



**ADDRESS BY MIKE TEKE, PRESIDENT OF THE CHAMBER OF MINES OF SOUTH AFRICA,  
AT THE 127<sup>TH</sup> ANNUAL GENERAL MEETING OF MEMBERS ON 24 MAY 2017**

Minister Mosebenzi Zwane  
Past Presidents of the Chamber of Mines  
Members of Council and other Members of the Chamber  
Members of the Media  
Ladies and Gentlemen

The documentary you have just viewed raises, for me, some profound questions about our industry. The years I have spent as a Chamber of Mines office bearer, and particularly the last three years as president, have caused me to think more and more and more beyond the mine gate.

As I have told you before, and am always ready to tell anyone, I love mining. As you may have noticed, I plan to do even more mining in the future. I'm not sure my appetite for mining will ever be sated, just because it means so much to me.

Mining is the foundation of almost every aspect of life: If it's not grown, it's mined.

I know there are those who are so angry with, or disillusioned by, the mining industry that they would simply like it to cease. That of course cannot and will not happen as mining is necessary for the fundamentals of modern life.

The stories that were told in the documentary represent small cameos of three people, three families, whose lives have been touched by mining. In some cases the mining industry has been a direct cause of illness and hardship. In others it has been complicit in allowing a situation to continue unchecked. Or in others, its absence has simply been as a lack of knowledge, engagement or even care.

But, does that mean that there is no good in mining? I would say no – absolutely not. We see its good in so many big and small ways every day.

But, because we see the good, does not mean that we must not see the bad.

And, does this mean that we cannot make good on the past? We can't change the past, which was and is sometimes painful.

Again, the documentary shows how mining *can* make a difference, even when it has not been solely responsible for the problem.

But, it takes courage to remove those rose-tinted glasses; to hold up and look in the mirror; to reflect on what is and what might have been and what could be; and to engage and to make things better.

That is the role that the Chamber has played – in supporting companies in dealing with employee indebtedness; to assist pension funds in tracking and tracing pensioners and their families; in helping fix the compensation system for those who became ill as a result of their jobs. These three individuals are among the many thousands whose lives will be better because the Chamber has chosen to be a catalyst of change.

In the three years of my tenure as president of the Chamber of Mines, I have been privileged to meet and work with men and women who have had the courage to look into the mirror. They have not said, that was before my time, or not under my watch, or I didn't know, or we followed the law.

We know about mining's part in South Africa's pre-democratic era. We know about mining's impacts since 2004. We must acknowledge the harm where it was done, and build on the good. This would, I believe, be a big step towards the future, a future where we mine minerals in ways that do not provoke opposition or scepticism or mistrust.

I refuse to accept that we cannot mine without doing harm to people, be they our employees or the communities around our mines. And if a negative event occurs, because errors do happen, then we must have in place structures, systems and processes that will enable justice to be done in a manner that our good intentions are properly fulfilled and hence accepted.

I do believe that we have made significant strides towards meeting this overall goal. But we also need to acknowledge, to ourselves in the first instance and to our society as a whole, that we know we have a long, long way to go.

Most importantly, our industry has continued to push boundaries in the spheres of health and safety. The number of fatalities has continued to decline, injury rates are improving and incidence of

occupational disease is falling too. All this is a consequence of deliberate and conscientious work in very many areas and forums. There is the work of the Mine Health and Safety Council where government, employees organisations and the industry work co-operatively in pursuit of the goal of zero harm through the setting of tough milestones. There is the work in individual companies where, similarly, managers and employees work with each other to achieve that goal. And in the Chamber itself, the MOSH structure and the CEO Zero Harm initiative increasingly assures that best practices are shared. In many ways our members are competitors. But when it comes to health and safety, co-operation and teamwork can be our only methodology.

But despite the progress we have made, we have not done enough. Despite our determination, we are not yet doing enough to prevent fatalities, injuries and illness on all the mines in our country. I stand here today, still disappointed that we are not winning these battles. Our employees still face the debilitating thought of not feeling safe and confident that they will return home safely and healthily and be with their loved ones.

We also need to do more to minimise the negative impacts of our operations on the communities that live around our mining operations. Water, dust, noise, road traffic, among them. And we need to engage openly and honestly with mine communities and their concerns, grievances and aspirations. We will win this war. The war called Zero Harm. We have to do so. We must learn from our mistakes and not repeat them.

Volvo, the Swedish car maker, known for inventing the three-point safety belt, made an assertion in 2008 that “by 2020, nobody shall be seriously injured or killed in a Volvo”, we as the mining industry, should also strengthen our resolve to drive Zero Harm. This is indeed one of our milestones, by 2024, as the Mine Health and Safety council. Volvo has since added certain conditionalities to this pledge, teaching us that we too should beware of overstatement.

At this point, I wish to pause as we remember not only those who have died at work in our formal industry, but those who have died seeking to earn a living through illegal mining. The Chamber of Mines is deeply concerned that 31 people have died in what appears to have been an underground methane explosion at a closed mine in the Free State. Consider that our best estimates are that three times as many people died in illegal mining related incidents in 2016, as opposed to those deaths in the much larger, regulated industry.

Deep level underground mining requires a vast investment of funds and technology, as well as knowledge, expertise and the right equipment. Illegal mining in such deep level shafts where no protective measures are in place can be exceptionally dangerous and, unfortunately, often lethal. Mining companies put considerable effort into rendering non-operational shafts safe, including (as in this case) by completely blocking access to the shafts. That illegal miners then force entry to them is an ongoing challenge.

