

# SECRETARIAT REPORT 2016

Growth, Retention, Unity and Quality Service to Members



# **SECRETARIAT REPORT**

**to the NUM**

**CENTRAL COMMITTEE 2016**

St. George's Hotel, Pretoria • 2 - 4 June 2016

**GROWTH, RETENTION, UNITY AND QUALITY SERVICE TO MEMBERS**

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## FOREWORD BY PRESIDENT



Comrades, delegates, national and international guests, National Office Bearers, National Executive Committee members, former NUM leaders, members of NUM, staff or Officials of NUM. It is a great honour today to stand here as President of NUM welcoming you at this 2016 Central Committee. The first gathering after the 2015 National Congress which elected a new leadership present here.

The 2015 National Congress adopted the theme 'BACK TO BASICS, MEMBERS FIRST'. This theme shall continue to guide us until the next Congress. The theme is important to keep vigilant as we all know that employers want to destroy NUM. This theory has been confirmed by Sibanye Gold recently offering AMCU a new wage settlement undermining what majority unions concluded with the employer in 2015.

Those who doubted that employers are our sworn enemies must be moved by this example. The employers did the same at Impala Platinum undermining agreements in 2012 and this resulted in violence and killing of workers mostly our members. Our responsibility is to educate our members to understand the divisive role the employer plays.

We know today that employers benefitted from that platinum strike while workers were the losers. If they expect another bloody conflict perhaps almost the same as that of 2012 in Rustenburg, that is not in our collective interest as workers across the unions.

We are also confronted by a procession of retrenchments, closure of mines, rival and splitter unions, acquisition and mergers of companies. These challenges have gigantic impact to the decline of membership and obviously financial resources base of the union. The situation restricts the union to discharge its responsibility as expected. This forces us to a new approach wiling or unwilling. We must inject a new sense of urgency.

Comrades, NUM commissioned a research on service delivery. This report categorically outlines major challenges around service delivery to our members and where we must concentrate our efforts to bring a turnaround. We know from the research that members do not enjoy how they are sometimes treated by leaders and union officials and feel disrespected. We know from the research that some leaders sell workers to management and shop stewards sell jobs. All these create a feeling of neglect and mistrust and maybe the reason our militancy is dwindling. We are too comfortable with capitalist and it must stop.

This central committee must generate a new enthusiasm for us to serve our members passionately and defend NUM with conviction. We must serve all members in mining, energy, and construction. Our mission when we leave this Central Committee is that a non-NUM member is an unorganized member. In getting more members our leaders, officials, organizers and shop stewards must become one recruitment and service machine.



NUM needs a functioning strategy to effect the above and turn around the situation. Without a strategy it will flow with the blow of the wind. It will make angry resolutions and populist postures. But it can't go to war to defend itself without a war strategy. We can't go to war to win members without a winning strategic plan put to implementation. In December 2014 the NEC adopted a war plan to reduce costs, to recruit and retain members and this must be put to effect. We have strategized too extensively and we need action now.

NUM must never be captured by private interests. Hence we must be highly vigilant when we engage with service providers. We must not look for personal benefits from service providers who come into the union to ensure that we build a strong serving and living union. NUM is not the ladder to advance private interests but a revolutionary mass organization to advance the interest of the workers and the working class. It is always important to have a leadership contingent that seeks to be constantly schooled in working class traditions, theory, and practice. True leaders of the workers can't be class neutral, be inspired by logic only without class theory.

Guided by the working class theory and practice we should seek unity as the first pillar of our struggle and unite all workers. We should strive for unity within regions and our branches. Most importantly we should promote respect for each other and this must transcend to youth and women structures.

As NUM leaders and members we must hold each other accountable and always act with responsibility. This applies to national, regional, branch and shaft levels. None of us must be confused from here as what it means to be a leader.

Finally, I thank all NUM members and leaders who continue to serve and defend NUM. We appreciate our international guests and shall continue to work with them to advance international solidarity.

**Long live NUM!**

**Long live the revolutionary alliance!**

**Long live international working class solidarity!**



## National office bearers



**Thamsanqa Piet Matosa**  
*President*



**Sibinki Joseph Montisetsi**  
*Deputy President*



**Kolekile David Sipunzi**  
*General Secretary*



**Makgabo William Mabapa**  
*Deputy General Secretary*



**Godukile David Macatha**  
*Treasurer*



**Peter Bailey**  
*Health & Safety Chairperson*



**Eric Siyabulela Gcilitshana**  
*Health & Safety Secretary*



**Helen Diatile**  
*Education Chairperson*



**Ecliff Zwelitsha Tantsi**  
*Education Secretary*



## ORGANISATIONAL OVERVIEW

President of National Union of Mineworkers Comrade Piet Matosa, National Executive Committee Members, Regional Committee Members, Office Bearers of various structures, Shaft Stewards, Women Structure Leaders, Youth Forum Leaders, Central Committee delegates and invited guests, on behalf of the National Executive Committee we present this report for your consideration. In doing so, collectively we will be achieving the aims and objectives of the union as established.

This report will seek to generate discussions around the state of the organization, highlight political landscape in our country and abroad, the economy, international matters and financial status of the union including submitting suggestions for consideration. It will further highlight and point out issues that derail the implementation of union programmes and plans. It will also outline union challenges, achievements and work done since the last 2014 Central Committee. That Central Committee was followed by the National Congress in 2015. Both sittings took major resolutions and adopted declarations to be implemented. Some of the adopted resolutions have been implemented and others are in the pipeline to be implemented by the various pillars and structures of the union.

The National Congress adopted a declaration outlining key major issues for implementation as you are well aware that change in leadership goes with handover. This leadership is dedicating more efforts to the development and growing of this union. Its collectiveness will yield positive results and achievements. We dedicate this report to all loyal members of the National Union of Mineworkers and its founding fathers. The collective wisdom of that leadership never disappointed the union members but brought us here today and we are celebrating the birth of this giant union called NUM. We therefore salute all former leaders and members.

In this Central Committee our engagements should bear positive results and we must engage each other with purpose of building and forging unity within the union. We need to develop and emerge with clear programmes that will assist us in driving the socialist agenda.

We are gathered here today and tomorrow to robustly engage each other on issues of importance, debate and take rightful decisions to build this union. It is our belief that this Central Committee will emerge with a clear mandate and decisions that will benefit its members and bring unity at all levels of the organizations.





## CHAPTER ONE:

# Organisational Report

Let us once again in presenting this organizational report thank everyone before us for availing themselves and portraying commitment in this Central Committee. It is imperative for NUM to acknowledge your presence at this important Central Committee. This Central Committee is gathered here at the time when our union is seriously facing decline of membership which is a worrying factor. All of us must commence thinking out of the box for strategies and mechanisms to rebuild this union. We are meeting here today when our union is under attack by the white monopoly capitalist using radical rival unions.

They are busy colluding with rival and splinter unions. We will march forward and fight for our survival. This prevailing situation is testing our UNITY and commitment to build this union. We don't want to write our own history. The ANC is our liberation movement, it has been under pressure, under attack by internally and externally forces including by known opposition political parties in our country. This situation question our democracy and the democratic principle which most of us believe and subscribe to. Although some of this uninvited demonization and criticism is out of our making.

### 1.1 Purpose of the Central Committee

- Consider and decides upon policy issues of major importance between National Congresses.

### 1.2 National Union of Mineworkers constitution further outlines the following aims

- To recruit and unite into single labour organization all workers employed in the mining, energy, construction and allied industries in order to enhance their economic and social welfare.
- To protect the jobs of our members
- To foster unity and co-operation amongst all workers in the mining, construction and energy industries.

### 1.3 Brief overview of Congress 2015

It is imperative for us to remind one another that we are not here for ourselves but for the NUM members who are toiling in the bowels of the earth and in the skyscrapers and pylons. The National Union of Mineworkers is composed of 11 Regions. We grew our membership base through various stages until 312 000 members at one stage. Its growth was informed by the total commitment to build a very strong militant union. We will be failing the union and this Central Committee if we do not highlight major achievements this union has achieved over period of time. This union had strong vibrant passionate leadership at all levels of the organization including passionate staff members with clear vision that contributed to the emancipation of this country.

Some of the leaders that we are proud of are the likes of Comrade Kgalema Motlanthe, Comrade Gwede Mantashe, Comrade Matamela Ramaphosa, Comrade Thokoana Motlatsi, Comrade Elijah Barayi and Comrade Senzeni Zokwana just to mention the few. These are some of the leaders who contributed in building this strong giant union. Replicating our history of developing capable comrades within our ranks



is imperative and vital. This secretariat report will further outline the last Central Committee and National Congress decisions and resolutions taken and implemented or not implemented during the course of the year. The purpose of outlining these decisions is to remind delegates to this Central Committee not to lose track of previous discussions.

- The 2015 National Congress reaffirmed the decision to vote for ANC and mobilize workers for the local government elections.
- Resist and reject privatization of the State Own Enterprise.
- We call the intervention of government to these organs of state
- the National Congress took a decision to inform the government to devise measures to protect the poor during from the worst effects of economic crisis
- National Congress declared that as a union we must embrace the theme of Back to Basics – Members First. Re affirming worker democracy, worker ownership over the union
- Protect the union against the vigilante unions where we are organizing.
- Protect COSATU and workers revolution.
- National Congress called for the isolation of racist DA and its para –military wing the EFF and exposes these parties for what they are.
- Reclaiming the Freedom Charter
- NUM is a product of unity of the workers beyond South African borders , therefore NUM must recruit all workers who are foreign nationals to join the union,
- On the collective bargaining aspects, the National Congress re–affirmed its rejection of nuclear energy.
- On construction due to number of death and accidents in this sector, the union at congress called for Construction Indaba.
- The employers must build houses for construction workers.
- Mining there has major retrenchments taking place hence the union is calling on
- Chamber of Mines and the government to make good of Phakisa Mining in as far as prevention of large scale retrenchment is concerned.
- To strengthen the campaign for the unconditional upliftment of the economic blockade against Cuban. In Swaziland, the call for an urgent release of all political prisoners and return of those who are in exile.

## 1.4 State of the National Union of Mineworkers

**“The quality of your thoughts determines the quality of your actions” –**

National Union of Mineworkers is still the largest union in the mining, construction and energy sectors. This union was established with the sole purpose of defending the rights and interests of the down-trodden



workers in the abovementioned sectors. The union Ten Year Plan outlines the five phases which the union has evolved over the period of time. It must be indicated that our current elected National Office Bearers have taken a decision to review and align our Ten Year Plan taking into consideration the current economic developments around the three economic sectors where we organize.

*The phases are outlined as follows:*

- Recruitment phase 1982 - 1985
- Mobilization phase 1985 - 1987
- Survival phase 1987 - 1992
- Consolidation phase 1992 – 2000
- Maturity phase – 2000 – 2006
- Articulation phase 2006 – 2012
- Defend and advance 2012 till to date

It is highly important to outline to the Central Committee the need to consolidate our achievements and optimally utilize our resources to re-build the NUM. We need to believe and trust in ourselves in steering this organization towards the right direction.

*The union's Ten Year Plan under labour movements captures the worst scenario as follows:*

- The labour movement will be shrinking and divided. Representativity will be declining and fall below 50% in the majority of workplaces. Splinter unions will be a feature in many sectors of the economy. The role of these splinter unions will be to undermine the programme for transformation. It further outlines that NUM branches will be weak and leadership will not seek mandates and will not give feedback. Branches will have no programme and members will be divided.
- There will be infighting among the leaders. Management will undermine and drive union structures. Union structures will be used to drive management programmes. The regional and national structures will be too weak and incapable of identifying union problems. This will result in mass resignation from the union and revolt against the organization. There will be quick decline of union membership. Branches will be heavily dependent on officials. The operational arm will be overstretched and structures will be disempowered and there will be complaints about poor service to members. The working conditions of workers will deteriorate further.

It is imperative for us to remind the Central Committee of the abovementioned clauses and ask ourselves as to whether; this union has reached this stage as outlined by the Ten Year Plan. If so, what must we do as a union to overcome this unfortunate reality?

## **1.5 Challenges faced by the union and plans to overcome them**

The National Union of Mineworkers, in its current form and character is still moving in the right direction. However, we must outline the challenges facing the union within and without. Centrally to our core challenges is the formation/establishment of splinter unions where we are organizing. It must be highlighted that, when NUM was formed, there was no other union competing with NUM in terms of membership. Today we are competing with splinter unions where we used to be the majority, dominant and strong union. It must be



noted by this union that workers today have choices to make when it comes to the union membership. That is the reason we must do everything better than yesterday in order to retain members.

There is saying which goes, **DO NOT SABOTAGE YOUR FUTURE BECAUSE OF THE PRESENT NEED**. Allow us to highlight some of the observable challenges that some of us as leaders are still engaging ourselves in even today:

- Factionalism and cliques within the union. There are comrades or individuals that subscribe to individuals. We must say that, the individual interest must not supersede the organizational interests.
- Comrades are no longer objective but subjective in engaging one another. They politicize and criticize everything during union structural meetings.
- We treat each other like opposition parties in the union.
- Labelling certain comrades and tag them with different derogatory names
- The abuse of union financial resources is a concern to all of us.

This union was built on a concrete solid foundation with clear absolute defined purpose of its continued existence. We must remember that those who took initiatives to establish this union are still alive and they are hurting at seeing the NUM disintegrating the way it does. It must be stated that signs of disunity were prevalent before and after 2015 National Congress. These challenges were in no way benefiting the collective but somehow derailed the implementation of the union plans and programmes.

National Union of Mineworkers commissioned a research with Society, Work and Development Institute (SWOP). The report further outlined several major challenges facing the union which is out of our making perpetuated by ongoing developments that seek to undermine the existence of our union. Let us further substantiate organizational challenges by quoting from the SWOP researched information as follows:

- A male human resources officer from one mine concurred: **“Tribalism is an issue that has not been fully addressed – it resurfaces time and again”** This organization should attend to these challenges in bringing back its reputation and dignity. There is perception that our members are having towards all elected shaft stewards and Office Bearers at all levels of this organization including NUM staff members. We must confront our challenges with intention to get to a conclusion that benefits the beneficiaries of our existence as a trade union which happens to be our members in the three economic sectors (Mining, Construction and Energy). Some of the challenges are as follows;
- There is an allegation of corruption amongst our elected shaft stewards who are said to be selling jobs and working hand in hand with management in dismissing workers. Shaft stewards are involved in the recruitment processes which compromise the union in many instances. Let use quote from the researched information as follows:
- A statement by a 28 year old male survey assistant from Lesotho shows how the selling of jobs is often linked to the replacement system. He explained: **“I had to take over my father’s position as a mine worker. Then the NUM wanted to give that position to somebody else rather than me. I had to go into a physical fight with the person to win back that position. The NUM failed to protect my right.”**
- There are ongoing fights and divisions amongst union structures orchestrated and perpetuated by



individuals with a purpose of promoting their interests over organizational interests. People want more power and control where they operate. It must be highlighted without fear or favor that disunity or lack of unity is a precursor to a union's demise. We are unconsciously handing over this union to our competitors. A divided leadership does not have time to implement union programmes and service union members.

- Workers feel that they are no longer safe in the hands of NUM hence joining the rival unions is so easy for them. We are required to work very hard to change our attitude and behavior in providing service to members.
- At a branch in the Carletonville region, a 35 year old male loco driver said: **"Union leaders in this mine are part of management. It becomes difficult to report our cases and to have them solved."**
- At a uranium mine in the PWV, the allocation of job opportunities was also an issue. Here a 25 year old male machine operator said the following: **"During recruitment our leaders hire their relatives first and recruitment is sometimes run across tribal lines, so members learn very late of such opportunities."** A shift controller at the same mine said the following: **"When there are job opportunities in the mines, the leaders don't normally share such news with us. We just hear that there have been such opportunities."**
- There is conspicuous lack of respect towards our members by elected office bearers (shaft stewards, Branch, Regional And National Office Bearers) including NUM Staff members
- Again, members had specific comments about specific leaders and branches. At one of the mines in the Highveld, a member complained: **"NUM shaft stewards in this company do not respect members — they totally do not have respect. We, as members, want new leadership in this branch. The current leadership, particularly branch chairperson, is very ill-disciplined and highly disrespectful. We want to see him out of the union."** Elected Office Bearers at the shaft, branch and regional are too close to management.
- A 37 year old female engineer helper at one of the Rustenburg mines said the following: **"Education for workers is a problem. Bursaries for educating workers are available, but workers are not given the chance to further education. School children need to get the bursaries, but regional officials are the ones who get the bursaries."**
- Signing of agreements without consulting the union members. At another Highveld mine, a member had specific criticism of a regional organizer: **"The regional organizer does not treat us well. The organizer does not respect us as members. Sometimes he meets management without consulting the branch leadership or members."** At ESKOM in Pretoria, members were also critical of the regional office: **"The regional office should respond to our cases, they do not respect us, they judge before they hear a worker's side of the story."**

In some branches, there are no longer mass meetings which are conducted at the branch level. Union organizers are no longer visiting branches and workers are not happy about this.

- At Lafarge in Port Elizabeth, where the union was threatening industrial action against the company at the time of our visit, some members were not satisfied: **"We do not know the regional office bearers, their contact details and location. The regional organizer last visited in 2005."**
- There are endless unfulfilled promises made by elected leaders



The NUM's political role featured here. At Foskor in North East, a 48 year old member bemoaned: **"The union promised us that if the ANC wins the elections, workers would get a 20% salary increase, but this never happened."** At Modikwa Platinum Mine, a 27 year old member in construction said: **"They should improve in giving members straight and honest answers after negotiation with management. I get a sense that shaft stewards are hiding some information."**

- The Regional and Branch Office Bearers are nowhere to be seen. Members are visiting union offices but they are not there. [mind you, many of these Regional Office Bearers have been released to work for the union on full time basis]
- The bad attitude that our members receive from some elected shaft stewards, Branch, Regional and National Office Bearers leaves much to be desired

Napoleon Hill said, "More gold has been mined from the thoughts of men than ever been taken from the earth." Our main aim is to unite all workers so that they can primarily and collectively improve their wages, working conditions and defend their jobs. At most, we want to ensure total emancipation and transformation in the workplace. How are we going to achieve this if we remain divided as leadership? Who will lead and provide guidance to members and how?

Over and above the mentioned challenges, in the last National Congress, the secretariat report outlines some challenges that still persist or exist in our organization. It is therefore imperative to remind ourselves about those challenges as it will shape our discussions during this two day Central Committee.

- The union is still experiencing Job losses through retrenchment, mine closures and other forms of job shedding of more than 37 538 workers, more especially in the construction and mining sectors due to the nature of these two sectors
- We also committed ourselves to the Mining Stability Framework, with a purpose of normalizing the industrial relations and that all stakeholders must respect the laws of the country.
- Labour brokering is still a challenge
- Subcontracting in the workplace
- Provision of quality service to all union members remains a challenge to us.
- The stagnant or decline in union membership is the main challenge which the Central Committee will have to debate and resolve
- The NUM has experienced various attacks by the mining companies in partnership with rival unions.

## 1.6 ESKOM

- Eskom has also experienced job losses due to operational reasons
- The dispute on Minimum Service Agreement remains unresolved.
- Continuous victimization of workers in Eskom by senior management
- The chopping and changing of leadership within Eskom is a challenge to our members





We therefore say that the union structures and the leadership of the organization must develop a common union programme that will be led by National Office Bearers in uniting union members and building the union for better service delivery. A code of conduct must be developed and implemented within the union. The continued division within the union will bear negative consequences to the union and its members. The National Congress is over. The union cannot afford to remain divided as that will impact negatively on service delivery to members in general. This Central Committee must emerge with resolutions and a coherent programme to handling and manage the situation.

## 1.7 National priorities

*The union through its leadership has identified national key priorities that will be implemented to grow it and these priorities are highlighted as follows:*

- Recruitment and Membership Growth
- Provide Quality Service to members
- Building unity at all levels of the organization led by Office Bearers
- Ensure that there is accountability, responsibility and visibility of leaders
- Development of strategies to outperform rival unions in the three economic sectors where we are organizing
- Fighting retrenchment and racism
- International solidarity and campaigns
- Participation in fraternal and international structures with view of proving leadership within those structures

The Central Committee is requested to debate and pave way forward for the revival of this union.

## 1.8 National programme

Unity within the union will be achieved by developing a coherent national programme. Growing the union through recruitment and provision of quality service delivery to members

- On collective bargaining issues we need to develop a standardized collective bargaining agenda
- Implement the union SWOP/ MISTRA and Health and Safety research recommendations
- Forging and building unity within the union, COSATU and Alliance
- Campaigns
  - To fight privatization and outsourcing including labour brokering
  - To ensure that retrenchment is expensive to employers and ensure that workers are trained before they are retrenched where retrenchment is unavoidable.
  - Demolition of racism in mining, construction and energy sector
- Implementation of Mining Charter, Construction Charter and other transformation initiatives



- Intensify capacity building to all elected Office Bearers including shaft stewards

We therefore request the Central Committee to discuss National Programme as proposed.

## 1.9 Service to members

The National Union of Mineworkers is still a majority union in the three economic sectors where we are organizing. It is and most desirable for union officials and full time Office Bearers to provide quality service to all union members. Let us highlight some of the researched challenges that our members got frustrated about.

- A 53 year old male development team leader from a Free State mine elaborated on his disappointment: **“A year ago, the leadership was not good, such that they filed a complaint amongst themselves and wrote a memorandum to the head office, which also did not help.”**
- A 41 year old female lamp lady working at one of the branches in the Free State said the following: **“There is discrimination in the union [based on] when you come from and [the] language you speak. If you speak Sesotho and you come from Lesotho, they say that there is no need to be elected in top positions in the union.”**
- At a uranium mine in the PWV, the allocation of job opportunities was also an issue. Here a 25 year old male machine operator said the following: **“During recruitment our leaders hire their relatives first and recruitment is sometimes run across tribal lines, so members learn very late of such opportunities.”**
- A shift controller at the same mine said the following, **“When there are job opportunities in the mines, the leaders don’t normally share such news with us. We just hear that there have been such opportunities.”**

We are constantly saddened by seeing our members struggling to get quality service from the union whilst the leadership is focusing their energies on fighting each other. Rooting out these tendencies is an obligation that the Office Bearers at all levels of the organization have to take with the sole purpose of building union

## 1.10 Treating members with respect

NUM must promote a culture of appreciating and respecting the union members. The first thing to do is to encourage every one of us to treat every NUM member with respect everywhere and at all times. We must stop treating our members with disdain. We must stop being disrespectful when we interact with them. We must stop being aloof as if union members are not the source of our financial strength but the source of our irritation. A proper appreciation of these members will assist leaders and officials to have a common agenda.

The state of leadership aloofness and sometimes disrespect by both office bearers and officials to these members has led to mishandling of their cases. As a result we compel these members of NUM to resort to the courts out of dissatisfaction and frustration and even joining other unions. We must both listen to their challenges and resolve them accordingly. In areas such as Rustenburg, Free State and Western Cape members have threatened to sue NUM because of poor handling of cases. This has a direct negative bearing on the union. It must be noted though, that workers who are members of rival unions are our former members. The question that we must ask ourselves is, what went wrong? Are we doing enough to attract and retain our members.



## 1.11 Communication with union members

There is saying which goes, “The greatest challenge of a leader is to communicate the vision of the organization to workers or followers”. The rationale for establishing this union is to protect the jobs of members and to advance their employment prospects. The union has resources to communicate with its members like the NUM News, instruments of communication including communication strategy which is being reviewed by different levels within the organization. The presence of the abovementioned resources must be of a benefit to the organization and members in general. Members are currently complaining about the turnaround time to resolve their grievances. They are still going to Head Office complaining about service delivery from the various branches. We need to adhere to the values which NUM is subscribing to, that are Honesty and Accessibility amongst the other values.

For a member to communicate with leaders is a right not a privilege and it must be encouraged. NUM will not afford to lose members due to non-communication. The survival of the union depends on its membership. The deserving people must occupy union offices. Service delivery and communication is imperative and it must be seen as a vital weapon to win against the enemy.

## 1.12 Strength of the National Union of Mineworkers

National Union of Mineworkers commenced its operations with little resources whilst servicing thousands of union members. Today we have all it takes to overcome our challenges and wipeout our rivals but we are not optimally utilizing the available resources to our benefit. At the current moment, we are moving from a stronger position through the available resources in our possession that is human and capital resources

We have well-resourced regional and sub regional offices around the country. Office bearers and officials are equipped with necessary union working tools to do union work. Elected Office Bearers must lead the realization of national programme and there must be organizational will to achieve union aims and objectives. Alignment of the human and capital resources is imperative to achieve union vision and objectives within the defined short space of time, deliver quality service to our members and at reasonable affordable cost. The question is, are we optimally utilizing the available resources to our benefit?

## 1.13 Racism in the Mining, Construction and Energy sectors

Racism is a crime against the humanity. Racial and ethnic discrimination in the workplace is still prevalent and it can rear its ugly head in a variety of forms. The racial discrimination can be often identified and detectable more especially when an employer fails to hire or promote an individual on account of their race. In the early stages of NUM racism in the mining industry was anchored by laws promulgated by the apartheid government.

Racism is always rife no matter where you work. It cuts across society. In South Africa, racism is entrenched in the minds of certain people and it is difficult for them to accept change. The indigenous South Africans are still victims of racism in the sectors where we are organizing. There is a lot to be done to eradicate racism particularly in the mining and the construction industries. We need to engage and remind companies that there is zero tolerance towards racism. In the construction industry, it is rife and it has taken the form of discriminating against South African by employing foreign nationals at the expense citizens. Wages are very low and Africans are treated like ordinary beggars in this continent. We must identify those racist companies and develop campaign programmes against them.



## 1.14 Employers' perception towards NUM

Employers will always prefer to work with a weaker union that continues to disregard its own values and the reason for its existence. NUM trained many shaft stewards through various union programmes offered by the EBMT. Some of these comrades have climbed the corporate ladder and others are being used by the employers against the very same NUM. Some of them are our legacy and history of engagement has benefited them in shaping their future. NUM is proud to observe the impact it has made over the period of time through this training interventions.

The SWOP report indicates or highlights that some of elected union leaders are working very close with management against the union members and members are sceptic and afraid of NUM. The Central Committee must resolve on how to manage this situation which seeks to undermine our democracy. Elected Office bearers at all levels must distance themselves from working close with management at the expense of the workers.

## 1.15 Government perception towards NUM

The formation of COSATU in South Africa was a threat to the then apartheid government. This was the birth of a great strong militant federation without corrupt leaders. Its militant stance emanates from strong affiliates which were not infiltrated by capitalists or black forces. Today many of COSATU affiliates have been plagued by internal squabbles which tend to weaken the Federation. Employers are exploiting the divisions in COSATU and its affiliates.

Trade unions are supposed to be independent of business or government control. COSATU is an ally of the governing party and is therefore viewed as such by the government and this might be the reason the spirit of activism is dying down amongst workers.

## 1.16 Recruitment and retention

Jack Welch the former chairman of General Electric said, **"The hero is the one with ideas"**. In our approach in resolving the membership crisis we need to embark on quarterly recruitment campaign. The union will identify potential growth points and deploy recruiters with clear targets to be achieved. Recruitment will still take place throughout of the year under the auspices by the regions in order to meet the targets set during the 2015 NEC breakaway in Durban. Staff will continue to back-up the elected leadership at all times. Initiatives to grow the union will be undertaken by leadership at all times to ensure that the union regains its lost ground.

All efforts must be put in place to recruit new members, but there must be means towards retaining those still remaining with NUM. The union must also note that it is becoming difficult to recruit members while the employers are unleashing aggressive retrenchment strategies. However, we must not lose hope. We cannot have a standard approach towards recruiting in mining, construction, and energy. The sectors have different dynamics. This means that our recruitment strategies must speak to each sector according to its unique dynamics. This will make NUM successful.

We have experienced some difficulties through massive retrenchments and closures of companies. The mining Industry is facing economic challenges hence its lifespan is questionable. Although we are not saying that it is closing down soon but we are being pragmatic in our recruitment approach taking into consideration the existence of potential membership in the construction industry and energy sector.



Our strategic plan document outlines national targets that we require to achieve over a period of time. Regions have been given a directive to develop recruitment plans and own strategies to revive the union through.

### **1.17 Retrenchment: Impact on union growth**

South African economy is not performing well hence is not coping with the current challenges facing the country such as job creation. There are number of companies that are retrenching workers for a number of reasons such as operational requirements, some are closing down for unknown reasons. We need to devise means to make retrenchment really expensive. The following are some of the negative consequences of retrenchments to the National Union of Mineworkers;

- Recalling of Office Bearers and elected shaft stewards back to operations e.g. at Impala mine Rustenburg including Sibanye mine in Carletonville. Safety of those comrades is not guaranteed at the work place
- Significant decline in membership and financial resources
- Unions that are known resort to violet means of solving problems at blink of eye are allowed by employers to dictate terms to various employers/companies, colluding with management where they are in majority.
- Loss of dignity and respect



Below is the analysis of retrenchment in various companies during the period under review. The list is not exhaustive.

NUM DATABASE/REPORT ON RETRENCHMENT 2015/6				
Company/Employer	Region	Province	Affected	Comments
Atlantis	Highveld	Mpumalanga	44	
Exxaro - Inyanda	Highveld	Mpumalanga	102	
Exxaro - Leeupan	Highveld	Mpumalanga	21	
Exxaro - Matla	Highveld	Mpumalanga	42	
Exxaro -NBC	Highveld	Mpumalanga	6	
Glencore Optimum (Koorfontein)	Highveld	Mpumalanga	58	Retrenched
Glencore Optimum Coal	Highveld	Mpumalanga	621	Retrenched
Glencore Shanduka - Graspan	Highveld	Mpumalanga	40	VSP
Glencore Umcebo (Kleinfontein)	Highveld	Mpumalanga	62	Retrenched
G-NET	Highveld	Mpumalanga	70	
G-Net Mining	Highveld	Mpumalanga	322	
Exxaro Arnot	Highveld	Mpumalanga	1056	Retrenched
Group Training Centre	Highveld	Mpumalanga	28	
Highpoint	Highveld	Mpumalanga	46	
Penumbra	Highveld	Mpumalanga	246	Retrenched
POMS	Highveld	Mpumalanga	148	
Puleng Mine	Highveld	Mpumalanga	180	Mine closed
South 32	Highveld	Mpumalanga	90	09-May-16
Witbank South	Highveld	Mpumalanga	26	
Asamets Dilokong	North East	Limpopo	900	Retrenched
Bokoni	North East	Limpopo	2619	Retrenched
CDS Bokoni	North East	Limpopo	500	Retrenched
CDS Twickenham	North East	Limpopo	186	Retrenched
Consolidated Murchison	North East	Limpopo	600	Retrenched
De Beers Venetia	North East	Limpopo	152	15-Feb-16
Foskor	North East	Limpopo	39	Retrenched
Modikwa Platinum Mine	North East	Limpopo	808	16-Feb-16
Nkomati Joint Venture	North East	Limpopo	380	05-Feb-16
SAMANCOR	North East/Rustenburg	limpopo/NW	2073	04-Feb-16
Twickenham	North East	Limpopo	1137	26-Feb-16
Smokey Hills/Phokathaba	North East	Limpopo	500	Retrenched
De Beers DBSSA	Kimberley	Northern Cape	62	15-Feb-16
4 Arrows Engineering and Mining	Kimberley	Northern Cape	40	
Assmang Blackrock	Kimberley	Northern Cape	300	Retrenched





## NUM DATABASE/REPORT ON RETRENCHMENT 2015/6

Company/Employer	Region	Province	Affected	Comments
Blue Chip Mining	Kimberley	Northern Cape	418	
Booyesen	Kimberley	Northern Cape	12	
CML	Kimberley	Northern Cape	220	
Diro Resources	Kimberley	Northern Cape	12	
IFS	Kimberley	Northern Cape	37	
Kolomela	Kimberley	Northern Cape	24	Retrenched
Moolmans	Kimberley	Northern Cape	630	
Sishen	Kimberley	Northern Cape	151	Finalised
Sishen	Kimberley	Northern Cape	2633	28-Jan-16
South 32	Kimberley	Northern Cape	447	
Super Kolong	Kimberley	Northern Cape	1	
Super Stone	Kimberley	Northern Cape	3	
Assmang	KZN	KZN	178	
CMI	KZN	KZN	600	
Forbes Coal	KZN	KZN	120	
Leeuw Mining	KZN	KZN	200	
National Asphalt	KZN	KZN	31	
Starling Plumbers	KZN	KZN	3	
Zinujo Coal	KZN	KZN	200	
Consol	Western Cape	Western Cape	4	
Grinrod Costruction t/a Racec	Western Cape	Western Cape	11	
Niel Martin	Western Cape	Western Cape	3	
Zaaiman Construction	Western Cape	Western Cape	3	
Aveng Infraset Kuilsriver	Western Cape	Western Cape	20	
Anglo Platinum	Rustenburg/NE	North West/Limpopo	416	VSP/14 Retrenched
Aveng & Moolmans	Rustenburg	North West	10	
Exxaro Grootgeluk	Rustenburg	North West	88	18 April 2016
Glencore Eilands	Rustenburg	North West	818	Retrenched
Elephant Slate	Rustenburg	North West	52	Consultation
Helam Mine	Rustenburg	North West	400	Retrenched
Henric Chrome	Rustenburg	North West	400	
Impala	Rustenburg	North West	1609	Consultation
JIC	Rustenburg	North West	684	
Lonmin	Rustenburg	North West	6000	Consultation
Mazita	Rustenburg	North West	49	Consultation
Murray and Roberts	Rustenburg	North West	14	
Royal Mnadi	Rustenburg	North West	49	Consultation
Shaft Sinkers	Rustenburg	North West	290	Consultation
Thabazimbi	Rustenburg	Limpopo	803	Retrenched
Bafokeng Rasimone	Rustenburg	North West	174	Retrenched
Union Mine	Rustenburg	North West	4979	26-Feb-16



### NUM DATABASE/REPORT ON RETRENCHMENT 2015/6

Company/Employer	Region	Province	Affected	Comments
Laman Pty Ltd	Eastern Cape	Eastern Cape	193	
Ngqurha Brick	Eastern Cape	Eastern Cape	60	
Kusasaletu	Carltonville	Gauteng	518	
Fraser Alexander	Carltonville	Gauteng	29	Consultation
Exxaro Allostream	PWV	Gauteng	26	Closure
Exxaro PTA	PWV	Gauteng	408	18-Apr-16
Doornkop Mine	PWV	Gauteng	94	VSP
<b>TOTAL</b>			<b>37628</b>	

### 1.18 Further statistics on retrenchments, business rescue and liquidations 2015

Name of Company	Sector		Commodity
Sessa	Energy	35	
Lanman (In business rescue)	Construction	261	Bricks
Kumba Sishen	Mining	420	Iron Ore
Anglo Platinum Retrenchments	Mining	420	Platinum
Optimum	Mining	55	Diamond
Murray and Roberts (Cullinan)	Mining	1067	Mining Coal
Assmang	Mining	912	Manganese Ore
Lonmin	Mining	4500	Platinum
SA Earthworks	Construction	67	Building
SAN Contracts	Construction	56	Building
Blackrock	Mining	187	Manganese Ore
<b>Total</b>		<b>7663</b>	

All efforts must be made to recruit new members. The union must also note that it is becoming difficult to recruit members while the employers are unleashing aggressive retrenchment strategies.

### 1.19 Recall of union leaders by companies

The union is losing members badly such that employers have derecognized us in some areas. There is clear collusion between a certain splinter union and management to fight and wipeout NUM from the face of the earth. This situation is bad in that, in some of the companies, have commenced recalling our leaders back to operations. NUM has to work very hard to recoup the lost ground. These companies are taking advantage over NUM to reverse our victories gained over the years. These leaders are being recalled without a proper integration strategy. The recalling of leaders is clearly intended to destabilize NUM in the long run. We demand that our leaders must not be recalled to be retrenched. Branches must also organize to fight back.



## 1.20 Illegal mining in the industry

There are people who are illegally operating in the mining Industry more especially in the old closed gold mines. The owners of the mines are no longer taking full responsibility of these mines they are disowned mines. This is opportunity for the Zama Zama's to take control and mine. Having said the above, the Zama Zama's have moved to the formal operations where they work hand in hand with permanent employees. We therefore, as a union call upon the mining companies and the Minister of Mineral Resources to pronounce themselves on the matter as it is posing a serious challenge to our members. Is it, perhaps not time to stop and consider, **“what about legalizing the so called illegal miners so that the government can get some revenue from their operations through tax.”** Let us allow this Central Committee to think out of the box.

## 1.21 Members' expectations

Our members are expecting more from our union precisely due to its historical background in liberating the working class. However, NUM must adapt to the current environmental climate or, sooner it will follow the dinosaurs. Members' needs evolve. NUM has to synchronize its evolution with that of its members. The MISTRA Report states clearly that NUM is still communicating with its members the way we used to do at the Recruitment Phase of the union i.e in 1982. This is the era of digital technology and social media and we have a reasonable chunk of youth in our membership.

- Members' expectations of the NUM have changed. They seek the organization that is driven to meet their individual needs beyond the general focus on the collective issues;
- Young members generally have a lack of patience compared to the older generation and want prompt results.
- A modern worker tends to favour a modern way of communication like your “what'sup, Twitter or Facebook, Skype etc.

## 1.22 MEMBERSHIP REPORT

The intention of the union is to grow and be sustainable. We need to reduce the spending patterns and utilize the savings to recruit more members. Membership will grow and this union will prosper and be sustainable if we pay particular attention to the unorganized and senior personnel in our sectors. It will be suicidal if we remain silent about the impact of the membership decline and the state of our state of finances. Since 2013 the union has been operating on deficit. This is an unhealthy situation because we have been operating from hand to mouth. If we do not do something with this situation this union is going down the tube. We want to share with you the following scenario on deficit:

2015	2014	2013
14,9m	26,5m	15,6m

The major challenge regarding the membership decline is that it has got constitutional implications in that, NUM can be compelled to consider reducing the number of existing regions and sub-regions, merge regions due to financial viability and recalling of some Office bearers by employers, derecognition of the union in some branches making it very difficult for union to operate, retrenchment and relocation of staff members to where they are needed most. This is not the ideal situation that we want to find our union in. Nobody wants



to go back where management can dictate to us. So let's work hard and win the war that the union is faced with.

We must acknowledge and accept the situation is not normal in the sectors where we organize. The life of this organization depends on its ever growing membership. There is continuous decline of membership with dire consequences for this union and we are collectively and jointly liable and responsible for turning around the situation. The union leadership must view this negative position as a major challenge to our future existence. We want to further outline some of the challenges that are researched on our service delivery approach.

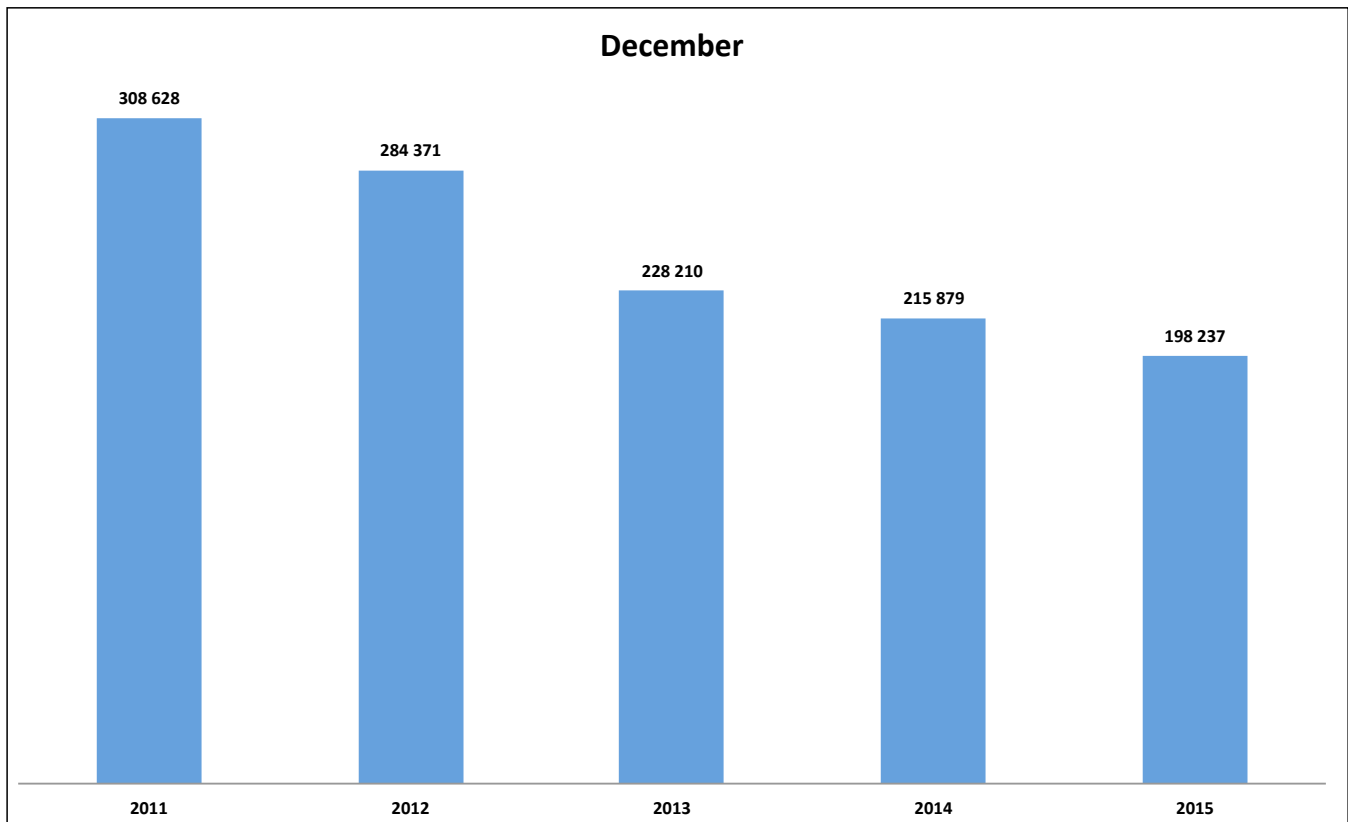
In some cases where NUM was commanding respect, it has to fight for survival. The theme adopted by 2015 National Congress "Back to Basic. Members First", must be realized and unpacked for implementation. We as the NUM recognize that to defend and advance our organizational borders, we need an organized army of those who serve the needs of our members. It requires being functional, coherent and decisive in dealing with the enemy and the rival. For this to happen we require a leadership that is focused and accountable to members. Our leadership exists to serve our membership with integrity, while creating an inclusive and capacitating environment for our employees.

Our research reveals that the ageing labour market in the mining industry is leading to specific challenges. Like the issue of gender, generational differences are sometimes used to divide members. The average age of the sample was 41 years old, with the oldest member interviewed being 69 years old, and the youngest 20 years old. The majority of members are in their early forties. Less than half the sample is younger than 41 years, and a mere 17% are younger than 30 years. However, women tended to be somewhat younger than men, with an average age of 37 years, compared to an average age of 41 years for men. Nevertheless, this shows that the mining labour market is not just middle aged but is ageing. We conclude by saying that we must recognize our members as the life blood of the organization and that they are paramount to the existence of this union. There needs to be a modern strategy to communicate with members and other stakeholders.



### 1.22.1 MEMBERSHIP ANALYSIS

#### National Figures – 2011 - 2015



#### 1.22.2 Movement in membership

- The total membership population in 2011 was at 308,628 and has in the last five years dropped by 110,391 to 198,237 members. This actually represents a 36% decline in membership over the analysed period of five years.
- The trend gives perspective and paints a picture of the conditions under which NUM finds itself

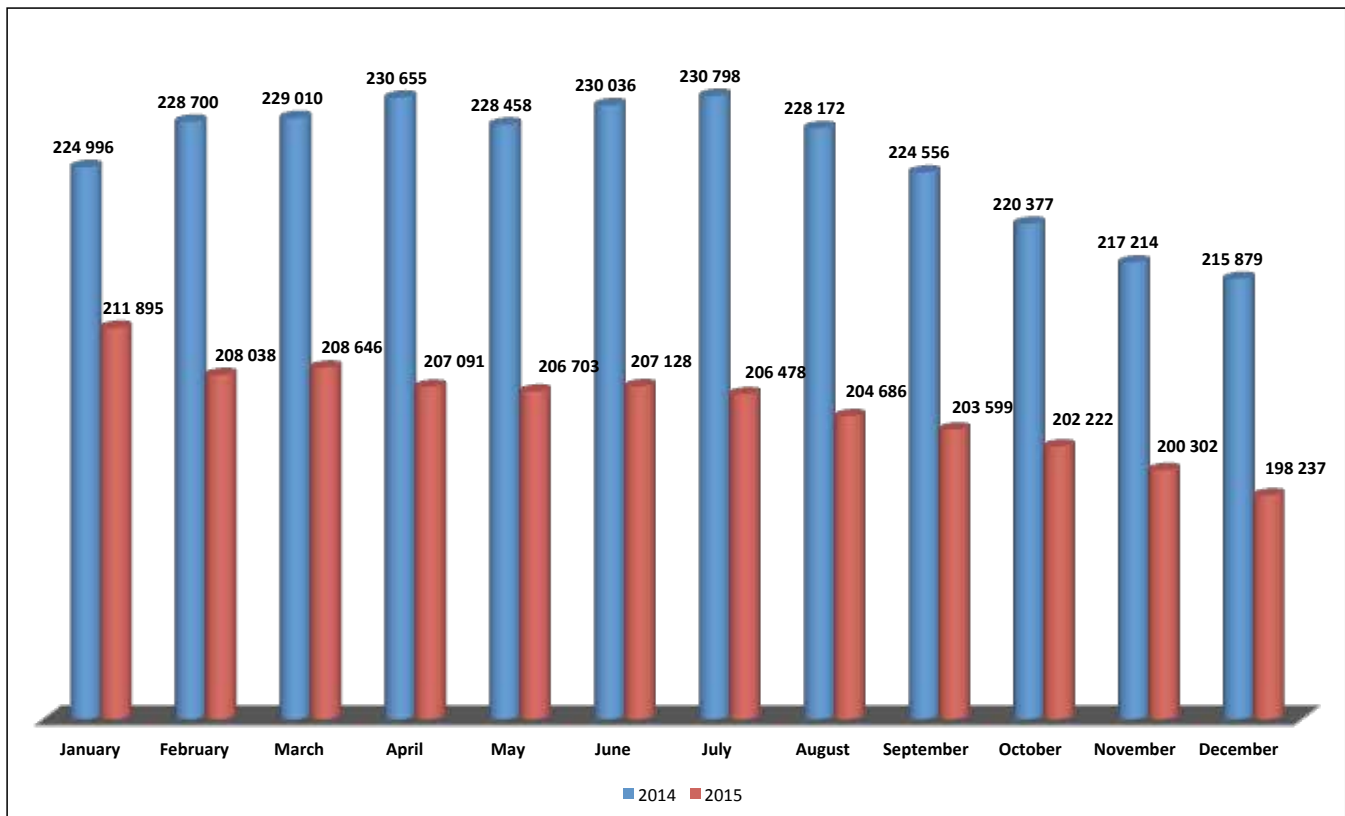
The below table is the movement indicator:

2011	308,628	Base	Base	↓
2012	284,371	-24,257	-8%	↓
2013	228,210	-56,161	-20%	↓
2014	215,879	-12,331	-5%	↓
2015	198,237	-17,642	-8%	↓



- Our membership was mostly affected by the incident in Rustenburg region where we experienced most membership losses than in any other region. In that period alone the membership nationally went down from 284,371 to 228,210 by the end of 2013.
- Although as the table indicates there were losses in other periods but the impact was incomparable in relation to the 2013 losses.

### 1.22.3 National Figures 2014/15



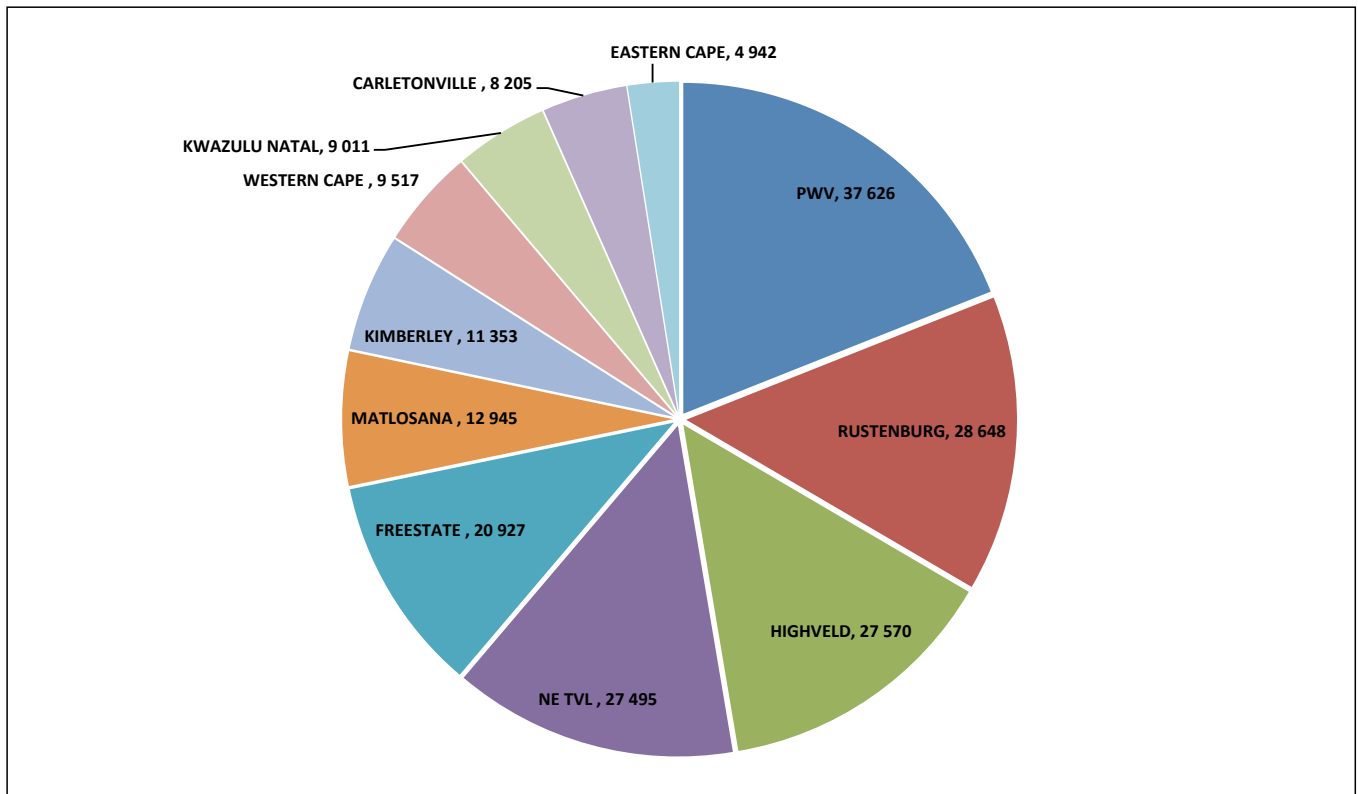
### 1.22.4 Monthly Membership Gains/Loss

Period	2014	2015	Gain/(Loss)	%
January	224,996	211,895	-13,101	-6%
February	228,700	208,038	-20,662	-9%
March	229,010	208,646	-20,364	-9%
April	230,655	207,091	-23,564	-10%
May	228,458	206,703	-21,755	-10%
June	230,036	207,128	-22,908	-10%
July	230,798	206,478	-24,320	-11%
August	228,172	204,686	-23,486	-10%
September	224,556	203,599	-20,957	-9%
October	220,377	202,222	-18,155	-8%
November	217,214	200,302	-16,912	-8%
December	215,879	198,237	-17,642	-8%



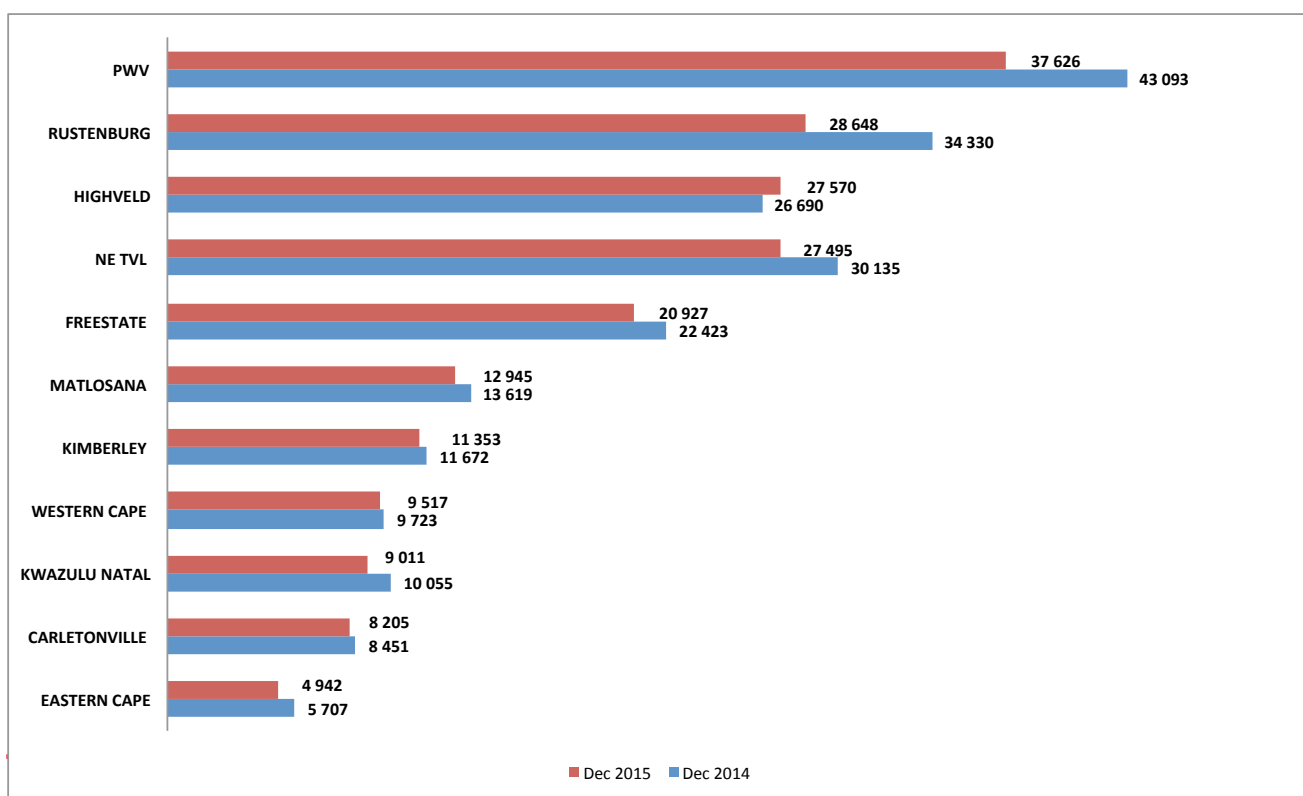


### 1.22.5 Membership per Region



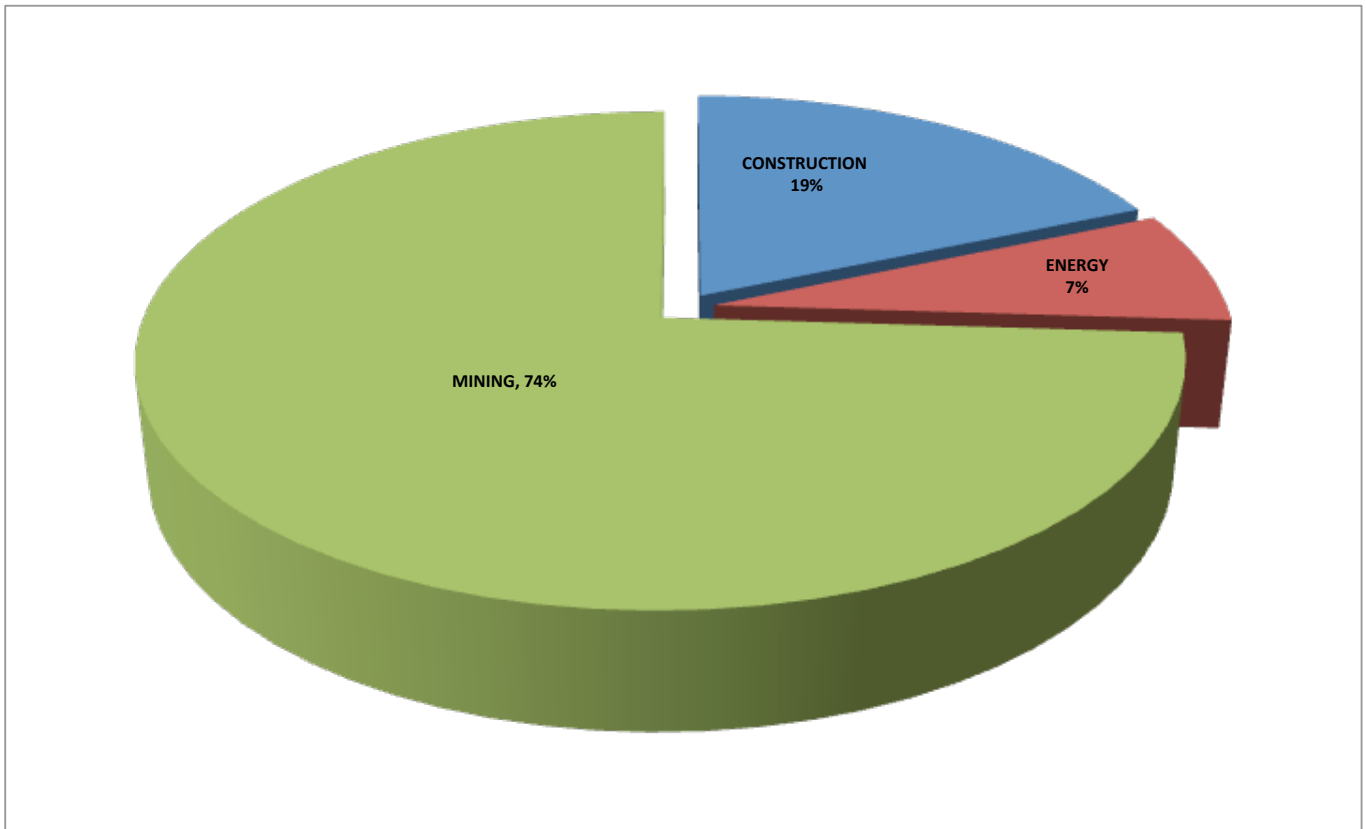
### 1.22.6 Regional Analysis

PWV is the biggest region in terms of membership numbers followed closely by Rustenburg. The region with the least amount of membership is the Eastern Cape.



