

## **REPORT REGARDING THE EASTERN CAPE EX MINERS PROJECT (R 54M)**

### **PURPOSE**

A brief on the R 54million Eastern Cape Project and a status to date

### **BACKGROUND**

#### **1994 – 1996**

Funds and incomplete documents transferred from the former Transkei Government to Compensation Commissioner for Occupational Diseases (CCOD).

Incomplete records of ex – miners who were receiving monthly pensions were transported to the CCOD. An amount of money of about R30 Million was transferred into the CCOD's bank account.

The following information is still cannot be confirmed by the CCOD

- It was not clear how did R30m become R54m.
- Available incomplete documents reflect an amount of about R 30m as transferred. The money is included in the CCOD surplus funds invested with CPD.
- It was not clear that how many ex-miners were eligible for the payments. Incomplete records showed a total number of about 11000 beneficiaries who were supposed to receive benefits. They were each not owed more than R1700-00.

#### **2002**

Premier of Eastern Cape (EC) appointed task team.

Members

**Premier's office**

Mr K Macibela (Chairperson)

Mr Z Tyikwe

**National Department of Health**

Mr G Sekobe

Mr J Maluleke

Dr L Ndelu

Mr J Maluleke

**Eastern Cape Department of Health**

Ms Y Mzimba

**Mine Workers Unions**

**Labour Department**

**Chamber of Mines**

**January 2003**

Submission to the Minister of Health and approval was done on how to divide the monies equally to beneficiaries.

**SEPTEMBER 2003**

The final report from Ex-mine workers Task Team made the following recommendations:

1. CCOD to appoint temporary staff for capturing of all documents in the EC in July 2003.
2. Payment of R2700.00 to all 18 500 beneficiaries.
3. All 18 500 be paid irrespective of whether they had been paid previously.
4. Use of affidavits as proof of relationship and death of the claimant was accepted.
5. All regions in the EC and Standard Bank offices be used as centres.
6. The Director-General and the Minister approved all the above recommendations

### **July 2003**

- Staff members from CCOD deployed and worked in the Eastern Cape for three (3) months.
- A list of 18 500 beneficiaries was compiled by CCOD from the records given by the Ex-mine Workers Union
- Beneficiaries were traced were compensated.
- Members of Ex Mine Workers Union discouraged from applying.
- Ex Mine Workers Union disrupted service stations.
- Ex Mine Workers Union did seek court interdict to prevent CCOD from tracing beneficiaries and lost the court case.

### **January 2004**

- Nurses at 12 identified hospitals trained on compensation processes in order to take over and continue with assisting beneficiaries with the applications
- CCOD commenced tracing in March 2004.

- The beneficiaries were then allowed to apply at hospitals, but the Ex-Mine Workers Union first attempted to take over the process from nurses at Umtata General and Mt Frere Clinic.
- Forms were couriered to CCOD for processing.
- Compensation continued at CCOD.

#### **May – December 2005**

- Union had sit ins at CCOD (May/ June 2005) and demanded payments for all people who were transported from EC to Johannesburg.
- Only those who appear on CCOD records were attended to.
- CCOD once again deployed staff to the Eastern Cape for a period of four weeks (05 Sep – 07 Oct 2005) for tracing the outstanding beneficiaries as per request made by the Ex-mine Workers Union. Hospitals that were used as centres were Mthata, All Saints, St Patrick, Holy Cross, Mt Ayliff, Mary Teresa and Taylor Bequests.

#### **Payments made: June 2003 to March 2006**

A total of 11 200 ex miners have since been paid and an amount of R 32m has been spent.

Demands from Ex-Mine Workers Union were as follows:

- 1976 moneys.
- Accrued interest on the amount of R54m
- Payment to in-laws as beneficiaries
- Ciskei beneficiaries to be excluded from the programme.
- Travel and accommodation costs for members.
- The determination for R2700.00 was not acceptable.

### **May 2006 - January 2007**

A report from Dimensions Development Network compiled on behalf of Eastern Cape Task Team.

### **February 2007 to February 2009**

CCOD accepts and pay the beneficiaries that come with records from the Eastern Cape project

The Ad-hoc Committee recommended to Parliament for the Establishment of an Interdepartmental Task Team consisting of the Department of Labour, Department of Minerals and Energy, Department of Health and National Treasury.

