



**The Compensation Commissioner for Occupational Diseases
in Mines and Works**

**Annual Performance Plan
for the 2021/22 Financial Year**

March 2021

Executive Authority Statement by the Minister of Health



The Compensation Commissioner for Occupational Diseases in mines and works (CCOD) has submitted the financial statement for the 2018/19 financial year to the Auditor-General of South Africa. The annual financial statements for the 2014/15, 2015/16 and 2016/17 financial years have been finalised.

The Compensation Fund paid on average 435 claimants per month totalling R141,2 million for the 9 months to 31 December 2020, compared to an average of 592 claimants per month totalling R150,4 million in the comparative period in the 2019/20. The Certification Committees of the Medical Bureau for Occupational Diseases (MBOD) adjudicated on average 1,378 certifications per month for the 9 months to 31 December 2020, compared to 1,019 per month in the comparative period in the 2019/20FY. The Covid-19 pandemic and the lockdown interventions affected the provision of benefit medical examinations through outreach activities.

National Treasury has noted that the Mines and Works Compensation Fund is an unlisted public entity under Section 3A of the Public Finance Management Act, 1999. I have written to National Treasury to list the Mines and Works Compensation Fund as a public entity under Section 3A of the Public Finance Management Act, 1999.

The Minerals Council South Africa continued its support for the activities of the MBOD/CCOD through secondment of personnel and technical support for financial management and legal reforms. The Compensation Commissioner and the Director of the Medical Bureau for Occupational Diseases is working closely with the Tshiamiso Trust given the overlap with eligible claimants in the class action settlement for silicosis and tuberculosis in the gold mining sector.

As of 31 December 2020, 17 controlled mines and works were inspected due to the restrictions that were in place during the national lockdown because of the COVID-19 pandemic. The inspections have contributed to more accurate submission of risk shift information and payments of levies by these mines and works.

This Annual Performance Plan reflects the performance targets for the 2021/22 financial year. I endorse the Annual Performance Plan of the CCOD and will work with the management team to ensure its implementation. The focus areas will be:

- The submission of amendments on the Occupational Diseases in Mines and Works Act, No. 78 of 1973, to the Director-General of the National Department of Health;
- Maintenance of the database of controlled mines and works;
- Enhancing the claims management system; and
- The submission of annual reports of the Mines and Works Compensation Fund for 2019/20 and 2020/21 financial years to the Auditor-General of South Africa.



Dr ZL Mkhize (MP)

Executive Authority, Minister of Health, RSA

Date: 24/03/2021

Accounting Officer Statement

The Compensation Commissioner for Occupational Diseases in Mines and Works was established in terms of the Occupational Diseases in Mines and Works Act, No. 78 of 1973. The CCOD relies on voted funds for the administration of the Compensation Fund and payments for Benefit Medical Examinations and certifications.

This Annual Performance Plan reflects the performance targets for the CCOD for the 2021/22 financial year. The focus areas will be:

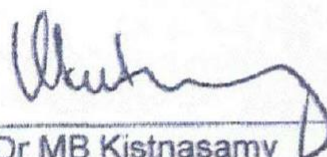
- The submission of amendments to the Occupational Diseases in Mines and Works Act, No. 78 of 1973, to the Director-General of the National Department of Health (NDOH);
- Maintenance of the database of controlled mines and works;
- Enhancing the claims management system; and
- The submission of annual reports of the Compensation Fund for the 2019/20 and 2020/21 financial years to the Auditor-General of South Africa.

The 2019/20 and 2020/21 annual reports will be submitted to the Auditor-General of South Africa in the 2021/22 financial year. The actuary has completed the actuarial valuation of the Mines and Works Compensation Fund as at 31 March 2020. Levies on controlled mines and works and benefits payable to claimants will be adjusted from 1 April 2021 based on the current actuarial valuation of the Mines and Works Compensation Fund.

There was a decline in the payment of claims at the CCOD as at 31 December 2020. The decrease in payments for the year was due to the national lockdown due to the COVID-19 pandemic. Over the 9-month period ending 31 December 2020, the CCOD paid 3,476 claimants R141 million with 35% going to claimants in neighbouring countries and 12,400 certifications were done by the Medical Bureau for Occupational Diseases. The Compensation Fund continued to pay monthly pensions to 69 pensioners in terms of the Pneumoconiosis Compensation Act, No. 64 of 1962 which preceded ODMWA. The monthly pensions are paid from voted funds.

Monthly updates are given on the outputs of the MBOD/CCOD such as the number of certifications and number of paid claimants which assists with performance monitoring. The call centre (080 100 0240) supported by the Minerals Council South Africa provided feedback to claimants and handles about 2500 calls per month.

This annual performance plan must be read in conjunction with the NDOH's annual performance plan. The NDOH carries the administration costs of the CCOD and the costs of provision of Benefit Medical Examinations for ex-workers from controlled mines and works.



Dr MB Kistnasamy
Compensation Commissioner
Under delegation granted by the Director-General: Health

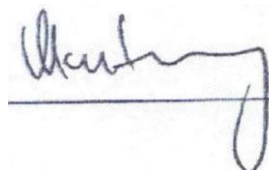
Official Sign - Off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the CCOD under the guidance of the Minister of Health;
- Considers all relevant policies, legislation and other mandates for which the CCOD is responsible; and
- Accurately reflects the outcomes and outputs which the CCOD will endeavour to achieve over the 2021/22 financial year.

