



# Training on SLP's for Emerging Miners

PRESENTED BY RONÉ COETZEE



CREATING SUSTAINABLE CHANGE





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# EMERGING MINERS



# CHALLENGES



## THREE GENERIC CHALLENGES EMERGING MINERS FACES IN DEALING WITH SLP'S

- Lack of understanding on the policy and legislative requirement around the “softer” issues, as well as understanding how they are integrated.
- Lack of internal capacity and skills (people and systems) to deal with the multi-disciplinary nature of SLP's.
- Budget constraints to ensure compliance, let alone making an impact into the lives of their employees and communities.

# AGENDA



## 1) SOCIAL AND LABOUR PLANS – IN CONTEXT

Between BEE, B-BBEE, the Mining Charter, the MPRDA, WSP-ATR's and CSI where do SLP's fit in?

## 2) SOCIAL AND LABOUR PLANS – OVERVIEW

What are the requirements / sections included in an SLP?

## 3) SOCIAL AND LABOUR PLANS – SKILLS REQUIRED

What skills are required to effectively manage SLP's, and what are the options available to acquire such skills?





# SOCIAL & LABOUR PLANS IN CONTEXT



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# BEE & BBEE

## BEE and B-BBEE

**The initial Black Economic Empowerment (BEE) 2003/2004, was criticized for being narrow-based black economic empowerment which led to the enrichment of only a few previously disadvantaged individuals, and hence the release of the new Broad-Based Black Economic Empowerment Act (BBBEE or B-BBEE).**

The goal of broad-based empowerment is to distribute wealth across as broad a spectrum of previously disadvantaged South African society as possible.

**B-BBEE looks at the following aspects:**

- 1. Ownership**
- 2. Management Control (Employment Equity)**
- 3. Skills Development**
- 4. Enterprise and Supplier Development (Procurement)**
- 5. Socio-Economic Development.**



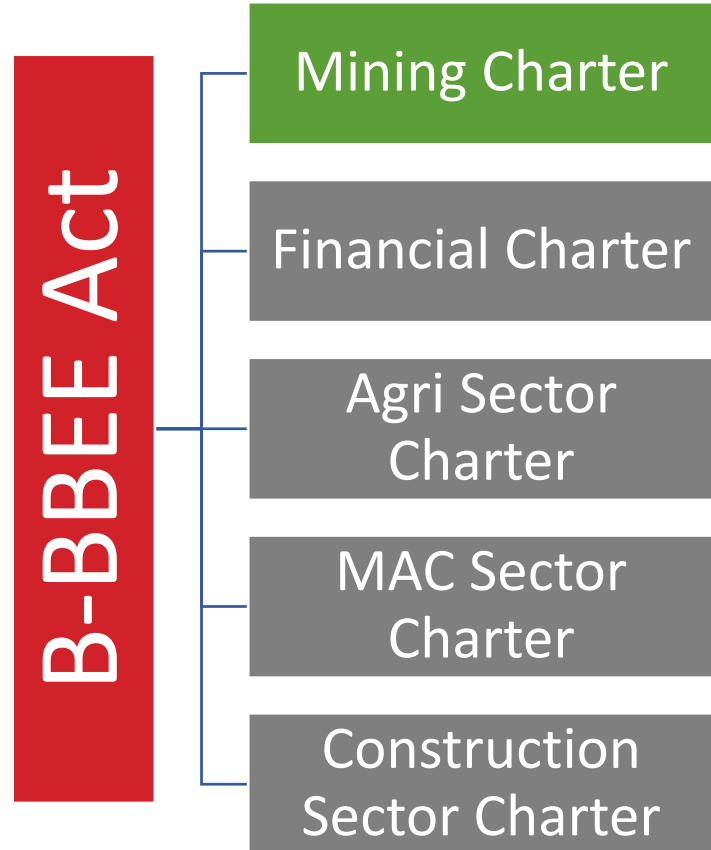


# MINING CHARTER

## SECTOR CHARTERS

Sector Charters are sector specific transformational strategies whereby the generic principles of BBEE are applied to the industry, taking into consideration the specific nuances of the specific sector in order to bring about effective and meaningful transformation in the industry.