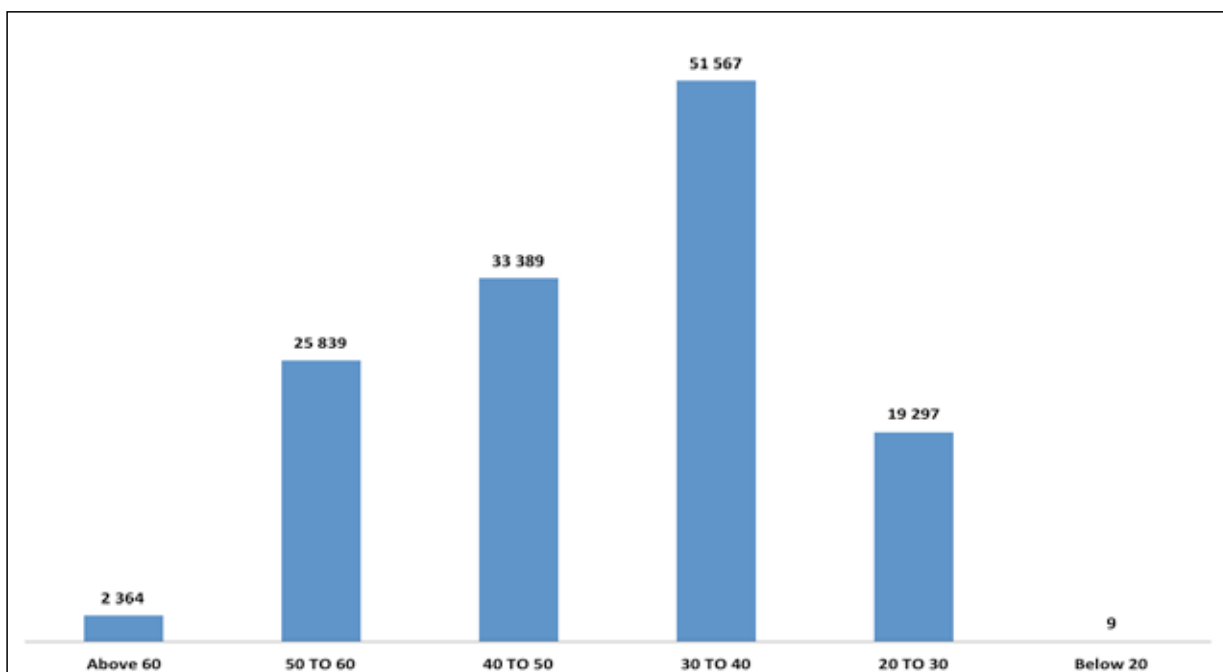


### 1.22.7 Membership Per Sector

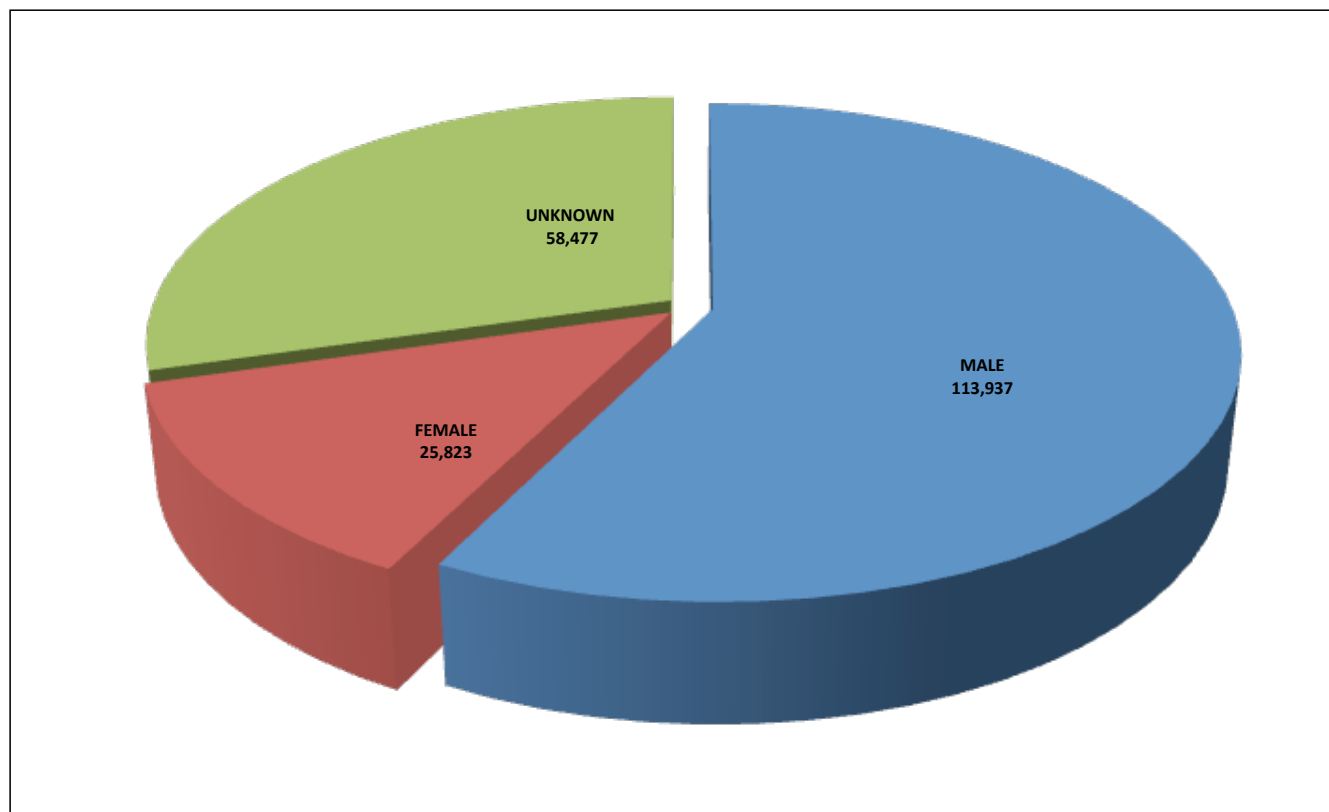


- In terms of the sectors that NUM is organising in the majority of the members are represented in the mining sector at 74%. This is followed by the construction sector which represents 19% and lastly the energy sector at 7%.

### 1.22.8 Membership Age Profiling



### 1.22.9 Membership Gender Analysis



- We currently have a challenge in profiling membership to its entirety in terms of gender. Due to lack of critical information missing there is a lot of membership that is classified in the category of unknown.

### 1.22.10 Membership Recruitment

REGION	ACTUAL MEMBERSHIP 1st JAN 2015	RECRUITMENT	TARGET BY END 2015	ACTUAL MEMBERSHIP 31st DEC 2015	VARIANCE	% INCREASE/ (DECREASE)
TARGET	TARGET	7,000	15,451	8,205	-7,246	-47%
BY END 2015		ACTUAL MEMBERSHIP	13,707	4,942	-8,765	-64%
31st DEC 2015	VARIANCE	% INCREASE/	27,423	20,927	-6,496	-24%
(DECREASE)	26,690	6,000	32,690	27,570	-5,120	-16%
KIMBERLEY	11,672	4,000	15,672	11,353	-4,319	-28%
KZN	10,055	3,000	13,055	9,011	-4,044	-31%
MATLOSANA	13,619	3,000	16,619	12,945	-3,674	-22%
NE TVL	30,135	5,000	35,135	27,495	-7,640	-22%
PWV	43,093	5,000	48,093	37,626	-10,467	-22%
RUSTENBURG	34,330	6,000	40,330	28,648	-11,682	-29%
WESTERN CAPE	9,723	3,000	12,723	9,517	-3,206	-25%
<b>TOTAL</b>	<b>215,879</b>	<b>55,000</b>	<b>270,879</b>	<b>198,237</b>	<b>-72,642</b>	<b>-27%</b>

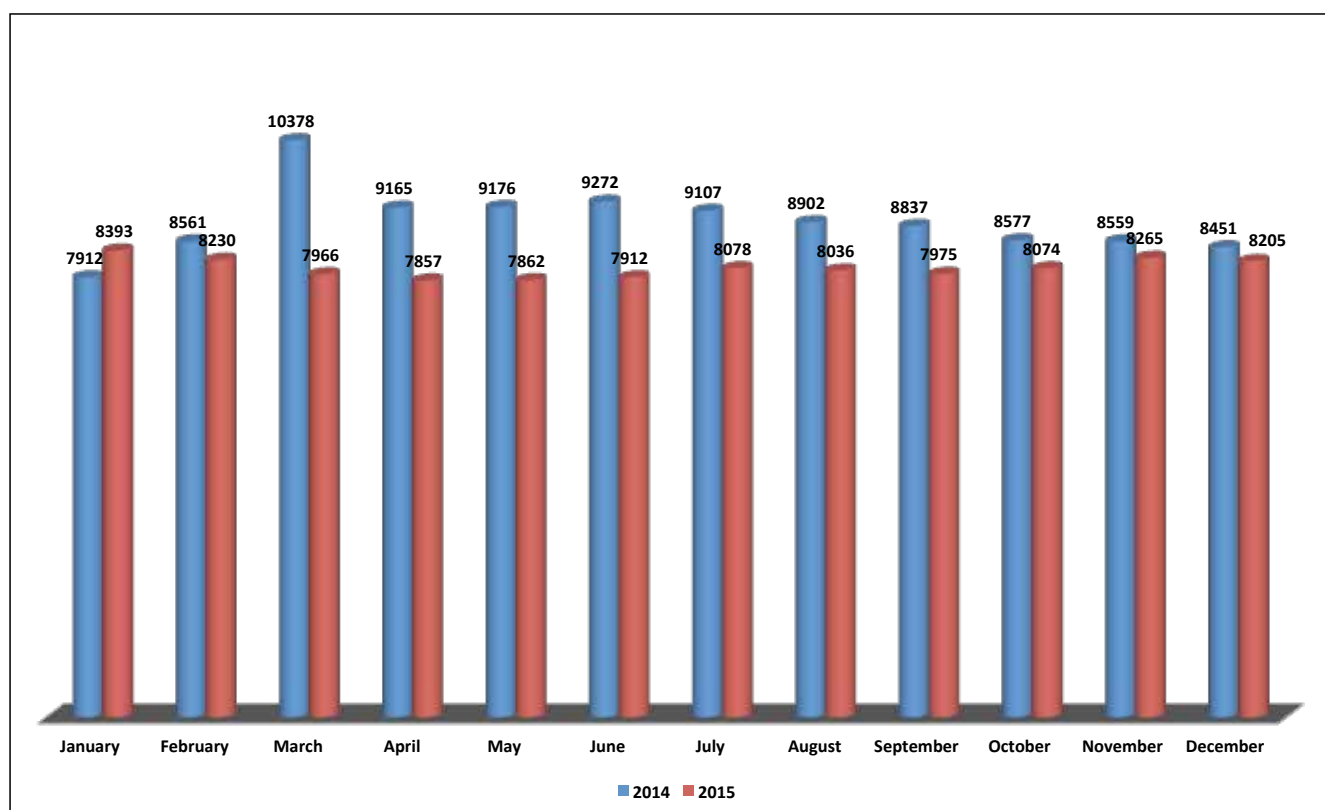


## Recruitment Analysis

The mining sector especially in the gold sector is regarded as a sunset industry as most mineral deposits have already been mined. The focus area for NUM within the mining space would be to retain members through quality service and to focus on recruitment in the sectors below.

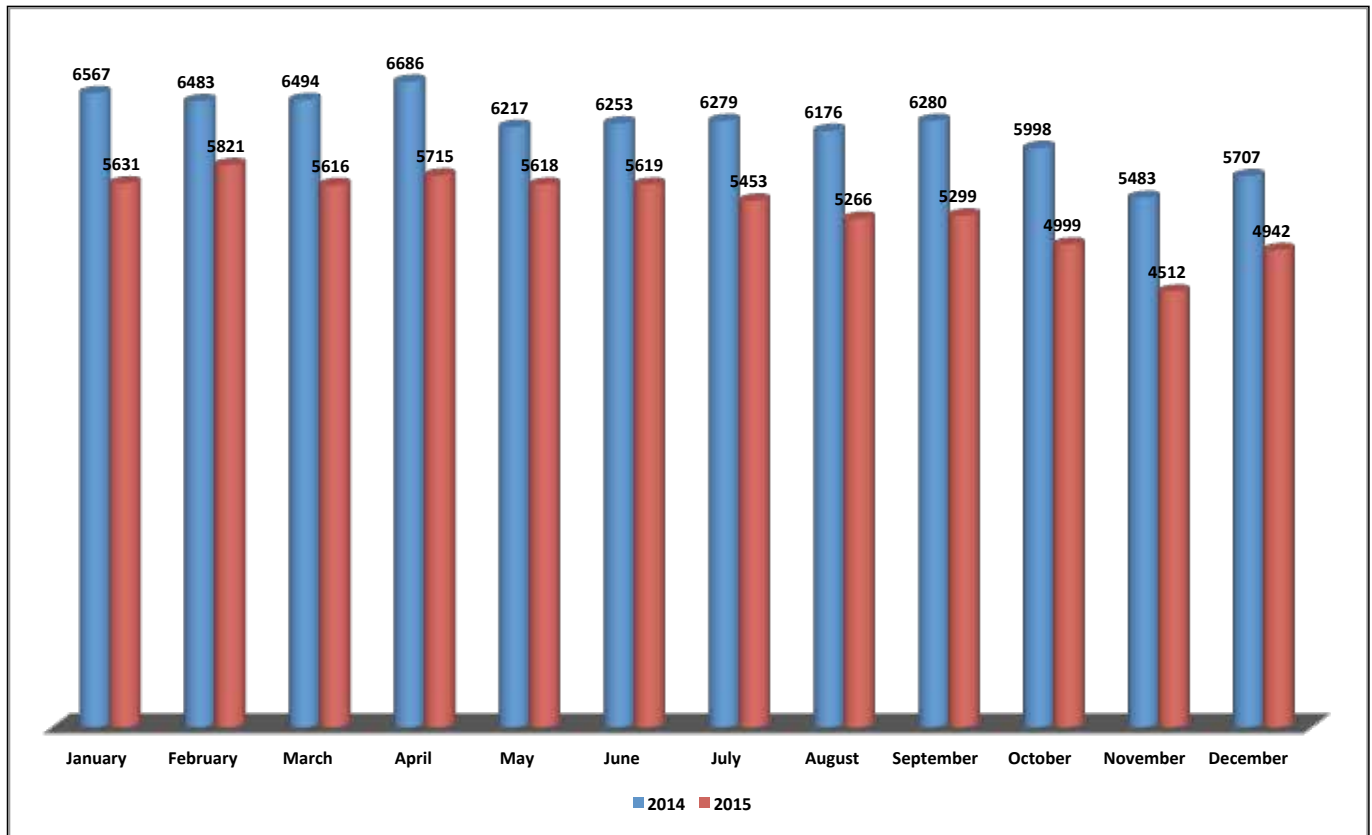
- Construction Sector
- Energy Sector

### 1.22.11 Carletonville

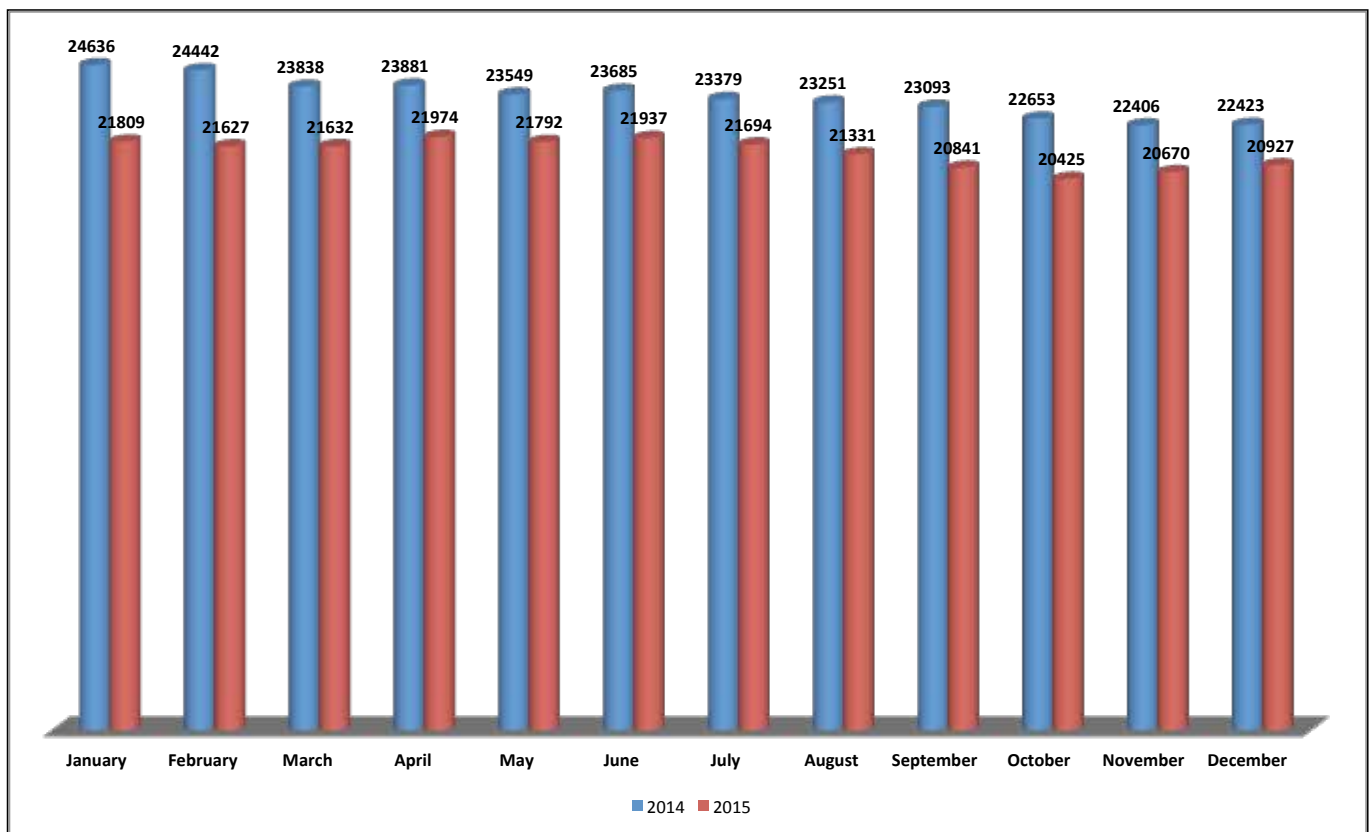




### 1.22.12 Eastern Cape

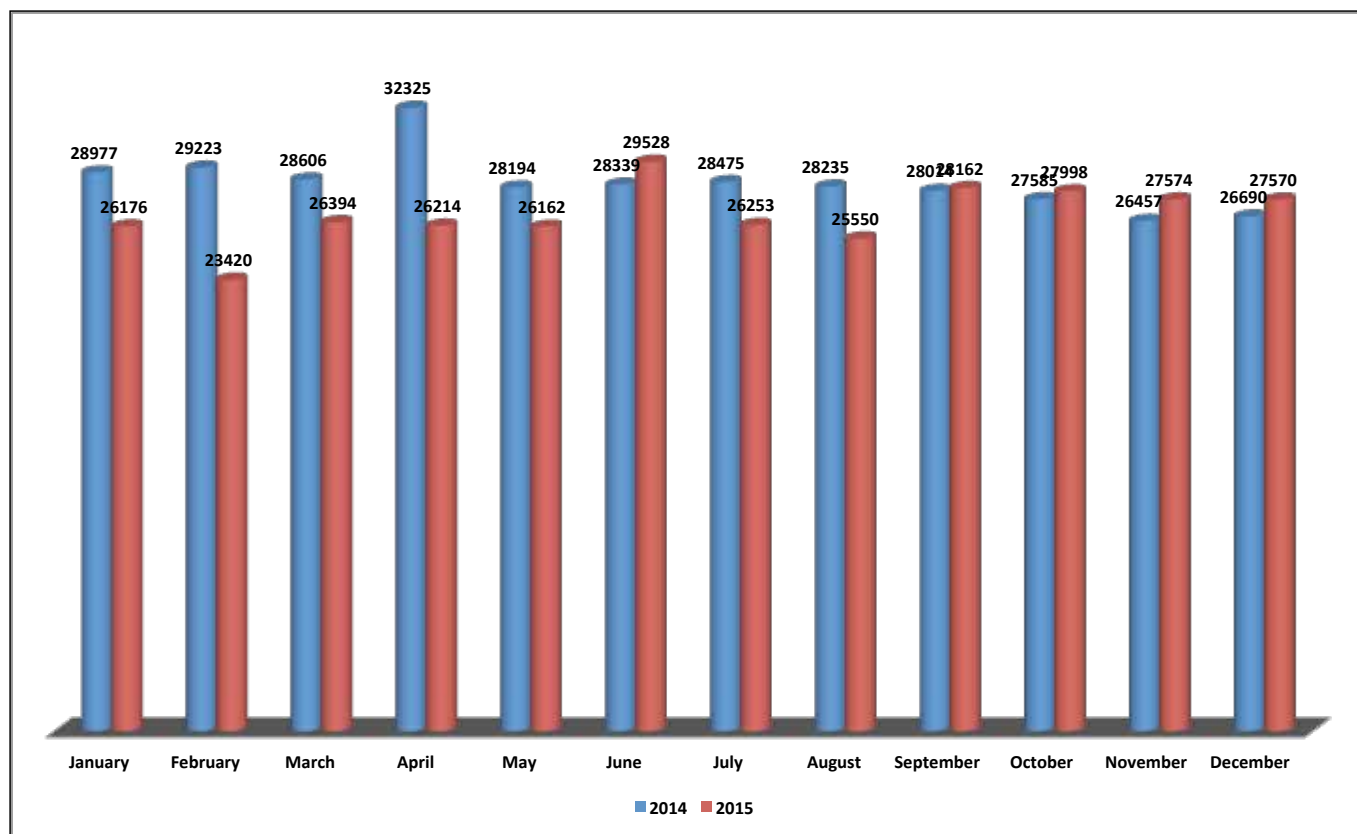


### 1.22.13 Free State

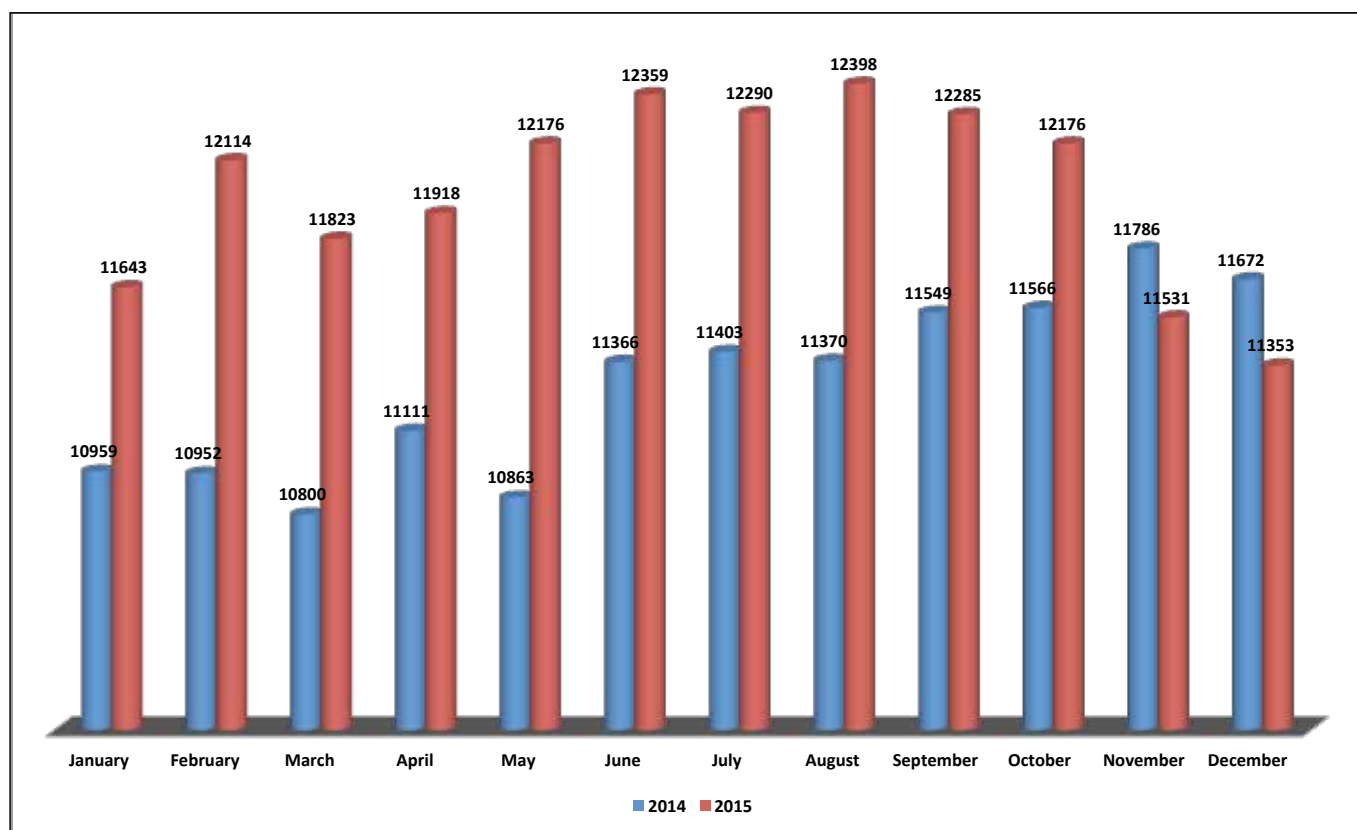




### 1.22.14 Highveld

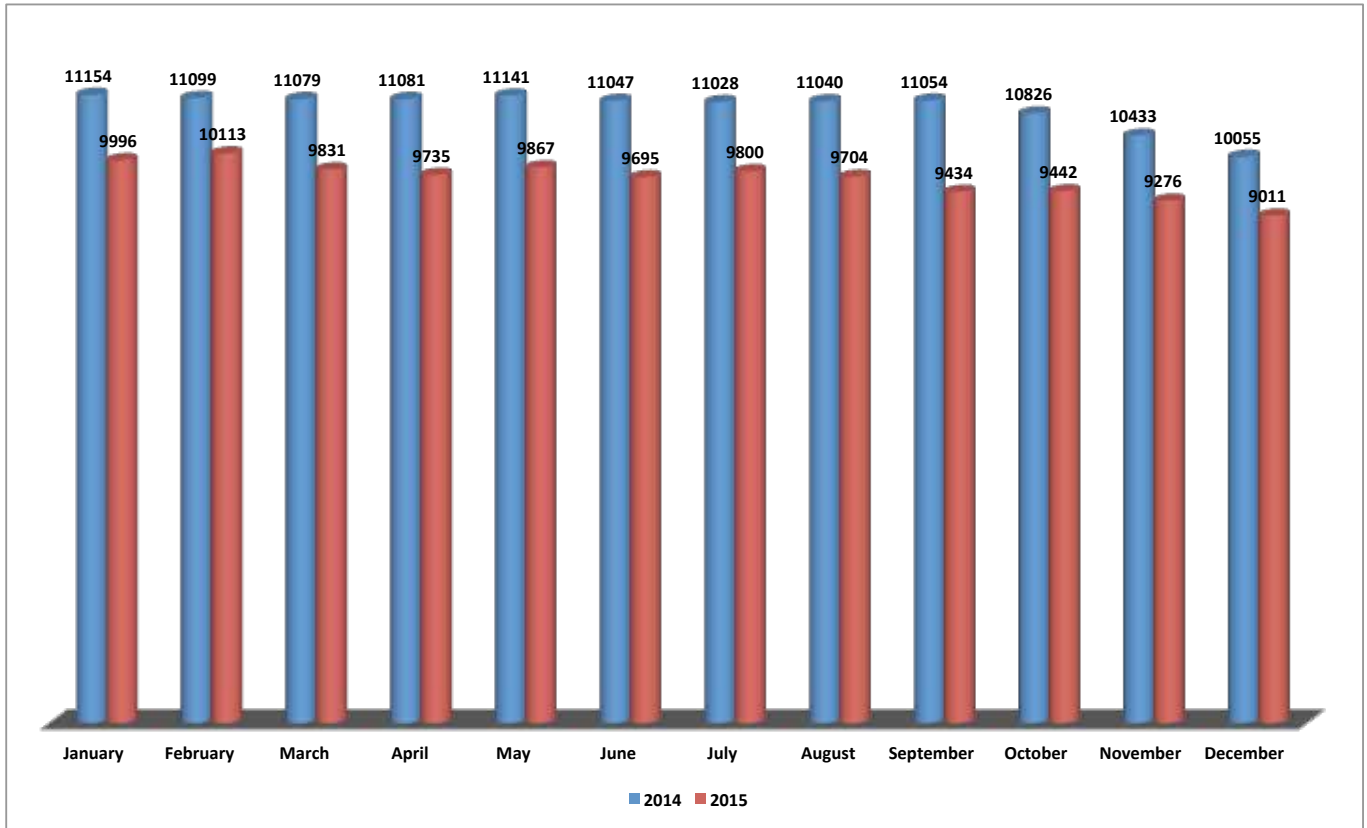


### 1.22.15 Kimberley

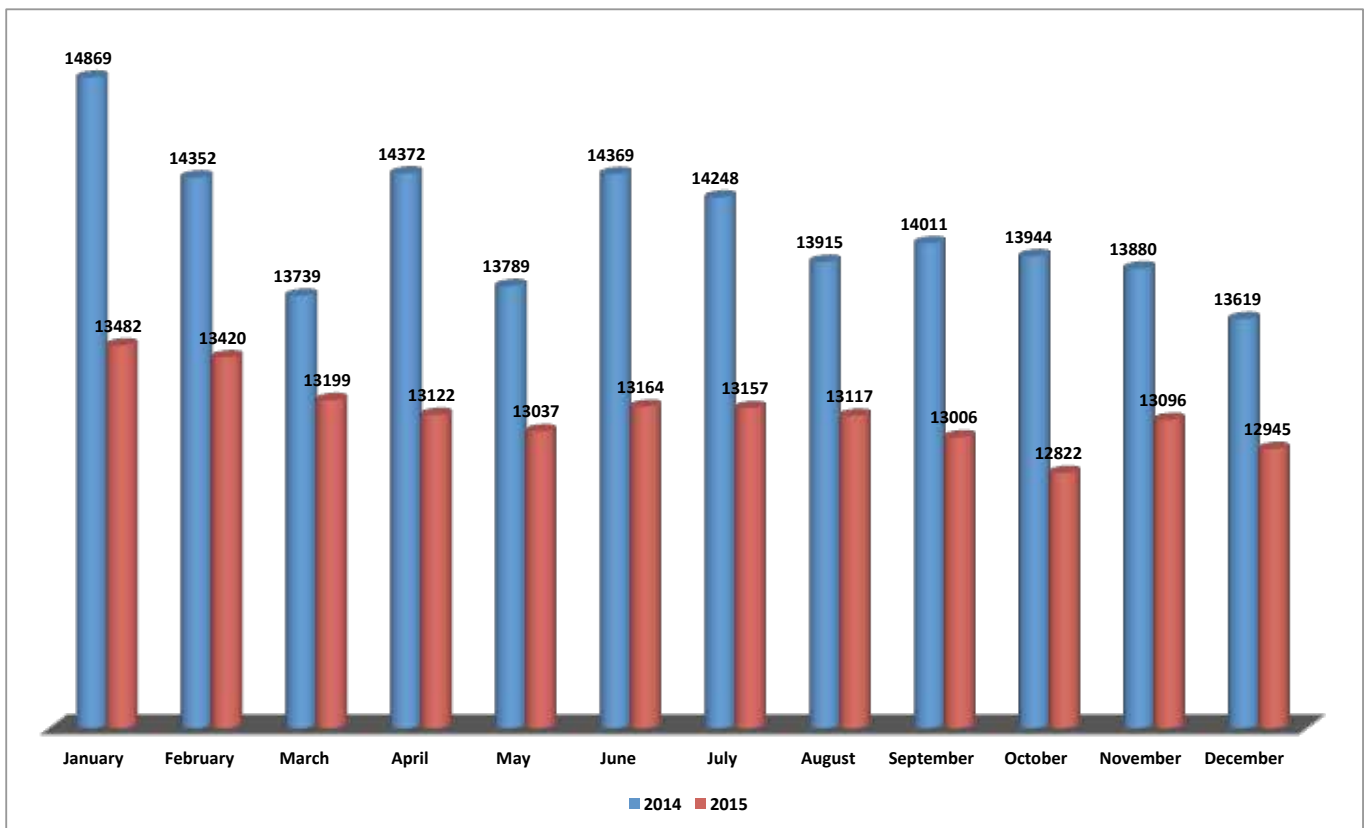




### 1.22.16 KwaZulu-Natal



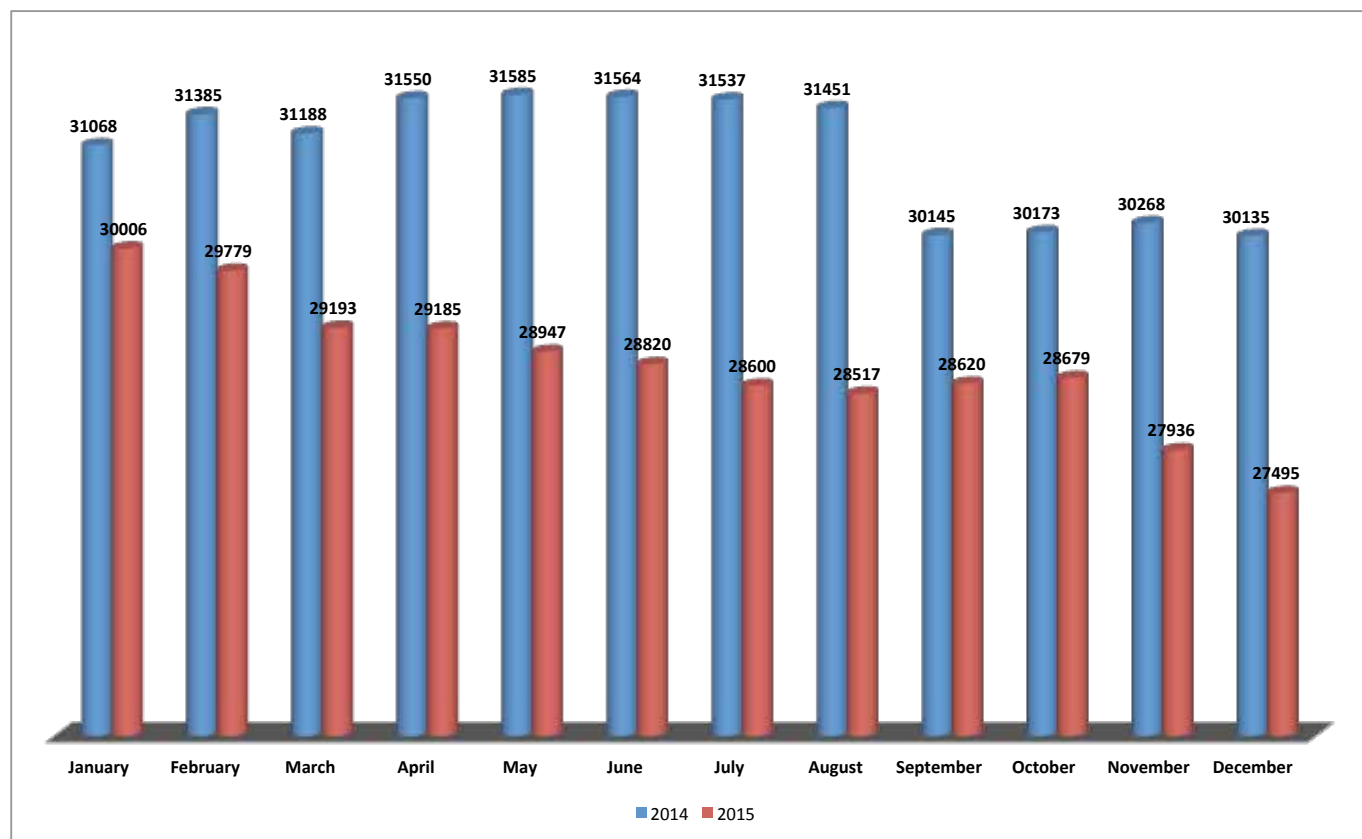
### 1.22.17 Matlosana



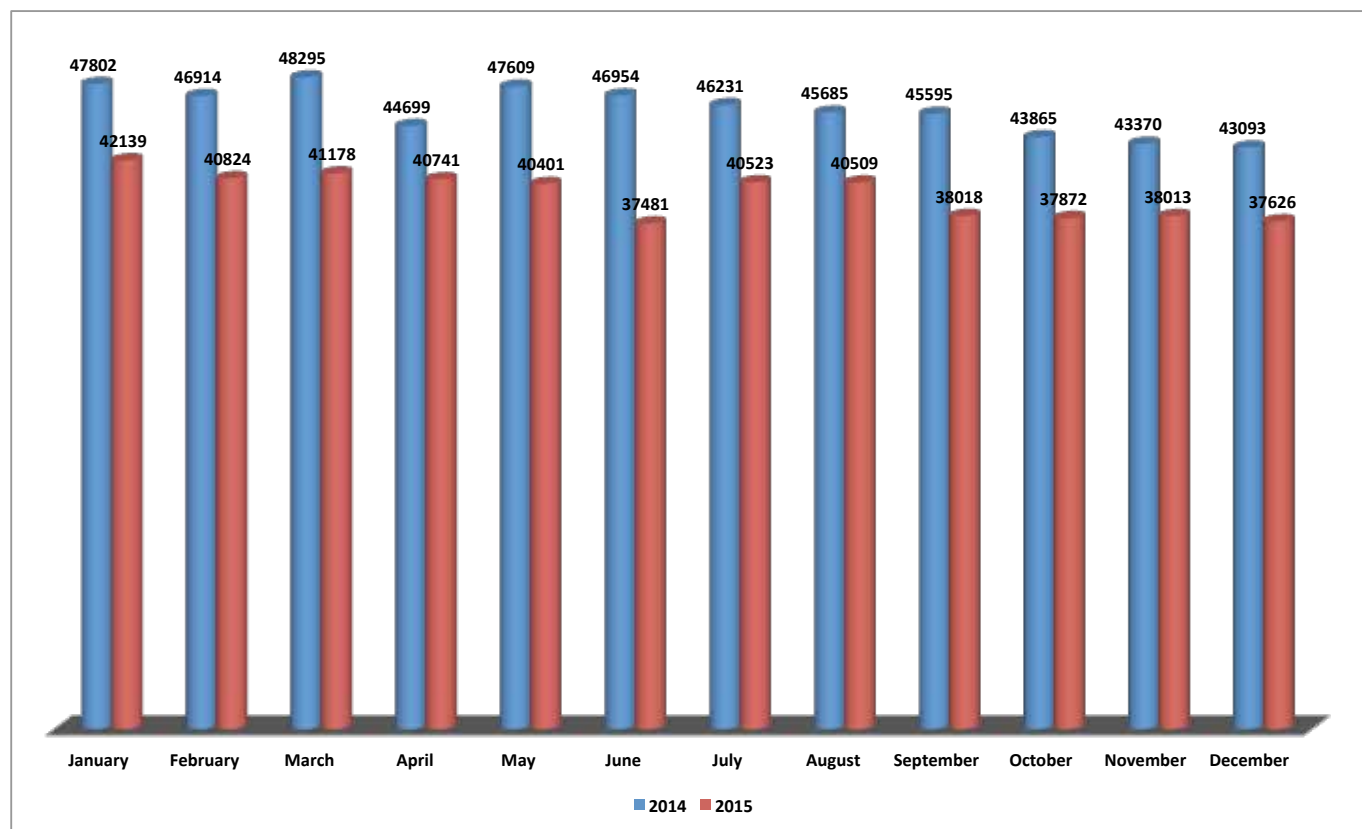




### 1.22.18 North East

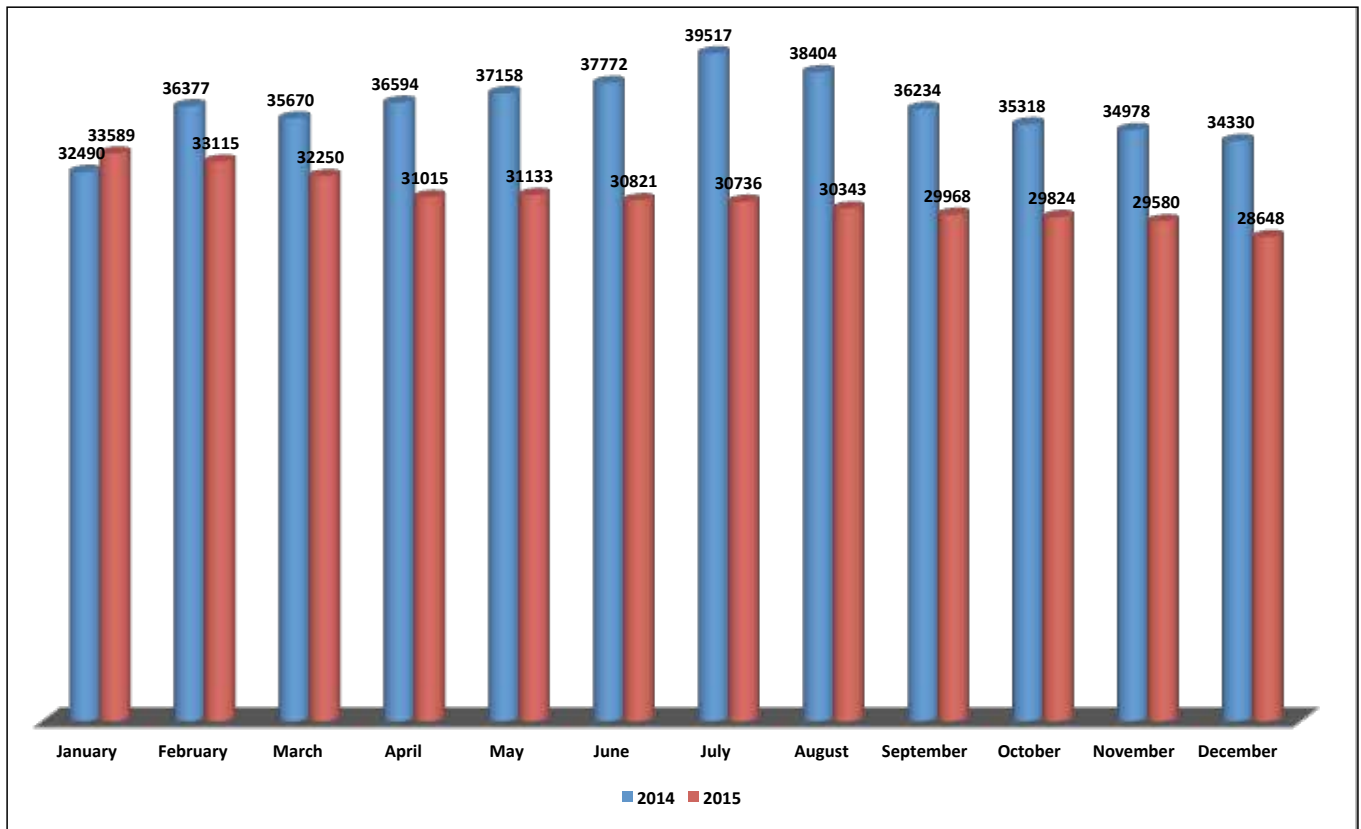


### 1.22.19 PWV

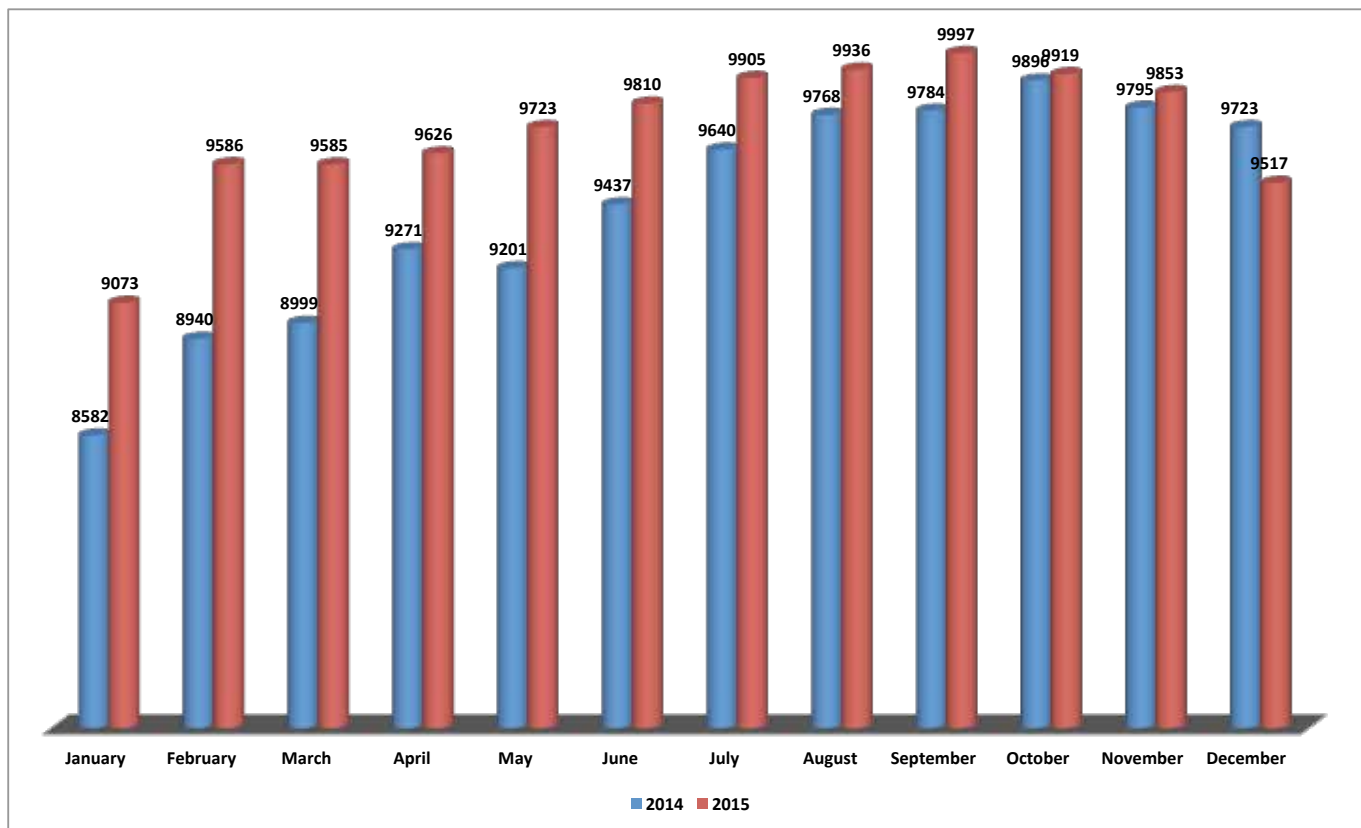




### 1.22.20 Rustenburg

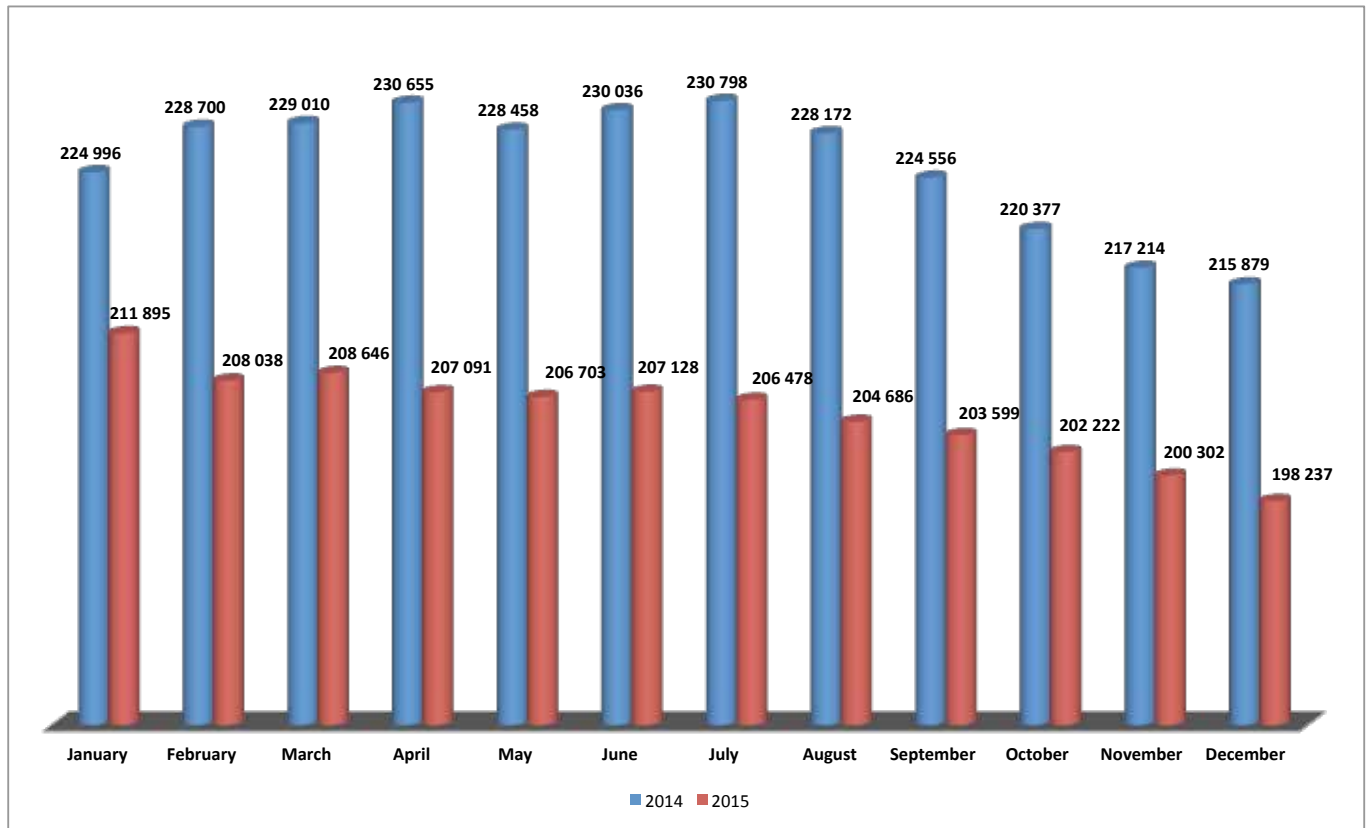


### 1.22.21 Western Cape





### 1.22.22 National Membership



### 1.22.23 What has the union done to resolve these challenges?



We are moving from the premise that the union has been invaded and the situation is no longer the same. Those challenges require collective commitment from all union leaders, to develop and implement strategic interventions, policy development and code of conduct to manage the union. We need to review our ten year plan, implement adopted resolutions, embark on capacity building and develop recruitment campaigns, measure performance of each region and encourage good quality leadership within the union. We also need to continue identifying struggling branches and shafts that require assistance from our regions and head office.

