

Leaders' Declaration**Mining Industry Commitment to Save Jobs and Ameliorate the Impact of Job Losses****31 August, 2015**

Preamble

Government, labour, and business organised under the Mining Industry Growth and Development Task Team (MIGDETT) convened a mining leadership retreat on 5 August 2015 to address job loss challenges facing the sector and to identify short and medium to long term interventions.

As social partners we are committed to addressing the challenges facing the industry such as the depressed commodity prices, and the risk of job losses.

We remain resolute in our principal objective of working towards mining for sustainable development, and finding solutions to address the challenges currently facing the mining industry.

We recognising that the short, medium to long term inclusive growth and sustainability of the industry requires that all options be explored to save jobs, and necessary interventions have to be put in place including regulatory enforcement.

Recognising the need to avoid job losses and to ameliorate the impact on individuals the stakeholders commit to an integrated and holistic approach that takes into account but is not limited to the following interventions:-

Job Saving Interventions

Intervention 1

Delaying the implementation of retrenchments

All stakeholders agree that they will not unreasonably withhold the extension of the consultation period as per the Labour Relations Act to allow for the implementation of the interventions to address job losses, and that where section 189A processes are currently being facilitated, that the consulting parties will continue the consultations during the 30 days' notice period after expiry of the 60 day facilitation period or any extension thereof. Notwithstanding the above paragraph, section 52 of the MPRDA shall be equally applicable.

Intervention 2

Enhancing productivity and managing cost pressures

Stakeholders acknowledged the need to improve productivity and manage costs to reduce the risk of job losses. They consequently agreed to:-

- Consider all opportunities relating to multifactor productivity;
- Establish cost containment committees within Future Forums;
- Investigate the possibility of implementing integrated shift systems;
- Engage Eskom and relevant municipalities on the management of electricity supply, to minimise disruption of production; and
- Produce a productivity improvement report that identifies practical and implementable recommendations for inclusion into the implementation plan.

Intervention 3

Accelerated concurrent rehabilitation activities to create alternative jobs for mineworkers

Stakeholders recognised the opportunities of implementing accelerated rehabilitation programmes for job creation. In this regard the following will be initiated:

- Engage relevant authorities on aligning regulations governing financial provision and access to rehabilitation trust funds;
- Quantify the amount available;
- Develop and implement control mechanisms for the efficient utilisation of the fund;
- Initiate concurrent rehabilitation where possible; and

- Redeploy mineworkers to rehabilitation projects. Employees identified for redeployment will, to the extent possible, be placed in training lay-off schemes for redeployment to rehabilitation, or other identified, projects.

Intervention 4

Facilitate sale of distressed and other mining assets

The sale of distressed and other mining assets, that would otherwise be closed have the potential to save and even create jobs in the hands of alternative operators. This may also avoid sterilization of resources. Accordingly, the parties undertook to facilitate where possible, the sale of such assets to interested parties in the event of all other interventions failing. Existing and retrenched workers will be given preferential access to employment opportunities in such cases.

Intervention 5

Other alternatives to avoid job losses

There are numerous alternatives that can be explored and successfully applied to save jobs. These will require engagements between management, employees, and unions to explore suitable and appropriate options applicable to the prevailing circumstances on a case by case basis. A Framework in respect of the alternatives and their application in the mining sector will be developed. Alternatives to be explored including but not limited to:

- Implementation of the training lay-off scheme. The current rules of Training Lay-off Schemes will be applicable on signing-off. Employers have agreed to pay their financial obligations in terms of the training lay-off schemes (rules attached);
- (Possible) Extended leave;
- Early retirements;
- Moratorium on the filling of current vacancies;
- Re-skilling employees;
- Voluntary severance packages; and
- Transfers within, and between companies, in the industry.