Thus although the DTI regulates the The B-BBEE Act, Mining Charter performance is reported to DMR.



# MINING CHARTER

## MINING CHARTER

The “Mining Charter” simply means the broad-based socio-economic empowerment Charter of the South African Mining and Minerals Industry, and holds the following as its vision: **“To facilitate sustainable transformation, growth and development of the mining industry.”**

**The Mining Charter looks at the following elements:**

- 1. Ownership**
2. Employment Equity
3. Human Resource Development
4. Procurement and Enterprise Development
5. Beneficiation
6. Mine Community Development
7. Housing and Living Conditions.





# MPRDA

## **MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT**

The MPRDA stipulates the need for Mining companies to submit a Social and Labour Plan as a pre-requisite for the granting of mining or production rights. In this way the MPRDA ensures that holders of mining or production rights contribute towards the socio- economic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced.

Thus in applying for a mining right the following three documents are applicable:

- Mine Works Programme
- Environmental Management Plan (EMP)
- Social and Labour Plan (SLP)





# SLP

## SOCIAL AND LABOUR PLANS – IN CONTEXT

Social and Labour Plans **includes the following elements:**

1. Human Resources Development Programmes
2. Employment Equity Plan (including Women In Mining requirements)
3. Mine Community Development Plan
4. Housing and Living Conditions Plan
5. Processes to save jobs and manage downscaling and/or closure.

# WSP-ATR

## WORKPLACE SKILLS PLANS & ANNUAL TRAINING REPORTS

The Skills Development Act (2008) requires companies/organisations to pay SDL (skills development levies) to SARS on a monthly bases. SARS then distributes these funds to the respective SETA's which in turn make funds available to its levy paying companies/organisations. Furthermore, the act requires companies to submit WSP-ATR annually to the company's relevant SETA.

- A **Workplace Skills Plan (WSP)** is a strategic document that articulates training plans for the coming year.
- An **Annual Training Report (ATR)** is a report that provides an overview of all training that took place during the previous year



# WSP-ATR

## WORKPLACE SKILLS PLANS & ANNUAL TRAINING REPORTS

### Why submit your WSP-ATR as an Emerging Miner?

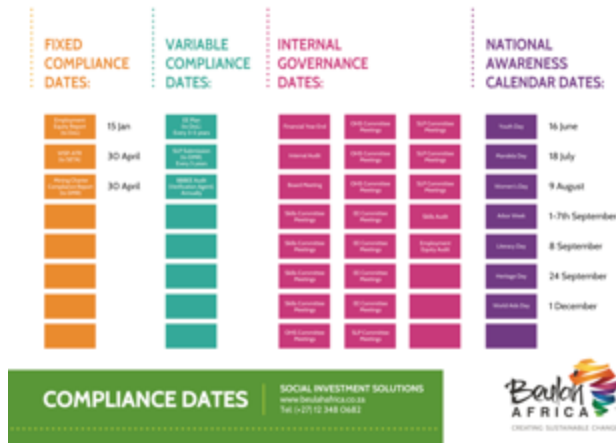
- 1) It is a legal requirement
- 2) Receive cash back to the value of 20% of your SDL as **mandatory grants (MG)**
- 3) Claim additional funding for training through **discretionary grant (DG)** programmes
- 4) Increased productivity and return on investment for training