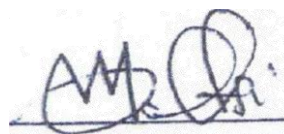
Dr MB Kistnasamy
Compensation Commissioner

Signature:



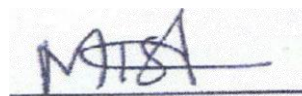
Mr SM Molautsi
Deputy Compensation Commissioner

Signature:



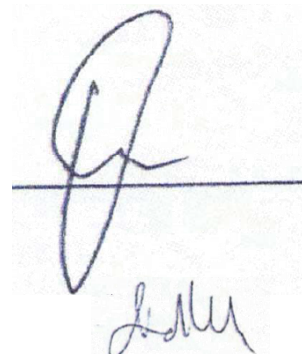
Mr M Maswanganye
Director: Finance

Signature:



Dr N Mtshali
Director: MBOD

Signature:



Mr I van der Merwe
Chief Financial Officer

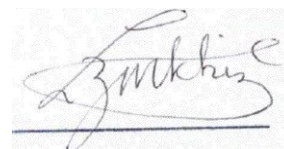
Signature:



Approved by:

Dr ZL Mkhize (MP)
Executive Authority, Minister of Health, RSA

Signature:



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Part A Our Mandate

The CCOD derives its mandate from the **Occupational Diseases in Mines and Works Act, No. 78 of 1973 (ODMWA)** and pays compensation to current and ex-workers in controlled mines and works who are certified to have compensable cardio-respiratory diseases.

The Occupational Diseases in Mines and Works Act, No. 78 of 1973 (ODMWA) prescribes that the Minister of Health shall appoint, an officer to be styled the Compensation Commissioner for Occupational Diseases (CCOD). The CCOD operates under the provisions of the framework of the ODMWA.

The ODMWA provides for the establishment of a fund called the Mines and Works Compensation Fund. In terms of the ODMWA, the CCOD is responsible for controlling and administering the Mines and Works Compensation Fund. The terms CCOD and Mines and Works Compensation Fund are used interchangeably.

The ODMWA provides for the establishment of the Medical Bureau for Occupational Diseases (MBOD) which oversees the provision of Benefit Medical Examinations and certifications of claims.

A1. Constitutional mandate

Constitution of the Republic of South Africa Act, No. 108 of 1996

Section 27 provide for the rights of access by citizens to social security, including, if they are unable to support themselves and their dependents, appropriate social assistance. The State will take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights.

A2. Legislative and policy mandates

Other legislation impacting on the work of the CCOD are as follows:

Basic Conditions of Employment Act, No. 75 of 1997

Prescribes right to fair labour practices and minimum conditions of employment which must be applied.

Compensation for Occupational Injuries and Diseases Act, No. 130 of 1993

Provides for compensation caused by occupational injuries or diseases, sustained or contracted by employees in the course of their employment, and for death resulting from such injuries or disease.

Control of Access to Public Premises and Vehicles Act, No. 53 of 1985

Provides for the regulation of individuals entering government premises, and incidental matters.

Labour Relations Act, No. 66 of 1995

The purpose of the Labour Relations Act is not only to protect everyone in the workplace but to also promote economic development, fair labour practices, peace, democracy and social development.

Mine Health and Safety Act, No. 29 of 1996

To entrench the right to refuse to work in dangerous conditions; and to give effect to the public international law obligations of the Republic relating to mining health and safety.

National Health Act, No. 61 of 2003

Provides a framework for a structured uniform health system within the Republic, taking into account the obligations imposed by the Constitution and other laws on the national, provincial and local spheres of government with regard to health services.

Occupational Health and Safety Act, No. 85 of 1993

Provides for the requirements that employers must comply with, in order to create a safe working environment for employees in the workplace.

Promotion of Access to Information Act, No. 2 of 2000

Amplifies the constitutional provision pertaining to accessing information under the control of various bodies.

Promotion of Administrative Justice Act, No. 3 of 2000

Amplifies the constitutional provisions pertaining to administrative law by codifying it.

Promotion of Equality and the Prevention of Unfair Discrimination Act, No. 4 of 2000

Provides for the further amplification of the constitutional principles of equality and elimination of unfair discrimination.

Protected Disclosures Act, No. 26 of 2000

Provides for the protection of whistle-blowers in the fight against corruption.

Public Finance Management Act, No. 1 of 1999 (PFMA)

Provides for the administration of state funds by functionaries, their responsibilities and incidental matters.

Public Service Commission Act, No. 46 of 1997

Provides for the amplification of the constitutional principles of accountability, governance, and incidental matters.

State Liability Amendment Act, No. 14 of 2011

Provides for the circumstances under which the State attracts legal liability.

A3. Institutional policies and strategies governing the five-year planning period

The policy mandates for occupational health and compensation services are split between the Department of Employment and Labour, the Department of Mineral Resources and Energy and the Department of Health. There has been a close working relationship and inter-departmental partnerships in occupational health and compensation activities especially through the provision of decentralised services for current and ex-workers in controlled mines and works.

The need for integration of compensation systems has been highlighted previously given the policy and legislative split between the Department of Health and the Department of Employment and Labour. There is a need for new workers joining the mines and works sector to be covered under the Department of Employment and Labour compensation legislation. The Occupational Diseases in Mines and Works Act, No. 78 of 1973 needs amendment to streamline the governance, administration,

revenue arrangements and provision of services to current and ex-workers with respect to medical assessments and payment of compensation.

The planned initiatives over the period 2020/21 to 2024/25 include:

- Making a submission to the Director-General of the National Department of Health on amendments to the Occupational Diseases in Mines and Works Act, No. 78 of 1973.
- Ensuring the effective and efficient management of the CCOD through collection of levies, certifications and payment of claims.

A4. Relevant court rulings

- ***Silicosis and TB class action claim against Gold Mining companies*** (High Court of South Africa, South Gauteng - 44060/18) [July 2019]

In October 2015, former mineworkers on South Africa's gold mines took more than 30 companies to court. The former mineworkers asked the South Gauteng High Court for permission to bring a class action against the companies on behalf of all mineworkers who have silicosis and tuberculosis (TB) as a result of their exposure to silica dust, and of the families of all mineworkers who have died of silicosis and TB. A full bench of the South Gauteng High Court on 26 July 2019 approved the settlement in this matter. The Tshiamiso Trust has been set up to implement the settlement agreement.

