



SO WHAT HAS CHANGED SINCE MARIKANA AND THE FARLAM COMMISSION?

WHAT IS THE ROLE OF THE CHAMBER IN ENSURING ITS MEMBERS COMPLY WITH LEGISLATION AND OTHER CONDITIONS OF THEIR LICENCE TO OPERATE?

The Chamber has no regulatory role or authority. However, the Chamber did introduce in 2015 a membership compact with which members are expected to comply. The compact states, among other things, that Chamber members commit to compliance with all relevant legislation, and to making every possible effort to comply with meeting, or bettering that the targets outlined in the Mining Charter.

WHAT IS THE CHAMBER ADVOCATING FOR IN ORDER TO ENSURE THAT THE INDUSTRY COMPLIES WITH COUNTRY TRANSFORMATION IMPERATIVES?

The Chamber has, since 2004, always advocated compliance with the Mining Charter among its members, in the knowledge that the organisation participated in the development of the charter.

DOES THE INDUSTRY PUBLICISE ITS MEMBERS' PERFORMANCE AGAINST THE COMMITMENTS CONTAINED IN THEIR SOCIAL AND LABOUR PLANS?

Some companies have always done so. Others have begun to do so more recently. The Chamber has begun an internal discussion among members over whether this should be done more comprehensively and methodically. It is certainly our belief that transparency is a fundamental pillar of building trust.

WHAT IS THE INDUSTRY'S COMPLIANCE LEVEL WITH HOUSING OBLIGATIONS TO ITS EMPLOYEES?

Following commitments to hostel upgrading in the first 2004 charter, the 2010 charter committed companies to ensure that all employees living in hostels were accommodated in single accommodation. This target was achieved by Chamber member companies. It was done at a cost of billions of rands to the companies involved and, we believe, this marks a significant transformation away from apartheid-style barrack living to something far more dignified. Individual companies have also made commitments in their SLPs to developing other accommodation, including rental and home ownership.

This offers other forms of progress and transformation. But it has run into a number of challenges.

The mining industry has suffered a severe downturn since the start of the international financial crisis in 2008. As is well known, some of those that made extensive commitments during the resources boom, prior to 2008, later found themselves unable to meet those commitments.

The other factor relates to employees' housing preferences – within the bounds of what is affordable of course – and the issue of the Living Out Allowance (LOA).

The LOA was first introduced in response to demands from unions for greater accommodation choices for employees. It is increased annually. Many employees choose to receive a LOA and they choose to apply it as per their individual preferences. Different people make different decisions.

Some employees choose to apply the allowance to maintain higher living standards near their place of work while many employees choose to use a minimal amount for their accommodation in order to save the additional funds to send to their families who live far away, while others use these funds for any other purpose they see fit.

It is now widely acknowledged that the LOA system, while well-intended, has had unintended and undesirable consequences such as the spread of poor quality informal housing for employees. Neither we nor the unions understood what these unintended consequences would be. This is an issue that needs to be addressed jointly by all stakeholders.

ARE YOU SAYING THAT EMPLOYEES WOULD PREFER TO LIVE IN SHACKS/INFORMAL SETTLEMENTS?

The issue is complex, as are most things associated with South Africa's history, where patterns of economic development, social and economic exclusion, migrant labour and the very nature of mining have shaped South Africa's urbanisation patterns. At the same time, the lack of formal housing in urban areas is a major national challenge.

The platinum sector in particular faces enormous challenges given the rapid growth of the industry from the mid-1990s until 2008 which resulted in the development of sizeable, impoverished informal settlements close to platinum mines, which were a focus of instability and unrest during the 2014 platinum industry strikes.

The Chamber and its members agree that they have a moral obligation to facilitate decent accommodation for employees. However, renting accommodation in informal settlements is also much cheaper than renting formal accommodation. This allows employees to use their money for other things which they consider to be more important. Many employees are looking after extended families and in many instances employees do not wish to pay off mortgage bonds in areas where they do not intend on staying in the long term, opting rather to use part of the LOA to build houses in the labour-sending areas from where they originate such as Lesotho or the Eastern Cape.