National, Regional and Branch priorities must be identified and implemented with clear goals or outcomes. The union must employ dedicated and committed comrades with passion to serve the union at various regions. Financially we need to tighten our belts and reduce our expenditures with 40 – 50% per annum. The focus must be to reduce the current deficit with great margins and this is done in the name of saving the union. The NOB`s and the Regional Office bearers must lead by example. We need to align our financial resources with quality service delivery to our members. There must total change of behavior and attitude at all levels of our organization when it comes to service delivery and financial management.



## 1.23 Review of NUM operational structure to deliver the union's Strategic Plan

The 2015 – 2020 Strategic Plan Document is vital to the success of the union in general. The document is currently being reviewed to align it with the current environmental atmosphere in the sectors where we are organizing. The final document will be distributed shortly after this Central Committee meeting. The union approach is that we must reinstate our initial approach whereby the union will have a lean strong head office and self-contained regions. Our resources must be channeled to where there is potential growth for membership.

## 1.24 NEC performance

The National Executive Committee runs and manages the affairs of the union as determined by the National Congress and Central Committee and carries day to day running of the union focusing on the administration of the union. In doing its business, this committee also deploys union members to various structural and governance bodies on behalf of the union to advance the working class struggle and agenda. The NEC has also retained its sub-committees that are mandated to deal with various aspects of organizational work.

Where these committees fail to function properly the union becomes handicapped. It is a challenge to the union and the NEC in particular. Many of them have been dysfunctional throughout 2015 due to failure by their members to attend meetings. We therefore request those members to sincerely cooperate with the organization by adding value to the union and to execute the duties allocated to them by the union.

*The skills and knowledge they possess are paramount and imperative to the union. These sub-committees are as follows:*

- Audit committee : only 2 members were dedicated to their work out of 5
- HR sub- committee : only 1 dedicated member
- Political commission : non-functional
- Finance : presented itself well
- Organizational Building : non-functional
- ET : presented itself well

## 1.25 BRIEF OVERVIEW OF THE REGIONS

### 1.25.1 Carletonville

The region is one of those that were badly battered by the emergence of the "yellow" union in 2012/2013. We have not yet recovered from that although we have recouped some of the members we had lost. The situation is exacerbated by the apparent collusion between Harmony and the "yellow" union at Kusasaletu. Attempts are being made to embark on a NUM visibility campaign in order to lure back the membership. A call was extended to all regions that have Harmony operations and those nearby to support a march that was intended to take place at Kusasaletu but could not take place due to the employer refusing to grant permission. This is one of the regions that need the collective focus of the National Executive Committee. It has also not been spared the recall of leadership by Sibanye. Membership has slightly improved. NEC attendance is commendable.



### **1.25.2 Eastern Cape**

The region had multiple tragedies of losing the Regional Secretary who passed on after a long illness, the Regional Treasurer through a car accident, and the Women Structure Treasurer after illness. Organisationally, this loss has not been conspicuous as the region is coping. The region has managed to co-opt an acting Regional Secretary. We have also been attacked by the “yellow” union here where our own stewards become the agents of the enemy. There have also been some member complaints on poor service from the operational arm. Membership in the region is continuously declining. NEC attendance is questionable.

### **1.25.3 Free State**

The region seems to be under attack by Harmony. In one of the branches the entire leadership was suspended due to the branch having observed a day of mourning for a deceased fellow worker. In another, the leadership was suspended for submitting a memorandum of grievances to the employer where the employer refused to receive the memorandum at the appropriate time i.e. before the shift went down in the morning. At Masimong members had to take law into their hands when the employer refused to remove a manager who openly connived with the “yellow” union against the NUM. Our majority status at Beatrix is borderline and needs us to act without further delay to address the situation or we will lose our majority status. Membership in the region is continuously declining. The filling of the position of the Regional Secretary has not been finalized. NEC attendance is questionable. Here we are also victims of the Sibanye recalls.

### **1.25.4 Highveld**

Highveld has also experienced membership decline but mainly due to retrenchments. The low price of coal has affected many operations in the region. Currently, there is a possibility of closure of one or two mines depending on whether a buyer is found or not. However, Highveld remains the fourth biggest region, this is the only region that has shown growth in the past twelve months moving membership from 26 690 to 27 570 from December 2014 to December 2015. There is organizational stability in the region. NEC attendance is commendable.

### **1.25.5 Kimberley**

Kimberley also has not avoided the retrenchment tsunami. As can be seen in this Secretariat Report the region has lost a sizeable amount of membership through retrenchment and we are continuing losing members. However, the comparison in the report may not be showing the real impact of retrenchment. We also have organizational stability in this region. NEC attendance is commendable.

### **1.25.6 KZN**

We nearly experience “udlame” in this region when one of our organisers was attacked while visiting a branch. Although the comrade was badly injured, he survived the ordeal. The region co-opted comrade Innocent Cele as the Regional Secretary after the resignation of comrade Bongani Manyoni who later passed on (may his soul rest in peace). Organisationally the region is stable although it has not been spared membership losses to our rivals.

### **1.25.7 Matlosana**

Within NUM this region is historically known as the vanguard region. It is one of the founding regions of NUM and used to command a huge membership base. Due to the shrinking mining operations in the area, Matlosana is a pale shadow of its past in terms of membership. Although mining has declined, we still hope that there is potential to increase membership from what it is. We can happily declare that Matlosana

has managed to repel the “yellow” union as there is not a single branch of the NUM there that is under threat. The region was very supportive of the organizational event that was held in Carletonville. Unlike many of our regions, who tend to forget about their dead or want to be reminded by somebody, Matlosana is always on the forefront in the commemoration of the Vaal Reefs disaster. The issue of the co-optation of the acting Regional Secretary has not been addressed to the satisfaction of all in the region. This is why organizational stability cannot be declared. NEC attendance is unsatisfactory.

### 1.25.8 North East



The region had some incidents which gnawed away the possibility of them being declared a stable region organizationally. We had the Modikwa incident where we had to re-run a branch conference. The problem was dealt with amicably after a long period. Recently we had the Barberton case which was still an issue at the time of writing the report. The National Executive Committee is

attending to the problem and we hope that it will be dealt with without fear or favour in the interest of uniting our members in that branch and in the region. We urge the Regional leadership to put aside personal differences, unite and focus their energies on improving the NUM in the region. NEC attendance is unsatisfactory.

### 1.25.9 PWV



This is numerically our biggest region. It has the potential to grow beyond the current levels as it is situated in the economic hub of South Africa. Instead of growing the region has substantially dropped in membership. This growth may be realized although the region has not been spared the invasion by the “yellow” union. We are mostly affected in the Sibanye operations. Organizationally, we are stable. Sibanye is upon us having recalled some of the regional leaders. NEC attendance is not satisfactory.

### 1.25.10 Rustenburg

Rustenburg has not recovered from the 2012 cyclone in terms of membership. This is where we suffered the most losses. The fact that we still have a union there is because of the strong character of the leadership at all levels of the organization in the region. The leadership has defied death threats from the vigilantes and have soldiered on. However, we urge the leadership to strengthen their resolve for the survival of the NUM by focusing on the task at hand. We must not allow ourselves to be destructed by petty issues. Working together we can take Rustenburg to where they belong – the number 1 spot in terms of membership. Here, we need to thread carefully in attending to the concerns of members and branch leadership who were mostly and personally affected by the vigilantism. Let us be empathetic when dealing with them.





### 1.25.11 Western Cape



The region experienced the loss of both NEC members through resignation. As we do not conduct exit interviews for elected leaders, it is difficult for us to tell what the cause was and it is not wise to speculate. Also, the Deputy Regional Secretary left the union for greener pastures. The resignation of the two NEC members did not impact negatively on the stability of the organisation as the region managed to co-opt

comrade Mkhululi Pakade as Regional Chairperson and comrade Lefa Phatsoane as acting Regional Secretary just in time. The resignation of one organiser raised some prospects of weaknesses within the organization.

## 1.26 PROFILING NUM

*Alvin Tottler said, "You have to think about big things while you are doing small things, so that all the small things go in the right direction". The National Union of Mineworkers has survived many challenges and some of these challenges were the building blocks for enhancing militancy within the union. Our achievements did not come on clean plate but through hard working. There are number of achievements that our union requires to profile and showcase as a way of attracting and recruiting members such as:*

- **JB Marks Bursaries**

Bursaries that NUM is offering through JB Marks education Trust. This bursary scheme assists NUM members and their children throughout their study process. As things stands now, we need to conduct screening verifying the legibility of beneficiaries in the context of the rivalry and splinter unions.

- **MIT**

This entity is an Investment arm of NUM that supports the union social responsibility activities.

- **EBMTC**

NUM College that support development of union members through various capacity building programmes

- **MDA**

Supports the retrenched workers from the mining, energy and construction sectors

- **Collective Bargaining achievements,**

Significant collective agreements that NUM won over period of time with different employers/ companies in the three economic sectors (Mining, Energy and Construction)

- **Housing in the Mining Industry**

Formulation of the Mining and Construction Charters were. amongst others, influenced by NUM.

- **Capable leadership at all levels of the organization.**

Developed skilled and knowledgeable leaders with ability to engage at all levels.





- **Strong and Performing union structures**

Union structures have been established throughout the union which is a challenge to various companies and management. They are the machinery that keeps the union going at all times. There is strong loyal union membership base that we need to retain

- **Financial muscle,**

The union can still afford its responsibilities through the available resources.

- **Membership Growth**

There is still opportunity to grow our membership in the three economic sectors that is mining, construction and mining despite the existence of the rival unions given the number of non-unionized workers.

- **Affiliation and Alliance**

We are an affiliate to COSATU, COSATU is in alliance with ANC and SACP, so we are positioned to influence political direction and policy formulation in the government.

## 1.27 RECOMMENDATIONS

The Central Committee should debate on the following propositions with the purpose of growing the union.

- Ensure establishment of National Database capturing retrenchment figures which will be updated on monthly basis. Implementation of Social Plan is a must by companies that are retrenching workers and retrenchment must be made expensive to engage into by employers.
- Capacity building and proper guidance to newly elected leaders is a must within union on the following, that is
  - NUM Constitution and strategic documents
  - Organizational culture and character of the union to be displayed by all union members.
  - Political education
  - Code of conduct document to be adopted
  - Develop internal educational programme for union staff members on organizational awareness and why they are working for the working class movements like NUM.
- Prioritization of Transformation in the workplace.
- Relook at demarcation of regional borders like in Free State, KZN, Eastern Cape, Mpumalanga and Western Cape.
- The presence of Fulltime Office Bearers in the Union Offices must assist the growing of the union during these trying times than to do operational activities.
- Financial management and Control, by adhering to cost cutting measures reasonable margin.
- Furthermore to prioritize quality service to members, retention, UNITY in the union, and implementation of Union resolutions at all times.



- For Local Government election- to implement the congress resolution by crafting a concrete programme and approach to guide regions during this time taking into consideration the financial constraints of the union.
- Construction sector be considered to be growing point not neglecting the mining and energy sector.
- Finally we need to develop a strategy to outperform our competitors and change our behaviour and attitude towards our members in general.
- We need to develop a deployment strategy for those who happen not to be re-elected.

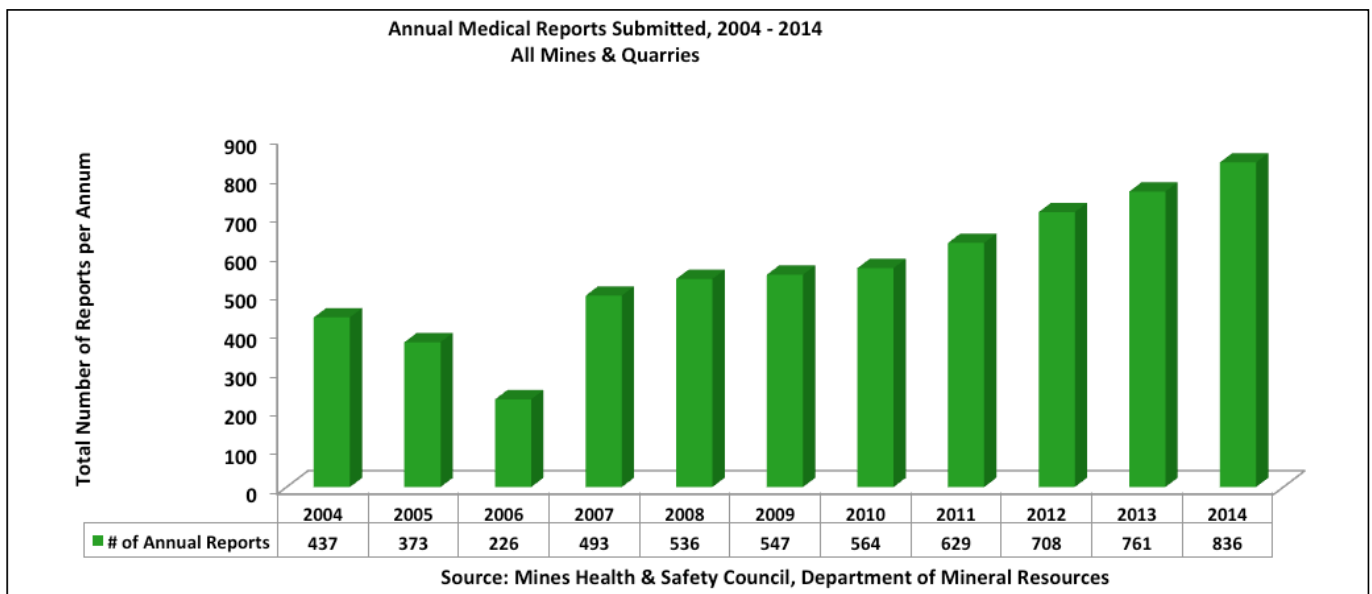
## 1.28 HEALTH AND SAFETY

### 1.28.1 Awareness

The National Union of Mineworkers has noted that the Health and Safety conditions are deteriorating in the sectors where we are organizing. Thus the union needs to rise up to the challenge and intensify health and safety awareness within its structures through discussions and education. The NEC resolved that in line with the 2015 National Congress theme mass education through meetings must be conducted about health and safety. We hope that our branches and regions have started with ensuring that Health and Safety is a standing item in the agenda of every mass meeting of the union.

### 1.28.2 MINING

Compliance with statutory reporting has improved, with mines timeously submitting their occupational hygiene statutory returns and Annual Medical Reports (AMRs). The overall number of occupational hygiene reports submitted for the reporting period 2014/15 increased as follows: airborne pollutants by 17%, noise by 15% and thermal stress by 26%. The number of Annual Medical Reports submitted also increased by 10%. Furthermore, the statutory reporting on HIV and TB increased significantly by 49% between 2013/14 and 2014/15 reporting periods. There seems to be an overall reduction of occupational diseases as reported, however as NUM we are not convinced as the culture of reporting correctly is still a challenge, especially on diseases.





Occupational diseases are reported in line with the Act on annual basis, and the figures for 2014 were confirmed in early 2015. There was an improvement of 3% on the number of occupational diseases reported, from six thousand eight hundred and ten (6810) in 2013 to six thousand five hundred and seventy seven (6577) in 2014.

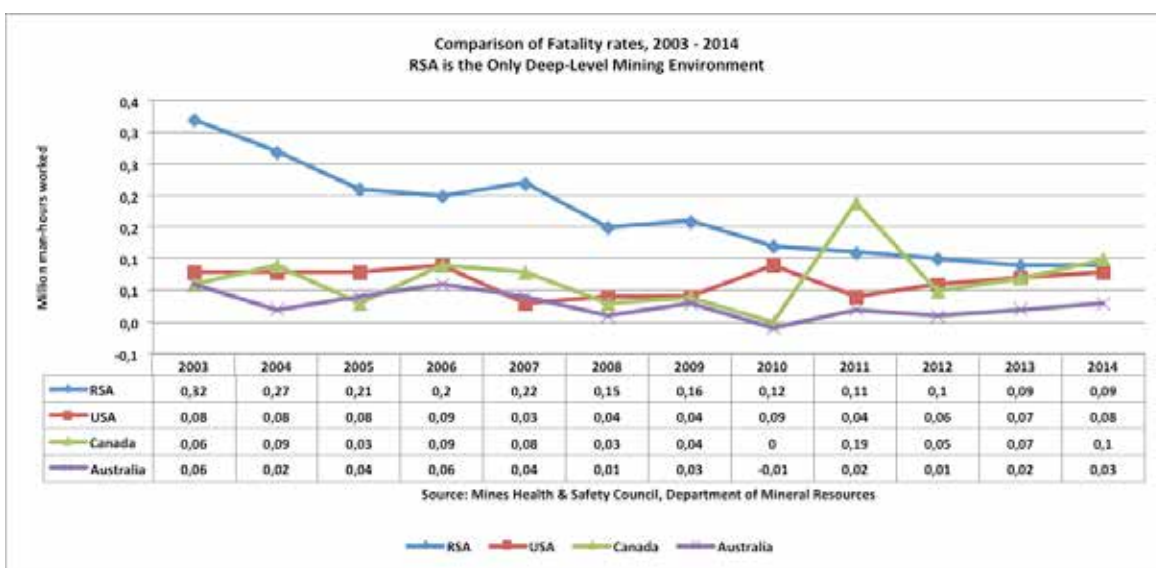
Nationally, the rate of silicosis cases decreased by 24%, pulmonary tuberculosis cases increased by 9%, silico-tuberculosis cases decreased by 27%, Noise Induced Hearing Loss increased by 5%. Pneumoconiosis cases decreased by 23%, Asbestosis increased by 50% whilst other diseases decreased by 6% bearing in mind the latency period. Other diseases include HIV/AIDS-related diseases, psychiatric conditions, cardiovascular diseases and orthopaedic problems.

### 1.28.3 Reduction of fatalities

An injury to one is an injury to all. Health and safety in the mining, construction and energy sector must be prioritised. We live once; therefore it is imperative to ensure that our lives are not for sale. It is noteworthy that 2015 saw the lowest ever fatalities recorded in the mining sector as reported by the Mines to the DMR but we can't afford to lose more lives whilst the capitalist are making profit through our lives. It is encouraging and an indication that our combined efforts as stakeholders are bearing fruit. However, we cannot rejoice just yet.

A total of 77 fatalities were reported in 2015, compared to 84 reported for 2014. This translates to an improvement of 8% year on year. The breakdown of the fatalities per commodity year on year is as follows:

- Gold mines reported 33 fatalities in 2015 versus a total 44 fatalities in 2014, an improvement of 25%.
- Platinum mines reported 22 fatalities in 2015 versus a total of 16 fatalities in 2014, a regression of 38%.
- Coal mines reported 5 fatalities in 2015 versus a total of 9 fatalities in 2014, a significant improvement of 44%.





Other mines reported 17 fatalities in 2015 versus a total of 15 fatalities in 2014, a regression of 13%. This category of mines includes diamonds, chrome, copper, iron ore, and all other mines not specified above. Furthermore, the South African mining sector is now comparing favourably, in terms of the fatality rates, when compared with other countries such as the United States and Canada. There are now more mining companies going for more than 12 months without fatalities. These include, De Beers, Exxaro, Sasol, Northam Platinum, Pilanesberg Platinum, South 32, Aquarius Platinum South Africa, Total Coal South Africa, Kuyasa Mining, Coal of Africa, Eskom Ingula Pumped Storage, Foskor, Lafarge, AfriSam, Petra Diamonds and Trans Hex Mining. The Lilly mine incident cannot not go unnoticed. This mine is organised by our rival union and management undermines the presence of NUM. We want to categorically state that workers lives are not for sale and health and safety issues in that mine will be challenged accordingly.

#### 1.28.4 Injuries reported by mines

A total of three thousand one hundred and sixteen (3 116) injuries were reported in 2015 compared two thousand seven hundred (2700) in 2014. This translates to a regression of 15% year on year. The breakdown of the injuries per commodity year on year is as follows:

- Gold mines reported one thousand two hundred and twenty eight (1228) injuries in 2015 versus a total one thousand two hundred and forty three (1243) injuries in 2014, an improvement of 1%.
- Platinum mines reported one thousand three hundred and thirty one (1331) injuries in 2015 versus a total of seven hundred and ninety six (796) injuries in 2014, a regression of 67%.
- Coal mines reported two hundred and seven (207) injuries in 2015 versus a total of two hundred and sixty seven (267) injuries in 2014, an improvement of 22%.
- Other mines reported three hundred and fifty (350) injuries in 2015 versus a total of three hundred and ninety four (394) injuries in 2014, an improvement of 11%.

Comrades the abovementioned stats is an indication that there is still more work to be done by our union. It is not acceptable where NUM is organising to have such high injury stats. This translate that our health and safety committees must work tirelessly when it comes to health and safety in our country more especially in the mining industry as reported. We must identify regions and branches where there is no respect for health and safety rules and develop and implement health and safety campaign programme.





### 1.28.5 Measures contributing to improvements

A number of initiatives have been embarked upon to further enhance health and safety in the mining industry. These include:

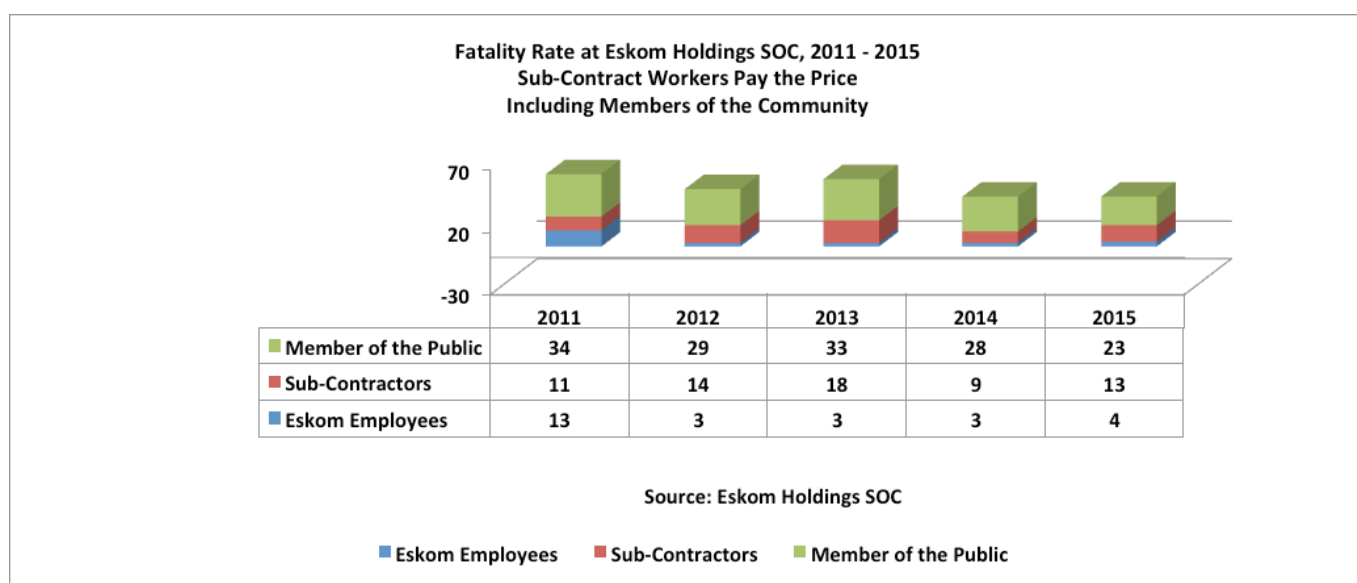
- Stakeholder Collaboration;
- Implementation of the 2014 Mine Health and Safety Tripartite Summit Commitments;
- Prioritization of Health and Safety for Women in Mining;
- monitoring compliance and enforcing legal provisions;
- Enhancing Skills Development; and
- Enhancing Capacity to Monitor Compliance.

### 1.28.6 ENERGY AND WATER

#### 1.28.6.1 ESKOM

A number of Eskom fatalities are our own members/Eskom workers, sub-contractor workers and members of the public who in the main get electrocuted while they are trying to access electricity which they cannot afford to pay. Secondly, contract workers are poorly trained in health and safety and issued poor safety gear if ever and should they be injured or suffer occupational disease, their employer – the sub-contractor – either sends them home without reporting their injuries or are compelled to do “light duties.” These sub-contract workers do the same jobs that Eskom workers do and who are safely protected.

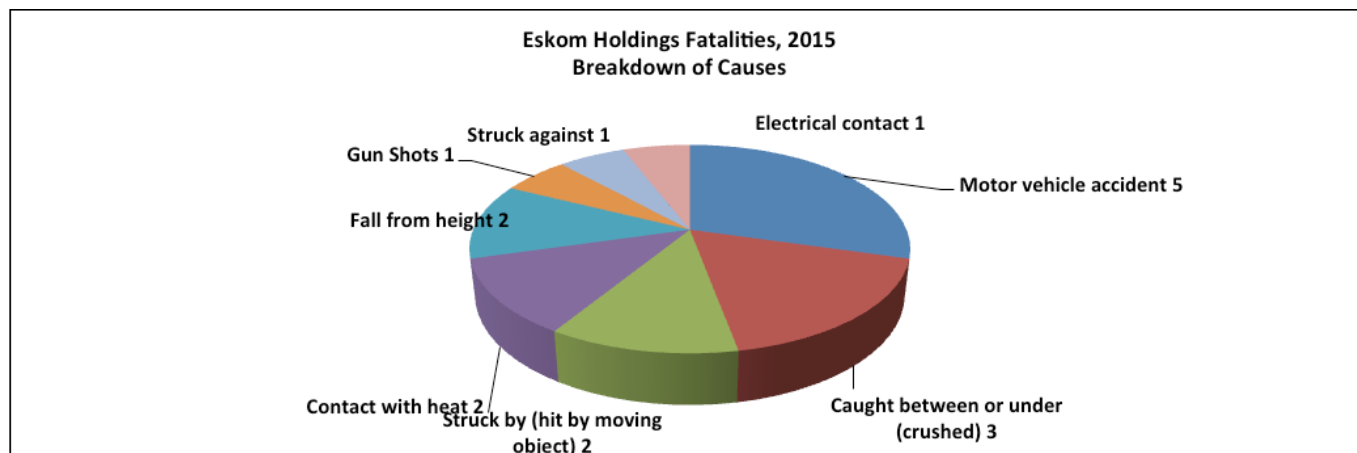
Subcontracting does not only save Eskom from the rigours of labour relations but enriches the politically connected who scavenge on the corpses of poor working people. Eskom experienced the following deaths during the following periods:







The causes of fatalities at Eskom Holdings for the period under review can be broken down as follows:



### 1.28.6.2 Occupational diseases

Generation of electricity is the main cause of workers contracting occupational injuries and diseases as indicated by these figures.

Occupational Diseases at Eskom Holding SOC			
2014/15 (end Feb. 2015)		2015/16 (End Feb. 2016)	
Generation	17	Generation	11
Distribution	5	Distribution	1
Eskom Rotek Industries	4	Eskom Rotek Industries	1
Transmission	2	Transmission	1
Technology (Engineering)	1	Group Capital	1
Commercial	1		
<b>TOTAL</b>	<b>30</b>		<b>15</b>

Source: Financial reports, Eskom Holdings SOC



### **1.28.6.3 Development on Health and Safety agreements**

The implementation of the signed health and safety agreement has been a bad experience for the appointed full time health and safety representatives (FTHSR). Eskom has been delaying with addressing the concerns of the FTHSR. The management also refuses to consider the review of the agreement as they cite it is not the mandate of the Central Bargaining Forum (CBF). We continue to engage management despite the frustrations caused by them.

### **1.28.7 CONSTRUCTION INDUSTRY**

Construction Industry is dominated by small scale companies, these companies don't comply with relevant legislations and they don't adequately report accidents to relevant authorities and institutions. They employ mostly the foreign workers for lower salaries without benefits, poor working conditions without sometimes proper health and safety equipment's. Safety is totally compromised in the small medium companies and that is done to maximize profits. Statistics emanating from workplace investigations concluded by the Department of Labour have revealed that the industry has a less than 50 percent rate of compliance to health and safety.

This was also evident on the eve of the new dispensation coming into effect for the registration of Construction Health and Safety professionals and the implementation of the construction work permit in terms of Construction Regulation 2014. The Construction Work Permit of the Construction Regulation 2014 came into effect on 7 August 2015, and will require registration of Health and Safety professionals in the construction industry in order to address the challenge of incompetency in the construction health and safety industry. The Construction Industry has been beset with incidents of fatalities for the past 15 years some of whom were never recorded to neither the Department of Labour nor the South African Police Services (SAPS) hence the level of incidents repeating themselves over and over again.

The Construction sector is surpassed by the iron and steel sector in terms of large volumes of claims lodged with the Compensation Fund, a workers injury and diseases claim fund. The question then arises: Why is the construction industry failing to reverse the high levels of fatalities? Some of the recent incidents that have put a black mark on the construction industry include the collapse of the Tongaat Mall that left two dead and 29 workers injured and the collapse of a house in Meyersdale that led to the death of seven workers, hospitalization of seven and survival of eight workers





## Accidents and fatalities in the Construction industry, 2015

ALL REGIONS CAUSES	% of Accidents	No. of Accidents	Fatal	Permanent Disabilities not resulting in Pensions	Permanent Disabilities resulting in Pensions	Lost Days	Average cost per Accident
<b>2015</b>							
Accident type N.E.C. (Unclassified)	3.45	266	5	11	0	336	22 359
AWAITING INFORMATION	0.03	2	1	0	0	5	216 530
Caught in, on or between	6.58	508	2	61	1	3 223	24 161
Contact with electric current	0.62	48	1	14	1	744	84 077
Contact with temp extremes	1.37	106	2	25	0	199	27 943
Fall on to different levels	11.80	911	10	86	8	8 180	49 959
Fall on to same level	4.05	313	0	28	1	2 153	22 084
Inhalation; Absorption and/or Ingestion	1.27	98	0	2	0	170	9 008
Motor vehicle accident	10.06	777	26	54	6	5 775	65 560
Slip or over-exertion	12.05	930	0	26	0	2 387	14 284
Striking against	13.00	1 004	0	72	0	2 169	10 501
Struck by	35.66	2 753	14	203	4	9 040	20 535
Unclassified and/or Not sufficient data	0.06	5	0	0	0	4	17 935
	100%	7 721	61	582	21	34 385	27 244
<b>2014</b>							
Accident Type N.E.C. (Unclassified)	2.67	228	3	19	2	708	15 601
Caught In; On or Between	6.92	592	2	54	2	6 622	27 085
Contact with Electric Current	0.47	40	1	8	0	538	35 021
Contact with Temp. Extremes	1.36	116	1	25	1	1 658	120 309
Fall on Different Levels	12.31	1 053	14	93	6	17 485	44 007
Fall on Same Levels	3.80	325	0	14	0	2 097	12 315
Inhalation; Absorption and/or Ingestion	1.05	90	0	3	0	308	4 629
Motor Vehicle Accidents	10.36	886	31	55	8	11 03 8	52 922
Slip or Over-Exertion	11.42	977	1	32	0	6 253	12 551
Striking Against	10.25	877	0	43	0	2 944	7 860
Struck By	39.32	3 363	9	216	10	21 550	17 198
Unclassified and/or Not Sufficient Data	0.06	5	0	1	0	74	18 428
	100%	8 552	62	563	29	71 275	24 518

Fatal cases remain very high within the construction sector and are also difficult to monitor and this could be attributed to the lack of capacity on health and safety inspectorate within the Department of Labour.

While there were teething problems in the construction industry, they were, however not insurmountable. The challenge is to step up inspections and enforcements of the law and regulations. Partnerships between the State, Employers and Trade Unions are imperative to healthy and safe working environments. The unnecessary loss of life cannot be tolerated at all.

### 1.28.8 Representation in the South African Council for the Projects and Construction Management Professions (SACPCMP)

The Union is represented and partakes fully in this forum. The forum was established as a result of the Construction Regulations of 2013. One of the clauses of the regulation requires health and safety practitioners to be registered with this accredited body (in this case SACPCMP) before practicing in a construction site. The Union has participated in the development of the registration criteria and framework. One of the key inputs has been to develop a framework on Recognition of Prior Learning (RPL) to be used as a tool to assess competency levels of Construction workers to be able to meet these requirements. This is an avenue where our members in particular and construction workers with decades-long working experience and competencies would be able to occupy positions of authority within the Construction Industry.

The processing phase of applications is very worrying in that the majority of those who have applied have not secured funding and mostly are from the working class background and a sizeable number are workers currently in the industry. This is a clear indication that this professions have long been the preserve of one section of the inhabitants of this country is being opened up and would lead to the transformation of the workplace, employers are reluctant to fund their “workers” to ultimately occupy these positions of innovation and creativity with a view of changing the alien so-called **“Western architecture and civilization.”**

The question to all the democrats and socialists alike is: **What can be done to change this archaic mentality? Can we open our pockets to accomplish what our mouths are professing?**

### 1.28.9 National Health and Safety Committee (NAHSCO)



The structure is still functional despite some challenges that we encounter at times. We mourned the loss of comrade Richard Mafalo – North East Deputy Chair Health and Safety and comrade Edwin Kgaudi – Kimberley Deputy Chair Health and Safety. May their souls rest in peace.

The bigger challenge we encounter is commitment by the comrades to fulfill their mandate of participating in NAHSCO meetings. We reprimanded some of the regions late last year due to the concern of comrades not attending the meetings. There has been a tendency of certain regions to submit reports for the meeting but fail without any apologies whatsoever to turn up for the meeting.

### 1.28.10 Campaigns

Campaigns are always a corner stone of this organization. That is what makes members to feel part of their organization as they cannot be in board rooms. The history of NUM tells us that NUM grew very fast when it took health and safety campaigns. That is why health and safety was put in the centre of the organization. We make this statement to remind ourselves on the importance of health and safety in NUM, and now we also highlight environmental matters for our consideration and activism. The following are standard campaigns encouraged across the regions:

- Elimination of fatal accidents, e.g. raising awareness to our members on their rights and MHSC Summit action plans.
  - All 11 Regions of NUM were visited through the MHSC RTF roadshows, to raise awareness of fatal accidents, amongst other discussions.



- Mourning of work related accidents.
  - Matlosana held over three of these events, with the national participation in 2015.
  - Rustenburg held one event in 2016
- R75 000.00 benefits for education of children of workers killed in mine accidents. (Not achieved).
  - We have not seen much take up from the regions and branches on this demand. None has been reported thus far.
- Occupational diseases that is TB, silicosis and HIV/AIDS.
  - The NUM participated in two National activities of the department of health, i.e. in Ingula in 2015, and recently in 2016 at Liphlalale.
  - TB Commemoration in PWV
  - TB Commemoration in Carletonville
- Compensation and its Integration awareness campaign:
  - Commemoration in Welkom on TB /Compensation.
  - This work started in 2016 and is still work in progress.
- Fight against medical incapacity:
  - A guideline was signed off only in 2016, however we have been dealing with cases of incapacity at various operations, such as policy development; representations at CCMA, etc.
- PPE for women.
  - All regions were continually encouraged to drive the implementation of this work.
- Commemoration of disasters:
  - Matlosana – Vaal Reefs

### 1.28.11 Tripartite structures (Anglo American Corporation)

This tripartite structure is still active since it was established in 2008 and it focused on:

- Stake holder engagement.
- Aligned approach to standards
- Capacity development.
- Visible felt leadership.

The scope was later extended to look on:

- Health and wellness.
- Youth
- Women in mining.

The acting deputy chairperson and deputy secretary of youth are nominated by the youth forum to participate in youth development forum. We continue to have principals meetings in quarterly bases which involve the CEO of Anglo American with his team, General Secretaries and Presidents of the participating trade unions.

We continue to have joint site visits as part of visible felt leadership.

### **1.28.12 Nuclear energy**

As NUM we continue to say no to nuclear power. NUM must continue to participate at national and international platforms to build its knowledge and understanding of nuclear. In participating in these international platforms we must be able to come back and provide leadership to COSATU debates on nuclear. The fact that the government continues to pursue nuclear without regard for other voices does not mean that it is correct.

It may mean that government has resolved not to listen to us. We know what to do when government does not listen. We have a clear example of tax amendment issue and how we moved on the matter. We do not have to destroy property but a resolute campaign may be necessary. There are constitutional imperatives we must defend when we confront government on nuclear. We are not opposing government moves for the sake of opposing. We seek to defend the constitution Nelson Mandela fought for. So a proper structured dialogue within NUM needs to be entertained. Those who were already involved in this regard must be ready to coordinate this process so that we can profile our resolve publicly properly as we move beyond the Central Committee.

### **1.28.13 Mine Health and Safety Council**

The union continues to participate effectively in the Mine Health and Safety Council and its sub-committees. The aim and objectives of the council is to improve health and safety of the workers in the work place. Further on the aim is to advice the Minister on health and safety issues affecting mine workers.

### **1.28.14 Sub- committees of the Mine Health and Safety Council**

SIMRAC - This deals with research projects for the council.

MOHAC - This deals with occupational health issues.

MITHC - This deals with HIV/AIDS and TB issues

MRAC - This deals with regulations.

CTAC - This deals with the Culture Transformation framework

Each committee has five members from the Department of Mineral Resources, five from organized labour which is NUM; AUSA and Solidarity and five from Chamber of mines.

### **1.28.15 Progress report on implementation of the OHS-SAP initiatives**

In 2014, the MHSC hosted the OHS Summit where stakeholders approved the summit milestones targets and initiatives required for implementation to improve occupational health and safety (OHS) performance in the mining industry. The summit milestone initiatives were identified as critical to achieve ZERO HARM for the mining industry. The implementation of the OHS-SAP initiatives projects has been impacted on by the following issues:

- Challenges in securing and accessing study mines.
- Delays in decision making and approval of reports by the committees.
- Committees requesting for more work to be done post project start-up presentations.
- Request for more work to be done following a review by the technical expert; thus delaying approval of milestone reports.



- Delays in the finalization of the procurement of the projects due to non-availability of members for the bid committee meetings.
- Delays in finalization of procurement of the projects due to documents referred back to a previous procurement committee for review and / or for clarification.
- Delays in finalization of project contract documentation due to MHSC internal processes.
- Service providers having not signed the contracts due to their internal processes.

### **1.28.16 Regional Tripartite committees (RTCs)**

The MHSC is mandated to promote a culture of occupational health and safety (OHS) as well as fostering an effective tripartite partnership in the South African Mining Industry (SAMI). It is against this background that the MHSC identified OHS Regional Tripartite Forums (RTFs) as a vehicle which can assist the MHSC to deliver on its mandate. At the MHSC meeting that was held on the 28th of October 2015 members requested that a meeting be held between CTAC and all RTF chairpersons to reflect and take stock of the effectiveness of the collaborations between the MHSC and RTFs, understand operational issues and challenges at RTFs and formulate feasible recommendations to optimize operations at RTFs thus boosting OHS conditions in the SAMI.

### **1.28.17 Operational challenges of RTFs**

- Inadequate consultation of the RTFs by the MHSC and researchers during formulation of legislation and formulation / execution of research. This is hampering the successful implementation of research outcomes, OHS initiatives and legislation.
- Insufficient sharing of OHS information, best practices, experiences and lessons learnt at the RTF meetings and in the SAMI.
- Lack of financial resources is negatively impacting on the operations of RTFs in the following ways:
  - Poor attendance of RTF meetings by organized labour members and small scale mining operations.
  - Establishments of RTF sub-committees which are instrumental in championing specific OHS issues in various thrust areas (such as fall of ground, dust, women in mining, transport and machinery etc.) and making recommendations to the RTF.
  - Failure to engage OHS service providers to offer presentations (such as fatigue management and nutrition at workplaces) during RTF meetings.
  - Failure to provide OHS trainings to steering committee members, thus enhancing RTF leadership.
  - Failure by some mining operations to fill some legal appointment posts at the mining operations as required by the MHSa.
- Poor participation and attendance by the senior management (decision makers), occupational health, occupational hygiene, ventilation practitioners and mining contractors at the RTF meetings as a result of the following:
  - Shortage of skills and understaffed mining operations as a result of viability challenges being faced in the SAMI.
  - Non-availability of a standardized RTF agenda which calls for the participation and attendance of all professionals in the SAMI.



- Non – representative attendance by organized labour.
- Some RTFs are operating without a constitution, permanent chairperson, steering committee and secretariat, thus negatively impacting on the effectiveness of RTFs.
- Time constraints as some RTF meetings are scheduled on the on the same day with the Mine Managers Association meetings.
- Non-availability of a standardized RTF agenda and branding.

### **1.28.18 Legislative amendments: Mines Health and Safety & Occupational Health & Safety ACTS**

The union was involved in the review process of the Mine Health and Safety Act together with the Occupational Health & Safety Act after a submission was already handed over to the Department of Mineral Resources. A Bill was engaged on at various dates and levels. The Bill has been concluded and has been finalized by the task team. We are satisfied with the acceptance of our inputs into the bill to the Parliament. We will be working with the Parliamentary Offices of both the NUM and COSATU to finalize this work.

### **1.28.19 Integration of compensation systems**

The National Union of Mineworkers had taken a resolution that the two compensation systems for Occupational Injuries and Diseases Act (COIDA) and Occupational Diseases in Mines and Works Act (ODMWA) be integrated to form one compensation legislation. Further engagements with the relevant departments like DMR, DoH and DoL continued to take place in order to make them aware of the importance of the integration. Eventually the message seems to have hit home as there is now a will to transform the compensation landscape in order to better the socio economic implications of the current system.

A two day workshop led by the Deputy Minister of Mineral Resources and supported by the Deputy Ministers of Labour and Health was convened and brought together participants from the employer groups and trade unions in the mines and works sector, ex-mineworkers, development partners, technical support persons, officials from the Departments of Mineral Resources, Labour and Health and by special request a public interest law centre – Section 27.

Inputs were made by the Chamber of Mines, the NUM and other Trade Unions representatives. The Ex-mineworkers Association made a special plea for services to ex-mineworkers especially in the labour sending countries. All stakeholders emphasized their support for a unitary, integrated and comprehensive compensation system noting the current problems within the Compensation fund and MBOD/CCOD. The Compensation Commissioners (DOH and DOL) made inputs on their respective systems with the DOL Commissioner noting the past process of integration. The CEOs of Rand Mutual (RMA) and Federated Employers Mutual (FEMA) also made inputs on their respective organizations noting the close overlap with RMA and little overlap with FEMA and the MBOD/CCOD.

It is envisaged that the process of reviewing and restructuring the 2 compensation systems will result in an effective and efficient compensation system covering occupational diseases and injuries, prevention and rehabilitation. The processes are indeed taking shape in the integration of COIDA and ODMWA; the NUM should at all engagements make certain that we popularize this achievement. A compensation indaba conference will taking place on the suggested date of the 18th May 2016 and the main objective will be to make sure that every worker has an opportunity to participate in the drafting of the best possible compensation system in the Republic of South Africa.



### 1.28.20 Rovic Disaster Trust

The trust was established in November 1996 after a bridge collapsed and killed 18 workers. After almost 20 years of the trust's existence have now managed to trace certain beneficiaries. The trust was initially established with capital amount of R3.6 million and has now grown to almost R10 million. Some of the beneficiaries have grown out of the age limit as set-out in the terms of reference but then due to the delay in tracing them the NUM recommended that the Trust remove that age limiting clause. Currently if the Trust were to make payments to each family as a once-off payment, the beneficiaries would be paid just over R500 000 each.

### 1.28.21 One stop shop center (OSSC)

The one stop shop is a project aimed at bringing compensation services closer to the people who need it the most. The services were launched by the DMR Deputy Minister at the following hospitals:

- Nelson Mandela academic hospital – Mthatha
- Carletonville hospital – Carletonville

Statistics is difficult to get at the Mthatha center, there is high indication that the center might not be functioning properly. Below is the Carletonville 2015 statistics:

	April	May	June	Total Q1	July	August	September	Total Q2
Number of files opened	124	160	179	463	196	154	67	417
Number of files sent to MBOD	109	148	86	343	128	63	100	291
Outstanding files	15	12	93	120	68	91	0	126
Outstanding files from previous months	37	52	64	157	277	345	436	402
Remaining files	52	64	157	277	345	436	402	528

Some of the achievements for the Carletonville one stop center have been that:

- More clients are coming up to enquire about services and their previous claims
- Good working relationship with Stakeholders
- Picky bagging in outreach programmes within the district
- Tracking and tracing of the OSSC Claimants by the KU – RIHA Project
- Support by the MBOD health Inspectorate
- OSSC fully integrated to the hospital, with the CEO overseeing the center

We have been part of the engagements to further implement the one stop service centers in Kuruman and Burgersfort in 2016.

### 1.28.22 Filing a wrongful lawsuit after workplace accident

According to the statistics from the Occupational Safety and health Administration, over 80% of all workplace deaths in South Africa occur in the mining and quarrying industry which is more than in any other industry. OSHA categorizes the top four causes of deaths in the mining and quarrying industry as the "fatal four" because together they account for the bulk of all mining industry deaths. The fatal four categories are:





- **Fall of ground (FoG)**
- **Transport and mining**
- **Machinery**
- **Other**

*In the construction industry the “fatal four” are categorized as:*

- **Falls and/or slipping**
- **Electrocutions**
- **Struck by object, and**
- **Caught in/between**

In most situations, immediately after the death or crippling of a loved one, a lawsuit is the furthest thing from the minds of close family members. No lawsuit can rectify the error or bring the loved one back. But after the weeks and months following the death or disablement, it may be worth looking into a legal remedy if the death or disablement was linked to negligence in the workplace. In the period under review, the Legal Division of Occupational Safety & Health had been involved in the complex body of law surrounding construction, mining and quarrying and Eskom cases arising out of the death of a worker, specifically, addressing the difference between a wrongful death and a survivor action, as well as the effect that workers' compensation laws may have on each case.

### **1.28.23 Fatal inquiries**

A manual titled “Critical Aspects Relating to Accident Inquiries” has been circulated across the Health and Safety Structures of the Union for ease of reference highlighting the critical aspects relating to the preparations leading to the holding of accidents inquiries and risks attached thereto. It is very crucial for the Union through their structures to thoroughly prepare for inquiries because the risks attached to the finding of guilt on our members might be enormous for our members and for the Union. Regional structures are requested to monitor and to report the incidents that happen in their working areas timeously and to treat fatal accident as priorities in terms of reporting and monitoring the progress thereof. The health and safety leadership at the branch are required to timeously provide the head Office with the relevant documentation (standards, procedures, instructions) of the issue that contributed to the accident relating to the incident that result(s) in loss of life of a worker during the scope of work in order for the Health & Safety Legal Unit to plan accordingly.

### **1.28.24 Outcomes of inquiries**

Obtaining the outcomes of cases is a frustrating experience not only for the family members but also for the Union. The Union is still awaiting the outcomes of cases conducted from 2012 until in 2014. There are also outcomes of inquiries still outstanding from 2011. Copies of the outcome of the inquiries are normally sent to the Employer by the Department of Mineral Resources (DMR) with instructions that copies should be forwarded to interested parties and this never happens. Trade unions, who are stakeholders in this regard, are treated as step-children by the DMR inspectorate.

Some DMR offices would promise to send copies to the interested parties through their offices and this seldom happens. Ideally the DMR Regional Offices should send an interested party, especially that participated in the inquiry, a copy of the outcome and also instruct the employer to display the summary of the outcome (from



DMR) in an exposed place where workers would have access to and independently read these outcomes and witness that NUM does really care for all workers. Hence, regional Health and Safety structures have been requested to be pro-active by directly demanding these reports from the DMR's Regional offices. In this way, the DMR structures will realize that workers have taken control of their lives and taking the Union from pillar to post should cease forthwith. As much as our government agencies are now in capitalist mode, where the DMR demands payment for running copies, Regional structures have been advised to contact the head office. The other recommendation that would be taken to the DMR is to publish notice of the availability of these cases and how they could be accessed through the internet.

The ghastly consequence of the delays in receiving the outcomes of inquiries does not only disadvantage family members of the deceased or injured worker to apply for additional compensation but at the same time, disadvantages the Union to thoroughly prepare its case against any criminal litigation against workers and/or members who would be criminally charged with any wrongdoing as per the outcome of the inquiry. We have recently observed that both the Departments of Labour and Mineral resources respectively communicated sittings of inquiries within twenty-four hours of their sitting and this drastically disorganizes the Union with the result that we are compelled to incur un-necessary costs of hiring outside lawyers just to attend to the matter at hand.

### **1.28.25 Industry related laws: compliance and comprehension of MSHA & OSHA**

There is a vast deficit of understanding and comprehension of workplace health and safety legislations and regulations in as far as the Mining and Quarrying and the Construction Industries are concerned. The Mines Health & Safety Act (MSHA) is clear on the obligations of the employer; appointment of competent personnel; hazard identification and risk assessment; training and development; medical surveillance; establishment of the health and safety structures and the operations thereof; the appointment of health and safety representatives and their functions; the functions of the inspectors in relations to investigations; and safety inquiries.

However, the Occupational Health and Safety Act (OHSA) on the other hand is not as explicit in most of the issues mentioned above as contained in the MSHA. The Inspectorate under Department of Labour (DoL) is not as capacitated as the case would be with regard to the Department of Mineral Resources (DMR) which results in poor monitoring of construction sites for compliance with OSHA. What exacerbates the problem further is the definition of who is regarded as an employee in terms of OHSA namely in that the definition does not refer to everyone working for the primary employer in his/her premises but rather differentiates between employees employed by the primary employer and the sub-contractor and gives each category of an employer an obligation to ensure health and safety of their employees. This would lead to complications especially relating to compliance to the OHSA.

Generally smaller operations will struggle in terms of attempting to comply with the Act due to limited resources. On the other hand there is growing tendency and something which was observed during the workshop that even bigger operations ignored to comply with the Act on pertinent issues relating to especially medical surveillance even though the type of work that was performed, exposed workers to the risk of contracting occupational illnesses and injuries. Workers were coerced into concealing their injuries and illnesses with the promise of taking them to better health facilities and paying for such costs and this results in many of these cases not being reported. The observations made during the workshop held in the Kwa-Zulu Natal Region in September 2015 was that the provision of adequate personal protection equipment (PPE); establishment of health and safety structures including the appointment of the required safety representatives; and training of employee on health and safety aspects that employees are required to be trained on in order to perform their duties without exposing themselves to injuries and illnesses leave much to be desired. Organizational



and professional advice was given to the Regional leadership of Health & Safety that the two operations, in particular Kulucrete & Conrite Walls, need to be looked in a hawkish eye as they play Russian roulette with workers lives.

### **1.28.26 KNOWLEDGE AND SKILLS TRAINING IN 2016**

As one of the recommendations in the Health and Safety Audit and the “Critical aspects relating to Accidents” document health and safety training and development will assist us in equipping members with skills to be able to help implement, monitor and review health and safety systems and procedures at different workplaces and to be able to attend to the daily challenges that workers face in this area. The Legal Unit of the Health & Safety has planned to conduct two workshops to impart knowledge and skills during the year 2016 and Regions are requested to share their health and safety training plans for 2016.

### **1.28.27 NATIONAL YOUTH STRUCTURE (NYS)**

#### **1.28.27.1 State of the National Youth Structure**

The structure continues to meet as per the year plan however there is a challenge of releases of other comrades, this challenge has impacted in the performance of the Youth NOBs who their employers are reluctant to give them time offs. The structure is operating with two fulltime office bearers nationally the national secretary and the acting deputy chairperson comrade

The structure continues to be the thinking thank of the organization. We call upon the central committee to engage at length on challenges facing our giant union, particularly the areas of factionalism, internal squabbles and tribalism that seem to be the challenge and an obstacle in the service of our members. Our structure is still intact, we continue to be exposed by the leadership, and the support we are getting is really assisting in our growth.

#### **1.28.27.2 Political school**

Two regions that PWV and Rustenburg held political school between 8th of December 2015 and 12 December 2015 as part of capacitating its members.

#### **1.28.27.3 COSATU Youth Desk**

NUM is part of the COSATU Youth interim Committee which has been tasked to launch COSATU Youth structure. The progress has been made though some affiliates are not responding to the call of these meetings; however efforts are being made to encourage other affiliates to attend the COSATU Youth Interim committee meetings.

#### **1.28.27.4 Youth formations**

NUM-YS should vehemently oppose the introduction of the Mandarin in our schools as this has an element of bringing back colonialization of our country by China but in a different and civilized manner. Thomas Sankara was correct when he says “he who feeds you controls you.” As NUM-YS we are worried about the challenges that our ally, SASCO was faced with.