Upon clarification of the working relationship between the CCOD and the Trust, a memorandum of understanding will be concluded to define roles, responsibilities and activities.

Part B Our strategic focus

B1. Vision

The CCOD will strive to deliver an accessible, effective and efficient compensation service for current and ex-workers in controlled mines and works who are certified with compensable cardio-respiratory diseases.

B2. Mission

To improve access to health and compensation services for current and ex-workers in controlled mines and works.

B3. Values

The success of the CCOD rests with the service ethos of the personnel undertaking specific activities. The following values of our personnel underpin the activities of the CCOD:

- Fairness
- Equity
- Accessibility
- Transparency
- Accountability
- Professionalism

- Integrity
- Diligence

B4. Situational analysis

The CCOD has one national office that covers South Africa and the neighbouring countries. The administration costs, mainly the personnel and operational costs of the CCOD, are funded from the budget of the National Department of Health.

The CCOD compensates current and ex-workers in controlled mines and works for impairment or diseases of the cardio-respiratory system due to exposures at work and reimbursement for loss of earnings incurred during TB treatment. In the case where the worker or ex-worker is deceased the CCOD compensates the beneficiaries of the worker or ex-worker. The CCOD also pays the government grant for pensioners as per the Pneumoconiosis Compensation Act, No. 64 of 1962.

The main categories and challenges can be summarised as follows:

i. Pensioners

Former workers or spouses who are now pensioners receive monthly pension pay-outs from the CCOD and this is in accordance with the Pneumoconiosis Compensation Act, No. 64 of 1962. There is no provision for pensioners in the current Act and hence there are no additional pensioners. Their grants are increased annually and is done in line with the general increases as determined by the Department of Finance. Pensioners are paid from the State Account and funds are made available through voted funds in the National Department of Health.

ii. One Sum Benefits

In order to qualify for compensation, current or ex-workers must be certified to be compensable by the Medical Bureau for Occupational Diseases (MBOD) and must have worked at a controlled mine or works. The different categories of compensation are as follows:

- 1st degree compensation is the impairment of the cardio-respiratory system of between 10 and 40%. The claim amount payable for first degree is up to R65,946.
- 2nd degree compensation is the impairment of the cardio-respiratory system of greater than 40% and/or multiple diseases. The claim amount payable for second degree is up to R146,842.
- Tuberculosis benefits are in the form of reimbursements of loss of earnings incurred during Tuberculosis treatment for a maximum period of 6 months. Only 75% of lost earnings are payable.

The benefit amount may be increased on an annual basis based on the Consumer Price Index and actuarial valuation and after consultation with the Advisory Committee. The latest increases in benefits were on 1 October 2019.

The support of the Gold Mining Companies, the Minerals Council South Africa and social partners such as the Global Fund for AIDS, TB and Malaria has assisted with overcoming the challenges of the lack of medical, finance and information technology personnel, the maintenance of the database of approximately 1.1 million claimant files, the delivery of Benefit Medical Examinations in decentralised settings and payment of claims. The use of computer aided diagnostic tools in medical assessments and artificial intelligence in exposure assessments in risk work has helped to target eligible claimants.

The database links to banks, other social protection funds and the National Department of Health Patient Registration System has assisted with tracking and tracing of claimants. One-third of ex-workers are in the neighbouring countries and the lack of registration systems (for example - identity documents, death certificates, marriage certificates etc) in those countries remain a challenge.

The number of controlled mines and works is determined by the Risk Committee which is chaired by the Chief Inspector of the Department of Mineral Resources and Energy. There are 969 operations linked to gazetted locations as at December 2020. The Risk Committee is still not functioning optimally.

The 2015/16, 2016/17 and 2017/18 reports have been signed-off by the Auditor-General of South Africa and will be presented to parliament in the 2021/22 Financial Year (FY). The 2018/19 report is currently being audited by the Auditor-General of South Africa and the 2019/20 and 2020/21 reports will be submitted to the Auditor-General in the 2021/22 FY. The actuaries have completed the valuation of the Fund as at 31 March 2020.

The management interventions over the period 2020/21 to 2024/25 are as follows:

- Submission to the Director-General of Health on amendments to the Occupational Diseases in Mines and Works Act, No. 78 of 1973.
- Extending the database to cover current workers in controlled mines and works;
- Expansion of the electronic claims management system; and
- Working closely with stakeholders and social partners to resolve many of the legacy challenges facing the CCOD.

iii. Audit findings

The CCOD received a qualified audit opinion for the 2014/15 financial year due to incomplete levy revenue and trade debtors. This is an improvement from the disclaimer audit opinion in earlier years.

The challenges with regards to incomplete revenue are being addressed by improving business processes of the CCOD through the support of seconded senior finance personnel, the extension of the database of current and ex-workers, the provision of an appropriate information technology system, and enhanced revenue management.

iv. COVID-19 Pandemic

The Covid-19 pandemic has had consequences for the provision of outreach activities and medical assessments for workers given the restrictions on gatherings, the movement of vulnerable persons and in particular concerns around administration of lung function tests. The CCOD also had operations stopped for varying periods of time based on the lockdown level and the need for health and safety interventions to prevent transmission risk of Covid-19 in the workplace. Inspections of controlled mines and works were also put-on hold. Telephonic enquiries were made to the controlled mines and works to assist with revenue assessments.

B5. External environment analysis

This annual performance plan should be read in conjunction with the National Department of Health's annual performance plan.

The National Department of Health carries the administration costs of the CCOD which includes the personnel, operational and infrastructure costs.