# COMPLIANCE CALENDAR

**With compliments...**  
**To make your life easier!**





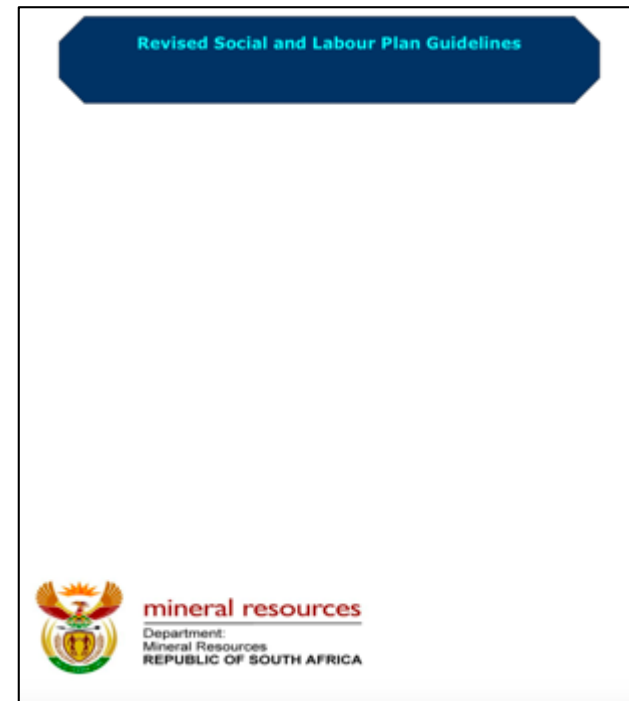
# SOCIAL & LABOUR PLANS OVERVIEW



# SLP OVERVIEW

Google and download:

“Revised Social and Labour Plan Guidelines DMR”





# SLP OVERVIEW

- Section 1: Preamble
- Section 2: Human Resource Development Programme
- Section 3: Employment Equity Plan
- Section 4: Mine Community Economic Development
- Section 5: Processes Pertaining to Management of Downscaling And Retrenchment
- Section 6: Financial Provision
- Section 7: Undertaking



# (1) PREAMBLE

The Preamble simply lists background information about the company and the nature of the mining operation.

Item	Explanation
1.1 Name of the company/applicant	Organization's registered name
1.2 Name of mine/ production Operation	Self explanatory
1.3 Physical Address	Mine address and not corporate address
1.4 Postal Address	Self explanatory
1.5 Telephone Number	Self explanatory
1.6 Fax Number	Self explanatory
1.2 Location of mine or production Operation	Route or locality map with clear direction to the operation
1.8 Commodity	Commodities to be mined
1.9 Life of mine	Projected period that the mine will remain operational before closure as justified by Mining Work Programme.
1.10 Financial Year	Date of financial year for the company
1.11 Reporting Year	by 31 <sup>st</sup> March of each year.
1.12. Responsible person	Mine Manager
1.13 Geographic origin of employees (mine community and labour sending areas).	Provide the origin of employees as per provincial, district municipality and local municipality

## (2) HUMAN RESOURCE DEVELOPMENT

The HRD Plan aims to ensure the development of requisite skills in respect of learnerships, bursaries, artisans, ABET training and other training initiatives, for employees and community members.

- Compliance with skills development legislation
- Form Q: Number and education levels of the workforce
- ABET/ AET plan
- Core business training plan
- Form R: Hard-to-fill vacancies
- Career Progression (path) plan
- Mentorship plan
- Bursary plan
- Internship plan
- Learnership plan
- Artisans
- Portable skills plan

# (2) HUMAN RESOURCE DEVELOPMENT

CORE BUSINESS TRAINING	2016	2017	2018	2019	2020	TOTAL 2016-2020
Operational Licence (forklift, front-end loader, excavator)	8	30	0	10	10	58
Engineering Core	1	0	1	3	0	5
Metallurgical Core	3	0	3	0	3	9
Safety	8	0	10	0	8	26
Supervisory/ Leadership & Managerial Skills	2	0	3	0	2	7
Soft Skills & Other	3	0	0	1	0	4
<b>TOTALS</b>	<b>25</b>	<b>30</b>	<b>17</b>	<b>14</b>	<b>23</b>	<b>109</b>
<b>BUDGET</b>	<b>R150,000</b>	<b>R230,000</b>	<b>R82,000</b>	<b>R54,000</b>	<b>R118,000</b>	<b>R634,000</b>

# (3) EMPLOYMENT EQUITY PLAN

The EE Plan aims to ensure diversity as well as participation of HDSA at all decision-making positions and core occupational categories in the mining industry.