A strategy on how to engage SASCO has been created since SASCO has lost ground. COSATU Young Workers, Limpopo province yearly hold a joint session with ZCTU. As NUM-YS we continue to form part of



this session as the only affiliate in the federation that has established the structure. The purpose of this year's program was to pave a way-forward on the establishment of the structure in COSATU in the province.

### **1.28.27.5 June 16 commemoration**

June 16 Youth Day Commemorations: the summit which is regarded as the inaugural conference of the NUM Youth forum pronounced that June 16 must be used as a rallying point for young workers in order to mobilize and capacitate them politically and ideologically, given the volatile political climate for the congress movement and in particular for the NUM, especially in the Rustenburg platinum belt. This activity took place in Rustenburg in the form of a Youth Rally on the 11 July 2015

### **1.28.27.6 Back to school campaign**

On the 4th of March 2016 the NUM Youth Structure handed over three soccer kits at Rooipoort Primary School at Carletonville region, firstly we would like to thank the regional leadership for the reception and support given during the event. We further that the Teba Fund Trust that sponsored us with those kits. The school requested that we buy them Lon mower, they further indicated that they have teachers who are on voluntary base therefore they request NUM to assist to further their studies.

The NUM-YS together with the office of the MEC of education in Eastern Cape, agreed on a program of assisting needy kids in the areas of the working Class, three regions were identified namely Nelson Mandela Metro, Alfred Nzo, Mngquma. Nelson Mandela was the first region to get the shoes. The following schools in Eastern Cape have benefited in our program: Khulile Primary School, Ikhwezelihle Primary School, Imbasa Primary School, Dumani Primary School, Nxanelimbundo Primary School, Kwanoxolo Primary School and Zanoxolo Primary School. The next region would be Alfred Nzo Region in the Eastern Pondoland, we are currently waiting for sizes in the district.

## **1.28.28 NATIONAL WOMEN STRUCTURE (NWS)**

There are an increasing proportion of members in the NUM who are women. This proportion has increased since our previous servicing report. We include in this report a detailed analysis of how women members perceive and experience the NUM, and what the main servicing challenges are. Indeed, the union has to continue its efforts to deal with this in the context of a union, industry and occupational culture that is historically dominated by men. As we pointed out in our 2005 report, "the mining labour market is an ageing one. This, in combination with pressure to increase the proportion of black and female staff in the higher ranks of the occupational ladder introduces tension among workers. Old workers feel that the younger ones are jumping the queue because they are better educated, but they are seen to be less experienced.

These generational tensions also play out in the union's branches."<sup>1</sup> This is still true, and in some cases the union has succeeded in dealing with these tensions. But in other cases they are worse and remain a challenge. A particular challenge is the emergence of corrupt practices that are impacting adversely on the union and its ability to service members. These include the selling of jobs and the involvement of union officials in tenders for subcontracted work on mines. Mineworkers increasingly tend not to live in single-sex hostels. The trend is a result of successful union campaigns and has become more pronounced than when we conducted our previous survey in 2005. Hence, members increasingly live in their own homes in townships, but also in informal settlements. This trend impacts on the union's ability to call meetings and the attendance of these meetings. We explore this issue in more detail than in the previous report.

We pointed out in 2005 that the introduction of subcontracting into the labour market – especially in mining

and construction – divides workers into segments. There are those who work on standard contracts of employment, who are generally union members. Then there are those who work precariously for subcontractors who are not organized by the union. Often these two segments of the labour market are in conflict, since permanent workers fear for their jobs.”<sup>2</sup> We also explore this issue in more detail than in 2005, and we added a number of questions to our survey on this specifically. Linked to the subcontracting of mining, which leads to casualization of work, the emergence of illegal mining has become a major challenge. This is mainly in the Free State, but has also become an issue in other regions. We argue that the NUM has to take the challenge of this issue head-on, since it is already impacting on the servicing of members and the operation of branches. Fortunately there are some success stories that could serve as examples for further action.

### **1.28.28.1 Functionality of the structure**

The top five office bearers elected in previous conferences continue to lead the women structures in the branches and regions through the work of gender mainstreaming and regional support, informed by the conference declaration translated into programme of action. This is with a few exceptions. Deputy National Secretary was affected by retrenchment, KZN Chairperson resigned to pursue a career at work, KZN Secretary was affected by retrenchment and Western Cape Secretary was elected as Deputy Regional Secretary.

The structure has so far adhered to the planned structural meetings for 2015 and 2016 with the exception of the one NOB’s meeting planned for the June 2015 which had to be shifted due to clash of dates.

### **1.28.28.2 Women development**

#### **1.28.28.2.1 Capacity building for women**

Capacity building has been identified as one of the critical priority areas for the 2015/ 2016 programme of action. To this end the office of Women & Youth supported by the Education unit, has run training intervention programmes to benefit the women structure whereby all regions benefited.

#### **1.28.28.2.2 JB Marks**

The five-block political school was aimed at sharpening the skills of regional and branch leadership to ensure that they become effective in their task to be responsive leaders in the organization and in the broader working class struggles, including in their families.

#### **1.28.28.2.3 Project Management Course**

Opportunity of Self-Development in Project Management for Members of the Regional Women and Youth Structures: The National Women Structure in partnership with the Mineworkers Investment Trust (MIT) has offered the leadership from both the regional Women Structure and Youth Structure (4 per region) an opportunity of self-development in the field of Project Management.

### **1.28.28.3 Challenges faced by women in mining and energy**

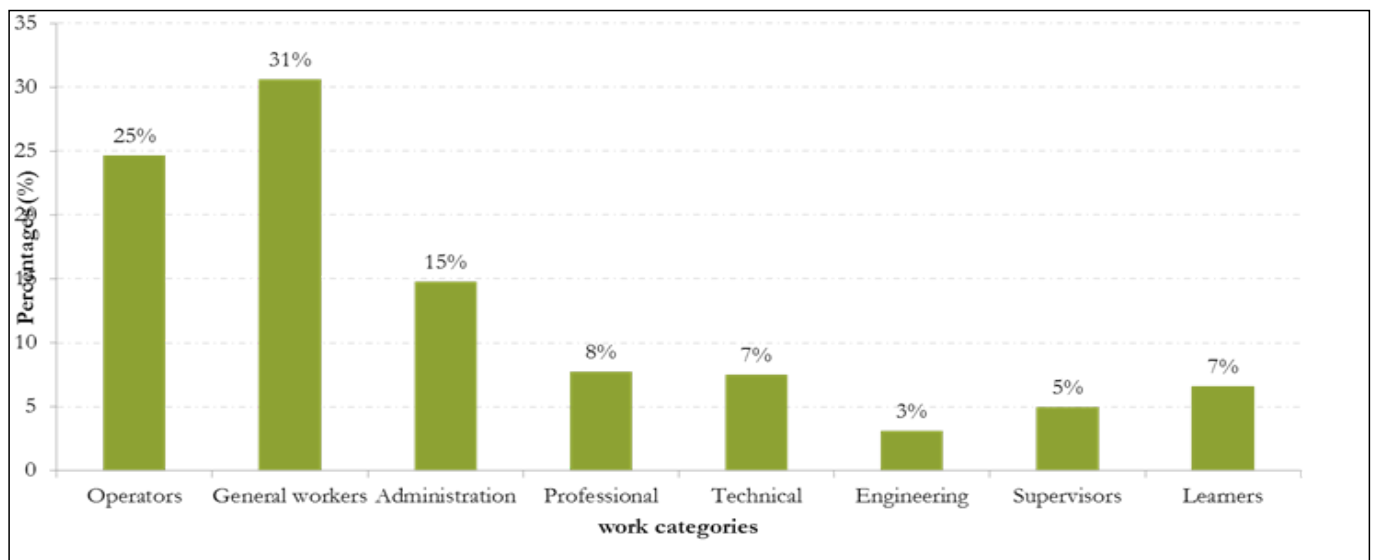
Research was conducted to establish the profile and the specific jobs trends of women, their developmental needs, including progress regarding the Employment Equity and sector charter targets.



*Participants in terms of regions and branches*

No	Region	Dates	Branch	No: Questioners
1.	Highveld	Nov 2014	Glencore Xstrata, Eskom Hendrina, Arnot, Kleinkopje, Greenside, Goedehoop – Simunye,	278
2.	Eastern Cape	March 2015	Eskom East London Distribution Centre, Eskom Butterworth, Eskom Queenstown, Ngcobo, Eskom Mithatha Mqandui, Eskom King Williams Town, Makana Bricks, DW Steen Maker, PE African Bricks Coega, PE Marine, PE Bricks, Algoa Bricks, Adel Group.	198
3.	North East	March 2015	Barberton, Phalaborwa, Foskor, Pegmin, Paraborwa Foundation, Twickenham, Modikwa, Booysendal, Two rivers, DwarsRivier, Bokoni. Zebediela, Magalakwena,	1022
4.	Free State	Sept 2015 Feb 2016	Women’s Roundtable, Tshepong, Voorspoed.	316
5.	Matlosana	Sept 2015	Women’s Roundtable, Shiva,Uranium, Kopanang, Metallurgy, Slury PPC, Buffels.	483
6.	PWV		Roundtable, Vaal Sanitary Ware, Eskom Academy Magawatt,	118
7.	Rustenburg		MCC, IPS, Matimba, MPSTV, Uthingo, Mokolo Clay Bricks, Marapong LSS, Liphale Future Homes, Maseve, Luthuli, Grootegeluk, Millsell Samancor, JIC/ABC, Round Table.	483

**Positions of Respondents**



**1.28.28.4 Key findings**

- Low work positions – Although the number of women working in the mining industry has increased majority of them are employed in lower ranks
- Lack of career advance is the highest ranked challenge and managers the major cause of challenges
- 65% of the respondents indicated that there were no initiatives done by companies to empower women



- 68% of the respondents indicated that salary disparities existed between women and their male colleagues doing the same work
- 38% respondents in the mining sector indicated awareness of incidences of sexual favours

*Majority of women referred to issues of Health and safety in this manner*

- Heavy lifting, leading to back and waist pains (Heavy and abnormal menstrual cycle)
- Miscarriages
- Toilets in poor conditions, no sanitary bins and plastics
- Verbal and sexual abuse (Victimization). For instance, some respondents stated that sometimes men refuse to work with women in the mines as they believe that it brings bad luck.

### 1.28.28.5 Challenges in terms of ranking

Challenges	Percentages
Lack of career advancement	47%
Health cover issues	26%
Abuse	27%
Maternity Benefits	24%
Lack of support from male colleagues	25%
Discrimination in terms of remuneration	30%
Discrimination in terms of decision making	23%
Family issues	25%
Personal issues (health, substance abuse)	16%
Work load	17%

Workplace culture places a significant amount of pressure on female employees, who feel they must prove themselves by working harder:

- Physically demanding work
- Male-dominated
- Long working hours
- Excluded and not family friendly
- Lack of support from male colleagues
- Lack of maternity benefits
- Lack of Transport

The most concerning challenge raised by women workers is discrimination in terms of remuneration. This is a matter for further investigation and analysis, based on the principle of equal pay for work of equal value.





### **1.28.28.6 Campaigns**

Both structures that is NUM NYS and Women Structures conducted back to school campaign within the union

A Back to school campaign is derived from the 2014 strategic planning. This campaign was supported by MIT and #“Celebrating NUM Gains, the envisaged PPE Guideline & SH Code”: The 2015 Women’s Day held on the 26 September in the Free state was utilized to mark the gains that NUM have fought for in the form of demands, including milestones that the government has made to create a conducive environment for women since their integration into male dominated sectors, in particular the Personal Protective Equipment (PPE) and the Sexual Harassment guidelines as recommended by the MHSC research. At the August 2015 MHSC conference, the unions undertook to embark on the roadshow to raise awareness around these achievements and also to claim this victory by NUM before other yellow union does so.

The availability of funds will enable the union to act. Going forward we need to stretch this campaign and collaborate with other progressive Women and or Gender formations to identify sponsors that supports the call of adopting schools, and not focusing only on giving uniforms, but build computer labs and chemistry labs. SACP CGE has requested that NUM Women Structure need to buy sanitary towels every month donate and deliver them to farm schools

### **1.28.28.7 Matlosana**

“#Back to school campaign” This region volunteered to be the hosting region for NUM Back to School campaign held in March 2015 at the Umuzimuhle Hall in Matlosana. As the National Union of Mineworkers we could not stomach the misery caused by failure of capitalism as displayed by the Aurora saga in the region since 2012.

Highveld region hosted and supported the 67 Mandela Day celebrations 19 July 2015 at the Vera Stimulation center for children with mental disability in Belfast. It benefitted a variety of things informed by their needs, namely Blankets, Video’s, Floor Tiling, Educational Toys, Heaters, Tables, Chairs, Utensils, etc. supported mainly by MIT, MDA, MIC, EBMTCC and NUMPROP.

### **1.28.28.8 Mandela Day**

Eastern Cape Region is officially hosting Mandela Day. The preparatory meeting was held on the 5th and 6th April 2016. Mandela Day can be done by the structure even if there is no funding; identify Old Age Home, Orphanages or the Hospices and do gardening as well as cleaning. This can assist the structure to manage some of its programmes without funds it can also mean the Mandela Day by MIT cannot be the cutting stone in as far as this day is concern. Women structure believes that, Mandela Day can still be made to happen without funds, but to give time by assisting the needy.

### **1.28.28.9 Provisional personal protective equipment**

The Provision Personal Protective Equipment (PPE) in particular the protection of Body (Overalls, hand, eyes, ears, gynecological and sanitary facilities, etc. The conference resolved that branches must be vigilant to monitor transformation in the workplace and to continue to fight for improved working conditions for women, Gender based violence in particular fight against Sexual Harassment, including Safety, security for women working in male dominated sectors, monitoring compliance on the provision of separate and suitable facilities.

**1.28.28.10 EDUCATION: Elijah Barayi Memorial Training Centre (EBMTC)**

Training and annual plan 2015/16

Strategic Goal: Membership Capacity Building

Strategic Objectives	Targets	Measurable Objectives	Actual Performance	Key reasons for not achieving targets	Mitigation(Corrective Measures to be taken)
Conduct National Courses	325 X 2 shop-stewards to be trained at National level	650 shop-stewards are trained at National level			
Conduct Accredited Courses (Labour Law and TUPQ)	70 shop-stewards to be trained in Labour Law 30 S/S to be trained on TUQP	100 shop-stewards are trained			
Conduct Political School	40 shop-stewards to be trained	40 shop-stewards are trained			
Conduct Regional visits to meet with Education leadership	Visiting 11 regions	All 11 regions to be visited by National Education leadership and Educators deployed			
Conduct specialized programmes for both Youth Forum and Women Structure	25 Youth Forum leaders to be trained on Minutes taking and report writing	25 YF leaders are trained			

The above-mentioned information is illustrated by the following figures:



### 1.28.28.10.1 National and regional delivery January 2015 – APRIL 2016

COURSE NAME	TOT-APP	START-DATE	LAST-DATE	MALES	FEMALES	CON- STRUCTION	ENERGY	MINING
Trade Union Qualifications	24	9-Feb-2015	13-Feb-2015	14	10	6	0	18
JB Marks Brigades Political School	54	16-Feb-15	20-Feb-15	29	25	4	0	50
Arbitration Skills	33	16-Feb-2015	20-Feb-2015	26	7	3	4	26
JB Marks Brigades Political School	0	2-Mar-2015	6-Mar-2015	0	0	0	0	0
Introduction to Labour Law	38	2-Mar-2015	6-Mar-2015	26	12	2	4	32
Trade Union Qualifications	0	9-Mar-2015	13-Mar-2015	0	0	0	0	0
Skills Development & Employment Act	28	16-Mar-2015	20-Mar-2015	15	13	4	1	23
Leadership Induction	98	23-Mar-2015	27-Mar-2015	53	45	19	4	75
Introduction to Labour Law	0	13-Apr-2015	17-Apr-2015	0	0	0	0	0
Trade Union Qualifications	0	11-May-2015	15-May-2015	0	0	0	0	0
Introduction to Labour Law	0	25-May-2015	29-May-2015	0	0	0	0	0
Introduction to Labour Law	41	29-Jun-2015	3-Jul-2015	27	14	10	5	26
Trade Union Qualifications	0	6-Jul-2015	10-Jul-2015	0	0	0	0	0
Trade Union Qualifications	0	3-Aug-2015	7-Aug-2015	0	0	0	0	0
Gender And The Law	28	3-Aug-2015	7-Aug-2015	12	16	4	5	19
Introduction to Labour Law	0	17-Aug-15	21-Aug-15	0	0	0	0	0
Introduction to Labour Law	0	28-Sep-15	02-Oct-15	0	0	0	0	0
Arbitration Skills	27	28-Sep-2015	2-Oct-2015	19	8	4	4	19
Minutes, Taking & Reports Writing	25	5-Oct-2015	9-Oct-2015	14	11	3	1	21
Skills Development & Employment Act	29	12-Oct-2015	16-Oct-2015	17	12	4	2	23
Construction Skills Development	19	9-Nov-2015	13-Nov-2015	14	5	15	0	4
Construction Skills Development	15	16-Nov-2015	20-Nov-2015	10	5	8	1	6
Train the Trainer	32	16-Nov-2015	20-Nov-2015	25	7	2	4	26
	<b>491</b>			<b>301</b>	<b>190</b>	<b>88</b>	<b>35</b>	<b>368</b>

COURSE NAME	TOT-APP	START DATE	LAST DATE	MALES	FEMALES	CON- STRUCTION	ENERGY	MINING
Trade Union Qualifications	31	8-Feb-2016	12-Feb-2016	23	8	4	2	25
Arbitration Skills	25	15-Feb-2016	19-Feb-2016	13	12	6	4	15
Construction Skills Development	17	22-Feb-2016	26-Feb-2016	11	6	11	0	6
Introduction to Labour Law	35	29-Feb-2016	4-Mar-2016	20	15	6	7	22
Construction Skills Development	0	14-Mar-2016	18-Mar-2016	0	0	0	0	0
Construction Skills Development	16	4-Apr-2016	8-Apr-2016	14	2	16	0	0
Skills Development & Employment Act	32	4-Apr-2016	8-Apr-2016	23	9	6	5	21
	<b>156</b>			<b>104</b>	<b>52</b>	<b>49</b>	<b>18</b>	<b>89</b>


**1.28.28.10.2 REGIONAL COURSES FOR PERIOD 2015- APRIL 2016**

COURSE NAME	TOT -APP	START-DATE	LAST DATE	REGION	MALE	FEMALE	CON-STRUCTION	ENERGY	MINING
Skills Development & Employment Act	11	8Jun-2015	12Jun-2015	Carletonville	8	3	0	0	11
Induction	24	20Jul-2015	24Jul-2015	Carletonville	18	6	0	0	24
Minutes, Taking & Reports Writing	14	31-Aug-2015	4-Sep-2015	Carletonville	8	6	0	0	14
Induction Intermediate	19	14-Sep-2015	18-Sep-2015	Carletonville	10	9	0	0	19
Case Handling	18	19-Oct-2015	23-Oct-2015	Carletonville	15	3	0	0	18
Political School	33	4-Nov-2015	6-Nov-2015	Carletonville	24	9	1	0	32
Financial Literacy	55	9-Nov-2015	12-Nov-2015	Carletonville	22	33	0	0	55
Skills Development & Employment Act	19	23-Feb-2015	27-Feb-2015	Eastern Cape	15	4	11	2	6
Arbitration Skills	29	3-Aug-2015	7-Aug-2015	Free State	20	9	0	0	29
Induction	25	26-Jan-2015	30-Jan-2015	Highveld	24	1	0	0	25
Induction	8	2-Feb-2015	6-Feb-2015	Highveld	6	2	7	0	1
Induction	17	16-Feb-2015	20-Feb-2015	Highveld	13	4	5	0	12
Induction	30	13-Apr-2015	17-Apr-2015	Highveld	25	5	0	0	30
Induction	30	18-May-2015	22-May-2015	Highveld	28	2	7	0	23
Induction	31	22-Jun-2015	26-Jun-2015	Highveld	23	8	0	30	1
Induction	9	14-Dec-2015	18-Dec-2015	Kimberley	7	2	0	0	9
Case Handling	32	20-Apr-2015	24-Apr-2015	Kwa Zulu Natal	25	7	11	6	15
Induction	41	17-Aug-2015	21-Aug-2015	Kwa Zulu Natal	30	11	22	0	19
Induction	10	2-Mar-2015	6-Mar-2015	Matlosana	5	5	0	0	10
Skills Development & Employment Act	28	30-Mar-2015	2-Apr-2015	Matlosana	14	14	2	2	24
Collective Bargaining Skills	12	16-Feb-2015	20-Feb-2015	North East	12	0	0	0	12
Induction	19	2-Mar-2015	6-Mar-2015	North East	19	0	1	0	18
Induction	16	11-May-2015	15-May-2015	North East	11	5	16	0	0
Induction	31	27-Jul-2015	31-Jul-2015	North East	29	2	15	0	16
Induction	10	21-Sep-2015	25-Sep-2015	North East	8	2	0	0	10
Induction	22	5-Oct-2015	9-Oct-2015	North East	16	6	0	0	22
Computer Level 2	13	12-Jan-2015	16-Jan-2015	PWV	9	4	0	0	13
Induction Intermediate	34	13-Apr-2015	17-Apr-2015	PWV	31	3	0	0	34
Skills Development & Employment Act	29	13-Apr-2015	17-Apr-2015	PWV	19	10	7	0	22
Induction	13	20-Apr-2015	24-Apr-2015	PWV	8	5	0	13	0
Induction	16	8-Jun-2015	12-Jun-2015	PWV	13	3	0	0	16
Labour Law Case Handling	6	5-Oct-2015	9-Oct-2015	PWV	3	3	0	0	6
Case Handling	8	26-Oct-2015	30-Oct-2015	PWV	6	2	1	0	7
Induction	29	26-Oct-2015	30-Oct-2015	PWV	26	3	11	4	14
Induction	26	16-Nov-2015	20-Nov-2015	PWV	18	8	0	0	26
Induction	19	12-Jan-2015	16-Jan-2015	Rustenburg	13	6	0	0	19



COURSE NAME	TOT -APP	START-DATE	LAST DATE	REGION	MALE	FEMALE	CON-STRUCTION	ENERGY	MINING
ROB's Induction	13	17-Aug-2015	20-Aug-2015	Rustenburg	10	3	2	0	11
Induction	51	7-Apr-2015	10-Apr-2015	Western Cape	43	8	29	4	18
Labour Law Case Handling	44	20-Jul-2015	24-Jul-2015	Western Cape	32	12	13	8	23
	894				666	228	161	69	664
Induction Intermediate	23	15-Feb-2016	19-Feb-2016	Eastern Cape	23	0	18	2	3
Induction	35	15-Feb-2016	19-Feb-2016	PWV	29	6	0	0	35
Induction	20	15-Feb-2016	19-Feb-2016	Rustenburg	15	5	0	0	20
Induction	32	29-Feb-2016	4-Mar-2016	PWV	28	4	28	0	4
Induction	25	4-Apr-2016	8-Apr-2016	Kwa Zulu Natal	22	3	11	2	12
	<b>135</b>				<b>117</b>	<b>18</b>	<b>57</b>	<b>4</b>	<b>74</b>

### 1.28.28.10.3 2015/2016 National projects and updates

PROJECTS	ORGANISATIONS	STATUS
1. 2015 Graduation ceremony	NUM, EBMTc, ETDP-SETA and EWSETA	85 graduates successfully completed both Labour Law Skills Programme and Trade Union Qualification Practices
2. Leadership Skills Programme	NUM and Construction Seta	Completed in April 2016 and 78 construction shop-stewards completed the Programme
3. Labour Law Skills Programme	NUM and EWSETA	Continue until 2017, 2015 70 shop-stewards completed and May 2016 37 are now enrolled
4. Political Education – J.B. Marks Bridgate	Project Qaphela NUM, EBMTc and Mine Workers Investment Trust	55 shop-stewards were enrolled and 29 Completed the Programme this year in March
5. Review of Induction Manual	NUM Education Structure	Work in progress , to be completed in December 2016
6. Financial Literacy	NUM, MIT and Sanlam	Work in progress, over 1200 members are already trained
7. Middle Management Programme	NUM,ETDP-SETA and University of North-West Business School (Potchefstroom Campus)	Work in progress 89 participants are going to be enrolled in June 2016
8. Assessor, Moderator and Material Development Course	NUM and EBMTc	40 participants are to be enrolled in July 2016
9. NUM Education and Training Summit	NUM, SATRI, Universities, TVET Colleges, Private Providers, QCTO, SAQA and SETA's	This will be held in November 2016 with a target of 200 delegates

### 1.28.28.11 Sectors for education and training landscape

The Minister of Higher Education and Training has given all 21 SETAs extensions of two years until March 2018. There is a discussion document from the DHET on the New Seta Land Landscape. All Stakeholders were expected to submit comments or inputs. As organized Labour under COSATU, we are unable to engage at seta's level, instead we are currently internalizing the contents of the document as individual unions. We are relying on NEDLAC processes and simply because we are not coordinated at Federation level. The Minister

has release the government gazette in November 2015, in the document there are proposals to change the SETA`s landscape. We are currently engaging the document at NESCO so that we can all understand the implications of these changes and we will later advice the organization on the way-forward once the processes have unfolded at the level of NEDLAC.

### 1.28.28.11.1 Sectors for education and training (SETAS)

- **Energy and water seta**

This seta has been established by the minister of Higher Education and Training, in line with Skills Development Act and National Skills Development III. Subsequent to that, he appointed the following members as Accounting Authorities (Board) in consultation with all the stakeholders in the two sectors. At this stage the seta is stable, both management and board meetings are convened according to the year plans, however sub-committees are not convened as expected. The other challenge facing this seta is Minister appointed 15 board members four of them have resigned now and stakeholders are taking their own time to replace them.

#### Accounting Authority (Board Members)

Names	Surnames	Organizations	Status
• Frans	Baleni	Independent Chairperson(Ministerial Appointee)	Active
• Olebogeng	Besnaar	Ministerial Appointee	Active
• Tebogo	Phadu	Ministerial Appointee	Active
• Mercy	Sekano	NUM	Active
• Tshimane	Montoedi	NUM	Active (the letter has been to the SETA informing that he is no longer NUM leader)
• Justice	Sera	SAMWU	Active
• Steven	Nhlapo	NUMSA	Active
• Ravi	Moodley	ESKOM	Active
• Keith	Swanepoel	IMATU	Active
• Knox	Msembezi	NERSA	Active
• Petunia	Ramunenyiwa	DWS	Active
• Mpilo	Mbambisa	SALGA	Resigned
• Benedict	Mogadime	DPE	Resigned
• Ansie	Botha	DOE	Resigned
• Bennie	Blignaut	Solidarity	Resigned

#### Sub-Committees

*The following are the sub-committees of the board:*

- Executive Committee
- Finance Committee
- Quality Assurance and Compliance
- Learning Programme Committee



- Human Resource and Remuneration Committee
- Audit and Risk Committee
- Governance and Strategy Committee
- Sector Skills Planning Committee

Both the board and the parliament have approved the Strategic Plans, Annual Performance Plans and Technical Indicators from 2015 – 2020. These are plans that guide the objectives and policies of the SETA.

*The following are the summary of the **Strategic Objectives** and **Programmes**:*

- Ensure the optimal utilization of existing and funds sourced additionally through effective structuring, systems and resourcing.
- Enhance a rigorous accountability and governance structures.
- Build a positive image and reputation for the EWSETA.
- Maintain an effective information management system.



## PROGRAMMES

- Administration
- Skills Planning, Quality Assurance and Delivery

## Regional Offices

The EWSETA has not done well thus far in establishing the regional offices. Only two provinces are covered i.e. North West in Taletso TVET College Lehurutshe campus and Western Cape in False Bay TVET College.

- **CONSTRUCTION SETA**

The seta is also under stable condition after it was put under the administration by the Minister of Higher Education and Training .He appointed the new board members in March 2013. Management and board meetings are also convened as planned. We entered into Service Level Agreement in 2014 to train 100 Construction shop-stewards and the project was completed in March 2016. The following members constitute the board:

Names	Surnames	Organizations	Status
Raymond	Cele	Independent Chairperson(Ministerial Appointee)	Active
Sibongile	Nxumalo	Organized Employer	Active
Malusi	Ganiso	Organized Employer	Active
Victor	Smith	Organized Employer	Resigned
Fanuel	Motsepe	Ministerial Appointee	Active
Webster		Organized Employer	Active
Martha	Sedumedi	Organized Employer	Active
Mark	Mfikoe	Organized Employer	Active
Josias	Mpe	Organized Labour	Active
Lesiba	Shai	Organized Labour	Active
Bongani	Dlamini	Organized Labour	Active
Piet	Matosa	Organized Labour(NUM)	Active
Sankie	Molefe	Organized Labour(NUM)	Active
Bhekani	Ngcobo	Organized Labour(NUM)	Active

## Accounting Authority of the CETA consists of the following committees:

- Executive Committee
- Independent Audit Committee
- Finance Committee
- Core Business Committee
- Governance and Strategy Committee
- Remuneration Committee



The following are the programmes of CETA which inform their strategic objectives:

- Establishing a credible institutional mechanism for skills planning
- Increasing access to occupationally-directed programmes in the construction sector
- TVET partnerships
- SMME`s, NPO`s Cooperatives and worker initiatives
- Enhancement of public sector capacity for improved service delivery
- Increase uptake of training and employment in construction by young people
- Building career and vocational guidance
- Encouraging better use of workplace-based skills development
- Manage projects cost effectively, timely and productively
- Corporate management and operations
- Ensuring sound corporate management

The CETA is one of those SETAs that have opened provincial offices in almost all nine provinces, in Gauteng which is head office in Midrand, Limpopo at Capricorn TVET College in Polokwane, Mpumalanga in Nelspruit, Eastern Cape in East Cape Midlands TVET College, Free State in Motheo TVET College, KZN in SEDA Construction Incubator, North West in Taletso TVET College Mahikeng campus, Western Cape in College of Cape Town TVET College Crawford Campus and Northern Cape in Department of Public Works in Kimberley.

### **Mining Qualification Authority (MQA)**

This seta was also established under the following legislative framework Skills Development Act of 1998, Mine Health and Safety Act of 1996 and Mineral and Petroleum Resources Development Act of 2002 under the guidance of National Skills Development Strategy III. Generally, there are no serious challenges in both governance and management level. Meetings are also convened according to plans and strategic interventions are also done as when it is required by stakeholders. Stakeholders include Chamber of Mines as organized business and NUM as organized labour. The challenge that might arise in future is the yellow union wanting to participate in the boards and other strategic activities of the SETA. Annually the continue to sign Service Level Agreement with DHET and the purpose is to agree on the minimum service levels in performing statutory functions, meeting the National Skills Development Strategy targets and implementing its strategic plan and annual performance plan. Both Strategic and Discretionary projects are approved by the Accounting Authority and its sub-committees. The following are the board members appointed by the Minister of Higher Education and Training;

## Accounting Authority Members

Names	Surnames	Organisations	Status
1.David	Msiza	Chairperson	Active
2.Headman	Mbiko	DMR	Active
3.Thulani	Tshozane	Ministerial Appointee	Not Active
4.Nomanthembla	Kubeka	Ministerial Appointee	Active
5.Amon	Teteme	NUM	Active
6.Azaria	Tshangase	NUM	Active
7.Faith	Letlala	NUM	Not Active (to be replaced)
8.Ecliff	Tantsi	NUM	Active
9.Richard	Samuel	UASA	Replaced Not Active
10.Motlatso	Kobe	DMR	Active
11.Mthokozisi	Zondi	DMR	Active
12.Pat	Gamede	DMR	Active
13.Mashego	Mashego	CM	Active
14.Sheridan	Rogers	CM	Active
15.Vusi	Mabena	CM	Active

## Sub-Committees

- Audit Committee
- ETQA (Education and Training Qualification Authority)
- Learnerships committee
- Standard Generating Body
- Finance and Skills Planning Committee
- ABET ad-hoc committee

Like other SETA`s, MQA has developed annual Strategic Objectives and the following are the strategic objectives and programmes of the seta which are also adopted by the board:

### Strategic Outcomes:

- Implement an efficient, effective and transparent corporate governance system within the legislative framework
- Support transformation of the sector through skills development
- Support objective decision making for skills development through research in the sector
- Facilitate and support the core sector programmes aligned to the qualifications framework
- Implement the monitoring, evaluation and review of the delivery capacity and quality of training and development in the sector



## Regional Offices

Province	TVET College	Locations
Mpumalanga	Nkangala	Emalahleni
North West	Orbit College	Mogwase
Free State	Goldfields College	Thabong
Eastern Cape	King Hintsa College	Butterworth
Limpopo	Sekhukhune College	Burgersfort
Northern Cape	NC Rural TVET College	Kathu

This Central Committee meeting should critically discuss whether in all the SETA's we are represented, is the organisation making impact on skills development of our members.

## COSATU National Education Sub-Committee and National Education Forum

The organization is represented by the following comrades, Helen Diatile, Andre Engelbrecht and Betty Macuacua. Meetings are convened accordingly but the challenge is that in most cases we are unable to form a quorum and meetings are postponed on the eleven hours. Main challenge facing Education structure of COSATU is the vacancy of National Education Secretary, this position has been vacant for almost three years. This has made the education programmes difficult to be implemented. We request the Central Committee to reflect on this matter, so that the federation can have proper direction on Education matters. The other challenge is the non-coordination of Skills Development programmes at the federation level. Appointed Skills Development Coordinator does not convene meetings as expected, affiliates are implementing their programmes without the guidance of COSATU.

## National Education Sub-Committee (NESCO)

All Eleven regions are represented in this structure by Regional Deputies for Education (Chairperson and Secretaries). We meet four times per annum. Thus far attendance of regions is fairly good. The roles and responsibilities of these deputies were adopted by the last Congress. We are currently monitoring the implementation of this strategy. Both National and Regional Education delivery are evaluated at this level including the budgets. All regions do have regional education and training programmes and are implemented accordingly.

The main challenge facing regions is the process of drafting education budget and who should approve and implement the programmes. More often some regions fail to implement their programmes because budgets are cut during the course of the year without proper communication with deputies. We request the Central Committee to critically reflect on this challenge so that empowerment of shop-stewards is not compromised.

## Elijah Barayi Memorial Training Centre (EBMTC)

The training Centre has made tremendous progress since the last Congress. Board meetings and management meetings are convened according the year plan and members are attending. The board approved Marketing and Communication strategy and Review Human Resource Policies in preparation for our TVET status. Our application for TVET College has been submitted to DHET and we are still waiting for their responses. We also applied for extension of our accredited qualifications with another five years. The college is in the process of extending scope and programmes with other SETAs like Mining Qualification Authority on technical skills, ETDP-SETA on soft skills and Leadership Development and Negotiation Skills with University of Johannesburg. The college is continuing to give support to NUM on creating space for training and development of programmes and other related activities

## 1.29 EDUCATION

### 1.29.1 JB Marks Education Trust

#### 1.29.1.1 Graduates – Class of 2014

The Trust has produced 94 graduates from the Class of 2014. This is the highest throughput ever achieved in a single year, we have surpassed the 2013 record of 80 graduated achieved in 2013. We believe the capacity building programmes and interventions supported by the Trust is the main contributing factor to these outstanding results.

See below breakdowns:

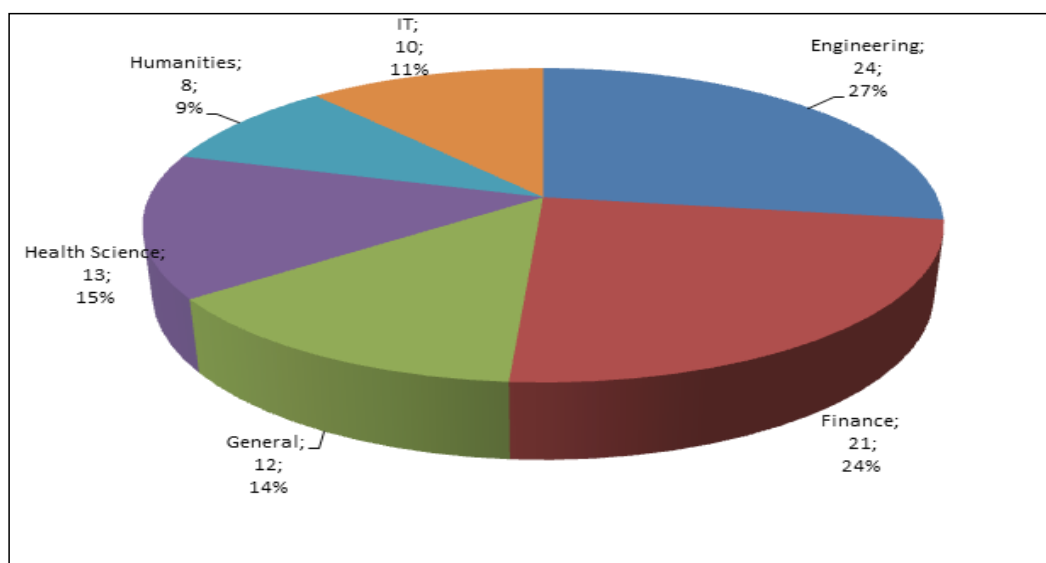
#### 1.29.1.2 2014 Graduates Qualification splits

Description	Number
Degrees	47
N/Diplomas	47
Total	94

#### 1.29.1.3 2014 Graduates per field of studies

Fields of Study	Number
Engineering	24
Finance	21
Health Science	13
General	12
IT	10
Humanities	8
Law	6
Total	94

#### 1.29.1.4 Percentage per field of study





### 1.29.1.5 All graduates since inception

Over the last 19 years, the Trust has enabled 924 bursars to graduate with mainstream tertiary qualifications (including 18 medical doctors) and disbursed R193 million to over 2200 beneficiaries, in the current year (2015) 200 bursaries were awarded making a total of 700 undergraduates’ and 50 postgraduates students still in the pipeline.

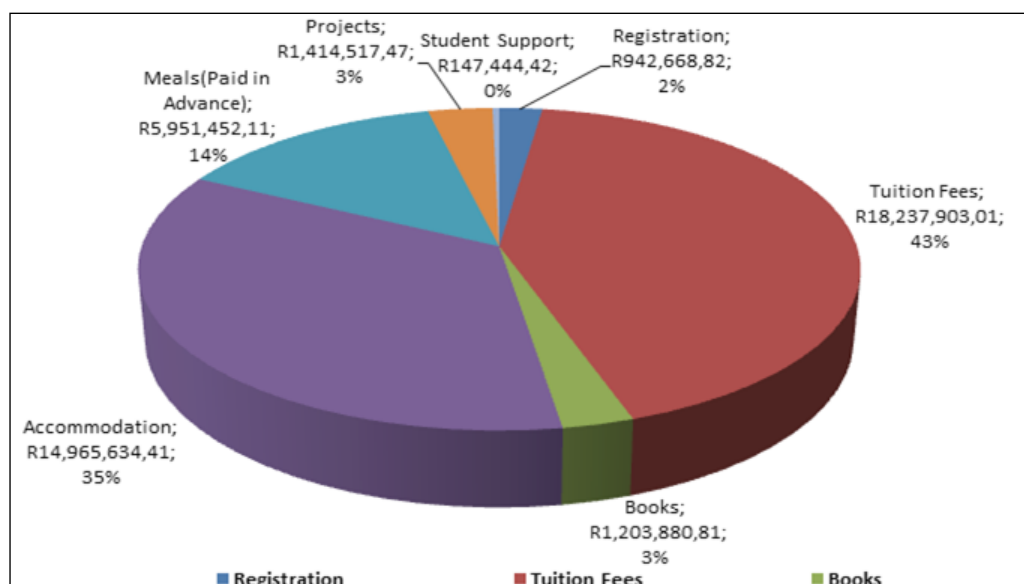
All Graduates Breakdown Split Since Inception	
Finance	194
Health Sciences i.e. Doctors, Nurses, Scientist etc.	82
Engineering	188
Agriculture & Built Environment	27
IT	99
Law	28
Education	22
Humanities i.e. Psychology, Public Management, HRM etc.	114
General	170

### 1.29.1.6 Summary of bursary payments for 2015 - JB Marks Trust

The Trust has paid R41, 907,128.33 towards bursaries from Jan – Dec 2015.

No.	Description	Total	Percentage
1	Registration	942,668.82	2%
2	Tuition Fees	18,237,903.01	43%
3	Books	1,203,880.81	3%
4	Accommodation	14,965,634.41	35%
5	Meals - Edu loan	5,951,452,11	14%
6	Student Support	1,414,517.47	0%
7	Projects	147,444.42	3%
	Total	41,907,128.33	100%

### 1.29.1.7 Summary of bursary payments graph for 2015 - JB Marks Trust



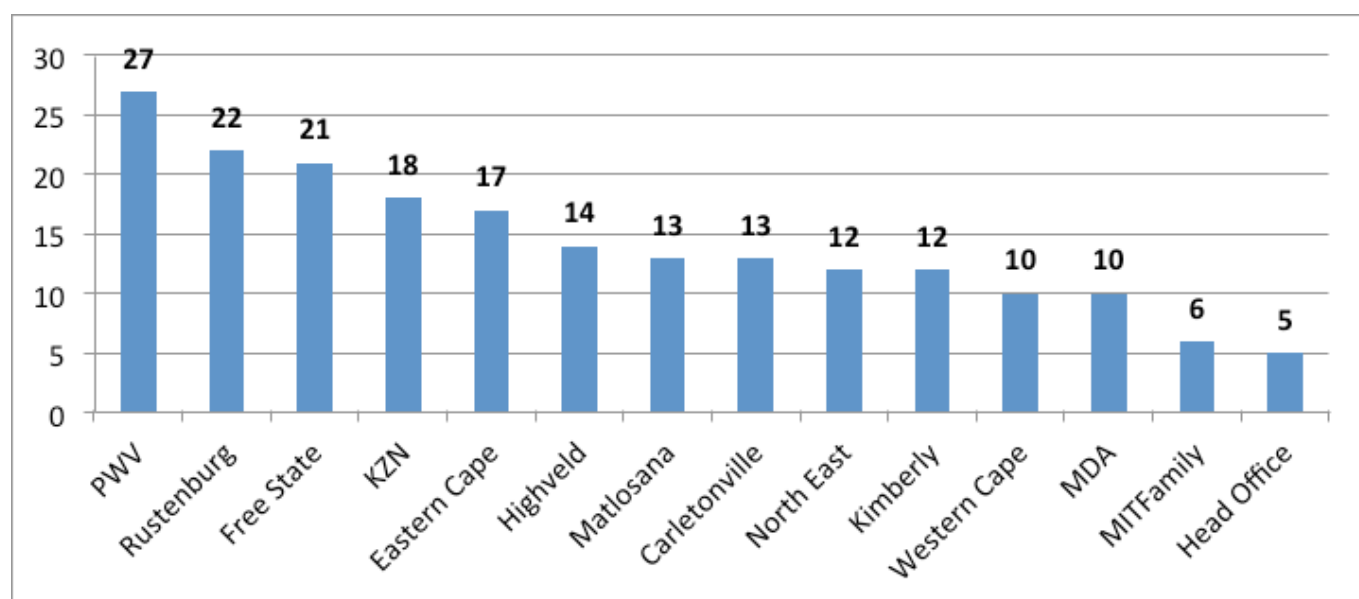


## Intakes for 2016

### 1.29.1.8 Regional Selection Breakdown 2016

No	Region	Selected No.
1	PWV	27
2	Rustenburg	22
3	Free State	21
4	KZN	18
5	Eastern Cape	17
6	Highveld	14
7	Matlosana	13
8	Carletonville	13
9	North East	12
10	Kimberly	12
11	Western Cape	10
12	MDA	10
13	MIT Family	6
14	Head Office	5
	<b>Total</b>	<b>200</b>

### 1.29.1.9 Regional Selection Breakdown 2016 graph



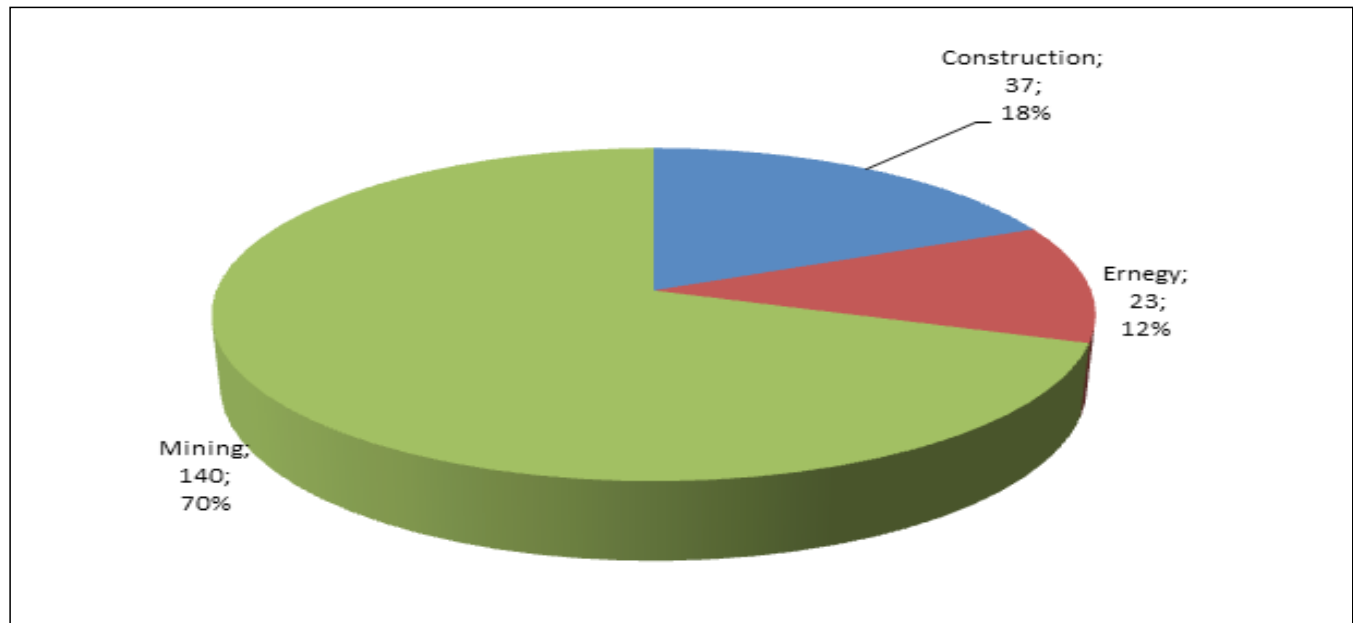
### 1.29.1.10 Sector Breakdown 2016

No	Sector	Selected Number
1	Construction	37
2	Energy	23
3	Mining	140





### 1.29.1.11 Sector Breakdown Graph 2016



### 1.29.1.12 Gender Breakdown 2016

No.	Gender	Number
1	Male	89
2	Female	111

### 1.29.1.13 Relationship Breakdown 2016

No	Relationship	Number
1	Dependents	171
2	Members	25
3	Spouses	4

### 1.29.1.14 Category Breakdown for 2016 Selection

No.	Qualification	Selected Number
1	Degree	125
2	National Diploma	67
3	National Certificate	8

### 1.29.1.15 JB Marks 2015 Career Expo

JB Marks 2015 Career Expo was held in partnership with Mpumalanga Department of Education – Gert Sibande District at Izimbali Combined Primary School in May 2015 at Amsterdam. 50 exhibitors participated and 68 High Schools attended with 8,250 grade 11 and 12 students attending.



### 1.29.1.16 JB Marks Exits Workshop 2015

The Exits Workshop for final year student took place from 29th June - 5th July 2015 about 70 learners attended.

### 1.29.1.17 JB Marks Award 2015

The 5th Annual JB Marks Awards took place in August 2015 at Emperors Palace. A total of 94 graduates were honoured on the night accompanied by their parents. Parents were booked at The Matcourt Hotel at Emperors Palace.

### 1.29.1.18 Winners from the Class of 2014 – Course Specific Awards

No.	Faculty	Winner	Distinctions achieved
1	Engineering	Rudolph Kok	20 Distinctions
2	Science	Relebohile Sehloho	8 Distinctions
3	Humanities	Kekeletso Mokgathu	24 Distinctions
4	Computer Sciences	Johannes Khampepe	13 Distinctions
5	Economic & Management Sciences	Kamogelo Moabi	13 Distinctions
		Neo Segatle	14 Distinctions
6	Health Sciences	Siphokazi Tshukwa	15 Distinctions
		Phumlani Sipunzi	7 Distinctions

### 1.29.1.19 Top Achievers Awards - Most Consistence Learner Award

No.	Faculty	Winner	Distinctions achieved
1	Computer Sciences	Johannes Khampepe	13 Distinctions

### 1.29.1.20 Top Achievers Awards – Top 3 Learners Awards

No.	Faculty	Winner	Distinctions achieved
1	Humanities	Kekeletso Mokgathu	24 Distinctions
2	Engineering	Rudolph Kok	20 Distinctions
3	Science	Relebohile Sehloho	8 Distinctions

### 1.29.1.21 JB Marks Lifetime Achievement Award 2015

Awarded to the late Dr. Nthato Motlana, the award was received by his family.



### 1.29.1.22 JB Marks Alumni AGA 2015

The elective JB Marks Alumni AGA 2015 took place on 29th August 2015.

*Elected Alumni leadership:*

No.	Portfolio	Portfolio Leader	Alternative
1	Chairperson	Tankiso Pitso	Tjotjo Khuhlase
2	Student Affairs	Pamela Dumalise	Kekeletso Mokgothu
3	Community Outreach	Lumka Mkhize	Mmzimkhulu Koyo
4	Stakeholder Relations	Kamogelo Moabi	Ofentse Konopi
5	Communication, Marketing and Fundraising	Busisiwe Mpontjane	Relebohile Matlakeng
6	Finance	Ntsediseng Qopana	Phetolo Mosehlane
7	Legal and Compliance	Pamela Mboweni	Lungelo Chirwa
Secretary (Appointed)		Ms Bonolo Seleleko	

## 1.30 SERVICES

### 1.30.1 Employee Share Ownership Schemes (ESOPS)

#### 1.30.1.1 Petra Diamonds

The NUM is monitoring the post reviewal and performance of this scheme and it can report that towards the end of March 2015 the scheme was able to pay “good leavers”(retrenched, retired and medically boarded employees) from current operations and the disposed operations (Sedibeng Mining, Theunissen Diamond and some Helam employees) an amount of R12 500. The R12 500 dividend pay-out will go a long way in addressing the gap left behind the few years of non-payment by the scheme.

#### 1.30.1.2 Richards Bay Mineral

The company has agreed to review the current ESOP with intervention from the NUM and a task team to commence the review was formed in April 2015. The Task Team appointed KPMG to conduct assessment on the amendments of the trust deed, dividends paid to the trust since inception, trust administration and role of independent trustees amongst others. It was expected that this process would be completed by the end of the first week of July 2015 and report would be tabled to the Task Team, Regional and Branch Office Bearers before being presented to the mass meeting.

*The stakeholders mandated service provider KPMG to finalise its report transaction and submitted to all parties on the 19th August 2015, the report was prepared solely for the purpose of reviewing the RBM ESOPS Trust and ascertaining the following:*

The adequacy and effectiveness of the governance processes relating to the administration and amendment of the ESOPS Trust Deed.

- The nature of the ESOPS investments and the links between these investments and the broader RBM BEE transaction.
- That the minority’s rights per the Trust agreement have been adequately represented at the relevant board meetings.



- The mechanisms utilized in the calculation of the ESPS dividends and the distribution of these dividends
- That the Trust's and related entities have produced independently audited financial statements on an annual basis.
- That the agreed upon procedures have been undertaken by the contracted independent party in relation to the most recent ESPS dividend calculation.
- Dividends declared by RBM have been paid into the Trust account.
- The Trust's and related entities have produced independently audited financial statements on an annual basis.
- The agreed upon procedures have been undertaken by the contracted independent party in relation to the most recent ESPS dividend calculation.
- The dividends declared by RBM have been paid into the Trust account.
- The adequacy and effectiveness of the governance relating to the roles and responsibilities of the administrators and independent trustees.

### **1.30.1.3 Royal Bafokeng Platinum Mahube**

Since the Royal Bafokeng Platinum Mahube Trust was created as a direct consequence to Rasemoni and RBPLAT separation from Anglo American Platinum with its Kothula ESOPT Trust. The vesting period was until March 2015. The NUM is engaging with the company and has proposed a wealth creation scheme with 10 years vesting. The RBPLAT management highlight their current financial constraints and their close to R200 million debts to SARS. They thus have proposed to shift away from ESOP models, but to pursue a wealth creations scheme.

Thus not providing an upfront contribution, instead the trust will receive 2% of RBPLATS's Net Profit after Tax accumulating value for 10 years, in which 40% will be invested in the company share portfolio and the rest be diversified in the Johannesburg Stock Exchange. We have rejected this proposal, due to various short comings which includes lack of upfront contribution and dividend for the first five years.

### **1.30.1.4 Black Mountain/Vendatta**

Anglo American sold this operation in 2012 to Vendatta and the employees have not been part of any ESOP scheme due to them disinvesting in Anglo Coals Siyaphambili. The NUM and the company has been in discussion since last year on how to reintroduce an ESOP scheme to employees, the current discussions rely on Black Mountain repurchasing part of the 26% currently owned by EXXARO as an empowerment partner. Which will be distributed amongst employees and a community trust, the company is still mum on the percentages we are looking at. But we have made an initial 10% request for the employees, which should be funded by the company. This proposal has been rejected by the company, with them stating that Vendetta is currently pumping cash into the expansion of the Gamsberg Zinc project.

Vedanta estimates that the Gamsberg Project, located near the town of Aggeneys in South Africa's Northern Cape Province, will create approximately 1500 jobs during construction and result in approximately 500 permanent jobs. The Gamsberg Project will be operated under the auspices of Black Mountain Mining (BMM) which is 74% owned by Sesa Sterlite Ltd, a listed subsidiary of Vedanta Resources plc. The remaining 26% interest in BMM is held by Exxaro Resources Limited, a diversified resources company listed on the Johannesburg Stock Exchange.