B6. Internal environment analysis

The current senior management of the CCOD is as follows:

- Dr Barry Kistnasamy as Compensation Commissioner
- Mr Sam Molautsi as Deputy Compensation Commissioner
- Mr Mishack Maswanganye as the Director: Finance
- Dr Nhlanhla Mtshali as the Director: MBOD (seconded)

The personnel distribution as at 31 December 2020 was as follows:

Table 1: Distribution of Posts at the CCOD as at 31 December 2020

Designation	Level	No. of Posts	Filled	Vacant
Commissioner	14	1	1	0
Director	13	2	2	0
Deputy Directors	12	3	3	0
Assistant Directors	10	3	2	1
Senior State Accountant (Finance)	8	1	0	1
Senior State Accountant (Inspector)	8	2	2	0
Senior Administration Officer	8	1	1	0
Administration Officer	7	2	2	0
Senior Administration Clerks	7	1	1	0
Personal Assistant	6	2	1	1
Senior Administration Clerk	6	4	3	1
Administration / Finance Clerk	5	22	21	1
Switchboard operator	4	1	1	0
Cleaner	3	1	0	1
Messenger	3	1	1	0
Total		47	41	6

Whilst the CCOD is capacitated at 87%, these are mainly administrative posts and there are an inadequate number of posts for specialised personnel within the CCOD. The specialised support personnel are provided by the Minerals Council South Africa under the Memorandum of Understanding between the Department of Health and the Minerals Council South Africa.

Part C Measuring our performance

C1. Institutional programme performance information

C1.1 Submission of amendments to ODMWA

Submit amendments to ODMWA to the Director-General of the National Department of Health

C1.1.1 Purpose

Management will engage with relevant stakeholders for inputs to the amendments to the Occupational Diseases in Mines and Works Act, No. 78 of 1973 (ODMWA) through workshops and submit the amendments to the Director-General of the National Department of Health.

C1.2 Ensure the effective and efficient management of the CCOD

Ensure the effective and efficient management of the CCOD.

C1.2.1 Purpose

Management will work towards regular updates of the database, improve the turnaround times of payment of new claims, ensure the collection of levies from the controlled mines and works, submission of annual reports and conduct inspections of controlled mines and works.

C2. Outcomes, outputs and performance indicators

Outcome	Output Indicator	Un-Audited/Actual Performance*			Performance as at 31 December 2020	Medium-term Targets		
		2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
1. Submission of amendments to ODMWA to the Director-General of the National Department of Health	1.1 Report on the submission of amendments to the Director-General of the National Department of Health	New Indicator	New Indicator	New Indicator	Legal team began drafting of amendments to ODMWA and one virtual consultative workshop was held with mining companies and trade unions	Submission of amendments to ODMWA to the Director-General of the National Department of Health	--	--
2. Ensure the effective and efficient management of the CCOD	2.1 Report on updates of database of claims at the CCOD in terms of claims, payments, certifications and data exchange updates and/or additions	New Indicator	New Indicator	New Indicator	Master database updated for payments made, new claims and new certifications for the months from April to December 2020. External data exchange updates and/or additions to the master database external parties	Master database updated for payments made, new claims and new certifications for the month before the 7th of the next month. External data exchange updates and/or additions to the master database once a quarter	Master database updated for payments made, new claims and new certifications for the month before the 7th of the next month. External data exchange updates and/or additions to the master database once a quarter	Master database updated for payments made, new claims and new certifications for the month before the 7th of the next month. External data exchange updates and/or additions to the master database once a quarter
	2.2 Report on the number of certifications finalised on the Mineworkers Compensation System per year	12 972	10 305	13 874	12 400	12 000	13 200	14 100
	2.3 Report on the number of benefit payments made by the CCOD (other than pension payments)	New Indicator	New Indicator	New Indicator	3 476	7 000	7 600	8 100
	2.4 Report on the number of claims finalised by the CCOD (other than pensioners)	10 324	9 382	7 291	3 923	7 700	8 470	9 035
	2.5 Of all claims finalised in the period, what percentage were finalised within 90 days of receipt of all completed claim documents	New Indicator	New Indicator	New Indicator	80%	60%	70%	80%
	2.6 Percentage of controlled mines and works liable for payment of levies per the financial system paying levies to the CCOD	74% of controlled mines and works paying levies to the CCOD	74% of controlled mines and works paying levies to the CCOD	70% of controlled mines and works paying levies to the CCOD	65% of controlled mines and works paid levies to the CCOD	80% of controlled mines and works paying levies to the CCOD	80% of controlled mines and works paying levies to the CCOD	80% of controlled mines and works paying levies to the CCOD

Outcome	Output Indicator	Un-Audited/Actual Performance*			Performance as at 31 December 2020	Medium-term Targets		
		2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
	2.7 Report on the submission of annual reports of the CCOD to the Auditor General of South Africa	Submission of the 2012/13 and 2013/14 annual reports to the Auditor-General of South Africa in January 2018	Submission of the 2014/15 annual report to the Auditor-General of South Africa	Submission of the 2015/16 and 2016/17 annual reports to the Auditor-General of South Africa	Submission of the 2017/18 annual report to the Auditor-General of South Africa	Submission of the 2019/20 and 2020/21 annual reports to the Auditor-General of South Africa	Submission of the 2021/22 annual report to the Auditor-General of South Africa	Submission of the 2022/23 annual report to the Auditor-General of South Africa
	2.8 Report on the number of controlled mines and works inspected	101	106	81	17	77	77	77