CONSIDERING THE REPUTATIONAL DAMAGE CAUSED BY THE MARIKANA INCIDENT, WHAT IS THE CHAMBER'S ROLE IN ENSURING A SIMILAR INCIDENT DOES NOT HAPPEN IN THE FUTURE? PUTTING IT BLUNTLY, WHAT LESSONS HAVE BEEN LEARNED FROM THE MARIKANA INCIDENT?

Reputational damage has been severe, but that is of course far less important than the deaths and injuries that occurred that terrible week in August 2012. The Farlam report contains a number of recommendations that we believe are extremely valuable, not only to the company on whose property the shootings of August 12 took place but to all mining companies. These include:

- Care with choices made in labour relations
- The dangers of adherence to a strictly majoritarianism approach to union recognition
- The downside of a decentralised system of collective bargaining
- The need to engage with strikers even when a strike might be unprocedural
- The need for better engagement between workers in the workplace and their supervisors and managers. It had become common place for management to delegate their relationship responsibilities to union officials and shaft stewards
- The need for management to take care during a particularly violent and undisciplined strike about encouraging workers to return to work in defiance of violent strikers without being able to offer adequate protection to them
- Adherence to modern, human rights-sensitive approaches to security issues, whether during strikes or other situations, by private security and state law enforcement and crowd control entities. A number of Chamber members with operations internationally are signatories to the Voluntary Principles on Security and Human Rights. Adherence to these principles has proven effective for these companies. Proper adherence by all concerned would certainly have minimised casualties at Marikana. Perhaps the time has arrived for a dialogue between organised business and government for us all to be looking to adopt the VPSHRs
- The report also raises pertinent points about directors' responsibilities in tense situations such as one saw in the first half of August 2012

FREQUENTLY ASKED QUESTIONS

WHAT IS THE CHAMBER'S ROLE IN FACILITATING COOPERATION BETWEEN THE LOCAL/PROVINCIAL AND NATIONAL AUTHORITIES AND ITS MEMBERS WHERE THERE ARE CHALLENGES WITH THE IMPLEMENTATION OF SLP OBLIGATIONS

The Chamber has played an active part in developing and implementing the Presidential Framework Agreement for a Sustainable Mining Industry and the Framework for Peace and Stability in the Mining Industry. The organisation also represents its members in respect of broad policy issues related to SLPs. It doesn't, however, have a role in the regulation of specific companies' SLP commitments.

One area where we believe there could be more effective provisions of resources to mining communities and labour sending areas is if the regulator recognised and, indeed, encouraged regional cooperation between mining companies to facilitate larger projects with greater impacts.

AS A PRO-ACTIVE MEASURE, WHAT HAS THE CHAMBER DONE IN THE MINING REGIONS TO ENSURE LOCAL AUTHORITIES ARE ADEQUATELY RESOURCED (INFRASTRUCTURE, PUBLIC SAFETY) FOR POSSIBLE MIGRANT LABOUR INFLUX?

The Chamber is not directly involved at the local level. All companies are required to engage with local authorities to ensure that SLPs meet Integrated Development Plan priorities. However, through the Presidential Working Group, the Chamber is able to highlight mining growth patterns so that the State can adequately plan for possible infrastructure needs.

IN GENERAL TERMS, LOOKING AT THE MINING INDUSTRY'S HISTORICAL PRACTICES DURING APARTHEID, HAS THE MINING INDUSTRY ADOPTED A PROGRESSIVE HUMAN RIGHTS APPROACH FOR IMPROVED EMPLOYEE RELATIONS?

The Chamber believes that the industry began to adopt a progressive human rights approach to labour and employee relations from 1983 when, for the first time, it recognised a representative union for black mineworkers. The industry was, we believe, a South African leader in sound labour relations.

Employment relations go beyond this. The migrant labour legacy remains deeply entrenched in our country and our industry. Of course it took time to change racist employment patterns and the "command and control" approach to employee relations that were typical of the industry through much of the 20th century.

There has been progress in employment patterns. In 1994 there were close to zero black managers and skilled black workers in the industry. Today, more than 50% of managers are HDSAs. Of course, we need to go further. And management systems are becoming more modern and co-operative, though again there is a way to go.

Wage levels for semi-skilled workers are higher in the mining sector than in any other labour intensive economic sector in SA. This is in part a consequence of the progressive labour relations system that has been at work for more than three decades. Of course, the events of 2012 have forced us to relook our methods and systems. Some of these issues are dealt with in question 5 above.