WOMEN IN MINING		2016	2017	2018	2019	2020
MINING CHARTER TARGET (MCT)		SLP Actual	SLP Actual	SLP Targets	SLP Targets	SLP Targets
Top Management (Board)	MCT 10%	10%	13%	13%	13%	13%
Senior Management (Exco)	MCT 10%	10%	14%	14%	14%	14%
Middle Management	MCT 10%	0%	0%	10%	10%	10%
Junior Management	MCT 10%	8%	8%	10%	10%	10%
Core Skills	MCT 10%	10%	11%	11%	11%	11%

HDSA's		2016	2017	2018	2019	2020
MINING CHARTER TARGET (MCT)		SLP Actual	SLP Actual	SLP Targets	SLP Targets	SLP Targets
Top Management (Board)	MCT 40%	38%	38%	40%	40%	40%
Senior Management (Exco)	MCT 40%	29%	29%	40%	40%	40%
Middle Management	MCT 40%	0%	0%	40%	40%	40%
Junior Management	MCT 40%	40%	48%	50%	50%	50%
Core Skills	MCT 40%	60%	92%	92%	92%	62%





## (4) MINE COMMUNITY DEVELOPMENT

The Mine Community Development Plan aims to ensure meaningful contributions (in terms of size and impact) towards the community development of both:

- the **Mine Community** (communities within a 50km radius from where mining takes place); and
- the **Labour sending area** (areas from which a majority of mineworkers, both historical and current are or have been sourced).



# (4) MINE COMMUNITY DEVELOPMENT

The aspects to be discussed under Mine Community Development are as follow:

- Social and economic background information/ analysis
- Key economic activities
- Negative Impact of the mining operation
- Community needs & development requirements in line with the local IDP (Municipal Integrated Development Plan).

Projects should be classified as follow:

- Infrastructure projects
- Income generating projects (poverty alleviation).



# (4) MINE COMMUNITY DEVELOPMENT

## NOTE:

Although the guidelines do not specify this, the following sections should also be included under Mine Community Development:

- Housing and Living Conditions Plan
- Measures to address Nutrition
- Procurement Progression Plan

Keeping in line with the Mining Charter requirements.



# (5) DOWNSCALING & RETRENCHMENT

This section is to provide a framework to prevent job losses where possible and to guide the affected parties who have to deal with retrenchments, and includes the following:

- Establishment of a “future forum”
- Mechanisms to save jobs, provide alternative solutions and procedures for creating job security where job losses cannot be avoided
- Management of retrenchments
- Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the operation is certain.



# (6) FINANCIAL PROVISION

The financial provision should be planned in monetary value (Rand) and cater for all components of the SLP.

HRD Summary	2016	2017	2018	2019	2020	TOTAL 2016-2020
ABET Plan	R42,000	R42,000	R56,000	R70,000	R70,000	R280,000
Learnerships Plan	R100,000	R100,000	R100,000	R200,000	R200,000	R700,000
Core Business Skills	R150,000	R230,000	R82,000	R54,000	R118,000	R634,000
External Bursary Plan	R92,000	R92,000	R92,000	R92,000	R92,000	R460,000
Internship and Work Experience Plan	R390,000	R390,000	R130,000	R260,000	R130,000	R1,300,000
<b>TOTALS</b>	<b>R774,000</b>	<b>R854,000</b>	<b>R460,000</b>	<b>R676,000</b>	<b>R610,000</b>	<b>R3,374,000</b>





## (7) UNDERTAKING

“The person responsible for the social and labour plan, who is responsible to make known the social and labour plan to the employees and who must be contacted for follow-ups, requests, reports, queries, enquiries, discussions, etc. at time of such needs must make the following undertaking on behalf of the Mine or Production Operation. The Chief Executive Officer, Managing Director or any other person so appointed must approve the social and labour plan.”