C3. Output indicators: annual and quarterly targets

Output Indicator	Reporting Period	Annual Target 2021/22	Quarterly Targets			
			1 st	2 nd	3 rd	4 th
1.1 Report on the submission of amendments to the Director-General of the National Department of Health	Annual	Submission of amendments to ODMWA to the Director-General of the National Department of Health	Final draft of proposed amendments to ODMWA	1 workshop to present proposed amendments to stakeholders for input	Provide feedback from workshops to the legal section of the National Department of Health	Submit amendments to ODMWA to the Director-General of the National Department of Health
2.1 Report on updates of database of claims at the CCOD in terms of claims, payments, certifications and data exchange updates and/or additions	Quarterly	Master database updated for payments made, new claims and new certifications for the month before the 7 th of the next month. External data exchange updates and/or additions to the master database once a quarter	Monthly updates for March 2021, April 2021 and May 2021 to the master database for payments made, new claims and new certifications before the 7 th of the next month. One external data exchange update and/or additions to the master database in the quarter	Monthly updates for June 2021, July 2021 and August 2021 to the master database for payments made, new claims and new certifications before the 7 th of the next month. One external data exchange update and/or additions to the master database in the quarter	Monthly updates for September 2021, October 2021 and November 2021 to the master database for payments made, new claims and new certifications before the 7 th of the next month. One external data exchange update and/or additions to the master database in the quarter	Monthly updates for December 2021, January 2022 and February 2022 to the master database for payments made, new claims and new certifications before the 7 th of the next month. One external data exchange update and/or additions to the master database in the quarter
2.2 Report on the number of certifications finalised on the Mineworkers Compensation System per year	Quarterly	12 000	4 000	4 000	2 000	2 000
2.3 Report on the number of benefit payments made by the CCOD (other than pension payments)	Quarterly	7 000	2 150	2 150	1 350	1 350
2.4 Report on the number of claims finalised by the CCOD (other than pensioners)	Quarterly	7 700	2 350	2 350	1 500	1 500
2.5 Of all claims finalised in the period, what percentage were finalised within 90 days of receipt of all completed claim documents.	Quarterly	60%	60%	60%	60%	60%

Output Indicator	Reporting Period	Annual Target 2021/22	Quarterly Targets			
			1 st	2 nd	3 rd	4 th
2.6 Percentage of controlled mines and works liable for payment of levies per the financial system paying levies to the CCOD	Annual	80% of controlled mines and works paying levies to the CCOD	80% of controlled mines and works paying levies to the CCOD	80% of controlled mines and works paying levies to the CCOD	80% of controlled mines and works paying levies to the CCOD	80% of controlled mines and works paying levies to the CCOD
2.7 Report on the submission of annual reports of the CCOD to the Auditor-General of South Africa	Annual	Submission of the 2019/20 and 2020/21 annual reports to the Auditor-General of South Africa	2019/20 annual report submitted to the Auditor-General of South Africa for Audit	2019/20 annual report finalisation and final reporting by the Auditor-General of South Africa	2020/21 annual report submitted to the Auditor-General of South Africa for Audit	2020/21 annual report finalisation and final reporting by the Auditor-General of South Africa
2.8 Report on the number of controlled mines and works inspected	Quarterly	77	23	24	15	15

C4. Explanation of planned performance over the medium-term period

The CCOD's focus over the medium term will be on stabilising the number of claims paid in line with the National Development Plan's vision of providing an effective welfare system for vulnerable groups and priority 2 (Education, Skills and Health) and outcome 2 (A long and healthy life for all South Africans) of government's 2019 - 2024 medium term strategic framework.

To stabilise the number of claims paid, the Compensation Commissioner has embarked on interactions with the:

- Departments of Employment and Labour, Mineral Resources and Energy and Social Development;
- Provincial Departments of Health and neighbouring country governments;
- Trade unions in the mines and works sector;
- Minerals Council South Africa;
- The Tshiamiso Trust; and
- Ex-mineworker associations.

In addition, provision of benefit medical examinations through partnerships with the provincial Departments of Health, the Tshiamiso Trust and mining companies. Limited outreach activities in labour sending areas within South Africa and in neighbouring countries will be targeted to claimants given the resource constraints and Covid-19 restrictions.

The proposed amendments to ODMWA will cover the costs of administration, medical assessments of claimants and health care. An actuarial valuation of the liability of the CCOD as at 31 March 2020 has been completed.

The Deputy Compensation Commissioner has been investing surplus funds in the short-term investment market with the South African Reserve Bank and banking institutions. There will be less revenue collected owing to the decrease in levies. In addition, interest earned from investments is expected to decrease over the MTEF period owing to an increase in the number of claims paid and increases in the benefit amounts which will result in less reserves being channelled to investments as well as the potential decrease in the interest rates.

The initiatives of fast-tracking the claims payment processes over the MTEF period will result in

the expenditure of the CCOD increasing by R20 million in the 2020/21 FY. This makes up 96,3% of the CCOD's expenditure over the MTEF. The enhanced claims management process ensured that 7,291 claims were finalised out of a target of 7 700 for the 2019/20 FY (other than pensioners).

Transfers to households in the compensation of ex-miners' programme will be an average annual rate of 7.1% over the medium term with the overall amount for compensable diseases increasing from R166 million in the 2016/17FY to R222 million in the 2020/21 FY owing to benefit amount increases of 33.8%. The Minister of Health has approved an increase in pension amounts with the concurrence of the Minister of Finance. This will be funded by the annual transfer from the Department of Health and is expected to grow at an average annual rate of 3.5% over the medium term from R3,5 million in the 2016/17 FY to R4,3 million in the 2020/21 FY.

Compensation of ex-miners is the CCOD's largest area of expenditure. It is funded by levies collected from controlled mines and works based on the number of risk shifts worked, multiplied by a specific rate per commodity. Inspections are carried out to ensure that the number of risk shifts are not understated. The Compensation Commissioner plans to stabilise these inspections at a target of 77 per year in 2021/22 FY owing to resource constraints. This may decrease depending on the Covid-19 restrictions.

The proposed amendments to ODMWA include legislative changes relating to new governance and service delivery models to enhance the efficiency and effectiveness of the MBOD/CCOD and the revenue model (levies) being changed to cover the costs of administration and the provision of services including benefit medical examinations and health care, which is the norm in social protection funds. Prevention interventions in partnership with the Departments of Mineral Resources and Energy and Employment and Labour to eliminate or reduce workers' exposures to dust are needed.

There will be a decrease in the number of persons being assessed and certified due to use of risk exposure algorithms that target claimants and stabilisation of paid claims. The Compensation Commissioner will work closely with the Tshiamiso Trust to ensure provision of support to eligible current and ex-workers for lodgement of claims and access to medical assessments.

