–	**–**	–
Non taxable income	**–**	–	**–**	(498 786)
	563 048	(9 102)	**–**	–

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

16. Subsidiaries

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group
Mining Lekgotla (Pty) Ltd	**Holding annual Mining Lekgotla events and developing scenarios for mining**	**South Africa**	**100%**

17. Deferred tax

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Deferred tax asset				
Tax losses available for set off against future taxable income	**4 459**	9 102	**–**	–
Reconciliation of deferred tax asset/(liability)				
At beginning of year	**9 102**	9 102	**–**	–
Taxable/(deductible) temporary difference movement on tangible fixed assets	**(4 643)**	–	**–**	–
	4 459	9 102	**–**	–

18. Tax refunded

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Balance at beginning of the year	**–**	–	**–**	–
Current tax for the year recognised in profit or loss	**(558 405)**	–	**–**	–
Balance at end of the year	**558 405**	–	**–**	–
	–	–	**–**	–

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

		Group		Company	
	Notes	**2014 R**	2013 R	**2014 R**	2013 R
Revenue					
Contribution from members		**85 388 243**	82 889 340	**85 388 243**	82 889 340
Revenue – Mining Lekgotla		**9 466 807**	4 221 235	**–**	–
	9	**94 855 050**	87 110 575	**85 388 243**	82 889 340
Other income					
Administration fees		**1 029 559**	2 316 879	**1 957 991**	2 316 879
Sundry revenue		**540 097**	11 748 955	**540 097**	11 748 955
Interest received		**1 822 587**	1 471 649	**1 812 958**	1 471 549
		3 392 243	15 537 483	**4 311 046**	15 537 383
Expenses (Refer to page 99)		**(94 700 370)**	(102 898 682)	**(89 699 289)**	(96 645 346)
Profit/(loss) before taxation		**3 546 923**	(250 624)	**–**	1 781 377
Taxation	15	**(563 048)**	9 102	**–**	–
Profit/(loss) for the year		**2 983 875**	(241 522)	**–**	1 781 377

The supplementary information presented does not form part of the consolidated financial statements and is unaudited.

DETAILED INCOME STATEMENT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014 R	2013 R	**2014 R**	2013 R
Operating expenses				
Administration and management fees	**(142 500)**	(224 376)	**(142 500)**	(178 176)
Advertising	**(284 078)**	(520 511)	**(161 788)**	(329 597)
Auditor's remuneration	**(735 606)**	(421 560)	**(645 306)**	(421 560)
Bad debts	**(121 387)**	556 669	**(86 387)**	556 669
Bank charges	**(45 481)**	(50 747)	**(40 726)**	(45 977)
Cleaning	**(395 224)**	(434 752)	**(395 224)**	(434 752)
Computer expenses	**(230 004)**	(457 596)	**(230 004)**	(457 596)
Consulting and professional fees	**(4 168 467)**	(7 361 996)	**(3 290 585)**	(6 263 306)
Depreciation, amortisation and impairments	**(307 584)**	(263 537)	**(307 584)**	(263 537)
Employee costs	**(68 006 385)**	(68 895 375)	**(67 525 012)**	(68 696 381)
Entertainment	**(17 444)**	(58 007)	**(17 444)**	(58 007)
Unbudgeted	**(1 359 431)**	(1 377 651)	**(1 359 431)**	(1 377 651)
Distribution cost	**–**	(79 292)	**–**	(79 292)
Freelance contributors	**(50 844)**	(617 299)	**(50 844)**	(617 299)
Conferences and seminars	**(4 160 613)**	(7 061 834)	**(932 953)**	(3 280 984)
Committee expenses	**(470 211)**	(563 566)	**(470 211)**	(563 566)
External bureau costs	**–**	(4 658)	**–**	(4 658)
Other project expenses	**(239 128)**	(391 858)	**(239 128)**	(391 858)
Sundry expenses	**(106 359)**	(43 518)	**(106 359)**	(43 518)
Flowers	**(13 539)**	(15 176)	**(13 039)**	(5 572)
Gifts	**(364 460)**	(144 917)	**(256 960)**	(44 917)
Insurance	**(394 445)**	(473 185)	**(384 033)**	(473 185)
Lease rentals on operating lease	**(1 570 963)**	(1 465 405)	**(1 570 963)**	(1 465 405)
Legal expenses	**–**	(159 000)	**–**	(159 000)
Levies	**–**	(19 148)	**–**	(19 148)
Magazines, books and periodicals	**(336 215)**	(351 056)	**(336 215)**	(351 056)
Motor vehicle expenses	**–**	(84 924)	**–**	(84 924)
Municipal expenses	**(1 878 458)**	(2 171 662)	**(1 878 458)**	(2 171 662)
Placement fees	**(6 000)**	(42 640)	**(6 000)**	(42 640)
Postage	**(24 433)**	(40 979)	**(24 433)**	(40 979)
Printing and stationery	**(1 070 772)**	(1 396 104)	**(1 068 926)**	(1 396 104)
Repairs and maintenance	**(2 669 575)**	(2 164 596)	**(2 669 575)**	(2 164 596)
Secretarial fees	**(5 390)**	(5 000)	**–**	–
Security	**(630 563)**	(881 484)	**(630 563)**	(881 484)
Subscriptions	**(1 896 416)**	(1 200 061)	**(1 896 416)**	(1 200 061)
Telephone and fax	**(355 756)**	(405 675)	**(355 756)**	(405 675)
Training	**(319 390)**	(769 239)	**(304 358)**	(769 239)
Travel – local	**(1 869 904)**	(1 513 083)	**(1 853 114)**	(1 398 611)
Travel – overseas	**(453 345)**	(1 323 884)	**(448 994)**	(620 042)
	(94 700 370)	(102 898 682)	**(89 699 289)**	(96 645 346)