The company is currently engaging its 26% Historical Disadvantaged South African shareholder EXXARO, in hope of acquiring 6% from its current portfolio. This will then be sold to the Employee Trust which should acquire 4 % and a community trust to own the remaining 2%. Employees will not be required to contribute any equity into the transaction; the full value of the transaction will be funded through one of or a combination of the following funding mechanisms.

- Third party funding
- Notional vendor funding
- Vendor loan provided

### 1.30.2 MIGDETT Platinum Task Team

The Platinum Group Metals (PGMs) sector remains an important contributor to South Africa's economy, contributing approximately 20% and 38 % to total primary mineral sales and mining employment in 2014. However, the sector continues to be faced with challenges that threaten its sustainability and labour absorption capacity. It was the effect of these challenges that led to the establishment of the Platinum Task Team (PTT) in 2012 by the principals of the Mining Industry Growth and Development Task Team (MIGDETT).

The PTT was mandated to identify challenges facing the sector and seek appropriate interventions to ensure the protection and sustainable growth of the platinum industry. At the time, a comprehensive report which contained commitments with proposed implementation plans was compiled, presented and approved by Principals for implementation. However, implementation of the commitments contained in the report was derailed by the ensuing sector labour instability. At the MIGDETT Principal's meeting of 26 March 2015, it was agreed that the work of the PTT be reviewed and the report be evaluated to address the current industry challenges.

### 1.30.3 MIGDETT Job Savings Task Team

*The MIGDETT principals established a Task Team on Saving Jobs to deal with the issues of retrenchment and downscaling in the South African mining industry. The Terms of Reference of the Task Team are as follows:*

- Consolidate and maintain the list of known retrenchments as announced by mining companies, as well as developing a priority list;
- Identify areas that require alignment between Section 52 of MPRDA and Section 189 of the LRA, including clarifying the processes and timing thereof;
- Identify the causes that lead to the need to retrench and develop proposed solutions to these causes;
- Highlight challenges that are posed by the liquidations on job losses;
- Identify and report on patterns of the circumvention of the regulatory processes in relation to retrenchments;
- Prioritise and engage companies on issues pertaining to shedding of jobs;
- Identify and suggest interventions aimed at saving jobs, working with all stakeholders;
- Coordinate interventions to save jobs with the Mineral and Petroleum Board;
- Advise and report to MIGDETT Principals on initiatives that can be taken to save jobs.
- Accessing jobs fund: Exploring ways of accessing the R9 billion jobs fund.

The Task team will comprise of MIGDETT members, as well as other stakeholders identified to be adding value in the drive to save jobs. Subsequent to that, the Principals meeting discussed the challenges currently facing the industry with regards to job losses.

This started with a presentation by the DDG of Mineral Regulation on the report of the MIGDETT job savings task team (in which the Transformation Unit is participating).

*The presentation identified the following trends:*

- Mining companies retrenching below the stipulated threshold (10% or under 500).
- Contractors retrenching thus avoiding section 52.
- Non alignment of LRA section 189 and MPRDA section 52
- Retrenchments resulting into sterilization of mines (mothballing).

The Principals meeting then mandated the DG's MIGDETT Technical Team to iron out the current the challenges and make recommendations to the Principals, which then met Thursday, the 06th August 2015 and on the 11th August 2015 to refine and develop proposals for Principals.

*The issues of focus were the following:*

- Alignment of section 52 with 189
- Compliance with SLP requirements especially during downscaling and retrenchment process.
- Treating announcement on job losses in a sense and human manner.
- The establishment of functional and effective future forums with the participation of all relevant stakeholders and avoiding the sterilization of minerals.

*The mining industry raised the following challenges;*

- With productivity vs. cost escalation per ton
- Effectiveness of surplus production
- Low commodity prices
- Financial crisis
- Low demand for commodities from China
- Issues with section 54 hampering productivity
- High electricity prices

*Proposed mitigating factors to be further explored by MIGDETT:*

- Visit commodity destinations e.g. China to enhance marketing and development of commodities
- Request funding from various government schemes for skills development of possibly retrenched workers(e.g. Jobs Fund)
- Develop an action plan on the utilization of rehabilitation funds to reduce the number of affected employees.
- Engagement with Eskom and the government to assist in the sustainability of mining.



Organized Labour then requested the suspension/delay of all section 189 processes currently underway in the industry, in order to allow further consultations on section 52 processes on how the industry could save or look for alternative employment. The Technical Team further deliberated on the first proposed intervention, which focused on the mining industry differing or extending all current Section 189A processes for three weeks to allow the implementation of any extension of the current processes.

- The mining industry to enter into a collective agreement that stipulates the alignment or parallel implementation of section 189 and section 52.
- SARS deferring royalty taxes by distressed mining companies until they are financially stable.
- The creation of cost cutting teams in each affected operation with the aim of reducing costs at other spheres of other operations.
- A joint stakeholder led promotion of Department of Labour training lay off schemes.
- Labour unions consider endorsing Sunday labour (as part of a mutual agreement between old parties at operational level).

#### **1.30.4 If all fails (including DMR and DoL interventions)**

- Investigate how EBMTCC could assist with the development of the retrenched members.
- The MDA creates an integrated local economic development.

As part of the task team efforts to avoid job losses, the COM was requested to delay/suspend all section 189 processes. The Chamber undertook to consult all affected members without making any commitments, thus requesting what government and Labour would be doing to assist. The COM was adamant in its opposition of any extension of the current processes, which also included any suggestions of re-wording the intervention but keep the three weeks intervention. They only conceded to what is currently in the LRA that parties cannot unreasonably refuse the extension of the facilitation period, if this extension will ensure meaningful consultation.

The Chamber of Mines has on various occasions stated that they will not participate in this task team, this based on the fact that they did not agree to its formation in the MIGDETT Principals meeting on the 14th May 2015 and their belief that S 189 of the Labour Relations Act should not be replaced with Section 52 of the Minerals & Petroleum Development Act.

#### **1.30.5 Mining Phakisa Project**

A Phakisa is essentially a collaborative process, convened by government (Department of Performance Monitoring and Evaluations) on behalf of the Presidency, but involving a range of key stakeholders, to plan and oversee the implementation of initiatives that will have a positive catalytic impact on the economy and society. A Phakisa should be viewed as a process in which key stakeholders learn how to productively solve problems together to achieve agreed objectives. The problem solving process is concretised through the development of reasonably detailed implementation plans to achieve clearly defined objectives. The purpose of having a range of relevant stakeholders in the room is to both get a much more holistic sense of what is, and is not, possible and to harness the collective resources and wisdom of the group to develop solutions.



### **1.30.6 Aims and objectives of The Mining Phakisa**

The broad aim of the Mining Phakisa is galvanise growth and investment along the mining value chain and in relevant input sectors through engaging with the immediate financial and employment challenges created by the global downturn in commodity prices as well as through designing initiatives that build a foundation for next generation mining systems, beneficiation technologies, capital goods production and sustainable community development.

### **1.30.7 The specific objective of Phakisa**

- Revitalise investment along the mining sector value chain (from exploration to processing) and, in doing so, stem the closure of mines and the loss of jobs.
- Position South Africa's mining industry to exploit resources that are presently not mineable and in doing so, galvanise the development of a world leading mining technology design and manufacturing cluster.
- Drive the development of technologies and manufacturing industries that would beneficiate and create additional demand for South Africa's resource wealth.
- Significantly impact on enhancing the living conditions and economic prospects of mining related communities (including labour sending areas).
- Enhance the industry's sustainable utilisation of infrastructure resources.
- Improve the industry's environmental impact, particularly in relation to rehabilitation

### **1.30.8 Work stream 1: Reviving of investment in the mining industry**

Specific to investment, there was an agreement that South Africa was receiving relatively lower levels of investment given its natural resource reserves. The main reasons proposed as being behind the less than anticipated investment were a) poor investment image of the country, many and complicated processes of approval of investment in the country, policy uncertainty, and locking out of independent black capital. Policy uncertainty was partly contested by some stream members who argued that the uncertainty was being used as an excuse by those parties that did not want to comply with regulation. Nonetheless, it was acknowledged that there were delays in finalizing a number of policies for example the MPRDA and the Carbon Tax Policy.

Another important issue that was discussed and had a direct bearing on transformation of the sector was the barriers faced by independent black capital in participating in the sector. Despite its potential to increase the number of black entrepreneurial participants with unencumbered say in the sector, artificial barriers were being put in place for the black capital.

Against this background, the team set out to define the broad output and outcomes that they intended to achieve in terms of enhancing investment in the sector, cascading to the activities that have to take place.



These are summarized in the table below:

Outcome	Output	Intermediary Outputs	Activities
Reviving investment in the mining sector	A positive investment image for SA mining sector	Developing common and positive messaging for promoting investment in SA mining	To be finalised
	Ease of the processes involved investing in SA mining	Develop mining champion and ensure linkages to the Invest SA initiative	To be finalised
	Policy certainty on all applicable policies and regulatory requirement in the sector	Finalisation of the MPRDA AB and undertaking impact assessment on relevant legislations	To be finalised
	Increased share of sector investment funded by independent black capital	Unlock impediments to entry of black independent capital in the mining business	To be finalised

### 1.30.9 Work stream 2: Employment and externalities

The "Growing the Cluster" Work-stream aims to identify areas of existing stakeholder agreement as well as identify new areas for intervention, where the Phakisa process can galvanize implementation to stem the short term decline of the mining sector and the associated loss of jobs as well as promote investment, productivity improvement and growth in key areas of the mining value chain. Where job losses are unavoidable, the Phakisa will seek to scale up interventions to reskill or create new employment for retrenched workers. With the recent dramatic drop in commodity prices, the industry is characterized by closures, down-sizing and retrenchments. The Minister DMR convened a special forum with stakeholders which developed a ten point plan for interventions to alleviate the crisis. These include (amongst others) the objectives of selling, rather than mothballing of distressed mines and the establishment of a joint state-business fund to reskill retrenched mineworkers.

### 1.30.10 Three identified streams of activities

Create a uniquely mining sector training lay-off scheme, under the auspices of the MQA. The mining industry would be better prepared to deal with future job losses crisis. Ambiguities in the existing 'national' TLS are eliminated and the scope and conditions of an industry scheme are specific to the needs of that industry. Decisions regarding participation can be expedited and possible job losses reduced. The challenges with the current TLS will be eliminated, including multi agency implementation model.

*Implement an industry Decent Work Programme as a delivery vehicle for sustaining industry growth competitiveness and socio economic obligations:*

- Revive/revitalize future forums as a standard and uniform structure across the industry to ensure that they are platforms for dialogue and implementation in achieving industry aspirations.
- Separate Industry related issue from Mine specific issues
- Potential for a streamlined dispute resolution process within future forums
- Streamline legislation to eliminate the contestation/confusion in respect of the definitions of employee and between S52 of the MPRDA and s189A of the LRA
- Review existing labour relations practices against modern trends to establish shortfalls
- Implement up-skilling and re-skilling developmental programmes for mining industry workers (where appropriate), meeting international standards for portability of skills across the economy with special emphasis on concurrent rehabilitation and other related value chain beneficiation process.

### 1.30.11 Work stream 3: Next generation beneficiation

The model for downstream beneficiation that emerged during the sixties and seventies was based on large capital and energy intensive technologies which produced relatively uniform products for general application and were associated with limited technology transfer to South Africa. Over the last two decades these plants have largely been sweated without adequate investment in maintenance or technological upgrading and suffer from problems of poor energy efficiency. Consequently, next generation beneficiation needs to be based on energy efficiency and the continuous development of technologies and associated manufacturing capabilities to create new applications and associated markets for South Africa's (particularly precious metals) mineral resources. In addition, next generation beneficiation also needs to be focused on establishing and manufacturing technologies that will beneficiate resources to enhance the competitiveness of existing national commodity exports (which are competing with more competitive low cost miners).

The objective of the stream was to respond to the mining industry's problems through advancing beneficiation through adding value to our mineral wealth and to consider options to reduce or avoid job losses. South Africa faces the challenge of diversifying its economy away from a dependence on raw mineral exports. Consequently, there is a need to leverage our resource endowment to support down-stream beneficiation and the broader industrialization process associated with the utilization of these inputs. The challenge is two-fold:

- How can the country leverage the comparative advantage of possessing minerals to support the down-stream process in a manner that is not at the expense of the financial viability of the mining sector?
- How can the country find win-win synergies with mining enterprises and the manufacturing sector to further the beneficiation objective?

In response to the first challenge the immediate advantage of having mineral resources located in South Africa is the low levels of logistics cost of getting the commodities to the market. Consequently, the Phakisa proposes that South African down-stream beneficiation companies can get an immediate cost advantage through being charged a "mine-gate" price for resources, where the mine gate price is defined as the landed price for the commodity in London less the cost of logistics.

For the second challenge, it is noted that there are a number of areas of synergy between the national beneficiation objective and the mining industry that can be leveraged for both industry and national benefit:

- Providing a base load of demand for nationally produced commodities which provides greater off-take certainty than the global market.
- Differentiating South African commodities in the global market through deploying beneficiation technologies, particularly in relation to low cost bulk producers.
- Creating and developing new local and global markets and applications for South African resources which solves key economic problems and provides greater long term demand certainty.
- Expansion of the national market through leveraging processing technologies that will allow for greater national utilization.



### 1.30.12 Work stream 4: Sustainable Communities

There are a variety of initiatives involving both government and the private sector to stabilize the relationship between mining companies and surrounding communities. In particular, it should be noted that a “Framework Agreement for a Sustainable Mining Industry” process is underway that is chaired by the President. In addition, an Inter-ministerial Committee for the “Revitalization of Distressed Mining Communities” was established in 2012. Both of these processes have the common objective of developing integrated human settlements and supporting the economic development of labour sending areas.

The Phakisa will be working with the stakeholders involved in these processes to identify initiatives which can be fast-tracked through their integration in the Phakisa process. This work-stream will explore how best practice human settlement and community development projects can be initiated when there are committed industry, government and civil society stakeholders supporting these processes. Sustainable Communities work stream week has been a variety of event that took place in order to refine, outline and inspire the group’s thinking for a greater understanding of the process, bring on board quality transformational interventions with adherence to the provision of decent jobs, retention of jobs and job creation.

The overall purpose of the Stream is to establish integrated sustainable communities through a coordinated alternative regional economic development, integrated human settlement in a safe environment where there are job creation opportunities, SMME development and absorption of some of the workers who has undergone the layoffs.

Initiative	Summary	Areas for consideration	Worker Benefits
Regional Economic Development Programme	Seek to establish a regional collaboration of stakeholder’s to meaningfully participate in community development	Mining Areas within district municipal demarcation	SMME’s Suppliers and Service Providers Job opportunities
Agri-business	Provide an alternative community development through sustainable economic development	Labour Sending Areas (Presidential Programme) Mining Areas	Skill and Reskilling Job Opportunity Feasible alternative community development
Urban Thabazimbi Human settlement development	Provide quality housing for the workers and community through human settlement integration	Urban Node Thabazimbi Model could be employed in other areas	Housing Construction employment SMME
Environmental Acid water mine drainage Rehabilitation	Ensure adherence to environmental regulation while enhancing the lives of the communities where mining companies exist	Emalahleni, Mpumalanga	Job creation Compliance SMME’s development

### 1.30.13 Work stream 5: Next generation mining (automation and mechanization)

Presently, the bulk of South Africa’s mineral resources in value terms (particularly in Platinum and Gold), is not minable with existing technologies. As existing resources run out, unless the mining of specific commodity groups goes through a technological transformation in the way mining systems are designed as well as in the equipment used to mine, there is an over-whelming risk that the industry’s will dramatically decline in the next ten years. On the other hand, this gives South Africa the opportunity to develop a world leading (ultimately export orientated) technology development and manufacturing cluster, for narrow reef hard rock mining in particular, given that we will provide the greatest demand globally in the next decade for this technology (which will not be the case for surface technologies).

### **1.30.14 Assessment of Impacts and Enablers for a Just Transition to Next Generation Mining**

#### **1.30.14.1 Scenarios**

*Develop scenarios for next generation mining taking account of:*

- Local and global trends and activities related to next generation mining
- Learnings from local and global best practices and mistakes

#### **1.30.14.2 Scenarios that could be considered for narrow-reef, hard-rock mining includes:**

- Conventional mining
- Mechanized drill and blast mining
- 24/7 mechanized mining

#### **1.30.14.3 Impact and enabler assessments**

*To determine the impacts and enablers of different scenarios on factors such as:*

- Employment (created and retained) including specific impacts on job categories
- Skills including a gap analysis between current skills and future skills required
- Transformation compliance as defined by the elements of the Mining Charter
- Safety, health and environment (with specific emphasizes on zero fatalities)
- Macro-economic indicators

#### **1.30.14.4 Specific gaps that need to be analyzed include:**

- The geographical gap i.e. the impact on different regions
- The sectoral gap i.e. the impact on different economic sectors
- The historical gap i.e. learning from past mistakes in similar transitions including:
  - What elements have been key for workers to be key and accept?
  - What was the role of certain regulations, social dialogue and other labour market regulations?
  - How was the transition arrangements financed?
- The skills gap
- The gender/age gap
  - What are the gender impacts on next generation mining jobs?
  - How can the next generation mining address the raising problem of youth unemployment and what kind of policies can help young workers to meet the needs of next generation mining?



### 1.30.14.5 Impact and enabler management options

Social dialogue e.g. use those structures created through the Decent Work Programme

Alternative job creation opportunities e.g.:

- Water recovery and purification projects
- Shaft pillar mining
- Employment initiatives for Training Lay-off Scheme:
  - Agri-business
  - Concurrent rehabilitation
  - Rehabilitation of ownerless and derelict mines
- Delay retrenchments with support from government (acquire a comprehensive list of all existing funds administered by provincial and national government for development and employment creation and their state of spending)

### 1.30.15 SOCIAL BENEFITS

#### 1.30.15.1 Construction Industry Retirement Fund (CIRBF)

NUM negotiated this fund established in December 1991 with BCAWU and SAFCEC. The fund has employed a staff compliment of sixty.

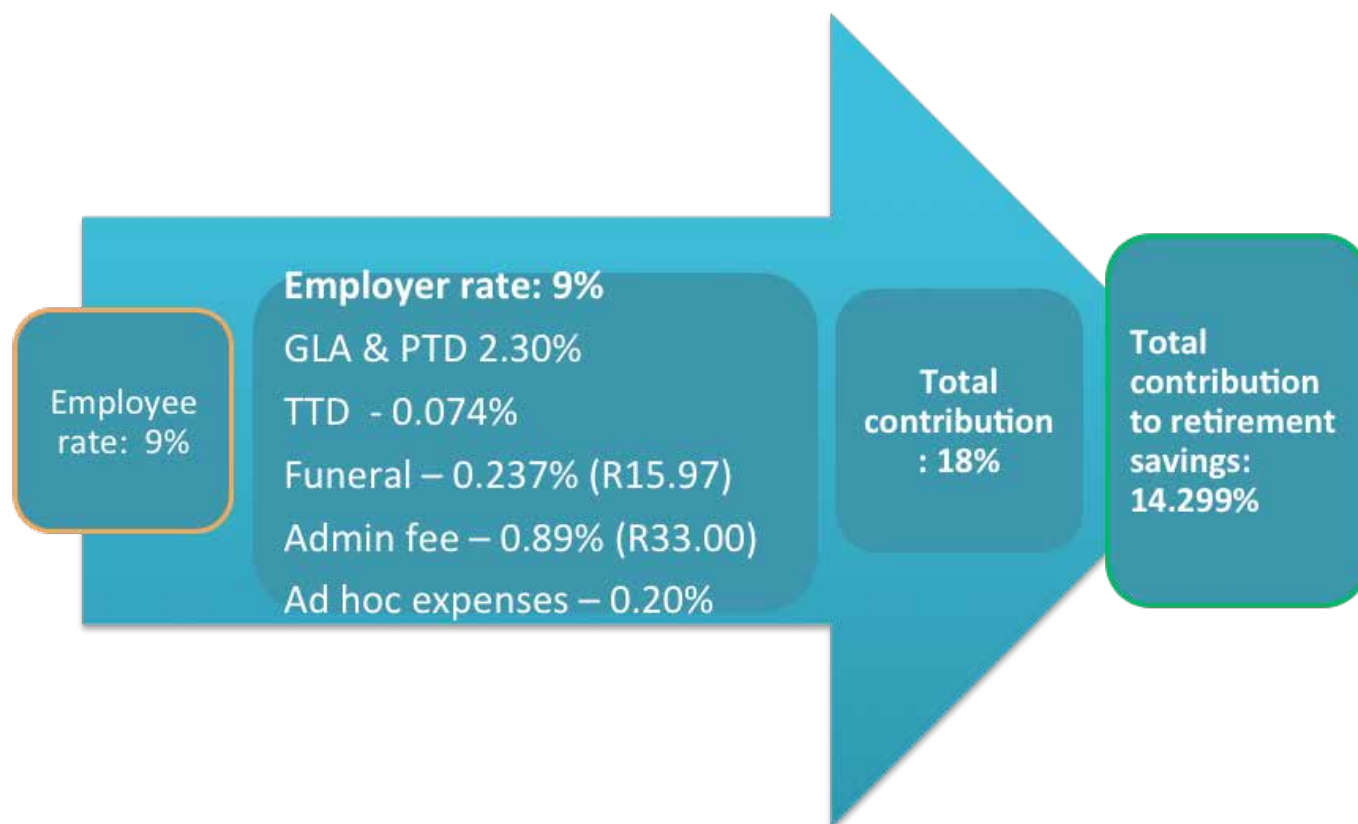
#### Membership

Active Membership	Unclaimed Benefits
20 239	10 661
<b>Total Assets Value</b>	
R 1 112 645 685	R 61 983 371

#### 1.30.15.2 Contributions

Employee contributes 9% and Employer also contributes 9% which equals 18%. A total of 14, 2% of the contributions go towards a retirement savings, while 0, 23% goes towards a risk benefit.

### 1.30.15.3 CIRBF Contribution



### 1.30.15.4 Bridging Provident Fund

The Bridging Fund continues to grow in numbers and assets. By the end of 2015 the fund had 22 440 contributing members, both the employer and employees contribute 5% (10%) however members may contribute more depending on affordability.

### 1.30.15.5 Benefits

All members contributing to the Bridging Provident Fund have the following benefits:

- Death Benefit
- Permanent Disability
- Temporary Income Protection
- Funeral and Family Cover (Optional to members)

### 1.30.15.6 Asset value of the Fund

The Fund reached a milestone in 2015 with reaching assets under its management at R1b. The funds as at January 2016 are standing at R 1 073 603 364.

### 1.30.15.7 Unclaimed benefits

There the fund has 24 102 unclaimed funds to date.





### 1.30.16 Mineworkers Provident Fund

#### 1.30.16.1 Asset value of the Fund

The fund is standing at R 27b as by the end of December 2015. The number of total contributing members is 103 000 which the funds deems as a threat to the fund especially in the light of mine closures and retrenchments.

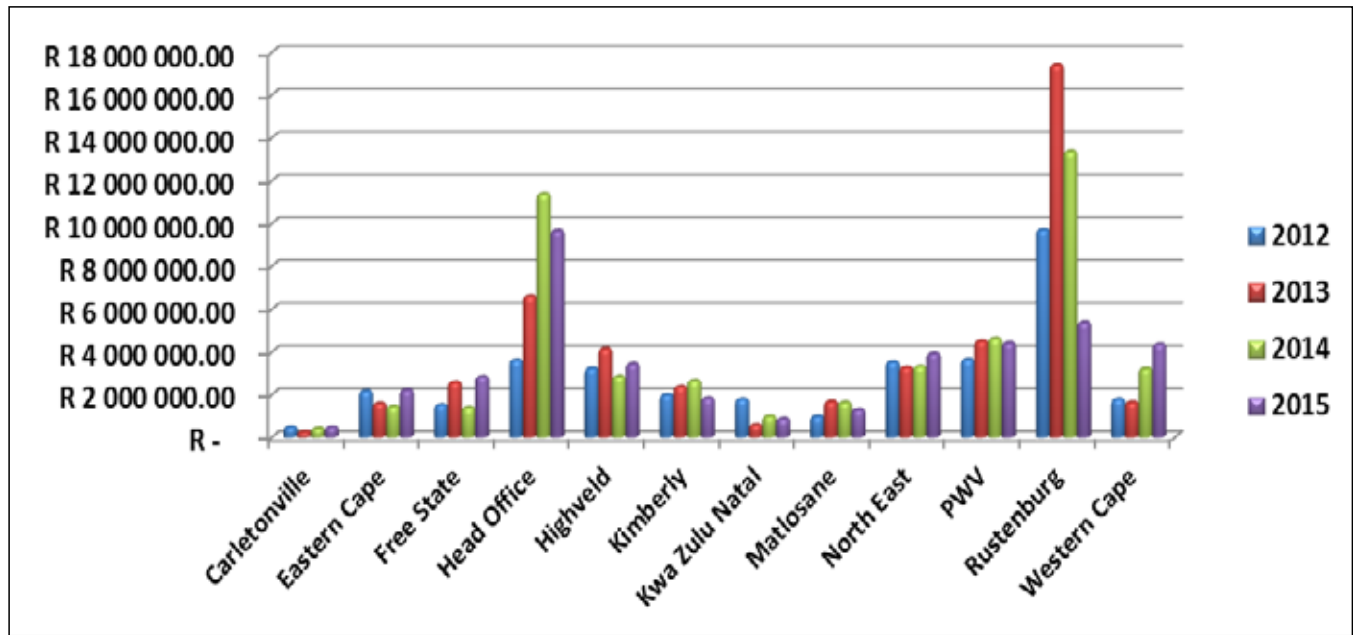
### 1.30.17 LEGAL

NUM has established Legal Pillar with purpose of ensuring that our members receive optimal serve from legal perspective. Union has taken a decision to decentralize the services of this Pillar for easily accessibility and to expedite resolution on cases.

#### 1.30.17.1 Legal cost per region (2012 – 2015)

Region	2012	2013	2014	2015
Rustenburg	9 686 988	17 391 901	13 352 495	5 364 930
Head Office	3 584 747	6 587 092	11 359 855	9 649 646
PWV	3 615 994	4 487 722	4 597 429	4 408 819
Highveld	3 215 368	4 133 423	2 827 235	3 424 005
North East	3 505 725	3 258 737	3 302 813	3 915 850
Kimberly	1 978 956	2 354 581	2 618 056	1 823 784
Western Cape	1 775 815	1 636 409	3 196 313	4 341 914
Free State	1 507 390	2 552 361	1 369 981	2 811 884
Eastern Cape	2 152 709	1 582 771	1 428 590	2 195 963
Matlosana	968 939	1 668 317	1 628 023	1 279 265
Kwa Zulu Natal	1 775 815	579 773	974 871	863 177
Carletonville	471 192	243 587	402 316	469 318
<b>GRAND TOTAL</b>	<b>34 239 638</b>	<b>46 476 674</b>	<b>47 057 978</b>	<b>40 548 555</b>

Regional comparisons over four (4) years.

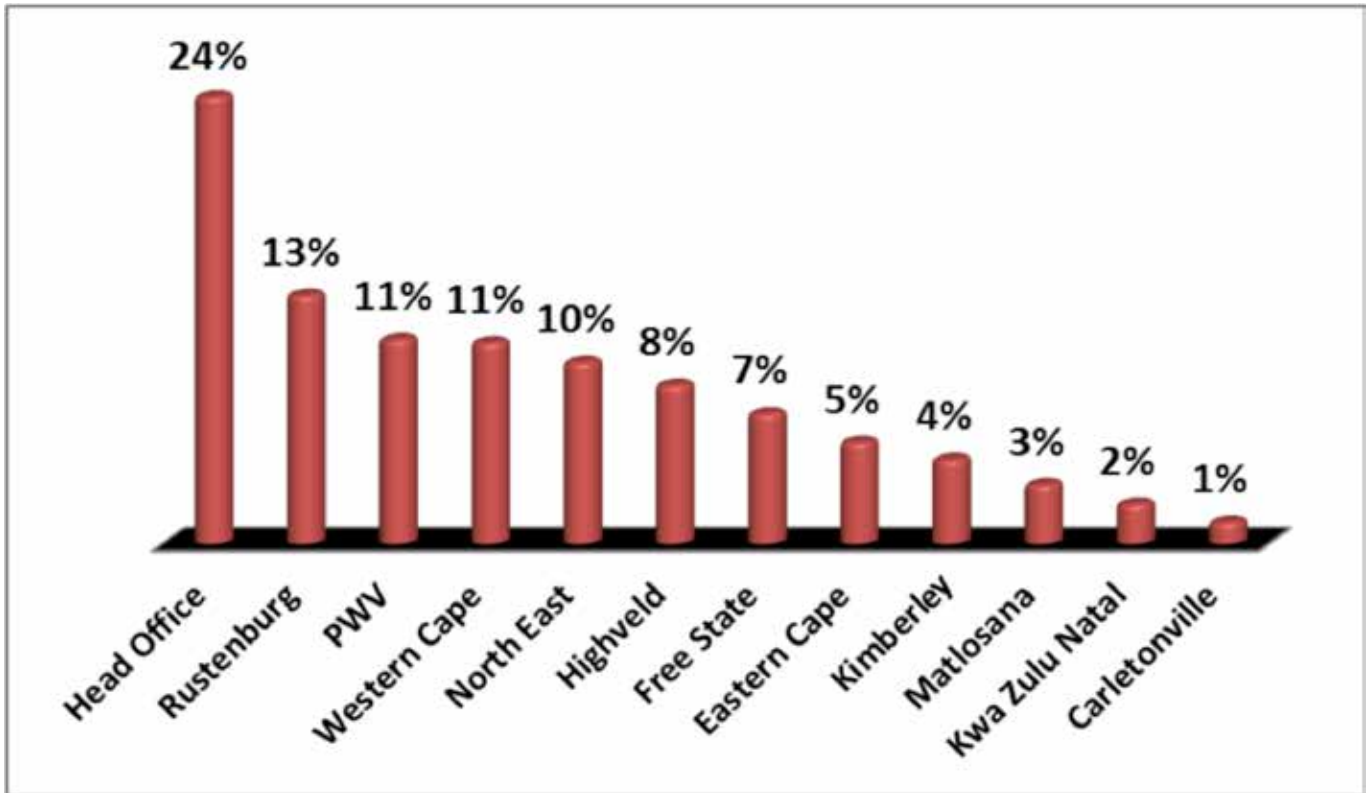


Graphic regional comparisons over four (4) years.

**1.30.17.2 Legal cost per region (2015 ONLY) and percentage contribution to national expenditure = R40 548 555.00.**

Region	2015	% Contribution to National Expenditure
Rustenburg	5 364 930	13%
Head Office	9 649 646	24%
PWV	4 408 819	11%
Highveld	3 424 005	8%
North East	3 915 850	10%
Kimberly	1 823 784	4%
Western Cape	4 341 914	11%
Free State	2 811 884	7%
Eastern Cape	2 195 963	5%
Matlosana	1 279 265	3%
Kwa Zulu Natal	863 177	2%
Carletonville	469 318	1%
<b>GRAND TOTAL</b>	<b>40 548 555</b>	<b>100%</b>

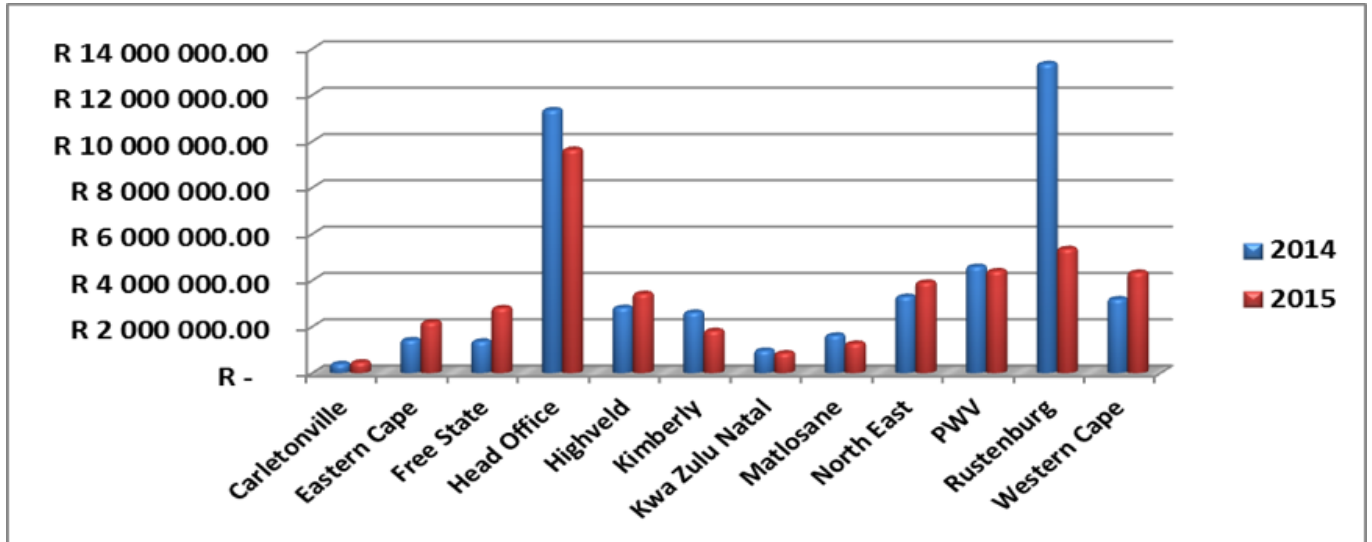
Percentage comparisons to national expenditure.



Percentage comparisons to national expenditure.

### 1.30.17.3 Legal costs per region: comparison between 2014 and 2015

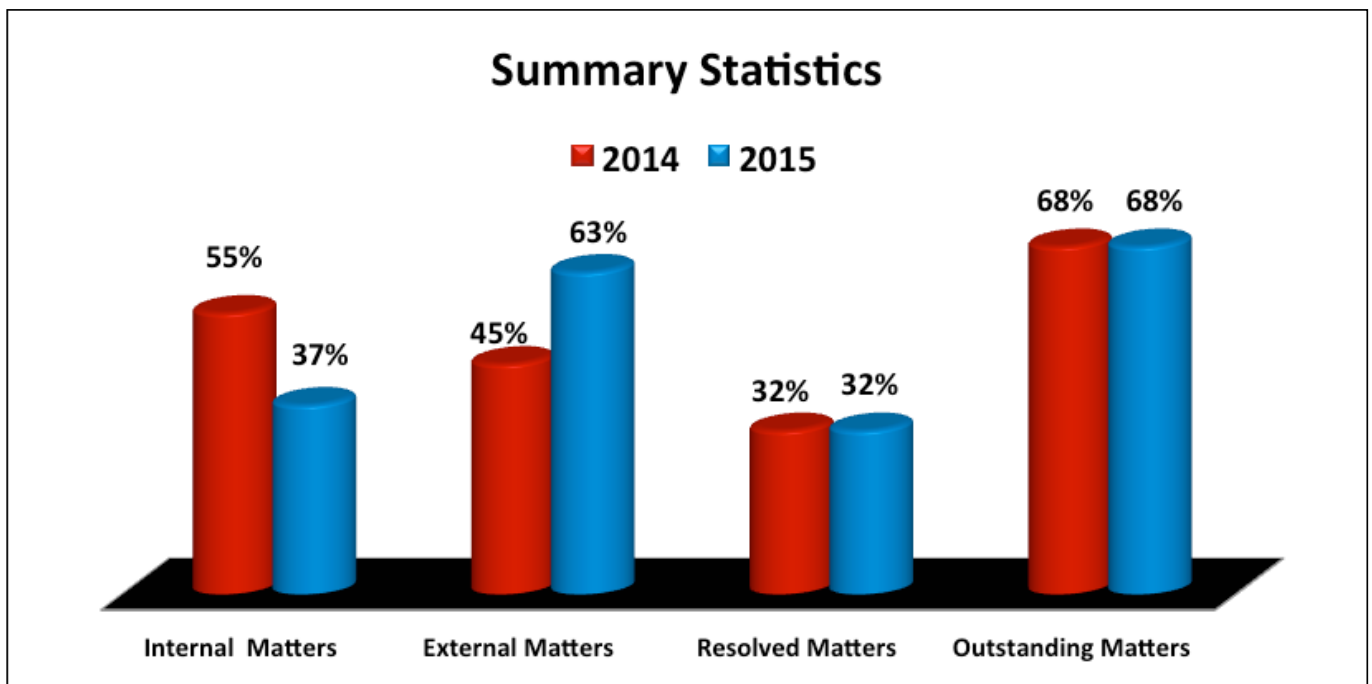
Region	2014	2015	Increase/Decrease Amount	Increase / Decrease
Rustenburg	13 352 495	5 364 930	- 7 987 565	Decrease
Head Office	11 359 855	9 649 646	- 1 710 209	Decrease
PWV	4 597 429	4 408 819	- 188 610	Decrease
Highveld	2 827 235	3 424 005	+ 596 770	Increase
North East	3 302 813	3 915 850	+ 613 037	Increase
Kimberley	2 618 056	1 823 784	- 794 272	Decrease
Western Cape	3 196 313	4 341 914	+ 1 146 601	Increase
Free State	1 369 981	2 811 884	+ 1 441 903	Increase
Eastern Cape	1 428 590	2 195 963	+ 767 373	Increase
Matlosana	1 628 023	1 279 265	- 348 758	Decrease
Kwa Zulu Natal	974 871	863 177	- 111 694	Decrease
Carletonville	402 316	469 318	+ 67 002	Increase
<b>GRAND TOTAL</b>	<b>47 057 978</b>	<b>40 548 555</b>	<b>- 6 509 423</b>	<b>Decrease</b>



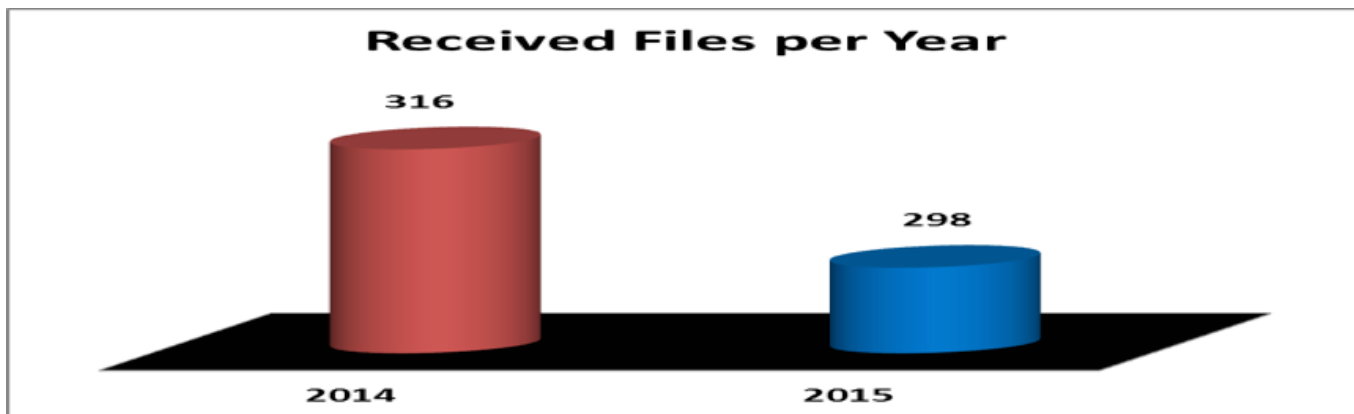
Regional comparisons between 2014 and 2015.

#### 1.30.17.4 Cases Received and Reso

	Received	Internal	External	Resolved	Outstanding
2014	316	172 (55%)	144 (45%)	101	215
2015	298	113 (37%)	185 (63%)	94	204



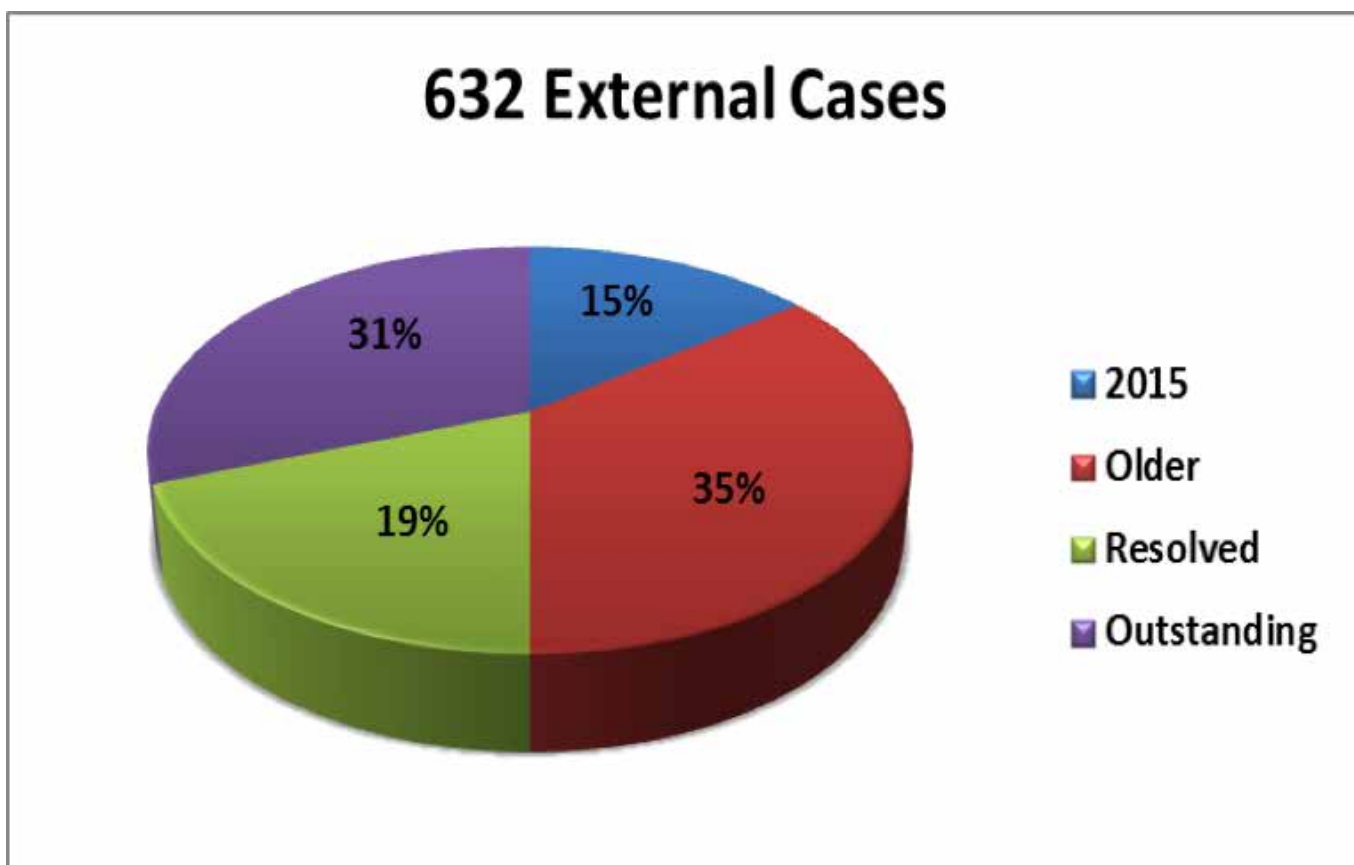
Cases received and resolved internally in 2014 and 2015



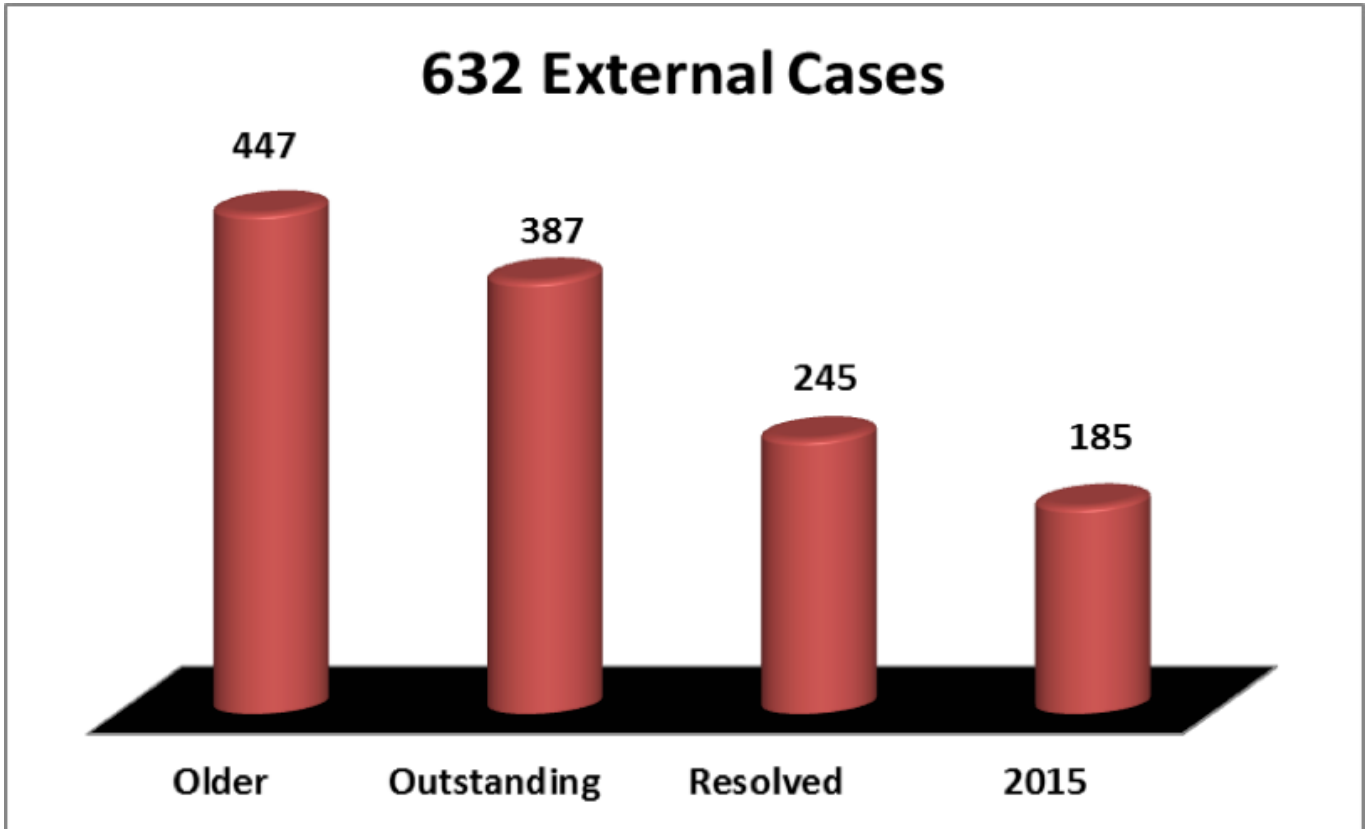
*Comparison of cases received in 2014 and 2015*

#### 1.30.17.5 Current Active Cases Allocated to External Lawyers

External Cases	2015	Older	Resolved	Outstanding
632	185	447	245	387



*All cases allocated to external attorneys in percentage terms*

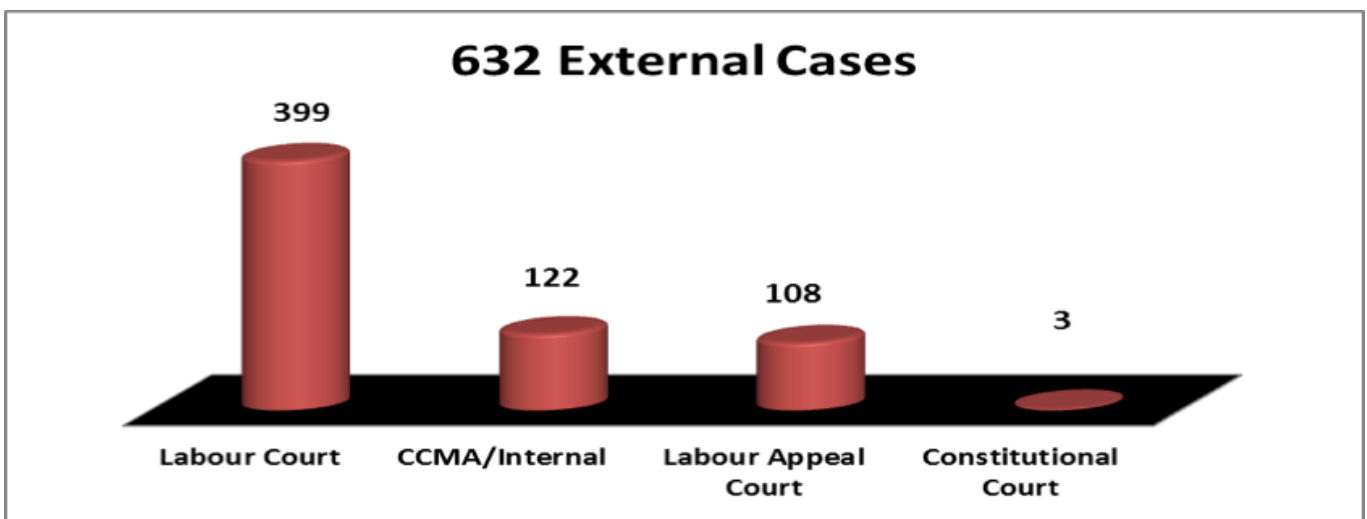


All cases allocated to external attorneys in graphic numeric representation

#### 1.30.17.6 Current Cases allocated to External Lawyers by Jurisdiction

External Cases	CCMA/Internal	Labour Court	Labour Court	Appeal	Constitutional Court
632	122	399	108	3	3

All cases allocated to external attorneys in graphic numeric representation and jurisdiction



All cases allocated to external attorneys in percentage terms



### **1.30.17.7 Criminal cases (Rustenburg)**

There are more than 20 criminal cases in the North West High Court. Two cases of our members were dismissed by the Court for lack of evidence. Lawyers for the accused are busy attempting to persuade the National Prosecuting Authority to drop all the cases.

### **Notable cases, observations and some recommendations**

#### **1.30.17.8 ESKOM: Interest arbitration and Labour Court**

- As a result of ESKOM unilaterally implementing a wage increase without an agreement with the unions, the NUM challenged such an action on an urgent basis and the case was lost for lack of urgency.
- The reason for our action was based on the fact that ESKOM being classified as an essential service, it cannot unilaterally implement a salary increase before interest arbitration is concluded.
- Interest arbitration took place and this is a cumbersome process which sometimes drags on until the next round of wage negotiations.
- It is proposed that a parliamentary process be engaged and that it be recommended that a law or regulations be promulgated to regulate the process of interest arbitration and that such be concluded within the period of the next wage talks.

#### **1.30.17.9 De-recognition at Lonmin, Anglo Platinum and Impala**

The loss of majority threshold at the above mines has resulted in the “yellow union” implementing agency funds against NUM members which is a disconcerting factor by our members as there is double deduction for the NUM.

Agency fees are regulated by section 25 of the LRA and the law clearly states that a majority union may implement an agency fee agreement against any non-member which includes members of minority unions.

- A constitutional challenge is likely to fail because the spirit of the LRA is to prevent a proliferation of trade unions within a single workplace and is likely to succeed if the challenge is to amend the law to the effect that the majority union should only deduct from employees who are not members of any union.
- The intention of agency fee deduction is to discourage free riders who belong to no union but benefit from the struggles and monetary contributions of union members.

#### **1.30.17.10 Requests by members for payment to attorneys not NUM database conducting own cases**

There is a growing trend by union members to solicit their own attorneys and when they run out of funds to pay those private attorneys, they approach the union and want the union to pay those attorneys. It is not clear what the reasons are for such behavior, although negligible, for them to approach private attorneys whereas they know that they have the union to assist them. It could be worth investigating the reasons behind this.





### 1.30.17.11 Condonation applications

A condonation application is a process which is undertaken in case a litigant is late or out of filing period, for example, a dismissal dispute should be filed with the CCMA within 30 days after the date of dismissal. If you file on the 31st day, an explanation has to be given for the delay in not filing within the required time frame. Where a litigant is 45 days out of time, he theoretically has to explain each day of the 45 days.

The danger of not filing a late referral is that where a member gave us his case within the required time and we did not act timeously, he can sue us, especially where he has a meritorious case, for the salary of the remainder of his working life, including pensions. For example, where a litigant is 45 years and was supposed to retire at 60 years, he can sue us for the remainder of the 15 years before his pension age. If he was earning R10 000.00 per month, the formula would be  $R10\ 000.00 \times 12\ \text{months} \times 15\ \text{years} = R1\ 800\ 000.00$  (R1.8m).

The above means that if we do not apply for condonation of his case, he can sue us for R1.8m excluding legal fees, interest, pension and other benefits and annual increases which might have accrued. Under the above scenario, the Legal Unit has to refer the case for a condonation which is an unnecessary and avoidable cost to the union. We brief attorneys in order to avoid higher costs to the union as outlined above, but such legal service does not also come cheap. It is therefore upon regions and branches to refer cases on time and there is no excuse because branches and regions know about this legal requirement.

The submission is not blind to the fact that sometimes management charges people without good cause and the decision to exclude the above might actually fuel management to charge innocent employees who speak truth to power. The predicament is whether the union is ready to deal with these positive and conscious acts which are committed by its members.

### 1.30.17.12 Legal suits against NUM

#### **Mandla Mabuyakhulu v NUM**

The plaintiff, with the assistance of 'yellow union' has sued the NUM for R4 428 918.20 (R4.4m) for assault and bullet wounds sustained during the Marikana uprising around 2012 and is suing the NUM for vicarious liability. Vicarious liability is a liability which a dog owner assumes as a result of his dog biting a person. Cheadle Thompson & Haysom Attorneys have been briefed on the matter as a result of them having been involved in the Marikana's Farlam Commission from the beginning to the end.

*The claim is based on the following:*

- past medical expenses
- future medical expenses
- past loss of earnings
- future loss of earnings and general damages.

The outcome of the Court verdict is unpredictable.