C5. Programme resource considerations

Table 1: CCOD expenditure trends and estimates by programme / objective / activity

	Outcome				Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2017/18	2018/19	2019/20	2020/21	2017/18 – 2020/21		2021/22	2022/23	2023/24	2021/22 – 2023/24	
Administration	8 393	8 500	8 781	8 910	2.0%	4.1%	9 391	8 748	9 142	0.9%	3.6%
Compensation of pensioners	3 718	3 836	4 050	4 272	4.7%	1.9%	4 507	4 674	4 884	4.6%	1.8%
Compensation of ex-miners	148 003	151 300	159 773	175 750	5.9%	75.8%	185 241	216 000	225 720	8.7%	80.3%
Compensation of tuberculosis	34 445	36 650	38 702	42 572	7.3%	18.2%	44 871	26 000	27 170	(13.9%)	14.3%
Eastern Cape project	11	8	8	8	(10.1%)	0.0%	-	-	-	-	-
Total	194 570	200 294	211 314	231 512	6.0%	100.0%	244 010	255 422	266 916	4.9%	100.0%

Table 2: CCOD statements of historical financial performance and position

Statement of financial performance	Budget	Un-Audited outcome	Budget	Un-Audited outcome	Budget	Un-Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R thousand	2017/18		2018/19		2019/20		2020/21		2017/18 – 2020/21
Revenue									
Tax revenue	320 984	315 850	315 000	305 000	311 000	311 000	305 000	305 000	98.8%
Non-tax revenue	183 467	265 000	260 000	270 000	246 000	246 000	235 000	235 000	109.9%
Sale of goods and services other than capital assets									
of which:									
Other sales									
Other non-tax revenue	183 467	265 000	260 000	270 000	246 000	246 000	235 000	235 000	109.9%
Transfers received	3 718	3 718	3 836	3 836	4 050	4 050	4 272	4 272	100.0%
Total revenue	508 169	584 568	578 836	578 836	561 050	561 050	544 272	544 272	103.5%
Expenses									
Current expenses	8 393	8 393	8 500	8 500	8 781	8 781	8 910	8 910	100.0%
Goods and services	8 188	8 172	8 275	8 275	8 506	8 506	8 625	8 625	100.0%
Interest, dividends and rent on land	205	221	225	225	275	275	285	285	101.6%
Transfers and subsidies	186 836	186 177	191 794	191 794	202 533	202 533	222 602	222 602	99.9%
Total expenses	195 229	194 570	200 294	200 294	211 314	211 314	231 512	231 512	99.9%
Surplus/(Deficit)	312 940	389 998	378 542	378 542	349 736	349 736	312 760	312 760	
Statement of financial position									
Investments	3,283,545	4,167,944	4,361,902	4,365,700	4,524,362	4,524,362	4,581,418	4,581,418	105.3%
Receivables and prepayments	4,200	5,070	14,650	13,500	15,470	15,470	17,017	17,017	99.5%
Cash and cash equivalents	75,000	80,000	85,000	82,000	65,000	65,000	42,250	42,250	100.7%
Total assets	3,362,745	4,253,014	4,461,552	4,461,200	4,604,832	4,604,832	4,640,685	4,640,685	105.2%
Accumulated surplus/(deficit)	2,444,745	594,091	972,633	959,595	1,322,369	1,322,369	1,635,129	1,635,129	70.8%
Trade and other payables	3,230	3,800	12,450	15,250	13,147	13,147	14,462	14,462	107.8%
Provisions	914,770	3,655,123	3,476,469	3,486,355	3,269,316	3,269,316	2,991,094	2,991,094	125.8%
Total equity and liabilities	3,362,745	4,253,014	4,461,200	4,461,200	4,604,832	4,604,832	4,640,685	4,640,685	105.2%

Table 3: CCOD statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2020/21	2017/18 – 2020/21		2021/22	2022/23	2023/24	2020/21 – 2023/24	
Revenue								
Tax revenue	305 000	(1.2%)	54.6%	321 470	310 000	323 950	2.0%	55.0%
Non-tax revenue	235 000	(3.9%)	44.7%	247 690	265 028	276 954	5.6%	44.6%
Other non-tax revenue	235 000	(3.9%)	44.7%	247 690	265 028	276 954	5.6%	44.6%
Transfers received	4 272	4.7%	0.7%	1 437	1 544	1 735	(25.9%)	0.4%
Total revenue	544 272	(2.4%)	100%	570 597	576 572	602 639	3.5%	100.0%
Expenses								
Current expenses	8 910	2.0%	4.1%	9 391	8 748	9 142	0.9%	3.6%
Goods and services	8 625	1.8%	4.0%	9 091	7 548	7 888	(2.9%)	3.3%
Interest, dividends and rent on land	285	8.9%	0.1%	300	1 200	1 254	63.9%	0.3%
Transfers and subsidies	222 602	6.1%	95.9%	234 618	246 674	257 774	5.0%	96.4%
Total expenses	231 512	6.0%	100%	244 009	255 422	266 916	4.9%	100.0%
Surplus/(Deficit)	312 760	(7.1%)		326 588	321 150	335 723	2.4%	
Statement of financial position								
Investments	4,581,418	3.2%	98.2%	4,828,815	4,813,980	5 030 609	3.2%	98.8%
Receivables and prepayments	17,017	49.7%	0.3%	17,936	26,000	27 170	16.9%	0.5%
Cash and cash equivalents	42,250	(19.2%)	1.5%	44,532	26,000	27 170	(13.7%)	0.7%
Total assets	4,640,685	3.0%	100.0%	4,891,282	4,865,980	5 084 949	3.1%	100%
Accumulated surplus/(deficit)	1,635,129	40.1%	24.8%	1,964,787	2,047,852	2 140 005	9.4%	39.9%
Trade and other payables	14,462	56.1%	0.3%	15,243	24,000	25 080	20.1%	0.4%
Provisions	2,991,094	(6.5%)	74.9%	2,911,252	2,794,128	2 919 864	(0.8%)	59.7%
Total equity and liabilities	4,640,685	3.0%	100.0%	4,891,282	4,865,980	5 084 949	3.1%	100%

The budget overview and MTEF estimates related to the administration of the CCOD and processing and payments of claims are covered by voted funds within the budget of the National Department of Health. The CCOD covers revenue collected through the levies on controlled mines and works and payments of compensation benefits to claimants and beneficiaries from the CCOD.