Illegal mining – in which high-level and international syndicates are the primary beneficiaries – remains a significant challenge for companies, government and the SAPS, as well as communities, who often bear the brunt of many of its associated social ills. The Chamber acknowledges that poverty and the lack of alternative opportunities is often at the root of illegal mining activities, and that much more needs to be done to ensure that the benefits of legitimate mining activities reach local and labour-sending communities. The Chamber of Mines has also been engaging with the DMR and other parties to see how small and emerging miners can be assisted in becoming part of a legitimate and vibrant junior mining sector.

The Eland shaft tragedy is a terrible reminder of the dangers of unregulated, illegal mining and we urge stakeholders to work closely to address this issue before further lives are lost.

The history of our industry and of our country continues to remind us, loudly, of the importance of the transformation imperative.

Yes, there are those out there who have cottoned on to the phrase “radical economic transformation” and are seeking to use it in pursuit of narrow and naked commercial self-interest. Some of these are not even what the mining charter terms historically disadvantaged South Africans, but they cling parasitically to those with political power. But the misuse of this term must not divert us from the huge amount of work left to be done, both in our industry and in the country at large to ensure higher and more inclusive economic growth in our country.

More has been achieved than our toughest critics would like to acknowledge.

In 1994, this industry had a pathetically small number of senior black and women technicians and managers. Today, the majority are black and/or female.

There were no black mining entrepreneurs at all. Today we see well known corporate names in our sector that emerged from a string of other deals - African Rainbow Minerals, Exxaro, Royal Bafokeng Platinum, Kalagadi Minerals, among others. I hope you will forgive me for also mentioning Seriti Resources.

In my mind, these are the real models of transformation. Where ownership involves entrepreneurship rather than mere passive holdings.

We also need to get away from the mistaken idea that the other mining companies are hence “white-owned”. Today more than 50% of the industry is owned by millions of South Africans through pension funds and investments, across all racial groups, including through the Public Investment Corporation and the Industrial Development Corporation. The bulk of the remainder is owned by foreign pension and other asset management funds, on whose investment dollars we are very dependent. None of these companies are owned and controlled by the mining magnates of old who exist only in the minds of those who are trying to sell, for mischievous ends, the notion of white monopoly capital.

All of this makes questionable the point and usefulness of the 26% target, which was conceptualised in a different era. We do need to be thinking more creatively about how our economy, and our industry in particular, can and should be transformed.

But if anyone is thinking that my remarks imply that the transformation imperative is becoming less urgent, they are mistaken. On the contrary, the urgency has never been more acute.

For example, while more than half of designated positions in mining company workforces are now occupied by black people, it is still a long, long way from representative of the country’s racial demographics. And much more needs to be done to make our still patriarchal industry a place where it is comfortable and safe for women to work. We must protect women in all our workplaces. And, much more can be said about some of the challenges related to relationships between mines and the communities where they are located.

In the broader economy, it is clear from unemployment figures that it is more likely that a person of employable age, but who is unemployed and may never have held a job, is far more likely to be black. It remains the case that the average black household earns substantially less and owns a great deal less than that of their white compatriots. Ultimately, this is the primary economic apartheid legacy that needs to be addressed.

We cannot address this situation without significant economic growth, job creation and meaningful economic transformation. This is not something the mining industry or the business community can fix on its own. But we have a responsibility to contribute to the solution, along with a government operating with skill and integrity. Without a major effort by all of us, I fear for the future.

As I come to the end of my three years as President of the Chamber of Mines I want to thank Roger Baxter and his team for their incredible leadership and support. The office bearers, in the form of Andile Sangqu and Neal Froneman, and the council members have provided solid and irreplaceable leadership for the industry, and have supported the Chamber and the industry in ways beyond measure. I have always felt stronger and better spending time with all of you, the mining community. The leadership of the mining companies have stood up collectively through the Chamber in our calls for ethical leadership and good governance, and for realistic and competitive mining legislation to be finalised.

I am proud to have presided over the Chamber leadership at a challenging time for our country. We have stood resolute in our desire for achieving growth and transformation and governance outcomes that are in the national interest. We must have the courage and fortitude to continue pushing for what is right in our country and to get the South African dream, as encapsulated in the NDP, back on track. The events of the last year, including recent revelation about undue pressure being placed on DMR leadership to nefarious ends, are extremely concerning. These come on top of the report of the Public Protector which examined a range of related issues. If the allegations are proven to be true, South Africa's reputation as an investment destination could be further damaged. It is crucial that ethical leadership and good governance are the foundations of our economy and society as a whole, without exception.

The Chamber believes that further investigation into the matter is required, and recommends that the President order the Commission of Inquiry into State Capture to proceed at the earliest opportunity.

This is the 127<sup>th</sup> Chamber of Mines AGM. It is an organisation that is more necessary and relevant today than it has ever been.

Its role is so much more than mining. It continues to embrace the new companies that are emerging to diversify the sector. It operates in a changing environment, and it needs to think about how it needs to change itself.

It is with this in mind that the Council has agreed that the Chamber of Mines should rethink its identity and its name, to be more reflective of what it is and what it wants to be. We will share more thoughts on this process and its outcomes in the months to come. The Chamber, in its more modernized state reflects the promise of a prosperous, safe, transformed and progressive organisation for the future.

In summing up my three years as President of the Chamber, it would be difficult to beat the words of Charles Dickens: "It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair."

We as an industry are committed to drive a progressive and transformative agenda to enable mining to regain its lost glory as a key industrial sector for our economy. Mining really matters for the growth, transformation and development of South Africa.

Personally, this period has been challenging and difficult for all of us. Along with the Chamber leadership team we have done our best for the organisation and the industry. As is always the case, the change of leadership arrives with some work completed, but much more still to be done.

I look forward to continue playing a part in these endeavors, though from now on a smaller part. I wish my successor, and everyone else, well.

**Mike Teke**

**President, Chamber of Mines**

**24 May 2017**