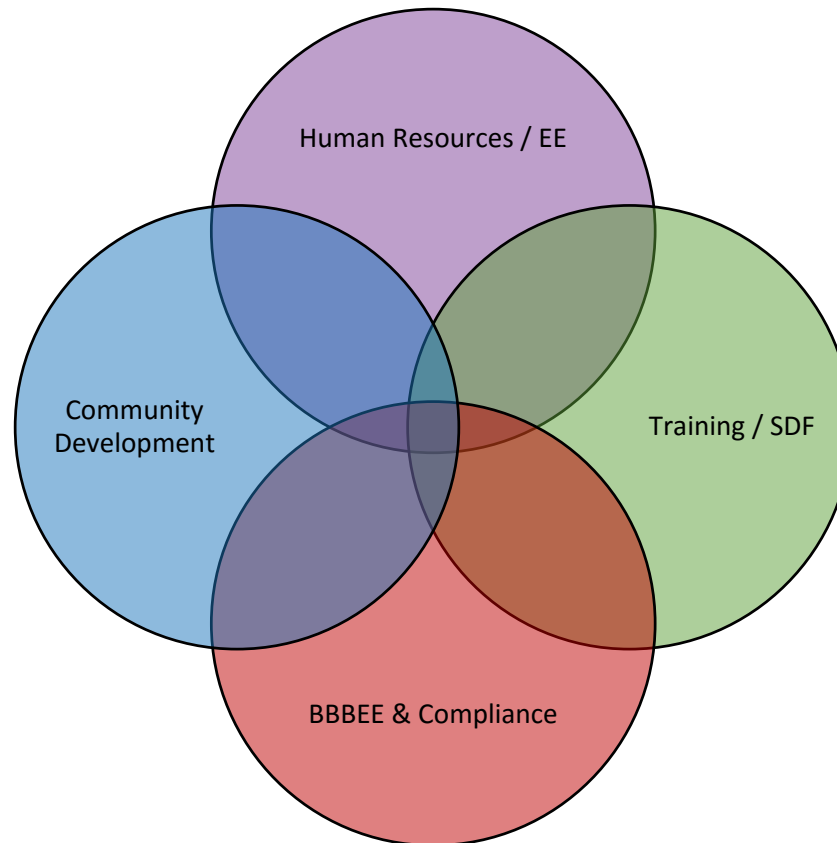




# SOCIAL & LABOUR PLAN SKILLS REQUIRED

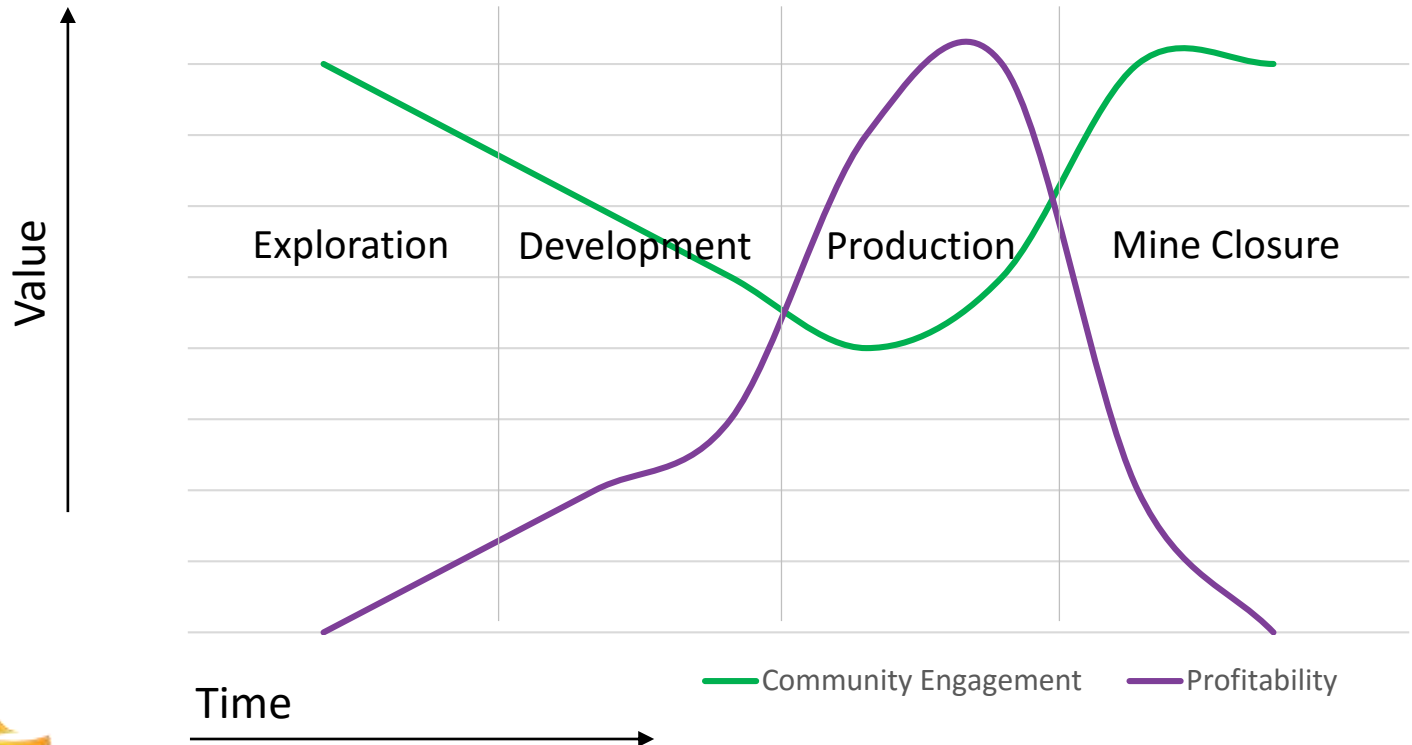


# MULTIDISCIPLINARY FIELD



# LIFE OF MINE

Life of Mine and Community Engagement





# OPTIONS FOR EMERGING MINERS

As Emerging Miners there are a few options to acquire the right skills:

- Outsource all, or parts of your SLP management
- Recruit or identify someone and ensure they get the required trainings.



# OUTSOURCING

If you decide to outsource all or aspects of your SLP management process, look for:

- Consulting company that has an integrated view on the various SLP aspects
- Identifying aspects/ areas to be outsourced
- Identifying internal capacity to be used and expanded over time.



# INTERNAL SKILLS NEEDED

Skills needed to effectively manage your SLP:

- Project management
- People liaison
- Administration
- Attention to detail
- Reporting

\*\*\*Managerial position





# INTERNAL SKILLS NEEDED

The following trainings are recommended:

- Skills Development Facilitation (SDF) Course
- B-BBEE Practitioners Course
- Mining and Community Development Workshop
- Community Development Courses

# SOCIAL & LABOUR PLAN WRITING

1

- **Company and Community Analysis** (Skills audit; meeting with Municipality; Socio-economic analysis)

2