Interventions to Ameliorate the Impact of Job Losses

Intervention 6

Support for mineworkers in the event that job losses cannot be avoided

In the event that the job saving mechanisms do not completely eliminate the risk of job losses, the following mechanisms will be implemented to support mineworkers:

- Retrenchment response teams will be deployed to assist with matters relating to UIF, counselling, placement in alternative forms of employment where possible, and with the necessary exit medical certificates that are required for alternative employment purposes;
- Utilising existing mechanisms including social and labour plans (SLPs) as well as the SETAs and NSF for the re-skilling and training of retrenched employees to secure other forms of employment; and
- Assist retrenched workers to access existing support mechanisms to embark on business and entrepreneurial initiatives including through cooperatives and in other economic sectors including in agriculture.

Intervention 7

Utilisation of the Multi National Companies' procurement levy to also support employment opportunities for retrenched mineworkers

The parties identified the need to access the aforementioned socio-economic development fund by promoting the implementation of labour intensive projects that can, among others, employ retrenched mineworkers. The parties have resolved to develop a governance framework to establish and manage the fund.

Regulatory Framework and other Enablers

Intervention 8

Streamlining the processes for downscaling, updating the database and exploring fiscal instruments

Recognising the importance of the role of the regulatory environment in ensuring compliance with applicable laws and prescripts, the parties resolved to:

- Explore measures to streamline processes relating to section 52 of the MPRDA and the section 189 of the LRA in respect of downscaling in the mining industry. The parties will develop proposals in this regard;
- Furthermore enhance co-ordination in respect of the one environmental system in respect alignment of the relevant water, mining and environmental authorisation processes;
- Ensure that functioning Future Forums are established at all mines to manage downscaling in a manner that avoids job losses; Ensure that Future Forums as per Section 52 of the MPRDA are in place at all mines to manage downscaling in a manner that limits job losses. In this regard, Government will enforce the MPRDA in respect of the management of downscaling.
- Continuously update the database to assist in the monitoring of companies that intend to shed jobs, and providing the necessary support to affected employees; and
- Compile a list of possible incentives and fiscal instruments to support mining companies that are in distress.

Intervention 9

Investment promotion and market development

Parties recognise that the current global economic recession, which has led to depressed commodity demand and prices, requires more rigorous and focused mineral promotion initiatives and market development to increase demand for South Africa's key minerals. To this end the parties have resolved to:

- Support initiatives to promote South Africa's mining industry in major international markets;
- Explore how the sector can leverage off the BRICS arrangements such as the possibility of Central Banks holding platinum as a reserve asset;
- Engage relevant authorities with a view to exploring the possibility of producing a Mandela Platinum Coin similar to the Kruger Rand gold coins;
- Promote the use of platinum fuel cell technology to provide energy;
- Investigate South Africa adopting higher vehicle emission standards, to enhance the local market for the beneficiation of platinum auto catalysts; and
- Make recommendations on market development of all key minerals.

The Mining Industry will develop mechanisms to strengthen the industry's resilience to the cyclical nature of commodity prices and demand.

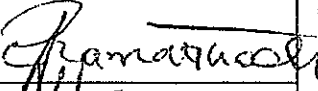
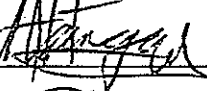
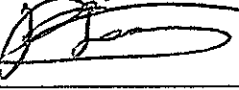
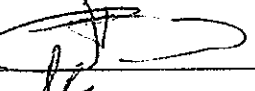
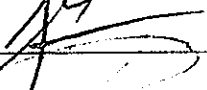
**Intervention 10
Communication and implementation plan**

Parties agreed that, where there is a risk of job losses, all communication will be handled in a responsible and sensitive manner and as aligned to the Stakeholder Declaration.

Parties have developed a milestone plan to implement the interventions, which will be concretized into a detailed action plan to guide implementation.

Thus done and signed on this ... day of August 2015.

Signatories:

Stakeholder	Designated Signatory	Signature
Department of Mineral Resources Representing Government		
Chamber of Mines		
South African Mining Development Association		
Association of Mineworkers and Construction Union		
National Union of Mineworkers		
Solidarity		
United Association of South Africa		