Compensation of ex-miners is the CCOD's largest area of expenditure. It is funded by levies collected from controlled mines and works, based on the number of risk shifts worked in the mine, and multiplied by a specific rate per commodity mined. Inspections are carried out to ensure that the numbers of risk shifts are not understated. As a result of the levy decreases approved by the Minister of Health as of 1 April 2018, revenue is forecast to decrease over the medium term to R305 million in the 2021/22 FY.

The budget for the administration of the CCOD, the provision of Benefit Medical Examinations and the activities of the Certification Committees are provided for within voted funds in the NDOH. There have been no substantial increases in the CCOD budget and the business reform processes at the CCOD have been supported by human, technical and financial resources from the Minerals Council South Africa. Substantial resources estimated at R150 million per annum are needed to expand and scale up the services of the CCOD, recruit specialised staff in the legal, information technology, occupational hygiene, medical and financial management disciplines and provide for the medical assessments, certifications, payment and infrastructural backlogs in buildings, medical facilities and information technology.

C6. Updated key risks and mitigation from the Strategic Plan

STRATEGIC OBJECTIVE	STRATEGIC RISK	ROOT CAUSES	CONSEQUENCES	MITIGATION
Submission of amendments to ODMWA to the Director-General of the National Department of Health	There is a restrictive legislative framework to provide an effective and efficient compensation service	The CCOD is currently operating under an outdated legislative framework	Limitations and resource constraints in the delivery of services to current and ex-workers in controlled mines and works and collection of revenue	Host stakeholder consultative workshops to draft and submit amendments of ODMWA to the Director-General of the National Department of Health
Ensure the effective and efficient management of the CCOD	Inability of the CCOD to meet its liabilities and pay benefits	Non-collection of levies from controlled mines and works; outdated and manual processes resulting in delays to pay claimants	Inability of the CCOD to pay claimants	Ensure an accurate database of controlled mines and works and inspections to verify levy collections per risk shift; regular updates to the database; manage turnaround times of payment of new claims with complete documentation

C7. Public entities

None.

C8. Infrastructure programs

There are no infrastructure programs in the strategic plan of the CCOD for the period ending 2024/25.

C9. Public-Private Partnerships (PPP's)

None

Part D Technical indicator descriptions (TIDs)

Indicator title	Definition	Purpose/Importance	Source of data	Calculation Method	Data Limitations	Assumptions	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator responsibility
1.1 Report on the submission of amendments to the Director-General of the National Department of Health	Submit amendments to ODMWA to the Director-General of the National Department of Health (DG)	Important to change the legislative framework for the CCOD through the amendments to ODMWA	Report on amendments to ODMWA; attendance registers and reports of stakeholder workshops; confirmation of submission of documentation to NDOH legal section and office of the DG	N/A	The drafting of the amendments to ODMWA are dependent on inputs from various stakeholders and support of the legal section of NDOH	None	N/A	Annual	No	Submission of amendments to ODMWA to the Director-General of the National Department of Health	Compensation Commissioner
2.1 Report on updates of database of claims at the CCOD in terms of claims, payments, certifications and data exchange updates and/or additions	Updates of the Master Database of current and ex-workers in controlled mines and works	The database assists with planning of services for current and ex-workers; data for the actuarial valuation and compensation payments	Reports from the Master Database of the CCOD	Listing of updates changes for the calendar month to the Master Database in terms of claims, payments, certifications and listing of data exchange updates and/or additions from exchange additions done within the quarter	Incorrect coding and transcription errors; data integrity and missing data	None	Non - cumulative	Annual with monthly and quarterly reports	No	Master database updated for payments made, new claims and new certifications for the month before the 7th of the next month. External data exchange updates and/or additions to the master database once a quarter	Compensation Commissioner
2.2 Report on the number of certifications finalised on the Mineworkers Compensation System per year	Claimant files assessed by the Certification Committees	The Certification Committees assess the benefit medical examinations to diagnose and certify a compensable disease	User role capturing report from the Mineworkers Compensation System (MCS)	Count of certifications finalised on the MCS - a certification is finalised when the chairperson of the certification committee approves the certification by clicking "finalise" on the MCS system	Missing data and data integrity of the MCS	None	Cumulative	Quarterly	No	12 000	Director: MBOD
2.3 Report on the number of benefit payments by the CCOD (other than pension payments)	Benefit payments made to claimants or beneficiaries of claimants with compensable disease claims	Category, disease type and amount assist with monitoring trends in compensable diseases, provision of services and prevention interventions	Bank statements	Count of benefit payments made by the CCOD, other than pension payments, in the reporting period less payments rejected per the bank statement in the reporting period	Missing documents and data	None	Cumulative	Quarterly	No	7 000	Director: Finance
2.4 Report on the number of claims finalised by the CCOD	Finalised claimants with compensable disease claims	Category, disease type and amount assist with monitoring trends in compensable diseases, provision of services and prevention interventions	Claims analysis report from the Master Database	Count of claims finalised by the CCOD period – a claim is considered finalised if the claim is fully paid, the claim is closed as a no-loss claim, the certification is cancelled or closed as a non-eligible or non-occupational environmental cause	Missing documents and data and transcription errors on the MCS	None	Cumulative	Quarterly	No	7 700	Director: Finance