The supplementary information presented does not form part of the consolidated financial statements and is unaudited.

APPENDIX A (Refer to note 6)

FOR THE YEAR ENDED 31 DECEMBER 2014

Project funds	R	Group/Entity 2014 R	Group/Entity 2013 R
Marikana		**421 879**	485 741
Balance at 31 December 2013	485 741		
Received	–		
Expenditure	(63 862)		
Balance as at 31 December 2014	**421 879**		
State of the environment		**19 270**	49 270
Balance at 31 December 2013	49 270		
Received	–		
Expenditure	(30 000)		
Balance as at 31 December 2014	**19 270**		
Long Service Award Scheme		**–**	436 052
Balance at 31 December 2013	436 052		
Funds transferred	(436 052)		
Expenditure	–		
Balance as at 31 December 2014	**–**		
Amendments to the MPRDA		**25 486**	27 507
Balance at 31 December 2013	27 507		
Expenditure	(2 021)		
Balance as at 31 December 2014	**25 486**		
TB and HIV/AIDS advocacy		**259 256**	364 344
Balance at 31 December 2013	364 344		
Expenditure	(105 088)		
Balance as at 31 December 2014	**259 256**		
Chamber of Mines Certificates		**4 544 956**	3 477 641
Balance at 31 December 2013	3 477 641		
Additional income*	3 320 071		
Expenditure	(2 252 756)		
Balance as at 31 December 2014	**4 544 956**		
Museum		**803 400**	803 400
Balance as at 31 December 2013	803 400		
Received	–		
Expenditure	–		
Balance as at 31 December 2014	**803 400**		
Monument		**242 001**	242 001
Balance at 31 December 2013	242 001		
Expenditure	–		
Balance as at 31 December 2014	**242 001**		
Improving representation		**367 749**	797 084
Balance as at 31 December 2013	797 084		
Received	–		
Expenditure	(429 335)		
Balance as at 31 December 2014	**367 749**		

APPENDIX A (Refer to note 6) (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

Project funds	R	Group/Entity 2014 R	Group/Entity 2013 R
Setting of Water Conservation and Demand Management Targets		**938 463**	2 313 040
Balance as at 31 December 2013	2 313 040		
Received	–		
Expenditure	(1 374 577)		
Balance as at 31 December 2014	**938 463**		
Stakeholder Engagement Project		**79 811**	137 094
Balance as at 31 December 2013	137 094		
Received	–		
Expenditure	(57 283)		
Balance as at 31 December 2014	**79 811**		
Health and Safety: Implementation of Mining Charter		**15 840**	91 189
Balance as at 31 December 2013	91 189		
Received	–		
Expenditure	(75 349)		
Balance as at 31 December 2014	**15 840**		
Epidemiology Study for Former Mine Workers		**2 609 432**	4 020 924
Balance at 31 December 2013	4 020 924		
Received	4 900 000		
Expenditure	(6 311 492)		
Balance as at 31 December 2014	**2 609 432**		
Generic Water Conservation		**–**	163 233
Balance as at 31 December 2013	163 233		
Received	–		
Expenditure	(163 233)		
Balance as at 31 December 2014	**–**		
10th International Mine Ventilation Congress		**–**	63 414
Balance as at 31 December 2013	63 414		
Received	200 000		
Expenditure	(263 414)		
Balance as at 31 December 2014	**–**		
Guidelines on Environmental Management in Mining		**–**	6 900
Balance as at 31 December 2013	6 900		
Received	–		
Expenditure	(6 900)		
Balance as at 31 December 2014	**–**		
Creation of the Bargaining Council		**960 277**	1 000 319
Balance as at 31 December 2013	1 000 319		
Received	–		
Expenditure	(40 042)		
Balance as at 31 December 2014	**960 277**		