- **Consultations and Negotiations** (Allowing all relevant stakeholders, including management and unions, to agree to the proposed commitments)

3

- **Write-up and Submission** (Consolidate all input and analysis into the final document)



# CLOSING



## **DON'T DISREGARD WHAT IS MOST VALUABLE TO YOUR MINE**

Your employees and your communities! A disregard of the social aspects can literally cost you millions and close your operation.

## **IT IS POSSIBLE TO MAKE A BIG IMPACT WITH LITTLE**

Look for pockets of potential and invest in them!

## **“IF YOU WANT TO GO FAST, GO ALONE, IF YOU WANT TO GO FAR GO TOGETHER”**

Invest in the people/ employees you desire to have 5 years from now!

## **DO GOOD AND COMPLY WHILST DOING SO, NOT THE OTHER WAY AROUND**

Its easy to lose the heart, but if you do you have lost the game altogether.





# Q&A



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**THANK YOU!**



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**RONÉ COETZEE**



# CONTACT US

[www.beulahafrika.co.za](http://www.beulahafrika.co.za)

Tel: (012) 348-0682

[beulah@beulahafrika.co.za](mailto:beulah@beulahafrika.co.za)

Postal Address: PostNet Suite #477, Private Bag X15, Menlo Park, 0102, Pretoria, South Africa

Physical Address: 84 Glenwood road, Lynnwood Glen, 0081, Pretoria, South Africa

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