Indicator title	Definition	Purpose/Importance	Source of data	Calculation Method	Data Limitations	Assumptions	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator responsibility
2.5 Of all claims finalised in the period, what percentage were finalised within 90 days of receipt of all completed claim documents.	% of claims finalised in the period (quarter or year) with complete documents in files finalised within 90 days of receipt of documents	To assess turnaround times of registration, certification and finalisation of compensable claims	Claims analysis report from the Master Database and MCS database	Numerator: Count of claims finalised in the period (quarter or year) for which completed documents were received less than 90 days before finalisation date; Denominator: Count of all claims finalised in the period. A claim is considered finalised if the claim is fully paid, the claim is closed as a no-loss claim, the certification is cancelled or closed as a non-eligible or non-occupational environmental cause	Missing documents in file and incorrect dates at the different stages of completion of documentation requirements; missing data; data integrity	None	Non-Cumulative	Quarterly	No	60%	Director: MBOD and Director: Finance
2.6 Percentage of controlled mines and works liable for payment of levies per the financial system paying levies to the CCOD	% of controlled mines and works per the financial system paying levies to the CCOD	Verification process of levy payments of controlled mines and works ensures the sustainability of the CCOD	Receipts of levies in CCOD bank account reconciled to list of active accounts from the accounting system who are liable for levies; list of active accounts from the accounting system who are liable for levies	Levies are assessed monthly. Numerator: Count of assessment payments made by controlled mines and works per the bank statement in the reporting period; Denominator: Count of open controlled mines and works liable for levy payments for the reporting period from the accounting system	Inability to get correct database of controlled mines and works due to closure, acquisitions and mergers of mines and works	None	Cumulative	Annual	No	80% of controlled mines and works paying levies to the CCOD	Deputy Compensation Commissioner
2.7 Report on the submission of annual reports of the CCOD to the Auditor-General of South Africa	Annual reports submitted to the Auditor-General of South Africa	For governance, oversight and credibility of the CCOD performance and sustainability	Annual reports	N/A	Missing, incomplete and inaccurate accounting data	None	N/A	Annual	No	Submission of the 2019/20 and 2020/21 annual reports to the Auditor-General of South Africa	Compensation Commissioner and Deputy Compensation Commissioner
2.8 Report on the number of controlled mines and works inspected	Inspections of controlled mines and works to verify levies paid and risk shifts	To verify correctness of revenue for the CCOD	Reports of inspections performed	Count of controlled mines and works inspected during the reporting period	Inaccurate declarations by controlled mines and works; missing contractor data	None	Cumulative	Quarterly	No	77	Deputy Compensation Commissioner

Annexure

Definition of Terms

Terms	Definitions
1st Degree	It is the impairment of respiratory organs of between 10 – 40%
2nd Degree	It is the impairment of respiratory organs of between 40% and more
Advisory Committee	It is the committee established under section 59 of ODMWA
Audit and Risk Committee	It is the committee established under section 77 of PFMA
CCOD	The office of the Compensation Commissioner for Occupational Diseases in mines and works
Compensation Commissioner	Is the Commissioner appointed under section 54 (a) of ODMWA
Cardio – respiratory organs	They include all or any of the following organs, namely larynx, trachea, bronchial tree, lung parenchyma, pleurae, lymphatic system of the lungs, vascular system of the lungs, nerve supply of the lungs, diaphragm and nerve supply to diaphragm, heart, pericardium, and large intra-thoracic blood vessels
Controlled mines	A mine which is a controlled mine in terms of section 9 or which has been declared a controlled mine under section 10 of ODMWA
Controlled works	Works which is a controlled works in terms of section 9 or which has been declared a controlled works under section 10 of ODMWA
Ex-workers	Refers to all individuals who were previously employed in the controlled mines or works and whose work was termed risk work
Financial year	Means the period from 1 April in any year to 31 March in the following year
Levies	Amounts payable by the owner of a controlled mine or works to the CCOD, in respect of each shift worked by any person at or on connection with that mine or works during which such person performed risk work
MBOD	Means the Medical Bureau for Occupational Diseases
Mine	Any excavation in the earth, whether being worked or not, made for the purpose of searching for or winning a mineral
Mines and Works Compensation Fund	Mine and Works Compensation Fund as defined in section 61 of ODMWA
Minister	Means the Minister of the National Department of Health
NDOH	Means the National Department of Health
ODMWA	Means the Occupational Diseases in Mines and Works Act, No. 78 of 1973
One sum benefit	Means a benefit other than a pension or monthly allowance awarded to a person or to any other person under the previous Act or current Act (ODMWA), but does not include a special grant or any assistance to a person in respect of the training of any person
PFMA	Means the Public Finance Management Act, No. 1 of 1999
Risk Committee	Means the Risk Committee for Mines and Works established under section 18 of ODMWA
Risk work	Means any work declared or deemed to have been declared risk work under section 13 of ODMWA
State Account	Means the current account opened in accordance with section 69 of ODMWA
TB	Means Tuberculosis of the cardio-respiratory organs of a person who has worked in a risk shift in a controlled mine or works
Workers	Refers to all individuals who are currently employed in the controlled mines or works and whose work is termed risk work
Works	Means any place, not being a mine or part of a mine, where operations necessary for the moving, transfer or handling of stone, rock, ore, coal or other minerals including any loading operation at subsidiary sidings and the crushing, screening, washing, classifying or concentrations of any mineral

Strategic Outcome Orientated Goals

Strategic Outcome Oriented Goal 1	Submission to the Director-General of the National Department of Health of amendments to the Occupational Diseases in Mines and Works Act, No. 78 of 1973
Goal Statement 1	<i>Management will engage with relevant stakeholders for inputs to the amendments to the Occupational Diseases in Mines and Works Act, No. 78 of 1973 (ODMWA) through workshops and submit the amendments to the Director-General of the National Department of Health.</i>
Strategic Outcome Oriented Goal 2	Ensure the effective and efficient management of the CCOD
Goal Statement 2	<i>Management will work towards regular updates of the database, improve the turnaround times of payment of new claims, ensure the collection of levies from the controlled mines and works and submission of annual reports and conduct inspections of controlled mines and works.</i>