Project funds	R	Group/Entity 2014 R	Group/Entity 2013 R
Subvention of Salaries		**1 481 331**	742 127
Balance at 31 December 2013	742 127		
Received	3 600 000		
Expenditure	(2 860 796)		
Balance as at 31 December 2014	**1 481 331**		
Development of Closure Strategies		**–**	4 160
Balance as at 31 December 2013	4 160		
Received	–		
Expenditure	(4 160)		
Balance as at 31 December 2014	**–**		
Strategic Communication		**476 363**	126 944
Balance as at 31 December 2013	126 944		
Received	3 160 000		
Expenditure	(2 810 581)		
Balance as at 31 December 2014	**476 363**		
Chamber Management Information		**213 520**	213 520
Balance at 31 December 2013	213 520		
Expenditure	–		
Balance as at 31 December 2014	**213 520**		
International Council on Mining and Metallurgy ("ICMM")		**204 579**	278 697
Balance as at 31 December 2013	278 697		
Received	–		
Expenditure	(74 118)		
Balance as at 31 December 2014	**204 579**		
Information Pack on Mining Sensitive/Protected Areas		**34 066**	188 436
Balance as at 31 December 2013	188 436		
Expenditure	(154 370)		
Balance as at 31 December 2014	**34 066**		
Management of Acid Mine Drainage		**293 991**	508 991
Balance as at 31 December 2013	508 991		
Received	–		
Expenditure	(215 000)		
Balance as at 31 December 2014	**293 991**		
Development of Vehicle for Mining Industry		**411 458**	207 577
Balance as at 31 December 2013	207 577		
Received	–		
Income transferred	436 052		
Expenditure	(232 171)		
Balance as at 31 December 2014	**411 458**		

APPENDIX A (Refer to note 6) (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

Project funds	R	Group/Entity 2014 R	Group/Entity 2013 R
Making ODMWA a Working Project		**481 384**	570 653
Balance as at 31 December 2013	570 653		
Expenditure	(89 269)		
Balance as at 31 December 2014	**481 384**		
Ownership Element of Mining		**19 186**	202 672
Balance as at 31 December 2013	202 672		
Received			
Expenditure	(183 486)		
Balance as at 31 December 2014	**19 186**		
2014 Unforseen Legal Expenses		**439 815**	–
Balance as at 31 December 2013	–		
Received	1 500 000		
Balance from debtor	38 982		
Expenditure	(1 099 167)		
Balance as at 31 December 2014	**439 815**		
Mentoring of new Head of the Chamber's Legal Dept		**445 000**	–
Balance as at 31 December 2013	–		
Received	445 000		
Expenditure	–		
Balance as at 31 December 2014	**445 000**		
H&S Milestone Analysis and Mining Charter Facilitation		**335 560**	–
Balance as at 31 December 2013	–		
Received	384 000		
Expenditure	(48 440)		
Balance as at 31 December 2014	**335 560**		
Project Funding Recovery		**3 781 017**	3 781 017
Balance as at 31 December 2013	3 781 017		
Severance Bonus Paid	–		
Balance as at 31 December 2014	**3 781 017**		
This amount primarily relates to the recovery from the Chamber's insurers, of irregular expenditure that occurred in previous financial years. This funding will be utilised for future projects.			
		19 905 090	21 303 947
Summary			
Balance at beginning of period		**21 303 947**	23 286 594
Project income		**14 525 000**	13 713 454
Additional project income*		**4 105 016**	4 003 186
Project expenditure		**(20 028 873)**	(19 699 287)
Balance at end of period		**19 905 090**	21 303 947

**Additional income related to income from other sources, over and above the approved budget for the period recovered from members.*

GENERAL INFORMATION

Country of incorporation and domicile
South Africa

Nature of business and principal activities
To achieve a policy, legislative and governance framework, which is widely supported and which will allow the mining industry to convert as great a part of the country's abundant mineral resources into wealth for the benefit of South Africa.

Registered office
5 Hollard Street
Marshalltown
Johannesburg 2107

Business address
PO Box 61809
Marshalltown 2107

Bankers
Absa
First National Bank

Auditors
Deloitte & Touche
Chartered Accountants (SA)
Registered Auditors

Reporting period
The Chamber of Mines of South Africa's financial year is from 1 January 2014 to 31 December 2014 and thus includes transactions for this period. The financial reporting period of Mining Lekgotla (Pty) Ltd is from 1 March 2014 to 31 December 2014.

Prior period comparatives
Mining Lekgotla (Pty) Ltd changed its year-end from 28 February to 31 December in the current financial year. The current year figures cover the 10 months ended 31 December 2014.

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
DWAF	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 environment 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 Resource 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 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 Place
YoY	Year-on-year
XRD	X-Ray diffraction

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