#### **Bongani Ngema v NUM**

Like in the above case, the plaintiff, with the assistance of AMCU, has sued the NUM for R4 400.000.00 (R4.4m) for assault and bullet wounds sustained during the Marikana uprising around 2012 and is suing



the NUM for vicarious liability. Vicarious liability is a liability which a dog owner assumes as a result of his dog biting a person.

- Cheadle Thompson & Haysom Attorneys have been briefed on the matter as a result of them having been involved in the Marikina's Farlam Commission from the beginning to the end.

*The claim is based on the following:*

- past medical expenses
- future medical expenses
- past loss of earnings
- future loss of earnings
- general damages.

The outcome of the Court verdict is similarly unpredictable.

### **Mosampi Matuba & 189 others v NUM**

This matter concerns a civil for damages for R31m as a result of a dismissal that took place in December 1997. The suit is for alleged professional negligence against the NUM.

- The plaintiffs launched the civil suit after seventeen (17) contrary to the fact that a civil suit should be launched within three (3) years because after such time, the case is regarded as having prescribed and out of time.
- Unfortunately, the region entertained them when they visited the office, which meant that the matter is regarded as having been revived by such a conduct of the region.
- We have however raised a special plea of prescription and before then, we have applied to court for an order to the effect that the respondents (plaintiffs in the action) should provide power of attorney and authority to the satisfaction of the court, meaning that every one of the 190 litigation must sign documentation showing that they want to sue the union.
- An order was granted in our favour on 28 January 2016 and we will await such power of attorney for each of the litigants.

*The applicants are suing the union for the following:*

- lost salaries;
- lost compensation upon reinstatement;
- lost pensions; and
- interest at 15.5% from date of dismissal.

The outcome of the Court verdict is similarly unpredictable.



### **1.30.17.13 Legal suits launched by NUM**

The NUM also launched its own legal suits against employees of Impala Platinum and members of AMCU who assaulted our members, and further, jointly and severally sued Impala Platinum as the employer of the offenders and further, because the offences took place within the premises of the employer. Their names cannot be revealed here as the cases are still pending and they are further witnesses in pending criminal cases against such perpetrators.

### **1.30.17.14 Pamodzi Gold (in liquidation) and Aurora take-over**

Judgment in the Aurora matter, which took over Pamodzi Gold which was in liquidation, was delivered on 25 June 2015.

- The essence of the judgment is that Aurora directors in the form of Khulubuse Zuma, Zondwa Mandela and Thulani Ngubane and their “funders” in Fazel and Solly Bhana are personally liable for failure of Pamodzi Gold when they destroyed the assets they gained control of by amongst others, stripping the mine of its assets and sold it for scrap.

The claims amount to about R1.7b from all the creditors. The defendants have appealed the judgment and the workers have to wait for the Supreme Court of Appeal process which will take its own time. CAPM has bought Pamodzi Orkney and it is in the process of bringing the mine back to operation and that is expected during the course of 2016.

### **1.30.17.15 Legal Unit work study (Current status & bottlenecks)**

The NEC approved the structure elevating the legal unit into a pillar and incorporating eleven (11) regional legal officers for the 11 regions and two unit heads responsible for case management and litigation, meaning that a total of thirteen (13) posts have been approved. Due to the financial situation the union finds itself, not all the 13 posts can be filled immediately but that would be done incrementally. The current legal officers will be redeployed to the regional offices as legal specialists and head office will in essence be staffed by the pillar head and unit heads for litigation and case management.

The legal specialists posts Kimberly and Rustenburg have been filled because of different priorities and problems encountered in these regions. Other regions will be filled incrementally based on the best practice. The remainder of the key recommendations should be implemented in parallel with the sourcing of professional staff and they are the following:

- integration between head office, regions and branches;
- development of paralegal competencies;
- formal training and development plan for legal officers, paralegals, organizers and shop-stewards, governance and oversight regime;
- review and amendment of current legal policy; and
- review of external law firms regarding fee structure and rate changes, development of billing and expense guidelines, evaluation of law firms at close of a case.



## 1.30.18 TRANSFORMATION

South Africa got its independency almost 20 years now since 1994. There are still remnants of apartheid denying the people of South Africa directly and indirectly to benefit from the economic activities and rights. We therefore once more raise the issue of transformation to be realized and be implemented without delay. Transformation is imperative more especially in the three sectors that we are organizing that is Construction, mining and energy sectors. Mining and Construction charters were promulgated by government but the implementers are deliberate and reluctant to implement these charters.

### 1.30.18.1 The state of transformation in South Africa's Energy, Mining and Construction sectors

#### 1.30.18.1.1 Abstract

The exclusionary policies of apartheid systematically marginalized the majority of South Africans from partaking in the economic activities of their country. The Mining Charter and the B-BBEE codes were introduced to facilitate transformation in the mining, construction and energy sectors. This paper examines the extent to which the objectives of the Mining Charter and the B-BBEE codes have been achieved in the mining, construction and energy sectors. The findings show that some progress has been made in terms of compliance; however transformation has not occurred at the intended rate. It is recommended that unions need to find space to be part of the mining Charter and B-BBEE compliance auditing processes.

Furthermore, workers must be sensitized on the requirements of the mining Charter and B-BBEE codes and be empowered to report, continually on progress made at the workplace towards meeting these requirements, within their own structures. Apartheid excluded the majority of South Africans from the main economic activities. Historically Disadvantaged South Africans (HDSAs) were prevented from participation in the main stream economy. The Mining Charter and the B-BBEE codes were established as instruments for transformation in the mining, construction and energy sectors.

This report outlines the extent of transformation in the mining, construction and energy sectors. The Mining Charter and the B-BBEE scorecards, were applicable, are used to determine the level of transformation in the three sectors. For the mining sector, compliance is assessed for the period 2009-2014.

#### 1.30.18.2 Mining sector

In the past, mining was used as a method for selective development which promoted a few, while excluding the majority of the black people. To address these inequalities, the Mining Charter was established. The Charter was adopted in 2004 as an instrument for driving transformation in the mining sector. The various stakeholders agreed to periodically review the Charter's performance. This was to make sure that in case the Charter was not leading to transformation, it could be changed or supplemented.

The Mining Charter has nine elements that are intended to facilitate the transformation of the mining industry. The aim of these elements is to include the previously disadvantaged South Africans in the ownership and management of the mining sector.

#### 1.30.18.3 State of the Mining Charter

Transformation agenda in the mining industry is still a contentious issue that each of the stakeholders find it hard to commit to even though everyone understands their roles but seemingly there is no shared vision. Evident to the statement, is the appalling attitudes of the Chamber of Mine toward the transformation and the



lack of progress to implement the charter. Many mining companies have not met the expected 2014 targets; this is a period 10 years since the origin of the mining charter.

The findings of non-compliance vary, some are exceeding the expected HDSA and some on Equity expectations while others exceeds in skills development. However all of these apprehensions are clouded by a trending tendency of “fronting” an easy way out approach to ownership shareholding scheme and to acquire BBEE certificate for the company records. According to the PC on Mineral Resources Report (2010) states that NUM pointed out that the designation of all women as Historically Disadvantaged South Africans (HDSAs) had an unintended consequence of the promotion of white women to key positions at the expense of other HDSAs<sup>3</sup>

According to the Department of Planning, Monitoring and Evaluation Benchmark Report in the mining industry (2015) states that women still represent a low percentage of the mining workforce in all four countries, numerous companies in Australia and Chile are also supporting broader initiatives to encourage gender inclusion into the mining workforce and move away from the male-dominated nature of the industry<sup>4</sup>.

The complexity of Social Labour Plans challenge the charter even more to an extent that the benefits are primarily enjoyed by investors and mining companies while workers and communities are crying foul on implementation. Integrated, nuanced and complex terrain involving issues of migrant labour, customary land rights, government capacity, project financing, spatial planning and project management<sup>5</sup>. However some Mining Companies don't even consult municipalities to integrate their projects with the needs of the surrounding communities.

### **1.30.18.4 Elements of the Mining Charter**

#### **1.30.18.4.1 Human resource development**

The mining industry requires specific skills which the South African labour market does not produce. The Mining Charter addresses the inherent skills deficit in South Africa and requires the mining industry to: offer every employee the opportunity to be functionally literate and numerate by the year 2005; implement skills development plans for Historically Disadvantaged South Africans (HDSA); and to develop systems through which empowerment groups can be mentored. The 2014 target is 5% of total annual payroll (excluding mandatory skills development levies) to be spent on Human Resource Development (HRD).

In 2010, the functional literacy average for HDSA in the mining sector was 17.1%. Skills development for HDSA stood at 17.1%. Only 11.4% of all HDSA had benefited from mentoring and empowerment interventions in the work place.

By 2014, 56,9% of industry had achieved the target of spending 5% of payroll on HRD according the Department of Mineral Resources (DMR) report of 2015. By implication, 43% of the industry had not complied with the HRD requirement. The Chamber of Mines reports, though, indicate that the HRD requirement had been fully complied with by 2014.

#### **1.30.18.4.2 Employment equity**

In the 2002 charter, the employment equity element was introduced as a measure for including and advancing previously disadvantaged races in the workplace. In addition, it asked mining companies to establish a plan to achieve a target for women participation in mining of 10% within the five years and show evidence of



implementing the plan. In the revised Charter, companies had to achieve at least 40% HDSA representation at all levels including executive management and senior management levels by 2015,

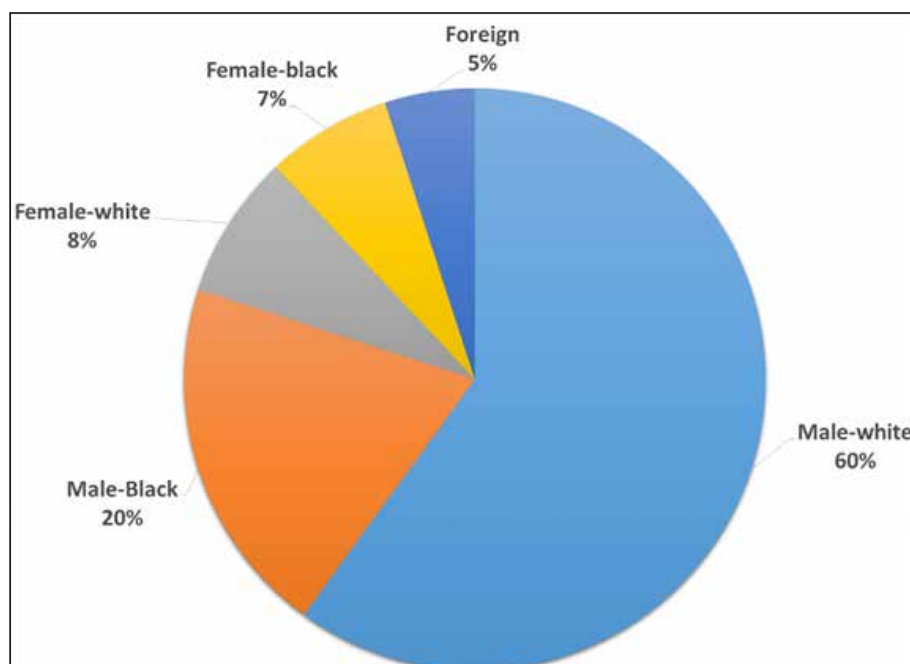
According to the DMR 2015 report, the industry had surpassed the 40% representation of HDSA at all levels by 2015 (Table 1 below).

Table 1: HDSA representation at different employment functional categories 2015

Category	African		Coloured		Asian (Indian and Chinese)		White		Foreign Nationals		Total HDSA
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Top Management	32.0%	9.4%	3.9%	1.5%	2.8%	1.1%	37.4%	3.4%	8.5%	0.0%	54.1%
Senior Management (EXCO)	29.1%	5.2%	3.8%	0.7%	4.1%	2.1%	49.3%	5.7%	0.0%	0.0%	50.7%
Middle Management	26.3%	8.6%	4.4%	1%	2.1%	0.9%	45.1%	9.4%	1.8%	0.3%	52.7%
Junior Management	41.9%	9%	5%	1%	0.6%	0.2%	33.1%	5.1%	4%	0.1%	62.8%
Core Skills	64.1%	8.6%	1.7%	0.3%	0.1%	0.0%	6.1%	0.4%	18.2%	0.4%	75.2%

Source: DMR 2015

However, a recent report by Commission for Employment and Equity 2014-2015 paints a rather a different and gloomy picture compared to that of DMR. According to the report, progress of HDSA in top management is clearly unsatisfactory with top management position still dominated by white males as shown in Figure 1 below.



Source: Commission for Employment and Equity Report 2014-2015

The finding of Commission for Employment and Equity on low representation of women in senior management positions is supported by the results of the 2015 research on challenges facing women in the mining, construction and energy sectors done by the Sam Tambani Research Institute (SATRI), in which more than 1,400 women were interviewed. Women cited lack of career progress as the most common challenge they faced.

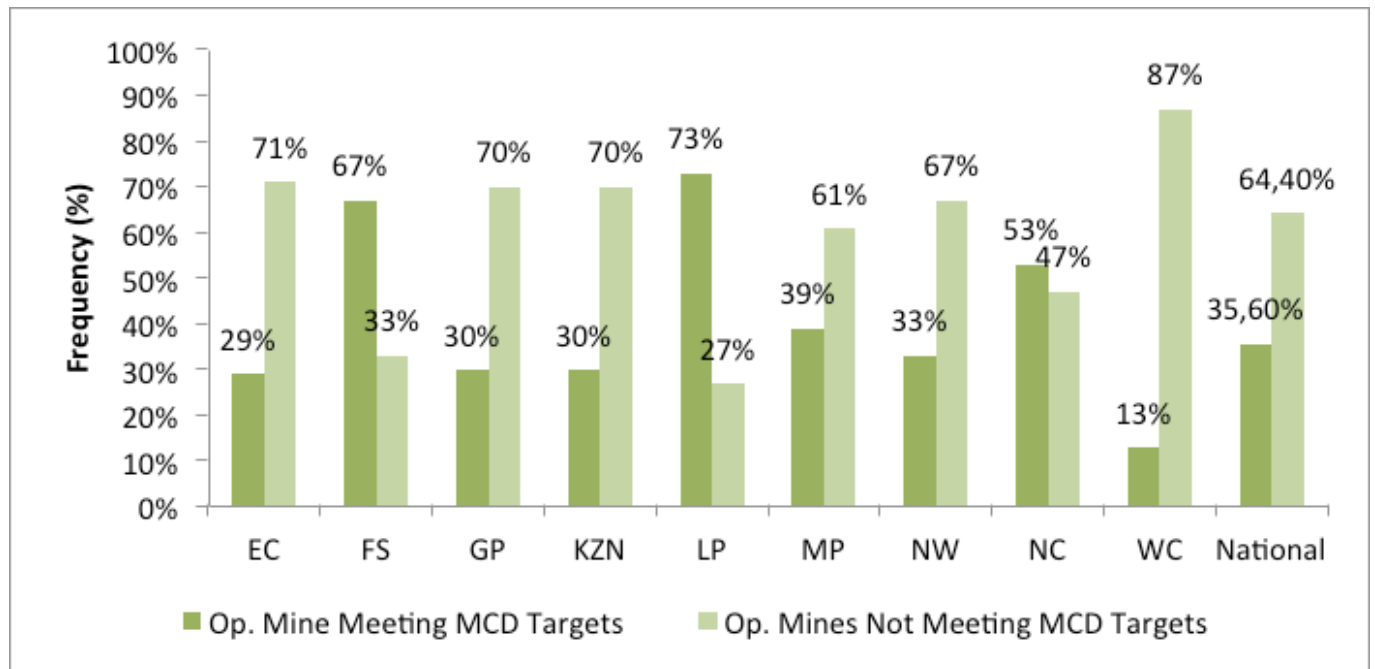
Whether the representation of HDSA as set out in the Mining Charter has been achieved depends on which information source one uses. Nonetheless, causal observation of ‘who does what’ and ‘who holds the power’ in the mining sector, reveals that the desired transformation in terms of HDSA has not been achieved. One has also to be careful about the issue of quantity versus quality. Some HDSA may be put in high position but with minimal powers to influence the workplace dynamics.

### 1.30.18.4.3 Mine community development

Mining exploration and mining activities are often located in remote and under developed areas of the country. The Mining Charter aims to ensure that community upliftment programmes are implemented to support communities within which mining takes place, as well as the labour sending areas. There, however, is little evidence that this is being achieved. The Mining Charter requires that mining companies include detailed community development initiatives in the mine’s Social and Labour Plan (SLP), and that the plans must be followed by consultation, assessment and implementation.

By 2014, only 30% of mining companies, on average, had implementation of approved Mining Community Development (MCD) projects indicated in their SLP (Figure 2).

**Figure 2: Extent of implementation of approved MCD projects**



Source: DMR 2015



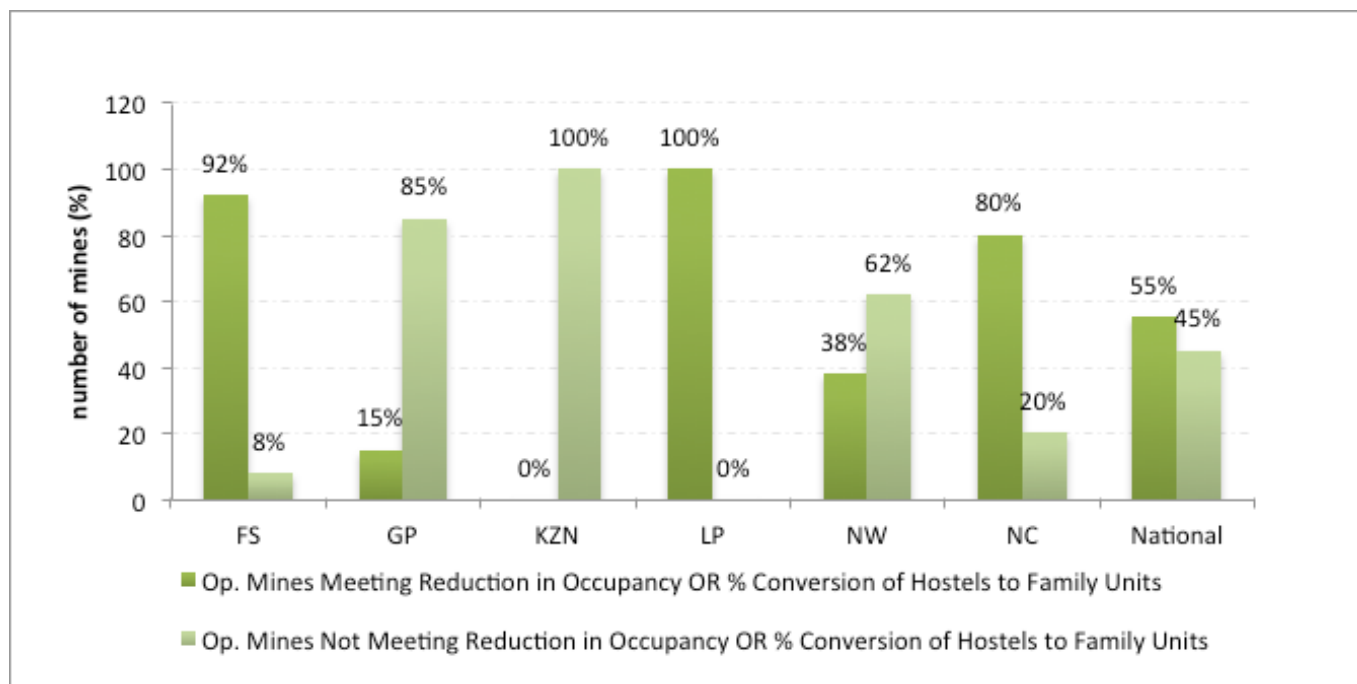


### 1.30.18.4.4 Housing and living conditions

The living conditions in the mines under the apartheid system were appalling and resulted in many social ills, like substance abuse and the spread of diseases. These conditions prompted government to promote humane living conditions for affected workers. In this regard, mining companies must implement measures to improve standards of housing and living conditions of mine workers.

The target set in the Charter was to convert or upgrade hostel into family home by 2014, as well as strive for occupancy rate of a single person room by 2014. The 2009 DMR assessment of progress made towards improving the housing and living conditions of mineworkers indicated that 26% of mining companies had provided housing to their employees, while 29% had improved the existing standards of housing. The assessment further revealed that 34% of companies had facilitated employees' access to home ownership through various schemes. The occupancy rate per unit had decreased from 16 to 4 mine workers. By 2014, 55% of mining companies met the housing and living conditions target according to the 2015 DMR report (Figure 3)

**Figure 3: Performance of mining right holders against the target set for housing and living conditions in 2014**



Source: DMR 2015

Overall, the mining sector has made reasonable progress towards the creation of descent housing and living conditions for mine workers through various schemes. Nonetheless, the occupancy rate of more than one workers per unit remained high.

### 1.30.18.4.5 Procurement

The procurement requirement was established to facilitate economic freedom for HDSA companies. It was observed that the South African economy was still divided along racial lines. Procurement of capital goods managed by the mining industry continued to be dominated by non-HDSA companies. To change this, mining companies are required to give HDSA companies a preferred supplier status, and report on the extent to which commitment to procure from HDSA companies has been implemented.

The DMR report of 2009 on procurement by mining companies showed the following:

- 89% of mining companies had not given HDSA companies preferred suppliers status.
- 80% of mining companies had not indicated commitment to the progress of procurement from HDSA companies over a 3/5-year time frame.

The 2015 DMR indicate that 42% of the mining companies had met the target of procuring capital goods from HDSAs, 33% met the target of procuring services from HDSAs and 62 % met the target of procuring consumables from HDSAs. These most recent figures point to the fact some progress has been made on the procurement and enterprise development requirement. The question of whether these figures are an accurate representation of what is on the ground still remains

#### **1.30.18.4.6 Beneficiation**

The government wanted to expand down and upstream benefits of mining to the local economy by establishing mineral beneficiation (or processing) plants in the country.

To create an enabling environment to effect coordinated beneficiation in South Africa, government introduced the Precious Metals Act No. 37 of 2005, and the Diamonds Amendment Act No. 29 of 2005 which led to the establishment of the South African Diamond and Precious Metal Regulator (SADPMR) and the State Diamond Trader (SDT).

As of 2014, lack of processing of mineral resources in the domestic economy was still an issue and was part of the agenda of the Mining Lekgotla (2014). The beneficiation requirement of the Mining Charter remains largely unachieved.

#### **1.30.18.4.7 Ownership and joint ventures**

The next element of the Charter relates to ownership and joint ventures. The ownership element of the Mining Charter gives effect to the Freedom Charter clause: 'that the national wealth of our country, and the heritage of South Africans shall be restored to the people. The mineral wealth beneath the soil shall be transferred to the ownership of the people as a whole.' To effect change in ownership of mineral resources, the mining industry is required to comply with the following measures:

- 15% of the company's equity should be transferred to HDSAs within 5 years of the coming into effect of the New Act.
- 26% of the equity of the company should be transferred to HDSAs within 10 years of the coming into effect of the New Act.

As of 2014, many mining companies indicated that they had, at one point, achieved the required 26% ownership by HDSA. However, overtime, some of the HDSA owners sold out their shares. An encumbered ownership by HDSA in the mining sector was estimated at not more than 9 per cent in 2014 (DMR, 2015). In a separate research by SAMDA it was found that the majority of the JSE top 49 mining companies have a non-complaint ownership. Ownership, thus, remains one of the mining Charter aspect on which the industry has underperformed. The situation is exacerbated by the court case on 'once empowered, always empowered'.

#### **1.30.18.4.8 Reporting**

The Mining Charter requires an ongoing process of consultation, monitoring, evaluation and reporting on the achievements of the Charter. It was agreed that companies should report, on an annual basis, progress



made towards achieving the Charters requirements. Of the 962 mining companies that had to submit progress report to the DMR in 2014, only 442 did (DMR 2015). This translates into a non-compliance percentage of 46%.

Without these reports, proper assessment of progress made becomes almost impossible. Moreover, the accuracy of the overall industry performance towards achieving the targets, across board, becomes unreliable. The figures reported will tend to overestimate achievements because it is the non-complying companies that most likely do not submit their reports.

#### **1.30.18.4.9 Challenges of the Mining Charter**

The different opinion and interpretation of the Charter Report on compliance targets appears as a mechanism to defend non-compliance, delay the progress made and it is disturbing that the department is not decisive while the MPRD Act Section (47, 98 and 99) is clear on sanctions to be applied. The uncoordinated Community representation in the mining ESOPS (ownership share scheme) also known as “community trust” remain a concern. In some areas traditional leaders or authorities assume a position to represent communities. It is not certain whether this applies across even in isolated mining areas.

The change in the Departments’ leadership reveals a different posture in policy development, application, and enforcement. For the past 10 years since the introduction of the mining charter, stakeholders failed to fully commit themselves to fast track and realize the transformation agenda brought about by the Mining Charter. The lack of inspection for many years is one among many results that the department find its self in the situation where most companies are unable to live up to their promises.

#### **1.30.18.4.10 Proposed solutions**

The NUM should lead discussions with CONTRALESA on the role that both organization play to ensure that mining communities and labour sending areas are developed. The dialogue should include engagement with the Mayors or municipal representatives in the labour sending Areas to ensure that Municipal IDPs are aligned Parliament must consider mandating both the Department of Mineral Resources (the Department) and the Department of Cooperative Governance and Traditional Affairs (COGTA) on development of Mining Community investment policy; with the Mining Companies SLP plans.

A labour dialogue on how best could these organization unite in one voice to devise a “labour plan” as a mechanism to take responsibility of all the commitment made by the industry stakeholders including Labour such as “stakeholder declaration on strategy for the sustainable growth and meaningful transformation of South Africa’s Mining Industry” and Framework agreement for a sustainable Mining Industry entered into by organized Labour, Organized Business and Government.

Rethink strategic deployment at Board and Forums such as MIGDETT, MDB and all other forums. The representation should be properly governed with clear mandates and discretion with an ability to disseminate information from bottom up. The NUM should propose to the Minister possibilities of making the Mining Charter a concessionary contract to either a Mining Right or Prospecting Right and this could be made possible by changing the Licensing regime on the Mineral and Petroleum Resources Development Act (MPRDA) when amendments are presented to Parliament;

The NUM should meet with the Black Economic Empowerment Council and Department of Trade and Industry (DTI) to propose development of a common formula to be used when assessing Ownership in the Mining Industry and that all parties involved should be compelled to use the same formula. Despite the Political dynamics that continue to prevail within NUM operating environment it is crucial that the NUM keep its stakeholders abreast of all the current development and views around the Mining Charter particularly



with the Portfolio Committee on Mineral Resources as part of building a stakeholder confidence. Although comrades it must be acknowledge that whilst we appreciate the effort and intention of the government there is still more to be done as these industries is still controlled by white monopolies.

The findings in this report indicate that the Mining Charter targets are useful tools for enforcing transformation in the mining sectors. However, despite the introduction of the Mining Charter, transformation has not occurred at the intended pace. Although some of the performance figures on progress made seem reasonable, evidence on the ground indicate the sector is underperforming in terms of set targets.

It is recommended that going forward; unions need to be part of the Mining Charter and B-BBEE compliance auditing processes. Furthermore, workers must be sensitized on the requirements of the Mining Charter and B-BBEE codes and be empowered to report continually on progress made at the workplace towards meeting these requirements.

### **1.30.19 MINEWORKERS INVESTMENT TRUST**

#### **1.30.19.1 Governance**

Since the last congress three trustees have joined the board, namely Kolekile Sipunzi, William Mabapa and Joseph Montisetsi and three former trustees resigned namely Senzeni Zokwana, Frans Baleni and Tsimane Montoedi. The MIT has been granted PBO status by SARS. This therefore means that MIT is not required to pay tax for as long as it meets SARS requirements for PBO organization. This is huge relief for the MIT to have disbursed R63, 3million to JB Marks Education Trust Fund, MDA and SATRI.

#### **1.30.19.2 PROJECT QAPHELA**

##### **1.30.19.2.1 Financial literacy**

The financial literacy training kicked off in the Highveld region in June 2015. To date 32 training sessions have been held and 937 people have participated. There is collaboration with EBMTCC to include financial literacy in their training. A meeting was held with NESCO to facilitate that the training be conducted at regional level through the assistance of RESCOs. NESCO members have committed to facilitate that training be conducted at Regional level. We are however experiencing challenges where regions take long to respond. The following regions have to date confirmed:

- Highveld 18 – 22 April
- Kwazulu –Natal 9- 13 May
- Free State 16- 20 May

##### **1.30.19.3 JB Marks Brigade Political School**

The final three blocks of the political school were held between August 2015 to February 2016. The programme was held in collaboration with the SACP. There were challenges in consistency of attendance to the course. Those comrades who were consistent and finished the course have appreciated it.

##### **1.30.19.4 NUM pamphlet**

The mobilization pamphlet in the construction sector has been completed; it is in the process of being translated to various languages. The pamphlets for the mining, energy and the one specific to women are still outstanding.



### **1.30.19.5 Mineworkers Investment Company (MIC)**

The MIC and its investee companies are not immune to the general economic climate that has engulfed the country. These are very tough times for business and the difficulties are apparent in the performance of all of the investee companies. The investees are either flat on performance or trailing behind budget with a few exceptions. In line with the general economic conditions, a number of MIC's portfolio companies are struggling to meet budgeted performance.

The management teams of MIC's portfolio companies are reviewing their operating cost bases to find opportunities to improve efficiencies. As part of the CSI programme the MIC has trained 5 small businesses in the Emalahleni area and has also adopted a school in Klipsruit. In spite of the difficult economic conditions the MIC has not faltered on their obligation to pay dividends to MIT.

### **1.30.19.6 Mineworkers Development Agency (MDA)**

The MDA has been through a strategic reviewed of their activities. They have presented their strategy to the MIT board and it was well received by the trustees. MDA has secured funding from the NDA for the Marula Natural Product Trust in Bushbuckridge. Trained 2030 beneficiaries on food gardens, among these were beneficiaries who have seen an opportunity for income generation through vegetable production. The drought has impacted negatively on the programme. One of the beneficiaries has struck a deal to supply the Welkom minimarket with her produce. The MDA has been working closely with the transformation unit on Social Labour Plan and is the process of introducing a small scale bakery programme. It has introduced a savings programme in various areas where groups of women get together to save money.

### **Woolgrowers support programme**

The programme involved between 350-380 sheep farmers and the farmers are trained how to look after their sheep so that they produce good quality wool that it will be sold at the market. Last year the farmers were able to submit 54 bales of wool and received R107 000. This year they have produced 65 bales and submitted 49 for which they received R252 815 which will be shared among 175 farmers. MDA is piloting a process where farmers can plant their own feed in their fields because of the reduced grazing that resulted from drought. An important development in the programme is the participation of women, mainly those whose husbands are away from home due to work.

### **Lesotho**

MDA in Lesotho has been mainly engaged with three programmes, enterprise development, food security and occupational health and compensation. A total of 136 participants have been trained in Poultry management, Business management and marketing. On occupational health and compensation, MDA has mobilised 2587.

### **1.30.19.7 Sam Tambani Research Institute (SATRI)**

SATRI was established in 2013 and started to be operational last year 2015. SATRI is in the process of compiling a book on Sam Tambani after whom the institute is named.

### **1.30.19.8 National Union of Mineworkers Property (Pty) Ltd (Pty) Ltd**

#### **Current status of NUMPROP**

Following the decision of the trust in 2012 NUMPROP has been undergoing restructuring. The process began when, MIC was tasked with finding a solution to the business of NUMPROP, the subsequently employed the



services of Broll, and they then came up with recommendation. The outcome lies in having to disinvest in none core properties and retaining the existing core properties. This means that those offices owned by NUMPROP from all around the country will be sold to outside parties, some with a lease and others without leases. The process reached its peak in 2014 November where a major part of the assets were offered to auctioneers to sell. These were the parameters given to the auctioneer

### **Disposal of Assets**

NUMPROP disposed the following properties to effect decision taken by its board. Bellville office, there were no interested buyers for this property even after two rounds of auction.

- Durban Office : an offer was received and accepted. However the buyer opted to cancel the offer as it had taken too much time to finalize the transaction.
- George : (Kanoscape, the opportunity was given to Vukeya investment to acquire the remaining 50% of the shareholding in Kanoscape. The transaction failed because the proposed buyer could not fund the transaction.
- Klerksdorp office : No buyers were interested after two auctions,
- Rustenburg office : the property was pulled out of the auctioning process and it was bought.
- Springbok office : the property was sold.
- Witbank Office : An offer was received and accepted. However the buyer opted to cancel the offer as it had taken too much time to finalize the transaction.

### **Consequences**

Overall the restructuring process failed to produce the desired result as it was solely based on disposal of the buildings with no cognizance of the market conditions, thus the market rejected it.

### **Activities**

The following bonds were settled with the bank during the period.

- The Witbank bond over the offices in Witbank.
- The bond over Klerksdorp property was also settled

Another significant issue was the settlement of intercompany loans that existed between NUMPROP and NUM, which had remained unsettled for many years. This was a great achievement as it assisted the group in making a taxation saving of around R10 million. In conclusion, as the result of the restructuring, NUMPROP was instructed not to do any further investment and hence no investments have been looked at over the period. After the failed restructuring we are seeking a new direction from the shareholder to take us forward into the future.





## 1.31 HUMAN RESOURCE

The NUM has adopted Strategy 2015-2020, this strategy is a guiding document that assist the union to achieve its strategic objectives by aligning HR risks and rewards, talent attraction and development, foster teamwork and partnership and is sensitive to the environment it operates in. It is imperative to synergies HR systems with culture, wherein leadership plays a pivotal role in defining and living the values of the organization to enhance a culture that supports the goals and objectives of the organization. Cultural values must be central to the way the NUM manages its employees and HR is to partner with line to bring behaviours more closely in line with NUM values, and provide framework of reward structures, performance management process and metrics. The following priorities are set for HR for the period 2016-2018

- HR Service Delivery: The 2014, strategic session emphasized on the need to agree on HR services, wherein needs analysis was done with managers and draft service delivery strategy was developed.
- Governance/ operational excellence: HR in partnership with Secretariat Pillar played a critical role in analysis of operational plans to align to performance management and performance management system had to be reviewed to best fit the needs of the organization. Furthermore HR facilitated Pillars strategic planning to review Head office operational plans.
- Redesigning reward structures: The NUM Remuneration structure has been a challenge for years, without annual review of scale and market related benchmarks, which gave birth to disparities and employee dissatisfaction. We are currently in the process to remedy that through redesigning our compensation and benefit scheme which is part of strategic people initiatives.

The REM strategy and policy was developed which complies with SA workplace law, to reward people fairly for equal job, to motivate NUM staff to deliver the results above expected standard.

- Effective representative workforce and Development: The HR in partnership with Secretariat Pillar facilitated the development of NUM Employment Equity Plan, with HR driving the implementation through talent acquisition processes. Furthermore HR facilitated the review of EE Plan aligned to organizational strategic objectives. The plan integrates diversity management programmes and targets to be achieved in the next five years.
- Improved workplace Health and wellness, effective and responsive Employee Relations: The wellness programme implementation has been a challenge due to financial constraints, which needs more attention in the next financial year. 98% Grievances resolved visa vi the target of 95%

### 1.31.1 Organizational development legal work study

The commissioning of the work study exercise was primarily informed by the escalating costs incurred by the legal function against the backdrop of the revenue base that is not experience any significant growth. In conducting the work study it however became patently clear that the issue escalating legal expenditure was merely a symptom of much deep-seated and systematic factors, a more comprehensive work study was therefore conducted. It is the study's considered conclusion that the high legal expenditure is a symptom and a function of systematic multiplicity of factors.

This exercise was therefore effectively a fully-fledged organizational design (OD) intervention aimed at conducting a holistic diagnosis of the key factors contributing among other things, to the high legal expenditure and other challenges such as inefficiencies, ineffectiveness and performance in general. The process commenced in 2014 and was finalized in 2015. The effective structure was approved by the NEC and is in the process of implementation.



### 1.31.2 Operational structure review

The primary need for structure review was underpinned by reviewed NUM strategy 2014, wherein organizational goals and objectives were reviewed. The organization embarked on renewal process which was to review the structure and synergize both the operational and constitutional structure. The purposes is to identified and align the operational structure with the organizational programme leading to better service delivery and this was also informed by the drastic membership decline.

Therefore:

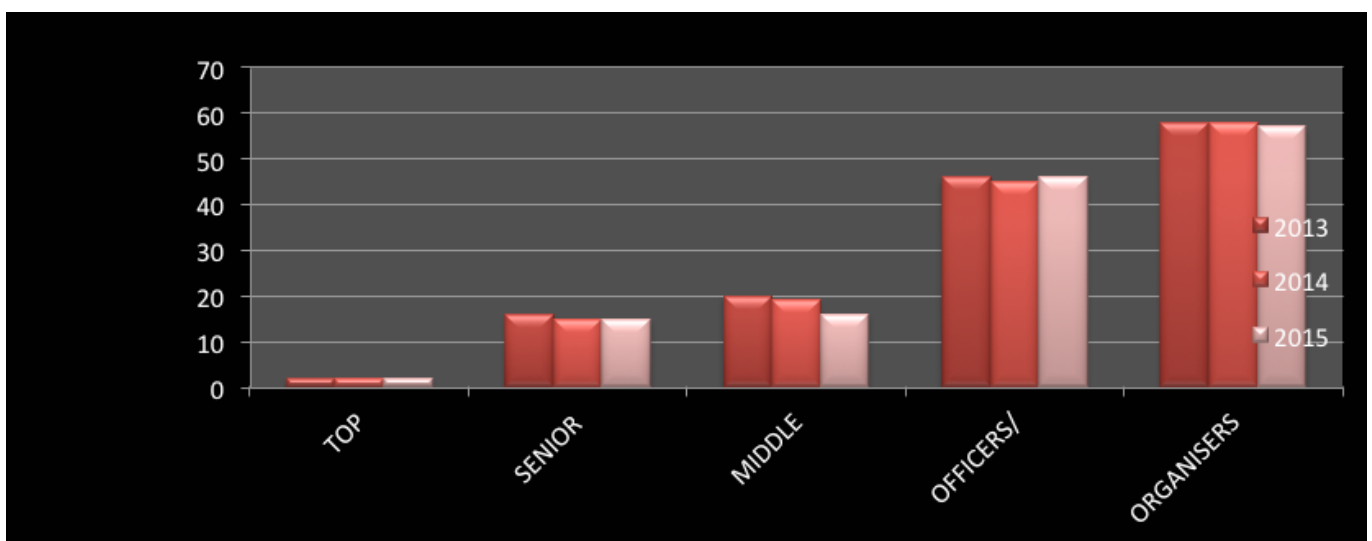
- Align structure to reviewed strategic direction
- Identify critical positions
- Review job compacts
- Place the right people with the right competencies for the job

Therefore it was imperative to finalize organizational renewal process before the organization can embark on comprehensive operational structure review process. It is also critical as well to note that the NUM strategy was reviewed in 2014, which called for structure review to align to organizational strategy, goals and objectives hence the organizational renewal process was implemented.

Currently the organization is busy with regions on ratio analysis to complete the process

### 1.31.3 Outlook of the NUM Operational Structure

The NUM hard body current structure consists of 229 positions, the warm body structure stands at 178, wherein 2 people are employed on contractual basis, an Intern and Membership Administrator, which brings the permanent warm body structure to 176 which translate to 77% of filled positions. The vacancy rate on the structure stands at 51 positions, which is 22% during this period. The following table illustrates the warm body structure for three years.



The warm body structure shows more positions filled in 2014, as opposed to 2013 with 85% and another decline in 2015 with 7%. The contributing factor was organizational renewal wherein positions had to be frozen till the process is finalized. Furthermore the hard body has been enriched with 12 positions, due to Legal work-study process which brings the total hard body structure to 229, with more vacancies to a total of



51, which brings the organization to 23% vacancy rate, furthermore 178 positions were filled for the period under review, which brings, which constitute 77% visa vi the annual target of 85% as per NUM strategic document 2014.

#### **1.31.4 Talent management**

This unit focuses on managing talent from talent acquisition, learning and development, individual performance management system, change management to exit management.

#### **1.31.5 Human resource development**

Training and development has been a challenge, wherein development was done based only on manager's assessment, which did not make impact and HR Pillar developed the NUM Competency framework to align to strategic objectives.

- Firstly, HR Pillar undertook this exercise recognizing that the existing HR admin system, which is the foundation of strategy, has to be effective and respond to the needs of the NUM.
- Secondly, the extend that the strategy situates HR as a key element in supporting the high performing organization agenda, therefore HR had to focus on outcomes and results and move away from concern primarily with compliance with rules and regulations. This approach requires HRD to change how it works internally and how it interacts with line.
- Thirdly, from a practical point of view, the need for the Pillar to generate efficiencies that would liberate time and other resources that could be re-invested in more broadly based "upstream " policy support and advisory services to meet the commitments of strategy.

The framework was adopted at NOC level. The process of assessment of current competencies against the framework to establish the competency level will be conducted and the gaps are filled. The framework is used at talent source level as part of selection process and will also be conducted for critical positions.

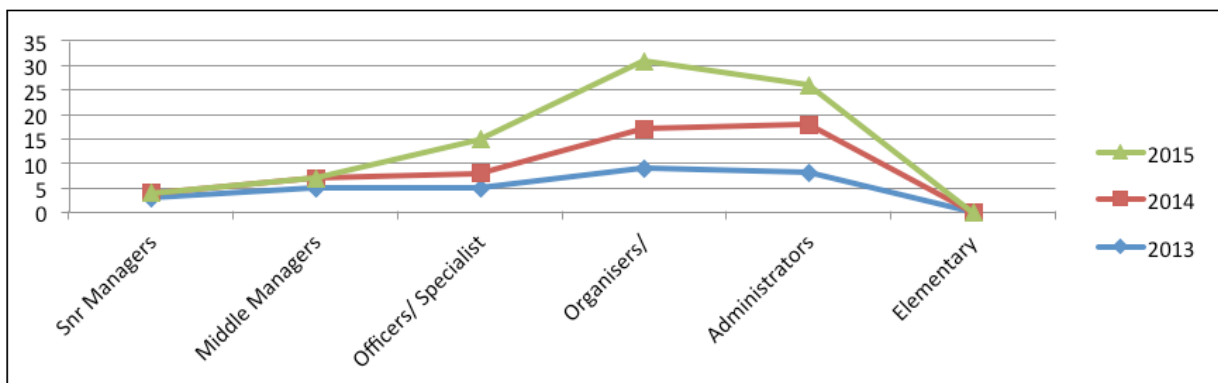
There were five pillars of competency cluster recommended for NUM, the service deliverance, people management, problem solving, adapting approach and system and process with the objective of developing staff for member recruitment and retention. This framework will synergize with other HR Systems like performance management system in creating a high performing environment, talent source in attracting the right talent into the NUM.

The Pillars of the NUM Competency framework is illustrated on the table below:



### 1.31.6 Study loans

NUM through its adopted study loan policy has supported many officials to build and capacitate them to ensure better service delivery for the union. The table below illustrates the staff members who are developing themselves for the past three years (2013-2015). The trends show that the organizers develops themselves more than all levels in the organization, then follows the administrators and officers. However there is a concern at the level of senior and middle management, then the elementary staff (driver messenger level) who needs to be encouraged to study further. Staff members study in different fields but **45%** study towards LLB, Labour Relations or Paralegal, which is positive for the organization as we need more competencies on those areas to service members. However there is a need to improve the area of governance and project management in the organization.





### 1.31.7 Skills profile

Snapshot of skills in the NUM: it should be noted that this graphic represents highest qualification for all levels

Levels	Qualifications			
	Matric	ND	Degree	Masters
Top Management	-	-	-	-
Snr Management	7	5	2	1
Middle Management	11	8	6	0
Officers/Specialist	17	6	6	0
Organisers/Paralegals	16	6	0	0
Administrators	69	5	0	0
Elementary	1	0	0	0
Total	123	30	11	0

### 1.31.8 Performance management

NUM has adopted performance management system to monitor and evaluate the performance of its staff members. This system had some challenges and they are being attended to by the organisation. The 2013, performance incentive has been paid out except for Secretariat Pillar, which is still outstanding. The moderation process for 2014 assessment has been finalized and payments of performance incentives will be finalized by end February 2016.

### 1.31.9 Individual performances

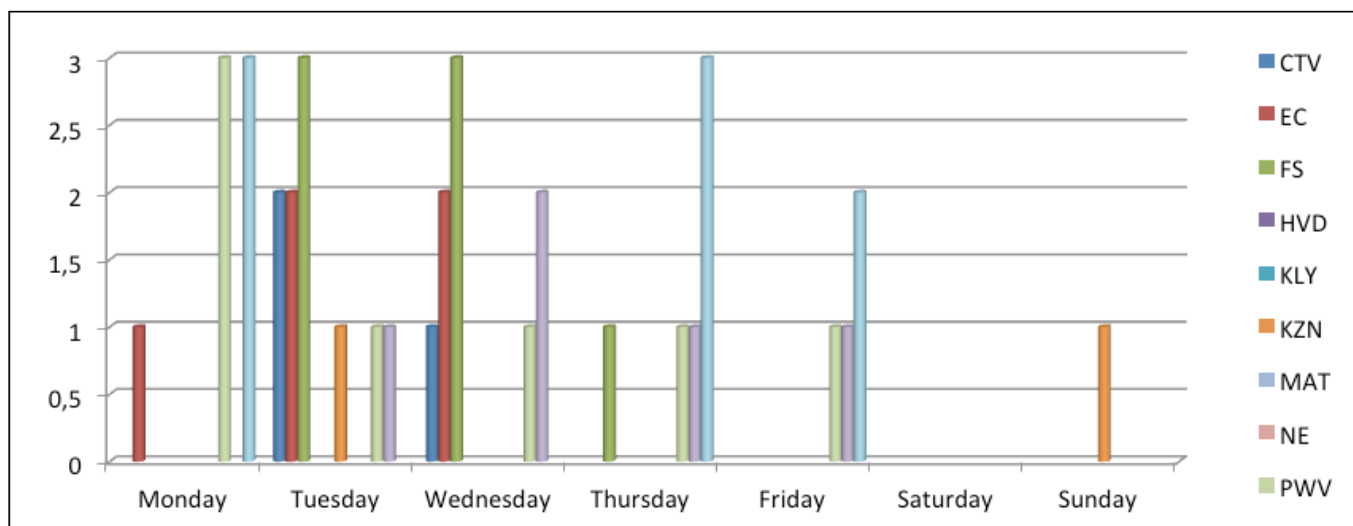
Levels	2013					2014					2015				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Ratings	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Snr Management	0	0	0	0	0	0	0	0	0	0					
Middle Management	2	2	3	2	0	1	3	2	2	0					
Officers	1	2	3	9	0	0	3	4	4	0			N/A		
Organisers	7	11	34	8	0	4	13	32	4	0					
Administrators	5	6	24	3	0	4	3	29	3	0					
Elementary	0	1	1	0	0	0	0	1	0	0					
Total	16	22	65	22	0	9	22	68	13	0					

The table illustrates the level of performance per level in the organization; the 2014 there was improvement in standard performance (3), as opposed to 2013. However there was a decline in above standard (4) performance in 2014. In 2013, out of 183 staff members 65 performed at required standard, 22 above standard, therefore only 87 staff members are performing. In 2014, only 81 staff members were performers as opposed to 190 staff complement.

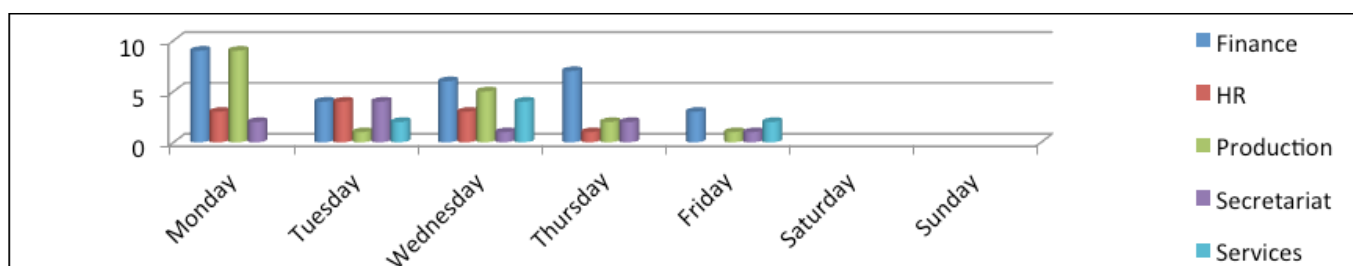
However it should be noted that senior managers were not assessed and there are staff members who were on probation and maternity and continued ill health leave and could not qualify for assessments. Furthermore in 2015, there were a lot of challenges in implementing the system. The annual plans were not finalized as envisaged. The HR Pillar had to improve the manner at which the system was implemented previously wherein managers were not assessed and there were no agreements which was non-compliance to the system. Unfortunately due to non-finalization of annual plans, no agreements were entered into and there will be no assessment submitted for 2015.

The HR Pillar reviewed the system and policy with more emphasis on senior management to move to organizational performance. The system is also synergized to Remuneration strategy and policy. The new system is envisaged to be implemented in 2016, after approval and training on the system. Certain regions and pillars will be piloted to test the effectiveness of the system.

### 1.31.10 Sick Leave Management: Regions



### 1.31.11 Sick leave trends: Pillars



The table above illustrates trends on sick leave which doesn't look bad, but cautiously Pillars presents high level of absenteeism on Mondays as opposed to Regions. On average the total number of days spent on sick leave is high as opposed to staff compliment. There were **74** sick leave days taken at head office vis a vi the total number of **2280** days allocated for 2015, as opposed to regions wherein a total number of **26** is utilized vis a vi **3330** days allocated for 2015, therefore only 100 days sick leave was utilized out of 5550 within this financial year, which is positive for the organization.

The sick leave trend has improved for 2015 as opposed to previous years. The downside of this trend might be non-submission of leave forms to the HR Pillar which could be costly for the organization.

### 1.31.12 Health and wellness: EAP trends – physical wellbeing/disease management

CASES	2015	2014	2013
Substance Abuse	0	1	0
Depression	0	1	2
Stress	0	0	1
All Chronic Conditions	25	20	10
Total	25	22	13



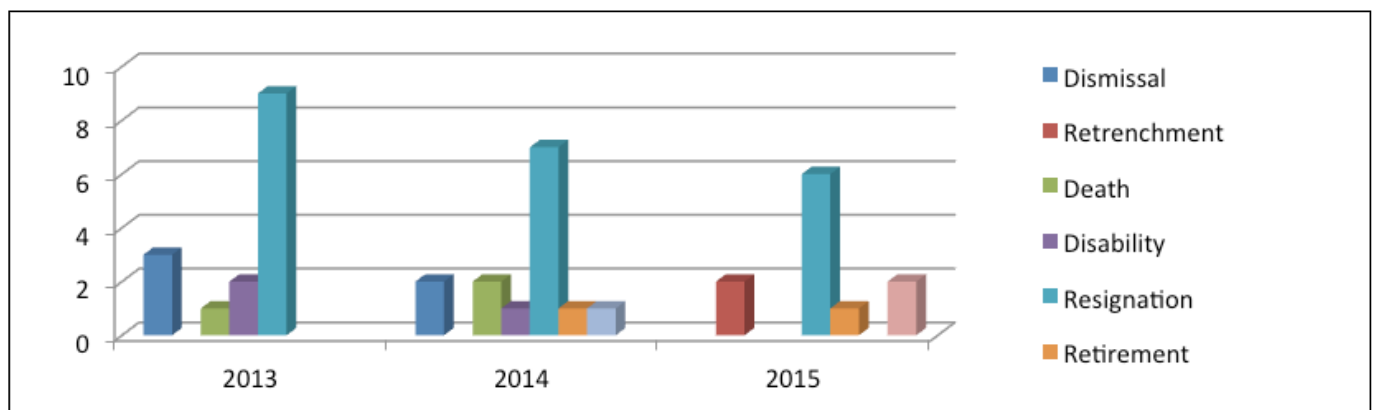
### 1.31.13 EAP trends – financial wellbeing

CASES	2015	2014	2013
Garnishee Orders	12	12	17
More than 1 Garnishee Order	5	6	8
Standard Bank Loans	11	17	24
Financial Misconduct	0	2	0
<b>Total</b>	<b>28</b>	<b>37</b>	<b>86</b>

The wellness trends in table a presents an increase in chronic diseases as opposed to 2013 and 2014. The financial management trends present a decrease on individual management of finances, which could be due to previous intervention with Old Mutual.

Furthermore the NMG medical report presents a high level of hypertension and diabetes, a low percentage of HIV, which could be positive or negative. The wellness programme needs to focus on relevant intervention to assist the organization

### 1.31.14 Exit management



The exit management shows a lot of improvement in 2015 as opposed to the past two years, with resignations still leading. On average the NUM is doing well when one compares the total number of staff as opposed to total number of exits. In a nutshell, resignations present a trend on remuneration, as opposed to other factors. The lowest is retirement with a total of 2 staff members for the past 2 years.

### 1.31.15 Management of service benefits

The NUM Remuneration strategy and policy has been developed in response to exit trends and staff dissatisfaction. The strategy and policy aims to attract, motivate and retain competent staff members. Furthermore the policy ensures that there are structures in place and those remuneration best practices are competitive, fair and compliant to South African Workplace Law.