The main functions of the Interdepartmental Task Team is to process the findings and recommendations of the Ad-hoc Committee, to trace all the monies belonging to the ex-mineworkers and to publish regular reports on both the electronic and print media.

CCOD was requested by the Office of the Deputy Presidency to attend a meeting on 04 March 2009 regarding the ex-mineworkers outstanding benefits. After some discussions surrounding the alleged outstanding monies of the ex-mineworkers, the Office of the Deputy Presidency made the following recommendations:

- That an alternative opinion be sought regarding the non-payment of compensation to the daughters in-law;
- The Department of Health to deploy officials to the Eastern Cape to talk to the people and compare / reconcile lists and finalise all outstanding claims as soon as possible; and
- To follow up on Fidentia and Chamber of Mines monies as soon as possible.

### **Challenges faced CCOD at the period( February 2007 to March 2009)**

- The CCOD has in 2003 compiled a list of 18 500 beneficiaries who are entitled to the R54m (R2700 per person).
- A total number of 11 200 (R32m) beneficiaries have been traced & compensated as from 2003 to March 2006 and about 7300 (R22m) beneficiaries are still to claim from the fund.
- It should be noted that most of the ex- miners who were certified to be having lung related diseases under the old act for the R54m have since died & the bulk of the R32m was paid to their respective beneficiaries.
- The in-laws of the deceased ex-miners do not qualify for compensation as stipulated in the Act (section 81. (1)). See the legal opinion from department's legal unit
- CCOD will be unable to deploy personnel to the Eastern Cape due the following reasons:
  - CCOD has capacity constraints in terms of personnel;
  - The beneficiaries of the ex-mineworkers are widely disbursed throughout the E C Province and this would require proper planning in terms of logistics before deployment of any staff.
  - CCOD was in the middle of an audit by the Auditor-General and all senior officials must be on-site to assist with the audit;
  - There is backlog that needs to be addressed before the end of financial year.

## **March 2009 to Date**

### **Present situation**

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- That an alternative opinion be sought regarding the non-payment of compensation to the daughters in-law;
- The Department of Health to deploy officials to the Eastern Cape to go to the people and compare / reconcile lists and finalise all outstanding claims as soon as possible
- The alternative legal opinion concerning payment of daughters in-laws was received and
- The Eastern Cape task team committee was form formed
- The Inter- Departmental task team was form, Department of labour was nominated to lead the team and the office of the premier Eastern Cape to Coordinate.
- Advocate Ngake become the representative for National Department of Health on the Inter Departmental Task Team.
- The Eastern Cape task Team agreed on the following operation sites:
- Municipal Offices in districts, Thusong Centres , Ex-Mine Workers Union offices were identified
- OTP Communication to engage with municipalities for the use of offices and officials for this project

In a meeting that was held on the 19 March 2009 at Kopanong conference centre with DG Health and Premier's office of the ECPA, officials from Department of

Health and ex-mine workers representatives, CCOD was mandated to re-consider paying beneficiaries that the ex-mine workers union had complained about especially daughters in-law who had proof that they were dependent on the diseased ex- mine-worker

However CCOD needed to have an official written mandate to pay daughters in law and a submission was written to the Minister requesting permission to pay as mandated and the approval was received.

## **APPROACH TO THE PROJECT**

A provincial task team committee comprising of the following stakeholders was formed:

- Office of the Premier
- Department of Labour
- CCOD/MBOD
- Ex-Mineworkers Union.
- Ex-Natal Coal and Gold Mineworkers Union

It was resolved that the provincial steering committee will meet on weekly basis (preferably on Mondays) to review progress of the milestones achieved and obstacles encountered in the process. The steering committee met as resolved and among discussion points were the following:

- Mobilising the beneficiaries;
- Identification of work stations;
- Create project awareness;
- Address problems encountered; and
- Making recommendations to the Interdepartmental Task Team
- Gazette closing off the project at 31 August 2009



The steering committee agreed to target the beneficiaries according to their district municipalities. The district municipalities were as follows:

DISTRICTS	TOWNS	<u>OPERATING SITES</u>	
		Ex-mine workers offices/ Municipal Offices and Thusong Centres	
OR Tambo	<ul style="list-style-type: none"> <li>• Bizana</li> <li>• Port st Johns</li> <li>• Ngquza</li> <li>• KSD</li> <li>• Mtlontlo</li> <li>• Qunu</li> <li>• Ntabankulu</li> <li>• Nyandeni</li> </ul>		<ul style="list-style-type: none"> <li>• Thombo MPCC in Port St Johns</li> <li>• Botha Sigcawu Comm. Office in KSD</li> <li>• Qumbu for Mhlontlo</li> </ul>
Amathole	<ul style="list-style-type: none"> <li>• Buffalo City</li> <li>• Amahlathi</li> <li>• Great Kei</li> <li>• Nkonkobe</li> <li>• Mquma</li> <li>• Mbashe</li> <li>• Ngqushwa</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal Office in Buffalo City</li> <li>• Ex-mine office in for Amahlathi</li> <li>• Butterworth ex-mine office for Mquma</li> </ul>	
Alfred Nzo	<ul style="list-style-type: none"> <li>• Mzikhulu</li> <li>• Mzimvubu(Mt Ayliff, Mt Fletcher, Mt Frere, Matatiele)</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal Office</li> </ul>	
Ukahlamba	<ul style="list-style-type: none"> <li>• Ulundi</li> <li>• Steinsburg</li> <li>• Herschel</li> </ul>		
Chris Hani	<ul style="list-style-type: none"> <li>• Ngcobo</li> <li>• Queenstown</li> <li>• Ntsika yethu</li> </ul>	<ul style="list-style-type: none"> <li>• Ex-mine office in Tsomo &amp;</li> </ul>	

	<ul style="list-style-type: none"> <li>• Emalahleni ( Lady frere,Indwe,Dodrecht)</li> <li>• Sakhi Sizwe</li> <li>• Tsolwane ( Takastad, Hoofmeyer)</li> </ul>	Stutterheim for Gcobo <ul style="list-style-type: none"> <li>• Lukanje Ex-mine workers office</li> <li>• Exmine workers office Cofimvaba &amp;Tsono for Intsikayethu</li> <li>• Cala exmine office for &amp; Elliot for Sakhisizwe</li> </ul>	
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## PROJECT MILESTONES

CCOD and MBOD deployed a total of seven (7) officials for 3 months to the province to embark on the project and the task of information gathering was commenced with on May 2009 starting at OR Tambo District. It was further agreed on the EC Steering Committee that Health staff be deployed in the province to wind up the activities on the 23<sup>rd</sup> of July 2009 till 30 August 2009

### Challenges during the period( May 2009 August 2009)

- Low turnout of ex-mineworkers or beneficiaries in certain areas as a result of claims that they are made to pay representatives of the ex-mineworkers union a fee of R250-00 to access services provided by CCOD.
- Division within the Ex-mineworkers Union

- Transport costs of the representatives of ex-mineworkers union.
- Complaints from the ex-miners union to be provided with food.
- General low turnout of beneficiaries.
- Inadequate communication of project.

Due to the challenges at the time, the gazette closing off the project was issued at the closing time of the project as per the gazette is 31 October 2009. The Department of Health is aware that the project is closed but because there are still beneficiaries coming forward to claim a decision that to continue to pay them was taken.

**Payments made from the 18500 list since 2003 is as follows:**

	2003 to 2006	2007/2008	2008/2009	2009/2010	2010 /2011	2011/2012
Total amount paid	R30,240,000	R337,800.00	R5,521,500,00	R1,709,100,00	R135,000,00	R110,700.00
No. of beneficiaries	11200	125	2045	633	50	41

**Challenges to date**

- The witnesses are not the family members as agreed at a Steering Committee
- Incomplete application forms and documentation
- Outstanding claimant's banking details
- Affidavits confirming the relationship of the claimant to the miner are prepared by tribal authorities of other districts
- Applications received without reference numbers delays the process and in some cases can never be matched

- Different claimants relating to one claim
- The ratio of fraudulent claims to authentic claims is increasing on a daily basis, which could be an indication that some of these miners on the original list never existed so the chance of the relatives coming forward is minimal