### 1.31.16 HR Risk

Risk No.	Strategic objectives	Risk name	Risk event	Impact
1.	Employment Equity	<ul style="list-style-type: none"> <li>Non-compliance with the EE targets</li> <li>Non signing of regional EE plans and put on the notice boards</li> <li>Non-compliance with the requirement to put EE reports on Notice boards</li> <li>Summary of acts on notice boards</li> </ul>	<ul style="list-style-type: none"> <li>Vacancies not filled with the identified candidates</li> <li>The organisation could be penalised 10% of their gross turnover</li> <li>Organisation will be panelised 10% of their gross earnings</li> <li>Organisation will be fined 10% of gross earnings</li> </ul>	<b>High</b>
2.	Organisational Development	Non alignment of the WSP and EE Plan	Training conducted is not in-line with the identified gaps in skills needed to diversify the organisation	<b>High</b>
3.	Employee Relations	Non-compliance to policies whereby managers do not manage disciplinary issues according to procedures outlined	Staff members not correcting behaviour and the organisation losing productivity	<b>High</b>
4	Talent Management	Skill Decline	Loss of skills due to death, pensionable age and ill health	<b>High</b>
		Staff Turnover	Loss of economic active generation and loss of staff due to dismissals	<b>Medium</b>
5	Change Management	Stagnant culture	No culture audit or business case management study, conducted after Marikana and integration of new leadership	<b>High</b>
6	Performance Management	Leadership Commitment	Performance management perceived as HR responsibility, rather than strategic tool	<b>High</b>
7	Leave Management	Level of compliance in the organisation	The financial impact	<b>Low</b>

Looking unto the trends above, it is clear that, the exit of X Generation due to dismissals and resignation puts a moderate risk for NUM, currently which could be a high risk in the next three years as they are the next leadership pipeline. The next generation that will have high impact is the Y Generation; their resignation level is similar to the X Generation. The NUM needs to embark urgently on climate survey/ cultural survey to test what are the underlying issues. The other risk is identified due to staff members who are reaching pensionable age with union experience without succession plan candidates identified.

The non-culture audit puts the organization in a high risk of current behaviours and values that could damage the brand of the NUM, and also the understanding of the level of staff morale in the organization. The impact of negative staff morale is normally revealed through organizational performance, which has dropped as compared to previous years. The critical risk at this stage is that performance management is driven at HR level, instead of leadership level. Performance management system should be used as a strategic tool to turn around this organization to be a high performing organization. Compliance with leave management policy and procedure is another area of concern.





## 1.31.17 Management of labour relations

### 1.31.17.1 Disciplinary cases

Effective and efficient Labour Relation approach has a positive impact on cases as presented on the table above, although 2015 present an increase in grievances. On average the NUM has performed well in this area, wherein the 2014, interventions shows positive results. Managers no longer show punitive approach in handling discipline, which is a positive behaviour in enhancing relationships.

Furthermore, there is 1 case of former DGS still to be finalized with the Labour Appeal Court, one case of former PWV organizer which is at appeal stage. The formal grievances, recorded under the period of review amounts to 5 and the 2 grievances were resolved within the stipulated period in the policy except on grievance which was delayed outside HR responsibility but resolved, therefore 98% of grievances were resolved against a target of 95%.

### 1.31.18 Compliance

NUM through its HR Pillar has developed/reviewed the following policies. This is done in line with proper organizational processes

- Bursary/Study Loan
- Grievance
- Transfer
- Guideline on development of policies
- Remuneration
- Performance Management
- Talent Management and Retention Policy
- Drug Abuse

### 1.31.19 Declaration of interest compliance (2016)

NUM staff members are required to declare their interest in line with NUM policy and this has been fulfilled accordingly.

No.	Regions/Pillars	Total Number of staff members	Compliant	Non- Compliant
1.	Services Pillar	22	18	4
2.	Secretariat Pillar	14	8	5
3.	HR Pillar	6	5	1
4.	Finance Pillar	17	10	7
5.	Production Pillar	13	4	9
6.	Rustenburg	10	3	7
6.	PWV	12	2	10
7.	Matlosana	8	0	8
8.	Highveld	9	7	2
9.	Free State	8	1	7



No.	Regions/Pillars	Total Number of staff members	Compliant	Non- Compliant
10.	Kimberly	9	8	1
11.	North East	8	5	3
12.	Western Cape	10	4	6
13.	Eastern Cape	10	7	3
14.	KZN	10	3	7
15.	Carletonville	7	2	5

2015 was challenging, wherein most of programmes planned could not be implemented due to organizational financial constraints, however the following programmes are critical to enhance morale in the NUM and for service delivery to members that is Change Management, Culture Survey, Competency assessment of critical position and Implementation of Developmental plans



## CHAPTER TWO:

# POLITICAL REPORT

## 2.1 Disruptions in Parliament

It is without doubt that 2015 was one of the most eventful years in the history of the post-apartheid government in South Africa. 2015 started-off with the unprecedented but anticipated disruption of the State of the Nation Address by the newly-established Economic Freedom Fighters (EFF) led by the former-president of the African National Congress Youth League (ANCYL) Julius Malema. Members of the EFF were forcefully removed from the House, which was followed by the walkout by Members of Parliament from the Democratic Alliance (DA), Congress of the People (COPE), and AGANG South Africa. The proceedings of the day continued without the biggest opposition parties – the DA and EFF.



The disruption of Parliament started in August 2014 during the questions and answers session of the President of the Republic, comrade Jacob Zuma. Members of the EFF demanded to know from the President when will He payback the money as recommended by the Public Protector on her report on the upgrades in the President's private residence at Nkandla. This session was adjourned in Parliament and led to the disruption of the President programme to periodically receive and respond to oral questions in Parliament.

It is perhaps of some relief to note that Parliament, in restoring its dignity and order in the legislator, charged and imposed sanctions on those MPs involved in the disruption that took place on the 21 August 2015. The disruption of parliament continued until 2016 with notable concern though. The parliament has turned into circus of old and young people. There is moral, political, leadership and constitutional degeneration. How best can the public assist in the restoration of the Parliament taking into consideration the current developments.

## 2.2 Fees must fall campaign

*“Education shall be free, compulsory, universal and equal for all children. Higher education and technical training shall be opened to all by means of state allowances and scholarships awarded on the basis of merit.” – Freedom Charter, 1955*

Around October 2015, a student-led movement emerged in response to the university fees increase across the country. The movement started at Witwatersrand University in Gauteng Province and was later joined by other students at Universities such as the University of Cape Town (UCT), Cape Peninsula University of Technology (CPUT), Rhodes University and many others. After days of protests, marches and picketing by the #FeesMustFall student movement frustration grew. The security apparatus tightened its grip on the students with arrests and controls which were aimed at stopping damaging of public property.



One of the demands made by the students was that they would like to be addressed by the Minister of Higher Education. On the 21st October 2015, a thousands of students marched to Parliament and demanded to be addressed the Minister. What started as a peaceful event degenerated into a riot. Clashes with Police were reported. A handful of students forcefully gained entry into Parliament demanding to see the Minister of Higher Education and this resulted in a number of arrests.

There is no doubt that the calls made by the students were legitimate and genuine. Access to tertiary education in this country, especially for the poor working class students, that cannot afford exorbitant fees, is very limited. The irony is that a handful of those students demanding free education for all were from very affluent families. The involvement of these children of affluent individuals could mean two things: solidarity with those deserving students or ulterior motives. In 2007, the ANC national congress in Polokwane resolved to “progressively introduce free education for the poor until undergraduate level.”

## 2.3 Local government elections

The NUM Congress resolved that NUM must work with the ANC on the local government elections for 2016 preparations. The NEC thereafter called upon on NUM Regions to submit their elections programmes. We also agreed that the political commission shall generate a political message which NUM will share with the ANC during interaction between the two organizations in pursuit of a shared electoral programme in 2016. We expect that these processes are advanced because after this Central Committee we should start rolling obviously also guided by COSATU. In this way we should ensure that the ANC wins the local government elections.

As NUM we also call for our members to refuse to vote for candidates they know to be corrupt as a matter of conscience no matter how popular the individual candidate may be within society. This is a matter of principle and we must not treat it as a matter of option. Defending the NDR must start with putting clean comrades and employees into government. We must use this opportunity to prepare for the next levels which are the provincial and national levels where we shall call for clean ethical leadership. The working class must seek to lead for it cannot be led permanently.



## 2.4 African National Congress

Marxism insists revolutionary theory guides revolutionary practice and Mao Zedong warned that theory is tested in revolutionary practice and its soundness cannot be predetermined. The ANC has been engaged into protracted endless struggles to liberate this country. Many people have died and some have incurred lifelong injuries due to their involvement in the struggle. The new dispensation after 1994 democratic election, emerge with new political dynamics and contradictions for the liberation movement. A number of comrades were appointed to occupy and serve the movement at the government level with good purposes and intention. However we have noticed unbecoming behavior by individuals in government.

## 2.5 Challenges of the ANC

Corruption has taken its toll within the country in the presence of our ANC led government. We have experienced and observed a number of comrades being involved in endless corrupt activities, fraudulent, immoral activities, developed greediness and their behavior continued to tarnish the reputation and image of the ANC. Comrades, I must say that as Union, COSATU have constantly resolute highlighting dissatisfaction about the behavior of some comrades in the ANC and those who are serving in government. Corruption increases level of poverty everywhere it surfaces its ugly heads, compromise service delivery and increase inequality. We must robustly objectively discuss the state of the organization moving forward.

African National Congress is somehow experiencing decline in the metropolitans. In the last general election results suggested that the ANC has lost support in the key metropolitan cities like Johannesburg, Tshwane and Cape Town. The ANC, however did have a strategy to galvanize social and political forces across class, race which equipped it to lead the charge and consequently to dominate South African politics under the democratic dispensation.

Unemployment has reached an alarming rate whereby people young and old are depending on social grants, which is unsustainable in the long run. The private sector and some government departments are employing non South Africans. In the servicing sector, many people who are employed there are not South African citizens.

There must be political will from the ANC leaders in addressing the current political dynamics. The structures of the movement must not be consulted but be engaged for meaningful output. Comrades, it is vital to discuss the lack of economic development in the rural areas. The rural areas have been economically neglected as opposed to the urban areas. There is massive or high unemployment rate, poverty and inequalities in the rural areas. Over the period of time, we have experienced the mushrooming of shopping complexes around the country.

There is dependence on social grants which is a challenge government as it is accessible to even people from neighbouring countries like Mozambique, Lesotho, and Zimbabwe and so on. Comrades, all of the above is receipt for disaster. The ANC government must perform much better than what people are experiencing at the moment.

## 2.6 Service delivery

This continues to be a challenge in this country. Most of the municipalities are not servicing our people. People are still without clean water in some areas. Infrastructural development has collapsed in many of our townships and that collapse is spilling over to the towns. The reputation and the image of the ANC is tarnished by the local government representatives who cannot deliver service to communities. There are endless service delivery protests and internal fights for power. In some areas capable comrades are reluctant to serve on the ANC structures due to the attitude of comrades who are there for material gains.

The Central Committee should robustly debate and analyze the current politically and economic situation



confronting this country. The success of the ANC will now and in the future be determined by its performance rather than loyalty to the past. The new generation is joining the ranks of all political parties with new ideas and creativity. This new generation does not hold the same experience our forefathers had in understanding the political dynamics and contradictions.

In conclusion, NUM adopted Freedom Charter which acts as guide to our political direction. Therefore, our alliance with the ANC through COSATU should not be based on historical background or paper alliance but a true alliance informed by its programmes and where we are not taken or perceived to be junior partners. Currently, the alliance is working only during elections, which is not good enough. Our union took a decision to support and campaign for ANC during the electioneering process.



## 2.7 Confidence in the ANC

South Africa is a developing country as compared to the world class countries like the US, UK, China and so on. The larger part of membership and loyalists of the ANC is rural and urban based people. Historically, ANC would enjoy its support from both situation, but as the politics of the country gets matured we might experience a shift in terms of membership and concentration. There are changing trends where young people are significantly joining the ranks of the opposition parties. They view the opposition parties as their political homes and where they can meaningfully contribute their skills. It immediately raises the political consciousness of our young people. There is great respect for the ANC but some of our leaders remain questionable. The ANC has traceable victories and has done a lot since our democratic election in 1994.

## 2.8 Participation in ANC structures

The ANC is the movement of the people. The majority of the citizens of this country are passionate about and loyal to the ANC taking into consideration its historical background in fighting for true liberation. Our participation in alliance structures has improved significantly over the period. A number of comrades are occupying strategic positions within the movement, but what is still questionable is the impact our comrades have in the structures of the movement.

We call on workers to be active and be involved in decision making processes of the ANC. They must



participate through the debates and discussions and not be reduced to being simply consulted spectators. This will assist in ensuring that the decisions taken by leaders in the ANC are legitimate and rise from direct engagement and not mere information sharing. This is membership activism.

## 2.9 Why must workers vote ANC

As NUM leadership, we must acknowledge that there is overwhelming majority of ANC within NUM. We must also acknowledge that within the NUM there are members of other political parties. We are a trade union and we are an affiliate to COSATU which is in alliance with the ANC, but we are a union that commit ourselves in defending the working class and advancing the working class struggle.

The reasons that the members must vote for ANC is based on our endless working class struggle. In defending the working class struggle and the gains we have made as alliance partners we become a constant threat to the right wing and neoliberal ideology. A number of acts have been promulgated like Employment Equity Act, Skills Development Act, amended LRA, through collaboration with the governing party. We can still influence government to adopt more working class friendly Acts.

## 2.10 Impact of political and economic instability

The instability of political and economic development or situation has compromised the ANC in many folds and has brought many challenges. South Africa is viewed by world to be a country that has best with track record of respect of law. The economic decline has direct impact our daily lives and operations. There is low investor confidence discouraging foreign companies to invest in to the country. The country is experiencing massive retrenchment and closure of mines in this country. This is done with sole purpose of ensuring that people lose confidence to the ANC led government by the capitalist of the world.

## 2.11 “State capture”

State capture is the type of systematic political corruption in which private interests are significantly influencing the state decision to their own advantage through channels that may not be legal. The influence may range on the state institutions from the ordinary Members of Parliament, Ministers the Judiciary. In the case of corruptors they influence the outcome of the policy or distribution of resources

Corruption may be in the form of dishonest or unethical conduct by a person entrusted with position of authority acquiring personal benefit. This includes bribery and embezzlement.

In the South African context, the issue of corruption has been debated through various institutions and platforms and media channels. The perpetrators of this evil, unholy practice also advocate the anti-corruption slogans. We appreciate what the current ANC led government is doing to fight the corruption in our country, although we want to indicate to the ANC deployees in all spheres of government that we are tired of hearing the same song without consequences to those found guilty. Corruption is furthering the impoverishment of the working class in general and poor people in particular. There must be dire consequences to those who are busy perpetuating this practice which seeks to reverse all our democratic gains. There must be political will to ensure that people adhere to rule of law.

## 2.12 Deployment

Initially, COSATU, had resolution of cadre deployment. A number of comrades were previously identified by COSATU to serve in government. Although, we need to highlight key challenges in terms of lack of accountability and to ensure that there is evidence of work being done including the recalling process. The question is, is deployment the right strategy by COSATU as envisaged? The Central Committee should discuss this view with purpose of finding a solution taking into consideration the current political development within the alliance itself- let alone the government. Do we get meaningful return from such deployment?





## 2.13 Respect for the rule of law

South African constitution is the supreme law in our country. This law must be respected and adhered to by everyone in this country irrespective of race, colour, tribe, creed or position which individuals hold in society. Most African leaders violate their own constitutions, amend them to suite their selfish desires at the expense of their countries' people. This has become a norm in Africa and leaders stay longer in their positions, ruling people by fear. The economic situation will deteriorate and people will migrate to other countries hoping for a better future.

## 2.14 South African Communist Party (SACP)



The SACP is the vanguard of the working class movement which is supposed to continuously lead the struggle of the working class. The question that we must ask is how relevant is the SACP in today's political agenda. The party must protect the interest of the working people and lead them to economic emancipation. Little is heard about its contribution in the public space. We must be honest here. The leadership of party is in parliament when the party requires their leadership at all times.

The other emerging challenge is whether the SACP should contest election. This is informed by the deteriorating relationship between the alliance partners. This was visible in Mpumalanga where the ANC and the SACP members openly and publicly fought with each other which questioned the integrity independence of the alliance partners. Among the dangers of personalizing politics and developing personality cults is that undue expectations can be easily invested in individuals. Worse still when this expectations are disappointed, hero worshiping can turn into infantile fixation.



Comrades, am not questioning the ability and capability of the SACP but we must vigorously and intellectually critic our strategic intervention and deployment strategy including dual leadership role. Is the party failing to meet its mandate to be vanguard of the working class? The other issue which we requires attention and debate is the immediate objective of the black bourgeoisie to support the socialist transformation, seeing that the liberation movement somehow is reluctant to deal with issue of labour brokering, outsourcing, privatization of national roads through toll gates and so on.

There is massive abuse of the temporary workers in the labour broking arrangements which must be tackled. The BEE continues to channel those BEE companies into capitalist mode of operation and accumulation of wealth through profit maximization in the expense of the working class. The question remains can South African capitalism delivers rapid economic growth and enhance social justice and equal distribution of wealth. The question remains can South African capitalism deliver rapid economic growth and enhance social justice and equal distribution of wealth?

### **2.14.1 Release of Janus Walus**

Comrade Chris Hani was assassinated by two racist white men known as Janus Walus and Derby Lewis. The SACP has been vocal against their release and we will continue to fight against their release even if the presiding judge resorts to ridiculing the Hani family. This is precisely because of their unwillingness to divulge those who employed them to kill Chris Hani. Comrades, our country is still experiencing racial practices by the minority groupings. We still have pockets of white individuals who refuse to be transformed for the benefit of this country and future generations.

## **2.15 National Development Plan**

Since our democratic election in 1994, South Africa has tried to implement various economic development plans and strategies. The latest one is the National Development Plan which is aimed at advancing the country towards the right direction. The stakeholders at NEDLAC are not agreeing on some of the key deliverables contained by the National Development plan. Business is reluctant to implement the NDP citing many challenges in the implementation of the document. This is one of the tactics which the employers are employing in derailing the implementation of the NDP.

It is imperative for us to submit before government that the NDP must be seen to be benefiting the working class in general. The NDP must be rolled out and capacity a

building process be initiated for better understanding by various stakeholders, individuals and organizations in the country.

## **2.16 STATE OF COSATU**

### **2.16.1 COSATU challenges**

This reflection is necessary for this leadership so that we can assess where we stand currently and why. Should it happen that we have lost track, we will have to retrace where we lost it and put our train back on track. Our voice in COSATU should be the voice of reason and we must at all times avoid being associated with factions in the Federation. COSATU needs more of our voice without fear or favour. Constructive criticism never broke a camel's back. It is good to acknowledge that the Federation has lost thousands of members with the expulsion of NUMSA but also acknowledge that through vigorous recruitment, COSATU can recoup such membership in a short space of time.

NUM Central Committee must discuss this matter without fear or favour. What happens in COSATU affects the future of this country and the working class in general. COSATU is a workers' federation established to

be a driving force of the working class agenda and programmes. During the past few years or so, COSATU has had many challenges aimed at derailing the federation. Affiliates were divided on the basis of which leader they favoured. The reputation and image of COSATU was dented due to the continued infighting. We believe the federation will consolidate its force and march towards the right direction reviving the spirit of activism.

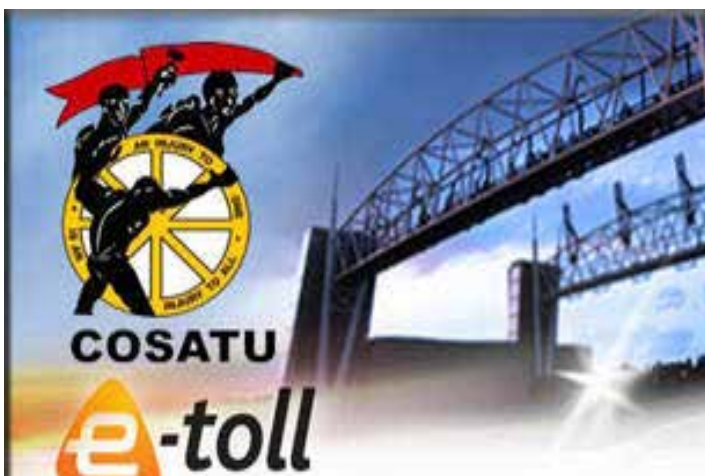
The principle of industrial unions must be revived with a slogan of one union one industry and one country one federation. We therefore, appeal to the leadership of various unions and COSATU in particular to lead by example. The capitalist and to some extent government are enjoying the fruits of a divided federation in that they will be dealing with a weaker federation. A robust debate must be initiated with purpose of aligning COSATU with its programmes and plans, to review its commitment to liberate the working class. COSATU adopted number of resolutions that must be implemented, but implementation of such resolutions and decisions depends on the unity of the leadership at the helm of COSATU.

*National Union of Mineworkers Ten Year Plan under scenario 3 Optimistic Scenario, outlines that the COSATU that we want in this country is the federation that will have:*

- Clear revolutionary programme for engaging both capital and government at all levels
- Strong and vibrant union structures at the workplace
- Structures and affiliates of COSATU will be effective and efficient
- Visible and vocal leadership that is informed and have capacity to engage ideologically and technically
- Finally, the COSATU that is being respected within the Alliance and therefore having capacity to influence political direction

COSATU National Congress elected its new leadership to spearhead the federation towards the right direction, implement its working class programmes and plans. Previously, as NUM we took the decision to swell the ranks of the ANC. This decision has been entrenched by COSATU to advance the workers struggle in any platforms. Some of the dark forces' intentions and motives is to collapse the federation which was established to serve the working class of this country in a more united approach.

### 2.16.2 Splinter unions under COSATU



The originality and sustainability of splinter union must be viewed and analyzed in the context of reasons for their establishment. Their establishment is informed by political affiliation, being disgruntled and financial gains. Having said all of the above, their establishment is not unfortunate but it is sometimes out of our making where service delivery to our members is compromised and remains questionable. Members cry for service from our unions and they opt for splinter unions.

### 2.16.3 NUM participation in COSATU structures

NUM is represented in all structures of COSATU, although our impact must be measured. A clear programme must be developed that influences and drive COSATU programme. This will enable our comrades to meaningfully participate within COSATU structures from informed position.





## 2.17 Africa at a glance

The main headache for the African Union is the instability, chaos and anarchy deliberately created by both Al Shabaab in Somalia and Kenya and Boko Haram in Nigeria and the civil war in South Sudan. There is political uncertainty in the eastern part of DRC. Libya has never tasted peace since the murder of Muammar Gaddafi. The situation there opens space for the extremist terrorist organizations such as the Al-Qaeda, Isis and others to have a fertile ground for their operations. Egypt is also very unstable. What lessons can we learn from such practices as South Africa?

## 2.18 Burundi

Africa is known by the western countries to be a poor continent that is continuously dependent and relying on them for political and economic assistance, medical help and many more. This description is based in the manner our African leaders portray themselves politically and economically before western countries. Africa by itself is rich a continent with all mineral resources which can keep the continent self-sufficient without looking for help from the west. In Burundi, the President is clinging to power, changing the country's constitution to accommodate his sole desires in the expense of the country and its people. He is using soldiers to silence people and the opposition parties. Millions have migrated to other countries whilst millions have been killed in fighting with the government. The President is refusing deployment of peace keeping force in the country. He is law unto himself, disregarding the country's constitution and violating human rights. This President has been in the office for some time without significant changes to his country. What will he do differently this time around?

## 2.19 United States of America



America is about to go for Presidential election and if the Republican presidential candidate Donald Trump can win, the whole world peace has the potential of collapsing, and if Hillary Clinton wins, she will be the first female president of USA. We don't expect anything good from her either, but she's not comparable politically to Donald Trump. Trump is the current frontrunner among the Republican candidates seeking the party nomination for the presidency of the United States.

Donald Trump populism is filled with hate, racism and xenophobia. Throughout history, there have been populists who say a few things that appeal to the masses, especially the working class to get their support, when their larger agenda is pretty scary. During his campaign stops, Trump called for a "total and complete" block on all Muslims entering the US and an end to Muslim immigration to the country.

## 2.20 Palestine

The historical conflict between the state of Israel and Palestine continues unabated. In the process, thousands of women and children are the most affected by the brutality meted out to the Palestinians by the Israeli government. South Africans, as a people who were once subjected to such brutality by the apartheid government, cannot keep quiet when fellow human beings are subjected to such inhumane treatment. Both Israel and Palestine have a right to exist side by side as autonomous states. We urge the Israelis to stop doing what is exactly equivalent to what the Nazis did to them during the holocaust for they know how painful and dehumanizing it is. We also call upon the proponents of human rights and modern democracy, the West, to rise and intervene.



## 2.21 Syria conflict

Russia has boosted the Syrian regime against the Western sponsored rebels. It was wrong in the first place for Russia not to establish another military alliance after the collapse of Warsaw Pact. Americans are now masquerading as peacemakers while on the other hand are busy Cold War era institutions like NATO.

## 2.22 Brazil

The Brazilians are up in arms against their own elected President. There is an allegation labeled against her for maladministration of government funds. The matter has taken a toll whereby the Brazilians are marching and demanding for her resignation. A reasonable chunk of the population is demanding her impeachment.



## CHAPTER THREE:

# ECONOMIC REPORT

### 3.1 Global economic overview

Globalization of economy commenced to show its ugly head in the western countries. Most of these countries went bankrupt and there were bail out arranged by the various banks with high interest rates followed by tight monetary policies governing such bail out. This was led by the international monetary fund as the source and vehicle of economic funding. Global growth is moderating further, towards the lowest level in the post-crisis period. The expansion momentum is decelerating in most emerging markets, with some experiencing protracted recessions. China's slowdown has been largely in line with expectations, while India's economy continues to expand at a rapid pace. Growth remains sturdy in the USA and the economic recovery is proceeding steadily in the Eurozone.

The world's principal stock-markets experienced the worst start to a year on record. Corrections were widely anticipated, as valuations were generally out of line with the underlying economic fundamentals, but the reversal in investor sentiment was abrupt and severe. China's Shanghai Composite Index and Brazil's Bovespa are in bear territory and several other stock-markets, including the JSE, have experienced substantial corrections. Markets now appear to be more sensitive to developments in the real economy. Policy moves by the world's major central banks, although divergent, reflect concerns over economic prospects. Having initiated the policy rate normalisation cycle last December, the US Federal Reserve now appears to be holding on. Monetary policy is still expansionary in Eurozone and, since policy rates were recently taken to negative levels, is increasingly so in Japan. The People's Bank of China continues to provide monetary stimuli to sustain economic activity.

Facing instability in financial and currency markets, monetary authorities in several emerging economies have been forced to hike interest rates. Large outflows of investment capital and increased trade imbalances have resulted in sharp currency depreciations and rising inflationary pressures. Despite weak growth and in certain instances recessionary conditions, monetary policy was tightened to ensure price stability and protect external accounts. A general slowdown in global industrial production continues to weigh on demand for commodities. Despite the supply-side rationalisation currently under way in most industrial commodity markets, most are still grappling with significant surpluses. Consequently, prices are anticipated to remain relatively subdued over the short- to medium-term. China, which accounts for half of the world's consumption of industrial commodities, remains a primary downside risk factor.

The near-term growth outlook for Sub-Saharan Africa is less optimistic, with most commodity exporters likely to remain under pressure for some time. Growth projections for the region have been moderated by the IMF to 4.0% and 4.7% for 2016 and 2017, respectively. Challenging conditions in world markets have been affecting investment activity, especially resource-seeking FDI, but ongoing infrastructure developments, positive consumption trends in certain economies, and anticipated improvements in global trading conditions underpin the favourable growth outlook over the medium term. Economic conditions in South Africa worsened substantially during the past year. Real GDP growth is estimated to have decelerated to 1.3% in 2015, with the slowdown having been generalised across all broad sectors of the economy. Agricultural output is sharply lower due to severe and protracted drought conditions. Rural populations have been harshly impacted.

The manufacturing sector is taking severe strain in a very difficult economic environment. Continuing to experience subdued demand conditions in local and global markets, as well as rising operating costs and infrastructure-related production constraints, manufacturing output growth stalled in 2015. Several sub-sectors are already in recession and recent trends in the manufacturing PMI point to a very difficult year



ahead, with potential cut-backs in fixed investment spending. The rand has depreciated sharply due to substantial outflows of investment capital, large trade imbalances and a strong US dollar, compromising price stability. Despite the weak economic environment, the Monetary Policy Committee has raised interest rates by 75 basis points over the past 3 months to contain inflationary pressures.

Further hikes may follow, as consumer inflation is expected to average 6.4% and 6.9% in 2016 and 2017, respectively. With risk aversion towards emerging market assets clearly manifest, net capital outflows may persist for some time. Key markets for South Africa's commodity and manufactured exports are experiencing visibly slower growth, while import costs are rising on the back of a weaker currency. The outlook for the South African economy is clearly unfavourable in the short-term. A very difficult consumer environment, ongoing fiscal challenges, possible contractions in fixed investment spending by the public and private sectors, as well as a subdued export performance and a higher import bill underpin expectations of 0.4% growth in GDP in 2016. Rating agencies have expressed concerns over the government's ability to arrest the rising trend in debt levels in a weak economic environment, and have emphasized the imperative of addressing structural impediments to growth.

### **3.2 Intensify class struggle**

The working class all over the world is confronting all-round onslaughts. The real wage is going down, the share of wages in value added to production is sliding, living standard is going down. Social security measures are being dismantled. Labour legislations protecting employment have been replaced by laws that enhance the arbitrary power of employers to fire workers, reduce compensation for firing and hire temporary and casual labour.

Precisely under the policies of the finance capital-driven globalization the working class has been facing barbarous onslaught from the big businesses, both domestic and overseas. Cases of trade union busting and attack on trade union rights are increasing in the developing countries, which are destination of choice for MNCs. In such a situation, the right to freedom of association and the right to collective bargaining must be closely linked to intense class struggle.

### **3.3 SOUTH AFRICA: ECONOMIC OVERVIEW**

#### **3.3.1 Fading rainbow nation?**

South Africa is no longer Sub-Saharan Africa's largest economy, following Nigeria's rebasing of its GDP data, but it continues to be a regional leader and representative on the international stage (including membership of the BRICS grouping). Dependence on the gold sector is much reduced, with mining as a whole now accounting for around 13% of GDP, a similar share to manufacturing. Platinum and coal are both larger contributors to mining output than gold. A feature of economic policymaking has been the adoption, to date, of relatively orthodox policies and perceptions (acknowledged by multilateral agencies) that economic management has been generally good.

This allayed some concerns that an ANC government would adopt populist policies that would deter investment. However, there are recent concerns that policy implementation is slipping and that a more popular agenda is now gaining traction. This was evident in late 2015 with confusion relating to the position of Finance Minister. In the end, pragmatism prevailed and an appointment was made of a minister with market credibility. However, some damage was done to perceptions that the independence of the country's previous sound policy pillars (Treasury and Central Bank) was being undermined.





### 3.3.2 GDP growth to remain sub-par

GDP growth was an annual average +5.4% in 2004-07 but the ten-year average to end-2015 was +2.6%. Rates of expansion of around +5% are required to make meaningful improvements in incomes and living standards. However, structural impediments have generally limited GDP growth to below that rate. These constraints include a lack of skilled labour, limited job creation (capital intensive industry), high unemployment and under-employment, infrastructure bottlenecks, weak public sector delivery and disruptions to power supplies. An official estimate puts potential growth within a range of +1.9% to +2.3% but economists and analysts expect annual GDP growth of +1% in 2016 and +1.5% in 2017.

### 3.3.3 Monetary policy to remain tight

There is a strong correlation between inflation and depreciation of the rand (ZAR). The currency is likely to weaken further, despite less pressure exerted through a large energy import bill. Upside price pressures are likely from rising costs for industry, particularly the wage bill, and increases in electricity tariffs will exert further price pressures. Additionally, current drought conditions are exerting further upward pressure on inflation. Overall inflation is expected to average around 6.5% in 2016 and end the year at 7.5%. As a result, monetary policy is likely to remain tight, despite weak GDP growth; the official target range for inflation is 3-6%.

### 3.3.4 External accounts under pressure

Annual average current account deficits in the period 2000-08 were -2.9% of GDP but shortfalls have been larger than that marker since then, reflecting strong consumer demand for imports and high cost of inflows of oil (crude petroleum and oil products now account for around 19% of the total import bill). Potential benefits for the trade and current accounts from recent weak oil prices are offset by low market prices for commodity exports (minerals and ores, metals and precious metals). The current gold price of USD1,265/ounce is +17% up so far this year but it is still -USD625 below its peak in September 2011. Further pressure on the external accounts stems from industrial action in the mining sector, particularly in the platinum sub-sector, which has further reduced export potential and receipts, and from the current drought, which necessitates imports of foodstuffs.

### 3.3.5 External debt is set to increase

South Africa underwent an exemplary exodus from external debt problems arising in the 1980s. This reflected the generally sound economic management that carried over into the post-transition period. Despite accumulation of foreign exchange (FX) reserves, some external liquidity indicators remain weak. External debt is increasing with debt stock equivalent to around 50% of GDP and 140% of total export earnings, while the external debt service ratio (scheduled repayments/total export earnings) is around 9%.

### 3.3.6 Risk for local businesses

Considering the current economic environment, risks or adverse developments may include:

- Globally, subdued rates of expansion in general, as well as relatively modest growth rates in key markets such as China and the rest of Africa are likely to weigh on South Africa's export performance for both commodities and manufactured goods, respectively:
  - The significant deceleration of China's growth momentum, as well as the changing drivers of such growth have not only resulted in reduced consumption of industrial commodities, but are structurally altering the composition of China's import basket.
  - The adverse impacts on businesses that have traditionally relied on the world's 2nd largest economy as an export market will be long-lasting, pointing to persistently challenging conditions for the mining sector locally and in the rest of Africa.



- Resource-exporting economies the world over, many of which are significant markets for South African exports of goods and services, have seen their growth performances and outlook compromised by adverse developments in commodity markets. This includes many African countries, thus curtailing their ability and propensity to import items such as construction materials, machinery and equipment, motor vehicles and consumer products from South Africa, at least in the short- to medium-term.
- The currencies of certain African countries (i.e. Zambia, Angola and Mozambique) have weakened to a greater extent than the South African rand, thus affecting their import propensity and potentially their demand for South African manufactured exports, among others.
- Domestically, the economic environment has weakened substantially and the outlook is largely unsatisfactory, especially over the short-term. Businesses are being affected by weaker trading conditions in local markets, especially:
  - Very low or stagnant growth in household spending, particularly in the durable (e.g. motor vehicles, furniture, etc.) and semi-durable goods (e.g. clothing, household textiles, etc.) categories.
  - Continued efforts of business enterprises to reduce operating costs, which is impacting on their spending on goods and services and their respective suppliers across the economy;
  - Declining levels of fixed investment activity within the private sector, which is impacting on future procurement plans.
  - Extremely challenging conditions in the agricultural sector are not only impacting on farming operations per se, but are also affecting players along specific value chains (e.g. food processors) and many of their suppliers of goods (e.g. fertilisers, agricultural equipment) and services (e.g. transportation, warehousing).
  - Protracted difficult conditions in the mining sector are not only impacting on operations within this sector, but are also affecting many suppliers of goods (e.g. machinery and equipment, chemicals, wood and wood products, fabricated metals, food products) and services (transportation, logistics, catering services).
  - Facing reduced tax revenue, rising debt levels and interest costs, as well as the need to maintain SA's sovereign credit rating at investment grade levels, the South African government is being forced to contain both operational and capital expenditure. By implication, the business sector may see a significant source of growth in demand for its goods and services gradually curtailed.
  - State-owned companies are generally containing expenditure on consumables due to strained budgets and more difficult and dearer access to credit, while most of the spending on very large capital projects (especially Eskom's Medupi and Kusile) is already behind them.
- Risk aversion has intensified since the start of 2016, with stock-markets around the globe having experienced substantial corrections, including the JSE. Portfolio investors now appear to be more sensitive to the underlying economic fundamentals and developments. The attractiveness of emerging market assets has been further compromised by the sharp depreciation of their currencies. The rand is a particular case in point as the second most-affected emerging market currency, after the Brazilian real, since the start of 2015. Consequently, high volatility and continued downward revaluations of asset prices may be the order of the day for quite some time.



- While credit rating agencies would like to see improved fiscal stability and debt stabilisation in South Africa, they have emphasised that policy moves should not compromise economic growth. Should one or more of the rating agencies downgrade the country's sovereign rating to sub-investment territory (also known as "junk status"), this would most likely unleash a chain of negative developments, including large capital outflows, higher borrowing costs and lower confidence levels, that would affect the business environment to a considerable extent.

*On the positive side, the following global and domestic developments could be beneficial for local business enterprises:*

- Trading conditions have improved in key export markets, particularly the United States and the United Kingdom. Conditions are also improving gradually in Eurozone markets. These are important destinations for manufactured exports, among others.
- The South African public sector is intensifying its procurement efforts from domestic producers through product designations and by means of localisation initiatives. Such actions should translate into market opportunities for domestic enterprises over the short- to medium-term.
- The rand's sharp depreciation, in excess of most peer emerging market currencies, has improved the relative price competitiveness of South African products and services (including tourism) in foreign markets. This may provide opportunities for export market development.
- A sharply weaker rand also provides increased protection against import competition for items already being locally produced, while paving the way for increased import replacement. However, companies should not only rely on a weaker exchange rate for improved competitiveness, but must also focus on increased productivity, the strategic positioning of their business, as well as more aggressive marketing of their products.
- Over the longer term, there will be substantial opportunities for the diversification of South Africa's export basket to China as its massive consumption base expands and is altered over time.

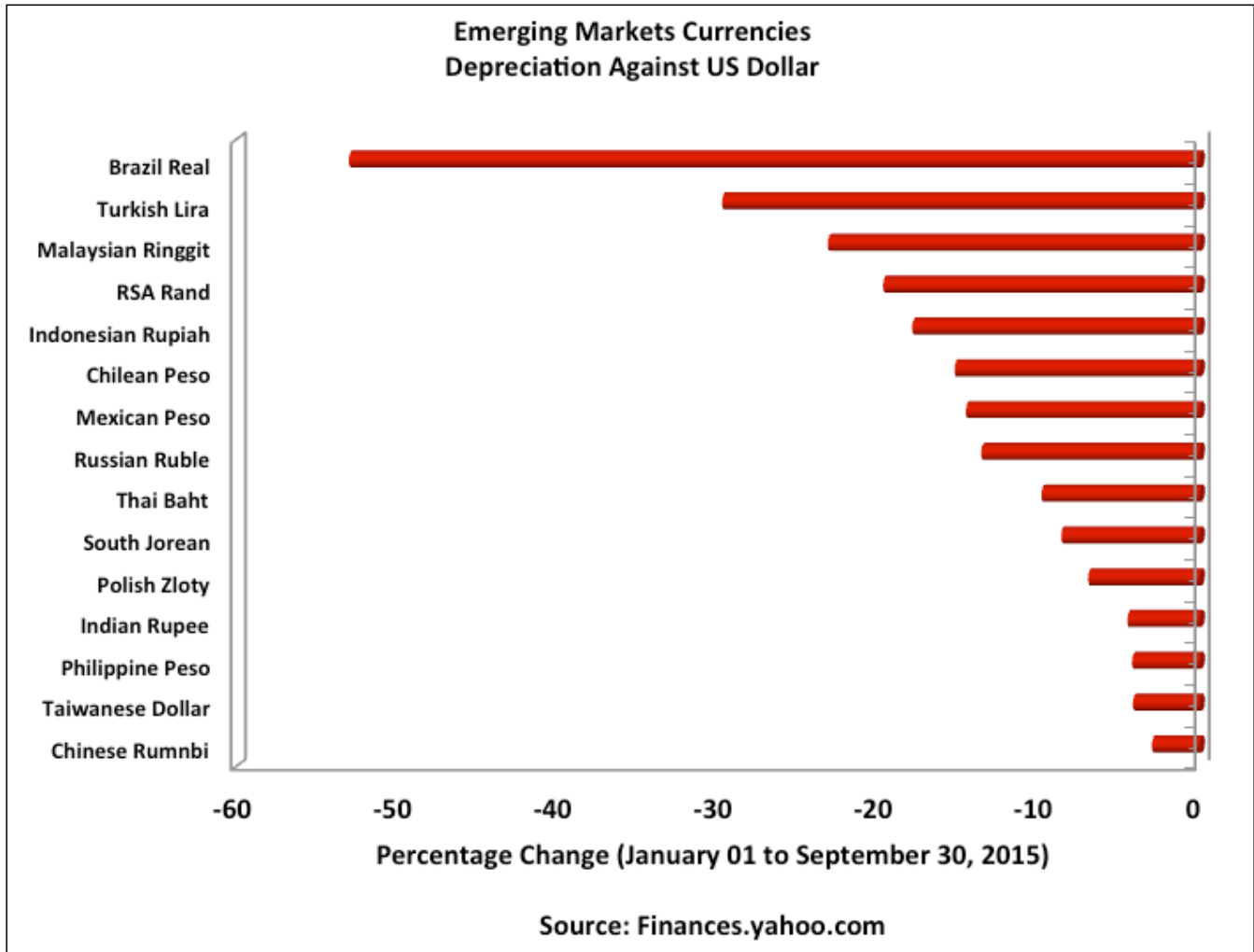
### 3.4 The global economic conditions

Perceptions of the outlook for the world economy are increasingly apprehensive. Falling equity markets and high volatility since the start of 2016, the absence of any sign of a turnaround in depressed commodity markets, the continuous exit of investment capital from emerging markets and a renewed sense of concern amongst the world's central banks all attest to this sentiment.

Fuelled by massive liquidity injections and easy access to credit associated with quantitative easing programmes and record low interest rates, stock-market performances around the globe had long been completely out of line with the economic fundamentals. Emerging market assets were expected to take the brunt of portfolio adjustments as the US Federal Reserve eventually unwound its quantitative easing and started the policy rate tightening cycle. As investor sentiment turned against assets perceived to be riskier, sharp stock-market corrections were widely anticipated to materialise, and emerging market currencies were expected to come under increasing pressure.

Net capital outflows from emerging markets amounted to USD735 billion in 2015 according to Institute of International Finance estimates, compared to outflows of USD111 billion in 2014. Total flows out of China were estimated at USD676 billion, underscored by concerns over a weakening currency and a slowing economy. The corrective momentum became particularly manifest in China's equity markets during the second semester of 2015, but intensified at the start of the current year with spill-over effects onto other world markets. China's Shanghai Composite Index and Brazil's Bovespa are clearly in bear market territory, and South Africa's JSE All Share index has undergone a correction.

Bearish investor sentiment has not only been directed at emerging markets, or equities for that matter. The JP Morgan Emerging Markets Bond Index fell 4% in the three months to January 2016, whereas US and German 10-year bond yields moved strongly lower in the opening month of the year. The negative sentiment is being driven by a continuous trimming of global growth projections, with fears of economic recession resurfacing in some circles; by concerns over excessive USD strength; falling commodity prices; emerging market instability, includes sharply weaker currencies and poor asset performance; as well as geopolitical risks, among other factors. The global investor community now appears to be more sensitive to developments in the real economy.



The International Monetary Fund (IMF) has lowered its growth projections for both advanced and developing economies in 2016 and 2017. World output is now forecast to expand by 3.4% and 3.6% over these two years, respectively, or 0.2 of a percentage point lower in both cases. Slowing demand from emerging markets, not only China but many troubled commodity exporting economies, and yet subdued consumption in several advanced economies are limiting international trade flows, affecting fixed investment activity and employment creation.

The ability of monetary and fiscal authorities around the globe to again play a counter-cyclical role in re-stimulating their economies is significantly more limited. Interest rates remain very low in most advanced economies, whereas several emerging markets are being forced to tighten monetary policy to contain inflationary pressures and stabilise capital flows and domestic currencies. The fiscal space has also become quite constrained for most governments due to modest tax collections and sovereign debt levels have escalated.



### 3.4.1 Developments in selected advanced economies

#### 3.4.1.1 The Eurozone

- The European Central bank is expected to keep monetary policy highly accommodative in light of deflationary risks. Such risks as are aggravated by the collapse in oil prices continue to threaten the Eurozone recovery.
- The manufacturing purchasing managers index (PMI) has remained steady at just above the 52 level, indicating a sustained moderate expansion. The composite PMI, reflecting a broader measure of business conditions, is at a slightly higher level of around 54.
- Notwithstanding the slowdown in emerging markets which has led the European Commission to lower Eurozone growth forecast for 2016 from 1.8% to 1.7%, a slightly stronger growth rate of 1.9% is projected for 2017.
- The International Monetary Fund (IMF) projections have in contrast to this been marginally revised upward to 1.7% in 2016, with the forecast for 2017 unchanged at 1.7%.
- The fear of large influx of refugees is perceived to have a destabilising effect on certain economies with indications pointing to lifting consumption spending and supporting growth.

#### 3.4.1.2 The United States of America (USA)

- The USA's economic growth slowed to 0.7% in the Q4 of 2015 from 2.0% in Q3. However, the economy overall grew by 2.4% in 2015.
- The manufacturing and composite PMIs declined substantially from levels recorded in the opening period of 2015, but remained above the 50 level. The rate of expansion could therefore slow in coming quarters.
- The IMF puts economic projects for the two consecutive years (both 2016 and 2017) at 2.6%. This is said to be a questionable pace of expansion for the world's largest economy.
- There are however, clear downside risks to growth as reflected by the Federal Reserve Bank's decision to keep its policy tightening bias on hold. The pace of interest rate Normalization is now expected to be slower than initially anticipated, with current futures contracts only expecting the next rate hike in Q2 2016.

#### 3.4.1.3 Japan

- The Japanese economy entered a technical recession (i.e. two consecutive quarters of negative economic growth) in 2015, with expectations that real GDP contracted further in the fourth quarter.
- Inflation is expected to remain low-key in Japan. The Bank of Japan recently took policy rates into negative territory and is ready to increase stimulus measures to achieve its 2% inflation target.
- Economic growth is expected to remain low, with the IMF projecting 1% for 2016 and slowing to 0.3% in 2017.
- The weak economic outlook will raise pressures for further fiscal stimulus, although the impact of current measures have underwhelmed. Structural reforms - the "third arrow" in Prime Minister Abe's economic policy - are not being implemented at the required pace.

### 3.4.1.4 The United Kingdom

- The UK economy has continued to expand at a steady pace, achieving 2.2% growth in 2015. The performance of the services and agriculture sectors supported growth in the fourth quarter, but the manufacturing and construction sectors recorded contractions.
- Although the composite PMI has declined to 55 it still points to a sustained growth momentum in the economy.
- The forthcoming referendum on whether to remain in the European Union or exit, also known as “Brexit” and which is expected to be held during 2016, is already having destabilising effects (e.g. currency markets) and could have a significant bearing on the economy’s performance in future years.
- With inflation remaining marginally above 0% and little prospects of inflationary pressures building up, expectations are that the Bank of England will not increase interest rates in 2016. IMF forecasts indicate a stable GDP growth rate of 2.2% per annum over the next two years.

## 3.5 The BRICS economies

### 3.5.1 Brazil



- Sharply lower commodity prices especially iron ore and oil, macroeconomic instability and political uncertainty have taken a toll on business confidence in Brazil and have put the economy, which is already in a recession, under increasing pressure. The manufacturing and composite PMIs have remained below the 50 mark since early in 2015, driven by low demand from China and financial volatility.

• Approximately 1.5 million jobs were lost in 2015 and a further 1 million may be shed this year, dragging consumer confidence and household spending propensity even lower.

- The economy is estimated by the IMF to have contracted by 3.8% in 2015 and a further 3.5% decline is forecast for 2016. Double-digit inflation, a credit rating in “junk status” and persistently weak commodity prices provide little room for economic stimulus through fiscal or monetary policy.

### 3.5.2 Russia

- With oil prices at multi-year lows, the negative impact of western sanctions increasingly manifest and persistent instability in financial and currency markets, the recession-stricken Russian economy is estimated to have contracted by 3.7% in 2015.
- Nearly half of government’s revenue is dependent on the oil sector and the oil price is currently significantly below the levels required to balance public finances.
- The IMF expects the Russian economy to remain in recession in 2016, with real GDP declining by a further 1%, but a return to positive growth (1%) is projected for 2017.
- The economy’s prospects are highly dependent on whether EU sanctions remain in place or are lifted,





partly or fully, in the shorter term. The EU itself is under pressure to review its stance, for European companies are also being negatively affected by the sanctions.

### 3.5.3 India

The Indian economy remains one of the very few bright lights amidst an underperforming and currently challenged global economy.

- India's import basket is benefitting from commodity prices at extremely low levels, particularly oil prices, as these are lowering input costs. Assisted by the protection provided by a relatively closed economy and by growth-conducive policy measures, such developments have enabled the economy to sustain growth rates of 7.3% over the past couple of years.
- Sharply lower oil prices have not only helped to reduce input costs for Indian producers and raised the spending power of consumers, but also freed up government funds (by reducing fuel subsidies paid) for use in infrastructure projects.
- India's growth momentum, which is expected by the IMF to accelerate to 7.5% both in 2016 and 2017, is highly dependent on the central government's ability to roll-out infrastructure programmes, many of which also require support from the individual states.

### 3.5.4 China

- The economy of China continues slowing, from 7.4% in 2014 to 6.9% in 2015. Various industries (e.g. steel) are under pressure due to excessive supply in the face of persistently weak demand conditions. This has led to the closure of some of the higher cost operations, with large job losses.
- Increasing unemployment in certain areas of China is impacting on the willingness of (already savings-prone) consumers to spend, thus affecting investment activity and further weakening economic fundamentals.
- The increased efforts to reign-in corruption are expected to slow infrastructure spending, while an increasingly limited fiscal space will result in greater selectivity regarding future investment plans.
- Economic growth is forecast by the IMF at 6.3% and 6.0% over the next two years. This is undoubtedly a robust growth rate for the world's second largest economy, but there are growing concerns over the ability of the Chinese authorities to sustain the expansion momentum at an appropriate pace while its growth model is being intentionally altered.

### 3.5.5 South Africa

The South African economy continued to record sub-par performance in 2015. Worsening conditions domestically, weak demand in key export markets and persistently adverse developments in commodity markets took a toll on the economy's performance, with real GDP estimated to have risen by only 1.3%. The slowdown is generalised across all broad sectors of the economy. Severe and protracted drought conditions (2015 witnessed the lowest average rainfall on record) resulted in sharply lower agricultural output. Rural populations have been severely affected and the spill-over effects are also being felt by many supplying industries to the agricultural sector.

Manufacturing activity remains constrained by weak demand conditions, domestically and globally, as well as by rising operational costs and infrastructure-related challenges, particularly electricity supply, transport and logistics. Growth in manufacturing output virtually ground to a halt in 2014 and 2015. In real terms, production levels are still well below those recorded some 7 years ago, prior to the 2008/09 recession.



Several sub-sectors are in recession – such as base metals and fabricated metal products, non-metallic mineral products, chemicals, furniture, footwear, textiles and clothing, general purpose machinery, etc. - and subdued growth has been reported by many others. Fixed investment has been declining, the sector continues to shed jobs and, through its linkages with many suppliers of goods and services, the adverse effects are being felt in many supply chains.

Within the mining sector, the rebound in output, which was mainly due to a strong recovery in the platinum group metals segment, is likely to be short-lived. The short- to medium term outlook for the sector remains very bleak, considering the depressed conditions in industrial commodity markets. On the spending side, household consumption decelerated throughout the year. Contributing factors included moderate growth in disposable incomes, high household debt levels and tighter lending practices by the banking sector, rising living costs, higher interest rates and taxation. Consequently, consumer confidence fell steeply to a 14-year low.

In 2011, at the height of the commodities super-cycle, the contribution made by mining and mineral exports to South Africa's overall merchandise export basket stood at 42%. With the ensuing sharp drop in commodity prices and weaker demand, the relative share of mining exports fell to just over 33% by 2015. Manufactured exports, in turn, claimed a higher share of the export basket, rising from 54% in 2011 to 61% last year. Propelled by the Motor Industry Development Programme and its successor the Automotive Production Development Programme, South Africa's automotive industry has grown to dominate the export basket. Motor vehicles, parts and accessories were the leading export category in 2015, accounting for around 14% of overall exports to the world, compared to approximately 11% five years ago.

The share of agricultural products has remained fairly stable at an average of 4.7% per year. These are dominated by cereals and other crops; vegetables and horticultural produce; as well as fruits and citrus, especially oranges, grapes, apples, pears and grapefruit. These products had a combined contribution of 89% to overall agricultural exports in 2015. Animal products followed with a 9% share, while forestry and fisheries claimed a small 1.3% share of agricultural exports.

## **3.6 Developments in selected base commodities**

### **3.6.1 Coal**

Sustained coal price weakness has led to global capacity reductions, estimated by the end of December 2015. Although further supply-side rationalization over the course of the year could limit further price declines, tepid global demand growth as a result of weaker industrial production in China and in other emerging economies should prevent price increases over the short- to medium-term. Thermal coal prices at Richards Bay are expected to continue to be negatively impacted by the Chinese government's restrictions on imports of coal with high Sulphur and ash content.

### **3.6.2 Platinum**

The recovery in South Africa's platinum production in 2015, subsequent to the strike during the first 5 months of 2014, occurred within an environment characterized by more subdued growth in global demand, thus weighing on platinum prices. This has been aggravated by investment fund outflows, which have been observed since the fourth quarter of 2015. Although the curtailment of further investment outflows has resulted in some price stabilization thus far in 2016,

### **3.6.3 Oil**

Supply-side factors continue to dominate price developments in the global crude oil market, with the surplus of million barrels per day having contributed to the drop in oil prices since the beginning of 2015. Non-OPEC supply growth has slowed dramatically in response, while OPEC supply increases continued unabated. This



cartel once again resisted curbing supply growth at its most recent meeting. Crude oil supplies are expected to be boosted further by the lifting of economic sanctions against Iran, which is capable of raising oil output by as much as 1mb/d in the months ahead (barring infrastructure constraints). Oil demand growth, in turn, is expected to slow in 2015 to 2016, thus weighing on prices

### 3.7 Africa: Foreign direct investment and growth outlook

The growth performance of Sub-Saharan Africa (SSA) was weighed down in 2015 particularly by challenging global economic environment, dominated by falling commodity prices and lower volume demand, especially from China, coupled with increased instability in financial and currency markets, which slowed to 3.5%, from an annual average of 5.6% over the period 2000 to 2014. The tepid global environment has also had a negative impact on foreign investor activity on the continent, with foreign direct investment (FDI) flows into Africa declining by 31% to an estimated USD38 billion in 2015, from USD55 billion a year earlier. According to the latest UNCTAD report, South Africa, Nigeria and Mozambique were among the countries in SSA that registered the largest declines in FDI, at 74%, 27% and 21% respectively.

A number of countries in the continent continue to face various domestic macroeconomic weaknesses, including elevated fiscal and current account deficits, as well as rising debt levels in certain instances. This is rendering them highly susceptible to shocks, with their vulnerability reflected in currency weakness. The currencies of Zambia, Angola, Mozambique, South Africa, Tanzania, Ghana, Uganda and Botswana, in this order, have depreciated substantially against the US dollar since January 2015. Nonetheless, medium term growth prospects for Sub-Saharan Africa remain relatively positive. Ongoing infrastructure development, particularly in the energy and transport sectors, strong consumer spending (especially among oil importers), a buoyant services sector in a number of economies and continued investment in resources sectors as commodity markets eventually stabilize are likely to underpin this favourable outlook.

### 3.8 South Africa's export to the African continent

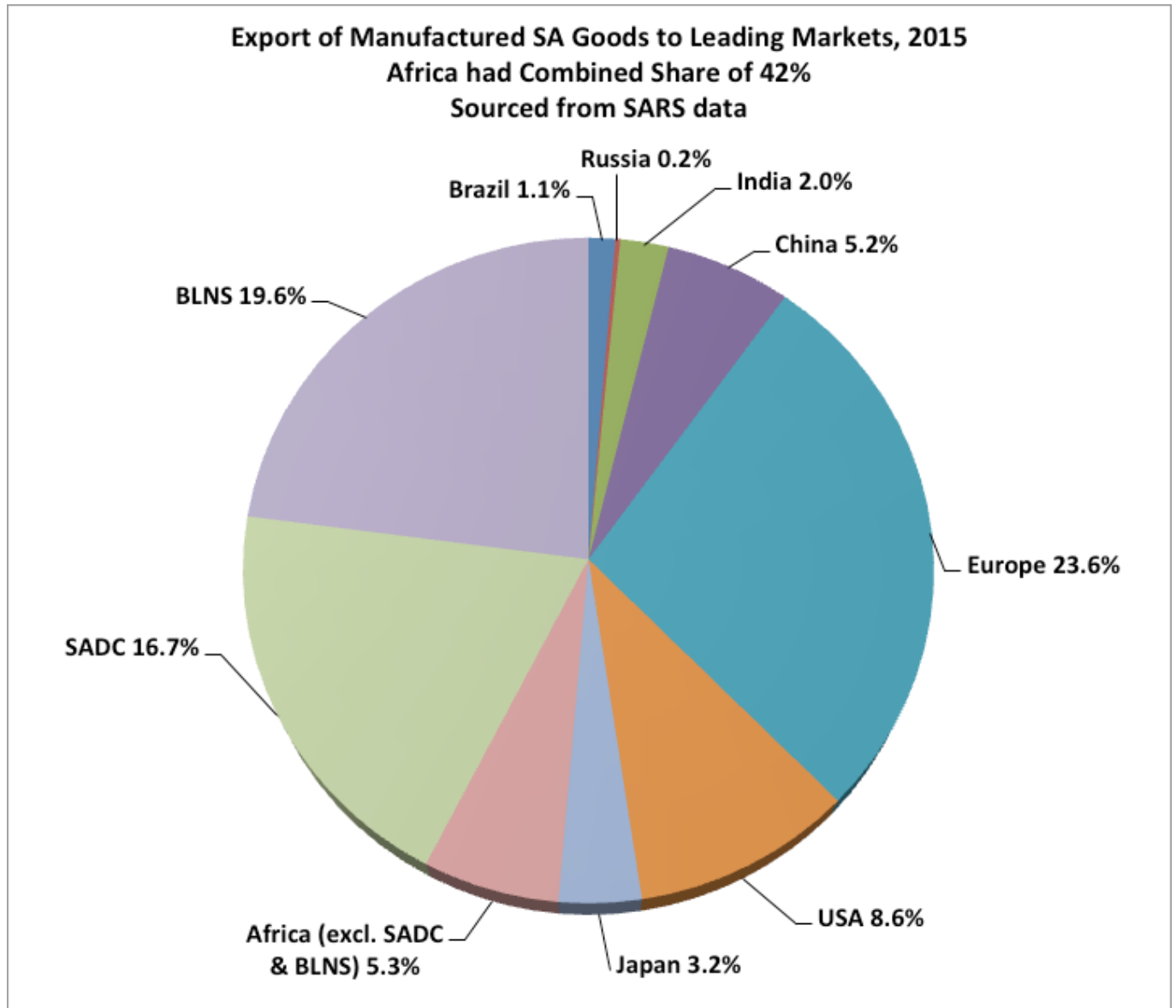
African markets have become increasingly important for South Africa's export sector. Collectively they claimed a 28.7% share of South Africa's overall merchandise export basket in 2015, up from 24.4% in 2011 but slightly lower than the 30% share recorded in 2014. Importantly, 42% (or R254 billion) of South Africa's total manufactured exports were sold in other African markets in 2015 (refer to adjacent chart). Non-electrical machinery was the leading export category, claiming 11.5% of the total. This pertained to exports of mining and agricultural machinery valued at R8.2 billion and R2.8 billion, respectively, with the rest of the SADC region as the principal market. Processed food comprised 10.2% of exports to other African countries and motor vehicles and parts recorded a 9.5% share. Other sizeable exports included petroleum products, industrial chemicals, fabricated metal products, as well as iron and steel.

Mining activity and investment spend in many of Africa's commodity-producing countries are likely to be negatively affected by adverse developments in commodity markets, affecting import demand for mining machinery and equipment going forward. Other local businesses focusing on African markets may also be affected by the somewhat slower growth momentum in the short-term. Moreover, drought conditions are also being experienced in a number of countries in the southern African region, which could negatively impact on demand for agricultural machinery and equipment produced in South Africa. Other African markets have become increasingly important for South Africa's export sector. Collectively they claimed a 28.7% share of South Africa's overall merchandise export basket in 2015, up from 24.4% in 2011 but slightly lower than the 30% share recorded in 2014.

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### 3.9 South Africa’s export to the European Union

Although the European Union (EU) remains a key export market for South Africa, particularly for manufactured goods, its relative share has declined over time to 21% by 2015, after having peaked at just over 35% in 1995. Nevertheless, it is still a crucial external destination for products such as motor vehicles, parts and accessories, which have dominated the export basket to the EU for many years (30.3% share in 2015). The EU accounted for 22.2% of South Africa’s overall manufactured exports to the world last year, up from 21% in 2011.

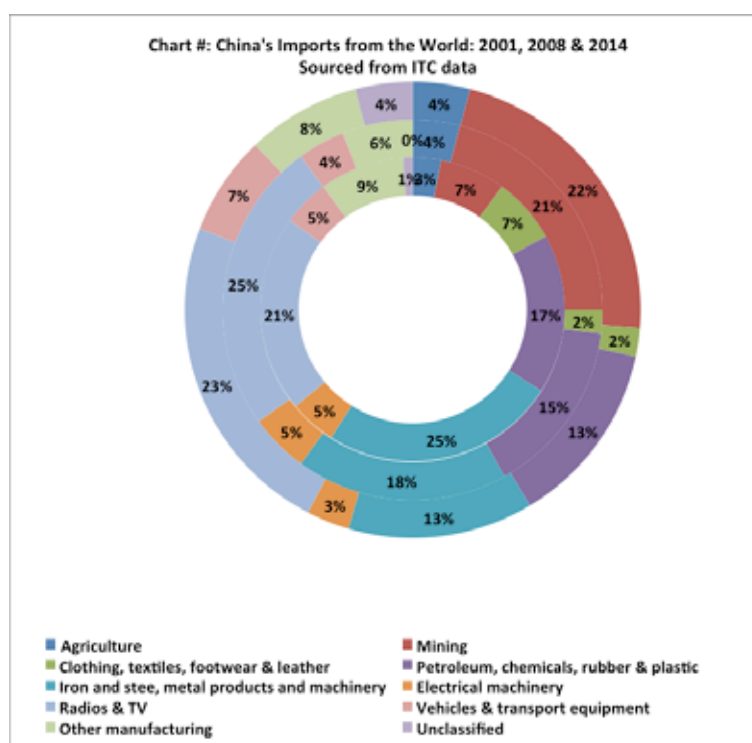


Other export products include platinum group metals with a 13.2% share, agricultural products (8.9%), “other” mining (7.1%), iron and steel (6.9%), as well as processed food products (2.9%). The top-10 export products to the EU accounted for 83% of South Africa’s entire merchandise exports to this region in 2015, a modest decline from the 84% share claimed in 2011.

### 3.10 South Africa’s export to China

At the individual country level, China is still the leading export destination, accounting for R92.1 billion of South Africa’s exports in 2015 or 9.1% of the total. However, the export basket to the world’s second largest economy is overweight in commodities and base metals (R57.3 billion and R27.7 billion, respectively), with a combined contribution of almost 86% in 2015. Whereas 21% of South Africa’s total non-gold mining exports were destined for China last year, this country claimed a mere 5.2% share of our manufactured exports.

The effect of tumbling commodity prices and weaker Chinese import demand has been particularly detrimental for the mining sector. The relative share of iron ore, South Africa’s top export product to China, dropped from almost 50% in 2011 to 36% by 2015, as export values fell from R45 billion to R33 billion over this period. The average annual iron ore price fell by 67%, from USD168 per tonne in 2011 to USD55 per ton last year. Chrome and manganese dominated the “other mining” export category, which accounted for 23.4% of exports to China in 2015. Where manufactured exports were concerned, basic iron and steel retained a large 18.5% share despite the market glut.



Despite the rising share of mining commodities within China’s import basket from the world at large since the turn of the millennium (refer to the above chart), a number of export categories recorded gradual gains. These include radio, TV and communications equipment; vehicles and transport equipment; and agricultural products. However, agricultural products and processed food represented very small shares of South Africa’s export basket to China in 2015, at 3.5% and 1.3% respectively.

Looking ahead, China’s changing growth model, which will increasingly rely on domestic consumption and services sector activities, will provide new and/or alternative export opportunities for consumer-related

items, including food and beverage products and a wide range of other manufactured items. The quantum and composition of demand for industrial commodities will change visibly. The implications for South African mining operations are already quite evident. South Africa's business sector needs to anticipate the evolution of China's import requirements going forward and position itself to gain from such developments.

### 3.11 South Africa's exports to the United States of America

South Africa's exports to the USA totaled R76.6 billion (7.6% of overall exports) in 2015, making it a key external market. The USA accounted for 8.6% of South Africa's manufactured exports in 2015, or R52.3 billion out of a total of R611 billion. Motor vehicles, parts and accessories dominated the export basket to the USA with a 26.8% share, followed by platinum group metal (20.8%), iron and steel (8.9%), and industrial chemicals (8.7%). Primary agricultural products claimed 2.5% (or R1.9 billion) of the overall export basket. In 2014, approximately 98% of South Africa's exports to the USA in value terms entered this market duty-free. Out of these, 59% faced a Most Favoured Nation<sup>1</sup> (MFN) tariff rate of 0%, a further 23.2% qualified for AGOA benefits, while an additional 15.3% were exported under the Generalized System of Preferences<sup>2</sup> (GSP).

The African Growth and Opportunity Act (AGOA) of the United States is a non-reciprocal unilateral trade preference system that offers African countries meeting certain criteria duty-free access to over 1 800 products into the American market. The recent stand-off between the USA and South Africa over poultry exports exposed uncertainties inherent in trade preferences of this nature because benefits can be withdrawn at any time, unlike in a free trade agreement

A 2014 in-depth review of AGOA by the United States International Trade Commission (USITC) found that the uncertainty associated with the unilateral nature of the programme contributed to its failure to encourage investment in and grow imports from beneficiary countries. In the aftermath of collapsed free trade negotiations between SACU and the US in the mid-2000s, negotiations aimed at finding ways to expand the range of products that the US could import from South Africa have been under way. Should the agricultural products thereby considered be eventually covered by AGOA, with the sanitary and phytosanitary measures duly addressed, exports from South Africa and indeed the rest of Africa are likely to grow strongly in the medium- to long-term.

### 3.12 Economic outlook in 2016

Growth prospects for the South African economy have worsened substantially. The recent drought is not only impacting on agricultural output, food security and prices at the present time, but the adverse effects will be felt long after climatic conditions have normalized, since farmers have scaled down planting in the face of uncertain weather conditions while their financial sustainability has often been harshly compromised.

Grain crops, livestock farming and segments of the horticultural sector have all been detrimentally affected. To illustrate, first estimates for the 2016 maize production season stand at a crop of approximately 7.4 million tons. Although this is better than earlier estimates of just over 4 million tons, the overall maize crop estimated for 2016 represents a 25% drop from the 2015 maize harvest of 9.94 million tons. South Africa typically exports around 2.2 million tons of yellow maize annually. However, it is set to import around 3 million tons of maize in 2016.

The mining sector is anticipated to continue facing serious challenges in light of persistently negative developments in global commodity markets. Demand conditions remain largely unsatisfactory across most industrial commodities, while supply cut-backs have generally been insufficient to stabilize downward trending prices. Manufacturing activity is likely to remain constrained by relatively weak demand and operational challenges for quite some time. A much weaker rand should be supportive of increased price competitiveness, enabling some local producers to compete against imports in the local market and to exploit





trading opportunities in global markets. However, it also raises the costs of imported intermediate input materials and capital equipment, while demand conditions are generally far from buoyant.

Consumers are expected to curb their propensity to spend in light of stretched household budgets, higher interest rates, rising inflation and, among other factors, worsening employment prospects. Spare production capacity in many industries, higher borrowing costs, policy uncertainty in key sectors and low business confidence underscore expectations of restrained fixed investment spending by the private sector in the year ahead. The financial standing of the public sector, in turn, has generally weakened. Gross fixed capital formation is thus anticipated to drop in real terms in 2016.

Despite the rand depreciation, export growth is projected to be lower than in 2015 due largely to slower growth in the rest of Africa and in China, two key markets for South Africa's manufactured goods and commodities, respectively. Moreover, a poor export performance by the local steel sector is anticipated, whilst much lower exports of primary and processed food products are projected due to the impact of the drought.

Key Performance Indicators for the South African Economy								
Variables (% change of % of GDP)	2013	2014	2015e	2016f	2017f	2018f	2019f	2020f
Household consumption expenditure	2.9	1.4	1.5	0.7	1.2	2.1	2.3	2.6
Government consumption expenditure	3.3	1.9	0.4	1.2	1.3	1.7	2.0	2.4
Gross fixed capital formation (GFCF)	7.6	-0.4	1.2	-0.7	1.0	3.6	6.0	5.8
Exports	4.6	2.6	9.8	3.6	4.1	4.7	5.1	4.6
Imports	1.8	-0.5	5.3	3.9	4.8	5.0	5.4	6.3
GDP	2.2	1.5	1.3	0.4	1.2	2.6	3.0	2.8
Consumer price inflation	5.8	6.1	4.6	6.4	6.9	5.7	5.4	5.2
Current account balance (% of GDP)	-5.8	-5.4	-3.7	-4.8	-5.2	-5.6	-5.8	-6.2
GFCF as % of GDP	20.0	20.3	20.3	20.1	20.2	20.5	21.2	21.8

Source: Compiled from SARB data, and own forecasts

Marginal GDP growth is projected for 2016, possibly around 0.4%. Difficult decisions will have to be taken to restore macroeconomic stability and address structural impediments to growth. Although these may affect the economy's performance in the short- to medium-term, they will lay the foundation for a stronger and more sustainable growth momentum in future years. Moreover, as and when the global economy returns to a higher growth trajectory, this will be beneficial for the

Comrades and honourable guests, South Africa is experiencing economic decline perpetuated by the political and economic instability in our country. Our economy is taking a knock and the Reserve Bank is expected to stimulate the economy. The repo rate has increased; the banks also increased their interest rate. The petrol price, electricity and food prices has increased, obviously these various increases will be transferred to the consumers. Within the decade there were high levels of monopoly capital concentration particular in the mining Industries. it existed due to the ownership of means of production which was controlled by white minority groupings in our country.

We must ask ourselves as to whether we are in recession or what. The continued economic decline possesses serious challenge to all of us where we will experience the high level of poverty, increase in joblessness and inequality. The richer will be richer and the poor will be poorer and continue to struggle to survive. The current economic challenges is not responding to job creation but jobless growth due number of mining and construction companies continue retrenching workers.

Some mines and construction companies are closing down. This is taking place at an alarming .Let's talk about Sibanye who have bought the platinum operations. This company came into being after Goldfields

discarded some of their operations after unbundling. This approach has led to the closure of many mines. We experienced early retirements, retrenchments and lean operation. It is, however, not guaranteed that the transaction (purchasing of platinum mines) is not going to lead to more job losses in the long run. Therefore, the buying of Platinum mines could impact negatively to the working people of platinum mines leading to massive retrenchment. The economic growth is not matching the population growth and is failing to absorb the ever increasing joblessness in our country, let alone the huge unemployment in neighbouring countries. Our experience is that without being judgmental or to be viewed as xenophobic, the employers are preferring migrant workers whom they can easily exploit. Today mines are retrenching, some of these workers are still young but they can't be absorbed by other economic sectors as they are saturated.

### 3.13 Drought



We welcome the late rains although, indeed, it was too little, too late for maize planting. Areas in some of our Provinces had already been declared disaster areas which meant that the government had to channel some funds to assist in those areas.

### 3.14 Change of Labour Law

It must be highlighted that there is growing pressure towards government by private sector to change the labour laws. The private sectors have been exploiting our people without proper compensation is unacceptable and the continued exploitation of the working class by collusion capitalist must be challenged in all fronts. We have been told to tighten our belts accordingly they are smiling going to the bank.

The question how much should we tighten our belts whilst the captains of industries are self-enriching themselves in our expense. If government chooses contraction, tighter monetary policies, reduced state spending and





the rest, we will surely slip rapidly into recession, which means job losses, increasing inequality and resultant social unrest. Comrades, our struggle must be focused, in South Africa the pay gap between executives and employees is the biggest in the world and widening. They get large bonuses and share handouts.

### **3.15 Minimum wage**

A new law purporting the introduction of the minimum wage has been promulgated. The NEDLAC partners are engaged into this process, but there is notion that the introduction of minimum wage will lead to job losses and eventually escalate the already high levels of unemployment in the country. The challenge of joblessness in South Africa is in form by the structural unemployment.



## CHAPTER FOUR

### 4.1 International Report

The National Union of Mineworkers has for the past years participated into the international trade unionism activities. It has been its character and ability that commanded respect due to its membership growth and resources. Our intellectual capacity and financial muscles positioned the union in a better position to direct and influence the international agenda and programme. In Africa, NUM has been the leading and supporting the sub-Sahara unions with capacity building programmes. EBMTCC has been utilized to host some of these workshops.

#### 4.2 Overseas trips and engagements

Members who visit international countries don't provide reports on their return. Indeed this matter is getting serious attention from the leadership of this union. The visits are not ordinary visits but we require benchmarking ourselves and obtaining lesson of experience. The National Union of Mineworkers (NUM) participating in a number foreign missions and conferences in 2015/2016 in persuasion of international solidarity and worker unity. The key ones will be highlighted below.

#### 4.3 IndustriALL Executive Committee Resolutions



The Industrial Executive Committee took and re-affirmed the following decisions. The report will single out resolutions that are relevant to mining, energy and construction sector as follows

- In support of workers struggles for living wage around the world, IndustriALL will continue to support a campaign for living wage in all sectors and countries around the world.
- Due to fragmentation and disunity within the labour in general in Lesotho and Swaziland, IndustriALL support efforts of building trade union unity in these two countries through mergers.
- Initiate a campaign against the newly formed world largest cement maker LafargeHolcim to respect workers 'rights.
- To intensify the Rio Tinto Global Campaign in support of workers 'rights. Rio Tinto has been continuing with their attitudes and practice of trampling and disrespecting workers' rights wherever they operate.
- Push for total stop in the practice of precarious work. To turn precarious jobs into permanent jobs. We should push for changes in legislation and collective bargaining agreements. All over the world, within multinational companies, precarious work is the order of the day. IndustriALL took a decision to intensify a campaign to end precarious work.
- Set a working group of climate change to look at the impact of the resolutions of the Paris Agreement of COP 21.



- The IndustriAll Executive Committee approved and noted the report of the Working Group on GFA. A total of 47 GFA has been signed covering about ten million workers.
- The Executive Committee took note of the report of the Global Women's Conference held in Vienna, Austria in September 2015. The Conference focused on violence against women, health and safety, organizing in the informal economy, precarious work and how it affects women, living wage and women representation in IndustriAll structures. A resolution of 40% women representation in all IndustriAll structures was adopted and it is now with the statutes committee.
- All proposed resolutions and nominations for positions for the 2016 IndustriAll Congress should be submitted by 29 February 2016. The IndustriAll Congress will be held from 3-7 October 2016 in Rio De Janeiro, Brazil. Please take note that this Congress co-incide with the WFTU Congress in South Africa, 5-8 October 2016.
- A total of 15 unions were expelled from IndustriAll for failure to pay subscription two years in a row. Two of these unions are from Africa, Egypt and Togo.
- A total of 14 unions who applied for affiliation to IndustriAll were approved, nine of these unions are from Africa.
- There will be two Executive Committee meetings during 2016; one will be on the 25-26 May 2016 in Istanbul, Turkey and another during the Congress in Brazil.
- The NUM was part of the collective that adopted the resolutions and will participate in IndustriAll structures to implement these resolutions

IndustriAll also held sectoral and Industry based meetings during 2015. These are in pursuance of uniting workers around the world. Multinational Companies rule the world. They operate in many countries and using the same strategy of bashing trade unions and utilizing precarious labour. Therefore it makes sense that workers working for the same company around the world or in the same sector should come together and strategize.

*NUM in support of international worker unity has been participating and leading in these activities. They are as follows:*

- Anglo-American Global Network Meeting 24-25 September 2015, Johannesburg, South Africa. The meeting was attended by worker leaders from South Africa, Canada, Australia, Botswana, Namibia, Colombia and Tanzania. This was a follow up to the inaugural meeting in Brazil in 2014. It seeks to bring workers together to share information on the working conditions, struggles and achievements. The meeting discussed the proposed Global Framework Agreement with Anglo and mandated the IndustriAll Head office to finalize and conclude the agreement.
- Glencore Global Network Meeting 8-10 February 2016, Cape Town, South Africa. NUM participated at the Glencore international solidarity campaign in Texas, United States in support of the 700 Glencore workers who were locked out because of their stance against unfair labour practice by the company. The meeting will look at retrenchments and struggles that workers are going through within Glencore and the way forward
- Rio Tinto Global Network Meeting, February 2015, Cape Town, South Africa. The Rio Tinto Global Co-operate Network was successfully launched last year in Cape Town. There was also a successful march to the venue of the mining Indaba where the Rio Tinto bosses were attending.
- Women's Global Conference, 14-16 September 2015, Vienna, Austria. The key highlight of this conference was a resolution pushing for a 40% quota for women leadership on all IndustriAll structures. This resolution is now with the Statutes Task Team and being prepared as a congress resolution.



- Anglo-Gold Ashanti Global Network met on the 24-25 July 2015 in Johannesburg. The meeting discussed the renewal of the Global Framework Agreement with Anglo-Gold Ashanti. Worker leaders present also discussed the sharing of information and how to capacitate each other on matters of collective bargaining.
- The Southern Africa Energy Network (SAEN) met in Johannesburg in October 2015. The network brings together unions in the energy sector within the SADC region. The network discussed strategies of influencing decisions within the Southern African Power Pool network (SAPP), an organization of energy producers and also employers in the SADC region.
- The network also discussed amongst other things the intensification of a campaign to get Comrade Angie, President of ZEWU in Zimbabwe reinstated.

#### 4.4 BWI

The NUM met with the BWI researchers to appraise them on the report of the 2010 World Cup Project. The highlights of the report were:

- Successful launch of the Campaign.
- The fact that FIFA issued a statement supporting decent work.
- 40 000 tickets were given to workers.
- Public awareness about the working conditions in the construction sector.
- It laid groundwork for transformation in the sector.
- The campaign strengthened the decent work message amongst other Global Union Federations (GUFS).



NUM also participated in two missions. One was Campaigns Conference in Germany during October 2015 and the other for youth and women in Amman, Jordan during September 2015. The conference looked at the plight of youth and women and brought the segments of society together from all over the world under the banner of BWI. NUM exchanged information with other affiliates. The conference also looked at migration challenges, causes and opportunities.

## 4.5 WFTU

WFTU Presidential council has decided that the 17th WFTU World Congress will be held in Durban, South Africa. It will be held on the 5-8 October 2016 and attended by 800 foreign delegates and 700 local ones.



A local preparatory Committee has been established and NUM is a member together with other WFTU affiliates. NUM is part of the WFTU international solidarity campaigns, which included pickets at the German Embassy in support of Greek workers who were victims of German Capitalism. NUM also participated at the WFTU 70th anniversary celebrations.

## 4.6 Repatriation of the remains of comrades Moses Kotane and JB Marks from Moscow, Russia

The NUM GS formed part of the delegation that went to fetch the remains of struggle stalwarts Comrade Moses Kotane and JB Marks from Moscow, Russia on the 24 February 2015. Their remains were reburied in South Africa. Both were leaders of the Communist Party and the African National Congress (ANC) Moses Kotane suffered a stroke while in Tanzania in 1978 and was sent to Moscow for treatment where he died and was buried. JB Marks also fell ill while in exile in Moscow in 1971 and he died there and was also buried. The South African Government repatriated their remains from and they were buried in South Africa in March 2015.



*The repatriation process of JB Marks and Moses Kotane remains in Moscow*

### The reburial of JB Marks



### Reburial of Moses Kotane





## CUBAN FIVE VISIT TO SOUTH AFRICA

The official welcoming of the CUBAN FIVE in Benoni when they went to lay flowers at the cemetery in honor of the late ANC President Oliver Reginald Tambo on the 21st June, the first day of their visit to South Africa.





## 4.7 The ANC hosted an International Seminar in honor of the CUBAN FIVE

The CUBAN FIVE are members of the Cuban intelligence service who were incarcerated in the American jails for over 17 years. They visited South Africa in July 2015 at the invitation of the African National Congress (ANC). NUM fully participated as a member of the Reception and Organizing Committee under leadership of Comrades Billy Masetlha and Obed Bapela, members of the ANC NEC. The guests were accompanied by their families and members of the CUBAN government. In their own words, they say that the reception that they received in South Africa made them more of heroes in South Africa than in Cuba. They are Gerado Hernandez, Ramo Labanino, Antonio Guerrero, Fernando Gonzalez and Rene Gonzalez.

They were jailed in the US for infiltrating and collecting information in the US about terrorist activities against Cuba by Cuban nationals residing in the US with the support of the CIA. From the time of the revolution in 1959, Cuban dissidents were waging a reign of terror against the people of Cuba from Miami in the US. International solidarity by the international community of which NUM was part of that solidarity put political pressures against the US government until the 17 December 2014 when Obama released them. South Africa is the first country to host them and the only country that would have hosted the five of them. NUM will continue to work with Cuban trade unions on different aspects of co-operation.

## 4.8 COSATU Conference on Africa

COSATU convene an international Conference on Africa in Johannesburg from 14-18 October 2015. The aim of the conference was to revisit Africa's industrial policy from a perspective of the workers. The conference also looked at how unions can collaborate on issues of capacity building. The conference was attended by over 100 delegates from COSATU and affiliates, the alliance partners, mass democratic movements structures and international guests from the SADC region including Ghana, Nigeria, Kenya, Zambia, Lesotho, Swaziland, Cuba, Palestine, Western Sahara and French and Portuguese speaking Africa.

The conclusion of the conference was the adoption of the declaration with a heading **"Building revolutionary workers power: The rising force for a new, industrialized and just Africa"** The declaration covered the work of six commissions that look at interrelated topics. The topics are as follows:

- On stopping the illicit financial flows, looting and plunder of Africa's natural resources and wealth to harness the means for development on the continent:-
- On Deepening a democratic and developmental state and model of governance in Africa based on transparency, accountability and participatory policy making
- On Advancing Peace and Security, Justice and Human Rights and Democratic Leadership Principles in Africa:-
- On a new and robust industrialization path for Africa to benefit our natural resources, effect job creation and confront poverty, hunger and unemployment
- On Building and strengthening the African trade union movement to anchor a Progressive African movement against imperialism, corruption, wars and ecological destruction/climate change
- And a commission on the way forward

*After deliberations on the topics the conference came with extensive proposals on the way forward which are contained in the declaration document. In implementing the resolutions COSATU decided that its primary focus will be as follows:*

- Special and dedicated focus on doing solidarity and strategic work on the African continent, with our sister unions and other progressive forces. In this regard, a clearly outlined COSATU Programme of Action for Africa must be developed soon.

- Priority focus on our Trilateral Cooperation structures as strategic levers and engines of our international policy, with due consideration to their proper alignment in the emerging spaces
- Building solidarity against the ruthless might of Multinational companies, foreign forces, as well as corrupt elites responsible for the looting of our natural resources
- Transformation of the international trade union movement towards more focus on the global south, militancy, unity and class consciousness
- Transformation of international and multilateral bodies, with particular interest on our own continent to serve the needs and interests of the people.
- Strengthening of solidarity work with the people and workers of Swaziland, Palestine, Western Sahara, Cuba and various other progressive forces and countries
- Strengthening alliance cooperation around international issues and towards that end, the development of a Joint alliance International Programme is critical and urgent. This includes the strengthening of our own International Relations Committee (IRC) to drive this bold programme
- Promotion of public debates and actions around key and strategic international issues remain central to our mass mobilization of the people and workers round important global questions and critical issues facing humanity, particularly against hunger, poverty and inequalities
- Intensification of the COSATU International Practitioners Development and Training Programme to support all our comrades and deployed doing international work at various levels.
- The NUM as part of COSATU will play a role in the realization of these ideals and resolutions.



*Comrade Ahmed Kathrada, a keynote speaker at the COSATU international Conference with his assistant and COSATU's Deputy International Secretary, Comrade Zanele Mathebula.*





## 4.9 Challenges and opportunities for NUM in the international arena

NUM has been playing a leadership role within IndustriAll ever since its launch in 2012 and also BWI. How do we retain these positions so that we can influence the global trade union agenda in favour of the African workers in particular and the working class in general. How do we ensure that our participation in the international arena add value to our work here at NUM. How do we ensure that there is reporting from our international deployees. How do we tap into resources that the Global Union Federations (GUFs) have to facilitate capacity building and technical assistance programmes within the African continent? GUFs in this instance refers to IndustriAll, BWI and WFTU.

Our international work essentially should boil down to campaigns and solidarity work. How do we make sure those international campaigns goes down to mines shafts, plants and branches? International work should not just be the exclusive terrain of the leadership. To ensure that international work goes down to workers, we need to have an ad hoc structure/ committee on international relations. These will ensure that workers participate in international campaigns. (These include solidarity work on Palestine, Western Sahara, Swaziland, Cuba, Decent work campaign, climate change etc.)

We need to participate effectively and strengthen the work of the COSATU International relations Committee. The structure function on 20% budget from the federation and 80% from outside sources. The current funder (ITUC) threatens to pull out because of COSATU's eminent affiliation to WFTU.





## CHAPTER FIVE

### 5.1 Financial Report

Comrades delegates, historically, National Union of Mineworkers commanded and enjoyed respect from government, amongst COSATU affiliates and any rival unions due to its financial muscles and position. Our union had reasonable membership that provided quite reasonable financial resources. The union could finance its liabilities without incurring unnecessary cost and without using its reserves. Comrades our revenue is low whilst the expenditure pattern is constantly growing more than the revenue. We are financing our over expenditure through investments which is not a positive move.

The union is depleting. The expenditure pattern must change as the income keeps declining. Things are no longer the same hence we appeal to all irrespective of their position within the union to hear and understand our financial challenges. Going forward the union will identify our over expenditure areas and have capping on them. Some of the most over expenditure area is the utilization of petrol cards, credit cards, interest on bank overdraft and phone bill. We need to adhere to principle of saving and use of what is at our disposal. Recruitment must take center stage on our agenda. Implementation of union recruitment strategy is paramount and imperative at this pointing time.

Revenue is less than expenditure and this situation is not improving. The expenditure pattern must change. The budget has been reduced but the expenditure pattern is not changing. We must realize that NUM is no longer having 300 000 members with sufficient resources to carry our expenditure.

*We have identified the key budgetary challenges as follows:*

- Reduce our current deficit with great margin and overdraft by 100% per annum
- Legal fee must be reduced significantly by 40% per annum
- Petrol utilization must be reduced by 40% per annum
- Phone and internet utilization must be reduced by 60% per annum
- Salary bill must be 40 – 45% of total cost of revenue per annum
- Increase our membership and revenue collection by 10% per annum.

### 5.2 Agency shop versus union development

Comrades, various branches have agency shop funds which are somehow used for different reason other than to grow the union. We believe that this Central Committee must pronounce itself regarding the utilization of agency funds which NUM initiated in the first place.

### 5.3 Performance and responsibility of Finance Pillar

The organization has entrusted the Finance Pillar with responsibility of developing finance strategic direction, ensure financial management and control, Coordination of FINCOM meetings, Coordination of the NEC finance Sub- Committee meetings, Coordination of the NEC Audit and Risk Sub Committee, annual audit and financial accountability, Fleet management and to conduct regional roadshows on finance policies.



## 5.4 Annual audit and financial accountability

The union through the Finance Pillar is responsible for accounting for revenue and expenditure, safeguarding of all assets and financial records of the organization and preparation of annual financial statements. Accountability as outlined above is done annually as a routine and compliance requirement. Audited financial statements are also meant to comply with the Department of Labour requirements of the Labour Relations Act as well as use by NUM creditors and other users. Auditing was conducted by Sizwe Ntsaluba Gobodo company and the report will be presented by TG for discussion and adoption.

## 5.5 Fleet management

### 5.5.1 Amendment of the vehicle allocation policy

The Vehicle allocation policy is revised in line with all transformational aspects that were recommended for cost curtailment measures towards management of the fleet, by the first NEC of 2015. The 2015 Congress resolved that two pool vehicles should be purchased for use by those office bearers who are not eligible to participate in the current AVIS fleet scheme. The resolution prompted the revision of the vehicle allocation policy to incorporate a policy on utilization of the pool vehicles.

### 5.5.2 Migration of the fleet scheme from operational lease with managed maintenance to operational lease with full maintenance

Implementation of the revised Vehicle Allocation Policy implied that the organization was to migrate from the traditional AVIS operational lease with managed maintenance scheme to the AVIS operational lease with full maintenance scheme as well as the newly introduced Car Allowance scheme for some Head Office staff members who are office bound and not travelling a lot.

The organization succeeded in implementing the new schemes as highlighted above and as at the end of October 2015 four staff members have opted for the Car Allowance Scheme. As at 31 December 2015 of the 201 vehicle fleet 133 vehicles had already been migrated to the AVIS operational lease with full maintenance Scheme. This was done after old vehicles were assessed and found suitable to be migrated. The next batch of thirty five (35) vehicles that has been inspected will be migrated by the end of February 2016. This will bring the total number of migrated vehicles to one hundred and sixty eight (168) by March 2016. Migration of vehicles to the operational lease with full maintenance implies that the organization will no longer incur maintenance expenditure as full maintenance lease cover maintenance.

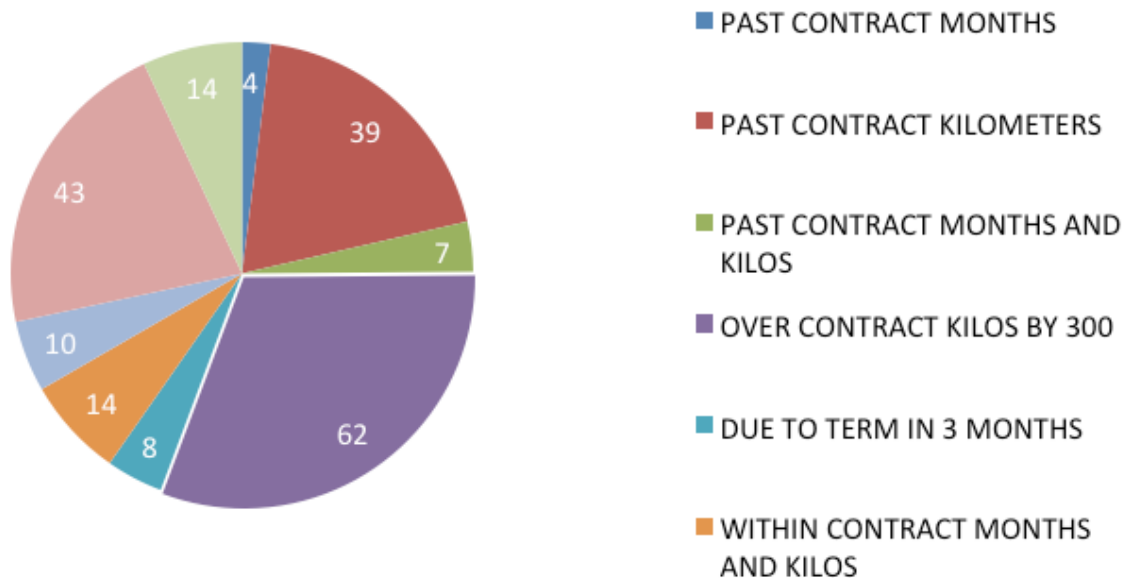
### 5.5.3 Fleet movement at a glance

*The status of fleet utilization as at 31 January 2016 at a glance is summarized in the table below:*

	Number of vehicles that have past their contract period and kilometers	7
	Number of vehicles that have past their contract period	4
	Number of vehicles that have past their contract kilometres	39
	Number of vehicles that are over contract kilometers by 300km	62
	Number of vehicles that will be due to their term in 3 months	8
	Number of vehicles that are within their contract months and kilometres	14
	Number of vehicles that are underutilized by 500 kilometers	10
	Number of new vehicles less than 3 months	44
	Number of vehicles that have been reassessed in 4 months	14
	<b>TOTAL FLEET</b>	<b>202</b>



## FLEET UTILIZATION PROFILE FOR THE 202 VEHICLES



The union has recognized that there are fifty vehicles that need to be replaced due to the fact that they have either reached their contract period or contract kilometers or both. Furthermore to that, there are sixty two vehicles that are still within the contract period and kilometers, they are over utilized meaning that they may reach their contract kilometers before the contract period comes to an end. Only ninety vehicles are within their contract kilometers and period and are not over utilized. It is clear from the report that 30.6% of the fleet (62 vehicles) is at risk in the sense that they are not managed as expected in terms of usage. 44.6% of the fleet (90 vehicles) are properly managed as expected and are not at risk. At least 24.8% of the fleet (50 vehicles) must be replaced. We are optimistic though that the situation will improve with the current Full Maintenance lease arrangement as well as the fuel capping that has kicked in as from April 2015.

### 5.5.4 The status of the fleet health as at 31 January 2016 is outlined in the table below:

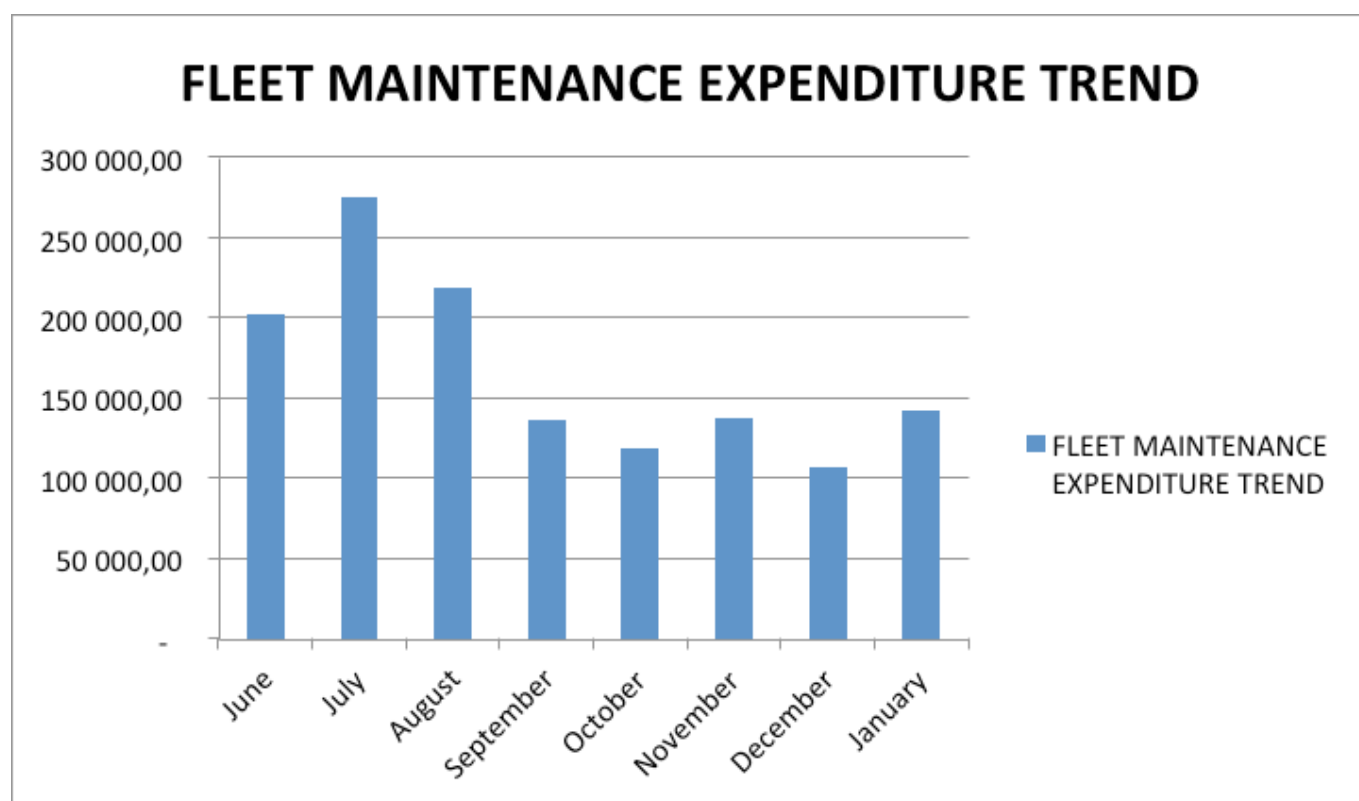
FLEET HEALTH STATUS	NUMBER OF VEHICLES PER HEALTH STATUS
Vehicles that will be reaching the term in 3 months	8
New vehicles delivered	1
Terminated vehicles	1
Outstanding orders	6
Vehicles that have missed their service date	16
Vehicles whose service is due in more than 4 months	8
Vehicles due for service	96
Vehicles that are either new or are no longer serviceable	82
Vehicles serviced	13
Vehicles repaired	16
Vehicles due to be sold and are at head office	20

### 5.5.5 Fleet maintenance expenditure trends

The year to date fleet maintenance expenditure figures from June 2015 to January 2016 are as follows:

MONTH OF EXPENDITURE	AMOUNT SPEND
June	202 439.37
July	274 746.94
August	218 210.95
September	136 41.69
October	118 741.44
November	137 353.23
December	106 210.96
January	142 389.85

The graphical presentation of the fleet maintenance costs is displayed below:



The abovementioned graph extrapolates that as from July 2015 maintenance expenditure is reflecting a downwards/declining trend. This is mainly due to the fact that our fleet has been replenished at an accelerated rate in the sense that a lot of older vehicles are being replaced with new vehicles that are migrated to the AVIS operational lease with full maintenance. As and when vehicles are migrated to full maintenance lease, maintenance expenditure will reflect a downwards trend and will eventually disappear completely when all vehicles have been fully migrated to full maintenance lease.



### 5.5.6 Outcomes of fuel capping in terms of expenditure trends

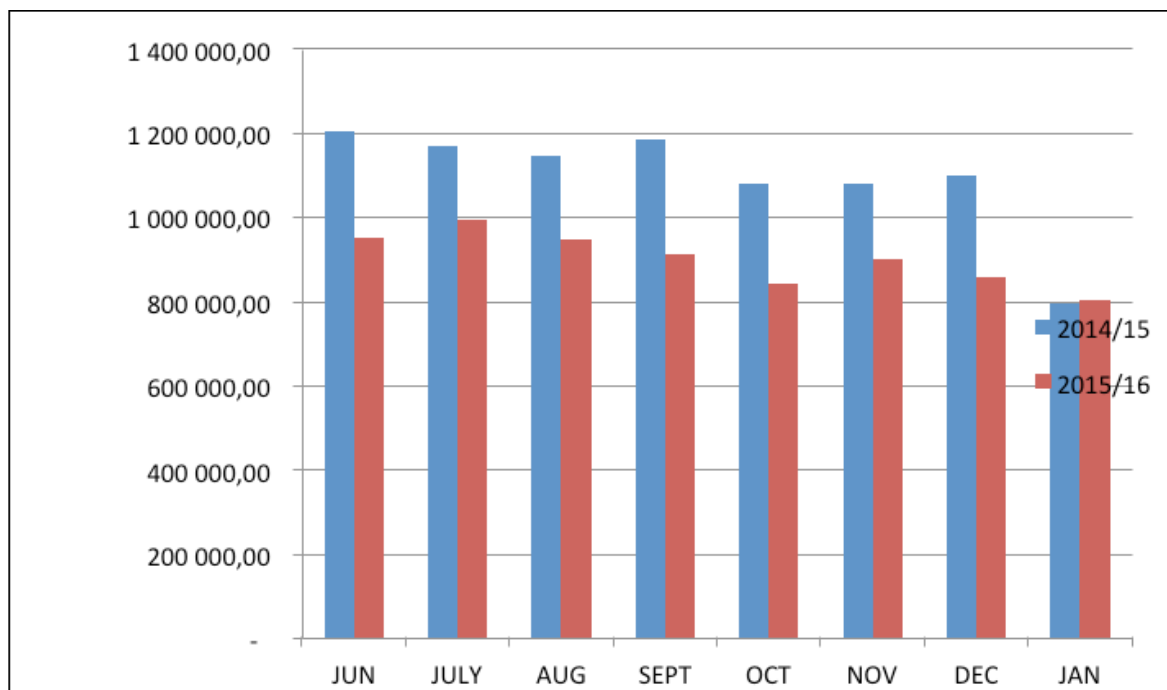
One of the objectives of cost curtailment in as far as the fleet of the organization was to review the vehicle allocation policy in such a way that alarming expenditure on fuel is reduced to a reasonable minimum while taking into cognizance of the fact that member services are not affected. The revised Vehicle Allocation Policy that was approved in March 2015 and implemented in April 2015 provided for fuel capping for specified categories of eligible staff members and office bearers.

The outcome of fuel capping is demonstrated in the table below as well as the graph. The table provides for a comparison of expenditure trends of two financial years for the same months to assess the impact of fuel capping that commenced on 01 April 2015.

Expenditure Month	2014/15 EXP	2015/16 EXP	Impact of capping in terms of monthly savings
June	1,203,483.00	954,377.00	249,106.00
July	1,168,447.00	993,921.00	174,526.00
August	1,148,033.00	949,843.00	198,190.00
September	1,185,058.00	913,139.00	271,919.00
October	1,081,714.00	843,464.00	238,260.00
November	1,080,427.55	901,475.10	178,952.45
December	1,098,987.30	858,637.54	240,349,76
January	797,024.80	803,643.41	(6, 618.61)
<b>Total annual savings</b>			<b>1,310,983.48</b>

The above table reflects that the Pillar has achieved to cut costs on fuel over the past ten months of 2015 by a figure of R1, 310,983.48. The Pillar has therefore successfully applied cost curtailment measures on fuel.

The graphical presentation of the above outcome is reflected below.





### 5.5.7 Disposal of vehicles

Whenever vehicles in the fleet reach their contract period or contract kilometers or both or whenever vehicles are prematurely withdrawn from the fleet or when they are written off due to accident they are eventually removed from the fleet register if they have satisfied all the requirements of being terminated. The table displayed below reflects a list of vehicles that have been terminated during the period between June 2015 and 31 January 2016.

MONTH OF DIPOSAL/ TERMINATION	NUMBER OF DIPOSED/TERMINATED VEHICLES IN 2015
JUNE	4
JULY	11
AUGUST	7
SEPTEMBER	8
OCTOBER	45
NOVEMBER	9
DECEMBER	1
JANUARY	1
Total number of disposed/terminated vehicles	86

### 5.6 Cellular phones management

During 2015 financial year the organization experienced a contract termination with Nashua Mobile who discontinued their business in as far as cellular phone business line. The termination of Nashua contract was abrupt in the sense that there was no smooth transition. Nashua transferred all contracts with NUM to Vodacom and MTN. The transfer of NUM contracts to Vodacom and MTN came with a number of teething problems and challenges. We struggled to obtain an accounts manager from each network company for some times. Our point of contact with Vodacom and MTN was through their call centers which were very inefficient.

It was until recent (August 2015) that we were allocated a dedicated accounts manager dedicated to attend to our problems. For quite some time Vodacom and MTN did not sent statements to NUM and this created a huge backlog in settling monthly accounts. When monthly accounts were not sent payments were not executed and the other arm of Vodacom and MTN did not want to process any new orders of cellphone handsets and upgrades. At some point in time NUM had a four months backlog of payments of the two accounts. We have since resolved the problem and are sure to operated smoothly going forward.

### 5.7 Budget management

The budget cycle for 2016, 2017 and 2018 was successfully communicated throughout the union. The challenge with the budgeting process is that Pillars and regions come back from the NEC Breakaway with new financial demands which almost nullify or alter drastically the budget that has already been allocated. In some instances additional funds are requested to fulfill the objectives set by the Union.



## 5.8 Conclusion

We need to remind ourselves of the National Congress Theme of “Back to basics – Members First.” This theme must guide us on our daily activities. These members are the reason for our existence, the reason for sustaining this union and lastly they are the life and blood of this union. We again are building on the National Congress theme by adopting this Central Committee theme as a building block to our working class struggle.

The purpose of adopting this Central Committee Theme is to revive our working class activism, grow the union, ensure that we retain and unite members within the union with purpose of satisfying our members by providing absolute quality service to them. We call upon every elected office bearer and shaft steward to unite and lead this important task before us.

As we forge this message of quality service to members, we call upon all members to realize that we are now competing on the space with other rival unions. These unions will try to prove a point and we need to listen to our members at all times and guide them accordingly. Leaders of this union must at all times remember that members must feel at home with National Union of Mineworkers than to be encouraged to join the rival unions. Our behavior and attitude as leaders must attract even non-unionized workers.

The SWOP and MISTRA research reports have outlined key union challenges that we require to pay serious attention to in building this union. A road map will be crafted in the implementation of all recommendations made by the reports. Capacity building and reviving the spirit of member activism must be part of our daily activities. Comrades we must always encourage a culture of constructive debate within the union that seeks to build creative independent leadership within the union. Our vibrant committed leaders should portray collective leadership at all times. Uniting members must be a daily activity in carrying union work. The capitalist is at war with NUM. Therefore, we must always remind ourselves why are we members of this union. It is not our wish to belong to this working class movement but we are compelled by the capitalist agenda of exploiting workers in the world. We will fight and march against the capitalist of this world that seeks to enrich themselves at the expense of workers. Sibanye in South Africa has declared war against NUM and we want to let them know that we are aware of their agenda.

## 5.9 Way forward

The union’s Ten Year Plan and National Congress resolutions must be realized, measured and evaluated with intention to grow the union towards the right direction. The National Programme and the National Priorities must inform our daily activities. We must be conservative in our financial management and control without compromising quality service to members. We must come out of our office and be visible to members. Tough questions and challenges must be faced and resolved within the short space of time and with honesty. We must know and remind ourselves that members won’t just join the union if we don’t pull our socks and show commitment to our members. Recruitment must take a centre stage within the union. Regions and branches must develop recruitment plans led by their Office Bearers to achieve our planned recruitment targets.

ANC is a revolutionary people’s movement; we need to participate as workers in its structures despite the current challenges. There are no permanent challenges in life. We call all our shaft stewards to participate in COSATU structures too. The new federation is a challenge to COSATU, hence we need to be strong and unite members including embarking on political education.

Our participation in international structures and organizations should remain unchallenged. We thank our international friends and comrades in supporting our working class struggle and we should provide leadership where we are required to lead.

**AMANDLA, AMANDLA SOLIDARITY FOREVER**































# PROGRAMME

## CENTRAL COMMITTEE MEETING 02 - 03 JUNE 2016

### VENUE: ST GEORGE'S HOTEL

DAY ONE: 02 JUNE 2016			
CHAIRPERSON: Deputy President			
01.	09h00	All Delegates are seated	Secretariat Pillar Head
02.		Singing of Nkosi Sikelel' IAfrika	All
03		Safety awareness	Health and Safety Secretary
04		Central Committee credentials for quorum	DGS
05		Observing moment of silence for our fallen comrades	All
06		Welcoming and Opening Remarks	President
07		Adoption of the CC Programme	General Secretary
08.		Introduction of Guests	Deputy General Secretary
09.		Key Note Address	ANC SG Gwede Mantashe
10.		Presentation of Organisational Report and Resolutions	General Secretary
		Discussion and Resolution of Organisational report	All
	13h00	Announcements and Logistics	Secretariat Pillar Head
<b>13:00 - 14:00 LUNCH</b>			
11.	14h00	Address by SACPSecretary General	Cde Blade Nzimande
12		Presentation of Political and Economic Report	General Secretary
13.		Discussion and Resolutions on the Political and Economic Report	All
14		Address by COSATU	COSATU Deployee
15		Announcements and Logistics	Secretariat Pillar Head
<b>18:00 END OF DAY ONE</b>			
DAY TWO: 03 JUNE 2016			
CHAIRPERSON:			
01.	9h00	Central Committee Resumes	All
02		Discussion and Resolutions on Political and Economic Report	General Secretary
		Presentation of Finance Report	Treasurer General
04	13h00	Discussion and Resolutions on the Union Financial Report	All
<b>13:00 - 14:00 LUNCH</b>			
05	14h00	Presentation of current challenges in ESKOM	Minister of Public Enterprise: Lynn Brown
06		Messages of support by	International Guest
07		Presentation of International Report	General Secretary
08		Discussion and Resolutions on International Report	ALL
09		Reading of Central Committee Declaration	General Secretary
10		Announcements and Logistics	Secretariat Pillar Head
11	18h00	Closing Remarks by	NUM President